

NORTH CLAYBELT

COVID – 19 BUSINESS IMPACT SURVEY RESULTS

IMPACT OF COVID-19 ON BUSINESS OPERATIONS AND ON THE WORKFORCE

July 31, 2020



INTRODUCTION

This report contains the results of the July COVID-19 Business Impact Survey conducted by the Far Northeast Training Board in partnership with the Economic Development Corporations in Cochrane, Smooth Rock Falls and Iroquois Falls, the Kapuskasing Chamber of Commerce, and North Claybelt Community Futures Development Corporation.

The July survey was conducted between July 10 and 22. Because it was optional for survey respondents to indicate the name of their company or organization, comparing the results of the questions posed in the July survey with the responses to those questions from the surveys that were conducted in April and in May is challenging. It is important to note that the results for the month of July encompass the entire North Claybelt region. The community of Kapuskasing participated in the July survey only. The results for the months of April and May include businesses and organizations in the communities of Cochrane, Smooth Rock Falls and Iroquois Falls.

The following should therefore not be interpreted as a comparative analysis but rather as general observations based on the responses to some of the key questions asked in April, in May and in July, recognizing that those responses are reflective of the relevance of the questions to the participating businesses and organizations.

It is also important to note the timing of the release of the surveys. The April survey was launched one week after the state of emergency was announced at which time all non-essential businesses were required to close. When the May survey was released, the emergency measures had been in place for just over one month, the Ontario government had just announced a stage-by-stage approach to loosening those emergency measures, and the stage one reopening of certain businesses. At the time of the July survey, many businesses and organizations had, or were slowly reopening according to the Ontario government's requirements and guidelines.

Please note that some totals may not add up due to rounding and respondents who provided multiple answers to certain questions.

WHO ANSWERED THE SURVEY?

RESPONDENTS BY INDUSTRY

	April	May	Total
Agriculture, Forestry, Fishing and Hunting	6	3	12
Mining, Quarrying or Oil & Gas Extraction	2	1	1
Utilities	2	0	1
Construction	7	5	10
Manufacturing	2	2	4
Retail trade	27	7	50
Transportation and Warehousing	7	4	4
Information and Cultural Industries	2	0	0
Finance and Insurance	4	1	6
Real Estate and Rental & Leasing	3	2	0
Professional, Scientific and Technical Services	5	5	0
Administration & Support, Waste Management and Remediation Services	1	0	0
Educational Services	1	5	4
Healthcare and Social Assistance	7	4	11
Arts, Entertainment and Recreation	6	1	0
Accommodation and Food Services	11	8	18
Tourism	1	0	11
Public Administration	1	1	5
Other (please specify): Economic Development, Fitness Center, Hair Salon, Welding/Machine Shop, Arts and Culture, Industrial Laundry and PPE, Food Transformation, Promotional, Off-reserve Support Services, Electrical, Fuel and Gas Supply Laundromat, Campground, Consulting, Alterations.			

RESPONDENTS BY NUMBER OF EMPLOYEES

	April	May	Total
0 – employees	21	10	15
1 – 19 employees	39	27	55
20 – 49 employees	5	1	8
50 – 99 employees	2	0	1
100+ employers	1	3	2

RESPONDENTS BY COMMUNITY

	April	May	July
Kapuskasing	1		42
Opasatika			3
Val Rita-Harty			4
Moonbeam			4
Fauquier-Strickland			3
Cochrane	53	26	28
Smooth Rock Falls	19	9	6
Iroquois Falls	11	16	2
Other	5	6	28

RESPONDENTS BY TYPE OF BUSINESS/ORGANIZATION

	April	May	July
Number of responses to this question	78	42	115
Private	70%	79%	86%
Public	27%	7%	5%
Not-for-profit	3%	14%	9%

Note: Kapuskasing joined the survey in July. The results for the months of April and May include the communities of Cochrane, Iroquois Falls and Smooth Rock Falls.

