



74% of Small Business Owners Took On Debt to Offset COVID-19 Financial Losses

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CHARLOTTE, N.C., Sept. 30, 2020 /PRNewswire/ -- As small business owners continue to navigate the COVID-19 crisis, many are grappling with significant new challenges. According to a [recent LendingTree survey](#) of almost 1,400 small business owners, day-to-day business disruptions have spurred unexpected layoffs and financial concerns. In fact, nearly three-quarters of small business owners have taken on debt to make up for financial losses. And few businesses are again fully operational. But it isn't all doom and gloom, the survey found. The majority of small business owners still feel optimistic about their future beyond the pandemic.



Key Findings:

- **About 74% of small business owners have taken on debt to cope with the financial losses due to the coronavirus crisis.** Most notably, 37% took on credit card debt and 28% borrowed from friends or family.
- **Only 10% of small business owners who received Paycheck Protection Program (PPP) funding said it relieved all the financial difficulties they're facing.** The majority (62%) said the funds helped somewhat, but 28% said the PPP funds didn't relieve their difficulties at all.
- **Of the 79% of small business owners who suspended or reduced operations, only 13% have since been able to completely resume operations.** Most (63%) have been able to somewhat resume, while 23% haven't been able to resume operations at all.
- **Furthermore, 43% of small business owners said their gross revenue has decreased by 51% or more due to the pandemic.**

"Only 13% of our respondents have been able to completely resume operations, which means that almost 9 out of 10 aren't there yet," said Hunter Stunzi, senior vice president of small business and investments at LendingTree. "That's a real drag on revenue and on their ability to keep and pay their employees."

Of small business owners who applied for PPP funding, our survey found that 55% received the funds they were seeking. It's worth noting that this is far better than the 5% who received financial relief during the first round back in early April. Be that as it may, Stunzi likened the program to a temporary Band-Aid.

"It was really sort of a one-time shot in the arm for a few months of payroll, utilities or rent," he said. "But now that they've worked through that and the government has not been able to get its act together and provide more stimulus to these Main Street businesses, many are never going to return and are simply going to go out of business."

To view the full report, visit: <https://www.lendingtree.com/business/small/debt-covid-19-financial-losses-survey/>.

Methodology

LendingTree conducted an online survey of 1,397 small business owners who had previously applied for funding through LendingTree's small business lending database. Participants were emailed a link to participate in the survey, which was fielded using Qualtrics from Sept. 4-11, 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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