

MAIN STREET HEALTH REPORT

May 2026

Labor and Wage Stats





MAIN STREET AT A GLANCE

Main Street Ramps Hours, Not Headcount, In May



Workforce & Hours: In May, employees working edged up only +0.2%, while hours worked rose +1.2%. The gap suggests businesses are meeting seasonal demand by adding hours to existing teams rather than broadly expanding headcount. The overall trend in employment growth remains muted due to constrained labor supply.



Hiring & Turnover: Despite low employment growth, we're cautiously optimistic about a turning point. Hiring was down only modestly (-2.0% Y/Y) and turnover grew for the second consecutive month (+1.6% Y/Y).

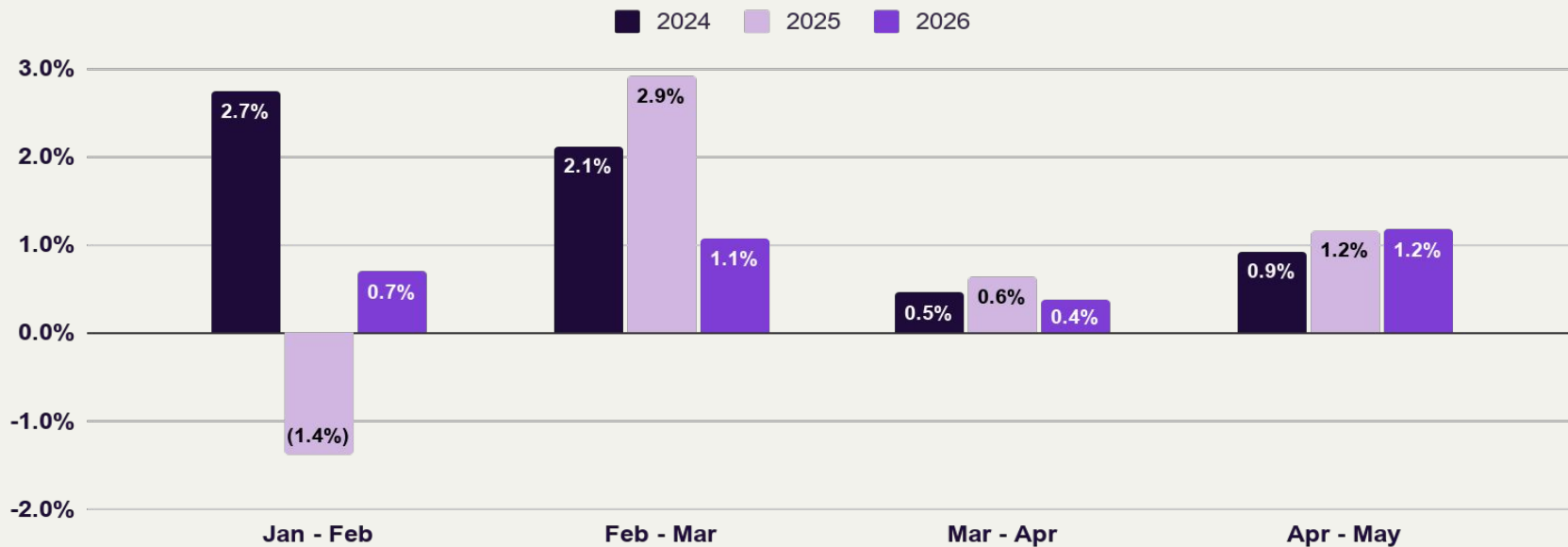


Industry & Regional: As is typical for mid-spring, open businesses declined across every region, led by the Southeast (-2.6%) and Southwest (-2.4%). Entertainment (+7.0%) remained the clear seasonal growth driver while personal services stayed soft.

Hours Worked Pick Up Despite Flat Headcount

Hours worked increased +1.2% from April to May, matching 2025 and outpacing 2024's +0.9% gain. Businesses tend to stretch schedules during this time of year.

(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.

