



**SMALL BUSINESS**  
FOR AMERICA'S FUTURE

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**COVID-19 Small Business Survey:  
Small Businesses Need Action  
From Lawmakers**

June 16, 2020

# ABOUT SMALL BUSINESS FOR AMERICA'S FUTURE

- Small Business for America's Future (formerly Businesses for Responsible Tax Reform) is a national coalition of business owners and leaders working to provide small businesses a voice at every level of government
- We're asking policymakers to prioritize Main Street by advancing an economic framework and COVID-19 recovery plan that works for small businesses and their employees



# WHO ARE SMALL BUSINESSES

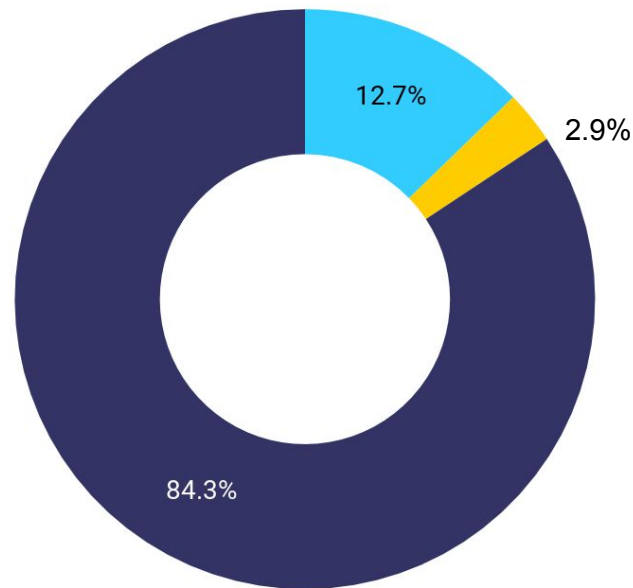
- Small businesses are at the center of the American economy
  - **30 million** small businesses
  - 6 million small businesses employ **60 million people**
  - **24 million** small business owners are self-employed
  - **80%** of small businesses have **fewer than 10 employees**

# SURVEY OUTLINE

- From June 1-10, Small Business for America's Future conducted a survey of more than 1,200 small business owners in its network to learn about how the pandemic has impacted their business and what they need from lawmakers to recover
- Results found small business owners have laid off employees, taken on new debt, and nearly a quarter are considering closing down permanently
- Small businesses overwhelmingly feel that policymakers favor big business over small business; they also feel the Trump administration has failed to address their needs

# RESULTS: SMALL BUSINESSES NEED GOVERNMENT TO LISTEN

- 84% of survey respondents say our leaders favor big business over small business

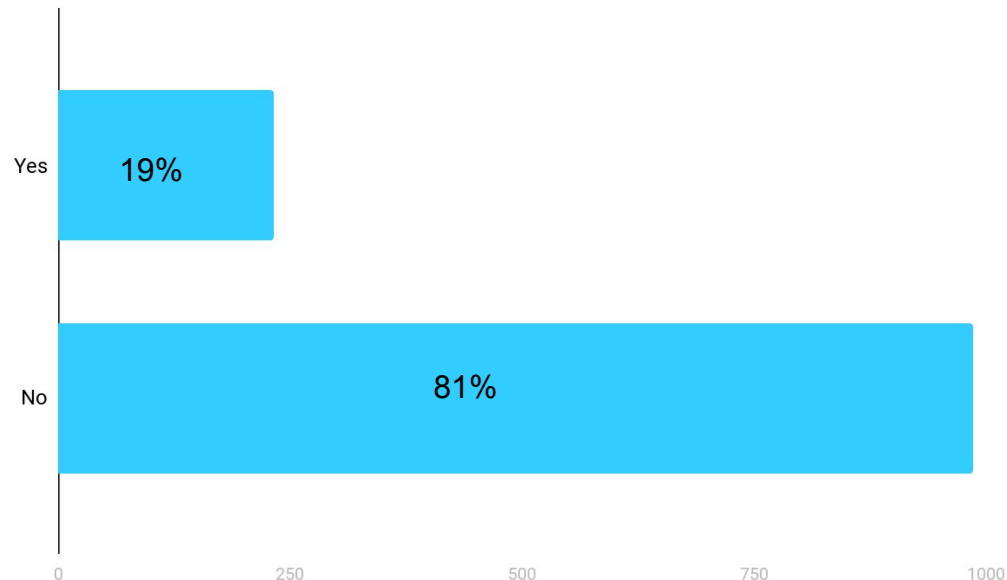


● Treat big business and small business equally ● Favor small business ● Favor big business

