



NSBA

SMALL BUSINESS SURVEY



COVID-19: The Path Forward

July 2020

FOREWORD

Welcome.

The coronavirus (COVID-19) continues to wreak widespread economic turbulence both through its health and economic implications, as well as the near-constant changing status of the pandemic and states' responses. Just two weeks ago, many states were either re-opened fully, or on a path to re-opening, and the small-business outlook was on the way to rebounding from historic lows in April.

This most recent COVID-19 survey from NSBA shows many indicators—including small-business confidence, economic outlook and overall impact of the pandemic—have improved in the last two months. NSBA has conducted its third COVID-19-related survey with the goal of providing the real-world implications of the pandemic and economic downturn and its likely long-term effects.

Among the key takeaways from this survey:

- Today, while the majority of small businesses (69 percent) say they are very concerned about the coronavirus, that number is down from 85 percent two months ago;
- Two-in-three small-businesses say they are still experiencing reduced customer demand, however that is down from 80 percent in April;
- Just one-third of small businesses are very confident they will fully recover from the pandemic and economic downturn;
- Eighty percent of respondents applied for some kind of federal lending program, and among those, 96 percent were approved for either an EIDL or PPP loan, or both;
- While more businesses have been approved in the last two months of the program, the length of time it took to receive funds has been significant: 85 percent say they waited more than 15 days between their submission and receiving funds;
- One-in-four small-business owners report they have not yet been able to fully re-staff their business; and
- Eighty-two percent of small businesses made workspace changes as a result of the pandemic, and the average initial set-up costs were \$11,729 with ongoing monthly costs averaging around \$1,800.

Small-business owners are inherently optimistic and confident in their ability to run their business, however economic insecurity can become an insurmountable hurdle for many. If small-business owners have little faith in the ability for our country to recover, they will be hesitant to grow, invest in their businesses and create jobs. Absent a clear path forward, we could see a notable reversal of the more positive small-business outlook we're seeing now.

This survey was taken among 630 small-business owners June 16-23. Please contact our [Media Affairs](#) department with any media-related inquiries. Additionally, please visit NSBA's [resource page](#) for updates, podcasts, small-business stories, Action Alerts and much more.

Best,

Todd McCracken
NSBA President and CEO

Marc Amato
2020 Board Chair

DEMOGRAPHICS

How many total full-time personnel are currently employed by your business?

0	11%
1 – 5	45%
6 – 10	17%
11 – 20	10%
21 – 50	11%
51 – 100	3%
101 – 500	3%

Which of the following best describes the structure of your business?

S-Corp	35%
LLC	34%
C-Corp	19%
Sole Proprietorship	10%
Partnership	2%

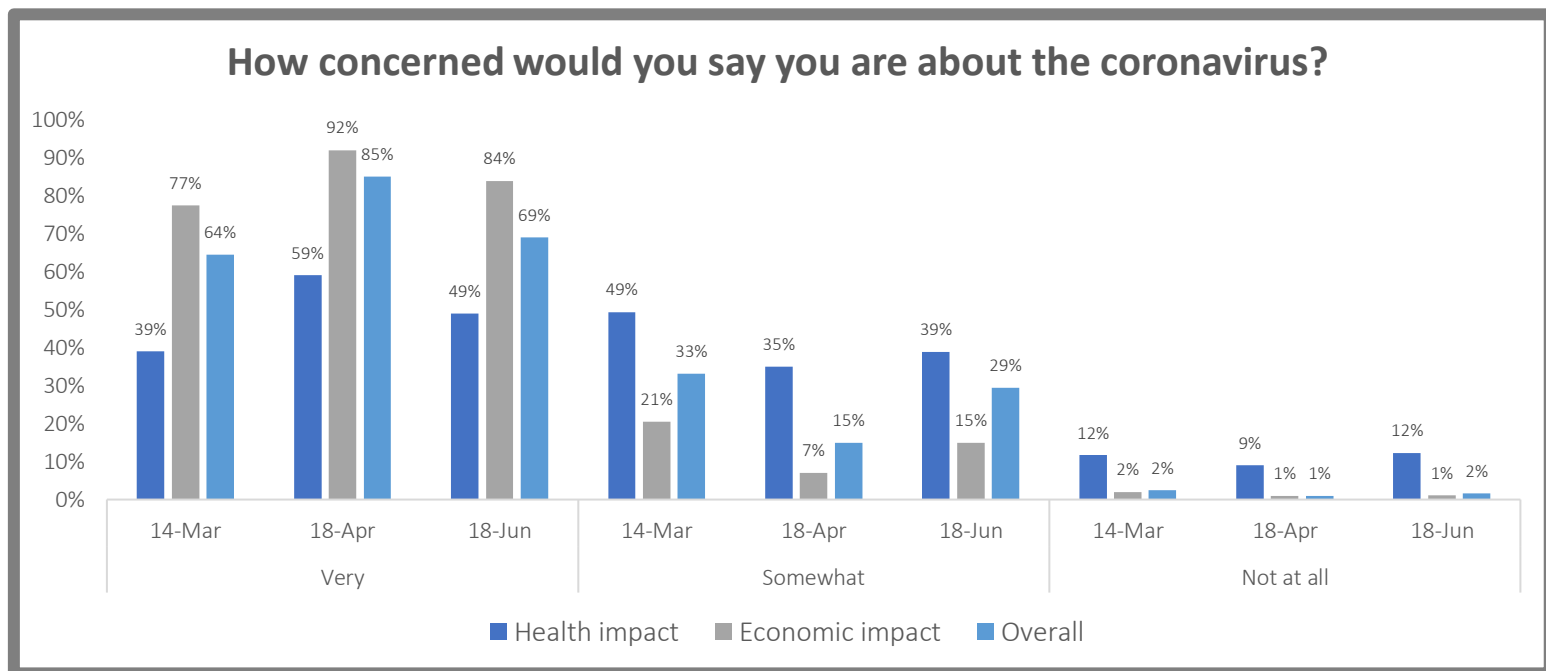
In what state or U.S. territory is your business located?

Mid-Atlantic (Delaware, District of Columbia, Maryland, New York, New Jersey, Pennsylvania, Virginia, West Virginia)	18%
Great Lakes (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)	15%
Farm Belt (Iowa, Kansas, Missouri, North Dakota, Nebraska, South Dakota)	5%
South (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas)	31%
Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)	13%
Pacific (Alaska, California, Hawaii, Oregon, Washington)	16%
U.S. Territories (American Samoa, Guam, Puerto Rico, Virgin Islands)	1%

Which of the following best describes the industry or sector in which your business operates?

