MAIN STREET HEALTH REPORT

August 2026

Labor and Wage Stats

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MAIN STREET AT A GLANCE

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Main Street Activity Softened Unevenly in August

Hiring & Turnover: Turnover jumped sharply in August, likely tied to the World Cup's end, while hiring's year-over-year decline continues to moderate. This is a sign the labor market may be stabilizing after a rocky 2025.

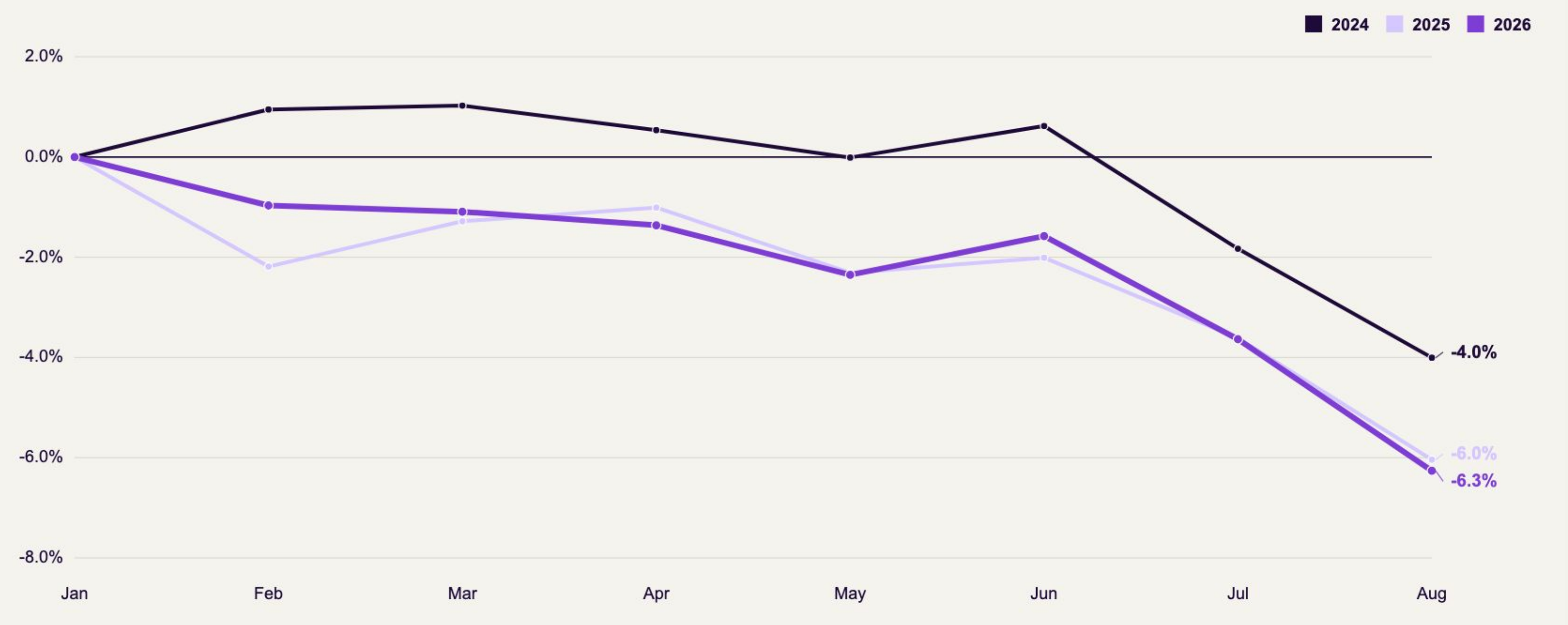
Workforce & Hours: Employees working and hours worked each fell roughly 2.6% month-over-month, in line with typical August seasonality. Underlying growth rate keeps slowing, which is a trend that looks more structural and consistent with immigration policy tightening labor supply.

Industry & Regional: Business openings cooled across every region and industry in August. This is normal for the season, but the Southeast's metros and the entertainment industry saw the sharpest pullbacks.

