2026 • ISSUE 2

Today at Work

THE MOVING VAN MYTH

Workers who packed up to relocate during the pandemic drove the rise of long-distance work, right? Well, no. That migration was real, but the bigger shift was in how people match to jobs and teams come together. Together, these changes continue to remap the geography of work.

And: Which industries have had the biggest growth in long-distance work?

ALSO IN THIS ISSUE

For new college grads, not all cities are created equal

Does education pay off in the workplace?

One big number

ADP Research

OUR MISSION

The ADP Research mission is to make the future of work more productive through data-driven discovery. Companies, workers, and policymakers rely on our finely-tuned data and unique perspective to make informed decisions that impact workplaces around the world.

ABOUT *TODAY AT WORK*

Today at Work is built on a foundation of ADP payroll data representing more than 25 million U.S. workers and nearly a decade of ongoing surveys. Combined, these data sets provide a recurring, people-centered, and comprehensive view of the world of work.

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Return-to-office mandates are all the rage, but long-distance work keeps expanding. Why?

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When the pandemic hit, some employers were more prepared for distance work than others.

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You've graduated. Now what?

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We asked people employed worldwide if their education prepared them to land a job. Only a small share said yes.

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One big number

The big buildup in construction pay.

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LETTER FROM NELA

CHANGING JOBS WHILE STAYING PUT

Road-tripping for work is becoming less of a thing for most people.

In the summer of 2009, my family packed up a truck and moved from Washington, D.C., to Boston, Massachusetts. We eventually made our way to northern New Jersey.

The reason for our moves was a common one at the time: a job relocation. These days, though, relocating for work might not be the same mover of the labor force as it once was.

In 2006, about 17 percent of the U.S. population had moved in the last year, according to Census Bureau data. In the last 20 years, the share of the population that moved in the past year has fallen by 5 percentage points, to 12 percent.

Yet, while Americans are staying put more than ever, our job mobility has taken a leap forward.

In this issue's cover story, economists Issi Romem and Łukasz Below explain how employers are restructuring teams across vast distances, even as their workers maintain their same home addresses.

Issi and Łukasz also pen a second article in this issue showing that the degree of geographical dispersion of an employer's headcount varies widely across sectors.

One group of workers that might be inspired to move, though, is new college graduates. In his annual review of the job market for these workers, data scientist Sam Adieze uncovers the hot hiring spots for entry-level job-seekers. The winners offer not only strong hiring, but affordability and competitive wages. Birmingham, Alabama, anyone?

Speaking of grads, our resident worker-sentiment experts Mary Hayes and Jared Northup asked more than 30,000 workers across the world if their education had prepared them for landing a job. Only about a third said that their degree was helpful. But workers with a college diploma were more likely to see pay raises and promotions. So don't fret, new grads: Our data shows that getting an education is worth it.

Finally, I end this issue with one big number that grabbed my attention in the first half of 2026. It shows that people who landed the biggest boost in pay so far this year were job-changers in the construction industry, proving that investing in specialized trade skills can be another valuable gateway to making big bucks. Specialty trades are the "it" career of the year when it comes to pay.

If you're on the road this summer, I hope you'll take *Today at Work* along for the ride. ◻

Nela

DR. NELA RICHARDSON
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MOVING VANS DIDN'T REMAP U.S. EMPLOYMENT.

THE ORG CHART DID.

BY

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REMOTE VERSUS LONG-DISTANCE WORK

Our research on the geography of work centers on two related but distinct types of employment.

■ **Remote work** describes where people do their jobs. It sits at the far end of a spectrum that spans fully on-site workers who go into the office every day to remote workers who are fully removed from any specific employment location. The most common example of a remote employee is someone who toils at a keyboard and spends some or all of their work hours at home, the coffee shop, or — if they're lucky — the beach.

■ **Long-distance** work refers to the geographic spread of teams. We sometimes refer to this phenomenon as cross-metropolitan work, or more simply as distance work. Under our definition, a long-distance employee is someone who reports to their manager from a different metropolitan area. Teams of long-distance workers might collaborate from many different locations and across time zones. Long-distance workers often are remote workers, too, but they don't have to be. For example, they might report in-person to an office or site that's different from their manager's.

When remote and long-distance work began to spread during the Covid-19 pandemic, it was easy to assume that the geography of employment was changing because people were moving. Migration certainly surged, and some U.S. metro areas saw unusually large numbers of people arriving and leaving.

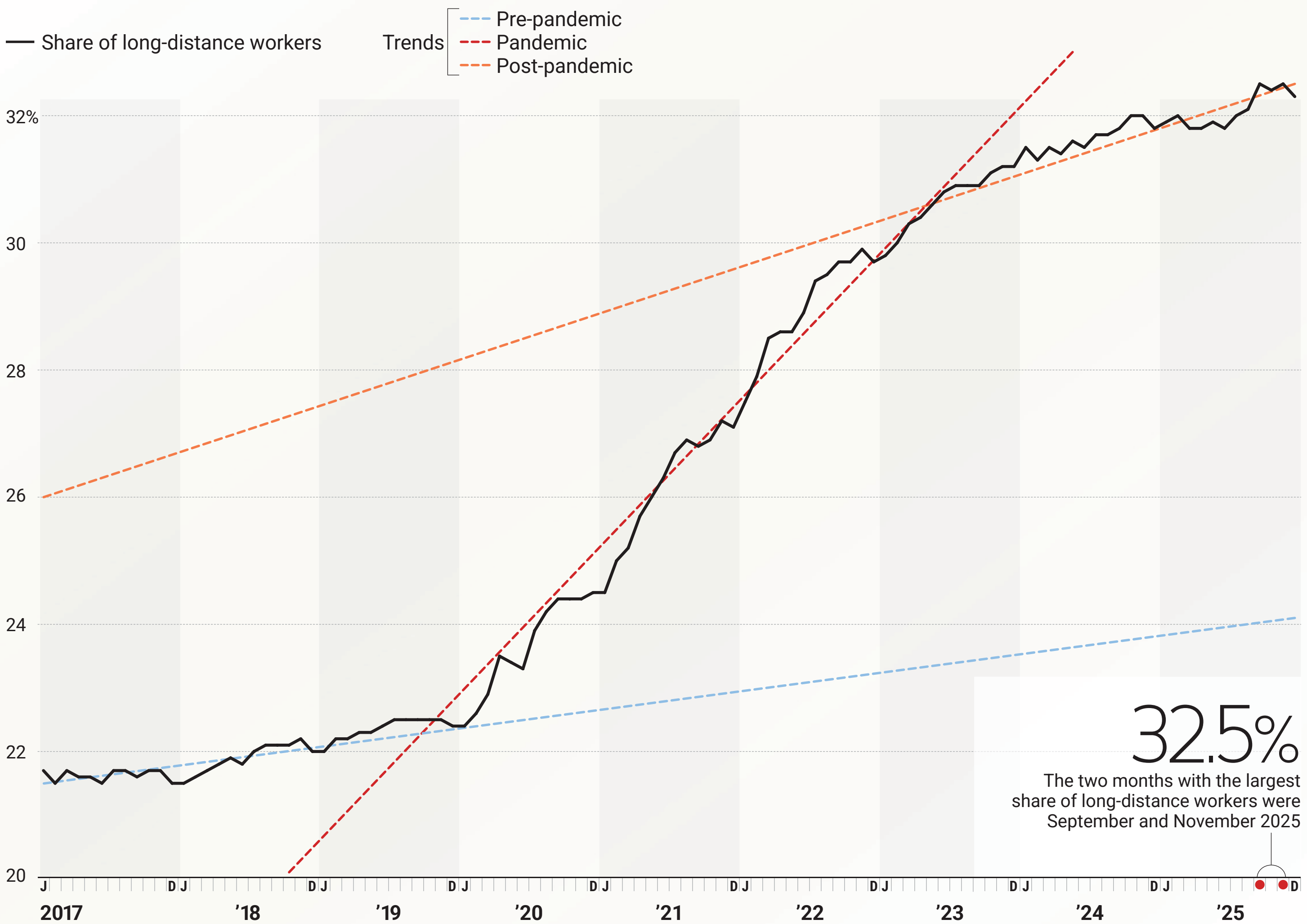
But that assumption wasn't quite right. Even at the height of the pandemic, the expansion of long-distance work — arrangements in which employees and their managers work in different metropolitan areas — owed far more to changing employer practices than to where incumbent employees chose to live. Cross-metro hiring and reassignments proliferated, creating far more long-distance work relationships than employee relocations did, ADP data shows.

Distance work had already been climbing before 2020, but it took a giant leap that year, when long-distance employees accounted for nearly 30 percent of workers. By December 2025, that share had reached 32.3 percent.[1]

It might seem counterintuitive that distance work continues to expand even as pandemic-era migration has ended and more employers are ordering people back to offices and work sites. Yet it does. We found some reasons why.

