COVID-19 Business Impact Survey

March 17-March 26, 2020
COVID – 19 Impact Survey

- Disseminated the week of March 16 to ACCD membership and businesses in the networks of regional Chambers and Economic Development organizations; responses collected between 3/17-3/24

- **240 responses collected to date**

- Respondents:
  - **By footprint:**
    - **Firms with regional footprint** 64%
    - Firms with national footprint 19%
    - Firms with global footprint 19%
  - **By size:**
    - **Firms with less than 100 employees** 64%
    - Firms with 101-250 employees 10%
    - Firms with 251-1000 employees 16%
    - Firms with 1000+ employees 9%
  - **By industry:**
    - Professional Services 18%
    - Hospitality, Culture & Entertainment 12%
    - Real Estate 12%
    - Manufacturing 11%
    - Education 10%
    - Healthcare & Social Assistance 9%
    - Financial Services 8%
    - Construction 7%
    - IT & Tech 5%
    - Retail 4%
    - Logistics & Transportation 3%
    - Energy 2%
    - Other 33%
Key findings

- Over \( \frac{2}{3} \) of all businesses are experiencing significant disruptions; regional firms and firms with less than 100 employees are reporting a higher degree of significant disruptions that will take time to recover from.

- Top 3 causes of business disruptions include drop in demand for goods and services because of the spread of COVID-19 in the US, restrictions around employee access to work and breakages of supply chains; global and larger firms are more affected by the spread of COVID-19 outside the US.

- Close to \( \frac{3}{4} \) of all businesses are expecting the disruption to worsen in the next month while only 54% expect the disruption to worsen over the next 3 months.

- While employee inability to get to work causes significant disruptions, 40% of businesses are able to somewhat manage the situation while only 15% of businesses are able to conduct business as usual through work from home and other arrangements. Large employers are better equipped to solve for restrictions around employee access.

- The needs of businesses for external help include access to important information (especially important to employers with more than 250 employees), assistance in establishing effective internal policies and procedures (important to both local and global employers), access to capital and resources to sustain business operation (critical to smaller and regional businesses), coordination of child care (especially important to large employers).
Q1: To what extent have your normal business operations been disrupted as a result of the spread of COVID-19?

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>My business is actually benefiting.</td>
<td>2%</td>
</tr>
<tr>
<td>My business has experienced no disruption</td>
<td>2%</td>
</tr>
<tr>
<td>My business has experienced minimal disruption.</td>
<td>4%</td>
</tr>
<tr>
<td>My business is experiencing some disruption, but I expect it to remain manageable.</td>
<td>25%</td>
</tr>
<tr>
<td>My business is experiencing significant disruption, but I expect we will be able to bounce back quickly once things settle down.</td>
<td>28%</td>
</tr>
<tr>
<td>My business is experiencing significant disruption, and it will likely take some time to bounce back even after things settle down.</td>
<td>40%</td>
</tr>
</tbody>
</table>

Disruption Level by Company Footprint

Disruption Level by Company Size

Logistic & Transportation and IT & Tech are the only sectors experiencing minimal impact or benefiting from the pandemic.
Q2: Please indicate which types of disruption your firm is experiencing.

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>My firm cannot obtain the inputs needed to conduct business as usual.</td>
<td>18%</td>
</tr>
<tr>
<td>My firm cannot deliver final goods to customers because of disruptions in shipping.</td>
<td>7%</td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in the United States.</td>
<td>48%</td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in other countries.</td>
<td>10%</td>
</tr>
<tr>
<td>Some or all of my employees cannot get to their usual place of work.</td>
<td>32%</td>
</tr>
<tr>
<td>My firm has received orders from new customers because the spread of COVID-19 has disrupted supply chains.</td>
<td>2%</td>
</tr>
<tr>
<td>My firm has experienced an increase in demand because customers are engaged in precautionary behavior</td>
<td>4%</td>
</tr>
<tr>
<td>Other:</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Type of Disruption by Company Footprint**

<table>
<thead>
<tr>
<th>Type of Disruption</th>
<th>Global</th>
<th>National</th>
<th>Regional</th>
</tr>
</thead>
<tbody>
<tr>
<td>My firm cannot obtain the inputs needed to conduct business as usual.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm cannot deliver final goods to customers because of disruptions in shipping.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in the United States.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in other countries.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some or all of my employees cannot get to their usual place of work.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has received orders from new customers because the spread of COVID-19 has disrupted supply chains.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced an increase in demand because customers are engaged in precautionary behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Type of Disruption by Company Size**

