



CBIZ Small Business Employment Index Plunges into Negative Territory in January

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- *Small Business Owners across the Country Slashed Headcounts to Kick Off 2017-*

CLEVELAND--(BUSINESS WIRE)--Feb. 3, 2017-- The [CBIZ](#) Small Business Employment Index (SBEI), a barometer for hiring trends that surveys labor data from approximately 4,000 companies employing 300 or fewer people, posted a 3.12 percent month-over-month decline in hiring, a steep drop in staffing totals for the SBEI's first 2017 reading. [The December SBEI](#) saw an increase in hiring of 1.60 percent.

"When compared with previous January periods, this reading of the SBEI doesn't in itself suggest a sentiment shift among small business owners," says [Philip Noftisinger](#), president of CBIZ Employee Services Organization. "Rather, this reading is a natural result in January as owners adjust out of the high retail season in December. However, it's vital that we see the months ahead demonstrate better results than the historical averages to support the notion that January isn't a warning of changing expectations."

ADP and Moody's Analytics reported that businesses added 246,000 jobs in January, exceeding economists' expectations of a modest gain of 168,000.

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

Additional takeaways from the January SBEI include:

- **January's snapshot:** Compared to the December reading of the SBEI, 19 percent of companies in the Index increased staff totals, 46 percent kept staff numbers steady and 35 percent decreased headcounts. Since the Index's inception in 2009, January has never been a month for small business job growth and the average January reading has been negative 2.90 percent.
- **Industries at a glance:** The only industry which showed mild growth in employment this month was Insurance, while all other industry sectors realized declines. The most notable declines occurred within Arts & Entertainment, Agriculture, Education, Retail, Accommodation & Foodservice, Healthcare, Construction and Financial Services.
- **Geographical Hiring:** While the December SBEI saw all four regions realize employment improvements, the January SBEI tracked declines across the country. The North East was the most impacted region, showing a 3.69 percent decline, followed by the Central, South East and West regions, printing at a 3.3 percent decline, 2.76 percent decline, and 2.43 percent decline, respectively.
- **What's next?** Although January's SBEI result was disappointing compared to the positive closing to 2016, it's important that small business owners show patience in a time of dramatic political and economic change and uncertainty. As the new administration works to gain its footing and translate campaign promises into political action, small business owners will need to watch larger economic trends unfold as opposed to focusing on single macro-economic data points to draw conclusions.

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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Source: CBIZ, Inc.

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