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Intuit Study Foresees Profiles of Small Business as Radically Different in 2017

10-Year Forecast by Intuit and Institute for the Future Redefines the Face of Entrepreneurs

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--

The face of small business will dramatically change as seasoned baby boomers, kids fresh out of high school, mid-career women, "mompreneurs" and new immigrants come together to create the most diverse pool of entrepreneurs ever. Those are among the key findings of the groundbreaking Intuit Future of Small Business Report(TM), a unique study that looks forward 10 years and examines the prospects, influences and profiles of small business.

The first installment of the study, sponsored by Intuit Inc. (Nasdaq:INTU) and authored by the Institute for the Future, was released today. It focuses on new entrepreneurs who break the mold, the coming proliferation of personal businesses and the emergence of entrepreneurship education. Two upcoming installments will examine the technologies that will propel the small business sector and how small businesses will affect society and the economy through 2017.

Greater Diversity by 2017

The first installment concludes that the newest entrepreneurs will be far more diverse than their predecessors in age, origin and gender. By 2017, the white, middle-aged men who traditionally launch small businesses will be outnumbered by Generation Yers - those born after 1982 - women, immigrants and "un-retiring" baby boomers opting for entrepreneurship as a second career.

The report identifies three major trends: the changing face of small business, the rise of personal business and the emergence of entrepreneurial education. Those trends led to five major findings:

- Entrepreneurs will no longer come predominantly from the middle of the age spectrum, but instead from the edges. People nearing retirement and their children just entering the job market will set the bar as the most entrepreneurial generation ever.
- American entrepreneurship will reflect a huge upswing in the number of women. The glass ceiling that has limited women's growth in traditional corporate career paths will send a rich talent pool to the small business sector.
- Immigrant entrepreneurs will drive a new wave of globalization. U.S. immigration policy and the outcome of the current immigration debates will affect how this segment

performs over the next decade.

- Contract workers, accidental and social entrepreneurs will fuel a proliferation of personal businesses. Economic, social and technological change - and an increased interest in flexible work schedules - will produce a more independent workforce seeking a better work-life balance.

- Entrepreneurship will be a widely adopted curriculum at educational, trade and vocational institutions. As a result, artists, musicians and others not traditionally exposed to business education will learn not just their trade but small-business management skills as well.

"The next decade will see small and personal businesses become increasingly important sources of employment, economic growth and innovation," said Steve King, senior advisor at the Institute for the Future and study co-author. "Leading small and personal businesses will be a diverse group of Americans, including young adults - even teens, women, immigrants and aging baby boomers."

The study represents the first time that a wide set of business and demographic trends have been consolidated.

"Until now, the picture for American small businesses has been a fragmented set of statistics and forecasts," said Brad Smith, senior vice president of Intuit's small business division. "By putting the pieces together we've shown how different this sector may look in the future. These businesses may be small, but the changes in store will be anything but."

Face of Future Entrepreneurs

Many baby boomers nearing retirement age will launch new businesses in far greater numbers than their counterparts from earlier generations, the study found. Their motivation: diminished job security, disappearing pensions and health benefits, and the need to match savings with longer life expectancies.

Many of their children will follow suit, becoming the most entrepreneurial generation in American history. Generation Yers view entrepreneurship as a way to maintain independence by owning their own careers. They are remarkably well-suited to the emerging entrepreneurial environment in which social and professional networks intermingle, information is ubiquitous and the inner workings of the economy are far more transparent.

Women will increasingly turn to entrepreneurship. Among them: "mompreneurs" - mothers who start part-time, home-based businesses, often with the help of the Internet. These personal businesses, as the one-person sector is sometimes called, will be launched by people who may not even consider themselves small business owners.

A new breed of immigrant entrepreneurs will turn to the Internet to launch business, using their language skills, strong educations, multi-country contacts and professional experience to form international partnerships.

Shift Away from Traditional Employment

The line between small and large businesses will blur as more entrepreneurs form free-agent

contracts with large companies as a natural response to the demise of lifetime employment. By 2017, free agents will thrive with less job security - they will have clients, not employers - but, in trade, will exert far more control over their time and working conditions.

For some professionals, entrepreneurship will complement a corporate career, but not replace it. The reason: Corporations and government agencies will see the entrepreneurial spirit as key to innovation and will train promising candidates accordingly. As a result, professionals will spend their careers alternating between two related worlds, sometimes running their own businesses in the free market and at other times running a virtual business within a larger organization. Experience in the former will help bolster the latter.

Entrepreneurial Education Expands

Entrepreneurial training will begin much earlier in life, with universities, secondary and vocational schools - and even some elementary schools - offering entrepreneurship as a mainstream subject. At the college level, the emphasis will widen, focusing not just on high-growth businesses backed by venture capital, but on small business ownership of all kinds.

"Once taught only in the school of hard knocks, entrepreneurship will become a mainstream subject, as fundamental to business education as accounting," Smith said. "These courses will help transform the very definition of an entrepreneur to include professionals from all walks of life."

About the Institute for the Future

Founded in 1968 by a group of former RAND Corporation researchers, the Institute for the Future is an independent nonprofit research group working with organizations of all kinds to help them make better, more informed decisions about the future. The IFTF takes an explicitly global approach to strategic planning, linking macro trends to local issues in such areas as technology and society, health and health care, and global business trends.

About Intuit Inc.

Intuit Inc. is a leading provider of business and financial management solutions for small and mid-sized businesses, consumers and accounting professionals. Its flagship products and services, including QuickBooks(R), Quicken(R) and TurboTax(R) software, simplify small business management and payroll processing, personal finance, and tax preparation and filing. ProSeries(R) and Lacerte(R) are Intuit's leading tax preparation software suites for professional accountants.

Founded in 1983, Intuit had annual revenue of \$2.3 billion in its fiscal year 2006. The company has nearly 7,500 employees with major offices in 13 states across the United States, and offices in Canada and the United Kingdom. More information can be found at www.intuit.com.

Note to Editors: A PDF file of the complete report is available at www.intuit.com/futureofsmallbusiness, along with visuals, a list of resources and more background material.

Source: Intuit Inc.