

Wage Gains Continue for Workers of U.S. Small Businesses; Job Growth Moderates Slightly in April

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FULL TEXT

ROCHESTER, N.Y., May 3, 2022 /PRNewswire/ -- Hourly earnings growth accelerated for the eleventh consecutive month for workers of U.S. small businesses, according to the latest Paychex | IHS Markit Small Business Employment Watch. National small business job growth also remained strong, despite a slight moderation of 0.14 percent. The national jobs index for April was 101.14, an increase of 2.85 percent from a year ago. Average hourly earnings stood at \$30.10, up 4.85 percent year-over-year.

"April saw a modest slowing in job gains as the labor market remains very tight," said James Diffley, chief regional economist at IHS Markit.

"The state of small business employment remains strong, with wages increasing for 11 consecutive months and job growth near an eight-year high," said Martin Mucci, Paychex CEO. "Texas continues to set the pace among states and metro markets. Texas led all states in small business employment growth and achieved record high hourly earnings growth in April, driven by Dallas' eighth consecutive month as the top-performing metro in both categories."

The ongoing economic boom in the state of Texas will be explored further in an upcoming two-part virtual roundtable, Paychex Spotlight on Texas. As part of the event, Paychex is bringing together subject matter experts, including both business and government officials in Texas, to provide up-to-date information on programs and opportunities to assist Texas business owners in managing and growing their businesses. Speakers will include: John Scott, Texas Secretary of State; Bryan Daniel, Chairman of the Texas Workforce Commission; Geoffrey Tahuahua, President of the Associated Builders and Contractors (ABC) of Texas; and Cindy Ramos-Davidson, CEO of El Paso Hispanic Chamber of Commerce, among others.

In further detail, the April report showed:

- At 101.14, the national index remains near its historic peak set in January 2022.
- The South reclaimed the top spot for small business job growth by region, Texas was the highest-ranking state, and Dallas continued as the top metro for the eighth consecutive month.
- Nationally, hourly earnings growth improved to 4.85 percent, its eleventh consecutive increase.
- Annual weekly earnings growth grew to above four percent, the second consecutive increase.
- The West and South lead regions with hourly earnings growth above five percent.
- Ohio and North Carolina have the highest rates of hourly earnings growth, both above six percent.
- Leisure and hospitality leads the industry sectors in both small business job growth and hourly earnings growth by a significant margin.

Paychex solutions reach 1 in 12 American private-sector employees, making the Small Business Employment Watch an industry benchmark. Drawing from the payroll data of approximately 350,000 Paychex clients with fewer than 50 employees, the monthly report offers analysis of national employment and wage trends, as well as examines regional, state, metro, and industry sector activity.

The complete results for April, including interactive charts detailing all data, are available at www.paychex.com/watch. Highlights are available below.

National Jobs Index

- At 101.14 in April, the national index has signaled strong small business employment growth with levels above 101 for the first four months in 2022.
- After eight consecutive gains from June 2021 through January 2022, the national index held steady in February, moderated slightly in March (-0.03 percent) and April (-0.14 percent).
- The pace of small business growth remains near an eight-year high despite slowing in March and April.
- The national index increased 2.85 percent year-over-year, from 98.34 in April 2021 to 101.14 in April 2022.

National Wage Report

- At \$30.10 per hour, hourly earnings have increased 4.85 percent (\$1.39 per hour) since April 2021.
- The hourly earnings growth rate improved for the eleventh consecutive month, from 2.75 percent in May 2021 to 4.85 percent in April 2022.
- After a slight downturn in January and February, weekly earnings growth quickly improved in March and April to a current rate of 4.39 percent. One-month annualized growth in March and April averaged 7.22 percent.

Regional Jobs Index

- The South retook the lead among regions (101.51) and was the only region to improve in April (0.03 percent).
- The West slowed 0.25 percent in April, most among regions, but remains strong at 101.35.
- At 100.24, the Midwest is nearly one point lower than the national index (101.14), while all other regions are trending above the national index.

Regional Wage Report

- The West (5.21 percent) and the South (5.17 percent) lead regions with hourly earnings growth exceeding five percent. The Northeast trails at 4.28 percent hourly earnings growth.
- Weekly earnings growth in the West (4.68 percent) overtook the South (4.62 percent) for the top spot among regions.
- The Northeast is last among regions in earnings growth and first in hours worked growth; the opposite is true for the West region.