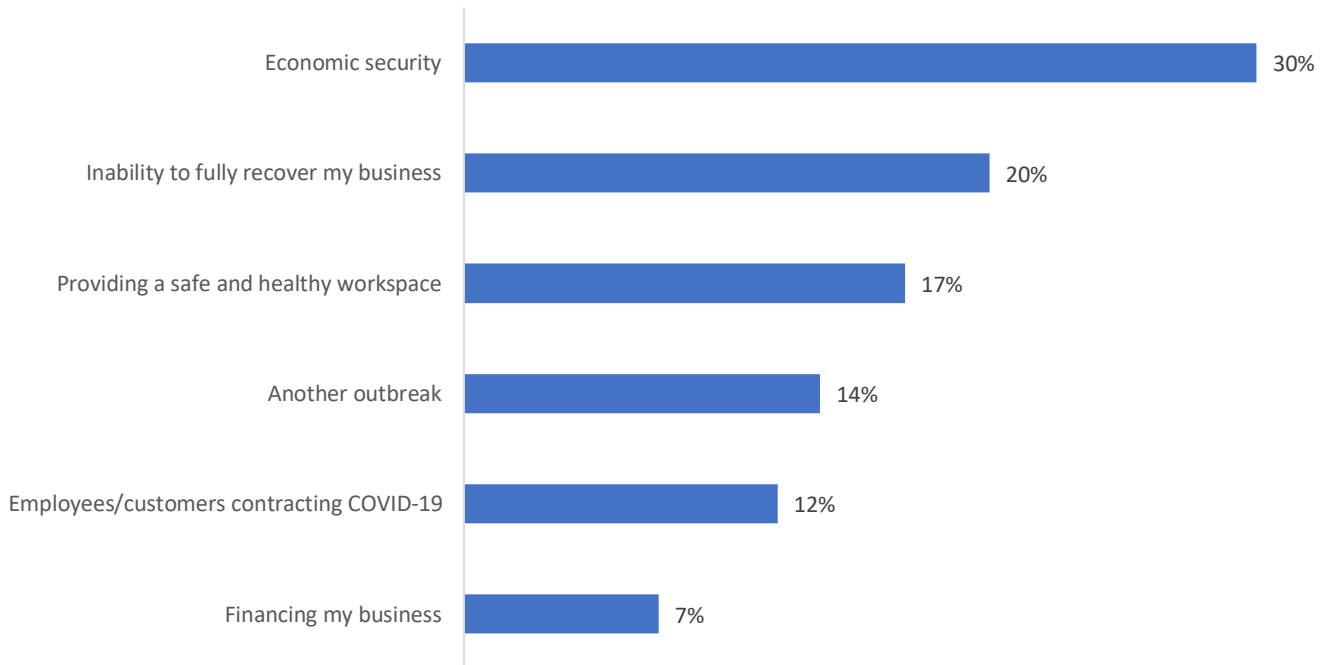
Professional, Scientific, Technical Services	27%
Manufacturing	13%
Construction	8%
Other Services	8%
Health Care and Social Assistance	8%
Retail Trade	5%
Educational Services	4%
Transportation and Warehousing	4%
Information	4%
Wholesale Trade	3%
Agriculture, Forestry, Fishing and Hunting	3%
Arts, Entertainment, and Recreation	3%
Finance & Insurance	2%
Admin, Support, Waste Management and Remediation	2%
Accommodation and Food Services	2%
Real Estate, Rental and Leasing	2%
Management of Companies and Enterprises	2%
Mining	1%
Utilities	1%

COVID-19 IMPACT

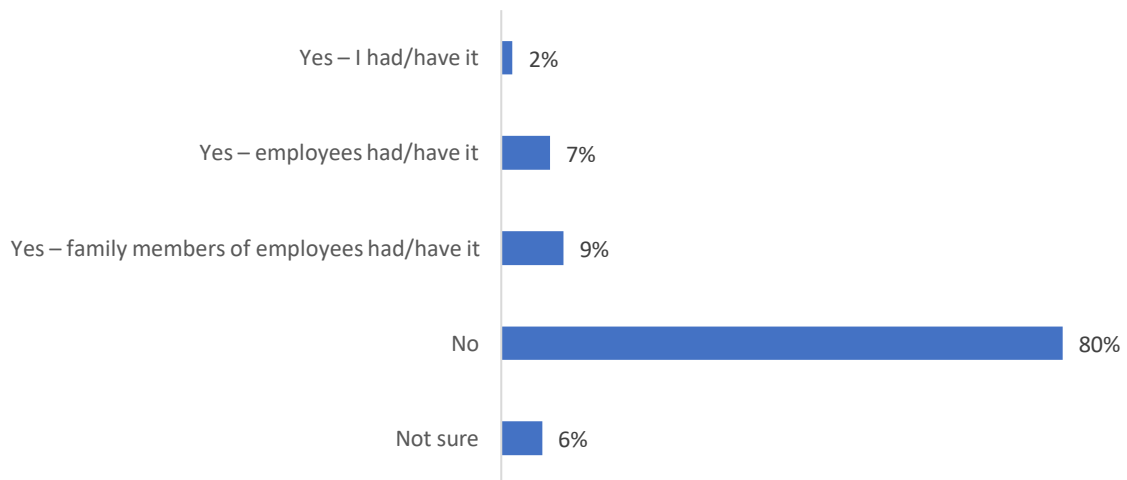


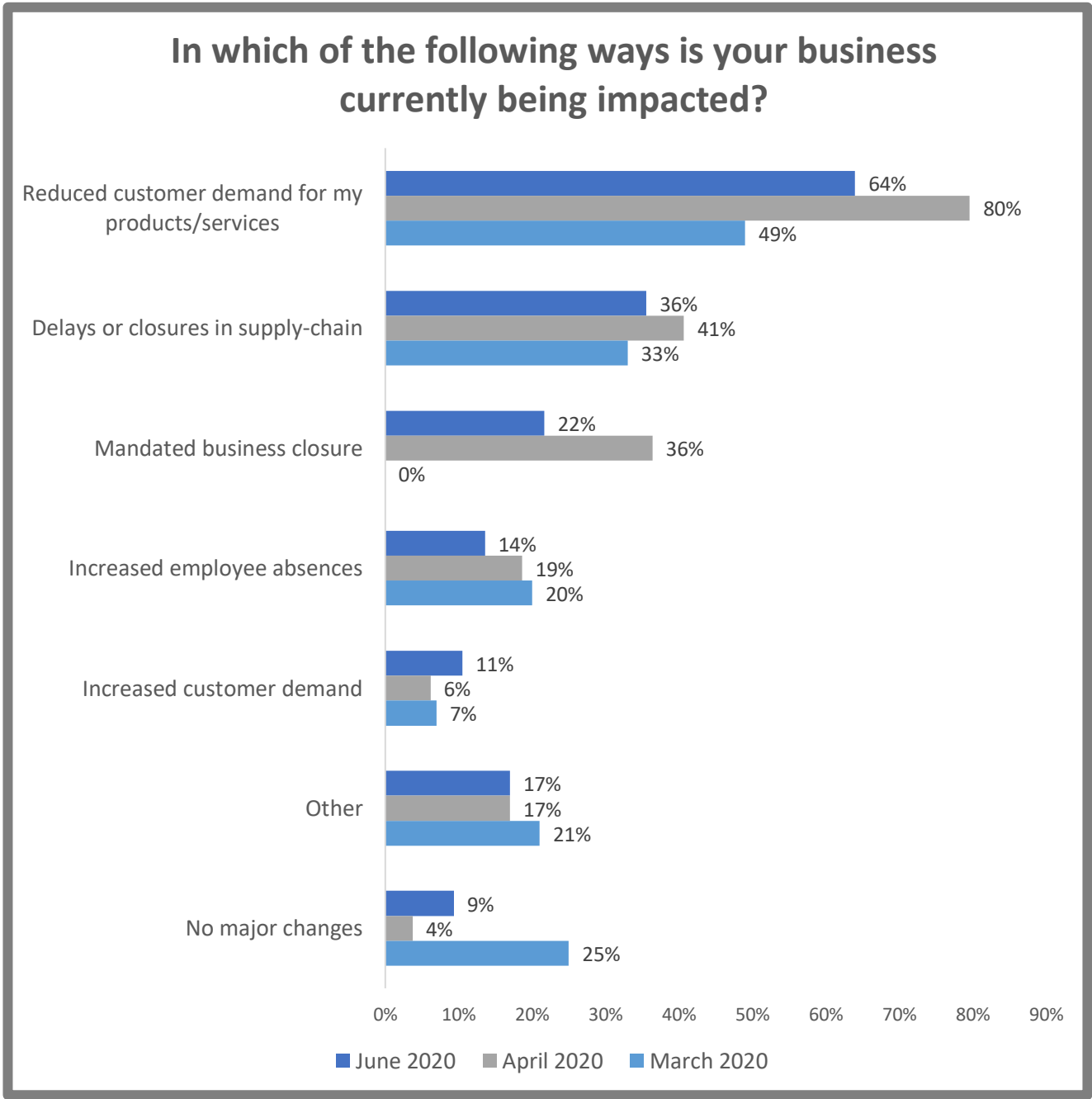
- While the majority of small businesses (69 percent) said they were very concerned about the coronavirus overall, that number is actually down from 85 percent in April. Mirroring other indicators in this survey, there appears to be a slight softening to the negative outlook among small businesses in mid-June as compared to April.
- In fact, for every indicator on this graph—health impact, economic impact and overall impact—small businesses indicated in June lower levels of significant worry than they expressed in April.
- However, even though the levels of concern dropped from April to June, the concern levels in June were still higher than what was reported in March.

