OCTOBER 2026 · SMB WORKFORCE & WAGES

Breadth Returns as Regional Gaps Narrow

An early read on October SMB payrolls shows a modest monthly gain shared across most regions and sectors, with annual growth at its highest since late 2024.

+0.36%
WORKFORCE M/M

+1.71%
WORKFORCE Y/Y

13 of 19
SECTORS GROWING M/M

Modest on the Month, Firmer on the Year

- The SMB workforce grew 0.36% M/M in October, above the typical October reading, while Y/Y growth rose for a second straight month to 1.71%.
- Seven of nine Census Divisions grew on the month after none did in September, with eastern divisions posting the largest gains.
- Annual growth improved in eight of nine divisions, narrowing the spread between the fastest and slowest-growing divisions to 1.70 percentage points from 2.61 in September.
- All six goods and distribution sectors grew, driving the monthly gain, while services were flat overall. Outside the seasonal decline in Arts, Entertainment & Recreation, services edged higher.
- Wage growth eased for a second straight month to 3.1%, its lowest since May, slowing in eight of nine divisions as the faster-growing divisions cooled.

WORKFORCE

+0.36%

A modest monthly gain, with annual growth rising to 1.71%, its highest since late 2024.

REGIONS

7 of 9

Divisions grew on the month, led by the East, and the regional gap in annual growth narrowed sharply.

SECTORS

13 of 19

Sectors grew on the month, including all six goods and distribution sectors.

WAGES

3.1%

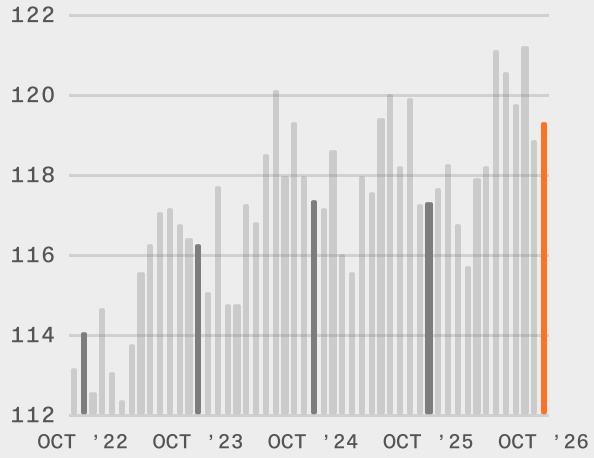
Pay growth eased for a second month, slowing in eight of nine divisions.

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

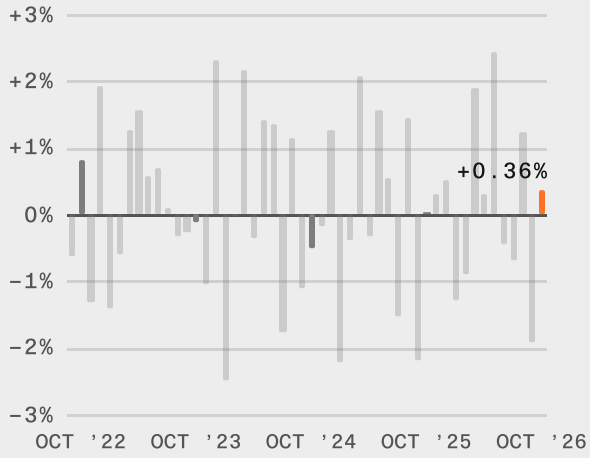
Annual Growth Reached Its Highest Since Late 2024

Data shows the SMB workforce grew 0.36% M/M in October 2026, a modest gain following September's decline and above the typical October reading. Y/Y growth rose for a second straight month to 1.71%.

