

An April Boost: The CBIZ Small Business Employment Index Reaches Peak in 2016

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- Large & Small Employers Are Not Seeing Eye-to-Eye -

CLEVELAND--(BUSINESS WIRE)--May 6, 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, revealed a third consecutive month of progress as it printed a positive 1.38 percent growth during the month of April. This follows a 0.54 percent month-over-month rise in employee headcounts [for March](#).

"Defying recent macroeconomic data, the April reading of the Small Business Employment Index shows that small employers are continuing to reap the benefits of a slow but steadily growing domestic economy. However, given the disappointing ADP number on Wednesday, it's clear that larger employers, who may have international exposure, are less engaged in hiring. We're seeing a disconnect between the hiring levels of large companies and smaller, more locally focused enterprises," says Philip Noftsinger, president of CBIZ Employee Services Organization.

Wednesday's jobs report from payroll processor ADP and Moody's Analytics revealed that businesses added 156,000 new hires versus the 195,000 expected for April. March private payrolls were revised down 6,000 to 194,000.

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

Additional takeaways from the April SBEI include:

- **April's snapshot:** When compared to March's Index, 27 percent of companies included in the SBEI increased payroll commitments during April and 22 percent decreased their workforces. 51 percent of the small businesses in the Index made no change to their employee totals. This reading follows the typical April hiring trend; since the Index's inception, April has always seen a positive reading, averaging at 1.03 percent for the past seven years. Seasonally adjusted, hiring increased by 0.81 percent this month.
- **What industries should we be watching?** For April, Arts and Entertainment was the leading industry in job gains, followed by Construction and Real Estate. The only significant industry group that showed a reduction in hiring was the Utilities sector.
- **Geographical Hiring:** Across the country, all regions showed positive growth, with the Northeast demonstrating the largest growth at 2.13 percent, followed by the Southeast at 1.83 percent, Central at 1.29 percent and West at 0.53 percent.
- **What's next?** If global macroeconomic deterioration continues into the summer months, historical data suggests that it will affect smaller employers in the coming quarters and into next year. With a potential Fed rate hike around the corner in June, employment will need to remain strong and global economic waters will need to calm before the domestic economy can make notable progress.

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:

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