

NFIB: Almost all Wisconsin businesses continue to be negatively impacted by the crisis

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Madison (June 23, 2020) - The **NFIB Research Center** released a survey with an update on the state of small business and the progress with federal loan programs. Twenty-seven percent of owners reported experiencing a significant or moderate increase in sales due to eased restrictions in the states. Another 27% reported a slight increase and 42% of owners said sales levels did not change.

“The COVID 19 crisis continues to cast a dark cloud of economic uncertainty over Wisconsin’s small business community,” **said Bill G. Smith, NFIB State Director in Wisconsin.** “The latest survey by NFIB’s Research Center shows many small business borrowers are taking advantage of the new flexibilities of the Payroll Protection Program, but it also shows that almost half of them are anticipating the need for more financial aid over the next year. Hopefully, the improved economic conditions we’ve seen here in Wisconsin will continue as most areas of the state have lifted stay-at-home orders and eased restrictions to allow the re-opening of main street businesses.”

Key findings from the survey include:

The number of small business owners applying to a Paycheck Protection Program (PPP) loan increased slightly over the last two weeks.

- Eighty-one percent of respondents reported applying for a loan compared to 77% as of May 29th.
- Of those who have not applied, only 3% anticipate applying for a loan before the program ends for new applicants.
- Most PPP loan applicants (85%) applied through the bank that they normally use for their business.

Almost all PPP applications (97%) have received their loans.

- Most PPP borrowers are still using their loan but over the next few weeks, more will have exhausted their funds and will be ready to apply for loan forgiveness.
- Currently, only 3% of PPP loan borrowers have applied for forgiveness.

Over half (59%) of PPP loan borrowers are taking advantage of the extended 24-week forgiveness period.

- Forty percent of borrowers find the new flexibilities (including allowing more of the loan to go towards non-payroll expenses and new FTEE exemptions) very helpful in maximizing loan forgiveness, another 19% find them moderately helpful.
- One-in-ten reported that the original terms were fine for their purposes and 9% of borrowers were not familiar with the recent changes.

Some owners report having to adjust their workforce to reflect the economic environment with 14% of PPP loan borrowers anticipating having to lay off employees after using the loan.

- Half of those who anticipate reducing staff levels expect to lay off one or two employees.
- About 12% will likely reduce their staff by 10 or more employees.

Over one-third of owners (35%) have applied for an Economic Injury Disaster Loan (EIDL) and most are still waiting for their loan to be processed.

- Only 38% of applicants have had their loan deposited.
- Small business owners have experienced faster processing with the EIDL emergency grant advance with 72% of those who requested the grant advance receiving it.

Economic conditions have improved for many small business owners over the last month as states have eased business restrictions and stay at home orders.

- However, of those small business owners who have applied for a PPP loan, an EIDL, or both, almost half of them anticipate needing additional financial support in some form over the next 12 months.

The economic and health crisis is lasting much longer than the PPP's initial design of primarily supporting two months of payroll and limited non-payroll expenses, and of the EIDLs reduced loan distributions.

- Most owners (56%) expect they'll need less than \$50,000 to support business operations in the near term and just over one-in-four (27%) anticipate needing more than \$100,000.

About 41% of respondents are familiar with the new tax deferment provision and about 6% of respondents have taken advantage of it.

- Of those who have not yet deferred their tax payments, about 5% plan to do so and 31% responded "maybe."
- Almost two-thirds of small business owners are not planning to defer their tax payments.

Most small business owners have had to adjust their business operations to some degree due to the COVID-19 health crisis.

- The crisis has required significant change in business operations for 23% of respondents and a moderate change in operations for 32% of owners.
- About 30% of owners have had to modify their operations slightly and 16% of businesses have not changed any business operations.

The full survey is available [here](#).