

# CBIZ Small Business Employment Index Retreats for Fourth Consecutive Month

November 4, 2016

*- After October decline, small businesses wait for election results to determine future hiring -*

CLEVELAND--(BUSINESS WIRE)--Nov. 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, revealed a 1.61 percent month-over-month decrease in small business hiring in October. This reading is the fourth consecutive negative reading for the index and exceeds the average dip in hiring for the month of October. The [September SBEI](#) saw a decrease in hiring of 0.23 percent.

"Historically, October hiring has shown a decline among small businesses; however, this October is well below the seasonal average of the past five years," says [Philip Noftsinger](#), president of CBIZ Employee Services Organization. "This month's reading indicates a shift away from sustaining headcounts as we move into the holiday season, and with such a dramatic shift underway, other macroeconomic metrics will play a major role in the Fed's decision to potentially hike rates in December."

ADP and Moody's Analytics reported 147,000 jobs were added in October, falling below economists' expectations of 165,000 gains. Looking toward the NFIB Small Business Optimism report, it's evident that small business owners are skeptical about the strength of the economy until the next White House occupant has been decided.

To view an infographic with data from the employment index, [visit the CBIZ blog](#).<sup>1</sup>

Additional takeaways from the October SBEI include:

- **October's snapshot:** In comparison to the September reading, 20 percent of companies included in the index increased headcounts, 50 percent made no change and 30 percent decreased their staff count. While typically a negative month for small business hiring on a non-seasonally adjusted basis, this reading is well below the average for October of a 0.41 percent decrease.
- **Industries at a glance:** Industry segments that showed growth in October included Educational Services and Insurance. Meanwhile, Agriculture, Arts & Entertainment, Real Estate, Retail, Accommodation, Food Services and Professional Services recorded declines of greater than one percent for the month.
- **Geographical Hiring:** The West region was the only area of the country that showed positive employment gains among small businesses. The Central, Northeast and Southeast regions reported strong declines, all of which were over 1.5 percent.
- **What's next?** Following a strong third-quarter GDP report last week, the softness in hiring among small business owners is perplexing as the two data points seem to contradict each other. However, the election will have a large impact on how small business owners adjust their headcounts going into the holiday shopping season and the New Year.

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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