

homebase

# Main Street Health

September 2020



## How did Main Street fare in September?



For the third continuous month since June, Main Street economic indicators have **remained flat**, with 20% of businesses still closed across the nation



For the first time since the onset of the pandemic, our **employment metrics fell**, ending the 6-month period of recovery and likely signaling worsening conditions ahead for the small business economy

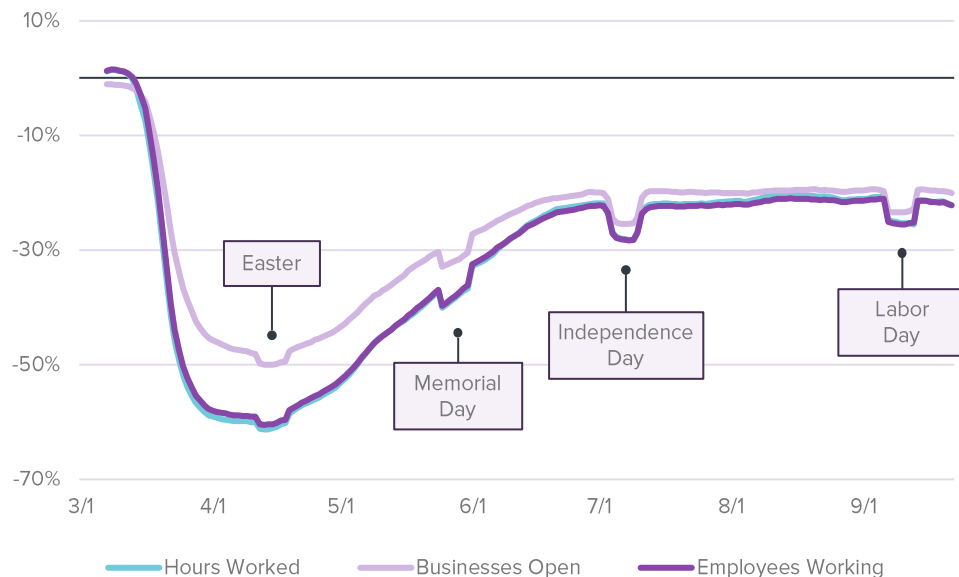


With declines across states and in industries more sensitive to end-of-summer headwinds, we **expect conditions to decline further** next month as businesses face reduced outdoor options for their operations

# Third continuous month of stagnation for the small business economy

## Main Street Health Metrics

(Relative to January)



## Observations



For the third month in a row, metrics have stayed effectively flat vs. the end of June as **20% of small businesses remain closed**



However, all three metrics on average are 1-2 percentage points lower than they were a month ago, indicating that **conditions are beginning to slightly worsen** as this week officially kicked off the autumn season

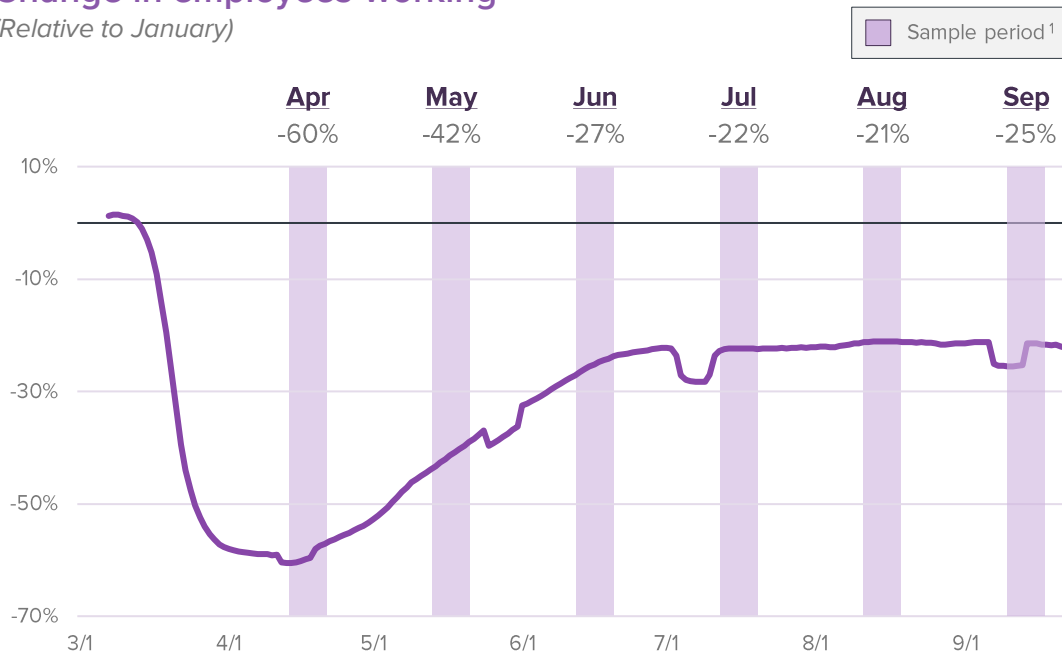


As cooler weather sets in, we expect these **metrics to slow even further** in October

