



**COVID-19 Pandemic
Business Impact Survey**

Village of Archbold, Ohio

April-June 2020

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Village of Archbold COVID-19 Business Impact Survey

Executive Summary

The current COVID-19 pandemic is having an obvious negative effect on businesses. To document the true effects of the pandemic on Archbold businesses, Ohio State University Extension and the Ohio Sea Grant College Program partnered with the Village of Archbold and Reveille Ltd. to conduct a business impact survey to determine the issues that these businesses are facing.

The following is an analysis of the local business impact survey that was conducted from April -June 2020. Businesses were asked questions regarding the industry in which they were operating, level of business closures, operating capacity and procedures, employment levels, finances, and concerns for the future.

Key Findings

Respondents reported having between 787-985 full-time employees.

- 787 full-time employees are estimated to generate \$37,604,434 in personal income and contribute \$564,067 in local income taxes.
- 985 full-time employees are estimates to generate \$47,065,270 in personal income and contribute \$705,979 in local income taxes.

Respondents reported having between 260-505 part-time employees.

- 260 part-time employees are estimated to generate \$6,211,660 in personal income and contribute \$93,175 in local income taxes.
- 505 part-time employees are estimated to generate \$12,041,064 in personal income and contribute \$180,616 in local income taxes.

Most companies do not feel that they will close if business disruption continues at the current rate, but nearly all reported a loss in revenue.

- 80% of businesses reported a loss of revenue as a direct result of COVID-19.
- 69% of businesses stated that they were not at risk of closing if business disruption continues at the current rate.
- 77% of businesses reported that they have employees that are deemed “essential” by the state/federal government. This shows that many of the businesses in Archbold were able to remain open during the pandemic and had to weather revenue loss rather than fully close.

- Nearly half (46%) of businesses were not able to quantify their losses due to COVID-19.
- 75% reported that they are worried they will lose out on future projects and lose clients/customers because of the pandemic.

Businesses felt somewhat prepared to transition to remote work.

- 60% of businesses felt that they were prepared for their employees to work remotely.
- 52% feel that their employees are working at 75% to full productive capacity.

Going forward, the type of help that businesses would like to receive most is centered around COVID-19 prevention and information concerning financial assistance.

- 48% would like to receive information on how to protect their employees from COVID-19 and 44% would like information on how to protect their customers.
- 48% would like to receive information on financial assistance over the next 90 days.
- During the shutdown, 77% of businesses increased additional cleaning of shared workspaces and 69% added hand sanitizers throughout the office.

A majority of those who are qualified for federal assistance and need funding have been successful in receiving funds.

- 52% have either been successful in applying or are awaiting approval from the Payroll Protection Program while only 21.4% do not qualify.
- 11% of businesses applied and were approved for a U.S. Small Business Administration Economic Injury Disaster Loan and 19% stated that the loan is pending approval. Only 3.8% have been denied.
- Only 37% of businesses contacted their bank about a bridge loan or other financing with 33% stating that it is not necessary to do so at this time.

Introduction

The novel coronavirus COVID-19 has had a substantial negative effect on Archbold businesses. Issues range from forced closures, loss of income, forced business plan changes, supply chain interruptions, rent payments, productivity, physical and mental health to name a few. This effort was undertaken to determine the specific effects that Archbold businesses have experienced because of the pandemic.

The Village of Archbold and Reveille Ltd. established a partnership with Ohio State University Extension and the Ohio Sea Grant College Program to identify issues and concerns from small and medium sized businesses with a focus on Business Retention and Expansion (BRE) issues. The survey instrument was developed by Ohio State University Extension and Ohio Sea Grant with input from Archbold and Reveille Ltd. that consisted of 21 questions with 35 local businesses responding. The survey was open to the local business community on the village's website from April-June 2020.

Retention of existing businesses and community encouragement of local firms' continued growth has become an essential aspect of many local and regional economic development programs. While attraction of new businesses is a highly visible aspect of most economic development programs, studies have shown that businesses that already exist in a community account for up to 70% of all net change in local employment, and up to 86% in rural areas.¹

BRE Program Objectives

The objectives of the Village of Archbold's BRE Program are to:

- Identify and address concerns and issues of existing businesses by creating a value-chain of partners, including local and state government as well as private organizations and enterprises.
- Identify opportunities to stimulate local job growth. Communicate with local business community about potential funding sources regarding the COVID-19 pandemic.
- Establish and maintain an ongoing economic development partnership that develops and fosters long-term positive/productive relationships among public and private entities in Archbold, Ohio.

BRE Program Outcomes

Expected outcomes of this effort are to begin to understand the impact of the COVID-19 pandemic on Archbold businesses and to help provide timely financial information, improve services, grow existing businesses, enhance organizational visibility, and retain and improve the quality of life in the community.

¹ Kraybill, D. 1995. Retention and Expansion First, Ohio's Challenge. 8(2): 4-7 [Department of Agricultural, Environmental and Development Economics, Ohio State University, Columbus, OH]

Respondent Profile

The online survey instrument was distributed via the Village of Archbold's web site for all Archbold businesses.

As a result of this effort, 35 businesses provided information that is used in the analysis. Responding businesses could skip any questions in which they did not feel comfortable answering. It is of the utmost importance to ensure confidentiality of survey answers. Hence, all responses are reported in aggregate format.

A total of 35 responses from Archbold businesses were used for this analysis.

Table 1 presents the number of businesses and the percentage of the total number of businesses by industry.

