



College of Business Administration  
California State University, Long Beach

# Long Beach Small Business Monitor

## What Does Small Business Need to Succeed?

For Long Beach small business owners and managers optimism in the local economy is steadily returning. As shown in the chart below, confidence in the Long Beach economy is reflected in a majority reporting that if they were to open a business today, they would do so in Long Beach rather than someplace else. The percent today is 55%, up 5% from last year, and up 10% over 2013!

Even so, despite the optimism, challenges remain. On the next page we report the results of questions posed to Long Beach small business owners and managers about the challenges they face in building a small business in today's local economy.



## 2Q/2015 Issue

In this issue we look at what Long Beach small business owners and manager tell us they need to succeed given their expectations of the local business and consumer economy.

The purpose of the Long Beach Small Business Monitor is to provide the greater Long Beach region and community an understanding of the expectations and desires of small business owners.

The results are based on surveys of small business owners in Long Beach with 50 employees or less – the average business size in this survey is 9 employees.

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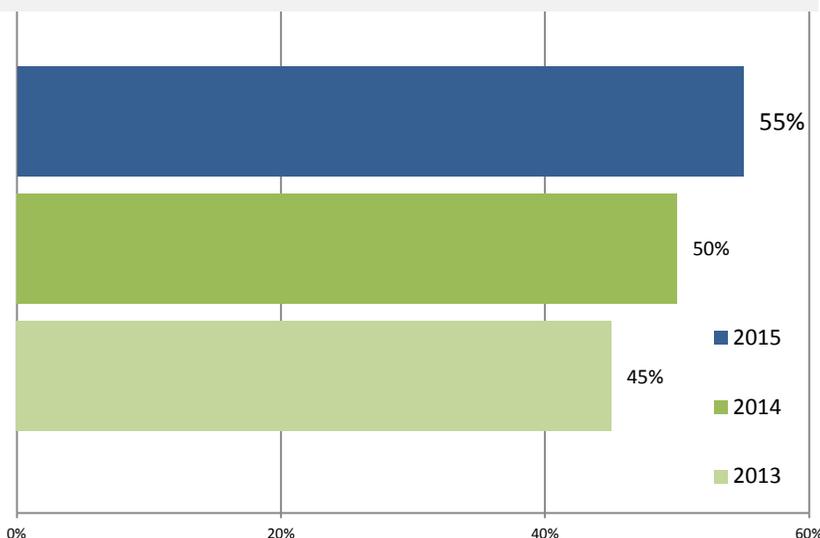
### For More Information

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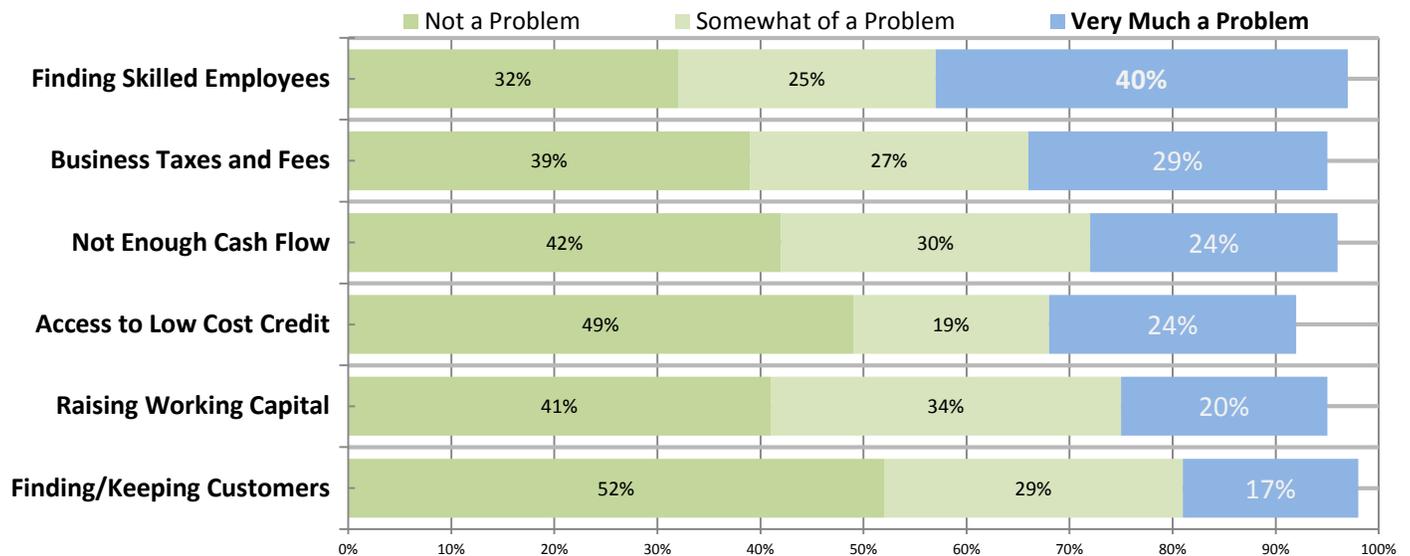
## If You Were To Start a New Business Today, Would You Open the New Business in Long Beach?



Base = Those That Would Open a New Business Today

## How Pressing Are the Following Problems For Your Small Business Today?

Small business owners and managers are optimistic about their business prospects today. Even so, as noted in the chart below, a plurality are concerned that they will not be able to take advantage of new opportunities because they can't find enough skilled and trainable employees. For a small business owner, hiring a new quality employee is a key factor in growing their business. With limited time and capital though, it carries significant financial and emotional risk if it doesn't work out. In a time of growing economic optimism, this issue will likely be a key barrier to growth for a good share of Long Beach small businesses.



## Comparing Small Business Size: Big Differences in Concerns.

Not surprisingly the smallest businesses need the most support presumably to get them up and running. One in three owners of a micro small business (fewer than 5 employees) report wide ranging problems: finding skilled employees and paying business taxes/fees being the top rated concerns, followed by a lack of sufficient cash flow and finding new customers. On the other hand, small businesses of 5 to 50 employees have overcome most of these start-up issues. For nearly a majority their major concern is finding enough skilled employees to fill the new positions that are being created in the local economy today.

<u>Very Much a Problem Today</u>	Fewer Than 5 Employees	5 to 50 Employees
Finding Skilled Employees	34%	46%
Business Taxes and Fees	33%	20%
Not Enough Cash Flow	29%	13%
Raising Working Capital	19%	23%
Access to Low Cost Credit	27%	17%
Finding/Keeping Customers	21%	7%

### Methodology

Results are based on a probability sampling of small businesses in Long Beach, CA (50 employees or less). Under the direction of Dr. Flexo, Marketing Systems Group ([www.m-s-g.com](http://www.m-s-g.com)) generated a random sample from their frame of all small businesses with addresses in Long Beach. The sample was sent to Opinion Access Corporation a professional data collection facility ([www.opinionaccess.com](http://www.opinionaccess.com)). Each record was called by a professionally trained interviewer at OAC. A final sample of 100 interviews with small business was collected using this industry standard procedure.

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