



Survey Data Findings

Small Business Index

Q3 2020: September Survey

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

Washington, DC, September 3, 2020

These are the findings of an Ipsos poll conducted between August 21-27, 2020. For this survey, a sample of roughly 600 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 2016 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 4.6 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=600, DEFF=1.5, adjusted Confidence Interval=+/-6.1 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>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-20*</u> <u>3/25-28</u>	<u>Q2-20</u> <u>4/21-28</u>	<u>Q2-20</u> <u>5/21-27</u>	<u>Q3-20</u> <u>7/9-16</u>	<u>Q3-20</u> <u>8/21-27</u>
Very good	38	39	38	39	41	43	35	33	24	25	27	25
Somewhat good	26	25	26	26	25	26	30	24	26	28	27	28
About average	27	26	28	28	25	22	25	27	26	29	27	30
Somewhat poor	5	7	5	5	6	6	7	12	17	12	12	12
Very poor	2	2	3	2	3	3	2	3	7	7	6	5
Refused	0	0	0	0	0	0	0	--	0	0	0	0
Don't know	0	0	0	0	0	1	1	1	0	0	0	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>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020 3/25-28</u>	<u>Q2-2020 4/21-28</u>	<u>Q2-2020 5/21-27</u>	<u>Q3-2020 7/9-16</u>	<u>Q3-2020 8/21-27</u>
Very good	21	29	22	25	28	29	29	12	6	6	10	7
Somewhat good	33	29	31	34	30	28	30	13	16	18	18	15
About average	25	27	28	24	25	25	26	20	15	18	15	20
Somewhat poor	13	10	14	13	11	12	9	36	34	39	31	39
Very poor	4	4	3	3	4	4	3	18	29	18	24	19
Refused	1	1	0	1	--	0	0	--	0	0	0	0
Don't know	2	1	2	0	28	2	1	1	1	0	1	0

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

	<u>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020 3/25-28</u>	<u>Q2-2020 4/21-28</u>	<u>Q2-2020 5/21-27</u>	<u>Q3-2020 7/9-16</u>	<u>Q3-2020 8/21-27</u>
Very good	25	26	23	24	27	29	24	13	7	6	11	8
Somewhat good	26	30	29	26	29	30	28	19	18	21	19	19
About average	31	25	29	31	26	25	31	28	25	33	30	35
Somewhat poor	12	14	14	15	12	11	14	28	32	29	29	27
Very poor	6	4	4	4	5	5	3	11	17	10	10	9
Refused	0	0	--	--	--	0	0	--	0	0	0	0
Don't know	0	1	0	0	1	0	0	1	1	0	0	1

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>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020 3/25-28</u>	<u>Q2-2020 4/21-28</u>	<u>Q2-2020 5/21-27</u>	<u>Q3-2020 7/9-16</u>	<u>Q3-2020 8/21-27</u>
More competition	18	18	16	18	15	14	14	25	23	21	31	29
Less competition	6	6	8	7	8	6	6	14	24	28	19	24
Stayed about the same	74	74	73	72	74	76	76	57	49	47	47	43
Refused	1	1	1	1	0	1	1	--	0	0	0	0
Don't know	2	1	3	2	4	3	3	4	4	5	3	4

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Survey Data Findings – continued –

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

	<u>Q3- 2018</u>	<u>Q4- 2018</u>	<u>Q1- 2019</u>	<u>Q2- 2019</u>	<u>Q3- 2019</u>	<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>
Very comfortable	34	34	32	35	37	37	28	19	11	18	17	17
Somewhat comfortable	47	46	50	48	44	46	52	40	37	38	38	39
Not very comfortable	11	12	11	10	11	10	11	23	29	25	30	31
Not at all comfortable	5	5	4	5	6	4	6	17	22	18	15	11
Refused	1	1	1	1	1	1	1	--	0	0	0	0
Don't know	2	2	1	1	2	3	2	1	1	1	0	2

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

	<u>Q3- 2018</u>	<u>Q4- 2018</u>	<u>Q1- 2019</u>	<u>Q2- 2019</u>	<u>Q3- 2019</u>	<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>
Increase investment	25	29	27	27	26	26	29	30	25	27	35	33
Invest about as much in the business as you did last year	57	53	56	55	55	58	52	38	39	36	32	38
Reduce investment	10	12	12	12	12	10	13	15	19	22	18	17
Refused	1	1	1	1	1	1	1	--	0	0	0	0
Don't know	6	5	4	4	6	5	6	16	17	16	14	12