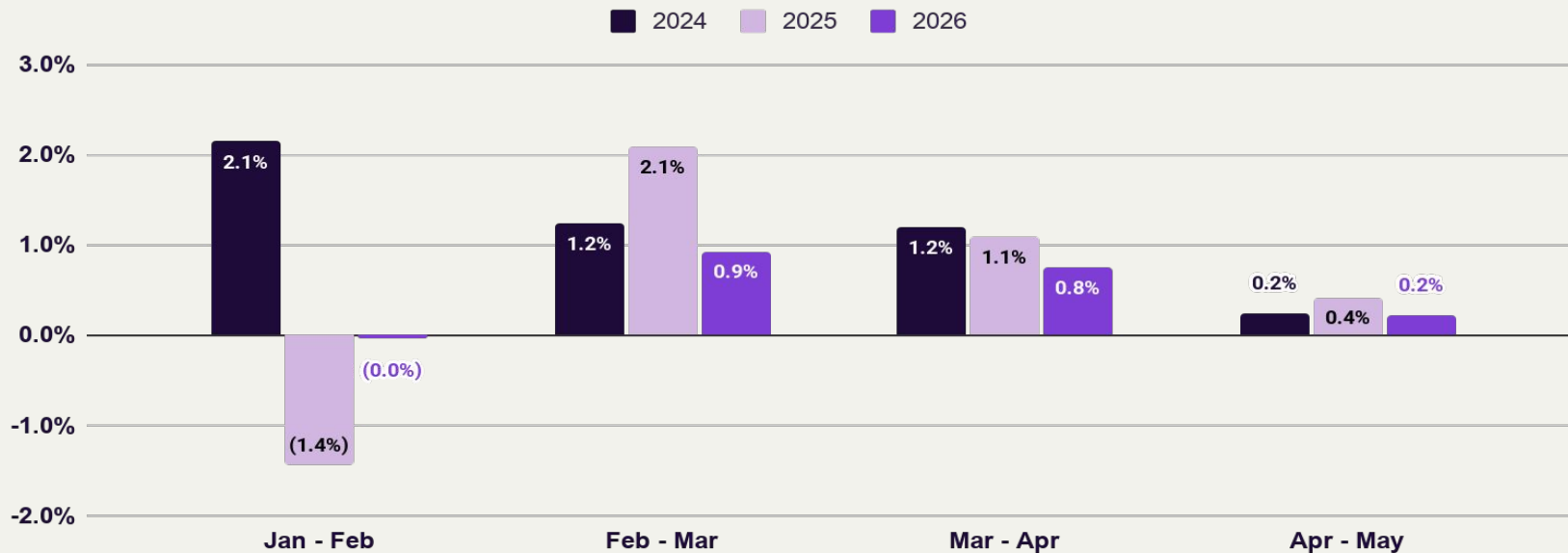
Source

[Homebase data](#)

Workforce Participation Flattens Into May

Employees working rose just +0.2% from April to May, trailing 2025's +0.4%. However, looking past the monthly noise, January–May growth was similar in 2025 and 2026; both years substantially lagged 2024 over the same period.

