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Small Businesses Getting Ready to Hire

Intuit Payroll Survey Finds 44 Percent of Small Businesses Plan to Hire Within 12 Months, But Still Struggle with Employee Benefits

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- The nation's unemployment rate may have hit a 26-year high in September but many [small business](#) owners are getting ready to hire.

The latest [Intuit Payroll survey](#) from [Intuit Inc.](#) (Nasdaq:INTU) finds that nearly half of the small business owners surveyed, 44 percent, are [planning to hire](#) new employees within the next 12 months. At the same time, many small business owners believe that benefits are key to attracting new hires but are finding them difficult to afford.

"Economists may have declared the recession over, but on Main Street, unemployment figures are what really matter," said Nora Denzel, senior vice president of Intuit's Employee Management Solutions Division, which helps more than 1 million small businesses easily and affordably manage their payroll. "There are struggles ahead, nobody is uncorking the champagne bottle quite yet, but we are starting to see small signs of optimism."

For the [Intuit Payroll](#) survey respondents, these 12-month hiring plans coincide with a somewhat optimistic view of their own prospects for growth. Sixty percent expect their business to grow in the next year. Newer businesses are the most bullish: 80 percent of companies founded less than three years ago expect to grow over the next year, compared to roughly half that have been in operation for 10 years or more.

When it comes to hiring, small business owners are looking for candidates with a broader skill set. Fifty percent of the small business respondents said they were looking for a "people person" or "jack of all trades," over a "creative genius" (11 percent) or "mathematical wizard" (4 percent).

To help small businesses as they prepare to hire, [Intuit Payroll](#) provides useful hiring and employee management tips and resources at: <http://intuitonlinepayroll.com/hire>.

Benefits Key to Attracting Talent

While small business owners get ready to hire, many of them are in a quandary when it comes to attracting talent. Nearly 90 percent of survey participants said that health insurance benefits are important to attracting and retaining good employees. Yet 58 percent don't offer healthcare insurance, with nearly 50 percent stating that they can't afford it.

Employer-provided retirement plans are even scarcer. Among the businesses surveyed just one-fourth offer retirement benefits. Of those who don't, nearly two-thirds said they don't have a responsibility to do so while the remainder said that they can't find an affordable plan.

"There's a widening gap of expectations," said Denzel. "On one hand, we as a society assume that health and retirement benefits are part of every employee's compensation

package. And yet even as these small businesses gear up to hire, according to our results, small businesses are leery about what those benefits will cost."

Additional Findings

The survey also found that:

- Friends and family matter. Seventy-nine percent of small business owners surveyed have hired a friend or family member and only 22 percent said that this was a bad decision. The reason may have to do with trust, which was cited as one of the two biggest hiring challenges, along with finding employees with the right experience.
- Long-term relationships are important. Forty-four percent of the small business owner respondents reported that their first employee still works for them.
- Stimulus funds not a factor. Consistent with the previous Intuit Payroll Survey conducted three months ago, only 1 percent of respondents reported receiving federal stimulus money. Yet 74 percent admit that they are probably not taking advantage of all the benefits available to their business under the federal economic stimulus plan.

"Small business owners are busy people and it's not surprising that they don't know all that's available to them under the federal economic stimulus plan," said Denzel. "But in the end they could be leaving money on the table."

Further information on the availability of stimulus money can be found on the IRS Web site, www.irs.gov. For more information on starting, running and growing a business, including hiring employees, register to attend one of the upcoming Intuit online events at: <http://IntuitCommunity.com/events>.

Survey Methodology

The third-quarter 2009 Intuit Payroll Survey was conducted by Global Strategy Group from Sept. 21-30, with 1,004 Intuit Payroll customers who participated in the online survey. The margin of error for this survey at the 95 percent confidence level is plus or minus 3.1 percentage points on the overall sample. The margin of error on sub-samples is greater. More survey findings can be found at www.intuitpayrollblog.com.

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help banks and credit unions serve businesses and consumers with innovative solutions.

Founded in 1983, Intuit had annual revenue of \$3.2 billion in its fiscal year 2009. The company has approximately 7,800 employees with major offices in the United States, Canada, the United Kingdom, India and other locations. More information can be found at www.intuit.com.

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