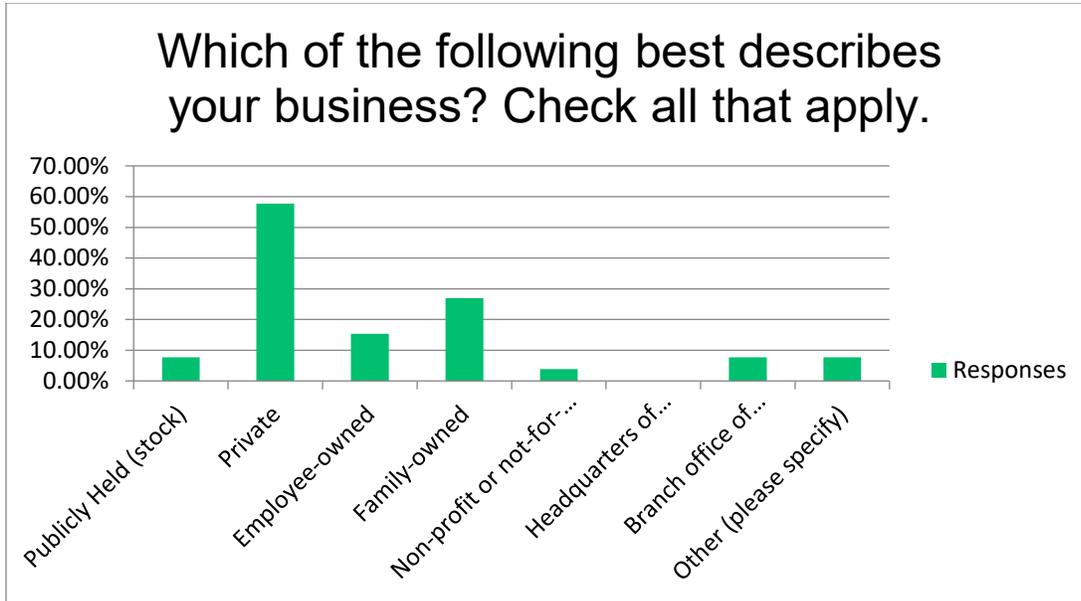
Table 1 - Frequency of Survey Respondents by Industry
28 of 35 businesses responding

NAICS Sector	Description	Businesses	Pct of Total
11	Agriculture, Forestry, Fishing and Hunting	1	3.57%
21	Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
22	Utilities	0	0.0%
23	Construction	0	0.0%
31-33	Manufacturing	4	14.29%
42	Wholesale Trade	1	3.57%
44-45	Retail Trade	4	14.29%
48-49	Transportation and Warehousing	1	3.57%
51	Information	1	3.57%
52	Finance and Insurance	6	21.43%
53	Real Estate and Rental and Leasing	1	3.57%
54	Professional, Scientific, and Technical Services	2	7.14%
55	Management of Companies and Enterprises	0	0.0%
56	Administrative and Support and Waste Management and Remediation Services	1	3.57%
61	Educational Services	0	0.0%
62	Health Care and Social Assistance	2	7.14%
71	Arts, Entertainment, and Recreation	0	0.0%
72	Accommodation and Food Services	0	0.0%
81	Other Services (except Public Administration)	4	14.29%
92	Public Administration	0	0.0%
	Unknown	0	0.0%
	Totals	28	100%

When asked which of the following best describes your business, most respondents in Archbold were privately owned (57.7%) or family owned (26.9%).

Answered: 26

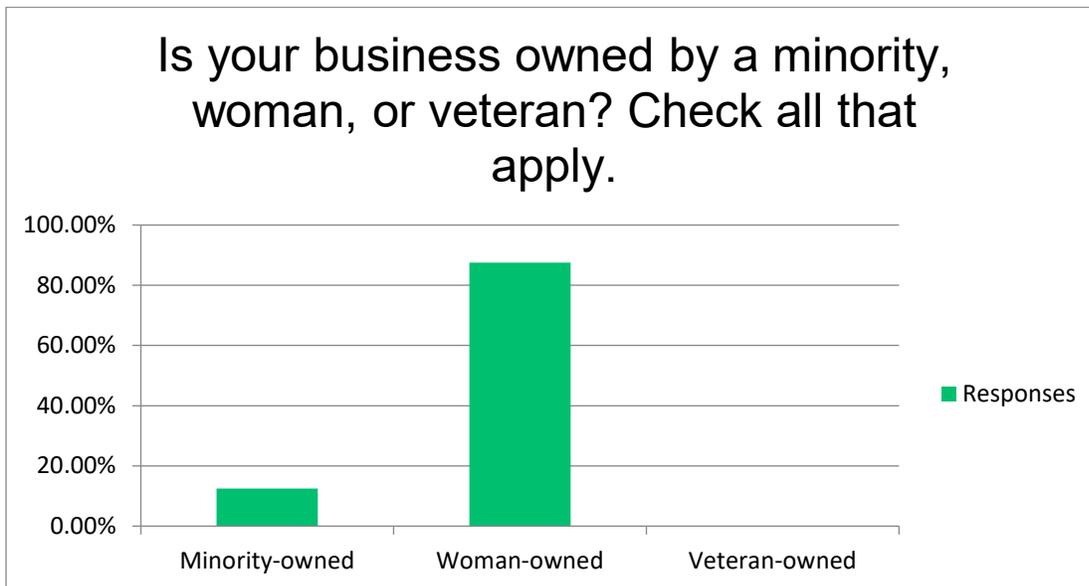
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When asked if their business is owned by a minority, woman, or veteran, 8 businesses whom this question pertains are 87.5% woman-owned, 9% minority-owned and 12.5% minority-owned.