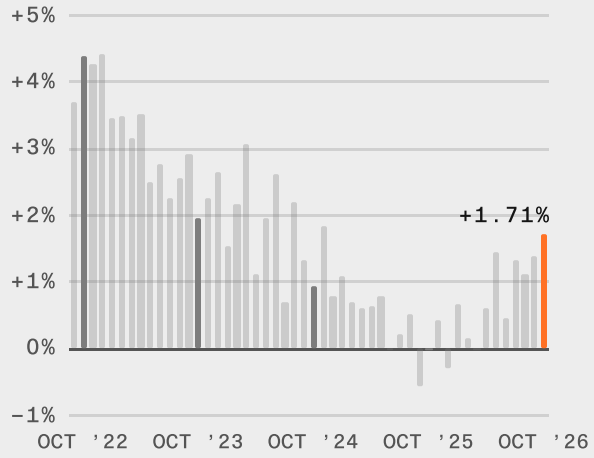
INDEXED UNIQUE WORKERS



M/M CHANGE



Y/Y CHANGE



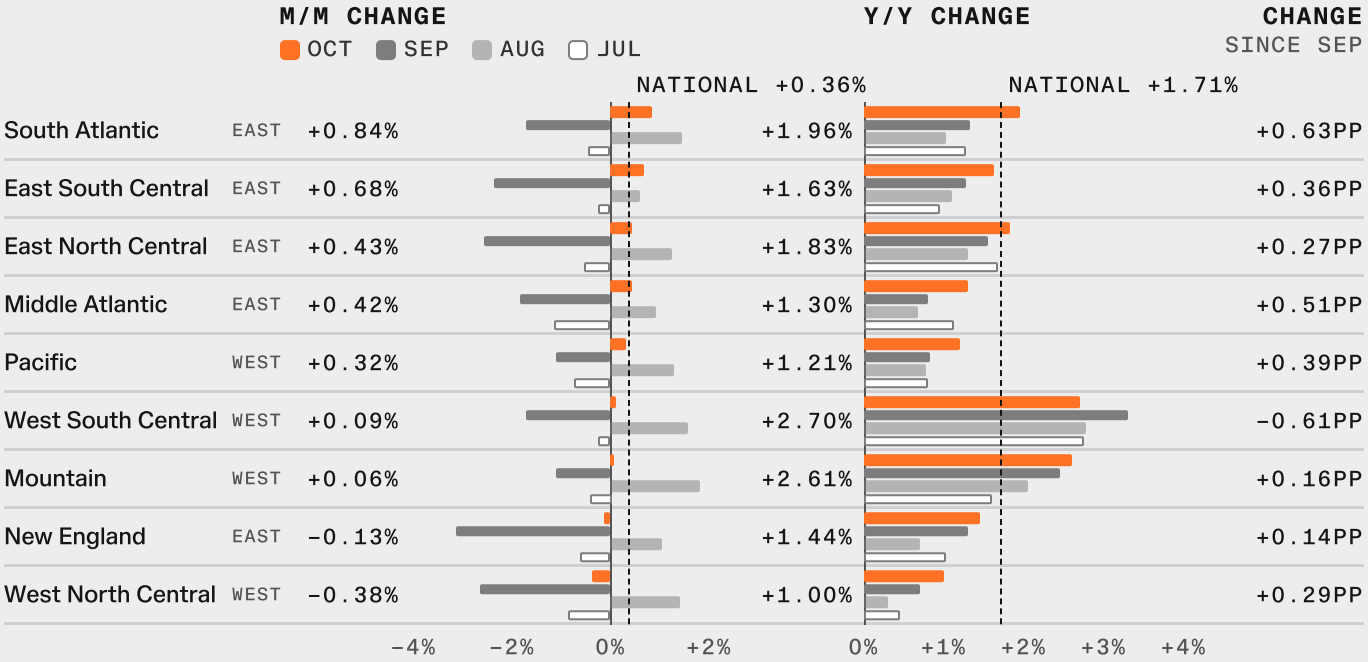
OCTOBER 2026 PRIOR OCTOBERS OTHER MONTHS

Index of unique workers, Sep 2020 = 100, not seasonally adjusted.
Prior months reflect additional data received since initial publication.

