

COVID-19 INTERNATIONAL SMALL BUSINESSES SURVEY

Summary of responses, March 27 to April 19, 2020.

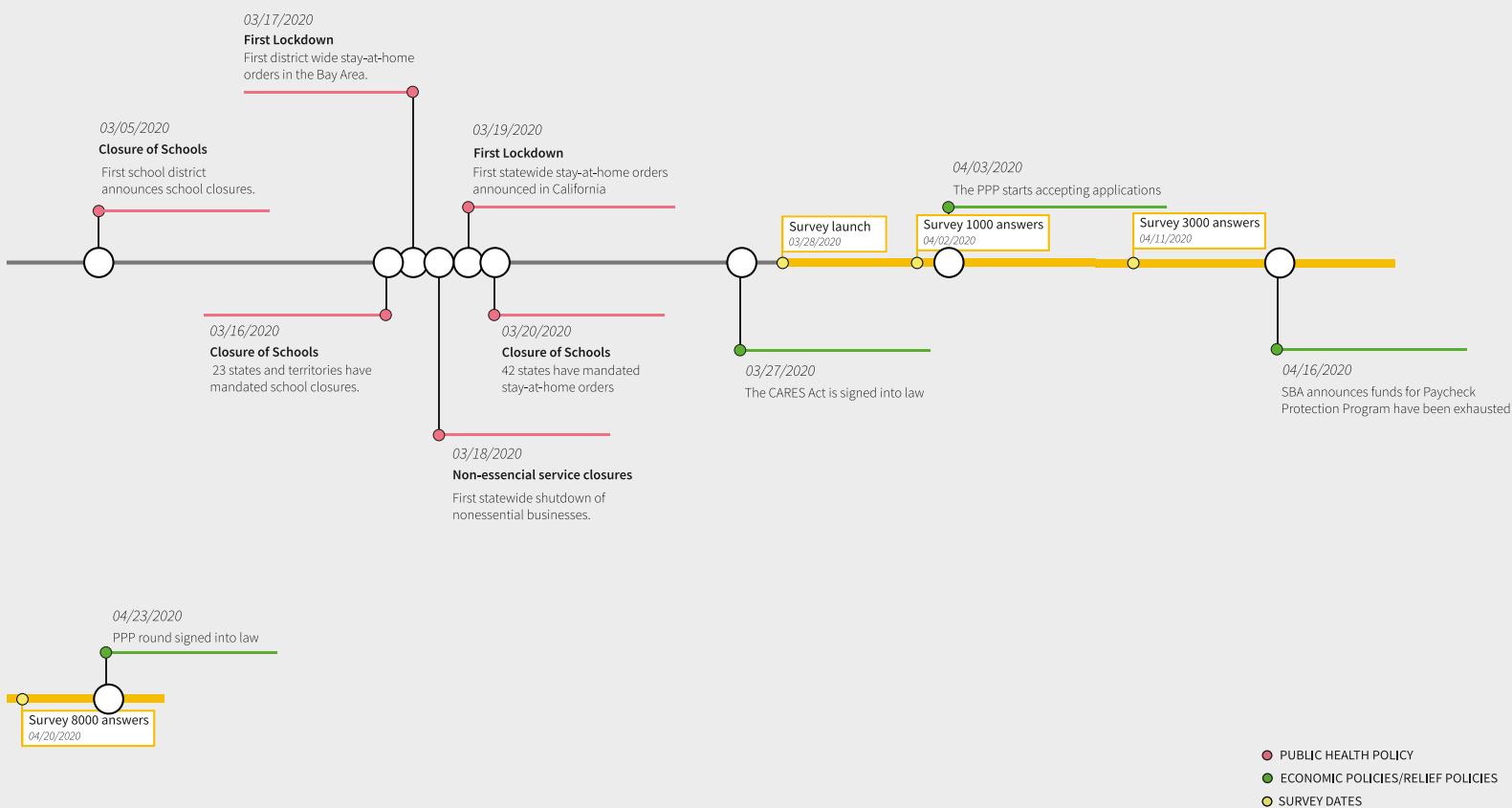
Principal Investigators: Christopher Neilson (Princeton University), John Eric Humphries (Yale University) and Gabriel Ulyssea (University of Oxford).

