

UNDERNEATH THE HEADLINES

Unpacking May's BLS Report

May's topline beat read like a strengthening labor market, and stocks fell Friday as hopes for near-term rate cuts faded. But Carbon Arc SMB data says the gains are more **conditional**. Leisure's are seasonal, boosted by a ramp in Spectator Sports ahead of the World Cup, and healthcare hiring concentrates in its lowest-paid work. Less durable than the headline, or the market reaction, suggests.

01

SMB payrolls mirror the BLS print

May gains concentrate in **leisure, local government, and health care**, the same sectors BLS flagged.

02

Leisure's boom is contingent, not durable

Spectator Sports' Non-Full-Time Ratio spikes to **all-time highs**, a seasonal ramp ahead of the World Cup.

03

Healthcare hiring clusters where pay is lowest

Home Health drives the sector at a **\$16,513 median**, its lowest-paid subsector.

SECTOR-LEVEL SIGNAL

SMB Payrolls Mirror May's BLS Trends

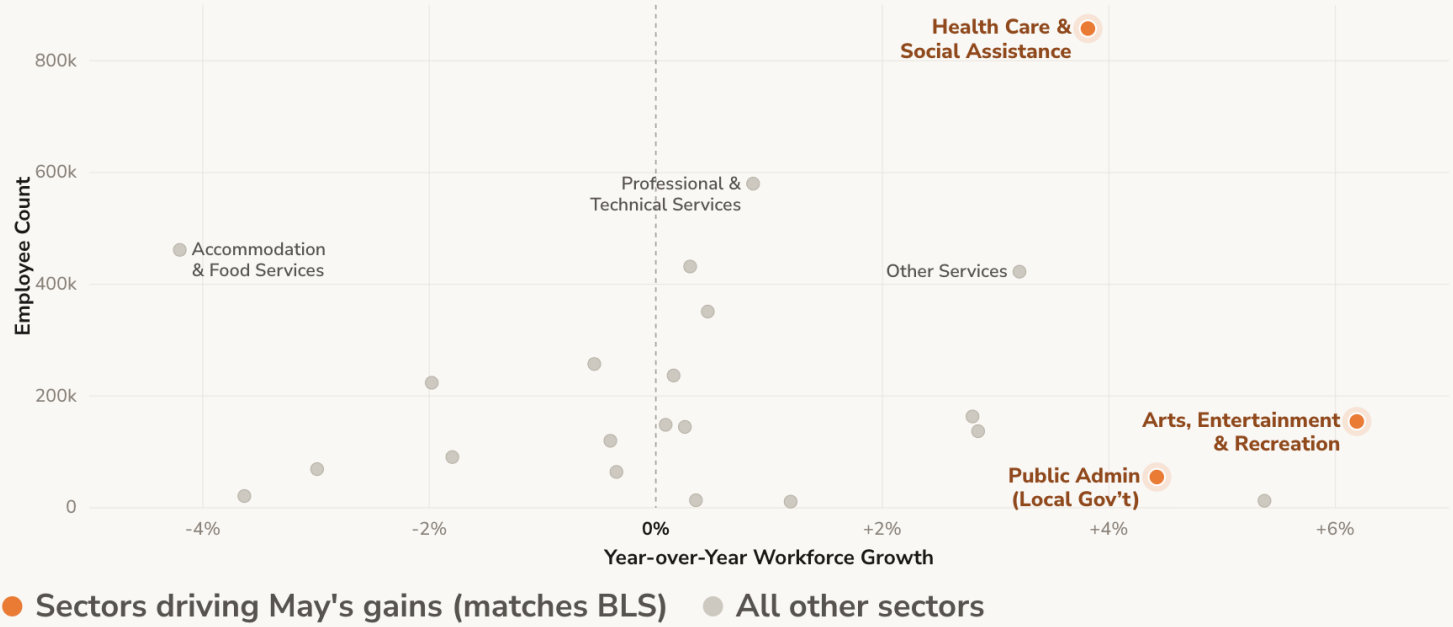
May's strongest SMB job growth lands in **leisure, local government, and health care** — the same sectors driving the BLS print.



23 SECTORS · NAICS-2

May 2026 Workforce Size vs. Y/Y Growth

Each dot is a NAICS-2 sector — position shows growth (x) against employee count (y).



May's Standouts

Strongest Y/Y SMB workforce growth.

Arts, Entertainment & Recreation

+6.2%

Public Administration (local gov't)

+4.4%

Health Care & Social Assistance

+3.8%

Leisure Growth Is Driven by a Contingent Workforce

Arts & Recreation gains concentrate in **Spectator Sports** and **Other Amusement & Recreation** — both running Non-Full-Time Ratios near all-time highs.

