



BUSINESSES FOR RESPONSIBLE  
TAX REFORM

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

March 23, 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



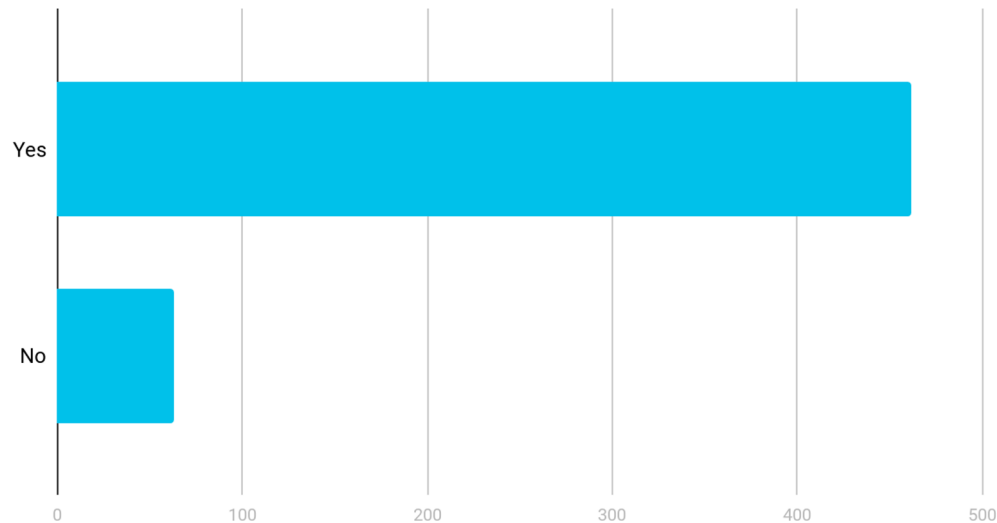
# SURVEY OUTLINE

- 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

- 91% 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

- 80% 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	62.41%
Cash flow challenges	81.02%
Paying overhead	62.41%
Business closure	48.31%
Lack of customers	70.11%
Inability to pay debt	55.83%

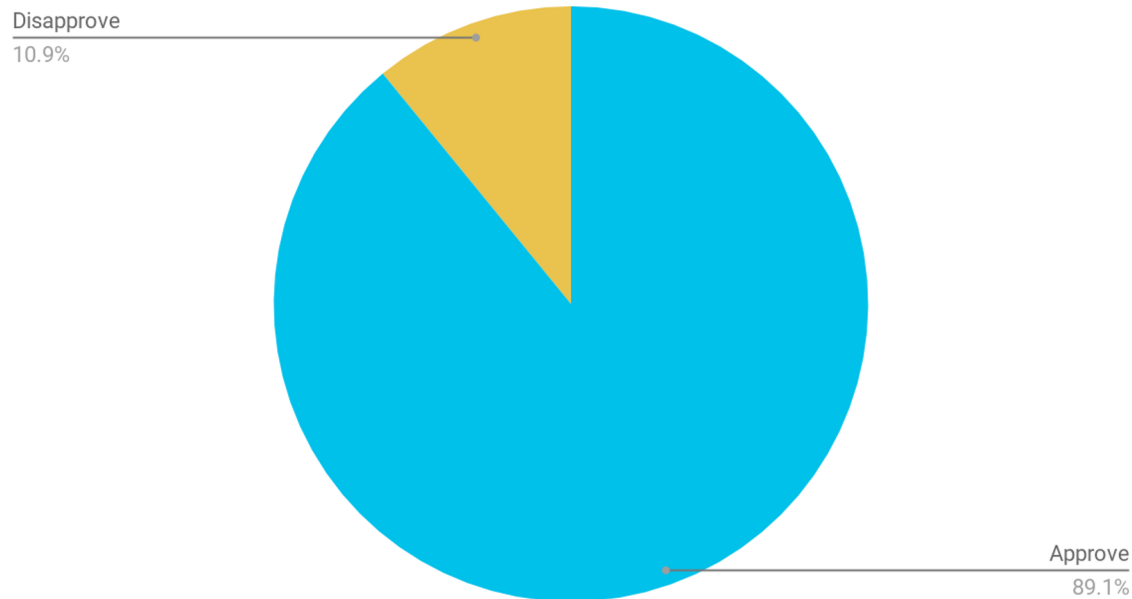
# RESULTS: SEVERE IMPACT TO SMALL BUSINESS

