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January 12, 2024

Dear Friend,

Wreckage and hope for recovery, that's the story of this month's Freedom Economy Index (FEI) findings. After enduring wave after wave of economic turbulence, America's small businesses are in a "holding pattern," locking down expenses and taking a wait-and-see approach.

80% are "holding back from making major capital purchases," 65% are neither hiring nor reducing staff, and 44% are planning less business travel. These are just a few of the key findings from January's FEI survey, fresh out of the field from sampling opinion from among 70,000 small businesses conducted jointly by PublicSquare & RedBalloon.

The good news? Sentiment may be stabilizing. Wrong-track sentiment dropped ever so slightly to pre-November levels, and the number of business owners who believe we're headed into a recession is the lowest since our August survey.

The bad news? Businesses and employees are financially stressed. 1 out of every 3 businesses had to take on more debt in 2023 to survive, and 70% of business owners say their employees and/or contractors are falling behind financially. Additionally, 60% reported that Christmas economic activity was below expectations, and 77% say they believe consumer confidence is still poor or bad.

As for inflation, 73% report that their supplier prices continued to increase in December, and 53% of businesses were forced to raise their prices yet again last month.

On the lighter side, we asked about the Freedom Economy's "best-of" for 2023. The biggest advertising backfire? You guessed it: Bud Light. And, the best Freedom Economy podcaster of 2023? Dan Bongino with Charlie Kirk a close second.

There's much more in this month's findings, now in our 6th month of surveying America's small business community. In that time, the FEI has been spot-on in tracking current and future economic trends. Thank you for taking a look.

Sincerely,

A handwritten signature in black ink that reads "Michael Seifert". The signature is written in a cursive, slightly slanted style.

Michael Seifert
CEO, PublicSquare

A handwritten signature in black ink that reads "Andrew Crapuchettes". The signature is written in a cursive, slightly slanted style.

Andrew Crapuchettes
CEO, RedBalloon.work

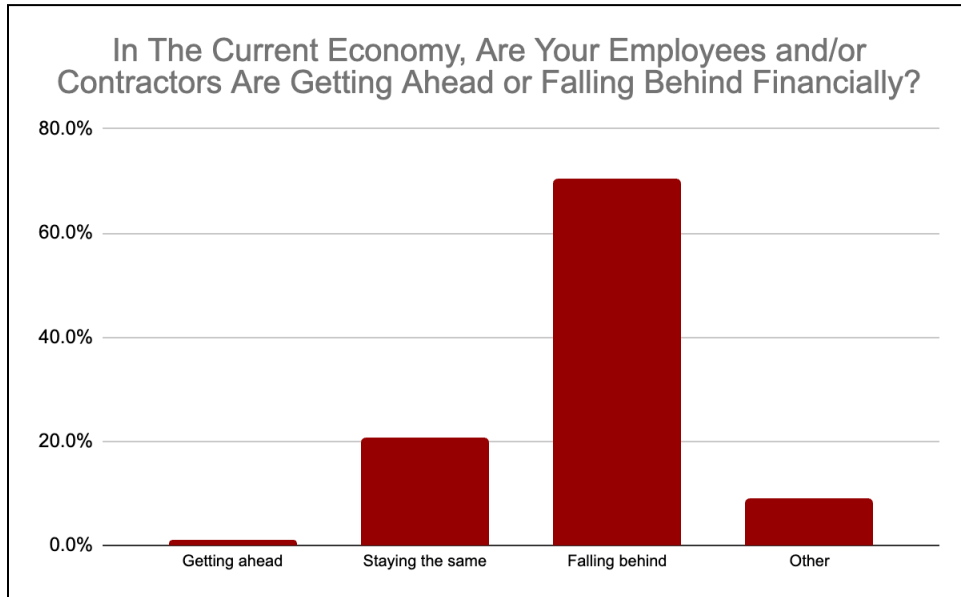
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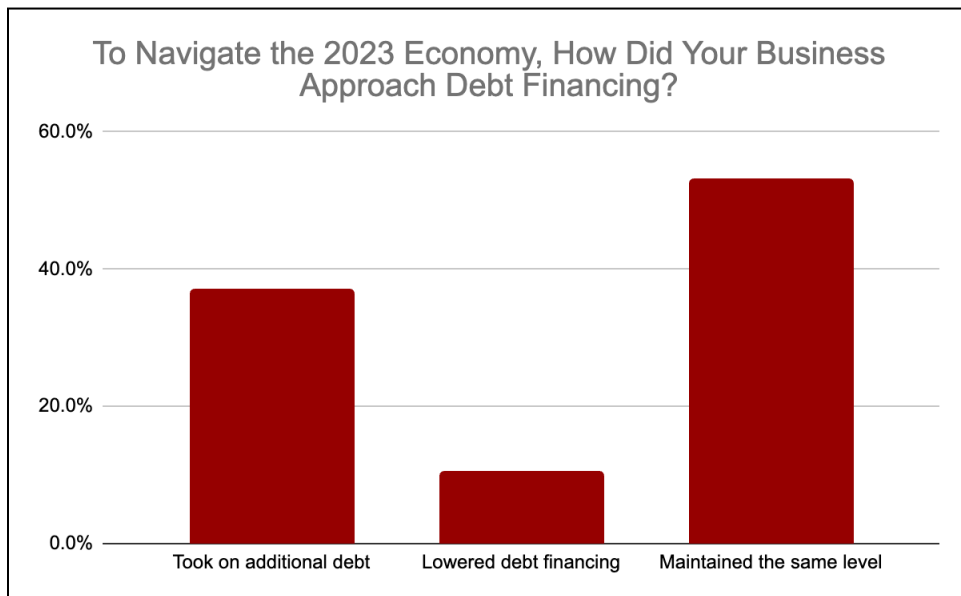
Key Findings

Current State of Small Businesses? Stressed.

70% of small businesses report that their employees and/or contractors are falling behind financially in this current economy.

