

Small Businesses Show Renewed Commitment to Hiring in February

March 5, 2021

Following a negative reading in January, small businesses increase headcounts as pandemic restrictions ease, according to the CBIZ Small Business Employment Index

CLEVELAND--(BUSINESS WIRE)--Mar. 5, 2021-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted gain of 0.99% for February, signaling a turnaround from the index's abrupt decline in January. February's growth comes as more states ease COVID-19 restrictions, making way for small businesses to resume activities. 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 uptick in small business hiring is a welcome sign, particularly following a disappointing dip to start the year," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "The continued loosening of state-based restrictions, the introduction of a third vaccine and the continued push toward herd immunity open the door for more positive trends in the future."

The ADP and Moody's employment report also noted hiring growth in February. According to the data, private-sector jobs rose by 117,000 on a month-over-month, seasonally adjusted basis. Small business jobs rose by 32,000. 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.

Regional data from the CBIZ SBEI sheds light on February's reading. The West (4.58%) played a leading role in overarching growth, partly due to sectors of the economy reopening. Hiring also increased in the Southeast (0.74%), Central (0.68%) and Northeast (0.05%) regions of the U.S., but to a smaller degree.

Another telling sign of economic reopening came from Accommodation and Food Services, where hiring outpaced almost every other industry. Information, Healthcare, and Educational Services also expanded hiring. Yet prominent declines occurred for Technology and Life Sciences, Arts and Entertainment, and Non-Profits.

"While we're generally seeing some positive data from the CBIZ SBEI for February, certain regions and industries still have some potential due to reopening," Noftsinger noted. "This tells us there's likely still more hiring to come."

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

Additional takeaways from the February SBEI include:

February's snapshot: 23% of companies in the index increased employment, 55% kept headcounts stable and 22% decreased employment.

Industries at a glance: Among the industries to increase hiring, Information had the largest growth. Accommodation and Food Services, Healthcare, and Educational Services also reported positive data, while Technology and Life Sciences, Arts and Entertainment, and Non-Profits scaled back hiring.

Geographical hiring: The West saw a major hiring boost, while the Southeast, Central and Northeast U.S. showed less significant gains.

What's next? More positive trends could be in store, if the U.S. economy reopens further as herd immunity becomes a more realistic scenario.

Editor's note:

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