

TEMISKAMING SHORES

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 City of Temiskaming Shores Economic Development, South Temiskaming Community Futures Development Corporation, the Temiskaming Shores & Area Chamber of Commerce, Enterprise Temiskaming, Employment Options Emploi, Temiskaming Shores BIA, Centre d'éducation des adultes.

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. We know however that 50% of those who responded to the July survey had also participated in the May survey, and that 43% of them had also responded in April.

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.

WHO ANSWERED THE SURVEY?

RESPONDENTS BY INDUSTRY

| | APRIL | MAY | JULY |
|--|-------|-----|------|
| Agriculture, Forestry, Fishing and Hunting | 25 | 11 | 4 |
| Mining, Quarrying or Oil & Gas Extraction | 10 | 3 | 1 |
| Utilities | 9 | 1 | |
| Construction | 18 | 7 | 4 |
| Manufacturing | 18 | 14 | 7 |
| Retail trade | 52 | 28 | 27 |
| Transportation and Warehousing | 6 | 5 | |
| Information and Cultural Industries | 9 | 4 | 7 |
| Finance and Insurance | 5 | 3 | 3 |
| Real Estate and Rental & Leasing | 6 | 3 | 2 |
| Professional, Scientific and Technical Services | 14 | 5 | |
| Administration & Support, Waste Management and Remediation Services | 1 | 0 | |
| Educational Services | 4 | 8 | 1 |
| Healthcare and Social Assistance | 8 | 4 | 5 |
| Arts, Entertainment and Recreation | 11 | 14 | |
| Accommodation and Food Services | 23 | 19 | 8 |
| Tourism | 17 | 1 | 9 |
| Public Administration | 2 | 11 | 1 |
| Other: marketing/promotional, live event support, business development, environmental, art gallery, leatherwork, research, community economic development, health and wellness, religion | | | |

RESPONDENTS BY TYPE OF BUSINESS/ORGANIZATION

| | APRIL | MAY | JULY |
|----------------------|-------|-----|------|
| Number of businesses | 156 | 102 | 93 |
| Private | 61% | 82% | 78% |
| Public | 24% | 7% | 4% |
| Not-for-profit | 15% | 11% | 17% |

RESPONDING BUSINESSES/ORGANIZATIONS BY NUMBER OF EMPLOYEES

| | APRIL | MAY | JULY |
|----------------------|-------|-----|------|
| Number of businesses | 140 | 99 | 88 |
| 0 – employees | 35 | 15 | 17 |
| 1 – 19 employees | 89 | 56 | 54 |
| 20 – 49 employees | 7 | 19 | 3 |
| 50 – 99 employees | 6 | 4 | 6 |
| 100+ employees | 3 | 5 | 4 |

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

Impact of COVID – 19 on OPERATIONS

| | APRIL | MAY | JULY |
|--|-------|-----|------|
| HIGH This could put us out of business | 27% | 18% | 9% |
| MEDIUM This is going to significantly impact our finances | 45% | 46% | 42% |
| LOW This may impact us financially but we are confident that we could weather the storm. | 24% | 31% | 42% |
| NONE | 4% | 5% | 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 who rated the risk as low 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 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 | 155 | 94 | 90 |
| \$20,000 | 47% | 40% | 37% |
| \$20,000 to \$50,000 | 27% | 31% | 33% |
| \$50,000 to \$100,000 | 14% | 13% | 13% |
| \$100,000 to \$500,000 | 12% | 13% | 16% |
| \$500,000 to \$1,000,000 | | 1% | 1% |
| \$1,000,000 or more | | 1% | 2% |

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.

The lower number of responses over time is also likely attributable to the evolving situation. As businesses and organizations were eligible to reopen, their focus was on getting ready to resume their operations which we believe explains the lower number of responses.

WHAT ADDITIONAL IMPACTS HAVE YOU EXPERIENCED?

| | APRIL | MAY | JULY |
|---|-------|-----|------|
| Number of respondents | 155 | 101 | 93 |
| No impact | 35% | 16% | 1% |
| We reduced our hours, staff, and operations. | 46% | 55% | 42% |
| We are open and operating with reduced hours. | 29% | 44% | 28% |
| Our physical location is closed but we offer our products/service by telephone. | 58% | 40% | 15% |
| Our physical location is closed but we offer our products/service online. | 44% | 47% | 11% |
| We closed our business temporarily. | 37% | 32% | 12% |
| We closed our business permanently. | 0% | 0% | 0% |
| Our supply chain is interrupted. | 43% | 48% | 35% |
| We had to cancel contracts. | 35% | 28% | 22% |
| We've had contracts cancelled. | 19% | 35% | 33% |
| We are having to restrict spending because of uncertainty. | 74% | 66% | 51% |
| We experience a decrease in sales (donations if not-for-profit). | 62% | 63% | 41% |
| We increased cleaning and sanitation at our office/facility. | 51% | 58% | 63% |

OBSERVATIONS:

The decrease in the percentage of businesses operating with reduced hours could result from some of them reopening.

