



# Policy Voice full survey results April 2025

- Trump's tariffs
- SME debt finance
- Broadband
- Remote and hybrid working

Number of respondents: 648

Survey Dates: 11 – 29 April 2025



# Trump's Tariffs

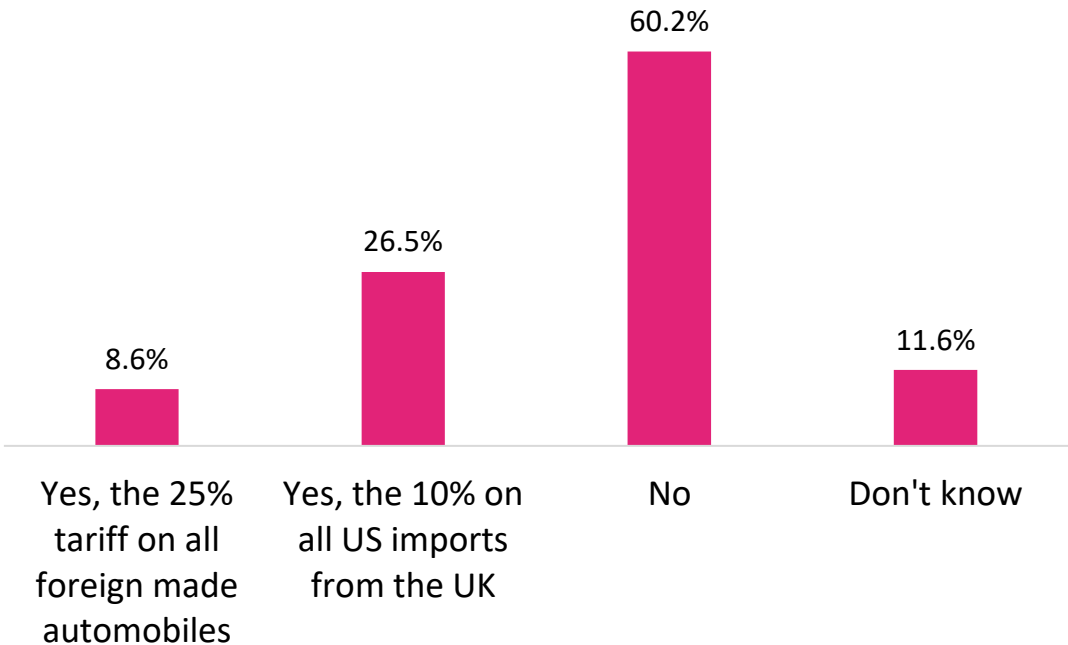
The morning after President Trump announced his Liberation Day tariffs, we asked members in a snap poll for their immediate views on how the tariffs will be impacting their business. Since then, the situation has moved quickly. The trade war between the US and China has intensified. But he has announced a 90 day pause on the majority of the rest of his announcements. For the UK, the 10% blanket tariff remains. The 25% tariff on all foreign made automobiles also remains.

We therefore wanted to assess whether our members' approach has changed at all given everything that has changed since Liberation Day. The following data will be used to understand why this is, and will help shape our conversations with government officials.

A quarter of IoD members expect to be hit by 10% tariffs on US imports on UK goods

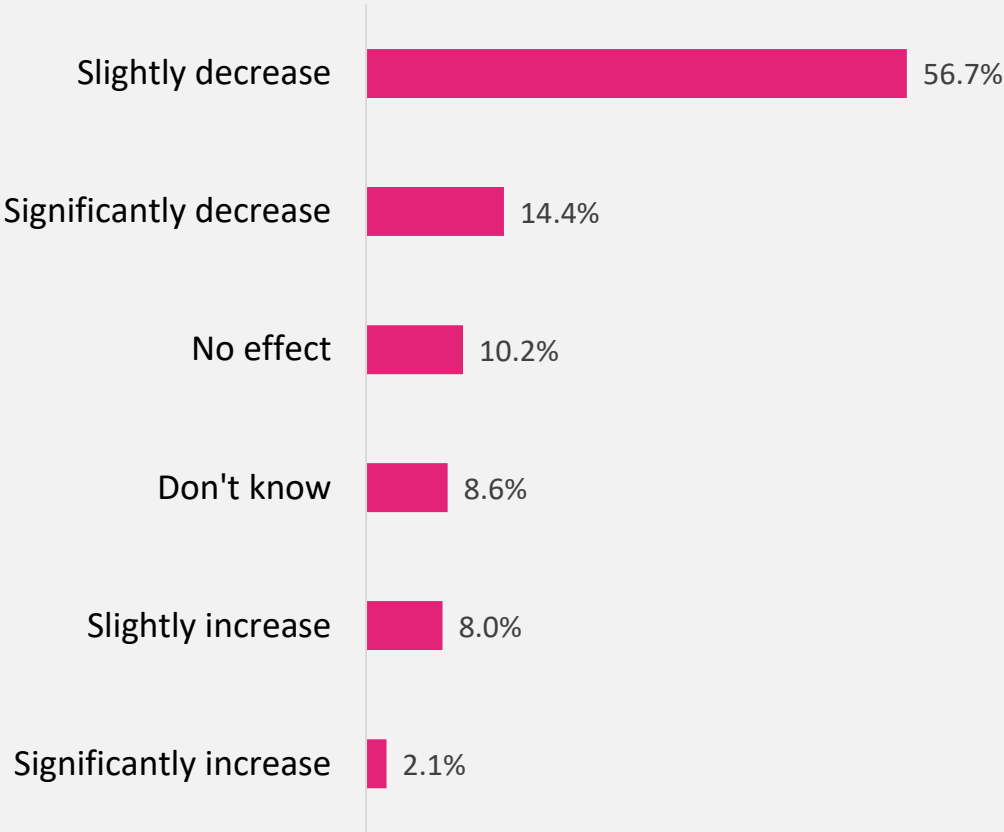
Do you expect to be impacted by the 10% tariffs on US imports of UK goods, and/or the 25% tariff on all foreign made automobiles?

Please select all that apply.



Of those affected, nearly three quarters of respondents expect their profits to decrease

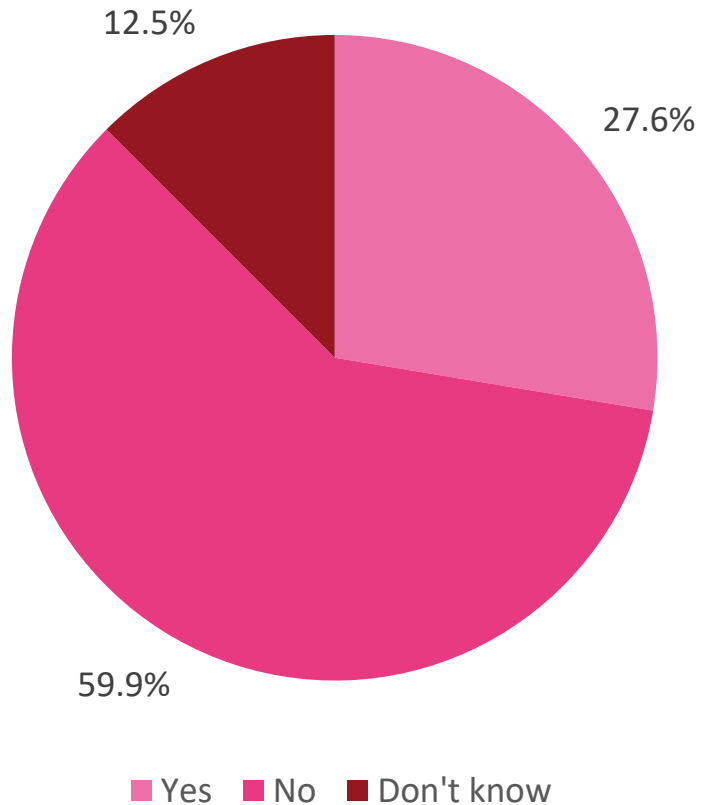
To what extent do you expect your profit to be affected by these tariffs?



*This question was answered by those who responded 'yes' to the previous question*

The majority of IoD members do not want to see retaliatory tariffs from the UK government

Do you think the UK government should impose retaliatory tariffs on imports from the US?

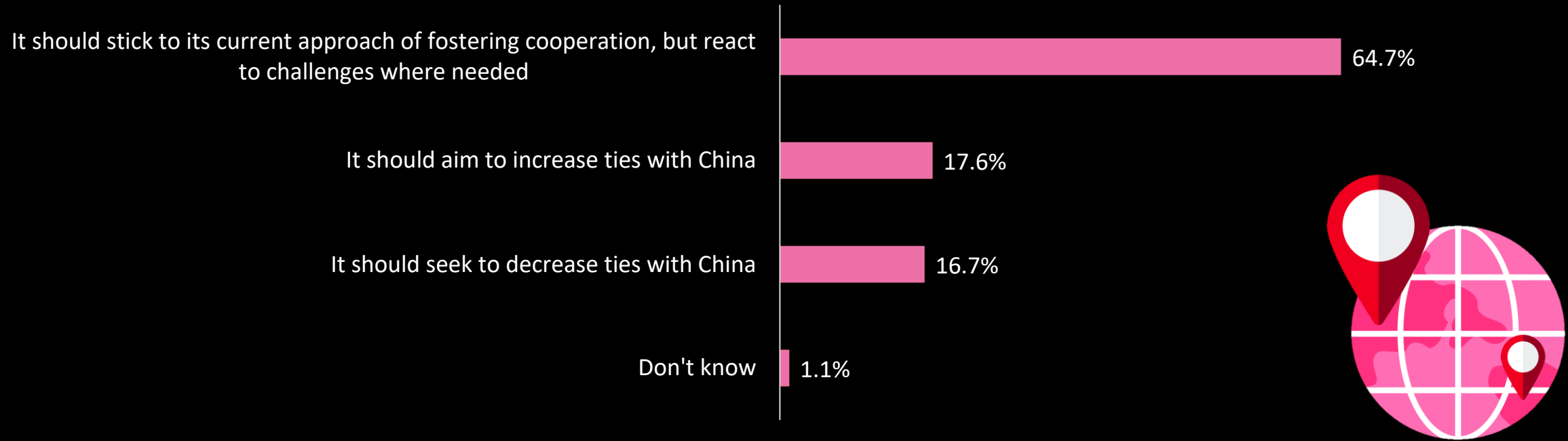




## Nearly two thirds of business leaders would like the UK government to stick to its current approach to trading with China

The US and China have entered into a trade war with escalating retaliatory tariffs. The UK Government has committed to pursuing a cooperative relationship with China, responding to challenges where necessary.

In the context of the current trade war, how do you think the government should approach the UK's trading relationship with China?





