

# MAIN STREET HEALTH REPORT

August 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

## Seasonal Cooling With Elevated Turnover and Active Backfilling



Workforce participation and hours both declined -3.0%, matching August slowdowns seen in 2023-2024.



Business activity fell across regions, led by the Southeast (-4.1% in Employees Working). Entertainment, Caregiving, and Home & repair drove the sharpest industry declines.

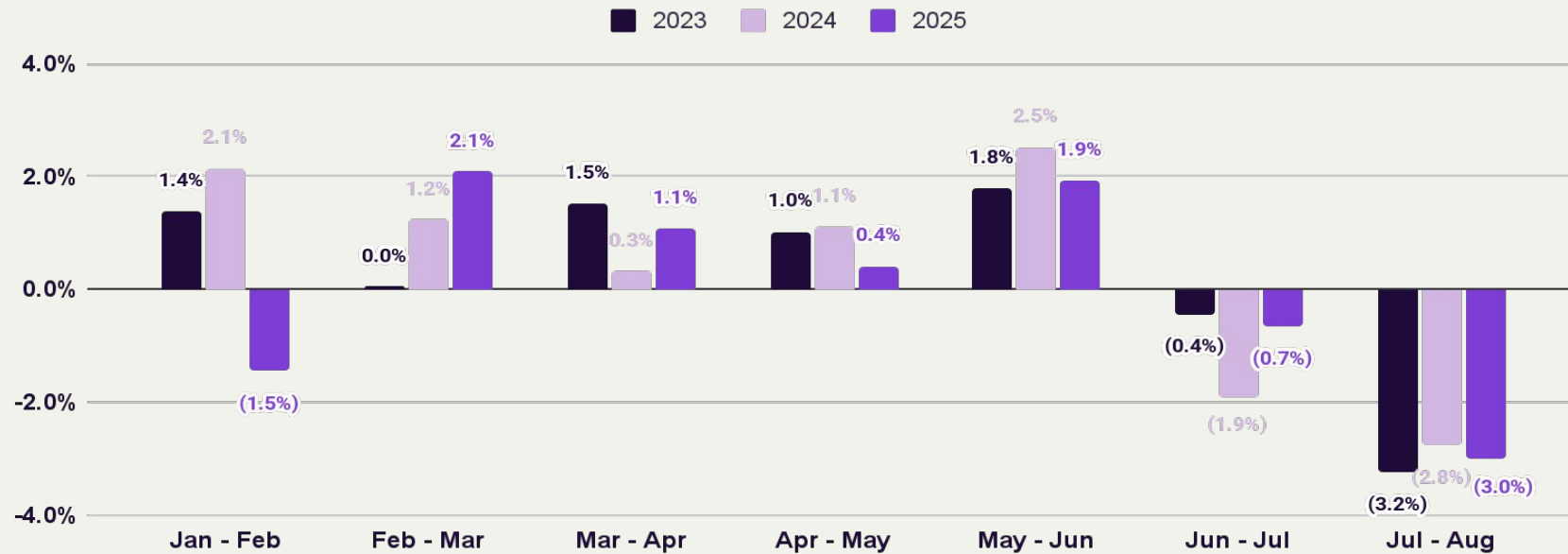


Turnover surged +17%, the strongest August since 2023, as seasonal worker exits and staffing resets hit at once. But hiring picked up ~10% over July to backfill. The pattern suggests a labor market that's reshuffling rather than expanding

# Employee Participation Declines, Matching Seasonal Dips

Workforce participation dropped -3.0% in Aug 2025, consistent with -2.8% in 2024 and -3.2% in 2023, showing that late-summer dips are part of the annual cycle

(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.

