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Paychex | IHS Small Business Jobs Index Increases to 101.11 in July, Signaling Continued Strength in Small Business Employment

National index increases slightly in July; West North Central region moves into top index spot; Washington remains top performing state, while Michigan shows impressive gains; Dallas continues to lead metro areas

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The **Paychex | IHS Small Business Jobs Index** grew 0.34 percent in the 12 months leading up through July. The national index increased to 101.11, inching closer to its record high of 101.26 achieved in April 2014. Among the regions, the West North Central jumped to the top of the regional index with the highest monthly increase. Washington continues to lead the states, while Michigan shows impressive improvement in employment conditions. Dallas holds the top spot among metro areas for the second straight month, with Houston gaining ground and taking over the number two spot.

"The Paychex | IHS Small Business Jobs Index begins the second half of the year with an increase over June, adding to the recent favorable indicators of economic gains in 2014," said James Diffley, chief regional economist at IHS.

"July's index results show that small business employment growth is picking up once again, continuing the long-term trend we've been seeing for some time now," said Martin Mucci, president and CEO of Paychex.

The July 2014 Paychex | IHS Small Business Jobs Index

National Index

At 101.11, the July 2014 national index is higher than any value it had achieved through 2013. Aided by consistently strong 12-month growth rates in the Mountain and West North Central regions, the national index has increased 0.34 percent since July 2013.

Regional Employment

At 102.17, the West North Central jumped to the top of the regional index with the strongest monthly gains, spurred by North Dakota, which continues to lead the nation in economic growth. Nevada and Colorado are contributing to positive gains in the Mountain region, which continues to advance at a strong pace with year-over-year growth at 1.41 percent.

State Employment Trend

While Washington continues to lead the state index, employment conditions improved 1.30 percent in Michigan during the past 12 months, the highest rate in almost two years. Michigan continues its impressive index gains, potentially signaling a rise in overall economic activity for the state. Down 0.50 percent from June, the Illinois index has fallen for four straight months, which could be cause for concern as overall job growth has been very weak in the state in 2014.

Note: Analysis is provided for the 20 largest states based on U.S. population.

Metropolitan Employment Trend

With strong 1-month and 12-month gains, Houston is pressing Dallas for the metro index lead as economic development proceeds rapidly, most notably in new construction activity. The Phoenix index is cooling down after a hot start to 2014, slipping 0.41 percent in July from last month. The index has also weakened in some parts of California, including Los Angeles, which continues to trend negatively in July.

Note: Analysis is provided for the 20 largest metro areas based on U.S. population.

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 July 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 580,000 payroll clients as of May 31, 2014. 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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