

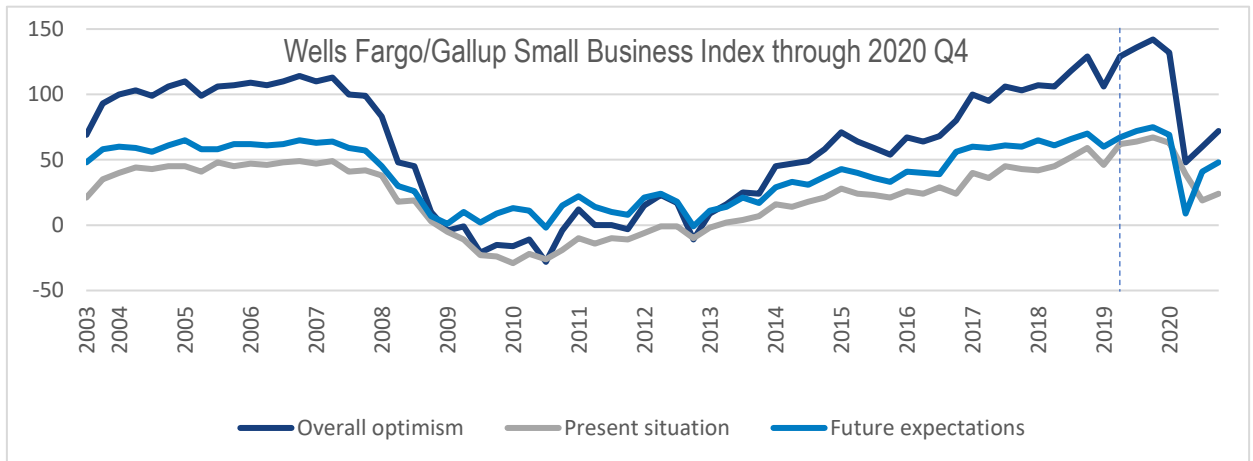
Small Business Snapshot

Summary

- ✓ Small business **sentiment has continued to recover slowly** from COVID-related lows in Q2 2020.
- ✓ Three-quarters of small businesses continue to report the pandemic has had a **“large” or “moderate” negative impact on their business**; this number has been relatively consistent for many months through January 2021.
- ✓ In the months immediately after April 2020, recovery in small business jobs was significant; new **increases in the number of small-business jobs have slowed to almost zero** by December and January.
- ✓ The national unemployment rate has declined to 6.3 percent. By state, unemployment rates are now highest in **Hawaii, Nevada, and California**. Two states (**South Dakota and Alaska**) have *lower* unemployment rates than one year ago.
- ✓ **Leisure/hospitality** remains the hardest-hit industry with a decline of almost 4 million jobs in 12 months.
- ✓ By late January 2021, daily revenue among small businesses is still **31 percent lower** than it was at the start of 2020.

1. Small Business Sentiment

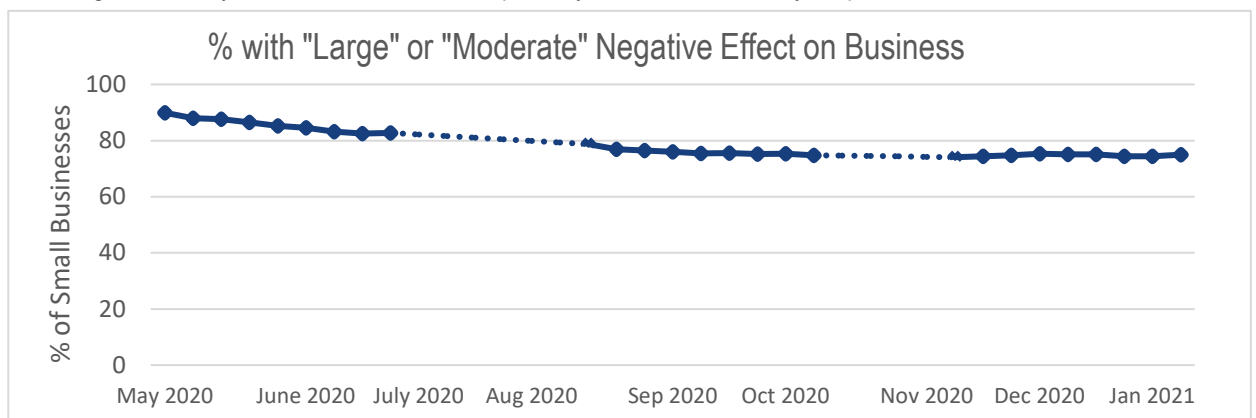
Small business owners' sentiment on present situation and future expectations



Source: [Wells Fargo/Gallup Small Business Index](#). Due to change in Gallup methodology, data after 2019 Q2 are not strictly comparable to data from previous quarters. This is noted by the dotted vertical line.

