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# Intuit Small Business Indexes Show Strong Employment Growth, Decrease in Revenue

## June Records Strongest Job Growth in Three Months

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small businesses are seeing unambiguous gains in employment rates and average compensation and hours worked, while revenue figures are down.

These are among the results of the monthly [Intuit Inc.](#) (Nasdaq:INTU) [Small Business Employment and Revenue Indexes](#), which together provide a complete and current picture of the economic health of the nation's small businesses.

The employment index shows that employment increased by 0.3 percent in June, for an annualized rate of 4.1 percent – the strongest rate of growth that small businesses have seen in the past three months. This equates to approximately 70,000 new jobs created, although Intuit is recalibrating the index and expects these numbers to change.

Average monthly compensation grew by 0.5 percent, or \$14, while average monthly hours worked increased by 0.3 percent, or 18 minutes. The employment index is based on data from [Intuit Online Payroll](#) and covers the period from January 2007 through June 23.

The revenue index indicates that small businesses overall saw revenue decline in May. Among the industries tracked by the index, the construction and real estate fields were the only ones to see an increase, which posted 0.5 and 0.1 percent gains, respectively. The index is based on data from [QuickBooks Online](#) and covers the period from January 2005 through May 2012.

“This month’s employment figures are strong and indicate more progress to a full recovery than do the revenue figures,” said [Susan Woodward](#), the economist who worked with Intuit to create the indexes. “While the revenue figures are disappointing overall, the rise in revenue for the housing-related sectors has been a long time coming and is essential for the full recovery which still eludes us.

“The rise in compensation and the hourly wage suggest that the labor market for the smallest firms is a bit firmer than it has been for several years,” said Woodward. “The low hiring rate, however, indicates that small business employees are not yet feeling too secure and are sticking with the jobs they have. When a full recovery is underway, the small business hiring rate will likely rise as big firms hire people away from small firms, but this is not yet happening.”

## Small Business Revenue Index

Small businesses overall saw revenue decline by 0.12 percent in May. Broken down by specific sectors, the accommodation and food services, professional services and health care categories were among those to post declines, while construction and real estate were the only sectors to post revenue increases.

| <b>Sector</b>                                     | <b>Monthly Change (%)</b> |
|---|---------------------------|
| <b>All</b>  | -0.12%                    |
| Construction                                      | +0.5%                     |
| Real estate and rental and leasing                | +0.10%                    |
| Health care and social assistance                 | -0.01%                    |
| Professional, scientific, and technical services  | -0.03%                    |
| Retail trade                                      | -0.16%                    |
| Accommodation, food services, and drinking places | -0.3%                     |
| Other services                                    | -0.8%                     |

**The Intuit Small Business Revenue Index** is based on data from approximately 150,000 small businesses, a subset of the total QuickBooks Online financial management user base.

### **Small Business Employment Index**

The healthy 0.3 percent gain in small business employment for June strengthens the growth rate of the last several months. As a result, Intuit revised upward the previously reported May growth rate from 0.2 to 0.4 percent. This equates to 75,000 jobs added in May, up from a previously reported 60,000 jobs, though these numbers are expected to change once the index is recalibrated.

### **Increase in Hours Worked, Compensation**

Small business hourly employees worked an average of 110.7 hours in June, an increase of 0.3 percent, or around 18 minutes, from the revised figure of 110.4 hours in May, making for a 25.6-hour workweek.

Average monthly pay for all small business employees increased to \$2,763 in June, an increase of 0.5 percent, or \$14, from the May revised figure of \$2,749 per month. The equivalent annual wages would be about \$33,200 per year, which is part-time work for almost half of small business employees.

### **Small Business Employment by Geography**

The employment index shows overall employment growth in June for all census divisions except for the West North Central division, which remained flat. Increases were seen in all states statistically significant to the index, with the exception of Pennsylvania, which remained flat. Arizona, Colorado and Maryland recorded the highest rates of growth.

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| <b>U.S. Census Division</b> | <b>Percent Change in Employment</b> |
|-----------------------------|-------------------------------------|
| East North Central          | +0.4%                               |
| West North Central          | +0.00%                              |
| Middle Atlantic             | +0.08%                              |
| Mountain                    | +0.7%                               |
| New England                 | +0.5%                               |
| Pacific                     | +0.5%                               |
| South Atlantic              | +0.4%                               |
| East South Central          | +0.6%                               |
| West South Central          | +0.3%                               |

**Small Business Employment by U.S. Census Division** continues to grow in all parts of the country. The data reflects employment from approximately 80,000 small business employers, a subset of small businesses that use Intuit Online Payroll. The month-to-month changes are seasonally-adjusted and informative about the overall economy.

| <b>State</b>   | <b>Percent Change in Employment</b> |
|----------------|-------------------------------------|
| Arizona        | +0.6%                               |
| California     | +0.4%                               |
| Colorado       | +0.6%                               |
| Florida        | +0.4%                               |
| Georgia        | +0.3%                               |
| Illinois       | +0.3%                               |
| Maryland       | +0.6%                               |
| Massachusetts  | +0.4%                               |
| Michigan       | +0.3%                               |
| New Jersey     | +0.09%                              |
| New York       | +0.07%                              |
| North Carolina | +0.4%                               |
| Oregon         | +0.3%                               |
| Pennsylvania   | +0.0%                               |
| Texas          | +0.4%                               |
| Virginia       | +0.5%                               |
| 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 Intuit Small Business Indexes

The Intuit Small Business Indexes provide unique, near real-time information each month on the activity of the smallest businesses in the U.S. in terms of revenue, hiring and compensation trends. The revenue index is based on anonymized, aggregated data from 150,000 small businesses, a subset of users that use Intuit's QuickBooks Online financial management offering. The employment index is based on anonymized, aggregated data from 80,000 small business employers, a subset of users that use Intuit Online Payroll. Together, the indexes provide a more complete picture of the economic health of the nation's small businesses. More information on the Intuit Small Business Indexes is available at [index.intuit.com](http://index.intuit.com).

## About Intuit Inc.

[Intuit Inc.](http://intuit.com) 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](http://www.intuit.com).

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