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>Q3- 2018</u>	<u>Q4- 2018</u>	<u>Q1- 2019</u>	<u>Q2- 2019</u>	<u>Q3- 2019</u>	<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>
Increased	20	23	25	21	22	22	21	20	23	21	29	25
Decreased	3	4	4	3	3	3	4	11	16	19	13	15
Stayed the same	74	70	69	73	71	74	73	66	56	58	53	54
Refused	0	1	0	1	0	0	1	--	0	0	0	0
Don't know	3	2	2	2	4	2	2	3	5	2	5	5

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Survey Data Findings – continued –

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

	<u>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u> 3/25-28	<u>Q2-2020</u> 4/21-28	<u>Q2-2020</u> 5/21-27	<u>Q3-2020</u> 7/9-16	<u>Q3-2020</u> 8/21-27
Increased staff	19	19	17	18	19	20	17	15	14	13	20	15
Retained the same size staff	66	64	71	70	68	66	66	71	67	67	60	64
Reduced staff	13	16	12	11	13	13	16	13	19	18	17	19
Refused	0	0	--	0	0	0	0	--	0	0	0	0
Don't know	1	1	--	1	0	1	0	1	0	1	4	2

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

	<u>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u> 3/25-28	<u>Q2-2020</u> 4/21-28	<u>Q2-2020</u> 5/21-27	<u>Q3-2020</u> 7/9-16	<u>Q3-2020</u> 8/21-27
Increasing staff	25	30	29	28	29	28	30	23	24	23	30	28
Retaining the same size staff	68	65	65	65	65	65	64	60	55	60	53	58
Reducing staff	5	4	5	5	6	6	5	9	13	10	9	9
Refused	0	1	0	0	0	0	0	--	0	0	0	0
Don't know	2	1	1	1	1	1	2	9	7	7	8	5

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

	<u>Q3-2018</u>	<u>Q4-2018</u>	<u>Q1-2019</u>	<u>Q2-2019</u>	<u>Q3-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u> 3/25-28	<u>Q2-2020</u> 4/21-28	<u>Q2-2020</u> 5/21-27	<u>Q3-2020</u> 7/9-16	<u>Q3-2020</u> 8/21-27
Increase	56	60	56	57	55	58	60	50	47	50	53	52
Decrease	8	6	8	7	8	9	7	19	25	19	18	16
Stay the same	33	32	34	34	35	30	31	23	22	21	22	25
Refused	1	0	0	1	0	0	0	--	0	0	0	0
Don't know	2	1	1	1	1	3	2	8	6	9	6	6

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Survey Data Findings – continued –

Q3 2020 Storyline Questions – August 21-27, 2020

11. How concerned are you about the impact of the coronavirus or COVID-19 outbreak on your business?

	<u>Q2-2020</u> <u>3/25-28</u>	<u>Q2-2020</u> <u>4/21-28</u>	<u>Q2-2020</u> <u>5/21-27</u>	<u>Q3-2020</u> <u>7/9-16</u>	<u>Q3-20</u> <u>8/21-27</u>
Very concerned	58	53	43	47	35
Somewhat concerned	26	32	38	31	39
Not very concerned	9	10	11	14	18
Not at all concerned	6	5	7	8	8
Don't know	1	0	1	0	0
<i>Concerned (Net)</i>	<i>84</i>	<i>85</i>	<i>82</i>	<i>78</i>	<i>73</i>
<i>Not concerned (Net)</i>	<i>15</i>	<i>15</i>	<i>18</i>	<i>22</i>	<i>27</i>

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

	<u>Q2-2020</u> <u>3/25-28</u>	<u>Q2-2020</u> <u>4/21-28</u>	<u>Q2-2020</u> <u>5/21-27</u>	<u>Q3-2020</u> <u>7/9-16</u>	<u>Q3-20</u> <u>8/21-27</u>
Less than a month	3	2	1	2	2
1-2 months	10	9	11	8	7
3-under 6 months	28	30	20	21	19
6 months – 1 year	46	50	55	56	55
Never	3	6	6	7	8
Don't know	9	2	6	7	8

13. Thinking about the next few months, how concerned are you, if at all, about having to close your business again, or stay closed, if there is a second wave of COVID-19?

