Survey toplines

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

Released: October 13, 2022

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%

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%
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?

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

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)

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

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, one or more physical locations</td>
<td>42%</td>
</tr>
<tr>
<td>Yes, a shared co-working space</td>
<td>10%</td>
</tr>
<tr>
<td>No</td>
<td>47%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocated</td>
<td>12%</td>
</tr>
<tr>
<td>Reduced my commercial space</td>
<td>12%</td>
</tr>
<tr>
<td>Exited my lease/mortgage</td>
<td>8%</td>
</tr>
<tr>
<td>Acquired new space</td>
<td>14%</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>57%</td>
</tr>
<tr>
<td>Closed/sold my business</td>
<td>3%</td>
</tr>
<tr>
<td>Filed for bankruptcy</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Payment Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, but I am current on payments</td>
<td>47%</td>
</tr>
<tr>
<td>Yes, I am 1-2 months behind</td>
<td>10%</td>
</tr>
<tr>
<td>Yes, I am 3 or more months behind</td>
<td>8%</td>
</tr>
<tr>
<td>No</td>
<td>34%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Agreement Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, forgiveness</td>
<td>3%</td>
</tr>
<tr>
<td>Yes, deferral</td>
<td>46%</td>
</tr>
<tr>
<td>No</td>
<td>51%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Threat Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, landlord has threatened eviction</td>
<td>48%</td>
</tr>
<tr>
<td>Yes, mortgage lender has threatened foreclosure</td>
<td>8%</td>
</tr>
<tr>
<td>No</td>
<td>38%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>
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%

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**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.