

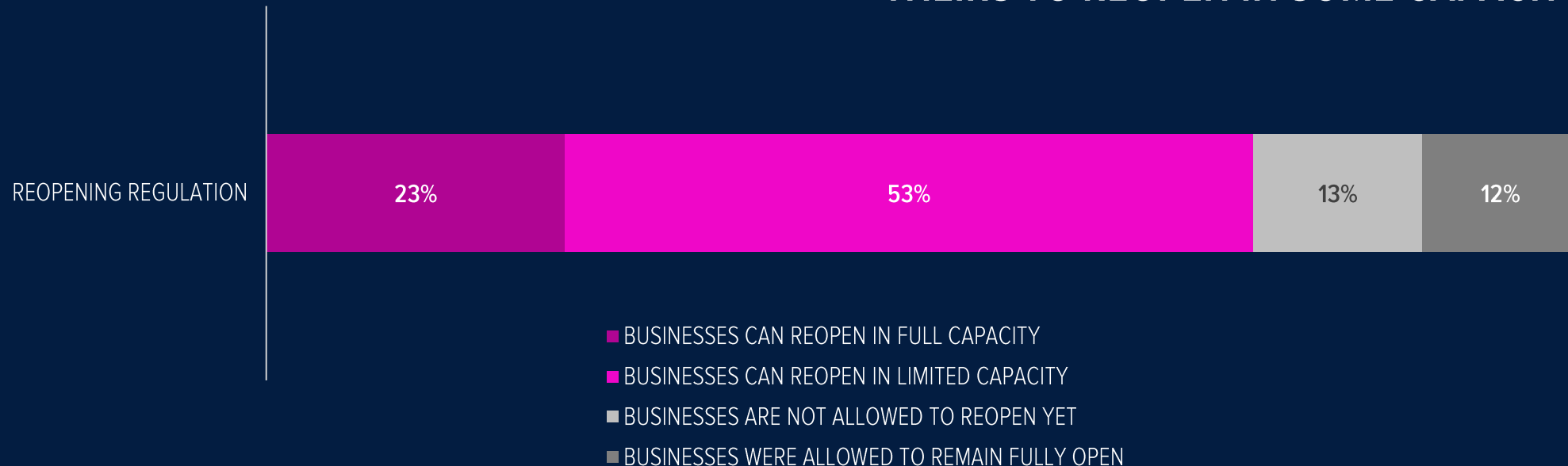


NAVIGATING COVID-19

REOPENING AND REBUILDING SMALL BUSINESSES

OVER 3 IN 4

SMALL BUSINESSES SAY THE STATE, CITY, OR COUNTY WHERE THEIR BUSINESS LOCATION EXISTS IS CURRENTLY ALLOWING BUSINESSES LIKE THEIRS TO REOPEN IN SOME CAPACITY



81%



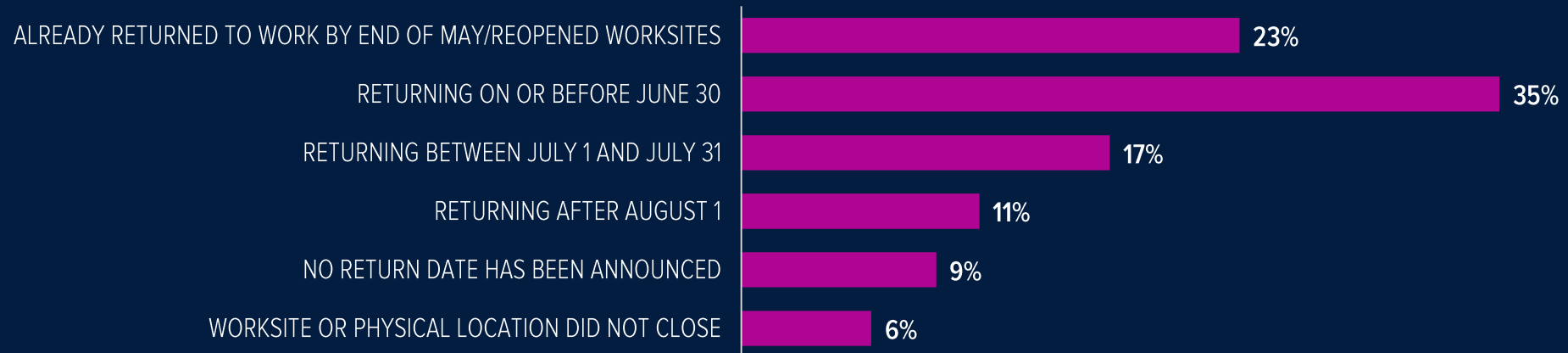
OF SMALL BUSINESSES THAT ARE BEING ALLOWED TO REOPEN BY STATE, LOCAL, OR COUNTY AUTHORITIES HAVE **ALREADY BEGUN** OR ARE **IN THE PROCESS OF** REOPENING THEIR BUSINESS

