

## ADP National Employment Report: Private Sector Employment Increased by 242,000 Jobs in February; Annual Pay was Up 7.2%

ROSELAND, N.J., March 8, 2023 /PRNewswire/ -- Private sector employment increased by 242,000 jobs in February and annual pay was up 7.2 percent year-over-year, according to the February [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.

"There is a tradeoff in the labor market right now," said Nela Richardson, chief economist, ADP. "We're seeing robust hiring, which is good for the economy and workers, but pay growth is still quite elevated. The modest slowdown in pay increases, on its own, is unlikely to drive down inflation rapidly in the near-term."

### **February 2023 Report Highlights\***

View the *ADP National Employment Report* and interactive charts at [www.adpemploymentreport.com](http://www.adpemploymentreport.com).

### **Jobs Report**

#### **Private employers added 242,000 jobs in February**

Job gains are solid and wage growth remains elevated. A particular area of weakness is with small establishments, which shed jobs every month since August 2022.

**Change in U.S. Private Employment: 242,000**

#### **Change by Industry Sector**

**- Goods-producing: 52,000**

- Natural resources/mining 25,000
- Construction -16,000
- Manufacturing 43,000

**- Service-providing: 190,000**

- Trade/transportation/utilities 3,000
- Information 9,000
- Financial activities 62,000
- Professional/business services -36,000
- Education/health services 35,000
- Leisure/hospitality 83,000
- Other services 34,000

#### **Change by U.S. Regions**

**- Northeast: 37,000**

- New England 2,000
- Middle Atlantic 35,000

**- Midwest: -12,000**

- East North Central -35,000
- West North Central 23,000

**- South: 94,000**

- South Atlantic 40,000

- East South Central 35,000
- West South Central 19,000

- **West: 128,000**

- Mountain 29,000
- Pacific 99,000

### **Change by Establishment Size**

- **Small establishments: -61,000**

- 1-19 employees -56,000
- 20-49 employees -5,000

- **Medium establishments: 148,000**

- 50-249 employees 77,000
- 250-499 employees 71,000

- **Large establishments: 160,000**

- 500+ employees 160,000

### **Pay Insights**

#### **Pay growth slowed in February**

Pay growth for job stayers slowed to 7.2 percent in February, the slowest pace of gains in 12 months. Pay growth decelerated for job changers, too, falling to 14.3 percent from 14.9 percent.

#### **Median Change in Annual Pay (ADP matched person sample)**

- **Job-Stayers 7.2%**

- **Job-Changers 14.3%**

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

- **Goods-producing:**

- Natural resources/mining 7.8%
- Construction 7.1%
- Manufacturing 7.1%

- **Service-providing:**

- Trade/transportation/utilities 7.4%
- Information 6.5%
- Financial activities 7.3%
- Professional/business services 6.5%
- Education/health services 7.2%
- Leisure/hospitality 10.1%
- Other services 6.8%

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

- **Small firms:**

- 1-19 employees 5.6%
- 20-49 employees 7.1%

- **Medium firms:**

- 50-249 employees 7.5%
- 250-499 employees 7.4%

- **Large firms:**

- 500+ employees 7.5%

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 January total of jobs added was revised from 106,000 to 119,000. 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 March 2023 ADP National Employment Report will be released at 8:15 a.m. ET on April 5, 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](mailto:joanna.dinizio@adp.com)

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