BUFFALO NIAGARA PARTNERSHIP
OUR REGIONAL CHAMBER OF COMMERCE

WNY
GET THE RESULTS
COVID-19 BUSINESS IMPACT SURVEY
Business Impact Survey

Partners & Sponsors
Survey Consultant

Douglas Bean
Vice Chairman - Chief Brand Officer

Katie Bender
Research Director
Mower hosted an online quantitative survey on behalf of Buffalo Niagara Partnership to understand the impact of COVID-19 on area businesses.

<table>
<thead>
<tr>
<th>Quantitative Survey</th>
<th>10 minutes</th>
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<tbody>
<tr>
<td>Sample</td>
<td>Data collected through direct invitation to partner lists and those entering contact information on the BNP intake form</td>
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<tr>
<td>Field</td>
<td>April 14, 2020 – April 28, 2020</td>
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</tbody>
</table>
| Respondents Total = 1,685 | • Erie County = 1,339  
                          | • Niagara County = 231  
                          | • Other County = 115 |
Business Information
The largest industry type is professional services, followed by retail, and construction. Other industries above 5% of responses include manufacturing, non-profit, restaurants, and medical/health care.

**Base: All Respondents (n=1,685)**

S1. Which of the following best describe your industry?
Type of Organization

The vast majority of businesses are for profit.

- For profit: 71%
- Not for profit: 13%
- Independent worker (contractor, free-lance, no employees): 13%
- Other: 4%

Base: All Respondents (n=1,685)
S2. Please indicate which organization type represents your business.
Half of businesses have been approved for essential status in New York State.

Yes: 49%
No, but we intend to apply: 5%
No: 46%

Base: All Respondents (n=1,685)
S5. Have you been approved as or applied for “Essential” NYS Business status?
The vast majority of businesses responding have 50 employees or fewer.

Base: All Respondents (n=1,685)
S3. Which category best represent the number of employees your organization had as of January 1, 2020?

- 1: 19%
- 2-5: 22%
- 6-10: 13%
- 11-50: 27%
- 51-150: 10%
- 151-250: 2%
- 251-350: 2%
- 351-500: 1%
- 500+: 4%

81%
The vast majority of businesses responding have 50 employees or fewer. The majority of responses are from Erie County and the town with the largest representation is Buffalo, followed by Amherst.
General Business Operations
The most pressing concerns of businesses in the short term are a decline in revenue or sales, and cash flow. A next tier of concern are the safety and well-being of employees and cash reserves.

Base: All Respondents (n=1,685)

Q1. Which of these are your most pressing concerns as a result of COVID-19 in the short term? [PICK TOP 5]

- Decline in revenue/sales: 79%
- Cash flow: 63%
- Employee safety and well-being: 42%
- Cash reserves: 36%
- Cancellation of events/conferences/large gatherings due to NYS PAUSE: 28%
- Rent/lease/mortgage payment: 27%
- Loss of employees: 19%
- My business is at risk of closing permanently: 18%
- Debt relief/management: 18%
Most Pressing Short Term Concerns: By Segment

More concerned with employee safety
- Essential businesses
- Manufacturing
- 51+ employees

More concerned with cancellation of events/conferences/large gatherings
- Not for profits
- Non-essential businesses
- Sole proprietors
- Hospitality/Tourism

More concerned with rent/lease/mortgage payment
- Sole proprietors
- Non-essential businesses
The most pressing concerns of businesses in the long term are a decline in revenue or sales, and cash flow. A next tier of concern are cash reserves and the safety and well-being of employees.

