2022 Small Business Exporting Survey
How Small Firms Do Business Globally

EXIM
Export-Import Bank of the United States

NSBA
National Small Business Association
Foreword

America’s small businesses find themselves at a crossroads: recovering from a pandemic and resulting economic downturn, looking to the future with a renewed sense of persistence and the confidence that they can meet any challenge head-on. The way we do business is forever changed and technology has brought even the smallest businesses closer to customers on the other side of the globe. Small businesses today are thinking more globally and are seeking more international business opportunities.

The National Small Business Association (NSBA) has partnered with the Export-Import Bank of the U.S. (EXIM) to conduct this survey of small business about their attitudes, practices and beliefs when it comes to doing business internationally. NSBA is the nation’s oldest small-business advocacy organization serving its 65,000 members on a staunchly nonpartisan basis. EXIM is the official export credit agency of the U.S., working to support American job creation, prosperity and security through exporting. They help unlock financing solutions for U.S. companies competing around the globe.

NSBA and its international trade arm, the Small Business Exporters Association (SBEA) have been urging for years—decades, even—that more must be done to emphasize the needs of small business within the scope of U.S. trade. While progress has been made, this survey shows a growing appetite for export-related assistance and education among small business.

Among the small- and mid-sized exporters (SMEs) surveyed, 40 percent said they have sold goods or services to a customer outside the U.S., and among those who haven’t, the majority—53 percent—said they would be interested in doing so. The biggest challenge to non-exporters: they don’t know enough about it and simply don’t know where to start.

Interestingly, while the size of businesses that responded to the survey were slightly smaller than in previous surveys, we found that those who export actually do so at higher rates than they did six years ago. That said, those that are exporting reported exporting to fewer countries than in previous years. This underscores the resource and information challenge for smaller businesses—particularly since the overwhelming majority of owners handle the export operations themselves—and why more are choosing to export to only a handful of countries.

Starting out exporting is a unique risk for smaller businesses and far too few know about the wealth of federal resources at their disposal. EXIM is one of many outstanding resources helping businesses reach customers globally, yet just 22 percent report being aware of the various federal agencies dedicated to helping export U.S. goods and services. The top challenge SMEs face in terms of sustaining or growing their export operations is finding foreign customers and navigating foreign import rules—two key issues that are the focal point for several federal agencies.

This lack of knowledge stems from many sources, however we found that far more businesses in this survey (typically smaller businesses) than in the 2016 survey report their lender has never mentioned EXIM products. The number one thing SMEs want the federal government to do to help foster exporting is to provide better and more export training and technical assistance and provide export tax incentives for small businesses.

This survey was conducted online among 530 small businesses across the country April 14-May 12. We hope you find the data in this report useful. Please contact the NSBA media affairs department with questions.

Sincerely,

Todd McCracken          Michael Stanek
NSBA President          NSBA Chair
Export Status

Have you ever sold merchandise or services to a customer outside of the United States?

- Yes: 60%
- No: 40%

Which of the following best describes your international business?

- Goods & Services: 38%
- Goods Only: 32%
- Services Only: 30%
What percentage of your business sales is from exporting?

- Less than 10 percent: 60% (2022) | 72% (2016)
- 10 to 20 percent: 15% (2022) | 9% (2016)
- 21 to 50 percent: 14% (2022) | 13% (2016)
- More than 50 percent: 11% (2022) | 6% (2016)

How many years have you been exporting?

- Less than 5 years: 39% (2022)
- 6 to 10 years: 14% (2022)
- 11 to 20 years: 21% (2022)
- More than 20 years: 26% (2022)
Non-Exporting SMEs

Would you be interested in selling merchandise or services to a foreign customer in the future, if some of your concerns could be addressed?

- Yes: 53%
- No: 47%

What do you consider the main barriers to selling your goods and/or services to foreign customers? (Check all that apply)

- Don’t know much about it and not sure where to start: 45%
- I don’t have goods and/or services that are exportable: 29%
- Regulatory barriers/complexity: 28%
- Unaware how to utilize free/foreign trade agreements: 26%
- Insufficient protection of intellectual property rights (patents, copyrights, trademarks): 24%
- I’d worry too much about getting paid: 20%
- Obtaining visas and work permits: 17%
- It would take too much time away from my regular, domestic sales: 15%
- Too costly: 14%
- Can’t get financing to offer foreign customers: 14%
- Unfair Trade Practices: 13%
- Restrictions on forming partnerships or joint ventures, or the requirement to have partnerships with local businesses: 11%
- Other (please specify): 14%
There was an increase among non-exporting SMEs that said they don’t export because they don’t know where to start, and a decrease in those who said they don’t have anything to export. Small businesses are increasingly interested in exporting, but need additional resources and tools to help them start.
Export Reach

How many countries are you exporting to?

