MAIN STREET HEALTH REPORT

July 2026

Labor and Wage Stats

homebase

MAIN STREET AT A GLANCE

Workers Kept Leaving in July as Main Street's Rosters Thin

Hiring & Turnover: Turnover plunged month-over-month after a record June, but growth remains elevated at +4.2% Y/Y, continuing a year-long pattern of above-prior-year worker exits even as hiring contracted slightly.

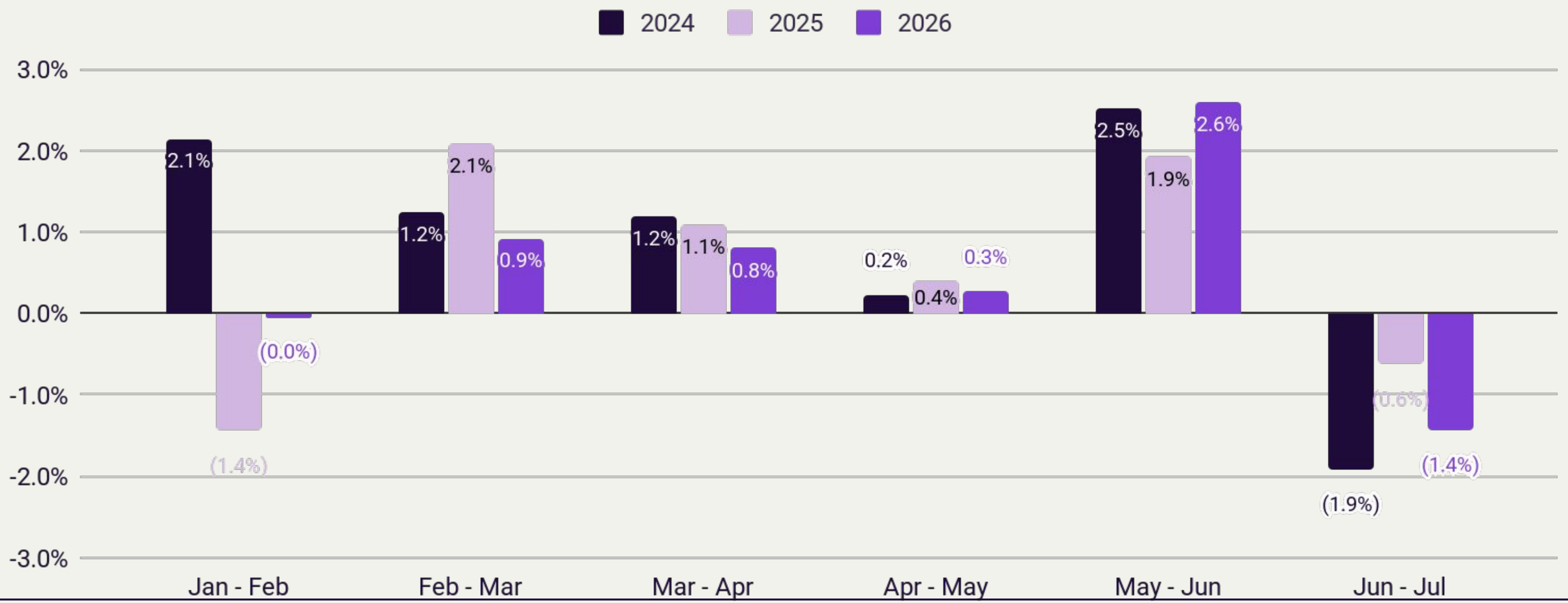
Workforce & Hours: The -1.4% month-over-month drop in employees working is more than double July 2025's -0.6% decline, and hours worked also fell more steeply than last year. The World Cup is a possible explanation, but is speculative at this time.

Industry & Regional: Business openings fell across every region, with the Southwest hardest hit at -4.3% month-over-month. The only bright spots were Entertainment (+3.9%) and Hospitality (+2.0%), both seasonal and plausibly World Cup-adjacent.

The Workforce Participation Summer Slide Returns

Employees working fell 1.4% month-over-month, more than double the 0.6% dip in 2025, suggesting factors beyond seasonal norms. The World Cup may have prompted early staffing adjustments, though the data doesn't yet confirm it.