What is your biggest concern today with regards to COVID-19?



Have you had any cases of COVID-19 in your business? (check all that apply)

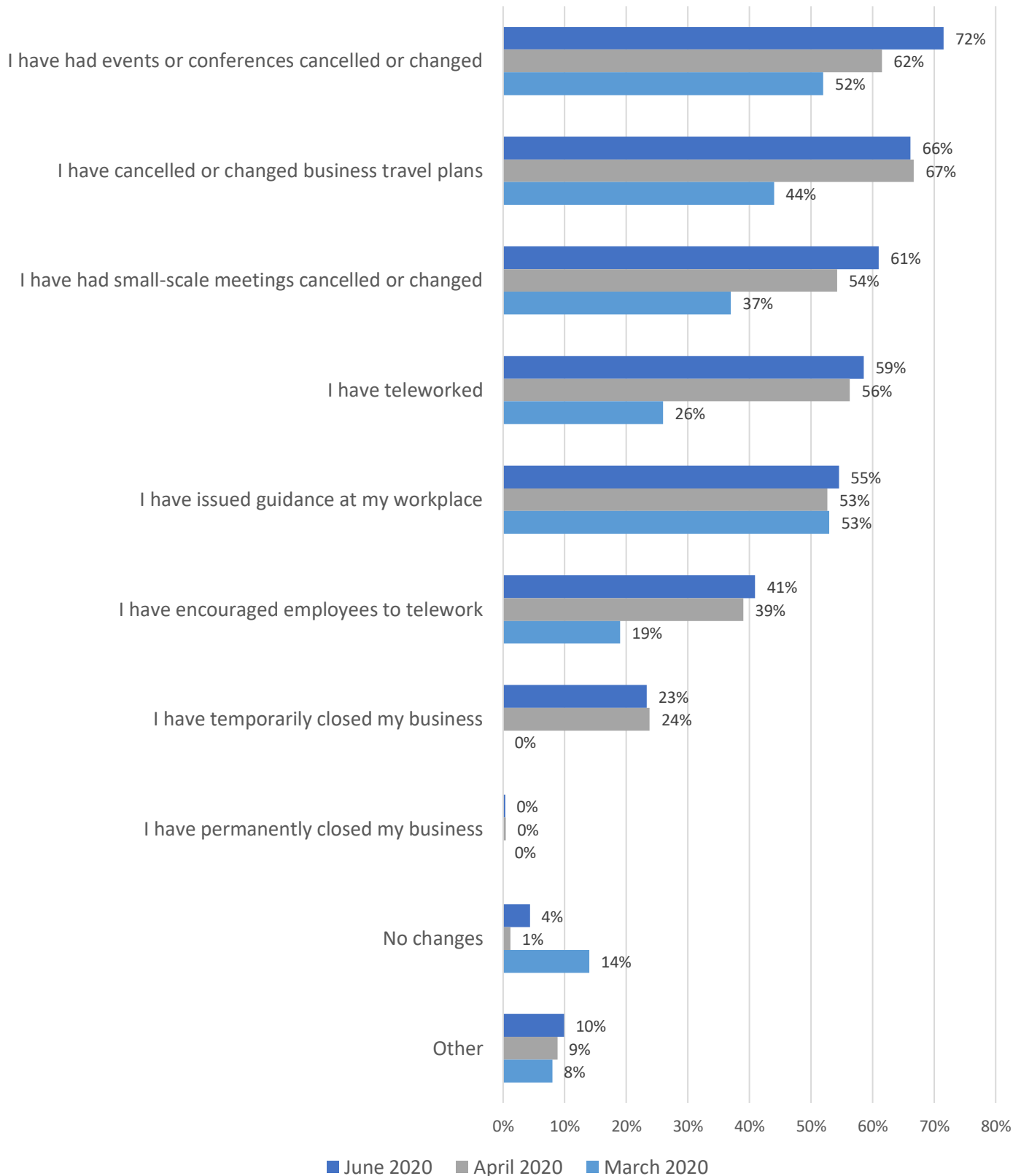




Similar to other data points in this survey, mid-June found small-business owners experiencing less dramatic impacts on their business from the coronavirus than what was reported in April. That said, it is important to note that today, nine out of ten small businesses have experienced major changes in their business as a result of the pandemic.

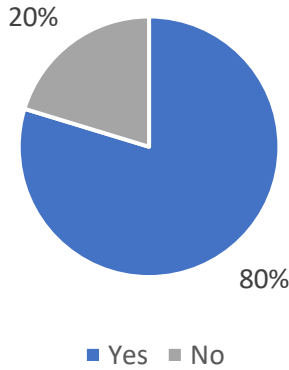
COVID-19 IMPACT

Which of the following have you done and/or encountered as a result of the coronavirus?



COVID-19 ASSISTANCE PROGRAMS

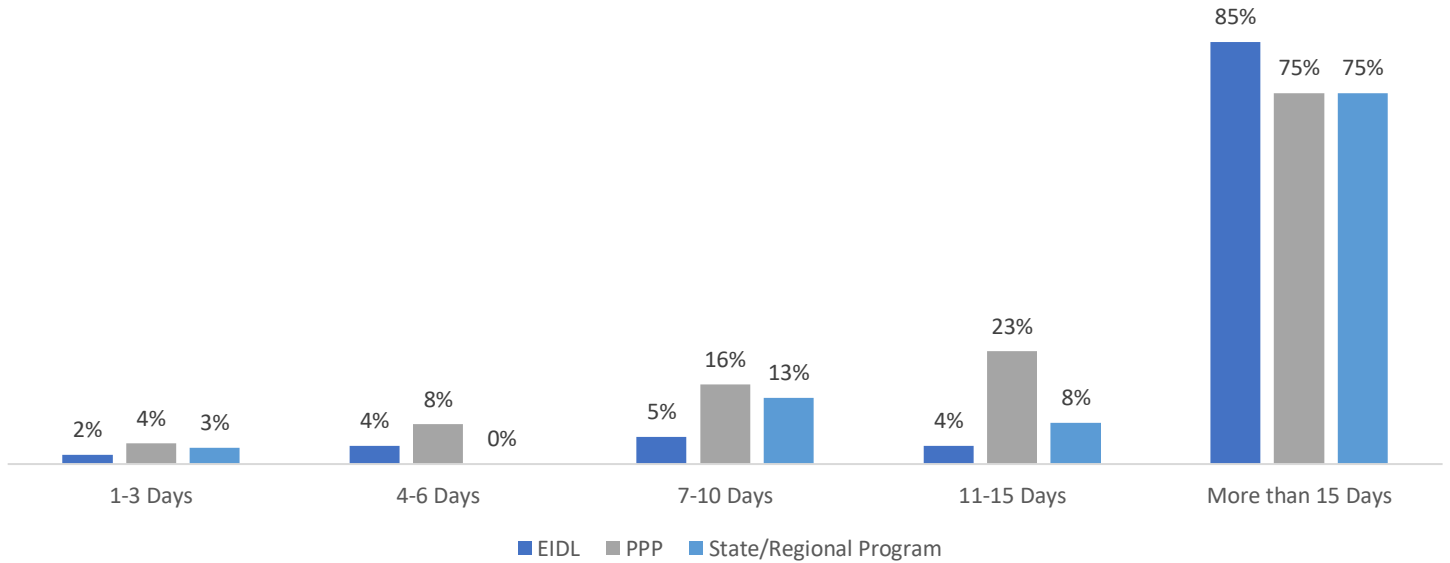
Have you applied for any government COVID-19-related assistance programs?



On a scale of 1 to 10 with 10 being the MOST difficult, how difficult would you rate the process for applying for a PPP/EIDL loan?

