

Savesmallbusiness.ca Survey Fact Sheet

A survey was sent on March 26th to approximately 20,000 signatories to our petition on savesmallbusiness.ca. They represent a particularly hard-hit community, with 75.7% reporting an 80-100% drop in revenue and another 11.2% reporting a 60-80% drop.

The typical respondent profile has lost almost all their revenue, laid off all their staff, and are unlikely to make their May rent. While most are open to low-interest loans, it is important to note that 30% are unwilling to take even low-interest, unsecured credit. And of the 70% that are willing to take debt, less than 40% feel debt is appropriate. This dovetails with qualitative feedback, where the overwhelming sentiment is that taking on debt to pay rent and utilities after being forced to close seems unfair.

Qualitative feedback suggest that banks and landlords have provided mostly negative responses to date.

Survey results:

How much has your revenue been affected?

- 75.7% said 80-100%
- 11.2% said 60-80%
- 7.6% said 40-60%
- 3.6% said 20-40%
- 1.8% said less than 20%

Will you default on commercial rent without further support?

- 9.1% believe they will be able to continue to pay rent, while 7.9% have made an acceptable deal with their landlord
- 37.9% will not be able to pay April rent, while an additional 32.0% will be able to make April, but not May. Therefore 69.9% of respondents will be in default of their tenancies by May 1.

Have you personally guaranteed your lease?

- Of those who answered yes or no to this question, 67.4% indicated they have personally guaranteed their lease. Business struggles due to COVID-19 won't just result in closures, but in significant financial challenges for families.

If zero-interest, unsecured loans were available through your current bank to pay your fixed costs during the crisis, would you take advantage of this?

70% indicated they would take advantage, while 30% indicated they would not.

Do you believe that low-interest debt is an appropriate offer to help get you through the current crisis?

25.3% of all respondents felt debt was an appropriate offer given the circumstances. Of the 70% who indicated they would accept this debt if offered, only 37.6% thought it was an appropriate offer. Our interpretation of this (and of the qualitative feedback on our site) is that the majority of people will take debt reluctantly if they have no other option.

Have you laid off employees yet?

Of the respondents who answered that they'd either laid off all of their staff, some of their staff or none of their staff, 67.9% have laid off their entire staff.

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| If you've tried to renegotiate your debt with your bank, can you tell us how that went? (optional) |
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This was a qualitative question to which over 180 respondents offered answers. Very few had had success with their banks. Most were very angry. We can supply the answers if helpful.

Do you have anything else you would like to share that you think we missed?

Selected responses

1. I've been in business for 20 years and weathered lots of ups and downs, nothing like this. 2. I don't think borrowing money when there is no time frame for when this will end and when businesses can expect to fully recover is a viable option.

2 weeks ago life was good. 2 weeks later I am on verge of losing our business that is the sole income for me and my wife. If the business can't service I will lose my house to pay back BDC debt. I have 2 special needs children and life is doing a 180 on us.

additional debt will not be helpful - rent deferral - with additional months on the end of the term is the only option that will keep business from closing

Although a easily accessed low interest loan would make things easier I also think its unfair that we can just carry the brunt of it all and indebt ourselevs to stay alive. There should be grant options available to help support the survival of Canadian Small Businesses.

As a small business it's unfair to ask that we incur debt that will be impossible for many to pay back over time. It will take us months if not a year to recover the cost of shutting down, we are not willing to incur more debt.

Cash is king for small business, and with my store closed it is impossible for me to pay my \$4600/month rent. My landlord is relentless and at this point I do not know what I am going to do if this last longer than 1 month. I have no more personal money to put into the business, and

have 18 months left of these lease. My landlord will not let me out of my lease. This is going to be an economic disaster for me, my vendors, my family. And that is just my little store...

Doing the right thing should not cost me my business. Aid needs to be available soon.

Enabling top up of Emergency Benefit payment to maintain staff plus commercial rent abatement/decrease will keep my business afloat. Increasing debt load will not help.

Finding the big corporate landlords(Colliers/Manulife) are not helping or moving on rents. They feel it's business as usual.

How are we to pay insurances, utilities,rent,and all other costs with 0 income. As a full service spa we were mandated to shut.

I also tried to get a rent abatement from my landlord. He refused. If I go into debt to pay landlords, and if this goes on for months, how will I ever pay that back?

I am waiting for RBC to defer our loan(principal only for now) for 6 months but they say they are so backlogged(over 60,000 requests) they don't know when they will get to it.We will fall into delinquency on the loan unless we get some relief immediately.

I don't need more debt, what we need is some relief. We have hair salons. We are losing revenue each day we are closed. What I am seeing from banks, landlords and government are deferral programs. We will still have to pay, only later. They will get their revenue (and maybe more as loans get extended) it will just be delayed.

I think more needs to be done for landlord's so they can just waive rent's for small businesses, because deferred doesn't work, I personally won't be able to take on the extra debt trying to catch up and the extra interest and fees on top of that. I will have to claim bankruptcy.

If commercial rent was waived, I could manage other expenses and save my business for 3 months while we wait.

Small business needs to have rent paused if they are to survive. It is the only way they can reopen and survive. Otherwise the extra debt will kill them as revenues will take time to come back. The high rents we closed with will not be proportionate to the sales when we open ...If deferred rents are added on it will be close to impossible for most

You are not helping small business by getting us further into debt. WE can't finance this crisis. We need rent relief. It is our single biggest expense. We need cancellation of GST and PST owing.