



NAVIGATING COVID-19

IMPACT OF THE PANDEMIC ON SMALL BUSINESSES

42%

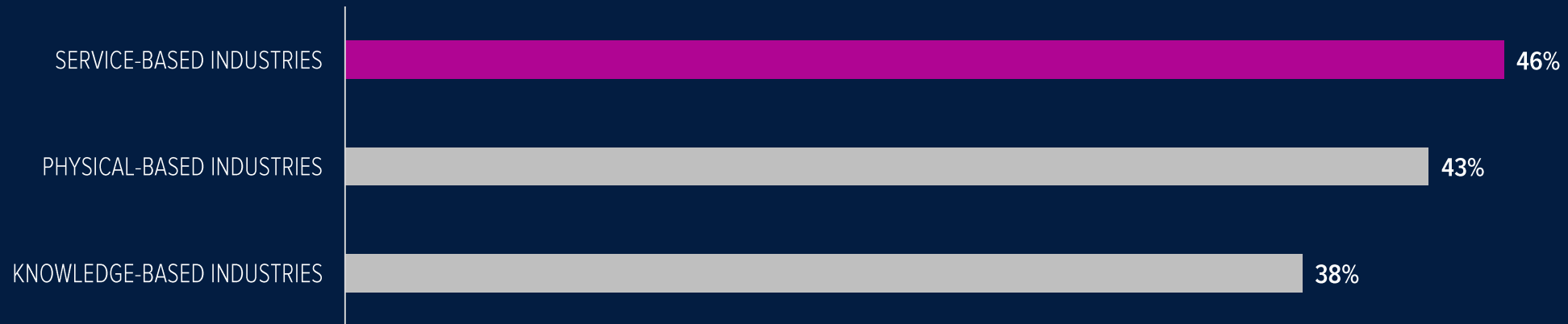


OF SMALL BUSINESS OWNERS SAY THEY'VE
HAD TO **CLOSE THEIR BUSINESS** AS A RESULT
OF THE COVID-19 PANDEMIC

SHRM COVID 19 RESEARCH: SMALL BUSINESS CLOSURES

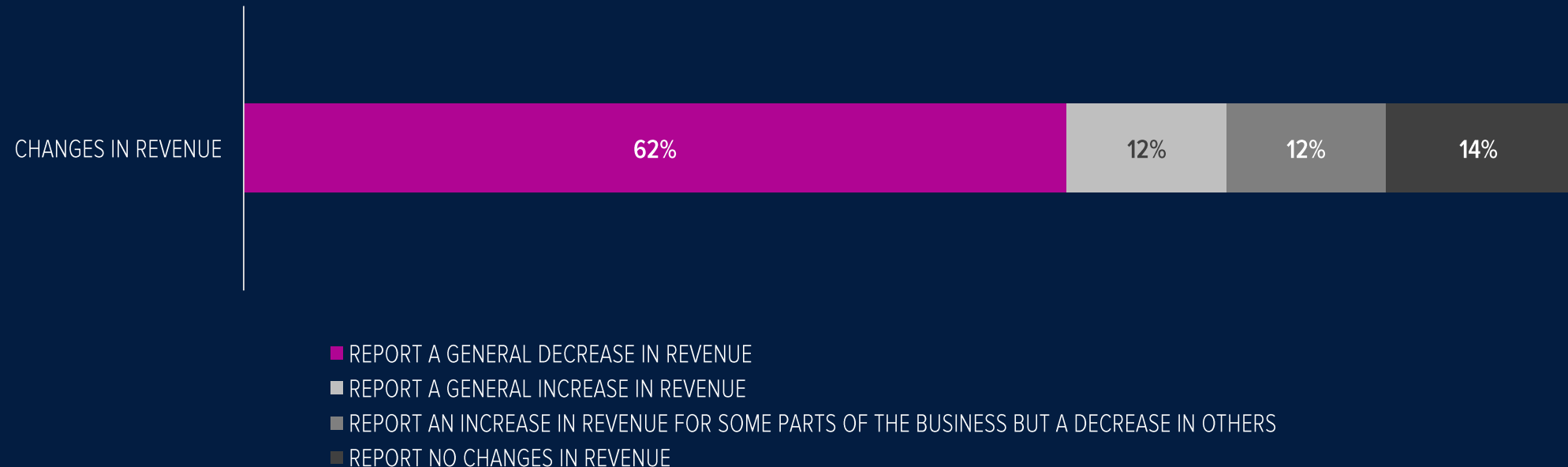
INDUSTRY DIFFERENCES

SMALL BUSINESSES IN SERVICE-BASED INDUSTRIES ARE THE MOST LIKELY TO HAVE CLOSED DUE TO COVID-19



OVER 6 IN 10

SMALL BUSINESSES REPORT A DECREASE IN REVENUE
SINCE THE BEGINNING OF COVID-19



OF THE SMALL BUSINESSES THAT HAVE EXPERIENCED DECREASES IN REVENUE...



