

COVID-19 BUSINESS IMPACT ASSESSMENT



MAY 26, 2020

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COVID-19 BUSINESS IMPACT ASSESSMENT

This survey was conducted by the Coachella Valley Economic Partnership (CVEP) with the support of the Coachella Valley Economic Recovery Team (CVERT). CVERT is a coalition of economic, business, government, and tourism organizations from across the Coachella Valley, working together to share resources and best practices as we move towards economic recovery. CVEP is also a contributing member of the BRJE COVID-19 Response Network, a national collaboration of economic developers working to measure the impacts of this crisis.

PURPOSE OF THE SURVEY

Assess business impacts of COVID-19 within the Coachella Valley

- The survey was conducted between April 29, 2020 and May 6, 2020. This survey is a follow-up to a previous survey conducted from March 24, 2020 and March 31, 2020. Please note that the Economic Injury Disaster Loan and Paycheck Protection Programs were available at the time of this survey, but were not yet available when the first survey was conducted.
- CVEP distributed the survey with the assistance of the CVERT Network. It was distributed primarily via email and secondarily through social media.
- A total of 201 participants completed the survey.
- Cities with the most engagement: Palm Desert, La Quinta, and Palm Springs.

TYPES OF QUESTIONS

- Effects of COVID-19 on business operations
- Current workforce challenges and concerns
- Uncertain future – revenue and financing challenges





RESPONSE OVERVIEW

Effects of COVID-19 on business operations

- 38% of respondents are open for business, while 62% are closed. This is a near complete reversal from the previous survey, where 62% of respondents were open for business, and 31% closed. We suspect this is due to the different mix of industries who responded, with a greater response from small businesses in the service industries, e.g. salons/stylists and small retail. Our local chambers of commerce received greater response from members for this survey.
- Most business closures occurred between March 16 and March 23.
- For the minority of businesses still open, the highest percentage (40%) are operating at a 61% or more level from normal. The average on-site operating level is 55%.
- Most open businesses are receiving and delivering goods and services at a 61% or more level.

Current workforce challenges and concerns

- Most respondents (85%) were small businesses with 10 or less full-time and/or part-time employees.
- 63% of businesses have laid off employees due to COVID.

Uncertain future – revenue and financing challenges

- Nearly all respondents (99%) have seen a decrease in revenue. In the first survey, only half of the businesses surveyed even answered the question: “Has your company’s weekly revenue experienced an increase or decrease as a result of COVID-19?” But of the half that did, 80% had already seen a decrease in revenue.
- 56% have seen revenue declines from 91 to 100 percent.
- Only 37% expect to survive a business shutdown of 9 weeks or more, down from 53% in the last survey. However, respondents reported they could survive an average 17 week shutdown, as compared to 11 weeks in the last survey. We estimate that this is due to the availability of funds from the Economic Injury Disaster Loan and Paycheck Protection Programs.
- Half of respondents have contacted their bank about bridge loans or financing.
- 58% have applied for an SBA Economic Injury Disaster Loan, with 19% successfully receiving a loan and 39% pending.

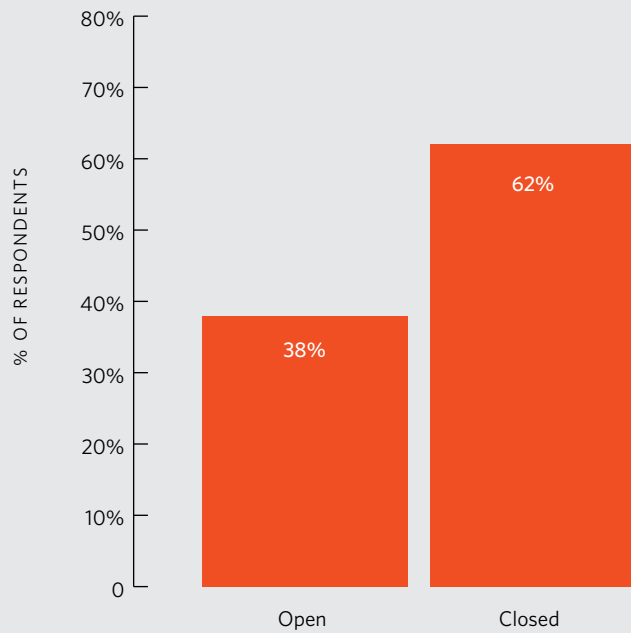
SOME THOUGHTS, CONCERNS, OR ACTIONS SHARED

