



The 2024 U.S. Bank Small Business Perspective: Local Findings

Charlotte SBO Findings

Small Business Owners (SBOs) in Charlotte are prospering even more than SBOs in other parts of the U.S.

- When reflecting on the success, growth, and optimism held toward their business, Charlotte SBOs share a more positive stance than SBOs overall.
 - 98% rate their business as successful compared to 9 in 10 (90%) of SBOs overall.
 - 95% say their business has grown over the past year while 73% of SBOs overall feel the same way.
 - 99% of Charlotte SBOs are optimistic for the future of their business whereas 87% of SBOs overall share the same perspective.

However, while Charlotte-based SBOs have experienced growth, they face challenges in securing financial support for their business and training their workforce.

- Charlotte-based SBOs mirror U.S. SBOs overall in the ranking of their top stressors:
 - Competition (77% Charlotte SBOs vs. 73% SBOs overall).
 - Economic environment (66% Charlotte SBOs vs. 71% SBOs overall).
- However, Charlotte SBOs are **more likely** than U.S. SBOs overall to rank limited skills and training (54% Charlotte SBOs vs. 37% SBOs overall) and obtaining enough funding to support their business (51% Charlotte SBOs vs. 40% SBOs overall) among their top 5 stressors.
- In particular, ensuring the appropriate financial support for their business is top of mind for Charlotte SBOs.
 - 9 in 10 (90%) of Charlotte SBOs say that securing reliable access to capital and financing to support business operations is most important to reaching their business goals in the next 12 months (vs. 72% for SBOs overall).
 - In fact, they are taking action to gather the proper financing their business requires as two-thirds (67%) reported that they plan on securing reliable access to capital in the next 12 months.

Los Angeles County SBO Findings

Small Business Owners (SBOs) in Los Angeles County are more likely to view their business as successful and are more optimistic in its future success than U.S. SBOs overall.

- When prompted to evaluate the success of their business, Los Angeles County SBOs held a more positive outlook than SBOs across the U.S.

- 94% rate their business as successful (vs. 90% SBOs overall).
- 92% say their business has grown over the past year (vs. 73% SBOs overall).
- 96% are optimistic for the future success of their business (vs. 87% SBOs overall).
- Although SBOs from Los Angeles County are more likely to be optimistic about the state of their business, they are similarly concerned about the same top stressors for U.S. SBOs overall.
 - Los Angeles County SBOs are on par with SBOs overall, ranking the following among their top stressors:
 - Competition (76%) vs. 73% SBOs overall.
 - Economic environment (68%) vs. 71% SBOs overall.
 - Obtaining enough funding to support their business (44%) vs. 42% SBOs overall.
 - However, they differ slightly from U.S. SBOs overall as they are less likely to rank inflation/increased costs of materials/supplies (53% vs. 65% SBOs Overall) as a top stressor.

Los Angeles County SBOs prioritize hiring diverse talent in a complex labor market as they try to keep pace with their business growth.

- While less than half (43%) of Los Angeles County based SBOs rank labor shortages among their top stressors – nearly three-fourths (70%) report that their business is currently understaffed due to labor shortages (vs. 49% for SBOs overall).
 - However, two-thirds of Los Angeles County SBOs (66%), are planning on hiring between 1-5 employees over the next 12 months.
 - Moreover, L.A. County SBOs value employee diversity as they are more likely to agree that hiring diverse employees is a priority for them (91% vs. 80% for SBOs overall).
- Business growth is a contributing factor in being understaffed as 9 in 10 (91%) agree that they are hiring due to their business growth.

Minneapolis/St. Paul (Twin Cities) SBO Findings

Minneapolis/St. Paul Small Business Owners (SBOs) are more optimistic of their business' future than their peers across the country but report similar levels of success.

- While Minneapolis/St. Paul SBOs reported higher levels of growth and optimism toward the future, they align with SBOs overall on the current success of their business.
 - 93% rate their business as successful (vs. 90% of SBOs overall).
 - 91% of Minneapolis/St. Paul SBOs say their business has grown over the past year (vs. 73% of SBOS overall).
 - 96% are optimistic for the future of their business (vs. 87% of SBOs overall).

