

Small Business Hiring Sees Growth in December

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The CBIZ Small Business Employment Index Points to Strong Employment Rebound

CLEVELAND--(BUSINESS WIRE)--Jan. 7, 2022-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted increase of 1.05% in December, offering a positive sign on the heels of the hiring decline seen in November. 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.

"December is typically a month where we see positive hiring trends due to the holiday season, and this month was especially strong," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "It's possible that workforce safety confidence was a growth factor earlier in the month prior to the omicron variant becoming a larger headline later in the month."

The ADP and Moody's employment report indicated growth in hiring among small, medium-sized and large companies. Its December reading showed an overall increase of 807,000 private-sector jobs for the month, an improvement from the November report. Small businesses accounted for 204,000 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 hiring growth in all four regions measured. The West (1.95%) showed solid growth but less than the previous month, following its robust economic rebound from delta variant-related closures in the late summer. The Central (2.88%), Southeast (2.25%) and Northeast (1.80%) regions all showed impressive growth as well, reflecting a strong recovery from November's negative readings for these regions.

On an industry level, the most notable increases were seen in Insurance, Non-profit, Financial Services, Healthcare, Construction, and Retail. Education and Agriculture experienced hiring declines.

"The December reading points to a positive indicator that the labor shortage is waning," added Noftsinger. "The continued increase in COVID-19 cases could cause a slowdown in the momentum we're seeing, but with the adoption of booster vaccines and the increased availability of treatments to mitigate severe symptoms, employees are likely to feel more confident returning to work."

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

Additional takeaways from the December SBEI include:

December's snapshot: 28% of companies in the index expanded employment, 53% made no change to their headcounts and 19% reduced staffing.

Industries at a glance: Hiring gains were seen in Insurance, Non-profit, Financial Services, Healthcare, Construction, and Retail. Meanwhile, declines were reported in Education and Agriculture.

Geographical hiring: The Central (2.88%), Southeast (2.25%), West (1.95%) and Northeast (1.80%) regions all experienced hiring increases.

What's next? Small businesses are growing their workforces despite the labor shortage and pandemic-related economic volatility. In 2022, this momentum should continue as other factors like supply chain issues and stagflation abate.

Editor's note:

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