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

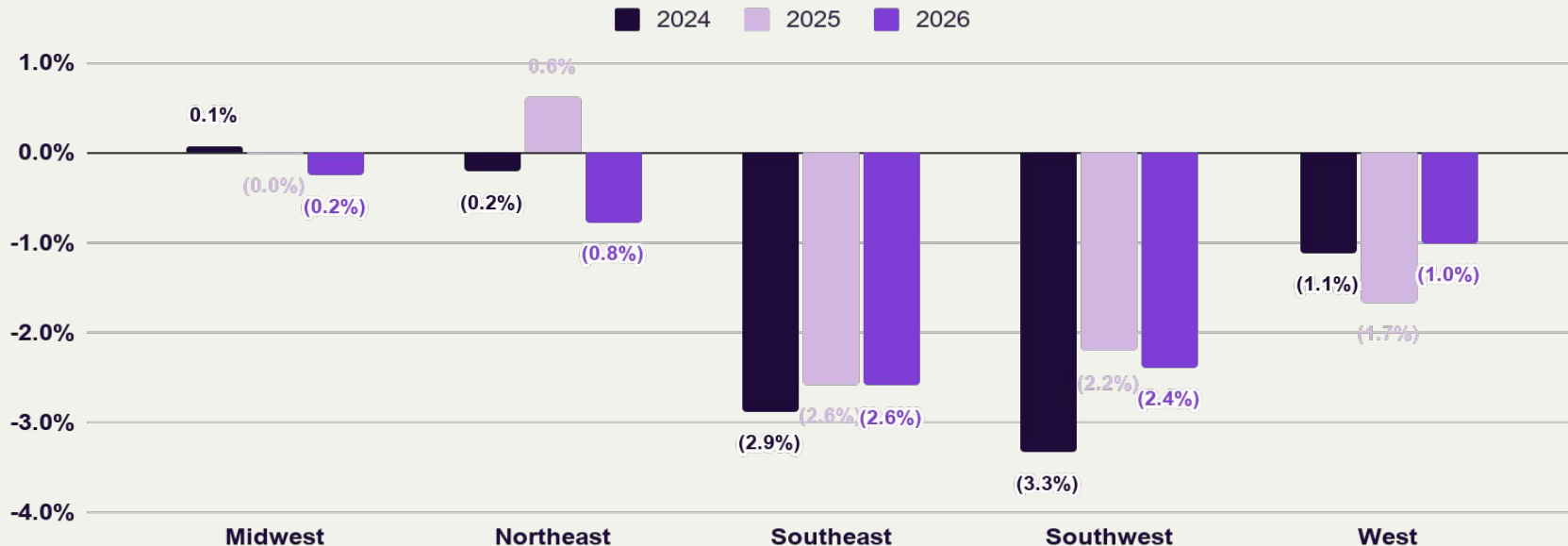


Notes | 1. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.

Open Businesses Decline Across All Regions

As is typical for this time of year, businesses open fell in every region. The biggest declines, as is the case every year, were in the Southeast (-2.6%) and Southwest (-2.4%). The Midwest (-0.2%) and Northeast (-0.8%) saw smaller declines, as these regions benefit from mid-spring weather improvement more than their peers.

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



Notes

1. Mar 10-16 vs Apr 14-20 (2024); Mar 09-15 vs Apr 6-12 (2025); Mar 8-14 vs Apr 12-18 (2026)
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.

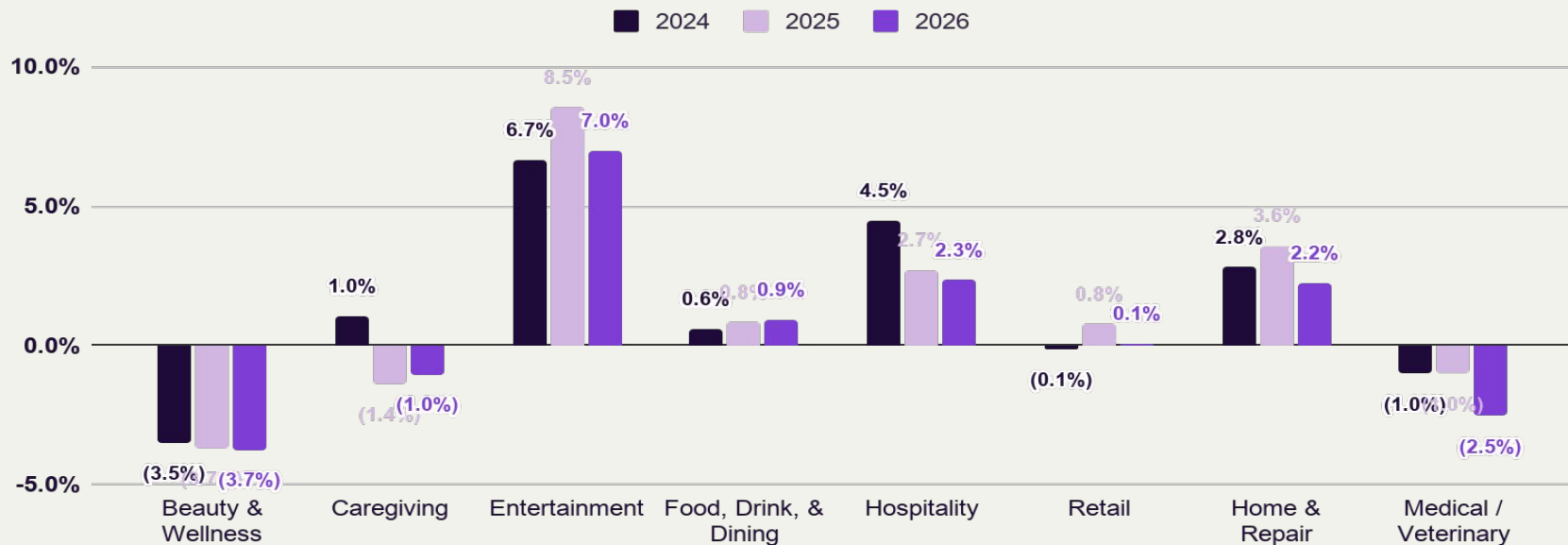
Source

Homebase data

Seasonal Leisure Carries Growth as Services Lag

Entertainment (+7.0%) remained the strongest seasonal growth sector, followed by Hospitality (+2.3%) and Home & Repair (+2.2%). Beauty & Wellness (-3.7%), Medical/Veterinary (-2.5%), and Caregiving (-1.0%) continued to contract, keeping the recovery narrow.

