

METLIFE & U.S. CHAMBER OF COMMERCE

SMALL BUSINESS INDEX

THE VOICES OF SMALL
BUSINESS OWNERS

Q1 2020



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Cover photo: Yassin Terou, Owner, Yassin's Falafel House in Knoxville, TN.
Yassin's Falafel House was a finalist in the 2019 U.S. Chamber of Commerce
Dream Big Awards and he is a Knoxville Chamber of Commerce member.

INDEX TOUCHES THIRD CONSECUTIVE ALL TIME HIGH, BUT SMALL BUSINESSES SEE DIP IN LOCAL ECONOMIES

The MetLife & U.S. Chamber of Commerce Small Business Index rose to 71.7 this quarter, up 0.4 points from 71.3 last quarter. This is the highest score since the survey began in 2017 and marks the third consecutive quarter that the Index has set a new record.

However, the number of small businesses who report good local economic health declined significantly (from 59% in Q4 2019 to 52% in Q1 2020). Small business optimism also waned in three indicators: overall business health, comfort with cash flow, and staff increases. In contrast, the outlook on the national economy improved to a record high 60%, resulting in a slightly higher index score.

The survey was taken between December 19, 2019 - January 31, 2020 and reflects sentiment at the time.

Some key findings this quarter include:

- The number of small businesses reporting a good local economy declined seven percentage points from 59% in Q4 2019 to 52% in Q1.
- There is high optimism about the U.S. economy, up three percentage points from 57% to a record 60% this quarter for the Index. Overall, this metric has nearly doubled since the survey began (33% in Q2 2017).
- 65% of small businesses report good business health, down four points from 69% last quarter.



SMALL BUSINESS INDEX | Q1 | 2020

INDEX HIGHLIGHTS

Confidence in local economies slips. The number of small businesses seeing a good local economy declined from 59% in Q4 2019 to 52% in Q1.

Optimism about national economy reaches new high. Optimism about the U.S. economy increased three percentage points from 57% to an Index record of 60% this quarter. Overall, this metric has nearly doubled since the survey began (33% in Q2 2017).

Minority-owned business see a brighter future. Minority-owned businesses* are more likely to have plans to increase staff (38% vs. 27%), plans to increase investment (39% vs. 26%), and are more optimistic about future revenue (64% vs. 58%) than non-minority-owned firms.

Racial minority business owners more often turn to personal savings. Racial minority-owned businesses are more likely (49%) to rely on personal savings than all small businesses (43%) to fund and grow their small business.

More optimism about national economy than local economy. This quarter, small businesses are more optimistic about the health of the United States economy (60%) than the local economy (52%).

Overall business health drops. 65% of small businesses report good health this quarter, slightly lower than last quarter's 69%.

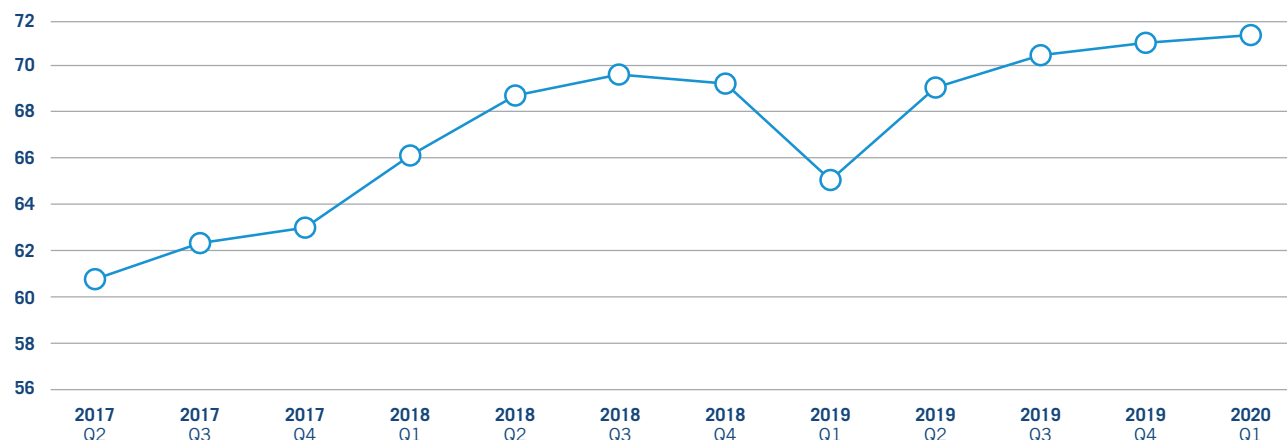
Hiring ticks down. Small business owners reporting an increase in staff over the past year decreased from 20% in Q4 2019 to 17% in Q1.

Service providers are most optimistic, retailers least. Small businesses in professional services and services (69%) continue to be optimistic about business health, followed by manufacturers (63%) and retailers (58%).

Southern small business upbeat, northeast less so. Small businesses in the South (67%) and Midwest (66%) are more optimistic than those in the West (63%) and Northeast (62%). Small businesses in the South are most likely to see their local economic health as good.

**Includes racial minority and LGBTQIA owners.*

SMALL BUSINESS INDEX: HISTORICAL CONTEXT



MINORITY-OWNED SMALL BUSINESSES SEE SIMILAR CHALLENGES AS OTHERS, BUT KEY DIFFERENCES REMAIN

This quarter, the MetLife & U.S. Chamber of Commerce Small Business Index surveyed small businesses about the challenges minorities in small business and minority-owned small businesses face. The Index also surveyed racial minority small business owners about their priorities. For the Spotlight section of this survey, minorities include racial minorities (Hispanic or Latino, African American, Asian or Pacific Islander, and others) only.

The survey did not find a large gap in the attitudes and priorities of minority-owned and all small businesses. No matter who the owner is, most small businesses believe hiring minorities should be a priority and diversity/inclusion programs should be more prevalent. 64% of all small businesses believe there are plenty of business and investment opportunities available for minorities, while 60% of minority-owned small businesses agreed. Almost equal numbers of minority-owned (17%) and of all small businesses (14%) said they had intentionally recruited an ethnically and racially diverse job candidate over the past year.

The survey did find some important differences between minority and other business owners. For example, minority-owned businesses are more likely to rely on personal savings (49%) than all small businesses (43%) to fund and grow their company. Likewise, all small businesses said they are more likely to turn to local banks or credit unions (43%) for funding compared to 38% of minority-owned businesses who did the same.

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This is a good time to be a small business in America. Our economy in Knoxville is strong. I feel especially blessed to provide for my community through good food and fellowship.”



