

DIGITAL TRANSFORMATION: Small businesses face obstacles, opportunities in using digital technologies in the wake of the pandemic

Survey 1 topline

Digital transformation: Digital literacy and broadband access

The survey reflects the opinions of 835 small business owners and decision-makers from Small Business Majority's network and SurveyMonkey respondents between October 24, 2022, through December 26, 2022. The margin of error is +/- 3%.

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

Yes, owner	87%
Yes, manage operations	17%

2. Please select your business industry.

Agriculture and Mining	2%
Consulting and Business Services	10%
Education and Youth Services	7%
Energy and Utilities	2%
Engineering	4%
Food and Beverage	12%
Health, Beauty, and Fitness	6%
Healthcare, Pharmaceuticals and Biotech	4%
Insurance and Financial Services	2%
Manufacturing	3%
Media and Entertainment	3%
Nonprofit	1%
Other	2%
Real Estate and Construction	6%
Retail	11%
Service and Consumer Services	13%
Software and Internet	2%
Technology, Computers and Electronics	3%
Telecommunications	0%
Transportation and Storage	2%
Travel, Recreation and Leisure	2%
Wholesale and Distributors	2%

3. What year was the business started?

Two years of fewer	15%
3-5 years.....	27%
6-10 years.....	20%
More than 10 years	37%

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	25%
1-5 employees	35%
6-10 employees	8%
11-25 employees.....	12%
26-50 employees	11%
50-100 employees.....	9%

5. What is your business' annual revenue?

Less than \$25,000	24%
\$25,000 - \$49,999	16%
\$50,000 - \$99,999	15%
\$100,000 - \$249,999	12%
\$250,000 - \$499,999.....	9%
\$500,000 - \$999,999.....	11%
Over \$1 million	11%
Prefer not to say/don't know.....	3%

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

Very optimistic	46%
Somewhat optimistic.....	31%
Neither optimistic nor pessimistic.....	12%
Somewhat pessimistic	9%
Very pessimistic.....	3%

7. In the past three months, have your revenues, expenses and headcount increased, decreased, or stayed the same?

Revenue increased.....	45%
Revenue decreased	29%
Revenue stayed the same	26%
Expenses increased	56%
Expenses decreased.....	17%
Expenses stayed the same	27%
Headcount increased.....	31%

Headcount decreased	19%
Headcount stayed the same	51%

8. Overall, how would you rate your digital literacy, or your ability to understand and implement new technologies for your business?

I am not comfortable using technology, and need assistance	11%
I am somewhat comfortable using technology, and need some assistance	42%
I am comfortable using technology, and do not need assistance	46%
I do not use technology for my business	2%

9. Please indicate the ways in which you communicate with your customers (select all that apply)?

My company's website.....	54%
Chat tool on website	24%
Social media (ie. Facebook, Instagram, Twitter, TikTok, LinkedIn)	59%
Text message	58%
Phone calls.....	68%
In-person	60%
Email.....	63%
Newsletter.....	14%
Don't know/none of the above	0%
Other	5%

10. If you use any of the following communication methods, which ones have you automated in some way?

Chat tool on website	22%
Social media (ie. Facebook, Instagram, Twitter, TikTok, LinkedIn)	40%
Text message	39%
Phone calls.....	36%
Email.....	40%
None of the above	20%

11. Would you call the area where your business is located urban, suburban or rural?

Urban	52%
Suburban	36%
Rural	12%

12. Do you have one or more physical locations for your business, or is your business solely home-based/fully remote?

Physical location(s)	53%
Solely home-based / fully remote	47%

- 13. Do you conduct business via your cellphone?**
- Always45%
 - Sometimes45%
 - Rarely8%
 - Never.....2%
- 14. Do you have access to broadband internet at your business?**
- Yes..... 90%
 - No.....10%
- 15. Why don't you have broadband access at your business? (N=82; asked those who do not have access to broadband internet from Q14)**
- I don't need it.....29%
 - It's too expensive and I cannot afford it29%
 - There is no reliable broadband provider in my community.....16%
 - Don't know.....18%
 - Other7%
- 16. Roughly how much do you spend each month for broadband access for your business?**
- Under \$50.....12%
 - \$50-9928%
 - \$100-149.....24%
 - \$150-19913%
 - \$200-299.....12%
 - \$300-399.....6%
 - Over \$400.....5%
- 17. How fast is your broadband access, meaning the speed at which you are able upload and download data?**
- Very fast, ie., greater than 100 megabits per second (MBPS).....44%
 - Somewhat fast, ie., 20-100 MBPS..... 40%
 - Somewhat slow, ie., 5-20 MBPS9%
 - Very slow, ie., less than 5 MBPS1%
 - Don't know.....6%
- 18. In the past year, how often have you been unable to access the internet via your business broadband?**
- Never..... 30%
 - Once or twice29%
 - A handful of times24%
 - At least once a month7%
 - At least once a week.....8%
 - Don't know.....3%

19. Which of the following do you currently have or use in your business?

A company website	60%
Digital advertising	35%
Selling my products/services through my own website	39%
Selling on third-party platforms - i.e. Etsy, Amazon.....	25%
Point of sale technology.....	26%
Dedicated IT staff/contractor(s)	17%
Financial accounting technology/platforms.....	25%
One or more customer relationship management software tools.....	23%
One or more human resource technology tools.....	18%
One or more cybersecurity tools or procedures.....	20%
A social media presence	48%
Don't know/None of the above	8%

20. Overall, how would you rate your confidence in using the following technologies and digital tools (regardless of whether you have them): Very confident, somewhat confident, not very confident, or not confident at all?

	Very confident	Somewhat confident	Not very confident	Not at all confident
A company website	52%	33%	11%	4%
Digital advertising	35%	39%	19%	7%
Social media.....	46%	34%	14%	5%
Third-party selling platforms.....	28%	36%	22%	14%
Point of sale technology.....	36%	36%	16%	12%
Accounting software	34%	37%	19%	10%
Customer relationship management software or platforms	35%	34%	20%	11%
Payroll software	37%	31%	19%	13%
Human resources software	33%	33%	18%	15%
Cybersecurity technologies and/or procedures.....	30%	36%	20%	14%

21. Do you have dedicated IT staff and/or contractors?

Yes.....	36%
No, I don't need any	46%
No, but I'm looking.....	18%

22. What are some reasons why your small business does not have a website? (select all that apply) (N=334; asked of those who do not have a website from Q19)

I don't need one	26%
It's too difficult	20%
It's too costly to create one.....	33%
I don't know how to create one	22%

I don't know how to manage one	19%
I have one but don't know how to manage it long term	13%

23. What type of digital training programs would help your business? (select all that apply)

Creating a company's website	39%
Learning about digital advertising	47%
How to use social media (Tiktok, Instagram, FB, twitter)	40%
Selling my products or services online using third-party selling platforms (Etsy, Amazon).....	33%
Using Point-of-sale technology	24%
Hiring IT staff/contractor(s).....	23%
Using accounting software	27%
Customer relationship management (CRM) tools.....	31%
Accounting and financial tool training	29%
Implementing human resources software (if applicable)	23%
Implementing cybersecurity training (such as detecting and avoiding fraudulent activities).....	28%
Don't know/not interested in training.....	10%

24. How likely are you to take digital literacy training for your business?

Very likely	39%
Likely	32%
Neither likely nor unlikely.....	20%
Unlikely.....	5%
Very unlikely.....	4%

25. What would most influence your decision to take digital literacy training for your business? (Choose the top reason)

Relevant subject matter.....	24%
Low cost or free	36%
Quality of training	22%
Time required to complete.....	9%
Flexible scheduling options.....	7%
Other	2%

26. How likely are you to seek outside help for implementing new technologies or software for your business?

Somewhat likely.....	36%
Very likely	32%
Neither likely nor unlikely.....	21%
Somewhat unlikely	6%
Very unlikely.....	5%

27. When seeking help implementing new technologies or software for your business, where are you most likely to turn? (select at least one)

Self-guided independent learning.....	46%
Support from technology/software provider.....	47%
Support from nonprofit business support organization.....	34%
Friends and/or family	30%
Paid IT staff or contractor	19%

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

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian.....	9%
Black, African or African American	33%
Hispanic, Latino/a or Spanish Origin.....	24%
Middle Eastern or North African	1%
Native American or Alaska Native	6%
Native Hawaiian or Other Pacific Islander	1%
White or Caucasian	27%
Another option not listed here (please specify):.....	0%
Prefer not to answer	2%

29. When it comes to gender, how do you identify? (Multi-select)

Woman	49%
Man	38%
Transgender.....	1%
Gender non-conforming and/or non-binary	1%
Prefer not to disclose	1%
Not Answered	10%

Survey 2 Toplines

Digital transformation: Online presence

The survey reflects the opinions of 871 small business owners and decision-makers from Small Business Majority’s network and SurveyMonkey respondents February 6 through March 27, 2023. The margin of error is +/- 3%.

