



U.S. State of Small Business

2020 - A CHALLENGING YEAR FOR SMBS

**FACEBOOK &
SMALL BUSINESS
ROUNDTABLE**

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FACEBOOK



SMALL BUSINESS
roundtable

Introduction

When we first surveyed small businesses last April, we saw a snapshot of an economy reeling from the early shock of the pandemic. It was clear then that restrictions on business that were essential for public health were also creating major challenges for many businesses. We have continued to listen to small businesses across the country throughout the pandemic to find out how they are coping and what they need.

This latest survey, conducted in late November and December, gives us a more comprehensive picture of the impact COVID-19 has had on small businesses over the course of 2020. It's clear that it was a challenging year for small businesses. By the end of the year, more than half of small and medium-sized businesses (SMBs) were still reporting lower sales compared to 2019, and although closure rates improved slightly compared to the early days of the pandemic, they are still high.

It's also increasingly clear that the economic impact of the pandemic hasn't been felt evenly. The report shows that female-owned small businesses are closing at a higher rate than those run by men—and the gap has increased since the start of the pandemic. Businesses in minority communities are also closing at a higher rate than others and have seen a steeper drop in sales too.

More optimistically, the survey also paints a picture of resilience and creativity among American businesses. Many that closed earlier in the pandemic have been able to adapt and reopen, helping to reduce the number of people out of work. And many have relied on the internet to do this, with more than one-third of small businesses saying they have increased their use of digital tools during the pandemic.

Whatever comes next, Facebook and the Small Business Roundtable will continue to work with SMBs to help them survive and, hopefully, thrive in 2021 and beyond.

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Executive Summary

This study, conducted by Facebook in collaboration with the Small Business Roundtable, presents the results from a survey of United States (U.S.) small and medium-sized businesses (SMBs), employees and consumers, with the objective of gaining a deeper understanding of the challenges they have encountered throughout 2020 while facing the coronavirus (COVID-19) pandemic. The results are based on a representative survey of Facebook users, capturing the views of 11,203 online SMB leaders, 8,066 employees and 6,666 consumers across the U.S. This follows an April 2020 study, conducted at the onset of the pandemic, allowing us to understand how impacts have evolved over the year.

The results reveal that, as of December 2020, fewer businesses were closed (25%) relative to April (31%), with some SMBs that were previously closed able to reopen in recent months, thereby helping to reduce the number of employees out of work due to business closures. Restrictions on public gatherings and in-person interactions continued to drive closures, although financial challenges and a lack of demand have played an increasing role since April. This was also observed through consumers reporting a reduction in spending, on account of the prevailing economic situation.

The proportion of SMBs reporting a reduction in sales of over 50% also fell since April, and fewer businesses reported a reduction in their workforce. However, by December, nearly one-third of businesses still reported a reduction in their workforce compared to last year. SMBs that have tried to hire workers have faced challenges in doing so; in December, 34% of sampled SMB owners and managers found it challenging to find adequately skilled employees. The decline in employment relative to last year has also led to job insecurity among employees.

Many businesses, however, have adapted their business models to improve their resilience—for example, by adopting social distancing practices and increasing their use of digital tools. This increased use of digital tools also helped to support sales. Indeed, the proportion of businesses making no sales through digital channels fell from 35%, prior to COVID-19, to 13% in December. This switch to digital channels has, in part, been driven by store closures and consumers switching to online purchases for safety and convenience.

25%

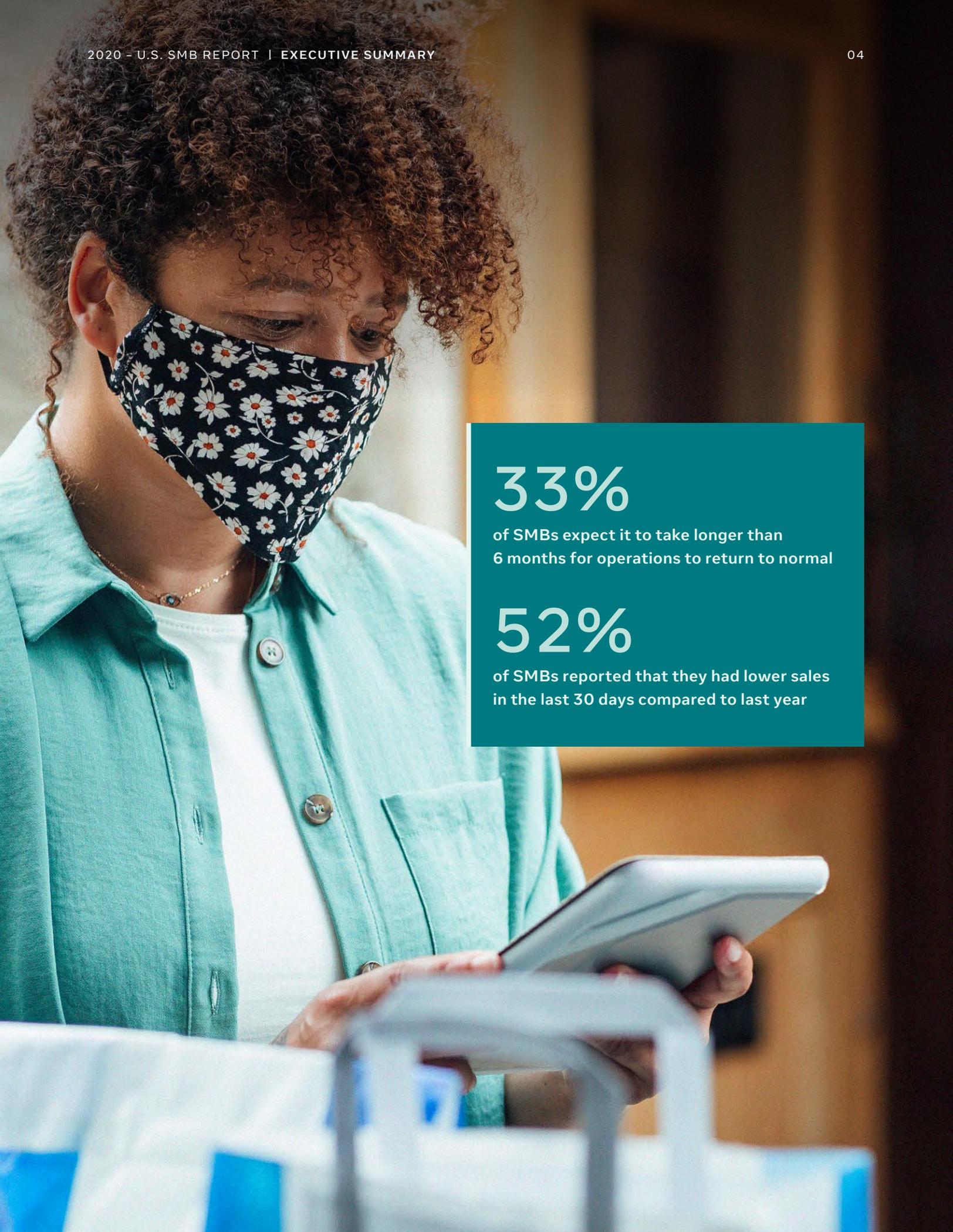
of SMBs were
closed as of
December 2020

COVID-19 has had disproportionate impacts on some elements of society, including female business leaders and those in majority-minority neighborhoods. A greater proportion of female-led businesses were closed relative to male-led businesses in both April and December, with the imbalance in closure rates increasing to 6 percentage points by the end of the year. Similarly, SMBs in majority-minority neighborhoods have faced worse business outcomes than those in non-minority neighborhoods, including higher closure rates, greater decreases in sales and larger reductions in their workforce. This in part reflects the prevalence of female-led businesses and businesses in majority-minority neighborhoods in sectors that were most impacted by lockdown restrictions, namely those classified as “non-essential” and those offering in-person services.

Female business leaders also faced a greater challenge in balancing their work and domestic responsibilities, with the disparity increasing since April. Female business leaders reported they were spending more time on both their business and domestic responsibilities, including caring for children and children’s education at home, and their ability to take care of both was being stretched. A greater proportion of female business leaders reported that domestic responsibilities were impacting their ability to focus on their businesses and that work was impacting their ability to take care of their household.

Given the challenging circumstances, many business leaders and employees applied for financial support to mitigate the effects of the pandemic, although fewer business leaders applied for support in December than in April. However, only 40% who did not apply reported that they did not need support, with many others reporting concerns over getting into debt or not being eligible for support.

Despite a gradual improvement in economic conditions and the adaptations SMBs have made, such as incorporating digital tools into their business models, many expect it will take time to return to normal. A notable proportion (33%) expect it to take longer than 6 months for operations to return to normal and foresee challenges related to ongoing government restrictions and reduced cash flow. Business leaders will likely continue to need financial support to either reopen or maintain their operations, as well as support due to the increased pressure on their lives, both at work and at home.



33%

of SMBs expect it to take longer than 6 months for operations to return to normal

52%

of SMBs reported that they had lower sales in the last 30 days compared to last year

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Background



SMBS GLOBALLY HAVE BEEN PROFOUNDLY AFFECTED BY COVID-19 IN 2020...

Lockdown and mobility restrictions, uncertainty and reduced consumer spending led to reductions in economic activity in the global economy. The International Monetary Fund (IMF) estimates that global real gross domestic product (GDP) declined by 3.5% in 2020 (IMF 2020a). Although the crisis has impacted businesses of all sizes, small and medium-sized businesses (SMBs), defined here as those with fewer than 500 employees, are particularly vulnerable to economic shocks. SMBs are more dependent on debt for financing than their larger peers and normally rely on short-term loans to deal with liquidity shortages. However, their inability to raise other sources of funds at short notice can turn a liquidity shortage into a solvency problem and can lead to the threat of closures (IMF 2020b).

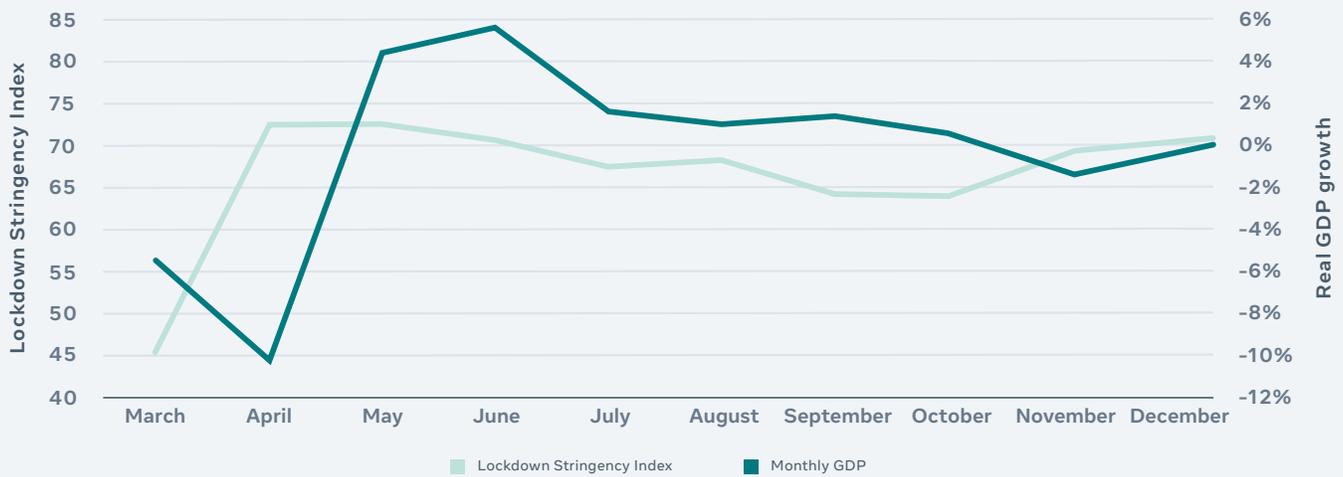
According to the Global State of Small Business Report, 26% of SMBs around the world were closed in May 2020, as government restrictions peaked in many countries. As government restrictions were eased, closure rates fell to 15% in October (Facebook/OECD/World Bank 2020). However, even among businesses that remained or returned to trading, conditions were bleak. In October, 55% of SMBs globally reported lower sales compared to the same month in 2019, an improvement of only 7 percentage points since May. Similarly, the aggregate proportion reporting that they had reduced employment broadly stayed the same between May and October. Business leaders around the world also faced greater difficulties at home, with increased responsibilities from childcare and household tasks, with female business leaders particularly impacted.

...INCLUDING THOSE IN NORTH AMERICA AND THE U.S.

Between May and October, SMBs in North America (i.e., the United States [U.S.] and Canada) saw a greater recovery in closures, sales and employment than many other regions as lockdown restrictions continued to ease. Over those 6 months, closure rates fell from 24% to 11%, and the proportion of businesses that reported a fall in sales and employment compared to the same time last year improved by more than in any other region.

