



COVID-19 Business Response Survey II - Results

CONDUCTED ACROSS KC METRO AREA, APRIL 17–APRIL 24

The KC Chamber, Kansas City Area Development Council and KCSOURCELINK, along with several area local and minority chambers of commerce, conducted a second business survey measuring the economic impact of the coronavirus and charting the measures employers are using to respond to the COVID-19 pandemic. The regional survey drew responses from **565 area employers** and provides valuable data on how the virus and area shut-down orders are impacting minority and woman-owned businesses, micro businesses, start-ups and traditional small businesses and shows how these businesses are responding to federal relief measures. The survey results are summarized below, with the collective goal of informing necessary federal, state and local policy efforts, business partnerships, and trade measures that will help prepare KC's regional business community for the post-pandemic economic recovery.

The partners in this plan are collaborating with several other regional agencies on a soon-to-be released roadmap and set of guidelines for reopening businesses in the region. We anticipate a third-round survey to measure success and challenges with economic recovery reopening strategies.



Key Takeaways

Business owners are optimists.

58%

expect demand for products and services to be back to February 2020 levels in six months.

70%

expect to retain 75-100% of their pre-COVID 19 workforce.

90%

have retained all employees or expect to re-hire all employees laid off. However, only about half of minority-owned companies expect to retain 76-100% of the workforce.

96%

of respondents were *aware* of the Paycheck Protection Program (PPP) and/or Economic Injury Disaster Loans (EIDL)

Challenges continue.

47%

indicated it took longer than 5 business days *to be approved* for a government loan.

55%

indicated it took more than 5 business days *to receive* funding.

50%

who self-identified as a minority and/or a woman owned business believe *dedicated* financial assistance should be provided for their businesses.

48%

of businesses with <5 employees saw *revenue decrease* more than 50%, compared to 40% for the whole group.

Key Takeaways

When businesses reopen, top priorities are:

Maintaining the health of the workforce

Financial assistance

Tax incentives

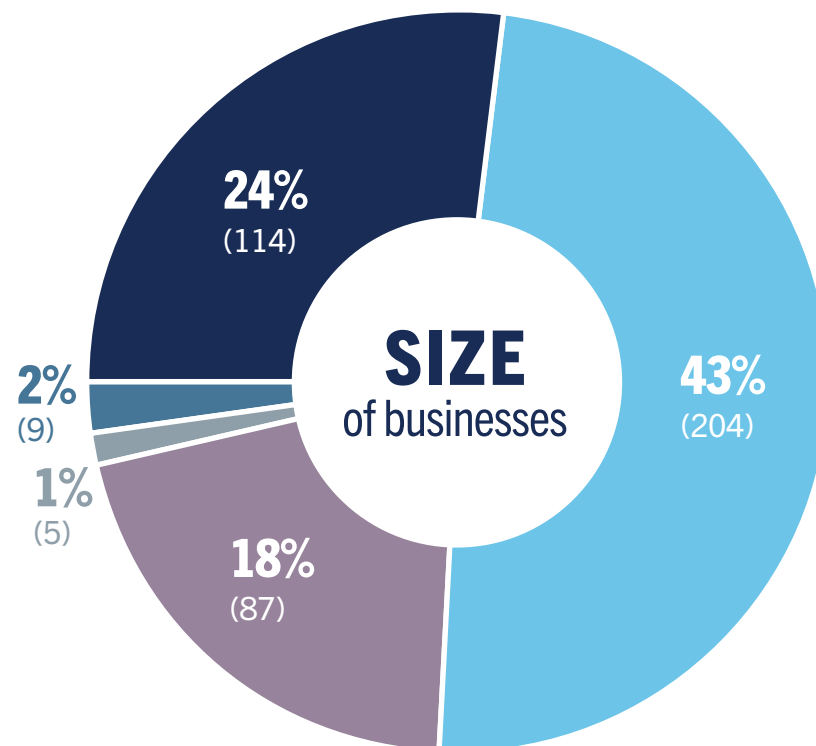
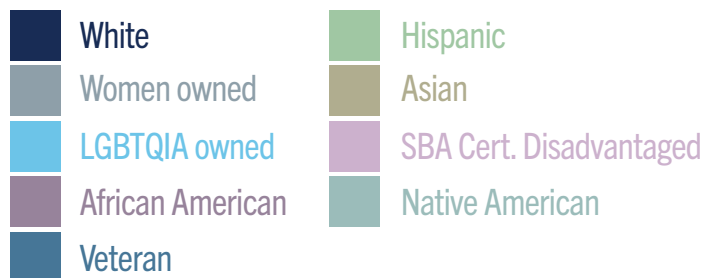
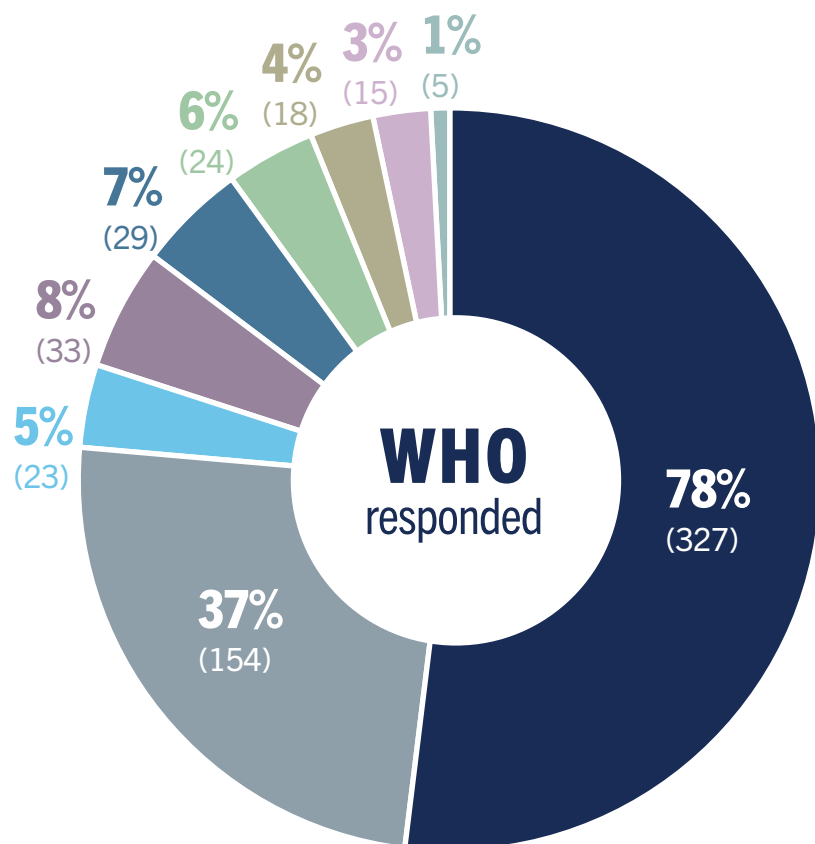
Companies with fewer than five employees:

