

Small Business Owners ‘Hopeful’ as Businesses Reopen and Pandemic Recovery Accelerates, New Poll Shows

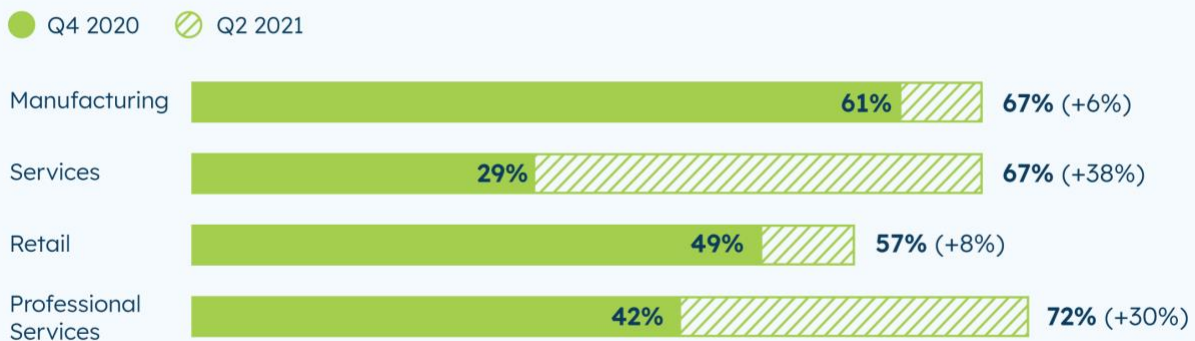
Businesses say easing COVID-19 restrictions and ramping up vaccinations are keys to success in 2021

WASHINGTON, D.C. — As more Americans receive the COVID-19 vaccine, states lift restrictions, and businesses continue to reopen, a majority (65 percent) of small business owners are more optimistic that the worst of the pandemic is over. That percentage is up 21 percentage points from Q4 2020, according to a poll taken April 21 – May 6 and released today by the U.S. Chamber of Commerce and MetLife.

Significantly, the dominant emotion small business owners are feeling about their current operating or reopening strategy is “hopeful” (44 percent). Thirty-one percent say they are “comfortable” and 24 percent say they are “concerned,” rounding out the top three current feelings.

“Small businesses are seeing real grounds for optimism this quarter and we’re seeing that in the data,” said Tom Sullivan, vice president of small business policy at the U.S. Chamber of Commerce. “The easing of capacity restrictions due to increased vaccinations means more small businesses are welcoming more customers. Increased foot traffic equates to economic growth and that is moving our country’s recovery forward.”

When it comes to COVID-19, I believe the worst is behind us Agree (Net)



Source: MetLife & U.S. Chamber of Commerce Small Business Index, Q2 2021

As most small businesses believe, the worst is behind us; COVID precautions may stick around for longer. Over three-quarters (76 percent) of small businesses intend to keep all COVID-19 safety precautions in place until the coronavirus pandemic ends.

Small businesses are very clear on what will help their businesses thrive: both easing COVID restrictions and more vaccinations. Small businesses say that easing COVID-19 restrictions (29 percent) and ramping up vaccinations in their area (28 percent) are the two biggest keys to their success in the remainder of 2021.

Around eight in 10 small businesses report they either opened their business fully as soon as their state allowed it (if already open), or plan to do so as soon as it is allowed (if they are partially open or temporarily closed).

Small businesses view their own health as steady and see things improving in the future. Over half (57 percent) of small businesses anticipate their revenue increasing this year, up 10 percentage points compared to last quarter, marking the most positive outlook of this metric during the pandemic.

When it comes to views of the economy, positive outlooks are growing and negative ones are declining. Currently, 27 percent of small businesses rate the overall U.S. economy as good, up from 21 percent who said the same in Q1. Driving this uptick is the decreasing number of small businesses seeing the economy as bad. While 46 percent continue to say the national economy is poor, this is the first time this measure has fallen below 50 percent during the pandemic. Just last quarter, fully 60 percent of small businesses said the economy was poor (a drop of 14 points in one quarter). Despite these overall gains, a majority of service-related small businesses rate the U.S. economy as poor (54 percent), more than any other sector.

In what many are seeing as a tight labor market where skilled workers are hard to find, most small businesses anticipate retaining the same staffing level (52 percent now, 49 percent in Q1 2021) this quarter. Thirty-two percent plan to increase staffing (same as Q1) and around one in ten (11 percent) plan to decrease staffing over the next year. Interestingly, the number of small businesses who say they have reduced staff remains higher than in 2020, a shift first noticed last quarter.

“We have turned a corner regarding the pandemic, and small business owners’ feelings of hope reflect that, even while we know we still have some distance to go before we see a full recovery,” said Jessica Moser, senior vice president, Small and Specialty Business at MetLife. “It is encouraging to see more small businesses rate both the U.S. and their local economies as good, which is driving optimism as we head into the second half of 2021.”

The current Small Business Index score is 60.0. This represents a 4.1 point increase from 55.9 in Q1 2021 and a 20.5 point increase from the all-time low of 39.5 one year ago in Q2 2020. However, the new score remains below findings before the pandemic: the Index score was 71.7 in Q1 of 2020 based on data collected before the full economic impact of the coronavirus became apparent.

About the Small Business Index

The MetLife & U.S. Chamber of Commerce [Small Business Index \(uschamber.com/sbindex\)](https://uschamber.com/sbindex) 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 Index, which is an online survey of 750 small business owners and decision makers designed to take the temperature of the sector, see where small business owners are confident, and where they are experiencing challenges.

From April – July 2020, MetLife and the U.S. Chamber of Commerce had switched to producing a special monthly coronavirus report, the Small Business Coronavirus Impact Poll. To read those reports, visit uschamber.com/sbpoll.

For small business resources on the coronavirus, please visit uschamber.com/co. The latest resources, step-by-step guidance, and insights to help American businesses, workers, and families is available at uschamber.com/coronavirus.

About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business organization representing companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations. They all share one thing: They count on the U.S. Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.

About MetLife

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