

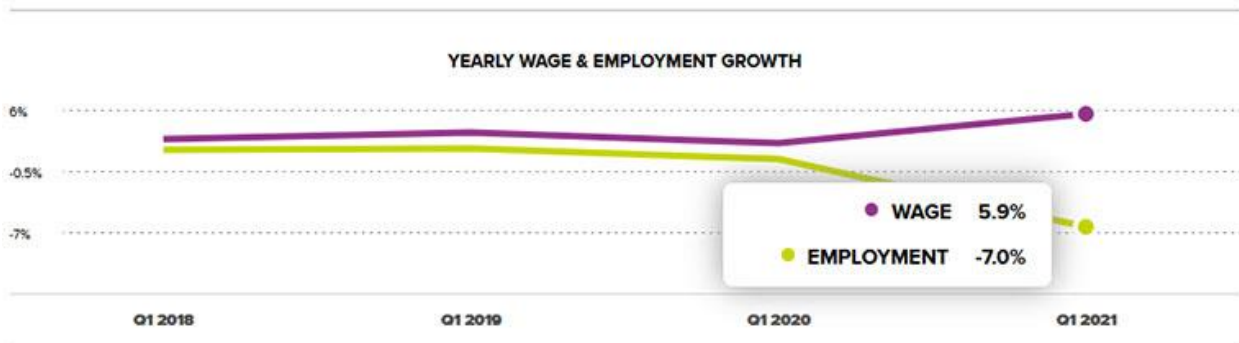


U.S. Job Switching Rate Declines by 2.0 Percentage Points Since March 2020; Wages Grew 5.9 Percent Due to Low Wage Job Loss

*Employment growth **dropped** by 7.0 percent, though the pace has slowed*

ROSELAND, N.J. – APRIL 28, 2021 – U.S. job switching rate declines 2.0 percentage points since the start of the pandemic in March 2020, while wages for U.S. workers grew 5.9 percent over the last year, increasing the average wage level by \$1.71 to \$30.84 an hour according to the ADP Research Institute® [Workforce Vitality Report](#) (WVR) released today. Employment growth demonstrated a continued downward slide by -7.0 percent. The average wage growth is higher than expected as a result of significant job losses among low wage earners, which increased the average.

Chart 1: Yearly Wage & Employment Growth – March 2021



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

“The significance of this data is a pre- and post-pandemic assessment of the labor market, from March 2020 compared to one year later in March 2021,” said Nela Richardson, chief economist, ADP. “Our data shows a decline in job switching, pointing to the pandemic’s effect on worker sentiment of the job market. This decline in job switching shows workers staying put, perhaps apprehensive to make the switch or rather, embracing existing job opportunities brought on by the pandemic such as promotions and additional responsibilities, likely another reason to hold their current job. As the workforce moves beyond the one-year mark, we’ll be keeping a close watch on how job switching behaviors change and evolve as the economy rebounds.”

Employment growth year-over-year continued a downward slide with -7.0 percent due to COVID-19, yet at a slightly slower pace than we have seen in past months. Individual industry employment trends were unchanged with leisure and hospitality remaining as the hardest hit and the finance industry the least impacted. Additionally, the leisure and hospitality and trade sectors both show larger wage growth over other sectors, due to greater loss of low wage job in these sectors.

Table 1: Wage and Employment Growth by Industry – March 2021

Industry	Wages	YOY Wage Growth				Yearly Growth	
		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-ALL-	\$30.84	5.9%	4.5%	6.2%	4.9%	-7.0%	18.8%
Goods							
Construction	\$30.68	4.1%	4.5%	7.4%	4.3%	-2.4%	12.9%
Manufacturing	\$31.90	4.8%	4.2%	5.6%	5.8%	-4.3%	16.2%
Resources and Mining	\$39.75	13.6%	2.9%	0.0%	12.9%	-11.5%	4.7%
Services							
Information	\$44.81	4.1%	4.0%	9.3%	9.4%	-11.0%	19.3%
Finance and Real Estate	\$36.11	4.8%	4.4%	12.7%	5.8%	-1.7%	15.2%
Professional and Business Services	\$38.93	5.3%	4.0%	8.0%	8.4%	-5.5%	21.4%
Education and Health Services	\$28.82	4.8%	4.0%	5.9%	3.9%	-4.0%	17.8%
Leisure and Hospitality	\$19.22	7.8%	5.9%	2.5%	-1.0%	-22.4%	21.2%
Trade, Transportation, and Utilities	\$27.24	5.7%	4.7%	5.3%	1.1%	-4.6%	22.3%

Regionally, wage growth has been consistently higher in the Northeast followed by the West. Though employment growth is still negative across all regions, the West saw the least impact. Job switchers also fared better in the Northeast and the West with wage growth of 6.9 and 5.9 percent respectively. By firm size, larger firms did better both from wage and employment perspective compared to small businesses.

