



CBIZ Small Business Employment Index Reveals Job Growth Slowdown in July

August 2, 2019

CLEVELAND--(BUSINESS WIRE)--Aug. 2, 2019-- Small businesses with 300 or fewer employees showed a decrease in month-by-month hiring of 0.43% in July, according to the latest CBIZ Small Business Employment Index (SBEI).

The hiring decrease was expected, as employers typically adjust from expected demand to needed staffing levels during the summer months, reports [Phil Noftsinger](#), Executive Vice President, CBIZ Employee Benefits.

Noftsinger also notes the historic employment levels may be a factor in this month's report. This has resulted in a tight labor market, making it more difficult for small businesses to hire workers.

"Essentially, the employable population needs to increase, or we will continue to see flat numbers for the rest of the year," Noftsinger says.

In addition, Noftsinger indicated that some metrics point towards a cooling economic expansion, which could have resulted in fewer hires for small businesses.

Industries showing a decline in hiring were Non-Profits, Transportation, Education Services, Accommodation and Food Services and Professional Services. Industries that reported an increase include Information Services, Insurance, Construction, Wholesale and Manufacturing.

ADP and Moody's reported Wednesday that small businesses hired 11,000 more workers during July on a month-over-month seasonally adjusted basis. Overall, the private sector added 156,000 jobs during the month.

The CBIZ SBEI tracks hiring trends for over 3,700 companies that have 300 or fewer employees, providing a broader insight into small business trends. CBIZ Inc. provides payroll management services for thousands of companies throughout the country.

Additional takeaways from the July SBEI include:

July's snapshot: When compared to the June SBEI, 25% of companies increased headcounts, 50% refrained from making labor changes and 25% decreased employee totals. Since the SBEI's inception in June 2009, the July reading has seen an average hiring decrease of 0.22%.

Industries at a glance: Of the industries included in the index, Information Services, Insurance, Construction, Wholesale and Manufacturing all showed gains. Non-Profits, Transportation, Educational Services, Accommodation and Food Services and Professional Services posed declines.

Geographical hiring: In July, hiring decreases declined slightly in all four regions. The Southeast showed the least decline.

What's next? The employable population needs to increase via the participation rate or the overall population rate for us to continue to see material growth. Otherwise, it's likely we will remain in a tight band around the zero percent range. However, with the Federal Reserve cutting interest rates, it's clear that many experts are forecasting a slowing economy.

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 Bureau of Labor Statistics employment reports.

Editor's note:

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