



# 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**

An aerial photograph of a forest with a road running vertically through the center. The trees show autumn colors, including greens, yellows, oranges, and reds. A white-bordered square is overlaid on the top-left portion of the image, containing a white silhouette of the state of Michigan on an orange background.

## 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**.



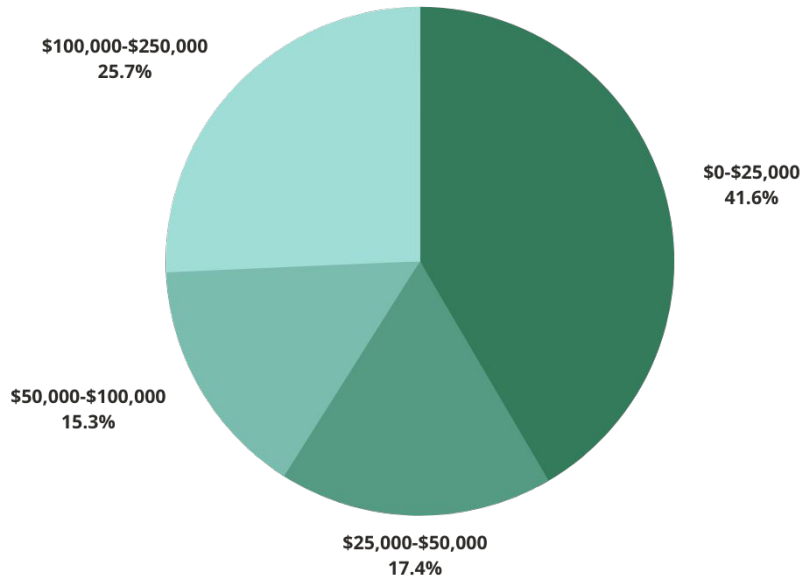
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# MICROBUSINESSES

# REVENUE AND CAPITAL NEEDS



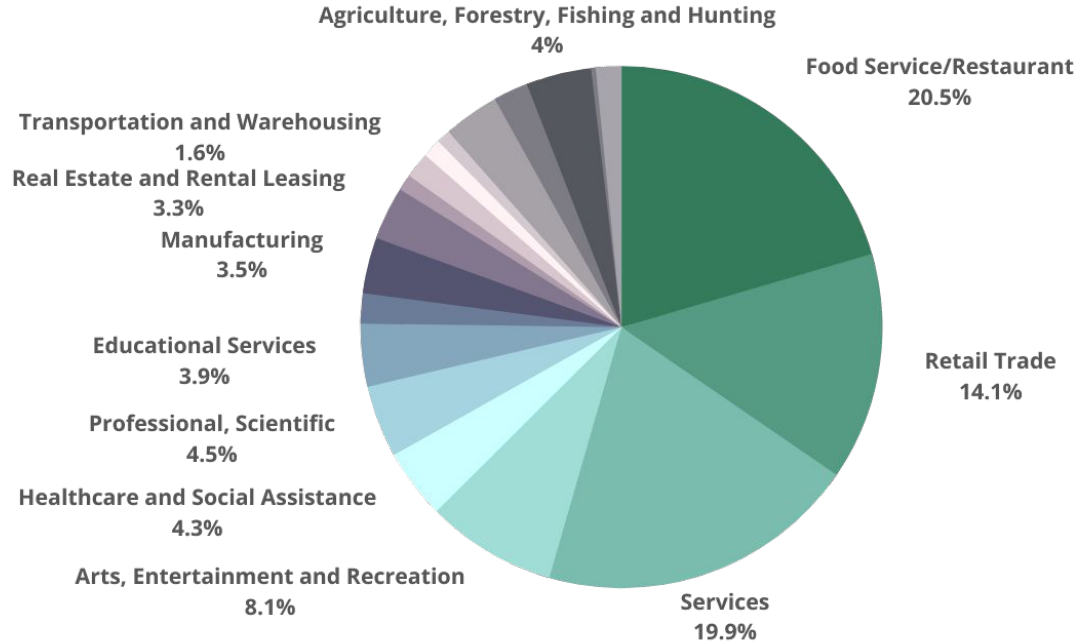
## Microbusiness Share of Revenue



- For <\$25k in revenue: **Nearly 50%** that sought capital utilized personal savings; **nearly 25%** received money from family and friends.
- **Over 80%** sought capital in the last 12 months and over **80%** of them applied for **loans <\$50k**

