

JUNE 2026 — SMB WORKFORCE & WAGES

Momentum Fades After a Strong April and May

An early read on June SMB payrolls shows hiring cooling broadly as wage growth holds steady.

-0.86%

WORKFORCE M/M

-0.03%

WORKFORCE Y/Y

3.1%

WAGE GROWTH Y/Y

Strong Spring Hiring Cooled Sharply in June

The SMB workforce declined 0.86% M/M in June, snapping a three-month streak of gains and pulling Y/Y growth back to essentially flat after May marked the strongest annual reading in more than a year.

WORKFORCE

-0.86%

M/M decline snapped a three-month streak of gains, pulling Y/Y growth back to flat.

REGIONS

8 of 9

Census Divisions turned negative M/M, with only New England still expanding.

SECTORS

Narrowing

Production and distribution led; consumer-facing and large service sectors turned lower.

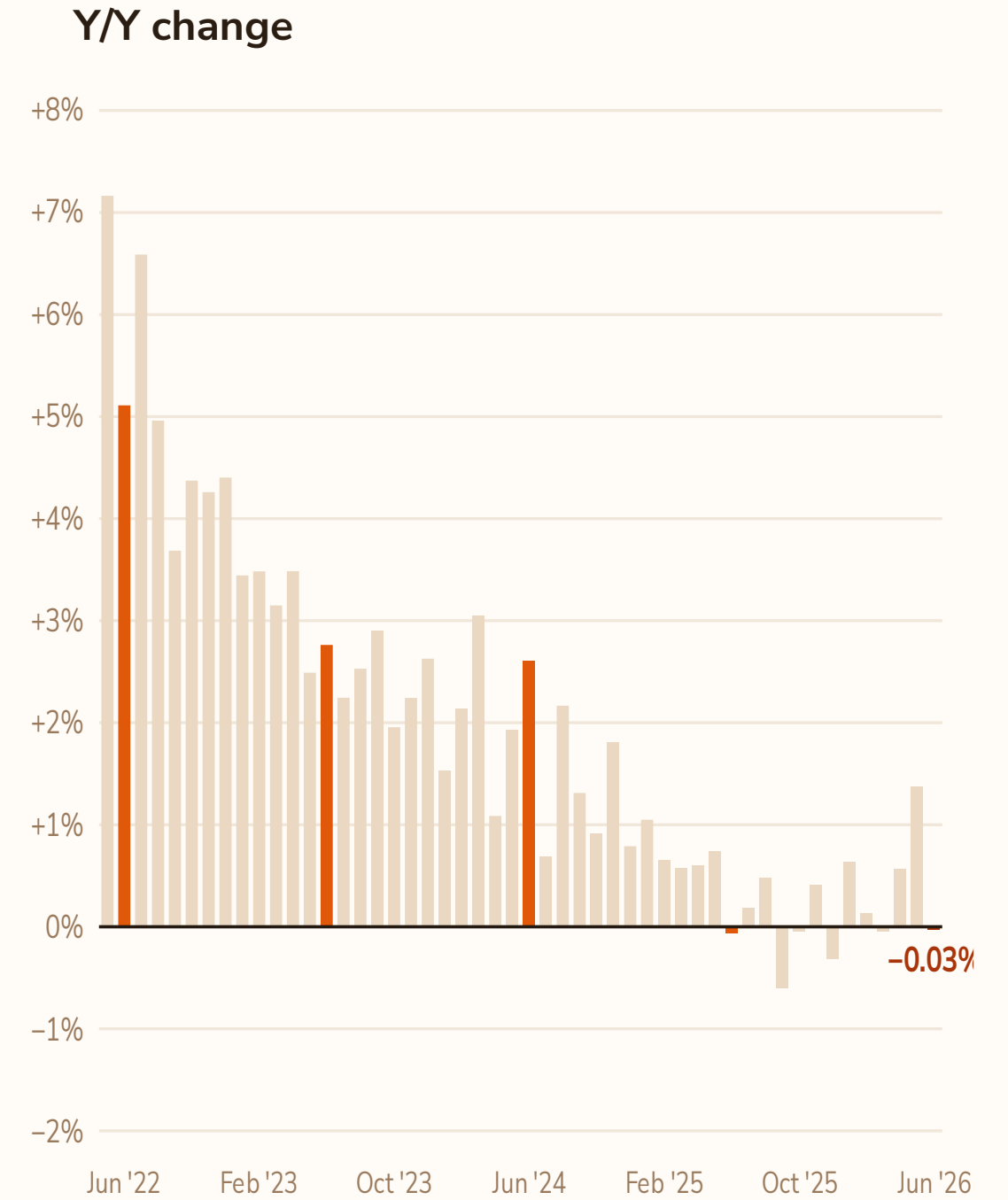
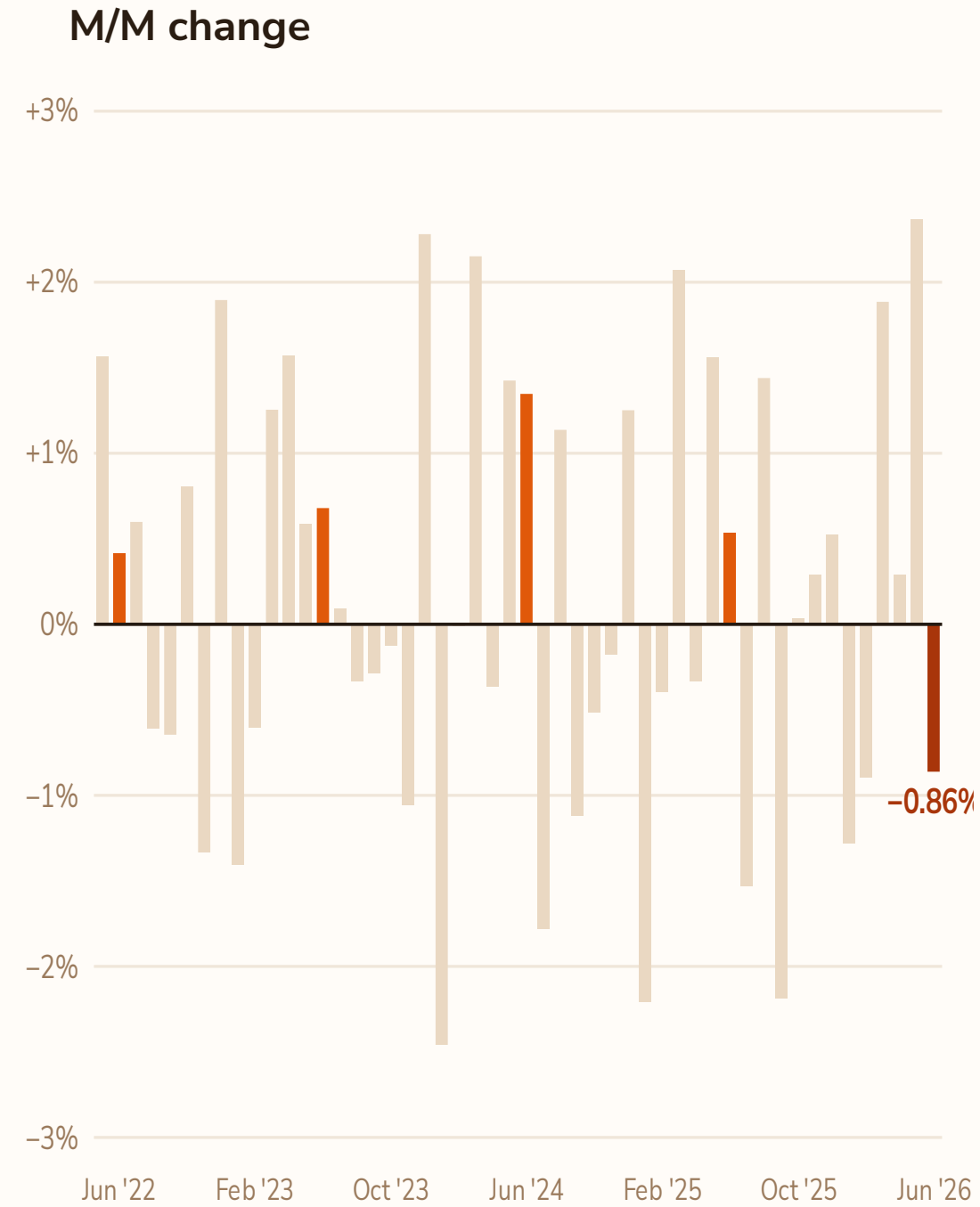
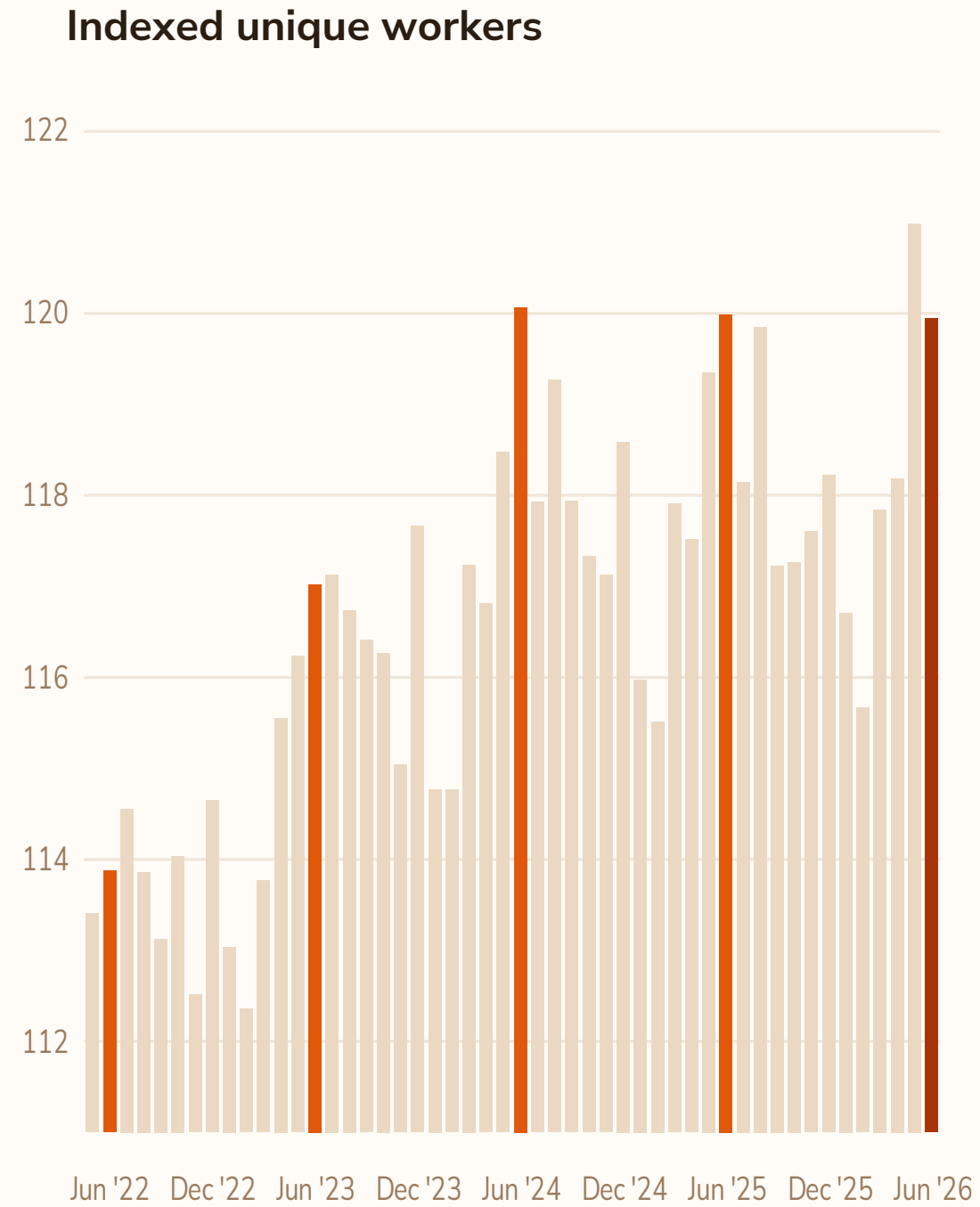
WAGES

