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# The PEO Industry Footprint 2021

Laurie Bassi and Dan McMurrer  
McBassi & Company

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Professional employer organizations (PEOs) provide comprehensive HR solutions for small and mid-sized businesses by supplying them with a broad array of cost-effective HR offerings and expertise. This enables PEO clients to concentrate on growing their businesses, while offering superior benefits and HR practices to their employees. Research in our previous white papers has shown multiple positive effects from these services: PEO clients enjoy a better chance of survival, higher growth rates, lower employee turnover, higher employee satisfaction, and they fared better during the COVID-19 pandemic.

As awareness of PEOs increases, the industry as a whole continues to grow. This paper provides new measures of the size, scope, and footprint of the PEO industry as of the end of calendar year 2020.

We updated one key component of our methodology since our last look at the PEO industry footprint three years ago. This change resulted in a substantial decrease in how many companies are counted as PEOs. Aside from that (methodology-related) change in the number of PEOs, the current data and calculations indicate the PEO industry as a whole continued to grow in 2018 and 2019 at approximately the same 8 percent annual rate we found in the previous analysis. The COVID-19 pandemic in 2020 halted this rate of growth, as the industry essentially held steady during the year, which is a positive finding in the context of overall U.S. employment, which fell by 6 percent in the same time period.

Overall, at the end of 2020, there were 487 PEOs in the United States. They employed a total of 3.97 million worksite employees (WSEs), who were paid a total of \$216 billion. These

## Summary

Number of PEOs	487
PEO Worksite Employees (WSEs)	4 Million
Annual WSE Wages	\$216 Billion
Number of PEO Clients	173,000
Clients as a Percentage of All Businesses with 10 to 99 Employees	15.3%
Average Annual Growth Rate, 2009 to 2020	7.6%
Excluding Pandemic	8.3%

employees worked for approximately 173,000 different PEO clients, representing 15.3 percent of all businesses with 10 to 99 employees. The discussion that follows elaborates on these findings.

## Size of the PEO Industry

**Key Statistics.** The almost 4 million WSEs employed by PEOs represent 13.7 percent of all employment by private sector employers that have 10 to 99 employees (the size range of a large percentage of PEO clients)<sup>1</sup> and 2.7 percent of all civilian employment in the United States.<sup>2</sup> They were paid a total of \$216 billion in 2020.

1 Based on comparison of PEO WSEs with Bureau of Labor Statistics (BLS) data on employment level by firm size for 2020 at [https://www.bls.gov/web/cewbd/table\\_f.txt](https://www.bls.gov/web/cewbd/table_f.txt). For the purpose of these calculations, we used firms with 10 to 99 employees, the size categories that correspond to the size of most PEO clients. Because the most recent BLS firm size data are from 2020 Q1 and do not reflect the effects of the pandemic, we adjusted the firm-level employment data by applying total 2019 to 2020 change in overall U.S. employment from BLS (<https://www.bls.gov/cps/cpsaat01.pdf>).

2 Based on comparison of PEO WSEs with total employed civilian labor force from the U.S. Bureau of Labor Statistics Current Population Survey, <https://www.bls.gov/cps/cpsaat01.pdf>.

