



MEDC Small Business Survey 2022

Prepared for Michigan Economic Development Corporation ([Michigan Business](#))

Prepared by Economic Impact Catalyst ([Economic Impact Catalyst](#))

May 2022



**MICHIGAN
ECONOMIC
DEVELOPMENT
CORPORATION**

About This Study

This study was conducted by Economic Impact Catalyst (EIC) on behalf of Michigan Economic Development Corporation (MEDC).

The small and micro businesses in Michigan were surveyed to assess **needs, gaps and health and business sentiment**.

The 44 question survey was conducted between **Nov 1 2021 and Jan 31 2022**.

1,011 Michigan business owners responded to the survey and results were validated against Census and SBA data for proportionate population samples





EXECUTIVE SUMMARY

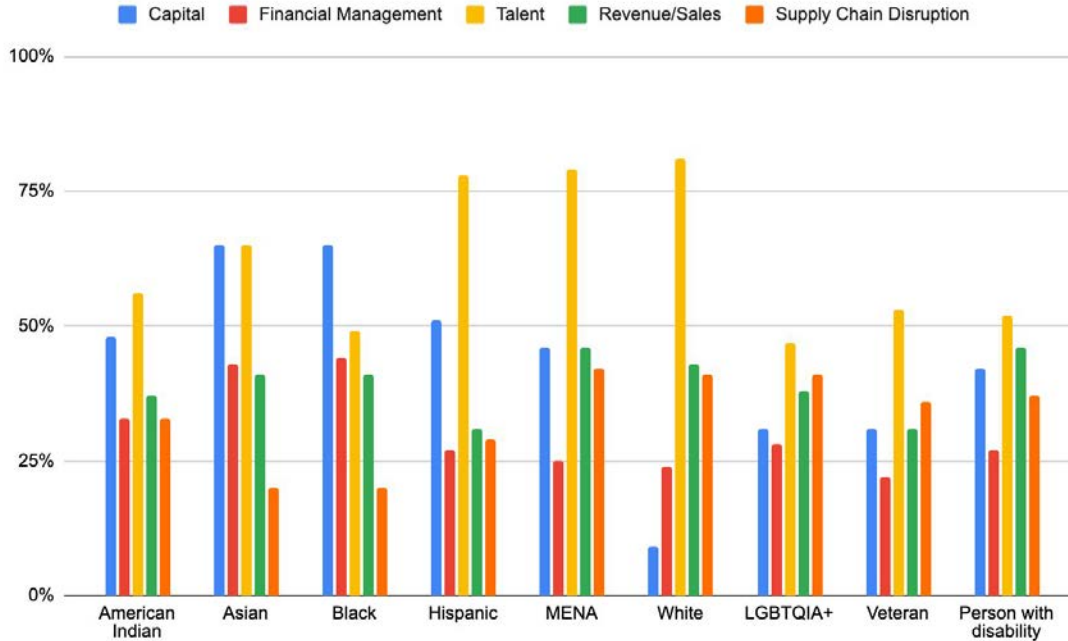
Small Businesses in this survey, having survived the pandemic, are **cautiously optimistic** about their future. The main challenges they face are with **hiring and retaining talent**, **accessing capital**, generating demand through **sales and marketing** to make up lost **revenue** from the past 2 years, and addressing **supply chain disruptions** from the global impact of the pandemic. Needs vary by size of business; **capital is #1 for micro businesses** and **talent is #1 for the larger small businesses**.



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DEMOGRAPHICS

BIGGEST CHALLENGES BY DEMOGRAPHICS



- Nearly **50%** of all Hispanic business owners reported reducing their hours of operation by at least **25%**.
- Over **90%** claimed to have reduced hours by at least **75%**.
- **Talent** was the **#1** challenge for MENA, Hispanics, and Whites.

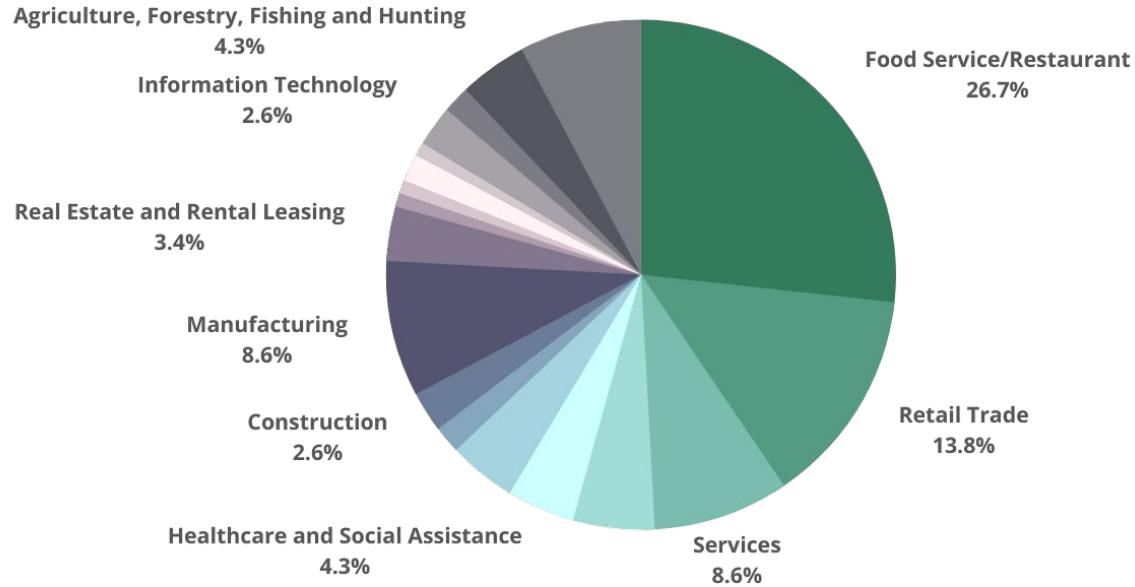
65% of **Black** and **Asian** business owners respectively cited access to capital as their biggest challenge.



