

MAIN STREET HEALTH REPORT

December 2025

Labor and Wage Stats



A photograph of a smiling couple standing in front of a building. The woman is on the left, wearing a dark sweater with colorful stripes on the sleeves. The man is on the right, wearing a white t-shirt and a grey apron. A large, stylized 'COFFEE' sign is visible in the background.

MAIN STREET AT A GLANCE

Year-End Labor Softness Continues on Main Street



Employees Working fell 0.9% in December, steeper than 2024 (-0.4%) and extending November's 2.7% drop to a cumulative 3.6% two-month decline. Hours Worked contracted 0.6%, following November's 3.0% fall and marking sustained year-end weakness.



The Midwest saw the steepest pullback, with Businesses Open down 1.9%, while the West posted smaller declines. By industry, discretionary sectors softened, led by Hospitality (-3.9%), while Caregiving grew (+0.9%) and Retail remained near flat (+0.1%).

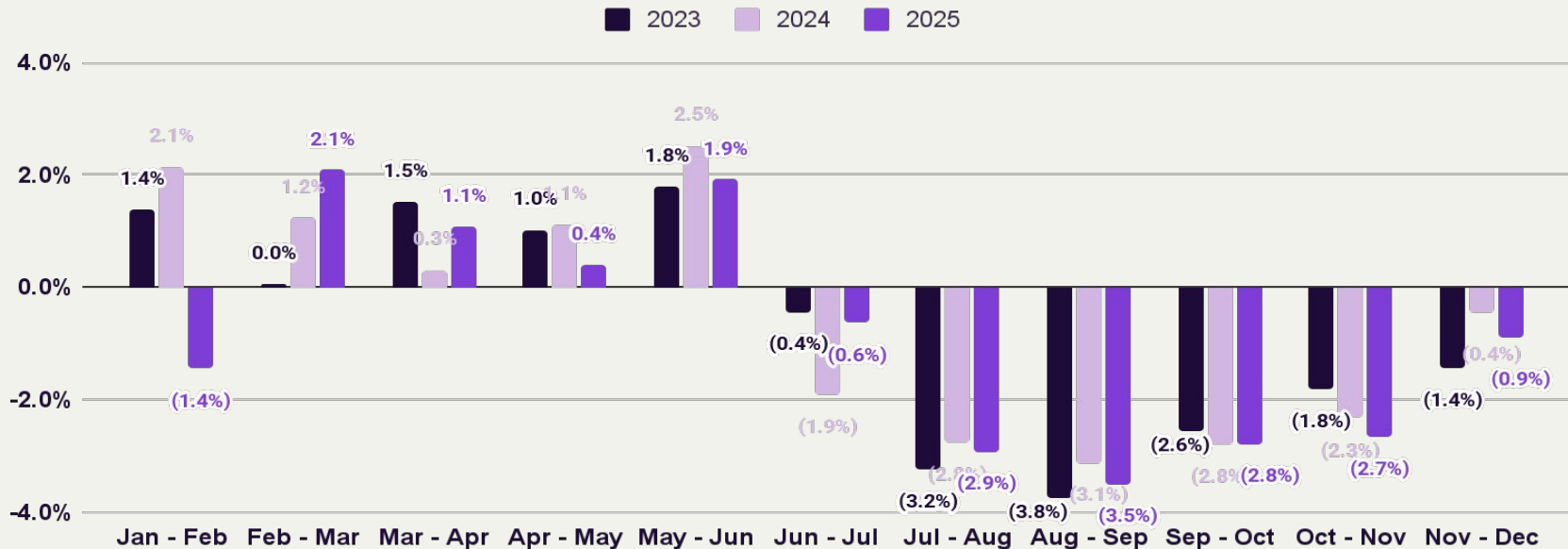


Wages rose 0.6% to reach 42.9% cumulative growth since January 2022. Hiring declined -7.7% and turnover fell -6.1%, pointing to softer labor churn as businesses manage costs into 2026.

Workforce Participation Decline Extends Year-End Pullback

Employees Working fell 0.9% month-over-month in December 2025—steeper than December 2024 (-0.4%) but less severe than December 2023 (-1.4%). Combined with November's -2.7% drop, staffing declined 3.6% across the last two months, marking the largest Nov-Dec pullback of the past three years.

(Monthly change in 7-day average of “**Employees Working**”, relative to January of respective year)



Notes

1. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.

