Independence, Purpose, and Sacrifice —
Shining a Spotlight on the Complexities Facing Today’s Small Business Owners
Table of Contents

- Methodology 3
- Executive Summary 5
- Detailed Findings 9
- Appendix 42
Survey Objective & Methodology

Survey Details

15-minute online survey fielded from July 11th – July 22nd, 2023

SAMPLE STRATEGY

Sample of 1,000 U.S. Small Business Owners across a range of industries, with an annual revenue of $25 million or less and at least two employees

Oversample of 347 California-based Small Business Owners

The margin of error for this study is ±3.1% for U.S. Small Business Owners and ±5.26% for California Small Business Owners
Executive Summary
Executive Summary

01
Small business owners define success on their own terms and it’s about more than just the money—their business is deeply intertwined with purpose.

In addition to finances as a key driver of success, more than 9 in 10 find it in focusing on customers, family, and passion.

This emphasis is reflected in their life priorities, as small business owners truly work to live, ranking time spent with loved ones (43%), work-life balance (37%), and physical health (35%) well ahead of their business health (22%).

02
Independence is a big driver for small business owners, but the “business of running a business” makes for a lot of difficult decisions.

Greater freedom brings greater responsibility. Small business owners face challenges from every corner of their business, identifying top stressors as obtaining funding (80%), competition (79%), supply chain issues (78%) and staffing shortages (72%).

Today’s small business owners could use support as they struggle with having too many difficult decisions to make (77%) and feeling uncertain about how to properly run their business (76%).

03
Despite their relentless dedication, even the most successful small business owners risk burnout as they struggle to balance their business demands with their personal priorities.

The key culprit for small business owners’ stress is lack of time, and 2 in 3 say they’re doing all they can for their business but it’s never enough.

Small business owners feel that a good work-life balance is impossible to achieve. Their personal lives and relationships are paying the price, as 1 in 2 small business owners have lost touch with loved ones or been worse romantic partners due to their business.
Small business owners see the value of digital tools but are overwhelmed by constant decisions and many options, and they have yet to unlock the full potential of digital solutions.

8 in 10 small business owners report strong digital knowledge and are actively looking for new ways to invest in digital transformation.

Although they see the value of digital solutions in freeing up their time (42%), improving their overall productivity (41%), and helping them scale their business (40%), many get decision paralysis.

Nearly 2 in 3 small business owners are overwhelmed by all the solutions that exist and also face barriers of limited time, budget, and resources.

The power of connection: purpose, conversation, and community are key to small business owner success.

For small business owners’ success, leaning into the support of family and friends (78%) and listening to and addressing employees’ feedback (76%) are integral.

Success also comes from connecting with customers, wherever they are, and small business owners credit promoting their business on social media (76%), improving or building their website (73%), and using digital tools to improve customer experience (72%).

Super-resilience: in the face of great challenges, small business owners remain optimistic, proactive, and purpose-driven.

Despite many challenges and stressors, 9 in 10 small business owners are optimistic for their business’s future.

When stressed, small business owners ground themselves in purpose and being proactive—reminding themselves why they started their business (78%) and also regularly evaluating their business strategy (73%), establishing boundaries with work (71%), and hiring additional support staff to relieve their workload (50%).
California really is the golden state, as small business owners there are more optimistic and have a better work-life balance than the average U.S. small business owner.

California small business owners are more likely than the average US small business owners to say their business is successful (95% CA vs. 86% U.S.) and that they are optimistic for the future (96% CA vs. 87% U.S.).

Even more, they sacrifice less for their business and are less likely to have worked longer hours (64% CA vs. 74% U.S.).

This sense of optimism and balance may be, in part, because California small business owners are more likely to have unlocked solutions, including tech and tools, stress relief, and viewing their banker as a resource on their team.
Detailed Findings
Small business owners define success on their own terms and it’s about more than just the money— their business is deeply intertwined with purpose.
Small business owners define success as much more than just the financials—they’re powered by passion and purpose.

NEARLY
9 in 10
of small business owners define their business as successful (86%)

Q1: Thinking about the word “success” and what it means to you, how would you rate the current success of your business?  (rating scale of 1 to 10)
Q4: How important do you feel each of the following are in determining whether your business is successful according to your own definition of success?  (rating scale of 1 to 10)  Base: US Small Businesses
Money doesn’t even make the top 5 reasons why small business owners became business owners in the first place

- I wanted to be my own boss: 95%
- I wanted to make customers happy: 94%
- I wanted my passions to be part of my work: 93%
- I had an idea that I wanted to pursue: 93%
- I have a deep curiosity and constant desire to learn: 93%

Top 5 Reasons Small Business Owners Started Their Business

Q5: To what extent do you agree or disagree with the following statements about why you decided to become a small business owner? (Showing Nat Top 2 Box) Base: USSBOen=1000
Small business owners operate from a deep sense of responsibility to their customers, communities, and families.