Base: All Respondents (n=1,685)
Q2. Which of these are your most pressing concerns as a result of COVID-19 in the long term? [PICK TOP 5]

- Decline in revenue/sales: 73%
- Cash flow: 56%
- Cash reserves: 40%
- Employee safety and well-being: 34%
- Cancellation of events/conferences/large gatherings due to NYS PAUSE: 27%
- Rent/lease/mortgage payment: 25%
- Loss of employees: 20%
- My business is at risk of closing permanently: 21%
- Debt relief/management: 20%
Three in five businesses indicate there has been some level of postponement of investment decisions, with most postponed indefinitely. Another quarter are keeping the possibility of postponement open if needed.
## Postponed Investment Decisions: By Segment

<table>
<thead>
<tr>
<th>More likely to postpone overall</th>
<th>More likely to postpone indefinitely</th>
<th>More likely to postpone into 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>For profit businesses</td>
<td>10 employees or less</td>
<td>Restaurants</td>
</tr>
</tbody>
</table>

**Base:** All Respondents (n=1,685)

Q3. Have you postponed any investment decisions, capital or otherwise?
Revenue Impact
Nearly all businesses anticipate a decline in revenue through the end of the year, with most indicating a decline of 50% or less.

<table>
<thead>
<tr>
<th>Decline Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>76% - 100%</td>
<td>12%</td>
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<tr>
<td>51% - 75%</td>
<td>20%</td>
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<tr>
<td>26% - 50%</td>
<td>34%</td>
</tr>
<tr>
<td>1% - 25%</td>
<td>28%</td>
</tr>
</tbody>
</table>

- **93% Decline**
- **3% Increase**

Base: All Respondents (n=1,685)

Q4. Is your organization experiencing an anticipated change in revenue through December 31, 2020 related to COVID-19?
Base: All Respondents (n=1,685)
Q4. Is your organization experiencing an anticipated change in revenue through December 31, 2020 related to COVID-19?

More likely to anticipate a significant decline:
- Sole proprietors (76% - 100%)
- Restaurants (76% - 100%)
- Hospitality/Tourism (51% - 75%)

More likely to anticipate a decline:
- For profit businesses

More likely to anticipate low to moderate decline:
- 151+ employees (1%-25% decline)
The vast majority of businesses are applying for recovery stimulus incentives. Half are reducing variable costs, and over a third are reducing fixed costs and exploring new revenue sources and pricing. Only 5% report taking no action.

- Applying for/planning to apply for recovery stimulus incentives (Payroll Protection Program, SBA Loans, etc.) 75%
- Reducing variable costs 51%
- Reducing fixed costs 43%
- Exploring new revenue sources and pricing 37%
- Change in production scheduling 18%
- Creating new products 14%
- Receiving an insurance offset 5%
- Business is closed 1%
- Other 9%
- Not currently taking any actions 5%

Sole proprietors more likely to not be taking any action
Remote Working & Flexibility
Readiness to Work Remote at Start of NYS PAUSE & Since

One third of businesses were not ready to work remote, and only one-quarter were fully ready. In the time since PAUSE, one quarter of businesses still only have some employees covered and nearly one in five still do not have a functioning remote plan in place.

**Ready, we were already able to have 100% remote access**: 24%

**Partially ready, we had been working to develop remote procedures prior to COVID-19, and some key functions of our work were able to be conducted remotely**: 21%

**Not very ready, only a few workers were equipped to work remotely**: 11%

**Not at all ready, no one is equipped to work remotely**: 23%

**N/A – we are an essential industry, most or all of our employees are at work**: 21%

**45% Ready**

**We were able to independently complete our plan and get all staff functioning as remote**: 18%

**We were able to complete a plan with the assistance of a third party**: 3%

**We have a plan that covers some employees, but not all**: 28%

**We still do not have a functioning remote work plan in place**: 19%

**Unable to do work remotely**: 27%

**Essential business or workers still on site**: 4%

**Other**: 2%

**34% Not Ready**

**49% Plan in place**
Readiness to Work Remote at Start of NYS PAUSE & Since: By Segment

**Q6.** Which best describes your company’s readiness to work remotely as of March 23rd when New York State on PAUSE went into effect?

(Base: All Respondents (n=1,681))

- Not at all ready to work remote
  - Sole proprietors
  - 50 employees or less
  - Restaurants

- More likely to still not have a functioning remote plan in place
  - Sole proprietors

**Q7.** In the time since New York State on PAUSE went into effect, which best describes your path to a remote work plan for your company?

