July 30, 2014

# Small Business Employment Takes Another Step Forward

**More Than 90,000 Jobs Added Over Past Six Months**

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small businesses added 15,000 jobs in July, bringing the number of new jobs added over the last six months to more than 90,000. While 610,000 jobs have been added since the small business recovery began in March 2010, small business employment remains 870,000 jobs below its peak in March 2007.

These are among the findings of the monthly Intuit Inc. (Nasdaq:INTU) Small Business Employment and Revenue Indexes. The July figures revealed:

- The 15,000 new jobs more than doubles the average number of 7,000 jobs added each month between July 2013 and January 2014.
- Employees' average monthly compensation declined 0.2 percent, a drop of $6 from June's revised figure.
- Average monthly hours worked by hourly employees decreased from June to July by 0.3 percent, which equates to a total of 18 minutes.

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

"This month's employment increase shows additional progress," said Susan Woodward, the economist who works with Intuit to create the indexes. "Things continue to get better, but slowly. The jobs added by small business over the most recent six months, including July, are more than double what we saw over the prior six months. Even this rate of increase is slow. Even if small business adds 15,000 jobs a month for a year, small business employment would grow by slightly less than one percent. The job growth for the economy overall for the past year was 1.8 percent. The soft spot in the overall recovery, and particularly for small business, is construction.

"Construction makes up about 5 percent of the overall economy," Woodward said, "but accounts for about 20 percent of small business. New single family housing starts have averaged 950,000 a year since the beginning of 2013, far below the 1.5 million average seen from 1992 to 2008. This past month, new housing starts fell by 92,000 units to 893,000, seasonally adjusted."

**Hours Worked, Pay Declines Slightly**

Hourly small business employees worked an average of 107.2 hours in July, a decline of roughly 0.3 percent, or 18 minutes, translating to a 24.7-hour work week.

Average monthly pay for small business employees decreased by 0.2 percent, falling $6

from last month for a total of, $2,708 in July. The equivalent yearly wages would be approximately $32,500. The hourly wage rose just slightly, by 4 cents, reaching $16 for the first time.

**Uneven Employment Growth by State**

The increase in small business employment was not even across the country. Among the 40 states that Intuit tracks, 29 showed growth while 11 states saw declines. Idaho and Utah reported the highest increase, at 0.4 percent; for the third consecutive month, Michigan saw the greatest decline in small business employment. While most states saw an increase, employment trends were soft in the Great Lakes and New England regions.

| State | Change |
|---|---|
| Idaho | 0.4 |
| Utah | 0.4 |
| Alabama | 0.3 |
| Washington | 0.3 |
| Mississippi | 0.2 |
| Nevada | 0.2 |
| Oregon | 0.2 |
| Hawaii | 0.19 |
| Minnesota | 0.19 |
| Georgia | 0.17 |
| South Carolina | 0.17 |
| Colorado | 0.16 |
| Florida | 0.16 |
| North Carolina | 0.15 |
| New Mexico | 0.14 |
| Texas | 0.14 |
| California | 0.11 |
| Oklahoma | 0.11 |
| Tennessee | 0.11 |
| Iowa | 0.07 |
| Kansas | 0.07 |
| Nebraska | 0.07 |
| Kentucky | 0.06 |
| Arkansas | 0.05 |
| Connecticut | 0.04 |
| New Jersey | 0.04 |
| Virginia | 0.03 |
| Maryland | 0.02 |
| Pennsylvania | 0.02 |
| Louisiana | -0.01 |

| | |
|---|---|
| New York | -0.02 |
| New Hampshire | -0.04 |
| Illinois | -0.05 |
| Ohio | -0.05 |
| Indiana | -0.07 |
| Massachusetts | -0.07 |
| Wisconsin | -0.09 |
| Arizona | -0.13 |
| Missouri | -0.13 |
| Michigan | -0.5 |

**Small Business Employment** results were mostly 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 Slightly Declines**

Small business revenue declined by .01 percent in June, which would represent an annualized decline of 0.14 percent over an entire year.

The health care services sector reported the largest decline, where revenues fell 0.18 percent in June. The real estate services businesses saw the largest increase at 0.4 percent the retail, accommodations and constructions industries categories reported larger gains.

This index is based on data from QuickBooks Online, covering the period from June 1-30.

**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 237,000 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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