



Small Businesses Start Year With Hiring Declines

February 4, 2022

The CBIZ Small Business Employment Index showed decreased hiring totals

CLEVELAND--(BUSINESS WIRE)--Feb. 4, 2022-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of 0.95% in January, a reversal of the hiring gains seen in December. The CBIZ SBEI tracks payroll and hiring trends for over 3,500 companies that have 300 or fewer employees, providing broad insight into small business trends.

"It is very likely that the uptick in omicron cases was one of the variables that contributed to steep declines seen in January," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "January typically experiences a hiring downturn following the holiday shopping season but this year's trends show a more significant change."

The ADP and Moody's employment report indicated hiring decline among small, medium-sized and large companies. Its January reading showed an overall decrease of 301,000 private-sector jobs for the month. Small businesses accounted for a decline in 144,000 of those 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 depressed hiring in all four regions measured. The Northeast (-4.42%) and Central (-3.33%) regions showed the largest changes from December. The West (-1.71%) and Southeast (-1.70%) both experienced smaller declines that align with the seasonal hiring trend.

On an industry level, the most notable hiring increases were seen in Mining and Rental and Leasing. Accommodations and Food Services, Agriculture, Arts and Entertainment, Real Estate, and Retail experienced hiring declines.

"Winter weather could have been a reason for the large declines in the Central and Northeast regions," added Noftsinger. "What has become known as 'The Great Reshuffle' is also an added factor as small business work to attract employees, while also managing outside influences like supply chain issues, inflation and other concerns."

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

Additional takeaways from the January SBEI include:

January's snapshot: 17% of companies in the index increased staffing, 51% made no change to their headcounts and 32% reduced employment totals.

Industries at a glance: Hiring gains were seen in Mining and Rental and Leasing. Meanwhile, declines were reported in Accommodations and Food Services, Agriculture, Arts and Entertainment, Real Estate, and Retail.

Geographical hiring: The Northeast (-4.42%), Central (-3.33%), West (-1.71%) and Southeast (-1.70%) regions all experienced hiring decreases.

What's next? Small businesses are continuing to be affected by spikes in coronavirus cases. As the country sees a reduction in cases, small business hiring is likely to rebound.

The January CBIZ SBEI data follows the Q4 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 27% of respondents reported incorporating new compensation methods as a priority, up nearly 6% from Q3. Over 51% of businesses reported being short staffed by more than 10%. 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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Source: CBIZ, Inc.