

CBIZ Small Business Employment Index Disappoints This April

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- Small Business Hiring Dips in April, Despite Traditional Seasonal Pickup-

CLEVELAND--(BUSINESS WIRE)--May 5, 2017-- The [CBIZ](#) Small Business Employment Index (SBEI), a barometer for hiring trends that surveys labor data from approximately 4,000 companies employing 300 or fewer people, posted a 0.32 percent month-over-month decrease in hiring in April, a large decline from the previous reading of 1.66 percent increase in March.

"Although the drop in small business hiring was almost negligible, April has typically been the first month that we start to see seasonal pickup for the spring and summer," says [Philip Noftsinger](#), president of CBIZ Employee Services Organization. "This is a result we'll watch closely, especially as the continual delay in securing fiscal policy change may be causing a slowdown in hiring."

ADP and Moody's Analytics' report was less surprising, showing additions of 177,000 jobs in April, slightly exceeding economists' expectations of 175,000.

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

Additional takeaways from the April SBEI include:

- **April's snapshot:** Compared to the March reading of the SBEI, 22 percent of companies in the Index increased their employee counts, 52 percent made no change to staff totals and 26 percent cut headcounts. This is the first negative reading for the April period since the SBEI's inception, which prior to this year has posted an average increase in month-over-month hiring of 1.03 percent.
- **Industries at a glance:** Although the industry sectors were evenly split between growth and decline, it seems several industries drove the overall result negative. Those industries that showed measurable declines were Real Estate, Utilities, Finance and Insurance, Forestry and Fishing, Hunting, Transportation, Healthcare and Educational Services. Industries that posted positive results were the Arts and Entertainment as well as Retail Trade and Non Profits.
- **Geographical Hiring:** Regionally, the North East grew by 0.87 percent. However, the Central region, the Southeast and the West all declined mildly, reporting a 0.52 percent, 0.41 percent and 0.28 percent decline, respectively.
- **What's next?** The hype surrounding earnings season so far doesn't necessarily mean good things are ahead for the U.S. economy, considering many of these companies have heavy overseas operations. Evidence of this was the slower than expected Q1 GDP growth of 0.7 percent. Although none of these data points are dark clouds yet, they may be the breeze ahead of stronger headwinds. And, if tax reform can be achieved in a timely manner, then the skies ahead for domestic businesses could clear up.

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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