Main Street Health

July 2021
How did Main Street fare in July?

Compared to June, the number of employees working decreased in July by 0.4%, indicating that summer growth may be coming to an end.

Employment growth was region-dependent, with nearly half of states flat or declining in the last month, indicating an approaching end to the rapid bounce-back.

While states that ended additional federal unemployment benefits early saw employment decline ~0.9%, states that kept additional benefits saw employment increase by ~2.3%.

While businesses in Republican states maintained a higher % of employees working throughout the pandemic, businesses in Democratic states returned to on-par levels in the last month.

While entertainment businesses nearly completely shut down in April 2020 (80% decrease in employment), they recovered well and are now employing ~16% more people than before COVID-19.
Compared to June, the number of employees working decreased in July by 0.4%

Main Street Health Metrics\(^1\)
(Rolling 7-day average; Relative to April 2021)

- 6/12 Employees working: +7.6%
- 7/12 Employees working: +7.2%

Jobs and hours worked declined alongside businesses open, indicating businesses may be nearing an end to the rapid bounce-back.

Employment in small businesses is down 0.4% in last month (up ~7.1% since April 2021), indicating that growth may slow as the summer ends.

\(^1\) Major dips due to major U.S. holidays
Source: Homebase data
18 states and 3 regions saw declining employment in July, indicating an end to the rapid bounce-back in these areas

Percent change in employees working
(Difference between mid-June and mid-July\(^1\); relative to April 2021 baseline)

<table>
<thead>
<tr>
<th>Region</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plains</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Southwest</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Southeast</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Far West</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Rocky Mountains</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Mideast</td>
<td>+4.5%</td>
</tr>
<tr>
<td>New England</td>
<td>+6.8%</td>
</tr>
</tbody>
</table>

Note: Regional averages weighted by population, based on 2019 estimates from US Census
Source: Homebase data

1. Average of June 6th – 12th vs. July 11th – 17th
While states that ended additional federal unemployment benefits early saw employment decline ~0.9%, states that kept additional benefits saw employment increase by ~2.3%

Percent change in employees working
(Difference between mid-June and mid-July; relative to April 2021 baseline)

Announced end of COVID-19 unemployment benefits early
-0.9%

Did not end COVID-19 unemployment benefits early
+2.3%

1. Average of June 6th – 12th vs. July 11th – 17th | Note: Segment averages weighted by population, based on 2019 estimates from US Census
Source: Homebase data
Only 50% of the top MSAs saw growth in July, indicating that many are nearing an end to the rapid bounce-back.

Percent change in employees working
(Difference between mid-June and mid-July; relative to April 2021 baseline)

1. Average of June 6th – 12th vs. July 11th – 17th
Source: Homebase data
Entertainment and hospitality industries have increased employees working by ~40-50% since April 2021.

Change in employees working²
(Rolling 7-day average; Relative to April 2021)¹

1. Average of June 6th – 12th vs. July 11th – 17th
2. Major dips caused by major U.S. holidays

Source: Homebase data
COVID-19’s impact on pre-pandemic businesses

Charts utilize the January 2020 dataset, which 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.

For groupings, a weighted average by state population is used to more fairly compare the relative changes.

Businesses in states that voted Republican in the 2020 election maintained higher employment throughout the pandemic; Democratic states caught up in July.

Businesses in states that maintained add’l unemployment benefits have grown quicker in 2021; they are now on-par with states that did lift benefits early.

Businesses in the Plains and Rocky Mountains maintained the highest employment rates throughout the COVID-19 pandemic.

Entertainment businesses recovered well and are now employing ~16% more people than before COVID-19.
While businesses in states that voted Republican in the 2020 U.S. presidential election maintained higher employment throughout the pandemic, businesses in Democratic states caught up in July.

Percent Change in Employees Working¹
(Rolling 7-day average; Relative to January 2020)

1. Major dips are caused by major U.S. holidays
2. State data is weighted by population (Democrat = 187m; Republican = 140m)
Source: Homebase data
Businesses in states that did not lift additional federal unemployment benefits early have grown quicker in 2021 and are now on-par with businesses in states that lifted benefits early.

Percent Change in Employees Working

(Rolling 7-day average; Relative to January 2020)

1. Major dips are caused by major U.S. holidays
2. State data is weighted by population (Not lifting = 183m; Lifting = 145m)

Source: Homebase data
Businesses in the Plains and Rocky Mountains maintained the highest employment rates throughout the COVID-19 pandemic.

Percent Change in Employees Working\(^1\)
(Rolling 7-day average; Relative to January 2020)

1. Major dips are caused by major U.S. holidays
2. Regional data is weighted by population

Source: Homebase data
While entertainment businesses nearly completely shut down in April 2020 (80% decrease in employment), they have recovered well and are now employing ~16% more people than before COVID-19.

Percent Change in Employees Working¹
(Rolling 7-day average; Relative to January 2020)

¹ Major dips are caused by major U.S. holidays
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 2020 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 April 2021 dataset does the same, except it looks at the period April 3, 2021 – April 30, 2021.

“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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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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