



# **COVID-19 Small Business Survey: Small Business Concerns + Policy Recommendations**

**March 25, 2020**

# WHO ARE SMALL BUSINESSES

- Small businesses are at the center of the American economy
  - **30 million** small businesses
  - 6 million small businesses employ **60 million people**
  - **24 million** small business owners are self-employed
  - **80%** of small businesses have **fewer than 10 employees**

# ABOUT BUSINESSES FOR RESPONSIBLE TAX REFORM

- Businesses for Responsible Tax Reform formed in 2017 to call for policy reforms that truly benefit America's small business owners
- A coalition of business leaders dedicated to ensuring tax reform is fiscally responsible, creates a level playing field for all businesses and grows the economy



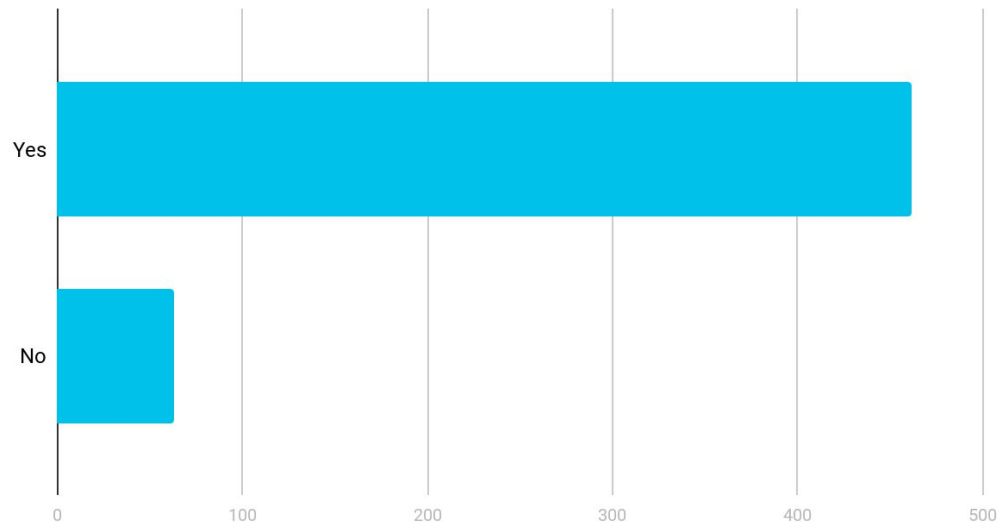
# SURVEY OUTLINE

- On March 22-23, 2020, BRTR conducted a survey of more than 500 small business owners in the BRTR network to learn about their needs and concerns during the COVID-19 pandemic
- Results found the need for **urgent action** from Congress

# RESULTS: SEVERE IMPACT TO SMALL BUSINESS

- 92% of survey respondents say COVID-19 has directly impacted their business
- 88% of respondents have lost revenue due to the pandemic
  - **nearly 70% say they have lost 50% or more of their revenue**

Has your revenue been cut?



# RESULTS: SEVERE IMPACT TO SMALL BUSINESS

- 83% of survey respondents saying they face cash flow challenges because of the pandemic

**What specific business concerns do you have in relation to the pandemic?**

Challenge	Responses
Paying employees	64.71%
Cash flow challenges	83.25%
Paying overhead	65.79%
Business closure	50.84%
Lack of customers	71.77%
Inability to pay debt	57.30%

# RESULTS: SEVERE IMPACT TO SMALL BUSINESS

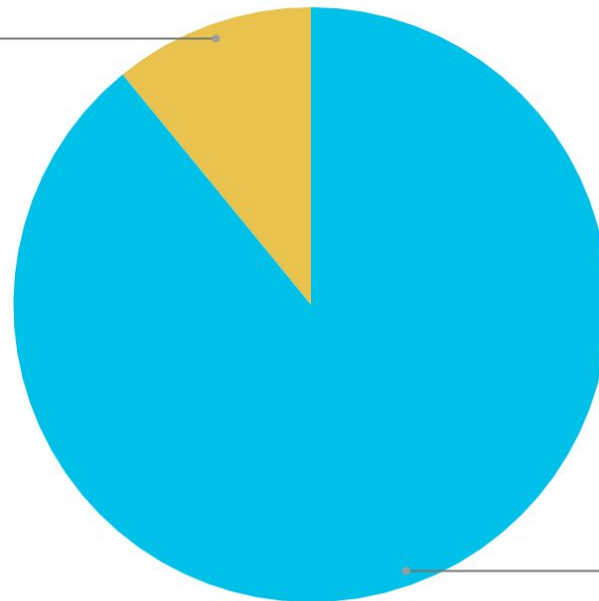
- For survey respondents whose businesses are in “shelter-in-place” regions, **43% have been forced to close**
- For businesses that aren't in shelter-in-place regions, **34% have experienced such sharp drops in customer demand that they have been forced to close**
  - For businesses still open, **19% have been forced to lay off employees and 37% have had to cut hours for employees**

## RESULTS: POLICY NEEDS

- Nearly **90%** of survey respondents would support Congress creating unrestricted federal grants to businesses with 50 or fewer employees

Directing unrestricted federal grants to small businesses

Disapprove  
10.9%



Approve  
89.1%

## RESULTS: POLICY NEEDS

- **87%** would support a deferral of interest and payments on all federally-backed small business loans for at least six months and encouragement for traditional banks to do the same
- More than **80%** would support requiring lenders to refinance all federally-backed small business loans with lower interest, longer-term loans with no refinancing fees and encouragement for traditional banks to do the same