**Over 45%** of micro businesses making **under \$25k** did not have current financial statements.

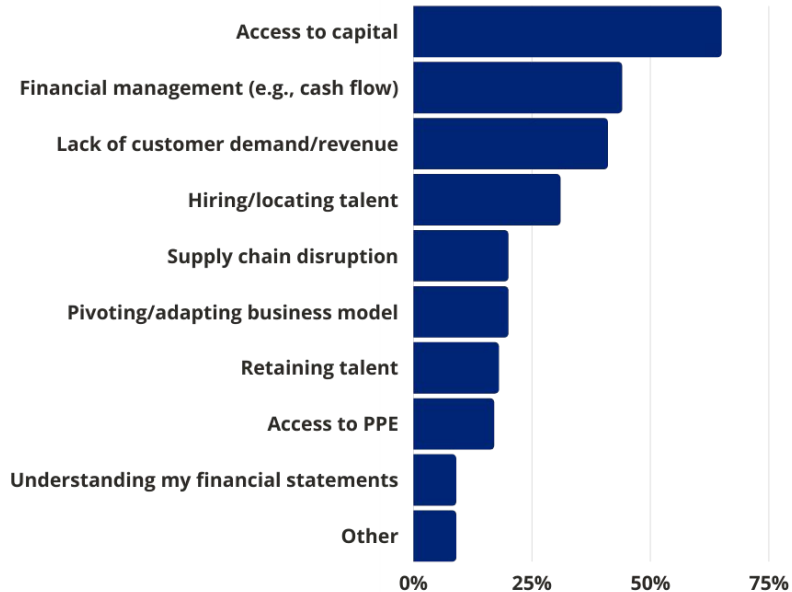
# INDUSTRY OF RESPONDENTS



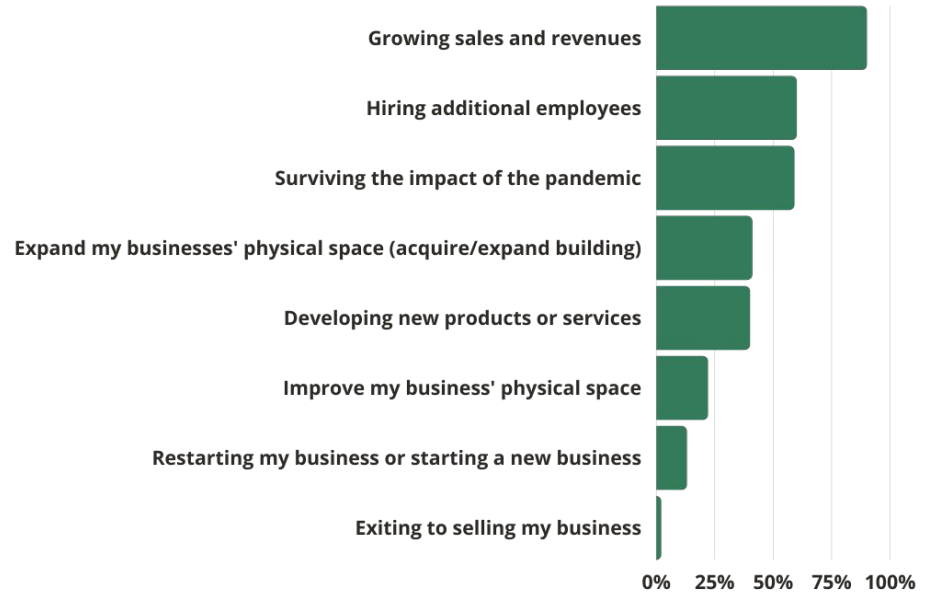
# BUSINESS CHALLENGES & GOALS



## Top Challenges



## Top Goals

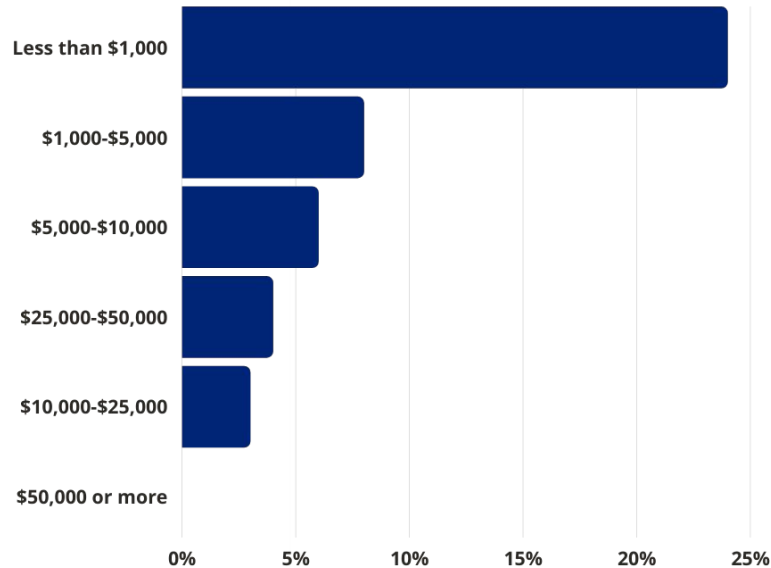


**Almost half** of **food service/restaurant** businesses - the largest industry - are **microbusinesses**.

# CASH ON HAND AND CAPITAL NEEDS



## Cash on Hand



- >40% applied to **banks**
- ~20% applied to **credit unions**
- <20% applied to **nonprofit lenders**
- >15% applied to **online lenders**
- ~35% applied to an **alternate source** of funding

