

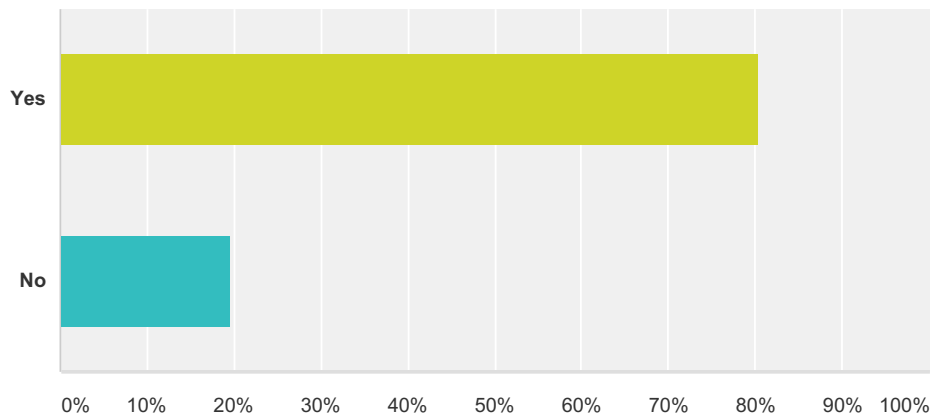
HEADWAY CAPITAL™

Small Business Outlook Survey

Biggest Financial Pain Points for Small Businesses

Q1 Have you been in business for longer than a year?

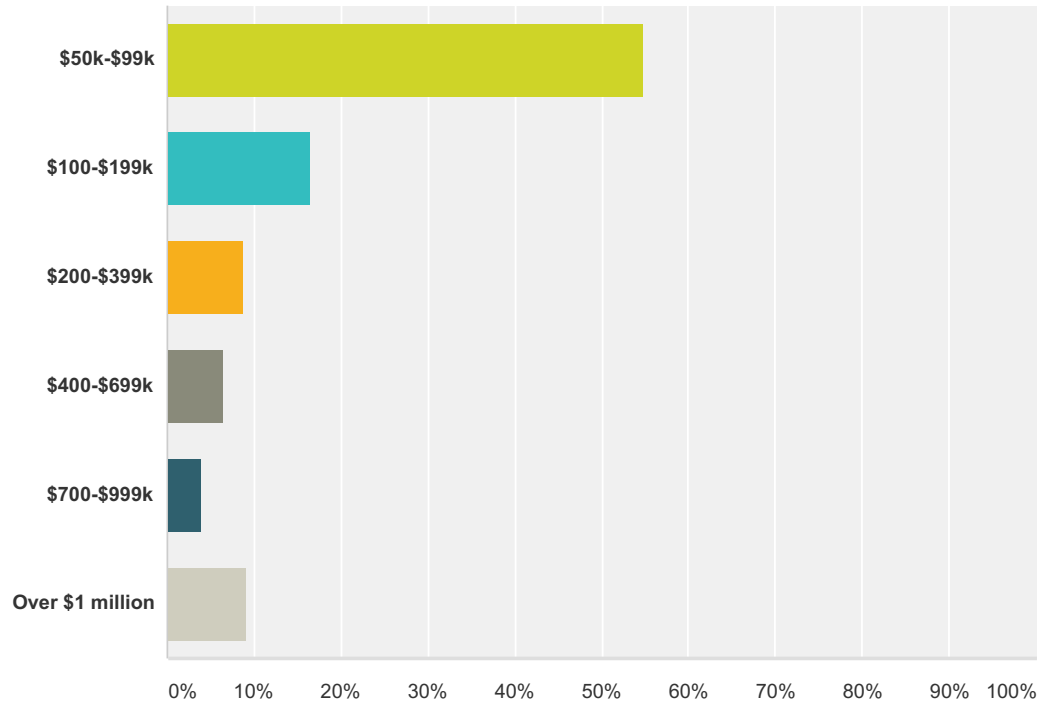
Answered: 675 Skipped: 0



Answer Choices	Responses
Yes	80.30% 542
No	19.70% 133
Total	675

Q2 What is your revenue?

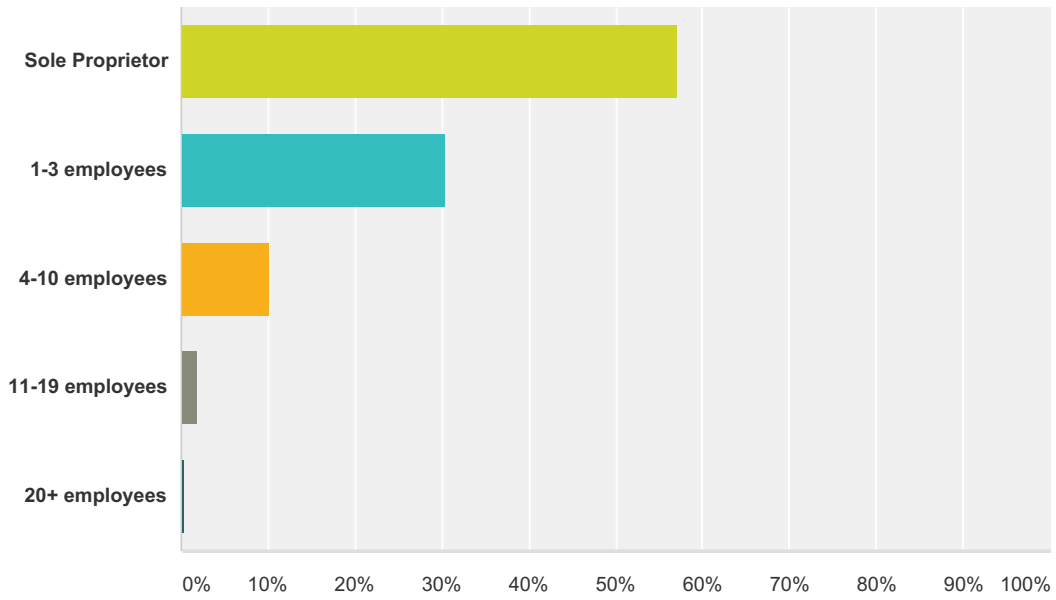
Answered: 542 Skipped: 133



Answer Choices	Responses
\$50k-\$99k	54.98% 298
\$100-\$199k	16.42% 89
\$200-\$399k	8.86% 48
\$400-\$699k	6.46% 35
\$700-\$999k	4.06% 22
Over \$1 million	9.23% 50
Total	542

Q3 How many employees do you currently have?

