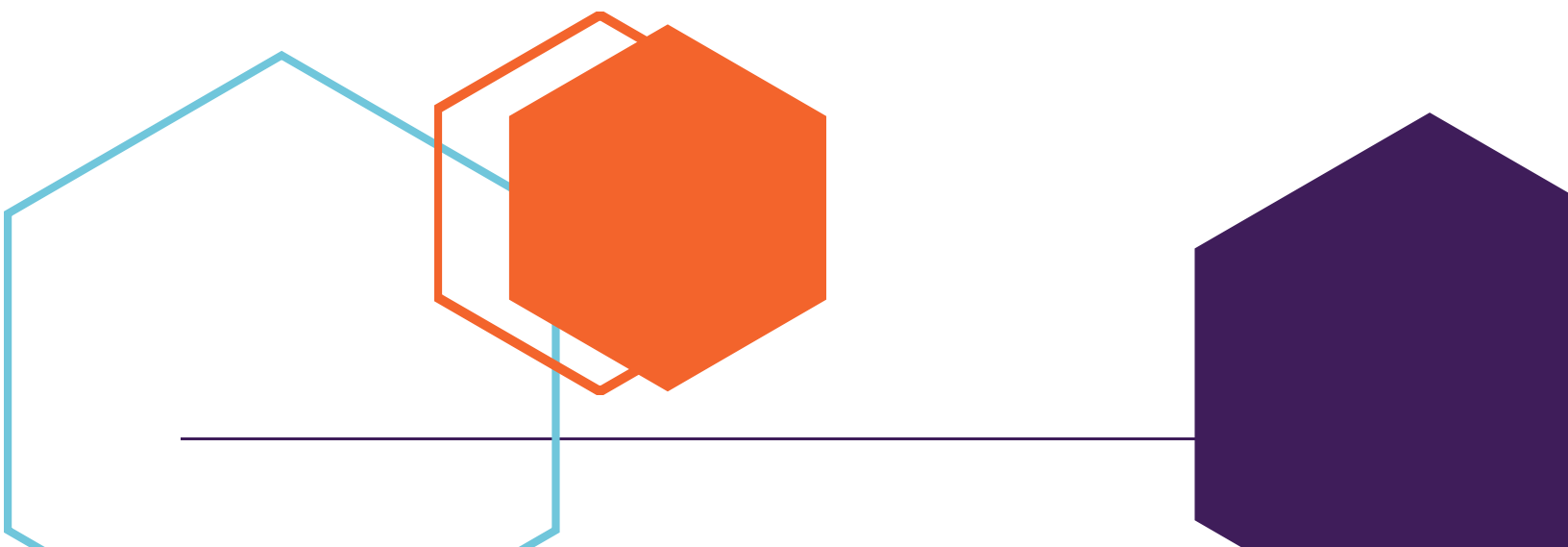




# NoRTEC COVID-19 Business Recovery Survey Results

**Effects of COVID-19 on the  
Northern California Regional Economy**





# Introduction

Communities throughout Northern California and the nation have been significantly impacted by the COVID-19 pandemic and related restrictions put in place beginning March 2020. Two organizations with overlapping service areas—NoRTEC and 3CORE—joined efforts to launch an online survey of business owners in the region. The purpose of the survey was to inform NoRTEC, 3CORE, and their partners of the economic impact on business operations.

The online survey was conducted from May 4 to 15, 2020. Workforce and economic development partners in each county promoted the survey through email, press, and social media.

The results of the survey presented here will be used to advocate for the types of resources and assistance that are needed to help businesses and workers with economic recovery.

Participants were asked in which county their business is located, their industry sector, employment level prior to the Executive Order to shelter in place, any reduction in the employment level after the Order, and estimates of any further permanent or temporary job losses.

Other questions focused on physical and operational changes they have put in place to meet public health policy recommendations, resources they believe would be helpful in their recovery, and their risk of revenue loss or closure.