However, in the final few months of 2020, the stringency of lockdown measures in the U.S. increased and mobility became more restricted as cases rose. The Lockdown Stringency Index in December was 72, only slightly lower than 73 in April (Hale et al. 2020).¹ By the end of December, the total number of open small businesses was 30% lower than in January, compared to approximately 25% below the January baseline in mid-October (Chetty et al. 2020).

FIGURE 1: Lockdown Stringency Index and real GDP growth estimates in the U.S.²



THE U.S. STATE OF SMALL BUSINESS SURVEY HAS MONITORED THE CHALLENGES CREATED BY THE PANDEMIC IN 2020

As in the rest of the world (World Bank 2017), SMBs are widely considered the backbone of the U.S. economy. They play an important role in creating jobs, employing 47.1% of workers (SBA 2020) and, since the 1970s, have created two-thirds of all net new jobs in the U.S. (SBA 2017). SMBs also represent 99.9% of all businesses in the U.S. (SBA 2020).

As part of continuing efforts to support SMBs in the U.S., Facebook, in collaboration with the Small Business Roundtable, conducted a survey of SMB leaders, employees and consumers to gain a deeper understanding of challenges that remain in the wake of the coronavirus (COVID-19) pandemic. Including employees and consumers allows for a fuller picture of the state of the economy and how these economic actors interact and impact one another.

This followed a similar survey conducted by Facebook in April, which found that nearly one-third of SMBs had closed and were facing challenges such as cash flow (28%) and a lack of demand (20%). At that time, business leaders were struggling to balance their business and household responsibilities; nearly half (47%) of SMB owners and managers reported feeling burned out trying to take care of both business and household responsibilities.

The results of this report are based on a representative survey of Facebook users conducted between November 20 and December 20, 2020. The survey captures the views of 11,203 online SMB business leaders, 8,066 employees and 6,666 consumers across the U.S. This study summarizes the key findings from December and compares them to the situation in April, leveraging both surveys to analyze cross-sectional data representing different stages of the pandemic.

DEFINITIONS AND LIMITATIONS OF THIS REPORT

DEFINITIONS

This report distinguishes between several classifications of respondent, including:

SMB leaders: those who reported that they control business finances, manage day-to-day operations of a business, conduct other business management or leadership activity or own a business.

Personal SMB leaders: those who reported that they promote or sell goods and services, are self-employed promoting goods or services or produce goods sold for personal income.

Employees: those who responded that they work at a business.

Consumers: a random subset of respondents who self-identified as an SMB owner or manager or an employee at a business, and all those who did not self-identify as associated with an SMB.

SMBs in majority-minority neighborhoods: self-reported 5-digit ZIP codes were matched with U.S. Census Bureau information on the racial composition of each ZIP code. If the ZIP code had a majority population estimated to be identifying as non-white, the business leader was labeled as being in a majority-minority neighborhood.

LIMITATIONS

This report is based on a statistically representative sample of Facebook users across Pages, Marketplace, advertisers and the general population. Our hope is that it captures a wide range of SMB business leaders, employees and consumers who were present online in November and December 2020. Considering that 85.8% of Americans have access to the internet and that Facebook is one of the most popular mobile social networking apps in the U.S., our survey results reflect the experiences of a wide range of the American population to the extent possible.

This report describes the differences in results between April and December 2020 and across dimensions such as sector, gender and majority-minority neighborhoods. However, these differences have not been statistically tested.

When assessing or interpreting insights, it is important to consider that this report provides aggregate figures for the U.S. These figures will vary geographically across the U.S. for several reasons, including the varying stringency of lockdown measures and the different supports offered at the municipal level.

Despite these limitations, the analysis undertaken from this survey adds to the literature on the impact of the pandemic on SMBs, employees and consumers due to its broad depth of questions, allowing for the analysis of many important topics, including the impact of the pandemic on business leaders at work and at home and how business leaders have adapted. Further information regarding the survey methodology is provided in Appendix 01.



CHAPTER 01

Business challenges in 2020

SMB business leaders face a challenging environment, even in normal times. Roughly 10% of SMBs were closed before the pandemic,³ and businesses found it hard to meet their targets. One-quarter of SMBs stated that it took more than normal effort or extraordinary effort to meet their targets in normal circumstances before the coronavirus pandemic. However, the challenges of running a small business were amplified by the pandemic in 2020.

Although nearly one-third of SMBs closed in April, many have managed to reopen. However, SMBs still operate in an environment of lower demand, which has put pressure on their cash flow. In response, many SMBs reduced their workforce to lower their costs. SMBs have also faced operational challenges, including difficulty hiring employees and supply chain delays.

1.1 Closure rates

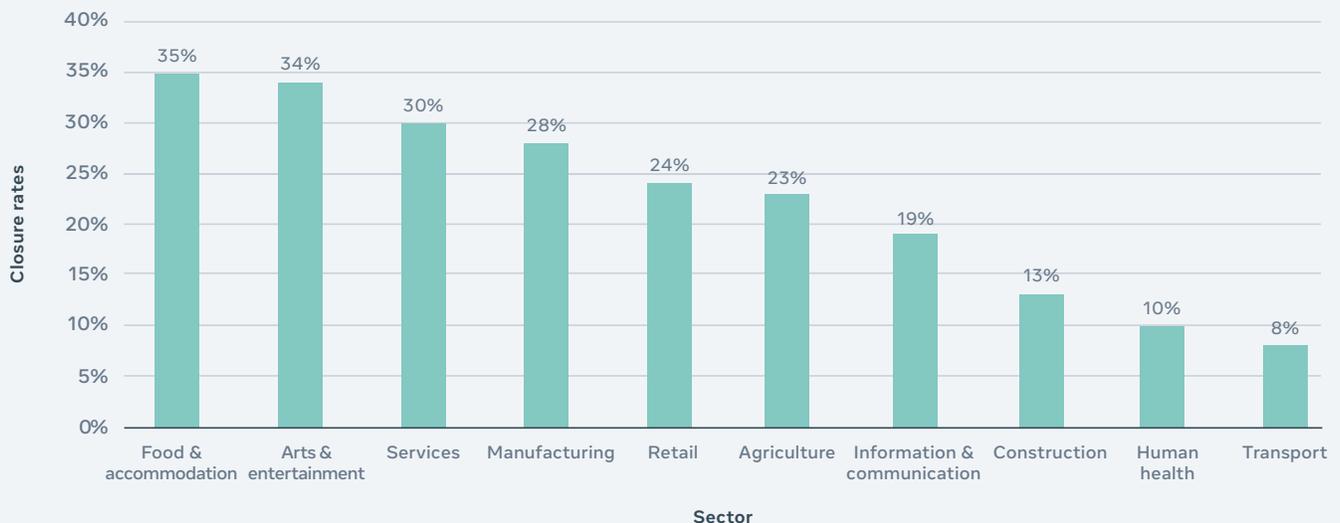
Across the U.S., government and health authority orders have required many “non-essential” businesses to close and have reduced customer traffic, leading to considerable uncertainty regarding SMBs’ prospects. Although lockdown measures were eased in the middle part of 2020, restrictions were tightened in many states in November, which led to stores closing, either as a direct result of restrictions or as the restrictions compounded the financial challenges many SMBs already faced.

CLOSURE RATES FELL BETWEEN APRIL AND DECEMBER...

Closure rates fell slightly between April and December, from 31% to 25%. Closure rates were higher among personal businesses⁴ (38%) relative to the average, although this fell significantly from 52% in April. Personal businesses tended to have opened more recently and have fewer employees, characteristics that were found to be associated with higher closure rates. For instance, 33% of solopreneurs⁵ were closed in December, compared to only 8% of businesses with more than 50 employees.

In December, more SMBs were closed in customer-facing sectors and those deemed “non-essential” (Figure 2). For instance, closure rates were highest in food and accommodation (35%) and arts and entertainment (34%), but much lower in human health (10%) and transport (8%).

FIGURE 2: Closure rates, by sector and U.S. average



Of businesses closed in December, the most cited reasons for closure were government restrictions (33%), financial reasons (30%) and reductions in demand (26%). This contrasts to April, when 62% of businesses were closed due to government and health authority orders.⁶

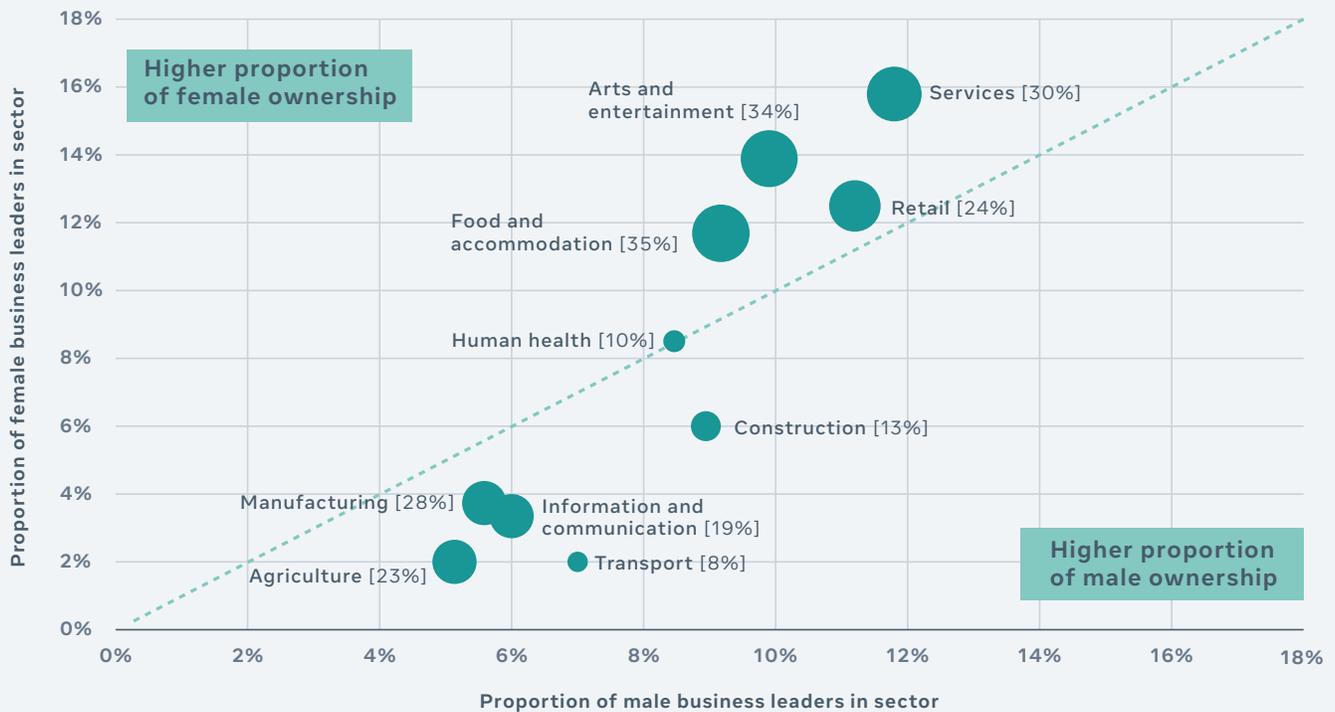
In addition to a higher share of businesses closing due to financial challenges, more businesses do not expect to reopen. In December, only 37% of closed businesses expected to reopen within 6 months, compared to 66% that expected to reopen in April. Moreover, fewer personal businesses expected to reopen in the next 6 months (30%) than the aggregate sample.

CLOSURE RATES WERE HIGHER AMONG FEMALE-LED BUSINESSES

Closure rates were higher among female-led businesses (28%) compared to male-led businesses (22%). Although closure rates fell for both genders, the gap has increased slightly since April, when closure rates were 33% and 29% for female- and male-led businesses, respectively. This gender gap was also much greater among personal businesses. In December, 42% of female-led personal businesses were closed, compared to 31% of male-led personal businesses.

This gender divide in closures was driven to some extent by a greater representation of female business leaders in sectors with higher closure rates (Figure 3). For instance, only 2% of female-led businesses were in the sector with the lowest closure rates, transport, compared to 7% of male-led businesses. This is consistent with evidence from other sources (Alon et al. 2020, Facebook/OECD/ World Bank 2020, McKinsey 2020a).

FIGURE 3: Proportion of female business leaders in a sector (vertical axis) against the proportion of male business leaders in a sector; the size of the bubble indicates overall closure rates. For instance, the x-axis represents the distribution of male business leaders between sectors, not the proportion of businesses in a sector owned by a male.



Domestic pressures also led to more female businesses closing or not reopening. Household-related reasons were cited by 16% of female business leaders as a reason why they closed, compared to only 8% of male business leaders, and were the most prevalent reason (28%) for female-led businesses that did not expect to reopen. Among personal businesses, nearly one-quarter (23%) of those led by women cited household reasons as to why they closed, compared to only 3% of those led by men.

