

Global Effect of COVID-19 on Small Businesses

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## Abstract

COVID-19 is a worldwide pandemic that started in December 2019 in China. Small businesses all over the world had no idea where to turn to, where their capital would go and what to expect from a teeter-totter economy. With the help of government incentives and results from surveys such as the Small Business Pulse Survey as well as the Current Population Survey, In this study the following were concluded: 1) partaking in government incentives may better the business, 2) having an online e-commerce presence may make or break the company, and 3) redesigning the business to work with the “new normal” may help define their niche and have a thriving business.

## Dedication

I would like to dedicate this thesis to my grandfather, Lee Bass, who always pushed me to do my best and provided the necessary resources for me to be successful in school, as well as in life. I love you.

### Acknowledgement

I would like to acknowledge the kindness and guidance I have received from Dr. Andre Stevenson, Dr. Ebere Oriaku, and Dr. Dolapo Adedeji. I would also like to thank Dr. Debjani Kanjilal and Dr. Nima Molavi for each of you being on my committee. This thesis would not have been the same without each of you. I thank you each kindly.

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## Chapter 1: Problem Statement

A problem statement is an effective tool that addresses an area in business that has not gone in the right direction and needs some assistance. In writing a problem statement, one must discuss what the problem is, why it's a problem, and how one would propose it should be fixed. A problem statement defines the gap between the desired goal and the current state of the issue. With a problem statement, entities can describe what's blocking out the way to reach their goals, and they must come up with viable solutions. It doesn't define the solution to the problem, but it gives an outline of what the problem is and what steps one could take to reach their intention. When the desired solution is implemented later, a problem statement can help make sure that steps are put into place to prevent the original problem from recurring in the future.

A problem in almost all aspects of life right now is the Coronavirus. More than likely, if you ask someone how the coronavirus has impacted their life, 9 times out of 10 you are going to probably receive a negative impacted answer. Whether it be from not being able to go to school, go to work, or see family/friends, everyone has been affected by this pandemic one way or another. Small businesses and businesspersons have severely seen the impacts of COVID-19 from their way of business turning from in person to online transactions, not being able to get things shipped from one manufacturer to another, or not being able to receive enough income to keep their businesses open. Our ideal situation would be to have a world with no pandemic or disease and in doing so, increasing, or keeping up with steady sales before COVID ever hit. Consumers would be more likely to shop in person rather than online, they would be able to keep a steady flow of sales, and businesses wouldn't have to close. The current reality is that COVID-19 is not going completely away anytime soon. Businesses will have to adapt to the online world and be considerate to those consumers who choose to shop with them after the ever-changing

environment. Since March 2020, the world has gone through a world wind of changes, emotions, and setbacks. Some of the consequences of coronavirus include businesses shutting down, citizens getting sick and ultimately dying, and simply the decline of the quality of social life for everyday people. Loss of money due to the rising cost of inflation has impacted people day to day, even seen through the economy where it seems everyone is having a negative work incentive because of the government giving out “free money” where some are receiving more than their usual pay. This begs the question; how can we reach restitution after this horrendous pandemic? Could it be through private sectors, subsidies, and government implementing policies?

### Hypothesis

COVID-19 impacted small businesses all over the globe in a severely negative way.

Restitution needs to be made to reverse the impact.



## Chapter 2: Literature Review

The pandemic presents challenges in many ways, including economic effects, but of utmost importance by threatening the lives of everyone in the world. Studies have shown that the Coronavirus affected small businesses more than large businesses, both in Europe and the USA (Digitally Driven, 2020, 2021) and self-employed individuals more than employed individuals (Kritikos et al., 2020). Due to this, a survey conducted by National Bureau of Economic Research (NBER) of more than 5800 small businesses in the USA found that 43% of small firms were expected to be closed by December 2020 (Bartik et al., 2020). Through layoffs, government initiatives, and pay cuts, the United States was eager to reverse the effects of COVID-19, but it only made matters worse. If some of the older business entrepreneurs would partake in becoming more user or online friendly, this would fill the gap between where we are now and where we could be.

