homebase

Main Street Health

October 2020





How did Main Street fare in October?

Looking at our Main Street economic indicators indexed against our January baseline, our metrics continued to **remain flat** in October

However, after re-indexing our metrics to a more recent baseline to zoom in on how small businesses have fared amid the pandemic, we saw our Main Street indicators **decline** in the more recent weeks in October

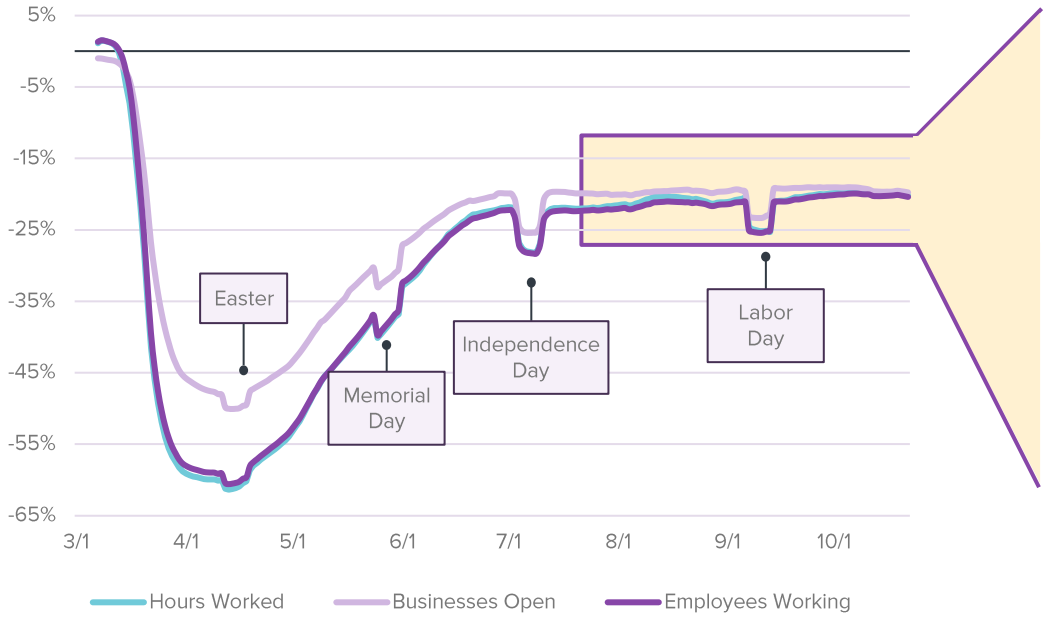
In particular, **northern states** in regions with **cooler climates** saw **steeper declines**, especially those that simultaneously saw **spikes in COVID cases** accompanying their falling temperatures

In the latest polls, **8 of the 30 states** that Trump won in 2016 now have Biden leading; it seems that certain states more impacted by COVID (as told by our metrics) are now leaning toward Biden

Fourth continuous month of stagnation for Main Street, with 20% of small businesses still closed

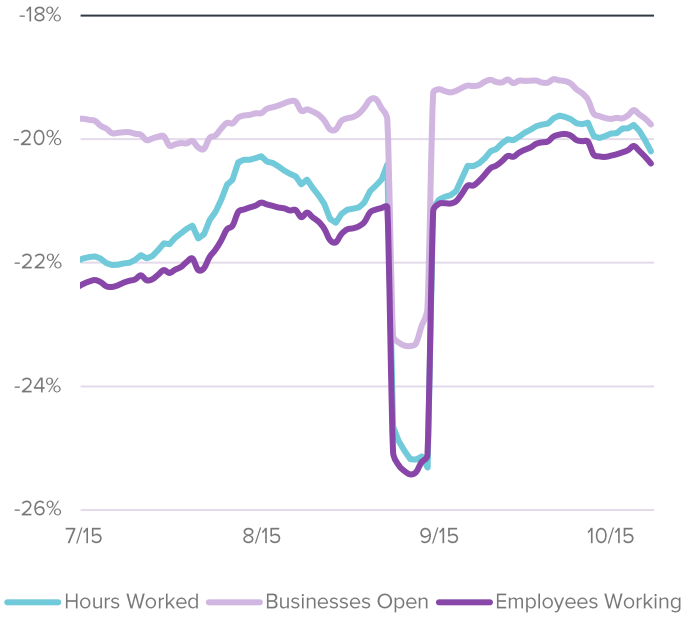
Main Street Health Metrics

(Relative to January)