MANY BUSINESSES HAVE ADAPTED THEIR OPERATIONS TO REMAIN OPERATING OR TO REOPEN

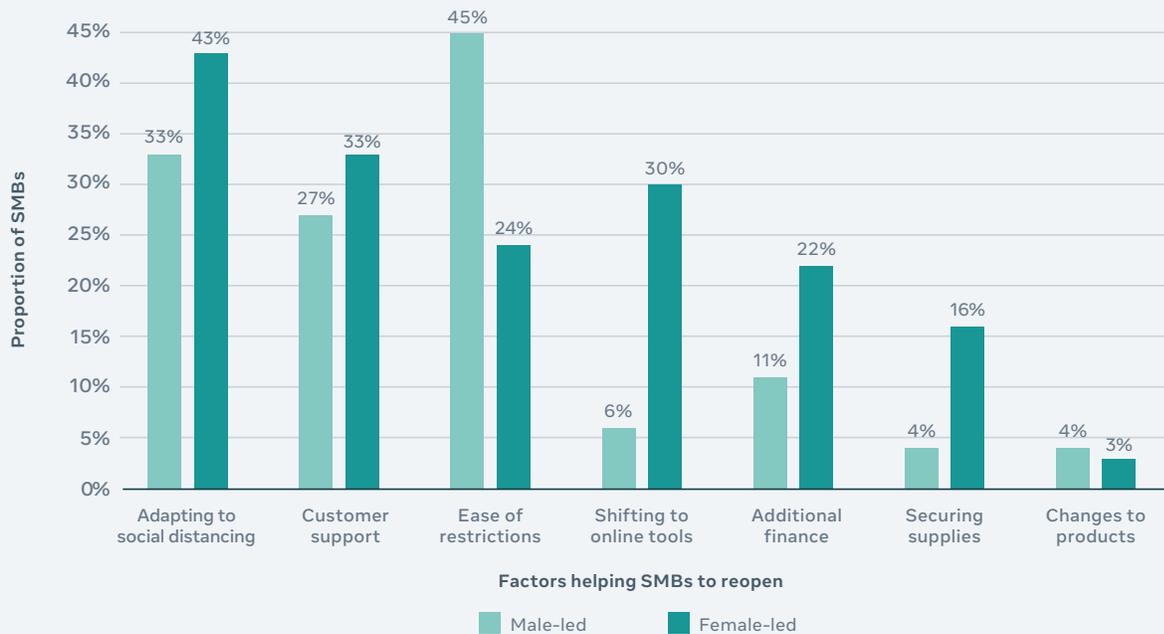
Many businesses that were forced to close earlier in the year due to the pandemic have managed to reopen. 32% of open businesses had closed and reopened since the start of the COVID-19 pandemic, with approximately 30% having closed for 3 months or more.

Temporary closures were more common among female-led businesses (37%) than male-led businesses (23%). This is supported by results from the April survey, in which 71% of female-led businesses expected to reopen, compared to only 62% of male-led businesses; this pattern also existed in December.

SMBs have needed to respond and acclimatize to a different business environment to remain operating or to reopen. Businesses have adapted by, for instance, introducing social distancing measures (63%), changing operating hours (25%) and giving workers location flexibility (18%).

Among businesses that closed and subsequently reopened, the most common enablers for businesses to reopen were implementation of social distancing protocols (40%), customer support (31%) and the easing of restrictions (30%). More female-led SMBs have adopted social distancing protocols and online tools, whereas their male counterparts were more reliant on the easing of government restrictions (Figure 4).

FIGURE 4: Most important factors that allowed businesses to reopen



1.2 Sales

Throughout 2020, SMBs have seen lower levels of consumer demand, with their in-person operations often hampered by business closures or social distancing measures. Small business revenue at the start of April fell to a low of 50% of its value at the start of the year and remained at least 20% lower for the rest of the year (Chetty et al. 2020).

In response, SMBs have increased their use of digital technology. Between March and November, there was a 60% increase in the share of purchases made by consumers through a digital channel (PYMENTS 2020). The pandemic has led to changes in the way consumers shop across the U.S. According to the U.S. Census Bureau’s Household Pulse Survey, between November 20 and December 7, 53% of respondents changed their spending due to concerns about going to public or crowded places or having contact with high-risk people, and 24% changed their spending due to a loss of income (U.S. Census Bureau 2020a).

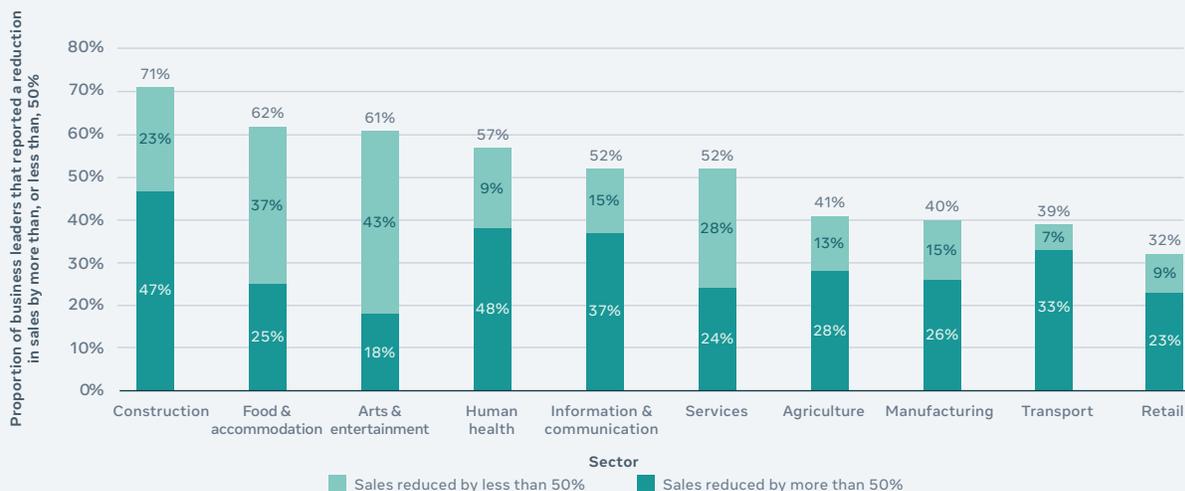
SMBS REPORTED ONLY SLIGHT IMPROVEMENTS IN DEMAND

52% of SMBs reported that they had lower sales in the last 30 days compared to last year. This reflects a decrease of 4 percentage points since April, when 56% of SMBs indicated a poorer year-on-year sales performance. Similarly, the proportion that reported higher sales increased only slightly between April and December, from 15% to 17%.

Despite many SMBs continuing to report a reduction in sales, the magnitude of these declines decreased between April and December. In April, among businesses that reported a drop in sales, 53% of SMBs reported a fall of more than 50% relative to the same 30-day period in 2019. By December, that had decreased to 44%.

Although personal businesses were less likely to report a fall in sales (48%), compared to the average, they were more likely to report that sales fell by more than half (56%). The greatest reductions in sales were in sectors that required in-person physical interaction (Figure 5), consistent with findings in the literature (Alexander and Karger 2020, Cox et al. 2020). For instance, arts and entertainment had the highest proportion of SMBs reporting that sales fell by more than 50%.

FIGURE 5: Proportion of SMBs that reported a reduction in sales, relative to the same 30-day period in 2019, by more than or less than 50%, by sector



Although 52% of both female-led and male-led businesses reported that sales fell, a greater proportion of female-led businesses (47%) reported that sales fell by 50% or more compared to male-led SMBs (41%). Female business leaders also saw much less improvement between April and December. The proportion of female-led SMBs that reported that sales fell by more than 50% dropped by only 5 percentage points, compared to 13 percentage points for male-led SMBs.

As sales have fallen, SMBs have faced increased competition between businesses. 61% of SMBs reported an increase in competitive pressure compared to last year. Perhaps reflecting the lack of improvement in sales among female-led businesses, they were more likely to report greater competitive pressure (72%), compared to their male counterparts (51%).

THE INCREASED USE OF DIGITAL CHANNELS BY SMBS HAS SUPPORTED SALES

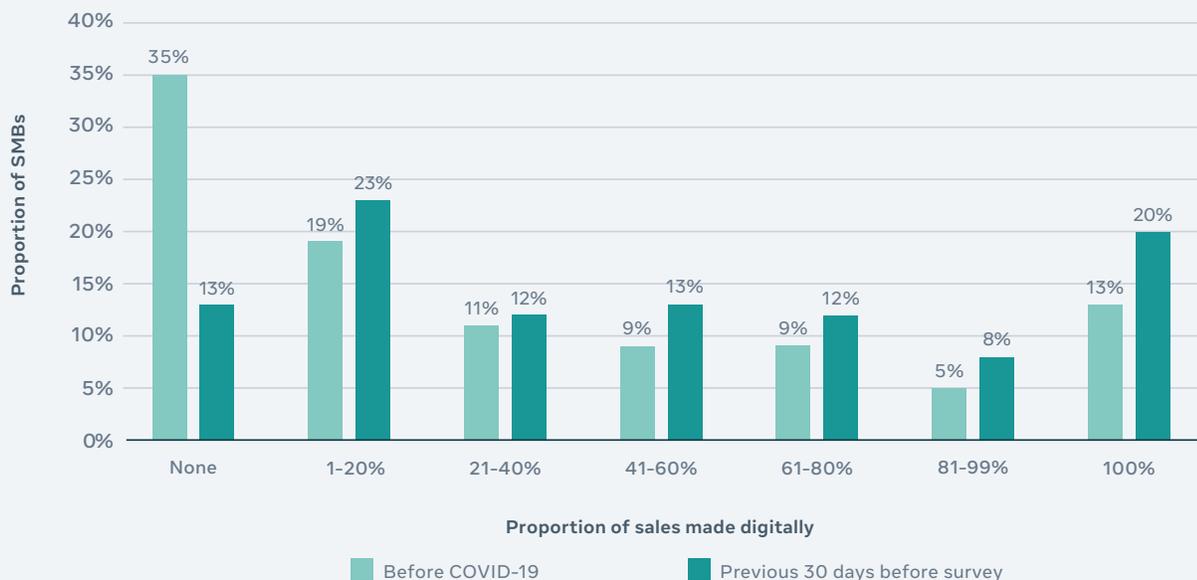
The shutdown of physical premises combined with changing consumer behavior is driving businesses to become more digital; 34% of businesses have increased their use of online or digital tools since the pandemic began, consistent with other research (Deloitte 2020). More female-led SMBs (37%) reported increasing their use of digital tools compared to male-led SMBs (30%).

In addition, more businesses started selling online for the first time. The proportion making no sales through digital channels in the past 30 days fell from 35% before COVID-19 to 13% in the 30 days prior to the December survey, and the proportion making 100% of their sales online rose from 13% to 20% (Figure 6).

“The pandemic not only shut my doors, but it created massive competition should I even consider returning to operations”

-SMB leader

FIGURE 6: The proportion of sales made through digital channels, before the pandemic and in the previous 30 days



Businesses across all sectors have benefited from this digital transformation (Figure 7). Among SMBs making their first sales through digital channels, the greatest increases were generally in sectors that had relatively lower levels of digitalization before the pandemic began. For instance, in agriculture, 88% were making sales through digital channels, compared to 22% before the pandemic. The sector with the largest increase in digital channels accounting for at least 60% of sales was in information and communication (27 percentage point increase), where one-third of all businesses made 100% of their sales through digital channels.

Many businesses have also used digital channels to advertise. 57% of businesses reported that they use social media to advertise, second only to the number using word of mouth (59%). In addition, 38% reported

that they advertised using their own website, 31% using internet search engines and 21% using other websites.

However, some business leaders still faced barriers to adopting electronic communications, including preferences, a lack of tools and a lack of knowledge. Among business leaders who have not conducted a transaction electronically, the business owner’s preference for in-person transactions (34%) and perceived preferences of customers in disliking electronic transactions (27%) were the most commonly cited reasons, along with believing that electronic transactions were not necessary (31%). A proportion of business owners also stated they do not have the necessary tools (15%) and do not know how to handle electronic transactions (9%).

“With the introduction of COVID-19, we are forced to conduct business online in order to survive and remain profitable”

-SMB leader

FIGURE 7: Proportion of SMBs making 0-60% and 60-100% of their sales through digital channels. The total of each column reflects the proportion of SMBs in December that reported making sales through digital channels before the pandemic and in the previous 30 days before the survey, by sector.*



*The transport sector is excluded from this graph due to a low sample size

THE SALES PICTURE FACED BY BUSINESSES REFLECTS CHANGES IN CONSUMPTION BEHAVIOR

The pandemic has led to a reduction in consumer spending, due to concerns over income, health and the lack of in-person services. 41% of consumers reported reducing their spending in the past 3 months compared to the same period last year. Among those, 29% reduced spending by more than half. In contrast, only 23% reported that they had increased their spending.