Funding assistance

Paying the rent

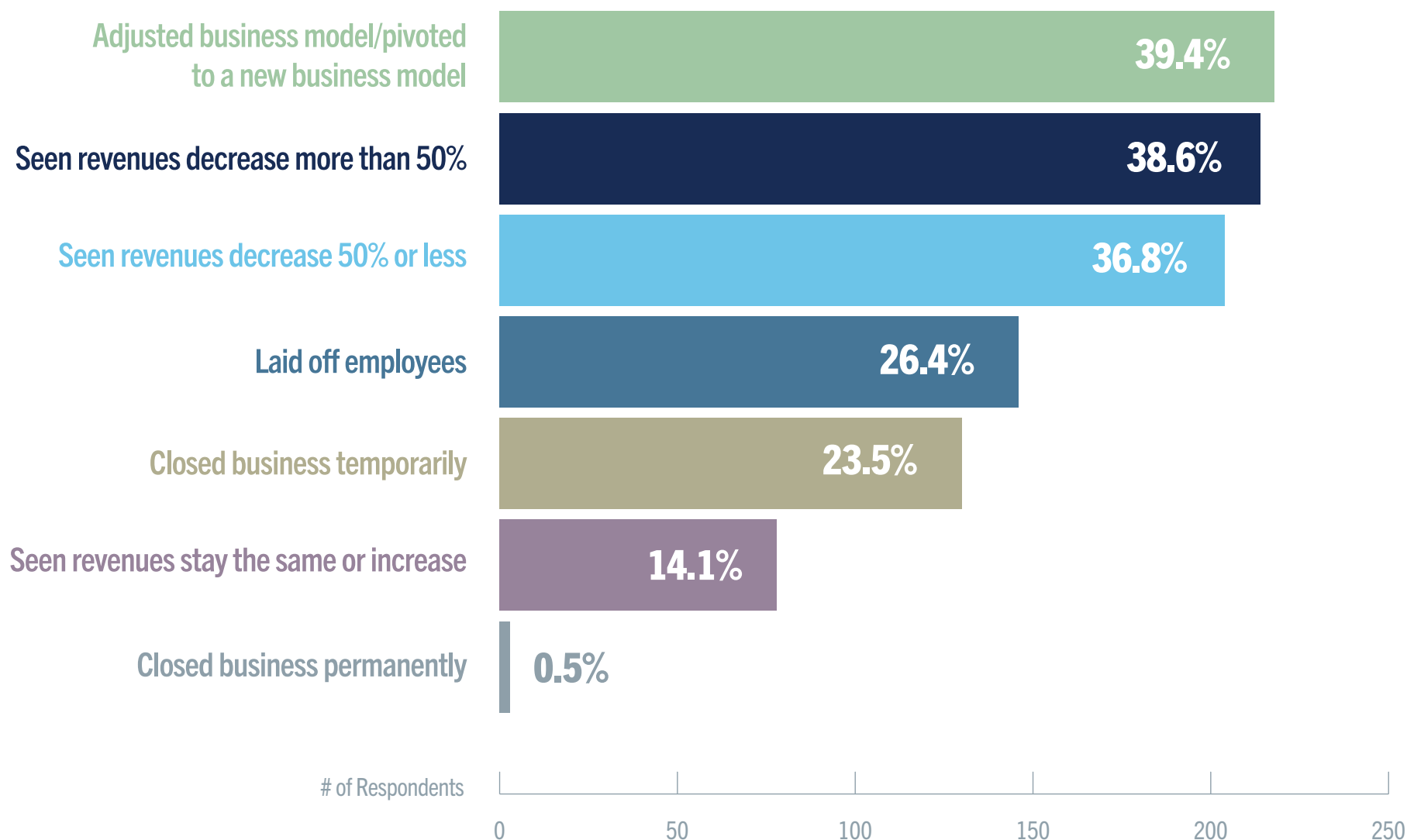
565 Respondents

The geographic range encompassed the entire Kansas City MSA with **96** zip codes represented. Almost **25%** come from low to moderate income zip codes