# RESULTS: GOVERNMENT DOESN'T UNDERSTAND NEEDS OF SMALL BUSINESS

- 81% of survey respondents say leaders do not understand the needs of small business

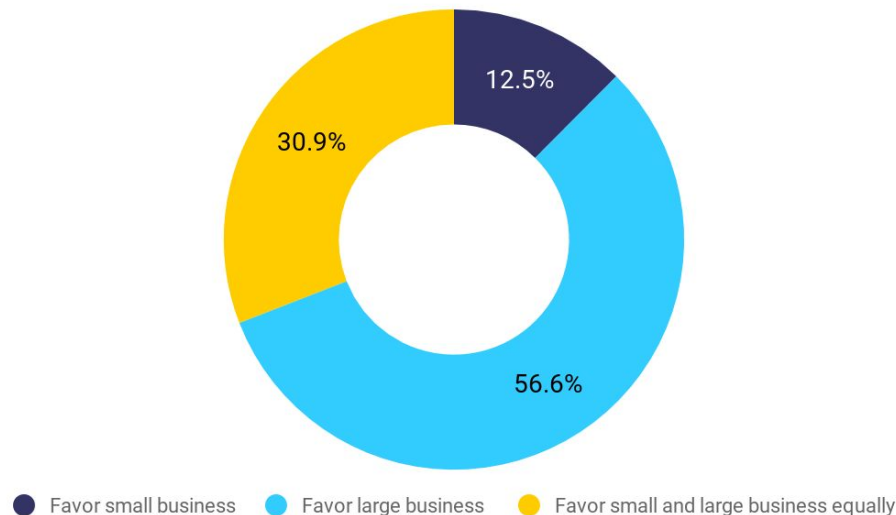
**Do you think our leaders understand the needs of small business?**



# RESULTS: TRUMP ADMINISTRATION FAVORING BIG BUSINESS

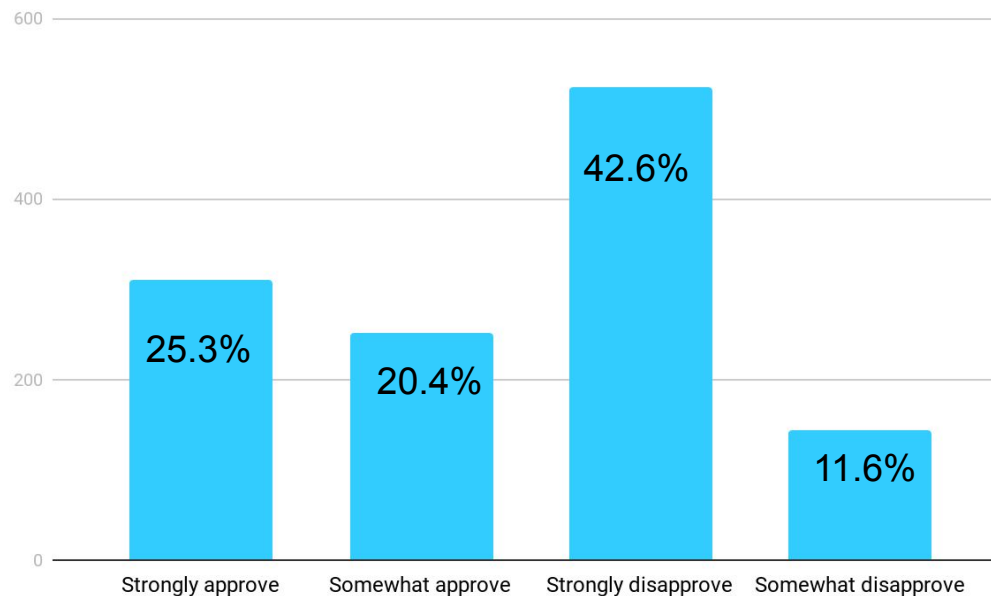
- 57% of survey respondents said the Trump administration's COVID-19 policies have favored big business over small business

Do you think the policies the Trump Administration enacted during the crisis have favored small businesses or large businesses?