Answered: 492 Skipped: 183

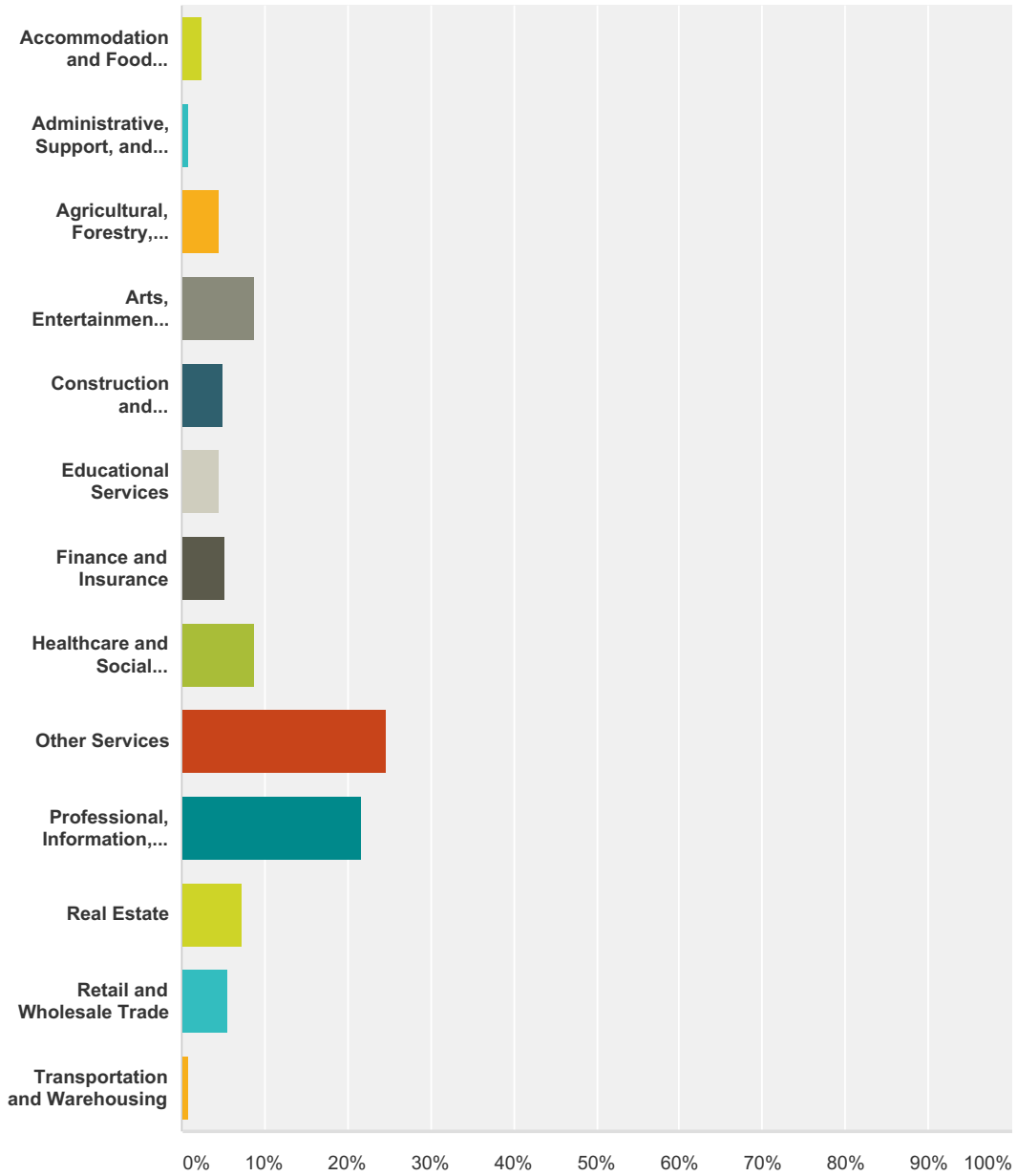


Answer Choices	Responses	Count
Sole Proprietor	57.11%	281
1-3 employees	30.49%	150
4-10 employees	10.16%	50
11-19 employees	1.83%	9
20+ employees	0.41%	2
Total		492

Biggest Financial Pain Points for Small Businesses

Q4 How would you classify your business?

Answered: 481 Skipped: 194



Answer Choices	Responses
Accommodation and Food Services	2.49% 12
Administrative, Support, and Waste Management	0.83% 4
Agricultural, Forestry, Fishing, and Hunting	4.57% 22
Arts, Entertainment, and Recreation	8.73% 42
Construction and Manufacturing	4.99% 24

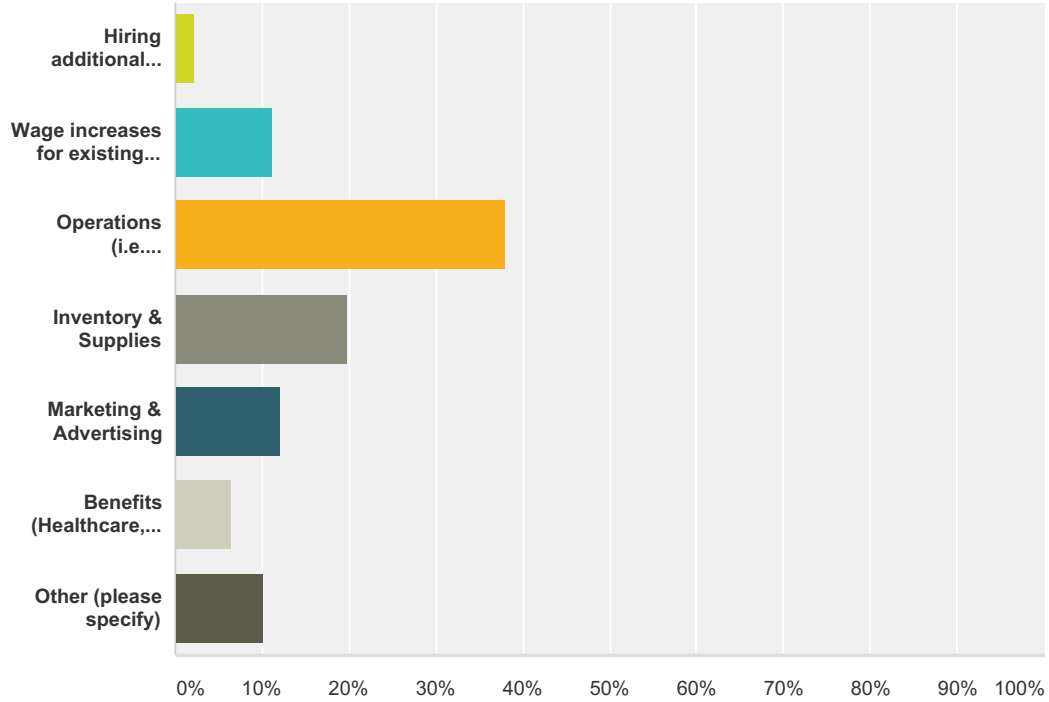
Biggest Financial Pain Points for Small Businesses

Educational Services	4.57%	22
Finance and Insurance	5.20%	25
Healthcare and Social Assistance	8.73%	42
Other Services	24.53%	118
Professional, Information, and Technical Services	21.62%	104
Real Estate	7.28%	35
Retail and Wholesale Trade	5.61%	27
Transportation and Warehousing	0.83%	4
Total		481

Biggest Financial Pain Points for Small Businesses

Q5 For 2015, where do you anticipate spending most of your capital as a small business owner?

Answered: 481 Skipped: 194

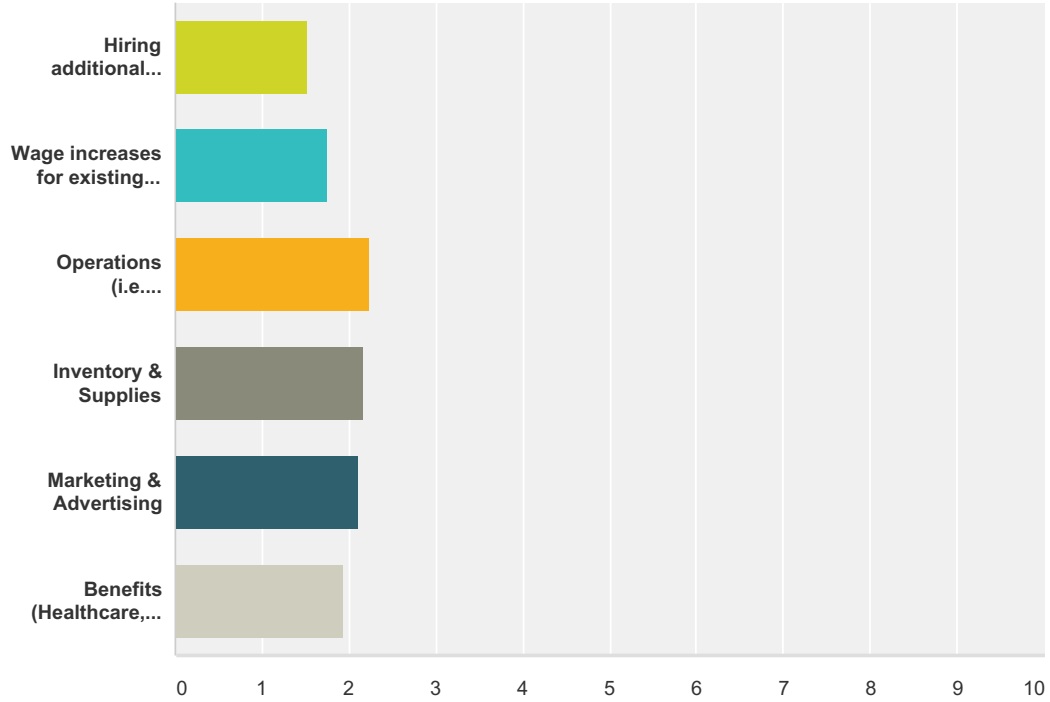


Answer Choices	Responses
Hiring additional employees	2.29% 11
Wage increases for existing employees	11.23% 54
Operations (i.e. utilities, leasing/rent, store maintenance, equipment purchase, etc.)	38.05% 183
Inventory & Supplies	19.75% 95
Marketing & Advertising	12.06% 58
Benefits (Healthcare, disability insurance, retirement)	6.44% 31
Other (please specify)	10.19% 49
Total	481

Biggest Financial Pain Points for Small Businesses

Q6 How much do you expect expenses to grow from the past two years across these categories?