After a couple weeks of declaration of a national emergency due to the pandemic, the Census Bureau started conducting a survey called the Small Business Pulse Survey (SBPS). This survey was used to target small businesses; specifically non-farm, single-location small (with receipts greater than or equal to \$1,000 and 500 employees or fewer) employer businesses in industries that responded to the Economic Census. The SBPS was used to provide information about the economic effect on small businesses in the United States, DC, and Puerto Rico. Through this survey, businesses would receive weekly emails with a survey link from one week out of the nine-week data collection period. Looking at the results, nearly all businesses experienced a negative effect of COVID-19. The survey showed clearly that the businesses had a great outlook for the aftermath of the pandemic and expected a return to normality within six months following the Pandemic. Business owners understood that there were adjustments needed

to be made to have positive numbers throughout the pandemic, including location, hours, and employment. But as the SBPS website indicated, there are some limitations to the survey. First, some of the businesses surveyed chose not to respond and some may have already closed before the survey was sent out. A large percentage of the small businesses who did respond to the survey filed for PPP (Paycheck Protection Program) assistance to keep their businesses up and running with enough money to pay their employees (or in some cases, themselves). Moreover, some of the small businesses adapted to the pandemic by decreasing employment, decreasing hours, and a few changed the goods and services they market due to the unavailability of receiving items.

The Current Population Survey (CPS) was created and used by the Bureau of Labor Statistics (BLS) to track unemployment rates and study determinants of business ownership (Fairlie & Fossen, 2019; Levine & Rubenstein, 2017; Wang, 2019). The CPS uses current work data of the business owner and determines whether that business owner is open for business. The number of active business owners is accurate, but there is no way of telling whether there are temporary or permanent business closures. allocated over \$650 billion to help businesses. Another large program incorporated into the government allocation process is the Economic Injury Disaster Loan program by the Small Business Administration, which provided over \$150 billion as of July 2020. Through these government incentives, many small business owners have been able to continue to flourish after one of the declines of the Coronavirus.

In this project, analysis of a large-scale survey of small business managers, owners, and employees in the United States to understand the effects of the COVID-19 pandemic on all businesses was performed. Looking at the results of a Facebook survey conducted both in April 2020 and December 2020, there were five common patterns that were revealed: (1) Larger, older,

and male-owned firms were the most likely businesses to remain open during the early stages of the pandemic with many of these persisting through the end of 2020. (2) Businesses that consistently remained open, concerns about demand shocks outweighed concerns about supply shocks though the relative importance of supply shocks grew over time. (3) Almost a quarter of the firms had to reduce their prices due to financial constraints and demand shocks to keep their inventory liquid and turn it into cash fast. (4) Only a small percentage of small businesses had access to financial sources at the start of the pandemic which in return caused some problems throughout their business (some ultimately closing). (5) Increased household responsibilities affected the ability of managers and employees to focus on their work and created a negative work incentive to stay home with their family (if they had gotten exposed or if anyone in their home had COVID.) This effect persisted through December 2020 and was particularly strong for women and parents of school-aged children. As the numbers declined for the number of active cases, many companies decided to end the mask mandate and implemented programs so that their employees wouldn't have to take their PTO or take a day off work if they had family with/exposed to COVID.

The first estimates of the early-stage effects of COVID-19 on small business owners from April 2020 came from Current Population Survey (CPS) data. It was shown that the number of working business owners plummeted from 15.0 million in February 2020 to 11.7 million in April 2020 because of COVID-19 mandates and demand shifts. The loss of 3.3 million business owners (or 22%) was the largest drop on record. Patterns across gender, race and immigrant status reveal interesting findings. African Americans experienced the largest losses, eliminating 41 percent of business owners. Latinx also experienced major losses with 32 percent of business owners disappearing between February and April 2020. Immigrant business owners suffered a

large drop of 36 percent, and female business owners suffered a drop of 25 percent. When only working roughly two days per week, the losses are even larger. Businesses working 30 or more hours results in losses of 3.4 million or 31 percent. There were 13.6 million business owners working 15+ hours in February 2020 and only 9.8 million in April 2020. In most analyses, March 2020 is not included because of partial effects. On March 11, the World Health Organization (WHO) declared COVID-19 a pandemic which might have resulted in early demand shifts over health concerns and replaced restriction policies. For comparison, from the start to end of the Great Recession, the number of business owners decreased by 730,000 representing only a 5 percent reduction. The loss of 3.3 million business owners (or 22 percent) consisted of large drops in important subgroups such as owners working roughly two days per week (28 percent), owners working four days a week (31 percent), and incorporated businesses (20 percent). (Fairlie, 2020)