<table>
<thead>
<tr>
<th>Type of Disruption</th>
<th>Less than 100 employees</th>
<th>101-250 employees</th>
<th>251-1000 employees</th>
<th>1000+ employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>My firm cannot obtain the inputs needed to conduct business as usual.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm cannot deliver final goods to customers because of disruptions in shipping.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in the United States.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced a drop in demand because of the spread of COVID-19 in other countries.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some or all of my employees cannot get to their usual place of work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has received orders from new customers because the spread of COVID-19 has disrupted supply chains.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My firm has experienced an increase in demand because customers are engaged in precautionary behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Q3: Do you anticipate that your normal business operations will be disrupted or further disrupted in the next month?**

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>My business has not been disrupted and I do not expect it to be disrupted in the next month.</td>
<td>4%</td>
</tr>
<tr>
<td>My business has already been disrupted but I do not expect the disruption to worsen in the next month.</td>
<td>7%</td>
</tr>
<tr>
<td>My business has not been disrupted but I expect it to be disrupted in the next month.</td>
<td>15%</td>
</tr>
<tr>
<td>My business has already been disrupted and I expect the disruption to worsen in the next month.</td>
<td>73%</td>
</tr>
</tbody>
</table>

**Anticipated Disruption within 1 month by Company Footprint**

- My business has not been disrupted and I do not expect it to be disrupted in the next month.
- My business has not been disrupted but I expect it to be disrupted in the next month.
- My business has already been disrupted but I do not expect the disruption to worsen in the next month.
- My business has already been disrupted and I expect the disruption to worsen in the next month.

**Anticipated Disruption within 1 month by Company Size**

- My business has not been disrupted and I do not expect it to be disrupted in the next month.
- My business has not been disrupted but I expect it to be disrupted in the next month.
- My business has already been disrupted but I do not expect the disruption to worsen in the next month.
- My business has already been disrupted and I expect the disruption to worsen in the next month.
Q4: Do you anticipate that your normal business operations will be disrupted or further disrupted in the next 3 months?

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>My business has not been disrupted and I do not expect it to be disrupted in the next month.</td>
<td>4%</td>
</tr>
<tr>
<td>My business has already been disrupted but I do not expect the disruption to worsen in the next 3 months.</td>
<td>12%</td>
</tr>
<tr>
<td>My business has not been disrupted but I expect it to be disrupted in the next 3 months.</td>
<td>30%</td>
</tr>
<tr>
<td>My business has already been disrupted and I expect the disruption to worsen in the next 3 months.</td>
<td>54%</td>
</tr>
</tbody>
</table>

**Anticipated Disruption within 3 months by Company Footprint**

- **My business has not been disrupted and I do not expect it to be disrupted in the next three months.**
- **My business has not been disrupted but I expect it to be disrupted in the next three months.**
- **My business has already been disrupted but I do not expect the disruption to worsen in the next three months.**
- **My business has already been disrupted and I expect the disruption to worsen in the next three months.**

**Anticipated Disruption within 3 months by Company Size**

- **Less than 100 employees**
- **101-250 employees**
- **251-1000 employees**
- **1000+ employees**
Specific types of disruptions experienced and expected include:

**Regional – Less than 250 Employees**
- Shut down and can’t conduct business (43%)
  - Business or customers/supply chain/trade partners are deemed non-essential
  - Not able to do work remotely
- Slowed or disrupted business (25%)
  - In busy selling season and not sure if able to deliver on orders
  - Forced to lay off most staff, even with take-out food/beer sales are still significantly down
  - Medical office seeing 60% less patients per day
  - Customers delaying or cancelling services and projects
  - Real estate issues in not being able to show homes/meet for closings and impact of rent/revenues on companies
- Childcare issues eating into production time and childcare centers in jeopardy of closing (7%)
- Employee anxiety about coming to work (7%)
- Event cancellations and loss of sponsorship revenue, hard to connect with members (7%)
- Minimal disruptions (10%)
  - We have had little disruptions, just new policies in place to screen new admissions and to keep our employees safe as well.
  - My firm has experienced increased demand from clients for telecommuting capability.
  - We supply companies with products they need to fulfill their essential business

