



MEDC Small Business Survey 2022

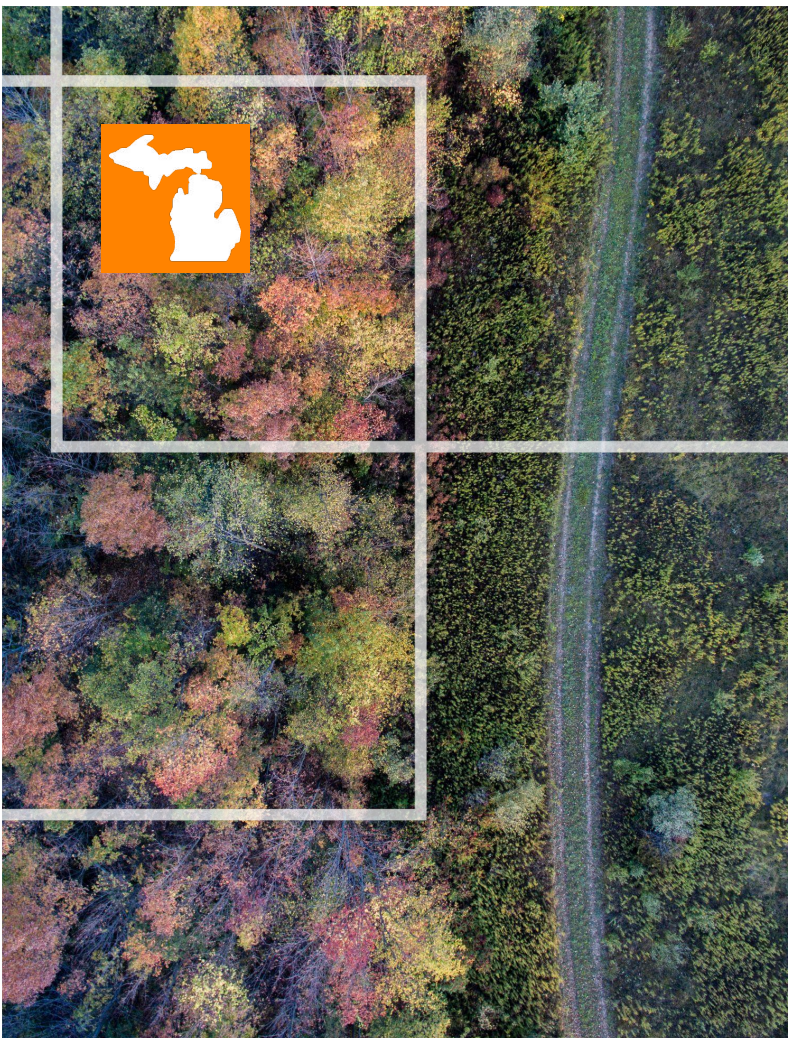
Prepared for Michigan Economic Development Corporation ([Michigan Business](#))

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**.