**We conducted a poll in the 24 hours after President Trump announced his ‘Liberation Day’ tariffs on 2 April, which shows just over a third (37.2%) of members expect to be affected by US tariffs, although 13% are still not sure. Of those expecting to be affected, 70% expect profits to decrease as a result.**

**We then replicated these two questions in a survey conducted 11-29 April to compare how members have adapted their responses. The results show only marginal differences, with 35% expecting to be impacted, and 12% unsure. 71% of those impacted are expecting a decrease in their profits.**

**Comments highlight a mix of strategies. Some have opted to move away from the US as a market to safeguard from the instability. On the other hand, some are embracing the uncertainty as a strategy to offer consulting, marketing or support services. Many are opting to wait to assess how the situation develops.**

*“Aside from running a business I’m an investor and I will not be looking at investing in start ups who see USA as a large part of their future strategy if it involves product export in the current environment as US is now too unstable and unreliable.”* (Scotland, Education, 10-49 employees)

*“The majority of our exports to the US are not sold on price, so the net victims of this will be people in the US – all the other talk is fluff.”* (South East England, Real estate, 250+ employees)

*“We are looking to develop more clients in the US as uncertainty increases. It’s good for service industries like marketing and design as clients want to market themselves out of problems and be seen above all the political noise.”* (London, Administrative and support services, 2-9 employees)

*“We have acquired a company in the United States to provide local manufacturing services.”* (North West England, Manufacturing, 100-249 employees)

*“Move with caution; ultimately, tariffs will weaken us all.”* (South East England, Real estate, 2-9 employees)

*“I am refocusing my business on non-US markets. If they don’t want our business I can pivot and do business elsewhere.”* (London, Other services, 2-9 employees)

*“...it will impact my client’s wealth, the time I have to take to explain and comfort their fears and will likely lower my turnover as people hesitate on investing or see their portfolio growth stunted.”* (Wales, Financial services, 0-1 employees/sole trader)





**There are also those who do not think they will be impacted directly, but will experience shocks from ripples through the global economy or the secondary impact from clients.**

*“The impact on tariffs we believe is likely to be indirect. We have a US subsidiary and we expect to see strong upwards pressure on salaries as a consequence of rising costs to US citizens, and a downward pressure of sales of that subsidiary as a consequence of a US recession which we suspect is likely to follow. If the American economy tanks then that usually has an impact on the UK, so there has to be a material risk of the US dragging us all down.”* (50-99 employees, London, Information and Communication)

*“We don't trade directly with the US and we import very few items from the US, however, it is likely that there will be additional indirect impacts which are difficult to quantify at the moment.”* (10-49 employees, South East England, construction)

*“The impact of tariffs will not impact our business directly, but will impact it indirectly with a decline in the economy and a downturn affecting customer expenditure.”* (2-9 employees, West Midlands, Wholesale and retail trade)

**The prospect of a UK-US trade deal is viewed favourably by most members. However, there is a strong sentiment that the UK should not be bullied by the US, that not allowing Trump to dictate terms on areas like the digital sales tax or food standards is important.**

*“The Government has a balancing act re: Tariffs. Whatever the “rights and wrongs” re; US Tariffs, I think diplomacy is important and we need to retain to constructive relationship with the US. That said, we should not be bullied.”* (0-1 employee, Wales, Professional, scientific and technical activities)

*“The Government should not enter a trade agreement with the US that compromises food safety, digital sales tax and value added tax.”* (250+ employees, London, financial services)

*“The UK should be careful not to be seen as a docile sidekick to the US. By all means continue to try to be as collaborative as possible, but it's important to send signals that there are boundaries.”* (2-9 employees, South East England, Professional, scientific and technical activities)



**Members in general feel that retaliatory tariffs would be harmful to the UK economy:**

*“Retaliatory tariffs will have an adverse impact on the U.K. economy. Better not to respond and continue to build strong trading relationships in other markets to protect against decreased demand from the U.S.” (250+ employees, South East England, financial services)*

**However, of those that favour retaliation, they feel that action should be targeted, and that tariff measures are not necessarily the best solution.**

*“I would favour a regime whereby we (the UK) have no import tariffs for anyone but adopt a policy of qualifying standards for imports. This would address, for example, the dislike of “chlorinated chicken” sourced from the US. Standards would provide pragmatic management of our imports without reducing ethical competition. This would be a great help to the farming sector.” (10-49 employees, London, Agriculture, Forestry and Fishing)*

*“The government is right to avoid a blanket retaliatory tariff. However that doesn’t mean that some cleverly targeted ones couldn’t be brought in if negotiations do not progress swiftly.” (10-49 employees, London, professional, scientific and technical activities)*

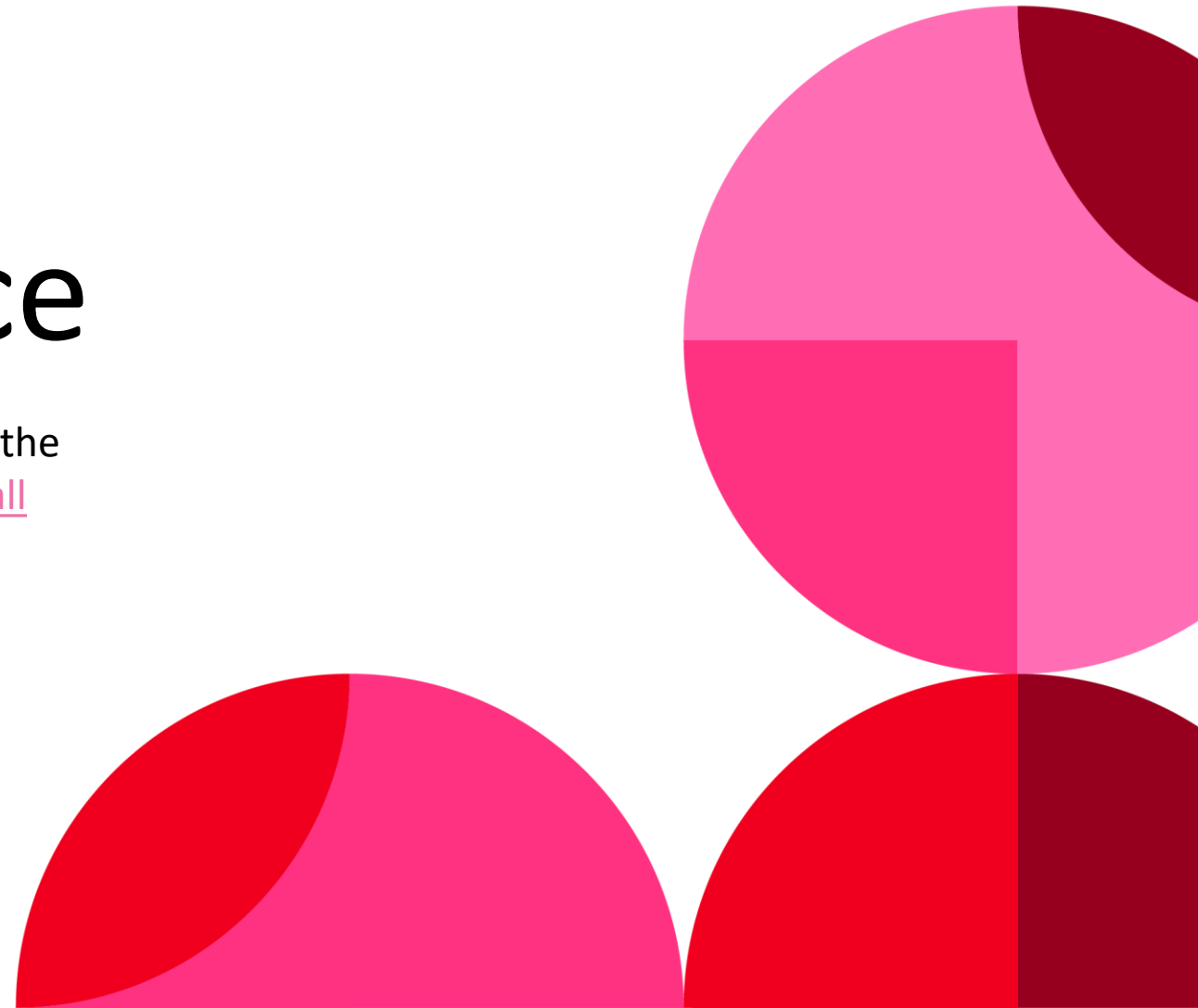
*“I think some targeted tariffs could be considered on items easily substituted for domestic goods (like bourbon). The main aim for the government is to get the 25% tariffs off cars. At 10%, everything else is comparably better than our trade rivals.” (100-249 employees, Yorkshire and the Humber, Wholesale and retail trade)*





# SME Debt Finance

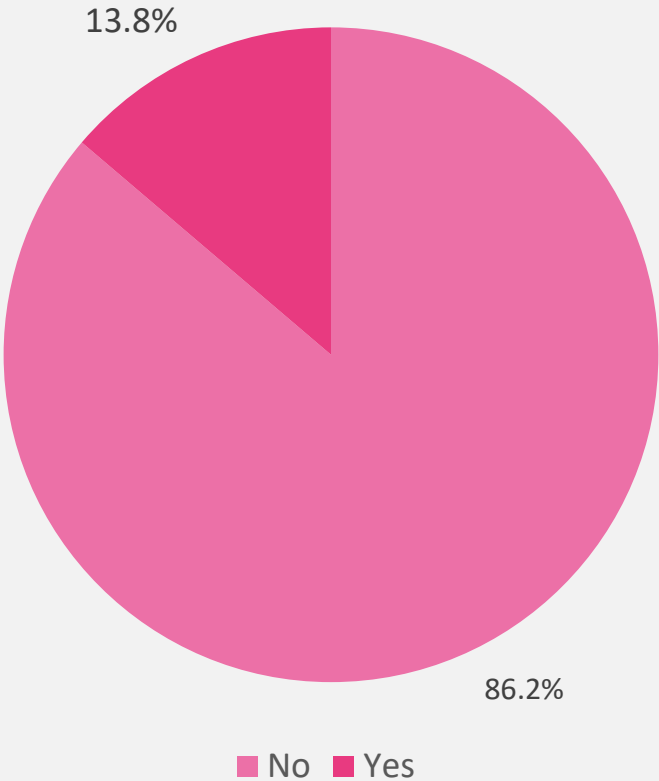
Data from this question helped shape our response to the [Department for Business and Trade and Treasury's small business access to finance call for evidence.](#)





**The majority of IoD members have not used debt finance within the last year**

**Have you used debt finance within the last 12 months?**





## Have you used any of the following debt finance options and what was your experience of them?

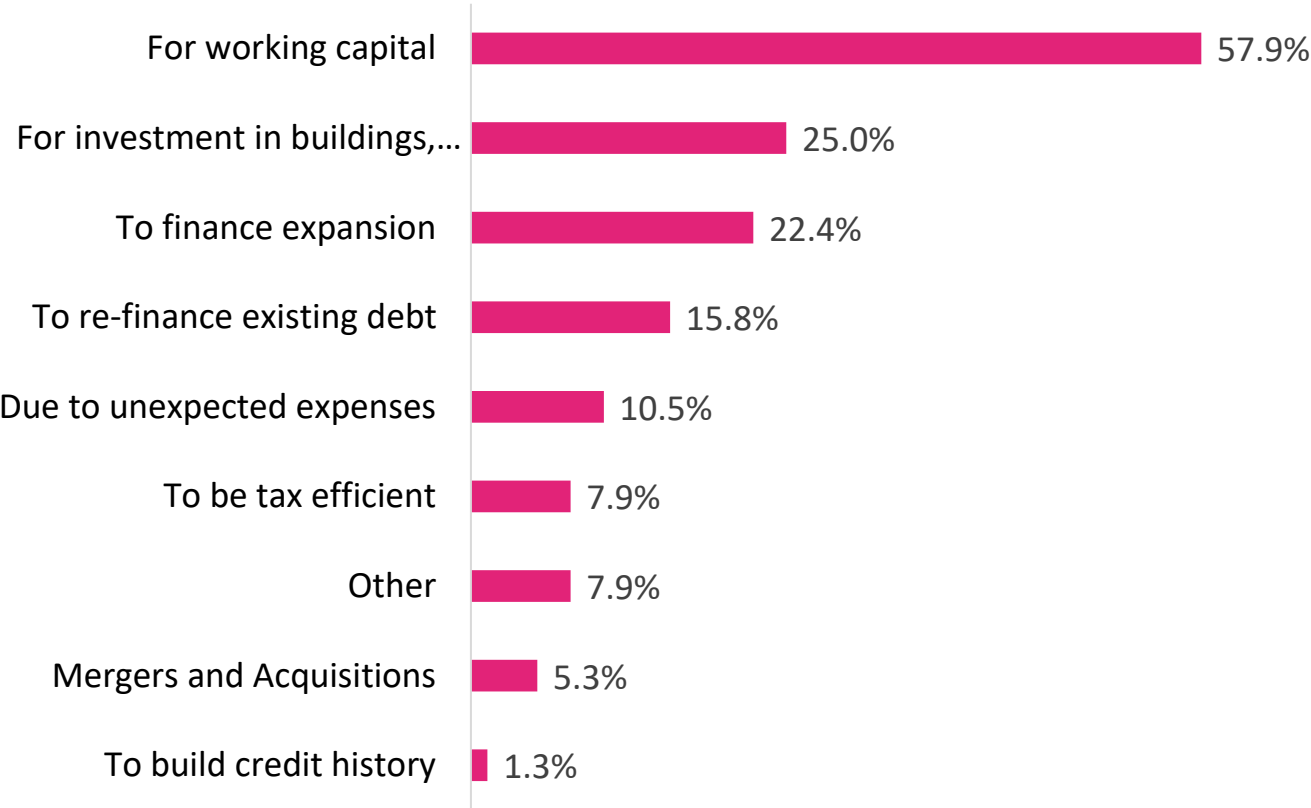
	Attempted to access but was unsuccessful	Considered but did not pursue	Not considered/aware of this option	Successfully obtained
Bank loan	7.9%	18.4%	32.9%	40.8%
Bank overdraft	7.9%	28.9%	28.9%	34.2%
Commercial mortgage	1.3%	22.4%	63.2%	13.2%
Credit cards	3.9%	18.4%	32.9%	44.7%
Equity finance	5.3%	17.1%	68.4%	9.2%
Government grant	10.5%	19.7%	60.5%	9.2%
Invoice finance	0.0%	25.0%	53.9%	21.1%
Leasing or hire purchase	1.3%	21.1%	43.4%	34.2%
Loan from director or business partner	0.0%	18.4%	44.7%	36.8%
Loan from family/friend	0.0%	18.4%	75.0%	6.6%



On average, firms sought finance for two reasons - working capital and investment

Why did you seek debt finance?

