



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

In business for your business™

COVID-19: State of Small Business

Key weekly survey results – [Week 7](#)

2020-04-30

Overview

Every Friday during the COVID-19 pandemic, **CFIB** is sending a survey to understand how businesses are being impacted, what support will be most useful to them, and what solutions may be available in the short- to medium-term. Surveys we have done so far:

<i>Survey</i>	<i>Active dates</i>	<i>Sample</i>
Your Business and COVID-19 – Survey No. 1	March 13-21	n = 10,092
Your Business and COVID-19 – Survey No. 2	March 20-26	n = 13,362
Your Business and COVID-19 – Survey No. 3	March 27-April 2	n = 12,632
Your Business and COVID-19 – Survey No. 4	April 3-9	n = 13,021
Your Business and COVID-19 – Survey No. 5	April 10-16	n = 11,850
Your Business and COVID-19 – Survey No. 6	April 17-April 23	n = 9,712
Your Business and COVID-19 – Survey No. 7	April 24-TBD	n = 8,042

This next pages will highlight more detailed results from our [latest survey](#) on the current state of Canadian small businesses (7th weekly COVID-19 survey started April 24, some results to be shared publicly April 27).

Methodology



Online survey (Your Business and COVID-19 – Survey Number Seven) started April 24.



So far, it has received 8,042 responses from small business across Canada.

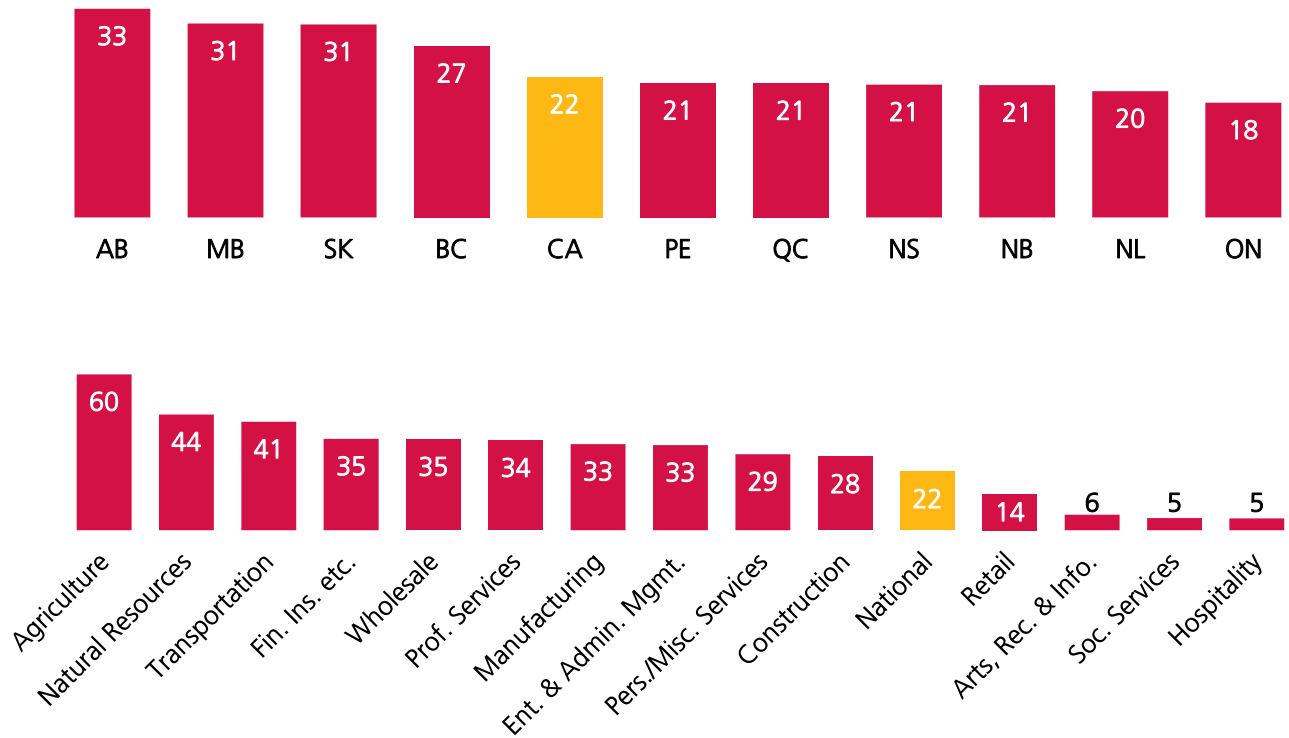
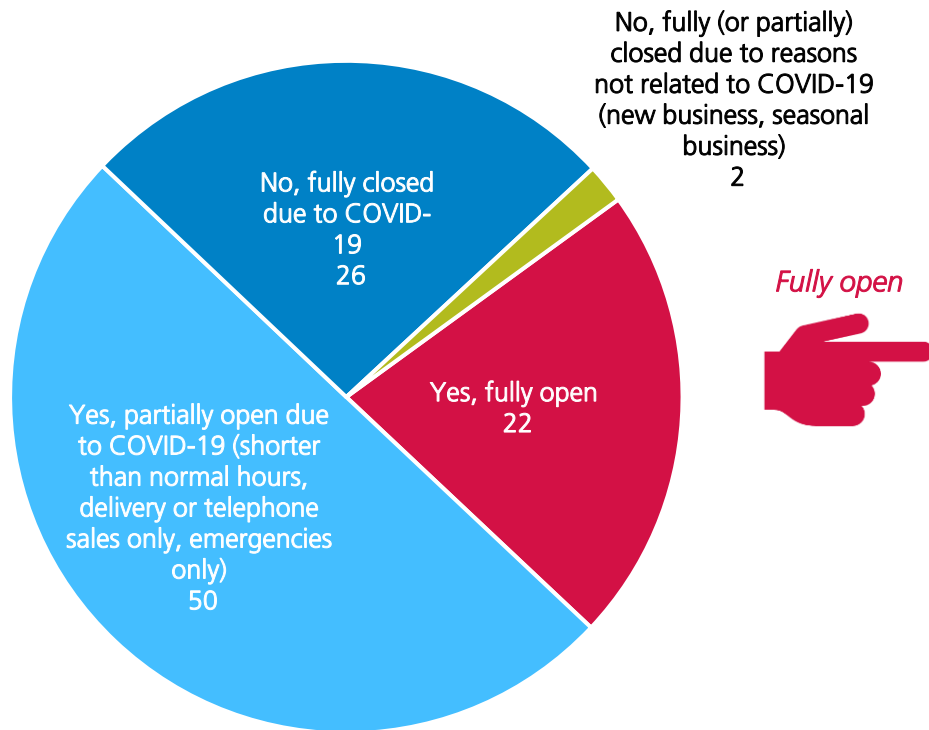


For comparison purposes, a probability sample with the same number of respondents would have a margin of error of +/-1.1%, 19 times out of 20.



Note on the next pages: The percentage of responses in charts may not always add up to 100%, due to rounding or multiple choice responses. There are instances in in this briefing that we do not report on certain provinces, as the sample size is less than 40 respondents.

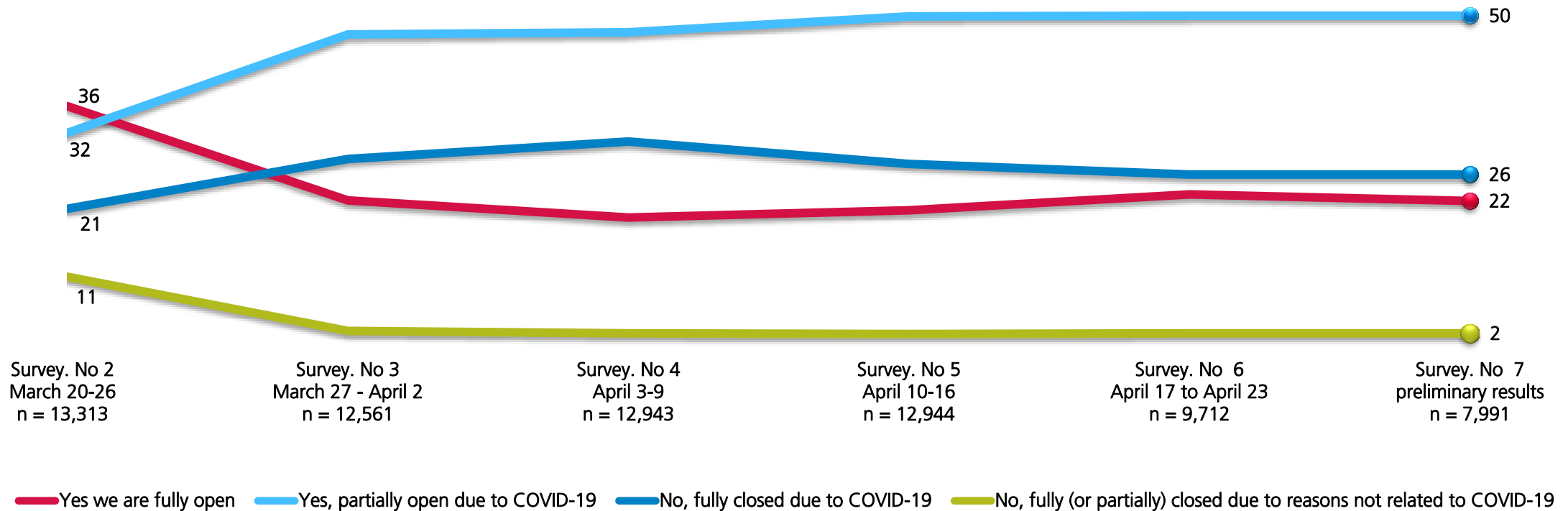
As of today, is your business still open? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,991.