The COVID-19 pandemic has also led to consumers shopping differently. 32% of consumers changed at least one of the businesses from which they regularly purchased in the past 6 months. When asked why, 38% of consumers cited health concerns as a reason for changing

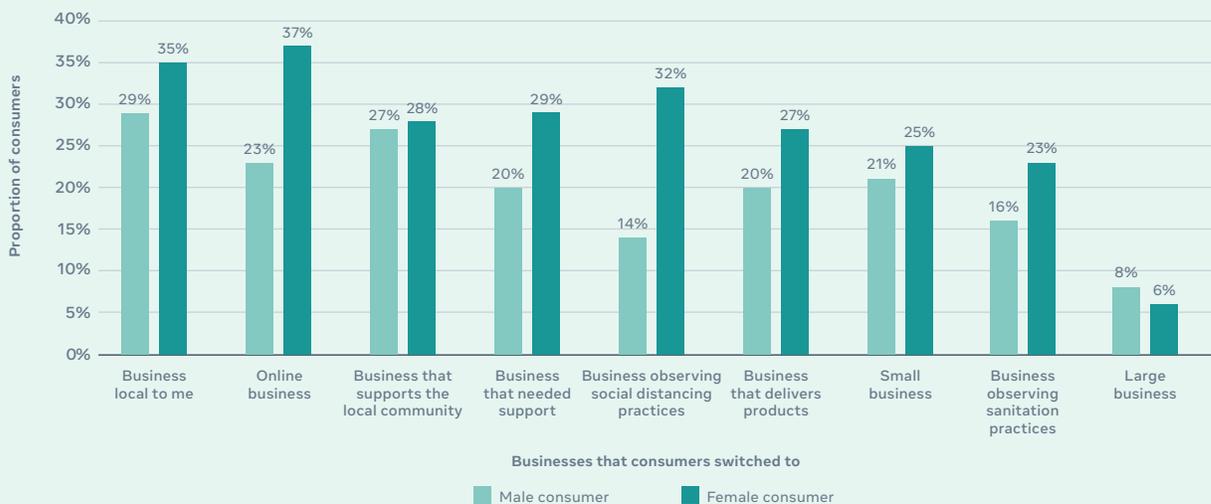
the business where they shopped. Similarly, 15% of consumers cited no delivery and 13% stated no online presence as their reason for switching. More female consumers (34%) than male consumers (29%) switched businesses and cited health as a reason why (45% of female consumers compared to 27% of male consumers).

Consequently, more consumers have switched to shops with a digital presence (Figure 8). 32% of consumers reported a shift to shopping at an online business, second only to shifting to a local business (33%). Reflecting their increased health concerns, more female consumers switched to an online business relative to their male counterparts (37% compared to 23%) and to businesses observing social distancing practices (32% compared to 14%).

“At this time, unless there is an online shop, I will find it difficult to support local because I don’t feel safe”

-SMB consumer

FIGURE 8: How consumers have changed which shops they regularly use, by gender



1.3 Employment

In response to falling revenue, SMBs have reduced their employment in an effort to cut costs. This is of relevance to policymakers as SMBs account for nearly half of the jobs in the U.S. (SBA 2020). Many of the most vulnerable jobs are in industries that offer the lowest wages (McKinsey 2020b) and so could disproportionately affect those who can least afford it. Not only were high-wage workers less likely to lose their jobs to begin with, but they also experienced a much more rapid recovery. By late May, employment for high-wage workers had nearly returned to the pre-COVID baseline. In contrast, employment rates for low-wage workers remained roughly 20% below baseline levels, even as of mid-September (Chetty et al. 2020).

AS A RESULT OF LOWER SALES, BUSINESSES HAVE FACED DIFFICULTIES PAYING THEIR EXPENSES, LEADING MANY TO REDUCE THEIR WORKFORCE

Falling sales and resulting cash flow challenges have led to SMBs experiencing difficulties paying their bills. 62% of SMBs reported difficulty paying at least one bill, and 26% reported difficulty paying employee salaries, the most cited expense. More female-led SMBs reported difficulty paying at least one of their bills, perhaps reflecting the greater decline in sales among these firms.

To lower their costs, businesses have reduced their workforce. 31% of SMBs stated that they had reduced employment compared to last year, although this figure has demonstrated improvement since April, when 44% reported they had reduced employment in response to the pandemic.⁷ 18% of firms have also adjusted employee compensation in response to the pandemic.

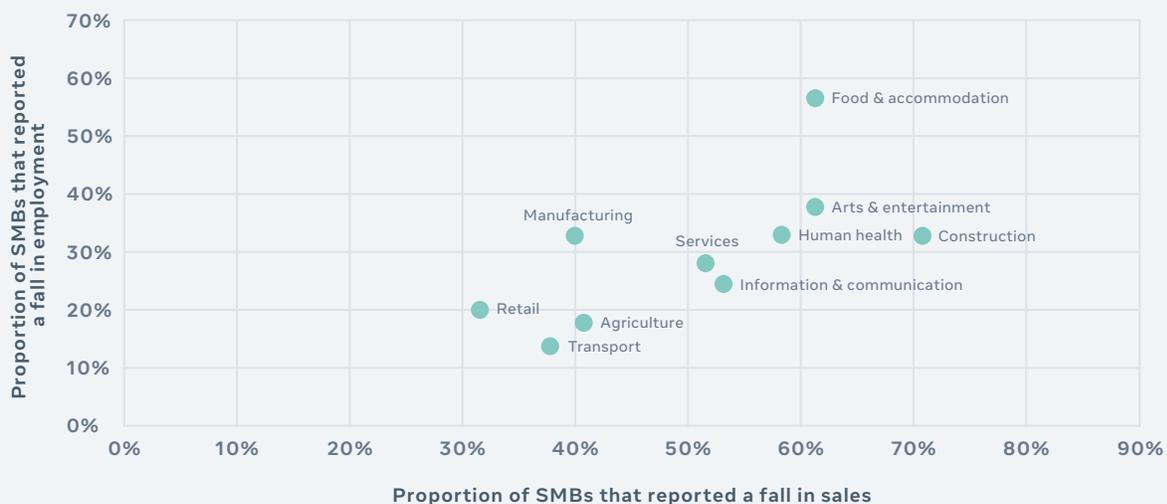
However, this does not reflect the same level of progress as seen in reports on overall U.S. employment. Figures from the Bureau of Labor Statistics show that unemployment fell from 15% in April to under 7% in November, suggesting that the recovery in employment might have been driven by larger businesses.⁸

Employment fell more in sectors experiencing greater reductions in sales (Figure 9). For example, food and accommodation, the sector with the second highest proportion of firms that reported a reduction in sales, had the greatest reduction in employment; 57% of firms reported their workforce was smaller than the same time last year.

“A lot of small businesses keep getting restrictions changed from week to week and have dropped their business sales to less than 45 percent of their normal business, causing them to let go or lay off several good employees, who then can’t find another job to support their families”

-SMB employee

FIGURE 9: Proportion of SMBs that reported they reduced employment (vertical axis) against the proportion that reported a reduction in sales compared to last year, by sector



SMBS IN MAJORITY-MINORITY NEIGHBORHOODS HAVE BEEN IMPACTED TO A GREATER EXTENT THAN THOSE IN NON-MINORITY NEIGHBORHOODS

Closure rates were higher among SMBs in majority-minority neighborhoods (36%) compared to businesses in non-minority neighborhoods (22%). This was partly due to the sectoral composition of these businesses. For instance, 16% of SMBs in majority-minority neighborhoods were in the food, services, restaurants and accommodations sector, which had the highest closure rates, compared to only 11% in non-minority neighborhoods. Businesses in majority-minority neighborhoods were also more likely to have opened more recently and to have fewer employees.

This sectoral composition also led to poorer outcomes with regard to sales. The percentage of SMBs in majority-minority neighborhoods

that reported lower sales than last year was 12 percentage points higher than for relative businesses in non-minority neighborhoods. Furthermore, 70% of SMBs in majority-minority neighborhoods that reported lower sales had sales fall by more than 50%, compared to 41% of SMBs in non-minority neighborhoods.

Businesses in majority-minority neighborhoods were less likely to make a significant portion of their sales online. Only 36% made more than 60% of their sales through digital channels, compared to 46% of SMBs in non-minority neighborhoods.

As businesses in majority-minority neighborhoods saw greater reductions in sales, it is no surprise that more reduced their workforce (37%), compared to SMBs in non-minority neighborhoods (30%).

FIGURE 10: Proportion of SMBs that closed, reported sales fell by more than 50% and reduced employment, by ethnicity of neighborhood



THESE FINDINGS REFLECT THE EXPERIENCE OF EMPLOYEES

Employees have been greatly impacted by COVID-19, with many losing their jobs as their employers closed or reduced their workforce. Of those unemployed in the December survey, 26% stated that their unemployment was due to their employer closing or reducing their workforce because of the pandemic, although this percentage was much lower than in April (Figure 11).

Family responsibilities were also a prevalent reason for female employees; 20% stated that caring for children or children’s education at home was the main reason they could not work, compared to 3% for male employees.

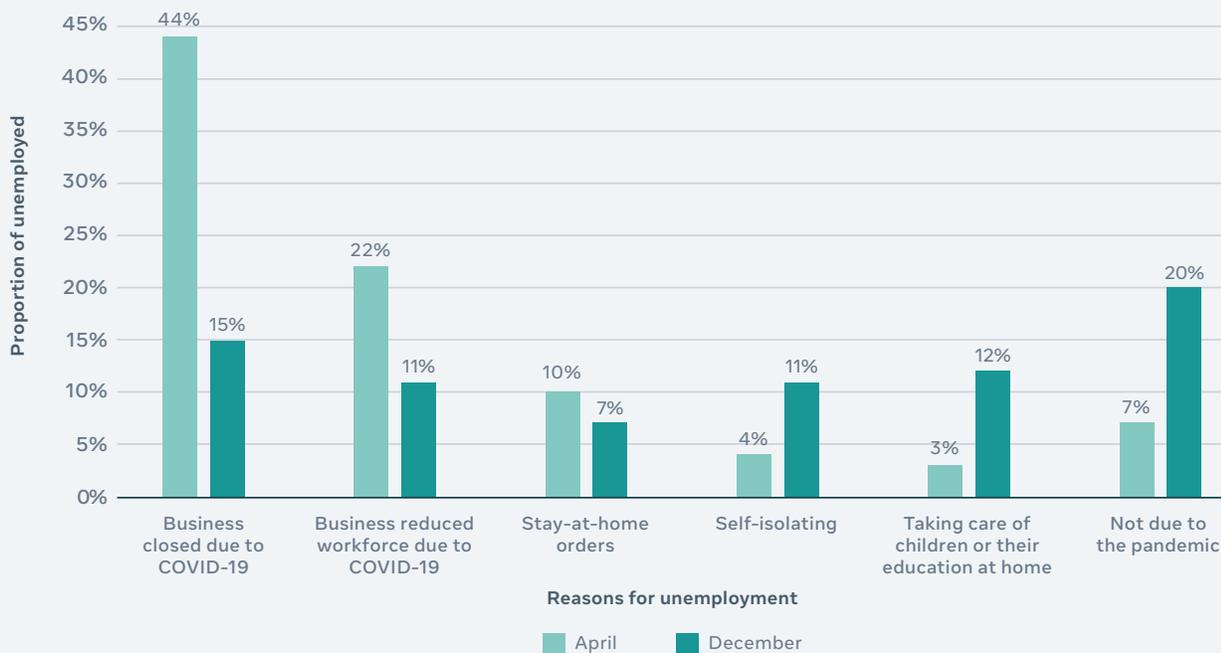
Among the unemployed, 42% were looking for a job in a new sector, and only 26% were looking for a job in the same sector. Men were much more likely to be looking for a new job compared to women, whereas, consistent with the results above, women were more likely to be home-schooling children while they were unemployed (19% of women compared to 1% of men).

Even for those who have retained their jobs, the pandemic has continued to cause concerns. 34% of employees were concerned about losing their jobs. This reflects findings from the U.S. Census Bureau’s Household Pulse Survey, which found that 31% of respondents expected a loss of employment in the next 4 weeks for themselves or a household member (U.S. Census Bureau 2020a).

“Stabilize school so that single parents can return to work”

-SMB leader

FIGURE 11: Reasons given for unemployment, by survey wave



1.4 Operational challenges

In addition to the challenges of closures, reduced demand and cash flow issues, SMBs also face supply-side challenges, including difficulties in hiring skilled staff and managing supply chain delays. It is often more difficult for SMBs to manage supply chain disruptions because they may be missing the necessary resources, structures and processes to adapt (Ritchie and Brindley 2000). However, COVID-19 has exacerbated these issues.

SMBS SEEKING TO HIRE WORKERS HAVE FACED CHALLENGES

Few SMBs have been net hirers in 2020. Only 8% of businesses in December reported that their workforce had increased from the same time in the previous year, and 51% of SMBs reported they had not rehired anyone in the past 3 months who had been either furloughed or laid off since March.

A lack of skilled staff can have serious consequences for SMBs. 31% of SMBs stated that employees were the most important factor for their survival during the pandemic. However, SMBs that wanted to hire workers faced difficulties. 34% of businesses found it challenging to find adequately skilled employees.

This is consistent with research from the National Federation of Independent Business (NFIB), which found that 33% of SMBs surveyed had open positions they could not fill immediately, the highest level since March (NFIB 2020).

