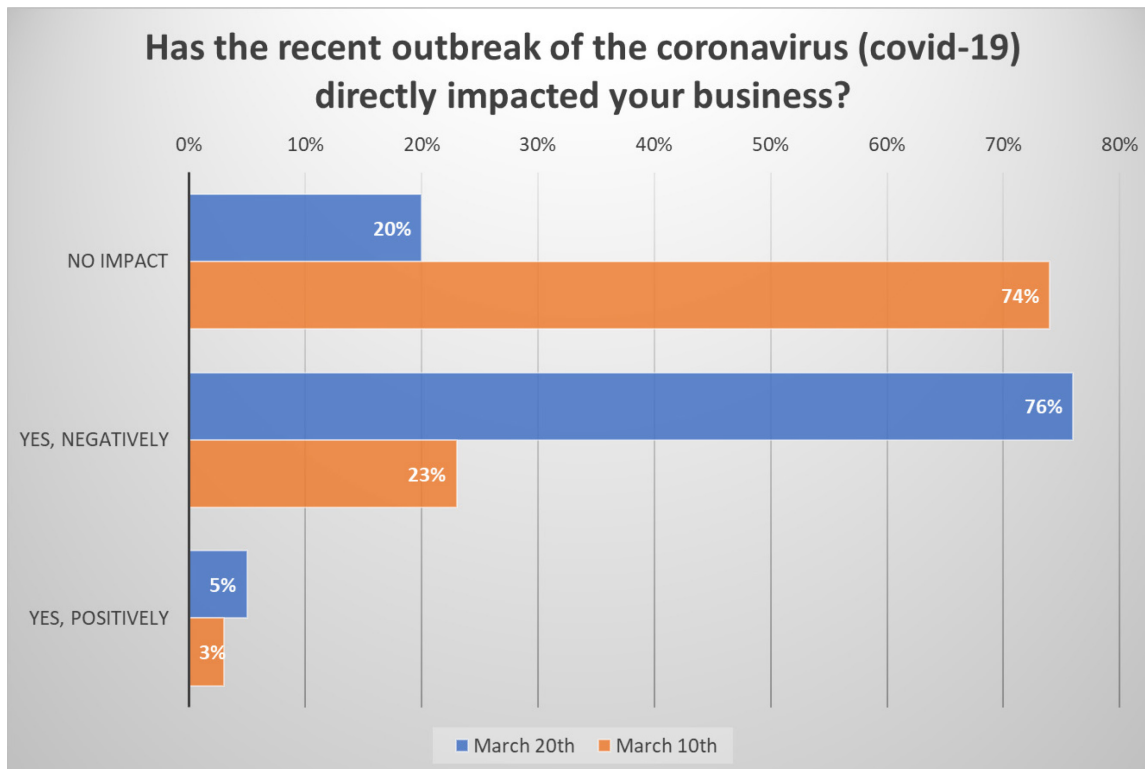


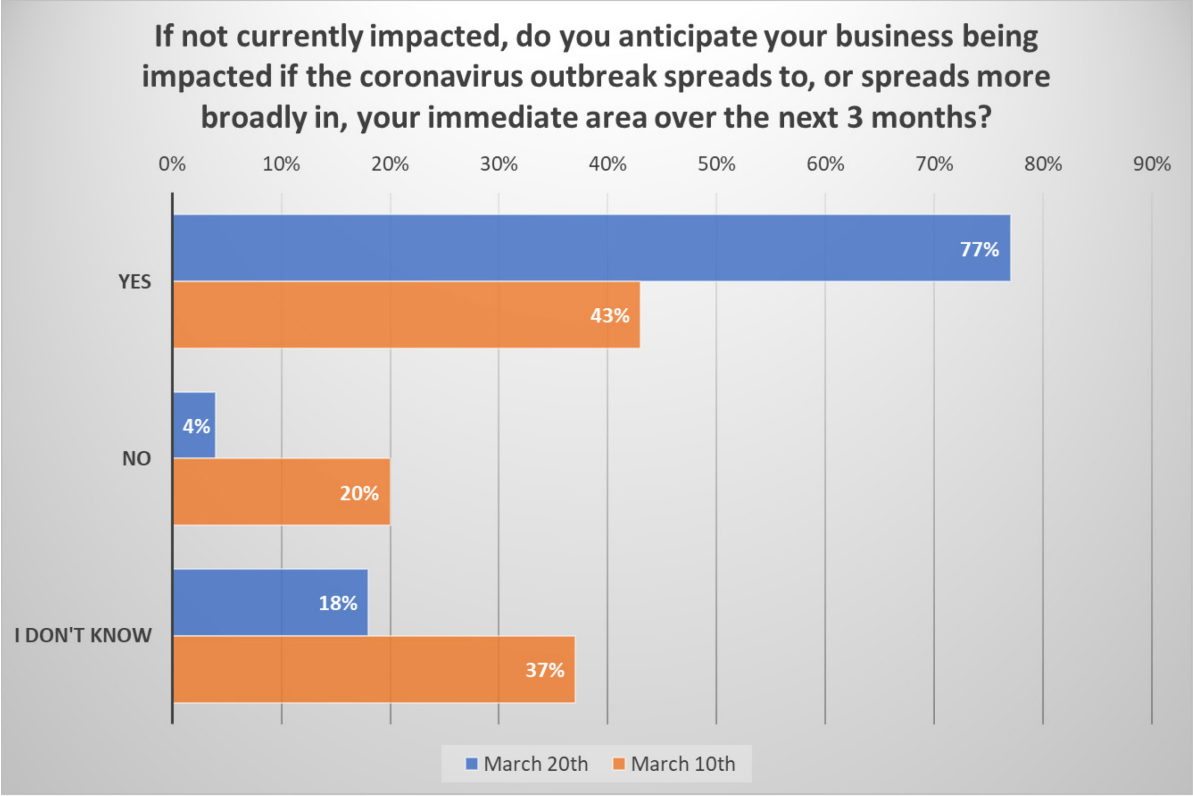
## Covid-19 Impact on Small Business: Part 2