This is a collaborative project to gather information on how the current COVID-19 public health crisis is affecting small and medium-sized businesses. The survey was targeted at business owners of the United States and Latin America, and we had 8,195 respondents who completed the survey between March 27 and April 19. The results specific to USA are presented in this report, and they are based on the responses of 8,195 business owners.



USA

TIMELINE



EFFECTS ON EMPLOYMENT

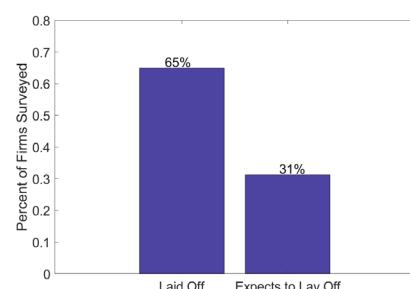
Percentage of companies that have been required to lay off any employee in response to the current health crisis.

65%

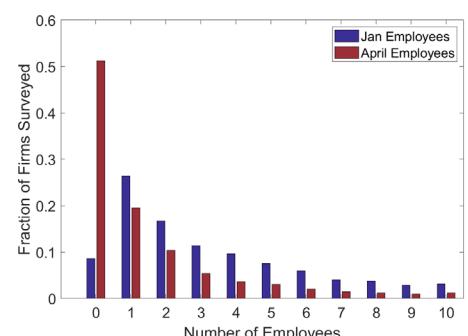
Share of firms that think that they will need to lay off any employee in the next 60 days.

31%

Firing and firing expectations:



Firm size
in January and April 2020:



PERCEPTIONS OF BUSINESS OWNERS REGARDING FUTURE

Share that thinks that their business will not fully recover.

80% USA **91%** Latam

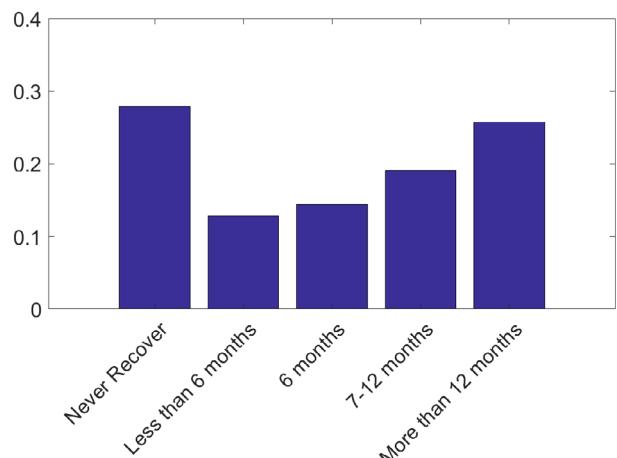
Median time to recovery.

12m USA **10m** Latam

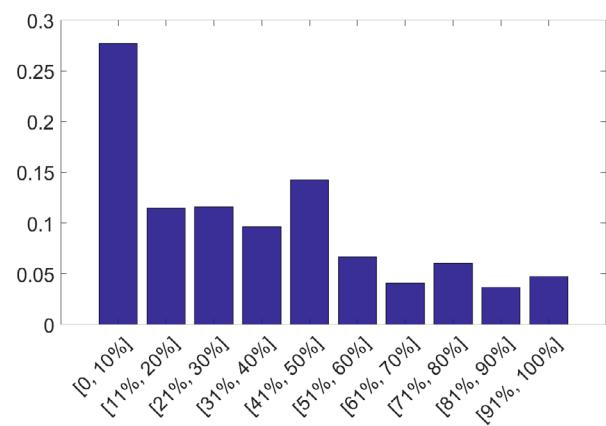
Share that thinks they have a 50% or more chance of bankruptcy.

