



Insights exchange for the model-driven economy

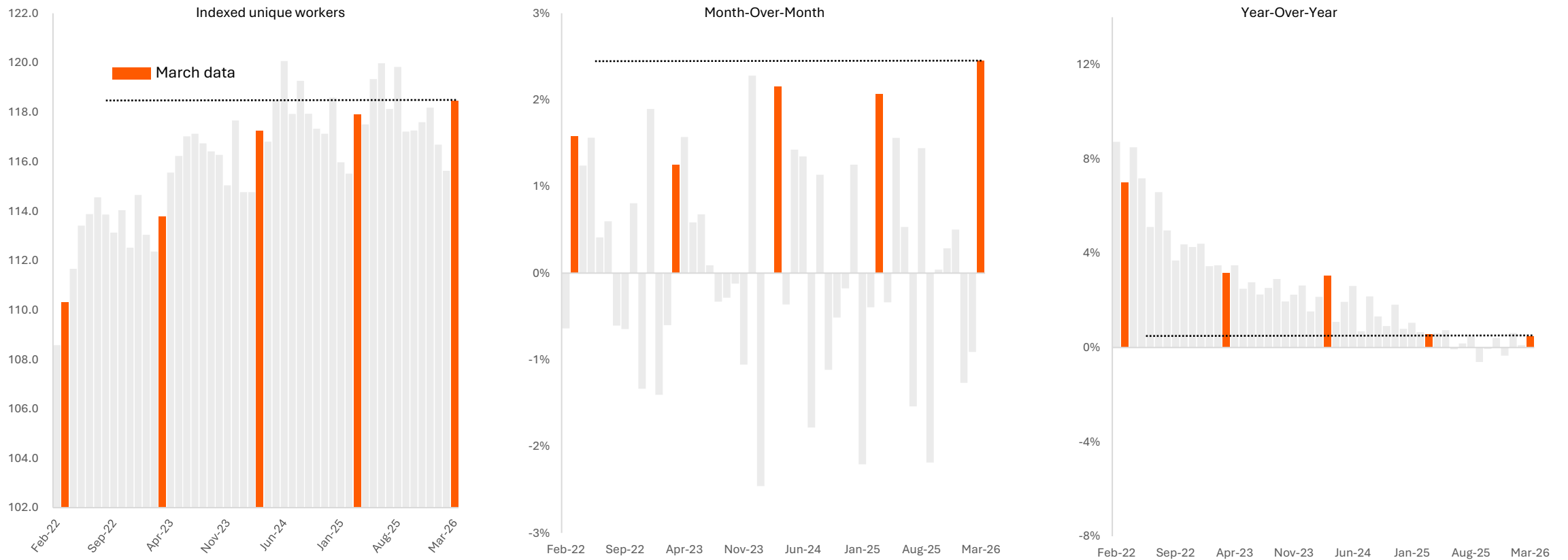
# An Early Read on March SMB Hiring Shows a Sharp Rebound With Important Caveats

1. The SMB workforce rebounded sharply in March, though the bounce looks less outsized in the context of February's weakness and a still-modest Y/Y trend.
2. Workforce growth was broad across regions in March, but the strongest gains remained concentrated in a smaller group of divisions while one region continued to lag.
3. Construction and Manufacturing remained areas of relative SMB labor-market strength, while Information continued to underperform and other seasonal categories improved only modestly beneath the surface.
4. Health-related hiring improved in March and continued to support one of the stronger Y/Y readings across major sectors.
5. Despite workforce growth, the wage backdrop weakened further in March, with slower Y/Y wage momentum visible across every census division.

# SMB Workforce Data Showed a Sharp Rebound in March

Data shows the SMB workforce expanded by 2.46% M/M in March 2026. On the surface this appears a large increase, but it is in line with Y/Y growth from 2025 and comes after a relatively weak February.