Last 90 days

(Relative to January)

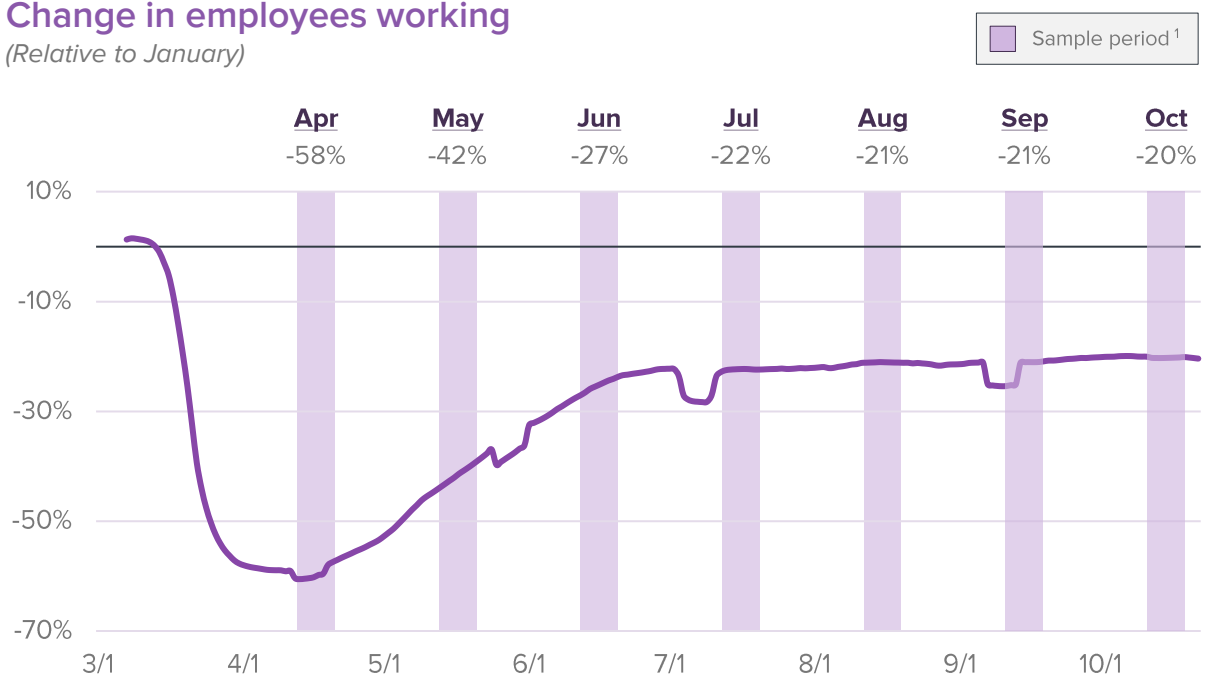


Source: Homebase data

Employees working this month flat vs. September levels

Change in employees working

(Relative to January)



Observations

In our data, the October reference period of 10/11 – 10/17 saw a **1 percentage point improvement** vs. the September reference period of 9/8 – 9/14

Nonetheless, our employees working metric in the last week **declined** – reference period of 10/18 – 10/24 estimated at -21%[2], which is **flat vs. September**

