Risk & Resilience: Small Business Owners in the Wake of the Pandemic

September 2022

NFM-22374AO
Small businesses and their workers must rebound from the COVID-19 crisis so that communities thrive and the benefits ripple throughout the economy. We are a multi-stakeholder, cross-sector initiative focused on advancing and uplifting innovative solutions via dialogue and data to ensure that MLK Boulevards, Cesar Chavez Ways, Chinatowns and Main Streets are at the center of our recovery.

Reimagine Main Street is a project of the Public Private Strategies Institute.
Survey Partners

Nationwide

USHCC
UNITED STATES HISPANIC CHAMBER OF COMMERCE

PUBLIC PRIVATE STRATEGIES INSTITUTE
Context for this Survey

• The last two years have taken a tremendous toll on small businesses and challenges persist for many entrepreneurs. The impact of COVID-19 pandemic highlighted the need for small businesses to be resilient in the face of future shocks.

• Against this backdrop, we sought to better understand the outlook of small employers how they are responding to current challenges, and planning for future risks.

• In collaboration with the United States Hispanic Chamber of Commerce (USHCC) and Nationwide, Reimagine Main Street fielded a national survey of small employers from June 9 - July 6, 2022.
Executive Summary

• Small employers are optimistic about the future of their businesses in spite of negative effects of COVID-19 on their performance. Most report that business is stable or improving and almost half expect revenue growth in the next six months.

• In spite of this optimism, small employers were hard hit by the pandemic and are still experiencing headwinds including soft demand, increased input costs, the effects of higher interest rates, supply chain disruptions, and a tight labor market.

• To date, most small employers have focused on strengthening their finances to prepare for future shocks. Opportunities exist for additional actions to focus on risk management.
Large and Diverse Sample of Small Employers

n = 1,438

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q34: How do you identify yourself?

- AAPI: 120
- Black, : 114
- Latino/a: 671
- Native: 18
- White: 397
- Other / Multi-race: 47
- Prefer not to Say: 71

= 10 Small Business Owners
Sample Overview

Distribution by Number of Employees
% of respondents
n = 1,438

- 2-10: 66%
  - AAPI (n=120)
  - Black, African-American, or African (n=114)
  - Hispanic or Latino (n=671)
  - White (n=397)
  - All Respondents* (n=1,438)

- 11-50: 29%
  - AAPI (n=30)
  - Black, African-American, or African (n=27)
  - Hispanic or Latino (n=309)
  - White (n=160)
  - All Respondents* (n=1,438)

- 51-500: 5%
  - AAPI (n=18)
  - Black, African-American, or African (n=17)
  - Hispanic or Latino (n=174)
  - White (n=100)
  - All Respondents* (n=1,438)

Distribution by 2021 Revenue
% of respondents
n = 1,378*

- <$100,000: 26%
  - AAPI (n=18)
  - Black, African-American, or African (n=27)
  - Hispanic or Latino (n=177)
  - White (n=116)
  - All Respondents* (n=1,378)

- $100,001-$250,000: 59%
  - AAPI (n=33)
  - Black, African-American, or African (n=33)
  - Hispanic or Latino (n=283)
  - White (n=195)
  - All Respondents* (n=1,378)

- $250K-$999,999: 32%
  - AAPI (n=28)
  - Black, African-American, or African (n=28)
  - Hispanic or Latino (n=272)
  - White (n=190)
  - All Respondents* (n=1,378)

- $1M-$5M: 19%
  - AAPI (n=26)
  - Black, African-American, or African (n=26)
  - Hispanic or Latino (n=245)
  - White (n=176)
  - All Respondents* (n=1,378)

- >$5M: 7%
  - AAPI (n=18)
  - Black, African-American, or African (n=18)
  - Hispanic or Latino (n=184)
  - White (n=126)
  - All Respondents* (n=1,378)

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q3: How many people does your business employ, including yourself?
Q33: What was your business revenue in 2021?
*Does not include 60 respondents who selected, “Prefer not to disclose” revenues
Executive Summary

• Small employers are optimistic about the future of their businesses in spite of negative effects of COVID-19 on their performance. Most report that business is stable or improving and almost half expect revenue growth in the next six months.

