

CBIZ Small Business Employment Index Levels Out to Solid Growth in February

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- Small Business Labor Market Recovers After Seasonal Decline in January -

CLEVELAND--(BUSINESS WIRE)--Mar. 10, 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 0.16 percent month-over-month increase in hiring, a return to positive territory after a seasonally reasonable dip in January. The January SBEI saw hiring plunge by 3.12 percent.

"The small business labor market is gaining its footing after a few months of fluctuations during the election and at the start of the year," says [Philip Noftsinger](#), president of CBIZ Employee Services Organization. "As long as the administration continues to keep its promises to small business, owners should react accordingly."

ADP and Moody's Analytics reported companies added 298,000 jobs for the month, surpassing economists' expectations by more than 100,000. Additionally, January's ADP was revised upward from 246,000 to 261,000 jobs added.

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

Additional takeaways from the February SBEI include:

- **February's snapshot:** Compared to the January reading of the SBEI, 25 percent of companies in the Index increased their employee counts, 51 percent made no change to staff totals and 24 percent cut headcounts. February is historically a flat month for hiring, following a seasonal decline in January.
- **Industries at a glance:** The largest industry gains were seen by Construction, possibly due to unseasonably warmer weather in most of the country. Technology and Life Sciences, Education, Financial Services, Manufacturing and Healthcare also grew. Meanwhile, Utilities, Arts Entertainment and Recreation, Agriculture and Professional, Scientific and Technical Services realized a decline in hiring. While a broad range of industries showed modest growth, the few that declined did so dramatically, muting what could have been a more optimistic month across the board.
- **Geographical Hiring:** Despite declines occurring across the country in January, two regions saw staff totals climb in February. The Southeast grew by 0.56 percent and the West by 1.17 percent. However, due to February's winter weather, the Northeast showed a decline of 0.49 percent and the Central region remained relatively flat with a decline of 0.08 percent.
- **What's next?** The SBEI has moved sideways over the past four months with two declines and two gains. Perhaps the small business labor market is having a difficult time digesting policy changes, economic growth, political impacts and other headlines. This shows that small business is listening carefully to President Trump's comments on corporate tax reform, infrastructure and even immigration to gauge their future hiring plans.

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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[Gregory FCA](#) for [CBIZ, Inc.](#)

Kelly Forst

Desk: 610-228-2396

kellyf@gregoryfca.com