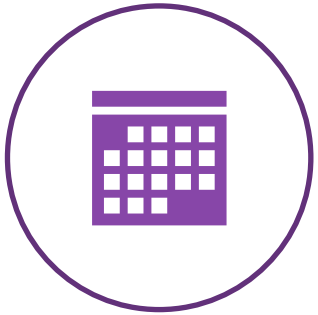
1. Sample period as calendar week that contains the 12th day of the month (BLS) except April (4/13 – 4/19 to exclude Easter) and September (9/8 – 9/14 to exclude Labor Day)
2. To be finalized once employers fully update hours and time sheets| Source: Homebase data

We developed a new data set, rebasing our index from January to July to better assess the state of Main Street

What we did

All rates compare a given day to the average for that day of the week for the period **July 11, 2020 – August 7, 2020** (to avoid noise of July 4th weekend)

Why we did it



More recent baseline

Double-click on and better understand how small businesses are faring **amid** the pandemic (vs. **prior**)



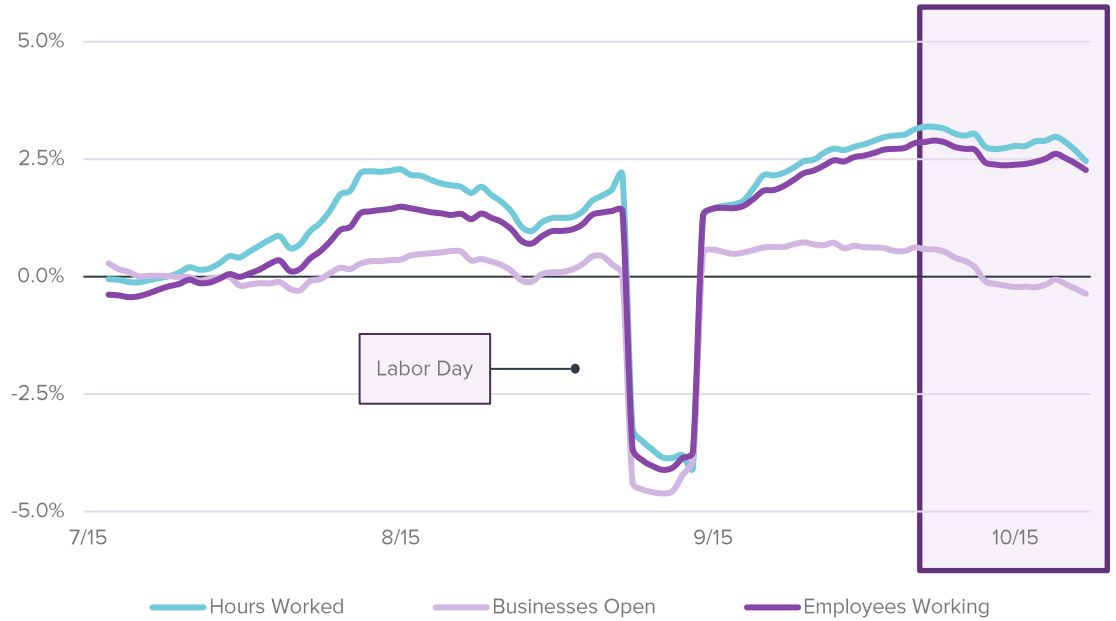
Updated cohort of businesses

Capture new business creation and permanent closure activity since the onset of the pandemic

While our January data set points to stagnation, our July data set more clearly highlights declines across metrics

Main Street Health Metrics

(Relative to July)



Observations

With this new data set, the recovery during the summer (mid Jul. to mid Sep.) becomes clearer

At the same time, the **decline across metrics** beginning the first week of October becomes much **more apparent**