**Regional – More than 251 Employees**
- Shut down and can’t conduct business (10%)
  - We are 95% shut down.
- Slowed or disrupted business (50%)
  - Customers not able to pay for services
  - Higher education delivery model disrupted
  - Unable to deliver services when not in person, can’t initiate new relationships
  - Construction projects are shuttered
  - Trouble delivering the required time of a "Unit" of therapy because it is difficult to keep people engaged on the phone/video for the required amount of time - usually an hour
- Other (30%)
  - We are a nonprofit that is considered life sustaining work for direct care workers going into consumers' homes. Some of the other programs are being affected like nursing home transitions.
  - We are business as usual at this time even though many employees are working from home.
  - Workforce primarily working from home, except field staff which have been reduced to reflect only essential services. Some impact from City and state permitting concerns.
  - This survey is very focused on manufacturing & product-based businesses, vs. those of us in the services or education portions of the economy.
Q5: To what extent are your employees able to get to their usual place of work? Please consider the impact of sick or quarantined employees, mandatory or suggested use of remote work, and call-offs or remote work because of school and childcare center closings.

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of my employees are able to get to their usual place of work.</td>
<td>18%</td>
</tr>
<tr>
<td>Some or all of my employees are not at their usual place of work, but I expect to continue to conduct business as usual.</td>
<td>15%</td>
</tr>
<tr>
<td>Some or all of my employees are not at their usual place of work and it has created some disruption, but I expect it to remain manageable.</td>
<td>40%</td>
</tr>
<tr>
<td>Some or all of my employees are not at their usual place of work and it has created significant disruption.</td>
<td>27%</td>
</tr>
</tbody>
</table>

Employee Access to Work by Company Footprint

Employee Access to Work by Company Size
Q6: My company needs help to:

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>% of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinate child care solutions for our employees.</td>
<td>10%</td>
</tr>
<tr>
<td>Establish effective internal policies and procedure to ensure safety and productivity of our employees.</td>
<td>18%</td>
</tr>
<tr>
<td>Ensure our employees have access to important information and resources.</td>
<td>25%</td>
</tr>
<tr>
<td>Other:</td>
<td>21%</td>
</tr>
</tbody>
</table>

Needs by Company Footprint

Needs by Company Size

Global  National  Regional

Less than 100 employees  101-250 employees  251-1000 employees  1000+ employees
Additional help needed include:
- Ensuring financial liquidity for businesses and supporting quick economic recovery
- Smaller and regional companies are in the greatest need of financial resources (especially if the economy doesn’t come back or business doesn’t resume to normal soon)

Specific inputs include:

**Regional – Less than 250 Employees**

- **Be allowed to re-open** (35%)
  - Be able to open our doors and conduct business safely
  - Get the economy back to normal
- **Financial assistance and funding** (30%)
  - Emergency working capital to help with cash flow and pay employees
  - Insurance to cover the financial loss
  - Grants instead of loans - advocate for small businesses more than large corporations
- **Resources and how to adapt** (22%)
  - Help for self-employed
  - How to adapt services provided to fit the current restrictions
  - How to connect people remotely
- **Other** (13%)
  - Congressional approval for business interruption insurance to cover pandemics
  - Just get the schools open and to help us get the LOCAL business. Many of the school districts are handled by Life Touch, a national company. All monies go to Minnesota. We are capable, for a lower price, to deliver BETTER results but schools do not find this to be that important to their families. These are not bad people but their priorities are on safety not pictures. As it should be, but.....
  - Encourage corporations like Highmark, UPMC, PNC, Covestro and others who have major sports advertising dollars to spend now to advertise now with local media. Readership is way up and the support would be greatly appreciated.

**Regional – More than 251 Employees**

- Best practice sharing
- Financial support
- Revisit behavioral health methods and units of delivery
Q7: Please describe any important developments related to the impact of COVID-19 on your business operations about which you feel the Allegheny Conference should be aware.

(Answers are as submitted but grouped by themes)

**Policy/Government Related**
- Insurance won’t touch any losses from a viral disaster. Our liquor liability and workman's comp should be erased from our rates when we are mandated to shut down and do not have employees employed.
- Tell all politicians that represent us to stop the partisan fighting and stick to the business of getting this country back on track after the virus has peaked.
- Some employees are also owners. They should also be entitled to unemployment compensation.
- All caregivers should be considered as health care workers and provided the same respect and treatment as those working in the hospitals and nursing homes. They are putting their lives and the lives of their families at risk each day they go to work. They need to be included in any benefits being offered.
- Local government agencies have stated they will waive certain licensure and other deadlines that cannot be met during covid-19 but US agencies are not as lenient.
- At some point of better understanding and preparation for the virus, there needs to be a tailored approach (especially by the government) in the precautionary actions along with supplementation of income - otherwise, businesses will not be able to pay taxes and loans, governments and lenders will not collect revenue, and consequently default will lead to further economic fallout.
- As a small business with 20 employees who have 20 families to support, the closing of my business has threatened everything that we know. We need to stop the spread of this virus and hopefully find a cure or preventive measures that can help get us back to a functioning society. I need to be able to reopen my bakery for business without the threat of spreading the disease. I also need help from the government. Some sort of business interruption income. Why bail out the big corporations and ignore small business?
- Just concerned for the fact that we are a small family owned and operated business that supports 2 families, no business, no pay, can’t collect unemployment. Bills still need to be paid; we have a small amount of money to get us through for a very short period of time.

