

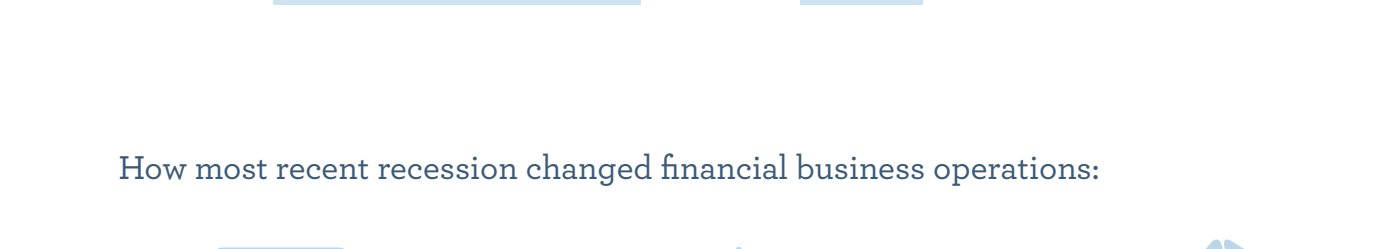
THE HARTFORD'S 2014 SMALL BUSINESS SUCCESS STUDY



The Hartford's fourth annual *Small Business Success Study* is part of the company's ongoing research to better understand the current mindset of small business owners and how they view success.

ALL REWARD, NO RISK

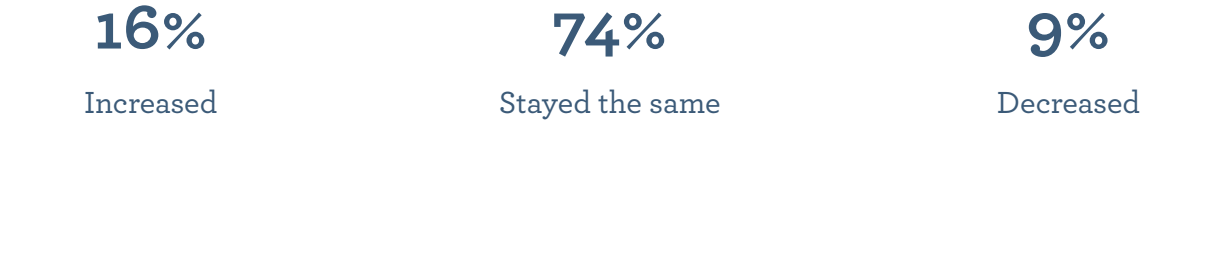
Over the past three years, more small business owners are feeling successful about how their business is operating.



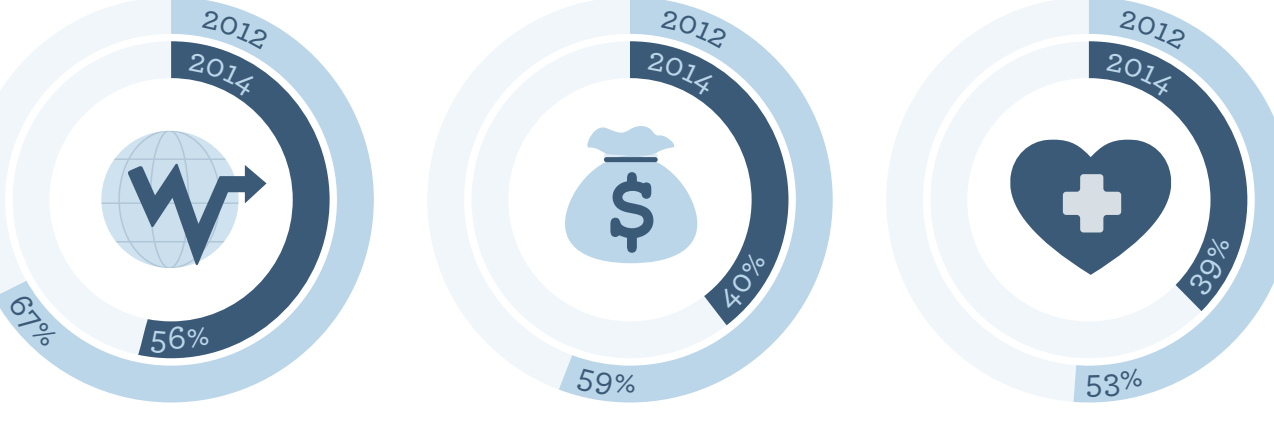
How most recent recession changed financial business operations:



How number of risks taken in the past six months has changed:



Although they are cautious, fewer owners say the following represent a major risk to their business:

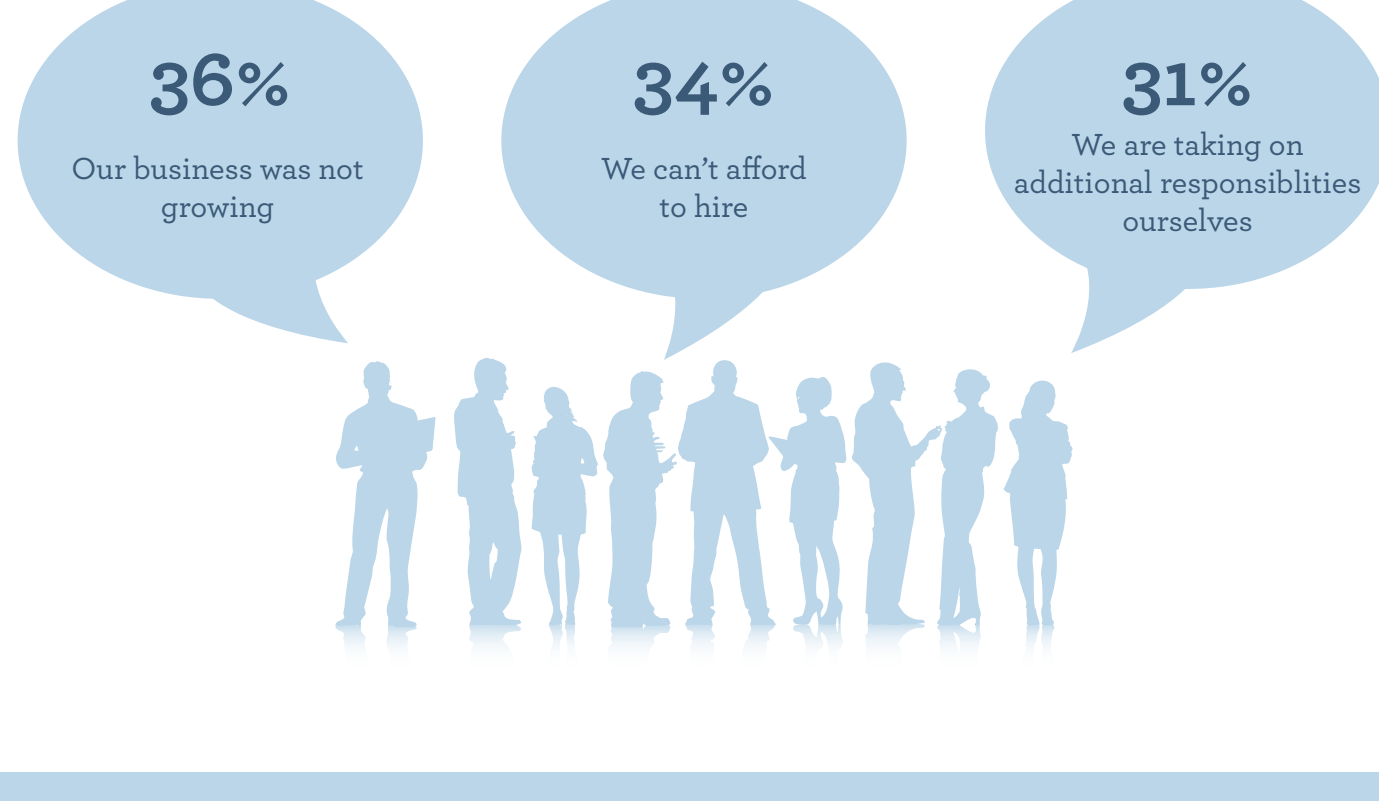


HIRING HOLD

67 percent of owners have not hired in the last year.



