

The CBIZ Small Business Employment Index rises slightly in February

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- Small Business Owners Still Skeptical About Building Workforces Given Economic Climate -

CLEVELAND--(BUSINESS WIRE)--Mar. 4, 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, showed almost no change in hiring for February, registering a 0.09 percent month-over-month increase in employee headcounts.

“Seasonally adjusted, the SBEI for February saw a month-over-month increase in small business hiring of 0.17 percent. However, I’m not certain that this positive reading is nearly enough to stimulate optimism among small business owners,” says Philip Noftsinger president of CBIZ Employee Services Organization. “Weather, macroeconomic data and political concerns seem to be factors contributing to small business owners holding onto the employees they have and waiting for better signals before adding human capital.”

Wednesday’s jobs report from payroll processor ADP and Moody’s Analytics revealed that businesses added 214,000 new hires versus the 190,000 expected in February. Additionally, the report offered that January’s total was revised down to 193,000 new hires from 205,000 previously announced.

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

Additional takeaways from the February SBEI include:

- **February snapshot:** When compared to the prior month, 24.8 percent of companies included in the SBEI reduced headcounts in February, 23.7 percent increased payroll commitments, and 51.5 percent of the small businesses in the Index made no change to their employee totals. The month of February on average sees headcounts rise about 0.01 percent compared to the prior-month period.
- **What industries should we be watching?** This month, the Education, Entertainment/Recreation, and Non-Profit industries saw headcounts grow month over month, while Utilities, Financial Services and Manufacturing all reduced headcounts during the same time period. The decline in Utilities resulted from the volatility in the oil markets.
- **Geographical Hiring:** The West and Southeastern regions grew headcounts month over month by 0.54 and 0.28 percent, respectively. These two regions easily outpaced the Central region, which grew by 0.02 percent. The Northeast declined 0.5 percent in February compared to the prior month.
- **What’s next?** Small business owners remain uncertain about how the volatile global economy will play out over the next few months. All eyes will also be turned to the U.S. Federal Reserve and its decision whether or not to raise the federal funds rate at its March policy meeting.

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 U.S., 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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