

CBIZ Small Business Employment Index Closes 2016 on a High Note

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- Following Five Months of Consecutive Declines, December Hiring Bounces Back -

CLEVELAND--(BUSINESS WIRE)--Jan. 6, 2017-- 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, posted a 1.60 percent month-over-month increase in hiring, breaking a five-month negative trend. The [November SBEI](#) saw a virtually neutral decrease in hiring of 0.17 percent.

"This December's reading seems to indicate that some of the economic optimism we've seen recently may be translating down to small business hiring," says [Philip Noftsinger](#), president of CBIZ Employee Services Organization. "For the most recent report, our SBEI tracked with NFIB's optimism index post-election, which showed a significant improvement in optimism among small business owners which is expected to translate into increased capital and labor investments in the New Year."

ADP and Moody's Analytics reported that businesses added 153,000 jobs in December, falling below economists' expectations of 175,000 job gains and running contrary to the CBIZ SBEI.

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

Additional takeaways from the December SBEI include:

- **December's snapshot:** In comparison to the November reading, 30 percent of companies included in the index increased headcounts, 50 percent made no change and 20 percent decreased their staff count. Since the index's inception in 2009, the December readings for the SBEI average a 1.75 percent increase in hiring. This year's reading falls larger than three of the previous four readings for the period.
- **Industries at a glance:** The largest growth occurred among Non-Profits, which is typical for this time of year, as well as Healthcare, Real Estate, Retail – another seasonally common sector – and even Manufacturing. Entertainment and Recreation as well as Professional, Scientific & Technical Services saw declines this month.
- **Geographical Hiring:** All four regions showed improvement with the largest growth coming from the West, registering a 2.38 percent growth, followed by the South East with 1.72 percent, the North East with 1.58 percent, and the Central region with 0.61 percent growth.
- **What's next?** There is much optimism economically as the new administration takes shape, but small business owners should proceed with cautious optimism, as macroeconomic data improvement still needs to occur. There is still significant slack in employment numbers, and despite an exciting GDP number for Q3, policy changes need to happen quickly to support the growth in optimism and the improving trend in economic data. Many of our nation's problems can be more easily solved under the gust of economic improvement, and it would appear that 2017 has opened with exciting promise.

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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