

October 3, 2011



Intuit Small Business Employment Index Shows Signs of Relief for Small Business Employment

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

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

These are among the results of the latest update of the [Intuit Inc.](#) (Nasdaq:INTU) [Small Business Employment Index](#), covering the period between Aug. 24 and Sept. 23. The monthly report found that small business employment grew by 0.3 percent in September, equating to an annual growth rate of 3.3 percent. Hours worked and compensation both increased by 0.3 percent.

Since the hiring trend began in October 2009, small businesses have created 720,000 new 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, Intuit revised upward the previously reported growth rate for August to 0.3 percent from 0.18 percent. This equates to 65,000 jobs added in August, up from a previously reported 35,000 jobs.

"September's small business employment figures are a big relief," said [Susan Woodward](#), the economist who worked with Intuit to create the Index. "After all the uproar over the threatened European financial meltdown, good news is very welcome. Unlike in August, there is no softness in September's numbers: employment is up, hours worked are up and compensation is up.

"These solid numbers may be due to the fact that residential property prices have increased for five months in a row. There are all kinds of small businesses linked to property, such as construction contractors, real estate agents and brokers."

Increase in Hours Worked, Compensation

Small business hourly employees worked an average of 110.4 hours in September, making for a 25.5-hour workweek. This is a 0.3 percent increase from the revised August figure of 110.0 hours.

"In this recession, these smallest businesses have tended to cut back on employee hours rather than lay people off, so it's good to see hourly people working more," added Woodward. "A substantial fraction of the people who work part-time do so because they cannot find full-time jobs or because their hours have been cut back, so I'd guess that

employees themselves are pleased to have hours rise also.”

Average monthly pay for all small business employees was \$2,694 per month in September. This is a 0.3 percent increase compared to the August revised estimate of \$2,685 per month. The equivalent annual wages would be about \$32,300 per year, which is part-time work for many small business employees.

“Another welcome change is that compensation is up by a healthy amount and equivalent to an annual growth rate of more than 3 percent,” added Woodward. “This is very good considering that over the last 30 years real income has grown at a rate of about 1.5 percent per year. We have some distance to go to make up for growth that didn't happen during the recession, but this is a good start.”

Small Business Employment by Geography

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

“Small business employment at the division and state level also looks more positive,” said Ginny Lee, senior vice president and general manager of Intuit’s Employee Management Solutions division. “The Pacific division posted the greatest increase of 0.5 percent while the East South Central division showed a slight decline but one that’s statistically insignificant. At the state level, California, Florida and Maryland all showed the highest growth with an increase of 0.5 percent. Oregon and New York were the only states to show slight declines but again these were statistically insignificant and therefore not worrisome.”

U.S. Census Division	Percent Change in Employment
East North Central	0.3%
West North Central	0.2%
Middle Atlantic	0.2%
Mountain	0.3%
New England	0.2%
Pacific	0.5%
South Atlantic	0.3%
East South Central	-0.01%
West South Central	0.2%

Small Business Employment by U.S. Census Division continues to grow in all parts of the country except for a slight decline in the East South Central divisions. The data reflects employment from approximately 70,000 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	0.2%
California	0.5%
Florida	0.5%

Georgia	0.2%
Illinois	0.01%
Maryland	0.5%
Massachusetts	0.2%
New Jersey	0.4%
New York	-0.01%
North Carolina	0.3%
Oregon	-0.2%
Pennsylvania	0.4%
Texas	0.2%
Virginia	0.3%
Washington	+1.1%

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 70,000 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: 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 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 \$3.9 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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