

EXAMINING THE IMPACT OF TECHNOLOGY ON SMALL BUSINESS

How Small Businesses Use Social Media and Digital Platforms to Grow, Sell, and Hire JANUARY 18, 2018







CONTRIBUTORS



MORNING CONSULT

facebook

ABOUT C_TEC

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions. Three years ago, the U.S. Chamber of Commerce launched the Chamber Technology Engagement Center (C_TEC) to advance technology's role in strengthening business by leveraging tech innovations that drive economic growth in the U.S. C_TEC promotes policies that foster innovation and creativity and sponsors research to inform policymakers and the public.

ABOUT MORNING CONSULT

Morning Consult is a technology and media company that provides survey research tools, data services, and news to organizations in business, marketing, policy, and politics. The company's proprietary brand tracking platform, Morning Consult Brand Intelligence, tracks 1,000 companies, products, and individuals by surveying 5,000 people every day, and the company has worked with more than 150 Fortune 500 companies and leading industry trade associations. The company was established in 2013 and is based in Washington, D.C., with additional offices in New York New York

ABOUT FACEBOOK

Founded in 2004, Facebook's mission is to give people the power to build community and bring the world closer together. People use Facebook to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them.

EXECUTIVE SUMMARY

This paper examines the results of two business surveys:

- 1. A national poll of 1,000 small businesses and 50 state-level polls of 100 small businesses; and
- 2. A national consumer poll of more than 5,000 adults on the perceived benefits of digital platforms on business and employment outcomes.

Examining the use of digital platforms as a whole in the United States, the national small business survey finds that the use of digital platforms by small enterprises is ubiquitous:

- 1. 84% of small enterprises are using at least one major digital platform to provide information to customers;
- 2. 80% are using at least one major platform to show products and services, as well as to advertise;
- 3. 79% are using digital tools to communicate with customers and suppliers; and
- 4. 75% are using tech platforms for sales.

Within the context of the digital ecosystem, examining Facebook as a case study provides a lens into how social media is being used by small businesses throughout the U.S. along two dimensions:

- 1. With more than two billion monthly active users, Facebook's reach provides a substantive example for exploring how small businesses use technology.
- 2. Facebook's ease of use, especially for marketing and sales, provides insights into the importance of intuitive user interfaces.

Of the 1,000 U.S. small businesses surveyed, over 60% reported using Facebook as a tool for their business, of which:

- 1. 32% said they built their business using the platform;
- 2. 42% said they've been able to hire more employees due to growth since joining the platform;
- 3. 56% said they've increased sales because of Facebook;
- 4. 52% said the platform allows them to sell their products and services to other cities, states, or countries; and
- 5. 70% said the platform helps them attract new customers.

In addition to small businesses' use of Facebook as an important tool, the national survey reveals the importance of digital skills to managers in small businesses when hiring:

- 1. 62% of small businesses surveyed stated that digital and social media skills are an important factor when hiring; a higher proportion reported this as a more important consideration than where a candidate attended school.
- 2. 26% of adults in the U.S. also said that they have searched for or found a job using Facebook, revealing that the platform not only helps businesses grow but also serves as a mechanism through which job seekers can find relevant positions.

This research also examines the relationship between social media and a small business' likelihood to trade, finding that firms using Facebook for their business are 1.26 times more likely to export than those who do not use the site.

This finding suggests that Facebook and other digital platforms should collaborate with the policy community to scale access to digital tools among businesses and job seekers, which could facilitate positive economic outcomes across the United States.

INTRODUCTION

Small businesses power American commerce, comprising 99% of firms in the country. By hiring employees, promoting workforce diversity, and fostering increased participation in the global marketplace, small-business owners strengthen local communities as well as the overall U.S. economy (see Appendix 1).

Increasingly, small-business owners count on technology to start and scale their companies. And there is growing evidence that technology supports millions of small businesses in the United States (see Appendix 2). Indeed, everything from the way consumers find and purchase products and services to the way small businesses market and ship their wares is influenced by new technologies.