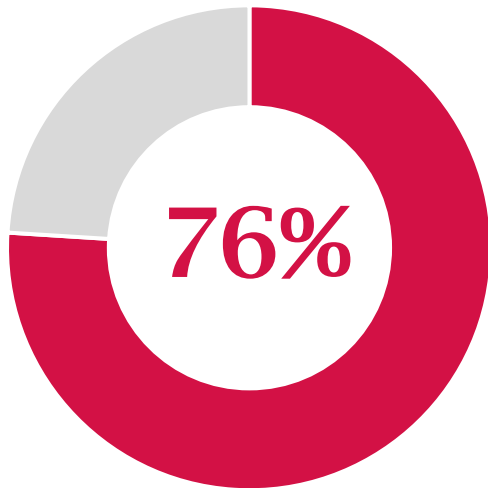
As of today, is your business still open?

(% response)



What is the main reason your business is fully closed or only partially open? (% response)

Partially open or fully closed due to COVID-19



Reason partially open or fully closed



We were mandated by government

53

Lack of demand for our products/services

23

Concerns over the health and safety of our employees/customers

19

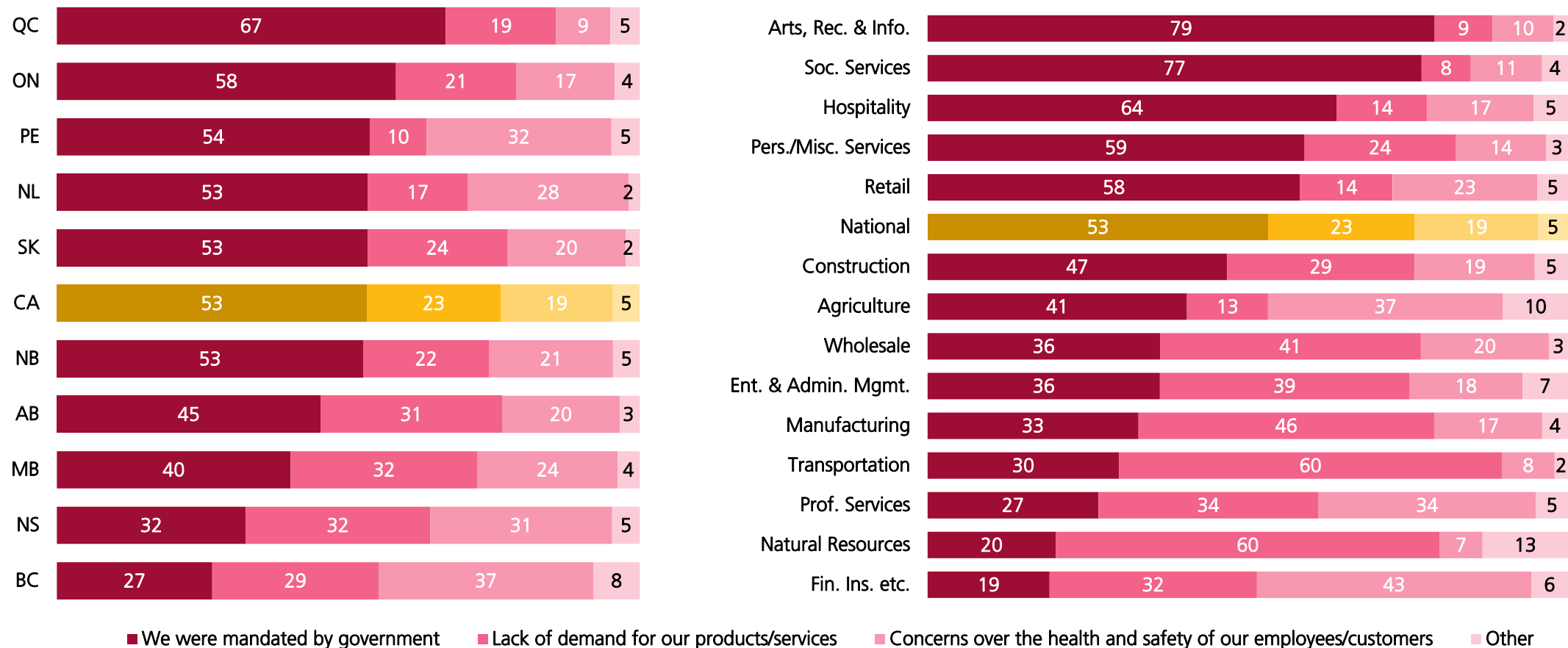
Other

5

Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,995.

What is the main reason your business is fully closed or only partially open?

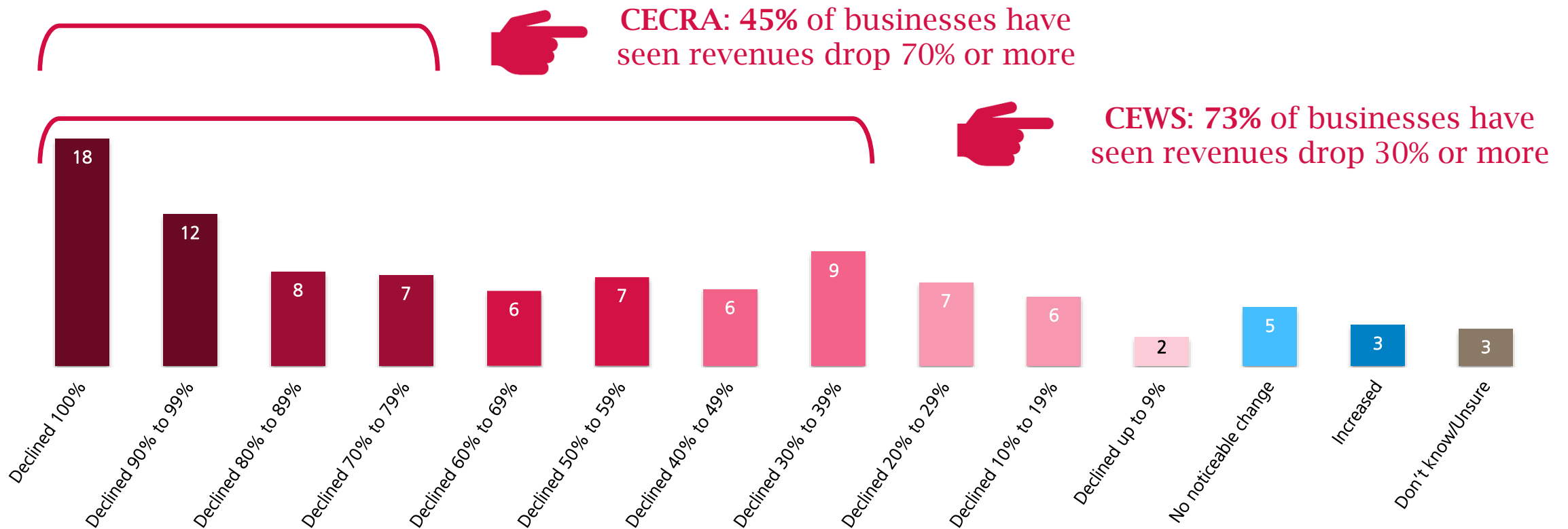
(% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,995

Note: The percentage of responses may not always add to 100%, due to rounding.

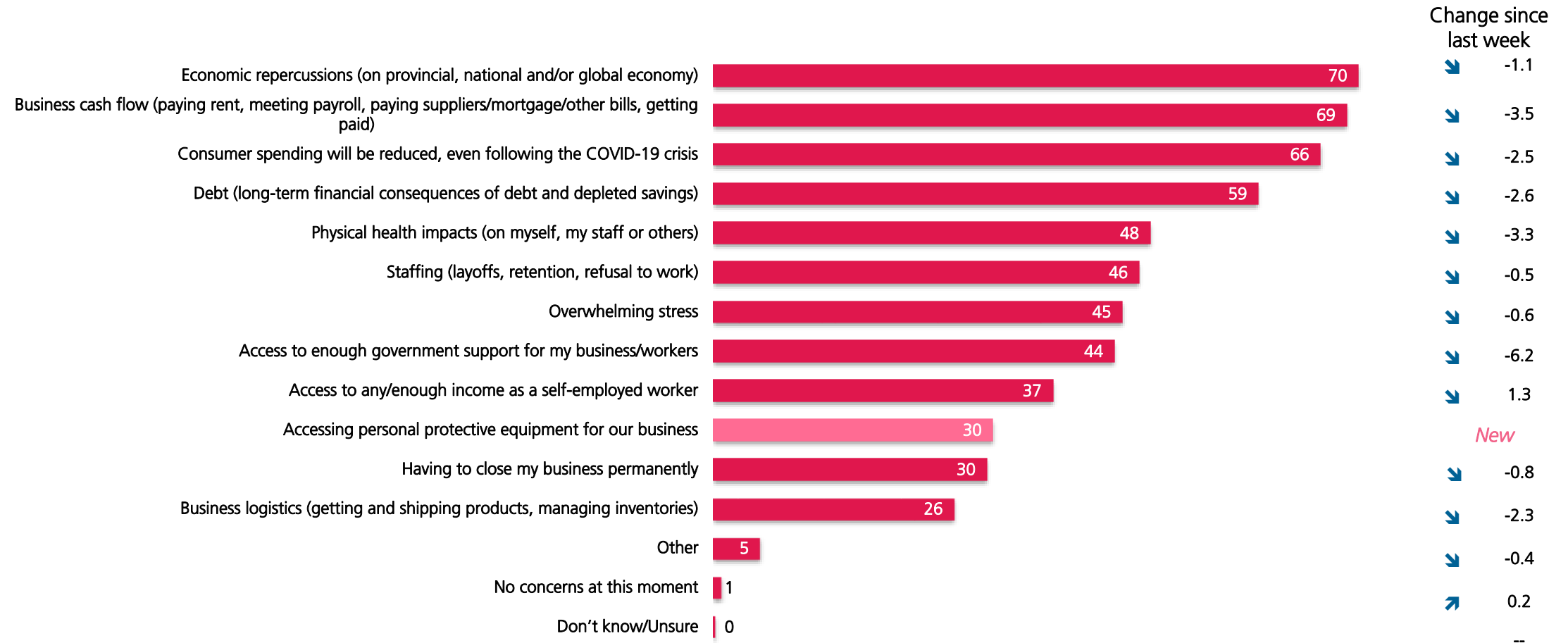
How have your gross sales revenues changed since the start of the COVID-19 outbreak in Canada? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,951.