1: Impact of COVID-19

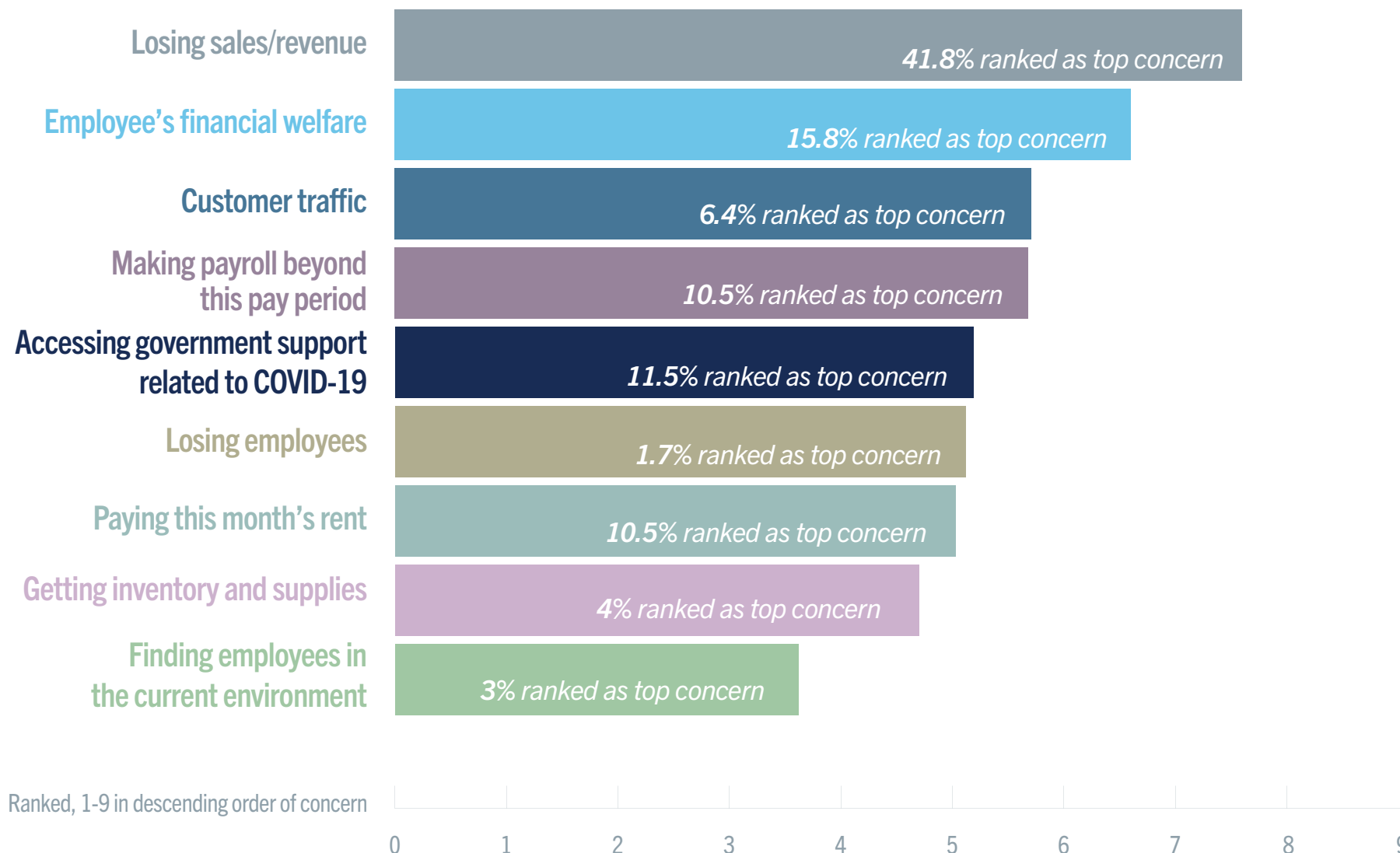
What have you *experienced* since March?