Answered: 481 Skipped: 194

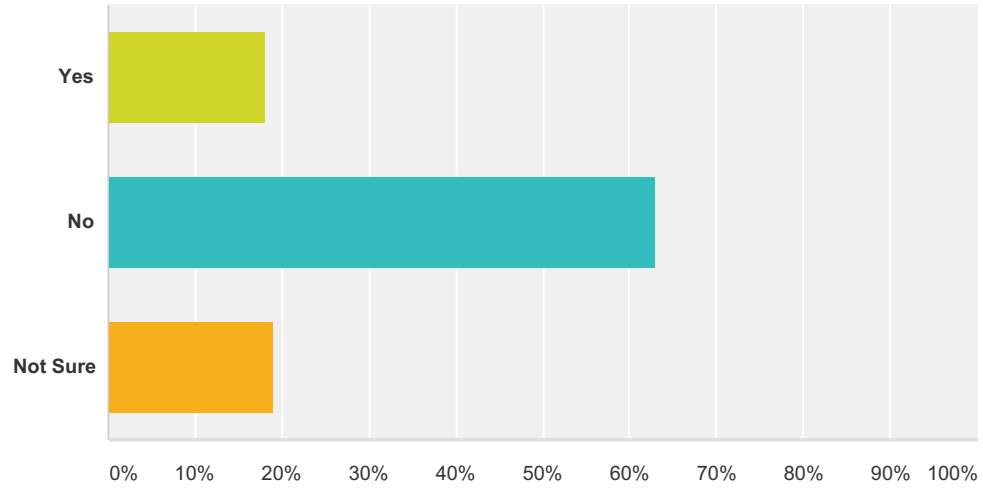


	Very low	Low	Moderate	High	Very high	Total	Weighted Average
Hiring additional employees	71.25% 337	12.05% 57	11.21% 53	4.02% 19	1.48% 7	473	1.52
Wage increases for existing employees	56.29% 264	17.70% 83	20.90% 98	4.26% 20	0.85% 4	469	1.76
Operations (i.e. utilities, leasing/rent, store maintenance, equipment purchase, etc.)	32.07% 152	24.26% 115	33.76% 160	7.59% 36	2.32% 11	474	2.24
Inventory & Supplies	33.33% 159	26.83% 128	29.56% 141	8.60% 41	1.68% 8	477	2.18
Marketing & Advertising	37.34% 177	28.27% 134	24.05% 114	8.02% 38	2.32% 11	474	2.10
Benefits (Healthcare, disability insurance, retirement)	54.35% 256	15.50% 73	16.35% 77	9.77% 46	4.03% 19	471	1.94

Biggest Financial Pain Points for Small Businesses

Q7 Do you anticipate needing to find additional funding sources in the coming year to grow your business?

Answered: 481 Skipped: 194

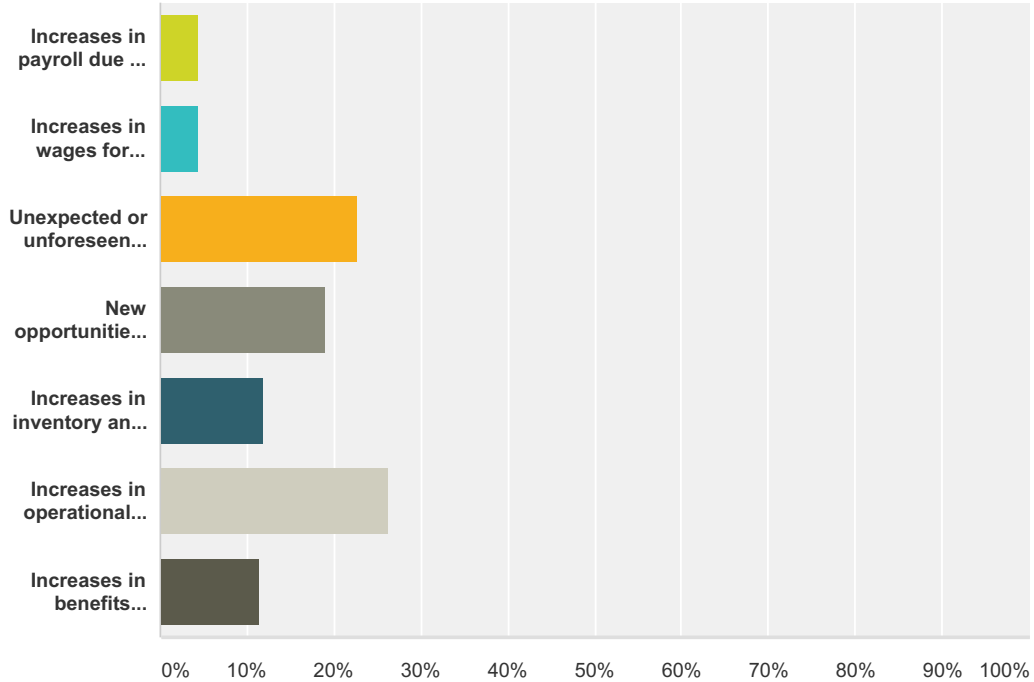


Answer Choices	Responses
Yes	18.09% 87
No	62.99% 303
Not Sure	18.92% 91
Total	481

Biggest Financial Pain Points for Small Businesses

Q8 For 2015, what are you most concerned about when it comes to the financial aspects of your business?

Answered: 481 Skipped: 194

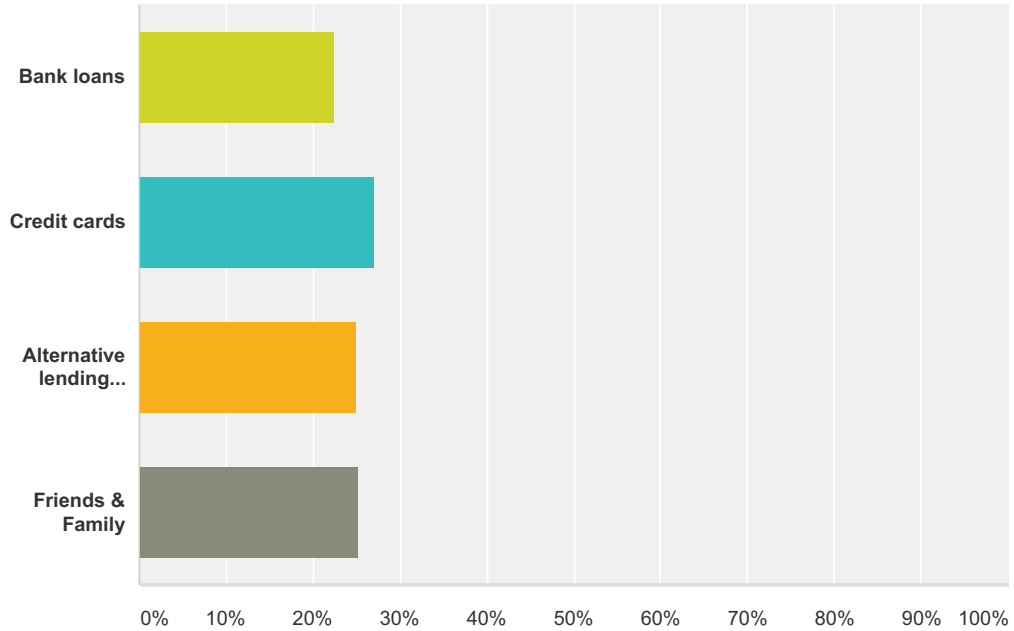


Answer Choices	Responses	
Increases in payroll due to hiring of additional employees	4.37%	21
Increases in wages for existing employees	4.37%	21
Unexpected or unforeseen costs (arising from natural disasters, weather, repairs, regulations, etc.)	22.66%	109
New opportunities (seasonal growth, hot inventory item, fund expenses to support a Groupon, etc.)	18.92%	91
Increases in inventory and supplies expenses	11.85%	57
Increases in operational expenses	26.40%	127
Increases in benefits expenses (healthcare, disability insurance, retirement)	11.43%	55
Total		481

Biggest Financial Pain Points for Small Businesses

Q9 To address these concerns, what funding options are you looking into for the next year?