MEDC Small Business Survey 2022

STATEWIDE RESULTS

BUSINESS CHALLENGES & GOALS



Top Challenges



Top Goals

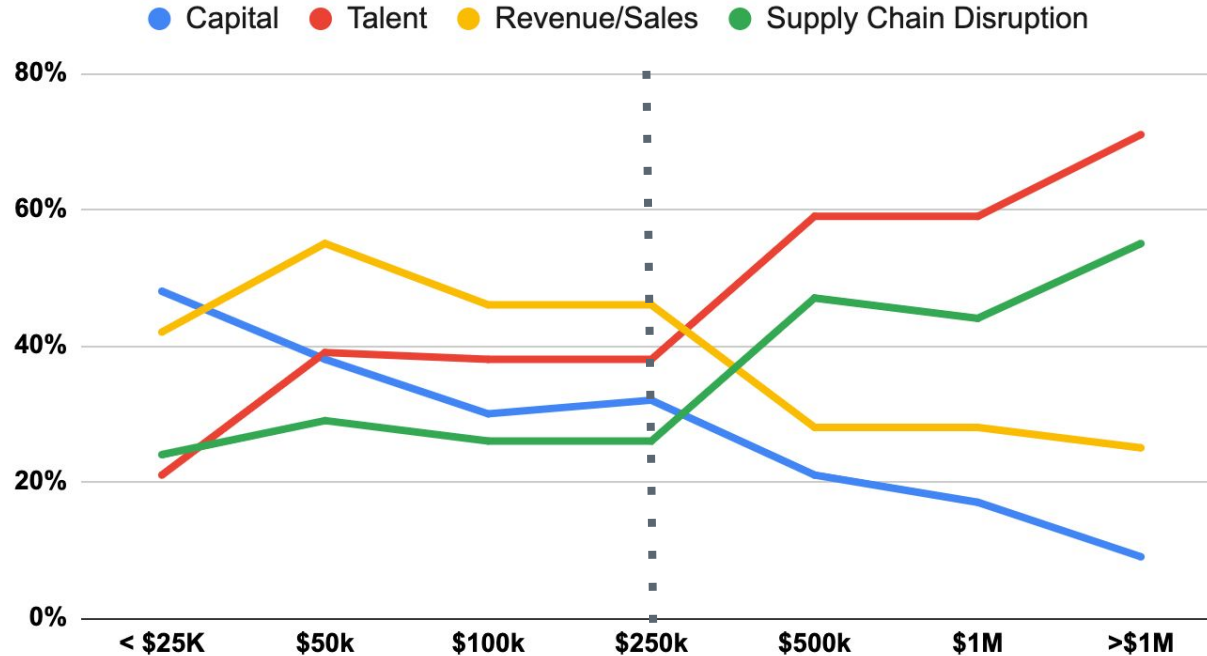


Almost **60%** of businesses are in labor intensive industries: Restaurants, Retail, or Services.

BIGGEST CHALLENGES / SMALL VS MICRO



Business Challenges vs 2020 Annual Revenue



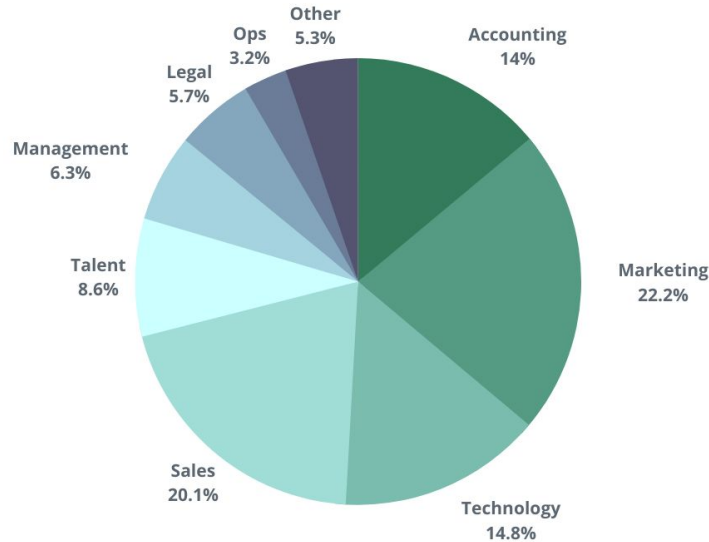
- Micro Businesses (<\$250k) needed **capital and revenue/sales**
- Small businesses (>\$250k) needed **talent and solutions to supply chain disruptions**

Over **60%** of businesses made less than **\$250,000** in revenue.