YASSIN TEROU

Owner
Yassin's Falafel House
Knoxville, Tennessee

CHAMBER PERSPECTIVE: “THE MORE INCLUSIVE AN ORGANIZATION IS, THE MORE INNOVATIVE IT IS”

U.S. Chamber of Commerce Vice President of Strategic Alliances and Outreach, Rick Wade, develops and implements programs and initiatives to help the Chamber create new business relationships and partnerships across diverse audiences. We sat down with Wade and asked him about the priorities, challenges, and opportunities minority-owned small businesses face.



Q: According to a recent Gartner study, highly inclusive businesses generate 1.4 times more revenue and are 120% more capable of meeting financial targets. How can all small businesses take better advantage of these trends?

A: It's not just Gartner, a number of respected entities have made the business case that diversity works. More diverse and inclusive teams enhance profitability. So, I think small businesses have to be intentional about advancing diversity and inclusiveness within their organizations, making sure their businesses are reflective of their customers. It's one thing to be diverse, it's another to be inclusive. Even if you have diverse employees, are they included in decision making? Are they included in innovations that you can bring to market?

Q: Our survey found that only 7% of minority-owned businesses use grants or loans specifically designed for minority-owned small businesses. What can be done to increase that number?

A: The granting entities—whether they are the U.S. Small Business Administration (SBA) or financial institutions—have to be intentional about their education and outreach to these minority-owned businesses. We just need to do more of that. I am not surprised, because I work with so many minority-owned companies, who tell me about their lack of knowledge of grants, loans, and other capital sources like venture capital and private equity. They don't understand and they don't have the relationships—outside of grants and loans—to be able to drive investment to their companies.

Q: 27% of small businesses we surveyed report promoting an ethnically and racially diverse employee in the past year and 19% started or maintained a diversity and inclusion program. Small businesses are constantly pressed for time and resources, but what can any small businesses do to better address this issue?

A: I'm less concerned about a diversity and inclusion program, as opposed to ensuring that diversity and inclusion are part of the culture of an organization. That's what's most important and that's what the data says: the more inclusive an organization is, the more innovative it is.



Q: What are some of the initiatives the U.S. Chamber is working on to address some of the challenges minority business owners face?

A: We're doing a lot and there's commitment from the highest levels of the Chamber.

We have entered into an MOU with the U.S. Department of Commerce's Minority Business Development Agency (MBDA), the only agency in the federal government whose sole purpose is to support, expand, and create opportunities for minority-owned enterprises. We're sharing data with them and working to create opportunities for minority-owned firms in corporate supply chains.

Also, the U.S. Hispanic Chamber of Commerce signed on and publicly supported the recent passage of the USMCA trade deal. In our work with various national minority business federations, we've found that 60-70 percent of our business agenda is exactly the same, but we've never worked together collectively before.

Finally, we have the Next-Gen Business Partnership. We started with Howard University and created partnerships with Historically Black Colleges and Universities (HBCUs) across the country. This past summer, we had about 15 interns from HBCUs here at the Chamber. They're learning business and policy and we're making that investment in them. And that's exciting!

ALMOST TWO-THIRDS OF SMALL BUSINESSES SAY
HIRING FOR DIVERSITY IS GOOD FOR BUSINESS

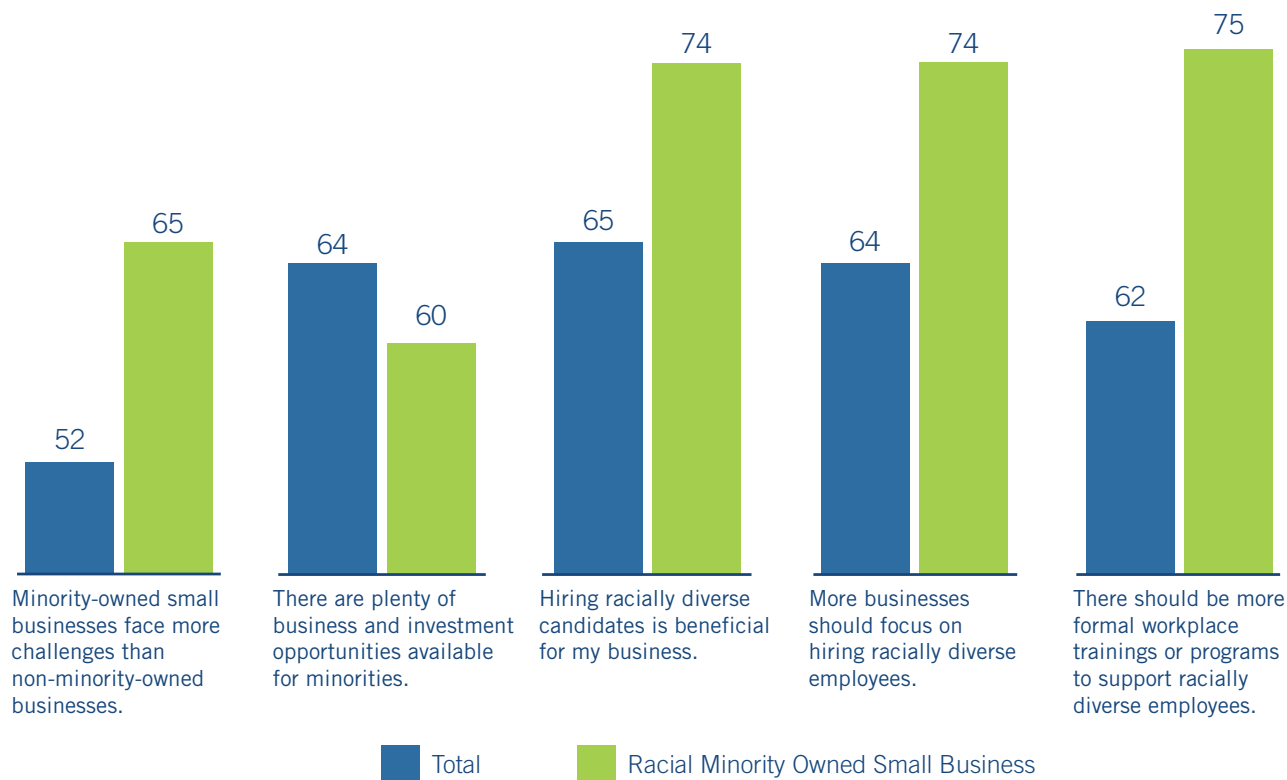
Almost two-thirds (65%) of all small businesses surveyed said that hiring ethnically and racially diverse candidates is beneficial for their business. Even more minority-owned small businesses (74%, nine points more) agreed.

A majority (52%) of all small businesses agree that minority-owned small businesses face more challenges than non-minority-owned businesses. However, substantially more minority-owned businesses (65%, a 13 point difference) say that minority-owned small businesses face more challenges.