In North Carolina, existing racial and ethnic inequalities have immensely increased through the impact of COVID-19 infection and death in the state. Data as of October 23, 2022, indicated that Black individuals in North Carolina represent 29% of COVID-19 deaths, but only 22% of the population, while Latinx or Hispanic individuals represent 28% of cases but only 10% of the population. While communities of color disproportionately experience infection, morbidity, and mortality rates, so too will the enduring effects of the pandemic felt by these communities. We expect significant impacts on total well-being, including physical, psychosocial, and behavioral effects, already known to have disparate impacts by race due to structural racism. The risk to racial and ethnic minority populations has been multifaceted for individuals, health systems, and communities. Yet, there are still have incomplete data on coronavirus infection and hospitalizations by race and ethnicity. Inadequate data make it difficult

to understand the full scope of this problem and incredibly challenging to envision the full spectrum of possible solutions. Without a clear and thorough understanding of the current reality, researchers and health systems leaders are unable to understand whether interventions to prevent the pandemic's spread are mitigating inequities or may be reinforcing them. These opportunities center equity in the planning and implementation of interventions for recovery during and after the pandemic. To foster a more equitable recovery as North Carolina emerges from this crisis, we need to practice intentional leadership; prioritize robust data collection and use; and build community resilience that endures beyond the pandemic. Our country is only as healthy as those at the margins, and to ensure equity in the face of future health crises, we need to center those margins in the priorities of our health care leadership. (Corbie-Smith, Wolfe, Hoover & Dave, 2021)

How are America's small businesses navigating the economic disruptions resulting from COVID-19, and how will the CARES Act affect their decisions and prospects? To explore these questions, I looked at a survey of more than 5,800 small businesses that were members of the Alignable business network. The survey focused on assessing (1) the current level of financial fragility among small businesses, (2) the extent to which small businesses have already temporarily closed and laid off employees, (3) expectations about how long the crisis will last and how this is affecting business decisions, and (4) decisions about whether to seek funding through the CARES Act, and how this will impact layoff and closure decisions. Overall, the results suggested that the pandemic has already caused massive dislocation among small businesses. The results showed the median business owner expects the dislocation to last well into mid-summer. Businesses are adjusting in a variety of ways, and over 70 percent of respondents anticipate taking advantage of aid when asked about a program that resembles the

Paycheck Protection Program (PPP) that is part of the CARES act. To receive the aid, a survey contains three baseline questions which enable us to assess the representativeness of the sample along observable dimensions: number of employees, typical expenses (as of January 31, 2020), and share of expenses that go towards payroll. The comparison of data with data on businesses from the 2017 Census of US Businesses, using the publicly available statistics published by the US Census Bureau. The underlying data is drawn from the County Business Patterns sampling frame and covers establishments with paid employees, including sole proprietorships. Small businesses employ almost 50 percent of American workers. Yet, the results underscore the financial fragility of many small businesses, and how they were deeply affected by the current crisis. In the sample, which is targeted toward retail sales, it is found that 43 percent of businesses were temporarily closed, and that employment has fallen by 40 percent. The results suggested that many of these firms have little cash on hand, which means that they will either have to dramatically cut expenses, take on additional debt, or declare bankruptcy. (Bartik, Bertrand, Cullen, Glaeser, Luca, Stanton, 2020)

Since Kuznets (1941), macroeconomic policy decisions have been made based on publicly available statistics constructed from recurring surveys of households and businesses conducted by the federal government. First, survey-based data typically cannot be used to assess variation across geographies or subgroups; due to relatively small sample sizes, most statistics are typically reported only at the national or state level and breakdowns for demographic subgroups or sectors are unavailable. Second, statistics are typically available only at low frequencies, often with a significant time lag. Because of these limitations, existing publicly available macroeconomic statistics are insufficient to study the sources of economic fluctuations and the causal impacts of macroeconomic policies. The point estimates imply that the cost per

job saved by the PPP was \$377,000 (\$119,000 at the lower bound of the 95% confidence interval). Studies by Granja et al. (2020), Autor et al. (2020), and Hubbard and Strain (2020) reach similar conclusions using other data sources and research designs. The PPP had modest marginal impacts on employment likely because most PPP loans went to inframarginal firms that were not planning to lay off many workers. As a result, providing liquidity to firms is an expensive way to maintain employment rates in the short run, although it remains possible that the PPP may have long-term benefits by reducing permanent business closures.