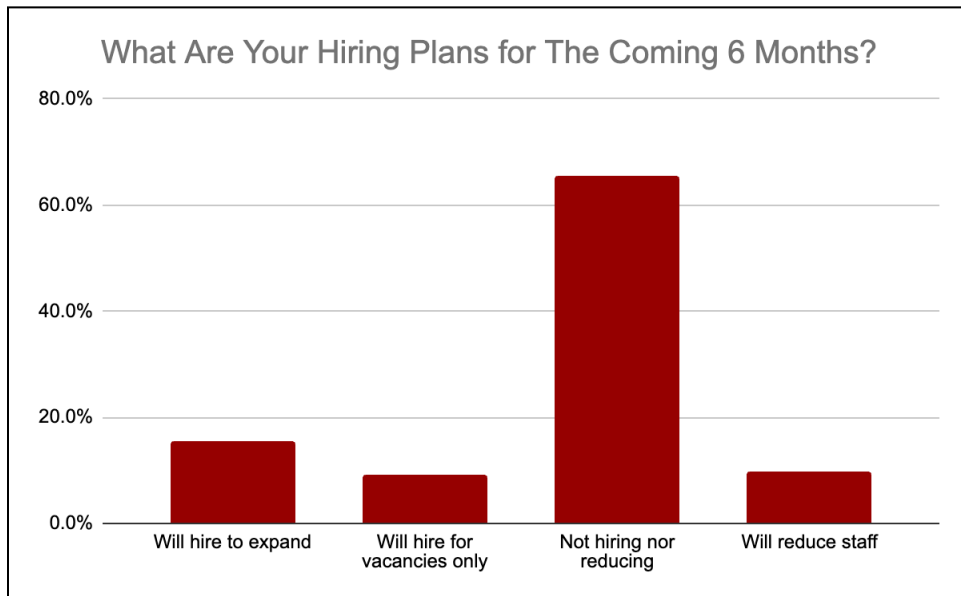
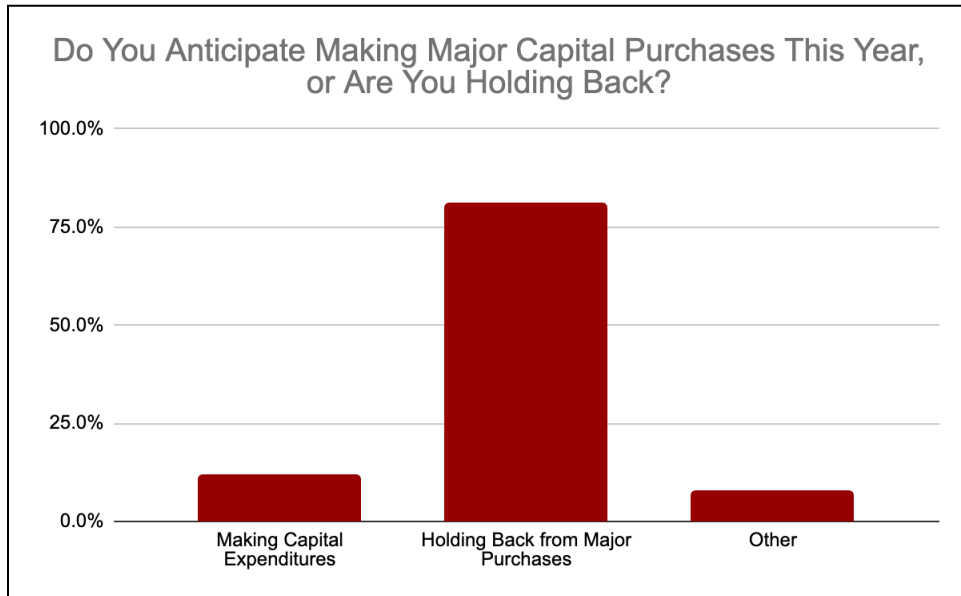


37% reported they had to take on more debt in 2023 to survive, while 53% said they had to maintain the same level of debt. Only 10% were able to reduce their debt load in 2023.



Holding Pattern

80% of small business owners say they plan to hold back from making any major capital purchases this year, and 65% say they are neither hiring nor reducing staff.



A sampling of written “verbatim” responses to the question, “what are your hiring plans for the coming 6 months?”

“Holding steady, unless we get increased business. Then, will add staff.”

“Desperately need to hire to operate effectively, but sales are so down that I don't know what to do.”

“No hiring. Just trying to keep the bottom line out of the red.”

“We do plan on hiring, but we may not have as many positions as previously considered.”

“Not looking to hire in the future until we feel secure.”

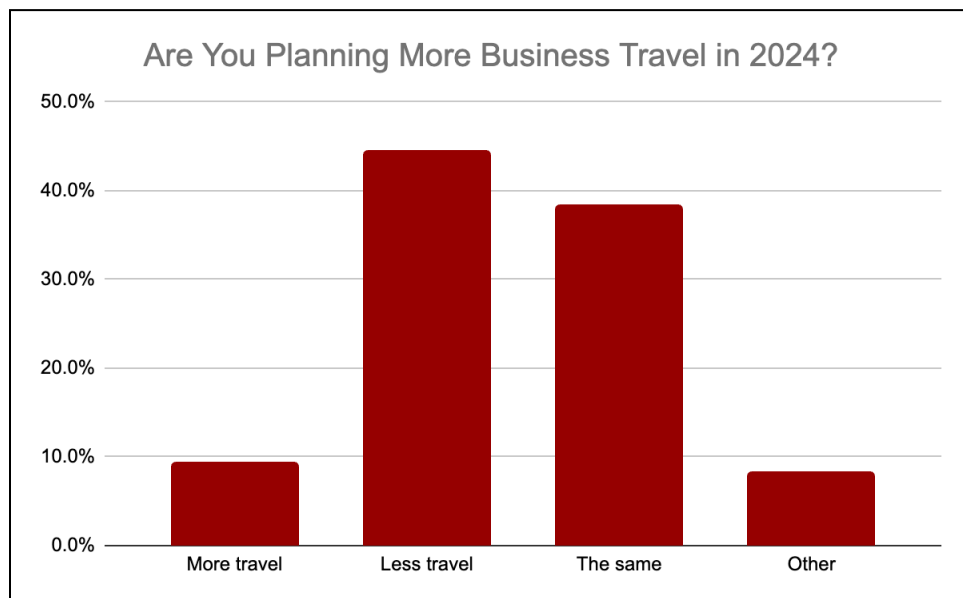
“Business is slowing and it's going to be difficult to afford new hires.”

“I just lost my last employee the week before Christmas. Now I do everything.”

“We do not currently have any employees due to the recent downturn of our business.”