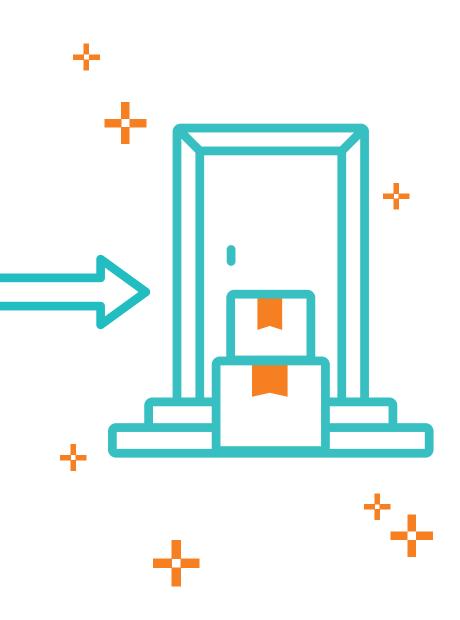
Although there is evidence of the importance of technology for small businesses, the unique role of social networking systems within this ecosystem is less documented.

In order to better understand the impact of digital tools and social media on small businesses in America, the tech policy hub of the U.S. Chamber of Commerce, the Chamber Technology Engagement Center (C_TEC), partnered with Morning Consult, a research and technology firm, and Facebook to explore how small businesses are using social media and digital platforms to grow, sell, and hire.

This paper presents results from national surveys of businesses and consumers on their use of digital tools for business and professional activities. The results indicate that technology is widely used by small businesses across the country. Additionally, a case study of Facebook indicates that small businesses are using social media to grow, hire, and trade.



METHODOLOGY



Morning Consult, a research and technology firm, conducted a series of representative state-level surveys in the U.S. in May 2017, surveying roughly 100 small-business leaders per state, at positions of a C-level executive, vice president, director, or manager, on their use of Facebook and other digital tools for business activities.

The interviews took place online using a stratified sample and Morning Consult conducted the interviews online via desktop and mobile utilizing a number of large survey panels that provided them with access to millions of Americans and individuals employed at small businesses. The survey results were weighted based on the number of employees at the small business, as well as by industry. Both sources of weighting information were obtained at the state level from the U.S. Small Business Administration (Statistics of U.S. Businesses). Survey weights were applied based on company size to the small business sample in order to ensure the proportion of small businesses in the sample matched the true number of small businesses across the U.S. Employees at companies of different sizes and across industries may have quite different patterns of behavior, so the inclusion of these weighting variables reduces the potential for bias. Given lower respondent counts per state in the first round of surveys, the margin of error is +/- 10 percentage points for these state-level results.

The research team conducted a follow-up nationally representative survey in August 2017 of 1,000 random small businesses, also among respondents with a title of manager or higher. Respondents were either employed full time or were self-employed at firms with 500 or fewer employees. Morning Consult applied survey weights based on company size to the small business sample. The results from the national small business survey have a margin of error of +/- 3 percentage points.

Additionally, Morning Consult conducted a survey in August 2017 of 5,000 adults in the U.S. These interviews were conducted online using a stratified, nationally representative sample, and results were weighted to approximate a target sample of adults in the United States based on age and gender. Survey weights were applied to ensure that the gender and age composition of the sample matched the gender and age composition of the broader U.S. population. The national adult survey results have a margin of error of +/- 1 percentage point.

RESULTS

HOW SMALL BUSINESSES USE TECHNOLOGY: The 2017 Morning Consult polls reveal that use of digital platforms is widespread among small businesses.

Across 1,000 businesses surveyed:

- 1. 84% are using at least one digital platform to provide information to customers
- 2. 80% are using at least one platform to show products and services, as well as to advertise
- 3. 79% are using digital tools to communicate with customers and suppliers
- 4. 75% are using these platforms for sales



Business Challenges and Constraints: Even in a country with nearly universal internet access, American businesses still view the cost of internet services as a constraint to building and online presence: 55% reported that the cost of internet and connectivity is a challenge.

On the skills side, 57% of small businesses surveyed said that lack of familiarity with the digital tools available is a challenge. This finding suggests that even if a business obtains internet access, it can be hard to know which tools to use.

Recruiting skilled employees is a challenge for 61% of small businesses surveyed. Even when owners are able to successfully launch their businesses, they still have difficulty finding employees to expand operations.



Cross Border Trade: One advantage to digitalization is the ability to buy and sell across borders at a low cost.² Of the small businesses surveyed, 27% reported selling goods or services to another country, a substantially higher proportion that the national proportion of U.S. firms that export.

Yet, many small businesses are reluctant to trade internationally. When asked whether they think export activity is an important business activity, less than half of respondents stated that they believe that it is important to sell to other countries.

Looking just at businesses that do not report exports, 43% said that they do not think there is demand for their goods or services in other countries, and 40% said that international exporting is too expensive.