**Non-Essential Business/Shelter in Place Issues**
- A strict curfew that will force the shutdown of our manufacturing operations.
- The state department of health severely over reached and has prevented us from seeing even emergency patients. This could damage very long-standing customer relationships.
- The Allegheny Conference should know that agencies that provide critical care must remain open, but that is not considered the entire staff. Working to have realistic expectations may be difficult to measure.
- I see my accounting & tax preparation business essential. I don't see how ONE person being in the office ALONE could hurt the current situation.
- We provide an essential service; however, the units of time needed to be spent in order to bill for those services is no longer reasonable.
- We are able to mitigate some of the disruption if we do not impose a shelter in home mandate and some of my employees are able to come to the studio to conduct livestream classes. If that can't happen, revenue will halt completely.
• We need to be able to install for customers! I understand our office and showroom being shut down but installs are 1-2 guys in someone’s backyard. It is critical!

**Communications**

• More information
• Lack of clear or coordinated messaging from federal state and local officials.
• We have had to rethink how we work and interact with our clients. We have to make our technology abilities more robust for interoffice interaction and large numbers of employees to work remotely.
• The general feeling of malaise that these kinds of occurrences engender can be addressed by the conference by stating remedial efforts by various agencies and municipalities and by framing this occurrence in a similar historic context to provide contextual reassurance. Some otherwise intelligent and mature people are seeing this as a new paradigm and there is no such thing.
• Now more than ever the business community must step up to help the community and those most impacted. We also will need to focus on rapidly working to reinvigorate the business environment quickly once this ends.
• Just that the business infrastructure depends upon people working in all sorts of jobs. Please keep a broad perspective and factor in major nonprofit members
• Regional, national and global clients are virtually unreachable. Business as we have known it has completely stalled.

**HR Policies**

• Challenges for our business are related to the fact that this is a manufacturing business, so MOST employees cannot work from home, and most do not have paid sick days. They do have a generous vacation program and STD program, but that is not helpful for people who need to self-quarantine. At the same time, we are heavily unionized and flexibility with changing employee’s shifts and hours to accommodate their childcare or other family issues is limited and problematic.
• Many employees will use most of their paid time off. I will likely burn through my cash reserves prior to the end of three months. And I will burn through my line of credit within 6 months.
• The medical marijuana program need to go to ALL telehealth appointments
• Many companies will learn to do things in a way they never considered which likely become the new normal. Companies that had limited flex/work from home schedules may see the merits in these forced changes.
• Temp office closures and employees moved to remote status

**Needs**

• We are not life sustaining but we are essential to quality of life... however we cannot operate and still maintain social distances with our patients. We would need protective gear and more cleaning supplies and more time to clean between patients and all this will disrupt our business as it stands. We are looking into telehealth but Medicare does not reimburse our type of services if performed via telehealth (audiology).
• New Castle needs tests, none are confirmed here because we are act 45 and I know people have it that aren’t getting tested because our hospital sucks.
**Childcare**
- Having kids at home with two working parents is a very big struggle. The schools are ZERO support. We've gotten no direction, curriculum, or support from the school. We haven't even received a lot of communication. It's a huge disappointment.
- Child Care is vital to the community. It allows essential services personnel the ability to work. Reviving the Child Care industry is paramount to getting the work force back to work.
- As a small educational school and childcare center, the crisis at hand (mandates closure) will have long term impacts as families cannot afford to honor commitments and pay childcare at home if needed. Employees may not be able to return when closure is lifted because of own finances, illness (self or family). With limited returning families, staff shortage will impact quality of program, placing bother children/families at risk as well as school's ability to maintain stability.

**Healthcare**
- For the acute, non-acute, and post-acute healthcare providers, the AC needs to be aware of the financial impact and stress to the delivery system in western PA.