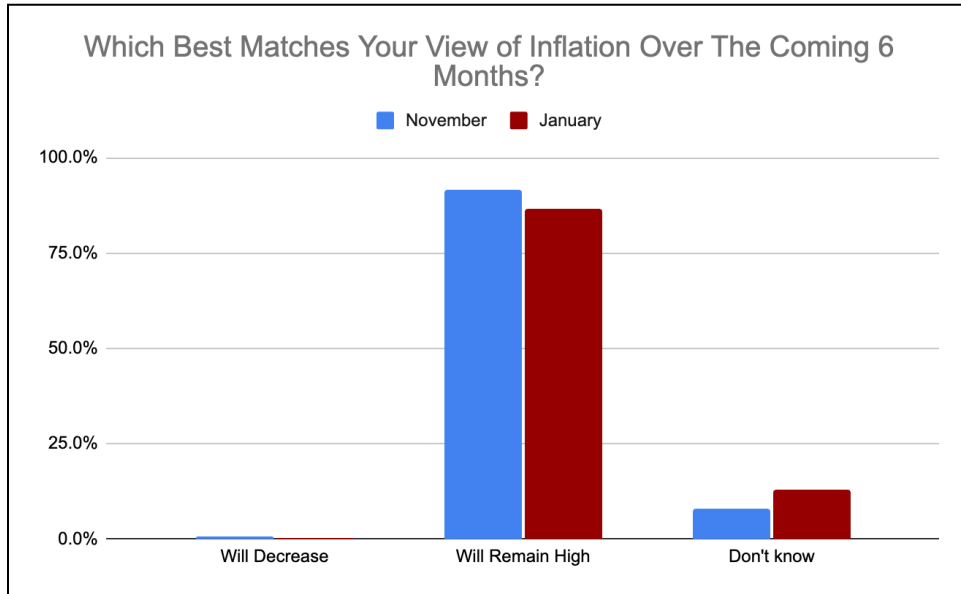
“Depending on outcomes, may have to layoff or close business.”

In another sign of locking down expenses, nearly half (44.3%) of small businesses say they are planning less business travel in 2024, while less than 10% say they are planning more.

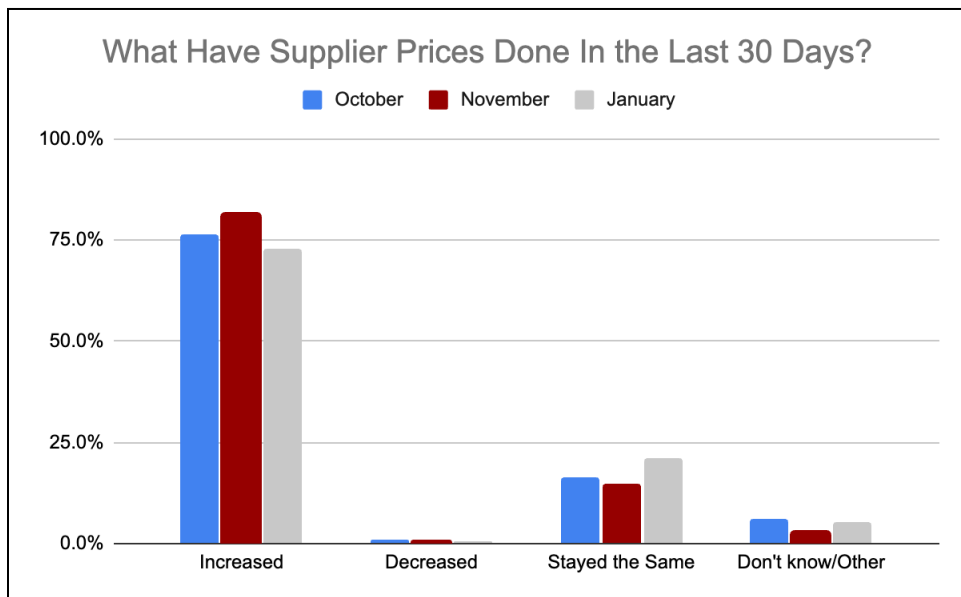


Inflation Nation Eases

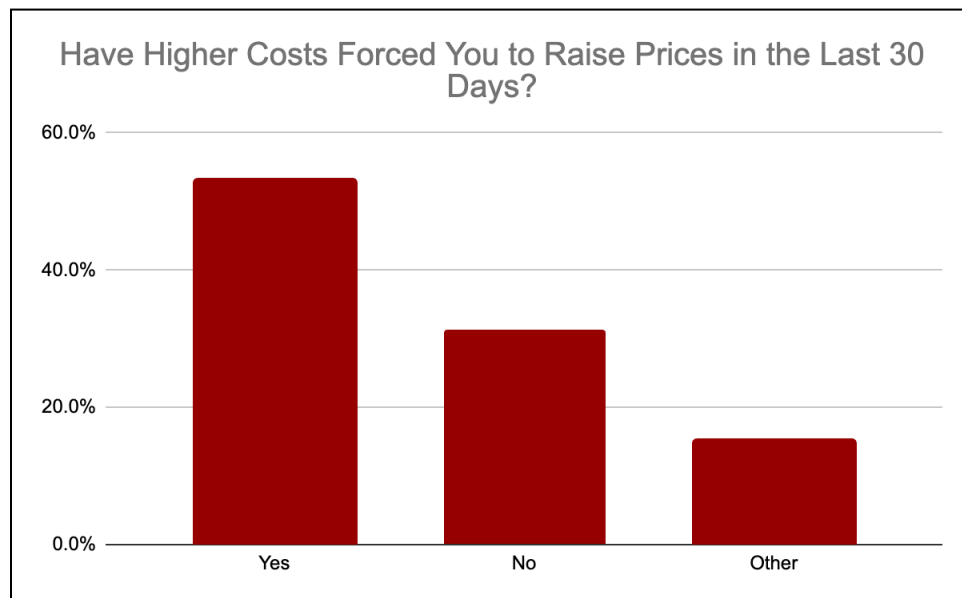
In a sign that inflation may be easing somewhat, 86.7% now say they believe inflation will continue to be higher for longer, down from 91.5% in November.



73% say their supplier prices have increased in the last 30 days, again down from 81.5% in November.



But 53.3% still say they've had to raise their prices in the last 30 days.



A sampling of written “verbatim” responses

“Absorbing the price increase. We can’t raise prices anymore. Business is already down.”

“Already increased rates 10%.”

“Have to reduce our profits to be able to survive.”

“I am maxed out for what my community can afford to pay for our products.”

“I can’t raise my prices. My customers won’t buy!”

“I have chosen to take a loss instead.”

“I’m trying to keep my prices stable even though my costs have increased.”