Impact of COVID – 19 on OPERATIONS

	APRIL	MAY	JULY
HIGH			
This could put us out of business	27%	24%	16%
MEDIUM			
This is going to significantly impact our finances	46%	45%	34%
LOW			
This may impact us financially but we are confident that we could weather the storm.	19%	17%	40%
NONE			
	8%	12%	11%

OBSERVATIONS:

The decreasing percentage of businesses and organizations that rated the risk of COVID-19 as high, as well as the increasing percentage of those that indicate low or no risk is likely indicative of their capacity to adjust, over time to the situation as it evolves.

Between the end of March, at which time the government announced the emergency measures and required that all non-essential businesses close, and the July survey at which time Stage 3 reopening was possible, businesses and organizations probably have a better understanding of the actual impact of COVID-19 on their operations and that seems to be reflected in their answers to this question.

ESTIMATED FINANCIAL LOSS SINCE THE BEGINNING OF COVID-19



	APRIL	MAY	JULY
Number of businesses	55	39	75
\$20,000	42%	49%	45%
\$20,000 to \$50,000	36%	33%	21%
\$50,000 to \$100,000	11%	8%	23%
\$100,000 to \$500,000	11%	8%	11%
\$500,000 to \$1,000,000		0%	0%
\$1,000,000 or more		3%	0%

OBSERVATIONS:

The financial impact is also reflective of the time lapse since the beginning of COVID-19. During that period, businesses and organizations would have had time to somewhat adjust to the situation. As businesses and organizations were eligible to reopen, their focus was on getting ready to resume their operations and perhaps they were not quite sure of the extent of the losses incurred as a result of COVID-19.

WHAT IMPACTS HAVE YOU EXPERIENCED?

	APRIL	MAY	JULY
Number of respondents to this question	78	37	80
No impact	5%	10%	11%
We reduced our hours, staff, and operations.	38%	56%	39%
We are open and operating with reduced hours.	49%	34%	23%
Our physical location is closed but we offer our products/service by telephone.	47%	5%	14%
Our physical location is closed but we offer our products/service online.	45%	48%	9%
We closed our business temporarily.	38%	39%	13%
We closed our business permanently.	1%	0%	0%
Our supply chain is interrupted.	39%	35%	25%
We had to cancel contracts.	32%	14%	10%
We've had contracts cancelled.	14%	24%	28%
We are having to restrict spending because of uncertainty.	65%	62%	36%
We experience a decrease in sales (donations if not-for-profit).	66%	68%	34%
We increased cleaning and sanitation at our office/facility.	49%	68%	18%

OBSERVATIONS:

The decrease in the percentage of businesses operating with reduced hours could result from some of the reopenings that took place during the gradual lifting of the restrictions.

The percentage of respondents who indicate that they are restricting spending because of the uncertainty and those who indicated that they had experienced a decrease in revenue seem more positive over time which might point again to reopening and adjusting to the situation.

Changes in regards to contract cancellations, whether businesses cancelling contracts are hard to assess. Are the changes due to fewer cancellations, or are there no contracts left to cancel?

HIRING NEEDS

**IF YOUR BUSINESS/ORGANIZATION IS OPEN,
ARE YOU CURRENTLY HIRING?**

	MAY	JULY
Number of responses	33	77
Yes	18%	18%
No	82%	82%

IF YES FOR WHICH OCCUPATIONS

MAY	JULY
Labourers, surveyors, electrical, electronic design, cashiers.	Cooks, servers, parts advisor, sales associates, maintenance, electronic designer, workers to stand at the door and clean carts, personal support workers, front counter clerk, nurses, skilled labourers, mechanics.

OBSERVATIONS:

The gradual reopening of some businesses and organizations doesn't seem to have yet had a significant impact on hiring when we look at the percentages. The greater variety of positions in July is likely due to the participation of the community of Kapuskasing.

Since the announcement of Stage 3 reopening was made as the July survey was being conducted, we could expect an increase in the future in the percentage of businesses and organizations that are hiring as those businesses and organizations resume their operations.

