



The CBIZ Small Business Employment Index Continues to Sour

December 4, 2015

Metric Reveals a Surprisingly Weak Month for Small Business Hiring, Even With the Holiday Season in Full Swing

CLEVELAND--(BUSINESS WIRE)--Dec. 4, 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 -1.13 percent change from October to November.

"Our November reading of the SBEI is reflective of this month's NFIB report, which also shows small business owners remaining on the sidelines in terms of hiring," says Philip Noftsinger, president of CBIZ Employee Services Organization. "Considering economic data for the past few months has been deteriorating at a measurable pace, we shouldn't be too surprised to see a decrease for the month of November."

Though Wednesday's jobs report from payroll processor ADP revealed businesses added 217,000 jobs in November, the broader economic picture bodes caution. New home sales have retracted and investments in capital expenditures have slowed over the past 10 months. Also, while consumer sentiment rose in October, it was the second lowest reading of the year.

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

Additional takeaways from the November SBEI include:

- **November snapshot:** This month, 28 percent of companies included in the SBEI reduced headcounts, 21 percent increased payroll commitments, and 51 percent of the small businesses in the index made no change to their employee totals.
- **What industries should we be watching?** Few industries grew in this month's SBEI reading. Administrative and Support Services led the way, followed by other Non-Profits and Professional and Financial Services. Technology and Life Sciences, Entertainment and Recreation, and Construction sectors all saw large declines. Smaller declines in staffing were noted in Transportation, Wholesale Distribution, and Manufacturing. Retail also recorded a slight decline.
- **What's next?** The holiday season did not result in a positive surge as we have seen in years past. One explanation could be Americans turning to online outlets as the preferred mode of shopping this year. As a result, small businesses are not seeing the need to hire in-store help. Also, after a weaker than expected fourth quarter, this reading does not set the stage for a positive start to 2016.

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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[Gregory FCA](#) for [CBIZ, Inc.](#)

Kelly Forst, 610-228-2396

kellyf@gregoryfca.com