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positive indicator of job growth returning to pre-pandemic levels.

May. 04, 2021



The [Paychex | IHS Markit Small Business Employment Watch](#), compiled from aggregated payroll data of approximately 350,000 clients on the Paychex [human capital management \(HCM\)](#) suite, is out with the latest numbers. The Small Business Jobs Index increased 4.33 percent from March to 98.34 in April, a positive indicator of job growth returning to pre-pandemic levels. The increase is in part driven by the comparison period of one year ago (detailed below). Each region, state, and metro area analyzed in April 2021 saw employment gains. The South leads all regions at 99.42.

“A return to full employment is not complete. However, the Small Business Jobs

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upcoming financial relief available by the Restaurant Revitalization Fund grants made available this week by the SBA.”

In further detail, the April report showed:

- Job growth improved in all four U.S. regions in March, as well as in all 20 states, and all 20 metros analyzed.
- The South continues to lead all regions in small business job growth.
- Texas took the top ranking for job growth among states.
- Leisure and hospitality saw the greatest improvement among industry sectors, but construction still has the highest index at 100.72.
- Leisure and hospitality and construction both also saw a significant gain in hourly earnings growth, 6.78 percent and 4.00 percent, respectively.

Paychex business solutions reach 1 in 12 American private-sector employees, making the Small Business Jobs Index report an industry benchmark. The national jobs index uses a 12-month same-store methodology to gauge small business employment trends on a national, regional, state, metro, and industry basis.

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

*Note: Data presented for the month of April was collected between March 19, 2021 and April 22, 2021. The significant increase in the Small Business Jobs Index from March 2021 to April 2021 is driven in part by the same-store year-over-year methodology used to create the Small Business Jobs Index. The comparison used to calculate Small Business Jobs Index for April 2021 was April 2020, the most impactful month of COVID-19-related shutdowns. The lower employment level in April 2020 used for comparison created a base effect impact.*

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decreases in early 2021 gave way to significant gains.

- At 98.34, small business employment growth is back to pre-pandemic levels.

## National Wage Report

- Hourly earnings growth slowed slightly to 2.84 percent, the first decrease of 2021.
- Weekly earnings growth settled to 3.43 percent in April. One-month annualized growth has averaged more than five percent during the first four months of 2021.
- Weekly hours worked growth retreated slightly in April but remains positive year-over-year (0.44 percent).

## Regional Jobs Index

- At 99.42, the South leads all regions in jobs growth recovery, more than a point higher than the next highest region, the Midwest at 98.16.
- The Northeast had the most significant improvement over last month among regions (4.69 percent) but remained the weakest index at 97.82.

## Regional Wage Report

- The Northeast leads all regions in hourly earnings growth at 3.70 percent, though the region slowed from four percent in March.
- The South ranks first among regions in small business employment growth but last in earnings growth.
- All regions have positive year-over-year weekly hours worked growth.

## State Jobs Index

- Texas, Florida, Arizona, and Tennessee are among the top states, each with index

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## State Wage Report

- Missouri overtook Massachusetts for the top-ranked state for hourly earnings growth. Both are the only states with hourly earnings growth above four percent.
- California's weekly earnings growth has more than doubled to 4.48 percent during the past four months.
- Texas has propelled to second place among states for weekly hours worked growth

## Metropolitan Jobs Index

- Tampa, Dallas, and Phoenix are among the top metros, each with index levels that returned to 100 or above.
- Seattle, Washington, and San Francisco trail all metros, each below 96. Washington is the only metro with a negative year-over-year growth rate.
- Minneapolis surged 6.79 percent in April, the best one-month gain among states. Minneapolis was one of the metros hit hardest in April 2020, causing a lower employment level for the comparison period.

## Metropolitan Wage Report

- At 5.41 percent, hourly earnings growth in Riverside, CA slowed by more than one percent in the past month. However, Riverside led all metros in hourly earnings growth by more than one percent.
- Seattle's hourly earnings growth is weakest among regions, slowing below one percent in April.
- In Houston, weekly hours worked are down 1.10 percent, the only metro with negative weekly hours worked growth.

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## Industry Wage Report

- As establishments expand capacity and re-open, weekly earnings growth in the leisure and hospitality sector has quickly reversed course, from -1.78 percent in January 2021 to 6.78 percent in April 2021.
- Weekly earnings in construction increased for the fifth consecutive month to 4.00 percent.
- Weekly hours worked growth has been negative in manufacturing for the past year.

Note: Analysis is provided for seven major industry sectors.

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