

## Bank of America Small Business Owner Report

The Bank of America Small Business Owner Report is a semi-annual study exploring the concerns, aspirations and perspectives of small business owners across the country. The study examines a broad spectrum of topics including the state of the economy, growth expectations, business management and lifestyle issues.

Braun Research conducted the most recent survey by phone March 14, 2013 through March 31, 2013 on behalf of Bank of America. Braun surveyed a nationally representative sample of 1,000 small business owners with annual revenue between \$100,000 and \$4,999,999 and employing between two and 99 employees. In addition, 300 small business owners were surveyed in each of nine target markets, including Los Angeles, Dallas, Washington, D.C., New York, Boston, Chicago, San Francisco, Atlanta and Miami.

Below, please find national and local highlights from the Bank of America spring 2013 Small Business Owner Report.

### Key Findings

#### Feeling Healthy

More than half (53 percent) of the small business owners surveyed say their personal health has improved as a result of running a business. However, small business owners face a variety of stress points, including striving to achieve a work-life balance.

Locally, for small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Personal health has become better as a result of running a small business	53%	56%	52%	56%	60%	50%	57%	58%	34%	62%
Personal health has become worse as a result of running a small business	13%	8%	15%	9%	13%	8%	11%	8%	19%	12%

\*This question was asked using a scale of 5 to 1. This only reflects those who answered 5&4 (Better) and 1&2 (Worse)

More than one-third (35 percent) report exercising more frequently, nearly a third (29%) are eating more healthily, and close to one in four (21 percent) say they spend more time with a spouse, family or friends.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Exercise more	35%	33%	34%	38%	35%	39%	35%	27%	28%	39%
Eat more healthily	29%	34%	29%	38%	30%	30%	31%	22%	17%	42%
More professional development (i.e., training or education)	26%	26%	23%	33%	23%	23%	25%	29%	30%	37%
Spend more time with spouse, family and/or friends	21%	28%	22%	26%	21%	26%	22%	11%	14%	19%
Take more vacation	20%	19%	17%	22%	20%	20%	13%	16%	7%	14%
Volunteer more in the community	19%	16%	15%	23%	17%	22%	16%	11%	14%	25%
Participate in interests outside of work more	17%	19%	16%	25%	16%	22%	21%	18%	15%	22%
Sleep more	12%	15%	14%	17%	12%	18%	13%	9%	7%	16%
Exercise less	25%	32%	30%	31%	28%	22%	28%	27%	28%	34%
Eat less healthily	22%	22%	27%	24%	26%	23%	17%	28%	28%	17%
Less professional development (i.e. training or education)	25%	24%	28%	21%	32%	18%	29%	25%	28%	28%
Spend less time with spouse, family and/or friends	34%	33%	35%	39%	34%	26%	35%	35%	34%	35%
Take less vacation	49%	49%	48%	53%	49%	43%	47%	49%	48%	42%
Volunteer less in the community	37%	39%	44%	36%	39%	32%	40%	37%	46%	47%
Participate less in interests outside of work	40%	42%	41%	36%	39%	37%	37%	39%	41%	46%
Sleep less	48%	49%	52%	50%	48%	42%	48%	46%	52%	51%

## The Stress of Running a Small Business

Nationally, nearly 57 percent of small business owners believe they manage the stress associated with running a small business well, while only 14 percent feel they do not.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Manage the stress of running a small business well	57%	60%	52%	63%	60%	64%	70%	55%	46%	53%
Do not manage the stress of running a small business well	14%	14%	14%	12%	10%	7%	7%	8%	12%	26%

\*This question was asked using a scale of 5 to 1. This only reflects those who answered 5&4 (Well) and 1&2 (Not Well)

## Employee Benefits

Small business owners are extending the emphasis on healthy living to their employees by using innovative solutions to keep employees satisfied. Nearly nine in 10 (85 percent) respondents report taking some steps to contribute to the happiness of their employees. Only one-third of respondents say they provide health/wellness benefits.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Flexible hours/work-from-home options	45%	45%	47%	47%	40%	48%	50%	42%	56%	47%
Health/wellness benefits	33%	38%	27%	23%	32%	43%	35%	31%	38%	33%
Additional amenities (i.e., healthy snacks, free lunches, massages)	31%	36%	24%	29%	39%	28%	33%	31%	37%	28%
Discounted services and/or goods	31%	19%	32%	31%	28%	26%	31%	22%	13%	22%
Allow use of social media (i.e., Facebook, Twitter) during work hours	24%	23%	21%	20%	25%	20%	30%	29%	25%	22%
Team-building activities (e.g., sports teams, excursions)	23%	29%	20%	29%	19%	20%	27%	20%	25%	21%
Schedule time for volunteering and community service	13%	9%	11%	17%	12%	25%	13%	12%	16%	14%
On-premise day care/allow children to come in	12%	9%	9%	14%	6%	14%	22%	14%	8%	9%

