



SMALL BUSINESS SENTIMENT SURVEY

Innovation
Branding
Solutions
Marketing
Analysis
Team
Success
Management

SUMMER 2019

The Small Firms Association's Business Sentiment Survey tracks key trends in the small business sector.

It is based on responses provided by SFA member companies (less than 50 employees) across all sectors and in all parts of the country.

In May 2018, small business sentiment was 53% and has decreased to 45% in May 2019. Despite this decline in sentiment small business owners are optimistic about the second half of 2019. The majority of respondents reported plans to invest in their business, take on additional staff and increase wage rates in the next 12 months. Small business owners described their businesses as growing at present, reflecting the continued growth in the Irish domestic economy. These positive outlooks provide some relief to the still uncertain but troubling degree of risk posed by Brexit.

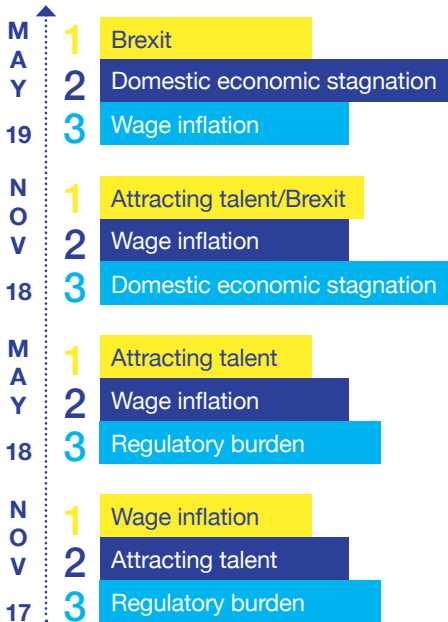
BUSINESS ENVIRONMENT



● Improving ● Staying the same ● Declining

Small business owners' confidence has decreased over the past six months, with 45% now believing that the business environment is improving. This is the first time sentiment has dropped below 50% in the Small Business Sentiment Survey.

BIGGEST RISKS



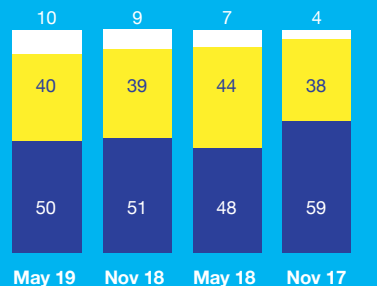
Brexit was identified as the number one threat to small businesses at this time. The six months of additional time given to the Brexit process has left small businesses to manage the rolling, costly uncertainty.

BIGGEST OPPORTUNITIES



Domestic economic growth continues to be the primary driver of business opportunities. Many small companies are also diversifying their product offering currently.

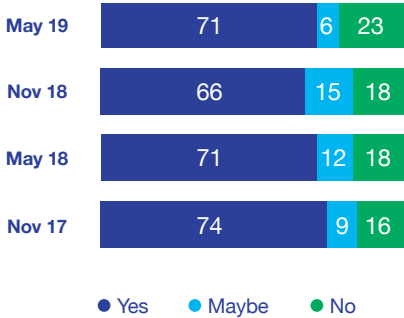
CURRENT BUSINESS PERFORMANCE



● Growing ● Maintaining ● Declining

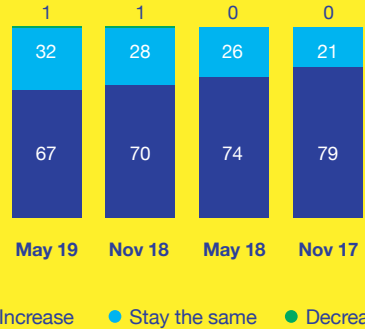
Half of respondents said their businesses are growing. The number of respondents telling us that their business is declining continues to rise.

INTENTION TO INVEST



Investment intentions by small businesses remained unchanged at 71% between May 2018 and May 2019. The rise in respondents telling us that they have no intention to invest is particularly worrying.

INTENTION RE SALARY / WAGES



Where the performance of the business and the individual allows, survey respondents intend to award pay rises over the coming year.



INTENTION TO RECRUIT

Small firms will continue to recruit in 2019. However, ongoing capacity constraints in the labour market could challenge small firms' plans to recruit over the next 12 months.



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