



COVID-19 Economic Impact Survey Executive Summary

(May 12, 2020 – Long Beach, CA) The COVID-19 Economic Impact Survey was distributed citywide from April 3 to May 1. In total, 509 responses were collected from business owners or operators (including independent contractors), providing insight into their current challenges and greatest needs. The survey was a joint effort of the Downtown Long Beach Alliance (DLBA), the Long Beach Economic Development Department, Long Beach Area Chamber of Commerce, and Council of Business Associations (COBA).

Overall, the results of the economic impact survey confirm that businesses have been deeply impacted by the ongoing public health crisis. Over half of the businesses surveyed indicated that they had permanently laid off employees due to revenue losses (Fig.1), with part-time employees being the largest category of dismissed workers (Fig.2). Generally speaking, the Hospitality and Food Service Industry experienced more acute effects pertaining to employee layoffs and other economic impacts (Fig.3).

Decline in sales, inability to pay bills, and no reduction in rent were the three most common financial impacts felt by businesses (Fig.4). Such results were especially magnified for high-contact industries whose operations were directly impacted by public health mandates. Nearly all industries reported taking preventative steps to adapt their operations to public health mandates (Fig.5). Notably, there is a perceived negative correlation between the length/severity of public health mandates and the likelihood of reopening (Fig. 8). Financial recovery assistance (grants, loans, fee waivers) was vastly preferred over technical assistance, with businesses requesting more inclusive eligibility guidelines for funds (Fig.9).

Furthermore, the survey results highlight the wide-reaching impact that the COVID-19 pandemic and resulting health mandates have had on small business in Long Beach. Moreover, it showcases the necessity of packaging public health policy with economic support measures. While many of the survey respondents agreed that public health measures were necessary for the safety and welfare of the community, responses indicated that corresponding economic relief measures were inadequate. Such measures excluded many small business owners, including sole proprietors or independent contractors. Respondents felt economic aid resources were inadequately funded and reported excessive delays in disbursement of funds.

As the economy slowly begins to open up, there is a prevailing feeling of uncertainty among small business owners regarding whether both employees and customers will return, what a potential second wave of the virus might mean for their operations and the economy at large, and how new regulations might restrict the ability to generate revenue.

Section I: Layoffs and Furloughed Employees

Q8 HAS YOUR BUSINESS PERMANENTLY LAID OFF OR FURLOUGHED EMPLOYEES DUE TO REVENUE LOSSES IN THE LAST 30 DAYS?		
ROW LABELS	COUNT	PERCENT
No	222	44%
Yes	280	56%
Grand Total	502	100%

FIG. 1 OVERALL EMPLOYEE LAYOFFS DUE TO REVENUE LOSSES

Q9 IF APPLICABLE, PLEASE ESTIMATE THE NUMBER OF EMPLOYEES WHO HAVE BEEN FURLOUGHED AND/OR RELEASED FROM DUTY DUE TO IMPACTS SURROUNDING COVID-19	
	Average Number of Employees
Full-Time	6.26
Part-Time	8.07
Seasonal	1.54

FIG. 2 AVERAGE ESTIMATE OF WORKFORCE REDUCTIONS

Q9 If applicable, please estimate the number of fulltime employees who have been furloughed and/or released from duty due to impacts surrounding COVID-19	Average of Full-time employees	Average of Part-time employees	Average of Seasonal Employees
Arts, Entertainment, and Recreation	3.1	6.4	1.7
Construction	1.0	0.0	0.0
Educational Services	2.1	3.5	2.0
Finance and Insurance	0.5	0.0	0.0
Hospitality, accommodation and Food Services	19.9	19.2	0.7
Information	9.0	8.0	0.0
Manufacturing	2.0	3.5	5.0
Other (please specify)	4.3	7.2	1.2
Personal Grooming	2.4	3.8	0.1
Professional, Scientific, and Technical Services	1.4	0.7	2.1
Real Estate Rental and Leasing	1.7	0.7	0.8
Retail Trade	2.6	3.6	0.0
Transportation and Warehousing	7.3	0.0	0.0
Wellness & Fitness	2.5	3.5	4.8
Wholesale Trade	4.0	1.5	1.0
Grand Total	6.3	8.1	1.5