Employees Working Lost Seasonal Steam

Employees working fell 2.6% month-over-month in August, a seasonal dip that leaves headcount down 6.3% versus January. The slowdown since 2024 looks structural, likely reflecting immigration policy curbing labor supply.

(Monthly 7-day average of "Employees Working", indexed relative to January of respective year)



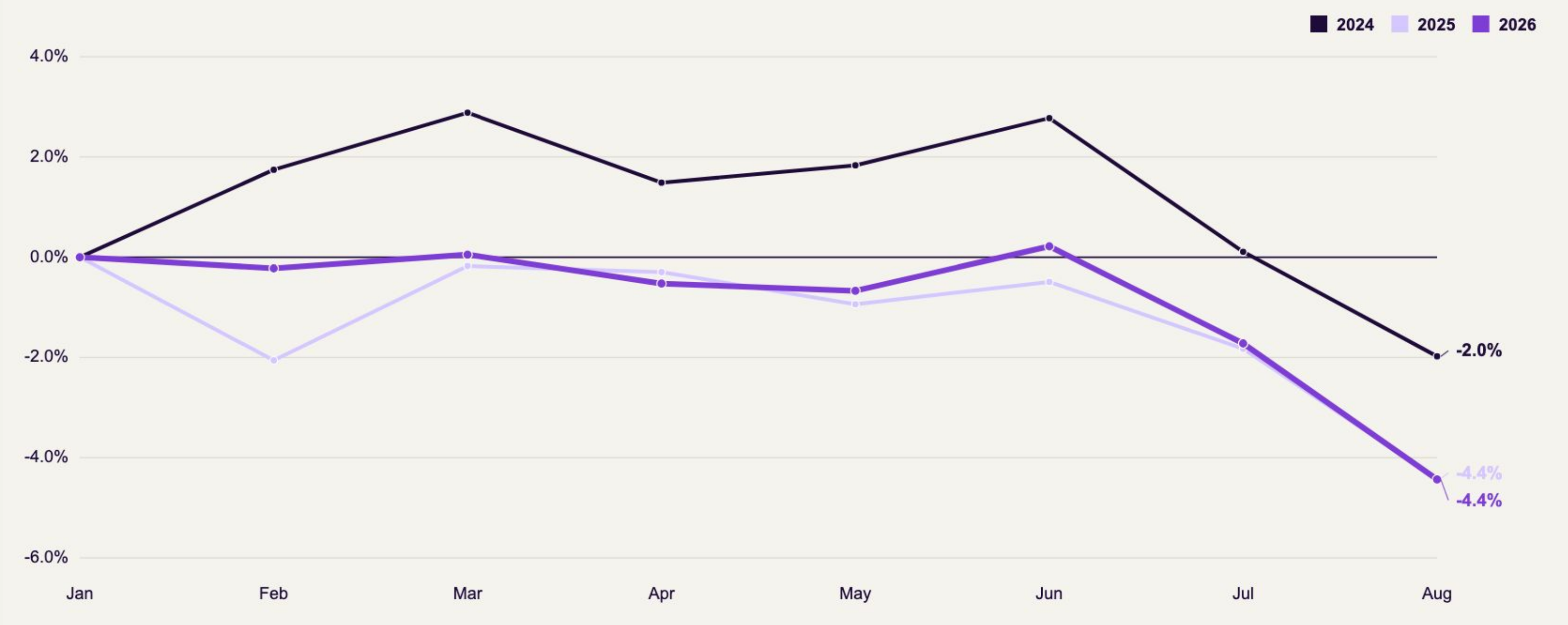
Notes Data compares rolling 7-day averages for weeks encompassing the 12th of each month. Values are indexed to each year's January reference week.

Source Homebase data

Hours Worked Mirrors Employment Slowdown

Hours worked fell 2.7% month-over-month in August, typical late-summer seasonality, leaving hours down 4.4% versus January. Like employment, 2026's pace is tracking almost exactly with 2025.

