

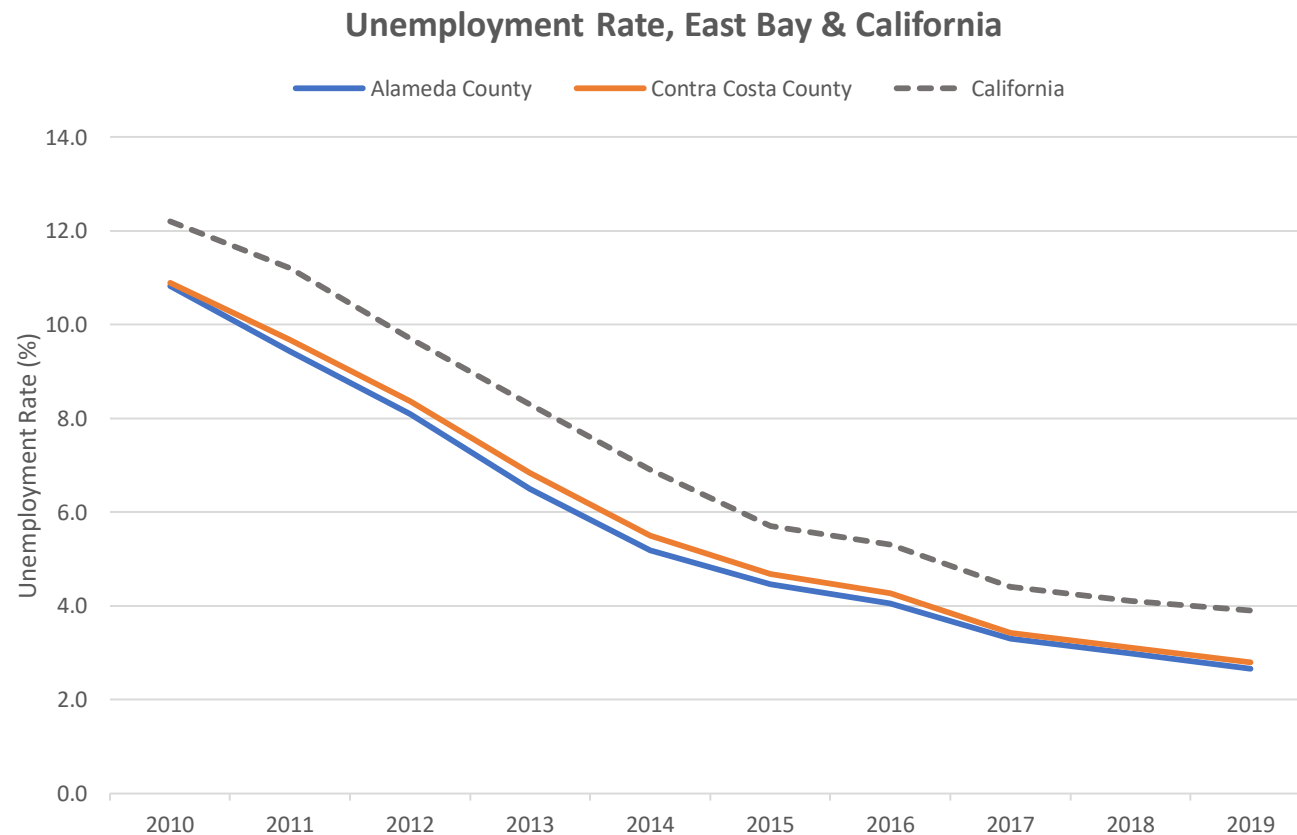


East Bay Business Recovery Survey Results

Survey Period: April 13 – May 3, 2020

Published May 19, 2020

The East Bay economy was healthy coming into the pandemic, with low levels of unemployment and diverse industry growth.



March Unemployment Rate*

East Bay: 3.9%

CA: 5.6%

5-Year Trend (2014-2019)

Jobs grew by 12% to 1.3 million,
representing 30% of 9-County Bay Area
job growth

High Growth Sectors

Transportation & Warehousing (+32%)

Information (+29%)

Construction (+25%)

Manufacturing (+22%)

Health Care (+14%)

*CA EDD's March survey reference period covers the week that contains the 12th day of the month, which predated the shelter-in-place orders.

The economy is facing an unprecedented economic disruption due to the pandemic, and disproportionately hurting small businesses.

- 80% of East Bay businesses are microbusinesses employing fewer than 10 employees.
- These smaller businesses, along with their employees, are most vulnerable to the economic fallout.
- Small businesses often have very limited cash reserves and not well-positioned to take on more debt, especially when they are facing such an uncertain future.
- Small businesses comprise a disproportionate share of minority-and women-owned businesses.



