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# 2015 U.S. Bank Small Business Annual Survey

May 6, 2015



## About the Survey

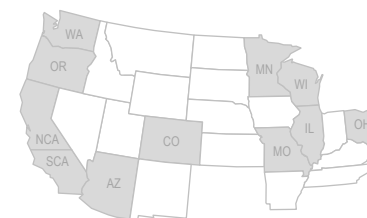
### BACKGROUND

The sixth annual U.S. Bank Small Business Survey monitors the attitudes, perceptions and outlook of small business owners across our 25 state national footprint. The survey was conducted by Market Probe via an online sample in January 2015 among 3,202 small business owners with less than \$10 million in annual revenue.

### METHODOLOGY

To facilitate differences in select U.S. Bank markets, the study was conducted in two phases. The first phase was comprised of 1,000 national responses to serve as a baseline across U.S. Bank's 25 state footprint. The second phase represented an over-sample of 2,202 state level interviews in the following 11 markets:

- Arizona
- Northern California
- Southern California
- Colorado
- Illinois
- Minnesota
- Missouri
- Ohio
- Oregon
- Washington
- Wisconsin



Quotas were set to allow for no more than 50% with greater or less than \$200,000 in revenue. Green or red indicators are used throughout the study to identify statistically significant variance to national or prior year results at 95% confidence.

## Key Findings

### ECONOMIC OUTLOOK

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Owners most upbeat about the economy in last 6 years

### BUSINESS CONDITIONS

---

Businesses stronger today than anytime in this decade

### BUSINESS CHALLENGES

---

Economic uncertainty starting to take a backseat to other concerns

### HEALTHCARE LEGISLATION

---

Owners turning the corner on attitude towards healthcare

### LEVERAGING TECHNOLOGY

---

Mobile and social media now an established part of overall delivery

### BANKING RELATIONSHIP

---

Owners expect personalization, transparency and simplicity

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# Owners most upbeat about the economy in last 6 years

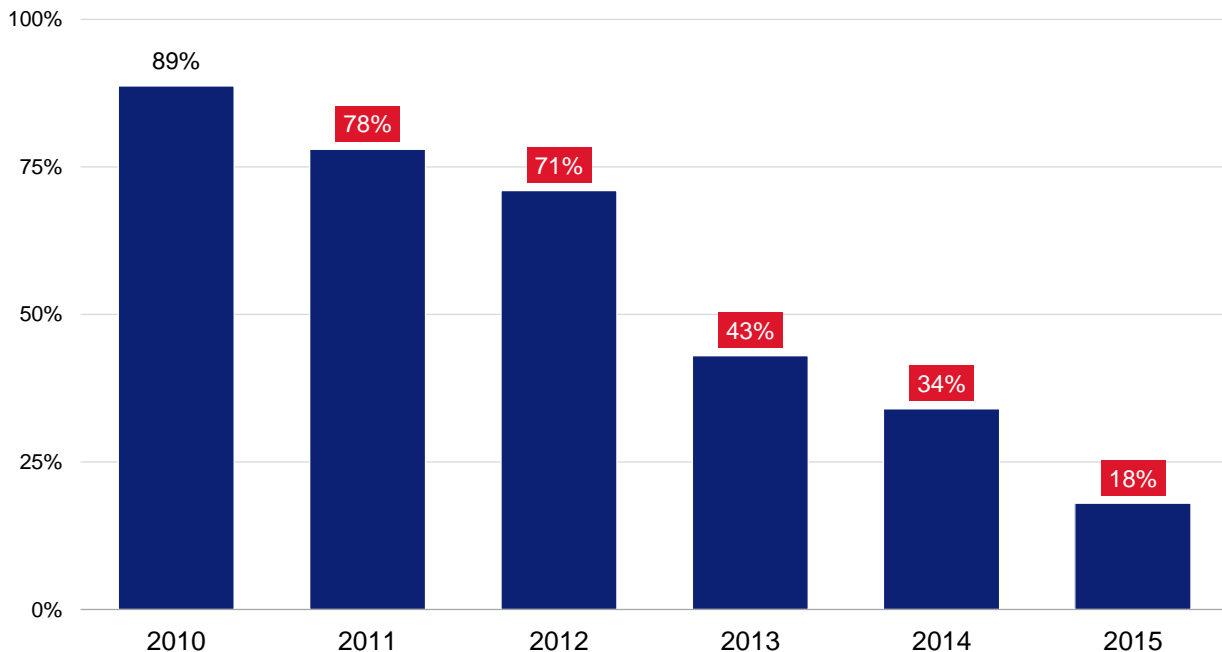
**us** Our Expert's Insight



**Andy Cecere**  
Chief Operating Officer  
U.S. Bancorp

*"The economy is gaining momentum and we are starting to see optimism rise among small businesses. There is tremendous potential in that optimism. Small businesses are critical to the health of our economy. As their bankers, we are always advocating for them and looking for ways to help them expand and grow."*

### Do you believe the U.S. economy is in a recession?



■ = Statistically significant change to prior year result at 95% confidence.

# More see the economy starting to expand again

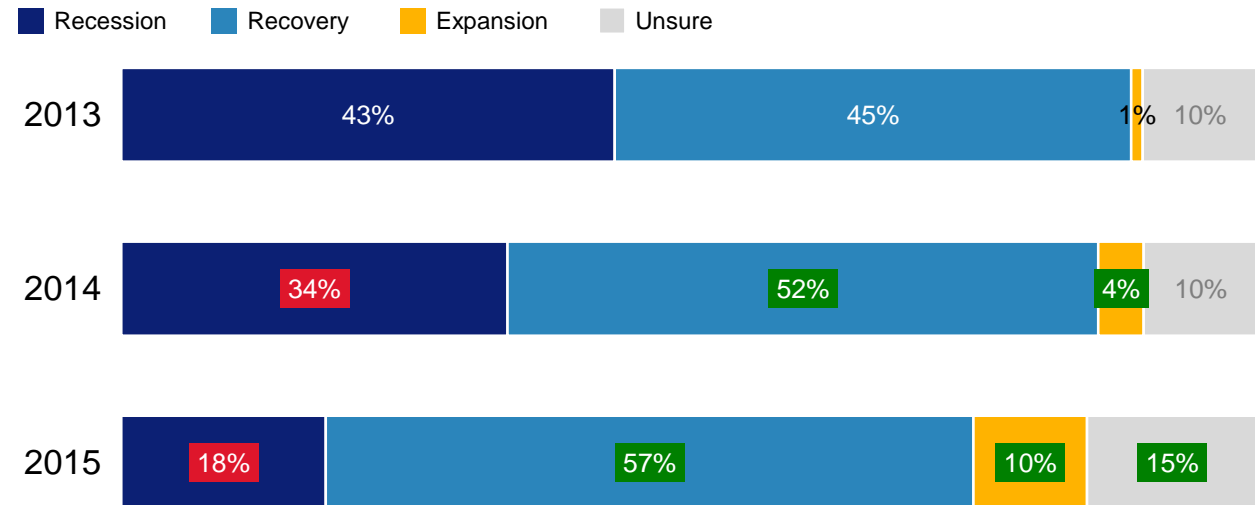
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**Ted Biggs**  
Senior Vice President  
Small Business West Mgr.

*“It’s a good sign that significantly more small business owners believe the economy is expanding. When we see that number increase to 30 or 40 percent expansion, then we will see robust new hiring and additional borrowing. Right now we are still in the beginning stage of that happening.”*

## What is the current state of the U.S. economy?



■ = Statistically significant change to prior year result at 95% confidence.

# Their future outlook on the economy is even brighter

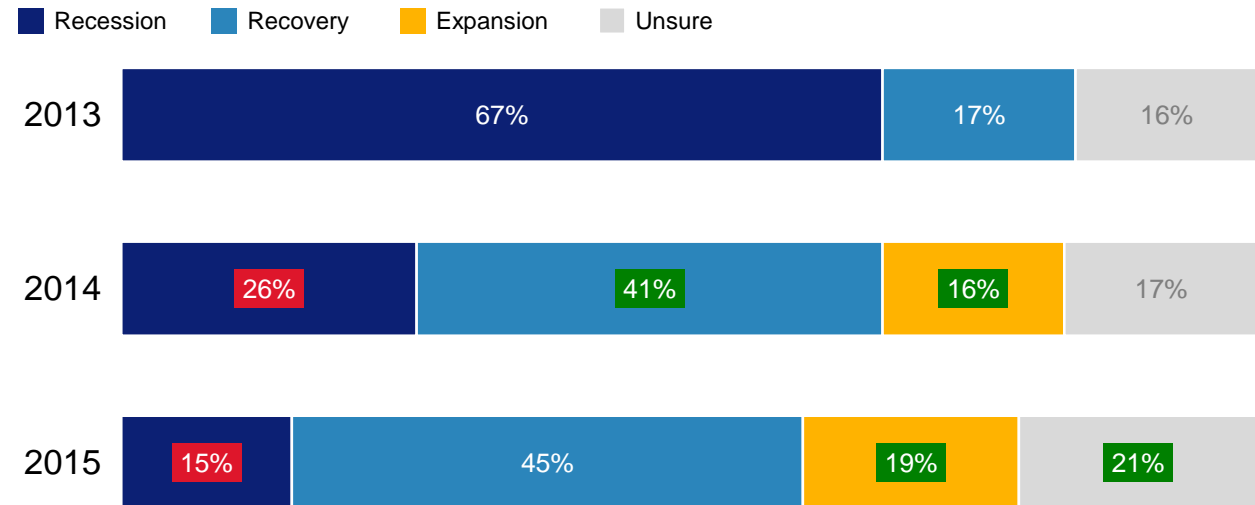
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**John Elmore**  
Vice Chairman  
Branch Channel & Delivery

*“Small business owners are generally optimistic but to see 64 percent report that they feel the economy will be in expansion or recovery next year is a really good sign.”*

## What state will the U.S. economy be in at this time next year?



■ = Statistically significant change to prior year result at 95% confidence.

# Regional differences persist around views of local economic health

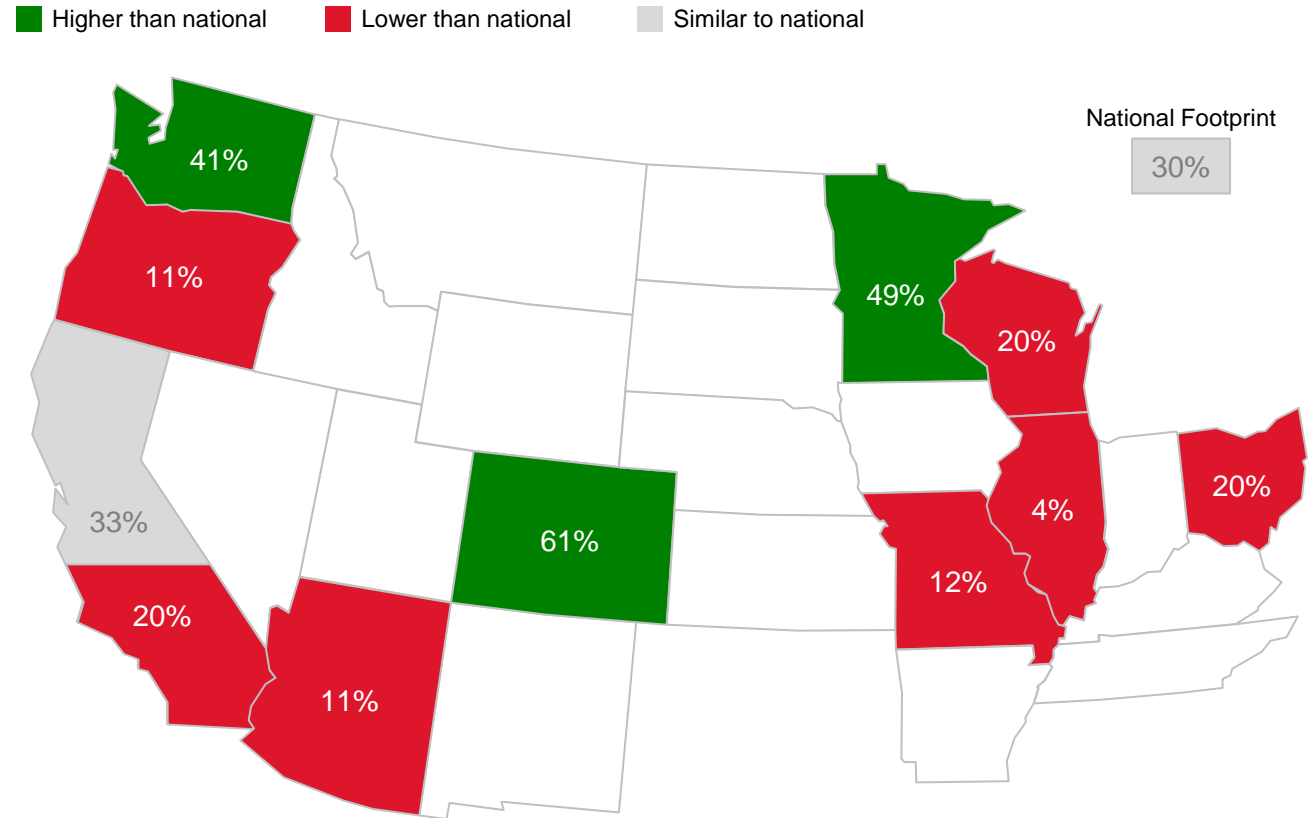
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**Kent Stone**  
Vice Chairman  
Small Business  
Banking Sales Support

*“There are definitely regional differences across the country. We see some parallels to state unemployment rates – where unemployment is high, sentiment is low. Other regional factors such as the drought in California could be playing a role in sentiment as well.”*

Percent who say conditions for small businesses are stronger in their state than the rest of the country



■ = Statistically significant change to national sample at 95% confidence.

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## Owners have strongest outlook this decade about adding staff

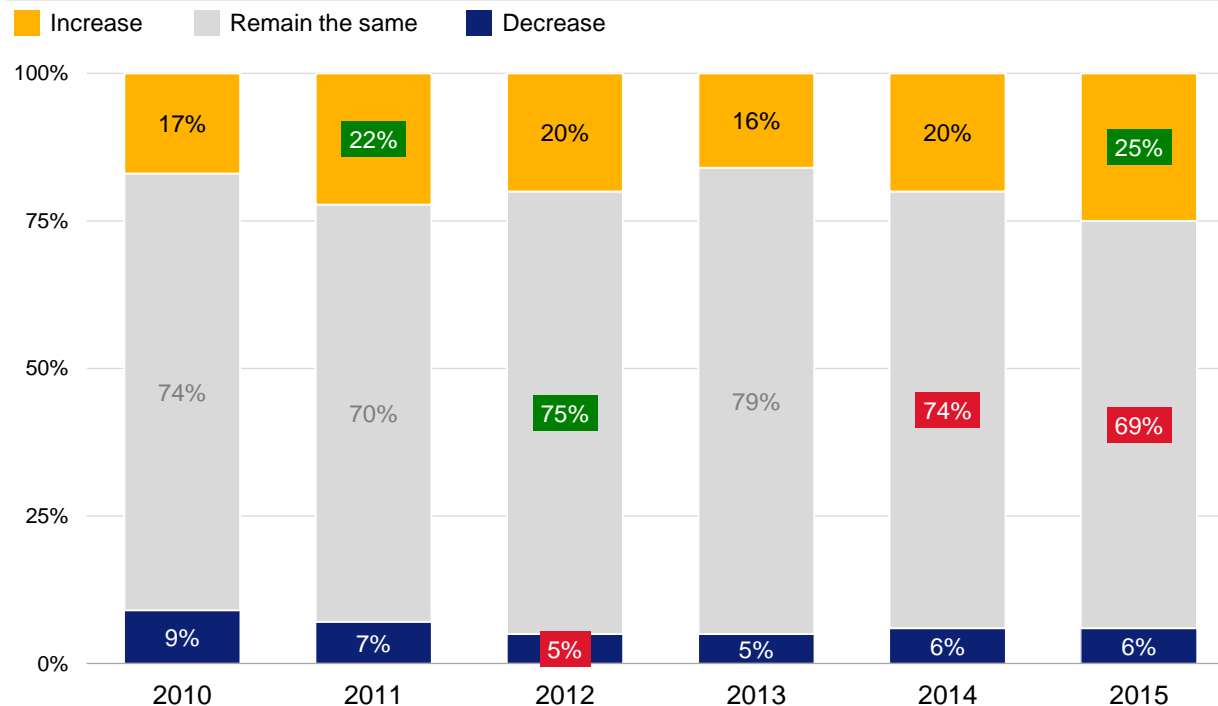
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**Ted Biggs**  
Senior Vice President  
Small Business West Mgr.