# RESULTS: SMALL BUSINESSES DISAPPROVE OF TRUMP ADMINISTRATION'S COVID RESPONSE

- 54% of survey respondents disapprove of how the Trump administration has responded to COVID-19; 43% strongly disapprove





# RESULTS: COVID-19 HAS LEFT SMALL BUSINESSES IN DEBT

- 53% of survey respondents haven't taken on new debt related to COVID-19
- Nearly 1 in 4 have new debt of above \$20,000, and 18% have taken on new debt of more than \$100,000

ANSWER CHOICES	RESPONSES	
Less than \$1,000	1.07%	8
\$1,000-\$5,000	11.66%	87
\$5,000-\$10,000	14.75%	110
\$10,000-\$15,000	10.72%	80
\$15,000-\$20,000	9.25%	69
\$20,000-\$25,000	6.97%	52
\$25,000-\$50,000	11.80%	88
\$50,000-\$75,000	8.31%	62
\$75,000-\$100,000	7.24%	54
More than \$100,000	18.23%	136
TOTAL		746



# RESULTS: OWNERS WILL USE CREDIT CARDS & PERSONAL SAVINGS TO REOPEN

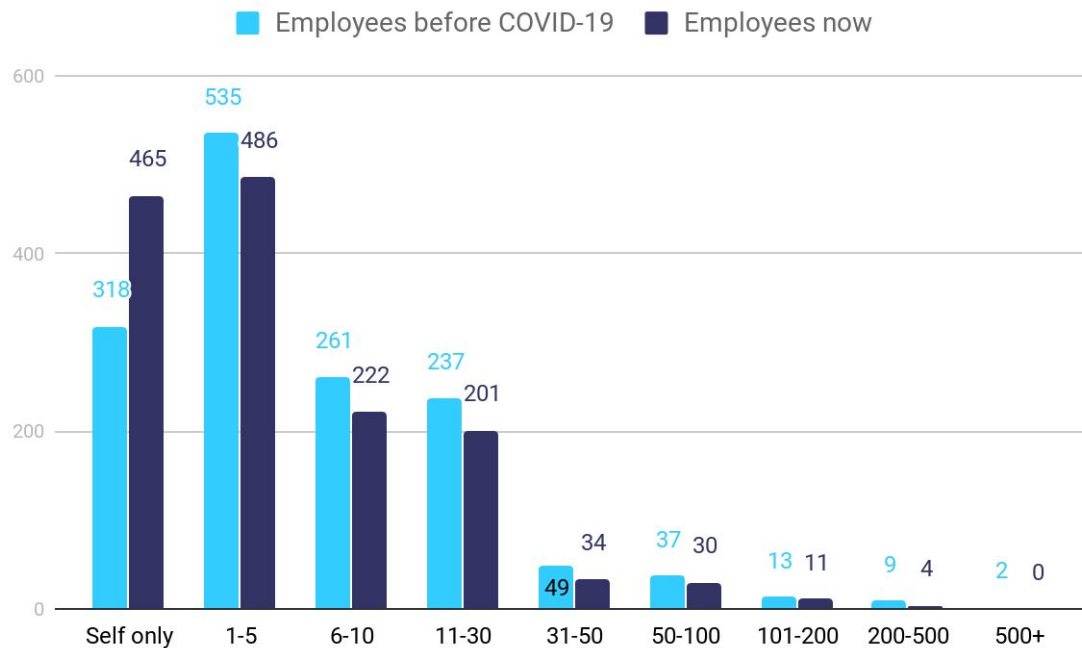
- 40% of respondents are using Paycheck Protection Program loans to reopen, while 29% are dipping into personal savings and 20% are using credit cards
- Only 12% are relying on bank loans

ANSWER CHOICES	RESPONSES	
I never had to close my business so I have no reopening costs	0.00%	0
Personal savings	0.00%	0
I never had to close my business so I have no reopening costs	52.02%	748
Personal savings	29.28%	421
Bank loan	12.45%	179
PPP loans	39.99%	575
Loans from friends and family	7.65%	110
Credit cards	19.54%	281
I closed my business but won't have any significant re-opening costs	4.73%	68
IF YES: Please describe how your business has been directly impacted by the COVID-19 Pandemic.	0.00%	0
Total Respondents: 1,438		



