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Main Street Health Report



Main Street at a glance:

The end-of-summer slow down is underway, with businesses that staffed up in the spring now scaling down. However, worker wages continued to rise as Main Street fights to retain good talent amid a persistent labor shortage.

Most small business hourly workers are satisfied with their jobs and pay, as new priorities like schedule flexibility and team relationships top the list. Workers are less optimistic about future prospects, as inflation worries increase.

NEW AND NOTEWORTHY



Main Street wages continued to rise in August, **despite salary cuts across big industries** like technology and transportation, showing that small businesses are still battling the labor shortage.



Hospitality saw only a slight dip in employees working as teams thinned towards end of summer while still supporting greater demand than prior years.



Consistent summer wage growth has impacted worker priorities, with employees now **valuing schedule flexibility & control and team relationships over wages**.



Inflation remains a top concern for hourly workers (more than 3x more than losing one's job). Longer working hours have also been an increasing worry.

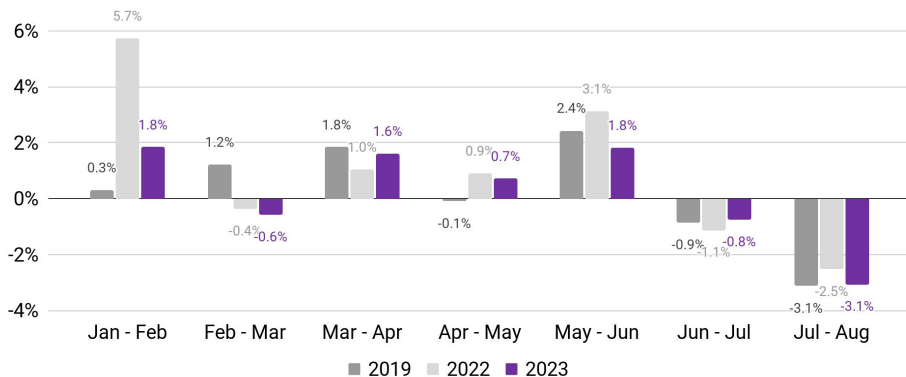


Summer slowdown has begun, in line historical seasonal trends.

The number of employees working and hours worked dropped from July at the same rate as prior years.

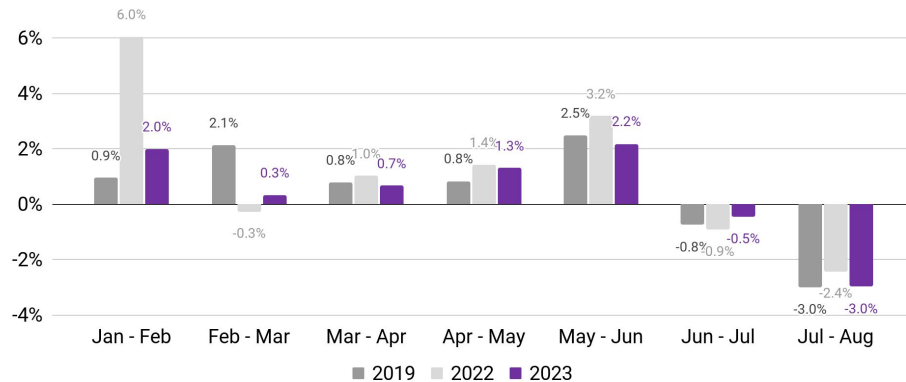
Employees working

(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)