## 2013 Outlook

Nationally, across all age groups, small business owners expressed confidence regarding the outlook for their businesses, with more than half (51 percent) saying they expect an increase in revenue and nearly a third (31 percent) expecting to hire more employees over the next 12 months.

Locally, small business owners:

	National May 2013	Atlanta May 2013	Boston May 2013	Chicago May 2013	Dallas May 2013	Los Angeles May 2013	Miami May 2013	Metro New York May 2013	San Francisco May 2013	Washington, D.C. May 2013
Expect revenue to increase	51%	57%	43%	62%	52%	69%	55%	58%	49%	56%
Expect revenue to decrease	12%	7%	11%	6%	15%	6%	7%	6%	2%	10%
Expect revenue to stay the same	36%	35%	43%	31%	31%	25%	38%	35%	48%	34%
Hire more employees	31%	36%	22%	36%	26%	47%	22%	34%	26%	27%
Reduce number of employees	5%	7%	4%	6%	4%	4%	9%	3%	4%	7%
Keep the number of employees	55%	50%	64%	49%	64%	45%	63%	57%	66%	55%

During the November 2012 survey, small business owners expressed:

	National November 2012	Atlanta November 2012	Boston November 2012	Chicago November 2012	Dallas November 2012	Los Angeles November 2012	Miami November 2012	Metro New York November 2012	San Francisco November 2012	Washington, D.C. November 2012
(Nov. 2012) Expect revenue to increase	54%	58%	57%	52%	52%	54%	63%	51%	49%	63%
(Nov. 2012) Expect revenue to decrease	7%	7%	9%	13%	11%	9%	6%	13%	10%	6%
(Nov. 2012) Expect revenue to stay the same	38%	34%	34%	35%	36%	36%	30%	36%	41%	31%
(Nov. 2012) Hire more employees	31%	36%	24%	32%	29%	27%	30%	27%	27%	32%
(Nov. 2012) Reduce number of employees	3%	1%	2%	2%	2%	6%	4%	1%	3%	2%
(Nov. 2012) Keep the same number of employees	56%	50%	67%	52%	60%	59%	57%	52%	58%	59%

## Economic Concerns

The optimism of small business owners is tempered by wariness about the health of the overall economy. Forty-five percent of respondents believe their local economy will improve over the next 12 months, and 41 percent believe the national economy will improve.

Locally, small business owners believe:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
The national economy will improve over the next 12 months	41%	38%	42%	52%	38%	54%	59%	46%	57%	44%
My local economy will improve over the next 12 months	45%	39%	47%	49%	48%	57%	60%	46%	64%	36%

During the November 2012 survey, small business owners expressed:

	National November 2012	Atlanta November 2012	Boston November 2012	Chicago November 2012	Dallas November 2012	Los Angeles November 2012	Miami November 2012	Metro New York November 2012	San Francisco November 2012	Washington, D.C. November 2012
(Nov. 2012) The national economy will improve over the next 12 months	34%	41%	26%	33%	30%	30%	33%	35%	36%	39%
(Nov. 2012) My local economy will improve over the next 12 months	38%	42%	35%	33%	45%	34%	39%	34%	43%	50%

## Being Prepared for an Unexpected Future

Nationally, small business owners admit to being ill-prepared for a significant disruption to their business operations. Nearly half (43 percent) say they don't have a plan in place to cope with a significant disruption, such as a natural disaster, medical emergency or major staffing changes.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Has had a major event significantly disrupt my small business	31%	34%	33%	32%	29%	34%	55%	50%	31%	26%
Has not had a major event ever significantly disrupted my small business	67%	62%	65%	66%	68%	57%	43%	47%	64%	73%
Have a plan to cope with a significant disruption to my small business	51%	51%	43%	54%	46%	61%	60%	47%	54%	48%
Do not have a plan to cope with a significant disruption to my small business	43%	40%	52%	41%	47%	27%	36%	47%	41%	49%

Despite that lack of preparation, small business owners are aware of the impact a disruption such as a natural disaster, medical emergency, power outage or major staffing change could have on their business. Nearly one in three (30 percent) respondents across the country says they would need outside financial help within three months of a significant disruption.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
1-3 months	30%	26%	26%	23%	33%	25%	25%	46%	31%	32%
4-6 months	11%	14%	11%	13%	6%	11%	13%	7%	12%	12%
10-12 months	9%	9%	5%	13%	7%	11%	9%	3%	12%	6%
My business would not be affected	34%	24%	31%	27%	26%	22%	32%	22%	25%	27%

\*This reflects only the most relevant responses rather than all choices within the scale.