Answered: 481 Skipped: 194

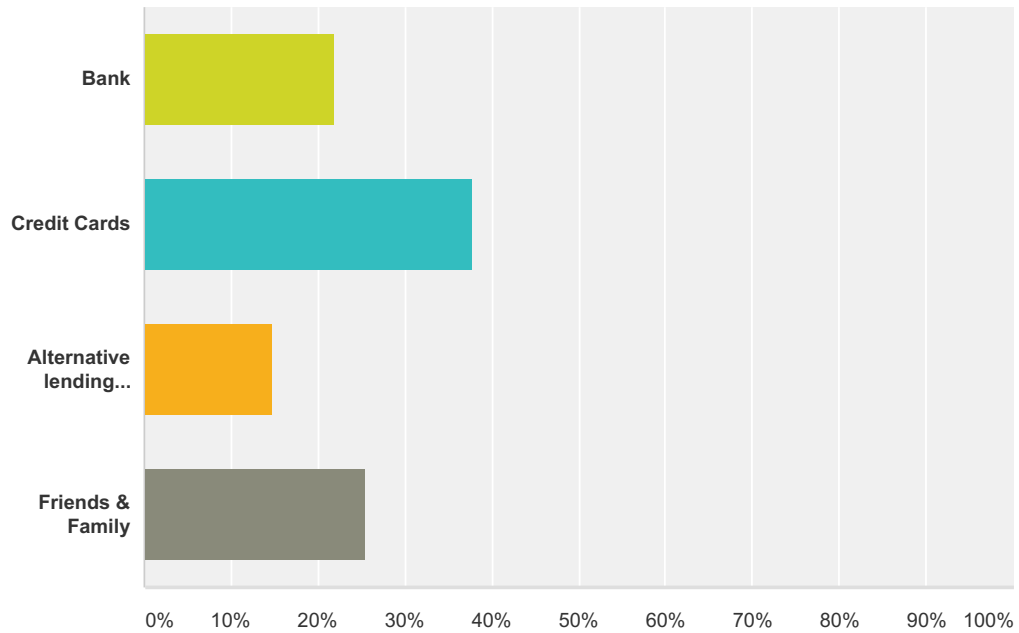


Answer Choices	Responses
Bank loans	22.45% 108
Credit cards	27.23% 131
Alternative lending products (e.g. non-bank lender, merchant cash advance, peer-to-peer)	24.95% 120
Friends & Family	25.36% 122
Total	481

Biggest Financial Pain Points for Small Businesses

Q10 Within the past year, what funding options have you used to cover expenses?

Answered: 481 Skipped: 194

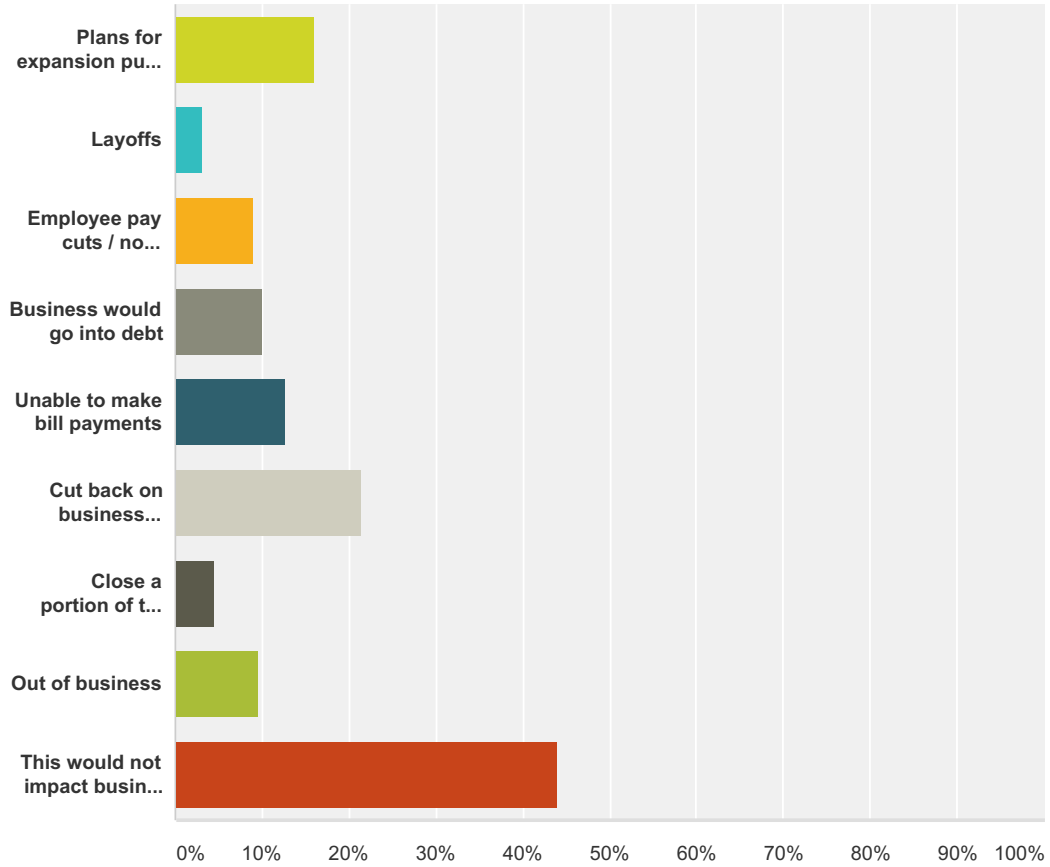


Answer Choices	Responses
Bank	21.83% 105
Credit Cards	37.84% 182
Alternative lending products (e.g. non-bank lender, merchant cash advance, peer-to-peer)	14.76% 71
Friends & Family	25.57% 123
Total	481

Biggest Financial Pain Points for Small Businesses

Q11 What would the impact on your business be if access to additional capital in 2015 were unavailable? (select all that apply)

Answered: 460 Skipped: 215



Answer Choices	Responses
Plans for expansion put on hold	16.09% 74
Layoffs	3.04% 14
Employee pay cuts / no raises or bonuses	8.91% 41
Business would go into debt	10.00% 46
Unable to make bill payments	12.83% 59
Cut back on business functions (e.g. Marketing)	21.52% 99
Close a portion of the business	4.57% 21
Out of business	9.57% 44
This would not impact business in 2015	44.13% 203

Biggest Financial Pain Points for Small Businesses

Total Respondents: 460

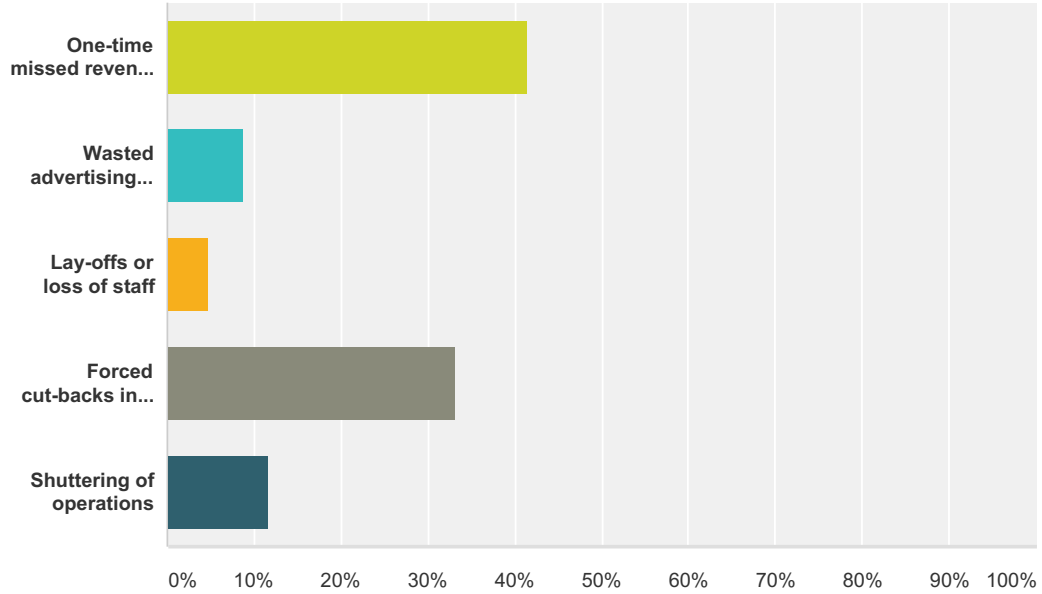
Q12 What types of expenditures or amounts would you use unsecured loans for versus selling ownership?

