



**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

*In business for your business™*



# COVID-19: State of Small Business

*Key results – Week 8*



2020-05-07

# Introduction

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-April 30	n = 9,932
Your Business and COVID-19 – Survey No. 8	May 1-TBD	n = 7,144

The following pages will highlight more detailed results from our latest survey on the current state of Canadian small businesses (8<sup>th</sup> weekly COVID-19 survey started May 1).

# Methodology



Online survey (Your Business and COVID-19 – Survey Number Eight) started [May 1](#).



So far, it has received [7,144](#) responses from small business across Canada.

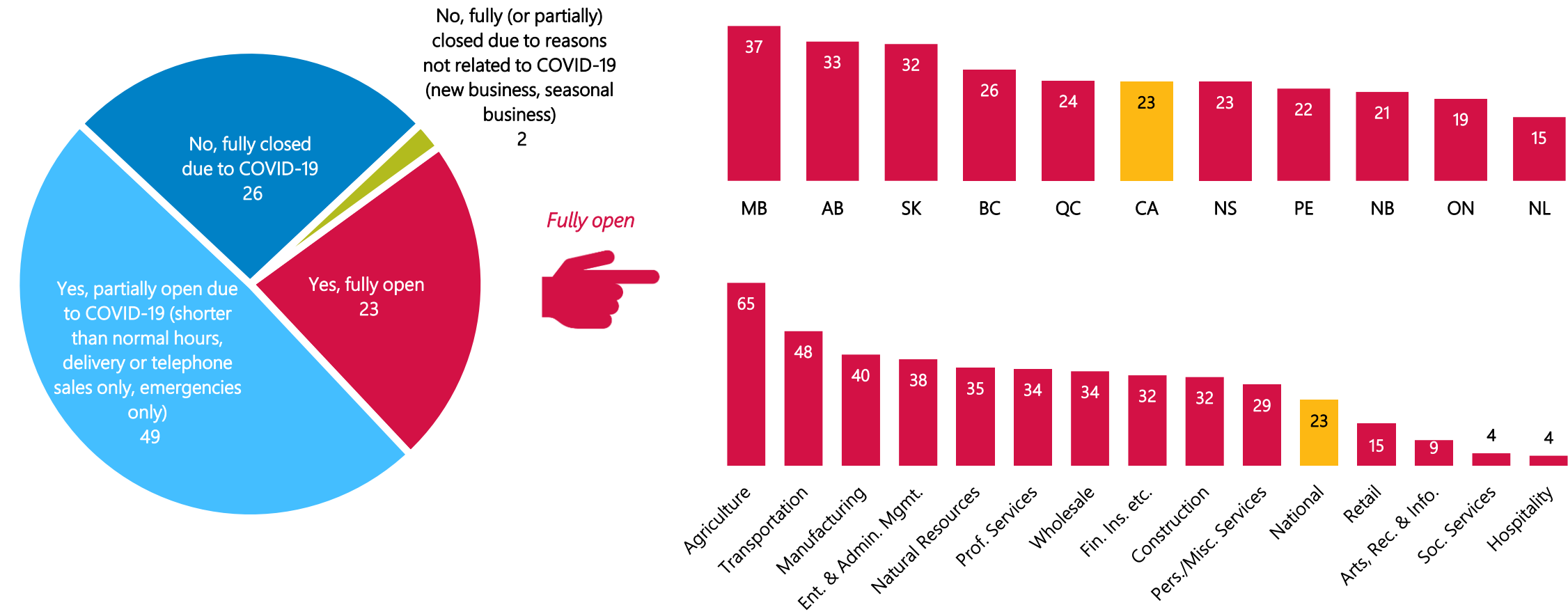


For comparison purposes, a probability sample with the same number of respondents would have a margin of error of  $\pm 1.2\%$ , 19 times out of 20.



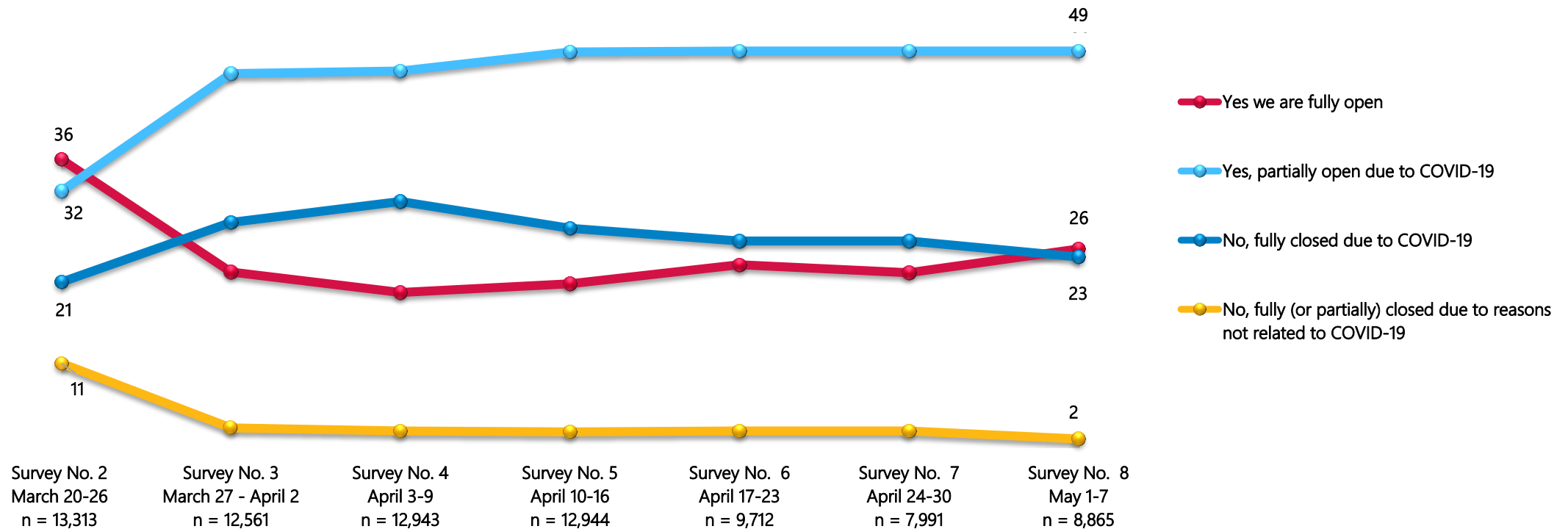
Note on the next pages: The percentage of responses in charts may not always add up to 100%, due to rounding or multiple choice responses. There are instances in in this briefing that we do not report on certain provinces and sectors, as the sample size is less than 40 respondents.

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



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 7,110.

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



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

# What are you most worried about with respect to COVID-19?

(Select all that apply, % response)

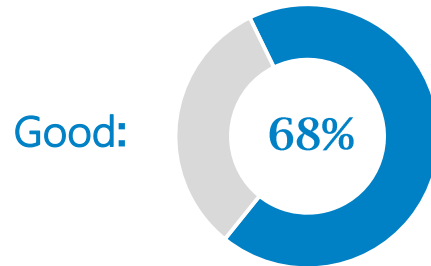


Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 7,000.

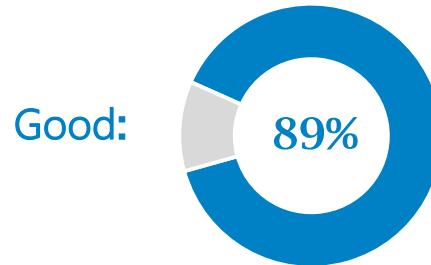
Note: Respondents are allowed to select multiple answers, percentages will not add to 100%

# How would you describe your current relationship with:

## *Your landlord*



## *Your business tenant*

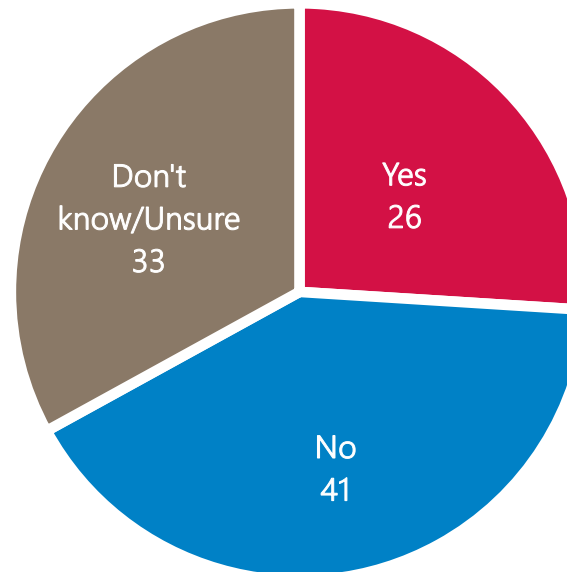


Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n (tenants) = 4,781, n (landlords) = 942.

Note: 1) Only includes respondents who indicated they are tenants or landlords.