FIG. 3 AVERAGE ESTIMATE OF WORKFORCE REDUCTION BY INDUSTRY

- Part-time employees experienced the largest average number of layoffs due to COVID-19.
- The Hospitality and Food Service industry was disproportionately impacted by employee layoffs.
- While not hit as hard as Hospitality and Food Service, it should be noted that other industries that rely upon physical interaction, such as Arts, Entertainment, and Recreation, experienced considerable part-time employee layoffs. In addition to Hospitality and Food Service, the Information and Transportation industries had the most full-time employee layoffs.

Section 2: Financial Impacts by Industry Type

Q11 Which of the below financial impacts have you experienced? Please check all that apply.	Decline in sales	Decline in subscription/membership	Loss of sponsors or vendors	Cancellation of group reservations or planned events	Inability to pay bills, fees	Evicted	No Rent Reduction	Other
Arts, Entertainment, and Recreation	90%	40%	19%	75%	52%	0%	40%	17%
Construction	86%	14%	14%	57%	29%	0%	29%	29%
Educational Services	50%	14%	43%	43%	64%	0%	29%	21%
Finance and Insurance	100%	0%	0%	50%	50%	25%	25%	0%
Hospitality, accommodation and Food Services	96%	11%	6%	59%	65%	0%	60%	12%
Information	100%	0%	0%	0%	100%	0%	0%	0%
Manufacturing	100%	0%	0%	25%	75%	0%	50%	25%
Other (please specify)	75%	17%	24%	32%	43%	3%	28%	26%
Personal Grooming	78%	27%	4%	36%	91%	2%	56%	40%
Professional, Scientific, and Technical Services	80%	7%	7%	25%	35%	2%	33%	28%
Real Estate Rental and Leasing	58%	16%	11%	16%	37%	0%	11%	63%
Retail Trade	88%	12%	10%	41%	65%	1%	49%	19%
Transportation and Warehousing	100%	0%	0%	0%	60%	0%	20%	0%
Wellness & Fitness	69%	34%	13%	34%	48%	0%	58%	34%
Wholesale Trade	100%	20%	20%	20%	20%	0%	20%	0%
Grand Total	82%	19%	13%	41%	55%	1%	43%	25%

FIG. 4 FINANCIAL IMPACTS EXPERIENCED FROM COVID 19 BY INDUSTRY

- Declining sales was by far the largest single financial impact felt across all industries.
- Overall, 43% of businesses indicated that they had not received any reduction in rent.
- Hospitality and Food Service, Personal Grooming, and Manufacturing industries indicated the largest inability to pay bills and fees.
- The Personal Grooming industry was hit especially hard due to physical distancing protocols, as they had no other avenue to generate revenue.
- As of May 1, 2020, only 1% of all businesses had indicated they had been evicted.

Section 3: Preventative Measures taken by Businesses

Q13 WHAT COVID-19-RELATED PREVENTIVE MEASURES HAS YOUR BUSINESS TAKEN (CHECK ALL THAT APPLY)?		
ROW LABELS	Hospitality & Food Service	Overall Response
Shut down physical business location	41%	61%
Mandatory telework for employees	5%	17%
Voluntary/flexible telework for employees	7%	17%
Increased sanitation efforts (hand sanitizers, more frequent cleaning)	73%	50%
Employee health monitoring/self-quarantine policies	47%	35%
Switch to carryout/delivery only (restaurants/bar)	63%	13%
Suspended employee travel	11%	15%
Limiting the number of customers in your business or office location	53%	29%
Other (please specify)	5%	10%

FIG. 5 PREVENTATIVE MEASURES TAKEN, OVERALL RESPONSES AND HOSPITALITY/FOOD SERVICE INDUSTRY

- 61% of businesses surveyed had to close their physical business location, compared to only 41% of Hospitality and Food Service businesses.
- 3 out of 4 Hospitality and Food Service businesses said they had increased sanitation efforts.
- 53% of Hospitality and Food Service businesses are limiting customers in their location, compared to only 29% of all businesses surveyed.