Slight Increase

Y/Y wage growth inched higher, still near 3.1%, as headcount growth cooled.

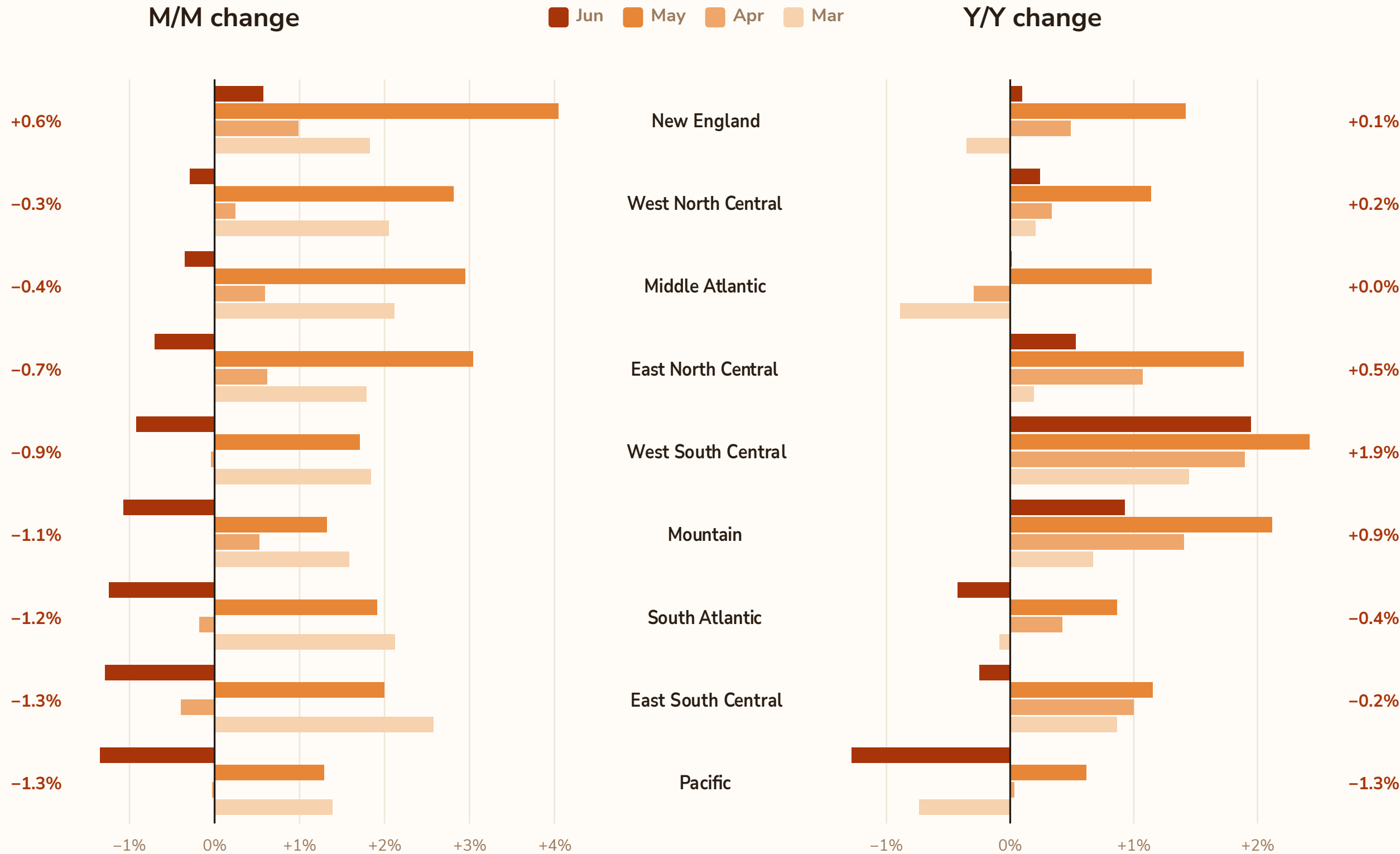
SMB Workforce Slipped in June, Reversing Part of May's Surge

The SMB workforce contracted 0.86% M/M in June, giving back part of May's outsized gain and bringing Y/Y growth down to near flat. After two months of acceleration, June reads as a clear loss of momentum.