*(Monthly change in 7–day average of **"Employees Working"**, relative to January of respective year)*



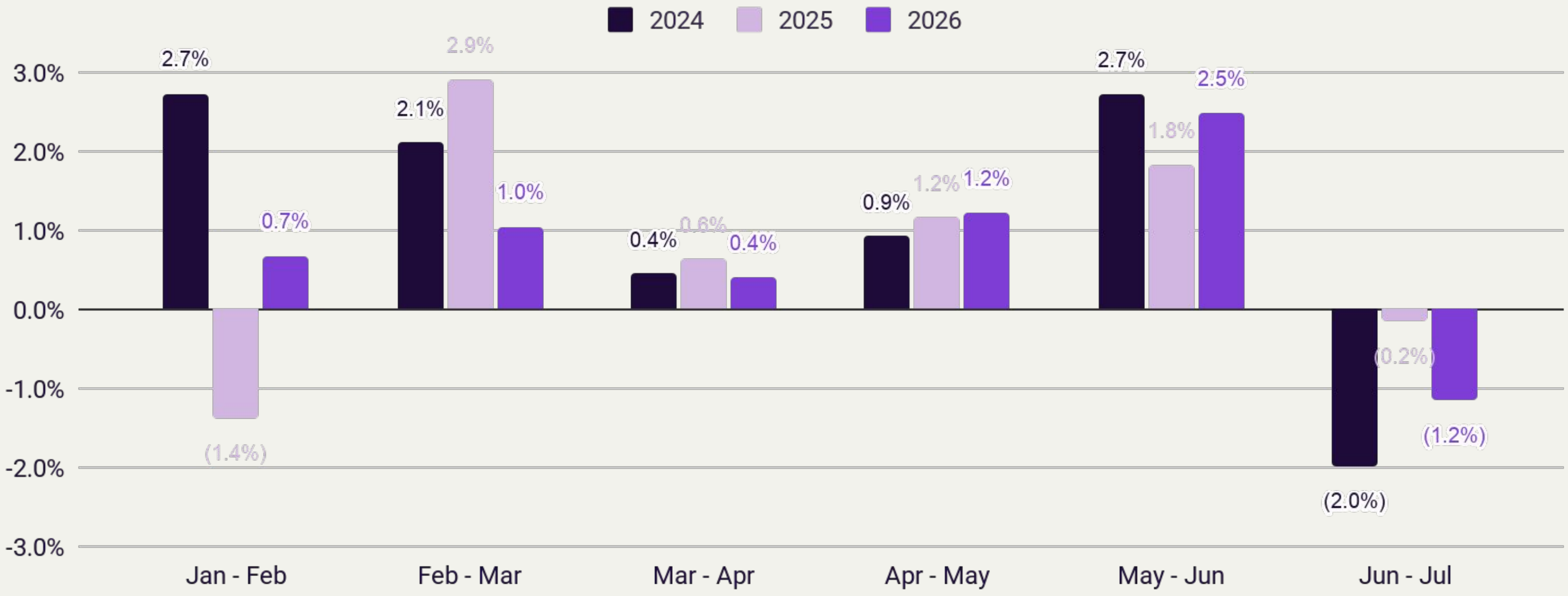
Notes 1. Data compares rolling 7–day averages for weeks encompassing the 12th of each month.

Source Homebase data

Workers Clocked Out Earlier This Summer Than Last

Hours worked declined more steeply than in July 2025 but fell short of 2024's drop, placing 2026 squarely between the two prior years. Front-loading ahead of World Cup events is a plausible explanation.

