

Freedom Economy Index

OCTOBER 2024

A JOINT PROJECT OF



RedBalloon.work



PublicSquare

Dear Friend,

Our most stunning finding to date: **87% of small business owners say they'll consider closing their business if Vice President Harris wins election** to the White House. Only 1.2% say the same if former President Trump is elected.

These are among the findings of this month's Freedom Economy Index, a survey of over 80,000 of America's small business owners, and a joint project of PublicSquare and RedBalloon.work.

The message is clear: America's small business owners are desperate to avoid four more years of Bidenomics. That explains why Vice President Harris strained to emphasize in her recent Fox News interview that her presidency "would not be an extension of the Biden Administration."

But small business owners aren't convinced. 83% say they plan to expand and invest in their business if former President Donald Trump wins the presidency. Only 1.1% say the same if Harris wins, and 16% will invest and expand regardless.

Interestingly, women business owners are markedly more negative on the prospects of a Harris Administration than their male counterparts.

Additionally, business owners may be feeling blue this Christmas. That's not referring to red versus blue partisan politics, but rather the survey's revelation of Grinch-like expectations for the coming Christmas season sales.

All of these findings and more are included in this month's survey. We hope they will be instructive as our nation prepares to pick its next leader. One thing is certain: America is at a crossroads. May God guide our nation forward.

Sincerely,


Michael Seifert
CEO of PublicSq.



Andrew Crapuchettes
CEO of RedBalloon.work

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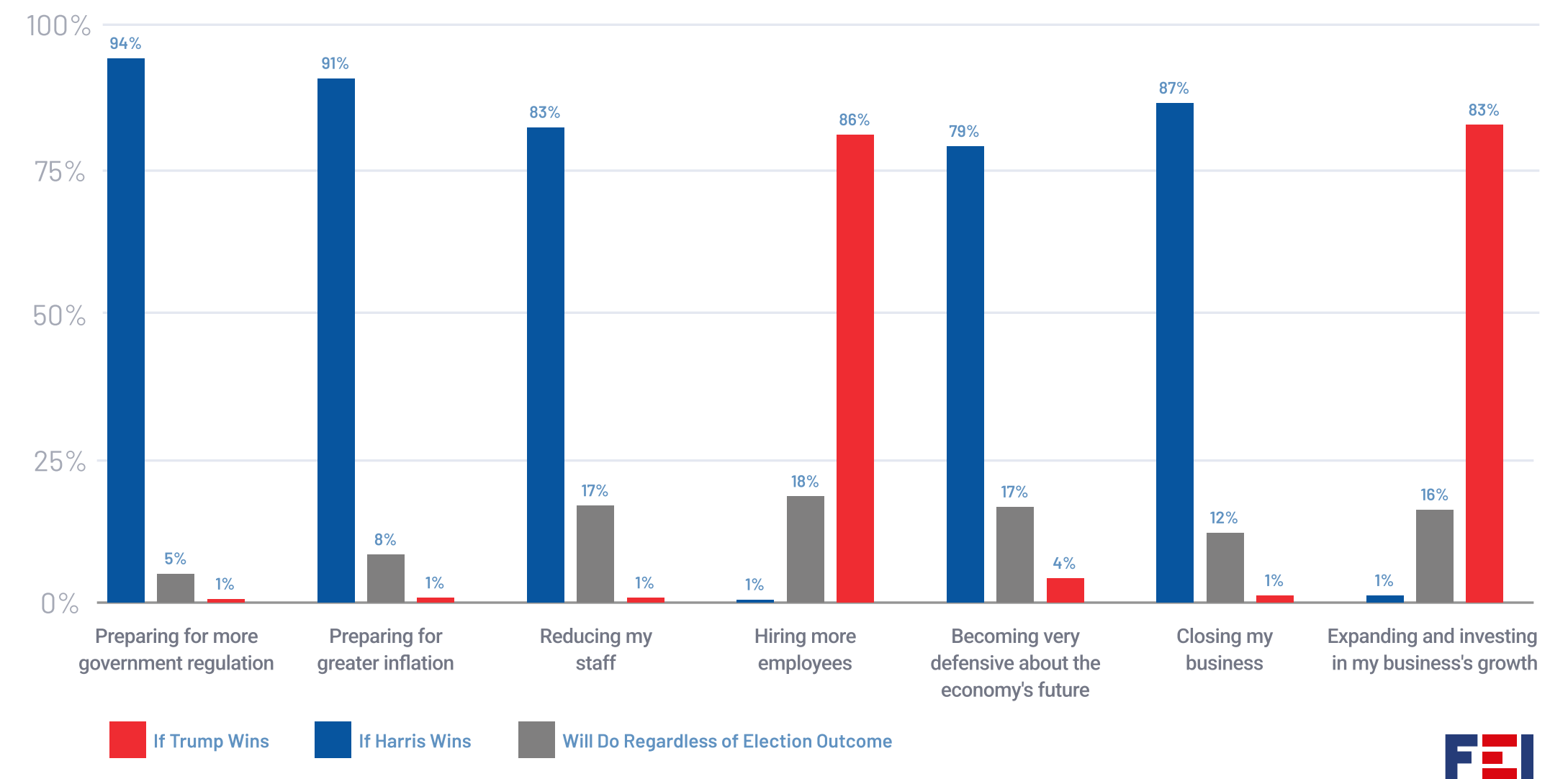
KEY FINDINGS

Super-Majority of Small Business Owners Will Consider 'Calling it Quits' if Harris Wins

Small business owners have endured historically difficult economic conditions over the past four years. And they aren't interested in a continuation of the current policies.

86.7% say they'd consider closing their business if Vice President Harris wins election. By contrast, 82.9% say they'd consider expanding and investing in their business if former President Trump wins. Additionally, 82.5% say they'd consider reducing their staff if Harris wins, while 81.2% say they'd consider hiring more employees should Trump prevail.

Which of these actions will you consider taking depending on if President Trump or Vice President Harris wins the White House?

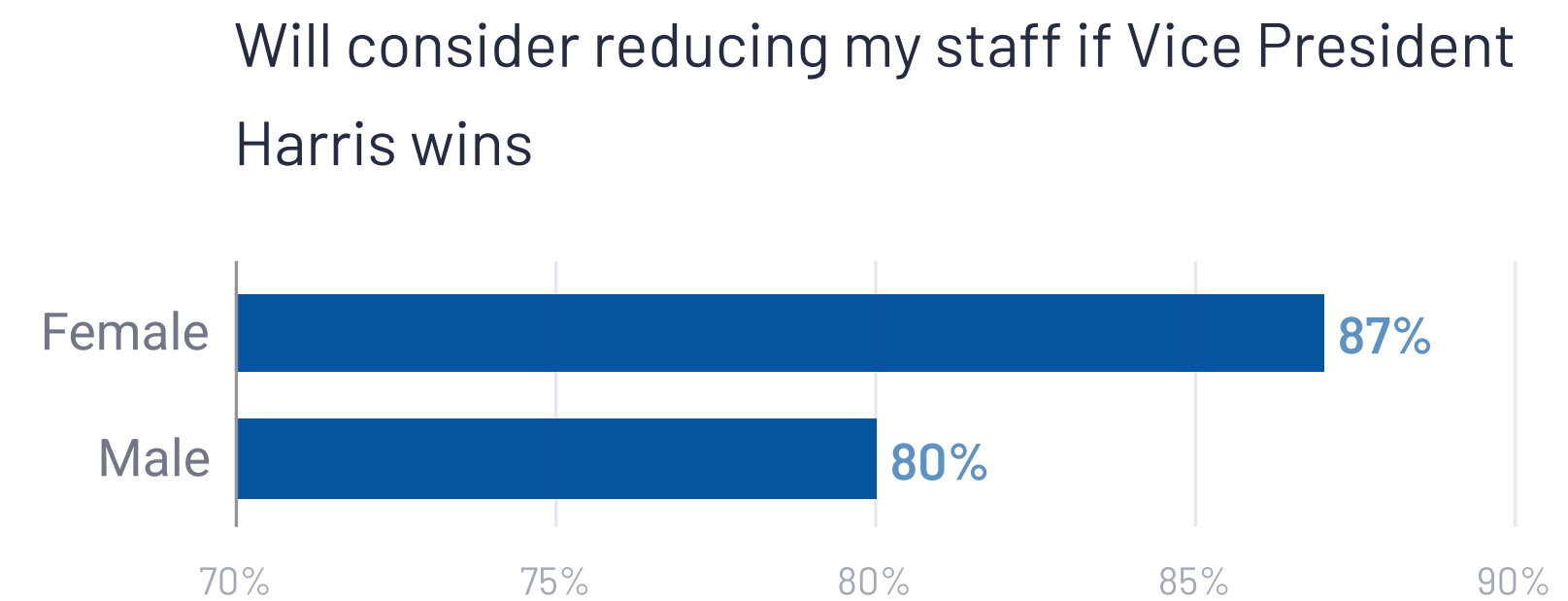
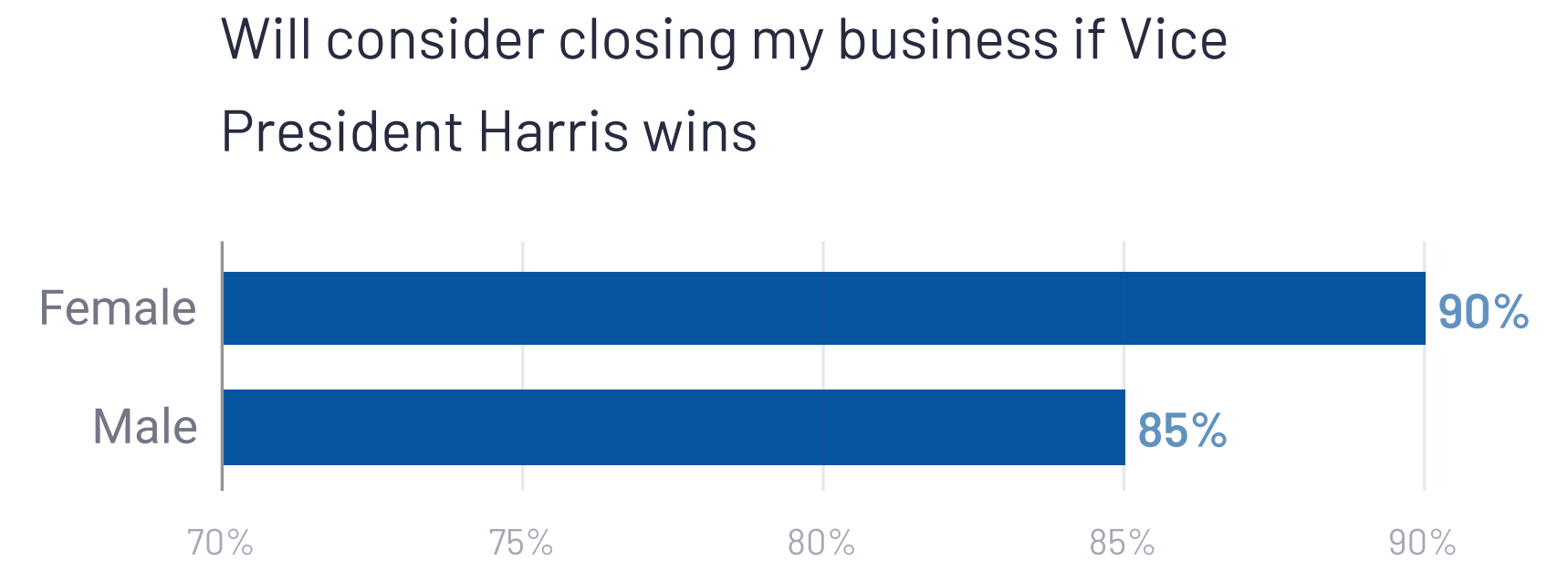


KEY FINDINGS

Women Business Owners See Harris as Liability

Women business owners were 7 percentage points more likely to consider reducing their staff if Harris wins than their male counterparts. Women were also 8% more likely to “prepare for greater inflation” with a Harris win and 5% more likely to consider closing their business.

