

Paychex Small Business Startup Survey Methodology

The Portraits of a Startup Business and Owner infographics were compiled using the results from the Paychex Small Business Startup Survey, conducted between December 12, 2013 and January 8, 2014. The survey was conducted online with 250 U.S.-based startups, defined as businesses started in 2010 or later with one to 50 employees.

Sample Sizes

Most startups do business close to home, and most businesses have at least one location outside the home (*Base: Total Respondents; N=250*).

Most startup businesses have fewer than ten employees and expect to hire within the next year (*Base: Total Respondents; N=250*).

The majority of startups are created as stand-alone businesses, primarily funded by the owner (*Base: Total Respondents; N=250*).

The majority of startups report annual revenue of less than \$1 million, but most say they are profitable (*Base: Total Respondents; N=250*).

Most small business owners are focused on actively running the business (*Base: Total Respondents; N=250*).

A greater proportion of those in newer startups are focused on working in the business (*Reduced Base: Respondents; N=58*).

Small business owners started their business to provide primary income (*Base: Total Respondents; N=250*), prompted by an opportunity they felt they could capitalize on (*Reduced Base: Owners; N=226*).

Small business owners are comfortable using technology, working on laptops more often than other devices (*Base: Total Respondents; N=250*).

Small business owners are optimistic about the outlook in 2014 (*Base: Total Respondents; N=250*);

Year-over-year expectations (*Reduced Base: Started business before 2013; N=234*).

Finding new customers is the biggest challenge startups face (*Base: Total Respondents; N=250*).

The biggest issue impacting small business in 2014 is the U.S. tax structure (*Base: Total Respondents; N=250*).