Answered: 8

Skipped: 27

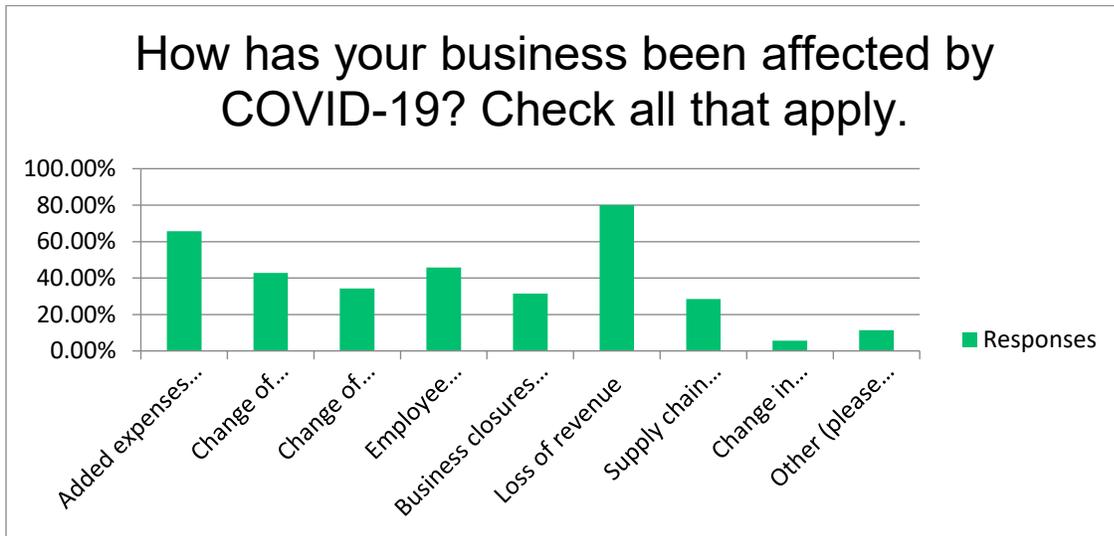


Impact on Business Operations

When given multiple choices about how each responding business has been affected by COVID-19, the top three answers were loss of revenue (80%), added expenses to mitigate public safety risks (65.7%) and employee layoffs/workforce displacement (45.7%)

Answered: 35

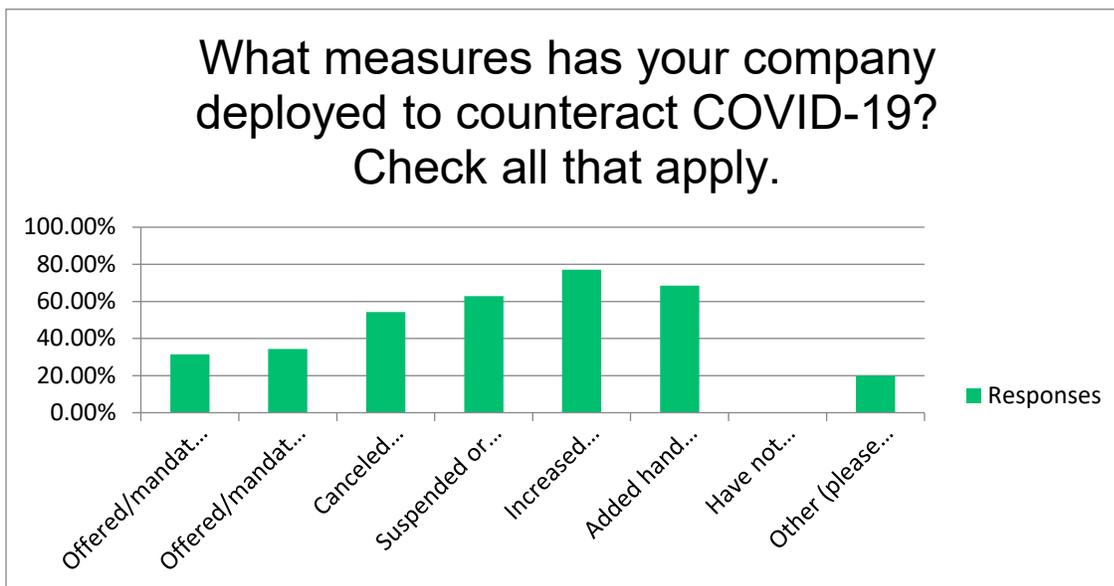
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When given multiple choices about what measures their company deployed to counteract COVID-19, the top three were increased additional cleaning of shared workspaces (77.14%), added hand sanitizers throughout the office (68.57%) and suspended or limited travel (62.86%).

Answered: 35

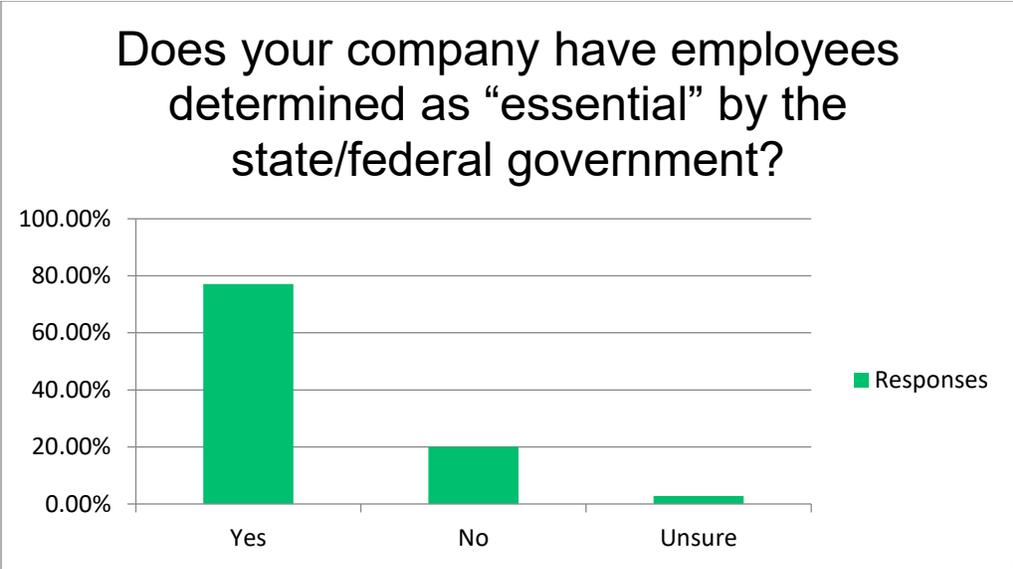
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When asked if their company has employees determined as “essential” by the federal or state government, 77% of respondents do while 20% do not.