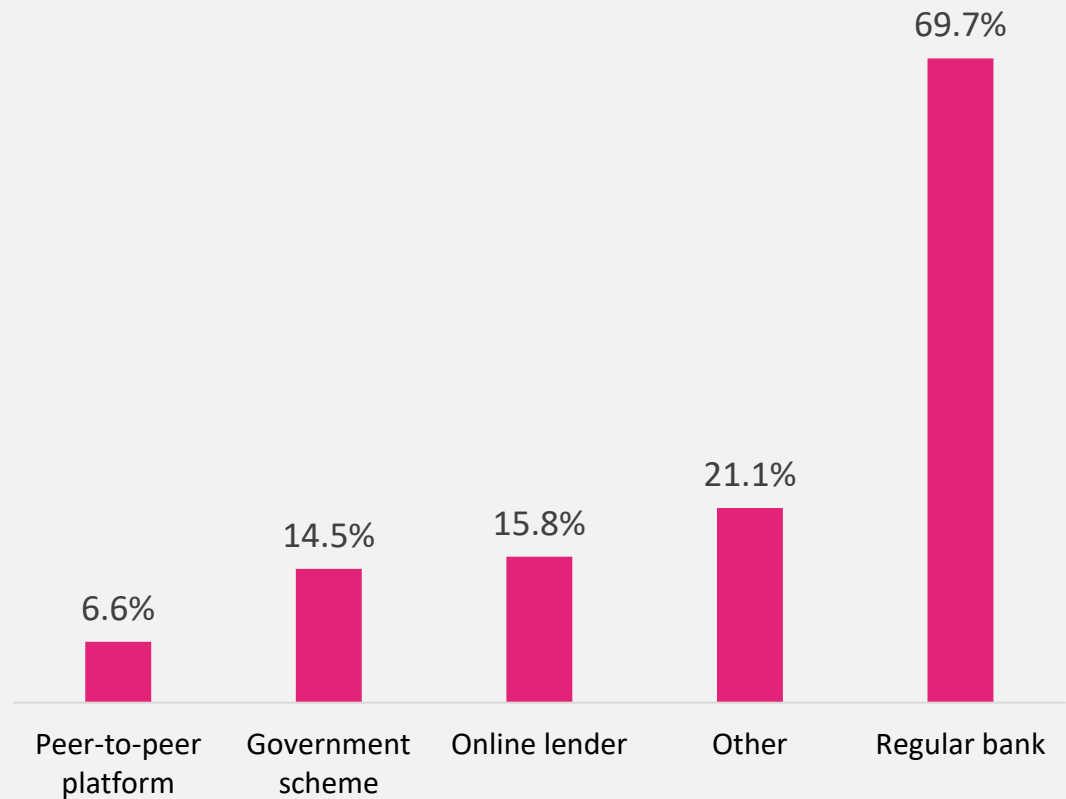
Please select all that apply.



Over two thirds of IoD members who have used debt finance received this from banks

From whom have you received debt finance?

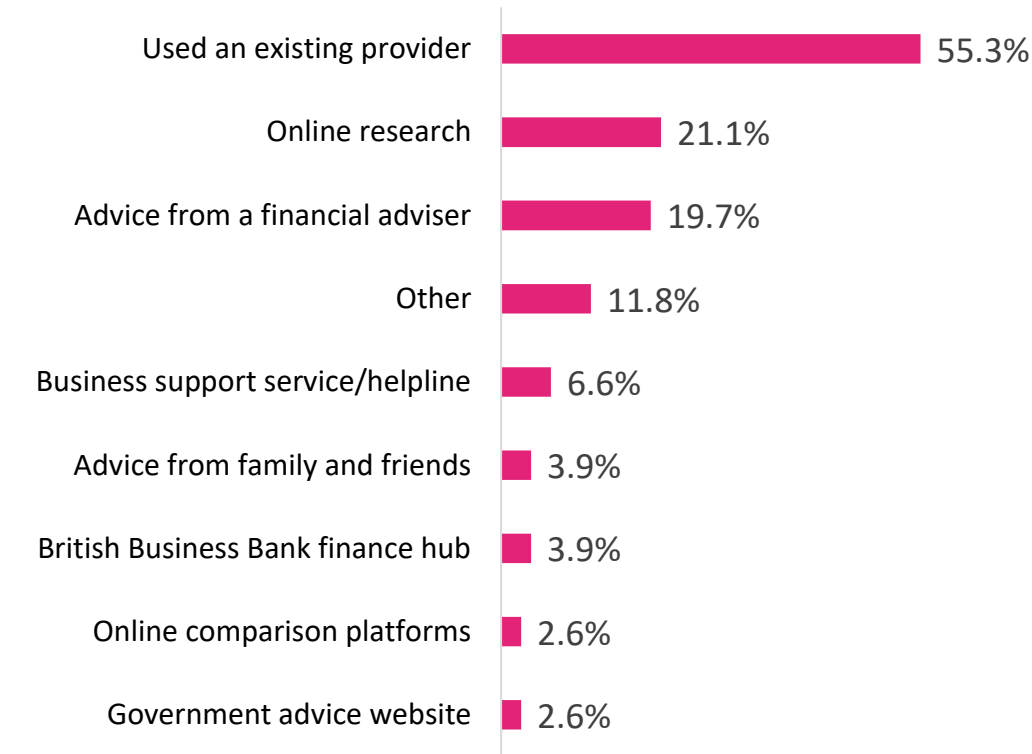
Please select all that apply



Over half of those used an existing provider to access debt finance

How did you select a finance provider?

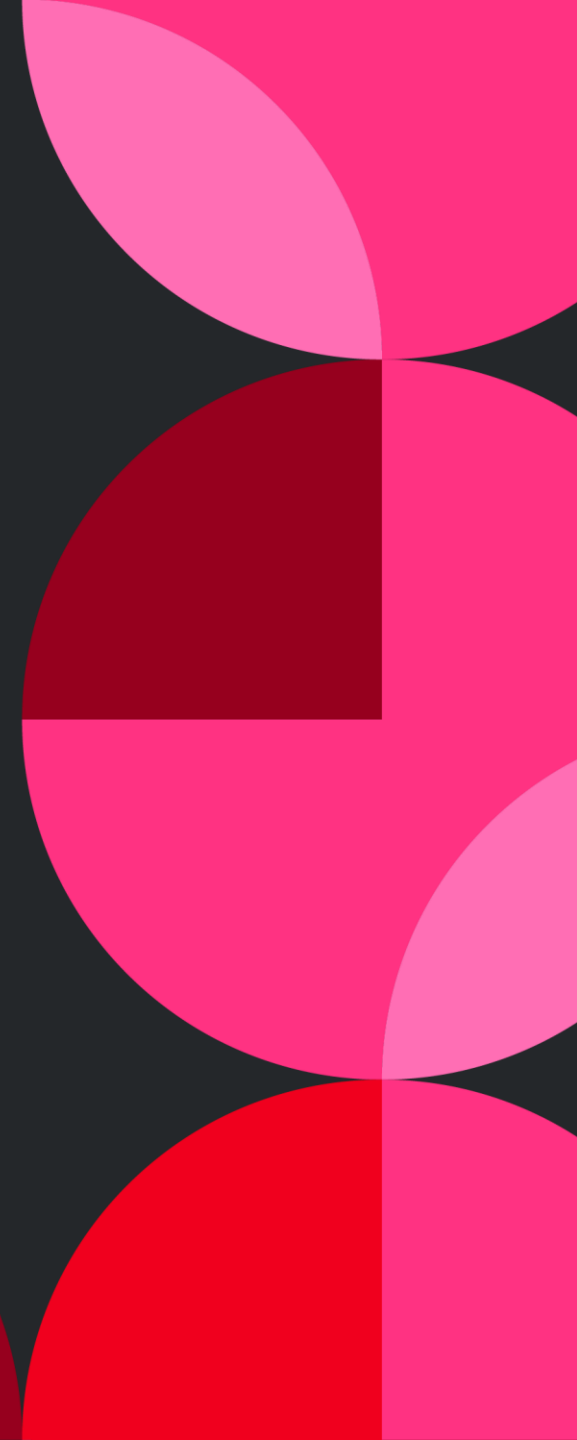
Please select all that apply



# Business connectivity and broadband

We asked following questions to our members in order to understand the current state of the business connectivity market and identify any issues that may be hindering business growth.

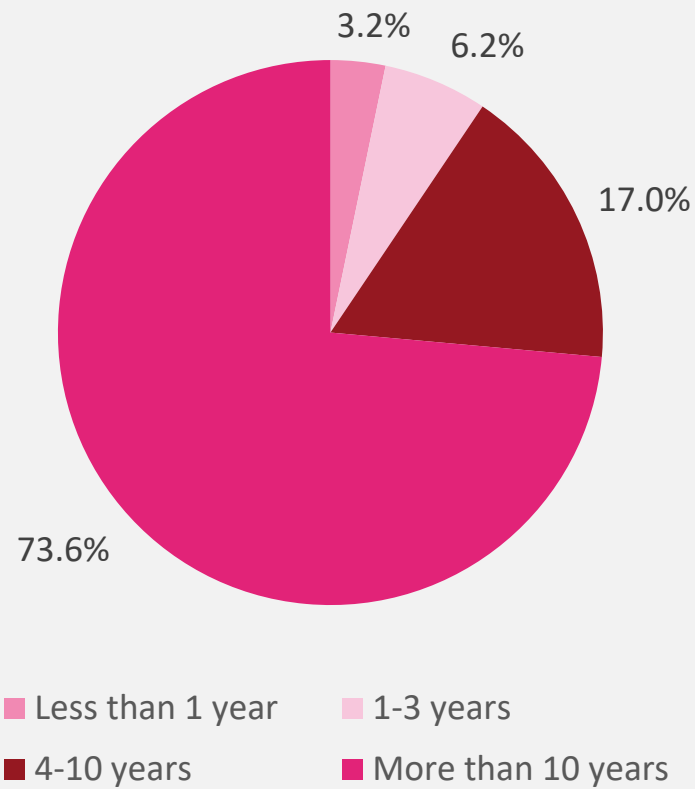
This information will help us build a comprehensive picture that could support the Department for Science, Innovation and Technology's development of future policies or contribute to other initiatives.





