

COVID-19 Pandemic Business Impact Survey

City of Perrysburg, Ohio

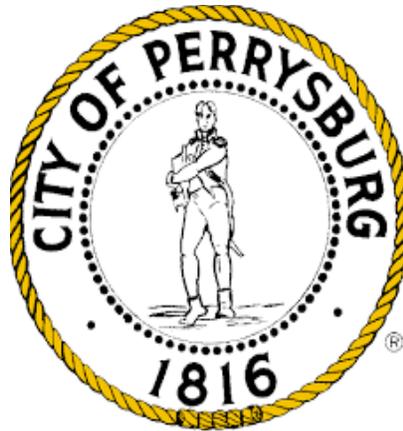
April-June 2020

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Perrysburg 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 Perrysburg businesses, the Ohio State University Extension and Ohio Sea Grant College Program partnered with the City of Perrysburg 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 1,310-1,995 full-time employees.

- 1,310 full-time employees are estimated to generate \$64,696,970 in personal income and contribute \$970,455 in local income taxes.
- 1,995 full-time employees are estimates to generate \$96,551,585 in personal income and contribute \$1,448,274 in local income taxes.

Respondents reported having between 405-925 part-time employees.

- 405 part-time employees are estimated to generate \$9,976, 174 in personal income and contribute \$149,643 in local income taxes.
- 925 part-time employees are estimated to generate \$22,816,794 in personal income and contribute \$342,252 in local income taxes.

Businesses experienced an equal distribution of revenue loss and the loss of work and returning customers and clientele is their primary concern.

- 83% of businesses have lost revenue with 71% also citing extra expenses to mitigate public safety risks and 62% stating that they had to change their business model to adapt to COVID-19.
- If business disruption continues at the current rate, 69 businesses are at risk of closing permanently.
- Responding businesses have self-reported \$10,945,800 in lost income from April-June 2020 versus the same time frame from 2019.

- Anticipated revenue loss is evenly distributed. Of the five intervals given in the survey, 0-20%, 21-40%, and 41-60% revenue decline each saw 22% of respondents in these categories. The remaining 34% of businesses anticipated upwards of 61% revenue loss.
- 63% could quantify their losses with 38% citing the fact that their income loss was due to business closure.
- Businesses are primarily concerned with loss of work (80%) and their employees' financial welfare (47%). 40% are concerned with paying the month's rent and supply chain issues.

The most helpful resources for businesses going forward are financial-related.

- 53% cited penalty free extensions of business expenses would be the most helpful.
- 52% stated that information on financial resources over the next 90 days would be helpful.

Most businesses that did transition to remote work felt prepared although they felt that there was somewhat of a decrease in productivity.

- 53% of the businesses felt prepared for their employees to work remotely. But it is important to note that the majority of businesses were of the kind that would be unable to work remotely (food service, retail, health care, etc.).
- 58% of businesses employ between 1-5 employees.

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

- 54% have either been successful in applying or are awaiting approval from the Payroll Protection Program while only 14% do not qualify. Only 5% have been unsuccessful.
- 21% of businesses applied and were approved for a U.S. Small Business Administration Economic Injury Disaster Loan and 20% state that the loan is pending approval. 10% have been denied.
- 42% of businesses contacted their bank about a bridge loan or other financing with 23% stating that it has not been necessary. 4% say the lenders are not responding.

Introduction

The novel coronavirus COVID-19 has had a substantial negative effect on Perrysburg 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 Perrysburg businesses have experienced because of the pandemic.

The City of Perrysburg 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 Perrysburg and Reveille Ltd. that consisted of 21 questions with 136 local businesses responding. The survey was open to the local business community on the city'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 City of Perrysburg'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 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 Perrysburg, Ohio.

BRE Program Outcomes

Expected outcomes of this effort are to begin to understand the impact of the COVID-19 pandemic on Perrysburg 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 City of Perrysburg’s web site for all Perrysburg businesses.

As a result of this effort, 136 businesses provided information that are 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 136 responses from Perrysburg businesses were used for this analysis.

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

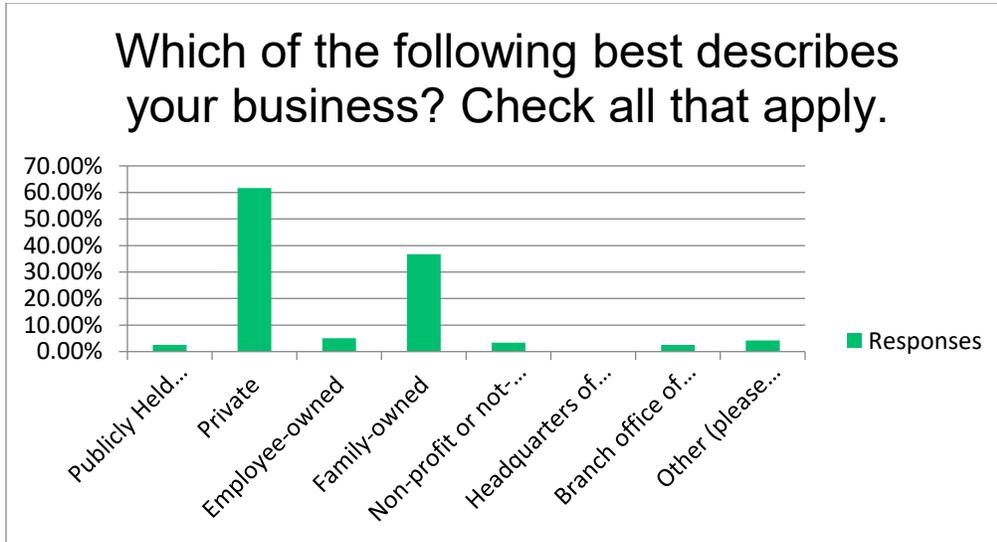
Table 1 - Frequency of Survey Respondents by Industry
120 of 136 businesses responding