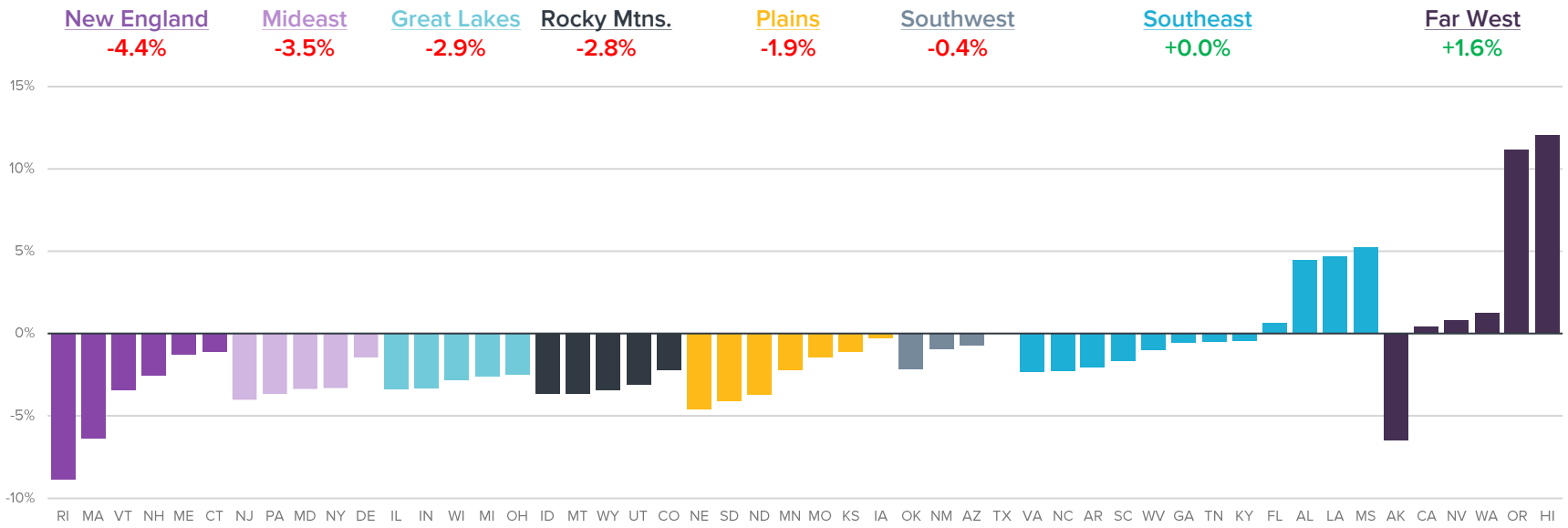
This decline likely can be attributed to **cooler weather** and **spikes in COVID cases**, particular in northern regions of the US

Source: Homebase data

States in cooler regions (New England, Mideast) saw greater declines than states in warmer climates in the south