Note: The percentage of responses may not always add to 100%, due to rounding.

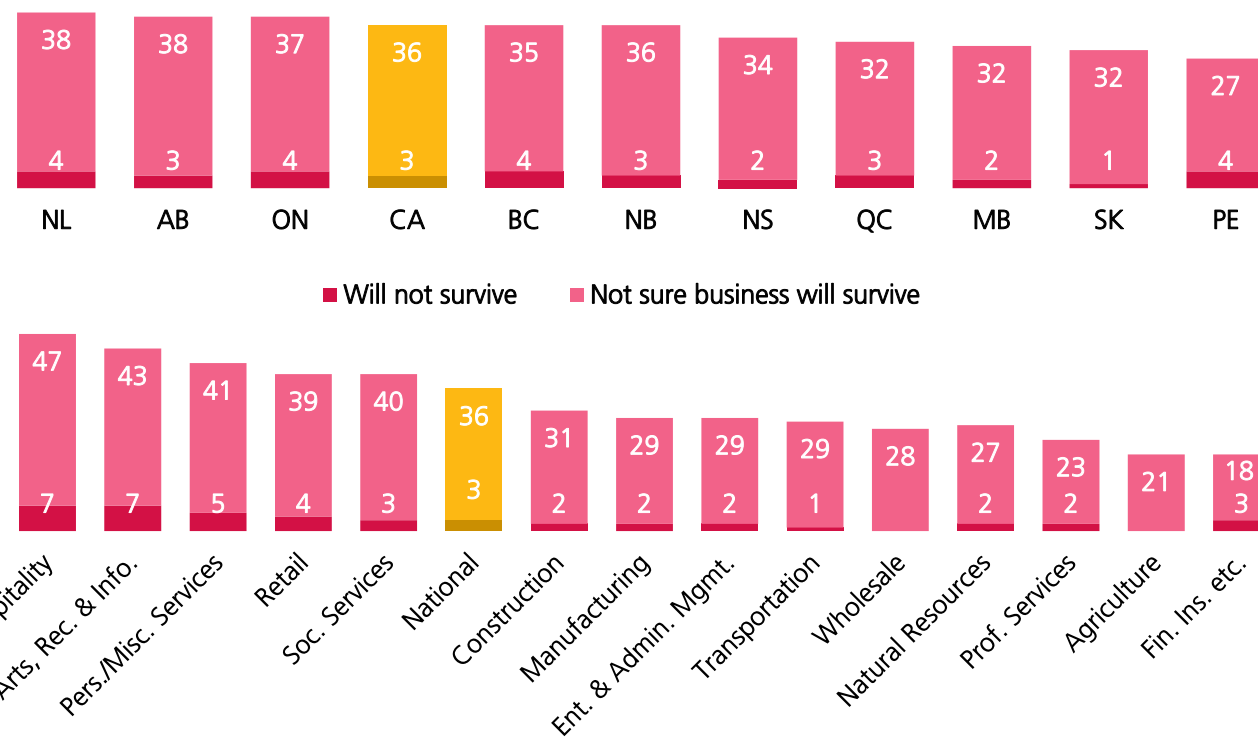
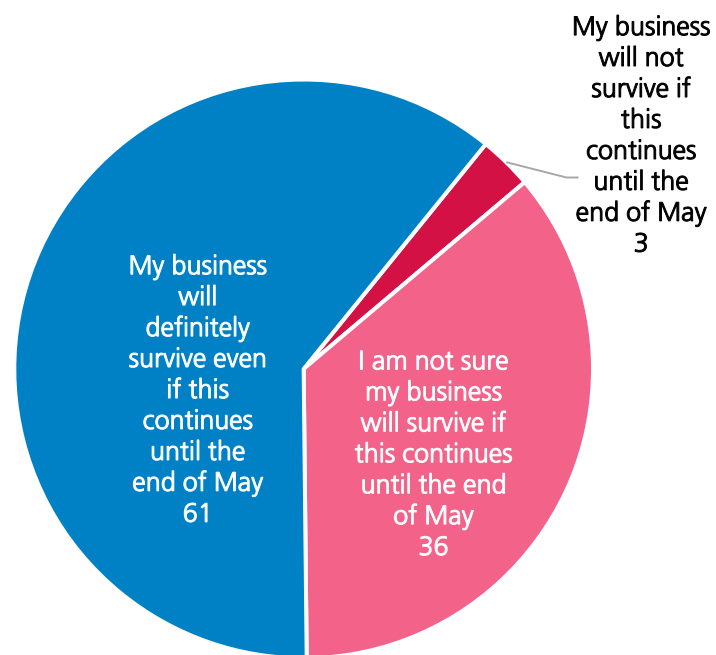
What worries you most about COVID-19? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,862.

Note: Respondents are allowed to select multiple answers, percentages will not add to 100%

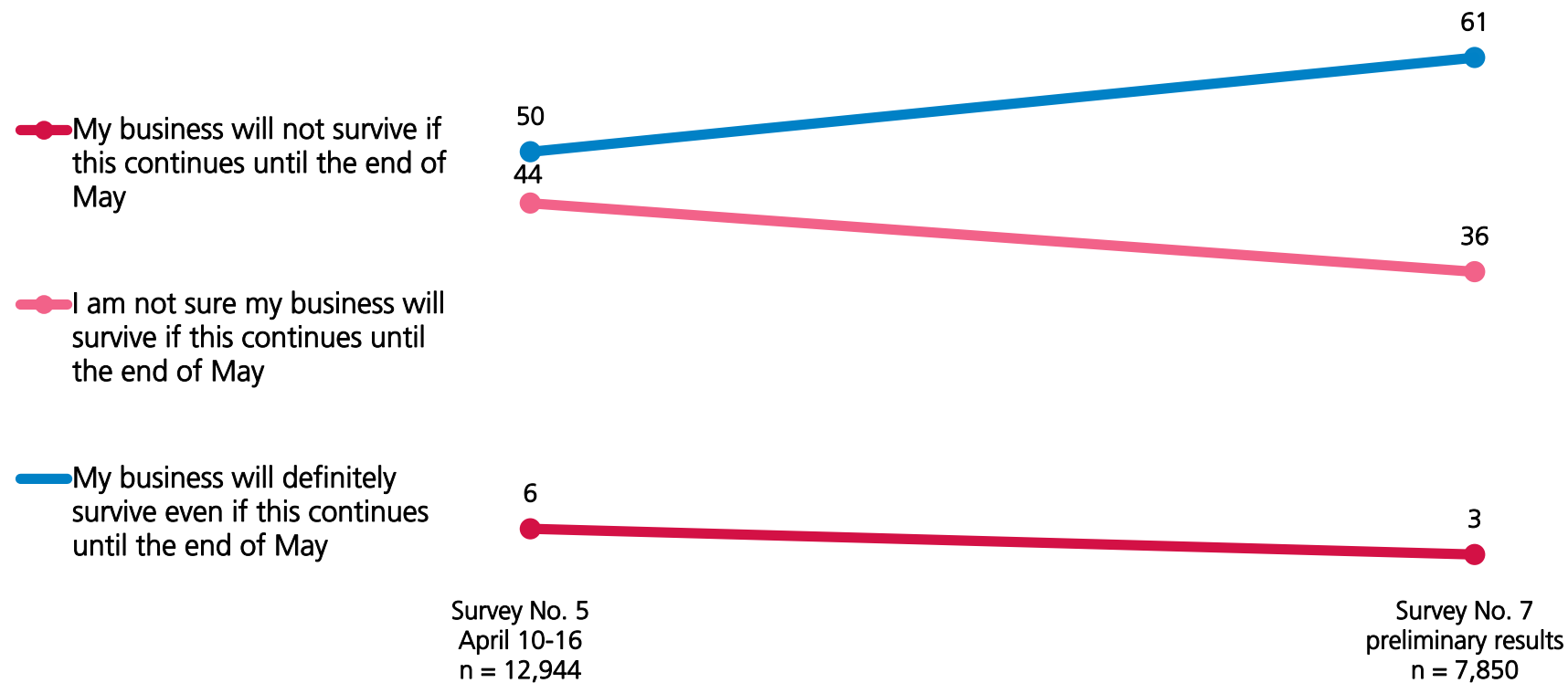
If current restrictions continue until the end of May, how confident are you that your business will survive? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,850.

Note: The percentage of responses may not always add to 100%, due to rounding.