47%

REPORT REVENUE
LOSSES OF 10-30%

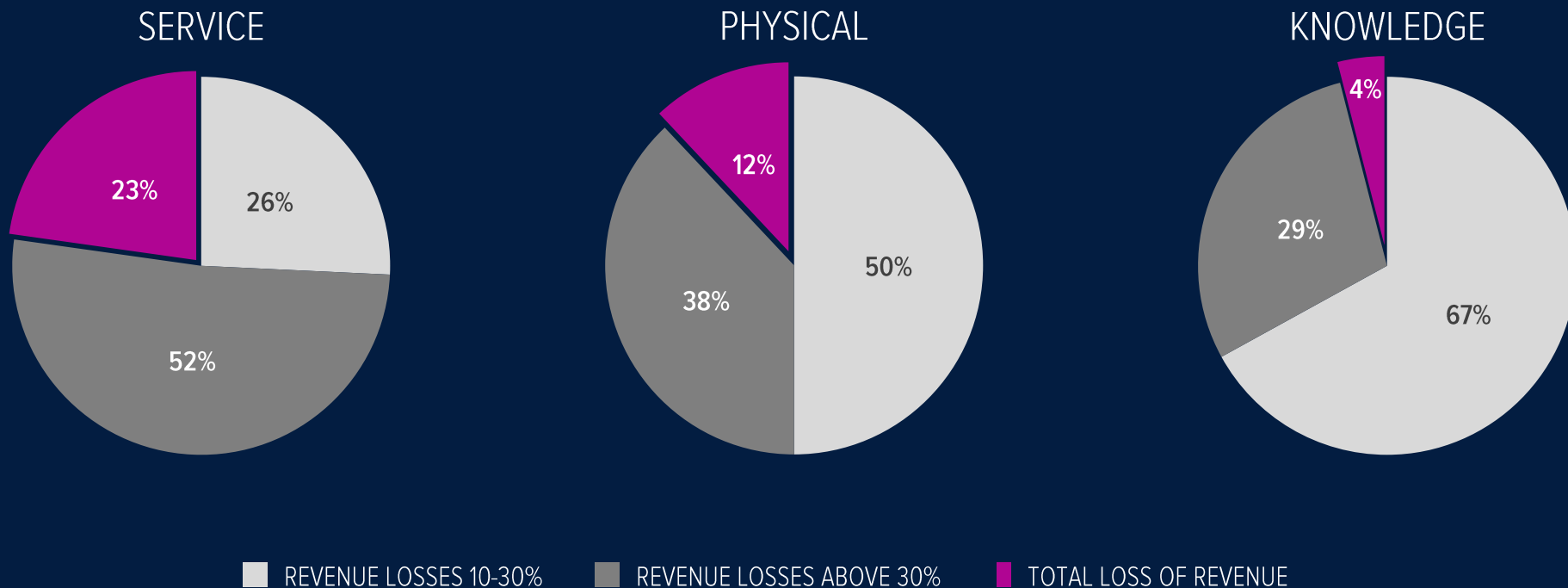
41%

REPORT REVENUE
LOSSES ABOVE 30%

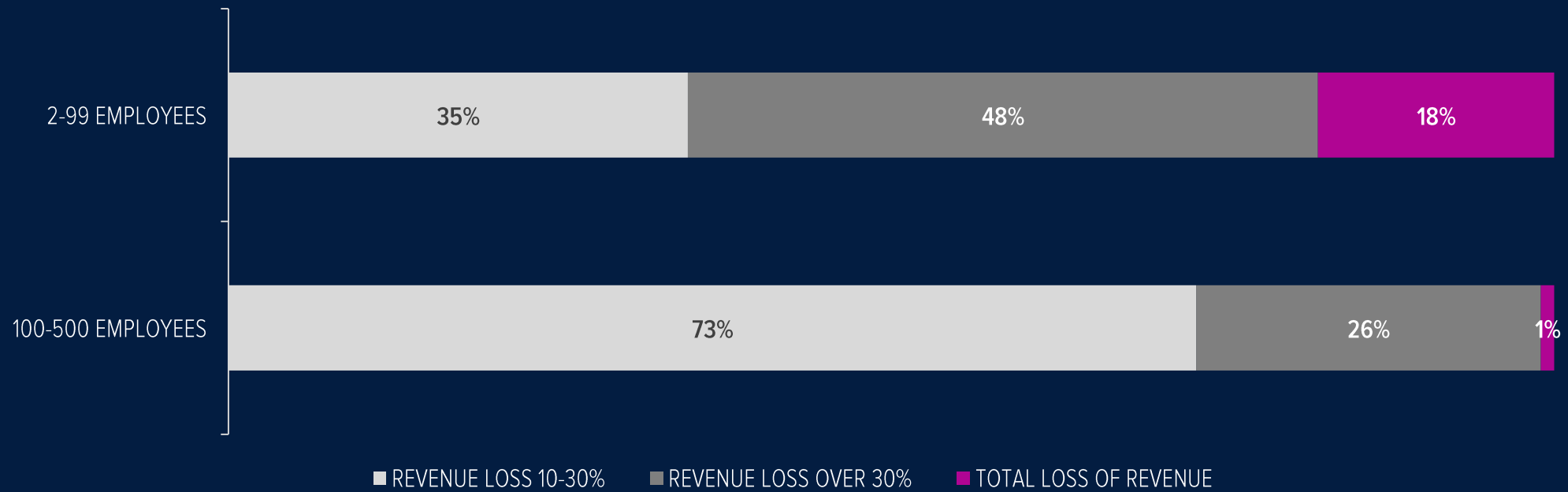
13%

