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Intuit Small Business Employment Index Shows Improved Job Growth

Employment, Hours Worked and Compensation all Up

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small business jobs rose slightly in June as employers added 45,000 positions to their payrolls. Hours worked and compensation also both increased by 0.2 percent.

These are among the results of this month's update of the [Intuit Inc.](#) (Nasdaq: INTU) [Small Business Employment Index](#), covering the period between May 24 and June 23. The monthly report found that small business employment grew by 0.2 percent in June, equating to an annual growth rate of 2.7 percent.

Since the hiring trend began in October 2009, small businesses have created 820,000 jobs. The Index is based on figures from small businesses with fewer than 20 employees that use Intuit [Online Payroll](#).

Based on these latest numbers and revised national employment data from the Bureau of Labor Statistics, the employment growth rate reported for May was revised slightly up to 0.3 percent from 0.2 percent, equating to 60,000 jobs added for the month.

"The small business employment figures we follow look more hopeful this month," said [Susan Woodward](#), the economist who worked with Intuit to create the Index. "Employment is up. Hours worked are up. Compensation and the hourly wage are up, and also the fraction of hourly people working full time is up. Even the hiring rate, which has been flat for a long while, is up a bit. The progress is pretty much national, not confined to just some regions. At the same time, the revised numbers for May look better than we thought so altogether there is more cause for optimism."

Hours Worked, Compensation Slightly Up

Small business hourly employees worked an average of 108.7 hours in June, making for a 25.1-hour workweek. This is a 0.2 percent increase from the revised May figure of 108.4 hours.

"It's good to see an increase in the number of hours worked," Woodward said. "Last month I was worried when hours worked dipped slightly, so it's reassuring to see this increase. It's not clear what's driving this rise. Other data shows a recovery in both monthly revenues and monthly income for industries involved in a particularly troublesome sector - housing, including construction and real estate services. These recoveries are consistent with house prices rising, nationally, for the first time in many months."

Average monthly pay for all small business employees was \$2,643 per month in June. This is a 0.2 percent increase compared to the May revised estimate of \$2,638 per month. The

equivalent annual wages would be about \$31,700 per year, which is part-time work for many small business employees. Roughly 65 percent of small business employees are hourly, and 29.6 percent of them worked more than 140 hours for the month in June, up from 27 percent in May.

"Compensation increased this month, enough to move the seasonally adjusted trend to a clear positive region," said Woodward. "Again this is reassuring after seeing little change in compensation for the last few months."

Small Business Employment by Geography

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

"We continue to see solid progress in small business job growth across most of the country, with only a slight decline in the East South Central region," said Nora Denzel, senior vice president and general manager of Intuit's Employee Management Solutions division.

"Maryland shows a slight decline in small business employment, but it's so small that it's not particularly worrisome. We also added one more state, Pennsylvania, to our state data, which shows a slight increase in small business employment for June."

U.S. Census Division	Percent Change in Employment
East North Central	0.3%
West North Central	0.5%
Middle Atlantic	0.2%
Mountain	0.6%
New England	0.2%
Pacific	0.1%
South Atlantic	0.2%
East South Central	-0.1%
West South Central	0.2%

Small Business Employment by U.S. Census Division continues to grow in most parts of the country except the East South Central division. The data reflects employment from approximately 66,000 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	0.4%
California	0.1%

Florida	0.3%
Georgia	0.5%
Illinois	0.3%
Maryland	-0.3%
Massachusetts	0.3%
New Jersey	0.4%
New York	0.1%
North Carolina	0.4%
Pennsylvania	0.3%
Texas	0.1%
Virginia	0.2%
Washington	0.3%

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](http://www.intuitinc.com/payrollindex) is based on aggregate and anonymous online employment data from approximately 66,000 small business employers, each with fewer than 20 employees. These small businesses use [Intuit Online Payroll](#) from Intuit, the No. 1 [payroll provider](#) 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 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 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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