*“A quarter of small businesses state that they are expecting to add staff in the next 12 months. However, they also note that the cost of labor is on the rise, which could be impacting these results. Notably, as their personal finances improve, their business outlook improves as well.”*

How do you expect your staff to change over the next 12 months?



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# Three out of four now say their business is financially strong

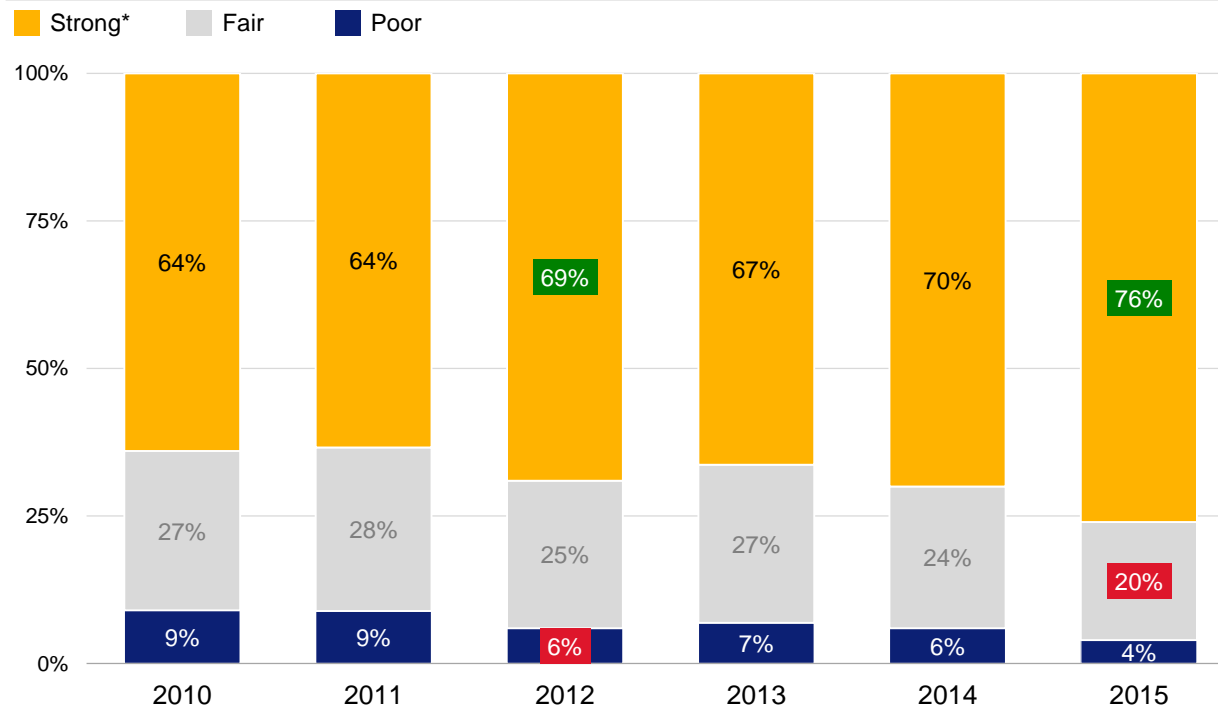
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**Julie Huston**  
Executive Vice President  
Small Business Segment

*“Like any business that goes through a downturn, they have done the right things to survive. Many are strong but remain cautious. The question is, what will make them abandon caution? The opportunity for expansion doesn’t yet outweigh the risk.”*

How would you describe the financial health of your business?



\* Represents answers of "Good", "Very Good" or "Excellent".  
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# Owners are reporting more stable revenue over the prior year

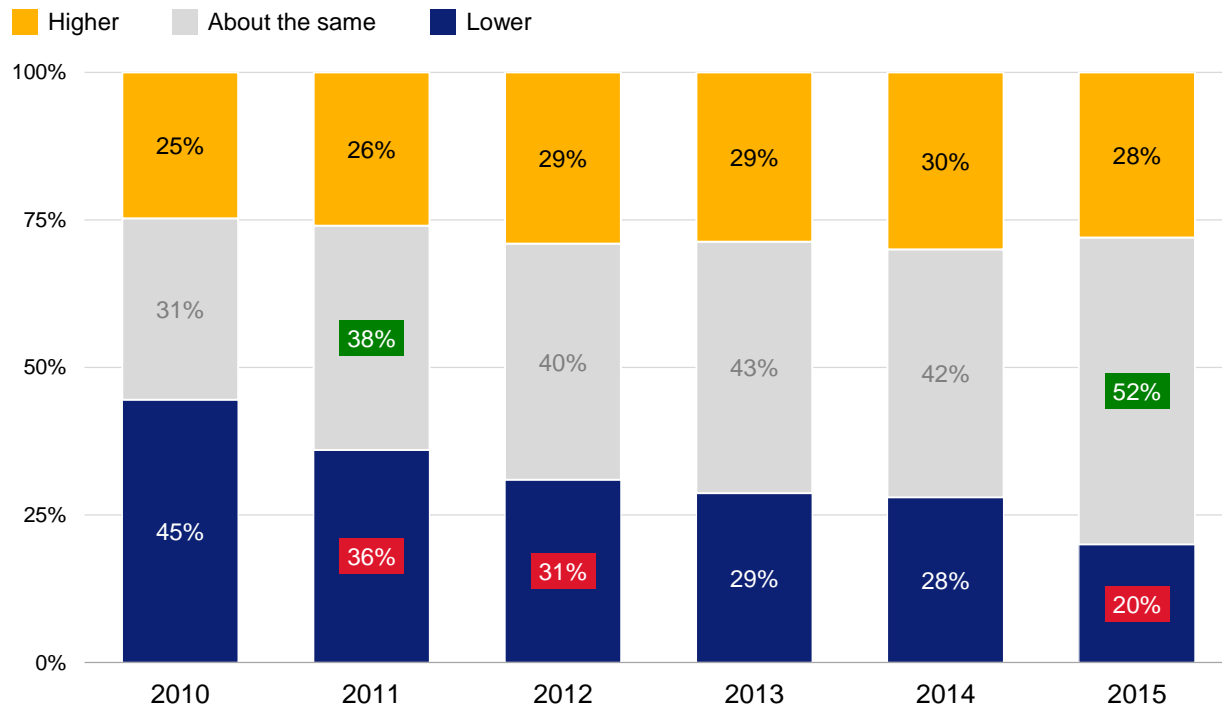
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**Ted Biggs**  
Senior Vice President  
Small Business West Mgr.

*“Revenue has stabilized, and in some cases is growing. We see that especially among microbusinesses or those businesses that are under \$1 million in sales. The smaller businesses are healthy and growing as a customer base.”*

How has your business' revenue changed compared to this time last year?



■ = Statistically significant change to prior year result at 95% confidence.

# Owners borrowing money is at a 6-year low...

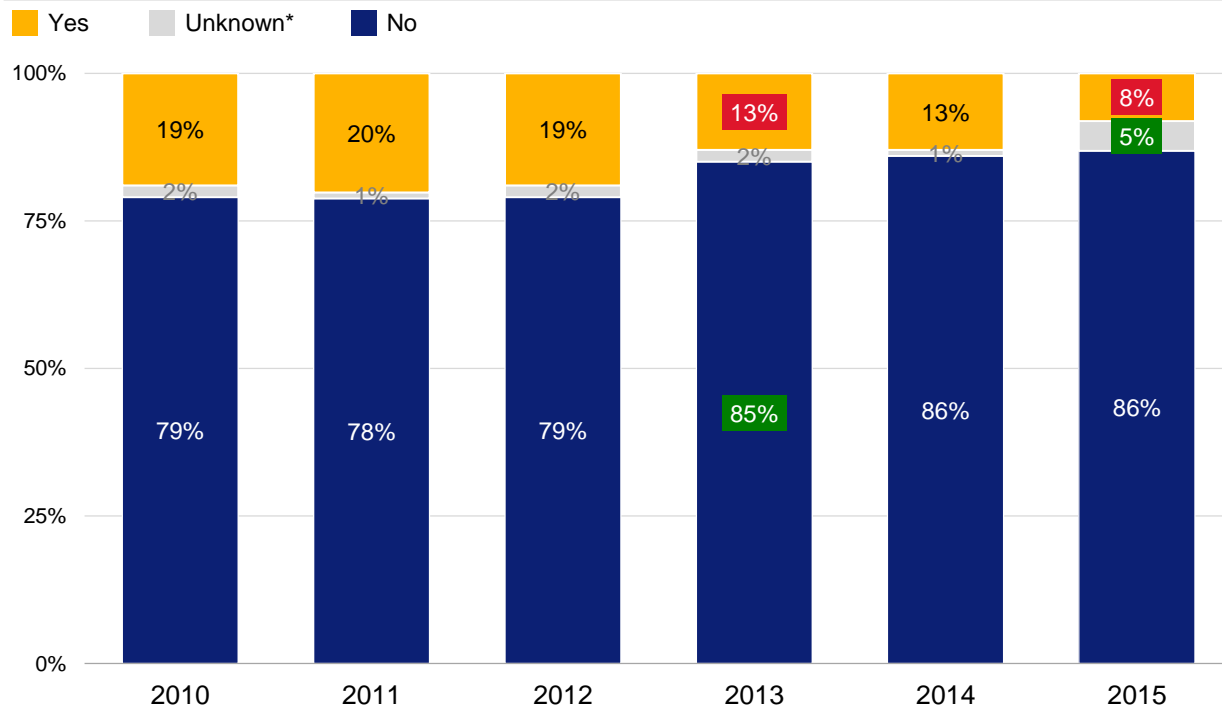
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**Ross Carey**  
Executive Vice President  
West Division Manger

*"We continue to see a lot of customers with cash on hand. Once we see the deposits dropping it will be a good sign that they are growing by using their capital first, and then they will use our capital."*

Have you borrowed money or tried to borrow money for business purposes in the last 6 months?



\* Includes respondents who declined to answer.  
 ■ = Statistically significant change to prior year result at 95% confidence.

...but those who did borrow money say it's never been easier...

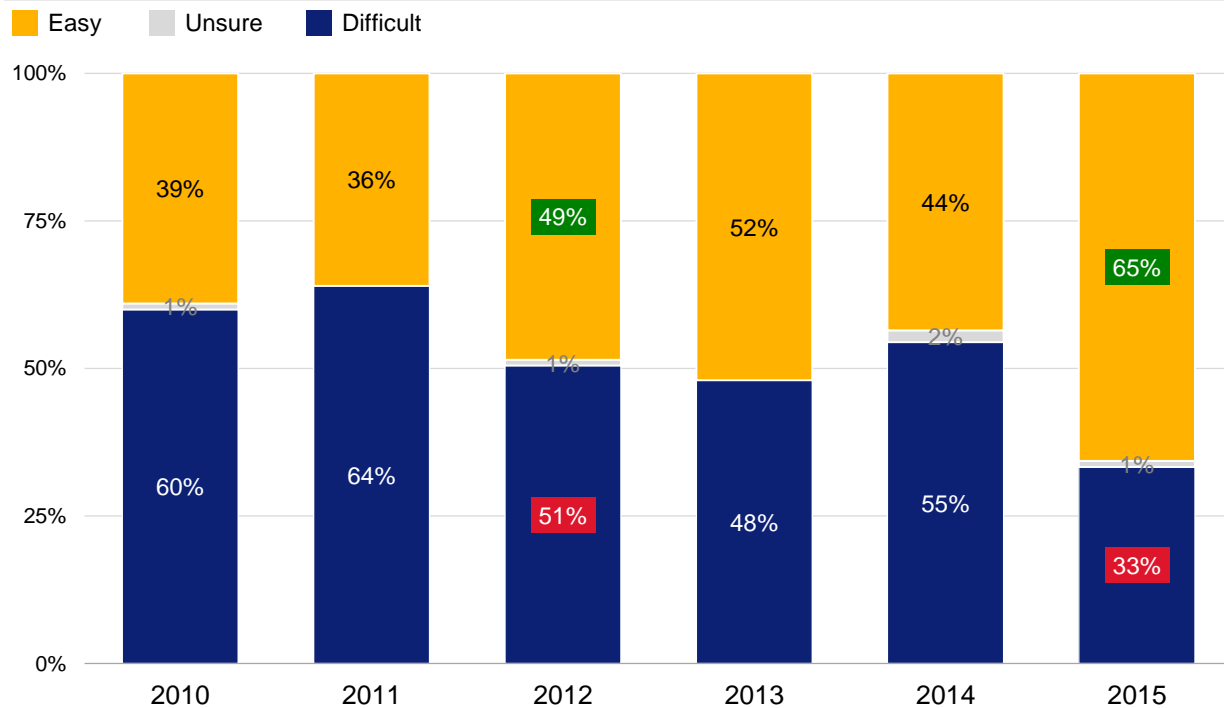
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**Steve SaLoutos**  
Executive Vice President  
Midwest Division Manger

*“There is certainly more competition today, which means businesses are being presented with a lot of new opportunities. Unfortunately, it also means riskier products are back in the market, which is something we counsel our customers to recognize and avoid.”*

How would you describe your business' ability to borrow money?



