
COVID-19 Impact on Iowa Businesses – Survey 3

Bremer County Report

June 9, 2021

Prepared For:



The information used in this report is from a third online COVID-19 impact survey conducted for the Iowa Economic Development Authority (IEDA) from February 23 through March 24, 2021. Businesses and organizations across the state offered information about what they are experiencing and how they are handling the current COVID-19 crisis. Over 6,450 Iowa businesses and organizations responded to the survey. The Statewide Executive Summary can be accessed [HERE](#).

The University of Northern Iowa is providing local summaries to help communities and organizations understand the ongoing impact of the COVID-19 crisis on local businesses and to assist local partners in implementing ongoing recovery strategies.

This survey was funded by the U.S. Economic Development Administration.

Research conducted by:

University of Northern Iowa
Business & Community Services
Institute for Decision Making | Strategic Marketing Services



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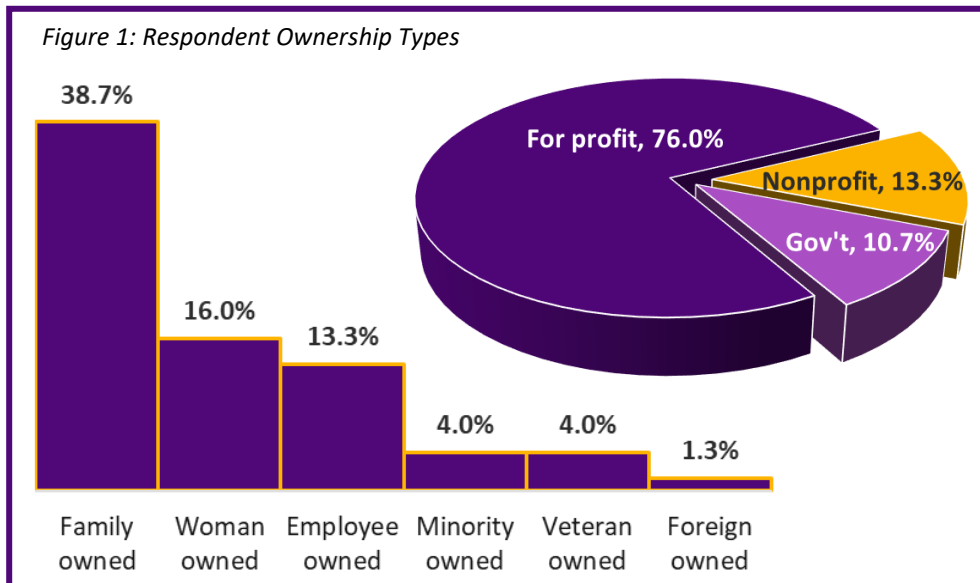
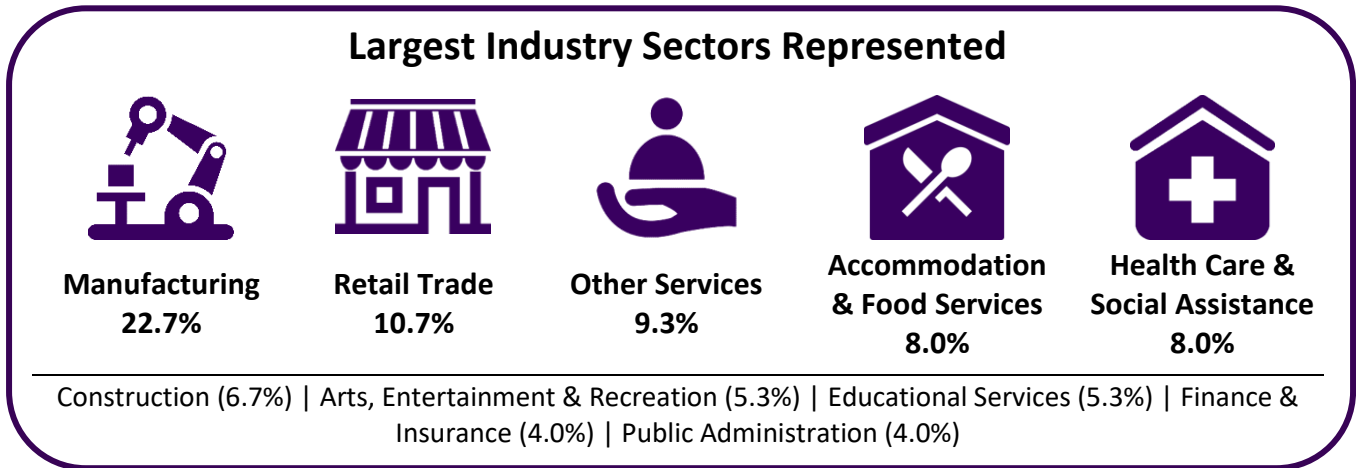
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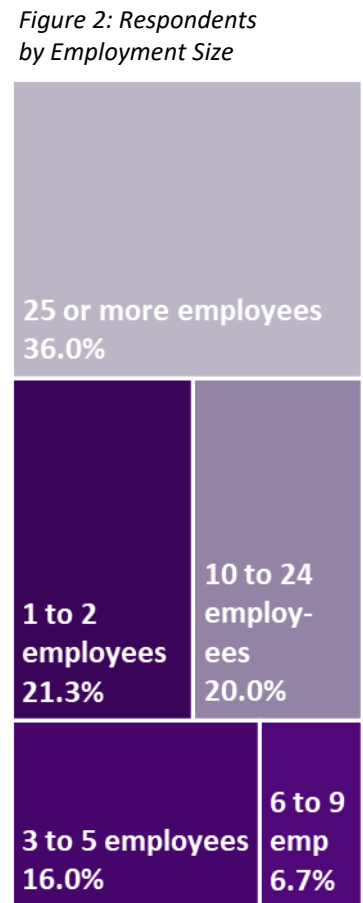
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About the Respondents