In looking at the effects of COVID specifically on women, first, their overrepresentation in health, social care, education, and service occupational sectors particularly in lower-paid, public-facing roles, where it is impossible to work from home, seem likely to precipitate exposure at greater rates to the virus itself (Wenham et al., 2020). Second, the blunt instruments of ‘stay home’ or ‘shelter in place’ orders and concomitant school closures have limited many women’s earning and productive capacity (Al-Dajani et al., 2020), due to their higher inputs into emotional and invisible reproductive and caring labor; additionally, home confinements have also precipitated a sharp rise in domestic violence (Chandan et al., 2020; Frederickson, 2020 & Wenham et al., 2020). Women’s greater likelihood of exposure to the virus itself is a vulnerability shared with those from backgrounds of color, typically referred to in the United Kingdom using the umbrella term of Black, Asian, and Minority Ethnic (BAME). Consequently, UK women’s self-employment has grown substantially in the past decade due to several macrosocial, economic, and technological factors, including the shrinking of the welfare state under austerity and the facilitation of entrepreneurial entry through digital technologies (Harding, 2007; Watson and Pearson, 2016). Women’s entrepreneurial entry is arguably responsible for self-employment being the only growth category in the UK labor market since 2010

(Moskalenko and Beresford, 2018). This reflects global trends in post-industrial nations transitioning to service sector economies and the emergence of feminized service businesses enabled through widespread use of mobile and other digital technologies. The picture of such a ‘touchless’ future is also painted by Naomi Klein (2020) in what was called the ‘Screen New Deal’, or covert moves currently being made by the Silicon Valley tech giants, and the foundations they fund, to accelerate and profit from the normalization and expansion of the COVID-19 ways of working, centered around home delivery, streaming technology, and data mining – disaster capitalism at its finest.

The belief that COVID-19 affected small businesses is due to the lack of funds to manage or prepare for something so unsettling because of the many unknowns with the pandemic. In March 2020, lockdowns were severely implemented by most countries around the world. According to a survey, some businesses at that point of time had only about two weeks of cash on hand at that time and had more than \$10,000 in monthly expenses, whereas other companies who earlier made some good profits had only enough cash to sustain for a maximum of two months. According to the Current Population Surveys (CPS), it was revealed that during the initial stage of the pandemic and the forced lockdown implementation in the middle of March 2020, small businesses that were operating smoothly for a long time showed a heavy decline in their activity. The number of active businesses was 15 million during the month of February, which drastically dropped to several 11 million during the initial period of the pandemic. All these somehow are affecting the economy, directly or indirectly. It is found that the countries and their trading partners that have imposed lockdown shows disturbances in supply chains as exporting and importing of goods were getting hampered. The decline of the supply chain was sharp at the beginning of the pandemic, this in the first few months of 2020 caused the exports to



drop sharply in China. The European Union (EU) countries sector and the United States exports faced a drop of 8% and 7% respectively in March as compared to the previous year. The small businesses eventually had to lower down on their cost or to take additional debts or declare bankruptcy. The surveys indicated that multiple small businesses would tend to fail due to the financial crisis to revive the business. (Stavros Kalogiannidis, 2020) Employees on the other hand are either getting fired by the employers or must accept the no work no pay agenda from their employer. The G3 economies that include the United States, the European Union, and China are one of the strongest in the business economy and were heavily affected due to the implementation of lockdown. The United States, the European Union, and China have an important role within the global supply chains as they are counted among the world's largest exporters making them the ultimate importers of parts, components, and basic materials but as they are facing challenges, this is ultimately affecting the economic partners of the G3 economies as well as the countries that directly do not have a trading relationship. (Stavros Kalogiannidis, 2020)

### Chapter 3: Methodology

The methodology of this paper consisted of a systematic review of journal articles related to small businesses and the Coronavirus. For this research, a meta-analysis was utilized. This secondary data that was researched for this review came from articles on the impact of COVID had on their day-to-day sales. This researcher was able to synthesize the data and report the findings. The most popular database was Google Scholar, where many articles were found. This database is used to find scholarly literature. From one place, you can search across many disciplines and sources: articles, theses, books, abstracts, and court opinions, from academic publishers, professional societies, online repositories, universities, and other web sites. Google Scholar rank documents the way researchers do, weighing the full text of each document, where it was published, who it was written by, as well as how often and how recently it has been cited

in other scholarly literature. The reasoning for choosing these articles were to show the negative short- and long-term effects COVID-19 has had on everyone in the business cycle.

