



Helping Budding Entrepreneurs During A Pandemic

business customers pandemic

Summary: Even though the pandemic has sidelined many businesses, 20% of entrepreneurs are launching new business opportunities. Community financial institutions can form new relationships as they help these die-hard business owners.

Not surprisingly, the US has the highest rate of early-stage entrepreneurship (15.6%) in the developed world, and 87% of early-stage business owners expect to add employees. They are an important part of the economy. But, a global pandemic hasn't made things easy on them. Still, many entrepreneurs are actually starting new businesses.

According to [a recent JustBusiness survey](#), one in five entrepreneurs have identified new business opportunities and set out to launch them since the virus outbreak -- half of whom are first-time entrepreneurs. Not surprisingly, roughly a quarter of the individuals trying to launch new ventures are people who were laid off as a result of the virus who suddenly found themselves with much more time on their hands and identified what they believe are money-making opportunities. In order to better reach out and serve some of these highly motivated business owners, we provide you with some findings from the survey.

Unexpected markets. When it comes to the areas where entrepreneurs have set their sights, roughly a third are pursuing what they view as opportunities created by pandemic-related market changes. Unexpectedly, though ongoing social distancing requirements have negatively impacted industries such as dining, retail, and entertainment, nearly 40% of new ventures are within these areas, and approximately 70% involve some sort of in-person aspect. As things open up more, these creative business owners will likely be rewarded with more customers.

Financial challenges remain for entrepreneurs. What isn't surprising is that as entrepreneurs seek to launch new ventures in the current environment, financing remains one of their biggest hurdles. While some already had the funds to launch their ventures, in many cases pandemic-related layoffs or job losses have forced people to use that money for day-to-day living expenses, causing many to instead turn to their personal savings. Further, Small Business Administration loans are still one of the main avenues of financing that entrepreneurs are hoping to tap. While new business ventures can be a risk, community financial institutions may want to do some research on the new businesses emerging in their area and reach out to support the most promising ones.

New relationship opportunities. Not only could you support a budding business, but you could tap into a new source of revenue while positioning your institution as one that supports new businesses in the community. Building relationships where you see potential can pay off well later too, of course. Some entrepreneurs are starting new ventures on the side, while they are still employed too. This allows them to grow their business while earning additional income, which also makes them less risky as an entrepreneur.

Where there is necessity arises opportunity, and driven entrepreneurs will find it, even in a pandemic. Keeping your eyes open for these creative businesspeople will allow you to potentially tap into new opportunities as

well.

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