\* Asked only of those who tried to borrow money in the last 6 months.  
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# ...and they're more likely to make capital expenditures in the coming year

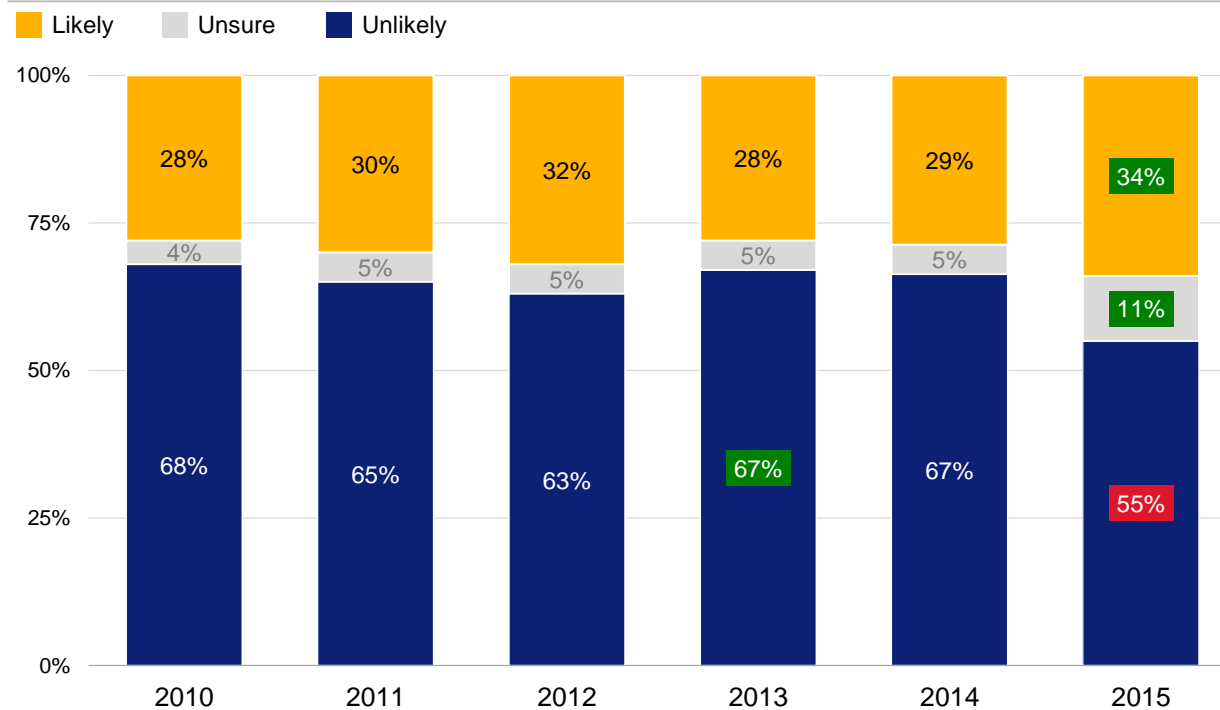
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**Julie Huston**  
Executive Vice President  
Small Business Segment

*“Small business owners are focused on their business. Our job is to know their goals, and more importantly know what’s coming – such as the possible benchmark rate increases this year – so they can make informed decisions about when to replace aging equipment or refinance a loan.”*

How likely are you to make capital expenditures to expand your business in the next year?



■ = Statistically significant change to prior year result at 95% confidence.

# Competition, healthcare and labor costs on the rise as biggest challenge

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**Steve SaLoutos**  
Executive Vice President  
Midwest Division Manger

*“The economy loomed as a concern for so long, now we’re seeing diversification in their concerns. The state of the economy is still important, but increasingly, small business owners are concerned about what any business is concerned about in a healthy economy – competition for customers and managing their costs.”*

## What is the most significant challenge facing your business today?

Top Challenges	2013	2014	2015
Economic Uncertainty	30%	26%	17%
Competition From Large Businesses	10%	11%	16%
Government Regulations/Red Tape	14%	14%	13%
Healthcare Costs	5%	8%	12%
Poor Sales	15%	12%	10%
Taxes	12%	9%	10%
Cost of Labor	2%	4%	9%

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## Over half now positive or neutral on long-term impact of legislation

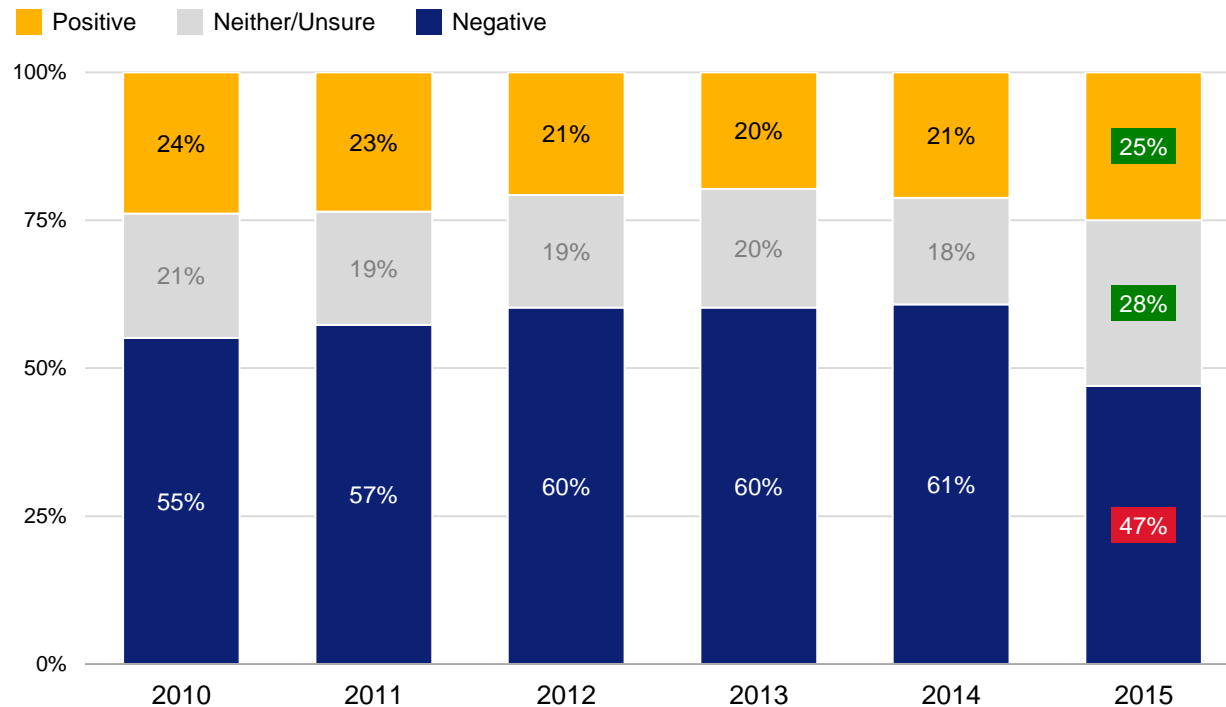
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**Ross Carey**  
Executive Vice President  
West Division Manager

*“This is a telling year for healthcare and it will be an interesting topic to watch. The next year to 18 months, as mandates take full effect, will tell us the true impact of healthcare laws on small businesses.”*

What do you think the long-term impact of the Affordable Care Act will be on your small business?



■ = Statistically significant change to prior year result at 95% confidence.

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# Owners split on whether the legislation has resulted in premium hikes

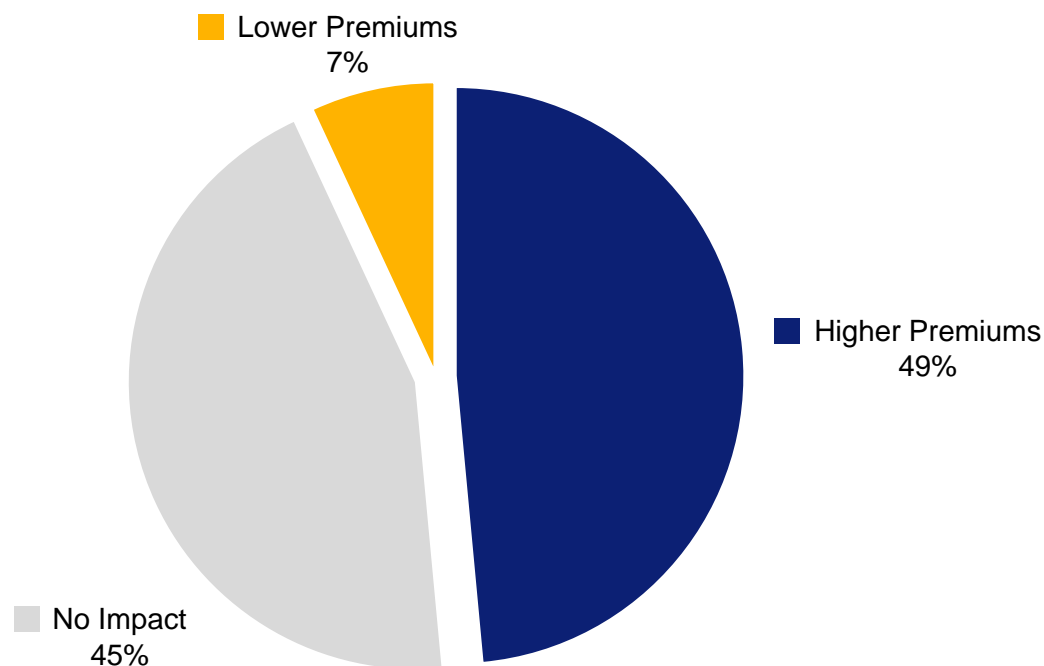
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**Jeff Parker**  
Senior Vice President  
Small Business Segment

*“Business owners have managed to the changes, whether raising healthcare costs for employees, delaying or cancelling investments or decreasing forecasted new hires. Time will tell whether the impact will be long-lasting.”*

What impact has the Affordable Care Act had on your business' health insurance premiums?





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ChallengesHealthcare  
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## Mobile and social media now an established part of overall delivery

Top ways they're integrating mobile technology into their business strategy:

- Accessing bank accounts
- Accessing social media
- Making payments
- Accepting payments
- Depositing checks
- Offering a mobile friendly site
- Using mobile apps designed to organize and help manage their business
- Using text alerts for marketing products, services and promotions



MOBILE

75%



*have integrated a mobile solution into their overall business strategy*



SOCIAL MEDIA

67%



*maintain a social media presence to make connections, find talent or market their business*

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## Personalization, transparency and simplicity among top expectations

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**John Elmore**  
Vice Chairman  
Branch Channel & Delivery

*“We are more than lenders. We are bankers and our role as bankers is to get as close to the small business clients as possible. They want us to relate to them in a simple transparent way, and to be with them for the long haul – through the good times and bad.”*

What are the top 5 most important things you expect from your business bank?

#### Top 5 Expectations

1. Knows me and my business
2. Offers services that help me efficiently manage my financial transactions
3. Deals in a transparent, straight-forward manner
4. Adjusts to meet my individual needs
5. Simplifies fee structure

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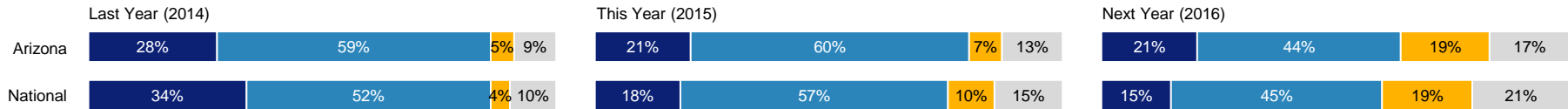
Market  
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- Arizona
- Northern California
- Southern California
- Colorado
- Illinois
- Minnesota
- Missouri
- Ohio
- Oregon
- Washington
- Wisconsin

# Arizona Market Profile

## NATIONAL ECONOMIC OUTLOOK

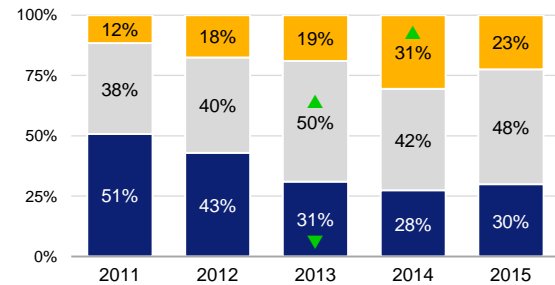
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

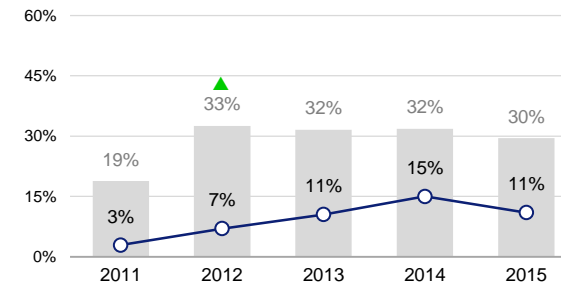
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Arizona ■ National



Reasons for feeling **better** about conditions in state

(No significant reasons cited)

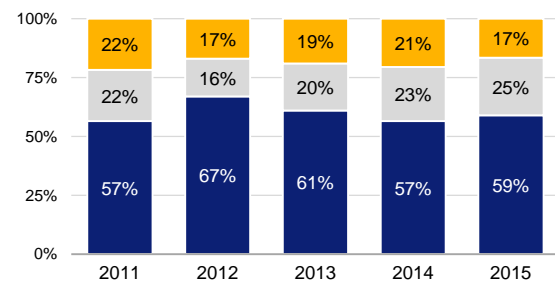
Reasons for feeling **worse** about conditions in state

▲ State is not friendly to business (unspecified)

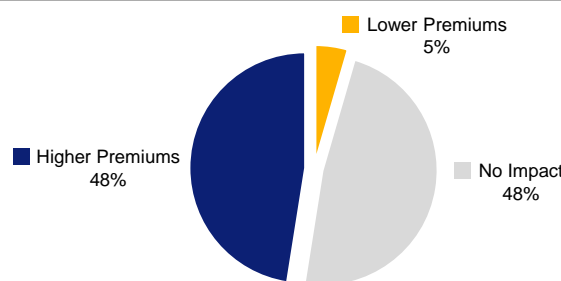
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Offers services that help me to efficiently manage my financial transactions
2. Knows me and my business
3. Deals in a transparent, straight-forward manner
4. Adjusts to meet my individual needs
5. Simplifies fee structure

▲ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Arizona market with less than \$10 million in annual revenue.



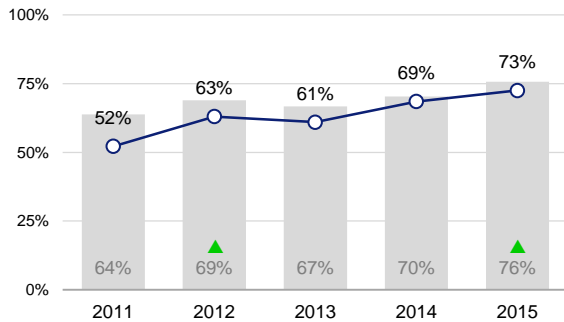
# Arizona Market Profile

○ Arizona ■ National

## BUSINESS CONDITIONS

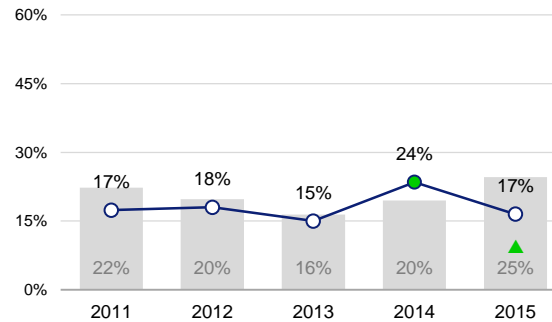
### Financial Health

Describe the financial health of their business as good, very good or excellent



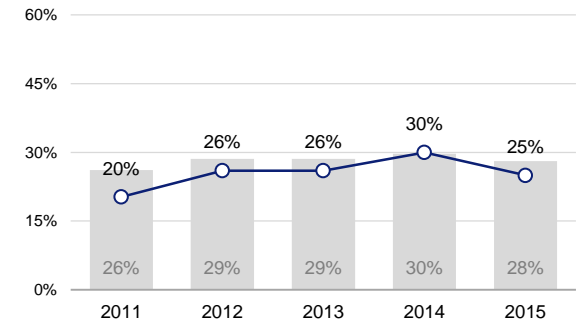
### Hiring

Expect to increase the number of people working for them over the next 12 months



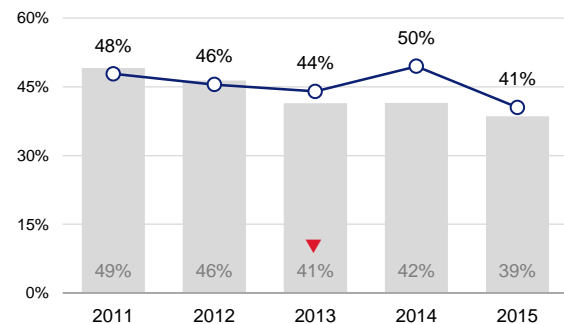
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



