

homebase

Main Street Health Report



Context for March:

The Fed introduced another rate hike on March 22, while a new set of banking crises dominated headlines.

In the face of these broader economic headwinds, our data from the US and Canada shows a month-over-month decline in employment activity at SMBs.

The good:

- [To some, the economy is much better than it might seem](#)
- [Steady jobless claims in February show that the labor market remains strong](#)

The bad:

- [Silicon Valley Bank's collapse led to widespread panic as depositors looked for answers, repayment](#)
- [Job openings fell, layoffs rose in January](#)

The uncertain:

- [The Fed raised rates yet again in late March amid uncertainty in the banking industry](#)

Another rate hike from the Federal Reserve in March has led many to worry about the persistently hot economy and the efficacy of national leaders' approach to curbing inflation. As in prior iterations of this report, Homebase seeks to understand how the broader economic environment is affecting small businesses and their employees during the start of 2023 by analyzing behavioral data from more than two million employees working at more than one hundred thousand SMBs.

Summary of findings:

Core activity markers are flat to down from mid-February levels, and the downward trend accelerated through the end of March.



A once-hot economy is showing signs of slowdown; core indicators have shown none of the seasonal growth we've seen in prior years.



Hospitality and entertainment diverged from other industries with increased activity in March - driven by spring break, activity in leisure industries has outpaced a downward trend across the board.



The average metropolitan area saw **little to no economic growth** from February to March.



Wage inflation ticked back up by 0.58% in March, in-line with moderate growth seen at the end of 2022.

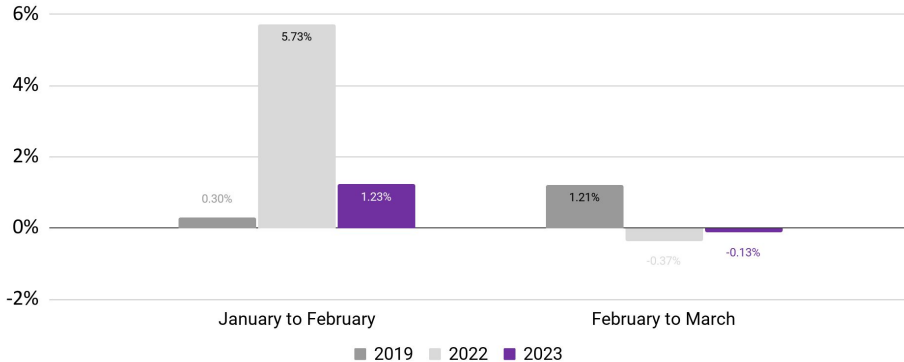


Main Street economic activity is showing signs of slowdown

After a strong start to the year, employees working and businesses open have both shown a downward trajectory in the past month. This is against usual seasonal patterns.

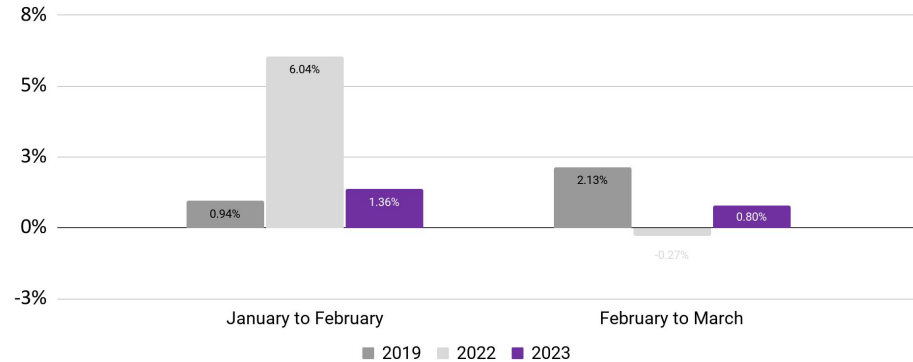
Employees working

(Monthly change in 7-day average, relative to January of reported year)