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

As a *landlord*, will your business use the CECRA program with its tenant(s) (% response)



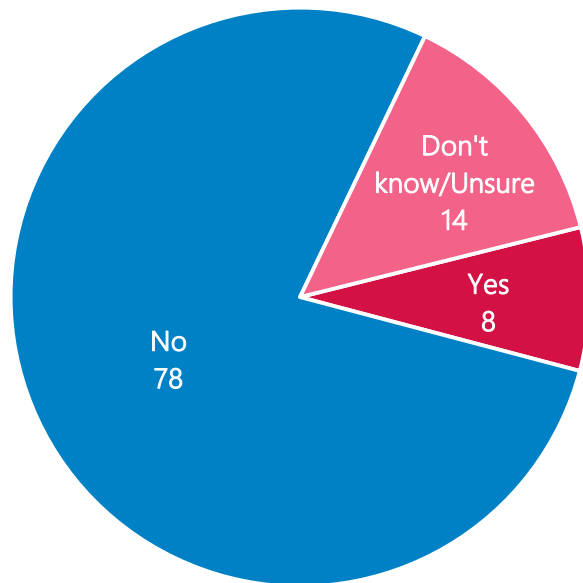
Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 926.

Note: 1) Only includes respondents who indicated they are landlords.

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



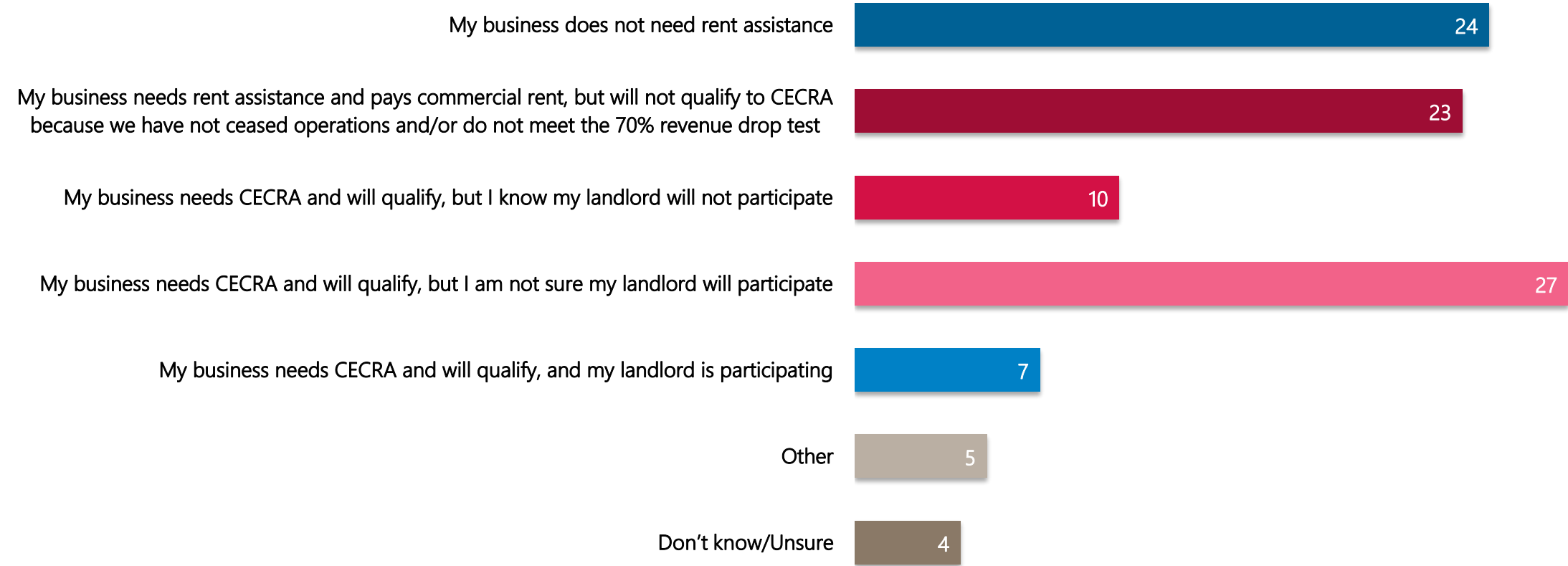
## Tenants – Are you worried about your business being evicted? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 4,767.

Note: Only includes respondents who indicated they are tenants.

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

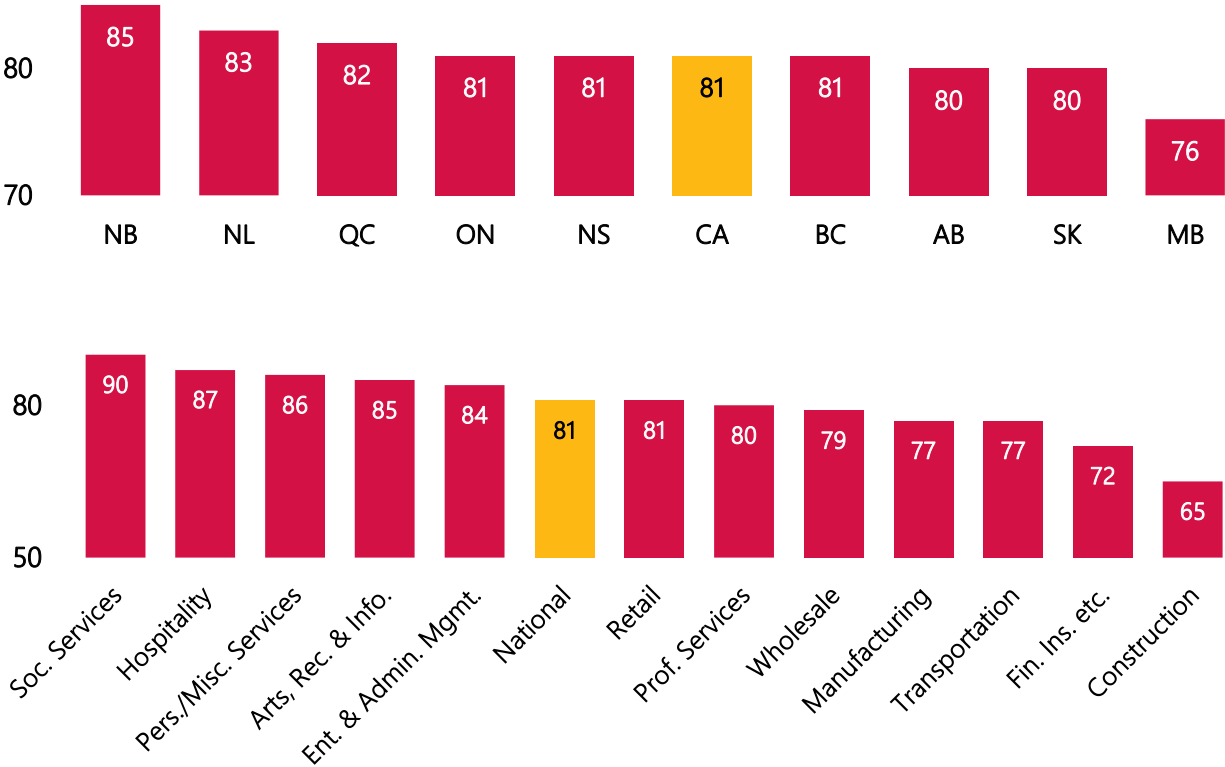
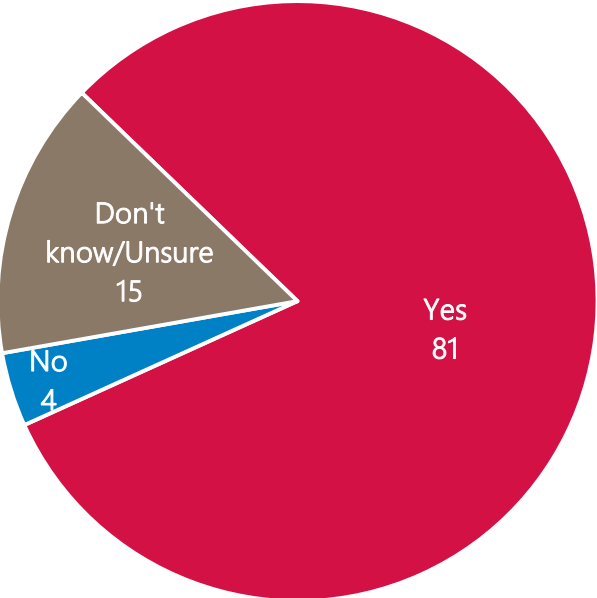


Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 4,720.

Note: 1) Only includes respondents who indicated they are tenants.