NAICS Sector	Description	Businesses	Pct of Total
11	Agriculture, Forestry, Fishing and Hunting	0	0.0%
21	Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
22	Utilities	0	0.0%
23	Construction	4	3.3%
31-33	Manufacturing	4	3.3%
42	Wholesale Trade	7	5.8%
44-45	Retail Trade	20	16.7%
48-49	Transportation and Warehousing	0	0.0%
51	Information	3	2.5%
52	Finance and Insurance	13	10.8%
53	Real Estate and Rental and Leasing	2	1.7%
54	Professional, Scientific, and Technical Services	7	5.8%
55	Management of Companies and Enterprises	0	0.0%
56	Administrative and Support and Waste Management and Remediation Services	1	0.8%
61	Educational Services	2	1.7%
62	Health Care and Social Assistance	14	11.7%
71	Arts, Entertainment, and Recreation	9	7.5%
72	Accommodation and Food Services	19	15.8%
81	Other Services (except Public Administration)	14	11.7%
92	Public Administration	0	0.0%
	Unknown	1	0.8%
	Totals (may not add to 100% due to rounding)	120	100.00%

When asked which of the following best describes your business, most respondents in Perrysburg were privately owned (61.7%) or family owned (36.7%).

Answered: 120

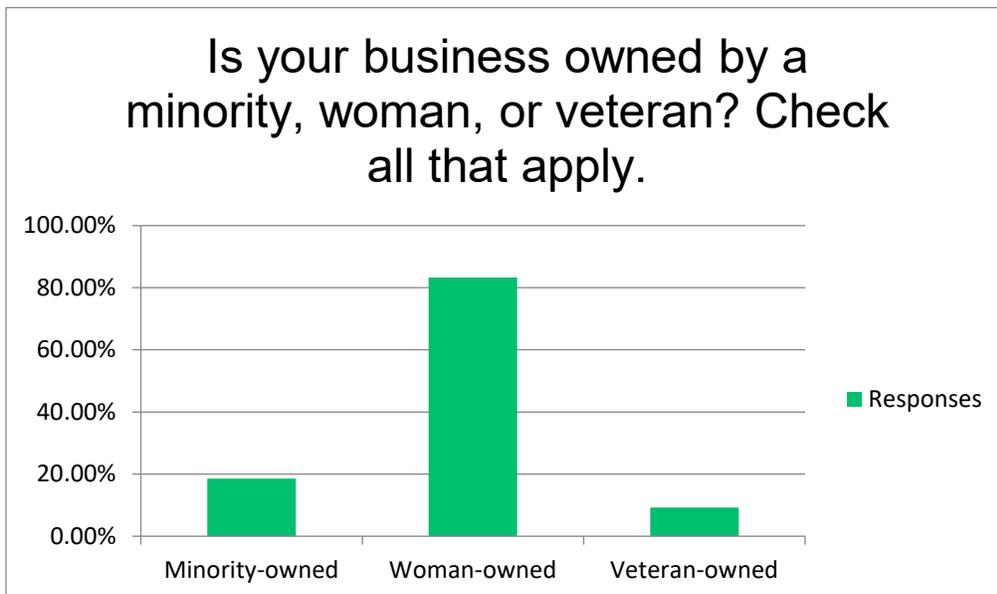
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When asked if their business is owned by a minority, woman or veteran, 54 businesses whom this question pertains are 83.3% woman-owned, 18.5% minority-owned and 9.2% veteran-owned.

Answered: 54

Skipped: 82

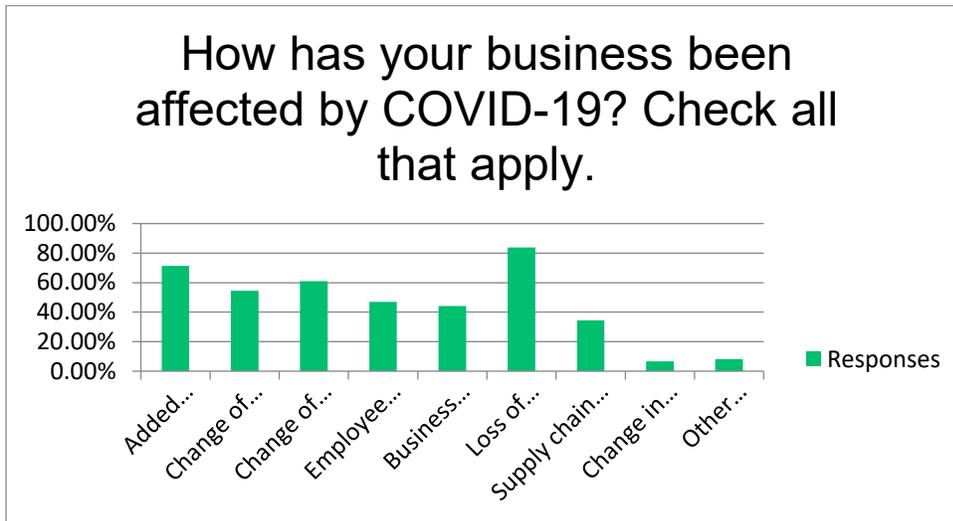


Impact on Business Operations

When given multiple choices about how each responding business has been affected by COVID-19, the top three answers were loss of revenue (83.8%), added expenses to mitigate public safety risks (71.3%) and change of business model (61%).