Top reasons for not hiring as much as they would have liked or not at all:



SUPPORT FOR MINIMUM WAGE INCREASE

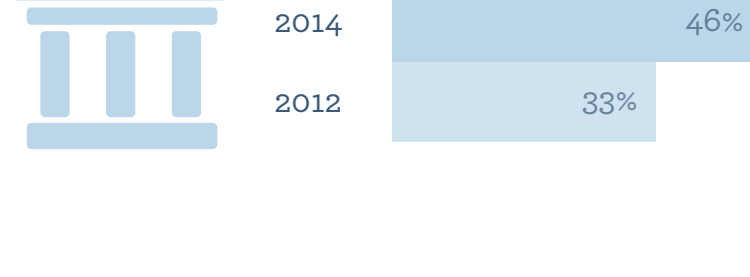


81%

of small business owners with hourly employees pay mostly above the current minimum wage

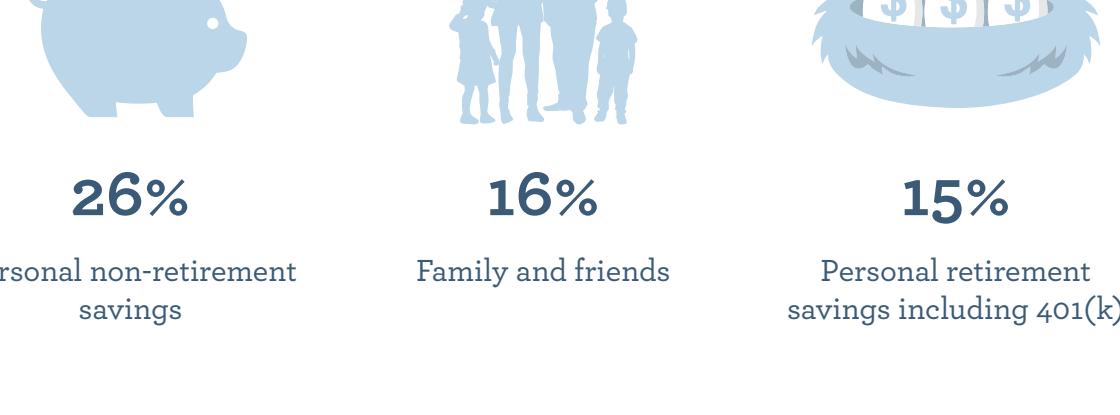
OPTING OUT OF DEBT

Owners who believe it is slightly or not difficult at all to get a loan or other capital:

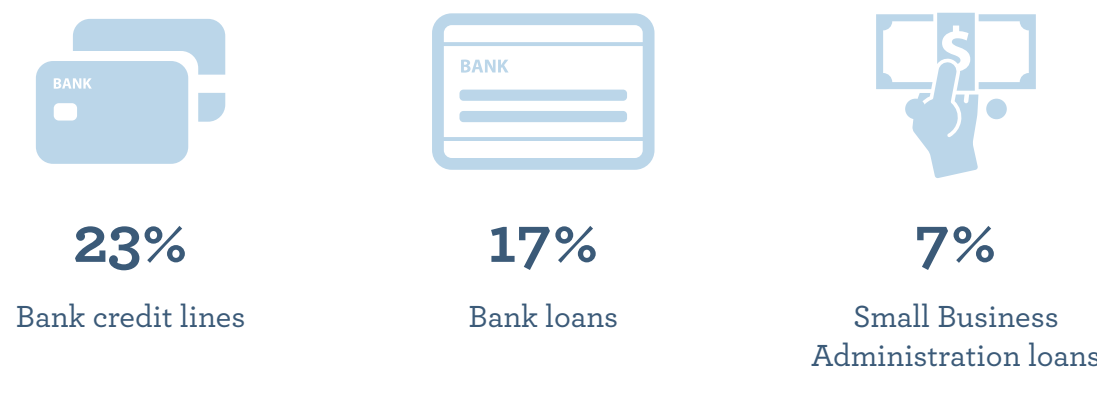


In the past year, 36 percent used personal sources to fund their business compared to 31 percent for commercial loans.¹

