



## Hiring Decreases in November as Uncertainty Catches Up to Small Business Sector

December 4, 2020

*With the holiday shopping season underway, the CBIZ Small Business Employment Index reverses after two months of gains*

CLEVELAND--(BUSINESS WIRE)--Dec. 4, 2020-- The CBIZ Small Business Employment Index ("SBEI") reported a 1.06% seasonally adjusted decrease for November, veering from historical year-end data that is largely supported by the holiday shopping season. Waning consumer confidence, increasing COVID-19 cases, travel restrictions and political rhetoric have weighed on small businesses and been reflected in their hiring practices. 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 CBIZ SBEI reveals a startling decline in November, further illuminating the unique headwinds the small business landscape has faced this year," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "While small business hiring increased in September and October, the tables turned in November with escalating uncertainty."

The sentiment from the ADP and Moody's employment report was more upbeat, with private-sector jobs climbing by 307,000 on a month-over-month, seasonally adjusted basis, and small businesses reporting 110,000 new 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.

From a geographic standpoint, the West (1.36%) was the only U.S. region to see hiring increase, as the Northeast (-1.79%), Central (-1.43%) and Southeast (-0.67%) scaled back hiring. Hiring also decreased for states that opened on or before May 15 (-1.73%) and states that opened afterward (-0.97%).

A number of industries saw hiring decline, notably Technology and Life Sciences, Construction, Accommodation and Food Services, and Real Estate. On a more positive note, hiring increased in Arts and Entertainment, which had experienced depressed trends since the spring. Hiring grew among Non-Profits as well.

"We're hopeful that consumer activity throughout the holiday shopping season will move the needle for small business hiring in December," Noftsinger added. "Early returns on the season indicate favorable trends, but threats from COVID-19 and potential economic shutdowns remain in play."

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

Additional takeaways from the November SBEI include:

**November's snapshot:** 19% of companies in the index increased staffing, 55% reported consistent employment levels and 26% decreased staffing.

**Industries at a glance:** Technology and Life Sciences, Construction, Accommodation and Food Services, and Real Estate saw hiring decline. Meanwhile, hiring improved for Arts and Entertainment in addition to Non-Profits.

**Geographical hiring:** Hiring decreased in three of the four major regions, including the Northeast, Central and Southeast. The West, on the other hand, expanded hiring.

**What's next?** With the holiday shopping season afoot, consumer activity will likely play a deciding role in small business hiring in December, coupled with effects from the COVID-19 pandemic.

### Editor's note:

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