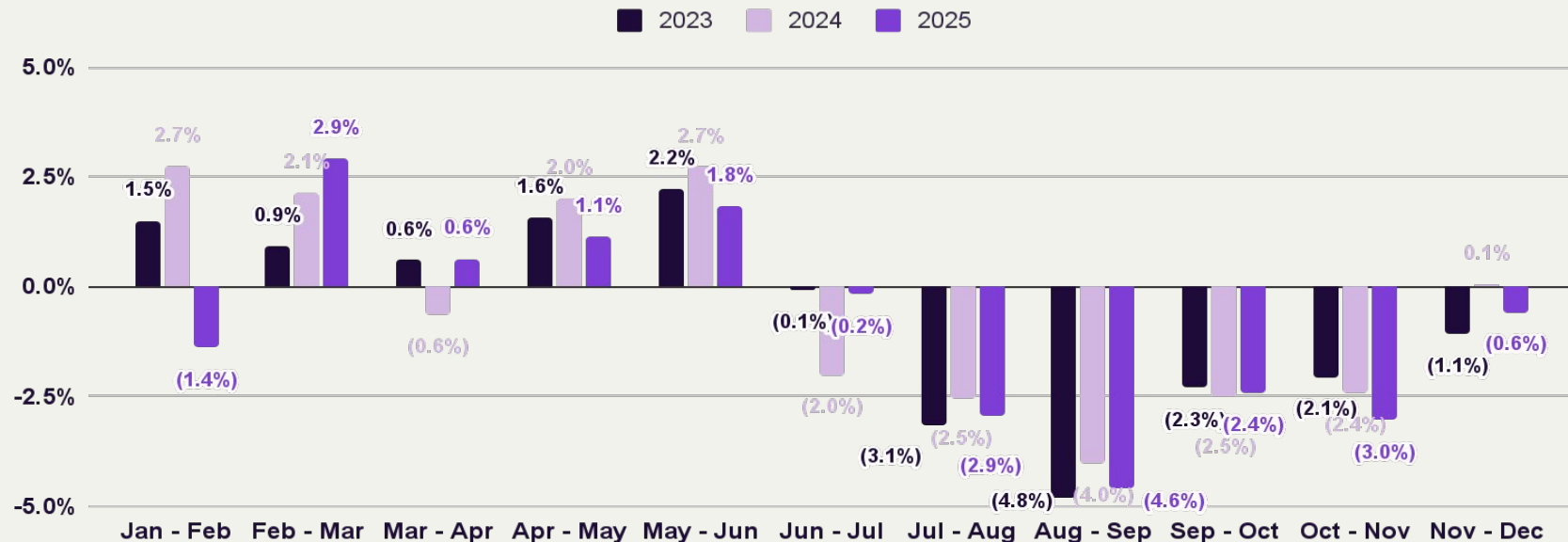
Source

Homebase data

Labor Activity Contracts, Reversing 2024's Year-End Gain

Hours Worked declined 0.6% in December 2025, reversing December 2024's near-flat change (+0.1%) and aligning more closely with December 2023 (-1.1%). The smaller decline follows November's sharper -3.0% drop, indicating a moderation in year-end labor activity.

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



Notes

1. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.

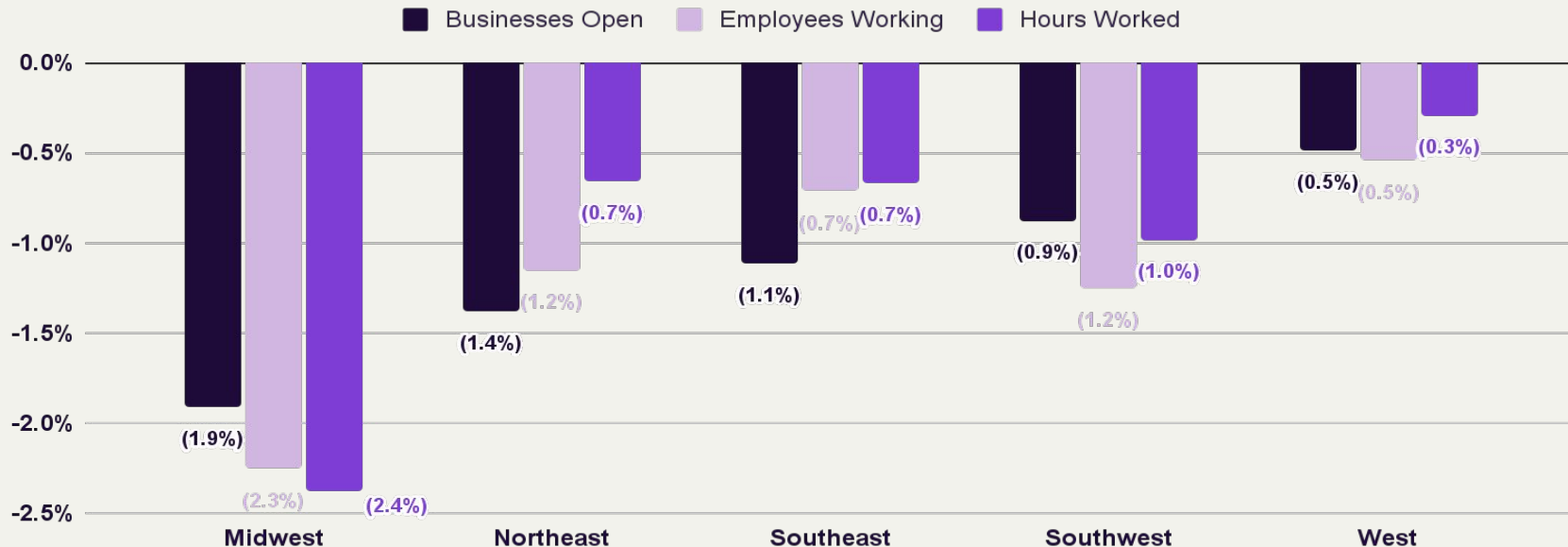
Source

[Homebase data](#)

Midwest Weakness Contrasts With Western Stability

The Midwest recorded the steepest regional declines, with Businesses Open down 1.9% and Employees Working falling 2.3%. Other regions saw more moderate pullbacks, with the West posting the smallest declines in both business activity (-0.5%) and employee activity (-0.5%).