OF THE REMAINING BUSINESSES:

- 10% HAVE REMAINED FULLY OPEN DURING COVID-19
- 4% HAVE *CHOSEN NOT TO REOPEN*
- 3% ARE *UNABLE TO REOPEN*

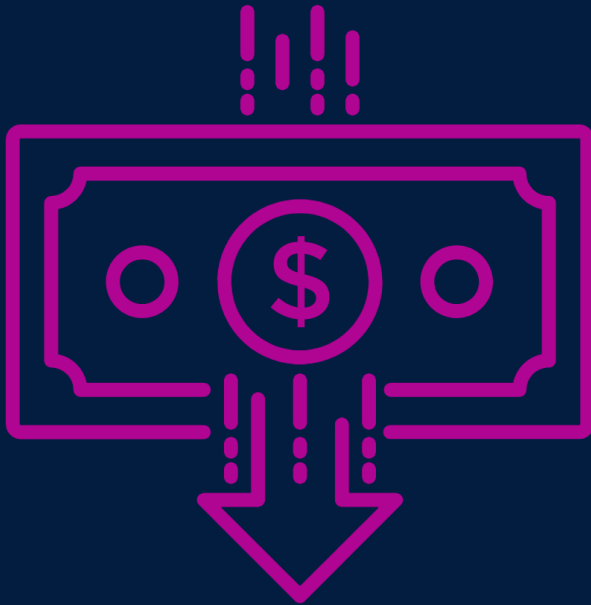
OF SMALL BUSINESSES WHO WERE WORKING ENTIRELY OR MOSTLY REMOTELY

OVER HALF WILL HAVE RETURNED TO WORK BY THE END OF JUNE (58%)



FOR SMALL BUSINESSES WITH A SET RETURN TO WORK DATE:

- 51%** WILL RETURN EMPLOYEES WORKING FROM HOME IN *PHASES* (E.G., CERTAIN TEAMS WILL RETURN BEFORE OTHERS)
- 25%** WILL RETURN ALL EMPLOYEES CURRENTLY WORKING FROM HOME *AT THE SAME TIME*
- 17%** WILL RETURN EMPLOYEES WORKING FROM HOME USING *ALTERNATING SCHEDULES* (E.G., ALTERNATING DAYS OR WEEKS)
- 6%** *DON'T HAVE A CONCRETE PLAN* FOR HOW TO RETURN EMPLOYEES WORKING FROM HOME TO THE WORKSITE YET



7 IN 10 SMALL BUSINESSES

REPORT AN OVERALL DECREASE IN REVENUE
SINCE THE BEGINNING OF COVID-19 (70%)