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*NoRTEC is a consortium of Northern California counties established to address the needs of job seekers and businesses in Butte, Del Norte, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity Counties.*

*3CORE is a private nonprofit Economic Development District serving Butte, Glenn, and Tehama counties.*

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## HIGHLIGHTS OF SURVEY RESPONSES

- A total of 594 surveys were completed.
- Businesses responding to the survey were by far small businesses; 70% (417) have either no or less than 10 employees; 40 responders are in the 51-200 employment size; and just 12 reported over 200 employees. (Figure 2)
- Responding businesses represent all major industry groups. Business and Professional Services were the dominate respondents which coincides with the fact that most respondents are small businesses.
- Industries expecting to lose 50 percent or more of their annual revenue are concentrated in the Services sector, followed by Restaurant and Retail, Health and Human Services, and Hospitality. (Figure 6)
- 350 of the responding 594 businesses indicated a potential that they may be forced to close within the next 12 months if the pandemic disruption continues much longer. The businesses at risk of closing

are primarily in the Services industry sector, followed by Health and Human Services which include dentists, orthodontists, physical therapy, and supported living facilities. (Figure 5)<sup>1</sup>

- At the time of the survey six businesses reported that they had closed permanently. This represents between 10 to 20 jobs in Butte and Tehama, in Ag, Health and Human Services, Professional Services, and one Restaurant. (Figure 7)
- The types of resources respondents believe would be most helpful to them in their recovery efforts are listed below in the order of those most in demand.
  - Keeping my employees and customers safe (plan templates and checklists)
  - Purchasing Personal Protective Equipment (PPE); sources and group purchase options
  - Other financial assistance (debt reduction, collections, cash flow)
  - Strategic use of social media
  - Creative marketing ideas
  - Rethinking my business model
  - Enhanced websites
  - Renegotiating payment terms with banks, vendors, utilities, etc.
  - Digital marketing
  - Discussion forums with business peers
  - Business planning
  - Hardware and software purchases
  - E-commerce platforms
  - Technical assistance/business coaching
  - Services for employees who will be laid off permanently
- Highest demand for services by businesses with 0 to 50 employees is in understanding COVID regulations, accessing resources and financial programs and assistance. A similar demand hierarchy was seen in businesses with over 50 employees. (Figure 10)<sup>2</sup>

## LOCAL ASSISTANCE NEEDS

Page six of this report contains a summary of the responses to the final survey question “*Is there anything else you would like to add about Business Recovery issues or needs?*”

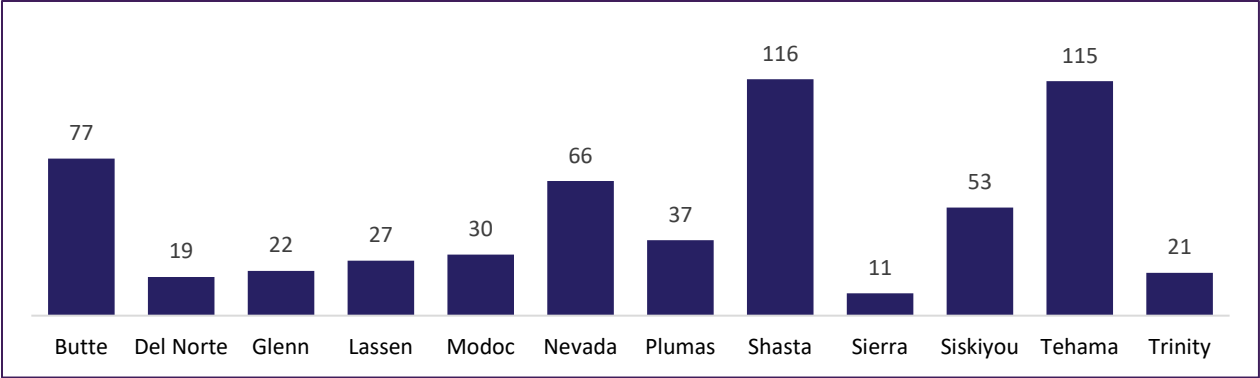
Over 100 respondents took the time to give their opinions and suggestions. The summary responses listed reflect the types of services and resources that are *available locally* to help businesses access resources and address their challenges. Full responses were provided to each County Job Center.

