

June 2, 2015



Small Business Employment Growth Slows in May, According to the Paychex | IHS Small Business Jobs Index

The national index declined 0.17 percent in May; East North Central takes over as top-ranked region; Indiana regains top index spot among states; Dallas maintains lead as top-performing metro area for eighth consecutive month

ROCHESTER, N.Y.--(BUSINESS WIRE)-- The [Paychex | IHS Small Business Jobs Index](http://www.businesswire.com/news/home/20150602005485/en/) decreased 0.17 percent in May, bringing the national index to 100.65. Year over year the national index declined 0.49 percent. Moderating from last month, the drop in the national index brought the three-month growth rate to -0.18 percent. The East North Central region surpassed the West North Central to become the top-ranked regional index. Indiana regained the lead among states tracked by the index with the best one-month and 12-month growth rates. Among the metro areas measured by the index, Dallas continued to lead, while Washington, D.C. showed the most improvement.

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"The Paychex | IHS Small Business Index dropped 0.17 percent in May, reverting to its January 2015 level. While the national index is well below the level set throughout most of 2014, small businesses are expanding to be sure, but at a rate consistent with the growth seen in 2012," said James Diffley, chief regional economist at IHS.

"May's index results seem to be in line with the story of the overall economic recovery: moderate, but somewhat inconsistent growth. While it's not ideal to see the growth rate slowing, we'll need to see how this trend plays out over the long term," said Martin Mucci, president and CEO of Paychex.

National Index

After holding onto the positive momentum of early 2015 in April, job gains slowed in May. At 100.65, the national index is at its lowest level of 2015 and 0.49 percent behind the job growth rate of May 2014.

Regional Employment

The East North Central overtook the West North Central for the top-ranked regional index position as the WNC had the lowest one-month growth rate for the second consecutive month. Up for the fourth straight month and the only region to improve in May, the Mountain index climbed to 100.80, growing 0.77 percent from February to May.

State Employment Trend

At 103.65, Indiana regained its position as the top-ranked state with the best one-month and 12-month growth rates. Indiana's gains follow strong total employment growth in April, as reported by the BLS. Neighbor Illinois also advanced strongly, up 0.34 percent in May. The pace of small business employment growth slowed in Texas for the third consecutive month as the state's index fell to its lowest level since January 2012.

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

Metropolitan Employment Trend

With the best 12-month growth rate and an index level over 104, Dallas remained the top-ranked metro index. Up 0.64 percent, Washington improved the most from April to May as its index level is at a four-year high. Regaining momentum from a recent four-year low in March 2015, New York City had its first consecutive month increase since February 2014. Ranked last among metro areas, Boston has yet to bottom out, falling again in May to 98.61.

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 April 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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