(Month-over-month change in core economic indicators, by Census region)



Notes

1. Nov 09 - 15 vs Dec 07 - 13
2. Region classification - Midwest: ND, SD, NE, KS, MN, IA, MO, WI, IL, IN, OH, MI; West: NV, UT, AZ, NM, CO, WY, MT, ID, OR, WA, CA, HI, AK; Northeast: NY, PA, NJ, CT, RI, MA, NH, VT, ME; Southeast: MS, AL, TN, KY, NC, SC, GA, FL; Southwest: TX, OK, AR, LA.

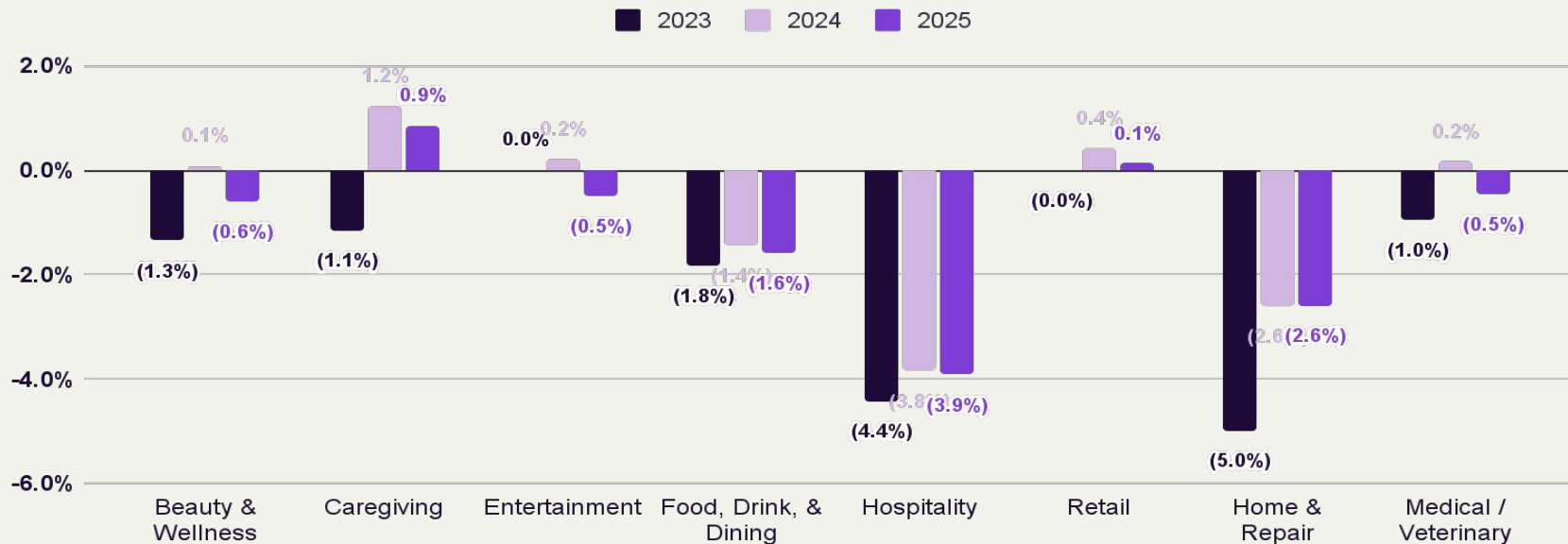
Source

[Homebase data](#)

Discretionary Workforce Pullback Continues

Hospitality declined (−3.9%) as labor demand continues to track a pullback in discretionary spending, alongside softer employment in Food, Drink & Dining, Home & Repair, and Beauty & Wellness. Caregiving growth (+0.9%) and flat Retail (+0.1%) underscore a shift toward essentials.

(Monthly change in 7-day average of “**Employees Working**”, relative to January of respective year)



Notes

1. Nov 12 – 18 vs Dec 10 – 16 (2023); Nov 10 – 16 vs Dec 08 – 14(2024); Nov 09 – 15 vs Dec 07 – 13(2025)
2. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.
3. Entertainment includes events/festivals, sports/recreation, parks, movie theaters, and other categories.

