

# MAIN STREET HEALTH REPORT

January 2026

Labor and Wage Stats





# MAIN STREET AT A GLANCE

homebase

## Main Street Workforce Stabilizes at 2025 Levels After Holiday Adjustment



Workforce participation and Hours Worked showed post-holiday declines similar to last year, suggesting labor market stability entering 2026.



Late-January winter storms cost 13 states a decline of 8% in Hours Worked during the affected week. Workforce participation neared stabilization in Healthcare (-0.9%) while Hospitality and Retail showed sector-specific recovery.

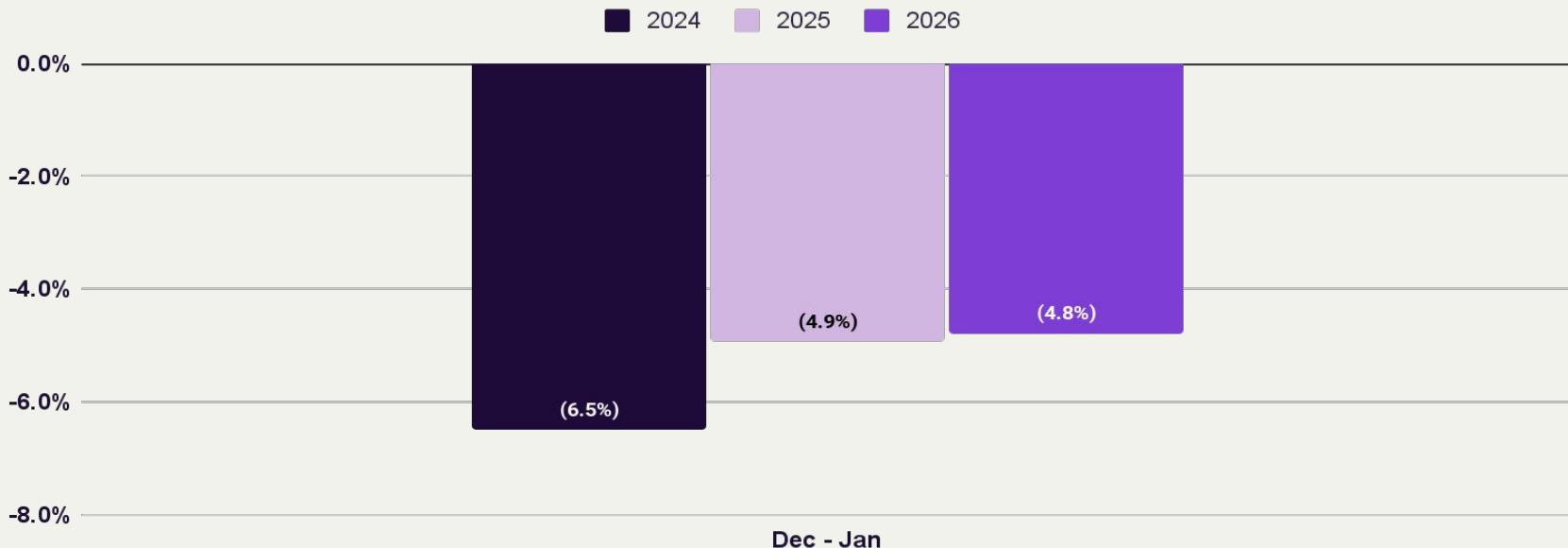


Y/Y Hiring deficit narrowed to -2.4% from -7.1% (2025), while turnover stabilized at -0.4%, signaling labor market recovery momentum.

# Main Street Workforce Shows Post-Holiday Stability

Workforce participation fell -4.8% in January, similar to -4.9% in 2025, signaling labor market resilience as businesses enter 2026 with stable staffing levels.

