

3 WAYS YOUR SMALL BUSINESS BENEFITS FROM USING A PEO



GROW 7-9% FASTER

Since December 2004, employment at small businesses using a PEO has **grown more than 7 percent faster than at small businesses overall**, according to the Inuit Small Business Employment Index

HAVE 23-32% LOWER EMPLOYEE TURNOVER

The average overall employee turnover rate in the United States was approximately 42 percent per year, based on 2012 data.

It is **28 to 32 percent for companies that used PEOs** for at least four quarters.



BE 50% LESS LIKELY TO GO OUT OF BUSINESS

Businesses that use PEOs are approximately 50 percent less likely to fail (permanently go “out of business”) from one year to the next when compared to similar companies in the population as a whole. The overall business failure rate among private businesses in the United States as a whole is approximately 8 percent per year, based on 2012 data. It is approximately 4 percent per year for those companies that used PEOs for at least four quarters



Sources:

Professional Employer Organizations: Keeping Turnover Low and Survival High | McBassi & Company | 2014

Professional Employer Organizations: Fueling Small Business Growth | McBassi & Company | 2013



Professional Employer Organizations (PEOs) provide human resource services to their small business clients—paying wages and taxes and assuming responsibility and liability for compliance with myriad state and federal laws and regulations.

In addition, PEOs often provide workers with access to 401(k) plans, health, dental and life insurance, dependant care and other benefits not typically provided by small businesses. Between 2 and 3 million people are covered by a PEO agreement.