Small and medium-sized businesses in the United States are being hit hard by the COVID-19 crisis.

As part of our ongoing data collection effort with the World Bank and the OECD on the Future of Business, Facebook conducted a survey, in partnership with Small Business Roundtable, of approximately 86,000 people who owned, managed or worked for a small and medium-sized business (“SMB”), including approximately 9,000 operators of “personal” businesses, i.e. people who reported that they were “self-employed providing goods or services” or that they “produce goods sold for personal income” but did not otherwise self-identify as an “owner” or “manager” of a business.

The results provide a better understanding of which businesses are still operational and which are not, where they are located, and what their most pressing needs are. Here are the key results:

01 Small businesses are closing their doors and facing an uncertain future.
   • 31% of owners and managers reported that their SMB is not currently operating.
   • Among personal businesses, that number rises to 52%, of which the majority (55%) were led by women.

02 SMBs' biggest challenges are access to capital and customer behavior.
   • 28% of SMBs said the biggest challenge they would face over the next few months was cash flow.
   • 20% said their biggest challenge would be lack of demand.

03 To adapt to the ongoing crisis, SMBs are turning to internet tools.
   • 51% of businesses report increasing online interactions with their clients.
   • 36% of personal businesses that use online tools report that they are conducting all their sales online.
   • 35% of businesses that have changed operations have expanded the use of digital payments.
04 Small business owners are struggling to balance running a business and caring for their households.

- Nearly half (47%) of SMB owners and managers report feeling burned out trying to take care of business and household responsibilities at the same time.
- 62% of respondents report spending between one and four hours a day on domestic or household care activities.
- More women owner-managers (33%) reported that household responsibilities were affecting their ability to focus on work “a great deal” or “a lot” than men (25%).

05 Employees are facing dire economic circumstances.

- Large majorities of employees don’t have access to paid sick leave (74%) or paid time off (70%); among hotel, cafe and restaurant employees those numbers rise to 93% and 94%, respectively.
- Only 45% of owners and managers of SMBs reported that they would rehire the same workers when their businesses reopened. The same was true for 32% of personal businesses.

06 Still, SMB owners and managers remain optimistic and resilient.

- 57% of SMBs report that they are optimistic or extremely optimistic about the future of their businesses.
- Only 11% of operating businesses expect to fail in the next three months, should current conditions persist.
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Introduction

Small businesses are the heartbeat of our communities—and they’re in real trouble. The pandemic isn’t just a public health emergency, it’s also an economic crisis. Since the first shelter-in-place orders, it has been clear that many businesses were going to take a big hit, but now we can hear from the people behind the businesses just how big a hit they are taking.

This is the first in what will be an ongoing series of reports uncovering the situation facing American businesses. These were planned before the virus struck, when we had anticipated this first report would paint a much brighter picture. Instead, it brings home the scale of the crisis that our economy is facing and helps point to where help is most needed.

This report shows that, as of April 2020, nearly one-third of small and medium-sized businesses have stopped operating. For the smallest businesses – those run by the self-employed or for personal income – the situation is worse. More than half are no longer operating. That is especially bad for women, who run the majority of these businesses.

Still, the survey shows, the people who operate, manage and work for SMBs are resilient; among them, there is hope and optimism about the future of their businesses. They’re finding new ways to reach their customers online, they’re making adjustments to how and when they do business, and they’re working hard to meet their family obligations at the same time.

Whatever comes next, Facebook and Small Business Roundtable will continue to work with SMBs to help them adjust to this new reality and reboot as we move forward as a nation.

Sheryl Sandberg
COO, Facebook

John Stanford & Rhett Buttle
Co-Executive Directors, Small Business Roundtable
Small and medium-sized businesses have been disproportionately affected by the circumstances around COVID-19. At the same time, policymakers and researchers are facing challenges obtaining timely information about the needs and outlook of SMBs. We know many of the owners and operators of these businesses are on Facebook, and wanted to use our platform to provide insight on the impact of COVID-19 on the SMB economy.

We surveyed approximately 86,000 SMB owners, managers and employees about the kinds of businesses they operated or worked for, whether those businesses were operational or not, how many people they employed, what kind of access to capital did they have, and what they expected their biggest challenges to be in the coming months. The survey also inquired into how people’s family obligations were affecting their ability to work, whether they had access to information about available resources, asked people about their long-term business survival strategies and whether they were hopeful things were going to improve.