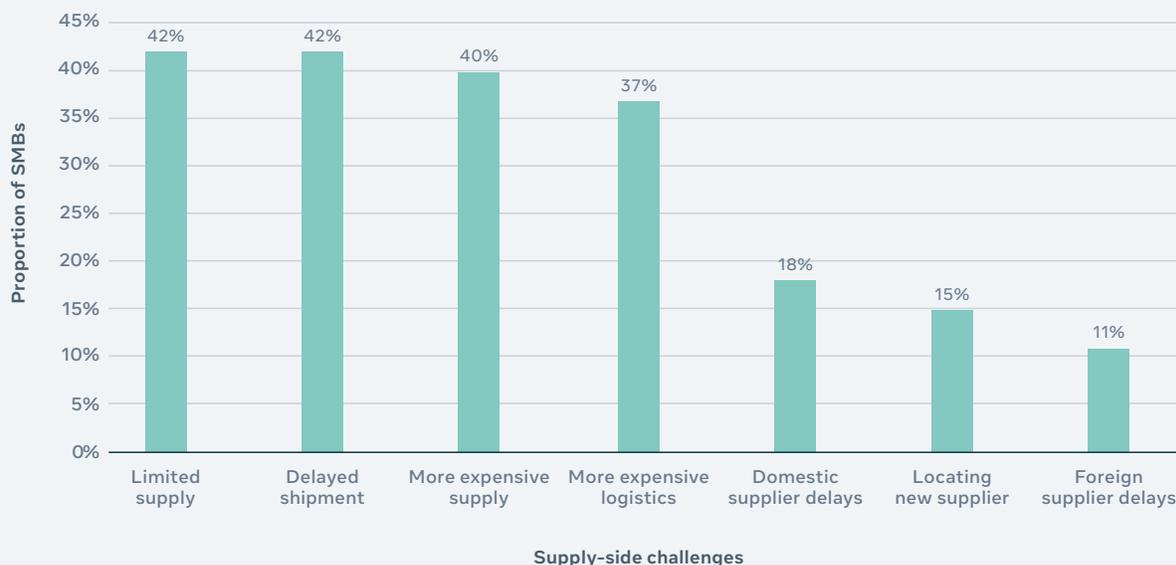
Similarly, 9% of businesses listed attracting skilled staff as their biggest future challenge. More SMBs in sectors requiring skilled staff, such as manufacturing (18%) and construction (17%), saw this as their biggest future challenge. Small businesses often compete with larger firms, which have greater budgets to offer higher salaries and benefits, and so often find it challenging to attract employees with the required skills.⁹

BUSINESSES HAVE FACED SUPPLY-SIDE CHALLENGES

A lack of supply can have serious implications for a small business. 20% of consumers who switched from one of their regular shops cited the lack of supply as a reason for switching.

However, in aggregate, 68% of SMBs reported facing at least one supply challenge. The most prevalent supply-side challenges faced by SMBs included limited supply (42%), delayed shipments (42%), more expensive supply of products (40%) and more expensive logistics (37%) (Figure 12).

FIGURE 12: Supply-side challenges faced by business leaders



BUSINESS LEADERS HAVE WORKED HARDER TO COPE WITH THESE CHALLENGES

Combined, the challenges faced by SMB leaders and discussed so far in this report have made managing their businesses more challenging; 60% of business leaders reported that it had been harder to manage their business compared to last year, and 57% reported spending more time at work.

As a result, 51% of business leaders reported that work was impacting their ability to take care of their households either moderately, a lot or a great deal. This was much greater for female business leaders (64%) than male business leaders (35%), which likely reflects the greater burden of household tasks carried by female business leaders, as discussed in Section 2.2.

“After 26 years as an owner of this business, we are very close to total collapse”

–SMB leader

60%

of business leaders reported it had been harder to manage their business compared to last year

57%

of business leaders reported they were spending more time at work

1.5 Financial support

Given their importance to the economy and relative vulnerability compared to larger businesses, some government support has been targeted specifically at SMBs. The two largest measures were the Paycheck Protection Program (PPP) and the Small Business Administration’s Economic Injury Disaster Loans program. The former provided loans to businesses to cover costs such as payroll and rent, with the loan principal being forgiven if SMBs maintained their employment. The latter provided low-interest loans for working capital to SMBs suffering substantial economic injury due to COVID-19 (OECD 2020). States and cities also introduced local support measures for SMBs. For instance, New York City and Chicago introduced low- or zero-interest loans, and Iowa and Massachusetts introduced grants for small businesses. Due to the importance of financial support for businesses, a rich academic literature about its impacts and effectiveness has

already developed. With regard to PPP, some research found that it increased the employment, financial health and survival of small businesses (Hubbard and Strain 2020). However, other research has cited concerns over cost, estimated at U.S.\$377,000 per job saved (Chetty et al. 2020), and whether it targeted those most in need (Granja et al. 2020).

ALTHOUGH FEWER THAN IN APRIL, MANY SMBS STILL APPLIED FOR FINANCIAL SUPPORT IN DECEMBER

In December, 37% of businesses had applied for external sources of capital in the past 6 months, whereas in April, 53% had applied for support in the previous 30 days.¹⁰ Of those that applied in December, 70% received funding from their applications, 13% had their applications denied and the remainder were waiting for approval.

37%

of businesses had applied for external sources of capital in the past 6 months

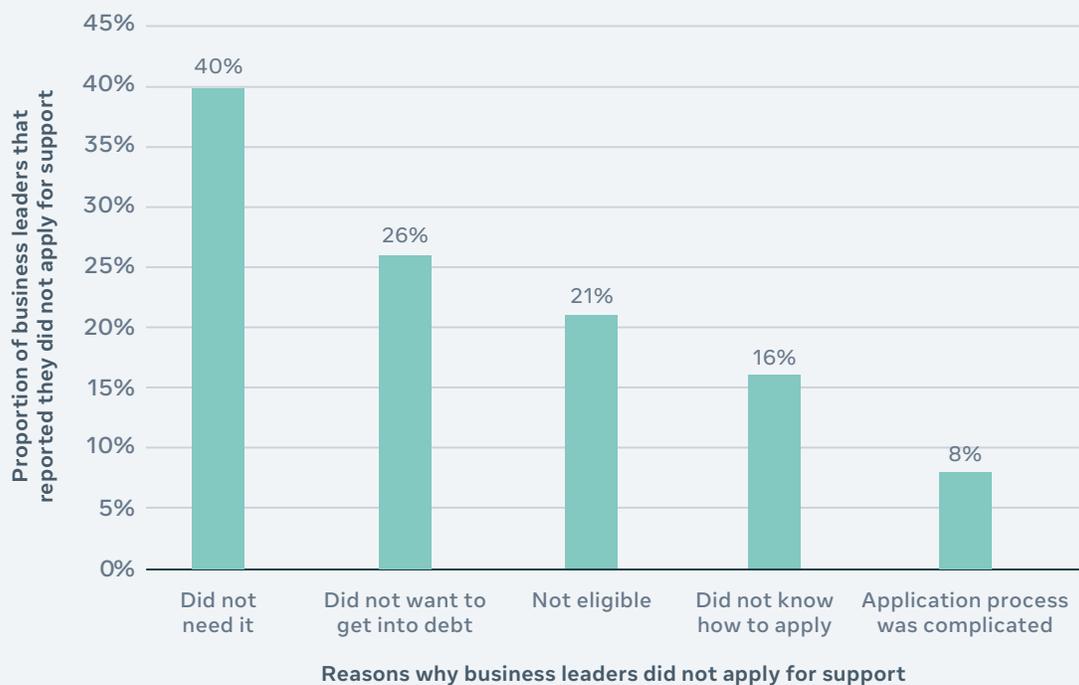
53%

had applied for support in the previous 30 days

The most common support options for which businesses had applied in the previous 6 months were PPP (18%) and government grants (11%). These results suggest a rather more limited amount of support than other surveys indicate. The Small Business Pulse Survey found that by December, approximately 73% had received funding from PPP since March (U.S. Census Bureau 2020b).

Among SMBs that did not apply for support, only 40% reported that they did not need it, 21% that they were not eligible and 26% that they did not want to get into debt (Figure 13). This may reflect the large proportion of support obtained through government loans in the U.S. The Global State of Small Business Survey found that, of businesses receiving support, 34% in the U.S. were receiving government loans compared to 15% in aggregate (Facebook/OECD/World Bank 2020).

FIGURE 13: Reasons given by business leaders for not applying for financial support





CHAPTER 02

Domestic pressures

The challenges facing business leaders have led to difficulties in paying their usual household expenses. Similarly, among employees, more have been concerned about having enough money to sustain their families.

Business leaders and employees, especially women, also face a greater burden of domestic tasks, such as home-schooling or distance learning, which is impacting their ability to focus on their businesses and jobs.

2.1 Financial pressures at home

Closures and lower sales have increased financial pressures at home for business leaders. Similarly, increases in unemployment, or reductions in hours or pay, have led to concerns among employees and consumers about their ability to support their families and afford rent or basic household needs. According to the U.S. Census Bureau’s Household Pulse Survey, between November 20 and December 7, only 40% of respondents reported that they were not facing any difficulty paying their usual household expenses, with more difficulties seen among minorities and lower-income groups (U.S. Census Bureau 2020a).

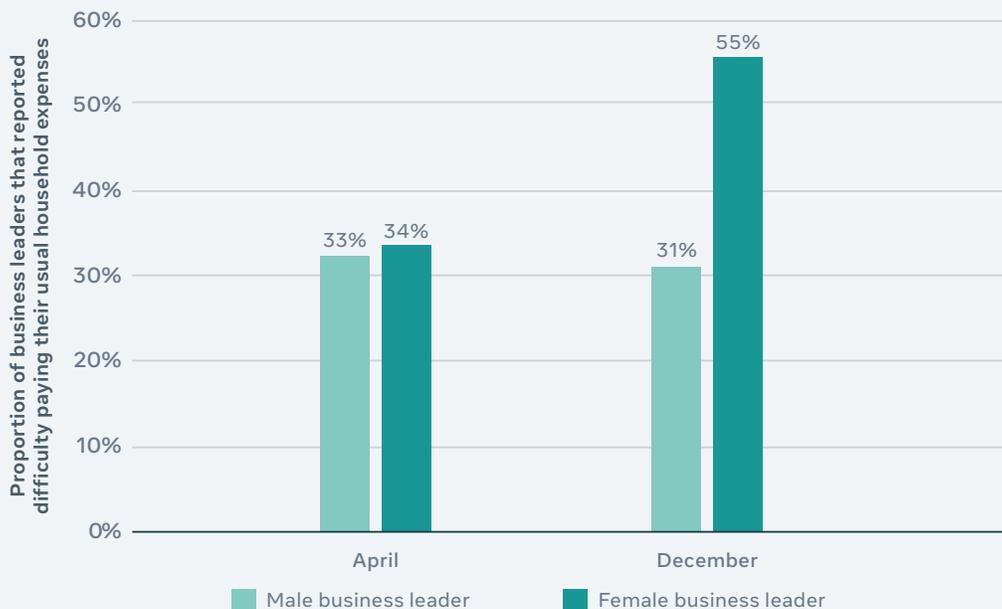
BUSINESS LEADERS AND EMPLOYEES HAVE FACED FINANCIAL PRESSURES AT HOME...

The closing of businesses and the reduction in sales have impacted business leaders’ ability to pay their bills. Between April and December, the proportion of female business leaders that stated it was difficult or very difficult to pay their usual household expenses increased from 34% to 55%, while there was a small decrease among male business leaders (Figure 14).

“Apart from my business suffering from COVID-19, I also struggle to pay the bills...Also, it’s been harder to keep household essentials, as well as food, due to everything rising in price”

–SMB leader

FIGURE 14: Proportion of business leaders that reported difficulty paying their usual household expenses, by gender and survey wave



Similarly, 55% of employees were concerned about having enough money to sustain their households, an increase from 51% in April. The consumer sample provided some insights into which bills were of greatest concern: 15% listed rent and 11% listed basic household needs as their main concern.

...AND HAVE APPLIED FOR SUPPORT TO ASSIST THEM AND THEIR FAMILIES

Workers have also applied for support in response to job losses and pay cuts. 13% of employed and unemployed workers in the sample applied for government or nongovernment organization assistance in December, slightly higher than in April. Among this group, 27% were receiving food stamps and 44% were receiving unemployment benefits. Another 27% were not receiving any support at the time of the survey, despite having applied.

Female workers were much more likely to receive food stamps (36% compared to 14% of male workers), but less likely to receive unemployment benefits (37% compared to 55%).

Among those who did not apply, fewer responded that they did not need it, falling from 54% in April to 49% in December. Similarly, the proportion that reported they were not eligible rose from 24% to 31%. Female employees were much more likely to report they were not eligible (34%) compared to male employees (25%). Furthermore, 29% of employees reported in December that they had no access to financial or childcare support if it was needed in the future.