14%

HAVE EXPERIENCED AN
OVERALL INCREASE IN
REVENUE

15%

HAVEN'T EXPERIENCED
ANY CHANGES IN
REVENUE

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



57%

REPORT REVENUE
LOSSES OF **10-30%**

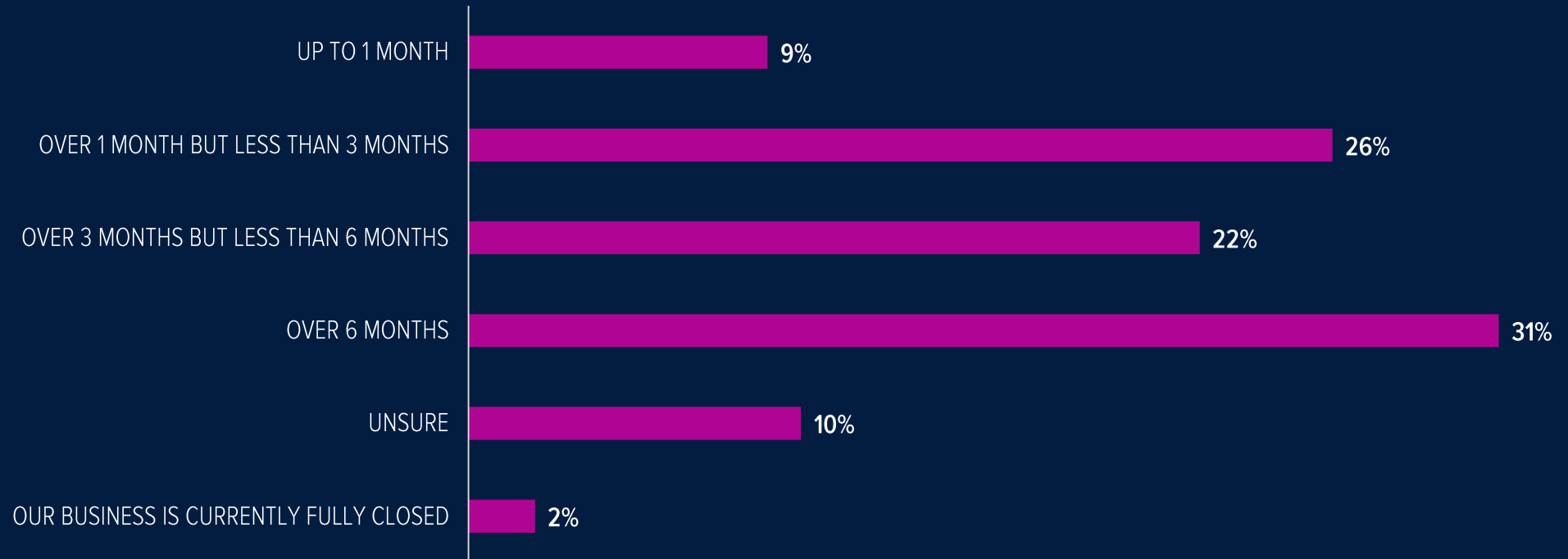
37%

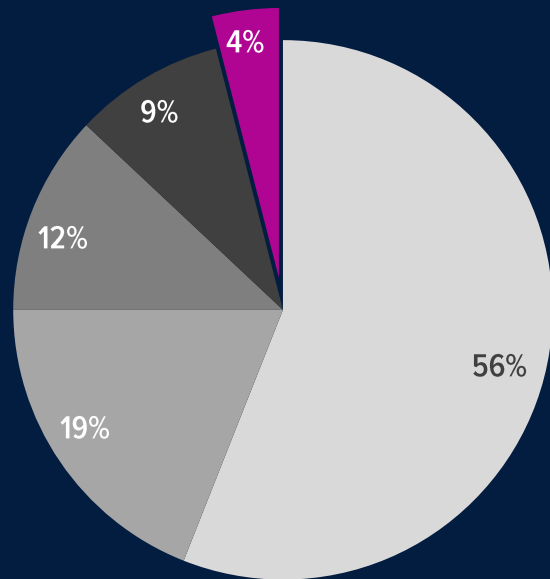
REPORT REVENUE
LOSSES **ABOVE 30%**

7%

REPORT EXPERIENCING
A **TOTAL LOSS**

OVER HALF OF SMALL BUSINESSES CAN KEEP GOING, WITH OR WITHOUT MAKING CHANGES, **LESS THAN 6 MONTHS** DUE TO COVID-19





NEARLY HALF

OF SMALL BUSINESSES *HAVEN'T LAID OFF ANY*
EMPLOYEES PERMANENTLY DUE TO COVID-19

- HAVEN'T LAID OFF ANY EMPLOYEES PERMANENTLY
- LAID OFF LESS THAN ONE-FOURTH OF THEIR TOTAL EMPLOYEES
- LAID OFF ONE-FOURTH TO ONE-HALF OF THEIR TOTAL EMPLOYEES
- LAID OFF ONE-HALF TO NEARLY ALL OF THEIR TOTAL EMPLOYEES
- LAID OFF ALL OF THEIR EMPLOYEES PERMANENTLY

OVER HALF

OF SMALL BUSINESSES EXPECT IT WILL TAKE *LESS THAN 6 MONTHS* AFTER COVID-19 ENDS TO RETURN TO NORMAL LEVELS OF PROFITABILITY