Answered: 35

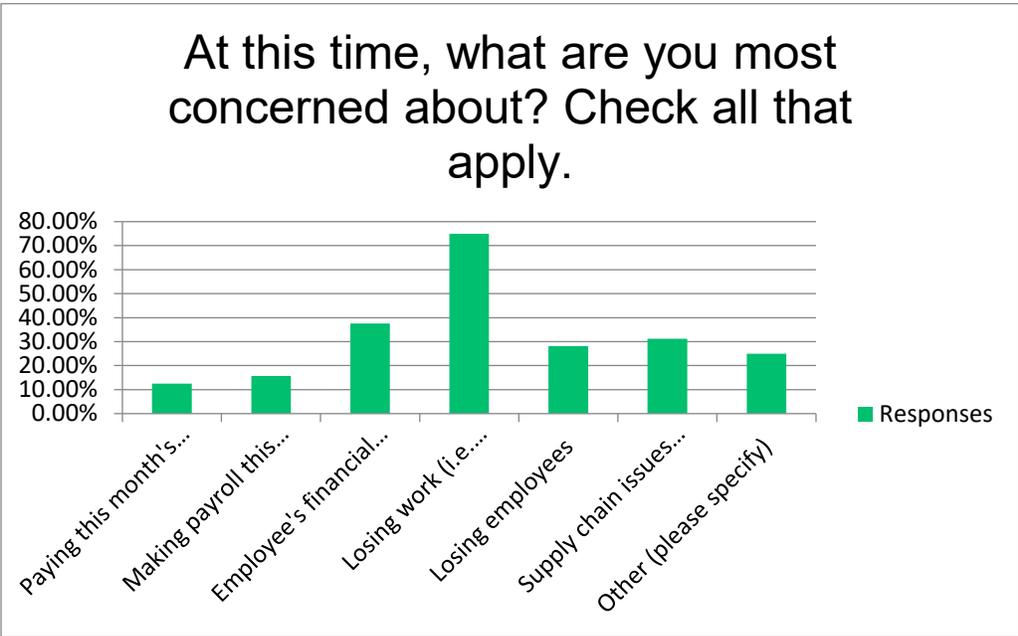
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When asked what your business is most concerned about, the top three responses were losing work (75%), employees’ financial welfare (37.5%) and supply chain issues (31.3%).

Answered: 32

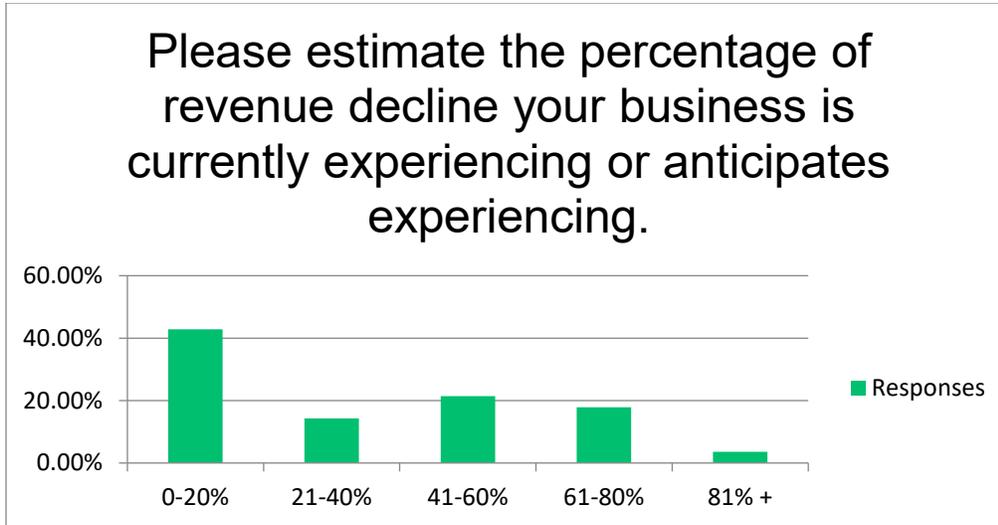
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When asked to estimate the revenue decline that their business is experiencing or anticipates experiencing, the top three responses were 0-20%, 41-60% and 61-80%.

Answered: 28

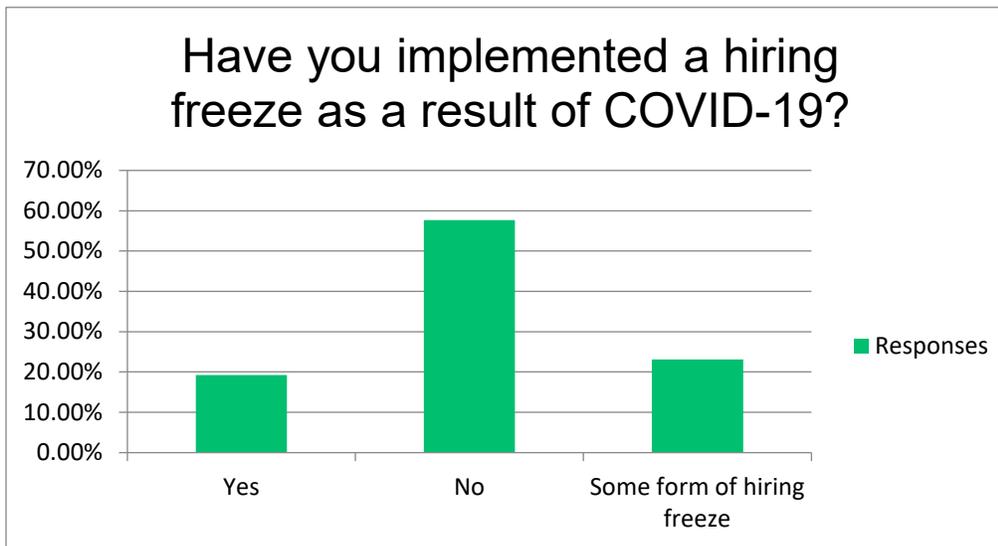
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When asked if businesses have implemented a hiring freeze because of COVID-19, 19.23% of responding Archbold businesses have done so.