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



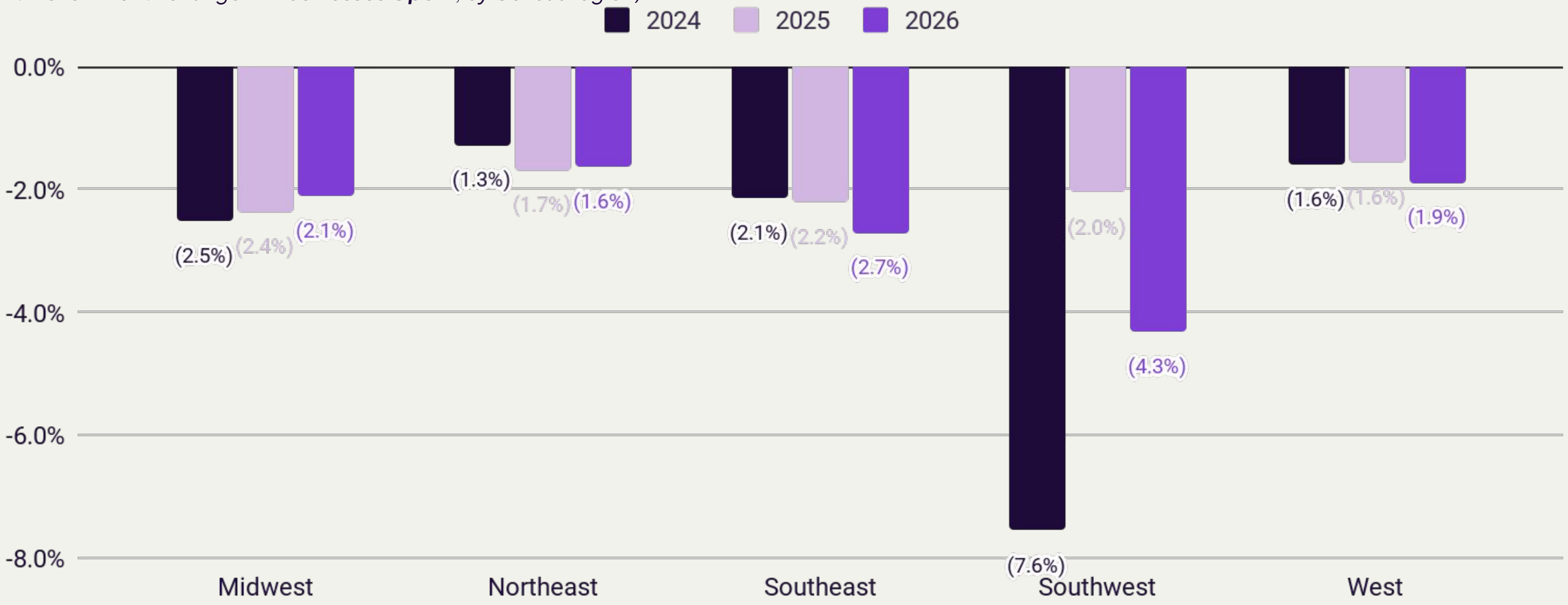
Notes 1. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.

Source Homebase data

Open Businesses Decline Across All Regions

Business openings contracted across all five Census regions in July, with the Southwest posting the steepest decline at -4.3% month-over-month. The broad-based pullback mirrors the typical small business summer lull, though this year's contraction runs deeper than 2025.