Answered: 460 Skipped: 215

Biggest Financial Pain Points for Small Businesses

Q13 What do you anticipate happening if you are unable to secure additional financing?

Answered: 460 Skipped: 215

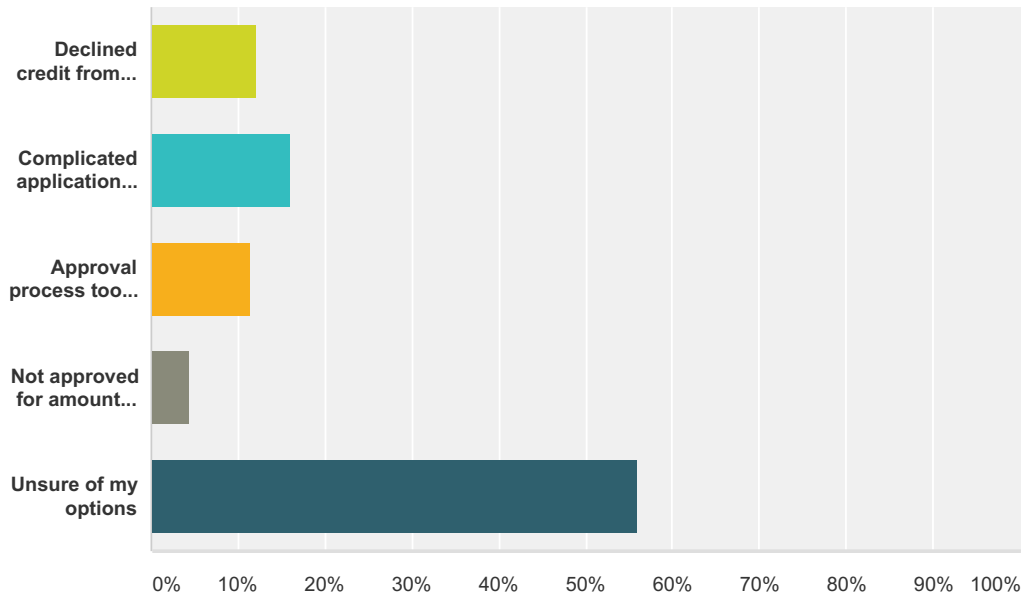


Answer Choices	Responses
One-time missed revenue opportunity	41.52% 191
Wasted advertising expenditure	8.70% 40
Lay-offs or loss of staff	4.78% 22
Forced cut-backs in certain areas of the business	33.26% 153
Shuttering of operations	11.74% 54
Total	460

Biggest Financial Pain Points for Small Businesses

Q14 What hurdles have you encountered when securing additional funding?

Answered: 460 Skipped: 215

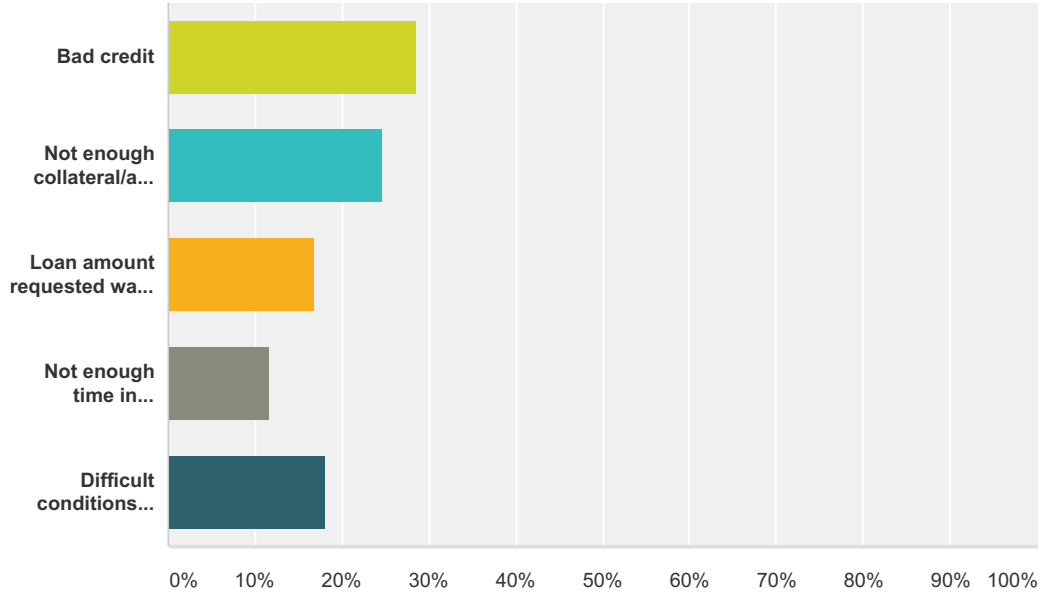


Answer Choices	Responses
Declined credit from financial institutions	12.17% 56
Complicated application processes	16.09% 74
Approval process too long to get funding when needed	11.52% 53
Not approved for amount needed	4.35% 20
Unsure of my options	55.87% 257
Total	460

Biggest Financial Pain Points for Small Businesses

Q15 Why were you declined for additional funding from a bank or traditional institution?

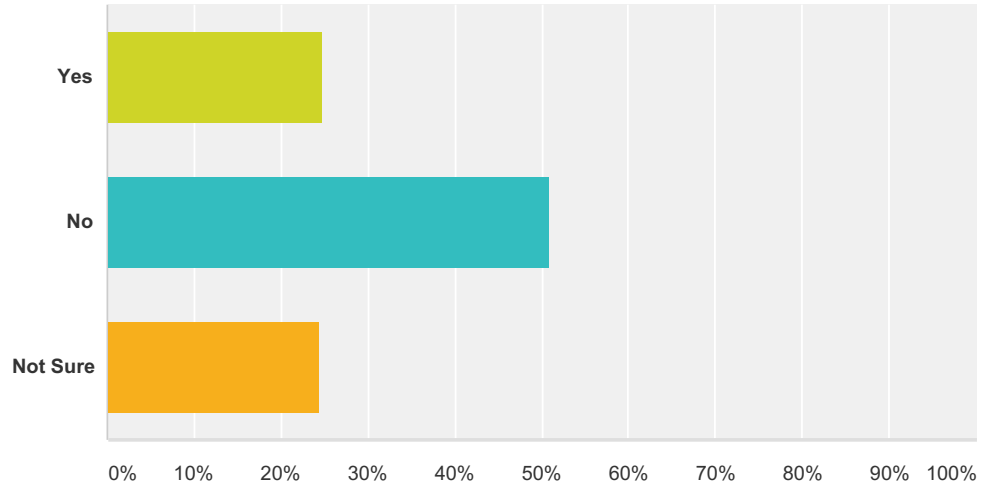
Answered: 77 Skipped: 598



Answer Choices	Responses	
Bad credit	28.57%	22
Not enough collateral/assets	24.68%	19
Loan amount requested was too low	16.88%	13
Not enough time in business	11.69%	9
Difficult conditions (Industry troubles, business location, economic trends, competitors)	18.18%	14
Total		77

Q16 Has the current economy impacted your ability to secure additional funding sources?

