Assessing the Impact of COVID-19 on Colorado’s Local Economies
# Statewide COVID-19 Impact Surveys

## Survey of Businesses
**Partnership** between Downtown Colorado Inc. & the Colorado Office of Economic Development and International Trade

- Businesses across Colorado reported on the impacts of COVID-19 on their revenue, staffing and business practices. The biggest challenges and assistance needs were assessed.

## Taxing Entity (BID, DDA, URA) Survey

- A survey to understand the impacts of COVID-19 on BIDs, DDAs, and URAs. These questions are aligned to a similar survey sent out by DOLA, CML, CCI, and SDA to many local governments.

## Business Support Organizations: Non-Profit Survey

- For business support organizations, 501 c (3,4,6) including Chambers of Commerce, Economic Development Councils, and non-profit entities that partner to support business, Creative Districts, and Main Street Programs. This survey focused on tracking the types of support being offered and will help us compare to identify gaps in service.
Survey of Businesses

- Sponsored by Downtown Colorado Inc. and Colorado and the Colorado Office of Economic Development and International Trade
- Survey open April 9-30, 2020
- Based on 2,391 surveys
- Survey responses statistically weighted by company size, geography and industry type
- Results for communities hosting a business survey prior to the this survey will be folded into the statewide report (Boulder, Grand, San Luis Valley, Durango)
- Preliminary results
Survey of Colorado Businesses: Preparedness

How prepared do you think your business is to meet the needs of the changing economy as a result of COVID-19?

- Very unprepared, 25%
- Somewhat unprepared, 26%
- Somewhat prepared, 39%
- Very prepared, 9%

How long do you estimate you could sustain your business in the partial shutdown of the economy?

- Less than 3 months: 28%
- 3 to 6 months: 32%
- 7 to 12 months: 16%
- 1 year to 2 years: 6%
- More than 2 years: 6%
- Don’t know: 12%

Note: 32% of respondents were completely shut down and were not asked this question.
Excluding the seasonal changes in sales that you may typically experience, to what extent, if at all have you experienced reductions in sales due to the emergence of COVID-19?

In response to COVID-19, what percentage of your workforce, IF ANY, do you anticipate you will have laid off by the end of the next 6 months?
Survey of Colorado Businesses: COVID Impacts on Revenue

Because of COVID-19, most businesses are expecting lower revenues than they projected at the outset of the year. How do you think your actual 2020 revenue will compare to your original budget projections?

- Serious shortage (more than 25%): 55%
- Moderate shortage (10-25%): 23%
- Small shortage (less than 10%): 6%
- No shortage: 2%
- Will experience increased revenues: 1%
- Too soon to tell: 13%
Survey of Colorado Businesses: Top Challenges

Please rate how much of a problem, if at all, the following issues are to your business as a result of the COVID-19 pandemic?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Major problem</th>
<th>Moderate problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline in business/sales</td>
<td>70%</td>
<td>20%</td>
</tr>
<tr>
<td>Business closed or hours reduced by government ban</td>
<td>47%</td>
<td>14%</td>
</tr>
<tr>
<td>Not having the funds to pay our employees</td>
<td>43%</td>
<td>19%</td>
</tr>
<tr>
<td>Difficulty paying our commercial rent, commercial mortgage or lines of credit</td>
<td>41%</td>
<td>20%</td>
</tr>
<tr>
<td>Ability of employees to pay rent/mortgages on reduced income</td>
<td>37%</td>
<td>18%</td>
</tr>
<tr>
<td>Ability to stay in business (permanent closure)</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Concern about the well-being of our employees being exposed to COVID-19 on the job</td>
<td>27%</td>
<td>20%</td>
</tr>
<tr>
<td>The emotional health of our employees</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of events to promote our downtown/business area</td>
<td>24%</td>
<td>11%</td>
</tr>
<tr>
<td>Concern about the liability of our employees being exposed to COVID-19 on the job</td>
<td>24%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Top Four Concerns:
- Concern for employees
- Income/revenue/payments
- Having to permanently close or declare bankruptcy
- The economy
Following a reduction in COVID-19 cases and loosening of social distancing requirements, how quickly do you think it will take for your business to return to pre-COVID levels?

Survey of Colorado Businesses: Resilience

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 month</td>
<td>9%</td>
</tr>
<tr>
<td>1-3 months</td>
<td>25%</td>
</tr>
<tr>
<td>4-6 months</td>
<td>25%</td>
</tr>
<tr>
<td>7-11 months</td>
<td>15%</td>
</tr>
<tr>
<td>1 year or more</td>
<td>25%</td>
</tr>
</tbody>
</table>
Survey of Colorado Businesses: Recovery Assistance Desired

How informed are you about federal, state, and local government resources that could help your business mitigate the impact of COVID-19?

- Very informed, 52%
- Slightly informed, 35%
- Somewhat informed, 10%
- Not at all informed, 3%

What can the local government or the Chamber of Commerce do to better assist your business during this pandemic?
- Provide assistance for obtaining grants/loans/relief funds (e.g. PPP)
- Better information/communication overall (includes resource consolidation)
- Allow things to reopen/relaxing regulations
- Support local businesses (e.g. buying their products, referring them, etc.)