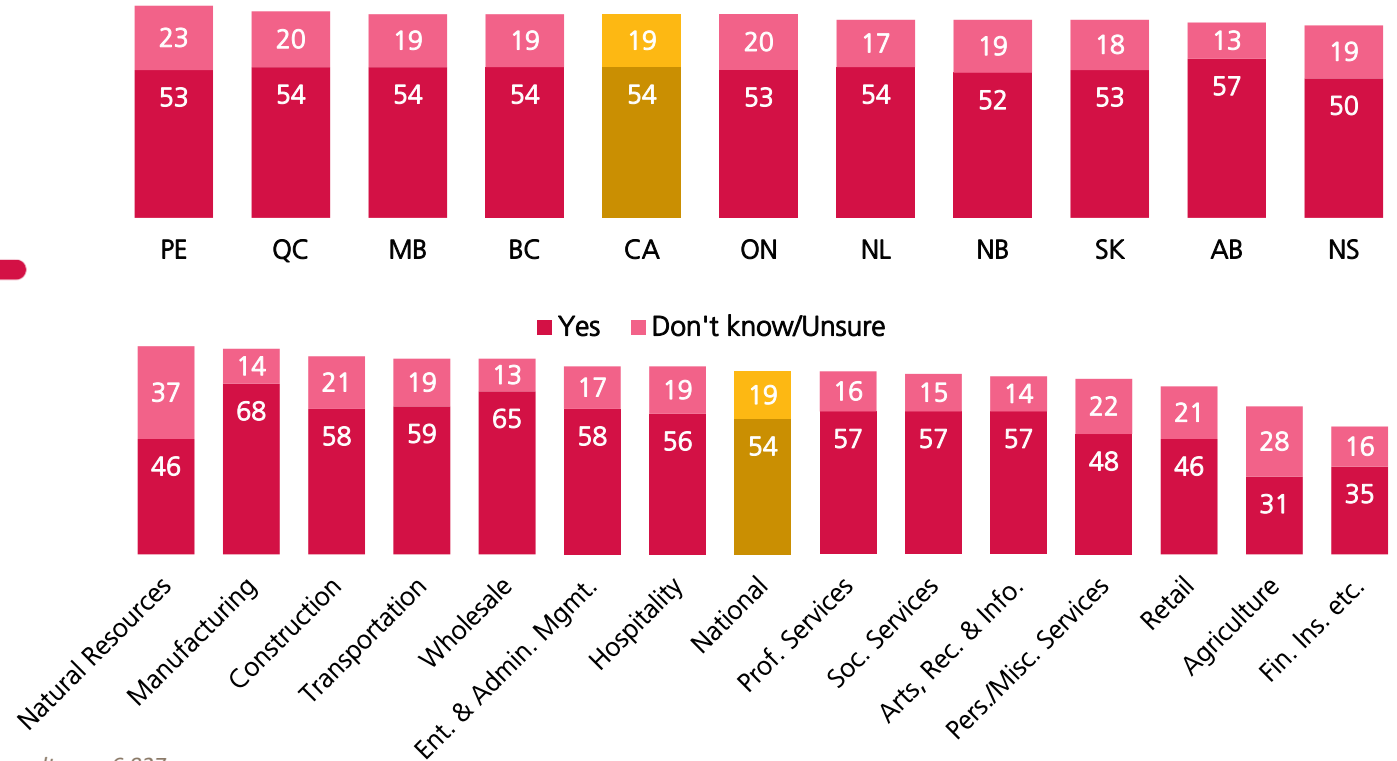
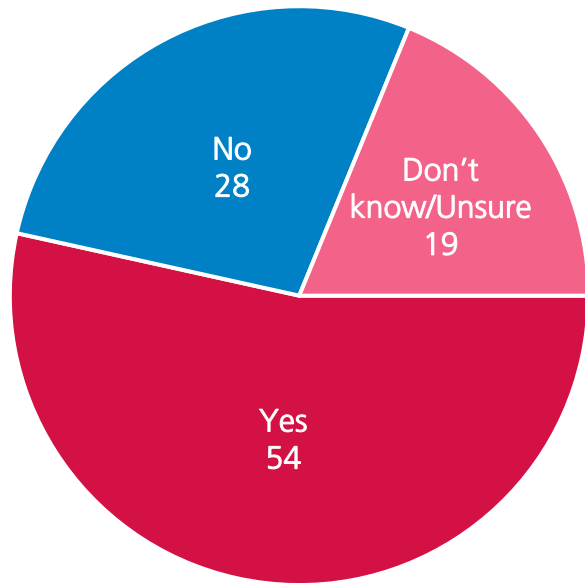
If current restrictions continue until the end of May, how confident are you that your business will survive? (% response)



Dates for reference:

- CEBA began accepting applications on April 9
- More clarity on CEWS was provided through legislation passed on April 11
- CECRA first announced on April 16 with program details shared April 24
- Survey No. 7 was conducted days before the confirmed date for when CEWS would begin accepting applications (April 27)

With employees prior to COVID-19¹: Does your business intend to apply for the Canada Emergency Wage Subsidy (CEWS)? (% response)



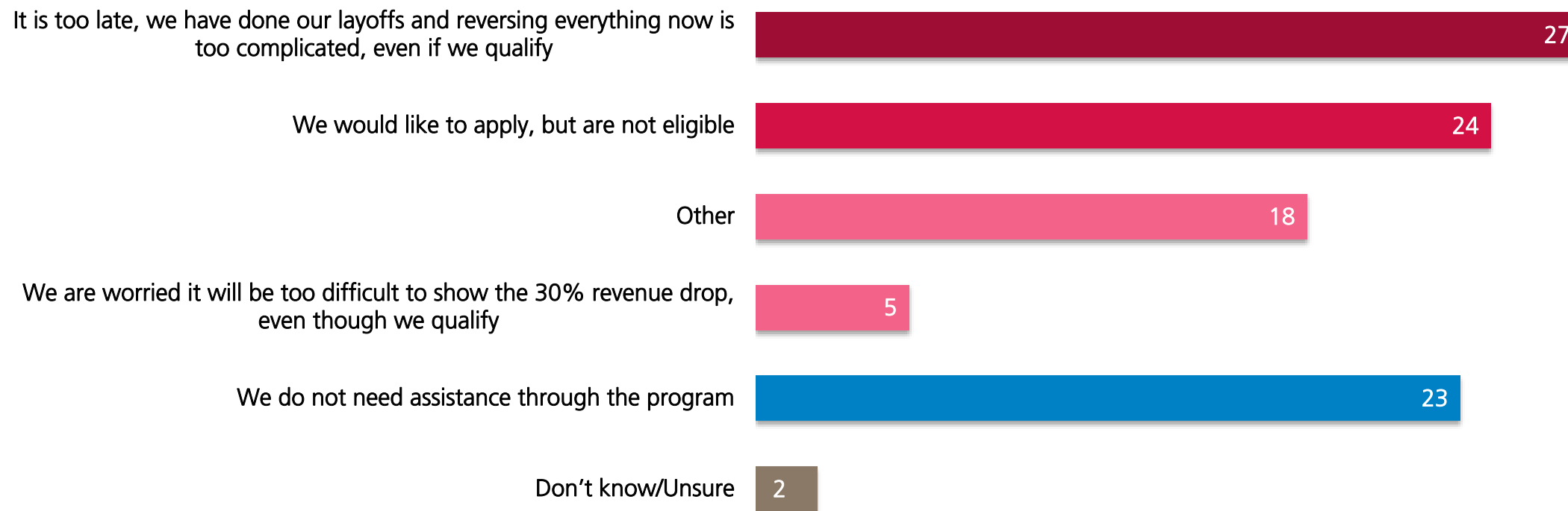
Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 6,827.

Note: 1) Only respondents that indicated they had employees prior to COVID-19 were asked this question.

2) Respondents were provided with background information before answering this question – please see appendix for details.

3) The percentage of responses may not always add up to 100%, due to rounding

Not applying¹ - What is the main reason you are not applying for the Canada Emergency Wage Subsidy (CEWS)? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 1,881.

Note: 1) Only respondents that indicated they do not intend to apply for CEWS were asked this question.

2) The percentage of responses may not always add up to 100% due to rounding.

What is the main reason you are not applying for the Canada Emergency Wage Subsidy (CEWS)? - Too late

(% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 1,881.

Note: Only respondents that indicated they do not intend to apply for CEWS were asked this question.

What is the main reason you are not applying for the Canada Emergency Wage Subsidy (CEWS)? - Not eligible

(% response)

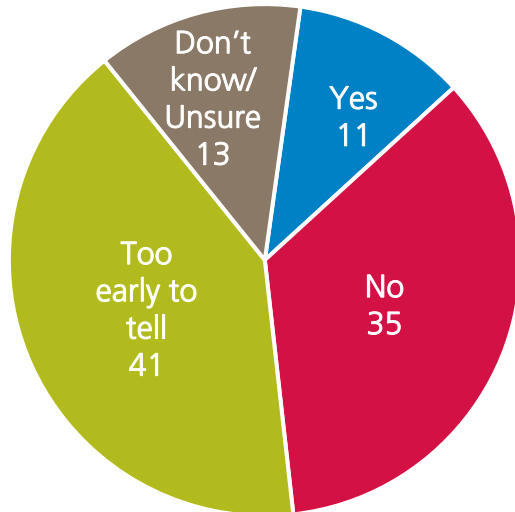


Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 1,881.

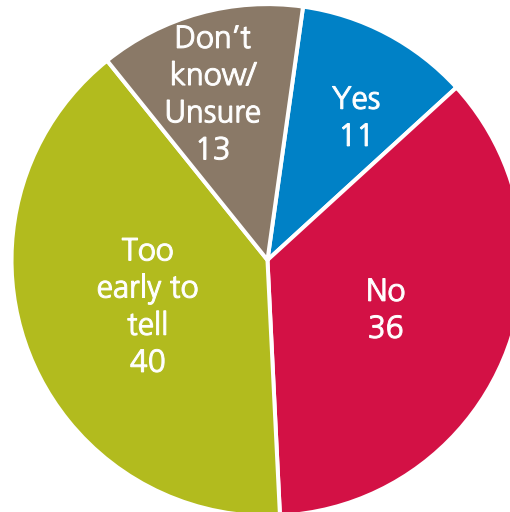
Note: Only respondents that indicated they do not intend to apply for CEWS were asked this question.

