

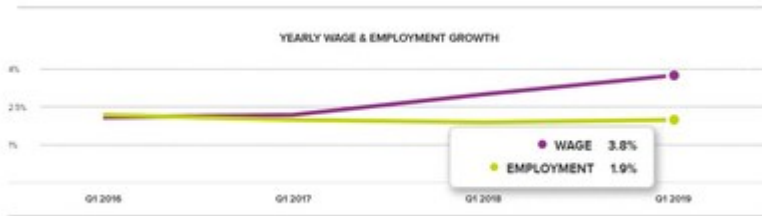


U.S. Wage Growth Accelerated from 3.4 Percent to 3.8 Percent Annually; Majority of U.S. Workers Received Wage Increases While Employment Growth was Flat

April 24, 2019

New entrants saw strong wage growth in finance (8 percent) and professional services (5.4 percent)

ROSELAND, N.J., April 24, 2019 /PRNewswire/ -- Wages for U.S. workers grew 3.8 percent over the last year, increasing the average wage level by \$1.04 to \$28.40 an hour, according to the ADP Research Institute® [Workforce Vitality Report](#) (WVR) released today. The growth, accelerating from 3.4 percent to 3.8 percent annual as of March 2019, was driven by strong wage gains for workers in the manufacturing industry, representing 10 percent of the workforce (3.9 percent wage growth, \$29.55 average hourly wage) and trade, representing 22 percent of the workforce (4.9 percent wage growth, \$25.27 average hourly wage). The West (4.2 percent, \$30.50) and large businesses (4.9 percent, \$29.51) also contributed.



"As employment growth slows and wages accelerate for both job holders and job switchers, all signs point to a scarcity of skilled talent in the labor market," said Ahu Yildirmaz, co-head of the ADP Research Institute. "This trend is further evidenced by the significant wage growth we've seen for new entrants in most industries, which is great news for college graduates poised to enter the workforce this spring."

Job switchers in the information industry continued to lead the way for both wage level and wage growth with a wage level of \$44.45 and growth of 11.3 percent. Job switchers in professional and business services and construction also realized high wage growth of 8.5 and 8.6 percent, respectively. In trade, the largest sector, job holders experienced stronger growth in wages than the workers who switched to the industry, 5.1 percent versus 3.9 percent but lagged in employment growth with only a paltry 0.7 percent annually.

Table 1: Wage and Employment Growth by Industry – March 2019

Industry	Wages	YOY Wage Growth				Yearly Growth	
		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-ALL-	\$28.40	3.8%	4.8%	4.4%	5.6%	1.9%	20.7%
Goods							
Construction	\$28.38	3.0%	5.0%	2.3%	8.6%	5.1%	15.4%
Manufacturing	\$29.55	3.9%	4.8%	3.6%	5.9%	1.6%	18.8%
Resources and Mining	\$35.00	0.4%	4.7%	8.5%	3.3%	7.2%	9.8%
Services							
Information	\$41.23	3.4%	5.1%	-1.1%	11.3%	1.6%	19.3%
Finance and Real Estate	\$33.55	3.7%	4.9%	8.0%	6.1%	1.2%	18.5%
Professional and Business Services	\$36.09	3.6%	4.5%	5.4%	8.5%	2.5%	24.2%
Education and Health Services	\$27.11	3.6%	4.3%	4.2%	3.7%	2.3%	19.3%
Leisure and Hospitality	\$17.43	4.1%	6.0%	5.9%	-1.6%	2.3%	23.6%
Trade, Transportation, and Utilities	\$25.27	4.9%	5.1%	4.4%	3.9%	0.7%	21.8%

Workers in the West outpaced other regions with 4.2 percent wage growth and had the highest employment growth at 4.2 percent. Job switchers also fared best in the West experiencing a wage growth of 7.8 percent. The Northeast experienced a negative employment growth of 0.3 percent, the worst among the regions. Workers in the South had the lowest wage growth at 3.6 percent. By firm size, workers at large firms had the highest wage growth rate at 4.9 percent, with employment growth at 3.2 percent.

Table 2: Wage and Employment Growth by Region and Firm Size – March 2019

Region	Wages	YOY Wage Growth	Yearly Growth
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		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-USA-	\$28.40	3.8%	4.8%	4.4%	5.6%	1.9%	20.7%
MIDWEST	\$26.42	4.0%	4.6%	3.4%	4.3%	1.2%	19.7%
NORTHEAST	\$32.05	3.7%	4.8%	5.1%	6.1%	-0.3%	22.0%
SOUTH	\$26.53	3.6%	4.8%	3.7%	4.7%	2.1%	20.5%
WEST	\$30.50	4.2%	5.0%	5.5%	7.8%	4.2%	21.0%
Company Size							
-ALL-	\$28.40	3.8%	4.8%	4.4%	5.6%	1.9%	20.7%
49 or less	\$26.13	2.5%	4.2%	3.2%	4.5%	0.8%	14.7%
50 to 499	\$28.52	3.2%	4.9%	5.1%	5.7%	0.8%	22.7%
500 to 999	\$29.63	3.3%	5.4%	4.2%	5.3%	3.2%	21.3%
1000 or more	\$29.51	4.9%	5.0%	4.8%	5.8%	3.2%	23.5%

To see detailed workforce vitality components for the first quarter of 2019, including data broken down by region, firm size, industry, gender, and age, visit <http://workforcereport.adp.com/>. The second quarter 2019 *ADP Workforce Vitality Report* will be released on Wednesday, July 24, 2019

About the *ADP Workforce Vitality Report*

The *ADP Workforce Vitality Report (WVR)* was developed by the ADP Research Institute (ADPRI). It is an unprecedented, in-depth monthly analysis (published quarterly) of the vitality of the U.S. labor market based on actual data that identifies labor market trends and dynamics across multiple dimensions. These dimensions include employment growth, job switching, wage growth and hours worked. In addition to the macro data presented in the report, there are also segment-specific findings by industry, state, gender, age, experience, and pay level. Established in October 2014, the report methodology was updated in April 2018 utilizing monthly data to include additional data points and deeper insights. For more information about the report, please visit <http://workforcereport.adp.com/>.

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