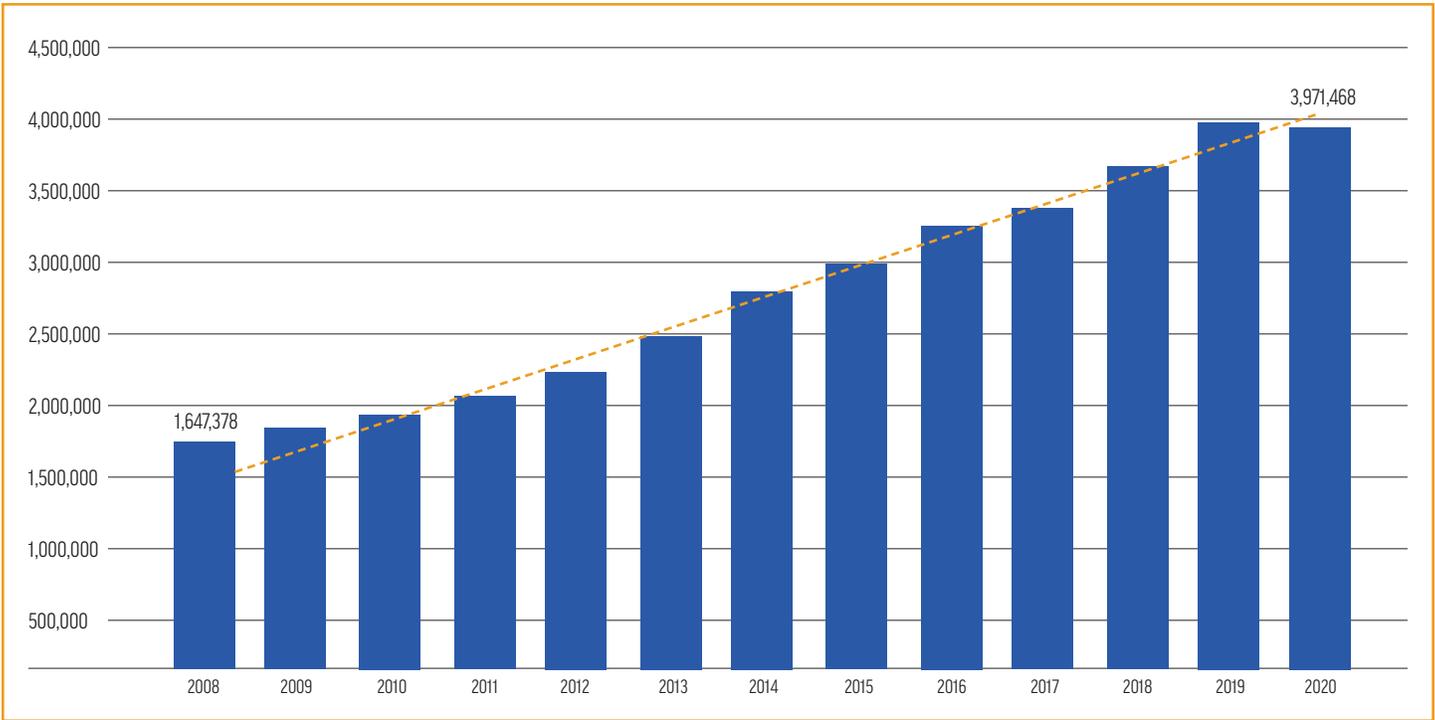


Figure 1. Estimated number of WSEs covered by PEOs.

The total employment represented by the PEO industry is roughly the same as the combined number of employees for the four largest companies in the United States: Walmart (United States only), Amazon, Kroger, and Home Depot.<sup>3</sup> Alternatively, the total employment represented by the PEO industry is roughly the same as the combined labor force for these nine smaller states: Alaska, Delaware, Hawaii, Montana, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming.<sup>4</sup>

At the client level, the PEO industry's 173,000 clients represent 15.3 percent of all employers with 10 to 99 employees.<sup>5</sup>

Of the 487 total PEOs, the five largest PEOs account for an estimated 43 percent of the PEO industry's 4 million WSEs. The next 25 largest firms account for an additional 20 percent of the industry's WSEs. The remaining 457 PEOs thus represent approximately 37 percent of total WSEs.<sup>6</sup>

**Industry Change 2008 to 2020**

Figure 1 shows overall industry growth from year to year, with the dotted line representing the linear trend since 2008.<sup>7</sup> Table 1 displays the annual average growth rates for PEOs, with

3 Data (except Walmart) is from Google Finance (accessed April 16, 2021, with numbers based on companies' annual public reporting). Company-specific employment is as follows: Walmart (U.S.) 1,600,000; Amazon 1,298,000; Kroger 500,000; Home Depot 500,000. Walmart data is from <https://corporate.walmart.com/newsroom/company-facts>. Only Walmart reports employment by country; therefore, all counts except Walmart represent worldwide employees.

4 Compared to U.S. economic sectors, the number of WSEs is a bit larger than the 3.5 million employees in the entire Educational Services sector (which includes elementary, secondary, junior colleges, universities, and specialized training and education). See <https://www.bls.gov/iag/tgs/iag61.htm>. It is also larger than employment in Federal Government (2.8 million), Information (2.7 million), or Depository Banking (Credit Intermediation) 2.7 million).

5 Based on comparison of PEO clients with total number of firms with 10 to 99 employees from the U.S. Bureau of Labor Statistics, [https://www.bls.gov/web/cewbd/table\\_g.txt](https://www.bls.gov/web/cewbd/table_g.txt). Because BLS does not yet have counts of firms that reflect the effects of the pandemic (its most recent data are from 2020 Q1), the BLS firm count was adjusted by the 2019 to 2020 change in total employment (<https://www.bls.gov/cps/cpsaat01.pdf>).

6 The largest 30 PEOs include only those PEOs for which we have actual size estimates (i.e., not PEOs for which size data were received as part of a pooled group of PEOs).

