

CBIZ Small Business Employment Index Shows Continued Strength in Payroll Growth at Small Businesses

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CLEVELAND--(BUSINESS WIRE)--Jun. 6, 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 1.57 percent during the month of May. Previous SBEI readings revealed an increase of 1.25 percent during April, as well as an increase of 1.01 percent in March.

Looking at Wednesday's ADP May survey, it came in below Wall Street estimates. The payroll processor, along with Moody's Analytics, revealed that May slowed in overall hiring with 179,000 jobs being added, missing the 210,000 estimate. Additionally, the April ADP employment figure was revised downward to 215,000 from an initial reporting of 220,000 one month ago. The major difference between the ADP and SBEI is that the SBEI is not seasonally adjusted. The prior four years of the SBEI survey results, in the May period, have revealed a positive growth trend of 1 percent.

"Our analysis of the data covered by the CBIZ SBEI shows that small businesses have sustained their staff headcount growth month over month, with May being the strongest month for hiring in 2014 among employers with fewer than 300 employees. As we review and interpret other macroeconomic reports, we're noticing consistent signs of positive economic activity," says Philip Noftinger, business unit president for [CBIZ Payroll Services](#).

Noftinger notes that May tends to be a stronger-than-average month for small business hiring, but this year's data shows an even more robust report. "From a historical perspective, the SBEI typically lands in positive territory in the May period, although this May is the second highest in the past five years of our data—trailing only May 2013 when we saw an increase of 1.91 percent," he explains.

To review an infographic with data from the employment index, [visit our blog here.](#)¹

Additional take-away points from the May SBEI jobs numbers include:

- **At-a-glance:** 29 percent of the companies in the SBEI added to their payrolls in May while fewer than one in five companies with under 300 employees reduced their headcount.
- **Small business sector:** May is the third consecutive month with a positive indicator in terms of small business hiring. Historically, the June and July reports for the SBEI have shown payrolls to be flat. If the sector shows positive job growth through the rest of summer, it could continue to fuel economic expansion going into the third quarter.
- **What to watch:** As the summer evolves, heavy storms, tornados and hurricanes could bring challenges to small businesses that are easily affected by severe weather, as we witnessed this past winter. Major storms of magnitude could hinder prospects for acceleration in hiring in some regions of the country.

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:

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