



# NAVIGATING COVID-19

## IMPACT OF THE PANDEMIC ON SMALL BUSINESSES

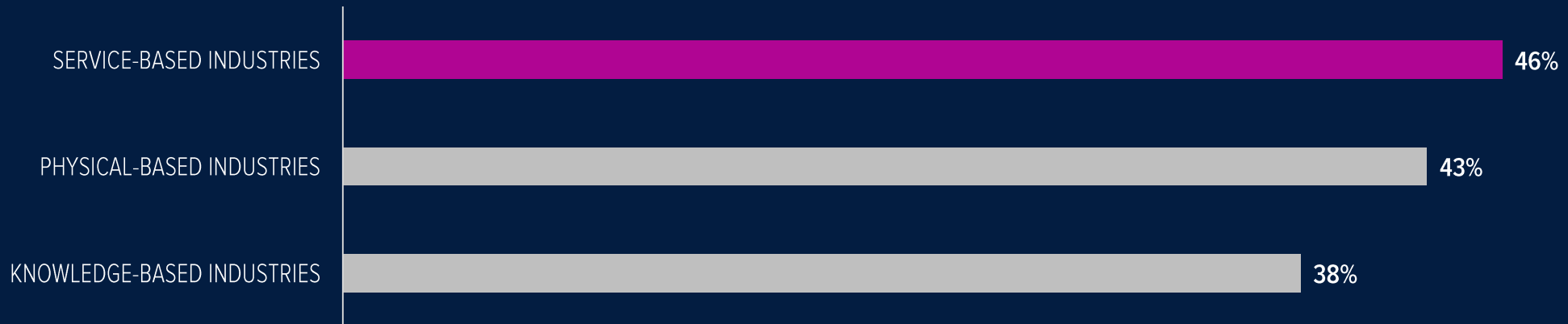
42%



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



- REPORT A GENERAL DECREASE IN REVENUE
- REPORT A GENERAL INCREASE IN REVENUE
- REPORT AN INCREASE IN REVENUE FOR SOME PARTS OF THE BUSINESS BUT A DECREASE IN OTHERS
- REPORT NO CHANGES IN REVENUE