“These findings are stunning,” said PublicSquare CEO Michael Seifert. “The whole Kamala narrative is that women support her, but when you look at those women who have to run a business and meet payroll, there’s a stark vote of no-confidence.”

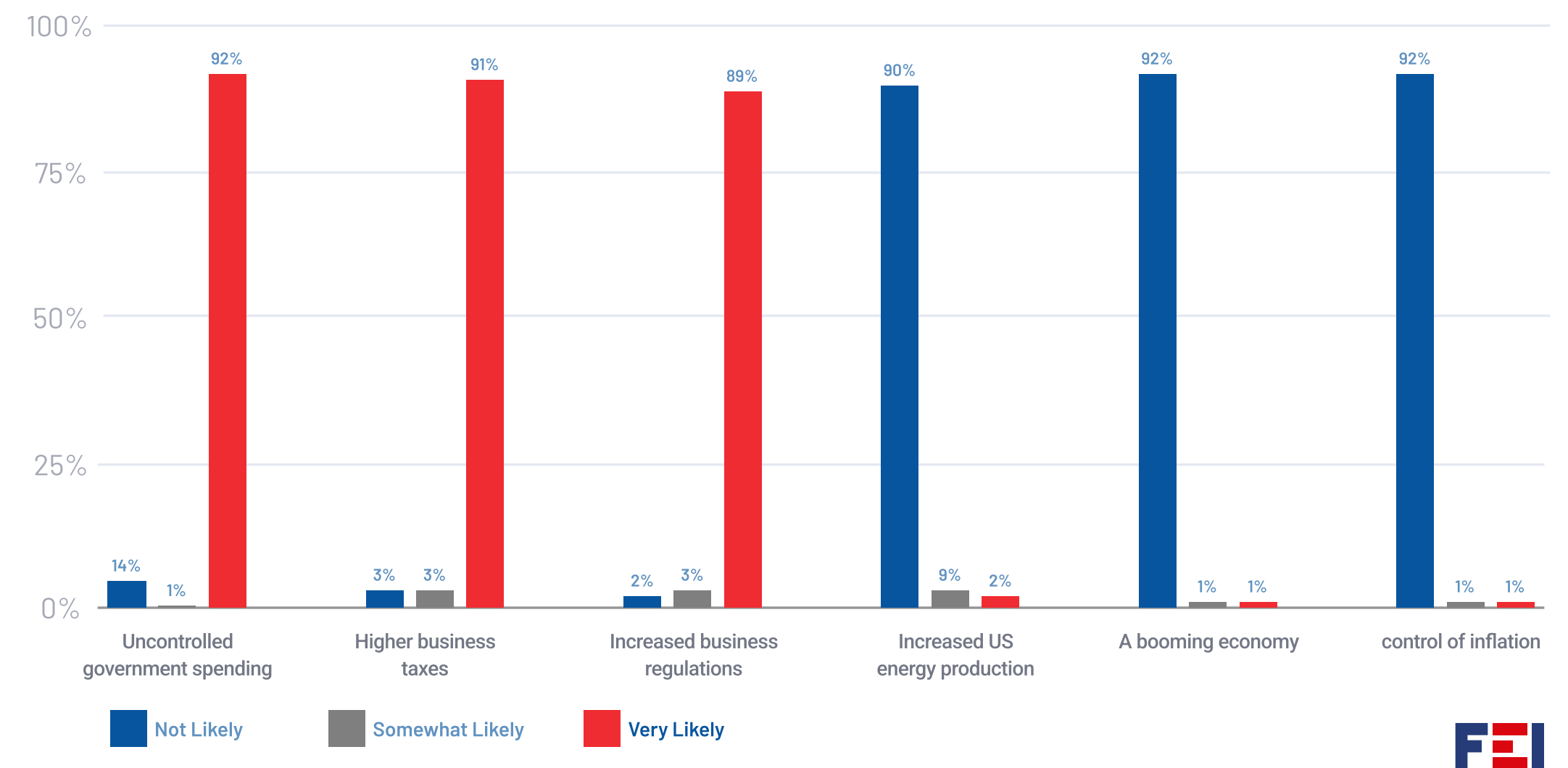


KEY FINDINGS

Turbulent Harris Economic Expectations

We asked small business owners how likely it was that certain economic events occurred under a Harris presidency. 92% said Harris would continue uncontrolled government spending, and 91% said we'd have higher taxes on businesses. 89% said Harris would also bring increased government business regulation. Less than 2% said Harris would deliver a booming economy or control of inflation.

How likely are the following events under a Kamala Harris presidency?

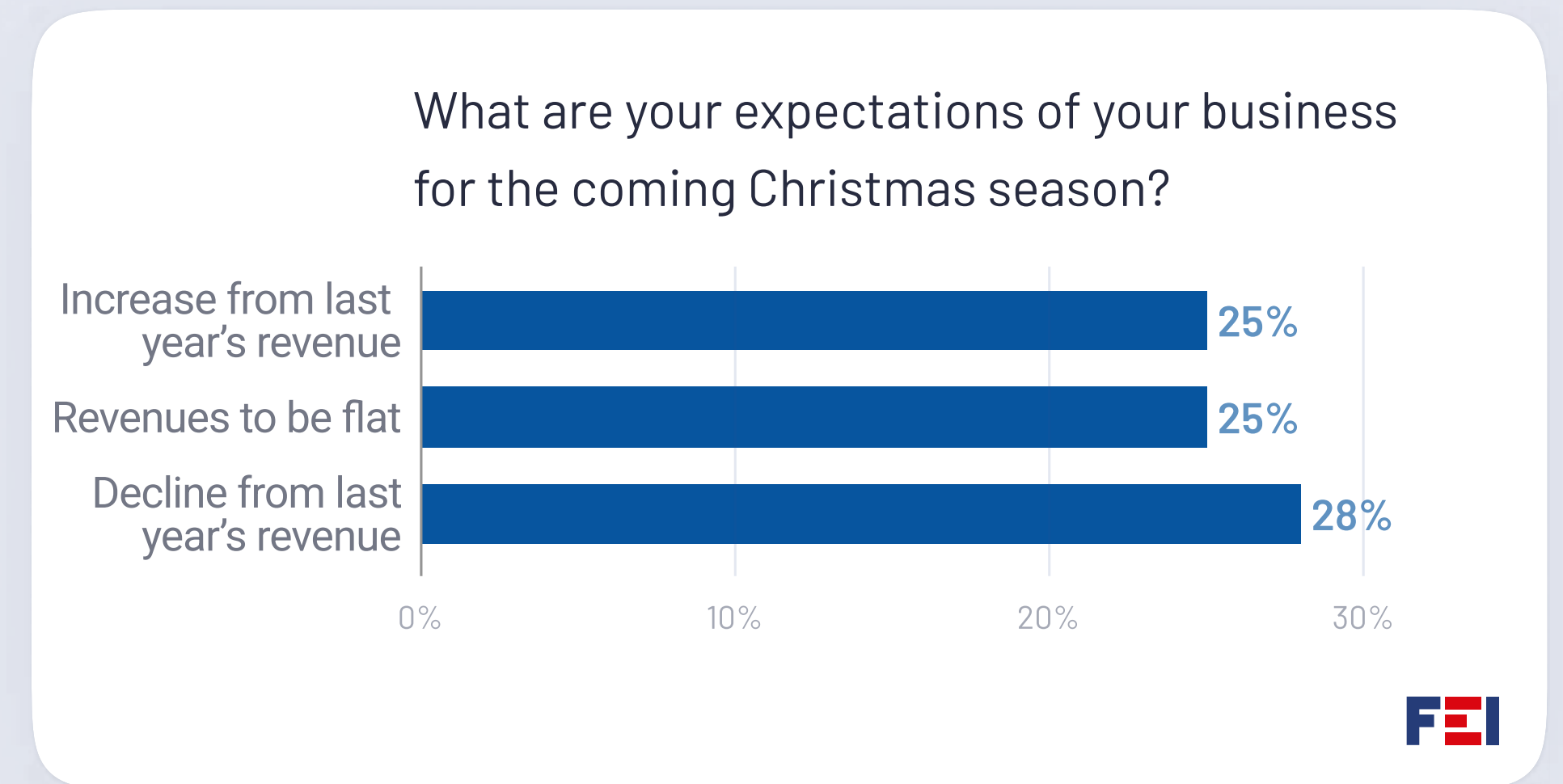


KEY FINDINGS

Heading for a Blue Christmas?

One quarter of small business owners said they expect revenues to be flat this coming Christmas season, while 28% said they expect a decline in revenue from last year.

