



Survey Data Findings

Small Business Index

Q1 2022

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

Washington, DC, March 7, 2022

These are the findings of an Ipsos poll conducted between January 14 – January 26, 2022. 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.

*** Q1 – Q10 held for future release**

1. First, how would you rate the overall health of your business?
2. How would you rate the overall health of the United States economy?
3. How would you rate the overall health of the economy in your local area?
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?
5. How comfortable are you with your company's current cash flow situation?
6. For the upcoming year, do you plan to...?
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?
8. Over the past year, would you say you have...?
9. In the next year, do you anticipate...?

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



Survey Data Findings – continued –

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

Q1 – 2022 Storyline Questions

11. In light of the current circumstances, how long do you think it will be before the U.S. small business climate returns to normal?

**Data held for future release*

12. Which of the following are the biggest challenges facing small business owners coming out of the COVID-19 pandemic? You may select up to two.

	<u>Q3-2021</u>	<u>Q4-2021</u>	<u>Q1-2022</u>
Inflation costs	19	23	33
Supply chain issues	19	18	26
COVID-19 safety protocols/compliance	23	21	24
Revenue	34	26	21
Employee well-being/morale	8	11	14
Lack of applicants for job openings	11	12	13
Employee retention	7	11	11
Caring for family	10	10	8
Low quality of applicants who applied for job openings	7	9	8
Interest rates rising	--	--	7
Access to credit or a loan	8	8	6
Something else	6	6	3
Don’t know	2	2	2

13. 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

**Open-ended data provided separately*

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Survey Data Findings – continued –

14. How concerned are you, if at all, about each of the following?

**Data held for future release*

Concerned Summary

	<u>Q1-2022</u>
The impact of inflation on your business	85
The impact of supply chain disruption on your business	76
The impact of the coronavirus or COVID-19 outbreak on your business	■
The impact of interest rates rising on your business	70
Improving employee retention at your business	■
Recruiting and hiring enough employees to fill open positions at your business	■

a. The impact of inflation on your business

	<u>Q4 2021</u>	<u>Q1-2022</u>
Very concerned	31	44
Somewhat concerned	43	41
Not very concerned	15	11
Not at all concerned	10	4
Don't know	1	1
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<i>Concerned (Net)</i>	<i>74</i>	<i>85</i>
<i>Not concerned (Net)</i>	<i>25</i>	<i>15</i>

b. The impact of the coronavirus or COVID-19 outbreak on your business

**Data held for future release*

c. Recruiting and hiring enough employees to fill open positions at your business

**Data held for future release*

d. Improving employee retention at your business

**Data held for future release*

e. The impact of supply chain disruption on your business

	<u>Q1-2022</u>
Very concerned	38
Somewhat concerned	38
Not very concerned	17
Not at all concerned	7
Don't know	0
<hr/>	
<i>Concerned (Net)</i>	<i>76</i>
<i>Not concerned (Net)</i>	<i>24</i>

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Survey Data Findings – continued –

14. How concerned are you, if at all, about each of the following?

f. The impact of impact of interest rates on your business

	<u>Q1-2022</u>
Very concerned	29
Somewhat concerned	41
Not very concerned	18
Not at all concerned	10
Don't know	1
<hr/>	
<i>Concerned (Net)</i>	70
<i>Not concerned (Net)</i>	29

15. As the economy recovers from the COVID-19 pandemic, how difficult, if at all, is it for your small business to do the following?

Difficult summary

	<u>Q3 2021</u>	<u>Q1-2022</u>
Manage higher costs due to inflation	72	76
Manage disruptions to your business' supply chain	61	65
Compete with large businesses in your area for talent	57	█
Compete with other small businesses for talent	52	█
Recruit and hire enough employees to fill open positions	50	█
Support your employees' well-being and morale	45	█
Maintain COVID-19 safety protocols	41	█

a. Manage disruptions to your business' supply chain

	<u>Q3-2021</u>	<u>Q1-2022</u>
Very difficult	23	24
Somewhat difficult	38	41
Not too difficult	23	25
Not at all difficult	14	9
Don't know	3	2
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<i>Difficult (Net)</i>	61	65
<i>Not difficult (Net)</i>	37	33

b. Recruit and hire enough employees to fill open positions

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Survey Data Findings – continued –

15. As the economy recovers from the COVID-19 pandemic, how difficult, if at all, is it for your small business to do the following?