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



47%

REPORT REVENUE  
LOSSES OF 10-30%

41%

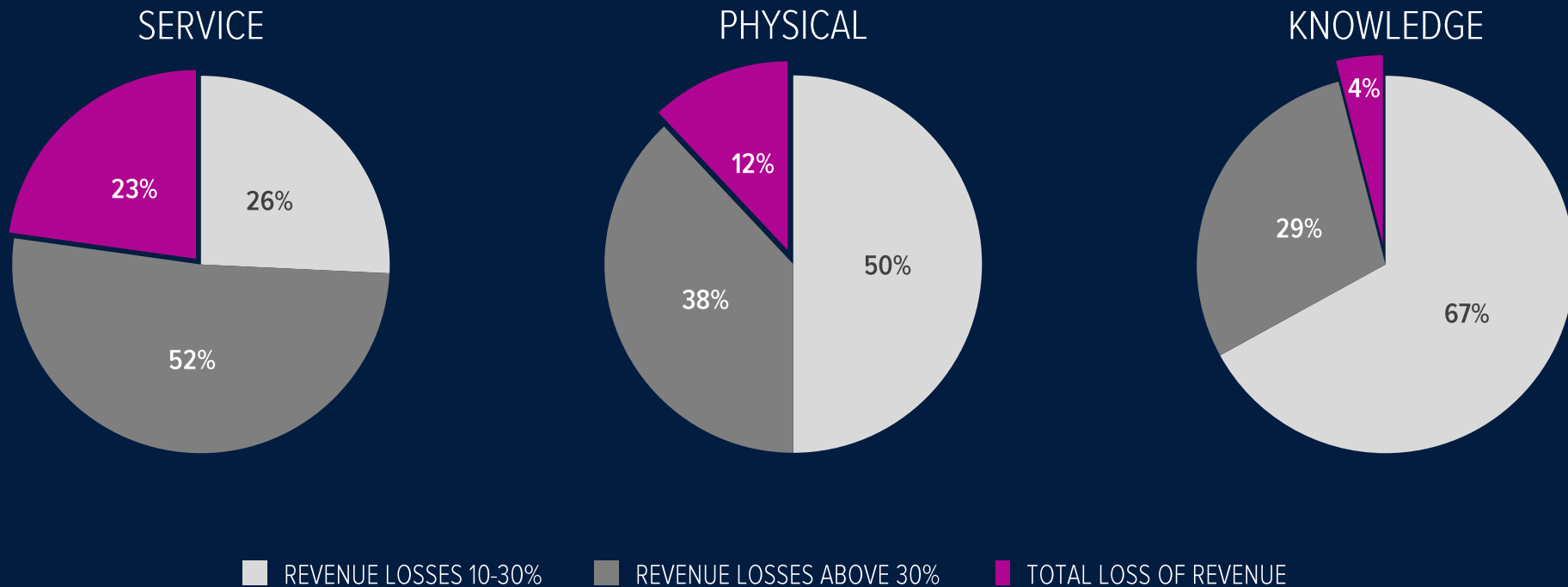
REPORT REVENUE  
LOSSES ABOVE 30%

13%

REPORT EXPERIENCING  
A TOTAL LOSS

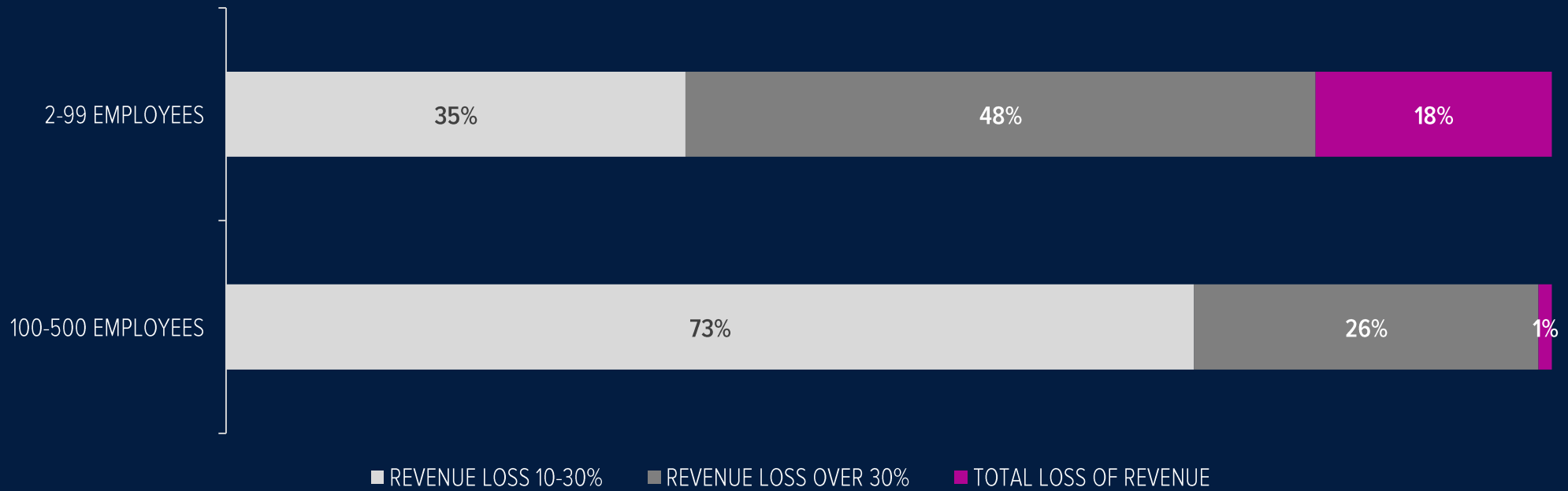
SHRM COVID 19 RESEARCH: SMALL BUSINESS REVENUE  
INDUSTRY DIFFERENCES

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

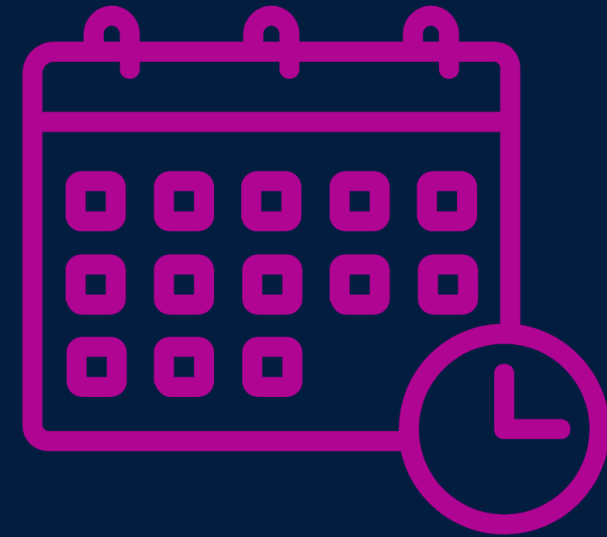


SHRM COVID 19 RESEARCH: SMALL BUSINESS REVENUE  
