

Impact of COVID-19 on Freelancers and Small Companies

Introduction

The Association for Language Companies (ALC), with the assistance of the Joint National Committee for Languages (JNCL) conducted a brief, six-question survey to better understand the economic impact on the language industry's companies and freelancers related to COVID-19, including their need and eligibility for aid under the Small Business Association (SBA).

Survey Responses

Nearly all respondents (85%) indicated already experiencing economic loss due to COVID-19 related challenges.

Ineligibility for economic aid under the SBA related to over half of the responses (53%)

With 85% of respondents already experiencing unprecedented economic loss despite their official classification as a small business, and 53% of all survey participants ineligible for economic aid under the SBA, there is a clear need for an adjustment to the current requirements for aid eligibility.

Most of the respondents miss qualifying for SBA aid as they fall outside the relevant NAICS thresholds for small businesses (\$8m for translation and interpreting, \$12m for language schools); moreover, these businesses are generally fairly close to the threshold. 97% of the businesses which do not qualify under the threshold report that they are within \$4M of it. Finally, nearly all responding companies which did not qualify as small businesses are still relatively modest in scale, employing less than 500 employees (99%).

Recommendations to Leadership from Survey Results

It is suggested that Congressional leadership strongly consider increasing the threshold for eligibility requirements for economic aid under the SBA. Furthermore, the Small Business Liquidity Task Force Bill be enacted to include federally guaranteed loans for 8 weeks of payroll expenses and direct costs such as contractor payments, healthcare, rent, utilities, payroll taxes, and B&O taxes.