



## How PEOs Help Small Businesses and Their Employees

- By providing payroll, benefits, and HR services and assisting with compliance issues under state and federal law, PEOs help small businesses to improve productivity and profitability, to focus on their core mission and to grow.
- Businesses that use PEOs grow 7 to 9 percent faster, have employee turnover that is 10 to 14 percent lower, and are 50 percent less likely to go out of business than companies that do not use PEOs.
- PEOs enable small businesses to offer their employees access to Fortune 500-level benefits such as: 401(k) plans; health, dental, life, and other insurance; dependent care; and other benefits they might not typically receive as employees of a small company.
- Most small companies cannot afford to hire a human resources professional. In contrast, almost all PEOs provide access to human resource professionals as a part of their services to small businesses and their employees. Through this service, PEOs help small businesses comply with myriad federal, state, and local employment laws, and they provide access to HR expertise to small business employees..
- Among businesses with fewer than 10 employees, those using a PEO have more than 3 times greater participation in a retirement plan than employees of businesses that do not use a PEO. For businesses with 10 to 49 employees, 52 percent of PEO client employees have a retirement plan, versus 23 percent in those companies that do not use a PEO.