All quotations in this report were sourced from a supplemental survey fielded to the same population two weeks after the original survey to gather more qualitative insights into the experiences of small and medium-sized businesses.

**Definitions**

- “Owners and Managers” refers to respondents who reported that they “manage day-to-day operations of a business” or “own a business.”
- “Personal” businesses refers to respondents who reported “self-employed providing goods or services” or that they “produce goods sold for personal income.” (Examples of “personal” businesses include: selling clothing, making and selling handicrafts, freelance writing, photography services. Personal businesses may or may not be full-time or part-time ventures and may or may not have employees.)
- People who reported “working as a business employee/worker” as their only response were considered “Employees.”
COVID-19 is having a devastating impact on SMBs.

The lockdowns and social distancing, both mandatory and voluntary, occasioned by COVID-19, along with the concomitant decline in demand for in-person goods and services have had a devastating effect on America's SMBs.

Business Closures

According to the survey, 31% of small and medium-sized businesses have shut down in the last three months. The situation is worse for personal business (52% of which report shutting down), hotels, cafes and restaurants (43%) and services like wellness, grooming, fitness or other professional services (41%).

Of the businesses that report being closed, 71% report having closed since March 1, 2020, 18% closed in February and 4% closed in January.

“We have lost almost all clientele, and can not afford to pay for our home and bills.”

Chart 01 provides a summary of the percentage of businesses that have shut down in the last three months, by industry. Chart A3-1 and Chart A3-2 in Appendix 3 contain breakdowns by gender and by region.
Among the reasons self-cited by closed business owners as to what, in particular, caused them to close: a majority (62%) said it was necessary to comply with orders by governments or health authorities, while a smaller share claimed it was due to financial challenges (9%) or a lack of client demand (7%). The data revealed some minor variations in the reasons cited for closing, e.g., construction firms were more likely to cite logistical challenges (8% cf. 2% overall), information and communications SMBs cited financial challenges (23% cf. 9% overall), and businesses led by women were more likely than businesses led by men to self-cite local ordinances (66% cf. 58%).

As an indication of potential resources available subsequent to closure, only 7% of owners and managers (and 3% of personal businesses) reported having business interruption insurance.

**A FOCUS ON Employees**

Many of the respondents to our survey were people who, until recently, worked for an SMB. Their experiences are varied, but their responses share a common theme: they’re under stress, but remain optimistic.

“I was laid off and now am not being brought back. My business isn’t making any money currently.”

Of the 96% of SMB employees who report having a job in 3 months prior to the survey, 74% worked full time and 20% worked part time. And now, 29% of those same respondents report not working at all—44% of whom because the business they worked for has shut down, 22% because they were let go and 10% because of local ordinances to shelter-in-place or quarantine.

**Small Business Employees**

Even when businesses remain open, employees are experiencing financial cuts from lost employment or fewer hours worked. While 3% of businesses reported that their employee headcount actually increased, 44% said they had to reduce the number of employees or workers at their business because of the pandemic. Of businesses that reduced headcounts, 22% let go more than 10 people. Larger layoffs of more than 50 employees hit the Midwest the hardest (13% of businesses cf. 5% overall.)

Any time a business closes or has to lay off workers, it affects entire communities of people who rely on income from jobs to support themselves, and in turn, support other local businesses and organizations. Some 65% of owners and managers who employed more than one person reported that, since their business closed, their workers were unable to get any additional salary or wages, end of service bonuses, unemployment benefits, or any discounted or partial health insurance. In keeping with a trend, for personal businesses that number rose to 77%.

Regardless of one’s employment situation, reliable resources are scarce or vulnerable. Only 25% of employees reported being able to rely on household income from a spouse or partner, only 19% reported access to personal savings. A large share of respondents said they don’t have paid access to sick leave (74%) or paid time off (70%). Only 19% of retail employees report access to hazard pay. And among hotel, cafe, and restaurant employees, 94% reported no access to paid time off, 93% no sick leave, and only 18% said they have access to health insurance.
Unemployed Small Business Workers

Job prospects for unemployed SMB workers remain uncertain. According to the survey: only 45% of owners and managers of closed businesses reported that they would rehire the same workers when their businesses reopened, while 32% of personal businesses said they would do the same. When responses were analyzed by industry, 63% of hotels, restaurants, and cafes expressed plans to rehire the same employees, while among firms in the agriculture, forestry, fishing, and mining fields, this number falls to 27%.

