

ADP National Employment Report: Private Sector Employment Increased by 235,000 Jobs in December; Annual Pay was Up 7.3%

ROSELAND, N.J., Jan. 5, 2023 /PRNewswire/ -- Private sector employment increased by 235,000 jobs in December and annual pay was up 7.3 percent year-over-year, according to the December [ADP® National Employment Report™](#) produced by the ADP Research Institute® in collaboration with the Stanford Digital Economy Lab ("Stanford Lab").

The jobs report and pay insights use ADP's fine-grained anonymized and aggregated payroll data of over 25 million U.S. employees to provide a representative picture of the labor market. The report details the current month's total private employment change, and weekly job data from the previous month. ADP's pay measure uniquely captures the earnings of a cohort of almost 10 million employees over a 12-month period.

"The labor market is strong but fragmented, with hiring varying sharply by industry and establishment size," said Nela Richardson, chief economist, ADP. "Business segments that hired aggressively in the first half of 2022 have slowed hiring and in some cases cut jobs in the last month of the year."

December 2022 Report Highlights*

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

Jobs Report

Private employers added 235,000 jobs in December

Job resurgence was seen in the last two months of 2022 led by consumer-facing service industries. Hiring was strong across small and medium establishments while large establishments saw a drop in employment of 151,000 jobs.

Change in U.S. Private Employment: 235,000

Change by Industry Sector

- Goods-producing: 22,000

- Natural resources/mining -14,000
- Construction 41,000
- Manufacturing -5,000

- Service-providing: 213,000

- Trade/transportation/utilities -24,000
- Information 1,000
- Financial activities -12,000
- Professional/business services 52,000
- Education/health services 42,000
- Leisure/hospitality 123,000

- Other services 31,000

Change by U.S. Regions

- Northeast: 54,000

- New England 2,000
- Middle Atlantic 52,000

- Midwest: 70,000

- East North Central 61,000
- West North Central 9,000

- South: 253,000

- South Atlantic 165,000
- East South Central 19,000
- West South Central 69,000

- West: -142,000

- Mountain -119,000
- Pacific -23,000

Change by Establishment Size

- Small establishments: 195,000

- 1-19 employees 65,000
- 20-49 employees 130,000

- Medium establishments: 191,000

- 50-249 employees 159,000
- 250-499 employees 32,000

- Large establishments: -151,000

- 500+ employees -151,000

Pay Insights

December saw the lowest pay growth since March 2022

December ushered in the largest decline in pay growth for job stayers in the three-year series history. Leisure and hospitality; trade, transportation and utilities; and information sectors had the sharpest declines in pay gains. Job changers' pay growth also fell to the lowest level in 10 months.

Median Change in Annual Pay (ADP matched person sample)

- Job-Stayers 7.3%

- Job-Changers 15.2%

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

- Goods-producing:

- Natural resources/mining 7.8%
- Construction 6.9%
- Manufacturing 7.3%

- Service-providing:

- Trade/transportation/utilities 7.5%
- Information 7.0%
- Financial activities 7.5%
- Professional/business services 6.6%
- Education/health services 7.0%
- Leisure/hospitality 10.1%
- Other services 6.7%

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

- Small firms:

- 1-19 employees 5.4%
- 20-49 employees 6.9%

- Medium firms:

- 50-249 employees 7.6%
- 250-499 employees 7.6%

- Large firms:

- 500+ employees 7.7%

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 historical data file, and weekly data for the previous month, is available at <https://adpemploymentreport.com/>.

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 January 2023 *ADP National Employment Report* will be released at 8:15 a.m. ET on February 1, 2023.

About the *ADP® National Employment Report™*

The ADP National Employment Report is an independent estimate 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.

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For further information: Joanna DiNizio, ADP, Inc., (973) 369-8167, joanna.dinizio@adp.com

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