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Small Business Employment, Revenue Decline Marginally in October

Compensation, Hours Worked Also Drop

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small business employment declined in October, as did compensation and hours worked for their hourly employees. This is the fourth consecutive month of employment declines for small business. In addition, their revenues overall declined 0.3 percent in September. Those are among the findings of the monthly Intuit Inc. (Nasdaq: INTU) Small Business Employment and Revenue Indexes. The report found that:

- Employment decreased 0.06 percent in October.
- Average monthly compensation fell 0.4 percent in October, with average monthly pay reaching the equivalent of $2,657, down $11 from September.
- Average monthly hours worked by hourly employees fell 0.4 percent in October to 106.3 hours, down approximately 24 minutes from September.

The employment index is based on data from Intuit Online Payroll and QuickBooks Online Payroll, covering the period from Sept. 24 through Oct. 23.

“Since the recovery began in March 2010, small business employment has grown slowly and fitfully, by only 1.9 percent, compared to the 5.5 percent growth in total payroll employment,” said Susan Woodward, the economist who worked with Intuit to create the indexes. “However, this month’s decline amounts to the loss of about 10,000 jobs, which is far from the worst month that we’ve seen, but it is the worst since the recovery began. This is the fourth month in a row that small business employment has declined, and we are now looking at a loss of 17,000 jobs since June 2013.”

Declines Continue in Hours Worked, Compensation

Small business hourly employees worked an average of 106.3 hours in October, which is a 25-minute decrease from September’s figure of 106.7 hours, making for a 24.5-hour work week. The monthly hours worked rate has been trending down for more than two years, since July 2011.

Average monthly pay for small business employees fell to $2,657 in October, down from $2,668 in September. The equivalent yearly wages would be about $31,900. This average includes wages that small business owners pay to themselves.

Revenue Declines Across all Sectors

The September revenue index showed small business revenue declined across all sectors, with an overall decrease of 0.3 percent on a per-business basis. This index is based on data

from QuickBooks Online, covering the period from Sept. 1-30.

The professional services industry sector showed the largest decline, of 0.8 percent. The construction and the health care services sectors followed, each dropping by 0.6 percent. Real estate services showed the smallest decline, at 0.02 percent.

“Real estate services revenues have been consistently recovering since March 2009, so this month’s decline is a minor hiccup in the industry’s overall recovery,” said Woodward.

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 8,000 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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