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

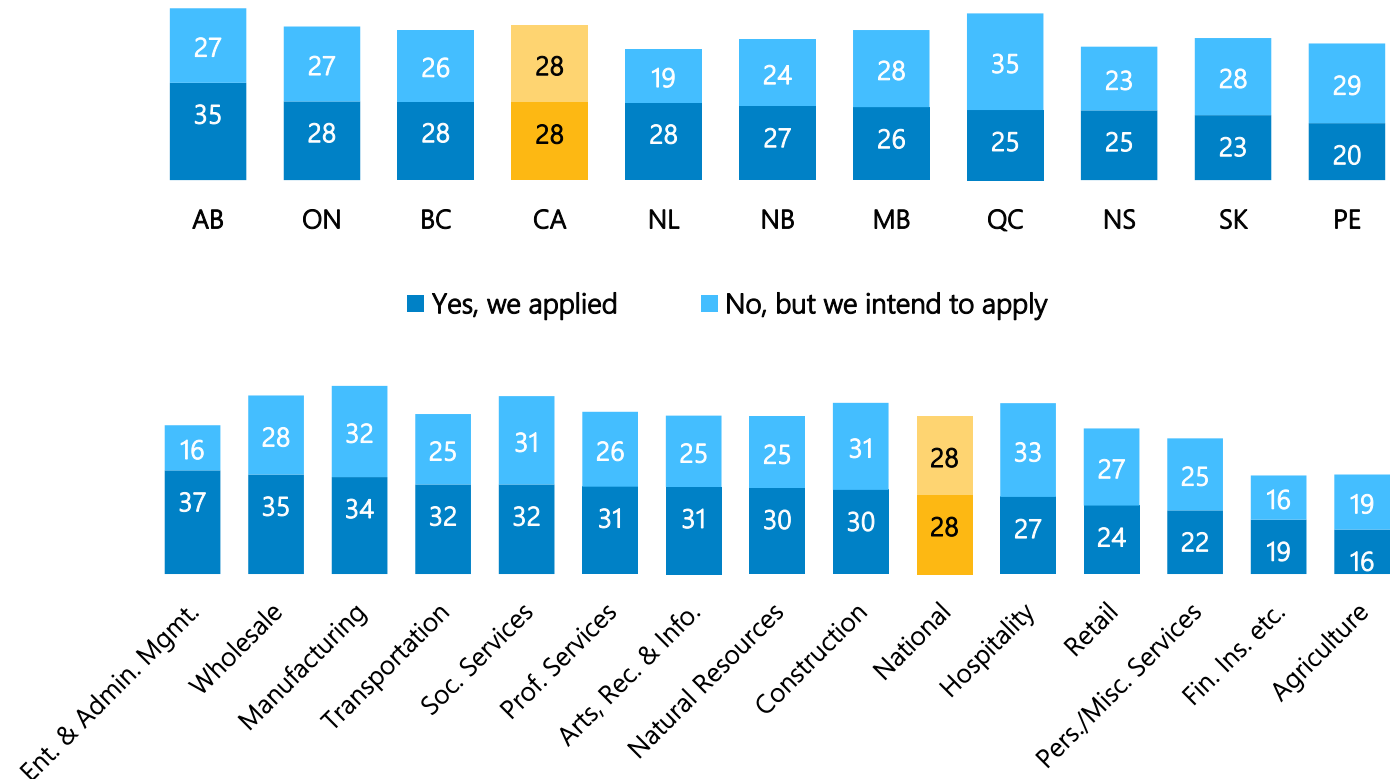
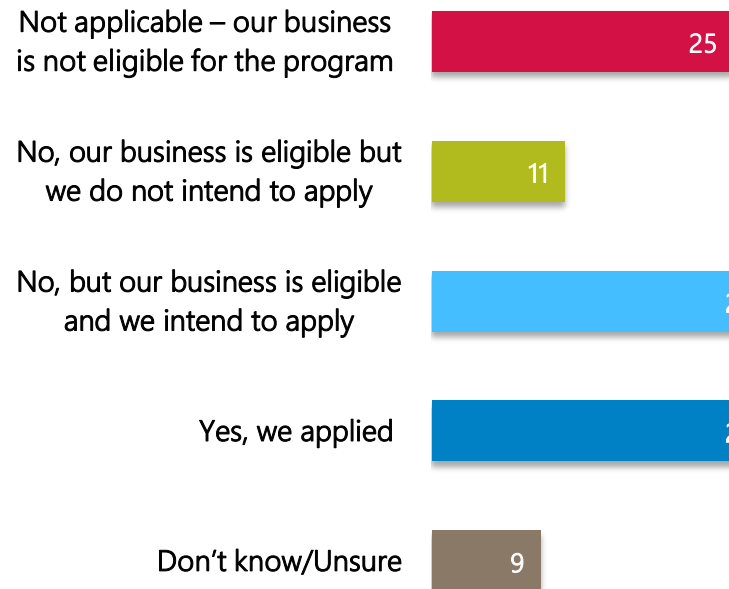
**Tenants** – Suppose your business needs rent relief but your landlord does not agree to participate in the CECRA program. Should the commercial rent reduction then go directly to your business? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 4,710.

Note: Only includes respondents who indicated they are tenants.

# For those with employees before COVID-19 – Has your business applied for the Canada Emergency Wage Subsidy (CEWS)? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,087.

Note: 1) Only includes respondents who indicated they had employees prior to COVID-19.

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.

## For those that applied to CEWS – Please indicate whether or not you agree with the following statements about the Canada Emergency Wage Subsidy (CEWS). (% response)

My business plans to pay employees some or all of their remaining wages not covered by the subsidy



The eligibility criteria for the program were clear and understandable



The application process was simple and straightforward



It was easy to find answers to my questions about the program (including who to contact for additional details)



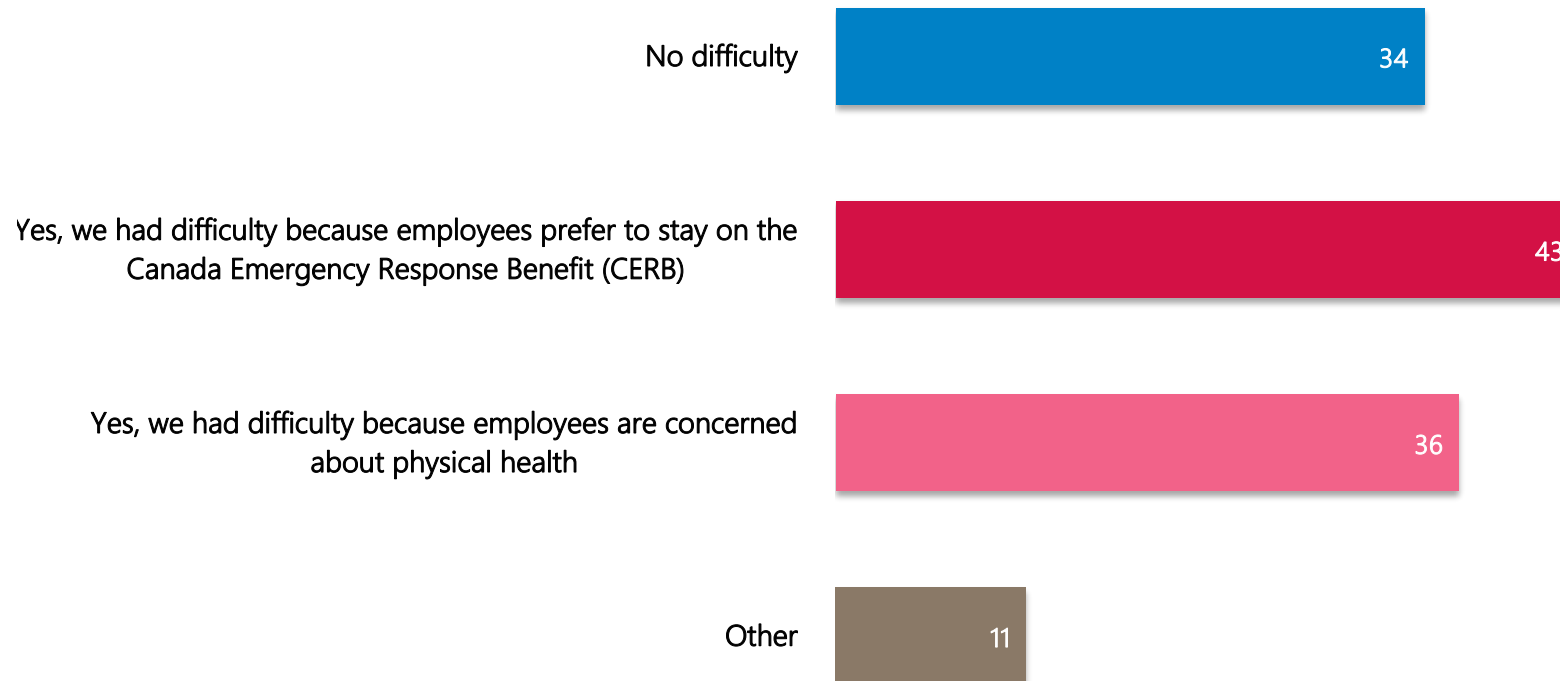
■ Strongly agree
 ■ Somewhat agree
 ■ Don't know/Unsure
 ■ Not applicable
 ■ Somewhat disagree
 ■ Strongly disagree

Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 1,670.

Note: 1) Only includes respondents who indicated they had employees prior to COVID-19 and applied for CEWS.

