COVID-19 Impact on Iowa Businesses
Survey 2
Marion County Report

July 8, 2020

Prepared For:

The information used in this report is from an online survey conducted on behalf of the Iowa Economic Development Authority, from May 14 through May 29 of all Iowa businesses. Overall, 9,681 businesses responded to the survey. The University of Northern Iowa is providing local summaries to help communities and organizations in understanding the ongoing impact of the COVID-19 crisis on local businesses and to assist local partners in identifying recovery strategies.

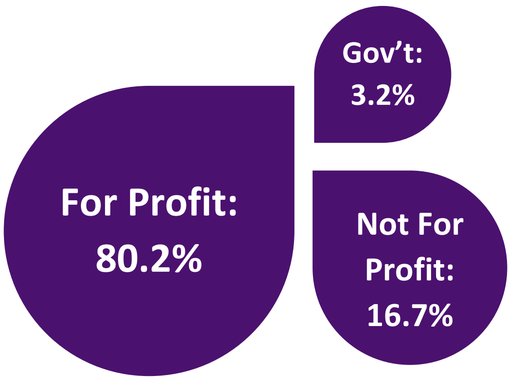
Research conducted by:
University of Northern Iowa
Business & Community Services
Institute for Decision Making | Strategic Marketing Services

A project of the EDA's University Center

About the Respondents:

Survey 2 received 126 responses from Marion County. As a comparison, 147 respondents completed Survey 1 in March. Survey 2 respondents represented business ownerships of all types (Figure 1). Businesses from several industry sectors and various employee sizes offered responses to the survey questions.

Figure 1: Respondent Ownership Types



Largest Industry Sectors Represented

Retail Trade 15.1%

Accommodation & Food Services 15.1%

Other Services 11.1%

Health Care & Social Assistance 10.8%

Manufacturing (9.5%) | Arts, Entertainment & Recreation (6.3%) | Finance & Insurance (6.3%) | Administrative Support, Waste Mgt & Remediation Services (4.8%) | Construction (4.8%) | Professional, Scientific & Technical Services (4.8%) | Educational Services (3.2%)

Over half (54.5%) of the survey respondents were small businesses with fewer than 10 employees and nearly 80 percent (77.3%) had fewer than 25 employees (Figure 2).

Survey respondents were asked to provide 2019 annual revenue data by selecting an appropriate revenue range. A total of 109 respondents provided 2019 annual revenue information (Figure 3).

Figure 2: Respondents by Business Employment Size

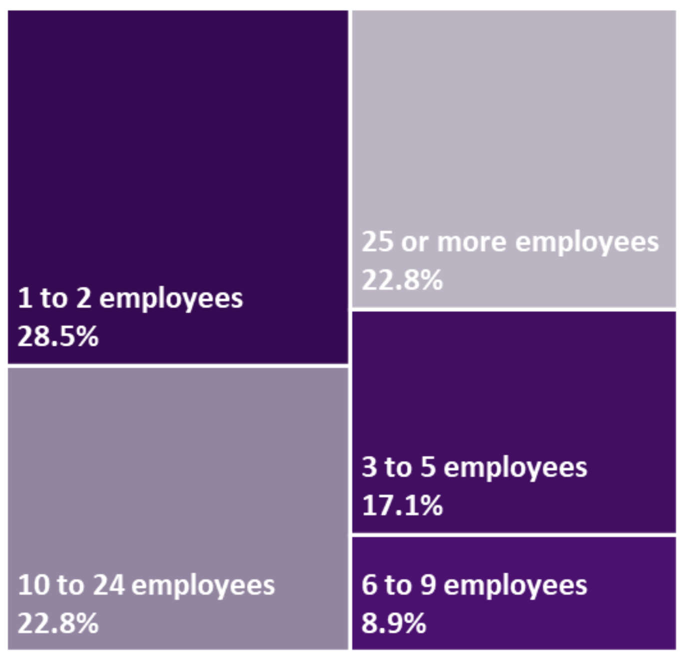
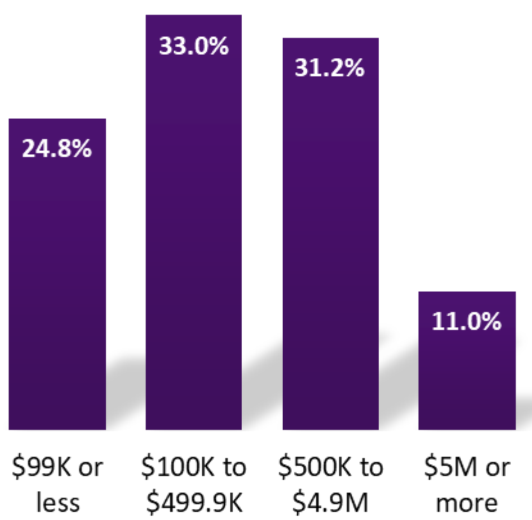


