

Small Business Hiring Trends Gain Momentum in April

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Regional and industry reopenings spur growth at the start of the second quarter for the CBIZ Small Business Employment Index

CLEVELAND--(BUSINESS WIRE)--May 7, 2021-- The CBIZ Small Business Employment Index ("SBEI") reported a seasonally adjusted gain of 3.57% for April. The remarkable gain in the reading highlights the quickened pace of hiring efforts as small businesses engage in increased economic activity. The CBIZ SBEI tracks payroll and hiring trends for over 3,500 companies that have 300 or fewer employees, providing broad insight into small business trends.

"While small business hiring increased in February and March, the momentum accelerated noticeably in April, with the CBIZ SBEI recording its largest seasonally adjusted spike," said Philip Noftsinger, Executive Vice President, CBIZ, Inc. "This growth period could have legs, but we expect it to begin to slow once the U.S. is fully reopened. We also anticipate potential volatility when the reading factors in the May 2020 drop-off, as the seasonality weighting now includes periods of closure from COVID-19."

Prominent hiring gains were detailed in the ADP and Moody's employment report as well. According to the report, private-sector jobs jumped by 742,000 on a month-over-month, seasonally adjusted basis, and small business jobs climbed by 235,000. The ADP and Moody's report counts small businesses as companies with 49 or fewer employees, while the CBIZ SBEI uses data from companies with 300 employees or fewer.

Reopening efforts underpinned regional data for the CBIZ SBEI. The Northeast (5.94%), West (3.97%) and Central (3.3%) regions experienced the greatest hiring growth. The index reported a more moderate increase in the Southeast (2.5%).

Industry data also points to economic reopening as a key trend. Arts and Entertainment accounted for the most growth, followed by Agriculture, Accommodation and Food Services, Transportation, and Construction. Other industries saw hiring decrease, including Real Estate and Utilities.

"Historically, it's not surprising for hiring to increase in Agriculture and Construction in the early spring, but growth stands out in Arts and Entertainment and Accommodation and Food Services, as these industries continued their resurgence from the pandemic's impact," Noftsinger noted. "We'll be looking for indicators of longevity and following how much these industries support GDP."

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

Additional takeaways from the April SBEI include:

April's snapshot: 26% of companies in the index reinforced staffing, 55% left headcounts unchanged and 19% lowered employment levels.

Industries at a glance: Arts and Entertainment, Agriculture, Accommodation and Food Services, Transportation, and Construction reported hiring gains, but Real Estate and Utilities reported declines.

Geographical hiring: The Northeast (5.94%), West (3.97%), Central (3.3%) and Southeast (2.5%) U.S. all ramped up hiring efforts.

What's next? While hiring could continue to increase through the second quarter, the trend may be less pronounced when more regions are fully operational across the U.S.

Editor's note:

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