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

## Businesses with layoffs due to COVID-19 that have tried to recall staff\* – Has your business had difficulty recalling staff since the beginning of the COVID-19 crisis and why? (Select all that apply, % response)



\* The data shown here:

- Excludes responses from businesses that *have yet to try* to recall staff (52%);
- Includes responses from businesses that *have tried* to recall staff (48%).

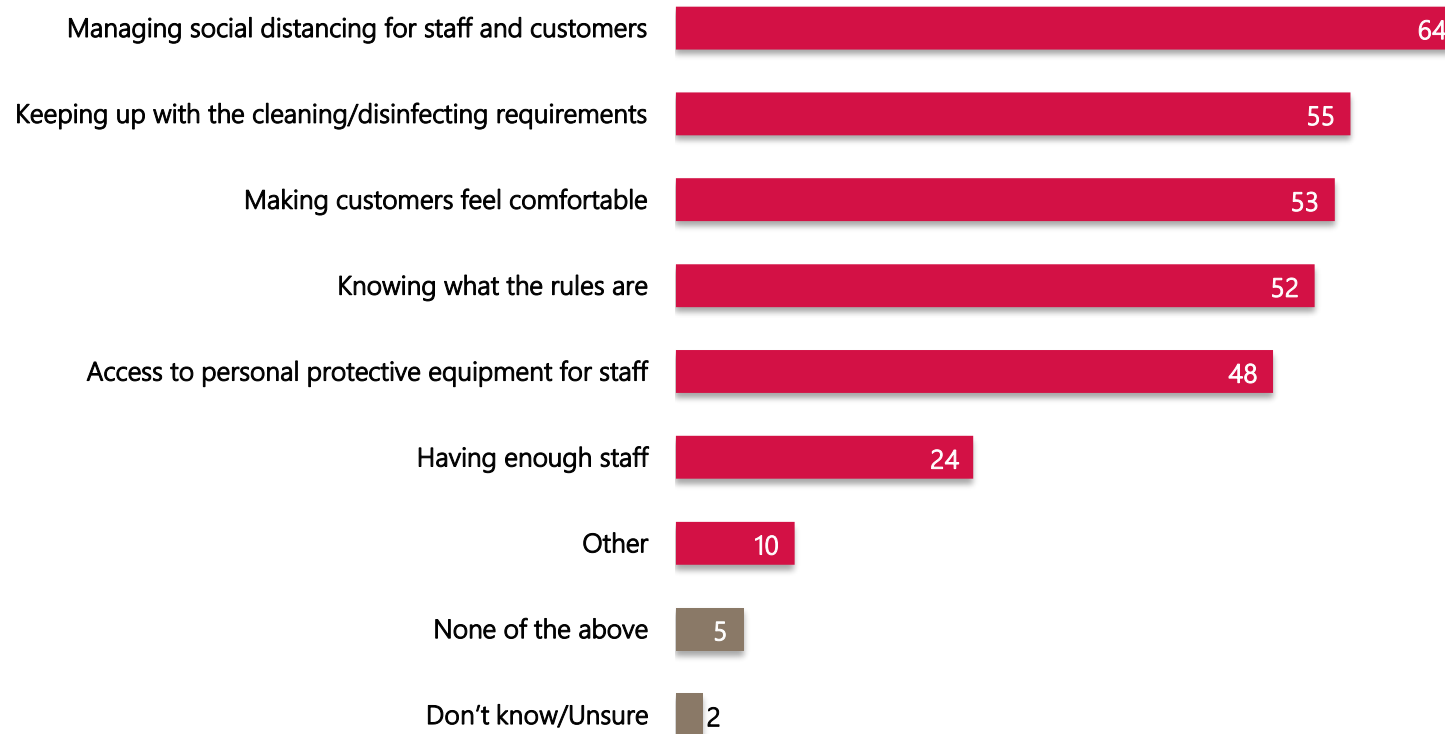
Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 2,183.

Note: 1) Only includes respondents who indicated they had employees prior to COVID-19, have laid off staff due to COVID-19 and have tried to recall staff.

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

3) Respondents are allowed to select multiple answers, percentages will not add to 100%

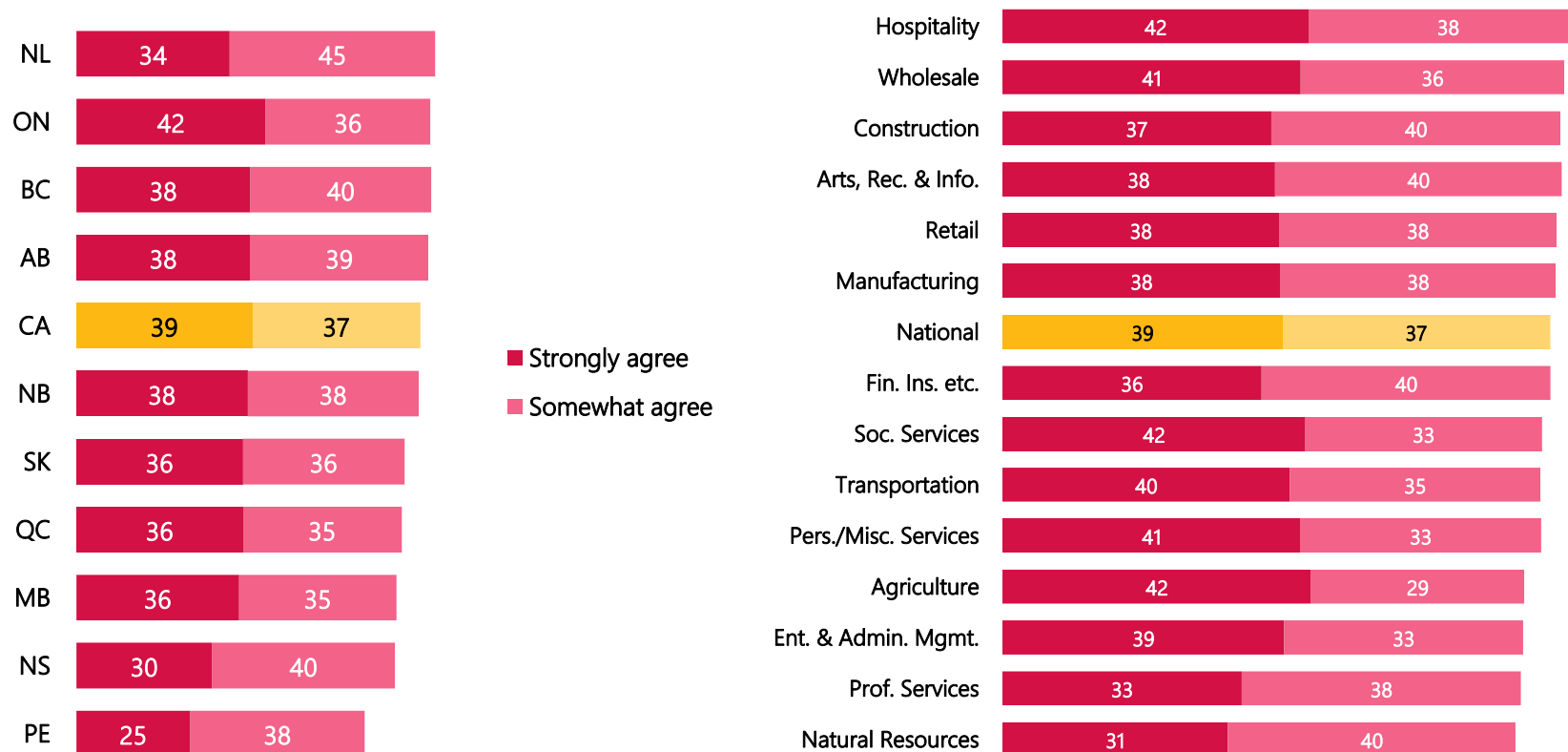
As governments begin to lift restrictions on businesses and reopen the economy, what are you most concerned about when it comes to the practical realities of operating your business? (Select all that apply, % response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,783.

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

“In general, I would prefer the government create general guidelines rather than prescriptive rules for how my business operates as it reopens” (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,645.



# When business restrictions start to be lifted, what additional help would be useful from government/others? (Select all that apply, % response)



Source: CFIB, Your Business and COVID-19 – Survey Number Six, April 2020, preliminary results, n = 7,636.

