

The CBIZ Small Business Employment Index Pushes Forward in April

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Small Business Employment Tracks the First Consecutive Surge in Hiring for 2015

CLEVELAND--(BUSINESS WIRE)--May 8, 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 1.17 percent this April. This follows a 0.56 percent increase during the month of March and supports the idea that Main Street may finally be experiencing a recovery in the labor market.

"The April findings of the Small Business Employment Index support the traditional, positive trend for this period. Last year, it seemed as though larger businesses were fueling any job gains the economy enjoyed, but this is turning around to favor smaller companies now, too. It's clear that small businesses are driving the hiring that's taking place in 2015, while larger businesses may be slowing or reducing headcount, translating to the lower numbers of the ADP and BLS reports," says Philip Noftsinger, business unit president for [CBIZ Payroll Services](#).

In regard to ADP's metric, the payroll processor revised down its March report to 175,000 jobs from the initial 189,000 it reported. For its most current reading, it tracked businesses adding just 169,000 jobs in April, while economists expected 198,000 new jobs. However, companies with fewer than 500 employees added 164,000 jobs last month, making the picture much brighter for small businesses.

Noftsinger suggests that small businesses may be able to take out the final slack that remains in the jobs report this year if this positive trend continues into the late spring.

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

Additional take-aways from the April SBEI include:

- **At-a-glance:** 26 percent of the companies included in the SBEI during March increased payroll commitments, 21 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 April period of the SBEI.
- **April take-aways:** This reading of the SBEI finds the first consecutive increase in hiring so far for 2015. As a historically positive month for hiring, April's number beats the average of 0.97 percent growth, but falls short of last year's increase of 1.25 percent during the period. Overall, this month finds solid growth for the small business labor market.
- **What could the future bring?** May will be a critical month for determining the path of small business employment through the rest of 2015. May is a usually strong month for hiring, so a positive report will further support the trend we are seeing through the early part of the year and into the summer months. Additionally, the current weakness among larger businesses' hiring could be attributed to the strength of the dollar. Further confusing the picture, the weekly jobless claims average has reached the lowest level in 15 years. It will be important to keep an eye on these economic indicators to gain a better understanding of the labor market's strength going forward.

"It appears that 2015 will look similar in total to 2014 in terms of mild job growth, just with different constituencies driving growth versus slowing it," said 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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