The majority of small business owners decided to start their own business to make their customers happy (94%) and to contribute to their community (87%).

The majority feel successful when they support those who depend on them (91%) and make their family and friends proud of what they accomplish (73%).
Small business owners say family and wellbeing are higher priorities than their finances and business health

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time spent with loved ones</td>
<td>43%</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>37%</td>
</tr>
<tr>
<td>Physical health</td>
<td>35%</td>
</tr>
<tr>
<td>Mental health</td>
<td>34%</td>
</tr>
<tr>
<td>Overall wellbeing</td>
<td>29%</td>
</tr>
<tr>
<td>Personal finances</td>
<td>28%</td>
</tr>
<tr>
<td>Sense of purpose in life</td>
<td>26%</td>
</tr>
<tr>
<td>Business health</td>
<td>22%</td>
</tr>
</tbody>
</table>

Q11: Please rank the top 5 priorities in your life, with #1 being your top priority. Base: US&B owners=1000
Independence is a big driver for small business owners, but the “business of running a business” makes for a lot of difficult decisions.
Autonomy and control are a large part of why individuals became business owners—and it’s working.

90% of small business owners have greater independence and autonomy because of their business.

95% I wanted to be my own boss

92% I wanted control of how and when I work

82% I didn’t want to be confined to a 9-to-5
Greater freedom brings greater responsibility, and small business owners need to handle stressors from every corner of their business.

Small Business Owners Identify Their Top Stressors As

- Obtaining enough funding to support their business: 80%
- Competitors in the marketplace: 79%
- Supply chain issues: 78%
- Needing to upskill their workforce: 74%
- Staffing shortages: 72%

Two-thirds of small business owners wish they could spend less time on business operations (67%).

Q7: Which of the following are top stressors related to your business? *Showing Net Top 5 Box*. Q10: Thinking about yourself as a small business owner, how much do you agree or disagree with the following statement? *Showing Net Top 2 Box*. Base: USBB.Owner.1000
The constant responsibility of making many decisions can be overwhelming for small business owners

3 in 4 Small business owners agree:

- They have too many difficult decisions to make (77%)
- They feel uncertain about how to properly run their business (76%)

Q7: Which of the following are top stressors related to your business? (Base: US SBOs n=1000)
Despite their relentless dedication, even the most successful small business owners risk burnout as they struggle to balance their business demands with their personal priorities.
Even the most successful business owners can feel like they’re living on the edge.

- More than 1 in 2 small business owners experience burnout: 56% say the constant need to adapt as a small business owner is burning them out.
- 52% feel like their business is always on the edge of failing.
- 50% have seriously considered walking away from their business.

Q10. Thinking about your role as a small business owner, how much do you agree or disagree with the following statements? <Showing Net Top 2 Box> Base: US SMBs n=1000
The key culprit for small business owner stress: not having enough time

83% of small business owners are stressed by their workload and not having enough time to do everything they need to do.

I wish I could spend more time planning for the future of my business
77%

I wish I could spend less time on business operations
67%

I’m doing all I can for my business, but it’s never enough
62%

I wish I could spend less time putting out fires for my business
60%

Q7: Which of the following are top stressors related to your business? (Showing Net Top 3 Box). Q10: Thinking about your role as a small business owner, how much do you agree or disagree with the following statements? (Showing Net Top 2 Box). Base: US BICs n=1000
Constantly short on time, small business owners are resigned to not having a good work-life balance.

6 in 10 believe it’s impossible to have a good work-life balance as a small business owner (57%).
The responsibilities of owning a small business are making an impact on small business owners’ personal lives and relationships

- 3 in 4 have worked longer hours than they would have liked (74%)
- 7 in 10 small business owners have worked at least one weekend every month (71%), and more than 1 in 2 skip at least 12 meals every month (54%)
- 2 in 5 miss a family gathering or event at least once every month (41%)
- And 1 in 2 small business owners have lost touch with close friends/family (52%) or have been a worse romantic partner for the sake of their business (51%)

*Note: Stressed SBOs are defined as SBOs who stated that their stress levels have increased compared to one year ago.*
Women entrepreneurs are more likely to be maintaining better work-life balance than their male counterparts.

For the sake of their business, female small business owners are less likely to have...

- been forced to miss birthdays/anniversaries: 39% vs 53%
- lost touch with close friends/family: 46% vs 55%

**Female Small Business Owners**

- “The constant need to adapt as a small business owner is burning me out”

**Male Small Business Owners**

- 60% Male Small Business Owners
- 49% Female Small Business Owners

Q10. Thinking about your role as a small business owner, how much do you agree or disagree with the following statements? (Please rate on a scale of 1 to 5: 1 = Strongly Agree, 5 = Strongly Disagree)
Small business owners see the value of digital tools but are overwhelmed by constant decisions and many options...

