

AUGUST 2026 — SMB WORKFORCE & WAGES

# A Broad Rebound as Regions Pull Apart

An early read on August SMB payrolls shows hiring rebounding across every region and most sectors, even as annual growth trends diverge.

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**+1.10%**

WORKFORCE M/M

**+0.93%**

WORKFORCE Y/Y

**15 of 19**

SECTORS GROWING M/M

# Beneath an Improved Headline, Growth Is Increasingly Uneven

August's rebound was broad but uneven. Every region and most sectors expanded on the month, yet annual growth continued to separate along regional lines, leaving the widest spread of 2026.

WORKFORCE

+1.10%

The first monthly gain since May, reversing two months of contraction, though Y/Y growth eased to 0.93%.

REGIONS

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All nine Census Divisions expanded M/M after none did in July, but annual growth diverged, with the West holding and the East easing.

SECTORS

15 of 19

Sector gains were broad M/M and Y/Y, led again by production and distribution-linked industries.

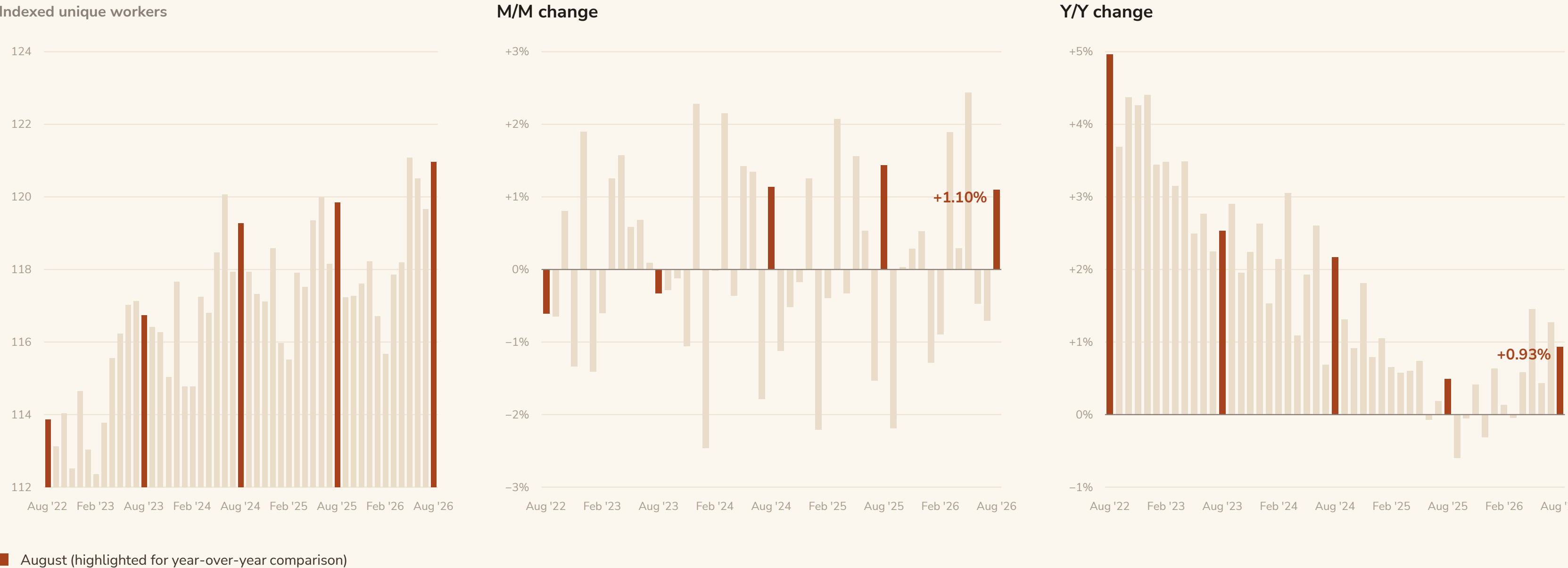
WAGES

Steady

Wage growth held near 3.2% for a third month, with the regional spread stable and the fastest-growing divisions holding position.