As reflected in these statistics, trade barriers in foreign countries make it more difficult for small businesses to export. Removing these barriers will likely help small businesses break into new markets and experience significant gains. The lack of perceived importance and ability to sell to foreign markets also demonstrates the need for more education to help small businesses export their goods.



84% OF BUSINESSES SURVEYED

are using at least one digital platform to provide information to customers

BUSINESS INITIATION, GROWTH, HIRING, AND TRADE. THE ROLE OF FACEBOOK: To better understand how small businesses are using social media in the United States, we conducted a case study of Facebook. To date, more than 70 million small businesses across the world are on Facebook.

The subsequent section describes how small businesses are leveraging Facebook to grow, sell, and hire.

Business Initiation, Growth, and Sales: Six in 10 of the small businesses sampled reported using Facebook for their businesses. Among small businesses using Facebook, nearly one-third said that they built their businesses on the platform, and 39% said they prefer to send customers to their Facebook pages than to their websites.

Among preexisting businesses, 67% of businesses on Facebook said that the platform helps them grow, and 56% said that it has increased their sales.

In addition to facilitating firms' successes, over half of small businesses on Facebook reported that the platform has helped them overcome challenges in increasing revenue.

For examples of businesses that have used Facebook's digital tools to grow, sell, and hire, see Appendix 3.



Hiring and Job Seeking: In addition to reporting impacts on growth and sales, 42% of small businesses on Facebook said that since joining the platform, they have been able to hire more employees due to increased demand for products and services.

Because businesses are moving online, they are also looking for employees with digital skills: 62% of respondents reported that digital and social media skills are an important factor when hiring. This is four percentage points higher than the 58% who said that where a

candidate went to school is either a very or a somewhat important hiring factor.

Results of the consumer survey reveal that people are turning to social media to find jobs, with one in four job seekers reporting that they have searched for or found a job on Facebook. This finding is consistent with previous research showing that people find employment through even weak ties on social media.³



Export and Trade: Over half of small businesses that use Facebook reported that the platform helped them sell their products to other cities, states, or countries. Moreover, there is a positive correlation between how respondents use Facebook and the rate of their export activity:

- 1. Small businesses that use Facebook are 1.26 times more likely to report trading with other countries.
- 2. Respondents who said they built their businesses on Facebook are nearly twice as likely to trade their products to other cities, states, or countries.
- 3. Respondents who said that Facebook enables them to sell to other cities, states, and countries are 1.7 times as likely to trade.



Demographic Trends: The small business survey also included demographic questions about firm owners. There are clear relationships between characteristics of firm ownership and how the firm owners use social media. Note that all differences reported in this section

are statistically significant in a two-tailed t-test at the 5% level; the data underlying these tests are shown in Appendix 4.

RESULTS, CONTINUED



Minority-Owned Businesses: Respondents were asked if their companies are majority-owned by individuals who identify as African American or Hispanic. Among the 603 firms that reported using Facebook for their businesses, minority-owned businesses reported greater benefits from use of the site.

Specifically, among Facebook users, compared with firms that do not have African American owners, those that do are:

- 1. 36 percentage points more likely to have reported that they built their businesses on Facebook;
- 2. 32 percentage points more likely to have reported increased hiring due to business growth since joining Facebook;
- 3. 18 percentage points more likely to have reported increased sales due to use of Facebook; and
- 4. 25 percentage points more likely to have reported using Facebook to trade with other cities, states, or countries.

Hispanic owners are likewise more likely to have built their businesses on Facebook, and these individuals reported even higher rates of benefits from the platform. Specifically, among firms that use Facebook, Hispanic-owned small businesses are:

- 1. 40 percentage points more likely to have reported that they built their businesses on Facebook:
- 2. 46 percentage points more likely to have reported increased hiring due to business growth since joining Facebook;
- 3. 26 percentage points more likely to have reported increased sales due to use of Facebook; and
- 4. 31 percentage points more likely to have reported using Facebook to trade with other cities, states, or countries.



Veteran-Owned Businesses: The survey also uncovered outsized use of Facebook among firms owned by military veterans. Among firms that use Facebook, veteran-owned businesses are:

- 1. 34 percentage points more likely to have reported that they built their businesses on Facebook;
- 2. 25 percentage points more likely to have reported increased hiring due to business growth since joining Facebook;
- 3. 16 percentage points more likely to have reported increased sales due to use of Facebook; and
- 4. 25 percentage points more likely to have reported using Facebook to trade with other cities, states, or countries.