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DEMOGRAPHICS - WHITE

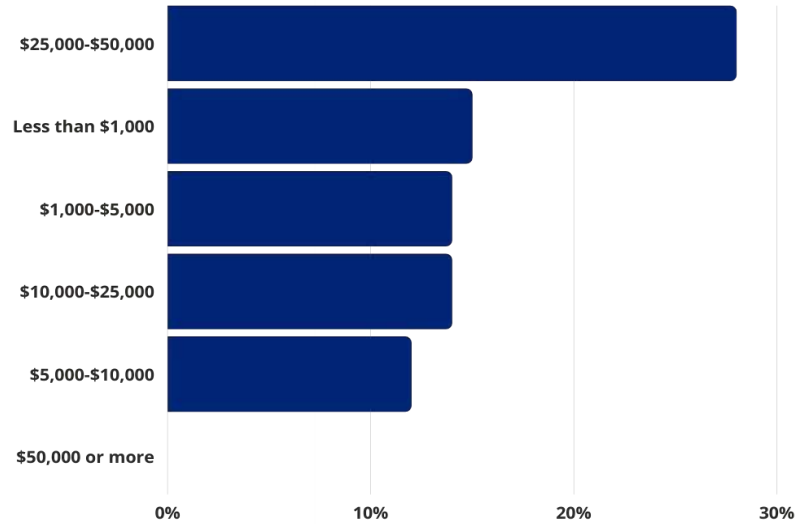
INDUSTRIES OF RESPONDENTS



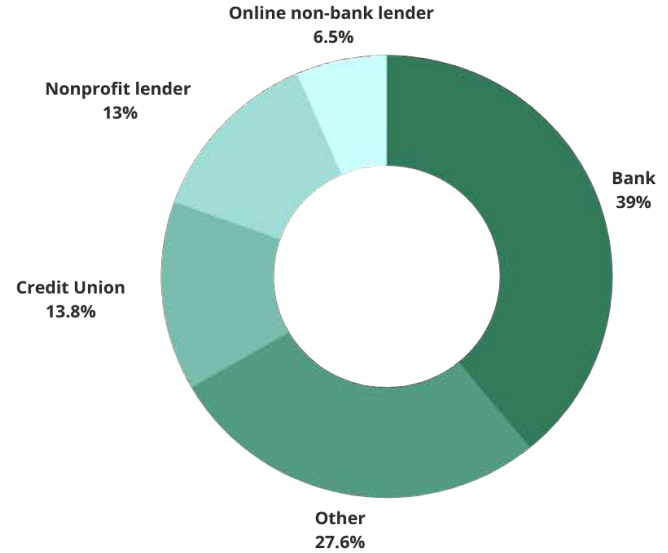
CAPITAL NEEDS



Cash on Hand

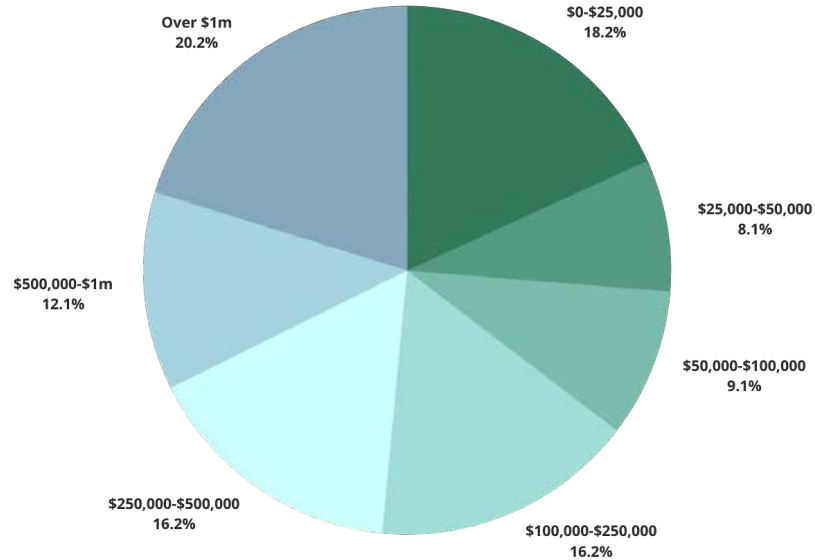


Applied Lenders





REVENUE OF RESPONDENTS

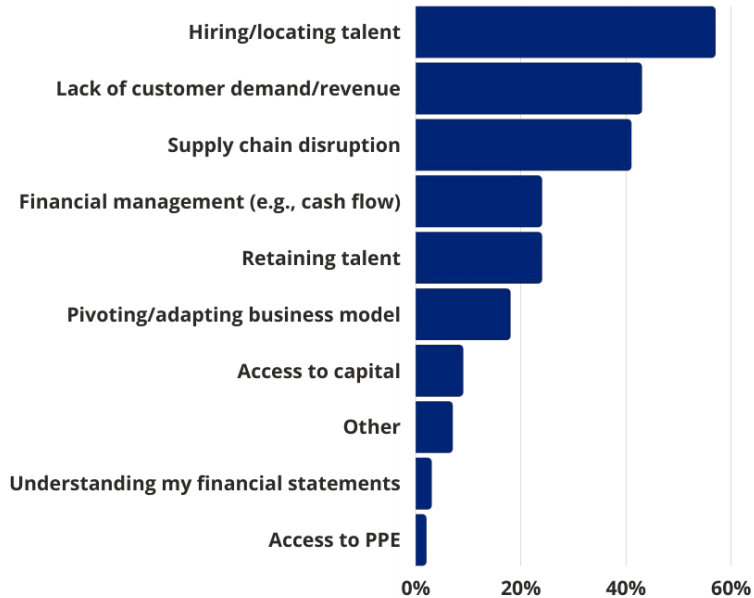


- **Over 50%** of all businesses earned **under \$250k** in annual revenue (2020)
- **55%** of businesses expected **an increase in revenue** in the last year (2021)
- **Over 75%** of businesses **did not miss a payment** during the pandemic

BUSINESS CHALLENGES & GOALS



Top Challenges



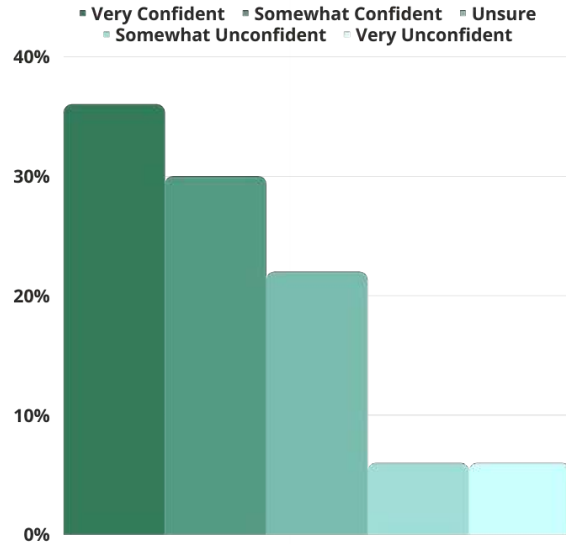
Top Goals



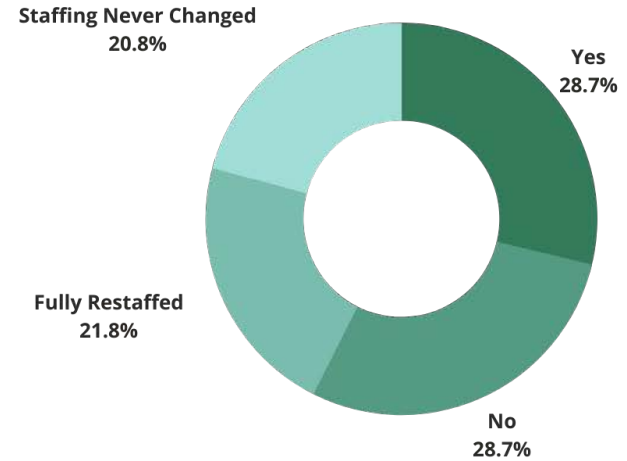
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