Hours worked

(Monthly change in 7-day average, relative to January of reported year)



Data compares rolling 7-day averages for weeks encompassing the 12th of each month. [Source: Homebase data.](#)



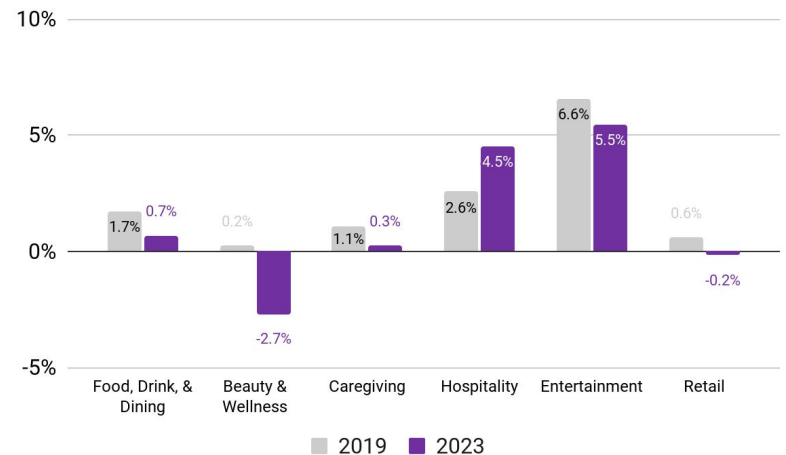
Hospitality and Entertainment continue to be the bright spots of growth as other industries decline in activity

Hospitality and entertainment both saw major upticks in employees working in the past month (4.5% and 5.5%, respectively), though the March spring break lift in entertainment was less significant than we saw pre-COVID.

Beauty & wellness showed the greatest decline from February to March, dropping about 3%, while other industries were relatively flat.

Percent change in employees working

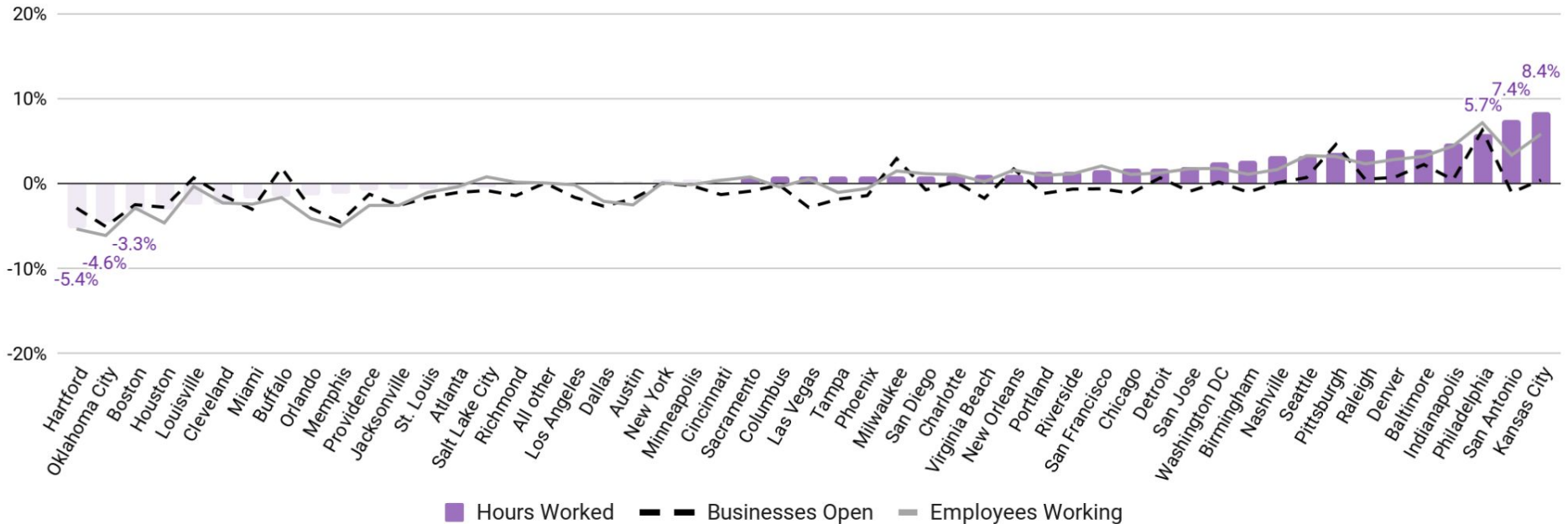
(Mid-March vs. mid-February, using Jan. '19 and Jan. '23 baselines)¹