Do you think the Canada Emergency Commercial Rent Assistance (CECRA)¹ is well designed? (% response)

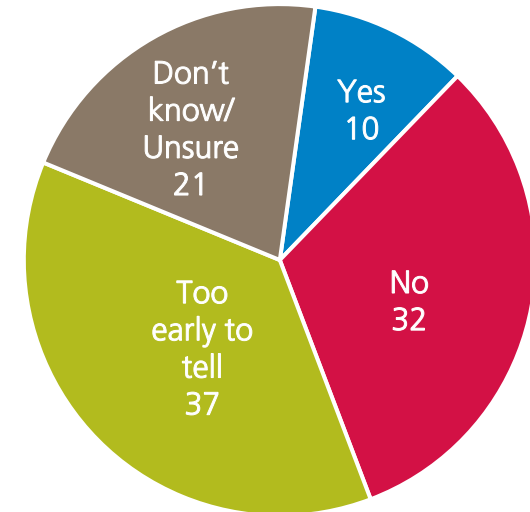
National results, all respondents



Tenants only



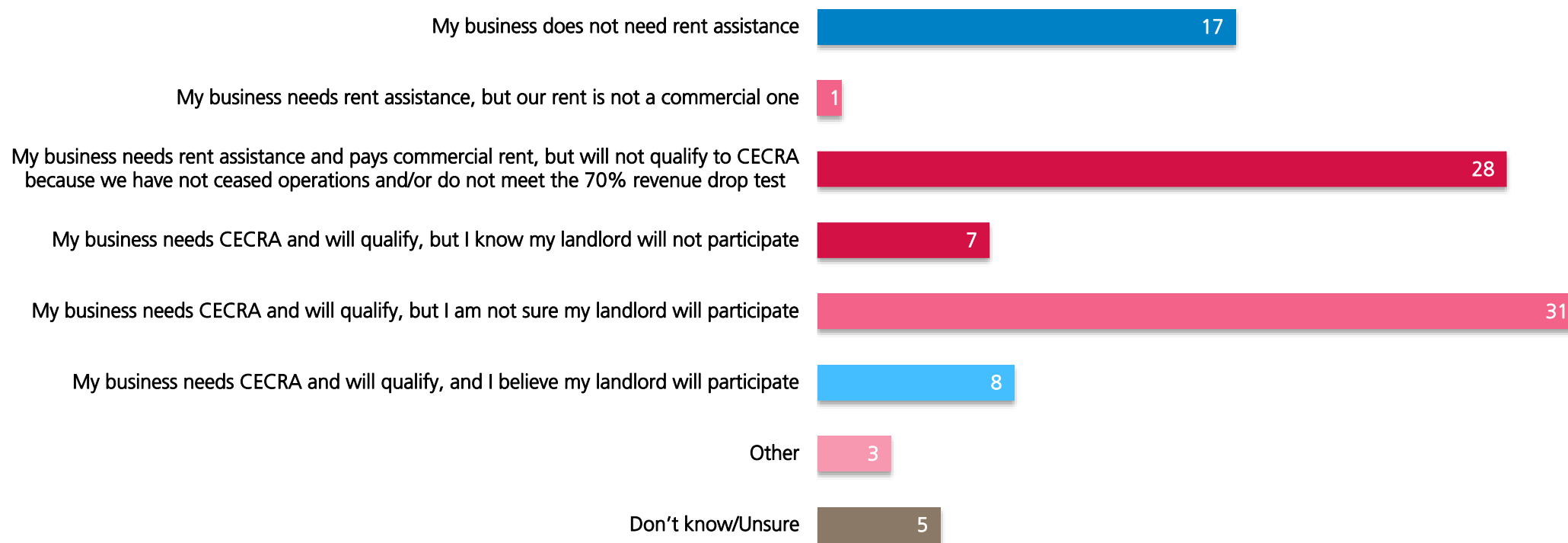
Landlords only



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,667, n = 4,906, n = 146.

Note: 1) Respondents were provided with background information before answering this question. Please see appendix for details.

As a **tenant**¹, what is your business situation regarding the Canada Emergency Commercial Rent Assistance (CECRA)? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,081.

Note: 1) Only includes respondents who indicated they make rent payments.

“My business needs rent¹ assistance and pays commercial rent, but will not qualify to CECRA because we have not ceased operations and/or do not meet the 70% revenue drop test” (% response)



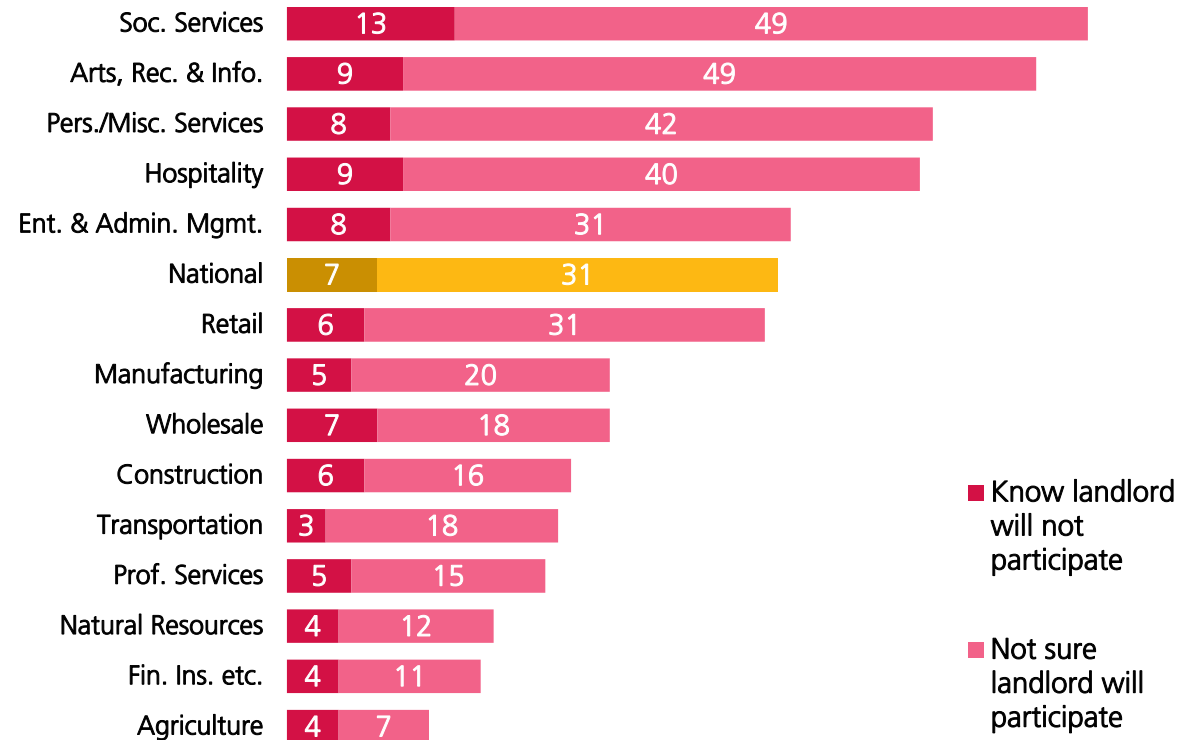
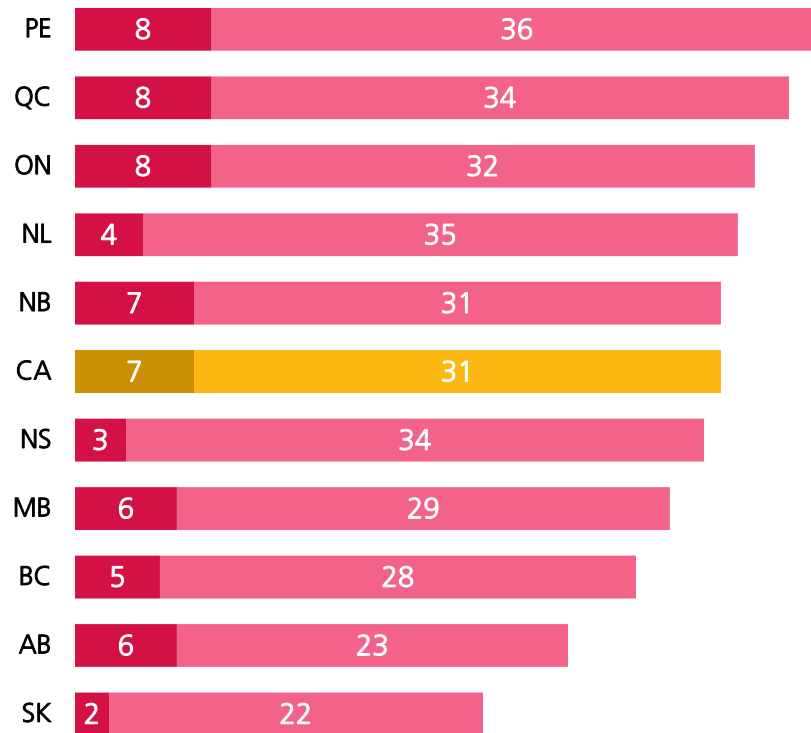
Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,081.

Note: 1) Only includes respondents who indicated they make rent payments.

2) At the time preliminary result were taken, PE only had 21 responses for this question.

Businesses¹ that need and qualify for CECRA but are either not sure their landlord will participate in the program, or are sure their landlord will not.

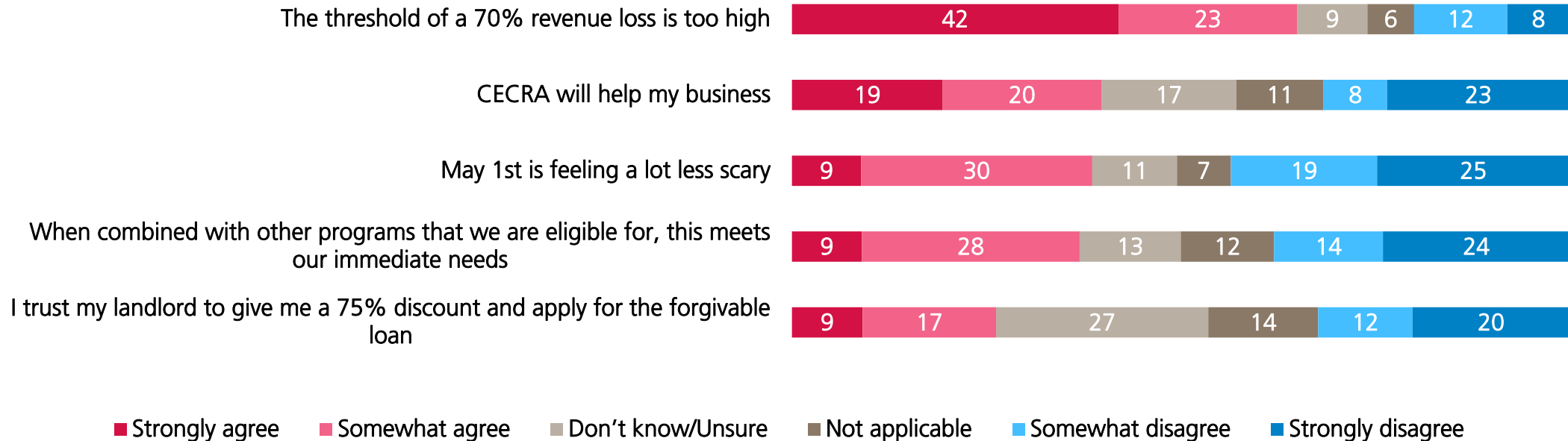
(% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,081.