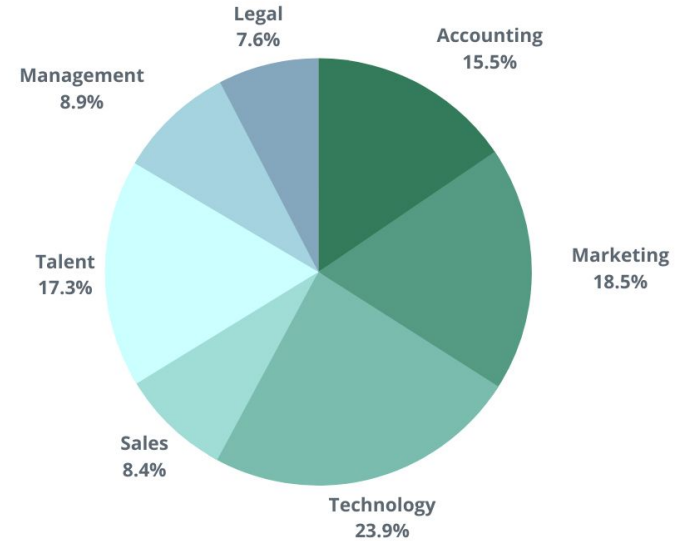
RESOURCE NEEDS VS STATEWIDE ASSETS



Top Resources Requested



Corresponding Existing Statewide Resources*



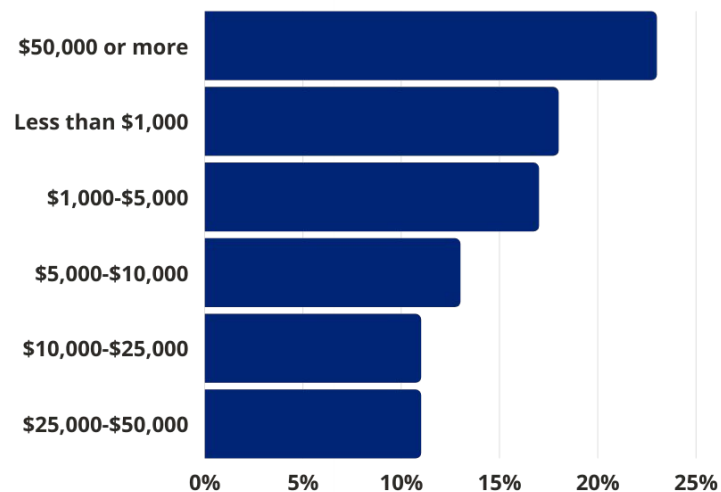
*Graph represents 46% of total state assets

Over **700** resources for small businesses can be accessed through michiganbusiness.org.

