

CBIZ Small Business Employment Index Sees Significant Drop

October 5, 2012

- Following a Rebound in August, Index Suffers a Setback -

CLEVELAND--(BUSINESS WIRE)--Oct. 5, 2012-- The [CBIZ Small Business Employment Index](#) (SBEI), a barometer for hiring trends among companies with 300 or fewer employees, decreased by 2.55 percent during September, following an increase of 1.15 percent in August. This marks the third largest statistical decline for the index.

ADP's September jobs survey uncovered that the private sector added 162,000 jobs, surpassing analysts' expectations, but falling short of August's revised tally of 189,000 added jobs.

"The CBIZ Small Business Employment Index shows a dramatic drop in employment in businesses with less than 300 employees for September. Part of the reason is the traditional end of summer and the start of the back-to-school season; however, this drop registers higher than previous September shifts we've tracked," states Philip Noftsinger, business unit president for [CBIZ Payroll Services](#).

CBIZ Payroll Services manages payroll services for more than 3,000 businesses. Its index reflects a broad array of industries and geographies corresponding to the markets across the United States where CBIZ provides human capital services. The data represented by the SBEI is derived from a segment of employers not completely accounted for by the ADP and Federal BLS employment reports.

To view and/or use a graphic illustration that tracks and illustrates the employment index, [visit our blog here](#).¹

Additional take-away points from the September data set include:

- **At-a-glance:** Of the companies surveyed, 18 percent increased staffing while 32 percent of the companies decreased employee headcounts. 50 percent of the companies surveyed maintained their number of employees.
- **Small business sector:** This recent decline should cause us to pause and consider whether or not our leaders' inability to reconcile spending cuts and tax legislation, known as the "fiscal cliff," is having a greater impact on the mindset of the small business owner.
- **What-to-watch:** It has been the common belief that uncertainty caused by the "fiscal cliff" has slowed investments by our country's entrepreneurs. Until our leaders develop a solution and provide some clarity, a robust holiday hiring season could be in question.

"If today's reading is supported by additional negative readings from other indicators and prospective evaluations of the SBEI, the 'fiscal cliff' may be causing small business owners to reduce the resources they are deploying. The inability to act by the federal government is likely a key reason for this situation," says Noftsinger.

The small business sector of the economy continues to attract headline coverage as the presidential campaign is now centered on job creation and our economy. The SBEI is focused on this portion of our economy and is a critical component to understanding domestic economic trends.

Editor's notes:

(1) *The SBEI illustration is licensed under a Creative Commons Attribution-NoDerivs 3.0 Unported License. Based on a work at <http://blog.cbiz.com>.*

(2) *The United States Department of Labor's Bureau of Labor Statistics Employment Situation Summary is due to be released on Friday, October 5, at 8:30 a.m. ET. Mr. Noftsinger is available for media interviews to discuss employment trends and other payroll matters impacting the American business environment.*

About [CBIZ, Inc.](#) (NYSE:CBZ)

CBIZ, Inc. provides professional business services that help clients better manage their finances and employees. CBIZ provides its clients with financial services including accounting, tax and consulting, internal audit, merger and acquisition advisory and valuation services. Employee services include employee benefits consulting, property and casualty insurance, retirement plan consulting, payroll, life insurance, HR consulting, and executive recruitment. CBIZ also provides outsourced technology staffing and support services, healthcare consulting, and medical practice management. As one of the largest benefits specialists and one of the largest accounting, valuation, and medical practice management companies in the United States, the Company's services are provided through more than 130 Company offices in 37 states. Visit our website at www.cbiz.com and our blog, "Human Capitalizing," at <http://blog.cbiz.com>.



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