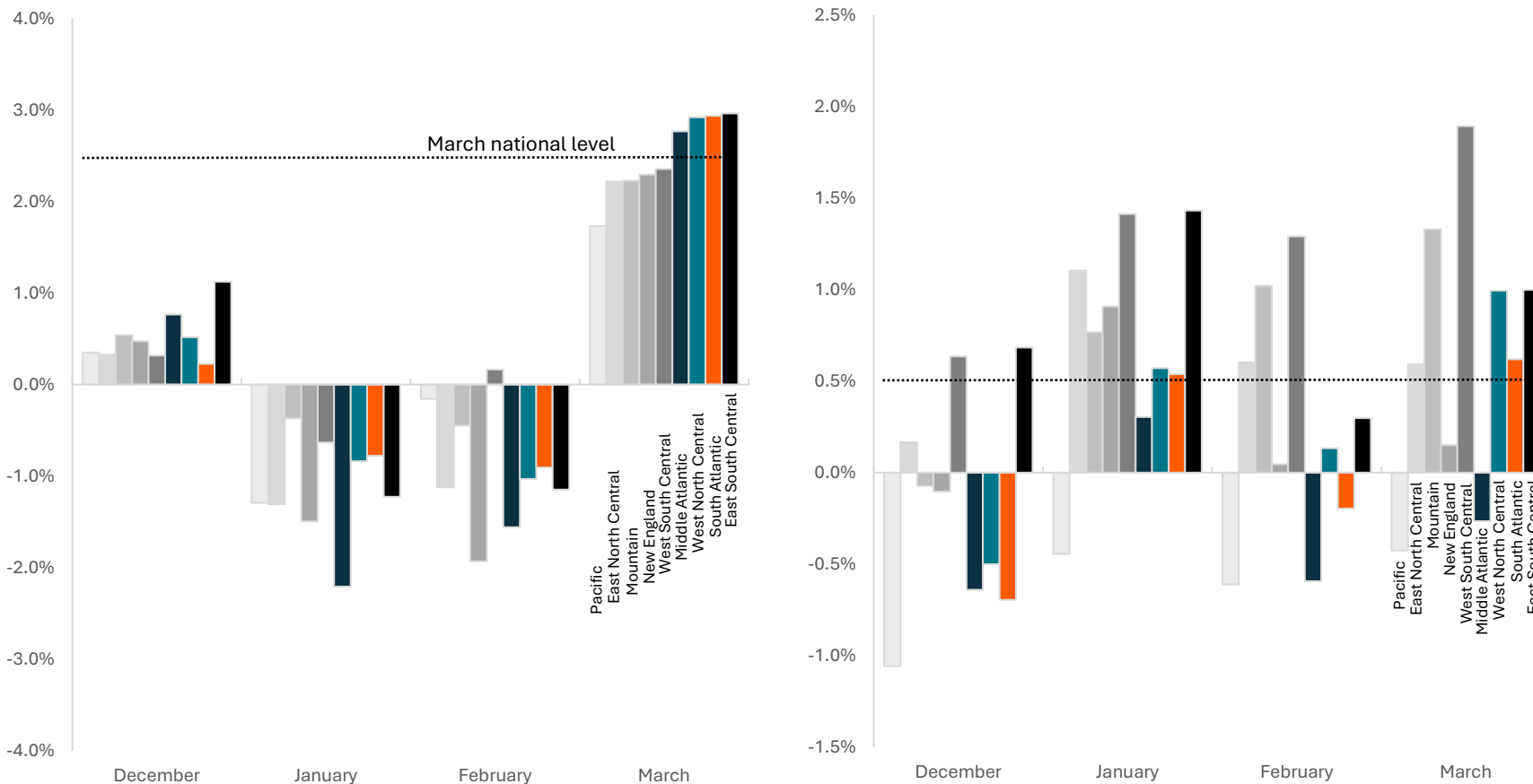
Indexed SMB workforce (left), month-over-month (center) and year-over-year change (right) in unique workers through March 2026



# Regional SMB Workforce Data Shows Where Growth was Concentrated

The SMB workforce expansion was universal across the nine census divisions in March, while the regional differentiation that emerged in February continued in March.