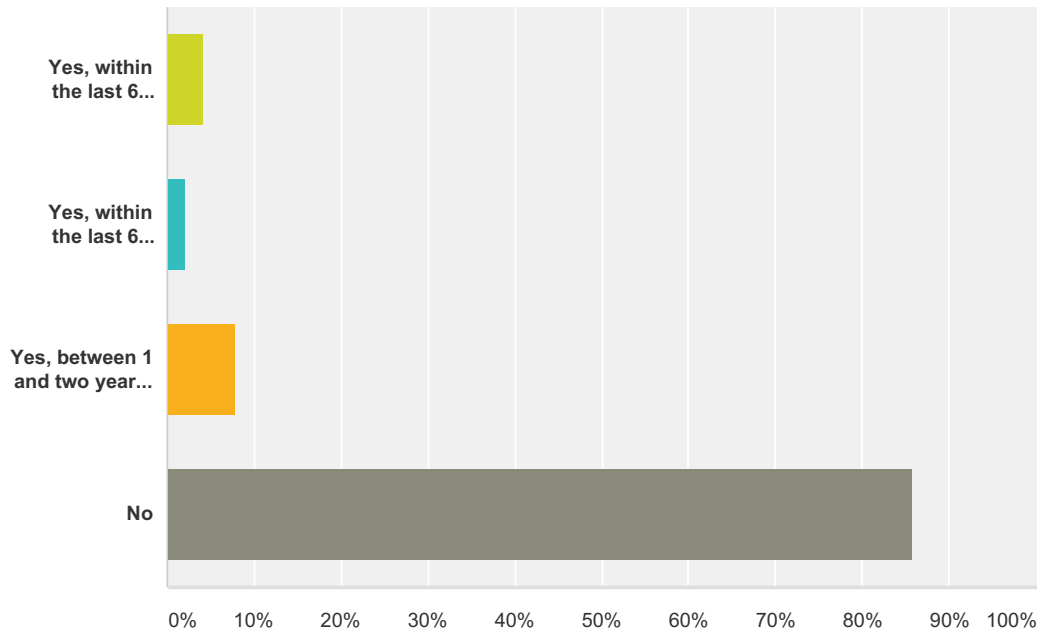
Answered: 481 Skipped: 194



Answer Choices	Responses	
Yes	24.74%	119
No	50.94%	245
Not Sure	24.32%	117
Total		481

Q17 Have you eliminated positions as a result of financial hardship

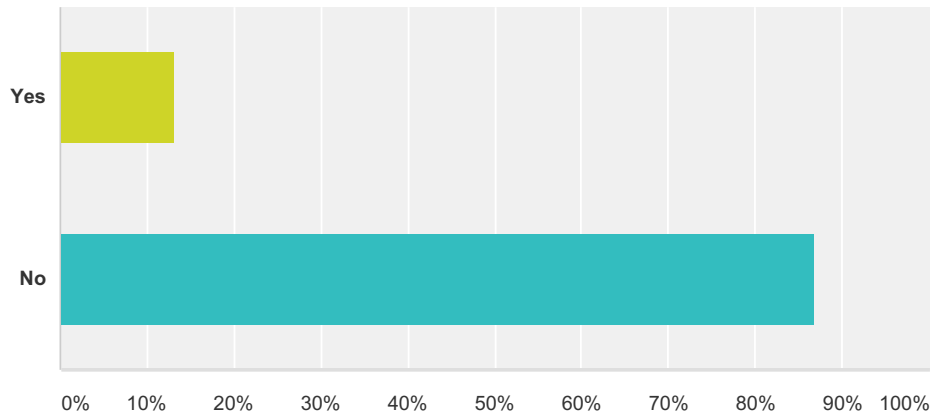
Answered: 481 Skipped: 194



Answer Choices	Responses
Yes, within the last 6 months	4.16% 20
Yes, within the last 6 months to a year	2.08% 10
Yes, between 1 and two years ago	7.90% 38
No	85.86% 413
Total	481

Q18 Have you hired additional employees in the last year?

Answered: 481 Skipped: 194

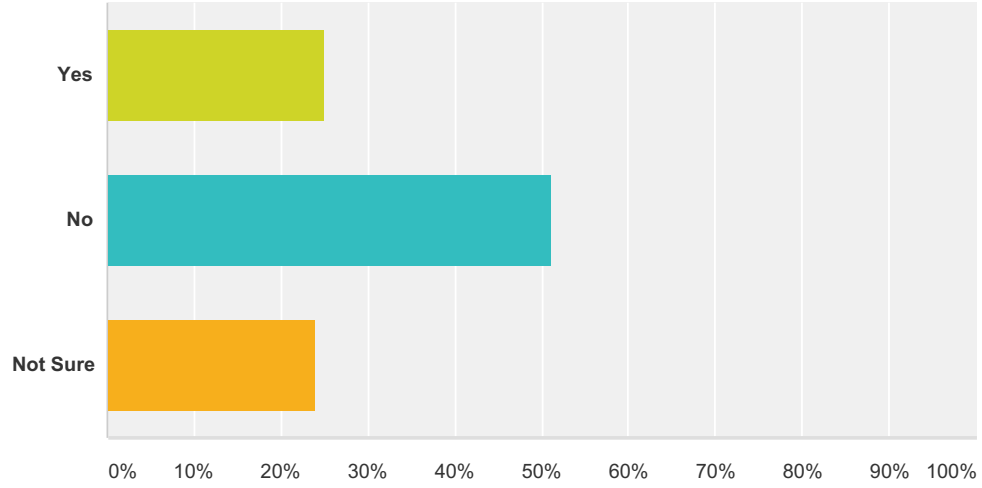


Answer Choices	Responses
Yes	13.10% 63
No	86.90% 418
Total	481

Biggest Financial Pain Points for Small Businesses

Q19 Do you expect your existing costs to impact your ability to expand or grow your business in 2015?

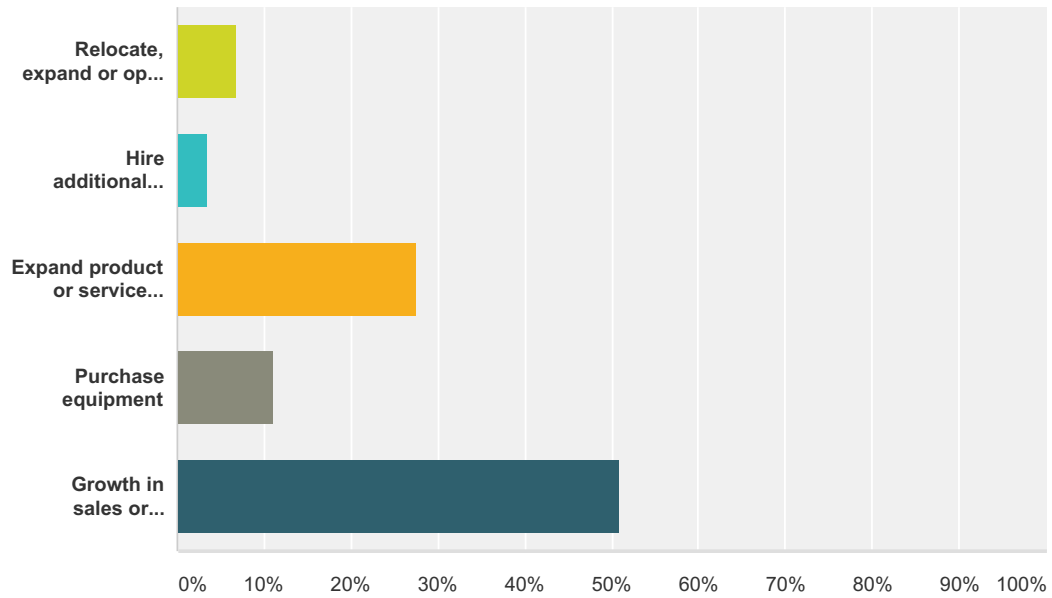
Answered: 481 Skipped: 194



Answer Choices	Responses
Yes	24.95% 120
No	51.14% 246
Not Sure	23.91% 115
Total	481

Q20 How do you see your company growing in 2015?

Answered: 481 Skipped: 194

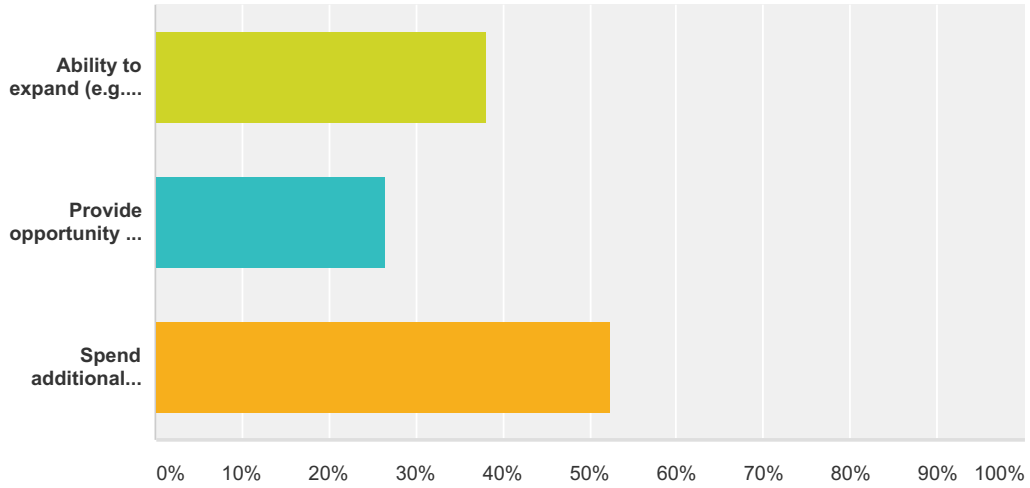


Answer Choices	Responses
Relocate, expand or open a new location	6.86% 33
Hire additional employees	3.53% 17
Expand product or service offerings	27.65% 133
Purchase equipment	11.02% 53
Growth in sales or revenue	50.94% 245
Total	481