7 This estimate is based on calculating average "same-store" PEO growth rate annually (i.e., growth for PEOs for which we had data for both the current year being calculated and the previous year), after excluding the top and bottom 10 percent of the distribution to remove the impact of outliers. Any PEOs involved in mergers or acquisitions during either of the two years were not included in the calculations. In addition, because the calculations are based on two years of data from each PEO included in a given year, it excludes any effects from the creation of any new PEOs and the effects of any PEOs that went out of business. Because the data for the "same-store" calculations come from NAPEO members' 941 filings from 2008 to 2020, the estimate also assumes that the extent to which NAPEO members are representative of the PEO industry as a whole has remained roughly constant during those years and that wages of WSEs have risen at the same rate as wage growth in the labor force as a whole.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year-Over-Year Change	7.0%	6.2%	6.0%	8.9%	12.1%	14.0%	7.4%	9.3%	4.3%	8.5%	8.7%	-0.4%

Table 1. Annual average PEO growth rates, 2009 to 2020.

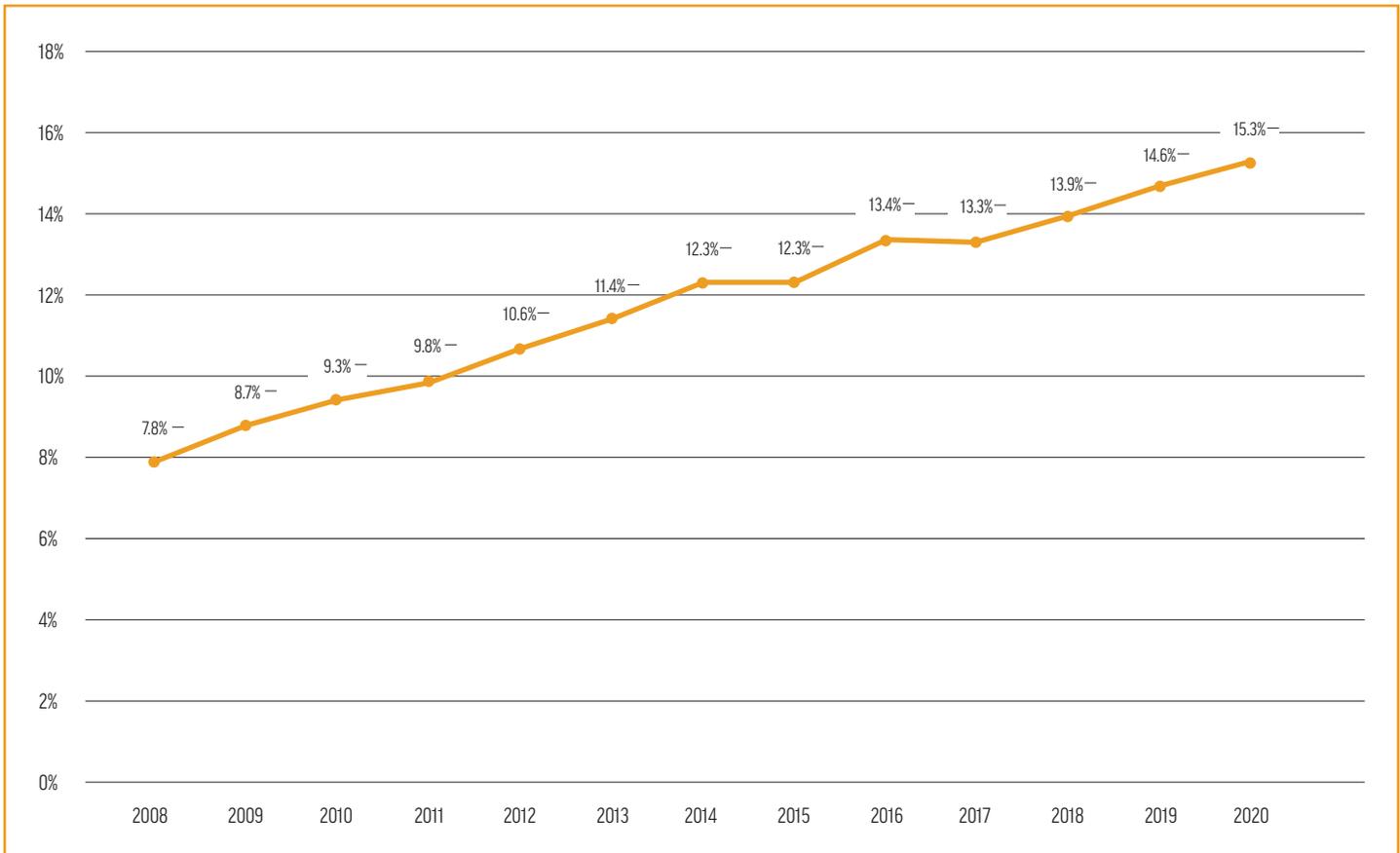


Figure 2. Estimated number of PEO clients as percent of firms with 10 to 99 employees, 2008-2020.

the 2020 pandemic year notably lower than previous years. PEOs essentially held steady in 2020, with a decline of only 0.4 percent in WSEs. Relative to change in employment in the United States as a whole, however, PEOs have grown much more quickly in all years for which we have data available, including 2020 (when employment dropped by 6 percent in the economy<sup>8</sup> as a whole).

