



Contact: M Booth & Associates  
 Matt Hantz/Alex Della Rocca  
 212-481-7000  
[Matth@mbooth.com](mailto:Matth@mbooth.com)  
[Alexd@mbooth.com](mailto:Alexd@mbooth.com)

American Express  
 Rosa Alfonso  
 212-640-1712  
[Rosa.M.Alfonso@aexp.com](mailto:Rosa.M.Alfonso@aexp.com)

**Noteworthy Regional Contrasts on Key Issues Facing Small Business Owners in the United States  
 American Express OPEN Fall 2008 Small Business Monitor**

<b>Economic Issues</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Expect their business to grow regardless of the economy</b>	<b>32%</b>	<b>36%</b>	<b>32%</b>	<b>31%</b>	<b>33%</b>
<b>Uncertain economy is the biggest business challenge</b>	<b>25%</b>	<b>34%</b>	<b>27%</b>	<b>40%</b>	<b>32%</b>
<b>The economy will most sway vote for President</b>	<b>44%</b>	<b>42%</b>	<b>32%</b>	<b>34%</b>	<b>38%</b>
<b>Inflation is the Federal Reserve issue that is the biggest threat to the economy</b>	<b>68%</b>	<b>68%</b>	<b>70%</b>	<b>61%</b>	<b>67%</b>
<b>Will reduce or accept lower profits to manage in the economy</b>	<b>48%</b>	<b>57%</b>	<b>58%</b>	<b>58%</b>	<b>56%</b>

<b>Rising Energy Costs</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Rising energy costs are having a significant impact on business</b>	<b>59%</b>	<b>51%</b>	<b>62%</b>	<b>56%</b>	<b>56%</b>
<b>Have lost sales as a result of rising costs</b>	<b>39%</b>	<b>43%</b>	<b>36%</b>	<b>38%</b>	<b>40%</b>

<b>Hiring Plans</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Plan to hire full or part/time staff over the next six months</b>	<b>32%</b>	<b>37%</b>	<b>36%</b>	<b>38%</b>	<b>36%</b>

<b>Healthcare Benefits</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Offer healthcare benefits to employees</b>	<b>56%</b>	<b>53%</b>	<b>47%</b>	<b>60%</b>	<b>54%</b>

<b>Capital Investment Plans</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Plan to make capital investments over the next six months</b>	<b>42%</b>	<b>43%</b>	<b>46%</b>	<b>40%</b>	<b>43%</b>

<b>Cash Flow</b>	<b>Northeast</b>	<b>South</b>	<b>North Central</b>	<b>West</b>	<b>Small Businesses Overall</b>
<b>Have cash flow issues</b>	<b>52%</b>	<b>54%</b>	<b>62%</b>	<b>53%</b>	<b>55%</b>

**Northeast Regional Outlook**  
**Fall 2008 American Express OPEN Small Business Monitor**

**States within the Northeast include Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania and New Jersey**

**Northeast Regional Highlights**

**Noteworthy Northeast regional highlights are as follows:**

- Nearly four in ten entrepreneurs (39%) say they lost sales due to rising gas and energy costs, up significantly from 23% last fall
- Forty-two percent of small business owners in the Northeast plan to make capital investments in the next six months, down significantly from 55% last fall

Outlook

- About one-third (32%) of business owners in the **Northeast** expect their business to grow regardless of the economy. Forty-two percent of business owners in the Northeast are willing to take a financial risk in order to grow their business. Roughly one in four business owners in the Northeast say their biggest challenge in growing their business is the rising costs of doing business (29%) and the uncertain economy (25%).

Cash Flow

- Fifty-two percent of small business owners in the **Northeast** expect to face cash flow issues in the next six months, on par with 49% in fall 2007. Top concerns include the ability to pay bills on time (19%), followed by having enough cash on hand to win new business (12%) and the ability to track cash flow, accounts receivable and the ability to meet payroll (each 7%).
- As a tactic to improve cash flow, nearly one third of entrepreneurs in the **Northeast** are most likely to use personal or private funds (29%). Nearly one in five (19%) will put off purchases. Others will obtain and use a line of credit (15%), use a credit card (9%) or lease rather than purchase equipment in order to improve cash flow (6%).

Capital Investments

- Forty-two percent of small business owners in the **Northeast** plan to make capital investments in the next six months, down significantly from 55% last fall. For entrepreneurs planning to invest in their businesses technology investments lead the category (31%), followed by real estate investments (13%), office equipment purchases (11%), manufacturing and production equipment (9%) and office furnishings (6%).