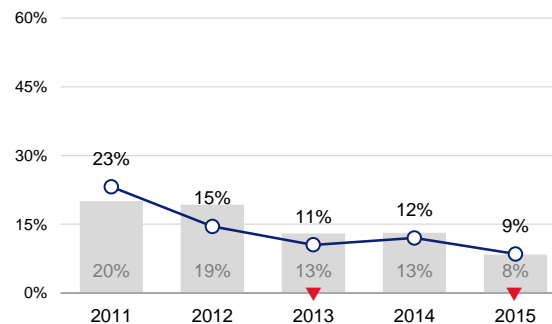
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



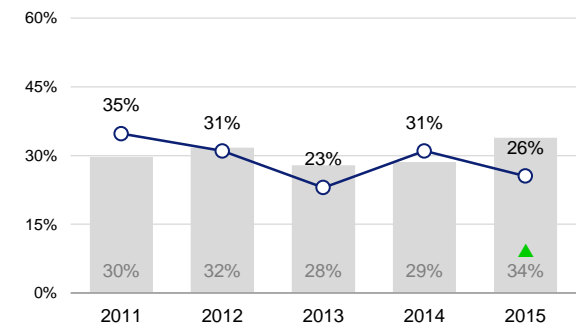
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



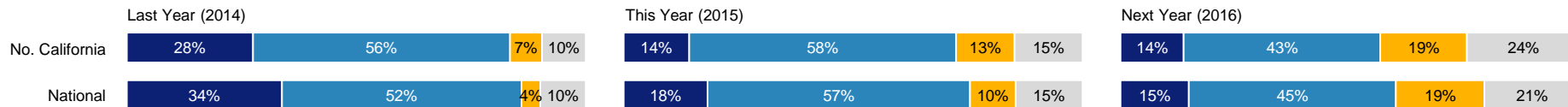
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# Northern California Market Profile

## NATIONAL ECONOMIC OUTLOOK

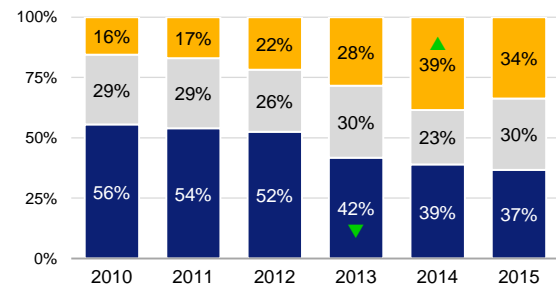
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

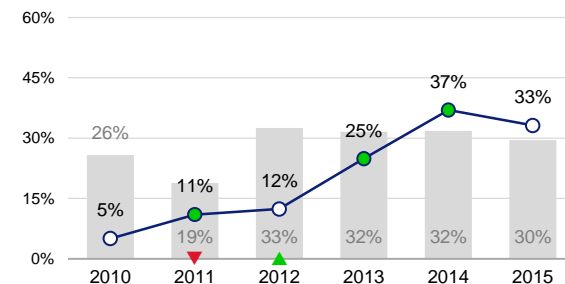
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Northern California ■ National



Reasons for feeling **better** about conditions in state

▲ Sales/spending is up or increase in demand

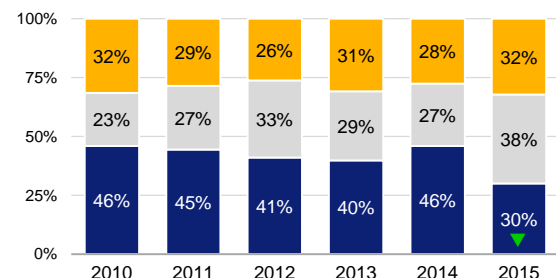
Reasons for feeling **worse** about conditions in state

- ▲ Taxes are higher
- ▲ Too many regulations
- ▲ More expensive to do business in state (higher cost of living/labor costs/etc.)

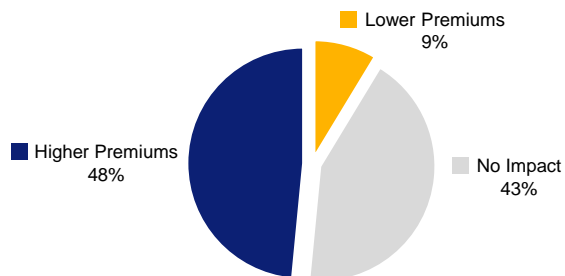
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Deals in a transparent, straight-forward manner
2. Simplifies fee structure
3. Offers services that help me to efficiently manage my financial transactions
4. Provides quality responses to requests
5. Adjusts to meet my individual needs

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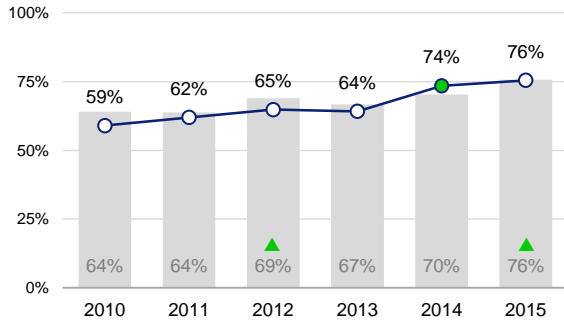
# Northern California Market Profile

○ Northern California ■ National

## BUSINESS CONDITIONS

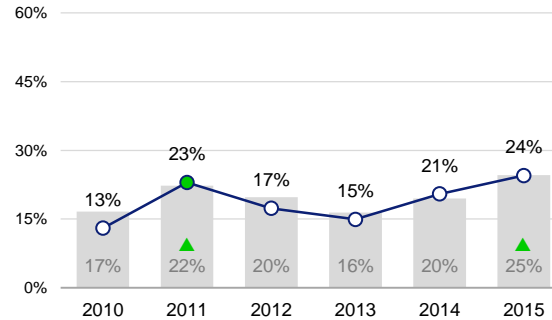
### Financial Health

Describe the financial health of their business as good, very good or excellent



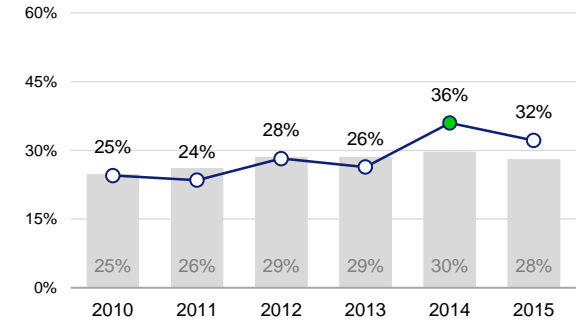
### Hiring

Expect to increase the number of people working for them over the next 12 months



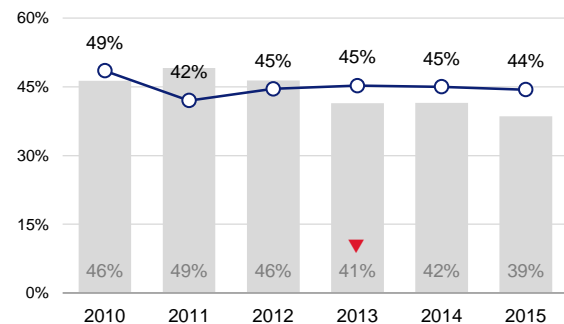
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



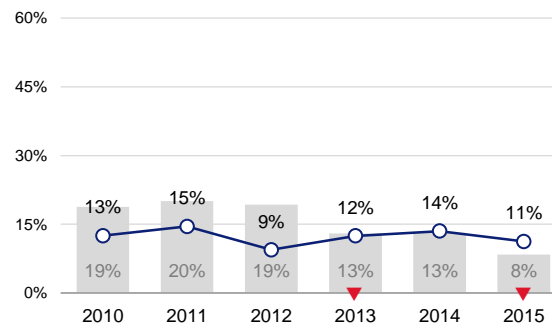
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



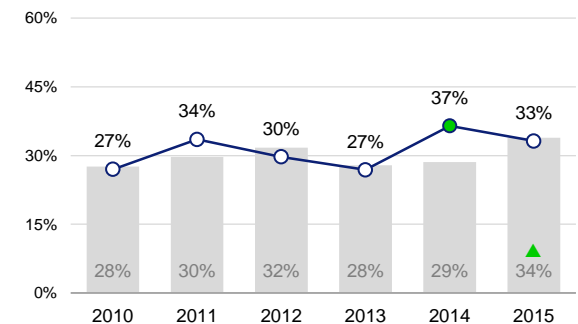
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



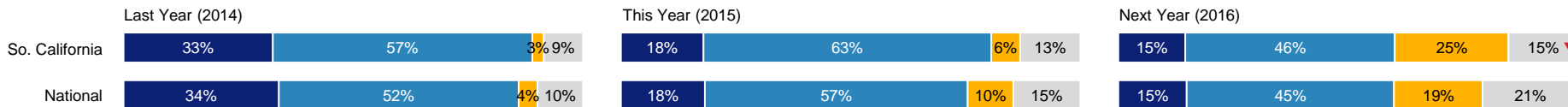
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# Southern California Market Profile

## NATIONAL ECONOMIC OUTLOOK

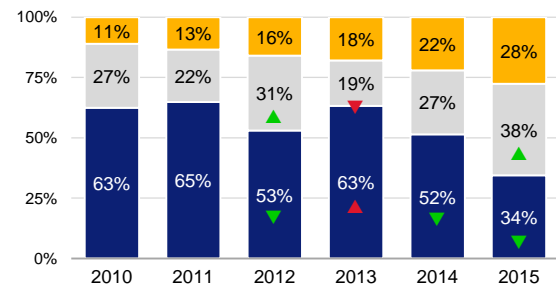
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

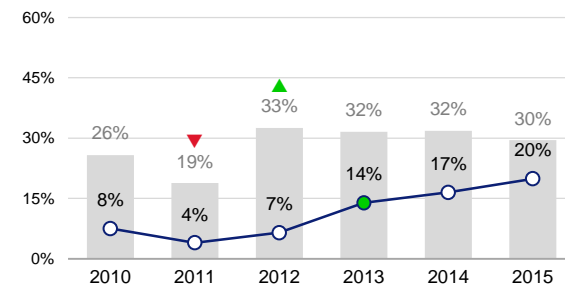
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Southern California ■ National



Reasons for feeling **better** about conditions in state

- ▲ Sales/spending is up or increase in demand
- ▲ Nothing/things just better/growing

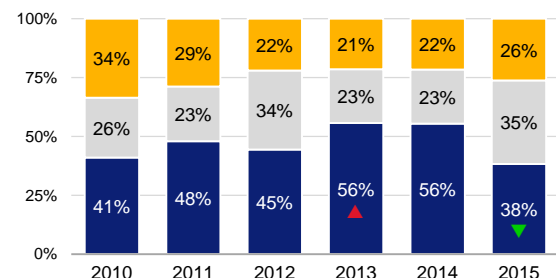
Reasons for feeling **worse** about conditions in state

- ▲ Taxes are higher
- ▲ Too many regulations
- ▲ More expensive to do business in state (higher cost of living/labor costs/etc.)

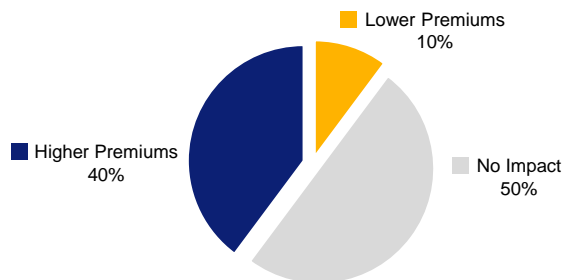
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

- Offers services that help me to efficiently manage my financial transactions
- Deals in a transparent, straight-forward manner
- Provides quality responses to requests
- Adjusts to meet my individual needs
- Simplifies fee structure

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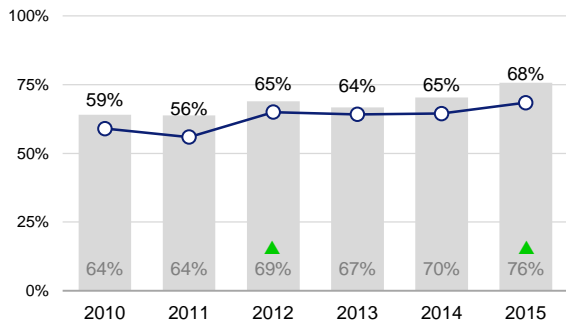
# Southern California Market Profile

○ Southern California ■ National

## BUSINESS CONDITIONS

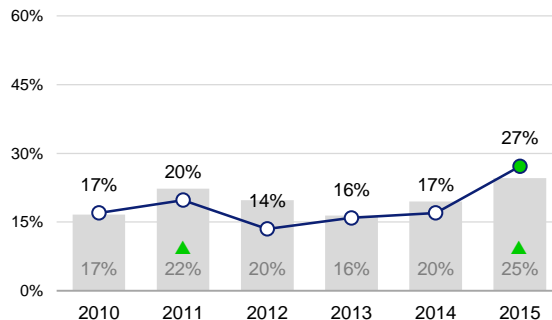
### Financial Health

Describe the financial health of their business as good, very good or excellent



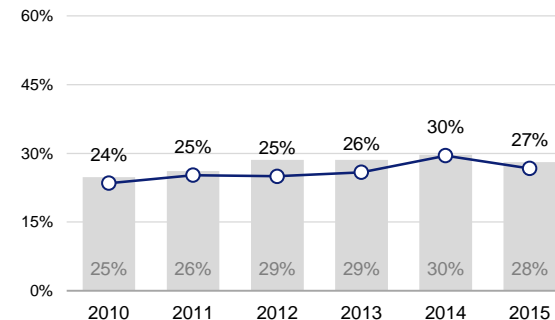
### Hiring

Expect to increase the number of people working for them over the next 12 months



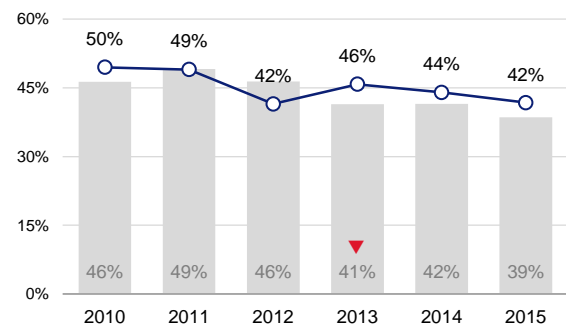
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



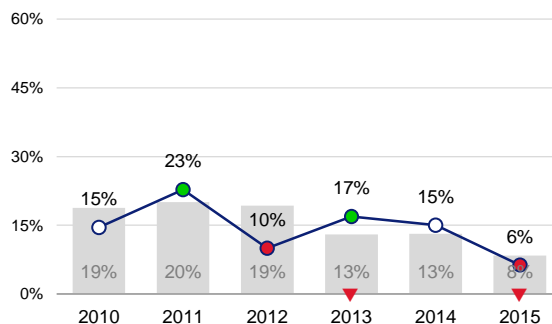
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



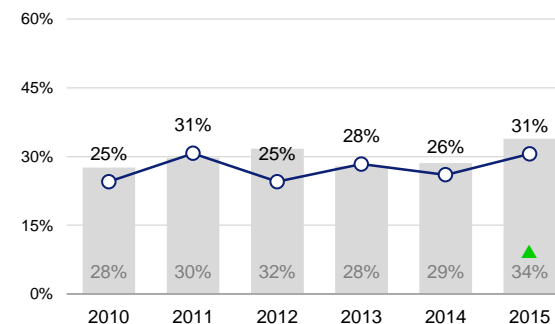
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



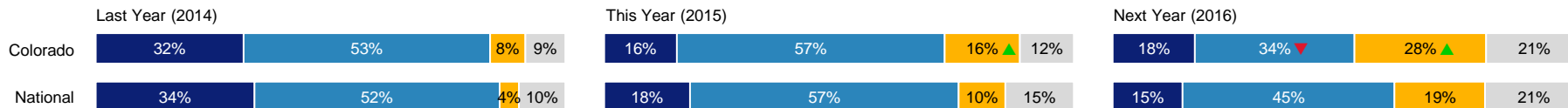
■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Southern California market with less than \$10 million in annual revenue.