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

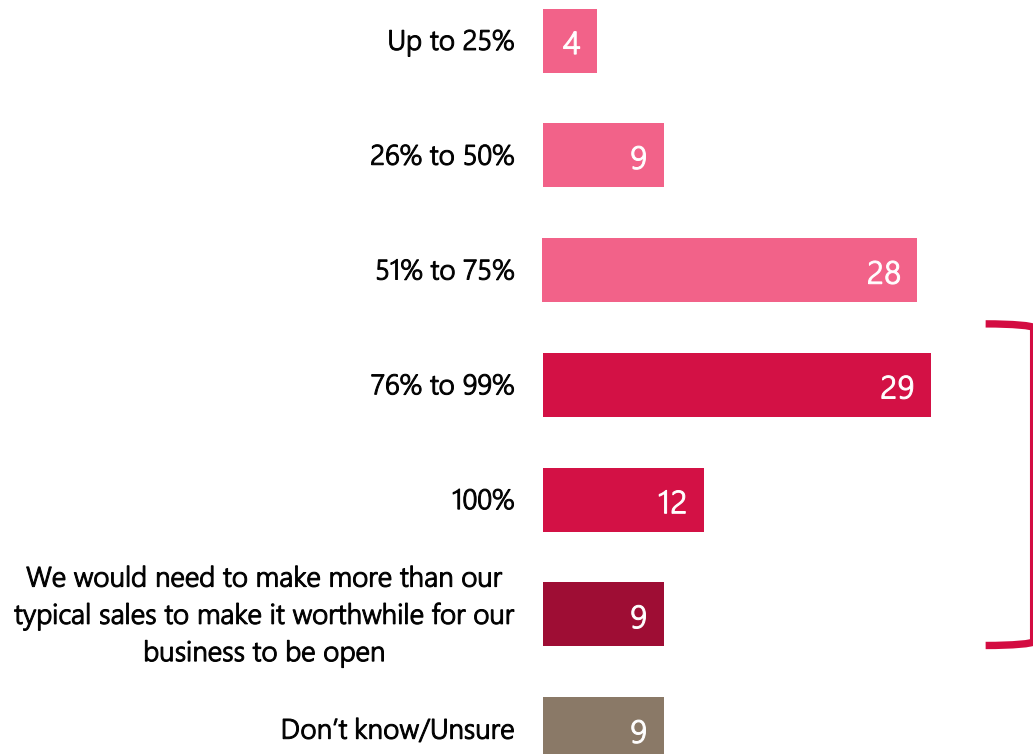
## As governments start planning for economic recovery, which of the following do you think they should focus on? (Select all that apply, % response)



Source: CFIB, Your Business and COVID-19 – Survey Number Six, April 2020, preliminary results, n = 7,587.

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

Looking forward, as business restrictions start to be lifted, what percentage of your typical sales (before the COVID-19 crisis started) do you need to make it worthwhile for your business to be open through the summer? (% response)



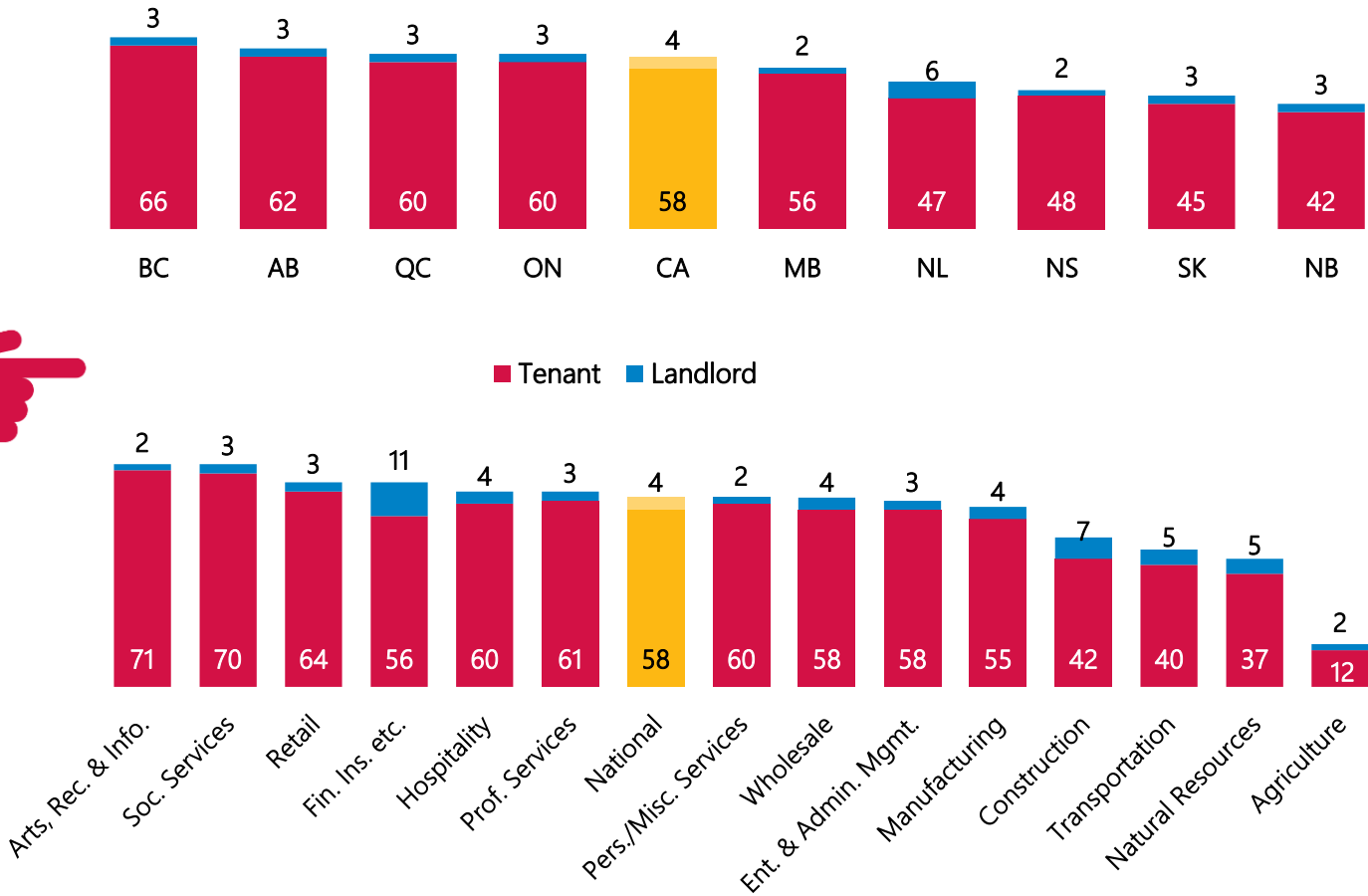
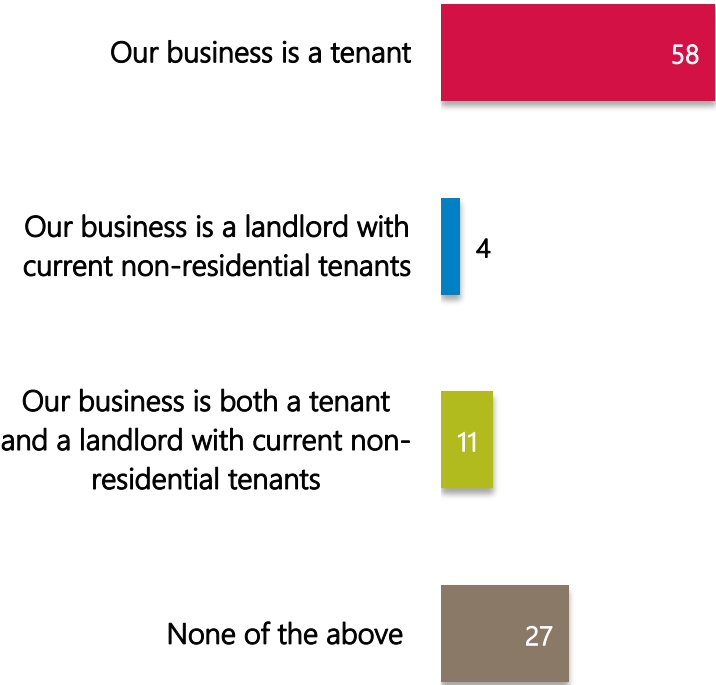
Businesses that need more than 75% of their typical sales to make it worthwhile to reopen



Source: CFIB, Your Business and COVID-19 – Survey Number Six, April 2020, preliminary results, n = 7,550.

