



Better for Business: a report into the wellbeing of small business owners

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From financial worries and stress,
to isolation and sleep problems
– it's vital that small business
owners receive the support
they need and deserve.

Alan Thomas
Simply Business UK CEO



Foreword

Few have been hit harder by the effects of the pandemic than the self-employed. Livelihoods are on the line as a result of Covid-19, with small business owners facing an unparalleled amount of pressure. It was inevitable that this sustained period of uncertainty would impact the wellbeing of those affected, and our survey of small business owners has revealed the worrying scale of the problem.

With 82 per cent of SME owners reporting poor mental health in the last 12 months, and many more admitting to wider wellbeing challenges, it's clear that very few have been left unscathed by the pandemic.

More than half of all small business owners have suffered from anxiety, 62 per cent have been affected by stress, and 30 per cent have experienced depression. It's no exaggeration to suggest that we're in the midst of a wellbeing crisis, with the self-employed feeling this acutely.

This situation should concern us all. Small businesses are crucial to our economy and communities – and will be central to our collective recovery from the pandemic. They make up over 99 per cent of the UK's business population, contributing £2 trillion in combined annual turnover. What's more, they account for almost half of all jobs.

At Simply Business, we feel compelled to highlight this issue and provide practical support where we can. Insuring over 750,000 small business owners and landlords helps us understand the specific challenges being faced by the self-employed, and the reasons behind this concerning data.

From financial worries and stress, to isolation and sleep problems – it's vital that small business owners receive the support they need and deserve. That's why – in addition to shining a light on the emerging wellbeing crisis among this audience – we've partnered with a range of experts to offer free tips and resources tailored to the self-employed.



Alan Thomas
Simply Business UK CEO

Executive summary

The Covid-19 pandemic has placed a huge strain on the wellbeing of the nation. From lockdowns and restrictions to isolation and loneliness, it's no exaggeration to suggest that we're in the midst of a wellbeing crisis.

For small business owners across all industries, it's been a period of sustained uncertainty. Uncertainty around finances, uncertainty around rules and restrictions, and ultimately uncertainty around their livelihoods and futures.

This was always likely to take its toll on the emotional and mental safety of an audience who – even before the pandemic – our research told us often struggle to take a break from their work.

But what's the scale of the problem? To understand, we spoke to 765 small business owners and self-employed people about everything from their mental health and sleep patterns, to their future prospects and coping strategies.





Key findings

1

82% of small business owners have **suffered with poor mental health** in the last 12 months

2

Financial worries are having the biggest negative impact, with **61%** saying it has negatively affected their wellbeing

3

30% have **experienced depression** in the last 12 months, **62%** have been **affected by stress**, and **55%** have **suffered anxiety**

4

The pandemic is causing **63%** to **get less sleep** each night

5

But **39%** of small business owners feel optimistic about the economy picking up

6

And **36%** feel positive about the future of their business

An emerging mental health crisis

Many businesses have had to close or operate at reduced capacity throughout the pandemic – just 21 per cent have continued to operate as usual. So, it's no surprise that the past year has taken its toll on the mental health and wellbeing of small business owners.

A worrying picture for small business owners

It'll be some time before we understand the long-term effects of the pandemic, but the current statistics paint a concerning picture for small business owners.

82%

Four in five feel the pandemic is having a negative impact on their mental health



19%

A **fifth** describe their current mental wellbeing as 'bad'



47%

Almost **half** are worried about how their mental health will hold up throughout 2021



Spike in stress and anxiety

Coronavirus has led to a spike in stress and anxiety suffered by small business owners over the last 12 months. When we asked how the pandemic has affected them, respondents revealed that:

55%

experienced anxiety



62%

have felt stressed



61%

worried about money



51%

struggled with sleep deprivation



“

There isn't a 'one-size-fits-all' approach when it comes to solutions for combatting stress. Be curious, try out a few different ideas, and see what works for you.