• In spite of this optimism, small employers were hard hit by the pandemic and are still experiencing headwinds including soft demand, increased input costs, the effects of higher interest rates, supply chain disruptions, and a tight labor market.

• To date, most small employers have focused on strengthening their finances to prepare for future shocks. Opportunities exist for additional actions to focus on risk management.
Most Small Employers are Optimistic About the Future of Their Businesses

Extent of agreement with the statement, “I am optimistic about the future of my business.”
% of respondents who expressed an opinion

<table>
<thead>
<tr>
<th>Group</th>
<th>Strongly Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n=92)</td>
<td>15%</td>
<td>16%</td>
<td>39%</td>
<td>29%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=92)</td>
<td>11%</td>
<td>4%</td>
<td>38%</td>
<td>47%</td>
</tr>
<tr>
<td>Hispanic or Latino (n=553)</td>
<td>13%</td>
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<tr>
<td>White (n=334)</td>
<td>15%</td>
<td>22%</td>
<td>39%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q6: Tell us the extent to which you agree or disagree with each of the following statements: “I am optimistic about the future of my business.”
Note: Does not include respondents who said “Not Sure”
More than Half of Small Employers Say Business is the Same or Better Today vs One Year Ago

% of respondents
n=1,438

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q4: How is your business doing today compared to this time last year?
Small Employers are Maintaining Optimism Even Though the Economy is Doing Worse

“How do you think the economy is doing today compared to this time last year?”

% of respondents
n=1,438

<table>
<thead>
<tr>
<th></th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 120)</td>
<td>59%</td>
<td>15%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Black, African-American, or African (n= 114)</td>
<td>56%</td>
<td>15%</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 671)</td>
<td>70%</td>
<td>13%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>White (n= 397)</td>
<td>77%</td>
<td>7%</td>
<td>13%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q5: How do you think the economy is doing today compared to this time last year?
Most Small Employers Expect Some Revenue Growth in Next 6 Months

Revenue expectations for next 6 months
% of respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q7: Over the next 6 months, do you expect your revenue to (select one) - Decrease a lot; decrease some; stay the same; increase some; increase a lot?
Respondents Are Somewhat Confident They Will Achieve Their Annual Revenue Targets

Extent of agreement with the statement, “I am confident that my business will achieve the revenue goals and targets I have set for the year.”

% of respondents who expressed an opinion

<table>
<thead>
<tr>
<th>Group</th>
<th>Strongly Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 90)</td>
<td>19%</td>
<td>20%</td>
<td>40%</td>
<td>21%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=89)</td>
<td>13%</td>
<td>19%</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 517)</td>
<td>18%</td>
<td>27%</td>
<td>36%</td>
<td>19%</td>
</tr>
<tr>
<td>White (n= 305)</td>
<td>20%</td>
<td>30%</td>
<td>36%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q6: Tell us the extent to which you agree or disagree with each of the following statements: “I am confident that my business will achieve the revenue goals and targets I have set for the year.”

Note: Does not include respondents who said “Not Sure”
Respondents Are Somewhat Confident that Business Performance This Year Will Be Stronger Than Last

Extent of agreement with the statement, “My business performance will be stronger this year than it was last year.”

% of respondents who expressed an opinion

<table>
<thead>
<tr>
<th>Group</th>
<th>Strongly Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 94)</td>
<td>19%</td>
<td>17%</td>
<td>36%</td>
<td>28%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=97)</td>
<td>18%</td>
<td>21%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 525)</td>
<td>22%</td>
<td>21%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>White (n= 312)</td>
<td>23%</td>
<td>24%</td>
<td>32%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q6: Tell us the extent to which you agree or disagree with each of the following statements: “My business performance will be stronger this year than it was last year.”

Note: Does not include respondents who said “Not Sure”
Respondents Also Show Confidence That Business Performance Will Be Strong Going Into Next Year

Extent of agreement with the statement, “My business performance will be strong going into next year (2023).”
% of respondents who expressed an opinion

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 89)</td>
<td>18%</td>
<td>19%</td>
<td>36%</td>
<td>27%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=88)</td>
<td>13%</td>
<td>13%</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 487)</td>
<td>17%</td>
<td>17%</td>
<td>36%</td>
<td>30%</td>
</tr>
<tr>
<td>White (n= 286)</td>
<td>21%</td>
<td>24%</td>
<td>37%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Note: Does not include respondents who said “Not Sure”
Executive Summary

• Small employers are optimistic about the future of their businesses in spite of negative effects of COVID-19 on their performance. Most report that business is stable or improving and almost half expect revenue growth in the next six months.