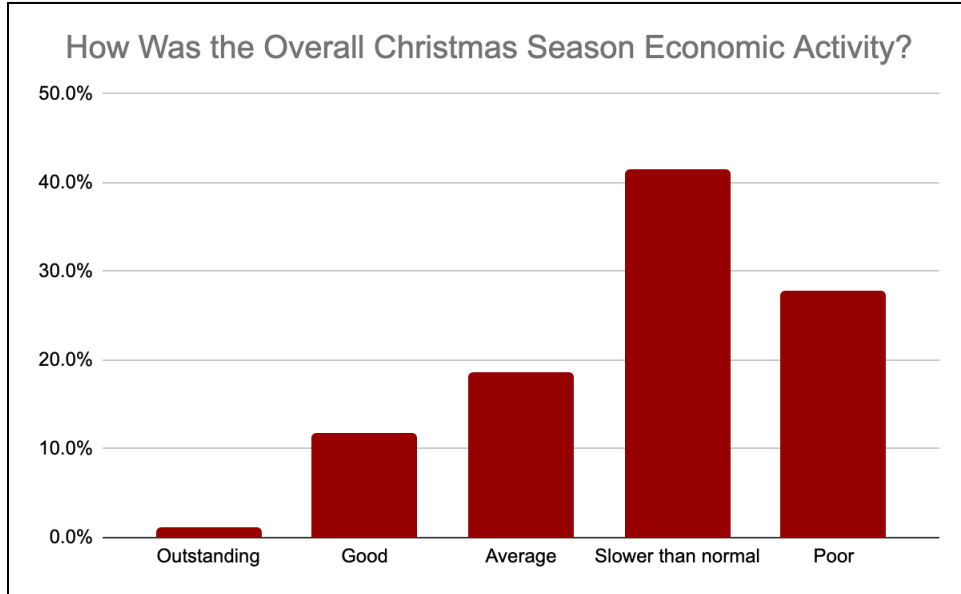
“If I raise prices, I will sell even less, so I’m absorbing higher costs.”

“Kept our prices the same, even though our supplies have tripled.”

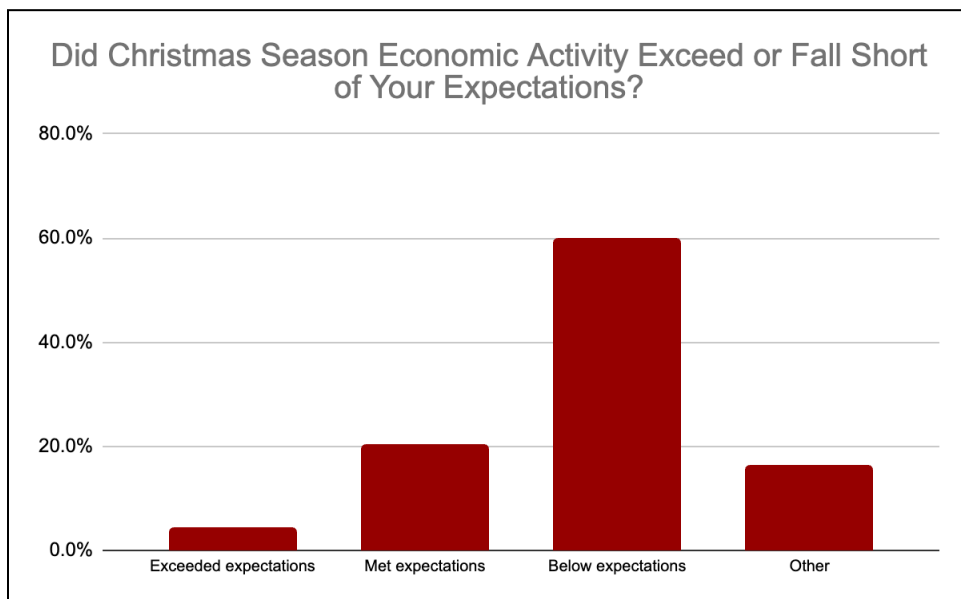
“We raised prices a few months ago and still not enough.”

A Blue Christmas

When asked “How was the overall Christmas season economic activity,” 41.3% said it was “slower than normal,” while another 27.7% said it was downright “poor.”

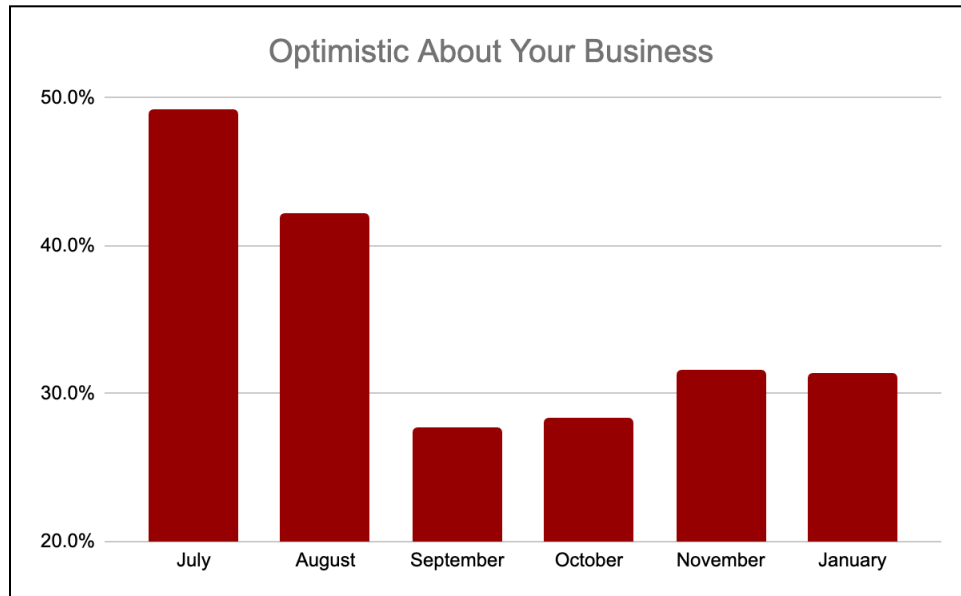


A staggering 59.7% reported that Christmas season economic activity was below their expectations, while only 4.1% said it exceeded their expectations.



Key Economic Indicators

Small business owners' optimism about their business's future remained steady from November and much lower than the mid-summer numbers.



A sampling of the written “verbatim” responses

“All plans on hold.”

“For the first time in 11 years I did not have growth, and we're starting out negative YOY this year. Not optimistic.”

“I've had to skip my own paychecks. Supply costs are out of control.”

