



The CBIZ Small Business Employment Index Reports A Red October

November 6, 2015

Seasonally adjusted, the metric is mildly positive for the month

CLEVELAND--(BUSINESS WIRE)--Nov. 6, 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, registered a -0.04 percent change from September to October, indicating no significant change in hiring this period.

"After two months of consecutive slides in hiring, a stagnant October can be interpreted as creating a pent up demand by small business for year-end hiring. Four of the last five years, we've seen this same employer population increase payrolls the following months preparing for the holiday season. We anticipate seeing a similar trend unfold," says Philip Nofstinger, business unit president for [CBIZ Payroll Services](#). "Seasonally adjusted, the CBIZ SBEI is mildly positive this month with a 0.37 percent growth in hiring."

Wednesday's jobs report from the payroll processor ADP and Moody's Analytics also revealed some weakness in job growth. It reported that businesses added 182,000 jobs in October down from September's 190,000 revised count.

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

Additional takeaways from the October SBEI include:

- **October snapshot:** This month, 24 percent of companies included in the SBEI reduced headcounts, 27 percent increased payroll commitments, and 49 percent of the small businesses in the index made no change to their employee totals. Over the past seven years, the average reading for the SBEI in October is -0.23 percent, with only two of those readings being positive.
- **What industries should we be watching?** The SBEI data revealed job growth in Life Sciences, Healthcare and Professional Services. At the same time, data showed declines occurred in Arts/Recreation, Manufacturing and Information Services.
- **What's next?** Small businesses have been staying on the sideline of the labor market as macro-economic signs continue to point to a fourth quarter slowdown. However, with the October reading, the economy could be in the midst of a slow swing back to an environment where small businesses look to add staff in the final two months of the year to support holiday and seasonal demand from consumers.

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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