...and they have yet to unlock the full potential of digital solutions.
Today’s small business owners are savvy and interested in the latest digital solutions

- are confident in their digital knowledge (86%)
- are always looking for the latest tech/tools to help run their business more efficiently (80%)
- trust their current solution providers to operate in their business’s best interest (84%)

MORE THAN 4 in 5 Small Business Owners
Small business owners see the value that new digital tools can bring their business

The key value for small business owners centers on **time**, and the **operational and psychological benefits** of having more of it.

- **82%** say that simplifying digital solutions would reduce stress in their day-to-day
- **72%** say that using digital tools to improve customer experience has been helpful to the success of their business
- **40%** say digital tools would reduce the burden of repetitive tasks and improve overall productivity
- **42%** say digital tools would help free up their time, allowing them to focus on more strategic responsibilities
- **40%** say digital tools would allow them to prioritize the products and services most essential to their customers and help them scale their business without requiring additional resources

Q8: Which of the following solutions have been helpful to the success of your business? (Showing Net Top 2 Box)
Q19: Thinking about adopting new technologies, which of the following statements do you agree or disagree with? (Showing Net Top 2 Box) Q20: What benefits of digital tools would be the most helpful for your business? Base: US B2Is n=1500
However, when it comes to adopting new solutions, many small business owners are not sure where to begin—and know they could be paying a price for it.

6 in 10 of small business owners are overwhelmed by all the solutions that exist and find it difficult to determine the best one for their business (61%).

1 in 2 agree that their work and staff are suffering because they haven’t been able to determine the correct tools and solutions for their needs (47%).
Small business owners face several barriers that prevent them from unlocking the benefits of digital solutions.

**Barriers To Adopting New Digital Tools:**

- **52%** don’t have the **budget** to afford new digital tools.
- **44%** don’t have the **time** to learn how to use new technologies.
- **43%** don’t have the **resources** to learn about new digital tools.

Q18: Thinking about adopting new technologies, which of the following statements do you agree or disagree with? *<Solicit Net Top 2 Box>* Base: US SBOs n=1000
The power of connection: purpose, conversation, and community are key to small business owner success.
Small business owners see connection with their community and employees as the top drivers of their success and resilience.

Support from their family and friends: 78%

Listening to their employees and addressing their feedback: 76%
Conversation also means connecting with customers, wherever they are.

And small business owners see digital tools and channels as a powerful means to do so.

- Promoting their business on social media: 76%
- Improving or building their website: 73%
- Using digital tools to improve customer experience: 72%

Q8: Which of the following solutions have been helpful to the success of your business? (showing Net Top 3 Box) Base: USBOwn=1000
Collaboration and connection are key to mitigating stress for small business owners

Small business owners with decreased stress are more likely to find it helpful to listen to their employees and address their feedback.

82% vs. 75% more stressed

Small business owners with decreased stress are more likely to use team meetings to motivate their staff.

74% vs. 66% more stressed

Small business owners who see their banker as part of their team have lower levels of stress.

78% vs. 65% more stressed

Q8: Which of the following solutions have been helpful to the success of your business? *Showing Net Top 2 Box*. Q10: Thinking about your role as a small business owner, how much do you agree or disagree with the following statements? *Showing Net Top 2 Box*. Q16: Which of the following, if any, do you do in order to relieve stress related to work? *Showing Net Top 2 Box*. Basic: More Stressed SBOs n=329, Less Stressed SBOs n=318

*Note: Stressed SBOs are defined as SBOs who stated that their stress levels have increased compared to one year ago, while less-stressed SBOs say their stress levels have decreased.*
Those who are less stressed are more likely to feel in touch with their community.

Small business owners with decreased stress feel less out of touch with their community.

42% vs. 58% less stressed

Small business owners with decreased stress are more likely to feel they are better integrated with their local community.

86% vs. 79% more stressed

Q6: Compared to a year ago, which of the following best describes your current stress level? Q13: To what extent do you agree or disagree with each of the following statements? Showing Net Top 2 Box Base: Felt out of touch with community n = 191, Feel more in touch with community n = 138, More Stressed SBOs n=329, Less Stressed SBOs n=318

*Note: Stressed SBOs are defined as SBOs who stated that their stress levels have increased compared to one year ago, while less stressed SBOs say their stress levels have decreased.
Super-resilience:

In the face of great challenges, small business owners remain optimistic, proactive, and purpose-driven.
Small business owners are optimistic for the future and feel positively toward their business.

When thinking about their business, the top five emotions small business owners feel are...