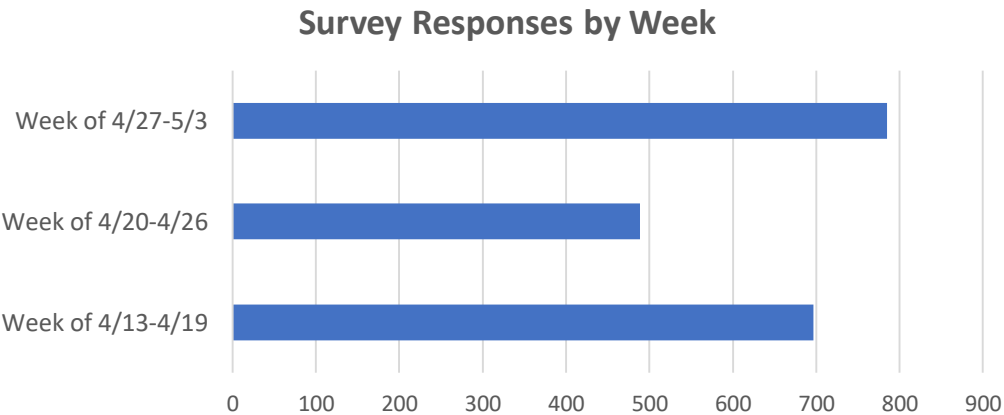
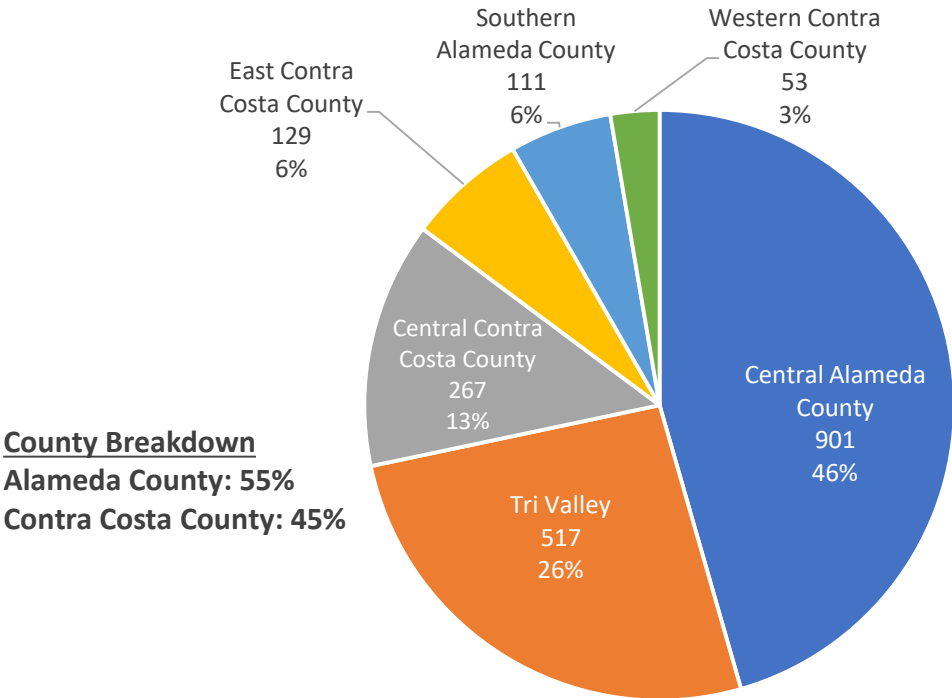
City of Berkeley

Survey Purpose

To collect information and data across our region and different industry sectors that will help our cities, chambers, workforce development boards, and other regional partners to effectively plan for business recovery efforts & advocate for high-priority needs



City of Walnut Creek



Survey Findings

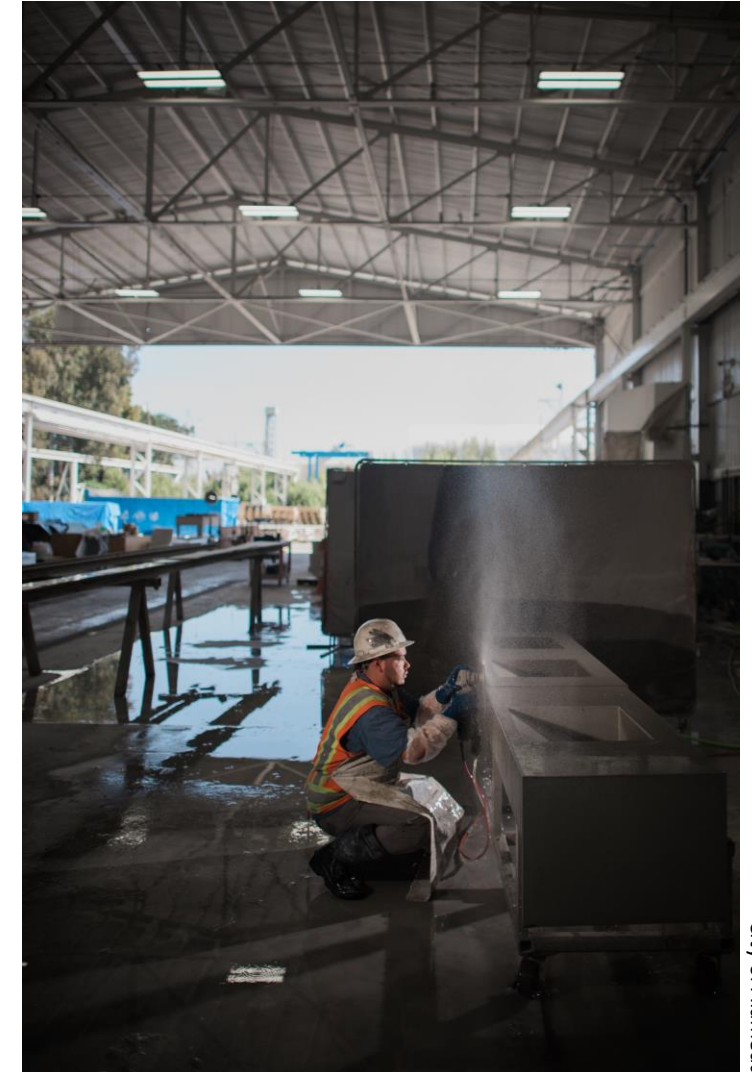
1. Vast majority of businesses (80%) surveyed were **"microbusinesses"** (employing <10 employees).
2. Nearly 40% of respondents were **temporarily closed** because they were not considered an "essential" business.
3. Businesses took immediate actions to adapt to new realities and to **avoid permanent business closure**
4. Layoffs and revenue losses are **severe and hit low-wage workers hardest**
 - Impacts are concentrated by industry (food and beverage; retail & personal services; hospitality/leisure/entertainment)



