## NAPEO Quarterly Pulse Survey – Q1 2019 Results

<table>
<thead>
<tr>
<th>WSEs per Client</th>
<th>Clients per FTE*</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Typical PEO</td>
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</tr>
<tr>
<td>22</td>
<td>7</td>
<td>163</td>
</tr>
</tbody>
</table>

*Internal employees excluding sales staff

### How did the 1st quarter of 2019 compare with the 1st quarter of 2018?

#### PEO Revenue

Typical PEO: Increased Somewhat 26.7%  
Increased Significantly 6.7%  
Stayed About the Same 50.0%  
Decreased Somewhat 16.7%

Response Count: 30

#### Average annual wage per worksite employee (WSE)

Typical PEO: Stayed About the Same 46.4%  
Increased Significantly 3.6%  
Increased Somewhat 3.6%  
Decreased Somewhat 46.4%  
Decreased Significantly

Response Count: 28

Note: Throughout this report, the word “Typical” is used to describe the median (middle) value for a given item.
How did the 1st quarter of 2019 compare with the 1st quarter of 2018?

Average number of worksite employees (WSEs) per client company

Typical PEO

- Stayed About the Same: 36.7%
- Increased Somewhat: 50.0%
- Decreased Somewhat: 6.7%
- Decreased Significantly: 6.7%

Response Count: 30

Gross profit ($)

Typical PEO

- Increased Somewhat: 53.3%
- Increased Significantly: 10.0%
- Stayed About the Same: 10.0%
- Decreased Somewhat: 26.7%
- Decreased Significantly: 0.0%

Response Count: 30

Operating income ($)

Typical PEO

- Increased Somewhat: 41.4%
- Increased Significantly: 20.7%
- Stayed About the Same: 24.1%
- Decreased Somewhat: 13.8%
- Decreased Significantly: 0.0%

Response Count: 29
How did the 1st quarter of 2019 compare with the 1st quarter of 2018?

**Number of internal employees (including salespeople)**

<table>
<thead>
<tr>
<th>Typical PEO</th>
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<tbody>
<tr>
<td>Stayed About the Same</td>
<td></td>
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</table>

Response Count: 30

**Number of Clients**

<table>
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<tr>
<th>Typical PEO</th>
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<tbody>
<tr>
<td>Stayed About the Same</td>
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</table>

Response Count: 30

**Number of Worker’s Compensation claims reported to carrier**

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<tbody>
<tr>
<td>Stayed About the Same</td>
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</table>

Response Count: 25
How do you anticipate your number of WSEs will change over the next 12 months?

**Typical PEO**

- Increase Significantly: 27.6%
- Increase Somewhat: 65.5%
- Stay About the Same: 6.9%
- Decrease Somewhat: 2.6%
- Decrease Significantly: 0%

Response Count: 29