

METLIFE & U.S. CHAMBER OF COMMERCE

# SMALL BUSINESS INDEX



THE VOICES OF SMALL  
BUSINESS OWNERS

Q4 2018





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# SMALL BUSINESS OPTIMISM REMAINS HIGH AMID POSITIVE ECONOMIC OUTLOOK

The MetLife & U.S. Chamber of Commerce Small Business Index has dipped slightly this quarter to 69.3 from its record high of 69.9 in Q3, remaining high overall but indicating a pause in the upward trend observed over the past year. Small business owners continue to be increasingly positive about the health of the national and local economy. In line with their growing economic optimism, more than a quarter of businesses say they plan to invest more in their companies and increase their staff in the coming year. However, among those currently searching for new staff, two in three say that it is hard to find candidates in their geographic area with the skills and experience they require.

## SMALL BUSINESS INDEX



## Q4 INDEX HIGHLIGHTS

### **Staffing woes mean more work for owners.**

Among the businesses searching for talent in 2018, 67% report difficulty finding candidates with the skills they need. Eighty-one percent of those small business owners report having to work longer hours or take on additional roles in the workplace.

### **A shortage of talent, but no new hiring strategy.**

The majority of businesses looking for new employees are struggling. Yet, two in three businesses that searched for talent in 2018 say they will not try a different strategy in 2019.

### **Manufacturing businesses struggle more to find the right people.**

Business owners in the manufacturing sector seem to be having an especially difficult time finding candidates with experience (81%), with skills (78%), and in their area (73%).

### **A small uptick in businesses cutting staff.**

Slightly more small business owners (16%) report having to reduce staff size compared with the previous two quarters.

### **The upward trend in the Small Business Index score pauses after hitting a record high in Q3.**

Following six quarters of continually increasing SBI scores, the Index has remained essentially unchanged between Q3 and Q4 of 2018, perhaps resulting from challenges businesses face in finding qualified staff.

### **Views of the U.S. economy rise again in Q4.**

Views of the health of the national economy have risen to a record high with 58% rating the overall health of the U.S. economy as good or very good. This continues the upward trend observed since Q2, surpassing the previous high of 55% in Q3.

### **Perception of local economy continues steady climb.**

Fifty-six percent of small business owners report the health of their local economy as good or very good this quarter, up from 51% in Q3. Perceptions of the local economy have steadily increased throughout 2018 and are now up 10 percentage points as compared to Q1.



# SMALL BUSINESS OWNERS STRETCHED THIN AS THEY STRUGGLE TO FIND QUALITY CANDIDATES

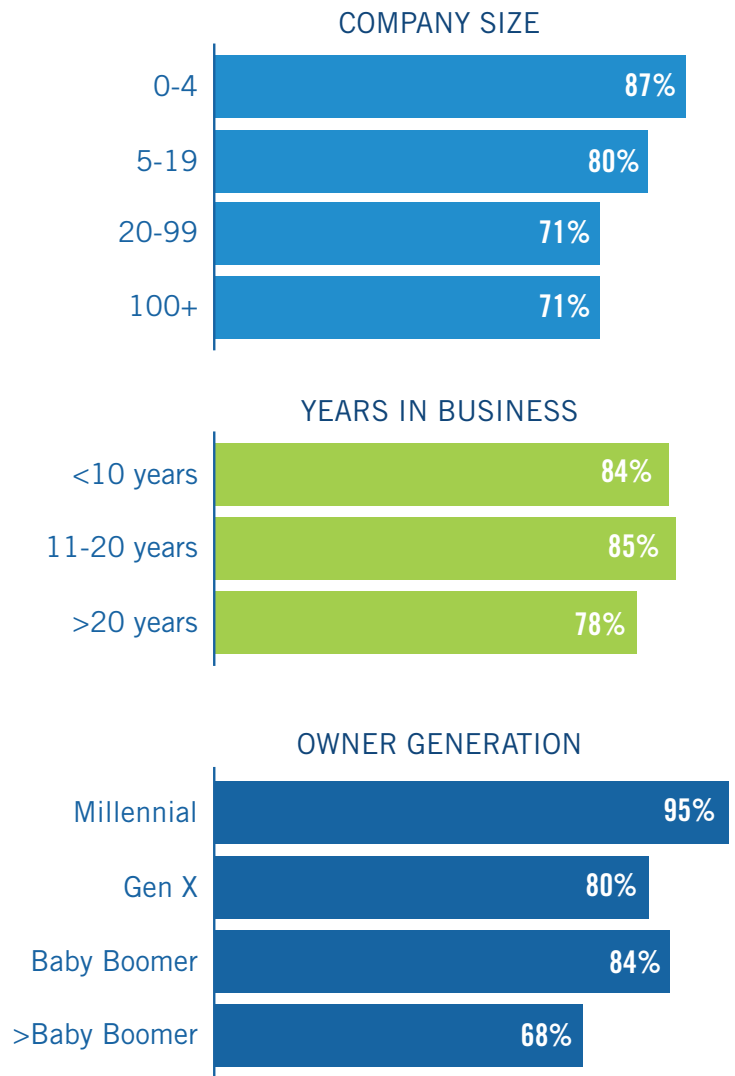
While unemployment has declined, there remains a lack of skilled and experienced candidates in applicant pools. More than 40% of small business owners say they have been actively searching for new hires in 2018, but are having difficulty finding quality candidates. Among businesses looking for talent, 20% rate potential recruits as poor quality (compared with 25% in Q2 2017) and 35% rate the quality of candidates as fair. Thirty-four percent of small businesses rate candidates as good (compared to 28% in Q2 of 2017) and just 9% say they are very good. Since the inception of the SBI in Q2 2017, there does seem to be some improvement in quality of recruits.

