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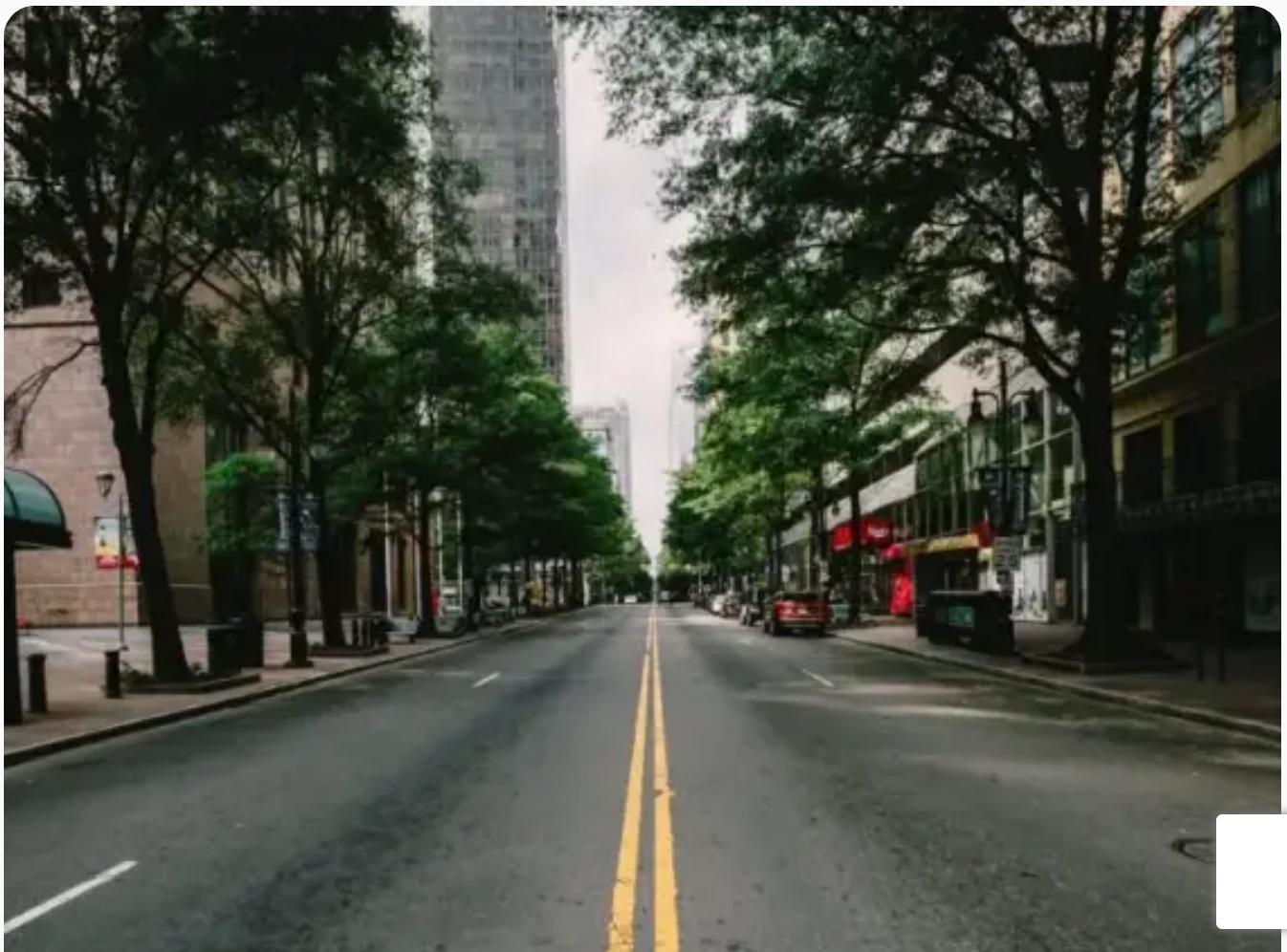
BLOG HUB > THE IMPACT COVID-19 IS HAVING ON SMALL BUSINESSES

THE IMPACT COVID-19 IS HAVING ON SMALL BUSINESSES



By: Kerry McCreadie

October 27, 2020



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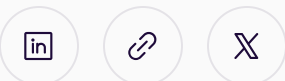
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The spread of coronavirus (COVID-19) is having a devastating impact on small businesses and hourly workers whose hours, shifts, and operations are coming to a full stop. The COVID-19 crisis will come to an end. But until we get there, we have to stay informed and do what we can to protect our local businesses and the incredible employees that sustain them.

to see daily updates on the hours being worked by employees at US small businesses, as well as the number of main street businesses that are no longer open and the employees that are no longer working.

