



CBIZ Small Business Employment Index Suffers Second Consecutive Monthly Decline

September 2, 2016

- August Headcounts Continue to Push Lower as Economy Remains Uncertain -

CLEVELAND--(BUSINESS WIRE)--Sep. 2, 2016-- 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, revealed a 0.82 percent month-over-month decrease in small business hiring in August. This reading is the first negative reading for the August period since the SBEI's inception. The [July SBEI](#) also saw a decrease in hiring of 0.28 percent.

"August's negative move in hiring came as a bit of a surprise, given the overall positive economic outlook for the remainder of 2016," says [Philip Noftsinger](#), president of CBIZ Employee Services Organization. "As we have seen with previous employment reports, it will be key to watch the real trajectory of the labor market for all market segments to truly understand the take-away for the broader economy."

ADP and Moody's Analytics reported gains of 177,000 jobs in August, following a July increase of 179,000 positions. Though lower than the previous month's findings, the August number exceeds economists' expectations of 175,000 gains.

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

Additional takeaways from the August SBEI include:

- **August's snapshot:** In comparison to the July SBEI, 23.8 percent of companies increased staff and 49.7 percent made no change. Of the total employers in the SBEI, 26.5 percent decreased employee headcounts during the August period.
- **Industries-at-a-glance:** Industry segments that showed growth include Agriculture, Finance and Insurance, and Education. Two of those three – Education and Agriculture – are seasonally driven. Professional Services, typically a sector of consistent small business hiring, was flat in the month of August, as was Construction. Technology, Life Sciences, Non-Profits and Transportation showed the greatest retraction in hiring this month.
- **Geographical Hiring:** Across the country, all regions realized declines. The Central region experienced the hardest hit, showing a 1.13 percent decline in hiring, while the Northeast, Southeast, and West regions also declined by 0.43, 0.26 and 0.56 percent, respectively.
- **What's next?** The markets have been relatively calm this month, and the possibility for us to see a hike in the federal funds rate remains on the table this year. Small businesses are a vital part of the broader labor market, and though employers might be bracing for change come autumn and winter this year, small business owners will have to increase their headcounts in order for the economy to really pick up steam heading into 2017.

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 U.S., 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:

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