Workers *at risk* for layoff: **39%** | Workers *already* laid off: **26%**

1: Impact of COVID-19

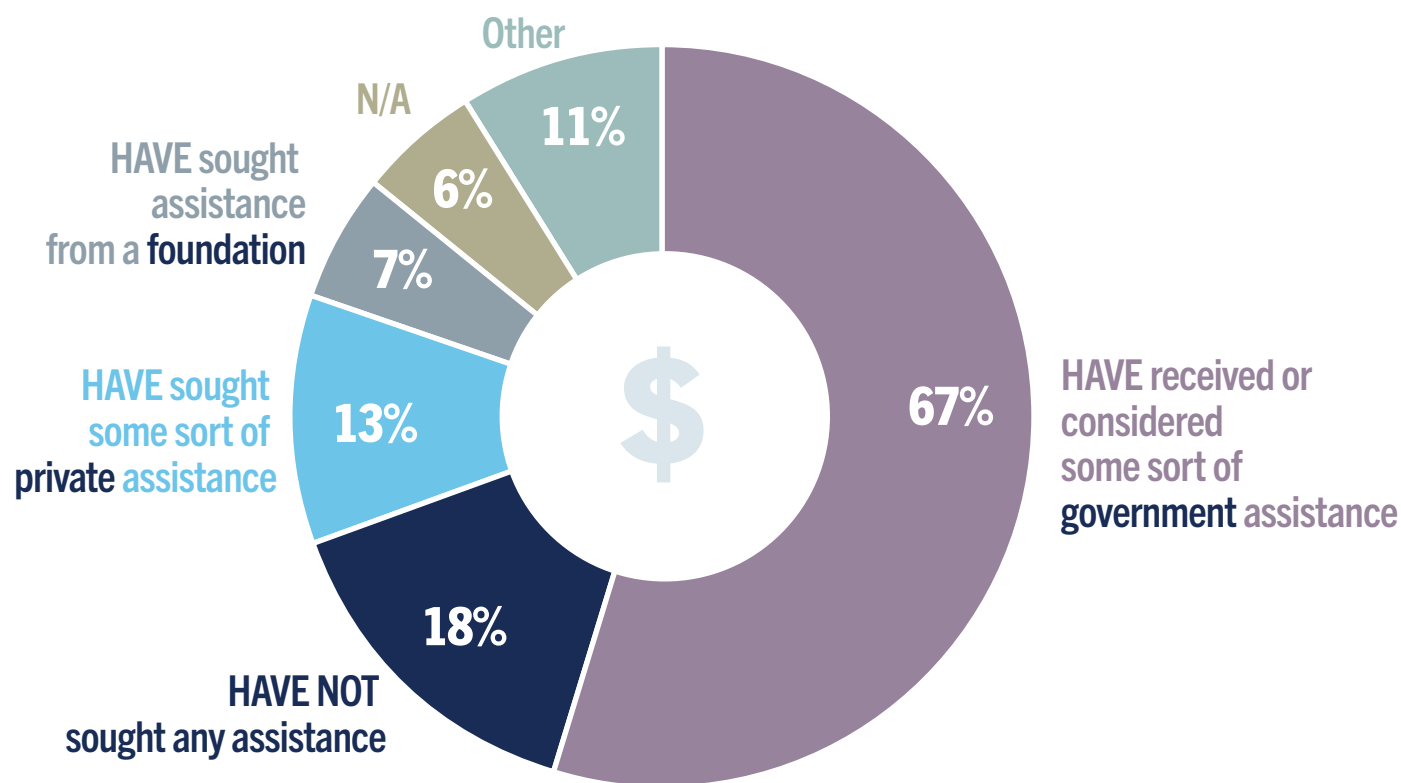
What are your *immediate* concerns?



Same top two priorities for smaller companies. Making payroll is number three for companies with 5-49 employees. Paying the rent is number three for smaller companies. Making payroll also makes it into the top three for minority and women owned companies.

2: Effectiveness of financial assistance programs

Has your company *received or considered* any kind of financial assistance or applied for assistance since March 16?