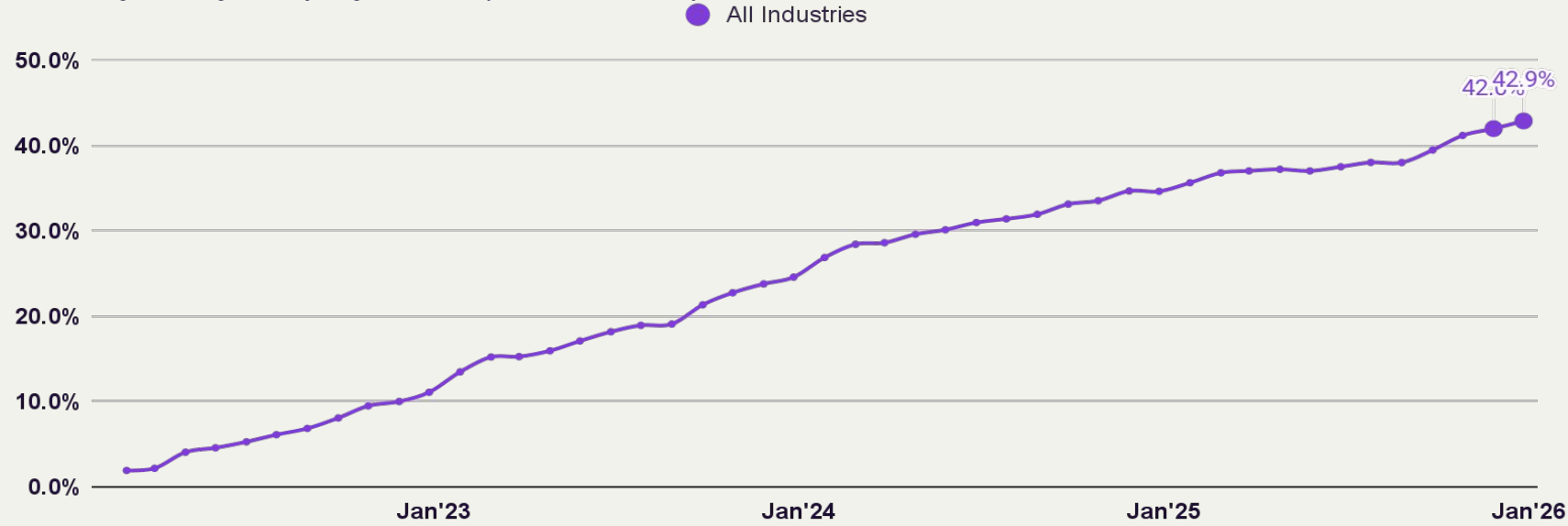
Source

[Homebase data](#)

Cumulative Wage Growth Reaches Historic 42.9% Peak

Hourly wages rose 0.6% month-over-month in December 2025, extending cumulative wage growth to a record 42.9% above January 2022. Year-over-year wage growth between July and December outpaced 2024, marking the strongest second-half at 6%.

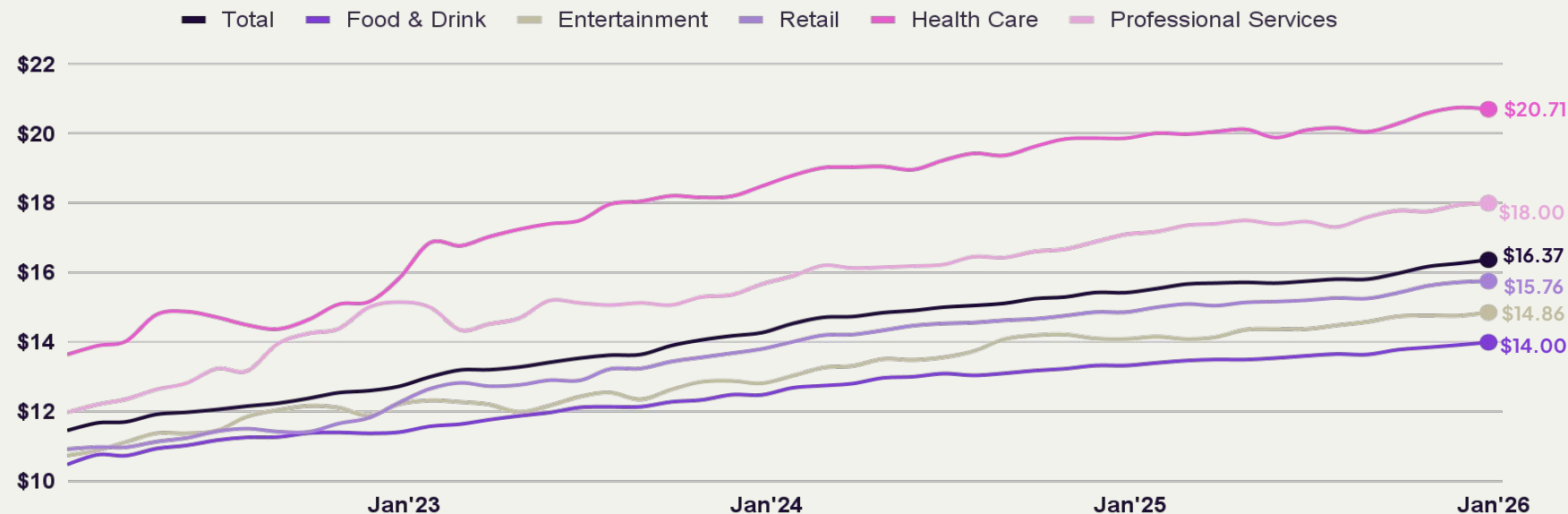
(Percent change in average “Hourly Wages” across all jobs, relative to January 2022)



December Wage Growth Broadens Across Industries

Hourly wages increased 0.6% month-over-month in December 2025, exceeding December 2024’s flat growth. Most industries posted comparable gains, though Health Care wages dipped slightly (-0.2%).