Answered: 26

Skipped: 9

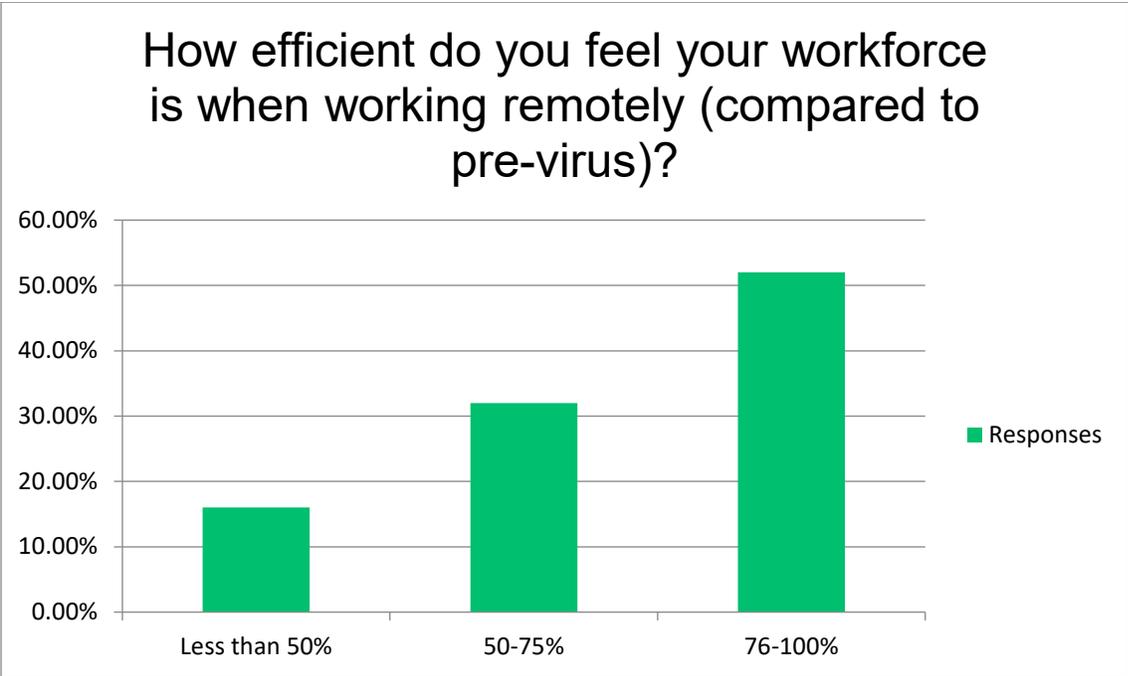


When asked the open-ended question “If any changes were made to employees’ compensation (salary, hourly wage, benefits, etc.) since the COVID-19 pandemic”, a wide variety of responses dealt with increasing wages for some, decreasing wages, no overtime, decreased commissions, decrease in hours worked, layoffs and frozen wages.

Answered: 17
Skipped: 18

When asked how efficient do you feel your workforce is when working remotely (compared to pre-virus) respondents answered 52% felt that employees were at 76-100% effectiveness, 32% felt employees were 50-75% effective and 16% felt that employees were less than 50% effective.

Answered: 25
Skipped: 10



Economic Loss and Business Closures

Businesses were asked if they were able to quantify economic loss due to COVID-19. 13 businesses responded yes (46%) while 13 businesses responded no (46%).

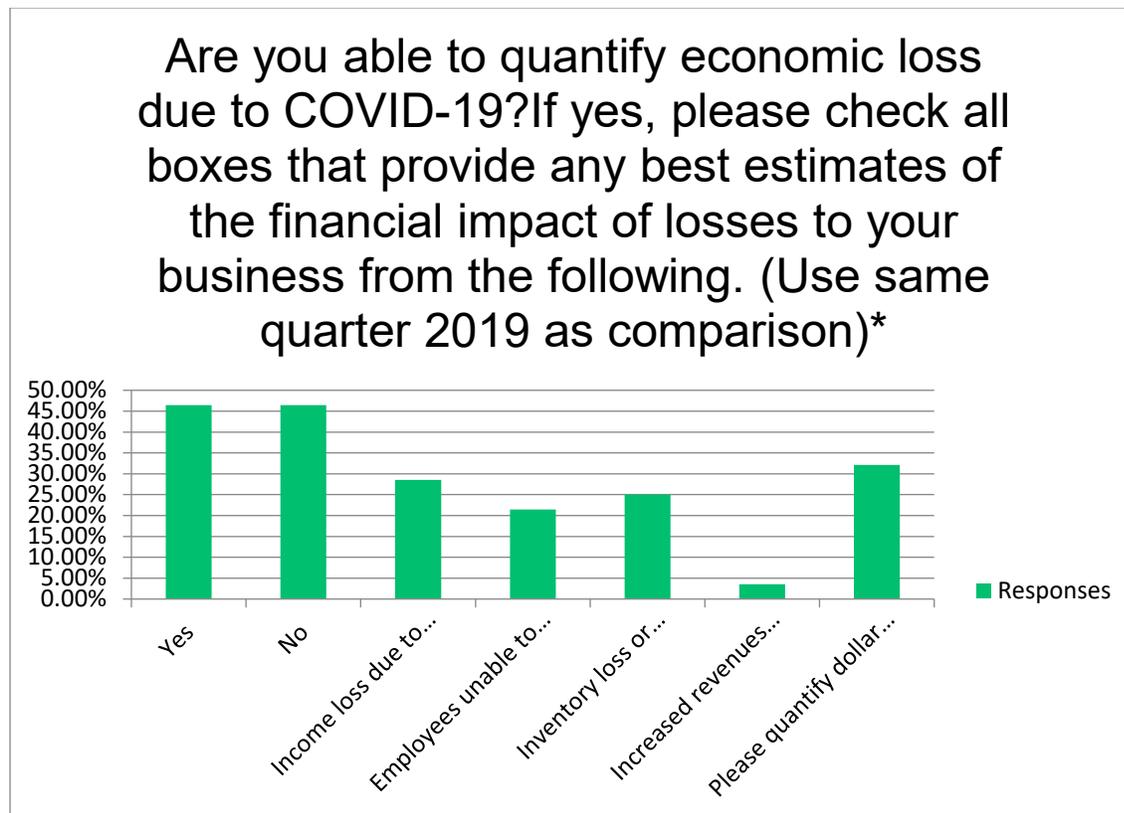
Businesses were then asked to check any boxes that provide best estimates of the financial impact of losses to their business with the top three factors being income loss due to closing business (29%), inventory loss due to supply chain disruption (25%) and employees being unable to report to work/estimated wage loss (21%).

