



U.S. Pay Insights

TECHNICAL NOTES and FAQs

DATA SOURCE

U.S. Pay Insights is based on the anonymized administrative payroll records of 22 million people working at non-farm private employers that use ADP services. This unique panel data allows us to track the pay of the same individual over time.

From this sample, we measure worker's pay over 12-month intervals to compute the year-over-year change for each individual. This matching process results in more than 14.7 million pay-change observations each month. We report the median of the pay-change observations from job-stayers and job-changers.

DEFINITIONS and METHODOLOGIES

Job

We define a job as a unique pairing of a worker to their specific employer. Pay-change measurements are job-based. We report on active and paid workers ranging in age from 16 to 85.

Pay

Pay Insights tracks the year-over-year percentage change in before-tax nominal base pay and gross pay.

Base pay is measured as a job's regular pay rate, which excludes overtime, tips, bonuses, and commissions. Gross pay is measured as annual gross earnings and includes all of the above.

Base and gross pay change each are valuable indicators of labor-market conditions.

Changes in base pay tend to be long-lasting rather than temporary. As such, base pay tracks trends in structural wages. Base pay growth can send a signal of labor-market tightness and potential inflationary pressure.

Gross pay measures total compensation generated by labor-market activity. Gross pay data can be used to assess income growth and consumer spending power. In addition, changes in gross pay can tell us how employers are responding to atypical labor-market conditions such as skill shortages.

Job-stayer

If a job (the worker-employer pairing) appears in both the current month and 12 months prior, and if the worker has been paid in at least six of the 13 months (that is, during the reporting month and the previous 12-month period), the associated year-over-year pay change is included in job-stayer observations for the reporting month.

As of 2026, we measure the pay change of approximately 13.7 million job-stayers each month.

Job-changer

Job-changers are workers who are associated with different employers in the reporting month and 12 months prior. A job-changer's pay change represents the difference in pay between these two jobs.

If a worker holds multiple jobs during a single month, we measure only the job with the highest level of pay for that month. We track only job-changers whose previous employer and employer in the reporting month both are ADP clients, regardless of their employment situation between the 12-month intervals.

As of 2026, we measure the pay change of approximately 1 million job-changers each month.

Job-stayers and job-changers combined series

ADP's payroll sample accounts for about one-sixth of the total U.S. workforce.

Because we are unable to observe job-changers who transition to or from employers that are not ADP clients, the raw count of job-changers is underrepresented compared to that of job-stayers. To create a combined series, we upweight job-changer observations by six.

Median pay change data for all workers and for workers segmented by demographics, sector, employer size, pay quartile, and metropolitan area is based on this combined series, as is data on pay distribution.

Base pay change

To measure change in base pay, we observe the base pay rate from the most recent paycheck of a job in the reporting month, then compare it with the last base pay rate from 12 months prior.

The base pay rate (e.g., \$20 an hour for an hourly-paid worker, or \$800 a week for a salaried employee) typically represents a contracted regular wage and is unaffected by the number of hours worked or performance-based earnings.

Annual gross earnings (e.g., \$60,000 a year) do depend on such factors. In contrast to our measure of annual gross pay, which averages the pay across the last 12 months, base pay is a more real-time measure, reflecting the pay rate for the reporting month.

Base pay rate is consistently available in our data for employers with more than 50 employees.

Gross pay change

Gross pay includes overtime, tips, bonuses, commissions, and cash benefits in addition to salary or hourly wages.

To calculate change in gross pay, we observe actual total gross pay over the preceding 12 months for each job. If a job is paid only part of the year, we estimate an annual equivalent using the observed average gross pay rate.

Each month, we estimate each job's annual gross pay (pay from $month_{t-11}$ to $month_t$) and compare it with the number estimated 12 months earlier (pay from $month_{t-23}$ to $month_{t-12}$) to measure change in gross pay.

This 12-month period of observation smooths fluctuations in pay. It also captures the full picture of annual earnings, including bonuses and other non-regular compensation.

Pay quartile

We rank each job (worker-employer pair) by pay level at the beginning pay period. The ordered list is cut into four equally sized groups:

1st quartile: The 25 percent of jobs that are the lowest paid

2nd quartile: Jobs between the 25th and 50th percentile

3rd quartile: Jobs between the 50th and 75th percentile

4th quartile: The 25 percent of jobs that are the highest paid

For example, those jobs in the 1st quartile are the lowest-paid 25 percent as measured by their annual gross pay or converted hourly base pay from 12 months prior.

Metropolitan areas

Geographic data is based on the location of a worker's home ZIP code.

