

Main Street Businesses Showing Resilience in the Face of Multiple Economic Headwinds

April 27, 2022

The CBIZ Main Street Index finds small to mid-sized businesses are making necessary changes to counter high inflation, along with ongoing staffing and supply chain challenges

CLEVELAND--(BUSINESS WIRE)--Apr. 27, 2022-- [CBIZ, Inc.](#) (NYSE: CBZ), a leading provider of financial, insurance and advisory services, has released the Q1 2022 CBIZ Main Street Index, which takes the pulse of and gauges the outlook for small and mid-sized businesses (SMBs). The findings reveal a theme of resiliency among employers in the face of persistently high inflation, a tight labor market and lingering supply chain issues.

Sixty-four percent of respondents say inflation continues to be the biggest burden on their business, but owners are trying to mitigate the issue by shifting added costs to customers and cutting back-end expenses. Almost 70% of businesses note they are taking steps to increase prices, with 20% raising them by 10% or more.

The survey, which was conducted between March 22 and April 4, 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.

“Small and mid-sized businesses are facing a triple threat in this economy,” said Kevin Nussbaum, Vice President of New Business Development, CBIZ Inc. “Inflation remains near record highs, forcing many of these owners to pass the cost on to their customers. Unemployment remains stubbornly low, which is becoming a compounded problem for some industries, like hospitality, struggling to keep their staffing at an operational level. Ongoing supply chain issues are also impacting certain sectors. Despite all of these challenges, businesses remain optimistic.”

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:

- **Nearly two in three businesses say inflation is placing the biggest burden on their operations** — 69% say they have or plan to increase prices to fight the rising costs of goods and services. Thirty-seven percent are implementing cost-cutting or cost-control strategies to keep expenses under control. Additionally, the survey found 49% of companies will raise prices in order to increase or improve the growth of their business, up from 23% last quarter.
- **Companies continue to adapt to the “Great Resignation,” increasing headcounts while staffing shortages remain** — Staffing shortages continue to be a problem for the third-straight quarter, with 52% of respondents saying it remains a top concern. More than 42% say they are short-staffed by at least 10%. On the other hand, employee headcounts continued to show growth, outpacing Q4 2021 numbers. While the Great Resignation presents challenges for SMBs, 45% indicate they are changing their employee compensation or health and financial benefits packages as an incentive to new applicants and current employees, while 39% have supplemented their staff with independent contractors.
- **Nearly half of companies are addressing issues related to supply chain slowdowns** — Forty-seven percent of companies view supply-chain-related disruptions as an issue negatively affecting their business but are looking at various ways to adapt. Forty-six percent are making changes to their operations, while 40% are investing in technology to improve efficiency.
- **Strong consumer demand continues to be a driving factor affecting the positive outlook for businesses** — Main Street businesses are holding steady with profit and revenue growth carried over from Q4 but continue to report high growth over previous quarters from 2021. Fewer companies are indicating revenue and profit declines. Three percent fewer companies report a decline compared to last quarter and 8% fewer since Q1 of 2021.
- **COVID-19 is less of a concern for SMBs two years into the pandemic** — The sentiment surrounding the pandemic and its effect on business is starting to shift and is no longer a top-level concern among the companies surveyed. Twenty-five percent of respondents say they’re concerned about the effect a resurgence of COVID-19 would have on their business, compared with 44% of businesses surveyed in Q4 2021.

**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.

Media Contact

Rocco Aloe

Gregory FCA for CBIZ, Inc.

CBIZ@GregoryFCA.com

610-860-2075

Source: CBIZ, Inc.