



MISSOURI

-Small Business- SURVEY



CONDUCTED BY MISSOURI MAIN STREET CONNECTION AND THE NATIONAL MAIN STREET CENTER



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Missouri Main Street Connection (MMSC) is a network of over 140 commercial districts comprised of thousands of small businesses. It is MMSC's mission to advocate for and to provide tools and resources to small businesses across Missouri in both rural and urban downtowns. To assess the impact of the COVID-19 pandemic, MMSC conducted an online survey for three weeks in April 2020. Over 600 small business owners responded from over 100 different Missouri cities and town, of which 93% of respondents reported owning businesses with fewer than 20 employees. Findings from this survey highlight the profound impact of the current crisis on the smallest, locally-owned businesses that are the backbone of all Missouri communities.

KEY FINDINGS

- The MMSC survey indicates that Missouri small businesses will be at great risk of closing permanently if the pandemic continues. Results regarding potential permanent closures reflect profound economic distress: 56% of businesses responding to the survey indicated that they would be at risk of closing permanently if business disruption continued at the current rate for up to five months, and 27% percent indicated they would be at risk of closing permanently if business disruption continued at the current rate for up to three months. ***At this rate, there could potentially be 141,000 small businesses closing permanently in Missouri if the crisis continues for 3 months or reopening takes an extended time period.***
- COVID-19 has dramatically impacted revenue from small businesses in Missouri with 91% seeing some sort of revenue decrease. ***Almost the majority of small business respondents, 48%, reported a decrease in revenue by more than 75%.***
- ***The number one need from businesses right now is financial assistance and penalty-free extensions on expenses.***

MMSC has presented a "Downtown Strong" recovery plan to the Missouri Department of Economic Development. During the recovery period following the pandemic crisis, technical assistance and small business support partners are critical. State Director Gayla Roten noted, "We feel it is OUR mission to provide this recovery plan to our Missouri communities! If we lose downtown, we lose our communities. If we lose our communities, we lose our identity."

The State of Missouri and cities need to invest in small business education and technical support programs rather than pull back spending on these programs. During difficult times of diminished revenues at the state and city level, the natural inclination is to pull back from funding on development programs that are not mandated in some form. This is exactly the wrong time to decrease or cancel support for programs like Main Street that serve as critical connectors and supporters of small businesses. As we look ahead to recovery, this survey data demonstrates that small business and downtown support is needed now more than ever because it creates resilient, sustainable local economies.

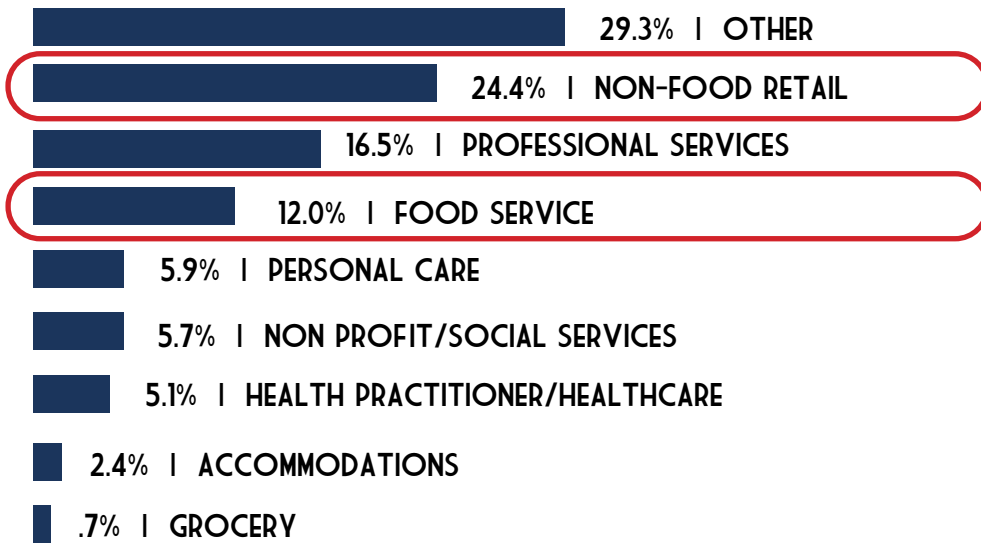
With the programming recommended to the Missouri Department of Economic Development and with our City and Main Street partners, Missouri Main Street Connection will help lead this recovery effort.

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Q. What kind of business do you operate?



The majority of the business types from the survey fell into the non-food, professional, and food service areas. Non-food retail and food service businesses, a large percentage of Main Street downtown district businesses, comprise 36% of respondent businesses.

The other category included mostly other service businesses like hair salons, barber shops, health care professionals, and auto repair/body shops.