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

Yes, owner.....	85%
Yes, manage operations.....	15%

2. Please select your business' industry.

Agriculture and Mining.....	1%
Consulting and Business Services.....	9%
Education and Youth Services	6%
Energy and Utilities.....	2%
Engineering	3%

Food and Beverage	13%
Healthcare, Pharmaceuticals and Biotech	4%
Health, Beauty, and Fitness	5%
Insurance and Financial Services	3%
Manufacturing	2%
Media and Entertainment	3%
Nonprofit	2%
Real Estate and Construction.....	8%
Retail.....	13%
Service and Consumer Services	6%
Software and Internet	1%
Technology, Computers and Electronics	3%
Telecommunications	1%
Transportation and Storage	3%
Travel, Recreation and Leisure	1%
Wholesale and Distributors.....	3%
Other (please specify).....	11%

3. What year did you start your business?

2 years or fewer	16%
3-6 years	31%
7-10 years.....	15%
More than 10 years	37%

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	26%
Under 10 employees	41%
11-25 employees.....	16%
26-50 employees	10%
51-100 employees	7%

5. What is the business' revenue?

Less than \$25,000.....	23%
\$25,000 - \$49,999	15%
\$50,000 - \$99,999	13%
\$100,000 - \$249,999	13%
\$250,000 - \$499,999.....	12%
\$500,000 - \$999,999.....	11%
Over \$1 million	8%
Prefer not to say/don't know.....	5%

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

Very optimistic	39%
Somewhat optimistic	33%
Neither optimistic nor pessimistic	15%
Somewhat pessimistic	9%
Very pessimistic.....	3%

7. In the past three months, have your revenues, expenses and headcount increased, decreased or stayed the same?

	Increased	Decreased	Stayed the same
Revenue	42%	27%	31%
Expenses	60%	13%	27%
Employee headcount	25%	16%	59%

8. Do you have a website for your business?

Yes.....	67%
No.....	33%

(Questions 9-14 were asked of businesses with a website, N=581)

9. What year did you start a website for your business? (Please provide your best guess)

Less than two years ago.....	23%
2-5 years ago.....	29%
6-10 years ago.....	18%
More than 10 years ago	30%

10. What main purpose does your website serve for your business (choose one)?

It builds awareness of my business and brand	40%
It is where I primarily sell my products or services.....	31%
It provides credibility for my business.....	13%
It allows me to connect with new customers and maintain relationships with existing customers	13%
Other (please specify).....	3%

11. How did you create your website?

I built it myself using a website builder provided by my web hosting service.....	38%
I outsourced it to a third-party contractor.....	31%
I built it myself custom using a CMS (Wordpress, Drupal, Joomla)	14%
I hired dedicated IT staff to build it	7%
My web platform provided a landing page for me to use	5%
Don't know.....	1%
Other (please specify).....	4%

12. Who maintains and updates your website?

Yourself.....	56%
Full-/part-time staff.....	22%
Vendor/contractor.....	17%
No one.....	3%
Other.....	2%

13. What challenges do you face currently with your website? Please rank them from very challenging to not a challenge.

	Very challenging	Somewhat challenging	Not a challenge	NA
Having enough time to devote to it.....	33%	40%	23%	4%
The complexity of maintaining and updating website functionality (ie. Website design, plugins and user experience).....	31%	37%	29%	3%
Making the site accessible to users with different abilities (ie. those who are vision-impaired).....	30%	34%	28%	7%
Developing new content (ie. product or service offerings).....	30%	40%	27%	3%
Maintaining and updating content (ie. product or service offerings).....	29%	39%	28%	4%
The cost involved in maintaining/updating it.....	25%	34%	37%	3%
Maintaining and updating its security/privacy settings.....	25%	30%	41%	5%
Maintaining and updating the back-end software.....	24%	33%	34%	9%
Making the site responsive to mobile users.....	23%	34%	38%	5%
The lack of features available from my web host provider.....	20%	34%	39%	6%

14. During the Covid-19 pandemic, did any of the following occur?

	Yes	No	Don't know
We enhanced the user experience.....	54%	38%	8%
Website traffic increased.....	51%	34%	15%
We added new functionality to the site.....	48%	43%	9%
Online inquiries increased (ie. forms, newsletter signups).....	48%	40%	12%
Website sales increased.....	44%	45%	11%

15. You indicated that you don't have a website. Please indicate in the following statements whether they apply to you and if they are a major or minor reason as to why you don't have a website. (Asked of businesses without a website, N=290)

	Major	Minor	Not a reason
Having a website is not relevant to my industry.....	23%	40%	36%
It's too costly to build and maintain a website.....	36%	36%	29%
I don't have resources (staff/time) to build and maintain a website.....	48%	22%	29%
I do not know how to create/run a website.....	36%	31%	33%
I had one but didn't get any traffic so I got rid of it.....	14%	20%	66%

I have a social media presence instead of a website	41%	30%	29%
I don't think I need one	25%	34%	41%

16. Does your business have a social media presence on any of the following platforms (select all that apply)?

Facebook.....	70%
Instagram	58%
LinkedIn	35%
Twitter	32%
TikTok.....	26%
I do not use social media	14%

(Questions 17-20 were asked of businesses that use social media, N=753)

17. For each of the following potential challenges for your social media presence, please rank each from very challenging to not a challenge.

	Very challenging	Somewhat challenging	Not a challenge	NA
Having enough time to devote to it.....	34%	18%	19%	30%
Maintaining and updating different platforms' security and updating privacy settings	29%	20%	18%	33%
The complexity of maintaining and updating it	26%	23%	23%	28%
Developing new content for it	26%	26%	15%	34%
Maintaining and updating my product or service offerings.....	23%	23%	19%	35%
The cost involved in maintaining and updating it.....	22%	24%	21%	33%
The lack of features available from social media platforms	19%	25%	21%	35%

18. What year did you start using social media for your business? (Please provide your best guess)

Less than 2 years ago.....	22%
2-5 years ago.....	33%
6-10 years ago.....	21%
More than 10 years ago	24%

19. The following are some reasons why/how businesses use social media. What social media strategies did you implement during the Covid-19 pandemic? (select all that apply)

Build brand awareness	64%
New product offerings.....	43%
Promote customer success stories/Community engagement stories.....	36%
Presence on additional social media platforms	36%
More interactions with customers for feedback/reviews	35%
Offer coupons/sales promotions.....	29%
Viral marketing strategies/collaborate with influencers.....	23%
Paid promotions / digital advertising	25%
Offering expert advice	14%

20. After implementing these social media strategies to your business since the pandemic, would you estimate your sales have increased?

