

Q. What Do Virtually All Small Business Owners Have In Common? A. Hustle and Sacrifice.

Forty percent of owners surveyed said that, if they had extra cash, they would immediately reinvest in the business rather than pay themselves.



Image credit: Shutterstock



Victoria Treyger • Guest Writer

The U.S. Small Business Administration reports that [this country has 29.6 million small business owners](#). Together, these owners constitute an army of hard-working Americans striving to build something for themselves, be their own boss and support their families and local economies.

Regardless of what industry they're in, be it retail and construction, food and beverage manufacture and hospitality, or home services and automotive, these small businesses require hard work and a tremendous time commitment. Here at my company, [Kabbage](#), we sought to understand what that commitment *really* looks like on the weekends, after hours and at home.

We wanted to understand the common professional and personal challenges of small business owners and how they balance their work- and home-life to pursue their passions.

That's how, working with leading small business research agency Bredin, we came to [survey 400 self-identified small business owners](#) in November. The results? Most of those 400 owners had undeniable commonalities: They characterized themselves as highly motivated to succeed, and

all described countless personal and financial sacrifices to build their business.

Here are the details.

Financial sacrifices

The data highlighted the sacrifices small business owners (SBOs) make annually, including financial challenges: The survey found, for instance, that almost half (47 percent) of SBOs polled

said they used personal savings to pay for one or multiple aspects of their business, while 21 percent reported using more than a quarter of those savings. Interestingly, the use of personal savings to start a business was most common (75 percent) among millennial SBOs.

Small business owners surveyed were also highly committed to business growth. Whenever they had extra cash, they were most likely to reinvest it into their business rather than treating themselves or planning for their personal future. Here is a breakdown of the largest percentages:

- 40 said they would immediately reinvest in the business rather than pay themselves
- 17 percent would save for retirement
- 14 percent would set aside extra cash for personal or family investments

The takeaway: Entrepreneurs tend to use extra cash to take care of their businesses before they take care of themselves.

While tapping into savings or asking family for funding are options many successful companies take, there are other, newer ways businesses can accumulate cash in the early days of a business, such as [Indiegogo](#), [Kickstarter](#) or alternative lenders. These options reduce the risks for you or your family on the front end while also testing the demand for a product early on. Be sure you [research the options that are best for you and your company](#).

Reinvesting in your business is the only way to realize true growth, but reinvesting in yourself and your future is just as important. [There are a host of sources](#), from blogs and online courses to industry associations, to help you maintain a solid financial footing, whether you're just getting started or need guidance as you grow.

Personal sacrifices

More telling in terms of what it really means to be a small business owner was the study result showing that among the companies surveyed, owners tended to forgo what many of us take for granted. This meant less time off work, fewer meals with family, less opportunity to be home during the holidays and fewer needed visits to the doctor or dentist. Specifically, the survey showed that:

- The number one sacrifice each year was not taking a vacation

More than half of the owners surveyed (60 percent) said they take only one vacation per year; and nearly one quarter (23 percent) took fewer than two vacation days annually. When they do go on vacation, the SBO owners said, more than 75 percent still do work. More results on these personal sacrifices:

- Nearly one-third (29 percent) said they work more than 50 hours per week, while 86 acknowledged working on weekends
- Some 53 percent worked one of the six major holidays (New Year's Eve, Independence Day, Memorial Day, Labor Day, Thanksgiving, Christmas)
- More than half ate only one meal at home daily

- One in five said they missed three or more doctor's appointments every year
- Across the board, SBOs said they missed out on social events and hobbies because they were focused on building their business

Optimism for 2018 and future Investments

The data showed the sheer commitment the small business owners surveyed had to succeeding; they also described themselves as highly optimistic about the future. Two-thirds expected to end 2017 with higher revenues, with more than half anticipating earning 10 percent or more than they had the previous year.

Looking ahead to 2018, the SBOs surveyed intended to make investments to improve their productivity and efficiency. Among those who intended to make these investments:

- 36 percent said they would seek ways to improve their skills
- 32 percent said they would invest in new technologies
- 28 percent said they intended to hire more employees

The takeaway: The entrepreneurs surveyed were heavily committed to investing in themselves and their companies.

The need to take care of yourself

Investment in your company is a positive, of course, but not at the expense of personal care or mental health. Both factors are important to have, to prevent fatigue and burnout. So, while seeking new tools for your company may make it more productive and efficient, having a team you trust to care for your business as well as you do yourself will give you the peace of mind you need when you do take time off. Key ways to do this? They include:

- Improve the office culture -- build a positive environment
- Put individuals in charge of their ideas -- create accountability
- Coach and be a mentor -- build trust and loyalty.

Your top leaders will identify themselves organically, and you'll be confident in their ability to watch the shop when you take time to care for yourself, take time off or be with your family.

To summarize: Small business owners answer calls to fix pipes at midnight and labor work through the weekend to serve customers. They're truly the heartbeat of our economy; and, as we gain [more insight into what it takes to be a small business owner](#), we should all see that they deserve the public's gratitude.