



ADP National Employment Report: Private Sector Employment Increased by 107,000 Jobs in January; Annual Pay was Up 5.2%

ROSELAND, N.J. – January 31, 2024 – Private sector employment increased by 107,000 jobs in January and annual pay was up 5.2 percent year-over-year, according to the January [ADP® National Employment Report](#)™ produced by the ADP Research Institute® in collaboration with the Stanford Digital Economy Lab (“Stanford Lab”). The ADP National Employment Report is an independent measure and high-frequency view of the private-sector labor market based on actual, anonymized payroll data of more than 25 million U.S. employees.

The jobs report and pay insights use ADP’s fine-grained anonymized and aggregated payroll data to provide a representative picture of the private-sector labor market. The report details the current month’s total private employment change, and weekly job data from the previous month. Because the underlying ADP payroll databases are continuously updated, the report provides a high-frequency, near real-time measure of U.S. employment. This measure reflects the number of employees on ADP client payrolls (Payroll Employment) to provide a richer understanding of the labor market. ADP’s pay measure uniquely captures the earnings of a cohort of almost 10 million employees over a 12-month period.

“Progress on inflation has brightened the economic picture despite a slowdown in hiring and pay,” said Nela Richardson, chief economist, ADP. “Wages adjusted for inflation have improved over the past six months, and the economy looks like it’s headed toward a soft landing in the U.S. and globally.”

January 2024 Report Highlights*

View the *ADP National Employment Report* and interactive charts at www.adpemploymentreport.com.

JOBS REPORT

Private employers added 107,000 jobs in January

The hiring slowdown of 2023 spilled into January, and pressure on wages continues to ease. The pay premium for job-switchers shrank to a new low last month.

Change in U.S. Private Employment: **107,000**

Change by Industry Sector

- | | |
|----------------------------------|---------------|
| • Goods-producing: | 30,000 |
| ○ Natural resources/mining | 6,000 |
| ○ Construction | 22,000 |
| ○ Manufacturing | 2,000 |
| • Service-providing: | 77,000 |
| ○ Trade/transportation/utilities | 23,000 |
| ○ Information | -9,000 |
| ○ Financial activities | 7,000 |
| ○ Professional/business services | 2,000 |

○ Education/health services	17,000
○ Leisure/hospitality	28,000
○ Other services	9,000

Change by U.S. Regions

• Northeast:	32,000
○ New England	5,000
○ Middle Atlantic	27,000
• Midwest:	24,000
○ East North Central	17,000
○ West North Central	7,000
• South:	57,000
○ South Atlantic	39,000
○ East South Central	-1,000
○ West South Central	19,000
• West:	2,000
○ Mountain	2,000
○ Pacific	0

Change by Establishment Size

• Small establishments:	25,000
○ 1-19 employees	19,000
○ 20-49 employees	6,000
• Medium establishments:	61,000
○ 50-249 employees	53,000
○ 250-499 employees	8,000
• Large establishments:	31,000
○ 500+ employees	31,000

PAY INSIGHTS

Pay gains continued to shrink in January

Year-over-year pay gains for job-stayers reached 5.2 percent in January, down from 5.4 percent in December. For job-changers, pay was up 7.2 percent, the smallest annual gain since May 2021.

Median Change in Annual Pay (ADP matched person sample)

• Job-Stayers	5.2%
• Job-Changers	7.2%

Median Change in Annual Pay for Job-Stayers by Industry Sector

• Goods-producing:	
○ Natural resources/mining	4.7%
○ Construction	5.6%
○ Manufacturing	4.8%
• Service-providing:	
○ Trade/transportation/utilities	4.7%
○ Information	4.5%
○ Financial activities	5.6%
○ Professional/business services	5.1%
○ Education/health services	5.9%

- Leisure/hospitality 6.3%
- Other services 5.5%

Median Change in Annual Pay for Job-Stayers by Firm Size

- **Small firms:**
 - 1-19 employees 4.5%
 - 20-49 employees 5.4%
- **Medium firms:**
 - 50-249 employees 5.5%
 - 250-499 employees 5.4%
- **Large firms:**
 - 500+ employees 5.1%

To see Pay Insights by U.S. State, Gender, and Age for Job-Stayers, visit [here](#):

* Sum of components may not equal total, due to rounding.

The December total of jobs added was revised from 164,000 to 158,000. The historical data file, and weekly data for the previous month, is available at <https://adpemploymentreport.com/>.

January's report presents the scheduled annual revision of the ADP National Employment Report, which updates the data series to be consistent with the annual Quarterly Census of Employment and Wages (QCEW) benchmark data for March 2023. In addition, this revision introduces technical updates, namely, in re-weighting of ADP data to match QCEW data. The historical file was updated to reflect these revisions.

To subscribe to monthly email alerts or obtain additional information about the ADP National Employment Report, including employment and pay data, interactive charts, methodology, and a calendar of release dates, please visit <https://adpemploymentreport.com/>.

The February 2024 *ADP National Employment Report* will be released at 8:15 a.m. ET on March 6, 2024.

About the ADP® National Employment Report™

The ADP National Employment Report is an independent measure of the change in U.S. private employment and pay derived from actual, anonymized payroll data of client companies served by ADP, a leading provider of human capital management solutions. The report is produced by ADP Research Institute in collaboration with the Stanford Digital Economy Lab.

The ADP National Employment Report is broadly distributed to the public each month, free of charge, as part of the company's commitment to offering deeper insights of the U.S. labor market and providing businesses and governments with a source of credible and valuable information.

About the ADP Research Institute®

The ADP Research Institute delivers data-driven discoveries about the world of work and derives reliable economic indicators from these insights. We offer these findings as a unique contribution to making the world of work better and more productive by delivering actionable insights to the economy at large.

About ADP (NASDAQ – ADP)

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ADP-Media

Media Contact:

Joanna DiNizio

ADP, Inc.

(973) 369-8167

joanna.dinizio@adp.com