



CONTACT:
Kerry Carruthers
202.297.8308
kcarruthers@napeo.org

NEW ANALYSIS SHOWS ROI OF USING A PEO IS 27 PERCENT

Sept. 17, 2019, Austin, TX — The average client of a professional employer organization (PEO) can expect a return on investment – based on cost savings alone – of 27.2 percent, according to a new study released today by the National Association of Professional Employer Organizations (NAPEO) at its annual conference in Austin.

Conducted by noted economists Laurie Bassi and Dan McMurrer of McBassi and Associates, the study is the seventh in a series. Previous research by Bassi and McMurrer examined the benefits of using a PEO, finding increased profitability and growth, higher employee satisfaction, and lower employee turnover for companies that use a PEO.

The new report focused solely on costs and calculated savings for PEO clients in five HR-related areas:

- HR personnel costs
- Health benefits
- Workers' compensation
- Unemployment insurance (UI)
- Other external expenditures in areas related directly to HR services (payroll, benefits, etc.)

The average cost savings from using a PEO is \$1,775 per year per employee, according to the study, which also reinforced the findings of earlier research, again showing notably lower employee turnover, higher rates of both employee and revenue growth, and enhanced employee benefit offerings.

“We have known for some time now that using a PEO is good for a company in a variety of ways, and we now have a compelling and impressive number on the actual ROI of using a PEO,” said NAPEO President & CEO Pat Cleary. “When you put this new data on costs savings and ROI together with the data we already had on business growth, turnover, survival and employee satisfaction, it’s clear that there really is no better value proposition than PEOs in the HR space.”

PEOs provide HR, payroll, benefits, workers' comp, and regulatory compliance assistance to small and mid-sized companies. By providing these services, PEOs help businesses improve productivity, increase profitability, and focus on their core mission. Through PEOs, the employees of small businesses gain access to employee benefits such as 401(k) plans; health, dental, life, and other insurance; dependent care; and other benefits typically provided by large companies. A copy of the full study is available [here](#).

About NAPEO

The National Association of Professional Employer Organizations (NAPEO) is The Voice of the PEO Industry™. NAPEO has some 250 PEO members that provide payroll, benefits, and other HR services to between 175,000 businesses employing 3.7 million people. An additional 200 companies that provide services to PEOs are associate members of NAPEO. For more information, please visit www.napeo.org.