GOVERNMENT PROGRAMS

HAS YOUR BUSINESS APPLIED FOR GOVERNMENT SUPPORTS AS A RESULT OF COVID-19?

May

50%

Yes

50%

No

38 responses

July

57%

Yes

44%

No

79 responses

IF NO, PLEASE INDICATE WHY YOU HAVE NOT APPLIED

MAY

JULY

Number of responses

20

36

No need at this time

5

13

Do not qualify

13

IF YES, PLEASE INDICATE WHICH PROGRAM YOU APPLIED FOR.

MAY	JULY
Canada Emergency Relief Benefit (CERB) – 2	Canada Emergency Relief Benefit (CERB) – 2
Canada Emergency Wage Subsidy (CEWS) – 2	Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 10
Canada Emergency Business Assistance (CEBA) – 5	Business Loan (CEBA, CFDC) – 24

PLEASE INDICATE WHICH PROGRAM YOU HAVE BEEN APPROVED FOR.

MAY	JULY
Canada Emergency Relief Benefit (CERB) – 2	Canada Emergency Relief Benefit (CERB) – 1
Canada Emergency Wage Subsidy (CEWS) – 2	Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 8
Canada Emergency Business Assistance (CEBA) – 4	Business Loan (CEBA, CFDC) – 22

GOVERNMENT PROGRAMS

RESPONDENTS' COMMENTS OR SUGGESTIONS ABOUT GOVERNMENT PROGRAM GUIDELINES AND APPLICATION PROCESS:

- Besides my catering business, I am usually fully employed by another business. I was laid-off from that business and am receiving CERB for that. I have still lost about 25 thousand gross income with my business on top of my regular wages. Been a rough go.
- My concern – what happens if they shut down again? Will help be given to us?
- Very simple to apply. Done online thru your banking services. Approval was fast. Still unsure on repayment as nobody from bank has returned our calls.
- Not much help for small business.
- Very easy to apply, received the CEBA loan money within 4 days of application.
- Filled out an application with the help of North Claybelt.
- The government program guidelines don't make sense for small businesses. The one from North Claybelt is great.
- CERB is confusing as requirements and application process changes.
- Programs were slow to roll out but after they were available the application process was very simple.
- Programs have guidelines in response to COVID-19 quick deadlines and seems like the applications are less demanding in order to get money out the door rapidly.

GOVERNMENT GUIDELINES FOR RE OPENING

At this time, are you eligible to reopen under the government guidelines?

	July
Number of responses	68
Yes	92%
No	9%

Has your business/organization reopened?

	July
Number of responses	68
Yes	88%
No	12%



What do you estimate the cost to be for you to comply with the proposed guidelines and measures for reopening?

	May	July
Number of responses to this question	32	67
\$0 – measures already in place	13%	32%
Under \$5,000	67%	39%
\$5,000 to \$10,000	7%	17%
\$10,000 to \$25,000	3%	7%
\$25,000 to \$50,000	3%	0%
\$50,000 or more	7%	1%

OBSERVATIONS:

The lower percentage of respondents who have reopened compared to those who are eligible to reopen could be attributable to the following:

- Stage 3 reopening was announced as the July survey was being conducted therefore some businesses and organizations had not yet reopened.
- Some businesses or organizations might chose to remain closed if reopening is not a viable option for them.

Please indicate challenges or barriers for your business or organization to comply to the government requirements and guidelines?

	May	July
Total number of responses to this question	32	70
The measures required limit our capacity and as result, it is not profitable for us to reopen.		14%
The proposed measures are already in place within our company or organization.	34%	41%
Not enough room for us to meet distancing guidelines for employees.	22%	7%
The size of our location, and the nature of our work which requires proximity with clients/customers.	37%	21%
Staffing – we lost some of our staff and will have to recruit and train new staff.	12%	10%
Cost – we will have to purchase PPE and rearrange workspace when we are experiencing a decrease in revenue.	41%	41%
Applying the guidelines will not be a problem for our business/organization.	31%	43%
Other (please specify): <ul style="list-style-type: none"> • No issues. I avoid going anywhere where you are required to wear a mask. \$0 spent and zero measures taken. • We are closing to the public to reduce the use of masks inside. • Customers are buying online from large corporations. • Cost – to purchase required material since no revenues are coming in. • We do not want to place our staff and clients at risk. • Applying the guidelines for distancing means reduced capacity. • Would have to hire more staff to be compliant to COVID regulations which would not be profitable. • I'm trying to find a solution where customers don't have to walk in my front door. I need to renovate so clients have access to door without walking in my house where my husband and children are. I want to protect my family. 		

