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U.S. Small Business Employment Saw Continued Growth in October

Revenue and Compensation Grew; Hours Worked Decreased

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Intuit Inc. (Nasdaq:INTU) today issued its monthly Small Business Employment and Revenue Indexes. Here are topline results from each of the reports:

Small Business Employment Index

- U.S. small businesses added 15,000 new jobs in October, making for more than 735,000 jobs added since March 2010.
- Small business employees saw a 0.08 percent increase in monthly compensation, with average monthly pay reaching $2,776, up $2 from September.
- Hourly employees worked an average of 109.1 hours in October, down almost two minutes, or 0.03 percent, from September's revised figure.

These findings come from the monthly Intuit Small Business Employment and Revenue Indexes and are based on data from Intuit Online Payroll and QuickBooks Online Payroll, covering the period from Sept. 24 – Oct. 23.

Small Business Revenue Index

- Revenues per small business grew by 0.03 percent in September, roughly 3.2 percent when annualized.
- Real estate services revenues have grown steadily over the past six months, by 4.2 percent, reflecting the 6 percent seasonally adjusted rise in home sales from March to September, 2014. Real estate services and construction industries showed the largest increase in September, at 0.3 percent.

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

A Closer Look at Results

- The Small Business Employment Index

"Small businesses added 15,000 jobs this month, the biggest rise since June. If their employment continues to grow at this rate for a year, the result would be an annual increase of just under 1 percent," said Susan Woodward, the economist who works with Intuit to create the Small Business Employment and Revenue Indexes.

"The overall labor market is improving slowly, with small businesses growing a bit slower. While total payroll employment has passed its pre-recession peak, small business remains

below its peak by 750,000 jobs, or 3.5 percent. Much of this shortfall is due to the failure of construction to return to pre-recession levels."

The new-hire rate has continued to rise slowly since June 2009, and rose again this month by 0.2 percent, showing a trend among small business owners to hire rather than push current employees to work more hours. Although compensation rose by just a nickel an hour to $16.20 for hourly workers, Woodward saw that as an encouraging sign.

"Though this amount is small, it is a healthy sign for the economy that employment rose and, at the same time, the hourly rate and total compensation per employee also rose," she said.

Regionally, the entire Atlantic seaboard saw a slight rise in hours worked, along with the northern prairie states, including Nebraska and Minnesota. Compensation per employee rose in all regions except New England, which saw a slight decline, and the Great Lakes, where compensation was unchanged.

- Small Business Revenue Index

In September, small business revenue per business rose slightly, by 0.3 percent annualized, which is less than the 1.7 percent rate of inflation over the past year.

"The industry with the largest increase was construction, which has the farthest to come back from the recession, and saw a rise of 4.2 percent at an annualized rate in September. Real estate services had the next highest gain, with a 3.3 percent annual rate," said Woodward. Two industries saw a decline – professional services by 0.3 percent annualized, and accommodation and restaurants, by 0.4 percent annualized.

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 247,000 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 inDun & 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 $4.5 billion in its fiscal year 2014. 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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