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Small Business Employment Showing Signs of Rebounding

Intuit Small Business Employment Index Offers Unique Insights on Employment Trends of Smallest Businesses

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small businesses are showing signs of an economic rebound. This is the main finding of the just-released Intuit Small Business Employment Index, a new, monthly report that provides unique, near real-time insight into employment trends of the smallest of small businesses.

[Intuit Inc.](#) (Nasdaq:INTU), the nation's leading [small business payroll provider](#), based its report on data from businesses with fewer than 20 employees, which comprise 87 percent of the total U.S. private employer base. 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.

"Employment for these small businesses began trending upward in mid-2009, a good sign for the overall economy," said Dr. Susan Woodward, the nationally-recognized economist who worked with Intuit to create the index.

"This index is an indicator that the small business employment situation may be getting better," added Woodward, who was chief economist of the U.S. Department of Housing and Urban Development and later of the U.S. Securities and Exchange Commission. "Small businesses generally recover faster than larger businesses because they begin hiring sooner than big businesses. To see these figures showing a rise in employment at small businesses is very heartening at a time when good news is scarce."

Nearly 150,000 New Jobs Since June 2009

Although overall employment has declined since December 2007, the most recent monthly change in the Intuit Small Business Employment Index is positive. While this month-over-month change is small, up 0.2 percent on a seasonally adjusted basis, it continues an upward trend that began around the middle of 2009. Employment grew nearly 0.8 percent over the past eight months, which is 1.1 percent at an annual rate. This translates into nearly 40,000 new jobs for February 2010 and nearly 150,000 new jobs since June 2009.

Compensation and Hours Worked

In addition to analyzing small business employment, the Intuit Index also measures compensation and hours worked. Monthly average compensation per employee has been flat since September 2008. It remained flat in February at \$2,559, down by 0.1 percent compared to the prior month. Due to volatility in compensation, this is still considered flat and does not represent a downward trend. Hourly employees worked an average of 101.4 hours in February.

About the Index

The [Intuit Small Business Employment Index](#) is based on online data from approximately 50,000 small business employers with fewer than 20 employees who use [Intuit Online Payroll](#). Intuit reports data for three categories: small business employment, compensation and hours worked. Intuit will analyze and publish the data at the beginning of each month.

"Small businesses offer a unique view into the American economy," said Cameron Schmidt, vice president of Intuit's Employee Management Solutions division. "Because Intuit provides payroll for more than 1 million of them, we understand the ebb and flow of business. This index provides the first real insight into employment and compensation trends at the smallest of these businesses."

Dr. Woodward highlighted the significance of Intuit's data: "The Intuit Online Payroll data offers interesting macroeconomic insight to what is happening nationally to small businesses in close to real time."

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.

Further information about the Intuit Small Business Employment Index is available at: www.intuitinc.com/payrollindex.

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(R), Quicken(R) and TurboTax(R), 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 offerings for professional accountants. The company's financial institutions division, anchored by Digital Insight, provides on-demand banking services to help banks and credit unions serve businesses and consumers with innovative solutions.

Founded in 1983, Intuit had annual revenue of \$3.1 billion in its fiscal year 2009. The company has approximately 7,800 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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