M/M (left) and Y/Y (right) change in SMB workforce by census divisions for the last four months ending March



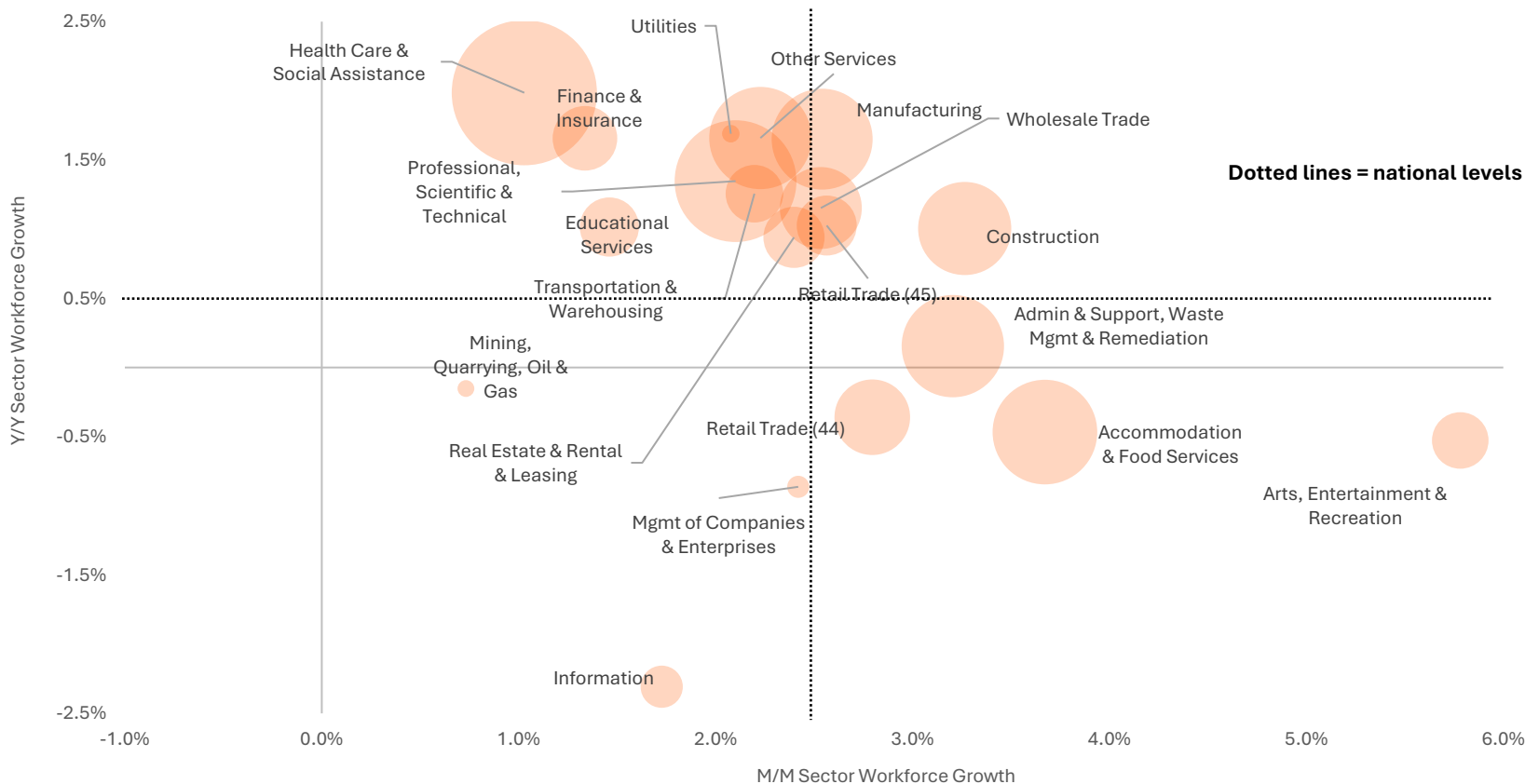
## Key Takeaways:

- The Mountain division continues to show improving workforce metrics. It was resilient to seasonal declines in Jan/Feb, and again had the second highest Y/Y growth in March.
- The West South Central continued to be a Y/Y growth leader in March.
- The East South Central region had the largest expansion in March and has consistently seen growth rates among the leaders Y/Y.
- The Pacific division is the sole region with its SMB workforce seeing Y/Y contractions over the last four months.