Change in businesses open

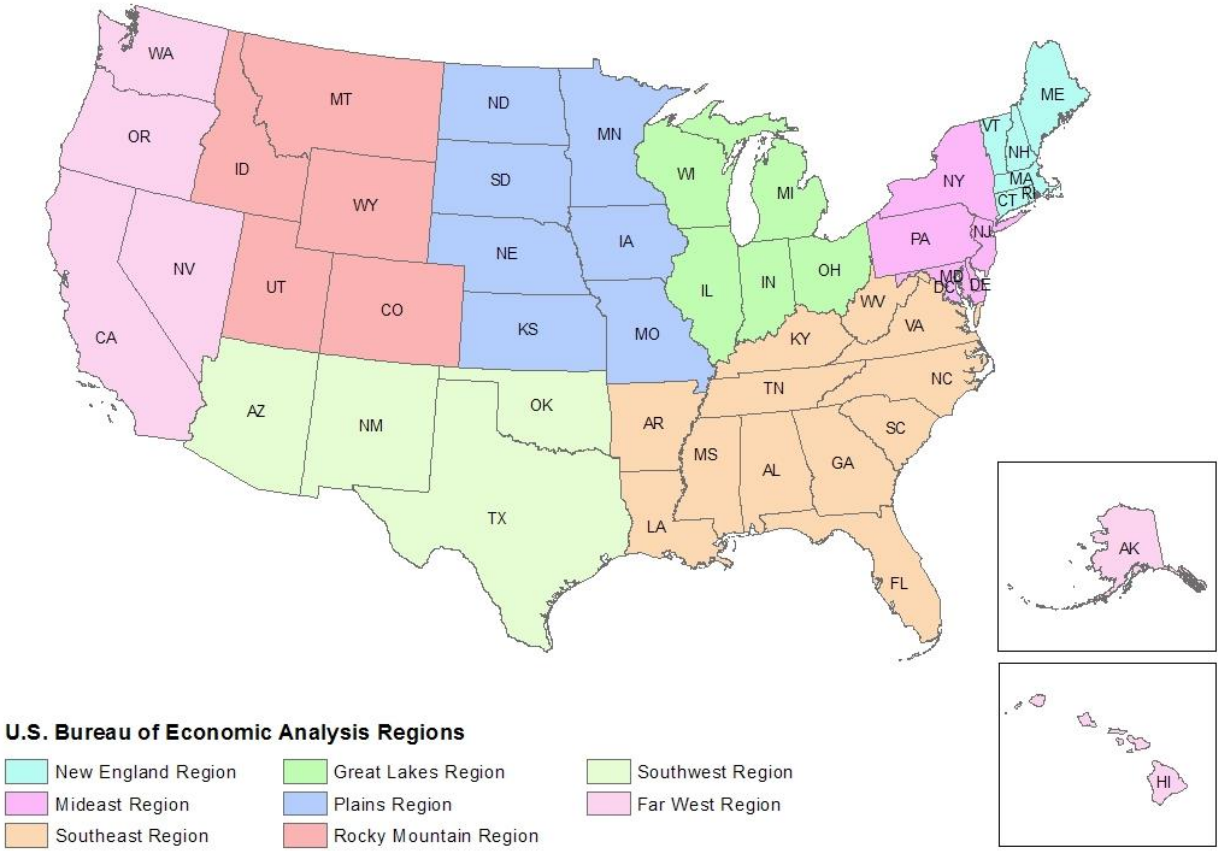
(Difference between mid-Oct and mid-Sep[1]; relative to July)



1. Average of September 11th – 17th vs. average of October 11th – 17th | Note: Regional averages weighted by population, based on 2019 estimates from US Census

Source: Homebase data

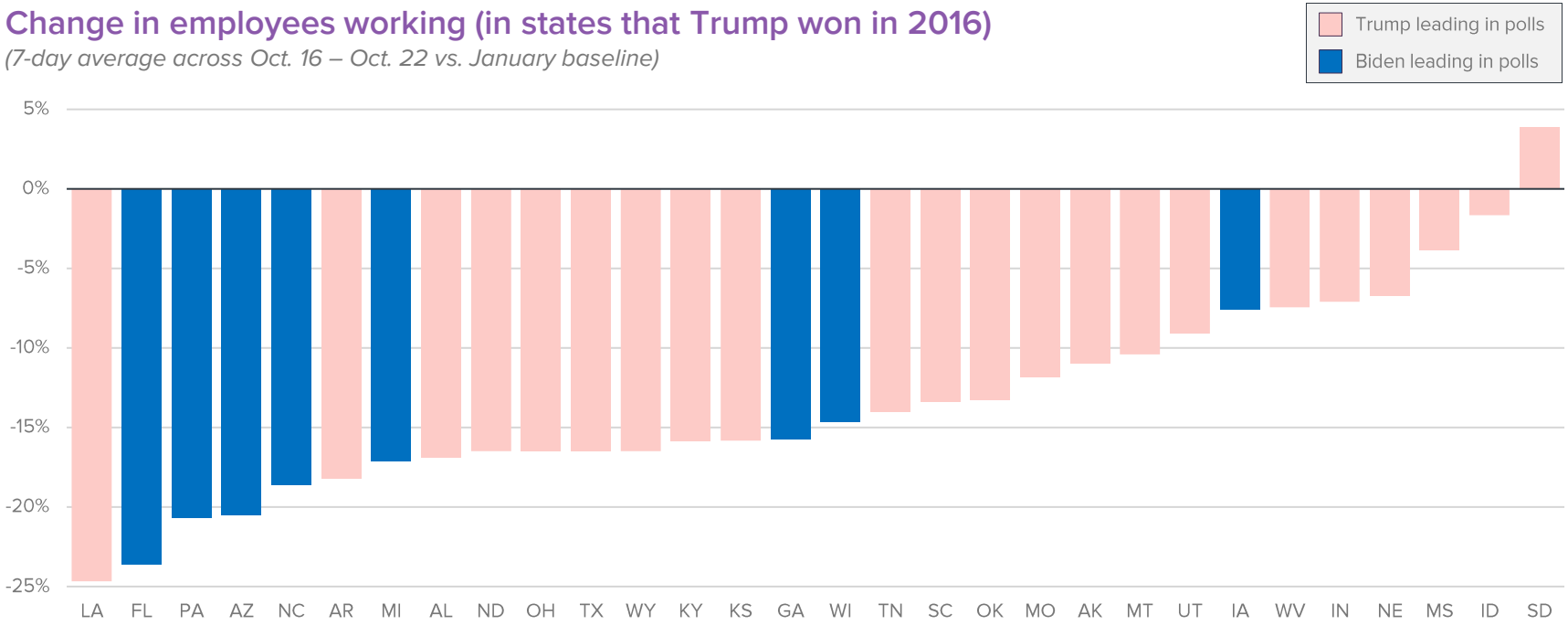
Backup | US Bureau of Economic Analysis Regions



