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SMALL BUSINESS LEADERS SAY ECONOMY, HEALTHCARE SHOULD BE TOP PRIORITIES

ATLANTA, Oct. 30, 2007 – The leaders of America’s small- and mid-sized businesses work long hours, worry about keeping up with the latest technology and aren’t sure whether they should be concerned about the future supply of skilled workers. A new survey shows they also think the economy and healthcare reform are the nation’s most pressing problems.

The inaugural “UPS Business Monitor - United States,” a survey sponsored by UPS (NYSE:UPS) and conducted by the marketing insight firm TNS, interviewed 600 managers and owners of small- and mid-sized enterprises (SME) around the country. The Monitor’s first report earlier this month focused on business and trade issues, finding most SMEs have failed to explore sales opportunities outside the United States.

The latest results focus on technology and political issues. More than half of those surveyed want to see stricter immigration laws – even though they say such laws wouldn’t have much impact on their own business. Almost 40% say they believe the shift in congressional control to the Democrats will have a “negative impact” on their business. Those surveyed also said they don’t think America’s image in the world would be helped much by electing either a woman or African-American president.

And while they’re bullish on their own individual businesses, only one-third say they expect to add more employees over the coming year.

“Earlier, we reported initial results showing these SME leaders really are ignoring global trade opportunities,” said David Abney, UPS’s chief operating officer. “They continue to focus on growing their businesses only within the United States. Nonetheless, these latest results show a huge majority (88%) expect to at least maintain or grow their current business over the coming year, which is good news for the U.S. economy. And as these SMEs grow and proliferate, so does their political clout, which is why we also asked a series of political questions.”

Among the findings of the wide-ranging survey:

- SME decision-makers work an average of 53 hours a week, with one-third (34%) working 60 hours or more.
- Some 59% say their top technology worry is just keeping up with the pace of technological change, although 53% also worry about Internet security breaches.
- Cell phones are clearly considered the most-needed technology device.
- The respondents are evenly split – 49% ‘no,’ 46% ‘yes’ – when asked if they expect difficulty in the future finding skilled employees.
- And the group clearly believes political leaders should be paying the most attention to “sustaining economic growth,” “changing the healthcare system” and “securing future energy supplies,” in that order.

That last list of priorities differs in one key way from the priorities offered by SME leaders in Canada and Latin America. The UPS Business Monitor – Canada and UPS Business Monitor – Latin America surveys earlier this year found one of their Top Three priorities to be “protecting the environment,” which was only the fifth priority cited by U.S. SME leaders.

The SME counterparts in Canada and Latin America also differed on whether it would help America’s image to elect a female or African-American president. Only about one-quarter (23 percent) of U.S. respondents believe a female president would improve the United States’ image internationally and only one-third (33 percent) believe an African American president would do so.

In Latin America, 42 percent of respondents believe that a female president would improve the United States’ international image while 15 percent believe an African American would do the same. In Canada, more than half (52 percent) believe a female president would benefit the United States’ international reputation and 54 percent think the same of an African American president.

The American respondents showed a surprising ambivalence about future increases to the minimum wage. Most predicted an increase would be unlikely to help attract skilled workers and nearly two-thirds (63%) flatly predicted an increase would have no impact on their own business.

Likewise, immigration reform was not viewed as something that would directly affect their business. Some 55 percent personally agreed the U.S. government should enact stricter immigration laws, but 65 percent said such reform wouldn’t affect their day-to-day business.

About the UPS Business Monitor

The UPS Business Monitor began in Europe in 1992 as an important information resource to help UPS customers stay ahead of ever-changing business trends. Each UPS Business Monitor offers a glimpse into the psyches of those who are shaping the world of global commerce every day, from top executives in Europe to small business decision makers who are helping drive trade in Latin America.

UPS, which celebrates its 100th anniversary in 2007, is the world's largest package delivery company and a global leader in supply chain services, offering an extensive range of options for synchronizing the movement of goods, information and funds. Headquartered in Atlanta, Ga., UPS serves more than 200 countries and territories worldwide. UPS's stock trades on the New York Stock Exchange (NYSE) and the company can be found on the Web at UPS.com.

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Notes about the research:

- A total of 600 telephone interviews with small business establishments in the U.S. were conducted between May and June 2007.
- Respondents had to be extremely or very knowledgeable about their company's overall economic position.
- All businesses have an average annual revenue between \$250K and \$50M
 - 418 have average annual revenues of \$250K to \$5M
 - 126 have average annual revenues of \$5M to \$20M
 - 56 have average annual revenues of \$20M to \$50M
 - Annual revenue based on last full operating year's results that respondent was aware of.
- UPS was not identified as the sponsor of the survey.
- Respondents were supplied by TNS, the research supplier, from a business panel.
- More than two-thirds of exporters have fewer than 20 employees.

About TNS:

TNS is a global market insight and information group. Our strategic goal is to be recognized as the global leader in delivering value-added information and insights that help our clients to make more effective decisions. As industry thought leaders, our people deliver innovative thinking and excellent service to global organizations and local clients worldwide. We work in partnership with our clients, meeting their needs for high-quality information, analysis and foresight across our network of over 70 countries. We are the world's foremost provider of custom research and analysis, combining in-depth industry sector understanding with world-class expertise in the areas of Retail and Shopper Insights, Shareholder Management, New Product Development and Brand and Communications. We are a major supplier of consumer panel, media intelligence and internet, TV and radio audience measurement services. TNS is the sixth sense of business. www.tns-us.com.