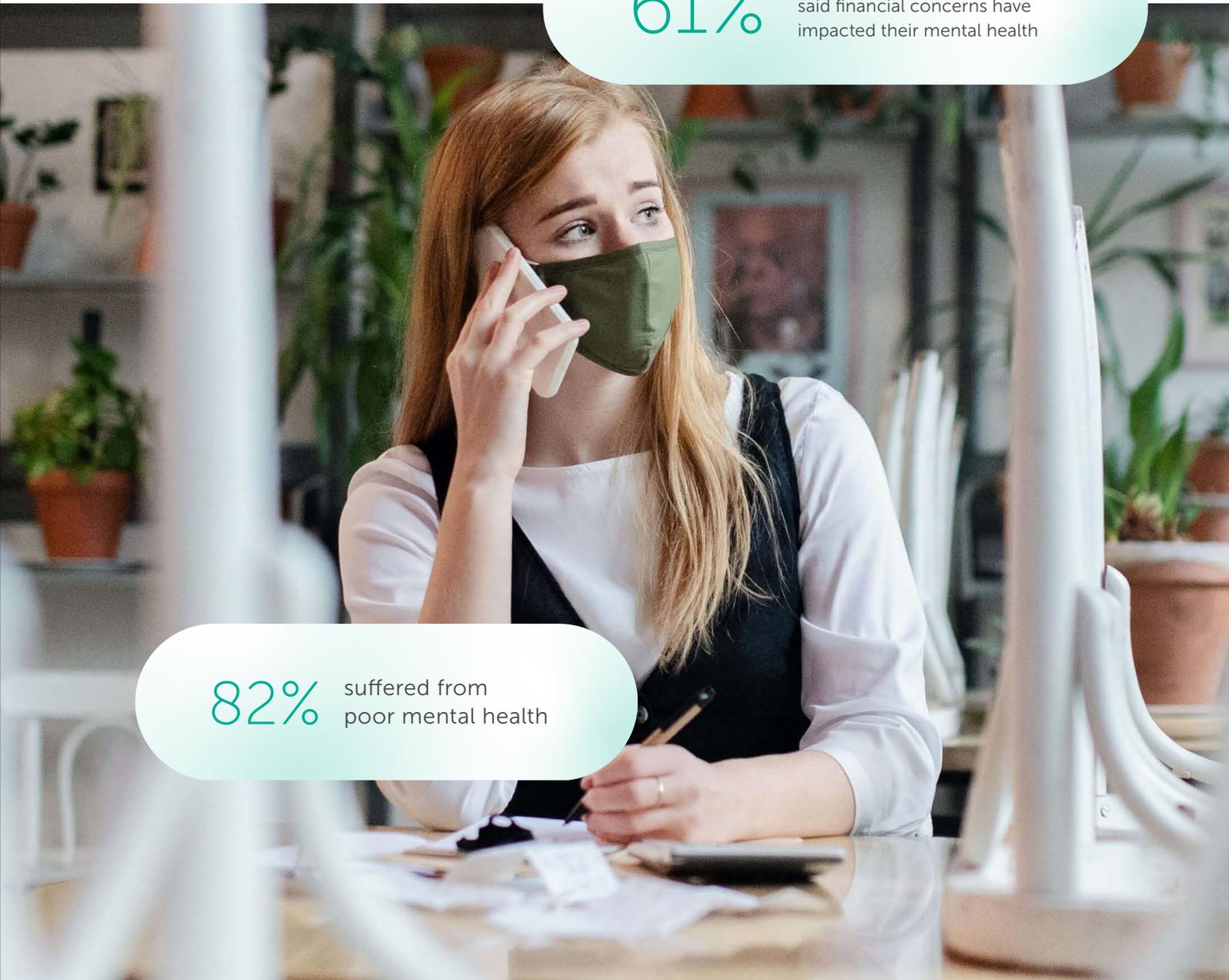
Dr Hazel Harrison
Clinical Psychologist

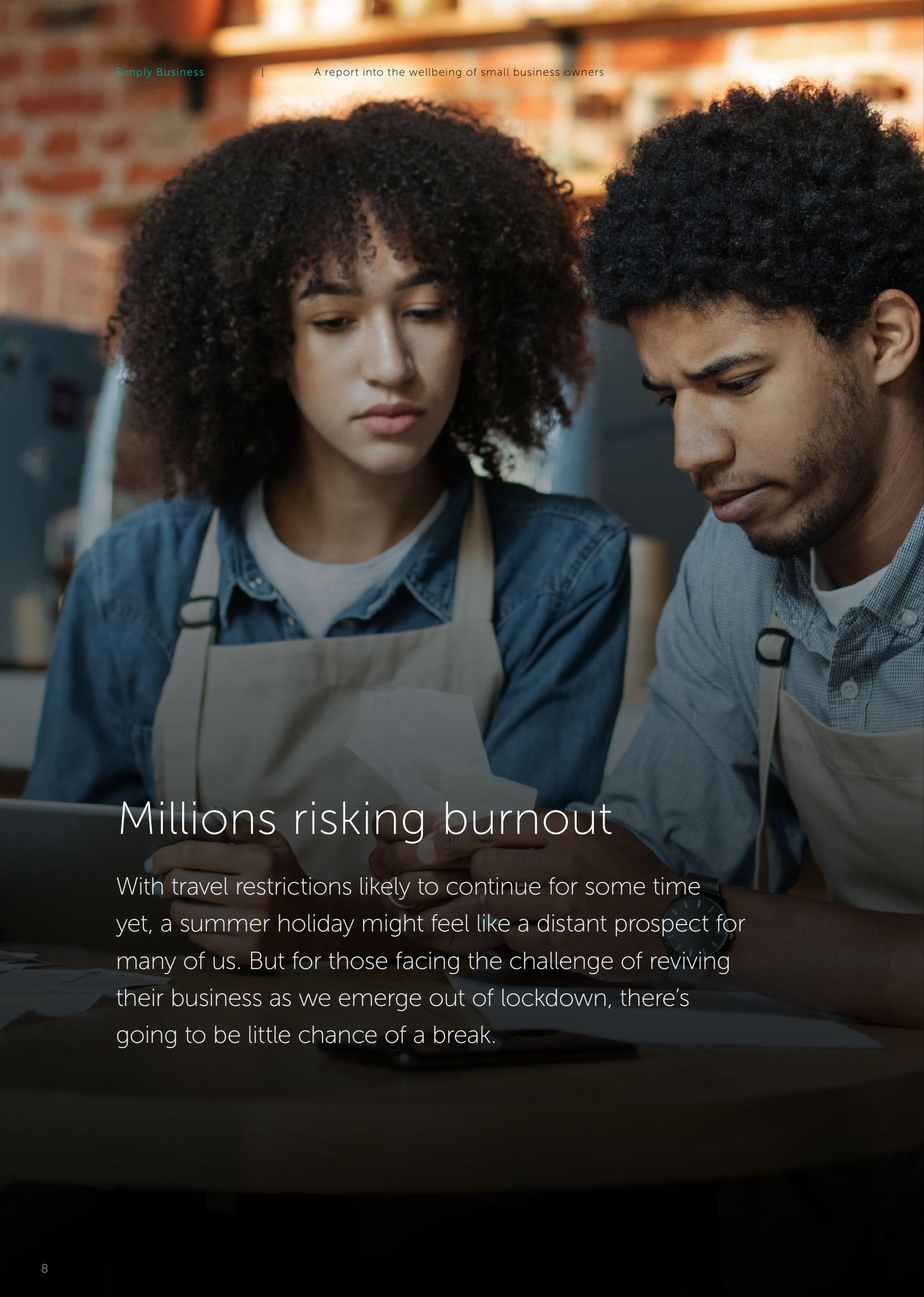
61%

of small business owners said financial concerns have impacted their mental health

82%

suffered from poor mental health



A young man and woman with curly hair, wearing aprons, are looking at a tablet together in a kitchen setting. The woman is on the left, and the man is on the right. They both appear to be focused on the screen. The background is a blurred kitchen with warm lighting.

Millions risking burnout

With travel restrictions likely to continue for some time yet, a summer holiday might feel like a distant prospect for many of us. But for those facing the challenge of reviving their business as we emerge out of lockdown, there's going to be little chance of a break.

Business owners feeling the pressure

Millions of small business owners are at risk of burnout after the pressures of running a small business during the Covid-19 pandemic. In the last 12 months:

| **3.7 million**
experienced stress

| **3.3 million**
suffered from anxiety

| **1.8 million**
had depression

Struggling to take time off

Even before the pandemic, almost one million small business owners had been unable to take time off for at least three years, with the majority finding it impossible to switch off when they do get away.

53%

continue to check emails from clients

23%

remain on call and check emails from colleagues

22%

monitor their social media channels

“

It's important to set clear boundaries and schedule in dedicated relaxation time and holidays, taking time away from screens if you can.

Kelly O'Neill

Head of Wellbeing, Simply Business

Sleepless nights

Stress and anxiety often lead to trouble sleeping. So, it's no surprise that for two in five small business owners, sleep problems have been made worse during the coronavirus pandemic.

Many business owners are getting less sleep

Poor mental health and lack of sleep form a vicious cycle. When we asked whether the amount of sleep that people have been getting has changed, **63 per cent of small business owners said that they've lost sleep.**

27%

are scraping by on just five hours of sleep each night

43%

are getting 1-2 hours less sleep

20%

are getting 2-3 hours less sleep

“

Taking simple steps such as building in daily exercise, getting some early morning sunlight to reset your body clock, or simply having a rule where you're off your screen for at least an hour before going to bed can be hugely beneficial.

Sanjay Verma

Chief Sleep Officer at sleep, health and wellness group Hilding Anders



of small business owners said that poor sleep has affected their mental health in the last 12 months

DEEP DIVE

The impact on the construction industry

Unlike many industries, business owners in construction and the trades have been able to continue working through large periods of the pandemic – including the most recent national lockdown.

