



Michigan City COVID-19 Business Impact Survey Results Summary, April 3, 2020

The Michigan City Chamber of Commerce and Economic Development Corporation Michigan City partnered on this survey to assess the current impacts COVID-19 pandemic has had on local business. Input from this survey will be shared with key community partners to create a collaborative response strategy and provide resources that address the most critical needs of our business community.

The survey was made public on March 26, 2020 and shared widely by both organizations. All businesses within the Michigan City area were encouraged to respond to the survey.

Who responded?

In all, we collected 129 responses to the survey by the time it closed on April 1, 2020. Over 80% of the responses came from businesses located in the Michigan City Zip Code (46360) with the remaining responses coming from surrounding communities such as La Porte, Westville, and others. We saw the highest percentage of responses come from the Professional Services Industry with 25%, and Hospitality, Public Administration, Retail, and Manufacturing rounded out the top five.

1. Which of the following best describes your industry?

	Number of Response(s)	Response Ratio
Hospitality (Restaurant, Hotel, Entertainment)	21	16%
Retail (Product or Service)	16	12%
Professional Services (IT, Finance, Insurance, Real Estate, etc.)	32	25%
Construction / Transportation	10	8%
Manufacturing	16	12%
Public Administration (Government, Social Service, Nonprofit)	19	15%
Healthcare/Health Services	10	8%
Agriculture	0	0%
No Responses	5	4%
Total	129	100%

Over 75% of the businesses that responded have fewer than 50 employees.

2. Prior to the COVID-19 pandemic, which of the following best described your business/organization?

	Number of Response(s)	Response Ratio
My business/organization has less than 25 employees	81	62.7%
My business/organization has 26 - 50 employees	16	12.4%
My business/organization has 51 - 100 employees	9	6.9%
My business/organization has 101 - 500 employees	15	11.6%
My business/organization has 501 + employees	8	6.2%
No Responses	0	0.0%
Total	129	1.00

The Impacts Facing Businesses

Temporary closures of non-essential businesses, as mandated by Governor Holcomb's order, have already occurred. Non-essential businesses have already experienced temporary layoffs as many businesses are unable to provide a work from home environment. As demand for products even within essential businesses starts to lessen, more layoffs are to be expected across several industries. For the nonprofit sector, many organizations will lose revenue from not being able to hold fundraising events or fundraising campaigns. 33% of responders indicated they are already experiencing

layoffs or closures, and another 17% expect to see layoffs in the next month. As a positive, over 20% do not anticipate layoffs or closure.

3. If the current business climate were to continue, how long would it take for your business to see significant negative impacts, such as layoffs or temporary/permanent closure?

	Number of Response(s)	Response Ratio
Layoffs or closure have already occurred	43	33.3%
1-2 weeks	9	6.9%
3-4 weeks	13	10.0%
1-3 months	19	14.7%
3-6 months	8	6.2%
More than 6 months	1	<1%
More than a year	4	3.1%
Do not anticipate layoffs or closure	28	21.7%
Other	4	3.1%
No Responses	0	0.0%
Total	129	100%

Many businesses are concerned about a decline in demand or clientele which will result in a loss of revenue for the year. Planned projects for 2020 are now being put on hold and expenses are being reduced or avoided if able. Hiring has been put on hold for the year and potentially reduced. Impacts to the supply chain are of concern for businesses as well and some are already seeing a reduction in key supplies making an impact on production. Respondents indicated that 55% have restricted spending, 70% have made operational changes, and 37.9% have or plan to reduce staff.

4. How is your company being impacted by the COVID -19 Outbreak? Select all that apply.

	Number of Response(s)	Response Ratio
Our supply chain has been or soon will be interrupted	41	31.7%
The market is causing us to draw on our line of credit	23	17.8%
We have put in measures to restrict spending	71	55.0%
We have made operational changes	91	70.5%
We have or plan to stop operations	31	24.0%
We have or plan to reduce our workforce	49	37.9%
We are allowing some or all employees to work from home	64	49.6%
Other	10	7.7%
Total	129	100%

Adjustments to workforce

Over 30% of respondents have had to lay off or furlough employees which results in employees facing financial loss and personal budget constraints. The uncertainty of when work will resume is added stress to the employer and employee. Even though most layoffs are considered temporary now, if loss of revenue continues for many businesses there is no guarantee that employers will be able to bring back all employees. Employers are concerned for the physical (getting sick, not enough PPE, catching virus), mental (stress, anxiety, fear), and financial (bills, living expenses, benefits) well-being of their employees.

