



CBIZ Small Business Employment Index Follows Historical Summer Decline for July

August 3, 2018

- Small business hiring decreases as summer staffing needs lessen -

CLEVELAND--(BUSINESS WIRE)--Aug. 3, 2018-- 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 of 2.03 percent in July, following an increase in hiring of 1.73 percent in June.

"July historically shows a seasonal decline in hiring as employers reach full staffing for the requisite summer months' demand," says [Philip Noftsinger](#), Executive Vice President at CBIZ Employee Benefits. "However, this July represents a larger decline than most, indicating there may be more at work. That statistic doesn't necessarily mean that the economic growth cycle is at an end, however."

ADP and Moody's Analytics reported Wednesday that the private sector posted an employment increase of 219,000 month-over-month, on a seasonally adjusted basis. Small businesses accounted for 52,000 of those jobs and the report found that almost all sectors and industries reported an increase.

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

Additional takeaways from the July SBEI include:

- **July's snapshot:** When compared to the June reading, 21 percent of companies increased their headcounts, 49 percent refrained from making labor changes, and 30 percent decreased their employee totals. Since the SBEI's inception in June 2009, the July reading has seen an average hiring decrease of 0.99 percent, and this year's reading is the second-largest decline during the July period.
- **Industries at a glance:** Of the industries reflected in the index, Agriculture grew notably, which is common during the summer months, followed by Insurance and Wholesale Distribution. Meanwhile, Transportation, Education, Non-Profits, and Accommodation and Food Services declined, and Construction recorded a nearly flat figure with a 0.11 percent decline.
- **Geographical hiring:** The entire country experienced hiring declines in July, with the Northeast, Central, Southeast and West regions posting declines of 0.77 percent, 2.11 percent, 1.65 percent and 3.74 percent, respectively.
- **What's next?** According to the National Federation of Independent Business, more employers than ever are hiring or attempting to hire workers. However, the ability to find qualified workers is their single-largest business concern. This could mean we are quickly approaching the final stages of slack in the labor market, and as participation reaches its maximum potential, given our workforce population, wages may begin to increase.

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 Bureau of Labor Statistics employment reports.

Editor's note:

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