

## **Covid-19 crisis: Survey on the financial and psychological consequences for self-employed workers**

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**We still know very little about the effects of the coronavirus crisis on self-employed workers. A survey carried out by HEC Lausanne (UNIL), in the context of Enterprise for Society, and the KOF Institute at ETHZ with over 1,000 self-employed workers and business owners shows that in some cases, the lockdown has resulted in a massive loss of sales and psychological problems. Self-employed workers who have had to close down their business, in particular, have reported a significant decline in income and are fearful for their economic survival.**

The coronavirus crisis and lockdown have had a significant impact on the operational, personal and psychological situation of self-employed workers and business owners in Switzerland, according to surveys carried out by HEC Lausanne (University of Lausanne) in the context of Enterprise for Society (E4S) and the KOF Institute at ETH Zurich.

One thousand self-employed workers, independent professionals and business owners took part in the survey at the beginning of March and in mid-April. The results point to huge losses in sales for self-employed workers in April. Losses were highest – 100% on average – in the hotel and tourism industry. Restaurants and bars (median: -96%), hairdressers and the cosmetics industry (-90%) and the arts and culture sector (-70%) also saw a significant decline in sales volumes.

Many self-employed workers have little scope to absorb the financial effects of the crisis. Over half the businesses surveyed have seen a significant or very significant reduction in their liquid assets or room for manoeuvre in financial terms. For many self-employed workers, the loss of turnover in April equated to more than half their private financial assets. Nonetheless, it appears that overall, relatively few self-employed workers have taken out additional debt because of the crisis.

### **A marked deterioration in psychological well-being**

The difficulties of their operational situation has had consequences on respondents' personal situation and their mental health. Around 50% report that their family income has fallen. The figure increases to around 75% for self-employed workers who have had to shut down their business entirely during the lockdown period.

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Their mental health has also deteriorated significantly while the stay-at-home restrictions have been in place. In early March, 13% of those surveyed stated that they were concerned about their economic survival. At the time of the survey, 52% of respondents reported fears of this kind. The proportion of people feeling depressed in this group rose from 10 to 26%, with tension between partners increasing from 11 to 24%. However, the proportion of people seeking psychological or psychiatric help has remained stable.

### **Reopening appears to have arrived at the right time**

Around half the respondents who run a hairdressing or beauty salon stated in mid-April that they could cope with a shutdown of their business for another month, at most. The majority of bar and restaurant owners also responded that they would not be able to deal with staying closed for much longer. If we take what they said at face value, then reopening these sectors on 27 April and 11 May respectively will have come at the right time.

The Swiss federal government has taken measures in response to the coronavirus crisis to absorb the economic consequences for both businesses and self-employed workers. In spite of all the difficulties, self-employed workers appear remarkably satisfied with the support available. Fifty-four percent consider that the measures taken by the government have been “exactly right”. However, across all sectors combined, 29% of respondents felt that the measures were somewhat or completely inadequate. That figure rose to 38% among respondents who had had to shut down their business. There are also regional differences, in line with the regions most affected by the pandemic. Accordingly, 42% of self-employed workers in Ticino feel that the measures taken have been somewhat or clearly inadequate.

[A detailed report with graphs is available \(in German\) here.](#)

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