

Small business owners are more resilient, according to a Truist survey

Owners are concerned about the economy and inflation, but remain resilient

CHARLOTTE, N.C., April 28, 2022 /PRNewswire/ -- Small business owners have taken many actions to overcome the challenges they are facing to grow their business due to economic uncertainty and rising inflation, according to Truist (NYSE: TFC) annual Small Business Pulse Survey¹ of small businesses (annual revenue between \$100K-\$2M).

The economy and inflation are top of mind

Rising inflation, rising costs and economic uncertainty are more pressing issues for small business owners than finding new customers. The top business concerns include the ongoing COVID-19 pandemic (31%), inflation (28%), rising costs (28%), economic uncertainty (25%).

Additionally, most small businesses have recently been hard hit by supply chain issues and labor shortages.

- 67% said their workforce has changed over the past year, and 24% have open jobs, 23% lost key workers and 18% shifted to contractors.
- 65% experienced issues with supply chain in the past year, which impacted their businesses in many ways, including lower profitability (45%), reduced sales (42%), and loss of customers (36%).

Still, small business owners are more resilient to combat these challenges

Small business owners have taken many actions to overcome the issues and challenges they have faced the past few years:

- Supply chain issues have prompted small business owners to search for new supply sources (48%), use local suppliers (45%) and adjust delivery schedules (37%).
- 81% have taken action to retain employees through increased wages (41%), offered remote work (27%), provided training (22%), and offered additional vacation time (21%).
- 90% have taken action to address for inflation by accepting lower profits (39%), changing purchasing to reduce expenses (36%) and reevaluating pricing (35%).

Additionally, small business owners have made contingency plans for turbulent times and are prepared for unplanned events, including loss of key supplier (60%), loss of key employee (59%), loss of key customer (58%), economic downturn (58%) and natural disaster (51%).

"It's encouraging to hear that while uncertainties in the market remain, small businesses are being proactive to make investments to achieve business goals," said Scott Stearsman, head of small business for Truist. "This resiliency we're seeing indicates the COVID-19 pandemic helped our small business leaders learn to better prepare for the unforeseen, and continue to be inspired to build better lives and communities."

Despite this uncertainty, small business owners are optimistic about their financial well-being

Many small business owners are more positive about their financial future than they have been compared to the past three years, according to the survey. Sixty-seven percent are optimistic about their financial well-being, which is a 7% increase compared to 2021, and an 18% increase compared to 2020.

"Our survey found that they are more optimistic about their finances than at any time in the past three years, and this includes 2019, even before the pandemic," said Stearsman. "Despite the fact that small business owners are facing many challenges and concerns, their future financial well-being is not one of them."

About Truist

Truist Financial Corporation is a purpose-driven financial services company committed to inspiring and building better lives and communities. Truist has leading market share in many high-growth markets in the country. The company offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management.

Headquartered in Charlotte, North Carolina, Truist is a top 10 U.S. commercial bank with total assets of \$544 billion as of March 31, 2022. Truist Bank, Member FDIC. Learn more at [Truist.com](https://www.truist.com).

¹ A 20-minute online interview from February 14th, 2022 – March 3rd, 2022 with businesses that met the following qualifying criteria:

- Geographically representative of US businesses within each revenue sub-group
- Work in a relevant industry, excluding Financial Services/Insurance, Not for Profits/Religious and Government

Organizations

- Company's Annual Revenue is between \$100K to less than \$2MM
- Sole decision maker for financial decisions, or strongly influences decisions
- 522 total unweighted interviews:
- 268 Lower Revenue Small Businesses (annual revenue between \$100K up to \$999K)
- 254 Upper Revenue Small Businesses (annual revenue between \$1MM up to \$2MM)

SOURCE Truist Financial Corporation

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<https://ir.truist.com/2022-04-28-Small-business-owners-are-more-resilient,-according-to-a-Truist-survey>