

homebase

Main Street Health Report



MAY 2023

Context for May:

In May, economic uncertainty persisted in the face of debt ceiling debate, and another interest rate hike by the Fed.

Although, this didn't stop small businesses from their summer hiring ramp up, albeit at lower employee wage rates than seen last year.

Another month, another rate hike from the Federal Reserve - policymakers continued to pump the brakes in May, as they remain split on whether additional intervention might be necessary in coming months. Homebase seeks to help clarify how the broader economic environment is affecting small businesses and their employees as summer approaches by analyzing behavioral data from more than two million employees working at more than one hundred thousand SMBs.

The good:

- [S&P data show highest economic activity in months, though Europe slowed down](#)

The bad:

- [Widespread dismay at the potential of US default leads to speculation on broad economic despair and creditworthiness of government bonds](#)

The uncertain:

- [Eleventh hour deal to raise debt ceiling entails budget cuts that could have broader ripple effects](#)
- [While May rate hikes were unanimous, Fed officials are split on whether to pause further increases](#)

Summary of findings:

SMB employment activity increased, but wage rates decreased for the first time since 2021.



Employment activity at small businesses increased in May; as spring turns to summer, small businesses are experiencing a seasonal boost.



Retail and Food & Drink are showing strength, continuing to outpace their historical seasonal growth.



Spring weather variation is likely driving regional differences - warm weather in the Midwest and storms in Texas translated into varied business activity.



Wages declined from April to May (-0.2%) for the first time since 2021, as decreases show a cooling labor market.

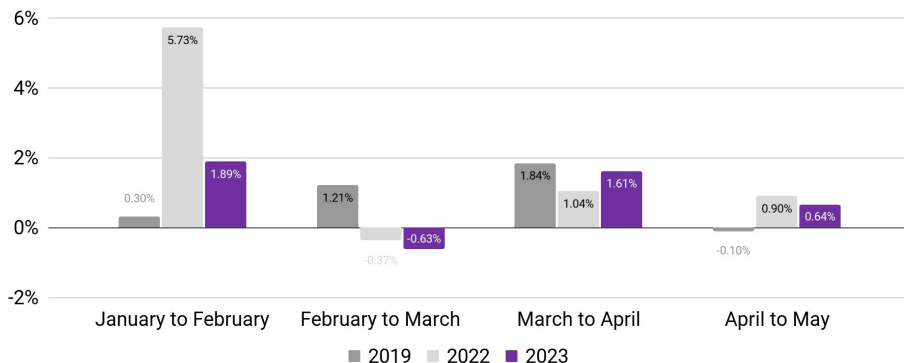


Employment activity at small businesses increased in May

As spring turns to summer, small businesses experience a seasonal boost

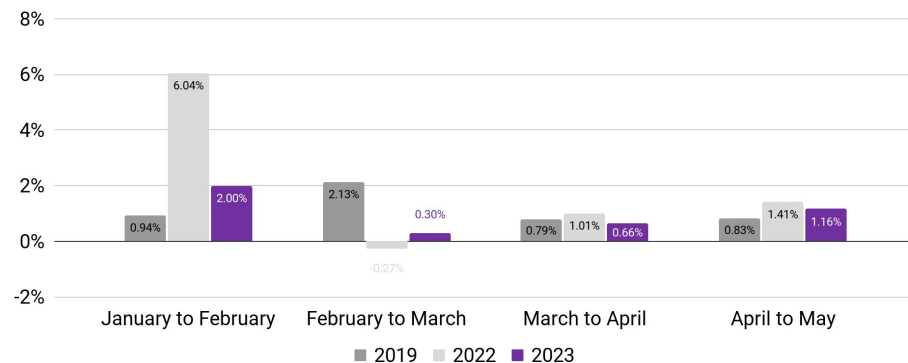
Employees working

(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 generally compares rolling 7-day averages for weeks encompassing the 12th of each month; April 2023 data encompasses subsequent week to account for Easter holiday. [Source: Homebase data.](#)