Table 1: Findings

<b>Author &amp; Year of Publication</b>	<b>Title</b>	<b>Source of Publication</b>	<b>Main Findings</b>
Maksim Belitski, Christina Guenther, Alexander S. Kritikos & Roy Thurik, 2022	Economic effects of the COVID-19 pandemic on entrepreneurship and small businesses	Google Scholar	A survey conducted by NBER of more than 5800 small businesses in the USA found that 43% of small firms were expected to be closed by December 2020 (Bartik et al., 2020). Through layoffs, government initiatives, and pay cuts, the United States was eager to reverse the effects of COVID-19, but it only made matters worse. But, if the business entrepreneurs would partake in becoming more user or online friendly, this would fill the gap between where we are now and where we could be.
Catherine Buffington Carrie Dennis Emin Dinlersoz Lucia Foster Shawn Klimek, 2020	Measuring the Effect of COVID-19 on U.S. Small Businesses: The Small Business Pulse Survey	Google Scholar	Some of the small businesses adapted to the pandemic by decreasing employment, decreasing hours, and a few changed the

			<p>goods and services they produce due to the unavailability of receiving items. Estimates from the survey show that 89.9% of small businesses experienced a negative effect on operations due to the COVID-19.</p>
Robert Fairlie, 2020	The impact of COVID-19 on small business owners: Evidence from the first three months after widespread social-distancing restrictions	Google Scholar	<p>I have found that the number of working business owners decreased from 15 million in February 2020 to 11.7 million in April 2020 because of COVID-19 mandates and the teeter totter economic status. The loss of 3.3 million active business owners (or 22%) was the largest decrease ever recorded. Looking at total hours worked by all business owners, it significantly dropped by 29%.</p>
Georgij Alekseev, Safaa Amer, Manasa Gopal, Theresa Kuchler , J. W. Schneider, Johannes Stroebel , Nils Wernerfelt, 2020	The Effects of COVID-19 on U.S. Small Businesses: Evidence from Owners, Managers, and Employees	Google Scholar	<p>There were five common patterns that I have found. (1) Larger, older, and male-owned firms were the most likely businesses to remain open during the early</p>

			<p>stages of the pandemic with many of these persisting through the end of 2020. (2) Businesses that consistently remained open, concerns about demand shocks outweighed concerns about supply shocks though the relative importance of supply shocks grew over time. (3) In response to the Coronavirus, almost a quarter of the firms had to reduce their prices with price reductions due to financial constraints and demand shocks in order to keep their inventory liquidity and turn it into cash fast. (4) Only a small percentage of small businesses had access to financial sources at the start of the pandemic which in return caused some problems throughout their business (some ultimately closing). (5) Increased household responsibilities affected the ability of managers and employees to focus on their work and created a negative work incentive to stay home with their</p>
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			family (if they had gotten exposed or if anyone in their home had COVID.)
Robert W. Fairlie, 2020	The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey	Google Scholar	African Americans experienced the largest losses, eliminating 41 percent of business owners. Latinx also experienced major losses with 32 percent of business owners disappearing between February and April 2020. Immigrant business owners suffered a large drop of 36 percent, and female business owners suffered a drop of 25 percent.
Giselle Corbie-Smith, Mary K. Wolfe, Stephanie M. Hoover and Gaurav Dave, 2021	Centering Equity and Community in the Recovery of the COVID-19 Pandemic	Google Scholar	Data as of October 23 indicate that Black individuals in North Carolina represent 29% of COVID-19 deaths, but only 22% of the population, while Latinx or Hispanic individuals represent 28% of cases but only 10% of the population. While communities of color disproportionately experience infection, morbidity, and mortality rates, so too will the enduring effects of the pandemic be felt most acutely by these communities.

<p>Alexander W. Bartik, Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca &amp; Christopher T. Stanton, 2020</p>	<p>How Are Small Businesses Adjusting to COVID-19? Early Evidence from a Survey</p>	<p>Google Scholar</p>	<p>It is found that 43 percent of businesses were temporarily closed, and that employment has fallen by 40 percent. This represents a shock to America's small firms that has little parallel since the 1930s. The results suggest that many of these firms have little cash on hand, which means that they will either dramatically cut expenses, take on additional debt, or declare bankruptcy.</p>
<p>Raj Chetty, John N. Friedman, Nathaniel Hendren, Michael Stepner &amp; The Opportunity Insights Team, 2022</p>	<p>The Economic Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data</p>	<p>Google Scholar</p>	<p>Contemporaneous studies by Granja et al. (2020), Autor et al. (2020), and Hubbard and Strain (2020) reach similar conclusions using other data sources and research designs. The PPP had modest marginal impacts on employment likely because most PPP loans went to inframarginal firms that were not planning to lay off many workers. As a result, providing liquidity to firms is an expensive way to maintain employment rates in the short run, although it remains possible that the PPP may have long-term</p>

