



U.S. Chamber of Commerce
Small Business Outlook Survey
April 2011

Key Findings

- **The small business climate has deteriorated.** Small business owners almost universally agree—by a 73% to 17% margin—that the climate of the last two years has hindered their growth. Respondents were split in how they view the next two years, with 38% believing it will improve, 37% believing that it will worsen, and the remainder uncertain. (See questions 10 and 11.)
- **Uncertainty abounds with small businesses.** They are worried about current regulations, but are even more concerned about what Washington will do next. 49% say they “really don’t know” if their business’ best days are ahead of them. (See questions 9 and 25.)
- **Small business continues to be hesitant to hire.** 55% of respondents cited *economic* uncertainty as their greatest hiring obstacle and 35% said *Washington* uncertainty impacted growth, while 35% cited too little revenue as their greatest obstacle. 70% of respondents do not plan to hire new employees next year, and 9% will continue layoffs. (See questions 16 and 20.)
- **Two of the top issues of concern are America’s debt and the health care law.** 80% said America’s debt and deficit have a negative impact on their business, and 72% of respondents say the health care law has made hiring more difficult. (See questions 27 and 29.)
- **Small businesses want Washington to get out of the way.** In a commanding majority, 79% of small business owners say they want more certainty, and only 14% want more government assistance. (See question 14.)

U.S. Chamber of Commerce Research Survey Topline –Small Business Owners

Methodology: The U.S. Chamber of Commerce conducted two small business focus groups on April 1, 2011, in Philadelphia, as well as a national survey sample of small business owners through interviews with 900 businesses April 8 -12, 2011. The findings from these studies are highlighted in the inaugural quarterly “Small Business Outlook Survey.” The margin of error is +/- 3.3%.

BUSINESS ENVIRONMENT

You will see list of entities. Please indicate whether you think each one is basically headed in the right direction or pretty seriously off on the wrong track.

1. The United States.

TOTAL	
11%	HEADED IN THE RIGHT DIRECTION
84%	OFF ON THE WRONG TRACK
5%	DON'T KNOW/REFUSED

2. The national economy.

TOTAL	
14%	HEADED IN THE RIGHT DIRECTION
83%	OFF ON THE WRONG TRACK
4%	DON'T KNOW/REFUSED

3. Your business.

TOTAL	
75%	HEADED IN THE RIGHT DIRECTION
16%	OFF ON THE WRONG TRACK
9%	DON'T KNOW/REFUSED

4. Your local economy.

TOTAL	
34%	HEADED IN THE RIGHT DIRECTION
58%	OFF ON THE WRONG TRACK
8%	DON'T KNOW/REFUSED

5. Generally speaking, do you believe that Congress is ... economic growth and progress in the United States today?

TOTAL	
6%	PROMOTING
87%	STANDING IN THE WAY OF
7%	DON'T KNOW/REFUSED

6. Generally speaking, do you believe that President Obama is ... economic growth and progress in the United States today?

TOTAL	
18%	PROMOTING
75%	STANDING IN THE WAY OF
7%	DON'T KNOW/REFUSED

7. Do you approve or disapprove of the job President Obama is doing on the economy?

TOTAL	
21%	NET APPROVE
7%	STRONGLY APPROVE
14%	SOMEWHAT APPROVE
4%	TOTALLY NEUTRAL—NO OPINION
15%	SOMEWHAT DISAPPROVE
61%	STRONGLY DISAPPROVE
76%	NET DISAPPROVE

8. Are America's best days...?

TOTAL	
22%	AHEAD OF US
36%	BEHIND US
42%	I REALLY DON'T KNOW

9. Are your business's best days...?

TOTAL	
30%	AHEAD OF US
21%	BEHIND US
49%	I REALLY DON'T KNOW.