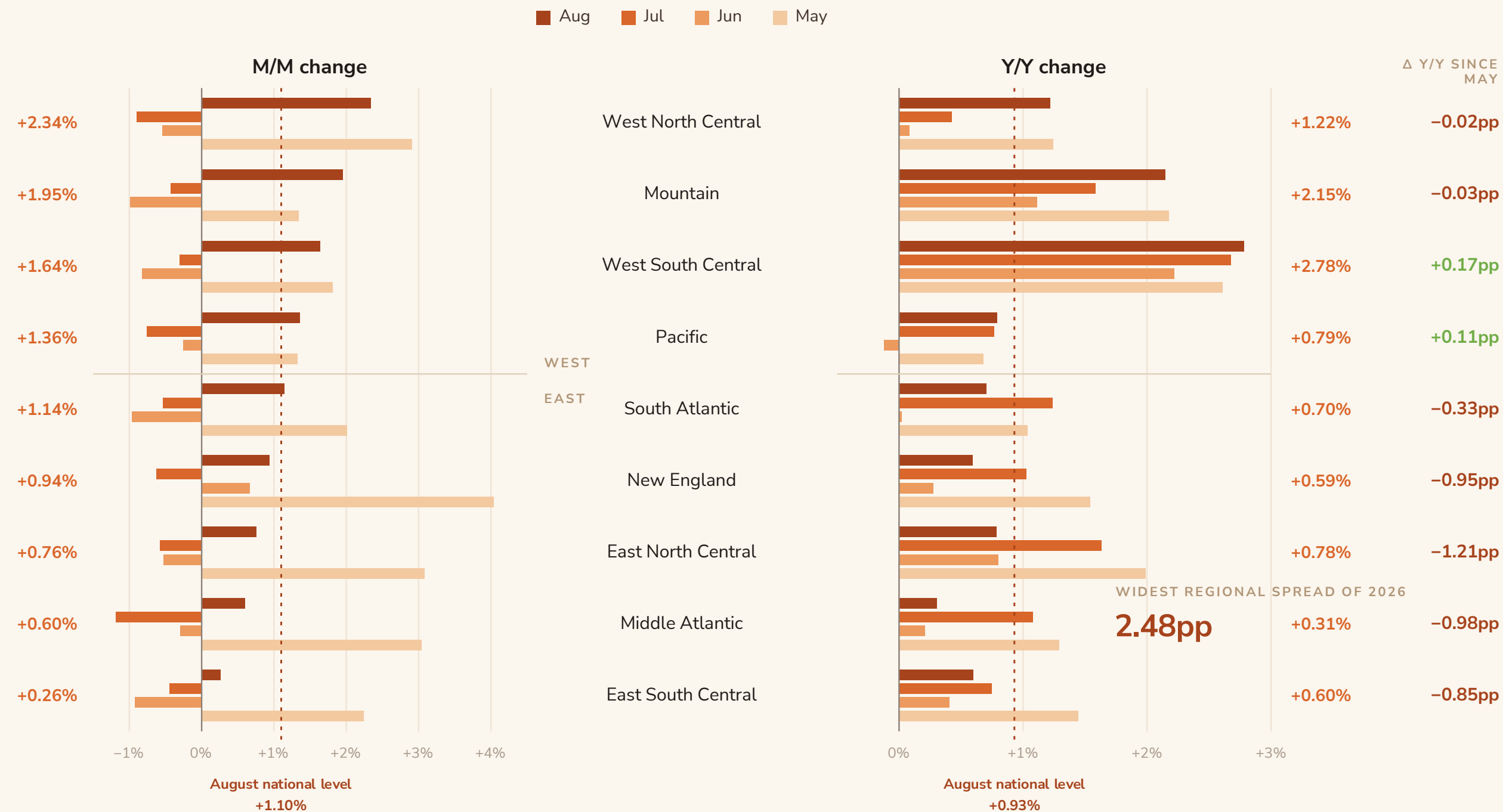
# August Recovered Most of the Summer's SMB Decline

Data shows the SMB workforce expanded 1.10% M/M in August 2026, the first monthly increase since May and a clear reversal after declines in June and July. The gain was broadly in line with the typical August pattern, and Y/Y growth eased to 0.93% from 1.27% in July.



# The West Held Its Trend While the East Eroded

All nine Census Divisions expanded M/M in August, reversing July when none did. Beneath the uniform monthly gain, however, the annual trend continued to separate along regional lines.