Women-Owned Businesses: Among small businesses sampled, compared with 55% of men-owned firms, 72% of women-owned firms reported using Facebook for their businesses. While there is no significant difference in the rates at which men- and women-owned firms

reported building their businesses on the platform, or how they are using Facebook for trade, the perceived impact of Facebook does differ across the two groups. Particularly, women-owned firms are 10 percentage points more likely to have reported increased sales due to use of Facebook. Additionally, in this sample, 48% of womenowned businesses reported hiring since joining the site, compared with 38% of men-owned firms. These differences are significant at the 5% level in two-tailed t-tests.



State-Level Results: Does geographic location affect how small businesses use social media? To investigate this question, Morning Consult conducted 50 state-level surveys of small businesses, with approximately 100 respondents in each state. Results across all 50 states,

as well as an overview of state-by-state small business statistics, are shared in Appendix 5, and detailed dashboards are available on **economy.fb.com/us**.

Across all states, more than half of small businesses surveyed said that digital skills matter when hiring. Additionally, rates of Facebook use and reported impact tend to mirror results observed in the national study. This preliminary analysis suggests that, regardless of geography, small businesses value digital skills and are using technology to start and scale their businesses.

AFTERWORD

C_TEC believes the free enterprise system is the single greatest promoter of opportunity in America, and technology is clearly playing a role in helping U.S. small businesses start, scale and succeed throughout the country.

As customers move online to purchase more goods and services, small businesses will have significant new opportunities to expand their reach. Small businesses that expand their market opportunities with new technologies stand to capitalize on higher demand for their goods and services. And indeed, results of national- and statelevel surveys show that digital platforms are being used by small businesses across the country to build their firms.

In order to maximize outcomes for small businesses in the U.S., we recommend the following actions:

- Invest in digital skills training for small businesses: Policymakers and tech companies should support programs in which small businesses are encouraged to leverage digital platforms in order to access new customers and grow demand, because the majority of small businesses using these platforms reported that these sites have substantial impact on their business outcomes.
- 2. Invest in programs that increase 21st century digital literacy for the workforce, including job seekers: Digital literacy should be in K-12 education, higher education, and workforce development programs because of the growing demand for those skills in the workplace. Policymakers and tech companies should support efforts such as boot camps run by states and cities intended to tackle the "digital divide." Finally, policymakers should increase efforts to leverage digital platforms for job matching and partner with digital platforms to explore ways that they may more effectively access talent.
- 3. Invest in trade and export education for small businesses:

 Policymakers and tech companies should continue prioritizing small business education on the importance of international commerce and the benefits it provides. Trade-specific education could be dovetailed with digital skills trainings—explaining the benefits of accessing a global marketplace and offering ways to navigate it.

- 4. Invest in ways to make it easier for small businesses, regardless of geographic location, to use technology to run their businesses: Given the benefit of the internet for U.S. small businesses, policymakers and tech companies should support efforts, including removing regulatory barriers, to improve access to high-speed internet access in rural, tribal, and other underserved areas.
- 5. Invest in digital tools that benefit minority-, veteran-, and womenowned small businesses: Policymakers and digital platforms should work to better understand how technology is helping these small businesses succeed, and increase investment in the tools and programs that are proven to work.

By supporting 21st century digital skills training for small businesses and the workforce, enhancing small business education focused on the benefits of trade, and investing in the digital tools and programs proven to help small businesses succeed, public and private sectors have an opportunity to further galvanize the growth, hiring, and trade practices of American small businesses.

TIM DAY

Senior Vice President

U.S. Chamber Technology Engagement Center, C_TEC

SMALL BUSINESSES MATTER: KEY FACTS

Job Creation and Innovation

- 1. Small businesses are driving the economy. In 2014 nearly 30 million small businesses in America comprised 99.9% of all firms and employed nearly half of all private-sector employees (58 million out of 121 million).⁵
- 2. From the end of the Great Recession to September 2017, small businesses created 62% (8 million) of all net new private-sector jobs (13.4 million) in the United States.⁶

Women- and Minority-Owned Small Businesses

- 1. As of 2012, there were 9.9 million women-owned businesses in the United States⁷—an increase of 26.8% from 2007.⁸
- 2. In 2012, women-owned firms contributed \$1.4 trillion in receipts and employed over 8.4 million people.
- 3. Out of all firms in the United States, 21% are owned by minorities, generating \$1 trillion in economic output and adding nearly six million jobs to the economy. 10

Trade

- 1. Small businesses account for 98% of U.S. exporters but represent less than one-third of the known export value of U.S. goods' exports. 11
- 2. There is room for small businesses to grow by leveraging exports. Less than 1% of America's 30 million companies export; of U.S. companies that do export, 58% export to only one country. 12
- 3. With exports at \$2.1 trillion in 2011, 3 small businesses have an opportunity to play a bigger role—most notably by leveraging online tools that ease access to new markets.

