



Second Wind Ltd.

SMALL AGENCY FINANCIAL ASSISTANCE SURVEY

May 5, 2020



INTRODUCTION

Second Wind would like to thank everyone who participated in this survey. Your responses have provided important insight about the experience of smaller agencies with the SBA Paycheck Protection Program (PPP).

As shared in the results, the majority of respondents applied for PPP and have either been approved or already received their funds. Those agencies are thankful to have the necessary financial support to help sustain their operations. Those still waiting are working hard to make ends meet and ensure the viability of their agencies.

Overall, most agencies remain positive despite the ongoing COVID crisis. In addition to applying for PPP assistance, agencies have implemented other cost savings steps, including salary adjustments, expense reductions and layoffs. These steps, while difficult, will help agencies rebuild over the coming weeks and months.



Following is an overview of the complete results.
We received 100 responses to the survey.

Please contact [Laurie Mikes](#) with questions or to schedule a call.
She is more than happy to talk anytime.



APPLICATION PROCESS

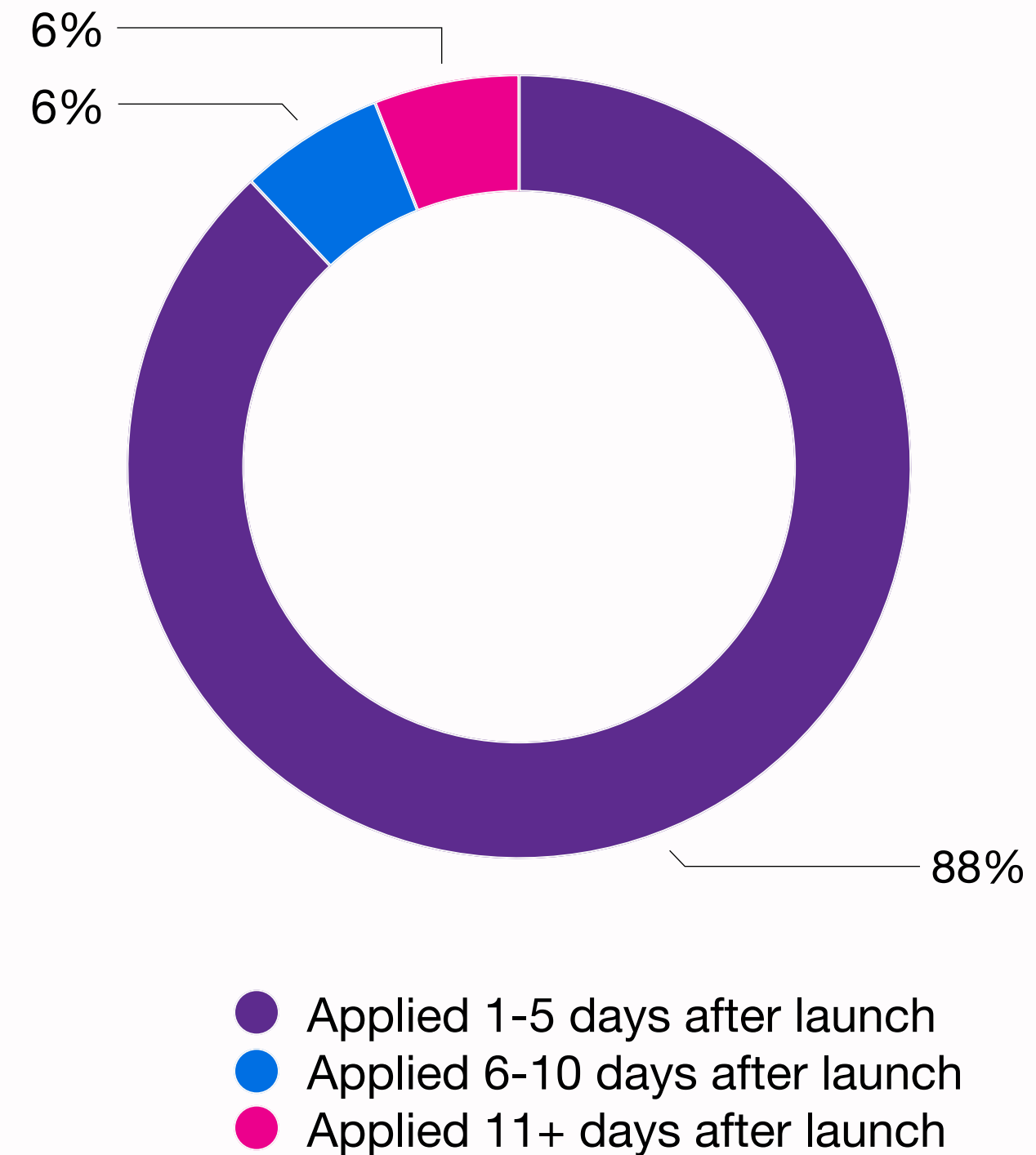
DID YOUR AGENCY APPLY FOR THE SBA PAYCHECK PROTECTION PROGRAM (PPP)?


