



Committee Report

To: Warden Janice Jackson
Members of the Planning and Development Committee

From: Jill Roote
Manager of Economic Development

Date: December 17, 2020

Re: Economic Impact of COVID-19 in Bruce County Fall Survey Results Update

Staff Recommendation:

The Economic Impact of COVID-19 in Bruce County Fall Survey results update report is for information.

Background:

The COVID-19 pandemic has created great challenge and an unpredictable path forward among businesses across the County. To gain a better understanding of how the pandemic has impacted local business and the economy, in March, the Economic Development team launched the “Economic Impact of COVID-19 in Bruce County Survey”. The results of that survey served as a basis for actions spearheaded by the Bruce County Economic Task Force and endorsed by Bruce County Council that supported the stabilization of the economy ahead of working to rebuild post pandemic.

A second survey, the “Economic Impact of COVID-19 in Bruce County Fall Survey” was launched in October to further understand how businesses are doing and what help and supports they are seeking currently. This information will assist the Economic Development team in creating additional support measures as part of its regular supports to businesses in the County.

The Economic Development team remains vigilant in supporting businesses by understanding the challenges they are facing and helping them maintain their operations through the continuation of Business to Bruce programs and supports. Staff are working with various stakeholders to help determine what is needed specifically to work alongside our municipal partners to help build confidence and work to recover the economy.

Summary- Economic Impact of COVID-19 in Bruce County Fall Survey:

On October 1, 2020, the “Economic Impact of COVID-19 in Bruce County Fall Survey” was launched to businesses across the County. The goal of the survey was to collect information on the current economic condition and to have a solid understanding the current needs to

best determine how businesses in Bruce County can be continued to be supported. A complete summary of the results is attached to the report.

As of December 1, 2020, the survey had 107 respondents - highlights are as follows:

- Two of the largest sectors who responded to the survey were businesses in the hospitality and tourism and retail industries, comprising of 17% and 16% of the respondents, respectively.
- 50% of the respondents indicated their business structure was sole proprietorship, while 36% are classed as a corporation.
- 19% of the businesses did not see a change in operating status due to the pandemic, 41% remained open under an alternative operating model, 25% have reopened after a temporary closure, and 14% are still closed and planning on reopening when possible. One respondent indicated a permanent closure. In May, 56% of the businesses who completed that survey indicated that they were closed temporarily.
- At the time of completing the survey, 4% felt that they will most likely close, 27% feel that it is a possibility, and 7% were unsure. A total of 60% have stated that they are unlikely to close due to the pandemic. This is a significant change from the survey conducted in the spring. At that time, only 20% of the businesses felt that they were unlikely to closing permanently while 15% will most likely close permanently.
- A total of 82% of the respondents have seen some form of reduction in revenue ranging from slightly reduced to no revenue. Only 13% have seen an increase in revenues. In the previous survey, 27% of the businesses had no monthly income, 60% are experienced a significant reduction in income, 12% are observing slight reduction, while only 1% had not seen a change in monthly revenue. The comparison of these results show that businesses are starting to produce an income again, however there is still a decline from previous years.
- Based on an average of all survey respondents, business owners laid off or choose not to hire an average of 1.4 full-time employees, 2.7 part-time employees and 4.5 seasonal employees between March and October 2020. On average, employers are expecting less than one employee to be laid off or not hiring in the next six months.
- 33% are struggling to fill existing positions. The top themes of skills currently being vacant consist of computer and technology skills, all type of cooks and kitchen preparation, marketing, customer service, skills in the trades, and general cleaning/housekeeping.
- Majority of the local, provincial, and federal loans and grants were not accessed by the businesses. Bruce County loans and grants (38%), the Canada Emergency Business Account (33%), Response Benefit (33%) and Wage subsidy (31%) were the financial programs that were accessed the most.
- Financial grants, cash flow, and emergency funds continue to be the most requested (32%) resource that business owners are seeking. In the spring, 57% of the survey participants were in search of some form of financial support (loan, grant, or subsidy).
- Financial impact on operations and/or liquidity and capital, decreasing consumer confidence/spending, and a global or Canadian recession were clearly the top three concerns for business owners looking forward into the future.

Overall, survey respondents say their businesses are now open after a temporary closure. Almost half (41%) indicate opening under an alternate business model. There are still some businesses that are closed, but plan on reopening. Earlier in the pandemic, over 50% of the businesses were closed temporarily. Even though there is still a lot of uncertainty, more businesses feel that they are less likely to close permanently now compared to when the pandemic started. More businesses are starting to produce a revenue again, however there is still a decline from previous years. One third of the businesses are still struggling to fill existing positions despite the pandemic. Businesses continue to seek financial help to maintain operations.

Conclusion:

The business landscape has changed. Businesses won't operate the way they were operating prior to pandemic. Recovery will take a while especially in certain sectors. This survey is one way of understanding the current economic situation of the business community. Staff will continue to understand the broader picture and offer programs and resources to better support businesses going forward. In addition, staff will continue to disseminate the important and relevant information as it becomes available to help businesses navigate through the various government offered programs. This will help in addressing the economic impact of the COVID-19 pandemic on the business community and support the economic recovery of the region.

Financial/Staffing/Legal/IT Considerations:

There are no financial, staffing, legal or IT considerations associated with this report.

Interdepartmental Consultation:

None

Link to Strategic Goals and Elements:

Goal #7 Stimulate and reward innovation and economic development

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