Biggest Financial Pain Points for Small Businesses

Q21 What impact would additional funding have on your business? (select all that apply)

Answered: 481 Skipped: 194



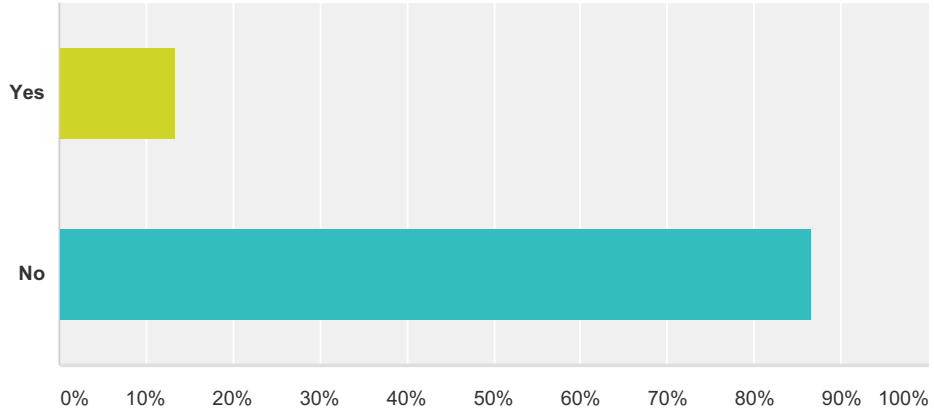
Answer Choices	Responses
Ability to expand (e.g. new employees, new location, new equipment)	38.25% 184
Provide opportunity to focus on company branding	26.61% 128
Spend additional efforts/funding on business development vs keeping the business afloat	52.39% 252
Total Respondents: 481	

Q22 What was the most unforeseen or unexpected cost you experienced in 2014?

Answered: 481 Skipped: 194

Q23 Would you go on a business competition TV show to secure additional financing for your company?

Answered: 481 Skipped: 194

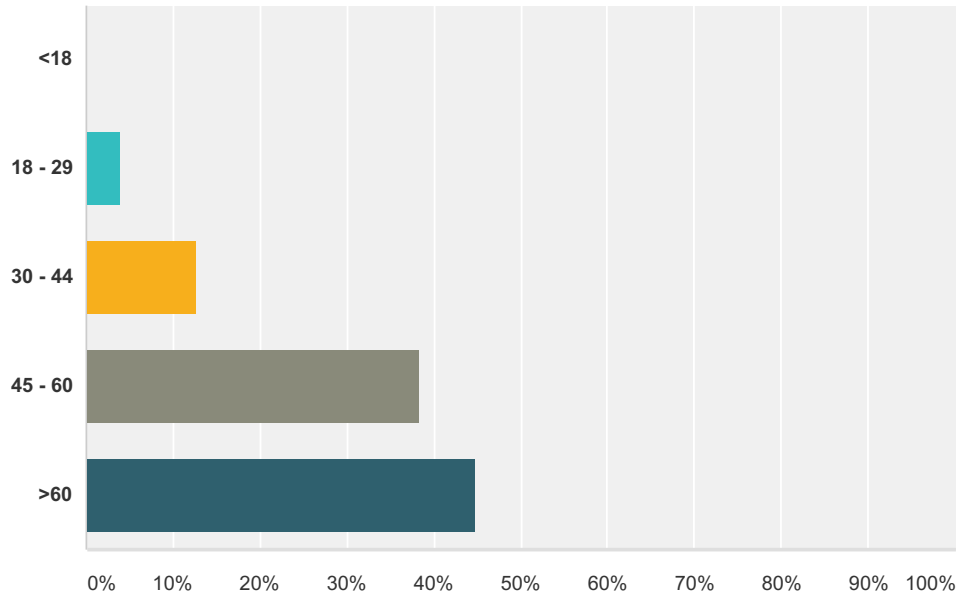


Answer Choices	Responses
Yes	13.31% 64
No	86.69% 417
Total	481

Biggest Financial Pain Points for Small Businesses

Q24 Age

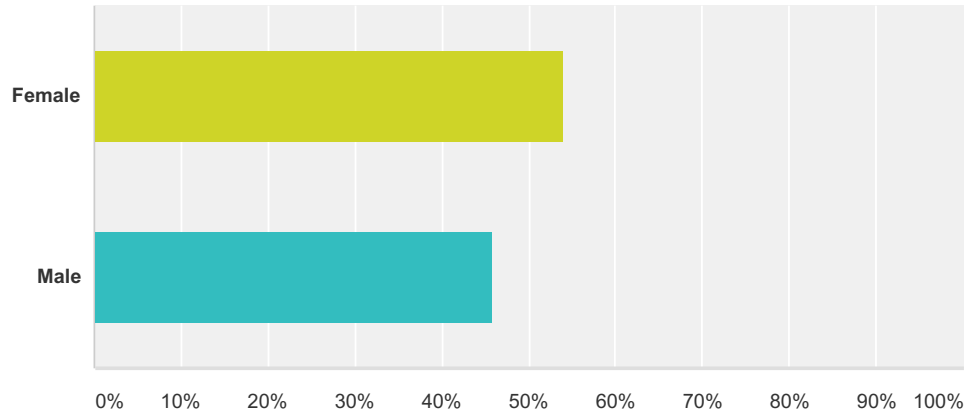
Answered: 673 Skipped: 2



Answer Choices	Responses	
<18	0.00%	0
18 - 29	4.01%	27
30 - 44	12.78%	86
45 - 60	38.34%	258
>60	44.87%	302
Total		673

Q25 What is your gender?

