



# Survey Data Findings

## Small Business Index

### Q4 2021

## Ipsos survey on behalf of MetLife – U.S. Chamber of Commerce

Washington, DC, December 14, 2021

These are the findings of an Ipsos poll conducted between October 13 – October 27, 2021. For this survey, a sample of roughly 750 small business owners and operators age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English.

The sample for this study was randomly drawn from Ipsos' online panel, partner online panel sources, and "river" sampling and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to the study, in drawing sample. Small businesses are defined in this study as companies with fewer than 500 employees that are not sole proprietorships. Ipsos used fixed sample targets, unique to this study, in drawing sample. This sample calibrates respondent characteristics to be representative of the U.S. small business population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2018 Statistics of U.S. Businesses dataset. The sample drawn for this study reflects fixed sample targets on firmographics. Post-hoc weights were made to the population characteristics on region, industry sector and size of business.

Statistical margins of error are not applicable to online non-probability polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 4.1 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=750, DEFF=1.5, adjusted Confidence Interval=+/-5.6 percentage points).

Starting with the March 2020 survey, small business decision makers are reached via an online survey, in place of the typical phone-based approach. This methodological shift is in response to lower anticipated response rates in dialing owners at their businesses as a result of mandated closures related to the COVID-19 outbreak. While significant changes in data points can largely be attributed to the recent economic environment, switching from a phone to online approach may have also generated a mode effect.

### 1. First, how would you rate the overall health of your business?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20* 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Very good	43	35	33	24	25	27	25	23	23	23	20	30
Somewhat good	26	30	24	26	28	27	28	27	28	30	35	31
About average	22	25	27	26	29	27	30	30	25	27	25	20
Somewhat poor	6	7	12	17	12	12	12	14	17	15	16	15
Very poor	3	2	3	7	7	6	5	4	7	5	3	3
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	1	1	1	0	0	0	1	1	0	0	1	1

\*Beginning in Q2 2020, an online approach was used in place of the typical phone methodology.



## Survey Data Findings – continued –

### 2. How would you rate the overall health of the United States economy?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Very good	29	29	12	6	6	10	7	7	8	8	7	9
Somewhat good	28	30	13	16	18	18	15	22	13	19	27	23
About average	25	26	20	15	18	15	20	20	19	26	24	22
Somewhat poor	12	9	36	34	39	31	39	37	42	36	31	33
Very poor	4	3	18	29	18	24	19	13	18	10	10	13
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	2	1	1	1	0	1	0	1	0	1	1	0

### 3. How would you rate the overall health of the economy in your local area?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Very good	29	24	13	7	6	11	8	8	11	10	14	13
Somewhat good	30	28	19	18	21	19	19	24	17	23	28	27
About average	25	31	28	25	33	30	35	36	29	36	31	32
Somewhat poor	11	14	28	32	29	29	27	25	31	23	22	21
Very poor	5	3	11	17	10	10	9	8	12	6	5	7
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	0	0	1	1	0	0	1	0	1	1	1	0

### 4. Compared to six months ago, does your business see more competition, less competition or about the same level of competition from smaller or local companies?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
More competition	14	14	25	23	21	31	29	26	24	26	26	30
Less competition	6	6	14	24	28	19	24	22	24	20	17	18
Stayed about the same	76	76	57	49	47	47	43	49	49	51	55	49
Refused	1	1	--	--	--	--	--	--	--	--	--	--
Don't know	3	3	4	4	5	3	4	3	2	4	1	2

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## Survey Data Findings – continued –

### 5. How comfortable are you with your company's current cash flow situation?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Very comfortable	37	28	19	11	18	17	17	17	23	19	20	26
Somewhat comfortable	46	52	40	37	38	38	39	42	38	45	46	41
Not very comfortable	10	11	23	29	25	30	31	26	23	24	25	22
Not at all comfortable	4	6	17	22	18	15	11	14	14	11	9	11
Refused	1	1	--	--	--	--	--	--	--	--	--	--
Don't know	3	2	1	1	1	0	2	1	1	1	0	0