# RESULTS: SMALL BUSINESSES HAVE REDUCED EMPLOYEES DUE TO COVID-19

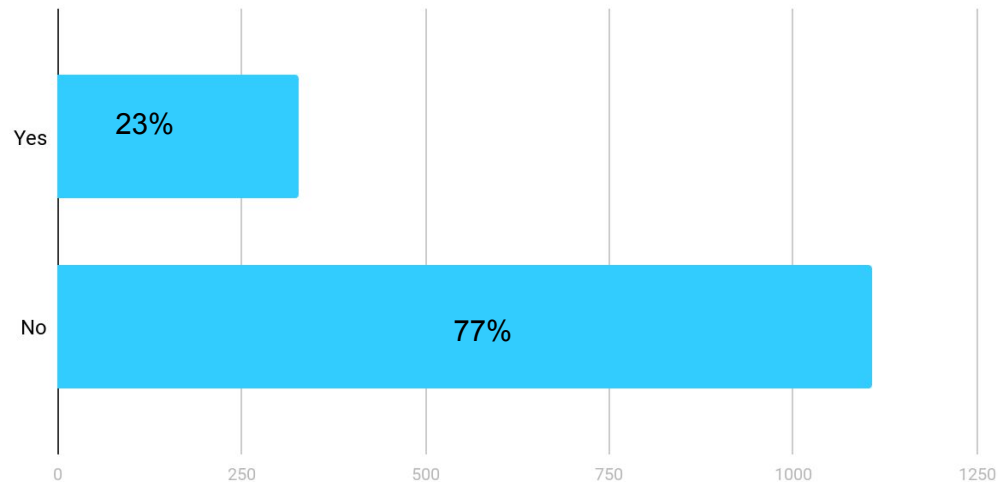
- Before COVID-19, 22% of respondents had no employees; after COVID-19, 32% had no employees



# RESULTS: SMALL BUSINESSES FACE CLOSURE AND BANKRUPTCY

- Nearly 1 in 4 survey respondents have considered closing their business permanently because of COVID-19
- 12% are facing potential bankruptcy because of COVID-19

Have you considered closing your business permanently?



# RESULTS: POST-COVID, HEALTHCARE IS A POLICY PRIORITY

- 71% of survey respondents listed lowering healthcare costs as a top policy priority to help small businesses succeed; 69% listed equitable tax policies, and 64% said access to affordable credit

Post Covid, what issues are the top issues lawmakers must address to help small business owners succeed?

ANSWER CHOICES	RESPONSES
Lowering healthcare costs for small businesses	70.93% 910
Ensuring small businesses have access to responsible and affordable credit	63.60% 816
Creating a tax system that is more equitable between large and small companies	69.21% 888
Ensuring the wealthy pay their fair share of taxes	30.71% 394
Helping small businesses create paid sick and family leave programs	23.07% 296
Investigating the market power of large companies like Amazon and Monsanto	15.98% 205
Government regulation	26.50% 340
Total Respondents: 1,283	




# RESULTS: SMALL BUSINESSES ARE OPEN TO MANY HEALTHCARE SOLUTIONS

- Small businesses are open to nearly any solution to lower healthcare costs, including:
  - 80% support allowing employees to buy into Medicare or Medicaid
  - 67% support strengthening the Affordable Care Act
  - 98% want the cost of prescription drugs to be lowered
  - 95% want to allow small businesses to band together to increase market power in purchasing health insurance
- A majority, 57%, OPPOSE repealing the Affordable Care Act

# TOPLINES

# SBAF Small Business Response Survey Toplines



# 1,211

Total Responses

Methodology:

Survey Monkey survey of Small Business for America's Future small  
business network

Fielded June 1-10, 2020





## Q1: Do you own or manage a small business?

ANSWER CHOICES	RESPONSES	
Yes	96.56%	2,664
No	3.44%	95
TOTAL		2,759

## Q2: How many people did your small business employ BEFORE Covid-19?

ANSWER CHOICES	RESPONSES	
Self only	21.77%	318
1-5	36.62%	535
6-10	17.86%	261
11-30	16.22%	237
31-50	3.35%	49
50-100	2.53%	37
101-200	0.89%	13
200-500	0.62%	9
500+	0.14%	2
TOTAL		1,461

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

ANSWER CHOICES	RESPONSES	
Self only	32.00%	465
1-5	33.45%	486
6-10	15.28%	222
11-30	13.83%	201
31-50	2.34%	34
50-100	2.06%	30
101-200	0.76%	11
200-500	0.28%	4
500+	0.00%	0
TOTAL		1,453