Also noteworthy: 19% of owners and managers of closed businesses reported they were keeping their workers and still paying part of their wages; for personal businesses, 9%.

As might be expected, people are focused on the essentials. Their top concerns were having enough money to sustain their household (51%) and having food and basic supplies (46%). Relatedly, only 11% of employees report having applied to receive any government or NGO assistance in response to the pandemic.

Still, people remain hopeful. 59% of both the employed and unemployed were at least somewhat optimistic about their future employment, while 16% were somewhat pessimistic. Notably, and perhaps unsurprisingly, employees of hotels, restaurants, and cafes were more pessimistic about their employment prospects, with 24% reporting at least somewhat pessimistic.
People and businesses are making serious efforts to adapt.

Operational businesses might be open and running, but they still report significant challenges accessing the capital they need to stay afloat, keeping their supply lines open, making sure their employees can work remotely, and balancing increased family demands.

Prospects of Reopening

Owners and managers of SMBs are known to be resilient, but times are tough. While two-thirds of closed businesses expect to re-open in the future, including a slightly higher percentage of women than men (71% to 62%, respectively), among the one-third who did not, 34% said it will be because they can’t pay their bills or their rent (55% in the Midwest). Only 15% of owners and managers of personal businesses also cited financial pressure—27% said they did not expect to re-open for “personal reasons.”

And even when the time comes to re-open, the path forward is not always clear. While 41% of owners and managers say they plan to use personal savings to reopen their business when the time comes, 39% do not know where they’re going to get the money. Again, personal businesses face a different reality: only 28% plan to use personal savings, while 53% are uncertain where the necessary funds will come from.

Workload

One way to gauge the relative health of an operational business is to query their workload. Whether a business owner or manager reports that they are working more or less can serve as an initial indicator of other long-term trends relative to the health of their business, i.e., as the crisis progresses, will they be making enough money to get by?

Which business reported a higher workload?

• There was slight regional variation among businesses reporting a higher workload, with 24% from the Northeast, cf. 14% from the West.
• In order to accommodate changing consumer behavior related to particular goods and services, these businesses reported: extending operating hours (24%), hiring more employees (14%), and increasing supplies (14%), among other strategies.
• Comparing sales over the last 30 days with the same time in 2019, 15% of businesses reported an increase, which when analyzed by gender, revealed a small variant (18% of women cf. 13% of men.)
• Still, although fewer men reported an increase in sales, their relative increase was higher, with 35% of men reporting an increase of 100% or more, cf. 11% of women.

Note: Chart A3-4 and Chart A3-5 show reported differences in sales broken down by gender of owner and industry, respectively.
Our research showed that, as might be expected during a time of serious upheaval, some businesses are indeed seeing higher workloads, including: 17% of all operational businesses and 24% of retail operations.

Indicative of the facts on the ground however, most operational SMBs—a full 60%—reported a lower workload; including in particular, compared to 65% of personal businesses and 70% for hotels, cafes and restaurants, again suggesting a locus of this crisis.

“[We need] funds to pay rent and lease payments after being forced to shut down. We have no income coming in and no way to cover our bills. Our landlords both personal and professional still need to be paid.”

**Finances and Access to Capital**

Three out of five businesses surveyed for this report (60%) say that they are struggling with some aspect of their company’s finances. For businesses in the American West, it was 65%.

In particular, people reported their chief concerns with respect to finances and capital were: paying their workers’ salaries and wages (29%) and paying their bills (28%). For hotels, restaurants and cafes, those numbers rose to 44% and 54%, respectively.

*Chart 02 details these areas of concerns for businesses and personal businesses. Chart A3-6 provides in Appendix 3 provides a breakdown by industry.*

Approximately 40% of businesses reported that their cash outflow has been greater than inflow over the past 30 days. For service-oriented SMBs that number rose to 49% and construction-related SMBs, 55%.
All this thrash resulted in cash flow appearing high on the list of pressing concerns for operational businesses: 76% report being either very or somewhat concerned about their cash situation in the coming three months.

Chart 03 provides response rates on the state of cash flow for businesses over the past 30 days.

To make ends meet, 41% of businesses owners and managers reported they could draw from personal savings accounts, 11% from family and friends, 7% from community donations, and 4% from gift cards for clients. Interestingly, information and communication SMBs had more access to community donations (at 18%), while hotel, cafe and restaurant SMBs had more access to gift cards (15%).