3% UP TO 1 MONTH TO RETURN TO NORMAL



17% 1-3 MONTHS TO RETURN TO NORMAL



32% 3-6 MONTHS TO RETURN TO NORMAL



48% OVER 6 MONTHS TO RETURN TO NORMAL

SMALL BUSINESSES EXPECT A
SIGNIFICANTLY FASTER RECOVERY

THAN THE ECONOMY AS A WHOLE

52%

OF SMALL BUSINESSES EXPECT TO
RECOVER TO PRE-COVID PROFITABILITY
IN **6 MONTHS OR LESS**

WHILE ECONOMISTS FORECAST* THAT SOME
METRO AREAS WON'T RETURN TO PRE-
COVID EMPLOYMENT LEVELS

UNTIL 2024

43% OF SMALL BUSINESSES

SAY THEY HAVE STARTED **RETHINKING THE WAY THEY DO BUSINESS**

SMALL BUSINESS OWNERS SAY:

“After the pandemic ends, we expect remote working, and remote meetings to play a much larger role than they did pre-COVID...Business meetings with clients, and business travel will place a higher emphasis on remote meetings instead of face to face going forward.”

“We now know that a tragedy like this could happen at any time. We need to be prepared for the next event in advance so as to protect our employees, customers and the business itself. Perhaps a different way to generate income or to utilize our employees from home that we don't have now.”

NEARLY
1 IN 3

HAVE FOUND A NEW WAY OF
DELIVERING EXISTING
SERVICES (32%)

*“Increased remote working, with **more video customer calls for sales and service.**”*

“Offering products online through 3rd party sites.”

*“We are a seminar company. We used to provide ‘butts in seats’ seminars, **soon we will be offering the same content online.**”*

OVER
1 IN 5

HAVE ASKED EMPLOYEES TO
LEARN NEW SKILLS TO SUPPORT
CHANGES IN THEIR BUSINESS
(22%)

*“[We] have instructed employees to **view YouTube** to see...**different ways to perform daily work tasks.**”*

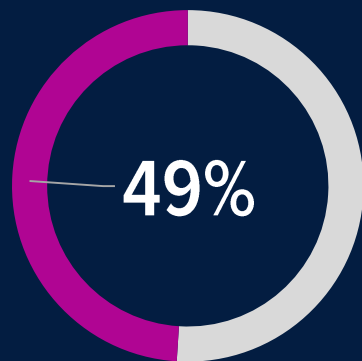
*“**Taking advantage of free online classes being offered.** Learning newer software applications.”*

*“I encouraged my employees to **look into edX** so that they can pick up some new skills of [their] own.”*

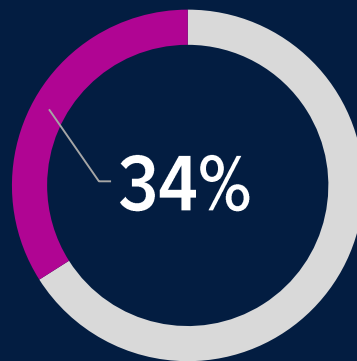
*“Many workers are not very knowledgeable about technologies; **they were asked to learn in order to contact customers**”*

SMALL BUSINESSES HAVE A VARIETY OF REASONS TO IMPLEMENT INNOVATIONS:

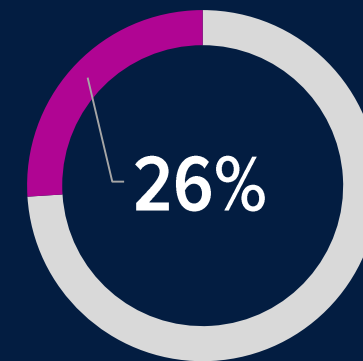
HAVE INNOVATED IN SOME WAY BECAUSE THEY **NEEDED TO FIND A WAY TO KEEP THEIR EMPLOYEES SAFE**



HAVE INNOVATED BECAUSE THEY WERE EXPERIENCING SIGNIFICANT REVENUE LOSS AND **NEEDED TO MAKE A CHANGE TO STAY AFLOAT**



HAVE INNOVATED BECAUSE **OTHER BUSINESSES IN THEIR INDUSTRY HAD MADE SUCH CHANGES** AND THEY WANTED TO STAY COMPETITIVE



SHRM COVID 19 RESEARCH: SMALL BUSINESS INNOVATIONS

RATE OF
ADOPTION

PLANS TO KEEP
PERMANENTLY

29%

NEW OR NOVEL *TECHNOLOGY* PROCESSES (E.G., OFFERING VIRTUAL HOME OR CAR TOURS)