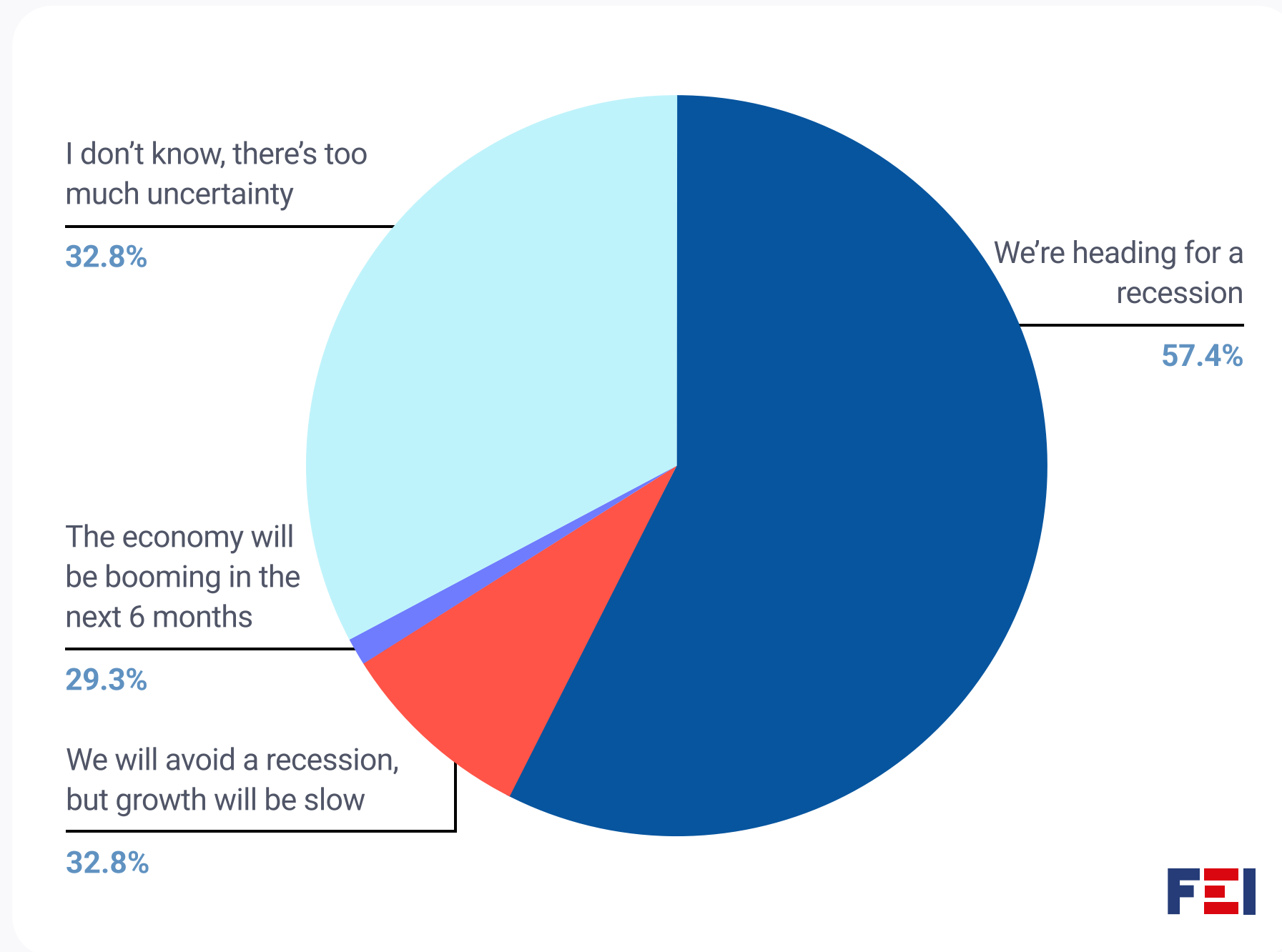
“Job seekers may end up with a lump of coal in their stockings,” said Andrew Crapuchettes, CEO of RedBalloon. “If retailers are feeling this subdued about the coming Christmas season, we may see a less-than-robust seasonal hiring wave.”



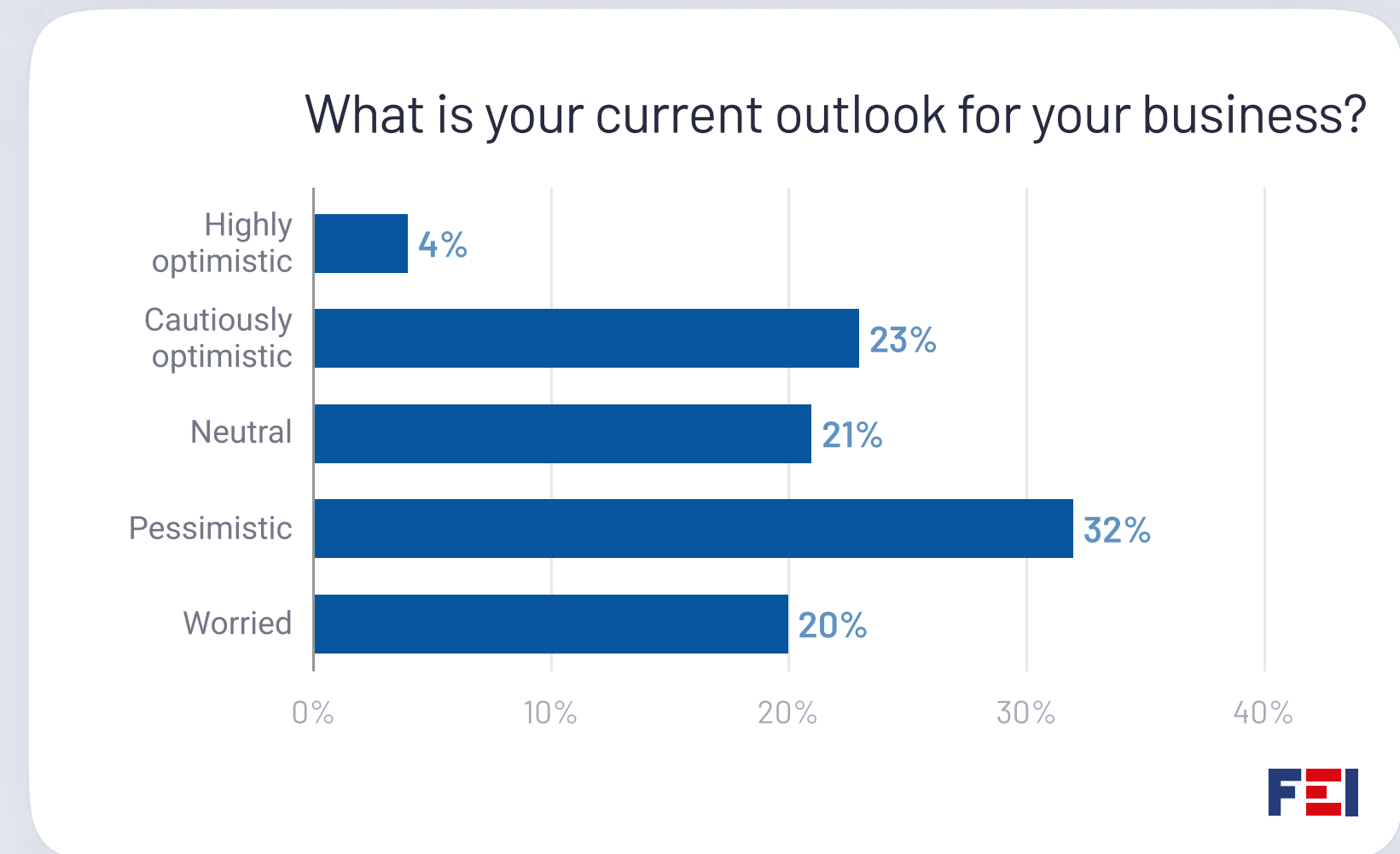
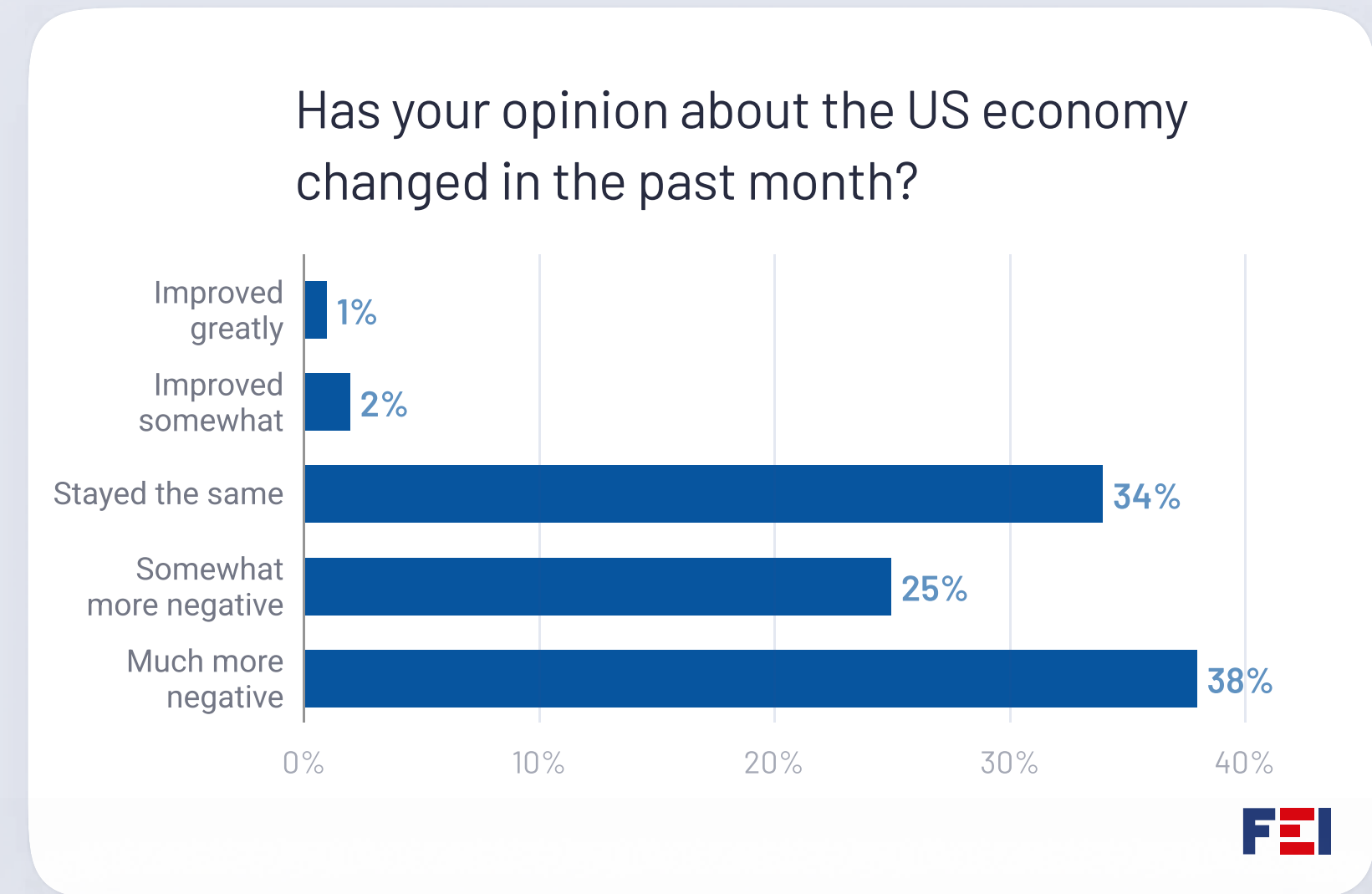
KEY FINDINGS

Majority of Businesses Preparing for Recession

57.4% of small business owners believe the US is headed toward recession, and another 32.8% say there's "too much uncertainty" to know which way the economy is going. Less than 10% believe we'll avoid a recession.