(Monthly 7-day average of "Hours Worked", indexed relative to January of respective year)



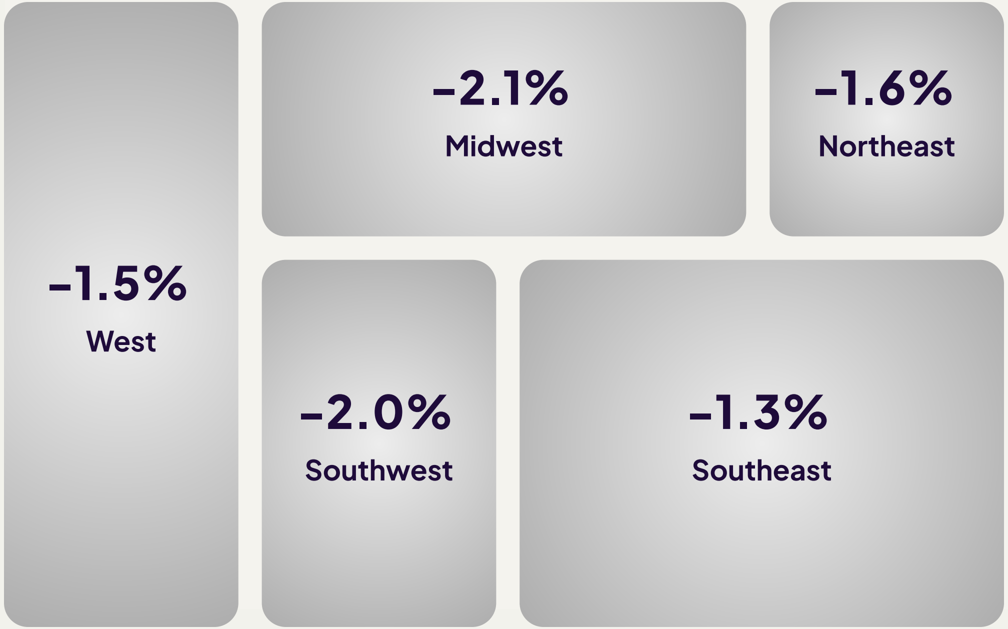
Notes Data compares rolling 7-day averages for weeks encompassing the 12th of each month. Values are indexed to each year's January reference week.

Source Homebase data

Every Region Cooled, Midwest Led Declines

The Midwest posted the steepest August pullback among the five regions (-2.1% month-over-month), while the Southwest has drifted furthest from its January baseline, down 17.7% year-to-date and the widest gap of any region.

(Month-over-month change in "Businesses Open", by Homebase report region)



REGION	2024	2025	2026	VS JAN
Midwest	-1.7%	-1.7%	**-2.1%**	-12.7%
Northeast	-1.6%	-1.8%	**-1.6%**	-13.7%
Southeast	-1.6%	-1.5%	**-1.3%**	-15.3%
Southwest	+3.0%	-1.9%	**-2.0%**	-17.7%
West	-1.5%	-1.5%	**-1.5%**	-12.9%

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Notes Data compares rolling 7-day averages for weeks encompassing the 12th of each month.
Values are indexed to each year's January reference week.

Source Homebase data

Houston, Atlanta Led Metro-Level Declines

When looking at a metro-level, declines are particularly apparent in the large Southern metros like Houston (-0.4% month-over-month, -3.3% vs. January) and Atlanta (-0.4% month-over-month, -3.0% vs. January) .

(Month-over-month change in "Businesses Open", by MSA)

MARKET	2024	2025	2026	VS JAN
Los Angeles	-0.3%	-0.3%	**-0.2%**	-2.1%
New York	-0.5%	-0.4%	**-0.4%**	-2.7%
Dallas	-0.4%	-0.3%	**-0.2%**	-2.8%
Houston	+0.6%	-0.3%	**-0.4%**	-3.3%
Atlanta	-0.6%	-0.3%	**-0.4%**	-3.0%
Chicago	-0.5%	-0.4%	**-0.2%**	-2.4%
Miami	-0.3%	-0.5%	**-0.3%**	-3.0%
Seattle	-0.3%	-0.3%	**-0.2%**	-2.2%

Notes MSAs are the eight largest metro areas by current-year businesses-open sample in the latest reference week.
Values are indexed to each year's January reference week.

Source Homebase data

Entertainment Led Broad Industry Pullback

Entertainment cratered 10.5% M/M, more than double the next-steepest decline. The rest of Main Street saw milder, seasonally normal softness that's typical for late summer.