The NFIB Research Center's latest survey on the current impact of the Covid-19 outbreak on small business offers a stark contrast from the survey released 10 days ago. The magnitude of disruption now on the small business sector is profound.

Currently, 76% of small businesses are negatively impacted by the outbreak of the coronavirus, a dramatic escalation from just under one-quarter of small businesses reporting the same earlier this month. About 5% are positively impacted. These firms are likely experiencing stronger sales due to a sharp rise in demand for certain products, goods, and services. This will likely ease in the coming weeks as consumers feel more secure about their personal supply levels.

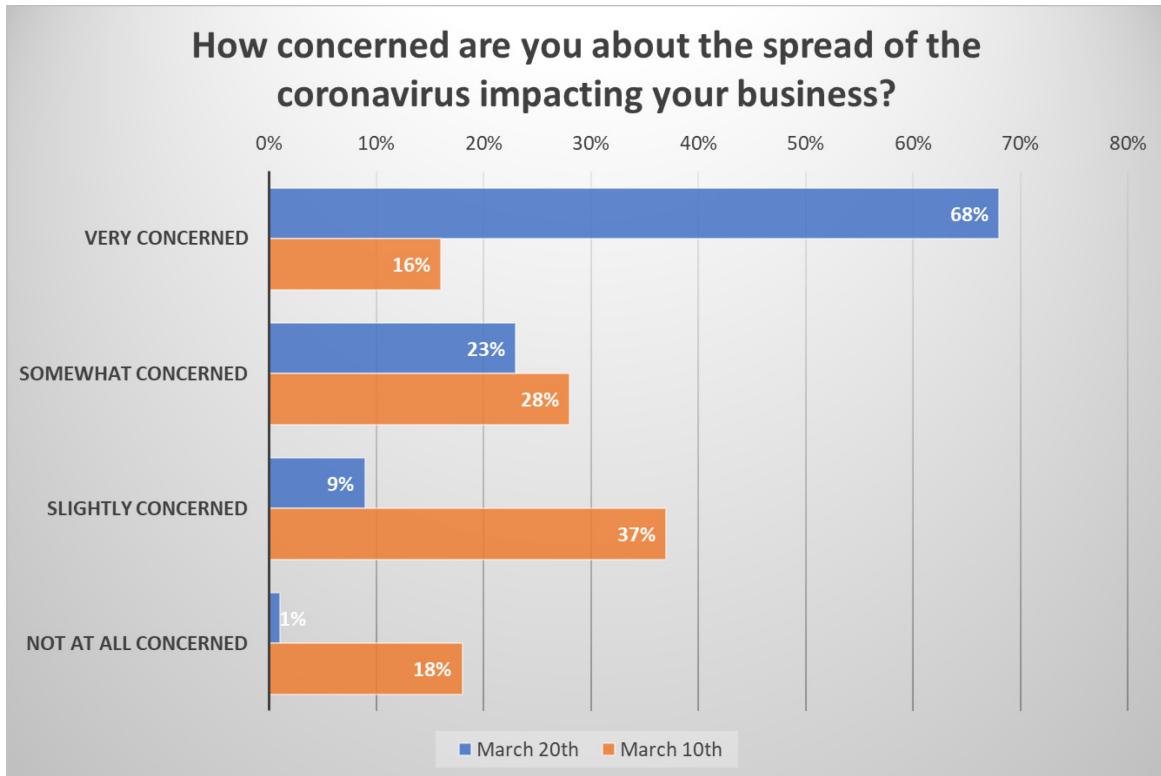


One-in-five (20%) small businesses are not currently affected by the outbreak, but 77% of them anticipate that changing if the outbreak spreads to or spreads more broadly in their immediate area over the next 3 months. This marks a sharp departure from the earlier survey where 43% of small businesses anticipated being impacted if the virus spread. Just 4% do not believe they will be impacted if the outbreak escalates and 18% are not sure.