(Average “*Hourly Wages*” across all jobs)



Notes

1. Data measures average hourly wages for locations that utilized Homebase to pay employees in both December 2025 and December 2024. Total includes industries not depicted here.
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

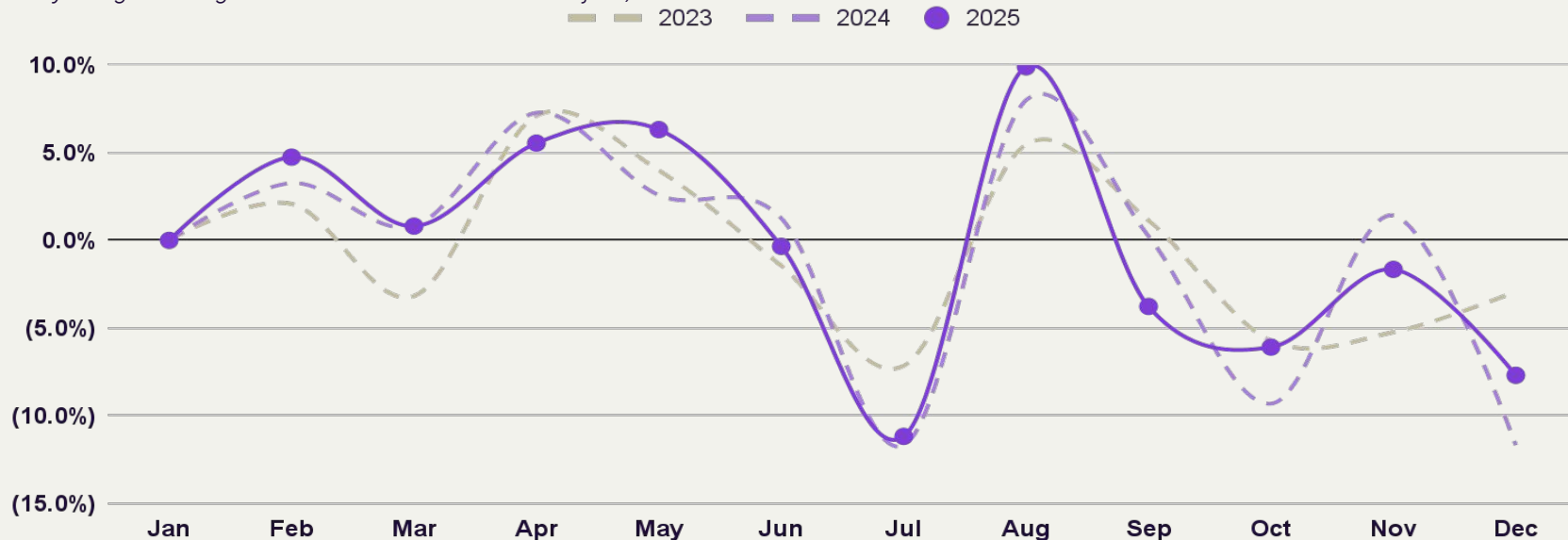
Source

Homebase Payroll data

2025 Hiring Pattern Shows Moderation After August Peak

Hiring fell 7.7% in December 2025, less severe than December 2024 (-11.7%) but weaker than 2023 (-2.9%). Relative to January, hiring remained stronger in 2025 (-5.5%) than 2024 (-9.9%), following front-loaded gains in August (+9.9%) and subsequent fall corrections.

(Monthly change in average “**Number of Jobs Added**” across all jobs)



Notes

1. Data measures average monthly change in total number of jobs created in official employee rosters for companies active in any given month.
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

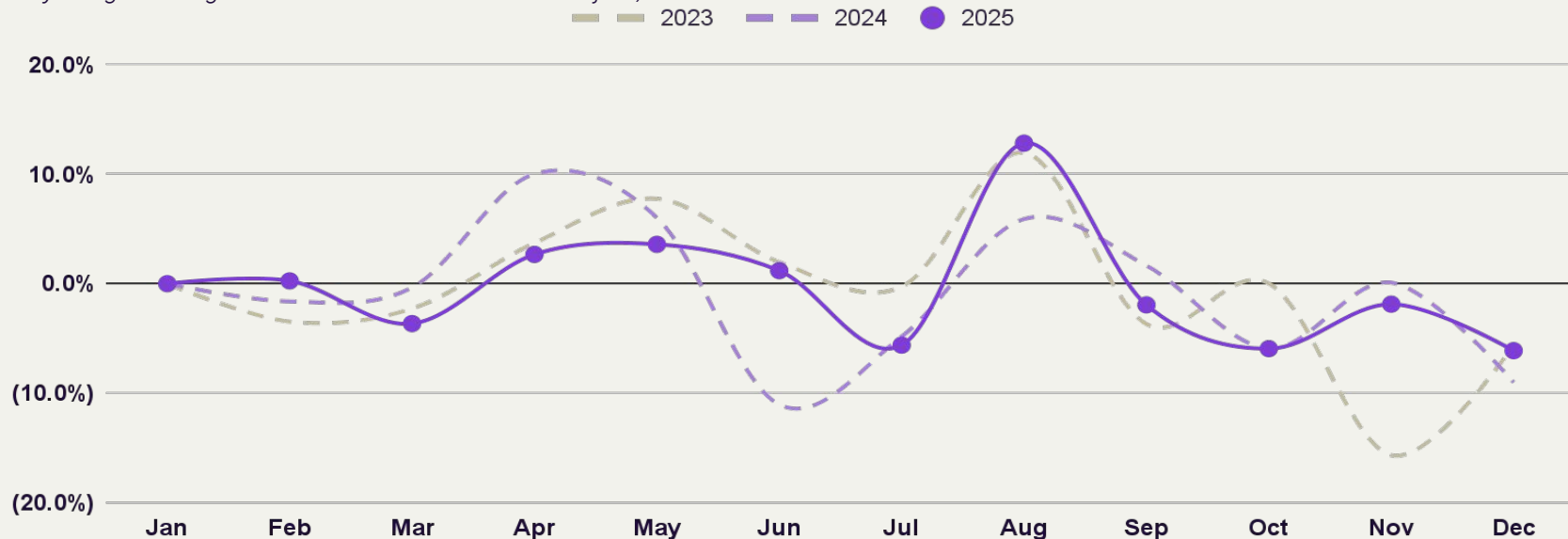
Source

[Homebase data](#)

