

**For Immediate Release**

## **Small Business Jobs Index Increases Slightly Driven by Gains in the Northeast and the Construction Industry**

*The report by Paychex and IHS Markit showed a 0.06 percent uptick in national job growth*

**Rochester, N.Y.** (September 29, 2020) – The latest [Paychex | IHS Markit Small Business Employment Watch](#) shows a slight increase in hiring from the previous month, rising 0.06 percent nationally and 0.36 percent in the Northeast. The national jobs index stands at 94.44, remaining in line with April's reading of 94.63. Small business wage growth slowed to 3.14 percent in September, while growth in weekly hours worked maintained a solid pace, up 0.65 percent from last year. Weekly earnings growth held steady at 3.86 percent in September.

“While it was positive to see a slight improvement in September, the national jobs index and small business hiring has remained largely flat over the past several months,” said James Diffley, chief regional economist at IHS Markit.

“We’re starting to see signs of improvement in specific regions, including the Northeast, which was hit particularly hard in the early stages of the pandemic. Activity in the Construction industry has also been a bright spot,” said [Martin Mucci](#), Paychex president and CEO. “Even with hiring levels remaining flat on the national level for many small businesses, when monitoring the number of employees being paid, steady growth is being seen, indicating that small businesses are bringing existing employees back to work.”

The report also includes regional, state, metro, and industry level analysis, showing:

- The Northeast had its biggest one-month gain in job growth since 2019, up 0.36 percent in September.
- Job growth in the West slowed 0.35 percent in September and 1.05 percent during the past quarter, ranking last among regions.
- New Jersey has improved each month since the April drop-off and neighboring New York has picked up the pace of job growth as well in recent months.
- The top three states for employment growth, Florida, Missouri, and Texas, all saw improvements in September.
- Construction leads all industry sectors in small business employment growth for the fifth consecutive month and is down just 1.38 percent from last year's pace.

The complete results for September, including interactive charts detailing all data at a national, regional, state, metro, and industry level, are available at [www.paychex.com/employment-watch](http://www.paychex.com/employment-watch). Highlights are available below.

*Note: Data presented for the month of September was collected from Friday, August 14 through Thursday, September 17, the cutoff date for the Small Business Employment Watch.*

## September 2020 Paychex | IHS Markit Small Business Employment Watch



## National Jobs Index

- Up 0.06 percent, September marked the first increase for the national index since May.
- At 94.44, the national index has been consistent in recent months remaining in line with April's reading of 94.63.