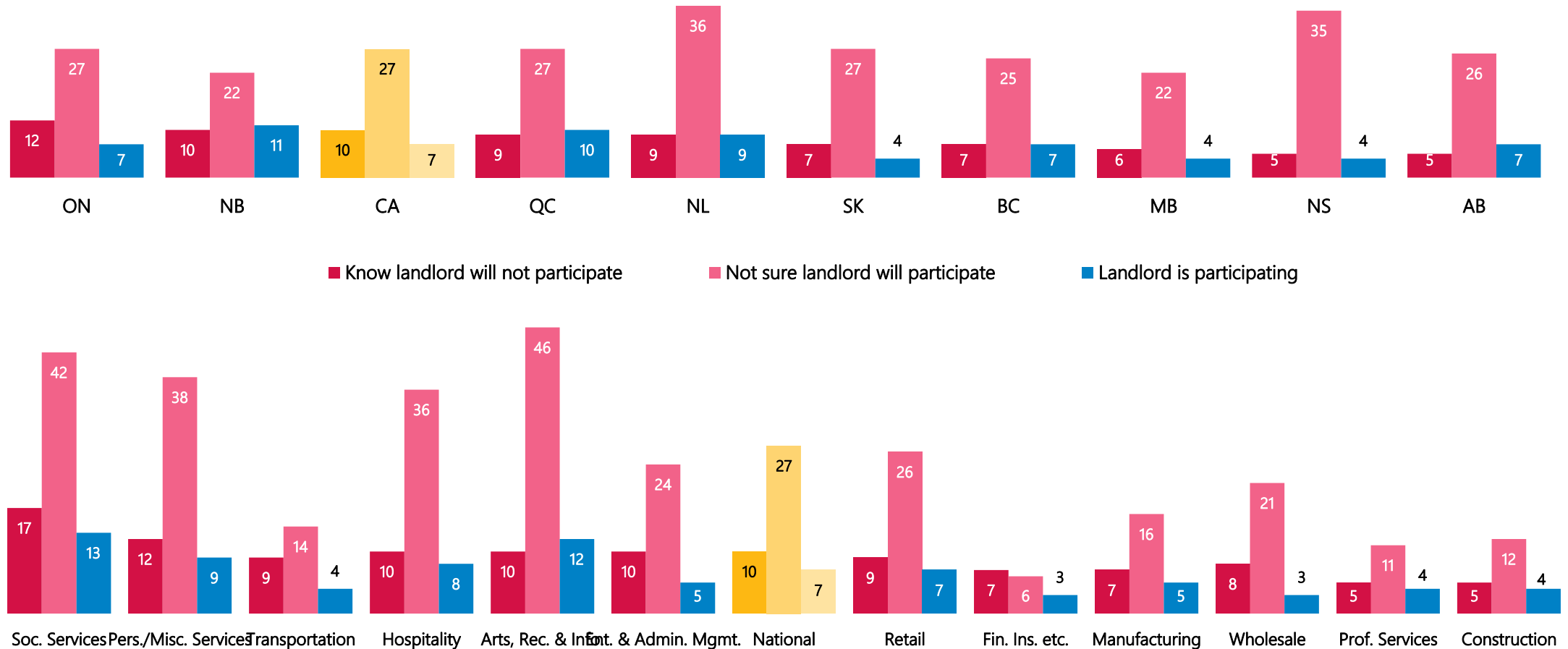
# Appendix

# Which of the following situations applies to *your business* for the May rent payment? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,964.

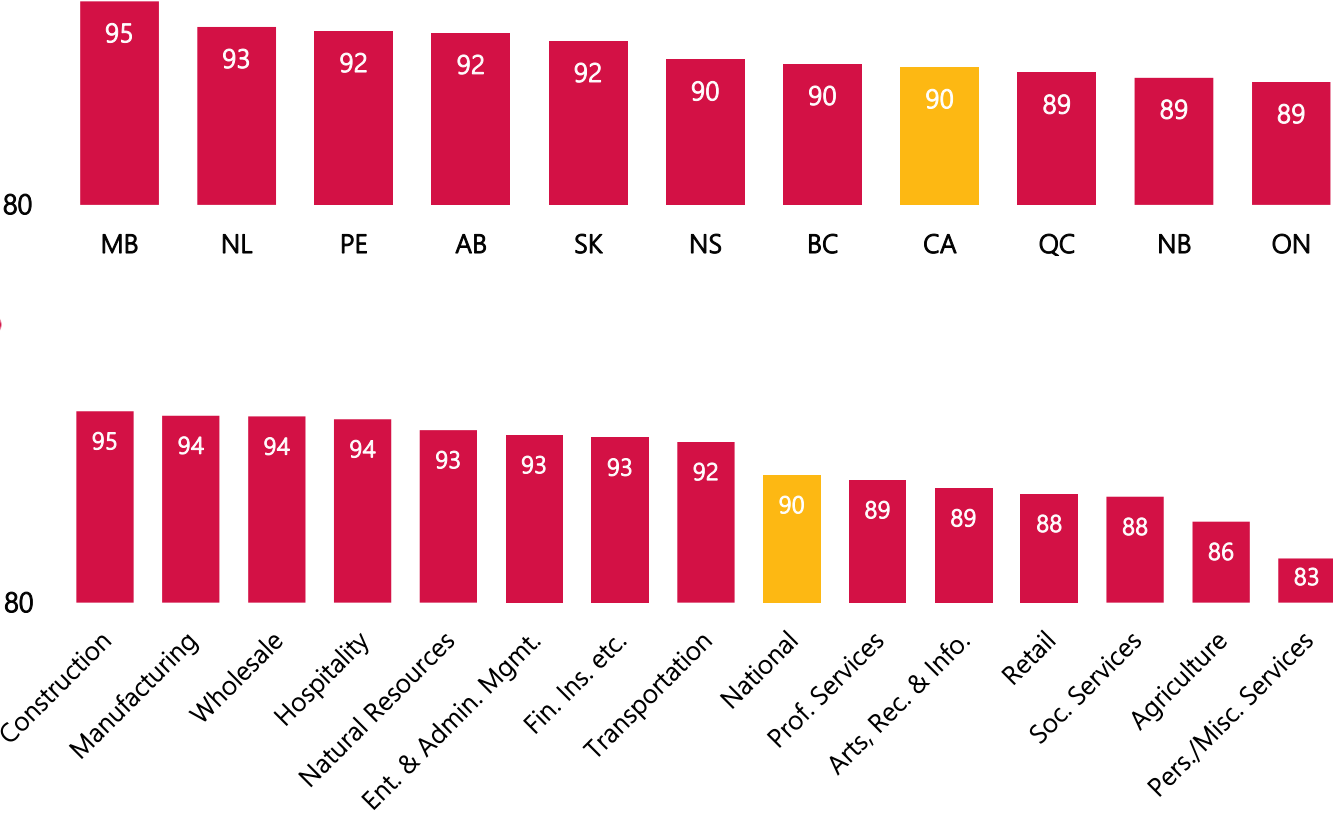
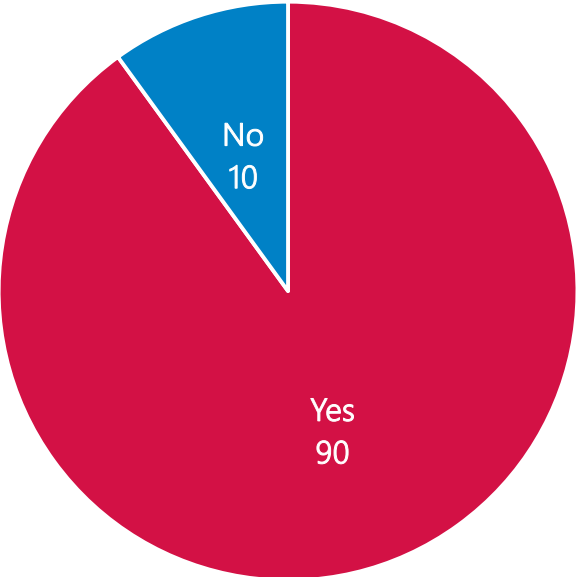
## Tenants who qualify for CECRA – What is your business situation regarding the Canada Emergency Commercial Rent Assistance (CECRA)? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 4,720.

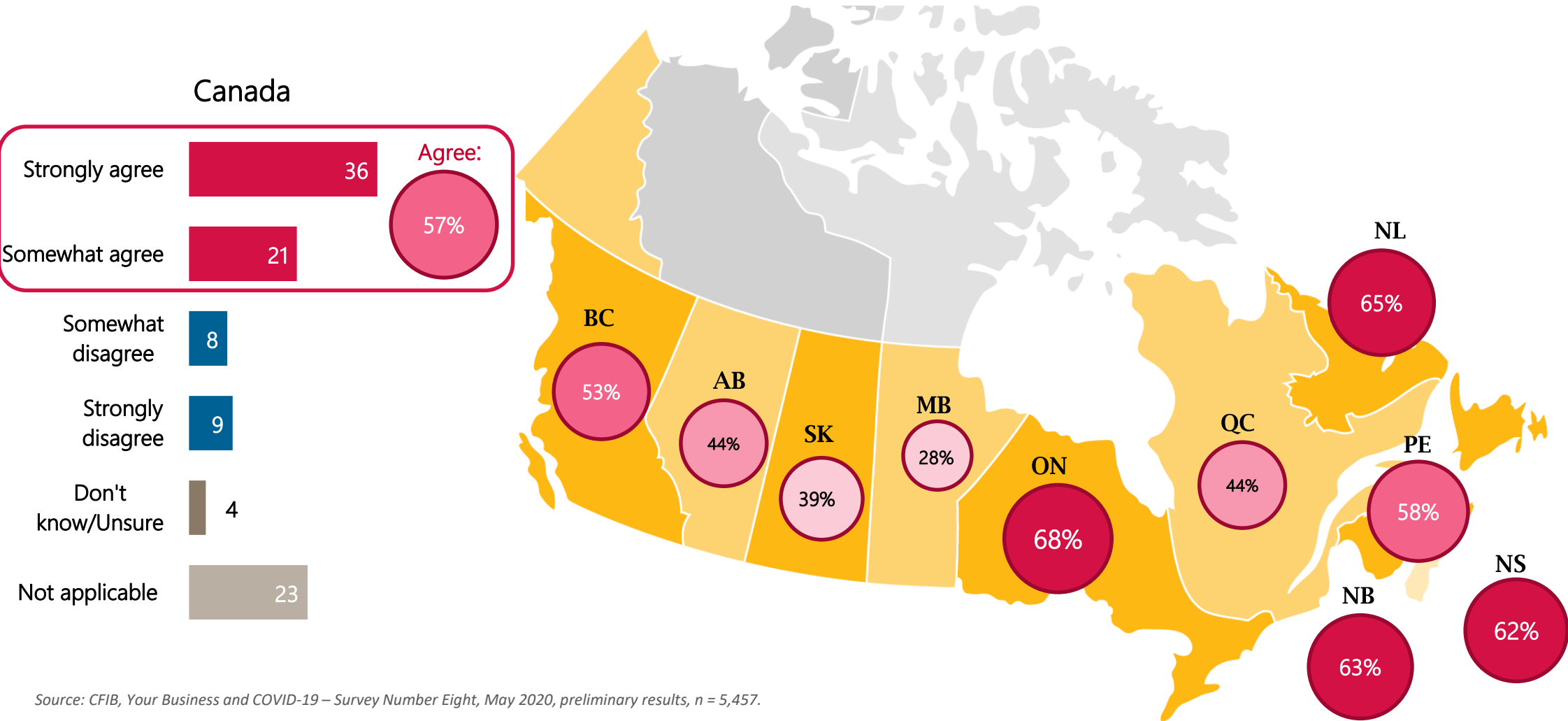
Note: Only includes respondents who indicated they are tenants.