Section 4: Estimated Revenue Losses

<i>Q14 Approximate YTD loss in revenue as a percentage difference from expected revenues</i>	<i>Average % difference from expected YTD Revenue</i>
Arts, Entertainment, and Recreation	62%
Construction	29%
Educational Services	54%
Finance and Insurance	81%
Hospitality, accommodation and Food Services	59%
Information	25%
Manufacturing	28%
Other (please specify)	58%
Personal Grooming	55%
Professional, Scientific, and Technical Services	47%
Real Estate Rental and Leasing	28%
Retail Trade	40%
Transportation and Warehousing	25%
Wellness & Fitness	52%
Wholesale Trade	37%
Overall	52%

FIG. 6 YTD LOSS IN REVENUE BY INDUSTRY

<i>Q15 Projected loss in revenue as a percentage difference from expected revenues</i>	<i>Average, if restrictions/closure mandates last through May 2020</i>	<i>Average, if restrictions/closure mandates last through June 2020</i>
Arts, Entertainment, and Recreation	63%	69%
Construction	49%	56%
Educational Services	28%	35%
Finance and Insurance	10%	20%
Hospitality, accommodation and Food Services	69%	70%
Information	30%	30%
Manufacturing	63%	72%
Other (please specify)	59%	64%
Personal Grooming	39%	49%
Professional, Scientific, and Technical Services	43%	49%
Real Estate Rental and Leasing	34%	38%
Retail Trade	43%	45%
Transportation and Warehousing	33%	43%
Wellness & Fitness	51%	56%
Wholesale Trade	49%	18%
Overall	52%	56%

FIG. 7 PROJECTED LOSS IN REVENUE BY INDUSTRY AND LENGTH OF PUBLIC HEALTH ORDERS

- On average, if mandates were left in place until the end of May, revenue losses across all industries would be 52%.
- The largest projected losses in revenue came from Arts/Entertainment, Hospitality/Food Service, and the Manufacturing industries.
- Overall, projected revenue losses are expected to increase an additional 4% if closures extend through June 2020.

Section 5: Reopening and Recovery Options

Q16 HOW LIKELY IS IT YOUR BUSINESS REOPEN WITH FULL OPERATIONS IF...			
	Orders remain for an additional 2 months	Orders remain in place for an additional 4 months	Orders remain in place for an additional 6 months
Very Likely	27%	14%	12%
Likely	24%	18%	10%
Neutral	21%	19%	16%
Unlikely	15%	23%	18%
Very Unlikely	14%	25%	44%
Total	100%	100%	100%

FIG. 8 OVERALL LIKELIHOOD OF REOPENING BUSINESS BY LENGTH OF PUBLIC HEALTH ORDERS
 *Conducted in mid-April 2020, stay at home orders with no reopening yet considered

- 51% of businesses surveyed said it was likely/very likely they would reopen fully if public health orders remained in place for 2 months
 - If orders remained for 4 months, the likelihood of reopening declined to 32%.
 - If orders remained for 6 months, the likelihood of reopening declined to 22%.