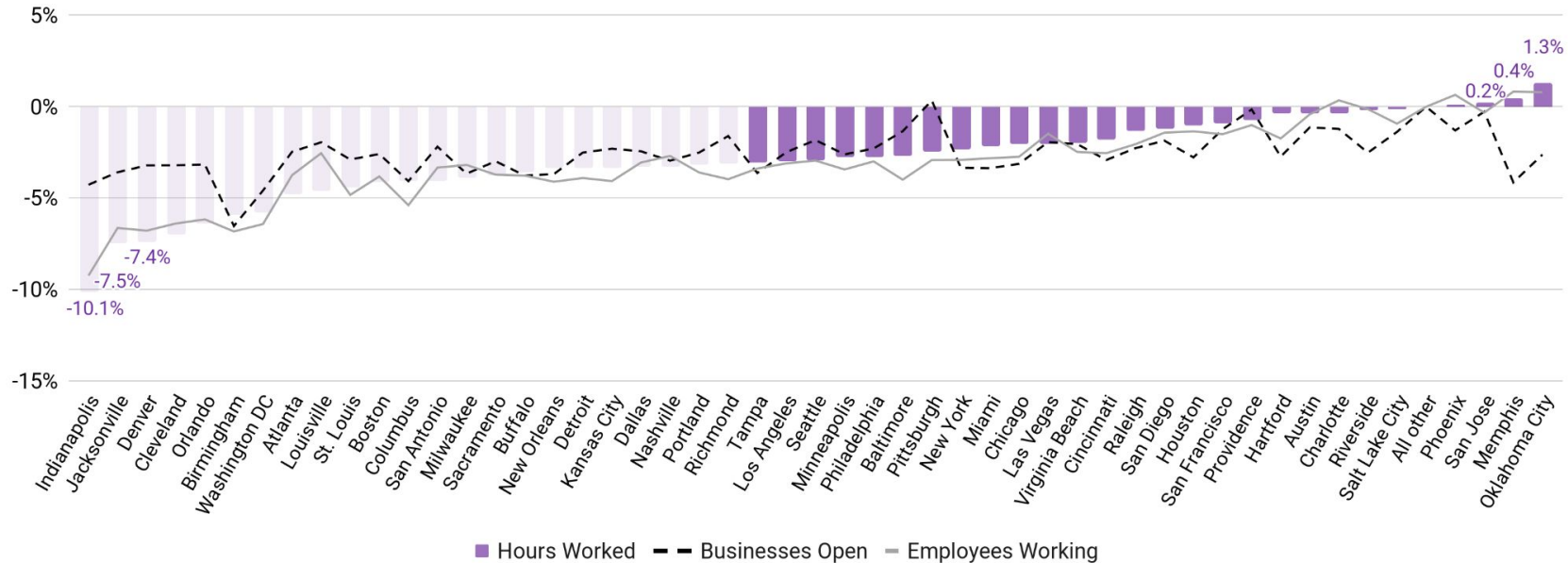
Data compares rolling 7-day averages for weeks encompassing the 12th of each month; April data encompasses the subsequent week to account for Easter holiday. [Source: Homebase data.](#)



Impacts of the July heat dome have cooled.

Reductions in employees working are no longer concentrated in the South.

Output by MSA
Month-over-month change in core economic indicators, by metropolitan statistical area



Note: August 6-12 vs. July 9-15. [Source: Homebase data](#)

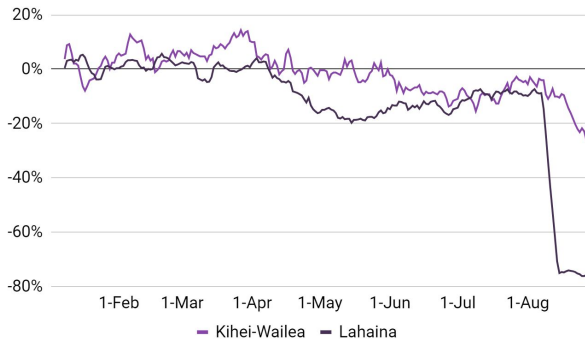


However, the Lahaina fire has affected much of Maui's Main Street.

August's devastating fires in Lahaina destroyed local businesses and forced many others to close their doors and focus on safety and recovery. Outside of Lahaina, calls for tourism to continue in outlying towns, like Kihei and Wailea, encourage visitor foot traffic for local businesses that are trying to keep their doors open and teams gainfully employed.

