

August 30, 2010



Intuit Small Business Employment Index Shows Job Growth but at Slower Rate Than Earlier in Year

26,000 Jobs Added in August; Wages and Hours Worked Remained Steady

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small business employment grew slightly in August, but at a declining rate compared to healthy gains made in January through April. While job growth slowed, hours worked and compensation per employee remained steady.

Those were among the findings included in the latest [Intuit Inc.](#) (Nasdaq:INTU) [Small Business Employment Index](#). The monthly report found that small business employment grew by 0.1 percent in August, equating to a 1.2 percent annual growth rate. The Index is based on figures from the country's smallest businesses that use Intuit [Online Payroll](#).

The August employment growth translates to approximately 26,000 new jobs nationwide, the same number of jobs added in July based on revised estimates. Since the growth trend first began in October 2009, small business jobs have increased by 340,000.

Wages and hours worked remained essentially steady with marginal increases of 0.06 percent and 0.04 percent respectively.

"As with other economic indicators, these small business figures show signs that the recovery is not progressing as fast as we would like," said [Susan Woodward](#), the nationally recognized economist who worked with Intuit to create the Index. "In most years, August is a month of unambiguous employment growth, but not this year."

"Not all signs are soft however - hours are not falling, and compensation per employee is steady. The hiring rate has also not fallen. Overall though, small businesses generally lead big businesses in hiring at the end of a recession, so we would have hoped to see more employment growth in this sector now."

Compensation, Hours Worked Essentially Unchanged

The data shows that workers made slightly more money and worked a fraction of an hour longer than the month before. Compensation grew by 0.06 percent in August to \$2,599 per month, slightly up from a revised estimate of \$2,598 per month in July.

Monthly hours increased nominally by 0.04 percent in August to 103.8 hours, about the same as July. This translates to wages of about \$31,200 per year for all employees, and a 24.0 hour work week for hourly employees.

"Total compensation per employee is essentially flat again, after rising from late last summer until May of this year," Woodward said. "Hours worked still show the slight recovery that

began late last summer. However, the recovery in hours is not strong, and hours worked is still well below the peak of 105.5 in February 2008."

Small Business Employment by Geography

The Intuit Index also breaks down employment by census divisions and states across the country.

"Small business employment grew slightly across many parts of the country," said Cameron Schmidt, vice president of Intuit's Employee Management Solutions division. "In states where the Index includes more than 1,000 small firms, New York and Virginia saw the greatest growth, while New Jersey saw the greatest decline in employment."

State	Percent Change in Employment
Arizona	0.1%
California	0.2%
Florida	0.3%
Georgia	0.4%
Illinois	-0.2%
Maryland	0.1%
Massachusetts	0.2%
New Jersey	-0.4%
New York	0.5%
North Carolina	0.4%
Texas	0%
Virginia	0.5%
Washington	0.1%

Small Business Employment by State is up for many states across the country with New York and Virginia seeing the greatest increase. The states above reflect those for 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 Index

The [Intuit Small Business Employment Index](#) is based on aggregate and anonymous online employment data from approximately 57,000 small business employers, each with fewer than 20 employees. These small businesses use [Intuit Online Payroll](#) from Intuit, the No. 1 provider of [payroll software](#) with more than 1 million customers. These smallest employers

are important to the economy as they comprise 87 percent of the total U.S. private employer base and employ nearly 20 million people. More information is available at: www.intuitinc.com/payrollindex.

Intuit reports data for three categories: small business employment, compensation and hours worked. Intuit analyzes and publishes the data at the beginning of each month. The Index also includes employment data broken down by geography. As with the government data, there may be revisions to the Intuit index numbers. These revisions are partly due to calculations using the latest month of new Intuit data. These calculations include re-computing seasonal factors and the moving average process used to obtain the curve, which can change the values for previously reported months. Changes to the data are also due to revisions to the government employment data, which is used to calculate the Intuit index.

While the Intuit Small Business Employment Index offers macroeconomic insight about the economy generally, it does not indicate or represent changes in Intuit's business results for any period.

The Index data reflects monthly employment activity in small businesses, and is adjusted to account for changes in Intuit's Online Payroll customer base. The percent change is measured monthly using the change in employment for existing Intuit Online Payroll customers from one month to the next. The set of customers changes each month so the measurement is the change, for each pair of months, for customers who are present in both the earlier and the later month.

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Founded in 1983, Intuit had annual revenue of \$3.5 billion in its fiscal year 2010. The company has approximately 7,700 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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