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

Eastern Divisions Led October's Gains

Seven of nine Census Divisions grew M/M in October, after none did in September. Annual growth improved in eight of nine divisions, and the spread between the fastest and slowest-growing divisions, which had widened each month since July, narrowed to 1.70 percentage points from 2.61.



KEY TAKEAWAYS

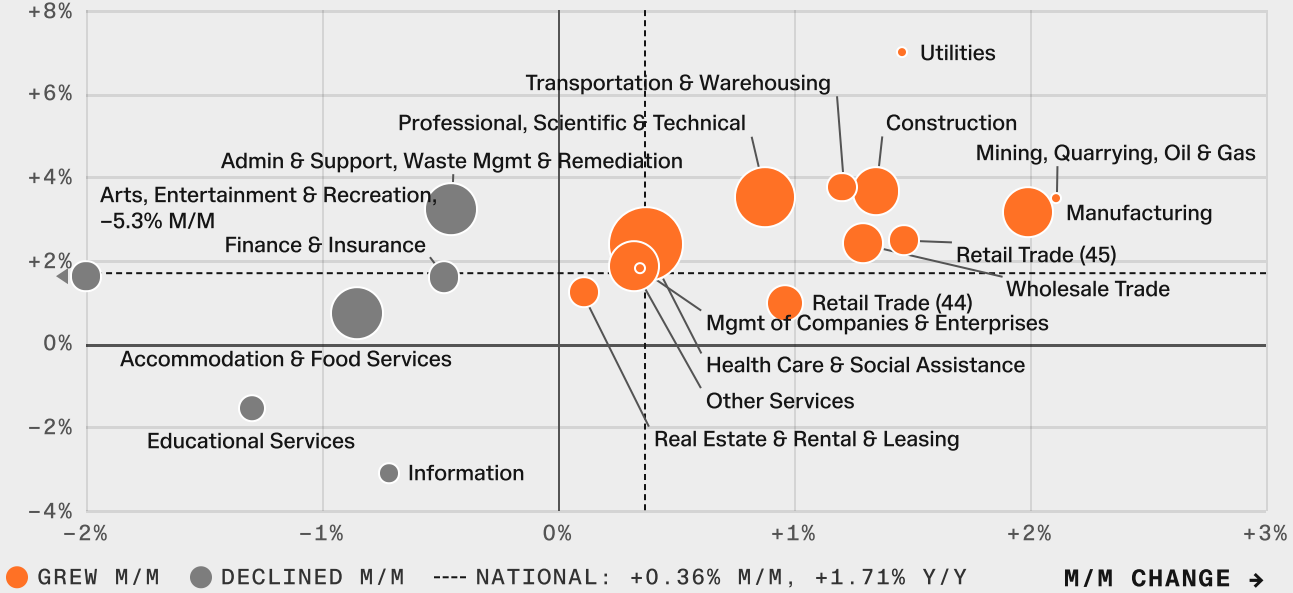
- South Atlantic, East South Central, East North Central and Middle Atlantic posted the largest monthly gains.
- West South Central and Mountain still lead annual growth, both above 2.6%, though West South Central was the only division whose annual growth eased.
- New England and West North Central were the only divisions to contract on the month, though both improved year over year.

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

All Six Goods and Distribution Sectors Grew

Thirteen of nineteen sectors grew M/M in October and seventeen remained positive Y/Y. Goods and distribution industries, about a quarter of the panel, drove the monthly gain while services were flat overall.

Y/Y CHANGE



Bubble size = workforce. Goods and distribution: Mining, Utilities, Construction, Manufacturing, Wholesale Trade, Transportation & Warehousing.