Answered: 136

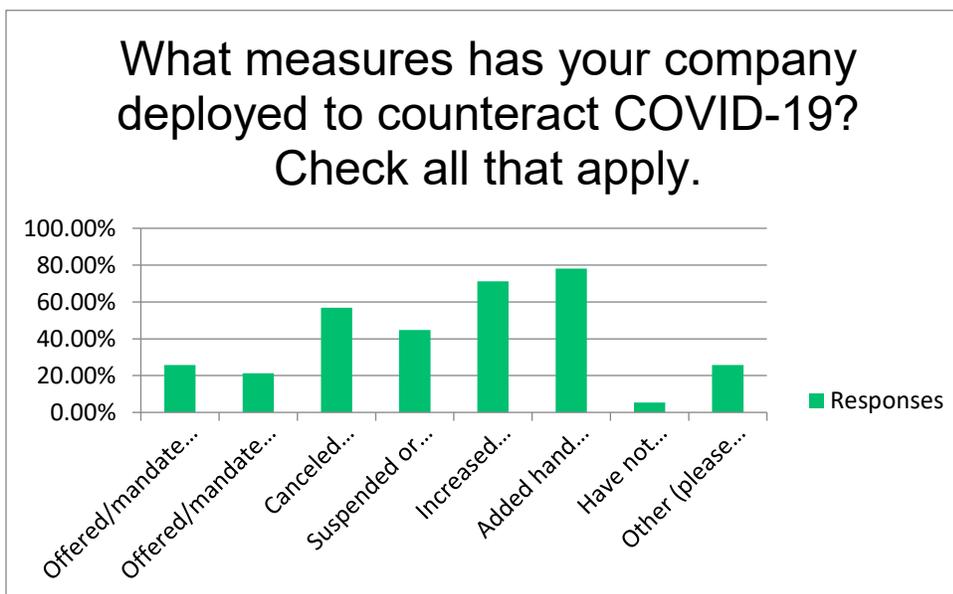
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When given multiple choices about what measures their company deployed to counteract COVID-19, the top three were added hand sanitizer throughout the office (78%), increased additional cleaning of shared workspaces (71.2%) and cancelled meeting or conferences (57%).

Answered: 132

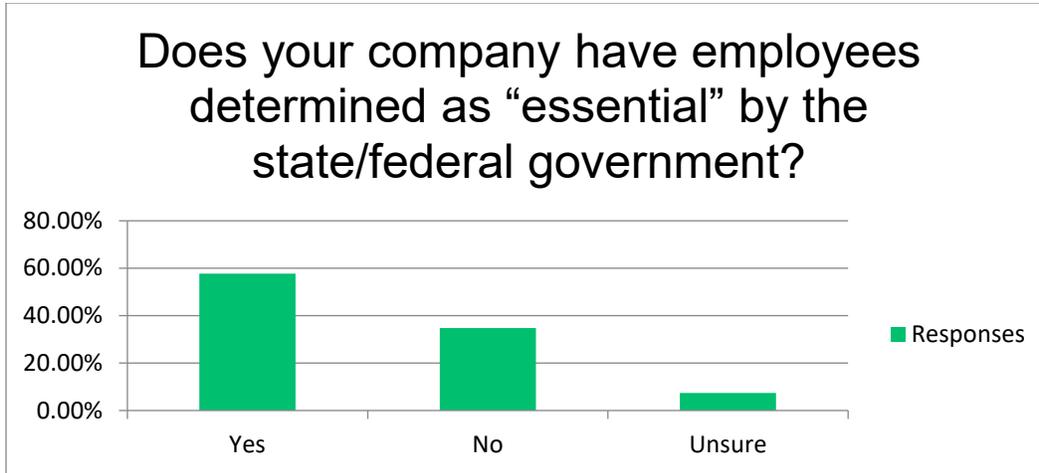
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When asked if their company has employees determined as “essential” by the federal or state government, 57.8% of respondents do while 34.8% do not.

Answered: 136

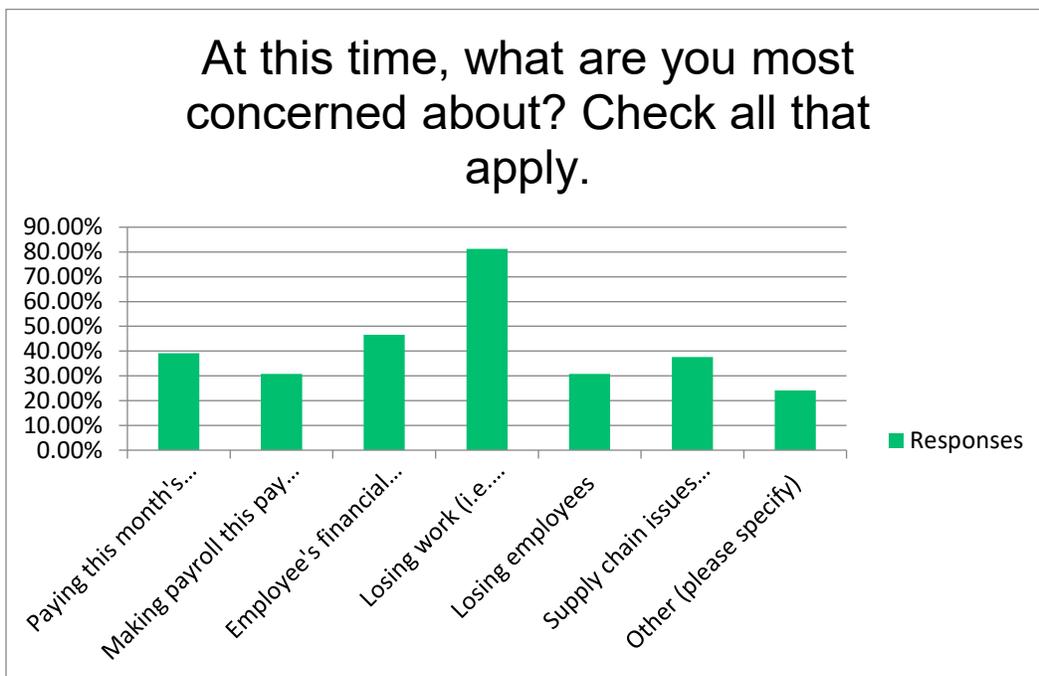
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When asked what your business is most concerned about, the top three responses were losing work (81.2%), employees’ financial welfare (46.6%) and paying this month’s rent or mortgage (39%).