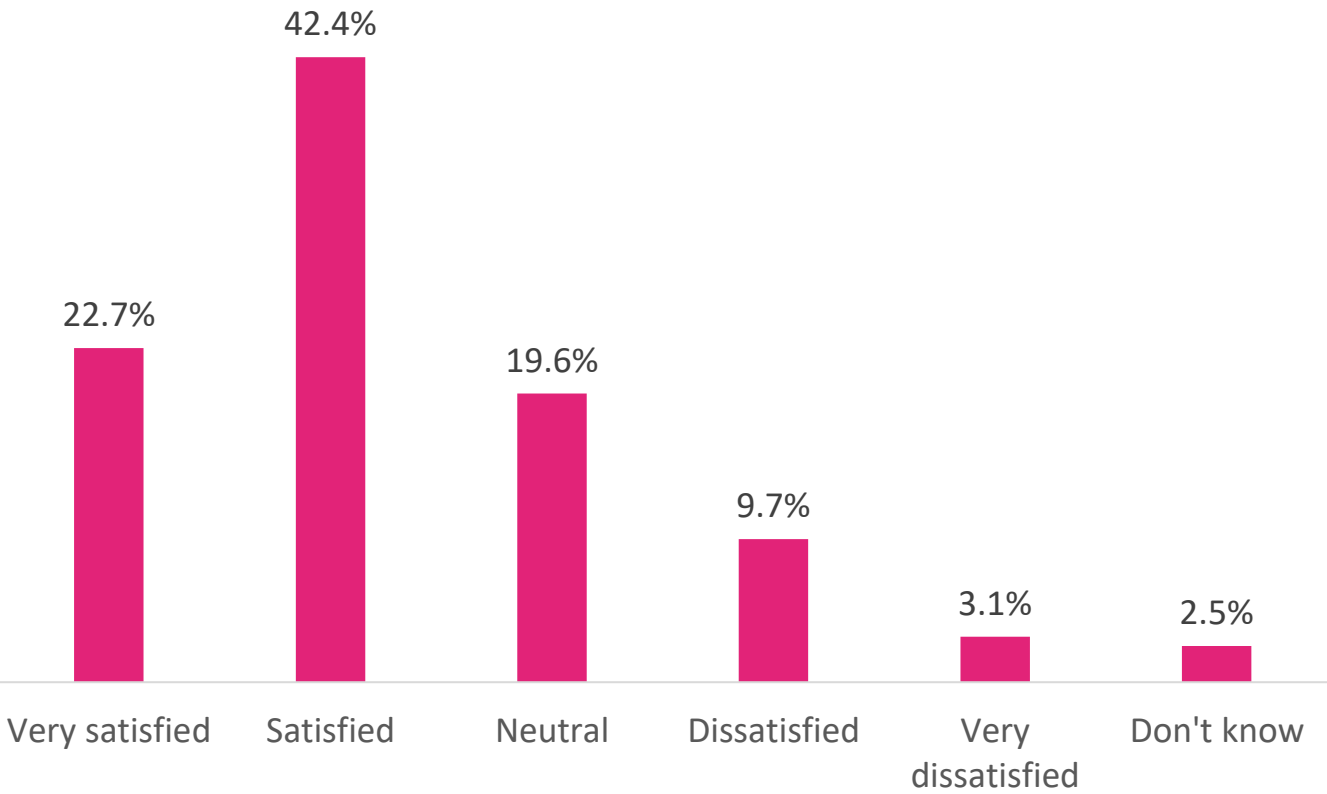


How long has your primary organisation been operating?



Nearly two thirds of IoD members are satisfied with their current broadband service

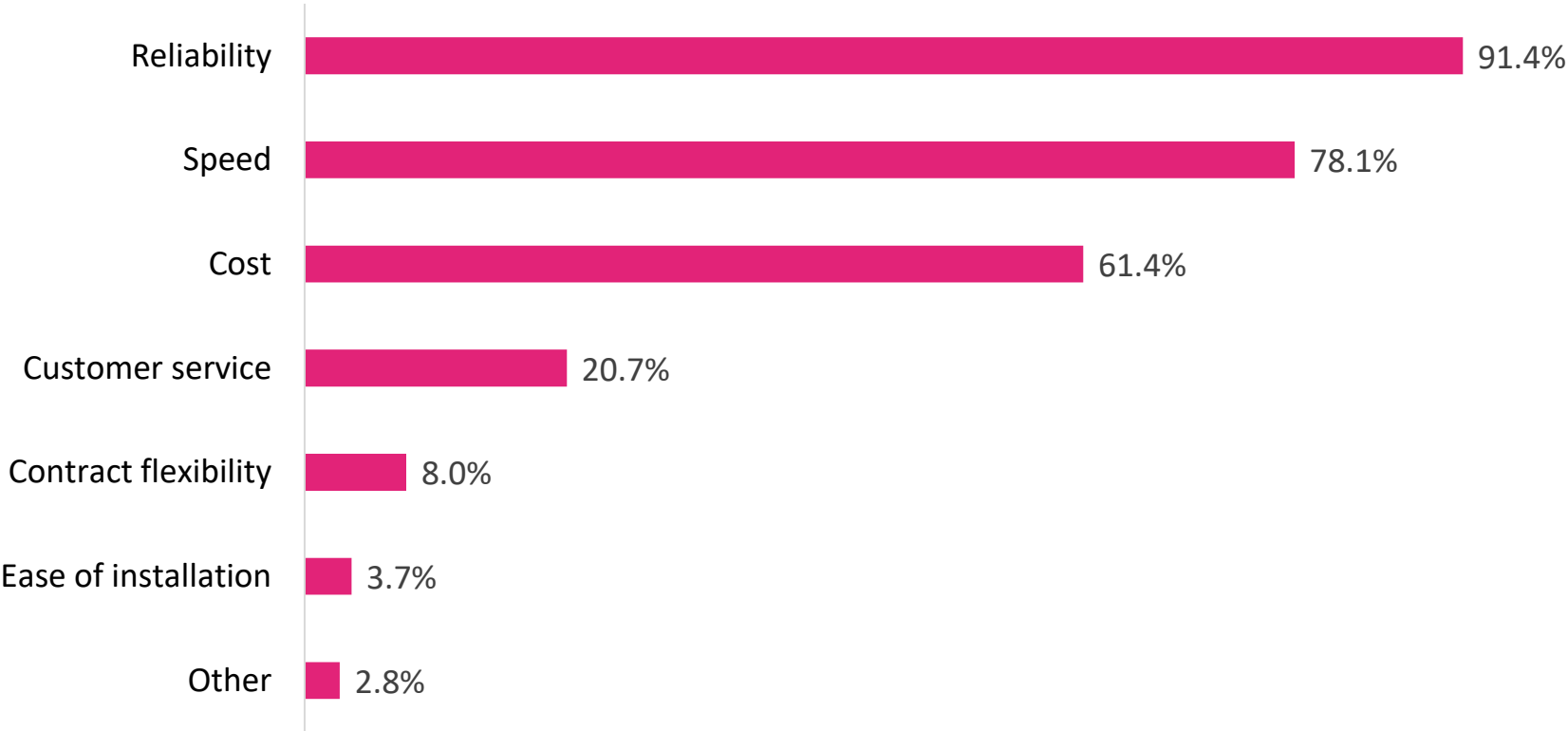
How satisfied are you with the current broadband service you use in your primary organisation?



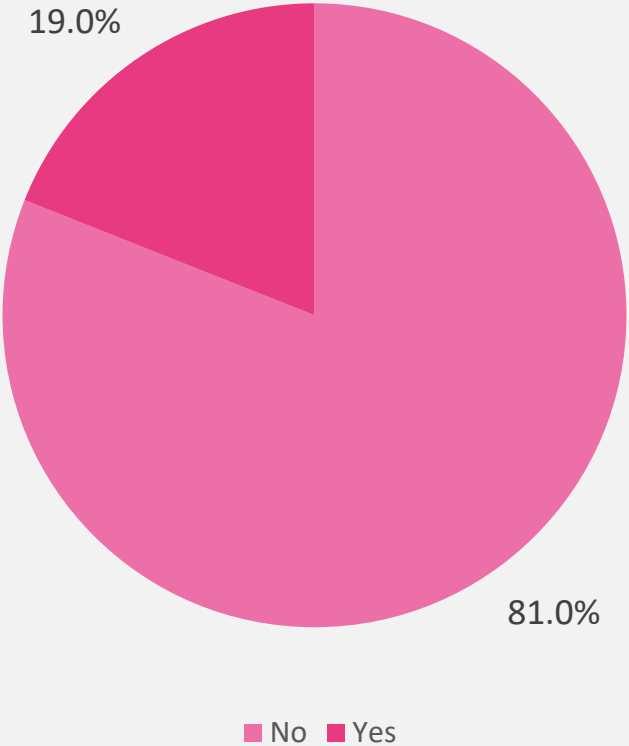
Reliability and speed are the most important factors for IoD members when considering purchasing broadband

Which of the following factors are most important when considering purchasing broadband/fixed connectivity solutions for your business?

Please select up to three

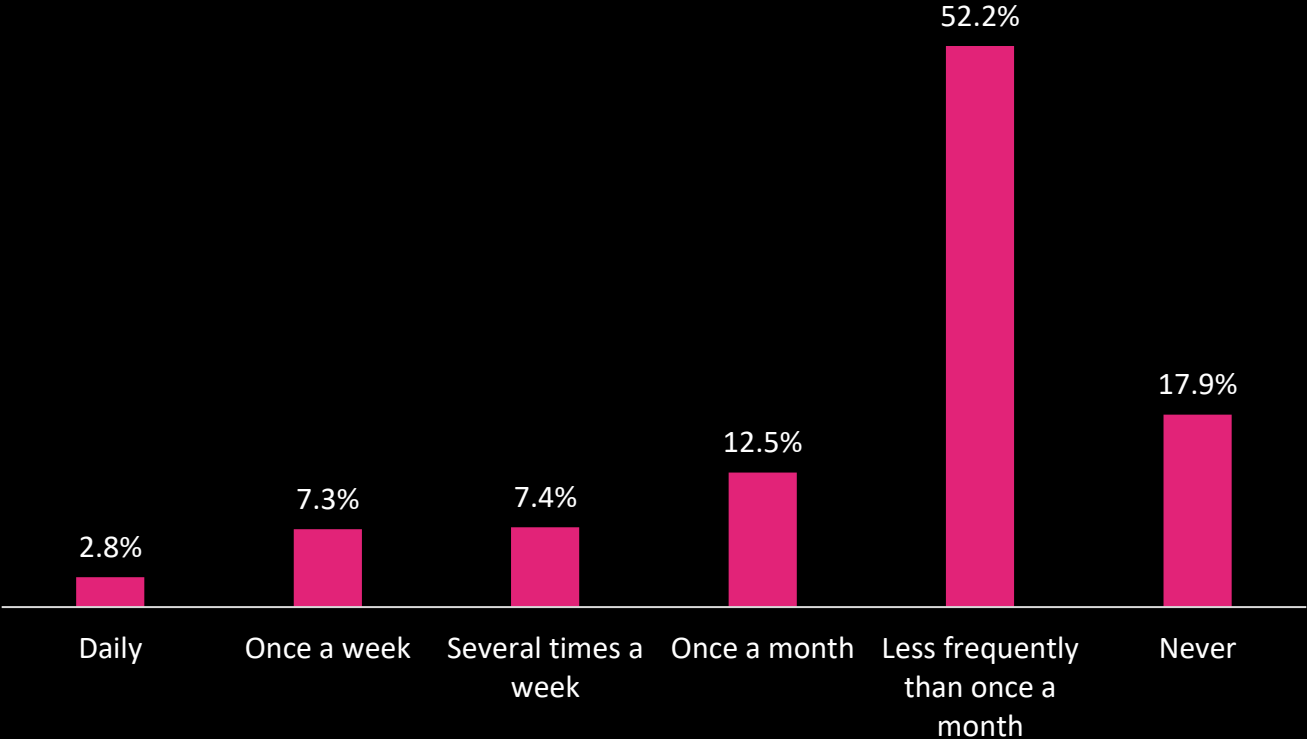


Is your business experiencing any challenges with accessing the broadband or fixed telecoms connectivity solutions required for your operations?