BUSINESS SIZE DIFFERENCES

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



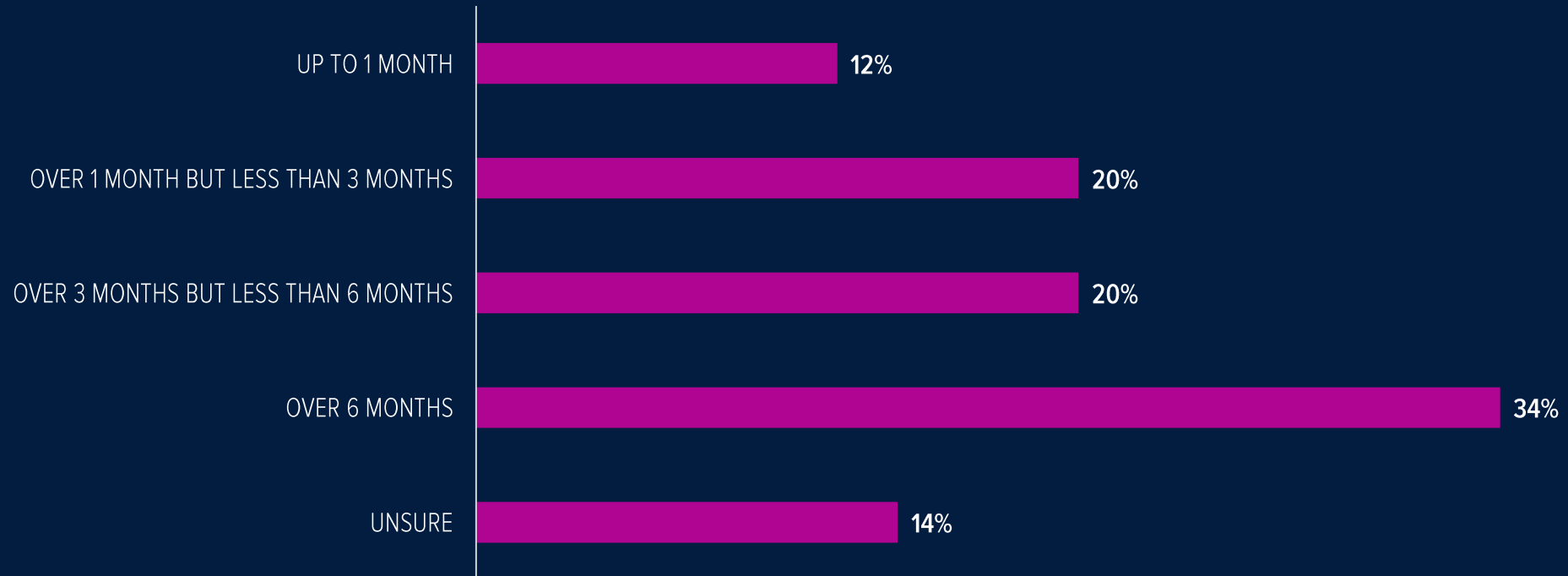
12%



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

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

**22%** OF SMALL BUSINESSES HAVE  
FURLOUGHED EMPLOYEES

**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

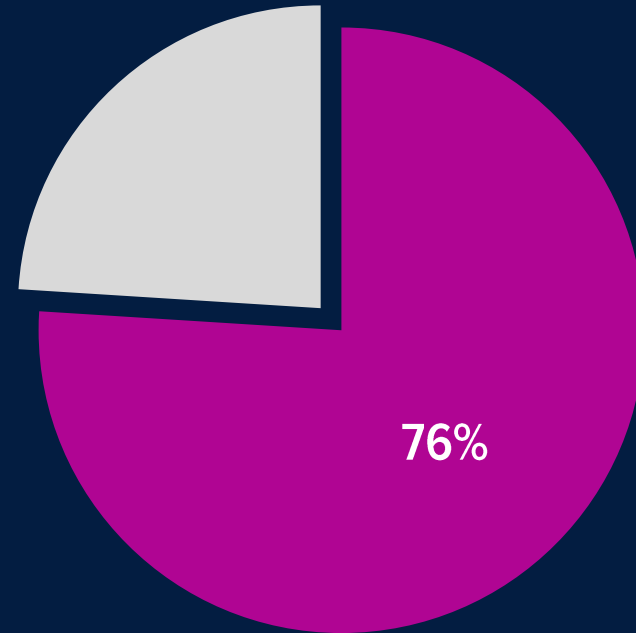
HAVE LAID OFF *HOURLY*  
MANAGERIAL EMPLOYEES