- “PPP Loan needs to work for restaurants. It’s difficult to spend all the \$\$ on payroll in an 8-week period when you’re still mandated by the government to be closed. More loans need to be available to business owners.”
- “Removal of barriers to construction - primarily within housing sectors and reduction of fees.”
- “A recognized and uniform way to protect employees and customers (i.e. PPE requirements and other standards).”
- “To not have the EIDL tied to the number of employees a business has. That isn’t what the cares act wording says but the SBA has made it tied to that. Businesses with employees can get the PPP forgivable loans. My business cannot, and there are plenty of small mom & pop businesses, just like mine, that need help to survive!”
- “We need commercial landlords to negotiate or forgive rent on all non-essential businesses that have been forced to shut down.
- “Knowing that we need to have critical supplies manufactured in the USA - face masks, cleaning, disinfectant, paper goods, etc.”
- “Develop operational guidelines for businesses that will allow them to re-open while still protecting their employees and their customers from the coronavirus.”
- “Coachella Valley SBA has been very helpful.”
- “Take into consideration businesses like ours that just opened their doors prior to shutdown; we invested time and money for 8 months building our restaurant.”
- “Help for the self employed.”
- “Support for cottage food kitchens for home-based business owners like us who have gone unnoticed.”
- “Identifying to the public which businesses are essential and which are not. I field calls all day long surprised we are open for business.”
- “That the true small businesses were made a priority. Financial support keeps going to the larger players.”
- “Mortgage deferral. Utilities, phone, internet, etc. deferral programs.”
- “There needs to be more focus on the sole ownership/proprietor, self employed businesses. We are the artists who work to bring healthy joy to others. We teach others to be healthy and move well. We bring their ideas to life. And we are ignored.”
- “Improved planning and more proactive in regard to potential issues. Oversight of stimulus packages so funds actually reach the intended recipients.”
- “I don’t qualify for other programs as I can’t show a profit from last year. My selling season was just starting when COVID caused all events where I sell to cancel. What about supporting those like me?”
- “As a small business we have a low margin and at this point, we will be opening back up as a start up. This typically requires cash which we are exhausting to maintain the facility while closed.”
- “I would like to have clear safety and hazard standards in construction clearly explained. I can’t keep up with every city and ordinance being different because my work is done throughout the desert.”

OPERATIONS & SUPPLY CHAIN

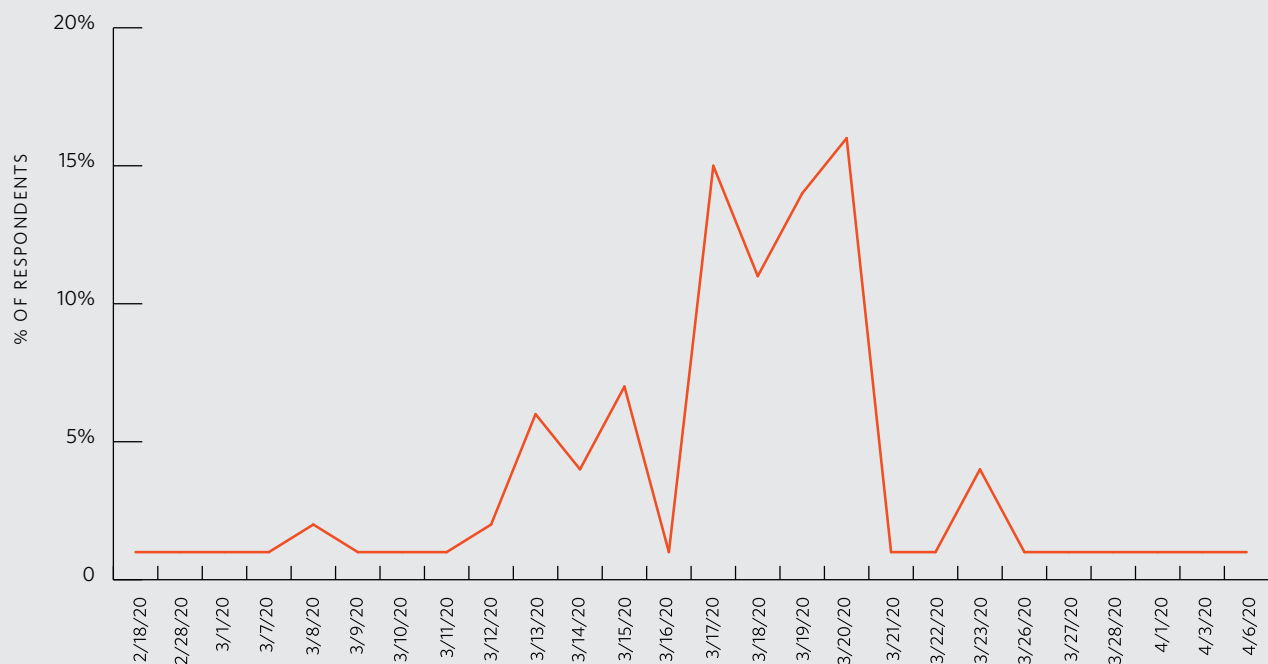
What is your current operating status?