Yes; my sales increased by more than 20%	39%
Yes; my sales increased by more than 50%	19%
Yes; my sales increased by more than 100%	8%
Yes; my sales increased by more than 150%	2%
Yes; my sales increased by more than 200%	2%
No; I have not seen an increase in sales	30%

21. Do you sell your products/services through any of the following third-party platforms (select all that apply)?

E-commerce store/platform on my website	32%
Large third-party platforms (e.g., Amazon, eBay, Etsy).....	24%
Community marketplaces (e.g. Facebook Marketplace, Nextdoor, Craigslist)	24%
Other third-party platforms specific to my industry (e.g. Thumbtack)	13%
Freelance/contract work platforms (e.g. Upwork, Fiverr)	12%
No, I do not sell my products/services through any e-commerce platform(s).....	40%

(Questions 22-24 were asked of businesses that sell on e-commerce platforms, N=539)

22. Roughly what percentage of your sales are from e-commerce (including sales on your own website, through third-party platforms or via social media) compared to traditional sales?

Less than 25%.....	26%
25-50%.....	31%
50-75%.....	21%
75-99%.....	11%
100% (entirely e-commerce).....	7%
Don't know.....	5%

23. Roughly what percentage did your e-commerce sales increase, if at all, during the Covid-19 pandemic?

No increase	16%
Less than 25%.....	27%
25-50%.....	27%
51-100%	15%
101-200%	6%
More than 200%.....	2%
Don't know.....	6%

24. For each of the following potential challenges selling on third-party platforms, please rank each, where 5 is very challenging and 1 is not challenging at all.

	1	2	3	4	5
	Not challenging			Challenging	
Fees paid to the third party	16%	15%	33%	20%	16%
Not being able to achieve high-enough visibility on the platform	11%	16%	29%	25%	20%
Cost of advertising on the platform	14%	18%	27%	22%	19%
Fear of having my product or service copied or stolen	24%	17%	25%	21%	14%
Shipping costs.....	20%	17%	28%	19%	17%

25. The following are possible reasons why some business owners don't have strong e-commerce sales. What is the main reason you don't have any e-commerce sales? (Asked of those who do not sell through e-commerce: N=332)

E-commerce is not relevant to my industry/business.....	39%
Don't know where to start	24%
Don't have resources (staff, time) to devote to e-commerce.....	19%
Too many options to choose from.....	6%
Other (please specify).....	12%

26. What are the main ways you attract new customers (Choose up to three)?

Word of mouth	59%
Social media (Instagram, Facebook, TikTok, Twitter).....	40%
Referrals from other businesses/industry sources.....	35%
Website	33%
Traditional advertising.....	24%
Trade shows/in-person networking.....	19%
Other online third-party platforms (e.g. Amazon, Etsy, eBay)	16%
Physical storefront/location.....	16%
Other (please specify).....	6%

27. The following are digital marketing strategies some business owners use to find and sell to customers. For each, indicate whether the strategy has been successful, not very successful, not successful at all, or you don't use that strategy for your business.

	Successful	Not very successful	Not at all successful	NA
Customer success stories.....	50%	14%	7%	29%
Search engine optimization.....	42%	19%	10%	29%
Email newsletters/marketing.....	41%	20%	8%	31%
Content creation/blog posts.....	40%	20%	9%	31%
Online coupons/sales promotions	34%	18%	9%	39%

28. How much on average do you currently spend monthly on digital marketing for your business (not including paid staff)? Please do not include any traditional marketing you may do, such as mailers, television or radio.

I do not pay for digital marketing	34%
Under \$500	31%
\$500-\$2,500	19%
\$2,500-\$5,000	11%
\$5,001-\$10,000.....	3%
\$10,001-\$25,000.....	2%
Over \$25k	1%

29. Of the following digital marketing channels, which ones do you use? (select all that apply) (Asked of those who use digital marketing. N=576)

Ads on social media platforms (e.g. Facebook, Twitter, LinkedIn)	63%
Google ads	42%
Banner ads or display ads (i.e, ads you pay for to promote your business on other company websites)	32%
Third-party seller platform ads or boosted rankings (e.g., Etsy, Amazon).....	28%
Electronic mailers/coupons (e.g., buying email lists or other targeted email ads)	21%
Other (please specify).....	5%

30. What is the main challenge you have when acquiring new customers for your business?

Not enough resources (time/money) to advertise.....	21%
Too much competition	18%
Finding the right channels to advertise	18%
Keeping up with trends and technology	14%
Producing and delivering content.....	11%
Technology barriers.....	7%
Language barriers.....	4%
Other (please specify).....	7%

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

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian.....	12%
Black, African or African American	38%
Hispanic, Latino/a or Spanish Origin.....	29%
Middle Eastern or North African	2%
Native American or Alaska Native	4%
Native Hawaiian or Pacific Islander	2%
White or Caucasian	32%
Prefer not to answer	4%
Another option not listed here (please specify):.....	2%

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

Man	41%
Woman	53%
Transgender.....	1%
Gender non-conforming and/or non-binary	1%
Prefer not to disclose.....	3%
Another option not listed here (please specify):.....	1%

Survey 3 Toplines

Digital transformation: Accounting, finance and point-of-sale technology

The survey reflects the opinions of 1043 small business owners and decision-makers from Small Business Majority’s network and SurveyMonkey respondents between July 11, 2023, through September 11, 2023. The margin of error is +/- 3%.

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

Yes, owner	82%
Yes, manage operations.....	18%

2. 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.....	36%
Small business, fewer than 10 employees.....	29%
Small business, 10-24 employees.....	14%
Small business, 25-49 employees	7%
Small business, 50-74 employees	6%
Small business, 75-100 employees.....	7%
Small business, more than 100 employees	0%

3. Please select the industry of your business.

Agriculture and Mining	4%
Consulting and Business Services.....	11%
Education and Youth Services	7%
Energy and Utilities.....	2%
Engineering	2%
Food and Beverage	7%
Healthcare, Pharmaceuticals and Biotech.....	6%
Health, Beauty, and Fitness	5%
Insurance and Financial Services	4%
Manufacturing.....	6%
Media and Entertainment.....	4%
Nonprofit	2%

Real Estate and Construction.....	8%
Retail.....	10%
Service and Consumer Services	8%
Software and Internet	2%
Technology, Computers and Electronics	5%
Telecommunications	1%
Transportation and Storage	2%
Travel, Recreation and Leisure	1%
Wholesale and Distributors.....	3%

4. How long has your business been operating?

More than 10 years	44%
Six to 10 years.....	27%
Two to five years.....	27%
Less than two years	3%

5. What is your business' annual revenue?

Less than \$25,000.....	21%
\$25,000-\$49,999	13%
\$50,000-\$99,999	14%
\$100,000-\$249,999	16%
\$250,000-\$499,999.....	12%
\$500,000-\$999,999.....	11%
Over \$1 million	9%
Prefer not to say.....	3%

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

Very optimistic	41%
Somewhat optimistic.....	30%
Neutral.....	16%
Somewhat pessimistic	7%
Very pessimistic.....	5%

7. In the past three months, have your revenues, expenses and headcount increased, decreased or stayed the same?

	Increased	Decreased	Stayed the same
Revenues.....	46%	22%	32%
Expenses	56%	16%	28%
Headcount	30%	12%	58%

8. Do you believe you ever faced barriers accessing financial systems and services (ex. denied a loan or trouble opening a bank account) based on the following? (Select all that apply)

Race/ ethnicity	22%
Socio-economic status	23%
Gender identity.....	16%
Language.....	12%
Digital literacy	12%
Immigration status	10%
Mental or physical impairment.....	8%
None of the above	50%

9. To your knowledge, have you ever been denied accessing financial systems and services (ex. denied a loan or trouble opening a bank account) based on the following? (Select all that apply)

Low credit score.....	31%
Insufficient collateral	28%
Too much outstanding debt	24%
Lack of sufficient personal identification	13%
Insufficient proof of ability to repay a debt	14%
None of the above	41%

10. How confident do you feel in your ability to manage your personal finances effectively?

Very confident	60%
Somewhat confident.....	34%
Not very confident	5%
Not confident at all.....	1%

11. How confident do you feel in your ability to manage your business finances effectively?

Very confident	56%
Somewhat confident.....	35%
Not very confident	8%
Not confident at all.....	1%

12. How confident are you in your ability to make sound financial decisions for your business?

Very confident	60%
Somewhat confident.....	33%
Not very confident	6%
Not confident at all.....	1%