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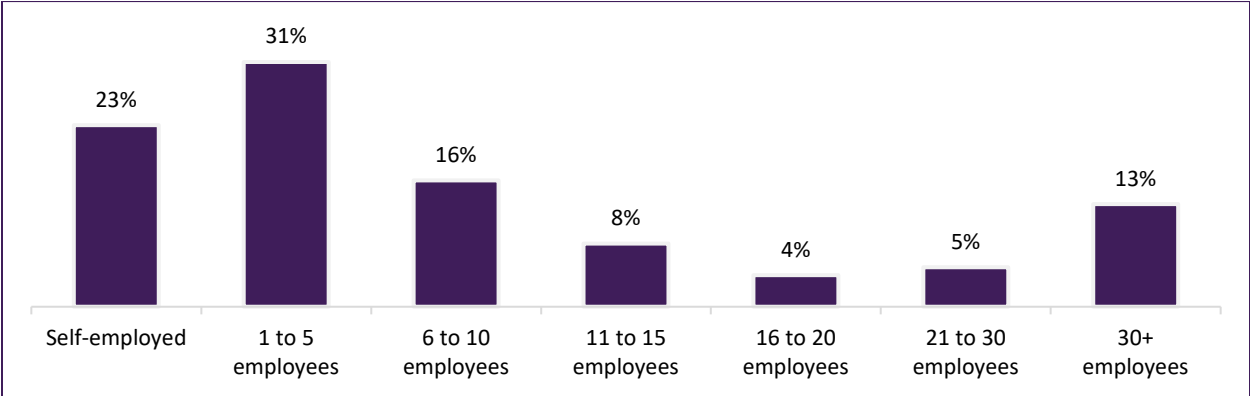
<sup>1</sup> Companies indicating that they would like to be contacted were reported directly to the County’s Job Center to maintain confidentiality.

# Demography of Respondents

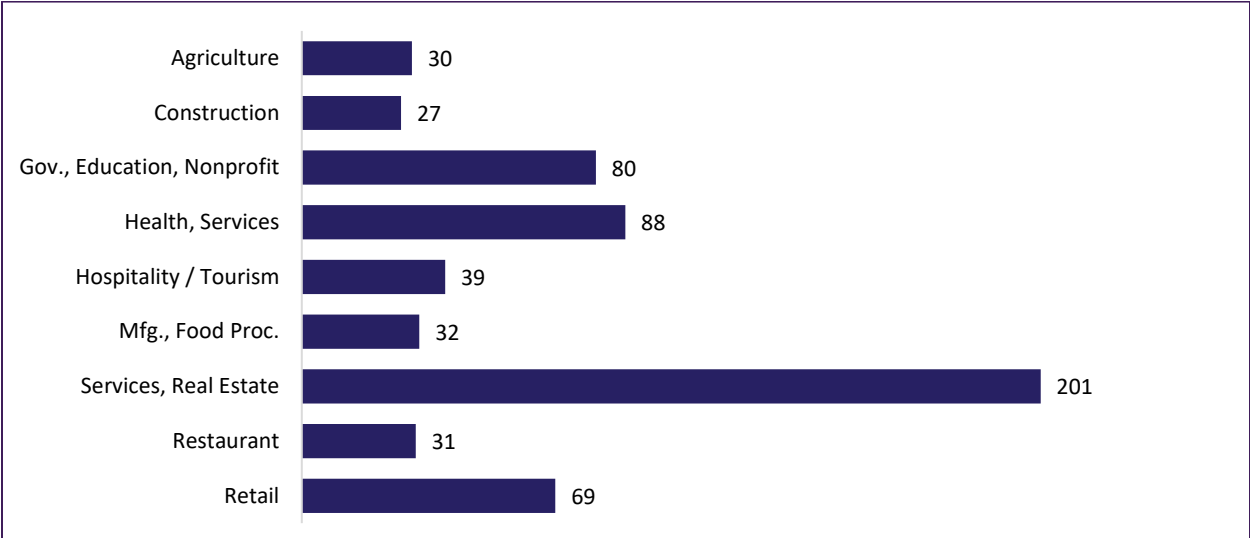
**Figure 1. Geographic Distribution of Responses**