City of Oakland

Survey Findings

5. Most businesses applied for **SBA relief programs**, but many are still waiting to hear back
 - Frustrations around quick program rollout, unclear eligibility & guidelines; technical glitches; lender confusion, etc.
 - Businesses disparities (e.g., financially underserved, self-proprietors, nonprofits, minority-owned businesses)
6. Overcoming **financial losses** and **re-establishing customer base** were the greatest challenges to business recovery, as well as complying with new regulations to adequately protect safety of workers & customers
7. Businesses are in need of **capital support, assistance helping with relief programs & applications, & navigating current and future regulations**
8. Who **didn't** we hear from?



City of Alameda

Other Themes

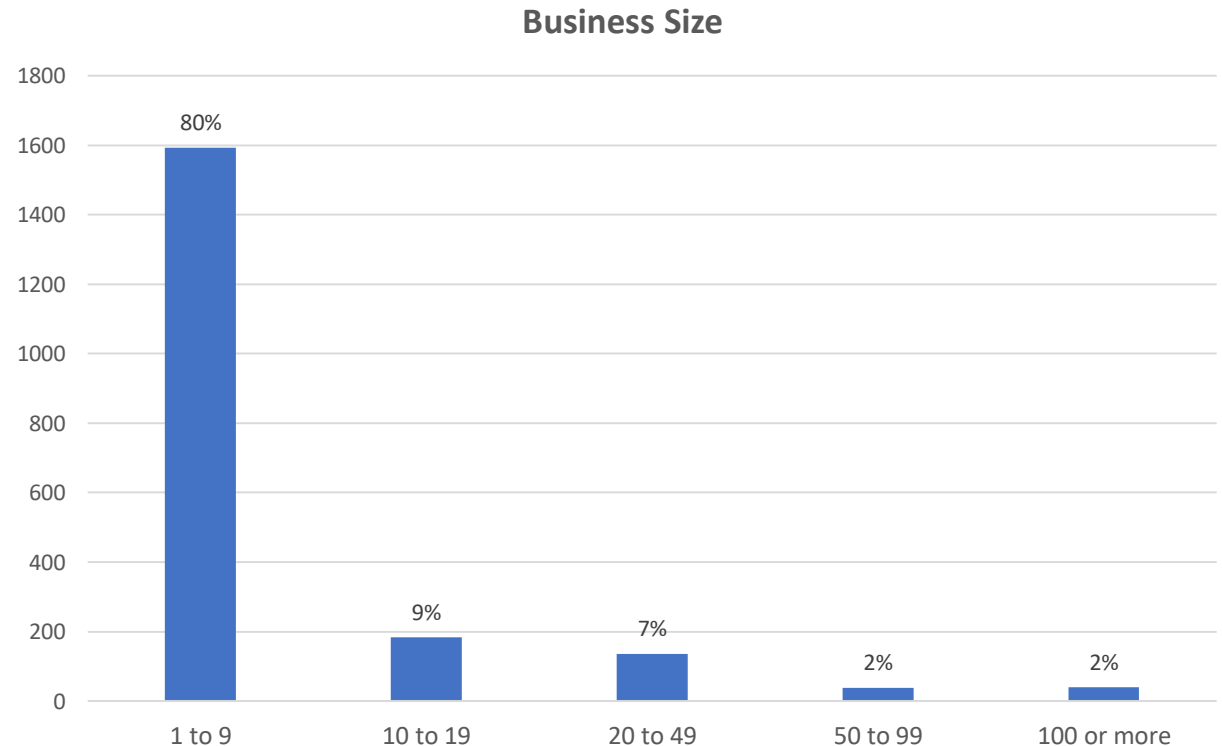
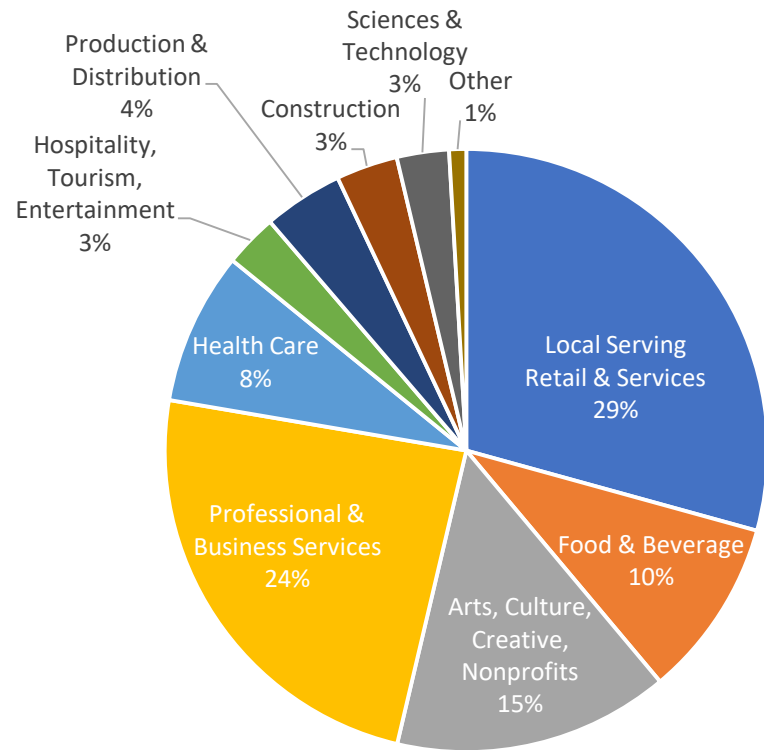
- Specific help for **sole proprietors, independent contractors**
- If physical distancing continues & as behaviors change, how do **businesses that rely on public gatherings** adapt?
- Concerns around costs & procurement of **adequate PPE & cleaning supplies** when businesses reopen
- Employers are **eager** to reopen, but workers feel **concerned** about their safety
- Overall health of the **local economy** (decreased spending, lack of “daytime” workers, reduced foot traffic)
- **Childcare struggles** (parents balancing work & childcare as schools remain closed; facility limitations of childcare centers & at-home daycare)