If you have reopened, what additional impacts are you experiencing?

	July
Total number of responses to this question	55
We have trouble accessing the required personal protection equipment.	27%
We have trouble finding the workers that we need as we reopen.	13%
Clients/customers are not coming back as much as we expected.	40%
It is difficult to meet the increase demand since reopening.	36%
Other (please specify): <ul style="list-style-type: none">• Did not reopen because we could not find the workers needed to reopen and the clientele would be less as many have lost their jobs and dollars are tight.• My salon is in my home, they need to walk in the front door through my living room to go down the stairs into the shop. I am trying to find a solution to keep my family safe.• Loss of revenue.• We are having to constantly remind customers to comply.• I want and need to reopen but cannot afford childcare due to loss of sales. I will be able to partially reopen soon.• Much slower pace. One client at a time in my small shop, and retail clients. I have asked to call ahead not to drop in. Lots of extra work between clients, over and above normal sanitation.	

What resources, support or information would you need to assist at this time and as we move forward with the stage-by-stage reopening?

Cochrane:

- Property tax relief.
- Finding wipes for the vehicles, hand sanitizers and gloves is difficult. I imagine masks will become difficult to find now that they are mandatory in our region.
- If the second wave happens, what will we do? Will the government help us again? So stressful.
- Communicating to the community the importance of social distancing, protecting those who deal with the public on a daily basis, wearing PPE when social distancing is challenging.
- Financial assistance from the government.
- Assistance with financial help to be able to sell online. Not sure how to get started, the cost for hiring a consultant is expensive.
- How to qualify for funding for hiring new employees.

Kapuskasing:

- Free / discounted PPE.
- Updated regulations from the Health Unit.
- Cancel all the stage by stage to return to normal.
- Would be nice to have specific and clear signage provided by the law makers and updated as rules change, so that we can all be on the same page.
- Funding for promotion.
- None required at this time, next hurdle will be reviewing the Rent Subsidy Program and it's viability.
- Hand sanitization stations, PPE, plexiglass for all stations. Training material for staff – health and safety.
- Financial help.
- Clearer outlined details of what will happen in future under different circumstances ie. if we reopen our dining and a customer is later found positive will we have to close temporarily, will businesses affected be named, what support will be available? If a second wave occurs what will the protocols be, closure or moving back a stage? Knowing what the expected legal response will be in different circumstances will aid in planning ahead.
- Even though our sales are getting back to normal, it would be nice if the government would continue the wage subsidy, to help us regain our lost income for the 3 months of awful sales.
- We will need financial support to rearrange our community center and municipal office to meet social distancing guidelines.

Partners involved in conducting the surveys



Provincial government support for businesses

<https://www.ontario.ca/page/covid-19-support-businesses>

Federal government support for businesses

<https://www.canada.ca/en/department-finance/news/2020/04/canadas-covid-19-economic-response-plan-new-support-to-protect-canadian-jobs.html>

FedNor Regional Relief and Recovery Fund

http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07682.html

Town of Cochrane COVID-19 information

<http://www.cochraneontario.com/notice-category/covid-19/>

Town of Iroquois Falls

<http://www.iroquoisfalls.com/news/releases/notice-covid-19>

Town of Smooth Rock Falls

<https://www.smoothrockfalls.ca/living-here/community-events/news/>

Town of Kapuskasing

<http://www.kapuskasing.ca/en/living/Emergency-Services-and-Preparedness.aspx>