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Intuit Small Business Employment Index Shows Continued Job Growth in September

27,000 New Jobs Created; Wages and Hours Worked Essentially Flat

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- The growth rate for small business employment continued rising in September, but at a slower rate than the revised growth rate for August. At the same time, hours worked and compensation remained essentially flat compared to last month.

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 0.14 percent in September, equating to a 1.6 percent annual growth rate. The revised growth rate for August shows that jobs increased more than previously reported - a 0.19 percent increase instead of 0.13 percent, or 2.4 percent on an annual basis. The Index is based on figures from the country's smallest businesses that use Intuit Online Payroll.

"September's employment numbers are good news - the fact that employment is still up, albeit modestly, and not down, is comforting," said Susan Woodward, the economist who worked with Intuit to create the Index. "This optimism is also based on the fact that August's revised employment numbers were better than the original numbers. This continued growth in small business employment should make us less fearful of another decline in economic activity."

The September employment growth translates to approximately 27,000 new jobs nationwide compared to a revised estimate of 39,000 jobs added in August. Since the growth trend first began in October 2009, small business jobs have increased by a revised estimate of 430,000.

Total compensation per employee and hours worked have grown slowly and steadily since the small business recovery began about a year ago, but remained virtually unchanged from August to September.

Compensation, Hours Worked Essentially Flat

Monthly pay for all small business employees was $2,602 per month in September, a marginal 0.15 percent decline from the revised August figure of $2,606 per month. This translates to wages of about $31,200 per year for all employees.

Small business employees worked an average of 105.3 hours for the month in September, translating to a 24.3-hour work week. That was up by a marginal 0.03 percent from hours worked in August.

"The changes in compensation and hours worked for September aren't economically or statistically significant," Woodward said. "Compensation rose modestly but steadily from September of last year, so a month of no change is not a great concern.

"From September 2009 to September 2010, hours rose strongly - by nearly 2 hours per week - so it is not surprising for hours to flatten at this point. In terms of hours worked, we are now back to where we were in January 2008. This is good news."

Small Business Employment by Geography

The Intuit Index also breaks down employment by census divisions and states across the country, with the greatest regional growth in the East South Central area. States in the Midwest and Upper Midwest regions showed declines. Individually, New York showed the greatest growth at 0.8 percent.

"It's good to see continued growth in small businesses employment overall," said Cameron Schmidt, vice president of Intuit's Employee Management Solutions division. "We can see this reflected in most parts of the country as well. In states where we have 1,000 small firms represented, we saw the greatest increases in New York, North Carolina and Virginia. New Jersey and Illinois showed decreases in employment."

U.S. Census Division	Percent Change in Employment
East North Central	-0.1%
West North Central	-0.1%
Middle Atlantic	0.2%
Mountain	0.1%
New England	0.0%
Pacific	0.2%
South Atlantic	0.2%
East South Central	0.4%
West South Central	0.1%

Small Business Employment by U.S. Census Division is up in many parts of the country except for the upper Midwest regions. The data reflects employment from approximately 58,000 small business employers who use Intuit Online Payroll. The month-to-month changes are seasonally-adjusted and informative about the overall economy.

State	Percent Change in Employment
Arizona	0 %
California	0.1 %

Florida	0.2 %
Georgia	0.3 %
Illinois	-0.2 %
Maryland	0.1 %
Massachusetts	0.3 %
New Jersey	-0.3 %
New York	0.8 %
North Carolina	0.5 %
Texas	0 %
Virginia	0.5 %
Washington	0.1 %

Small Business Employment by State is up for many states across the country with New York, North Carolina and Virginia seeing the greatest increases. New Jersey and Illinois are the only states that saw a slight decrease in employment. 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 58,000 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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