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Small Business Employment Continues Slow Growth

Overall Revenues Drop While Construction Continues Increase

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- U.S. small business employment increased in April, while average compensation and hours worked decreased. Small business revenues continued to drop in March, while the construction industry continued to be the sole sector to see an increase.

Those are among the findings of the monthly [Intuit Inc.](#) (Nasdaq: INTU) [Small Business Employment and Revenue Indexes](#). The report found that:

- Employment rose by 0.11 percent in April, adding 20,000 new jobs, for an annualized growth rate of 0.9 percent.
- Average monthly compensation fell by 0.4 percent in April, or \$9, compared to the increase of \$12 reported in March.
- Average monthly hours worked fell by 0.8 percent, or 48 minutes, compared to the increase of 18 minutes reported in March.

This employment index is based on data from [Intuit Online Payroll](#) and [QuickBooks Online Payroll](#), covering the period from March 24 through April 23.

“Small business employment continued its tepid growth trend in April, and geographic differences continue to be dramatic,” said [Susan Woodward](#), the economist who worked with Intuit to create the indexes. “Though Utah leads the pack in April’s employment gains, the West South Central census division, dominated by Texas, has been leading the recovery overall, reaching nearly the same level of employment as in mid-2008. Texas’ unusual mortgage law, which limited refinancing, may have spared the state from the worst of the defaults and the consequent decline in house values.”

Decrease in Hours Worked, Compensation

Small business hourly employees worked an average of 104.9 hours in April, down 0.8 percent from the revised figure of 105.7 hours in March, making for a 24-hour work week. Hours worked have been falling since mid-2011, and are currently below their 2009 level.

Average monthly pay for small business employees fell to \$2,676 in April, down 0.4 percent from the March revised figure of \$2,685 per month. The equivalent yearly wages would be about \$32,100 per year, which is part-time work for almost two-thirds of small business employees in Intuit’s data.

Small Business Employment by Geography

A state-by-state breakdown of employment growth showed that most states saw increases in April. Among the 36 states tracked by Intuit's Small Business Employment Index, employment rose in 31, remained flat in two and declined in three. Utah, Idaho and Michigan saw the largest increases in April. New Mexico, Arkansas and Louisiana showed the greatest declines, though the declines were almost flat, at 0.01 percent each.

State	Change in Employment (%)
Alabama	0.06
Arizona	0.06
Arkansas	-0.01
California	0.16
Colorado	0.12
Connecticut	0
Florida	0.06
Georgia	0.08
Idaho	0.20
Illinois	0.01
Indiana	0.12
Iowa	0.08
Kansas	0.07
Kentucky	0.16
Louisiana	-0.01
Maryland	0.18
Massachusetts	0.08
Michigan	0.18
Minnesota	0.15
Missouri	0.02
Nevada	0.07
New Jersey	0.01
New Mexico	-0.01
New York	0.02
North Carolina	0.09
Ohio	0.03
Oklahoma	0.02
Oregon	0.13
Pennsylvania	0
South Carolina	0.06
Tennessee	0.03
Texas	0.11
Utah	0.30

Virginia	0.02
Washington	0.11
Wisconsin	0.08

Small Business Employment results were mixed for the states in which Intuit Online Payroll and QuickBooks Online Payroll has more than 1,000 small business firms. The month-to-month changes are seasonally adjusted and informative about the overall economy.

March Small Business Revenue Decline

The March Small Business Revenue Index showed a 0.4 percent overall revenue decline on a per business basis.

“Construction was the only industry to see revenues rise in March,” said Woodward. “Over the past year, the sector has seen two percent growth on a revenue-per-business basis. Across all industries, revenues per business were 0.2 percent below where they were a year ago.”

The real estate and professional services industries saw the greatest revenue declines in March, at 1.2 percent and 0.9 percent respectively. Revenue in the “other services” sector declined the least in March, at 0.09 percent, followed by health care at 0.3 percent. This index is based on data from [QuickBooks Online](#), covering the period from March 1-31.

Sector	February Change in Revenue (%)
All	-0.4
Construction	+0.17
Retail trade	-0.9
Professional, scientific, and technical services	-0.9
Real estate and rental and leasing	-1.2
Health care and social assistance	-0.3
Accommodation, food services, and drinking places	-0.8
Other sectors	-0.09

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 Employment Index is based on anonymized, non-identifiable aggregated data from 180,000 small business employers, a subset of users that use [Intuit Online Payroll](#) and [QuickBooks Online Payroll](#). The Revenue Index is based on anonymized, non-identifiable aggregated data from approximately 150,000 small businesses, a subset of

users that use Intuit's [QuickBooks Online](#) financial management offering and are matched in [Dun & Bradstreet](#)'s small business industry classifications. 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.

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®](#), [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 \$4.15 billion in its fiscal year 2012. The company has approximately 8,500 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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