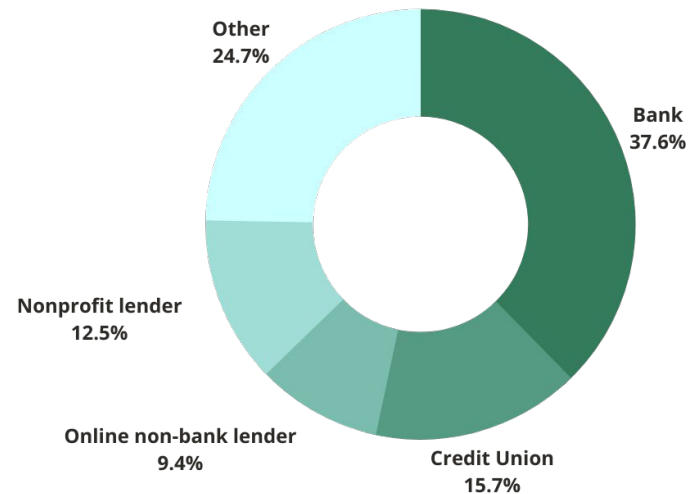
CAPITAL NEEDS



Cash on Hand



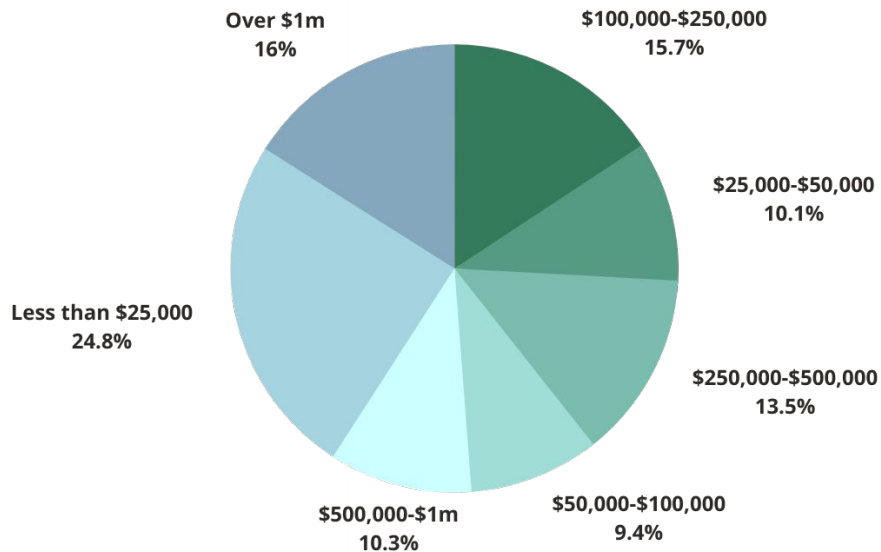
Applied Lenders



2020 SMALL BUSINESS REVENUE



Revenue Breakdown



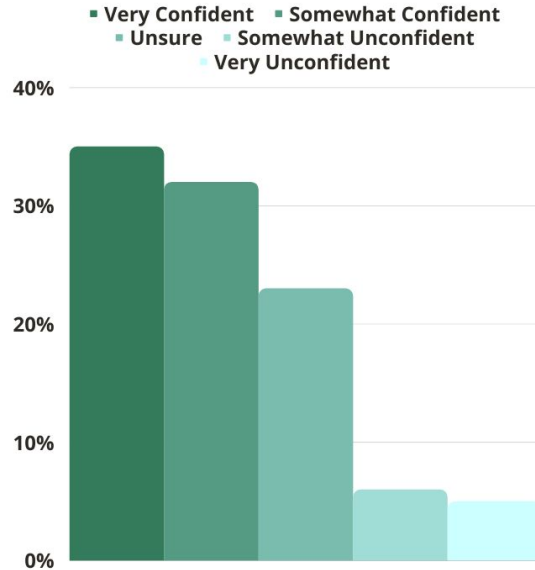
- At least **70%** accessed some form of **capital**
- ~**66%** applied for **PPP**
- ~**45%** applied for **EDIL**.
- **38%** used **personal savings**
- **20%** also applied for other loans.

At least **30%** of businesses expected a drop in revenue in 2021.