THE SHARE OF DISTANCE WORKERS CONTINUES TO GROW

Share of workers in long-distance employment arrangements at companies with at least 100 employees. In percent, 2017-'25



Source: ADP data

THE RISE — AND PERSISTENCE — OF DISTANCE WORK

Remote work describes where individuals do their jobs, be it fully off-site or a hybrid of on- and off-site work. Long-distance work describes the geographic spread of teams.

The concepts overlap but are distinct. Long-distance colleagues can work together from their desks at separate locations. Conversely, a fully remote worker whose manager lives down the street isn't doing long-distance work.

The pandemic-era surge in remote work almost certainly enabled the parallel rise in long-distance arrangements. As people and employers discovered that daily co-location was no longer a prerequisite for effective collaboration, the geographic boundaries of team-building began to dissolve. Notably, long-distance work has proven more durable than remote work itself.

In the three years leading up to the pandemic, the share of workers living in a different metro than their manager edged up from 21.5 percent to 22.5 percent. The growth was gradual, suggesting a quiet but persistent loosening of physical workplace ties.

The pandemic disrupted that pattern. In late 2020, the share of long-distance workers began to surge, reaching nearly 30 percent by the end of 2022, well above anything the pre-pandemic trend would have predicted.[2]

Since then, the pace of growth has slowed. The share of long-distance workers has continued to expand by about one percentage point every 16.4 months. That's slower growth than during the pandemic surge, when the same gain took just 4.5 months, but it's nearly twice as fast as the pre-pandemic pace of one point every 33 months.[3]

In other words, the growth of distance work has settled into a new, faster trajectory. The geography of work didn't

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just adjust temporarily during the pandemic. It reset completely.

What's driving this change, and why does it continue even as offices refill?

ORG CHARTS AND MOVING VANS

The answer lies in how distance jobs are created.

The geography of work can change even when people stay put. When workers and employers no longer see distance as an obstacle, teams can be configured across far-flung offices and regions through staffing decisions alone, redrawing the map of collaboration without anyone changing their home address.

ADP data allows us to measure this activity directly. To track what gives rise to distance roles, we sorted the sources of change into four categories: new hires, manager reassignments, worker relocations, and manager relocations.

New hires accounted for the creation of roughly 7 in 10 distance roles. Manager reassignments explained most of the rest. Physical relocations by incumbent employees – people in those moving vans – barely registered.

Even when migration was surging at the height of the pandemic, the geography of reporting relationships changed mainly as people and employers connected across metro lines and organizations reassigned workers to distant teams or managers to meet operational needs.[4]

HIRING AND REASSIGNMENTS

Let's look at the two activities that gave rise to distance work: new hiring and internal reorganization.

The share of new hires placed directly into distance roles was growing before 2020, but that growth accelerated during the pandemic and has remained elevated since.

In mid-2025, the pace of distance hiring began to pick up again, suggesting that the practice is more than a pandemic artifact. Employers have come to view it as a viable, routine practice rather than a temporary adaptation.

But the rise in long-distance hiring was only the beginning. Long-distance work also became more commonplace among the ranks of incumbent employees.

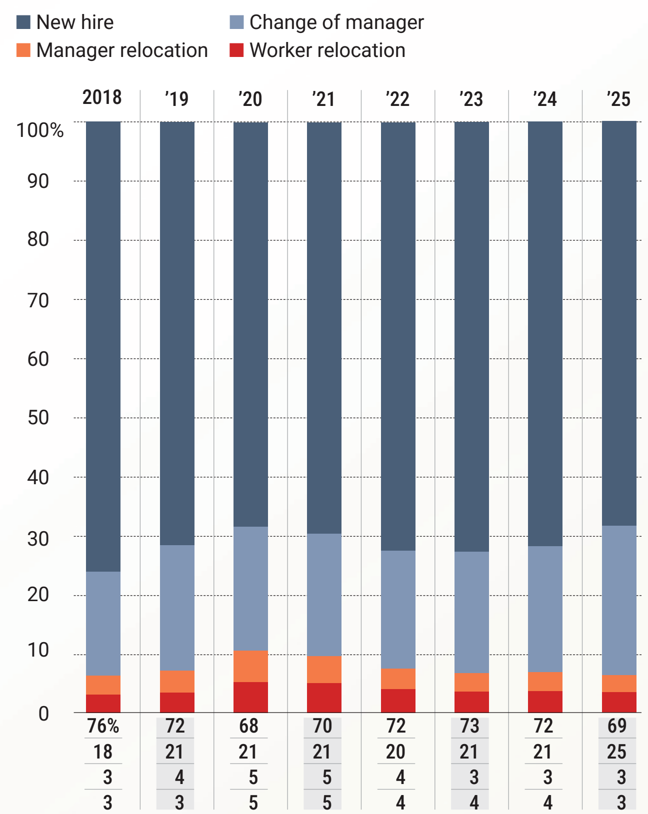
Among people hired before the pandemic's onset in 2020, the share of long-distance reports grew during the pandemic and continued to grow after it ended, a change that reflected internal reorganization.

In short, distance work grew through two reinforcing channels: new hires taking jobs at a distance from their managers, and incumbent employees finding themselves reporting to managers at a distance as their teams were reorganized. □

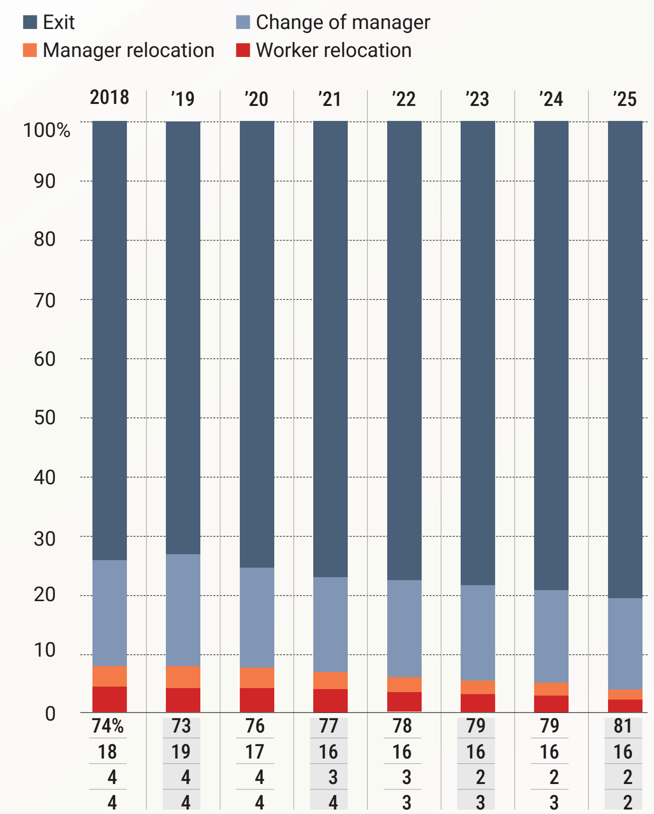
WHAT'S DRIVING THE RISE IN LONG-DISTANCE WORK?

Hiring and reassignments, not worker migration, are behind the growth.

Share of workers flowing into long-distance work
In percent, 2018-'25



Share of workers flowing out of long-distance work
In percent, 2018-'25



Note: Relocations refer to changes by incumbent workers or their managers that alter a person's long-distance status.

Source: ADP data

THE TAKEAWAY

The geography of work can shift even when the workforce stays put. New hires, reassignments, and separations across metros can reshape the spatial pattern of employment without anyone changing their home address. Our data points to four key takeaways.

Hiring, not moving, drove long-distance work. When people changed their work arrangements during the pandemic, they did it mostly by switching jobs, not by convincing their current employer to let them work from afar.

Distance hiring is self-reinforcing. Once employers established processes, norms, and tools to make cross-metro teams operationally neutral, they kept using them. Each successful distance hire or assignment made the next one feel less risky. What started as an exception became a norm. Once embedded, distance work becomes difficult and increasingly unnecessary to reverse.

Return-to-office mandates and distance work aren't mutually exclusive. Requiring employees to show up in person doesn't necessarily put managers and teammates back in the same room. Whether people work from home or on site, distance reporting lines remain intact. And once cross-metro links are in place, they're likely difficult to roll back. They could anchor supervision, project flow, and team composition in ways that make co-location redundant or costly and disruptive to restore.

An important micro-macro link. As legions of job candidates and hiring managers collectively paired up across metro lines, they quietly stitched distant metro economies together through corporate reporting lines rather than commuting patterns. What began as a pandemic-era adaptation has become a new connective tissue of the U.S. economy, one capable of spreading opportunity and interdependence across space even as people stay put.