(Base: Respondents Not or Partially Ready to Work Remote (n=912))

- Not at all ready to work remote
- More likely to still not have a functioning remote plan in place
Workforce Impacts
Two-thirds of businesses report some type of staffing change as a result of COVID-19. More than a third reduced headcount, with temporary layoffs the most common action taken, followed by furlough.

**Q8. Has there been a change to your staffing capacity as a result of COVID-19? Please select all that apply. [MULTIPLE RESPONSE]**

- Yes, reduced headcount (including furloughs and layoffs): 42%
- Yes, reduced hours: 28%
- Yes, reduced hourly wages and salaries: 12%
- Fully closed/Not working as sole proprietor: 4%
- Yes, an increase in staff: 2%
- Yes, other: 4%
- No, no changes to staffing: 32%

**Q9. How have you implemented a reduction in headcount? [MULTIPLE RESPONSE]**

- Temporary layoffs: 73%
- Furlough: 36%
- Permanent layoffs: 13%
- Terminations: 3%
- Other: 7%

Base: All Respondents (n=1,685)
Base: All Who Reduced Headcount (n=659)
## Staffing Changes & Headcount Reductions: By Segment

### More likely to have reduced headcount
- For profit businesses

### More likely to have reduced hours
- Essential businesses
- Restaurant
- Medical/Health

### More likely to have reduced wages and salaries
- For profit businesses
- Hospitality/Tourism

### More likely to have made temporary layoffs
- For profit businesses
- Restaurants

### More likely to have implemented furloughs
- 51+ employees

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Base: All Respondents (n=1,685)

Q8. Has there been a change to your staffing capacity as a result of COVID-19? Please select all that apply. [MULTIPLE RESPONSE]

Base: All Who Reduced Headcount (n=659)

Q9. How have you implemented a reduction in headcount? [MULTIPLE RESPONSE]
60% of businesses have frozen hiring for the majority of positions, with most indicating a freeze across all roles.

Base: All Respondents (n=1,674)
Q10. Has your company implemented a hiring freeze as a result of COVID-19?
Implemented Hiring Freeze: By Segment

More likely to freeze across all roles

• For profit businesses

More likely to freeze across all but essential

• Not for profit businesses
• Non-essential businesses
• 51+ employees

Base: All Respondents (n=1,674)
Q10. Has your company implemented a hiring freeze as a result of COVID-19?
Concern & Assistance
Six in ten businesses believe the government can be helpful by expanding/streamlining SBA loans and half would like a payroll tax cut.

- Expand/streamline SBA loans: 60%
- Payroll tax cut: 53%
- Fast track/release funding for previously submitted reimbursement requests: 41%
- Relax/suspend reporting requirements for now: 28%
- Assisting the continuation of healthcare for employees: 26%
- Pay for childcare for emergency/front line workers: 8%
- Credit loans for employers of 500+: 4%
- Other: 24%

Q11. In what ways can local and State government be helpful to your business in the current environment? [MULTIPLE RESPONSE]

- Let us reopen
- Expand essential or allowed business
- More stimulus funding
- Grants
- Income/Property tax cuts/credits
- Expand eligibility for self-employed
- Expedit expedite unemployment application/benefits
- Reduce unemployment benefit
- Rent/Mortgage freeze
- Access to PPE
- Loan/Debt forgiveness
- COVID-19 testing
- Removal or reduction of state sales tax
- Hazard pay

Base: All Respondents (n=1,685)
As safely as possible, reopen non essential businesses as soon as possible.

Allow small, distanced construction crews onsite.

Allow moneys being allocated in the stimulus bills to be used for loss of inventory, loss of income. Help us to restock our restaurants financially. It will be like opening the door for the first time once pause is lifted. Very costly.

Marketing/public outreach to encourage support of local businesses.

Give our region a strong plan for reopening businesses so people will start having the confidence to spend money again.