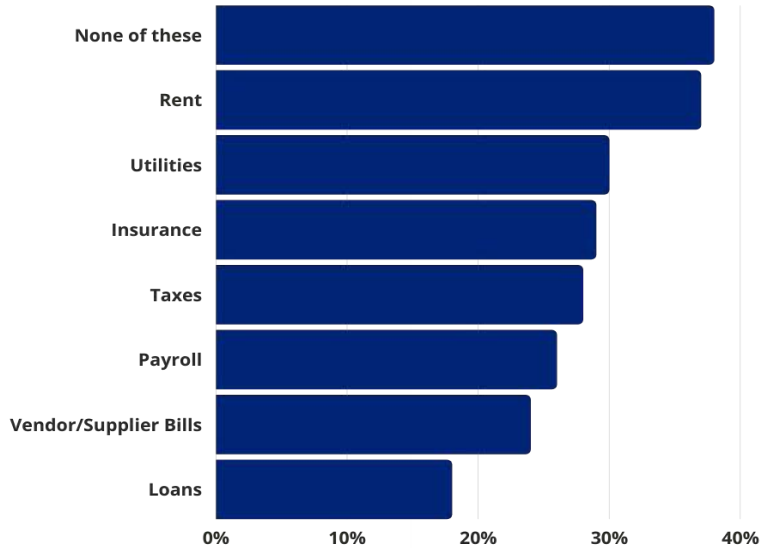
Restaffing Expectations



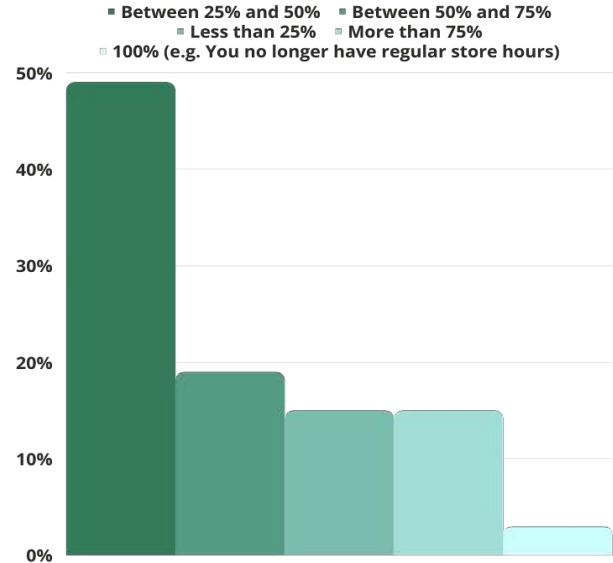
HEALTH OF THE SMALL BUSINESS



Missed Payments



Operating Hours

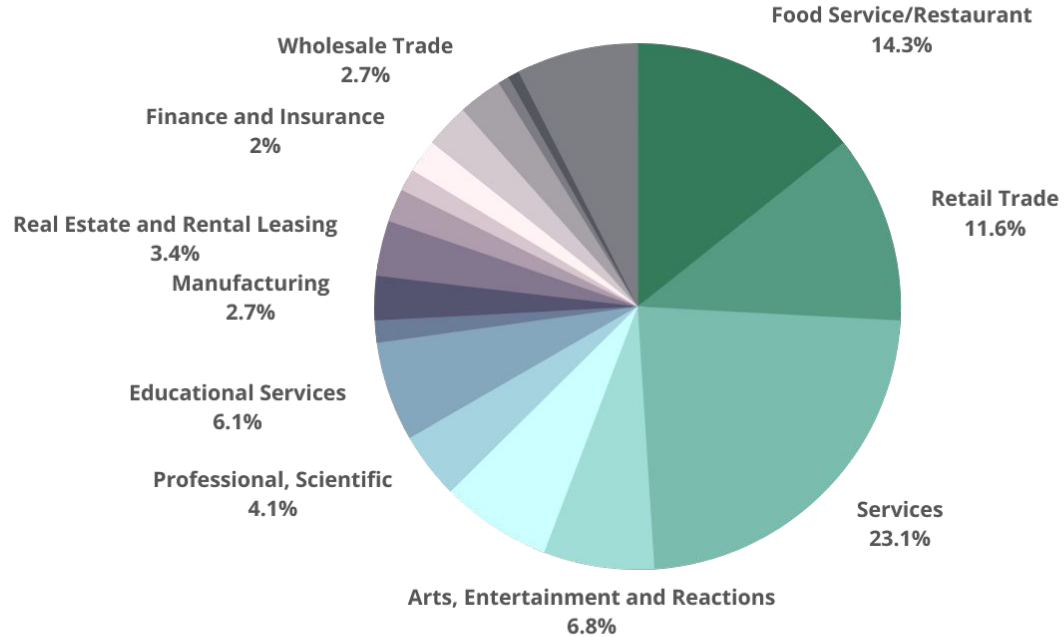




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DEMOGRAPHICS - BLACK

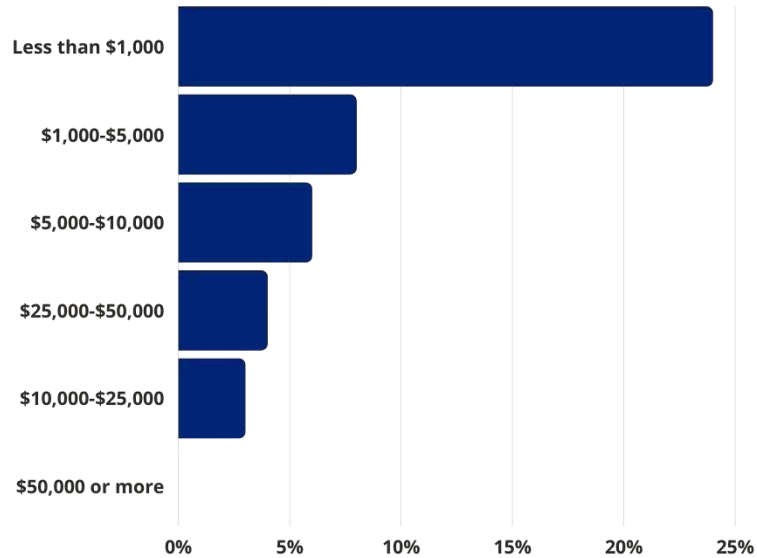
INDUSTRY OF RESPONDENTS



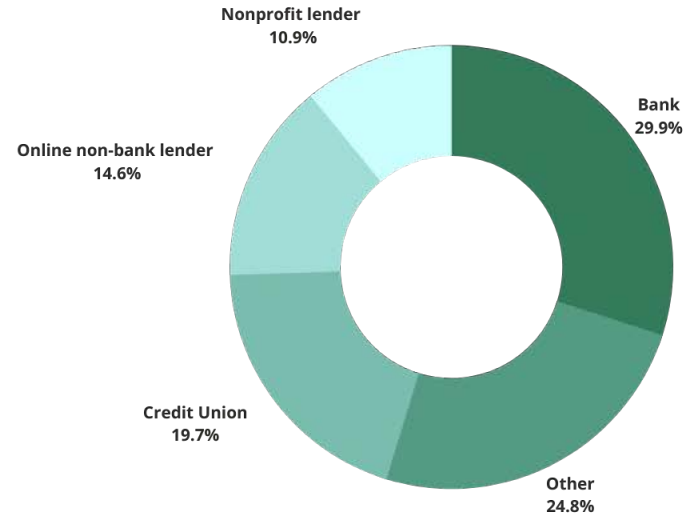
CAPITAL NEEDS



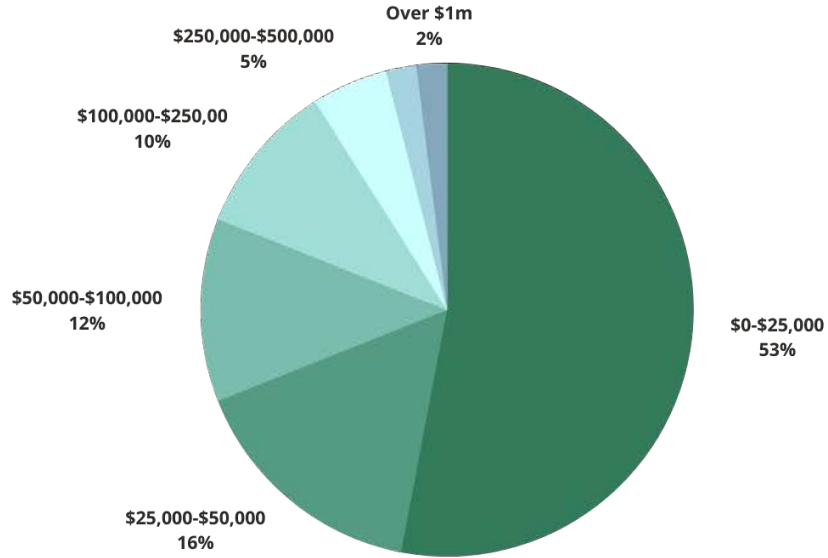
Cash on Hand



Applied Lenders



REVENUE OF RESPONDENTS

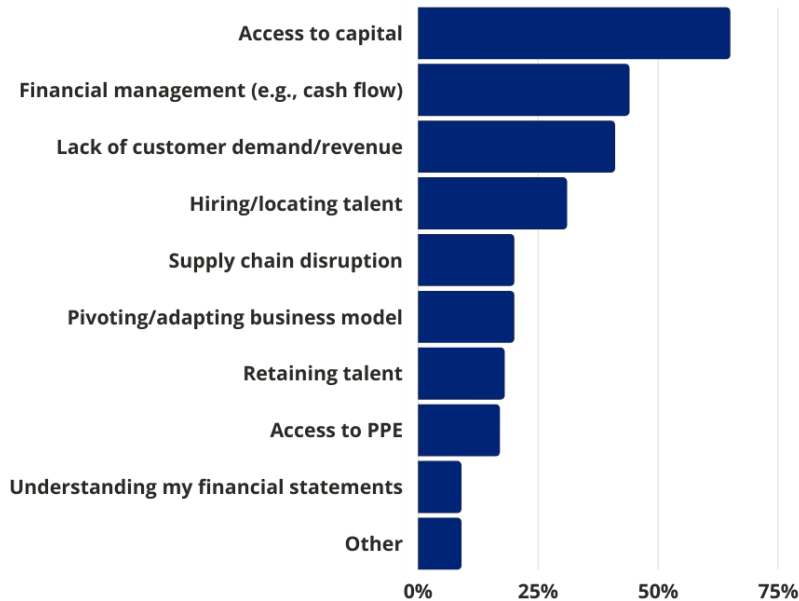


- **Over 90%** of all businesses earned **under \$250k** in annual revenue (2020).
- **Over 35%** of businesses **did not miss a payment** during the pandemic.