- Less than 5: 66%
- 5 to 10: 21%
- 11 to 20: 4%
- More than 20: 9%

Please select all countries to which you export.

- Canada: 60%
- U.K.: 46%
- Australia: 33%
- Germany: 32%
- Mexico: 28%
- Japan: 26%
- China: 23%
- Korea: 18%
- India: 17%
- Brazil: 16%
- Israel: 13%
- Colombia: 8%
- Panama: 7%
- Peru: 3%
- Other: 54%
Export Management

Who manages the bulk of your exporting activities?

- I do it myself: 59%
- My staff manages it: 37%
- I use an export management company: 4%

Who helps you overcome export related challenges? (Check all that apply)

- Freight forwarder: 44%
- Customs broker: 29%
- Other (please specify): 27%
- State or federal government resources (SBDC, USEAC, EXIM Bank, Dept. of Commerce, etc...): 22%
- Law firm: 13%
- Trade associations: 8%
- Chambers of Commerce: 7%
- Consulting firm: 7%
The overwhelming majority of small-business owners—59 percent—handle the export operations of their companies themselves.
Is your company’s website capable of processing international orders?

- Yes: 31%
- No: 54%
- Working on it: 14%

Does your company’s website provide for online content to be translated into foreign languages?

- Yes: 69%
- No: 21%
- I don’t know: 11%
Federal Export Assistance

Which of the following government programs have you taken advantage of? (Check all that apply)

- U.S. Department of Commerce presentations or websites: 25%
- Exporting advice from a Small Business Development Center: 16%
- Trade Missions: 13%
- Exporting assistance offered by my state government: 10%
- U.S. Commercial Service personnel assigned to U.S. embassies abroad: 7%
- Exporting advice from an SBA District Office: 6%
- U.S. Department of Commerce Gold Key Program: 6%
- A U.S. Export Assistance Centers (USEAC) in a major U.S. city: 5%
- Bidding on foreign projects funded by multilateral organizations/banks: 3%
- EXIM Bank financing, through a commercial bank: 3%
- SBA export lending programs, through a commercial bank: 3%
- The District Export Council (DEC) in my area: 2%
- U.S. Department of Agriculture exporting assistance and/or financing: 2%
- I have used these services but still have not exported: 1%
- Overseas Private Investment Corporation (OPIC) financing, directly or through a commercial lender: 1%
- EXIM Bank’s Medium Term Delegated Authority loans: 0%
- N/A – Never used any of these services: 58%
- Other (please specify): 5%
Export Challenges

What are the largest challenges to selling your goods and/or services to foreign customers? (Check all that apply)

- I worry about getting paid: 39%
- It is very costly: 24%
- I don’t understand the regulations and policies: 23%
- I have limited goods and/or services that are exportable: 20%
- It is confusing and difficult to do: 20%
- I can’t get financing to offer foreign customers: 14%
- It takes time away from my regular, domestic sales: 10%
- I have all the business I want domestically: 10%
- Inability to generate certificates of origin for the goods I manufacture and export: 6%
- Other (please specify): 19%

Please select your TOP THREE biggest challenges in terms of sustaining and/or growing your export operations.

