

CBIZ Small Business Employment Index Reflects a Seasonal Reduction in Employment This January

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- Small businesses cut back on headcounts following the holiday season -

CLEVELAND--(BUSINESS WIRE)--Feb. 2, 2018-- 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 month-over-month decrease in hiring activity of 3.14 percent in January, following an increase of 1.55 percent in December 2017.

"While hiring among small businesses took a sizeable dive in January, we believe this decrease is largely in line with seasonal expectations as employers slim down headcounts following the holidays," says [Philip Noftsinger](#), President of CBIZ Employee Services Organization. "This SBEI reading is consistent with previous January readings, demonstrating small business owners have kept their hiring patterns stable year over year."

Looking more broadly, ADP and Moody's Analytics reported Wednesday that businesses of all sizes added 234,000 jobs in January, a strong report compared to economists' expectations of 190,000 additions in the period.

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

Additional takeaways from the January SBEI include:

- **January's snapshot:** Compared to the December 2017 reading of the SBEI, 19 percent of companies in the index increased headcounts, 46 percent did not change their staff totals and 35 percent reduced the size of their staff. Since the SBEI's inception nine years ago, the January period has always posted a negative figure, averaging a decrease of 2.92 percent.
- **Industries at a glance:** Every industry tracked by the SBEI experienced staff reductions. The largest cuts were experienced by companies in the Arts & Entertainment, Technology, Retail Trade, Accommodation and Food Services, and Wholesale Distribution industries.
- **Geographical hiring:** Similarly, all four regions experienced hiring falloffs, as well. The Southeast came in at the top with a decrease of 3.86 percent. The Northeast, Central and West regions experienced declines of 3.23, 2.96 and 2.66 percent, respectively.
- **What's next?** The impact of tax reform will take some time to realize, especially for unincorporated businesses that realize their tax burdens through their individual tax returns. Historically, tax cuts have been implemented in recessionary periods to stimulate the economy and battle unemployment. However, this time, the U.S. economy is in a growth cycle and at or near full employment. While corporate tax cuts are typically good for hiring, the labor supply is already tight, and it remains to be seen how low unemployment can go.

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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