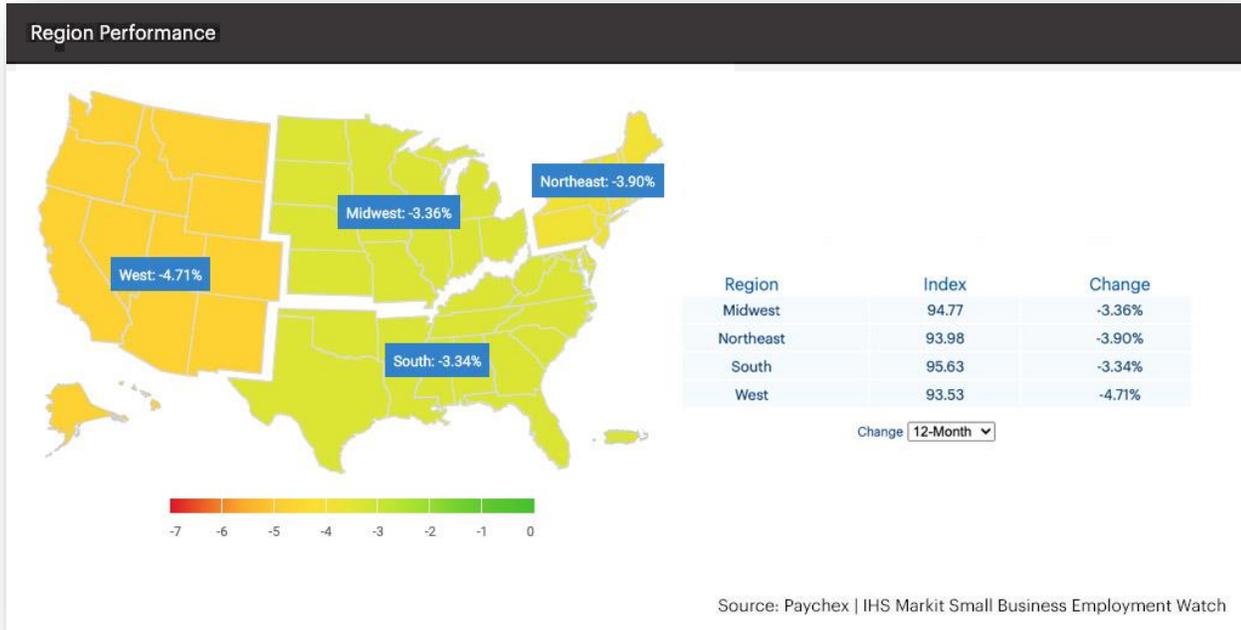
## National Wage Report

- Hourly earnings growth slowed to 3.14 percent in September, as three-month annualized growth fell below three percent for the first time since March.
- Weekly earnings growth held steady at 3.86 percent in September, with gains maintaining a solid pace.
- Although still demonstrating strength, up 0.65 percent from last year, weekly hours worked growth slowed for the second consecutive month.



## Regional Jobs Index

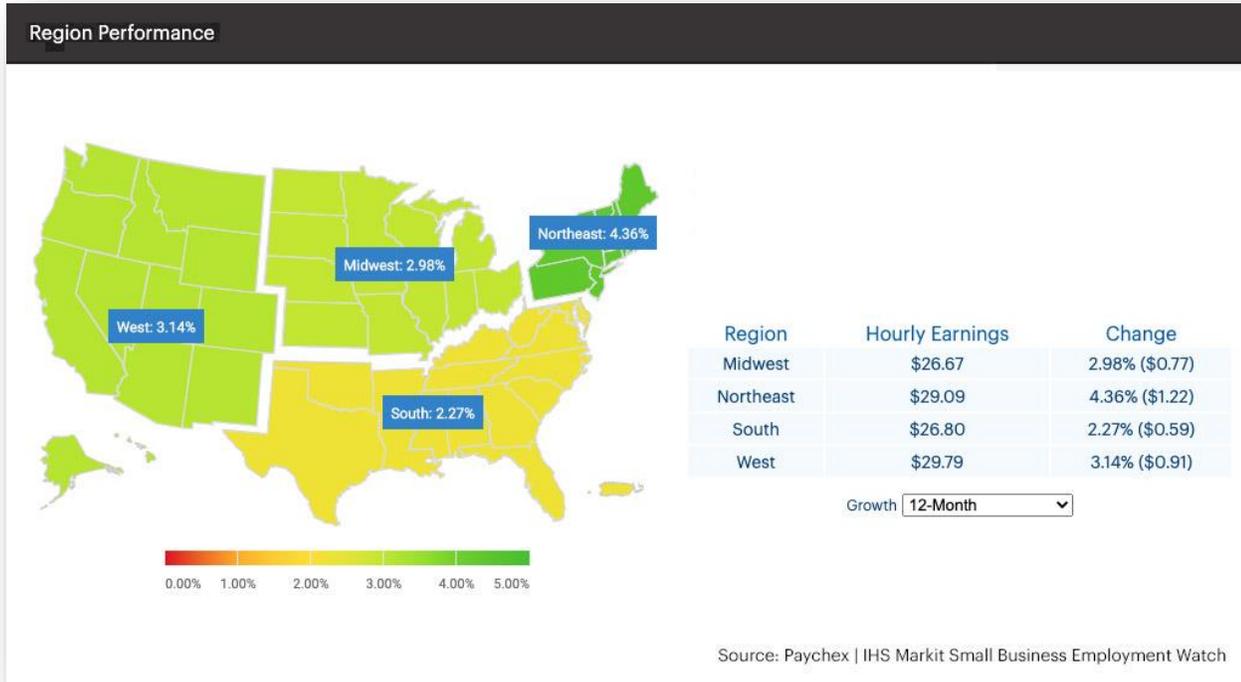
- Up 0.36 percent in September, the Northeast had its biggest one-month gain since 2019.
- The West slowed 0.35 percent in September and 1.05 percent during the past quarter, now ranking last among regions.



