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6.9% planned an increase in hiring and 88.3% had no effect on hiring plans based on a recent survey of 663 small business owners.

Sep. 13, 2018

The Tax Cuts and Jobs Act has been in effect for nearly nine months, and its impact on hiring is still unfolding among the nation's 30.2 million small businesses. The tax cuts were advertised as an avenue to fuel spending on jobs and capital, giving small business owners the funds to hire more.

[From the [ZipBooks blog](#).]

However, in a survey conducted by ZipBooks, 88.3% of small business owners reported no plans to change hiring after the Tax Cuts and Jobs Act. In fact, nearly 5% actually planned to hire *fewer* employees. This may explain recent reports that small business hiring has fallen in May and June.

We recently surveyed 663 small business owners and freelancers, trying to soak up as much information as we could on their response to the tax reform. They represent a variety of fields—from carpet cleaning to e-commerce—and they live in different regions across the United States. We asked, “What effect on your hiring plans has the Tax Cuts and Jobs Act had?”

The results provide key insight into the trends we're currently seeing among small businesses. When we dove into the data, we observed the regional differences shown in the graph above. Republican regions showed slightly more support for the Act, but stagnant hiring plans appear bipartisan.

Small businesses were expected to benefit financially from the Act—hence the projected increase in hiring plans. The tax changes offered small businesses the expansion of the 179 filing (facilitating business-expensed equipment), the pass-

through deduction, and lower individual tax rates. But the Act was controversial before

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