

Letter from Sharon Miller, Head of Small Business



We are pleased to present the fall 2019 Bank of America Small Business Owner Snapshot, a semiannual study that explores the perspectives, aspirations and concerns of entrepreneurs around the country.

This fall's report finds business owners poised to end 2019 on a high note. Business growth indicators remain strong and steady from last fall, and entrepreneurs are confident this holiday season, with a strong majority anticipating higher revenue than in 2018.

Entrepreneurs remain optimistic about strength of their local economies, but confidence in the national economy has wavered slightly from last fall. Their views on the national economy were most strongly influenced by elections, the U.S. political climate, the GDP growth rate, inflation and interest rates. Meanwhile, concern about health care costs and the political environment

dipped from the spring, while concern about consumer spending, the strength of the U.S. dollar and corporate tax rates are on the rise.

This fall, more entrepreneurs are saying their businesses have been directly impacted by U.S. trade policies and tariffs. They have felt the effects most acutely around the costs of their goods and supplies, with many raising customer pricing.

When asked about the holiday season, business owners are feeling the spirit, with many looking forward to spending time with family and friends, providing perks and bonuses for employees, and giving back to their local communities. While just over half of entrepreneurs feel increased stress around the holidays, they are coping by taking extra steps toward self-care and going on vacations.

Finally, as we move into a new decade, most business owners have the goal of growing or advancing their business in some capacity. Top goals include increasing revenue, prioritizing online and social media, and expanding into new markets.

Whether you've been in business for decades or are just starting out, Bank of America is committed to providing the tools and resources to help you grow responsibly.

Methodology

Ipsos Public Affairs conducted the Bank of America Small Business Owner Snapshot Survey for fall 2019 online between July 19 and August 19, 2019, using a pre-recruited online sample of small business owners. Ipsos contacted a national sample of 1,323 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, a total of approximately 300 small business owners were surveyed in each of 10 target markets: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Francisco and Washington, D.C. The final results were weighted to national benchmark standards for size, revenue and region.

Prior to 2016, previous waves of the Small Business Owner Report Survey were conducted by telephone and while best efforts were made to replicate processes, differences in sample, weighting and method suggest caution when making direct statistical comparisons of the results from pre-2016 and post-2016.



2

Business Projections



3

Economic Outlook



4

Trade Spotlight



5

Holiday and New Year Perspectives

Business Projections

Small business owners are poised to end 2019 on a high note, with more than four in five anticipating year-over-year revenue growth.

82%

expect their 2019 revenue to be higher than 2018

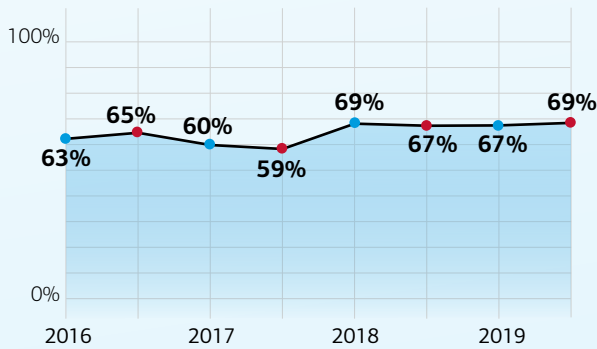


Entrepreneurs also project a positive business outlook, with growth indicators remaining strong and steady from last fall.

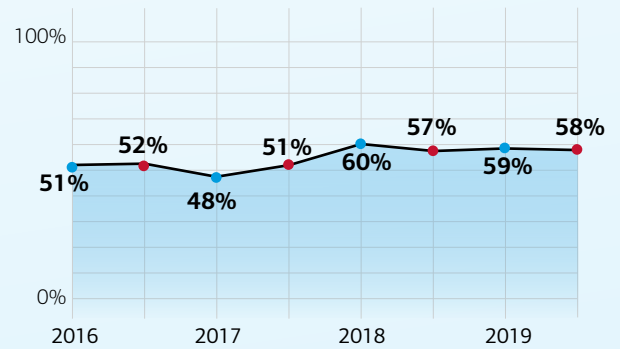
Over the next 12 months...

