

Small Businesses Report Significant Jump in Hiring for July

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The CBIZ Small Employment Index showed substantial growth in July, signaling that seasonal hiring continued to increase through the summer

CLEVELAND--(BUSINESS WIRE)--Aug. 6, 2021-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted increase of 1.99% for July. Marking a second straight month of gains, the July reading depicted a marked increase among hiring efforts and eclipses the more nominal changes seen since the wider reopening of the economy in the spring. 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 July reading reflected a surge in hiring growth and builds on positive trends established earlier in the summer," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "While optimism persists as more people get vaccinated and feel comfortable returning to work, concerns surrounding emerging virus variants will keep employment numbers in focus, to assess how small businesses and the larger public react."

The ADP and Moody's employment report also indicated growth in hiring among small-, medium- and large-sized companies. Its July reading showed an overall increase of 330,000 private-sector jobs for the month, with small businesses accounting for 91,000 of them on a seasonally adjusted, month-over-month basis. 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 showed that regional hiring trends supported larger economic theories related to enhanced unemployment benefits and availability within the labor market. The Southeast reported the largest hiring growth (3.04%), followed by gains in the Northeast (2.36%) and Central (1.89%) regions. Meanwhile, the West experienced a decline in hiring (-0.09%). This data is consistent with regions that suspended benefits earlier rather than later.

Looking at industry-specific statistics, the most notable increases were seen in Agriculture, Construction, Wholesale Distribution, and Accommodations and Food Services. Education Services and Transportation both saw decreases in hiring.

"The hiring growth in July points toward people's willingness and ability to return to work despite pandemic-related hesitations," Noftsinger added. "We will be keeping a close eye on the headwinds that might impact this momentum, including resurgence of the virus and related stimulus measures."

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

Additional takeaways from the July SBEI include:

July's snapshot: 26% of companies in the index expanded employment, 54% made no change to their headcounts and 20% cut back on staffing.

Industries at a glance: Hiring data was positive in Agriculture, Construction, Wholesale Distribution, and Accommodations and Food Services. Meanwhile, notably negative readings occurred in Education Services and Transportation.

Geographical hiring: Hiring increased in the Southeast (3.04%), Northeast (2.36%) and Central (1.89%) regions, while decreasing in the West (-0.09%).

What's next? Recent positive trends within the CBIZ SBEI could reflect a longer-term growth trajectory; however, growth remains sensitive to pandemic-related headwinds, including the emergence of virus variants.

Editor's note:

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