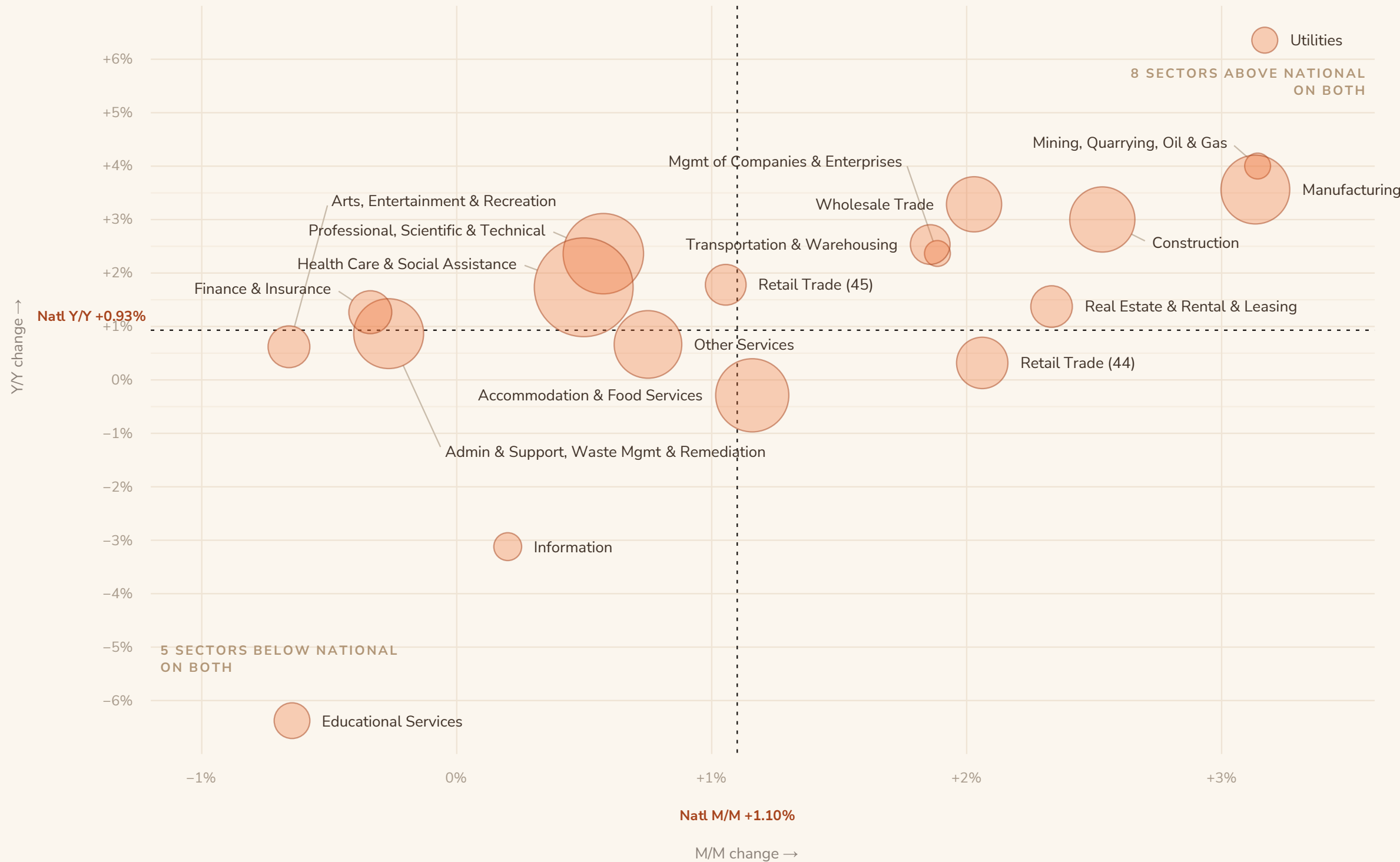


## KEY TAKEAWAYS

- The West led the rebound, with the West North Central and Mountain divisions swinging hardest out of July's trough.
- Annual growth held across the West but eased throughout the East, widening the regional spread to its largest of 2026.
- New England and the Middle Atlantic remain the most volatile divisions month to month, while the West South Central has been the steadiest.

