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Intuit Small Business Employment Index Shows Improved Growth for December

55,000 New Jobs Created; Increase in Hours Worked, Compensation

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small businesses created 55,000 new jobs in December and employees worked more hours and made more money.

These are among the results of this month's update of the Intuit Inc. (Nasdaq: INTU) Small Business Employment Index, covering the period between Nov. 24 and Dec. 23. The monthly report found that small business employment grew by 0.3 percent in December, equating to an annual growth rate of 3.3 percent. Hours worked and compensation both grew by 0.4 percent.

The Index is based on figures from small businesses with fewer than 20 employees that use Intuit Online Payroll. Intuit is the No. 1 payroll provider with more than 1 million customers.

Intuit's figures also show that small business employment has continued to grow since the first quarter of 2011. Compensation per employee is up 3.4 percent for the year, which gives employees just a small gain after adjusting for inflation of about 3.3 percent. Hours worked are up 2.5 percent for the year, and the fraction of hourly people working full time is now at 31 percent, up from 29.7 percent a year ago.

"All of the figures we track show a stronger small business environment in December," said Susan Woodward, the economist who worked with Intuit to create the Index. "Employment, hours worked by non-salaried people, and compensation all rose. But there is an interesting phenomenon occurring: We're seeing larger month-to-month changes in seasonally adjusted employment, hours worked and compensation over the last four months, compared to earlier in 2011. This indicates greater volatility in the small business indicators, and parallels, with a slight lag, the recent increased volatility in the stock market. All suggest that while a mild recovery is underway, it is fragile because uncertainty is higher."

Based on December's numbers and revised national employment data from the Bureau of Labor Statistics, Intuit revised upward the previously reported growth rate for November to 0.4 percent from 0.3 percent. This equates to 70,000 jobs added in November, up from a previously reported 55,000 jobs.

Increase in Hours Worked, Compensation

Small business hourly employees worked an average of 110.3 hours in December, making for a 25.4-hour workweek. This is a 0.4 percent increase from the revised November figure of 109.9 hours.

Average monthly pay for all small business employees increased to $2,706 in December. This is a 0.4 percent increase compared to the November revised estimate of $2,695 per

month. The equivalent annual wages would be about $32,500 per year, which is part-time work for many small business employees.

“December is a special month. The number of hours worked are usually the highest, and employers typically pay bonuses,” said Woodward. “This is why it is important to adjust for seasonality. Even on a seasonally adjusted basis, hours worked by non-salaried employees and compensation are up, and compensation is even up after adjusting for inflation. However, like recent changes in employment, changes in hours worked and compensation have been unusually volatile so we don’t know if these improvements will be permanent.”

Small Business Employment by Geography

The Intuit Index also breaks down employment by census divisions and states across the country and shows slight gains across most of the nation.

“Small business employment is up in all nine census divisions, and in all states except New York,” said Ginny Lee, senior vice president and general manager of Intuit’s Employee Management Solutions division. “The decline in New York is small compared to normal variation in the employment growth rate over time.”

U.S. Census Division	Percent Change in Employment
East North Central	0.15%
West North Central	0.11%
Middle Atlantic	0.06%
Mountain	0.7%
New England	0.07%
Pacific	0.5%
South Atlantic	0.3%
East South Central	0.3%
West South Central	0.6%

Small Business Employment by U.S. Census Division continues to grow in all parts of the country. The data reflects employment from approximately 72,000 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	0.6
California	0.4
Florida	0.5
Georgia	0.2
Illinois	0.03
Maryland	0.16
Massachusetts	0.04

New Jersey	0.18
New York	-0.19
North Carolina	0.3
Oregon	0.03
Pennsylvania	0.3
Texas	0.5
Virginia	0.18
Washington	0.5

Small Business Employment by State is up for most states in 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 72,000 small business employers, each with fewer than 20 employees. These small business employers use Intuit Online Payroll and represent a subset of the total Intuit Online Payroll user base. 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: index.intuit.com.

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 recomputing 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 also arise from revisions to the government employment data that are used as inputs to 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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Intuit Small Business Blog: www.blog.intuit.com

About Intuit Payroll

Intuit is the No. 1 payroll provider with more than 1 million customers. The company provides a range of fast, easy and accurate payroll solutions to meet a variety of small business needs. These include do-it-yourself payroll solutions such as Intuit Online Payroll as well as do-it-for-me solutions such as Intuit Full Service Payroll. Intuit also offers easy-to-understand and affordable small business employee benefits and insurance including employee healthcare, 401 (k) retirement plans and worker's compensation insurance.

About Intuit Inc.

Intuit Inc. is a leading provider of business and financial management solutions for small and mid-sized businesses; financial institutions, including banks and credit unions; consumers and accounting professionals. Its flagship products and services, including QuickBooks®, Quicken® and TurboTax®, simplify small business management and payroll processing, personal finance, and tax preparation and filing. ProSeries® and Lacerte® are Intuit's leading tax preparation offerings for professional accountants. Intuit Financial Services helps banks and credit unions grow by providing on-demand solutions and services that make it easier for consumers and businesses to manage their money.

Founded in 1983, Intuit had annual revenue of $3.9 billion in its fiscal year 2011. 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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