Note: 1) Only includes respondents who indicated they make rent payments.

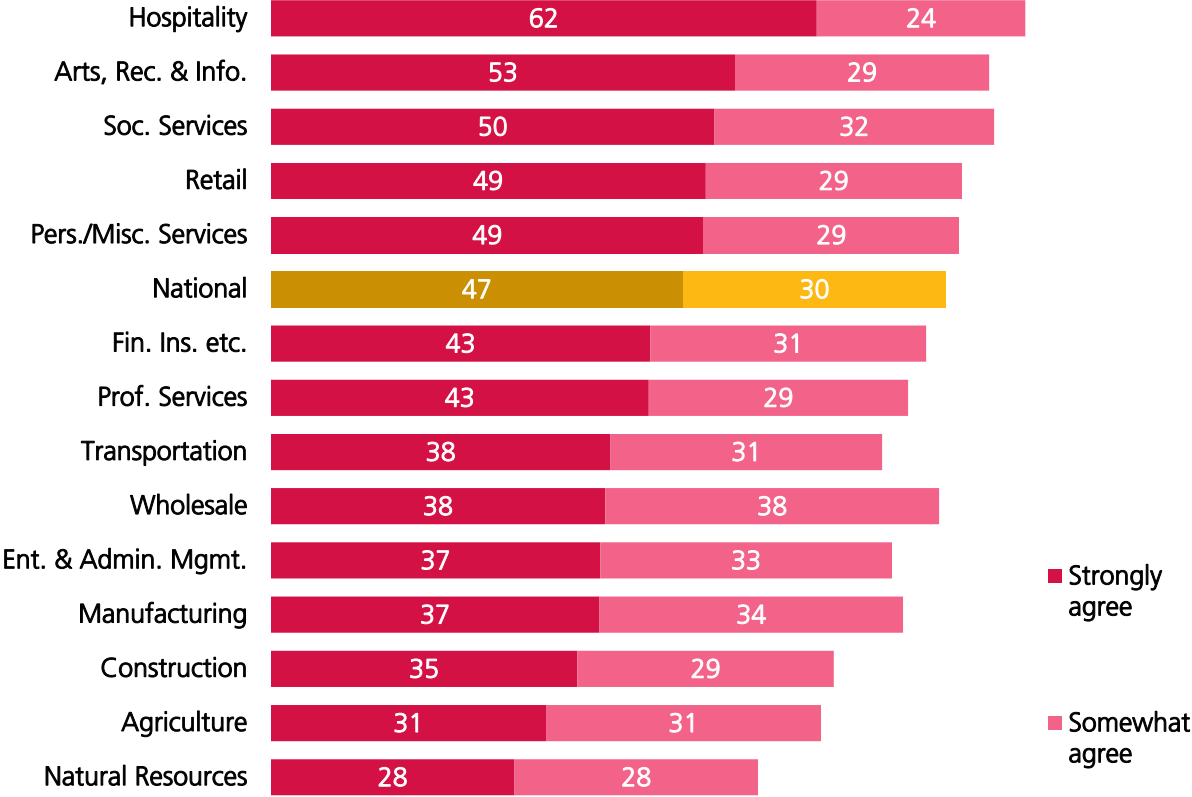
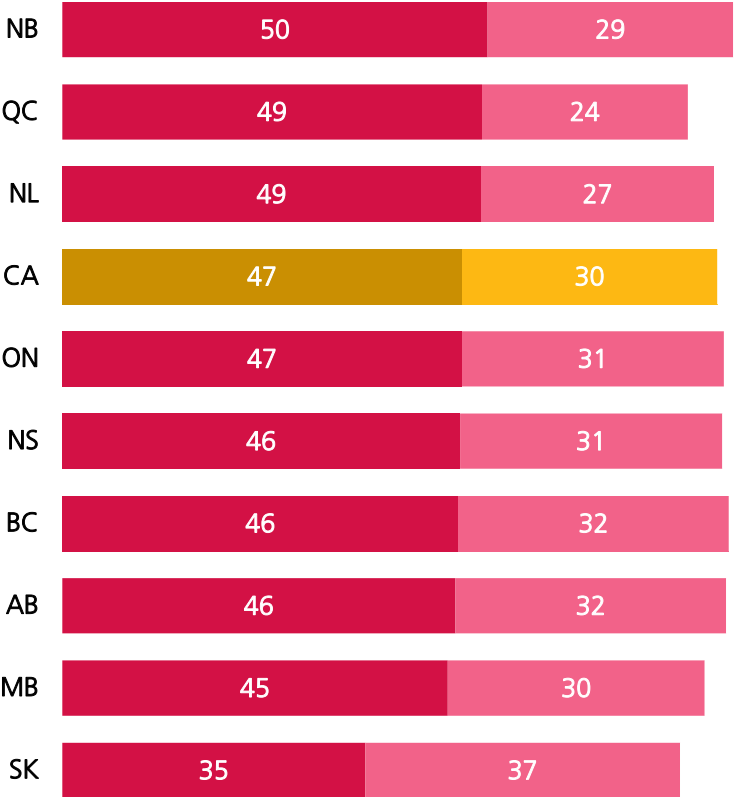
Tenants - To what extent do you agree or disagree with the following statements about the Canada Emergency Commercial Rent Assistance (CECRA) (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 4,906.

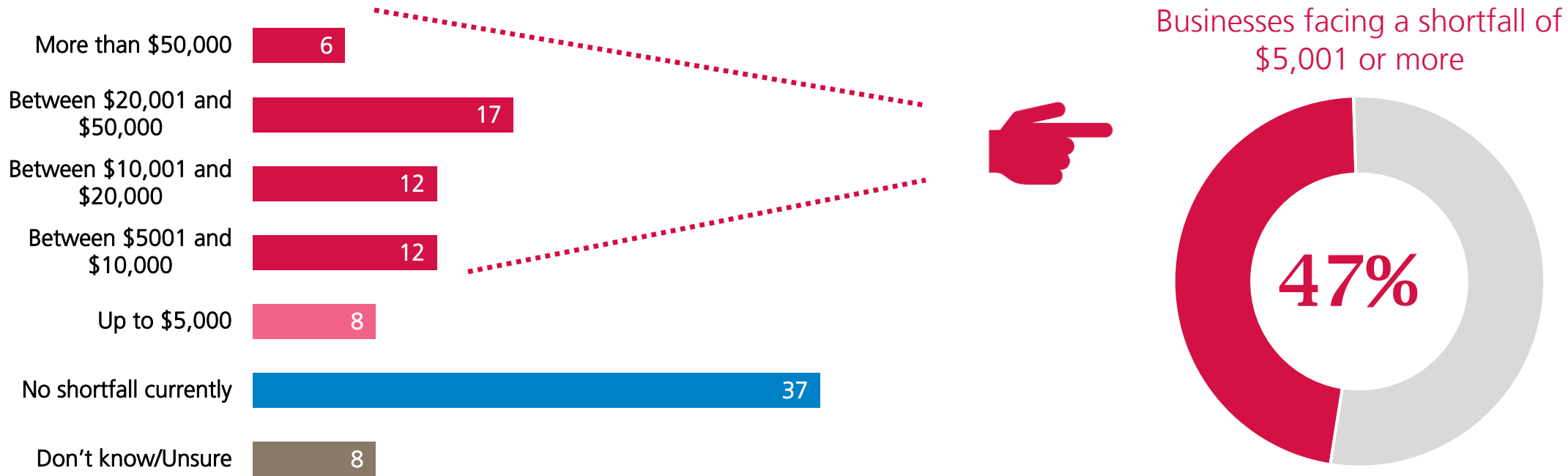
Note: The percentage of responses may not always add up to 100% due to rounding.

“Provincial governments should provide hardship money for those falling through the cracks of federal programs” (% response)



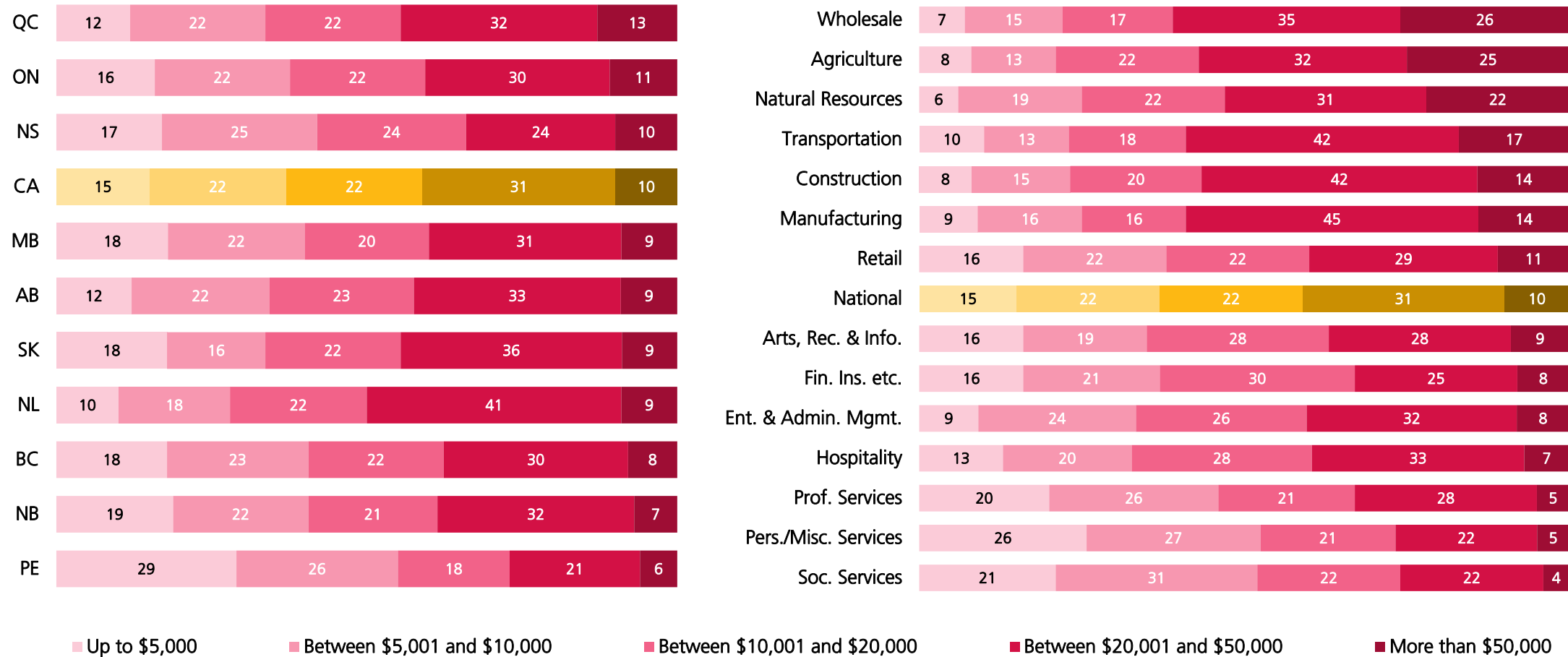
Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 5,457.

