

SEPTEMBER 2026 — SMB WORKFORCE & WAGES

A Seasonal Retreat with Annual Growth Intact

An early read on September SMB payrolls shows a sharp seasonal pullback in hiring, with annual growth positive in every region and nearly every sector.

-2.29%

WORKFORCE M/M

+0.95%

WORKFORCE Y/Y

9 of 9

REGIONS GROWING Y/Y

A Weak Month with Annual Growth Still Broad

- The SMB workforce contracted 2.29% M/M in September, close to last September's 2.19% drop, though Y/Y growth held at 0.95%, a marked improvement on the negative reading recorded a year ago.
- The monthly decline was universal by geography. All nine Census Divisions contracted after all nine expanded in August, but every division remained positive Y/Y and eight of nine have improved since June.
- Roughly a third of the monthly decline came from the summer-end categories, Arts, Entertainment & Recreation and Accommodation & Food Services, both of which are essentially flat year over year.
- Production and distribution industries continued to pull ahead. Manufacturing, Wholesale Trade, Transportation & Warehousing and Mining were the only sectors to grow on the month, and all four are running near or above 4% Y/Y.
- Wage growth eased to 3.1%, slowing in all nine divisions and narrowing the regional spread to 0.58 percentage points, its tightest in months.

WORKFORCE

-2.29%

A monthly decline close to last September's, though annual growth held at 0.95%, well above last September's negative reading.

REGIONS

9 of 9

Every Census Division contracted on the month, yet all nine remained positive year over year.

SECTORS

17 of 19

Sectors still growing Y/Y, led by production and distribution, even as only four grew on the month.

WAGES

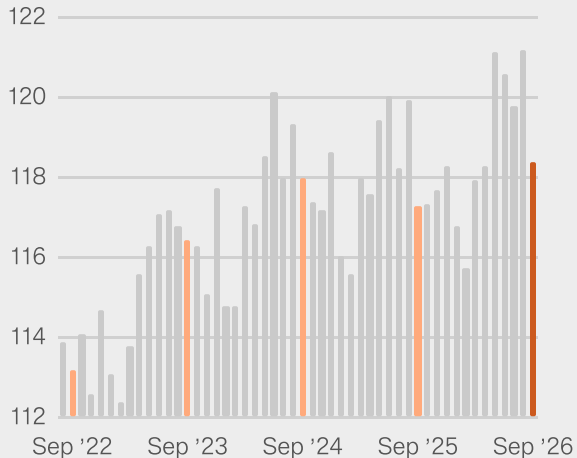
3.1%

Pay growth eased in all nine divisions and the regional spread narrowed to its tightest in months.

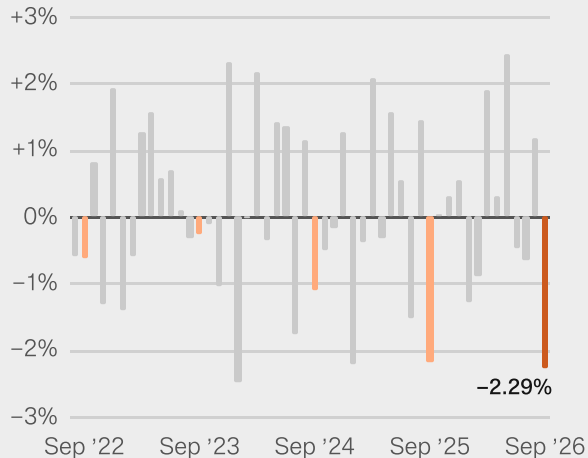
September Pulled Back from a Higher Annual Base

Data shows the SMB workforce contracted 2.29% M/M in September 2026, close to the 2.19% decline recorded last September. Y/Y growth held at 0.95%, which is a clear improvement on the negative annual reading recorded in September 2025.