HALF

HAVE LAID OFF *SALARIED*  
MANAGERIAL EMPLOYEES

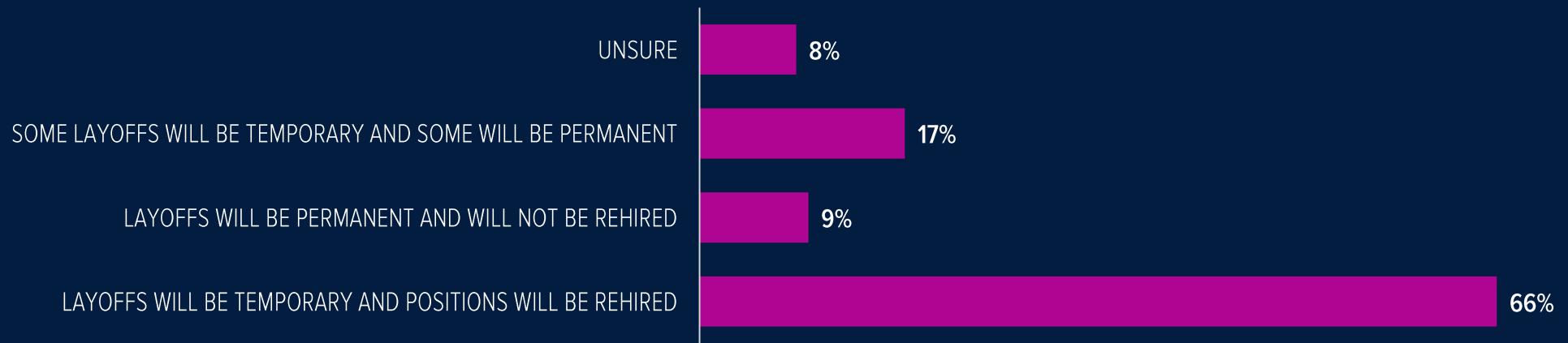
**OVER 3 IN 4**

**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

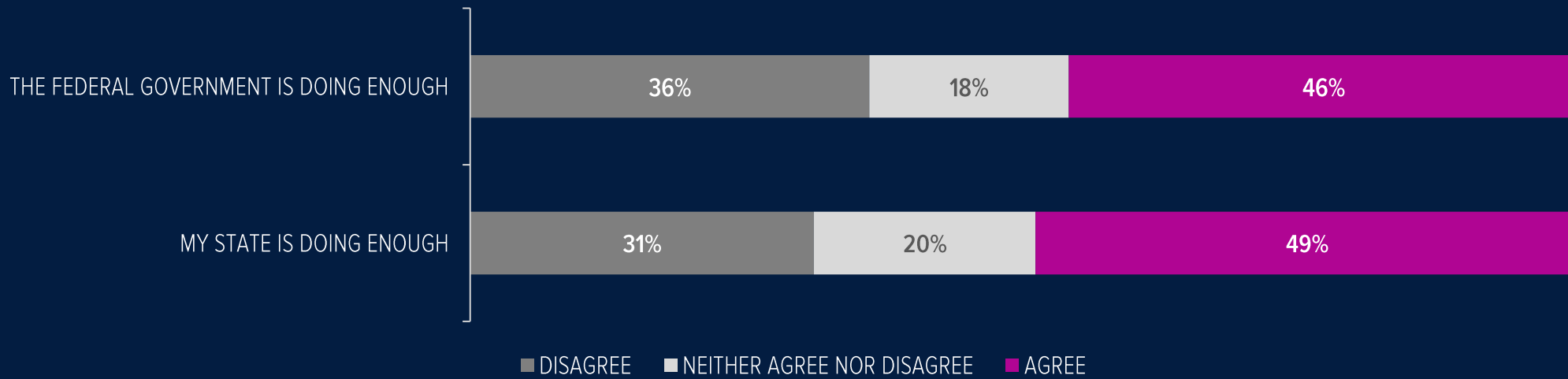


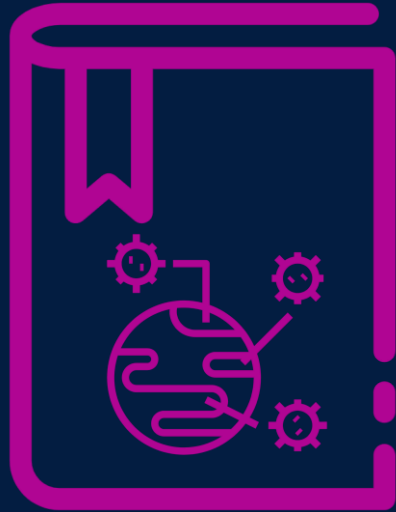
**30%** OVER 6 MONTHS TO RETURN TO NORMAL



# 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%).**

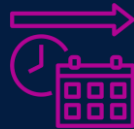
## OF THOSE WHO HAVE DECIDED NOT TO APPLY FOR A PPP LOAN:

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.