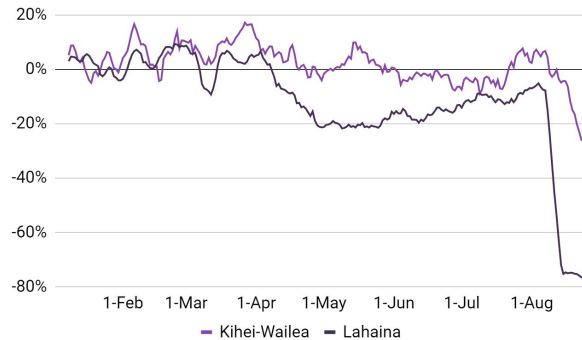
Employees working

(Monthly change in 7-day avg, relative to January 2023)



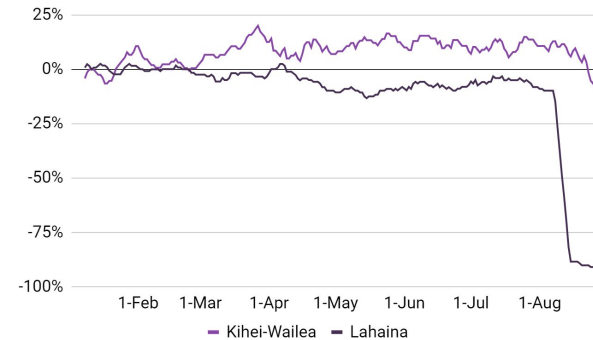
Hours worked

(Monthly change in 7-day avg, relative to January 2023)



Businesses open

(Monthly change in 7-day avg, relative to January 2023)



Note: Data encompasses businesses that operates in the census-designated places (CDPs) of Kihei, Wailea, and Lahaina. [Source: Homebase data.](#)



Fewer employees working is driven by the transition from summer vacations to back-to-school (and work).

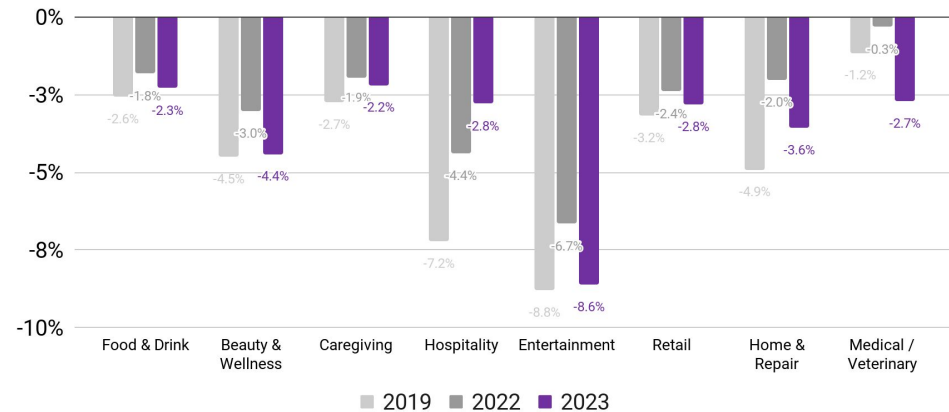
Hospitality businesses saw leaner teams in August than midsummer, but needed more workers to support greater demand than prior years.

This year, Hospitality¹ saw only a slight dip in employees working in August, which is much less than in prior years. This is likely due to early summer labor shortages, which meant lower hiring in [June](#) and [July](#) and thus smaller team reductions in August (compared to previous years).

Entertainment² saw a stark but expected decline in employees, as the need for outdoor activities slowed in line with prior years.