	Average
PPP	5.52
EIDL	4.66

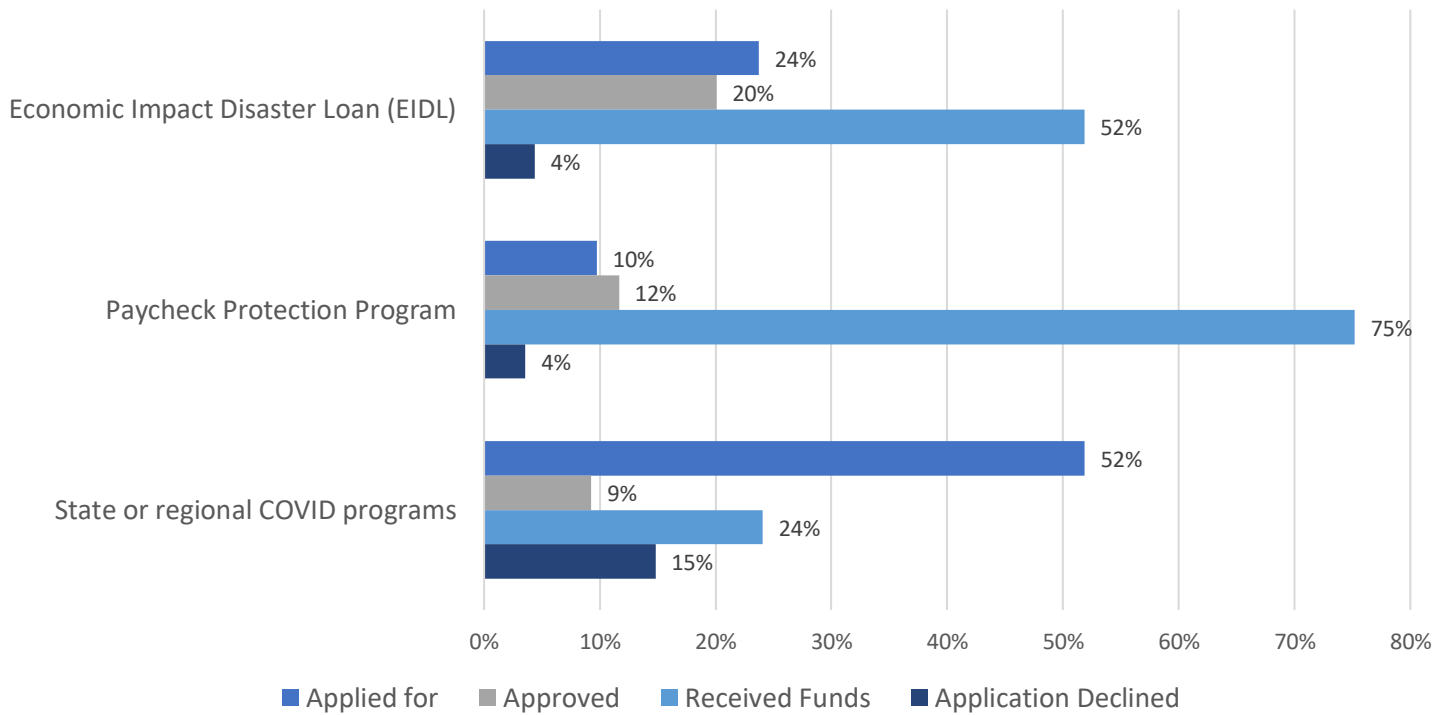
Among those who received funding: Approximately how many days did it take between the submission of your loan applications and the time funds were disbursed into your account?



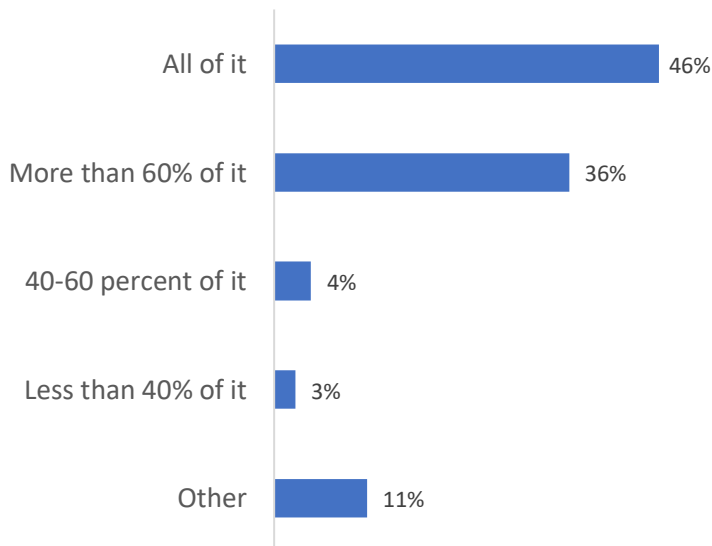
While more businesses have been approved in the last two months under the PPP, the length of time it took to receive funds has been significant: 85 percent say they waited more than 15 days between their submission and receiving funds.

EIDL & PPP LOANS

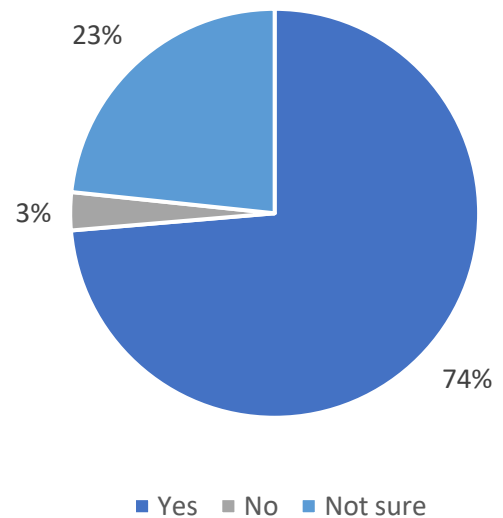
Among those who applied for the following COVID-19 programs:
Please indicate your business' most recent status for the
following lending/assistance programs.



How much of your PPP loan have you, or do you anticipate using toward employee wages/benefits?

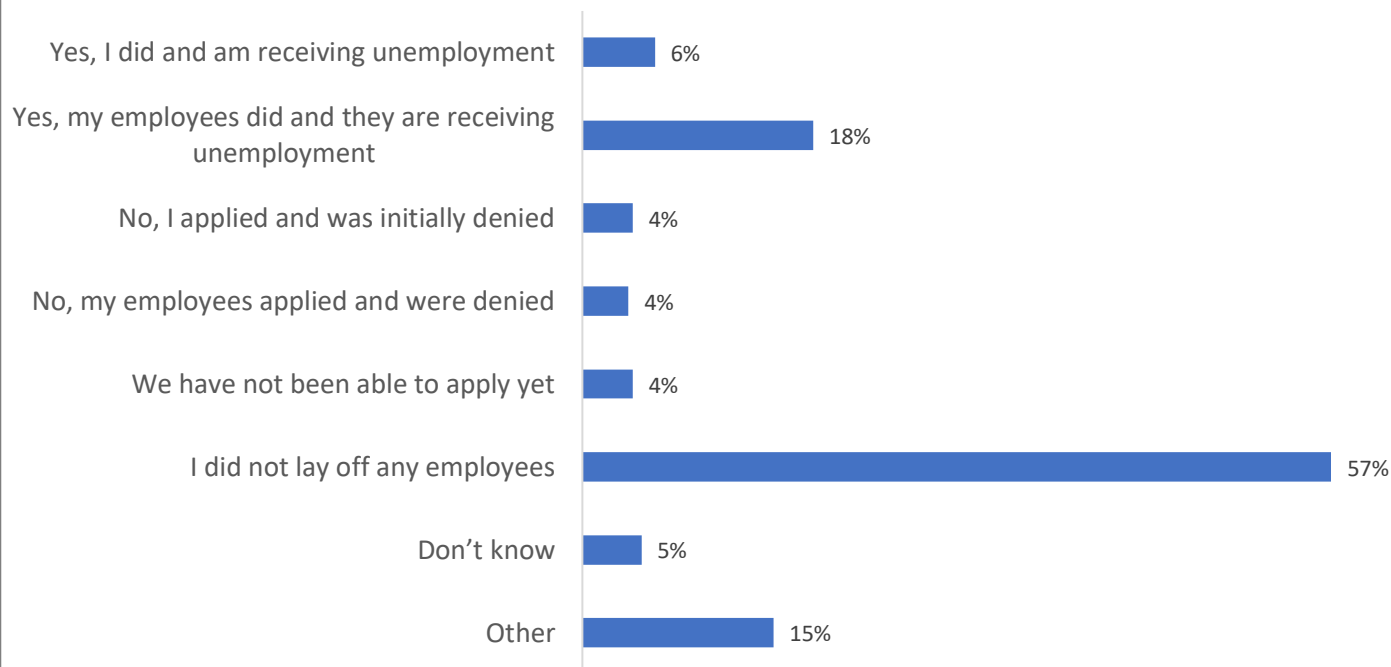


Do you anticipate the majority of your PPP loan will be forgiven under the new forgiveness rules?

