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Paychex | IHS Small Business Jobs Index Signals Improvement in Employment Conditions for First Six Months of 2014

National index drops slightly for second consecutive month, but remains high; Mountain region continues to lead small business employment growth rates; Washington remains the top state; Dallas takes over as top performing metro area

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The **Paychex | IHS Small Business Jobs Index** grew 0.23 percent in the 12 months leading up to June. Although the national index decreased for a second straight month to 101.07, it remains near its record high. Washington again leads the index among the states, while Arizona continues to show strong improvement in small business employment growth. Dallas ranked as June's top performing metro area, surpassing San Francisco, Seattle, and Houston.

"Though the pace of gains remains moderate, the Paychex | IHS Small Business Jobs Index shows that payroll conditions have clearly improved this year for the country's small businesses," said James Diffley, chief regional economist at IHS.

"With the first six months of the year behind us, we continue to see a positive trend in small business employment growth," said Martin Mucci, president and CEO of Paychex. "Even though the growth rate has slowed slightly over the past two months, the consistent growth in key regions, states, and metro areas is an encouraging sign."

The June 2014 Paychex | IHS Small Business Jobs Index

National Index

Although the Paychex | IHS Small Business Jobs Index nudged down again in June, to its lowest level since January, the index remained over 101 for the sixth consecutive month. The 101.13 average for the first half of 2014 compares favorably to the 100.71 average for the last six months of 2013.

Regional Employment

The Mountain region continues to lead in year-over-year gains at 1.77 percent, while the Middle Atlantic region once again showed the weakest growth, declining 0.39 percent during the past 12 months through June. After falling four out of the five months to begin 2014, the East South Central region had the best 1-month growth rate, advancing 0.41 percent in June.

State Employment Trend

Washington leads all states in the Small Business Jobs Index at 103.24, with Wisconsin,

Indiana, and Texas also above 102 in June. With a 1-month growth rate of 1.02 percent, the Indiana index jumped seven spots to the number three ranked state. Growing quickly, Arizona small business employment conditions advanced further in June, increasing 0.58 percent during the past month and 2.87 percent over the past year. At 101.06, the Arizona index surged to its highest level since early 2007.

Metropolitan Employment Trend

At 104.02, Dallas topped all metros in the Small Business Jobs Index in June as the 1-month growth rate spiked 1.07 percent. San Francisco and Seattle rounded out the top three with levels above 103. For the third consecutive month, Tampa Bay, Baltimore, and Washington were the only metro indices below 100.

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 June 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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Media

Paychex, Inc.

Lisa Fleming, 585-387-6402

lfleming@paychex.com

[@PaychexNews](https://twitter.com/PaychexNews)

or

IHS

Jim Dorsey, 781-301-9069

Jim.dorsey@ihs.com

or

Eric Mower + Associates

Tom Brede, 585-389-1870

tbrede@mower.com

Source: Paychex, Inc.