



TARGOZ MARKET RESEARCH

# COVID-19

SMALL BUSINESSES COULD BE  
THE GREATEST CASUALTY

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MAY 5, 2020 // FOR IMMEDIATE RELEASE



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## SURVEY OF SELF-EMPLOYED BUSINESS OWNERS

The Paycheck Protection Program (PPP) is officially one month old, and we conducted a follow-up to our April 20th poll of small businesses to learn more about their experiences with the program and to see how they're faring due to COVID-19.

The poll results of 756 self-employed business owners, which included owners, partners, presidents, CEO, and chairpersons, is genuinely troubling.

- Of the small businesses that have applied for assistance, just 16% have received PPP funding
- Larger firms with 20 or more employees continue to have more success accessing cash from these federal programs
- Funding from the Economic Injury Disaster Loan Program (EIDL) is getting to applicants at a faster rate than the PPP program
- **Small business owners who supported President Trump in 2016 and 2020, are less likely to have found success getting money from these programs**
- Just over half (54%) of companies we surveyed believe they will survive until the end of 2020
- Of those who rent space for their business, 17% are currently delinquent on their April rent, and only 58% think they will be able to pay their May rent
- While facing difficult circumstances, more than half (52%) of small business owners do say they approve of the current restrictions on how restaurants, stores, and other businesses operate in their state

TO LEARN MORE,  
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Overall, more than one in four (26%) small businesses have applied for the Paycheck Protection Program, which is a 24% increase from our prior poll.

The growth in applicants was highest among companies with actual payroll. Over half of businesses with 20 or more employees have now applied, which is a 33% increase in two short weeks.

More than a third (37%) of employers with less than 20 employees have applied, up 28% from our prior poll.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR MORE EMPLOYEES
<b>APPLIED FOR PAYCHECK PROTECTION PROGRAM SUPPORT</b>				
APRIL 16, 2020	21%	11%	29%	40%
MAY 4, 2020	26%	13%	37%	53%
% INCREASE	24%	18%	28%	33%

While more than one in four (26%) small businesses have applied for assistance, just 16% have received PPP funding. More than four in ten (41%) applicants have received approvals but are still waiting on the funds.

Larger firms with 20 or more employees continue to have more success with the program. Nine in ten (91%) applicants with more than 20 employees have been approved, and over a third (35%) have received funding.

Smaller employers have not been as lucky.

While over half (54%) of applicants with fewer than 20 employees were approved, just 14% have received funds from the program.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR MORE EMPLOYEES
<b>APPLICANTS WHO HAVE RECEIVED APPROVAL FOR PPP SUPPORT</b>				
APRIL 16, 2020	52%	50%	45%	90%
MAY 4, 2020	57%	53%	54%	91%
% INCREASE	10%	6%	20%	1%
<b>STATUS OF PAYMENT</b>				
HAVE RECEIVED PPP FUNDS	16%	14%	14%	35%
APPROVED AND WAITING FOR FUNDS	41%	39%	40%	56%
NOT APPROVED OR FUNDED	43%	47%	47%	9%



Of those who applied for PPP, more than half (52%) asked for less than \$50,000, and one in four (26%) asked for \$50,000 to \$99,999.

On a more positive note, it appears funding from the Economic Injury Disaster Loan Program (EIDL) is getting to applicants at a faster rate than the PPP program.

Almost half (45%) of applicants for EIDL have been approved, up 25% in two weeks. Nearly one in four (24%) applicants have already received cash from the program. Larger employers (20+) continue to fare better, with 61% of larger enterprises getting approval, and 45% have already received money from the program.

	TOTAL	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR MORE EMPLOYEES
<b>APPLICANTS WHO HAVE RECEIVED EIDL APPROVAL</b>				
APRIL 16, 2020	36%	45%	30%	50%
MAY 4, 2020	45%	34%	47%	61%
<i>% INCREASE</i>	25%	-24%	57%	22%
<b>STATUS OF PAYMENT</b>				
HAVE RECEIVED EIDL FUNDS	24%	14%	26%	45%
STILL WAITING FOR FUNDS	21%	20%	21%	16%

Small business owners tend to support President Trump, so we asked respondents how they would vote in November’s presidential election to see if they were benefiting from these programs.

