

Last updated: April 21, 2020

The coronavirus (COVID-19) pandemic is hitting the United States hard, forcing shutdowns of schools and businesses and prompting government officials to issue orders forcing people to stay in their homes and avoid all but the most essential outside travel. On March 13th, President Trump [declared a national emergency](#) due to the virus sweeping through communities from coast-to-coast.

In the wake of this crisis, small businesses have been hit the hardest: many state governors [have closed down](#) restaurants, bars, movie theaters, and non-essential retail stores, causing entrepreneurs to experience significant losses in revenue. The problems posed by this viral outbreak for small business owners are myriad and potentially devastating.

Fortunately, there are ways of alleviating these problems, and large-scale relief initiatives [are on the horizon](#). Whether your business has been shut down or remains open in some capacity, outlets for relief already exist or are on the way.

In order to aid and inform owners of small businesses, we've compiled this comprehensive guide to coronavirus issues and solutions. We wish you good luck during this difficult period.

Coronavirus (COVID-19) up-to-date facts

- Over 2,517,000 known cases, worldwide, resulting in over 173,400 deaths
- Over 800,000 known cases in the United States, resulting in over 43,000 deaths (as of April 21, 2020)
- The U.S. has closed its borders to Canada and Mexico, and many other countries have followed suit
- Symptoms of coronavirus (COVID-19) include cough, shortness of breath, and fever

- The virus spreads from person-to-person through close contact via respiratory droplets from the sick, or by touching surfaces with the virus

Sources: [*The Centers for Disease Control*](#), [*Worldometer*](#), [*The New York Times*](#)

The \$2 Trillion Coronavirus Stimulus Bill: What's in it?

President Donald Trump signed a sweeping \$2 trillion stimulus bill on March 27, 2020, after it was passed in both the Senate and the House of Representatives following days of heated debate and adjustments.

The bill, known as the **Coronavirus Aid, Relief, and Economic Security Act**, is designed to provide relief for Americans and businesses facing financial hardship in the wake of the coronavirus pandemic, which has forced millions out of work and provoked businesses across the country to shut down.

The new bill dwarfs the \$831 billion **Recovery Act** stimulus bill signed by President Obama in 2009 and now stands as the largest emergency aid package in American history. While many are aware that the \$2 trillion package will offer direct payments to individuals, there are many other facets to the legislation.

Here's a look at some of the key aspects of the **Coronavirus stimulus bill**:

- **Offers direct payments to Americans.** Most single Americans should get one payment for **\$1,200** sometime in mid-April, while married couples will receive a payment of **\$2,400** and an additional \$500 for every child under the age of 17. Yet, those who earn an adjusted gross income of over \$75,000 will likely get a lower payment, and individuals earning over \$99,000 may not receive a payment, at all. Right now, the bill only guarantees a single payment, although later legislation may set up further payments.

- **Increases unemployment benefits.** Unemployment insurance payments to people without jobs will be expanded to include an additional **\$600 a week** for four months to complement their regular state benefits.
- **Bails out the airline industry.** Since airlines are among those hit the hardest during the pandemic, which severely restricts travel, the bill includes **\$32 billion** in grants for the airline industry in the form of benefits and wages. Additionally, loans of **\$25 billion** for passenger airlines and **\$4 billion** for cargo airlines will be made available.
- **Initiates a \$500 billion lending program for businesses.** This counts the **\$29 billion** granted to passenger and cargo airlines, as well as **\$17 billion** for national security businesses. The remaining **\$454 billion** will be spread out and made available for businesses of all industries across the country. Participating businesses must agree to certain terms, including the retainment of 90% of prior employment levels through September 30.
- **Suspends student loan payments.** Student loan borrowers will not have to make payments on student loans through September 30 and will not receive a penalty. During this period, loans will not accrue interest.
- **Provides billions of dollars in funds for hospitals.** The American Hospital Association estimates that the bill will make **\$117 billion** in funding available for hospitals and health care systems across the country.
- **Grants relief to “gig” workers.** Although the specifics are still unclear, the bill will grant federal aid to contractors and part-time workers that work for ride-sharing services such as Lyft or Uber and other similar jobs.
- **Delays REAL ID deadline.** The original deadline of October 1 for Americans to get a REAL ID—which is a new form of ID that will be necessary to board an airplane in

the U.S.—will be delayed until at least Fall 2021.