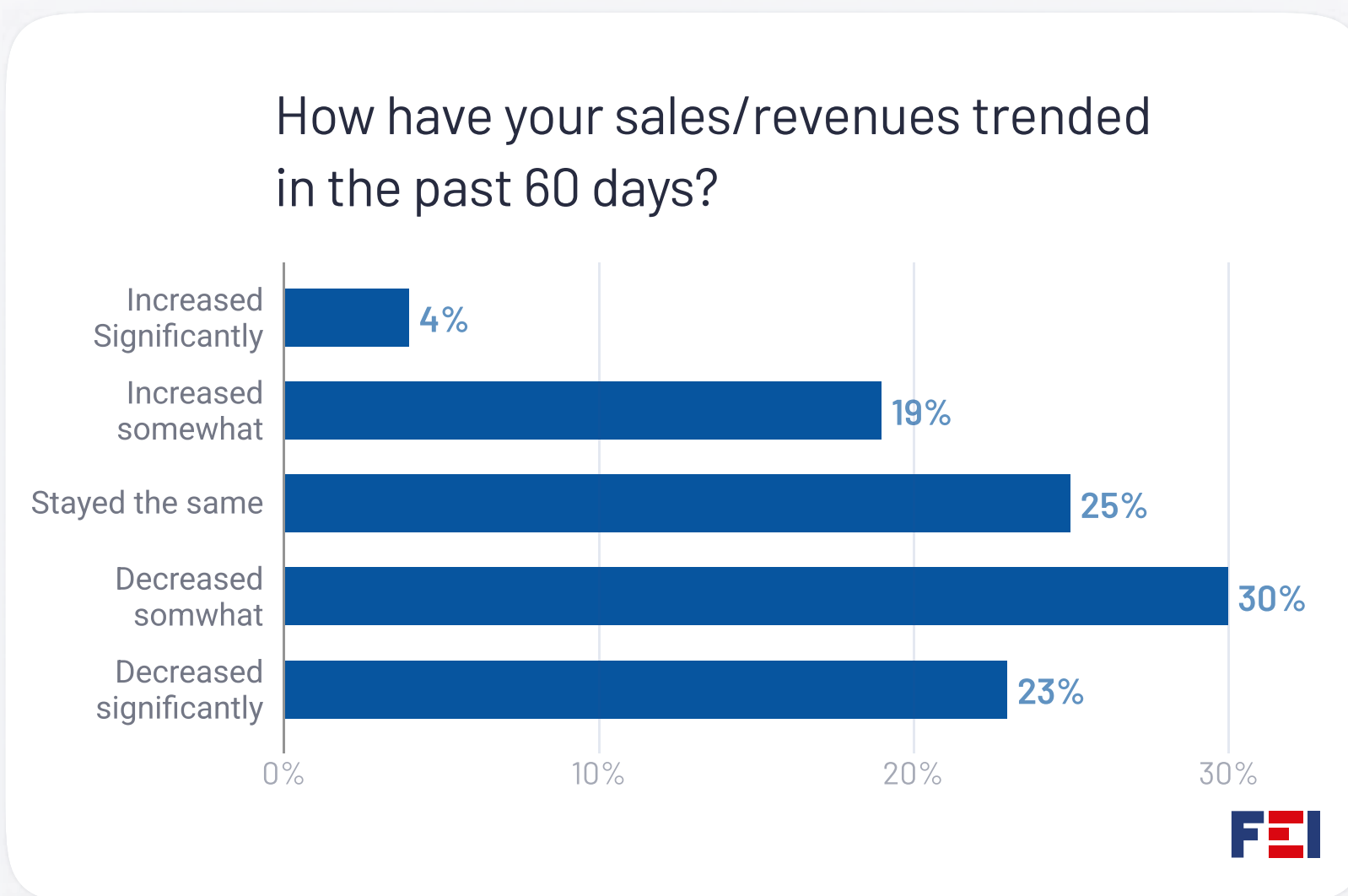
Nearly two-thirds (63.2%) of small business owners say their opinion about the direction of the US economy has soured in the past month. And a majority (51.7%) are now pessimistic or worried about the future of their business.



KEY FINDINGS

Revenue Slowdown Hits Small Businesses

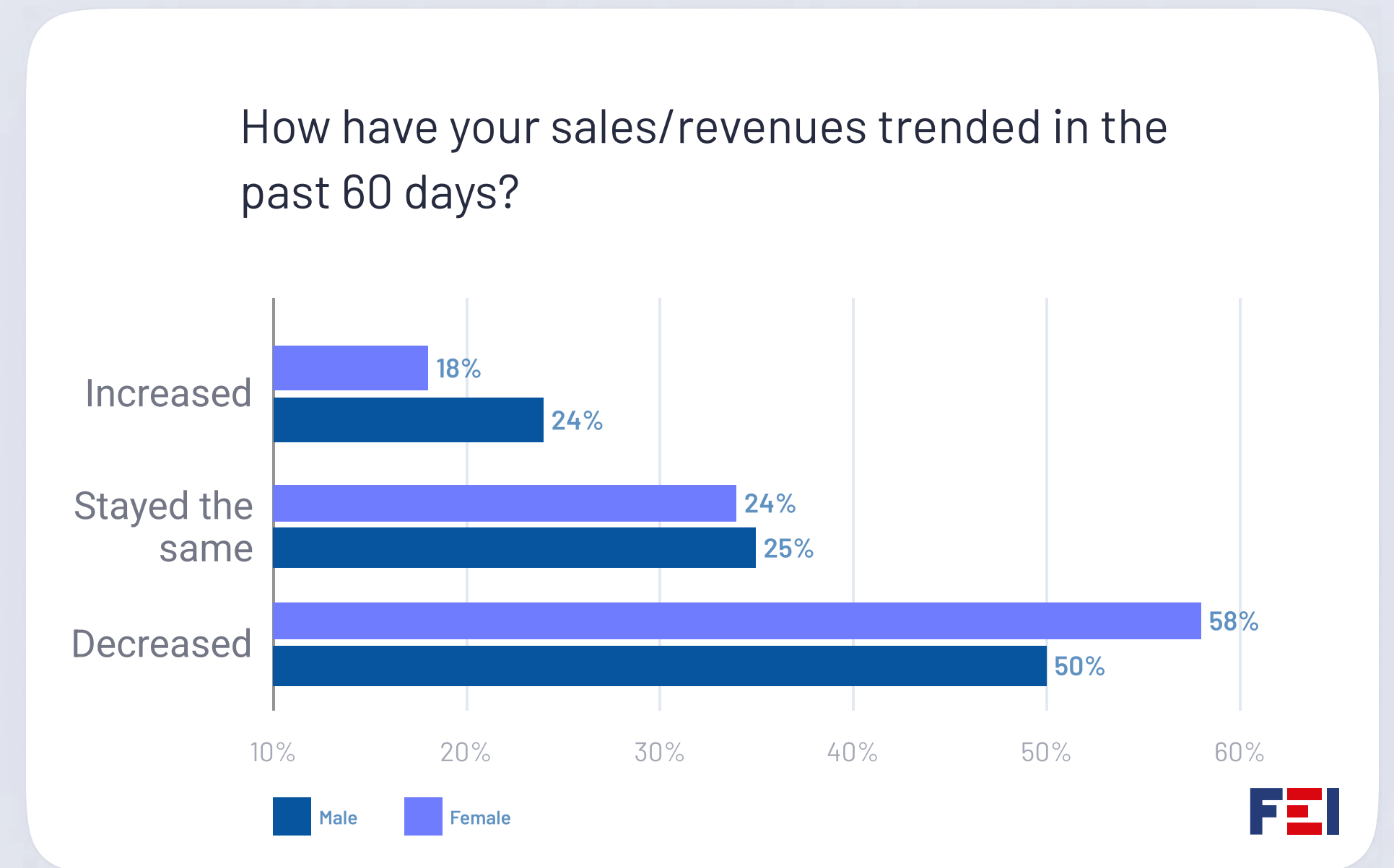
53% of small business owners say their revenue has decreased over the past 60 days, another sign of a slowing economy. Only 22% say their revenue has picked up steam, and 25% say revenues have been flat.



KEY FINDINGS

Women Owned Businesses Experience Bigger Slowdown

Women owned businesses are having greater difficulty in the Biden economy, with 58% saying their revenues were down over the past 60 days, versus just 50% of male owned businesses.