Hiring

- Thirty-two percent of small business owners in the **Northeast** have plans to hire in the next six months, on par with 36% in fall 2007. Seventy-five percent of those with plans to hire say they need to hire to handle a growing business. Other reasons for hiring include the need to hire to help increase business volume (60%), to go after new business ventures (40%), the need for seasonal help (29%) or having finally found the right candidate for a position they have been trying to fill (21%).

### Impact of Energy Costs

- Eight out of ten of entrepreneurs in the **Northeast** (84%) say that higher gas and energy costs have had a significant or moderate impact on their business, on par with 82% last fall. Two-thirds say they reacted by reducing gas and energy use (42%) or raising prices (25%). As a result of higher gas and energy costs – about three quarters of business owners say they had to pay higher costs for materials and products (73%), on par with 76% last fall. Two out of five (39%) say they lost sales, up significantly from 23% last fall; and thirty two percent changed how they market/sell, up from 28% last fall.

### View on Public Policy

- The economy is the top influencer in entrepreneurs in the **Northeast's** vote for the next president of the United States (44%). Other influencers in the presidential election are healthcare and energy policy (both 14%), tax policy (10%), and Iraq (9%).

### **Survey Methodology**

The American Express OPEN Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 768 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by Echo Research from August 12- August 25, 2008. The poll has a margin of error of  $\pm 3.5\%$ .

### **About American Express OPEN**

American Express OPEN is dedicated exclusively to the success of small business owners and their companies. OPEN supports business owners with exceptional service. With tailored products and services, the team delivers purchasing power, flexibility, control and rewards to help customers run their business. Specifically, business owner customers can leverage an enhanced set of products, tools, services and savings, including charge and credit cards, convenient access to working capital, robust online account management capabilities and savings on business services from an expanded lineup of partners. To obtain more information about OPENSM, visit OPEN.com, or call 1-800-NOW-OPEN to apply for a card or loan. Terms and conditions apply.

American Express Company [www.americanexpress.com](http://www.americanexpress.com) is a leading global payments, network and travel company founded in 1850.

# # #

**Southern Regional Outlook**  
**Fall 2008 American Express OPEN Small Business Monitor**

**States within the South include Delaware, Maryland, West Virginia, Virginia, South Carolina, North Carolina, Georgia, Florida, District of Columbia, Kentucky, Mississippi, Tennessee, Alabama, Arkansas, Louisiana, Oklahoma and Texas**

**Southern Regional Highlights**

**Noteworthy Southern regional highlights are as follows:**

- As a result of rising energy and gas prices, four in ten (43%) say they lost sales, more than triple 12% last fall
- Forty three percent of small business owners in the South plan to make capital investments in the next six months, down significantly from 60% in fall 2007
- Fifty-four percent of small business owners in the South expect to face cash flow issues in the next six months, up sharply from 44% in fall 2007
- Thirty seven percent of small business owners in the South have plans to hire in the next six months, up from 32% in fall 2007

Outlook

- More than one third of small businesses in the **South** (36%) expect their business to grow regardless of the economy. Forty-four percent of business owners in the South are willing to take a financial risk in order to grow their business. The biggest challenge business owners in the South face in growing their business is the uncertain economy (34%).

Cash Flow

- Fifty-four percent of small business owners in the **South** expect to face cash flow issues in the next six months, up sharply from 44% in fall 2007. Top concerns include accounts receivable and the ability to pay bills on time (both 15%) followed by the ability to track cash flow (13%), the ability to meet payroll (6%) and having enough cash on hand to win new business (5%) .
- As a tactic to improve cash flow, three in ten entrepreneurs in the **South** are most likely to use personal or private funds (30%). Twenty two percent will put off purchases. Others will use a credit card (13%), obtain and use a line of credit (10%), lease rather than purchase equipment or get a short-term loan in order to improve cash flow (both 3%).

Capital Investments

- Forty three percent of small business owners in the **South** plan to make capital investments in the next six months, down significantly from 60% in fall 2007. For entrepreneurs planning to invest in their businesses technology investments lead the category (34%), followed by office equipment purchases (21%), office furnishings (13%), real estate investments (10%) and manufacturing and production equipment (8%).

Hiring

- Thirty seven percent of small business owners in the **South** have plans to hire in the next six months, up from 32% in fall 2007. Of those hiring, 74% say they need to hire to help their

growing business. Other reasons for hiring include the need for new employees to help increase business volume (64%), the need for seasonal help (40%), the need to go after new business ventures (30%) and having finally found the right candidate for a position they have been trying to fill (26%).

#### Impact of Energy Costs

- Eight out of ten of entrepreneurs in the **South** (81%) say that higher gas and energy cost have had a significant or moderate impact on their business, up significantly from 68% last fall. Two thirds say they reacted by reducing gas and energy use (33%) or raising prices (30%). As a result of higher gas and energy use – roughly three in four business owners say they had to pay higher costs for materials and products (74%), up dramatically from 59% last fall. Forty one percent changed how they market/sell, up dramatically from 28% last fall; and four in ten (43%) say they lost sales, more than triple 12% last fall.