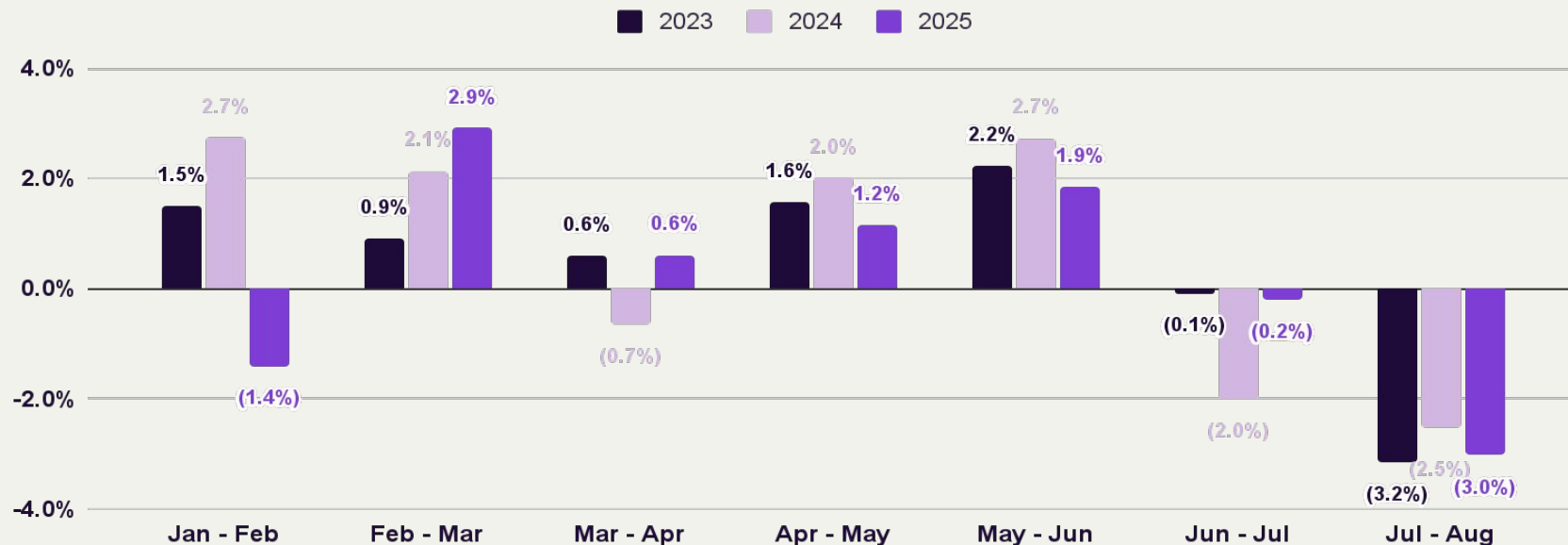
**Source**

[Homebase data](#)

# Hours Worked Fall in August, Consistent With Prior Years

‘Hours Worked’ fell -3.0% in Aug 2025, closely tracking -2.5% in 2024 and -3.2% in 2023. Businesses typically trim scheduling in late summer as demand cools before the fall ramp-up.

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



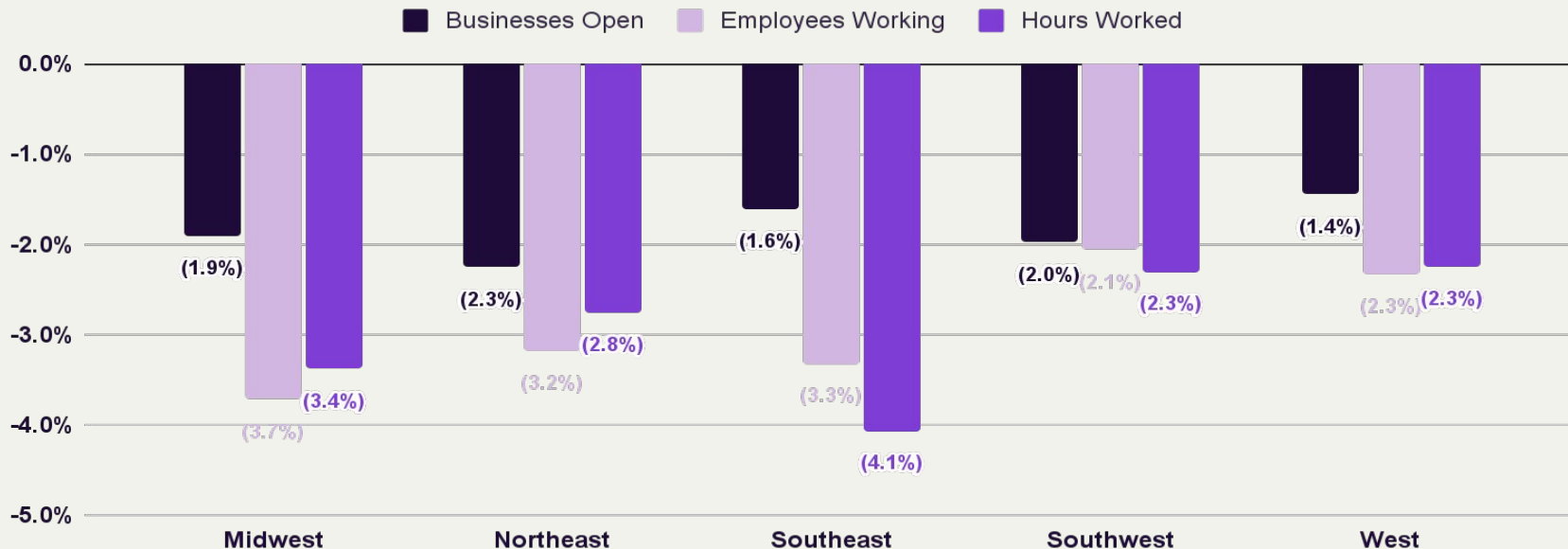
Notes | 1. Data compares rolling 7-day averages for weeks encompassing the 12th of each month.

