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U.S. Businesses Expect Organic Growth Amid Economic Uncertainty, Chase Business Leaders Outlook Survey Shows

More than half of small and mid-sized businesses predict an increase in sales and profits in 2013

NEW YORK, April 23, 2013 – American businesses are cautiously optimistic about their performance this year amid a growing uncertainty surrounding the U.S. economy, according to the [2013 Chase Business Leaders Outlook](#).

More than half of the 3,500 small and mid-sized businesses surveyed expect to increase sales and profits this year. Middle market respondents are more optimistic with 74 percent projecting an increase in sales compared to 60 percent of small businesses, and 64 percent expecting an uptick in profits compared to 55 percent of small businesses.

Business leaders' optimism is tempered by rising taxes and mounting healthcare regulation. While more than one-third of respondents are optimistic about the national economy, middle market companies are 12 percent less optimistic than they were last year. In addition, small business owners are almost twice as likely to hold a pessimistic view of the national economy than mid-sized respondents.

Confidence grows closer to home, with more than half of respondents expressing a positive view of their local economy and more than 70 percent having a bullish outlook for their own company's performance.

"It is a good sign that we are seeing businesses remain confident about their own performance and local economy, despite facing broader economic challenges," said Doug Petno, CEO of Chase Commercial Banking. "Business leaders feel better about things they can touch and control."

The majority of businesses are taking a cautious approach to borrowing, with less than one-third anticipating an increased need for additional credit. New financing will be primarily geared towards capital equipment and working capital as business owners focus on attracting new customers, expanding products and services, and cross-selling to their existing client base.

"Growing their customer base is critical for all companies, especially for small business owners who said that adding new customers is far and away their biggest concern," said Scott Geller, CEO of Chase Business Banking.

Hiring remains a crucial component of economic recovery and 55 percent of mid-sized companies and 31 percent of small businesses plan to hire new employees. Only 6 percent of middle market companies and 4 percent of small businesses plan to cut back on headcount. More than 85 percent of all respondents point to expected sales growth as the motive for adding staff.

Wages are expected to increase among middle market companies; 66 percent expect a modest increase in compensation, up 3 percent from last year. The majority of small businesses (60%) expect compensation to remain flat, while 31 percent expect wages to rise.

This year, Chase surveyed senior financial decision makers at 2,500 U.S. small businesses with annual revenues ranging from \$100,000 to \$20 million, and 1,000 U.S. middle market companies with annual revenues between \$20 million and \$500 million.

Here are some additional highlights on what they expect in the year ahead.

- 29% of middle market companies and 30% of small businesses anticipate a need for additional credit in 2013, primarily for capital equipment and working capital.
- The current regulatory environment remains a concern, with 72% of middle market companies and 60% of small businesses saying it makes it more difficult to add workers.
- 61% of middle market companies are active in global markets, up 18% from two years ago. *(Figures are compared to the 2011 Chase Middle Market Business Leaders Outlook)*

Please click on the link for the full key findings report of the [2013 Chase Business Leaders Outlook](#).

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