

Small Businesses Report Decreased Hiring in November

December 3, 2021

With the holiday shopping season underway, the CBIZ Small Business Employment Index showed reduced hiring after two months of gains

CLEVELAND--(BUSINESS WIRE)--Dec. 3, 2021-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of -0.25% in November, which is a reversal of the positive hiring growth seen in both October and September. 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 decrease in hiring seen in this month's report is an expected seasonal trend," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "We saw strong hiring gains as businesses prepared for the holiday shopping season in September and October and the resulting leveling out in November."

The ADP and Moody's employment report indicated growth in hiring among small-, medium- and large-sized companies. Its November reading showed an overall increase of 534,000 private-sector jobs for the month, only a slight decrease from the October report. Small businesses accounted for 115,000 of those new jobs 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 (3.15%) region for the third consecutive month, likely driven by its delayed economic reopening following the delta variant's impact on the region. The Central (0.02%) region showed little change with near flat growth. The Southeast (-0.11%) and Northeast (-0.07%) regions both had small but nominal declines.

On an industry level, the most notable increases were seen in Arts and Entertainment, Non-profit, Professional Services and Retail. Agriculture, Construction, Financial Services and Technology, and Life Science saw decreases in hiring.

"The strong regional growth in the West indicates that businesses are continuing to rebound from the partial economic closures resulting from the Delta variant," added Noftsinger. "The small declines seen in the Southeast and Northeast align with the data trends over the recent months."

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

Additional takeaways from the November SBEI include:

November's snapshot: 21% of companies in the index expanded employment, 55% made no change to their headcounts and 24% reduced staffing.

Industries at a glance: Hiring gains were seen in Arts and Entertainment, Non-profit, Professional Services and Retail. Meanwhile, Agriculture, Construction, Financial Services and Technology, and Life Science saw decreases in hiring.

Geographical hiring: The West (3.15%) and Central (0.02%) regions experienced hiring increases. The Northeast (-0.07%) and Southeast (-0.11%) regions saw hiring decreases.

What's next? Small business hiring should level out across the country as the nation returns to pre-pandemic economic activity. New COVID variants could continue to play a role in the labor market, but vaccine and booster availability should lessen this impact.

Editor's note:

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