36% food service and retail establishments

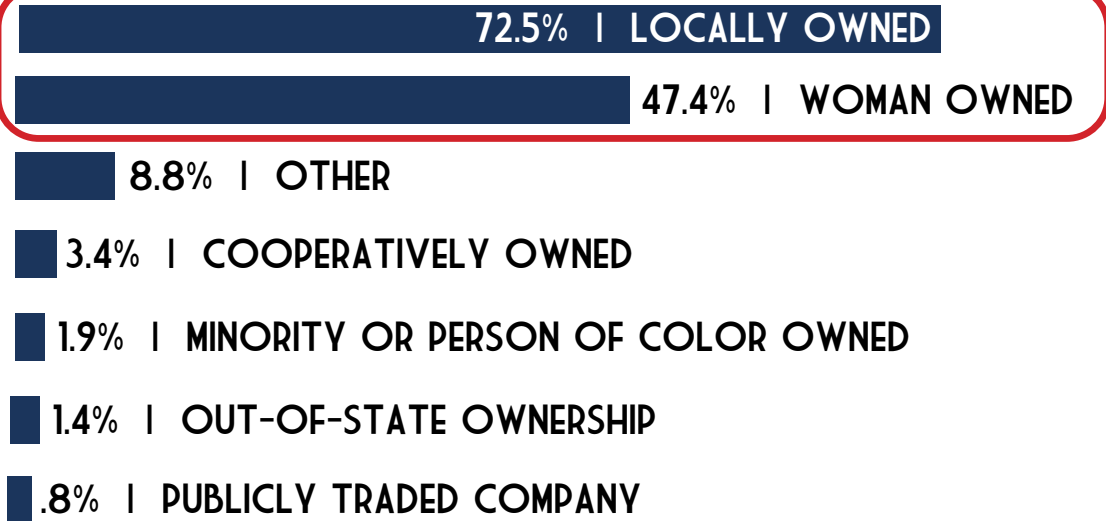
Q. How long has your business been in operation?



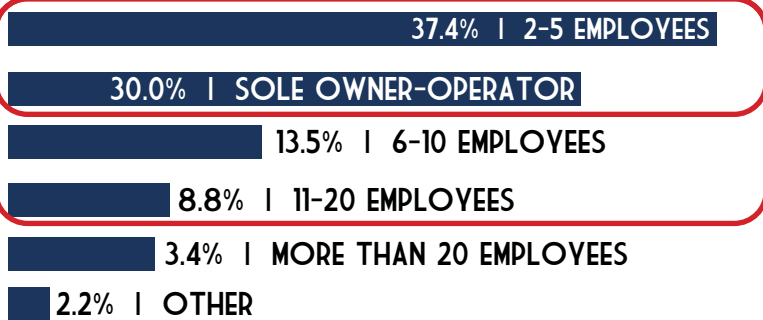
Over 70% of the business owners that completed the survey have been in business over 6 years with 55% being in business for more than 10 years. As we look at the impact on business owners later in the survey, keep in mind that these are seasoned business owners.

70% been in business over 6 years

Q. Would you characterize the ownership of the business in any of the following ways? (check all that apply.)



Q. How many people does your business employ?



Of the responses, 67% reported between 1 and 5 employees and 90% reported 20 or fewer employees. This demonstrates that the survey was completed by true small businesses in Missouri, not the SBA definition of a small business, which is defined as 500 or fewer employees.

67% 1-5 employees

90% small businesses with 20 or fewer employees

Q. Do you own or lease your business space?

53.8% | OWN

41.3% | LEASE

4.9% | NO PHYSICAL SPACE NEEDED

54% own their business space

Q. How has your business revenue changed since COVID-19 became a widespread concern in early March 2020?

48.1% | DECREASED MORE THAN 75%

16.0% | DECREASED BETWEEN 50-75%

11.3% | DECREASE BETWEEN 25-50%

15.4% | DECREASED BETWEEN 0-25%

5.9% | REVENUE NORMAL

1.5% | INCREASED BETWEEN 0-25%

.8% | INCREASED BETWEEN 25-50%

.3% | INCREASED BETWEEN 50-75%

.7% | INCREASED BY MORE THAN 75%

When asked about the revenue change due to COVID-19, you can see the devastating effect of the pandemic. Nearly 91% have seen some decrease in revenue with 64% reporting a 50% or greater drop in revenue and 48% reporting a revenue drop of more than 75%. Those are very scary numbers for a business owner.