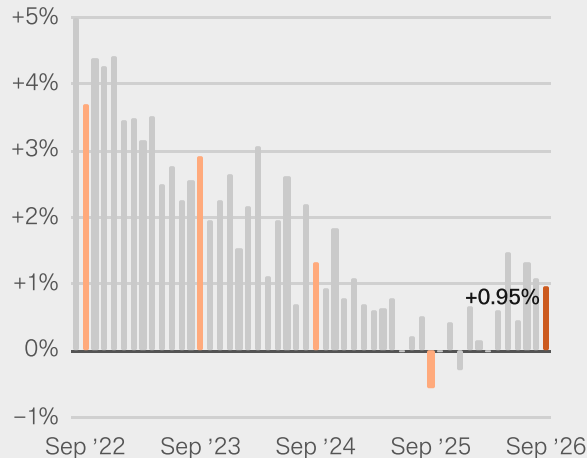
INDEXED UNIQUE WORKERS



M/M CHANGE



Y/Y CHANGE

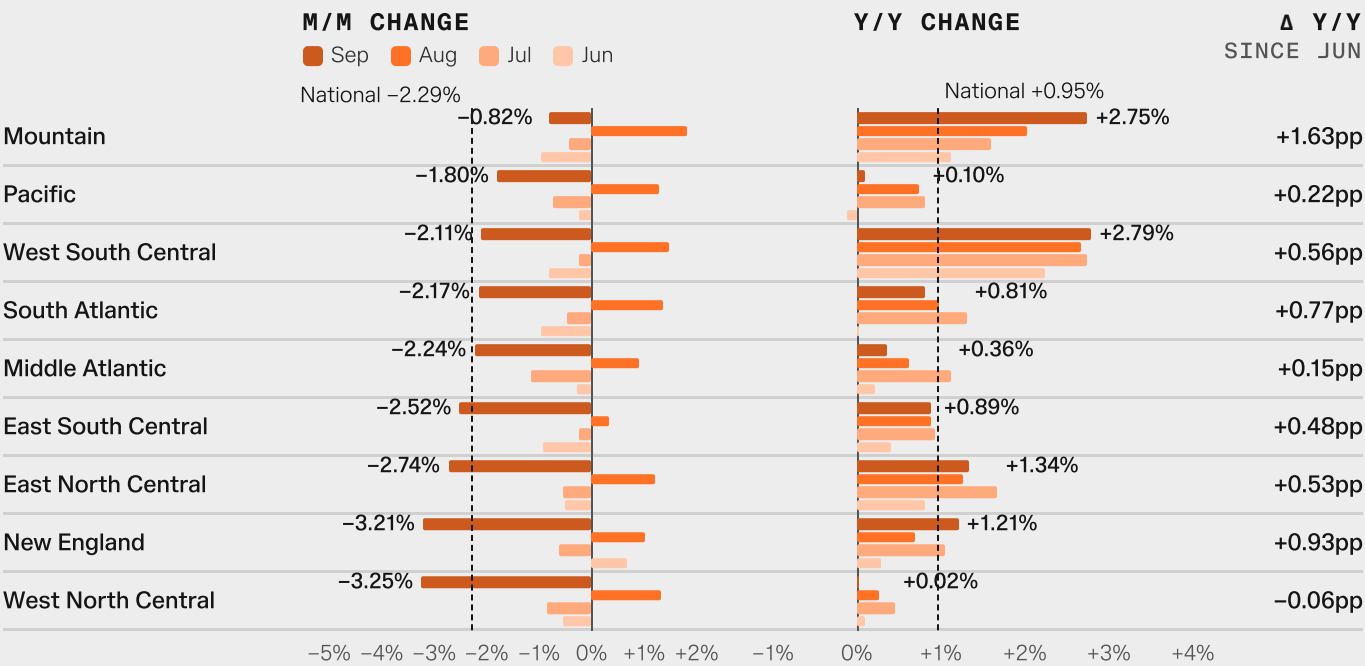


■ September 2026 ■ Prior Septembers

Index of unique workers, Sep 2020 = 100, not seasonally adjusted.

Every Division Fell on the Month, All Remain Positive Y/Y

All nine Census Divisions contracted M/M in September, a complete reversal from August when all nine expanded. Annual growth remained positive across the map and has improved in eight of nine divisions since June.