Percent change in employees working

(Mid-August vs. mid-July, using Jan. '19, Jan. '22, and Jan. '23 baselines)³



1. Hospitality includes tourism and hotel/lodging businesses.

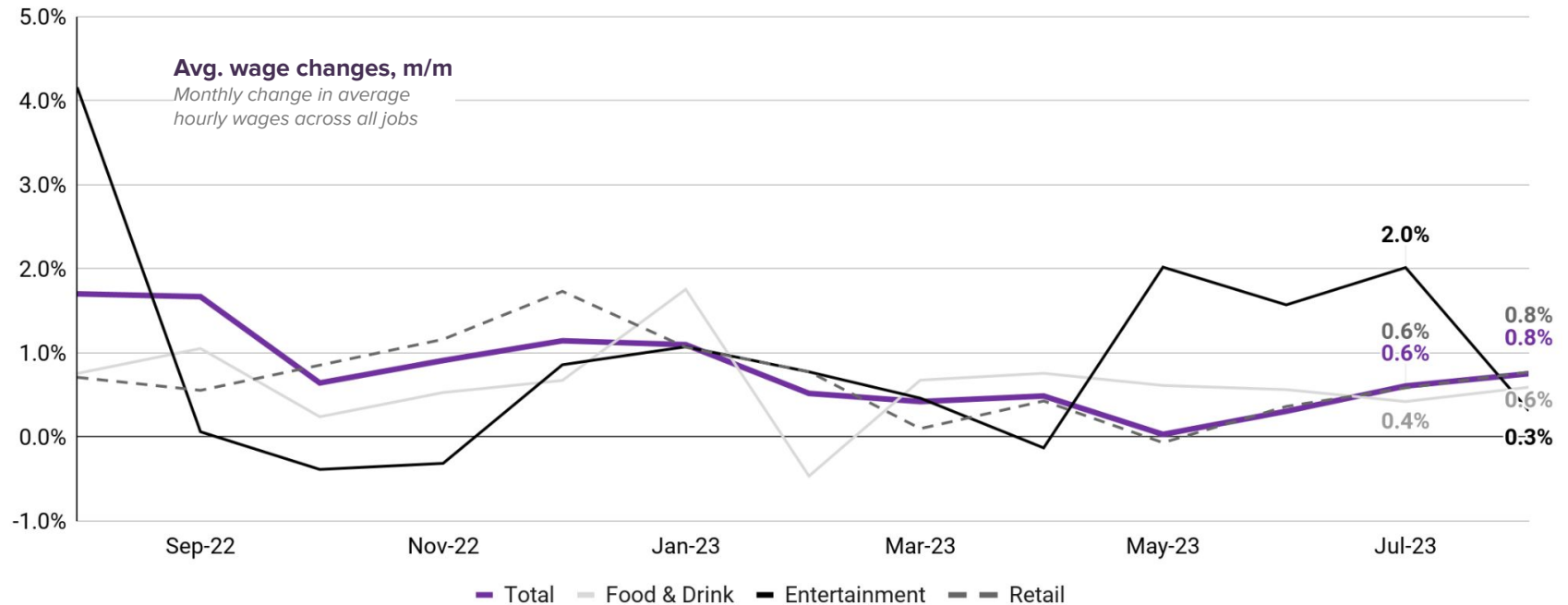
2. Entertainment includes events/festivals, sports/recreation, parks, movie theaters, and other categories.

3. August 11-17 vs. July 7-13 (2019); August 7-13 vs. July 10-16 (2022); August 6-12 vs. July 9-15 (2023). [Source: Homebase data](#)



Wages at small businesses grew even more in August than July.

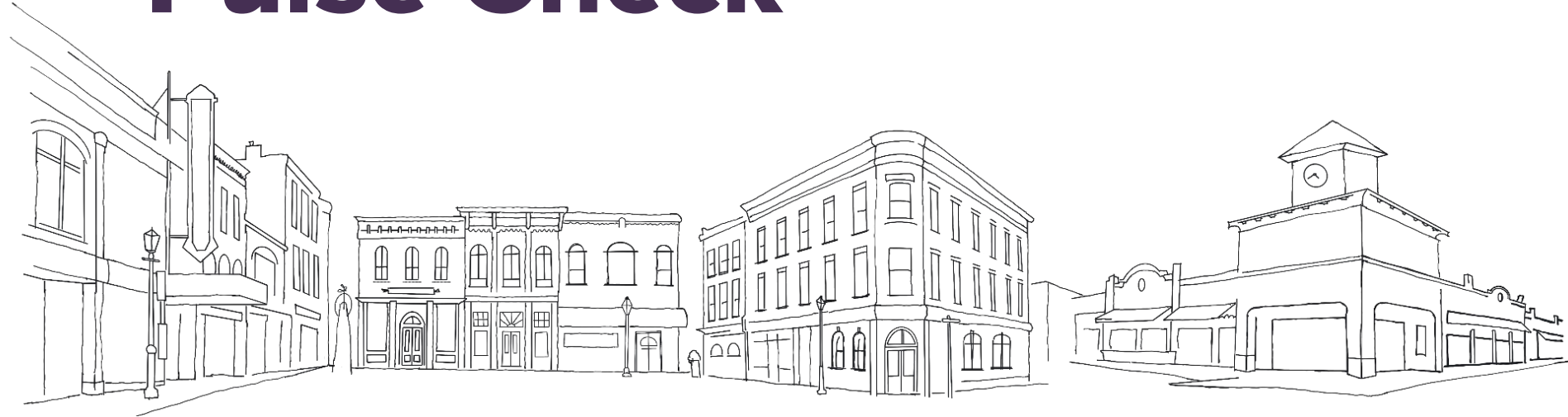
Small businesses continue raise staff wages to retain seasoned teams in the face of labor shortages.



