

# Majority of Main Street Businesses Remain Confident Despite Persistent Economic Challenges

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*The CBIZ Main Street Index finds almost two in three SMBs maintain a positive outlook despite experiencing compounding effects of inflation, supply chain slowdowns and staffing shortages*

CLEVELAND--(BUSINESS WIRE)--Jul. 26, 2022-- [CBIZ, Inc.](#) (NYSE: CBZ), a leading provider of financial, insurance and advisory services, has released the Q2 2022 CBIZ Main Street Index, which takes the pulse of and gauges the outlook for small and mid-sized businesses (SMBs). The results reveal the majority of business owners are optimistic about their future. Additionally, Main Street businesses are exercising resilience and nimbleness as they navigate multiple challenges brought on by high prices amid a potential economic downturn.

While 64% of businesses remain positive in their outlook, the CBIZ Business Confidence Study, a weighted average of responses to the Index's business confidence-focused questions, dropped more than 12 points from the first quarter, with the score now standing below 60.

The survey, which was conducted between June 6 and July 1, analyzes responses from more than 1,400 Main Street businesses with fewer than 100 employees in 27 industries across the U.S.\* The index assesses a range of timely trends, including business sentiment, staffing needs, areas of growth and decline, and adapting to a changing workplace.

"Main Street businesses are a bellwether of the American economy, and this quarter's results prove that once again," said Anna Rathbun, Chief Investment Officer of CBIZ Investment Advisory Services. "We found most businesses, like consumers, continue to cope with high inflation. Staffing shortages, notably the ability to hire skilled workers, remains an issue for a number of SMBs. Is this because businesses can't find enough skilled labor or because they can't afford these workers? This is something we'll be watching in the third quarter."

The data was assessed from an overall perspective, as well as based on company size, region and industry. An interactive infographic with the results is available on the CBIZ website. Key findings include:

- **Despite the current economic climate, 64% of respondents say their confidence level remains positive** – Twenty-one percent of business owners report their outlook is very positive. While the most common challenges indicated in the survey include coping with record inflation, supply chain constraints and staffing shortages, business owners remain confident and nimble as they navigate through these negative economic factors.
- **The majority of businesses remain resilient while combating a multitude of challenges brought on by high prices and a potential slowdown in economic activity** – Despite various negative headwinds, businesses continue to show strong levels of resilience. As owners continue to be challenged by risks, different opportunities for success also present themselves, leading to the generally positive sentiment of SMBs.
- **Inflation is a top-three concern for 80% of businesses surveyed** – The high costs of goods and services continue to impact day-to-day business operations. Even though inflation remains at record levels, owners continue to find ways to adapt, primarily by passing costs on to customers. Sixty-one percent of businesses have increased the price of products and services by at least 5%, while 29% of businesses have hiked up prices by 10 or more percent. In part due to inflation, four in five businesses say they've seen labor costs significantly (33%) or modestly (47%) increase in Q2.
- **The ongoing supply chain issues have caused shortages of inputs, contributing to producer price increases among other challenges** – As a response, 50% of businesses have increased prices on consumers. Alternatively, as SMBs in a number of industries continue to navigate around the bottlenecks in the supply chain, 29% indicated they have changed suppliers to get the products they need. Twenty percent of businesses report they are no longer dealing with supply issues.
- **62% of businesses indicate staffing shortages are either greatly (25%) or moderately (37%) affecting their day-to-day operations** – For the fourth straight quarter, staffing shortages are a top-of-mind concern for small businesses. Thirty-seven percent of business owners surveyed stated they had the most difficulty finding skilled workers. To attract and retain talent, more businesses are enhancing compensation and benefits packages.

*\*Note: Not all those surveyed in the CBIZ Main Street Index are clients of CBIZ.*

## About CBIZ

CBIZ, Inc. is a leading provider of financial, insurance and advisory services to businesses throughout the United States. Financial services include accounting, tax, government health care consulting, transaction advisory, risk advisory, and valuation services. Insurance services include employee benefits consulting, retirement plan consulting, property and casualty insurance, payroll, and human capital consulting. With more than 100 Company offices in 32 states, CBIZ is one of the largest accounting and insurance brokerage providers in the U.S. For more information, visit [www.cbiz.com](http://www.cbiz.com).

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