Results show that nearly 92% of responding agencies applied for a PPP loan, indicating the tremendous need for financial assistance.



APPLICATION TIMING

- Of respondents who applied for PPP, 88% did so within 1-5 days of the April 3 launch date.
- 6% applied 6-10 days after launch.
- 6% applied 11+ days after launch.





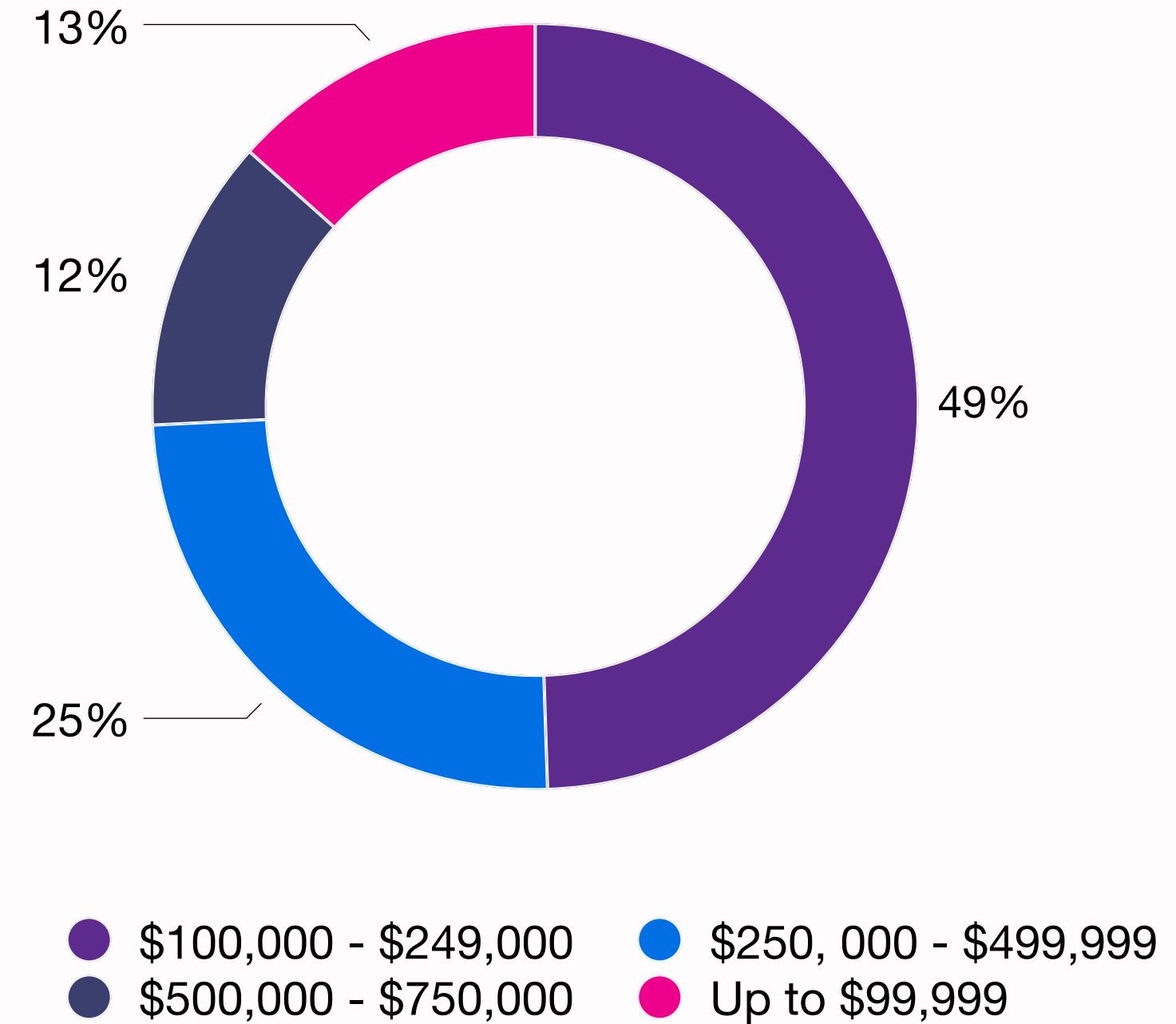
As of the date of this survey, 88% of respondents who applied for PPP assistance were approved.

3% were waiting to hear whether they were approved.

3% were not approved for any assistance.

FUNDING RECEIVED

- 13% of respondents expect to receive up to \$99,999.
- 49% expect to receive \$100,000 - \$249,000.
- 25% expect to receive \$250,000 - \$499,999.
- 12% expect to receive between \$500,000 and \$750,000.





43% OF RESPONDENTS

Used a local or community bank to
apply for PPP assistance.

29% OF RESPONDENTS

Used a regional bank to apply for
PPP assistance.

21% OF RESPONDENTS

Filed their application with a
national bank.

4% OF RESPONDENTS

Used a credit union to apply for
PPP assistance.

