

# Small Business Job Growth Strong in First Quarter, According to Paychex | IHS Small Business Jobs Index

- *The pace of small business job growth improved 0.36 percent since January*
- *Mountain remains top-ranked region*
- *Washington continues as top state, followed by Florida*
- *Seattle overtakes Dallas as top metro*
- *Other Services leads industry sectors, with Construction ranking second*

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The [Paychex | IHS Small Business Jobs Index](#) moderated slightly—from 100.75 in February to 100.74 in March. The first quarter of 2016 marks the index’s best three-month increase in two years, with a gain of 0.36 percent. The Mountain region remains the top-performing regional index. Washington extends its lead among states, increasing 0.39 percent to an index level of 103.93. Seattle ranks as the top metro area for small business job growth, overtaking Dallas, which had held that position for well over a year. Other Services (except Public Administration)\*, as defined by the [Bureau of Labor Statistics](#), ranks as the top industry sector.

This Smart News Release features multimedia. View the full release here: <http://www.businesswire.com/news/home/20160329005330/en/>



The Paychex | IHS Small Business Jobs Index moderated slightly—from 100.75 in February to 100.74 in March. The first quarter of 2016 marks the index’s best three-month increase in two years, with a gain of 0.36 percent. (Graphic: Business Wire)

“With a gain of 0.36 percent in the first quarter of 2016, the national index indicates a solid expansion of small business jobs,” said James Diffley, chief regional economist at IHS.

“The Small Business Jobs Index maintained its strong start to 2016, closing out March with a level of 100.74,” said [Martin Mucci](#), president and CEO of Paychex. “The first quarter of 2016 represents the index’s best three-month increase in two years.”

## National Index

The Paychex | IHS Small Business Jobs Index was nearly flat from the previous month, following gains in January and February. The national index has increased 0.39 percent since November 2015, after declining 0.45 percent during the seven months from April 2015 to October 2015. The continued index level above 100 signals consistent gains in small business employment.

## **Regional Employment**

Expansion of small business employment hit a clear divide in March as growth slowed in the central regions and increased in the coastal regions. The West Central and Mountain were the only regions where small business employment growth slowed during the first quarter of 2016. The energy-intensive West South Central had the weakest March, dropping 0.62 percent from the previous month, and now ranks in the lower half among regions. The Mountain region continues to lead among regions, albeit by a smaller margin. In the Northeast, Middle Atlantic had the best 12-month growth rate at 0.73 percent, while New England improved the most in March gaining 0.28 percent.

*Note: Percentages displayed in the regional heat map reflect 12-month changes.*

## **State Employment Trend**

Up to 103.93, Washington extended its lead among states with a solid 0.39 percent one-month gain in March. With the best growth rate in March as well as the first quarter of 2016, Virginia climbed into the top ten among states at 100.88. Increasing for the fifth consecutive month to 100.22, New York is at its highest index level since late 2014. Dropping 0.67 percent from February to March, Texas fell to fifth place at 101.65. While an index level of 101.65 signals strong employment gains, it is Texas' lowest reading in more than four years. Missouri and Illinois suffered sharp one-month drops in March as they fell below 100 and now rank lowest among states.

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

## **Metropolitan Employment Trend**

Seattle improved 0.41 percent from February to March, reaching an index level of 104.01, and overtaking Dallas as the top metro index. After leading metros for well over a year, the Dallas index dropped to 103.87 with a substantial 1.80 percent one-month slowdown in March. Despite decreases, Tampa Bay and Miami remain the only other metro indices over 102, as Florida metros have moved to the top of total job growth across the US, according to the BLS. Up 1.00 percent from last March, Riverside, CA had steadily increased during the past 12 months to move out of the bottom ten and into the top five ranked metros. Under 99 and at a four-year low at this time last March, New York City has improved 1.70 percent to 100.61, representing the best 12-month growth rate among metros.

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

## **Industry Employment Trend**

Small business job gains slowed 0.26 percent in Construction from February to March, but remain firmly in growth territory with an index level of 102.22. At 101.13, the pace of employment growth in Education and Health Services is at its strongest level in more than two years as the industry has gained 0.69 percent in the first quarter of 2016. Manufacturing slipped further in March with an index that remains below 99 and ranks last among industries. Down 0.97 percent from last year, Manufacturing has trended below 100 since February 2015. Falling to 100.22, Leisure and Hospitality had the lowest one-month growth rate among industries at -0.58 percent.

*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 March 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](http://www.paychex.com), and stay connected on [Twitter](#) and [LinkedIn](#).

## **About IHS ([www.ihc.com](http://www.ihc.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.

*IHS is a registered trademark of IHS Inc. All other company and product names may be trademarks of their respective owners. Copyright © 2016 IHS Inc. All rights reserved.*

View source version on [businesswire.com](http://businesswire.com):

<http://www.businesswire.com/news/home/20160329005330/en/>

**Media:**

Paychex, Inc.

Lisa Fleming, 585-387-6402

[lfleming@paychex.com](mailto:lfleming@paychex.com)

[@PaychexNews](#)

or

IHS

Kate Smith, 781-301-9311

[Kate.smith@ihs.com](mailto:Kate.smith@ihs.com)

or

Eric Mower + Associates

Danielle Gerhart, 315-413-4258

[dgerhart@mower.com](mailto:dgerhart@mower.com)

Source: Paychex, Inc.