



## **Balboa Capital Survey: Small Business Confidence Rebounds, but Remains below Pre-Pandemic Levels.**

*Nationwide survey conducted by leading direct lender reveals that small business confidence increased slightly in September after back-to-back monthly declines.*

COSTA MESA, CA, OCTOBER 13, 2020 – Balboa Capital, a leading direct lender that specializes in equipment financing and small business loans, today announced the results of its latest survey, which was conducted to gain a better understanding of small business performance during the COVID-19 pandemic and to gauge small business owner confidence for the final months of 2020. The survey reveals that 53% of small business owners saw decreased revenues in the second and third quarters of 2020, compared to 18% in the previous two quarters. Conversely, 54% of small business owners are expecting increased revenues in Q4, an increase of 7% from Balboa Capital’s previous survey results. Business owners also expressed more optimism about the United States economy. 50% of business owners expect the nation’s economy to improve in Q4, compared to 41% in the previous quarter. Balboa Capital’s survey was sent to a sample of small business owners nationwide during the final week of September 2020.

“There is no question that our nation’s small businesses have been severely affected by COVID-19’s economic impact,” said Kevin Umeda, Manager of Sales and Planning at Balboa Capital. “Our latest survey results show that over half of small businesses experienced sharp decreases in sales over the past six months, and that a significant number of business owners struggled to secure funding, meet their financial obligations, and stay on top of the ever-changing shutdown laws. That said, there appears to be a light at the end of the tunnel. Small business owners who participated in our survey expressed optimism about their companies and the nation’s economy as 2020 comes to a close. More than 50% of business owners we surveyed expect their revenues to increase in Q4, and this is influencing their investment decisions.”

Key takeaways from Balboa Capital’s small business owner survey:

- Remaining open for business during the pandemic is the number-one challenge faced by small business owners in 2020, followed by maintaining financial stability, obtaining business funding, paying bills/meeting payroll, and adhering to Federal, State, and local laws relating to the pandemic.
- 53% of small business owners reported decreased revenues in Q2 and Q3, compared to 18% in the previous two quarters.
- 30% of small business owners reported no change in revenues in Q2 and Q3.
- 17% of small business owners reported increased revenues in Q2 and Q3, compared to 64% in the previous two quarters.
- 62% of small business owners think their local economies will improve in Q4.



- 50% of small business owners think the national economy will improve in Q4, compared to 41% in the previous quarter.
- 54% of small business owners expect their revenues to increase during Q4, compared to 47% in the previous quarter.
- 43% of small business owners obtained Paycheck Protection Program (PPP) loans, 38% were not successful in obtaining PPP loans, and 19% did not apply for PPP loans.
- Among small business owners who successfully accessed one or more types of growth capital during the first nine months of 2020, the most popular options were business lines of credit (53%), PPP loans (43%), equipment financing (29%) and small business loans (28%).
- 55% of small business owners obtained funding from online lenders during the first nine months of 2020, a 26% increase over the same period last year.
- 38% of small business owners said they plan to add e-commerce capabilities to their websites and/or expand their existing online shopping portals in Q4.
- 1 in 4 small business owners plan to hire new employees in Q4.
- 35% of small business owners plan to invest in new equipment, vehicles and/or technology in Q4, and 28% plan to purchase additional inventory.

Mr. Umeda said that it is common for Balboa Capital to see an increased demand for its funding solutions during the final months of each year, but 2020 is much different. “We have seen an uptick in business because many small business owners are finding it difficult to get a bank to lend them money, or they were not able to tap into the government’s loan program. Business owners appreciate our fast, flexible and hassle-free funding options.”

#### About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <https://www.balboacapital.com>.