**Figure 2. Distribution of Responders by Employment Size**

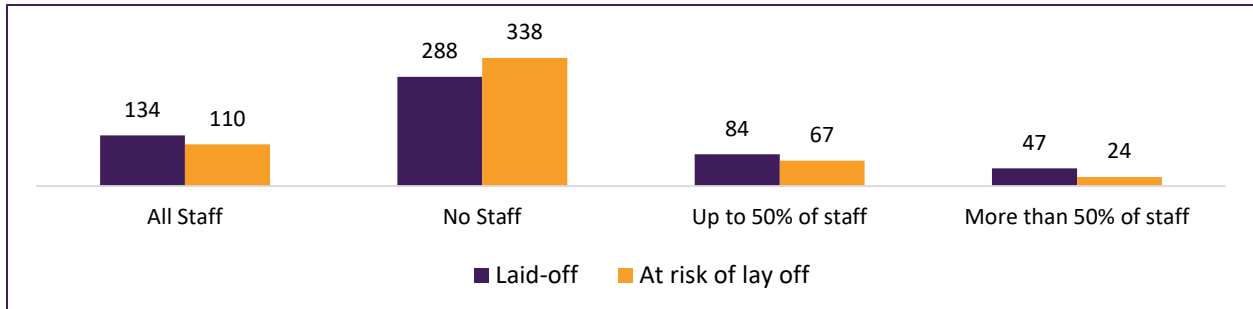


**Figure 3. Distribution of Industries Responding**

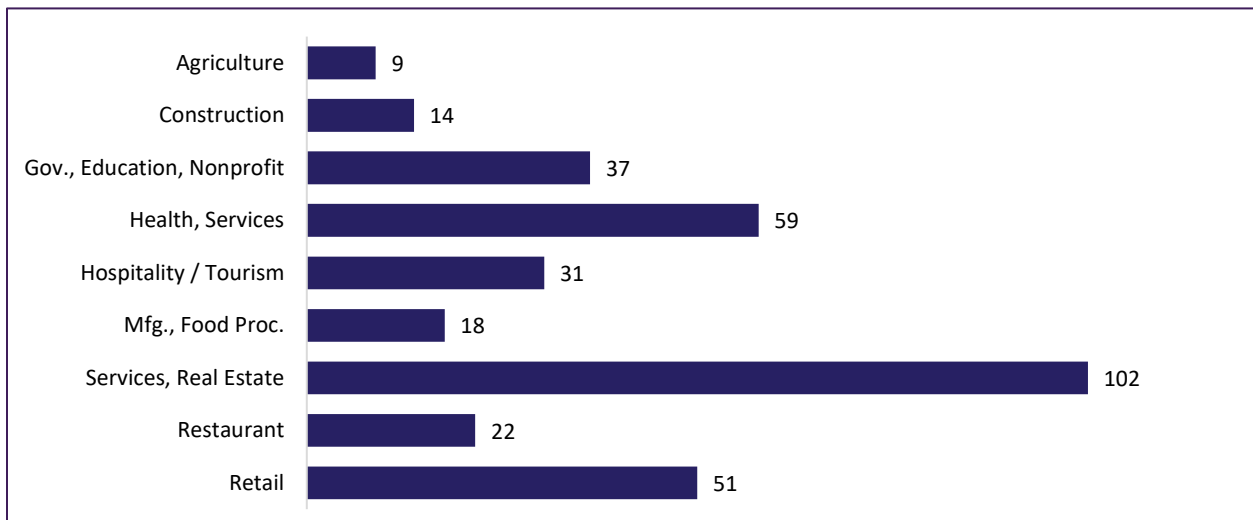


# Employment and Revenue Losses

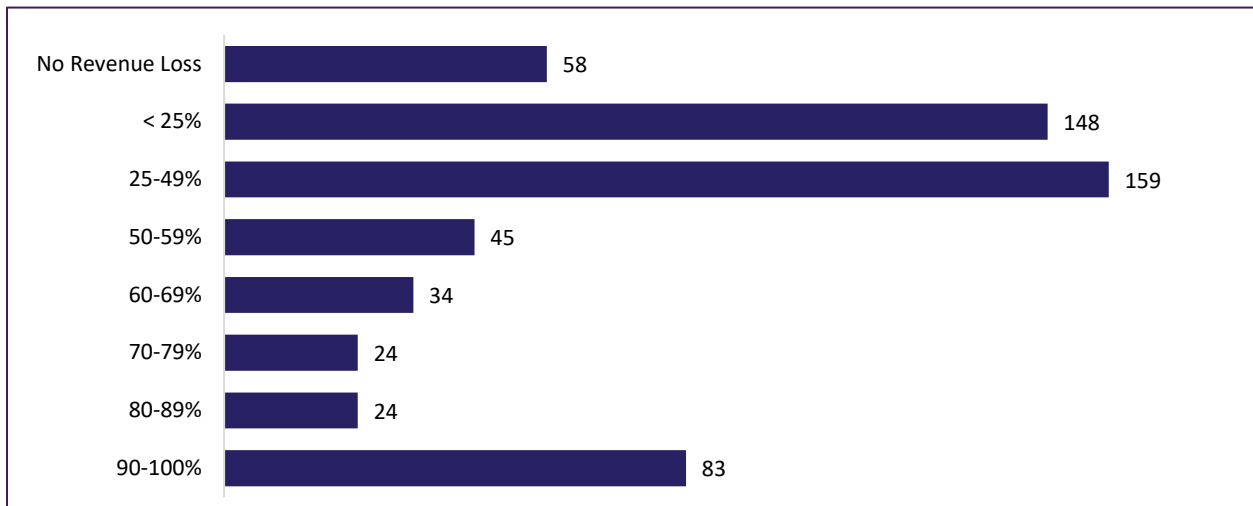
**Figure 4. Number of Companies that have Reduced or are Planning to Reduce Staff**