TECHNOLOGY'S IMPACT ON SMALL BUSINESS

In a review of national trends among consumers and businesses, we discovered a few key findings:

- Customers are moving online to make their purchasing decisions. According to a recent Pew Research Survey, the proportion of Americans who shop online grew from 22% in 2000 to nearly 80% in 2016.¹⁴
- 2. Given the up-tick in online consumerism, an online presence is a critical component of a successful business plan. In a 2017 report, Deloitte found that the most digitally advanced U.S. small businesses earned two times as much revenue per employee, experienced revenue growth that was nearly four times as high, and were almost three times as likely to have created jobs compared with the previous year.¹⁵
- 3. Even when customers do business with a physical store, they increasingly expect to access online options as part of their experience. Businesses that successfully build and implement a strategy of online customer, vendor, and employee engagement will likely see the most success in coming years.
- 4. Small business owners must customize technology to the needs of their businesses. Online tools are inexpensive and easy to use, and have become routine parts of how business owners operate.
- 5. The growth and use of social networking by small businesses across the world continue to increase. Of Facebook's over two billion monthly active users, more than 1.5 billion are connected to a business on the platform, and 580 million are connected to an American business. The global number of social network users worldwide is projected to increase to over three billion by 2021.
- 6. The size of small businesses, once an obstacle to reaching global markets, now offers benefits. With the internet and related technologies, small businesses can be based in a range of locations even as they connect with customers around the world—all without immediate pressure to scale up their operations.

Testimonials from Small Business Owners about Their Use of Facebook

"Oyin is the Yoruba word for honey, an amazing ingredient in natural hair and skin care. It also stands for sweetness, joy, and love—elements we seek to inspire in our customers' daily acts of self-care. From starting with a few travel kits in 2004 to reaching national distribution 10 years later, today our natural hair and skin care products reach women from all walks of life, all across the country. With Facebook, we've been able to build our business and stay connected with our customers every step of the way."

JAMYLA BENNU

Owner of Oyin Handmade, a small business on Facebook

"When we decided to start our business, we knew that Facebook could help us get the word out in an affordable way. It's been almost five years since then, and Facebook is now a key part of our marketing strategy. It helps us build brand recognition and drive traffic to the retailers carrying our products. It's also a great way for us to stay connected to our customers, all of whom are great burger lovers not only in Charleston, but around the world."

MONIQUE WILSONDEBRIANO

Co-owner of Charleston Gourmet Burger Co., a small business on Facebook

"We knew the risk of starting a small business in a rural town like Dixon, Illinois—but we love our community and value the close bond with our neighbors. Before exploring opportunities on Facebook, we were extremely limited in our opportunity to grow outside of Dixon. Hoping to maintain our community focus while appealing to a larger audience, we turned to Facebook, and it made such a difference. We began a local awareness campaign for a yearly Christmas tree fundraising event, which helped us bring in three times more money than we'd earned in previous years. Our rural landscaping company is now able to compete with much larger brands tens and even hundreds of miles away. The [Facebook] platform continues to bring in a growing stream of customers from the Dixon area and beyond."

LISA HIGBY LEFEVRE

Owner of Distinctive Gardens, a small business on Facebook

"I started my business in 2012 without a single customer. My company would not be a reality without technology. From the internet and online platforms allowing me to reach customers outside of my hometown of Westfield, Indiana, to the tech innovations in payments and shipping allowing me to compete as a business of one—technology is such a critical component of my success. After just three months of building an online profile on Facebook, my shop was selling more than \$100,000 worth of clothes monthly. As a wife, mom, and business of one, I rely daily on technology to scale my company on my own terms."

