

ADP National Employment Report: Private Sector Employment Increased by 164,000 Jobs in December; Annual Pay was Up 5.4%

ROSELAND, N.J., Jan. 4, 2024 /PRNewswire/ -- Private sector employment increased by 164,000 jobs in December and annual pay was up 5.4 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 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.

"We're returning to a labor market that's very much aligned with pre-pandemic hiring," said Nela Richardson, chief economist, ADP. "While wages didn't drive the recent bout of inflation, now that pay growth has retreated, any risk of a wage-price spiral has all but disappeared."

December 2023 Report Highlights*

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

JOBS REPORT

Private employers added 164,000 jobs in December

Job gains rose for the fourth straight month, led by a healthy bump in leisure and hospitality hiring. Construction held strong in the face of high interest rates, but manufacturing continued to struggle, notching another month of losses.

Change in U.S. Private Employment: 164,000

Change by Industry Sector

- Goods-producing: 9,000

- Natural resources/mining -2,000
- Construction 24,000
- Manufacturing -13,000

- Service-providing: 155,000

- Trade/transportation/utilities 15,000
- Information -2,000
- Financial activities 18,000
- Professional/business services 1,000
- Education/health services 42,000
- Leisure/hospitality 59,000
- Other services 22,000

Change by U.S. Regions

- Northeast: 94,000

- New England 28,000
- Middle Atlantic 66,000

- Midwest: -21,000

- East North Central -16,000

- West North Central -5,000

- South: -7,000

- South Atlantic -3,000
- East South Central -6,000
- West South Central 2,000

- West: 109,000

- Mountain 29,000
- Pacific 80,000

Change by Establishment Size

- Small establishments: 74,000

- 1-19 employees 54,000
- 20-49 employees 20,000

- Medium establishments: 53,000

- 50-249 employees 58,000
- 250-499 employees -5,000

- Large establishments: 40,000

- 500+ employees 40,000

PAY INSIGHTS

Pay growth slowed in December

Pay for job-stayers rose 5.4 percent in December, slowing from 5.6 percent a month earlier and continuing a deceleration that began in September 2022.

Median Change in Annual Pay (ADP matched person sample)

- Job-Stayers 5.4%

- Job-Changers 8.0%

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

- Goods-producing:

- Natural resources/mining 4.9%
- Construction 6.0%
- Manufacturing 5.1%

- Service-providing:

- Trade/transportation/utilities 5.2%
- Information 4.8%
- Financial activities 5.9%
- Professional/business services 5.2%
- Education/health services 5.9%
- Leisure/hospitality 6.4%
- Other services 5.6%

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

- Small firms:

- 1-19 employees 4.6%
- 20-49 employees 5.6%

- Medium firms:

- 50-249 employees 5.7%
- 250-499 employees 5.5%

- Large firms:

- 500+ employees 5.4%

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 November total of jobs added was revised from 103,000 to 101,000. 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 January 2024 *ADP National Employment Report* will be released at 8:15 a.m. ET on January 31, 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.

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