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## NEW PEO PULSE SURVEY SHOWS PEO EXECS ARE OPTIMISTIC ABOUT INDUSTRY GROWTH IN 2017

### *Many Expect Significant Increase in Number of Worksite Employees*

**Jan. 9, 2017, Alexandria, VA** — A new survey by the National Association of Professional Employer Organizations (NAPEO) shows that industry executives are optimistic about the prospects for strong growth in 2017, with 99 percent indicating they expect an increase in worksite employees this year, and 38 percent predicting a significant increase.

The quarterly survey, conducted after the presidential election in November 2016, also showed that PEO revenues, gross profits, operating income, and average number of worksite employees increased in the third quarter of 2016, compared to the third quarter of 2015.

“The results of this survey reinforce what we have thought all along: It’s a good time to be in the PEO industry,” said NAPEO President & CEO Pat Cleary. “More and more small business owners are realizing the value of the HR solutions PEOs provide, and we expect that to strengthen with the IRS’s new PEO certification program and the ongoing improvement of the economy.”

A total of 71 PEO executives responded to the survey, which will be conducted each quarter. The typical respondent indicated that the PEO had 20 worksite employees per client. Survey respondents indicated the following:

- 3rd quarter revenue increased somewhat when compared to 3rd quarter 2015
- The annual wage per worksite employee increased somewhat over prior year
- The average number of worksite employees (WSEs) increased somewhat over prior year
- Gross profit for the 3rd quarter increased somewhat over prior year
- Operating income for the 3rd quarter increased somewhat over prior year
- Number of clients increased somewhat
- Number of workers’ comp claims reported to carriers remained about the same

[Complete PEO Pulse Survey results.](#)

### **About NAPEO**

*The National Association of Professional Employer Organizations (NAPEO) is The Voice of the PEO Industry™. 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. PEOs provide services to between 156,000 to 180,000 businesses employing between 2.7 and 3.4 million people and generate between \$136 and \$152 billion in gross revenues annually. For more information about the PEO industry and NAPEO, please visit [www.napeo.org](http://www.napeo.org).*