**Q4: Below are some ways people will finance the cost of reopening their businesses. Select all that will apply to you.**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
I never had to close my business so I have no reopening costs	0.00%	0
Personal savings	0.00%	0
I never had to close my business so I have no reopening costs	52.02%	748
Personal savings	29.28%	421
Bank loan	12.45%	179
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Loans from friends and family	7.65%	110
Credit cards	19.54%	281
I closed my business but won't have any significant re-opening costs	4.73%	68
IF YES: Please describe how your business has been directly impacted by the COVID-19 Pandemic.	0.00%	0
Total Respondents: 1,438		

**Q5: Are you facing the possibility of having to declare bankruptcy due to Covid-19?**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
Yes	11.71%	168
No	88.29%	1,267
<b>TOTAL</b>		<b>1,435</b>



## Q6: Have you considered closing your business permanently?

ANSWER CHOICES	RESPONSES	
Yes	22.82%	327
No	77.18%	1,106
TOTAL		1,433



## Q7: Do you have new debt related to the Covid-19 crisis?

ANSWER CHOICES	RESPONSES	
Yes	53.00%	750
No	47.00%	665
TOTAL		1,415

## Q8: How much new debt do you have related to the Covid-19 crisis?

ANSWER CHOICES	RESPONSES	
Less than \$1,000	1.07%	8
\$1,000-\$5,000	11.66%	87
\$5,000-\$10,000	14.75%	110
\$10,000-\$15,000	10.72%	80
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More than \$100,000	18.23%	136
<b>TOTAL</b>		<b>746</b>



**Q9: Post Covid, what issues are the top issues lawmakers must address to help small business owners succeed? Select your top three.**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>
Lowering healthcare costs for small businesses	70.93% 910
Ensuring small businesses have access to responsible and affordable credit	63.60% 816
Creating a tax system that is more equitable between large and small companies	69.21% 888
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Government regulation	26.50% 340
Total Respondents: 1,283	

## Q10: Indicate whether you support or oppose each of the following ideas to help small businesses with healthcare costs

	<b>SUPPORT</b>	<b>SOMEWHAT SUPPORT</b>	<b>SOMEWHAT OPPOSE</b>	<b>OPPOSE</b>	<b>TOTAL</b>
Create a national government administered health plan like Medicare for all	39.34% 489	20.76% 258	9.25% 115	30.65% 381	1,243
Allow employees the option to buy into Medicare or Medicaid	49.56% 616	30.41% 378	8.29% 103	11.75% 146	1,243
Strengthen the Affordable Care Act including the existing state healthcare exchanges	50.28% 625	16.98% 211	9.33% 116	23.41% 291	1,243
Lowering the cost of prescription drugs	86.81% 1,079	11.02% 137	0.97% 12	1.21% 15	1,243
Allow small businesses to join together to purchase health insurance in order to have more market power	75.38% 937	19.87% 247	2.57% 32	2.17% 27	1,243
Repeal the Affordable Care Act	28.48% 354	14.56% 181	11.91% 148	45.05% 560	1,243
Make no changes to the current system	7.32% 91	11.50% 143	19.15% 238	62.03% 771	1,243

**Q12: Do you think the policies the Trump Administration enacted during the crisis have favored small businesses or large businesses?**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
Favor small business	12.46%	154
Favor large businesses	56.63%	700
Favor small and large businesses equally	30.91%	382
<b>TOTAL</b>		<b>1,236</b>



# Q13: Do you think our leaders favor big business or small business?

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
Favor big business	84.31%	1,032
Favor small business	2.94%	36
Treat big business and small business equally	12.75%	156
<b>TOTAL</b>		<b>1,224</b>



# Q14: Do you think our leaders understand the needs of small business?

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
Yes, our leaders understand the needs of small business	19.10%	233
No, our leaders do not understand the needs of small business	80.90%	987
<b>TOTAL</b>		<b>1,220</b>



## Q15: Do you approve or disapprove of how the Trump Administration has responded to the Covid-19 crisis?

ANSWER CHOICES	RESPONSES	
Strongly approve	25.33%	311
Somewhat approve	20.44%	251
Strongly disapprove	42.59%	523
Somewhat disapprove	11.64%	143
TOTAL		1,228