- Finding foreign customers: 54%
- Navigating foreign import rules: 40%
- Insufficient protection of intellectual property rights (patents, copyrights, trademarks): 34%
- Access to export financing: 20%
- Unfair Trade Practices: 17%
- Obtaining visas and work permits: 12%
- Other: 26%
The biggest concern SMEs have when it comes to exporting is the worry over getting paid. Finding suitable foreign customers is a particularly big challenge among existing exporters looking to sustain or grow their export operations.
What types of federal government support for exporting would be most useful to you and your company as an exporter or as a potential exporter? (Check all that apply)

- Make more export training and assistance: 47%
- Establish export tax incentives for small exporters: 46%
- Make a one-stop-shop for exporting assistance offerings: 37%
- A strong small business advocate within the U.S. Trade Representative Office: 35%
- Increase assistance to small businesses seeking to establish joint ventures in foreign countries: 34%
- Maintain an export competitive U.S. dollar exchange rate: 30%
- Help exporters with the protection of their intellectual property: 29%
- Assist with required in-country documentation: 29%
- Make sure foreign countries don’t violate their trade agreements with the U.S.: 28%
- Improved connection with customers: 25%
- Providing better market research: 24%
- More loan officers who can underwrite SBA and EXIM Bank export loans: 23%
- Negotiate and pass additional Free Trade Agreements: 22%
- Helping states promote exports: 20%
- Offering more domestic trade shows where buyers come to U.S.: 20%
- Reduce fees on “Gold Key” services overseas: 14%
- Expedite the visa process for visiting foreign buyers and distributors of U.S. products: 13%
- Modify the Export Control laws: 12%
- Other (please specify): 14%
Export Payments

How significant a concern is receiving payment from a foreign customer to you?

- Very: 28%
- Somewhat: 43%
- Not a concern: 29%

Have you had issues collecting payments from overseas companies?

- Yes: 33%
- No: 67%
Which of the following methods of payment do you accept from foreign customers? (Check all that apply)

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship on receipt of full payment in advance</td>
<td>52%</td>
</tr>
<tr>
<td>Online payment portal (paypal/stripe/venmo/etc...)</td>
<td>31%</td>
</tr>
<tr>
<td>Ship on 30 day open account</td>
<td>30%</td>
</tr>
<tr>
<td>Ship under a bank issued letter of credit</td>
<td>19%</td>
</tr>
<tr>
<td>I provide extended payment terms to my foreign customers</td>
<td>14%</td>
</tr>
<tr>
<td>I provide payment terms to my customer with acceptable (to my bank) payment...</td>
<td>9%</td>
</tr>
<tr>
<td>I sell my foreign receivables to a factoring entity</td>
<td>4%</td>
</tr>
<tr>
<td>My bank will advance funds to me upon shipment</td>
<td>0%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>15%</td>
</tr>
</tbody>
</table>
One-in-three SMEs have had issues collecting payments from foreign companies.
## Export Finance

From which of the following sources have you secured financing for your exporting operations? (Check all that apply)

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional, large bank</td>
<td>31%</td>
</tr>
<tr>
<td>Small, community bank</td>
<td>17%</td>
</tr>
<tr>
<td>SBA Lending Program</td>
<td>10%</td>
</tr>
<tr>
<td>EXIM Bank products</td>
<td>6%</td>
</tr>
<tr>
<td>Credit union</td>
<td>4%</td>
</tr>
<tr>
<td>Online, non-bank lenders</td>
<td>4%</td>
</tr>
<tr>
<td>Angel investors</td>
<td>4%</td>
</tr>
<tr>
<td>Venture capital funds</td>
<td>3%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>44%</td>
</tr>
</tbody>
</table>
Has your bank or other lender ever discussed EXIM Bank products with you?

- Yes: 12% (Green: 27%)
- No: 88% (Blue: 73%)

Have you ever used any EXIM Bank products?

- Yes: 7% (Blue)
- No: 52% (Blue)
- Never heard of EXIM Bank: 37% (Blue)
- Not sure: 3% (Blue)
Among exporters who do use EXIM Bank products, which of the following have you used? (Check all that apply)

- Short Term Credit Insurance: 44%
- Working Capital Guarantee Program: 33%
- Medium Term Program: 33%
- Long Term Program: 0%
- Other (please specify): 33%
It is worth noting that, while in 2016 more SMEs reported their bank had discussed EXIM products with them, the average business size of respondents in the 2022 survey was much smaller. Meaning, many lenders are failing to provide smaller businesses with much-needed and very applicable information about EXIM’s resources.
Demographics

How many total full-time personnel are currently employed by your business?