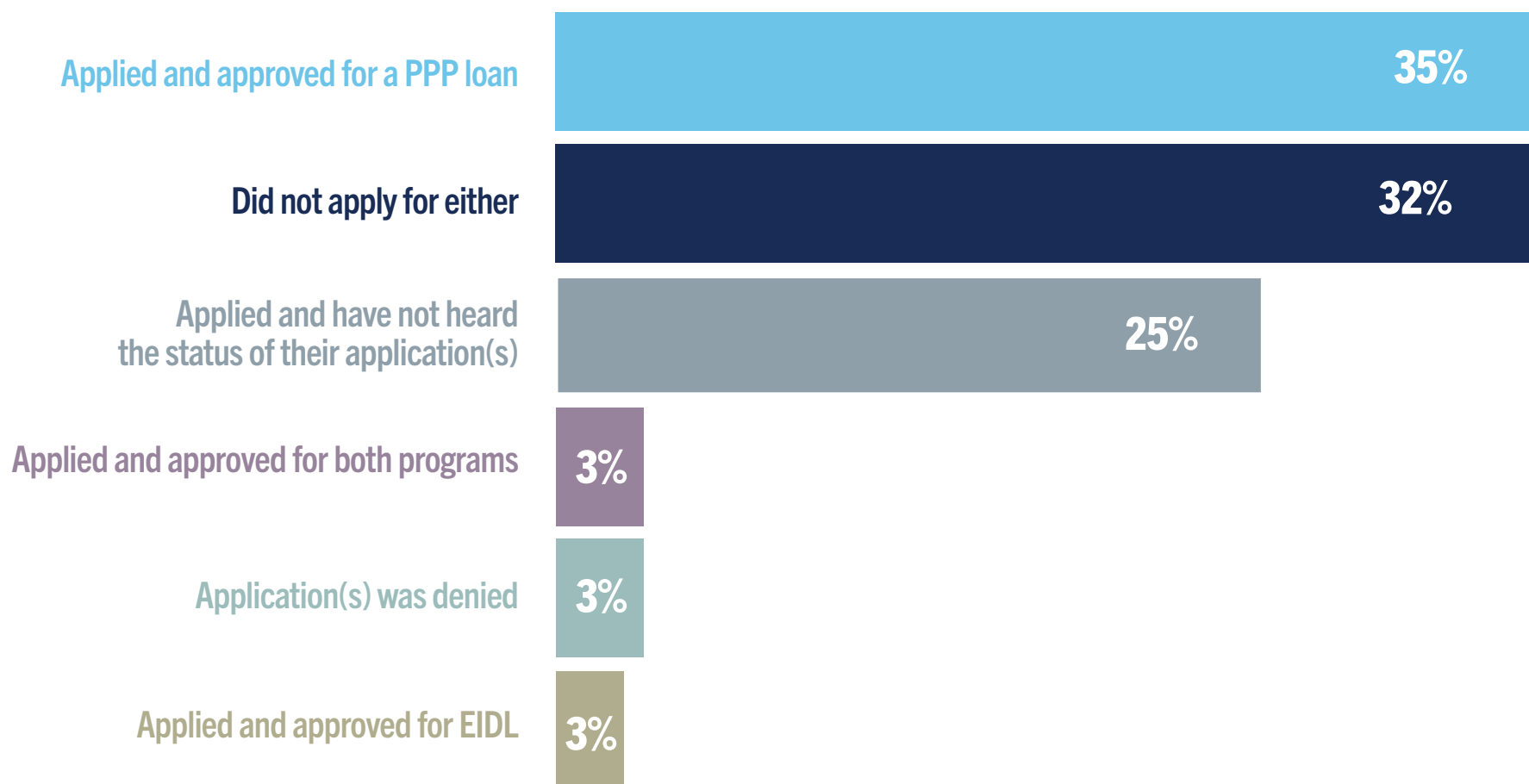


- Foundation (e.g. Greater Kansas City Community Foundation)
- Government (e.g. Economic Injury Disaster Loans; Paycheck Protection Program)
- Private (Bank or other financial institution, debt deferment, financiers)

2: Effectiveness of financial assistance programs

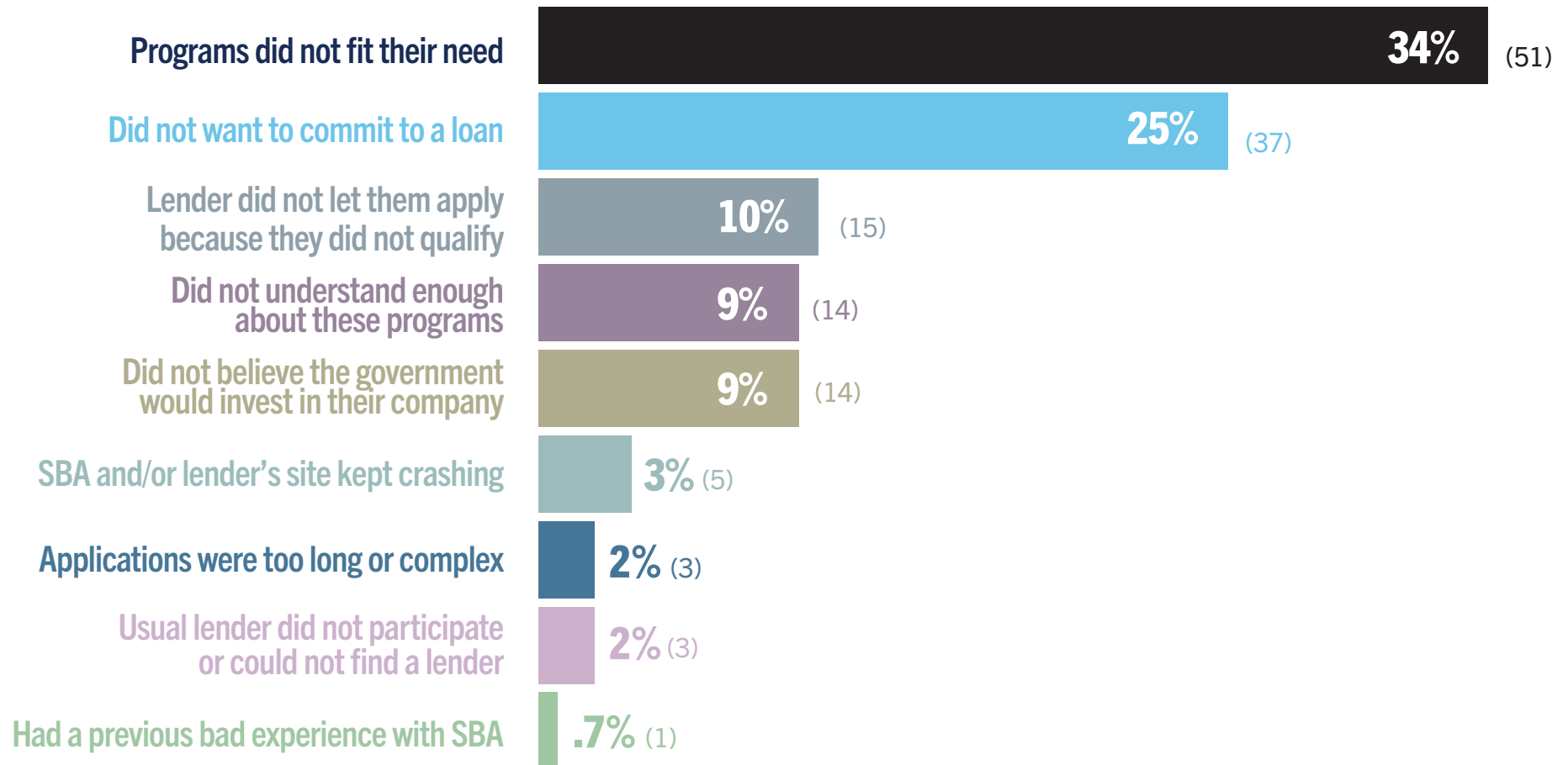
Did you *know about* SBA EIDL and PPP? Yes: **96.2%** No: **3.8%**

What is your *experience* with EIDL or PPP?



2: Effectiveness of financial assistance programs

Reasons for *not applying* for EIDL or PPP?