Small businesses are feeling the strain of not having the staff they need. Eighty one percent say they have to work longer hours or take on more roles to compensate for their inability to find qualified candidates. This is especially pronounced among businesses run by women (86%), manufacturers (87%), minorities (89%), and millennials (95%). Among this group, most say they had to push their staff to work longer hours (61%) and over half say they are investing time and money into training their current employees as a way to compensate for not finding new recruits. Over a third say they relied on help from family and friends to make up for staffing needs. This proportion spikes to over half within the service industry, businesses staffed by fewer than five employees, and those owned by millennials.

As reported in Q2 2018, small business owners work nearly double the hours of the average American worker (14 hours vs. 7.8 hours daily), likely exacerbating their struggle to strike a healthy work-life balance.

Manufacturing businesses seem to be having a particularly difficult time finding qualified candidates compared to other industries. Seventy eight percent report it was hard or very hard to find candidates with the right skills (compared to 67% across all sectors).

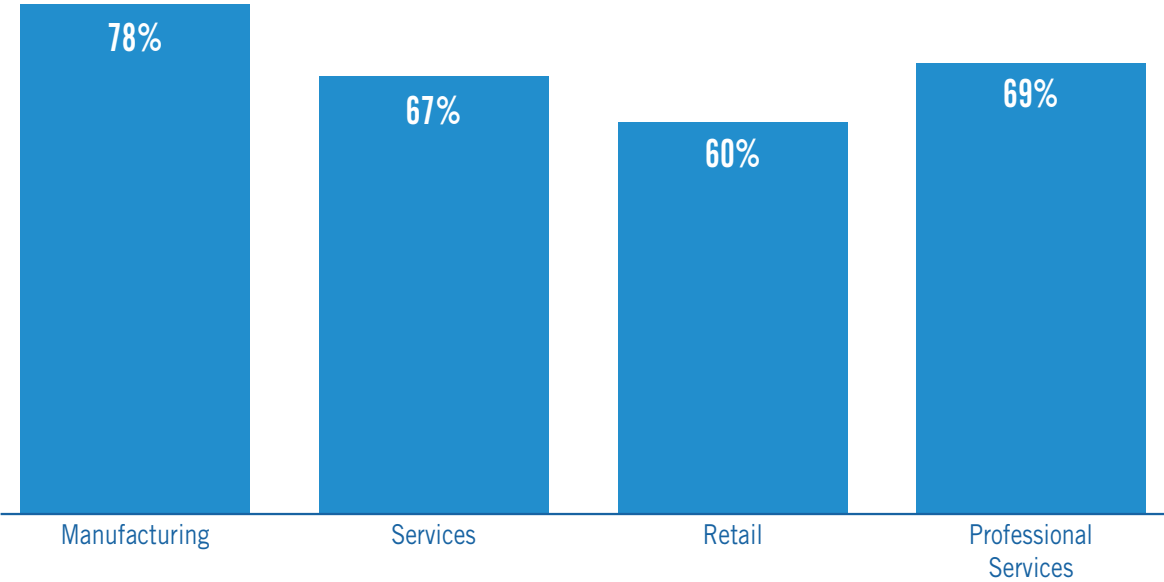
## WHO'S WORKING THE MOST?



On experience, 81% of manufacturers looking for new employees say it was hard or very hard to find candidates with the right experience (compared to 69% across all sectors). These Small Business Index findings are consistent with a recent study conducted by the Manufacturing Group and Deloitte<sup>1</sup>, which found that manufacturers report a sizeable gap between the talent they need and the talent they can find.

The data shows that businesses in the manufacturing sector report that the quality of candidates is improving, however. Thirty-eight percent of small business owners in manufacturing rate candidates as good or very good in Q4 (compared to 27% in Q2 2017) and 22% rate candidates as poor (compared to 31% in Q2 2017).

### THE TREK FOR TALENT



We have [lost business because we didn't have enough employees]. Generally, the way that it works is we will take on a project, try to staff up. If we can't get the employees, then we have to look at which product line is not going to get staffed knowing that that customer is, in all likelihood, not going to put up with it for very long. If we can't solve it in the short term, we'll end up losing that business."



**KEITH ELCOCK**  
Technical Director,  
South Bend Modern Molding  
Mishawaka, IN

<sup>1</sup> Deloitte and The Manufacturing Institute Skills Gap Study, <https://www2.deloitte.com/us/en/pages/manufacturing/articles/future-of-manufacturing-skills-gap-study.html>

## NO PLANS TO CHANGE RECRUITMENT STRATEGY DESPITE TROUBLE FINDING TALENT

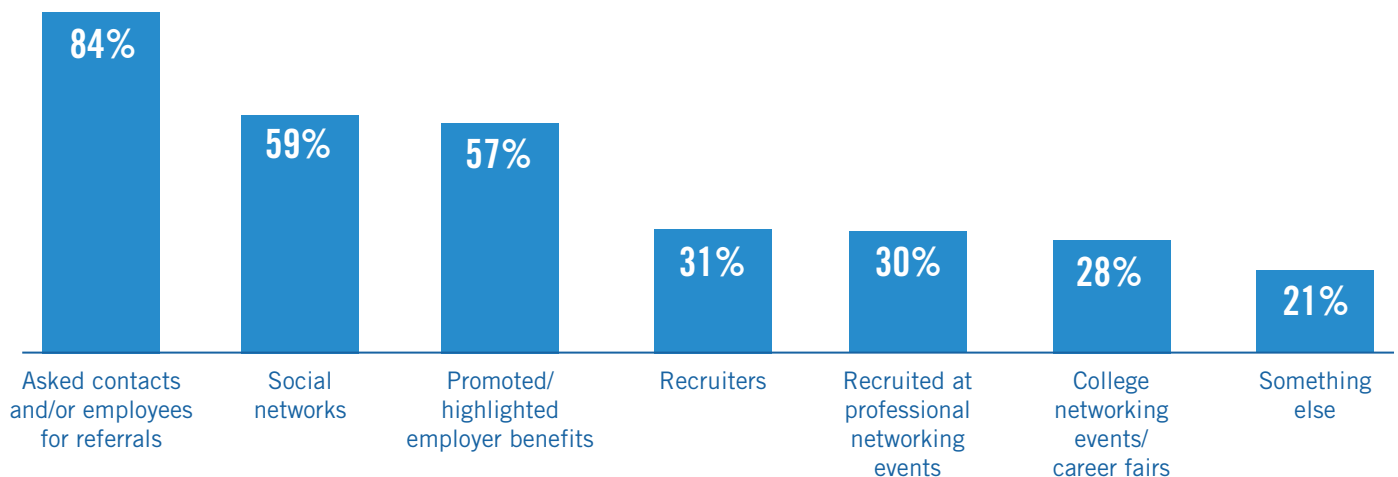
In 2018, most small businesses needing to hire new staff say they looked to professional contacts and current employees to refer qualified candidates (84%). They also indicate relying on social networks (59%). A number of small businesses also say they recruited candidates partially by promoting or highlighting the benefits they offer (57%). Less than one-third say they used a recruiter (31%), professional networking events (30%), or college career fairs (28%).