10. Do you believe the overall climate for small businesses like yours has...over the past two years?

TOTAL	
17%	NET IMPROVED
2%	GREATLY IMPROVED
5%	SOMEWHAT IMPROVED
10%	SLIGHTLY IMPROVED
10%	STAYED THE SAME
16%	SLIGHTLY WORSENERD
24%	SOMEWHAT WORSENERD
33%	GREATLY WORSENERD
73%	NET WORSENERD
-	DON'T KNOW/REFUSED

11. Do you believe the climate for small businesses like yours will ... over the next two years?

TOTAL	
38%	NET IMPROVE
3%	GREATLY IMPROVE
12%	SOMEWHAT IMPROVE
23%	SLIGHTLY IMPROVE
19%	STAY THE SAME
10%	SLIGHTLY WORSENERD
15%	SOMEWHAT WORSENERD
12%	GREATLY WORSENERD
37%	NET WORSENERD
7%	DON'T KNOW/REFUSED

12. Who do you blame most for America's current economic challenges?

TOTAL	
48%	ALL OF THEM IN WASHINGTON
17%	DEMOCRATS IN CONGRESS
13%	PRESIDENT OBAMA
9%	THE GLOBAL ECONOMIC SITUATION
8%	PRESIDENT BUSH
5%	REPUBLICANS IN CONGRESS
1%	DON'T KNOW/REFUSED

13. When you think about what your small business and others across America need most right now, which of the following actions from Washington would help more?

TOTAL	
72%	GET OUT OF THE WAY
24%	A HELPING HAND
4%	DON'T KNOW/REFUSED

14. When you think about what your small business and others across America need most right now, which of the following actions from Washington would help more?

TOTAL	
79%	MORE CERTAINTY
14%	MORE ASSISTANCE
7%	DON'T KNOW/REFUSED

15. Which of the following issues in Washington makes you feel most uncertain about the future of your business?

TOTAL	
50%	THE FEDERAL DEBT & DEFICIT
30%	REGULATIONS COMING OUT OF WASHINGTON
17%	TAX RATES AND TAX CODE CHANGES
4%	NONE OF THESE MAKES ME FEEL UNCERTAIN.

PLANS FOR YOUR BUSINESS

16. If you had to choose, which of the following is the greatest obstacle to hiring more employees over the next two years? And what is your second choice?

TOTAL	
55%	ECONOMIC UNCERTAINTY
35%	UNCERTAINTY ABOUT WHAT WASHINGTON WILL DO NEXT
35%	TOO LITTLE REVENUE
26%	THE REQUIREMENTS OF THE HEALTHCARE BILL
16%	TOO MUCH REGULATION
16%	HIGH TAXES
7%	NOT ENOUGH CREDIT
7%	NONE OF THESE

17. Which of the following best describes how the number of employees in your business has changed compared to 3 years ago?

TOTAL	
14%	NET ADDED
2%	ADDED MANY EMPLOYEES
12%	ADDED A FEW EMPLOYEES
42%	KEPT THE SAME NUMBER OF EMPLOYEES
30%	LOST A FEW EMPLOYEES
13%	LOST MANY EMPLOYEES
43%	NET LOST
1%	DON'T KNOW/REFUSED

18. Which of the following best describes how the number of employees in your business has changed compared to one year ago?

TOTAL	
13%	NET ADDED
1%	ADDED MANY EMPLOYEES
12%	ADDED A FEW EMPLOYEES
54%	KEPT THE SAME NUMBER OF EMPLOYEES
26%	LOST A FEW EMPLOYEES
5%	LOST MANY EMPLOYEES
31%	NET LOST
2%	DON'T KNOW/REFUSED

19. And looking forward over the next 3 years, do you expect that your business will most likely..?

TOTAL	
30%	NET ADD
2%	ADD MANY EMPLOYEES
28%	ADD A FEW EMPLOYEES
56%	KEEP THE SAME NUMBER OF EMPLOYEES
7%	LOSE A FEW EMPLOYEES
2%	LOSE MANY EMPLOYEES
9%	NET LOSE
5%	DON'T KNOW/REFUSED

20. And looking forward over the next one year, do you expect that your business will most likely..?

TOTAL	
17%	NET ADD
1%	ADD MANY EMPLOYEES
16%	ADD A FEW EMPLOYEES
70%	KEEP THE SAME NUMBER OF EMPLOYEES
8%	LOSE A FEW EMPLOYEES
1%	LOSE MANY EMPLOYEES
9%	NET LOSE
4%	DON'T KNOW/REFUSED