Most small businesses (64%) believe there are plenty of business and investment opportunities available for minorities. Slightly less (60%) of minority-owned businesses agree with that statement. When minority-owned small companies are asked if they believe being a minority has been beneficial to their business, only a third agree.

62% of all small businesses feel there should be more formal workplace trainings to support ethnically and racially-diverse employees, while 75% (13 points more) of minority-owned businesses agreed.

SMALL BUSINESSES SEE DIVERSITY AS GOOD FOR BUSINESS



MINORITY-OWNED SMALL BUSINESSES MORE LIKELY TO TURN TO PERSONAL SAVINGS, NATIONAL BANKS TO FUND GROWTH

Minority-owned businesses are more likely to rely on personal savings (49%) than all small businesses (43%) to fund and grow their company.

Minority-owned small businesses reported seeking funding from different sources compared to other small businesses:

- 27% of minority-owned businesses turned to national banks for funding, compared to 22% for all small businesses.
- 19% of minority-owned small businesses approached friends and family for funds, compared to 15% of all small businesses who did the same.
- 12% of minority-owned small businesses turned to SBA funding compared to 8% of all small companies.
- 7% of minority-owned small businesses sought grants or loans specifically designed for minority-owned small businesses.

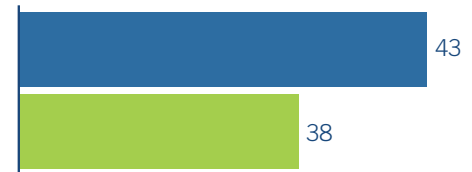
In contrast, all small businesses said they are more likely to turn to local banks or credit unions for funding (43%) compared to 38% of minority-owned businesses who did the same.

The survey also found that grants or loans for minority-owned small businesses are underused, with 7% of minority small business owners saying they utilize them.

Minority-owned small businesses also appear to face an information bottleneck when it comes to U.S. government contract opportunities. A third (33%) of minority-owned businesses report easy access to opportunities for obtaining government contracts. Furthermore, around half (48%) of minority-owned businesses say they are aware of what benefits are available for minority-owned business owners and 44% believe there are adequate resources for them.

HOW SMALL BUSINESSES FUND THEIR OWN GROWTH

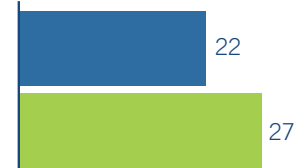
LOCAL BANKS OR CREDIT UNIONS



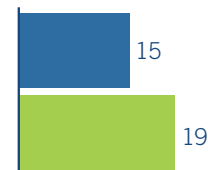
PERSONAL SAVINGS



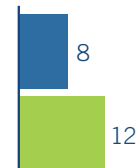
NATIONAL BANKS



FRIENDS AND FAMILY



U.S. SMALL BUSINESS ADMINISTRATION



■ Total ■ Racial Minority Owned Small Business

MINORITY-OWNED SMALL BUSINESSES PRIORITIZE PROMOTING DIVERSITY AND INCLUSION

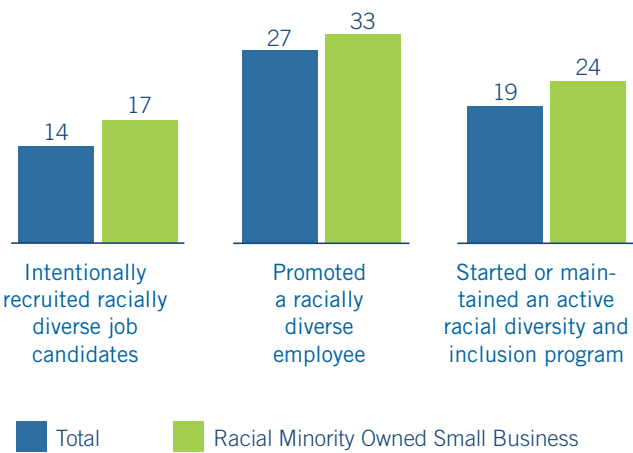
Around three in ten small businesses report promoting an ethnically or racially diverse employee in the past year, but minority-owned small businesses make it a somewhat higher priority (33% among minority small business owners versus 27% among all small business owners).

While most (65%) small business owners believe that hiring minorities is beneficial for business and that more businesses should focus on hiring minorities (64%), 14% of small business owners report intentionally recruiting an ethnically or racially diverse job candidate in the past year.

The situation is similar with minority-owned businesses. Ethnic and racial minority small business owners are even more likely to report that hiring minorities is beneficial and that more businesses should focus on hiring from this population (both 74%), but report only slightly higher numbers in intentionally recruiting (17% versus 14% for all small businesses) ethnically and racially diverse candidates in the last year.

Around a quarter (24%) of minority-owned small businesses say they have implemented or maintained a diversity and inclusion program, while 75% of minority-owned businesses said there should be formal workplace training to support diversity among employees.

HOW SMALL BUSINESSES SUPPORT DIVERSITY AND INCLUSION



“

The key to becoming a successful entrepreneur is not only about scaling your business, it is about believing in and encouraging others! Listening to and incorporating diverse perspectives is important in business. As a Latina business woman, I love demonstrating to other businesswomen and businessmen that anything is possible when you act boldly and believe in yourself.”