Note: Data measures average hourly wages for locations that utilized Homebase to pay employees in both August 2022 and August 2023. Total includes industries not depicted here. [Source: Homebase Payroll data.](#)

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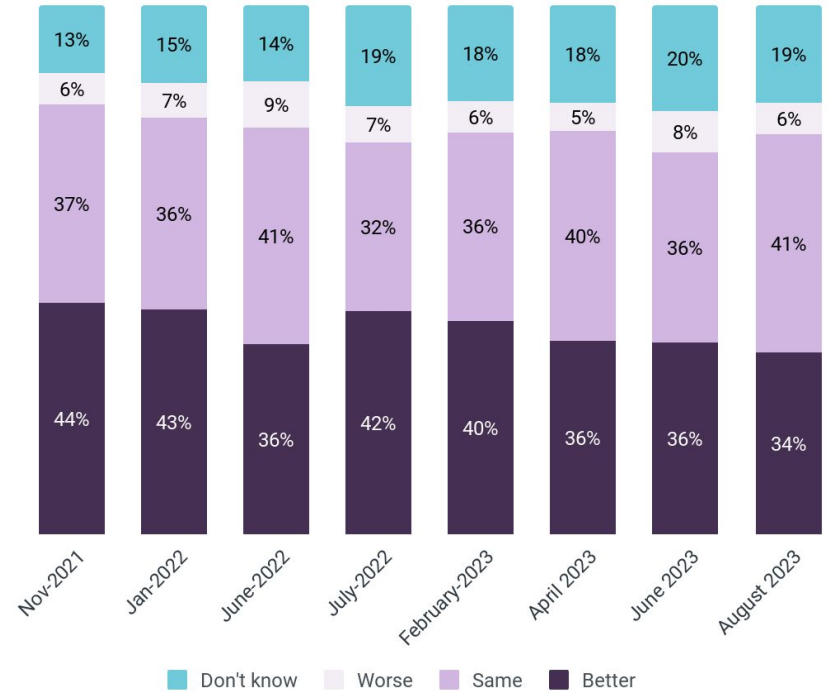
Hourly Employee Pulse Check



Hourly workers are less optimistic about future job options.

Even as wages continue to grow and labor remains tight on Main Street, worker optimism is decreasing and uncertainty is gradually on the rise. This is likely driven by general economic instability or stories in the media.

34% of hourly workers think their job options will be better in 12 months. This rate has been steadily declining since July 2022 when it was at **42%**.



Survey question: Do you think your job options will be better, about the same, or worse in 12 months compared to today?