Answered: 673 Skipped: 2

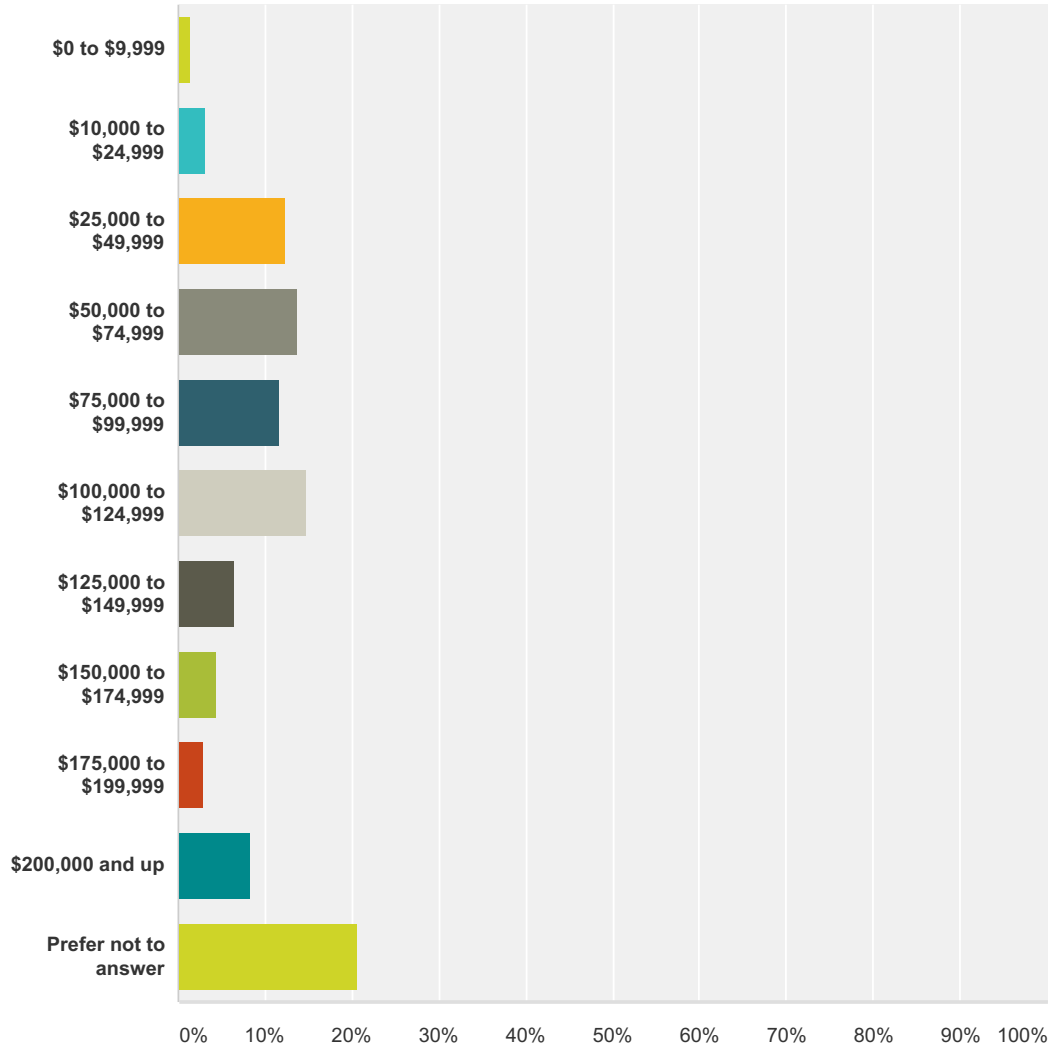


Answer Choices	Responses
Female	54.09% 364
Male	45.91% 309
Total	673

Biggest Financial Pain Points for Small Businesses

Q26 How much total combined money did all members of your HOUSEHOLD earn last year?

Answered: 673 Skipped: 2



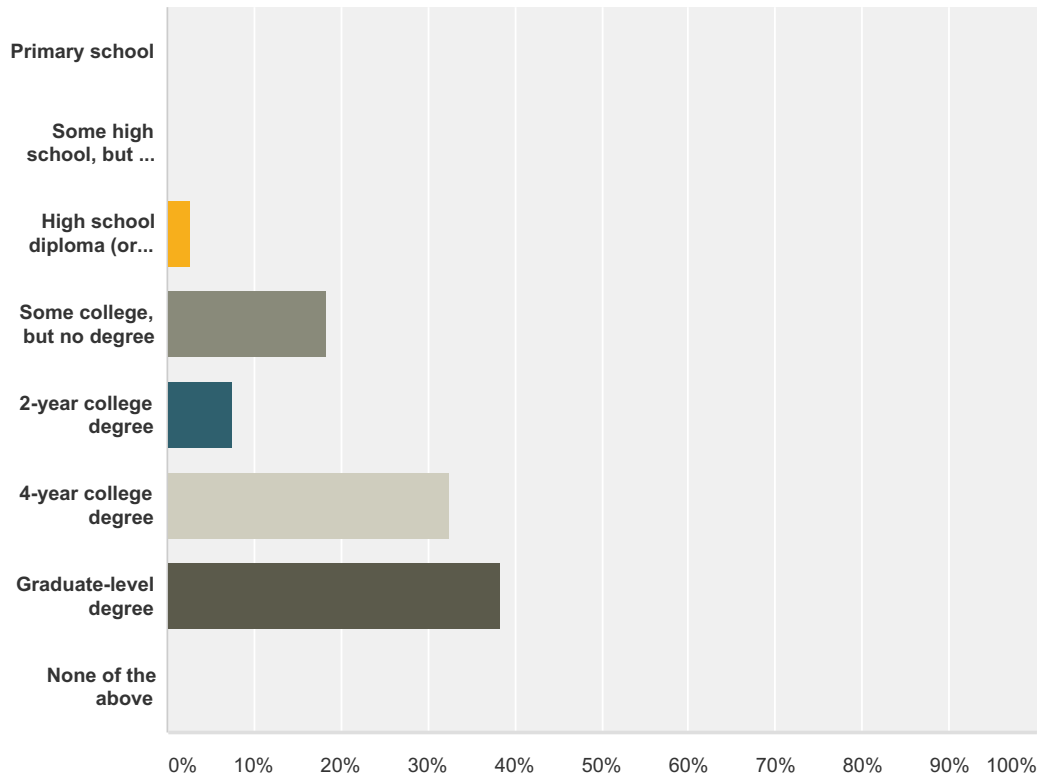
Answer Choices	Responses
\$0 to \$9,999	1.49% 10
\$10,000 to \$24,999	3.12% 21
\$25,000 to \$49,999	12.33% 83
\$50,000 to \$74,999	13.82% 93
\$75,000 to \$99,999	11.59% 78
\$100,000 to \$124,999	14.86% 100
\$125,000 to \$149,999	6.54% 44

Biggest Financial Pain Points for Small Businesses

\$150,000 to \$174,999	4.46%	30
\$175,000 to \$199,999	2.82%	19
\$200,000 and up	8.32%	56
Prefer not to answer	20.65%	139
Total		673

Q27 What is the highest level of school that you have completed?

Answered: 673 Skipped: 2

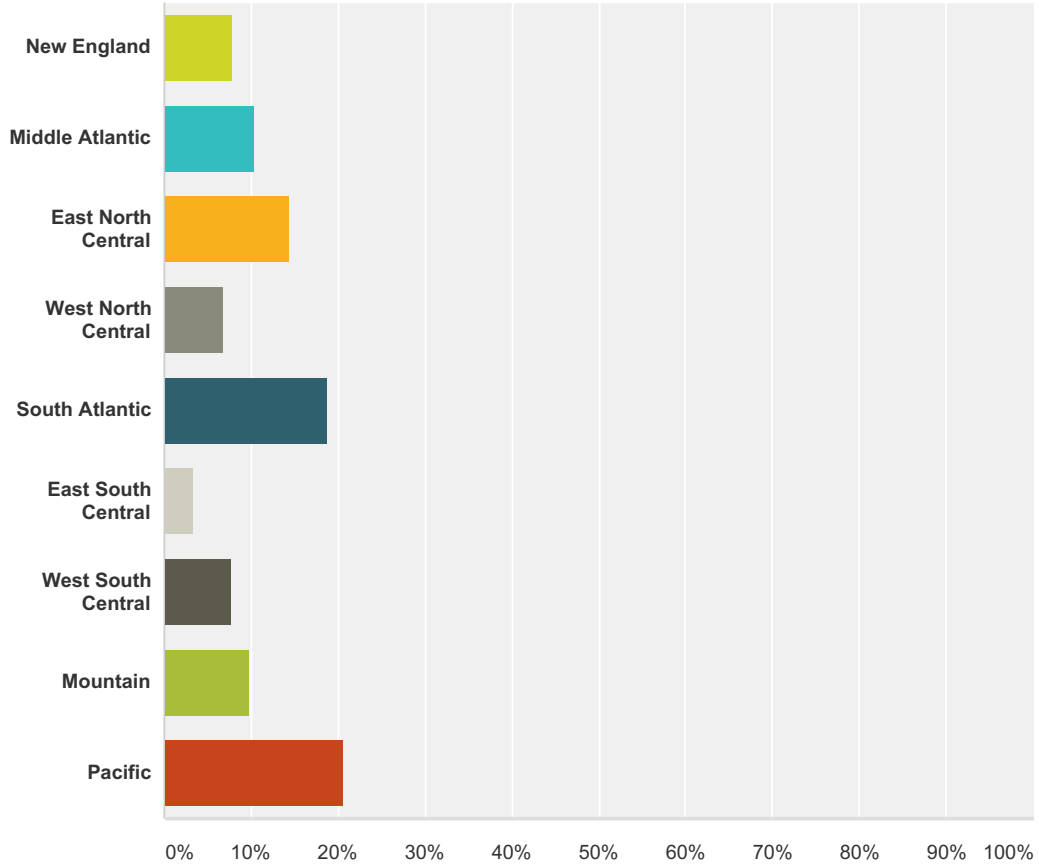


Answer Choices	Responses
Primary school	0.30% 2
Some high school, but no diploma	0.30% 2
High school diploma (or GED)	2.67% 18
Some college, but no degree	18.28% 123
2-year college degree	7.43% 50
4-year college degree	32.54% 219
Graduate-level degree	38.34% 258
None of the above	0.15% 1
Total	673

Biggest Financial Pain Points for Small Businesses

Q28 US Region

Answered: 668 Skipped: 7



Answer Choices	Responses	Count
New England	7.93%	53
Middle Atlantic	10.48%	70
East North Central	14.37%	96
West North Central	6.89%	46
South Atlantic	18.86%	126
East South Central	3.29%	22
West South Central	7.63%	51
Mountain	9.88%	66
Pacific	20.66%	138
Total		668