Answered: 133

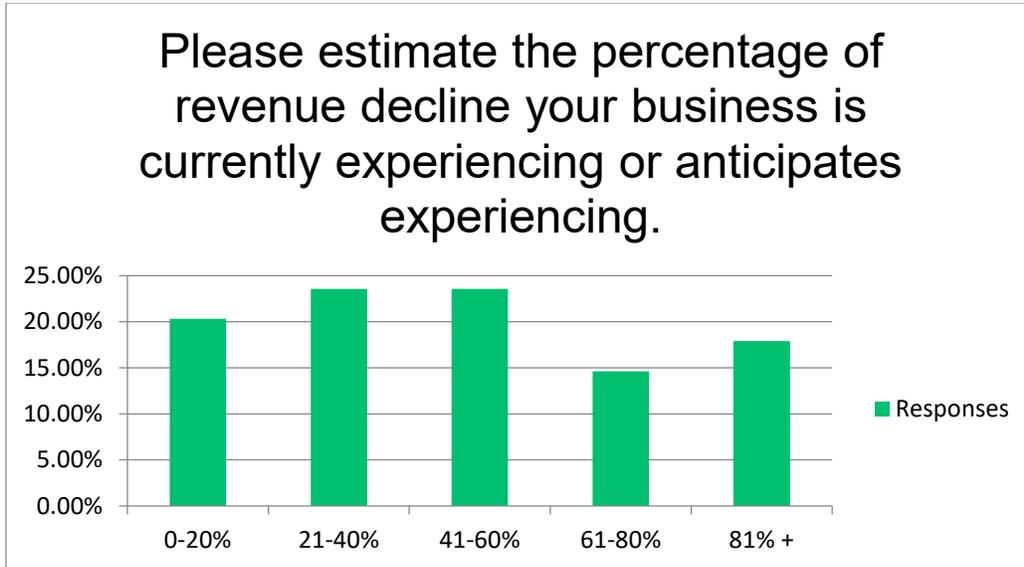
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When asked to estimate the revenue decline that their business is experiencing or anticipates experiencing, the top three responses were 41-60%, 21-40% and 0-20%.

Answered: 123

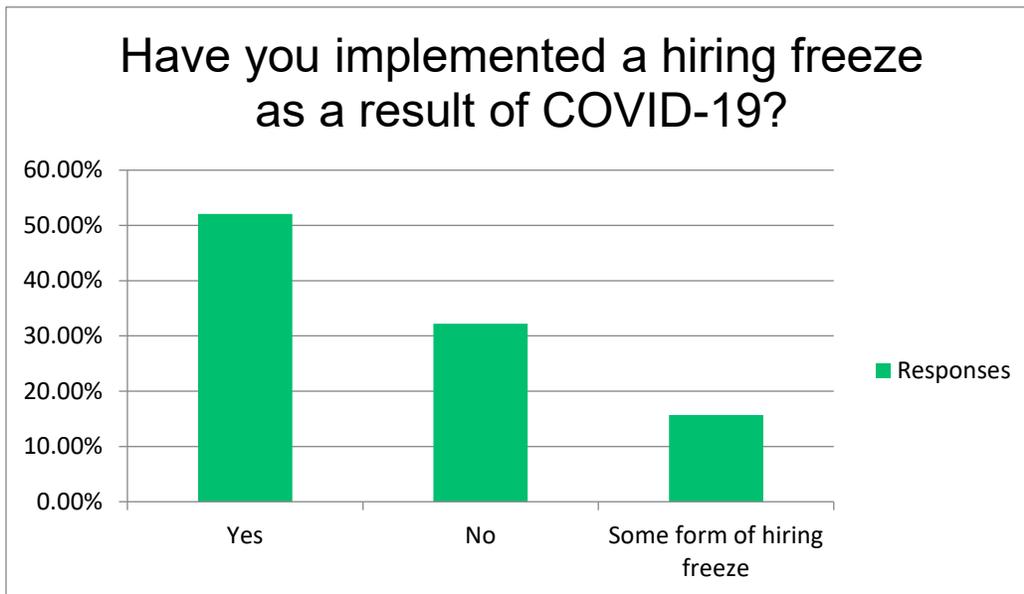
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When asked if businesses have implemented a hiring freeze because of COVID-19, 52% of responding Perrysburg businesses have done so.