## RESULTS: POLICY NEEDS

- **Nearly 80%** would support direct stimulus payments to individuals with incomes of \$125,000 or below and to families making \$250,000 or below
- Small businesses will also need relief over the long-term. One such solution, a payroll tax abatement or deferral program, earns **82% support**

# TOPLINES

## BRTR COVID-19 Small Business Response Survey Toplines



# 798

Total Responses

Methodology:

Survey Monkey survey of Businesses for Responsible Tax Reform  
small business network

Fielded March 22-23, 2020

## Q2: Do you own or manage a small business?

Answered: 910 Skipped: 10

ANSWER CHOICES	RESPONSES	
Yes	95.60%	870
No	4.40%	40
TOTAL		910

### Q3: How many people does your small business employ?

Answered: 867 Skipped: 53

ANSWER CHOICES	RESPONSES	
Self only	17.19%	149
1-5	37.14%	322
6-10	16.96%	147
11-30	18.80%	163
31-50	5.19%	45
50-100	2.54%	22
101-200	1.27%	11
200-500	0.69%	6
500+	0.23%	2
TOTAL		867

## Q5: Is your business directly impacted by the COVID-19 pandemic?

Answered: 859 Skipped: 61

ANSWER CHOICES	RESPONSES	
Yes	91.97%	790
No	8.03%	69
IF YES: Please describe how your business has been directly impacted by the COVID-19 Pandemic.	0.00%	0
TOTAL		859

## Q7: What specific business concerns do you have in relation to the pandemic? (check all that apply)

Answered: 836 Skipped: 84

ANSWER CHOICES	RESPONSES	
Paying employees	64.71%	541
Cash flow challenges	83.25%	696
Paying overhead	65.79%	550
Business closure	50.84%	425
Lack of customers	71.77%	600
Inability to pay debt	57.30%	479
Other (please specify)	17.58%	147
Total Respondents: 836		



## Q8: Has your county instated “shelter-in-place” restrictions?

Answered: 832 Skipped: 88

ANSWER CHOICES	RESPONSES	
Yes	60.46%	503
No	39.54%	329
TOTAL		832

## Q9: Has your business been forced to close due to these restrictions?

Answered: 505 Skipped: 415

ANSWER CHOICES	RESPONSES	
Yes	43.37%	219
No	56.63%	286
TOTAL		505



## Q10: Have you had to close your business due to a drop in consumer demand brought on by social distancing?

Answered: 830 Skipped: 90

ANSWER CHOICES	RESPONSES	
Yes	33.98%	282
No	66.02%	548
TOTAL		830

## Q11: If your business is still open, which of the following have you instated:

Answered: 546 Skipped: 374

ANSWER CHOICES	RESPONSES	
Employees who are able are working from home	44.87%	245
Laid off employees	18.68%	102
Cut hours for employees	37.36%	204
No changes	31.32%	171
Total Respondents: 546		

## Q12: Has your business's revenue been cut?

Answered: 827   Skipped: 93

ANSWER CHOICES	RESPONSES	
Yes	88.15%	729
No	11.85%	98
TOTAL		827

## Q13: By roughly what percentage has your revenue been cut?

Answered: 726 Skipped: 124

ANSWER CHOICES	RESPONSES	
10% or less	3.86%	28
20%	8.95%	65
30%	8.95%	65
40%	8.40%	61
50%	11.43%	83
60%	5.92%	43
70%	8.13%	59
80%	10.61%	77
90%	11.85%	86
100%	21.90%	159
TOTAL		726

## Q15: Directing unrestricted federal grants that do not need to be repaid to small businesses with 50 or fewer employees

Answered: 809 Skipped: 111

ANSWER CHOICES	RESPONSES	
Strongly approve	69.34%	561
Approve	20.02%	162
Neither approve nor disapprove	7.29%	59
Disapprove	2.22%	18
Strongly disapprove	1.11%	9
TOTAL		809

**Q16: Deferring principal and interest payments on all federally-backed small business loans for at least six months and encouraging traditional banks to do the same.**

Answered: 806 Skipped: 114

ANSWER CHOICES	RESPONSES	
Strongly approve	61.54%	496
Approve	25.19%	203
Neither approve nor disapprove	10.55%	85
Disapprove	1.61%	13
Strongly disapprove	1.12%	9
TOTAL		806

**Q17: Requiring lenders to refinance all federally-backed small business loans with lower interest, longer-term loans with no refinancing fees and encourage traditional lenders to do the same.**

Answered: 801 Skipped: 119

ANSWER CHOICES	RESPONSES	
Strongly approve	53.68%	430
Approve	27.34%	219
Neither approve nor disapprove	15.23%	122
Disapprove	3.25%	26
Strongly disapprove	0.50%	4
TOTAL		801



## Q18: Issuing stimulus payments to individuals with household incomes of \$125,000 or below and to families making \$250,000 or below.

Answered: 800 Skipped: 120

ANSWER CHOICES	RESPONSES	
Strongly approve	53.75%	430
Approve	24.88%	199
Neither approve nor disapprove	14.63%	117
Disapprove	5.50%	44
Strongly disapprove	1.25%	10
TOTAL		800

## Q19: Payroll tax abatement or deferral.

Answered: 798 Skipped: 122

ANSWER CHOICES	RESPONSES	
Strongly approve	57.64%	460
Approve	24.31%	194
Neither approve nor disapprove	13.78%	110
Disapprove	2.88%	23
Strongly disapprove	1.38%	11
TOTAL		798