“I’m terrified that I won’t be able to recover from the pandemic financial issues”

–SMB employee

“We are living on unemployment, my spouse’s wages and savings. I worry what will happen if our savings runs out before everything can return to normal. Without extensions on unemployment benefits, that will happen soon. I worry what my options for work may be after a career in a now-decimated industry”

–SMB employee

2.2 Domestic responsibilities

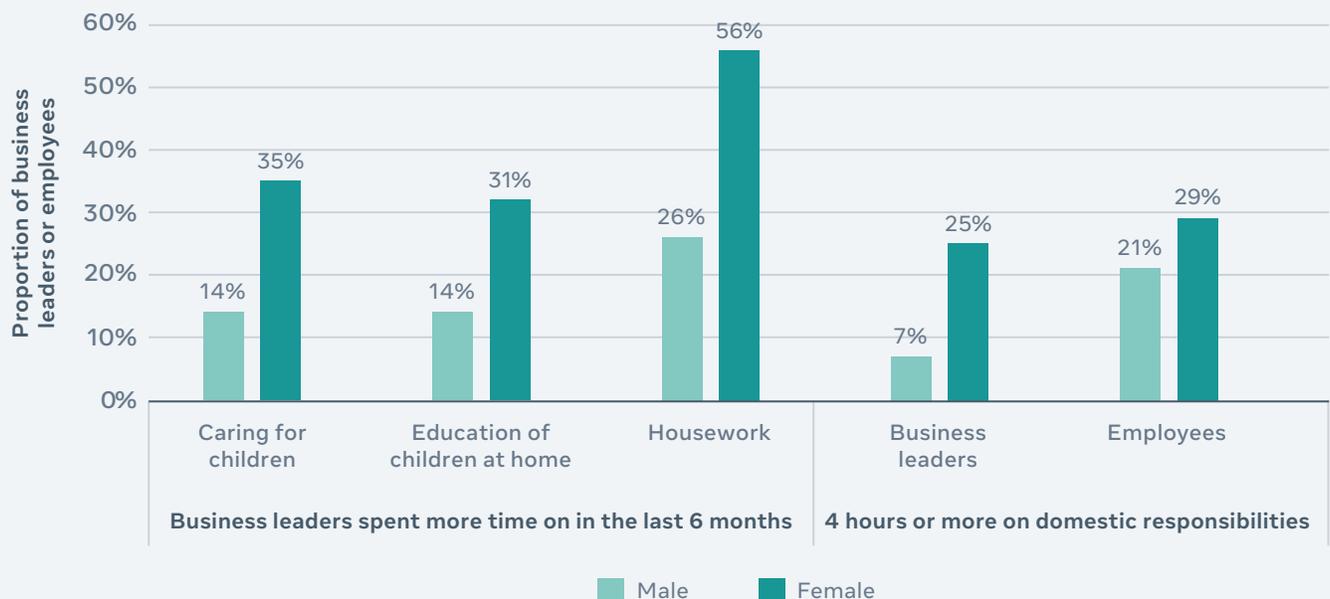
At the same time as they are dealing with workplace challenges created by the pandemic, business leaders and employees have encountered a sharp rise in the level of domestic responsibilities, such as caring for children and their education from home. According to the U.S. Census Bureau’s Household Pulse Survey in December, 87% of households with children had their children’s education moved to a distance learning format (U.S. Census Bureau 2020a). These domestic responsibilities have increasingly fallen on women. According to Facebook’s Survey on Gender Equality at Home, women in North America were more likely to undertake several domestic tasks including, cleaning, cooking and household management (Facebook 2020).

FEMALE BUSINESS LEADERS AND EMPLOYEES HAVE FACED ADDITIONAL RESPONSIBILITIES AT HOME RELATIVE TO THEIR MALE COUNTERPARTS...

While business leaders and employees have been navigating the challenges generated by COVID-19, they have also faced greater domestic responsibilities, which have increasingly fallen on the shoulders of female business leaders and employees.

Female business leaders have reported spending an increased amount of time on domestic tasks, including housework, the education of children at home and caring for children (Figure 15). This is in line with a recent study that found among the population working from home in the U.S., UK and Germany during the lockdown, women spent significantly more time caring for children and supporting home-schooling relative to men (Adams-Prassl et al. 2020).

FIGURE 15: Proportion of business leaders that reported spending more time on caring for children, the education of children at home and housework and spending more than 4 hours per day on domestic responsibilities



More female business leaders than male leaders reported spending 4 hours or more per day on domestic tasks (25% compared to 7%), with this divide increasing significantly since April (31% compared to 27%). Similarly, more female employees reported spending 4 hours or more per day on domestic tasks in December (29% compared to 21%) and, as discussed in Section 1.3, female employees were more likely to be unemployed as a result of caring for children or home-schooling.

These results reflect the findings in the Global State of Small Business Survey, which found that the U.S. had the greatest gender difference in Wave VI in terms of business leaders spending more time on domestic tasks due to COVID-19 (Facebook/OECD/World Bank 2020).

...WHICH IS IMPACTING THEIR ABILITY TO PERFORM THEIR WORK RESPONSIBILITIES

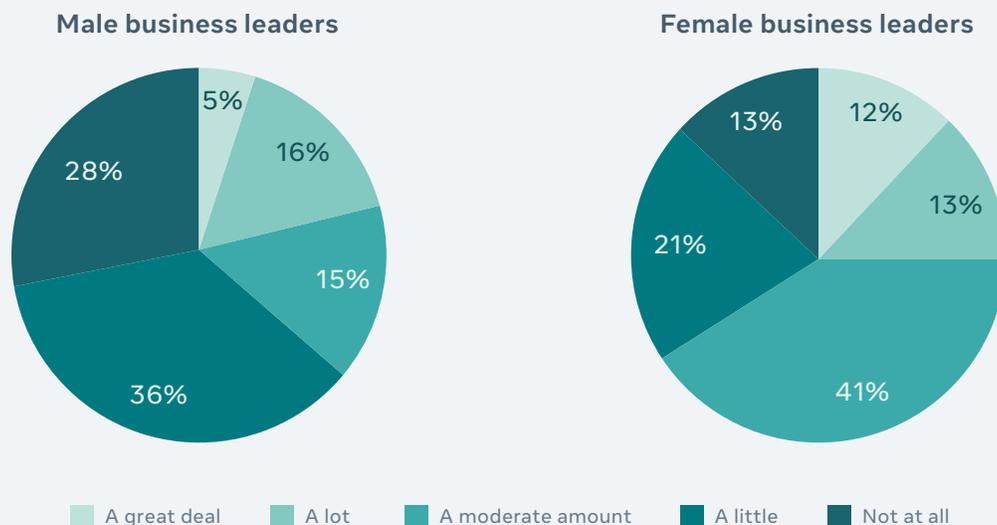
Domestic responsibilities were also impacting business leaders' and employees' abilities to focus on their businesses. In December, female business leaders were 31 percentage points more likely to report that domestic tasks impacted their work a moderate amount, a lot or a great deal compared to male business leaders (Figure 16), increasing from a difference of 10 percentage points in April. Similarly, the percentage of female employees who reported that domestic responsibilities were impacting their work was 6 percentage points higher in December relative to male employees.

The extra effort at both work and home is taking its toll on business leaders. 24% of female business leaders (compared to 13% of male business leaders) listed their physical wellness as their main concern, the most commonly selected response. Physical wellness was also the top concern for employees (28%).

“I have three kids and a husband in a 1,000-square-foot house. Finding time to focus on work for my side business is really hard these days”

-SMB leader

FIGURE 16: The proportion of business leaders in December who reported that domestic responsibilities were impacting their work, by gender





CHAPTER 03

Looking into 2021

Although the majority of SMBs were optimistic, the level of optimism fell slightly between April and December. SMBs also anticipate that the challenges they currently face, including cash flow, a lack of demand and government restrictions, will remain a challenge in upcoming months, with many SMBs expecting their operations not to recover to normal levels within the next 6 months.

As business leaders continue to face challenges, they will need both financial support to aid their businesses and well-being support to help them handle the increased pressure and strain they face.

3.1 Future expectations

The challenges that SMBs still face are affecting the optimism of business leaders. The NFIB Small Business Optimism Index fell by 5.5 index points between November and December, driven largely by gloomier expectations for improvements in the economy over the next 6 months (NFIB 2020).

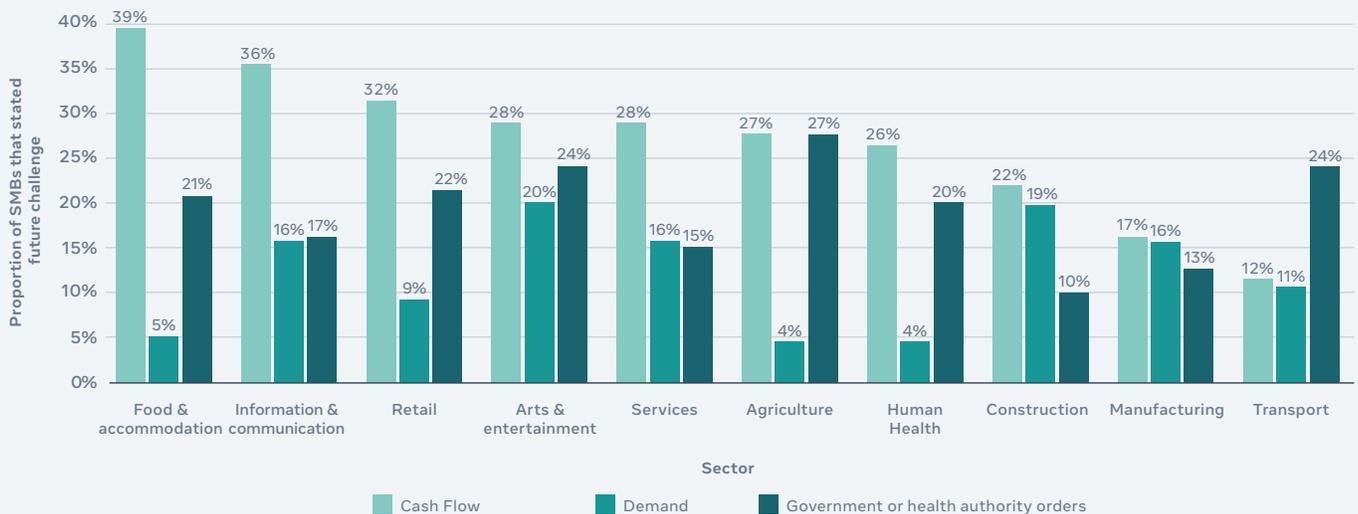
SMBS WERE OPTIMISTIC FOR THE FUTURE, BUT STILL FACE SIGNIFICANT CHALLENGES AHEAD

Over half (54%) of business leaders reported they were optimistic or very optimistic about the future of their businesses, although this has decreased slightly since April. This decrease was driven by female business leaders, with a decline of 8 percentage points between April and December. At the sector level, optimism was highest in information and communication (68%) and human health (63%). In contrast, less than half of businesses reported they were optimistic in the food and accommodation (42%), transport (44%) and arts and entertainment (44%) sectors.

SMBs continue to encounter difficulties in their operations. The three most cited challenges for the next 6 months were cash flow (26%), government and health authority restrictions (18%) and demand (13%), with large variation by sector (Figure 17). Cash flow was the greatest concern among more than one-third of businesses that are currently closed. As discussed in Section 1.4, many businesses also faced supply-side challenges in 2020, which was the most cited challenge in the manufacturing sector.

The challenging sales environment faced by businesses in majority-minority neighborhoods has been reflected in what they consider their biggest challenges moving forward. Among these businesses, cash flow (42%) and a lack of demand (27%) were the most commonly cited challenges they expect to face over the next few months, much higher than for businesses in non-minority neighborhoods.