“May lose it all this year, pulling the rest out of retirement fund from 401k to try to stay afloat.”

“Right now it's wait and see, hearing things that aren't good.”

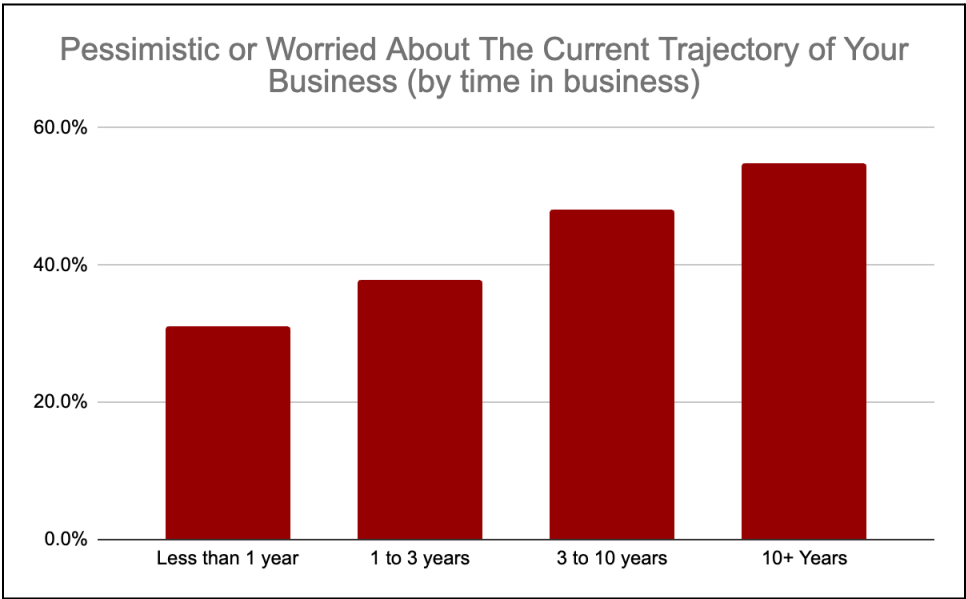
“I sell on ebay and it's been rough for a year or more now.”

“We will survive because we have kept our overhead low.”

“I choose to be optimistic in the face of adversity.”

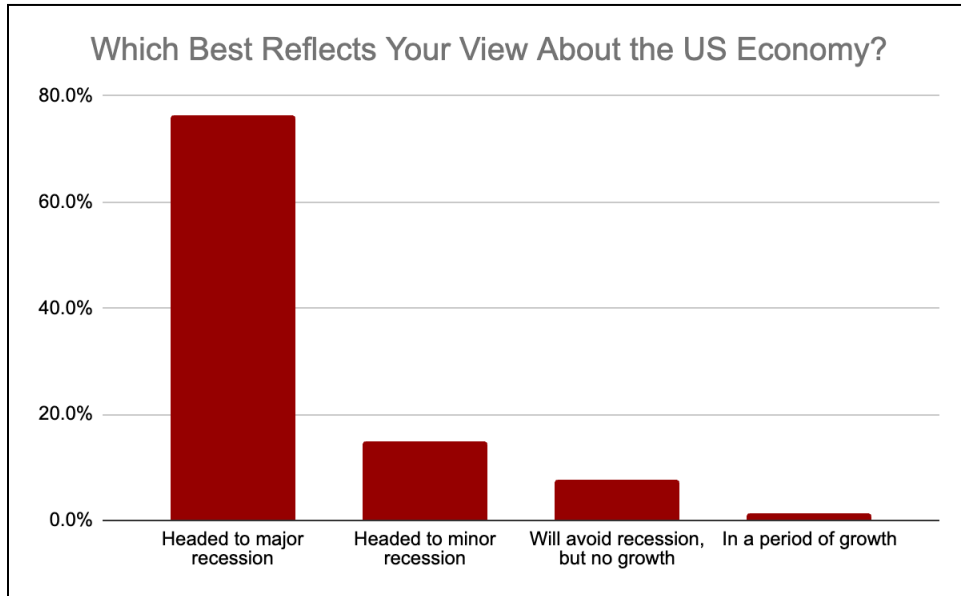
Interestingly, those who have been in business the longest have the greatest apprehension about the future of their business in this current economy.

Those in business for 10 or more years are 15% more likely to be “pessimistic” or “worried” about the direction of their business than those who have been in business for less than a year. Perhaps those who have lived through past economic hardships have some insight that newcomers lack?

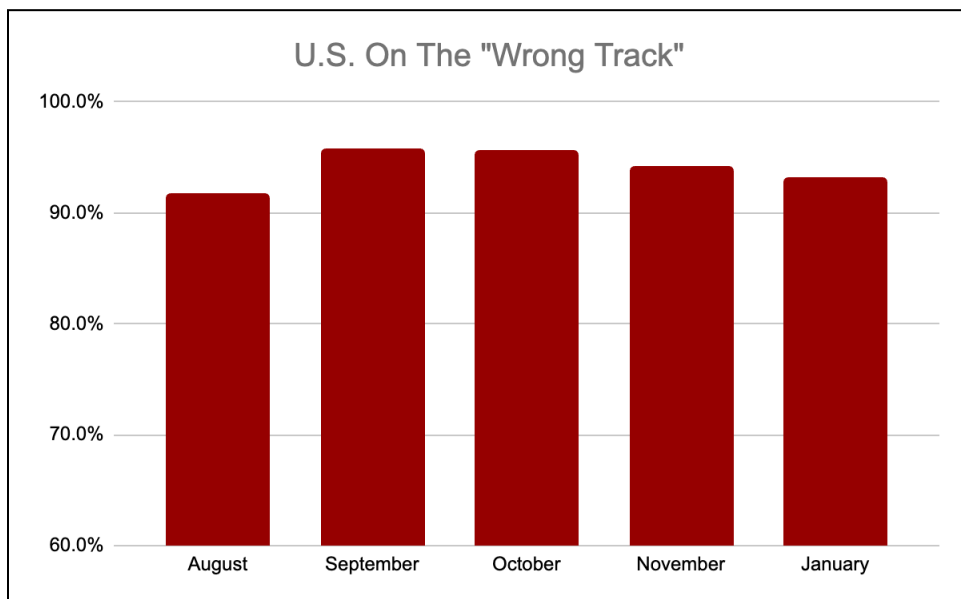


Pessimistic or Worried About The Current Trajectory of Your Business (by time in business)	
Less than 1 year	31.1%
1 to 3 years	37.9%
3 to 10 years	48.1%
10+ Years	54.9%

