

July 31, 2012



# Intuit Small Business Indexes Show Mixed Signals

## Small Business Employment Slightly Increases While Revenue Declines

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small businesses are seeing weak employment and compensation growth, while hours worked and revenue rates decreased.

These are among the results for the monthly [Intuit Inc.](#) (Nasdaq: INTU) [Small Business Employment and Revenue Indexes](#), which together provide a complete and current picture of the economic health of the nation's small businesses.

The Small Business Employment Index shows that employment increased by 0.17 percent in July, for an annualized growth rate of 2.1 percent. This equates to approximately 35,000 new jobs created, although Intuit is recalibrating the index and expects these numbers to change.

Average monthly compensation grew by 0.3 percent, or \$7, while average monthly hours worked decreased by 0.3 percent, or 24 minutes. The index is based on data from [Intuit Online Payroll](#) and covers the period from January 2007 through July 23, 2012.

The Small Business Revenue Index indicates that small business revenue decreased by 0.5 percent from the previous month. The accommodation and food services sector saw the biggest decline at 0.7 percent, followed by the retail industry at 0.5 percent. The index is based on data from [QuickBooks Online](#) and covers the period from January 2005 through June 2012.

"This month's indexes indicate a mixed bag for small businesses," said [Susan Woodward](#), the economist who worked with Intuit to create the indexes. "Revenues have been declining for two months now, so the weak employment growth rate for July is not a surprise.

"The silver lining is the construction industry, which saw an increase in revenue in May and the smallest decline in June. While construction accounts for about 8 percent of employment among all companies, it accounts for roughly 20 percent of employment for small companies, so any change in this sector is important."

## Small Business Revenue Index

Small businesses overall saw declines in revenue in June. The construction industry and health care and social assistance sectors saw the smallest declines, at 0.01 and 0.04 percent respectively.

Sector	Change in Revenue
All	- 0.50%
Accommodation, food services and drinking places	- 0.70%

Retail trade	- 0.50%
Other services	- 0.50%
Professional, scientific and technical services	- 0.40%
Real estate and rental and leasing	- 0.19%
Health care and social assistance	- 0.04%
Construction	- 0.01%

### **Small Business Employment Index**

Based on July's numbers and revised national employment data from the Bureau of Labor Statistics, Intuit revised downward the previously reported June growth rate to 0.2 percent. This equates to 40,000 jobs added in June, down from a previously reported 75,000 jobs, though these numbers are expected to change once the index is recalibrated.

### **Decrease in Hours Worked, Increase in Compensation**

Small business hourly employees worked an average of 106.3 hours in July, a decrease of 0.3 percent, or around 24 minutes, from the revised figure of 106.7 hours in June, making for a 24.5-hour workweek.

Average monthly pay for all small business employees increased to \$2,724 in July, an increase of 0.3 percent, or \$7, from the June revised figure of \$2,717 per month. The equivalent annual wages would be about \$32,700 per year, which is part-time work for many small business employees.

### **Small Business Employment by Geography**

The Employment Index showed growth in overall employment in July for all regions except for the West North Central division, which decreased by 0.10 percent, and the Middle Atlantic, which remained flat. A state-by-state breakdown showed increases in all states that the index covers, with the exception of Pennsylvania, New York and New Jersey, which showed declines. Michigan recorded the highest growth at 0.7 percent.

### **U.S. Census Division Percent Change in Employment**

East North Central	+0.4%
West North Central	-0.10%
Middle Atlantic	+0.00%
Mountain	+0.07%
New England	+0.19%
Pacific	+0.5%
South Atlantic	+0.2%
East South Central	+0.4%
West South Central	+0.2%

**Small Business Employment by U.S. Census Division** continues to grow in most parts of the country. The data reflects employment from approximately 82,000 small business employers, a subset of small businesses that use Intuit Online Payroll. The month-to-month changes are seasonally adjusted and informative about the overall economy.

<b>State</b>	<b>Change in Employment</b>
Arizona	+ 0.12%
California	+ 0.40%
Colorado	+ 0.11%
Florida	+ 0.30%
Georgia	+ 0.20%
Illinois	+ 0.20%
Maryland	+ 0.30%
Massachusetts	+ 0.05%
Michigan	+ 0.70%
New Jersey	- 0.08%
New York	- 0.08%
North Carolina	+ 0.06%
Oregon	+ 0.14%
Pennsylvania	- 0.18%
Texas	+ 0.30%
Virginia	+ 0.15%
Washington	+ 0.40%

**Small Business Employment** increased for most states in which Intuit Online Payroll has more than 1,000 small business firms. The month-to-month changes are seasonally adjusted and informative about the overall economy.

### **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 Revenue Index is based on anonymized, aggregated data from 150,000 small businesses, a subset of users that use Intuit's QuickBooks Online financial management offering. The Employment Index is based on anonymized, aggregated data from 82,000 small business employers, a subset of users that use Intuit Online Payroll. 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](http://index.intuit.com).

### **About Intuit Inc.**

[Intuit Inc.](http://intuit.com) is a leading provider of business and financial management solutions for small and mid-sized businesses; financial institutions, including banks and credit unions; consumers and accounting professionals. Its flagship products and services, including [QuickBooks®](http://quickbooks.com),

[Quicken®](#) and [TurboTax®](#), simplify small business management and [payroll processing](#), personal finance, and tax preparation and filing. [ProSeries®](#) and [Lacerte®](#) are Intuit's leading tax preparation offerings for professional accountants. Intuit Financial Services helps banks and credit unions grow by providing on-demand solutions and services that make it easier for consumers and businesses to manage their money.

Founded in 1983, Intuit had annual revenue of \$3.9 billion in its fiscal year 2011. 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](http://www.intuit.com).

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