



## peo index

# Small Businesses are Creating New Jobs

John Slavic

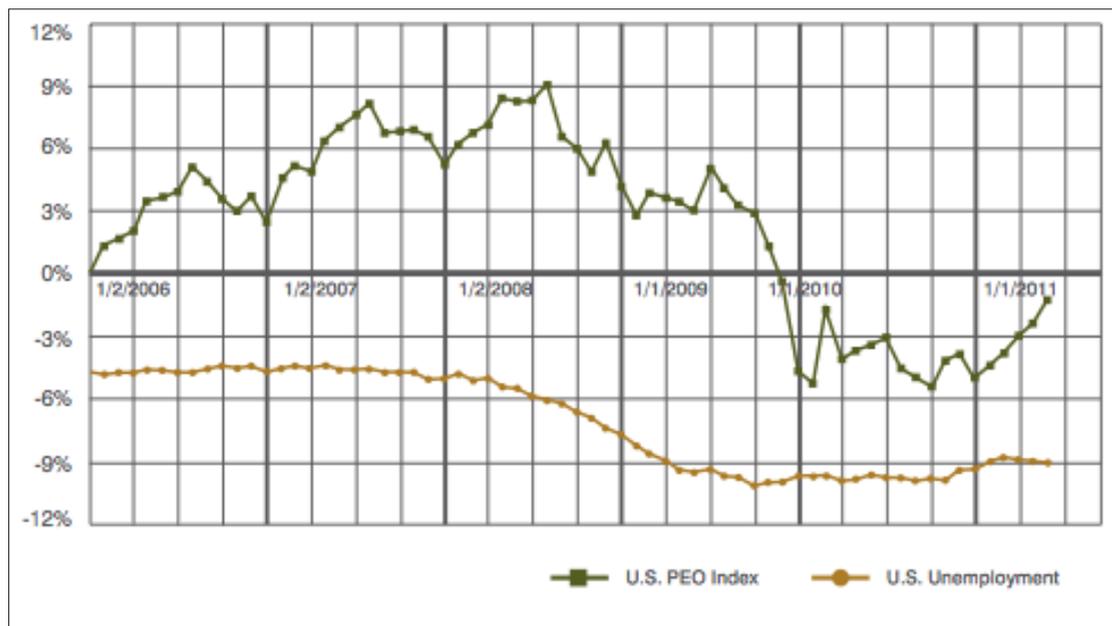
The PEO Employment Index reveals an increase in work-site employee counts, which indicates, at last, despite the ongoing difficulties of the economy and the recent downward revisions of the GDP reports, continued strengthening in the small business sector for companies using PEOs. The Federal

Reserve reported that the recovery lost steam in eight out of the 12 regions of the country it tracks, with hiring modest, wages soft, and prices

subdued. The overall economy only grew 1.3 percent in the second quarter of 2011, and was revised downward to 0.4 percent for the first

quarter. Most of the new the jobs created were created among small businesses, and that is the good news for the PEO industry.●

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The PEO Employment Index is an analytical tool that examines the PEO relationship with small businesses. The index was compiled over an eight-month period, encompassing data from 8,000 worksites and 160,000 employees over a five-year period beginning in 2005. The index tracks approximately 2,000 worksites, allocated and weighted across the country to create a national database reflective of the entire nation. The tracking is based on biweekly census file feeds from 401(k) deferrals. The focus of the data, however, is the addition or subtraction of employees from the census from each company. This raw and unfiltered data provides a clear picture of the expansion or contraction of the worksites of the index. A broad cross section of PEO service models comprises the index from large established PEOs to very small start-up firms. Leading mathematician and statistician Dr. Dragan Radulovic prepares this data. Dr. Radulovic, formerly of Yale University, now serves on the faculty of Florida Atlantic University and has collaborated with Slavic401k on the creation of the index.

