

Chancellor's new measures “leave 3m entrepreneurs high and dry”

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- **Millions of early-stage entrepreneurs and limited company directors “thrown to the wolves” despite extensions to support schemes**

Chancellor Rishi Sunak's 'winter economy plan' still excludes millions of entrepreneurs and small business owners from support, the [Enterprise Research Centre](#) has warned.

Key measures announced by Mr Sunak today [24 September 2020] include the new Job Support Scheme to replace the 'furlough' measures introduced in March, running for six months from November.

The Self-Employment Income Support Scheme (SEISS) will similarly be extended – but the two lump-sum grants self-employed people will be able to apply for will be significantly less generous, equivalent to 20% of average monthly profits, down from 80% in the earlier rounds. Mr Sunak also announced longer repayment periods for government-backed loans to businesses.

Mark Hart, Professor of Small Business and Entrepreneurship at Aston Business School and Deputy Director of the Enterprise Research Centre, said:

“The Chancellor's Job Support Scheme will come as a relief to many employers and their staff. But the six-month extension to wage subsidies at a time when the pandemic is still far from over goes nowhere near as far as countries like France and Germany, whose similar schemes have been extended into 2022.

“Let's remember that in this same timeframe, businesses are also facing the growing prospect of a fractious and messy end to the Brexit transition period.

“It's also concerning that the extension to the Self Employment Income Support Scheme (SEISS) is far less generous than earlier, despite more stringent lockdown measures threatening demand across the economy.

“The glaring omission yet again is the plight of the three million early-stage entrepreneurs, freelancers and limited company directors who’ve been left high and dry as their incomes have evaporated.

“These entrepreneurs and the work they do are vital to supply chains and entire industries. If they go down, the tremors will reverberate across the economy.

“We know from the recession that followed the 2008 financial crisis that entrepreneurs starting new businesses were critical to subsequent job creation and economic recovery. By throwing them to the wolves, there’s a real concern we’ll see subdued business dynamism for a long time to come.”

ENDS

Notes to editors

About the Enterprise Research Centre

The ERC is the UK’s leading independent research institute on growth, productivity and innovation in small and medium-sized enterprises (SMEs). It is funded by the Economic and Social Research Council (ESRC), Department for Business, Energy and Industrial Strategy (BEIS), Innovate UK, The Intellectual Property Office (IPO) and the British Business Bank (BBB).

The ERC is producing the new knowledge around SMEs that will allow us to create a business-friendly environment nationwide, grounded in hard evidence. We want to understand what makes entrepreneurs and firms thrive so we can spread the lessons from best practice and make the UK a more successful economy.

The Centre is led by Professors Stephen Roper of Warwick Business School and Mark Hart of Aston University, Birmingham. Our senior researchers are world-class academics from both Aston and Warwick Universities as well as from our partner institutions which include Queens University Belfast and the University of Strathclyde.

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