



Intuit Small Business Employment Index Shows Continued Yet Slow Job Growth for January

50,000 Jobs Created; Slight Decreases in Hours Worked, Compensation; East Coast Shows More Weakness in Employment

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small businesses created 50,000 new jobs in January but paid employees less and gave them fewer hours. The East Coast, especially New York, showed more weakness in employment than in other parts of the country.

These are among the results of this month's update of the [Intuit Inc.](#) (Nasdaq:INTU) [Small Business Employment Index](#), covering the period between Dec. 24, 2011 and Jan. 23, 2012. The monthly report found that small business employment grew by 0.2 percent in January, equating to an annual growth rate of 2.9 percent. Average monthly hours worked decreased slightly by 0.05 percent, or six minutes, while average monthly compensation also decreased slightly by 0.1 percent, or \$3.

The Index is based on figures from small businesses with fewer than 20 employees that use Intuit [Online Payroll](#). Intuit is the No. 1 [payroll provider](#) with more than 1 million customers. More information on the index is available at [index.intuit.com](#).

"Overall the small business labor market is not weak, but not strong either," said [Susan Woodward](#), the economist who worked with Intuit to create the Index. "Small business employment continues to rise but at a rate that will not get us back to full employment very quickly. Overall, non-salaried employees saw their hours and compensation decrease slightly, but so did the price level. When adjusted for inflation, compensation is about flat. The percentage of non-salaried people working full time is also down slightly, a trend that began in March 2011."

Based on January's numbers and revised national employment data from the Bureau of Labor Statistics, Intuit revised upward the previously reported December growth rate to 0.3 percent. This equates to 60,000 jobs added in December, up from a previously reported 55,000 jobs.

Slight Decreases in Hours Worked, Compensation

Small business hourly employees worked an average of 107.5 hours in January, a slight decrease from 107.6 hours in December, making for a 24.8-hour workweek. Average monthly pay for all small business employees decreased slightly to \$2,632 in January, down 0.1 percent from the December revised estimate of \$2,635 per month. The equivalent annual wages would be about \$31,600 per year, which is part-time work for many small business employees.

Small Business Employment by Geography

The Intuit Index shows employment growth in all census divisions, except for New England, and in many states for which the Index tracks, except for New York and Maryland.

"The geographical pattern of labor market indicators shows more weakness in employment on the East Coast, especially the New York region where there are more financial service businesses," said Woodward. "This suggests that the continuing uncertainty regarding the Euro and the debts of the European sovereign nations are a force in economic activity here. We hear this on the news, and we can see it in the small business figures."

<u>U.S. Census Division</u>	<u>Percent Change in Employment</u>
East North Central	0.03%
West North Central	0.16%
Middle Atlantic	0.02%
Mountain	0.6%
New England	-0.01%
Pacific	0.4%
South Atlantic	0.2%
East South Central	0.3%
West South Central	0.5%

Small Business Employment by U.S. Census Division continues to grow in most parts of the country. 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	0.7%
California	0.4%
Florida	0.4%
Georgia	0.3%
Illinois	0.02%
Maryland	-0.09%
Massachusetts	0.02%
New Jersey	0.2%
New York	-0.2%
North Carolina	0.16%
Oregon	0.05%
Pennsylvania	0.03%
Texas	0.4%
Virginia	0.3%
Washington	0.7%

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 business employers use [Intuit Online Payroll](#) and represent a subset of the total Intuit Online Payroll user base. 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 also arise from revisions to the government employment data that are used as inputs to 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.

Quick Links

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Intuit Small Business Blog: www.blog.intuit.com

About Intuit Payroll

Intuit is the No. 1 [payroll provider](#) with more than 1 million customers. The company provides a range of fast, easy and accurate

payroll solutions to meet a variety of small business needs. These include do-it-yourself payroll solutions such as Intuit Online Payroll as well as do-it-for-me solutions such as Intuit Full Service Payroll. Intuit also offers easy-to-understand and affordable small business employee benefits and insurance including employee healthcare, 401(k) retirement plans and worker's compensation insurance.

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 \$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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