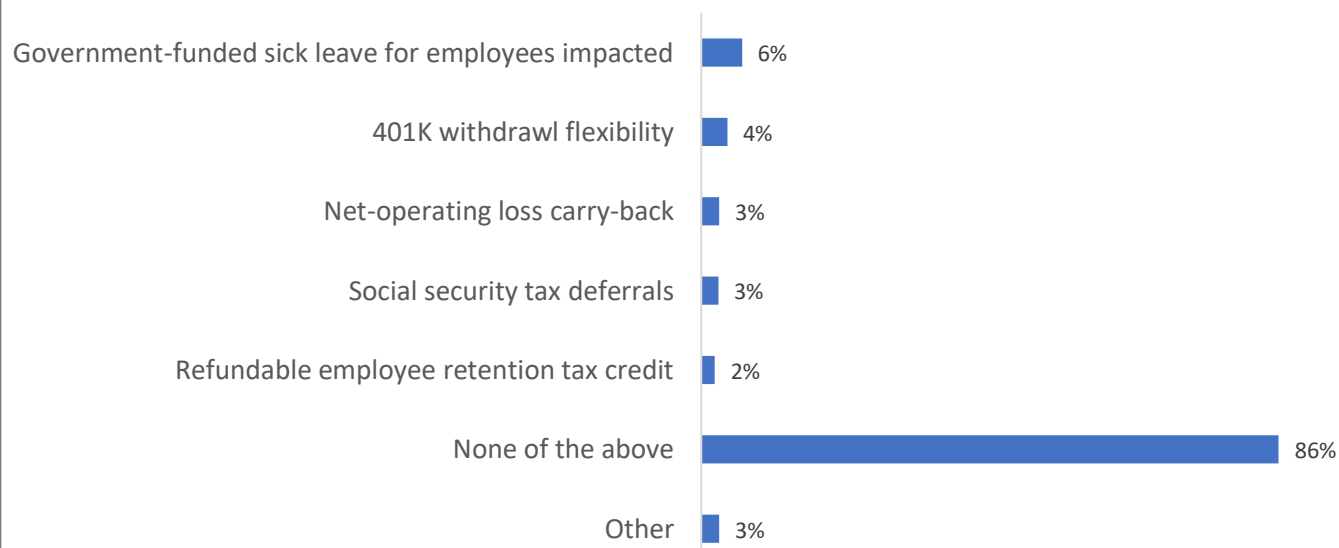


NON-LOAN RELIEF

Did you, or any of your employees successfully apply for unemployment? (check all that apply)

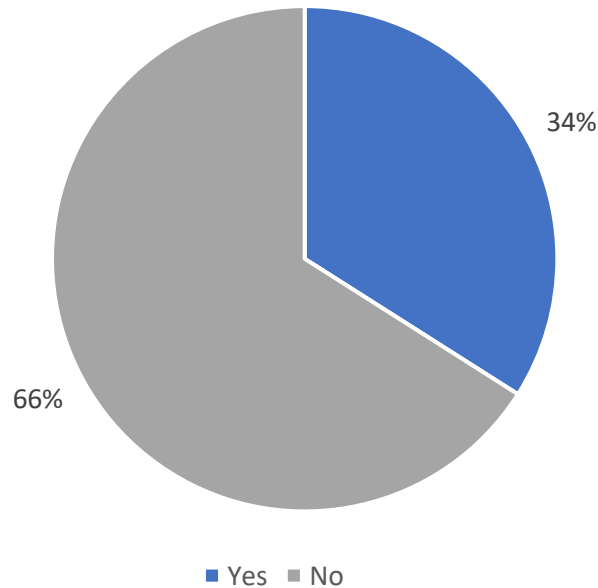


Please indicate which of the other COVID-related relief options you have utilized. (Check all that apply)