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

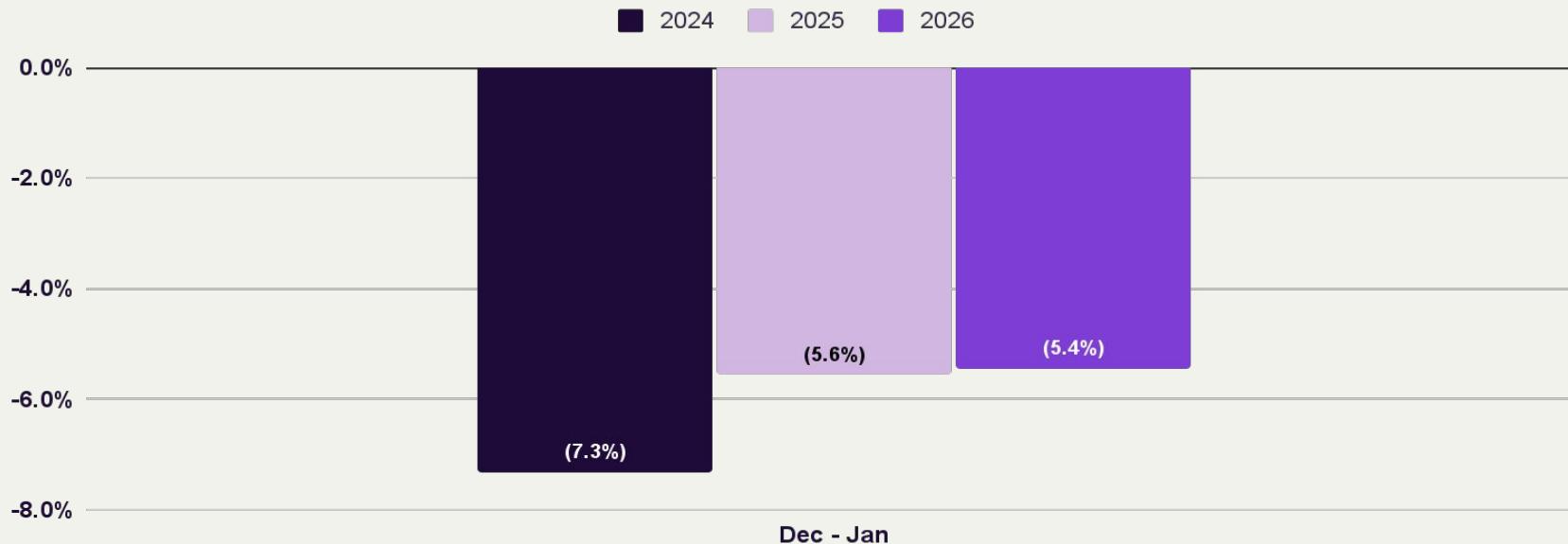
**Notes**

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

# Labor Activity Contracts Less Sharply Than Prior Years

Hours worked fell 5.4%, following the holiday season, outperforming Jan'25 (-5.6%) and Jan'24 (-7.3%), as businesses managed post-holiday workforce adjustments more efficiently. However, Hours Worked Per Location declined 3.6% month-over-month indicating shorter shifts.

(Monthly change in 7-day average of “**Hours Worked**”, relative to January of previous year)

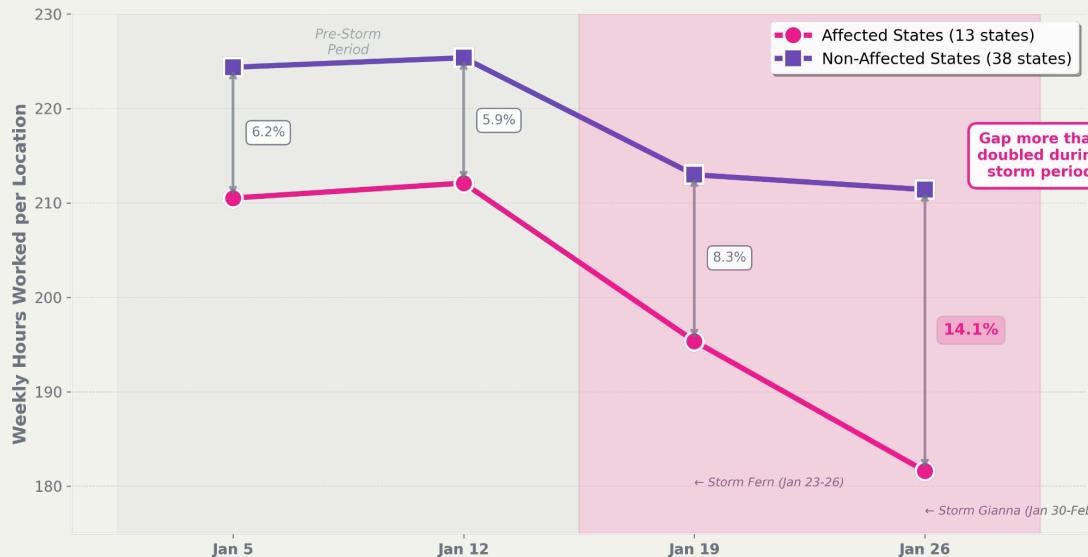
**Notes**

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

# Winter Storms Cut Employee Activity by 8% in 13 States

Hours worked per location in 13 affected states fell 8% below pre-storm levels while unaffected states remained stable, creating a 14% gap during late-January storms. Tennessee (-28.1%), North Carolina (-25.6%), and Arkansas (-24.6%) experienced the steepest disruptions compared to pre storm period in Jan.

