

COVID-19

Impact and Implications of COVID-19
Pandemic for Small/Medium Size Businesses

Summary Report

May 5, 2020



Methodology



STUDY



With the coronavirus outbreak in Canada and abroad, Angus Reid conducted a survey of small/medium size business owners and decision makers to understand the impact, expectations and challenges for small businesses as they adapt to the pandemic.

For the purposes of this study, small/medium size business are defined as business with fewer than 500 employees.



FIELD DATES



Fielding was conducted from April 23 to 29, 2020.



SAMPLE



Total Sample: Small Business Owners

A representative sample of small business owners based on the proportion of small businesses by employee count from Industry Canada:

- 1-9 Employees: n=184
- 10-99: n=61
- 100-499: n=5
- Total: n=250

The sample was weighted on region (West, Ontario, Quebec, Atlantic) based on Industry Canada data. A probability sample of n=250 would yield a margin of error of +/- 6.2%, 19 times out of 20.

Oversample for 10-99 and 100-499 Employee Businesses

To attain adequate sample to view trends by company size, additional interviews were conducted with owners and executives (VP+), yielding the following total counts:

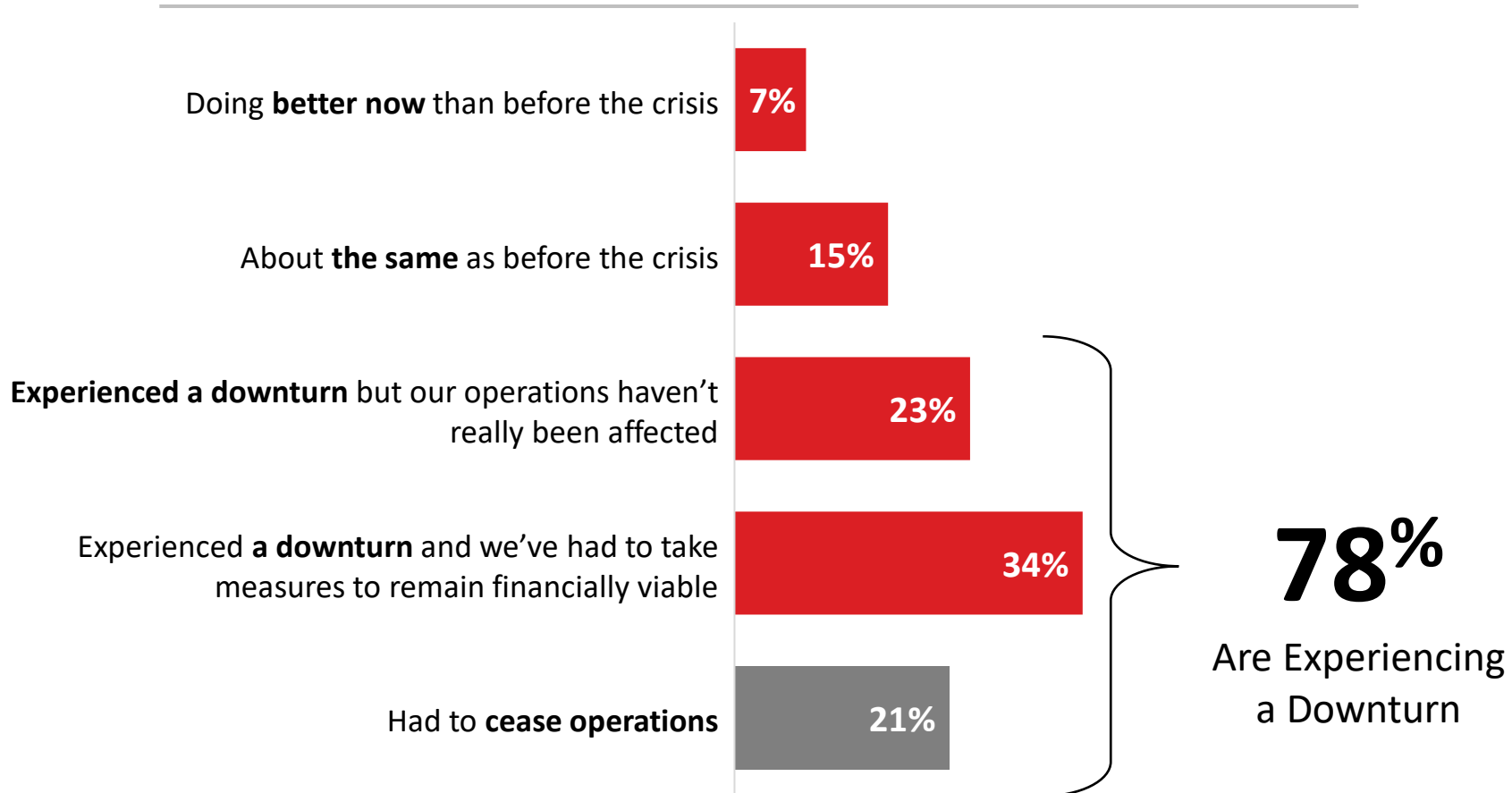
- 1-9: n=195
- 10-99: n=147
- 100-499: n=161

This oversample was used only when comparing results by employee count.