(Month-over-month change in "Employees Working", by industry)

Beauty & Wellness
-3.8%
Aug MoM

Caregiving
-2.7%
Aug MoM

Entertainment
-10.5%
Aug MoM

Food, Drink, & Dining
-2.4%
Aug MoM

Hospitality
-4.6%
Aug MoM

Retail
-2.3%
Aug MoM

Home & Repair
-2.0%
Aug MoM

Medical / Veterinary
-1.8%
Aug MoM

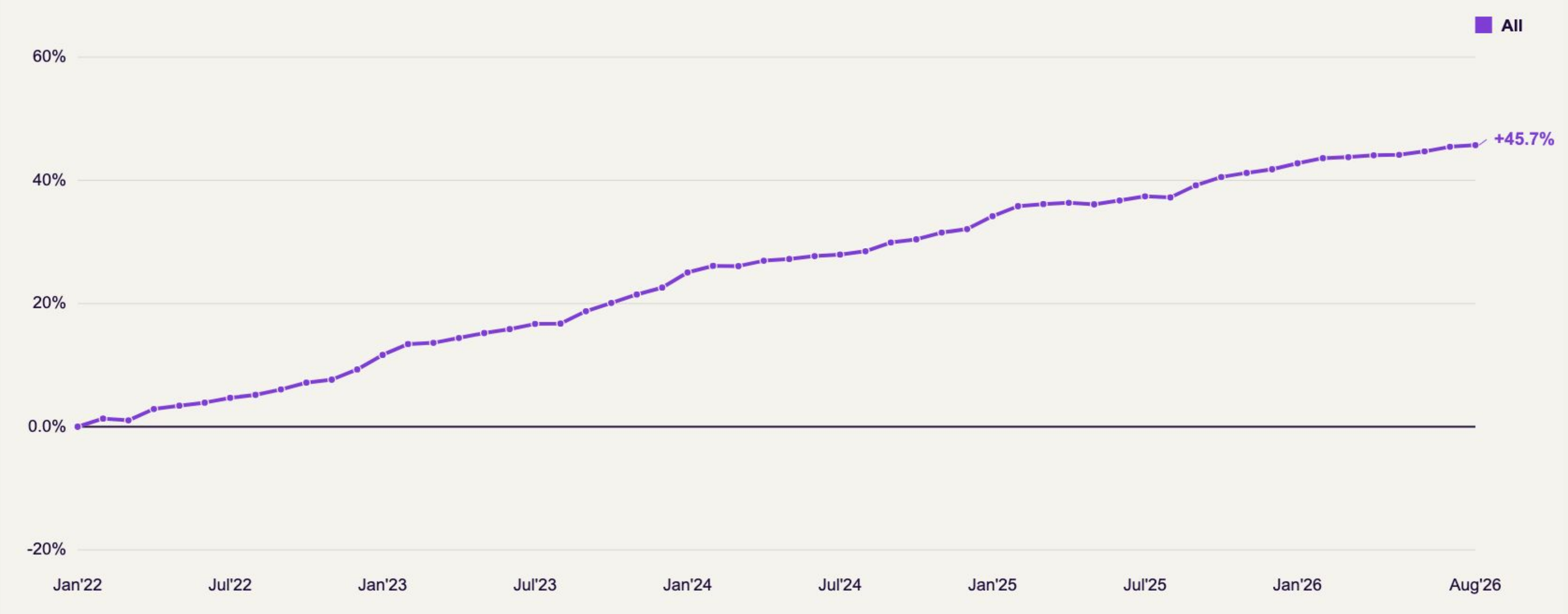
Notes Data compares rolling 7-day averages for weeks encompassing the 12th of each month. Values are indexed to each year's January reference week.

Source Homebase data

Wage Growth Hit Its Fastest Pace Since January

Hourly wages rose 6.2% year-over-year in August, at a rate slightly cooler than a year ago, but the fastest pace since January.