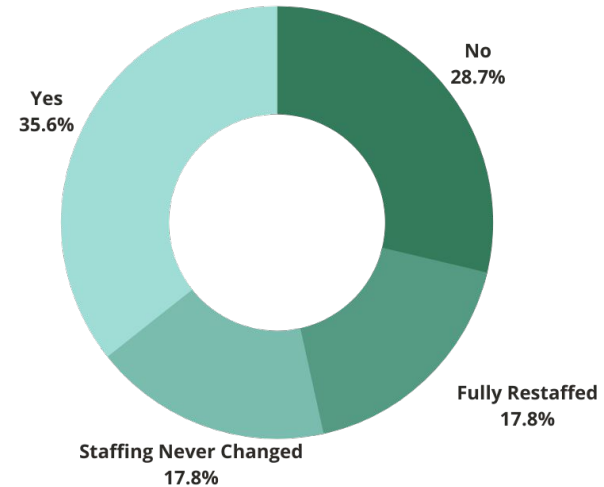
BUSINESS SENTIMENT & STAFFING/GROWTH



Business Recovery



Restaffing Expectations

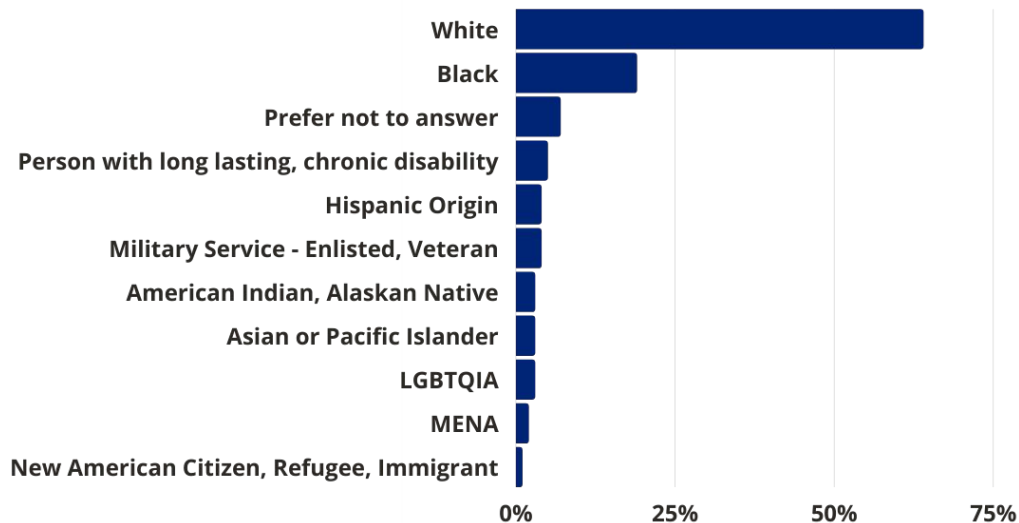


~40% still had reduced hours and ~45% expected an increase in next year's revenue.