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>7%</td>
</tr>
<tr>
<td>1 to 4</td>
<td>50%</td>
</tr>
<tr>
<td>5 to 9</td>
<td>15%</td>
</tr>
<tr>
<td>10 to 19</td>
<td>12%</td>
</tr>
<tr>
<td>20 – 49</td>
<td>9%</td>
</tr>
<tr>
<td>50-99</td>
<td>6%</td>
</tr>
<tr>
<td>100 - 499</td>
<td>2%</td>
</tr>
</tbody>
</table>

Which of the following best describes the structure of your business?

<table>
<thead>
<tr>
<th>Structure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LLC</td>
<td>38%</td>
</tr>
<tr>
<td>S-Corp</td>
<td>33%</td>
</tr>
<tr>
<td>C-Corp</td>
<td>17%</td>
</tr>
<tr>
<td>Sole Proprietor</td>
<td>7%</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>4%</td>
</tr>
<tr>
<td>Partnership</td>
<td>1%</td>
</tr>
</tbody>
</table>

How long have you been in business?

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>27%</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>18%</td>
</tr>
<tr>
<td>11 to 20 years</td>
<td>21%</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>34%</td>
</tr>
</tbody>
</table>
Which of the following best describes the industry or sector in which your business operates?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Scientific and Technical Services (54)</td>
<td>26%</td>
</tr>
<tr>
<td>Manufacturing (31-33)</td>
<td>19%</td>
</tr>
<tr>
<td>Wholesale Trade (42)</td>
<td>7%</td>
</tr>
<tr>
<td>Construction (23)</td>
<td>7%</td>
</tr>
<tr>
<td>Retail Trade (44-45)</td>
<td>7%</td>
</tr>
<tr>
<td>Other Services (except Public Administration) (81)</td>
<td>5%</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing and Hunting (11)</td>
<td>4%</td>
</tr>
<tr>
<td>Health Care and Social Assistance (62)</td>
<td>4%</td>
</tr>
<tr>
<td>Transportation and Warehousing (48-49)</td>
<td>3%</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation (71)</td>
<td>3%</td>
</tr>
<tr>
<td>Information (51)</td>
<td>3%</td>
</tr>
<tr>
<td>Educational Services (61)</td>
<td>2%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises (55)</td>
<td>2%</td>
</tr>
<tr>
<td>Accommodation and Food Services (72)</td>
<td>2%</td>
</tr>
<tr>
<td>Administrative and Support, Waste Management...</td>
<td>2%</td>
</tr>
<tr>
<td>Finance &amp; Insurance (52)</td>
<td>1%</td>
</tr>
<tr>
<td>Real Estate, Rental and Leasing (53)</td>
<td>1%</td>
</tr>
<tr>
<td>Utilities (22)</td>
<td>1%</td>
</tr>
</tbody>
</table>
In what state or U.S. territory is your company currently headquartered?

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)</td>
<td>5%</td>
</tr>
<tr>
<td>Mid-Atlantic (Delaware, District of Columbia, Maryland, New York, New Jersey, Pennsylvania, Virginia, West Virginia)</td>
<td>20%</td>
</tr>
<tr>
<td>Great Lakes (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)</td>
<td>13%</td>
</tr>
<tr>
<td>Farm Belt (Iowa, Kansas, Missouri, North Dakota, Nebraska, South Dakota)</td>
<td>5%</td>
</tr>
<tr>
<td>South (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas)</td>
<td>29%</td>
</tr>
<tr>
<td>Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)</td>
<td>10%</td>
</tr>
<tr>
<td>Pacific (Alaska, California, Hawaii, Oregon, Washington)</td>
<td>16%</td>
</tr>
<tr>
<td>U.S. Territories (Guam, Puerto Rico, Virgin Islands)</td>
<td>1%</td>
</tr>
</tbody>
</table>
What were your gross sales or revenues for your most recent fiscal year?

- Less than $100,000: 34%
- $100,000 to less than $250,000: 12%
- $250,000 to less than $500,000: 9%
- $500,000 to less than $1,000,000: 12%
- $1,000,000 to less than $5,000,000: 19%
- $5,000,000 to less than $25,000,000: 12%
- $25,000,000 to less than $75,000,000: 2%
- $75,000,000 to less than $150,000,000: 1%
- $150,000,000 or more: 1%

Methodology

This survey was conducted online among 530 small businesses across the country April 14-May 12. We hope you find the data in this report useful. Please contact the NSBA media affairs department with questions.