Buffalo has the 2nd largest ecosystem for start-up companies which are one of the only true ways to increase new jobs in Buffalo. Most of these companies have taken venture capital which means that the process of getting PPP and other grants/loans is difficult to impossible, or our VCs don't want us to take it. Our companies tend to have 0 cash reserves and need 200-300% YoY growth to stay in business. There are no federal/state programs designed to tackle this issue even though you have tens of thousands of employees working for start-ups of various stages in Buffalo. Losing these companies and more importantly these creative minds from the Buffalo community will do exponential damage to the growth the city has seen. I'd like to see the local and state government come up with a program to better address those organizations.
The biggest concerns businesses have for the community are the potential for permanent closure of local and small businesses and the US economy. When looking at the concerns ranked in the top 3, temporary business closures and the impact on employee financial situations also emerges as a concern.

<table>
<thead>
<tr>
<th>Concern</th>
<th>Rank 1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The potential of permanent closure of local and small businesses</td>
<td>35%</td>
</tr>
<tr>
<td>The US economy</td>
<td>31%</td>
</tr>
<tr>
<td>Temporary business closures and their impact on the financial situation of those employees</td>
<td>12%</td>
</tr>
<tr>
<td>The impact on medical care systems and personnel</td>
<td>12%</td>
</tr>
<tr>
<td>The mental health impact on employees and the community</td>
<td>6%</td>
</tr>
<tr>
<td>The economic impacts will disproportionately harm people of color (including immigrant populations) and hourly/ minimum wage/part-time workers</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: All Respondents (n=1,653)
Q12. What are your biggest concerns for the community from the impact of COVID-19? [RANK 1-6]
Takeaways & Next Steps
COVID-19 Impact Takeaways

• The smaller the business, the greater the risk
• Postponement of investment and anticipated decline in 2020 revenue is significant
  • Though most businesses have optimism in classifying headcount reductions as temporary layoffs
• Restaurant business and Main Street retail are in dire straights and will need support to encourage local spending
• Advocacy at the Federal level will be necessary as State and Local government cannot fulfill all regional business needs
• Equity must be built into recovery or it will be lost
BNP Business Link

Have Questions About COVID-19?
We Have Answers.

STAY INFORMED
BUSINESS UPDATES
The Latest COVID-19 Resources & Impacts for Local Businesses.

GET CONNECTED
BUSINESS ASSISTANCE
Subject Matter Experts to Help Businesses Navigate COVID-19.

Thepartnership.org/BNPBusinessLink
Appendix
<table>
<thead>
<tr>
<th>Location</th>
<th>Count</th>
</tr>
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<tbody>
<tr>
<td>Buffalo</td>
<td>435</td>
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<tr>
<td>Amherst</td>
<td>188</td>
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<tr>
<td>Cheektowaga</td>
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<td>Orchard Park</td>
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<td>Niagara Falls</td>
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<td>Hamburg</td>
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<td>Outside of WNY</td>
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<td>Lockport</td>
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<td>Athol Springs</td>
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</table>
The most pressing concerns of businesses in both the short and long term are a decline in revenue or sales, and cash flow. A next tier of concern are the safety and well-being of employees and cash reserves.

Base: All Respondents (n=1,685)

Q1. Which of these are your most pressing concerns as a result of COVID-19 in the short term? [PICK TOP 5]

- Decline in revenue/sales: 79%
- Cash flow: 63%
- Employee safety and well-being: 42%
- Cash reserves: 36%
- Cancellation of events/conferences/large gatherings due to NYS PAUSE: 28%

Q2. Which of these are your most pressing concerns as a result of COVID-19 in the long term? [PICK TOP 5]

- Decline in revenue/sales: 73%
- Cash flow: 56%
- Employee safety and well-being: 42%
- Cash reserves: 36%
- Cancellation of events/conferences/large gatherings due to NYS PAUSE: 28%

Other concerns include:

- Restrictions on employees in the office due to NYS PAUSE: 15%
- Vendor supply chain: 14%
- Taxes: 11%
- Business continuity help: 9%
- HR practices (i.e. medical insurance, layoffs, policies): 9%
- Insurance for employees: 5%
- Childcare for employees: 3%
- Equipment needed (i.e. food storage, tech to move processes online): 3%
- Other: 7%

Our Regional Chamber of Commerce
BUFFALO NIAGARA PARTNERSHIP