85%

24%

NEW *REVENUE STREAMS* (E.G., SHIFTING TO E-COMMERCE/ONLINE SALES)

73%

23%

NEW OR NOVEL *SAFETY MEASURES* (E.G., PLEXIGLAS BARRIERS BETWEEN STAFF AND CUSTOMERS)

66%

21%

NEW OR NOVEL *CUSTOMER SERVICE AND DELIVERY PROCESSES* (E.G., GROCERY DELIVERY SERVICE)

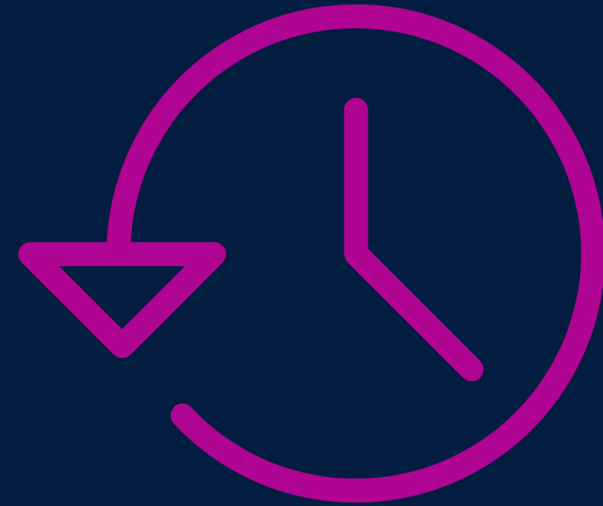
61%

13%

NEW OR NOVEL *EMPLOYEE PRACTICES* (E.G., HAZARD PAY)

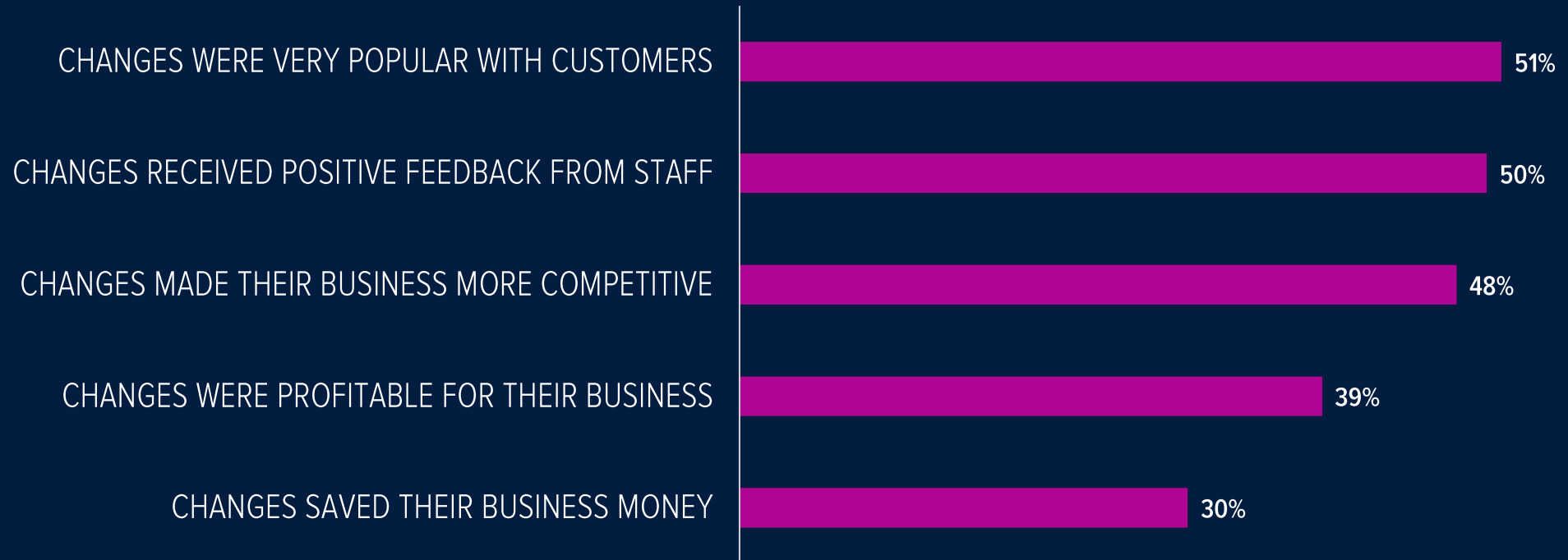
62%

9%



OF SMALL BUSINESSES **DO NOT PLAN TO KEEP ANY** OF THE
NEW OR NOVEL OPERATIONS OR SERVICES THEIR
BUSINESSES ADOPTED TO ADAPT TO COVID-19