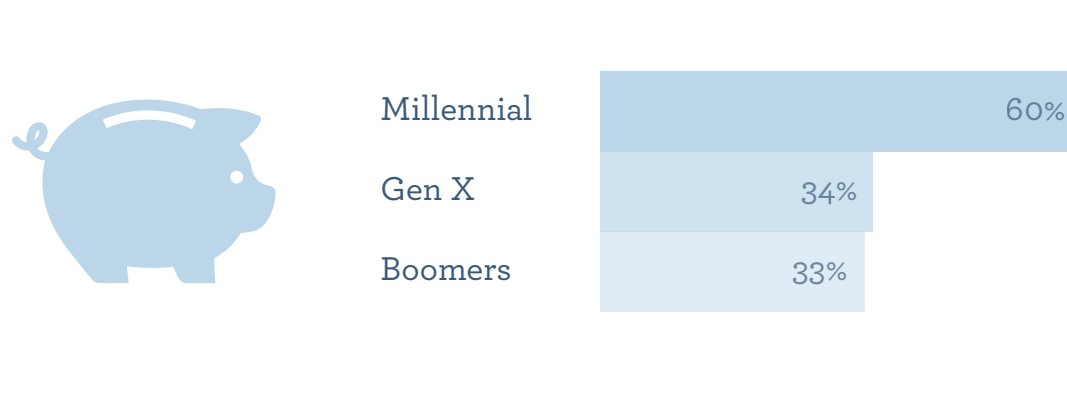
Personal funding sources tapped



Commercial Loans



Millennial small business owners are more likely to use personal sources of funding than their older counterparts.²



OWNERS FEELING #SMALLBUTMIGHTY

When asked which hashtag best describes the state of their business right now, small business owners said:

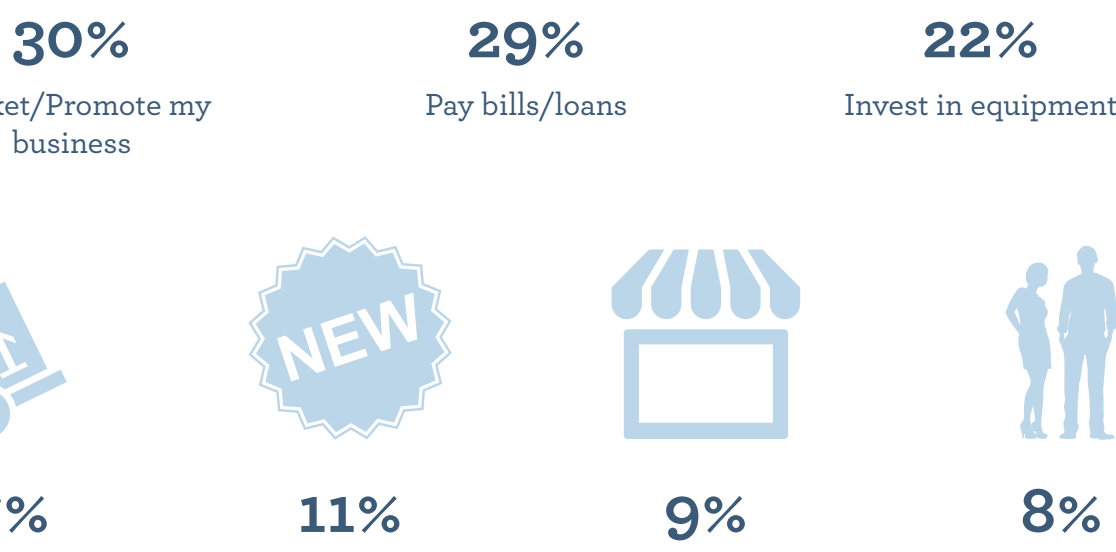


#SmallButMighty 31%

#Prevailing 18% **#NoRiskNoReward 7%**

#OnTheRebound 4% **#BarelyKeepingTheLightsOn 11%**

When asked what they would do if they had \$100,000 to invest in their business, owners said:



11% Offer a new service or product

9% Remodel/expand size of current location

8% Hire full-time employee(s)

Prepare. Protect. Prevail. With The Hartford.SM

For more information visit: www.thehartford.com/SuccessStudy

METHODOLOGY

Braun Research conducted a telephone survey among small business owners across the United States for The Hartford. A total of 2,024 interviews were completed with owners of for-profit businesses with fewer than 100 full-time employees and that have been in business for at least one year. The study included a nationally representative sample of businesses in the United States. One respondent per business was interviewed. The interviews took place between Aug. 5 and Aug. 19, 2014. The margin of error is ± 2.2% at the 95 percent confidence level.

¹ In 2014 the wording of the following survey options for this question changed from previous versions: "Credit lines" became "bank credit line" and "bank" became "bank loans".

² Millennials are defined as ages 18-34, Gen X is defined as ages 35-49, Boomers are defined as ages 50-68.