31% USA **46%** Latam

*Distribution of months expected **before full recovery**.*



*Distribution of probability of **bankruptcy** or going out of business in the next 6 months.*



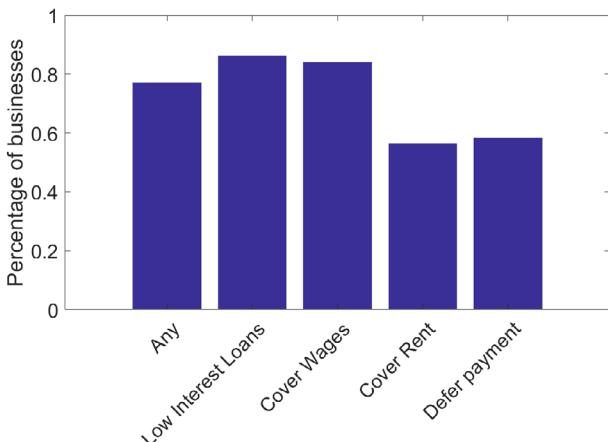
AWARENESS ABOUT RELIEF PROGRAMS



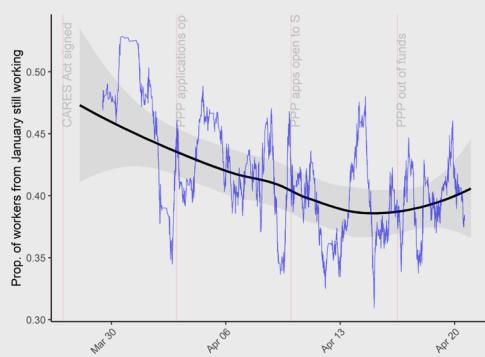
Share that is aware of any federal or state program that could help their business during this crisis.

77% USA **20%** Latam

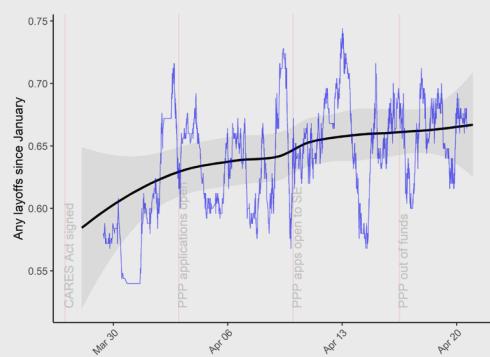
Share aware of the following: Aware of something for you, Business loans with subsidized interest rates, Programs that cover your employees' wages, Programs that cover your rent, Programs that allow you to defer rent, mortgage or loan payments.