Answered: 121

Skipped: 15

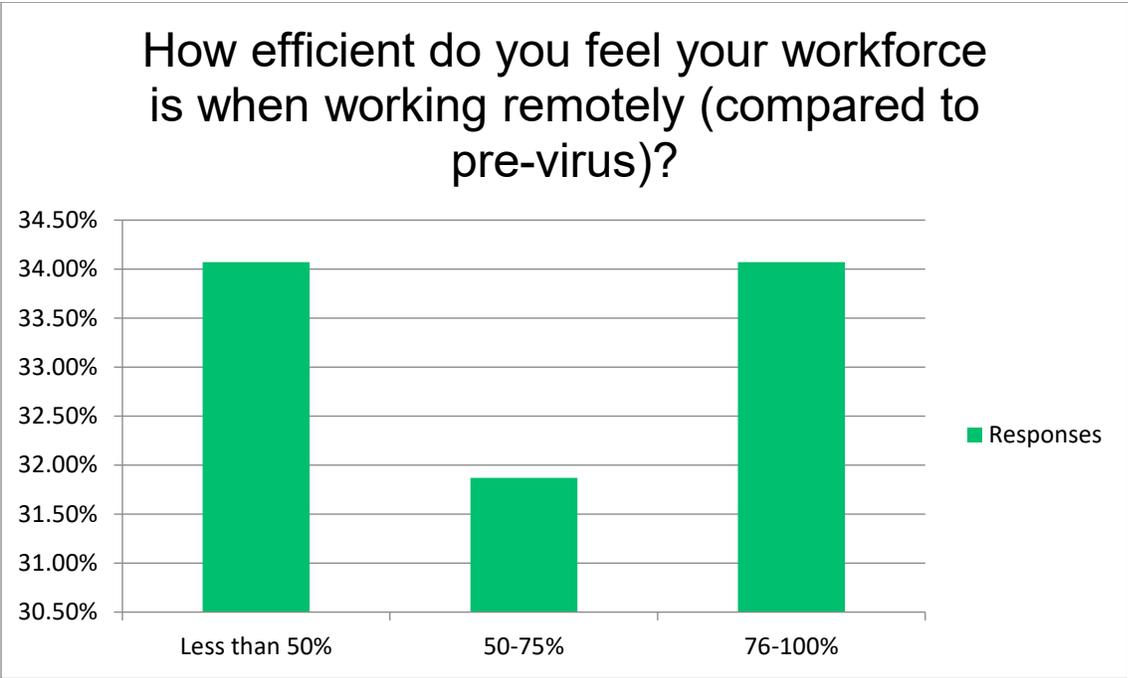


When asked the open-ended question “If any changes were made to employees’ compensation (salary, hourly wage, benefits, etc.) since the COVID-19 pandemic”, a wide variety of responses dealt with increasing wages for some, decreasing wages, no overtime, decreased commissions, decrease in hours worked,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

Answered: 62
Skipped: 74

When asked how efficient do you feel your workforce is when working remotely (compared to pre-virus) respondents answered 34% felt that employees were at 76-100% effectiveness, 32% felt employees were 50-75% effective and 34% felt that employees were less than 50% effective.

Answered: 91
Skipped: 45



Economic Loss and Business Closures

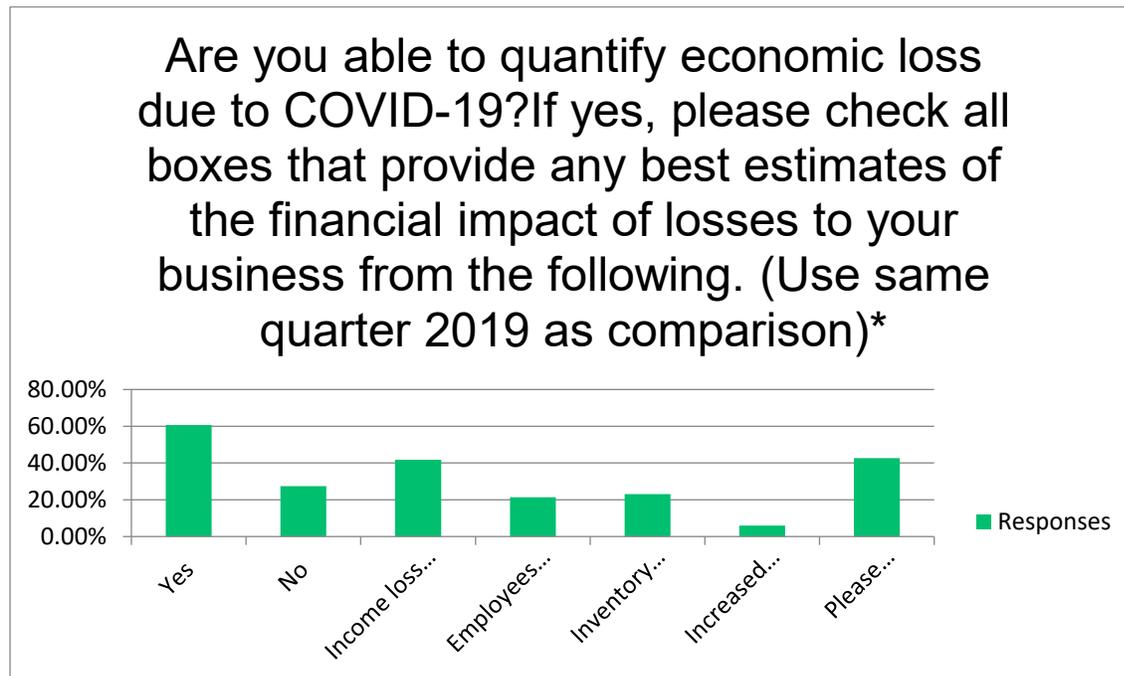
Businesses were asked if they were able to quantify economic loss due to COVID-19. 71 businesses responded yes (61%) while 32 businesses responded no (27%).

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 (41%), inventory loss due to supply chain disruption (23%) and employees unable to report to work/estimated wage loss (21%).

When asked to quantify economic losses from COVID-19 compared to same quarter in 2019, 117 businesses estimated that total economic loss since start of pandemic at \$10,945,800.