BUSINESS CHALLENGES & GOALS



Top Challenges



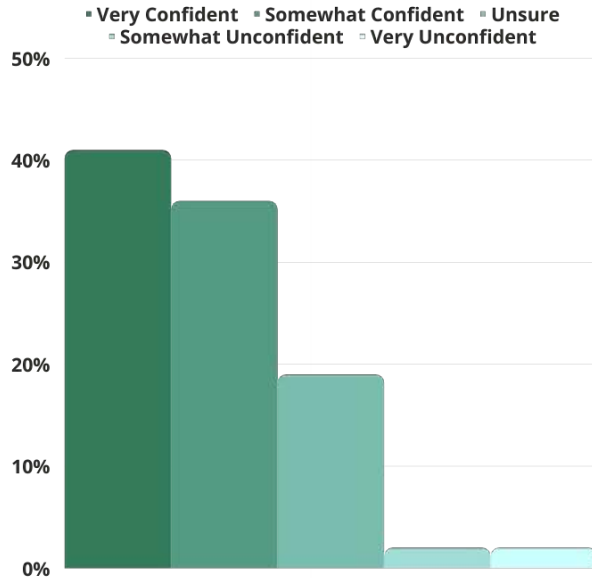
Top Goals



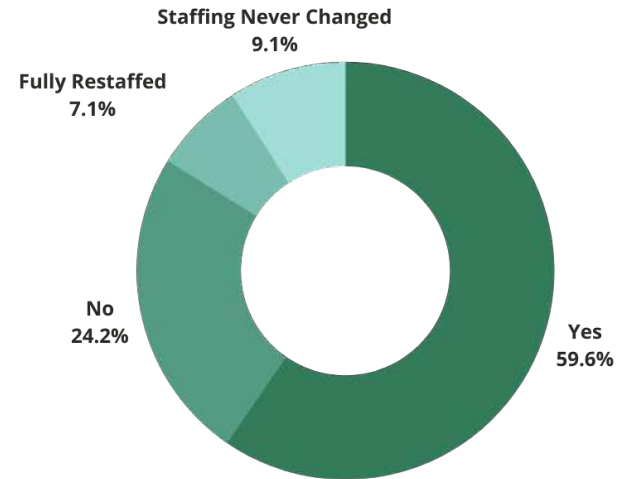
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