Businesses are also turning to institutions for help. When asked what was the one thing that would most help their business adapt to the pandemic, 45% of operating SMB owners and managers said zero-interest loans or other financial assistance.
Half of SMBs (50%) reported applying to government sources for capital support in the 30 days prior to the survey fielding, 11% for traditional bank loans and 6% for capital grants from the private sector. Variations in these figures were noted for personal businesses, ranging from 25%, 4% and 6% respectively. For businesses in the Midwest, these figures are higher: 60%, 16% and 9%, respectively. Other regions lacked significant variation.

Chart 04 provides a full breakdown on potential capital sources for traditional and personal businesses.

Supply Challenges
As the crisis grinds on, supply lines remain an ongoing, possibly underappreciated concern.

Of the SMBs surveyed: 40% of owner-managers reported facing supply challenges, including 67% of retail SMBs, 35% of personal businesses and 50% of hotels, cafes, and restaurants. Specifically, they reported they were finding limited supplies of a specific product (61%), and delayed shipments (56%). In this context, entrepreneurial flexibility is a key to helping businesses pull through the pandemic. To keep supplies flowing, 13% of businesses are using new suppliers, 18% have delayed orders, and 24% have adjusted their delivery schedules (including 18% who cited changing delivery procedures suggesting safety is a concern). Businesses led by men have engaged in these behaviors slightly more, with 21% changing delivery procedures and 20% delaying orders (cf. women at 15% and 16%, respectively).
While many of the people we surveyed have been vigilant and proactive about keeping customers, employees, family members, and their communities safe from the virus (48% reported cleaning their offices and work spaces more frequently, 45% report providing gloves, masks, hand sanitizers, or other protective equipment to their workers), 47% reported that they were also facing sanitation or cleaning supply shortages.

And in a related finding, 51% of owner-managers report increasing online interactions with their clients to reduce the spread of the virus, in addition to cleaning more often.

A FOCUS ON Personal Business

By opening up new avenues of communication, the internet has enabled new opportunities for people to run “personal businesses.” Within this survey, this term refers to people who responded that they were “self-employed providing goods or services” or that they “produce goods sold for personal income” but who did not otherwise report being involved in a business. For example: consider a person who sells homemade flowerpots through Facebook Marketplace: it might be their primary source of income or it might be a “side hustle,” they may be a solo-prenuer or they might employ others. What matters for the purposes of this survey is that they are engaged in this activity, do not identify as an employee and did not otherwise self-identify as a “business owner or manager.”

In this survey, 9% of respondents (approximately 9,000 people) represented themselves as “personal businesses,” over half (55%) of which were led by women.

As evidenced by the data, the economic turmoil unleashed by COVID-19 is striking personal businesses particularly hard. They are more likely to report being out of operation (52% cf. 31% of more formal SMBs), more likely to struggle from basic operational issues like logistics and supplies, and less able to support remote work long-term (55% cannot sustain workers working from home for more than a few days).

The people who run personal businesses tend to report having less access to sources of money such as wage and job income, personal savings, and income from another business, and consequently, more difficulty paying their household expenses (40% cite this difficulty cf. 33% of owners and managers of more formal businesses).

While entrepreneurial flexibility is a major determining factor in helping businesses make it through this crisis, personal businesses are at a disadvantage: only 65% said they’ve made a change to accommodate clients or customers. Possibly evincing a steeper digital onramp, personal businesses report using the internet less than their formal counterparts to help customers adapt: only 24% say they have expanded the use of digital payments and only 35% are offering online services.
Turning to Technology

For many small businesses, the internet remains a lifeline.

Seventy-nine percent of businesses say they’ve made a change to operations to accommodate clients and customers, including things like expanding the use of digital payments (35%), and offering curbside or home delivery (23% and 24%, respectively). Businesses in the Southeast reported slightly more use of physical adjustments, with 27% providing curbside delivery and 27% providing delivery at home.

More broadly, the internet is helping businesses continue to operate during the pandemic; in the 30-days prior to the survey fielding: 23% of businesses reported using digital ordering tools, 16% service delivery tools, and 37% digital payment tools. Thirty-six percent of operational personal businesses that use online tools report that they are conducting all their sales online.

Businesses led by women are more likely to be using digital tools, particularly with online advertising (43%) and digital payment tools (40%), compared to just 37% and 34%, respectively, of businesses led by men. More generally, 40% of businesses (and even 31% of personal businesses) are making use of online advertising to continue operating during this pandemic.