# Colorado Market Profile

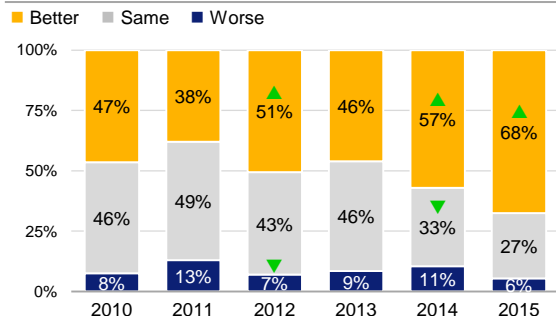
## NATIONAL ECONOMIC OUTLOOK

■ Recession ■ Recovery ■ Expansion ■ Unsure

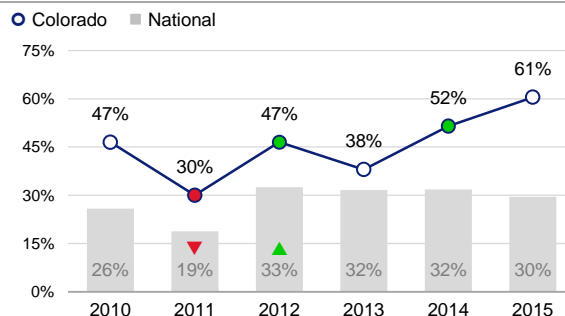


## STATE ECONOMIC OUTLOOK

How conditions in state compare to rest of country



Percent who say state is stronger than U.S. economy overall



Reasons for feeling **better** about conditions in state

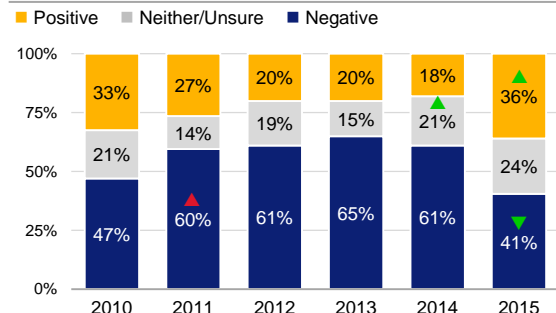
- ▲ More businesses are growing/staying afloat rather than closing
- ▲ Nothing/things just better/growing
- ▲ Housing and construction markets are up or more stable

Reasons for feeling **worse** about conditions in state

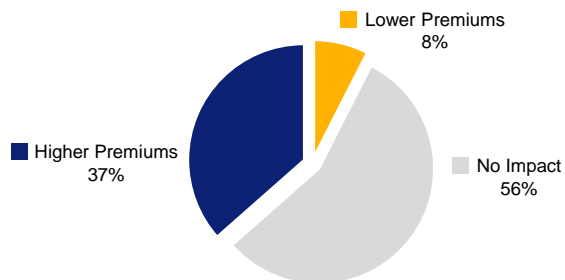
(No significant reasons cited)

## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

- Offers services that help me to efficiently manage my financial transactions
- Knows me and my business
- Deals in a transparent, straight-forward manner
- Provides quality responses to requests
- Simplifies fee structure

▲ ▼ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Colorado market with less than \$10 million in annual revenue.



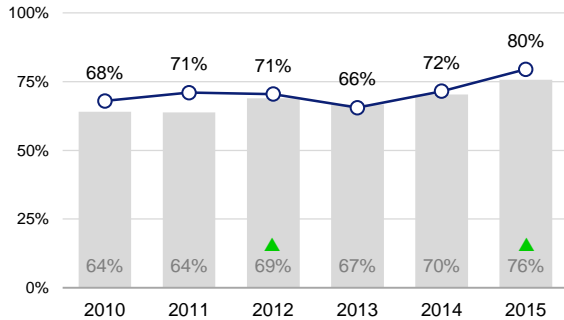
# Colorado Market Profile

○ Colorado ■ National

## BUSINESS CONDITIONS

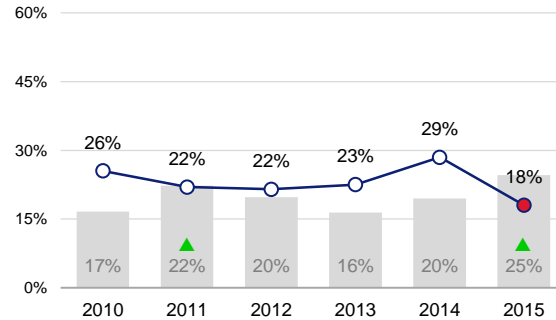
### Financial Health

Describe the financial health of their business as good, very good or excellent



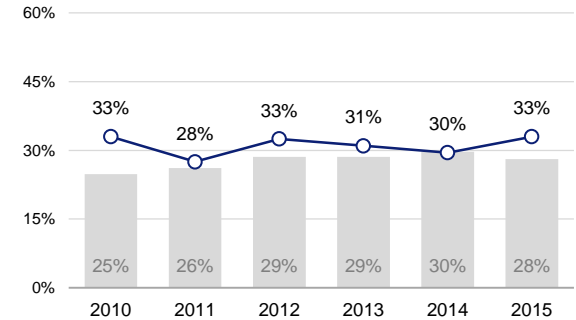
### Hiring

Expect to increase the number of people working for them over the next 12 months



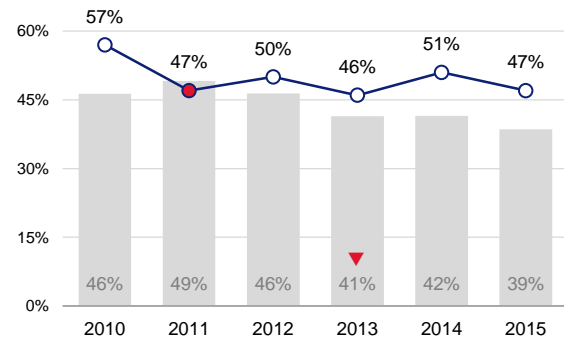
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



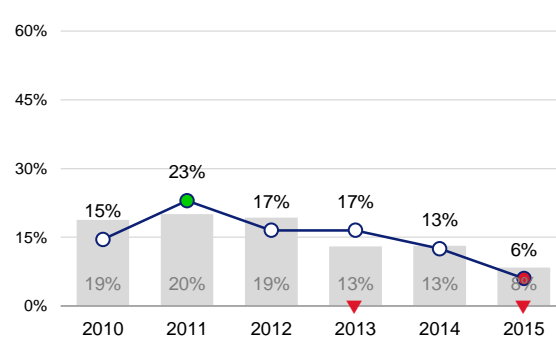
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



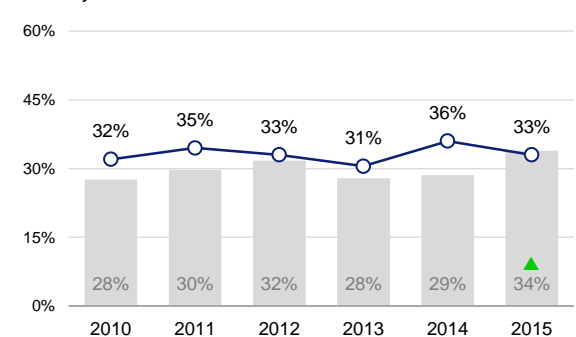
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year

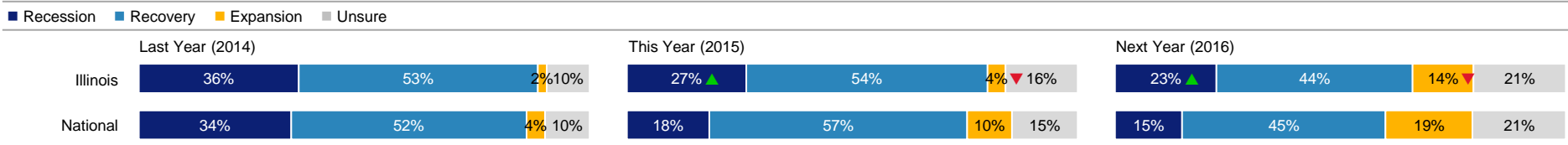


■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Colorado market with less than \$10 million in annual revenue.



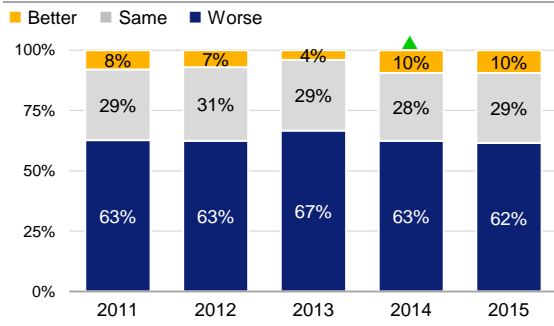
# Illinois Market Profile

## NATIONAL ECONOMIC OUTLOOK

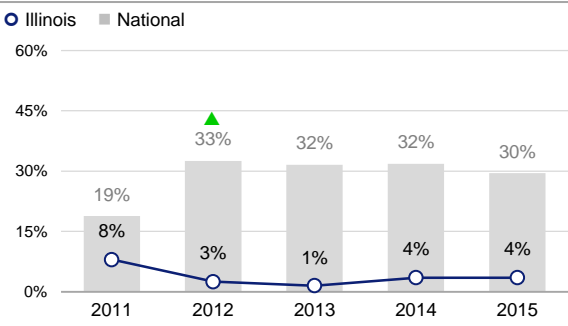


## STATE ECONOMIC OUTLOOK

### How conditions in state compare to rest of country



### Percent who say state is stronger than U.S. economy overall



### Reasons for feeling **better** about conditions in state

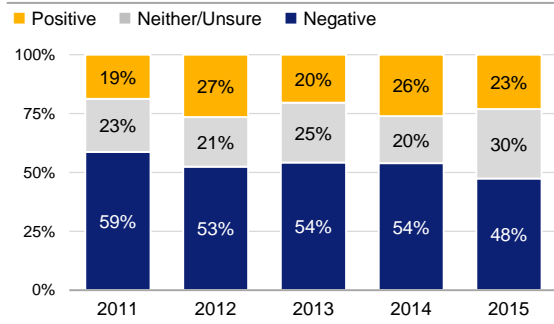
(No significant reasons cited)

### Reasons for feeling **worse** about conditions in state

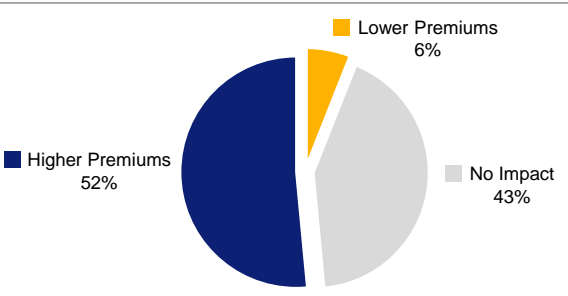
- ▲ Taxes are higher
- ▲ Poor government planning or budgeting

## HEALTHCARE LEGISLATION

### Long-term impact of Affordable Care Act on small business



### Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

### Top 5 expectations from their business bank

- Offers services that help me to efficiently manage my financial transactions
- Knows me and my business
- Adjusts to meet my individual needs
- Simplifies fee structure
- Deals in a transparent, straight-forward manner

▲ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Illinois market with less than \$10 million in annual revenue.



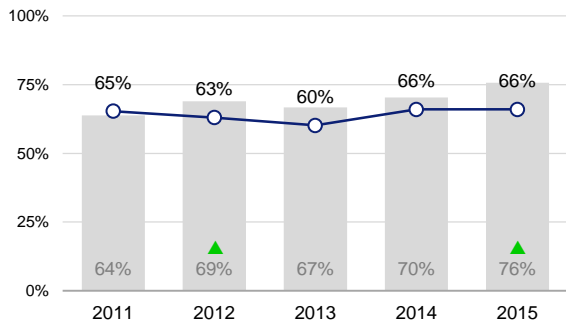
# Illinois Market Profile

○ Illinois ■ National

## BUSINESS CONDITIONS

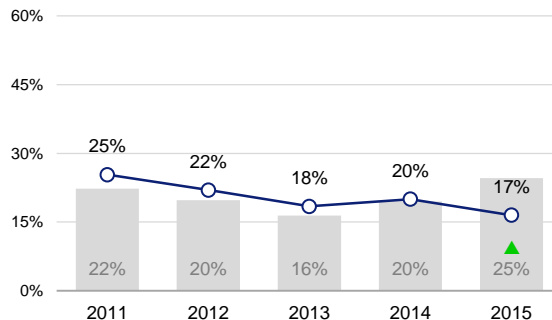
### Financial Health

Describe the financial health of their business as good, very good or excellent



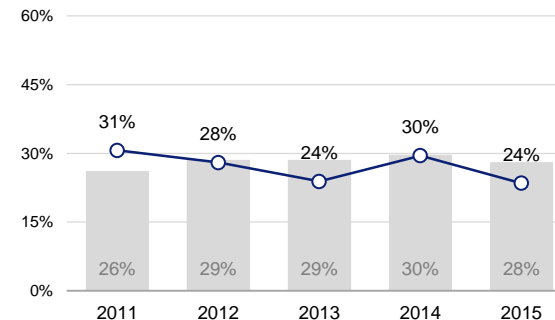
### Hiring

Expect to increase the number of people working for them over the next 12 months



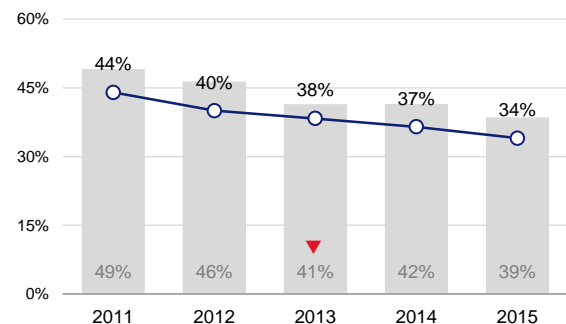
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



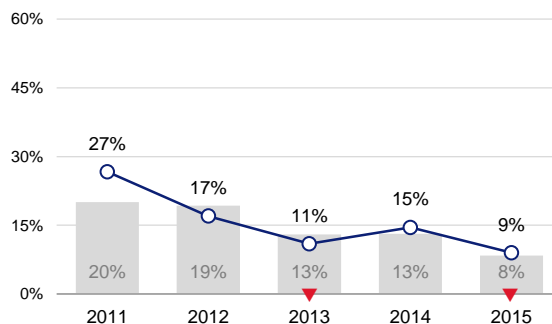
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



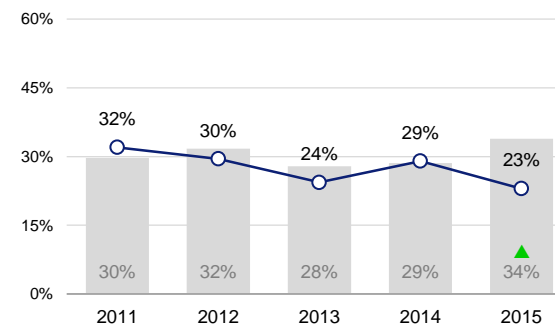
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



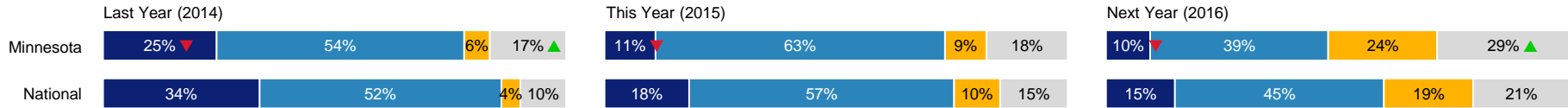
■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Illinois market with less than \$10 million in annual revenue.