Roughly half of IoD members experience connectivity issues within their organisations less than once a month

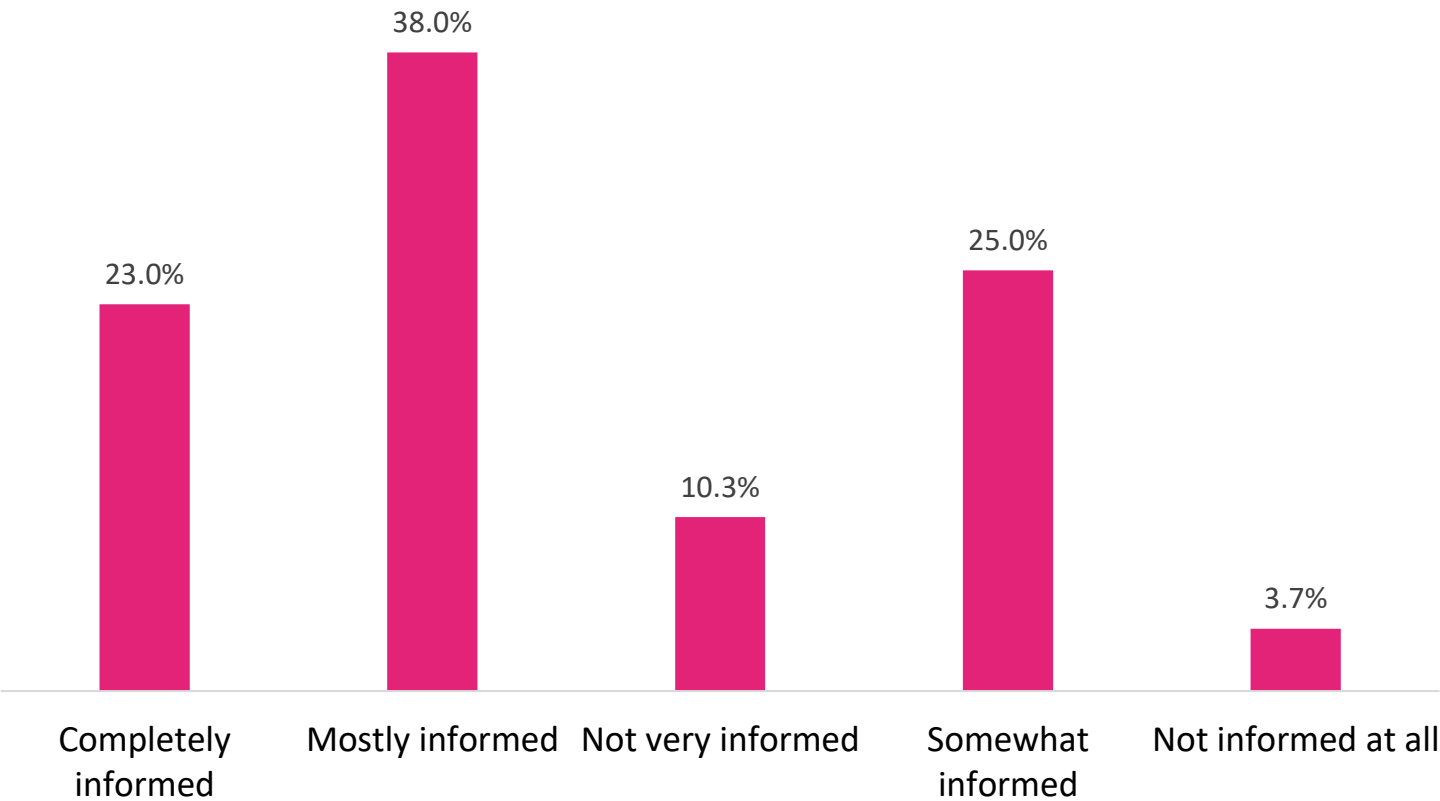
How often do you experience connectivity issues with your current broadband service in your primary organisation?





**Almost two thirds of business leaders feel informed when making decisions on the fixed connectivity**

**To what extent do you feel you have the information you need to decide on the best fixed connectivity options for your business?**





In the further comments four key themes emerged:

**1. The need for quality business connectivity towards UK growth vs frustration with the current state of connectivity and infrastructure**

*"Connection of new sites to broadband (and all utilities) remains archaic and a drag on growth."* (Wholesale and retail trade (including motor repair), South East England, 250+ employees)

*"Broadband and Network coverage is of huge importance if the UK is to be competitive. We don't have good cover and this needs attention."* (Wholesale and retail trade (including motor repair), South East England, 10-49 employees)

*"The UK's broadband and mobile services are hindering business."* (Other services, South East England, 0-1 employees/sole trader)

*"The mobile phone/internet access in the UK is very weak compared with other EU countries; when traveling you cannot guarantee a conversation or teams meeting will be uninterrupted by deficiencies in the service."* (Other services, London, 2-9 employees)

**2. Rural connectivity gaps and inconsistency across regions**

*"Rural broadband needs resolving."* (Agriculture, Forestry and Fishing, Scotland, 250+ employees)

*"We are in a rural location so invested in our own private leased line as the broadband service was so poor."* (Other services, East Midlands, 10-49 employees)

*"Business based in rural Somerset and therefore still stuck with a slow and unreliable copper connection - still no option for fibre to the premises (and loath to use Starlink)."* (Professional, scientific and technical activities, South West England, 2-9 employees)

*"Broadband is generally poor in all rural areas in the UK."* (Professional, scientific and technical activities, East Midlands, 10-49 employees)

*"There is huge variation between areas, especially depending on the masts in the area and really poor levels in some rural areas - but definitely not solely rural areas."* (Education, South West England, 250+ employees)

### 3. Importance of fast, reliable connectivity for remote and hybrid working

*"We operate the company extensively on a virtual basis meaning that individual employees have to have good internet access."* (Manufacturing, London, 10-49 employees)

*"Our people work from home most of the time and generally have pretty good broadband connections. Most problems occur when they are away from their home offices using mobile internet or wifi networks."* (Professional, scientific and technical activities, London, 2-9 employees)

*"It is very location dependent. I chose my current house (working from home, as do the majority of people in my company) based on the FTTP broadband. Given the amount of time spent in online meetings, this is essential."* (Information and communication, London, 250+ employees)

### 4. Frustrations with service providers, including poor customer support, speed, reliability, lack of flexibility, and lack of competition

*"Moving from one supplier to another brings havoc and is often not available after all because the building infrastructure and their broadband infrastructure are not complementary."* (Other services, London, 0-1 employees/sole trader)

*"Very difficult to deal with the supplier. Always very long calls which seem to achieve nothing."* (Manufacturing, Wales, 10-49 employees)

*"I can cope with the service - but I get frustrated by the need to chop and change suppliers, renegotiate contracts etc just to get the most powerful solution."* (Other services, East of England, 2-9 employees)





# Remote and Hybrid Working

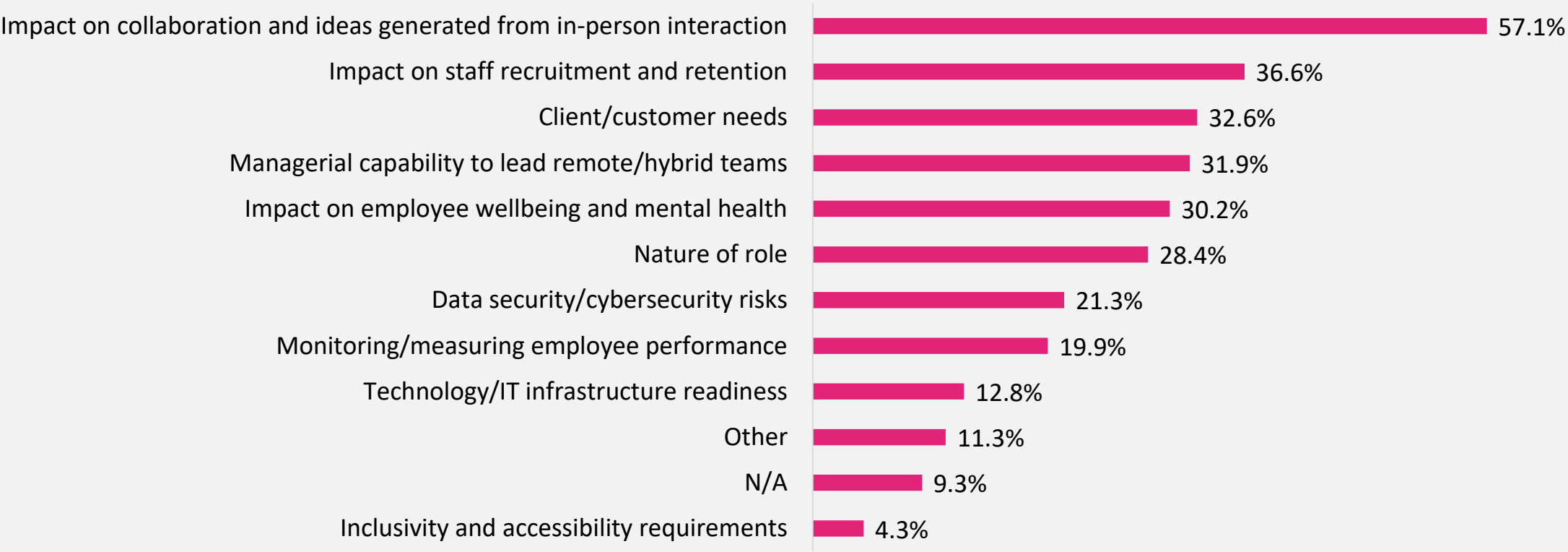
Data from this question helped shape our response to the House of Lords Select Committee on Home-based Working's [call for evidence on remote and hybrid working in the UK](#)



Over half of respondents think about the impact on collaboration when making decisions about working from home

Which of the following factors are the most important considerations for your organisation when making decisions about home working, hybrid and office attendance policies?

Please select up to three.





**The most common concerns cited by directors regarding remote working relate to potentially negative impacts on collaboration, innovation, and productivity:**

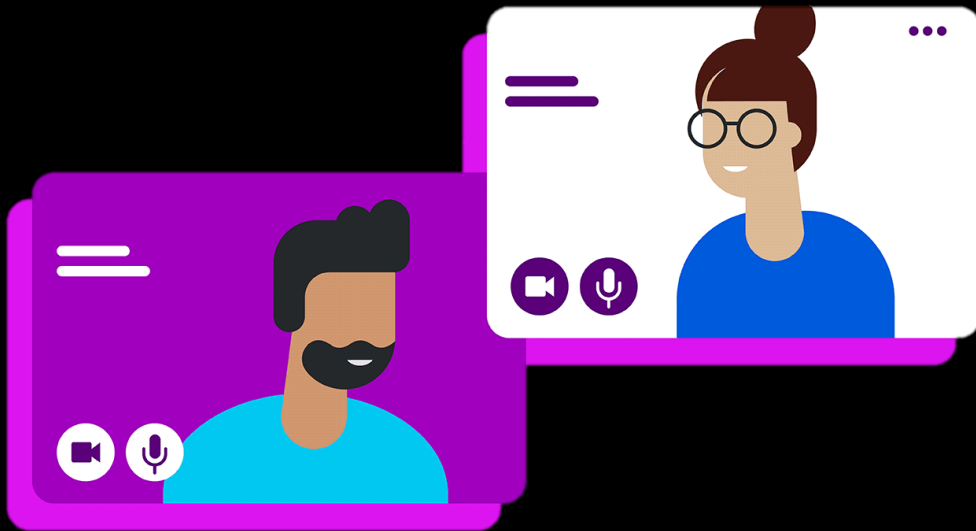
*“We are increasing staff time on client sites to improve productivity & client relationships” (2-9 employees, Professional, scientific and technical activities, London)*

*“Most [SMEs] I know, including ourselves, have productivity issues that they attribute to working remotely” (50-99 employees, Other services, Northern Ireland)*

**Another common theme in responses was a fear that the growth of hybrid and remote working would have a detrimental effect on the learning and development of younger staff:**

*“Remote working is detrimental for junior staff learning and building corporate culture” (250+ employees, Education, East Midlands)*

*“It'll lead to more failure of 'leaders' in the future, as folk will get into positions but have no real-world experience of working with other leaders and the 'next generation' of leaders will have more undesirable traits” (250+ employees, Agriculture, Forestry and Fishing, Scotland)*



**Despite these concerns, however, the benefits of remote and hybrid working relating to recruitment and retention, and wider productivity, were referenced by many respondents:**

*“We are able to take advantage of the best talent, that fits with our startup budget by being remote first”* (2-9 employees, Information and communication, London)

*“Since moving to fully remote working, we have seen a 200% increase in performance.”* (10-49 employees, Other services, London)

**Given that feedback emphasised both the drawbacks and benefits of remote working, it is unsurprising that many respondents considered hybrid working to be the best solution:**

*“Remote working has its place but it should be part of a mixed policy of office and remote working.”* (0-1 employees, Professional, scientific and technical activities, Southeast England)