Regardless of whether they searched for candidates, or how successful their search, three out of four small business owners say they do not plan to do anything differently to find qualified candidates in 2019.

Fewer than 10% of respondents endorsed adopting new recruitment strategies next year, such as finding new ways to advertise (6%), increasing pay (4%), adjusting the job description (3%), offering internships (3%), connecting with colleges (2%), working with headhunters (2%), or offering more benefits (1%). Among those who searched for candidates in 2018, two in three say they will use the exact same strategy to search in 2019.

It is clear that companies need to find innovative and different ways to attract and connect with talented candidates. Within manufacturing, for example, a Deloitte<sup>2</sup> study recently suggested that possible reasons for the talent gap include retiring Baby Boomers, negative attitudes toward manufacturing jobs, and lack of apprenticeship opportunities. The businesses that find or create new avenues of recruitment in this industry; that connect with young people at earlier stages through colleges or trade schools; or appeal to new hires through creative advertising, internships or apprenticeships, will be the manufacturers that attract a new generation of makers to their organizations.

### RECRUITMENT STRATEGIES EMPLOYED OVER THE PAST YEAR



<sup>2</sup> Deloitte and The Manufacturing Institute Skills Gap Study, <https://www2.deloitte.com/us/en/pages/manufacturing/articles/future-of-manufacturing-skills-gap-study.html>



**In today's economy, talent is king. Yet, for American small businesses—our largest job creators—talent is anything but abundant.**

Many small businesses are hard pressed to commit the time to engage education and workforce partners for good reason. For one, they have little time, resources, or bandwidth to commit to efforts outside of their core business. The bureaucracy of our education and workforce systems can seem impenetrable and certainly not user-friendly to a small business. Yet another reason is the number of job openings they have vary from year to year and the volume of those openings might be quite small compared to workforce programs that are built for scale. The result? Small business owners spending more hours and days working more than one job and future workers arriving not as prepared as they could be.

However, the times are changing and new models for business engagement and workforce partnerships are emerging that can be game changers for small business. For one, small businesses such as Wyoming Machine, Inc. are stepping up and showing us how small business can be part of the workforce solution. Wyoming Machine is finding smart, tactical ways to change perceptions about careers in manufacturing and, together with other small manufacturers, is finding ready partners in the community that can provide training and credentialing pathways for future and current employees.

At the Chamber Foundation, we too are working through our Talent Pipeline Management™ (TPM) initiative to help form collectives of small to mid-size employers that can expand their leverage when implementing career pathway partnerships that meet their most pressing workforce needs.

Addressing our country's workforce development challenges is no longer a big business problem. In fact, small businesses may yet deliver the most innovative and important solutions for creating real pathways to opportunity in today's economy.



**Jason Tyszko, Vice President  
Center for Education and Workforce  
U.S. Chamber of Commerce Foundation**

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*The opinions stated here are solely those of the U.S. Chamber of Commerce, not opinions of MetLife, and are not necessarily views endorsed or approved by them.*

# UPSKILLING THE SMALL BUSINESS WORKFORCE

Wyoming Machine, Inc. partners with local technical colleges to provide on-site, customized training to employees, giving them access to college credit courses. Investment in this educational partnership enables them to attract, develop, and retain a workforce that is prepared for the changing needs of modern manufacturing, while enhancing the lives of people through skill development and expanded career opportunities.

## **The Challenge**

Over the next decade, 22% of skilled manufacturing workers will retire, and the industry is projected to fall a startling two million workers short of its need.

As a small business, Wyoming Machine found it difficult to recruit and compete for the talent they needed, such as welders, laser operators, and press brake operators. In addition to facing a technical skills gap, the company realized that a number of current and potential employees lacked basic math and blueprint reading skills.

## **The Solution**

Wyoming Machine, Inc. is changing the perception of manufacturing careers, raising awareness about the opportunities in the industry, and providing training for employees through community partnerships.

To recruit and upskill future manufacturing talent, Wyoming Machine partners with other manufacturing companies and a local technical college to provide on-site, customized training to employees, giving them access to college credit courses through an interactive television system.

## **Changing Public Perception**

Wyoming Machine recognized the immense need to change the outdated and unattractive public perception of manufacturing as a dark, dangerous, and dirty profession. The only way to do this was through community engagement.

The company began hosting and participating in:

- Manufacturing tours, which allow individuals to experience a modern-day manufacturing environment firsthand.
- Gold Collar Career Day, an opportunity for high school students to visit Pine Technical and Community College (PTCC) to learn about careers in manufacturing.
- Women in Technology, a program introducing 6th grade girls to careers in STEM.
- Career fairs, specifically targeting unemployed and underemployed communities to promote career opportunities in manufacturing.

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## Community Partnerships

About 20 years ago, Wyoming Machine began partnering with other local manufacturers and with Pine Technical and Community College (PTCC) to discuss the future of the manufacturing workforce and address the growing shortage of skilled manufacturing talent.

