



New Data from Block Advisors Reveals Small Business Owners are Highly Confident and Diverse

May 23, 2023

The company's newest "Small Business Resilience Series" survey highlights business operations and a desire to create generational wealth as two key areas of confidence and focus

KANSAS CITY, Mo., May 23, 2023 (GLOBE NEWSWIRE) -- In recognition of Small Business Month, [Block Advisors](#) by H&R Block (NYSE: HRB) has released data¹ revealing that today's small business owners are younger and more diverse with clear motivations for pursuing their business ventures. And, despite operating in an uncertain economic environment, small business owners report that the last three months have yielded solid performance, with more than 80% showing high confidence in carrying out day-to-day business tasks. These include billing and accounts receivable tasks, payroll, and timely invoicing – all required for running successful businesses, big or small.

"It's exciting to see the new small business owner who is not only thinking of today, but proactively ensuring success for the future," said Jamil Khan, Chief Strategy & Small Business Officer. "New kinds of small business owners mean new business models. Good news is that a wide range of help in the form of care and expertise is available to help as they remain resilient."

Small business ownership is where diversity, youth and varying motivations meet

Among Black, Indigenous, and People of Color (BIPOC) small business owners, 15% are Gen Z and 44% are Millennial, in comparison to white small business owners who are only 4% Gen Z and 29% Millennial. And while optimism and confidence run high, challenges of sourcing capital remain prevalent for Black, Indigenous, and People of Color (BIPOC), women and Gen Z business owners, according to those surveyed.

But whether stemming from interests and passions, or out of necessity, the new class of small business owners are proving to be resilient and nimble in pursuing ventures that best suit them, and their families, for years to come.

When looking at today's younger, diverse small business owners, motivations differ across key groups:

- 71% of BIPOC respondents are more likely than their counterparts (47%) to indicate that passing generational wealth to their children is a motivation
- 99% of Gen Z and 97% of Millennials say the ability to be their own boss is their top motivation, while women also say it is their top motivation (97%)
- 96% of Gen Z and 88% of Millennials say pursuing a passion is one of their top motivations
- 94% of women say taking control of their destiny is their top motivation for pursuing their small business

These insights into specific motivations for starting a business underscore today's "go-getter" attitude of the new small business owner and indicates an eagerness to break away from their traditional work mold.

Today's small business owner leads with resilience and confidence, but continues experiencing challenges toward sourcing capital

Economic uncertainties have not hindered success, as 40% of those surveyed say that business revenue has grown over the last three months. When looking at BIPOC and Gen Z owners, this percentage increases to 50% and 60%, respectively.

This success is a testament to small business owners' confidence and ability to tackle various tasks needed for running a successful business. Across a wide range of specific managerial duties, at least 82% or more confirmed they are confident when it comes to managing bills and accounts receivable, paying employees in a timely manner, processing invoices, managing business cash flow, and staying in compliance with payroll taxes. That said, topping the list of the most disliked task is that of overall tax preparation (46%).

Tax preparation aside, other pain points stem from hurdles that are out of their control such as sourcing capital and securing loans, with 50% of small business owners finding it difficult to get a loan from a bank. As a result, these young entrepreneurs are left to explore alternative methods such as getting funds from family and friends or going outside of their networks to acquire capital.

The road to starting a small business looks different for BIPOC and women owners who need investments

BIPOC small business owners continue experiencing financial hurdles, citing they are less likely to easily raise money from friends and family in comparison to white business owners, and are more likely to have difficulty getting a loan from a bank (58% vs. 46% white business owners). Women owners have trouble on both fronts. When compared to their male counterparts, women are less likely to attempt to get a loan from a bank and see significantly less success in raising money from investors.

"From starting a business to effectively maintaining one, owners face challenges at various stages of their ventures," said Khan. "The good news for them is that resources like those available at Block Advisors are here to support with bookkeeping, payroll services and tax preparation. And we can offer them with confidence because of our expert understanding of small business owner needs."

To learn more about Block Advisors, visit <https://www.blockadvisors.com/> or the Block Advisors office nearest you. And, if you filed for a tax extension, remember you have until Sunday, October 15 to finish filing.

¹A Small Business Resilience Survey was conducted among 1,013 American small business owners, 18+ from April 27-May 2, 2023 using the field services of Qualtrics.

About the “Small Business Resilience Series” survey

Block Advisors was founded with the mission to serve small businesses. That’s why it commissioned a survey with more than 1,000 business owners to inform the “Small Business Resilience Series.” Each year, Block Advisors’ release of this data gives a snapshot of America’s small business landscape. With 8,000 offices nationwide, Block Advisors is available to help small business owners year-round with their specialized tax, bookkeeping, payroll, and other needs.

About H&R Block

H&R Block, Inc. (NYSE: HRB) provides help and inspires confidence in its clients and communities everywhere through global [tax preparation](#) services, [financial products](#), and [small business solutions](#). The company blends digital innovation with human expertise and care as it helps people get the best outcome at tax time and also be better with money using its mobile banking app, [Spruce](#). Through [Block Advisors](#) and [Wave](#), the company helps small business owners thrive with year-round bookkeeping, payroll, advisory, and payment processing solutions. For more information, [H&R Block News](#) or follow [@HRBlockNews](#) on Twitter.

For Further Information Investor Relations: Michaela Gallina, (816) 854-3022, michaela.gallina@hrblock.com Jordyn Eskijian, (816) 854-5674, jordyn.eskijian@hrblock.com Media Relations: Angela Davied, (816) 854-5798, angela.davied@hrblock.com Heather Woodard, (660) 864-3836, heather.woodard@hrblock.com