

Pie Insurance Presents:

The 2024 Small Business Outlook Report





We founded Pie Insurance in 2017 with the mission to enable small businesses to thrive by making commercial insurance affordable and as easy as Pie. We saw firsthand the inequitable experience that small businesses had when shopping for commercial insurance and we set out to do it better. We created an insurance solution built for small businesses—one that’s simple, fair, and affordable. We meet small business owners where they are, whether that be directly, through a trusted insurance agent, or through their payroll provider.

Small businesses are vital to not only the entire U.S. economy but also to our local communities, friends, and families. We created this report with the purpose of better understanding the very unique concerns and challenges facing small businesses heading into 2024, and how we as insurers and the partner agents who serve them, can help them make next year the best one yet.

Further, many of Pie’s small businesses are skilled trades workers - your local plumber, landscaper, roofer and construction worker. They are faced with the reality of an aging workforce and a talent shortage to replace those reaching retirement. This survey places a magnifying lens on their world and helps us better understand how we can support them in years to come.

We hope you enjoy reading through our findings. Don’t forget to support your local small businesses this holiday season and cheers to 2024 being your best year yet!

-John Swigart and Dax Craig

Co-founders of Pie Insurance



American small business owners are backed by a strong workforce and a positive outlook, despite economic fears.



At a glance:

- 59% of small business owners are apprehensive about the economy
- 78% of small businesses report that they are adequately staffed
- 67% of skilled trade small business owners express concern about a talent shortage in their industry
- 89% of small business owners, and 91% of skilled trades, report that their business brings them joy

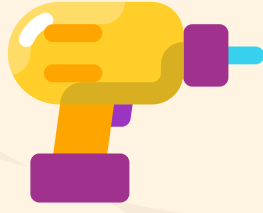
We found that American small business owners are finding solace in the strength of their workforce and maintaining a positive outlook as we approach 2024, despite the looming fears about the economy.

The economic concerns are notable, with 59% of small business owners expressing apprehension about the economic environment in the coming year. Among the most concerned are skilled trade business owners, with a substantial 66% expressing worry. However, the small business community seems to be more focused on these economic concerns, as other worries like employee retention and recruitment (10%), real estate costs (7%), policy changes (7%), and technology concerns (6%) take a back seat.



2022 marked the year of "The Great Resignation," but the tide has turned in 2023, with small businesses bouncing back and displaying clear signs of recovery. The majority of small business owners are content with their current staffing situation, with a reassuring 78% reporting that they are adequately staffed. Only one-fifth of business owners find themselves grappling with understaffing issues heading into 2024(22%).

91%

of skilled trade business owners find happiness in their entrepreneurial pursuits. 

For skilled trade businesses, attracting talent has always been a unique challenge due to the need for specialization and training. Three-quarters of skilled trade employees (67%) have been concerned about a talent shortage in their industries. However, the tide has turned, and this year, a substantial 77% of them reported that they are adequately staffed. Looking ahead to 2024, a significant portion (18%) plans to invest more resources into hiring the right staff.

Amid these challenges and concerns, optimism shines brightly on the horizon. An overwhelming 89% of business owners report that their small businesses bring them joy all or most of the time. This sense of joy is even more pronounced among skilled trade business owners, where 91% find happiness in their entrepreneurial pursuits. Despite the economic uncertainties, these statistics underscore the resilience and determination of American small business owners to navigate the path ahead.

89%

of business owners report that their small businesses bring them joy all or most of the time.



"I'm so delighted to see that an overwhelming majority of small business owners reported that their work brings them joy all or most of the time. It's a testament to the enduring passion and positivity of small business owners across America. While they will face challenges ahead, I'm cautiously optimistic that 2024 will bring small businesses further relief from the difficult pandemic period behind us."

John Swigart
CO-FOUNDER AND CEO OF PIE



As small businesses continue to grow, so does their emphasis on workplace safety — there is more work to be done.



At a glance:

- 25% of small businesses don't feel secure in their understanding or workers' compensation coverage and regulations
- 21% of small business owners wish they'd emphasized workplace safety more during the start of their business

As small businesses continue to grow and thrive, their commitment to workplace safety is steadily increasing. 2023 saw remarkable progress in this area, with only a mere 2% of business owners citing workplace safety as their top concern moving into 2024. This demonstrates the strides that small businesses have made in prioritizing the well-being of their employees.

It's reassuring to note that a significant majority of small business owners feel secure in their workers' compensation coverage and their understanding of proper regulation. Specifically, 85% of larger businesses, those with 50-500 employees, believe that their needs in this regard are being met. However, there is room for improvement, especially among smaller businesses with 2-9 employees, where only 75% share this sentiment.