Figure 3: Average Annual 2019 Revenue



Average 2019 annual revenue: $4,976,118
Median 2019 annual revenue: $374,950

Organizational Impact of the Coronavirus (COVID-19) Outbreak:

Respondents were asked about the impact of the outbreak overall (Figure 4) and on specific areas of business (Figure 5). In general, the overall impact percentages from respondents in Survey 2 were nearly identical to the percentages in Survey 1. There was a significantly higher percentage of Survey 2 respondents who noted impacts on employee availability and supply chains than in Survey 1. Impact to employee availability was 8.7 percentage points higher, and supply chain impact was 16.9 percentage points higher.

Figure 4: Overall Impact

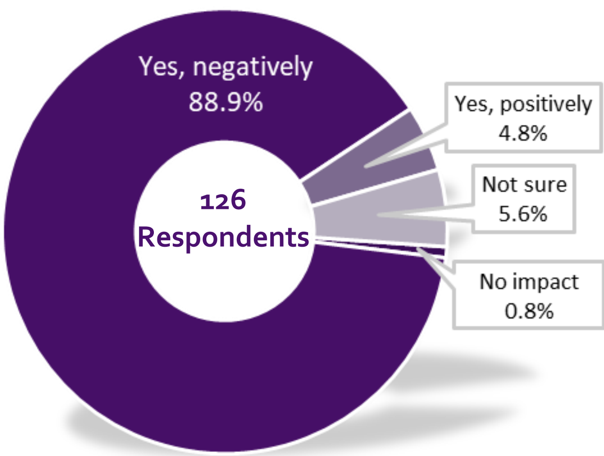
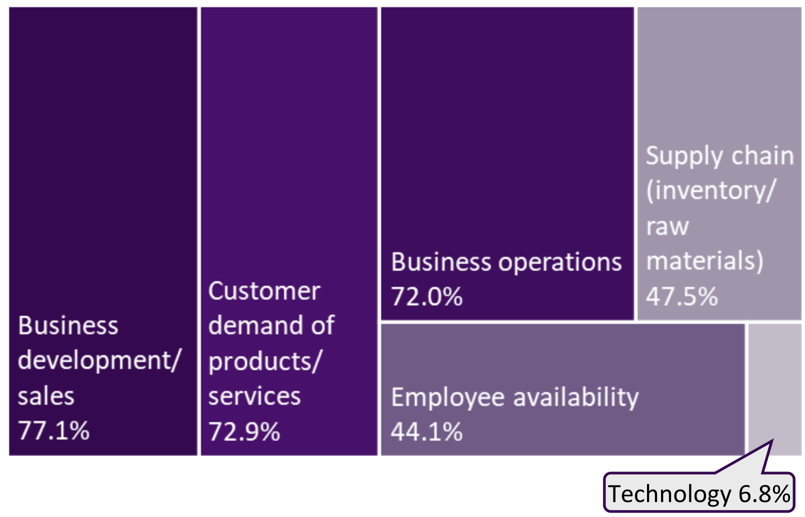