REASONS SMALL BUSINESSES PLAN TO PERMANENTLY KEEP NEW OPERATIONS OR SERVICES THEY'VE IMPLEMENTED DURING COVID-19;



84% OF SMALL BUSINESSES STILL FACE SIGNIFICANT CHALLENGES

46%

OF SMALL BUSINESSES ANTICIPATE A *LACK OF CUSTOMERS* GOING FORWARD

30%

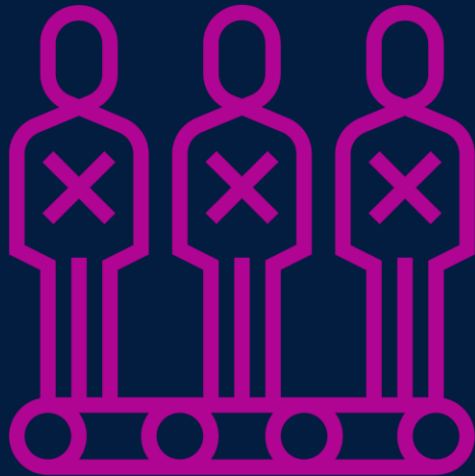
OF SMALL BUSINESSES ANTICIPATE A *DISRUPTED SUPPLY CHAIN*

38%

OF SMALL BUSINESSES ANTICIPATE A *LACK OF CASH FLOW*

27%

OF SMALL BUSINESSES ANTICIPATE A *CASE OF COVID-19* LINKED TO THEIR BUSINESS

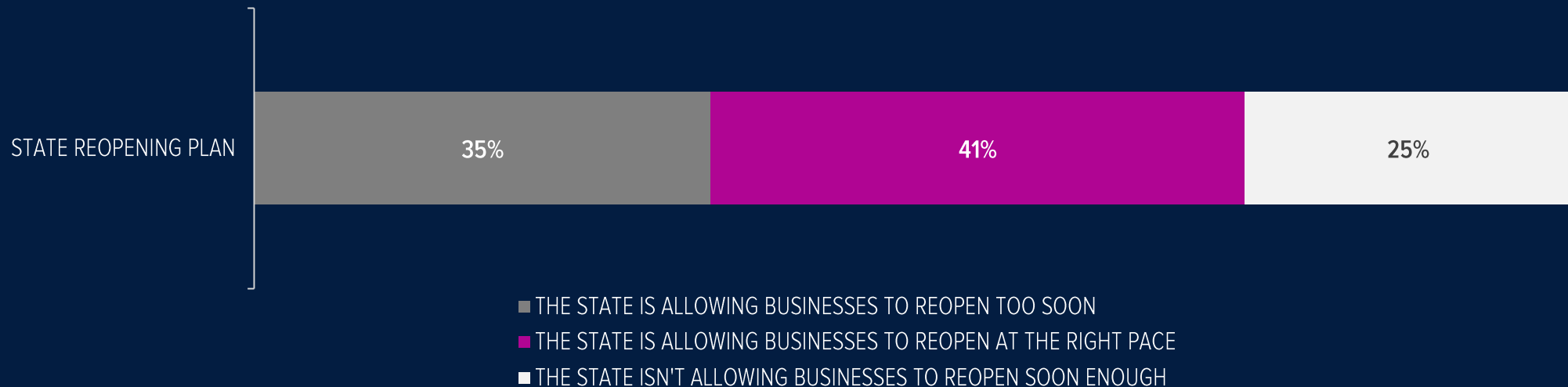


DESPITE WIDESPREAD UNEMPLOYMENT

12% OF SMALL BUSINESSES ANTICIPATE
NOT HAVING ENOUGH EMPLOYEES TO
MEET BUSINESS DEMAND

SMALL BUSINESS OWNERS ARE DIVIDED

ON HOW THEY FEEL ABOUT THEIR STATE'S PLAN FOR REOPENING BUSINESSES



**OVER
HALF**

(53%) OF SMALL BUSINESSES ARE SOMEWHAT OR VERY CONCERNED ABOUT INCREASED RISK OF LAWSUITS AND LIABILITY WHILE REOPENING AMID COVID-19