KEY TAKEAWAYS

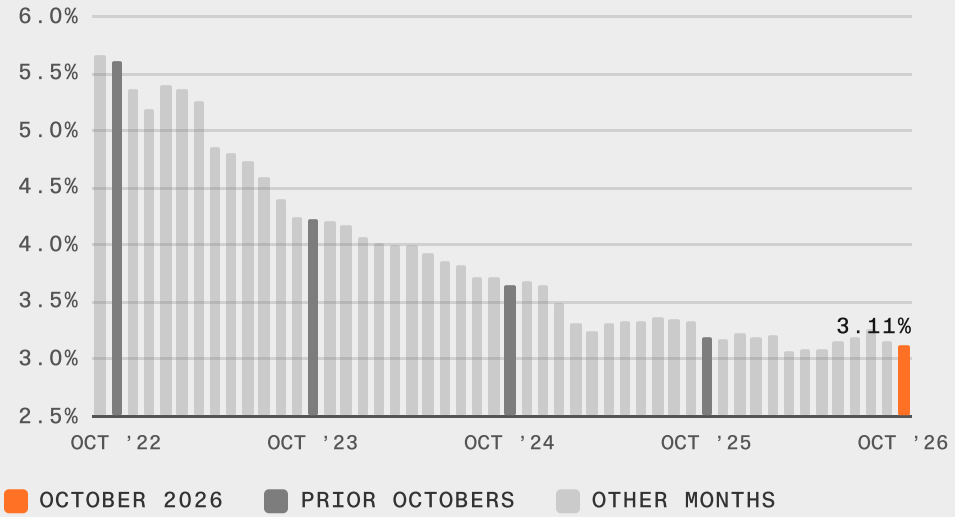
- All six goods and distribution sectors grew on the month and are running above 2% Y/Y, with Manufacturing the single largest contributor to the monthly gain.
- Services were held back by the seasonal decline in Arts, Entertainment & Recreation, which remains up 1.6% Y/Y. Excluding it, services edged higher.
- Health Care & Social Assistance and Professional, Scientific & Technical, the two largest sectors, both grew, with annual growth of 2.4% and 3.5%.
- Information and Educational Services remained the only sectors with negative annual growth.

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

Pay Growth Edged Lower Again

Y/Y wage growth for consistently employed full-time workers eased for a second straight month to 3.1% in October, its lowest since May. The slowdown was concentrated among the faster-growing divisions, led by Mountain and Pacific, while the slowest-growing held at 3.0%, narrowing the regional spread to 0.55 percentage points from 0.58 in September.

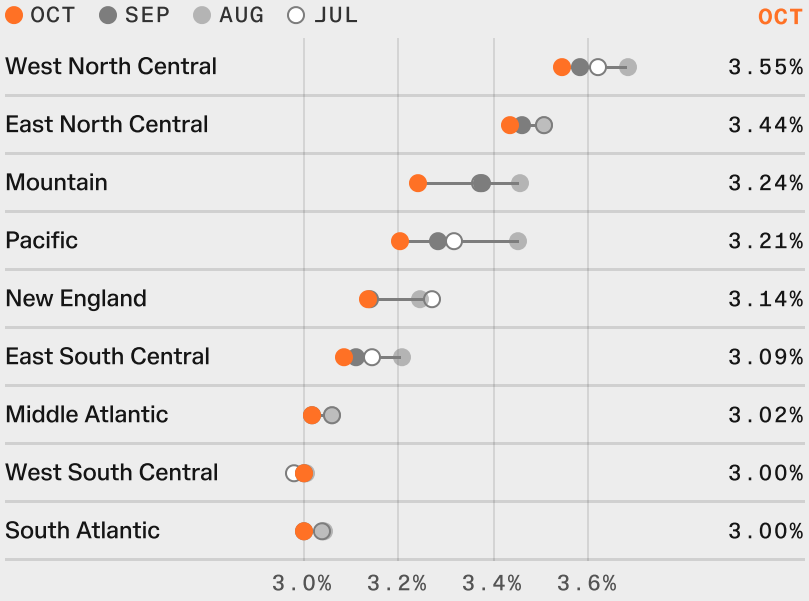
NATIONAL · ROLLING 3-MONTH Y/Y MEDIAN WAGE GROWTH



Prior months reflect additional data received since initial publication.

BY CENSUS DIVISION

SPREAD 0.55PP



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