

# Small Business Hiring Continues to Plunge in August, According to CBIZ Small Business Employment Index

September 1, 2017

- SBEI reports consecutive substantial decrease in hiring of 2.27 percent in August, bringing the summer to a close on a negative employment note -

CLEVELAND--(BUSINESS WIRE)--Sep. 1, 2017-- The [CBIZ](#) Small Business Employment Index (SBEI), which tracks hiring trends among thousands of companies that employ 300 or fewer employees across the U.S., reported a decline in hiring of 2.27 percent this August. This reading follows a similar decrease in hiring activity of 2.26 percent this July.

"The large loss in small business employment totals this month bucks the seasonal trend of positive readings," says Philip Noftinger, President of CBIZ Employee Services Organization. "As Washington continues to drag its feet on fiscal policy and gas prices rise as a result of Hurricane Harvey, adding pressure to the U.S. economy, it's likely that we will enter the fourth quarter very soft."

However, far exceeding analysts' expectations of a mild 185,000 increase in private sector jobs, ADP and Moody's Analytics' reported that the economy added 237,000 jobs in August, perhaps showing the difference between Wall Street and Main Street. In contrast to the SBEI, ADP's Employment Report measures a very different segment of the economy.

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

Additional takeaways from the August SBEI include:

- **August's snapshot:** When compared to the July reading of the SBEI, 49.3 percent of companies made no change to staff totals, while 19.4 percent increased headcounts and 31.3 percent decreased their employee count. While August is historically a volatile hiring month, this reading is far below the average of a 0.28 percent decline in hiring during the period.
- **Industries at a glance:** All major industries reported declines except for Agriculture. Those industries that depend on the consumer, mainly Retail, Non-Profits, Healthcare and Accommodations and Food Services, all realized notable declines in hiring during the August period.
- **Geographical hiring:** All regions across the U.S. realized declines in hiring, led by the West, which registered a 4.36 percent decline. The Central, Southeast and Northeast followed suit, reporting declines of 2.38 percent, 1.71 percent and 0.54 percent, respectively.
- **What's next?** If small business hiring continues to log disappointing results, small business owners may begin to watch for signs of a potential recession. Congressional decisions in regard to fiscal policy and slow economic growth could also impact decisions around hiring changes headed into 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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