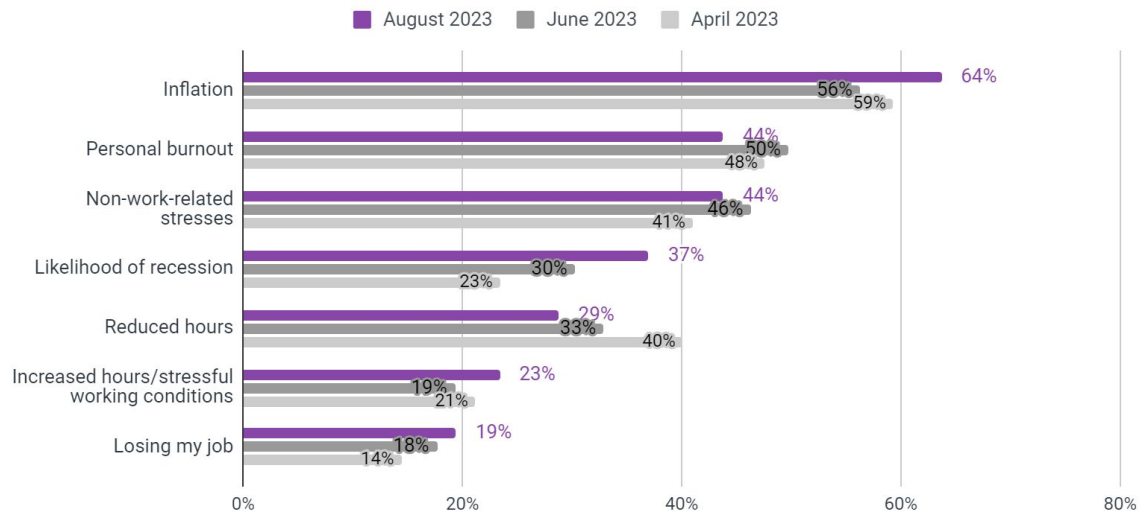
Source: Homebase Employee Pulse Survey
N = 873 (Feb. '23); N = 666 (Apr. '23); N = 611 (Jun. '23); N = 427 (Aug. '23)

Workers are 3x more concerned about inflation than losing their jobs.

Inflation remains a top concern in 2023, as the cost of living rises. In August, **64%** of hourly workers reported being concerned about inflation, an increase of nearly **10%** from June.

Longer working hours for employees also appear to be on the rise. Workers are more worried about increased hours (**23%** in August, up from **19%** in June), and are less worried about reduced hours (**29%** in August, down from **33%** in June).

As you look ahead to 2023, which of the following factors are you concerned about?



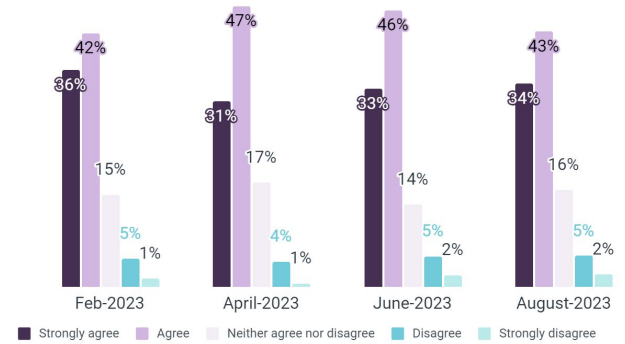
Source: Homebase Employee Pulse Survey. N = 666 (Apr. '23); N = 611 (Jun. '23); N = 427 (Aug. '23)

Job satisfaction on Main Street is consistently high.

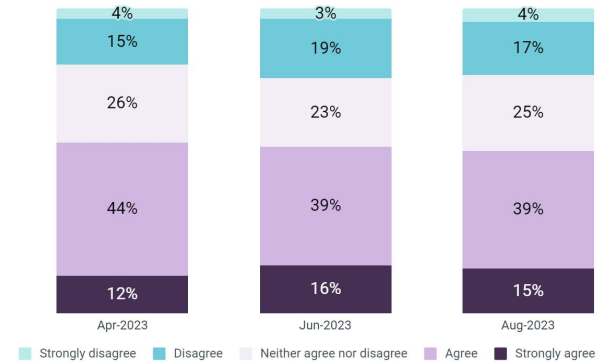
As many as **4 out of 5** hourly workers agree they're happy with their jobs overall.

Their outlook on wages has remained generally consistent. In August 2023, **54%** of hourly workers at small businesses said they were satisfied with their compensation.

To what extent do you agree with the following sentence: "Overall, I am happy with my job."



To what extent do you agree with the following sentence: "Overall, I am satisfied with my level of compensation."