CURRENT OPERATING STATUS



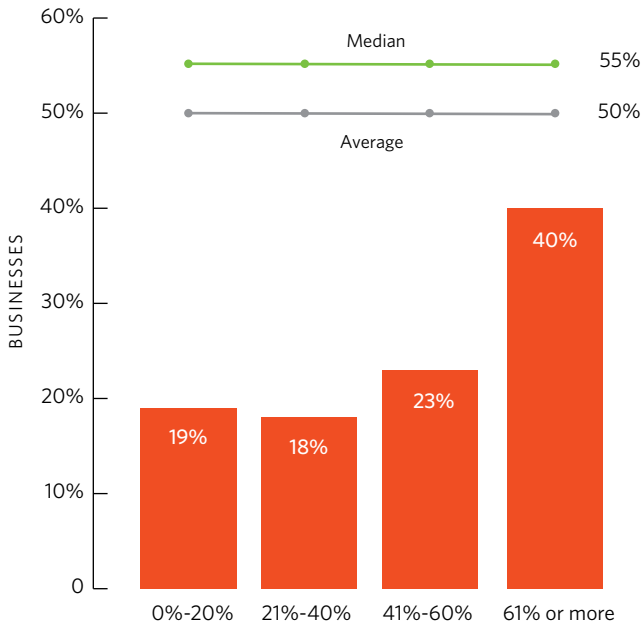
What was the date of closure? (this question was asked of businesses reporting being closed - 85 responses)

DATE OF BUSINESS CLOSURE



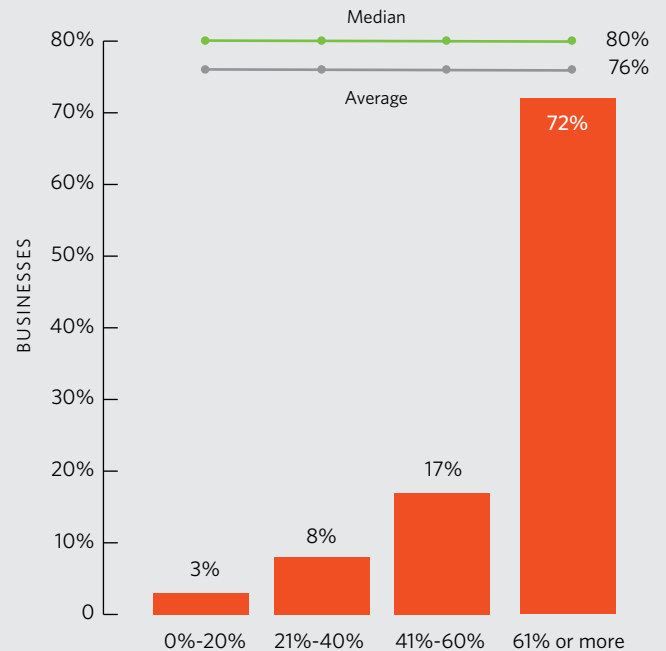
What is your current business operating level? (these questions were asked of businesses reporting being open - 62 responses)

CURRENT BUSINESS OPERATING LEVEL



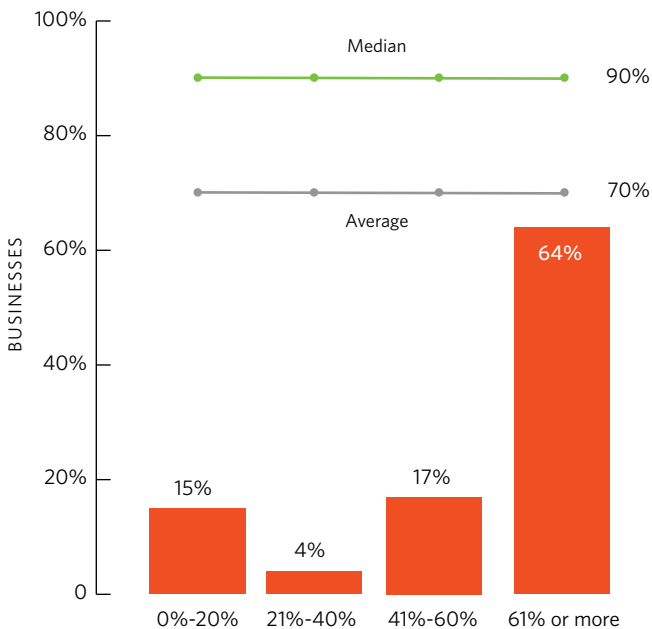
What percentage of your supplies/ services are you able to receive? (60 responses)

PERCENTAGE OF SUPPLIES/SERVICES ABLE TO RECEIVE



What percentage of your goods or services are you able to ship/deliver? (53 responses)