(Percent change in average "Hourly Wages" across all jobs, relative to January 2022)



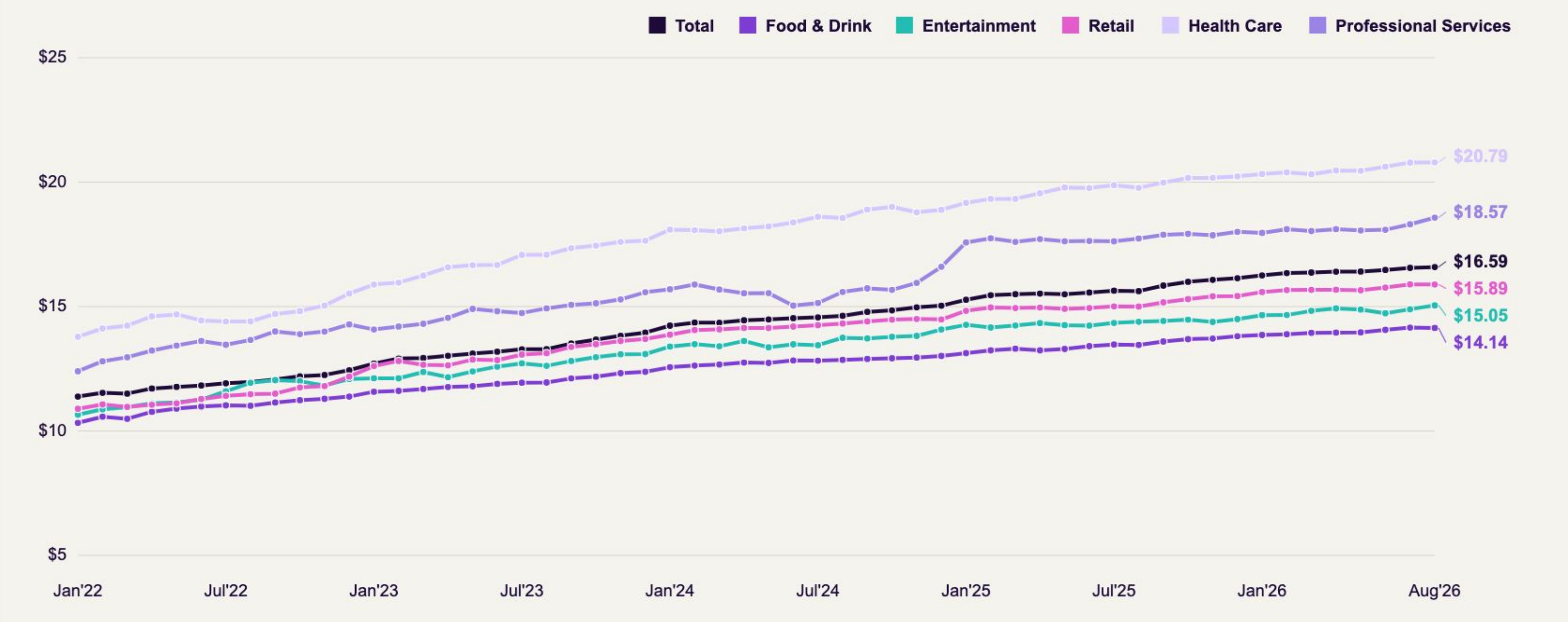
Notes Data measures cumulative wage-rate change relative to January 2022.
A month is defined as the period from the 28th of the prior calendar month to the 27th of the current calendar month.

Source Homebase data

Retail Led, Entertainment Lagged in Wage Growth

Retail posted the fastest hourly wage growth over the past year (5.9%), while entertainment lagged all other industries (4.5%).

