

Paychex | IHS Small Business Jobs Index Indicates Ongoing Employment Growth Despite May Decline

- *Small business job growth declined 0.18 percent from April*
- *East South Central jumps to top spot among regions*
- *Washington remains top-ranked state, with its fifth consecutive increase in 2016*
- *Seattle continues to hold the top spot among metro areas, hitting a record level*
- *Small business employment growth slowed in every industry sector*

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The [Paychex | IHS Small Business Jobs Index](#) declined 0.18 percent in May, from 100.77 to 100.59, following steady results in March and April. Altogether, however, the pace of small business employment growth has increased 0.22 percent since the start of 2016. At 101.72, East South Central jumped to the top spot among regions, gaining 0.40 percent, the best one-month growth rate. Washington remained the top-ranked state index, with its fifth consecutive increase in 2016. Continuing to hold the top spot among metro areas, Seattle's index increased for the fifth straight month, hitting a record level in May, 104.97. After holding steady in April, small business growth slowed in every industry sector analyzed in May.

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The Paychex | IHS Small Business Jobs Index declined 0.18 percent in May, from 100.77 to 100.59, following steady results in March and April. (Graphic: Business Wire)

“Following three months of consistently strong job growth, the Paychex | IHS Small Business Jobs Index declined 0.18 percent from the previous month to its lowest level of 2016,” said James Diffley, chief regional economist at IHS.

“Nevertheless, at 100.59, the national index continues to indicate positive gains in small business employment.”

“Given the steady results of the past several months, it appears small businesses were not able to maintain the same level of employment growth in May,” said [Martin Mucci](#), president and CEO of Paychex. “It will be interesting to see how this trend plays out during the [summer months](#) when hiring traditionally increases among small businesses.”

National Index

After a strong start to 2016, gaining 0.40 percent during the first four months, the Paychex | IHS Small Business Jobs Index moderated in May, dropping 0.18 percent. Despite the decline, the national index is just 0.06 percent off the job growth pace set last May. Likewise,

while 100.59 represents the lowest index level of 2016, it is still stronger than the last five months of 2015.

Regional Employment

At 101.72, East South Central jumped to the top spot among regions, gaining 0.40 percent, the best one-month growth rate. South Atlantic, the other southeastern region, moved into second place and gained 1.02 percent through the first five months in 2016. Moving west toward the struggling energy sector, West South Central had the worst one-month and 12-month growth rates as its index fell below 100 for the first time in nearly six years. Below 100 and last among regions is New England. The nearby Middle Atlantic matched the national index, falling 0.18 percent from April, but is still above the national baseline at 100.27, up 0.61 percent from a year ago.

State Employment Trend

Washington remained the top-ranked state index with its fifth consecutive increase in 2016. Georgia surged past its southern neighbors into second place with a 0.85 percent increase from April to May. Virginia was the only state to outpace Georgia in May, gaining 0.94 percent from the previous month as its index climbed five spots to sixth place. With Georgia, Florida, North Carolina, and Virginia, four of the top six states are located in the South Atlantic. Down 0.74 percent this month, small business employment growth slowed the most in Texas as its index hit a five-year low at 100.96. Down 2.51 percent and 2.00 percent respectively from last year, Illinois and neighboring Indiana had the two lowest 12-month growth rates among states.

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

Metropolitan Employment Trend

Continuing to hold the top spot among metro areas, Seattle's index increased for the fifth straight month hitting a record level in May, 104.97. With the best one-month growth rate, at 0.82 percent, and boosting its index to 102.92, Atlanta overtook Dallas for the second-ranked metro index. Dallas is at a four-year low, but remains in strong growth territory with an index above 102. May marks the seventh consecutive monthly increase for New York City, which has gained 1.85 percent year-over-year, second only to Seattle. San Francisco slowed 1.30 percent, its lowest one-month growth rate in more than seven years.

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

Industry Employment Trend

After holding steady in April, small business growth slowed in every industry analyzed in May. Top-ranked Other Services (except Public Administration) fell 0.23 percent in May from the previous month. At 98.82, Manufacturing remained the lowest industry index, but had the best month, declining only 0.02 percent. Education and Health Services is up 0.64 percent so far in 2016 and, at 101.08, is trending near levels not seen since early 2014. Construction maintained the second-highest ranking among industries, but had the lowest one-month growth rate once again in May. Employment growth slowed further in Professional and Business Services as its index fell to 99.47, down -0.58 percent from last May and

representing a four-year low.

Note: Analysis is provided for eight major industry sectors.

For more information about the Paychex | IHS Small Business Jobs Index, visit the index [website](#). Plus, view and download the May 2016 Paychex | IHS Small Business Jobs Index [infographic](#). Or, [sign up](#) to receive monthly alerts on the Paychex | IHS Small Business Jobs Index.

**Information regarding the professions included in the industry data can be found at the [Bureau of Labor Statistics website](#).*

About the Paychex | IHS Small Business Jobs Index

The Paychex | IHS Small Business Jobs Index is released each month by 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, providing 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, metro, and industry employment activity.

About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for payroll, HR, retirement, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 40 years of industry expertise, Paychex serves approximately 590,000 payroll clients across 100 locations and pays one out of every 15 American private sector employees. Learn more about Paychex by visiting www.paychex.com, and stay connected on [Twitter](#) and [LinkedIn](#).

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 140 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 nearly 9,000 people in 33 countries around the world.

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