In 2008, PTCC applied for and was awarded a grant by the U.S. Department of Labor to train workers for careers in advanced manufacturing. As part of the grant, Wyoming Machine was one of five partners selected by PTCC to receive distance-eliminating learning equipment, which allows a PTCC professor to simultaneously teach in several locations at one time via videoconferencing.

Wyoming Machine and the other manufacturing partners provided PTCC with input about the type of education and training that would be helpful, and today these companies offer on-site, customized training to their employees, giving them access to college credit courses while on the job.

While the original grant paid for the equipment and for the development of specific course offerings based on input from manufacturers, the manufacturing partners continue to cost-share to develop additional in-demand courses for their employees.

## Breaking Down Barriers

Wyoming Machine's partnership with other manufacturers and their local technical college allowed them to hire people based on their desirable qualities rather than direct manufacturing qualifications.

Despite being a relatively small business in a rural community, Wyoming Machine has successfully recruited skilled talent and continues to upskill their workforce to meet the changing needs of their industry. Their model for success is repeatable and especially beneficial to employers in rural communities.



# SMALL BUSINESS ENVIRONMENT

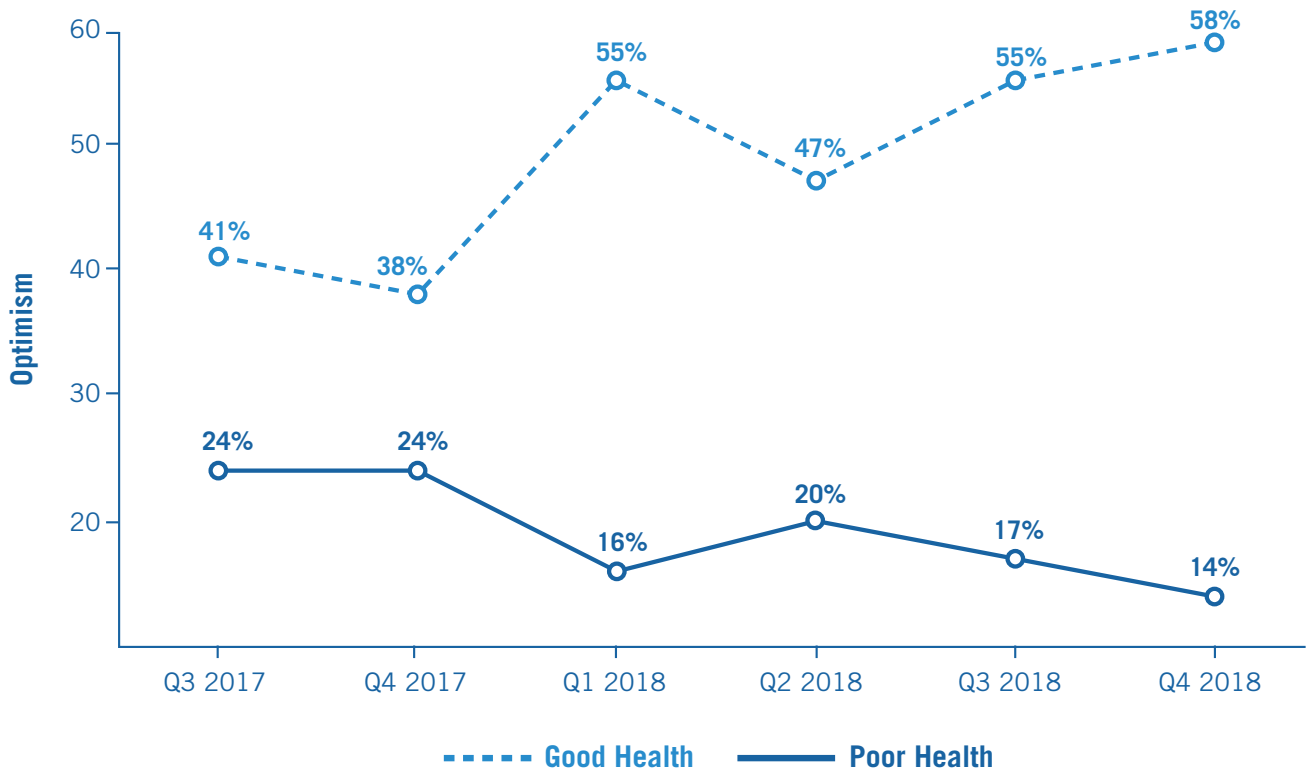
## PERCEPTIONS OF NATIONAL AND LOCAL ECONOMY CONTINUE TO IMPROVE

Small business owners' perceptions of the national economy have ticked up again this quarter, with a record setting 58% rating the health of the U.S. economy as very good or somewhat good, up three points from Q3.

Small business owners' perceptions of their national economy have risen most in the Northeast, up 16 points to 61%, the highest across regions. The South has also seen significant gains in views of the national economy, up eight points from last quarter to 57%. Views in the Midwest hold steady at 60%. Only the West sees perceptions drop from last quarter down three points to 55%.

Perceptions of their local economy have also reached record highs, with 56% rating the local economy as very good or somewhat good, up from Q1 and maintaining the upward trajectory seen all year. The South continues to see dramatic gains, where 64% of small business owners rate the local economy positively, up a remarkable 15 points since last quarter.

U.S. ECONOMIC OPTIMISM HAS CONTINUOUSLY INCREASED SINCE Q2 2018



Small business owners in the Northeast are the least positive about their local economy, but their perceptions ticked up three points this quarter to 49% rating it positively, after a slight dip last quarter. In the Midwest, perceptions of the local economy improved four points to 53%.

Perspectives on local competition remain unchanged since last quarter, with 18% of small businesses reporting an increase in competition and 74% saying competition has stayed the same, compared to six months ago. This figure varies by employee size and number of years in business, however, with larger small businesses (100-plus employees) reporting the highest level of new competition compared to smaller companies at 29%. A quarter of businesses younger than 10 years old report an increase in competition. In contrast, just 16% of more established businesses say they are seeing more competition cropping up in their local markets.



