

The May Pattern Persists: CBIZ Small Business Employment Index Stays in Positive Territory

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- Reading Remains Positive While Small Employers Are Preparing for DOL Overtime Rules -

CLEVELAND--(BUSINESS WIRE)--Jun. 3, 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 positive reading for the fourth consecutive month, showing 0.20 percent growth during the month of May. This follows a 1.38 percent month-over-month rise in employee headcounts [for April](#).

"May has printed positive since the inception of the CBIZ SBEI. Most readings are over one percent, so comparably, this reading is slightly disappointing. However, considering the Department of Labor's new overtime rules have attracted headlines, it's not surprising that small employers have pressed pause on hiring to contemplate the impact of the rule on labor costs," says Philip Noftinger, president of CBIZ Employee Services Organization.

ADP reported employment gains of 173,000 in May, matching economists' expectations. Additionally, April's payroll was revised up to 166,000 from 156,000.

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

Additional takeaways from the May SBEI include:

- **May's snapshot:** When compared to April's tally, 25.2 percent of companies included in the SBEI increased payroll commitments during May and 24.5 percent decreased their workforces. 50.3 percent of the small businesses in the SBEI made no change to their employee totals. Though May has always showed growth in small business hiring, this year's reading is less than the 0.94 percent growth average that normally takes place due to the kickoff of seasonal summer hiring.
- **What industries should we be watching?** For May, Utilities, Transportation, Professional Services, Construction and Retail registered gains. The largest losses came from Financial Services, Insurance and Healthcare industries. Most surprising, Healthcare showed a 2.2 percent drop in employee totals.
- **Geographical Hiring:** The Central and Southeast regions realized employment gains; meanwhile, the West net nearly no growth while the Northeast demonstrated a large cut in hiring, which could be due to the fact that seasonal businesses tend to open later toward the northern part of the country.
- **What's next?** Though the Department of Labor's overtime rule will not take effect until December 2016, all businesses are seeking to control the costs of implementing the revised regulations in a manner that is manageable and consistent with their culture.

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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