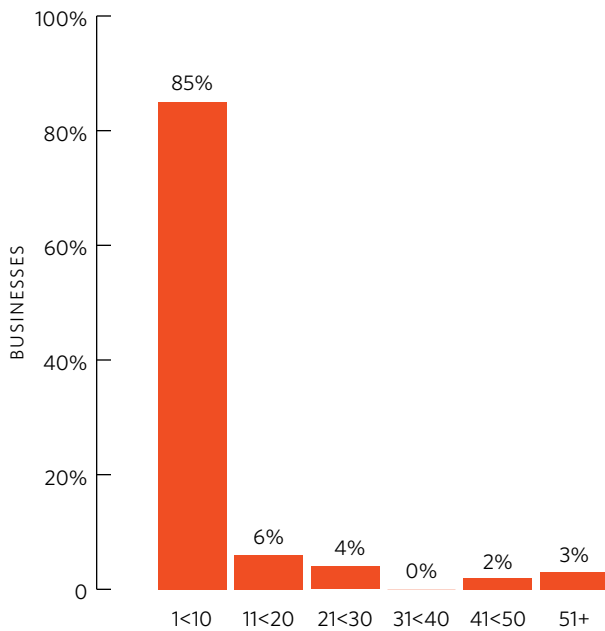
PERCENTAGE OF GOODS OR SERVICES ABLE TO SHIP/DELIVER



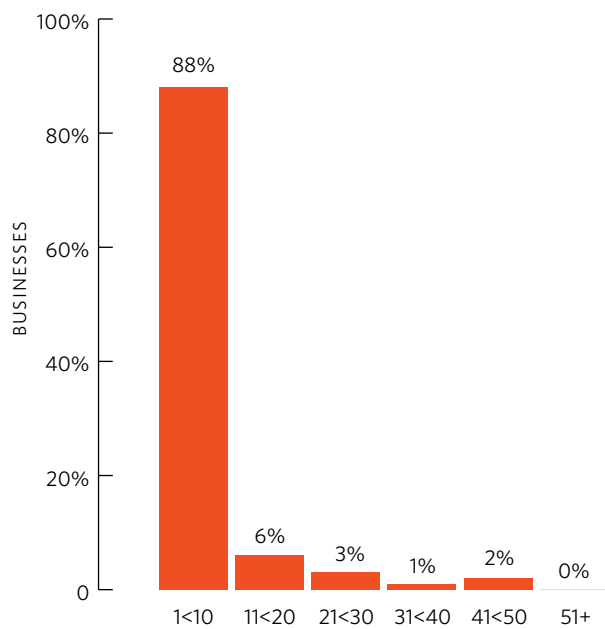
WORKFORCE

What was your total employee count prior to COVID-19?