Please indicate how important the following would be to your business recovery efforts from COVID-19:

- Grants: Very important 76%, Moderately important 9%
- Renewed access to customers: Very important 66%, Moderately important 11%
- Income tax relief: Very important 59%, Moderately important 13%
- No/low interest loans: Very important 57%, Moderately important 17%
- Regulatory relief: Very important 41%, Moderately important 11%
- Vendor or payment deferrals: Very important 36%, Moderately important 18%
- Line of credit: Very important 32%, Moderately important 17%
- Sales tax deferral: Very important 25%, Moderately important 10%
- New employee or staffing assistance: Very important 14%, Moderately important 8%
BID, DDA, URA Survey

- Sponsored by Downtown Colorado Inc.
- Respondents were BIDs, DDAs, and URAs
- Questions are aligned to a survey sent out by DOLA, CML, CCI, and SDA to counties, municipalities and special districts
- Survey open April 9-30, 2020
- Based on 29 surveys
BID, DDA, URA Survey: COVID-19 Budget Impacts

What revenue types are you most concerned about experiencing a reduction due to COVID-19 during the 2020 Budget Year?

**BID/DDA/URA**
- Property taxes (54%)
- Sales and use taxes (54%)
- Lodging taxes (21%)

**County/City/Special District**
- Property taxes
- Sales and use taxes
- Lodging taxes

What type of expenditures related to COVID-19 has your organization occurred, or do you anticipate will incur, over the 2020 budget year?

**BID/DDA/URA**
- Technology/equipment for remote work (58%)
- Staff sick/administrative leave (53%)
- Medical supplies/pandemic response (42%)
- Professional services and consultants (42%)

**County/City/Special District (top responses)**
- Technology/equipment for remote work
- Staff sick/administrative leave
- Medical supplies/pandemic response
- Professional services and consultants
BID, DDA, URA Survey: Strategies to Mitigate Revenue Loss

What budget strategies are you currently implementing to address revenue loss?

**BID/DDA/URA**
- Delay capital projects (79%)
- Reduce operating expenses (75%)
- Delay equipment purchases (50%)

**County/City/Special District** (top responses)
- Delay capital projects
- Reduce operating expenses
- Delay equipment purchases

*How many months of operating expenditures does your organization have in reserves?*

- 1 month: 11%
- 2 months: 7%
- 3 months: 21%
- 6 months: 25%
- 8 months: 4%
- 10 months: 4%
- 12 or more: 29%

*County/City/Special District Average = 9.2 months*

*Do you anticipate having to utilize these reserves to cover your operating budget?*

- No, 59%
- Yes, 41%

*County/City/Special District 56% plan to use reserves*
BID, DDA, URA Survey: Support Given to Businesses

- Relief fund for local business assistance grants or loans 54%
- Deferring Tax Due 23%
- Waiving late fees and penalties 35%
- Info/access to government assistance 46%

**County/City/Special District**
- Info/access to government assistance
- None
- Marketing assistance
Business Support Organizations: Non-Profits

- Sponsored by Downtown Colorado Inc.
- For business support organizations, 501 c (3,4,6) including Chambers of Commerce, Economic Development Councils, and non-profit entities that partner to support business, Creative Districts, and Main Street Programs.
- Survey open April 9-30, 2020
- Based on 86 surveys
Non-Profit Survey: COVID-19 Budget Impacts

How much impact, if any, is COVID-19 having on your following revenue sources?

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Major Impact</th>
<th>Moderate Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event revenue</td>
<td>71%</td>
<td>4%</td>
</tr>
<tr>
<td>Memberships</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>Government grants</td>
<td>30%</td>
<td>11%</td>
</tr>
</tbody>
</table>

How do you think your actual 2020 revenue will compare to your original budget projections?

- Will experience increased revenues: 1%
- No shortage: 1%
- Small shortage (less than 10%): 8%
- Moderate shortage (10-24%): 12%
- Serious shortage (more than 25%): 71%

In response to COVID-19, what percentage of your workforce, IF ANY, do you anticipate you will have laid off by the end of the next 6 months?

- 0% / no layoffs: 38%
- 10% or smaller reduction: 15%
- 11-20% reduction: 14%
- 21-30% reduction: 5%
- 31-50% reduction: 11%
- More than 50% reduction: 16%
Non-Profit Survey: Business Community Need and Assistance

**Biggest problems facing their business community:** (% Major or Moderate Problem)
- Decline in income to local businesses due to restrictions 98%
- Possibility of recession and longer term impacts on businesses 90%
- Permanent loss of small local businesses 87%
- Job loss/unemployment 88%
- Significant economic loss to downtown area 85%

**Marketing Assistance** 46%

**Info/Access to Government Assistance** 30%

**Redirecting tax dollars to shop local** 23%

**None** 46%
Next Steps

- Working with DCI and the Colorado Office of Economic Development and International Trade to create a final report for Survey of Businesses
- Creation of reports for the two business assistance organization surveys
- If interested, your jurisdiction can set up your own account on Polco to survey your businesses as the pandemic changes (we also have surveys on COVID-19 impacts on residents)
Thank you.

Questions?

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