The intent of the Main Street Index is to take the pulse of businesses like yours and provide useful data and insights for your organization to leverage. Our most recent survey polled respondents on COVID-19’s impact on their business and their recovery. While some of the data will likely be what you expected, there are some very surprising results. It is our hope that you can utilize this information to stay up-to-date and perhaps provide you with ideas as to how you can accelerate your business’ recovery.

**SMALLEST BUSINESSES HIT HARDEST**

Almost 48% of employers with less than 5 employees reported significant or severe impact, while only 37% of employers with 20-49 employees reported that same level of impact.

**GREATEST IMPACT UPON SALES & THE REMOTE WORKFORCE**

Not surprisingly, businesses reported the greatest impact being a significant decrease in sales (20% or greater below projection or prior year). Second was expansion of the remote workforce, which presents new challenges for many.

In what ways has COVID-19 impacted your business?

- Significant decrease in sales/receivables (20% or more below projection or prior year)
- Expanded remote operations/workforce
- Reduction in staff (furloughs/layoffs)
- Disruption of supply chain/loss of vendor(s)
- Shift in your business valuation
- Other
- Significant increase in customer collections default or deferment
- Consolidation or closure of business locations
- Increase in sales/unplanned growth opportunities
TOP CONCERNS

It’s no shock that loss of revenue is the top concern with so many companies taking a closer look at spending and cash flow following the disruption. Employee safety is another top concern for these businesses, and for many reasons should remain a priority beyond the pandemic.

What are your current top concerns?

![Chart showing top concerns]

- Loss of revenue: 68.0%
- Employee safety: 38.0%
- Prolonged sales cycle or pipeline standstill: 32.4%
- Inability to gain personal connections/facetime with prospects: 29.8%
- Travel restrictions: 25.5%
- Client receivables/collections: 24.1%
- Supply chain disruption: 23.6%
- Staffing shortages: 23.0%
- Other: 9.1%

MANAGING LIQUIDITY – MANY OPTIONS LEFT UNTAPPED

While almost 85% have turned to PPP loans to improve liquidity, the surprise here is the many options that businesses are NOT utilizing. If loss of revenue is a top concern, why aren’t more companies leveraging additional liquidity options? Notably, zero respondents reported use of other loan programs (e.g., Economic Injury Disaster Loan Program, Main Street Lending Program); CARES Act tax items (e.g., carryback of NOLs); and equity financing.

In what ways have you or do you plan to improve liquidity?

![Chart showing liquidity improvements]

- Paycheck Protection Program (PPP) loan: 84.9%
- Personnel decisions: 33.3%
- Employee credits/payroll tax deferrals: 11.2%
- Other: 11.0%
- Debt service negotiations/bank debt modifications: 9.1%
A LOOK AHEAD – MANY ARE HOPEFUL

Despite the grim outlook of some, the data reflects that many businesses are hopeful for recovery. Over 35% reported that they do not anticipate any severe ramifications when looking forward to the next 18 months. And while 39% do expect severe ramifications if the pandemic does not lighten up, those are mostly expected in the near future (3-6 months), showing hope in the longer view.

How much longer can the current COVID-19 situation last before it has severe ramifications on your business and operations?

PLANNING AHEAD – BUSINESSES SHOW DETERMINATION

While marketing is often one of the first line items to get cut, for 41.4% of main street businesses, increasing their marketing efforts is a prime strategy for moving forward, while expanding their remote workforce is a close second (39.2%). Cash flow analysis (31.9%) will likely continue to be a tool for monitoring COVID-19 impact and recovery for the foreseeable future.

Do you expect or are you planning for any of the following between now and February 2021?

1,643 Respondents | 49 States | 33 Industries