

1.4 million UK jobs at risk in next 5 years as 363,000 small businesses plan to cease trading

Submitted by: Bizdaq
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LONDON, UK – Thursday 11 May 2017 - Over 1.4 million jobs are at risk as 363,000 small businesses plan to stop trading in the next five years, according to a survey commissioned by business for sale marketplace Bizdaq (www.mybizdaq.com).

Businesses closing at alarming rate - 363,000 small business owners plan to cease trading in the next five years

1.4 million jobs under threat - With the average small businesses employing just over 4 employees, there are 1.4 million jobs at risk

Selling also on agenda - A further 510,000 business owners plan on selling in the next five years

Labour losing 109,000 small business votes - Number of small businesses voting Labour lower than at the last election

Young entrepreneurs closing due to Brexit fears - 35% of young (18-34 year old) small business owners are closing due to Brexit - the most common reason in the age group

Britain's small businesses downsizing or stagnating since last election – 65% of small businesses say they've either seen negative financial growth or no growth at all since the last election

The research, conducted for Bizdaq by Opinium, found that over 363,000 small businesses plan to cease trading in the next five years, with the average small business employing 4 people. A further 510,000 small business owners plan to sell their business over the same period.

Of the 1.4 million jobs at risk from business closures, 529,000 of those will be at risk in the next 12 months, as businesses cease trading at an alarming rate.

Small business owners in the North East were found to be the most likely to leave their business in the next five years, with 29% planning to exit. Those in the West Midlands were revealed to be happiest in their business, with only 14% considering exiting.

The survey found Brexit uncertainty is the leading cause of business closures for young business owners, with 35% of young entrepreneurs (respondents aged 18-34) exiting their business because of Brexit. This figure dropped to 9% in 35-54 year olds, and just 3% for small business owners aged 55+, showing older generations aren't as concerned by the vote to leave.

Small businesses voting Conservative

With the General Election drawing closer, small business owners are clear on who they want in power. 37% said they plan to vote Conservative, with just 19% voting Labour and 11% voting Liberal Democrat. Labour's small business support has eroded significantly following the last election, with the party losing 109,000 small business votes as Labour's support has dropped from 21% to 19%. Indeed these votes seemingly transferred to the Conservatives as their support grew by 2% to 37% following the last election.

Interestingly the North South divide is no longer prevalent either, with Labour losing the support of small business owners in the North West and Yorkshire regions to the Conservatives.

As reflected in the general public, there is a generation gap in voting, with younger small business

owners giving only 20% of their vote the Conservatives. This is compared to 35% and 47% from those aged 35-54 and 55+ respectively.

Despite this increase in support for the Conservative party, 65% of small business owners say that they are either doing no better or are doing worse financially than at the previous election.

Sean Mallon, CEO of Bizdaq, said, "For too long, hard-working small business owners and their employees, who underpin the British economy, have been left without the support and advice they deserve from the government. Given the government's continued campaign for job creation, it's amazing so little is being done to preserve the number of existing jobs at risk within Britain's small businesses.

It's clear that small business owners are undecided on the impact of leaving the EU, however the startling fact that our youngest entrepreneurs are most nervous paints a worrying picture.

I recently wrote to the small business minister, Margot James, to ask what the government is doing to help small business owners and their employees on this matter and disappointingly the answer was very little. In fact, I was told "this activity is best left to the private sector to decide what to do" on this topic.

With 1.4m jobs at risk, and a little awareness around the preservation of great businesses and the jobs they create, I would suggest the government should be driving this agenda."

More information on the report can be found here:

<https://www.mybizdaq.com/small-business-closure-report-2017>

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Notes to editors

The Bizdaq Small Business report worked with Opinium to survey 504 small business owners (businesses with 0-49 employees) between the dates of 28th April and 5th May 2017.

About Bizdaq

Bizdaq, the online marketplace for selling or buying a small business, is dedicated to making the process of selling a business easier and more cost effective for small business owners. Bizdaq features include an online valuation tool that instantly estimates the likely sale value of any business, step-by-step instructions and notifications to help business sellers and buyers through the business transfer process for themselves. This report is part of Bizdaq's mission to increase the number of small business owners successfully selling their business and thus avoiding a sudden closure when the business is no longer viable, saving jobs and enabling business owners to realise the value of their hard work.