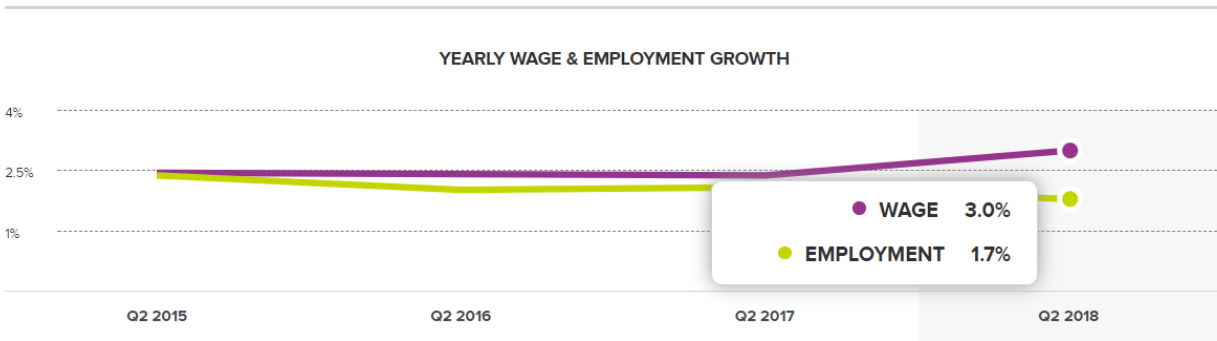




## U.S. Wages Grew 3.0 Percent Over the Past Year, Large Firms Experienced Accelerated Wage Growth

*Annual job-switching rate slowed slightly to 20.7 percent from 21.2 percent while wage growth for job switchers accelerated to 4.8 percent from 4.1 percent*

**ROSELAND, N.J. – JULY 25, 2018** – Wages for U.S. workers grew 3.0 percent over the last year, increasing the average wage level by \$0.80 to \$27.46 an hour, according to the ADP Research Institute® [Workforce Vitality Report](#) (WVR) released today. The growth, steady at 3.0 percent annual as of June 2018, was driven by strong wage gains for workers in the professional and business services industry representing almost 17 percent of the workforce (3.4 percent wage growth, \$35.04 average hourly wage), in the Northeast (3.5 percent, \$30.88) and from large businesses (3.5 percent, \$28.50). Employees in the resources and mining industry saw their wages decrease (-3.7 percent, \$33.84) and businesses with 500-999 employees experienced the slowest wage growth (1.6 percent, \$28.73).



Yearly U.S. wage and employment growth according to the ADP Workforce Vitality Report by the ADP Research Institute.

“We’re seeing interesting shifts in labor-market dynamics this quarter,” said Ahu Yildirmaz, co-head of the ADP Research Institute. “Employment growth for new entrants has dipped to -0.1 percent, while it has increased by 4.5 percent for those who are 55 and older. In addition, job switchers who are 55 and older are seeing wage growth of 6.3 percent which is 1.5 percent higher than the prime workforce group who are 35-54. This shift suggests employers are searching far-and-wide for skilled talent and workers who were once sitting on the sidelines have begun to return to the labor market in response.”

Among industries, information continued to lead the way for both wage level and wage growth. In addition to the top overall wage growth number of 5.5 percent, new entrants into the information field had 6.8 percent wage growth. Those who successfully switched positions to the information industry had wage growth of 9.4 percent. Employment in the information industry improved to 1.7 percent.

Job switchers in professional and business services and construction also realized high wage growth of 9.1 and 7.1 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 3.4 percent.

