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Small Business Employment Remains Flat for Second Consecutive Month

Compensation, Hours Worked Increase; Small Business Revenue Continues to Decline

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small business employment remained flat in March for the second consecutive month, while average hours worked and monthly wages both increased significantly. Overall, small business revenue declined 0.15 percent in February.

Those are among the findings of the monthly [Intuit Inc.](#) (Nasdaq: INTU) [Small Business Employment and Revenue Indexes](#). This month's figures also revealed:

- Despite the recent employment plateau, small businesses have added more than 575,000 jobs since March 2010.
- Employees' average monthly compensation grew 0.4 percent in March, an increase of \$9 from February's revised figure.
- Average monthly hours worked by hourly employees grew 0.2 percent in March, an increase of approximately 18 minutes from February's revised figure.

The employment index is based on data from [Intuit Online Payroll](#) and [QuickBooks Online Payroll](#), covering the period from Feb. 24 through Mar. 23.

"Small businesses are continuing to hire, but the rate of new hires remains low – close to the level it fell to in June 2009," said [Susan Woodward](#), the economist who works with Intuit to create the indexes. "However, the number of employees leaving jobs or being laid off offsets the rate of hiring. Thus, employment levels remained flat for the second consecutive month. Employment losses in March were concentrated in states suffering from the cold weather, especially in the upper Midwest and Mountain States. The silver lining is that nationally, small business employers are giving more hours to their existing employees, an increase of 0.2 percent from the previous month. This is the highest it's been since January 2013.

"Over the last year, small business revenue has grown by 2.3 percent on a per-business basis, which is faster than the national rate of inflation. Revenue for all industry sectors has grown, with the exception of real estate services."

Increase in Hours Worked, Compensation

Hourly small business employees worked an average of 108.8 hours in March, which translates to an 18-minute increase from February's figure of 108.5 hours, making for a 25-hour work week.

Average monthly pay for small business employees also grew significantly, rising \$9 to

\$2,747 in March, which is a 4.4 percent gain on an annualized basis. The equivalent yearly wages would be about \$33,000. This total includes wages that small business owners pay to themselves.

Weather Affects Regional Employment Growth

Small business employment increased in 23 of the 39 states tracked by Intuit's Small Business Employment Index. Kentucky continued to show the strongest state employment growth, at 0.3 percent. Fourteen states showed employment declines, while two remained flat. Missouri and Idaho recorded the largest declines for the second consecutive month, at 0.4 and 0.3 percent respectively.

State	Change (%)
Alabama	-0.13
Arizona	0.08
Arkansas	0.02
California	0.01
Colorado	0.03
Connecticut	-0.05
Florida	0.07
Georgia	0.01
Hawaii	-0.02
Idaho	-0.3
Illinois	0.01
Indiana	0
Iowa	-0.06
Kansas	0.02
Kentucky	0.3
Louisiana	-0.03
Maryland	0.08
Massachusetts	-0.09
Michigan	0
Minnesota	-0.08
Mississippi	0.06
Missouri	-0.4
Nebraska	0.03
Nevada	0.17
New Jersey	0.01
New Mexico	0.02
New York	0.05
North Carolina	0.02
Ohio	0.03
Oklahoma	0.01

Oregon	-0.01
Pennsylvania	-0.03
South Carolina	-0.08
Tennessee	-0.06
Texas	0.06
Utah	0.07
Virginia	0.05
Washington	0.09
Wisconsin	-0.08

Small Business Employment results were mixed 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 Declines Continue

The February Revenue Index showed overall small business revenue decreased 0.15 percent on a per-business basis. Only the businesses in the construction and “other services” categories of Intuit’s index registered revenue gains, while the majority reported declines. The “other services” category includes non-professional services, such as auto repair and gardening services.

The real estate services industry showed the largest revenue decline at 0.8 percent, followed by the accommodation and food services sector, which dropped 0.2 percent.

“We shouldn’t view the revenue decline of the past six months as a collapse,” Woodward said. “The decline has only been about 0.5 percent, which equates to approximately 1 percent on an annualized basis.”

This index is based on data from [QuickBooks Online](#), covering the period from Feb. 1-28.

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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