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## July

The South remains the top region for employment growth; the West leads regions in hourly earnings growth.

Jul. 30, 2019



The [Paychex | IHS Markit Small Business Employment Watch](#) for July shows a slight decline in job growth and a fourth consecutive month of accelerated wage growth. The national jobs index stands at 98.18, down 0.15 percent from last month and 1.18 percent below its pace in July 2018. The deceleration in job growth follows a 0.45 percent decrease in June. Hourly earnings growth reached its strongest rate in more than a year at 2.70 percent in July, and weekly earnings growth improved to 2.57 percent. Additionally, one-month annualized growth for weekly hours worked, up 1.19 percent, is the highest it's been since 2017.

“The further decline of the jobs index to 98.18 in July validates the sharp fall in small

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- The South remains the top region for employment growth; the West leads regions in hourly earnings growth.
- Texas maintains the lead among states in small business job growth; Illinois remains the top state for wage growth.
- Dallas is again the top metro for job growth; San Diego maintains its lead among metros in wage growth.
- Financial Activities was the only industry sector to increase the pace of job growth in July.

The complete results for July, 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.

## July Paychex | IHS Markit Small Business Employment Watch

### National Jobs Index

- Down 1.18 percent from last July, the national index has decelerated at the fastest rate since 2009, mainly due to June's 0.45 percent decrease.

### National Wage Report

- At 2.70 percent, hourly earnings growth rose for the fourth consecutive month and is at its strongest rate in a year and a half.
- One-month annualized weekly earnings growth hit a new peak (4.11 percent) in July, as the annual rate spiked from the 2.02 percent reported in June to 2.57 percent in July.

- Up 1.19 percent, one-month annualized growth for weekly hours worked posted its

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past quarter and 1.76 percent during the past year.

## Regional Wage Report

- The West continues to have the highest hourly earnings growth rate, 3.13 percent.
- The South has the weakest hourly earnings growth rate (2.23 percent) and is the only region to decrease from June.
- Hourly earnings growth in the Northeast has accelerated during the past quarter, from 2.37 percent in April to 2.80 percent in July.

## State Jobs Index

- Among states, Texas and Tennessee continue to lead small business employment growth and are the only states with index levels above 100.
- Ranked 19th at the end of 2018, Pennsylvania has posted five positive monthly gains in 2019, increasing the pace of small business employment growth by 0.71 percent and moving up to the 11th ranked state.
- Georgia averaged 100.01 during the first half of 2019, but dropped to 98.53 after a significant decrease in July.

## State Wage Report

- Of the 20 states analyzed, six states have hourly earnings growth above three percent in July, up from four states in June.
- At 4.09 percent, Illinois leads states in wage growth and is the only state above four percent.
- New York reported 3.46 percent hourly earnings growth in July, which ranks second among states, and is the state's highest level since September 2017.

# Metropolitan Jobs Index

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two metros with growth above four percent.

- Houston (1.31 percent) and Tampa (1.32 percent) are the weakest metros for hourly earnings growth.

## Industry Jobs Index

- Financial Activities was the only industry sector to increase the pace of growth in July, though its level of job growth remains limited with an index of 97.65.
- Falling below 96 in July, small business job growth in Manufacturing has been ranked last for the past 12 months and is at its lowest level since 2010.

## Industry Wage Report

- At 4.52 percent, Leisure and Hospitality has the strongest hourly earnings growth among industry sectors, though a significant decrease in weekly hours worked brings its weekly earnings growth down nearly a full percent (3.57 percent).
- Though Manufacturing has the weakest jobs index among industry sectors, it has the best weekly earnings growth (4.22 percent), pairing a strong hourly earnings rate with positive weekly hours worked year-over-year.

Note: Analysis is provided for seven major industry sectors.

Payroll

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