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

June's Slowdown Was Broad-Based Across Regions

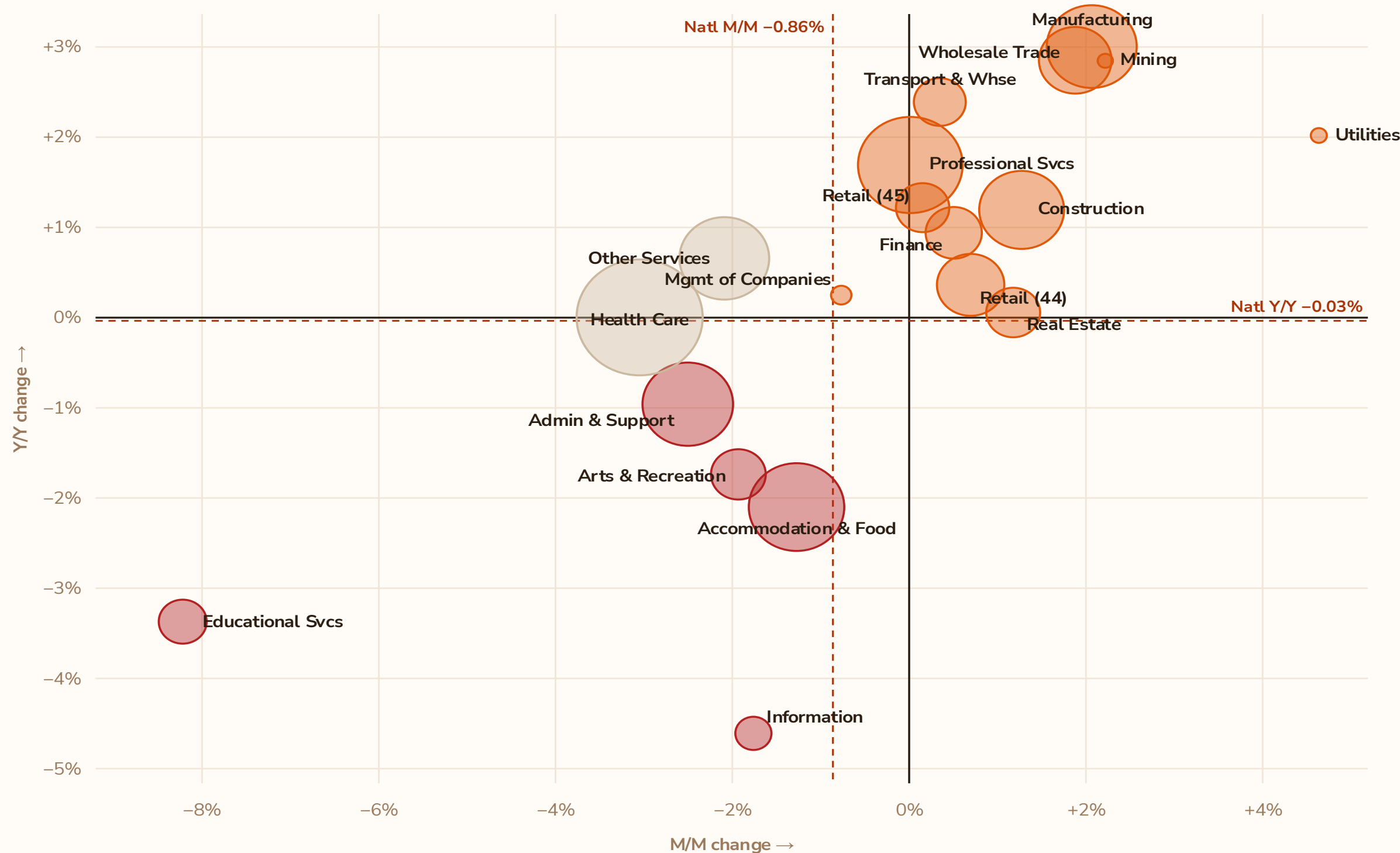


KEY TAKEAWAYS

- The monthly pullback was nearly universal. New England was the only division to post a positive M/M reading, while the Pacific, East South Central, and South Atlantic divisions saw the sharpest declines.
- Annual growth held positive in most divisions, led by West South Central and the Mountain divisions, but eased across the map. The Pacific weakened the most, into negative territory alongside the South Atlantic and East South Central divisions.