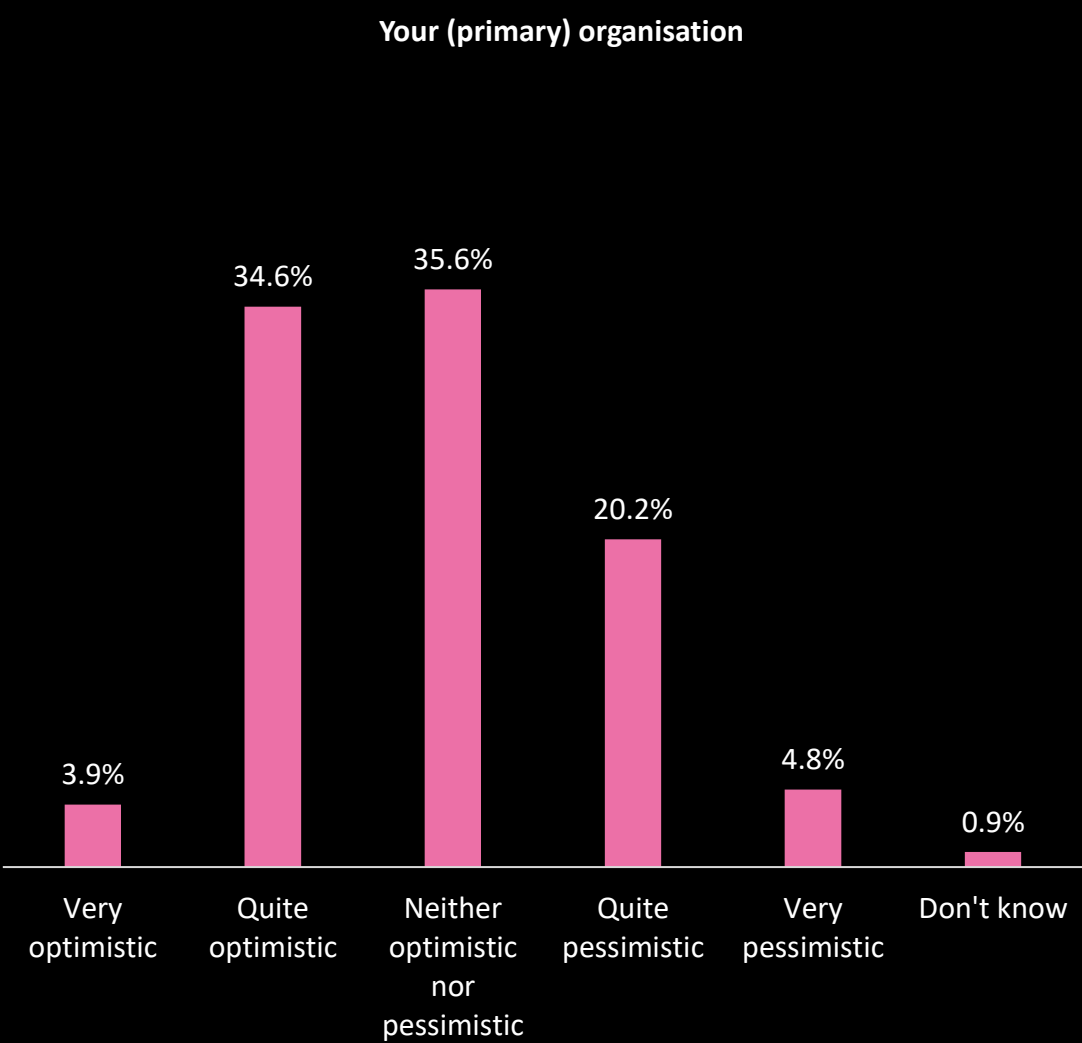
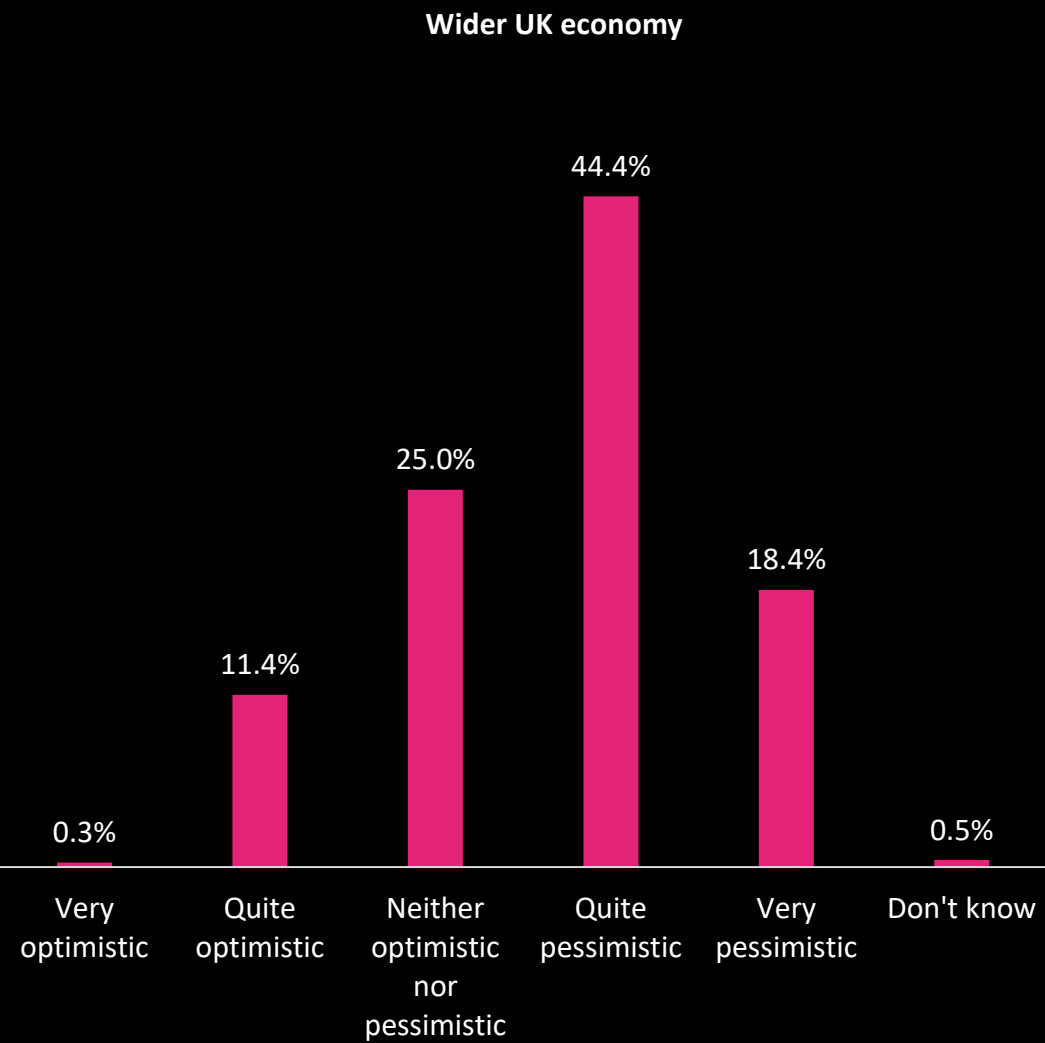


# Economic Monitoring: Data

The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month.



# How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?







Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

	Much higher	Somewhat higher	Don't know	Somewhat lower	Much lower	No change	N/A
Business investment	3.9%	23.0%	38.1%	21.3%	10.6%	1.2%	1.9%
Costs	15.6%	70.2%	9.6%	2.5%	0.8%	0.9%	0.5%
Exports	2.3%	15.1%	32.3%	7.9%	1.9%	2.8%	37.8%
Headcount	1.9%	24.4%	48.0%	19.3%	3.7%	0.9%	1.9%
Revenue	6.3%	37.5%	24.4%	23.8%	5.9%	1.5%	0.6%
Wages	5.6%	46.0%	37.0%	6.5%	2.0%	0.9%	2.0%



The overall mood amongst business leaders improved in April as the worst of the tariffs from the States were paused for 90 days. Our headline confidence measure moved to its highest level (-51) since before the Budget, while investment, headcount and cost expectations all improved for a second month running.

In the further comments there were members who are clearly still struggling with increasing costs:

*“Employment tax, employment laws and energy costs as well as a government which fails to understand or support business are our primary concerns, nothing has been done to foster business or encourage growth or investment. We have passed on as much cost as we can but also invested more into our overseas offices in terms of staffing and business services. This means that our prime cyber security skills are moving out of the country”*  
(South East England, information and communication, 100-249 employees)

*“It is getting harder to grow revenue, whilst wages, national insurance and energy costs rise inexorably. This squeezes our ability to invest for the future and leads to marginal understaffing.”* (London, financial services, 50-99 employees)





**But many were keen to note that whilst costs have been rising – they are managing to push on and remain relatively stable:**

*“All costs have spiralled, rates, National Insurance etc, but as things stand at the moment we are coping with the added burden.”* (South West England, other services, 10-49 employees)

*“Good. Our clients still need our services and contracts are RPI indexed. Staff costs have increased also, but able to keep balance.”* (South East England, professional, scientific and technical activities, 2-9 employees)

*“We are continuing to work hard to stay on a level at worst, with hopefully the opportunity to see some growth.”* (East of England, information and communication, 2-9 employees)

*“We are getting by despite everything. However, the government is killing us with minimum wage increase (which pushes all salaries up) and Employers NIC costs, at a time when costs are rising generally. The idea of more workers rights is hard to fathom, when employer are almost powerless as it is. I'm not sure is there's ever been a worse time to be in business.”* (Northern Ireland, other services, 50-99 employees)

*“We are generally doing ok and have sustained >10% growth in the last 12 months but it feels fragile.”* (Scotland, wholesale and retail trade (including motor repair), 2-9 employees)





**Despite the increase in optimism, it is important to note, concerns over the tariffs still remain and general uncertainty is prohibiting a lot of IoD members from forward thinking:**

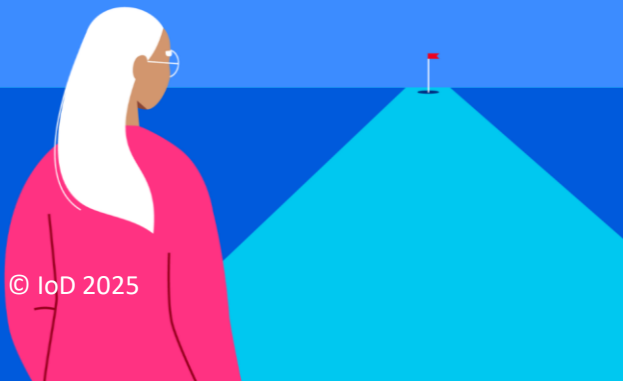
*"We had started to see demand pick up in Q1 and our 12 month order book was higher than expected (plan was zero increase vs 2024). Our biggest concern is the impact of US tariffs and whether this creates a US recession that affects our UK demand, and whether inflationary pressures keep interest rates (and therefore customer finance rates) higher for longer."* (North West England, manufacturing, 100-249 employees)

*"We operate out of difficult geographies and need to deal with the unexpected. The US has never been a major area for us, and so far we've been able to mostly ignore the Trump chaos. Nevertheless, lenders and financiers upon whom we rely for large deals have been pulling back or raising costs - mostly due to perceived risk. As we deepen our relationships in China, we expect things to quieten down so we can concentrate on delivering for our customers."* (South West England, mining and quarrying, 2-9 employees)

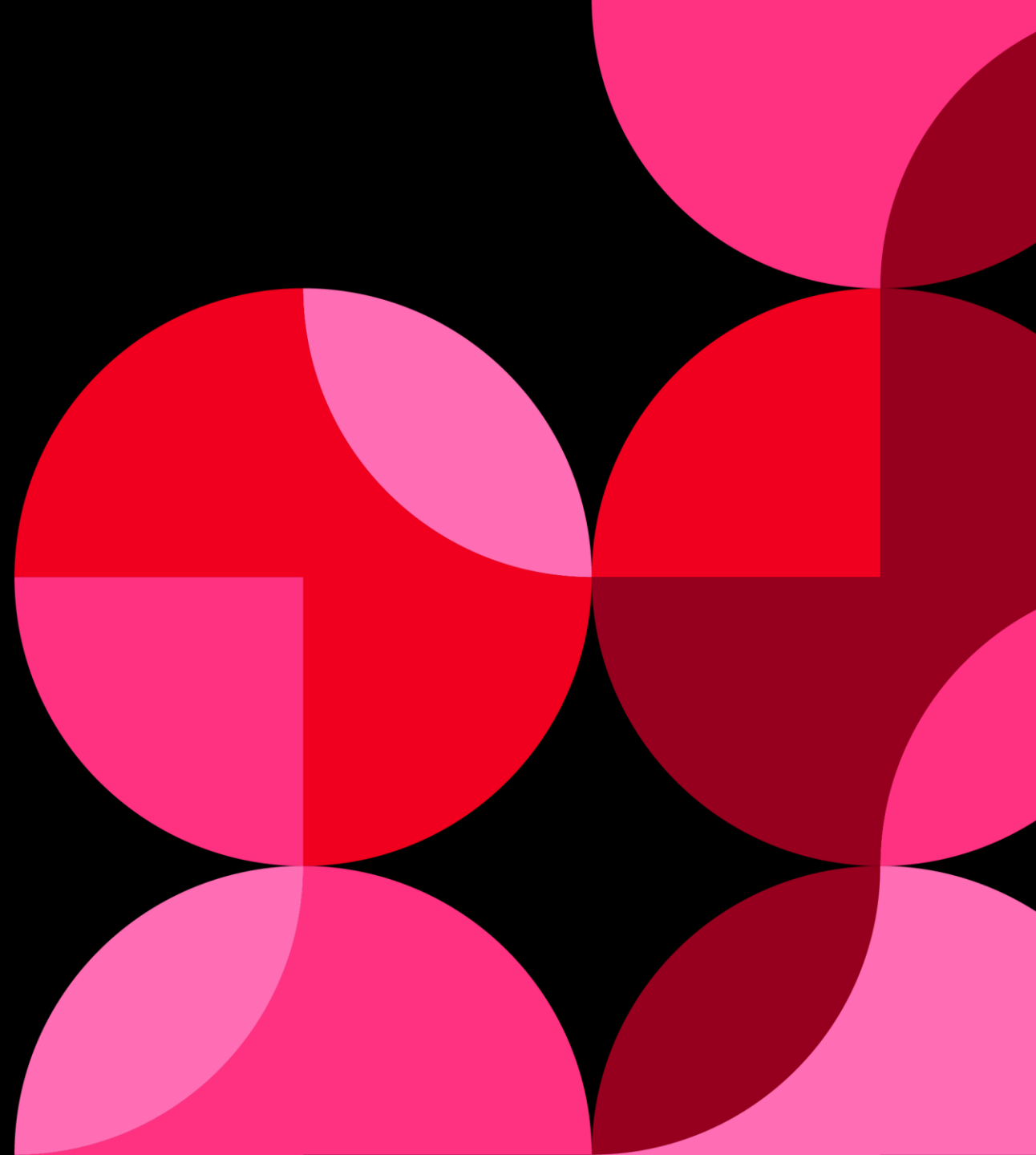
*"We just won a new client and so are good for now. However, the world is pretty uncertain at the moment, so who knows what might happen!"* (London, professional, scientific and technical activities, 2-9 employees)