When asked to quantify economic losses from COVID-19 compared to same quarter in 2019, 5 businesses estimated that total economic loss since start of the pandemic at \$188,200.

***NOTE:** Although 28 businesses responded to this question, only 5 respondents provided estimated economic loss figures.

Answered: 28

Skipped: 7

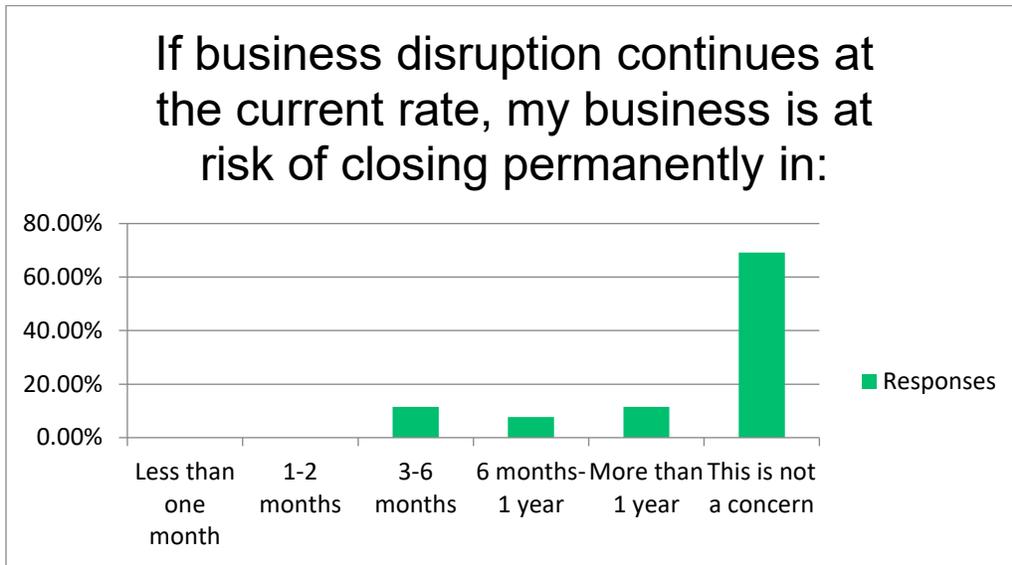


When asked if business disruption continues at the current rate, responding businesses indicated they are at risk of closing permanently in 3-6 months (11.5%), 6 months-1 year (7.7%) and more than 1 year (11.5%).

69% of responding businesses indicated business closure is not a concern.

Answered: 26

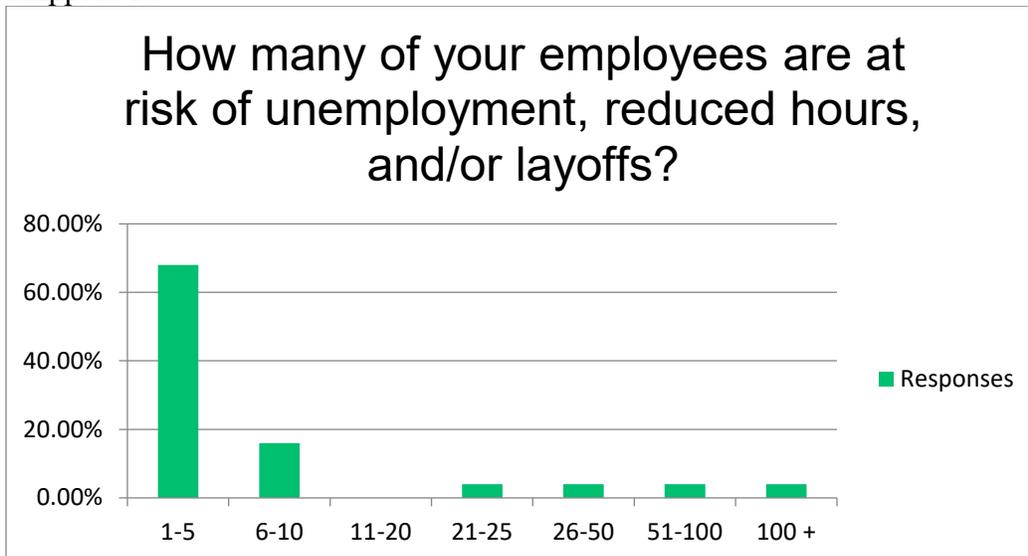
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When asked how many employees are at risk of unemployment, reduced hours and/or layoffs, the vast number of respondents (17) employ between 1-5 people (68%).