In addition to our [data site](#) and the analysis below, we've also [surveyed workers](#) to understand their experiences and are actively refreshing lists of financial resources for small businesses and employees to help people affected by COVID-19 quickly get relief.

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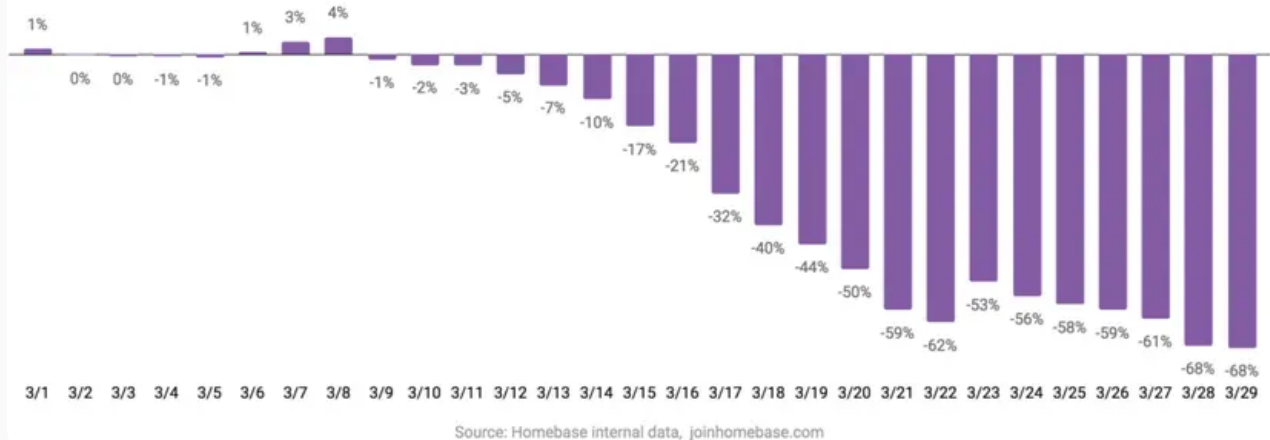


By the numbers: An analysis of the first weeks of the COVID-19 crisis and small businesses

The entire country is feeling catastrophic effects

While many states and cities announced forced closures on Monday, March 16th, to begin on Tuesday, the impacts to businesses started a week earlier. On that Monday, the day before forced closures began, hourly employees were already working 21% fewer hours nationwide.

Once forced closures started taking effect on March 17th, the numbers dropped further. In the first week of forced closures and shelter-in-place orders, we saw as much as a 62% decline in the number of hours employees at small businesses were

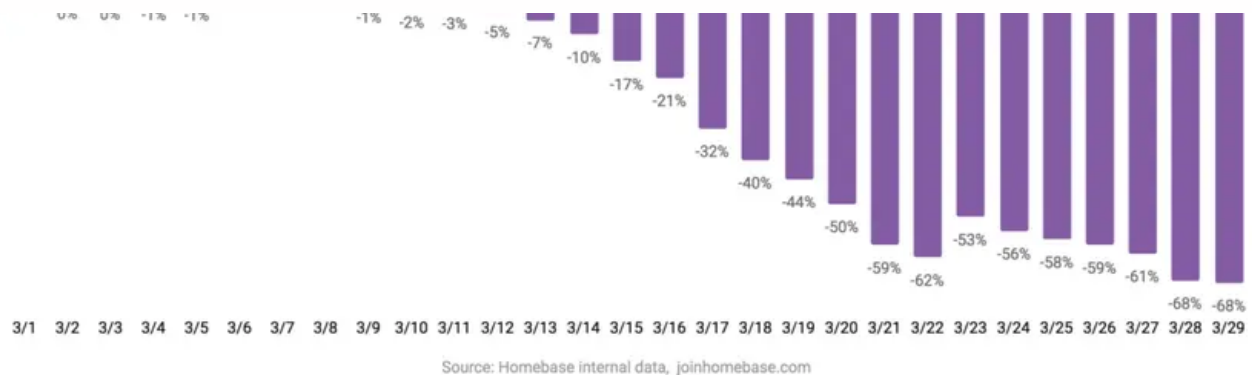


Hourly employees at small businesses are not working

There were also significant declines in employee attendance at work in the days ahead of forced closures. The number of employees going to work dropped 18% on Monday, March 16th, which was ahead of the many forced closures taking effect on Tuesday. This coincides with many school and daycare closures as well as voluntary business closures.

