



Small business on the road to recovery: Findings from the 2022 Small Business Credit Survey

by: Steven Shepelwich

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The [2023 Report on Employer Firms](#), the first report from the 2022 [Small Business Credit Survey](#) (SBCS), shows promising signs of post-pandemic recovery as well as areas of concern.

Nationally, small businesses employ nearly half of all employees, and have created about two-thirds of the jobs added to the economy in the past 25 years. Locally, they increase opportunities to reinvest in their communities, provide needed services, and build community leadership. Understanding small business conditions can help strengthen local and national economies.

Each fall, the Federal Reserve conducts a survey of small businesses with less than 500 employees. The 12 Reserve Banks administer the survey in partnership with more than 400 small business organizations. This nationally representative survey provides insight into the changing segments of the small business market, financing needs and credit outcomes, and topics such as disaster recovery and labor demand. Additional reports on survey themes will be published throughout the year.

The [2023 Report on Employer Firms](#) shows promising signs that some small business trends are returning to pre-pandemic norms. For the first time since the onset of the pandemic, surveyed firms were more likely to report that revenues and employment levels increased in the past 12 months. The percentage of firms reporting profitable operations also rose substantially year-over-year.

Firms did, however, show signs of continuing uncertainty. Expectations of revenue and employment growth over the coming year are down compared to pre-pandemic levels. Financial and operational challenges were also noted, ranging from managing rising costs, covering operating costs, and maintaining staffing levels.

These top-line findings hint at the insights and data provided by the survey. The full reports are available on the [Fed Small Business website](#) along with details of the survey methodology, access to the underlying data, and how to become a partner in the survey process.

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Steve Shepelwich is a lead community development advisor for the Federal Reserve Bank of Kansas City in the Oklahoma City Branch Office. Shepelwich's work connects workers with jobs, improves the quality of lower-wage jobs, and helps institutions leverage the Community Reinvestment Act to support workforce development programs. He is currently partnering with the Atlanta Fed on the role of [public benefits](#) in supporting positive employment outcomes. Shepelwich began his community development career in the Peace Corps in Kenya as a small business advisor, then worked with other organizations in the region for six years. Before joining the Kansas City Fed in 2004, he worked for a Washington, D.C. consulting group assisting CDFIs, asset-building and economic development organizations. A Texas native, Shepelwich studied marketing as an undergrad at Texas A&M. A six-month internship with a rural development program in India sparked his interest in community development. Shepelwich received his master's degree from Michigan State University and attended the Graduate School of Banking at the University of Wisconsin. Shepelwich is active with Goodwill Industries and Rotary, part of a community disaster response team, and volunteers with Wildcare Foundation, Oklahoma's largest wildlife rehabilitation program. Shepelwich lives in Norman, Oklahoma, with his wife and two children. Highlights of his work include: ["Investing in America's Workforce."](#) Shepelwich hosted roundtables, the themes of which informed a national workforce development conference. [Engaging Workforce Development: A Framework for Meeting CRA Obligations](#), produced in conjunction with the Dallas Fed. [Small Business of Color Recovery Guide](#) to assist communities develop equitable development strategies. **About the Federal Reserve Bank of Kansas City** The Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks that, along with the Board of Governors in Washington, D.C., make up our nation's central bank. We work in the public's interest by supporting economic and financial stability. The Kansas City Fed's territory includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Our headquarters is in Kansas City, with branch offices in Denver, Omaha and Oklahoma City. The Kansas City Fed Community Development Department promotes economic development and public understanding that leads to progress for lower-income individuals and communities. Our focus areas include community development investments, digital inclusion, small business / entrepreneurship, and workforce development.