**Figure 5. Businesses Indicating Potential Closure in Next Twelve Months by Industry Sector**

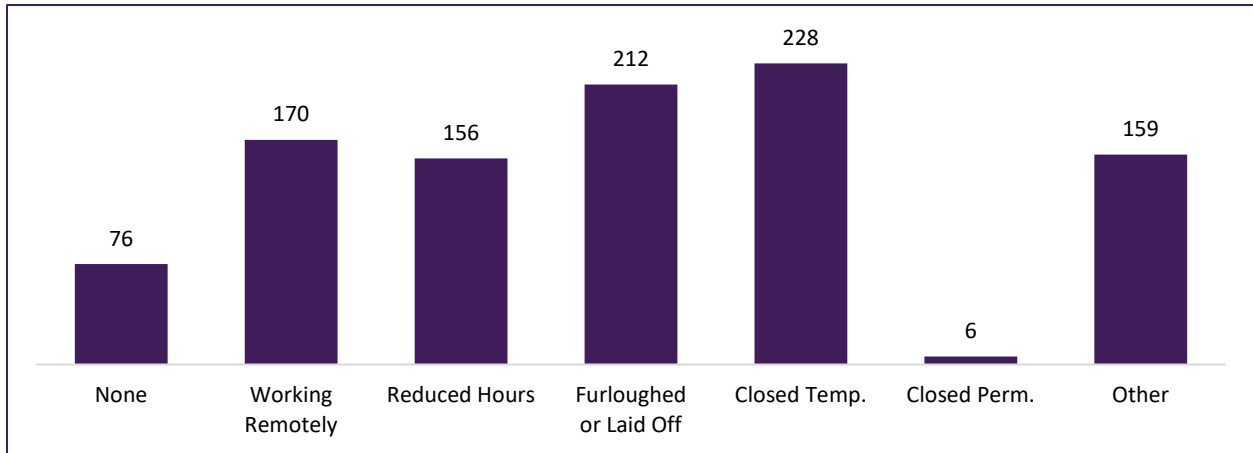


**Figure 6. Number of Businesses Anticipating a Loss of Revenue (1 to 100%)**

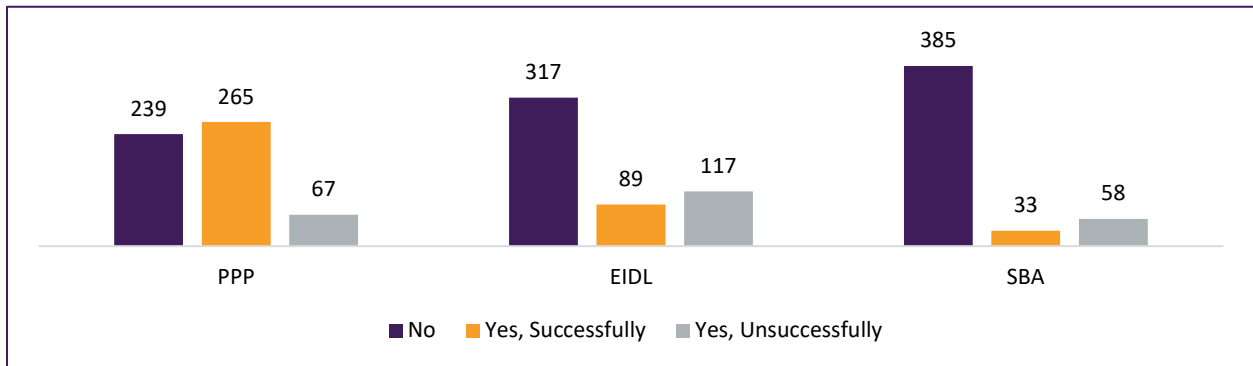


# Recovery, Resources, and Business Needs

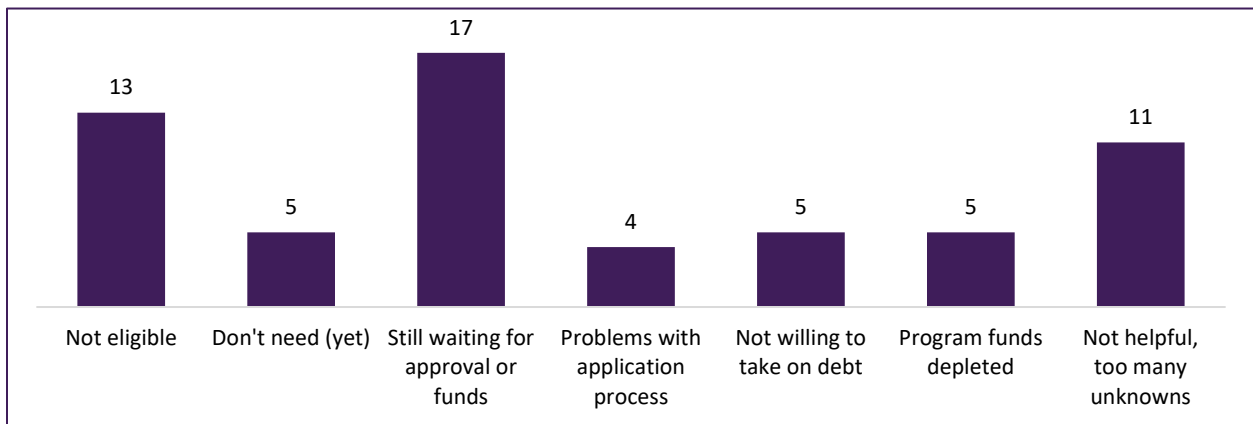
**Figure 7. Reported Actions Taken to Adapt to COVID-19**



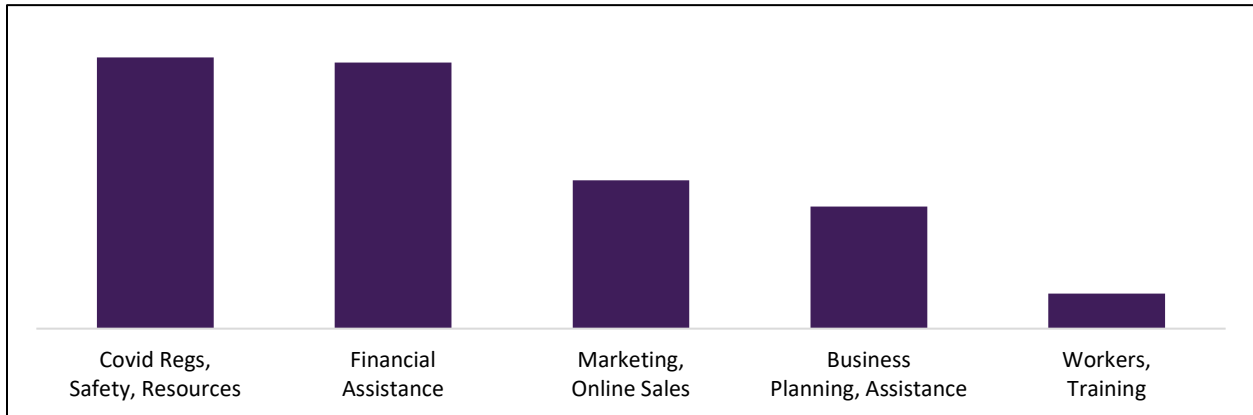
**Figure 8. Respondent Who Made Use of Programs**



**Figure 9. Reasons given for not Applying for Resources**



**Figure 10. Assistance Requested by Self-Employed and Businesses with <50 Workers**



***“Is there anything else you would like to add about Business Recovery issues or needs?”***

Following is a summary of responses to this final survey question. Responses are summarized to reflect the types of services and resources that are *available locally* to help businesses navigate and address their challenges. Full responses were provided to each County Job Center.

