

Survey toplines

Small businesses optimistic about the future, despite concerns about inflation and looming recession

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Download the full report from our website:

<https://smallbusinessmajority.org/our-research/small-businesses-optimistic-about-future-despite-concerns-about-inflation-and-barriers-to-capital>

Methodology

The survey reflects the opinions of 676 small business owners and managers from Small Business Majority and Start Small Think Big's networks between June 20 through August 21, 2022. The margin of error is +/- 3%. Less than a quarter (17%) of respondents are self-employed and the majority of respondents (70%) are owners of businesses with 10 or fewer employees. The sample also consists of a large portion of women-owned businesses (69%) and minority-owned businesses (72%). Black business owners were less likely to have annual revenues of over \$100,000 (23%) when compared to their white counterparts (50%). Black respondents (63%) were more likely to report an annual revenue of less than \$25,000 than respondents of other racial demographics. Additionally, Black business owners reported having fewer than 10 employees more consistently than other racial demographics.

Toplines

1. Are you the owner of a small business, or do you manage the business' operations?

Yes, owner	95%
Yes, manage operations	5%

2. Are you currently operating your business?

Yes, my business is operating	100%
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3. Please select your business' industry?

Accounting and Taxes	0%
Agriculture and Mining.....	0%
Consulting and Business Services	15%
Education and Youth Services	7%
Energy and Utilities	0%
Engineering.....	0%
Food and Beverage.....	14%
Healthcare, Pharmaceuticals and Biotech	5%
Insurance and Financial Services	2%
Manufacturing	4%
Media and Entertainment.....	4%
Nonprofit	1%

Real Estate and Construction	5%
Retail.....	16%
Service and Consumer Services	10%
Software and Internet	1%
Technology, Computers and Electronics	1%
Telecommunications.....	0%
Transportation and Storage.....	3%
Travel, Recreation and Leisure.....	3%
Wholesale and Distributors	1%
Other (please specify)	4%

4. How many people does your company/organization employ including yourself? Please include full-time and part-time employees, but do not include independent contractors.

Self-employed	17%
Small business, fewer than 10 employees	70%
Small business, 10-24 employees.....	8%
Small business, 25-49 employees	4%
Small business, 50-74 employees	1%
Small business, 75-100 employees.....	0%
Small business, more than 100 employees	0%

5. What is your business' annual revenue?

Less than \$25,000	29%
\$25,000 - \$49,999.....	12%
\$50,000 - \$99,999.....	17%
\$100,000 - \$249,999.....	17%
\$250,000 - \$499,999.....	9%
\$500,000 - \$999,999	8%
Over \$1 million	9%
Don't know/Other.....	0%

6. How optimistic or pessimistic are you about your business prospects over the next 6 months?

Very optimistic.....	28%
Somewhat optimistic	33%
Neither optimistic nor pessimistic.....	12%
Somewhat pessimistic.....	18%
Very pessimistic	9%

7. In the past three months, have your business conditions improved or declined compared to the same time period a year ago?

Greatly declined	14%
Somewhat declined	24%
Neither improved nor declined.....	20%
Somewhat improved	32%
Greatly improved	10%

8. How many months can your business survive without additional funding or market changes?

Less than 1 month.....	9%
1 to 3 months.....	23%
4 to 6 months.....	21%
7 months to a year.....	16%
I don't know	21%
I don't need additional funding or market changes to survive	10%

9. How challenging are each of the following to your business?

	Very challenging	Somewhat challenging	Not a challenge	Not applicable
Supply chain disruptions	25%	35%	16%	24%
Workforce shortages	28%	25%	22%	25%
Inflation	60%	29%	6%	5%
Accessing benefits (i.e. healthcare).....	29%	22%	23%	26%
Obtaining capital.....	51%	24%	12%	12%
Hiring or attracting employees	32%	27%	16%	24%

10. Of the following, what changes did you make during the pandemic and what do you expect to do in the coming year? (Select all that apply)

	During the pandemic	Next year	Not applicable
Adding a new product or service.....	52%	39%	23%
Expanding to new location(s)	17%	26%	60%
Closing and/or selling the business	8%	9%	85%
Changing business model entirely	24%	18%	60%
Hiring additional staff.....	14%	49%	42%
Downsizing/laying off staff.....	28%	5%	69%
Implementing new technologies/ major technology overhaul	30%	38%	38%
Entering new markets/ leveraging new distribution channels	29%	50%	32%

11. When making the changes you selected above, what are the top three barriers you feel you may encounter? (Asked of those who made changes during the pandemic)

Lack of capital / accessing capital.....	64%
Cost of new technologies and tech-based services.....	36%
Lack of trusted guidance or assistance	29%
Language access.....	2%
Technology barriers	13%
Maintaining customer relations.....	21%
Pivoting my business to offer a new product and/or service	32%
Maintaining workplace benefits.....	8%
Finding and retaining staff	34%
Debt relief	32%
Improving health and safety	4%
Navigating supply chains issues	23%
Not applicable / not sure	5%
Other.....	6%

12. Thinking about BEFORE the pandemic, did you have any of the following technologies or digital tools in place at your business (select all that apply)?

