### **Small Business Facts**

## **SMALL BUSINESS EMPLOYMENT PLUMMETS**

May 2020 · By Daniel Wilmoth, PhD





### Pandemic creates record fall in private employment

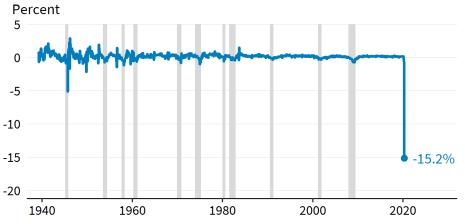
Total private employment experienced a record decrease after a declaration of national emergency was issued because of the COVID-19 pandemic. One estimate of total private employment is generated by the Bureau of Labor Statistics (BLS) though the Current Employment Statistics (CES) program. The program surveys employers about employment during the pay period containing the twelfth day of the month. A declaration of national emergency was issued on March 13, 2020. Between the March and April surveys, BLS estimates total private employment to have fallen by 19.6 million, or 15.2 percent, the largest decline in the history of the data series.

# The national unemployment rate reached 14.7 percent in April, the highest rate since modern methods of calculation were adopted in 1948

### Small business employment sees sharpest fall

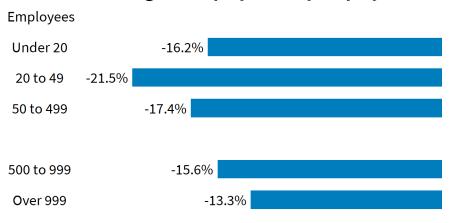
Estimates of private employment are also generated by the ADP Research Institute using payroll data. Published estimates include both total employment and employment by employer size, where each Employer Identification Number is treated as a different employer. The ADP Research Institute estimates national private employment to have fallen by 15.7 percent between March and April. Smaller employers experienced larger declines. The largest decline for any size group was for employers with 20 to 49 employees, with a decline of 21.5 percent. The smallest decline was for employers with 1000 or more employees, with a decline of 13.3 percent. Overall, employers with 500 employees or more saw a decline of 13.6 percent, while employers with fewer than 500 employees saw a decline of 17.8 percent.

### Percentage change in total private employment



Shading indicates recessionary periods.
Source: Current Employment Statistics, BLS

### Change in employment by employer size



Size groups indicate employees per Employer Identification Number Source: ADP Research institute