## Seeking Financial Guidance

When it comes to financial matters, many small business owners realize they need outside help. Only 30 percent describe themselves as being “very savvy.” Across the country, 96 percent of small business owners seek financial advice from an outside source.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
I'm very savvy, as good as any accountant	30%	20%	27%	31%	33%	39%	23%	21%	27%	27%
I need help from time to time, but in general I'm fairly savvy	60%	69%	61%	60%	57%	51%	71%	72%	65%	63%
It's a struggle, I could use expert help	9%	9%	10%	9%	8%	8%	5%	5%	8%	5%
Get financial advice from an accountant/bookkeeper	73%	80%	70%	77%	73%	69%	82%	83%	71%	81%
Get financial advice from other small business owners	55%	55%	50%	57%	43%	48%	42%	53%	57%	62%
Get financial advice from family/friends	54%	64%	48%	52%	52%	55%	66%	49%	51%	54%
Get financial advice from a financial advisor	50%	59%	48%	55%	47%	46%	54%	49%	47%	53%
Get financial advice from a banker	40%	43%	32%	39%	38%	39%	31%	49%	32%	50%

## Small Business Owners are Well Capitalized

More than two-thirds (67 percent) of small business owners believe they have enough access to capital to effectively run their small business. In fact, less than one in three (29 percent) have applied for loans within the last two years. And more than three out of four small business owners (79 percent) who have applied for a small business loan in the past two years have received funding.

Locally, small business owners:

	National	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Metro New York	San Francisco	Washington, D.C.
Believe I have enough access to capital	67%	69%	66%	68%	72%	65%	69%	70%	65%	74%
Do not believe I have enough access to capital	22%	19%	23%	26%	24%	25%	24%	13%	25%	18%
Are not sure if I have enough access to capital	10%	12%	9%	5%	4%	8%	7%	12%	10%	7%
Intend to apply for a loan in 2013	19%	21%	19%	29%	19%	36%	18%	27%	37%	21%
Do not Intend to apply for a loan in 2013	77%	76%	78%	68%	75%	60%	79%	67%	60%	76%
Most recent business loan application was approved	79%	n/a	n/a	88%	n/a	79%	n/a	83%	68%	n/a

During the November 2012 survey, small business owners expressed:

	National November 2012	Atlanta November 2012	Boston November 2012	Chicago November 2012	Dallas November 2012	Los Angeles November 2012	Miami November 2012	Metro New York November 2012	San Francisco November 2012	Washington, D.C. November 2012
(Nov. 2012) Believe I have enough access to capital	70%	72%	66%	60%	62%	72%	61%	67%	58%	65%
(Nov. 2012) Do not believe I have enough access to capital	25%	24%	30%	35%	32%	24%	35%	22%	39%	29%
(Nov. 2012) Are not sure if I have enough access to capital	5%	3%	4%	5%	6%	4%	4%	11%	4%	6%
(Nov. 2012) Intend to apply for a loan in 2013	19%	19%	19%	22%	18%	17%	17%	16%	20%	21%
(Nov. 2012) Do not Intend to apply for a loan in 2013	78%	76%	77%	73%	80%	78%	79%	80%	77%	76%



## Methodology

- Braun Research conducted the Bank of America Small Business Owner Report survey by phone between March 14 and March 31, 2013 on behalf of Bank of America.
- The nationally representative sample consisted of 1,000 small business owners in the United States with annual revenue between \$100,000 and \$4,999,999 and employing between two and 99 employees.
- In addition, 300 small business owners were also surveyed in nine target markets, including Los Angeles, Dallas, Washington, D.C., New York, Boston, Chicago, San Francisco, Atlanta and Miami.
- The margin of error for the national sample is +/- 3.1 percent, and +/- 5.7 percent for the oversampled markets, with both reported at a 95 percent confidence level.