2. Effect of COVID-19 on Small Businesses

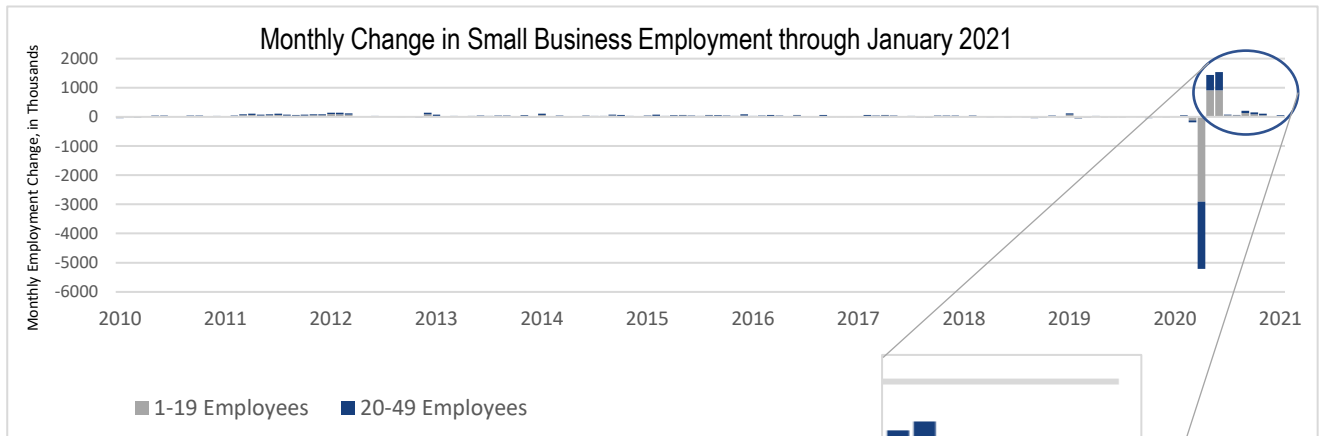
Changes since May 2020 on how businesses report they have been affected by the pandemic



Source: [US Census Bureau Small Business Pulse Survey](#) (updated through January 10, 2021). The survey was conducted weekly in 3 phases, with scheduled intervals between each phase. These intervals are noted by the dotted portion of the line.

