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Paychex | IHS Small Business Jobs Index Shows Employment Growth Slowing for Small Businesses in December

Job growth continues with national index level above 100; West North Central region maintains top index spot; Washington remains top ranked state; Dallas continues to lead metro areas

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The **Paychex | IHS Small Business Jobs Index** declined 0.18 percent in the past 12 months, bringing the national index to 100.56 in December. Although the pace of small business employment growth is slowing, an index level above 100 indicates continued positive employment gains. With the strongest 12-month growth rate, the West North Central region maintained its lead among the regions. At 102.64, Washington continued to be the top-performing state for the third consecutive month. Dallas, meanwhile, held the top position among metro areas, despite a .64 percent one-month decline.

"It appears that small businesses are not enjoying the same acceleration as the general economy, as the Paychex | IHS Small Business Jobs Index continued its downward trend through year-end," said James Diffley, chief regional economist at IHS. "At 100.56, the national index is 0.18 percent below December 2013."

"With the index maintaining a level above 100, we're still seeing small business employment growth," said Martin Mucci, president and CEO of Paychex. "But the growth rate does appear to be moderating. As we begin the New Year, it will be interesting to see the impact falling energy prices and the power shift in Washington have on the country's small businesses in the months ahead."

The December 2014 Paychex | IHS Small Business Jobs Index

National Index

Small business employment growth, while still positive, has seen the rate of gains decrease 0.28 percent over the past three months. At 100.56, small businesses continue to add jobs, but at a slower pace.

Regional Employment

The West North Central region remained the highest at 102.33 and had the best 12-month growth rate at 1.01 percent. Although the Pacific region had the weakest 12-month growth rate at -0.87 percent, the index level has been at or above 101 for more than two years, indicating strong long-term employment gains. After falling below 100 last month for the first time since 2011, the Middle Atlantic region decreased again in December. Joining both the Middle and South Atlantic regions, New England also fell below 100.

State Employment Trend

Washington ended 2014 with the highest state index at 102.64, while Texas, Wisconsin, and Michigan also exceeded 102. North Carolina and Georgia led all states in one-month growth rates for December, while Georgia had the best 12-month growth rate as well. With an index level below 98, New Jersey and Virginia are the worst ranked states and, according to the BLS, have been in the bottom five among states in overall employment gains.

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

Metropolitan Employment Trend

Despite a sharp decline in December, Dallas continues to lead metro index levels at 102.84. Leading in year-over-year gains at 2.23 percent, Minneapolis has steadily risen to the second ranked metro index. Chicago spiked 0.55 percent in December bringing its index level to 101.05, while Atlanta and Detroit also had solid one-month gains. Tampa Bay and Washington metros fell below 99 in December and ended 2014 the lowest ranked metro indices.

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

Launched on April 1, 2014 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 December 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 insight, analytics and expertise in critical areas that shape today's business landscape. Businesses and governments in more than 150 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 about 8,800 people in 32 countries around the world.

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