MARIA RIOS
President and CEO
Nation Waste, Inc.
Houston, Texas

SMALL BUSINESS ENVIRONMENT

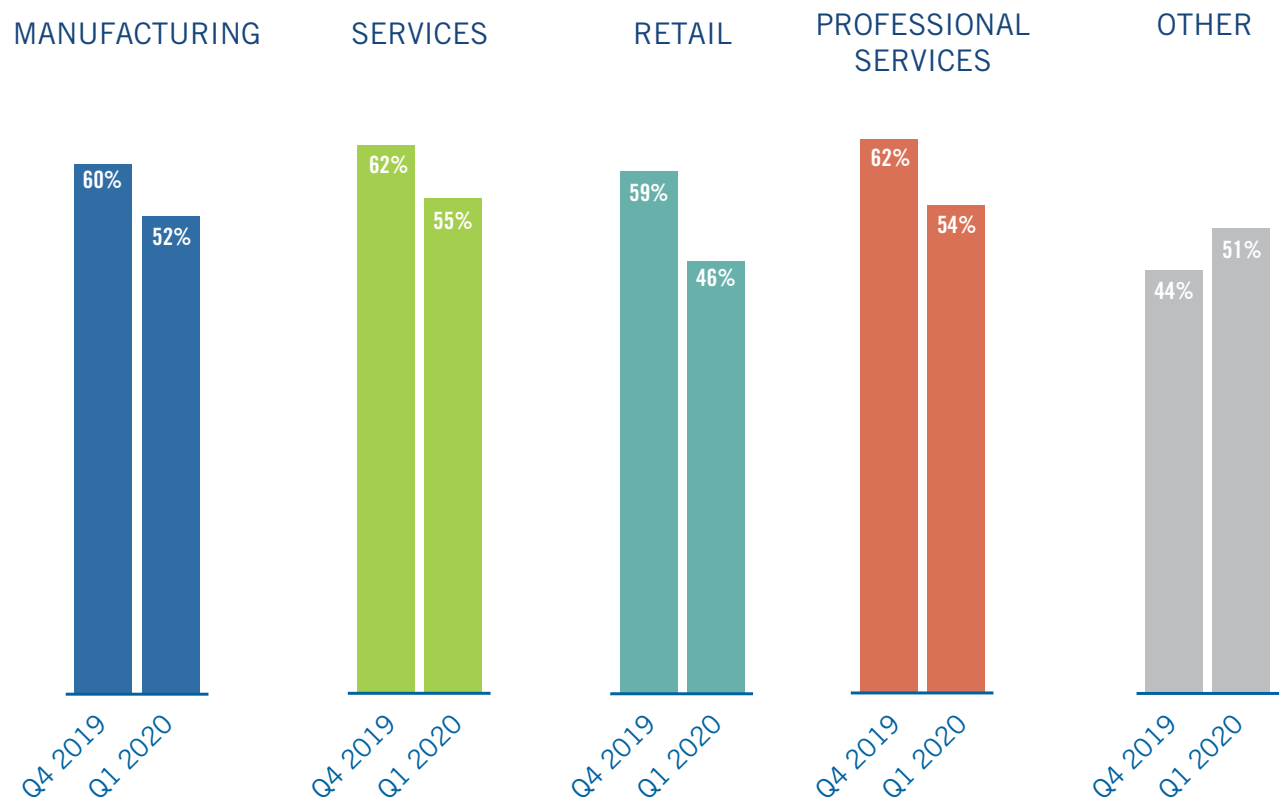
SMALL BUSINESS VIEWS OF LOCAL ECONOMIES DIP FROM HIGH

Last quarter, an unprecedented 59% of small businesses said the health of their local economy was good. This quarter, the number of small businesses seeing a good local economy dropped seven percentage points to 52%.

However, 60% of small businesses say the national economy is good, up three percentage points from 57% in Q4 2019. Overall, this means that small businesses are significantly more optimistic about the national economy (60%) than their local economies (52%).

Geographically, small businesses in the South are most likely to see a good national (61%) and local (60%) economy. While Northeast small businesses are the most pessimistic about both: only 45% say their local economy is good and 58% say the national economy is good. Western and Midwestern small businesses see the national economy in good health (both at 60%), but local economies less so (51% for West, 47% for Midwest).

U.S. ECONOMIC OUTLOOK BY SECTOR



Other key findings about the small business environment include:

- Small retailers are the most divided over the health of their local versus national economy. 63% of retailers say the national economy is good, but only 46% feel the same about their local economies.
- The percent of small businesses reporting increased local competition compared to six months ago is unchanged from last quarter at 14%.
- Overall, minority-owned businesses* are more likely to report an increase in competition (20%) when compared to non-minority-owned businesses (13%).
- Almost equal percentages of small businesses this quarter say they spent more resources and/or time on compliance compared to six months ago (21% in Q1 vs. 22% Q4 2019).
- Compared to other regions, Western businesses expend more resources on compliance. In a continuing trend over the last three quarters, small businesses in the West are the most likely to report spending more time on compliance measures (28%).
- Midwestern small businesses reported an increase in resources and time spent on compliance this quarter (20%) compared to last quarter (14%).

“

Vinformatix has never been better prepared for growth. We are staffing up. Vinformatix is expanding into the Federal contracts space this year and has made several strategic hires to better position our company for success in this large, competitive market.”



PADMA VATSAVAI

Founder and CEO
Vinformatix
Baton Rouge, Louisiana

**“Minority-owned” includes racial minority and LGBTQIA owners in the Key Findings section of this report.*

SMALL BUSINESS EXPECTATIONS

FUTURE STAFFING AND INVESTMENT PLANS REMAIN STABLE

Overall, small business expectations for investment and hiring are statistically unchanged from previous quarters. This quarter, 30% of small businesses are planning to increase their staff in the next year (up slightly from 28% in Q4 2019).

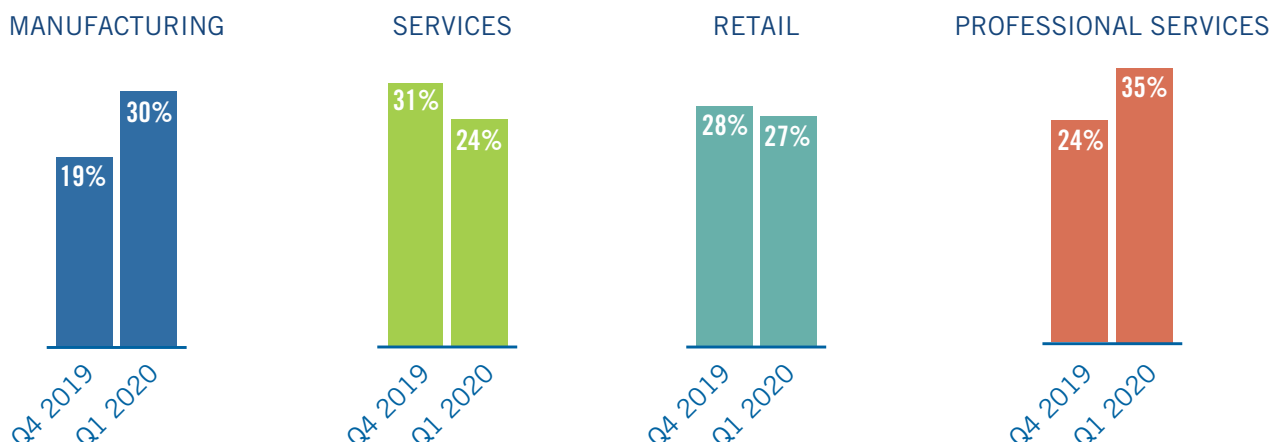
Across sectors, small businesses in professional services saw a significant 12-point increase in hiring expectations from 20% last quarter to 32% in Q1. But small service businesses' hiring plans have fallen six percentage points to 28% versus 34% in Q4 2019 and small retailers continue to be the least likely to have plans to increase staff (25%).