Several states that Trump won in 2016 that have been more impacted by COVID-19 are now polling toward Biden

Change in employees working (in states that Trump won in 2016)

(7-day average across Oct. 16 – Oct. 22 vs. January baseline)

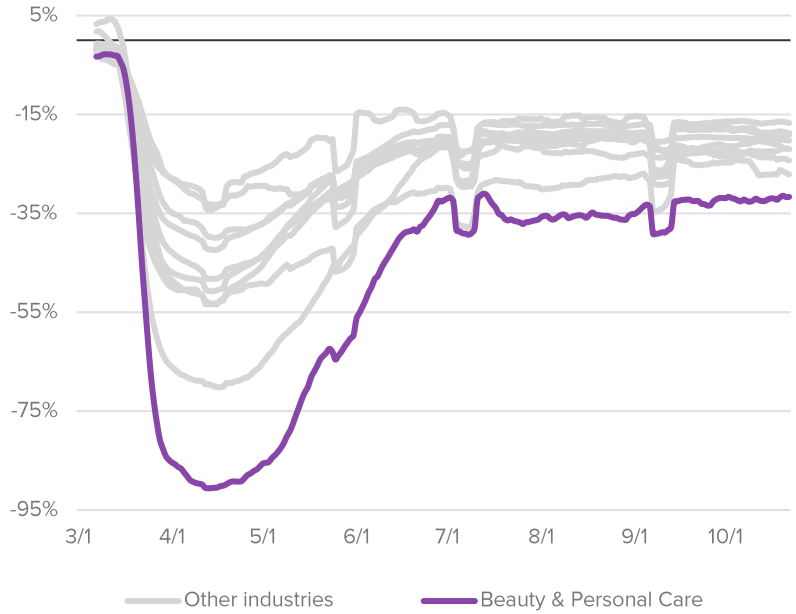


Note: Latest polling data as of 10/29/2020 on FiveThirtyEight. Source: Homebase data

While the beauty & personal care sector has been most impacted by COVID, it saw the greatest recovery last month

Change in businesses open (vs. Jan)

(Relative to January)



Change in businesses open (vs. Jul)

(Relative to July)