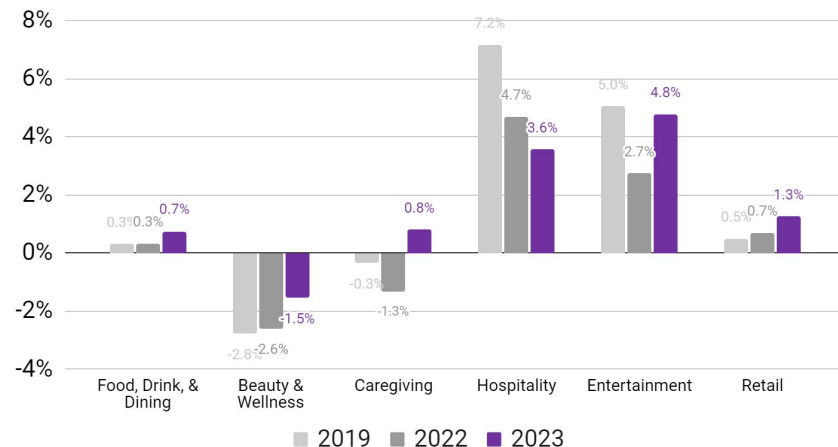
Retail and Food & Drink are showing strength, continuing to outpace historical seasonal growth

While most industries have picked up through May, **Retail, Food & Drink, and Caregiving** (1.3%, 0.7%, and 0.8%, respectively) have exceeded their seasonal growth benchmarks most significantly.

Hospitality (3.6%) and Entertainment (4.8%) saw the strongest increases from April to May, though their growth fell short of previous years.