Survey 3 received 75 responses from businesses and nonprofits in Bremer County. As expected, a lower response number than Survey 1 (conducted in March of 2020) and Survey 2 (conducted in May of 2020), where 124 and 95 respondents offered input. The majority of respondents, 76.0 percent, were for profit businesses and represented several industry sectors. Nearly 40 percent of the respondents were family-owned businesses and 16.0 percent were women-owned businesses (Figure 1).



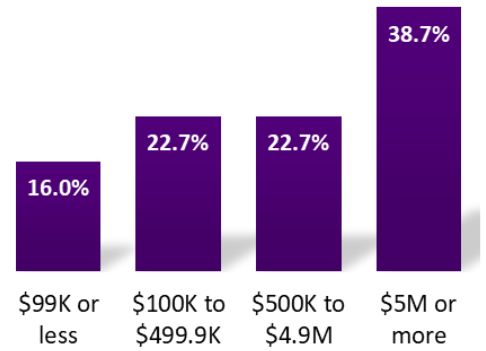
As a percentage of respondents, under half (44.0%) were small businesses with fewer than 10 employees and about 65 percent (64.0%) had fewer than 25 employees (Figure 2). Around 20 percent (21.3%) were very small businesses with 1 to 2 employees, slightly higher than the percentage of respondents in Surveys 1 and 2, where businesses with 1 to 2 employees made up 16.7 percent and 20.7 percent of responding businesses, respectively.



Under half (38.7%) of the respondents reported annual revenue for 2020 to be less than \$500,000. Figure 3 illustrates the 2020 annual revenue (by range) of the respondents. The mean and median of respondents' 2020 revenue were:

Mean	• \$8,508,708
Median	• \$749,950

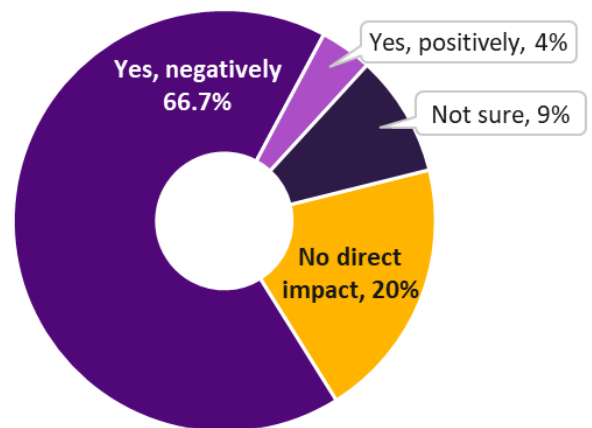
Figure 3: Average Annual 2020 Revenue



Impact of COVID Pandemic

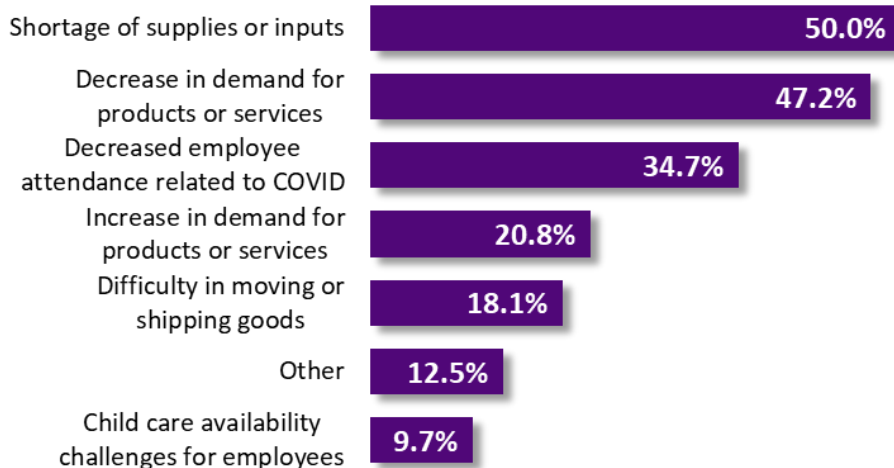
Respondents were asked to estimate the impact of the pandemic on their organizations' 2020 revenue and employment as it compared to 2019. In aggregate, respondents indicated an 18.6 percent average reduction in revenue, and a 7.7 percent reduction in employment. When asked whether the effects of the COVID pandemic were directly impacting their organizations, 66.7 percent of respondents indicated that they were currently experiencing a negative effect (Figure 4). This percent has improved in the county since Surveys 1 and 2, when 80.6 percent and 82.1 percent of respondents noted overall negative effects from the pandemic.

Figure 4: Respondents Experiencing Direct Effects of Pandemic at Present Time



Respondents were asked whether their organizations were currently experiencing certain impacts as a result of the pandemic. As illustrated in Figure 5, a shortage of supplies or inputs was being experienced at the time by half (50.0%) of the 72 respondents answering this question.

Figure 5: Currently Experiencing as a Result of Pandemic



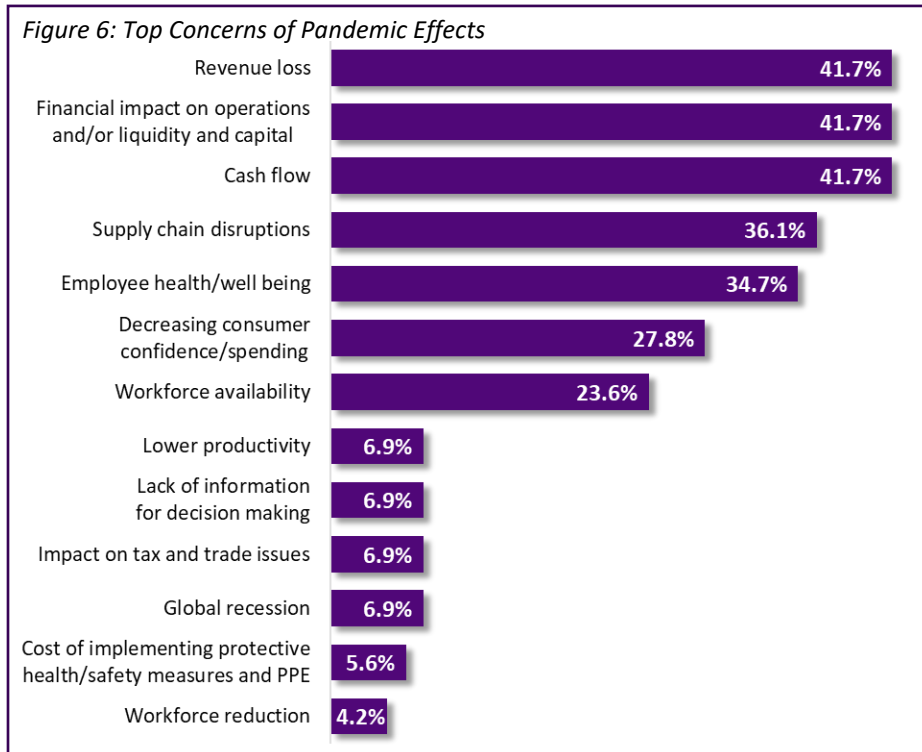
"Other" Responses Include:

- Workforce availability
- Limited in-person services/meetings
- Revenue loss
- Financial assistance

Effects of the Pandemic

Respondents were asked to identify their organizations' top 3 concerns with respect to the effects of the coronavirus pandemic. Revenue loss, financial impacts and cash flow all topped the list with the highest percent of respondents (41.7%) selecting them as one of their top three concerns.