Thinking about the bills your business needs to pay in the next 30 days (such as suppliers, rent, or wages) and the money you currently have access to (such as government relief programs, bank loans, business revenues or personal savings), roughly what shortfall is your business facing? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,639.

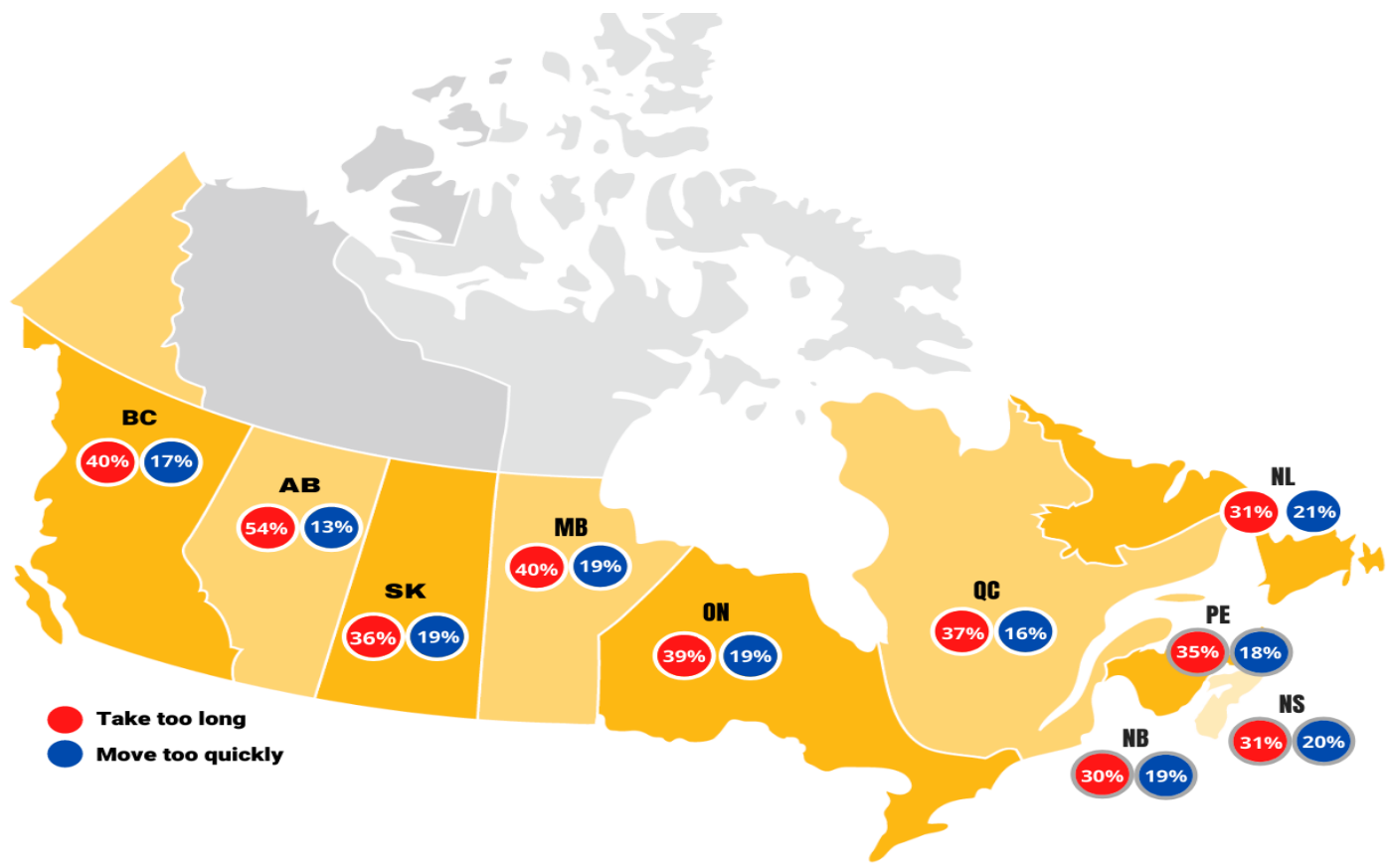
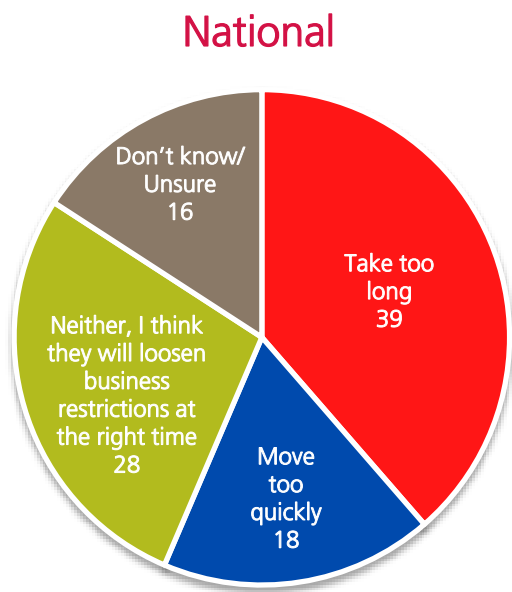
With shortfall - Roughly what shortfall is your business facing? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,639.

Note: The percentage of responses may not always add to 100%, due to rounding.

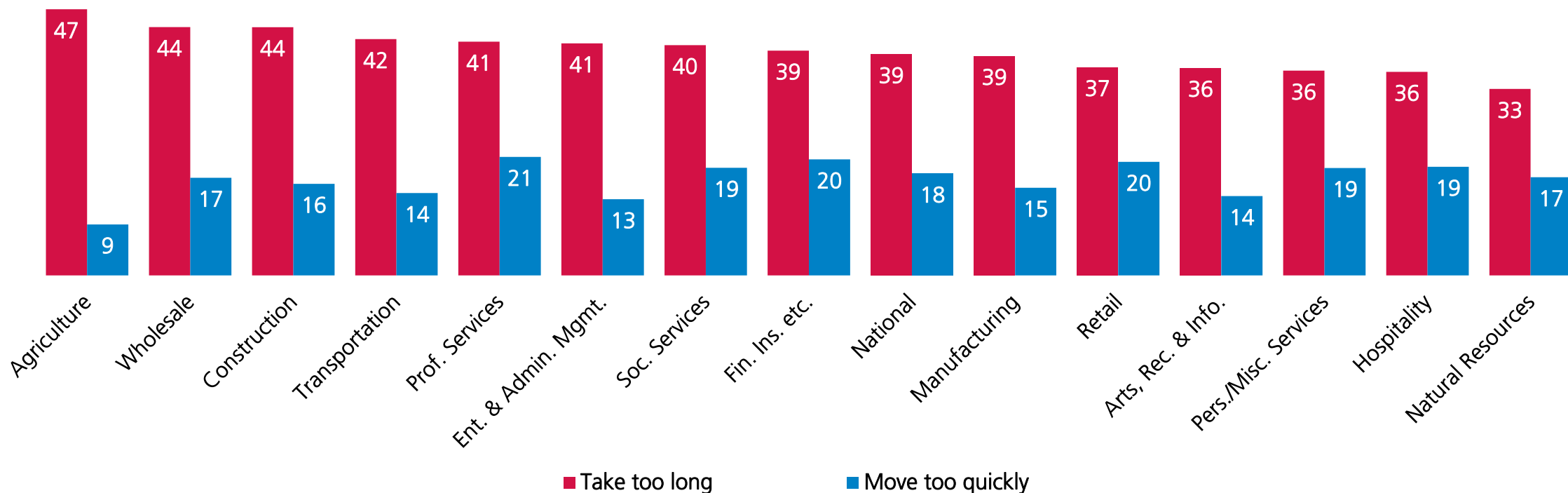
What worries you more, that Canadian governments will move too quickly to loosen restrictions on businesses or take too long? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,619.

Note: The percentage of responses may not always add up to 100% due to rounding.

What worries you more, that Canadian governments will move too quickly to loosen restrictions on businesses or take too long? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 6,162.

To what extent do you agree or disagree with the following statements about reopening the economy?