# Prior to COVID-19, did your business have employees? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,865.

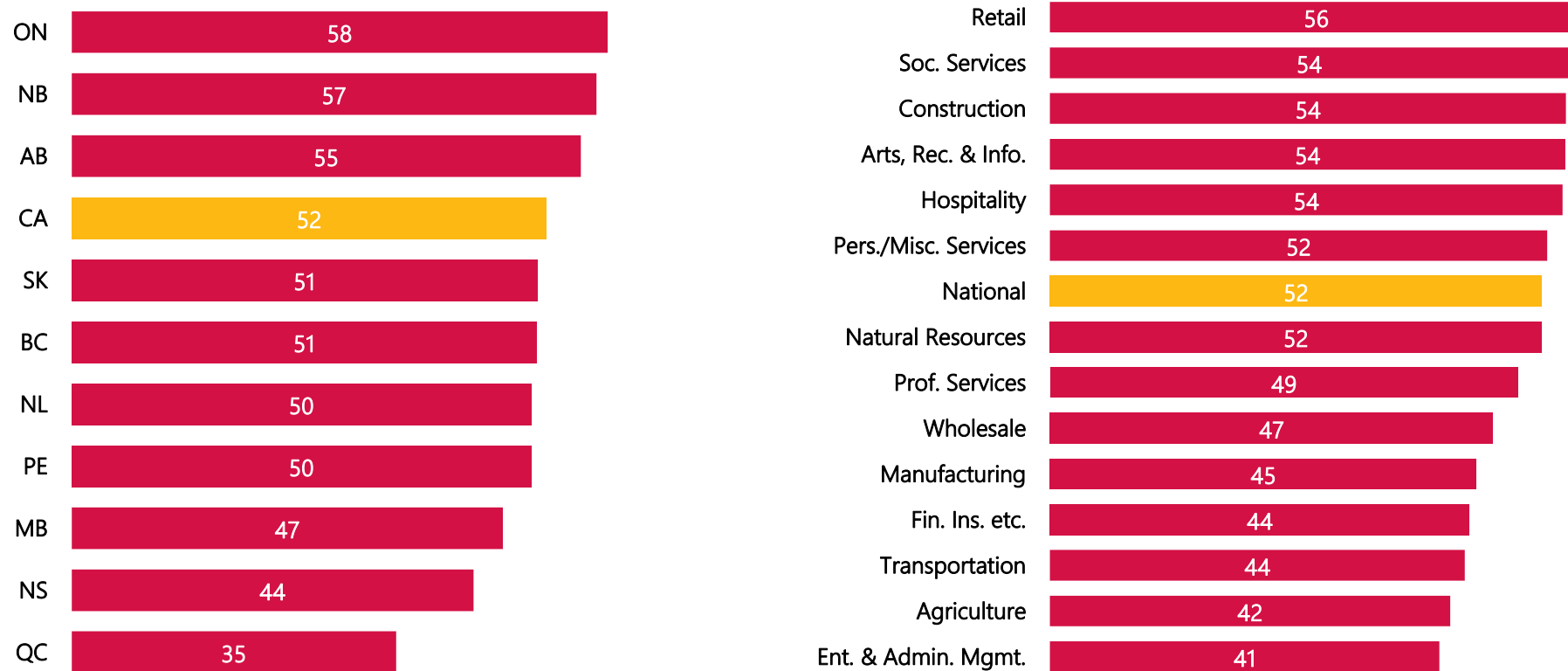
“At this point I am still uncertain when current restrictions on my business will start to be lifted” (Agree, % response)



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

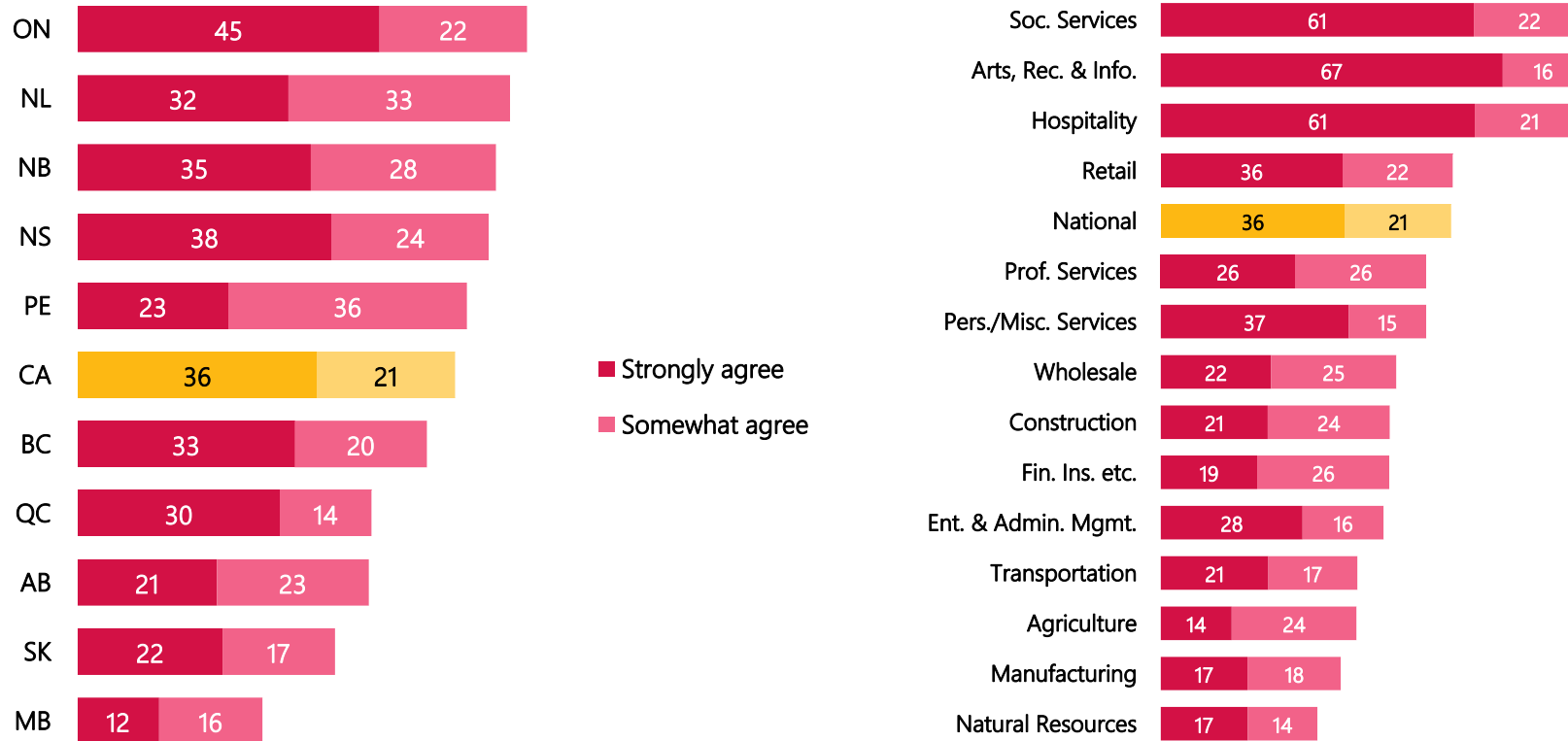


As governments begin to lift restrictions on businesses and reopen the economy, what are you most concerned about when it comes to the practical realities of operating your business? – **Concerned about knowing what the rules are** (% response)