• In spite of this optimism, small employers were hard hit by the pandemic and are still experiencing headwinds including soft demand, increased input costs, the effects of higher interest rates, supply chain disruptions, and a tight labor market.

• To date, most small employers have focused on strengthening their finances to prepare for future shocks. Opportunities exist for additional actions to focus on risk management.
Small Employers Report Having Been Hit Hard by COVID-19

Impact of COVID-19 on business overall
% of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Large Negative</th>
<th>Moderate Negative</th>
<th>Little or No Effect</th>
<th>Moderate Positive</th>
<th>Large Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 120)</td>
<td>53%</td>
<td>27%</td>
<td>8%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=114)</td>
<td>41%</td>
<td>35%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 671)</td>
<td>53%</td>
<td>29%</td>
<td>7%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>White (n= 397)</td>
<td>46%</td>
<td>30%</td>
<td>13%</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q8: How would you characterize the impact of COVID-19 on your business overall?
Many Small Employers Lack Cash Reserves

Share of respondents with/without cash reserves

- AAPI (n=120): 48% No, 52% Yes
- Black, African-American, or African (n=114): 50% No, 50% Yes
- Hispanic or Latino (n=671): 44% No, 56% Yes
- White (n=397): 35% No, 65% Yes

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q27: Does your business have cash reserves?
Pandemic Wiped Out Cash Reserves for Many Small Employers

Share of respondents that reported they lack cash reserves for the business

<table>
<thead>
<tr>
<th></th>
<th>AAPI (n= 58)</th>
<th>Black, African-American, or African (n=57)</th>
<th>Hispanic or Latino (n= 376)</th>
<th>White (n= 141)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I used my reserves to get through the pandemic downturn</td>
<td>62%</td>
<td>57%</td>
<td>71%</td>
<td>68%</td>
</tr>
<tr>
<td>I have never been profitable enough to set money aside</td>
<td>36%</td>
<td>39%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Never been a priority</td>
<td>2%</td>
<td>4%</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q27: Does your business have cash reserves?
Of Small Employers with Cash Reserves, Most Can Fund at Least 3 Months

Share of respondents that reported having some cash reserves

<table>
<thead>
<tr>
<th></th>
<th>AAPI (n= 62)</th>
<th>Black, African-American, or African (n=57)</th>
<th>Hispanic or Latino (n= 295)</th>
<th>White (n= 257)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enough to Fund &lt;2 Weeks of Operations</td>
<td>16%</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Enough to Fund 1 Month</td>
<td>18%</td>
<td>19%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Enough to Fund 3-6 Months</td>
<td>47%</td>
<td>42%</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>Enough to Fund &gt;6 Months</td>
<td>19%</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q28: How much would you estimate you have in reserve?
More Small Employers Report Decreased Demand than Demand Growth

% of respondents who experienced decrease / increase in demand

- Decrease in Demand
- Increase in Demand

AAPI (n= 120)
- -40%
- 28%

Black, African-American, or African (n=114)
- -38%
- 20%

Hispanic or Latino (n= 671)
- -44%
- 18%

White (n= 397)
- -35%
- 30%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? [Select all that apply]
Most Small Employers Closed More Locations than Opened in the Last Year

Net Change in Open Locations
% of respondents

<table>
<thead>
<tr>
<th>Group</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 120)</td>
<td>-9%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=114)</td>
<td>-1%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 671)</td>
<td>-4%</td>
</tr>
<tr>
<td>White (n= 397)</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q9: Which, if any, of the following has your business experienced in the last twelve months? (Select all that apply) Close Branches or locations; Open branches or locations
Net Change in Locations = Share of respondents reporting open new location - share of respondents reporting closed location(s)
Most Small Employers Hit by Increased Input Costs

% of respondents who experienced

- Increased Input Costs
- Shortage of Supplies or Inputs
- Constraints Shipping or Moving