REPORT EXPERIENCING
A TOTAL LOSS

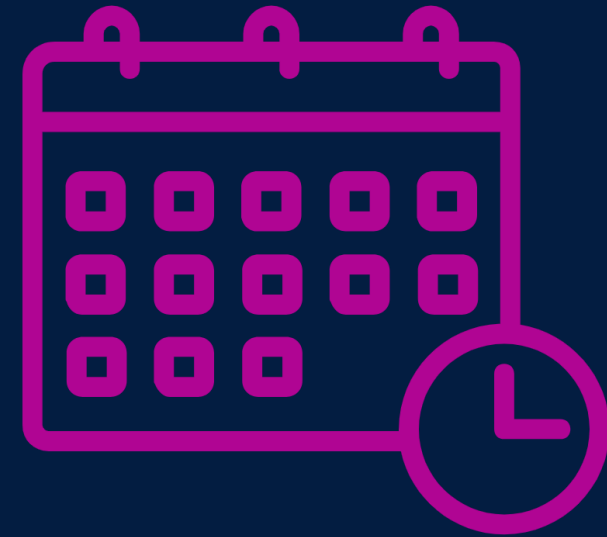
SMALL BUSINESSES IN SERVICE-BASED INDUSTRIES WERE MORE LIKELY TO REPORT **BIGGER REVENUE LOSSES**