- **Halts foreclosures.** According to the bill, Americans suffering from financial difficulties as a result of the coronavirus pandemic can apply for forbearance on their federally-backed mortgage for 60 days. The forbearance can be extended up to four times for an additional 30 days each.
- **Bars evictions.** Landlords with federally-backed mortgage loans are barred for 120 days from evicting tenants for an inability to pay rent. Nor will they be able to charge late fees to those unable to pay rent.

Issue #1: My small business has been shut down for safety purposes and we are experiencing a significant loss in revenue.

With a large number of states (including [New York](#), [Illinois](#), and [California](#)) shutting down bars, restaurants and non-essential businesses in the fight against the spread of coronavirus, many small business owners are facing a swift and devastating drop in revenue that will make it difficult to stay afloat.

However, there are a number of federal and state programs in place to **provide financial relief for ailing small businesses** so that they can pay off debts, take care of payroll and deal with mounting bills. Additionally, the private sector is doing its part to alleviate the damage.

Apply for a low-interest Economic Injury Disaster Loan from the SBA

The United States Small Business Administration (SBA) is working in tandem with state Governors to provide **Economic Injury Disaster loans** for ailing small businesses and non-profits in 29 states and the District of Columbia.

Here are some of the specifics of the loans:

- Available to small businesses and private, non-profit organizations
- Offers up to **\$2 million** in assistance
- Loans can be used to pay debts, payroll, accounts payable, and other bills
- The interest rate is **3.75%** for small businesses and **2.75%** for non-profits
- Loans can be set up with a long-term repayment scheme of up to 30 years maximum with terms set up on a case-by-case basis

Visit [SBA.gov/Disaster](https://www.sba.gov/Disaster) for more information on the **Economic Injury Disaster Loan** or [click here](#) to apply.

Learn about local or statewide small business relief programs

So far, the coronavirus has hit some states much harder than others and—appropriately—those states have responded with large-scale relief measures to help affected businesses.

For example, Washington state, where the first U.S. outbreak occurred, is now [offering no-interest loans](#) to hurting businesses. Meanwhile in Illinois, Chicago Mayor Lori Lightfoot recently [announced](#) the \$100 million Chicago Small Business Resiliency Loan Fund to provide much-needed relief for area entrepreneurs.

Stay informed about the state and local relief initiatives enacted in your area to find out what your business is eligible for.

Click [here](#) for a full list of state governors and their websites.

Take advantage of recently-enacted or soon to be enacted tax relief programs

The [Families First Coronavirus Response Act](#) was signed by President Trump on March 18, 2020, and took effect on April 2, 2020. The provisions afforded by the act apply to employees of all businesses with 500 employees or less and include:

- Eligibility for two weeks (80 hours) paid sick leave for any employee who becomes sick or must care for a family member who gets sick.
- Up to three months paid family and medical leave with at least two-thirds of the person's pay

Having to pay sick employees that are unable to work during this crisis may pose a serious financial problem for small businesses.

However, businesses will be granted relief in the form of tax credits equal to the amount paid in sick leave. Additionally, employers with fewer than 50 employees may be found exempt at a later date by the Secretary of Labor if paying sick leave hurts the business's viability.

Postpone tax payments

Treasury Secretary Steven Mnuchin announced on March 17, 2020, that tax filers would be given 90 extra days to pay income taxes on up to \$1 million in taxes owed, while corporate filers will be given the same amount of time for up to \$10 million in taxes owed.

~~While the April 15 filing deadline is still in place, this three-month deferral period should provide relief for many small business owners around the country.~~

[Tax day as well as payments has now been moved to July 15.](#)

Some individual states, such as [California](#) and [Maryland](#) are granting delays for individuals and businesses having trouble filing on time.

Accept assistance from credit card companies and banks

Many major banks and credit companies have issued statements recognizing customers vulnerability during the coronavirus pandemic and are offering financial assistance or a loosening of regulations in order to reduce the negative impact the crisis will have on customer accounts.