(% response)

Businesses that can respect strict social distancing guidelines and provide reasonable protection for employees should be allowed to reopen



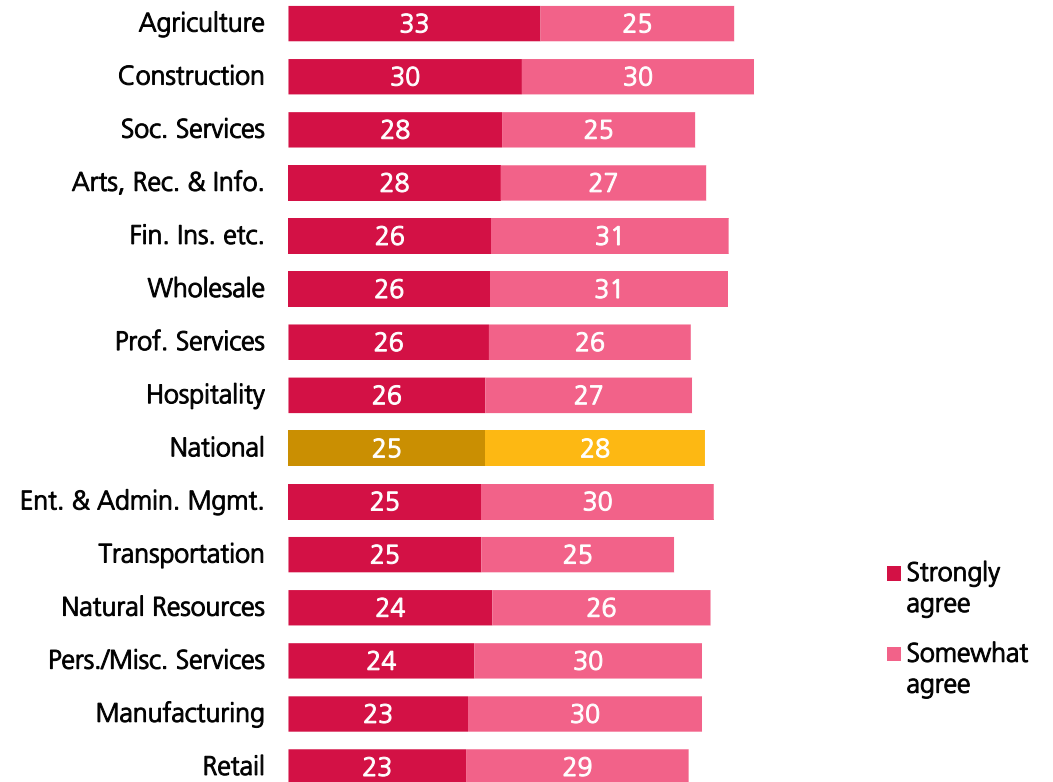
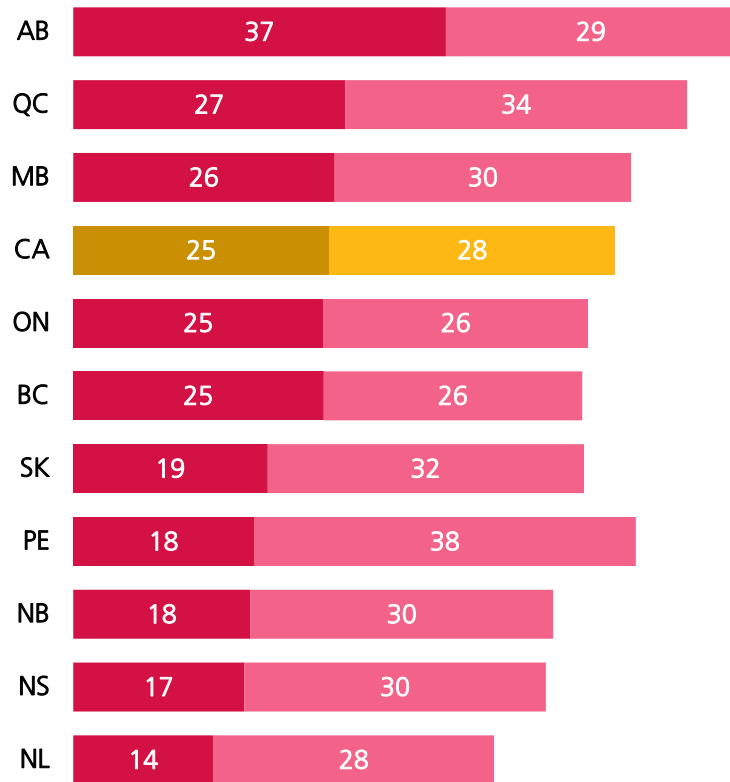
Given what we currently know, we are confident our business could reopen quickly if the current restrictions were lifted



■ Strongly agree ■ Somewhat agree

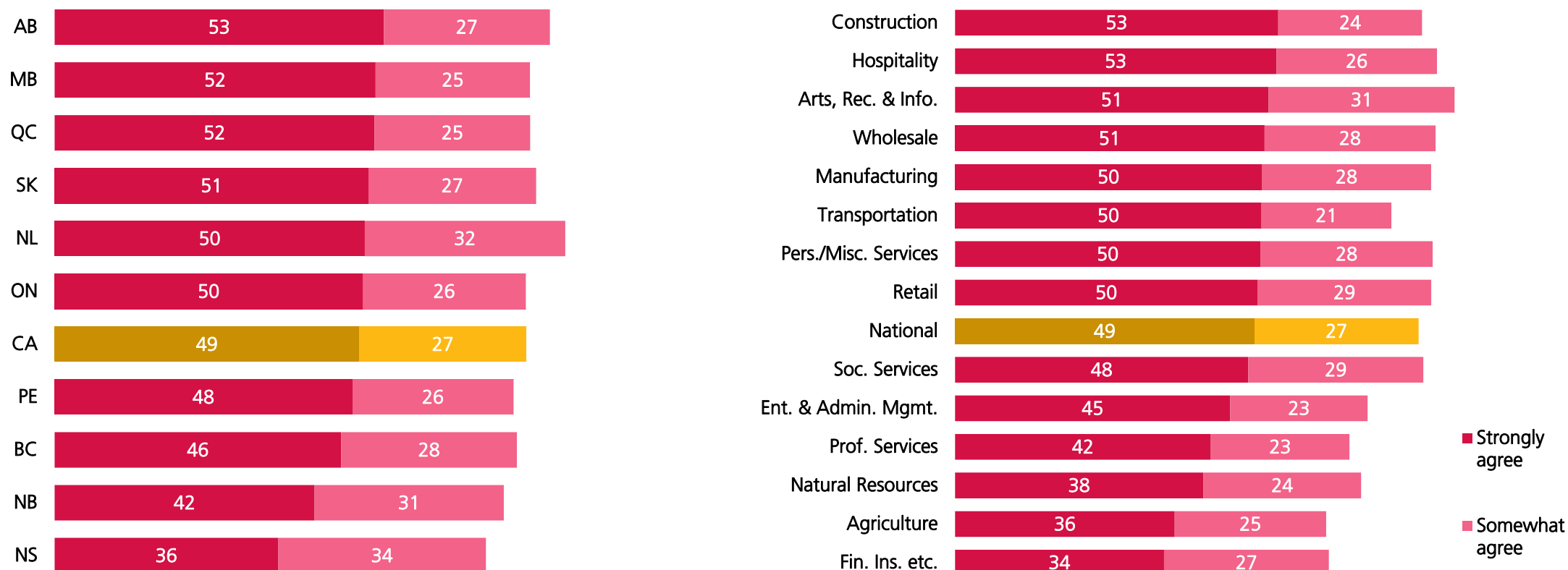
Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,541.

“Canada’s governments are currently taking too long to clarify when and how they intend to safely reopen businesses that have been forced to close” (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,518.

“It is critical for our business to make more sales soon to survive and be less reliant on government subsidies” (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Seven, April 2020, preliminary results, n = 7,490.

Appendix

Backgrounder provided on CEWS

On April 27, 2020, the **Canada Emergency Wage Subsidy (CEWS)** will begin accepting applications.

The CEWS will directly subsidize a maximum of 75 per cent of the wages of each employee, up to \$847 per week per employee. All employers who can show a gross revenue drop of at least 15 per cent in March, and 30 per cent in April or May 2020, when compared to the same month in 2019, or compared to their average revenues in January and February 2020 can apply. The program will cover three specific periods. Employers who submit an application in one period, will automatically get approved the next period but must re-apply to claim the subsidy for a third period. Payment is expected 1 to 2 weeks after the application.

The following table summarizes the main features of the CEWS for the three specific periods:

	Wages subsidized:	Revenue drop to qualify:
Period 1	wages paid between March 15 - April 11 (4 weeks)	15% gross revenue drop for March 2020 over March 2019 or over average of January and February 2020
Period 2	wages paid between April 12 - May 9 (4 weeks)	30% gross revenue drop for April 2020 over April 2019 or over average of January and February 2020
Period 3	wages paid between May 10 - June 6 (4 weeks)	30% gross revenue drop for May 2020 over May 2019 or over average of January and February 2020

Backgrounder provided on CECRA

The **Canada Emergency Commercial Rent Assistance (CECRA)** is a new measure to support small businesses with their commercial rent payment. It is expected to be operational by mid-May. Landlords get government forgivable loans to reduce rent for their tenants. Known details when this survey was finalized were the following:

Your business is eligible if it pays rent and temporarily ceased operations or experienced at least a 70 per cent drop in pre- COVID-19 revenues. To be covered, your rent must be lower than \$50,000 per month. If your landlord chooses to participate in this all voluntary program, the two of you must then reach an agreement where you get rent forgiveness (cannot be just a deferral) of at least 75 per cent for April (retroactive), May (retroactive) and/or June 2020. Your landlord will then be reimbursed 50 per cent by governments through the Canada Mortgage and Housing Corporation (CMHC). Tenants must confirm rent was indeed reduced by at least 75 per cent for the landlords to be eligible for government loan forgiveness. Landlords cannot evict tenants during the months for which rent is forgiven.

This example illustrates how the CECRA might work for an eligible tenant and a participating landlord if a tenant's commercial rent is \$10,000 per month:

- tenant pays the landlord only \$2,500 for monthly rent (April, May or June 2020)
- landlord will write off \$2,500
- landlord can apply for a forgivable government loan to support the remaining \$5,000