- Happy: 54%
- Grateful: 53%
- Excited: 49%
- Joyful: 40%
- Calm: 30%

NEARLY 9 in 10
Small business owners are optimistic about the future of their business (86%)

Q2: Thinking about the next 12 months, how optimistic are you for the future of your business? (1 to 5 Box).
Q3: When thinking about your business this year, which of the following emotions do you/feel, if any? (1 to 5 Box).
Base: USSBCon=1000
Small business owners credit key skills for their success, including work ethic, leadership, and adaptability.

- Work ethic: 52%
- Leadership: 48%
- Confidence: 45%
- Adaptability: 41%
- Organization & time management: 39%

Q9: Which of the following skills or traits have been critical to your success as a small business owner, if any? (Rank in Top 5). Q10: Thinking about your role as a small business owner, how much do you agree or disagree with the following statement? *Showing Net Top 2 Box*. Base: USBBQn=1000.
Digital marketing tools have been key for small business owners

- 2 in 5: Point to promoting their business on social media (39%)
- 1 in 3: Point to improving or building their website (33%)
- 1 in 3: Point to investing in new tools and technology (32%)

Small Business Owners’ Ratings Of Solutions Essential To Their Business Success
To stay resilient in the face of challenges, small business owners ground themselves in purpose and being proactive.

**Purpose**
Small business owners identify their top stress relievers as:

- Try to make every day at their job fun or meaningful: 81%
- Remind themselves of why they started their business to begin with: 78%

**Proactivity**
Small business owners also:

- Regularly evaluate their business strategy: 73%
- Establish boundaries with work: 71%
- Hire additional support or staff to relieve the workload: 50%

Q16: Which of the following, if any, do you do in order to relieve stress related to work? <Survey Not Top 2 Box> Base: U.S.Biz 1000
Connecting business with purpose pays off big for small business owners

Small business owners who started their business to pursue their passions feel more successful and positive about their business.

- More successful: 65% / 57%
- More optimistic: 74% / 61%
- More grateful: 58% / 47%
- Happier: 59% / 49%
- More excited: 54% / 43%

Nearly 9 in 10 of small business owners feel personally fulfilled by their work (88%).

Q1: Thinking about the word “success” and what it means to you, how would you rate the current success of your business? <Showing Net Top 2 Box>
Q2: Thinking about the next 12 months, how optimistic are you for the future of your business? <Showing Net Top 2 Box>
Q3: When thinking about your business this year, which of the following emotions do you feel: happy? Q10: Thinking about your role as a small business owner, how much do you agree or disagree with the following statement? <Showing Net Top 2 Box> Base: US SBOs n=1000

U.S. Bank
California really is the golden state as small business owners there are more optimistic and have a better work-life balance than the average U.S. small business owner
California small business owners are more likely to say that their business is successful and that they are optimistic for the future.

California Small Business Owners: 95%
U.S. Small Business Owners: 86%

California Small Business Owners: 96%
U.S. Small Business Owners: 87%

Q1: Thinking about the word “success” and what it means to you, how would you rate the success of your business? (Showing Net Top 3 Box)
Q2: Thinking about the next 12 months, how optimistic are you for the future of your business? (Showing Net Top 3 Box)
Base: US SBOs n=1000, California SBOs: oversample n=347 (Greater Bay Area n=100, Southern California n=197)
California small business owners experience fewer negative emotions related to their business

LESS THAN

1 in 3

California small business owners feel negative emotions related to their business
(31% vs. 46% U.S.)

...with the Greater Bay Area even more likely to say their stress levels have decreased compared to a year ago

44% vs. 29% SoCal
Even more, they’ve achieved that while sacrificing less for their business

California small business owners have sacrificed less of their personal time to accommodate their business

I have worked longer hours than I would have liked

-10 pts

64% / 74%

I have given up a normal schedule

-9 pts

60% / 69%

I have experienced sleepless nights

-6 pts

62% / 68%

CA small business owners have greater flexibility (93% vs. 88% U.S.) and work fewer hours per week (38 hrs/week vs. 43 hrs/week U.S.)
And California small business owners’ relationships with themselves and their loved ones are better for it

They are more likely to not have to spend time away from loved ones because of their business

(86% vs. 77% U.S.)

Q15: On the more positive side, to what extent do you agree or disagree with each of the following statements? “Shaving Net Top 2 Boxes”. Base: U.S. B2Os n=1000, California B2Os oversample n=547
This greater success and optimism may be in part because they have unlocked greater solutions.

- Looking to **tech and tools** as a solution to their business:
  - 77% / 71%

- Investing in new **tech and tools** as a stress reliever:
  - 71% / 63%

- Viewing their **banker as a resource** on their team:
  - 76% / 68%

California Small Business Owners

U.S. Small Business Owners