Cutting across demographics, younger and minority-owned firms' hiring plans are more robust:

- Millennial and Gen X owned small businesses (38%) are more likely than Baby Boomers and older generations (26%) to have plans to increase staff in the upcoming year.
- Minority-owned small businesses* are more likely (38%) to have plans to increase staff in the upcoming year than non-minority owned businesses (27%).

Expectations for investment increases are up slightly (29%, compared to 26% in Q4 2019). Some sectors have shown a robust uptick in investment plans this quarter. Strikingly, small manufacturers' outlooks have rebounded 11 percentage points, with 30% planning to increase investment (last quarter they were the least likely to plan to increase investments at 19%). Those within professional services are the most optimistic, jumping to 35% this quarter from 24% last quarter (another 11 point increase). But small service companies have cut back their plans, with only 24% planning to increase investment, a seven point drop (down from 31% in Q4 2019).

SMALL BUSINESS VARIANCE IN INVESTMENT PLANS



KEY FINDINGS

Similar to the situation in staffing, Southern small businesses are most likely to plan increased investments (32%) in the next year. Small businesses in the West are least likely to foresee an investment increase in the next year (25%).

As with hiring, small companies owned by younger people and minorities are more likely to have plans to increase investment:

- 35% of Millennial and Gen X small businesses plan to increase investments compared to 25% for Baby Boomers and older firms.
- Minority-owned small businesses* are more likely than non-minority-owned businesses to plan for increased investments (39% versus 26% for non-minority-owned).

Small businesses are more likely to anticipate future revenue increases this quarter, continuing a recent trend (60% in Q1, 58% in Q4 2019, 55% in Q3 2019).

Diving into sectors and demographics reveals some trends in revenue expectations:

- Smaller small businesses (56%) are less likely than mid-size (64%) and larger businesses (69%) to expect revenue growth, continuing a trend seen in previous quarters.
- Minority-owned small businesses* are more optimistic about future revenues (64% predict an increase) than non-minority-owned (58%) businesses.
- Small businesses in services are least likely to anticipate increased revenues in 2020 (56%) while 63% in professional services expect an increase.



SAÏD EASTMAN
CEO/General Manager
JobsInTheUS.com
Portland, Maine

“

Maine's issue is that there is a huge shortage of labor. In this year alone, there is a callout for people who grew up in Maine and have an interest in the state to 'boomerang' back home. The state is investing hundreds of thousands of dollars in marketing across the country to attract people to the state – which is a big initiative. For the big metro areas, unemployment is just over 2% and has a tremendous impact on the state's ability to grow. There are some success stories, but overall, I think that is one of the biggest challenges.”

SMALL BUSINESS OPERATIONS

SLIGHTLY FEWER BUSINESSES REPORT GOOD HEALTH

65% percent of small businesses report good health this quarter, down four points from 69% in Q4 2019.

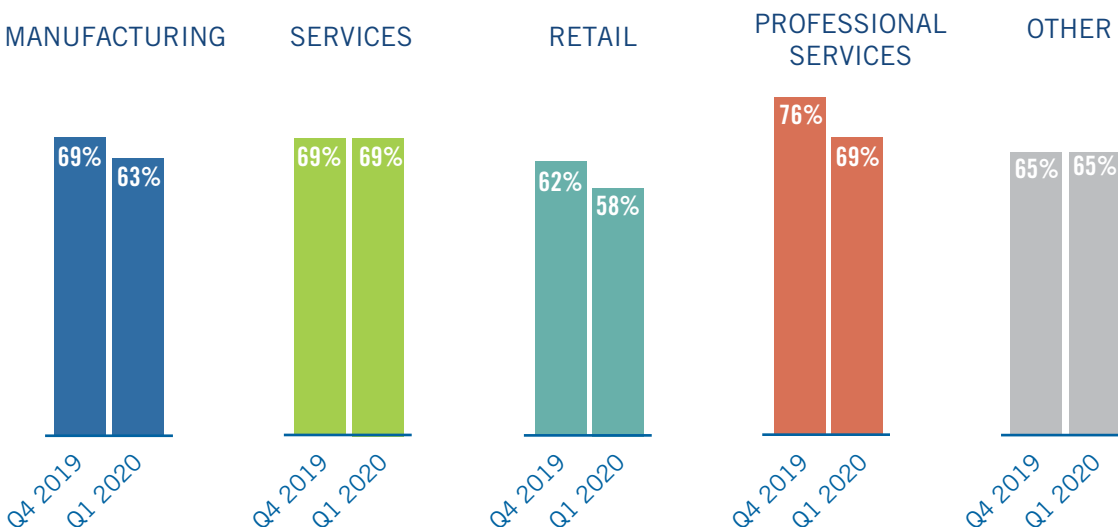
Across regions, the percentage of small businesses reporting good health is also down. The drop is particularly significant in the Midwest, where the percentage reporting good health dropped eight percentage points (to 66% from 74% in Q4 2019).

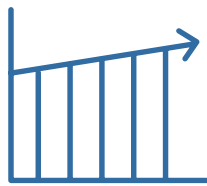
Looking across sectors, views of business health are all down or the same compared to last quarter. For professional services, optimism about business health declined from 76% in Q4 to 69% this quarter, but it remains the most optimistic sector. Professional service firms are followed by manufacturing (63%) and retail (58%) in terms of optimism about business health. Small manufacturers' optimism about their health has fallen six points to 63% from 69% in Q4, nearing a low seen in Q1 2019 (61%).

The number of small businesses who report increased staff is 17%, slightly lower than last quarter's 20% and reverting to the percentage seen in the first quarter of 2019.

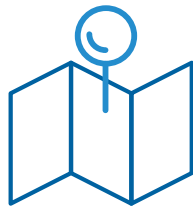
Sectors provide a mixed bag on reported hiring over the past year. Small manufacturers were most likely to report an increase in staff (22%) when compared to other sectors (18% among professional services, 16% among retail, and 14% among services). But those in the service industry fell seven percentage points from last quarter (21% in Q4 2019). 80% of small businesses report comfort with cash flow, slightly lower than last quarter (83%). Across regions, small businesses in the Midwest are most likely to report comfort in cash flow (84% this quarter, 88% last).

U.S. SMALL BUSINESSES REPORTING GOOD HEALTH BY INDUSTRY





Another all time high. The MetLife & U.S. Chamber of Commerce Small Business Index rose 0.4 points from 71.3 last quarter to 71.7 this quarter. This marks the third consecutive quarter that the Index has set a new record.



Small businesses see downturn in local economies. The number of small businesses reporting a good local economy declined seven percentage points from 59% to 52% in Q1.