**Re-opening**

- We just need things to open back up and get back to work; return to a normalization that allows our children to go to school and people to freely shop without restrictions.
- Our season was cut short. With the current proposed guidelines... there is almost no possible way that we can open again at any point soon. We will likely need to provide refunds to those clients who have paid for lessons they did not receive and events we cannot attend.
- Being a small, low populated, rural area... our county should not be enforced by a statewide mandate...
- The Phase or Stage 2 indicates that Retail is open then says its "curbside". It makes it unclear when we can actually open for customers using social distancing...
- there is no solution for personal care businesses, we will go under if they don't allow us to open up

**Safety and Regulations**

- I cannot buy enough masks or wipes or hand sanitizer to keep my employees protected all the time. We need a PPE network or marketplace for essential businesses that are NOT nurses or doctors.
- I need testing to make sure patients are covid free... Quick tests...accurate.
- ...we are being put at high risk because we should have N95 masks and can't obtain... N95 masks in order since March and have not received a single mask... level 3's are also on long term back order.



## **Business and Employee Assistance**

- As much as I appreciate this survey and its focus to help businesses in our community, I would also love to see resources and services available to our employees. There will be no recovery without supporting our employees.
- We need more resources to help the small business owner ...None of the instructions are clear on these loans and grants to ensure that we aren't going to get stuck paying them back... so many new regs it is hard to keep up... and hard to navigate...
- Need more Financial assistance for sole proprietorships
- ... I read daily about creative ways businesses are pivoting. Sharing even some of those stories (many appear in the local Union Newspaper in Grass Valley, Nevada County, and the Wall Street Journal for example... may help inspire local businesses and give some new ideas on how to move forward.
- Better information from Local Health department.
- ...have had a very difficult time with the process [unemployment application]. As a self-employed business owner, I've yet to collect any benefits.
- We could use some help wading through the unknown of loan forgiveness of the PPP program.
- ...many small businesses are missing this as a huge opportunity to go online while physical doors are closed...the support for them is there if they would adapt...very hard, but it is essential.
- I need 0% loans from government and insurance companies b/c we were forced to close down...
- A county grant would help we... don't qualify for a forgivable ppp loan.
- Step has been very valuable in helping us during this time. The government assistance has been difficult for us as an employer to access.
- We expect 18 - 24 months before we see any real traction or trends that we can use for planning...
- We need customers.
- ...biggest help and mystery to me would be marketing my business and having a strategic, annual marketing plan... It's very overwhelming ...
- Is it possible to get out of a lease 2 years early without legal implications if we are unable to get a forgivable loan to pay back costs of our lease?
- I was led to believe that SBA was not looking to help at this time due to lack of business for last two months. I have a plan if only someone would listen. D. D.
- We are struggling to hire with unemployment offerings being so high. Any tactics to deal with that issue would be greatly appreciated.
- escott place was informed Later part of April by landlords that they will be doing a major remodel and they will ask everyone to leave, without any income for the last 2 months that does not give business

any future to even look for another place... it takes a while for customers to realize you just moved not out of business. So is it time to go out of business? would really appreciate feed back

- Long term financial assistance
- ... we are the only store in the area and are completely reliant on customers coming into the Plumas National Forest area for recreation... With areas closed the traffic through the store is next to nothing... don't know how we will restock for the summer, let alone pay the bills that have piled up from the winter, and the coming mortgage payments in the summer.
- ...the impacts are likely to continue farther out. We have events for fundraising--when can we resume? ... uncertainty is hard to plan around... business and individual giving are likely to dramatically decrease significantly over time as we enter a recession...

### **Offers of Help**

- Remember to reach out to schools if there is any way we can help.
- We at United Way want to know how we can help small businesses recover. Will you please share your survey results with us?
- We could be a source of support for local individuals who are unemployed or sole proprietor businesspeople who are experiencing hardship. We would like assistance to connect with these individuals.
- Willing to assist with strategy or business coaching if there are cases where you think it makes sense. Not lobbying for business.... just put me in the mix of resources for one-off types of circumstances. Thanks for your leadership and tenacity during this remarkable season.