**Table 1: Wage and Employment Growth by Industry – June 2018**

Industry	Wages	YOY Wage Growth				Yearly Growth	
		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-ALL-	\$27.46	3.0%	4.9%	4.5%	4.8%	1.7%	20.7%
<b>Goods</b>							
Resources and Mining	\$33.84	-3.7%	4.6%	-1.1%	1.5%	5.6%	11.5%
Construction	\$27.46	2.0%	5.2%	5.5%	7.1%	3.4%	16.3%
Manufacturing	\$28.58	2.7%	5.0%	7.9%	4.9%	1.5%	16.7%
<b>Services</b>							
Trade, Transportation, and Utilities	\$24.21	3.1%	5.1%	4.6%	3.4%	0.9%	21.9%
Information	\$41.77	5.5%	5.9%	6.8%	9.4%	1.7%	17.2%
Finance and Real Estate	\$32.32	2.5%	4.8%	-0.4%	5.7%	1.5%	18.5%
Professional and Business Services	\$35.04	3.4%	5.0%	6.1%	9.1%	1.2%	24.0%
Education and Health Services	\$26.23	2.9%	4.0%	2.3%	1.2%	2.2%	19.9%
Leisure and Hospitality	\$16.73	3.8%	6.2%	4.0%	-1.6%	2.4%	24.6%

Workers in the Northeast outpaced other regions with 3.5 percent wage growth. Employees who switched jobs to the West experienced 8.6 percent wage growth. Workers in the South had the lowest wage growth at 2.6 percent. By firm size, workers at large firms had the highest wage growth rate at 3.5 percent, with employment growth at 2.2 percent.

**Table 2: Wage and Employment Growth by Region and Firm Size – June 2018**

Region	Wages	YOY Wage Growth				Yearly Growth	
		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-USA-	\$27.46	3.0%	4.9%	4.5%	4.8%	1.7%	20.7%
MIDWEST	\$25.44	2.8%	4.6%	4.0%	2.1%	1.0%	19.6%
NORTHEAST	\$30.88	3.5%	5.0%	4.9%	5.8%	1.2%	22.0%
SOUTH	\$25.78	2.6%	4.6%	3.6%	3.5%	1.8%	20.5%
WEST	\$29.45	3.4%	5.6%	5.9%	8.6%	2.6%	20.9%
<b>Company Size</b>							
-ALL-	\$27.46	3.0%	4.9%	4.5%	4.8%	1.7%	20.7%
49 or less	\$25.29	2.6%	4.3%	3.6%	5.7%	0.6%	14.7%
50 to 499	\$27.63	2.8%	5.0%	4.9%	4.6%	1.9%	22.6%
500 to 999	\$28.73	1.6%	5.1%	3.9%	3.8%	2.2%	21.3%
1000 or more	\$28.50	3.5%	5.2%	4.9%	4.7%	2.2%	23.5%

The WVR also revealed that more than 20.7 percent of U.S. employees successfully switched firms in the last year. The highest level of switching was from the information industry to the professional and business services industry. Of all the information workers who switched firms, 30 percent switched to the professional and business services industry.

**Table 3: Switchers' Movement by Industry – June 2018**

Industry from	Industry to								
	CONST	EDUCH	FINRE	INFO	LEISH	MFG	PROFE	RESM	TRADE
Construction	45.4%	5.0%	4.8%	0.6%	11.0%	4.6%	11.8%	0.3%	13.9%
Education and Health Services	1.4%	62.0%	3.9%	0.6%	6.9%	2.2%	10.4%	0.0%	9.2%
Finance and Real Estate	4.4%	14.5%	31.4%	1.5%	9.2%	3.2%	17.5%	0.1%	15.9%
Information	2.3%	9.6%	6.2%	12.9%	7.7%	5.8%	29.8%	0.2%	23.1%
Leisure and Hospitality	3.5%	8.8%	3.4%	0.8%	51.3%	2.7%	11.1%	0.1%	15.8%
Manufacturing	5.1%	6.7%	2.6%	1.4%	6.7%	32.4%	15.5%	0.4%	27.3%
Professional and Business Services	3.6%	11.9%	6.1%	3.2%	8.5%	6.7%	40.7%	0.2%	16.9%
Resources and Mining	8.5%	2.4%	4.4%	0.9%	2.2%	12.3%	18.9%	27.4%	22.3%
Trade, Transportation, and Utilities	3.2%	9.6%	4.2%	1.5%	11.7%	7.8%	13.7%	0.2%	45.4%

To see detailed workforce vitality components for the second quarter of 2018, including data broken down by region, firm size, industry, gender, and age, visit <http://workforcereport.adp.com/>. The third quarter 2018 *ADP Workforce Vitality Report* will be released on Wednesday, October 24, 2018

#### **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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