13. Have you ever taken any courses or workshops to improve your financial literacy?

Yes.....	62%
No.....	32%
Unsure / Don't remember	6%

- 14. How often do you review your financial statements and reports to track your business's financial performance?**
- Daily 21%
 - Weekly 34%
 - Every couple of weeks 13%
 - Monthly 19%
 - Quarterly..... 8%
 - Yearly 3%
 - Never..... 2%
- 15. How familiar are you with basic accounting principles, such as income statements, balance sheets, and cash flow statements?**
- Very familiar 53%
 - Somewhat familiar 39%
 - Not very familiar..... 8%
 - No familiar at all..... 1%
- 16. Do you have a dedicated bookkeeper who tracks your day-to-day financial transactions?**
- I have a dedicated bookkeeper 40%
 - I keep my own books 60%
- 17. Do you have a dedicated accountant who files your taxes and prepares financial statements?**
- I have a dedicated accountant..... 61%
 - I do my own accounting 39%
- 18. Have you ever encountered the following financial challenges in running your business? (Select all that apply)**
- Cash flow management and maintaining adequate liquidity..... 38%
 - Securing funding or accessing capital for business operations..... 30%
 - Managing and reducing business expenses 36%
 - Dealing with late or non-payment from customers or clients..... 37%
 - Forecasting and budgeting effectively 26%
 - Understanding and complying with tax obligations..... 27%
 - Pricing products or services competitively 28%
 - Managing debt or loan repayments 16%
 - Coping with unexpected financial emergencies or crises 24%
 - Other 3%
 - None of the above 12%

19. Do you use financial accounting software for your business, not including a point-of-sale (POS) system?

Yes.....66%
No.....34%

20. Which of the following financial accounting software do you currently use for managing your business finances? (Asked of those using financial accounting software. N=685)

QuickBooks.....69%
Xero 11%
Zoho Books8%
FreshBooks8%
Wave4%

21. How long have you been using the online financial accounting tool? (Asked of those using financial accounting software. N=685)

Less than a year18%
1 to 3 years39%
More than 3 years.....43%

22. What were the main factors that influenced your decision to implement new financial accounting practices during the Covid-19 pandemic? (Select all that apply) (Asked of those who implemented financial accounting software during pandemic. N=265)

The business was just starting36%
Need for more accurate financial reporting and forecasting52%
Changes in revenue streams or business operations.....37%
Government or regulatory requirements.....25%
Availability of government assistance programs.....27%
Cost-cutting measures or cash flow management31%
Enhanced risk management or compliance measures 11%

23. As a result of setting up your new financial accounting system, did any of the following occur? (Select all that apply) (Asked of those using financial accounting software. N=642)

Revenue increased..... 40%
Better able to manage client billing / invoicing..... 68%
Became more confident in ability to make financial decisions42%

24. Did you seek any of the following assistance when setting up your online financial tool? (Select all that apply) (Asked of those using financial accounting software. N=641)

From family, friends or peers.....39%
From the software provider55%
From a third-party contractor or accountant 40%
Hired additional full or part-time staff.....12%

25. Which features of your online financial accounting tool do you find most beneficial?

(Select all that apply) (Asked of those using financial accounting software. N=676)

Invoicing and billing.....	52%
Expense tracking	56%
Bank account integration	49%
Financial reporting	51%
Payroll management.....	40%
Inventory management	25%
Time tracking.....	14%

26. How satisfied are you with the user interface and overall usability of the online financial accounting tool? (Asked of those using financial accounting software. N=685)

Very satisfied	43%
Satisfied	40%
Neutral	13%
Dissatisfied	3%
Very dissatisfied	1%

27. How has the financial accounting software improved your business's financial management? (Select all that apply) (Asked of those using financial accounting software. N=671)

Streamlined bookkeeping processes.....	51%
Improved accuracy in financial records.....	62%
Enabled better financial planning and budgeting	46%
Facilitated easier collaboration with accountants or bookkeepers	40%
Provided real-time access to financial data	26%

28. Have you encountered any challenges or limitations while using the online financial accounting tool? (Asked of those using financial accounting software. N=685)

Yes.....	60%
No.....	40%

29. Have you sought customer support from the financial accounting tool's provider? (Asked of those using financial accounting software. N=685)

Yes.....	67%
No.....	33%

30. How would you rate the level of customer support provided by the financial accounting tool's provider? (Asked of those using financial accounting software and sought support. N=463)

Excellent	48%
Good.....	34%
Average	15%
Poor.....	2%
Very poor	1%

31. What are the main reasons why your small business does not use accounting software? (Select all that apply) (Asked of those not using financial accounting software. N=334)

Lack of awareness about accounting software options	20%
Cost of accounting software	42%
Difficulty in learning and implementing accounting software.....	25%
Prefer manual methods or existing systems	44%
Lack of time to research and set up accounting software.....	23%
Concerns about data security and privacy	21%

32. What are the main advantages of manual methods for your business? (Select all that apply) (Asked of those using manual methods. N=51)

Familiarity and comfort with current methods	63%
Ability to customize processes to specific business needs.....	41%
Control over data and operations	41%
Easier collaboration with team members	16%
Lower cost compared to accounting software	41%

33. What manual system(s) do you use? (Select all that apply) (Asked of those using manual methods. N=51)

Cash register	18%
Excel spreadsheets	45%
Paper ledger	49%
Existing bank statements	59%

34. Have you ever taken a class or consulted with a business advisor on how to set up accounting software for your business?

Yes.....	48%
No.....	52%

35. How valuable did you find the training? (Asked of those who received assistance. N=498)

Very valuable	57%
Somewhat valuable.....	32%
Not very valuable.....	9%
Not valuable at all.....	2%
Unsure / Don't remember	1%

36. What is the main reason why you have not sought outside assistance in setting up online accounting tools? (Asked of those who did not receive assistance. N=545)

Don't know of existing resources	15%
Don't want or need to learn.....	31%
Concerned about cost of class / consultation	29%
Don't feel confident in my digital literacy skills	6%
Don't have enough time	19%

37. Do you use a point of digital sale (POS) system, which allows you to record payments, issue receipts and track sales electronically?

Yes.....57%
No.....43%

38. How long have you been using the POS system? (Asked of those using POS. N=594)

Less than a year 20%
1 to 3 years44%
More than 3 years.....36%

39. What were the main factors that influenced your decision to implement a new POS system during the Covid-19 pandemic? (Select all that apply) (Asked of those who implemented POS during pandemic. N=258)

The business was just starting42%
Need for more accurate financial reporting and forecasting50%
Changes in revenue streams or business operations.....38%
Government or regulatory requirements.....26%
Availability of government assistance programs.....25%
Cost-cutting measures or cash flow management24%
Enhanced risk management or compliance measures15%

40. How has the use of POS software positively impacted your business? (Select all that apply) (Asked of those using POS. N=589)

Faster and more efficient checkout process.....70%
Improved inventory management and tracking.....49%
Enhanced customer experience and satisfaction.....51%
Streamlined sales reporting and analysis42%
Integrated payment processing options38%
Enabled loyalty programs or promotions15%

41. Have you encountered any challenges or difficulties when using POS software? (Select all that apply) (Asked of those using POS. N=541)

Technical issues or software glitches45%
Integration problems with other business systems.....33%
Limited customization options for specific business needs38%
Cost of software and ongoing maintenance.....41%
Insufficient customer support from the software provider.....23%
Staff training and adoption of the new system15%

42. How has the combination of digital accounting and POS software benefited your business operations as a whole? (Asked of those using POS. N=583)

Improved overall efficiency and productivity	57%
Enhanced financial visibility and control	49%
Simplified reporting and decision-making processes	50%
Increased customer satisfaction and loyalty	38%
Improved inventory management and cost control	22%

43. How would you rate the overall impact of your digital accounting and POS software on your business? (Asked of those using POS. N=594)