Answered: 25

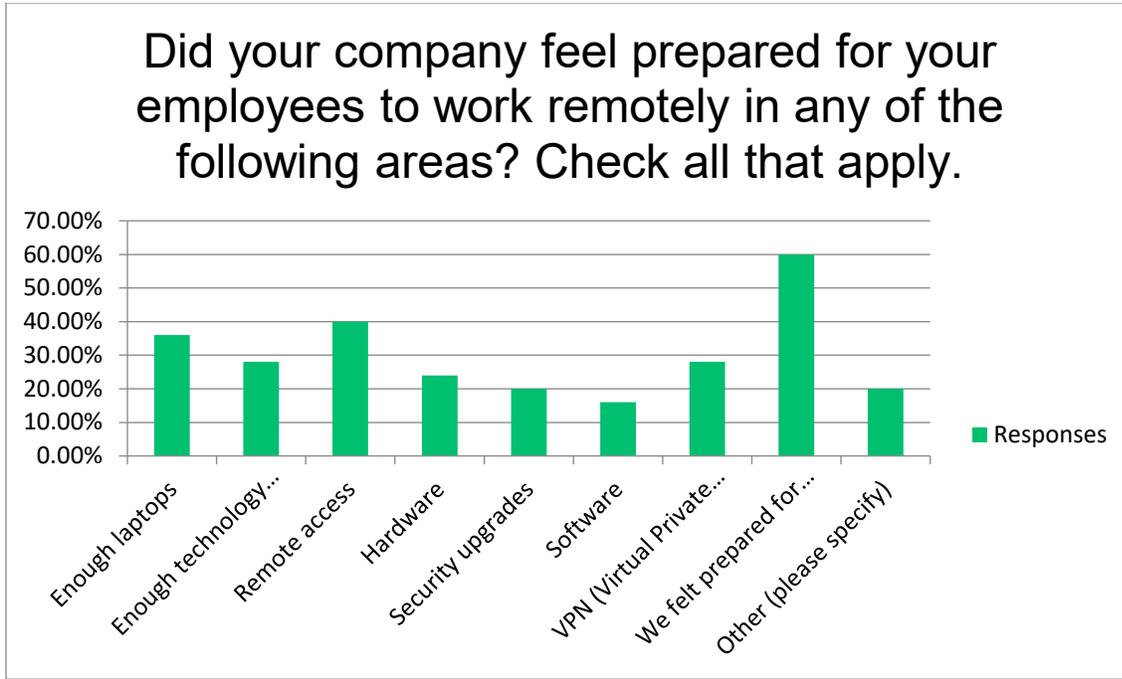
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When asked if businesses felt prepared for employees to work remotely in several areas, over half of businesses (60%) felt prepared for employees to work remotely.

Answered: 25

Skipped: 10



Business Employment

Number of full-time employees² reported by 28 responding businesses:

Answered: 28

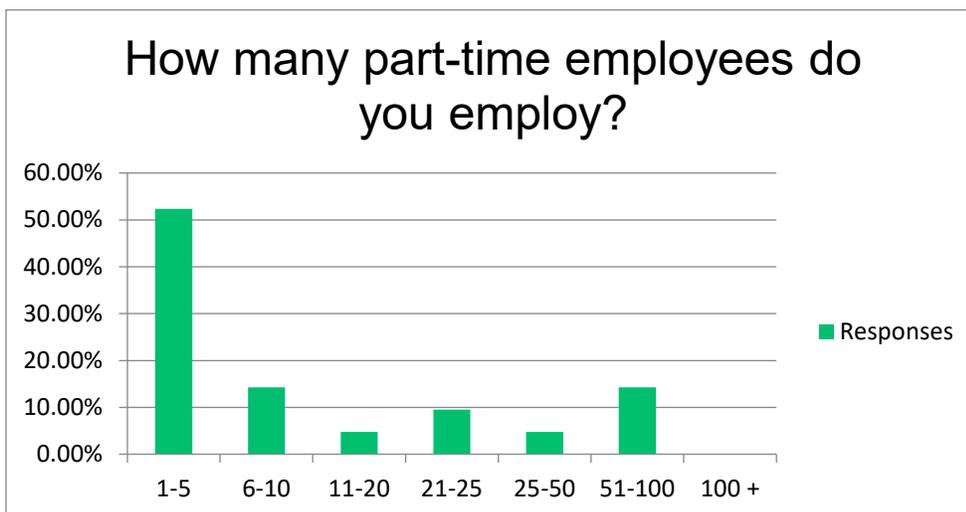
Skipped: 7



Number of part-time employees reported by 21 responding businesses:

Answered: 21

Skipped: 14



² Federal definition available at: <https://www.irs.gov/affordable-care-act/employers/identifying-full-time-employees>

- 35 Archbold businesses reported a range of between 787-985 full-time employees.
- 787 full-time employees are estimated to represent \$37,604,434 in personal income to Archbold's local economy.³ Additionally, 787 full-time jobs are estimated to represent \$564,067 in local income tax revenue.⁴
- 985 full-time employees are estimated to represent \$47,065,270 in personal income to Archbold's local economy. Additionally, 985 full-time jobs are estimated to represent \$705,979 in local income tax revenue.
- The U.S. Bureau of Labor Statistics described part-time employees as individuals working between 1-34 hours per week.⁵ However, the Fair Labor Standards Act (FLSA) is silent on the issue of part-time or full-time status. The main difference between a full-time and part-time weekly schedule is that part-time employees work less hours than full-time employees. Beside that stipulation, federal law does not dictate what hours are considered part-time, and it is up to the employer to define.
- For the purpose of this analysis and the sake of simplicity, the authors decided to divide the number of part-time employees by two; thus assuming 20 hours of weekly work for each reported part-time employee.
- 21 Archbold businesses that responded reported a range of between 260-505 part-time employees. This analysis divided these numbers in half to derive personal income and income tax estimates.
- 130 part-time employees are estimated to represent \$6,211,660 in personal income to Archbold's local economy. Additionally, 130 part-time employees are estimated to represent \$93,175 in local income tax revenue.
- 252 part-time employees are estimated to represent \$12,041,064 in personal income to Archbold's local economy. Additionally, 252 part-time employees are estimated to represent \$180,616 in local income tax revenue.