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? (Select all that apply)
Small Employers Expect Negative Impact from Higher Interest Rates

*Expected impact on small business of increased interest rates*

- **AAPI (n= 109)**
  - Strong Negative: 36%
  - Some Negative: 28%
  - No Effect: 24%
  - Some Positive: 7%
  - Strong Positive: 5%

- **Black, African-American, or African (n=106)**
  - Strong Negative: 43%
  - Some Negative: 25%
  - No Effect: 22%
  - Some Positive: 6%
  - Strong Positive: 5%

- **Hispanic or Latino (n= 601)**
  - Strong Negative: 50%
  - Some Negative: 31%
  - No Effect: 15%
  - Some Positive: 3%
  - Strong Positive: 1%

- **White (n= 363)**
  - Strong Negative: 38%
  - Some Negative: 33%
  - No Effect: 25%
  - Some Positive: 2%
  - Strong Positive: 1%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q16: The Federal Reserve recently announced the first in a series of planned increases to interest rates. How, if at all, do you expect these increases in borrowing costs will affect your business?

*Among respondents with some opinion*
Small Employers Shed Jobs During Pandemic

Change in employment compared to January 2020 (pre-pandemic)

<table>
<thead>
<tr>
<th>Group</th>
<th>Decreased</th>
<th>Stayed the Same</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n=115)</td>
<td>46%</td>
<td>23%</td>
<td>31%</td>
</tr>
<tr>
<td>Black, African-American, or</td>
<td>52%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>African (n=110)</td>
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<tr>
<td>Hispanic or Latino (n=654)</td>
<td>46%</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>White (n=388)</td>
<td>45%</td>
<td>32%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q11: Compared to January 2020 (before the pandemic), has the number of people your business employs changed?

Note: Does not include respondents who reported “Do not remember”
Small Employers Are Seeking to Grow Their Workforces

Share of respondents who reported they are actively seeking to grow their workforce

- AAPI (n=120): 73%
- Black, African-American, or African (n=114): 69%
- Hispanic or Latino (n=671): 70%
- White (n=397): 59%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q12: Are you currently actively seeking to grow your workforce?
Small Employers Looking to Hire Express Some Confidence They Will Hire This Quarter

Confidence that business will hiring will happen this quarter

<table>
<thead>
<tr>
<th></th>
<th>Not at all Confident</th>
<th>Not So Confident</th>
<th>Somewhat Confident</th>
<th>Very Confident</th>
<th>Extremely Confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n=75)</td>
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<td>20%</td>
<td>37%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Black, African-American, African (n=73)</td>
<td>8%</td>
<td>19%</td>
<td>37%</td>
<td>29%</td>
<td>7%</td>
</tr>
<tr>
<td>Hispanic or Latino/a (n=416)</td>
<td>18%</td>
<td>24%</td>
<td>33%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>White (n=220)</td>
<td>19%</td>
<td>24%</td>
<td>33%</td>
<td>17%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q14: How confident are you that you will hire this quarter?
Increasing Compensation is Most Common Response to Hiring Needs

Share of respondents who have made changes in response to labor market challenges

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q15: Has your business made any changes in response to your hiring needs? (Select all that apply)
Few Small Employers Offer Robust Benefits and Many Offer No Benefits at All

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q25: Which of the following benefits, if any, does your business offer to employees? (Select all that apply)
Most Small Employers Reported Supply Chain Delays & Interruptions Last Quarter

Share of respondents who reported they have experienced supply chain delays or disruptions in the last quarter

- **AAPI (n= 120)**: 78%
- **Black, African-American, or African (n=114)**: 61%
- **Hispanic or Latino (n=671)**: 74%
- **White (n= 397)**: 80%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q18: Has your business experienced delays or disruptions to your supply chain in the last quarter?
Supply Chain Disruptions Have Had Strong Negative Effect on all Small Employers

Effect on revenue of supply chain disruptions among respondents who experienced disruptions

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q19: How would you describe the impact of supply chain delays or disruptions on your revenue?
Executive Summary

• Small employers are optimistic about the future of their businesses in spite of negative effects of COVID-19 on their performance. Most report that business is stable or improving and almost half expect revenue growth in the next six months.