c. Manage higher costs due to inflation

	<u>Q3-2021</u>	<u>Q1-2022</u>
Very difficult	28	31
Somewhat difficult	44	44
Not too difficult	21	17
Not at all difficult	6	6
Don't know	1	1
<i>Difficult (Net)</i>	<i>72</i>	<i>76</i>
<i>Not difficult (Net)</i>	<i>27</i>	<i>24</i>

d. Compete with other small businesses for talent

**Data held for future release*

e. Compete with large businesses in your area for talent

**Data held for future release*

f. Support your employees' well-being and morale

**Data held for future release*

g. Maintain COVID-19 safety protocols

**Data held for future release*

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

Total Agree Summary

	<u>Q4-2021</u>	<u>Q1-2022</u>
I feel optimistic about the future of my business	77	■
Rising prices have had a significant impact on my business in the past year	71	74
I have increased the prices of my products or services in the past year, as a result of inflation	63	67
I have considered closing my business in the past year	47	■
I have taken out a loan within the past year specifically to cover higher costs due to inflation	45	39
I have decreased staff as a way of managing higher costs due to inflation	41	41

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Survey Data Findings – continued –

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

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

	<u>Q3-2021</u>	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	29	30	31
Somewhat agree	45	40	42
Somewhat disagree	18	18	18
Strongly disagree	8	10	8
Don't know	--	1	1
<i>Agree (Net)</i>	<i>73</i>	<i>71</i>	<i>74</i>
<i>Disagree (Net)</i>	<i>26</i>	<i>28</i>	<i>26</i>

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	25	26
Somewhat agree	38	41
Somewhat disagree	18	19
Strongly disagree	17	13
Don't know	2	1
<i>Agree (Net)</i>	<i>63</i>	<i>67</i>
<i>Disagree (Net)</i>	<i>35</i>	<i>32</i>

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	17	19
Somewhat agree	24	21
Somewhat disagree	22	20
Strongly disagree	34	37
Don't know	4	3
<i>Agree (Net)</i>	<i>41</i>	<i>41</i>
<i>Disagree (Net)</i>	<i>56</i>	<i>57</i>

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	20	16
Somewhat agree	25	23
Somewhat disagree	15	16
Strongly disagree	38	44
Don't know	2	1
<i>Agree (Net)</i>	<i>45</i>	<i>39</i>
<i>Disagree (Net)</i>	<i>53</i>	<i>60</i>

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Survey Data Findings – continued –

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

- e. I have considered closing my business in the past year
**Data held for future release*
- f. I feel optimistic about the future of my business
**Data held for future release*

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

Total agree summary

	<u>Q4 2021</u>	<u>Q1-2022</u>
My business' supply chain has been dramatically disrupted or affected by the COVID-19 pandemic	61	63
I have had to alter my business' supply chain in the past 6 months	63	61
My business' supply chain has been dramatically disrupted or affected by worker shortages	55	55
I am unable to keep up with customer demand because of disruptions to my supply chain	47	46

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

	<u>Q3-2021</u>	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	21	25	24
Somewhat agree	41	36	39
Somewhat disagree	21	22	21
Strongly disagree	17	15	16
Don't know	1	2	0
Agree (Net)	62	61	63
Disagree (Net)	38	37	36

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	24	19
Somewhat agree	31	35
Somewhat disagree	21	22
Strongly disagree	21	22
Don't know	3	2
Agree (Net)	55	55
Disagree (Net)	42	43

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Survey Data Findings – continued –

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

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	18	16
Somewhat agree	29	30
Somewhat disagree	26	28
Strongly disagree	25	25
Don't know	2	0
<hr/>		
<i>Agree (Net)</i>	47	46
<i>Disagree (Net)</i>	51	54

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

	<u>Q4-2021</u>	<u>Q1-2022</u>
Strongly agree	22	23
Somewhat agree	42	39
Somewhat disagree	16	19
Strongly disagree	19	19
Don't know	1	1
<hr/>		
<i>Agree (Net)</i>	63	61
<i>Disagree (Net)</i>	35	38

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

**Data held for future release*

19. Which of the following, if any, have you implemented in the past year to improve employee retention or attract new talent?

**Data held for future release*

20. Which, if any, are you considering offering in the next 6 months to improve employee retention or attract new talent?

Considering offering in the next 6 months

**Data held for future release*

21. At your company, who is responsible for recruiting new employees?

**Data held for future release*



Survey Data Findings – continued –

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