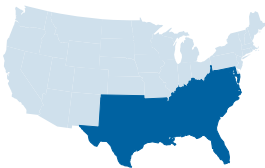
National economy reaches record high. Views of the U.S. economy rose three percentage points from 57% to a record 60%. This metric was just 33% in Q2 2017.



Overall business health drops. 65% of small businesses report good health this quarter, slightly lower than last quarter's 69%.



Hiring tracks downward. Small business owners reporting an increase in staff over the past year decreased from 20% in Q4 2019 to 17% in Q1, a drop of three points.



Southern small business upbeat, Northeast less so. Small businesses in the South (67%) and Midwest (66%) are more optimistic than those in the West (63%) and Northeast (62%).



Minority business owners turn to personal savings. Minority-owned businesses are more likely (49%) to rely on personal savings than all small businesses (43%) to fund and grow their company.



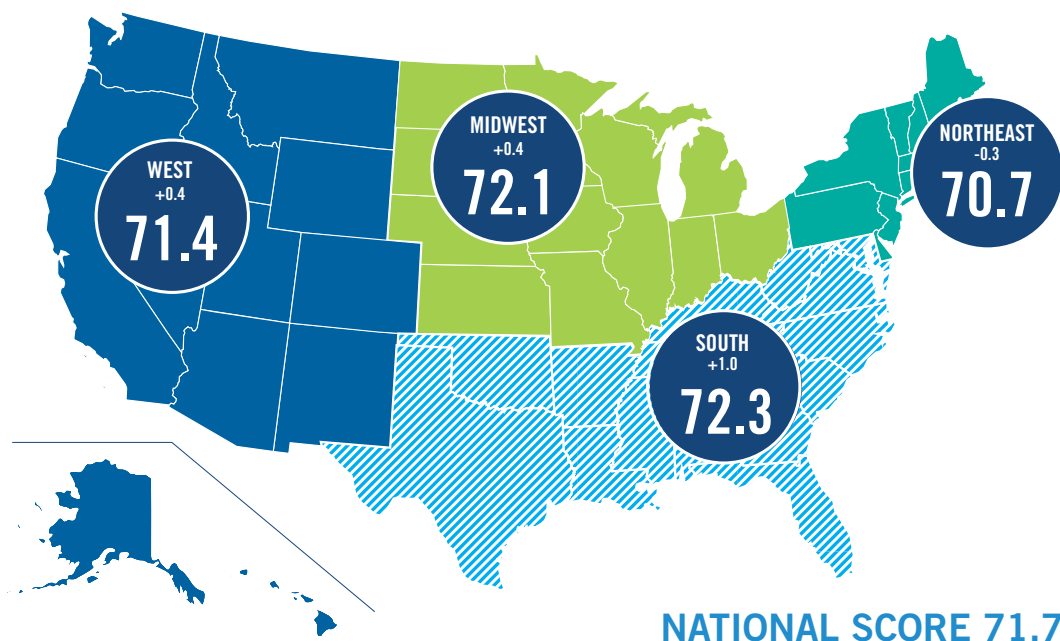
Minority-owned firms find government contracts opaque. A third (33%) of minority-owned businesses report easy access to opportunities for obtaining government contracts.



A majority of small businesses say hiring minorities is beneficial. Most small business owners (65%) believe hiring minorities is beneficial and 14% of small businesses reported intentionally recruiting an ethnically or racially diverse job candidate in the past year.

SOUTH LOOKS UP, NORTHEAST STALLS OUT

Q1 SMALL BUSINESS INDEX SCORES BY REGION



Northeast (70.7): The Northeast is the only region to register a dip this quarter, it is also the least optimistic of all the regions. Compared to other regions, the Northeast lags in overall business health (62%, compared to 63%-67% in other regions), view of the U.S. economy (58%, compared to 60%-61%), and views of their local economy (45%, compared to 47%-60%).

Midwest (72.1): 60% of Midwestern small businesses believe the U.S. economy is in good health, the same as the rest of the country. But Midwestern small businesses stand out with 21% saying they have increased staff in the past year (only 16% say the same in the West and Northeast, and 17% in the South). 84% are comfortable with cash flow in the region, compared to 77%-81% in other regions.

South (72.3): 60% of Southern small businesses are positive about the health of their local economies, slightly down from 63% last quarter (45% to 51% say the same in other regions). Views on national economic health have increased (to 61% in Q1 from 57% in Q4). 67% of Southern small businesses reported good health in Q1, higher than the Midwest (66%), West (63%) and Northeast (62%).

West (71.4): 63% of Western small businesses reported good health this quarter (three percentage points higher than Q4). But Western small businesses are tied with the Northeast in being the least likely to report hiring increases (16%). This is also reflected in hiring expectations, with only 26% reporting plans to increase staff, compared to 28%-36% in other regions.

SURVEY METHODOLOGY

These are findings from an Ipsos poll conducted December 19, 2019-January 31, 2020, via telephone in English. For the survey, a sample of 1,000 small business owners and operators was 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 and 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 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.

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 $= \pm 5$ percentage points. Where figures do not sum to 100, this is due to the effects of rounding.