			benefits by reducing permanent business closures.
Angela Martinez Dy, Dilani Jayawarna, 2020	Bios, mythoi and women entrepreneurs: A Wynterian analysis of the intersectional impacts of the COVID-19 pandemic on self-employed women and women-owned businesses	Google Scholar	Women's entrepreneurial entry is arguably responsible for self-employment being the only growth category in the UK labor market since 2010 (Moskalenko and Beresford, 2018). The picture of such a 'touchless' future is also painted by Naomi Klein (2020) in what she calls the 'Screen New Deal', or covert moves currently being made by the Silicon Valley tech giants, and the foundations they fund, to accelerate and profit from the normalization and expansion of the COVID-19 ways of working, centered around home delivery, streaming technology, and data mining – disaster capitalism at its finest.
Stavros Kalogiannidis, 2020	Covid Impact on Small Business	Google Scholar	The surveys indicated that multiple small businesses would tend to fail due to the financial crisis to revive the business. Employees on the other hand are either



			<p>getting fired by the employers or must accept the no work no pay agenda from their employer. The United States, the European Union, and China have an important role within the global supply chains as they are counted among the world's largest exporters making them the ultimate importers of parts, components, and basic materials but as they are facing challenges, this is ultimately affecting the economic partners of the G3 economies as well as the countries that directly do not have a trading relationship.</p>
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#### Chapter 4: Findings

Based on the results, it was clearly shown that the impacts of COVID 19 have solely been negative, as the ongoing struggle of what to do next was constantly on entrepreneurs' minds. As shown below, the amount of revenue small businesses had during the onset of COVID-19 proved that the financial outcome had severely taken a toll, showing what the 52-week average looked like below. Without the financial means to keep a business open, it did not matter if they needed to have irregular hours, let go of employees, etc.

