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Small Businesses Employment Showed Modest Increase in March

Intuit February Small Business Index Reveals Continued Revenue Decline

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--

Intuit Inc. (Nasdaq:INTU) today issued its monthly [Small Business Employment and Revenue Indexes](#). Below are topline results from each of the reports.

Small Business Employment Index

- U.S. small businesses added 15,000 new jobs in March, making for more than 895,000 jobs added since March 2010.
- Hourly employees worked an average of 107.4 hours in March, down 23 minutes from February's revised figure.
- Small business employees' monthly pay fell by 0.16 percent, with average compensation reaching \$2,760, down \$4.30 from February.

These findings come from the monthly Intuit QuickBooks Small Business Employment Index and are based on data from [Intuit Online Payroll](#) and [QuickBooks Online Payroll](#), covering the period from Feb. 24 – March 23.

Small Business Revenue Index

- Revenues per small business across all industries fell by 0.14 percent in February, which translates to a decline of 1.7 percent when annualized.
- The Professional Services category showed the largest monthly increase in revenue, at 0.2 percent.
- The Real Estate category continued to post the largest revenue decline, falling 0.5 percent in February and 6.3 percent on an annualized basis.

This index is based on data from [QuickBooks Online](#), covering the period from Feb. 1 - 28.

A Closer Look at Results

- The Small Business Employment Index

Small business employment rose by 15,000 jobs in March, while the hiring rate fell slightly.

"This is a modest increase in the employment level for small business – just 1 percent above a year ago and far below the 2.5 percent increase for the overall economy," said [Susan](#)

[Woodward](#), the economist who works with Intuit to produce the Small Business Employment and Revenue Indexes.

“Businesses with fewer than 20 employees employ 20.6 million people, up by nearly 900,000 jobs since the trough in the recession, but still below the peak of 21.2 million in March 2007. Total private payrolls and total payrolls, which include both private and governments, have passed their previous peaks.”

Wages for hourly employees rose by two cents in March, an increase of 0.1 percent, and are 2.6 percent higher than a year ago. Meanwhile, inflation has been zero since March 2014. “This change represents real wage gains over the past year,” Woodward said.

At the same time, hours worked by hourly employees fell by 23 minutes, to 107.5 hours. The fraction of hourly workers who worked full time fell 0.3 percent to 29 percent. Total compensation fell by \$4.30 for the month, to \$2,760. Employment rose in nearly all states separately reported by Intuit in March. Exceptions were all east of the Mississippi River, with Minnesota, Wisconsin, Kentucky, and Alabama seeing the biggest declines. Hours worked fell in all states except Oregon, Idaho, and Iowa. Total compensation also fell in most states.

“We see some softness in small business employment – fewer hourly people working full time, a decline in hours worked, and a decline in the hiring rate, despite a rise in the hourly wage and overall, a rise in employment,” Woodward said. “While the figures are adjusted for the seasons, they are not adjusted for unusual weather, so some of the softness may be the result of an unusually cold and snowy winter in the East and Midwest.”

- Small Business Revenue Index

Revenues for small businesses continued to fall in February but at a slower rate of decline than in January. Revenue is reported one month behind employment.

Real Estate Services saw the largest decline, followed by Retail, and Accommodation, which includes restaurants and bars.

“The falling revenue we have seen over the last few months is the first such episode since revenues began expanding again in August 2008,” said Woodward. “This appears to be weather related. The revenue figures, like the employment figures, are adjusted for seasonality but not for especially bad weather. Real Estate Services and Retail may have been especially influenced by the bad weather this winter. Across businesses of all size, retail sales were down, especially for large durables, such as cars and furniture, but not for groceries and online purchases. In past bad winters, retail sales made up for lost sales once the weather improves.”

Not all industries saw revenue fall. The fastest revenue growth was among companies in the Professional Services sector, whose revenue grew 0.2 percent, or 2.2 percent annualized.

About the Intuit Small Business Indexes

The Intuit Small Business Indexes provide unique, near real-time information each month on the activity of the smallest businesses in the U.S. in terms of revenue, hiring and compensation trends.

The Employment Index is based on anonymized, non-identifiable aggregated data from approximately 263,400 small business employers, a subset of users that use [Intuit Online Payroll](#) and [QuickBooks Online Payroll](#). The Revenue Index is based on anonymized, non-identifiable aggregated data from approximately 150,000 small businesses, a subset of users that use Intuit's [QuickBooks Online](#) financial management offering and are matched in [Dun & Bradstreet's](#) small business industry classifications.

Together, the indexes provide a more complete picture of the economic health of the nation's small businesses. More information on the Intuit Small Business Indexes is available at index.intuit.com.

About Intuit Inc.

[Intuit Inc.](#) creates business and financial management solutions that simplify the business of life for small businesses, consumers and accounting professionals.

Its flagship products and services include [QuickBooks®](#), [Quicken®](#) and [TurboTax®](#), which make it easier to manage [small businesses](#) and [payroll processing](#), [personal finance](#), and [tax preparation and filing](#). [Mint.com](#) provides a fresh, easy and intelligent way for people to manage their money, while [Demandforce®](#) offers marketing and communication tools for small businesses. [ProSeries®](#) and [Lacerte®](#) are Intuit's leading tax preparation offerings for professional accountants.

Founded in 1983, Intuit had revenue of \$4.5 billion in its fiscal year 2014. The company has approximately 8,000 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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