

Hiring Trends Show Positive Signs in June

July 2, 2021

Increased hiring among small businesses sets the stage for continued growth in the third quarter, according to the CBIZ Small Business Employment Index

CLEVELAND--(BUSINESS WIRE)--Jul. 2, 2021-- The CBIZ Small Business Employment Index (“SBEI”) reported a seasonally adjusted increase of 0.34% for June. This increase is a positive sign of growth for the small business sector and its overarching trajectory for economic recovery. The CBIZ SBEI tracks payroll and hiring trends for over 3,600 companies that have 300 or fewer employees, providing broad insight into small business trends.

“The June 2021 reading supports historical trends, as businesses increase seasonal hiring heading into the summer months,” said Philip Noftsinger, Executive Vice President, CBIZ, Inc. “The data is also supportive of the broader growth trajectory we have seen as the small business landscape recovers from the pandemic.”

The ADP and Moody’s employment report showed tangible hiring growth as well. According to the data, private-sector jobs increased by 692,000 on a month-over-month, seasonally adjusted basis. Small business jobs increased by 215,000. 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 CBIZ SBEI revealed noteworthy data in its U.S. regional breakdown for June. Hiring spiked in the Northeast (2.77%), demonstrating the impact of broader economic reopening in the region. The Central (0.09%) also saw hiring increase, while declines occurred in the Southeast (-0.17%) and West (-0.79%).

In the industry breakdown, Financial Services, Arts and Entertainment, Construction, Non-Profits, Manufacturing, and Accommodation and Food Services experienced hiring growth. The data for Educational Services, Insurance and Transportation did not trend positively, with all of these industries witnessing notable decreases in hiring.

“Trends in the industry and regional data could indicate longer-term growth for small business hiring,” Noftsinger added. “In the geographic data specifically, significant hiring growth in the Northeast highlights the region’s more robust economic reopening and pickup in hiring efforts.”

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% of companies in the index expanded employment, 53% made no change to their headcounts and 17% cut back on staffing.

Industries at a glance: Hiring data was positive in Financial Services, Arts and Entertainment, Construction, Non-Profits, Manufacturing, and Accommodation and Food Services. Meanwhile, notably negative readings occurred in Educational Services, Insurance and Transportation.

Geographical hiring: A substantial hiring increase was evident in the Northeast (2.77%). Hiring increased in the Central (0.09%) as well but decreased in the Southeast (-0.17%) and West (-0.79%).

What’s next? If current trends continue, the CBIZ SBEI could reflect a longer-term growth trajectory in the third quarter.

The June CBIZ SBEI data follows the Q2 2021 release of the CBIZ Main Street Index, which surveyed over 2,000 businesses throughout the U.S. on their recovery from the COVID-19 pandemic.* The data reveals that 85% of respondents reported a positive or very positive level of business confidence, which is an increase of 11% over Q1. However, 46% of businesses are concerned with staffing shortages. Please see the CBIZ Main Street Index [webpage](#) for an interactive infographic with additional data.

*Note: Not all of those surveyed in the CBIZ Main Street Index are clients of CBIZ.

Editor’s note:

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