# Similar Themes Drove a Broad Sector Advance

Y/Y (y-axis) and M/M (x-axis) change by NAICS-2 sector · bubble size = employment · dotted lines = national levels



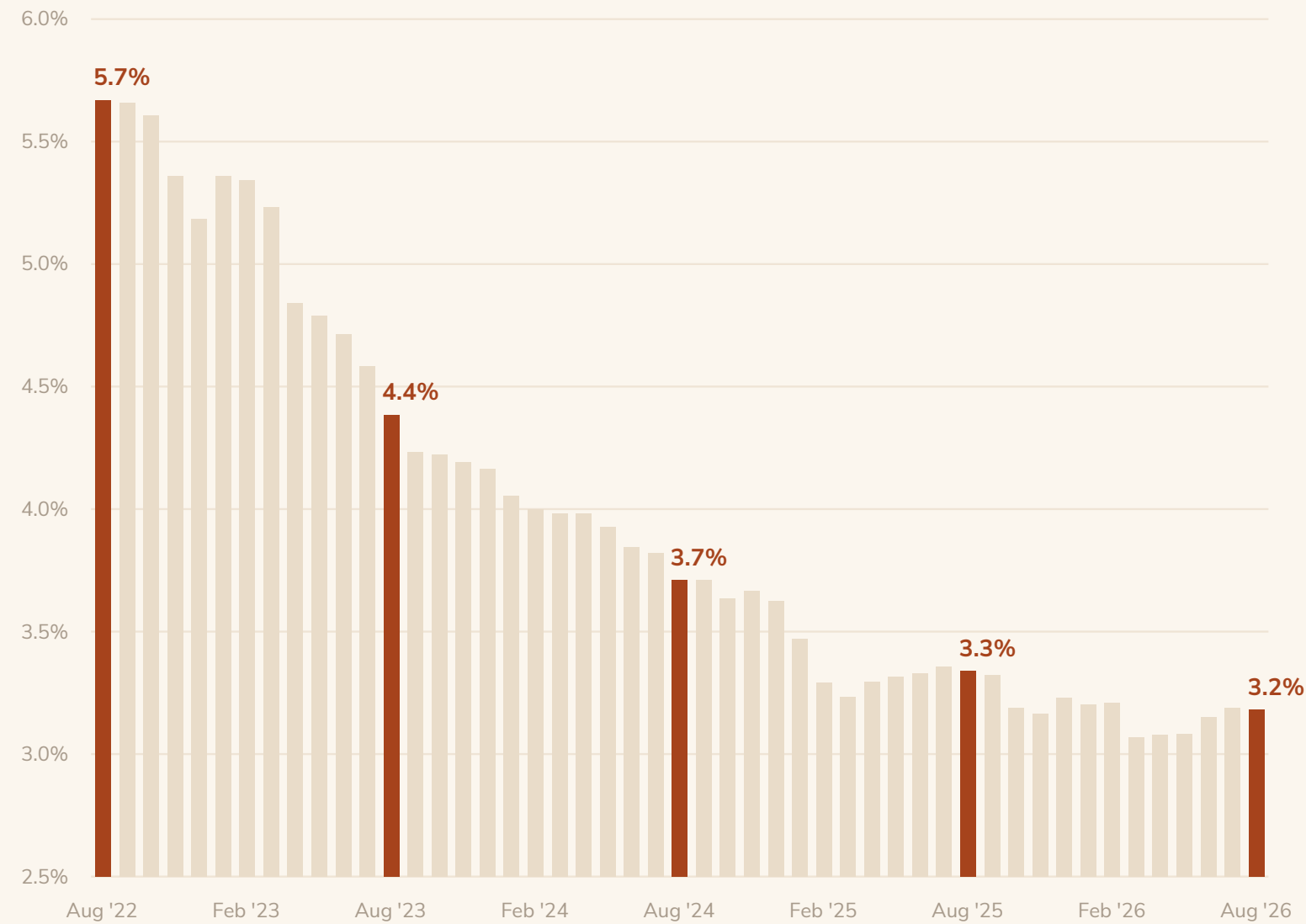
## KEY TAKEAWAYS

- Manufacturing, Construction, Mining, and Wholesale Trade led the monthly gains and remained among the strongest Y/Y performers, extending a persistent theme.
- The consumer-facing picture improved, with Accommodation & Food Services turning positive M/M and Arts, Entertainment & Recreation posting only a slight decline after two steep monthly drops.
- Educational Services stabilized after July's steep summer decline as the academic calendar normalized.
- Information remained the weakest sector on a structural basis, the only category outside seasonally driven Educational Services with meaningfully negative annual growth.

