



The CBIZ Small Business Employment Index Shows Stable Progress in May

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Small Business Employment Escalates in May, Driven by Three Key Industries

CLEVELAND--(BUSINESS WIRE)--Jun. 5, 2015-- [The CBIZ Small Business Employment Index \(SBEI\)](#), a barometer for hiring trends that surveys labor data from over 4,000 companies employing 300 or fewer people, increased by 1.36 percent this May, following a 1.17 percent increase during the month of April, solidifying a positive trend in small business hiring for the first half of 2015.

"Though a moderate number, May's reading of the SBEI shows a solid trend as it represents the third consecutive month of positive readings. Likewise, as we saw earlier this week, ADP's jobs data revealed 201,000 jobs created in May, landing just above expectations of 200,000," says Philip Noftinger, business unit president for [CBIZ Payroll Services](#).

Noftinger notes that small business growth was largely driven by three key industries that saw significant growth in May: entertainment and recreation, construction, and accommodation and foodservice. "Growth in construction is largely due to reports of stronger home starts in recent months, as entertainment and recreation, and accommodation and foodservice are likely due to employers ramping up for the summer months ahead."

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

Additional take-aways from the May SBEI include:

- **At-a-glance:** 28 percent of the companies included in the SBEI during May increased payroll commitments, 22 percent reduced headcounts and 50 percent of the small businesses in the index made no change to their employee totals. More than 4,000 small businesses were included in the May period of the SBEI.
- **May take-aways:** The May period of the SBEI finds the third consecutive positive reading in hiring to date for 2015. While the entertainment and recreation, construction, and accommodation and foodservice industries drove growth this month, transportation showed a notable decline in hiring during the May period; a major industry, transportation will be an important industry to monitor in terms of hiring in the coming months.
- **What could the future bring?** As May is a historically positive month for small business growth, it will be important to reflect on the impact of hiring on the economy as we enter the summer months and the possibility of the Fed raising interest rates looms. As the economy continues to improve, prompting a rate increase from the Fed, it will be essential to balance normalizing of interest rates with the latent recovery of small businesses.

"As the Fed seeks to balance monetary policy, it will be equally as important that our fiscal policy remain consistent and relatively quiet, so as to provide a stable environment for businesses to continue to invest and grow jobs," said Noftinger.

CBIZ Payroll Services manages payroll services for more than 4,000 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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