Answered: 117

Skipped: 19

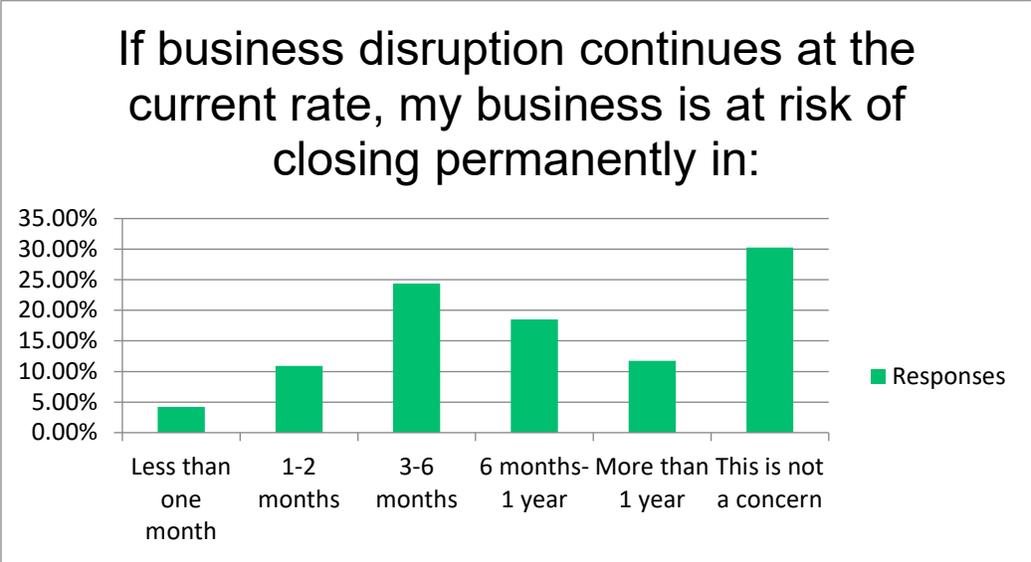


When asked if business disruption continues at the current rate, responding businesses indicated they are at risk of closing permanently in less than one month (4%), 1-2 months (11%), 3-6 months (24%), 6 months-1 year (18%) and more than 1 year (12%).

30% of responding businesses indicated business closure is not a concern.

Answered: 119

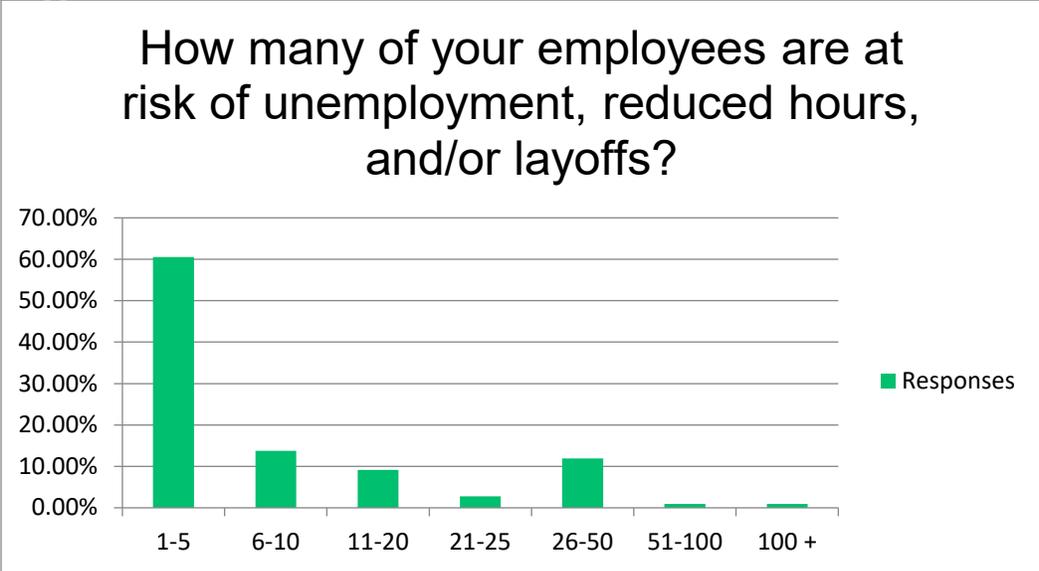
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When asked how many employees are at risk of unemployment, reduced hours and/or layoffs, the vast number of respondents (66) employ between 1-5 people (66%).

Answered: 109

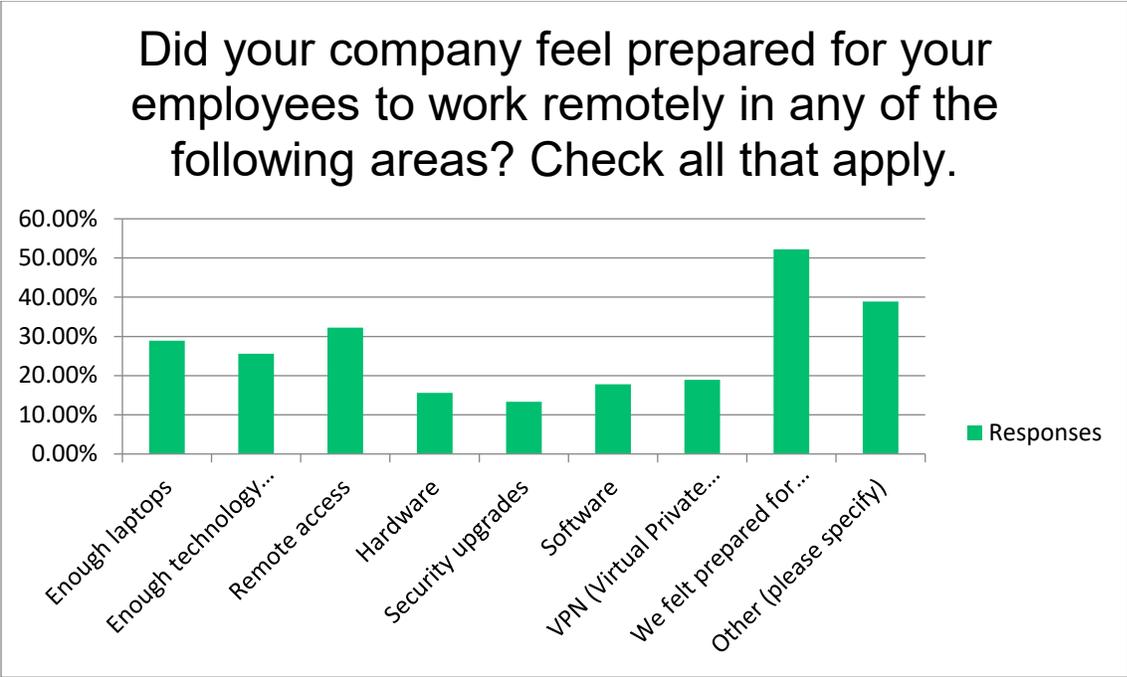
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When asked if businesses felt prepared for employees to work remotely in several areas, over half of businesses (52%) felt prepared for employees to work remotely.

