

The CBIZ Small Business Employment Index Closes 2015 on a High Note

January 8, 2016

December Reveals Surprisingly Solid Growth in Small Business Hiring

CLEVELAND--(BUSINESS WIRE)--Jan. 8, 2016-- [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 1.89 percent growth in small business hiring this December. The final month of 2015 marked the first positive reading for the SBEI since July.

"The December CBIZ SBEI delivered a late holiday gift of solid growth in the small business labor market," says Philip Noftsinger, president of CBIZ Employee Services Organization. "After the Federal Reserve raised interest rates in December, it would seem that concerns over the economy were a bit overstated."

Wednesday's jobs report from payroll processor ADP revealed businesses added 257,000 jobs in December, which exceeded economists' expectations of 192,000 advances. As steady job gains drove the Fed to raise interest rates this month, continued security in the labor market could bring economic stability in 2016.

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

Additional takeaways from the December SBEI include:

- **December snapshot:** This month, 19 percent of companies included in the SBEI reduced headcounts, 31 percent increased payroll commitments, and 50 percent of the small businesses in the index made no change to their employee totals. While December is historically a positive hiring month for small businesses, this December was especially strong, printing 81 percent higher than the previous five-year average.
- **What industries should we be watching?** While Real Estate, Manufacturing, Retail and Financial Services enjoyed some growth, Information Services, Non-Profits, Healthcare and Professional Services led December growth. Non-Profits and Retail growth is typical for this time of year, but moderate growth in Manufacturing was surprising. Agriculture and Entertainment/Recreation saw declines during December.
- **What's next?** Looking ahead to next week, eyes will be on the retail sales report on Jan. 15, as these numbers will provide better context for economic activity. However, early January fears over China and North Korea may throw the economy back into fear mode. Beyond January, Challenger, Gray & Christmas Inc. recently forecasted that labor market conditions for 2016 will involve more hiring and increased wages, following the rise in job cuts in 2015.

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:

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