December Turnover Stabilizes Between Historical Extremes

Turnover declined 6.1% in December 2025, landing between December 2023 (-5.6%) and December 2024 (-9.0%). Relative to January, turnover remained higher in 2025 (-5.9%) than 2024 (-10.7%), following elevated volatility earlier in the year.

(Monthly change in average “**Number of Jobs Archived**” across all jobs)



Notes

1. Data measures average monthly change in total number of jobs archived in official employee rosters for companies active in any given month.
2. A month is defined as the period from 28th of last calendar month to 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



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Upcoming report schedule

**Jan 07,
2026**

Main Street Health Report – Dec 2025

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 December 2025. We are one of the largest and most trusted sources of real-time, quality data on employment growth across the small business landscape.

Data from prior years (e.g., 2022, 2023) 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 (e.g., January) 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.



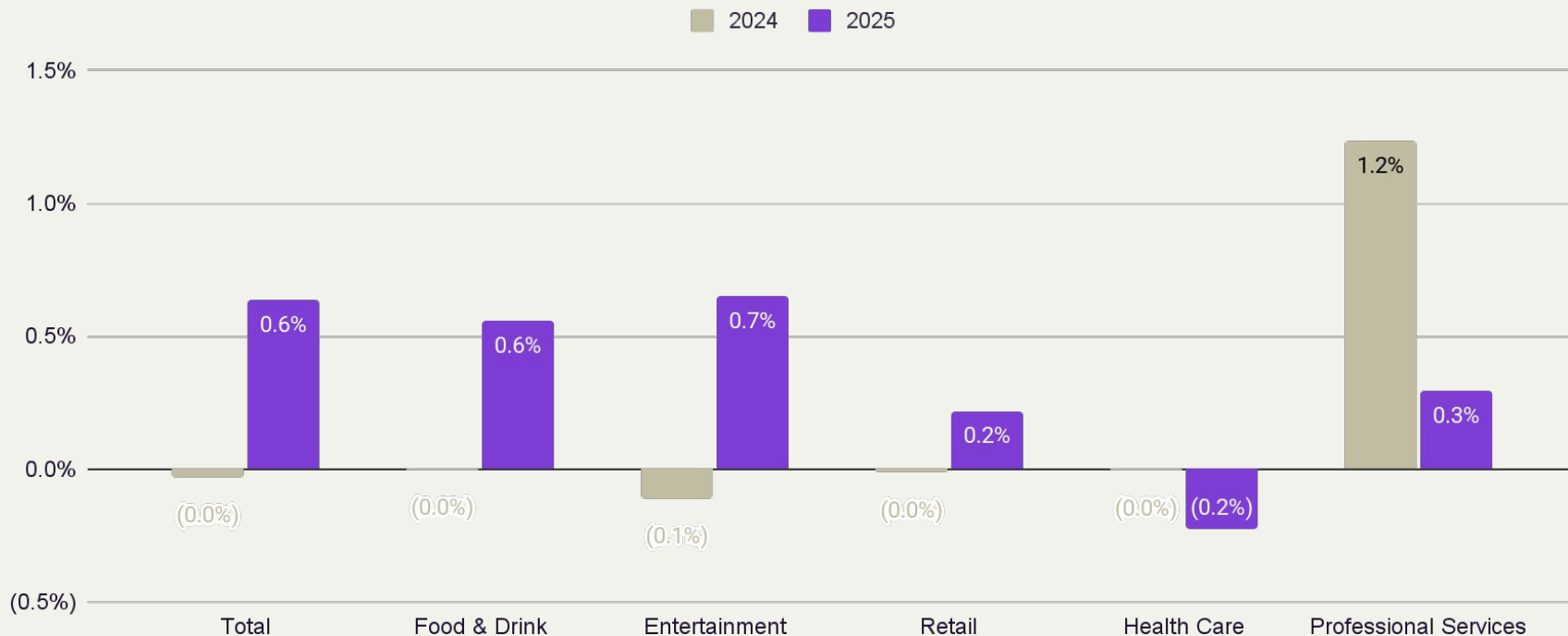
Wage inflation data measures the monthly change in average hourly wages at businesses who ran Payroll with Homebase in December 2025 and December 2024

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homebase

Homebase is the everything app for hourly teams,
with employee scheduling, time clocks, payroll, team
communication, and HR. 100,000+ small (but mighty)
businesses rely on Homebase to make work radically
easy and superpower their teams.