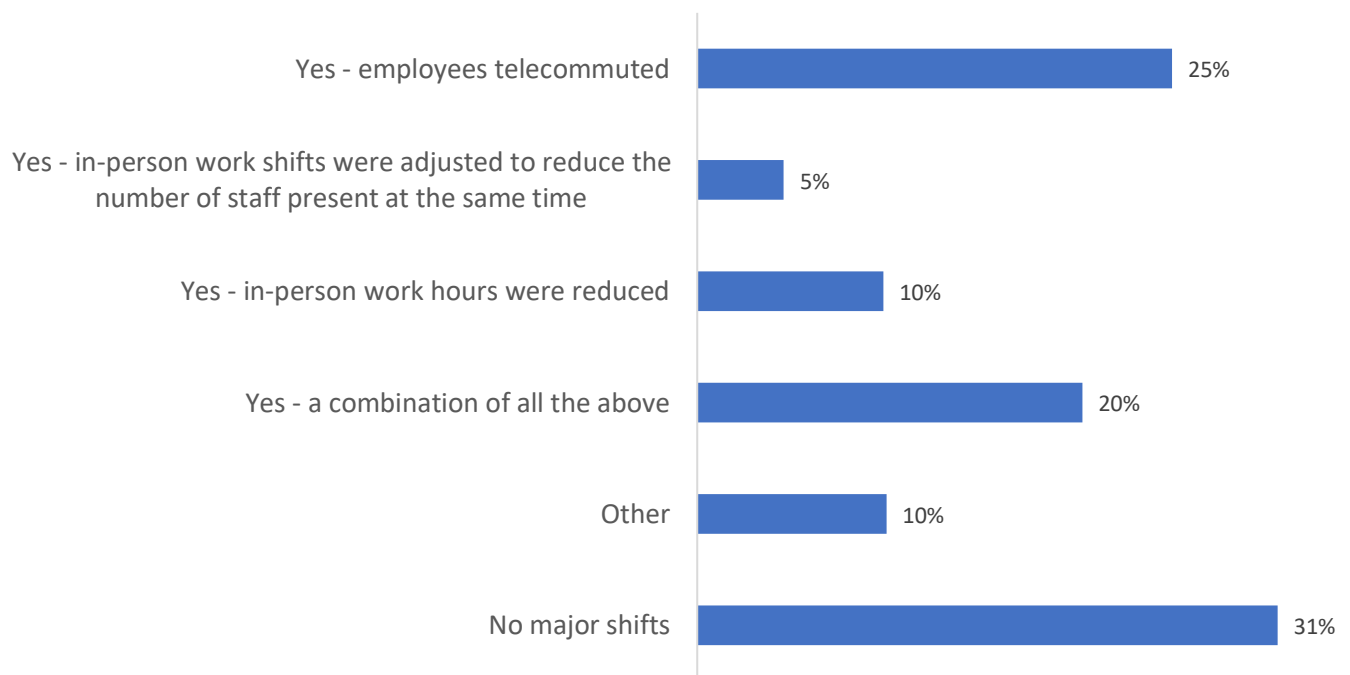


CHANGES IN BUSINESS

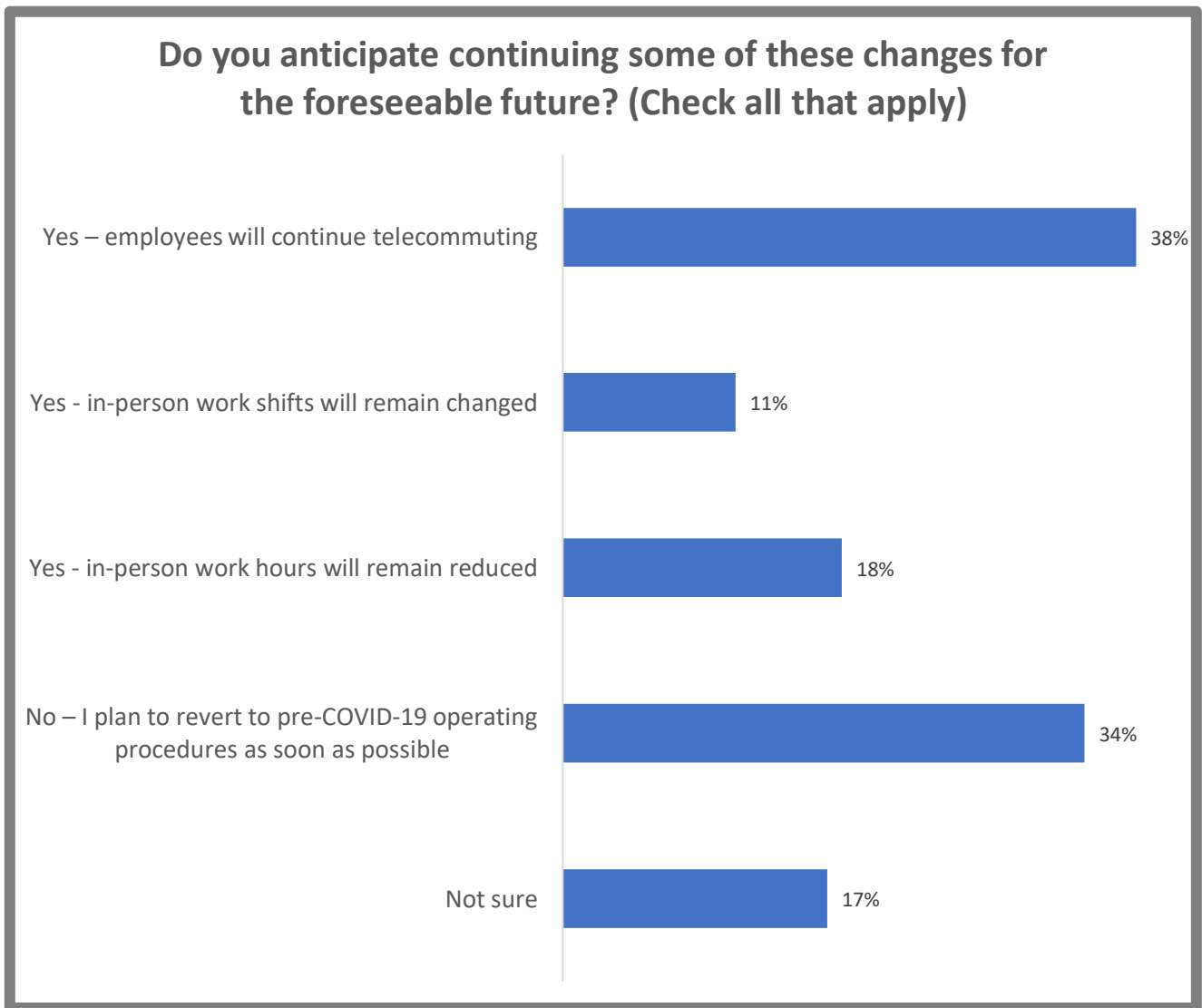
Have you made any significant shifts in your products and/or services as a result of COVID-19?



Did you make any changes in terms of HOW your company works?



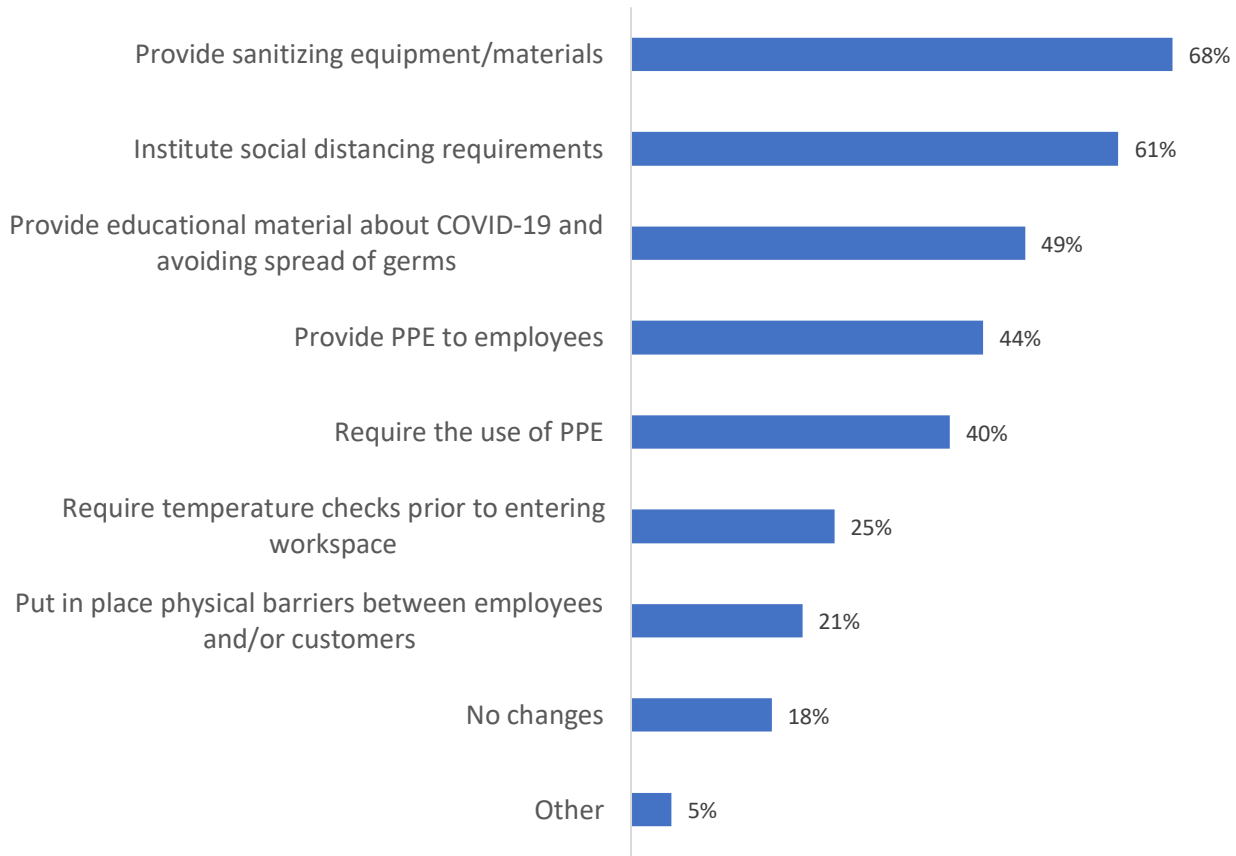
CHANGES IN BUSINESS



Nearly 70 percent of small businesses say they made changes in how their company works, and just a third of those business owners say they plan to revert to pre-COVID-19 procedures once the pandemic is over.

CHANGES IN WORKSPACE

Which of the following workspace changes have you made, or are you planning to make, as a result of the pandemic? (Check all that apply)

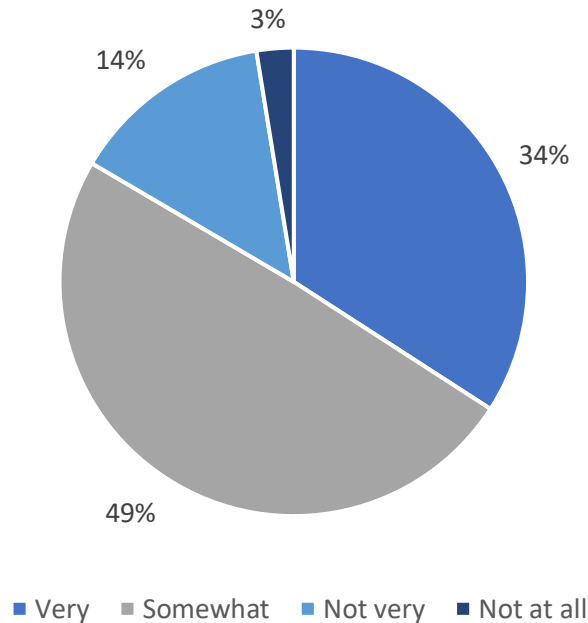


If you made changes to your workspace to account for COVID-19, please estimate the cost of your workspace changes.