In the 7 years that we've been in business, 2018 seemed like the best for our wedding and event services. People seemed more willing to spend money freely and openly, which in turn creates more income for us ...To plan for things, we've been trying to stay conservative in our projections so we don't overestimate.



**ROSE MATTOS**  
Owner,  
Forêt Design Studio  
Boston, MA



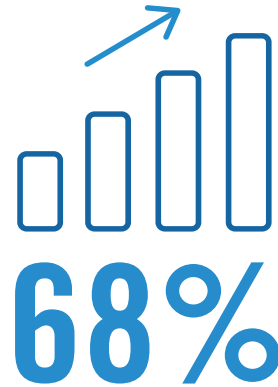


# SMALL BUSINESS EXPECTATIONS

## THE SOUTH DRIVES UPWARD TREND IN BUSINESS EXPECTATIONS

The Small Business Index paints an optimistic picture regarding small business owners' expectations for the next year. Revenue expectations have increased four points this quarter, with 60% of small businesses anticipating a rise in their revenue over the next year, and more businesses anticipate hiring new staff this quarter as compared to last (30%, compared to 25% in Q3).

Expectations regarding future revenue are somewhat uneven across region, company characteristics, and demographic differences. In the South, 68% of businesses expect to increase revenue, the highest of all regions. On the other side of the spectrum, just over half of small business owners in the Northeast expect increased revenue in 2019. Businesses anticipating an increase in revenue in the coming year are more likely to be in the professional services sector and to employ over 100 people. This quarter, more male-owned businesses expect a bump in revenue (62%) compared to businesses run by women (53%). This represents a reversal in revenue expectations by gender from last quarter.



**of businesses in the South  
expect to increase revenue**

Tracking with regional differences in economic optimism and revenue projections, more Southern businesses (40%) expect to hire more staff in the upcoming year, nearly double the percentage of Northeast businesses who say they expect to hire. After a pullback on reported hiring in Q3, businesses employing 100-plus people are again bullish, with 59% saying they anticipate hiring new staff, similar to Q2. While only 38% of such companies reported anticipating hiring new talent in Q3, this quarter, 59% say they anticipated hiring.

More businesses (29%) also plan to increase their investment, a figure that is up seven points from Q3. That said, slightly more companies expect to reduce investment this coming year as compared to last quarter (12% in Q4 compared to 10% in Q3). Mirroring trends in future revenue and hiring, the South leads the country in the proportion of businesses expecting to increase their investment in 2019 at 38%. In all other regions, about a quarter of businesses anticipate increased investment.

# SMALL BUSINESS OPERATIONS

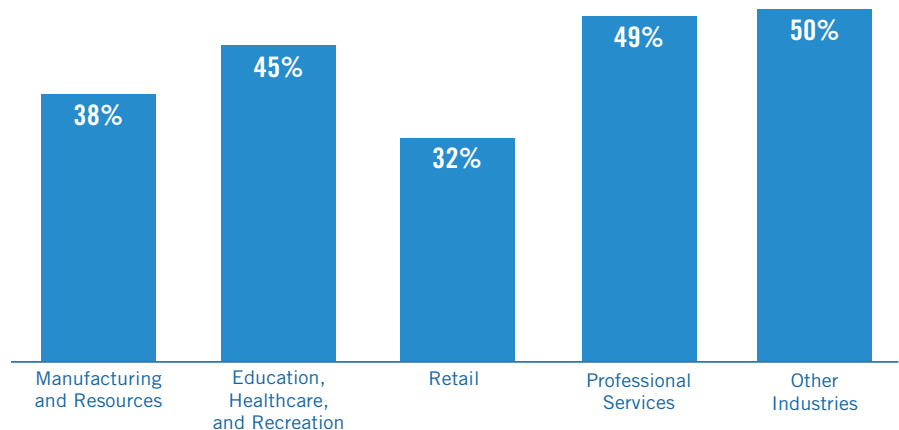
## PERCEPTIONS OF BUSINESSES' OVERALL HEALTH REMAINS HIGH

Small business owners' perceptions about the overall health of their businesses remain steady from last quarter, with 64% feeling either somewhat good or very good. Those reporting that they believe their businesses to be in very good health ticked up one point from Q3.

The vast majority of larger small businesses (100+ employees), 86% to be exact, report that their businesses are in good health. Patterns in reporting across sectors varied somewhat from Q3 to Q4. Retail trails all sectors in the proportion of owners reporting good overall health, representing a decrease to 52% in Q4 from 57% in Q3. Similarly, the number of businesses in the professional services sector reporting good health has dropped 10 percentage points from last quarter to 66% in Q4.

The percentage of businesses that report hiring new staff in the past year remains constant between this quarter and last at 19%, with the Northeast reporting the lowest percentage (15%). More than half of all larger small businesses (55%) say they hired new staff last year, compared with about a quarter of businesses with fewer than 100 employees. Significantly more minority-owned businesses report hiring new talent this past year compared with white-owned businesses (27% compared to 18%). Compared to last quarter, slightly more small businesses report having to reduce staff.

### LARGER BUSINESSES PLAN TO INCREASE STAFF OVER THE NEXT YEAR



Eight in 10 small business owners report feeling comfortable with their cash flow, consistent with Q3. This proportion does not vary significantly across industry or region. Male-owned businesses report a slight dip from 83% to 80% between Q3 and Q4 and more female-owned businesses report feeling comfortable with cash flow compared to last quarter (81% vs. 75%).

Small business owners say they spent slightly more time dealing with licensing, compliance, and other government requirements this quarter compared to last; however, the percentage of businesses reporting an increase in time spent handling these issues was just 23% (up from 20% last quarter).