The pandemic changed where many people worked. But changes in how people match to jobs and how teams come together have reshaped how work is organized, and that shift has proven more durable. Distance work structures are built through everyday actions such as job changes, hiring decisions, and managerial reorganizations. As such, they've outlasted the boom in remote work.

METHODOLOGY

Our analysis draws on an ADP sample of employers with at least 10 U.S.-based workers on payroll each month for which we had visibility into internal managerial structures. Within that group, the sample was confined to individuals on credibly sized teams, which we defined as having no more than 10 people reporting to a single manager.

Our results reflect this sample rather than the full U.S. workforce. While the sample does change gradually over time, in our assessment that drift is unlikely to be driving results.

A worker is classified as long-distance if they and their direct manager live in different metropolitan areas. Although the number varies over time, from January 2017 to December 2025, our total worker sample averaged approximately 1.9 million people at almost 32,000 employers each month.

Metropolitan areas refer to Census Bureau Combined Statistical Areas where applicable, and Core-Based Statistical Areas elsewhere. Using the broadest available definitions minimizes situations in which workers separated only by an administrative boundary within a larger metro are considered cross-metro. For example, we do not consider a worker and a manager living on opposite sides of the San Francisco-San Jose metro boundary to be participants in long-distance work.

An individual is classified as a new hire in the month they receive their first paycheck from a given employer in their current employment spell. A worker exit occurs in the last month in which a paycheck from that employer is observed. Changes in long-distance status attributed to relocation correspond to moves across metropolitan areas. It's possible that employer records fail to record an employee's change of address, which would cause us to underestimate the role of relocation. However, moves across state lines are almost certain to be recorded in a timely manner, given administrative implications such as tax and regulatory requirements. Because the vast majority of cross-metropolitan relocations also cross state lines, any underestimate of the share of relocation-driven changes in long-distance status is likely to be small.

[1] ADP Research has been tracking this phenomenon. For further reading, please see "The growing prevalence of cross-metropolitan work", "Long-distance work and domestic offshoring", "Long-distance work and compensation", and "The democratization of long-distance work".

[2] These values are based on a sample of companies with at least 100 employees to ensure comparability with developments reported in our previous work on this topic. The remainder of the study applies an employer size threshold of 10 or more workers, which allows us to track flows between employers and ensures a larger sample from which to draw robust conclusions. Because long-distance work is less common among smaller employers, applying the 10-employee minimum threshold puts the estimated share of long-distance workers at approximately 29 percent by the end of 2025. Overall trends and conclusions remain consistent across the broader sample.

[3] This figure is drawn from the trend line fitted by linear regression. The slope between each period's endpoints might differ slightly from that fitted line.

[4] New hires and separations might coincide with worker relocations, but we often cannot observe those moves when they occur outside a continuing employment relationship. A worker who moves from New York to Boise before starting a job reporting to New York or Chicago, for example, appears in our data as a new hire in Boise, not as a relocation from New York. From the worker's perspective, the move may be central to the story. From the employer's perspective, however, the relevant decision is to hire, retain, or separate from a worker at the location observed during the employment spell. A Boise-based hire reporting to New York is therefore substantively a staffing choice: The employer chose to create a cross-metro reporting relationship knowing the worker would be in Boise. "Relocation" refers only to metro changes recorded by incumbent workers or managers that alter an existing reporting relationship.

WHO WENT THE DISTANCE?

Some sectors have embraced distance work. Others haven't – or can't

By

Issi Romem, PH.D. • Research fellow

Łukasz Below, PH.D. • Research consultant

The rise of long-distance work has touched every sector of the economy. But while some employers and industries have embraced distance work, others haven't – or can't.

We studied a sizeable ADP sample of workers at large employers with identifiable worker-manager relationships, giving us a broad, though not complete, view of how long-distance work has spread across the labor market.

As distance work was widely adopted during and after the pandemic, it became a defining feature of several sectors. By February 2026, more than 45 percent of workers employed in professional and business services or information lived in a different metro than their manager, evidence of how deeply geographic flexibility had taken hold in sectors built around knowledge work.

Finance and insurance also saw a sharp rise in its share of distance workers, from a relatively low pre-pandemic baseline of 18.9 percent to 28.6 percent at the beginning of 2026. That steep growth likely reflects the sector's historical concentration in a few major employment hubs. Before the pandemic, even remote hiring, which doesn't require workers to live near their managers, often yielded employees who still were local to their managers. As workers gained more freedom to live outside traditional finance centers, long-distance arrangements spread quickly.

At the other end of the spectrum, agriculture saw almost no change, a clear reminder that some work simply can't be done from afar.[1]

To track the change in distance work, we measured the share of workers living in a different metro area than their manager — our definition of a long-distance work arrangement — at three moments in time: February 2017, the eve of the pandemic in February 2020, and February 2026.

These snapshots reveal which sectors had already embraced long-distance arrangements before the pandemic and which experienced a sharp pandemic-driven uptake.

REMOTE-FRIENDLY SECTORS DROVE THE SHIFT

To understand why distance work expanded more in some sectors than others, it helps to consider how well their jobs lend themselves

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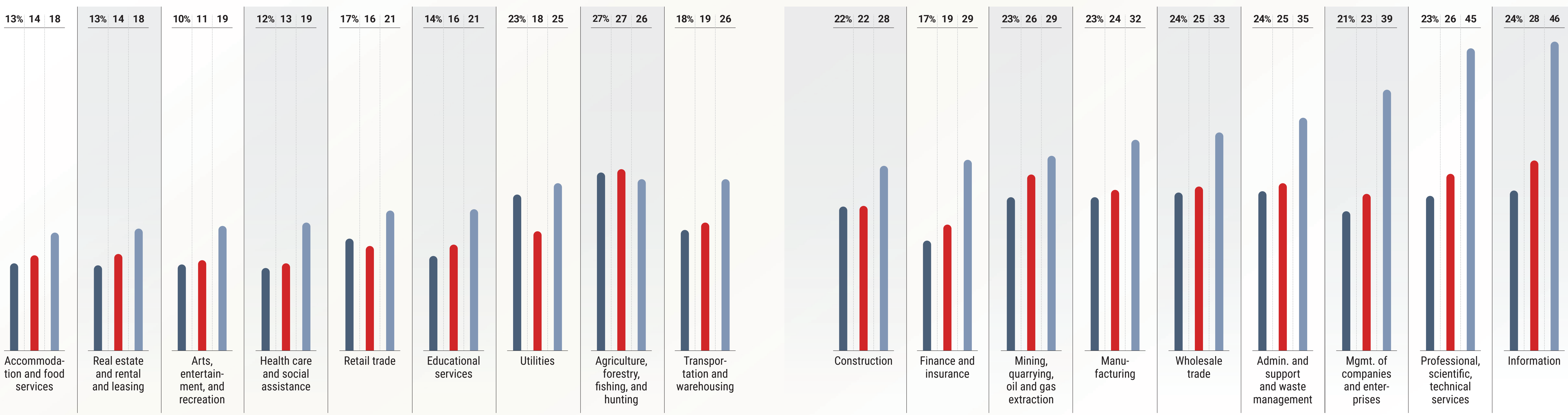
DISTANCE WORK EXPANDED IN MOST SECTORS, BUT TO VARYING DEGREES

The share of workers in long-distance work arrangements

By sector, in percent

■ February 2017 ■ February 2020 (start of the pandemic) ■ February 2026



Source: ADP data

Continued from page 9

to remote execution—and how remote work, in turn, opens the door to long-distance work.

Remote work describes where individuals do their jobs—fully off-site or a mix of on- and off-site — while long-distance work describes the geographic spread of teams. The two are distinct; colleagues can work with each other from separate offices without either being "remote," but the pandemic-era surge in remote work almost certainly enabled the parallel rise in long-distance arrangements as workers and employers discovered that daily co-location was no longer a prerequisite for effective collaboration.

Notably, long-distance work has proven more durable than remote work itself: Even as return-to-office mandates have pulled many workers back to shared workplaces, the geographic dispersal of teams has largely held.

We examine each sector's share of distance workers from February 2020 to February 2026 against a remotability score, a measure of how feasible it is to perform that work away from a shared location.[2]

The pattern is straightforward: Sectors with jobs that are amenable to remote execution saw the largest gains in long-distance work, while those tied to physical presence changed little. In other words, the nature of the work — not just the preferences of workers or employers — shaped which sectors went the distance.

A few sectors fell outside any trend, most notably educational services and arts, entertainment, and recreation. This might reflect how remote potential is measured. Work in the arts might be more remote-compatible than conventional classifications suggest, while education's apparent flexibility during the pandemic might have overstated its true capacity for remote delivery.