■ Spring ■ Fall

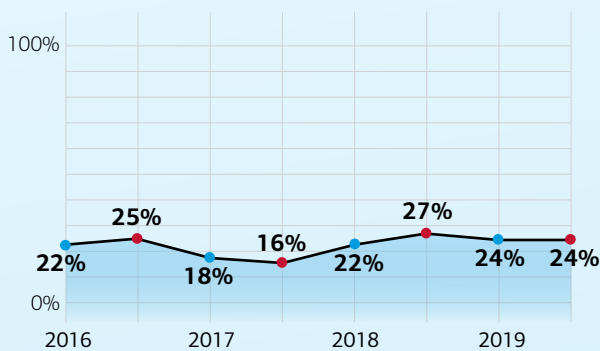
I plan to expand



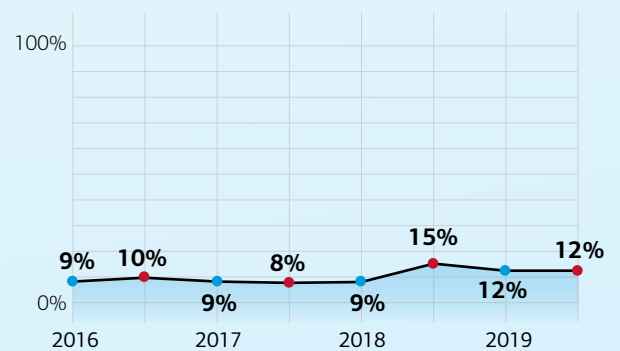
I expect my revenue to increase



I plan to hire



I intend to apply for a loan



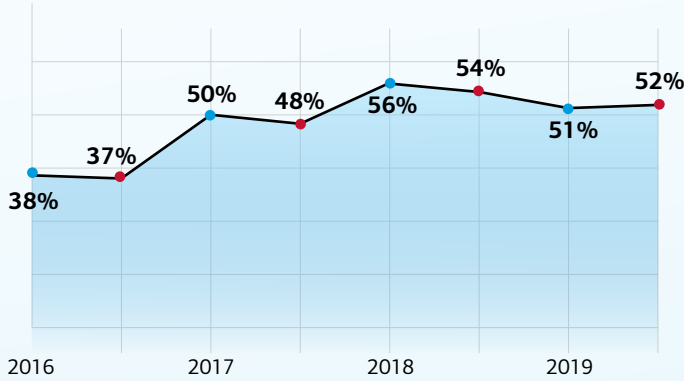
Economic Outlook

Local economic confidence remains steady year-over-year, while confidence in the national economy dipped slightly from last fall.

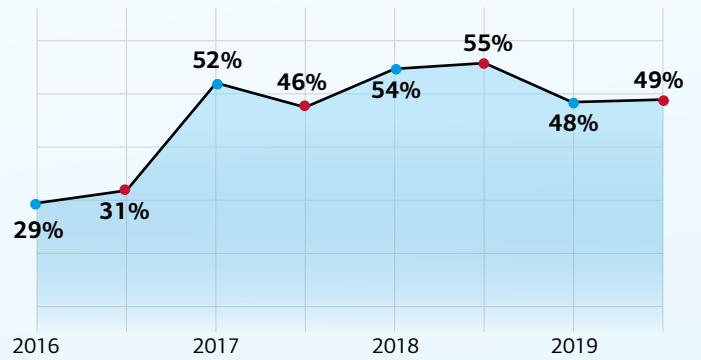
Over the next 12 months...

■ Spring ■ Fall

My **local** economy will improve



The **national** economy will improve



Entrepreneurs identify elections as the top issue influencing their economic stance.

Top five factors shaping national economic projections

1

Elections
(91%)

2

U.S. political climate
(90%)

3

GDP growth rate
(89%)

4

Inflation
(89%)

5

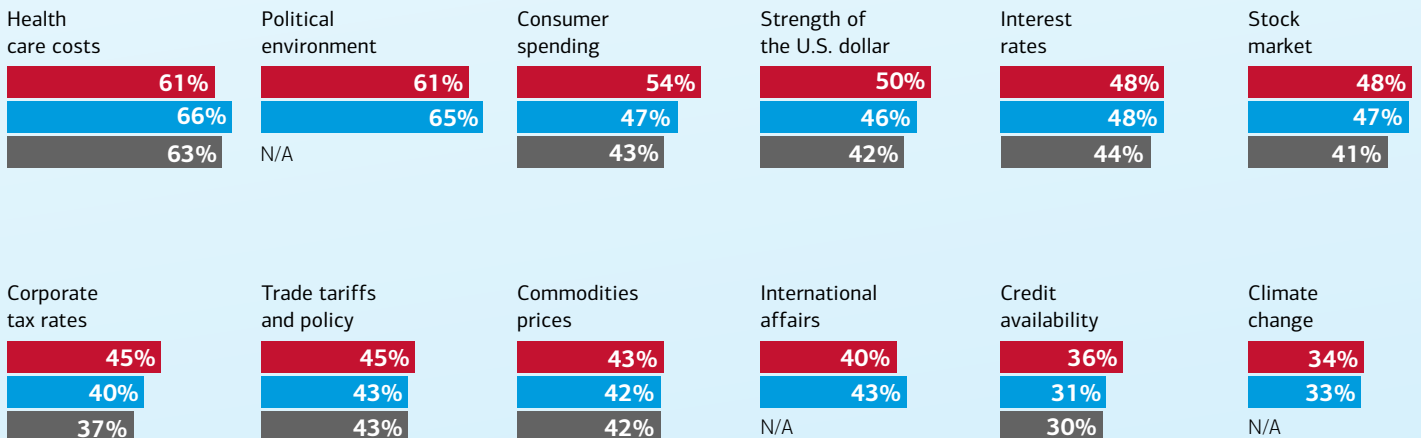
Interest rates
(89%)