5. Has the situation around COVID-19 caused your business to adjust workforce needs? Select all that apply.

	Number of Response(s)	Response Ratio
Most employees are working from home	35	27.3%
We have postponed hiring that had been planned	48	37.5%
We have laid off or furloughed employees	43	33.5%
We have increased hiring	5	3.9%
No changes have been made	23	17.9%
Other	37	28.9%
Total	128	100%

Revenue Impacts

Businesses believe they will see a decrease of revenue when looking year over year, but feel it is too early to know the true impact. The majority expect to see revenue decrease between 11%-30%. Close to 50% of respondents are unsure if they will need financial assistance at this time.

Due to COVID-19, please estimate any revenue changes you have experienced.

	Number of Response(s)	Response Ratio
No Change in Revenue	13	10.0%
Revenue Decreased <10%	14	10.8%
Revenue Decreased 11%-30%	26	20.1%
Revenue Decreased 31%-50%	20	15.5%
Revenue Decreased 51%-70%	11	8.5%
Revenue Decreased 71%-90%	9	6.9%
Revenue Decreased More than 90%	16	12.4%
Revenue has increased	3	2.3%
Other	16	12.4%
No Responses	1	<1%
Total	129	100%

Will your business need financial assistance or free business resources to survive this economic downturn caused by COVID-19?

	Number of Response(s)	Response Ratio
Yes	40	31.0%
No	20	15.5%
Unsure at this time	63	48.8%
Other	6	4.6%
No Responses	0	0.0%
Total	129	100%

Business Concerns

A decline in clientele or client demand is of the highest concern for the respondents (46%). A secondary concern is cash flow for their business (42%). The uncertainty of how long the COVID-19 pandemic will last has many small businesses concerned about survival. A loss in revenue for many small businesses means not being able to pay essential bills (lease, utility, payroll).

Please rank the following challenges, with 1 being the highest level of concern for your business, and 5 being not at all a concern.

	1	2	3	4	5
Employees Availability to Work (due to illness, isolation, policies, childcare)	36 29%	20 16%	23 19%	23 19%	22 18%
Decline in Clientele or Client Demand	57 46%	23 18%	16 13%	16 13%	13 10%
Uncertainty or Inability to Plan	36 29%	25 20%	32 26%	21 17%	9 7%
Cash Flow (ability of pay salaries, rent, other business expenses)	52 42%	16 13%	23 18%	17 14%	17 14%

Businesses that have been forced to close are also concerned about the disconnect from the client/customer base during this separation. They fear losing the relationship with key customers - what if they don't come back after? Employers who have been able to maintain their operations as an essential business still have concerns about supplies for production not being available, employees unable to work because of sickness or lack of childcare, and the ability to maintain current production rates. Consumer confidence is down and will continue to decrease due to the uncertainty of the economy. Even if an individual has not had a direct impact to their financial situation, the unknown forces their

spending habits to change. COVID-19 has had a great impact on the service and retail industry most notably local and small businesses.

Next Steps

The Michigan City Chamber of Commerce and the Economic Development Corporation Michigan City will be working with key stakeholders in the community to move Michigan City businesses through this pandemic and forward after it is over. As new information and programs roll out locally and federally, we will continue to be a key resource for our business community. To share information as efficiently as possible, our organizations have already partnered with a local website development company to create an easily accessible webpage for COVID-19 resources. The site www.michigancitycovid19.com will continually be updated with information for employers, displaced employees, and the community. We have also conducted on business resource phone call to cover new FMLA guidelines and emergency paid sick leave guidelines. We will hold more of these conference calls or virtual meetings with the business community as needed.

Approximately half of the respondents indicated that they would like to receive additional information and follow up from our organizations. We will be sure to include them on all communications about new resources and upcoming opportunities for them to connect with us or specific topic experts. In addition, the Chamber will be making phone calls to each business that provided contact information to check in on their status. The EDC will be working closely with workforce development partners to ensure they are ready to serve the unemployed in our area. We will continue to hold bi-weekly conference calls with key industry leaders and elected officials to share ideas, needs, and best practices as we move through this pandemic. Knowing that we have at least another month of non-essential businesses being forced to stay closed or restricting their normal operations, we will plan to conduct a secondary survey at the beginning of May. We will survey businesses with similar questions to indicate what if anything has changed for their business in a month's time.

Action Items

- Bi-Weekly Conference Calls with Business & Community Leaders – calls will shift toward more business employment focus
- 2nd Business Assessment Survey 1st week of May
- Continuous Updating and Marketing of www.michigancitycovid19.com
- Provide Small Business Webinars/Conference Calls as Needed
- Investigate Administration of Small Business Relief Grants for Community
- Community Job Fair as soon as COVID-19 restrictions permits
- Continuous Communication with the Business Community using all Mediums

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