

COVID -19 PANDEMIC IMPACT and BUSINESS NEEDS ASSESSMENT SUMMARY

Survey Period August 27 – September 30, 2020

ABSTRACT: Yuba-Sutter Economic Development Corporation is committed to assisting businesses in the Yuba City MSA to improve the region's economic sustainability. The purpose of the survey was to determine the impact the pandemic and Stay-in Place orders have had after six to seven months on local businesses, determine adjustments businesses have made and to develop a strategic plan for providing technical assistance and other resources for businesses.

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Executive Summary

Yuba-Sutter Economic Development Corporation's (YSEDC) vision is to provide support for both the public and private sectors to improve sustainability of the Yuba-Sutter region through economic development and collaborative partnerships among the community, community organizations, health providers and the private and public sectors. YSEDC conducted an online COVID-19 impact assessment from August 27 through September 30, 2020 to obtain information on current organizational capacity, impact and needs of local businesses. The survey was conducted utilizing Constant Contact and was sent to 1,685 businesses. Promotion and marketing methods utilized were social media, electronic newsletter and print media. There were 87 responses (5.16 percent response rate) to the survey. Respondents to the survey represented a wide range of industry sectors but the largest sectors represented was Retail (13.7 percent) and Accommodations and/or Food Service (13.7 percent). Most of the business who responded (50.5 percent) were located in the Yuba-Economic Development District's jurisdiction, Yuba City followed by Yuba County, Unincorporated (17.2 percent), Marysville (14.9 Percent), Sutter County Unincorporated (8 percent), Live Oak (5.7 percent) and Wheatland (3.4 percent).

Findings: Negative Impact

Since Governor Newsom's Stay-at-Home Order issued March 19, 2020, respondents reported the top impact was loss of revenue (72.4 percent), the second largest impact was service reductions or operational changes (55.1 percent), third greatest impact workforce reduction/retention (41.4 percent) and the fourth most reported impact was COVID Related unexpected expense (40.2 percent) Other impacts reported by respondents were:

- Business closures - 28.7 percent
- Travel restrictions – 19.5 percent
- Little or no impact – 11.4 percent
- Cost Increase or lack of inventory of supplies and materials – 3.5 percent
- Lack of available employees – 2.3 percent

Findings: Positive Impact

Survey participants were asked if there were any positive impacts associated with the pandemic and 50 businesses responded to this question. The most common response was none/no/emphatically no (40 percent). The second most common response (22 percent) was related to business growth due to increase online presence, new opportunities and/or less competition. Other responses included:

- Improved or expanded client services/customer outreach – 12 percent
- Improved versatility, customer awareness and loyalty - 8 percent
- Financial assistance received either through PPP loan/grant, EIDL or grants – 8 percent
- Cost Increase or lack of inventory of supplies and materials – 3.5 percent

Findings: Current Business Status

Businesses describing their current business status were as follows: 34.5 percent businesses surveyed report they were partially open - some employees returned, 29.8 percent reported have opened and resumed normal operations, 10.3 percent businesses are partially open but with modified operations, 8 percent reported temporarily closed, 5.7 percent reported partially closed – most employees working from home, 4.6 percent are closed with employees teleworking or working from home, 1 business reported open beyond normal operating hours and 1 business has permanently closed.

Findings: Changes in Business Operations

Most survey participants (40 percent) reported they have conducted or participated in virtual or external platforms, 23.5 percent businesses have invested in telework technology, 21.1 percent have conducted virtual internal meetings, 21.1 reduced physical business space, 20 percent created new telework policies, 17.6 percent updated services for virtual or real-time delivery, 12.9 percent expanded or upgraded physical business space and 11.7 percent reported the current crisis has not substantially impacted their operations.

Findings: Expectation to Return to Pre-Crisis Levels

Responses to the overall expectation of returning to pre-crisis operations were quite varied with 31 percent businesses expect to return to normal operations in 7-12 months, 20.6 percent in 13-18 months, 19.5 percent reported return in 2-6 months, 12 or 13.7 percent business have returned to pre-crisis operations, 12.6 reported years, if ever and none expected a return to pre-crisis operations is imminent.

