

CRC BENEFITS

Your Best Clients Are About to Outgrow You



Here are some numbers worth sitting with for a second: Businesses that partner with a PEO grow twice as fast as comparable businesses that do not, they are fifty percent less likely to go out of business, and their employee turnover runs about twelve to fourteen percent lower.¹ This is not a marketing claim. This is research, and it tells a very different story than the one most people still have in their heads about what a PEO actually is.

For years, the PEO conversation got framed around defense. Compliance is overwhelming, HR is stretched thin, and here is a way to offload the pain. That framing is not wrong, but it is incomplete, and it is starting to miss what is actually driving adoption right now. The newest data points in a different direction entirely. This is no longer just a conversation about risk reduction. It is a conversation about growth.

Businesses with a PEO grow twice as fast, fail 50% less often, and see 12–14% lower turnover.¹



THE NUMBERS THAT SHOULD CHANGE HOW YOU FRAME THIS

Eighty percent of businesses using a PEO reported growth in 2025, compared to sixty-seven percent of businesses that did not use one.² Looking ahead, eighty-three percent of PEO users expect growth in 2026, versus seventy-five percent of non-users. That gap is not small, and it is not new. It shows up year after year in the data, and it is widening as more business owners get comfortable with the model.

87% of businesses without a PEO say they're interested in getting one.²



Here is the part that genuinely surprised us when we first saw it: eighty-seven percent of businesses that do not currently use a PEO say they are interested in using one.³ Think about that for a second. The awareness gap that used to be the biggest obstacle in this conversation is closing fast. Business owners are not confused about what a PEO is anymore. They are actively curious, and in a lot of cases, they are simply waiting for someone they trust to walk them through it.

That someone should be you.

WHY THE GROWTH STORY MATTERS MORE THAN THE COMPLIANCE STORY RIGHT NOW

We have spent years telling brokers that compliance anxiety drives the PEO conversation, and it does. Multi-state payroll, leave law complexity, wage and hour exposure — all of that is real and all of it still matters. But the businesses making this decision today are increasingly thinking past survival mode and into expansion mode.

The PEO industry has grown roughly fifteen times faster than the overall job market in recent years.⁴ That is not because more businesses are panicking about compliance. It is because more business owners are realizing that the administrative weight of growing a company, hiring across state lines, building out benefits that compete with bigger players, managing payroll complexity as headcount climbs, is exactly the weight a PEO is built to carry.

Smaller businesses are leading this shift. More than half of all current PEO clients employ between ten and forty-nine people, and another significant share have fewer than ten employees.⁵ This used to be viewed as an enterprise-level solution. It is not anymore. The smallest, fastest-growing businesses in your book are exactly the ones this data says should be having this conversation with you.



WHAT THIS MEANS FOR THE CLIENTS YOU ARE NOT THINKING ABOUT

If your mental model for who needs a PEO conversation is the client drowning in compliance complaints, it is worth widening that lens. The client who just landed a contract that requires hiring in three new states this year. The client who is competing for talent against companies four times their size and losing candidates over benefits. The client who tells you, almost as an aside, that they are planning to double headcount in the next eighteen months.

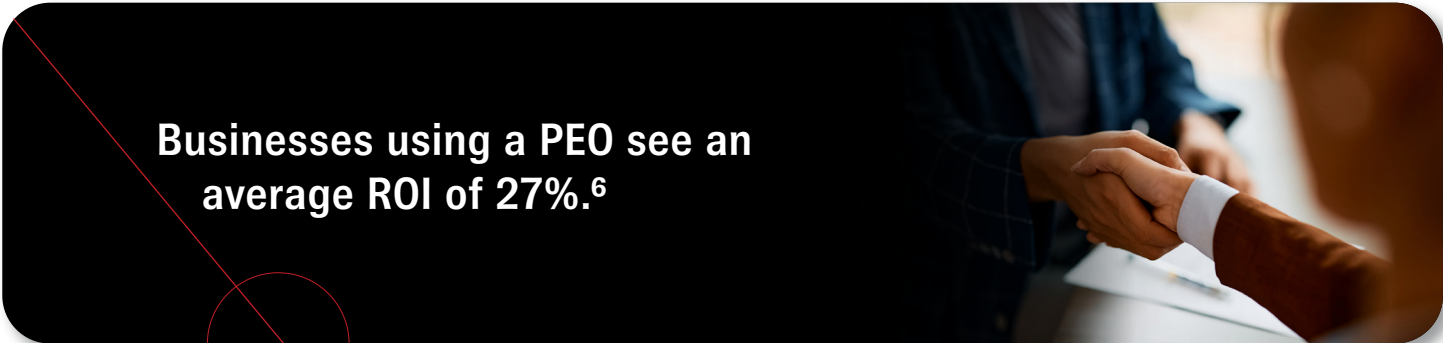
Those are growth conversations, not crisis conversations, and they are exactly where this data says a PEO conversation belongs. The return on investment for PEO clients runs around twenty-seven percent on average, driven by efficiency gains, compliance support, and stronger benefits administration.⁶ For a business trying to scale without scaling its internal HR burden at the same rate, that is not a defensive play. That is a growth strategy.

THE QUESTIONS THAT OPEN THIS CONVERSATION DIFFERENTLY

Instead of waiting for a client to mention compliance stress, try asking about their growth plans directly. Where do you see the business in two years? Are you planning to hire in new states? Are you losing candidates to bigger companies because of

benefits? Those questions surface the same opportunity, but they get there through ambition instead of frustration, and that changes the entire tone of the conversation.

It also changes how the client hears the recommendation. A PEO pitched as a fix feels like an admission that something is broken. A PEO framed as building infrastructure feels like part of the plan. Same solution, completely different reception.



Businesses using a PEO see an average ROI of 27%.⁶

BOTTOM LINE

The data on PEO adoption has shifted, and the conversation should shift with it. This is not just about businesses that are struggling to keep up. It is increasingly about businesses that are trying to grow faster than their internal systems can support, and the research is clear that the ones making that move are outperforming the ones who do not.

If you have clients with real growth ambitions, this conversation is worth having now, framed around where they are headed, not just what is currently going wrong. The CRC Benefits PEO team is ready to help you bring that conversation to the right clients at the right moment. Reach out and let's talk about who in your book might be ready for it.

CONTRIBUTORS

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ENDNOTES

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