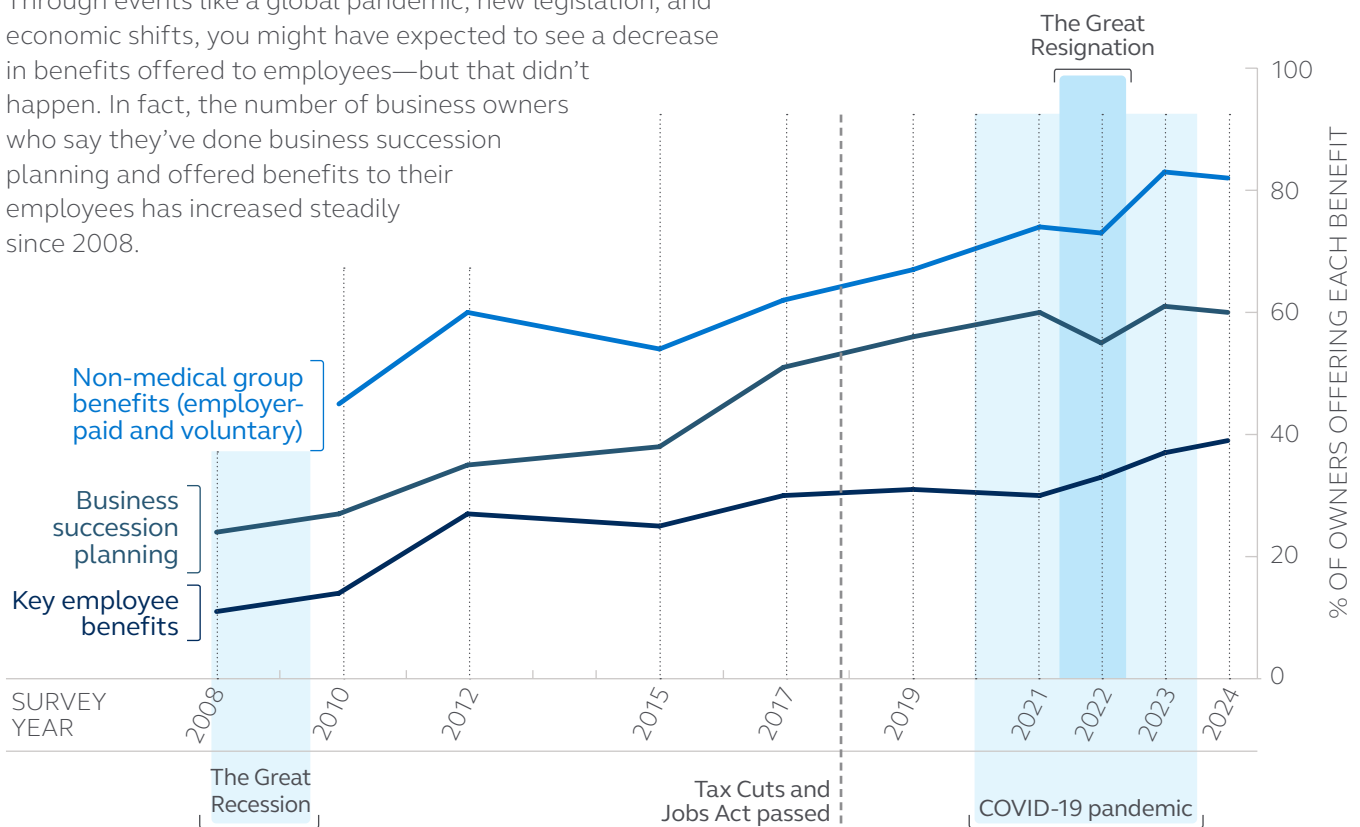


Small and midsize businesses show **resiliency over time.**

Since 2008, Principal has been asking business owners what’s on their minds when it comes to planning for the financial health of their business. Data trends over 10 surveys show business owners prioritize the well-being of their employees even in an environment of constant change.

Even when times were challenging, small and midsize business (SMB) owners remained confident and resilient. And that’s good news for the communities that depend on them, as SMBs are often the drivers of economic growth and job creation.

Through events like a global pandemic, new legislation, and economic shifts, you might have expected to see a decrease in benefits offered to employees—but that didn’t happen. In fact, the number of business owners who say they’ve done business succession planning and offered benefits to their employees has increased steadily since 2008.



Business succession planning

✓ There has been a **significant increase** in the number of owners who have a **business succession plan in place.**



Let's look at two of the more recent events, and the impact on owner priorities.

Unique challenges of the COVID-19 pandemic

January 2020 – May 2023

The pandemic brought unprecedented challenges to business owners in 2020 and beyond—navigating small business loans, decreased cash flow, remote work, state-mandated shutdowns, and managing the health and safety of employees to name just a few.

However, one thing remained the same—the priorities of business owners didn't experience major shifts. In fact, the number of employers offering non-medical group benefits (employer-paid and voluntary) increased from 67% in 2019 to 83% in 2023. Even during tough times, business owners valued their employees and did what was needed to support and retain their workforce.

“A benefits program that is customized and adapts with the times helps create an engaging work environment, one that allows employees to do their best work. And when employees are able to do their best work, employers succeed, too,” says Kara Hoogensen, Senior Vice President, Benefits and Protection, Head of Workplace Benefits at Principal.

Challenges to keep employees during The Great Resignation

April 2021 – April 2022

The Great Resignation saw millions of Americans voluntarily resign from their jobs in 2021-2022. Employees weren't satisfied with their work environment or their work-life balance and left their jobs.

While every employee is valuable, some may be more critical to the business than others. How would the business be impacted if a key employee left? A Principal survey of SMBs found that 93% rank retaining key employees as an important business issue.*

“Businesses can feel more confident pursuing their unique goals by structuring employee benefits to retain their key talent,” says Nate Schelhaas, Senior Vice President, Benefits and Protection, Head of Business Owner Segment at Principal.

Prior to the great resignation, 30% of owners said they offered key employee benefits (2021). After the great resignation, it increased to 37% (2023). And the most recent survey shows a record high 39% (2024).

“Key employee benefits are growing in importance as it becomes more challenging to lock in top talent, especially in high-demand jobs,” says Schelhaas.



Learn more.

For the latest insights, go to principal.com/ownerinsights

* The 2024 Principal SMB Sentiment survey of small and midsize employer non-customers (501) and employees (250) conducted between April 18-May 6, 2024.



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Principal business owner surveys are with respondents age 21 or older, own a company with 2-499 employees, and own at least 5 percent of the company.

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