Then once the closures took effect, many more hourly workers at small businesses were not working. On Tuesday, the 17th, 3 out of every 10 employees we would normally expect to report to work did not go. By Sunday, March 22nd, that number increased to 6 out of 10.

In the second week of forced closures, 48% of workers were going to work on Monday, the high point of the week. The weekend was a low point, with only 34% of workers were reporting to work on Sunday.

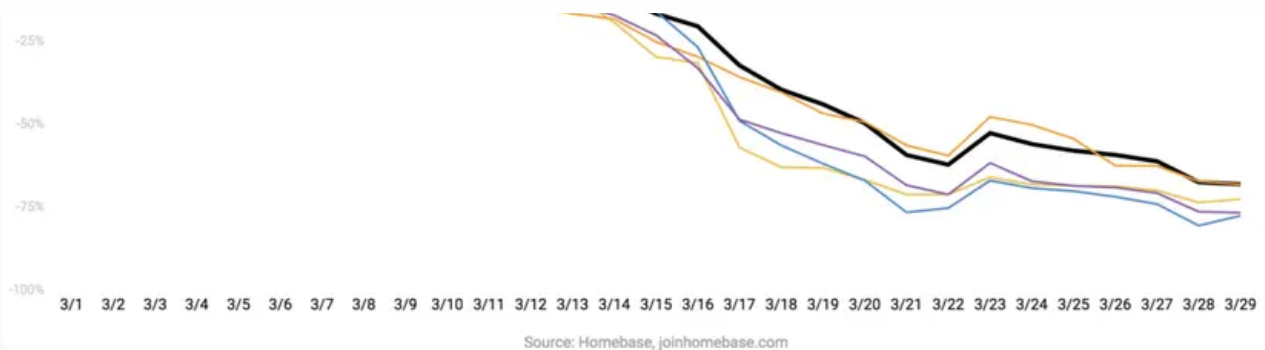


Cities with the largest outbreaks were hit first, but others have caught up

Many of the hardest-hit cities—San Francisco, San Jose, Seattle, New York—showed steep declines in hours worked that align with the rise in coronavirus cases, ahead of forced closures and shelter-in-place mandates. Seattle was the first to see a significant impact, but other cities quickly caught up. The introduction of forced closures and shelter-in-place orders has furthered the slowdown. **Boston, Las Vegas, New York, Pittsburgh, San Francisco, and San Jose were the first to see a catastrophic reduction in hours worked by hourly employees at small businesses—down by 50% or more in each city on Wednesday, March 18th.** By that Sunday, 24 out of the 50 cities we studied were down by 60% or more, and Pittsburgh was facing a staggering 75% reduction in hours worked by hourly employees at small businesses.

The second week into distancing mandates the numbers look just as bad. Monday was a high point for most cities, although it was still down more than 50% nationwide. The greatest declines happen on the weekends. **For Saturday and Sunday, March 28–29th, small business workers in numerous cities are working a quarter or less of the hours they normally would.**

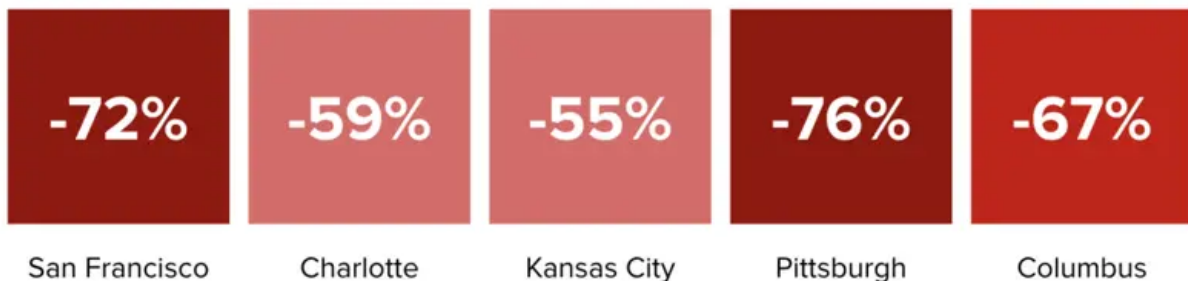
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Notably, cities that lagged in diagnosed cases began feeling the effects as the country overall began practicing social distancing, canceling events, and taking other precautions over the past couple weeks.