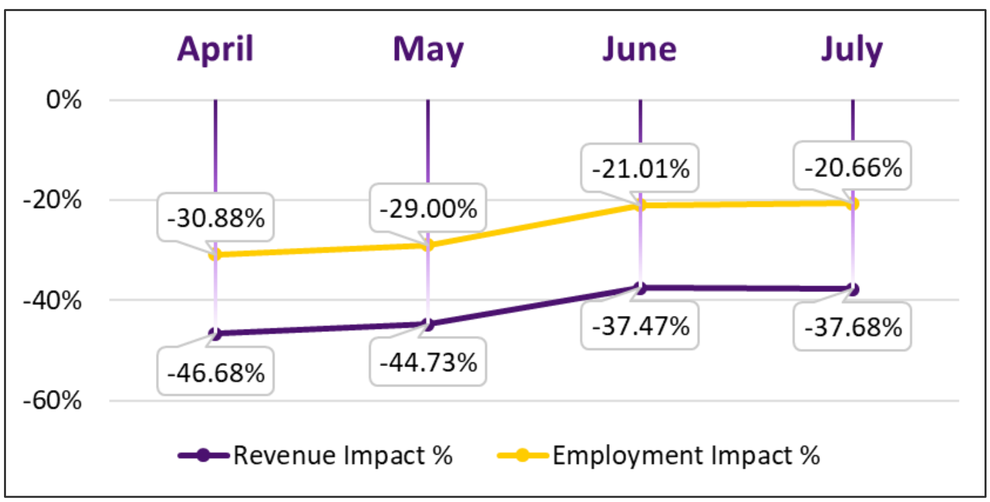
Figure 5: Areas of Business Impact



Estimated Impact on Revenue and Employment

Respondents noted a continuing negative impact on revenue and employment (Figure 6). Respondents indicated April revenues decreasing by about 47%, and employment levels decreasing by nearly 31%. And while still negative, respondents expect a somewhat improving outlook in the coming months.

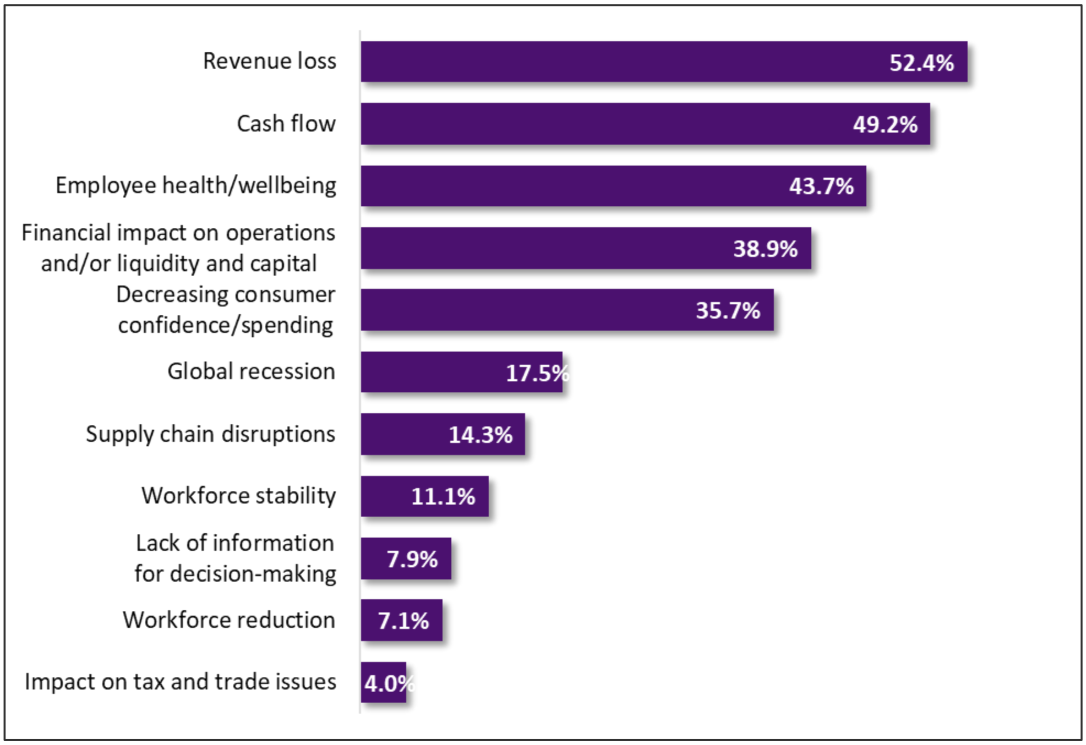
Figure 6: Current and Expected Impact on Revenue and Employment



Top Concerns with Respect to COVID-19

Over half of the respondents (52.4%) indicated that revenue loss was one of their top three concerns in regard to coronavirus (Figure 7). Other top concerns included cash flow (49.2%) and employee health/wellbeing (43.7%). Respondents were least concerned about lower productivity (3.2%).