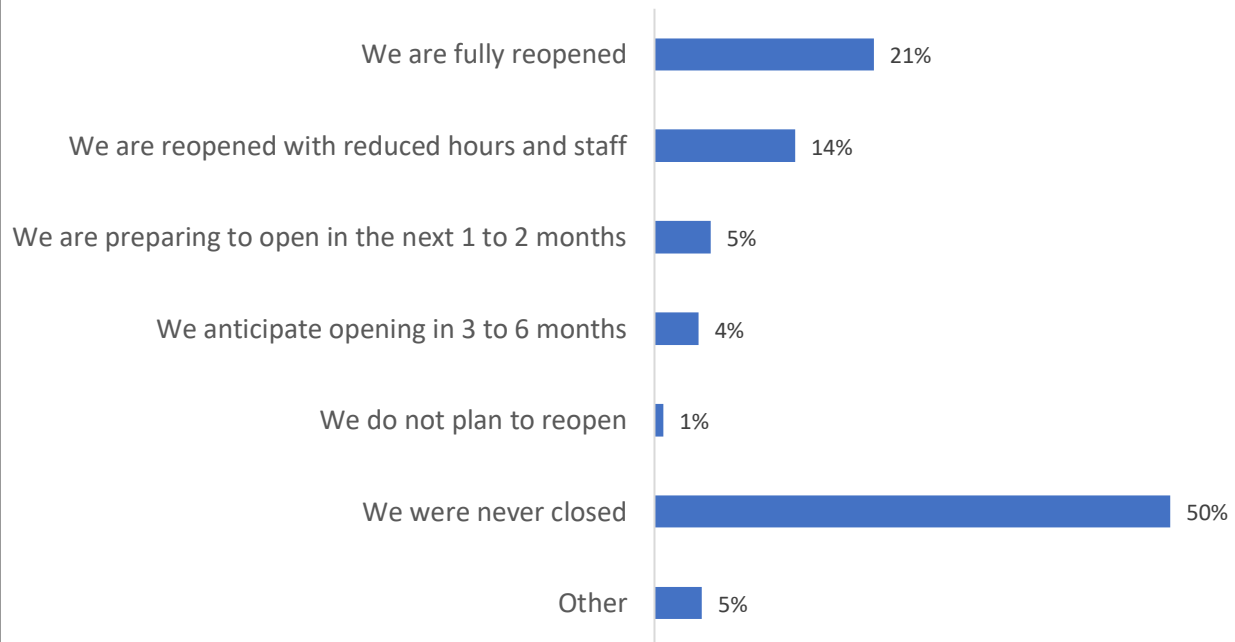
	Average
Initial one-time set-up costs:	\$ 11,729.46
Ongoing monthly costs:	\$ 1,814.18

BUSINESS RE-OPENING

How confident are you that your business will fully recover from the pandemic and related economic downturn?

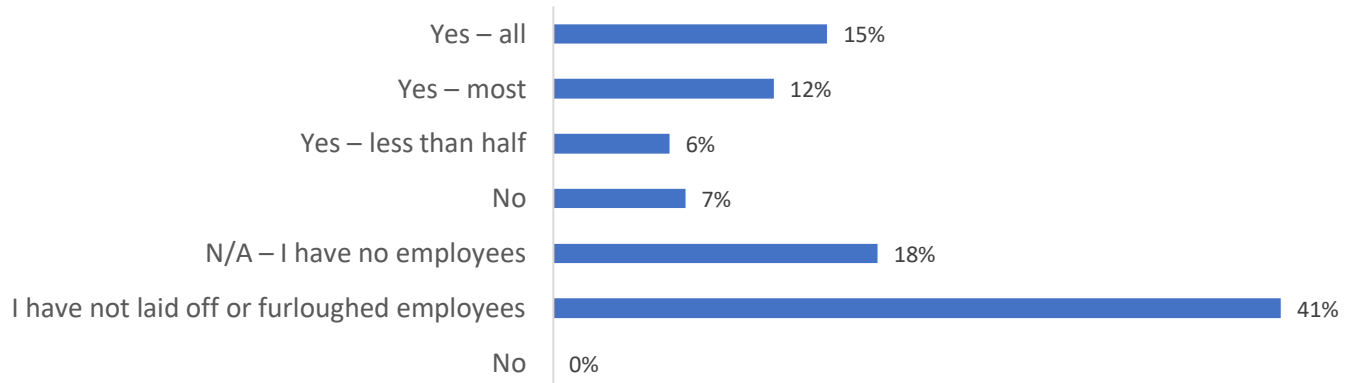


Has your business re-opened?

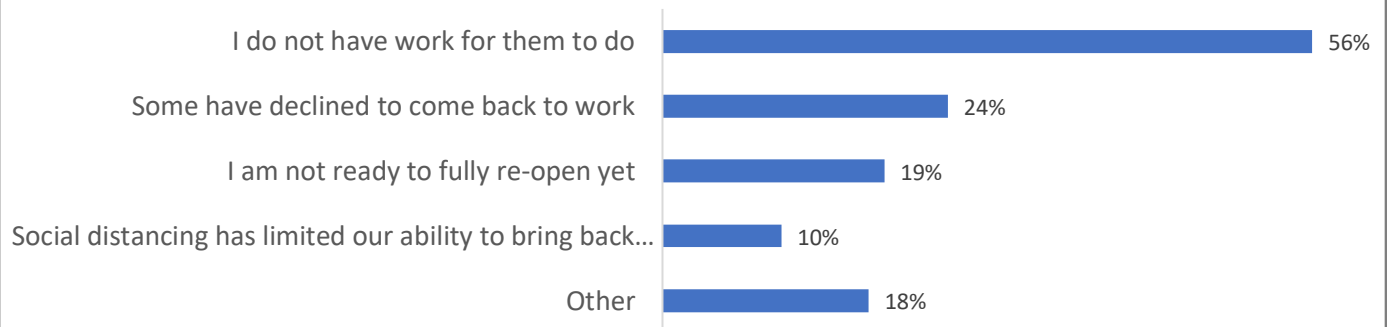


STAFFING LEVELS

Have you been able to bring back employees as you reopen?



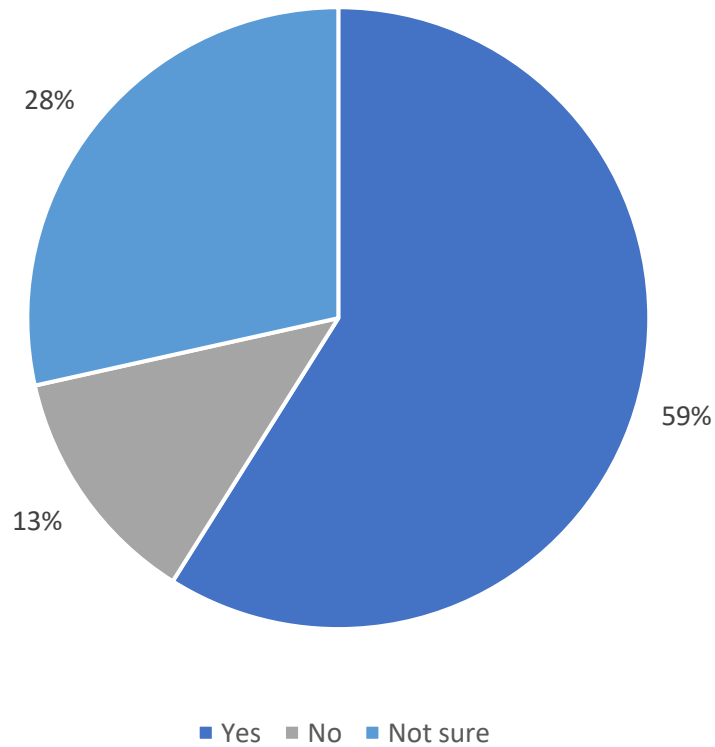
Among those not currently fully staffed: What is the reason you have not brought back all employees?