(Average "Hourly Wages" across all jobs)



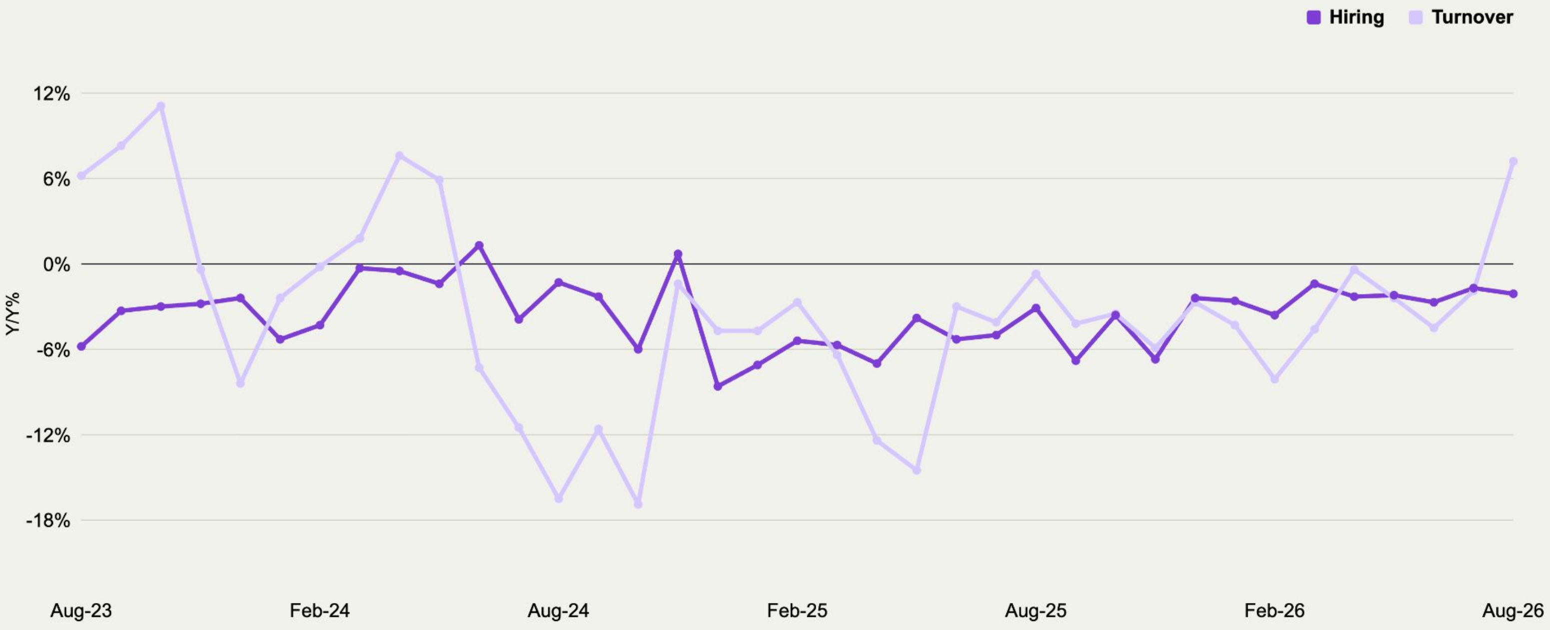
Notes Data measures average hourly wages for locations that utilized Homebase Payroll in the reporting month and same month a year before.
A month is defined as the period from the 28th of the prior calendar month to the 27th of the current calendar month.

Source Homebase Payroll data

Year-Over-Year: Hiring Neared a Turn while Turnover Ticked Up

While hiring's year-over-year decline narrowed to -2.1%, turnover moved the other way, up 7.2% . This likely reflects the World Cup's end rather than a lasting shift.

(Year-over-year change in "Number of Jobs Added" and "Number of Jobs Archived" across all jobs)