State Jobs Index

- Texas held its rate of small business employment growth (-0.02 percent) to regain the top spot among states with an index of 102.89. North Carolina (102.75) and Georgia (102.32) also have strong indexes above 102.
- Maryland had the best one-month change rate among states in April (0.81 percent) and has improved for seven consecutive months, from 97.58 in September 2021 to 101.04 in April 2022.
- Arizona had the weakest one-month change rate among states in both March (-0.73 percent) and April (-1.02 percent).

Note: Analysis is provided for the 20 largest states based on U.S. population.

State Wage Report

- North Carolina (6.17 percent) and Ohio (6.09 percent) lead states with hourly earnings growth topping six percent in April.
- Pennsylvania and Virginia are the only two states that have hourly earnings growth below four percent.
- Texas hit record high hourly earnings growth (5.12 percent) as well as weekly earnings growth (5.18 percent) in April.

Note: Analysis is provided for the 20 largest states based on U.S. population.

Metropolitan Jobs Index

- The top metro for the eighth consecutive month, Dallas improved its pace of hiring 0.24 percent in April bringing its index to 105.37. Dallas is nearly three points higher than the second and third-ranked metros, Atlanta (102.47) and Miami (102.16).
- Ranked first among metros from February 2021 through August 2021, Tampa has slowed in six of the last seven months plummeting to 18th among metros.
- At 100.80, Phoenix slowed 1.12 percent in April, worst among metros, and is essentially flat year-over-year (0.06 percent).

Note: Analysis is provided for the 20 largest metro areas based on U.S. population.

Metropolitan Wage Report

- At 6.09 percent and first among metros in April, hourly earnings growth in Dallas hit a new record level for the ninth straight month. Dallas boasts the strongest hourly earnings and employment growth.
- Florida metros Miami (5.68 percent) and Tampa (5.58 percent) lead in weekly earnings growth. Texas metros Dallas (5.21 percent) and Houston (5.06 percent) are also above five percent and among the top five.
- New York reported hourly earnings growth of 4.11 percent and ranks in the bottom three among metros (Philadelphia and Washington are below four percent).

Note: Analysis is provided for the 20 largest metro areas based on U.S. population.

Industry Jobs Index

- Leisure and hospitality (105.22) had the largest slowdown for the third consecutive month, -0.82 percent, though its small business employment growth rate remains well ahead of other sectors.

- Education and health services was the only sector to improve in April gaining 0.19 percent. At 100.35, education and health services has increased its rate of small business employment growth nine out of the last ten months.
- At 99.54, Manufacturing slowed to below 100 for the first month since October 2021.

Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found [here](#). The other services (except public administration) industry category includes religious, civic, and social organizations, as well as personal services, including automotive and household repair, salons, drycleaners, and other businesses.

Industry Wage Report

- Leisure and hospitality leads sectors in growth for hourly earnings (8.94 percent) and weekly earnings (7.86 percent).
- Construction leads sectors in 12-month weekly hours worked growth (0.37 percent), improving for the ninth consecutive month.
- Hourly earnings growth education and health services (3.77 percent) in April reached a new record level since reporting began in 2011, yet is last among sectors.

Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found [here](#). The other services (except public administration) industry category includes religious, civic, and social organizations, as well as personal services, including automotive and household repair, salons, drycleaners, and other businesses.

For more information about the Paychex | IHS Markit Small Business Employment Watch, visit www.paychex.com/watch and [sign up](#) to receive monthly Employment Watch alerts.

**Information regarding the professions included in the industry data can be found at the [Bureau of Labor Statistics website](#).*

About the Paychex | IHS Markit Small Business Employment Watch

The Paychex | IHS Markit Small Business Employment Watch is released each month by Paychex, Inc., a leading provider of integrated human capital management software solutions for human resources, payroll, benefits, and insurance services, and IHS Markit, a world leader in critical information, analytics, and expertise. Focused exclusively on small business with fewer than 50 employees, the monthly report offers analysis of national employment and wage trends, as well as examines regional, state, metro, and industry sector activity. Drawing from the payroll data of approximately 350,000 Paychex clients, this powerful tool delivers real-time insights into the small business trends driving the U.S. economy.

About Paychex

Paychex, Inc. (Nasdaq: PAYX) is a leading provider of integrated human capital management software solutions for human resources, payroll, benefits, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by 50 years of industry expertise, Paychex served more than 710,000 payroll clients as of May 31, 2021 in the U.S. and Europe, and pays one out of every 12 American private sector employees. Learn more about Paychex by visiting paychex.com and

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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