

Small Business Hiring Trends Show Positive Signs for Labor Market

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The CBIZ Small Business Employment Index reported nominal hiring growth in September as the U.S. continues to confront Delta-variant concerns

CLEVELAND--(BUSINESS WIRE)--Oct. 8, 2021-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted increase of 0.21% in September, reversing reported declines in August and demonstrating a positive indicator for the labor market. The CBIZ SBEI tracks payroll and hiring trends for over 3,700 companies that have 300 or fewer employees, providing broad insight into small business trends.

"The September reading, while reporting relatively unremarkable growth, is a good sign for small business hiring during a month that we typically see a hiring down-turn," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "These findings also debunk some of the earlier theories that proposed the enhanced unemployment benefits were the leading factor causing labor shortages."

The ADP and Moody's employment report indicated growth in hiring among small-, medium- and large-sized companies. Its September reading showed an overall increase of 568,000 private-sector jobs for the month, a significant increase over the August report, with small businesses accounting for 63,000 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 reported robust hiring in the West (2.34%) region driven by a full economic reopening. The Central (0.01%) region showed relatively flat growth while it still battles the Delta variant. The Southeast (0.32%) also reported growth in September. The Northeast (-0.51%) was the only region to report a hiring decline.

On an industry level, the most notable increases were seen in Educational Services, Accommodations and Food Services, Transportation and Non-profit. Arts and Entertainment, Retail, and Healthcare saw decreases in hiring.

"Looking ahead, vaccine mandates might contribute to some hiring declines in regions and industries that are beginning to enforce vaccinations in companies of 100 plus employees," added Noftsinger. "The September data is reassuring moving into the holidays when we hope to see seasonal growth."

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

Additional takeaways from the September SBEI include:

September's snapshot: 22% of companies in the index expanded employment, 52% made no change to their headcounts and 26% reduced staffing.

Industries at a glance: Positive hiring gains were seen in Educational Services, Accommodations and Food Services, Non-profit and Transportation. Meanwhile, declines were reported in Arts and Entertainment, Retail, and Healthcare.

Geographical hiring: Regions experienced hiring increases include Central (0.01%), Southeast (0.32%), and West (2.34%) regions. The Northeast (-0.51%) was the only region to experience a hiring decline.

What's next? Now that enhanced unemployment benefits have been rolled back and more of the population is vaccinated, this might be a boost for hiring trends as more people return to the labor market.

Editor's note:

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