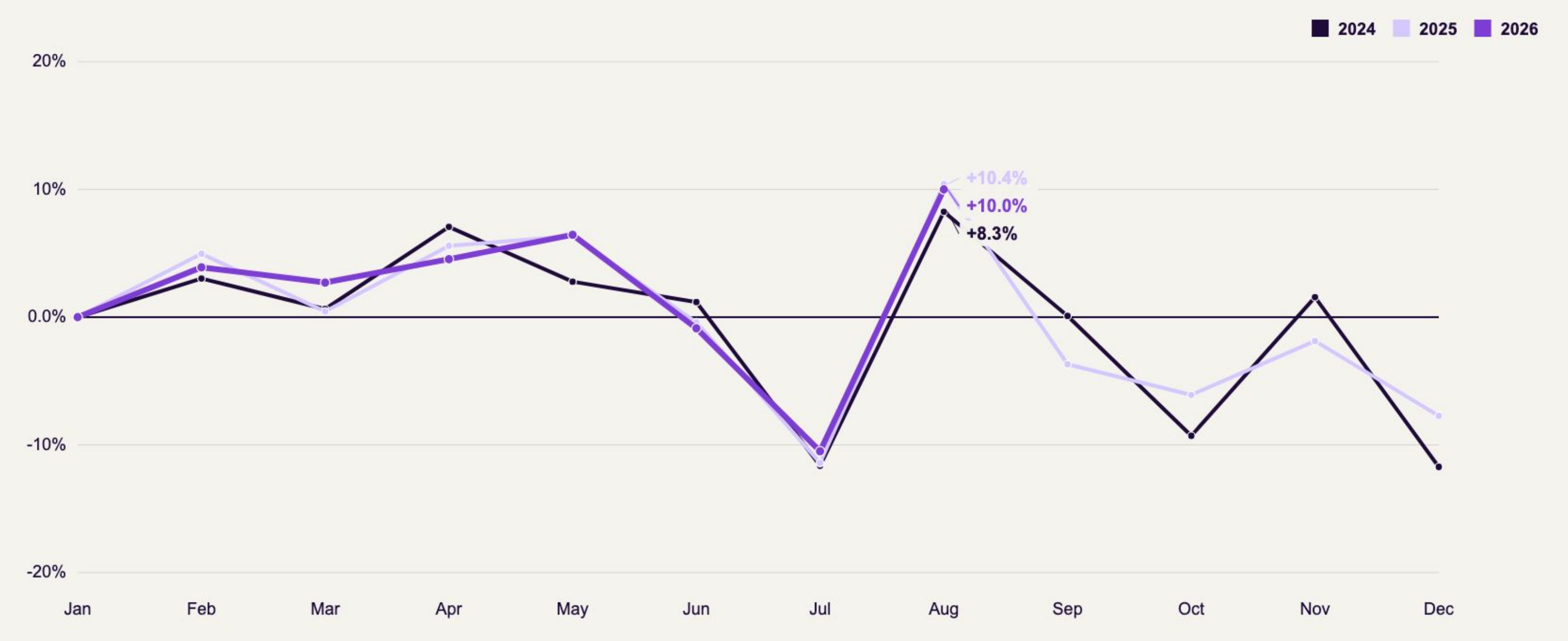
Notes Data measures average monthly change in official employee roster jobs added and archived.
A month is defined as the period from the 28th of the prior calendar month to the 27th of the current calendar month.

Source Homebase data

Hiring Spiked in August Amid Gradual Decline

Hiring rose 10.0% month-over-month in August. Year-over-year hiring is still down 2.1%, but that decline has been narrowing for several months, a signal the market may be nearing a floor.

(Monthly change in average "Number of Jobs Added" across all jobs)



Notes Data measures average monthly change in official employee roster jobs created.
A month is defined as the period from the 28th of the prior calendar month to the 27th of the current calendar month.

Source Homebase data

Turnover Jumped Month-Over-Month, Possible World Cup Hangover

Turnover spiked 19.7% month-over-month in August, possibly tied to the World Cup's conclusion freeing up staff.