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



Notes

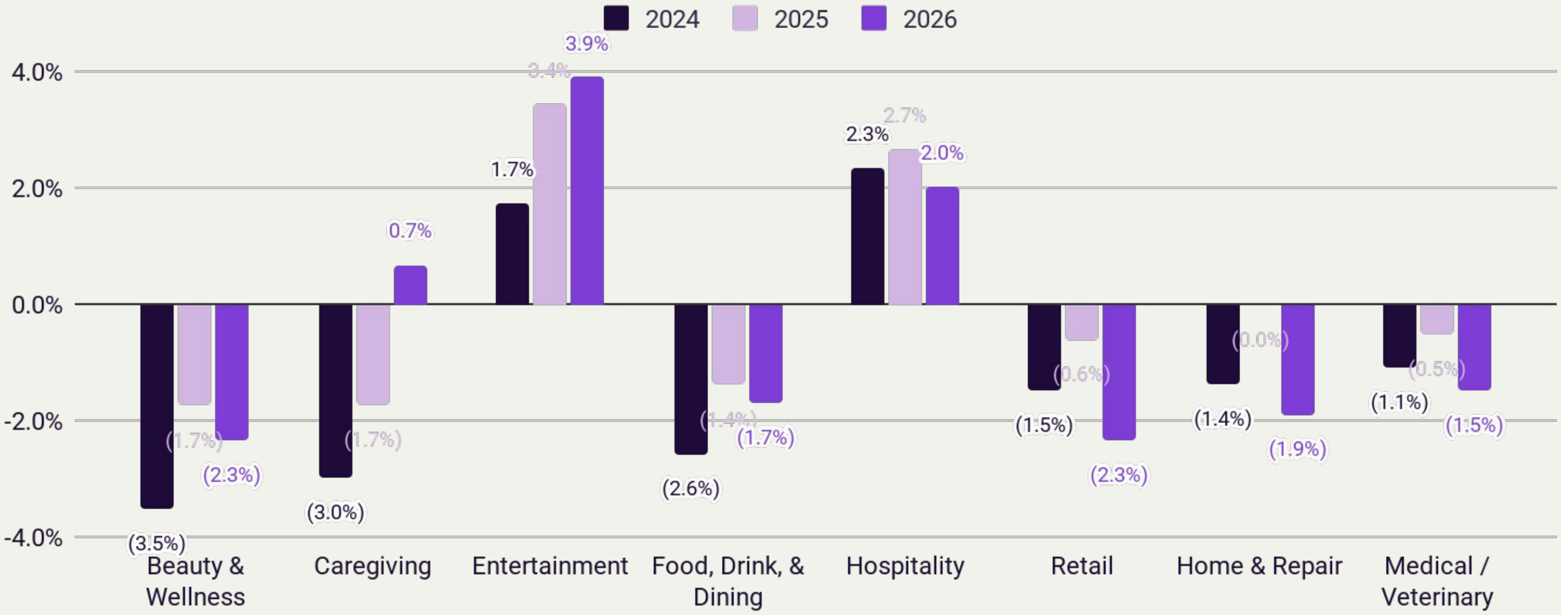
1. Chart compare last month vs current month for each calendar year
2. Region classification - Midwest: ND, SD, NE, KS, MN, IA, MO, WI, IL, IN, OH, MI; West: NV, UT, AZ, NM, CO, WY, MT, ID, OR, WA, CA, HI, AK; Northeast: NY, PA, NJ, CT, RI, MA, NH, VT, ME; Southeast: MS, AL, TN, KY, NC, SC, GA, FL; Southwest: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

Source Homebase data

Entertainment and Hospitality Beat the July Blues

Entertainment (+3.9%) and Hospitality (+2.0%) were the only industries to add workers in July, likely driven by World Cup tourism and peak summer demand. Every other tracked sector posted month-over-month workforce declines.

