

News Release and Analysis

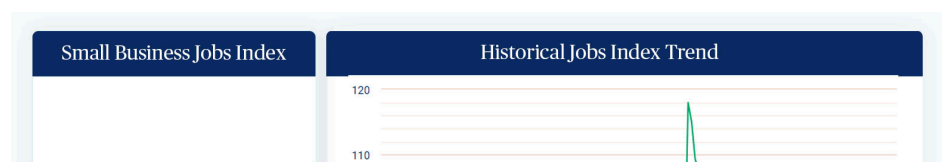
Pace of U.S. Small Business Employment Remains Consistent in March

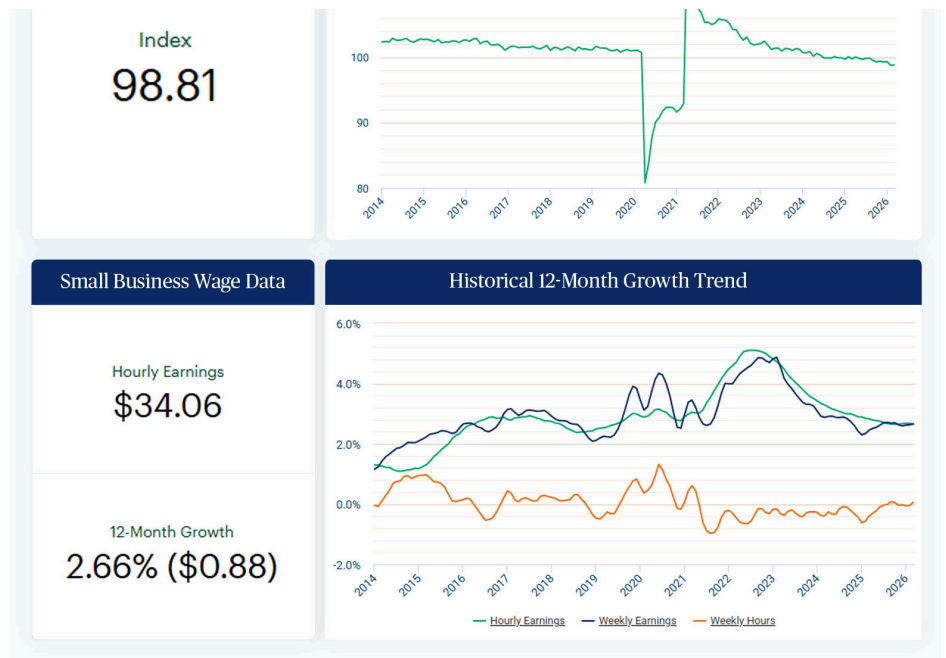
Rochester, N.Y. (March 31, 2026) —Employment and wage growth among U.S. small businesses remained stable from February to March, according to the latest Paychex Small Business Employment Watch, which reflects the payroll data of a subset of Paychex U.S. small business clients with fewer than 50 employees. The Small Business Jobs Index ticked up 0.04 percentage points from February to 98.81 in March, while hourly earnings growth for workers remained below three percent for the 17th consecutive month in March at 2.66%.

“Employment remains flat across our client base, with the pace of job growth among smaller clients offsetting the modest hiring gains our larger customers are experiencing,” said [John Gibson](#), Paychex president and CEO. “Small businesses continue to operate in a low-fire, low-hire environment with many reporting ongoing difficulty finding qualified employees. They have also remained remarkably resilient amid a dynamic macroeconomic backdrop, global uncertainty, and an evolving set of challenges.”

Jobs Index and Wage Data Highlights

- One-month and three-month annualized hourly earnings growth have reported below three percent since April 2024.
- Weekly hours worked growth (0.06%) reported positive in March, marking only the third positive read since April 2021.
- The Midwest (99.52) led regions for job growth for the 22nd consecutive month in March, largely due to the pace of employment growth in Wisconsin, Illinois, and Ohio.
- After ranking second among industries for job growth in February, Education and Health Services gained 0.32 percentage points in March to lead all sectors.





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 to learn more.

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