CHRISTINA SMITH

Owner of Closet Candy Boutique, a small business on Facebook

"There's something rewarding about being able to simultaneously build a business and strengthen a community—especially when it's my hometown of Cincinnati. Scene75 is the one of the largest indoor entertainment centers in the U.S., where we host everything from family birthday parties to local business work retreats. When I started this journey in 2008, I wanted to build a business that would have a positive impact on my community, grow the local economy, and create hundreds of local jobs in Ohio. Platforms like Facebook play a critical role as the company expands—allowing us to increase our profile prior to opening new centers, and effectively driving new customers to our venue. As we prepare to open our third location in Cleveland, we've grown our staff to more than 450 employees and approximately two million dollars in economic impact for the communities where we are located. I am thankful daily for the people who frequent Scene75 but also for those on our team who make this a great success."

JONAH SANDLER

Owner of Scene75, a small business with a Facebook following

"I opened my store, Kay's Designer Consignment, as a brick-and-mortar shop in Florida in 2002. In 2009, I started selling pieces online, and I experienced an immediate jump in sales. Facebook allowed me to reach customers in a way that print advertising did not. I eventually moved the entire shop to Facebook in 2016, and it's the best move I've made. As a result, I was able to decrease my costs by 73% while substantially increasing my profits by 22%.

KAY MARTINOVIC

Owner of Kay's Designer Consignment, a small business on Facebook

	All Facebook Users (N=603)*	African American Owned (N=86)	Not African American Owned (N=517)	Hispanic Owned (N=100)	Not Hispanic Owned (N=503)	Veteran Owned (N=90)	Not Veteran Owned (N=513)	Woman Owned (N=217)	Not Woman Owned (N=386)
Built business on Facebook	32%	63%	27%	65%	25%	61%	27%	35%	30%
Hired employees due to business growth since joining Facebook	42%	69%	37%	80%	34%	63%	38%	48%	38%
Increased sales because of Facebook	56%	71%	53%	78%	52%	70%	54%	66%	51%
Use Facebook to sell to other cities, states, or countries	52%	70%	50%	78%	47%	74%	49%	55%	51%

^{*}Note: N=603 because the analysis includes only firms that use Facebook.

Shaded cells indicate differences that are statistically significant at the 5% level in two-tailed t-tests.

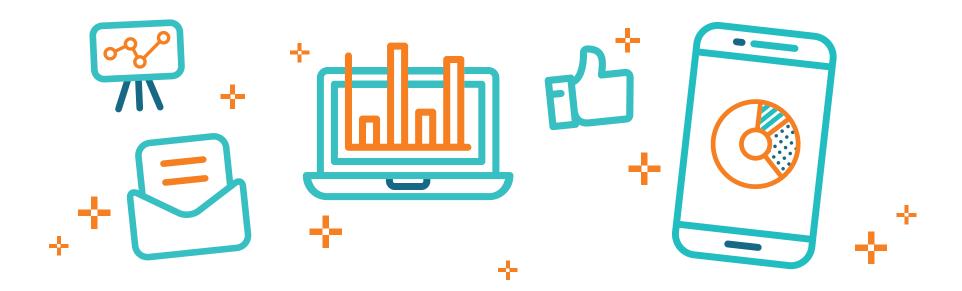
	General Small Business Statistics			Results From State Level Surveys on Small Business Desired Skills for New Employees		Results from State-Level Surveys on Small Business Facebook Use		
	Number of Small Businesses	Number of Workers Employed by Small Businesses	% of Workforce Employed by Small Businesses	% of Small Businesses Surveyed Who Believe an Individual's Digital and Social Media Skills Are Important When Hiring	% of Small Businesses Who Believe the School or College the Individual Attended is Important When Hiring	% of Small Businesses Surveyed Who Agree Facebook is Essential for Their Business	% of Small Businesses Surveyed Who Say Facebook Has Helped Them Hire Additional Employees to Work at My Business	% of Small Businesses Surveyed Who Believe Facebook Allows Them to Find Customers in Other Cities, States, or Countries
Alabama	388,850	771,214	48.1%	75%	62%	72%	62%	83%
Alaska	72,042	142,761	53.5%	70%	57%	68%	47%	67%
Arizona	538,552	995,671	44.4%	79%	76%	54%	50%	55%
Arkansas	244,977	481,170	48.5%	72%	65%	64%	39%	69%
California	3.8 million	6.8 million	49.2%	87%	74%	67%	57%	81%
Colorado	586,210	1.1 million	48.6%	70%	66%	56%	42%	55%
Connecticut	339,231	732,750	49.3%	73%	61%	64%	52%	70%
Delaware	77,306	176,837	45.2%	82%	66%	68%	54%	75%
District of Columbia	71,146	240,441	48.5%	82%	69%	63%	40%	64%
Florida	2.4 million	3.2 million	42.8%	83%	73%	69%	61%	83%
Georgia	1.0 million	1.6 million	43.7%	81%	64%	64%	51%	79%
Hawaii	126,600	267,796 million	51.6%	76%	44%	68%	31%	72%
Idaho	154,410	293,893 million	55.4%	62%	61%	39%	28%	51%
Illinois	1.2 million	2.4 million	46.0 %	77%	70%	64%	49%	69%
Indiana	504,377	1.2 million	45.5%	84%	74%	70%	55%	77%
Iowa	266,382	641,288	48.7%	58%	59%	50%	41%	62%
Kansas	250,021	604,206	51.3%	80%	54%	71%	61%	79%
Kentucky	344,108	687,294	44.8%	80%	77%	65%	60%	64%