As for how well these tools are serving the needs of SMBs: 56% of business leaders that use online tools said their business makes at least half their sales digitally. Again we find that women-led businesses are making more use of online sales, with 59% saying at least half of their sales are digital compared to 54% of businesses led by men.

“My company has Webex meetings and team sites. We were able to bring home our work set up including chairs and standing desks. I have fiber optic internet at home. I’m set.”

In the end, these tools are not a panacea. According to the survey, about half of businesses (51%) report that a majority of interactions between clients/customers and employees/workers need to be conducted in the same physical location. Similarly, 35% of operational business owners/managers report that they can not work remotely, as did more men (42%) than women (28%). There is notable, but expected variation by industry. While 17% of information and communication SMB managers say they could not work from home at all, 67% of hotels, cafes, and restaurant owners and managers reported the same.
At the time of this report, it remains unclear when COVID-19 will abate, what conditions are necessary for that to occur, and what business will look like going forward. Many business owners are worried. Our survey in April captured some of this foreboding. Of those businesses that are currently operational, 11% said that they did not expect to continue in operation beyond the next three months should current conditions persist.

When business leaders considered their greatest challenges over the next few months, 28% cited concerns about cash flow and 20% worried about lack of demand. That is: businesses said they need access to capital and they need customers.

Preparing to Reopen

For many businesses, demand will be a function of how close to “normal” conditions are after COVID-19 abates. Businesses will continue to be affected by the duration of shelter-in-place orders, the extent of restrictions as society begins to re-open, the public’s perceived risk in engaging with particular businesses, and the overall economic situation that will influence consumer and corporate spending.

Among owners and managers of closed businesses: 57% said that the most important action that had to take place for their business to reopen was for the government to allow operation; another 20% said securing funds.

Currently, just 28% of all surveyed businesses report having a line of credit or a loan from a financial institution. And as previously noted, 41% of owners and managers plan to use personal savings to reopen their business when the time comes while 45% of operational businesses reported zero-interest loans or other financial assistance as their most pressing need.

Midwestern businesses were more likely to report receiving financial support—with 40% saying they already have a credit line or loan, compared to 23% of Northeastern businesses, 26% of Southeastern businesses, and 24% of Western businesses.

“My business needs the economy opened up. Small businesses are suffering and no amount of stimulus money can replace a thriving and functional business.”
Addressing New Fears

As business owners and managers consider their options, they worry about the risks of getting a loan or opening a line of credit. Despite their need for access to capital, 47% of open businesses were afraid of borrowing money — unsure if or how they could pay it back. Just over half of operational business owners reported that they have access to personal savings, but were not clear if it would be enough to save their business. And personal businesses expressed heightened uncertainty about where to apply for loans in the first place.

*Chart 05 details areas of concerns for traditional and personal businesses.*

When asked what were their three most desired policies to help keep their businesses open, owners most often cited: credit access and guarantees (36%), salary subsidies (38%) and tax deferrals (34%). Reflecting the fact that attending to domestic work is integral to one’s overall ability to work, owners and managers also cited the need for help taking care of household members (23%). Women reported this need more often than men (27% cf. 19%).
Finally, despite public discussion around the issue, only 9% of businesses listed exemptions from Social Security taxes as one of their top three desired interventions.

*Chart 06 breaks down these policies by response rate for female and male-owned businesses. Chart A3-7 in Appendix 3 shows a breakdown by industry.*

**A FOCUS ON Access to Information**

Although one of the prerequisites to securing additional help is information about where to find it, only 4% of SMB owners and managers chose “information access” as their primary challenge.

While 28% of business leaders said they did not have enough information to make decisions about their business during this pandemic (including 34% of businesses in the Midwest), the overall lack of information was less of a concern than the trustworthiness of the information in circulation. Indeed, a majority (56%) of people who said information access was a challenge said they were in the presence of so much contradicting information, they didn’t know who or what to trust.

To get information, open businesses report using internet news (55%), news from governments and health authorities (52%), social media (45%), friends and family (28%) and online support groups (20%).
Domestic Obligations in Context

Finally, sources of aid or avenues of assistance must take account of the pressing need for help in the household. 10% of owners and managers of open businesses reported taking care of household members (children, elderly, dependent adults, and so on) as their chief concern. Nearly half (47%) of those reported feeling burned out trying to take care of business and household at the same time. And 29% were concerned about bringing COVID-19 home.