City of Concord

Profile of Businesses Surveyed

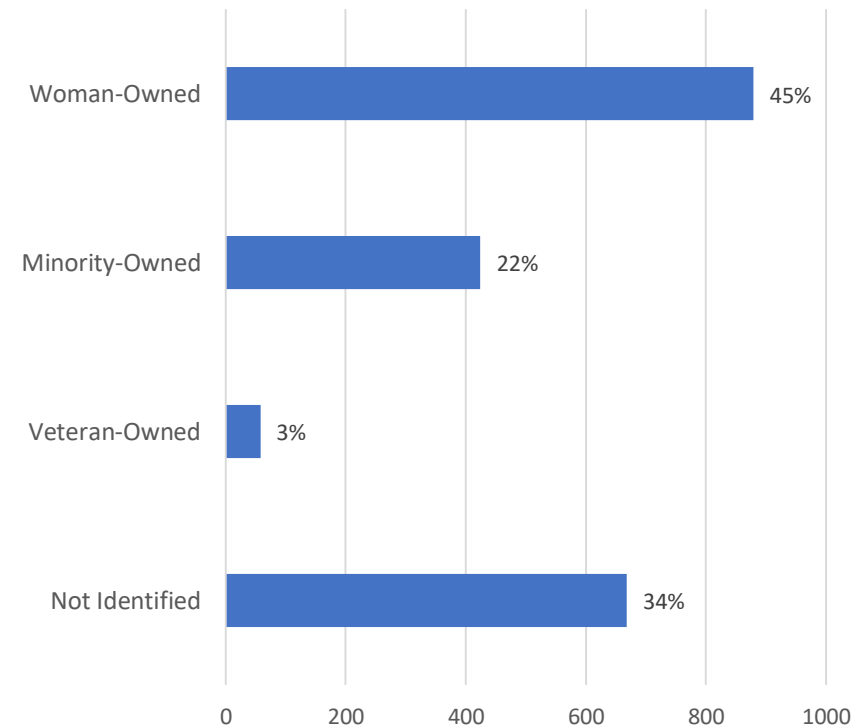
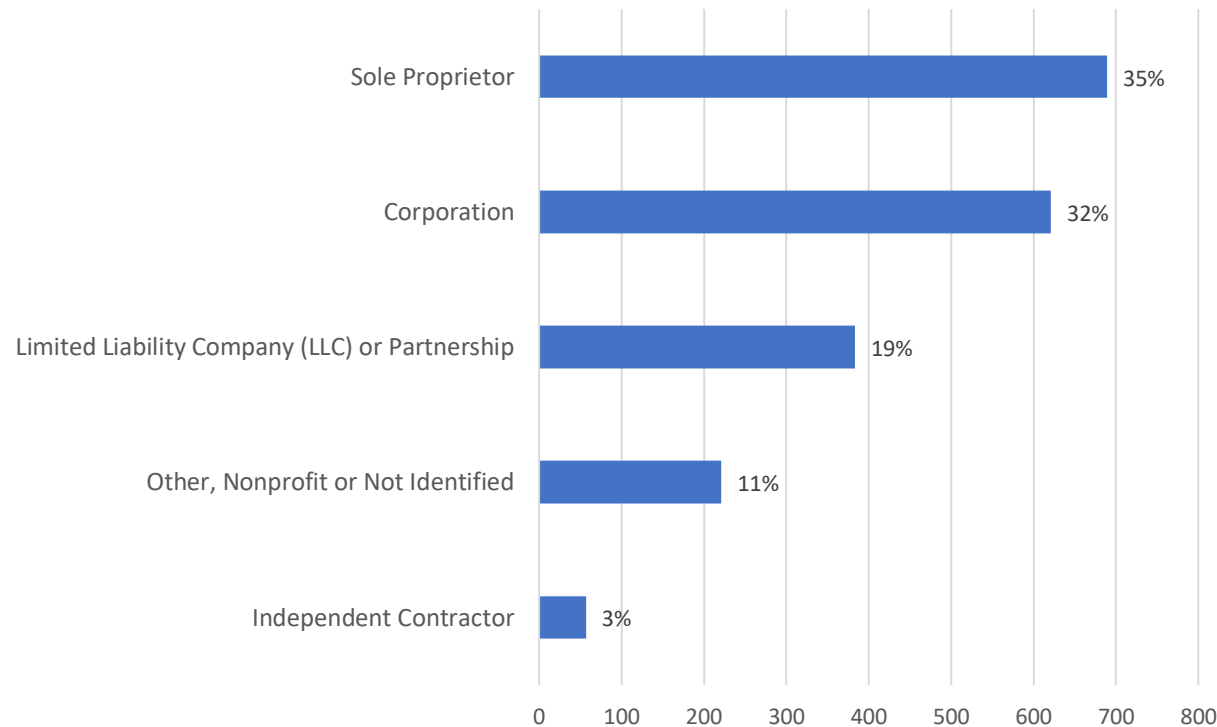
- Represented a wide variety of sectors & business types
- Very small, or “microbusinesses” (fewer than 10 employees)