91% some sort of revenue decrease

64% 50% or greater drop in revenue

48% decrease in revenue by more than 75%

Q. Does your business have an online sales component?

64.1% | NO

31.5% | YES

4.4% | STILL WORKING ON IT

Only 32% of respondents reported having an online or e-commerce site for their business. It should be noted that not all businesses can have an online sales component, for instance service businesses, health care professionals, etc.

Those with an online store reported that online sales are a small percentage of their overall sales - 27% reported it comprises only 0-25% of total sales.

32% have online sales

Q. What portion of your overall revenue is from online sales?

66.1% | NOT APPLICABLE

26.8% | 0-25%

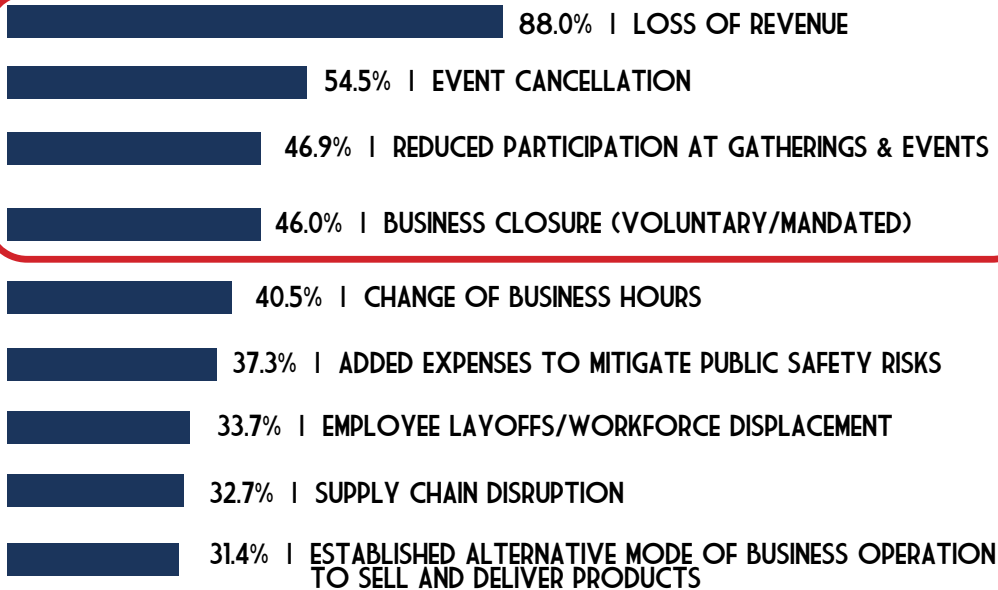
4.2% | 26-50%

1.7% | MORE THAN 75%

1.2% | 51-75%

27% online sales are 0-25% of total revenue

Q. How has COVID-19 affected your business? (Please choose all that apply.)



lost revenue and reduced customers are major effects

Q. Has your business suspended storefront operations as a result of COVID-19 public health emergency?

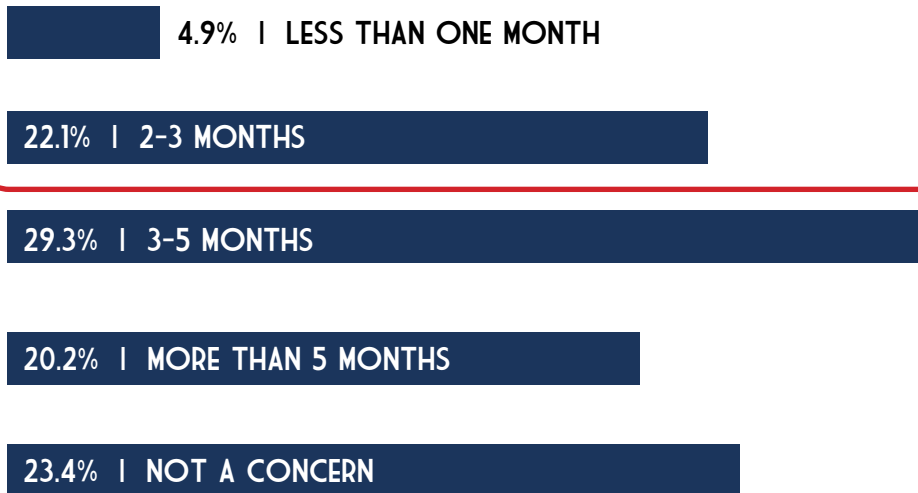
31.4% | NO, STILL OPEN

68.6% | YES, SUSPENDED STOREFRONT OPERATIONS

69%

closed temporarily

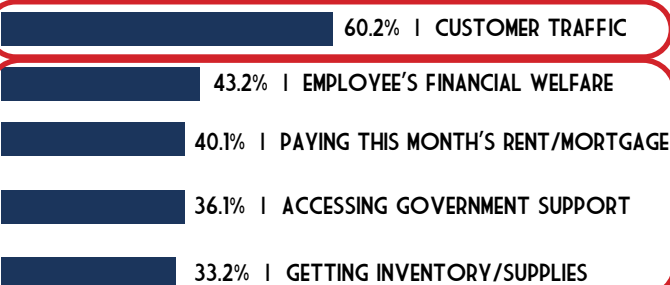
Q. If business disruption continues at the current rate, how soon will your business be at risk of closing permanently?



