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Paychex | IHS Small Business Jobs Index Growth Slowed in May, Yet Remains Near Record High

National index drops slightly from peak level in April, but small business hiring remains strong; Mountain region again shows highest increase in small business employment conditions; Washington and San Francisco remain in top spots for state and metro areas

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The **Paychex | IHS Small Business Jobs Index** grew 0.05 percent in the 12 months leading up to May. Although the national index decreased to 101.15 from April to May, the pace of small business job growth remained positive. While Washington and San Francisco continue to lead the index among the states and metro areas measured, Arizona had the greatest improvement among the states, driven by employment growth in Phoenix.

"Though the index gave up its April gains, small business hiring conditions remain strong," said James Diffley, chief regional economist at IHS. "Indeed, it has been the best quarter in a decade."

"While small businesses grew at a slower rate in May than they did in April, it's encouraging to see the growth trend continue," said Martin Mucci, president and CEO of Paychex. "With real estate markets rebounding in the Southwest and increases in tech jobs in the Pacific Northwest, we're hopeful that the slow, steady growth we've been seeing will continue to advance."

The May 2014 Paychex | IHS Small Business Jobs Index

National Index

After significant index gains across the U.S. in April, the pace of small business job growth remained positive, slowing slightly in May.

Regional Employment

Buoyed by the residential real estate rebound, the Mountain region remained the strongest region, with the best 1-month and 12-month small business employment growth rates again in May. Nevada, Utah, and Colorado are among the four fastest-growing states in 2014. The Middle Atlantic region remains weak as New Jersey now has the highest foreclosure rate in the nation.

State Employment Trend

Small business employment is surging in Arizona, which had the best 12-month growth rate, increasing 1.48 percent. With a 1-month growth rate of 0.25 percent, Florida is at last

rebounding as its real estate market begins to improve.

Metropolitan Employment Trend

Up 0.45 percent from last month, small business employment conditions in Phoenix are bouncing back. However, San Francisco and Seattle remain the strongest metro indices, with tech job gains as the primary driver.

Launched on April 1, the monthly index from Paychex, Inc., a leading provider of payroll, human resource, insurance, and benefits outsourcing solutions for small-to medium-sized businesses, and IHS, Inc., a leading global source of critical information and insight, provides analysis of small business employment trends across the U.S.

The index analyzes same-store, year-over-year worker count changes to identify and track small business employment trends using real small business payroll data from the Paychex client base. The index is based on aggregated data from approximately 350,000 small businesses with fewer than 50 workers across the United States, one of the largest sample sizes of any small business index or report in the country, and provides timely, accurate insight into national, regional, state, and metro employment activity. The index uses a base year of 2004, a period of expansion before the start of the economic downturn. When the index trends up it is a sign of a strengthening job market, and when it trends down it is a sign of a slowdown.

For more information about the Paychex | IHS Small Business Jobs Index, please visit the jobs index [website](#). Plus, view and download the May 2014 Paychex | IHS Small Business Jobs Index [infographic](#). Or, [sign up](#) to receive monthly alerts on the Paychex | IHS Small Business Jobs Index.

About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 570,000 payroll clients as of May 31, 2013. For more information about Paychex and our products, visit www.paychex.com.

About IHS (www.ihs.com)

IHS (NYSE: IHS) is the leading source of information, insight and analytics in critical areas that shape today's business landscape. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood,

Colorado, USA, IHS is committed to sustainable, profitable growth and employs more than 8,000 people in 31 countries around the world.

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