Source | [Homebase data](#)

# Business Activity Declined Across All Regions in August

Businesses open fell across all regions, led by the Northeast (-2.3%). Workforce participation also declined, with the Southeast (-4.1%) leading. Unlike 2024, this year August saw larger decline in workforce participation in all regions

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



## Notes

- Jul 06 - 12 vs Aug 10 - 16
- 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.

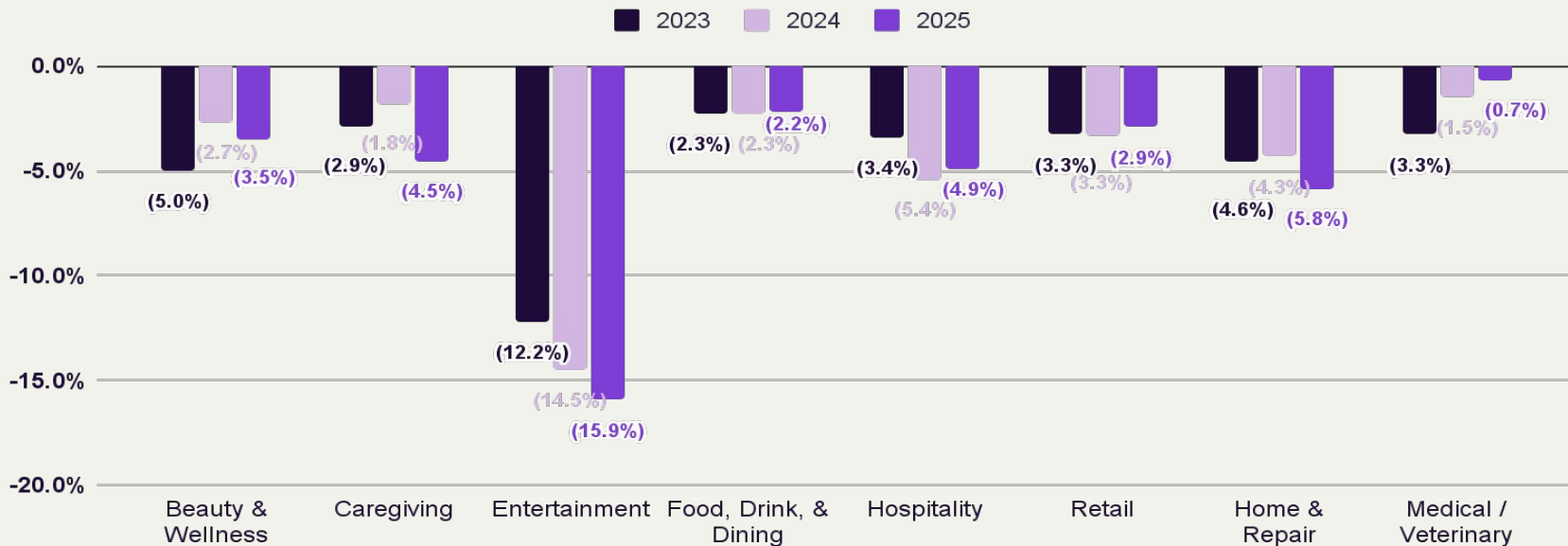
## Source

[Homebase data](#)

# Entertainment & Caregiving Face Stronger Headwinds

Entertainment, Caregiving, and Home & Repair posted the steepest contractions since 2023, while Medical/Veterinary outperformed. Reopening of schools likely contributed to lower ‘Employees Working’ in seasonal industries

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



**Notes**

1. Jul 09 - 15 vs Aug 6 - 12 (2023); Jul 07 - 13 vs Aug 11 - 17 (2024); Jul 06 - 12 vs Aug 10 - 16 (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.