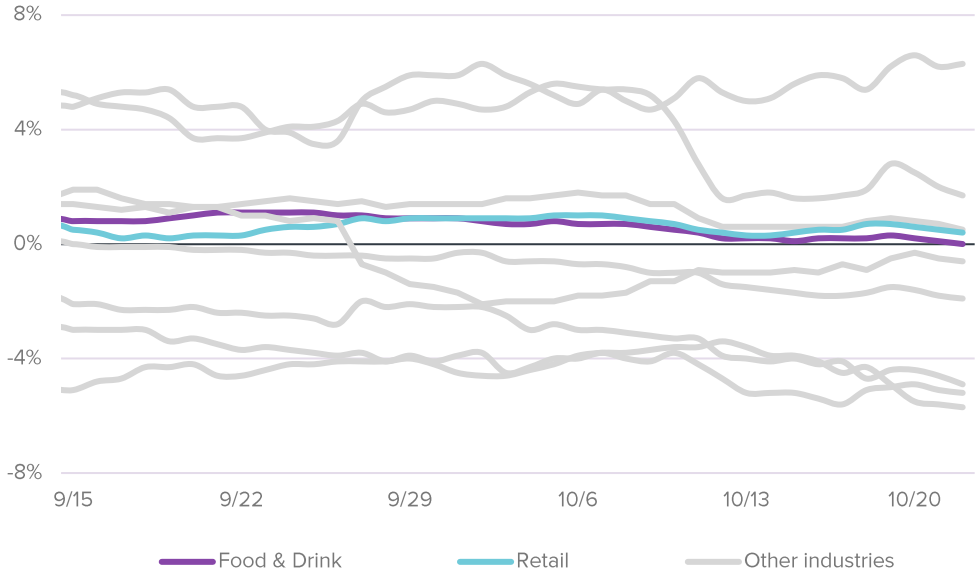


Source: Homebase data

The food & drink and retail sectors have remained relatively flat vs. September, despite the end of summer

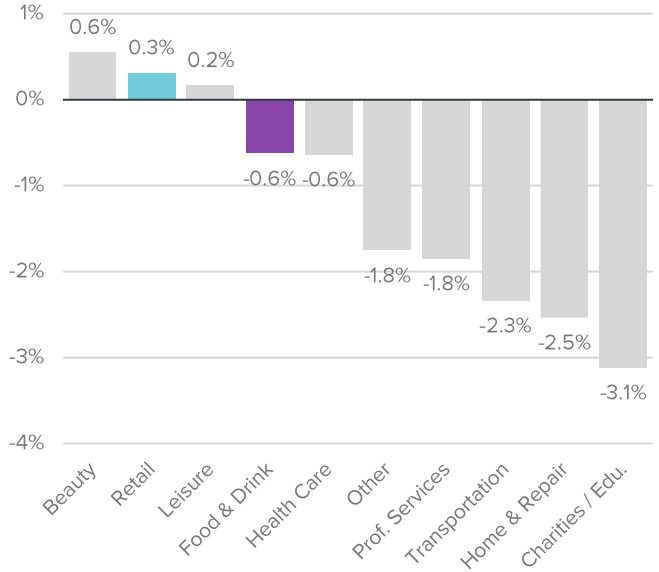
Change in businesses open (vs. Jul)

(Relative to July)



Change in businesses open

(Mid Oct. vs. mid Sep. using July data set[1])

