



LendingTree Survey of Small Business Owners Finds 46% are Concerned They Won't Have Enough Money to Reopen

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Although more businesses have seen financial support through PPP than last month, owners still worry about reduced profits amid increased safety measures

CHARLOTTE, N.C., May 28, 2020 /PRNewswire/ -- Even as states and cities slowly allow more businesses to reopen, many entrepreneurs are anxious about doing so. Nearly half of small business owners worry they cannot afford to resume normal operations following mandated closures to slow the spread of COVID-19, according to LendingTree's latest survey of small business owners. Approximately 46% of small business owners cite funding as the primary obstacle to reopening, and that once open, increased health and safety measures could further stifle sales.



Full report: <https://www.lendingtree.com/business/survey-businesses-worried-not-enough-money-to-reopen/>

Key findings:

- **Almost 6 in 10 small business owners will reopen** as soon as they're allowed. However, 15% said they'll wait a little longer to open and another 26% aren't sure when they'll ever reopen.
- **Fewer customers and fewer sales are expected by 46% of small business owners upon reopening.**
 - Just 17% think they'll get the same number of customers spending the same amount as they did prior to the coronavirus pandemic.
- **Not having the funds needed to reopen is the primary reason small business owners would not reopen once stay-at-home orders are lifted.** They wonder if profits would warrant reopening as they also worry about the safety of themselves and employees who may not want to return.
- **About 63% of small business owners surveyed have applied for funding through the Paycheck Protection Program.**
 - Of those who applied for a PPP loan, 44% have received funding. This is a significant jump from our April survey, where we [found just 5% of those who applied were approved.](#)
- **However, more than half of business owners who received PPP funding are nervous they won't meet forgiveness criteria.** Some are more worried than others: 24% are "very concerned," while 29% are "a little" concerned.

Small business owners have reservations about reopening

Although most small business owners are eager to reopen once their cities and states fully lift restrictions, some entrepreneurs worry about the lingering effects of the pandemic. Just 11% of respondents said they have no anxiety about reopening.

The biggest concern for 39% of small business owners is that they will not generate enough sales to make opening worthwhile. And 30% are nervous they would have to shut down again if there is another spike in coronavirus infections. A smaller group is worried about complying with ongoing social distancing and health safety guidelines, as 8% said that was their main concern, while 5% are most troubled about employees not wanting to return to work.

Fortunately, 52% of survey respondents expect all of their employees to return to work when the business reopens. Nearly half — 48% — plan to bring back the same number of people at the same number of hours. And only 23% of business owners expect to employ fewer people for fewer hours when they reopen.

Despite promising PPP loan approvals, financial concerns remain

Among our survey respondents, 26% applied for a PPP loan from the U.S. Small Business Administration in the first round and 18% applied in the second round. The SBA opened applications on April 3rd, but funds ran out on April 16. Congress replenished the loan program which resumed April 27. Another 19% applied in both rounds. Of the 44% of business owners who were approved in either round, 3% returned their entire PPP loan. More than half of business owners are not confident they will meet the criteria for PPP loan forgiveness.

The SBA released its PPP loan forgiveness application after weeks of confusion around the forgiveness process. Borrowers must spend at least 75% of PPP loan funds on payroll expenses and no more than 25% on mortgage interest, rent payments and utilities to qualify for forgiveness, spending those funds within eight weeks of receiving their loan. However, Congress could pass legislation that would extend that eight-week period, as well as upend the 75% rule.

Reopening Plans

For those moving full steam ahead, 54% of business owners plan to inform customers of their reopening through email. To encourage business, 43% of respondents are going to offer special promotions or sales. About 31% plan to use paid social media ads to promote their business in the first month after reopening, while 35% expect to take advantage of unpaid organic social media content. Approximately 9% of business owners don't have any plans to promote their business after reopening.

For more information about the survey and its findings, please visit: <https://www.lendingtree.com/business/survey-businesses-worried-not-enough-money-to-reopen/>

Methodology

LendingTree conducted an online survey of 1,260 small business owners who had previously applied for funding through LendingTree's small business lending database. Of the total respondents, 757 business owners had applied for a PPP loan. Participants were emailed a link to participate in the survey, which was fielded using Qualtrics from April 16-19, 2020.

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, refinances, auto loans, personal loans, business loans, student refinances, credit cards and more. Through the My LendingTree platform, consumers receive free credit scores, credit monitoring, customized recommendations to improve credit health, and notification when there are opportunities to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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