



U.S. CHAMBER OF COMMERCE NEWS

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Small Business Index Shows Access to Capital is Strong Amid Record High Optimism

National Economy Creates Ripe Investment Opportunities for Small Businesses

WASHINGTON, D.C.— The Q3 [MetLife & U.S. Chamber of Commerce Small Business Index](#) (Index) released today indicates that the majority (69.7 percent) of small business owners have a positive outlook about their company and the small business environment in the United States. Their optimism continues to increase and overall business health is up one point from last quarter. The optimistic outlook, the current economic climate, and recent legislative reforms are creating a stronger environment for small business owners to grow their businesses.

“Small business owners continue to tell us that they are confident in the national small business environment, and, just as encouraging, most have confidence in their local environments as well,” said Jessica Moser, senior vice president for Small Business Solutions at MetLife. “This bodes well for the U.S. economy, as small businesses are consistently an engine for growth all across the country: purchasing equipment and inventory, paying taxes, and employing ever-increasing numbers of individuals.”

This is the sixth consecutive quarter the Index has risen and year over year the Index score has increased by 7.4 points. The rise in optimism reflects a rebound in national economic outlook and denotes the highest levels in the history of the survey.

Amid the general optimism, access to capital is strong. However, that access differs across all small businesses. Less than one-quarter (23 percent) of small businesses report that it is hard to obtain financing, but opinions vary based on recent experience with the financing process. Those having sought financing in the last year are twice as likely (41 percent) to report that getting access to credit is difficult than those that have not tried (20 percent). Businesses that have applied for credit at some

point in the past, rather than in just the past year, were more likely to say it is easy to obtain financing (70 percent) rather than difficult (24 percent).

“After the 2008 financial crisis a one-size fits all regulatory approach was adopted causing a decline in small businesses’ access to capital. Recently, steps have been taken to reverse the trend, including Congress passing the Economic Growth, Regulatory Relief, and Consumer Protection Act which removed some of the strict regulations placed on community banks and regional banks, making it easier for small businesses to get capital,” said Tom Sullivan, U.S. Chamber vice president of small business policy. “These are steps in the right direction, but more policies that ease small businesses’ access to financing need to occur to ensure this vital sector of our economy continues to grow, create jobs, and positively impact communities across the country.”

Small businesses that report to be in good health and those that stated they were not in good health were equally likely to have sought financing in the past year. The 71 percent of small business owners who say their operation is in good health indicate it was easy to obtain financing or credit, while only 40 percent of those in not good health indicate the same. Businesses in not good health are more likely to receive only a partial amount (41 percent) or be rejected altogether (25 percent), than those in good health (10 percent and 8 percent, respectively).

The longer a small business has been in operation, the more likely it is to receive the full amount of financing. Three-quarters (75 percent) of businesses in operation for more than 20 years received the full asking amount versus two-thirds (66 percent) of companies with 11 to 20 years in operation, and just half (51 percent) of those in operation for less than 10 years.

The overall optimistic outlook and current economic conditions have influenced small businesses’ reasons to secure financing. Nearly half (44 percent) of small businesses that applied for financing in the last 12 months are more likely to say they plan to increase investment in their business in the next year than those who have not applied for financing (21 percent). Additional motivators were to buy new equipment (27 percent), keep up with increased local competition (22 percent), expand/upgrade facilities, (20 percent), or buy inventory (9 percent). Only 11 percent of business owners said the financing was necessary to keep the business afloat.

About the Small Business Index

The Index is part of a multiyear collaboration by MetLife and the U.S. Chamber to elevate the voice of America’s small business owners and highlight the important role they play in the nation’s economy. The initiative produces the quarterly MetLife and the U.S. Chamber of Commerce Small Business Index; a nationwide event series, and the annual [Dream Big Small Business Awards](#) program, which celebrates the achievements of small businesses and honors their contributions to America’s economic growth.

Please visit www.SBIndex.us for the full results and methodology.

About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. For more information, visit www.uschamber.com.

About MetLife

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates (“MetLife”), is one of the world’s leading financial services companies, providing insurance, annuities, employee benefits and asset management to help its individual and institutional customers navigate their changing world. Founded in 1868, MetLife has operations in more than 40 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East. For more information, visit www.metlife.com.

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