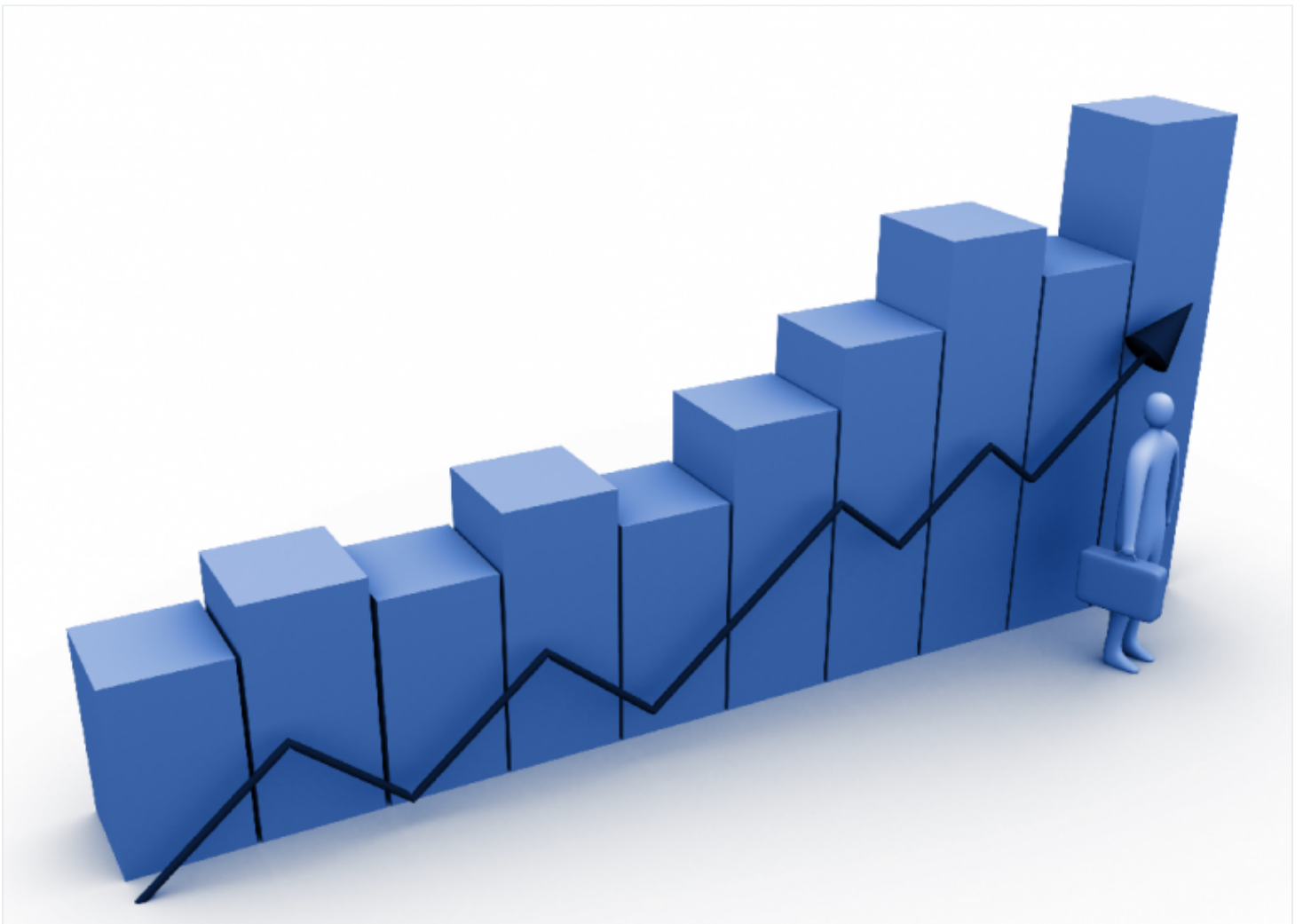


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those increased their rate of job growth during 2023.

**Isaac M. O'Bannon** • Jan. 03, 2024



U.S. small businesses experienced job growth for all of 2023 and extended a cycle of consistent job growth for 33-straight months, according to December data from the Paychex Small Business Employment Watch.

The Small Business Jobs Index closed the year at 101.21 (1.2% growth), while hourly earnings growth for U.S. workers in December (3.48%) was down from 4.93% in

December of 2022.

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participation rate and quality of the U.S. workforce. The Fed's actions appear to be driving a soft landing as we've seen wage inflation normalize without negative impacts on job growth across the U.S. As we look ahead to 2024, small businesses will need to continue to show their resilience as they face many of the same challenges of 2023, such as retaining and attracting quality employees, accessing affordable growth capital, and navigating even more government regulations," Gibson added.

## **2023 Year in Review**

- Nationally, small businesses have experienced job growth for all of 2023, extending a streak of consistent job growth to 33-straight months.
- In 2023, wage growth continued to slow through the year, decreasing about one and a half percent from 4.93% in December 2022 to 3.48% in December 2023. In addition, weekly hours worked growth in 2023 was the most stable it has been since 2018.
- All 20 of the largest U.S. states reported positive job growth to end 2023 and eight of those increased their rate of job growth during 2023.
- At 101.75, the South led regions in December and had the strongest rate of job growth for 11 of 12 months in 2023, while the West region slowed the most during 2023 (1.11 percentage points).

## **December 2023 Highlights**

- In December, small business job growth increased by 1.21%, standing at 101.21.
- Hourly earnings growth for U.S. workers in December (3.48%) was relatively unchanged since November (3.47%).
- The average pace of job growth in 2023 remained above the growth rate leading up to the pandemic (March 2019 – February 2020) when it was 101.10.

- • At 100.66 in December, Leisure and Hospitality slowed its pace of job growth the

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