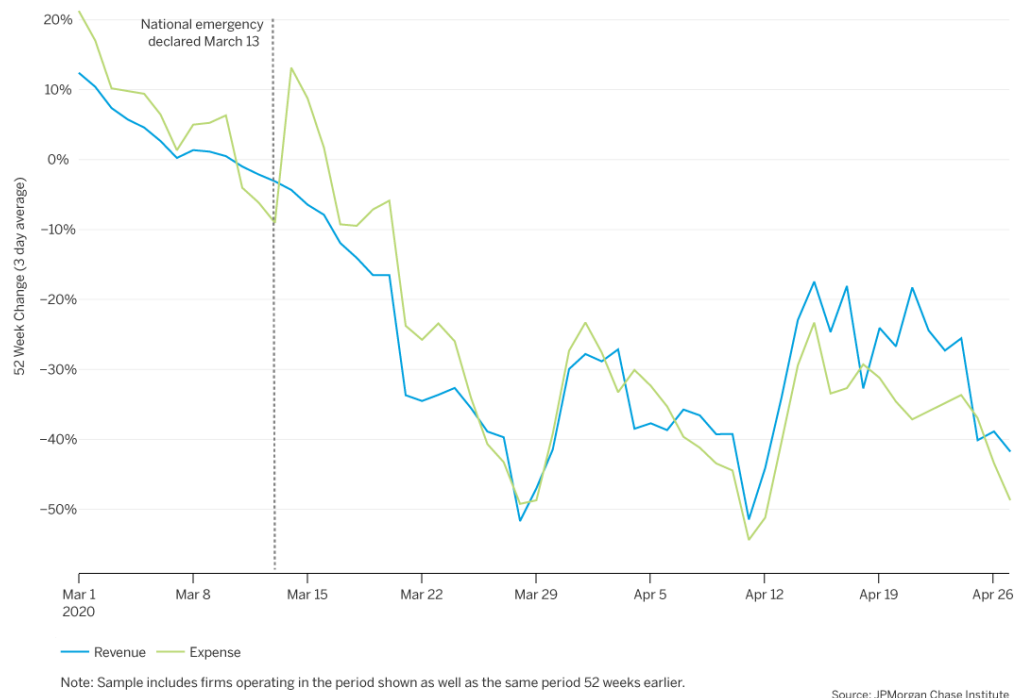


Figure 1: 52-week Average Financial Status

With the government programs being used, many business owners said the cash was nice, but it wasn't going to save the business from closing. A poll with a survey of 500 small business owners conducted by Chesapeake Beach Consulting for Small Business Majority between April 6 and 9, 2020 showed that 9 out of 10 people said the coronavirus has impacted their businesses, 43% indicated it has had a severe negative impact. On the other hand, 41% of small business owners reported their revenues have declined by more than 50% since the COVID-19 crisis has begun. Finally, a large amount of 1 in 3 small businesses had already closed (Small Business Majority, 2020).

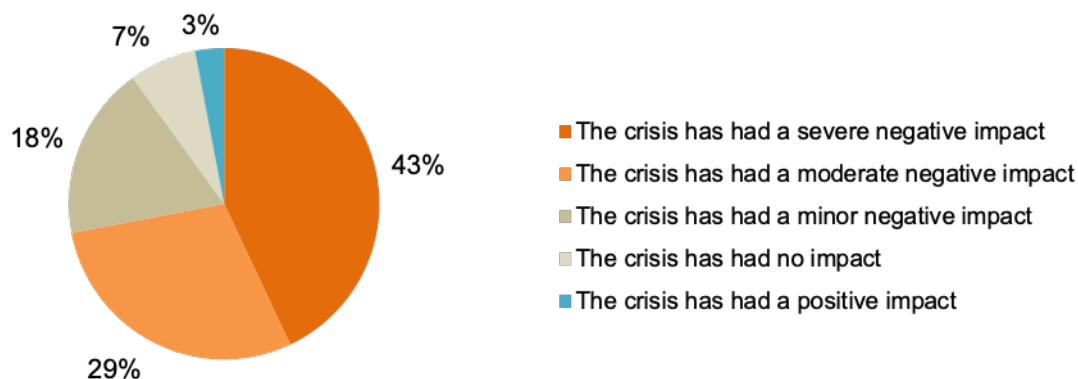


Figure 2: Coronavirus Impact Results from Chesapeake Beach Consulting for Small Business Majority

Looking at the Federal Reserve Bank of Chicago, the percentage of small business owners who said it would take more than 6 months to get back to normal was the highest number recorded for that area. Many saw that the local business owners were forking around to find financial help to receive the highest benefits from our governmental programs. “For Wintrust Financial, originating over 11,000 PPP loans in a matter of weeks required reassigning many staff to handle the influx of demand, according to Pete Connolly, chief credit officer.” The staff at banks have been constantly wearing other jobs titles to keep up with the program changes through the Small Business Administration and assisting applicants for the PPP loan, while working with existing borrowers to provide loan help when applicable. (Anderson, George, Newberger, 2020)

