

Hiring Growth for Small Businesses Continues in March

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The CBIZ Small Business Employment Index reported a minor uptick in hiring for the second straight month

CLEVELAND--(BUSINESS WIRE)--Apr. 9, 2024-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted increase of 0.18% in March as the U.S. economy continues to show strength and resilience. The CBIZ SBEI tracks payroll and hiring trends for over 3,000 companies that have 300 or fewer employees, providing broad insight into small business trends.

"Small businesses continued to hire in March, reflecting the ongoing theme of strength and resilience within the American economy," said Anna Rathbun, CFA, Chief Investment Officer, CBIZ Investment Advisory Services, LLC. "With the broadening upward momentum in the capital markets, it's clear that Main Street is also capitalizing on this positive trend."

The Bureau of Labor Statistics' employment report indicated hiring growth that beat expectations. The March reading showed an overall increase of 303,000 private-sector jobs. The national unemployment rate fell slightly to 3.8%. 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 March reading showed an overall increase of 184,000 private-sector jobs for the month. Small businesses accounted for an increase of 16,000 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.

On a regional basis, the Northeast (0.22%), Central (0.22%), and Southeast (0.09%) regions all experienced a hiring increase. The West (-0.02%) was the only region to experience a decline.

On an industry level, gains in employment were seen in Administrative and Support Services; Agriculture, Fishing and Hunting; and Arts, Entertainment and Recreation. Industry decreases were seen in Insurance, Technology and Life Sciences, and Wholesale Distribution.

Rathbun added, "Looking ahead, it will be crucial to watch whether this current economic momentum is sustainable in the higher rate environment. Even if the Federal Reserve cuts interest rates, it won't be a substantial amount."

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

Additional takeaways from the March SBEI include:

March's snapshot: 23% of companies in the index increased staffing, 60% made no change to their headcounts and 17% reduced employment totals.

Industries at-a-glance: Administrative and Support Services; Agriculture, Fishing and Hunting; and Arts, Entertainment and Recreation experienced hiring gains. Decreases were seen in Insurance, Technology and Life Sciences, and Wholesale Distribution.

Geographical hiring: Increases were seen in the Northeast (0.22%), Central (0.22%), and Southeast (0.09%). The West (-0.02%) region experienced a decrease.

What's next? Heading into the second quarter, small businesses will need to continue to be resilient in this economy. Whether small businesses can continue this hiring trend is up in the air.

Editor's note:

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