

Intuit QuickBooks Small Business Index: A New Employment Series for the US, Canada, and the UK

Based on BFI Working Paper No. 2023-84, “[Intuit QuickBooks Small Business Index: A New Employment Series for the US, Canada, and the UK](#),” by [Ufuk Akcigit](#), University of Chicago; [Raman Singh Chhina](#), University of Chicago; [Seyit M. Cilasun](#), TED University; [Javier Miranda](#), Friedrich-Schiller University; [Eren Ocakverdi](#), Independent Researcher; and [Nicolas Serrano-Velarde](#), Bocconi University

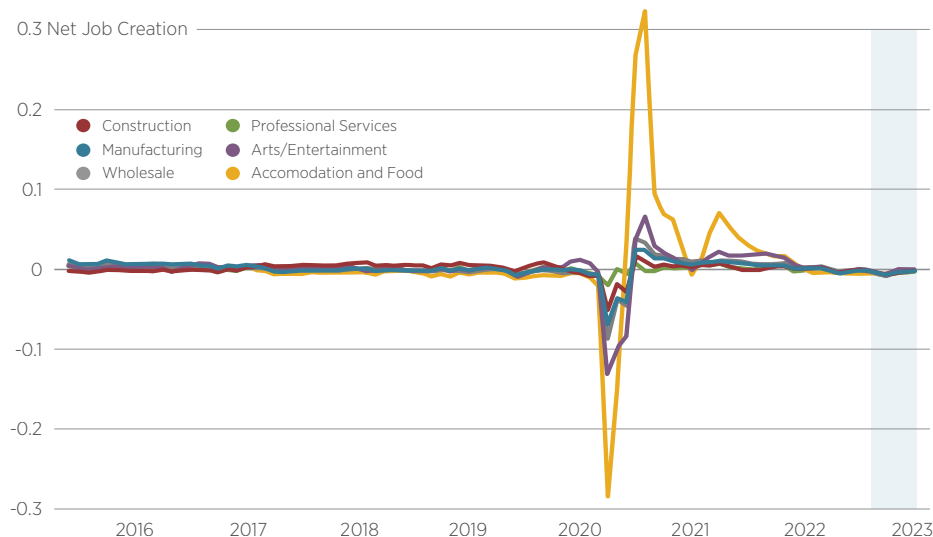
In partnership with Intuit, the authors created the Intuit QuickBooks Small Business Index, a new data source covering monthly small business employment and hiring in the United States, Canada, and the U.K.

Small businesses play an outsized role in job creation, innovation, and economic growth. According to the most recent data from the US Bureau of Labor Statistics and the US Census Bureau, about 80% of all workplaces in the United States consist of small businesses with fewer than ten employees. Such companies have fewer internal resources, making them more fragile and sensitive to macroeconomic conditions. Despite the importance of small businesses,

real-time data about their performance are hard to produce. In this paper, the authors attempt to fill this gap by providing a new and unique index on the smallest of small businesses in the United States, Canada, and the U.K.

The authors collaborated with Intuit, creator of the popular accounting software QuickBooks, to create the Intuit QuickBooks Small Business Index. Each

Figure 1 • Job Creation by Industry in United States



Note: This figure shows job creation patterns by industry in the United States. The gray area shows an out-of-sample projection for the period after the second quarter of 2022. As you can see, small businesses in the Accommodation and Food sector experienced the largest employment declines during the COVID-19 pandemic, followed by Arts and Entertainment and Wholesale. These sectors also experienced the largest recoveries. The sectors in which small businesses were least affected are Professional Services and Finance, followed by Construction and Manufacturing.

month, Intuit's analytics team provides the authors with aggregated and anonymized employment data from their QuickBooks Online Payroll subscribers. The authors use external data to normalize the data so that the Index reflects the broader population of small businesses rather than the QuickBooks customer base.

The end product is a [dashboard](#) showing monthly stats on employment and employment growth rates for small businesses (for the United States and Canada), and small business job vacancies and growth rates (in the case of the U.K.). The Index offers many insights, which the authors preview in their accompanying paper:

- Small businesses in the Accommodation and Food industry experienced the largest declines in employment during the COVID-19 pandemic, followed by those in the Arts and Entertainment and Wholesale sectors. These industries also experienced the largest recoveries. The least affected sectors were Professional Services and Finance, followed by Construction and Manufacturing.
- In late 2022, employment decreased in small businesses across all industries, with the smallest declines in Agriculture, Mining, and Utilities, followed by Education and Professional Services. The largest declines were in Information, Transportation, and Leisure.

- Small business activity experienced sharper declines in the Midwest, New England, and the Great Lakes regions during the COVID-19 pandemic. Least affected were the South, and the Rocky Mountain area. All areas appear to be negatively impacted in late 2022, with the New England region experiencing the smallest declines.

The Intuit QuickBooks Small Business Index provides data about the small business economy in near real-time, making it a valuable resource to both researchers and policymakers alike. The primary purpose of this research release is to provide information on the methodology used to create the Index, and the authors encourage further researchers to utilize the publicly available data for their own work.

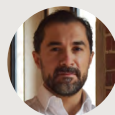
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