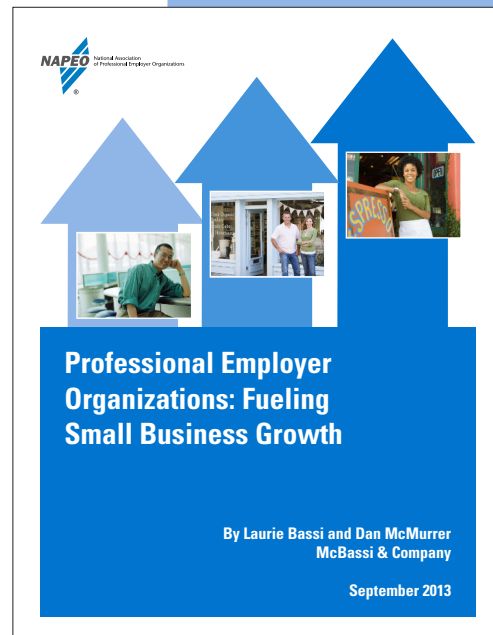


Key Findings of 'Professional Employer Organizations: Fueling Small Business Growth'

- **PEO clients have higher growth rates than other small businesses.** Since 2010, employment growth among PEO clients has been 9 percent higher than other small businesses (based on the Intuit Small Business Employment Index), and 4 percent higher than employment growth in the U.S. economy overall.
- **PEOs are able to provide a broad array of HR services at a lower cost.** A conservative estimate (based on information from Bersin & Associates) is that PEO clients enjoy a 21 percent savings on HR administration. For the typical PEO client, the savings are likely to be many times greater than this conservative estimate.
- **Small business executives who use PEOs are better able to focus their attention on the core business.** PEOs help their clients manage the “people side” of their businesses more effectively, avoiding compliance pitfalls and creating key benefits for the businesses and their employees, while simultaneously freeing up time for owners and executives to concentrate on growing their businesses by focusing on operations, strategy, and innovation.
- **PEOs offer retirement plans to small businesses that may not sponsor them otherwise, and their employees participate at much higher rates.** Ninety-eight percent of PEOs offer some type of retirement plan to their small business clients. In contrast, in 2011, only 16 percent of all employees of the smallest companies (those employing fewer than 10 workers), and 30 percent of those at companies with 10 to 49 employees, work for a company that sponsors some type of retirement plan, according to the Employee Benefit Research Institute (EBRI). Among the smallest businesses (employing fewer than 10 workers), the percentage of employees participating in employer-provided retirement plans is more than three times greater among employees of PEO clients than it is among employees of all other similarly-sized businesses (40 percent versus 13 percent). For employees working for companies with between 10 and 49 employees, there is also a major difference: 52 percent of employees versus 23 percent.



See the report online at
www.napeo.org.



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