

CBIZ Small Business Employment Index Shows Small Business Payroll Growth Lagging Broader Economy

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-Second month of modest growth is consistent with the index's gain from December 2012-

CLEVELAND--(BUSINESS WIRE)--Jan. 10, 2014-- The [CBIZ Small Business Employment Index](#) (SBEI), a barometer for hiring trends that surveys data from 3,500 companies with 300 or fewer employees, increased by .31 percent during December following an increase of .52 percent in November.

The uptrend reflected in the SBEI comes on the heels of Wednesday's ADP December survey, which revealed that the private sector added a better-than-expected 238,000 jobs during the month. This total is the highest ADP estimate offered since November 2012. Additionally, the November tally of 215,000 jobs created was revised upward to 229,000.

"Despite being stable year over year, this monthly metric is lower than the three years prior to 2013. Consistent, but relatively muted gains in November and December showed that small business owners, battered by a half decade of decreasing demand and increasing regulation, are still wary of investing heavily in additional labor until they see widespread and steady economic recovery," offers Philip Noftinger, business unit president for [CBIZ Payroll Services](#).

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 December data set include:

- **At-a-glance:** Payroll stability continues on from last month as 54 percent of the companies in the index had no change in staffing for the second consecutive month. 23 percent added staff in December while 23 decreased employee headcount.
- **Small business sector:** Businesses with fewer than 300 employees have historically been slower to accelerate hiring and payroll growth when compared to larger companies. Concerns about the implementation of the ACA, the debate over minimum wage levels and tax changes that went into effect in 2013 are among the reasons why these companies have grown payrolls at a slower rate than their larger peers.
- **What to watch:** Dangerously cold weather, called the "polar vortex," will impair big and small businesses alike. Current estimates call for a potential \$5 billion blow to the economy due to weather impacting travel, work and consumer spending. This could negatively impact what was expected to be a positive start to 2014.

CBIZ Payroll Services manages payroll services for more than 3,500 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.

Editor's note:

(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>.

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Gregory FCA for [CBIZ, Inc.](#)

Jimmy Mook, 610-228-2125

Cell: 610-348-7849

jimmy@gregoryfca.com