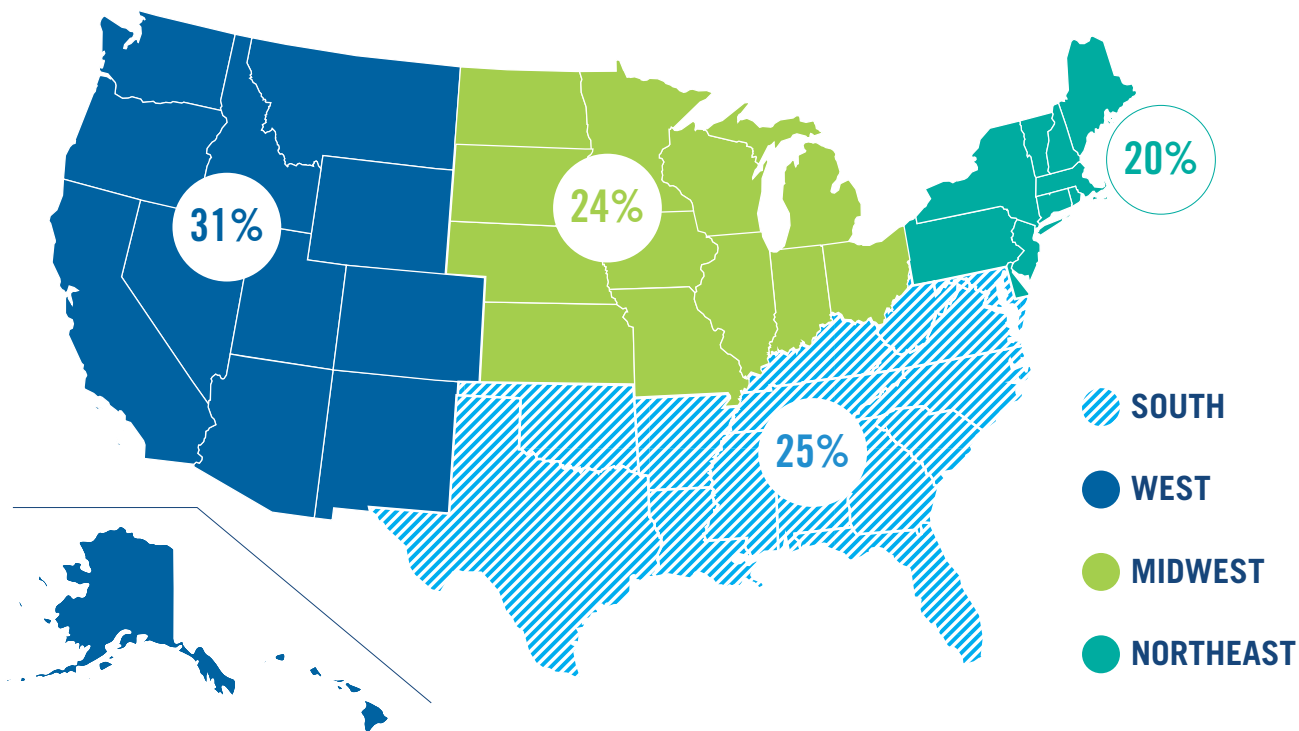
INDEX METHODOLOGY

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.

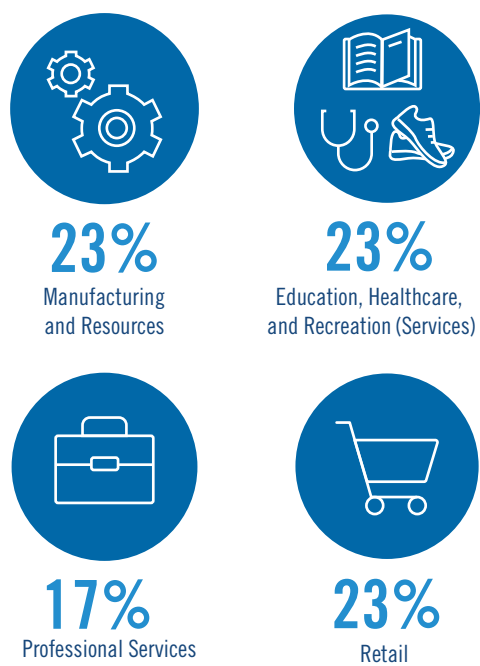
Next, to ensure that our model results are reflective of the small business population in the U.S., we adjust our estimates using the number of businesses in the over 5,000 possible combinations of state, industry, and firm-size categories to ensure that the model of business health represents the U.S.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

REGIONAL BREAKDOWN

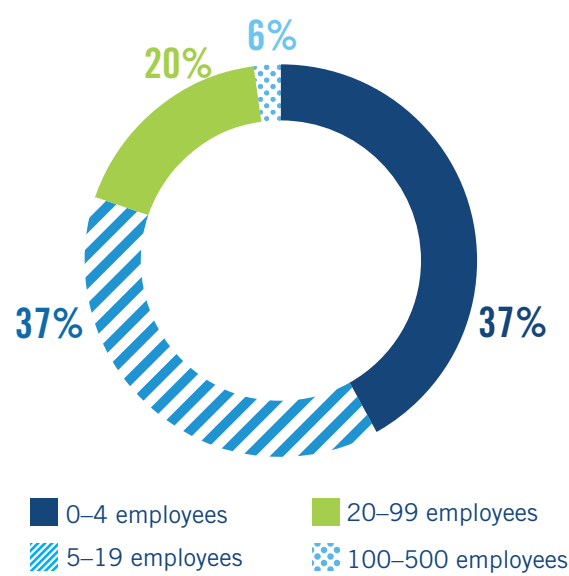


Survey Makeup of 1,000 Respondents

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

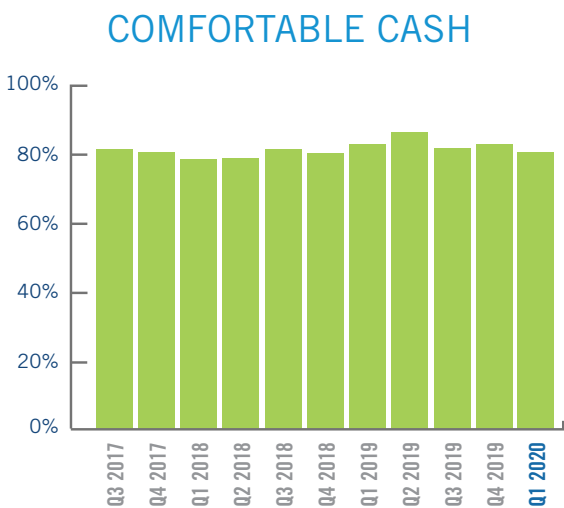
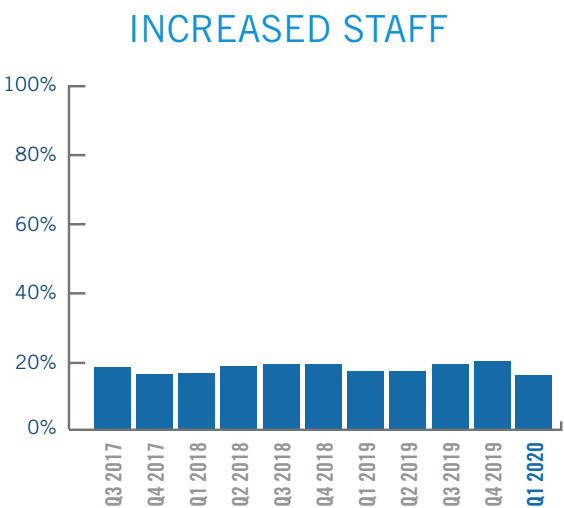
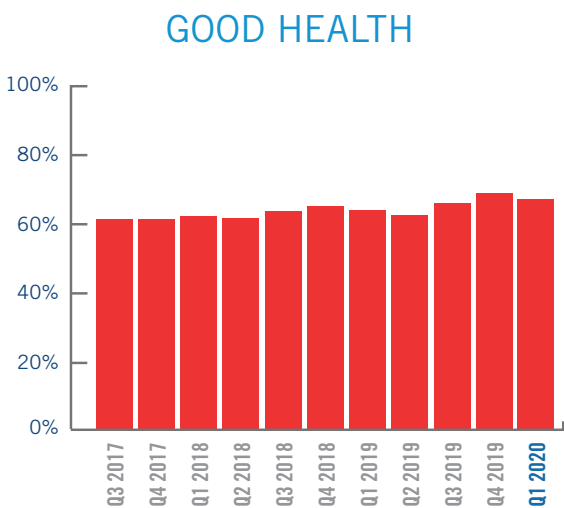
4. In the next year, do you anticipate increasing staff, retaining the same size staff, or reducing staff?
5. For the upcoming year, do you plan to increase investment, invest about as much in the business as you did last year, or reduce investment?
6. Looking forward one year, do you expect next year's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

