

Small Business Hiring Slows in February Amid Concerns Over Global Headwinds

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With economic impacts taking center stage, the CBIZ Small Business Employment Index finds February hiring veers from January increase

CLEVELAND--(BUSINESS WIRE)-- The CBIZ Small Business Employment Index ("SBEI") reported reasonably flat hiring in February, with a seasonally adjusted decline of 0.39%. The CBIZ SBEI tracks payroll and hiring trends for over 3,500 companies that have 300 or fewer employees, providing broad insight into small business trends. The February 2020 data reflects a historical trend for the month's numbers over the last 10 years, with winter weather typically contributing to a slowdown in economic activity. This year's data has also been influenced by the wider-reaching economic impacts of the coronavirus and political landscape.

"It may be early to assess how the small business sector could be impacted by the coronavirus epidemic, but it's clearly on the mind of consumers," says Philip Noftsinger, Executive Vice President, CBIZ, Inc. "It's possible that the media attention is causing some small businesses to hold back on investments in labor until the overall impact is more clear."

More optimistic data came from the ADP and Moody's employment report, which announced an increase of 183,000 private sector jobs on a month-over-month, seasonally adjusted basis. For small businesses, the increase was 24,000 jobs. The ADP and Moody's report counts small businesses as companies with 49 or fewer employees, while the CBIZ SBEI uses data from companies with 300 employees or fewer.

In February, close to three-quarters (74%) of small businesses in the CBIZ SBEI either increased staffing or kept it consistent. On an industry level, hiring increased in Administrative and Support Services, Educational Services, Technology and Life Sciences, and Non-Profits. It decreased in Arts and Entertainment, Insurance, Wholesale Distribution, and Accommodation and Food Services.

As the end of Q1 2020 draws nearer, Noftsinger is considering a variety of headlines. "With a number of impacts on our economic outlook — from viruses to emergency Federal Reserve action on interest rates, to wild stock market swings, to the election news cycle — it may be some time before we see business owners engaging in new labor acquisition," he says.

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

Additional takeaways from the February SBEI include:

February's snapshot: 20% of companies increased staffing, 54% maintained staffing and 26% decreased staffing.

Industries at a glance: Of the industries in the index, Administrative and Support Services, Educational Services, Technology and Life Sciences, and Non-Profits had hiring growth. Hiring waned in Arts and Entertainment, Insurance, Wholesale Distribution, and Accommodation and Food Services.

Geographical hiring: In February, the West was the only region to increase hiring, as decreases characterized the Central, Southeast and Northeast regions.

What's next? With a variety of economic variables in a state of flux, businesses and investors may choose a risk-off mentality.

Editor's note:

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