• In spite of this optimism, small employers were hard hit by the pandemic and are still experiencing headwinds including soft demand, increased input costs, the effects of higher interest rates, supply chain disruptions, and a tight labor market.

• To date, most small employers have focused on strengthening their finances to prepare for future shocks. Opportunities exist for additional actions to focus on risk management.
Small Employers Seek to Prepare for Future Shocks by Strengthening Financial Position

Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)

Share of respondents who have taken each action

- Reduce operating expenses
  - AAPI (n=85): 55%
  - Black, African-American, or African (n=84): 48%
  - Hispanic or Latino (n=496): 55%
  - White (n=256): 48%

- Build up cash reserves
  - AAPI (n=85): 47%
  - Black, African-American, or African (n=84): 44%
  - Hispanic or Latino (n=496): 41%
  - White (n=256): 47%

- Build a stronger relationship with a bank or other financial institution
  - AAPI (n=85): 42%
  - Black, African-American, or African (n=84): 25%
  - Hispanic or Latino (n=496): 33%
  - White (n=256): 27%

- Establish a business line of credit or source of financing to draw from in emergencies
  - AAPI (n=85): 25%
  - Black, African-American, or African (n=84): 18%
  - Hispanic or Latino (n=496): 18%
  - White (n=256): 18%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Some Small Employers Diversified Revenue Streams as Part of Preparing for Future Shocks

Share of respondents who have diversified revenue streams to prepare for future shocks and risks

- AAPI (n=85) 52%
- Black, African-American, or African (n=84) 45%
- Hispanic or Latino (n=496) 43%
- White (n=256) 34%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Some Small Employers Deferred Expansion to Prepare for Future Shocks and Risks

Share of respondents who have taken each action

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Opportunities for Small Employers to Increase Focus on Risk Management as Part of Preparing for Future Shocks

Share of respondents who have taken each risk management action to prepare for future shocks and risks

<table>
<thead>
<tr>
<th>Action</th>
<th>AAPI (n=85)</th>
<th>Black, African-American, or African (n=84)</th>
<th>Hispanic or Latino (n=496)</th>
<th>White (n=256)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance my company’s risk management strategy</td>
<td>16%</td>
<td>18%</td>
<td>23%</td>
<td>16%</td>
</tr>
<tr>
<td>Conduct a formal risk assessment of the business</td>
<td>16%</td>
<td>14%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>Create business continuity plans</td>
<td>28%</td>
<td>28%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>Create or update a succession plan</td>
<td>22%</td>
<td>19%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Purchase business continuity or other insurance</td>
<td>6%</td>
<td>6%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Build or strengthen relationships with risk management partners</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Most Small Employers Are Open to Guidance About Improving Resilience

Likelihood of NOT seeking guidance about making the business more resilient
Share of respondents

- AAPI (n=120): 10%
- Black, African-American, or African (n=114): 11%
- Hispanic or Latino (n=671): 6%
- White (n=397): 10%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)
Small Employers Report Struggle to Find Right Partner(s) to Enhance Risk Management Strategy

Sources of Strategic Advice
Share of Respondents

<table>
<thead>
<tr>
<th>Source of Strategic Advice</th>
<th>Share of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked with an advisor or financial professional to update the business investment strategy</td>
<td>23%</td>
</tr>
<tr>
<td>Worked with an advisor or financial professional to plan for business disruption</td>
<td>10%</td>
</tr>
<tr>
<td>Worked with a consultant to explore new employee benefit offerings</td>
<td>13%</td>
</tr>
<tr>
<td>Worked with an insurance professional to ensure insurance coverage is up to date</td>
<td>14%</td>
</tr>
<tr>
<td>Worked with a technology professional to update business cybersecurity strategy</td>
<td>13%</td>
</tr>
<tr>
<td>Struggled to find the right partner(s) to enhance business risk management strategy</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q26: As you think about strategic advice for your business, in the last year have you: [Select all that apply]
Among Experts, Small Employers Most Likely to Turn to Financial Advisors and Accountants

Likelihood of turning to each type of expert for guidance about resilience
Share of respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)

Advice from Professionals

- Accountant
- Financial Advisor
- Banker
- Consultant
- Attorney
- Insurance Professional
- Cyber security expert