APPENDIX 5, CONTINUED

	General Small Business Statistics			Results From State-Level Surveys on Small Business Desired Skills for New Employees		Results from State-Level Surveys on Small Business Facebook Use		
	Number of Small Businesses	Number of Workers Employed by Small Businesses	% of Workforce Employed by Small Businesses	% of Small Businesses Surveyed Who Believe an Individual's Digital and Social Media Skills Are Important When Hiring	% of Small Businesses Who Believe the School or College the Individual Attended is Important When Hiring	% of Small Businesses Surveyed Who Agree Facebook is Essential for Their Business	% of Small Businesses Surveyed Who Say Facebook Has Helped Them Hire Additional Employees to Work at My Business	% of Small Businesses Surveyed Who Believe Facebook Allows Them to Find Customers in Other Cities, States, or Countries
Louisiana	436,867	910,366	53.0%	84%	63%	67%	52%	75%
Maine	144,002	283,505	57.5%	52%	51%	50%	36%	64%
Maryland	579,173	1.1 million	50.3%	81%	68%	65%	38%	65%
Massachusetts	639,334	1.4 million	46.8%	69%	81%	62%	53%	76%
Michigan	866,196	1.8 million	49.8%	76%	71%	62%	59%	68%
Minnesota	509,732	1.2 million	47.9%	84%	73%	38%	37%	66%
Mississippi	252,019	432,231	47.4%	71%	57%	48%	38%	73%
Missouri	515,227	1.1 million	46.8%	73%	57%	49%	40%	58%
Montana	117,149	239,910	66.0%	61%	52%	39%	37%	60%
Nebraska	170,512	400,506	47.1%	62%	60%	54%	33%	60%
Nevada	246,569	450,104	41.3%	82%	77%	67%	60%	83%
New Hampshire	132,432	289,914	51.5%	68%	49%	54%	38%	66%
New Jersey	843,989	1.8 million	50.0%	88%	80%	66%	43%	72%
New Mexico	154,489	336,684	55.9%	59%	66%	46%	30%	62%
New York	2.1 million	4.0 million	50.5%	84%	69%	67%	53%	78%
North Carolina	871,376	1.6 million	44.8%	76%	63%	55%	43%	78%
North Dakota	73,021	709,576	58.1%	63%	57%	44%	46%	53%
Ohio	939,317	2.1 million	46.0%	93%	75%	61%	44%	71%