Q17 WHAT RESOURCES WOULD BE NECESSARY FOR YOUR BUSINESS IN ORDER TO RECOVER FROM THE ECONOMIC IMPACT OF COVID-19? SELECT ALL THAT APPLY.		
ROW LABELS	COUNT	PERCENT
Emergency Relief Funding Program (grants)	426	85%
Emergency Business Loan Program (low to 0% interest)	339	67%
Delay, reduction or waiver of local taxes and fees	303	60%
Updated Marketing/Social Media campaign promoting your business	207	41%
Advocacy at the local, state, and federal level concerning business protections	198	39%
Consistent special events to encourage foot traffic	146	29%
Business Development advisement and direction on accessing resources	124	25%
"Grand-Reopening Ceremony" or similar event assistance	120	24%
Federal SBA Program Education	110	22%
Education program focusing on Business Strategy	79	16%
Access to workforce and labor	44	9%
Grant Total	503	

FIG. 9 OVERALL NECESSARY RESOURCES FOR ECONOMIC RECOVERY

- Financial assistance was the most preferred recovery method across all industries.

- Updated marketing strategies and public policy advocacy were the most requested technical assistance from businesses.
- Comments received indicate a need for more inclusive funding options for specific business types,, such as independent contractors or sole proprietors.

SURVEY COMMENTS

BELOW IS A SAMPLE OF SURVEY COMMENTS COLLECTED.

- Applied for SBA loan 3/30 with no response. Called and no info available. Applied for PPP on first day made available and no response
- As a self-employed individual with no staff, I am not eligible for many of the current government disaster loan options (i.e. PPP) as I have reinvested revenue back into the business instead of paying myself from the business, which is a frustrating reason to be excluded from benefits. At this time, I have applied for unemployment as well as grants and disaster loans and have not received any assistance yet. The government programs have not proved to be helpful for my small business so far, even being tied to two approved lenders that I already borrow from and bank with, I have not received assistance. I also have received no notice of rent payment assistance. There needs to be better, quicker, and more flexible options available for very small businesses to access funding and help.
- Devastating. I am not sure my small business can recover after this unless there is some assistance or rent forgiveness.
- Disappointed by not getting guidance from the City. I requested an appointment and got no help. State slowness in unemployment assistance is beyond ridiculous. No sense of urgency.
- Employees not willing to take any risk of coming to work during this unsafe period, therefore, making it impossible to complete work for customers. Customers are pulling back on work due to their uncertainty of personal finances.
- Federal relief efforts are not going well (SBA and PPP). Application processes and administration of these processes by big banks is monumentally disorganized and wrought with incorrect information. If small businesses are to experience any relief, it seems that it's critical for smaller institutions with stakes in the local economies to become involved in managing these processes. Many businesses will not be able to wait out what is clearly going to be a VERY long process (and also institutions are communicating that funds are completely gone even before application deadlines are up). Banks are not lending, reducing interest rates, or investing in retail in any way right now, as we are deemed "too risky" (Bank of America).
- I am an independent contractor and self-employed. it is very difficult to find resources, and they are very limited. My business is definitely affected by COVID19 negatively, but not enough to receive funding or loans to help it.
- I am receiving nothing, no stimulus, no grants and no unemployment, although I have applied. I have been completely out of work since March 19, 2020. The beauty business is completely ignored financially.
- I'm worried that even when we open sales will not return to normal numbers. I'm also very worried about opening too soon, without protection.
- Please avoid an all or none mindset when it comes to re-opening. Reversing the order of restrictions at a sensible pace while watching the impact on new cases will get folks back to work.

Long Beach has done a good job of getting testing centers open. Let's get a tracing program up and move forward. Thank you to all our city officials, we see how hard you are working.

- There is little to no attention given to the beauty industry in our city. There are tons of brow, hair, nail and lash salons that will not be able to survive this. We are forced to “borrow” from the SBA at an interested rate rather than given grants. The grants are given to businesses with employees. We are self-employed. Where is our relief? We are a mighty work force that is completely over looked. Additionally, what will our businesses look like moving forward. Our jobs are to touch people. I can't change my business model and work from home or sell goods online. I personally need more leadership and solution on immediate grants that includes us. It isn't fair that the Federal government will make 3.75% off me when this is all said and done.
- We are dismayed at the distribution of SBA Loan to larger "small" businesses rather than real small businesses. That is those with 500 employees received funds while those with 10 did not.