



Intuit Expands Small Business Index to Track Revenue Trends

Revenues Just Starting to Approach Pre-recession Levels; Employment Growth Continues but Slowly

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small business revenues are gradually recovering from recessionary depths, but are just now reaching levels seen before the recession began in 2007, according to the first-of-its kind Small Business Revenue Index from [Intuit Inc.](#) (Nasdaq: INTU).

The newly-launched [Intuit Small Business Revenue Index](#), which is based on anonymized, aggregated data from [QuickBooks Online](#), is the first in the market to provide current information on monthly small business revenue. It complements Intuit's monthly Small Business Employment Index to provide a more complete picture of the economic health of the nation's small businesses based on revenue, hiring and compensation trends.

"There are many sources of information about the activity at big companies, but very few on the activity at small businesses," said Kiran Patel, executive vice president and general manager of Intuit's Small Business division. "Intuit is one of the few companies to have this data. The launch of the Revenue Index helps fill this gap in the market and provides small businesses with a better understanding of how they are doing compared to others."

The Revenue Index shows that small businesses were hard hit by the downturn, and are just starting to reach pre-recession revenue levels. Industry-level analysis shows that different sectors of small business were hit harder than others, and at different points in the recession.

Small businesses in the professional, scientific and technology fields fared the best through the downturn, and despite a big decline starting in late 2008, now have revenues that exceed pre-recessionary levels. Meanwhile, revenues for the real estate and construction industries began falling in 2007 and have seen little recovery. The health care and social assistance sector shows a mild decline in revenues over the past year.

Revenue Index by Industry

The changes in small business revenue by industry are consistent with many accounts of economic activity over the last seven years. Construction sector revenue stopped growing at the beginning of 2006, began a slow decline in mid 2007, and then a more dramatic decline starting in mid-2008.

Revenues for real estate services and leasing declined from mid-2005 to early 2009 and have been flat since then. Revenues for professional services grew until the fourth quarter of 2008, and then declined abruptly around the time of the bank crisis in September 2008. Revenues have been steadily increasing since mid-2009.

The health care and social assistance sector also showed a small decline in revenues to businesses in this sector, but only recently, starting in 2011.

"In general, the health care and social assistance sector is much more resistant to the business cycle than are the other industries," said [Susan Woodward](#), the economist who worked with Intuit to create the Intuit Small Business Indexes. "But this sector saw a decline in revenues beginning in 2011 that continues through today. A number of factors could account for this, including a drop in coverage and spending through employer-provided health care plans. This may be partially a response to the recession, but also a more general response to the change in health care policy."

Small Business Employment Index

The monthly [Small Business Employment Index](#), which is based on data from [Intuit Online Payroll](#), shows that small business employment started growing in the fall of 2009 through 2011 and continues, albeit slowly, into 2012. In April there was a 0.2 percent increase in jobs for an annual growth rate of 2.5 percent. This equates to approximately 40,000 jobs created in April though Intuit plans to recalibrate the Index in the coming months and expects these numbers to change.

Based on April's numbers and revised national employment data from the Bureau of Labor Statistics, Intuit revised downward the previously reported March growth rate to 0.2 percent. This equates to 45,000 jobs added in March, down from a previously reported 65,000 jobs, though these numbers are expected to change once the Index is recalibrated.

Decrease in Hours Worked, Increase in Compensation

Small business hourly employees worked an average of 107.3 hours in April, a decrease of 0.14 percent, or around 8 minutes, from the revised figure of 107.4 hours in March, making for a 24.8-hour workweek. Average monthly pay for all small business employees increased to \$2,680 in April, an increase of 0.11 percent, or \$3, from the March revised figure of \$2,677 per month. The equivalent annual wages would be about \$32,200 per year, which is part-time work for many small business employees.

Small Business Employment by Geography

The Intuit Index shows overall employment growth in all census divisions for April 2012, while a state breakdown shows increases in all states that the index covers except for three.

U.S. Census Division	Percent Change in Employment
East North Central	0.15%
West North Central	0.03%
Middle Atlantic	0.09%
Mountain	0.3%
New England	0.3%
Pacific	0.2%
South Atlantic	0.3%
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 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.

State	Percent Change in Employment
Arizona	0.9%
California	0.2%
Colorado	0.5%
Florida	0.3%
Georgia	0.3%
Illinois	-0.03%
Maryland	0.2%
Massachusetts	0.4%
Michigan	0.3%
New Jersey	0.3%
New York	0.12%
North Carolina	0.4%
Oregon	-0.4%
Pennsylvania	-0.5%
Texas	0.3%
Virginia	0.7%
Washington	0.4%

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 new Revenue Index, which covers the period from January 2005 through March 2012, is based on anonymized, aggregated data from 200,000 small businesses, a subset of users that use Intuit's QuickBooks Online financial management offering. The Employment Index, which covers the period from January 2007 through April 23, 2012, is based on anonymized, aggregated data from 80,000 small business employers, a subset of users that use Intuit Online Payroll. 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 \$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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