

The UPS Store Small Business Week Survey

June 2013

Survey Methodology

The results are based on an online survey with general consumers age 18+ and small business owners. The study was conducted with 1,475 general consumers and 207 small business owners between May 3 and 7, 2013. The sample was drawn from randomly Research Now's panel.

Opening a small business is a common dream for many Americans.

- Almost half (48%) of Americans surveyed who have never owned their own business dream of starting one.
- One in five (21% of) Americans surveyed who do not currently own their own business believe they will at some point in their life.

The country is full of aspiring restaurateurs, fashionistas and retailers.

- If they were to open a business today, the majority of surveyed Americans dream of opening a restaurant (18%). Clothing/apparel/accessories (7%) and other retail businesses (8%) were the other two types of businesses surveyed Americans most commonly dream of opening.

Americans are looking for more autonomy in their professional lives.

- The most common reasons that people dream of opening their own business is to be their own boss (61%), pursue a personal passion (60%) and have more flexibility (48%).

Most surveyed Americans believe the best time to start a business is while you're young.

- Three in four surveyed Americans (75%) say that the best age to start a business is before age 40 (45% of surveyed Americans say the best age is between 30-39, and 30% of Americans say the best age is 20-29.)
- Seventy-eight percent (78%) of surveyed Americans say the best time to start a business is mid or early career (44% of Americans say mid-career is the best time for someone to start their own business, followed by early career at 34%).
 - Only 1% of Americans say retirement is the best career stage for someone to start their own business.

Financing is the number one thing standing in their way.

- When asked what's standing in the way of starting their own business, securing financing is the number one issue. Forty-five percent (45%) of surveyed Americans who do not currently own a business say difficulty getting financing is a major obstacle. Additionally, 41% of surveyed Americans say they don't have all of the business knowledge they need to be successful, and over one in three (34%) says the fear that their business may fail is an obstacle as well.

And while easier access to financing would motivate or encourage Americans to more seriously consider opening their own business, there are other important factors as well.

- Fifty-nine percent (59%) of surveyed Americans say they would more seriously consider starting their own business if they could get easier access to financing. However, free or low-cost training and education on topics where they need help and free mentoring from other business experts would motivate and encourage 38% and 34% of surveyed Americans, respectively.

When it comes to those who have started their own business, owners are split on how long it took them to finally take the leap.

- The majority of small-business owners surveyed (51%) dreamt of starting their own business for two years or less before taking the leap to start it. However, nearly one in three (31%) spent at least five years dreaming about owning their own business before they opened it.

Individuals who own their own business started the business for similar reasons as those who dream of opening one.

- Fifty-seven percent (57%) of surveyed small-business owners say they started their own business so they could be their own boss, 48% said to set their own hours, 48% said to have more flexibility and 46% said to make more money.
- When selecting the one thing that is their favorite part of owning their own business today, 30% say being their own boss, 23% say pursuing a personal passion, 11% say flexibility and 10% say a sense of accomplishment.

Small-business owners share common personality traits with one another.

- The top-three personality traits that small-business owners most commonly associate with themselves are caring, passionate and independent.
 - They are significantly more likely than non-business owners to describe themselves as passionate, ambitious, motivated and willing to take risk.
 - Those who dream of starting their own business, but do not yet own a business, are much more likely to describe themselves as passionate, ambitious and intuitive than those who do not dream of starting their own business.

However, the top obstacles they faced are not the same as those who dream of opening a business.

- When it came to starting their own business, owners said the most common obstacles they encountered when deciding to start were fear of the business failing (36%), didn't have all of the business knowledge they need (29%), and too much competition and other businesses like it (24%).
- The single, most difficult part for small-business owners when starting their own business was taking the leap of faith to start the business (36%) – more than getting financing (18%), creating a business plan (13%) or developing a strong business idea (8%).
- When it comes to what ultimately inspired business owners to take the leap of faith and start their own business, one in four (25%) said it came from an internal, personal desire, and one in five (20%) said their inspiration came from support and encouragement from others.

- The single most important thing that business owners say someone must have in order to take the leap of faith and start their own business is faith in oneself (63%) – even more important than a support network or bullet-proof business plan.

Many small-business owners are still trying to make it.

- There are several factors that have contributed to small-business owners feeling like they've "made it" as a business owner – some say it's a certain period of time the business was open; others say it was building up customers and sales; others say it was when they were finally able to break even or be profitable. However, over one in three (31%) small-business owners feel like they haven't made it yet as a small-business owner.
- The most difficult parts of running a business include finding customers (33%), marketing the business (18%) and handling budgets and finances (14%).
- Despite the challenges that small-business owners currently face, 71% of those surveyed say they would start their business all over again today.

Many small-business owners relied on others for support and mentorship.

- Almost half (49%) of surveyed small-business owners sought out help from mentors when they were starting their business. And over half (54%) say they would consider mentoring someone else interested in starting their own business.

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