# Minnesota Market Profile

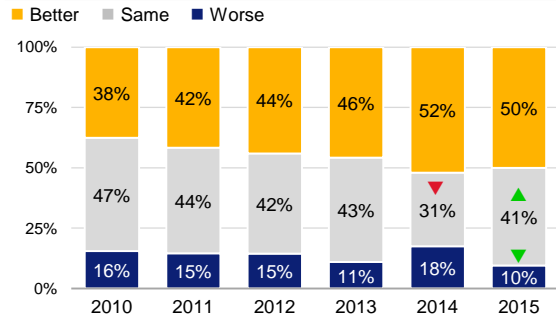
## NATIONAL ECONOMIC OUTLOOK

■ Recession ■ Recovery ■ Expansion ■ Unsure

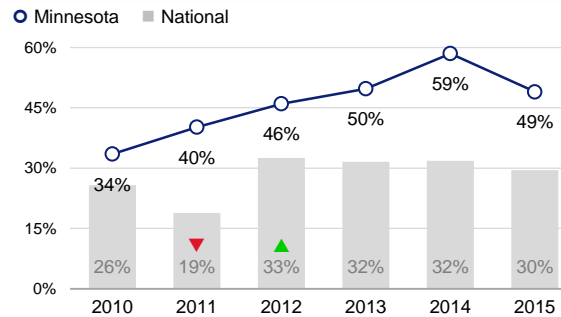


## STATE ECONOMIC OUTLOOK

How conditions in state compare to rest of country



Percent who say state is stronger than U.S. economy overall



Reasons for feeling **better** about conditions in state

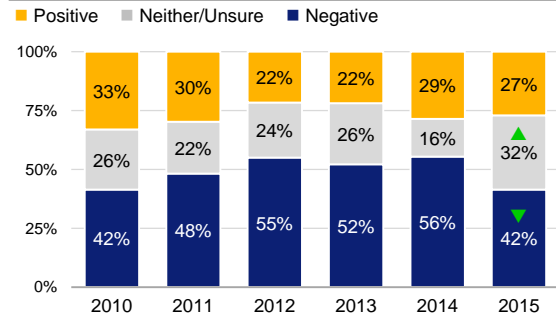
▲ Lower unemployment/higher wages

Reasons for feeling **worse** about conditions in state

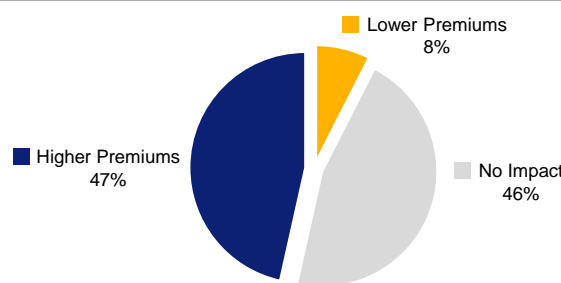
▲ Taxes are higher

## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Deals in a transparent, straight-forward manner
2. Knows me and my business
3. Adjusts to meet my individual needs
4. Provides quality responses to requests
5. Offers services that help me to efficiently manage my financial transactions

▲ ▼ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 200 small business owners in the Minnesota market with less than \$10 million in annual revenue.



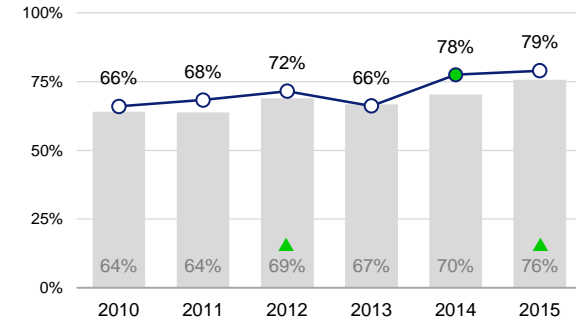
# Minnesota Market Profile

## BUSINESS CONDITIONS

○ Minnesota ■ National

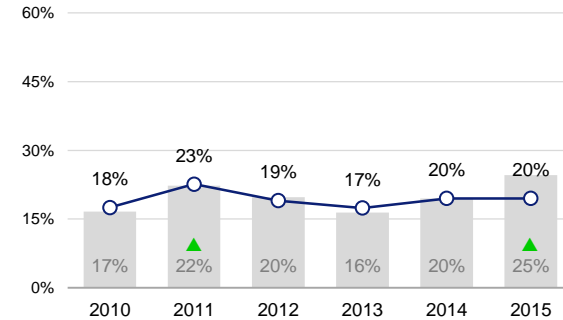
### Financial Health

Describe the financial health of their business as good, very good or excellent



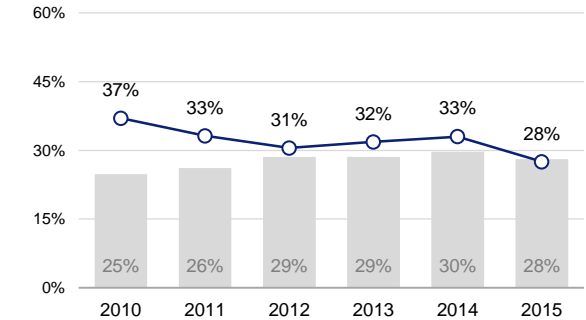
### Hiring

Expect to increase the number of people working for them over the next 12 months



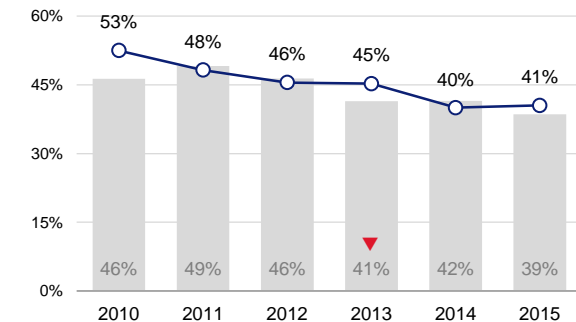
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



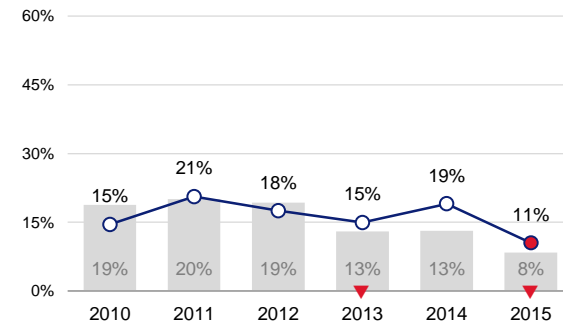
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



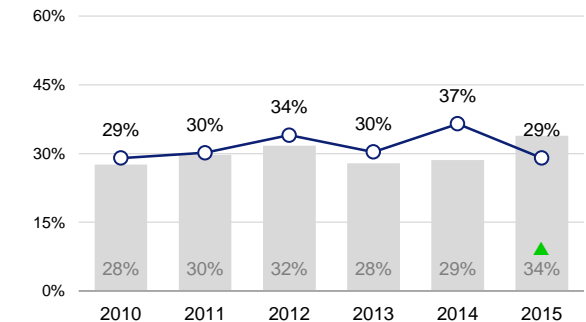
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



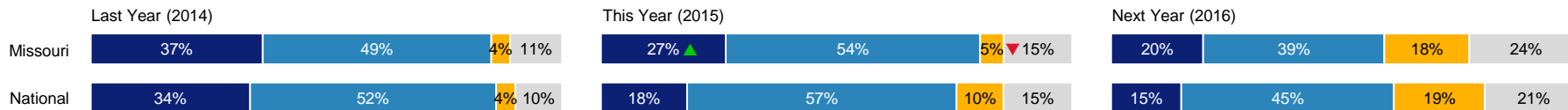
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# Missouri Market Profile

## NATIONAL ECONOMIC OUTLOOK

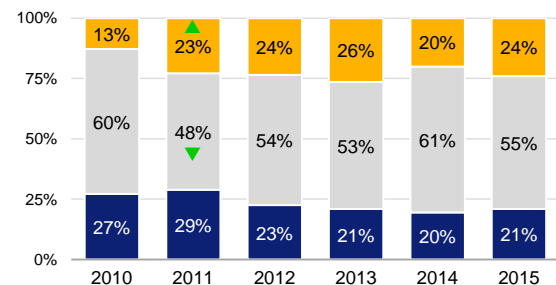
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

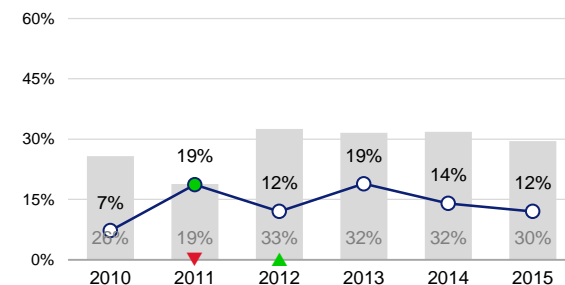
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Missouri ■ National



Reasons for feeling **better** about conditions in state

(No significant reasons cited)

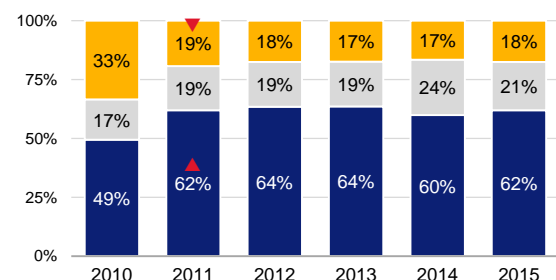
Reasons for feeling **worse** about conditions in state

(No significant reasons cited)

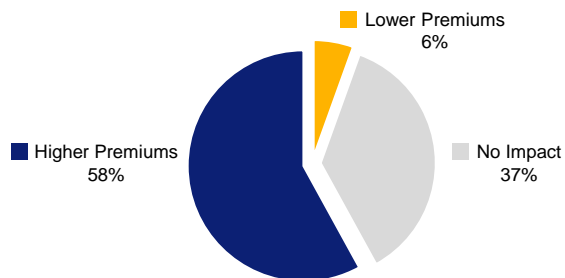
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Knows me and my business
2. Adjusts to meet my individual needs
3. Deals in a transparent, straight-forward manner
4. Offers services that help me to efficiently manage my financial transactions
5. Provides quality responses to requests

▲ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Missouri market with less than \$10 million in annual revenue.





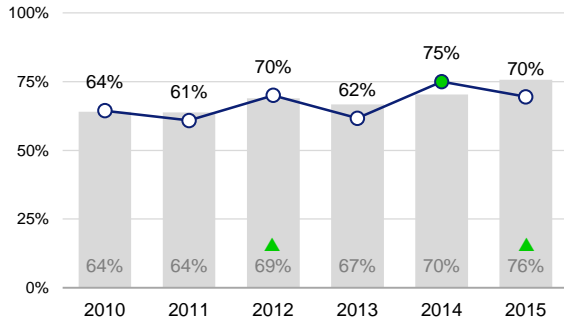
# Missouri Market Profile

○ Missouri ■ National

## BUSINESS CONDITIONS

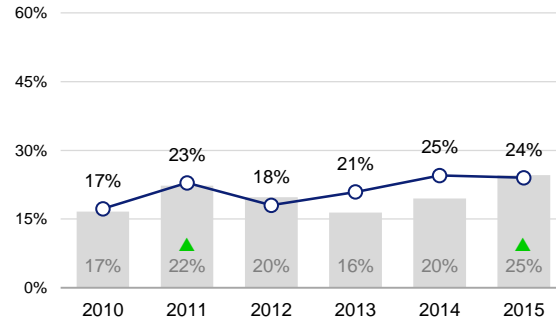
### Financial Health

Describe the financial health of their business as good, very good or excellent



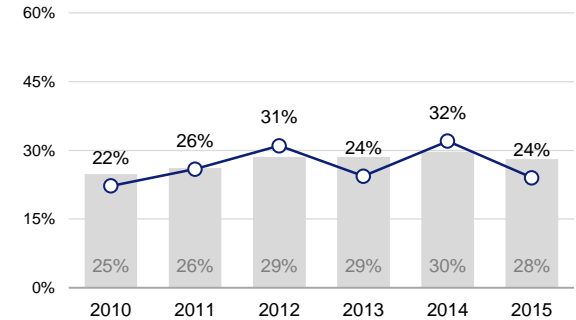
### Hiring

Expect to increase the number of people working for them over the next 12 months



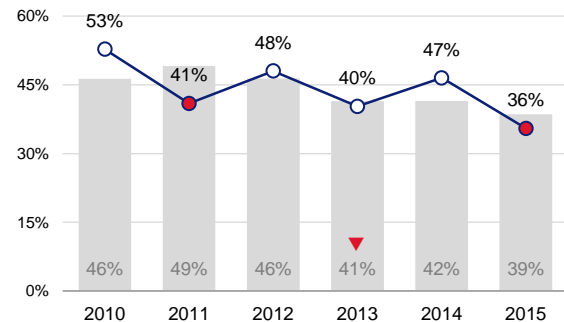
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



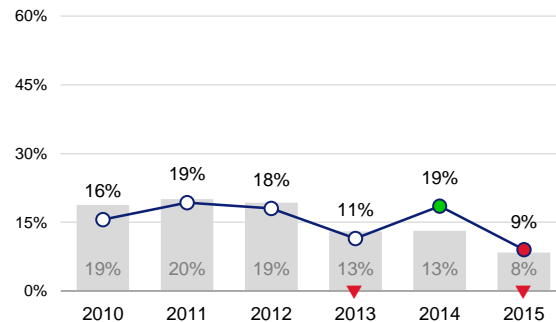
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



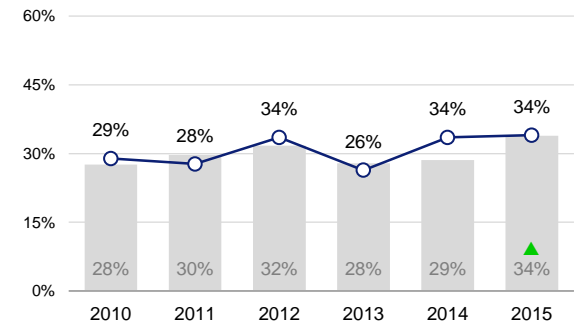
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