#### View on Public Policy

- The economy is the top influencer in entrepreneurs in the **South's** vote for the next president of the United States (42%). Other influencers in the presidential election are tax policy (17%), healthcare and energy policy (both 10%) and Iraq (7%).

#### **Survey Methodology**

The American Express OPEN Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 768 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by Echo Research from August 12- August 25, 2008. The poll has a margin of error of  $\pm 3.5\%$ .

#### **About American Express OPEN**

American Express OPEN is dedicated exclusively to the success of small business owners and their companies. OPEN supports business owners with exceptional service. With tailored products and services, the team delivers purchasing power, flexibility, control and rewards to help customers run their business. Specifically, business owner customers can leverage an enhanced set of products, tools, services and savings, including charge and credit cards, convenient access to working capital, robust online account management capabilities and savings on business services from an expanded lineup of partners. To obtain more information about OPENSM, visit OPEN.com, or call 1-800-NOW-OPEN to apply for a card or loan. Terms and conditions apply.

American Express Company [www.americanexpress.com](http://www.americanexpress.com) is a leading global payments, network and travel company founded in 1850.

# # #

**North Central Regional Outlook**  
**Fall 2008 American Express OPEN Small Business Monitor**

**States within the North Central Region include Ohio, Illinois, Michigan, Wisconsin, Indiana, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas**

**North Central Regional Highlights**

**Noteworthy North Central regional highlights are as follows:**

- The biggest challenges business owners in the North Central states face in growing their business are the uncertain economy and rising costs of doing business (both 27%)
- Nearly half of small business owners in the North Central region (46%) plan to make capital investments in the next six months, down significantly from 64% in fall 2007
- Sixty two percent of small business owners in the North Central states expect to face cash flow issues in the next six months, up from 53% in fall 2007
- Thirty six percent of small business owners in the North Central states have plans to hire in the next six months, up significantly from 28% in fall 2007

Outlook

- One third of small business owners (32%) in the **North Central** states expect their business to grow regardless of the economy. Fifty one percent of business owners in the North Central states are willing to take a financial risk in order to grow their business. The biggest challenges business owners in the North Central states face in growing their business are the uncertain economy and rising costs of doing business (both 27%).

Cash Flow

- Sixty two percent of small business owners in the **North Central** states expect to face cash flow issues in the next six months, up from 53% in fall 2007. Top concerns include the ability to pay bills on time (23%), followed by accounts receivable (16%), and having enough cash on hand to win new business (12%), the ability to meet payroll (7%) and the ability to track cash flow (4%).
- As a tactic to improve cash flow, about one in three entrepreneurs in the **North Central** states are most likely to use personal or private funds (31%). Nearly one-quarter (21%) will obtain and use a line of credit. Others will put off purchases (16%), use a credit card (10%) and lease rather than purchase equipment (1%).

Capital Investments

- Nearly half of small business owners in the **North Central** region (46%) plan to make capital investments in the next six months, down significantly from 64% in fall 2007. For entrepreneurs planning to invest in their businesses technology investments lead the category (34%), followed by office equipment purchases (12%), manufacturing and production equipment (10%), real estate investments (8%) and office furnishings (7%).

Hiring

- Thirty six percent of small business owners in the **North Central** states have plans to hire in the next six months, up significantly from 28% in fall 2007. Of those hiring, 65% say they need to hire to help their growing business. Other reasons for hiring include the need for new

employees to help increase business volume (46%), the need for seasonal help (45%), having finally found the right candidate for a position they have been trying to fill (35%) and the need to go after new business ventures (28%).

### Impact of Energy Costs

- Nine out of ten of entrepreneurs in the **North Central** states (92%) say that higher gas and energy costs have had a significant or moderate impact on their business, up from 80% last fall. Three quarters say they reacted by reducing gas and energy costs (46%) or raising prices (31%). As a result of higher gas and energy use – nearly eight in ten business owners say they had to pay higher costs for materials and products (79%), up from 71% last fall. Fifty three percent changed how they market/sell, up from 40% last fall; and more than one third (36%) say they lost sales, up from 24% last fall.

### View on Public Policy

- The economy is the top influencer in entrepreneurs in the **North Central** states' vote for the next president of the United States (32%). Other influencers in the presidential election are tax policy (24%), Iraq (14%) and healthcare and energy policy (both 12%).

### **Survey Methodology**

The American Express OPEN Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 768 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by Echo Research from August 12- August 25, 2008. The poll has a margin of error of  $\pm 3.5\%$ .

