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Small Business Employment Remained Flat in August

Construction Only Sector to See Revenue Growth

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small business employment dropped very slightly in August, despite increased compensation and hours worked for their employees. Small business revenues overall declined 0.18 percent in July; the construction industry was the only sector to show an increase, of 0.3 percent.

Those are among the findings of the monthly Intuit Inc. (Nasdaq: INTU) Small Business Employment and Revenue Indexes. The report found that:

- Employment dropped 0.01 percent in August.
- Average monthly compensation increased 0.4 percent in August, with average monthly pay reaching the equivalent of $2,751, up $10 from July.
- Average monthly hours worked by hourly employees increased 0.6 percent in August, which is equivalent to 111.2 hours, up 42 minutes from July.

This employment index is based on data from Intuit Online Payroll and QuickBooks Online Payroll, covering the period from July 24 through Aug. 23.

“The slight drop of one-hundredth of 1 percent in August employment equates to about 1,300 jobs lost, which means employment was essentially flat for the month. This is the second month that small business recovery has been flat or falling,” said Susan Woodward, the economist who worked with Intuit to create the indexes. “Small business employment continues to lag behind total private employment, which has risen 7 percent since the trough in March 2010, while small business employment has only risen by 2 percent.”

“Revenue per small business has continued to decline overall and for all industry sectors except construction. The healthcare, retail and real estate services industries show the largest declines. Real estate services saw the greatest decline at a per-business level in July, as many Realtors who were inactive are now re-entering the market, competing for existing business. The healthcare industry has experienced the second largest – and the longest – overall revenue decline, at 3.2 percent since mid-2012. Construction continues to be the bright spot in small business revenues, up 21 percent from the dip in mid-2010.”

Increased Hours Worked, Compensation

Small business hourly employees worked an average of 111.2 hours in August, which is a 42-minute increase from July’s figure of 110.5 hours, making for a 25.7-hour work week.

Average monthly pay for small business employees increased to $2,751 in August, up from $2,741 in July. The equivalent yearly wages would be about $33,000.

Small Business Employment Changes Not Uniform Geographically

Of the 37 states tracked by Intuit's Small Business Employment Index, 29 showed employment gains, while six saw declines and two remained flat. Minnesota and Wisconsin both saw the greatest employment gains, at 0.3 percent; conversely Nevada saw the greatest decline at 0.15 percent.

The census divisions of Northern Prairies and Great Lakes saw the most growth in small business employment.

State	Change
Alabama	0.03
Arizona	0.07
Arkansas	0.02
California	0.01
Colorado	0.06
Connecticut	0.11
Florida	0.1
Georgia	0.19
Idaho	0.11
Illinois	0
Indiana	0.12
Iowa	0.13
Kansas	0.1
Kentucky	-0.06
Louisiana	0.01
Maryland	0.08
Massachusetts	0.12
Michigan	0.13
Minnesota	0.3
Mississippi	0.09
Missouri	0.09
Nevada	-0.15
New Jersey	0.09
New Mexico	-0.02
New York	0.03
North Carolina	0
Ohio	0.16
Oklahoma	-0.05
Oregon	0.08
Pennsylvania	-0.01
South Carolina	0.08
Tennessee	0.01

Texas	0.05
Utah	0.01
Virginia	-0.03
Washington	0.15
Wisconsin	0.3

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

Small Business Revenue Decline, Trend Continues

The July revenue index showed a 0.18 percent drop in overall small business revenue on a per-business basis.

Three industries, real estate, retail and healthcare, showed the largest per-business revenue declines for the month, at 0.5 percent each.

Construction was the only industry to see an increase, at 0.3 percent. This index is based on data from QuickBooks Online, covering the period from July 1-31.

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 200,000 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 $4.2 billion in its fiscal year 2013. The company has approximately 8,200 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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