30%

OF SMALL BUSINESSES ARE SOMEWHAT OR VERY UNCONCERNED ABOUT RISK OF LAWSUITS AND LIABILITY

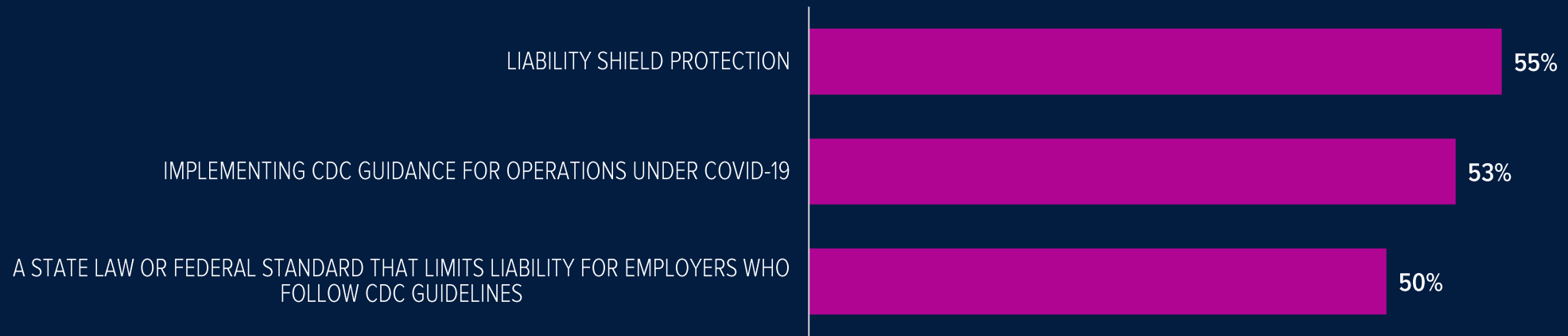
16%

OF SMALL BUSINESSES ARE NEITHER CONCERNED NOR UNCONCERNED



SMALL BUSINESSES RELY ON LIABILITY-LIMITING LEGISLATION AND CDC GUIDANCE

MOST BUSINESSES CONCERNED ABOUT INCREASED RISK AND LIABILITY SAY STATE AND FEDERAL PROTECTIONS WOULD HELP





AROUND 1 IN 3

SMALL BUSINESS OWNERS SAY THAT LIABILITY WAIVERS SIGNED BY EMPLOYEES (39%) AND CUSTOMERS (32%) WOULD ALLEVIATE CONCERNS

75%



7%

OF SMALL BUSINESS OWNERS *DISAGREE*; 18% ARE NEUTRAL

OF SMALL BUSINESS OWNERS AGREE THAT IF A CRISIS LIKE COVID-19 OCCURRED IN THE FUTURE, THEY ARE CONFIDENT THEIR BUSINESS WILL BE BETTER PREPARED TO HANDLE IT

CLEANLINESS CHANGES SMALL BUSINESSES ARE IMPLEMENTING OR CONSIDERING:

94%

ADDING CLEANING STATIONS TO THEIR WORKSITES

95%

REQUIRING EMPLOYEES TO WASH HANDS OR USE HAND SANITIZER

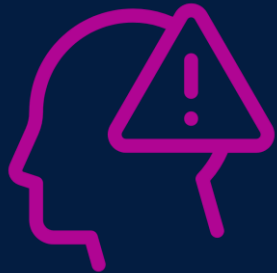


A MAJORITY OF SMALL BUSINESSES ARE IMPLEMENTING OR CONSIDERING CHANGES TO MAKE SOCIAL DISTANCING MORE FEASIBLE, INCLUDING:

93% ENFORCING SPACED SEATING IN COMMON AREAS

89% SETTING LIMITS ON THE NUMBER OF CUSTOMERS ONSITE AT ONCE

AS WELL AS HEALTH AND SAFETY RELATED CHANGES:



- REQUESTING EMPLOYEES SELF-REPORT SYMPTOMS, EXPOSURE, OR TRAVEL (95%)
- NEW 'CONTACTLESS' PROCEDURES (93%)



- POSTING SIGNS AT ENTRANCES TO ASK THE POTENTIALLY EXPOSED NOT TO ENTER (89%)
- MANDATORY USAGE OF PPE (E.G., MASKS, GLOVES) (86%)