Production and Distribution Strength Continued, Most Others' Dissipated

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



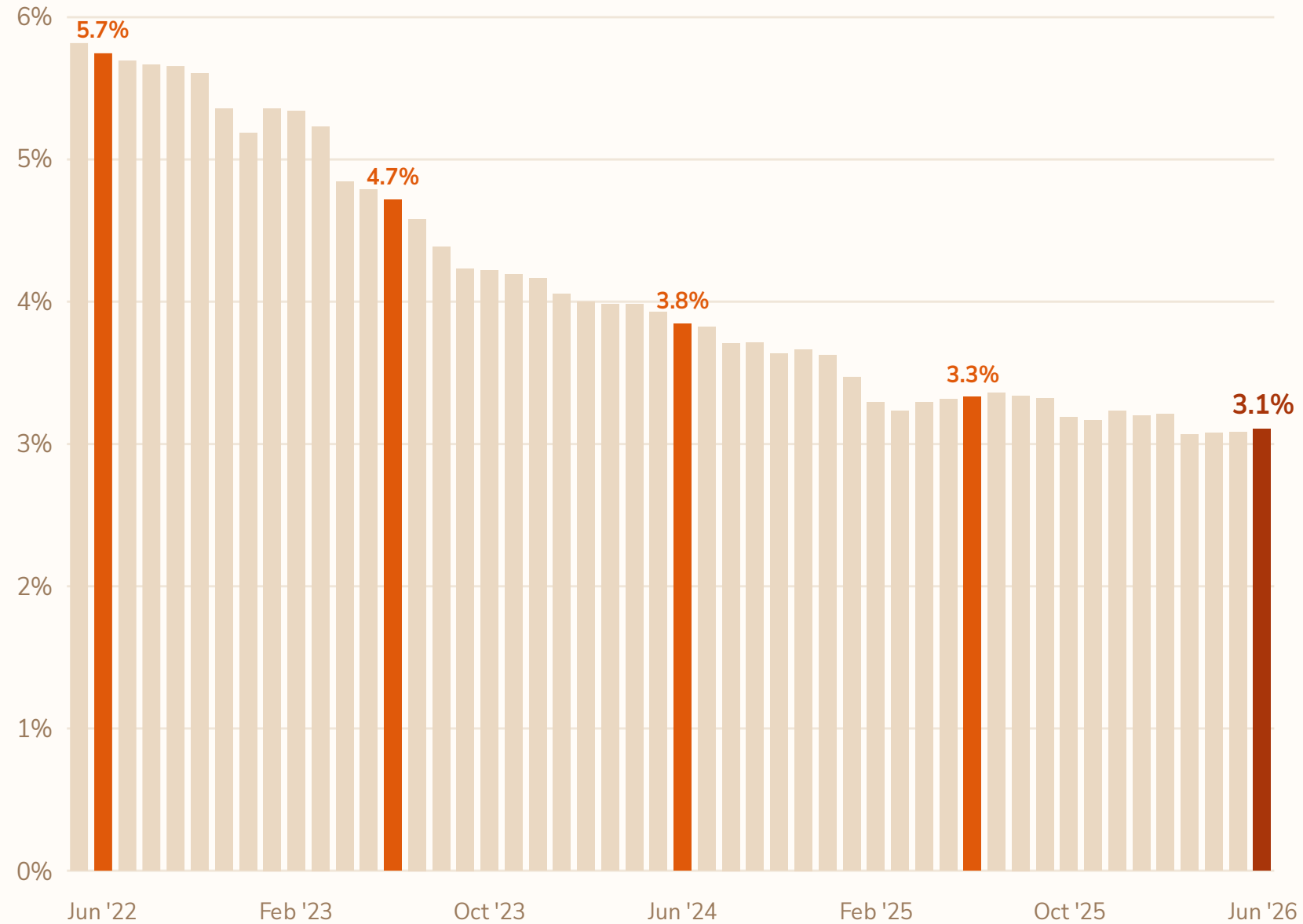
KEY TAKEAWAYS

- Construction, Manufacturing, Wholesale Trade, and Transportation & Warehousing all stayed positive M/M and continued to lead on a Y/Y basis.
- The consumer-facing picture reversed, with Arts, Entertainment & Recreation and Accommodation & Food Services both turning negative M/M after May's seasonal lift.
- Large service sectors weighed on the total, led by a steep seasonal decline in Educational Services, alongside softer Health Care & Social Assistance and Admin & Support. Information remained the clear laggard on a Y/Y basis.