As with the previous poll, larger businesses who have had more access to funding and better success getting cash from these federal programs continue to support Joe Biden this November.

**Business owners with less than 20 employees and who supported President Trump in 2016 and 2020 were less likely to have received payment from these programs.**



	APRIL 22ND, 2020	MAY 4TH, 2020	A SINGLE OWNER OR HOME OFFICE: NO EMPLOYEES	VERY SMALL ENTERPRISE: FEWER THAN 20 EMPLOYEES	LARGER ENTERPRISE: 20 OR 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>45%</b>	<b>44%</b>	35%
JOE BIDEN	37%	34%	34%	32%	<b>55%</b>
NOT SURE OR UNDECIDED	17%	15%	13%	18%	7%
I WOULD NOT VOTE	5%	7%	7%	6%	4%

**IN THE 2016 ELECTION FOR PRESIDENT, DID YOU:**

<b>VOTE FOR DONALD TRUMP</b>	<b>40%</b>	<b>41%</b>	<b>38%</b>	<b>44%</b>	<b>45%</b>
VOTE FOR HILLARY CLINTON	30%	29%	29%	28%	31%
VOTED FOR ANOTHER CANDIDATE	12%	10%	10%	11%	16%
I DID NOT VOTE IN THE 2016 ELECTION	18%	20%	24%	18%	8%

Approval of the President's reaction to the coronavirus is mixed, with 41% of small business owners approving of the way Donald Trump is handling the coronavirus, while 44% disapprove.



## WILL SMALL BUSINESSES SURVIVE?

The impact of the great shutdown on small businesses cannot be understated. While the failure rate of small businesses is typically high, just 54% of the companies we surveyed believe they will survive until the end of 2020. A third are unsure if they will make it to the end of the year, and 13% think it's unlikely they make it to December 30th.

More than one in five (22%) say they have lost more than 80% of their revenue during March, and over half (53%) believe larger operators in their industry will have an advantage thanks to the pandemic.

As we noted earlier, larger enterprises have had more access to tapping government aid, and the respondents to this survey believe the current situation will only put them at a bigger disadvantage to their larger competitors.

Small businesses are in trouble, and nowhere is this crisis more evident than their inability to pay rent, which will negatively impact the commercial real estate market.

More than one in three (34%) small businesses rent or lease space for their company. Currently, 17% are delinquent on their April rent, and just 58% are confident they will be able to pay their May rent.

	TOTAL
RENTS OR LEASES SPACE FOR THEIR BUSINESS	34%
CURRENT ON APRIL RENT	81%
BELIEVE THEY WILL BE ABLE TO PAY MAY'S RENT	58%

By the end of May, we could see up to 42% of small businesses in the U.S. being unable to pay rent for their business. This doesn't even include the potential negative impact of chain stores such as J. Crew, Nieman Marcus, or the missed rent payments by companies like The Cheesecake Factory.



While the effects of the great shutdown or lockdown have significantly impacted the small businesses we polled, more than half (52%) of small business owners say they approve of the current restrictions on how restaurants, stores, and other businesses operate in their state.

While just one in four (25%) believe the limitations on businesses in their state are too restrictive, that number balloons to 39% in the Northeast region of the country, where the pandemic has caused significant loss to life and businesses.

The prospects for small business are dire thanks to COVID-19. While business owners understand the need for the shutdown, it doesn't change the fact that aid is not getting to them, and larger operators with more access to credit and government programs continue to have an advantage over their smaller competitors.

## METHODOLOGY

This online poll was conducted by Targoz Market Research, an independent research company. Interviews were collected on May 3-4, 2020, among a sample of 756 respondents who identified themselves as self-employed or business owners.

The estimated margin of sampling error is +/-3.56 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).