Answered: 90

Skipped: 46

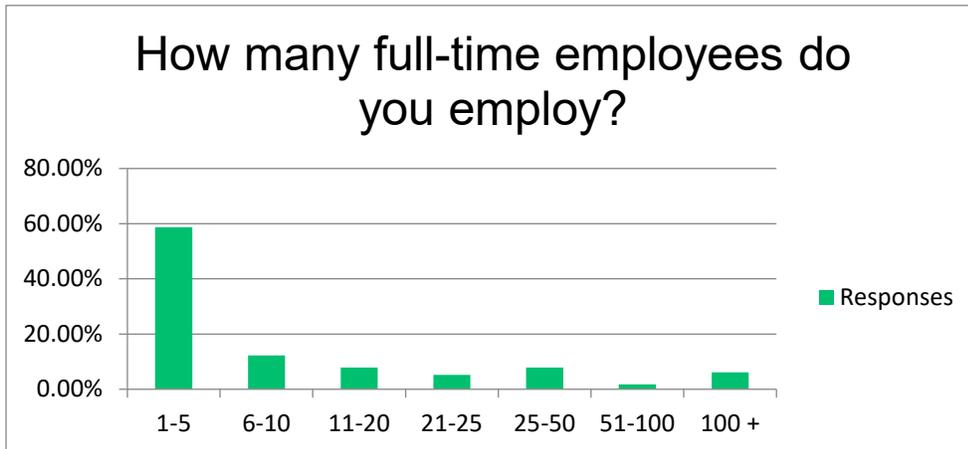


Business Employment

Number of full-time employees² reported by 114 responding businesses:

Answered: 114

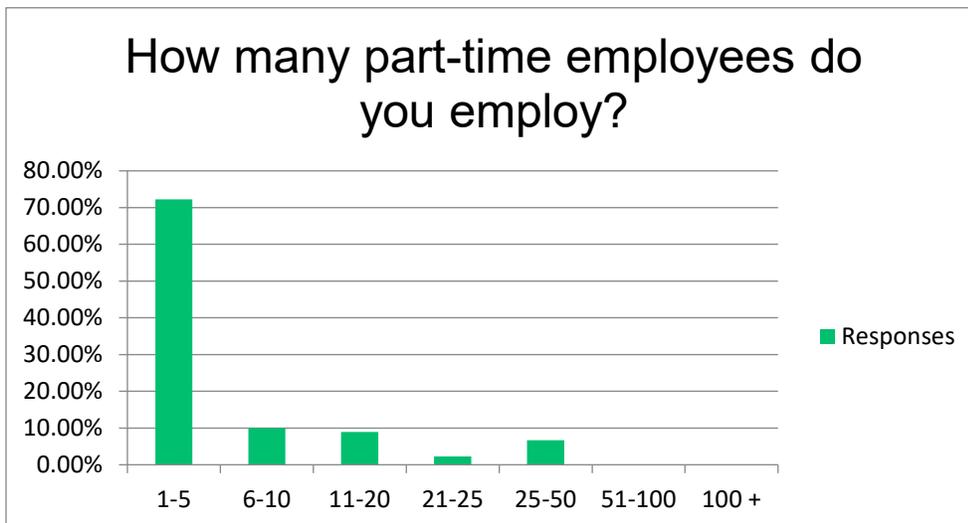
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Number of part-time employees reported by 90 responding businesses:

Answered: 90

Skipped: 46



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

- 114 Perrysburg businesses reported a range of between 1,310-1,995 full-time employees.
- 1,310 full-time employees are estimated to represent \$64,696,970 in personal income to Perrysburg's local economy.³ Additionally, 1,310 full-time jobs are estimated to represent \$970,455 in local income tax revenue.⁴
- 1,955 full-time employees are estimated to represent \$96,551,585 in personal income to Perrysburg's local economy. Additionally, 1,955 full-time jobs are estimated to represent \$1,448,274 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.
- 90 Perrysburg businesses that responded reported a range of between 405-925 part-time employees. This analysis divided these numbers in half to derive personal income and income tax estimates.
- 202 part-time employees are estimated to represent \$9,976,174 in personal income to Perrysburg's local economy. Additionally, 202 part-time employees are estimated to represent \$149,643 in local income tax revenue.
- 462 part-time employees are estimated to represent \$22,816,794 in personal income to Perrysburg's local economy. Additionally, 462 part-time employees are estimated to represent \$342,252 in local income tax revenue.