APPLICATION EXPERIENCE

- 39% of respondents stated they had no issues when applying.
- 24% stated their bank was not responsive.
- For 26%, the online forms/submission process was not available when needed.
- Another 17% had the application returned for inaccurate or missing information.
- 7% felt the application was difficult to understand.





OTHER ISSUES EXPERIENCED BY AGENCIES




Banker didn't submit our application initially.

Constant changes to forms, no consistency from the bank, no single contact.

Rules changed a lot in early efforts to apply.

Minimal information on application status.

Our main lender wasn't willing to help us.
We found a community bank that was responsive and incredibly helpful.



The bank was not prepared and instructive in any way. They were flying by the seat of their pants and could not or would not provide answers to key questions.

Our national bank of 20+ years was absolutely NO HELP with the PPP. Our external accountant put us in touch with a local community bank which got our application through on the first day and had approval by Monday. We have now switched all of our business to them.



8% of respondents did not apply for PPP in the first round.

When asked why, 50% stated they have enough money in the bank to see them through.

Another 14% stated they did not act fast enough.

15% said they did not have the right bank helping them.

The remainder did not apply because funds were no longer available.



COST-SAVING STRATEGIES IMPLEMENTED DURING COVID CRISIS

COST SAVING STRATEGIES

Among respondents, 35% have instituted an agency-wide salary cut to help manage finances during the crisis.

27% laid off employees with 14% stopping benefits or 401K contributions.

23% reached out to their landlord or mortgage company to negotiate deferred or reduced payments.

OTHER COST-SAVING STRATEGIES

- Implemented a "Level 1" budget with several cuts to expenses without impacting compensation.
- Let go one employee who was ready to exit anyway, cut some owner salary, not staff.
- Reduced owner's paycheck 50% and management team paychecks 20%.
- Halted auto allowances, froze hiring.
- Team took 5 unpaid days off in April.
- Reduced non-personnel-related expenses and negotiated deferrals from many suppliers.
- Hoping to avoid layoffs due to the PPP. Managing expenses carefully. Using owner's funds to cover until the actual money arrives.






When asked if the agency had applied for other types of assistance,
90% stated they had not requested assistance other than PPP.

5% applied for an SBA Disaster Relief Loan.



ADDITIONAL COMMENTS




Although we were approved by the bank and the SBA, the money has not arrived for us yet. We are due to close in the next few days.


I'm very grateful for the money. The difficulty was making sure the staff was busy during this time since client work has diminished. Working on agency marketing and internal projects.

PPP has been an absolute nightmare. We've learned the lesson that if you are a small business, you should work with a small bank.

The PPP loan is helping us maintain staff at full capacity. Further financial decisions might have to be made after the 8-week period for the PPP loan, as we intend to have as much as possible turned into a grant.




Agency-wide salary cut before receiving PPP loan. Have now returned salaries to previous, pre-Corona levels.



We are definitely feeling the pinch in new business and reduced advertising. More concerned about what May-July looks like, and then what our new baseline to rebuild from is at that point.

We were very fortunate. Loan approval took several days longer than anticipated as did funding, but we get funding on Monday of this week, April 27th, so 3 weeks +/- from application.



The PPP is a great program but it doesn't cover all of our costs by any means. We're grateful to receive this funding but we're concerned about what will happen after the 8 weeks are up. The majority of our clients are not able to pay their bills at all - some are able to pay 10-25% of their outstanding balances. We're taking it one day at a time but are concerned that there will be a long economic recovery period.

Received SBA EIDL loan in addition to PPP. EIDL is subtracted from forgivable portion of PPP but can be used for just about anything so it is still a big benefit.



RESOURCES SECOND WIND CAN PROVIDE TO HELP YOUR AGENCY DURING THIS TIME

INFORMATION ABOUT

Financial opportunities available to agencies through the CARES Act, SBA and other resources.

A LIST OF

Small agency strategies for surviving most types of business crises.

INFORMATION ON

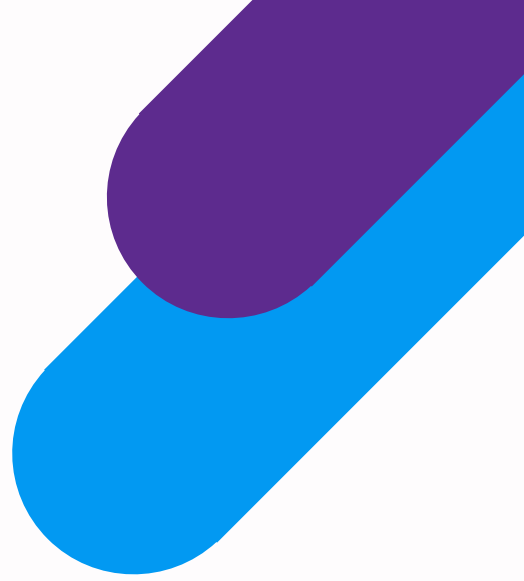
Creating a successful work environment and ensuring productivity.

HOW TO PREPARE

Should anything like this ever happen again in the future.

VISIT OUR [COVID RESOURCES PAGE](#) FOR MORE INFORMATION.

CONTACT SECOND WIND



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