*"Continuing peaks and troughs affecting the business. Macro influence is major cause (currently tariffs). Overall and long term is a positive feeling, but might be pushed out to 2026 and beyond. That said, there are opportunities around country of origin manufacturing that could assist our UK operations through 'make and ship to US' instead of 'make in US'."* (South West England, manufacturing, 250+ employees)

*"Commercial Property felt like it was just really starting to get moving again post covid and things were positive but a lot of our clients are people who export products globally and this tariff trade war has really made everyone jumpy."* (South West England, real estate, 2-9 employees)



# Economic Monitoring: Trends





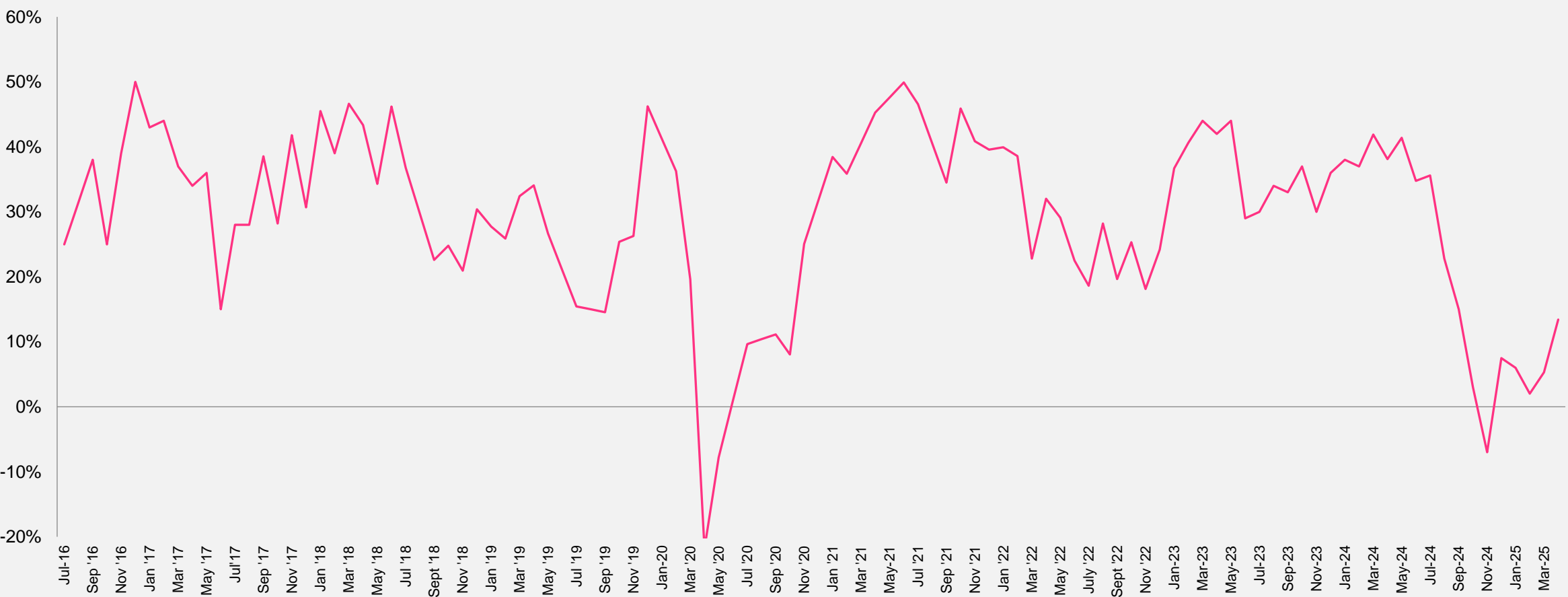
# Business confidence moves to its highest level since before the Budget





# Business leader confidence in their own organisations also improved in April

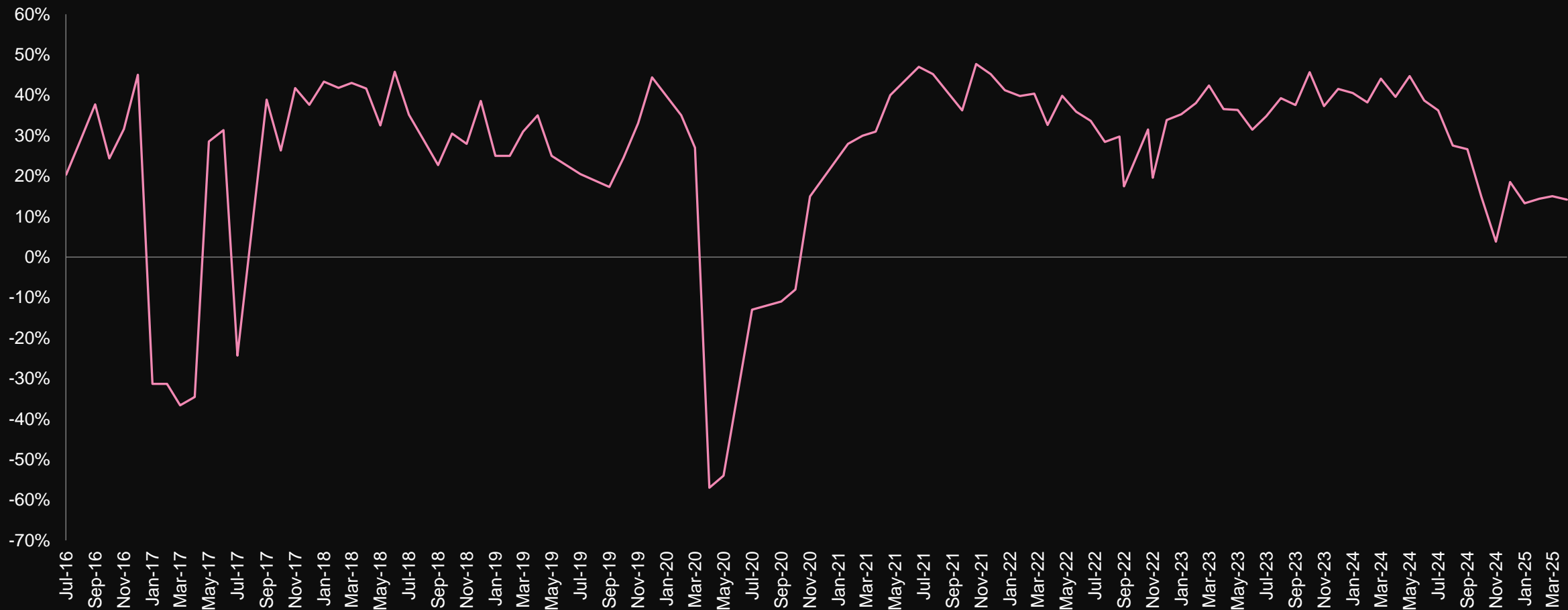
*How optimistic are you about your own organisation over the next 12 months?  
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys*