(Weekly change in Hours Worked per Loc, in Affected vs Unaffected states)



Affected states: AR, CT, DC, DE, ID, LA, MD, ME, NC, NH, TN, VA, WY | Gap % = Percentage fewer hours worked by affected states vs non-affected states

**Notes**

1. Storm period: Jan 26–Feb 1, 2026
2. Affected states: Arkansas, Connecticut, Delaware, District of Columbia, Idaho, Louisiana, Maryland, Maine, North Carolina, New Hampshire, Tennessee, Virginia, Wyoming

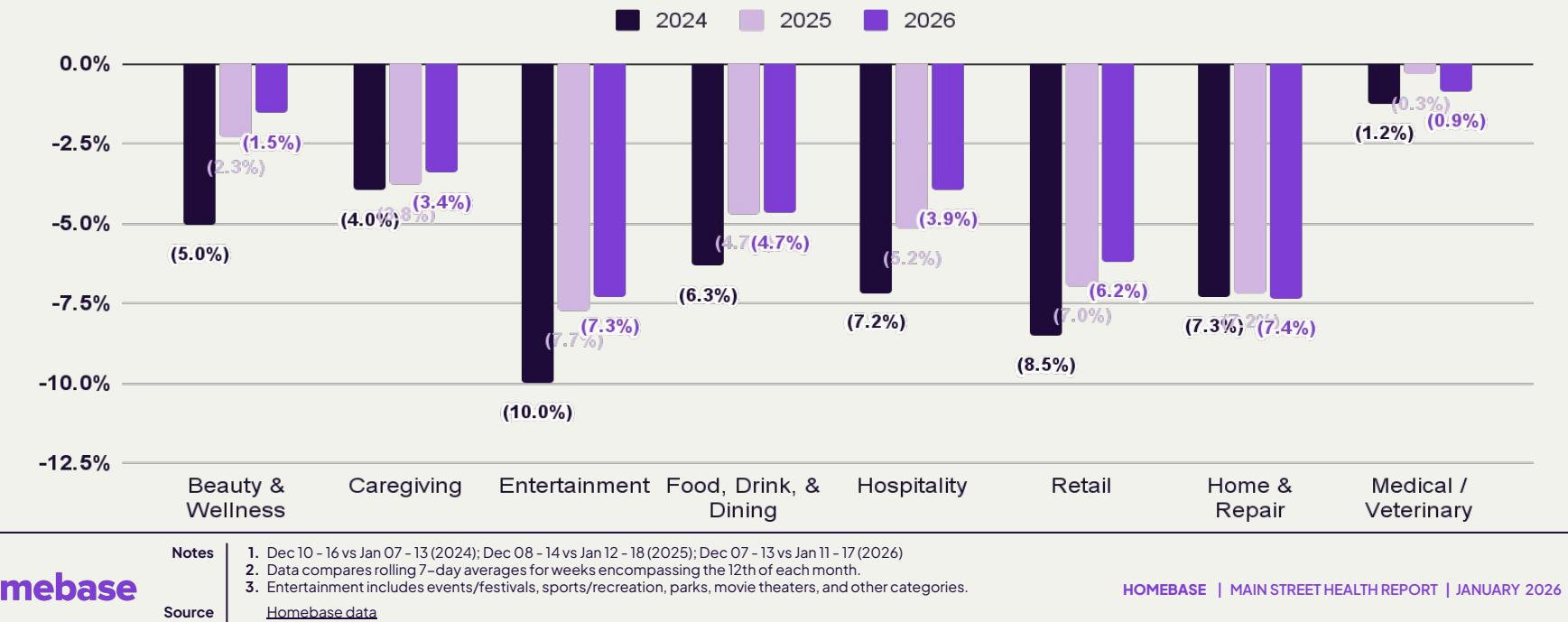
**Source**

[Homebase data](#)

# Healthcare Nears Stability as Hospitality and Retail Recover

Medical/Veterinary services posted the smallest workforce decline across all industries (−0.9% y/y), nearing stabilization, while hospitality improved to −3.9% from −7.2% in 2025 and retail to −6.2% from −8.5%, signaling sector-specific recovery in consumer-facing businesses.