Percent change in employees working

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

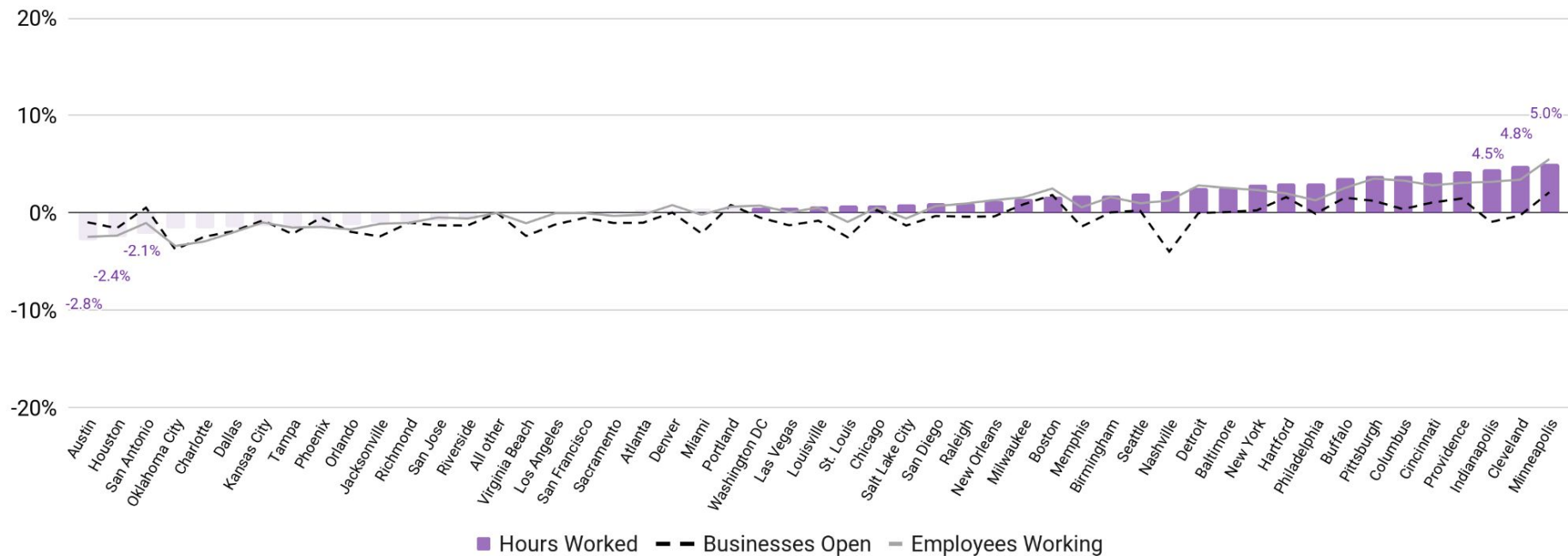


1. May 12-18 vs. April 7-13 (2019) and May 7-13 vs. April 16-22 (2023). Pronounced dips generally coincide with major US Holidays. [Source: Homebase data](#)



Spring weather likely driving regional differences

Warm weather in the Midwest and storms in Texas translated into varied business activity



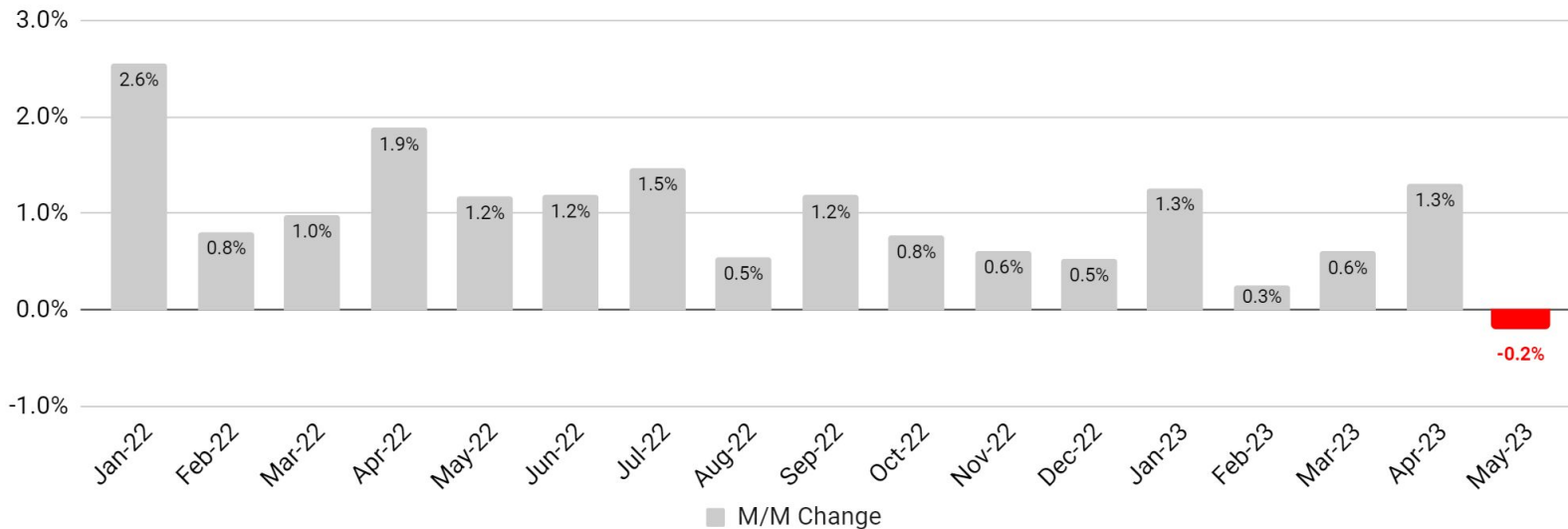
Note: May 7-13 vs. April 16-22. [Source: Homebase data](#)



After yet another interest rate hike, wage rates declined month over month for the first time since 2021

Wage inflation

Month-over-month change
in average hourly wages



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



Joey Nedland, Strategy & Operations
jnedland@joinhomebase.com

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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 May 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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