*Note: Percentages displayed in the regional heat map reflect 12-month changes.*

## Regional Wage Report

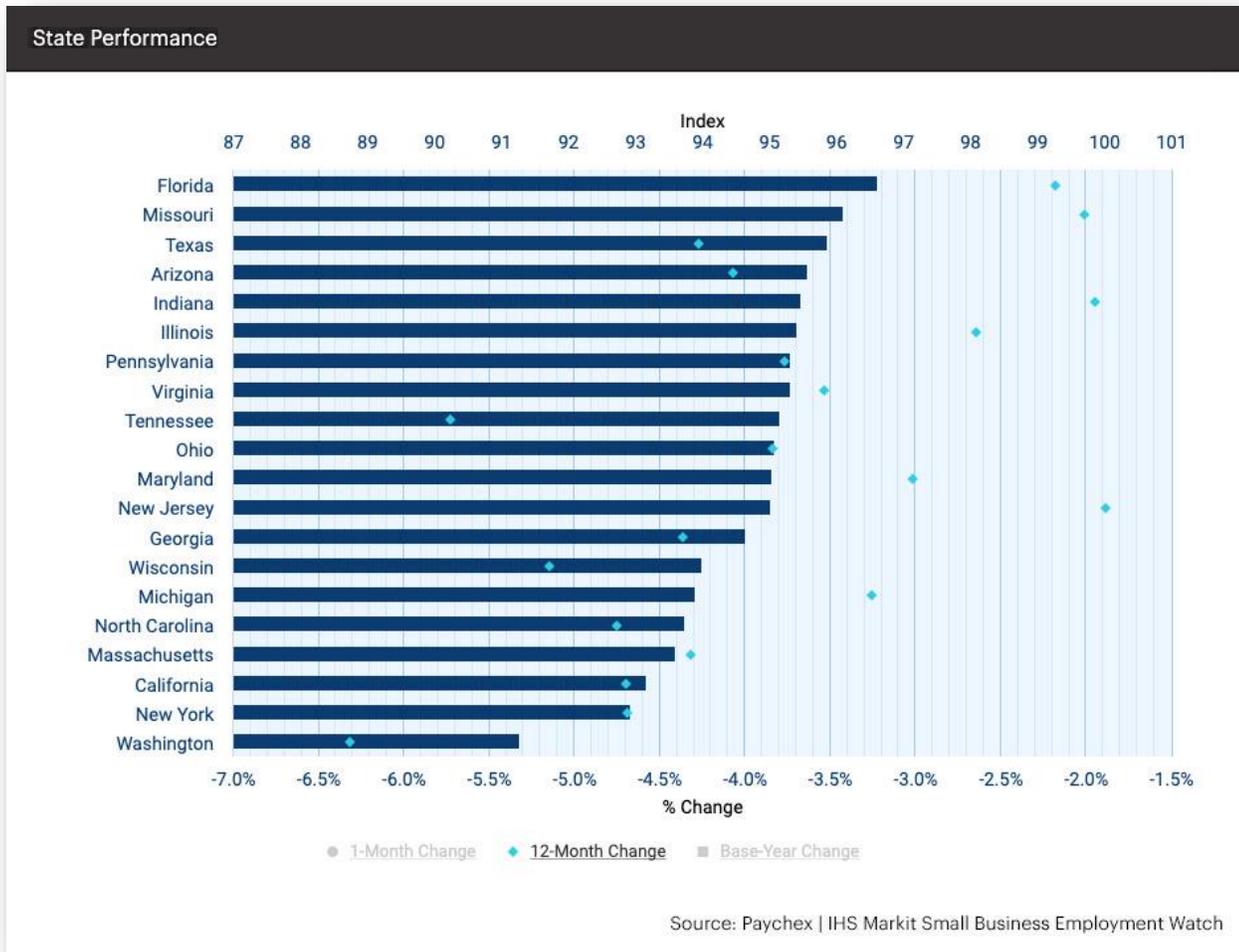
- At 5.86 percent, weekly earnings growth in the Northeast remains strongest among regions.
- Weekly hours worked growth is weakest in the South, down 0.01 percent, and strongest in the Northeast, up 1.29 percent, in September.