## A SUCCESS STORY ON FINDING AND KEEPING TALENT – WHAT SMALL BUSINESSES CAN LEARN

Deslyn Norris is the former Vice President of Human Resources at Topgolf, a global sports and entertainment company. Norris was part of Topgolf during its peak growth period and she was responsible for not only hiring employees, but also establishing the organization’s well-respected culture. During her tenure, Topgolf grew from approximately 1,000 employees (seven venues) to more than 18,000 employees (50 venues) in over 20 states in five years. Topgolf was recognized as a Best Place to Work, in addition to Forbes 2018 Best Employers.

Here’s some of the advice she shared during the U.S. Chamber’s Small Business Summit, presented by MetLife, for small business owners and entrepreneurs to capitalize on the success mechanisms for hiring and retaining employees:

### **Know your mission, vision, and purpose.**

“How do you find and keep top talent? Start backwards and ask: What’s the company’s mission, vision, and purpose? Understanding this can allow you to get, grow, and keep top talent, because people want to work somewhere with a strong foundation—and with people who share their values.”

“Don’t start with just filling a skill set because you can teach skills. Knowing your mission, vision, and purpose leads to keeping your people.”

### **Understand your employees and the types of employees you are trying to attract.**

“You have to understand the mindset and needs of your employees. This tells you the benefits they need, what culture they prefer, and what gets them going. It’s important that every employee knows you value them and want to listen to their voice.”

### **Empower your team to be unofficial recruiters.**

“There’s a huge marketing resource that many companies leave untapped: your employees. The more excited and knowledgeable employees are about your brand, the more engaged they will be, and this will lead to helping you in recruiting future employees.”

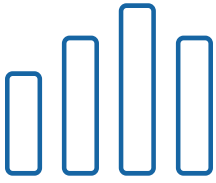


*Deslyn Norris was part of the U.S. Chamber and MetLife’s annual Small Business Summit in Washington, D.C., as well as a speaker at the Small Business nationwide series event in Dallas.*

*The U.S. Chamber, MetLife, and in collaboration with state and local Chambers across the country, celebrate the success and growth of small businesses through a marquee nationwide event series. One national summit in Washington, D.C. and four local programs, feature engaging sessions and workshops led by the nation’s top innovators, strategists, entrepreneurs, and local community leaders. Attendees gain practical skills, learn the latest business tactics, and make invaluable connections to help support and scale the growth of their companies.*

*You can learn more at [www.smallbusinessseries.com](http://www.smallbusinessseries.com).*





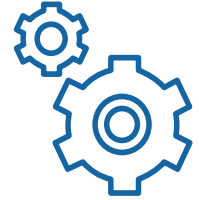
The MetLife & U.S. Chamber of Commerce Small Business Index paused slightly to 69.3, after six consecutive quarterly increases.



Small businesses seeking to hire new talent report that the candidate pool leaves room for improvement, with 20% rating the quality of the candidates as poor and a mere 9% rating candidates as very good.



Of those small business owners struggling to find and hire qualified candidates, approximately 80% are having to work more hours and take on more roles at work.



Compared to other sectors, manufacturing businesses that have looked for talent this year are having an especially tough time finding candidates with the right skills (78%) and experience (81%) located in their area (73%).



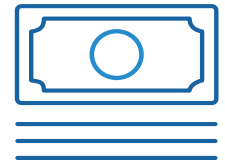
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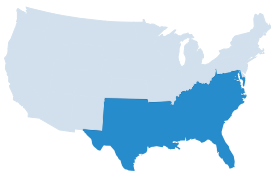
58% of small business owners think that the U.S. economy is in good health, surpassing last quarter's previous high of 55%.



The number of small businesses rating their local economy as somewhat good or very good has increased to 56% in the current quarter, up from 46% in Q1.



More than a quarter of small businesses say they plan to invest more in their company and hire more staff in the coming year.



The South leads the country in percentage of businesses expecting increased revenue (68%), hiring (40%), and investment (38%).



The vast majority of larger small businesses (100+ employees) report that their businesses are in good health.



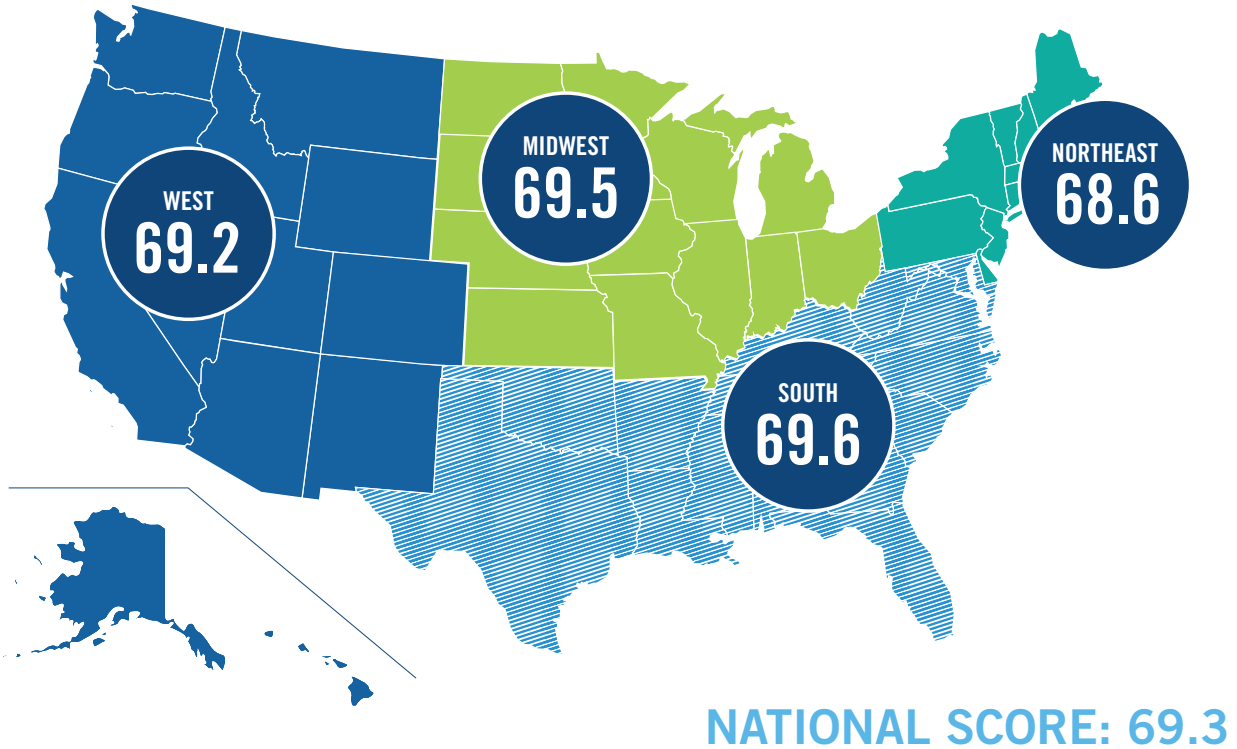
Fifty-five percent of larger small businesses (100+ employees) say that they hired new staff last year, compared with about a quarter of businesses with fewer than 100 employees.