Still, the overall pattern is clear: The more remote-ready a sector is, the more likely it was to shift toward long-distance arrangements. □

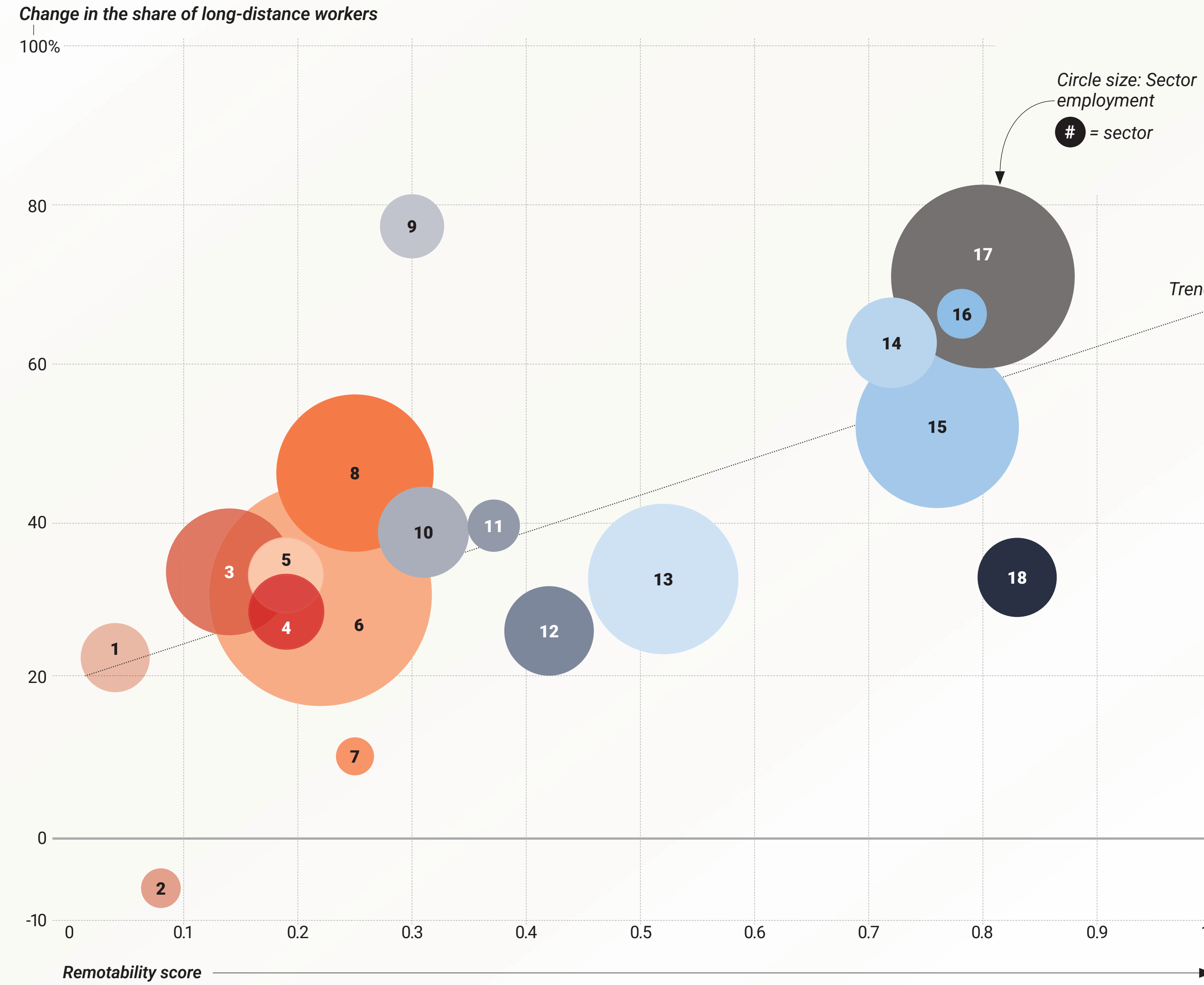
[1]The distance work share in agriculture, forestry, fishing, and hunting was stable at 26 percent to 27 percent. While those distance workers report up the corporate hierarchy to managers located elsewhere, it's likely that their work is not remote-friendly and was therefore unaffected by the pandemic's easing of geographic work constraints.

[2] The remotability score draws on Dingel and Neiman's canonical classification of every U.S. occupation as either feasible or not feasible to perform from home, based on O*NET survey data on job tasks and work context--for instance, whether a job requires operating heavy machinery, working outdoors, or direct physical contact with the public. Averaging those occupation-level scores across the workers in each sector yields an industry-level measure ranging from 0 (no jobs can be done remotely) to 1 (all jobs can). Dingel, Jonathan I., and Brent Neiman. "How many jobs can be done at home?" Journal of Public Economics 189 (2020): 104235.

REMOTE-READY SECTORS SAW THE LARGEST SHIFTS TOWARD DISTANCE WORK

By sector and remotability score, in percent. February 2020-'26.

	Sector
1	Accommodation and food services
2	Agriculture, forestry, fishing, and hunting
3	Retail trade
4	Construction
5	Transportation and warehousing
6	Manufacturing
7	Mining, quarrying, and oil and gas extraction
8	Health care and social assistance
9	Arts, entertainment, and recreation
10	Administrative and support and waste management
11	Utilities
12	Real estate and rental and leasing
13	Wholesale trade
14	Information
15	Finance and insurance
16	Management of companies and enterprises
17	Professional, scientific, and technical services
18	Educational services



Source: ADP data;
Journal of Public Economics 189 (2020): 104235[RN5.1][WL5.2]

LONG-DISTANCE WORK HAS PROVEN MORE DURABLE THAN REMOTE WORK

METHODOLOGY

The sample used consists of a monthly subset of employers in ADP data with at least 100 U.S. employees and for whom information is available on their internal reporting structure. Within those organizations, the sample was confined to members of credibly sized teams, implemented as having no more than 10 employees reporting to the same manager, and to workers whose employment and team membership (i.e. manager) were observed and consistent for at least two months before and two months after the observed period. If an employee and their direct manager lived in different metropolitan areas, we defined the employee as a long-distance worker.

Although the number varied over time, from January 2017 to February 2026 on average there were approximately 1.9 million employees that meet these criteria each month, employed by an average of almost 32,000 organizations each month. The sample was weighted using Quarterly Census of Employment and Wages (QCEW) employment totals in each state and sector pair to better represent the U.S. working population. The share of long-distance work is calculated as the ratio of long-distance workers to the total sample characterized above, which already omits any individuals for whom long-distance work status is unobserved, thanks to observing team membership.

Metropolitan areas used to determine long-distance work status refer to Consolidated Statistical Areas where applicable and Core-Based Statistical Areas elsewhere. By using the broadest available definitions of metropolitan areas, we minimize situations in which workers separated by arbitrary lines within broader metros are considered cross-metro (for example, we do not consider a worker living on the opposite side of the line between the San Francisco and San Jose metro areas from their manager as being a long-distance worker).

You've graduated.

Now what?

The job market for entry-level workers has cooled, but some metros still stand out.

By

Sam Adieze
Data scientist

After graduating, many college students might be asking what comes next—especially in a labor market that has cooled for the kinds of jobs that recent grads typically fill. In a tougher market, knowing where the best opportunities are matters more than ever.

For the third year, we set out to answer a few questions facing new graduates. How strong is the job market? Where will my starting salary go the farthest? And where are recent graduates most likely to be hired?

Ultimately, we were looking for the best combination of pay, affordability, and opportunity. To find it, we turned to the anonymized ADP payroll data of more than 409,000 people aged 20 to 29 at more than 20,000 U.S. employers, spanning January 2025 through January 2026. We then ranked 53 U.S. metro areas with at least one million residents based on wages, hiring, and cost of living.

This year's results look very different than last year's. None of 2025's top four metro areas held their ground, and some of the new contenders might come as a surprise. But after three years of reporting on the best metros for grads, a few continue to show up near the top—and a few others remain stuck near the bottom.

