

Small Business Hiring Experiences Flat Reading in November

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The CBIZ Small Business Employment Index revealed an unremarkable report with nominal gains in employment

CLEVELAND--(BUSINESS WIRE)--Dec. 12, 2023-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted increase of 0.15% in November after experiencing two consecutive months of declines in hiring. The CBIZ SBEI tracks payroll and hiring trends for over 3,100 companies that have 300 or fewer employees, providing broad insight into small business trends.

"Up to this point, month over month employment trends have tightened in range compared to the SBEI historical data," said Anna Rathbun, CFA, Chief Investment Officer, CBIZ Investment Advisory Services, LLC. "Even if small businesses are not inclined to hire in large numbers considering the uncertain economic environment, they are also not willing to lay off workers easily."

The Bureau of Labor Statistics' employment report indicated hiring growth that barely beat expectations. The November reading showed an overall increase of 199,000 private-sector jobs. Given the overall hiring growth, the national unemployment rate fell slightly to 3.7%. The report is inclusive of all non-farm private employers across businesses of all sizes. Meanwhile, the ADP employment report indicated hiring growth among small, medium and large-sized companies. Its November reading showed an overall increase of 103,000 private-sector jobs for the month. Small businesses accounted for an increase of 6,000 of those jobs on a seasonally adjusted, month-over-month basis. The ADP report counts small businesses as companies with 49 or fewer employees, while the CBIZ SBEI uses data from companies with 300 employees or fewer.

From a regional perspective, the West (1.72%) was the only region to report an increase. The Central (0.05%) and Southeast (-0.07%) regions both showed a flat reading, while the Northeast (-0.28%) experienced a decline.

On an industry level, gains in employment were seen in Management, Transportation, and Utilities. Industry decreases were observed in Agriculture, Fishing and Hunting, Information, and Rental and Leasing Services.

Rathbun added, "Out of the industries that shed jobs, Information stands out. As companies tighten their belts, spending on advertising as well as publishing, telecommunication, and broadcasting can end up on the chopping block. Attrition in employment for these services may help to complete the picture of American enterprises becoming leaner through the end of the year."

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

Additional takeaways from the November SBEI include:

November's snapshot: 19% of companies in the index increased staffing, 61% made no change to their headcounts and 20% reduced employment totals.

Industries at-a-glance: Management, Transportation, and Utilities experienced hiring gains. Decreases were seen in Agriculture; Fishing and Hunting, Information; and Rental and Leasing Services.

Geographical hiring: The West (1.72%) reported a hiring increase, while the Central (0.05%) and Southeast (-0.07%) regions both showed a flat reading. The Northeast (-0.28%) experienced a decline.

What's next? While most areas of the United States saw flat to negative employment trends, the West stood out with a large increase. This increase was broad-based, not isolated to any industry or sector that might suggest something more meaningful. It remains to be seen how the year will wrap up.

Editor's note:

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