3. Small Business Employment Change

Employment (total nonfarm private sector), change in thousands, by company size

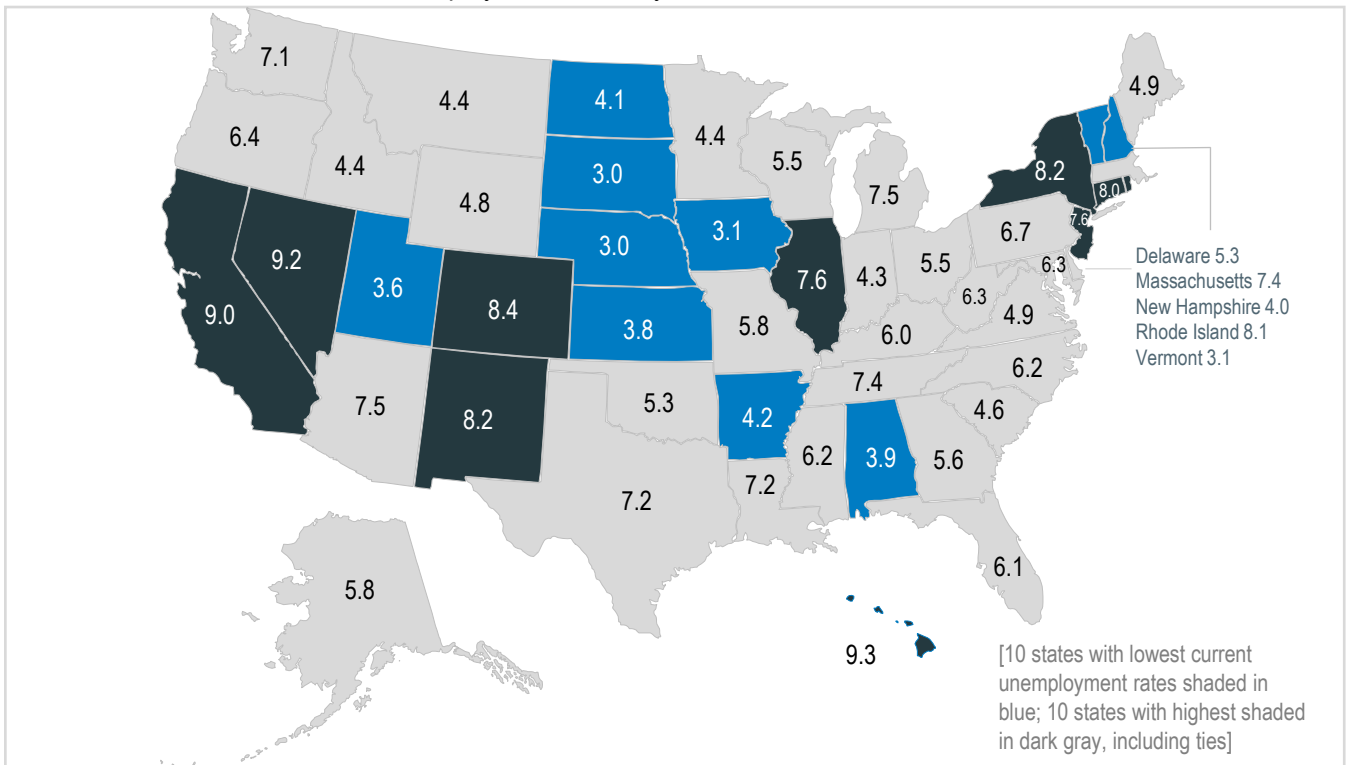


Source: [ADP Employment Report](#) (January 2021).

4. Conditions by State

State-level look at unemployment rates

Unemployment Rates by State, December 2020



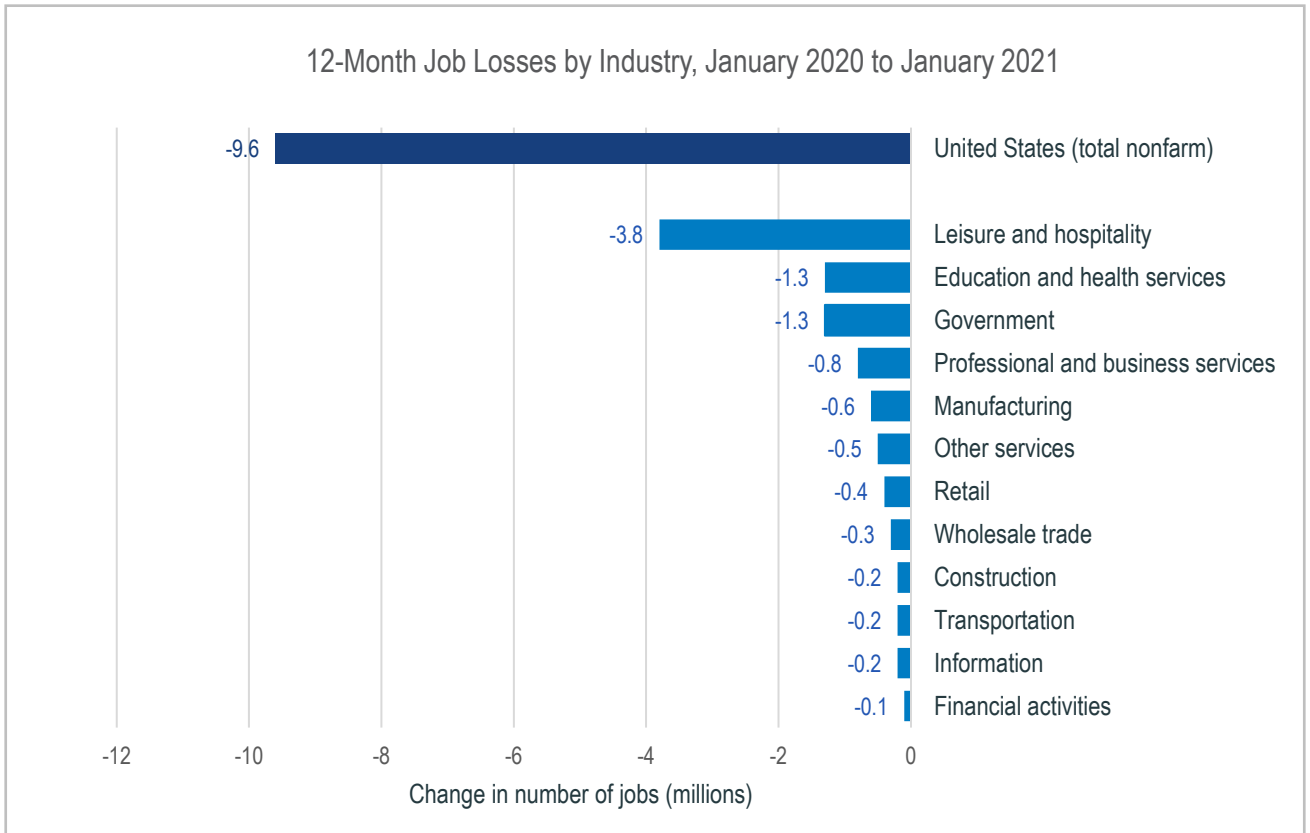
States with most positive and negative 1-year changes in unemployment rate (December 2019 to December 2020)