Very impactful	55%
Somewhat impactful.....	32%
Neutral.....	11%
Not very impactful.....	2%
Not impactful at all.....	0%

44. Why don't you have a POS system? (Select all that apply) (Asked of those without POS. N=424)

POS system is not relevant to my business.....	55%
Lack of awareness about POS system options	14%
Cost of POS systems	20%
Difficulty in learning and implementing POS system	12%
Prefer manual methods or existing systems	20%
Lack of time to research and set up POS system	12%
Concerns about data security and privacy	11%

45. Do you identify with any of the following racial or ethnic groups? (Select all that apply)

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian.....	8%
Black, African or African American	19%
Hispanic, Latino/a or Spanish Origin.....	13%
Middle Eastern or North African	2%
Native American or Alaska Native	5%
Native Hawaiian or Other Pacific Islander	1%
White or Caucasian	65%
Prefer not to answer	4%

46. Age

< 18	0%
18-29	15%
30-44.....	32%
45-60.....	31%
> 60.....	22%

47. Gender

Male	54%
Female	46%
Non-binary	0%
A gender not listed here	0%
Prefer not to answer	0%

48. Household Income

\$0-\$9,999	10%
\$10,000-\$24,999	7%
\$25,000-\$49,999	16%
\$50,000-\$74,999	15%
\$75,000-\$99,999	12%
\$100,000-\$124,999	9%
\$125,000-\$149,999	6%
\$150,000-\$174,999	6%
\$175,000-\$199,999	3%
\$200,000+	10%
Prefer not to answer	5%

49. Region

East North Central.....	13%
East South Central.....	5%
Middle Atlantic.....	21%
Mountain	7%
New England	4%
Pacific.....	14%
South Atlantic.....	22%
West North Central	5%
West South Central.....	11%

Survey 4 Toplines

Digital transformation: Customer Relationship Management and Cybersecurity

The survey reflects the opinions of 944 small business owners and decision-makers from Small Business Majority’s network and SurveyMonkey respondents **between October 16 and December 18, 2024**. The margin of error is +/- 3%.

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

Yes, business owner.....	78%
Yes, manage operations.....	22%

2. Please select your industry:

Agriculture and Mining.....	4%
Consulting and Business Services.....	9%
Education and Youth Services.....	6%
Energy and Utilities.....	3%
Engineering.....	3%
Food and Beverages.....	10%
Healthcare, Pharmaceuticals and Biotech.....	5%
Health, Beauty, and Fitness.....	7%
Insurance and Financial Services.....	4%
Manufacturing.....	5%
Media and Entertainment.....	3%
Nonprofit.....	2%
Real Estate and Construction.....	8%
Retail.....	9%
Service and Consumer Services.....	8%
Software and Internet.....	2%
Technology, Computers and Electronics.....	4%
Telecommunications.....	1%
Transportation and Storage.....	3%
Travel, Recreation and Leisure.....	1%
Wholesale and Distributors.....	3%

3. 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.....	30%
Small business, fewer than 10 employees.....	28%
Small business, 10-24 employees.....	17%
Small business, 25-49 employees.....	11%
Small business, 50-74 employees.....	8%
Small business, 75-100 employees.....	5%

Small business, more than 100 employees0%

4. What is your business' annual revenue?

Less than \$25,00016%
 \$25,000-\$49,999 20%
 \$50,000-\$99,99916%
 \$100,000-\$249,99916%
 \$250,000-\$499,999.....12%
 \$500,000-\$999,999.....9%
 Over \$1 million8%
 Prefer not to say.....2%

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

Very optimistic44%
 Somewhat optimistic..... 30%
 Neutral17%
 Somewhat pessimistic6%
 Very pessimistic.....3%

6. How is the overall state of your business?

Excellent29%
 Good.....43%
 Fair.....22%
 Poor.....5%
 Very poor1%

7. In the past three months, has your revenue, expenses and headcount increased, decreased or stayed the same?

	Increased	Decreased	Stayed the same
Revenue	53%	22%	25%
Expenses	53%	17%	30%
Headcount	38%	16%	46%

8. How well would you say you understand your customer base?

Very well57%
 Somewhat well.....34%
 Not very well.....7%
 Not well at all.....1%
 Not applicable.....0%

9. Do you currently measure or track any of the following? (select all that apply)

Customer loyalty.....	55%
Customer satisfaction.....	75%
Customer referrals.....	48%
Not applicable.....	8%

10. Among the following options, what is the top issue that comes to mind when thinking of customer relationship management?

Customer data	15%
Customer support.....	18%
Customer satisfaction.....	36%
Sales tracking.....	9%
Contact management	5%
Tracking retention and loyalty	7%
Marketing	10%

11. Does your small business use any digital or online Customer Relationship Management (CRM) system?

Yes.....	61%
No.....	39%

12. Do you use any of the following CRM systems? (Select all that apply) (Asked of those with CRM N=580)

Salesforce.....	54%
HubSpot.....	34%
ZenDesk.....	33%
Pipedrive.....	12%
Zoho.....	14%
Other	8%

13. In what ways has implementing a CRM system helped your business? (Select all that apply) (Asked of those with CRM N=580)

Increased sales.....	55%
Improved customer retention	50%
Improved marketing efforts.....	50%
Provided better insight into my customer base.....	51%
Streamlined business operations	34%
I don't think it has helped my business	4%
Not applicable.....	2%

14. What was the main barrier you faced while implementing a CRM system? (Asked of those with CRM N=580)

Cost	27%
Complexity in setting it up	24%
Time to implement	20%
Didn't know where to start.....	11%
Too many options to choose from.....	7%
I faced no barriers setting it up	10%
Other (please specify).....	1%

15. What are some of the main functions of your CRM system? (Select all that apply) (Asked of those with CRM N=580)

Mass email communications.....	42%
Personalized email communications	50%
Text messaging	39%
Surveying customer satisfaction	50%
Loyalty discounts or codes	38%
Scheduling/organization of your business	43%
Improving business intelligence / data.....	42%
Understanding your customers better	35%
I have not used CRM system for any of these functions.....	2%

16. Did you implement any CRM system during the Covid-19 pandemic? (Asked of those with CRM N=580)

Yes.....	70%
No.....	30%

17. Below are some of the reasons why businesses have implemented CRM systems during the pandemic. Do any of the following apply to you? Select all that apply. (Asked of those who implemented CRM during pandemic N=405)

Sales were increasing dramatically	44%
More sales were occurring online	55%
I had more time to devote to improving business processes.....	48%
I needed more efficient ways to reach customers.....	52%
I implemented other new technologies or processes that required having a CRM system.....	27%
Other (please specify).....	1%

18. Did implementing a CRM system during the pandemic have a positive effect, negative effect or no effect on your business? (Asked of those who implemented CRM during pandemic N=405)

Very positive effect	50%
Somewhat positive effect.....	35%
No effect.....	11%
Somewhat negative effect.....	2%

Very negative effect	1%
Not applicable.....	0%

19. What is the main reason you don't have a CRM system? (Asked of those without CRM N=364)

Not relevant to my business or industry.....	23%
I don't know what a CRM system is.....	27%
I don't think I need one	23%
I don't think I can afford one	21%
I don't have the time to implement one.....	6%

20. How do you maintain relationships with your customers without a CRM system? (Select all that apply) (Asked of those without CRM N=364)

Personal connection	63%
Networking	34%
Emails	64%
Phone calls.....	50%
Video conferencing.....	10%
Social media.....	33%

21. Do you collect feedback from your customers on a regular basis? If so, how? (Select all that apply)

Yes, through tools such as Google or Yelp reviews.....	52%
Yes, by surveying customers	42%
Yes, just by word of mouth and personal interaction.....	47%
No, we do not collect feedback on customer satisfaction.....	8%

22. Do you collect and store data on your customers?

Yes.....	71%
No.....	29%

23. How often do you update customer information? (Asked of those who collect customer data N=667)

Immediately.....	32%
Daily.....	23%
Weekly	18%
Monthly	20%
Rarely.....	6%
Never.....	0%