# Decline in number of employees working; first decline since the onset of the pandemic

## Change in employees working

(Relative to January)



## Observations

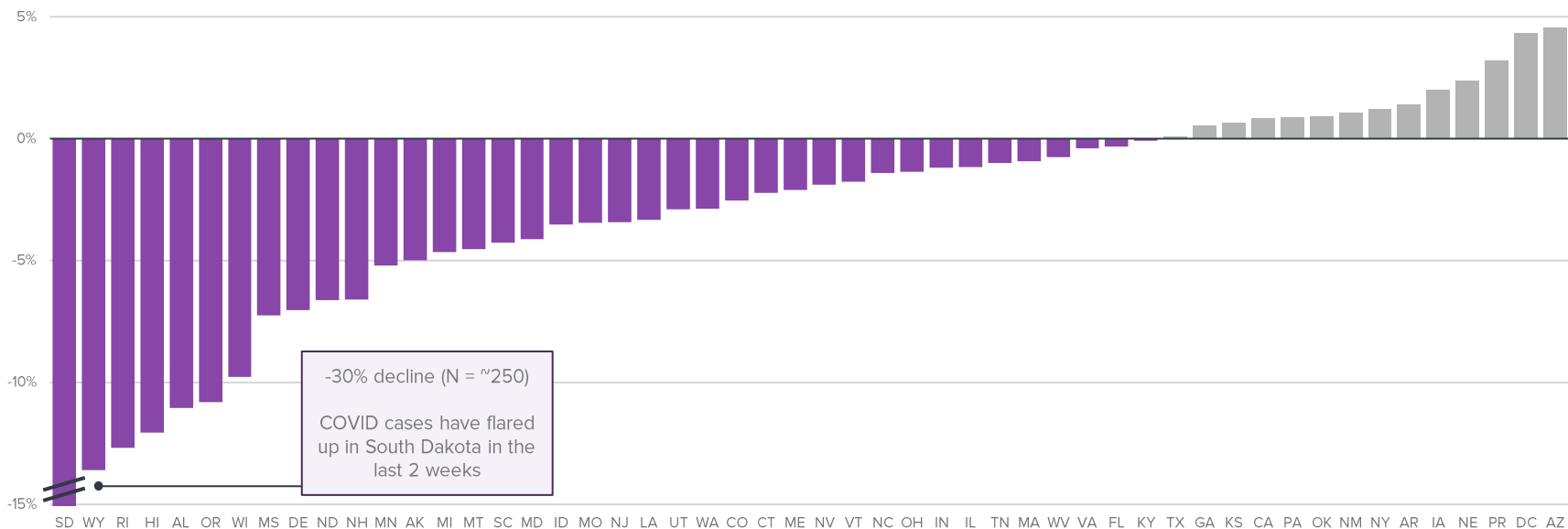
In our data, the September reference period (week of 9/6) saw a **4 percentage point decline** vs. the August reference period

While part of this decline is attributed to decreased staffing during Labor Day weekend, the fact remains that **fewer employees worked** in September vs. August (sample period week of 9/13 at -22%)

