May 30, 2012

Intuit Small Business Indexes Show Tentative Revenue, Employment Growth

Two More Years of Similar Employment Growth Needed to Reach Prerecession Levels

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small business revenues and employment are slowly growing but more growth is needed to reach prerecession levels.

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 Revenue Index shows that revenues have been growing slowly and are starting to gradually approach 2007 prerecession levels with an upturn in revenues for certain industries, a flat level for others, and no decline for any. The index is based on data from QuickBooks Online and covers the period from January 2005 through April 2012.

The Small Business Employment Index shows that employment expanded slowly growing by 0.2 percent in May, for an annualized rate of 2.5 percent. The index is based on data from Intuit Online Payroll and covers the period from January 2007 through May 23, 2012.

"The employment and revenue indexes tell a consistent story," said Susan Woodward, the economist who worked with Intuit to create the Intuit Small Business Indexes. "Both indicate there is a recovery underway. We need growth at this level for two more years for small business employment to return to the level we saw in early 2007."

Small Business Revenue Index

In April, retail, professional services and other services saw upticks in revenue, with small improvements in the construction and real estate industries. Small businesses in the accommodation and food service industry, along with the health care and social services sector, saw flat revenue levels.

"The industry breakouts of the revenue indexes help us understand why the recovery is slow – construction is still far below normal," said Woodward. "We know from other federal data as well that construction is still very depressed. Single family construction is running about 600,000 units per year, compared to 1.5 million units per year in normal times."

Small Business Employment Index

Small business employment increased by 0.2 percent in May, which equates to approximately 40,000 jobs created, though Intuit is recalibrating the Index and expects these numbers to change.

Based on May's numbers and revised national employment data from the Bureau of Labor

Statistics, Intuit revised upward the previously reported April growth rate to 0.3 percent. This equates to 60,000 jobs added in April, up from a previously reported 40,000 jobs, though these numbers are expected to change once the Index is recalibrated.

Decrease in Hours Worked, Compensation

Small business hourly employees worked an average of 106.4 hours in May, a decrease of 0.6 percent, or around 42 minutes, from the revised figure of 107.1 hours in April, making for a 24.6-hour workweek.

Average monthly pay for all small business employees decreased to $2,688 in May, a decrease of 0.13 percent, or $4, from the April revised figure of $2,692 per month. The equivalent annual wages would be about $32,300 per year, which is part-time work for many small business employees.

Small Business Employment by Geography

The Employment Index shows overall employment growth in May for all census divisions, with the Mountain and East South Central Regions seeing the most growth. A state breakdown shows increases in all states that the index covers except for Oregon and Pennsylvania. The top three states for growth are Arizona, Colorado and Virginia.

U.S. Census Division	Percent Change in Employment
East North Central	0.2%
West North Central	0.01%
Middle Atlantic	0.07%
Mountain	0.6%
New England	0.3%
Pacific	0.3%
South Atlantic	0.3%
East South Central	0.6%
West South Central	0.2%

Small Business Employment by U.S. Census Division continues to grow in all parts of the country. The data reflects employment from approximately 78,000 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.

State	Percent Change in Employment
Arizona	0.6%
California	0.2%
Colorado	0.6%

Florida	0.4%
Georgia	0.3%
Illinois	0.05%
Maryland	0.4%
Massachusetts	0.3%
Michigan	0.3%
New Jersey	0.16%
New York	0.16%
North Carolina	0.3%
Oregon	-0.12%
Pennsylvania	-0.3%
Texas	0.3%
Virginia	0.5%
Washington	0.4%

Small Business Employment by State is up for most states in which Intuit Online Payroll has more than 1,000 small business firms represented. 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, which covers the period from January 2005 through April 2012, is based on anonymized, aggregated data from 170,000 small businesses, a subset of users that use Intuit's QuickBooks Online financial management offering. The Employment Index, which covers the period from January 2007 through May 23, 2012, is based on anonymized, aggregated data from 78,000 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.

About Intuit Inc.

Intuit Inc.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®, 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.

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Intuit Inc.
Sharna Brockett, 650-944-3856
sharna_brockett@intuit.com
or
Access Communications
Vanessa Piccinini, 415-844-6296
vpiccinini@accesspr.com

Source: Intuit Inc.