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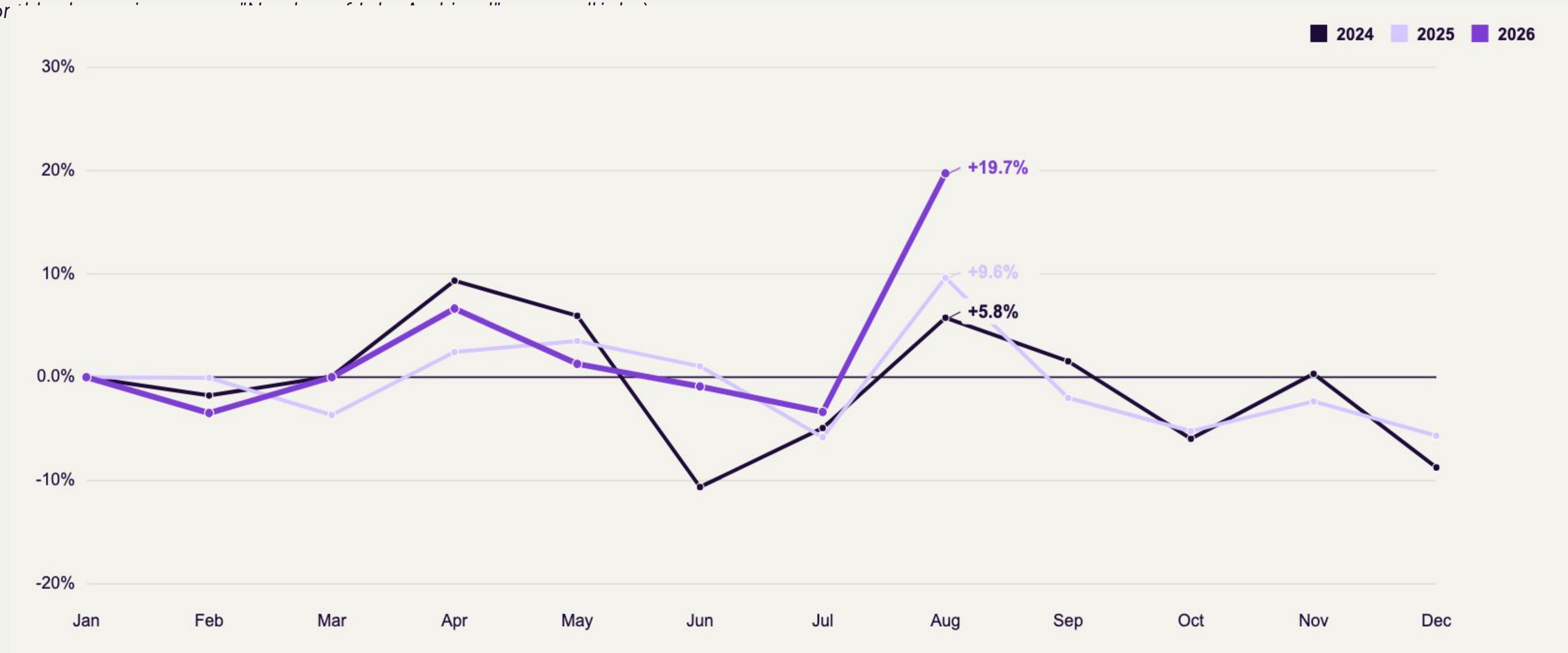

Notes Data measures average monthly change in official employee roster jobs archived.
A month is defined as the period from the 28th of the prior calendar month to the 27th of the current calendar month.

Source Homebase data

WE LOVE TALKING DATA

If you have questions or are interested in real-time access to Homebase data feeds, please reach out to data@joinhomebase.com

Guy Berger
Chief Economist
gberger@joinhomebase.com

Ray Sandza
Chief Strategy Officer
ray@joinhomebase.com

Upcoming report schedule

Sept 02, 2026	Main Street Health Report – Aug 2026
Sept 30, 2026	Main Street Health Report – Sept 2026
Nov 04, 2026	Main Street Health Report – Oct 2026
Dec 02, 2026	Main Street Health Report – Nov 2026

METHODOLOGY

The dataset is based on Homebase data gathered from more than 100,000 businesses and 2 million hourly employees active in the US on our platform in August 2026. We are one of the largest and most trusted sources of real-time, quality data on employment growth across small businesses.

Data from prior years use a similar cohort-based logic. Unless indicated otherwise, daily figures are calculated relative to the median value for that specific day for the baseline month, net of the first 4 days of the month.

Definitions

Hours worked is calculated from hours recorded in Homebase timecards.

Businesses open is based on whether a business had at least one employee clock-in.

Employees working is based on the distinct number of hourly workers with at least one clock-in.

Wage inflation data measures the monthly change in average hourly wages at businesses who ran Payroll with Homebase in Aug 2026 and Aug 2025.

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Homebase is the leading AI-powered operator for hourly teams, with employee scheduling, time clocks, payroll, team communication, and HR. 150,000+ small (but mighty) businesses rely on Homebase to make work radically easy and superpower their teams.