BUSINESSES WITH 2-99 EMPLOYEES WERE MORE LIKELY TO REPORT BIGGER REVENUE LOSSES

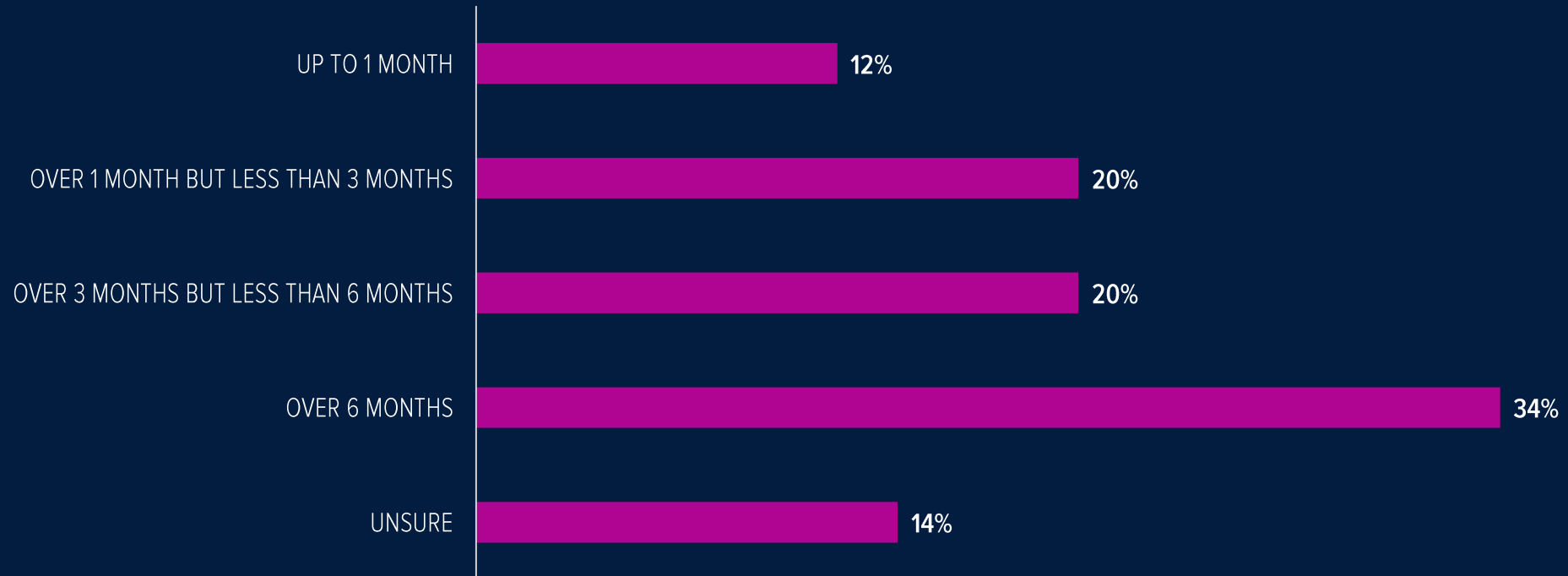


12%



OF SMALL BUSINESSES SAY THEY CAN ONLY KEEP
THEIR BUSINESS GOING FOR **UP TO ONE MONTH**

OVER HALF OF SMALL BUSINESSES CAN KEEP GOING, WITH OR WITHOUT MAKING CHANGES, **UNDER 6 MONTHS** DURING COVID-19



NEARLY HALF

OF SMALL BUSINESSES
HAVENT LAID OFF ANY
EMPLOYEES DUE TO
COVID-19

BUSINESSES WHO HAVE LAID OFF:

- 17%** HAVE LAID OFF *LESS THAN 1/4* OF THEIR TOTAL EMPLOYEES
- 13%** HAVE LAID OFF *1/4 TO 1/2* OF THEIR TOTAL EMPLOYEES
- 11%** HAVE LAID OFF *1/2 TO NEARLY ALL* OF THEIR TOTAL EMPLOYEES
- 14%** HAVE LAID OFF *ALL OF THEIR EMPLOYEES*

40% OF SMALL BUSINESSES

HAVE SCHEDULED EMPLOYEES FOR FEWER HOURS TO AVOID LAYOFFS

25% OF SMALL BUSINESSES HAVE
REPURPOSED OR REASSIGNED
EMPLOYEES TO DO NEW TASKS

22% OF SMALL BUSINESSES HAVE
FURLOUGHED EMPLOYEES

15% OF SMALL BUSINESSES HAVE
DEFERRED BONUSES OR OTHERWISE
DEFERRED COMPENSATION

14% OF SMALL BUSINESSES HAVE
LOWERED WAGES FOR EMPLOYEES

LAYOFFS AMONG ENTRY-LEVEL EMPLOYEES:

OVER
8 IN 10

HAVE LAID OFF *HOURLY*
ENTRY-LEVEL EMPLOYEES

OVER
6 IN 10

HAVE LAID OFF *SALARIED*
ENTRY-LEVEL EMPLOYEES

LAYOFFS AMONG MANAGERIAL EMPLOYEES:

NEARLY
6 IN 10

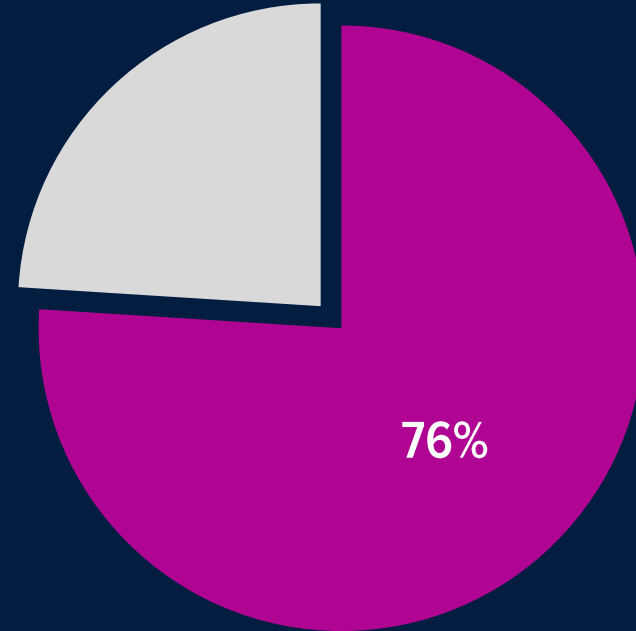
HAVE LAID OFF *HOURLY*
MANAGERIAL EMPLOYEES

HALF

HAVE LAID OFF *SALARIED*
MANAGERIAL EMPLOYEES

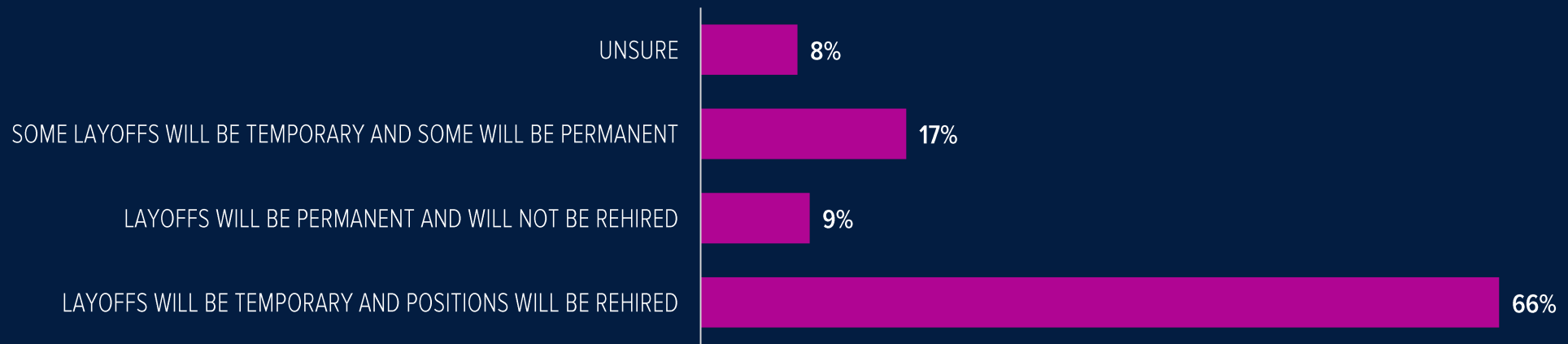
OVER 3 IN 4

**SMALL BUSINESSES HAVE LET
TEMP EMPLOYEES GO**



TWO-THIRDS

OF SMALL BUSINESSES EXPECT THAT MOST OF THESE LAYOFFS WILL BE *TEMPORARY* AND THAT THEY WILL REHIRE THESE EMPLOYEES WHEN THE ECONOMY PICKS BACK UP