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



Notes

1. Mar 10-16 vs Apr 14 - 20 (2024); Mar 09-15 vs Apr 6 - 12 (2025); Mar 8-14 vs Apr 12 - 18 (2026)
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.

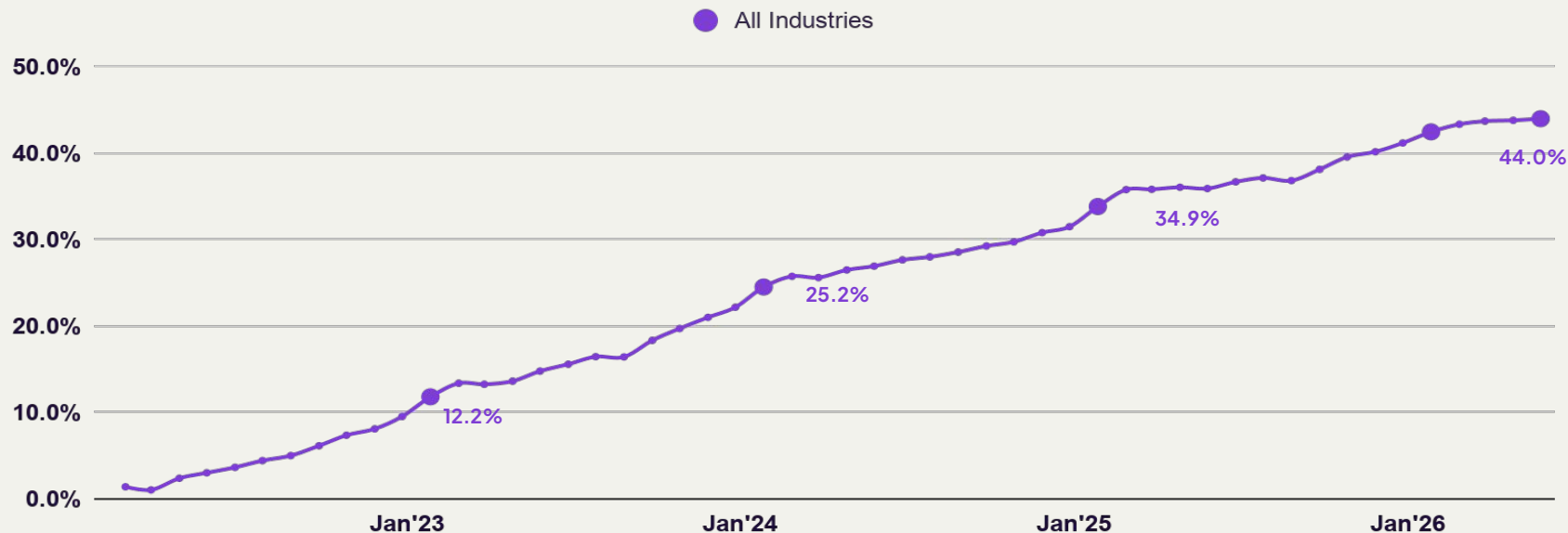
Source

Homebase data

Wages Reach New High, but Growth Keeps Slowing

Year-over-year wage growth slowed to +5.9%, below the +7.1% pace last year and +10.6% two years ago. But we see very early hints of wage growth stabilizing.

(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 April 2025 and April 2026
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