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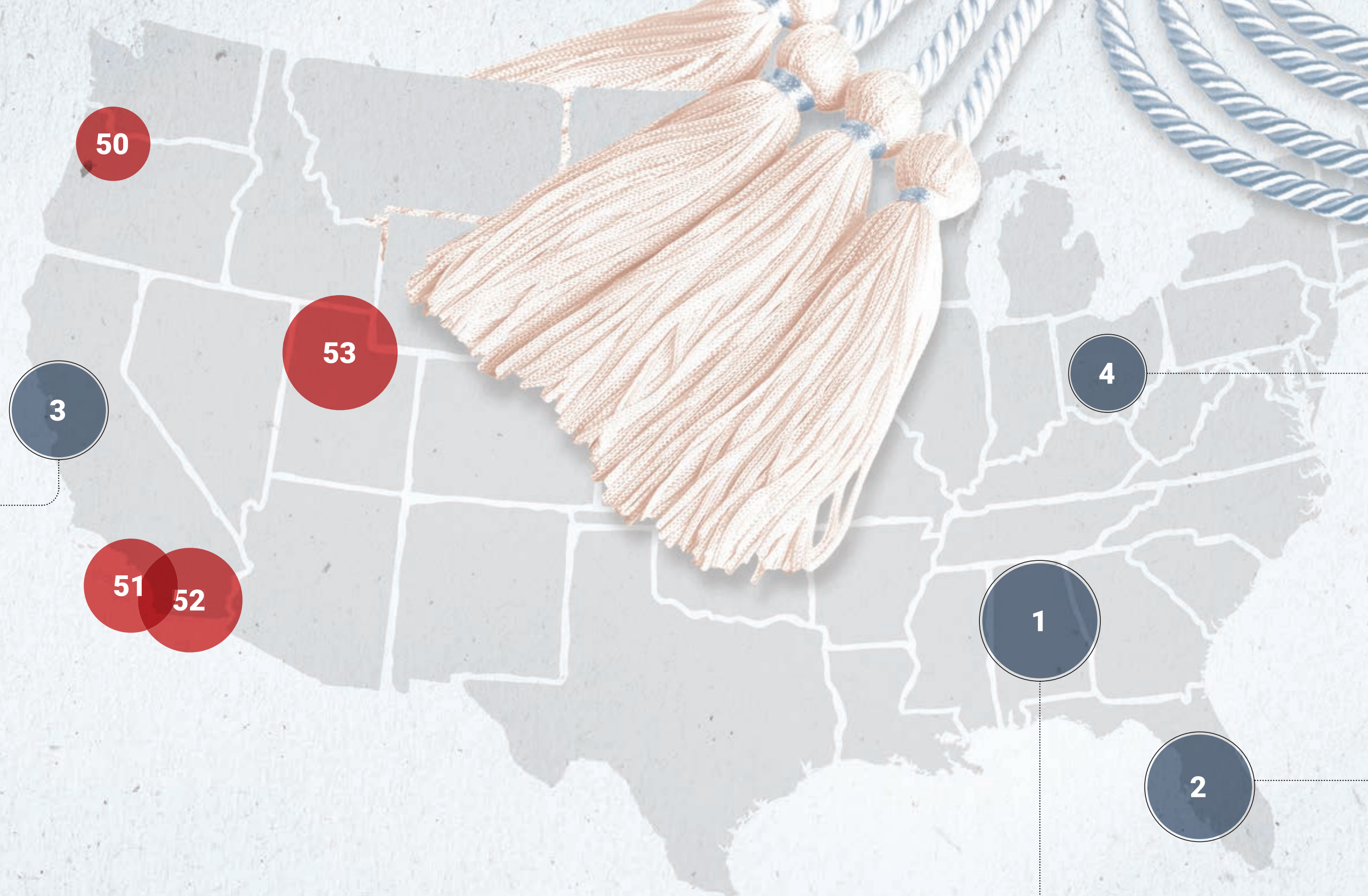
THE TOP AND BOTTOM

Overall ranking of U.S. metro areas based on a combination of hiring, wages, and affordability.

January 2025 - '26

Metros at the top

Metros at the bottom



SAN JOSE-SUNNYVALE-SANTA CLARA, CA

California's greater San Jose region was propelled to the top by strong hiring and a perfect score on wages.

Rank: 3

Wages	100%
Affordability	12%
Hiring rate	73%

COLUMBUS, OH

Greater Columbus jumped in the rankings after its pace of hiring accelerated from 2.4 percent to 3.1 percent. Whereas affordability tripped up San Jose, wages held back Columbus.

Rank: 4

Wages	50%
Affordability	79%
Hiring rate	94%

BIRMINGHAM-HOOVER, AL

Greater Birmingham's rise was driven by strong hiring and rapid wage growth. Between January 2025 and January 2026, the metro posted a strong 2.8 percent hiring rate, and median annual wages for recent graduates jumped more than 16 percent to $59,004. The region was more affordable than all but two of the metros we studied.

Rank: 1

Wages	85%
Affordability	96%
Hiring rate	88%

TAMPA-ST. PETERSBURG-CLEARWATER, FL

Florida's Tampa-St. Petersburg-Clearwater region made one of the biggest leaps, jumping from 26th in our rankings to second place. The region's hiring rate increased from 2.6 percent to 3.4 percent, one of the fastest paces of growth in our sample.

Rank: 2

Wages	42%
Affordability	44%
Hiring rate	100%

BOTTOM METROS FOR NEW COLLEGE GRADS

	Portland-Vancouver-Hillsboro, OR-WA	San Diego-Carlsbad, CA	Riverside-San Bernardino-Ontario, CA	Salt Lake City, UT
Rank	50	51	52	53
Wages	79%	69%	2%	35%
Affordability	23	8	19	46
Hiring rate	0	4	31	2

Source: Wages and hiring rate estimates based on ADP data. Affordability based on Bureau of Economic Analysis Metro Area Regional Price Parities (MARPP).

Continued from page 12

THESE METROS LAGGED

At the bottom of the rankings, we found some familiar names. Salt Lake City and California's Riverside-San Bernardino-Ontario region both returned to the bottom four. Salt Lake has weaker hiring than all but one metro, as well as below-median wages and affordability. Riverside has lower college grad wages than all but one metro, and below-median hiring and affordability.

San Diego-Carlsbad, Calif., and Portland-Vancouver-Hillsboro, which straddles Oregon and Washington, rounded out the bottom four. Both offer relatively strong wages, but with some of the slowest hiring rates in our sample. Affordability, too, lagged. Even graduates who do land jobs in these metros ace a tough financial tradeoff in the form of high cost of living.

THE SILICON VALLEY SURPRISE

With layoffs sweeping the technology sector and artificial intelligence reshaping hiring, one might expect tech hubs to have a weak showing in our graduate ranking.

That wasn't the case. San Jose climbed to third, and San Francisco rose four places to seventh, both buoyed by solid hiring.

NEW YORK AND SAN FRANCISCO METRO AREAS

These large coastal metros consistently rank in the top half. Despite affordability pressures, they remain the country's biggest job hubs.

Elsewhere, the picture was different. Seattle ranked 38th, and the secondary tech hubs of Portland and San Diego fell near the bottom, dragged down by hiring rates in the bottom 25th percentile.

In Texas, the Austin-Round Rock region fell from fourth place as the pace of hiring slowed from 2.8 percent to 2.4 percent. Miami maintained its steady hiring, but stagnant wages and high costs kept it near the bottom on affordability, behind only San Francisco.

PHOENIX RISES—THEN FALLS

Last year, the Phoenix-Mesa-Scottsdale metro was one of our biggest upward movers. This year, the region was pulled down by flat wages and cool hiring. One bright spot: affordability improved slightly relative to other metros, perhaps helped by a normalizing housing market.

WHAT HAPPENED TO RALEIGH?

Raleigh slipped from the top spot to fifth this year, but it remains a strong contender for new graduates.

More broadly, the rankings continue to favor fast-growing Southern metros, including Tampa, Tennessee's Nashville-Davidson-Murfreesboro-Franklin region, Austin, Tex., and Charlotte, N.C.