The startling fact of the COVID-19 pandemic is the risk of businesses closing their doors permanently. Of the responses, 27% reported that if the crisis persists for more than 3 months, they will likely close their doors permanently. A 2018 report by SBA noted there are approximately 523,000 small businesses in Missouri. At 27%, Missouri is at risk of losing over 141,000 small businesses if the crisis persists for more than 3 months. Predictions are that the crisis may go on much longer than this. The toll may be larger than expected.

27% may close permanently within 3 months (141,000+)

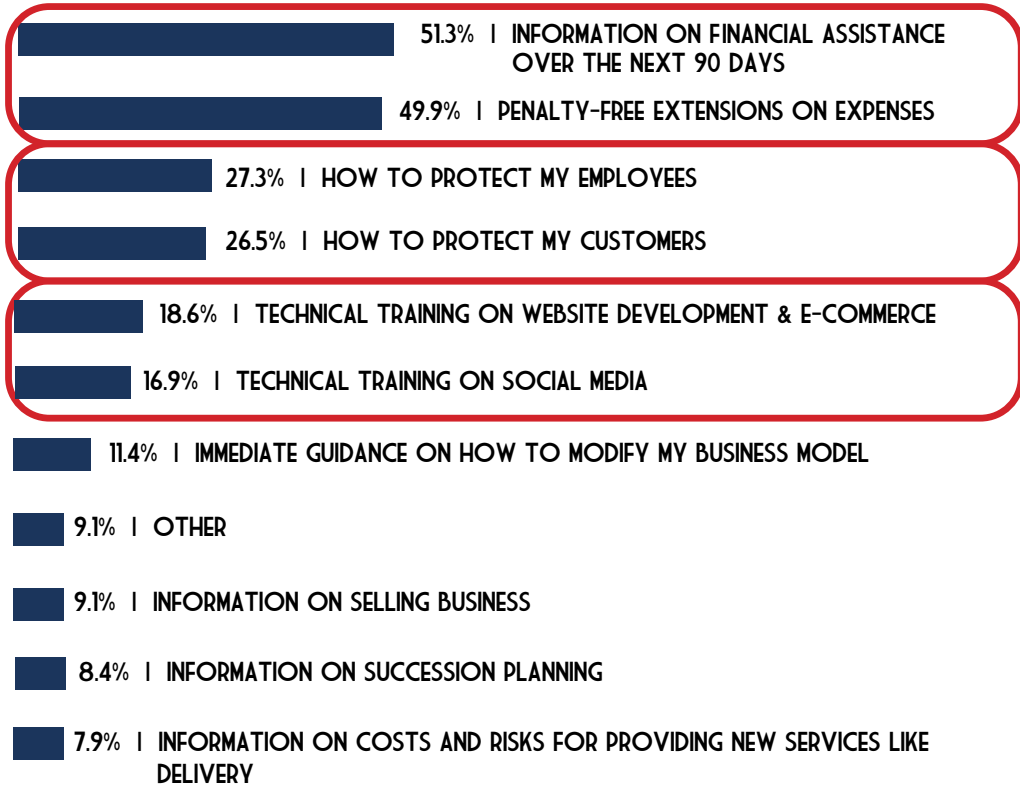
Q. At this time, what are you most concerned about? (Please choose all that apply.)



#1 concerned about customer traffic

#2 concerned about employees, expenses, government support, supplies

Q. What types of assistance would be most helpful to your business? (Please check all that apply.)



Businesses are looking for assistance on several fronts with the most important being financial assistance and penalty-free extensions on expenses. Next, they are looking for ways to protect their employees and customers. Then it would be assistance with technical training on website, e-commerce, and social media.

These items all are very relevant as the focus moves from remediation to reopening downtowns and businesses.

#1 financial assistance

#2 protecting employees and customers

#3 technical training on marketing and e-commerce

Missouri Main Street Connection

Missouri Main Street Connection is the only nonprofit organization in the state dedicated exclusively to the economic and physical revitalization of Missouri's downtowns, central business districts and neighborhood business districts. We provide a variety of services in order to ensure that our communities maximize their ability to undertake a successful revitalization program, increasing small business and creating jobs.