AAPI (n=120): 37%
Black, African-American, or African (n=114): 32%
Hispanic or Latino (n=671): 28%
White (n=397): 24%

Small Employers Most Likely to Turn to SBA for Guidance on Resilience

Likelihood of seeking guidance from government resources to make the business more resilient
Share of respondents

<table>
<thead>
<tr>
<th>Government Resources</th>
<th>AAPI (n=120)</th>
<th>Black, African-American, or African (n=114)</th>
<th>Hispanic or Latino (n=671)</th>
<th>White (n=397)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA</td>
<td>59%</td>
<td>53%</td>
<td>56%</td>
<td>36%</td>
</tr>
<tr>
<td>MBDA</td>
<td>30%</td>
<td>34%</td>
<td>48%</td>
<td>6%</td>
</tr>
<tr>
<td>My City Government</td>
<td>16%</td>
<td>20%</td>
<td>18%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)
Opportunity to Grow the Reach of Chambers and Industry Networks

Likelihood of turning to networks for guidance about resilience
Share of respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)
Appendix
Hispanic Small Employers Report Largest Net Decline in Demand

Net Change in Demand
% of respondents

<table>
<thead>
<tr>
<th>Group</th>
<th>Net Change in Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n=120)</td>
<td>-13%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=114)</td>
<td>-18%</td>
</tr>
<tr>
<td>Hispanic or Latino (n=671)</td>
<td>-26%</td>
</tr>
<tr>
<td>White (n=397)</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? [Select all that apply]
Net Change in Demand = Share of respondents reporting increase in demand - share reporting decrease in demand
Input Costs Increasing for More than 3 in 4 Small Employers

% of respondents who experienced

- Increased Input Costs
  - AAPI (n=120): 78%
  - Black, African-American, or African (n=114): 77%
  - Hispanic or Latino (n=671): 69%
  - White (n=397): 61%

- Shortage of Supplies or Inputs
  - AAPI (n=120): 68%
  - Black, African-American, or African (n=114): 57%
  - Hispanic or Latino (n=671): 69%
  - White (n=397): 43%

- Constraints Shipping or Moving
  - AAPI (n=120): 37%
  - Black, African-American, or African (n=114): 25%
  - Hispanic or Latino (n=671): 32%
  - White (n=397): 15%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q9: Which, if any, of the following has your business experienced in the last twelve months? (Select all that apply)
Likelihood to Increase Headcount Over Last Year Varied Among Small Employers

Net Share of respondents who hired/fired

- AAPI (n=120): 21%
- Black, African-American, or African (n=114): -3%
- Hispanic or Latino (n=671): 11%
- White (n=397): 26%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q10: What changes, if any, did your business make to payroll or employment in the last twelve months? [Select all that apply]
Small Employers Experience Labor Market Challenges

% of respondents who experienced difficulty retaining current employees / hiring new employees

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? [Select all that apply]

- Difficulty Retaining Current
- Difficulty Hiring New

AAPI (n=120)
- 43% Difficulty Retaining Current
- 70% Difficulty Hiring New

Black, African-American, or African (n=114)
- 38% Difficulty Retaining Current
- 43% Difficulty Hiring New

Hispanic or Latino (n=671)
- 45% Difficulty Retaining Current
- 60% Difficulty Hiring New

White (n=397)
- 44% Difficulty Retaining Current
- 61% Difficulty Hiring New
Small Employers Both Fired and Hired New Employees in Last Year

Share of respondents who hired / fired employees in last twelve months

![Bar chart showing share of respondents who hired / fired employees in last twelve months by race/ethnicity.]