### 6. For the upcoming year, do you plan to...?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Increase investment	26	29	30	25	27	35	33	31	35	33	29	42
Invest about as much in the business as you did last year	58	52	38	39	36	32	38	38	37	42	48	35
Reduce investment	10	13	15	19	22	18	17	20	18	16	15	14
Refused	1	1	--	--	--	--	--	--	--	--	--	--
Don't know	5	6	16	17	16	14	12	12	9	10	8	9

### 7. Compared to six months ago, has the time or resources you spend completing licensing, compliance or other government requirements increased, decreased or stayed the same?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Increased	22	21	20	23	21	29	25	28	28	27	30	32
Decreased	3	4	11	16	19	13	15	18	14	14	10	11
Stayed the same	74	73	66	56	58	53	54	51	54	57	58	55
Refused	0	1	--	--	--	--	--	--	--	--	--	--
Don't know	2	2	3	5	2	5	5	3	3	2	2	3

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## Survey Data Findings – continued –

### 8. Over the past year, would you say you have...?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Increased staff	20	17	15	14	13	20	15	16	17	18	13	18
Retained the same size staff	66	66	71	67	67	60	64	64	55	57	68	64
Reduced staff	13	16	13	19	18	17	19	18	27	23	17	17
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	1	0	1	0	1	4	2	1	1	1	2	1

### 9. In the next year, do you anticipate...?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Increasing staff	28	30	23	24	23	30	28	27	32	32	28	38
Retaining the same size staff	65	64	60	55	60	53	58	52	49	52	62	48
Reducing staff	6	5	9	13	10	9	9	14	14	11	6	9
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	1	2	9	7	7	8	5	7	5	4	4	5

### 10. Looking forward one year, do you expect next year's revenues to increase, decrease or stay the same?

	<u>Q4- 2019</u>	<u>Q1- 2020</u>	<u>Q2-20 3/25-28</u>	<u>Q2-20 4/21-28</u>	<u>Q2-20 5/21-27</u>	<u>Q3-20 7/9-16</u>	<u>Q3-20 8/21-27</u>	<u>Q4- 2020</u>	<u>Q1- 2021</u>	<u>Q2- 2021</u>	<u>Q3- 2021</u>	<u>Q4- 2021</u>
Increase	58	60	50	47	50	53	52	52	47	57	58	59
Decrease	9	7	19	25	19	18	16	14	14	9	8	10
Stay the same	30	31	23	22	21	22	25	27	32	30	31	28
Refused	0	0	--	--	--	--	--	--	--	--	--	--
Don't know	3	2	8	6	9	6	6	7	7	5	3	3

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## Survey Data Findings – continued –

### Q4 – 2021 Storyline Questions

11. Which of the following are the biggest challenges facing small business owners coming out of the COVID-19 pandemic?

	<u>Q3-2021</u>	<u>Q4-2021</u>
Revenue	34	26
Inflation costs	19	23
COVID-19 safety protocols/compliance	23	21
Supply chain issues	19	18
Lack of applicants for job openings	11	12
Employee retention	7	11
Employee well-being/morale	8	11
Caring for family	10	10
Low quality of applicants who applied for job openings	7	9
Access to credit or a loan	8	8
Something else	6	6
Don't know	2	2

12. In a few words, please explain why you selected the previous as the biggest challenge(s) facing small business owners coming out of the COVID-19 pandemic.

*Open-ended responses provided separately*

13. Coming out of the COVID-19 pandemic, how concerned are you, if at all, about the impact of inflation on your business?