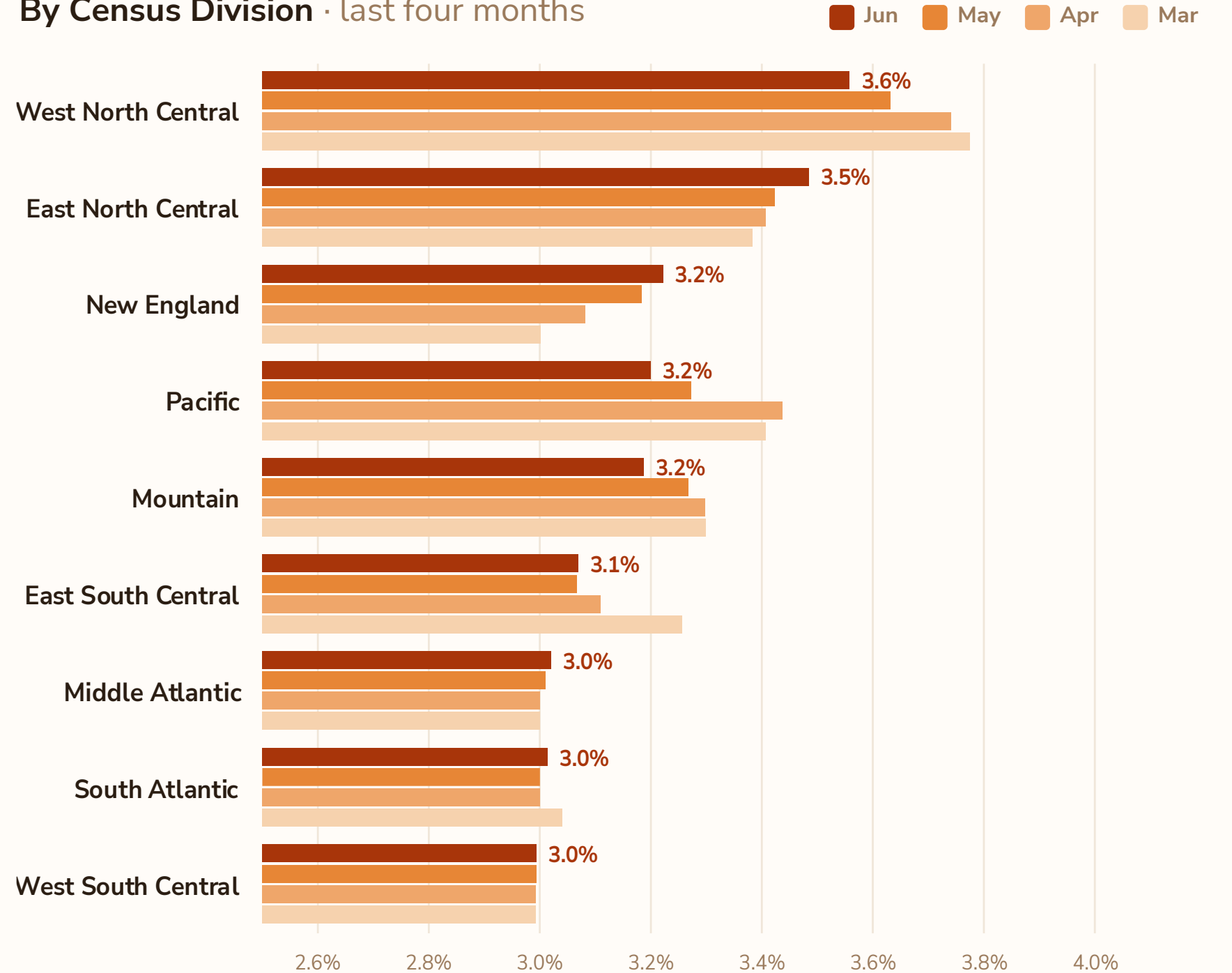
Wage Growth Held Steady Even as Hiring Cooled

Y/Y wage growth for consistently employed full-time workers held near 3.1% in June, little changed even as headcount growth stalled. Regional trends stayed within a narrow band.

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



By Census Division · last four months



Source: Carbon Arc SMB Workforce — CA0055 · Price: requires row-level Block data access, available on request