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 or experiencing others cancelling contracts with them 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 | 89 | 92 |
| Yes | 19% | 22% |
| No | 81% | 78% |

IF YES FOR WHICH OCCUPATIONS

| MAY | JULY |
|--|---|
| Store front and baker positions, mechanic technician, school bus drivers, wait staff, parts clerk, service manager cashiers, yard customer service, marketing and development intern | Servers/wait staff, cook/chef, cashier countertop installers, labourer, cheese maker, packaging, sales, drillers, seasonal gardener, hairstylist, esthetician, counsellors, clerks. |

OBSERVATIONS:

The gradual reopening of some businesses and organizations could explain the slight increase in the percentage of respondents who indicated that they are hiring.

In terms of the occupations for which businesses are hiring, they are mostly entry-level positions and trades.

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?



98 responses



90 responses

IF NO, PLEASE INDICATE WHY YOU HAVE NOT APPLIED

| | MAY | JULY |
|-------------------------|-----|------|
| Number of responses | 49 | 28 |
| No need at this time | 35% | 36% |
| Don't know how to apply | 14% | 0% |
| Do not qualify | 43% | 32% |

IF YES, PLEASE INDICATE WHICH PROGRAM YOU APPLIED FOR.

| MAY | JULY |
|--|---|
| Canada Emergency Relief Benefit (CERB) – 15 | Canada Emergency Relief Benefit (CERB) – 9 |
| Canada Emergency Wage Subsidy (CEWS) – 13 | Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 17 |
| Canada Emergency Business Assistance (CEBA) – 17 | Business Loan (CEBA, CFDC) – 35 |

PLEASE INDICATE WHICH PROGRAM YOU HAVE BEEN APPROVED FOR.

| MAY | JULY |
|--|---|
| Canada Emergency Relief Benefit (CERB) – 10 | Canada Emergency Relief Benefit (CERB) – 9 |
| Canada Emergency Wage Subsidy (CEWS) – 3 | Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 17 |
| Canada Emergency Business Assistance (CEBA) – 16 | Business Loan (CEBA, CFDC) – 25 |

GOVERNMENT PROGRAMS

RESPONDENTS' COMMENTS OR SUGGESTIONS ON WHAT WOULD HELP THEM BETTER UNDERSTAND THE GOVERNMENT PROGRAM GUIDELINES AND APPLICATION PROCESS:

- Quite simple and quick (17)
- NOHFC has been very challenging.
- Complicated
- My landlord did not want to do the rent subsidy program.
- Quick response and applications are relatively simple.
- Loan – very easy. Wage subsidy is well worth the effort but still takes a lot of time.
- Application process took 3 hours.
- Easy to navigate and to submit but the auditing will certainly be unique.
- Applied by phone – didn't appear to be complicated when truly I don't know if it applies to me. Was advised to apply by an accountant.
- CERB was the only assistance that made sense for the situation.
- Business loan was very easy, wage subsidy has improved its process.
- Loan was easy. Wage Subsidy is easy enough but can get confusing because it mixes in the 10% subsidy, and it being 4-week periods not following payroll deductions gets messy but overall very thankful for the program as it's been keeping us floating.
- Tourism did not get much if nay help besides the offer and repayable loan.
- I did hire a summer student but had not applied for summer employment subsidy and did not qualify to apply for it because I missed the original deadline and the government did not make this an exception even during COVID.

GOVERNMENT GUIDELINES FOR RE OPENING

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

| | July |
|---------------------|------|
| Number of responses | 81 |
| Yes | 94% |
| No | 6% |

Has your business/organization reopened?

| | July |
|---------------------|------|
| Number of responses | 80 |
| Yes | 80% |
| No | 19% |



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 questions | 84 | 80 |
| \$0 – measures already in place | 50% | 24% |
| Under \$5,000 | 17% | 46% |
| \$5,000 to \$10,000 | 5% | 15% |
| \$10,000 to \$25,000 | 1% | 14% |
| \$25,000 to \$50,000 | 2% | 0% |
| \$50,000 or more | 25% | 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 FOR REOPENING.