*Note: Percentages displayed in the regional heat map reflect 12-month changes.*

## State Jobs Index

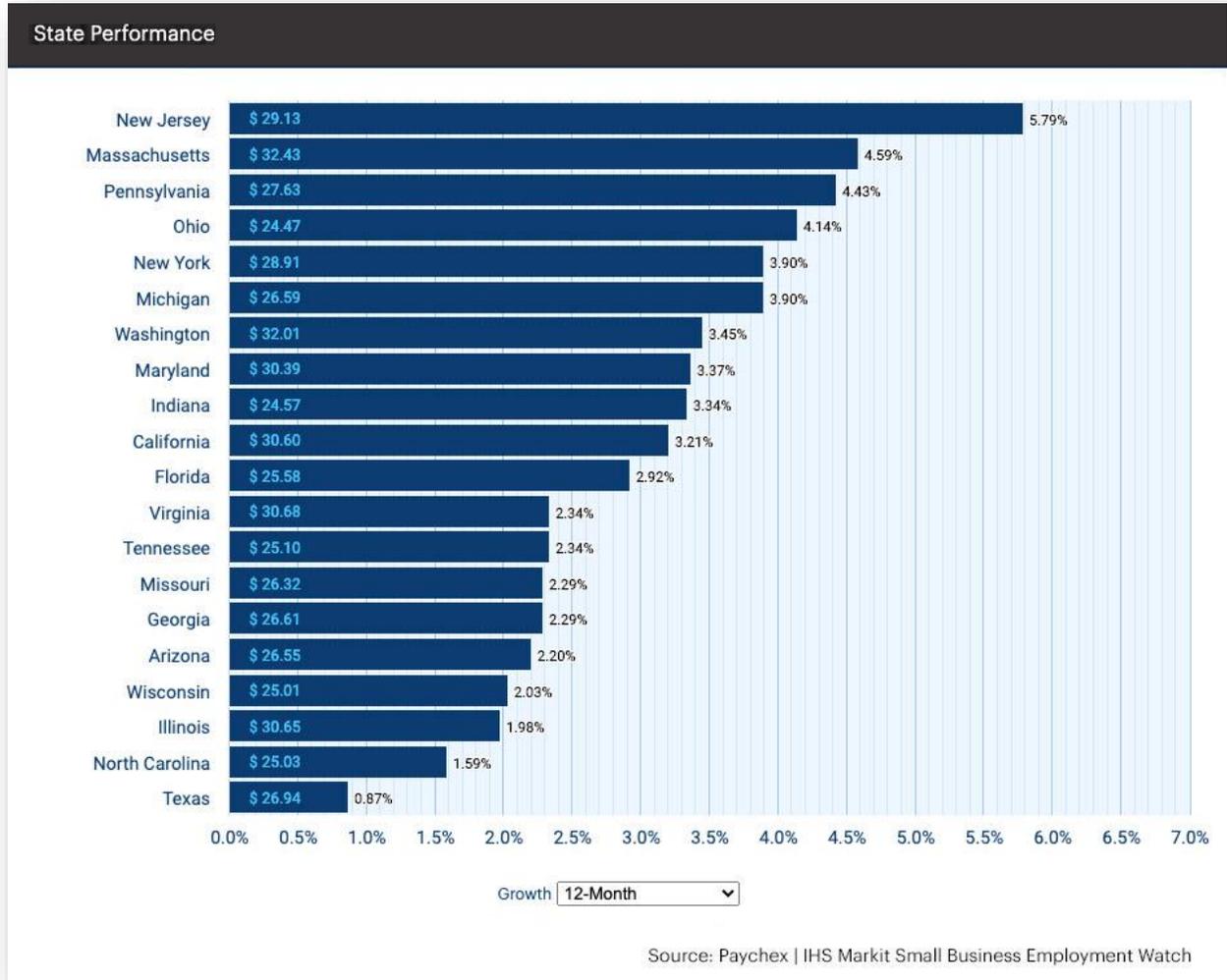
- The top three states, Florida, Missouri, and Texas, all saw improvements in September.
- New Jersey has improved each month since the April drop-off; neighboring New York has picked up the pace of job growth as well in recent months, gaining 0.22 percent in August and 0.45 percent in September.
- Falling 0.50 percent to 93.17 in September, California now has the third lowest-ranked index, ahead of only New York (92.93) and Washington (91.27).