FIGURE 17: Future expected challenges cited by SMBs, by sector

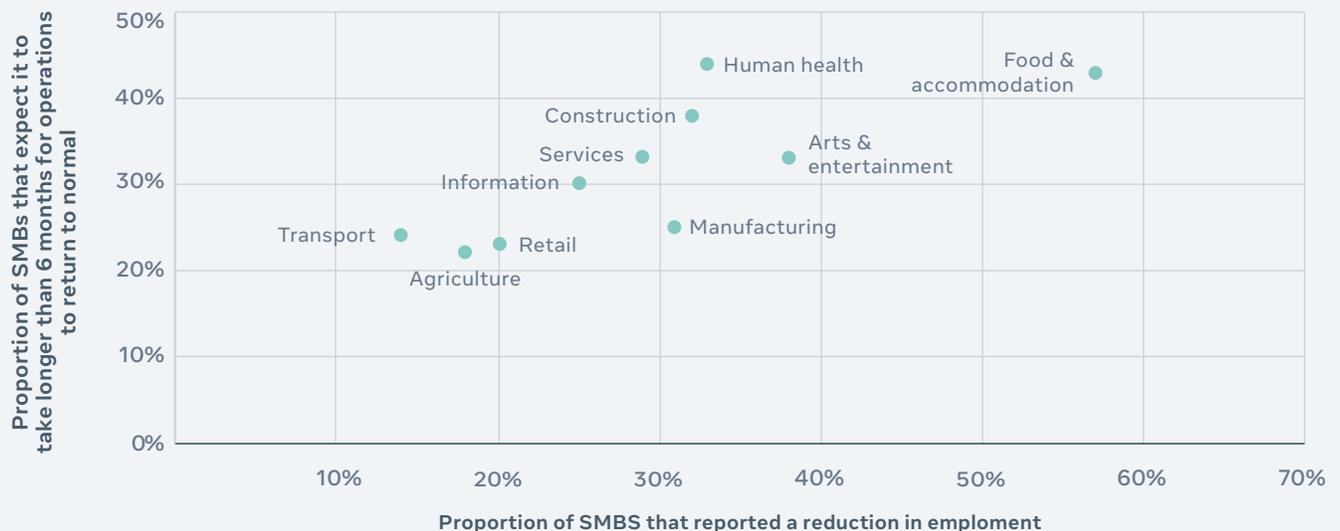


... AND PREDICT A LONG ROAD TO RECOVERY

Business leaders expect it will take a long time for their businesses to return to normal. One-third of business leaders think it will take at least 6 months to reach normal levels of operations and 10% think they will never recover. This is consistent with evidence from the Small Business Pulse Survey, which found that in December, 46% of SMBs expected it would take more than 6 months to return to a normal level of operations (U.S. Census Bureau 2020b).

A greater proportion of businesses expected the recovery to take over 6 months in sectors that have seen greater reductions in sales and employment (Figure 18), such as food and accommodation (43% expected it to take longer than 6 months). Similarly, over half of businesses in majority-minority neighborhoods (52%) reported that it would take over 6 months to return to normal, considerably higher than for businesses in non-minority neighborhoods (32%).

FIGURE 18: Proportion of business leaders who reported they expect it to take longer than 6 months to return to a normal level of operations (vertical axis) against the proportion who reported a reduction in employment



3.2 Ongoing support

Should economic conditions persist, SMBs are likely to need further support to mitigate the above challenges and to ensure they can continue to operate. A survey from December 2020 found that 48% of business leaders think their 2021 revenues will be below what they need to survive and 48% said further support would be critical for survival (Alignable 2020).

MANY BUSINESSES AND EMPLOYEES WILL CONTINUE TO NEED FINANCIAL SUPPORT IN 2021...

Despite efforts made by SMBs, such as reducing their workforce and adapting digital technologies, many still reported cash flow challenges. 30% of SMBs, in aggregate, reported that their cash flow was currently negative. Among female-led SMBs, 39% reported their cash outflow was greater than inflow.

Such conditions could lead to businesses collapsing in 2021. Among open businesses, 14% did not expect to last beyond 6 months if current circumstances persist. Without access to sources of capital to cover these cash flow shortages, more businesses could close. 43% of businesses had no access to private capital and, without further support, could struggle as states introduce new restrictions. In the 2 weeks before the survey, 25% of business leaders had gone to other people for financial support, increasing to 41% among personal business owners. Similarly, 13% of employees had gone to other people for financial support in the 2 weeks before the December survey.

Further financial support would also help closed businesses to reopen. Whereas in April, 57% stated that relaxation of restrictions would help them reopen, by December this had fallen to 24%. Instead, securing funds was the most commonly cited support that would help businesses reopen (36%).

14%

of SMBs do not expect to last beyond
6 months if current circumstances persist

While over one-third (38%) of closed SMBs planned to use personal savings to reopen, many planned to use government grants (14%) and government loans (9%). However, 33% were unsure of the funds they would use to reopen. Female business leaders were less certain of the financing source they would use relative to their male counterparts and were less likely to be planning to use government grants or loans (Figure 19).

53% and 47% of business leaders required emotional support and advice, respectively. Similarly, 38% of employees required emotional support.

Among both business leaders and employees, women were more likely to require well-being support. For instance, 63% of female business leaders had sought advice in the previous 2 weeks, compared to 31% of male business leaders.

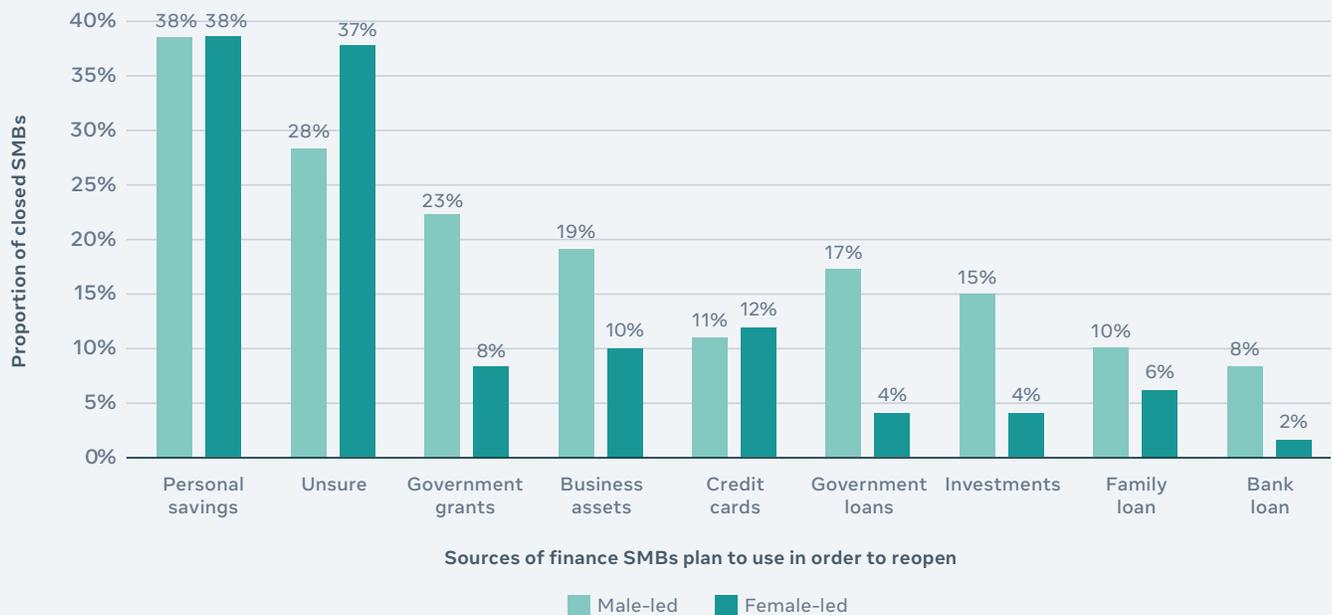
...AS WELL AS WELL-BEING SUPPORT

However, business leaders and employees also need well-being support to cope with the challenges at work and home. In the 2 weeks before the survey,

“Almost zero business income, not able to get a job, not qualified for small business loans...I have no idea of what or how to move forward at almost 60 years old, without putting myself at a greater risk of contracting COVID-19”

-SMB leader

FIGURE 19: Sources of finance that leaders of closed businesses planned to use in order to reopen, by gender





Conclusion

This report has provided an update on how the impacts of COVID-19 on U.S. SMBs have developed between the start of the pandemic and the end of the year. In general, business outcomes improved slightly between April and December, with closure rates falling and fewer businesses reporting lower sales and employment. Some SMBs have also adapted their business models—for example, by increasing their use of digital tools and sales—which could strengthen their resilience against future downturns.

Employees and consumers were also affected by the pandemic. Job losses in 2020 led to increased job uncertainty among employees and to concerns over sustaining their families. Improvement in job prospects and the relaxing of restrictions could also lead consumers to increase their spending.

However, there are still an array of challenges facing business leaders, including cash flow, a lack of demand and government restrictions. Business leaders face difficulty in balancing the increased workload they have in dealing with these challenges, including increased responsibilities at home.

Businesses also face uncertainty due to potential resurgences in the pandemic and extended periods of lockdown. Should recent trends continue, with further tightening of lockdown restrictions, the financial pressures on SMBs could intensify further, placing strain on both balance sheets and the family lives of business leaders. Government support is likely to remain an important factor in supporting SMBs and maintaining levels of employment, which can have significant impacts at home and on vulnerable groups.

Further research could build on this report by delving more deeply into the report's conclusion. For instance, as SMBs in majority-minority neighborhoods were impacted by the pandemic to a greater extent, this suggests that these communities may be more affected by the pandemic. Further research could investigate in detail the geographical impacts of the pandemic. Furthermore, with COVID-19 vaccine availability, we expect that the situation will shift over time to a more hopeful situation for SMBs, employees and customers.

The data collected in the U.S. State of Small Business Survey represents a valuable resource to inform future research programs and provides policymakers with insights into the impact of COVID-19 on SMBs in the U.S.

APPENDIX 01

Survey methodology

SAMPLING METHODOLOGY

The sample for the survey was based on 4 populations. 2 of these, Facebook Page administrators and active Marketplace sellers, were oversampled, whereas Facebook advertisers and the remaining Facebook population were undersampled. This sampling strategy ensured coverage of all SMBs, employees and consumers. Within each population, users were randomly selected.

After accounting for eligibility and non-response, the survey captured the views of 11,203 online business leaders, 8,066 employees and 6,666 consumers across the U.S.

The graphs below show the sample distribution among business leaders, employees and consumers.

