

# June Small Business Hiring Data Shows Sector's First Signs of Economic Recovery

July 2, 2020

*The CBIZ Small Business Employment Index suggests transition to growth period amid widespread reopening measures*

CLEVELAND--(BUSINESS WIRE)--Jul. 2, 2020-- The CBIZ Small Business Employment Index ("SBEI") reported a stark increase in small business hiring in June, with a seasonally adjusted reading of 1.82%. This marks a turnaround in small business hiring over April and May, which recorded the top two greatest declines in the 11-year CBIZ SBEI history. The CBIZ SBEI tracks payroll and hiring trends for over 3,400 companies that have 300 or fewer employees, providing broad insight into small business trends.

"The June data displays the first real signs of hiring growth since the COVID-19 pandemic prompted nationwide business closures and pullbacks in March," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "There is a long runway for recovery, but the June data shows positive momentum. Notably, June 2020, which falls on the CBIZ SBEI's 11-year anniversary, denotes the highest reading for the index history for June."

ADP and Moody's employment report also showcased hiring growth. According to the data, private-sector employment rose by 2,369,000 on a month-over-month, seasonally adjusted basis. Small businesses specifically increased by 937,000. 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.

The SBEI analyzes data on an industry level and found positive hiring trends among most industries. Accommodation and Food Services reported double-digit growth, and Retail Trade reported high single-digit growth. Real Estate, Arts and Entertainment, and Construction reported growth as well, meeting expectations stemming from widespread reopening initiatives across the country. The only industry that showed decline was Information.

Small business hiring also grew in the majority of U.S. regions, typically reflecting the pace of reopening measures. Hiring increased most in the reopening Northeast (4.2%) and Central (2.27%) regions, while the Southeast, which mostly reopened in May, posted a 1.07% gain. The West, which largely opened later in June, was the sole declining region (-1.68%).

"The pace of reopenings is showing a marked benefit in hiring trends," Noftsinger noted. "Overall, states reporting earlier openings show improved growth over those opening later in the cycle."

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

Additional takeaways from the June SBEI include:

**June's snapshot:** 30.1% of companies in the index gained employees, 51.4% held employment steady and 18.5% lowered employment levels.

**Industries at a glance:** Accommodation and Food Services, Retail Trade, Real Estate, Arts and Entertainment, and Construction all noted small business hiring growth. Yet, hiring for Information decreased.

**Geographical hiring:** Hiring increased in the Northeast, Central and Southeast regions but declined in the West. The data suggests that the West generally reopened later than the other regions.

**What's next?** With a recent rise in positive COVID-19 cases, and states such as Florida and Arizona moving toward reinstating some restrictions, recovery may take longer than anticipated. This could impact small business hiring moving forward.

**Editor's note:**

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