

Paychex | IHS Small Business Jobs Index Shows Small Businesses Gaining Steam in February

The national index grew 0.19 percent in February; West North Central region continues to hold top index spot; Indiana maintains lead as top-ranked state; Dallas remains highest-performing metro area

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The **Paychex | IHS Small Business Jobs Index** grew 0.19 percent in February to 100.84. Advancing for the second consecutive month, small business employment regained the steam lost during the fall and early winter and is again growing near the same pace recorded at the end of summer 2014. Year over year, however, the national index declined 0.31 percent. The West North Central region continues to be the top-performing regional index. Despite the largest decline from January to February, 0.68 percent, Indiana remains the top-ranked state index. Dallas, meanwhile, posted its fifth consecutive month in the top spot among metro areas.

"Small business job gains have accelerated in the New Year as the U.S. economy continues to improve," said James Diffley, chief regional economist at IHS.

"Small businesses are off to a solid start in 2015 when it comes to job growth," said Martin Mucci, president and CEO of Paychex. "While it's still early in the year, the first two months have seen consistent positive improvement."

The February 2015 Paychex | IHS Small Business Jobs Index

National Index

The national index is trending higher, indicating strengthening employment conditions for the nation's small businesses. February 2015 gains were broad-based regionally with only two regions showing a decline, albeit marginal, at 0.05 percent. Signifying strong growth, 13 of the 20 states analyzed have index levels over 101.

Regional Employment

Fast-paced job growth continued in the Central regions, all reflecting index levels well above 101. The Pacific region had the best gains during February and through the past quarter; at 0.59 percent, the three-month growth rate for the Pacific region is its highest since late 2012. Hovering around 100 for several months now, New England fell slightly below 100 again in February and had the worst one-month result, declining 0.05 percent.

State Employment Trend

At 103.23, the Texas index placed second and also finished the year second among states

in total job gains, according to the BLS. Florida had the next highest 12-month growth rate at 1.12 percent as the BLS ranked Florida in the top five among states in total job growth. February marked the fifth consecutive one-month increase for Georgia as its index is at its highest level since 2006. Virginia and New Jersey, the states currently with the lowest index levels, were in the bottom five states for overall job gains in 2014, according to the BLS.

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

Metropolitan Employment Trend

At 103.51 in February, Dallas has posted the highest metro index every month since October 2014. Rebounding from January, Houston surged 1.02 percent ranking second among the metros areas, despite oil price deflation. Miami had strong one-month and 12-month results in February, pushing its index level over 100. While both metros remain near a 101 index level, Riverside, CA and St. Louis, MO have dropped dramatically during the past 12 months, falling by more than two percent.

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 February 2015 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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