24. What methods do you employ to manage and store your customer data? (Asked of those who collect customer data N=667)

Paper receipts/ledgers.....	39%
Excel or similar computer spreadsheet.....	48%
I use a business system other than a CRM system (ie. point-of-sale system)	43%
I use a dedicated CRM system	23%
Other (please specify).....	3%

25. What business purpose(s) does having access to customer data serve? (Select all that apply) (Asked of those who collect customer data N=667)

Helps improve products or services.....	52%
Improves revenue forecasting.....	44%
Helps understand my customer base.....	60%
Helps better target new customers	51%
Allows me to better communicate with customers.....	60%
It doesn't serve any business purpose.....	7%
Don't know.....	2%
Other (please specify).....	0%
Other (please specify).....	1%

26. What are some reasons why you don't collect and store customer information? (Select all that apply) (Asked of those who do not collect customer data N=278)

I don't need to.....	36%
I'm not comfortable storing data	36%
I don't know where to start	26%
I don't have the time.....	12%
Other (please specify).....	6%

27. How familiar are you with the concept of business cybersecurity?

I am familiar with most of the concepts	54%
I am somewhat familiar with the concepts.....	37%
I am not familiar with any of the concepts	9%

28. How familiar are you with each of the following terms related to cybersecurity vulnerabilities? (Select all that apply)

Phishing.....	58%
Hacking.....	77%
Malware/spyware.....	70%
Ransomware.....	41%
Identify theft.....	57%

29. How familiar are you with each of the following terms related to cybersecurity protection?

	Very familiar	Somewhat familiar	Neutral	Not so familiar	Not familiar at all
Multi Factor authentication	46%	27%	16%	7%	4%
Virtual private networks (VPNs).....	46%	27%	16%	8%	3%
Data encryption	40%	31%	19%	7%	3%
Data privacy and protection.....	47%	32%	13%	5%	2%

30. To what extent are you aware of (or knowledgeable about) data privacy laws relevant to your business?

Highly aware.....	35%
Moderately aware	34%
Somewhat aware.....	21%
Minimally aware	8%
Completely unaware.....	3%

31. How concerned are you about your business being a target of a cyberattack?

Very concerned.....	32%
Somewhat concerned	33%
Neutral.....	18%
Not so concerned.....	12%
Not concerned at all	5%

32. To what extent do you believe your business is prepared to address cybersecurity threats?

Highly prepared.....	29%
Moderately prepared.....	37%
Somewhat prepared	21%
Minimally prepared.....	8%
Not prepared at all.....	5%

33. How often do you receive suspicious emails and/or calls?

Often	32%
Sometimes	42%
Rarely.....	23%
Never.....	4%

34. Where do you store your confidential business information?

Local computer storage	21%
Cloud storage.....	45%
File cabinet/folders	22%
Other	6%
I don't store confidential business information	6%

35. What methods do you use, if any, to protect confidential business information? (select all that apply)

None of the above	3%
Password protection	63%
Firewall protection	52%
Cybersecurity software	43%
Backup data to other server	44%
Antivirus software	54%
Virtual Private Network (VPN)	28%
Other (please specify).....	4%

36. Do you conduct regular cybersecurity assessments or scans of your business systems?

Often	45%
Sometimes	40%
Never.....	14%

37. Has your business ever been targeted by a cyberattack?

Yes.....	28%
No.....	72%

38. What was the outcome of the attack(s)? (Select all that apply)

Hacked website.....	44%
Customer data stolen.....	35%
Business data stolen	29%
Vendor info stolen	26%
Social media account(s) hacked	35%
Business banking / credit card info stolen	15%
Customer banking / credit card info stolen	7%

39. Please select the areas of your business that you would like to prioritize for protection against cyber attacks. (Select all that apply)

Customer accounts	65%
Business credit cards and banking accounts	69%
Confidential business information.....	59%
Website	41%
Social media accounts	32%
Preventing unauthorized access to confidential business information	0%

- 40. Does your business provide cybersecurity training for employees?**
- Yes, on a regular basis29%
 - Yes, occasionally23%
 - Sometimes16%
 - Rarely.....6%
 - No.....26%
- 41. Do you have a policy in place that requires regular changes to passwords on businesses?**
- Yes, we take this very seriously and the policy is rigorously enforced45%
 - Yes, but the policy is not enforced 20%
 - We change passwords occasionally, but have no policy in place 21%
 - We have no such policy in place.....14%
- 42. Do you have dedicated staff or contractors that manage your company’s cybersecurity?**
- Yes, I currently do51%
 - No, but I have in the past23%
 - No, I never considered it26%
- 43. Do you have a cybersecurity plan or plans?**
- Yes.....63%
 - No.....38%
- 44. Why don’t you have a cybersecurity plan? (select all that apply) (Asked of those with no plan N=354)**
- Too costly for my business29%
 - No education about the topic 40%
 - Don’t think I need one.....39%
 - Don’t have time to put one together 16%
- 45. What is the main thing it would take for you to implement a cybersecurity plan? (Asked of those with no plan N=354)**
- Free or low-cost resources35%
 - Government tax credits or incentives for implementing new systems/procedures24%
 - Education and learning resources for security27%
 - Not interested in implementing a plan14%
- 46. Thinking about your cybersecurity plan, do any of the following apply? (Asked of those with plan N=590)**
- The plan is robust and we’re satisfied with it75%
 - There are too many issues to account for 15%
 - I don’t know in what ways it can be improved10%

47. What characteristics does your cybersecurity plan have? (Select all that apply) (Asked of those with plan N=590)

Network security- Implementing firewalls and monitoring unauthorized access	67%
Backup and Recovery- Regularly backing up critical data	70%
Data protection- Making sure private data does not get leaked	73%
Password updates and protection - The process of constantly changing and updating passwords for confidential information	74%
Employee training- Educating employees of cybersecurity threats and protocols.....	48%
Blockchain technology- Blockchain is a decentralized ledger technology, which means data is distributed across a network of nodes rather than stored in a central location. This decentralization can enhance security because there's no single point of failure.....	26%

48. Are you aware that you can be sued if sensitive customer information is compromised?

Yes.....	82%
No.....	18%

49. Are you aware of any cybersecurity standards or requirements for your business?

Federal or state government standards	57%
Local government standards.....	51%
Insurance requirements	42%
Vendor requirements	25%

50. Does your small business have cybersecurity insurance?

Yes.....	49%
No.....	34%
I didn't know this was an option	17%

51. What is the main reason why you have cybersecurity insurance? (Asked of those with insurance N=458)

Vendor/contract requirement.....	38%
Peace of mind	42%
Recommendation of insurance broker	14%
Was a victim of an attack.....	5%
Other (please specify).....	0%

52. Do you identify with any of the following racial or ethnic groups? (Select all that apply)

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian.....	13%
Black, African or African American	50%
Hispanic, Latino/a or Spanish Origin.....	21%
Middle Eastern or North African	2%
Native American or Alaskan Native.....	7%
Native Hawaiian or Other Pacific Islander	2%
White or Caucasian	28%

Prefer not to answer	2%
Other (please specify).....	1%

53. What is your age?

Under 18	1%
18-29	25%
30-44.....	32%
45-60.....	34%
Over 60	9%

54. What is your gender?

Male	49%
Female	49%
Non-binary	1%
Prefer not to answer	1%

55. Is your primary language English?

Yes.....	94%
No.....	6%

56. Are you an immigrant or first-generation U.S. citizen?

Yes, immigrant	19%
Yes, first-generation citizen	32%
No.....	49%

57. Age (N=742)

< 18	0%
18-29	29%
30-44.....	25%
45-60.....	39%
> 60.....	8%

58. Gender (N=742)

Male	56%
Female	44%
Non-binary	0%
A gender not listed here	0%
Prefer not to answer	0%

59. Household Income (N=752)

\$0-\$9,999.....	18%
\$10,000-\$24,999	11%
\$25,000-\$49,999	24%

\$50,000-\$74,999	19%
\$75,000-\$99,999	9%
\$100,000-\$124,999	6%
\$125,000-\$149,999	3%
\$150,000-\$174,999	2%
\$175,000-\$199,999	2%
\$200,000+	4%
Prefer not to answer	1%

60. Region (N=739)

East North Central.....	14%
East South Central.....	6%
Middle Atlantic.....	13%
Mountain	5%
New England	3%
Pacific.....	14%
South Atlantic.....	26%
West North Central	2%
West South Central.....	16%

Survey 5 Toplines

Digital transformation: Human Resources and Artificial Intelligence

The survey reflects the opinions of 739 small business owners and decision-makers from Small Business Majority’s network and SurveyMonkey respondents between March 11 and April 22, 2024. The margin of error is +/- 4%.