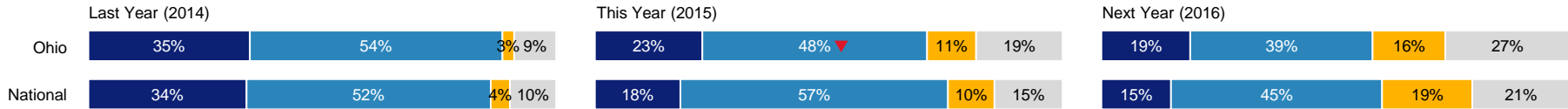
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# Ohio Market Profile

## NATIONAL ECONOMIC OUTLOOK

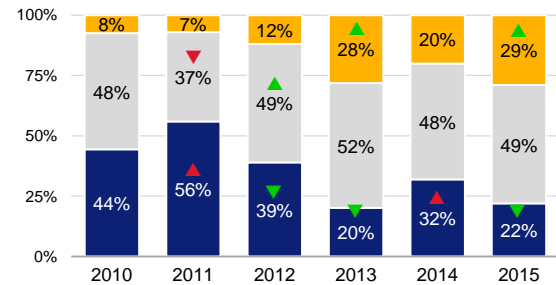
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

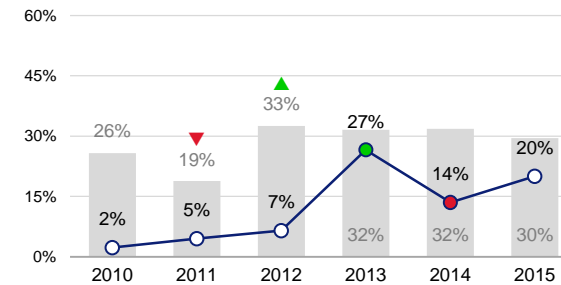
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Ohio ■ National



Reasons for feeling **better** about conditions in state

(No significant reasons cited)

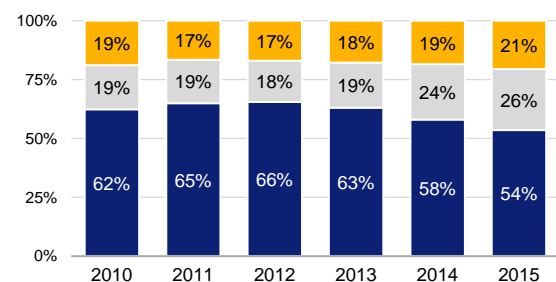
Reasons for feeling **worse** about conditions in state

(No significant reasons cited)

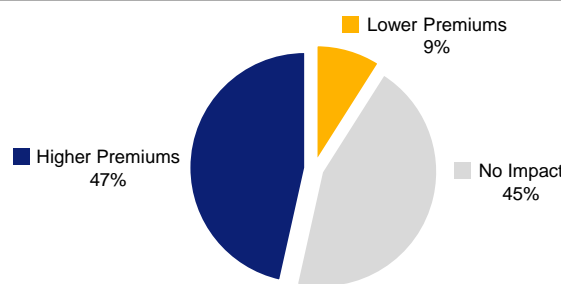
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Knows me and my business
2. Deals in a transparent, straight-forward manner
3. Offers services that help me to efficiently manage my financial transactions
4. Simplifies fee structure
5. Adjusts to meet my individual needs

■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Ohio market with less than \$10 million in annual revenue.



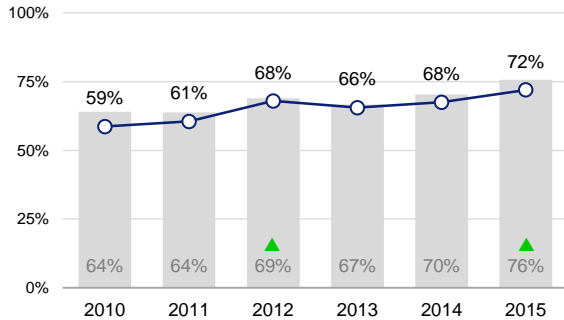
# Ohio Market Profile

○ Ohio ■ National

## BUSINESS CONDITIONS

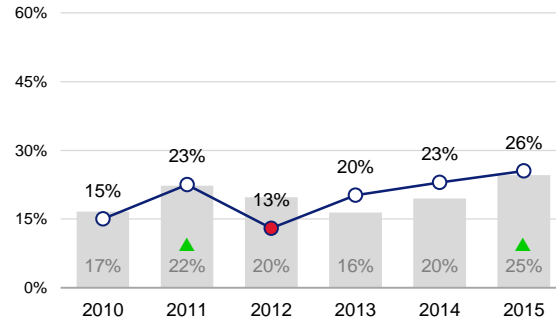
### Financial Health

Describe the financial health of their business as good, very good or excellent



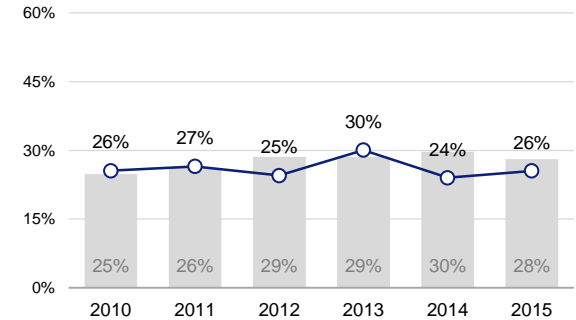
### Hiring

Expect to increase the number of people working for them over the next 12 months



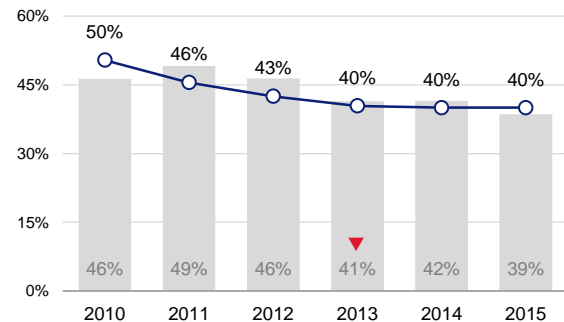
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



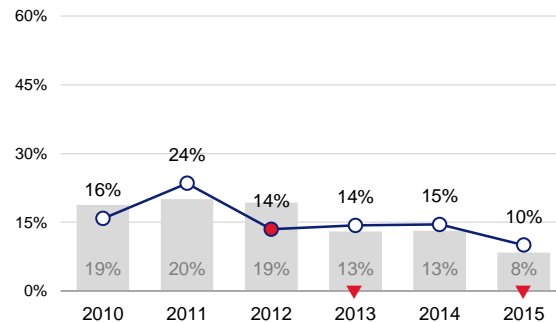
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



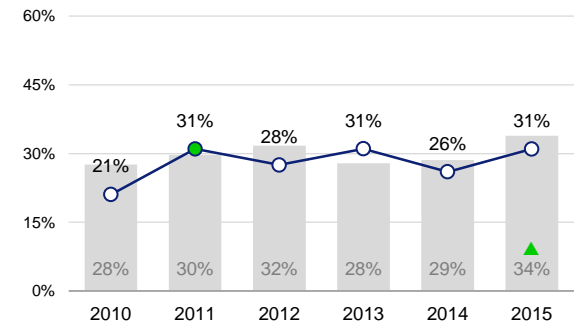
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



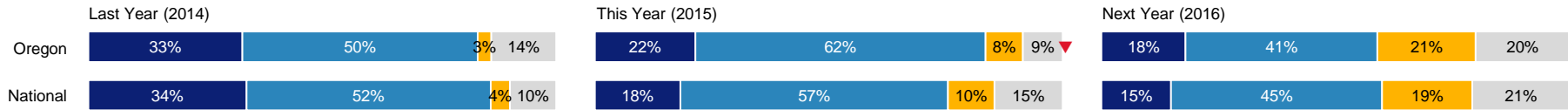
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# Oregon Market Profile

## NATIONAL ECONOMIC OUTLOOK

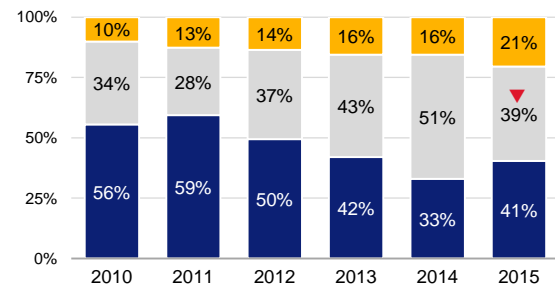
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

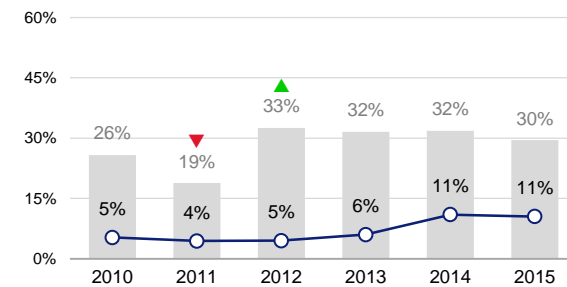
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Oregon ■ National



Reasons for feeling **better** about conditions in state

(No significant reasons cited)

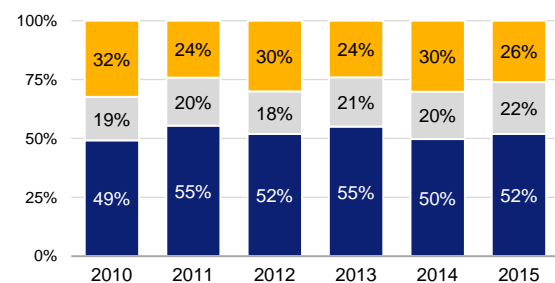
Reasons for feeling **worse** about conditions in state

▲ Too many regulations

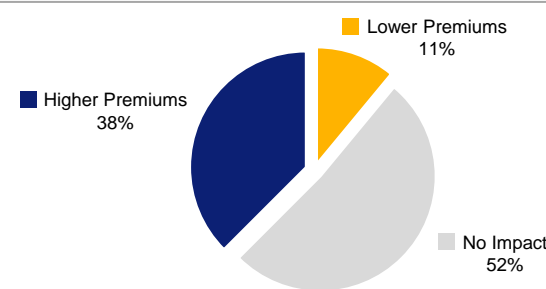
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Offers services that help me to efficiently manage my financial transactions
2. Provides quality responses to requests
3. Deals in a transparent, straight-forward manner
4. Knows me and my business
5. Simplifies fee structure

■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Oregon market with less than \$10 million in annual revenue.



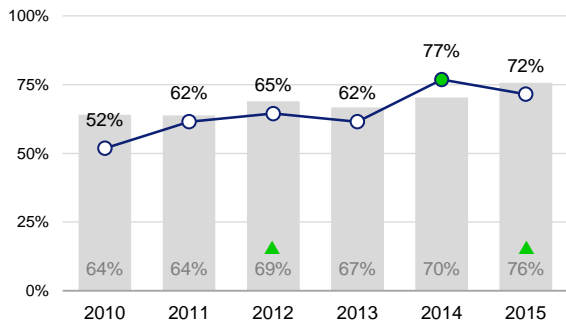
# Oregon Market Profile

## BUSINESS CONDITIONS

○ Oregon ■ National

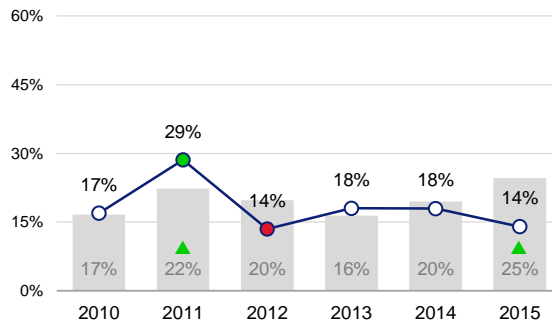
### Financial Health

Describe the financial health of their business as good, very good or excellent



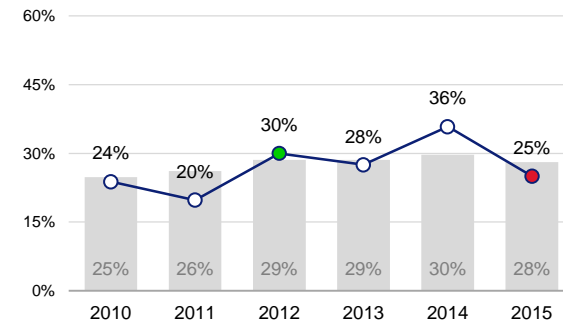
### Hiring

Expect to increase the number of people working for them over the next 12 months



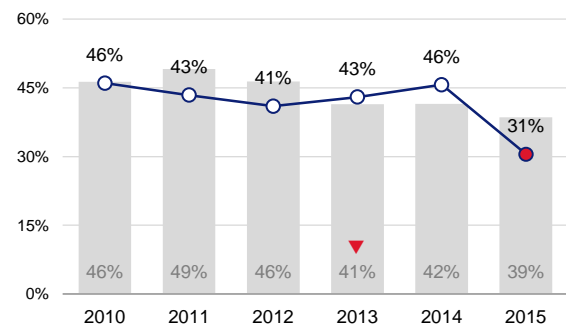
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



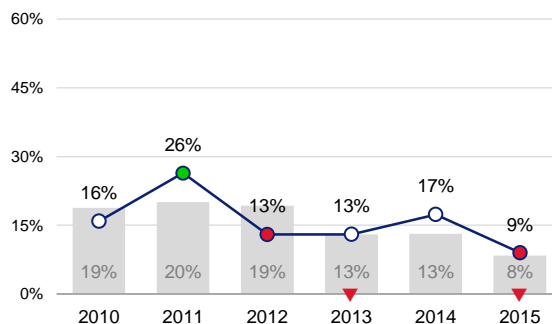
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



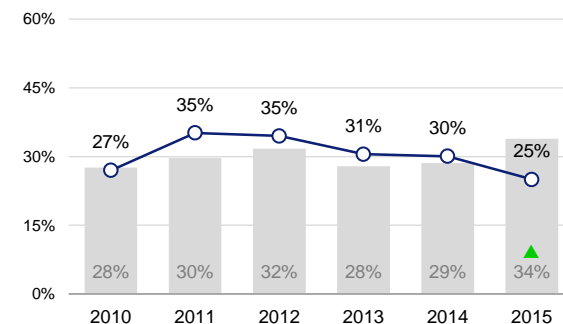
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



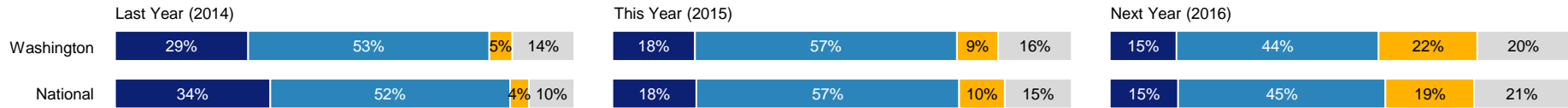
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# Washington Market Profile

## NATIONAL ECONOMIC OUTLOOK

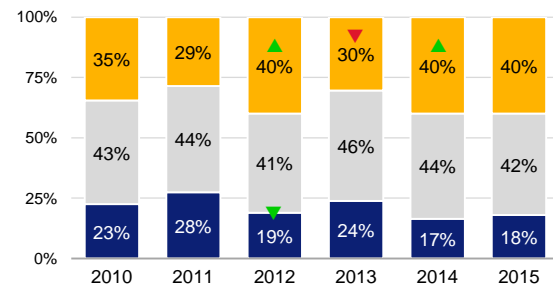
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

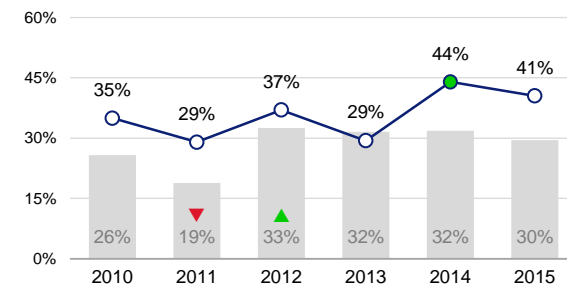
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Washington ■ National



Reasons for feeling **better** about conditions in state

▲ Area shielded from the recession by strong local industry

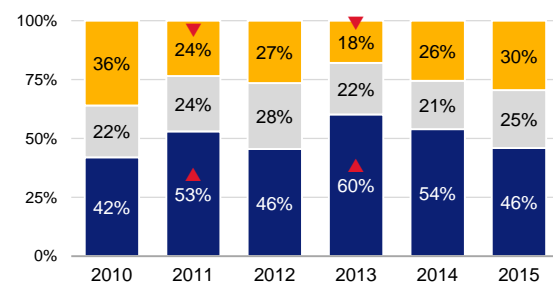
Reasons for feeling **worse** about conditions in state

▲ Taxes are higher

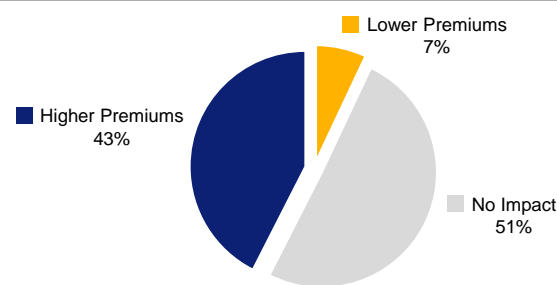
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Deals in a transparent, straight-forward manner
2. Simplifies fee structure
3. Offers services that help me to efficiently manage my financial transactions
4. Provides quality responses to requests
5. Knows me and my business

▲ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Washington market with less than \$10 million in annual revenue.



