

homebase

Main Street Health Report



Context for January:

The past few months have seen economists and regulators worry about the impact of continued wage growth on inflation and employer outlook. After significant rate hikes from the Fed, indicators are beginning to slowly revert.

Our data from the US and Canada reflects a new year ebb in economic activity at small businesses.

The good:

- [Walmart raises wages for workers nationwide](#)
- [December 2022 job growth, while still positive, came down from prior months](#)
- [US holiday spending hit higher levels than expected this season](#)

The bad:

- [Months of economic growth in Canada have come to a halt, with December GDP flattening out](#)
- [Inflation has outpaced wage growth nationwide](#)
- [NFIB data indicates that small business plan to pull back on hiring in coming months](#)

The uncertain:

- [Slowdown across various economic indicators has led Fed governors to expect rate increases to abate in early 2023](#)

Past versions of this report have discussed continued concern over the pace of wage growth and low jobless claims leading the Fed to maintain its strong approach to rate hikes. As signals of an economy running hot begin to abate, 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:

Homebase high-frequency timesheet data indicate continued slowdown in hours worked and employees working, across most industries and major metro areas



January has seen a slow start with a continuing downward trajectory; whereas 2022 saw growth in hours worked through Q1, 2023 levels for employees working and hours worked are **4-5 percentage points below their January 2022 marks.**



Post-holiday declines across industries are softer than what we saw pre-COVID with the exception of caregiving; **workforce participation in entertainment has rebounded the most significantly** from holiday lows, only 2.3% below mid-December levels.



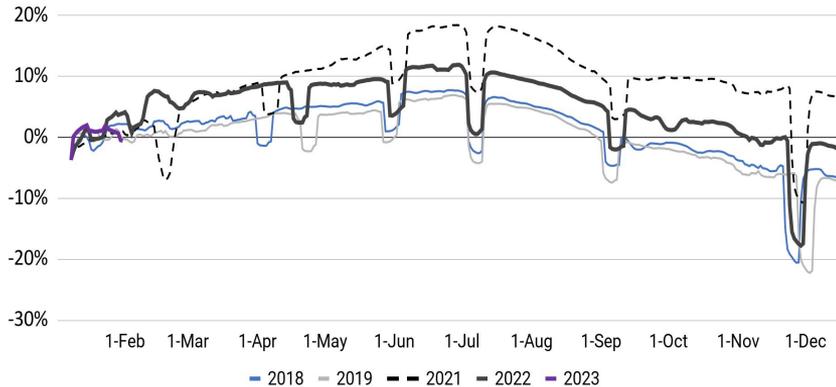
Hours worked across metro areas remain slightly below their pre-holiday levels, **a trend similar to prior years;** however, **January 2023 levels have remained relatively constant through the month,** rather than rising as they did in 2021 and 2022.



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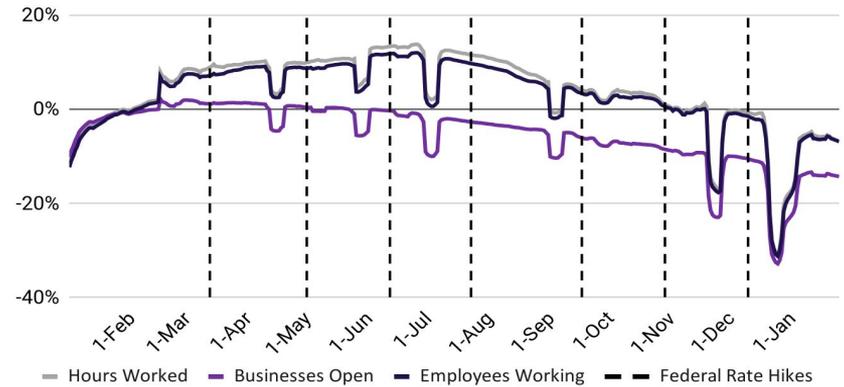
Employees working

(Rolling 7-day average; relative to Jan. of reported year)



Main Street Health Metrics¹

(Rolling 7-day average; relative to Jan. 2022)