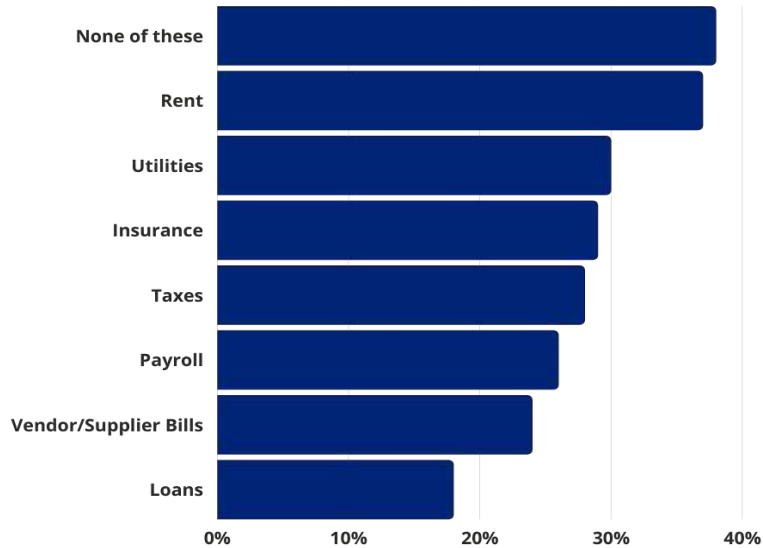
Restaffing Expectations



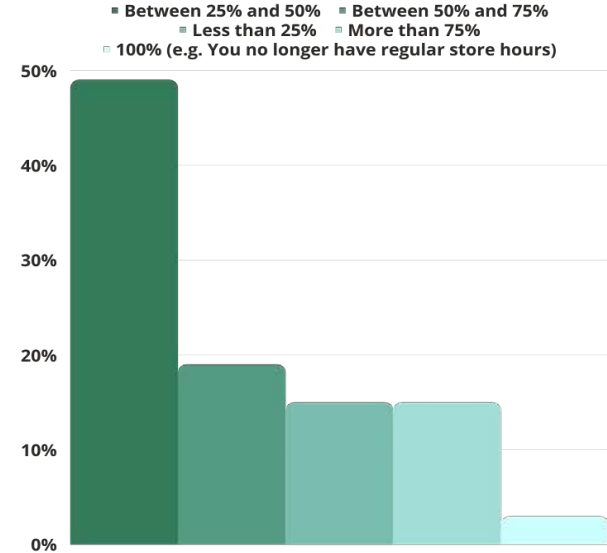
HEALTH OF THE SMALL BUSINESS



Missed Payments



Operating Hours

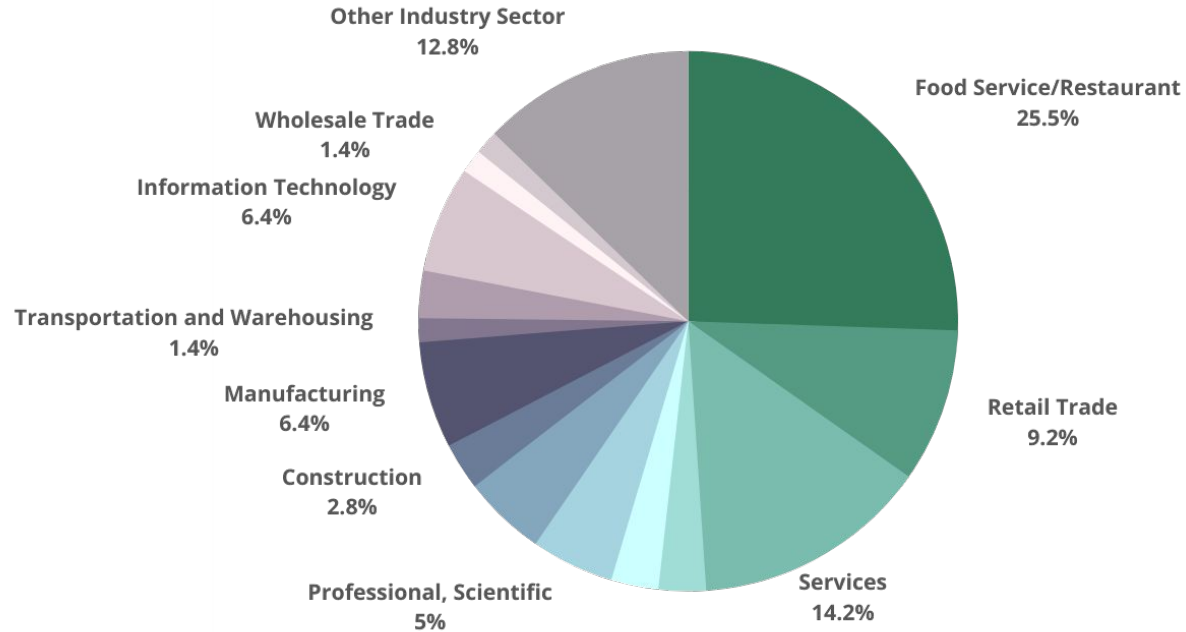




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DEMOGRAPHICS - HISPANIC

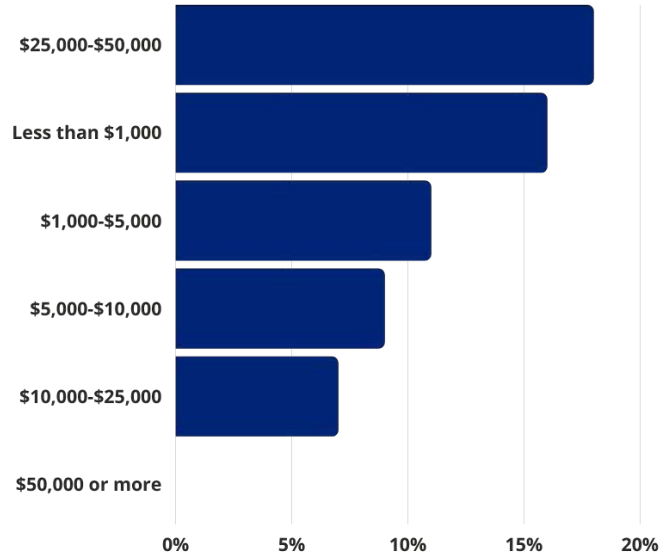
INDUSTRY OF RESPONDENTS



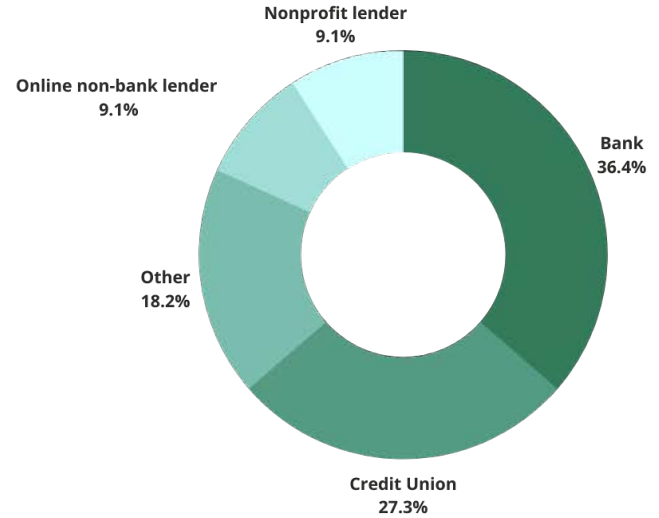
CAPITAL NEEDS



Cash on Hand

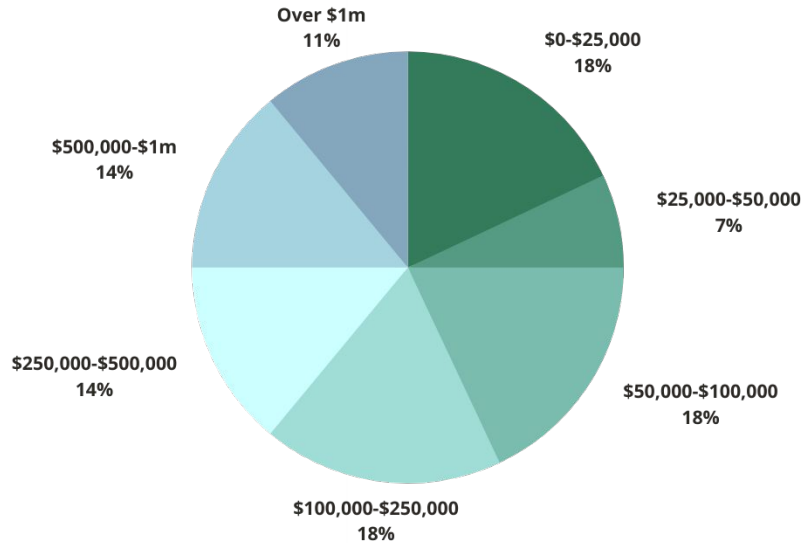


Applied Lenders





REVENUE OF RESPONDENTS

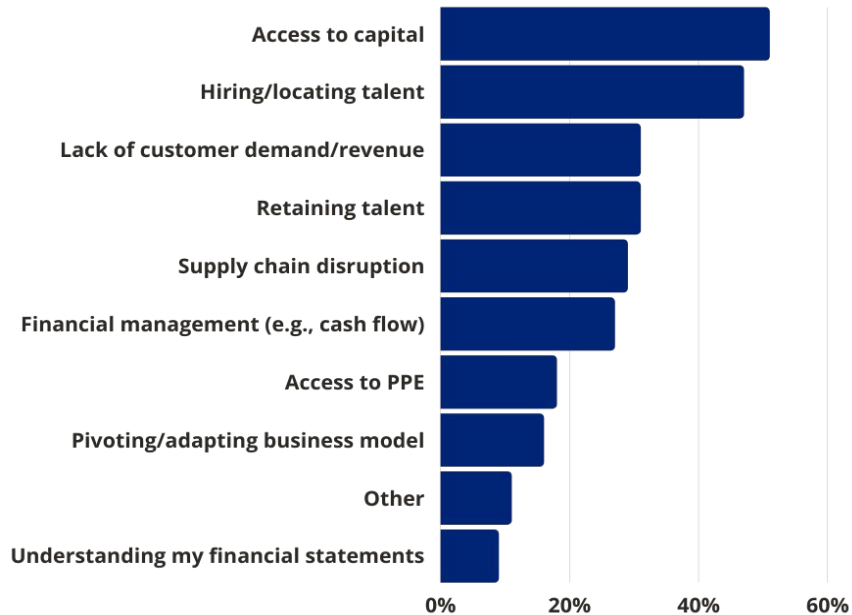


- **Over 1/2** of all businesses earned **under \$250k** in annual revenue (2020)
- **Nearly half** of businesses expected a **decrease in revenue** in the last year (2021)
- **Nearly 50%** of businesses **did not miss a payment** during the pandemic

BUSINESS CHALLENGES & GOALS



Top Challenges



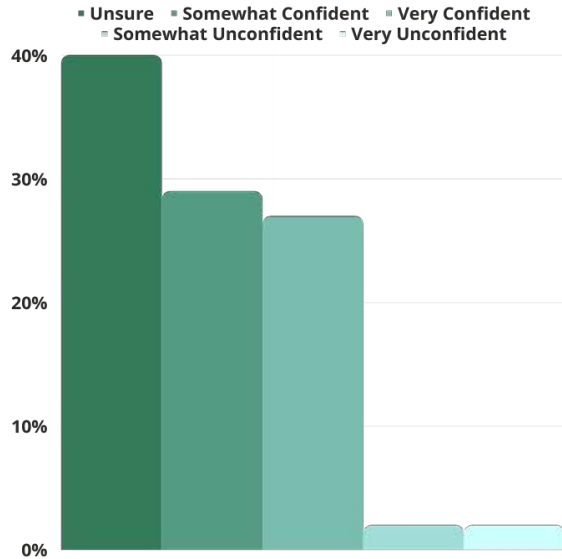
Top Goals



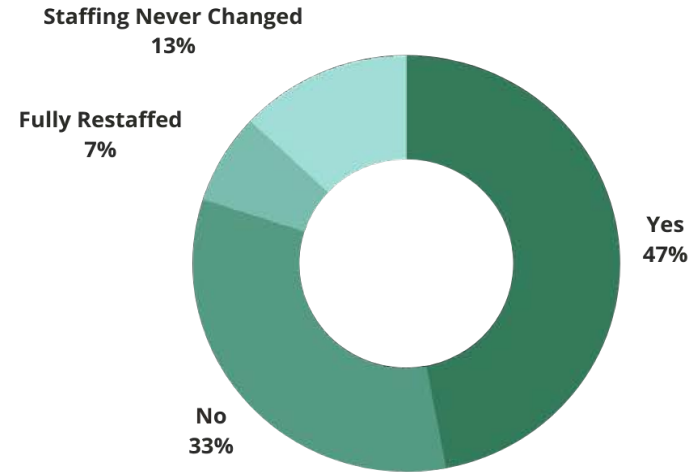
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