*Note: Analysis is provided for the 20 largest states based on U.S. population. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.*

## State Wage Report

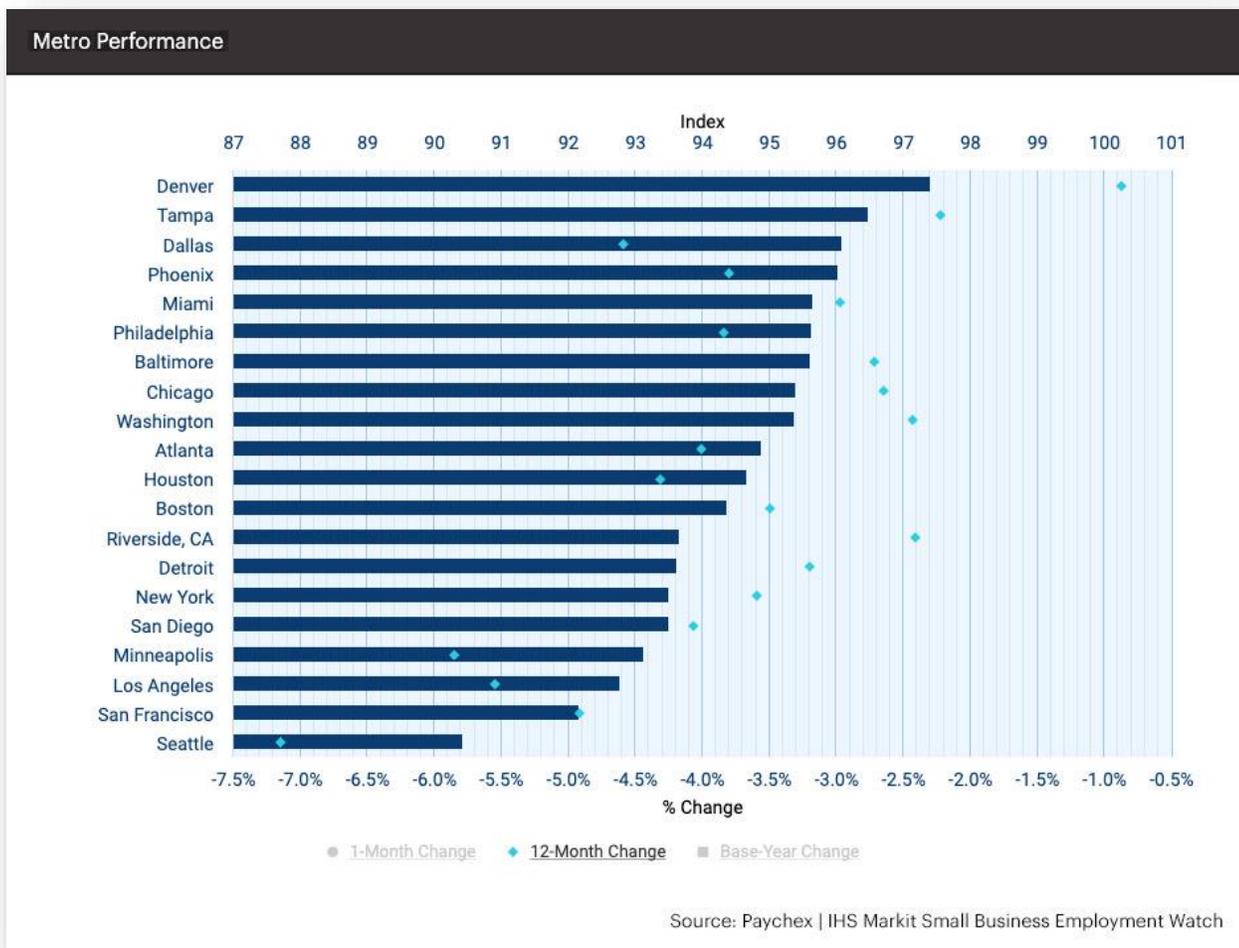
- New Jersey (5.79 percent), Massachusetts (4.59 percent), and Pennsylvania (4.43 percent) lead hourly earnings growth among states.
- At 1.59 percent, hourly earnings growth in North Carolina slowed to its weakest level since March 2015.



