



TARGOZ MARKET RESEARCH

# COVID-19

## SMALL BUSINESS SURVEY

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APRIL 20, 2020 // FOR IMMEDIATE RELEASE





April 20, 2020

# SURVEY OF SELF-EMPLOYED BUSINESS OWNERS

While Congress debates restocking the exhausted Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan Program, we polled small businesses to learn more about their experience with the programs and to see how they're faring due to COVID-19.

As we worked on the poll results today, we also learned small businesses are now suing Wells Fargo, JPMorgan Chase, Bank of America, and U.S. Bancorp, alleging that the banks processed applications for the government's Paycheck Protection Program based on the size of fees they'd receive rather than on a first-come, first-served basis.

Based on our poll of 662 self-employed business owners, which included owners, partners, presidents, CEO, and chairpersons, it does appear small businesses with less than 20 employees were more likely to be left in a lurch when the program ran dry on April 16, 2020. **In fact, applicants with no payroll to protect fared better than many small employers.**

Overall, more than one in five respondents said they applied to the Paycheck Protection Program, including 40% of respondents from an organization with 20 or more employees.

TO LEARN MORE,  
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	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR MORE EMPLOYEES
<b>DID YOU APPLY FOR THE PAYCHECK PROTECTION PROGRAM?</b>				
YES	21%	11%	29%	40%
NO	75%	84%	67%	56%
NOT SURE OR UNDECIDED	4%	5%	4%	4%

To be fair, the program was initially billed as a payroll protection program, and larger enterprises do account for more than half of employment in the U.S. So, it's not a surprise that a higher proportion of larger enterprises would appeal for help.

However, much of the messaging around this issue and negotiations for additional funding have focused on the needs of small businesses, and it appears they do need help keeping employees on their payroll during the economic disruption caused by COVID-19.

Of the 21% of small businesses that applied for assistance, a little more than one in four (26%) have received PPP funding. This includes 31% of applicants with no employees, 18% with 1 to 19 employees, and 57% with 20 or more employees.

More than half (51%) of applicants with fewer than 20 employees were waiting for approval when the program ran out of money. Among applicants with no employees, two in five (40%) were waiting for approval when funds for the program were completely exhausted.

The independent contractors, gig workers, and sole proprietors with no employees fared better than the small enterprise applicants with 1 to 19 employees on their payroll in gaining access to the funds.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 R MORE EMPLOYEES
<b>WERE YOU APPROVED FOR THE PAYCHECK PROTECTION PROGRAM?</b>				
YES, I WAS APPROVED BUT HAVE NOT RECEIVED THE FUNDS AS OF YET	26%	19%	27%	33%
YES, I WAS APPROVED, AND HAVE RECEIVED THE FUNDS	26%	31%	18%	<b>57%</b>
NO, I WAS DENIED	1%	5%	0%	0%
<b>NO, I WAS WAITING FOR APPROVAL WHEN THE PROGRAM RAN OUT OF MONEY</b>	<b>44%</b>	<b>40%</b>	<b>51%</b>	<b>10%</b>
NONE OF THE ABOVE	3%	5%	3%	0%





We also asked business owners about their experience with the Economic Injury Disaster Loan Program, and we see the same patterns.

Just 17% of respondents, including 24% of small enterprises (1-19 employees), and 28% of larger businesses (20+ employees) applied for assistance from the disaster loan program.

Almost one in three (32%) of applicants with zero employees were able to get approved and have received the requested funds from the program.

Over half (54%) of applicants with 1 to 19 employees on their payroll were waiting for approval when the funds for the Economic Injury Disaster Loan Program were exhausted.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR MORE EMPLOYEES
<b>WERE YOU APPROVED FOR THE ECONOMIC INJURY DISASTER LOAN PROGRAM?</b>				
YES, I WAS APPROVED BUT HAVE NOT RECEIVED THE FUNDS AS OF YET	13%	13%	12%	23%
YES, I WAS APPROVED, AND HAVE RECEIVED THE FUNDS	23%	32%	18%	27%
NO, I WAS DENIED	7%	1%	9%	6%
<b>NO, I WAS WAITING FOR APPROVAL WHEN THE PROGRAM RAN OUT OF MONEY</b>	<b>48%</b>	<b>47%</b>	<b>54%</b>	<b>19%</b>
NONE OF THE ABOVE	9%	8%	7%	24%



We also asked respondents how they would vote in November’s presidential election.

In an odd twist, larger businesses that had earlier access to funds from the Payroll Protection Program were more likely to support Joe Biden this November and Hillary Clinton in 2016.

The two groups of business owners who strongly supported President Trump in 2016 and 2020, were the most likely to have been left waiting for approval when the program ran out of funding.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 R MORE EMPLOYEES
<b>IF THE NOVEMBER 2020 GENERAL ELECTION FOR PRESIDENT WAS HELD TODAY, WOULD YOU VOTE FOR:</b>				
<b>DONALD TRUMP</b>	<b>42%</b>	<b>44%</b>	<b>41%</b>	26%
JOE BIDEN	37%	33%	38%	<b>56%</b>
NOT SURE OR UNDECIDED	17%	17%	16%	18%
I WOULD NOT VOTE	5%	5%	5%	0%

<b>IN THE 2016 ELECTION FOR PRESIDENT, DID YOU:</b>				
<b>VOTE FOR DONALD TRUMP</b>	<b>40%</b>	<b>38%</b>	<b>41%</b>	<b>41%</b>
VOTE FOR HILLARY CLINTON	30%	28%	29%	44%
VOTED FOR ANOTHER CANDIDATE	12%	12%	12%	11%
I DID NOT VOTE IN THE 2016 ELECTION	18%	21%	17%	4%







## HOW GREAT IS THE NEED?

We will be doing a deeper dive into the data throughout the week. But we wanted to share a few additional items in this release.

First, 5% of firms with more than one employee have already closed their businesses permanently, and 15% of all respondents, which includes non-employer companies, said their businesses were unlikely to survive to the end of the year.

Just over one in five business owners (21%) have experienced a 90%+ decline in monthly revenue since March 1, 2020, and nearly a third, 32%, say they're having trouble getting larger companies, suppliers, etc. to pay them on time.

Not only are business owners being left in a difficult situation by the federal programs designed to help them stay afloat, larger suppliers with more access to capital, and to these "small business" programs, are not paying them at a time when they need the cash flow and assistance.

## METHODOLOGY

This online poll was conducted by Targoz Market Research, an independent research company.

Interviews were collected on April 19, 2020, among a sample of 662 respondents who identified themselves as self-employed or business owners.

The estimated margin of sampling error is +/-3.81 at the 95% confidence level. Results were weighted by geography, size of the business, and type of business using data from D&B and the U.S. Census Statistics of U.S. Businesses Employment and Payroll.

More information about the poll, including access to the crosstabs, can be obtained by visiting [www.targoz.com](http://www.targoz.com).