M/M Change in Hourly Wages in 2024 and 2025 November



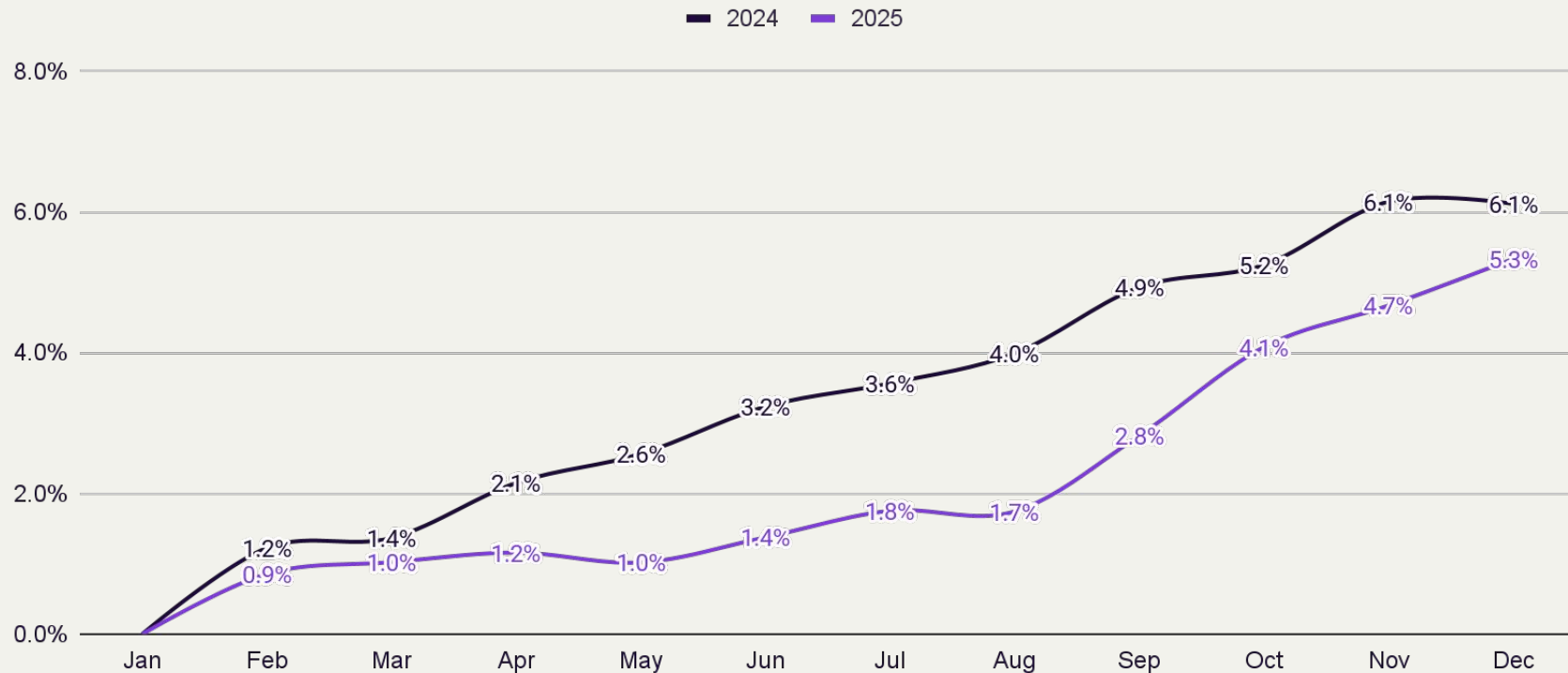
Notes

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Source

[Homebase data](#)

Growth In Hourly Wages Relative to January of the Year



Notes

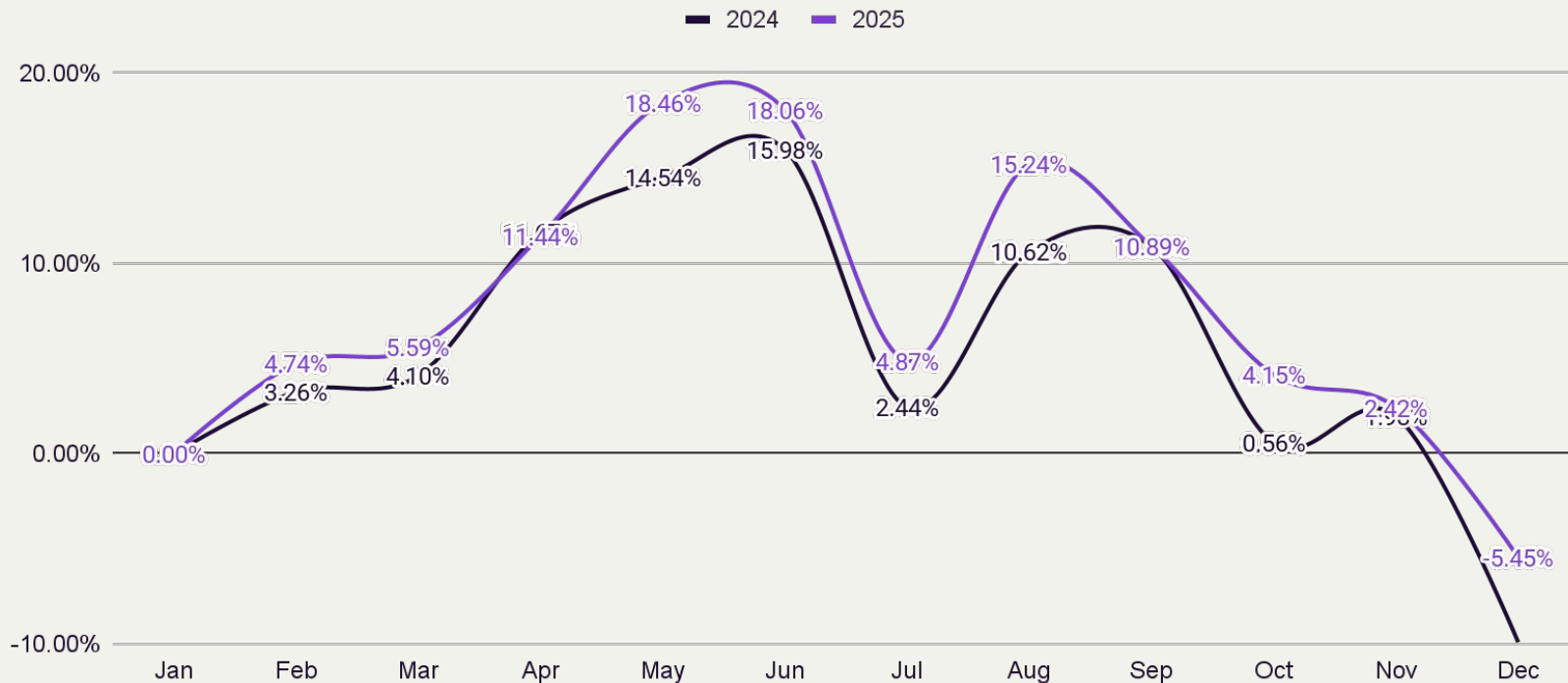
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Source