My own website	83%
Paid for digital advertising.....	35%
Sold my products/services through my own website.....	35%
Sold on third-party platforms - i.e. Etsy, Amazon	16%
Had point of sale technology	30%
Had dedicated IT staff/contractor(s).....	16%
Had financial accounting technology/platforms	36%
Had one or more customer relationship management software tools.....	22%
Had one or more human resource technology tools	13%
Had one or more cybersecurity tools or procedures	15%
Had robust social media presence	27%
Other	6%

13. Thinking about DURING the pandemic, did you add or expand any of the following technologies or digital tools at your business (select all that apply)?

Created or expanded my own website	60%
Started a digital advertising campaign and/or increased my digital advertising budget	34%
Started selling on my own website and/or increased online sales via my own website.....	26%
Started selling on third-party platforms or increased such sales - i.e. Etsy, Amazon.....	12%
Implemented point of sale technology.....	12%
Hired or expanded IT staff/contractor(s).....	11%

Implemented new customer relationship management software tools	13%
Implemented new human resource technology tools	6%
Implemented new cybersecurity tools or procedures	10%
Started or expanded my social media presence	53%
Other	8%

14. Have you hired in the past six months, or do you expect to hire in the next six months?

Yes.....	48%
No.....	41%
Don't know.....	12%

15. What are some challenges that you faced/are facing when hiring new employees? (Select all that apply) (Asked of those who do expect to hire)

People expect higher pay	64%
Hesitation to work in person	20%
Hard to find quality candidates	68%
Vaccine requirements / mask mandates.....	15%
No challenges	6%
None of the above	7%
Other	9%

16. Have you done any of the following in regard to attracting more workers? (Select all that apply) (Asked of those who do expect to hire)

Increased pay	61%
Increased benefits.....	22%
Created more part-time positions.....	36%
Hired younger staff than usual	29%
Hired from within local community	38%
None of the above	17%
Other	8%

17. Why are you not hiring? (Asked of those who are not hiring)

I do not need to	33%
I cannot afford to	57%
I had to lay off employees	3%
None of the above	4%
Other	3%

18. Do you rent or own one or more commercial spaces for your business (not a home office)?

Yes, one or more physical locations	42%
Yes, a shared co-working space.....	10%
No.....	47%

19. Did your commercial space need to change over the past 12 months? (Select all that apply) (Asked of those who are renting one or more commercial space)

Relocated	12%
Reduced my commercial space	12%
Exited my lease/mortgage	8%
Acquired new space	14%
Stayed the same	57%
Closed/sold my business.....	3%
Filed for bankruptcy	1%
Don't know.....	6%
Other	7%

20. Are you facing some challenges making your commercial rent or mortgage payments? (Asked of those who are renting one or more commercial space)

Yes, but I am current on payments	47%
Yes, I am 1-2 months behind	10%
Yes, I am 3 or more months behind.....	8%
No.....	34%
Don't know.....	1%

21. Have you been able to work out an agreement with your landlord or mortgage lender about forgiving or deferring the rent or mortgage payments you still owe? (Asked of those who are 1-2 or more than 3 months behind)

Yes, forgiveness.....	3%
Yes, deferral	46%
No.....	51%

22. Has your landlord or mortgage lender threatened you with eviction or foreclosure? (Asked of those who are behind on payments)

Yes, landlord has threatened eviction	48%
Yes, mortgage lender has threatened foreclosure	8%
No.....	38%
Don't know.....	6%

23. Have you obtained capital (grants, loans or equity investments) from other sources since the pandemic began? (Select all that apply)

Paycheck Protection Program (PPP) Loans	46%
Economic Injury Disaster Loan (EIDL)	39%
Crowdfunding campaign.....	4%
State or local government grant.....	23%
Grant from some other source	23%
State or local government loan	4%
Loan from a major or community bank.....	4%
Loan from a nonprofit lending institution.....	4%
Loan from an online lender	5%
Equity investment.....	2%
I did not obtain capital since the pandemic.....	26%
Other	8%

24. What are some reasons why you were unable to obtain capital since the start of the pandemic? (Select all that apply) (Asked of those who did not obtain capital)

I did not need external capital for my business	18%
I did not know about the grants/loans I could apply to.....	31%
I did not qualify for the grants/loans available.....	35%
I applied but was denied	39%
There was too much paperwork.....	5%
Language challenges	2%
Technology/access challenges	3%
Other	12%

25. Do you identify with any of the following groups? (Select all that apply)

Asian or Asian American	8%
Black, African or African American	40%
Hispanic, Latino/a or Spanish Origin.....	18%
Middle Eastern or North African	1%
Native American or Alaska Native	4%
Native Hawaiian or Pacific Islander	0%
White or Caucasian	34%
Some other race, ethnicity or origin	2%
Prefer not to answer.....	5%

26. Do you identify with any of the following groups?

Man	24%
Woman.....	69%
Gender non-conforming and/or non-binary	3%
Prefer not to disclose	4%

About Small Business Majority

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enable us to educate stakeholders about key issues impacting America's entrepreneurs, with a special focus on the smallest businesses and those facing systemic inequities.

About Start Small Think Big

Start Small Think Big is a nonprofit that helps small businesses with high potential and limited access to the resources needed to create thriving businesses. They connect small business owners to their network of professionals who provide legal, finance, and marketing expertise for free. Small business owners, partners, and volunteers are united in their determination to make a difference — one far greater than they could alone. When you support a small business, you support a dream.