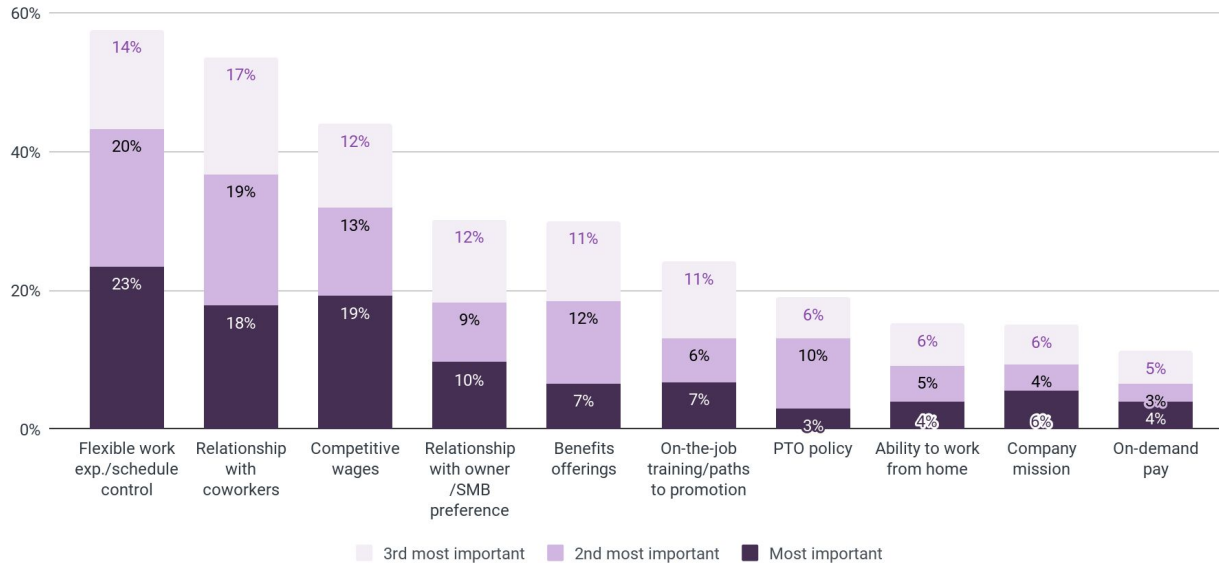


Source: Homebase Employee Pulse Survey
 N = 873 (Feb. '23); N = 666 (Apr. '23); N = 611 (Jun. '23); N = 427 (Aug. '23)

It's about more than just money, say hourly workers.

Flexibility & schedule control and team relationships are the most important factors for employees.

Rank the top 3 most important factors in your decision on where you work

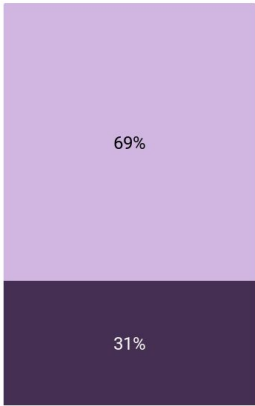


Since May, wage growth has impacted hourly worker priorities, with schedule flexibility and team relationships consistently ranking above wages.

Source: Homebase Employee Pulse Survey. N = 666 (Apr. '23); N = 611 (Jun. '23); N = 427 (Aug. '23)

For workers who receive tips, they are a critical component of compensation.

Do you currently receive tips for your labor?



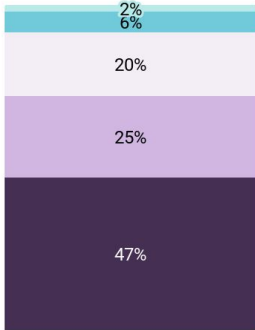
Aug-2023
 No Yes

What percent of your total compensation do tips represent?



Aug-2023
 50%+ 26% - 50% 16% - 25% 6% - 15% Less than 5%

To what extent do you agree with the following sentence: Tips are an important part of my financial well-being.



Aug-2023
 Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

Source: Homebase Employee Pulse Survey. N = 427 (Aug. '23)

Contact Us

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



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If you have any questions, or if you're interested in gaining real-time access to Homebase data feeds, please reach out to data@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, payroll, team communication, hiring, onboarding, and more.

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 August 2023 dataset is based on Homebase data gathered from **more than 100,000 businesses and 2 million hourly employees** active in the US on our platform in March 2023. We are one of the largest and most trusted sources of real-time, quality data on employment growth across the small business landscape.

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.



Wage inflation data measures the monthly change in average hourly wages at businesses who ran Payroll with Homebase in August 2022 and August 2023

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If you use any Homebase content contained in this report, please include a link to: <https://joinhomebase.com/data>