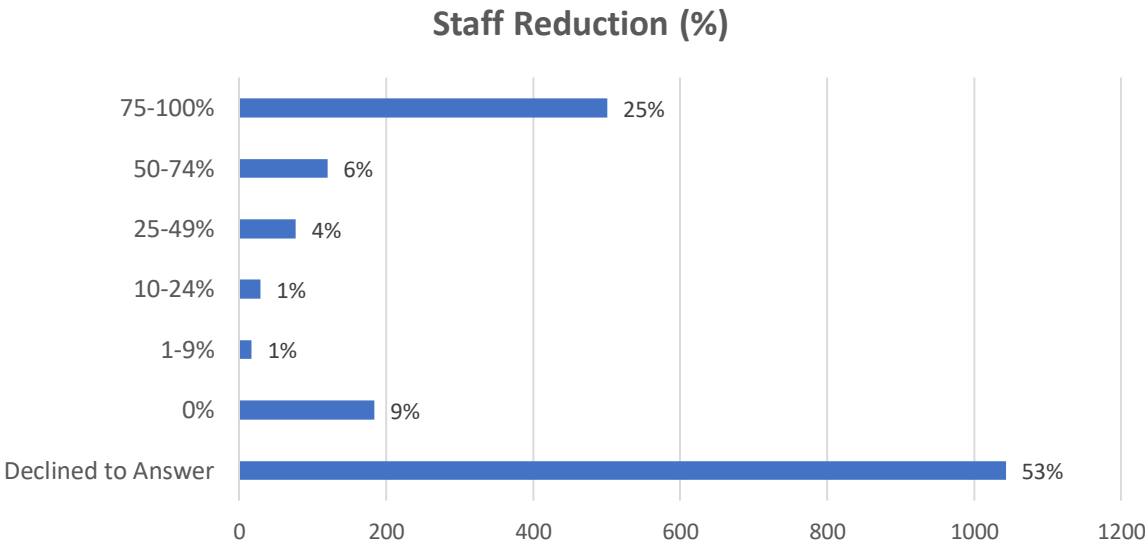
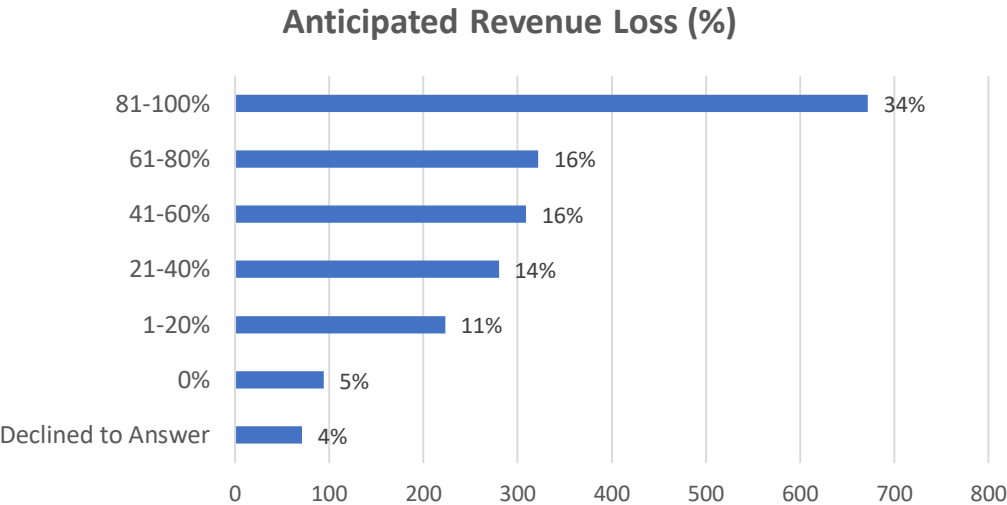
Profile of Businesses Surveyed