Figure 7: Top Organizational Concerns with Respect to COVID-19



Financial Assistance Applications

Respondents were asked which, if any, financial assistance options they had applied for (Figure 8) and the status of their applications (Figure 9). Just over 30% of the respondents indicated that they had not applied for financial assistance. Of those that did apply, 130 applications were submitted to various programs.

Figure 8: Financial Assistance Options Sought by Respondents

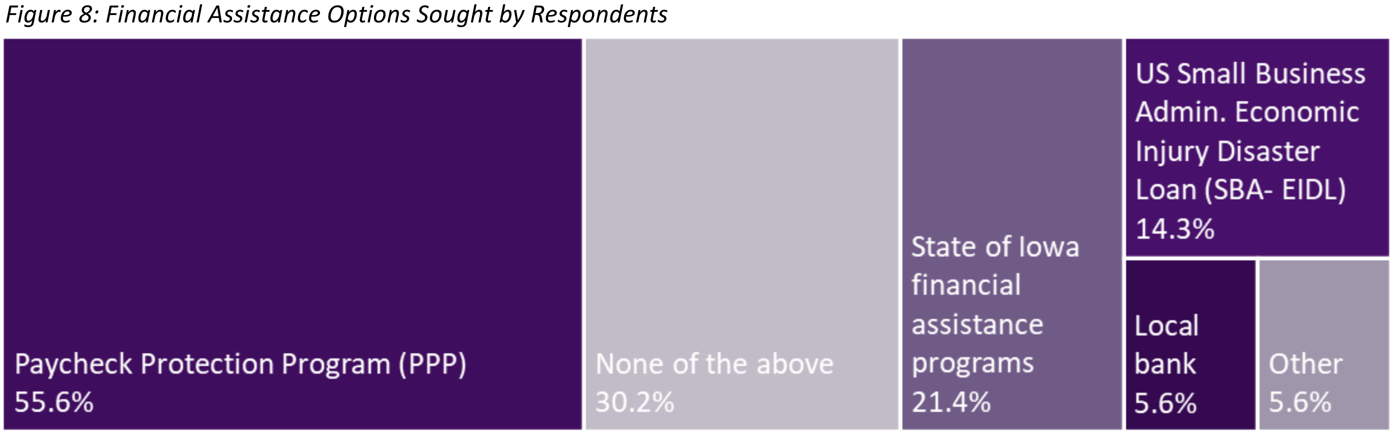
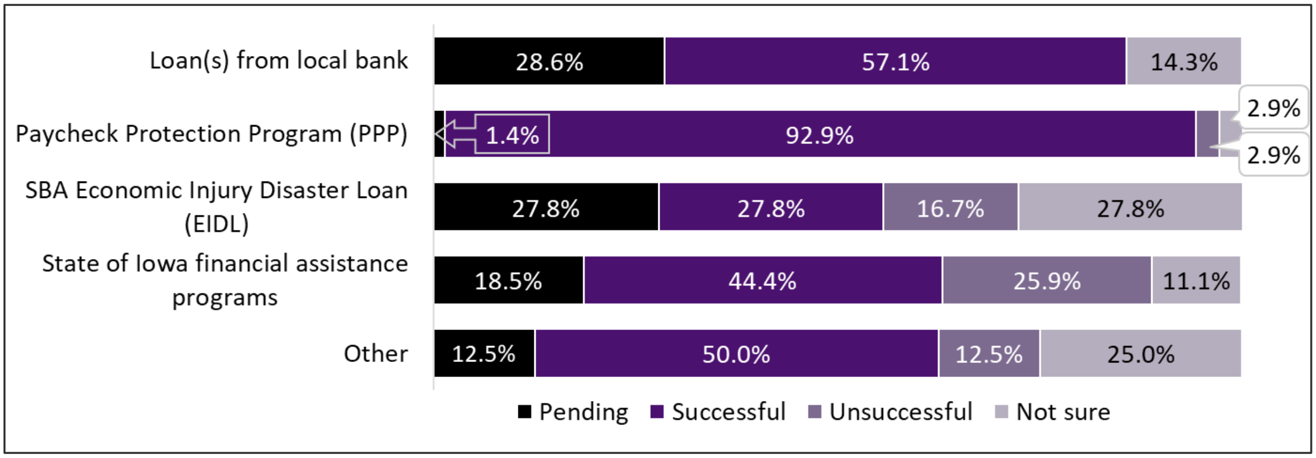


Figure 9: Status of Financial Assistance Applications



Organizational Precautions & Concerns

Respondents were asked about the precautions taken or planned by their organization to limit the spread of COVID-19 within the workplace (Figure 10) and their level of concern for certain barriers the organization may face as employees return or continue working in the workplace (Figure 11). Top precautions included increased sanitation efforts (78.6% of respondents) and limitations on the size of in-person meetings (57.9% of respondents).