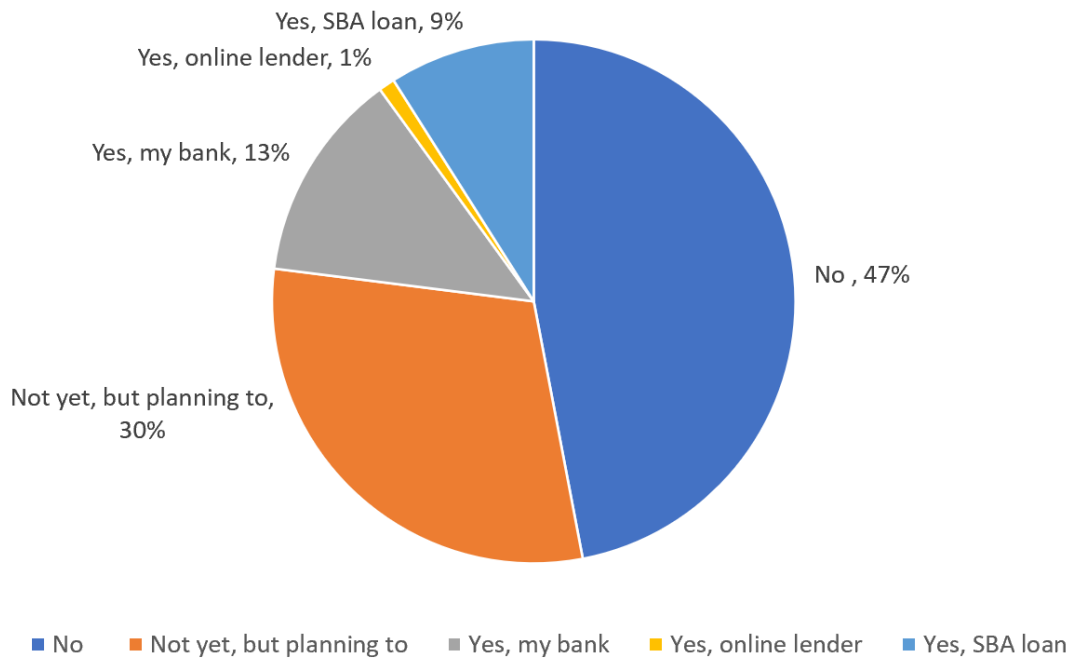
Of those businesses negatively impacted, 23% are experiencing supply chain disruptions, 54% slower sales, and 9% sick employees. The 9% of owners citing sick employees likely responded out of heightened concern and precautions with sick employees showing some signs of cold or flu-like symptoms, but not necessarily because they have employees who have tested positive for the virus.

Almost all small business owners are taking some sort of action adjusting to their changing economic condition or to protect themselves from potential disruption. Just 6% of owners have not taken any action in response to the outbreak, a market departure from more than half (52%) not taking action two weeks ago.



The level of concern among small business owners about the coronavirus impacting their business has elevated significantly over the past two weeks. About 68% of small business owners are “very” concerned about its potential impact on their business now compared to 16% earlier. Another 23% are somewhat concerned and 9% are slightly concerned. Just 1% are not at all concerned.

## Have you talked with your bank or searched online about available credit or lending resources for your business due to the coronavirus outbreak?



While many small businesses (47%) have not talked with their bank about financing needs, 30% are planning to do so soon. Another 13% have talked with their personal bank already, 9% with the SBA about their loan programs, and 1% with an online lender.

The vast majority of small businesses are now impacted by the Covid-19 outbreak and owners are taking the threat to their business seriously. Many owners have already sought out financial help and more are planning to do so in the near future. The outbreak will leave few, if any, owners unscathed. We know the economic impact will be immense, and now, the question is how long will it last and how quickly can the small business sector recover once on the other side. Small business owners are anxious to seek clarity to both questions.

### Methodology

This survey was conducted with a random sample of NFIB's membership database of about 300,000 small business owners. The survey was conducted by email on March 20, 2020. NFIB collected 700 usable responses, all small employers with 1-360 employees.