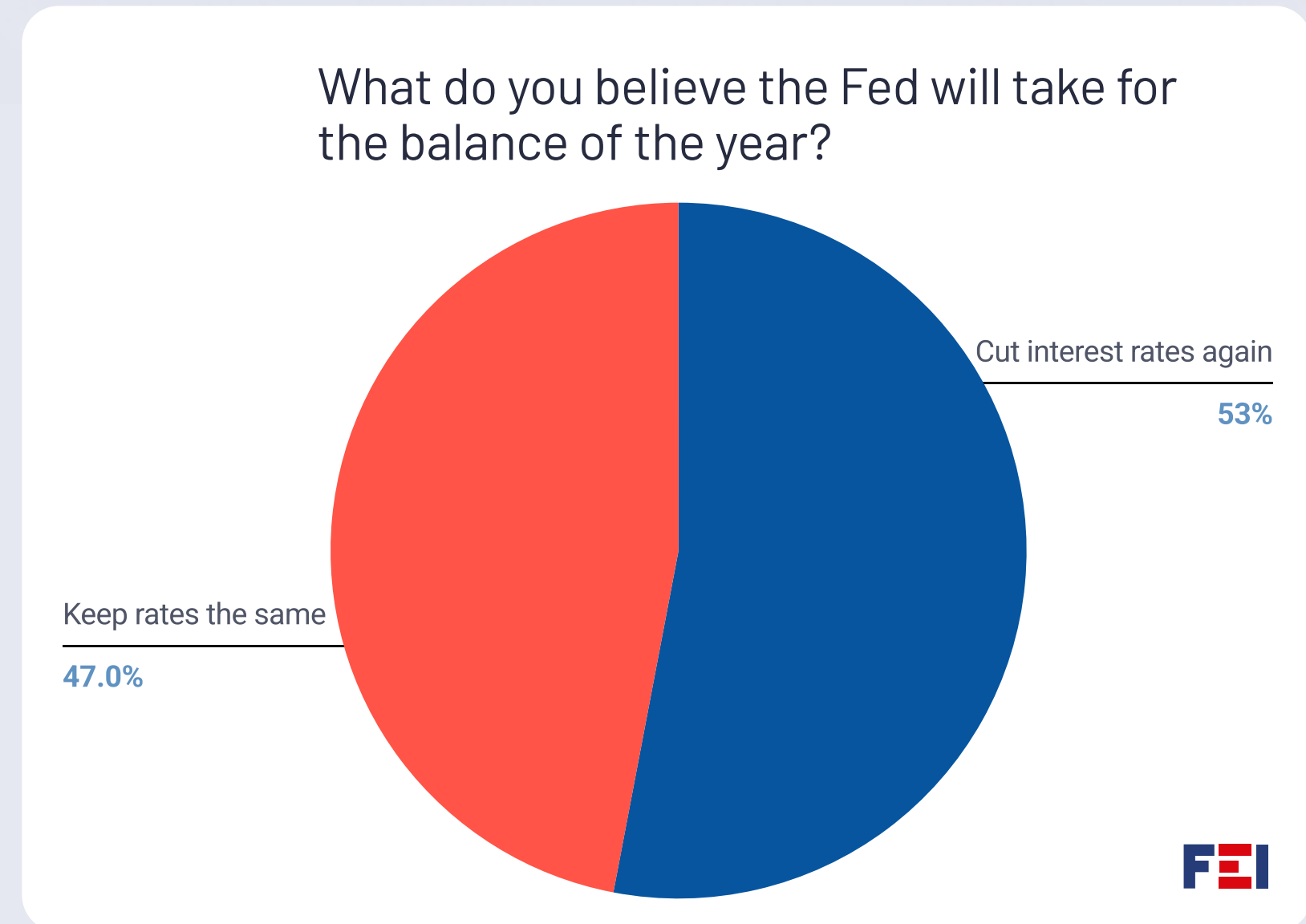
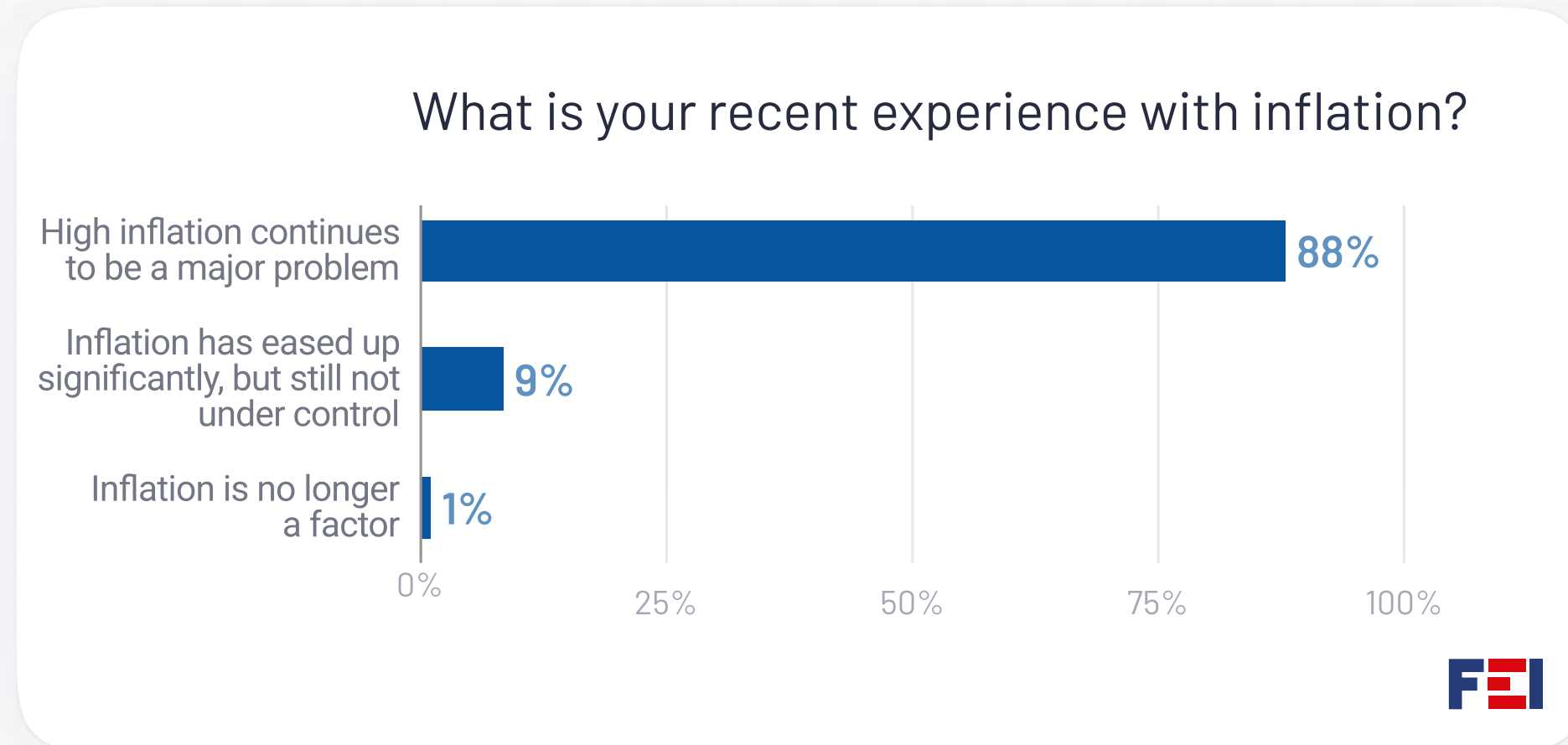


KEY FINDINGS

Inflation Report Card

Small businesses feel inflation's impacts the hardest, and 88% say inflation continues to be a "major problem." Eight in ten also say their supplier prices increased "substantially" or "somewhat" in the past 30 days.

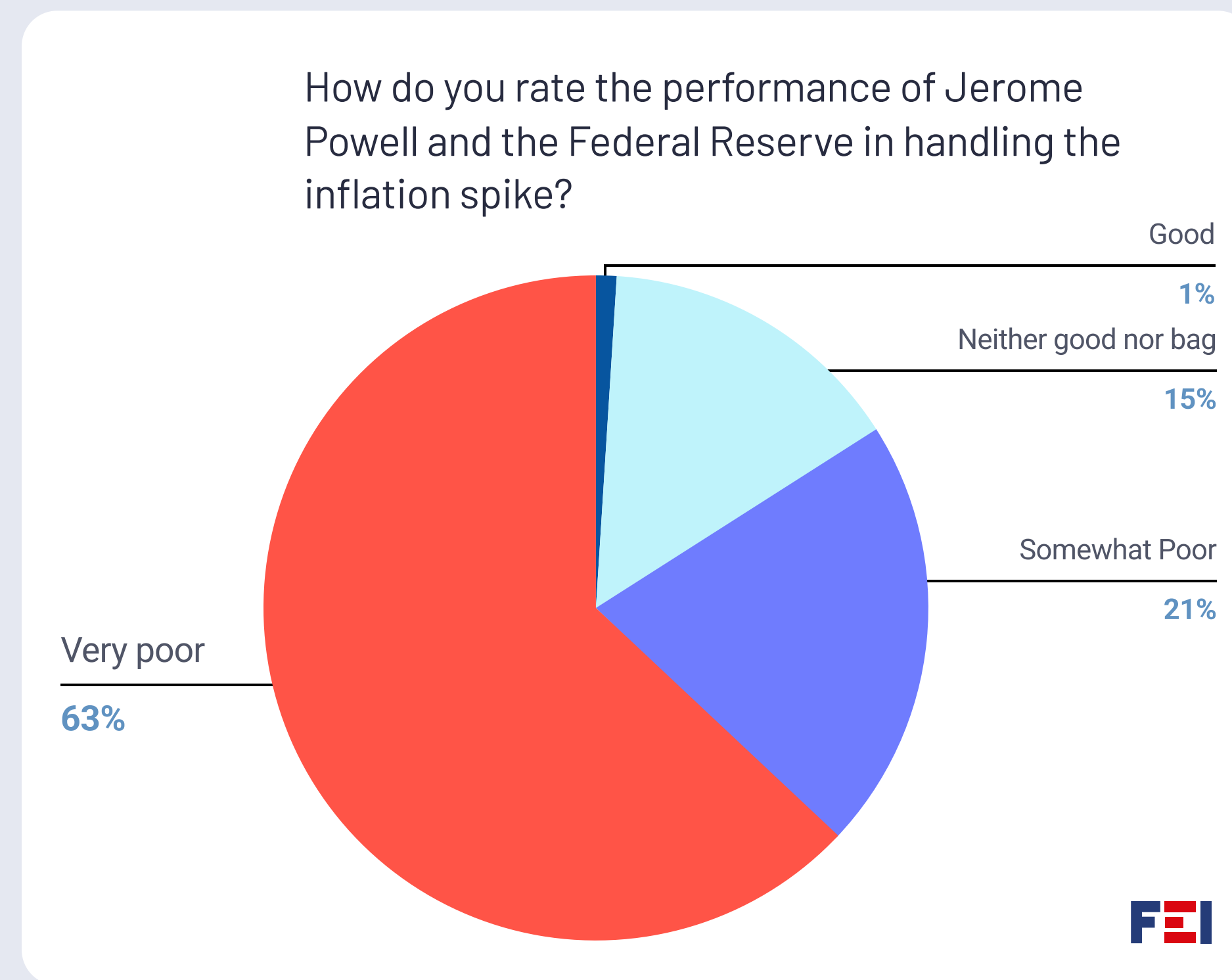
Despite ongoing inflation troubles, over half of small business owners expect the Federal Reserve to cut interest rates again this year.



KEY FINDINGS

“F” is for Fed

As for fiscal stewardship at the Fed, 84% of small business owners give Jerome Powell and the Federal Reserve an “F” grade for their handling of the inflation spike.