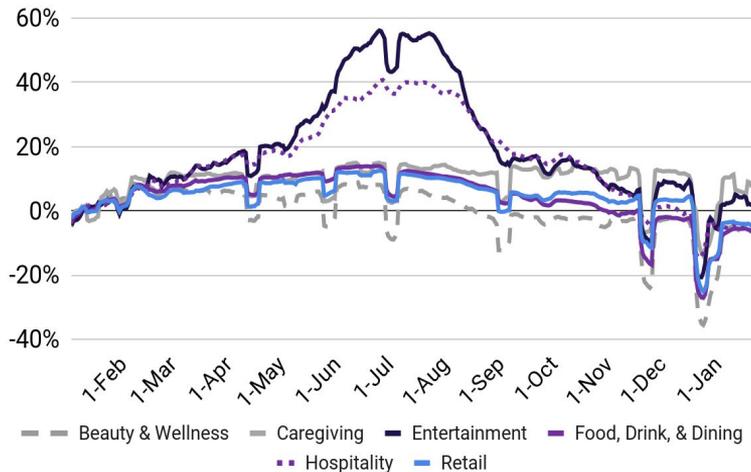
1. Some significant dips due to major U.S. holidays. Pronounced dip in mid-February 2021 coincides with the period including the Texas power crisis and severe weather in the Midwest. Dip in late September coincides with Hurricane Ian. [Source: Homebase data.](#)



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Percent change in employees working

(Compared to January 2022 baseline using 7-day rolling average)



1. January 15-21 vs. December 11-17 (2022/2023) and January 12-18 vs. December 8-14 (2019/2020). Pronounced dips generally coincide with major US Holidays. [Source: Homebase data](#)

Percent change in employees working

(Mid-January vs. mid-December of prior year, using Jan. '22 and Jan. '19 baselines)¹

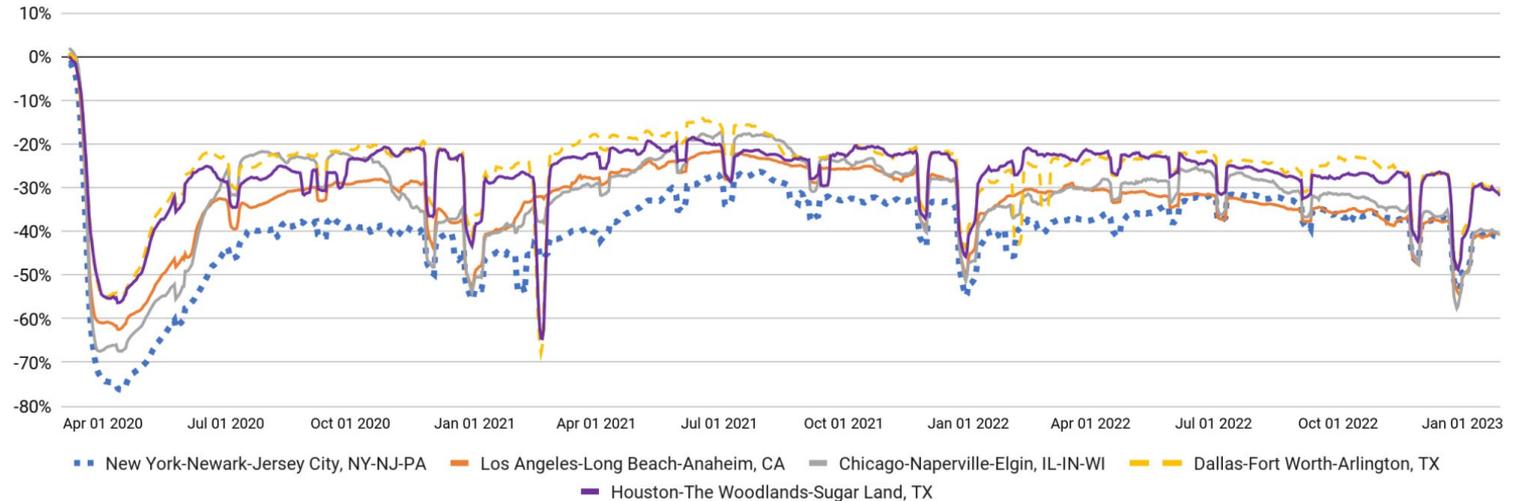




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Hours worked

(Rolling 7-day average;
relative to Jan. 2020
(pre-Covid))



1. Some significant dips due to major U.S. holidays. Pronounced dip in mid-February 2021 coincides with the period including the Texas power crisis and severe weather in the Midwest. [Source: Homebase data.](#)

Contact Us

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



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



Joey Nedland, Strategy & Operations
jnedland@joinhomebase.com

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 January 2022 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 January 2022.

Data from prior years (e.g., 2019, 2021) 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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