- **AAPI (n=120)**
  - Laid Off Employees: -19%
  - Hired Additional Employees: 40%

- **Black, African-American, or African (n=114)**
  - Laid Off Employees: -24%
  - Hired Additional Employees: 21%

- **Hispanic or Latino (n=671)**
  - Laid Off Employees: -17%
  - Hired Additional Employees: 28%

- **White (n=397)**
  - Laid Off Employees: -12%
  - Hired Additional Employees: 38%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q10: What changes, if any, did your business make to payroll or employment in the last twelve months? [Select all that apply]
### Small Employers More Often Increased Compensation

**Share of respondents who increased vs reduced salary & wages**

<table>
<thead>
<tr>
<th>Group</th>
<th>Reduced Salaries and Wages</th>
<th>Increased Salaries &amp; Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n= 120)</td>
<td>-10%</td>
<td>53%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=114)</td>
<td>-19%</td>
<td>25%</td>
</tr>
<tr>
<td>Hispanic or Latino (n= 671)</td>
<td>-10%</td>
<td>40%</td>
</tr>
<tr>
<td>White (n= 397)</td>
<td>-5%</td>
<td>51%</td>
</tr>
</tbody>
</table>

**Source:** Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q10: What changes, if any, did your business make to payroll or employment in the last twelve months? [Select all that apply]
Small Employers Made Changes to Benefits Offerings

Share of respondents who increased vs reduced benefits

- **AAPI (n=120)**: 
  - Decreased Benefits: -8%
  - Increased Benefits: 19%

- **Black, African-American, or African (n=114)**: 
  - Decreased Benefits: -8%
  - Increased Benefits: 13%

- **Hispanic or Latino (n=671)**: 
  - Decreased Benefits: -7%
  - Increased Benefits: 11%

- **White (n=397)**: 
  - Decreased Benefits: -5%
  - Increased Benefits: 21%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q10: What changes, if any, did your business make to payroll or employment in the last twelve months? [Select all that apply]
A Few Small Employers Reported Increased Online Sales

% of respondents who increased online sales

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? [Select all that apply]
Small Employers Experienced Difficulty Retaining Employees

% of respondents who experienced difficulty retaining current employees / hiring new employees

- AAPI (n=120): 43%
- Black, African-American, or African (n=114): 38%
- Hispanic or Latino (n=671): 45%
- White (n=397): 44%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? (Select all that apply)
Workforce Needs Reflect a Mix of Turnover and Growth

Motivation to grow workforce
% of respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q13: What is your primary motivation to grow your workforce?
Small Employers Most Likely to Want to Hire New Roles for Growth

Motivation to grow workforce
% of respondents

Source: Nationwide United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q13: What is your primary motivation to grow your workforce?
Most Small Businesses Focused on Conserving Cash to Prepare for Future Shocks and Risks

Share of respondents who have taken each action

- Reduce operating expenses: AAPI (55%), Black, African-American, or African (66%), Hispanic or Latino (48%), White (41%)
- Build up cash reserves: AAPI (47%), Black, African-American, or African (55%), Hispanic or Latino (44%), White (47%)
- Build a stronger relationship with a bank or other financial institution: AAPI (23%), Black, African-American, or African (25%), Hispanic or Latino (24%), White (25%)
- Establish a business line of credit or source of financing to draw from in emergencies: AAPI (18%), Black, African-American, or African (18%), Hispanic or Latino (27%), White (25%)

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Some Respondents Increased Benefits to Respond to Future Risks

Share of respondents who have expanded employee benefits to prepare for future shock and risks

- AAPI (n= 85) 32%
- Black, African-American, or African (n=84) 20%
- Hispanic or Latino (n= 496) 21%
- White (n= 256) 23%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)
Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
Small Employers Turn to Peers for Guidance Almost Twice as Often as Other Sources

Likelihood of seeking guidance from each source to make the business more resilient
Share of respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)
Small Employers Most Likely to Turn to SBA Among Government Resources

Likelihood of seeking guidance from government resources to make the business more resilient
Share of respondents

<table>
<thead>
<tr>
<th></th>
<th>SBA</th>
<th>MBDA</th>
<th>My City Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAPI (n=120)</td>
<td>59%</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>Black, African-American, or African (n=114)</td>
<td>53%</td>
<td>48%</td>
<td>20%</td>
</tr>
<tr>
<td>Hispanic or Latino (n=671)</td>
<td>56%</td>
<td>34%</td>
<td>18%</td>
</tr>
<tr>
<td>White (n=397)</td>
<td>36%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q24: Where would you be likely to turn for guidance about making your business more resilient? (Select all that apply)
About One in Five Small Employers Reported Increased Investment in Technology