Amount business responsibilities affect household care duties during COVID-19

CHART 07

CHART 08

SECTION 03
When asked how their household responsibilities affected their ability to focus on work, owners and managers reported that it affected them “a great deal” or “a lot” at a higher rate (29%) than employees generally (26%). Women owner-managers reported the same at 33% compared to 25% of men.

Charts 7 and 8 detail responses on how household responsibilities affect ability to work, by owner-manager status and gender. Charts A3-8 and A3-9 in Appendix 3 include summaries for the impacts of business responsibilities on household responsibilities.

As for workload: 62% of respondents report spending 1 to 4 hours on domestic or household care activities. A lower percentage of men (21%) and a higher percentage for women (29%) reported that household responsibilities significantly affected their ability to focus on work responsibilities (cf. 26% overall). And among the 13% of respondents who reported spending more than six hours per day on household activities, there were slightly more women than men (14% cf. 12%).

“Funds, I need funds... being furloughed from my full time job and released from my part time as a single mom of 2 kids is very stressful.”

Charts 09 breaks down the number of hours spent on household activities for owner managers, by gender.

Alongside their domestic responsibilities, 34% of businesses report that it has been difficult to pay their household’s usual expenses in the last 30 days. Among personal businesses that number is 40%, and among owners and managers of hotels, restaurants and cafes it’s 59%.

These results highlight the close links between personal obligations and business operations and how the demands of home can affect the overall stability of the marketplace. The needs of businesses are deeply intertwined with the obligations of the people who run them.
Conclusion

This report paints a picture of an economy in crisis — but it is not a crisis that is being felt evenly. Everywhere we look in the data we see things are tougher for certain types of firms, like personal businesses or businesses like hotels and cafes. Demand is a concern, and businesses need money to stay afloat, but many owners are hesitant about debt. Some have savings or a spouse to lean on, others do not.

And yet, despite all the challenges present, the crisis has not eliminated a sense of optimism. That optimism, coupled with evidence of businesses acting quickly and creatively to find new ways to reach and serve customers, shows the entrepreneurial spirit is alive and well.
The following is a selection of some of responses to the open-ended survey questions.

“I was trying to grow a business. With the pandemic that has not happened. I was able to make a few sales. All regular avenues of sales were closed and access to new accounts were closed as well. I need the country to reopen to succeed.”

“I’m a translator who has pretty much always worked at home although I do go to various public meetings and conferences to network and that’s gone. The chief difficulty is that my clients, the media and publishers are strapped now and not paying me or paying me very slowly.”

“Most of our staff was laid off from other employers. Though we have assets to compensate them for two pay periods, we’re not sure when sales and distribution will become ‘normal’ in this post-quarantine environment. A grant COULD assist with this.”

“We need to stabilize our business for the long term in order to bring employees back from layoffs.”

“I rely on other businesses to operate for my business to function properly. I need things to go back to normal in order for my company to make an income.”

“With no money coming in bill’s aren’t paid and utilities, rent, insurance aren’t paid and they still want their money...loans take too long, now we are able to open but damage has been done...don’t know how long Business will take to get back to the momentum we were at before Covid”

“Not enough motivation--people are afraid to work and/or are feeling so much pressure that it doesn’t feel worth it. The pay isn’t enough of an incentive as it used to be because of the risks involved in working outside the home.”

“The primary industry segment we serve, meetings/events/weddings, has essentially disappeared. We need to promote our business to new & different market segments in order to maintain enough revenue to endure the shut downs.”

“I teach preschool which now is all online. I need educational support & resources - knowing whose music I can use, whose books I can read online & whose printable resources are free/downloadable.”
“I don’t really need support for my business because that has not been affected. What has been is that my business is based on dealing with customer service, face to face and usually in there home or mine. It’s a cosmetic/skin care business and now it all has to be done on line. It is completely new to me and I’m having a hard time getting used to it.”

“We need financial support as well as better guidance from public health about what is safe. We need child care and schools to open. We need government testing and tracing capability.”

“Access to customers. Stay at home doesn’t always mean shopping from home. All business cannot be digital. I’m not suggesting opening doors to nonessential businesses, but until those doors do open, we need financial support.”

“We definitely need financial support without the fear of being charged enormous amounts later.”

“Workers have reduced hours and been laid off. We all need more money than $1200. Providing money so people can keep themselves safe, be it paycheck protection or working from home or spending money to increase safety standards and protocols.”
Regional breakout charts

When was this business last operational?