# While Headcount Grew, Pay Growth Barely Moved

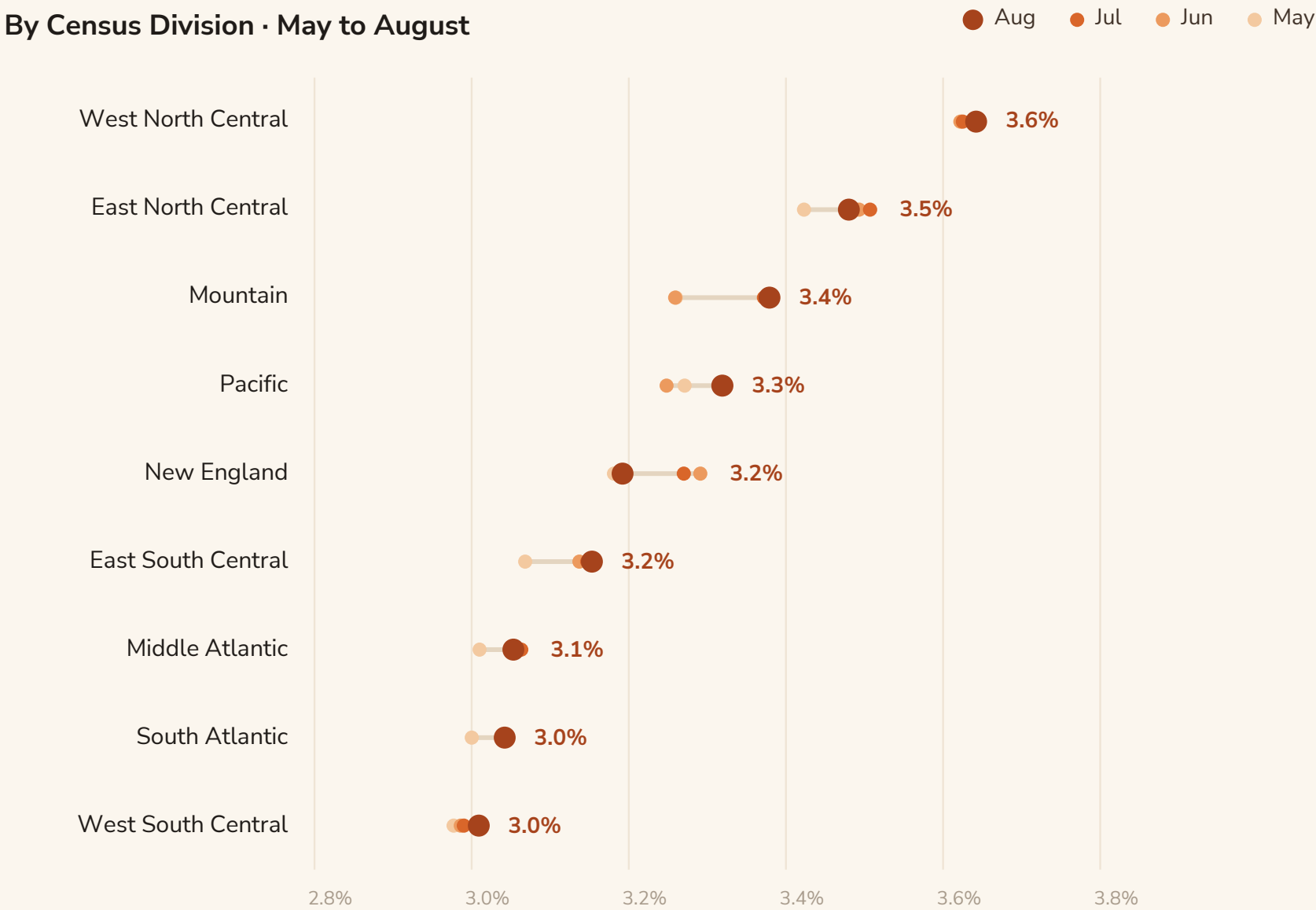
Y/Y wage growth for consistently employed full-time workers held near 3.2% in August, little changed for a third month. The regional picture remained static, with the West North Central division maintaining a persistent premium and only the Mountain and East South Central divisions drifting modestly higher.

Rolling 3-month Y/Y change in median full-time wages



■ August (highlighted for year-over-year comparison)

By Census Division • May to August



Each row spans that division's full May-to-August range — every range is under 0.2pp.