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## **NEW STUDY SHOWS HIGHER REVENUE GROWTH AND INCREASED PROFITABILITY FOR SMALL BUSINESSES THAT USE A PEO**

**Sept. 6, 2017, Orlando, FL** — Annual revenue growth for small businesses that use a professional employer organization is double that of comparable non-PEO firms, and companies that use a PEO are also 16 percent more likely to report an increase in profitability, according to a new study released today by the National Association of Professional Employer Organizations (NAPEO) at its annual conference in Orlando.

The study, by noted economists Laurie Bassi and Dan McMurrer of McBassi and Associates, is the fifth in a series. Previous studies conducted by Bassi and McMurrer have shown that businesses in PEO arrangements grow faster, have lower employee turnover, and have a significantly higher rate of business survival than businesses that don't use PEOs.

The new study also showed that PEO users are significantly less concerned than non-PEO users about their ability to handle key business challenges such as hiring employees, raising capital or funding, and increasing revenues. Additionally, the research revealed that PEOs also generate significant advantages for the employees of the businesses they work for. Compared to employees working in businesses that are not PEO clients, employees working in businesses that are PEO clients are significantly more likely to report that their employer demonstrates a commitment to them, has good HR policies and practices, and provides good training and development opportunities.

“This study proves through empirical data what we in the industry have known for years: PEOs provide critical competitive advantages to their clients that result in higher profitability, stronger revenue growth, and greater employee satisfaction,” said NAPEO President Pat Cleary. “Small business owners need to know that if they're not using a PEO, they are not doing everything they can to help their business grow and thrive. That's why thousands of savvy small businesses already rely on a PEO for their payroll, benefits, and HR needs.”

PEOs provide payroll, benefits, regulatory compliance assistance, and other HR services to small and mid-sized companies. 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™ 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](http://www.napeo.org).*