Overall, from 2008 to 2020, the number of WSEs employed in the PEO industry grew at a compounded annual rate of 7.6

percent, based on applying “same-store sales” estimates. (If the pandemic year of 2020 is excluded, the compounded annual growth rate from 2008 to 2019 was 8.3 percent.) Since 2008, the compounded annual growth rate of the PEO industry is more than 7 percentage points higher than the comparable growth rate for the U.S. employed labor force.<sup>9</sup>

**Figure 2** shows the change in number of PEO clients as a percentage of all businesses in the economy with between 10 and 99 employees.<sup>10</sup>

8 U.S. civilian labor force employment from Bureau of Labor Statistics (Current Population Survey) data, available at <https://www.bls.gov/cps/cpsaat01.pdf>.

9 The compounded average annual growth rate in U.S. employment is 0.1 percent from 2008 to 2020 (and 0.7 percent if 2020 is excluded). Based on calculations of Bureau of Labor Statistics (Current Population Survey) data available at <https://www.bls.gov/cps/cpsaat01.xlsx>. See Figure 3 in the Methodology section at the end of this paper for a graphical depiction of PEO growth rate after controlling for economic conditions by subtracting overall employment change in the economy.

10 This figure combines our calculations of annual total PEO WSEs with rolling annual averages from NAPEO’s 2020 Financial Ratio & Operating Statistics Survey (FROS) estimates of WSEs per client to generate an estimated annual number of PEO clients; this number is then divided by total number of U.S. businesses with 10 to 99 employees (from BLS).

## How Did the COVID-19 Pandemic Affect the Results?

The available data indicate that the PEO industry essentially held steady during 2020, with the average PEO remaining about the same size as it had been in 2019. While this is different from the average 8 percent annual growth rate that had prevailed before 2020, it is still a positive result in the context of the overall economy shrinking, with unemployment rising significantly and many businesses (especially small businesses) closing temporarily or permanently. Figure 3 shows the difference between PEO growth rates and growth in the labor force over time. The 2020 difference is consistent with previous years. In 2020, holding steady actually resulted in a substantial outperformance relative to external comparisons.

## Differences Since 2018 White Paper

There are three major factors that affected the numbers in this year's paper relative to those in the 2018 paper:

- Change in methodology (a stricter standard was applied to count a company as a PEO; this is discussed in additional detail in the Methodology section below);
- Growth in the industry since the 2018 paper; and
- The unusual nature of the pandemic year of 2020, in which the economic landscape changed in unprecedented ways and almost all economic trends also shifted as the economy contracted significantly due to the effects of COVID-19.

It can be difficult to disentangle the interacting effects of these three factors, but we can make some general statements. The change in methodology resulted in a significant decrease in one specific metric: the number of PEOs counted in the industry (907 to 487). It had only minor effects on other industry size metrics because most of the newly excluded companies were notably smaller than the average PEOs counted in the 2018 paper. It is still the case, however, that if the same standard for identifying PEOs had been applied in 2018, the other size metrics (WSE count, WSE wages, number of clients) would each have been slightly smaller. It is not possible to determine the exact effect of the adjusted standard on all measures, but based on our calculations regarding changes in WSE count and WSE wages, it appears the 2018 numbers would generally have been approximately 10 percent smaller using the 2021 standard.<sup>11</sup>

Continued growth in the PEO industry, as discussed in the previous section, had the effect of increasing the overall size of the industry by approximately an 8 percent annual rate in 2018 and 2019. This is roughly the same average annual growth rate we had observed in the industry from 2008 to 2017, as reported in the 2018 white paper.

<u>High Relative PEO Presence</u>	<u>Low Relative PEO Presence</u>
Arizona	Arkansas
California	Louisiana
Colorado	Maine
Delaware	Michigan
Florida	Mississippi
Georgia	North Dakota
Hawaii	Rhode Island
New Jersey	South Dakota
New York	Vermont
Texas	West Virginia

Table 2. States among the highest and lowest in estimated PEO presence among small businesses (Controls for size; alphabetical)

Finally, as discussed above, the third major factor affecting the calculations since 2018, the economic effects of the pandemic, halted that annual growth for the average PEO in 2020, although PEOs still did notably better in 2020 than the shrinking economy overall.