FULL-TIME EMPLOYEE COUNT

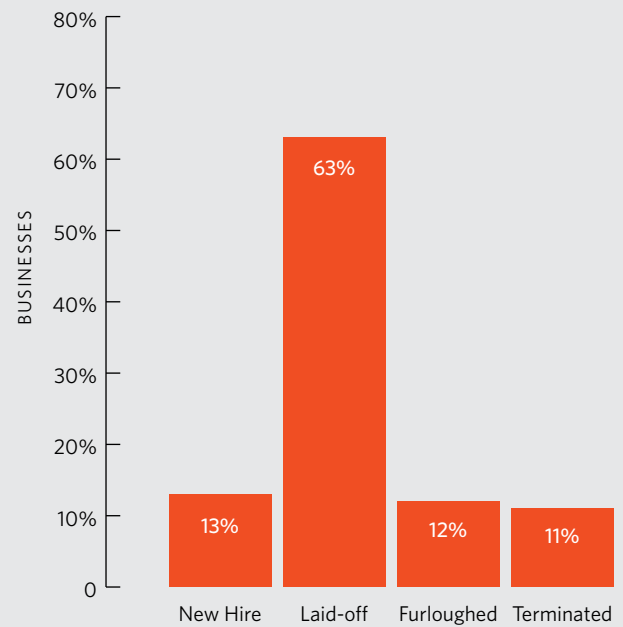


PART-TIME EMPLOYEE COUNT



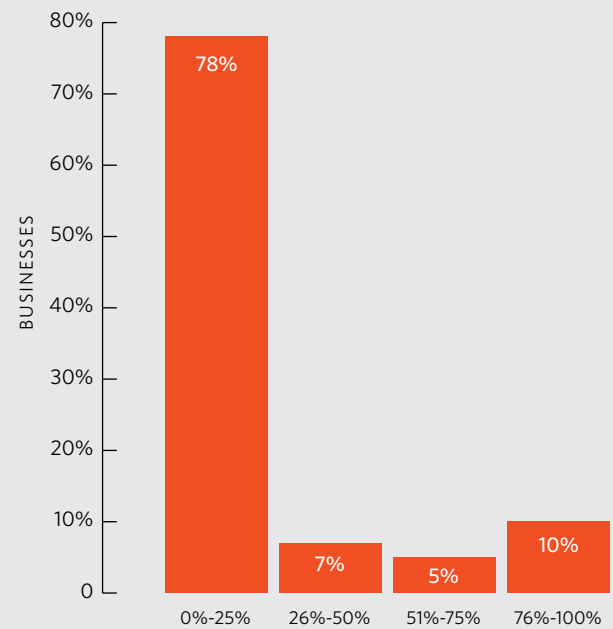
Has your employee count changed due to COVID-19 specifically?

EMPLOYEE COUNT CHANGE



If employees are temporarily not reporting for work, what percentage will be paid during the work hiatus?

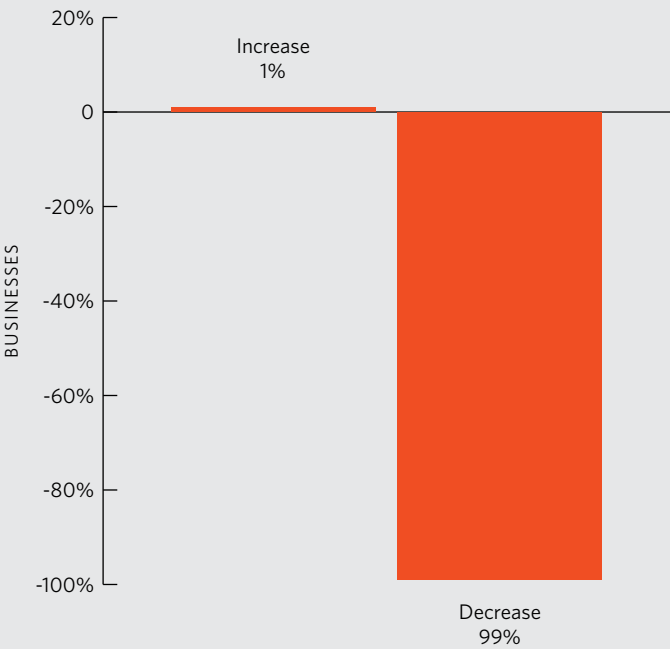
PERCENTAGE OF EMPLOYEES PAID DURING HIATUS



FINANCE

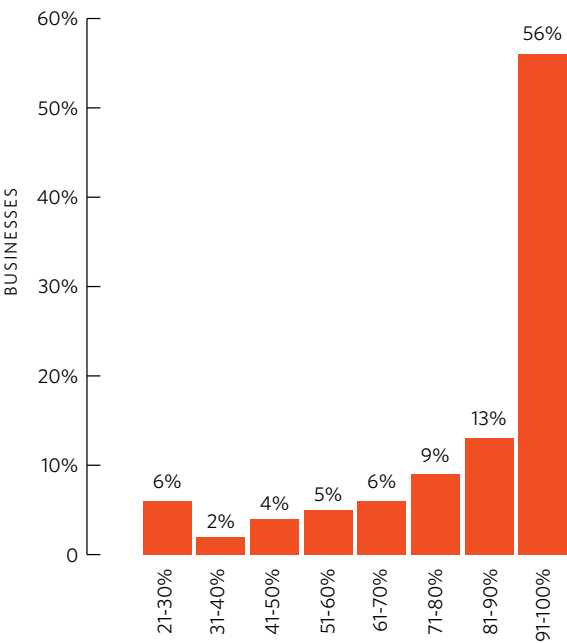
Has your company's weekly revenue experienced an increase or decrease as a result of COVID-19?

REVENUE INCREASE/DECREASE EXPERIENCED



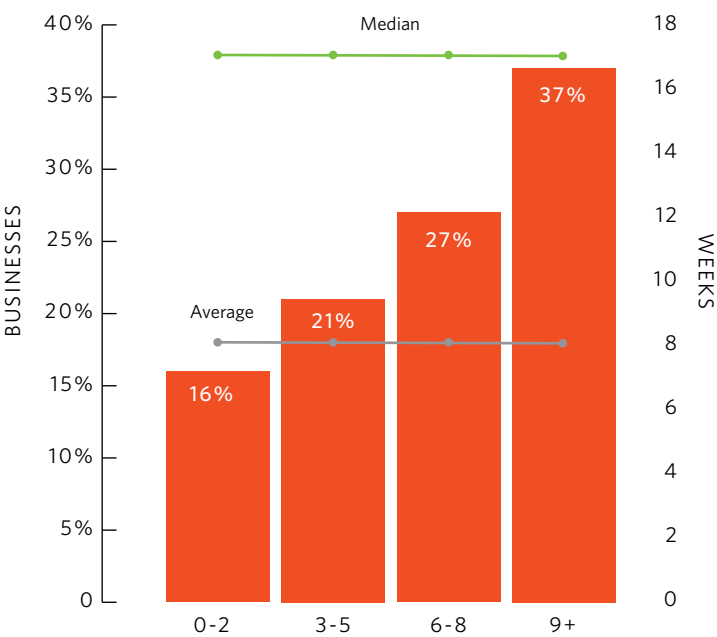
Has your company's weekly revenue experienced a decrease as a result of COVID-19?

