

CBIZ Small Business Employment Index Suffers a Setback

February 7, 2014

- Strongest January on record for index; decline expected following the holiday season -

CLEVELAND--(BUSINESS WIRE)--Feb. 7, 2014-- The [CBIZ Small Business Employment Index](#) (SBEI), a barometer for hiring trends that surveys data from 3,500 companies with 300 or fewer employees, decreased by 2.10 percent following two months of minimal gains. The SBEI increased by .31 percent during December, after an increase of .52 percent in November.

The loss revealed in the SBEI comes on the heels of Wednesday's ADP January survey, which reported that the private sector added 175,000 jobs during the month after expecting 185,000, per economists. Additionally, the December estimate of 238,000 jobs created was revised down to 227,000.

"Dealing with a setback is to be expected after the end of the holiday shopping season. Furthermore, a large part of the country has dealt with bitter cold temperatures and record snow amounts, which likely had an impact on small business employment," says Philip Noftsinger, business unit president for [CBIZ Payroll Services](#). "Still, our index is not seasonally adjusted, so this happens to be a decent report, all things considered. The January 2014 decline is below all four prior January readings and last year's reading for this month was -2.3 percent, showing some improvement over the years."

To view and/or use a graphic illustration that tracks and illustrates the employment index, [visit our blog here.](#)¹

Additional take-away points from the January data set include:

- **At-a-glance:** For the most part, stability continues in terms of businesses not making any changes to staff totals – 50 percent of the index had no change. 29 percent decreased staff in January while 21 percent increased their employee headcount.
- **Small business sector:** With more than five weeks of winter left, inclement weather could prove burdensome to the small business sector, which suffers much more quickly when outdoor conditions aren't accommodative. Businesses in the Midwest and Northeast portions of the country that have dealt with a severe winter thus far are likely most affected.
- **What to watch:** The economy and equity markets haven't enjoyed a robust start to 2014. However, in prior years during and post recession, we have witnessed a trend of positive numbers in the first half of the year with a precipitous decline occurring through the second half. We will watch closely to see how some early negative economic news in 2014 impacts what was a positive trend that concluded 2013.

CBIZ Payroll Services manages payroll services for more than 3,500 businesses. Its index reflects a broad array of industries and geographies corresponding to the markets across the United States where CBIZ provides human capital services. The data represented by the SBEI is derived from a segment of employers not completely accounted for by the ADP and Federal BLS employment reports.

Editor's note:

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

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