| | May | July |
|--|-----|------|
| Total number of responses to this question | 89 | 79 |
| The measures required limit our capacity and as result, it is not profitable for us to reopen. | | 9% |
| The proposed measures are already in place within our company or organization. | 36% | 47% |
| Not enough room for us to meet distancing guidelines for employees. | 16% | 10% |
| The size of our location, and the nature of our work which requires proximity with clients/customers. | 26% | 19% |
| Staffing – we lost some of our staff and will have to recruit and train new staff. | 6% | 16% |
| Cost – we will have to purchase PPE and rearrange workspace when we are experiencing a decrease in revenue. | 28% | 42% |
| Applying the guidelines will not be a problem for our business/organization. | 29% | 33% |
| <p>Other (please specify):</p> <ul style="list-style-type: none"> • Regulatory measures are unclear and unjust. • The biggest issue is the space that our facility has for visitors to have safe distance. • None, everything is done remotely. • Proximity to our clients but are taking proper precautions while wearing masks. Clients are complying with ease. • We have lost a tenant partially because the workspace is in-floor heating and air circulation is minimal, installing a heat-recovery ventilator will be costly (\$5,000). • Enforcement of possible mask mandate. • It does take us longer to prepare retail items (ex: sanitizing vehicles). • We have made a lot of changes regarding the guidelines to keep our employees safe. • Staffing cut down. • Suppliers for training supplies shut down as well. • We are working from home until September. • We are open for take-out only. • Certain activities such as workshops are cancelled, we don't have enough space to respect the 2 meters distancing requirement. | | |

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

| | July |
|---|------|
| Total number of responses to this question | 58 |
| We have trouble accessing the required personal protection equipment. | 17% |
| We have trouble finding the workers that we need as we reopen. | 16% |
| Clients/customers are not coming back as much as we expected. | 45% |
| It is difficult to meet the increase demand since reopening. | 14% |
| <p>Other (please specify):</p> <ul style="list-style-type: none"> • There is a lot of uncertainty about what is next. • The cost of PPE has increased from pre-COVID. • Shipping logistics, delays bringing supplies in quickly. • Making sure all customers are safe and follow guidelines. • Secondary effects of COVID 19 have led to the loss of a tenant. • Some customers still do not 'get' the limit on customers. • We have changed our focus from auction to retail sales. While we have always had some retail, it is quite a change for our customers now that we only sell by retail. It is working well so far. The challenge will be educating the public after almost 30 years of auctioning. • Cancelled classes and events are impacting sales. • Supply chain. • Some customers looking for deals that we cannot afford to give. • We reopened but rented most of our cabins for the whole season to cut back on cleaning weekly which we felt we could not do properly to keep us safe plus our customers. We are only renting 3 out 19 weekly - a big loss in income but we felt it was safer for all concerned. • Every step of a project seems to be more work. • Getting some materials. • Tourism trade I depend on due to museums being closed will be an impact. • Difficult to visit research locations. | |

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

- Follow the real scientific facts and change the agenda with intelligence.
- Salary help and someone to actually talk to, to help us through.
- Better government cooperation and financial assistance.
- Masks, cleaning supplies.
- My business is down 20% instead of the 30% to qualify for the wage subsidy.
- Continue the wage subsidy – with similar guidelines as they are now – hoping they don't change the entire program. The wage subsidy has been our biggest help to not lay off our staff and give them their full wage without having the full-time hours.
- Grants and interest free loans.
- We need assistance finding employees wanting to work.
- More specific and potentially flexible guidelines for congregate settings.
- So far we are good with the resources and support that was given to us. Thank you!
- Current support is good.
- More contact from Temiskaming Health Unit.
- Opening requirements and suggestions.
- I can handle it.
- Currently, I would say there is ample information available.
- We need the border to open but understand why it will not be possible.
- Grants for the tourism industry would have been nice for those of us that are not indigenous.
- Help for equipment to fully open and ask for government help (free not loans).

Partners involved in conducting the survey



Centre
d'éducation des
adultes de New Liskeard
-Y'a pas d'âge pour apprendre-



FAR NORTHEAST TRAINING BOARD (FNETB)
your Local Employment Planning Council

COMMISSION DE FORMATION DU NORD-EST (CFNE)
votre Conseil Local de Planification de l'Emploi



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>

Municipal COVID-19 information

<http://temiskamingshores.ca/en/city-hall/covid-19-updates.asp>

Temiskaming Shores Chamber & Area Chamber of Commerce

<https://tsacc.ca/covid-19/>

FedNor Regional Relief and Recovery Fund

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