- Sole Proprietor/Self-Employed Businesses
- Minority & Women-Owned

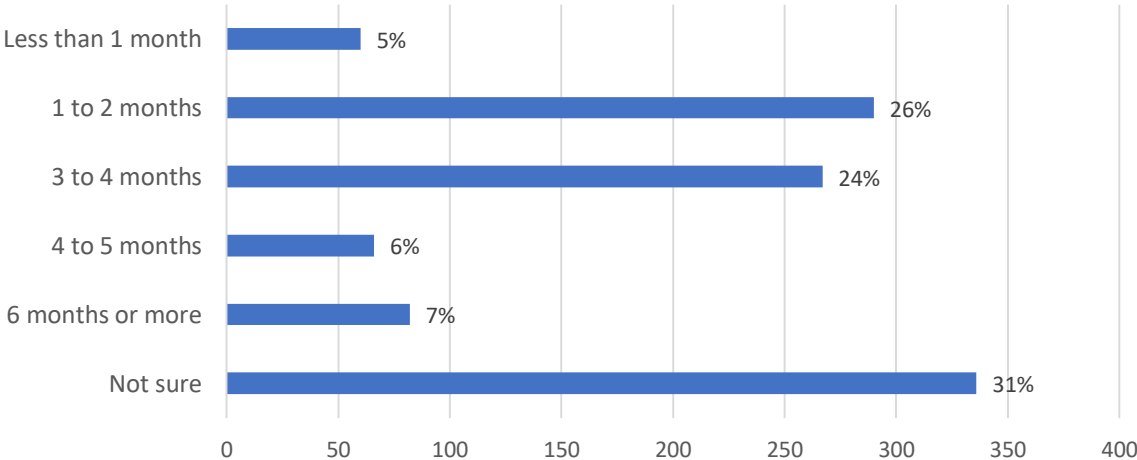
Business Type



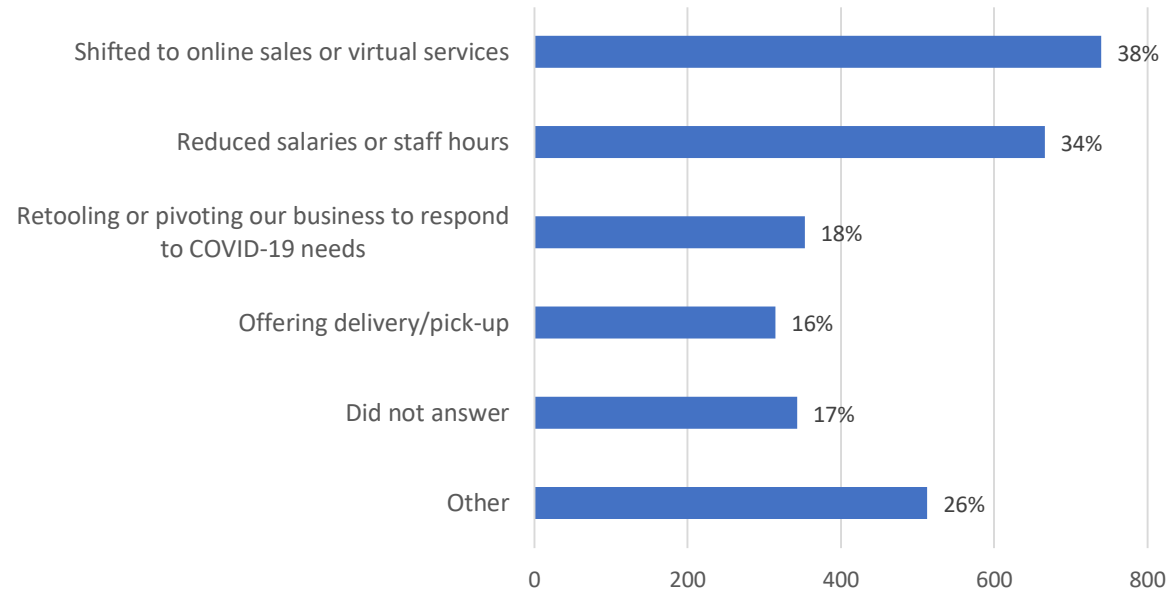
Business impacts were severe and immediate



**Estimated Business Survival
of Temporarily Closed
Businesses**

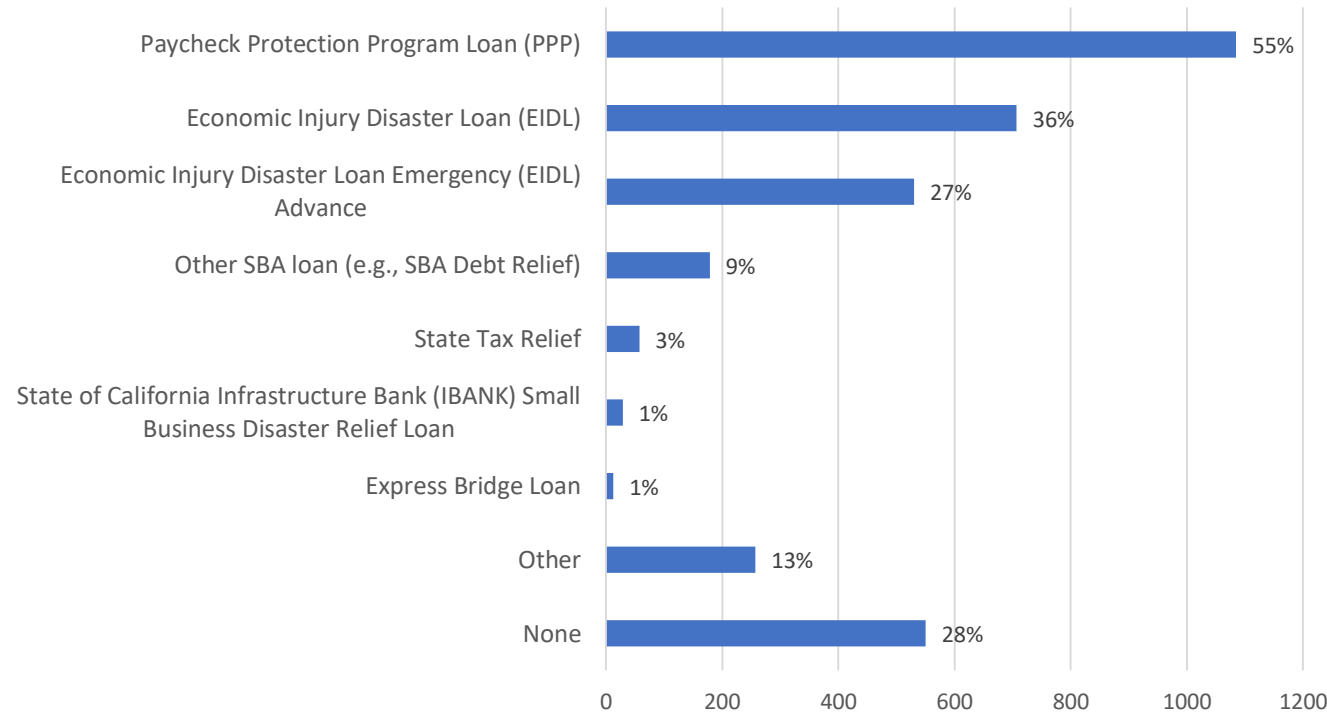


Businesses immediately adapted to mitigate financial losses & avoid business closure