21. Thinking back over the last 3 years, is it...to access credit and grow your business?

TOTAL	
6%	NET EASIER
1%	VERY MUCH EASIER
2%	SOMEWHAT EASIER
3%	ONLY A LITTLE EASIER
29%	ABOUT THE SAME—NEITHER EASIER NOR HARDER
9%	ONLY A LITTLE HARDER
20%	SOMEWHAT HARDER
27%	VERY MUCH HARDER
56%	NET HARDER
7%	DON'T KNOW/REFUSED

22. Thinking back over the last one year, is it...to access credit and grow your business?

TOTAL	
9%	NET EASIER
1%	VERY MUCH EASIER
3%	SOMEWHAT EASIER
5%	ONLY A LITTLE EASIER
35%	ABOUT THE SAME—NEITHER EASIER NOR HARDER
8%	ONLY A LITTLE HARDER
16%	SOMEWHAT HARDER
22%	VERY MUCH HARDER
46%	NET HARDER
11%	DON'T KNOW/REFUSED

REGULATION

23. Overall, how reasonable are federal government regulations of small businesses today?

TOTAL	
14%	NET REASONABLE
3%	VERY REASONABLE
11%	SOMEWHAT REASONABLE
13%	TOTALLY NEUTRAL—NEITHER REASONABLE NOR UNREASONABLE
37%	SOMEWHAT UNREASONABLE
36%	VERY UNREASONABLE
73%	NET UNREASONABLE

24. Overall, how reasonable are state government regulations of small businesses today?

TOTAL	
17%	NET REASONABLE
1%	VERY REASONABLE
16%	SOMEWHAT REASONABLE
20%	TOTALLY NEUTRAL—NEITHER REASONABLE NOR UNREASONABLE
39%	SOMEWHAT UNREASONABLE
24%	VERY UNREASONABLE
63%	NET UNREASONABLE

25. When you think about Washington regulations, which of the following scare you more?

TOTAL	
65%	WHAT WASHINGTON WILL DO NEXT TO SMALL BUSINESS
24%	WHAT WASHINGTON HAS ALREADY DONE TO SMALL BUSINESSES
12%	NEITHER OF THESE SCARES ME.

26. Please read the following statement and respond whether you agree or disagree.

“The taxation, regulation and legislation from Washington makes it much harder for my business to hire more employees.”

TOTAL	
76%	NET AGREE
47%	STRONGLY AGREE
29%	SOMEWHAT AGREE
15%	TOTALLY NEUTRAL
5%	SOMEWHAT DISAGREE
3%	STRONGLY DISAGREE
8%	NET DISAGREE

27. Please read the following statement and respond whether you agree or disagree.

“The recent healthcare law makes it much harder for my business to hire more employees.”

TOTAL	
72%	NET AGREE
44%	STRONGLY AGREE
28%	SOMEWHAT AGREE
17%	TOTALLY NEUTRAL
5%	SOMEWHAT DISAGREE
7%	STRONGLY DISAGREE
12%	NET DISAGREE

DEBT & DEFICIT

28. As you may know, America faces a budget deficit of \$1.65 trillion and a debt of \$14.3 trillion. America borrows approximately \$4.5 billion per day to cover the shortfall. Which of these statements do you agree with most?

TOTAL	
64%	NET DEFINITE THREAT
23%	THE U.S. DEFICIT AND DEBT DEFINITELY POSE AN IMMEDIATE THREAT TO THE SUCCESS OF MY BUSINESS.
41%	THE U.S. DEFICIT AND DEBT DEFINITELY POSE A LONG TERM THREAT TO THE SUCCESS OF MY BUSINESS.
21%	THE U.S. DEFICIT AND DEBT POTENTIALLY POSE A LONG TERM THREAT TO THE SUCCESS OF MY BUSINESS.
13%	I AM PERSONALLY CONCERNED ABOUT THE DEFICIT AND DEBT, BUT IT WON'T SIGNIFICANTLY IMPACT MY BUSINESS.
2%	I AM NOT CONCERNED ABOUT THE DEFICIT AND DEBT, AND IT WON'T IMPACT MY BUSINESS.
15%	NET WON'T IMPACT

29. Please read the following statement and respond whether you agree or disagree.

"America's large national debt has a real and negative impact on my business. The bigger America's national debt, the less certain I feel about my business's future."