Respondents were least concerned about workforce reductions (4.2%); however workforce availability was noted as a top concern by 23.6 percent of respondents. (Figure 6)



Respondents were asked about particular adjustments they may have made to their businesses and/or business models due to impacts from the pandemic, and whether they planned any certain adjustments in the next six months. Top adjustments already made include incorporating digital/online operations (37.3%), different product and service delivery methods (34.7%), and new collaboration systems or technology (32.0%). The top short-term pending adjustments included enhancing marketing and sales efforts (32.0%), and getting additional financing, making adjustments to their business model, and hiring new employees (all at 30.7%). (Tables 1 and 2)

Table 1: Due to impacts of the pandemic, has your organization done any of the following?	
Added or transitioned to digital/online operations	37.3%
Started delivering products and services differently	34.7%
Implemented new systems or technology to allow for remote collaboration	32.0%
Started offering new products and services to adapt to changing customer needs	24.0%
Eliminated products and services to adapt to changing customer needs	20.0%
Explored new or expanded international sales	1.3%
Started posting products on Iowa's new ShopIowa website	0.0%
None of these	33.3%

Increase or pivot marketing or sales efforts	32.0%
Obtain financial assistance or additional capital	30.7%
Adjust our business model	30.7%
Identify and hire new employees	30.7%
Identify new supply chain options	22.7%
Evaluate work arrangements for employees	21.3%
Learn how to better provide for the safety of customers and employees	16.0%
Offer new/additional training for employees	14.7%
Develop online sales or websites	12.0%
Permanently close this business	9.3%
None of these	5.3%

Financial Assistance Applications

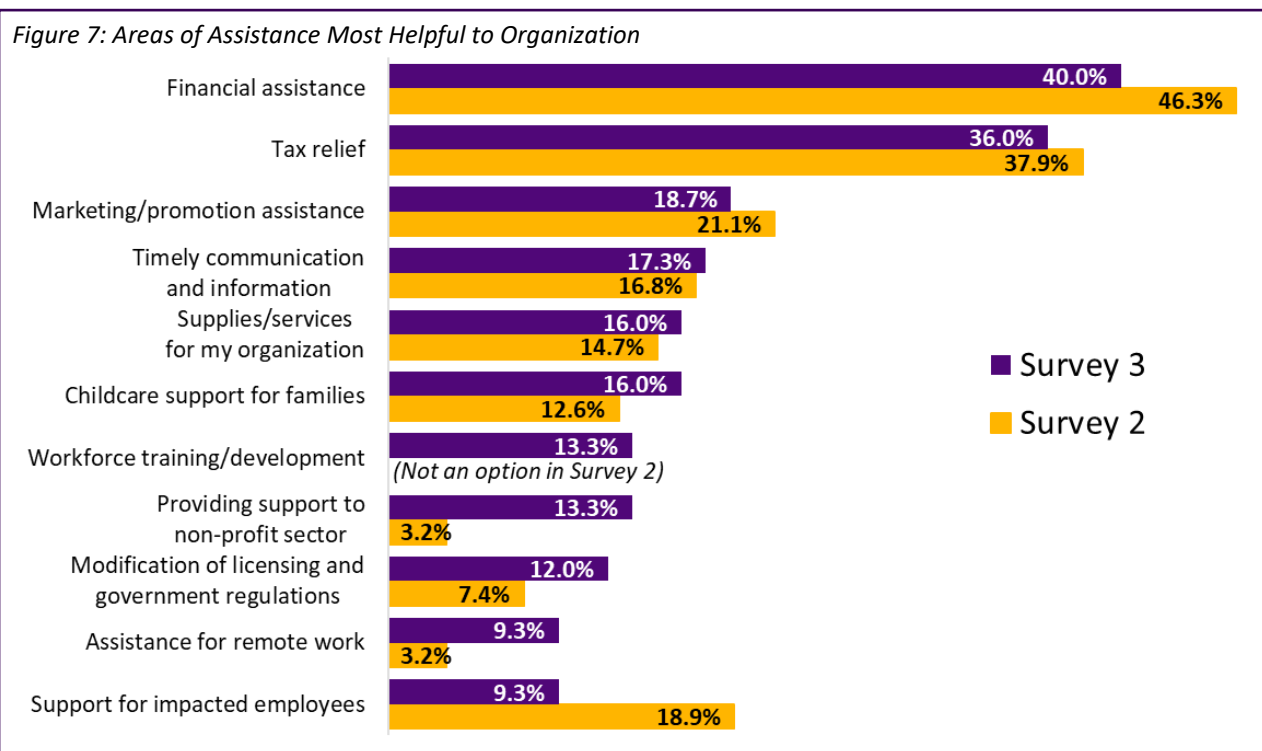
Respondents were asked whether they had requested financial assistance at any time from a list of potential sources since March of 2020 and whether or not they were funded by that source (Table 3). Of the 75 respondents, 64.0 percent applied for the Paycheck Protection Program (PPP), and 46 respondents received funding from the PPP. As a follow-up question, they were asked whether their organization may have faced permanent closure had the funding not been received (Table 4). Over 20 percent (21.7%) of those receiving PPP funding felt that without that support, they may have faced permanent closure.