## State-Level Relative Estimates

We used state-level data from two different subsets of the PEO population to estimate the relative representation of PEO clients among businesses in each state.<sup>12</sup> Because the data represent only two partial slices of the PEO universe, they are insufficient to allow for precise estimates about PEO “penetration rates”

11 The number of clients is calculated using the FROS ratio of WSEs per client, which increased from 21.2 in 2017 to 23.0 in 2019 (the most recent year available).

12 We used two confidential sources of data: summative ESAC calculations on total clients by state among their accredited PEOs and NAPEO data from the subset of PEOs that provided NAPEO with state-by-state breakdowns of where their WSEs are located. Because neither dataset is necessarily representative of the PEO industry as a whole, we recommend caution in interpreting even the general estimates we provide in Table 2.

## Differences from Industry Statistics in 2018 White Paper

There are three major factors that affected the numbers in this year's paper relative to those in the 2018 paper:

- One key change in methodology (stricter standard applied to count a company as a PEO) significantly decreased the number of PEOs counted (907 to 487). Because most of the companies excluded under the new 2021 standard were smaller than average, the PEO count is the only metric that changed significantly; the other industry size numbers would have been modestly smaller if the same standard had been applied in 2018.
- Growth in the industry since the 2018 paper yielded approximately an 8 percent annual increase in industry size in both 2018 and 2019.
- The pandemic year of 2020 halted the typical annual growth rate for the average PEO, with an average decline of 0.4 percent for 2020. This, however, was still notably higher than the 6 percent decline in overall employment in the United States as a whole.

at a state level. The data do, however, allow us to provide estimates<sup>13</sup> of 10 states that are among those with the highest PEO “presence” among businesses (i.e., based on the partial data available, those with a much higher-than-average percentage of businesses that are PEO clients and a much higher-than-average ratio of WSEs to state labor force) and 10 states that are among those with the lowest PEO presence. See **Table 2**.

It is interesting to note that although our calculations do control for size, it still appears that large states are more likely to appear in the high column, while smaller states are more likely to appear in the low column (there are some exceptions: for example, Delaware and Hawaii are on the high list, while Michigan is on the low list).

## Methodology: Calculations and Other Notes

This section provides additional background about how we calculated the summary measures provided in the previous section of this report, as well as additional details, breakdowns, and external comparisons for specific metrics.

### Changes in Methodology Since 2018 Paper

The methodology used for this paper made a small number of key improvements in one particular component of the methodology previously deployed in our 2018 NAPEO white paper about the industry footprint: the component that counted which companies qualified as PEOs. Most notably, we reduced our reliance on treating a company's registration with one or

more states as a “PEO” as a primary indicator that a company is, in fact, a PEO. We made this change after determining that a significant percentage of such registered companies, even those in the payroll and HR businesses, do not actually offer PEO services. We instead actively reviewed the service offerings of all companies to verify specifically whether they offer co-employment services. Further, we made other improvements in data and calculation methods, including incorporating new data from an expanded group of industry partners and service providers and adding a new quantitative measure from LinkedIn to help estimate the collective size of those PEOs for which we do not have actual size data.

### Creating a Comprehensive List of PEOs

The process deployed to identify PEOs is:

1. We started by building an initial list of possible PEOs from multiple sources: all publicly available state registrations, the list used for the 2018 NAPEO white paper, and two lists purchased separately from third-party vendors (Data Axle and sicode.com) that included all companies with North American Industry Classification System (NAICS) code 561330 and/or Standard Industrial Classification (SIC) code 736303. NAPEO members were added to the list in Step 3. The combined initial list included almost 2,000 different possible PEOs that had appeared in one or more of the above sources (some of which were different names of the same company).

13 For each state, we calculated two measures based on the available data: clients as a percentage of businesses in the state with 10 to 99 employees and WSEs as a percentage of the state labor force. We then identified those states that were consistently high or low (relative to other states) on both measures (10 states were in the top quartile on both measures; 8 states were in the bottom quartile on both measures; to allow for 10 states in each category in Table 2.) We then added two additional states to the “low” list based on their combined standardized measures (PEO clients and WSEs relative to state size).

