

Survey: More than 1 in 3 small businesses won't survive past the next three months without additional financial relief

For months, Congress and the White House have conducted negotiations on another round of stimulus relief in fits and starts as they struggle to agree on the size and scope of a stimulus package. Small Business Majority's latest survey reveals that the uncertainty of whether more help will arrive has left too many small businesses on the brink of collapse.

The survey finds that without additional funding, more than 1 in 3 (35%) small business owners will not survive past the next three months. The number is even higher for small business owners of color: an astounding **41% of Black and Latino-owned businesses won't make it through the next few months without additional financial support**. And 1 in 5 small business owners report they've considered filing for bankruptcy. These numbers have grown since our last survey was released on [August 27](#), when 26% of small businesses reported they wouldn't survive more than three months, and 16% reported they've considered bankruptcy.¹

To make matters worse, a wave of commercial evictions and foreclosures is likely on the horizon, with **8 in 10 small business owners reporting that they are struggling to make commercial rent or mortgage payments—up 18% since late August**. Slightly more business owners of color (84%) report the same. Equally troubling, 64% of all small businesses and 73% of Black and Latino-owned businesses are concerned they will have to permanently lay off employees without immediate federal relief. More than 6 in 10 Black and Latino small business owners are very concerned they will have to make permanent layoffs, and 10% have already done so.

Given these numbers, it's clear that small businesses need more assistance in order to survive the pandemic. When asked what the number one priority should be for Congress and the White House before Election Day, small businesses ranked a comprehensive stimulus package as their top concern. **Fifty-five percent ranked negotiating on a comprehensive, bipartisan stimulus package that includes small business assistance and unemployment insurance as the number one priority, followed by 29% who want to see a standalone small business relief bill**, 5% who want another round of stimulus checks for some Americans and 4% who want see the Supreme Court nominee confirmed.

The need for a comprehensive relief package comes at a time when small business owners are still experiencing a significant loss in consumer confidence. Forty-five percent of small business owners rank reduced consumer demand as the top concern for their business right now. Twenty percent of all small business owners and more than 1 in 4 minority-owned businesses (27%) rank the health and safety of themselves, their employees and their customers as their top concern. Fifteen percent of Black and Latino owned businesses are still unable to reopen their businesses.

Additionally, small business owners are concerned about the future of their healthcare. In November, the U.S. Supreme Court will hear oral arguments in the case of *California v. Texas*, a case challenging the constitutionality of the Affordable Care Act. **Seventy-four percent of all small businesses and 86% of Black and Latino-owned businesses are concerned that the Supreme Court may strike down all or part of the healthcare law**, including protections for individuals with preexisting conditions.

The findings of this survey paint a dire picture of what many small business owners are facing just weeks before Election Day. With no sign of an end to the health crisis in sight, small business owners are looking to Congress and the White House to provide comprehensive relief to sustain their businesses and set our economy on a meaningful path toward recovery.

¹ Small Business Majority Survey: State Of Small Business Six Months Into The Covid-19 Pandemic, August 27, 2020
<https://smallbusinessmajority.org/our-research/state-of-small-business-six-months-into-covid-19-pandemic>

This is the fifth in a series of COVID-19 related surveys Small Business Majority has released of its network. Over time Small Business Majority has tracked the economic conditions facing small businesses, how well federal stimulus programs have served its network, the small business owners' views of proposed stimulus provisions, and other issues of importance.

Methodology

Survey of 948 small businesses from Small Business Majority’s network between October 9 to October 20, 2020. Most respondents own very small businesses with fewer than 25 employees (65%) or are self-employed (27%). Thirty-nine percent are owned by people of color.

Toplines

	Overall (n=948)	Black/Latinx sample (n=286)
Your demographic information		
Asian or Asian American	6%	
Black, African or African American.....	20%	
Hispanic, Latinx or Spanish Origin.....	11%	
Middle Eastern or North African.....	1%	
Native American or Alaska Native.....	1%	
White or Caucasian	51%	
Some other race, ethnicity or origin	2%	
Prefer not to answer.....	8%	
How many employees do you have?		
1 (self-employed).....	27%	29%
2-5	35%	43%
6-9	13%	12%
10-24	17%	9%
25-49	5%	3%
50-99.....	2%	3%
100 or more.....	1%	1%
What is your gender?		
Female.....	63%	63%
Male.....	36%	36%
Prefer to self-identify	1%	1%
Do you own or rent one or more commercial spaces?		
Yes	70%	67%
No	30%	33%
Are you struggling to make commercial rent or mortgage payments?		
	(n=662)	(n=190)
Yes	80%%	84%
No	20%	16%

Without additional relief from the federal government, how long do you think you will be able to stay in business?

Less than one month.....	7%	12%
1-3 months	28%	29%
4-6 months	18%	15%
6 months to a year.....	14%	10%
I will be able to stay in business throughout the COVID-19 pandemic.....	11%	5%
I don't know	23%	26%

Without immediate additional federal relief, how concerned are you that you will have to permanently lay off employees?

Very concerned	48%	62%
Somewhat concerned.....	16%	11%
Not concerned at all.....	4%	1%
I have already permanently laid off employees.....	12%	10%
I don't have employees	20%	16%

Have you considered filing for bankruptcy?

Yes	20%	20%
No	64%	60%
I don't know	16%	20%

The Administration and Congressional leadership have been negotiating on another round of stimulus relief for Americans on and off over the past two months. The White House has sent mixed messages this week about whether it would delay negotiations until after the election. What do you think should be the number one priority for Congress and the White House before the election?

Negotiating on a comprehensive, bipartisan stimulus package that includes unemployment insurance and small business assistance	55%	65%
Passing a standalone small business relief bill	29%	20%
Providing another round of stimulus checks for some Americans.....	5%	8%
Confirming the Supreme Court nominee	4%	0%
Other	6%	6%

What is the top concern for your business right now?

Reduced consumer demand	45%	35%
Still unable to reopen my business.....	11%	15%
Health and safety of me, my employees and customers	20%	27%
Lack of access to healthcare.....	2%	2%
Other	22%	20%

In November, the U.S. Supreme Court will hear oral arguments in the case of California v. Texas, a case challenging the constitutionality of the Affordable Care Act (ACA). How concerned are you that the Supreme Court may strike down all or part of the ACA, including protections for individuals with pre-existing conditions?

Very concerned	62%	75%
Somewhat concerned.....	12%	11%
Not concerned at all.....	20%	7%
I don't know	6%	7%