Small businesses are the backbone of our region’s economy.

Small businesses anchor our communities, provide jobs, and define our neighborhoods. The Chicagoland Chamber of Commerce and BMO Harris Bank are committed to helping small businesses make real financial progress. In partnership with Loyola University Chicago’s Quinlan School of Business, the following survey explores what’s top of mind for small business owners across Chicagoland as we enter a new decade.
UNITED STATES

30.2 MILLION SMALL BUSINESSES

47.5% of the workforce is employed by small businesses

ILLINOIS

1.2 MILLION SMALL BUSINESSES

99.6% of Illinois businesses are small businesses

WORKFORCE IN ILLINOIS

2.5 million people employed by small businesses

45% of the workforce is employed by small businesses

Source: Small Business Administration
The OUTLOOK

Overall, small business owners feel **OPTIMISTIC** about the future and prospects for growth.

- **77%** Plan to expand their business in the next year.
- **58%** Expect to increase their revenues in the future.
- **39%** Plan to seek access to capital in the coming year.
Survey results indicate that small business owners feel uncertainty about **TAXES** and **REGULATIONS**. Interestingly, concerns about **HEALTHCARE COSTS** have **SIGNIFICANTLY DROPPED**.

<table>
<thead>
<tr>
<th>Category</th>
<th>2020 (%)</th>
<th>Change</th>
<th>2018 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAXES</td>
<td>86%</td>
<td>↑</td>
<td>81%</td>
</tr>
<tr>
<td>ECONOMIC CONDITIONS</td>
<td>85%</td>
<td></td>
<td>83%</td>
</tr>
<tr>
<td>HEALTHCARE COSTS</td>
<td>77%</td>
<td>↓</td>
<td>88%</td>
</tr>
<tr>
<td>REGULATORY REQUIREMENTS</td>
<td>74%</td>
<td></td>
<td>68%</td>
</tr>
<tr>
<td>ACCESS TO CAPITAL</td>
<td>63%</td>
<td></td>
<td>61%</td>
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</tbody>
</table>
Overall, we are seeing a **SLIGHT DECREASE** in the number of small businesses who anticipate expanding. Of the 77% of small business owners who plan to expand their business in the next year:

- **57%** Plan to expand in Illinois in 2020, compared to 61% in 2018.
- **31%** Plan to expand into other states in 2020, compared to 32% in 2018.
- **17%** Plan to expand internationally in 2020, compared to 18% in 2018.

Overall, we are seeing a slight decrease in the number of small businesses who anticipate expanding.
We took a deeper dive into workforce and employment and saw a **SIGNIFICANT DECLINE** in the number of small business owners who expect to add full time employees, perhaps due to the **CHALLENGES** they are facing in **FINDING SKILLED AND QUALIFIED EMPLOYEES**.

**27%**
Expect to add full time employees

*compared to 41% in 2018*

**33%**
Expect to add part time employees

*compared to 36% in 2018*

**HIRING CHALLENGES**

**56%** of companies feel challenged in finding qualified candidates because:

- **29%** Lack of candidates with qualified skills
- **23%** Salary expectations of candidates
- **13%** Business could not provide requested benefits
- **12%** Candidates prefer to work for larger employers
Small business owners often lack the bandwidth and expertise to tackle issues important to their business success. Results indicate that small businesses increasingly need assistance with navigating **LOCAL GOVERNMENT** and **SECURING ACCESS TO CAPITAL**.

**MARKETING RESEARCH**
- 2020: 67%
- 2018: 63%

**ACCESS TO CAPITAL**
- 2020: 41%
- 2018: 35%

**HIRING SKILLED WORKERS**
- 2020: 38%
- 2018: 34%

**DEALING WITH LOCAL GOVERNMENT**
- 2020: 35%
- 2018: 29%

**USING TECHNOLOGY**
- 2020: 33%
- 2018: 41%
About BMO Harris Business Banking

As a business owner, you need cash management solutions to operate more efficiently, credit solutions to fund growth, and expert guidance to take your business to the next level. BMO’s dedicated bankers listen to small business owners’ needs and goals in order to help them make real financial progress. Everything we do at BMO – from designing products and services, to supporting our communities – is designed to boldly grow the good. BMO’s customers know it’s possible to have both the strength and innovation of a large bank and the accessibility and warmth of a bank rooted in your community.