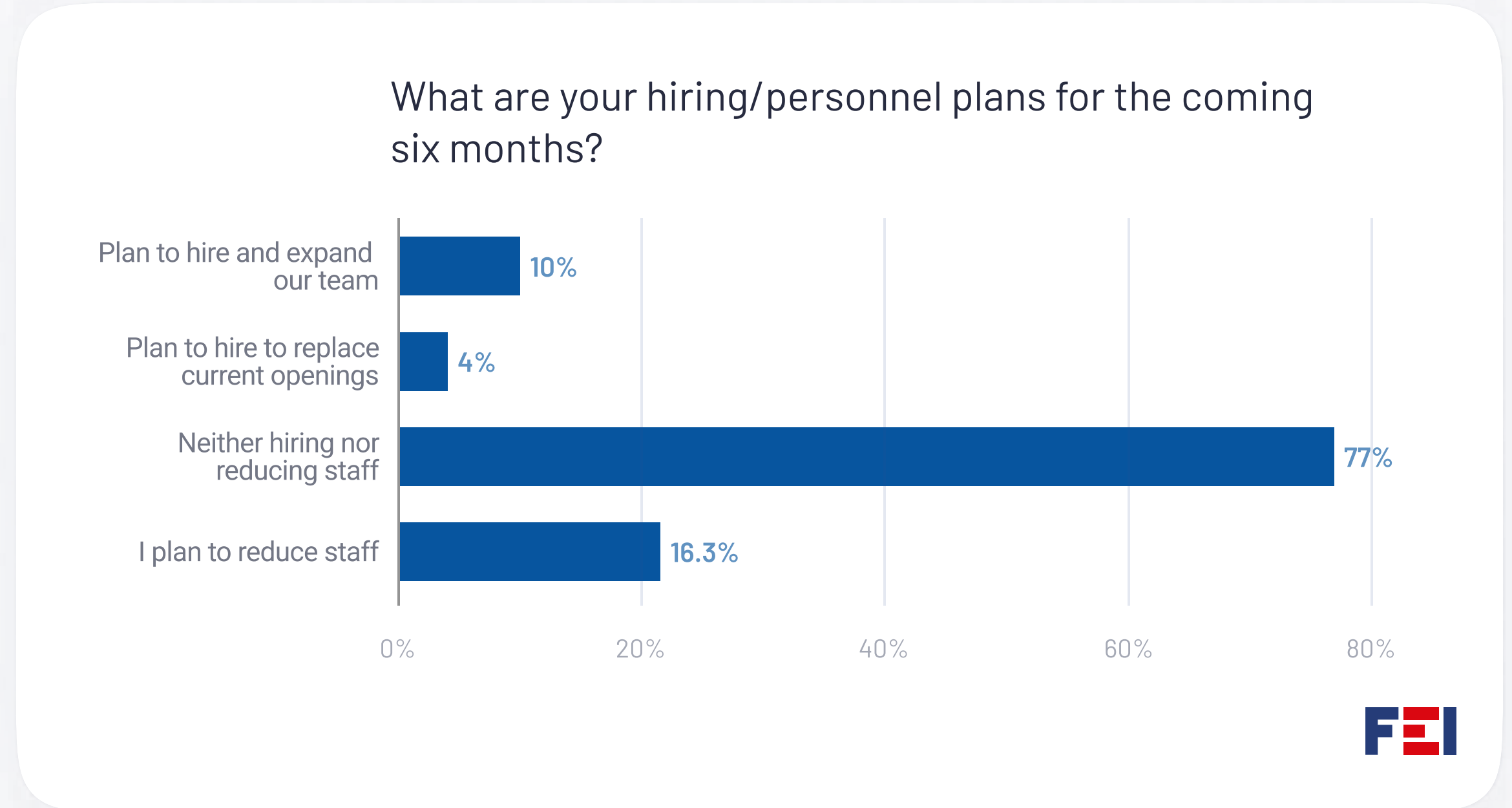


KEY FINDINGS

Hiring's Frosty Trend

Small businesses remain in a wait-and-see approach to staffing up to expand. This has been reflected in the continued downward revising of jobs report numbers by the Bureau of Labor Statistics.

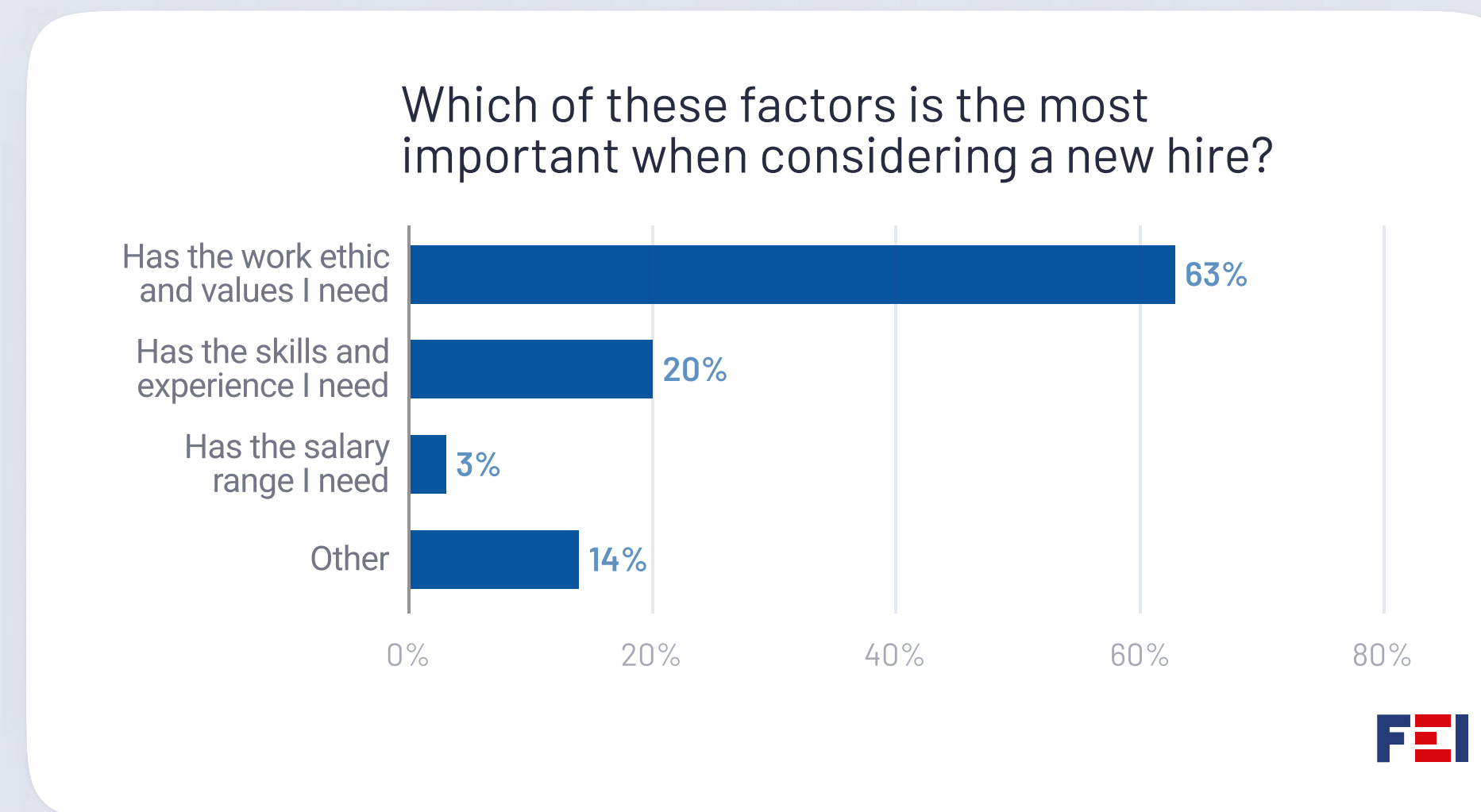
In our survey, 76.6% of small business owners said they are neither hiring nor reducing staff. That's up from 53.6% a year ago. Only 9.5% of employers say they are hiring to expand, while 9.7% say they are planning to reduce staffing.



KEY FINDINGS

Employers Want Values-First When Hiring

Six in ten employers say that having the right work ethic and values is the most important factor when considering a new hire. 20% say having the right skills is most important, and just 2.7% say that having the correct salary range is most important.

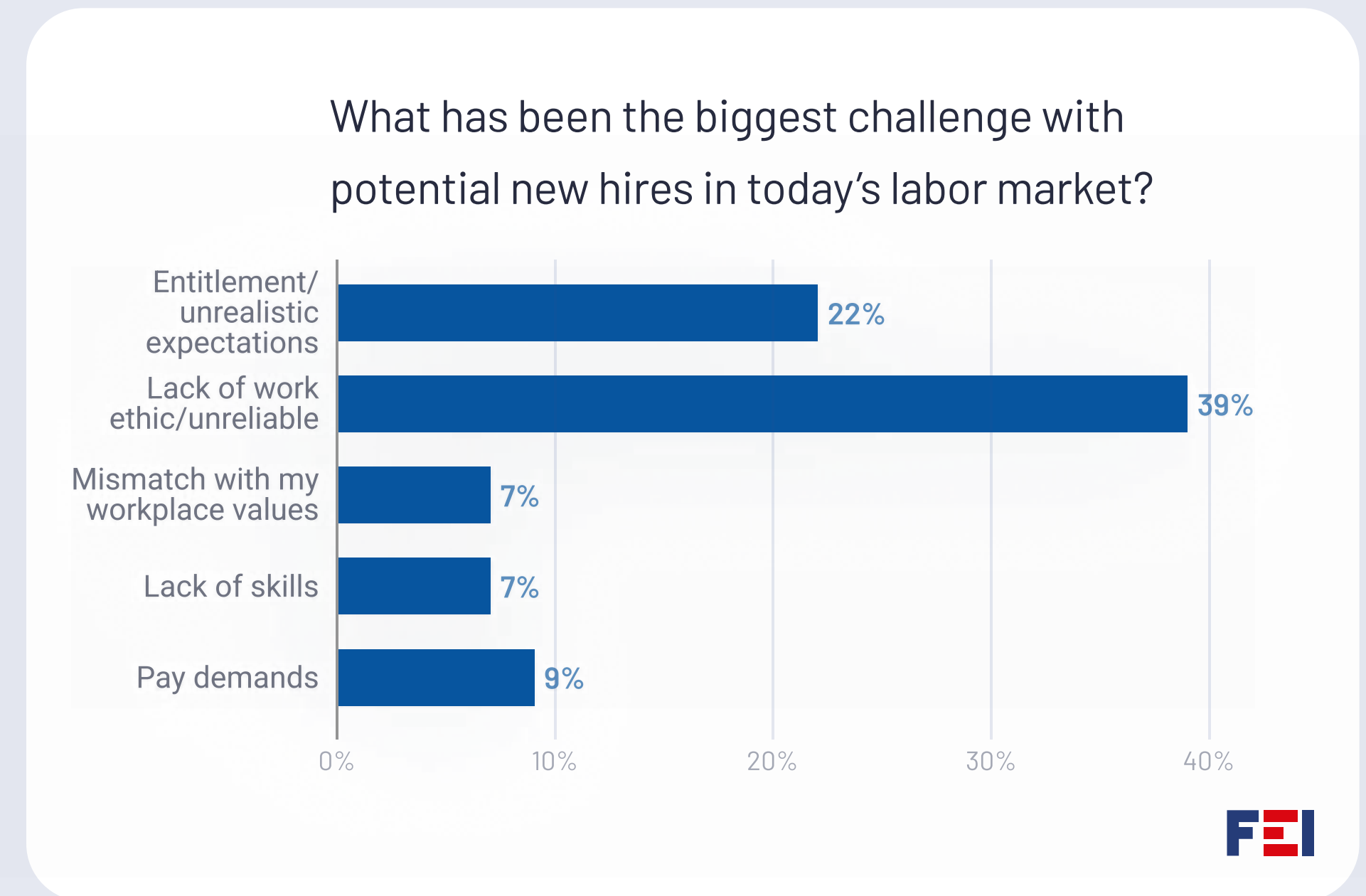


KEY FINDINGS

Lack of Work Ethic is the Biggest Hiring Challenge

Employers want employees who match their workplace values, and that includes having the work ethic to succeed. But it's the lack of work ethic that's causing employers the most headaches in hiring.