2. Each company on the above list was reviewed independently (between December 2020 and February 2021) by three different external researchers to identify the company URL and whether any one of the following search terms appeared on its website: PEO, professional employer organization, worksite employee, co-employment, employee leasing. If any one of the search terms was found by at least one of the researchers, that company was identified for additional review by McBassi.
3. McBassi staff (including the authors) then checked all websites of the companies that had passed the initial review in Step 2 above. This additional review was designed to confirm whether the company should indeed be classified as a PEO. We applied a definition that, in order to be assigned PEO status, a company needed to have a public presence (typically an active website) that indicates the company offers PEO (or co-employment or employee leasing) services. Companies that did not meet this standard were not included in our count of PEOs. Each company identified for additional review in Step 2 was checked by at least two internal McBassi reviewers at this stage, which took place in February and March 2021. In addition, any NAPEO members and ESAC-accredited PEOs that had not been included on the initial list from Step 1 were added at the end of this step.
4. After having verified company PEO status, we then checked for and investigated any matching web URLs, matching street addresses, and/or matching phone numbers, and removed any duplicate entries from the list.
5. After removing all duplicates, we asked selected industry experts in March and April 2021 to review subsets of the list to identify any PEOs that might have been missed through the process above. A small number of additional PEOs were added at this stage after confirming they qualified using the standards applied in previous steps.
6. The final comprehensive list of PEOs includes 487 companies. This number is substantially lower than the count included in the 2018 white paper. We believe the majority of the difference can be attributed to the exclusion of small HR or payroll companies that registered with states as PEOs but were determined not to offer co-employment services. The final list excludes multiple “entities” for any single PEO; each PEO is included only once. It includes a small number of PEOs that are owned by other PEOs

but appear to be operating independently based on their websites.

### Calculating Industry Size

After identifying the full list of PEOs, we then sought to determine their collective size. This, too, was a multi-step process:

1. *Actual WSEs and WSE wages.* We gathered data on actual WSE wages and number of WSEs in 2020. Multiple sources provided size data to us, many of which provided business-sensitive information under condition of keeping the data confidential and using it only for purposes of making industry-level calculations for this white paper. Sources include Form 941 data for NAPEO members; PEO industry partners and service providers (ESAC, isolved Network, McHenry Consulting, PrismHR, Pro Software, Slavic401k, and Worklio), SEC filings for publicly traded PEOs; and industry experts. In almost all cases, any data we received from sources other than NAPEO 941s was provided in a pooled format: *combined* wages and/or WSEs for those PEOs for which we did not already have 941 data and for which the source could provide full-year information for 2020. WSE counts represent the number of WSEs paid during 2020; the WSE wage data represents full-year (or annualized) wages paid to WSEs during 2020.

Overall, we have actual data (separately or in pooled format) on WSEs for 351 PEOs, and on WSE wages for 227 PEOs.

2. *Estimates of WSEs and WSE wages.* We estimated size data for the group of PEOs for which we did not have actual WSE wages and/or WSE counts from Step 1 above. For PEOs for which we had one of those two data elements, the other was estimated using the ratio of average wages per WSE for the 211 PEOs for which we have both WSE wages and WSE count (\$40,686 per employee, after excluding the top and bottom 10 percent). This ratio was also applied to any PEOs for which WSE counts were estimated using the steps below.

For the group of PEOs for which we had neither WSE wages nor WSE counts, we used two other ratios to estimate size. For purposes of calculating the first ratio, we gathered LinkedIn data on internal employees for all available PEOs on the comprehensive list and then estimated a ratio of WSEs per internal LinkedIn employee by using the group of 230 PEOs for which we had both

## How the Methodology Changed Since 2018

Our methodology for calculating the size of the PEO industry changed in one key regard: We adjusted the standard for what qualified a company to count as a PEO. In 2018, HR and payroll companies that had registered as PEOs in at least one state were included in our count of PEOs. We subsequently learned that many such companies do not in fact offer PEO services (co-employment/employee leasing). We adjusted the standard for 2021 to include only those companies that have a public presence (typically a website) that states the company offers PEO services. We deployed multiple reviewers to check each company's website to determine whether it qualified as a PEO for this year's calculations.

separate WSE data and LinkedIn data. We then applied this ratio to the 99 companies for which we had LinkedIn counts but no WSE data. For the remaining 37 companies, we applied the ratio of 1,000 WSEs per PEO for the "smallest firms" (those with <1500 WSEs), drawn from NAPEO's 2020 Financial Ratio & Operating Statistics (FROS) report. This ratio was applied on the assumption that most of the small number of remaining "unknown" PEOs would fall into the smallest size group.

3. *Estimated total number of PEO clients.* We applied the most recent FROS ratio (FY 2019) of 23 WSEs per client to the total number of WSEs (3.97 million) to estimate the total number of PEO clients. Similar calculations were made for previous years to estimate the number of PEO clients back to 2008. We used a three-year moving average of FROS WSEs per client to reduce the effect of year-to-year fluctuations in that ratio.
4. *All data were checked and validated.* From the actual data provided, we observed some outliers (both high and low) in the ratio of wages to WSEs. As our analysis indicated the high and low outliers tended to offset one another, we did not manually remove or adjust any of the data from the list.