SMALL BUSINESS ENVIRONMENT

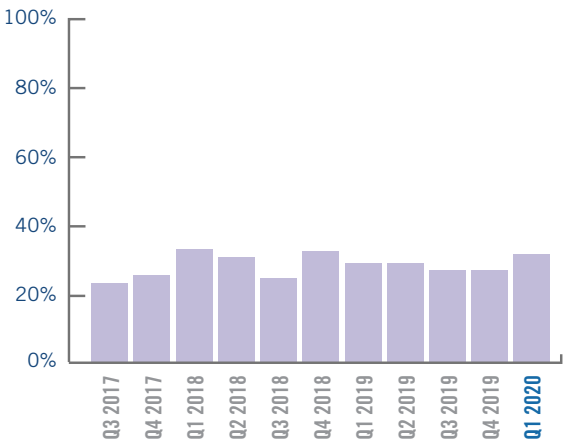
7. How would you rate the overall health of the U.S. economy?
8. How would you rate the overall health of the economy in your local area?
9. Compared to six months ago, does your business see more competition, less competition, or about the same level of competition from small or local companies?
10.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

2020 CORE INDEX TRENDS

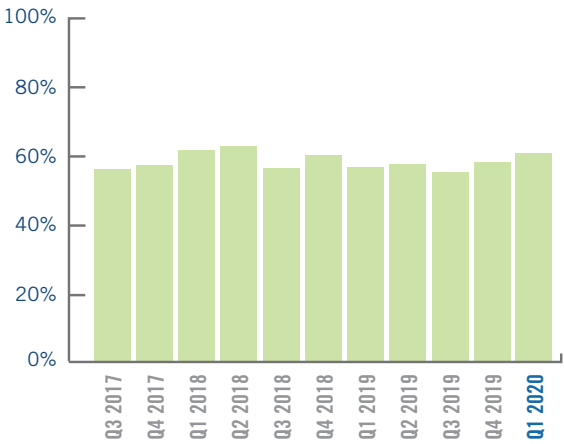
The infographic below charts responses—in percentages—to each of the Index’s 10 core questions and will provide insights into the changing attitudes and expectations of small business owners over time. This infographic reflects responses to each survey since Q3 2017. Responses to the 10 core questions are used to calculate the MetLife & U.S. Chamber of Commerce Small Business Index number, which currently stands at 71.7 – meaning 71.7% of small business owners have a positive outlook for their companies and the environment in which they operate.



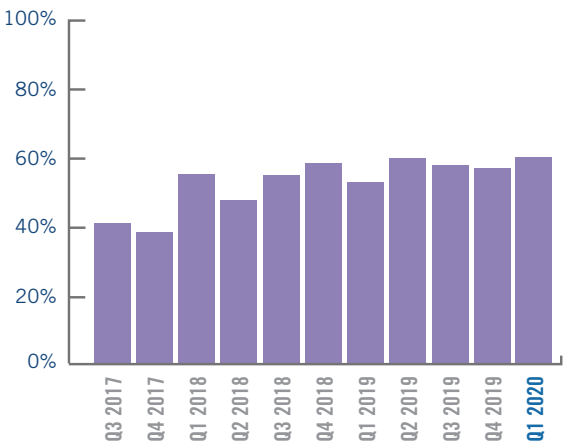
INCREASED INVESTMENT



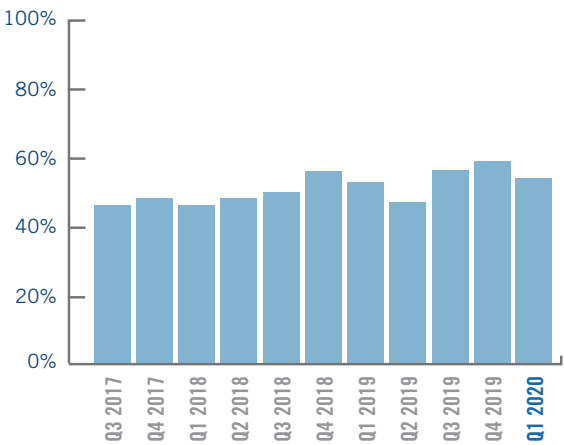
INCREASED REVENUE



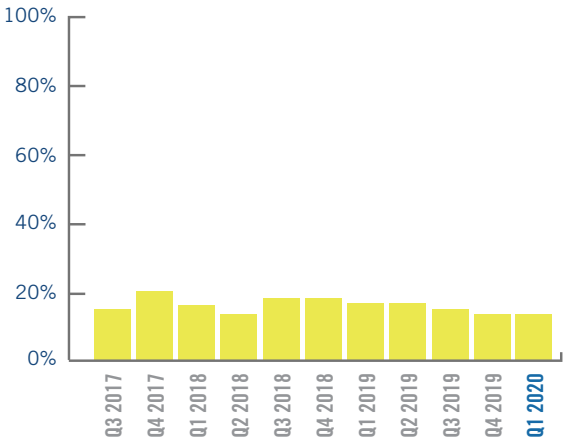
US ECONOMY GOOD



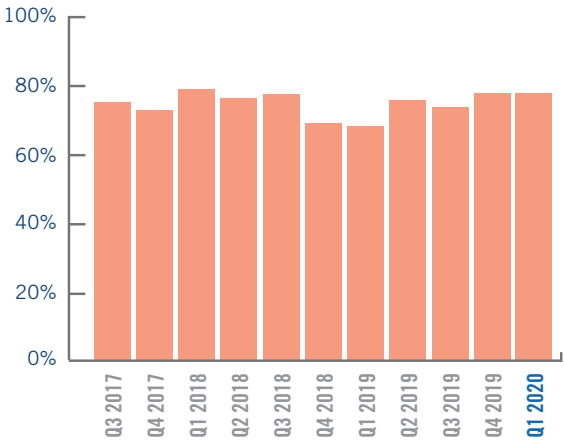
LOCAL ECONOMY GOOD



MORE COMPETITION



SAME OR LESS COMPLIANCE





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.



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NOTES