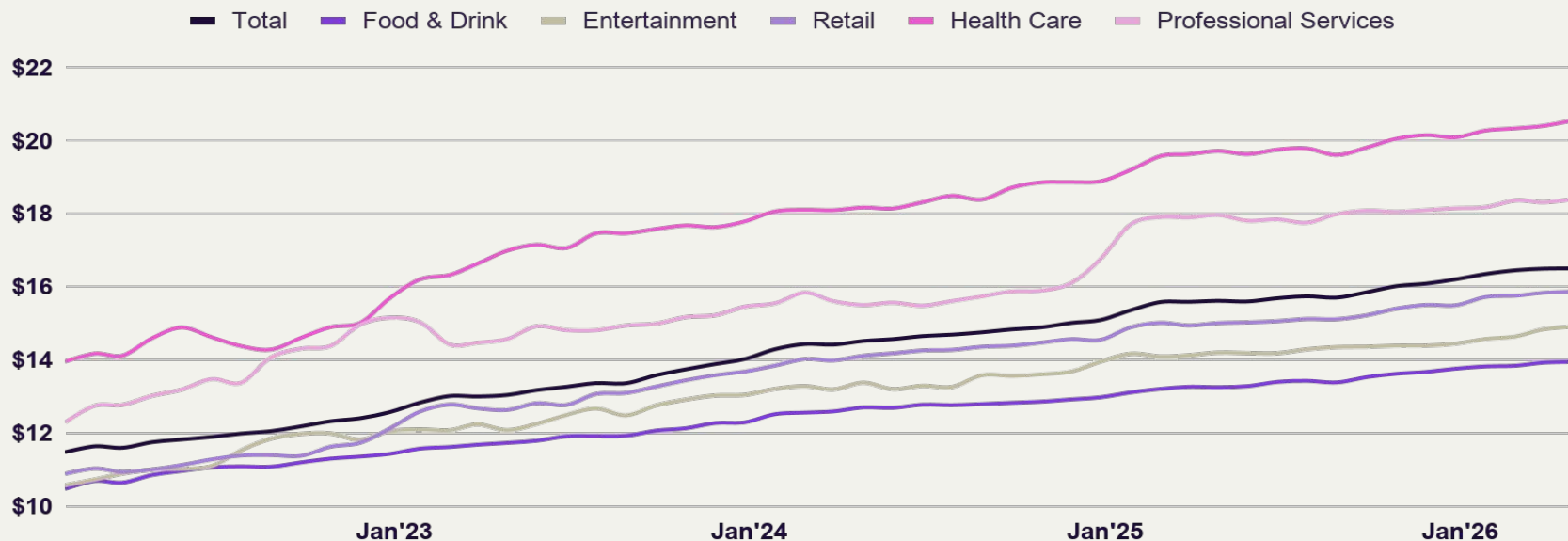
Source

[Homebase data](#)

Wage Growth Remains Uneven Across Service Tiers

Health Care remained the highest-paid category at \$20.73/hour, while Professional Services held near \$17.98 and has largely flattened since February. However, the fastest wage growth is in food & drink and retail (both just over 5% Y/Y).

(Average “Hourly Wages” across all jobs)