2: Effectiveness of financial assistance programs

For those *approved* for a government loan:

How long did it take to get *approved*?

1-5 Days: **52.8%** Longer than 5 days: **47.2%**

How long did it take to get *funds*?

1-5 Days: **44.6%** Longer than 5 days: **35.5%** 11+ days: **19.7%**

How *much* of your loan was approved?

100%: **76.3%** 75-100%: **17.5%** Less than 50%: **3.6%**

Most women and minority owned firms were approved
for more than 75% of what they applied for.

2: Effectiveness of financial assistance programs

Do you expect to need *more funding* outside of the current 8 week's payroll allotted in PPP to retain employees?

Yes: **53.3%** No: **46.7%**

For minority or woman owned, what *additional steps* should government take to assist?

46.7% Government needs to dedicate financial assistance for minority owned businesses

18.3% Measures to encourage more financial institutions to loan to minority businesses

14.4% Dedicated procurement programs for minority owned business

12% Technical assistance for loan applications

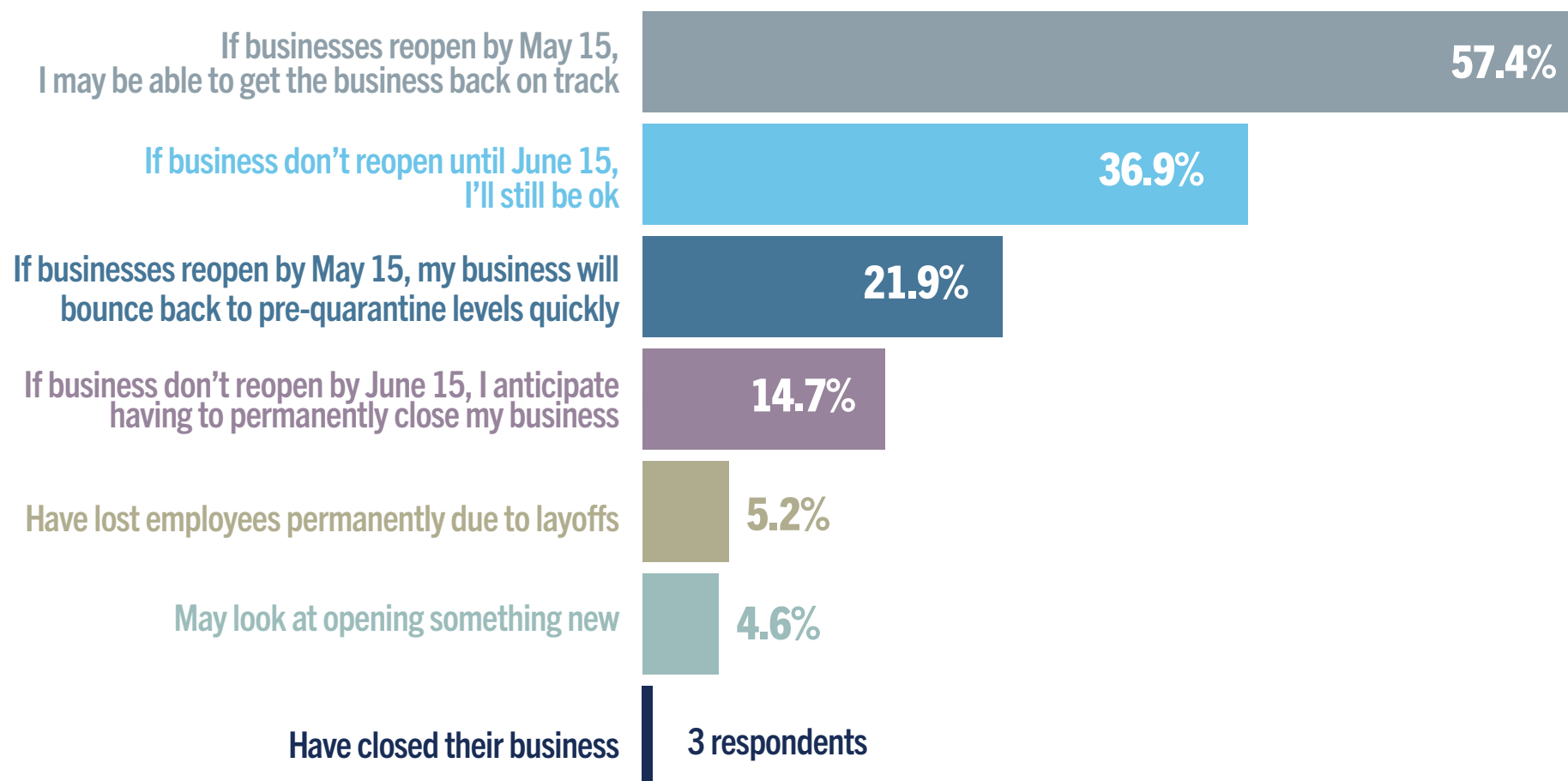
5.7% Believe that they were denied a loan due to discriminatory practices*

*12 respondents indicated they believed that they were denied a loan due to discriminatory practices. These range from:

- i. "All loans should be based on balance sheets and past performance, not ethnicity."
- ii. "My own bank gave me the run around when I tried to submit an application for PPP. By the time they finally allowed me to apply it was too late. Everyone woman owned business in my network experienced the same treatment from their banks."
- iii. "The money is not going to minority businesses it's going to banks which pick and choose who they're going to service and not service. It's still the good old boy system."

