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The late-October version of the [Freedom Economy survey](#) is here, and there was a marked increase in business owners who are shelving their hiring plans, among other findings.

The monthly survey of over 70,000 small business owners, which is a joint project of PublicSquare and RedBalloon.work, also found that employers continue to anticipate a “difficult” recession in the coming 6 months.

The survey also takes a deep dive into supplier costs over the past year, and into higher education and how/if it’s meeting the needs of the labor market. The findings are interesting.

“There’s a lot of hunkering down taking place among the small business community,” said Andrew Crapuchettes, CEO of RedBalloon.work. “It’s remarkable that, with all the evidence of a people shortage, that 68% of these businesses are now saying they are neither hiring nor reducing staff.”

Supplier price increases are also negatively impacting small businesses and the consumer. 76% of Freedom Economy small businesses say that their supplier prices have increased over the past 30 days. And 35% say their supplier prices have increased by 20% or more in the past 12 months, much higher than the Producer Price Index’s annualized rate of 2.2% as of September 2023.

“Inflation is hitting small businesses the hardest,” said PublicSquare CEO Michael Seifert. “And their supplier cost increases are as much as 10 times greater than what the government is reporting.”

The burden of increased supplier prices is being passed on to consumers, with 75% of these businesses choosing to pass part or all of these cost increases on to their customer base.

Small businesses blame the inflation spike on bad government policy, both in spending and in a delayed reaction from the Federal Reserve.

Government-caused hardships have been adding up over the past 4 years, including COVID

pandemic government-mandated lockdowns, supply chain crisis, people shortage due to job seekers staying on the sidelines living on government subsidies, and now rampant inflation. It's no wonder these business owners no longer trust the government to provide solutions.

80% of these respondents believe the Federal Reserve is purposely trying to create a recession, "even if it means people will lose their jobs and businesses."

And when asked which party they trust to put America back on track, 66% responded with "Neither."

Over half of these businesses say their business would benefit most if Congress simply shut down for a year, went home, and passed no new spending or legislation.

Small businesses are adopting AI to deal with aggressive wage inflation. While 67.7% of small businesses do not anticipate using artificial intelligence (AI) to produce goods and services in the coming six months, over 1-in-5 of these respondents would consider exploring AI to replace staffing positions if there is a 25-dollar minimum wage in their state.

There is a misalignment between the workers colleges are producing and the workers employers are asking for. 67% of small business owners responded with a resounding "strongly no" when asked if colleges and universities are graduating students with relevant skills that today's business community needs.

Additionally, when asked whether they'd prefer a job seeker who has just completed a 4-year degree or someone without a degree but with four years of industry experience, 86% favored the job seeker with industry experience over the degree holder.

"The recessionary fears are far from unsubstantiated. High interest rates and doubts in our leadership's economic strategies are keeping small business owners up at night," Michael Seifert, PublicSquare CEO, said. "In fact, poor economic policy decisions, like raising the minimum wage to \$25 per hour, is forcing the hand of small business owners to rely on AI instead of creating jobs for people."

"Small businesses are clearly favoring experience over degrees," Andrew Crapuchettes, RedBalloon CEO, said. "The education system's failure to produce job-ready graduates is a pressing concern that must be addressed to ensure a more aligned workforce."

Methodology:

The October 2023 Freedom Economy survey sampled a universe of over 70,000 small businesses from October 25-30, with 905 respondents and a 3% margin of error at the 95% confidence level.

Download the full October report [here](#).

To schedule an interview with PublicSquare CEO Michael Seifert and RedBalloon CEO Andrew Crapuchettes, contact Isaac Lopez at (208) 997-8013 or isaac@redballoon.work.

PublicSquare Is America's largest nonwoke marketplace app with over 70,000 businesses and over 1.6 million active consumer members. They empower the consumers to put purpose behind every purchase, from daily essentials to non-woke restaurants in their area.

Founded In 2021, RedBalloon has quickly become America's largest woke-free job board, connecting employers and employees who prioritize a positive workplace culture free from the divisiveness of cancel-culture mandates.



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