External stressors give Minneapolis/St. Paul SBOs less cause for concern compared to SBOs across the U.S.

- Although SBOs across the U.S. and those in Minneapolis/St. Paul share similar top stressors, they differ on external macro factors such as:
 - National economic environment (51% SBOs overall vs. 38% Minneapolis/St. Paul).
 - However, they remain in line with the Economic Environment as a whole (71% SBOs overall vs. 65% Minneapolis/St. Paul SBOs).
 - Inflation/increased costs of materials/supplies (65% SBOs overall vs. 44% Minneapolis/St. Paul SBOs).
- Further, workforce training and skill development carry greater weight for SBOs in Minneapolis/St. Paul, and they plan to invest in it.
 - More than half (55%) of Minneapolis/St. Paul SBOs rank limited skills and training among their top stressors, compared to only a third (34%) of SBOs overall.
 - In fact, Minneapolis/St. Paul based SBOs are more likely to view upskilling/reskilling their workforce as very important in order to reach their business goal(s) in the next 12 months (84% for Minneapolis/St. Paul SBOs vs. 67% for SBOs overall).
 - As Minneapolis/St. Paul SBOs understand the value in advancing the skills of their employees, the majority (96%) plan on investing in training and upskilling/reskilling to retain current employees or attract potential hires (vs. 78% for SBOs overall).

Phoenix SBO Findings

Phoenix-based small business owners (SBOs) are faring better than most SBOs across the U.S.

- When describing the state of their business, Phoenix SBOs stand out from SBOs across the country as they are **more likely** to report:
 - Their business is successful (94% vs. 90% for SBOs overall).
 - Their business has grown in the past year (89% vs. 73% for SBOs overall).
 - They are optimistic for the future of their business (93% vs. 87% for SBOs overall).
- Not only do Phoenix SBOs share a favorable view of the state of their business, but they are also less concerned about the top stressors for U.S. SBOs overall.
 - Competition (62%) vs. 73% SBOs overall.
 - Economic environment (56%) vs. 71% SBOs overall.
 - Inflation or increase costs of materials/supplies (41%) vs. 65% SBOs overall.
 - Supply chain disruptions (36%) vs. 47% SBOs overall.
 - Obtaining enough funding to support my business (40%) vs. 42% SBOs overall.

Phoenix-based SBOs value digital tools and prioritize employees with digital expertise when making hiring decisions.

- Among SBOs from the DMAs surveyed, those from Phoenix place the highest level of importance on digital tools.
 - The majority (95%) of Phoenix SBOs report that digital tools are very important or essential to the current and future success of their business. They are **more likely** than SBOs overall (72%) to feel that way.
 - In fact, many believe that adopting new digital solutions (87%) is very important to reaching their business goal(s) in the next 12 months.
- Expertise in digital tools also plays a significant role for Phoenix-based SBOs when retaining and attracting talent to their business.
 - 94% of Phoenix SBOs agree that hiring employees that have previous experience with specific digital tools is a priority for them (vs. 76% for SBOs overall).

Leader Commentary

“Small business owners continue to show resilience and optimism despite feeling impact from ongoing stressors such as the economy, changing labor market dynamics, higher prices and wages, and other macroeconomic factors. The survey also reinforces the importance they place on digital tools in increasing efficiency and productivity. As small businesses owners rely more and more on software to manage their operations, U.S. Bank is focused on bringing our clients a seamless integrated experience across banking and payments to help streamline their cashflow and workflow.”

Shruti Patel, chief product officer for business banking at U.S. Bank

Methodology

20-minute survey among 1,000 U.S. small business owners, 1,000 U.S. small business employees, plus additional over-samples of 300 U.S. Hispanic small business owners, 300 Black small business owners, and 200 small business owners from each of the following regions: Los Angeles County, Phoenix, Charlotte, and Minneapolis/St. Paul (Twin Cities). Owners were required to have an annual revenue of \$25 Million or less and between two and ninety-nine employees. Employees were required to work for a small business between two and ninety-nine employees. Fielding for this study was conducted from April 25, 2024 – May 20, 2024, and the margin of error is ±3.1% for the U.S. small business owners and small business employees, ±5.6% for Hispanic and Black owners, and ±6.9% regional owners.

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