	<u>Q4-2021</u>
Very concerned	31
Somewhat concerned	43
Not very concerned	15
Not at all concerned	10
Don't know	1
<i>Concerned (Net)</i>	<i>74</i>
<i>Not concerned (Net)</i>	<i>25</i>

14. How much do you agree or disagree with the following?

#### Total Agree Summary

	<u>Q3-2021</u>	<u>Q4-2021</u>
I feel optimistic about the future of my business	79	77
Rising prices have had a significant impact on my business in the past year	73	71
I have increased the prices of my products or services in the past year, as a result of inflation	-	63
I have considered closing my business in the past year	43	47
I have taken out a loan within the past year specifically to cover higher costs due to inflation	-	45
I have decreased staff as a way of managing higher costs due to inflation	-	41

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## Survey Data Findings – continued –

- a. Rising prices have had a significant impact on my business in the past year

	<u>Q3-2021</u>	<u>Q4-2021</u>
Strongly agree	29	30
Somewhat agree	45	40
Somewhat disagree	18	18
Strongly disagree	8	10
Don't know	--	1
<i>Agree (Net)</i>	73	71
<i>Disagree (Net)</i>	26	28

- b. I have increased the prices of my products or services in the past year, as a result of inflation

	<u>Q4-2021</u>
Strongly agree	25
Somewhat agree	38
Somewhat disagree	18
Strongly disagree	17
Don't know	2
<i>Agree (Net)</i>	63
<i>Disagree (Net)</i>	35

- c. I have decreased staff as a way of managing higher costs due to inflation

	<u>Q4-2021</u>
Strongly agree	17
Somewhat agree	24
Somewhat disagree	22
Strongly disagree	34
Don't know	4
<i>Agree (Net)</i>	41
<i>Disagree (Net)</i>	56

- d. I have taken out a loan within the past year specifically to cover higher costs due to inflation

	<u>Q4-2021</u>
Strongly agree	20
Somewhat agree	25
Somewhat disagree	15
Strongly disagree	38
Don't know	2
<i>Agree (Net)</i>	45
<i>Disagree (Net)</i>	53



## Survey Data Findings – continued –

e. I have considered closing my business in the past year

	<u>Q3-2021</u>	<u>Q4-2021</u>
Strongly agree	20	21
Somewhat agree	23	26
Somewhat disagree	18	16
Strongly disagree	37	36
Don't know	2	1
<i>Agree (Net)</i>	43	47
<i>Disagree (Net)</i>	55	52

f. I feel optimistic about the future of my business

	<u>Q3-2021</u>	<u>Q4-2021</u>
Strongly agree	34	37
Somewhat agree	45	40
Somewhat disagree	15	13
Strongly disagree	5	7
Don't know	1	2
<i>Agree (Net)</i>	79	77
<i>Disagree (Net)</i>	20	20

15. [ASK IF Q13 = AGREE TO 'RISING PRICES HAVE HAD A SIGNIFICANT IMPACT ON MY BUSINESS IN THE PAST YEAR'] Over the past year, where in your business have you seen the impact of rising prices the most?

	<u>Q3-2021</u> <u>(N=557)</u>	<u>Q4-2021</u> <u>(N=540)</u>
The costs of goods or supplies	60	62
The costs of utilities or fuel	41	39
Rent for retail, commercial, or office space	21	25
Employee wages	18	23
Employee medical insurance coverage plans	19	20
Your own medical insurance rates (not for employees)	15	19
Other	2	2
Don't know	2	1



## Survey Data Findings – continued –

16. How much do you agree or disagree with the following?

### Agree Summary

	<u>Q3-2021</u>	<u>Q4-2021</u>
I have had to alter my business' supply chain in the past 6 months	-	63
My business' supply chain has been dramatically disrupted or affected by the COVID-19 pandemic	62	61
I expect supply chain disruptions to make it difficult for my business to manage the upcoming holiday season	-	60
My business' supply chain has been dramatically disrupted or affected by worker shortages	-	55
I am unable to keep up with customer demand because of disruptions to my supply chain	-	47

a. My business' supply chain has been dramatically disrupted or affected by the COVID-19 pandemic