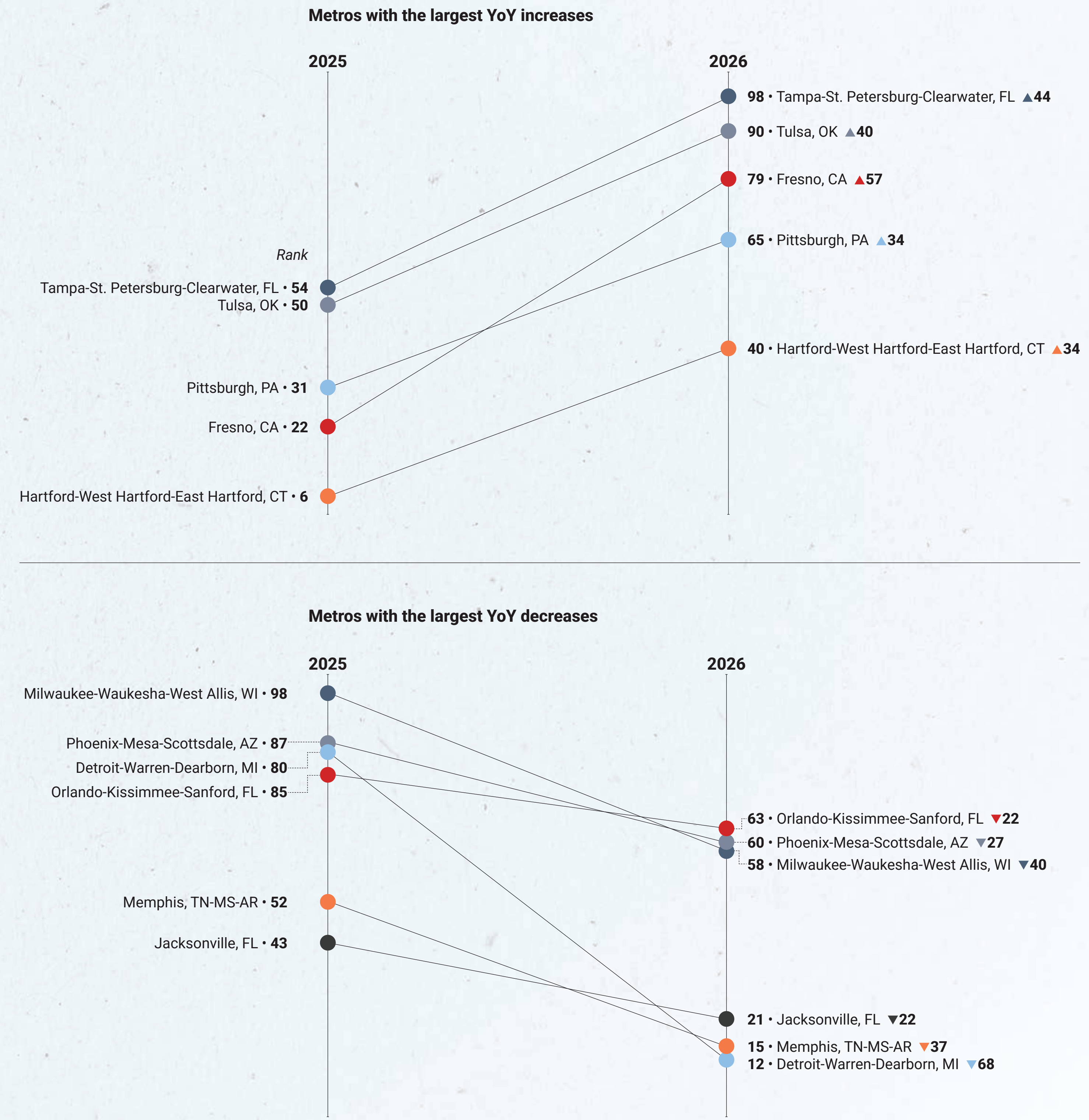
The large coastal hubs consistently rank in the top half. New York-Newark-Jersey City has been in the top 10 for three years, and San Francisco consistently has had a strong showing. Despite affordability pressures, these cities remain the country's biggest job hubs.

Then there are the underperformers. Salt Lake City has occupied the last place on our list for the past two years. And in cities such as Seattle and San Diego, high wages don't translate to affordability or robust hiring. ◻

BIGGEST MOVERS

2025 - '26

The biggest increases and decreases in overall percentile rank by metro, comparing the 2026 and 2025 reports. Detroit and Fresno represent the biggest decrease and increase in rank, respectively. Phoenix rose last year but dropped this year.



Source: Wages and hiring rate estimates based on ADP data. Affordability based on Bureau of Economic Analysis Metro Area Regional Price Parities (MARPP).

METRO AREAS RANKED

Looking for your next move? Explore metro-level wages, affordability, and hiring for yourself.

January 2025 - '26

Metro area	Combined percentile rank	Annual wage estimate	Nation-to-metro cost of living ratio	Affordability-adjusted annual wage	Hiring rate
Birmingham-Hoover, AL	100	$59,004	1.091	$64,383	2.8%
Tampa-St. Petersburg-Clearwater, FL	98	$49,817	0.991	$49,378	3.4
San Jose-Sunnyvale-Santa Clara, CA	96	$70,708	0.906	$64,034	2.7
Columbus, OH	94	$51,596	1.047	$54,045	3.1
Raleigh, NC	92	$56,372	1.019	$57,430	2.8
Tulsa, OK	90	$41,791	1.121	$46,843	3.3
San Francisco-Oakland-Hayward, CA	88	$67,780	0.865	$58,626	2.6
Nashville-Davidson-Murfreesboro-Franklin, TN	87	$53,103	1.038	$55,122	2.8
Charlotte-Concord-Gastonia, NC-SC	85	$51,677	1.027	$53,085	2.8
New York-Newark-Jersey City, NY-NJ-PA	83	$61,821	0.888	$54,922	2.7
Denver-Aurora-Lakewood, CO	81	$60,900	0.945	$57,572	2.5
Fresno, CA	79	$46,886	0.979	$45,896	3.1
Austin-Round Rock, TX	77	$59,072	1.02	$60,237	2.4
Baltimore-Columbia-Towson, MD	75	$52,885	0.957	$50,614	2.8
Providence-Warwick, RI-MA	73	$53,580	0.983	$52,647	2.6
Dallas-Fort Worth-Arlington, TX	71	$52,035	0.97	$50,475	2.7
Indianapolis-Carmel-Anderson, IN	69	$51,608	1.045	$53,929	2.5
Houston-The Woodlands-Sugar Land, TX	67	$50,617	1.014	$51,321	2.6
Pittsburgh, PA	65	$46,284	1.056	$48,889	2.7
Orlando-Kissimmee-Sanford, FL	63	$46,468	0.986	$45,818	2.9
Chicago-Naperville-Elgin, IL-IN-WI	62	$55,635	0.965	$53,705	2.4
Phoenix-Mesa-Scottsdale, AZ	60	$49,542	0.968	$47,952	2.7
Milwaukee-Waukesha-West Allis, WI	58	$52,110	1.032	$53,757	2.4
Buffalo-Cheektowaga-Niagara Falls, NY	56	$48,576	1.043	$50,682	2.5
Richmond, VA	54	$52,720	1.022	$53,874	2.3
Las Vegas-Henderson-Paradise, NV	52	$45,159	0.998	$45,062	2.8
Rochester, NY	50	$47,428	1.031	$48,877	2.5
Oklahoma City, OK	48	$43,792	1.106	$48,439	2.6
St. Louis, MO-IL	46	$47,841	1.052	$50,313	2.5
Washington-Arlington-Alexandria, DC-VA-MD-WV	44	$61,552	0.918	$56 ,530	2.2
Boston-Cambridge-Newton, MA-NH	42	$64,231	0.924	$59,327	2.1
Hartford-West Hartford-East Hartford, CT	40	$52,045	0.973	$50,654	2.4
Tucson, AZ	38	$43,865	1.032	$45,270	2.7
San Antonio-New Braunfels, TX	37	$44,920	1.056	$47,426	2.5
Miami-Fort Lauderdale-West Palm Beach, FL	35	$50,798	0.876	$44,499	2.6
Atlanta-Sandy Springs-Roswell, GA	33	$52,104	0.999	$52,073	2.2
Kansas City, MO-KS	31	$49,431	1.081	$53,414	2.2
Seattle-Tacoma-Bellevue, WA	29	$59,080	0.9	$53,162	2.2
Sacramento-Roseville-Arden-Arcade, CA	27	$50,977	0.937	$47,789	2.4
Louisville/Jefferson County, KY-IN	25	$46,840	1.074	$50,325	2.3
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	23	$52,172	0.975	$50,873	2.2
Jacksonville, FL	21	$48,146	1.005	$48,396	2.3
Cincinnati, OH-KY-IN	19	$49,584	1.049	$51,992	2.1
Minneapolis-St. Paul-Bloomington, MN-WI	17	$52,162	0.954	$49,763	2.2
Memphis, TN-MS-AR	15	$47,831	1.085	$51,890	2.0
Los Angeles-Long Beach-Anaheim, CA	13	$51,794	0.881	$45,607	2.3
Detroit-Warren-Dearborn, MI	12	$48,986	0.997	$48,840	2.1
Grand Rapids-Wyoming, MI	10	$47,853	1.047	$50,084	2.0
New Orleans-Metairie, LA	8	$43,632	1.08	$47,121	2.0
Portland-Vancouver-Hillsboro, OR-WA	6	$53,823	0.949	$51,056	1.8
San Diego-Carlsbad, CA	4	$52,663	0.894	$47,068	1.9
Riverside-San Bernardino-Ontario, CA	2	$42,640	0.939	$40,059	2.3
Salt Lake City, UT	0	$49,220	0.991	$48,796	1.8

Annual wages are for jobs requiring a bachelor's degree or equivalent worked by people aged 20 to 29. Annual wage estimate and hiring rate from ADP data. Nation-to-metro cost living ratio based on the inverse of Metro Area Regional Price Parities (MARPP) from the U.S. Bureau of Economic Analysis. Affordability-adjusted wage divides annual wage estimate by MARPP.

