



Survey provides insights on employer and non-employer small businesses

July 21, 2023

The Federal Reserve's Small Business Credit Survey provides insights on firms in different stages of the business life cycle—from small startup nonemployer firms to well-established employer businesses. The Federal Reserve's Small Business Credit Survey collected responses in 2022 from nearly 14,000 small businesses across the country, consisting of about 8,000 responses from employer firms, which are businesses with 1-499 full- or part-time employees, and 6,000 nonemployer firms.



What did we learn about firms that employ workers?

Key findings from the [2023 Report on Employer Firms](#):

- While revenue performance improved for the second consecutive year, expectations for revenue growth during the next 12 months declined.

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<https://www.kansascityfed.org/community/community-connections/survey-provides-insights-on-employer-and-non-employer-small-businesses/>

- Consistent with 2021, employer firms' most common operational challenges were hiring and retaining workers and supply chain issues.
- As the availability of pandemic-related financial assistance programs declined, the share of firms that sought the most common types of traditional financing—loans, lines of credit, and cash advances—rose above prepandemic levels.



What about those that don't have employees?

The [2023 Report on Nonemployer Firms](#) focuses on nonemployer businesses, or those that employ only the firm owner or owners, and explores the differences between younger and older firms and between nonemployer and employer businesses.

One key finding? Almost half (46 percent) of startup nonemployers—those in business 0 to 2 years—plan to add employees in the next 12 months. A majority of startup nonemployers are not yet profitable, but they often report revenue growth and expect revenues to increase in the future. These firms report fewer financial challenges than older firms but are more reliant on the owner's personal funds when addressing those challenges.

Other reports are also available

The Federal Reserve's Small Business Credit Survey team also has published the survey's findings on startup firms owned by people of color, and in a series of chartbooks presenting Small Business Credit Survey data across various business and owner demographic characteristics, as well as by state and metropolitan statistical area. The full suite of products is available [here](#).

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Now seeking partner organizations for 2023 survey

More than 400 nonprofit partners that work with or assist small businesses assist the Federal Reserve by sharing the survey with their clients. This unique distribution model helps reach businesses that are often under-represented in other small business surveys, such as rural, startup, women-owned, and minority-owned firms. When more kinds of small businesses have a say, what we learn about the state of small businesses is more accurate and actionable.

“All partner organization need to do is send a survey link to their small business contacts. We make it easy by providing language they can use,” said Steven Shepelwich, survey coordinator for the Kansas City Fed. “Partners that draw at least 50 responses will receive individualized reports so they can compare the experiences of businesses in their networks with the national sample.”

If your organization is interested in partnering, please complete [this short online form](#) or contact Steven Shepelwich at steven.shepelwich@kc.frb.org for more information. An information call will be held in August and the survey opens on September 6.