**Waves conducted May 21-27 and July 9-16: Asked only of small businesses who have not permanently closed; with question text: Thinking about the next few months, how concerned are you, if at all, about the following?*

	<u>Q2-2020</u> <u>5/21-27*</u> N=495	<u>Q3-2020</u> <u>7/9-16*</u> N=497	<u>Q3-20</u> <u>8/21-27</u> N=600
Very concerned	35	35	26
Somewhat concerned	31	30	33
Not very concerned	16	14	22
Not at all concerned	17	18	17
Don't know	1	3	2
<i>Concerned (Net)</i>	<i>66</i>	<i>65</i>	<i>59</i>
<i>Not concerned (Net)</i>	<i>33</i>	<i>32</i>	<i>39</i>

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Survey Data Findings – continued –

14. How interested are you in the 2020 presidential election, compared to the previous presidential election?

	<u>Q3-20</u>
	<u>8/21-27</u>
Much more interested	40
Somewhat more interested	22
About the same	27
Somewhat less interested	7
Much less interested	4
<i>More interested (Net)</i>	<i>62</i>
<i>Less interested (Net)</i>	<i>11</i>

15. Prior to the COVID-19 pandemic, did you view your business as better off, worse off or about the same as four years ago, prior to the last presidential election?

	<u>Q3-20</u>
	<u>8/21-27</u>
Better off	35
About the same	41
Worse off	17
Don't know	2
I didn't own my business then/I wasn't involved in business decisions then	4

16. When deciding which presidential candidate to support, do you consider how their policy positions may directly impact your business?

	<u>Q3-20</u>
	<u>8/21-27</u>
Yes, it is a major factor in my decision	48
Yes, it is a minor factor in my decision	33
No, it is not a factor in my decision	16
I am undecided at this time on which candidate to support	4
<i>Major/Minor factor (Net)</i>	<i>81</i>



Survey Data Findings – continued –

17. As a small business owner or decision maker, which issue is the most important to you when considering which presidential candidate to vote for? (Select one)

	<u>Q3-20</u>
	<u>8/21-27</u>
Economy	34
COVID-19	14
Healthcare	11
Taxes	10
Government regulations	10
Race issues/Racial inequality	6
Immigration reform	4
Education and workforce training	4
Infrastructure	4
Other	4

18. As a small business owner or decision maker, which issue is the second most important to you when considering which presidential candidate to vote for? (Select one)

	<u>Q3-20</u>
	<u>8/21-27</u>
Economy	23
Taxes	17
Healthcare	14
COVID-19	11
Government regulations	10
Education and workforce training	8
Infrastructure	6
Race issues/Racial inequality	6
Immigration reform	3
Other	2

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Survey Data Findings – continued –

Combined first/second choice (Q17/Q18)

	<u>Q3-20</u>
	<u>8/21-27</u>
Economy	57
Taxes	27
COVID-19	25
Healthcare	25
Government regulations	20
Education and workforce training	12
Race issues/Racial inequality	12
Infrastructure	10
Immigration reform	7
Other	2

19. Has the 2020 presidential election been a topic of conversation among employees in your workplace?

	<u>Q3-20</u>
	<u>8/21-27</u>
Yes, it's a major topic of conversation	42
Yes, it's a minor topic of conversatiokn	35
No	23
Major/Minor topic (Net)	77

20. Where do you get your information about presidential candidates? (Select all that apply)

	<u>Q3-20</u>
	<u>8/21-27</u>
Cable news (CNN, FOX News, MSNBC)	47
Local news	47
National broadcast news (ABC, NBC, CBS)	45
Social media	40
Family, friends, coworkers	40
Candidate or campaign website, email, app, or print mailings	27
Commercials and advertisements	23
Other	9

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Survey Data Findings – continued –

21. Do you agree or disagree with this statement: **It is more important for political leaders to compromise, rather than stick to their beliefs, in order to get things done.**

	<u>Q3-20</u>
	<u>8/21-27</u>
Strongly agree	23
Somewhat agree	45
Somewhat disagree	20
Strongly disagree	8
Don't know	4
<hr/>	
<i>Agree (Net)</i>	68
<i>Disagree (Net)</i>	29

22. How serious of a problem is partisan gridlock in the federal government today?

	<u>Q3-20</u>
	<u>8/21-27</u>
Very serious	52
Somewhat serious	30
Not very serious	6
Not at all serious	2
Don't know	10
<hr/>	
<i>Serious (Net)</i>	82
<i>Not serious (Net)</i>	9



Survey Data Findings – continued –

23. Where are you focusing most of your business’s financial investments right now? You may select up to two.

	<u>Q3-20</u>
	<u>8/21-27</u>
Marketing and sales	43
Materials and inventory	31
Technology	25
Employees/Hiring talent	25
Infrastructure	15
Hardware	9
Other	4

24. How much have your business’ online / digital tactics (e.g. website usage, social media usage, internal tools usage, etc.) increased since the COVID-19 pandemic began?

	<u>Q3-20</u>
	<u>8/21-27</u>
0-20%	40
21-40%	27
41-60%	19
61-80%	8
81-100%	6

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Survey Data Findings – continued –

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