- Common “Other” Responses
 - Provided discounts on current and future products/services
 - Telework
 - Applied for a variety of federal and local relief programs and deferring payments

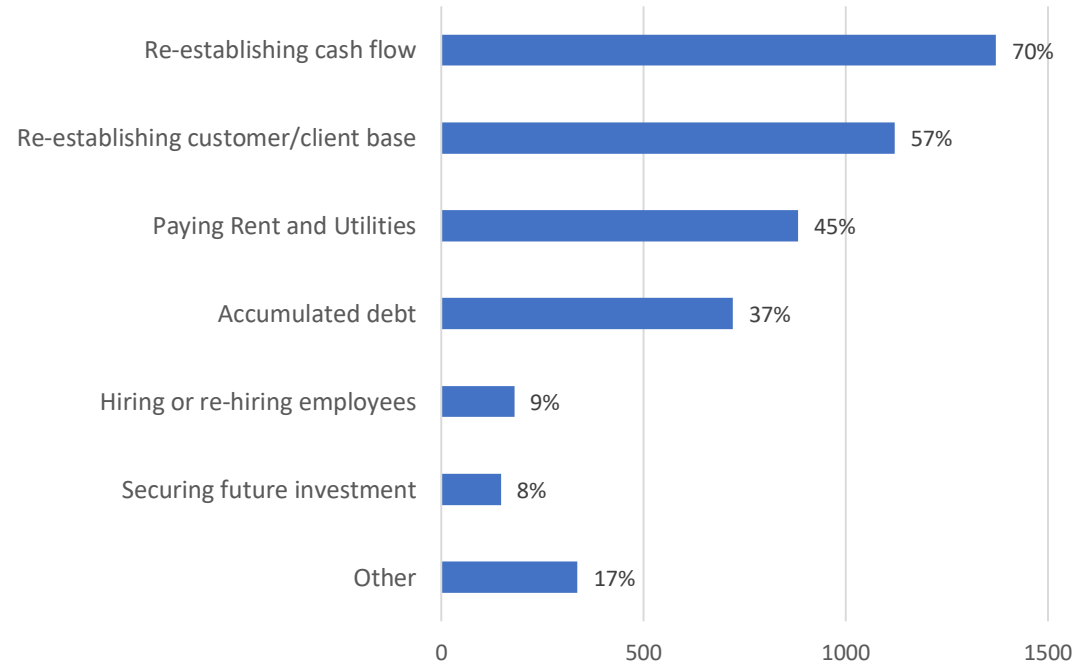
Businesses are taking advantage of relief programs, but many are still waiting to hear back



Common "Other" responses:

- City relief funds
- Corporate and philanthropic grants (e.g., Facebook, Verizon, Hello Alice)
- CA EDD Unemployment Insurance/Pandemic Unemployment Assistance

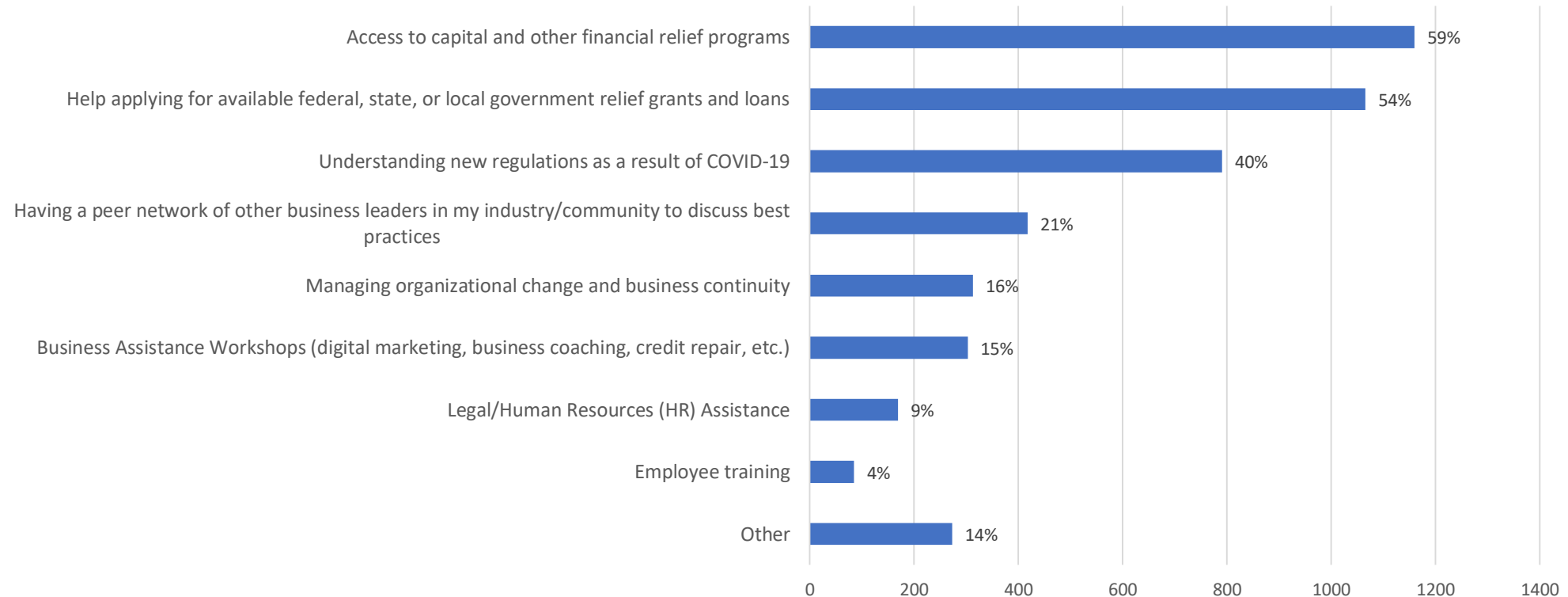
Greatest Challenges to Business Recovery



