

# News Release and Analysis

## U.S. Small Business Employment Trends Hold Steady to Start 2026

**Rochester, N.Y.** (February 3, 2026) —According to the January Paychex Small Business Employment Watch, job and wage growth trends among U.S. small businesses remained consistent to start 2026. The Small Business Jobs Index — which reflects the payroll data of a subset of Paychex clients with fewer than 50 employees — increased 0.04 percentage points to 99.30 in January. Additionally, hourly earnings growth for workers has remained essentially unchanged since July 2025 at 2.68%.

“As we enter 2026, the pace of employment and wage growth for America’s small businesses remains on a similar path that we saw in 2025.” said [John Gibson](#), Paychex president and CEO. “Our Small Business Job Index, combined with other information, continues to point to an economy that is expanding at a solid pace without significant inflation pressure from wages. While we anticipate potential economic tailwinds from last year’s tax bill to come to fruition in 2026, our HR professionals consistently hear from our clients that they continue to navigate persistent challenges with the supply of qualified labor and rising healthcare costs.”

### Jobs Index and Wage Data Highlights

- The national jobs index (99.30) increased 0.04 percentage points from December 2025 and 0.03 percentage points from last quarter.
- Hourly earnings growth has been below three percent since November 2024, including 2.68% in January.
- Weekly earnings growth slowed to 2.53% in January. Additionally, the one-month annualized weekly earnings growth (1.62%) has been below two percent for the last three months. The last time one-month annualized weekly earnings growth was below two percent for three-straight months was December 2020.
- The Midwest remained the top region for small business job growth for the 20th consecutive month.
- Education and Health Services (100.57) led sectors for small

business job growth for the 20th consecutive month and has reported growth for nearly five-straight years.



## About the Paychex Small Business Employment Watch

Since 2014, the Paychex Small Business Employment Watch has been a trusted source of employment trends for U.S. small businesses with fewer than 50 employees. The [Employment Watch website](#) offers interactive charts and historical data across the report's two key components- the [jobs index](#) and [wage data](#) - as well as the methodology for both analyses. Visit the Bloomberg Terminals or [subscribe to receive monthly alerts with the latest data](#).

## About Paychex

Paychex, Inc. (Nasdaq: PAYX) is the digitally driven HR leader that is reimagining how companies address the needs of today's workforce with the most comprehensive, flexible, and innovative HCM solutions for organizations of all sizes. Offering a full spectrum of HR advisory and employee solutions, Paychex pays 1 out of every 11 American private sector workers and is raising the bar in HCM for approximately 800,000 customers in the U.S. and Europe. Every member of the Paychex team is committed to fulfilling the

company's purpose of helping businesses succeed.  
Visit [paychex.com](https://paychex.com) to learn more.

## Media Contact

### Tracy Volkmann

Paychex, Inc.  
Manager, Public Relations  
(585) 387-6705  
[tvolkman@paychex.com](mailto:tvolkman@paychex.com)  
[@Paychex](#)

### Erin McAward

ICR, Inc.  
Account Director  
[paychexpr@icrinc.com](mailto:paychexpr@icrinc.com)

### Share



Get Notified When a  
New Release is Available

Subscribe Today



Paychex, Inc. (Nasdaq: PAYX) is the digitally driven HR leader that is reimagining how companies address the needs of today's workforce with the most comprehensive, flexible, and innovative HCM solutions for organizations of all sizes. Offering a full spectrum of HR advisory and employee solutions, Paychex pays 1 out of every 11 American private sector workers and is raising the bar in HCM for approximately 800,000 customers in the U.S. and Europe. Every member of the Paychex team is committed to fulfilling the company's purpose of helping businesses succeed. Visit [paychex.com](https://paychex.com) to learn more.