



Small Business Hiring Continues to Trend Downward in November

Dec 10, 2024

The CBIZ Small Business Employment Index reports a pullback in hiring painting a picture of broadening economic weakness

CLEVELAND--(BUSINESS WIRE)--Dec. 10, 2024-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted decrease of 0.83% in November, marking the third consecutive month of declines. 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.

"While there is optimism about the potential growth under the new administration, the fundamentals of the U.S. economy remain sobering," said Anna Rathbun, CFA, Chief Investment Officer, CBIZ Investment Advisory Services, LLC. "SBEI has been negative for five of the last six months, reflecting persistent challenges. High prices continue to weigh on consumers, business margins remain under pressure, and elevated borrowing rates are impacting interest rate-sensitive sectors despite the positive sentiment surrounding changes in Washington."

The Bureau of Labor Statistics' employment report indicated hiring growth that beat expectations. The November reading showed an overall increase of 227,000 private-sector jobs. The national unemployment rate increased slightly to 4.2%. The report is inclusive of all non-farm private employers across businesses of all sizes. The ADP employment report indicated hiring growth among medium and large-sized companies. Its November reading showed an overall increase of 146,000 private-sector jobs for the month. Despite overall growth, small businesses accounted for a decrease of 17,000 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.

"Just as October's BLS report contained noise from two hurricanes and strikes, November's BLS report also brings distortions resulting from the rebound in hiring. Taken together, the two-month average nonfarm gain is 132K, while the average of survey expectations is 160K. From a relative standpoint, we are missing the mark," noted Rathbun.

The West (1.57%) was the only region to report an increase in hiring. The Southeast (-2.06%) saw the largest decline, followed by the Central (-0.51%) and Northeast (-0.49%) regions.

From an industry perspective, 16 out of the 25 industries represented in the CBIZ Small Business Employment Index experienced job losses, led by Administrative and Support Services, Financial Services, and Not-for-Profit. Agriculture, Fishing and Hunting, Mining, and Transportation saw increases.

Rathbun added, "Looking at SBEI from a historical perspective, job losses in November heading into the holiday season have been associated with general economic weakness. While retail saw the expected seasonal job gains, the broader picture shows declines across many industries, highlighting a pattern of softness. This isn't predictive, but it's an important association to note."

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

Additional takeaways from the November SBEI include:

November's snapshot: 18% of companies in the index increased staffing, 63% made no change to their headcounts and 19% reduced employment totals.

Industries at-a-glance: Agriculture, Fishing and Hunting, Mining, and Transportation saw an uptick in hiring. Decreases were seen in Administrative and Support Services, Financial Services, and Not-for-Profit.

Geographical hiring: The West (1.57%) saw an increase in hiring, while the Southeast (-2.06%), Central (-0.51%) and Northeast (-0.49%) regions saw losses.

What's next? As we head into 2025, it remains uncertain whether the new economic policies will positively influence the job market for small and middle-market businesses.

Editor's note:

(1) The SBEI illustration is licensed under a Creative Commons Attribution-NoDerivs 3.0 Unported License. Based on our work at <https://www.cbiz.com>.

Follow CBIZ on Twitter at [@CBZ](#) or on [Facebook](#).

About CBIZ

CBIZ, Inc. (NYSE: **CBZ**) is a leading professional services advisor to middle market businesses and organizations nationwide. With unmatched industry knowledge and expertise in accounting, tax, advisory, benefits, insurance, and technology, CBIZ delivers forward-thinking insights and actionable solutions to help clients anticipate what's next and discover new ways to accelerate growth. CBIZ has more than 10,000 team members across more than 160 locations in 21 major markets coast to coast. For more information, visit www.cbiz.com.

View source version on [businesswire.com](https://www.businesswire.com): <https://www.businesswire.com/news/home/20241210764969/en/>

Media

Alex Ortiz

Gregory FCA for CBIZ

Alexo@gregoryfca.com

610-228-2119

Source: CBIZ, Inc.