# Despite Broad Growth, Only Small Pockets of Relative Strength in March

Manufacturing and Construction continue to be where the SMB workforce appears strongest, while the information sector continues to lag, while Health Care appears solid.

Y/Y (y-axis) and M/M (x-axis) changes in SMB workforce by NAICS-2 sectors through March 2026



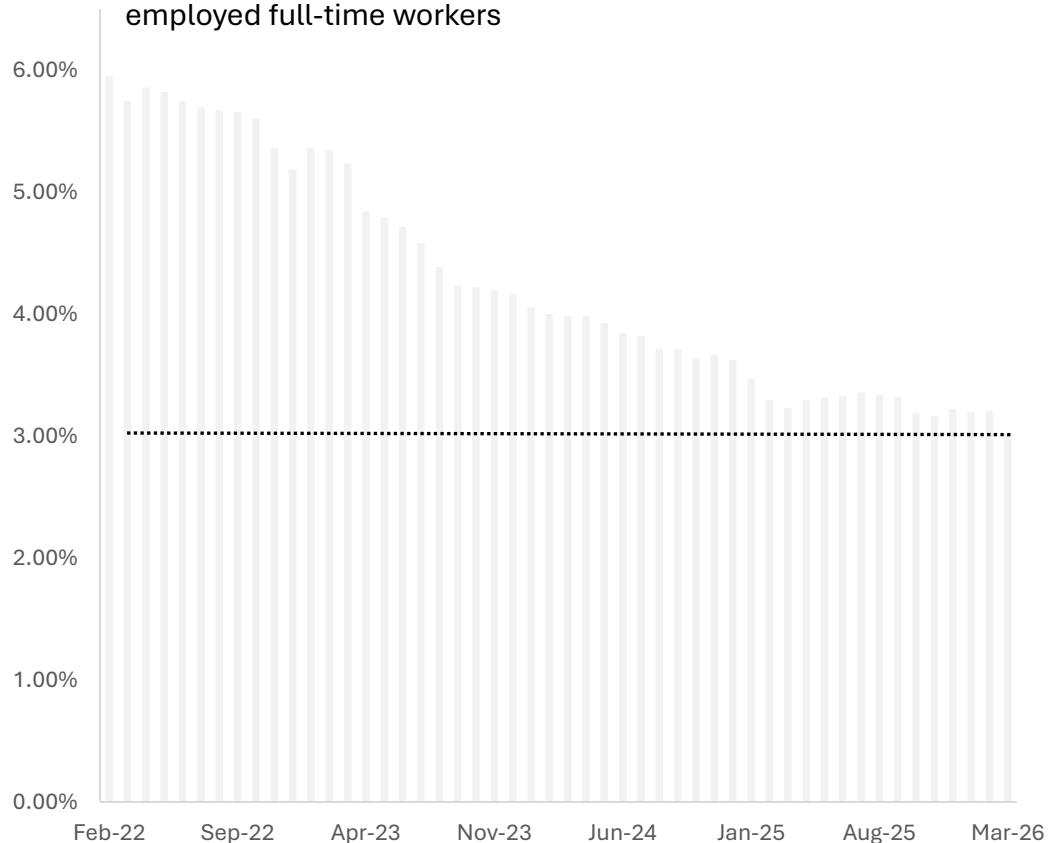
## Key Takeaways:

- Construction, Manufacturing, and Wholesale Trade continued to show strength in March, while moderate M/M expansion for the Information sector has it lagging all sectors Y/Y.
- Health Care had below average expansion in March but even its muted M/M growth resulted in leading Y/Y gains.
- Seasonal hiring was evident across Accommodation & Food Services and the Arts, Entertainment & Recreation sectors, but workforce expansion for both remains weak Y/Y.

# Full-Time Wage Growth Dipped Meaningfully in March

With the roll-off of December's data, the 3-month rolling average Y/Y median wage growth showed a weak environment for wage growth through March. While certain regions continue to illustrate a strong relative wage growth environment, all regions shared a slowing wage growth through March.

Rolling 3-month Y/Y change in median wages for consistently employed full-time workers



Rolling 3-month Y/Y change in median full-time wages for the last four months by census division