39.4% of employers said “lack of work ethic/being unreliable” is the biggest challenge with potential new hires. Another 22% said that a sense of entitlement and unrealistic expectations about what it means to work is the biggest challenge. Only 7% said lack of skills was the biggest problem, and 9% said pay demands are the number-one issue.



KEY FINDINGS

The Big Open-Ended Question:

We asked survey respondents to give us their open-ended response to the question “Having survived the COVID lockdowns, a supply chain crisis, rampant inflation, and other major challenges, what currently is your greatest concern about your business's future?”

The top responses generally fell into these 10 categories:

1. Inflation
2. Consumer Spending
3. Overall Economic Health
4. Government Regulation
5. A Kamala Harris Presidency
6. Business Survival
7. Taxes
8. Recession
9. Access to Capital
10. Finding Good Employees

Word Cloud from Written Responses



Sample of Written Comments

"My clients and potential clients are facing so much inflation that they can't afford to hire and/or keep me serving their business."

"Survival... it's been too long of a really bad economy and the public sentiment is worse than I have ever seen."

"Inflation has outpaced my company's growth for 3 years straight. I will not survive on this trajectory."

"[Because of inflation] we are essentially functioning as a charity, providing client services and jobs for 20 employees. This is obviously unsustainable, as we need to pay our bills and can't continue working well beyond full-time for nothing."

"Honestly I've already lost my customers under this presidency, and have no more business. So the worst has already happened."

"Under Trump, the business model was great, and franchisees were 95% successful in reaching break-even and attaining profitability relatively quickly. Under Bidenomics, we have yet to make a SINGLE payment to our lender, let alone take home anything for our family."

"Getting sales. We're down 70% from last year."

"The cost of materials to make my products are increasing & my bottom line isn't growing."

"If Kamala wins, our taxes, insurance, and vendor costs, which have already increased dramatically year-over-year under Biden, will explode, eliminating all hope of keeping our doors open."

"With a struggling economy and my business not selling necessities, I expect to continue to see a decline until folks don't have to be as tight with their money."

"Construction has been flat for this past year, and my concern is that it will stay the same."

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Sample of Written Comments

"My fear is that these boom-bust cycles will wipe out my customers who need parts manufactured."

"Balancing competitive prices in current economic conditions."

"Being a small company has allowed us to be nimble and pivot when needed during the last 4 years. But I am concerned that continued inflation will harm our people."

"Being able to price services where we can make the necessary profit but still get hired."

"Continued reckless government spending and increased taxes and regulations on businesses, including taxes on unrealized capital gains."

"Customers afraid to spend \$ on non-necessity items."

"Disposable income still plays a role in our success - if people don't have it, we don't have sales."

"Hiring and keeping employees with a good work ethic and the experience we require."

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"I can't keep my business open if this Administration continues."

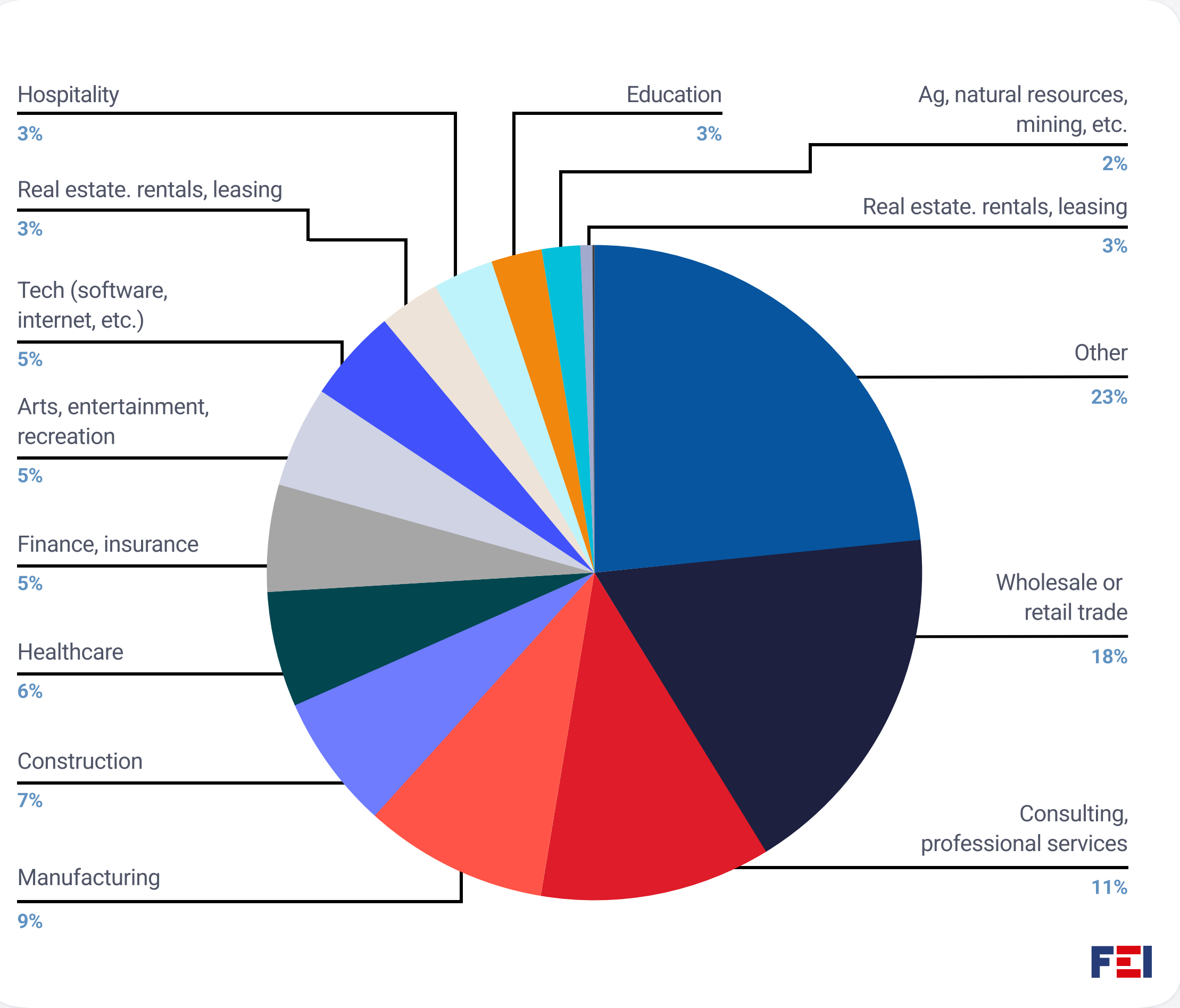
"I have to raise prices to meet the wages my staff are expecting. Idk if my client base can handle another price increase."

"Too many clients relocated or closed from California. I closed my business and moved to a new market in North Carolina. I'm crossing my fingers and hustling to find clients."

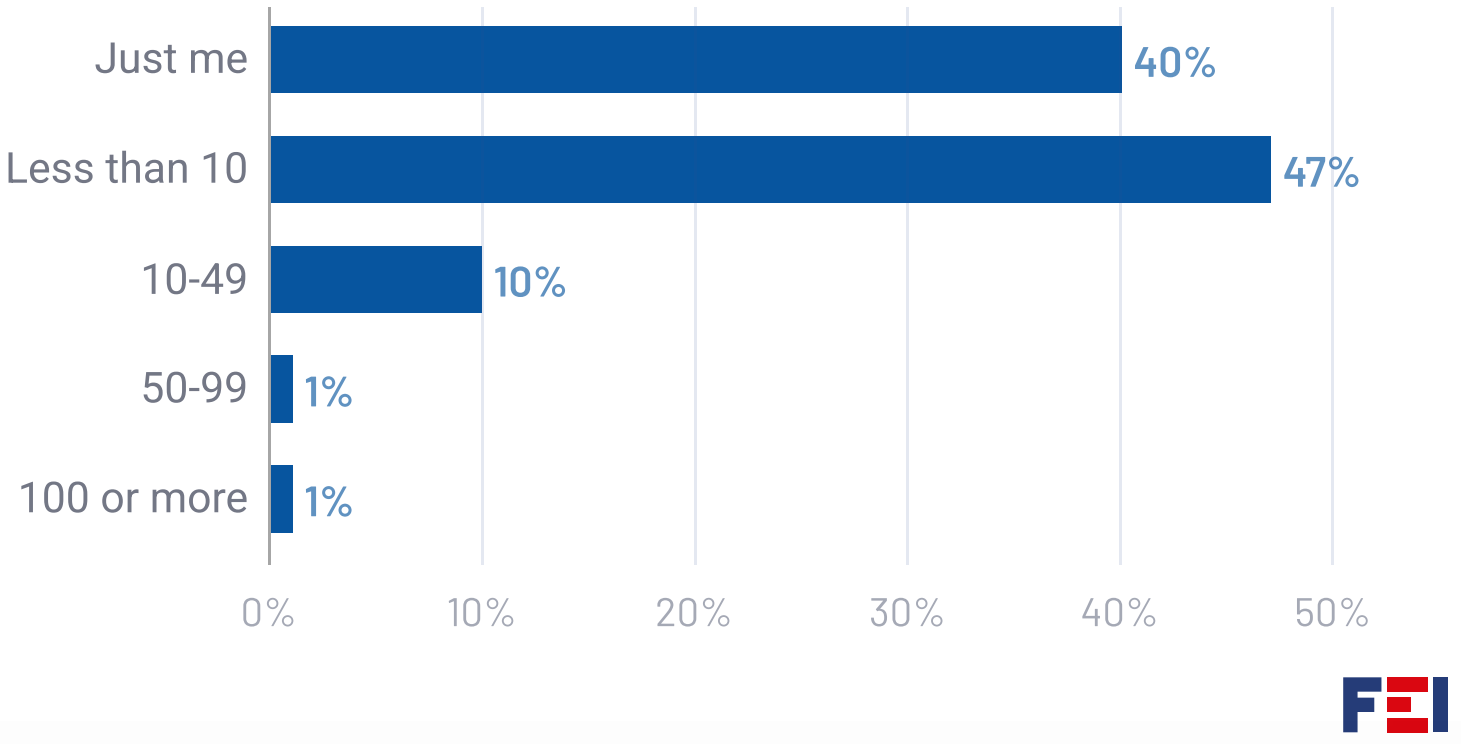
"If Harris wins, my business will likely go away."