³ NAICS Codes 11, 31, 32, 33, 42, 44, 45, 48, 49, 51, 52, 53, 54, 56, 62, and 81 were combined and averaged for a mean wage of \$47,782. Estimated personal income is derived from May 2019 Occupational Employment Statistics via the U.S. Department of Labor, Bureau of Labor Statistics web site at:

https://www.bls.gov/oes/current/oes_45780.htm#00-0000

⁴ Assuming Village of Archbold income tax rate of 1.5%

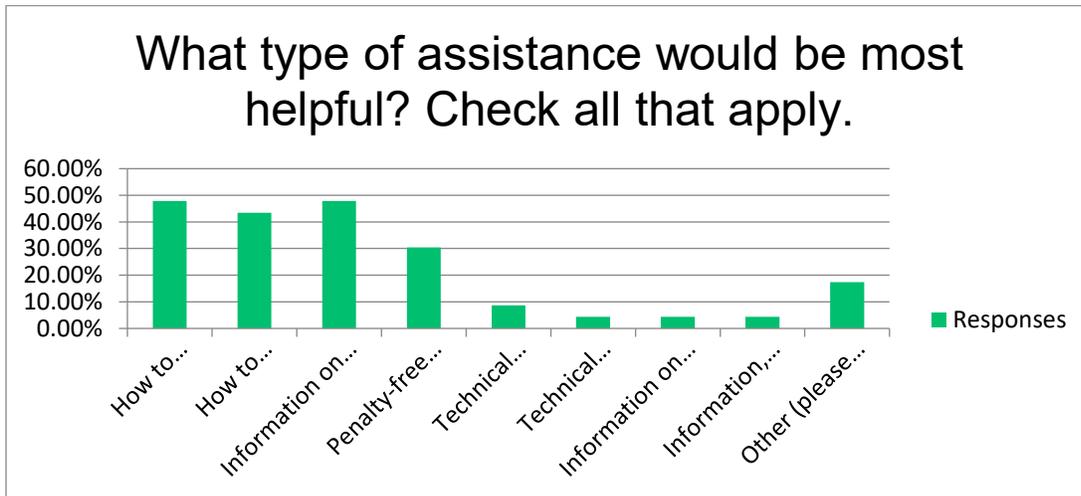
⁵ Federal explanation available at: <https://www.bls.gov/news.release/empsit.t08.htm>

Business Assistance

When asked what type of assistance would be most helpful, the top three choices are information on financial assistance over the next 90 days (48%), how to protect employees from COVID-19 (48%) and how to protect y customers from COVID-19 (43%).

Answered: 23

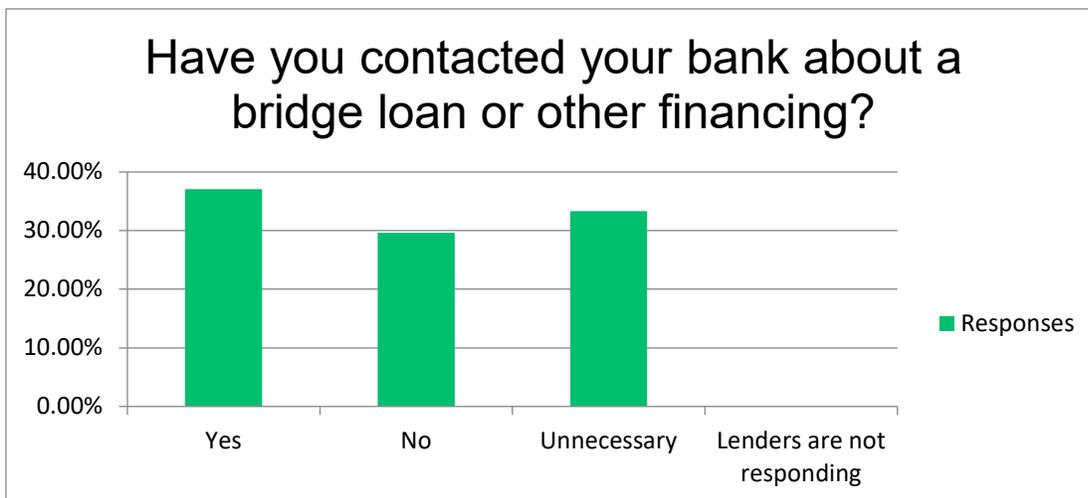
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When asked if businesses contacted their bank about a bridge loan or other financing, 37% have, 30% have not and 33% said it was unnecessary.

Answered: 27

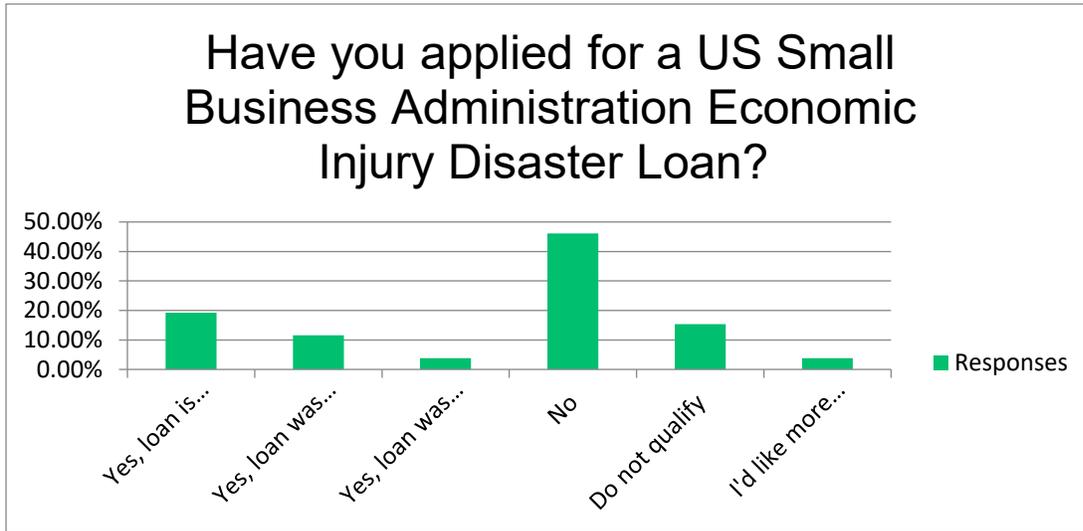
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When asked if businesses have applied for a U.S. Small Business Administration Economic Injury Disaster Loan, 12% have been successful, 4% have been unsuccessful, 19% have a pending loan and 15% did not qualify. 46% of respondents did not apply for a loan under this program.

Answered: 26

Skipped: 9



When asked if responding businesses have applied for the Payroll Protection Program, 43% were successful, 0% were unsuccessful, 14% were pending and 21% did not qualify. 18% found it not necessary to apply.

Answered: 28

Skipped: 7