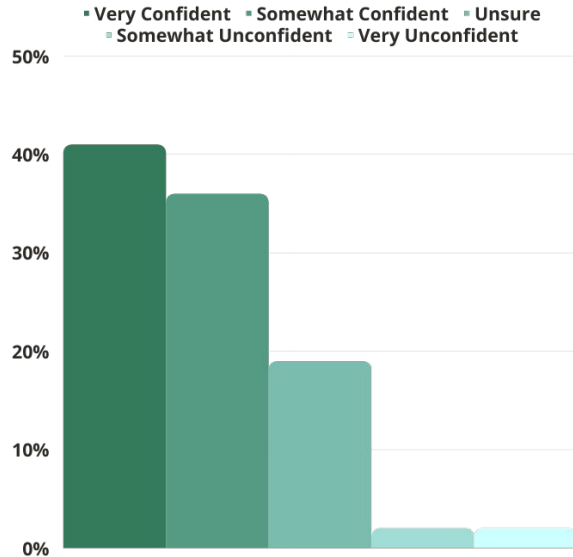
**Over 35%** of microbusinesses making **under \$25k** annually had less than \$1,000 cash on hand.



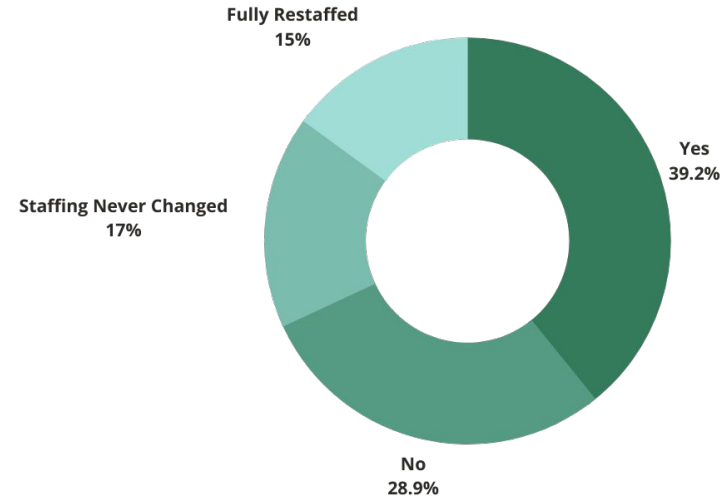
# BUSINESS SENTIMENT & STAFFING/GROWTH



## Business Recovery



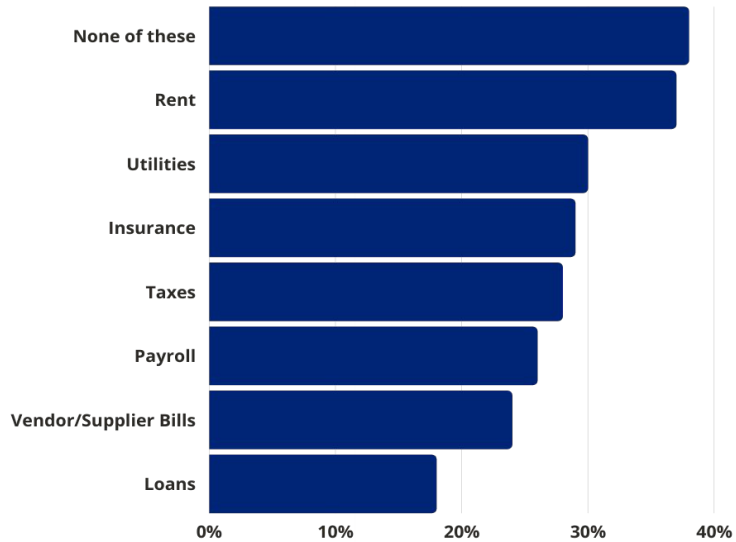
## Restaffing Expectations



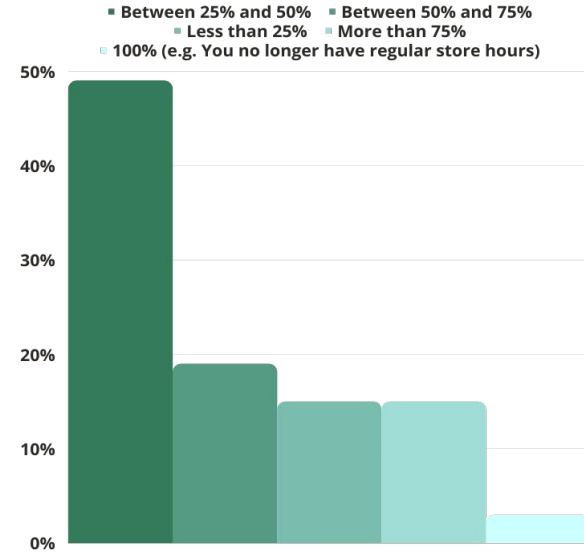
# HEALTH OF THE SMALL BUSINESS



## Missed Payments



## Operating Hours





# SUMMARY

1. Needs of **microbusinesses** 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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