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

## Metropolitan Jobs Index

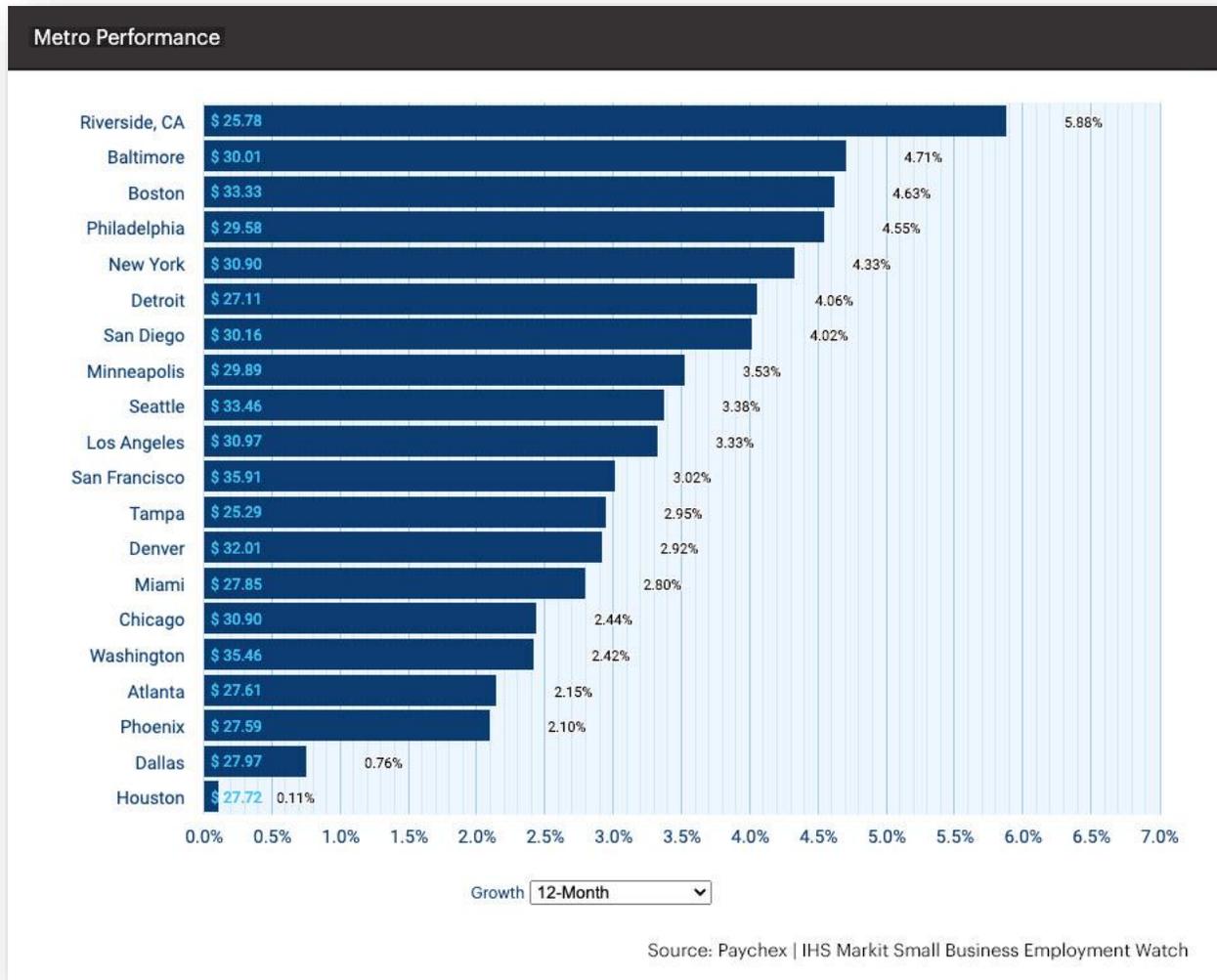
- Denver continues to lead all metros in the rate of small business hiring, despite falling 0.84 percent in September to 97.41. It remains up 0.77 percent for the quarter and nearly one point higher than the next highest metro index, Tampa at 96.48.
- At 92.16, and ranked ahead of only Seattle, San Francisco had the largest decrease among metros in September, down 0.93 percent.