METHODOLOGY

How we find likely college graduates in payroll data

Payroll data doesn't capture the educational attainment of workers. To address this, we map job titles to the Department of Labor's Occupational Information Network (O*NET) Job Zones, which classify occupations based on educational, experience, and training requirements.[1] Occupations fall into one of five Job Zones, each with its own typical education requirements.

Job Zone	Job Zone name	Typical education requirement
1	Little or no preparation	Might require a high school diploma or GED
2	Some preparation	Usually require a high school diploma
3	Medium preparation	Require a vocational school or associate's degree
4	Considerable preparation	Most require a bachelor's degree
5	Extensive preparation	Most require graduate school

How we compare metro areas

We looked at 53 U.S. metro areas with populations of at least one million residents. For 2026, we excluded Cleveland, Ohio, and Virginia Beach, Va., from our sample due to data limitations: Cleveland's sample size for our target workers was too small, while Virginia Beach showed an unusually large swing in hiring driven by a small number of employers. We rank metros based on three characteristics:

1. Wages. For the 12 months ending in April 2025, we used ADP data to estimate median annualized wages each month for workers aged 20 to 29 in jobs requiring considerable preparation. We calculated the average of those medians by metro area.

2. Hiring rates. Each month, we counted the number of people aged 20 to 29 who were hired in the previous 12 months into jobs requiring considerable preparation, typically a bachelor's degree, and the number of people in that same group who were employed in those jobs during the same period. We divided hires by employment. The result captures the speed at which employers grew their considerably prepared headcount of people aged 20 to 29 each month. We present the result as a percentage, which gives the rate per 100 people employed for a full month.

3. Affordability. The U.S. Bureau of Economic Analysis divides a metro area's consumer price index by the national cost index to measure metro-area regional price parity (MARPP). The higher the MARPP, the more expensive the metro relative to the national average[2]. To measure affordability, we take the inverse of MARPP.[3] To adjust wages for the cost of living, we divide the metro area's wages by MARPP.

To make these metrics comparable, we assigned a percentile rank for wages, hiring, and affordability. Higher percentiles indicate stronger performance. For example, a metro with a hiring rate percentile ranking of 65 percent has better hiring than 65 percent of the metros studied. We then combine affordability-adjusted wages and hiring into a single metric and rank metros based on that composite measure.[4]

[1] ADP uses a proprietary algorithm to map the job titles that employers enter into the payroll system to their most likely O*NET-SOC (Standard Occupational Classification) codes, which O*NET categories by Job Zone.

[2] Metro areas here are defined as Core-Based Statistical Areas. We report results for CBSAs with at least one million residents as of 2022 five-year American Community Survey total population estimates.

[3] Affordability = 1/MARPP.

[4] Specifically, we take the geometric mean, which leads a 1 percent decline in affordability-adjusted wages to have the same impact on a metro area's average score as a 1 percent decline in the hiring rate, despite their different scales.

Does education pay off in the workplace?

It depends.

By

Mary Hayes, PH.D.
Research director

Jared Northup
Research analyst

Change is inevitable, but growth takes effort. In times of economic uncertainty, conventional wisdom tells us to learn new skills and adapt. But is education enough to get workers through a challenging labor market?

Data- and anecdotal-driven evidence suggests that today's college graduates are finding it more difficult to land entry-level jobs, especially in fields exposed to advances in artificial intelligence. To learn how important education is in the minds of workers themselves, we asked people employed in 36 global markets if their education prepared them to land a job.

Only a small share said yes. But people with a college degree were more likely than those without to say their education prepared them for the workforce. They were more likely to feel they had the skills needed to advance in their career, more likely to report pay increases and promotions, and more likely to say they felt financially secure.

Our sample consisted of working adults, 68 percent of whom held the equivalent of an associate's, undergraduate, or advanced college degree. This group included people at all levels of experience in jobs of all kinds.

THE DEGREE ADVANTAGE

Only 24 percent of our

Continued on page 20

TOP SECTORS

Sectors with the largest share of workers who strongly agree their education effectively prepared them for finding a place within the workforce.

Finance and insurance	35%
Technology services	35
Professional, scientific, and technical services	31
Educational services	30
Real estate and rental and leasing	30

Source: ADP Research
2025 Global Workforce Survey

Continued from page 19

survey respondents strongly agreed that their education prepared them to find a job. Among workers with a college degree, that number was 28 percent. And among people without a diploma, the share who felt their education had prepared them fell to 16 percent.

This education sentiment gap was widest in the Middle East/Africa. There, 38 percent of workers holding a degree said they felt prepared, compared to only 24 percent of those without a degree.

The United Arab Emirates was a big contributor to this regional divide. There, 35 percent of people with a degree felt prepared, compared to 14 percent of people without one.

In the Asia-Pacific region, the share of workers with a college degree who felt prepared was double that of workers without a degree.

DEMOGRAPHIC COMPARISONS

Our sentiment data showed little difference by gender. But when we compared answers by age and work type, responses varied dramatically.

Knowledge workers with a degree were by far the most likely to say they felt prepared.

For skilled task and repetitive task workers, feelings of preparedness dropped among older workers, regardless of whether they had a degree or not.

There were large variances by sector. Thirty-five percent of degreed workers in technology services and finance and insurance strongly agreed that their education effectively prepared them for the workforce, the largest shares of any sector. Compare that to degreed workers in arts, entertainment, and recreation and public administration, where the share was only 21 percent.

Knowledge workers with a degree were by far the most likely to feel prepared in every sector but agriculture, forestry, fishing, and hunting.

EDUCATION AND SKILL DEVELOPMENT

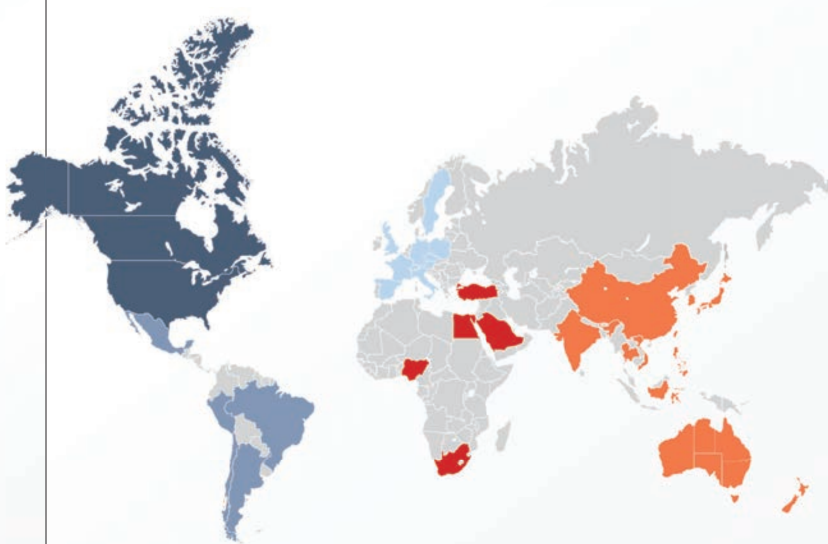
Workers can feel insecure in their jobs when they think they lack the skills to advance. Respondents to our survey who were confident their education had prepared them were 9 times more likely to say with confidence that they have the skills needed to advance in their career.

And when workers feel they have the skills to advance, they feel substantially more secure in their jobs. People who strongly agreed that they have the skills needed to advance in the next three years were 5 times more likely to feel that their job is safe from elimination. ◻

Share of workers who strongly agree:

I BELIEVE MY EDUCATION EFFECTIVELY PREPARED ME FOR FINDING A PLACE WITHIN THE WORKFORCE

By region



Region	College degree	No college degree
North America	25%	17%
Latin America	33%	21%
Europe	21%	14%
Middle East / Africa	38%	24%
Asia-Pacific	25%	13%

Source: ADP Research 2025 Global Workforce Survey

By Market	College degree	No college degree
North America		
Canada	23%	16%
United States	28	17
Latin America		
Argentina	32%	18%
Brazil	34	22
Chile	35	23
Mexico	32	23
Peru	32	18
Europe		
Austria	24%	22%
Czech Republic	19	10
France	16	9
Germany	27	20
Italy	21	15
Netherlands	12	9
Poland	20	13
Spain	27	15
Sweden	16	10
Switzerland	25	16
United Kingdom	29	13
Middle East / Africa		
Egypt	38%	26%
Nigeria	52	34
Saudi Arabia	36	28
South Africa	40	24
Turkey	28	24
United Arab Emirates	35	14
Asia-Pacific		
Australia	27%	9%
China	27	20
India	37	26
Indonesia	33	21
Japan	5	4
New Zealand	18	11
Philippines	37	21
Singapore	18	12
South Korea	7	3
Taiwan	13	7
Thailand	31	19
Vietnam	38	29

THE TAKEAWAY

As the cost of education rises in many places around the globe, employers, policymakers, and workers themselves are debating the value of obtaining a college degree. But for educated workers in our global sample, the answer is clear: The diplomas they earned are paying off. And there's evidence that people who believe in the value of their education also are more ready for the next step in their careers. They feel they have a greater chance of advancing and are considering themselves financially secure. In short, they're ready for what's next.