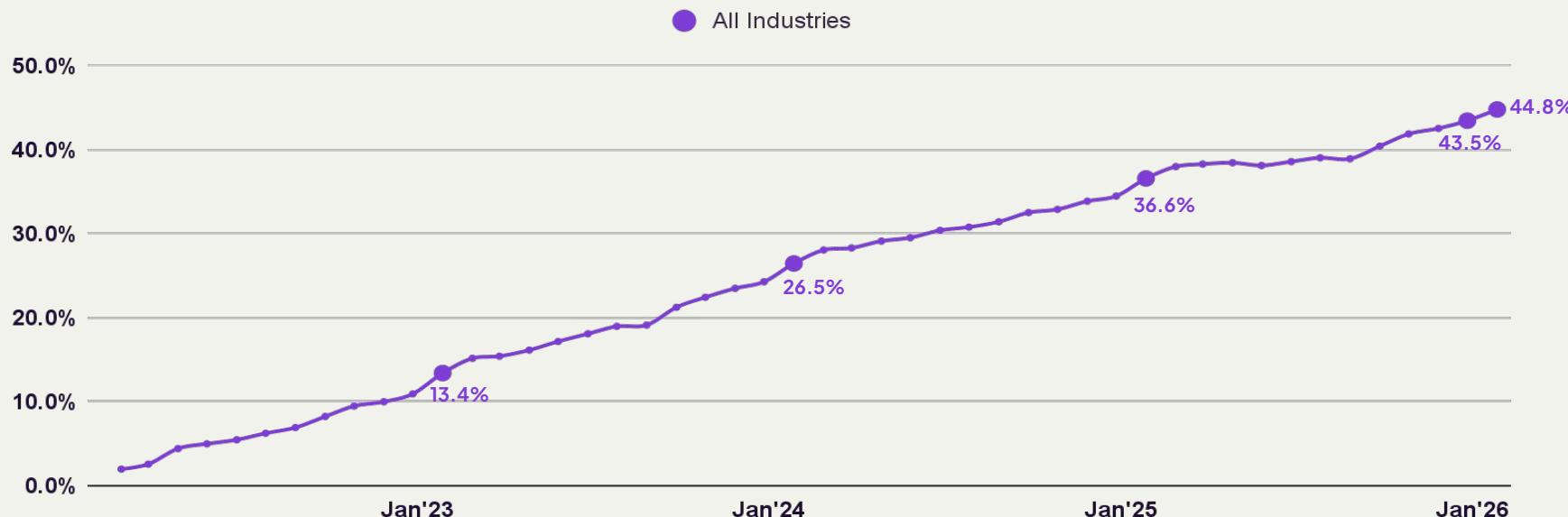
(Monthly change in 7-day average of “**Employees Working**”, relative to January of previous year)



# Wages Climb 44.8% Since 2022 in Persistent Three- Year Surge

Average hourly wages rose 44.8% since January 2022, up from 36.6% a year earlier, as small businesses continue raising pay to retain workers despite ongoing employment declines.

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

**Notes**

1. Data measures average hourly wages for locations that utilized Homebase to pay employees in both January 2025 and January 2026

2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

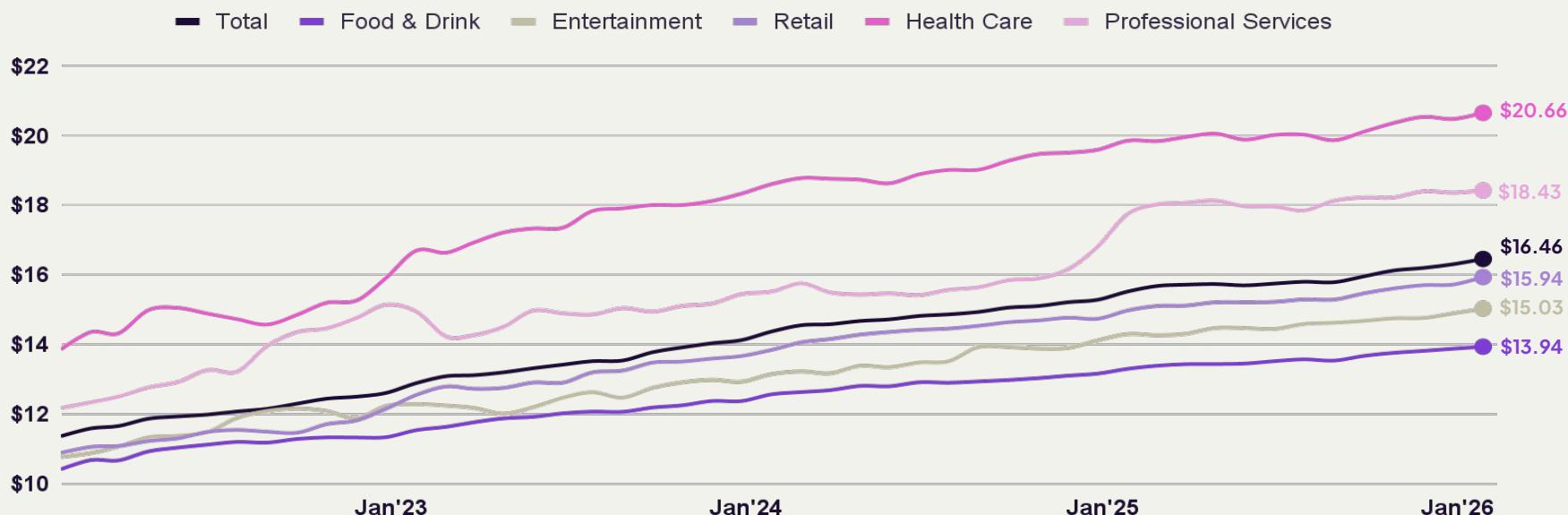
[Homebase data](#)

