### NAPEO Quarterly Pulse Survey – Q1 2017 Results

<table>
<thead>
<tr>
<th>WSEs per Client</th>
<th>Clients per FTE (Internal)</th>
<th>WSEs per FTE (Internal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical PEO:</td>
<td>Typical PEO:</td>
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</tr>
<tr>
<td>22</td>
<td>6</td>
<td>136</td>
</tr>
</tbody>
</table>

#### How did the 1st quarter of 2017 compare with the 1st quarter of 2016 for the following?

**PEO Revenue**

Typical PEO

- **Increased Significantly**: 51%
- **Increased Somewhat**: 29%
- **Stayed About the Same**: 9%
- **Decreased Somewhat**: 9%
- **Decreased Significantly**: 2%

**Response Count**: 45

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

Typical PEO

- **Stayed About the Same**: 47%
- **Increased Significantly**: 14%
- **Increased Somewhat**: 37%

**Response Count**: 45

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 2017 compare with the 1st quarter of 2016 for the following?

**Average number of worksite employees (WSEs) per client company**

**Typical PEO**

- Stayed About the Same: 13%
- Increased Somewhat: 27%
- Increased Significantly: 49%
- Decreased Somewhat: 11%
- Decreased Significantly: 7%

Response Count: 45

**Gross profit ($)**

**Typical PEO**

- Increased Somewhat: 2%
- Increased Significantly: 40%
- Stayed About the Same: 33%
- Decreased Somewhat: 19%
- Decreased Significantly: 7%

Response Count: 43

**Operating income ($)**

**Typical PEO**

- Increased Somewhat: 4%
- Increased Significantly: 42%
- Stayed About the Same: 31%
- Decreased Somewhat: 16%
- Decreased Significantly: 7%

Response Count: 45
How did the 1st quarter of 2017 compare with the 1st quarter of 2016?

Number of internal employees (including salespeople)

Typical PEO

Stayed About the Same

Response Count 44

Number of Clients

Typical PEO

Increased Somewhat

Response Count 44

Number of Worker’s Compensation claims reported to carrier

Typical PEO

Stayed About the Same

Response Count 41
WSE Projection

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

Typical PEO

Increase Somewhat

Response Count
44

- Increase Significantly: 41%
- Increase Somewhat: 55%
- Stay About the Same: 5%
- Decrease Somewhat: 15%
- Decrease Significantly: 4%