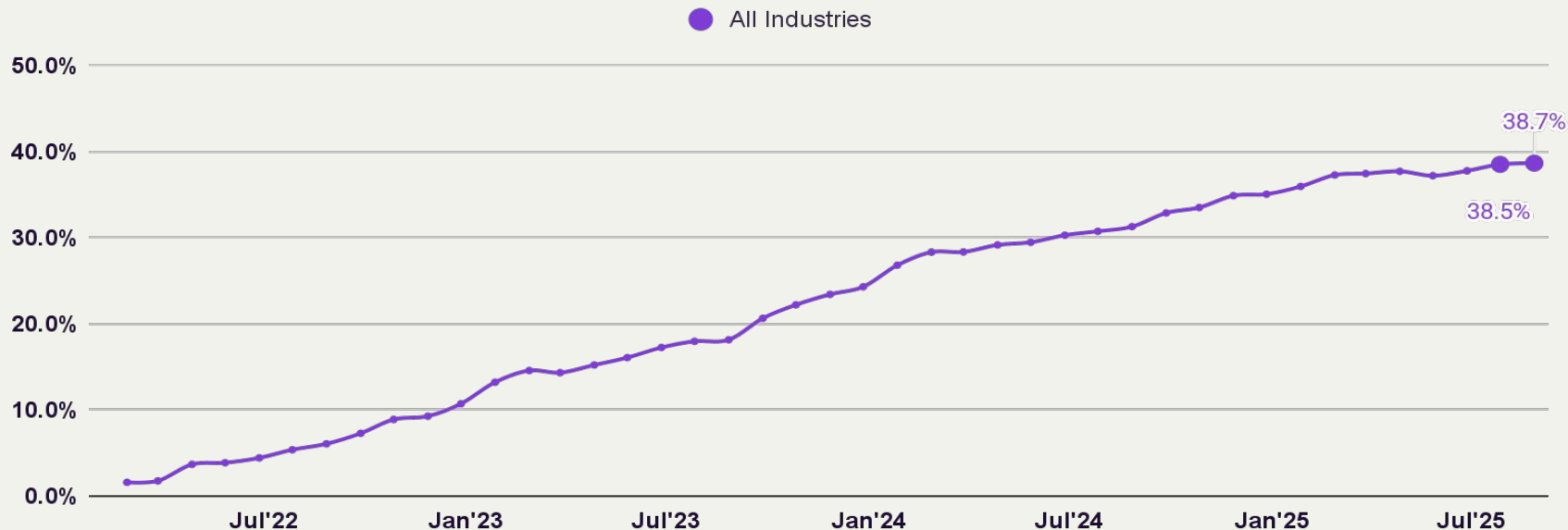
**Source**

[Homebase data](#)

# Wage Growth Slows Into Late Summer

Wage inflation moderated in August, with SMBs easing payroll expansion after early-summer hiring surges.

(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 August 2025 and August 2024
2. A month is defined as the period from 28th of last calendar month to 27th of the current calendar month