One-in-four small-business owners report they have not yet been able to fully re-staff their business.

STAFFING LEVELS

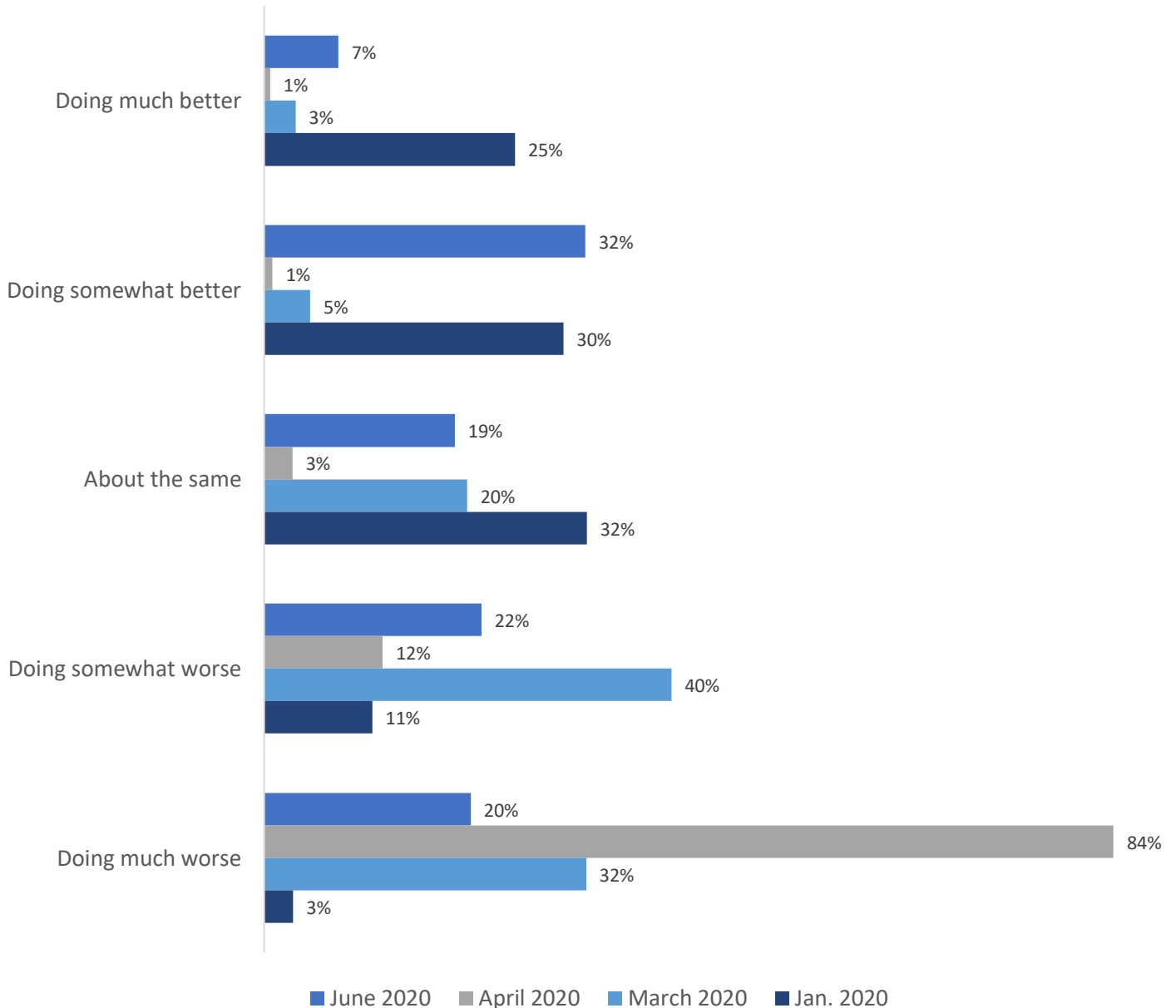
Among those not currently fully-staffed: Do you anticipate fully re-staffing to pre-COVID-19 levels in the next year?



Among those who reduced staff levels, 59 percent anticipate being fully staffed in the coming year.

ECONOMIC OUTLOOK

Compared to two months ago, would you say the national economy is:



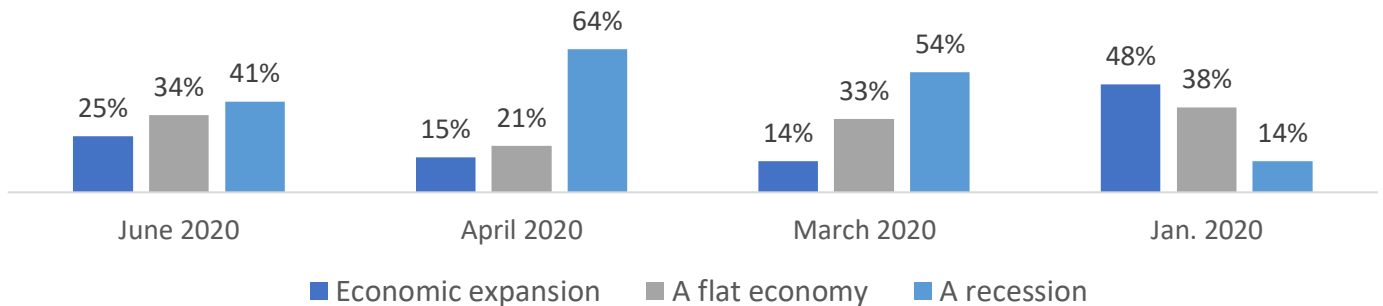
The total number of small-business owners expressing an overall “worse” outlook on the national economy today compared with two months ago is down to 42 percent today from 96 percent in April. However, when compared with January—before COVID-19 really hit the U.S.—when just 14 percent thought the economy was doing worse than before, it still appears relatively pessimistic.

ECONOMIC OUTLOOK

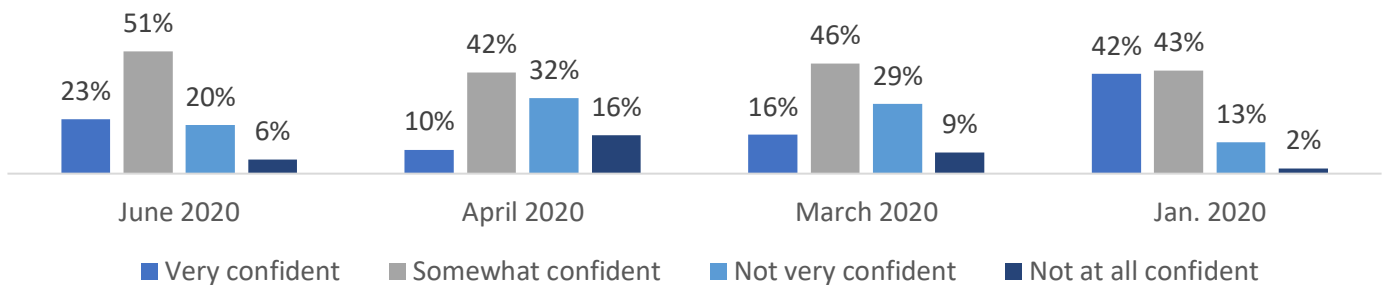
Compared to six months ago, would you say the national economy is:



Thinking about the next 12 months, do you anticipate



From a financial perspective, how do you feel right now about the future of your business



How concerned are you about a possible second-wave of COVID-19 and its long-term impact on your business?

