



CBIZ Small Business Employment Index Shows Uncharacteristic December Flattening

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- Small businesses refrain from typical employment increases for the holiday season -

CLEVELAND--(BUSINESS WIRE)--Jan. 4, 2019-- 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 0.49 percent in December, following an increase in hiring of 0.48 percent in November.

"The December SBEI showed a flat reading for small business hiring, a contrast to the usual much more positive seasonal result," says [Philip Noftsinger](#), Executive Vice President, CBIZ Employee Benefits. "This reading adds to an already nervous mood going into 2019."

ADP and Moody's Analytics reported Wednesday that the private sector posted an employment increase of 271,000 jobs month-over-month on a seasonally adjusted basis. Small businesses accounted for 89,000 of those jobs and the report found that all sectors reported an increase.

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

Additional takeaways from the December SBEI include:

- **December's snapshot:** When compared to the November SBEI reading, 24 percent of companies increased their headcounts, 52 percent refrained from making labor changes, and 24 percent decreased their employee totals. Since the SBEI's inception in June 2009, the December reading has seen an average hiring increase of 1.15 percent; and this year's reading is the largest decrease during the December period.
- **Industries at a glance:** Of the industries reflected in the index, Professional Services, Retail Trade, Wholesale Distribution, and Non-Profits posted job growth. Conversely, Arts and Entertainment, Real Estate, Construction and, surprisingly, Healthcare posted declines.
- **Geographical hiring:** In December, the Northeast, Southeast and Central regions experienced hiring decreases of 1.2, 0.93 and 0.34 percent, respectively. The West posted the only hiring increase of 0.2 percent.
- **What's next?** With many economists calling for a recession, it's possible we are seeing the first signs of that now. Washington is unlikely to provide any fiscal help, with Congress now in full gridlock mode. We'll have to wait and see if the Federal Reserve slows down its rate increases, based on the softening macro data.

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:

(1) The SBEI illustration is licensed under a Creative Commons Attribution-NoDerivs 3.0 Unported License. Based on our work at <http://www.cbiz.com/insights-resources/blog>.

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