**Source**

# Professional Services Lead Wage Growth at \$20.66 Per Hour

Professional services wages reached \$20.66 in January 2026, surpassing healthcare at \$18.43 and the overall average of \$16.46, as pay dispersion widens across industries.

(Average “Hourly Wages” across all jobs)

**Notes**

1. Data measures average hourly wages for locations that utilized Homebase to pay employees in both January 2025 and January 2026. Total includes industries not depicted here.

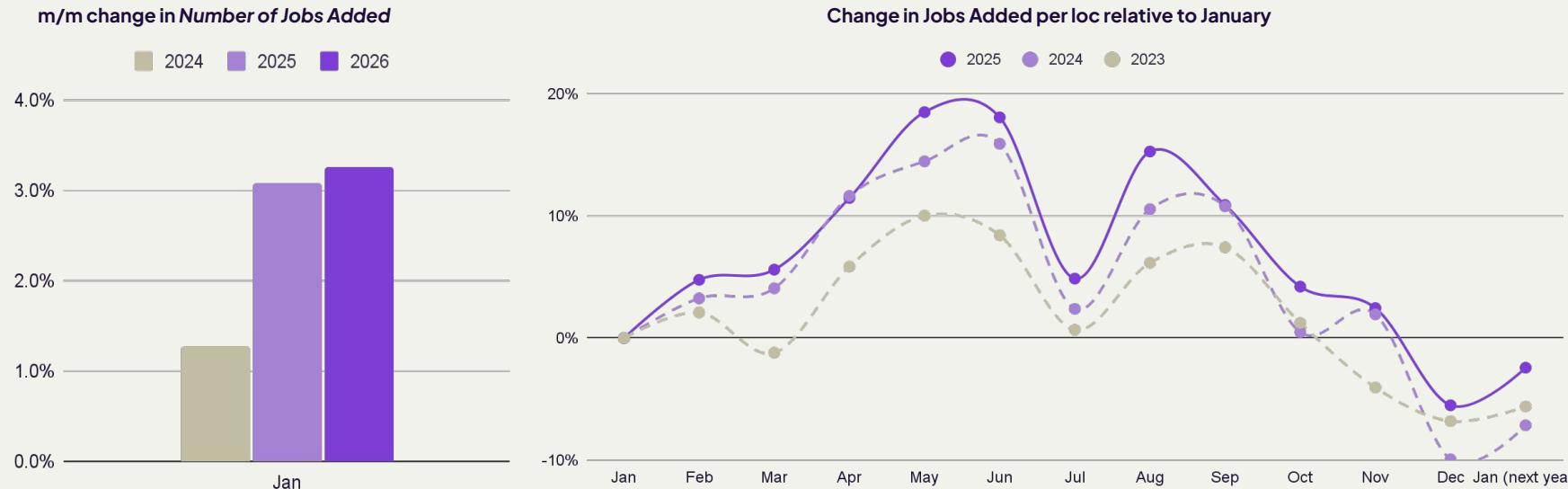
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

[Homebase Payroll data](#)