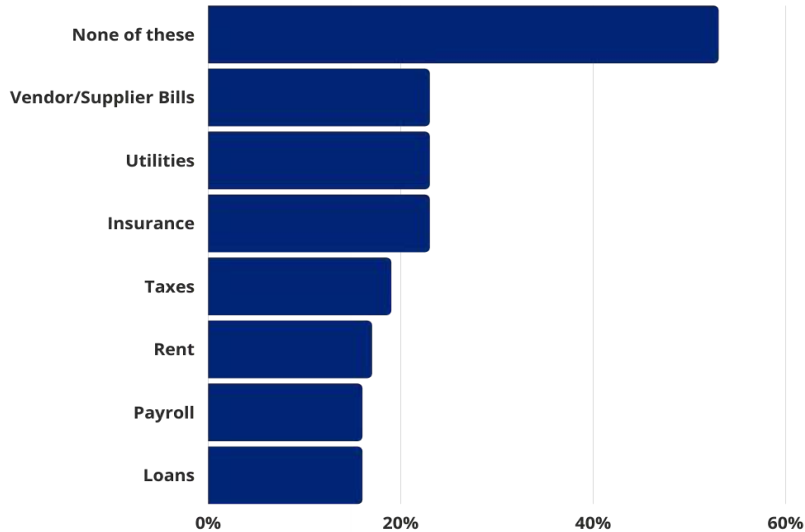
Restaffing Expectations



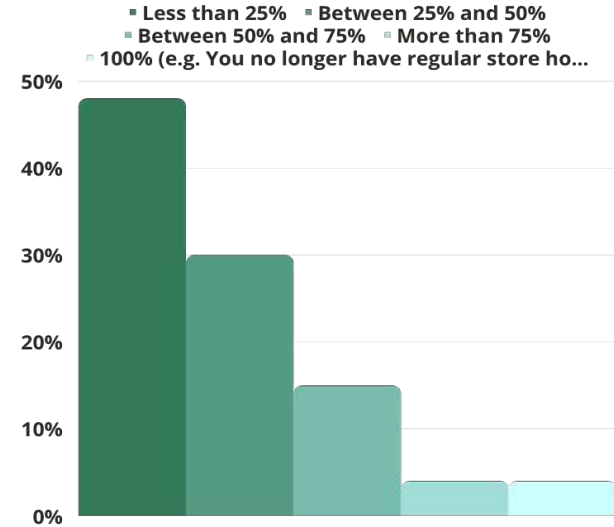
HEALTH OF THE SMALL BUSINESS



Missed Payments



Operating Hours

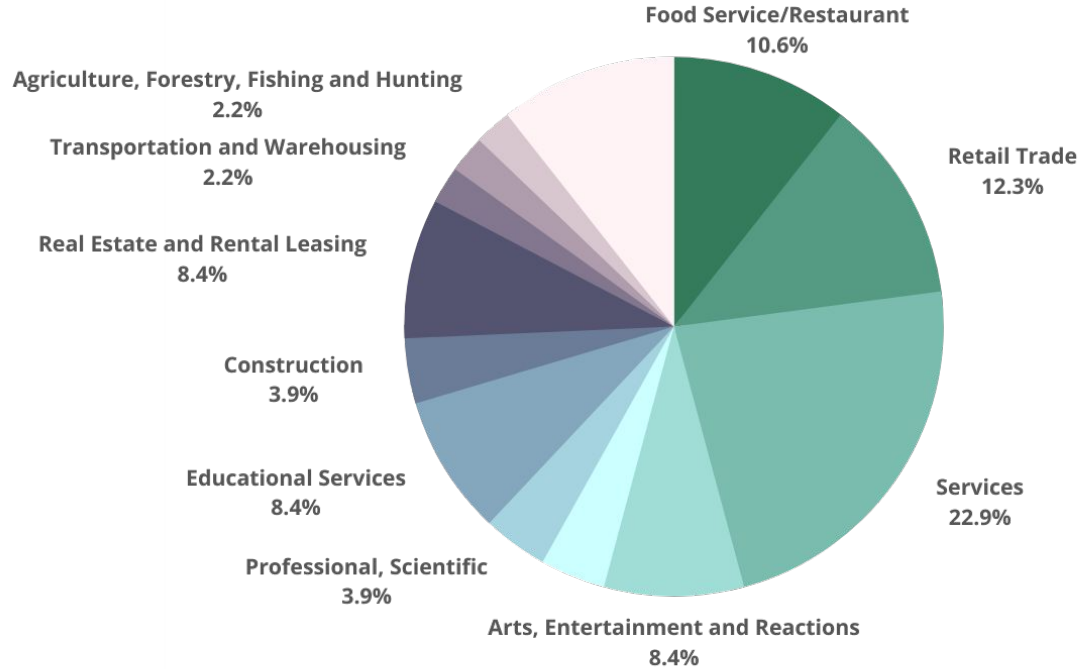




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DEMOGRAPHICS - AMERICAN INDIAN OR ALASKAN NATIVE

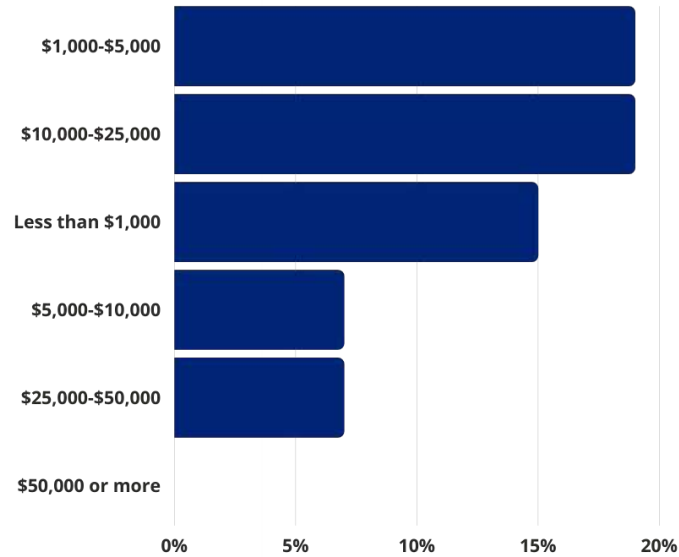
INDUSTRY OF RESPONDENTS



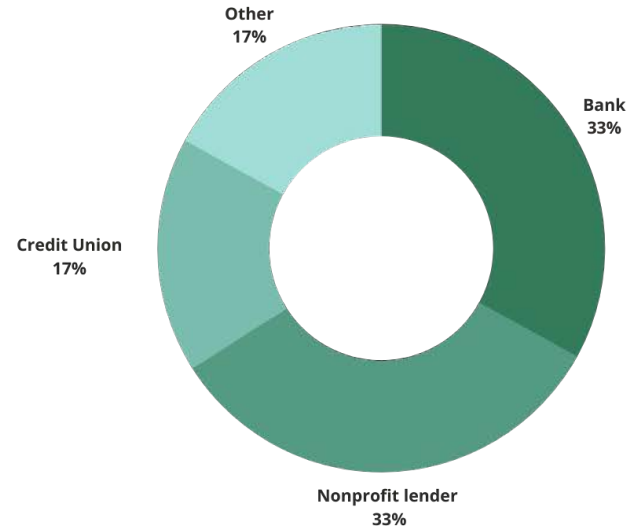
CAPITAL NEEDS



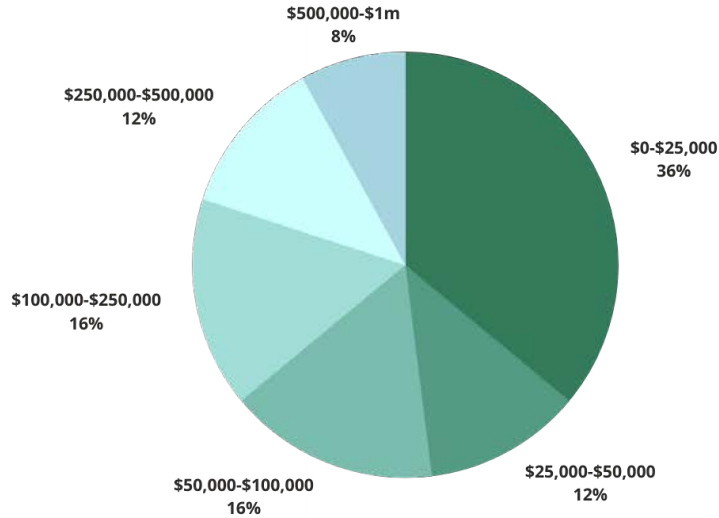
Cash on Hand



Applied Lenders



REVENUE OF RESPONDENTS

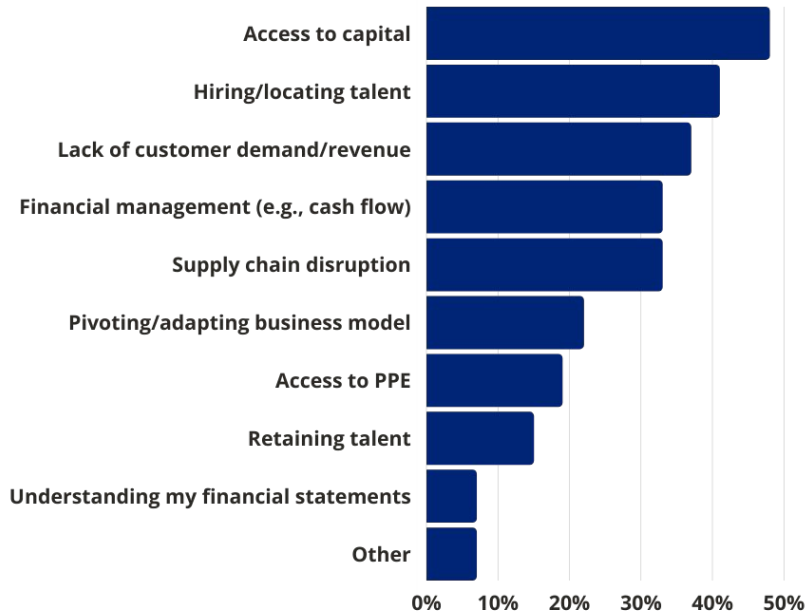


- **Over 75%** of all businesses earned **under \$250k** in annual revenue (2020)
- **Nearly half** of businesses expected **an increase in revenue** in the last year (2021)
- **Almost 1/3** of businesses **missed a tax payment** during the pandemic