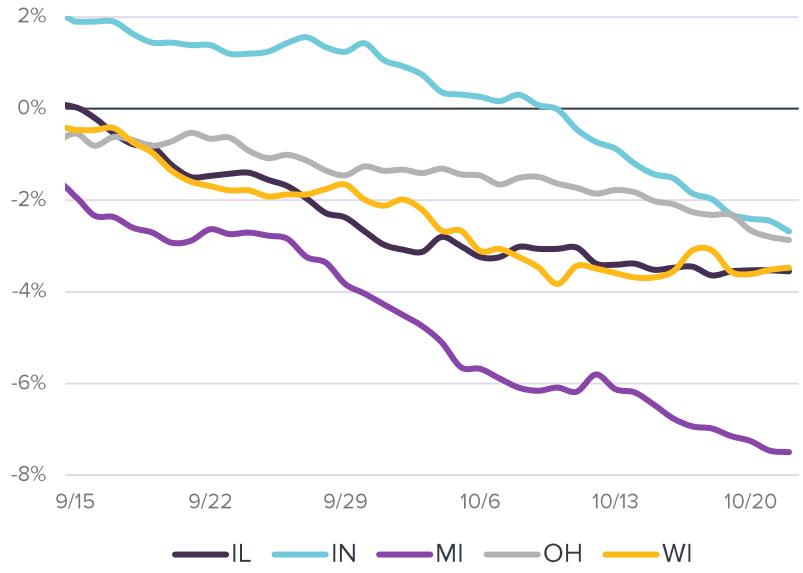


1. Average of period 10/11 – 10/17 vs. average of period 9/13 – 9/19 using July index data set; Source: Homebase data

However, in regions that experienced COVID spikes in recent weeks, the food & drink sector has been impacted

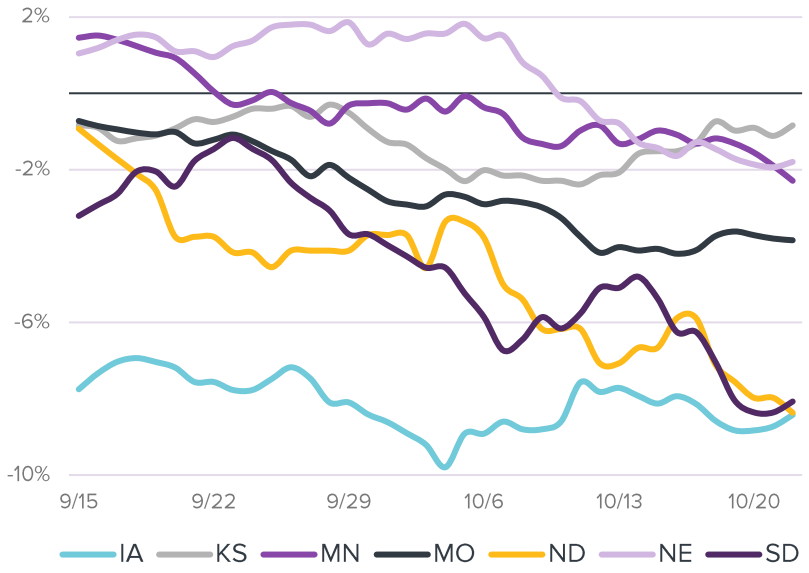
Change in businesses open (Great Lakes)

(Relative to July baseline)



Change in businesses open (Plains)

(Relative to July baseline)



Source: Homebase data

How has Homebase data been validated?



We've partnered with **academics, researchers, and policy makers** to validate and improve Homebase data

- The St. Louis Federal Reserve has named Homebase data as one of the top economic indicators for the current crisis and used Homebase data to predict unemployment
- Researchers at Yale used Homebase data to determine the impact of expanded UI benefits on employment
- Researchers at Drexel used Homebase data to estimate the "true" unemployment rate
- A team at UChicago and Berkeley used Homebase data to show disparate impacts across different groups

Methodology and definitions

The January dataset is based on Homebase data gathered from **over 60,000 businesses and 1 million hourly employees** active in the US in January 2020

All the rates compare that day vs. the average for that day of the week for the period **Jan 4, 2020 – Jan 31, 2020**

The July dataset does the same, except it looks at the period **July 11, 2020 - August 7, 2020**



"**Hours worked**" is calculated from hours recorded in Homebase timecards



"**Locations open**" is based on whether a business had at least one employee clock-in



"**Employees working**" is based on the distinct number of hourly workers with at least one clock-in

Contact us



Ray Sandza
VP, Data & Analytics
rays@joinhomebase.com



Kevin Liang
Manager, Data Products
kevin@joinhomebase.com

Please reach out for comment or if interested in additional data

homebase

Homebase makes work easier for 100,000+ small (but mighty) businesses with everything they need to manage an hourly team: employee scheduling, time clocks, team communication, hiring, onboarding, and compliance.

We are not Human Capital Management. We are not HR Software.

We're tools built for the busiest businesses, so owners and employees can spend less time on paperwork and more time on what matters.

If you use any Homebase content, please kindly consider including a link to:

https://joinhomebase.com/data

homebase