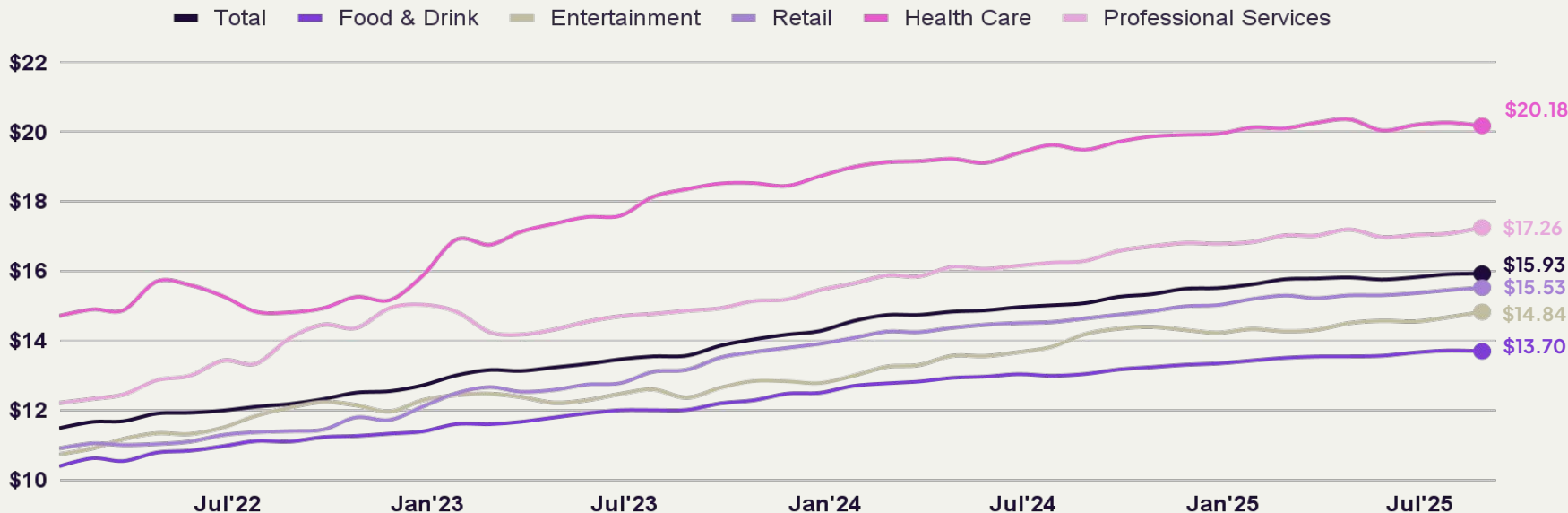
## Source

[Homebase data](#)

# Wages Grew Slightly, Continuing Modest Upward Momentum

Most sectors saw modest wage growth month-on-month (+1% in Entertainment, +1% in Professional Services), while Food & Drink reversed last year's gains with a -0.17% drop

(Average "Hourly Wages" across all jobs)