## Calculating Changes in Industry Size

*Underlying data.* We used annualized Form 941 wage data on NAPEO members to calculate same-store changes in wages for each year from 2008 to 2020 (same-store refers to any PEO that was in business for two consecutive years within that period).

As noted in the footnote in the main text, making these estimates back to 2008 requires some important assumptions.

Importantly, it excludes any specific growth effects of PEOs that were involved in mergers or acquisitions, as well as the impact of newly created PEOs and the departure of PEOs that went out of business. Applying change data to WSE counts also assumes that wage growth among WSEs is consistent with wage growth within the economy as a whole. Because the data for the same-store calculations come from NAPEO members' 941 filings, the estimate also assumes that the extent to which NAPEO members are representative of the PEO industry as a whole has remained roughly constant from 2008 to 2020.

Change estimates were calculated in the following manner:

1. Form 941 wage data (from 2008 to 2020, excluding 2010, which was unavailable) on NAPEO members was used to calculate same-store changes in wages for each year from 2009 to 2020. For example, we calculated changes in total wages from 2019 to 2020 for each PEO for which we had valid data in both 2019 and 2020, and then took the average across all available PEOs for those years to identify the change rate for the industry overall in 2020.
2. Data for any PEO involved in a merger/acquisition for at least one of the two years in the pair was not included in calculating average changes for any year affected. For example, a company involved in a merger in 2019 was excluded from calculating 2018 to 2019 changes and also from calculating 2019 to 2020 changes.
3. The number of PEOs for which we had pairs of data (consecutive years) available to calculate same-store changes ranged from 128 to 200. There were notable outliers in the data across all of the years. To reduce/eliminate their impact on the mean, we excluded the top and bottom 10 percent of the distribution when calculating means.

## Adjusting for the Effects of Inflation

We then adjusted these calculations to account for the annual rate of wage inflation in the economy as a whole. For example, if average same-store wage growth was 9.0 percent, but wage inflation in the U.S. overall was 2.0 percent, then the adjusted same-store PEO wage growth was 7.0 percent.

The results show an industry with an average compounded annual growth rate of 7.6 percent from 2008 to 2020, with data by year reported in Table 1. The change is positive in all years except 2020, indicating that the industry has grown each year included in the analysis. As noted earlier in this white