BUSINESS CHALLENGES & GOALS



Top Challenges



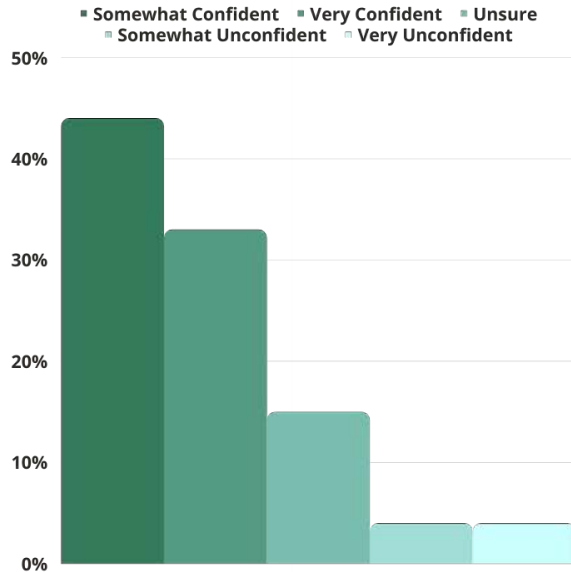
Top Goals



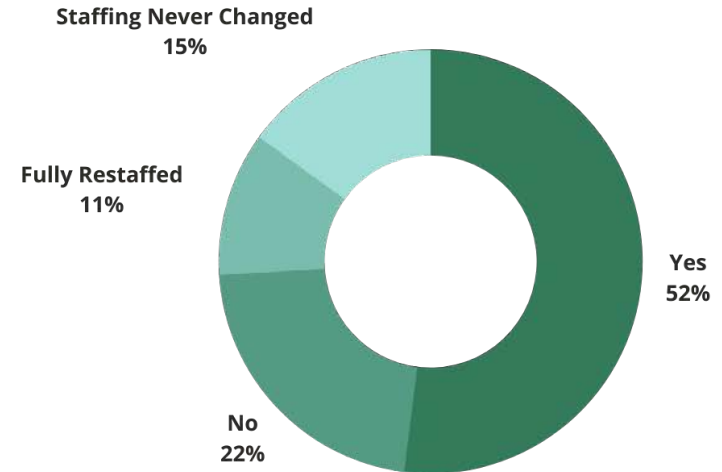
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