With the closures in place, the picture by Sunday, March 22nd, was dire. **Boston, Chicago, Las Vegas, New York, Pittsburgh, and San Francisco were the most extreme; 7 out of every 10 employees we would normally expect to report to work did not go.** And other cities are close behind. In the following week, the numbers did not improve.

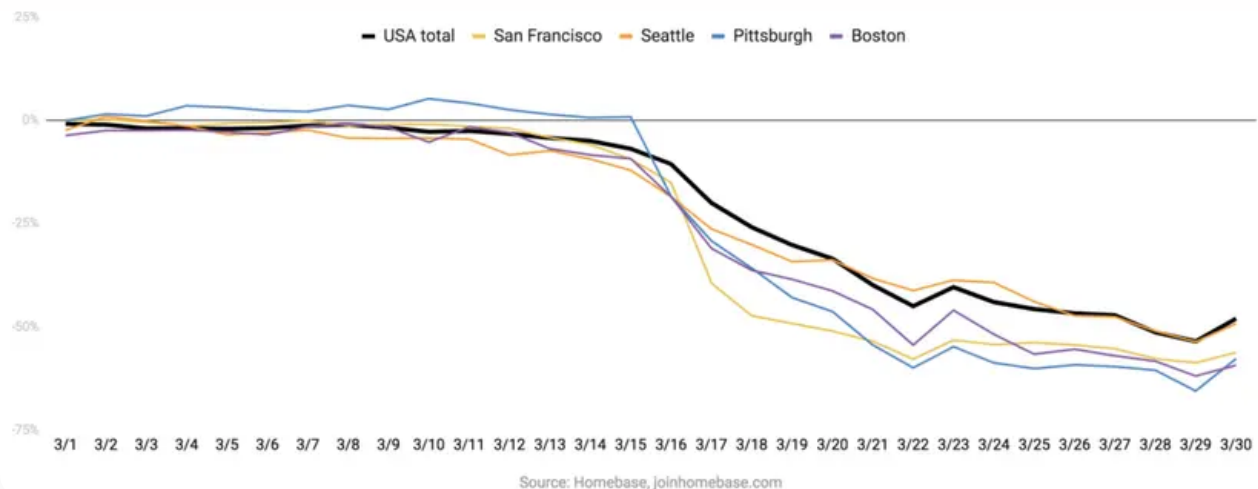
REDUCTION IN NUMBER OF HOURLY SMB WORKERS GOING TO WORK ON SUN MAR 29



Source: Homebase, joinhomebase.com

Small businesses have rapidly closed across the U.S.

Small businesses are quickly shuttering nationwide. Eleven percent of all the businesses we studied were not operating as of Monday, March 16th, even before forced closures went into effect. On Tuesday, the first day of closures for many people, the number rose to 20%. By Sunday, March 22nd, 45% of businesses were not operating. In Las Vegas, Pittsburgh, and San Francisco, it was around 60%. By



Obviously, the longer forced closures are in effect and the stricter they get, the more businesses are likely to shut down operations. It should, however, be less prevalent for businesses that provide “essential” services and are exempt from forced closures, such as gas stations, pharmacies, grocery stores, and restaurants that offer take-out and delivery options. What remains to be seen is how many of the “non-essential” businesses will be able to re-open once the forced closures and voluntary social distancing are over.

The stakes are massive

We’re now at a point of losing at least \$2 billion in wages a day. **We estimate the total impact of lost wages in the US to be over \$26 billion since the forced closures began on March 17th.**

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Wages being
lost per day

\$25.9B

Estimated wages lost
in US, Mar 17 - 29

\$60B+

Projected wages lost
in US per month

As of March 29 2020 Source: Homebase, Joinhom

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Kerry McCreadie



Kerry McCreadie is the Senior Manager of Organic Growth at Homebase, leading SEO and content strategy for small businesses with hourly teams. With over 10 years of experience, Kerry has developed hundreds of templates and resources for business owners. They've run an arts and culture nonprofit for over a decade and operated their own photography business, bringing hands-on small business understanding to everything they create.



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