- For survey respondents whose businesses are in “shelter-in-place” regions, **40% have been forced to close**
- For businesses that aren't in shelter-in-place regions, **30% have experienced such sharp drops in customer demand that they have been forced to close**
  - For businesses still open, **17% have been forced to lay off employees and 38% 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





## 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

- **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 nearly **85% support**

# TOPLINES

## BRTR COVID-19 Small Business Response Survey Toplines



# 507

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: 571 Skipped: 9

ANSWER CHOICES	RESPONSES	
Yes	97.37%	556
No	2.63%	15
<b>TOTAL</b>		<b>571</b>

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

Answered: 553 Skipped: 27

ANSWER CHOICES	RESPONSES	
Self only	17.90%	99
1-5	38.70%	214
6-10	15.91%	88
11-30	17.90%	99
31-50	5.24%	29
50-100	1.99%	11
101-200	1.08%	6
200-500	0.90%	5
500+	0.36%	2
<b>TOTAL</b>		<b>553</b>

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

Answered: 549 Skipped: 31


ANSWER CHOICES	RESPONSES
Yes	91.07% 500
No	8.93% 49
IF YES: Please describe how your business has been directly impacted by the COVID-19 Pandemic.	0.00% 0
TOTAL	549

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

Answered: 532 Skipped: 48

ANSWER CHOICES	RESPONSES	
Paying employees	62.41%	332
Cash flow challenges	81.02%	431
Paying overhead	62.41%	332
Business closure	48.31%	257
Lack of customers	70.11%	373
Inability to pay debt	55.83%	297
Other (please specify)	18.23%	97
Total Respondents: 532		





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

Answered: 529 Skipped: 51

ANSWER CHOICES	RESPONSES	
Yes	53.50%	283
No	46.50%	246
TOTAL		529



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

Answered: 285 Skipped: 295

ANSWER CHOICES	RESPONSES	
Yes	40.35%	115
No	59.65%	170
TOTAL		285



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

Answered: 526 Skipped: 54

ANSWER CHOICES	RESPONSES	
Yes	30.42%	160
No	69.58%	366
TOTAL		526



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

Answered: 365 Skipped: 215

ANSWER CHOICES	RESPONSES	
Employees who are able are working from home	47.40%	173
Laid off employees	16.99%	62
Cut hours for employees	37.53%	137
No changes	30.68%	112
Total Respondents: 365		



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

Answered: 524 Skipped: 56

ANSWER CHOICES	RESPONSES	
Yes	87.98%	461
No	12.02%	63
TOTAL		524

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

Answered: 459 Skipped: 121

ANSWER CHOICES	RESPONSES	
10% or less	4.58%	21
20%	8.71%	40
30%	10.89%	50
40%	8.50%	39
50%	11.33%	52
60%	6.10%	28
70%	8.50%	39
80%	9.80%	45
90%	13.07%	60
100%	18.52%	85
TOTAL		459

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

Answered: 513 Skipped: 67

ANSWER CHOICES	RESPONSES	
Strongly approve	68.62%	352
Approve	20.47%	105
Neither approve nor disapprove	7.21%	37
Disapprove	2.73%	14
Strongly disapprove	0.97%	5
TOTAL		513



## 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: 511 Skipped: 69

ANSWER CHOICES	RESPONSES	
Strongly approve	62.23%	318
Approve	24.66%	126
Neither approve nor disapprove	10.96%	56
Disapprove	1.17%	6
Strongly disapprove	0.98%	5
TOTAL		511



**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: 506 Skipped: 74

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	
Strongly approve	54.74%	277
Approve	26.88%	136
Neither approve nor disapprove	15.02%	76
Disapprove	2.96%	15
Strongly disapprove	0.40%	2
<b>TOTAL</b>		<b>506</b>



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

Answered: 505 Skipped: 75

ANSWER CHOICES	RESPONSES	
Strongly approve	55.05%	278
Approve	24.95%	126
Neither approve nor disapprove	12.87%	65
Disapprove	5.94%	30
Strongly disapprove	1.19%	6
TOTAL		505

## Q19: Payroll tax abatement or deferral.

Answered: 504 Skipped: 76

ANSWER CHOICES	RESPONSES	
Strongly approve	60.52%	305
Approve	24.01%	121
Neither approve nor disapprove	10.52%	53
Disapprove	3.37%	17
Strongly disapprove	1.59%	8
<b>TOTAL</b>		<b>504</b>