Notes

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

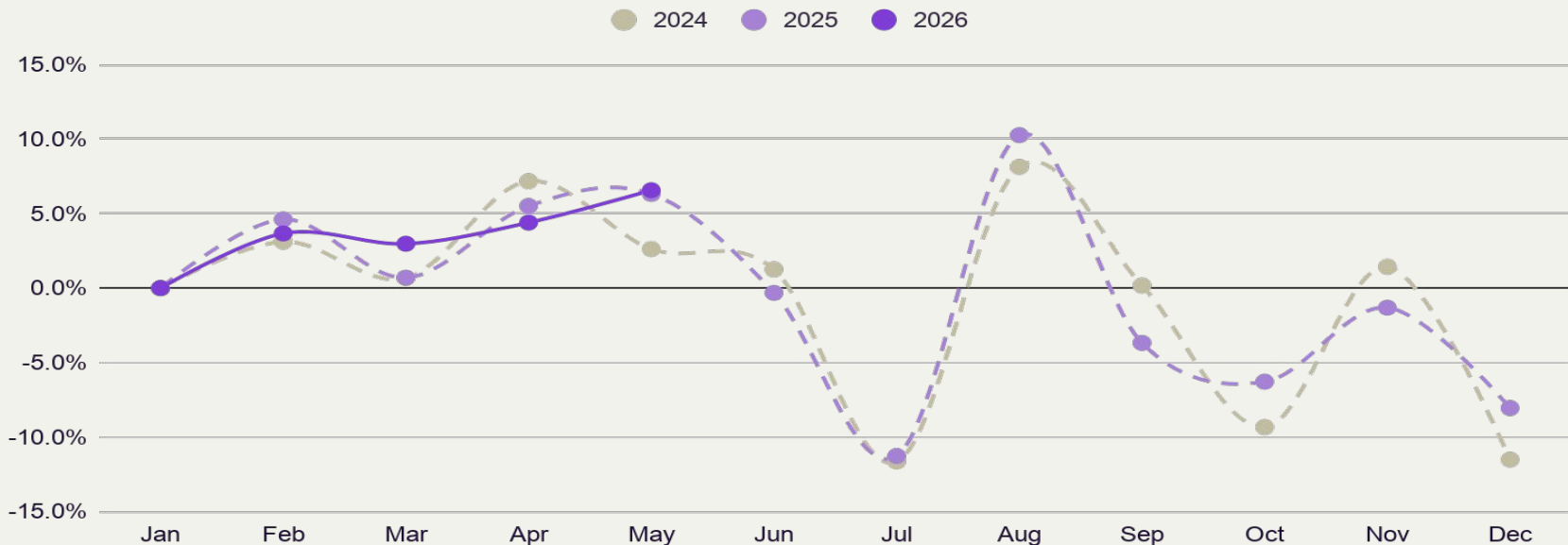
Source

[Homebase Payroll data](#)

Hiring Accelerates From a Lower Base

Hiring has started the year at a decent clip. While it remains down 2% Y/Y, we're cautiously optimistic that stabilization will materialize later this year.

(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

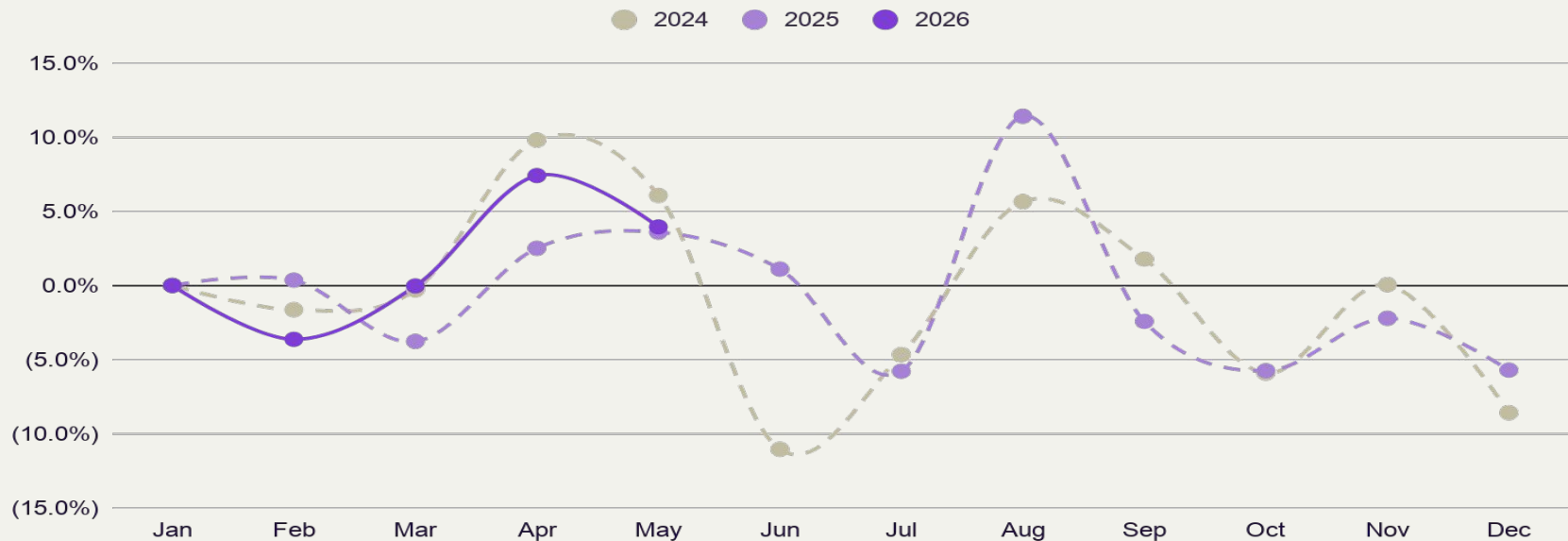
Source

[Homebase data](#)

Turnover Rises With Seasonal Staffing Churn

Jobs archived increased +4.0% m/m in May, above 2025's pace. For the second month in a row, turnover was up Y/Y (+1.6%). Employers are finding it harder to hold onto their workers.

(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](#)

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 April 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 April 2026 and April 2025

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



Vlad Akimenko

Head of Analytics

vakimenko@joinhomebase.com

Upcoming report schedule

**Jul 02,
2026**

Main Street Health Report – June 2026

**Aug 03,
2026**

Main Street Health Report – Jul 2026

**Sep 02,
2026**

Main Street Health Report – Aug 2026

**Oct 02,
2026**

Main Street Health Report – Sept 2026

If you use any content contained in this report,
please include a link to: 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.