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



Notes

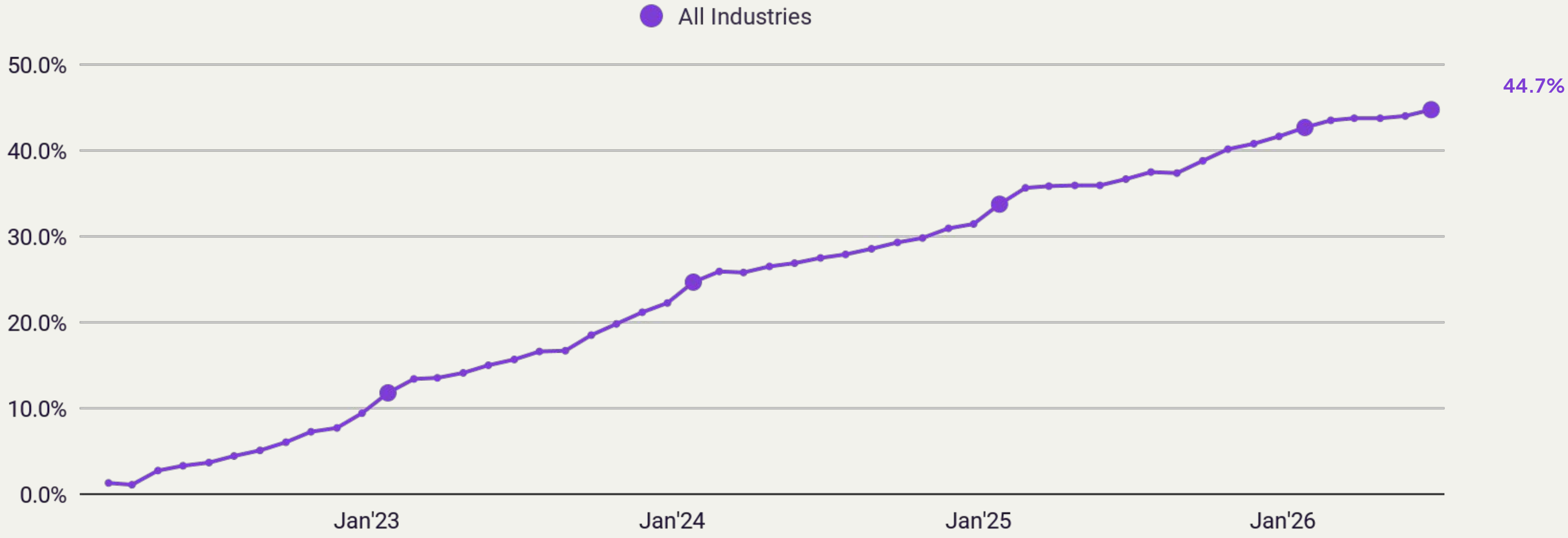
1. Chart compare last month vs current month for each calendar year
2. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.
3. Entertainment includes events/festivals, sports/recreation, parks, movie theaters, and other categories.

Source Homebase data

Three Straight Years of Slowing Wage Growth, Now at 6%

Hourly wage growth has decelerated each year since 2024 (9.7% → 7.5% → 6.0%), the slowest annual rate in three years. The relief is real for SMB owners, but the cumulative 44.7% increase since January 2022 means labor costs are still historically elevated.

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



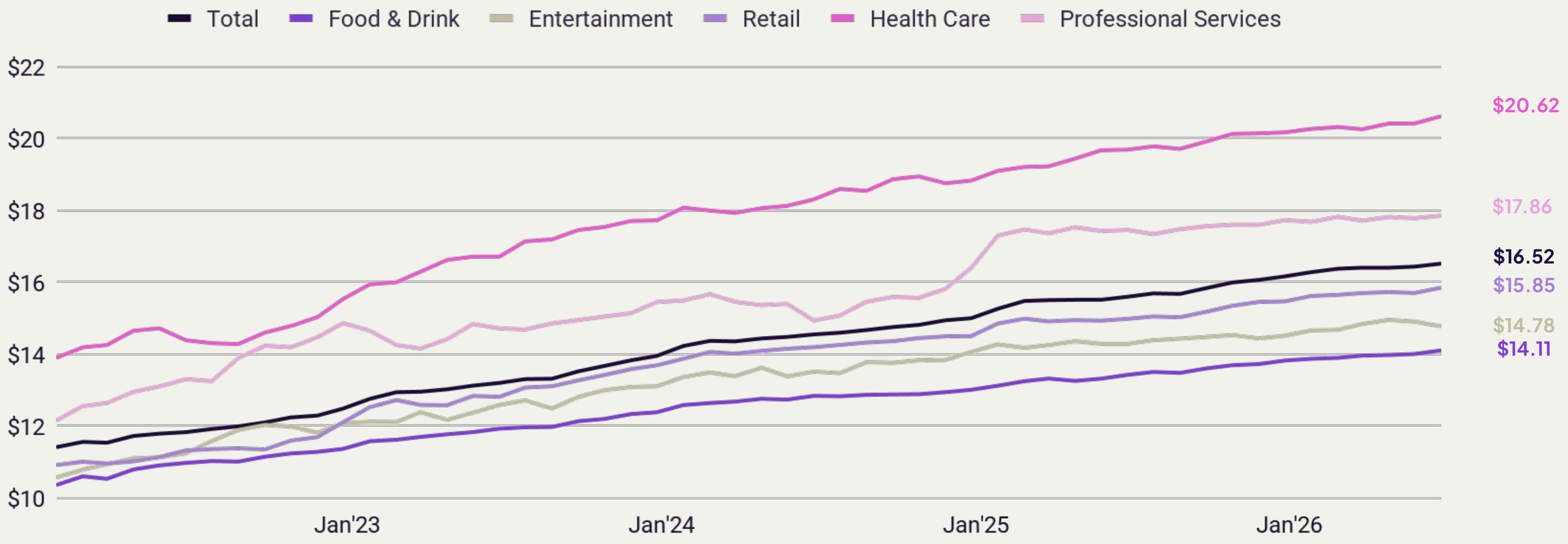
Notes
1. Data measures average hourly wages for locations that utilized Homebase to pay employees in both the reporting month and the same month a year before
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