Concern about the majority of economic issues continues to rise. While health care costs and the political environment remain the top-ranking issues, concern has declined since the spring.

Over the next 12 months, I am concerned about...

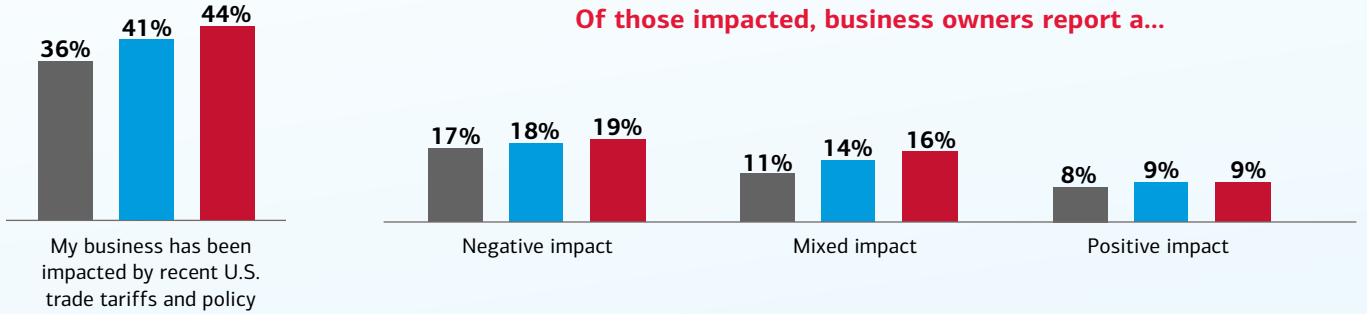
■ Fall 2019 ■ Spring 2019 ■ Fall 2018



Trade Spotlight

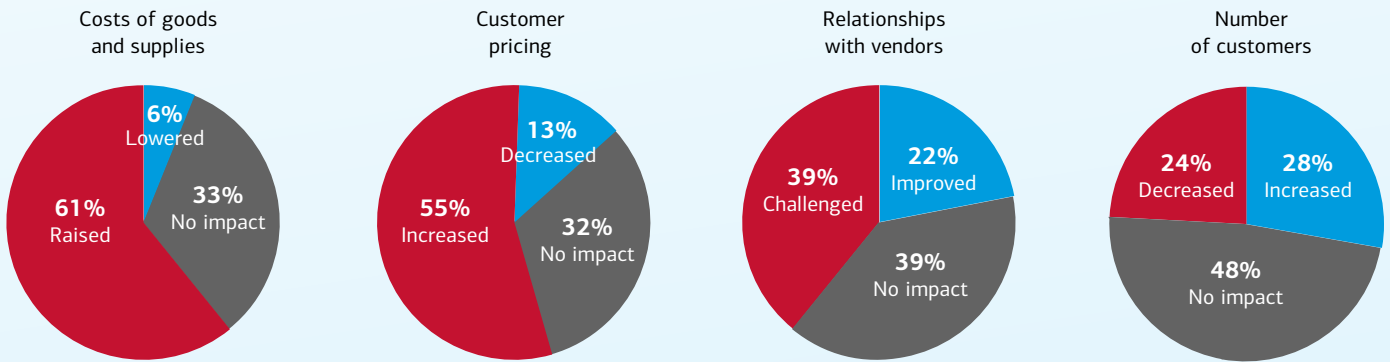
Since last fall, more entrepreneurs say recent U.S. trade tariffs and policy have impacted their business.

