

October's Small Business Hiring Data Continues to Show Weakness

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The CBIZ Small Business Employment Index reports the second consecutive month of job losses

CLEVELAND--(BUSINESS WIRE)--Nov. 12, 2024-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of 0.58% in October, marking the second consecutive month of decline and the fourth negative month out of the past six. The CBIZ SBEI tracks payroll and hiring data for over 2,800 companies with 300 or fewer employees, providing broad insight into small business trends.

"The weakness we're seeing in October isn't just an isolated occurrence; it's part of a broader trend," said Anna Rathbun, CFA, Chief Investment Officer, CBIZ Investment Advisory Services, LLC. "Recent SBEI data aligns with a softening labor market reflected in the past six months of jobs data, highlighting a sustained slowdown."

The Bureau of Labor Statistics' employment report indicated hiring growth that missed expectations. The October reading showed an overall increase of 12,000 private-sector jobs. The national unemployment rate held steady at 4.1%. The report is inclusive of all non-farm private employers across businesses of all sizes. The ADP employment report indicated hiring growth among small, medium, and large-sized companies. Its October reading showed an overall increase of 233,000 private-sector jobs for the month. Small businesses accounted for an increase of 4,000 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.

The West (1.69%) was the only region to report an increase in hiring. The Central (-0.95%) saw the largest decline, followed by the Southeast (-0.57%) and Northeast (-0.22%) regions.

On an industry level, Insurance, Technology and Life Sciences, and Transportation saw an uptick in hiring. Construction, Real Estate, and Rental and Leasing Services reported the largest job losses.

Rathbun added, "October's data reinforces the challenges small businesses are facing as they navigate a labor market that has yet to find stable ground. With signs of slowing momentum and a shifting economic environment, small business owners are approaching hiring with heightened caution."

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

Additional takeaways from the October SBEI include:

October's snapshot: 18% of companies in the index increased staffing, 61% made no change to their headcounts and 21% reduced employment totals.

Industries at-a-glance: Insurance, Technology and Life Sciences, and Transportation experienced hiring gains. Decreases were seen in Construction, Real Estate, and Rental and Leasing Services.

Geographical hiring: The West (1.69%) saw an increase in hiring, while the Central (-0.95%), Southeast (-0.57%), and Northeast (-0.22%) regions saw losses.

What's next? As we move toward year-end, small businesses will continue to watch labor data closely to navigate these evolving trends. The coming months will be telling of small business resilience in the face of ongoing economic uncertainties.

The October CBIZ SBEI data follows the Fall 2024 release of the CBIZ [Main Street Index](#), which surveyed over 400 businesses throughout the U.S. as they navigate the current economic environment.* The Index revealed that companies are facing growing staffing challenges, as rising business costs and economic conditions are prompting potential layoffs. Fifty-one percent of SMB owners surveyed say they are evaluating or changing current staff levels and outsourced partners to prepare for a potential economic downturn.

*Note: Not all of those surveyed in the CBIZ Main Street Index are clients of CBIZ.

Editor's note:

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