

NFIB's Quadrennial Problems and Priorities Survey Ranks Small Business Problems

For Immediate Release

Contact: Emily Carlson, Senior Media Manager, 907-891-4331 or emily.helland@nfib.org or Bill Smith, NFIB State Director in Wisconsin, 608-516-9872, or bill.smith@nfib.org

Madison (August 12, 2020) - Many top concerns, including the cost of health insurance, labor, and taxes, remain constant despite economic conditions, according to the 2020 NFIB Problems and Priorities Survey. The data, collected just prior to the COVID-19 health and economic crisis, reflects owners' views four years into one of the largest U.S. economic expansions.

"While we know that the coronavirus pandemic along with the government shutdowns have devastated many of our small business owners, we also know that they face many of the same problems no matter how strong or weak the economy is," **said NFIB State Director in Wisconsin, Bill Smith.** "The cost of health care has been the number one problem for small business owners since 1986. Finding qualified workers and tax-related issues also continue to plague our members, although the 2017 Tax Cut and Jobs Act have fewer of our members defining that problem as critical. Moving forward, employment and financing will be even more crucial as our Wisconsin members continue to struggle and try to survive this pandemic."

The COVID-19 pandemic will have certainly impacted these results, especially those related to employment, sales, and financing. Those issues would likely resemble the ranking of the [2012 report](#) as small businesses were emerging from the Great Recession.

Every four years, the Problems and Priorities Survey asks small business owners to evaluate 75 issues on a scale of 1 (a critical problem) to 7 (not a problem). The issues are then ranked from top to bottom by their average score.

At the top spot, the "cost of health insurance" remains the number one problem for small businesses, unchanged since 1986. Fifty-one percent of owners report that the "cost of health insurance" as a critical problem, down one point from the [2016 report](#). The number one ranking is reflected in all 46 sub-categories of businesses analyzed in this survey.

"Locating qualified employees" moved up in importance from ranking 10th in 2016 to its current second place ranking. This is largely due to the historically low unemployment rate the last two

years, pre-COVID, and businesses struggled to fill positions. The percent of owners finding it a critical problem increased from 24% in 2016 to 31% in 2020.

Tax-related issues continue to be a significant problem for small business owners, however, the percent finding them “critical” issues has declined since 2016, certainly due to the passage of the 2017 *Tax Cuts and Jobs Act*.

The 10 problems of least concern are generally issues of limited exposure to most small businesses. Only 3% of small business owners believe “exporting my products/services” is a critical issue, which is ranked 75th on the list. “Importing my products/services” and “undocumented workers” are ranked 74th and 73rd, respectively.

Owners evaluated most problems in 2020 as they did in the 2016 survey but the major changes that did occur are largely related to labor and employment issues, and energy costs. The “cost of natural gas, propane, gasoline, diesel, fuel oil” topped the list by rising 15 positions from a rank of 34th in 2016 to 19th in 2020. “Competition with large business” moved 10 positions from 31st in 2012 to 21st in 2020. On the other end, the largest decline from 2016 to 2020 was “health/safety regulations (OSHA)” which fell from 28th to 41st.

“One area that we’re going to continue to watch is ‘competition with large business’ since so many small businesses have had to close or temporarily close due to the coronavirus,” said **NFIB Director of Research and Policy Analysis Holly Wade**. “Small businesses have always had to compete with large stores, but this pandemic has definitely heightened that. Many small businesses were mandated to close or decrease business due to state and local ordinances while the big stores could stay open as ‘essential’ business.”

The full survey is available [here](#).

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