ESTIMATED REVENUE DECREASE



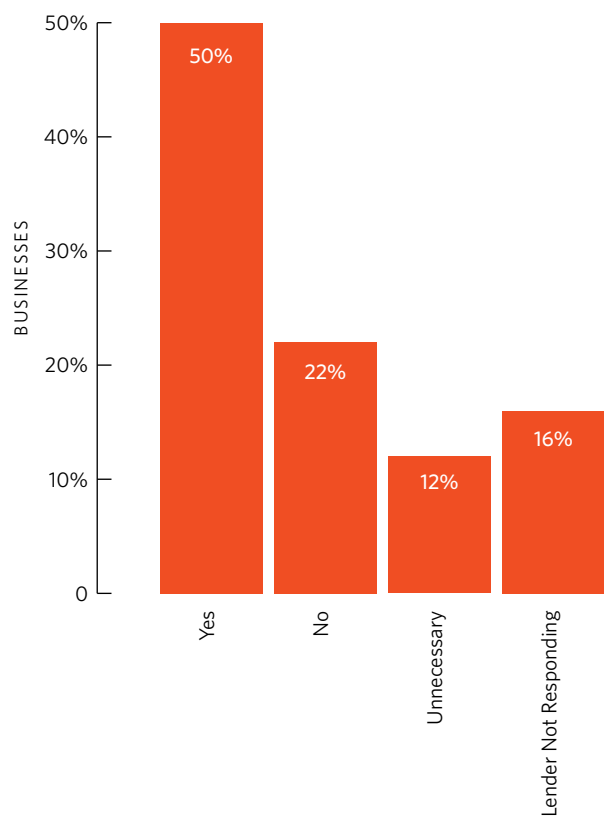
How many weeks of a business shutdown would you estimate your business can survive before closing? (response not required: 115 respondents)

ESTIMATED WEEKS OF SURVIVAL



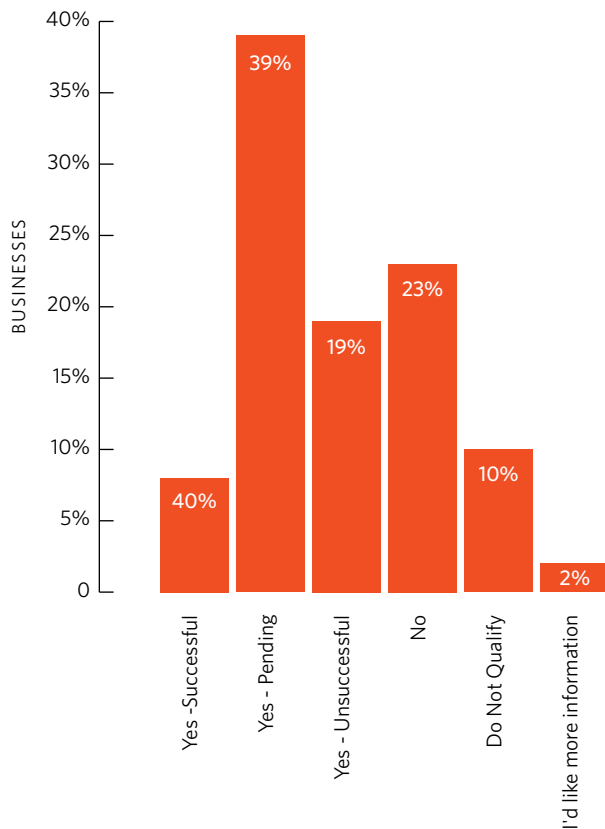
Have you contacted your bank about a bridge loan or other financing?
(response not required: 124 respondents)