# Net revenue expectations remain largely unchanged

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys

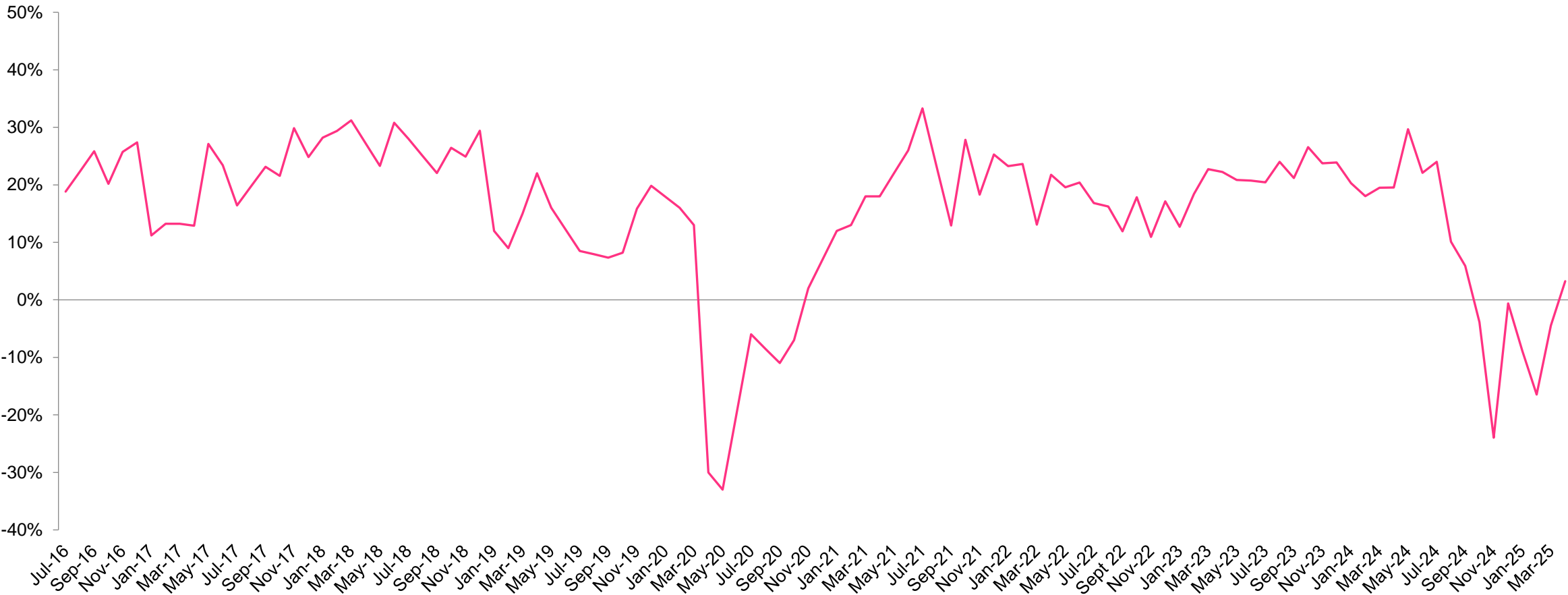






# Headcount expectations record the first positive reading since September 2024

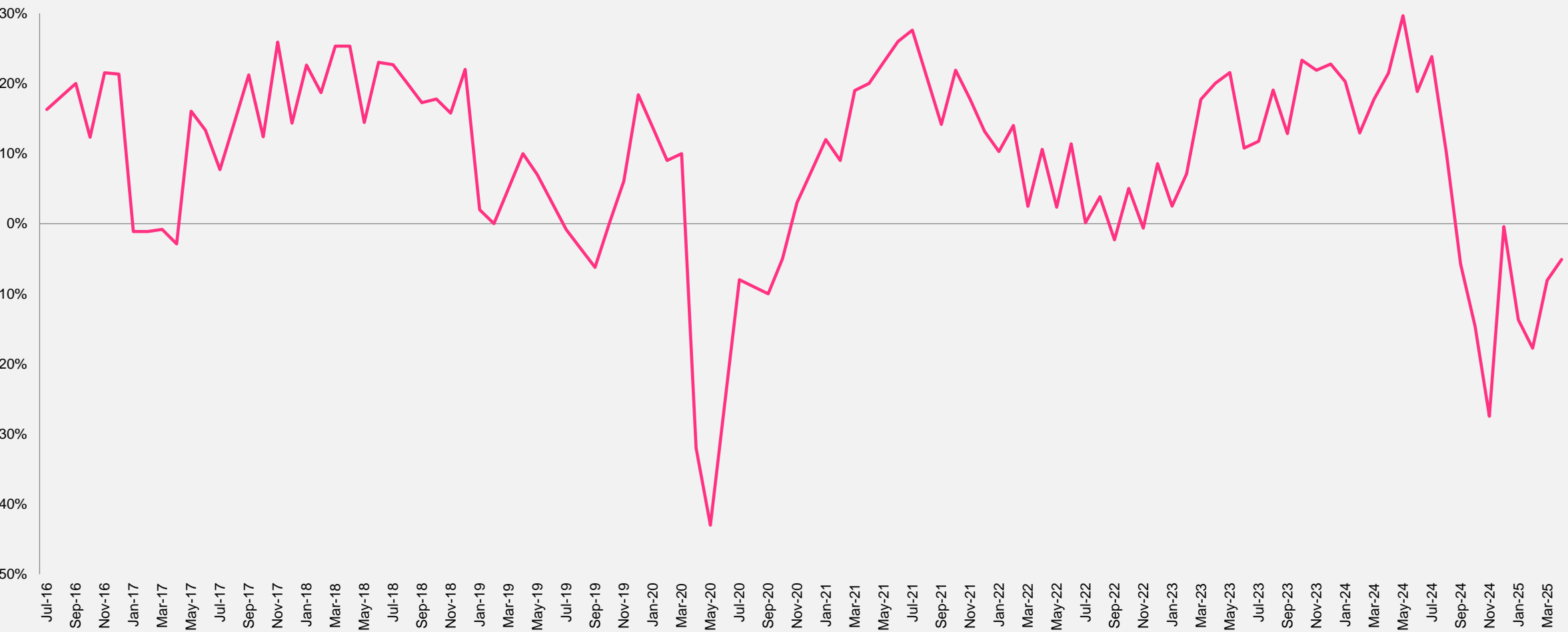
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Investment intentions rose for a second consecutive month, but remain down on the year

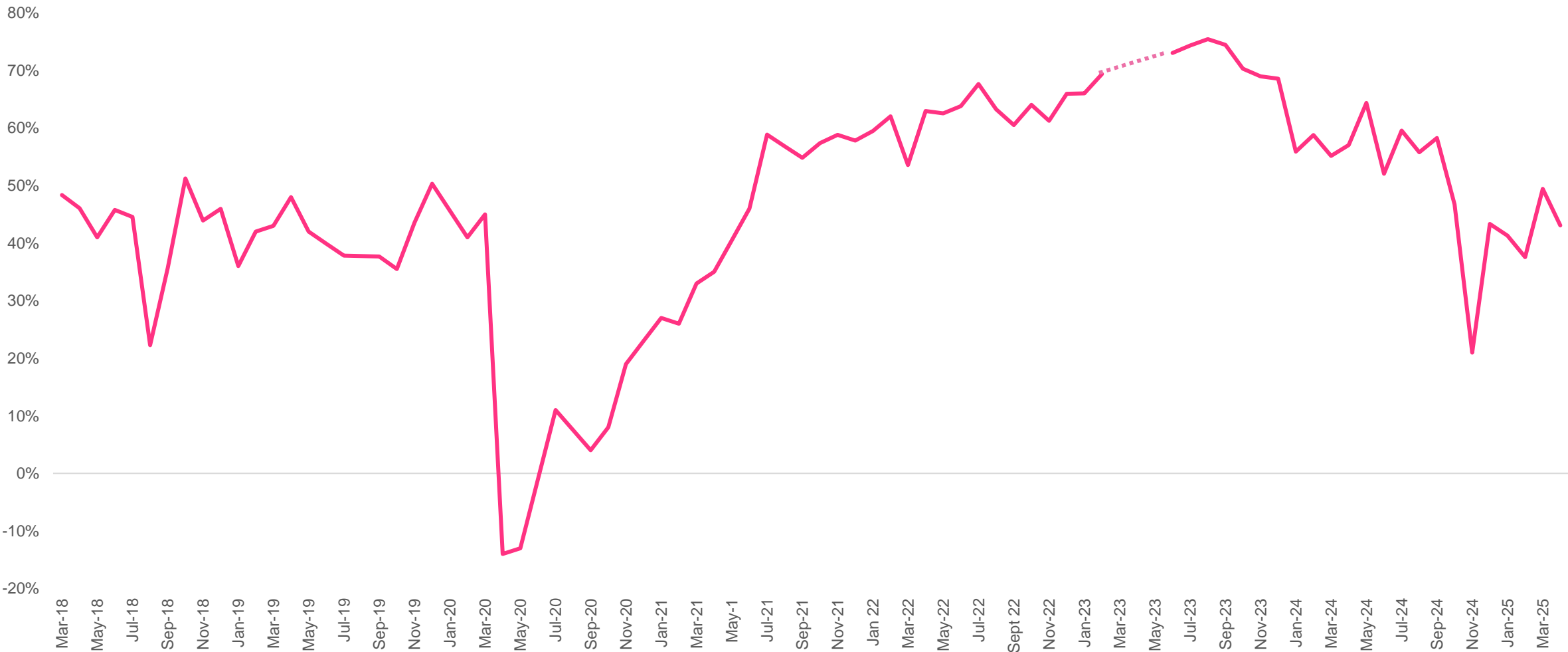
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Wage cost pressures fell from +49 to +43 in April

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys

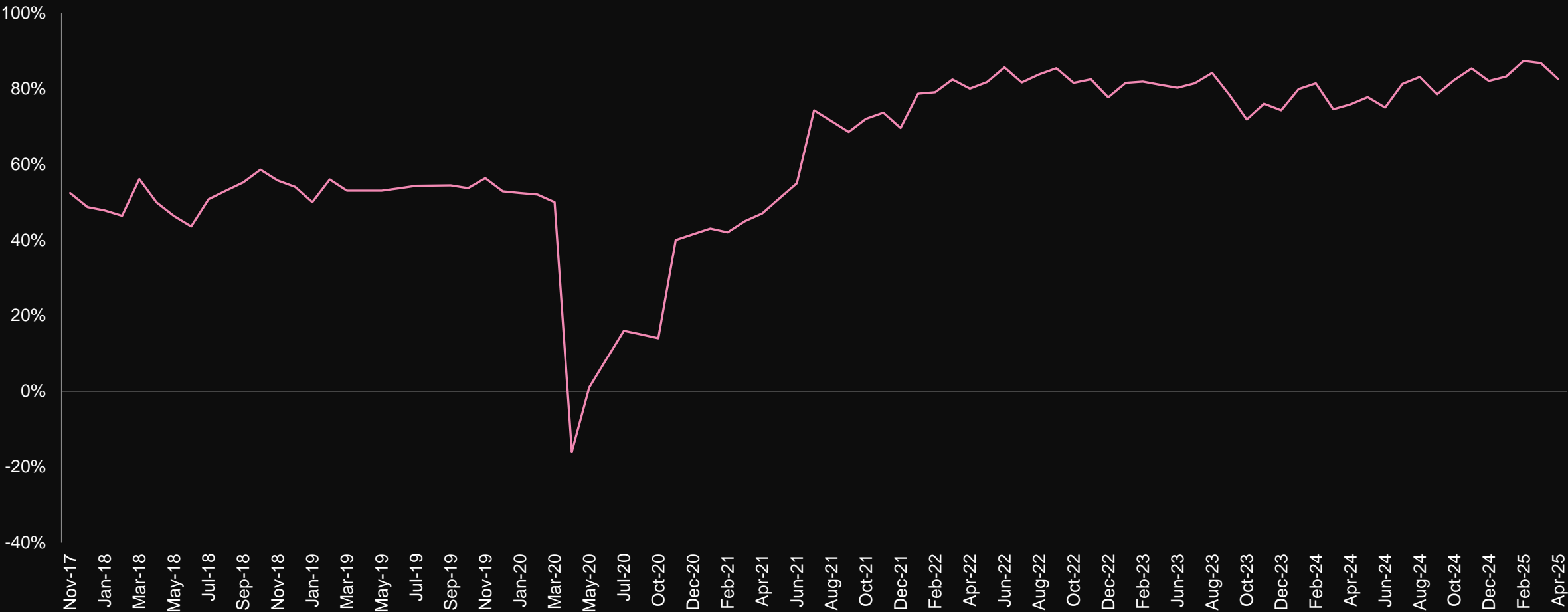


..... = question not asked



# Cost expectations declined for the second month in a row, but remain up on the year

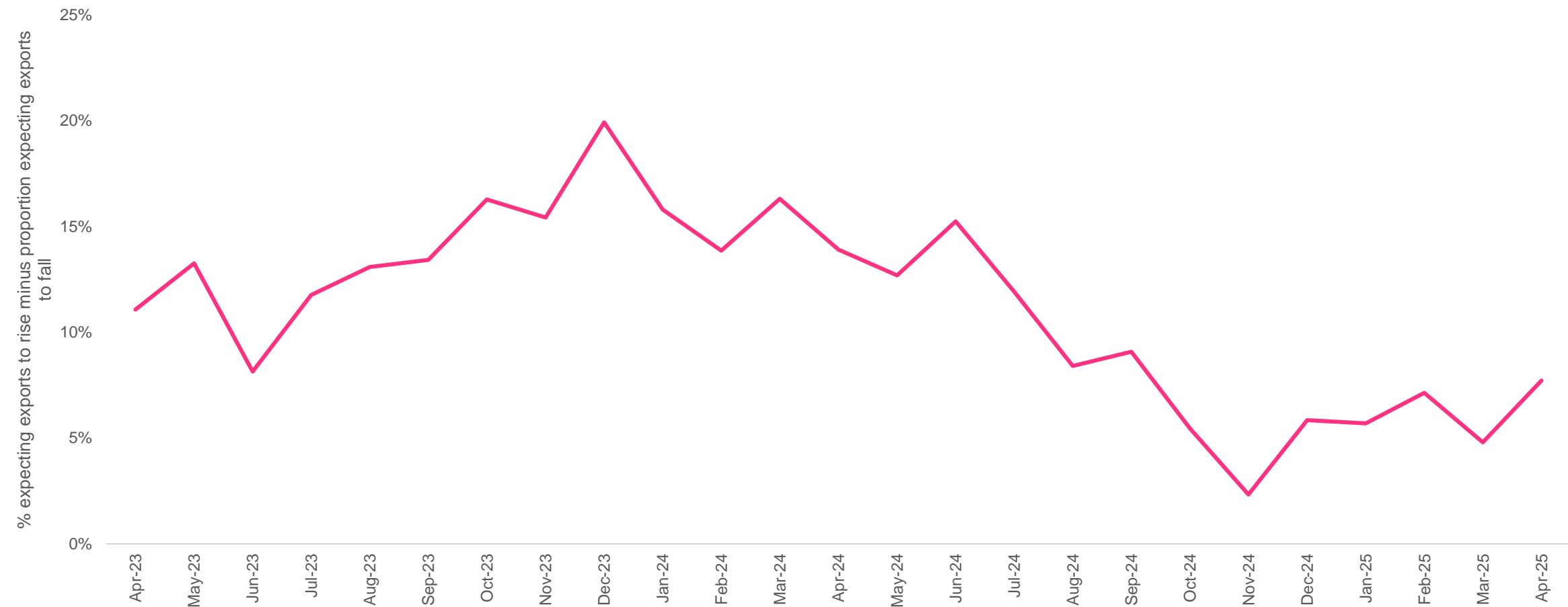
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Export expectations rose from +5 to +8 in April

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: EXPORTS  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys. Question first asked in April 2023.



## Our purpose

### Our Royal Charter sets out a clear purpose

We have a clear vision – The Institute of Directors is the professional institute for responsible directors and leaders.

Our mission is to develop, support and represent skilled, knowledgeable and responsible leaders for the benefit of the economy and society at large.

**Integrity and Enterprise** are our core values.



### The objects of the institute are:

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.