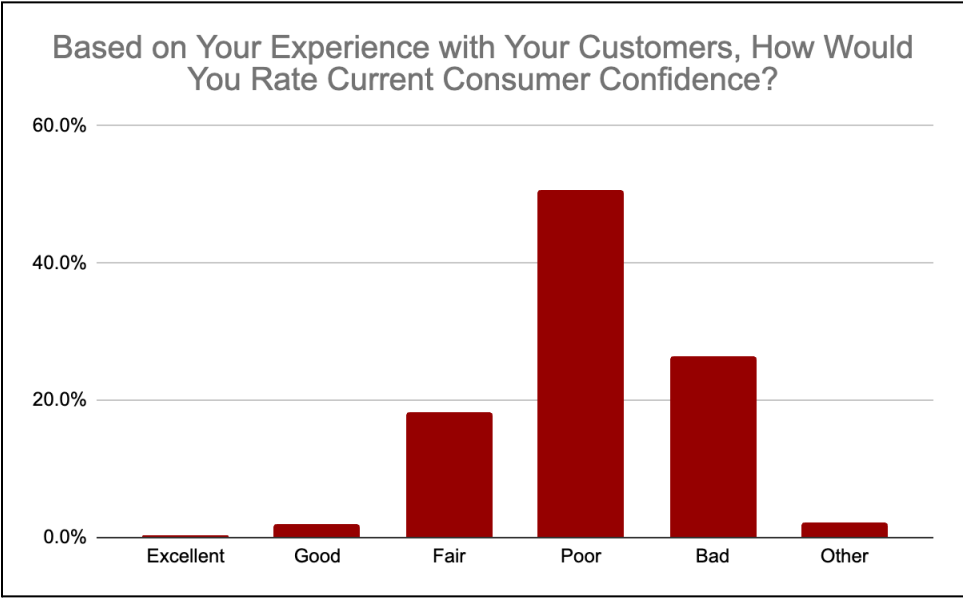
Overall, 76.3% say we're headed into a "major recession," down 5 points from November, while another 14.7% believe we're headed to a minor recession and 7.6% say we will avoid recession but not grow.



93% still believe the US is on the "wrong track," down slightly from the September/October highs.



50.6% say consumer confidence is “poor” and another 26.5% say it's “bad” for a combined 77.1% of small businesses with a negative opinion about current consumer confidence.

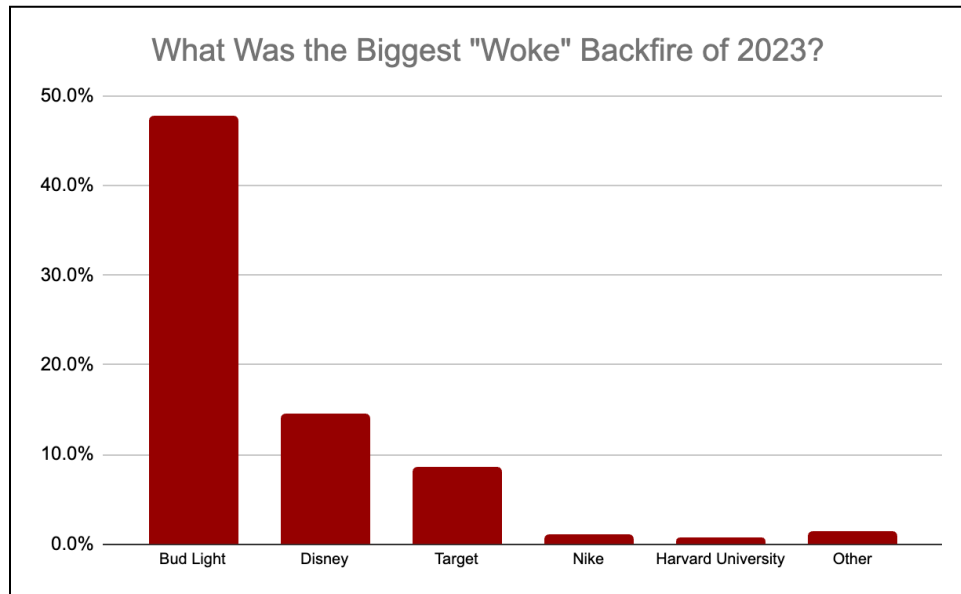


Vote Results: Freedom Economy “Best of 2023”

We asked survey respondents to vote in several categories for the “best of” the Freedom Economy for 2023. Here are the results:

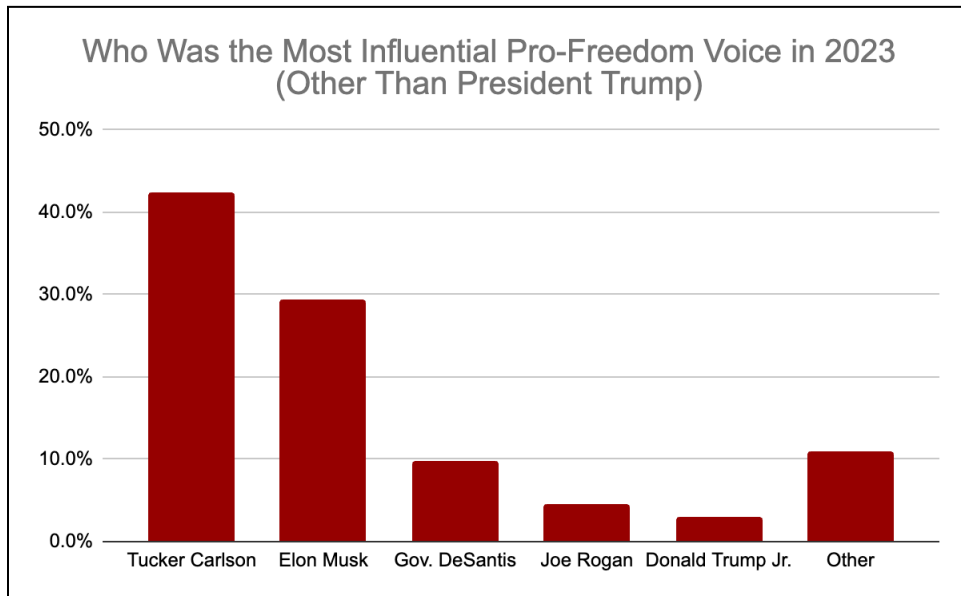
1. What was the biggest “woke” backfire of 2023?