What was the main reason this business closed?
Do you expect that this business will re-open in the future?

In the past 30 days, which of the following sources of capital did this business apply for?
Is this business planning to apply to any of these sources of capital in the near future?

Did this business have to change anything to accommodate its clients or customers during the COVID-19 pandemic?
Which of the following changes has this business adopted to accommodate the clients or customers?

- Expand use of digital payments e.g. payment by phone online etc
- Offer free cancellation or changes of pre booked services
- Other please specify
- Provide curbside delivery at business location
- Provide delivery of services or goods at home
- Provide online services

Do you feel that you have access to enough information to make decisions about this business during the COVID-19 pandemic?

- West
- Southeast
- Northeast
- Midwest

No, I do not have all the information I need
No, I do not have any information at all
Not sure
Yes, I have sufficient information
Response charts in detail

**Businesses not currently operational or engaging in any revenue-generating activities by gender**

![Chart A3-1](image)

**Businesses not currently operational or engaging in any revenue-generating activities by region**

![Chart A3-2](image)
Number of full-time employees working prior to COVID-19

Business sales for the last 30 days (in 2020) compared with the same month last year (in 2019)
Business sales for the last 30 days (in 2020) compared with the same month last year (in 2019)

Areas of financial concern by business segment

APPENDIX 03
Most needed policies to support businesses during the COVID-19 crisis

Agriculture, forestry, fishing, and mining
Construction
Hotels, cafes, and restaurants
Information and communications
Logistics
Manufacturing
Retail
Services

Amount business responsibilities affect household care duties during COVID-19

Owner or manager
Employees
Amount business responsibilities affect household care duties during COVID-19

CHART A3-9

Hours per day spent on domestic or household care activities

CHART A3-10
This survey was fielded on our platform in April of 2020 to a random sample of Facebook users. Our sample is representative of all Facebook users, regardless of their activity on the platform in a commercial capacity. Results for businesses above are reported from answers collected from those who claim to be an owner or manager of day-to-day operations of a business with fewer than 500 full-time employees.

• This included an over-sample of Facebook Marketplace Sellers, Facebook Business Page administrators and Facebook advertisers, though we did weight their responses downward to be proportional to the total US Facebook population for final reporting of results.

• The survey invitation was shown as an invitation on people’s News Feeds. Opening the survey, responding to the survey, and completing the survey were all entirely optional.

• If a respondent chose to skip any question in the survey they were allowed to do so with no reminders or prompts to answer of any kind.

• Respondents were not compensated in any way for either starting or completing this survey.

For this survey we sent out a total of 1.9 million invitations. In total, we surveyed approximately 86,000 people. Ultimately we were left with 38,078 total surveyed business owners and managers nationwide, 39,104 business employees, and 8,694 operators of personal enterprises based upon their self-reported work status.

• Respondents could have seen a total of 136 questions or statements in the survey, but were allocated in a semi-random fashion to ensure overall survey length was below 30 items for the longest path.

  – All respondents were asked a core set of questions around demographics and certain business-focused questions.

  – Business owners and managers and operators of personal enterprises were randomly assigned to one of five thematic question blocks.

  – Employees, closed businesses, and unemployed persons were given separate sets of questions with deterministic content.

For results reporting we use only weighted data and screen out certain results.

• Data were weighted using a two-stage procedure:
  – First, inverse-probability individual-level sampling and non-response weights were constructed using a logistic regression at the population level (i.e. one for each oversample and one for everyone else).
  – Second, overall weights were balanced using standard cell-weighting techniques to correct for our over-sampling of specific sub-populations.

• The sample weighting targets were derived from on-platform FB MAP population statistics.

• When examining a distribution of our respondents by business headcount we find that we have a somewhat higher share of larger SMBs replying as compared to some other sources that are suggestive of the total US population (e.g. 2017 Census of US Businesses). We find that those represented on Facebook tend to come from service-oriented industries (3% come from manufacturing, 15% from retail or wholesale trade, 31% from services, 4% from logistics, 8% from hotels, cafes, and restaurants, 8% from construction, and 4% from agriculture, farming, forestry, fishing and mining with the remainder listing “other” as their main industry).

  – We furthermore find that 33% of businesses reachable through Facebook are urban, with 42% suburban and 25% rural.

• Results are not reported where a given question had fewer than 100 respondents.

  – This includes demographic-based sub-reporting e.g. by gender or by region.
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