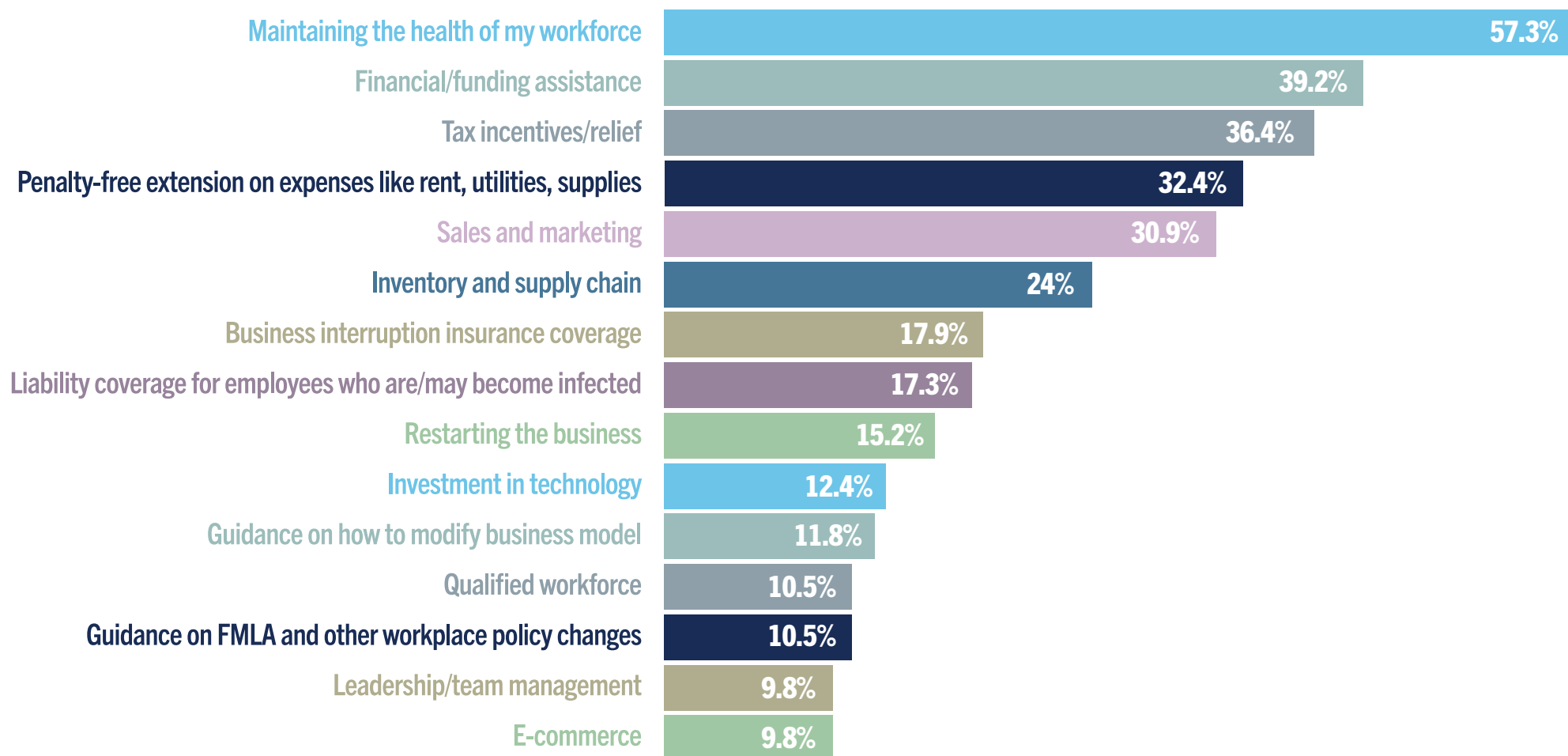
3: Looking to the future

What are your *expectations* for your business?



3: Looking to the future

What are the top priorities for assistance *when you reopen*?



For sole proprietors and those with fewer than five employees, funding topped the list, followed by sales and marketing. Companies with 5-49 employees ranked health of workforce at the top, followed by funding and tax incentives.

