

## **SMALL BUSINESSES UNITED AROUND PRODUCTIVE POLICY**

**Let's focus on creating a workforce to succeed, capitalizing on innovation, and driving down the cost of doing business to boost the economy.**

## **SMALL BUSINESSES WANT POLICYMAKERS WHO WILL WORK TOGETHER FOR THEM.**

***Small business owners want Washington to get stuff done.***

96% of small business owners see it as important for Democrats and Republicans to work together to pass bipartisan legislation.

- Extremely important: 85%
- Somewhat important: 9%
- Only slightly important: 2%
- Not at all important: 2%
- Don't know: 2%

Top five actions that small business owners ask policymakers to prioritize to support small business growth:

- Tackle inflation: 47%
- Reform tax policy: 40%
- Expand healthcare, retirement, and paid leave benefits: 36%
- Improve access to capital: 33%
- Expand small business access to government procurement opportunities: 26%

## **SMALL BUSINESSES NEED A STRONG WORKFORCE TO SUCCEED**

***Small businesses employ nearly half of the private sector workforce,\* but are challenged by increasing costs and competition with bigger businesses for employees***

51% of small business are continuing to hire full-time or part-time employees.

75% of small businesses hiring are finding it difficult to recruit qualified employees.

Top three challenges with recruiting qualified candidates:

- Competition with larger employers on pay and benefits: 64%
- Lack of qualified workers: 62%
- High labor costs: 56%

It takes months for most small businesses to fill open roles.

- More than 6 months: 14%
- 3-6 months: 19%
- 1-3 months: 43%
- Less than one month: 20%
- Don't know: 3%

39% of small businesses have lost employees or potential employees in the past year because their business doesn't offer the same types of benefits that larger employers offer.

56% of small business owners say child care challenges for themselves and/or their employees have had an impact on their ability to operate or grow their business.

66% say that offering a child care benefit to employees would have a positive impact on talent recruitment and retention.

76% believe that small businesses are at a competitive disadvantage when it comes to offering child care to their employees.

With more affordable and accessible child care, small businesses report that they could:

- Increase revenue and grow the top line: 26%
- Improve the bottom line because of reduced human capital costs: 25%
- Have less employee turnover: 24%
- Provide better customer service: 24%

*\*SBA Office of Advocacy*

## **SMALL BUSINESSES INNOVATE TO COMPETE.**

***Small businesses want to participate in emerging technologies and opportunities to grow.***

75% of small business owners support government policies to help small businesses adopt new technology such as artificial intelligence.

Policies that small businesses say would help small business innovation:

- Favorable financing to purchase new equipment, facilities or otherwise expand operations: 61% very helpful, 22% somewhat helpful, 9% slightly helpful
- Grants to help businesses research, develop, or commercialize a new product or technology: 54% very helpful, 23% somewhat helpful, 10% slightly helpful
- Increasing tax credits / deductions for research and development: 47% very helpful, 28% somewhat helpful, 12% slightly helpful
- Increasing capital access for research and development: 42% very helpful, 27% somewhat helpful, 16% slightly helpful
- Easing regulation: 43% very helpful, 26% somewhat helpful, 14% slightly helpful

Small business owners' predictions for how artificial intelligence will impact their businesses:

- Save my business time: 60%
- Save my business money: 39%
- Require employee upskilling: 31%
- Grow my sales pipeline: 28%
- Eliminate jobs, reduce labor costs: 17%
- Disrupt our entire industry: 16%
- Disrupt our value proposition relative to our competitors: 13%

49% of small business owners have pursued or considered pursuing government procurement opportunities, but only 35% of those have been successful winning bids.

The three most significant challenges small businesses face when pursuing government procurement opportunities include:

- Navigating the bidding process: 53%
- Learning about procurement opportunities: 46%
- Competing on price with larger businesses: 45%

**SMALL BUSINESSES NEED AN ENVIRONMENT THAT FACILITATES GROWTH.**  
**Small businesses want affordability as they start, run, and grow their businesses.**

93% of small business owners report that the cost of doing business has increased since they opened their business:

- Significantly higher costs: 59%
- Somewhat higher costs: 34%
- Lower costs: 1%
- Don't know: 6%

Factors contributing to the increased cost of doing business:

- Labor costs: 82%
- Costs of goods and supplies: 73%
- Borrowing costs: 47%
- Tax liabilities: 45%
- Regulation and compliance costs: 39%

80% of small business owners believe the current tax code favors big businesses over small businesses.

76% of small business owners are concerned with their ability to access capital.

***SMALL MANUFACTURERS NEED SUPPORT.***

Top five challenges facing small manufacturing businesses:

- Inflation: 69%
- Competition with larger manufacturers: 59%
- Access to capital: 48%
- Hiring and retaining qualified workers: 48%
- Supply chain: 43%

*Survey of 1,225 Goldman Sachs 10,000 Small Businesses participants conducted by Babson College and David Binder Research from August 28-September 8, 2024. The survey included small business owners from 48 U.S. states, 2 U.S. territories and the District of Columbia.*