### **About American Express OPEN**

American Express OPEN is dedicated exclusively to the success of small business owners and their companies. OPEN supports business owners with exceptional service. With tailored products and services, the team delivers purchasing power, flexibility, control and rewards to help customers run their business. Specifically, business owner customers can leverage an enhanced set of products, tools, services and savings, including charge and credit cards, convenient access to working capital, robust online account management capabilities and savings on business services from an expanded lineup of partners. To obtain more information about OPENSM, visit OPEN.com, or call 1-800-NOW-OPEN to apply for a card or loan. Terms and conditions apply.

American Express Company [www.americanexpress.com](http://www.americanexpress.com) is a leading global payments, network and travel company founded in 1850.

# # #

**Western Regional Outlook**  
**Fall 2008 American Express OPEN Small Business Monitor**

**States within the West include Montana, Wyoming, Idaho, Nevada, Utah, Colorado, Arizona, New Mexico, Washington, Oregon and California**

**Western Regional Highlights**

**Noteworthy Western regional highlights are as follows:**

- Forty percent of small business owners in the West plan to make capital investments in the next six months, down significantly from 55% last fall
- Thirty eight percent of small business owners in the West have plans to hire in the next six months, up significantly from 27% in fall 2007
- As a result of higher gas and energy costs:
  - Three quarters of business owners say they had to pay higher costs for materials and products (76%), up significantly from 56% last fall.
  - Forty five percent changed how they market/sell, double 23% last fall
  - Nearly four in ten (38%) say they lost sales, triple 12% last fall.

Outlook

- Roughly one in three small business owners in the **West** (31%) expect their business to grow regardless of the economy. Sixty one percent of business owners in the West are willing to take a financial risk in order to grow their business. The biggest challenge business owners in the West face in growing their business is the uncertain economy (40%).

Cash Flow

- Fifty three percent of small business owners in the **West** expect to face cash flow issues in the next six months, on par with 51% in fall 2007. Top concerns include accounts receivable and the ability to meet payroll (both 13%), followed by the ability to pay bills on time (12%), the ability to track cash flow (8%) and having enough cash on hand to win new business (7%).
- As a tactic to improve cash flow, three in eight entrepreneurs in the **West** are most likely to put off purchases (37%). Nearly one-quarter (24%) will obtain and use a line of credit. Others will, use personal or private funds (17%), use a credit card (10%), lease rather than purchase equipment (3%) or get a short term loan (2%).

Capital Investments

- Forty percent of small business owners in the **West** plan to make capital investments in the next six months, down significantly from 55% last spring. For entrepreneurs planning to invest in their businesses technology investments lead the category (23%), followed by real estate investments (16%), office equipment purchases (13%), manufacturing and production equipment (11%) and office furnishings (10%).

Hiring

- Thirty eight percent of small business owners in the **West** have plans to hire in the next six months, up significantly from 27% in fall 2007. Among those hiring, 72% say they need to hire to handle their growing business. Other reasons for hiring include the need for new

employees to help increase business volume (53%), hiring because they have finally found the right candidate for a position they have been trying to fill (44%), to go after new business ventures (38%) and the need for seasonal help (33%).

### Impact of Energy Costs

- Seven out of eight entrepreneurs in the **West** (78%) say that higher gas and energy costs have had a significant or moderate impact on their business, up from 72% last fall. Nearly seven in ten say they reacted by reducing gas and energy costs (32%) or raising prices (36%). As a result of higher gas and energy costs – three quarters of business owners say they had to pay higher costs for materials and products (76%), up significantly from 56% last fall. Forty five percent changed how they market/sell, double 23% last fall; and nearly four in ten (38%) say they lost sales, triple 12% last fall.

### View on Public Policy

- The economy is the top influencer in entrepreneurs in the **West's** vote for the next president of the United States (34%). Other influencers in the presidential election are tax policy (23%), energy policy (13%), healthcare (9%) and Iraq (8%).

### **Survey Methodology**

The American Express OPEN Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 768 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by Echo Research from August 12- August 25, 2008. The poll has a margin of error of  $\pm 3.5\%$ .

### **About American Express OPEN**

American Express OPEN is dedicated exclusively to the success of small business owners and their companies. OPEN supports business owners with exceptional service. With tailored products and services, the team delivers purchasing power, flexibility, control and rewards to help customers run their business. Specifically, business owner customers can leverage an enhanced set of products, tools, services and savings, including charge and credit cards, convenient access to working capital, robust online account management capabilities and savings on business services from an expanded lineup of partners. To obtain more information about OPENSM, visit OPEN.com, or call 1-800-NOW-OPEN to apply for a card or loan. Terms and conditions apply.

American Express Company [www.americanexpress.com](http://www.americanexpress.com) is a leading global payments, network and travel company founded in 1850.

# # #