% of respondents who increased technology investment

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q9: Which, if any, of the following has your business experienced in the last twelve months? [Select all that apply]
Respondents Slightly More Likely to Invest in E-Commerce Capabilities vs Remote Work

Share of respondents who have taken each technology investment action to prepare for future shocks and risks

- Invest in technology to permit remote operations / remote work
  - AAPI (n= 85)
  - Black, African-American, or African (n=84)
  - Hispanic or Latino (n= 496)
  - White (n= 256)
  - 19% (AAPI), 24% (Black), 21% (Hispanic or Latino), 27% (White)

- Invest in creating or improving an online presence including e-commerce for my business
  - AAPI (n= 85)
  - Black, African-American, or African (n=84)
  - Hispanic or Latino (n= 496)
  - White (n= 256)
  - 33% (AAPI), 25% (Black), 29% (Hispanic or Latino), 28% (White)

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street. “Risk & Resilience” (July 2022)

Q21: What changes have you made to your business to prepare for future shocks and risks? (Select all that apply)
About the Sample
Most Respondents Own the Business

- AAPI (n=120): 5% Business Owner, 95% Senior Leader
- Black, African-American, or African (n=114): 4% Business Owner, 96% Senior Leader
- Hispanic or Latino (n=671): 6% Business Owner, 94% Senior Leader
- White (n=397): 12% Business Owner, 88% Senior Leader
- All Respondents* (n=1,438): 8% Business Owner, 92% Senior Leader

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q1: Are you the business owner or other senior leader?
*Includes Native (n=18); multi-racial; prefer not to answer
Survey Respondents in 48 States + DC

Top 5 States of Respondents

19% CA
12% TX
7% FL
5% NY
5% IL

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q30: In what state is your business headquartered?
No respondents in New Hampshire or South Dakota
Mix of Newer and Long-Standing Businesses

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q31: How many years has your business been in operation?
Broad Range of Industries Represented

- Restaurants & Bars: 29.2%
- Retail: 10.0%
- Personal Services: 1.7%
- Hospitality & Catering: 1.7%
- Healthcare: 5.0%
- Manufacturing: 5.8%
- Technology: 7.9%
- Travel & Lodging: 0.8%
- Entertainment: 0.6%
- Construction: 9.2%
- Caregiving / Home Healthcare / Auto Repair: 4.2%
- Other (please specify): 12.0%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Sample Overview

Distribution by # of Employees & 2021 Revenue
% of Latino/a respondents
n= 654*

Distribution by # of employees & 2021 Revenue
% of all respondents
n= 1,378**

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q3: How many people does your business employ, including yourself?
Q33: What was your business revenue in 2021?
*Does not include 17 respondents who selected, “Prefer not to disclose”
**Does not include 60 respondents who selected, “Prefer not to disclose”
Sample Overview

Distribution by # of Employees & 2021 Revenue
% of all respondents
n = 1,378**

% of Latino/a respondents
n = 654*

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q3: How many people does your business employ, including yourself?
Q33: What was your business revenue in 2021?
*Does not include 17 respondents who selected, “Prefer not to disclose”
**Does not include 60 respondents who selected, “Prefer not to disclose”
Sample Overview

Distribution by # of Employees & 2021 Revenue
% of Latino/a respondents (n=654*) vs all respondents (n=1,378)

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q3: How many people does your business employ, including yourself?
Q33: What was your business revenue in 2021?
*Does not include 17 respondents who selected, “Prefer not to disclose”
**Does not include 60 respondents who selected, “Prefer not to disclose”
Age of Respondents

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)
Q35: What is your age?
Gender of Respondents

- **AAPI** (n=120):
  - Female: 55%
  - Male: 45%
  - Other/Prefer Not to Say: 0%

- **Black, African-American, or African** (n=114):
  - Female: 55%
  - Male: 43%
  - Other/Prefer Not to Say: 2%

- **Hispanic or Latino** (n=671):
  - Female: 50%
  - Male: 49%
  - Other/Prefer Not to Say: 1%

- **White** (n=397):
  - Female: 48%
  - Male: 50%
  - Other/Prefer Not to Say: 2%

Source: Nationwide, United States Hispanic Chamber of Commerce (USHCC), and Reimagine Main Street, “Risk & Resilience” (July 2022)

Q36: What is your gender identity?