ANY PAST LAYOFF OVERTIME

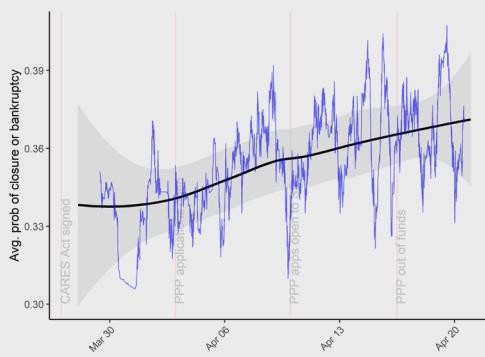


Any past layoff overtime

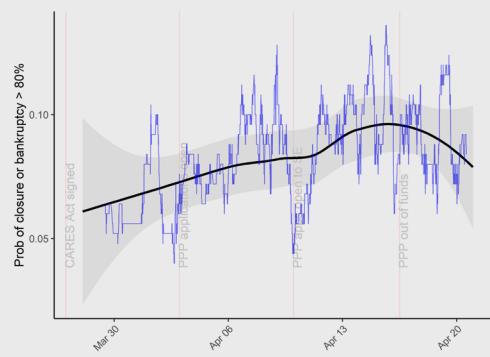


Proportion of workers from January still working

EXPECTATIONS OF BUSINESS RECOVERING

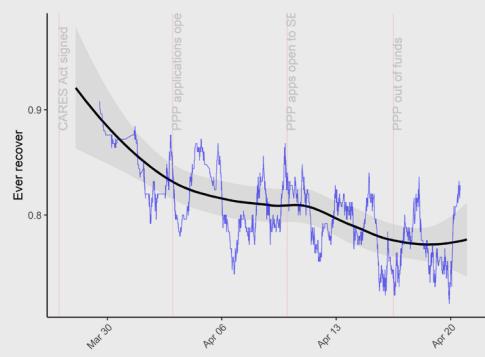


Ever recover

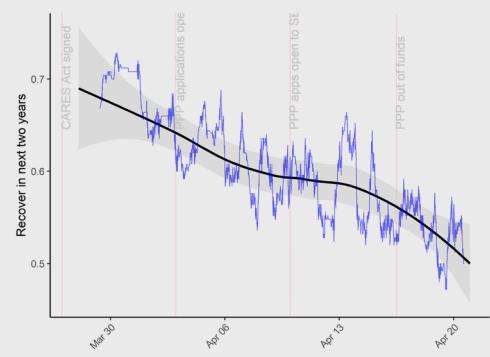


Recover in next two years

EXPECTATIONS ABOUT CLOSURE AND BANKRUPTCY



Average probability of closure or bankruptcy



Probability of closure or bankruptcy above 80%

SOME RESPONSES

*ABOUT HOW THIS CRISIS AFFECTED
PARTICULAR SECTORS*

01

How have you and your business been affected?

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I'm a self employed personal trainer, I've been able to convert my business into an online program but I've still lost half clients because they can't afford to pay me. [...] Being self employed I don't qualify for most of the aid out there and if I do it's not even enough to cover my mortgage. I am still paying rent at a gym I don't have access to because our landlord isn't allowing us any deferment. I had \$80,000 in debt before this crisis and was barely making a dent, I fear this might drown me now.

-Business owner from Colorado.

6

We run a small daycare center. And while childcare has been deemed an essential business, so many of our parents have lost their job we currently only have 4 children. We laid off our entire staff.

-Business owner from Nevada.

“

I've reached out to programs asking how to apply. I get no response. I applied for an SBA loan. Again, no response, not even an acknowledgement that they have received my application. I've applied for grants and have received no response or financial help. I'm lost and have nowhere to turn. With the CARES act having passed I now qualify for unemployment. I signed up the day after the MN governors mandated shut down. I'm currently going on week 4 of no income and still don't qualify according to the states outdated website system. I have called the unemployment office every day multiple times per day and the phone has an automated message.

-Business owner from Minnesota.

02

What can the state and federal government do to help your business?

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Defer rent and mortgages. Ask credit cards to waive interest rates. Offer more grants to small business. Loans should be for the corporations, who are more likely to be able to pay back. Small businesses need the grant money.

-Business owner from Michigan.

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Everything that is offered is based on credit or giving a loan. The bridge loan Connecticut is offering is also only for business that have turned a profit. Being a brand new business I have not yet to turn a profit and I just took out a loan to open my business, 7 months ago. These programs are not helpful for new small businesses.

-Business owner from Connecticut.

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Offer financial assistance to a small business proprietor with under five or 10 employees that are not going to make it if they don't get any help and I'm not talking about a loan that we got to pay back!! Like offering me unemployment just like you do the 1099 people that never paid into the unemployment. That way I wouldn't have to be 62 years old trying to hold my business together and work 50 hrs a week during the coronavirus peak in this area that's going to hit in two weeks and taking a chance on being exposed to someone.

-Business owner from South Carolina.

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We will post regular updates of the progress of our survey and some preliminary results www.covid19sbs.org. If you have further questions about the project you can contact info@covid19sbs.org.

This is an initiative of a group of researchers affiliated with the Industrial Relations Section at Princeton University, the Tobin Center for Economic Policy at Yale University and Oxford University. The principal investigators are Christopher Neilson of Princeton University, John Eric Humphries of Yale University and Gabriel Ulyssea of Oxford University. Our team is based out of the United States, the Dominican Republic, and Chile.

Princeton IRB # 12750