	January
Bud Light	47.6%
Disney	14.4%
Target	8.5%
Nike	1.0%
Harvard University	0.5%
Other	1.3%



2. Who Was the Most Influential Pro-Freedom Voice in 2023 (Other Than President Trump)?

	January
Tucker Carlson	42.5%
Elon Musk	29.3%
Gov. DeSantis	9.9%
Joe Rogan	4.5%
Donald Trump Jr.	2.9%
Other	10.9%

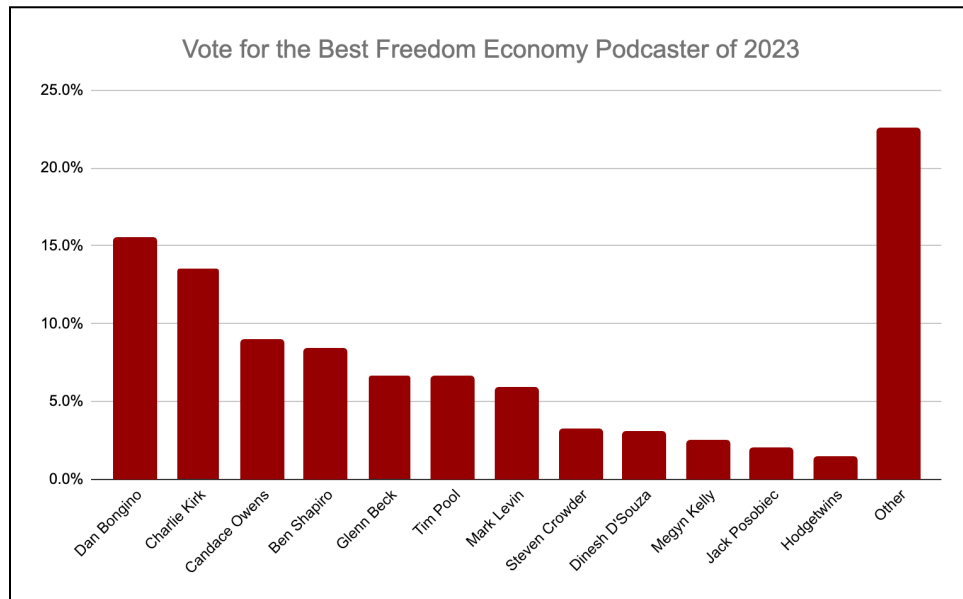


Honorable Mentions in the “Other” entries:

- Robert Kennedy Jr.
- Vivek Ramaswamy
- Andy Frisella
- Maria Bartiromo
- Steve Bannon

3. Vote for the best Freedom Economy podcaster of 2023.

	January
Dan Bongino	15.5%
Charlie Kirk	13.5%
Candace Owens	8.9%
Ben Shapiro	8.3%
Glenn Beck	6.7%
Tim Pool	6.6%
Mark Levin	5.9%
Steven Crowder	3.2%
Dinesh D'Souza	3.1%
Megyn Kelly	2.5%
Jack Posobiec	2.0%
Hodgetwins	1.4%
Other	22.5%



“Others” included strong vote totals for:

Andy Frisella
 Joe Rogan
 Steve Bannon

Steve Deace
 Eric Erickson
 Alex Jones

Allie Beth Stuckey
 Dennis Prager

4. Vote for the Overall MVP for Growing the Size and Reach of the Freedom Economy in 2023.

PublicSquare CEO Michael Seifert

Voted The 2023 Freedom Economy

“Most Valuable Player”

Rumble CEO Chris Pavloski

Voted Runner Up for the 2023 Freedom Economy

“Most valuable Player”

Conclusion

2023 was a very difficult year for America’s small businesses and employees. While inflation ate away profits and spending power, businesses were forced to rethink their growth and hiring plans, putting these things “on the shelf” until the economy picked back up.

Now, the economy is filled with survivors, waiting for some indication that stability and growth will be around the corner.

The Freedom Economy Index was created to tell the story of the American small business owner – the hard-working, freedom-loving people who form the backbone of the American economy. Our monthly results have been extremely accurate in measuring current economic conditions and predicting future trends.

As we move forward into 2024, we will continue the effort to be the ‘truth-tellers’, about our economy, broadcasting our findings above the ocean of noise emanating from political corners and the Wall Street echo chambers.

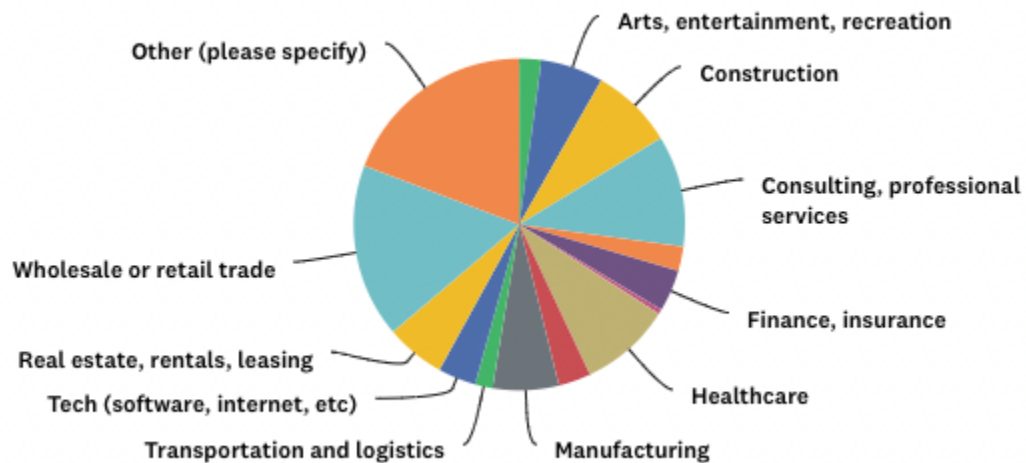
Methodology

The Freedom Economy Index surveyed a universe of over 70,000 small business owners throughout the United States, fielding the questionnaire from January 4 to 10, 2024, with 964 respondents. The survey has a margin of error of +/-3.0% at the 95% confidence level.

Demographics

What Industry Are You In?