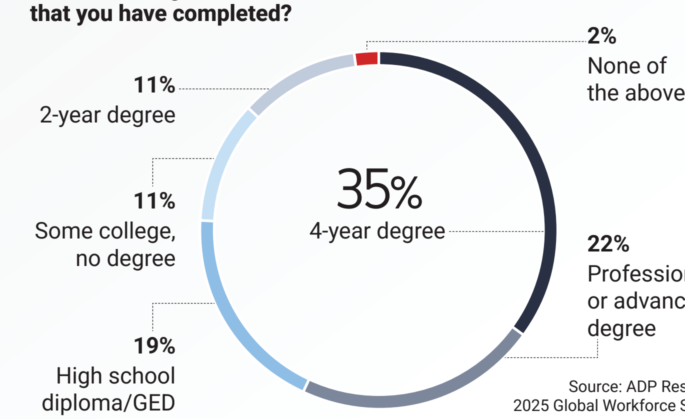
Workers with a degree were more likely to:		With a degree	Without a degree
Have received a pay increase last year		56%	47%
Believe they'll receive another raise next year		69	61
Report getting a promotion in the last year		46	33
Feel optimistic about receiving a promotion next year		44	32
Agree strongly that they have enough money to buy the goods and services they need and want	Need	19	11
	Want	17	9

METHODOLOGY

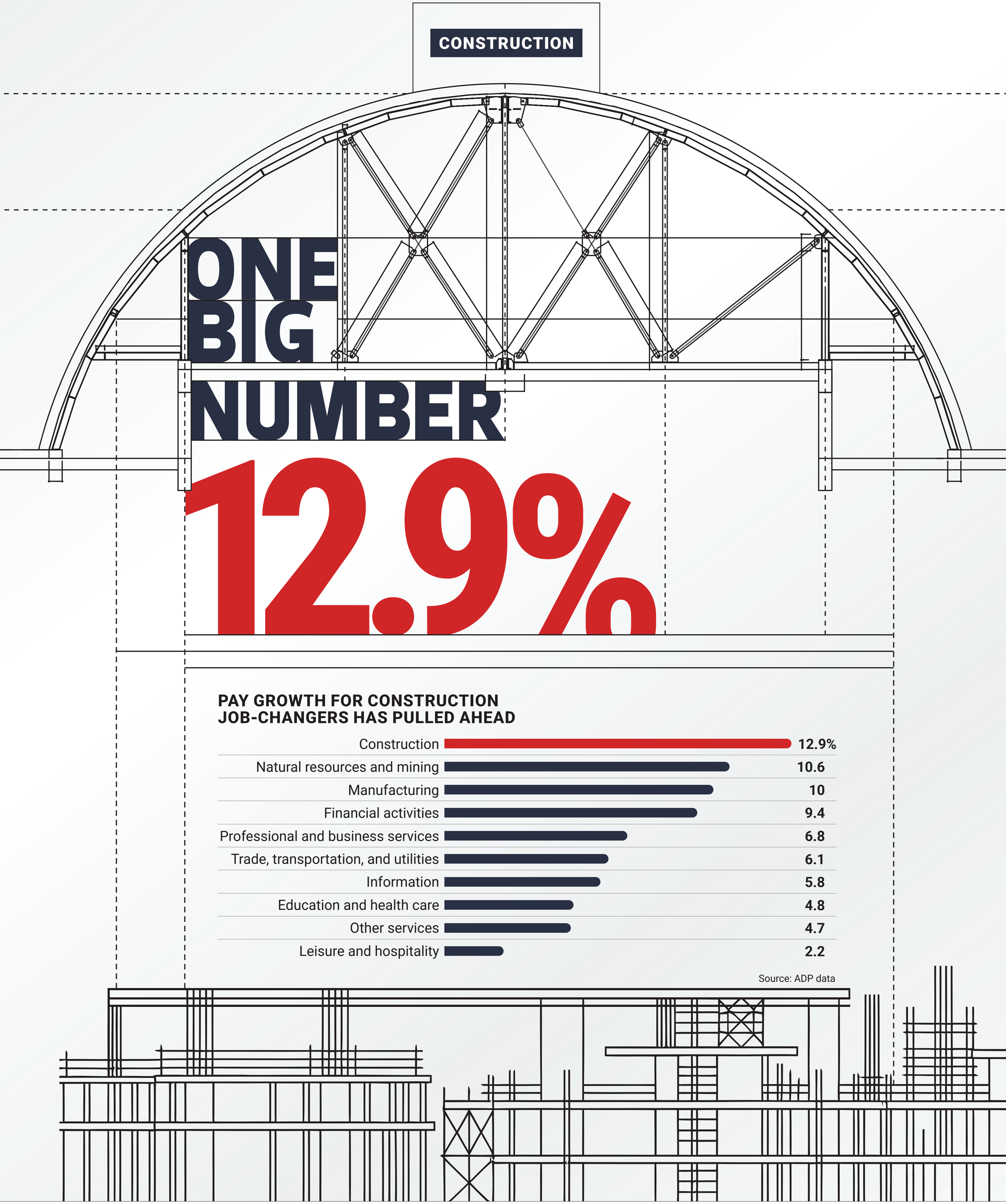
Educational levels were translated and adjusted to align with market-specifi c educational systems. Among OECD members, 40 percent of workers aged 25 to 64 hold a tertiary or college degree, but that share varies substantially by market. By contrast, 68 percent of respondents to our global survey had some level of tertiary education, ranging from vocational training to advanced professional degrees.

We asked respondents:

What is the highest level of education that you have completed?



Source: ADP Research 2025 Global Workforce Survey



By Nela Richardson, Ph.D.
Chief economist
ESG Officer
Head, ADP Research

The build-up in construction pay

Between 2020 and 2023, pay growth for job-changers in construction held its own against that for job-changers in other sectors. But it began pulling ahead of the pack in August 2023. Since then, annualized pay growth for these workers has outpaced that of job-changers in every sector every month, with two exceptions, in February and March 2026, when pay for job-changers in natural resources spiked temporarily, ADP payroll data shows. In June 2026, the latest available data, year-over-year pay growth for job-changers in construction was up 12.9 percent. Median gross pay was more than $59,100, compared to $43,200 for all job-switchers that month.

WHAT'S GOING ON?

Behind these big pay increases lies a basic story of short supply and high demand.

Construction hiring has outpaced overall job growth since at least 2014. Bureau of Labor Statistics data shows that between 2014 and 2024, construction boasted the strongest employment gains of any sector but trade, transportation, and utilities, a big category that includes retail workers and truck drivers.

But that expansion hasn't been enough to satisfy demand. With a limited labor pool, workers have the power to command big jumps in pay when they switch jobs.

A DEARTH OF NEW ENTRANTS

Construction has struggled to attract new people, and older workers have carried the business for years, ADP data shows. Since January 2020, the median age of electricians, plumbers, carpenters, and HVAC professionals has fallen by as much as five years as the age of U.S. workers has remained relatively steady.

THE DATA CENTER BOOM

Despite all you've read about artificial intelligence, data centers account for only a small piece of the construction industry pie, less than 2 percent by many estimates. Still, these projects have a big halo effect, boosting knock-on demand for residential and infrastructure labor, according to the American Institute of Architects. In May, the non-partisan think tank Brookings estimated that data centers contributed to an 11 percent increase in local construction jobs over five to six years.

CHANGES TO IMMIGRATION

As of 2020, immigrants accounted for 16.8 percent of U.S. workers, but 25.3 percent of construction workers, according to the Bureau of Labor Statistics. In some trades, such as drywall installers, painters, and roofers, that share exceeds 50 percent, according to the National Association of Home Builders.

SOLUTIONS

With salaries growing and labor supply slowing, construction workers are in high demand, with even private-sector companies outside of the industry creating apprenticeships and training programs to fill the talent gap.

There's early evidence that these efforts are luring new workers. The percentage of new hires in the construction industry — that is, people hired in the past three months — has been on the rise. From 2019 to 2025, new hires accounted for 3.6 percent of employment, ADP data shows.

So far this year, the share of new hires in the industry has grown by a full percentage point, to 4.6 percent. ◻

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