The following are some of the actions taken by major financial institutions in the wake of the pandemic:

- [Citi](#) has waived fees on early CD withdrawals.
- [Wells Fargo](#) has donated \$6.25 million to address public healthcare needs.
- [JP Morgan Chase](#) has pledged \$50 million in donations to nonprofits in order to bolster the public health response to the coronavirus pandemic.
- [Capital One](#) has encouraged customers to reach out if they are in need of assistance.

Get in touch with your bank or credit card company to learn about how they will work with your business to reduce the negative impact coronavirus has on your viability and bottom line.

Issue #2: My small business qualifies as an “essential service” and is still open. How do I run my business effectively while minimizing the risk of infection for employees and customers?

While many businesses across the country have been forced to shutter amid the coronavirus pandemic, businesses that qualify as “essential services” are allowed to remain open. New York state is one of the many states issuing such an executive order, and the state government has detailed which businesses qualify as essential services.

The [New York state list](#) includes:

- **Essential healthcare operations:** hospitals, elder care, doctor and dentist offices, medical supplies and equipment providers
- **Essential infrastructure:** utilities, airports, telecommunications and data centers
- **Essential manufacturing:** chemicals, pharmaceuticals, agriculture, food processing
- **Essential retail:** grocery stores, gas stations, convenience stores, pharmacies
- **Essential services:** child care services, mail and shipping services, auto repair, animal shelters

Of course, staying open during this pandemic presents its own list of challenges that need addressing. Thankfully, there are ways to mitigate the concerns raised by staying open during this chaotic time.

Be serious about hygiene

Businesses that remain open during the coronavirus pandemic must take hygiene seriously in order to reduce the spread of the virus as much as possible. This means educating employees, as well as customers, on the proper hygienic precautions that should be taken.

The [CDC](#) recommends the following steps be taken:

- **Wash your hands** with soap and water for 20 seconds as frequently as possible. If handwashing is not possible, cover hands thoroughly with a hand sanitizer made up of **at least 60% alcohol**.
- **Practice social distancing.** Keep your distance from customers, at least six feet away, if possible.
- **Avoid close contact with team members**, including handshakes and hugs. Instead, use elbow bumps, waves, and bows to demonstrate friendly acknowledgment.

- **Cover your mouth** with your elbow if you sneeze or cough. Throw any used tissues in the trash immediately.
- **Reserve facemasks for health care professionals and those that are sick.** They are in short supply, and while they can reduce the risk of spreading infection when worn by sick people, they have not been shown to prevent people from getting sick.

Clean routinely and thoroughly

During this time, businesses should prioritize cleaning and disinfecting much more than usual, particularly retail businesses that see a lot of customer traffic. This means a complete and thorough cleaning of surfaces multiple times a day, even if they do not appear dirty.

The CDC [recommends](#) businesses use one of following approved disinfectants to clean business surfaces:

1. Diluted **household bleach** with **5 tablespoons** ($\frac{1}{3}$ cup) of bleach per **gallon** of water
2. **Alcohol solutions** comprised of at least 70% alcohol
3. EPA-registered **household disinfectants** (click [here](#) for an official list of approved products)

Prioritize key business functions

Analyze your current business areas and be prepared to temporarily streamline and strip away inessential business functions such as promotions or services rendered impractical amidst the current coronavirus pandemic.

This may necessitate a workforce reduction or the shifting of resources into business areas that are currently more essential. The process may require some important decision making and sacrifice but is necessary in order to maintain optimal operation during the

coming weeks and months.

Maintain open communication with employees and customers

As the coronavirus pandemic develops, the situation has changed rapidly from day-to-day, which necessitates open communication with employees, as well as customers.

Always have an open phone line available for employees to call in the case of an emergency and check your email frequently. If an employee or an employee's family member falls ill and is unable to come into work, they should be able to reach you immediately.

As for customers, post up-to-date notices around the business letting them know which items are out of stock and keep them informed about adjusted hours and business protocol.

Allow for employee flexibility

Along similar lines, anticipating the needs of your employees is crucial during this situation. In addition to the risk of falling ill or having to take care of a sick family member or loved one, other situations may arise that require that an employee stay home.