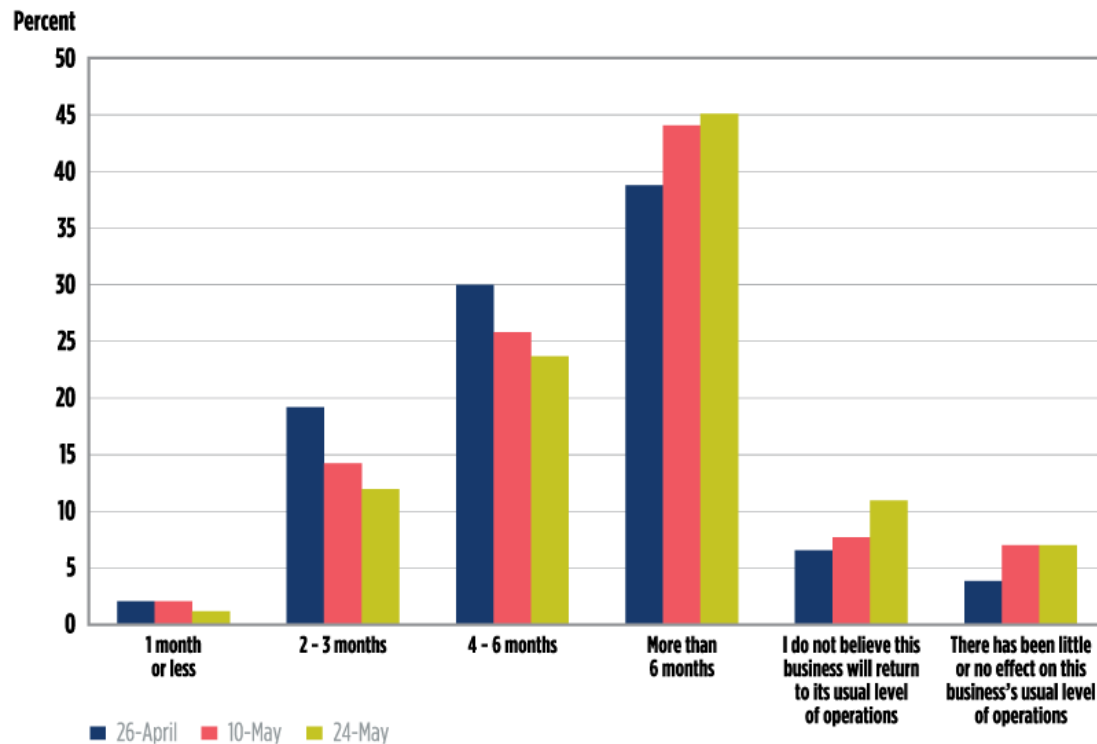


Figure 3: Likelihood of Businesses Returning Back to Normal

As revealed, not only small businesses of North Carolina have been affected, but those all over the country and all over the world. The coronavirus came as a surprise to everyone, and nobody had the better advantage over another when it came to making business decisions. Risk played a huge factor in the essence of decision making. Risk is anything that threatens an organization's ability to generate profits at its target levels. In the long term, risks can threaten an organization's sustainability. On the other hand, there are good risks. An investment that one believes is likely to be profitable. Good risks are considered exceptionally likely to be repaid.



Figure 4: Repayment of Investments

With risk, comes uncertainty. Some pros of uncertainty include:

- Develops character
- Sifts priorities
- Disrupts assumptions
- Presents opportunity for humility
- Provides a reality check

On the other hand, uncertainty comes with many cons:

- Makes business leaders feel weak
- Can bring upon depletion of a company if wrong choice is chosen
- Not enough information needed to complete business decisions, can be winging their answers to decisions
- Can provoke a pessimist point of view over optimist
- Brings the economy down if investing and other economic improvements are not being used



In my time I have spent on this thesis, I would recommend all business owners, big or small, to hop on board with the government incentives and receive the money they have allocated out of the budget to better the businesses. Why are you not taking advantage of this “free money?” Is it because you know they will need to be paid back one time or another, or is it the mere fact that it is money coming from the government? I have talked to many business owners that did not partake in the government incentives and 8 times out of 10, it was more of an ego issue. People would love to have that extra money, but don’t want to flag themselves as someone who “can’t handle” the pandemic, or they would be “lost” without the government’s help. I am here to preach to you today that not only are these incentives a vital part of making your business last, but it is a way to show your customers that your business is alive, well, and can handle any obstacle thrown at you, even from the start.

Let’s start from the beginning. What did you do in the wake of COVID? Did you open an online store and begin to substantially have online clientele? Remote work has become very popular, as well as the growth of online stores. Working remotely is here to stay, which brings upon new business opportunities for both entrepreneurs and influencers. Understanding the importance of having an online presence has begun to eagerly impact the ways in which businesses conduct their business. With that being said, look into ways in which you could talk to other small businesses in the same shoes. If anything from the past few years has taught you something, it’s that prepare for the unexpected. Sales will go up and down just as it was when COVID began. I also cannot stress enough how important it is to change your current strategies and implement them into more engaging, emotionally connected strategies. How did you gather your customers before COVID through advertisement? COVID revealed just how lonely some situations could get: family, jobs, housing, etc. Dial in on those feelings that were generated and



promote your products based off those feelings. Selling electronics? Show that anyone can use your products and that you can still be in contact with your loved ones even if they are at home in quarantine. Selling haircare products? Remind your customers that for a while there, many hair stylists were shut down and that maybe their look needs to change with this “new world” we’re entering. It all starts with deciphering what your niche is and how you can emotionally connect a person to your product.

In conclusion, focusing on what your business does best will be your best option to continue to have a successful business with the “new normal” we live in. Managing your funds in ways that gets your name out there as well as partaking in e-commerce, I believe, will tremendously help with growing capital, generating new customers, and stabilizing the economy.

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