Table 2: Wage and Employment Growth by Region and Firm Size – March 2021

Region	Wages	YOY Wage Growth				Yearly Growth	
		All	Holders	Entrants	Switchers	Employment Growth	Switching Rate
-USA-	\$30.84	5.9%	4.5%	6.2%	4.9%	-7.0%	18.8%
MIDWEST	\$28.49	4.9%	4.4%	7.0%	2.2%	-7.6%	17.6%
NORTHEAST	\$35.18	7.2%	4.4%	8.2%	6.9%	-9.9%	19.6%
SOUTH	\$28.48	5.0%	4.3%	6.8%	4.8%	-5.9%	19.0%
WEST	\$33.51	6.7%	4.9%	4.7%	5.9%	-5.7%	19.1%
Company Size							
-ALL-	\$30.84	5.9%	4.5%	6.2%	4.9%	-7.0%	18.8%
49 or less	\$27.93	4.7%	4.4%	6.4%	3.7%	-8.7%	14.0%
50 to 499	\$30.96	5.8%	4.2%	5.5%	5.1%	-8.7%	20.0%
500 to 999	\$31.53	4.0%	4.7%	5.4%	2.4%	-5.0%	18.5%
1000 or more	\$32.33	6.7%	4.7%	5.9%	5.9%	-5.0%	21.3%

Job switching declined on average by 2.0 percentage points across all industries; however, there were some differences among industries. Job switching in the finance sector declined by 2.0 percentage points, whereas leisure and hospitality declined by almost 4.0 percentage points. This practically double percentage point drop in job switching is due to the significant job loss in leisure and hospitality which limited job opportunities to switch into that industry.

The distribution of job switchers across gender remained the same from pre-pandemic to now. While wages for male job switchers were higher overall, wage growth was higher for females. This is indicative of the lower wage levels females currently receive.

Table 3: Wage and Switching Rate by Industry and Gender – March 2021

Industry	Gender	Share	Switching Rate	Switching Wage	Switchers' Wage Growth
ALL	Female	48%	19.6%	\$28.73	5.7%
	Male	52%	18.1%	\$34.41	4.5%
Construction	Female	20%	13.7%	\$26.97	5.2%
	Male	80%	12.7%	\$27.36	4.4%
Manufacturing	Female	33%	17.5%	\$39.17	7.1%
	Male	67%	15.6%	\$37.55	5.2%
Finance & Real Estate	Female	55%	15.1%	\$29.58	6.1%
	Male	45%	15.2%	\$43.51	6.2%
Information	Female	38%	19.5%	\$45.80	10.2%
	Male	62%	19.2%	\$56.90	9.5%
Professional & Business Serv	Female	48%	22.7%	\$38.47	7.7%
	Male	52%	20.4%	\$47.22	9.2%
Education & Health	Female	78%	18.4%	\$23.63	4.3%
	Male	22%	15.8%	\$31.81	3.3%
Leisure & Hospitality	Female	54%	21.1%	\$17.09	-2.5%
	Male	46%	21.4%	\$21.68	0.2%
Trade, Transportation & Utilities	Female	39%	23.8%	\$26.65	4.9%
	Male	61%	21.3%	\$27.32	-0.7%

Compared to last year, the disparity in wages between male and females increased with age. The hourly wage for males is 7 percent higher for those 24-years-old and younger, whereas the hourly wage for males is 36 percent higher compared to females in the 55+ age group.

Table 3: Wages by Gender and Age – March 2021

		24 or less	25 to 34	35 to 54	55 or more	-ALL-
Employment Growth	-ALL-	-10.5%	-8.6%	-5.5%	-5.4%	-7.0%
	Female	-8.7%	-9.0%	-6.8%	-7.1%	-7.7%
	Male	-12.5%	-8.3%	-4.3%	-3.9%	-6.2%
Wage Growth	-ALL-	5.1%	5.6%	5.6%	5.4%	5.9%

	Female	6.9%	6.5%	6.9%	6.0%	6.8%
	Male	3.7%	4.9%	4.6%	4.8%	5.2%
Wage Level	-ALL-	\$16.24	\$26.17	\$34.79	\$35.06	\$30.84
	Female	\$15.65	\$24.81	\$30.71	\$29.06	\$27.20
	Male	\$16.81	\$27.33	\$38.05	\$39.66	\$33.82
Males Earning More		7%	10%	24%	36%	24%

About the *ADP Workforce Vitality Report*

The *ADP Workforce Vitality Report (WVR)* was developed by the ADP Research Institute. 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/>.

Type of Workforce

Holders: Workers who were employed by the same company for the past 12 months. The wage growth is the rate of change in wages in that time period.

Switchers: Workers who changed employers between consecutive months. The wage growth is calculated from the 12 month moving average of wage growth.

Entrants: First time workers who are less than 25 years old. The wage growth is calculated from the 12-month moving average of wages.

To see detailed results from the *ADP Workforce Vitality Report* for March 2021, including data broken down by region, firm size, industry, gender, and age visit <http://workforcereport.adp.com/>. The second quarter 2021 *ADP Workforce Vitality Report* will be released on Wednesday, July 28, 2021.

About the ADP Research Institute

The mission of the ADP Research Institute is to generate data-driven discoveries about the world of work, and to derive reliable economic indicators from these insights. We offer these findings to the world at large as our unique contribution to making the world of work better and more productive, and to bring greater awareness to the economy at large.

About ADP (NASDAQ-ADP)

Designing better ways to work through cutting-edge products, premium services and exceptional experiences that enable people to reach their full potential. HR, Talent, Time Management, Benefits and Payroll. Informed by data and designed for people. Learn more at ADP.com.

ADP, the ADP logo, Always Designing for People and ADP Research Institute are registered trademarks of ADP, Inc. All other marks are the property of their respective owners.

Copyright © 2021 ADP, Inc.

Media Contact:

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