*Note: Analysis is provided for the 20 largest metro areas based on U.S. population. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.*

## Metropolitan Wage Report

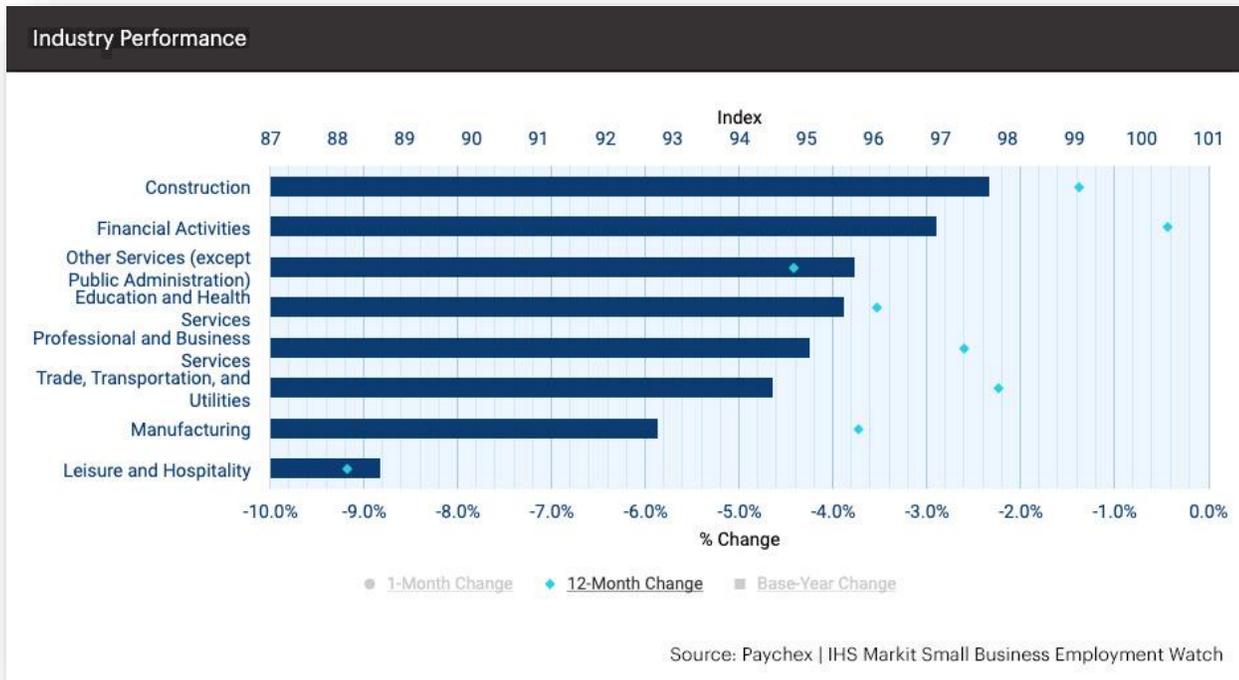
- Fourteen of the 20 metros analyzed have weekly earnings growth above three percent.
- At 5.88 percent, Riverside leads metros in hourly earnings growth, more than one percent higher than the next metro, Baltimore (4.71 percent).
- Joining Riverside, New York and Boston are in the top five for earnings and hours worked growth.