■ Fall 2018 ■ Spring 2019 ■ Fall 2019



Of those affected, the greatest impacts have been on the costs of goods and supplies and customer pricing.

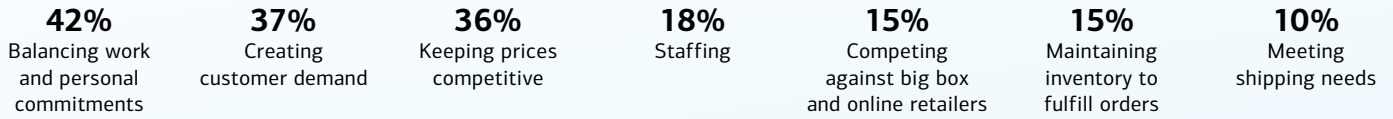
Impact of U.S. trade tariffs and policy:



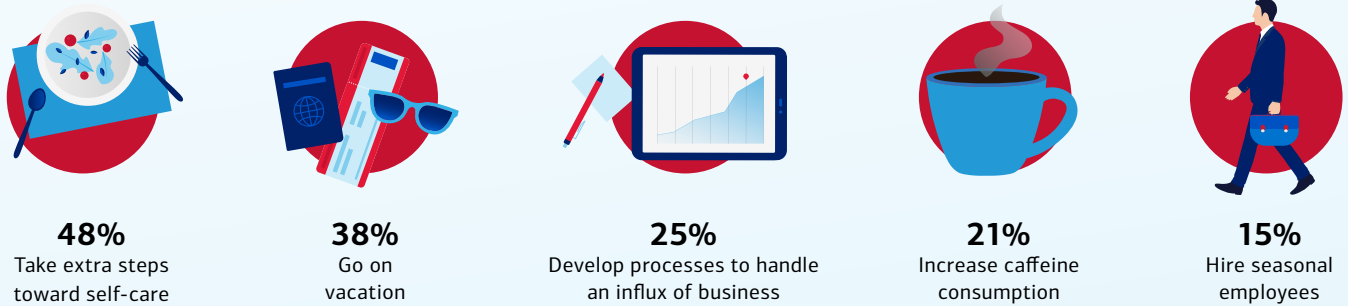
Holiday and New Year Perspectives

'Tis the season to be jolly, yet many entrepreneurs anticipate challenges and stressors, especially when it comes to juggling personal and work commitments.

66% of entrepreneurs say their business will face challenges this holiday season, including...

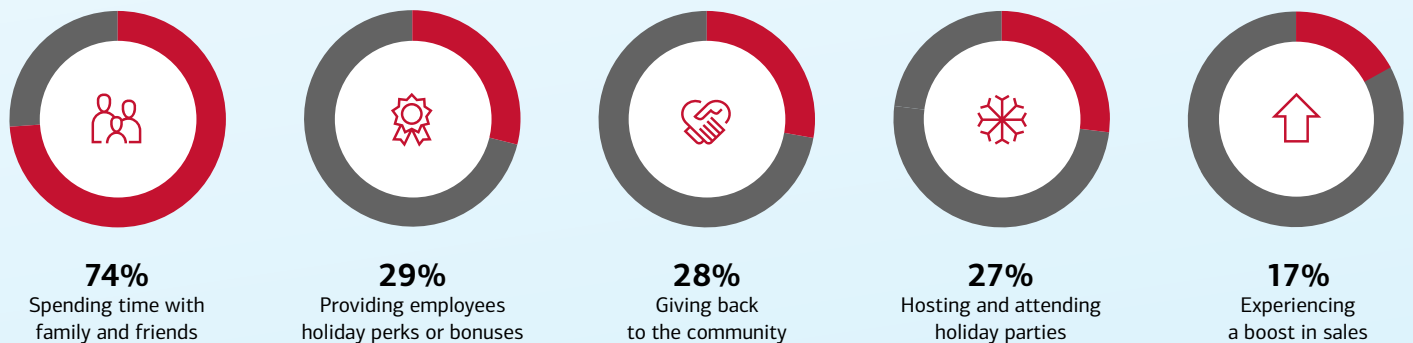


54% of business owners say they feel stressed around the holiday season and to cope, they will...



Despite added stress, entrepreneurs are feeling the holiday spirit, with many looking forward to spending time with family and friends, as well as giving back to their employees.

This holiday season, business owners look forward to...



As business owners prepare to enter a new decade, **80%** have a goal of growing or advancing their business in some capacity.



Top three goals for my business for the decade ahead