**Source**

# Hiring Rebounds Sharply Following Holiday Season Pullback

Small businesses added jobs at a 3.3% monthly rate in January, matching 2025's post-holiday rebound (3.1%) and more than doubling 2024's pace (1.3%), **while the year-over-year decline narrowed to -2.4% from -7.1% in January 2025, signaling sustained hiring momentum even as net workforce levels remain below prior-year level.**



## 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

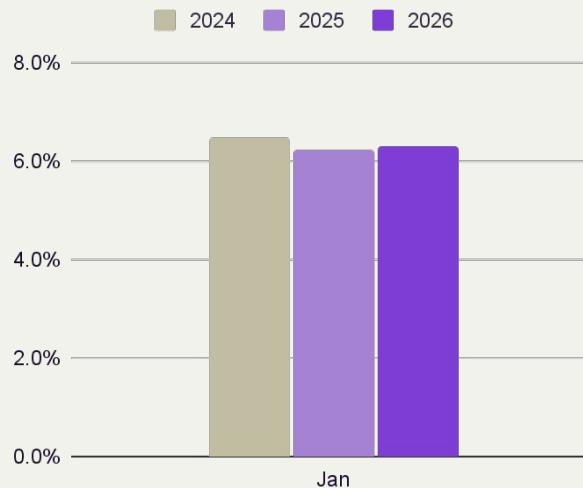
[Homebase data](#)

## Source

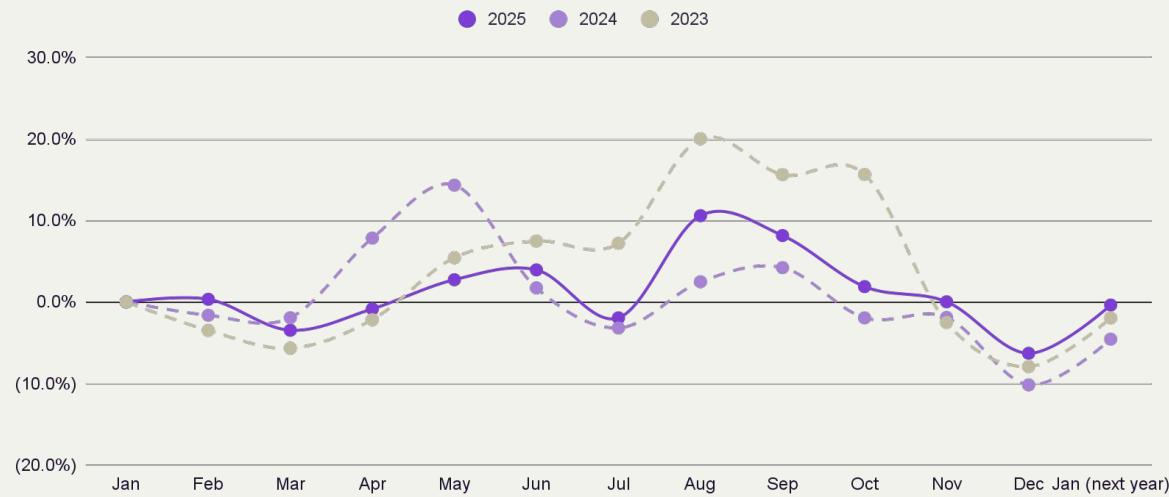
# Turnover Surges as Seasonal Positions Exit Post-Holiday

Turnover increased 6.3% m/m in January, consistent with seasonal patterns from 2025 (6.2%) and 2024 (6.5%), as temporary positions exited. **Y/Y turnover stabilized at -0.4%, a substantial improvement from -4.6% in January 2025, indicating more predictable workforce cycling as businesses normalized post-holiday rosters.**

m/m change in Number of Jobs Archived



Change in Jobs Archived per loc relative to January



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

[Homebase data](#)

Source

# 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](mailto:data@joinhomebase.com)



**Ray Sandza**  
Chief Strategy Officer  
[rays@joinhomebase.com](mailto:rays@joinhomebase.com)



**Vlad Akimenko**  
Head of Analytics  
[vakimenko@joinhomebase.com](mailto:vakimenko@joinhomebase.com)

## Upcoming report schedule

**Feb 06, 2026** Main Street Health Report – Jan 2026

**Mar 03, 2026** Main Street Health Report – Feb 2026

**Apr 01, 2026** Main Street Health Report – Mar 2026

**May 01, 2026** Main Street Health Report – Apr 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 January 2026. 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., 2024, 2025) 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 January 2026 and January 2025

If you use any content contained in this report,  
please include a link to: [joinhomebase.com](https://joinhomebase.com)

# 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.