



The CBIZ Small Business Employment Index Suffers a September Swoon

October 3, 2014

–Small Business Payroll Data Reports Contrary to ADP National Employment Report–

CLEVELAND--(BUSINESS WIRE)--Oct. 3, 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 1.82 percent during the month of September. This follows an advance of 1.2 percent during the month of August. This report runs contrary to ADP's National Employment report, which is seasonally-adjusted, that offered small businesses added as many as 88,000 employees across the country last month.

"Economic deterioration in Europe, Russian intervention in Ukraine with its hand on the gas valve, a strengthening dollar here and the possibility of seasonal employment changes after the summer all offer us reasons why September and the third quarter close out on a dismal note on the macro level," says Philip Noftinger, business unit president for [CBIZ Payroll Services](#). "The geopolitical climate and economic concerns abroad may have impacted business owner sentiment. Still, even with these mood changes, I am not convinced that the domestic economy isn't still strengthening despite the headwinds."

To review an infographic with data from the employment index, visit our [blog](#).¹

Additional take-away points from the September SBEI include:

- **At-a-glance:** 21 percent of the companies included in the SBEI added staff during the September period while 30 percent decreased payroll. 49 percent of the small businesses held steady with their employee totals. 4001 companies were included in the August and September periods of the SBEI.
- **Consistency matters:** Small business owners historically have reduced head count in September, according to the SBEI, and this month's reading is consistent with that pattern. For the past six years, September's SBEI, which is raw data and not seasonally adjusted, has printed with a negative number.
- **What to watch:** Noftinger feels that this month's reading is an improvement over the prior two years, so while it is consistent with seasonal hiring patterns, this may not be as dismal a tone as some of the other macro data expected. We may have to wait until holiday shopping season to validate that position, though, as history has proven October to read a negative number for the past four years.

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://www.cbiz.com/insights-resources/blog>.

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[Gregory FCA](#) for [CBIZ, Inc.](#)
Jimmy Moock, 610-228-2125
(C:) 610-348-7849
jimmy@gregoryfca.com