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Mary Girsch-Bock • May. 24, 2021



A new survey from [Guidant Financial](#) looked at small business trends. The report surveyed 2,400 current and aspiring small business owners and was completed in late 2020. The survey covered everything from the fallout from COVID-19 to the biggest obstacles they current face as small business owners.

Here are a few of the top take-aways from the survey.

- **Drop in profitability:** This should come as no surprise, but there was a 19% decrease in profitability for small business owners from 2019. However, the good

news is that more than 75% expect their small business to survive, with only 4%

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cash was the most popular way of financing a small business, 76% of respondents indicated that they used cash to start their business, followed by the Rollovers for Business Start-ups, which allowed those with 401(k) funds to roll over funds to start their business. Only 5% percent reported obtaining an unsecured loan in order to start their business.

- Small businesses come in a lot of sizes: 44% of small business owners surveyed indicated that they had between 2-5 employees, with only 1% having more than 100 employees.

Aside from COVID-19, small business owners faced an additional set of challenges, with lack of capital (23%), employee recruitment and retention (19%, and marketing and advertising challenges (15%) topping the list. But despite these challenges, only 9% of business owners indicated a desire to sell their business.

But it's not all bad news. 51% of small business owners indicated that they were planning on expanding their business or add staff in 2021, with 10% wanting to open a new location.

With the country beginning to open up from the forced pandemic closures, it'll be exciting to see what 2021 holds for small businesses.

Small Business

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