



‘Raw Deal’: Small Business Owners Sound The Alarm Over Economy, Poll Shows

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The majority of small business owners believe that the U.S. is in a recession as small business optimism remains near an all-time low, according to a new Rasmussen-McLaughlin poll.

Overall, 57% of small business owners believed the U.S. was in a recession, with reports of recession generally increasing the lower the business’ revenue, the [poll](#), conducted Aug. 5 to 28, states. In August, 82% of employers stated that they had either raised prices or would raise prices as a consequence of inflation, up 4 percentage points from 78% in July.

“The U.S. economy is on shaky ground as Mainstreet continues to face rising prices, labor shortages, government red tape, and big tax burdens,” said Elaine Parker, president of the Job Creators Network Foundation, in a statement to the Daily Caller News Foundation. “The latest blow comes in the form of the misnamed Inflation Reductions Act—legislation that will raise taxes on job creators, pick winners and losers with ‘green’ subsidies, fuel even higher inflation, and sic the IRS on small businesses. Despite efforts by the White House to spin the bill as a ‘win,’ small business owners understand it’s a raw deal for America.”

The survey’s Small Business Intelligence Quotient, which measures overall business optimism, remains near an all-time low of 52.9 out of 100, down over 10 points from last July’s peak of 63.5. Gas prices remained a pain point for small business owners, with 46% of small business owners citing elevated gas prices as having a negative impact on profits.

The low optimism and concerns regarding a recession and inflation come as Federal Reserve officials seem more and more likely to raise interest rates by 0.75% as part of the Fed’s ongoing efforts to combat inflation, [according](#) to The Wall Street Journal. Federal Reserve Chair Jerome Powell said that the Fed would continue its restrictive policies “until the job is done,” at a Sept. 8 event hosted by the libertarian-leaning think tank Cato Institute, [according](#) to CNBC.

Higher interest rates reduce overall demand and lower prices, but in turn can risk recession, [according](#) to CNBC.

However, the fight against inflation seems poised to continue at least through the end of the year, with the Fed forecasting elevated prices at least through year’s-end as part of its regular [forecast](#) of economic health known as the Beige Book. Elevated prices are forecasted to hit “food, rent, utilities and hospital services” the hardest.

The poll surveyed 500 small business owners, with a margin of error of 4.4% at a 95% confidence interval.