Perceptions about the local and national economy are at their highest point this quarter since the inception of the Small Business Index.

OPTIMISM ABOUT THE ECONOMY REMAINS HIGH ACROSS REGIONS

Q4 SMALL BUSINESS INDEX SCORE BY REGION



Across the country, small business owners are similarly positive about the small business environment. For the second quarter in a row, small business owners in the West report the highest levels of overall business health at 67%, down only one point from Q3.

The Midwest regional index score is slightly lower than the previous two quarters. Compared to Q3, fewer Midwest businesses rate the overall health of their business as good (58% in Q4, down from 66% in Q3). The Midwest is also experiencing the largest regional decline in comfort with cash flow compared to the previous two quarters, from 87% in both Q2 and Q3, to 80% in Q4.

In the Northeast, outlook about the health of the national economy has jumped up from the previous two quarters, with 61% of businesses reporting that the U.S. economy is doing well (compared to 45% in Q3 and 46% in Q2).

Small business owners in the South lead in positive perceptions of their local economy at 64%, up from 49% in Q3, the largest increase across regions. Businesses in the South are also markedly more likely to report to report anticipated increases in staffing (40%) and revenue over the next year (68%).

## SURVEY METHODOLOGY

**These are findings from an Ipsos poll conducted September 24 – October 22, 2018, via telephone in English. For the survey, a sample of 1,000 small business owners and operators were sourced from the continental U.S., Alaska, and Hawaii.**

Small businesses are defined in this study as companies with fewer than 500 employees that are not sole proprietorships. The sample for this study is a listed business directory of all U.S. businesses obtained through Dun & Bradstreet. Ipsos used fixed sample targets, unique to this study, in drawing the 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 2014 Statistics of U.S. Businesses dataset. The sample drawn for this study reflects fixed sample targets on firmographics. Post-hoc weights were added to the population characteristics based on region, industry sector, and size of business.

All sample surveys and polls may be subject to other sources of error, including but not limited to, coverage error and measurement error. The poll has a margin of error of plus or minus 3.5 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 confidence interval adjusted for design effect of the following: (n=1,000, DEFF=1.5) adjusted Confidence Interval=+/-5 percentage points. Where figures do not sum to 100, this is due to the effects of rounding.

## INDEX METHODOLOGY

To construct national, regional, employee size, and broad industry group level estimates of the health of small businesses in the U.S., a sequence of statistical techniques were applied to the survey results, including elastic net for variable selection and multilevel regression with post stratification (MRP) from the survey data.

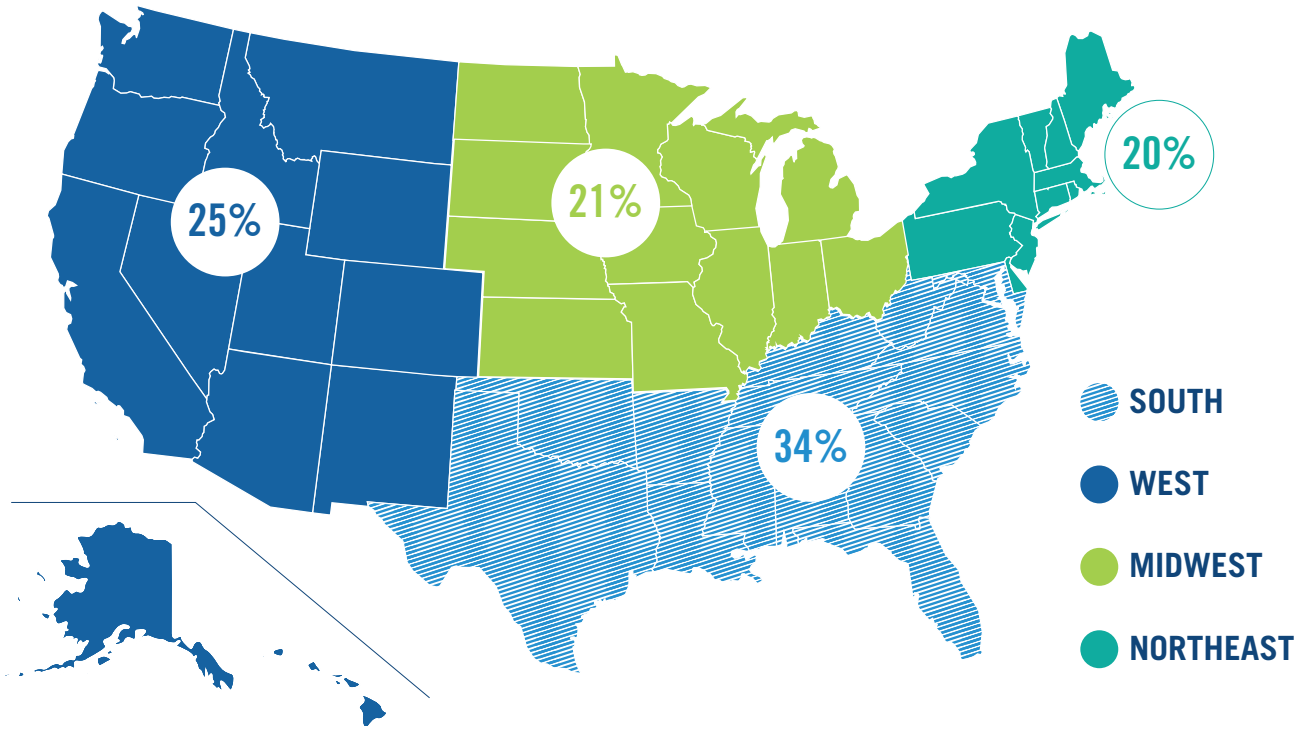
Since each business may report the state of its health by different standards, Ipsos uses the core survey questions to construct a stable, consistent definition of small business status. Each business is then classified into one of three categories: poor, neutral, or good. Once each business is measured on a consistent scale, the survey results are fed into a multilevel regression model to generalize our results to a broader set of businesses enabling us to measure the health of businesses not just nationally but also at the level of state, industry, and business