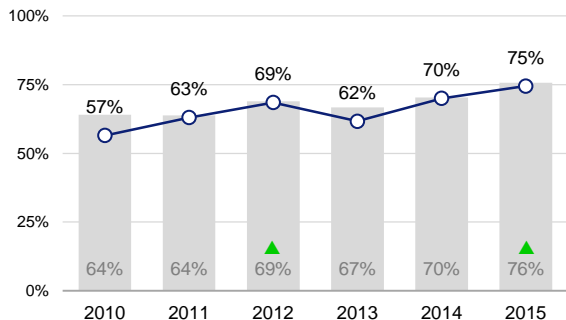
# Washington Market Profile

○ Washington ■ National

## BUSINESS CONDITIONS

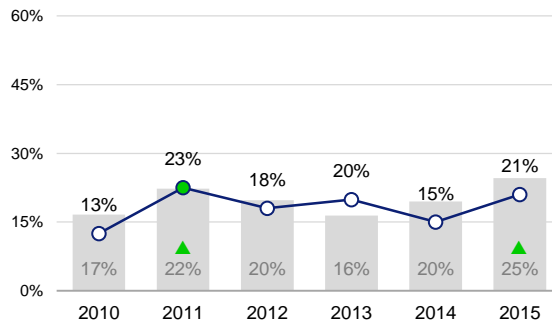
### Financial Health

Describe the financial health of their business as good, very good or excellent



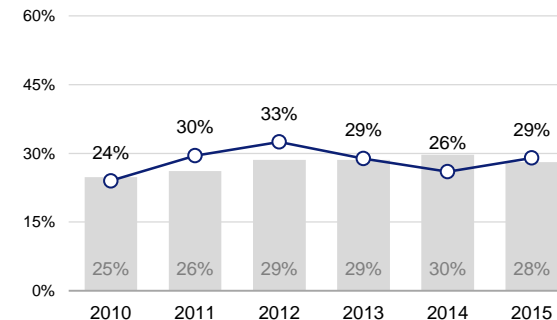
### Hiring

Expect to increase the number of people working for them over the next 12 months



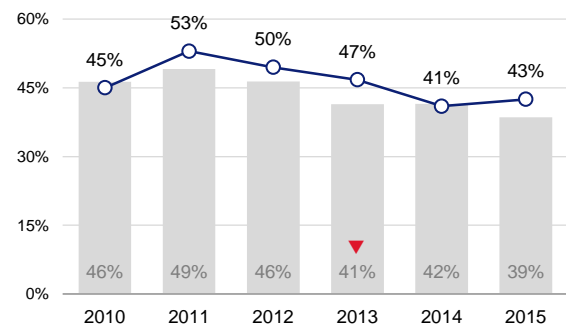
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



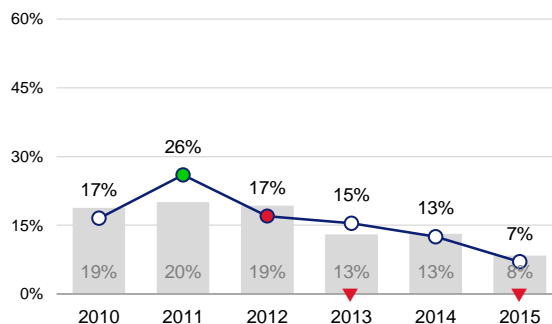
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



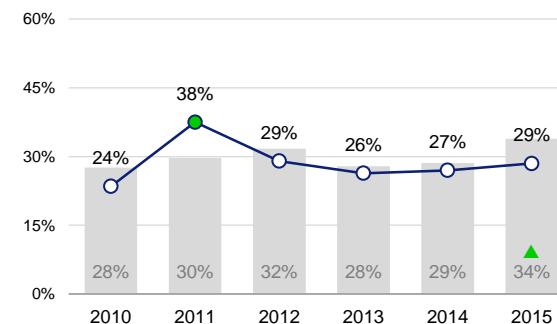
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



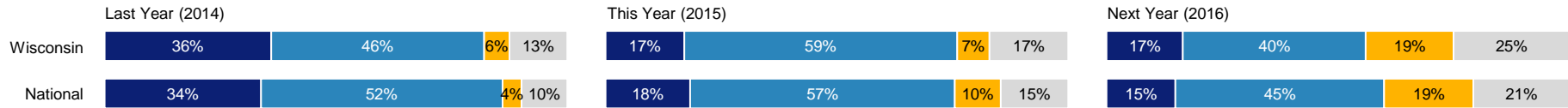
■ = Statistically significant change to prior year or national result at 95% confidence. The sixth annual U.S. Bank Small Business Survey was conducted in January 2015 among 1,000 national small business owners across U.S. Bank's 25-state footprint and 196 small business owners in the Washington market with less than \$10 million in annual revenue. © 2015 U.S. Bancorp. All Rights Reserved.



# Wisconsin Market Profile

## NATIONAL ECONOMIC OUTLOOK

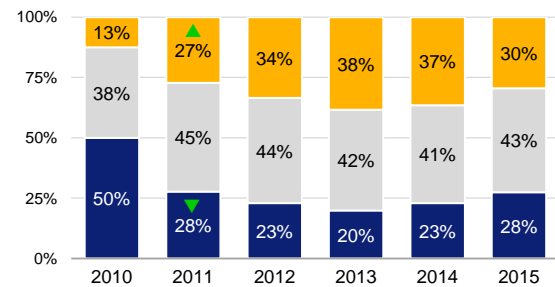
■ Recession ■ Recovery ■ Expansion ■ Unsure



## STATE ECONOMIC OUTLOOK

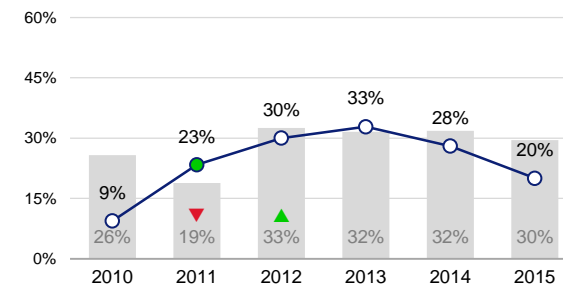
How conditions in state compare to rest of country

■ Better ■ Same ■ Worse



Percent who say state is stronger than U.S. economy overall

○ Wisconsin ■ National



Reasons for feeling **better** about conditions in state

▲ Better government planning or budgeting

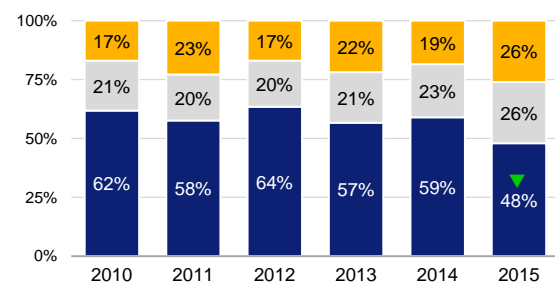
Reasons for feeling **worse** about conditions in state

▲ Poor government planning or budgeting

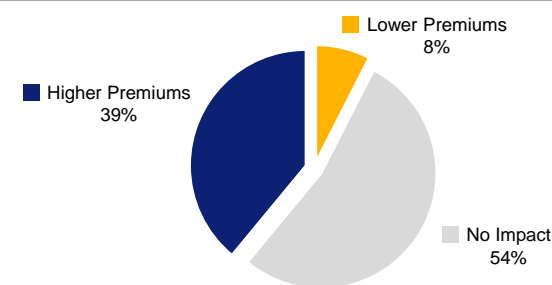
## HEALTHCARE LEGISLATION

Long-term impact of Affordable Care Act on small business

■ Positive ■ Neither/Unsure ■ Negative



Impact of legislation on business' health insurance premiums



## BANKING RELATIONSHIP

Top 5 expectations from their business bank

1. Knows me and my business
2. Offers services that help me to efficiently manage my financial transactions
3. Deals in a transparent, straight-forward manner
4. Adjusts to meet my individual needs
5. Makes money more available (e.g. loans, business credit cards, cash flow in crisis, etc.)

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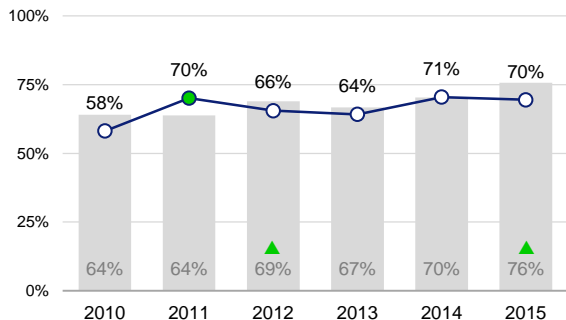
# Wisconsin Market Profile

## BUSINESS CONDITIONS

○ Wisconsin ■ National

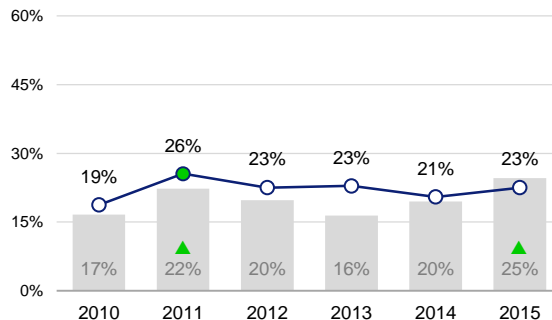
### Financial Health

Describe the financial health of their business as good, very good or excellent



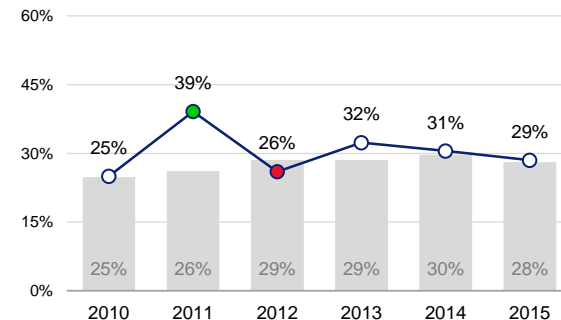
### Hiring

Expect to increase the number of people working for them over the next 12 months



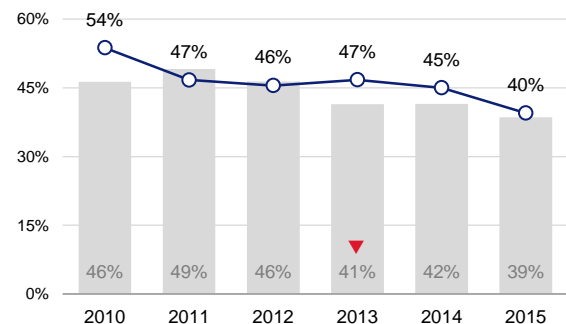
### Annual Revenue | Last 12 Months

Report higher revenue this year compared to last year



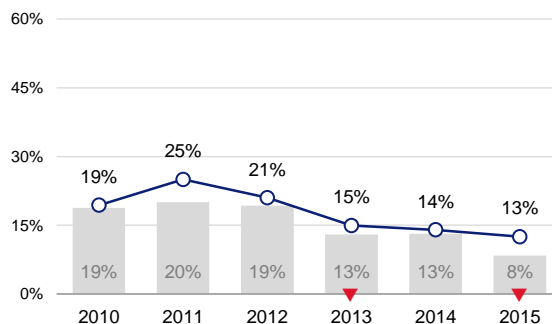
### Forecasted Revenue | Next 12 Months

Expect revenue to be higher at this time next year



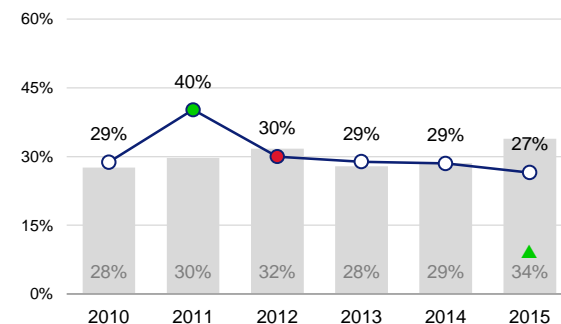
### Borrow Money

Borrowed money or tried to borrow money for business purposes over the last 6 months



### Capital Expenditures

Likely to make a capital expenditure to expand their business in the next year



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# Survey Demographics

Years in Business	
1-2 years	12%
3-4 years	12%
5-9 years	14%
10-19 years	19%
20 or more years	42%

Number of Employees	
Sole proprietors	22%
2-4 employees	23%
5-19 employees	18%
20-49 employees	9%
50-99 employees	5%
100 or more employees	22%

Annual Revenue	
Less than \$100,000	39%
\$100,000-\$499,000	27%
\$500,000-\$999,000	9%
\$1.0-\$4.9 million	14%
\$5.0 million or more	11%

Type of Business	
Personal Services	23%
All Other	15%
Hospitality	11%
Sales	10%
Financial Services	10%
Large Trades	9%
Consulting	8%
Computer Technology	5%
Marketing	4%
Small Trades	3%
Agricultural/Farming	3%

Military Service	
No Military Service	89%
Military Veterans	11%

Employment Type	
100% Part-Time	7%
More Part-Time than Full-Time	23%
More Full-Time than Part-Time	42%
100% Full-Time	28%

Location	
Suburban	45%
Urban	32%
Rural	23%

Age	
18-34 years	27%
35-44 years	26%
45-54 years	20%
55-64 years	19%
65 years and over	9%

Gender	
Male	49%
Female	51%

Race*	
White	89%
Asian	6%
Hispanic	4%
African American	3%
Other	3%

\* Multiple responses allowed. Other includes American Indian and Native Hawaiian or Pacific Islander. Percentages net of refusals to answer and blank responses; datasets not totaling 100% are due to rounding.