Common "Other" responses:

- Paying taxes and other business expenses/debt
- Complying with new regulations to protect health and safety of workers & customers
- Incurring new costs associated with virus-related regulations (including obtaining PPE)
- Complying with social distancing requirements & societal behavior changes
- Lack of childcare (due to school closures)
- The financial health of my clients/customers and decreased demand for my services

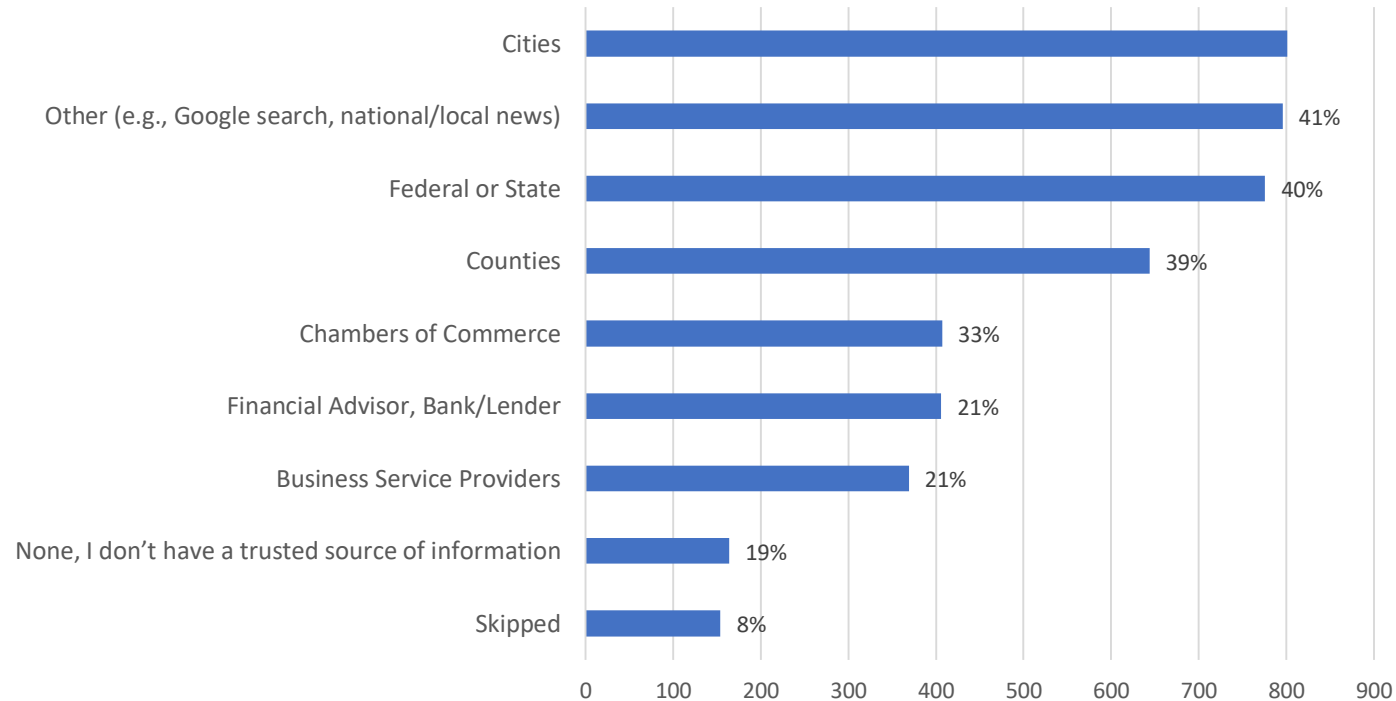
Most Helpful Resources and Services



Common "Other" responses:

- Providing clear protocols & assistance to help protect safety of workers and customers
- Access to immunity testing for employees
- How to manage/repivot business (e.g., businesses that depend on public gatherings)
- Rent assistance
- Free or very low-cost marketing/advertising support
- Assistance obtaining PPE at fair prices

Businesses are relying on both formal and informal sources for information



Moving Forward

1. Small businesses have been disproportionately impacted by the COVID-19 pandemic and many will not survive
2. Relief efforts have been laudable, but demand for support has outstripped available resources
3. Businesses that are trying to reopen need clear and expeditious guidelines to fulfill health and safety requirements
4. Employing innovative solutions, such as allowing for more flexible use of space, can help businesses trying to recapture customers/income
5. Finding new ways to be prepared and more resilient for the next disaster



Concept: UrbanBloc.net