Findings: Impact of Current Crisis to Normal Operating Revenue

In response to this question, 21.8 percent businesses reported a reduction of revenue of 21-40 percent, 14.1 percent reported reduced by 41-60 percent, 13.7 percent reported 1-20 percent reduction, 11.4 percent reported 91-100 percent, and 9.1 percent reported 61-80 percent reduction. Six businesses did not respond and 4.5 percent reported 81-90 percent reduction.

Most businesses (49 percent) expect their normal operating revenue to be restored or stabilized to pre-crisis levels within 7 to 18 months, 11.4 percent have already substantially returned to pre-crisis levels and 1 expects restoration is eminent and 11.4 percent businesses believe it will take years, if ever.

Findings: Satisfaction of Virtual Offerings as Substitute for In-person Meetings and Events

Most businesses, 35.6 percent found virtual offerings acceptable but preferred in-person meetings, 18.3 percent reported as being satisfied or very satisfied, 13.8 percent businesses reported they did not like virtual meetings or gatherings and 21.8 percent felt the question was not applicable. Only 1 business stated that it was preferred.

Findings: Impact to Services Offered

One-half or 50 percent of the responding businesses reported either altered existing services due to budget or safety restrictions and/or introduced new services in response to the crisis, 34.8 percent businesses reduced services due to budget and/or safety restrictions, 16.2 percent reported no impact, 15.1 percent businesses suspended all services due to the pandemic.

Findings: Lasting Changes or Impacts to Services

All businesses reported expecting lasting impacts from services with 38 percent reporting some services may never return, 34.5 percent state virtual engagements will remain at least part of their offerings and 21.4 percent report new services introduced will stay. Businesses that were affected in delivery and travel were nearly evenly split with 9.5 percent reporting a reduction and 8.3 percent reporting an increase.

Findings: Workforce Impact

Surprisingly, nearly 54 percent businesses reported no or less than 20 percent reduction in workforce levels. Other businesses, 18.4 percent reported a reduction of workforce by 21-80 percent, 12.6 percent reported a reduction of 80-100 percent and 8 percent businesses increased their workforce levels. Businesses submitted the following comments:

In the next 6 to 12 months, 50.5 percent businesses anticipate maintaining pre-crisis staff, 27 percent will be rehiring laid-off staff or hiring new staff and 9.1 percent will be laying off staff.

Findings: Disaster Preparedness

The level of preparedness responses showed 65.5 percent businesses were either unprepared or somewhat prepared to respond to a crisis of this nature, 23 percent were prepared or very prepared and 8 percent were highly prepared.

Findings: Business Outlook

From the perspective of the business from the date of responding to the survey versus April business view of the future was split fairly evenly with 43.7 percent reporting somewhat improved to improved, 38 percent reporting somewhat worsened to worsened and 29 percent reported about the same.

Findings: Assistance Needed

The top four assistance needed by businesses were PPP supplies (36.9 percent), marketing in the new business climate (34.2 percent), access to capital (32.8), loan/grant assistance (31.5 percent), and workforce development (20.5 percent). Other assistance requested was disaster preparedness planning, information technology, human resources topics and legal assistance.

Key Considerations

Based on the findings from the survey, a set of key takeaways are listed below. YSEDC and Yuba Sutter Business Consortium partners may want to consider incorporating them into their technical assistance, business retention, and disaster mitigation efforts to mitigate the impact of COVID-19.

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- Maintain a COVID-19 resource page on its website to provide direct links for business assistance
- Research and develop possible funding sources for immediate financial relief for businesses including YSEDC's revolving loan fund
- Provide workforce development technical assistance for businesses including incumbent working training, on the job training, employment opportunities and promotion of local job openings
- Provide disaster mitigation technical assistance
- Provide technical assistance to the Yuba-Sutter Economic Development District jurisdictions
- Provide PPE supplies market and distribute to businesses
- Improve and enhance its revolving loan program
- Improve and enhance marketing efforts to businesses regarding services, tools, and resources available for businesses in the region.

Appendices

1. Online Survey