Figure 10: Precautions Implemented or Planned

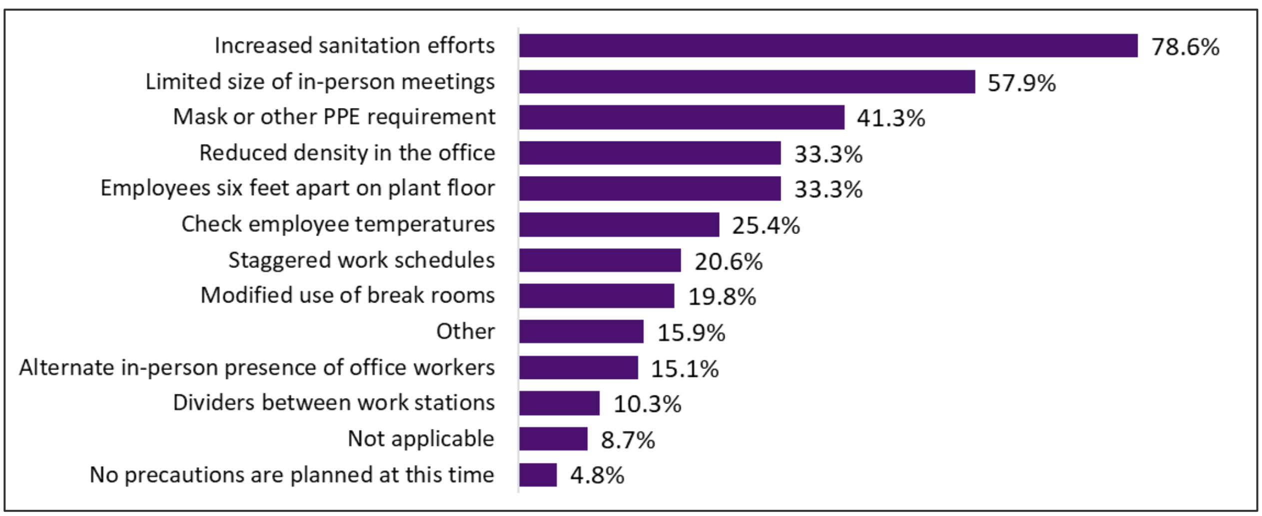
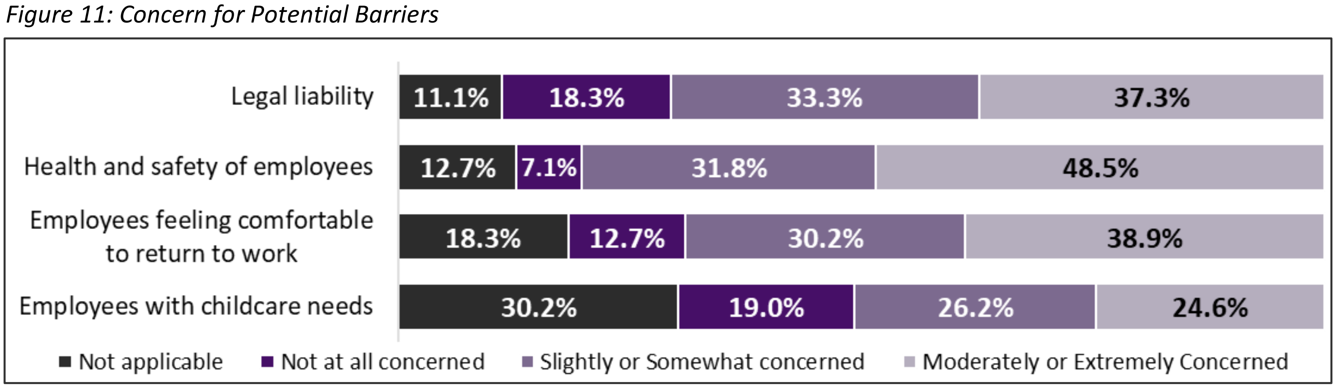