	General Small Business Statistics			Results From Sta on Small Busine for New E		Results from State-Level Surveys on Small Business Facebook Use			
	Number of Small Businesses	Number of Workers Employed by Small Businesses	% of Workforce Employed by Small Businesses	% of Small Businesses Surveyed Who Believe an Individual's Digital and Social Media Skills Are Important When Hiring	% of Small Businesses Who Believe the School or College the Individual Attended is Important When Hiring	% of Small Businesses Surveyed Who Agree Facebook is Essential for Their Business	% of Small Businesses Surveyed Who Say Facebook Has Helped Them Hire Additional Employees to Work at My Business	% of Small Businesses Surveyed Who Believe Facebook Allows Them to Find Customers in Other Cities, States, or Countries	
Oklahoma	345,839	709,118	52.1%	76%	64%	69%	51%	73%	
Oregon	357,408	801,666	55.5%	74%	66%	61%	51%	77%	
Pennsylvania	1.0 million	2.5 million	46.8%	87%	63%	64%	48%	66%	
Rhode Island	98,134	225,671	53.5%	76%	76%	46%	42%	63%	
South Carolina	395,068	758,318	46.9%	79%	69%	46%	46%	62%	
South Dakota	84,440	207,088	59.5%	62%	59%	45%	19%	54%	
Tennessee	580,453	1.1 million	42.9%	77%	59%	64%	61%	86%	
Texas	2.6 million	4.6 million	45.9%	82%	78%	59%	45%	72%	
Utah	268,872	540,268	47.1%	69%	62%	46%	41%	48%	
Vermont	77,543	156,243	59.8%	71%	67%	59%	35%	48%	
Virginia	706,626	1.5 million	47.0%	83%	83%	71%	55%	78%	
Washington	574,455	1.3 million	51.4%	70%	65%	59%	57%	77%	
West Virginia	115,673	288,211	50.1%	70%	60%	65%	50%	67%	
Wisconsin	445,445	1.2 million	50.2%	68%	65%	61%	40%	70%	
Wyoming	64,653	136.377	62.0%	58%	58%	54%	40%	52%	

RESOURCES



LEARN MORE ABOUT C_TEC

uschamber.com/programs/chambertechnology-engagement-center/ about-ctec

C_TEC represents true technology companies—large and small, mature and startups, traditional and internet-based. It also serves as a bridge and gateway to the many other sectors that use technology, and where appropriate, brings providers and users together to advocate effectively on core issues of mutual concern.

ECONOMIC IMPACT SURVEY

economy.fb.com/us

Through their Economic Impact Survey, Facebook works to understand how entrepreneurs rely on their platform to grow their businesses, hire more employees, and contribute to their local economies in order to help their businesses get more out of its platform, through their products, advisory councils, and educational tools.

EXPLORE MORNING CONSULT

morningconsult.com/about

Morning Consult is changing how leaders use public opinion to make key decisions and drive strategy through brand intelligence, custom research and high-quality original reporting in their newsroom.

ENDNOTES

- Pew Research Center. "Internet / Broadband Fact Sheet." pewinternet.com. http://www.pewinternet.org/fact-sheet/internet-broadband/ (accessed January 16, 2018).
- Manyika, James and Susan Lund, "Globalization for the Little Guy." mckinsey. com. https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/globalization-for-the-little-guy (accessed January 16, 2018)
- 3. Moira Burke and Robert Kraut. 2013. Using Facebook after losing a job: differential benefits of strong and weak ties. In Proceedings of the 2013 conference on Computer supported cooperative work (CSCW '13). ACM, New York, NY, USA, 1419-1430. DOI: https://doi.org/10.1145/2441776.2441936
- 4. The survey said, "Please indicate whether the following apply to you or not. My company is majority-owned by someone of African descent/someone of Hispanic or Latin American descent."
- A "small business" is defined by Small Business Administration as a firm with fewer than 500 employees. See https://www.sba.gov/sites/default/files/ advocacy/SB-FAQ-2017-WEB.pdf.
- Headd, Brian. "Small Business Facts: sba.com. https://www.sba.gov/sites/ default/files/Job_Creation_fact_sheet_FINAL_0.pdf (accessed January 16, 2018)
- Defined by the U.S. Census as businesses for which women own 51% or more of the equity, interest, or stock.
- 8. McManus, Michael J. "Women's Business Ownership: Data from the 2012 Survey of Business Owners." sba.gov. https://www.sba.gov/sites/default/files/advocacy/Womens-Business-Ownership-in-the-US.pdf (accessed January 16, 2018)."
- 9. ibid
- Minority Business Development Agency. "Minority-Owned Businesses Strengthen the U.S. Economy." mbda.gov, https://www.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/webversion_MBDA_ElectedOfficials.pdf (accessed January 16, 2018)
- The International Trade Administration. "Exporting is Good For Your Bottom Line." trade.gov, https://www.trade.gov/cs/factsheet.asp (accessed January 16, 2018)

- **12.** *ibid*
- **13.** *ibid*
- **14.** Smith, Aaron and Monica Anderson. "Online Shopping and E-Commerce." pewinternet.org, http://www.pewinternet.org/2016/12/19/online-shopping-and-e-commerce/ (accessed January 16, 2018)
- **15.** Deloitte, "Connected Small Business," https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/connected-small-businesses.html.
- 16. FB internal Data, October 2017.
- 17. Worldwide: eMarketer: 2010 to 2017.