CONTACTED BANK ABOUT FINANCING



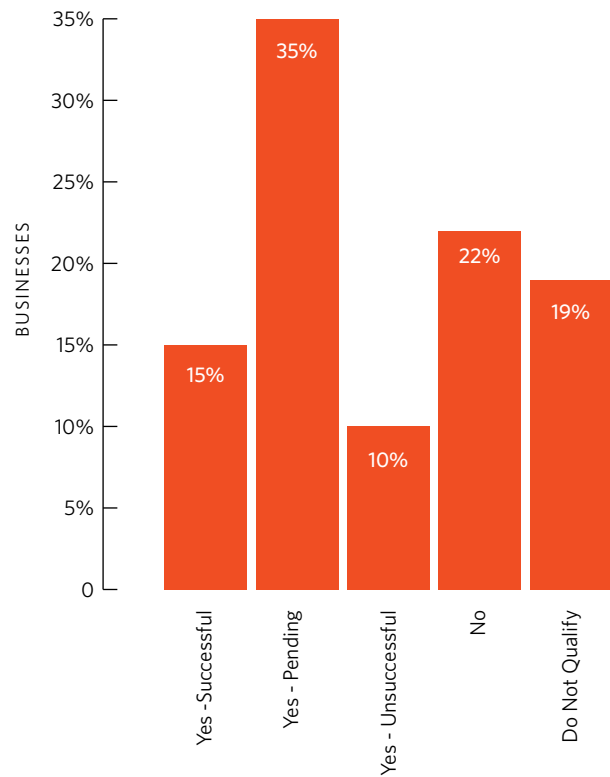
Have you applied for a US Small Business Administration Economic Injury Disaster Loan? (response not required: 122 respondents)

APPLIED FOR SBA ECONOMIC INJURY DISASTER LOAN



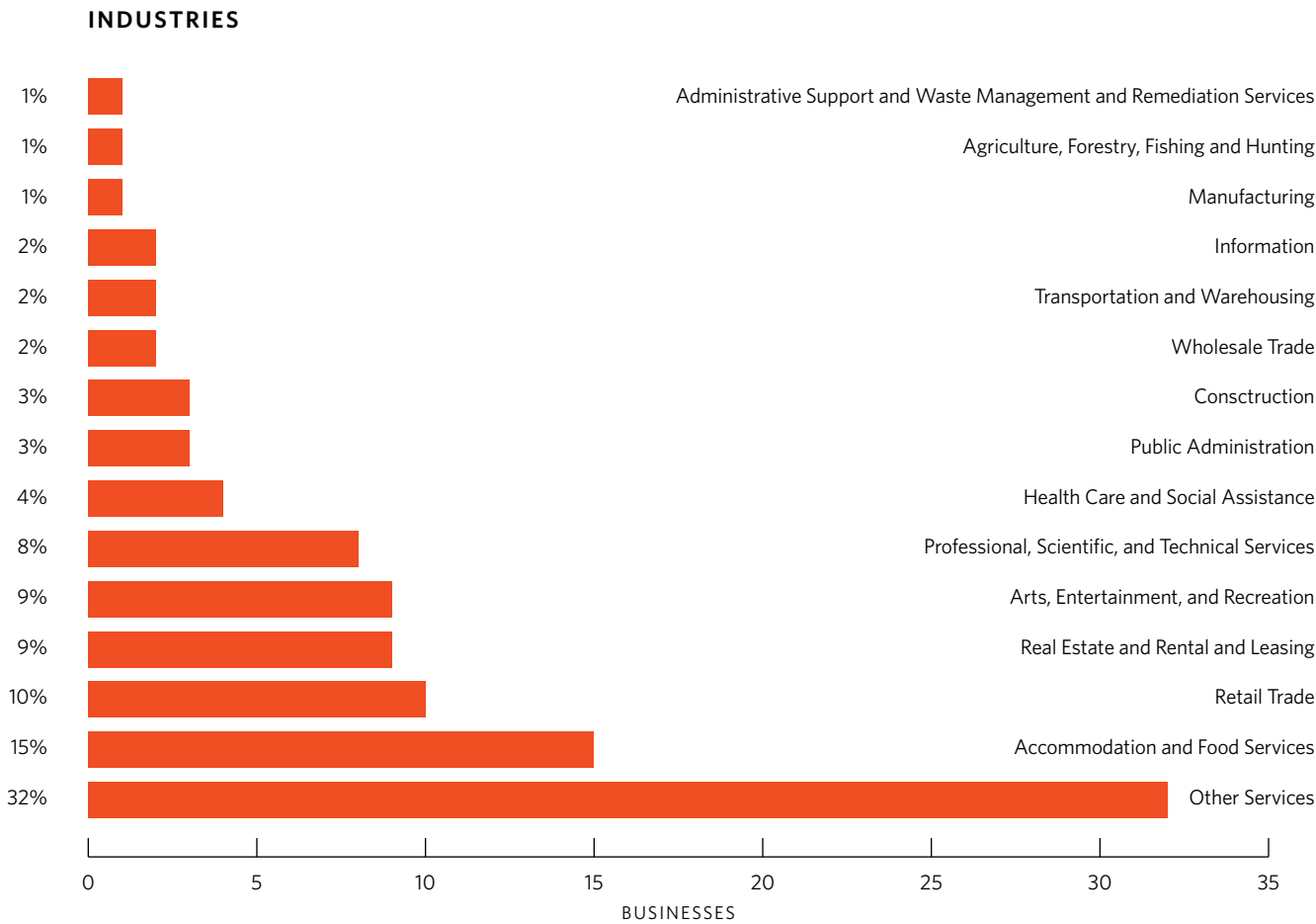
Have you applied for the Payroll Protection Program? (response not required: 123 respondents)