TELEWORK POLICIES SMALL BUSINESSES REPORT THEY *PROBABLY* OR *DEFINITELY* WILL ADOPT INCLUDE:



BROADER OR MORE FLEXIBLE WORK FROM HOME POLICIES FOR ALL ELIGIBLE WORKERS (82%)



ALLOW ELIGIBLE WORKERS TO WORK FROM HOME FULL-TIME THROUGH THE REST OF 2020 (69%)



ALLOW ELIGIBLE WORKERS WHO DID NOT PREVIOUSLY WORK REMOTELY TO DO SO PERMANENTLY (64%)

47%

OF SMALL BUSINESSES ASKED OR PERMITTED ALL OR THE MAJORITY OF EMPLOYEES TO WORK FROM HOME DURING COVID-19

AMONG OTHER BUSINESSES

21%

ONLY ASKED OR PERMITTED EMPLOYEES WITH TELEWORK-CAPABLE JOBS TO WORK FROM HOME

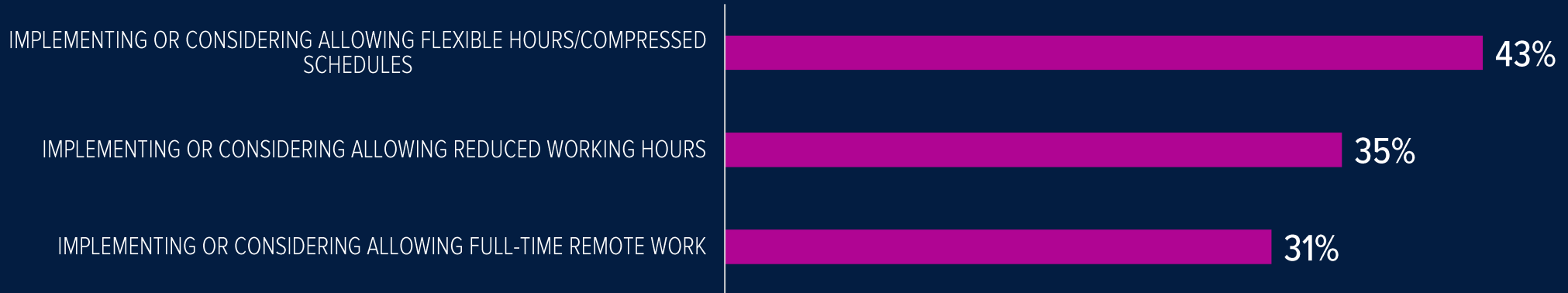
28%

HAD NO OR VERY FEW EMPLOYEES WORK FROM HOME BECAUSE OF THEIR KIND OF WORK

4%

DID NOT PERMIT EMPLOYEES TO WORK FROM HOME EVEN IF THEIR JOBS WERE TELEWORK-CAPABLE

SMALL BUSINESSES ARE MAINLY RESPONDING TO CHILDCARE ACCOMMODATION NEEDS WITH FLEXIBILITY-RELATED STRATEGIES



MORE THAN 1 IN 4 SMALL BUSINESSES **AREN'T PLANNING TO MAKE ANY CHANGES** FOR EMPLOYEES WITH CHILDREN



1 IN 4

SMALL BUSINESSES SAID THEY **DID NOT**
HAVE ANY FORMAL CHILDCARE POLICIES
PRIOR TO COVID-19

AMONG THOSE WITH POLICIES: 23% SAY THE PANDEMIC
HAS NOT CHANGED THEM, 31% HAVE MADE *TEMPORARY*
CHANGES, AND 16% HAVE MADE *PERMANENT* CHANGES

A sample of 416 U.S. small business executives from organizations with 500 or fewer employees were surveyed online during the period of May 27, 2020 – June 5, 2020.

All respondents reported that their business was either fully operational, partially operational, or was not currently operating but had plans to reopen. Survey respondents were purchased from PureSpectrum's integrated survey panel platform.

- All 250 respondents from businesses with at least one employee other than themselves but no more than 99 employees (i.e., size 2-99) were the owner, operator, head, president, or CEO of their business.
- All 166 respondents from businesses with at least 100 but no more than 500 employees were either an executive (i.e., VP level or above) or the owner, operator, head, president, or CEO of their business.

Sampling did not control for industry or geographical representation and data was not weighted.