So far, [41 states have closed schools](#) for a typical minimum of two weeks and may remain closed for a longer period. Many employees will need to remain home to look after their children during this period of mass school closings, and it's important for business owners to acknowledge this fact and allow them to take leave from work without a severe penalty.

Additionally, employees may suffer from anxiety, OCD, or another mental condition that renders work difficult, or nearly impossible. [Coronavirus anxiety is real](#), and employees in the throes of such a condition should be granted leeway and treated with compassion and understanding.

Keep sick or at-risk employees home

Most importantly, if an employee experiences coronavirus symptoms or falls into one of the at-risk categories, do not allow them to come to work. If a remote work solution is possible, allow them to do their work from home.

According to the CDC, the following groups have a higher risk of severe illness:

- Adults 65 years and older
- People with HIV
- Pregnant women
- People with underlying health conditions such as heart disease, diabetes, asthma, or lung disease

If at all possible, allow employees in at-risk groups to stay home or work remotely. If they must come into work, take all possible precautions to avoid the spread of infection.

As previously stated, the recently-signed Families First Coronavirus Response Act requires all businesses with under 500 employees to grant two weeks paid sick leave, the expenses of which can be ameliorated through tax credits.

Issue #3: My small business is experiencing inventory and supply chain disruptions and we cannot keep certain products stocked.

With many people hoarding and panic-buying toilet paper and certain household cleaning products and key elements of the distribution channel witnessing shutdowns, small businesses may experience significant inventory shortages or supply chain disruptions.

Fortunately, there are ways of dealing with these issues, but they require keeping constant tabs on all aspects of the supply chain or reorienting the supply chain, altogether.

Know and stay in contact with your suppliers

James B. Rice, Jr. of the [Harvard Business Review](#) recommends creating a multi-tiered map of your suppliers, along with contact information for every supplier. This allows you to pinpoint supply chain disruptions several tiers upstream, develop relationships with key suppliers, and stay in contact and receive up-to-date information in case of an issue or shortage.

The HBR article references the 2011 Sendai earthquake in Japan as an example of companies being unfamiliar with their supply chain, which worsened their exposure to the natural disaster and caused a significant delay in the appropriate response.

Design business continuity plans

Once you are familiar with all of your suppliers, you can produce a business continuity plan in the case of a supply chain disruption in order to remain in operation. An adequate plan will include contingencies that allow a business to reorient transportation, supply, the flow of funds, and communication in the case of an issue.

Reorient your supply chain with secondary or local sources

If a supplier several tiers upstream experiences a challenge that disrupts the flow of supplies, it may be necessary to switch a secondary or local supplier, if at all possible.

Switching suppliers may increase the cost of doing business or force your small business to raise prices, but is preferable to waiting for the existing supply chain to regain functionality, or halting business, altogether.

Issue #4: I am unclear about my insurance coverage during the Coronavirus (COVID-19) pandemic.

A solid insurance plan can help with many of the shortfalls a small business will face during the coronavirus epidemic. Meanwhile, **unemployment insurance** is in place to support workers that have been temporarily or permanently laid off as a result of business

closings, and claims are currently higher than ever.

There are some steps entrepreneurs can take to figure out what their insurance covers and doesn't cover, and they may have to consider purchasing additional forms of insurance.

Contact your insurance agent and ask important questions

Insurance policies are complicated, and may not specifically address a novel situation like a viral epidemic which necessitates sweeping civil shutdowns of businesses and presents untold risks to team members and customers.

As soon as possible, small business owners should get in contact with an insurance agent and ask them these important questions:

- Does my current policy cover the coronavirus (COVID-19) pandemic?
- If my business is shut down by government mandate, does my current plan allow me to file a claim for business interruption?
- Does my worker's compensation policy provide coverage in the case of an employee contracting the coronavirus?
- Which provisions offered in my policies should be my main focus?
- Am I vulnerable to liability suits by staying open during the epidemic?
- After my claim has been filed and accepted, which steps should I take?

Sign up for business interruption insurance

For many businesses, it may be too late to sign up for **business interruption insurance**, which covers a loss of income in the wake of a disaster. However, with many experts predicting long-term economic disruptions due to the pandemic, it's an important thing to investigate and consider.