size. The model uses employee size, industry type, and location as individual level predictors, as well as data from the BLS on job change by industry.

Next, to ensure that our model results are reflective of the small business population in the U.S., we adjust our estimates using the number of businesses in the over 5,000 possible combinations of state, industry, and firm-size categories to ensure that the model of business health represents the U.S. population of small businesses.

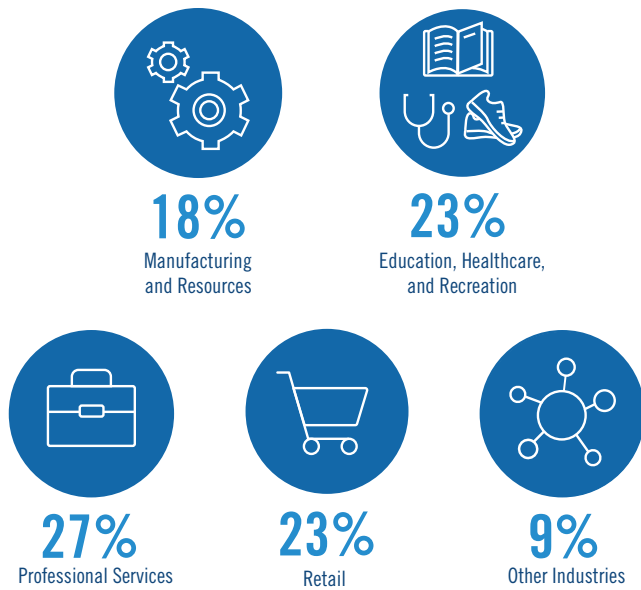
The process used is known as post-stratification, something that was not possible with the original sample due to sample-size limitations. The population estimates for employee size, industry, and location were obtained from the 2014 Census Survey of U.S. Businesses.

### REGIONAL BREAKDOWN

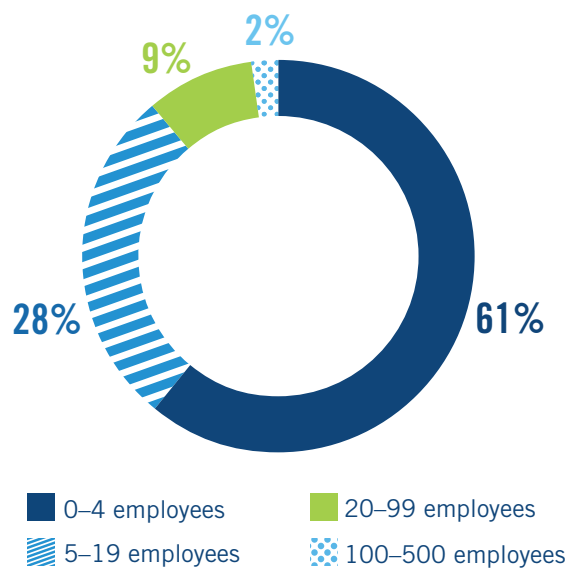


Survey Makeup of 1,000 Respondents

### INDUSTRY BREAKDOWN



### COMPANY SIZE BREAKDOWN



## CORE INDEX QUESTIONS

### SMALL BUSINESS OPERATIONS

1. How would you rate the overall health of your business?
2. Over the past year, would you say you have increased staff, retained the same size staff, or reduced staff?
3. How comfortable are you with your company's current cash flow situation?

### SMALL BUSINESS EXPECTATIONS

4. In the next year, do you anticipate increasing staff, retaining the same size staff, or reducing staff?
5. For the upcoming year, do you plan to increase investment, invest about as much in the business as you did last year, or reduce investment?
6. Looking forward one year, do you expect next year's revenue to increase, decrease, or stay the same?

### SMALL BUSINESS ENVIRONMENT

7. How would you rate the overall health of the U.S. economy?
8. How would you rate the overall health of the economy in your local area?
9. Compared to six months ago, does your business see more competition, less competition, or about the same level of competition from small or local companies?
10. 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?

## 2018 CORE INDEX TRENDS

The infographic below charts responses—in percentages—to each of the Index's 10 core questions and will provide insights into the changing attitudes and expectations of small business owners over time. This infographic reflects responses to the last four surveys, Q1, Q2, Q3 and Q4 of 2018. Responses to the 10 core questions are used to calculate the MetLife & U.S. Chamber of Commerce Small Business Index number, which currently stands at 69.3—meaning 69.3% of small business owners have a positive outlook for their companies and the environment in which they operate.





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. Its International Affairs Division includes more than 70 regional and policy experts and 25 country- and region-specific business councils and initiatives. The U.S. Chamber also works closely with 117 American Chambers of Commerce abroad. For more information, visit [www.uschamber.com](http://www.uschamber.com).



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