

The CBIZ Small Business Employment Index Shows First Positive Reading in 2015

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First Quarter Staffing Data Ends on a High Note as Small Business Employment Gauge Spikes

CLEVELAND--(BUSINESS WIRE)--Apr. 3, 2015-- [The CBIZ Small Business Employment Index \(SBEI\)](#), a barometer for hiring trends that surveys labor data from over 4,000 companies employing 300 or fewer people, increased by 0.56 percent this March. This follows a decrease of -0.69 percent during the month of February and supports the notion that small business hiring is in the early stages of growth.

"Agile and attentive small business owners continue to focus on demand driven investments in labor, which allows them to find temporary help to overcome periods of higher work load. But, this can only be a strategy for the short term, and continued macro growth should encourage small business owners to engage in long term commitments to the labor force," says Philip Noftsinger, business unit president for [CBIZ Payroll Services](#).

Noftsinger suggests that this reading of the SBEI dovetails with the findings of the recent NFIB Small Business Optimism report, which points to a lack of qualified applicants for the open positions business owners have open. The current surplus of labor and shortage of talent on Main Street could support some of the recent wage increases reported among larger businesses, which occur when qualified applicants are difficult to find in times of lack of supply or talent.

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

Additional take-aways from the March SBEI include:

- **At-a-glance:** 25 percent of the companies included in the SBEI during March increased payroll commitments, 22 percent reduced headcounts and 53 percent of the small businesses in the index made no change to their employee totals. More than 4,000 small businesses were included in the March period of the SBEI.
- **March take-aways:** This reading of the SBEI shows the continuing positive trend of increased hiring during the month of March since the index began in 2009. Though this year's number falls below the March average of 1.21 percent, it is evidence that we are just entering the early innings of small business hiring and long term growth in the labor market.
- **What could the future bring?** While other reporting focused on small business hiring demonstrates a trend of positive optimism, this has yet to translate into significant employment gains. As long as the current economic trend continues, small businesses are likely to invest in more new hires in the future. Further, if macro growth continues on an upward trend, small business owners will be likely to engage in more long term labor commitments.

"April is a historically positive month for small business labor growth, so we will need to see this positive trend persist into the spring in order to fully support the notion that small businesses are once again buyers of labor," continued Noftsinger.

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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