FIGURE 20: Summary characteristics of business leaders

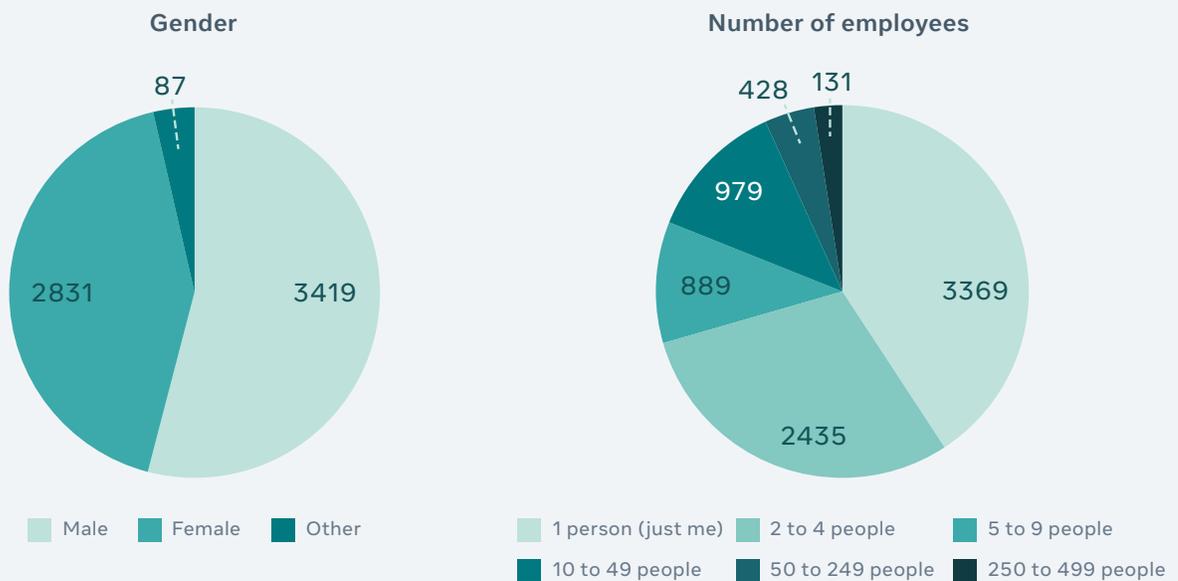


FIGURE 20: Summary characteristics of business leaders



FIGURE 21: Summary characteristics of employees

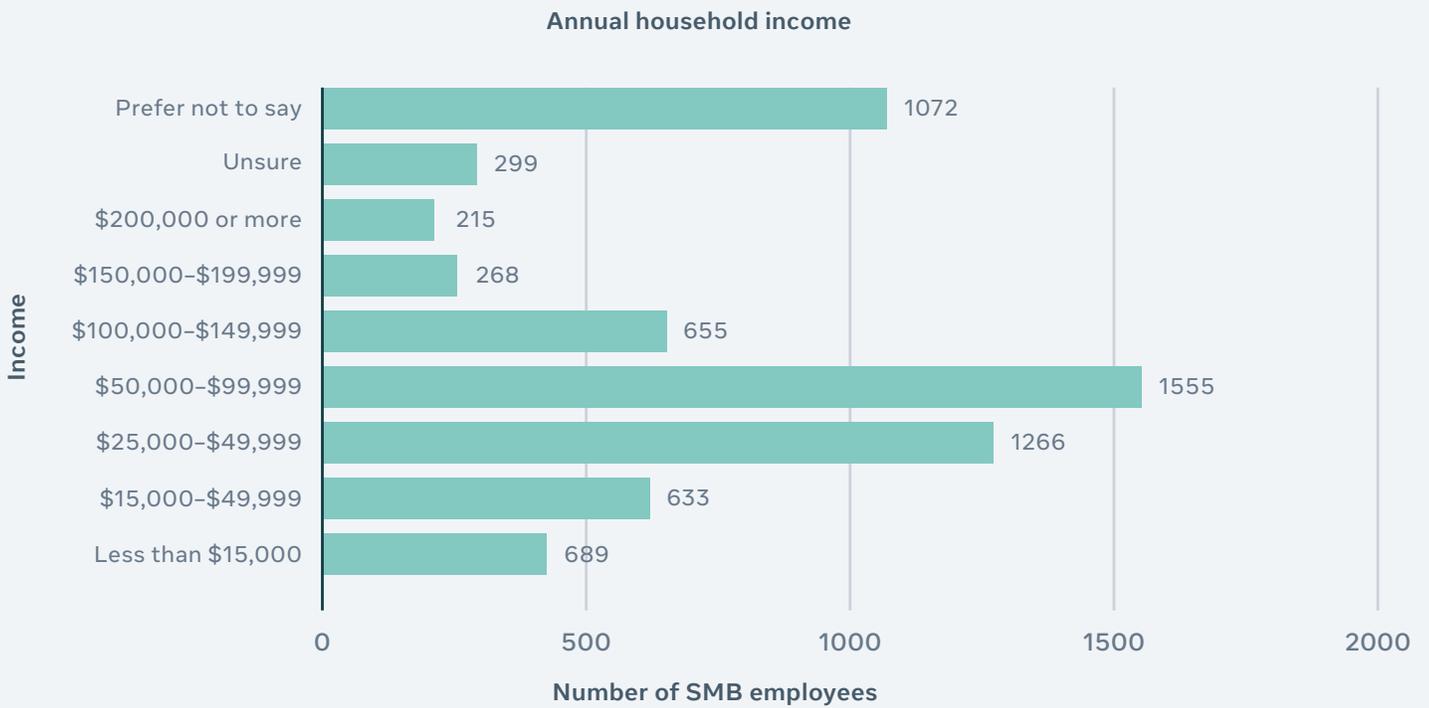
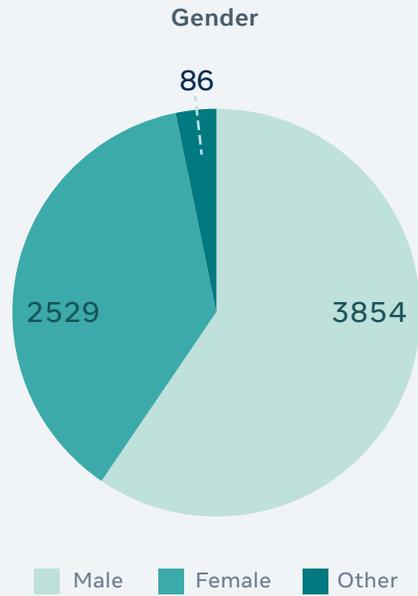


FIGURE 22: Summary characteristics of consumers

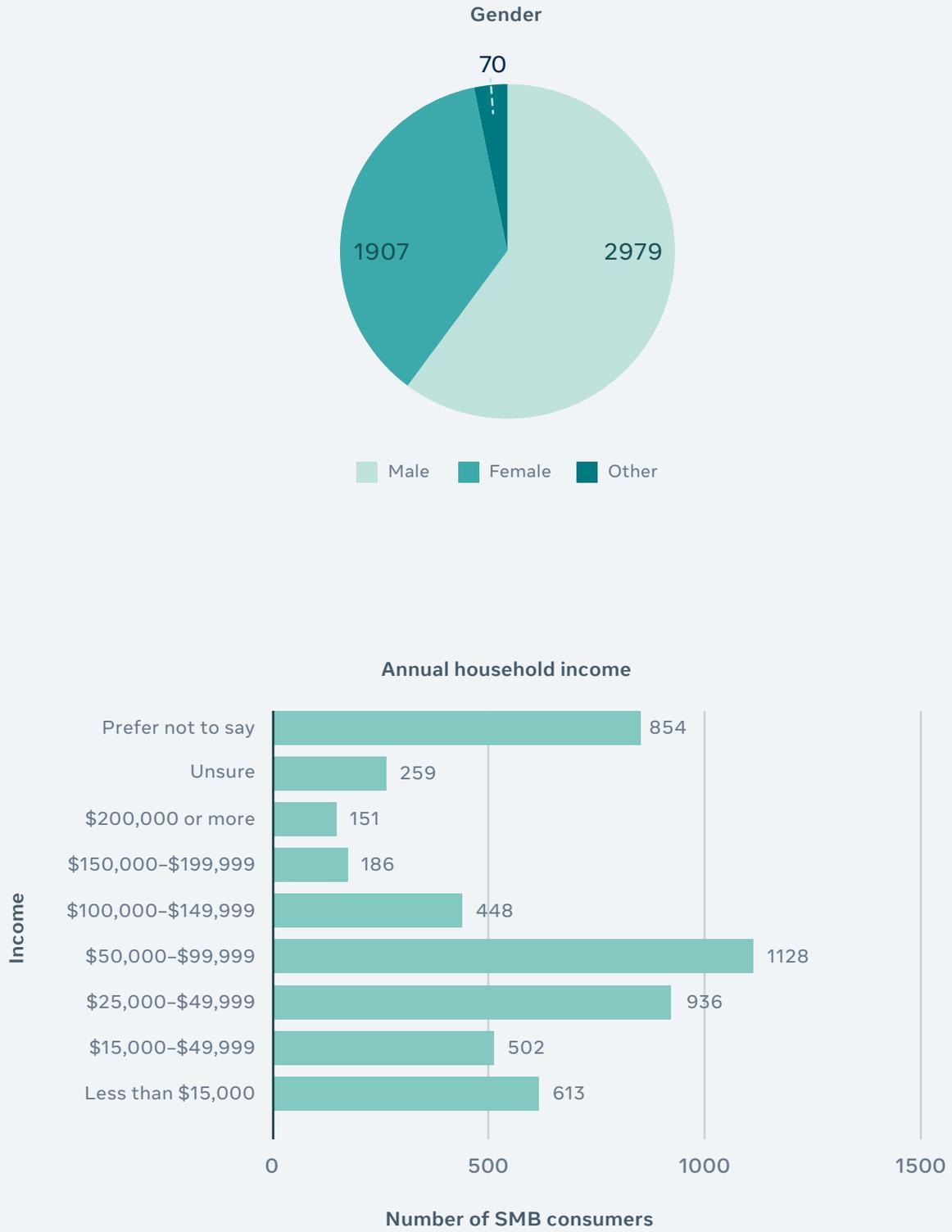
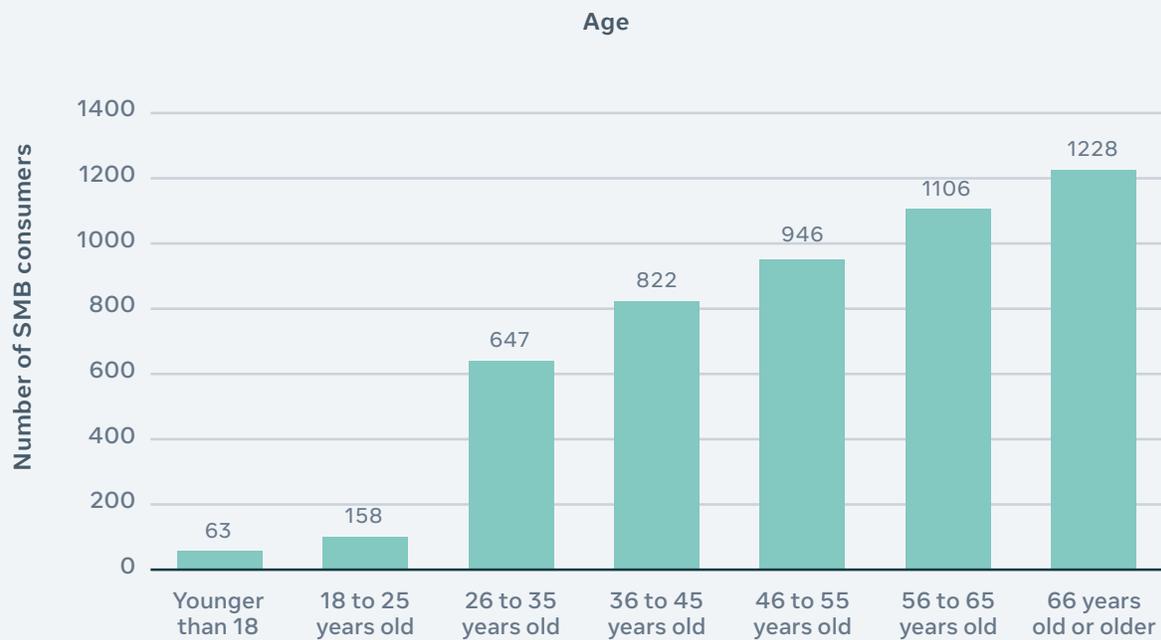


FIGURE 22: Summary characteristics of consumers



SURVEY INVITATIONS AND QUESTION ALLOCATION

The survey invitation was shown on the sampled individual's Facebook News Feed. Opening the survey, responding to the survey and completing the survey partially or fully were all entirely optional. If respondents chose to skip any question in the survey, they were allowed to do so with no reminders or prompts to answer of any kind, and the questionnaire flow took them to the next logical question.

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

Respondents could have seen a total of 136 questions or statements in the survey, but questions/statements were allocated in a semi-random fashion to ensure the overall length of the survey included fewer than 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 the managers and operators of personal enterprises were randomly assigned to one of five thematic question blocks. Employees, closed businesses and unemployed people were given separate sets of questions with deterministic content.

DATA TREATMENT

Weights were applied to account for differences in non-response rates between groups, and all reported results only use weighted data to ensure they represent the Facebook user population. It is therefore important to clarify that the sample of SMBs, employees and consumers used for this analysis was representative of Facebook users only, rather than the wider U.S. population.

To reduce any potential for disclosure risk, to preserve the confidentiality of our survey respondents and to maintain precision, results are not reported where a given question had fewer than 100 respondents. Where statistics are reported by sector, gender, majority-minority or business size, these were calculated using the whole sample, treating each respondent as an individual observation.

Further information regarding the survey methodology can be found [here](#).

“I think the medium businesses that have managed to stay open are making a very big effort. Short- and long-term job insecurity negatively affects the population. Besides, it’s valid to clarify that workers with full-time contracts have been cut off, as is my case. And we’ve had to get out of our savings, the ones we have. Because many don’t. And because we retained jobs, we don’t qualify for help. If you add that family life gets complicated, then older people who don’t pay for household expenses are a very big burden.”

“I worked for the last 20+ years for a family-owned travel and tourism business. COVID-19 decimated the industry and little to no funds were available. The company closed in March. I was brought in for a few hours over the summer but we were unable to secure funding necessary to cover minimal costs. I was told to expect a recall in January 2021 but expect the company will never reopen. With schools closed, it’s impossible to search for work with small children in the home. We are living on unemployment, my spouse’s wages and savings. I worry what will happen if savings runs out before everything can return to normal. Without extensions on unemployment benefits, it will happen soon. I worry what my options for work may be after a career in a now-decimated industry.”

“It’s difficult to balance childcare and work.”

“It’s easy to be overlooked for raises and promotions. Hours have been varying badly due to the pandemic. There just isn’t enough money to go around.”



Endnotes

1. The University of Oxford COVID-19 Government Response Tracker (Hale et al. 2020) tracks information on several different common policy measures, such as closing schools and restricting gatherings, that governments have implemented to respond to the pandemic. A full list of indicators is available at: <https://github.com/OxCGRT/covid-policy-tracker/blob/master/documentation/codebook.md> and the methodology for constructing the index is available at: https://github.com/OxCGRT/covid-policy-tracker/blob/master/documentation/index_methodology.md
2. IHS Markit estimates monthly GDP in a method conceptually consistent method with that of the U.S. Bureau of Economic Analysis. Available at: <https://ihsmarkit.com/products/us-monthly-gdp-index.html>
3. This is estimated using the number of businesses in the April survey that had closed before March.
4. Personal businesses promote or sell goods and services, are self-employed promoting goods or services or produce goods sold for personal incomes.
5. Businesses with no employees.
6. The question was slightly different between April and December. In April, respondents were asked for the most important reason they had closed, whereas in December they could choose multiple reasons.
7. The question changed slightly between April and December. In April, respondents were asked, “How many employees and workers has this business let go since the same month last year?”, and in December, they were asked, “Compared to the same month last year, how has the number of full-time employees and workers for this business changed?” Furthermore, in December, an additional option of “Don’t know” was available and chosen by 9% of respondents.
8. Official U.S. unemployment statistics are released by the U.S. Department of Labor, Bureau of Labor Statistics. Available at: <https://www.bls.gov/bls/newsrels.htm>
9. <https://www.marketplace.org/2020/10/09/small-businesses-having-hard-time-hiring-despite-high-unemployment/>
10. The selected lists of sources of capital were different between the two survey waves. Therefore, this could impact the results.



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