



Hiring Dips Dramatically in October, According to CBIZ Small Business Employment Index

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- SBEI reports that small businesses slashed headcounts by 1.62 percent month over month in October -

CLEVELAND--(BUSINESS WIRE)--Nov. 3, 2017-- The [CBIZ](#) Small Business Employment Index (SBEI), which tracks hiring trends among thousands of companies that employ 300 or fewer employees across the U.S., reported a month-over-month decrease in hiring activity of 1.62 percent in October. Following a decline of 0.35 percent in September, this is the fourth consecutive monthly decline in hiring recorded by the SBEI.

"The October period typically sees seasonal declines in small business hiring," says [Philip Noftsinger](#), President of CBIZ Employee Services Organization. "However, this year's drop was much larger than we expected, marking this the largest October decline we've seen in the past five years."

Hiring among companies of all sizes across the U.S. told a different story this month. ADP and Moody's Analytics reported that the economy created 235,000 new jobs in October, exceeding expectations by 35,000.

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

Additional takeaways from the October SBEI include:

- **October's snapshot:** Compared to the September reading of the SBEI, 21 percent of companies in the index increased headcounts, 49 percent did not change their staff totals and 30 percent reduced the size of their staff. October is historically a negative month for hiring, averaging a decline of 0.54 percent.
- **Industries at a glance:** The Mining and Insurance industries grew their workforces in October, while almost all other industries recorded declines, including Professional Services, Healthcare, Manufacturing and Retail Trade.
- **Geographical hiring:** While many may be quick to blame the hurricanes last month for the recent slowdown in small business hiring, regional hiring patterns do not reflect this assumption. The Central region saw hiring decline 1.79 percent, the Northeast recorded declines of 2.54 percent and the Southeast saw hiring fall by 1.56 percent. Meanwhile, the West was flat with a mild 0.06 percent improvement in hiring. As these numbers indicate, small businesses were reluctant to increase headcounts across nearly all geographies, not just those impacted by the severe weather.
- **What's next?** Small business owners are having a difficult time finding qualified workers, a [recent release of the National Federation of Independent Business' survey](#) of small businesses revealed. According to Noftsinger, this unique problem might suggest that small businesses are operating in a strong economy in a state of full employment. However, small businesses are still struggling to hire a certain demographic of long-time unemployed individuals leftover from the 2008 recession that lack the necessary skills to work in today's economy. This problem is not likely to be solved easily or quickly.

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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