[Homebase data](#)



Hiring, Indexed to Jan of Reporting Year, for 2024 and 2025



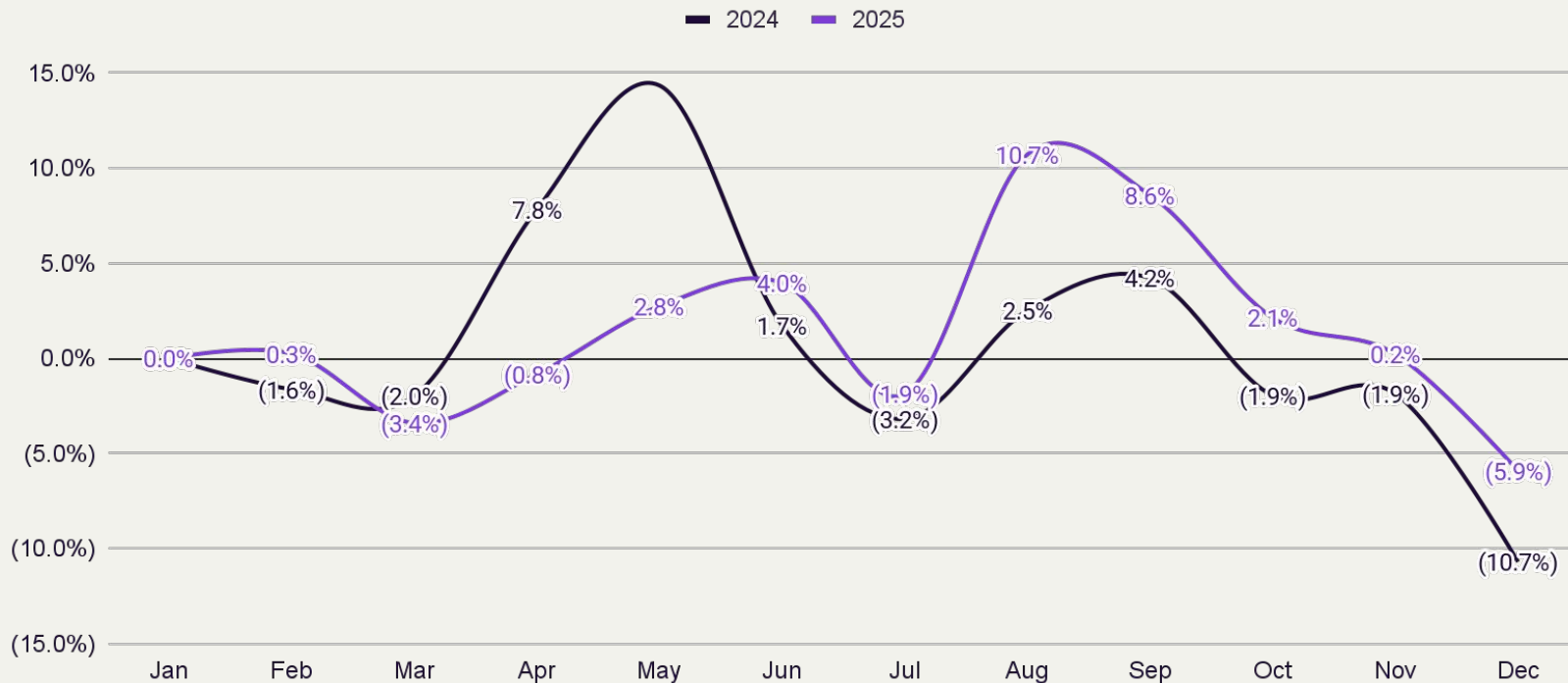
Notes

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Source

[Homebase data](#)

Turnover, Indexed to Jan of Reporting Year, for 2024 and 2025



Notes

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Source

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