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The Financial Impact of COVID-19 on Small and Medium Enterprises in Southeast Texas

The goal of this research was to analyze the financial impact of COVID-19 on small and medium enterprises in Southeast Texas (SETX). Because approximately half of the Texas workforce is employed by small and medium enterprises, many employees were at risk of losing their job. This was such an important research topic because it would allow small and medium enterprises (SMEs) of SETX to know how to react or prepare for natural disasters or economic disruptions.

Dr. Sargsyan and I designed a survey that measures business performance, investment attitudes, and investment decision behavioral control and intentions. Within business performance measurements there are customer, production, human resources, and financial dimensions that give us an understanding of the impacts of COVID-19 on the various aspects of the business/enterprise. Another part of the survey asks about the level of financing that the business/enterprise used during the pandemic. The last section of the survey is open-ended in which we ask SMEs to share their best practices on how to manage risks in unforeseen or unpredictable situations like the pandemic.

I created a list of 200 different SMEs in Southeast Texas ranging from lawyer’s office, funeral homes, event planners, doctor’s offices, restaurants to golf courses and tattoo shops. I wanted to have a variety of diverse responses to thoroughly analyze the impacts of COVID-19. The SMEs selected range from Beaumont, Silsbee, Lumberton, Orange, Nederland, Port Arthur, and more. By selecting different towns within the SETX region, I would be able to analyze the effects of COVID-19 on different sub-regions.

Currently, I am waiting for the IRB approval, so I am unable to distribute my survey to the selected SMEs. Once my research is approved, I will be able to begin sending the survey. SMEs will choose from the three options that I have to take the survey. I will email them the link to the survey, meet with them in person with the necessary precautions and have them take the survey on a tablet, or give it to them in paper form. By offering different avenues of taking the survey, I anticipate a higher response rate. Some business owners may have questions and
would prefer to have it in person while others may not be knowledgeable about computers and would rather a paper copy.

Once my IRB approval comes through, I will be able to distribute my survey, collect data, and reach conclusions. I am expecting great results from these responses because the survey we created touches the various elements of a business/enterprise. The conclusions reached in this research will help SMEs be able to implement strategies when facing challenges and risks.