

Hiring Remains Flat for Small Businesses in February

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The CBIZ Small Business Employment Index reported a nominal decline

CLEVELAND--(BUSINESS WIRE)--Mar. 4, 2022-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of 0.09% in February, an improved reading from the more notable declines seen in the previous month. 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 month of February has historically seen flat hiring trends, so this is an overall positive sign as 'The Great Reshuffle' among employers and job candidates abates," said Philip Noftsinger, Vice President Finance and Corporate Controller at CBIZ, Inc. "Small businesses face new challenges on the heels of the labor market concerns, and rising inflation will be a headwind for the economy further influencing hiring trends."

The ADP and Moody's employment report indicated a hiring growth among small, medium-sized and large companies. Its February reading showed an overall increase of 475,000 private-sector jobs for the month. However, its breakout data specific to small businesses reported a decline of 96,000 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 the Northeast (-0.76%) and Central (-0.38%) regions. The West (0.97%) and Southeast (0.72%) both experienced small increases. All regions show more optimistic hiring trends from January.

On an industry level, the most notable hiring increases were seen in Administration and Support Services, Insurance, and Technology and Life Sciences. Staffing reductions were seen in Information, Real Estate, and Professional Services.

"Although February was an unremarkable month for hiring, we should be looking ahead to what will be major influencers for small business and job growth," added Noftsinger. "Job creation continues to be a leading theme for policy makers as we enter an election year."

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

Additional takeaways from the February SBEI include:

February's snapshot: 21% of companies in the index increased staffing, 56% made no change to their headcounts and 23% reduced employment totals.

Industries at a glance: Hiring increased in Administration and Support Services, Insurance, and Technology and Life Sciences. Decreased staffing totals were seen in Information, Real Estate, and Professional Services.

Geographical hiring: The Northeast (-0.76%) and Central (-0.38%) regions saw hiring decreases while the West (0.97%) and Southeast (0.72%) regions saw small increases.

What's next? Small businesses are likely to experience repercussions from rising interest rates and inflation. As COVID cases decline and protocols relax, there is also potential for growth as the economy rebounds in the spring months.

Editor's note:

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