What's more, if your business was not adequately insured to mitigate the loss in income reaped by this current disaster, it's important to brace your business for the next major disruption.

Companies offering **business interruption insurance** for small businesses:

- [CNA](#)
- [Allstate](#)
- [Progressive](#)
- [Farmers Insurance](#)
- [The Hartford](#)

Issue #5: My business has shifted to an Emergency Work-From-Home Policy. How do I manage employees effectively?

For small businesses that are able to do so, a shift towards **remote work**, i.e., having employees work from their homes, is a viable strategy for the duration of the coronavirus epidemic. Yet, operating a business via remote work poses a novel set of issues and many businesses have little or no experience with the approach.

Consider these tips and strategies so that your small business runs as effectively as possible while employees work remotely from their homes.

Set and manage expectations

Working remotely shouldn't be an excuse for employees to slack off or be lax in their performance. Use a tool like [Asana](#) to clearly define deadlines for projects and allow team members to collaborate on tasks.

Asana allows for maximum customizability, is compatible with a wide range of different apps, and offers a [long list of features](#) that are sure to keep any business running smoothly and effectively during this period of forcefully imposed remote work.

Equip your team members with the appropriate remote working tools and apps

In addition to Asana, there are a handful of tools that are essential for remote workers. Here's a few of them:

- [Slack](#) – Allows for teams to communicate effectively while working remotely. Includes video and voice conferencing.
- [Google Hangouts](#) – A great Google business and communication app with instant messaging, HD video conferencing, a wide range of compatibility, and more.
- [Zoom](#) – Another intuitive communications app and cloud platform that has become the preferred choice for many businesses during the coronavirus pandemic.
- [Harvest](#) – A time tracking app that lets employees independently keep track of hours spent working.

Be open to suggestions

If this is your business's first experience with remote working, be flexible and consider suggestions from team members: What is and isn't working? What protocol should be put in place to manage projects more effectively?

After some trial and error, you may find that an emphasis on remote working is a more effective business solution, pandemic or not. After all, remote work [has been shown to reduce costs](#) for many companies.

Issue #6: How do I adjust my approach to marketing in the wake of this situation?

As we collectively enter this new era of social distancing and self-quarantine, consumer behavior has shifted, as well. Small businesses must adjust their approach to marketing to stay in-step with the changing scenario.

Generally, this means a shift to e-commerce and delivery-based strategies, wherever possible.

Consider special promotions

Currently, premium-priced items are not in high demand. During this pandemic, consumers are far more concerned with the essentials and bare necessities. If you are a retail business, it's a good time to run promotions focused on everyday items that people need, or are concerned about not being able to have enough of.

Restaurants that have been forced to operate on a 'takeout and delivery-only' basis are also offering special promotions to respond to the outbreak. These restaurants include major chains like the [Cheesecake Factory](#), Burger King, and Denny's, which has [waived delivery fees nationwide](#) until April 12. However, many independent restaurants in Seattle and elsewhere [have followed suit](#).

If your restaurant has been significantly affected by the current outbreak, consider which types of meal specials and delivery/takeout promotions will keep your business going.

Shift to e-commerce

For brick-and-mortar shops that have been closed due to the pandemic, adjusting the focus to an e-commerce marketing and sales focus is a good option. This means maintaining a social media presence and [setting up an online store](#) or selling products in one of the existing top online marketplaces.

Here's a list of some of the most heavily frequented online marketplaces:

- [eBay](#) – One of the earliest online marketplaces founded in 1995. Easy to set-up and allows for auctioning to sell items at a higher price.

- [Etsy](#) – Caters to sellers of unique handmade and niche products.
- [Bonanza](#) – A Seattle, Washington-based online marketplace that thousands of sellers consider the best option.
- [Amazon](#) – The largest e-commerce marketplace in the U.S. Receives a high amount of traffic allowing for visibility in selling almost any product imaginable. [As of this writing Amazon is prioritizing staples and emergency supplies for inbound shipment, so please check before shipping them your merchandise].
- [Jet](#) – A young, hip online marketplace with a [high repeat buyer](#) rate