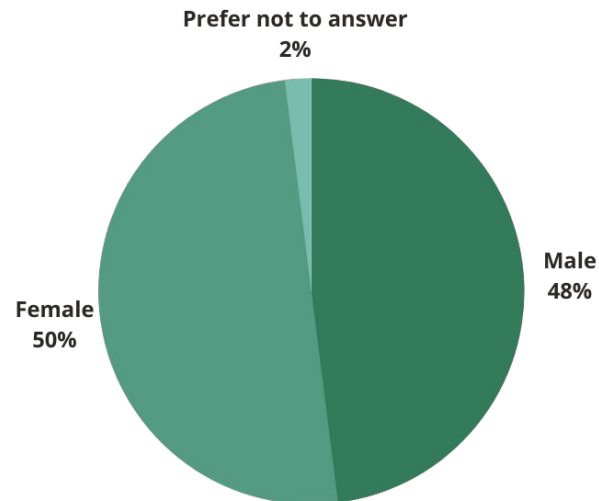
KEY DEMOGRAPHICS OF RESPONDENTS



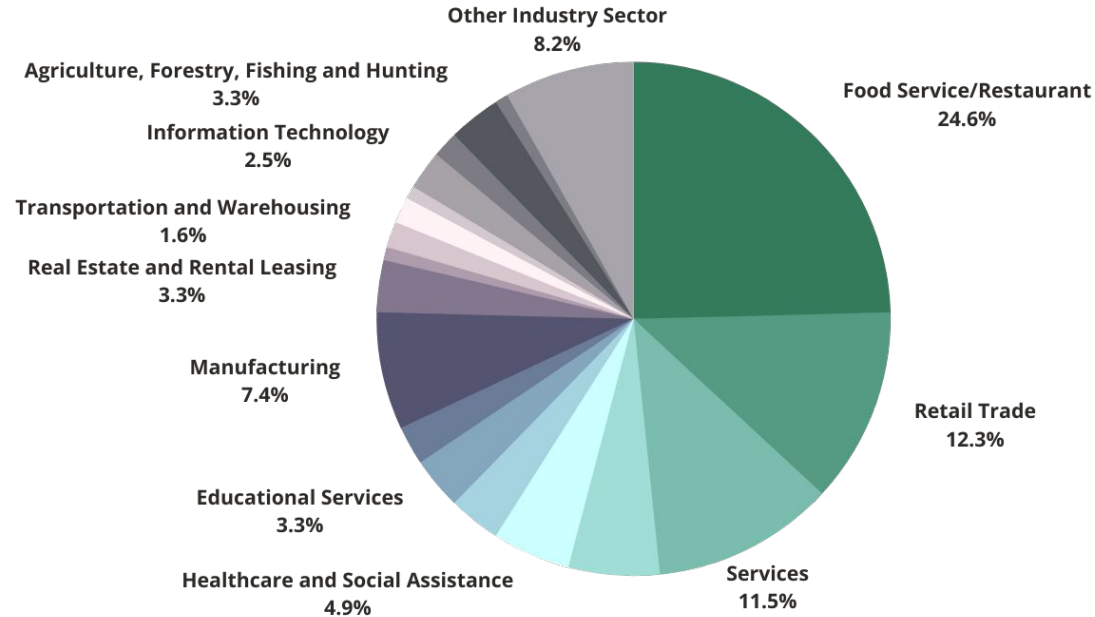
Communities of Interest



Gender



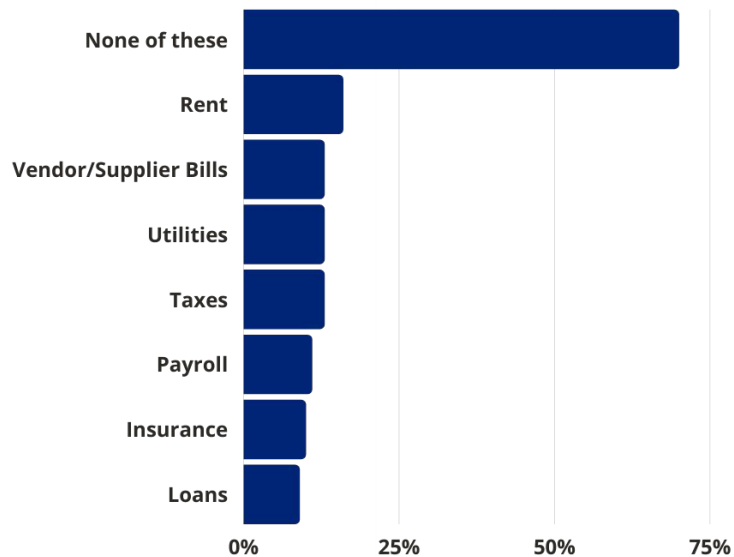
INDUSTRY OF RESPONDENTS



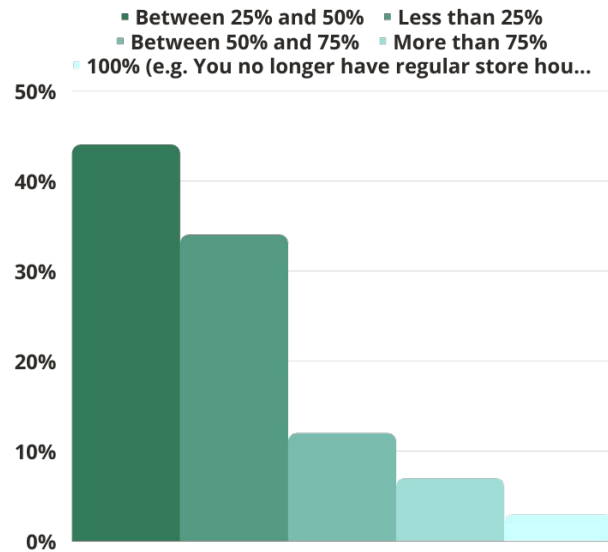
HEALTH OF THE SMALL BUSINESS



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

Chelsea Beckman

Michigan Economic Development Corporation

beckmancl@michigan.org