18 per cent said they've actually been able to continue with business as usual throughout Covid-19.



But tradespeople have still suffered with poor mental health

With many tradespeople saying they've experienced stress, low self-esteem, and sleep problems, it's clear the year-long pandemic has taken its toll.



described their mental state as either bad or very bad



don't feel they're able to take time off work if experiencing poor mental health



said Covid-19 has negatively impacted their mental health

What symptoms have tradespeople experienced?

During the course of the pandemic, tradespeople have suffered a variety of mental health problems:

Depression (32%) **Stress (58%)** **Anxiety (45%)**

But many tradespeople are still optimistic about the future. **Two in five** (42 per cent) are optimistic that the **economy will pick up**, while a further **two fifths** (38 per cent) feel positive that the number of **jobs and orders they're receiving will continue to rise**.



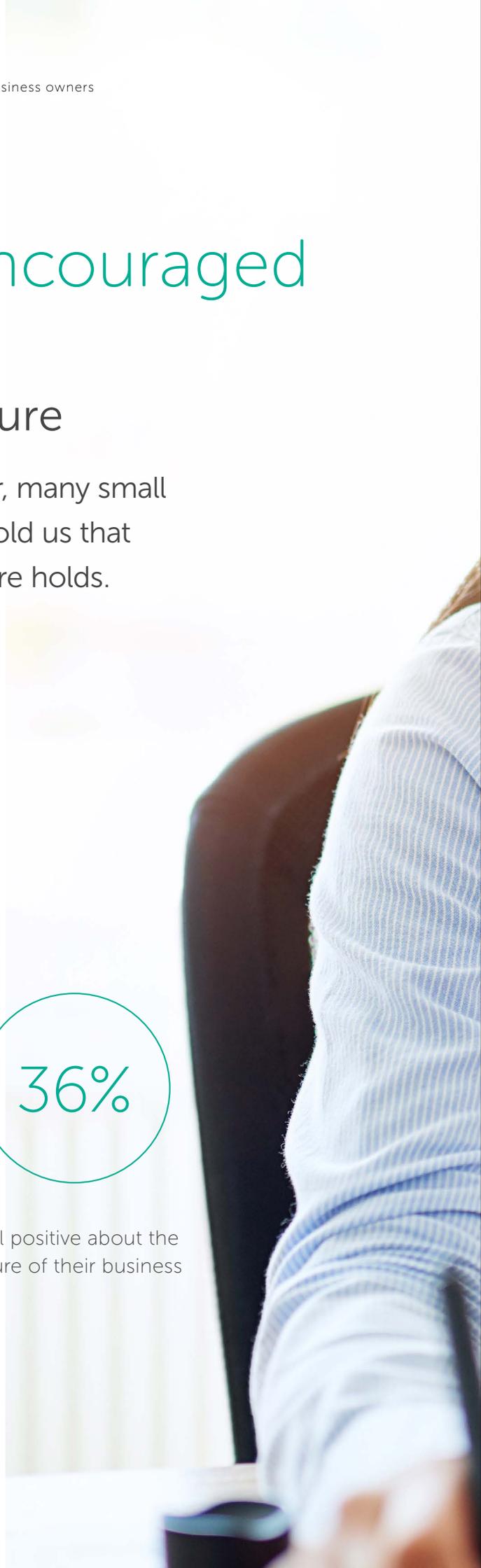
Setting aside a time each day to 'listen' to your anxiety and acknowledge the things that are making you feel frightened or overwhelmed can be a useful strategy. Sometimes it helps to write down the things you're worrying about, or to talk about them with someone you trust.

Dr Hazel Harrison
Clinical Psychologist

Reasons to be encouraged

Optimism about the future

Despite the challenges of the last year, many small business owners across the country told us that they're optimistic about what the future holds.

A vertical photograph on the right side of the page shows a person from the chest down, wearing a light blue, ribbed long-sleeved shirt. They are sitting at a desk, looking at a laptop screen. The background is bright and slightly blurred, suggesting an office or home workspace environment.

35%

are positive about jobs
and orders picking up again

31%

are confident about their
business's ability to adapt
to new conditions

36%

feel positive about the
future of their business



21%

are looking forward to
learning new skills

39%

feel optimistic about the
economy picking up again

How are small business owners boosting their wellbeing?

Reassuringly, small business owners told us that they're taking proactive steps to improve their wellbeing this year.



64% plan to do **more exercise**

67% are spending more time outside



Even as adults, we still need to play. When you play, you signal to your brain that you're safe and this allows the fear centre of your brain to have a little rest.

Dr Hazel Harrison
Clinical Psychologist

32% will be reading more to improve their wellbeing

64% plan to dedicate more time to connecting with friends and family



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