	Requested and Received from Source	Requested but Did Not Receive from Source
Paycheck Protection Program (PPP)	61.3%	2.7%
Self	28.0%	1.3%
Small Business Admin. (SBA) Loan Forgiveness	18.7%	5.3%
State of Iowa assistance programs	17.3%	14.7%
Federal Sick and Family Leave Tax Credits	17.3%	0.0%
Economic Injury Disaster Loans (EIDL)	13.3%	6.7%
Banks	13.3%	6.7%
Other Federal programs	10.7%	2.7%
Deferral of Federal Employment Tax Deposits and Payments	8.0%	0.0%
Federal Employee Retention Tax Credit	8.0%	1.3%
Family or friends	6.7%	2.7%
Other sources	6.7%	4.0%
Local community assistance programs	2.7%	2.7%
Main Street Lending Program	0.0%	1.3%

Table 4: Do you feel that your organization may have faced permanent closure related to the coronavirus pandemic had this funding not been received?	Yes	No	Unsure
Paycheck Protection Program (PPP) (N=46)	21.7%	39.1%	39.1%
Self (N=21)	57.1%	23.8%	19.0%
Small Business Admin. (SBA) Loan Forgiveness (N=14)	28.6%	42.9%	28.6%
State of Iowa assistance programs (N=13)	7.7%	84.6%	7.7%
Federal Sick and Family Leave Tax Credits (N=13)	0.0%	76.9%	23.1%
Economic Injury Disaster Loans (EIDL) (N=10)	50.0%	40.0%	10.0%
Banks (N=10)	30.0%	60.0%	10.0%
Other Federal programs (N=8)	25.0%	62.5%	12.5%
Deferral of Federal Employment Tax Deposits and Payments (N=6)	16.7%	50.0%	33.3%
Federal Employee Retention Tax Credit (N=6)	0.0%	50.0%	50.0%
Family or friends (N=5)	60.0%	0.0%	40.0%
Other sources (N=5)	60.0%	40.0%	0.0%
Local community assistance programs (N=2)	50.0%	0.0%	50.0%
Main Street Lending Program (N=0)	0.0%	0.0%	0.0%

General Assistance and Resources

Respondents were asked about the types of assistance that would be most helpful to their organizations (Figure 7). Financial assistance and tax relief continue to be the assistance types that are selected most by respondents. The percent of respondents indicating financial assistance would be most helpful was noticeably less than in In Survey 2 (conducted in May 2020).