## Notes

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

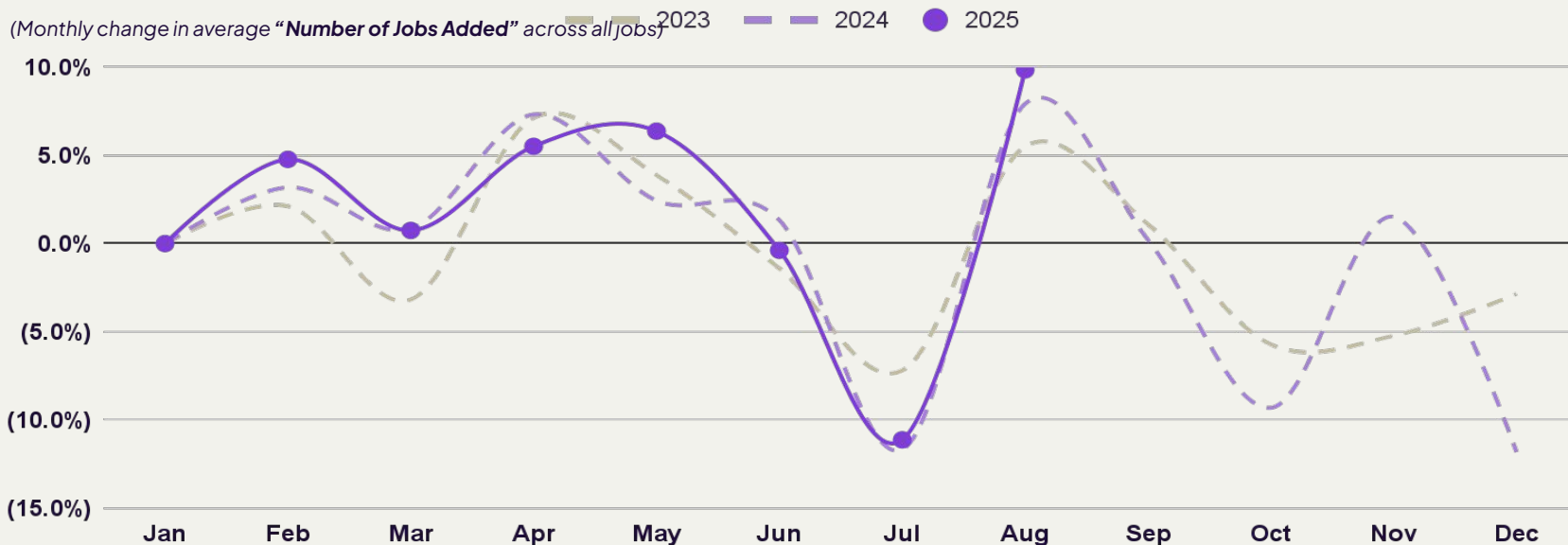
## Source

[Homebase Payroll data](#)



# Hiring Jumped Nearly 10%, Strongest August Uptick Since 2023

Job additions rose ~10% m/m, the largest August increase in three years. This suggests businesses actively hired to backfill for the increased turnover and not to expand their roster size.



## 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

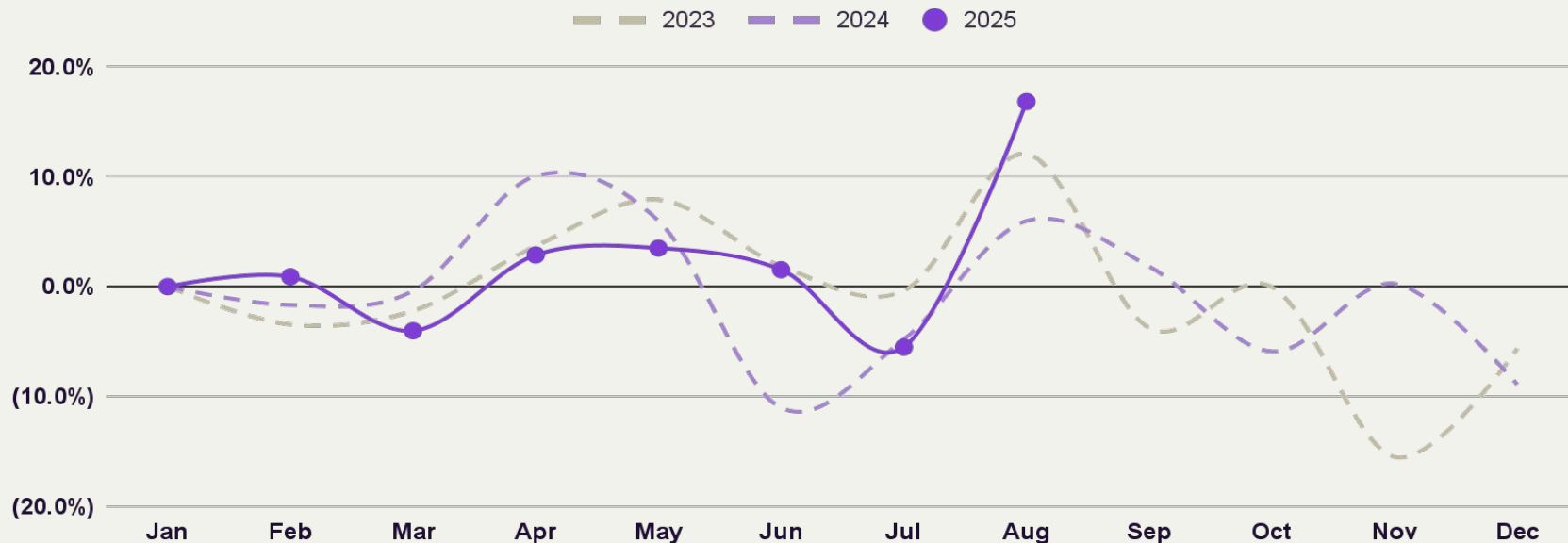
## Source

[Homebase data](#)

# Turnover Surged 17%, Highest August Exit Rate Since 2023

Turnover surged +17% in August, the highest since 2023. Seasonal student exits, voluntary churn, and SMB staffing resets drove the spike, fueling the parallel rise in hiring

(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](mailto:data@joinhomebase.com)



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### Upcoming report schedule

**Oct 01,  
2025**

Main Street Health Report – Sep 2025

**Oct 30,  
2025**

Main Street Health Report – Oct 2025

**Dec 02,  
2025**

Main Street Health Report – Nov 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 August 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 August 2025 and August 2024

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