Source Homebase data

Health Care Leads on Pay; Retail Is Closing the Gap Fastest

Health Care remains the top-paying sector at $20.62/hr, while Retail (+6.2% Y/Y) is growing the fastest, now $15.85/hr, up from $15.56 a year ago. Food & Drink ($14.11/hr) continues to anchor the low end of the wage spectrum.

*(Average **"Hourly Wages"** across all jobs)*



Notes

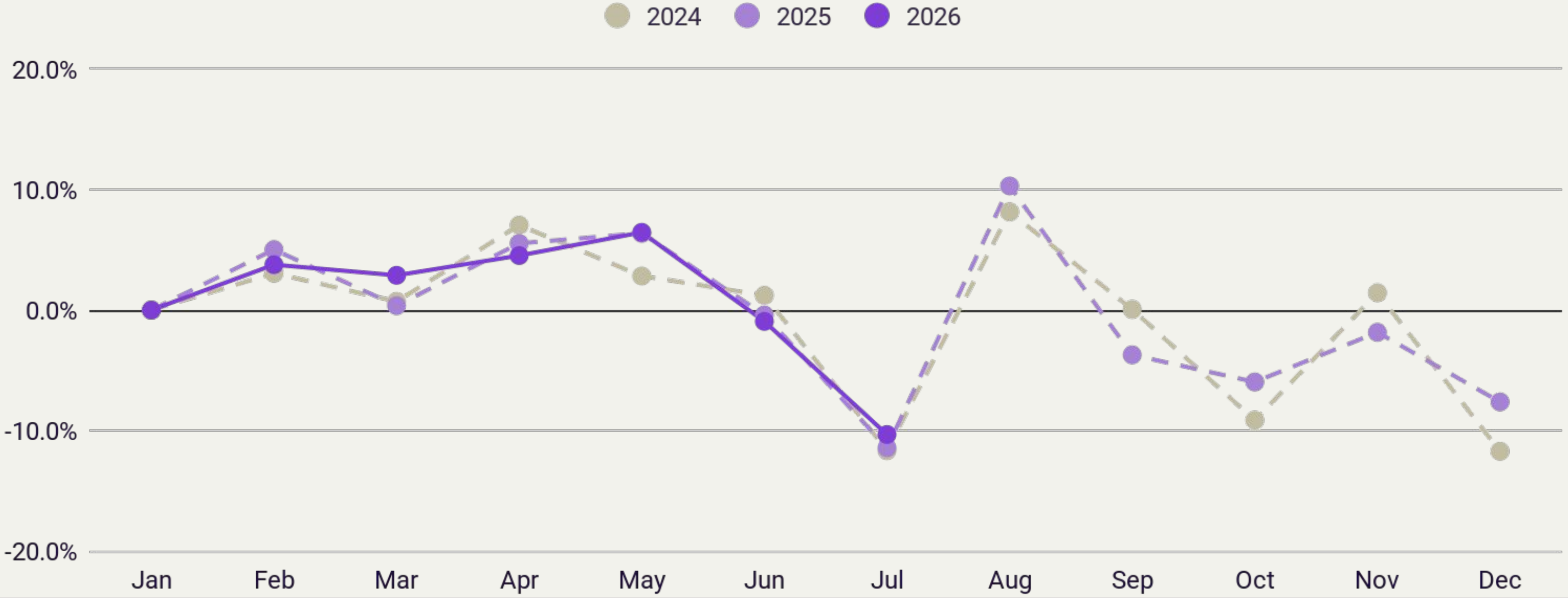
1. Data measures average hourly wages for locations that utilized Homebase to pay employees in both the reporting month and the same month a year before. Total includes industries not depicted here.
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

Source Homebase Payroll data

July's Hiring Freeze Is Seasonal, But the Annual Gap Is Real

A ~10% month-over-month drop in hiring is normal for July, but the -1.6% Y/Y decline signals 2026 hiring is running slightly below last year's pace. With turnover simultaneously elevated, small businesses are replacing workers more slowly than they're losing them.

