

CORRECTING and REPLACING CBIZ Small Business Employment Index Reveals September Hiring Slump

October 4, 2019

Ten-Year-Old Index Highlights Worst September Since 2013

CLEVELAND--(BUSINESS WIRE)--Oct. 4, 2019-- Please replace the release with the following corrected version due to multiple revisions.

The corrected release reads:

CBIZ SMALL BUSINESS EMPLOYMENT INDEX REVEALS SEPTEMBER HIRING SLUMP

Ten-Year-Old Index Highlights Worst September Since 2013

The CBIZ Small Business Employment Index, a gauge that tracks payroll and hiring trends at companies with 300 or fewer employees, revealed a decline of 1% on a month over month basis. While September has historically been a month when businesses in this category tend to reduce headcount on aggregate, the September 2019 data is the worst September for the index going back to 2013.

"Hiring and overall payroll growth trends within this employer set don't always mirror what's happening with the broader economy, but the downshift observed in staffing reveals about the higher level of economic sensitivity and seasonality impacting these businesses," says [Philip Noftsinger](#), Executive Vice President, CBIZ Employee Benefits.

Industries that showed notable declines in this small business category were Health Care, Professional Services, Retail, Construction, Non-Profits, and Arts and Entertainment. The industry primarily showing growth was Educational Services, as typical for the month.

ADP and Moody's reported Wednesday that the private sector posted an increase of 135,000 jobs in September on a month-over-month, seasonally adjusted basis. Small business jobs gained by 30,000 according to the ADP and Moody's report, which classifies small businesses as companies with 49 or fewer employees. Among the companies covered in the CBIZ Small Business Employment Index, more than two-thirds (67%) are maintaining or increasing their staff headcount, which Noftsinger attributes to the underlying strength of the economy.

"In addition to trade war winds, the overall political environment doesn't provide a great deal of predictability regarding future fiscal policy. Consistent monetary and fiscal policy could provide some level of stability to employee numbers. In fact, the majority of the businesses we track are standing pat with their employee headcounts showing both resilience and some reservation about adding to their workforce given the macroeconomic uncertainty," Noftsinger says.

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.

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

Additional takeaways from the September SBEI include:

September's snapshot: When compared to the August SBEI, 19% of companies increased headcounts, 48% refrained from making labor changes and 33% decreased employee totals. Since the SBEI's inception in June 2009, the September reading has seen an average hiring increase of 0.06%.

Industries at a glance: Of the industries in the index, only Educational Services showed gains. Health Care, Professional Services, Retail, Construction, Non-Profits, and Arts and Entertainment all posted declines.

Geographical hiring: In September, all four geographical regions showed declines, with the Northeast showing the most.

What's next? Future Federal Reserve decisions on its key interest rate could help alleviate pressures caused by an unpredictable political environment and continuing trade wars.

Editor's note:

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