

# Small Business Hiring Slows in December Amid Record-High Online Holiday Shopping Sales

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*The CBIZ Small Business Employment Index showed businesses kept hiring flat during typically busy year-end timeframe*

CLEVELAND--(BUSINESS WIRE)--Jan. 10, 2020-- The CBIZ Small Business Employment Index ("SBEI") ended 2019 with a historically uncharacteristic December, documenting a 1.16% decline on a seasonally adjusted basis. Despite record-high sales during the holiday shopping season, small businesses kept employment levels flat. The CBIZ SBEI tracks payroll and hiring trends for over 3,600 companies that have 300 or fewer employees, providing broad insight into small business trends.

"December tends to be a strong month for small business hiring as businesses enjoy increased demand from the holidays. Notably, this was not the case for 2019, as we saw more small businesses choose to keep employment levels flat," says Philip Noftsinger, Executive Vice President, CBIZ, Inc. "We've seen several factors at play here for small businesses, including a lack of access to quality labor and an increasingly competitive labor market."

The December 2019 ADP and Moody's employment report painted the hiring landscape in a more positive light, with an increase of 202,000 private sector jobs on a month-over-month, seasonally adjusted basis. Small businesses increased jobs by 69,000, according to the report. The ADP and Moody's report qualifies small businesses as companies with 49 or fewer employees, while the CBIZ SBEI broadens the definition of small businesses to companies with 300 or fewer employees. For December, over three-quarters (76%) of companies in the SBEI retained or expanded their employment headcount.

Digging deeper into the December data, Financial Services, Non-Profits, Manufacturing and Healthcare all had growth, while hiring declined in Construction, Real Estate, Arts and Entertainment and Wholesale Distribution.

Looking back at the CBIZ SBEI for all of 2019, December tied June for the largest hiring decrease on a seasonally adjusted basis. The largest increase came in August. For 2019 overall, the average seasonally adjusted change increased compared to 2018.

Moving forward, Noftsinger is monitoring the larger economic picture for potential next steps in small business hiring. "In early 2020, we anticipate small businesses will use macro data in making hiring plans," he adds.

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

Additional takeaways from the December SBEI include:

**December's snapshot:** When compared to the November SBEI, 24% of companies increased headcounts, 52% refrained from making labor changes and 24% decreased employee totals.

**Industries at a glance:** Of the industries in the index, Financial Services, Non-Profits, Manufacturing and Healthcare finished out the year with hiring gains. Alternatively, losses hit Construction, Real Estate, Arts and Entertainment and Wholesale Distribution.

**Geographical hiring:** In December, the Central and Southeast regions stayed relatively flat for hiring. The West showed some growth, while the Northeast declined mildly.

**What's next?** Small businesses will be in tune with macro numbers to guide business investment decisions in 2020 and beyond.

**Editor's note:**

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