We report the median year-over-year pay change for the 56 largest metropolitan core-based statistical areas (CBSAs) with a population greater than one million according to July 2025 [Census Bureau](#) data.¹

Industry classification

We use employer information, not occupation or job titles, to categorize jobs by industry. Industries are defined by their North American Industry Classification System (NAICS) 2-digit sector codes.

Wage sample distribution

Employee distribution of combined sample, based on 2025 average

Gender	Worker share	Sector	Worker share
Female	46%	Construction	4%
Male	54%	Education and health services	17%
Age group		Financial activities	7%
Age 16 - 24	10%	Information	2%
Age 25 - 34	24%	Leisure and hospitality	9%
Age 35 - 54	42%	Manufacturing	15%
Age 55 - 85	24%	Natural resources and mining	1%
Employer size		Other services	5%
1 - 19 employees	16%	Professional and business services	23%
20 - 49 employees	11%	Trade, transportation, and utilities	17%
50 - 249 employees	18%		
250 - 499 employees	10%		
500+ employees	45%		

¹ U.S. Census Bureau, "Metropolitan and Micropolitan Statistical Area Population Totals and Components of Change: 2020-2025", Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2020 to July 1, 2025 (CBSA-MET-EST2025-POP). Retrieved from <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-metro-and-micro-statistical-areas.html>, July 2026.

FREQUENTLY ASKED QUESTIONS

Why do gross pay and base pay behave differently?

Base pay measures the marginal income of labor. Changes in base pay signal a permanent baseline shift in wage-setting.

Our [research](#) on organizations with more than 50 employees shows that employers typically award a flat or narrow band of annual base pay increases to many of their employees (*Hurst et al. 2026*). Adjustments in base pay usually are tied to economic conditions such as inflation and labor-market benchmarks.

Gross pay measures a worker's total earned income. Changes in gross pay are affected by baseline adjustments as well as short-term incentive strategies, choices in workload, and factors associated with atypical economic conditions.

Our base pay sample is built on the payroll data of organizations with 50 or more employees. The gross pay sample includes organizations of all sizes.

Why is base wage growth for job-stayers concentrated at 3 percent?

Our research shows that organizations typically award a flat or narrow band of annual base pay increases to the majority of their continuing workers. Before the pandemic, 3 percent was the most prominent raise; approximately 11 percent of job-stayers received a base pay increase of between 2.9 percent and 3.1 percent. The dynamics of pay change distribution are available on the Pay Insights webpage.

In addition, observed year-over-year changes in base pay for job-stayers are strongly concentrated at whole percentage points (such as 2 percent, 3 percent, and 4 percent) and half percentage points (such as 1.5 percent, 2.5 percent, and 3.5 percent).

How is the new data series different from the previous version of Pay Insights?

Starting with the September 2026 release of Pay Insights, we have added job-changer data to calculate median pay change by demographics, sector, and employer size. Previously, median pay change for these groups was derived only from job-stayer data.

This new version of Pay Insights also includes a base pay change series in addition to the gross pay change series released in the earlier version.

Together with these updates, we no longer report on pay levels. Rather, Pay Insights now focuses only on the most relevant metrics of this particular methodology.

Is the wage sample weighted?

Our all-worker series is a combined sample of job-stayers and job-changers. It is weighted by upscaling the observations of job-changers to reflect their relative frequency in the workforce.

We have compared our unweighted sample to a weighted sample benchmarked to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) employer size and industry distribution. The median pay change for job-stayers from both the weighted and unweighted samples are nearly identical except for a one-year period starting from mid-2020, during the pandemic.

How representative is ADP data?

Academic research has found ADP wage change series matches well the wage dynamics from other nationally representative surveys like the CPS. (*Hurst et al. 2026*)

ADP employment data is anchored to the QCEW, a nearly complete census of employment that is provided by the BLS. (*Brynjolfsson and Richardson 2025*)

What measure of inflation is used on the Pay Insights website?

Inflation is shown as the year-over-year percentage change in the Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, Seasonally Adjusted (CPI-U), from the Bureau of Labor Statistics.²

REFERENCES

Hurst, Erik, Christina Patterson, Nela Thomas Richardson, and Ye Liv Wang, "Sticky Wage Norms and the Real Wage Cost of Unexpected Inflation," NBER Working Paper 35624 (2026), <https://www.nber.org/papers/w35624>.

Brynjolfsson, Erik, and Nela Richardson. "How representative is ADP employment data?", ADP Research, 2025, <https://www.adpresearch.com/research/how-representative-is-adp-employment-data>

² U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>