Small Businesses’
Up-to-the-Minute Views on the Economy

Economy Emerges as Number One Concern

- Economic Slowdown/Other Economic Concerns
- Labor Shortage/Other Work Force Issues
- Declining Sales/Other Marketing Problems
- Cash Flow and Collections
- Rising Costs
- Taxes & Regulation
- Availability of Loans/Interest Rates
- Competition

Economy Emerges as Number One Concern

Source: Small Business InSight, The NETWORK, respective time periods
Small Business Owners’ Views of U.S. Economic Conditions Dim

Views of U.S. Economy’s Current Financial Condition

<table>
<thead>
<tr>
<th></th>
<th>October 2001</th>
<th>July 2001</th>
<th>April 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong</td>
<td>37%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Weak</td>
<td>34%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Neither Strong Nor Weak</td>
<td>27%</td>
<td>27%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Small Business InSight, The NETWORK, respective time periods

Impact of the Events of September 11 on Small Business Sales

- Have Already Been Hurt: 33%
- Have Not Been Hurt, But Will Be: 15%
- Will Not Be Hurt: 48%
- Don’t Know/Too Soon to Tell: 3%
- Helped/Volunteered: 1%

Source: Small Business InSight, The NETWORK, respective time periods
Small Business Hiring Plans Remain Steady...

Predicted Change in Number of Employees (Next 6 Months)

- Increase: 17%
- Remain the Same: 77%
- Decrease: 6%

*Percentages indicate plans to increase the number of full-time employees during the next six months.

Source: Small Business InSight, The NETWORK, respective time periods

...As Do Their Capital Spending Plans

Capital Expenditure Plans (Next 6 Months)

- Very Likely: 18%
- Somewhat Likely: 18%
- Neither Likely Nor Unlikely: 9%
- Somewhat Unlikely: 18%
- Very Unlikely: 36%
- Don't Know: 1%

Source: Small Business InSight, The NETWORK, respective time periods