Perseverance

Despite challenges, business owner optimism starts to recover

Confidence in economy and own business rises ...

US economy short-term Optimism

<table>
<thead>
<tr>
<th>Jan</th>
<th>Early Mar</th>
<th>Late Mar</th>
<th>Apr</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>69%</td>
<td>58%</td>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Own business Optimism

<table>
<thead>
<tr>
<th>Jan</th>
<th>Early Mar</th>
<th>Late Mar</th>
<th>Apr</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>72%</td>
<td>71%</td>
<td>66%</td>
<td>54%</td>
<td>63%</td>
</tr>
</tbody>
</table>

... and business owners cite several reasons for their optimism

- 50% COVID-19 issues subsiding
- 44% Momentum from recent years
- 36% Stimulus support
- 35% More government spending
Most small businesses remain at least partially closed … … and COVID-19 has hurt revenue

- 29% Completely closed
- 29% Partially closed
- 9% Reopened
- 33% Stayed open

- 57% Down
- 17% Flat
- 26% Up

Some business owners have cut back on employees and their hours

- 27% Downsized
- 53% Kept workforce the same
- 20% Hired

- 37% Cut employees’ hours
- 44% Kept employees’ hours the same
- 19% Increased employees’ hours

Looking ahead, hiring plans are down

“I plan to hire more.”

- 37% Jan
- 37% Early Mar
- 33% Late Mar
- 24% Apr
- 23% May

“I plan to keep workforce the same.”

- 54% Jan
- 47% Early Mar
- 48% Late Mar
- 61% Apr
- 55% May

“I plan to downsize.”

- 9% Jan
- 16% Early Mar
- 19% Late Mar
- 15% Apr
- 22% May

Net hiring*  +28 January  +21 Early March  +14 Late March  +9 April  +1 May

*Hiring minus downsizing
### Top concerns in navigating COVID-19

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weathering another lockdown this year</td>
<td>55%</td>
</tr>
<tr>
<td>Getting business back to where it was</td>
<td>53%</td>
</tr>
<tr>
<td>Adapting to the current environment</td>
<td>50%</td>
</tr>
<tr>
<td>Workplace and customer safety</td>
<td>48%</td>
</tr>
<tr>
<td>Having enough capital to ride out the crisis</td>
<td>47%</td>
</tr>
</tbody>
</table>

### Business owners expect COVID-19 will take longer to subside

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of June</td>
<td>24%</td>
</tr>
<tr>
<td>End of September</td>
<td>28%</td>
</tr>
<tr>
<td>End of December</td>
<td>15%</td>
</tr>
<tr>
<td>Into 2021</td>
<td>24%</td>
</tr>
<tr>
<td>Not sure</td>
<td>9%</td>
</tr>
</tbody>
</table>

Changes since late March 2020

### Most want government to let businesses reopen soon

- Open when health officials say it’s safe: 11%
- Later in 2020: 20%
- Already open: 25%
- Allow to open now: 23%
- By July 1: 21%

### Business owners are more confident in their own ability to decide on reopening

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business owners</td>
<td>Highly confident: 58%</td>
</tr>
<tr>
<td></td>
<td>Somewhat confident: 28%</td>
</tr>
<tr>
<td></td>
<td>Not confident: 14%</td>
</tr>
<tr>
<td>State and local governments</td>
<td>Highly confident: 50%</td>
</tr>
<tr>
<td></td>
<td>Somewhat confident: 25%</td>
</tr>
<tr>
<td></td>
<td>Not confident: 25%</td>
</tr>
<tr>
<td>Federal government</td>
<td>Highly confident: 43%</td>
</tr>
<tr>
<td></td>
<td>Somewhat confident: 23%</td>
</tr>
<tr>
<td></td>
<td>Not confident: 34%</td>
</tr>
</tbody>
</table>
Recent stimulus bills have helped business owners

50% Received financial support AND 76% found it very helpful

What business owners say will boost the economy

57% Tax cuts for small businesses
54% Tax cuts for individuals
52% Regulatory relief for businesses

Most see need for more federal funds

41% Significantly more stimulus needed
34% Some more stimulus needed
20% No additional stimulus needed
5% Not sure

COVID-19 responses that have been effective so far ...

61% Limiting international arrivals
59% Free COVID-19 testing
57% Loans and loan forgiveness for small businesses
56% Shelter in place
53% Financial help for hospitals

... and which ones would be going forward

61% Vaccine development
60% Tax incentives to move work back from China
56% Tax cuts for individuals
54% Liability protection for small businesses and frontline healthcare providers
52% More financial help for hospitals

Is your business adapting to a changing world? Connect with your UBS Financial Advisor.


© UBS 2020. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC. Expiration: 6/30/2021 Review Code: IS2003466 Approval date: 6/4/2020 2020-275574

ubs.com/fs

Go to Current state | Outlook | COVID-19