MEDIA RELEASE

Xero’s COVID-19 reports provide unique insights about impact to global small business

At peak impact, global small business revenues fell by 10 - 40%
43% of small business owners worried about their mental health
Small businesses remain resilient despite impact

Wellington, NZ — September, 14, 2020 — Xero, the global small business platform, today released two new reports highlighting the economic and emotional impact of the pandemic on small businesses across multiple countries.

The Xero Small Business Insights (SBI) Special Report, “Pandemic Insights: Small Business Experience”, produced with AlphaBeta (part of Accenture), is based on anonymised and aggregated records of over 300,000 Xero subscribers. It shows the impact on small business revenues and jobs in New Zealand, Australia and the UK. In North America and Asia, these insights are supported by survey-based customer research.

- Following the March lockdown New Zealand experienced the largest revenue fall of 40%, but has since seen recovery
- At peak, Australian small businesses had the largest job losses - at 12%
- Manufacturing is leading recovery in the UK, New Zealand and Australia with revenue growth of between 1% and 13%
- Small business was twice as badly hit as big business
- More tech enabled businesses had 40% less job losses

"Being able to quickly provide insights of this scale, with country comparisons, provides better understanding as to how the small business recovery can be supported around the world," said Steve Vamos, CEO, Xero. “Small business is family and community. It’s a big source of growth and innovation in economies and they are doing it tough right now.”

Xero’s second paper, “Emotional metrics: small business mindsets during the pandemic”, focuses on the human impact of the crisis with research in Australia, New Zealand, the UK, North America and Singapore. The nature of small business means owners often have close personal-level relationships with their staff and customers. This means a pandemic, and the resulting upheaval, has economic consequences for small business owners, and presents challenges managing the human impacts.

The research finds that 43% of small business owners in these countries are worried about their own mental health, and 39% are worried about the mental health of their employees. Analysis from a
sentiment measurement tool, Mindset AI\(^1\), also shows the predominant emotion of small businesses is one of being “worn down”.

"We have found several Xero small business customers who survived the Spanish Flu of 1918 and are still operating today, including a winery in South Australia and a pie and eel shop in London," said Mr Vamos.

"It is incredible to think that these businesses have already survived a global pandemic, along with many other major economic disruptions since, and are still trading during this latest crisis. We are in awe of their resilience," said Mr Vamos.

You can read about the impacts of COVID-19 on small business, including case studies featuring the amazing small businesses surviving their second pandemic, [here](#).

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**About Xero**

Xero is a cloud-based accounting software platform for small businesses with 2.38 million subscribers globally. Through Xero, small business owners and their advisors have access to real-time financial data any time, anywhere and on any device. Xero offers an ecosystem of over 800 third-party apps and 200 plus connections to banks and other financial partners. In 2020, Xero was included in the Bloomberg Gender-Equality Index and recognised by IDC MarketScape as a leader in its worldwide SaaS and cloud-enabled small business finance and accounting applications vendor assessment.

**About Xero Small Business Insights**
The Xero Small Business Insights (SBI) program provides analysis on the sector’s health, with its metrics based on anonymised, aggregated data drawn from hundreds of thousands of our subscribers. The result is a picture of business conditions that’s more accurate than most private surveys, which typically have a far smaller sample size, and more frequently updated than much of the data on small business. Xero is currently producing a series of specialised monthly metrics, providing a view of the impact of COVID-19.

**About AlphaBeta (part of Accenture)**

\(^1\) Mindset AI Study, PepperComm, August 2020
AlphaBeta (part of Accenture) is a research firm with offices in Sydney, Canberra and Melbourne. It specialises in combining advanced analytical techniques and innovative data to generate new insights and fresh perspectives on the challenges facing business and government.

**Peppercomm Mindset.AI Study**
Using advanced AI designed to research crisis-focused emotional states, Mindset.AI, operated by Peppercomm - an integrated marketing and communications firm, analyses millions of public conversations drawn from thousands of varied sources across the internet.