Key Findings

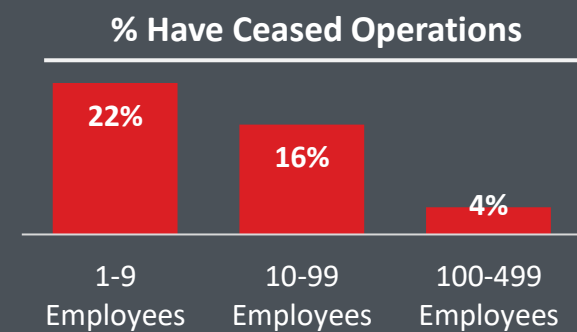
Impact: Three-quarters of small businesses are experiencing a downturn due to the pandemic.

Impact of Pandemic
(among small business owners)

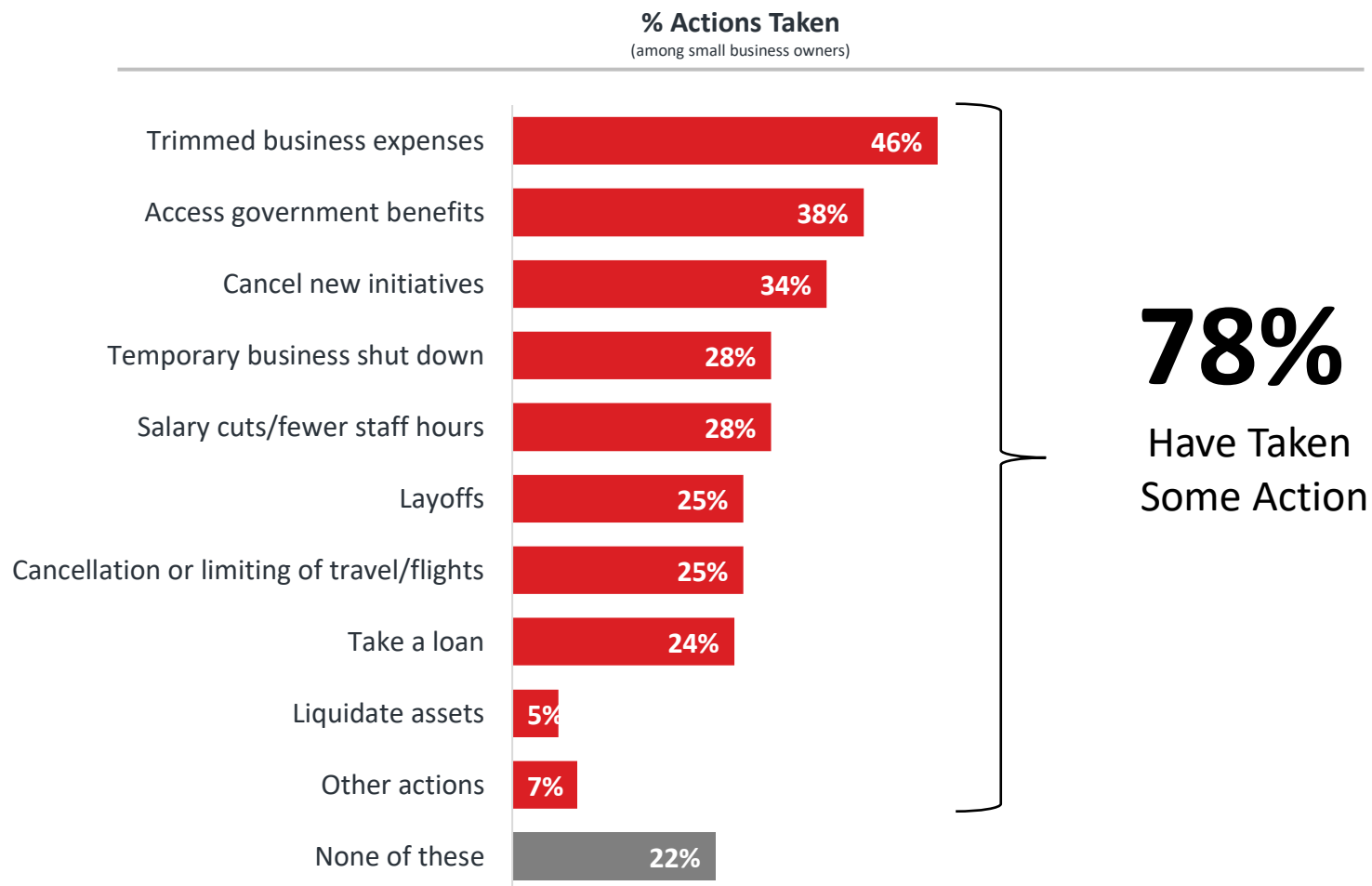


Business Size Affects Ability to be Resilient

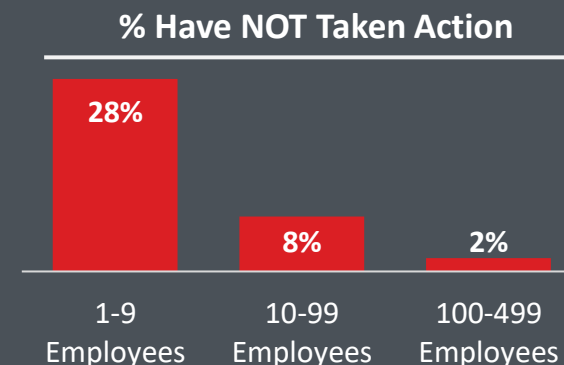
Smaller businesses (1-9 employee, and 10-99 employees) are **more likely** to have **ceased operations**



Financial Actions: Most small businesses have taken a wide variety of actions to protect their financial viability.



Small businesses (1-9 employee) are **MUCH LESS LIKELY** to have taken action



Going “Back to Normal”: One-third expect business expenses cut-backs to continue

% That Expect Financial Change to Persist When “Back to Normal”
(among small business owners)



Small businesses (10-99 employee) are **MORE LIKELY** to expect financial changes to continue:

43% Trimmed expenses

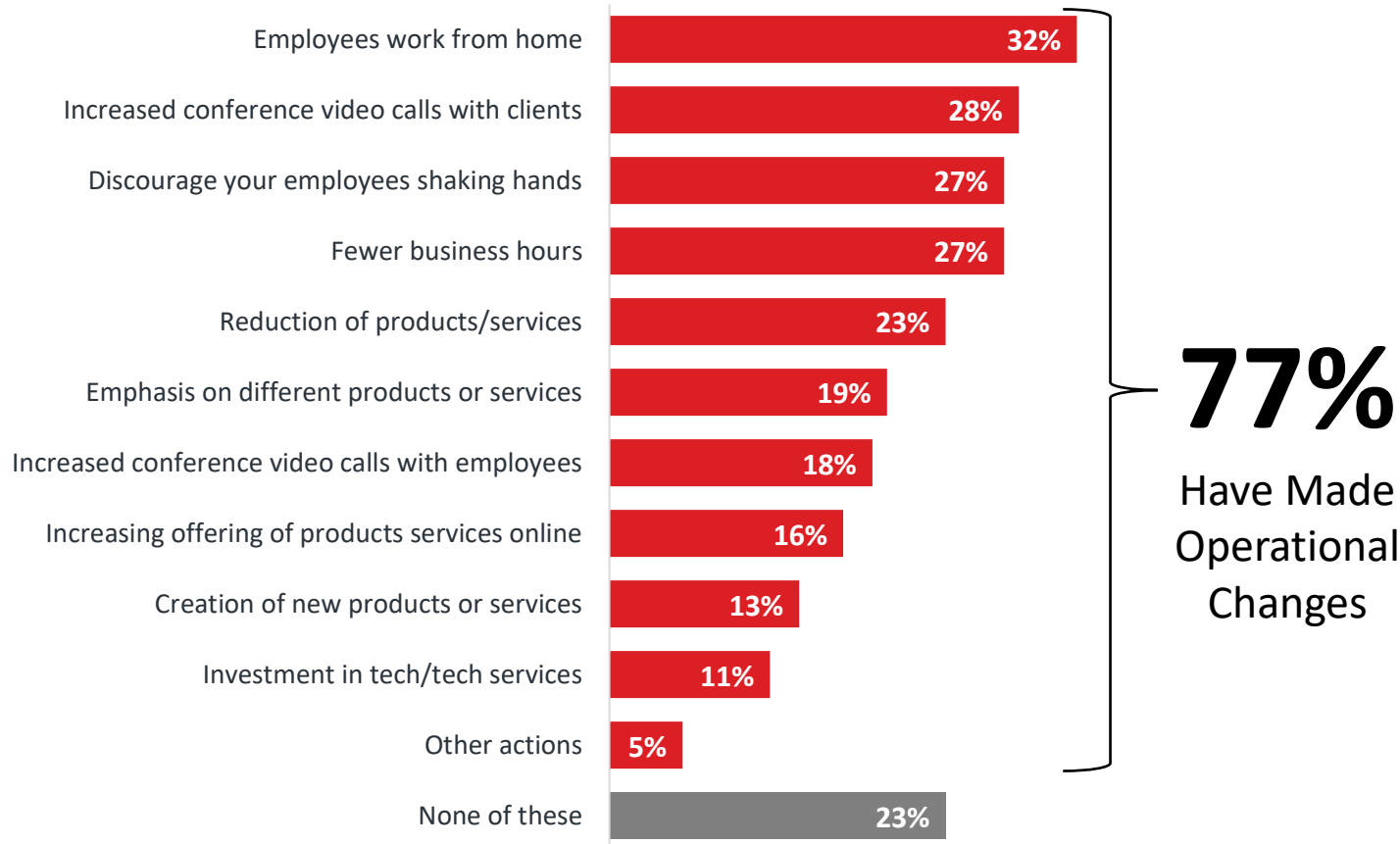
31% Layoffs

27% Salary cuts

19% Maintaining a loan

Operational Actions: Most small businesses have already made operational changes to adapt to the pandemic.

% That Have Made Operational Changes
(among small business owners)



Small businesses
(1-9 employee)
are **MUCH LESS LIKELY**
to have taken action

% Have NOT Taken Action



Going “Back to Normal”: One in five small business owners expect social distancing to continue for some time

% That Expect Operational Change to Persist When “Back to Normal”
(among small business owners)



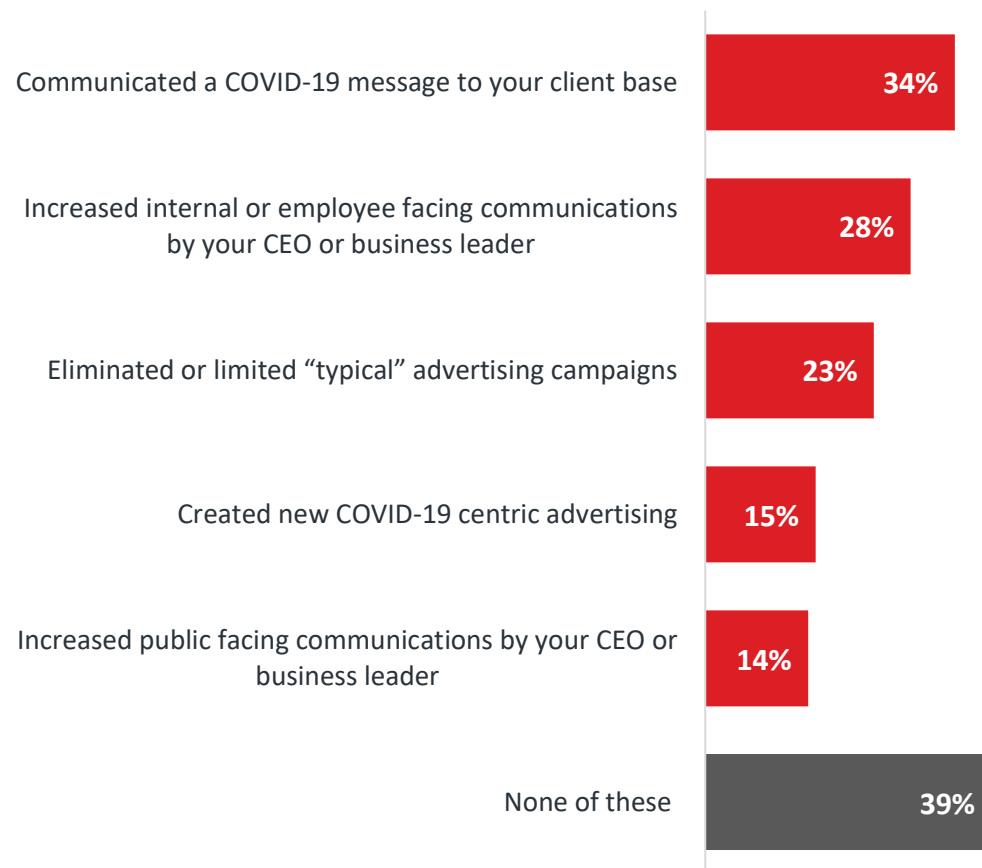
Small businesses (10-99 employee) are **MORE LIKELY** to expect operational changes to continue:

42% Discourage handshakes

33% Client video calls

Communications: One-quarter of small business owners have limited or eliminated their standard ads

% Have Done the Following (among small business owners)



Small businesses
(1-9 employee)
are **MOST LIKELY** to have
done none of these: **52%**

Med/Small businesses
(10-99 employee) are **MORE LIKELY**
to have communicated to
their client base: **50%**

Medium businesses
(100-499 employee) are **MORE LIKELY**
to have had increased CEO
communications: **40%**

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