APPLIED FOR PPP



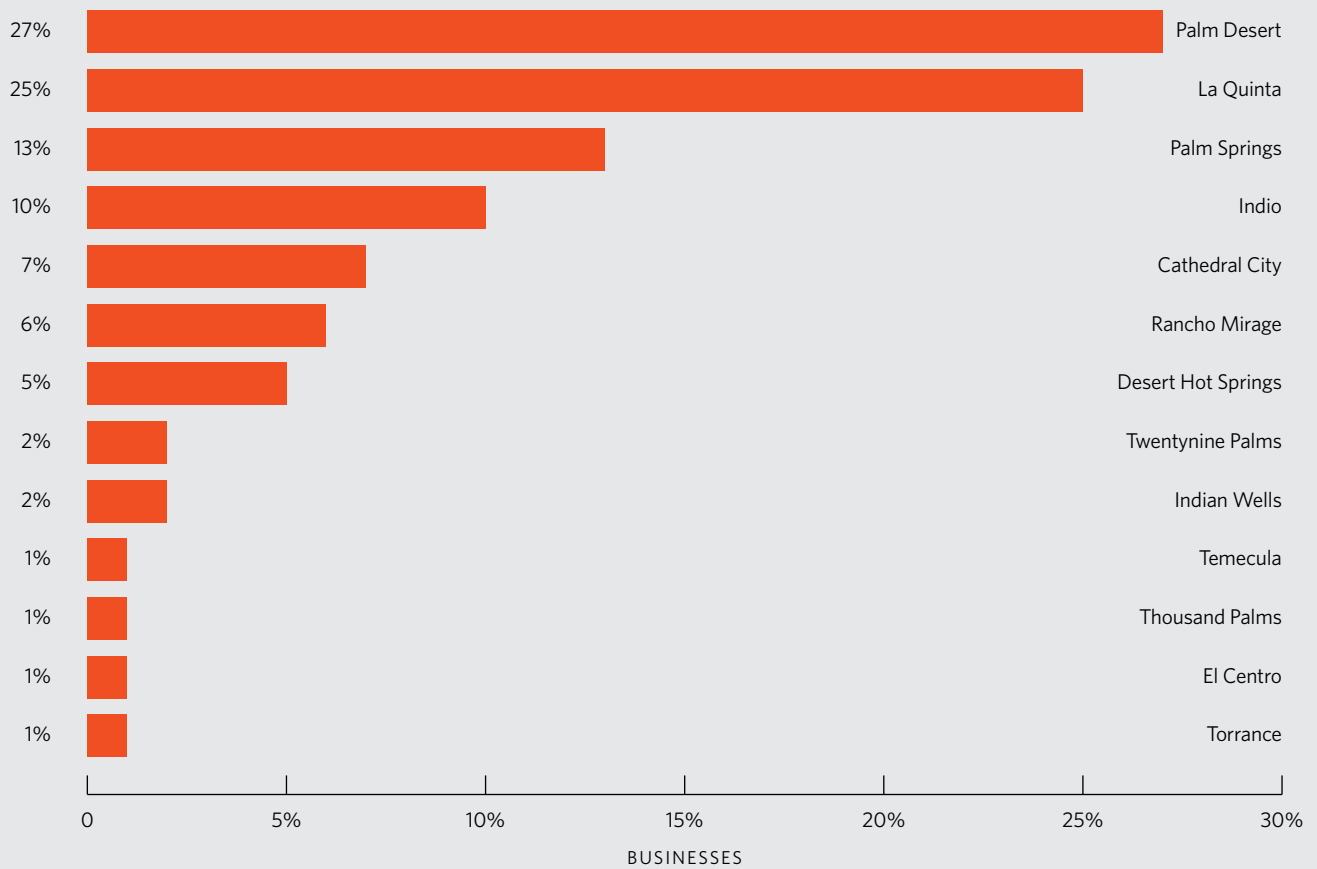
SURVEY PARTICIPATION

Which one of the following best describes your organization's primary industry?
(only one selected)



Other Services includes: automotive repair and services, equipment repair, barber/beauty shops, funeral services, dry cleaning, churches and religious organizations, civic and social organizations, business and professional associations, and labor union organizations.

LOCATIONS OF BUSINESSES THAT PARTICIPATED IN SURVEY





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