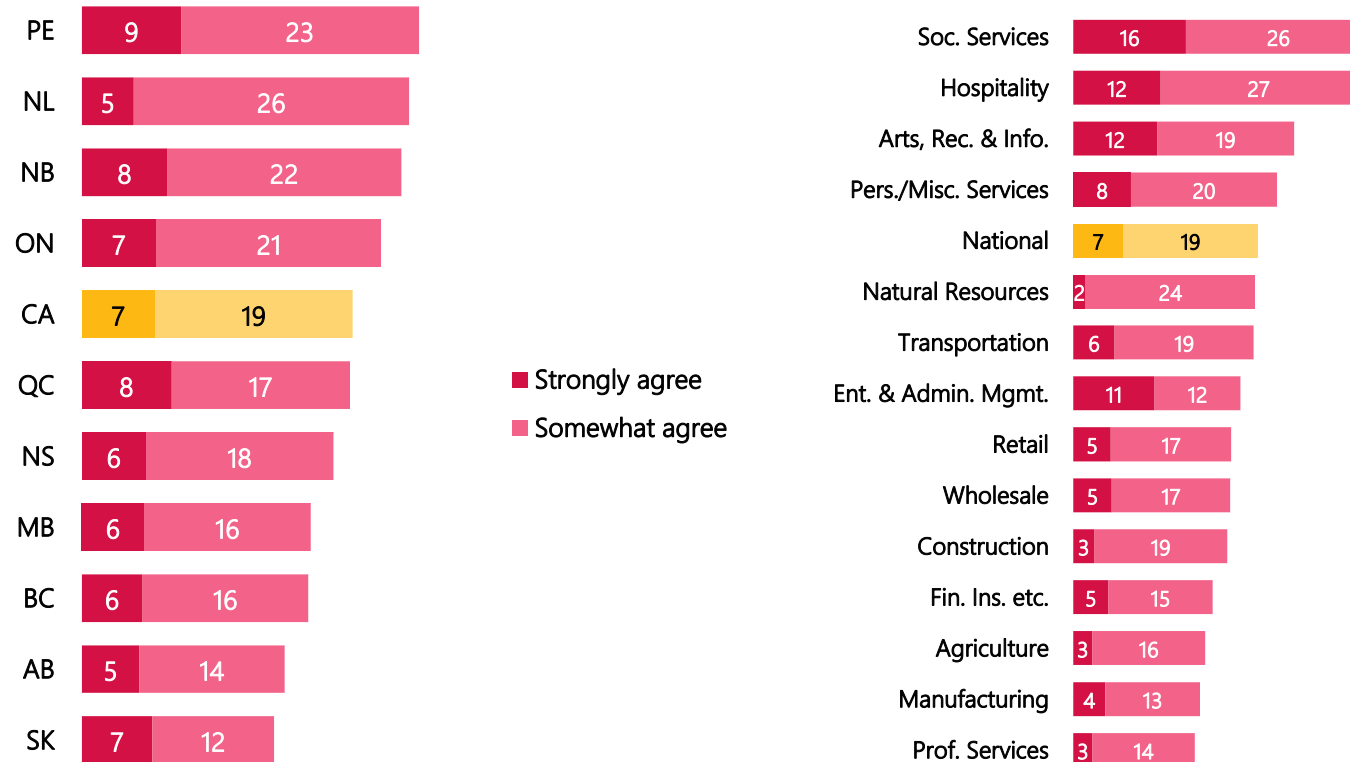
Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,783.

“At this point I am still uncertain when current restrictions on my business will start to be lifted ” (% response)



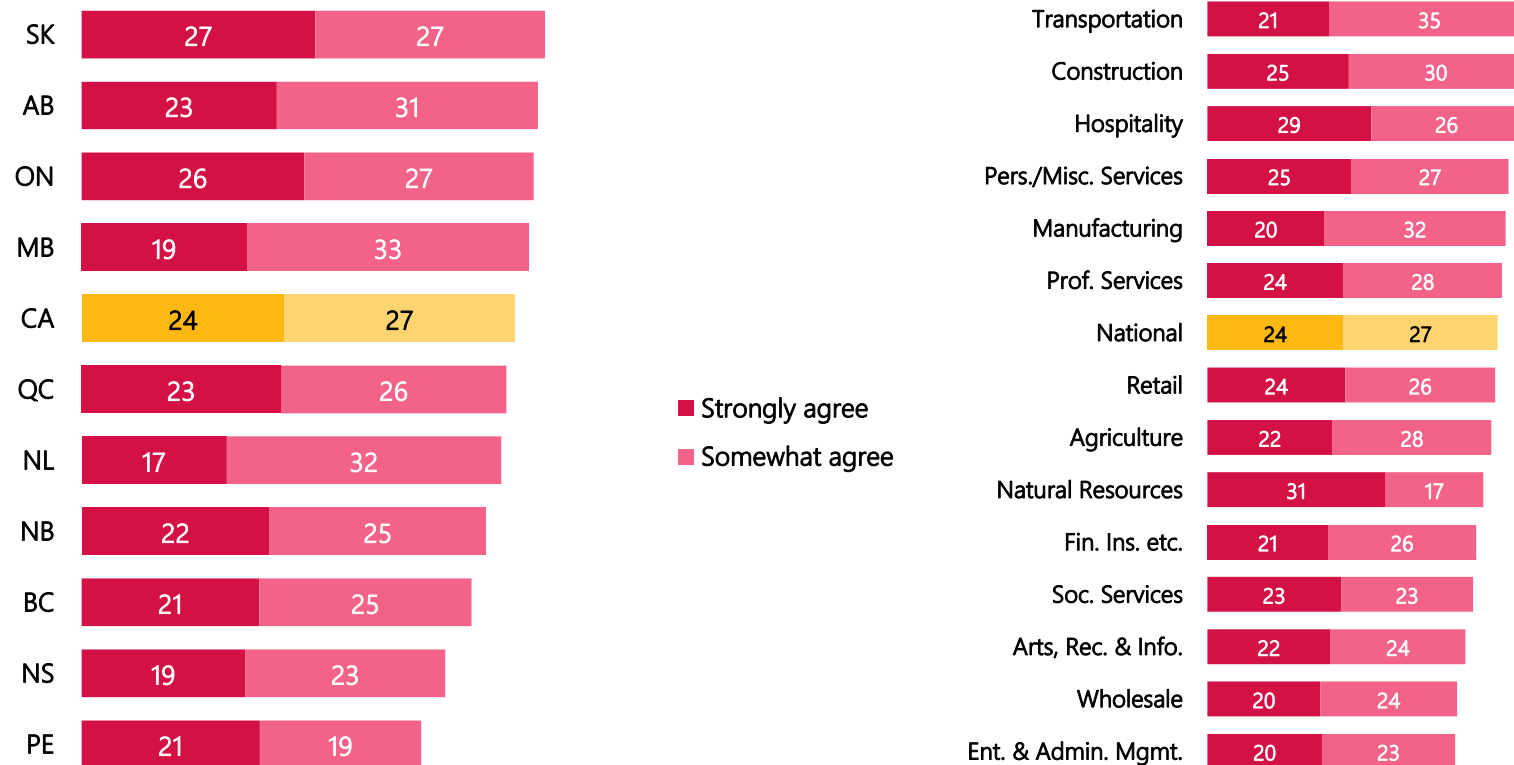
Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 5,457.

Please indicate whether or not you agree with the statement:  
 “Businesses in my sector will need specific training before reopening” (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Eight, May 2020, preliminary results, n = 6,624.

Please indicate whether or not you agree with the statement:  
 “I am worried about post-COVID-19 audits” (% response)



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

# Backgrounders provided

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 receive forgivable loans from government to reduce rent for their tenants. Known details when this survey was finalized were the following:

A 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, rent must be lower than \$50,000 per month. If a landlord chooses to participate in this all voluntary program, the tenant and landlord must then reach an agreement where the tenant gets rent forgiveness (cannot be just a deferral) of at least 75 per cent for April (retroactive), May (retroactive) and/or June 2020. The 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.

Here is how CECRA might work for an eligible tenant, participating landlord, and a \$10,000 monthly rent:

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

# Backgrounders provided

Starting April 27, 2020, the Canada Emergency Wage Subsidy (CEWS) began accepting applications.

The CEWS directly subsidizes 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.

	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 <u>or</u> 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 <u>or</u> 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 <u>or</u> over average of January and February 2020

# Backgrounders provided

The Canada Emergency Response Benefit (CERB) is a direct payment to employed and self-employed Canadians who stopped working because of COVID-19 that provides \$500 a week for up to 16 weeks. To qualify, Canadians must (1) be over 15 years old, (2) have earned at least \$5,000 in the last 12 months or in 2019, (3) not have earned more than \$1,000 in income for 14 straight days within a 4 week period and (4) not have quit their job voluntarily.