³ NAICS Codes 23, 31, 32, 33, 42, 44, 45, 51, 52, 53, 54, 56, 61, 62, 71, 72 and 81 were combined and averaged for a mean wage of \$49,387. 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 City of Perrysburg income tax rate of 1.5%

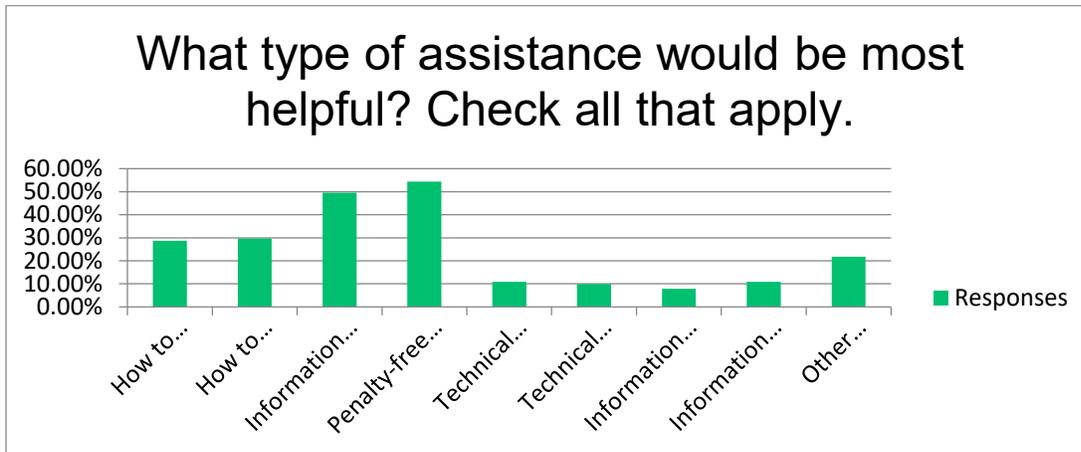
⁵ Federal explanation available at: <https://www.bls.gov/news.release/empsit.t08.htm>

Business Assistance

When asked what type of assistance would be most helpful, the top three choices are penalty-free extensions on expenses (54%), information on financial assistance over the next 90 days (50%) and how to protect customers from COVID-19 (30%).

Answered: 101

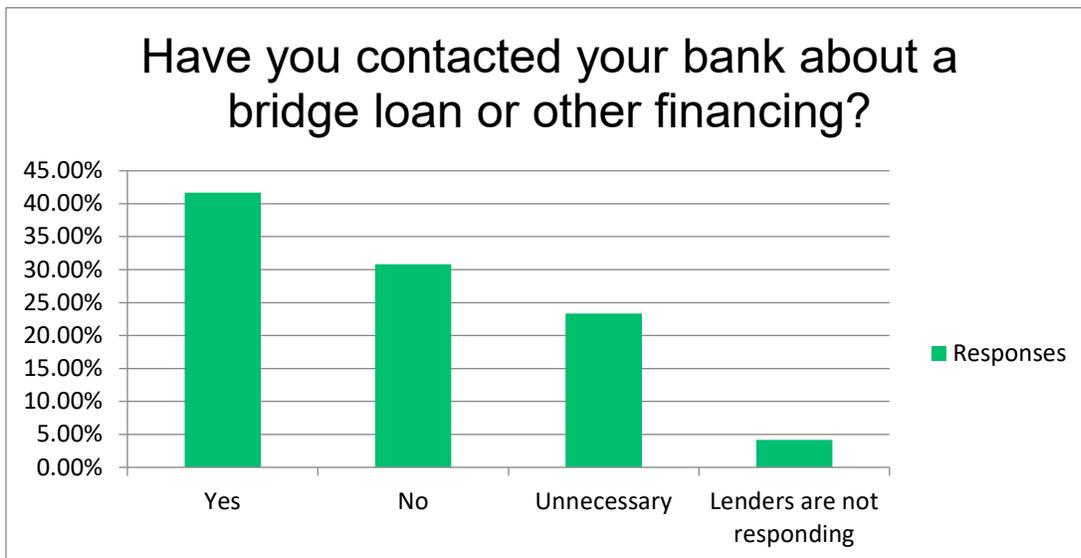
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When asked if businesses contacted their bank about a bridge loan or other financing, 42% have, 31% have not, 23% said it was unnecessary and 4% reported that lenders are not responding,

Answered: 120

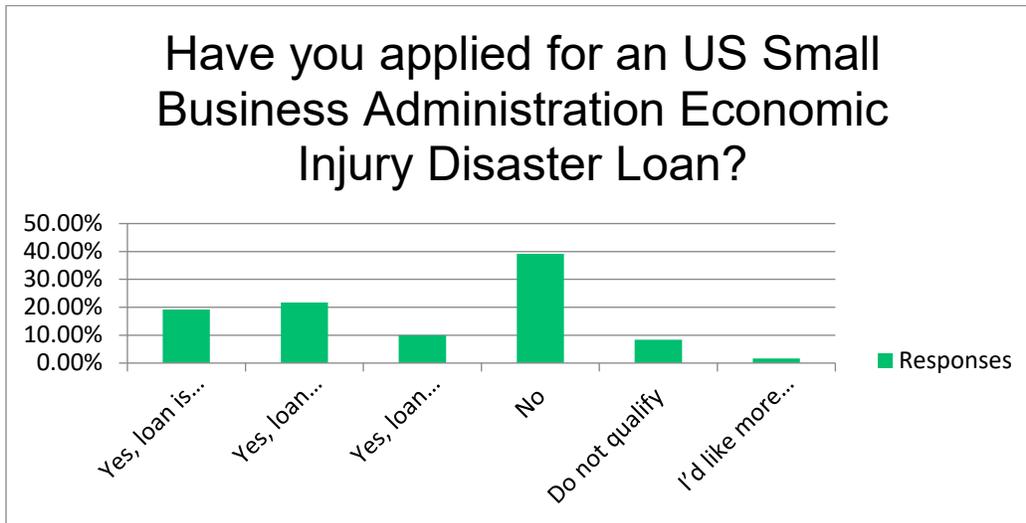
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When asked if businesses have applied for a U.S. Small Business Administration Economic Injury Disaster Loan, 22% have been successful, 10% have been unsuccessful, 19% have a pending loan and 8% did not qualify. 39% of respondents did not apply for a loan under this program.

Answered: 120

Skipped: 16



When asked if responding businesses have applied for the Payroll Protection Program, 45% were successful, 7% were unsuccessful, 12% were pending and 10% did not qualify. 24% found it not necessary to apply.

Answered: 121

Skipped: 15