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of small business owners with 2-9 employees do not believe that their workers' compensation coverage needs are being met.

While the majority of business owners report that their employees have a good grasp of OSHA workplace safety rules (83%), more than one-fifth (21%) of small business owners wish they had placed a greater emphasis on workplace safety during their early years of operation. This realization underscores the importance of building a strong foundation in workplace safety practices right from the start.

Large and more established businesses tend to have a better understanding of OSHA's workplace safety rules, thanks to their increased resources. For example, 88% of small businesses with 50-500 employees feel confident in their staff's understanding, while this number decreases to 85% for businesses with 10-49 employees and further drops to 79% for those with 2-9 employees. This suggests that for smaller and newer businesses, there is still work to be done in enhancing workplace safety knowledge.

The positive growth trajectory of workplace safety in small businesses can continue with increased education, training, and resources. By recognizing the importance of workplace safety from the outset and seeking support from knowledgeable agencies, small businesses can ensure the safety and well-being of their employees while thriving and expanding.



"The survey data highlights the growing emphasis on workplace safety among small businesses as they expand. This trend is promising, but it also underscores the importance of insurers and insurance agents alike partnering with their clients to ensure they have the right coverage to protect their growing workforce."



Dimitrius King
CHIEF CLAIMS OFFICER AT PIE



America's skilled trade workers are concerned about their workforce reaching retirement age.

As skilled tradespeople age, a looming talent shortage is a top concern.



At a glance:

- 60% of small business owners are concerned about an impending talent shortage due to an aging workforce
- 85% of skilled trades report facing challenges with talent attraction and retention
- 41% of small business owners are worried about the aging workforce's ability to adapt to changes in technology
- 23% of small business owners do not have a succession plan in place

America's skilled trade workers are grappling with a pressing concern—the aging of their workforce. This demographic shift is creating a looming talent shortage, and it's a matter of paramount importance for skilled trade business owners.

A significant 67% of them believe that skilled trade workers reaching retirement age will inevitably lead to this talent shortage. What's more, almost half of small businesses (43%) share the apprehension that younger generations may have limited interest in joining the industry, adding another layer of complexity to this challenge.

The aging workforce is a more acute concern for skilled trade business owners when compared to other types of businesses.



A solid 60% of small businesses, across various industries, express concern about a talent shortage resulting from an aging workforce. This statistic is particularly concerning because currently, 85% of skilled trades report facing challenges with talent attraction and retention, highlighting the urgency of the situation. 21% of skilled trades admit to being understaffed, even though very few (only 5%) of small businesses are worried about the availability of entry-level talent in the workforce. This emphasizes the broader worry about limited interest from younger generations in joining these industries.

23%

of small business owners do not have a succession plan in place.

In addition, 41% of small business owners are most concerned about the aging workforce's ability to adapt to changing technologies. However, there is a silver lining, as only 4% of skilled trades have concerns about technology negatively impacting their business in 2024. The primary tech-related concern arises from the potential for older generations of workers to struggle to keep pace with these rapidly evolving technologies.

Beyond these concerns, there are other noteworthy worries, such as limited interest from younger generations to join the industry (35%), potential injuries like falls and slips (12%), and issues related to alertness and forgetfulness (11%).



"It's essential to address the apprehension around limited interest from younger generations in joining skilled trades. The fact that 43% of small business owners share this concern is a call to action for us all. We must collectively work to showcase the opportunities and benefits of skilled trades to attract fresh talent. As insurers, we can support these industries by protecting their businesses and taking the hard work out of insurance, enabling them to focus on growing their business for a sustainable future."

Dax Craig
CO-FOUNDER AND PRESIDENT OF PIE





The survey findings unveil an interesting paradox. Economic concerns, talent shortages, and succession planning continue to worry small business owners as we head into 2024. However, their inherent strength and optimism shine through and they continue to find joy in their work, day in and day out.

This juxtaposition is a testament to the uncrushable spirit of small businesses across the country and one of the many reasons we love working with you to serve this audience at Pie. They are problem solvers and want to forge ahead, no matter the circumstances around them. We look forward to supporting you and your small business clients in making **2024 the best year yet.**



Agents, are you ready to partner
with Pie Insurance?

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Methodology

This Small Business CARAVAN survey was conducted by Big Village for Pie Insurance among a sample of 1,003 adults who are owners or partners of U.S. businesses with 2-500 employees. This survey was live on October 4-17, 2023.

Respondents for this survey were selected from among those who have volunteered to participate in online surveys and polls. All sample surveys and polls may be subject to multiple sources of error, including, but not limited to sampling error, coverage error, error associated with nonresponse, and error associated with question wording and response options.

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