

New Intuit QuickBooks Small Business Research: Inflation Concerns Persist, but Optimism Increases

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Inflation is now the biggest threat facing U.S. small businesses, creating widespread cash flow problems, according to the [QuickBooks Small Business Insights Report](#) released by Intuit today (NASDAQ: INTU), the global technology platform that makes [QuickBooks](#), [TurboTax](#), [Mint](#), [Credit Karma](#), and [Mailchimp](#). Still, despite challenges, small businesses continue to be optimistic about opportunities on the horizon.

Almost all small businesses (99%) are now concerned about inflation, with one in two saying inflation is a threat to their business today. As a result, 68% of small businesses indicate they have experienced a cash flow problem. Of those, two in five have already dipped into their cash reserves, 39% have been forced to use personal funds, and 38% have used a credit card to plug the gap.

The [Intuit QuickBooks Small Business Insights Report](#) also found other mounting challenges for small businesses:

- **Cybersecurity issues remain top of mind.** More than one in five (23%) small businesses describe cybersecurity as one of the biggest threats they currently face and 42% have experienced a cybersecurity breach. The top three most common are: malware (18% have been exposed), phishing (17% have been exposed) and data breach (16% have been exposed).
- **Hiring and retaining employees is still a barrier, but increasing pay is less of an option to attract new workers.** Almost half say hiring is getting harder, while 38% say it's challenging to retain skilled workers. In response to hiring challenges, 19% are increasing pay for new workers, down significantly from our [December survey](#), when 44% said they would increase pay.

Positive Outlook and Opportunities Despite Challenges

Despite looming challenges, small businesses remain hopeful with 58% currently optimistic about the economy, and if the pandemic shows continued signs of improvement and life returns to "normal" this summer, 79% expect that would have a positive impact on their business. In fact, many business owners are anticipating a big bounce this summer, with almost two-thirds (65%) predicting that their businesses will grow over the next three months. Other findings that point to a brighter horizon for small businesses include:

- **Entrepreneurial aspirations still high:** More than one in five (22%) of consumers are currently considering starting a business. While not all may see these plans through, this is further evidence of the continued surge in new small business creation first reported by QuickBooks [in December 2021](#). With April as financial literacy month and

this survey reinforcing there are so many Americans aspiring to start new businesses, ensuring they have the resources and tools available to start, run, and grow is paramount.

- **Fewer small businesses plan to raise prices.** Today, just 43% say they plan to raise prices — the smallest proportion QuickBooks has seen since first publishing this data in September 2021 and down from 63% in December 2021.
- **Digital small businesses are expecting higher growth than before.** Among omnichannel businesses (those with fully integrated online and offline sales) 79% predict growth over the next three months compared to just 47% for brick and mortar. In addition, 91% of small businesses say it will be important for people to be able to find or buy from them online over the next 12 months.
- **Small businesses are hiring - and looking for ways to retain talent.** More than half of small businesses predict their workforce will grow over the next three months. To help with staff retention, almost half of small businesses (49%) plan to increase pay for existing workers. Two in five (42%) plan to increase bonuses — up from 36% [in December](#).
- **Small businesses are offering benefits and promoting equality in the workplace.** As business owner confidence improves and the need to invest in and grow their business intensifies, three in four small businesses (75%) today offer employee benefits. The three most common employee benefits are consistently: paid sick leave, healthcare and paid vacation time.

“Small business owners are always known to be resilient, and despite the challenges facing so many of us today, it’s encouraging to see optimism is high as we approach summer,” said Alex Chriss, executive vice president and general manager of Intuit’s Small Business and Self-Employed Group. “It’s particularly notable that small businesses that have invested in digital technology feel the most optimistic, and that we’re continuing to see high levels of entrepreneurial aspiration.”

This report and more research and insights from Intuit QuickBooks are available [here](#).

About Intuit

Intuit is the global technology platform that helps consumers and small businesses overcome their most important financial challenges. Serving more than 100 million customers worldwide with [TurboTax](#), [QuickBooks](#), [Mint](#), [Credit Karma](#), and [Mailchimp](#), we believe that everyone should have the opportunity to prosper. We never stop working to find new, innovative ways to make that possible. Please visit us for the latest information [about Intuit](#), our products and services, and find us on [social](#).

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Intuit QuickBooks:

Dan Mahoney

Dan_Mahoney@intuit.com

Jen Garcia
Jeng@accesstheagency.com

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