

The CBIZ Small Business Employment Index Reveals a Decline in Hiring this January

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While the January reading of the CBIZ SBEI shows a decline in hiring, the seasonally adjusted number is upbeat.

CLEVELAND--(BUSINESS WIRE)--Feb. 6, 2015-- [The CBIZ Small Business Employment Index \(SBEI\)](#), a barometer for hiring trends that surveys labor data from over 3,500 companies employing 300 or fewer people, decreased by -2.71 percent during January, a trend that has persisted each year since the SBEI's inception. This follows an increase of 1.22 percent in December.

Wednesday's jobs report from the payroll processor ADP also shows slower hiring growth. It offered that businesses added 213,000 jobs in January despite economists' predictions that the report would show 223,000 new private sector jobs this month.

"January is always a month which brings some level of volatility, as the holiday season winds down and winter weather begins to disrupt economic activity. When taken within the context of prior years, however, this January reading shows favorably, and with seasonal adjustment would represent a .02 percent growth in small business hiring," says Philip Noftsinger, business unit president for [CBIZ Payroll Services](#).

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

Additional take-away points from the January SBEI include:

- **At-a-glance:** 21 percent of the companies included in the SBEI during January added staff during the period, while 30 percent decreased payroll commitments. 49 percent of the small businesses in the Index made no change to their employee totals.
- **Key points from prior years:** The January 2015 SBEI reading remains in line with prior readings of this period. Historically, January readings show a decline in hiring, following the holiday shopping rush and the impending winter weather. However, if this reading is seasonally adjusted, it shows a .02 percent growth, which further supports signs of slow but encouraging growth funneled by gas prices, economic activity and growing consumer and small business owner confidence, as referenced by the past two NFIB reports.
- **What could the future bring?** Despite the steadily growing level of confidence, February has historically been a mildly positive month of growth. Small business owners will need to accelerate growth through 2015 in order to address many of the issues underlying the jobs numbers, such as real wage growth and full time quality employment.

CBIZ Payroll Services manages payroll services for more than 4,000 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.

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://www.cbiz.com/insights-resources/blog>.*

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