Figure 11: Concern for Potential Barriers



Online Sales Presence

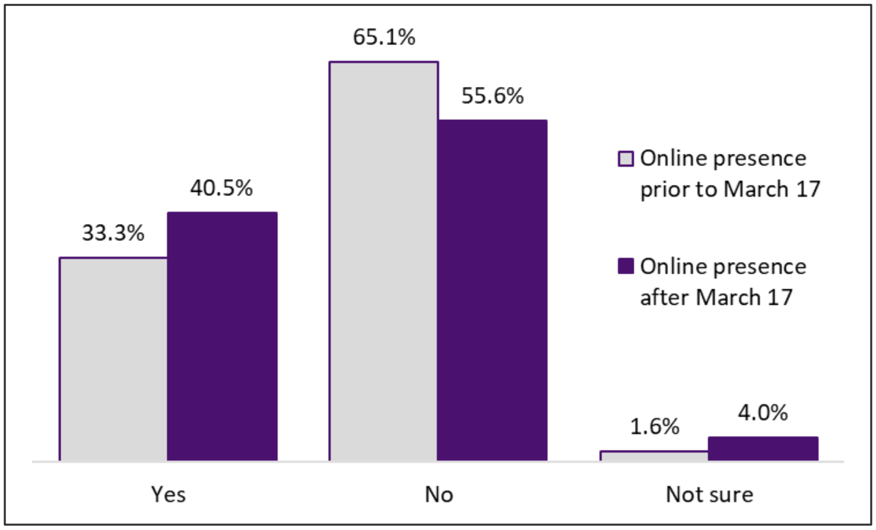
Just over 33% of respondents reported having an online presence prior to March 17th of 2020. This grew by 7.2 percentage points to 40.5% after March 17th (Figure 12)

Most respondents noted online sales as supplementing between 1 and 10% of normal monthly revenue from March through April.

Top barriers to offering online sales or services included:

- Time (25.4%)
- Knowledge of software or technology to implement (19.8%)
- Cost (18.3%)
- Workforce availability (12.7%)
- Adequate internet connection in the region (11.1%)

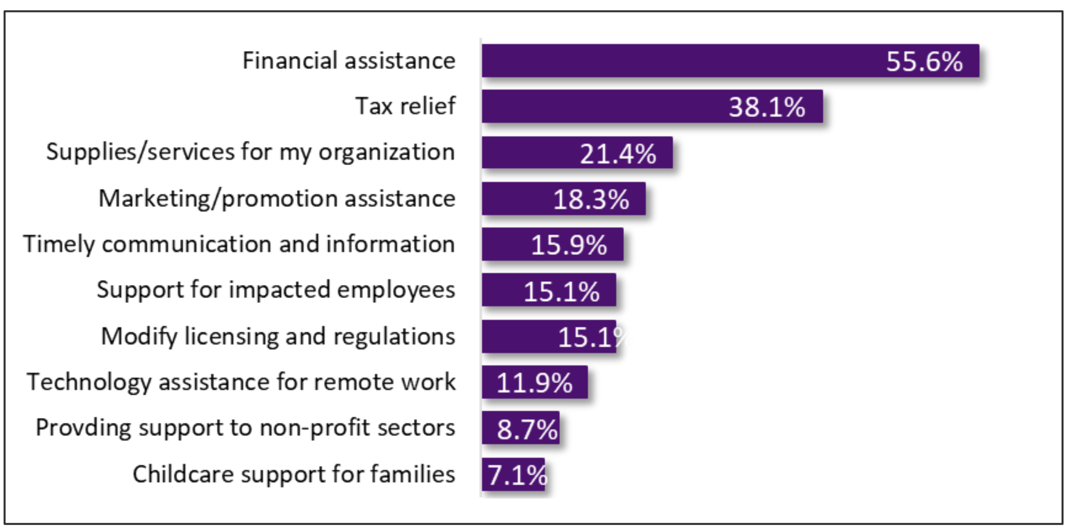
Figure 12: Online Sales Presence Before and After March 17



Helpful Assistance or Resources

Respondents were asked about the types of assistance that would be most helpful to their organizations. Financial Assistance was selected by over 55% of the respondents, and Tax Relief was selected by 38% of the respondents (Figure 13).

Figure 13: Helpful Areas of Assistance



The areas of financial assistance identified were most often described as in general, grants and assistance for operating costs. Tax relief was specified most commonly as in general and property taxes.