# 80% of states saw a decline in hours worked, signaling that the slowdown is widespread

## Change in hours worked

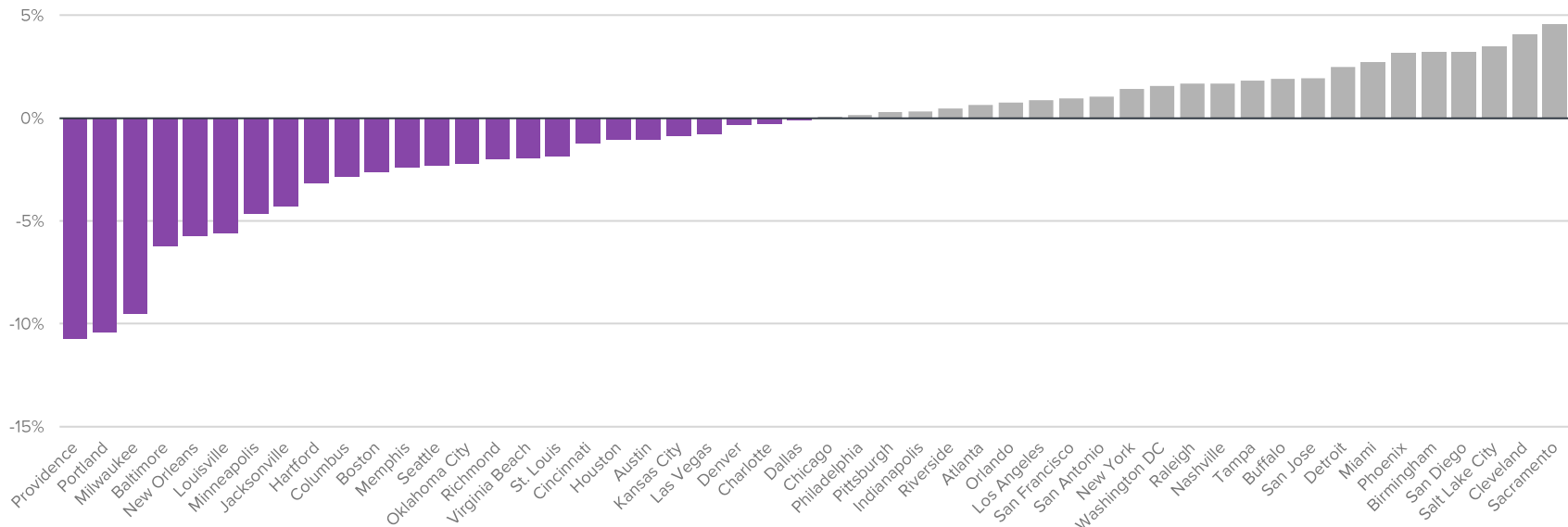
(Difference between mid-September and mid-August<sup>1</sup>)



# Roughly equal split among top 50 MSAs between those that saw declines vs. improvements in last month

## Change in hours worked

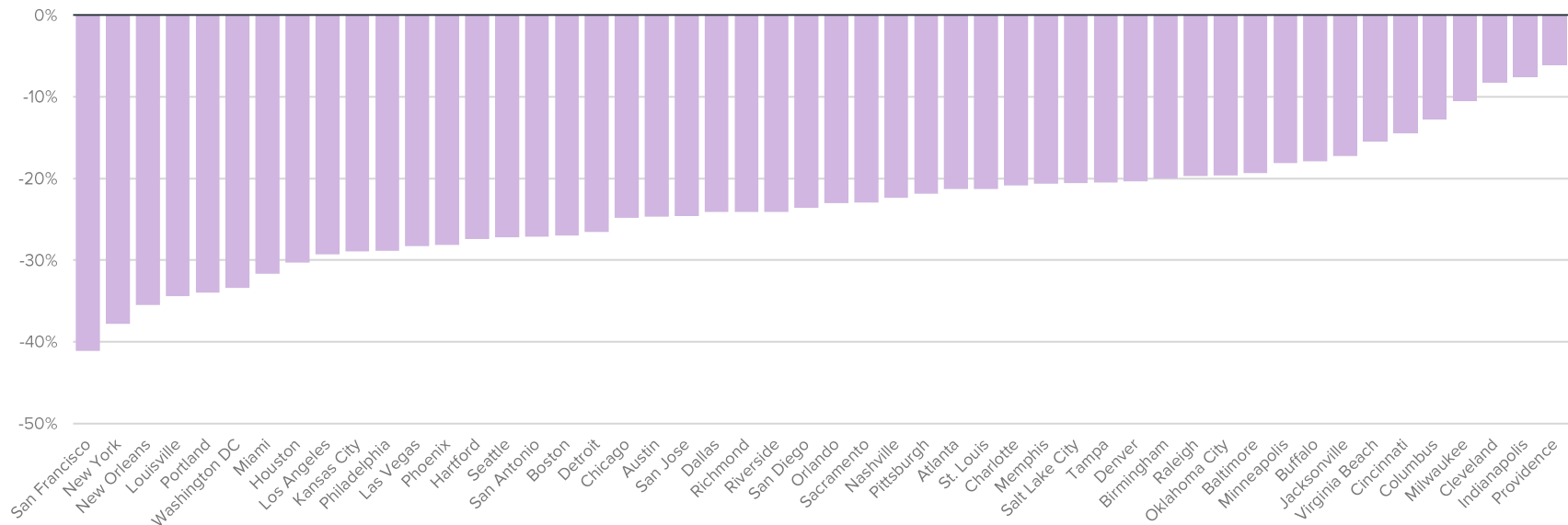
(Difference between mid-September and mid-August<sup>1</sup>)