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

## Industry Jobs Index

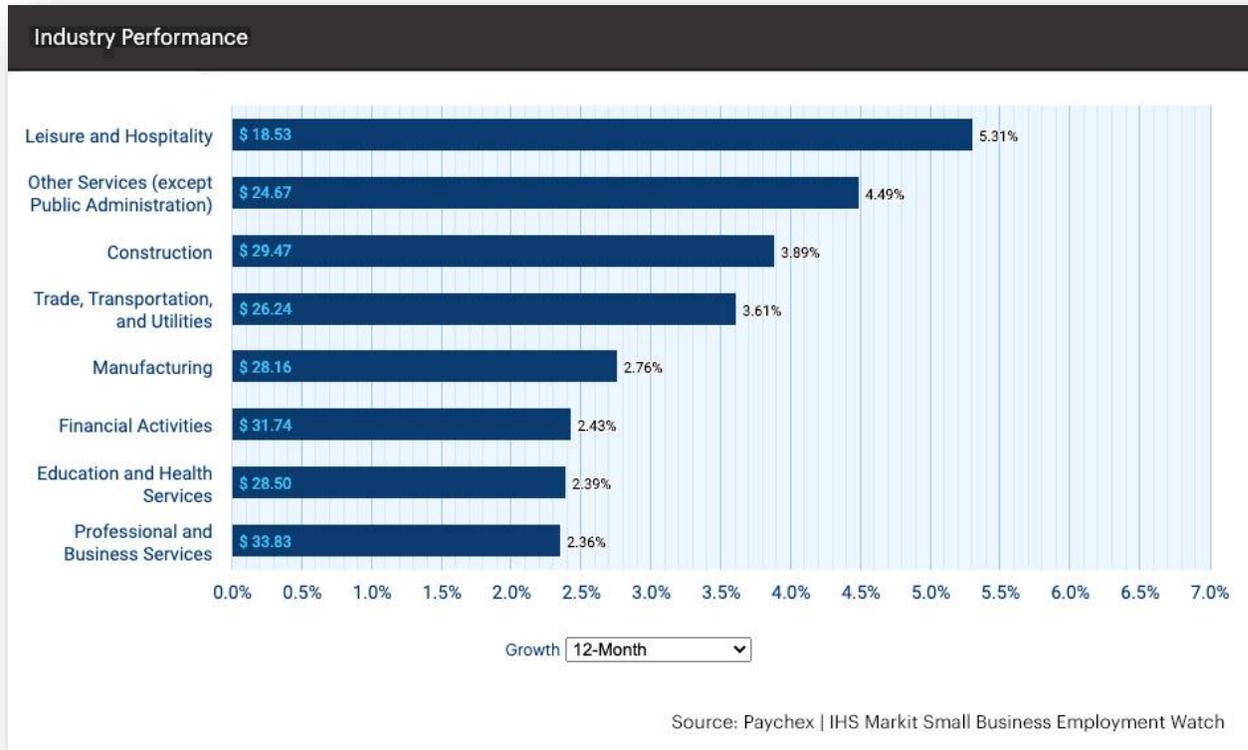
- Construction leads all industry sectors in small business employment growth for the fifth consecutive month and is down just 1.38 percent from last year's pace.
- At 88.85, Leisure and Hospitality is nearly four points lower than the next weakest industry sector, Manufacturing (92.80). Leisure and Hospitality slowed 0.29 percent in September and 9.19 percent from last September.



*Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found [here](#). The Other Services (excluding 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. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.*

## Industry Wage Report

- At 5.31 percent, Leisure and Hospitality overtook Other Services (except Public Administration) for the sector with the strongest hourly earnings growth in September.
- Education and Health Services moved out of last place for hourly earnings growth in September (2.39 percent), with three-month annualized growth of 5.85 percent signaling a continued upward trajectory.



*Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found [here](#). The Other Services (excluding 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/employment-watch](http://www.paychex.com/employment-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 payroll, human resource, insurance, and benefits outsourcing solutions for small-to medium-sized businesses, and IHS Markit, a world leader in critical information, analytics, and expertise. Focused exclusively on small business, 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 solutions for payroll, benefits, human resources, 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 more than 45 years of industry expertise, Paychex served more than 680,000 payroll clients as of May 31, 2020 across more than 100 locations 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](http://paychex.com) and stay connected on [Twitter](#) and [LinkedIn](#).

### **About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))**

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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