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

Yes, business owner.....	63%
Yes, manage operations.....	37%
No.....	0%

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

Self-employed.....	20%
Small business, 2-10 employees.....	19%
Small business, 10-24 employees.....	12%
Small business, 25-49 employees	18%
Small business, 50-74 employees	21%
Small business, 75-100 employees.....	9%
More than 100 employees	0%

3. Please select the business industry

Agriculture and Mining	3%
Consulting and Business Services	7%
Education and Youth Services	4%
Energy and Utilities	4%
Engineering	3%
Food and Beverage	10%
Healthcare, Pharmaceuticals and Biotech	4%
Health, Beauty, and Fitness	5%
Insurance and Financial Services	3%
Manufacturing	9%
Media and Entertainment	2%
Nonprofit	2%
Real Estate and Construction	7%
Retail	14%
Service and Consumer Services	4%
Software and Internet	1%
Technology, Computers and Electronics	7%
Telecommunications	3%
Transportation and Storage	4%
Travel, Recreation and Leisure	1%
Wholesale and Distributors	1%

4. What is the business' annual revenue?

Less than \$25,000	9%
\$25,000-\$49,999	12%
\$50,000-\$99,999	12%
\$100,000-\$249,999	17%
\$250,000-\$499,999	22%
\$500,000-\$999,999	21%
Over \$1 million	7%
Prefer not to say	1%

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

Very optimistic	43%
Somewhat optimistic	41%
Neutral	12%
Somewhat pessimistic	3%
Very pessimistic	1%

6. Rank the overall state of the business, where 1 indicates that the business is performing very poorly and 5 indicates it is performing very well.

1.....	5%
2	6%
3	25%
4	41%
5	22%
Total poorly.....	11%
Total well	64%

7. In the past three months, has the business' revenue, expenses and headcount increased, decreased or stayed the same?

	Increased	Decreased	Stayed the same
Revenue	60%	17%	23%
Expenses	55%	16%	30%
Headcount	42%	16%	42%

8. How confident are you in the human resources (HR) function at your business? (Asked of those with employees N=588)

Very confident	48%
Somewhat confident.....	39%
Neutral.....	10%
Not very confident.....	2%
Not confident at all.....	0%
Total confident	88%
Total not confident	2%

9. Does your business have dedicated HR staff besides yourself? (Asked of those with employees N=588)

No.....	27%
Yes.....	73%

10. What is the main reason you don't have dedicated HR staff? (Asked of those with employees but no HR staff N=159)

Don't have enough employees to justify one	33%
Prefer to manage HR myself	30%
Don't know where to begin hiring and managing an HR professional	11%
Business not earning enough revenue to justify.....	17%
HR staff also perform other business functions	5%
Actively working to hire one.....	5%

11. Below are some human resources responsibilities. On a scale of 1 to 5, with 5 being very well and 1 being not well at all, how would you say your company manages each? (Asked of those with employees N=588)

	1	2	3	4	5	Well	Not well
Recruitment and hiring.....	3%	4%	18%	48%	26%	74%	8%
Payroll, benefits and time management.....	2%	4%	23%	34%	37%	70%	6%
Employee training, development and internal communication.....	2%	4%	16%	42%	35%	78%	6%

12. Below are concerns some business owners have when hiring. For each, rate how significant each concern was for you when hiring, using a scale of 1 to 5, where 1 is minimal concern and 5 is significant concern. (Asked of those with employees N=588)

	1	2	3	4	5	Minimal Concern	Concern
Additional payroll tax liability	6%	8%	28%	40%	18%	14%	58%
Legal and compliance requirements.....	7%	7%	27%	35%	24%	14%	59%
Navigating and buying employee benefits.....	5%	8%	25%	34%	28%	13%	62%
Sustaining cash flow / business revenue	4%	7%	26%	36%	26%	11%	63%
Protection of confidential data/ business intellectual property	6%	9%	24%	34%	27%	15%	62%
Employee liability.....	4%	7%	24%	36%	28%	12%	64%
Being able to offer competitive wages	6%	7%	22%	35%	31%	12%	66%

13. For your business' recruitment and hiring processes, please indicate whether your business uses 1) limited technology (primarily manual process); 2) moderate technology (using basic software tools); or 3) advanced technology (leveraging AI or sophisticated technologies). (Asked of those with employees N=588)

Limited technology.....	18%
Moderate technology.....	52%
Advanced technology.....	28%
Not sure	2%

14. Did your business implement or enhance your recruiting and hiring technologies during the Covid-19 pandemic? (Asked of those with employees N=588)

Yes.....	77%
No.....	23%

15. Why did your business adopt these tools during the Covid-19 pandemic? (Select all that apply) (Asked of those with enhanced tools N=454)

Had to rehire positions rapidly as demand returned	43%
Needed to streamline hiring process for greater efficiency.....	51%
More remote work options allowed us to expand our candidate pool.....	59%

Business was becoming more sophisticated	41%
Business was just starting out	12%
Other (please specify).....	1%

16. Does your business use any of the following digital tools during your recruitment process? (Select all that apply) (Asked of those with employees N=588)

Online recruitment platforms such as LinkedIn, Indeed, ZipRecruiter	51%
Industry-specific job websites	40%
Internal recruitment system	38%
Applicant tracking system (otherwise known as an ATS)	33%
Social media.....	51%
Chatbots or AI.....	23%
I don't use any digital tools for recruitment	5%
Other (please specify).....	1%

17. If your business has paid for the above digital recruitment tools, would you say the expense was worth it? (Asked of those using digital tools N=560)

Yes.....	76%
No.....	9%
Varies	9%
We have never paid	5%

18. Why doesn't your business use any online or digital recruitment tools? (Select all that apply) (Asked of those who don't use digital recruiting tools)

Prefer traditional methods.....	50%
Don't see the benefit of using these tools.....	29%
Cost concerns.....	29%
Don't know where to start	21%
Other (please specify).....	3%

19. What system does your company use to manage the following HR functions? (Asked of those with employees N=588)

	An HRIS	Standalone digital system	Basic digital files	Paper files
Payroll.....	23%	39%	31%	6%
Benefits administration.....	29%	37%	28%	7%
Employee information storage.....	23%	34%	32%	11%
Time, vacation and attendance tracking.....	25%	38%	27%	11%

20. For your business' payroll, benefits and time management processes, please indicate whether your business uses 1) limited technology (primarily manual process); 2) moderate technology (using basic software tools); or 3) advanced technology (leveraging AI or sophisticated technologies). (Asked of those with employees N=588)

Limited technology.....	17%
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Moderate technology.....	53%
Advanced technology.....	27%
Not sure	2%

21. Did your business implement or enhance your payroll, benefits and time management technologies during the Covid-19 pandemic? (Asked of those with employees N=588)

Yes.....	76%
No.....	24%

22. Why did your business adopt these tools during the Covid-19 pandemic? (Select all that apply) (Asked of those with enhanced tools N=444)

Needed better systems to monitor use of relief funds such as Paycheck Protection Program..	55%
Remote work required new ways to track employee payroll, benefits and time management ..	70%
Business was becoming more sophisticated	39%
Business was just starting out	13%

23. For your business’ employee training, development and communication, please indicate whether your business uses 1) limited technology (primarily manual process); 2) moderate technology (using basic software tools); or 3) advanced technology (leveraging AI or sophisticated technologies). (Asked of those with employees N=588)