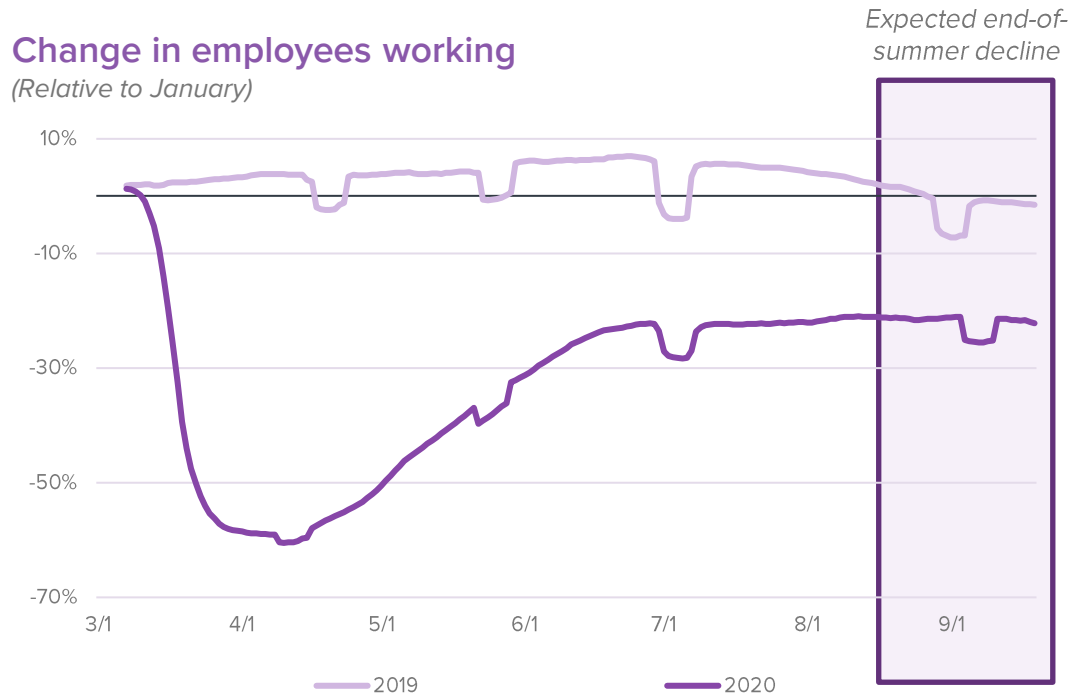
# While some MSAs saw slight improvements last month, all 50 remain below pre-COVID levels

## Change in hours worked

(Difference between first week of March and most recent week in September)



# We typically see a decline in employment at the end of summer, but this year's decline has not been as sharp



## Observations

In a “normal” world, we usually **expect a decline in activity** at the end of summer, due to cooler weather and students heading back to school

Yet, we **haven't seen as steep of a decline this year**, potentially because businesses are operating with leaner than normal teams and avoided extra hiring for the summer

We may, however, see a **delayed decline** this year that will make more noticeable impacts in October as temperatures dip even further



# However, it looks like the leisure & entertainment industry has been buffeted by end-of-summer headwinds

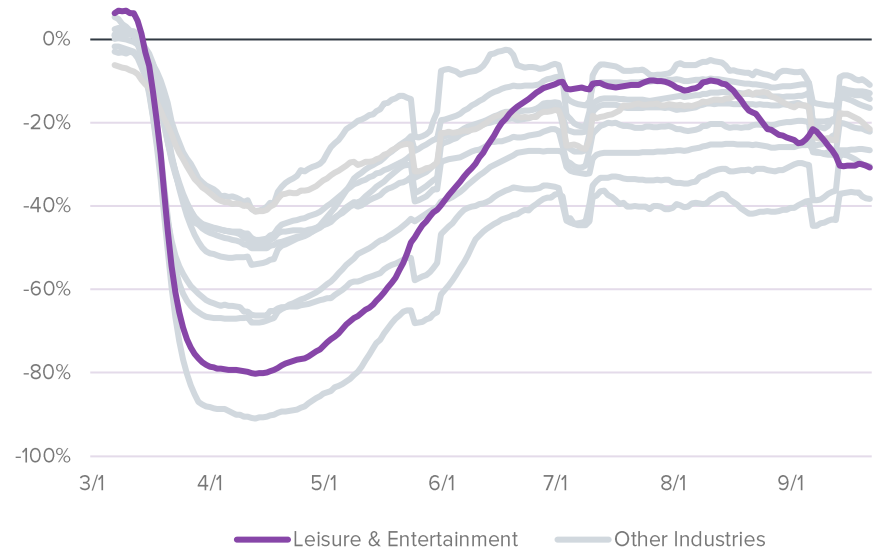


While other industries have largely moved in tandem throughout the last 6 months, the **leisure & entertainment industry** stands out as an anomaly

While the sector experienced faster recovery at the beginning of the summer, it also saw an **accelerated decline in the last month**

With families and students heading back to school, summertime recreational activities (mini-golf, waterparks, arcades) have largely ended, likely contributing to this decline

Change in hours worked  
(Relative to January)



# 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

This 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



“**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

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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.*

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