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



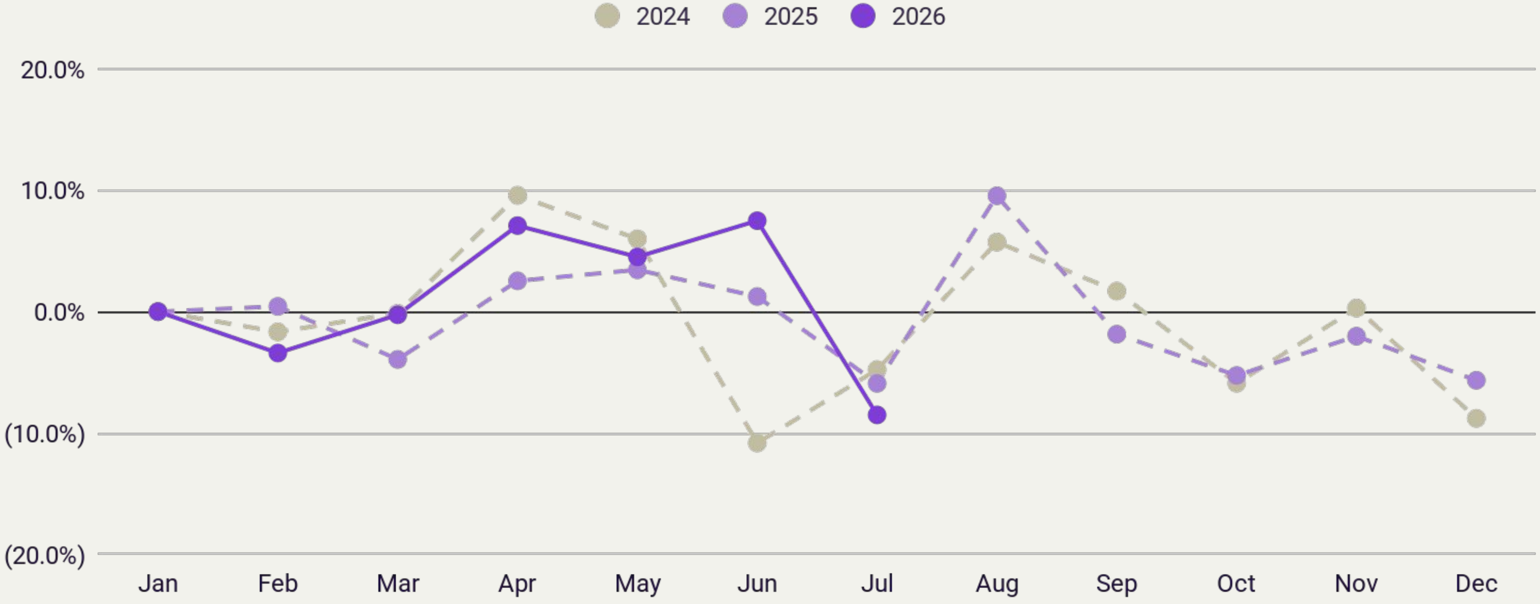
Notes
1. Data measures average monthly change in total number of jobs created in official employee rosters for companies active in any given month.
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

Source Homebase data

Turnover Plunged, but Exits Are Still Running Hot

July's sharp month-over-month drop in turnover is largely a correction after an unusually high June. With Y/Y turnover still up 4.2%, workers are exiting at a faster annual clip than in 2025. This is a pattern that has now persisted for the better part of a 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

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 July 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 July 2026 and July 2025.

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Homebase is the 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.