NEARLY 7 IN 10

SMALL BUSINESSES EXPECT IT WILL
TAKE *LESS THAN 6 MONTHS* AFTER
COVID-19 ENDS FOR BUSINESS TO
RETURN TO NORMAL



16% *UP TO 1 MONTH* TO
RETURN TO NORMAL



27% *1-3 MONTHS* TO
RETURN TO NORMAL



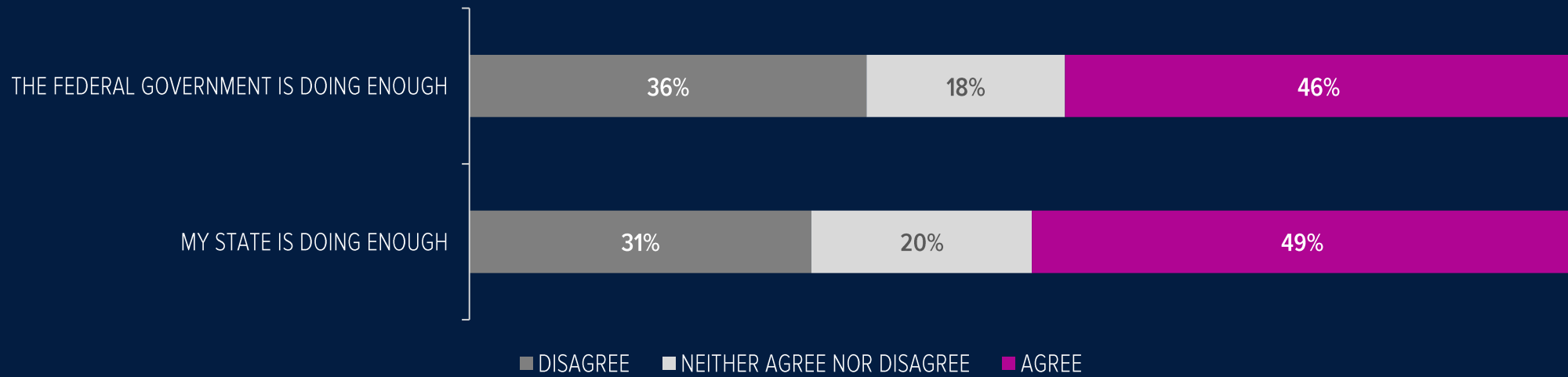
26% *3-6 MONTHS* TO
RETURN TO NORMAL

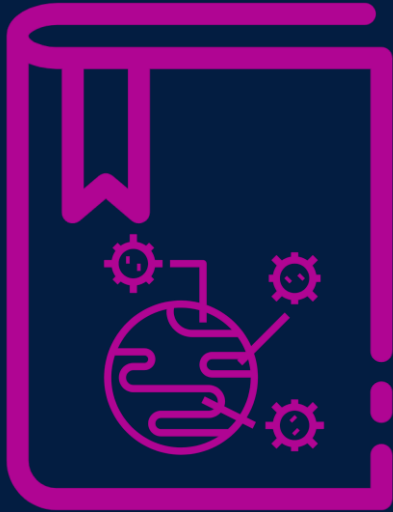


30% *OVER 6 MONTHS*
TO RETURN TO NORMAL

SMALL BUSINESS OWNERS ARE DIVIDED

AS TO WHETHER FEDERAL AND STATE GOVERNMENTS
ARE DOING ENOUGH TO SUPPORT THEM DURING COVID-19





LESS THAN HALF

**(47%) OF SMALL BUSINESS OWNERS SAID
THEY WERE FAMILIAR WITH THE FAMILIES
FIRST CORONAVIRUS RESPONSE ACT (FFCRA)**

BASED ON THE DESCRIPTION “*UNDER THE FFCRA, BUSINESSES WITH FEWER THAN 500 EMPLOYEES ARE REQUIRED TO PROVIDE UP TO 12 WEEKS OF PAID LEAVE IF AN EMPLOYEE IS UNABLE TO WORK BECAUSE THEIR CHILD’S SCHOOL OR PLACE OF CHILD CARE IS CLOSED*”

MORE THAN 2/3
OF SMALL BUSINESSES

- ✓ SAY THIS CHANGE IS *USEFUL*
- ✓ SAY THIS CHANGE IS *NECESSARY*

AROUND HALF
OF SMALL BUSINESSES

- ✓ SAY THIS CHANGE IS *ENOUGH*
- ✗ SAY THIS CHANGE *WILL OR HAS MADE IT DIFFICULT* FOR THEIR BUSINESS



68% OF SMALL BUSINESS OWNERS

WERE FAMILIAR WITH THE PAYCHECK
PROTECTION PROGRAM— 21% WERE
UNFAMILIAR

BUSINESS SIZE DIFFERENCES

60% OF SMALL BUSINESS OWNERS OF BUSINESSES WITH 2-99 EMPLOYEES WERE FAMILIAR WITH THE PPP, COMPARED TO 84% OF BUSINESSES WITH 100-500 EMPLOYEES