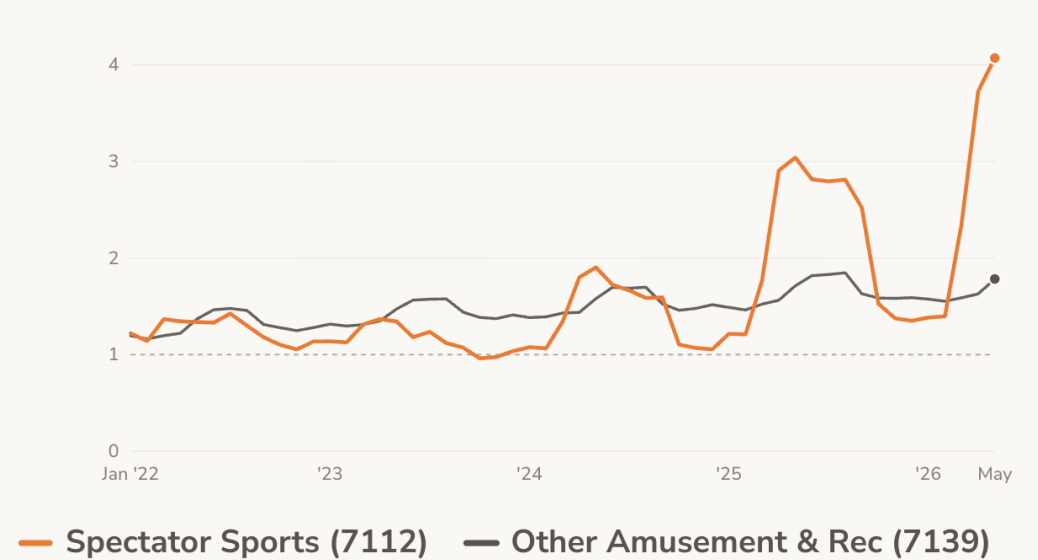
Subsector Workforce Size vs. Y/Y Growth

Spectator Sports posts the fastest growth; Other Amusement carries the largest headcount.



Non-Full-Time Ratio Over Time

Monthly, Jan 2022 – May 2026. Ratio > 1.0 = non-full-time outweighs full-time.



Source: Carbon Arc SMB Workforce — CA0055

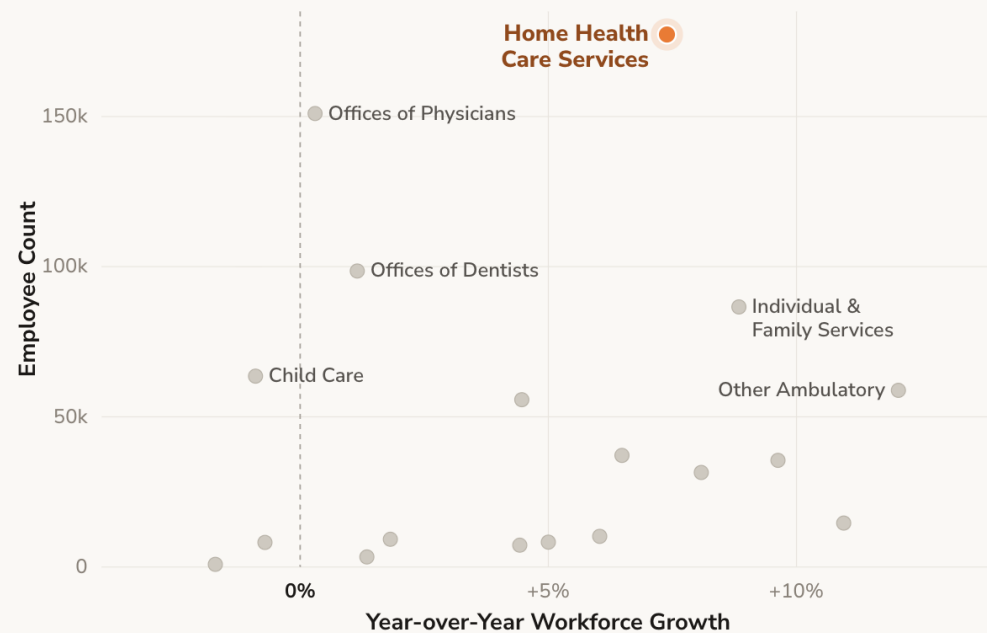
Non-Full-Time Ratio: share of seasonal + part-time workers relative to full-time in a given month.

Healthcare Job Growth Is Concentrated Where Pay Is Lowest

Hiring clusters in **Home Health** — the sector's largest and fastest-growing subsector, and the one with the **lowest median income**.

Subsector Workforce Size vs. Y/Y Growth

Home Health leads on both headcount and growth.



2026 Median Gross Income (TTM)

By NAICS-4 subsector. Home Health sits last, far below the field.