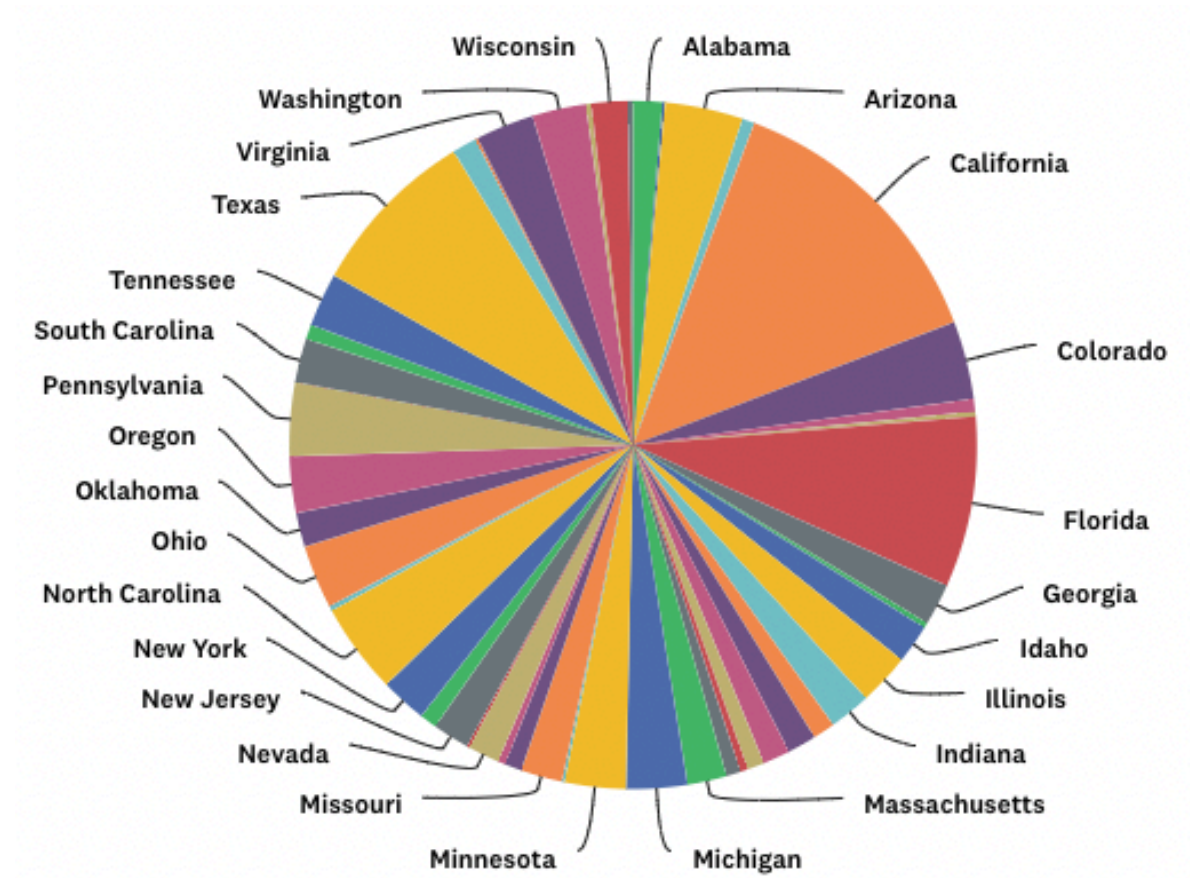
Ag, natural resources, mining, etc	2.15%	Hospitality (restaurants, hotels, etc)	3.17%
Arts, entertainment, recreation	6.11%	Manufacturing	6.45%
Construction	8.03%	Transportation and logistics	1.70%
Consulting, professional services	10.86%	Tech (software, internet, etc)	3.73%
Education	2.38%	Real estate, rentals, leasing	5.77%
Finance, insurance	4.07%	Wholesale or retail trade	16.97%
Government or military	0.45%	Other (please specify)	19.23%
Healthcare	8.94%		



Industry “Other” Word Cloud:



In what state is the bulk of your business located?

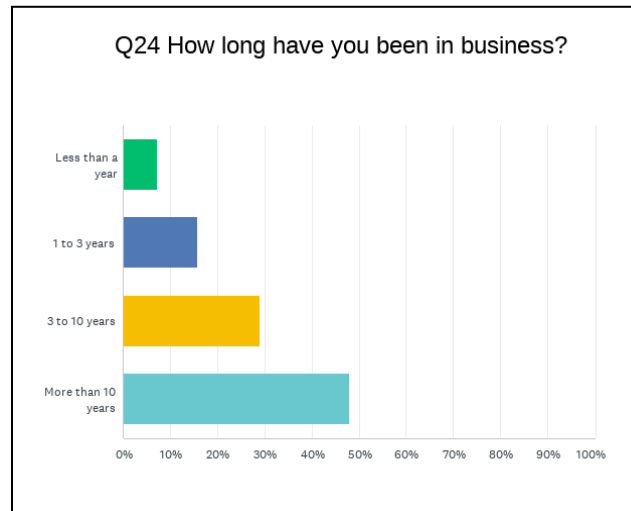


In what state is the bulk of your business located?

Alabama	1.38%	Montana	0.80%
Alaska	0.11%	Nebraska	0.34%
Arizona	3.68%	Nevada	1.49%
Arkansas	0.57%	New Hampshire	0.11%
California	13.45%	New Jersey	1.72%
Colorado	3.68%	New Mexico	0.80%
Connecticut	0.57%	New York	2.18%
Delaware	0.23%	North Carolina	4.25%
Florida	8.05%	North Dakota	0.23%
Georgia	1.95%	Ohio	2.99%
Hawaii	0.23%	Oklahoma	1.61%
Idaho	1.84%	Oregon	2.64%
Illinois	2.41%	Pennsylvania	3.45%
Indiana	1.95%	Rhode Island	0.00%
Iowa	1.03%	South Carolina	2.07%
Kansas	1.38%	South Dakota	0.69%
Kentucky	1.26%	Tennessee	2.53%
Louisiana	0.80%	Texas	8.05%
Maine	0.34%	Utah	1.15%
Maryland	0.69%	Vermont	0.11%
Massachusetts	1.84%	Virginia	2.76%
Michigan	2.87%	Washington	2.53%
Minnesota	2.87%	West Virginia	0.23%
Mississippi	0.11%	Wisconsin	1.72%
Missouri	1.95%	Wyoming	0.23%

How long have you been in business?

Less than a year	7.25%
1 to 3 years	15.86%
3 to 10 years	28.99%
More than 10 years	47.90%



How many employees do you have?

Just me	43.60%
Less than 10	45.64%
10 to 49	8.83%
50 to 99	1.25%
100 to 499	0.34%
500+	0.34%