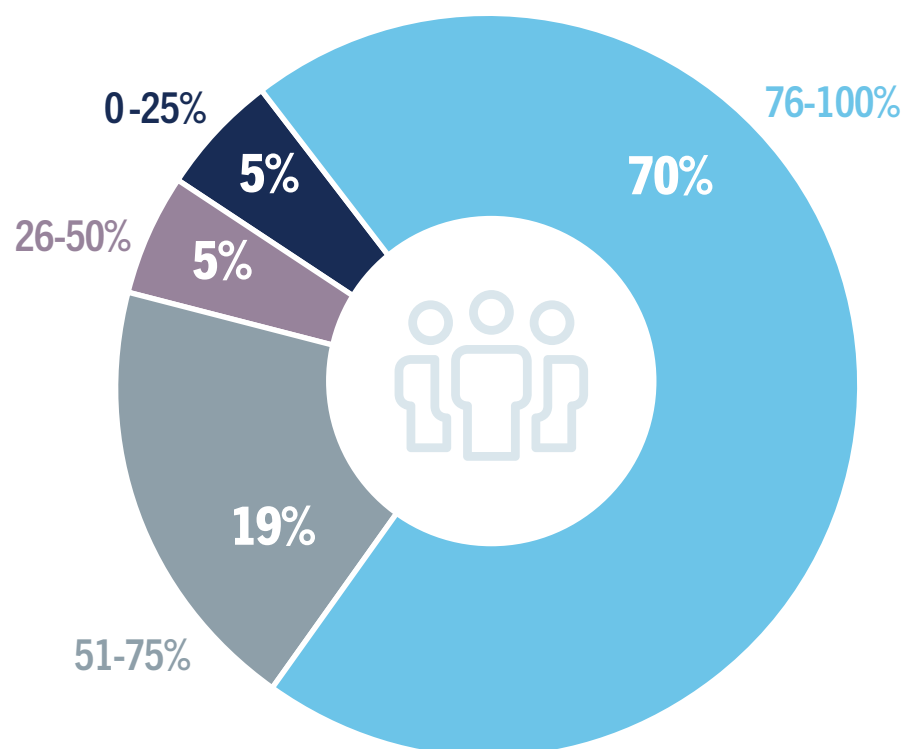
3: Looking to the future

Do you anticipate *re-staffing* your business??

Yes: **37.84%** No: **9.86%** N/A - we've kept all employees: **52.3%**

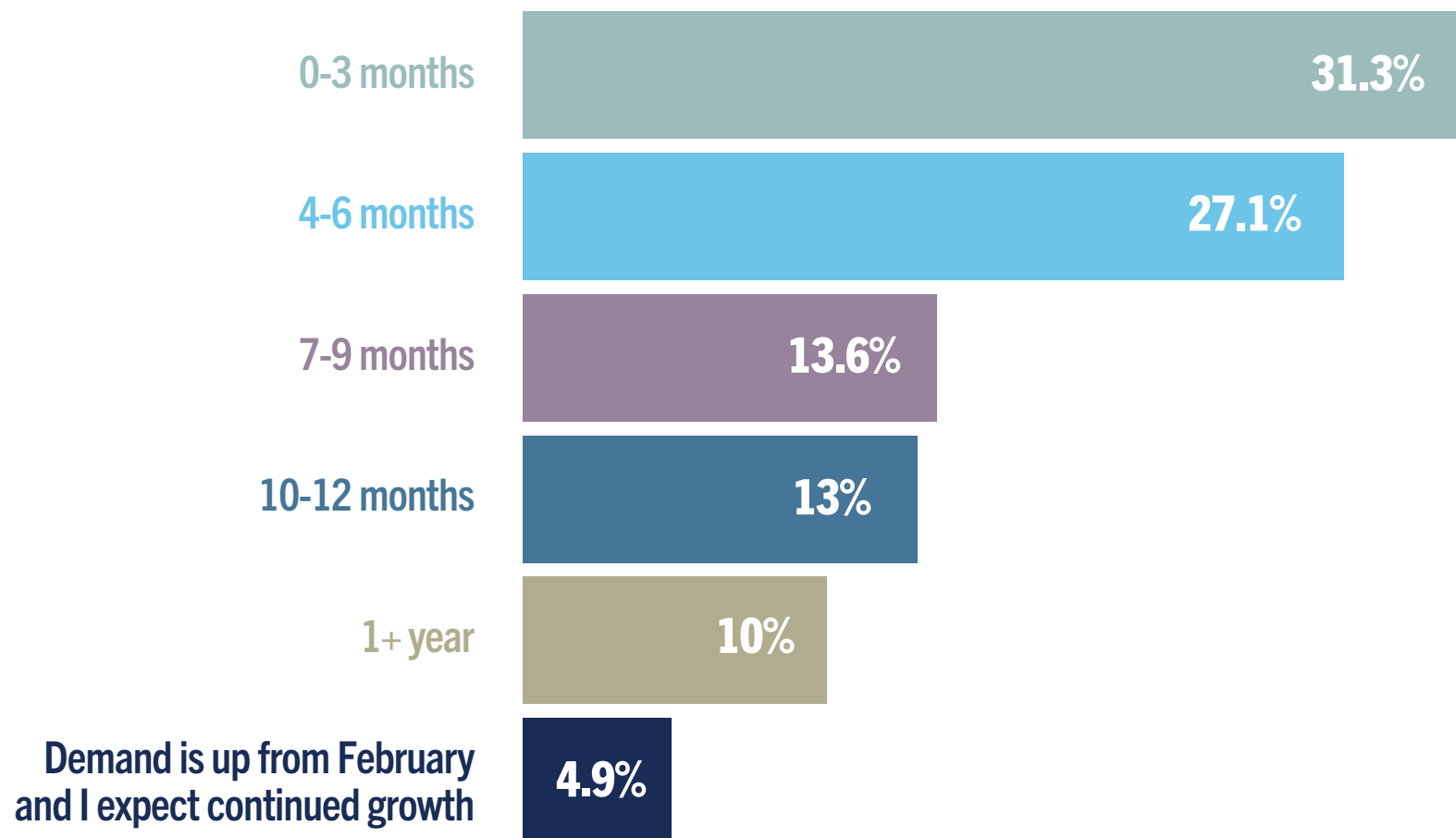
45% of Hispanic firms expect to restaff the business, but only 41% said they were able to keep all staff on the payroll.
33% of African American firms said yes to restaffing, and 45% were able to keep all staff on the payroll.

What percentage of Pre-COVID 19 workforce do you *expect to retain*?



Only 45% of African American firms and 58% of Hispanic firms expected to retain 76-100% of the workforce.

How soon do you expect demand for your product or service *to return* to/or near February 2020 levels?





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FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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