United States overall (6.3%)		+2.8%		Largest Decreases or Smallest Increases	
Largest Increases					
Hawaii	+6.6	South Dakota	-0.4		
Colorado	+5.9	Alaska	-0.3		
Nevada	+5.5	Nebraska	0.0		
California	+5.1	Iowa	+0.3		
Massachusetts	+4.6	Mississippi	+0.6		
Rhode Island	+4.6	Kansas	+0.7		
New York	+4.3	Arkansas	+0.7		
Connecticut	+4.2	Vermont	+0.7		
Illinois	+3.9	Montana	+0.9		
New Jersey	+3.9	Minnesota	+1.1		

Sources: [BLS Local Area Unemployment Statistics](#) (January 26, 2021) and [BLS Employment Situation monthly release](#). (February 5, 2021).

5. Conditions by Industry

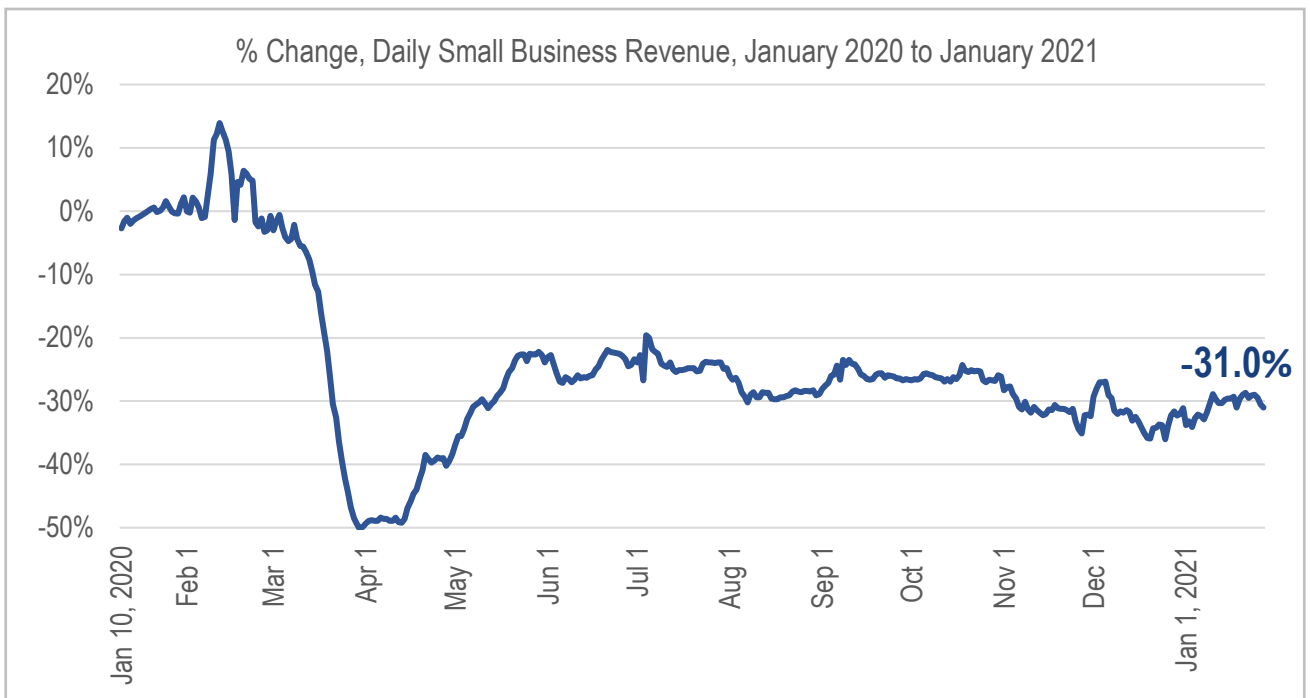
Changes in employment over the last year



Source: [Bureau of Labor Statistics Employment by Industry](#) (February 2021).

6. Small Business Revenue Change

Change in total daily US small business revenue since the start of 2020



Source: [Opportunity Insights Economic Tracker](#), Small Business Revenue tracker, revised data, updated to January 27, 2021.