

March Small Business Hiring Trends Show Initial Coronavirus Impact

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The CBIZ Small Business Employment Index reports a downward trend in the historically robust month for hiring, as employers cope with mounting economic instability

CLEVELAND--(BUSINESS WIRE)--Apr. 3, 2020-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of -0.89%, deviating from historical hiring trends in March. 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. While March has historically boasted over 1% employment gain, this year's decrease is an early indication of the coronavirus pandemic's impact on the small business sector.

"Earlier in the first quarter, we observed a robust employee-driven job market, but we now find many employers quickly shedding workers or placing them on furlough," says Philip Noftsinger, Executive Vice President, CBIZ, Inc. "Our data reviews the full calendar month to evaluate trends, and it wasn't until late March that we saw the virus begin to make an impact. The March report displays just the initial impact of the coronavirus pandemic on small business hiring and we expect to see this trend play out further in months to come."

The CBIZ SBEI findings mirror those from the ADP and Moody's employment report warning that the full effect of coronavirus is not yet reflected in the data. More precisely, in the ADP and Moody's report, the private sector shrank by 27,000 jobs on a month-over-month, seasonally adjusted basis. Small businesses were hit particularly hard, declining by 90,000 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 the coming months, Noftsinger expects small businesses to be bolstered by the impending stimulus package. Measures such as the CARES Act offer small businesses economic support. According to Noftsinger, both the coronavirus and the stimulus represent uncharted territory. He notes: "The high level of stimulus against an unstable economic situation will test the traditional economic theories in ways never before seen, and the next 12 to 18 months will shape the future of economic theory for years to come."

SBEI data shows a much more obvious coronavirus impact on the regional level. The report found hiring declines in all four major regions, including -0.91% in the Central, -0.47% in the Northeast and -0.8% in the Southeast. The West, arguably hardest hit by the pandemic to date, experienced the largest decline at -1.33%.

Over half (54%) of the companies surveyed preserved headcount and 24% added staff. The Arts and Entertainment, Technology and Life Sciences, Construction, and Professional Services industries saw hiring gains. Industries that reduced hiring include Administrative and Support Services, Healthcare, and Wholesale Distribution.

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

Additional takeaways from the March SBEI include:

March's snapshot: 24% of companies added to their employment headcounts, 54% preserved staffing levels and 22% lowered their headcounts.

Industries at a glance: Of the industries in the index, hiring grew in Arts and Entertainment, Technology and Life Sciences, Construction, and Professional Services. Hiring decreased for Administrative and Support Services, Healthcare, and Wholesale Distribution.

Geographical hiring: In March, the Central, West, Southeast and Northeast regions all reported hiring declines and displayed early signs of the coronavirus impact.

What's next? While the impact of coronavirus will continue to make its way into hiring metrics, the CARES Act will help keep employees on payrolls through both stimulus and stipulations.

Editor's note:

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