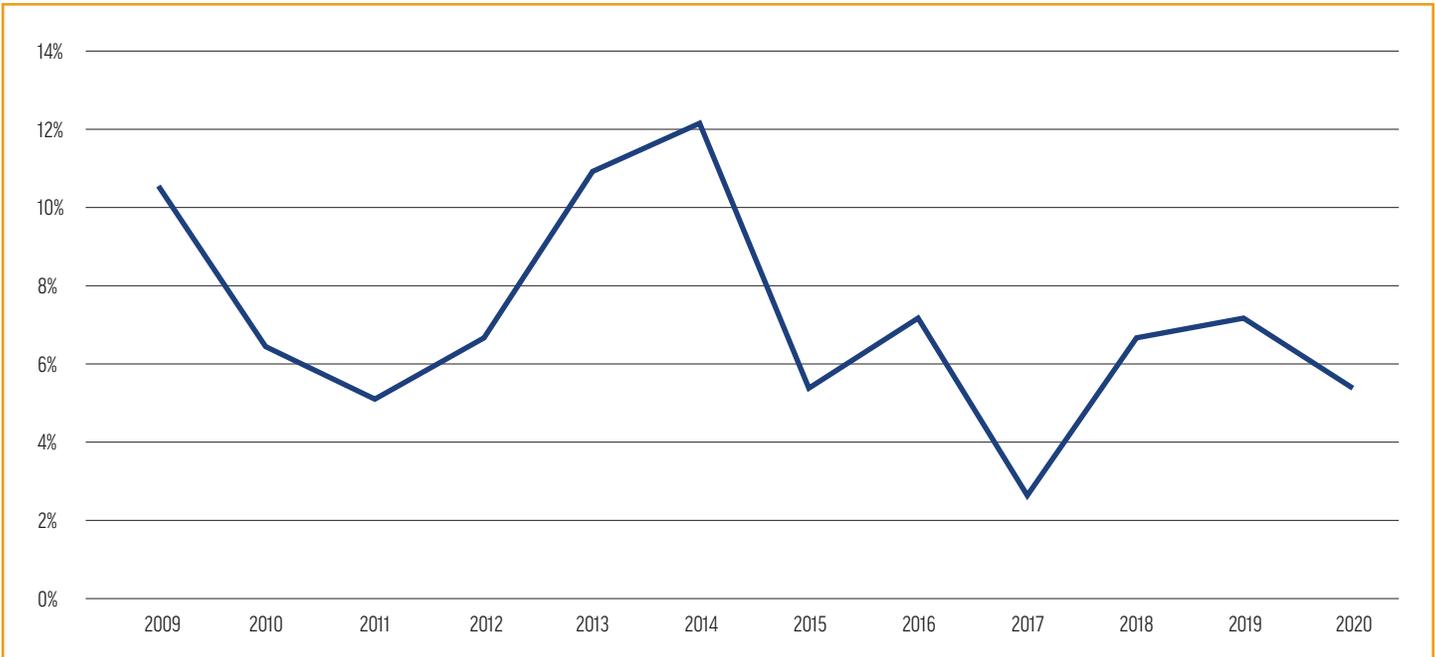


Figure 3. Average growth rate of PEOs minus change in total U.S. employment (percentage points).

paper, the small negative change in 2020 indicates that the PEO industry largely held steady during the pandemic year 2020, when employment in the U.S. economy overall dropped by more than 6 percent. **Figure 3** shows the rate of growth of the PEO industry relative to the overall growth of total U.S. employment (i.e., controlling for labor market conditions by displaying the difference between the growth rates of PEOs and the U.S. employed labor force).

By iteratively applying the annual change data to number of WSEs (starting with our current estimates for 2020 and then working backward),<sup>14</sup> we are able to estimate same-store PEO WSE growth from 2008 to 2020, yielding the results shown in Figure 1.

Comparing Our PEO Count to Published PEO Count from the State of Florida. A recent report about PEOs from a Florida government agency contained data that, on first glance, may seem inconsistent with the size data in this white paper. After additional exploration, we believe the apparent discrepancy is simply a result of the Florida report using a different methodology. Specifically, a March 2021 report from the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA), entitled “Review of Professional Employer Organizations and Workers’ Compensation,” reported a total of 726 PEOs in Florida in fiscal year 2018-19. This

number is notably higher than our research indicating a total of 487 PEOs in the United States overall. It appears likely the Florida report includes multiple entities for various PEOs (e.g., Acme PEO I, Acme PEO II, Acme PEO III, etc.). This assessment is based on the consistency between OPPAGA’s reported count of 726 for 2018-2019 and the 712 corporate (non-individual) entries in a 2021 list of licensed PEOs in Florida from the Florida Department of Business and Professional Regulation, a list that includes a large number of PEOs with multiple entities (as many as 20 for a single PEO). Excluding the multiple entities from that list, the count of PEOs in Florida is much lower than our national count (which does not include multiple entities for PEOs). We requested clarification on their methodology but OPPAGA declined to provide any details about how they calculated the number of PEOs in its report, citing report methodology as “exempt from disclosure” under Florida law.

14 We applied the 2020 inflation-adjusted change rate to the 2020 estimate for total WSEs to estimate total WSEs in 2019. We then applied the 2019 inflation-adjusted change rate to 2019 WSEs to calculate 2018 WSEs, etc.



## About McBassi & Company

McBassi is an independent analytics and research firm that helps clients create consistently profitable and enlightened workplaces. McBassi uses the language and tools of business—metrics and analysis—to build successful organizations by optimizing the power of their people. McBassi’s principals (Dr. Laurie Bassi and Dan McMurrer) are co-authors of “Good Company: Business Success in the Worthiness Era” (winner of the 2012 Nautilus Gold Award for Business/Leadership) and the “HR Analytics Handbook.”

### About the Authors

Dr. Laurie Bassi is CEO of McBassi and a global leader in the field of applying analytics in the world of HR. Bassi is the author of more than 90 published papers and books and was previously a tenured professor of economics and public policy at Georgetown University. She holds a Ph.D. in economics from Princeton University.

Dan McMurrer is the chief analyst at McBassi. An analytics expert, McMurrer focuses on researching the relationship between organizations’ work and learning environments and their business results. He holds an M.P.P. in public policy from Georgetown University.

## About NAPEO

The National Association of Professional Employer Organizations (NAPEO) is The Voice of the PEO Industry.™ NAPEO’s 250 PEO members provide payroll, benefits, workers’ comp, regulatory compliance assistance, and other HR services to more than 173,000 small and mid-size businesses employing 4 million people. Our members account for more than 90 percent of the industry’s \$254 billion in revenue. An additional 250 companies that provide services to PEOs are associate members of NAPEO. For more information, please visit [www.napeo.org](http://www.napeo.org).





**The National Association of  
Professional Employer Organizations**

707 North Saint Asaph Street  
Alexandria, VA 22314  
703/836-0466  
*[www.napeo.org](http://www.napeo.org)*