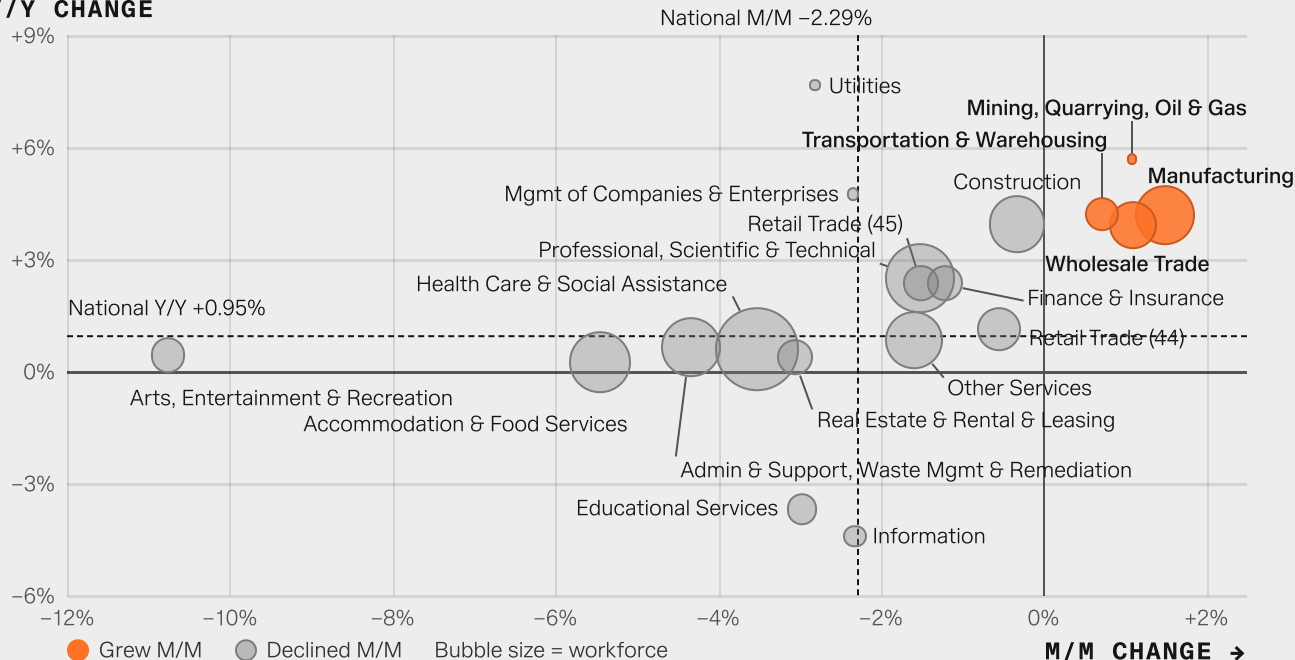
KEY TAKEAWAYS

- The Mountain and Pacific divisions held up best on the month, while West North Central and New England fell most.
- West South Central and Mountain again led annual growth, both near 2.8%, extending their run at the top of the table.
- West North Central was the weakest on both measures, with annual growth slowing to roughly flat.

Goods and Distribution Pulled Away from Services

Only four of nineteen sectors grew M/M in September, though seventeen remained positive Y/Y. Production and distribution industries expanded on both measures while consumer-facing and large service categories drove the monthly decline.

Y/Y CHANGE



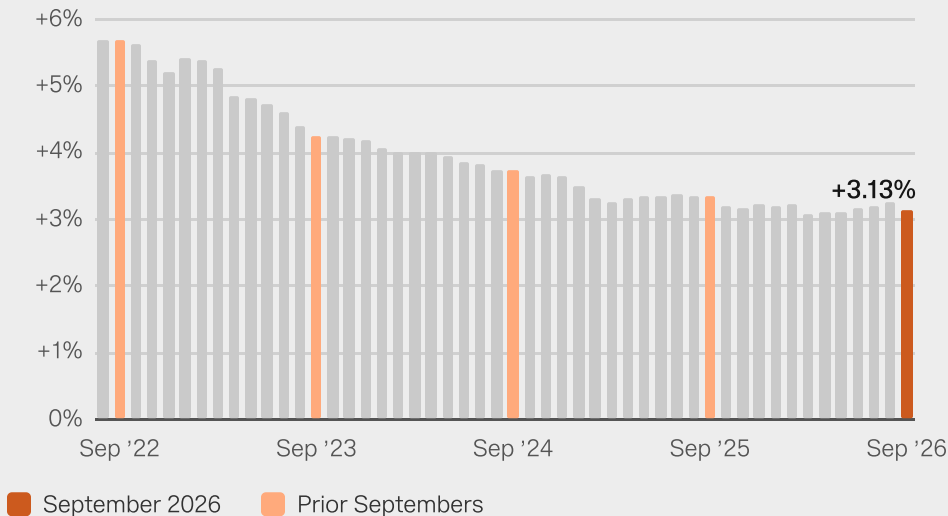
KEY TAKEAWAYS

- Manufacturing, Wholesale Trade, Mining and Transportation & Warehousing were the only sectors to grow on the month, and all four are running near or above 4% Y/Y.
- The steepest monthly declines came from the summer-end categories, Arts, Entertainment & Recreation and Accommodation & Food Services, both of which are flat year over year.
- Health Care & Social Assistance was the single largest drag on the month, and its annual growth has slowed to 0.58%, well below its recent pace.
- Information remained the weakest sector year over year and the only category down more than 4%.

Pay Growth Eased in Every Division

Y/Y wage growth for consistently employed full-time workers eased to 3.1% in September from 3.2% in August. The move was universal, with all nine Census Divisions slowing on the month and the spread between the fastest and slowest-growing divisions narrowing to 0.58 percentage points, its tightest in months.

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



BY CENSUS DIVISION