TOTAL	
80%	NET AGREE
49%	STRONGLY AGREE
31%	SOMEWHAT AGREE
10%	TOTALLY NEUTRAL
7%	SOMEWHAT DISAGREE
3%	STRONGLY DISAGREE
10%	NET DISAGREE

UNIONS AND SMALL BUSINESS

30. When thinking about labor unions, do you believe that overall they are... to America’s economic challenges?

TOTAL	
6%	PART OF THE SOLUTION
15%	NEUTRAL—THEY ARE NEITHER PART OF THE SOLUTION NOR PART OF THE PROBLEM.
76%	PART OF THE PROBLEM
4%	DON’T KNOW/REFUSED

31. Overall, do you believe that labor unions have ... power in Washington?

TOTAL	
80%	NET TOO MUCH
66%	FAR TOO MUCH
14%	A LITTLE TOO MUCH
8%	ABOUT THE RIGHT AMOUNT
5%	A LITTLE TOO LITTLE
3%	FAR TOO LITTLE
8%	NET TOO LITTLE
6%	DON’T KNOW/REFUSED

32. As you may know, recent legislation in states like Wisconsin and Ohio has raised public debate over the issues of government unions and budget deficits. Here are two different statements about how government should set policy on government unions and spending. Which do you agree with more?

TOTAL	
84%	MY BUSINESS WILL BE BETTER OFF IF GOVERNMENT CUTS SPENDING, BALANCES ITS BUDGET AND KEEPS TAXES LOW, EVEN IF THAT MEANS REDUCING BENEFITS FOR GOVERNMENT UNION EMPLOYEES.
7%	IN THESE TOUGH TIMES, THE LAST THING WE SHOULD BE DOING IS REDUCE BENEFITS FOR GOVERNMENT UNION EMPLOYEES. MY BUSINESS RELIES ON THESE WORKERS TO BUY MY GOODS AND SUPPORT THE LOCAL ECONOMY.
9%	NEITHER OF THESE.

DEMOGRAPHICS

33. What is your age?

TOTAL	
14%	21-39
41%	40-54
33%	55-64
13%	65+
52	MEAN AGE

34. How many employees work for your company? Even if you don't know the exact number, please give your best estimate.

TOTAL	
19%	SOLE PROPRIETOR/ONE PERSON SHOP
35%	2-9
16%	10-19
16%	20-49
14%	50+
27	MEAN EMPLOYEES

35. What is your company's annual revenue? Even if you don't know the exact sum, please give your best estimate.

TOTAL	
28%	LESS THAN \$250,000
20%	\$250,000 TO \$999,000
31%	\$1 MILLION TO \$4.9 MILLION
21%	MORE THAN \$5 MILLION
\$3.4	MEAN REVENUE (IN MILLIONS)

36. Please select your business industry.

TOTAL	
15%	MANUFACTURING
11%	CONSUMER RETAIL OR STORE
8%	FINANCE, INSURANCE, OR REAL ESTATE
7%	COMPUTER, SOFTWARE OR INFORMATION TECHNOLOGY
6%	AGRICULTURE, FORESTRY, OR FISHING
6%	OFFICE, HOUSING OR ROAD CONSTRUCTION
5%	HOME SERVICES (PLUMBING, ELECTRICAL, PAINTING, LANDSCAPING, ETC.)
4%	COMMUNICATIONS, MARKETING OR PUBLIC RELATIONS
4%	HEALTH CARE
4%	BUSINESS SERVICES (BUILDING CLEANING, MAINTENANCE, ETC.)
4%	TRANSPORTATION
3%	TRAVEL, TOURISM OR ENTERTAINMENT
1%	ENERGY, ELECTRIC, OR GAS
1%	INTERNATIONAL TRADE
1%	MINING
1%	DOES NOT APPLY
20%	OTHER

37. How many years has your current business been operating?

TOTAL	
12%	0-4 YEARS
14%	5-9 YEARS
13%	10-14 YEARS
10%	15-19 YEARS
51%	20+ YEARS