	<u>Q3-2021</u>	<u>Q4-2021</u>
Strongly agree	21	25
Somewhat agree	41	36
Somewhat disagree	21	22
Strongly disagree	17	15
Don't know	1	2
<i>Agree (Net)</i>	<i>62</i>	<i>61</i>
<i>Disagree (Net)</i>	<i>38</i>	<i>37</i>

b. My business' supply chain has been dramatically disrupted or affected by worker shortages

	<u>Q4-2021</u>
Strongly agree	24
Somewhat agree	31
Somewhat disagree	21
Strongly disagree	21
Don't know	3
<i>Agree (Net)</i>	<i>55</i>
<i>Disagree (Net)</i>	<i>42</i>





## Survey Data Findings – continued –

c. I am unable to keep up with customer demand because of disruptions to my supply chain

	<u>Q4-2021</u>
Strongly agree	18
Somewhat agree	29
Somewhat disagree	26
Strongly disagree	25
Don't know	2
<hr/>	
<i>Agree (Net)</i>	47
<i>Disagree (Net)</i>	51

d. I expect supply chain disruptions to make it difficult for my business to manage the upcoming holiday season

	<u>Q4-2021</u>
Strongly agree	23
Somewhat agree	37
Somewhat disagree	20
Strongly disagree	18
Don't know	2
<hr/>	
<i>Agree (Net)</i>	60
<i>Disagree (Net)</i>	38

e. I have had to alter my business' supply chain in the past 6 months

	<u>Q4-2021</u>
Strongly agree	22
Somewhat agree	42
Somewhat disagree	16
Strongly disagree	19
Don't know	1
<hr/>	
<i>Agree (Net)</i>	63
<i>Disagree (Net)</i>	35

17. [ASK IF Q15 = AGREE TO 'MY BUSINESS' SUPPLY CHAIN HAS BEEN DRAMATICALLY DISRUPTED OR AFFECTED BY THE COVID-19 PANDEMIC'] How long do you think disruptions to your supply chain caused by the COVID-19 pandemic will last?

	<u>Q4-2021</u> <u>(N=465)</u>
Less than 6 months	28
6 months to less than a year	32
One year or more	32
Don't know	8



## Survey Data Findings – continued –

18. Have you personally experienced or noticed worker shortages in the following areas?

Yes Summary

	<u>Q4-2021</u>
At any other small business in your area	76
At other small businesses, in your specific sector, in your area	68
At your business	46

a. At your business

	<u>Q4-2021</u>
Yes	46
No	54

b. At other small businesses, in your specific sector, in your area

	<u>Q4-2021</u>
Yes	68
No	32

c. At any other small business in your area

	<u>Q4-2021</u>
Yes	76
No	24

19. How important is this upcoming holiday season for your overall profit for the year?

	<u>Q4-2021</u>
Very important	37
Somewhat important	33
Not very important	18
Not at all important	10
Don't know	2
<hr/>	
<i>Important (Net)</i>	<i>70</i>
<i>Not important (Net)</i>	<i>28</i>

20. Thinking about the upcoming holiday season, do you plan to do any of the following?

Yes Summary

	<u>Q4-2021</u>
Hire seasonal employees	29
<b>[ASK IF 'HIRE SEASONAL EMPLOYEES' = YES]</b> Offer hiring incentives or bonuses to attract seasonal employees	77 (N=227)



## Survey Data Findings – continued –

a. Hire seasonal employees

	<u>Q4-2021</u>
Yes	29
No	71

b. **[ASK IF 'HIRE SEASONAL EMPLOYEES' = YES]** Offer hiring incentives or bonuses to attract seasonal employees

	<u>Q4-2021</u> <u>(N=227)</u>
Yes	77
No	23



## Survey Data Findings – continued –

### About Ipsos

Ipsos is a global independent Insights and Analytics company. Our team of 18,000 across 90 countries serves 5,000 clients and undertakes 70,000 different projects each year. Our polling practice is a non-partisan, objective, survey-based research practice made up of seasoned professionals. We conduct strategic research initiatives for a diverse number of American and international organizations, based not only on public opinion research, but elite stakeholder, corporate, and media opinion research.

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