NEARLY
HALF

OF SMALL BUSINESS OWNERS SAID THE
PPP HAS *DIRECTLY INFLUENCED* THEIR
DECISION TO KEEP OR REHIRE EMPLOYEES

37%

OF SMALL BUSINESSES SAID THE PPP
HAS *NOT INFLUENCED* THEIR DECISION
TO KEEP OR REHIRE EMPLOYEES

14%

OF SMALL BUSINESSES
SAID THEY WERE *NOT*
AWARE OF THE PPP



67%



33%

OF SMALL BUSINESS
OWNERS DO NOT PLAN TO
APPLY FOR RELIEF LOANS

OF SMALL BUSINESS OWNERS HAVE EITHER *ALREADY SUBMITTED* FOR A COVID-19 RELIEF LOAN TO KEEP THEIR BUSINESS GOING (16%) OR ARE *PLANNING TO APPLY* (51%).

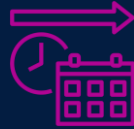
OF THOSE WHO HAVE DECIDED NOT TO APPLY FOR A PPP LOAN:

29%



AREN'T APPLYING BECAUSE THERE'S TOO MUCH BUREACRACY INVOLVED

17%



AREN'T APPLYING BECAUSE IT WOULD TAKE TOO LONG

9%



AREN'T APPLYING BECAUSE THEY WERE DECLINED FOR A SMALL BUSINESS LOAN IN THE PAST

8%



AREN'T APPLYING BECAUSE THEIR BUSINESS HAS CLOSED



OF THE 24% WHO GAVE ANOTHER REASON, THE VAST MAJORITY AREN'T APPLYING BECAUSE THEY DON'T NEED IT

56% OF SMALL BUSINESS OWNERS AGREE THE RELIEF FROM PPP LOANS WOULD BE ENOUGH TO KEEP THEIR BUSINESS GOING DURING COVID-19, HOWEVER...

OVER 4 IN 10

SMALL BUSINESS OWNERS AGREE THE RELIEF FROM
PPP LOANS **WILL LIKELY ARRIVE TOO LATE OR HAS
ALREADY ARRIVED TOO LATE** TO HELP THEIR BUSINESS



*For the purposes of this analysis, the 14-industry standard demographic list was condensed into four categories based on the **type of work done by the majority of workers** in that industry.*

Service-type Industries:

- *Accommodation or food service (such as hotels or other travel accommodations, restaurants and other food services, or drinking places)*
- *Health care (such as doctors' offices, dentists, optometrists, home health care services, hospitals, social services, or nursing care facilities)*
- *Retail trade (such as auto dealers, household or electronics stores, grocery stores, clothing stores, etc.)*
- *Other services (such as auto repair, electronics repair, barber shops and beauty salons, dry cleaning, funeral homes, or working in private homes)*
- *Education (such as K-12 teachers or administrators, colleges or universities, or business or trade schools)*

Knowledge-type Industries:

- *Finance, insurance or real estate (such as banking, financial investing, insurance companies, real estate agents, or other goods and equipment rental)*
- *Government, public administration or military (such as state, local or national government, justice and safety activities, national security, or military)*
- *Administrative support services (such as business support, travel arrangements, security services, landscaping, or waste management)*
- *Professional, scientific, or technical services (such as legal, accounting, computer systems, advertising, or scientific research services)*

Physical-type Industries:

- *Construction*
- *Manufacturing*
- *Wholesale trade (such as the wholesale trade or sale of vehicle parts and supplies, furniture and construction materials, plumbing and heating equipment, clothing or food and beverage supplies)*
- *Transportation and warehousing (such as airline, trucking, bus or metro, taxis, couriers or messengers, or warehousing and storage)*

A sample of 375 small business owners (*owners, operators, leaders, or chief executives of businesses with 2-500 employees*) was sourced from Pure Spectrum. The sample contained 250 owners of organizations with 2-99 employees, and 125 owners of organizations with 100-500 employees. The survey was conducted April 15 through April 21.