1. March 10-16 vs. February 10-16 (2019) and March 12-18 vs. February 12-18 (2023). Pronounced dips generally coincide with major US Holidays. [Source: Homebase data](#)



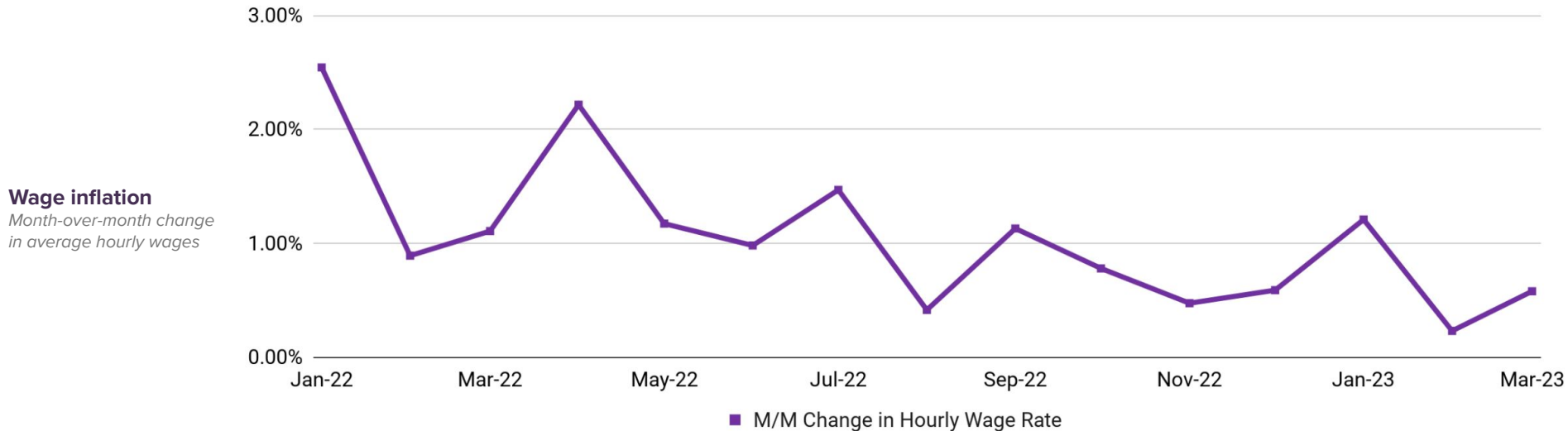
The average metro area saw little growth in employment activity



Note: March 12-18 vs. February 12-18. [Source: Homebase data](#)



Wage inflation ticked back up in March, in line with modest growth seen at the end of 2022 and below 2022 average



Note: Data includes individuals who have been continuously employed and active since January 2022. [Source: Homebase data.](#)

Contact Us

**Please reach out for
comment or if you are
interested in additional data**



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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.

Methodology and definitions

The March 2023 dataset is based on Homebase data gathered from **over 100,000 businesses and 2 million hourly employees** active in the US on our platform in March 2023.

Data from prior years (e.g., 2019, 2021, 2022) use a similar cohort-based logic. Unless indicated otherwise, daily figures are calculated relative to the median value for that specific day for the baseline month (e.g., January) net of the first 4 days of the month.



“Hours worked” is calculated from hours recorded in Homebase timecards.



“Businesses 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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