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LATEST PEO PULSE SURVEY SHOWS CONTINUED PEO INDUSTRY GROWTH

More than Ninety Percent of Respondents Expect Growth in 2018

April 25, 2018, Alexandria, VA — A new survey by the National Association of Professional Employer Organizations (NAPEO) shows that the PEO industry continued to grow in the fourth quarter of 2017. PEOs provide HR services to small and mid-sized businesses. Industry executives also expect that that pattern will continue over the next year, with nearly 94% reporting a likely increase in the number of worksite employees.

The quarterly survey, conducted in early 2018 by Industry Insights, also showed that PEO revenues, gross profits, operating income, and average number of clients all increased in the fourth quarter of 2017, compared to the fourth quarter of 2016. [Previous surveys](#) have shown similar results.

“This is just the latest example that more and more business owners are realizing the true value of using a PEO,” said NAPEO President & CEO Pat Cleary. “Surveys and studies consistently show that using a PEO is good for a business and its employees. PEOs provide a real benefit to businesses by providing HR services and solutions that they would otherwise be unable to afford.”

A total of 32 PEO executives responded to the survey, which is conducted each quarter. The typical responding PEO has 18 worksite employees per client. Survey respondents indicated the following:

- 4th quarter revenue increased somewhat when compared to 4th quarter 2016
- The annual wage per worksite employee increased over prior year
- The average number of worksite employees (WSEs) stayed about the same over prior year
- Gross profit for the 4th quarter increased somewhat over prior year
- Operating income for the 4th quarter increased somewhat over prior year
- Number of internal employees stayed about the same
- Number of clients increased somewhat
- Number of workers’ comp claims reported to carriers remained about the same

Complete PEO Pulse Survey [results](#).

About NAPEO

The National Association of Professional Employer Organizations (NAPEO) is The Voice of the PEO Industry™ and represents about 85 percent of the industry’s estimated \$136-\$152 billion in gross revenues. NAPEO has some 250 PEO members that provide payroll, benefits, and other HR services to between 156,000 to 180,000 businesses employing 2.7 and 3.4 million people. An additional 200 companies that provide services to PEOs are associate members of NAPEO. For more information, please visit www.napeo.org.