DEMOGRAPHIC DATA

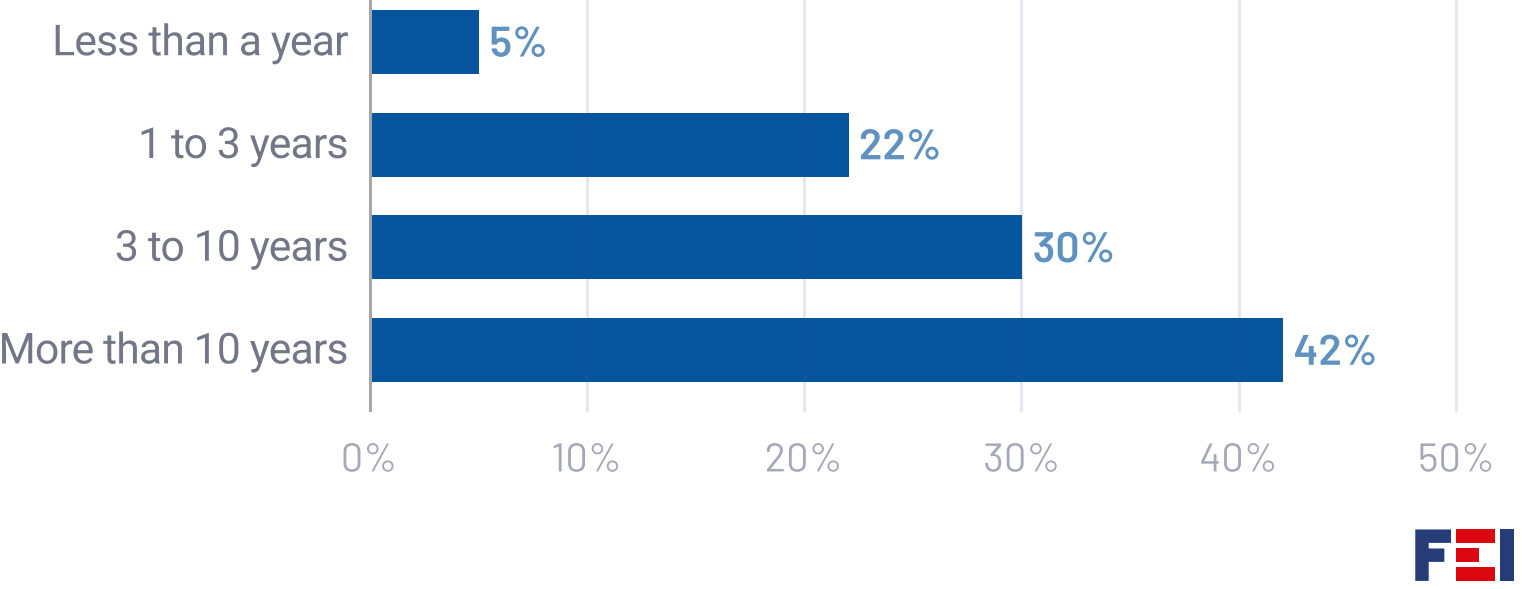
What industry are you in?



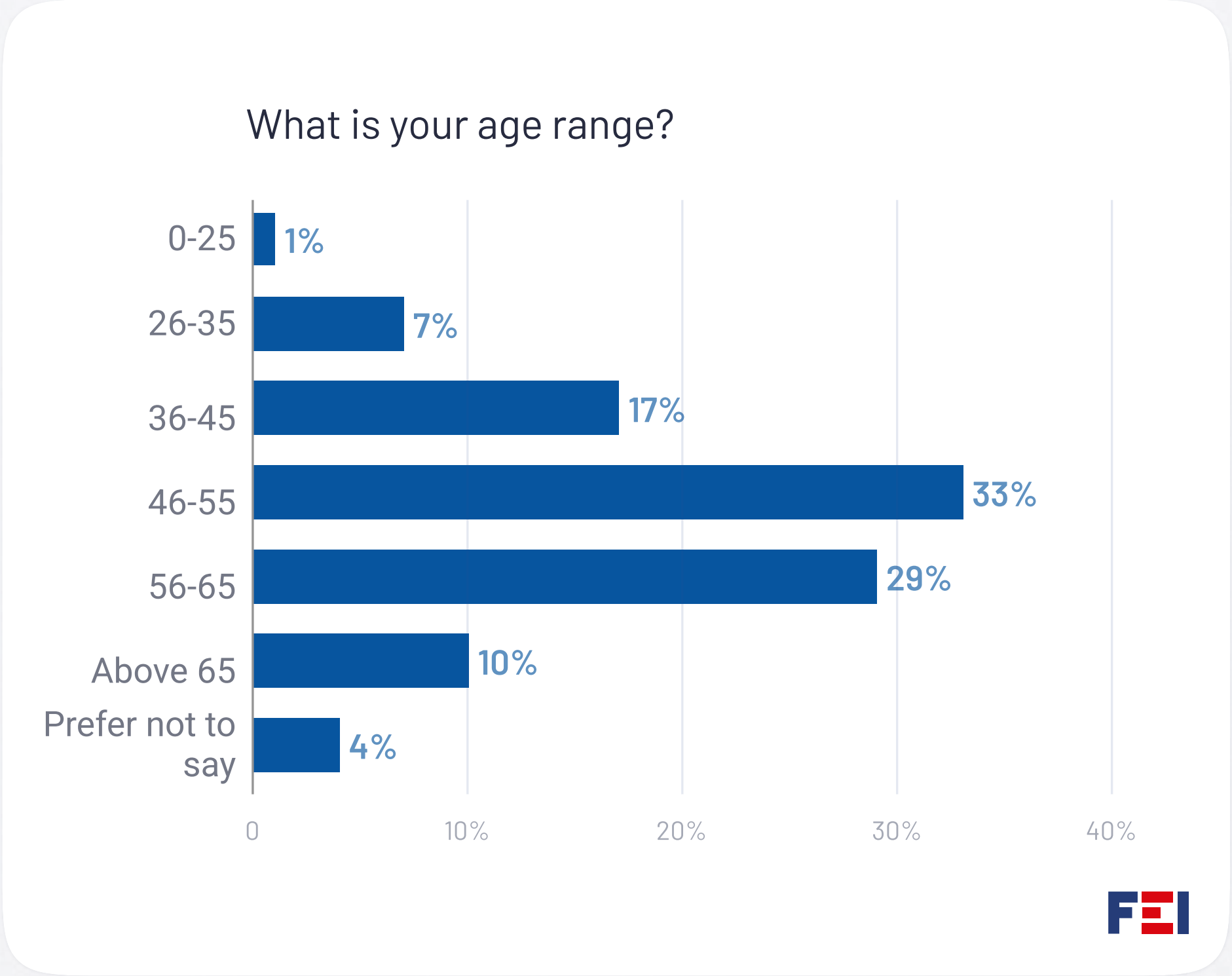
How many employees do you have?



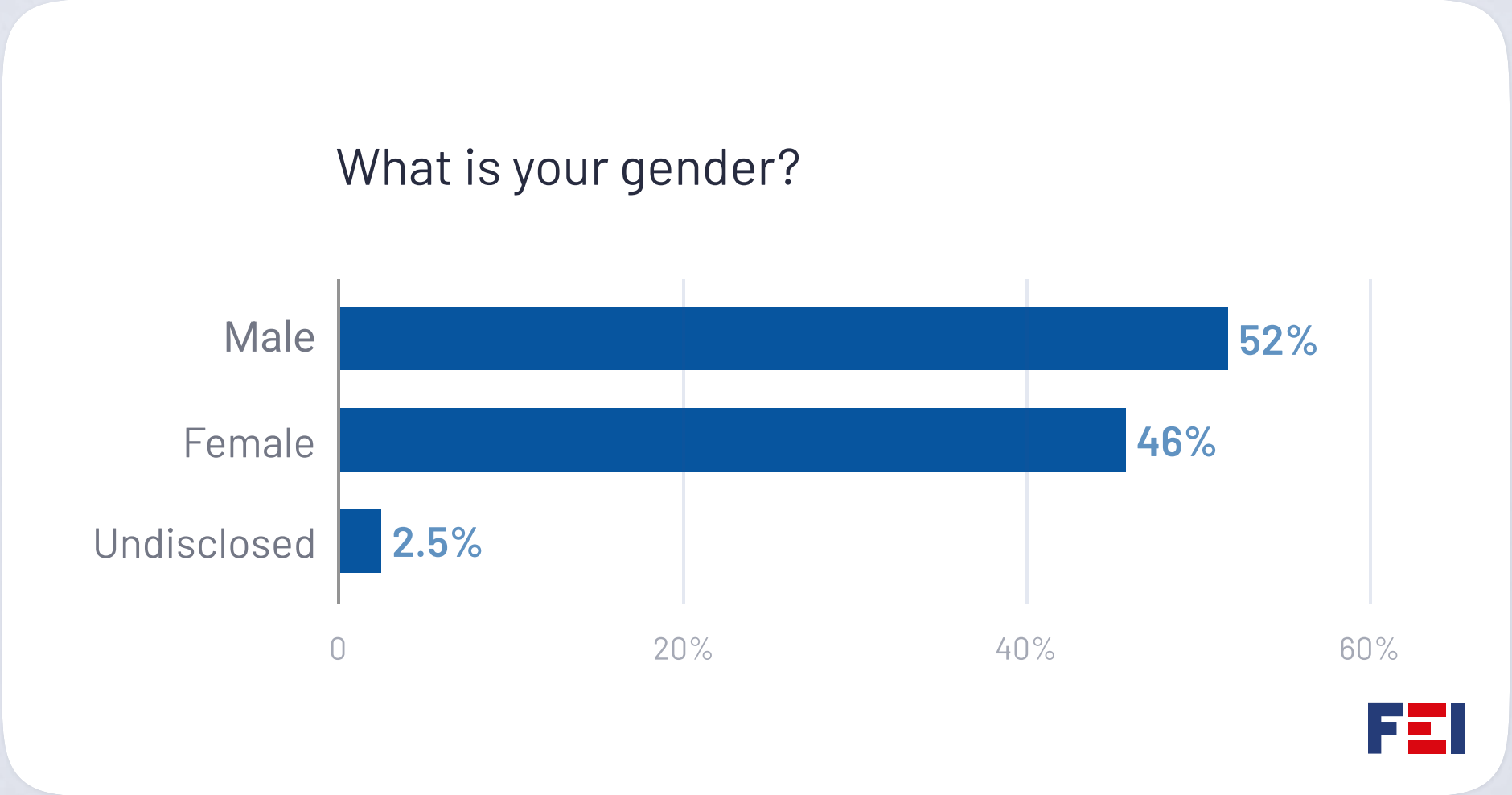
How long have you been in business?



Age Range



Gender



METHODOLOGY

The Freedom Economy Index surveyed a universe of over 80,000 small business owners throughout the United States, fielding the questionnaire from October 7-15, 2024, with 613 respondents. The survey has a margin of error of +/-4.0% at the 95% confidence level.