Limited technology.....	19%
Moderate technology.....	53%
Advanced technology.....	27%
Not sure	1%

24. Did your business add any of the following technologies during the Covid-19 pandemic? (Asked of those with employees N=588)

Virtual communication and collaboration tools (e.g., Zoom, Slack)	57%
Virtual onboarding and training platforms	49%
Online performance management and feedback tools.....	49%
VPN or computer system tracking tools	28%
None.....	8%
Other (please specify).....	0%

25. How would you rate your company’s employee well-being and morale during the pandemic on a scale of 1 to 5, with 5 being very positive and 1 being very negative? (Asked of those with employees N=588)

1.....	3%
2	5%
3	22%
4	43%
5	28%

26. During the pandemic, did you have at least one physical location for your business?

(Asked of those with employees N=588)

Yes.....	87%
No.....	13%

27. Did you reduce or increase your physical presence during the pandemic (ie., reduce office space)? (Asked of those with physical location N=513)

Increase.....	32%
Reduce	40%
Varied.....	11%
Stayed the same.....	17%

28. Have all employees returned to the physical location(s), is your business operating entirely remotely now, or is it hybrid? (Asked of those with physical location N=513)

Remained fully remote.....	28%
Hybrid.....	47%
Back to physical location(s).....	25%

29. Which of the following challenges, if any, has your business faced with a remote workforce? (Asked of those with employees N=588)

Technological challenges related to Internet connectivity.....	51%
Decrease in productivity.....	40%
Security and access to business networks and data	47%
Lack of professional connection with colleagues.....	24%
Other (please specify).....	4%

30. Have you considered hiring your first employee for your business? (Asked of those without employees N=151)

Yes.....	68%
No.....	32%

31. What factors have influenced your decision not to hire your first employee at this time? (Select all that apply) (Asked of those without employees and not hiring N=48)

Unsure if there is enough work to justify hiring an employee	60%
Concerns about the time investment required to find and onboard a new employee.....	19%
Worries about navigating employment laws, taxes, and paperwork	29%
Concerns about finding the right candidate	15%
Worries about affording employee salaries and benefits	35%
Other (please specify).....	10%

32. What factors are you considering when deciding to hire your first employee? (Select all that apply) (Asked of those without employees N=151)

None of the above	4%
Requirement for specific skills or knowledge to improve business operations	58%
Desire to expand business offerings or reach new markets	34%
Aim to provide better service and support to customers	40%
Assessment of affordability and potential return on investment in hiring an employee	29%
Need for additional help to manage growing demand for products or services	41%
Other (please specify)	3%

33. What concerns, if any, do you have about hiring your first employee? (Select all that apply) (Asked of those without employees N=151)

None of the above	7%
Worries about affording employee salaries and benefits	42%
Unsure if there is enough work to justify hiring an employee	42%
Concerns about the time investment required to find and onboard a new employee.....	28%
Worries about navigating employment laws, taxes, and paperwork	29%
Concerns about finding the right candidate	30%
Other (please specify)	2%

34. What steps, if any, have you taken to prepare for hiring your first employee? (Select all that apply) (Asked of those without employees N=151)

Conducted research on employment laws and regulations.....	27%
Developed job descriptions and requirements for the position	28%
Created a budget to determine affordability of hiring an employee	46%
Explored recruitment channels and strategies for finding candidates	23%
Identified training and onboarding processes for new employees	26%
Sought advice or assistance from mentors, advisors, or HR professionals	21%
Other (please specify)	9%

35. How confident do you feel about the prospect of hiring your first employee? (Asked of those without employees N=151)

Very confident	25%
Confident	30%
Neutral	28%
Not very confident	11%
Not confident at all	6%

- 36. Would you consider outsourcing tasks or hiring contractors instead of hiring a full-time employee?** (Asked of those without employees N=151)
- Yes, definitely36%
 - Yes, possibly46%
 - No, prefer hiring a full-time employee9%
 - Unsure9%
- 37. What concerns, if any, do you have about outsourcing tasks or hiring contractors instead of hiring a full-time employee? (Select all that apply)** (Asked of those without employees N=151)
- Lack of control over quality and consistency of work36%
 - Difficulty in finding reliable contractors or service providers44%
 - Uncertainty about legal and contractual obligations31%
 - Concerns about cost and affordability34%
 - Other (please specify).....5%
- 38. Is your business currently using artificial intelligence (AI) technology in any capacity?**
- Yes.....69%
 - No.....31%
- 39. In which areas of your business is AI being utilized? (Select all that apply)** (Asked of those using AI N=511)
- AI-powered chatbots that interact with customers to answer questions, provide support, and assist with transactions57%
 - AI-driven tools for targeted advertising, personalized marketing campaigns, and customer segmentation49%
 - AI algorithms for analyzing large datasets to derive insights, identify trends, and make data-driven decisions47%
 - AI systems for forecasting demand, optimizing inventory levels, and automating replenishment processes.41%
 - AI models for predicting future sales trends, identifying opportunities, and optimizing pricing strategies..... 30%
 - AI-powered automation tools for streamlining repetitive tasks, workflows, and business processes18%
 - Other2%
- 40. What types of resources or support are available to you to implement AI technologies at your business? (Select all that apply)** (Asked of those using AI N=511)
- In-house expertise and technical talent.....27%
 - External consultants or advisors specializing in AI.....42%
 - AI software vendors or service providers52%
 - Training programs or workshops on AI implementation44%
 - Government grants or funding for AI projects33%
 - Collaborative partnerships with research institutions or technology companies12%
 - Other (please specify).....2%

41. What factors influenced your decision to consider implementing AI technology in your business? (Asked of those using AI N=511)

Desire to stay ahead of competitors and leverage AI for innovation and differentiation.....	34%
Expectation that AI will streamline operations, automate tasks, and reduce manual efforts	52%
Anticipation of AI-driven insights and analytics for informed decision-making and strategy formulation.....	46%
Intent to use AI to personalize interactions, anticipate customer needs, and deliver superior service.....	42%
Belief that AI will help optimize resource allocation, minimize wastage, and reduce operational costs	42%
Recognition of AI's potential to facilitate compliance with regulations, standards, and industry requirements	15%
Other	1%

42. What factors have influenced your decision not to implement AI technology in your business? (Asked of those not using AI N=228)

Lack of awareness.....	36%
Cost concerns.....	38%
Skill and resource constraints.....	26%
Data privacy and security concerns	31%
Challenges integrating AI technology with existing systems and processes.....	26%
Other	6%

43. How interested are you in implementing AI tools in your business? (Asked of those not using AI N=228)

Very interested	21%
Somewhat interested.....	52%
No interest	18%
Unsure	9%

44. How concerned are you about AI in the following areas:

	Very concerned	Somewhat concerned	Not very concerned	Not concerned at all	Concerned	Not concerned
Larger companies using AI more effectively to squeeze out smaller businesses.....	32%	42%	19%	7%	74%	26%
Data privacy and protection of intellectual property	36%	41%	17%	5%	78%	22%
Compliance with business contracts as it relates to AI	28%	41%	25%	6%	69%	31%
Being able to effectively leverage AI as a smaller company.....	31%	40%	20%	10%	70%	30%
Compromising proprietary business or customer data	35%	38%	20%	7%	73%	27%

45. Below are some ideas on what policymakers can do to protect small businesses as it relates to AI? For each, indicate whether you support or oppose that idea?

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Developing and funding small business training programs focused specifically on AI	38%	36%	19%	7%	1%
Ensuring a level playing field for AI regulation to ensure small businesses can compete with larger ones.....	41%	32%	21%	4%	2%
Ensuring adequate data and privacy protections	47%	34%	13%	5%	1%

46. Do you think increased AI use led to an unfair competitive advantage for larger businesses against your business and/or in your industry?

Yes, for my business	24%
Yes, in my industry	22%
Yes, for both business and industry	34%
No.....	12%
Not sure	8%