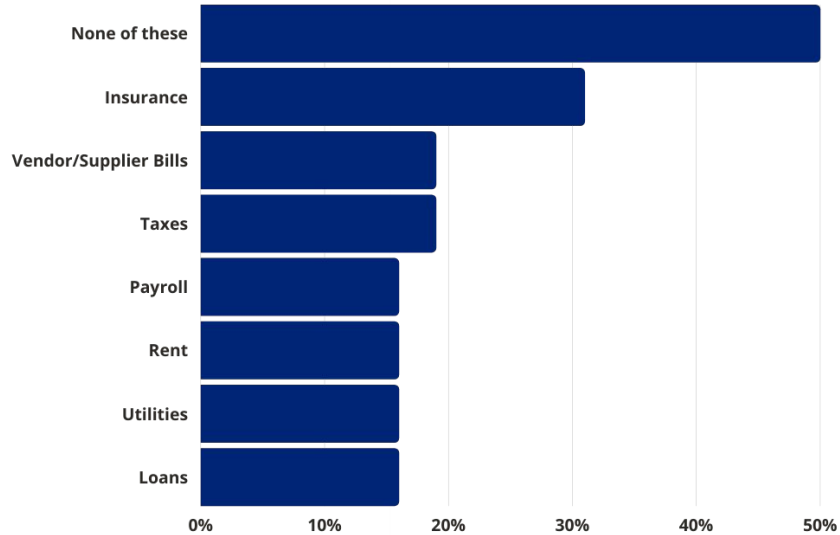
Restaffing Expectations



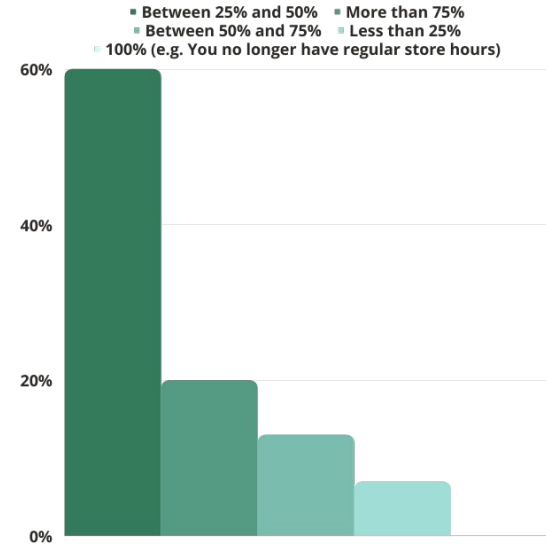
HEALTH OF THE SMALL BUSINESS



Missed Payments



Operating Hours

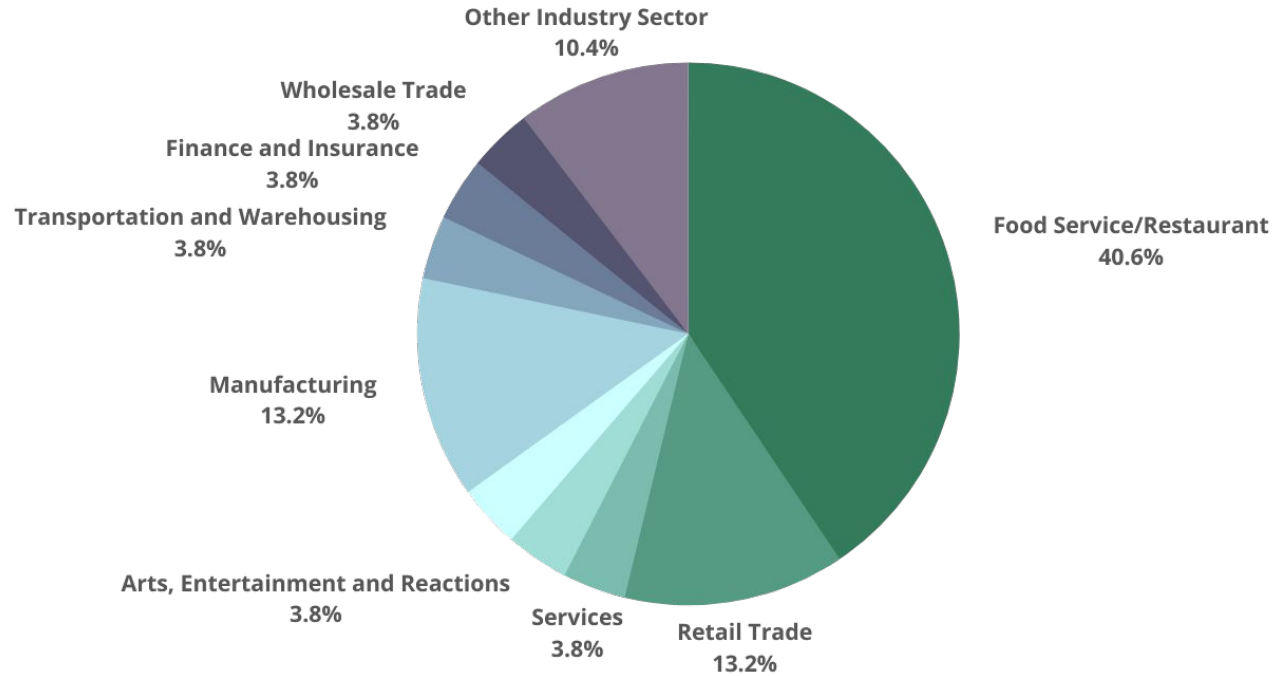




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DEMOGRAPHICS - ASIAN

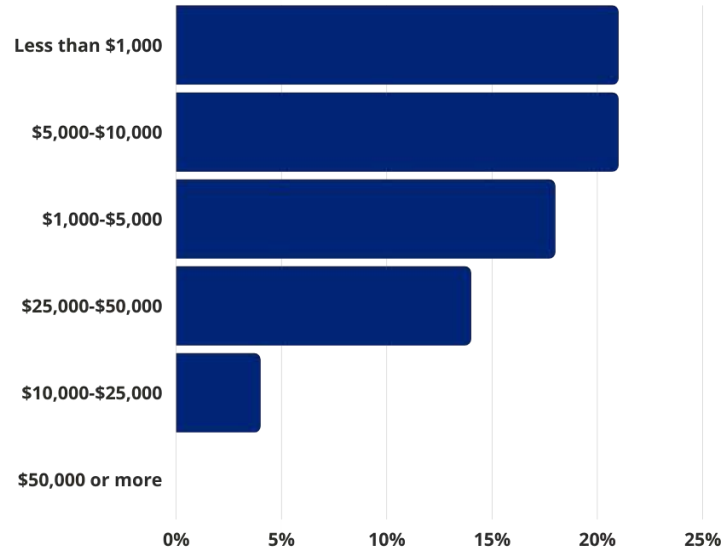
INDUSTRY OF RESPONDENTS



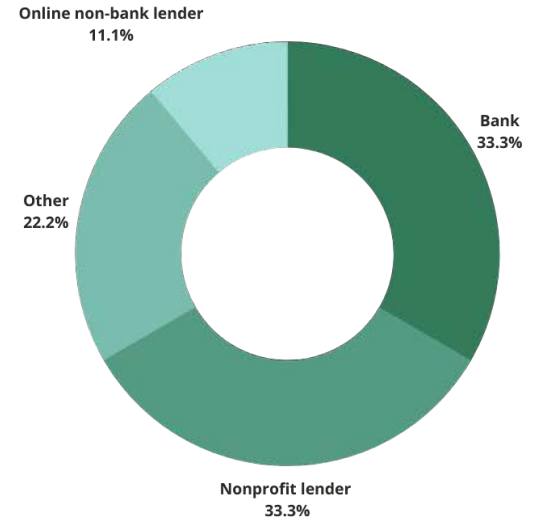
CAPITAL NEEDS



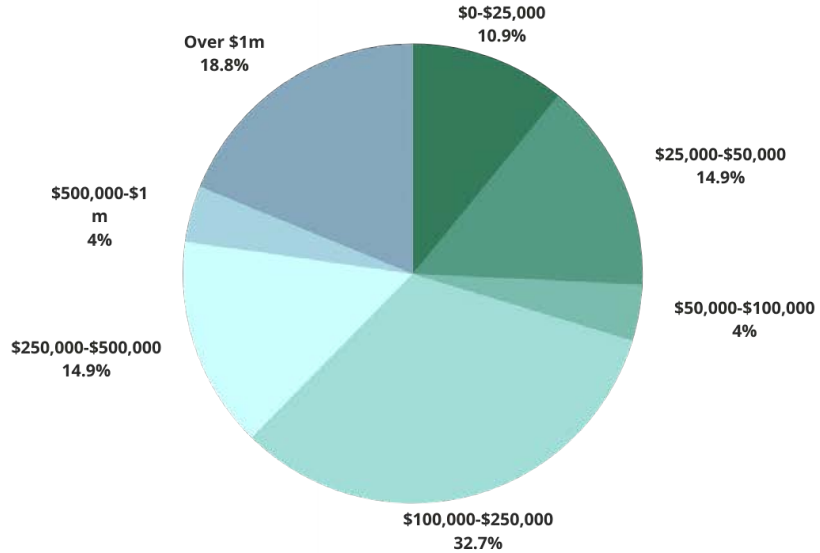
Cash on Hand



Applied Lenders



REVENUE OF RESPONDENTS

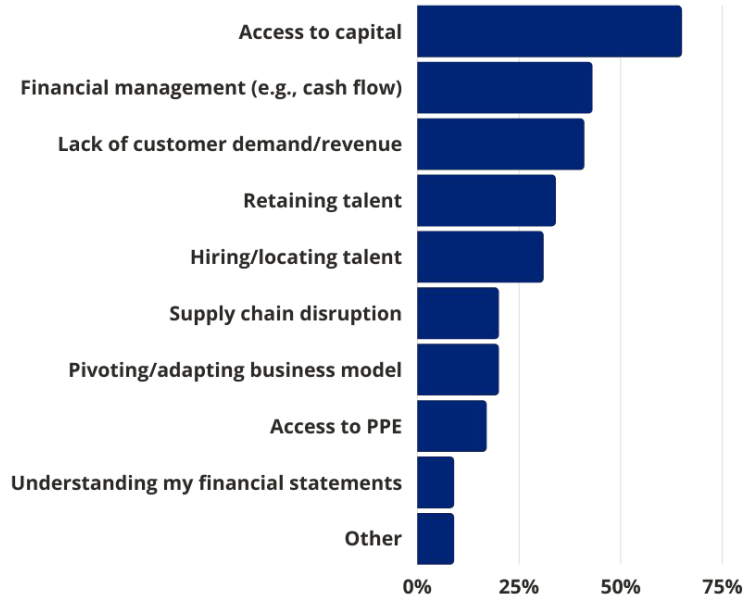


- **Over 1/2** of all businesses earned **under \$250k** in annual revenue (2020)
- **Nearly 49%** of businesses expected an **increase in revenue** in the last year (2021)
- **Over 65%** of businesses **did not miss a payment** during the pandemic

BUSINESS CHALLENGES & GOALS



Top Challenges



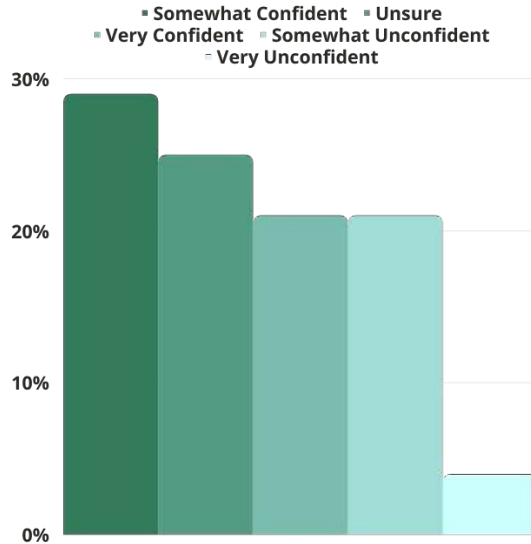
Top Goals



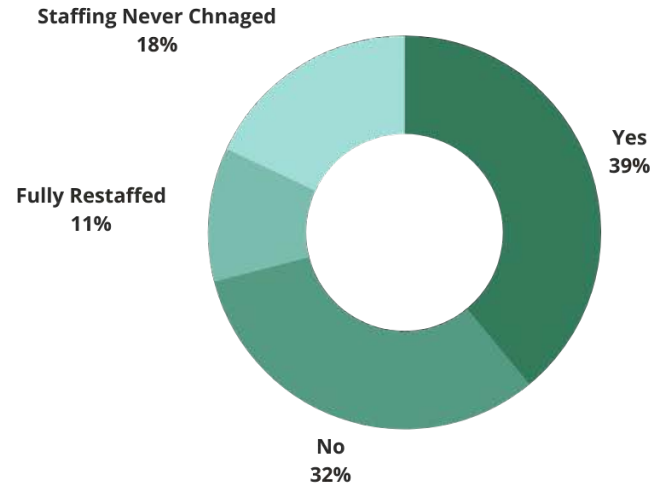
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



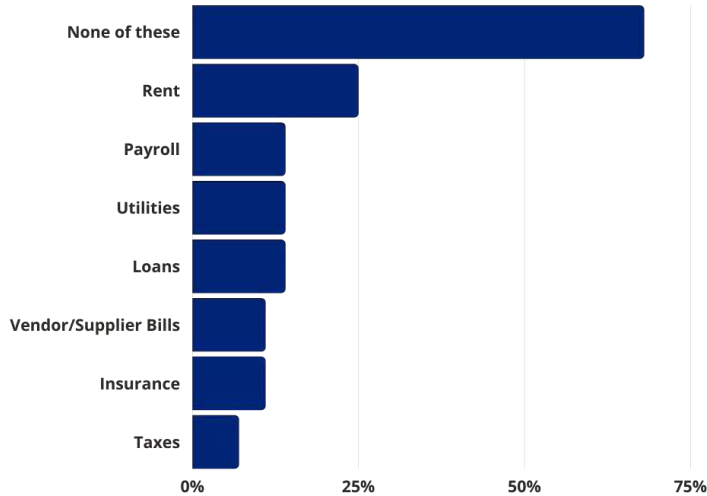
Restaffing Expectations



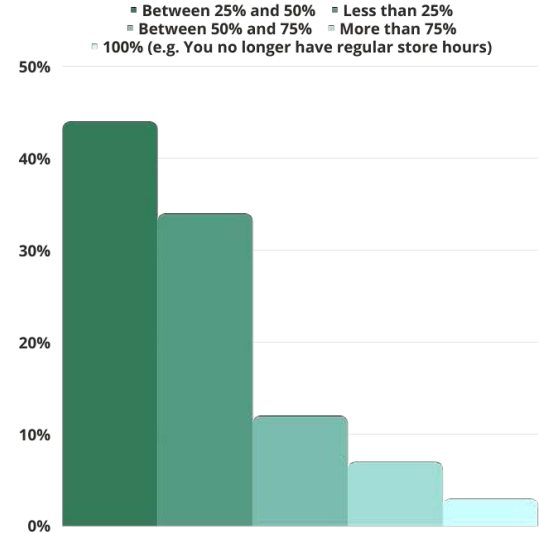
HEALTH OF THE SMALL BUSINESS



Missed Payments



Operating Hours





SUMMARY

1. Needs of **micro businesses** different than other small business segments
2. Majority of the businesses were **optimistic** about the recovery and needed help to bounce back to pre pandemic levels
3. Top overall needs are **hiring talent, growing revenue**, addressing **supply chain disruptions, improving access to capital** and **surviving the pandemic**
4. Next steps are to engage regional stakeholders and support organizations to share these findings to address local needs



For additional information please contact

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