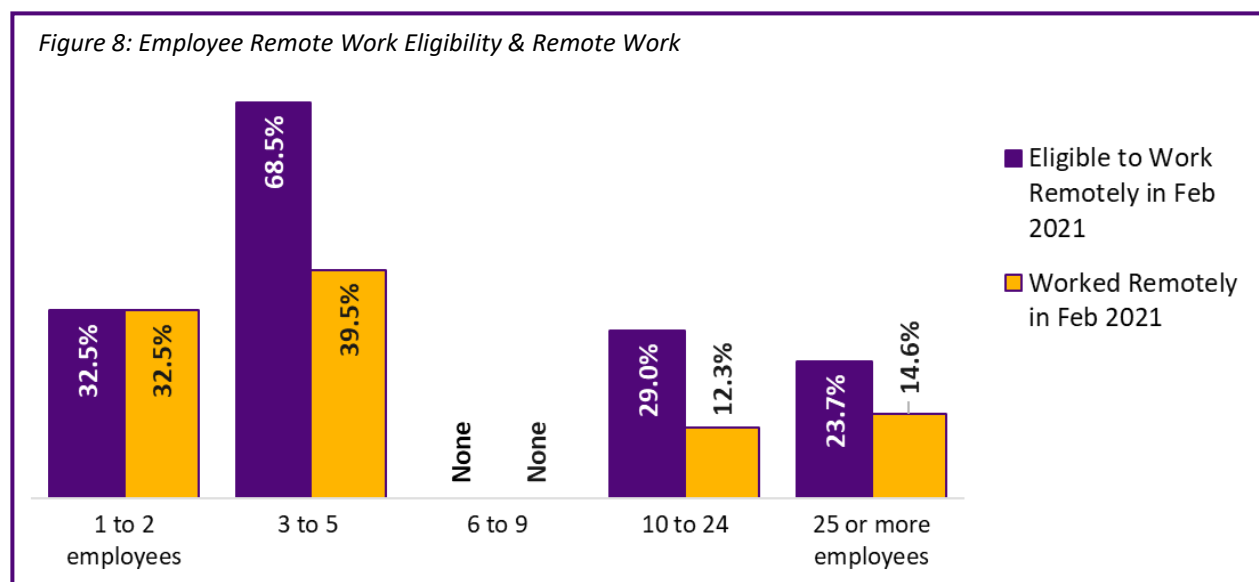
Business Operations

Respondents were asked whether they had made any specific operational changes to their business, or whether they were considering certain activities. Over half (52.0%) of respondents indicated that they were already heightening cleaning protocols, and 20.0 percent were considering creating or revising contingency plans. (Table 5)

Table 5: Is your organization is currently doing, considering, or not considering any of the following?	Currently doing	Consider ing	Not at this time	NA / Not sure
Heighten the cleaning protocols for our office or retail space	52.0%	4.0%	18.7%	25.3%
Increase cash reserves	32.0%	17.3%	28.0%	22.7%
Expand our organization through digital means and related technology	32.0%	12.0%	24.0%	32.0%
Rely more heavily on communications services for our business operations	30.7%	12.0%	20.0%	37.3%
Create or revise a contingency plan	26.7%	20.0%	18.7%	34.7%
Change the layout of our office, retail, and/or production space	25.3%	10.7%	29.3%	34.7%
Create or revise our supply chain strategy	21.3%	18.7%	20.0%	40.0%
Invest more in work automation	14.7%	10.7%	26.7%	48.0%
Utilize contractors/contract services more to segment workforce needs	6.7%	13.3%	32.0%	48.0%

Remote Work

The pandemic has caused many employers and organizations to reconsider where employees conduct their work. Respondents were asked about remote work in terms of the percent of their workforce eligible to do so, and the percent working remotely at that time. (Figure 8)



Respondents were asked to indicate whether their organization was implementing or considering alternative work options as a result of the pandemic. As shown in Table 6, 26.6 percent of respondents currently have employees working remotely, either full time or part of the time.

Table 6: Is your organization is currently implementing or considering the following alternative work options as a result of the pandemic?	Currently Doing	Considering	Not at this time	NA / Not sure
Implementing a hybrid work in office/home model	17.3%	8.0%	30.7%	44.0%
Allow employees to work remotely full-time	9.3%	4.0%	37.3%	49.3%
Downsizing the physical footprint of our organization	6.7%	8.0%	38.7%	46.7%
Four-day work week	14.7%	6.7%	36.0%	42.7%
Six-hour work shifts	10.7%	2.7%	44.0%	42.7%

Lastly, in terms of remote work, respondents were asked about specific initiatives that might be valuable to their businesses and organizations. Public investments in broadband infrastructure was selected by 33.4 percent of respondents as being very or extremely valuable; and incentives for investing in technology to support remote work was selected as very or extremely valuable by 20.0 percent of respondents. (Table 7)

Table 7: How valuable would the following remote work initiatives be to your organization?	Extremely valuable	Very valuable	Moderately valuable	Slightly valuable	Not valuable	NA / Not sure
State and federal government investments in broadband infrastructure, particularly for rural communities	22.7%	10.7%	8.0%	4.0%	10.7%	44.0%
Incentives for investing in technology/ programs to support remote work	14.7%	5.3%	6.7%	10.7%	14.7%	48.0%
Productivity training for staff	5.3%	9.3%	6.7%	13.3%	20.0%	45.3%
Digital skills training for staff	5.3%	8.0%	6.7%	10.7%	22.7%	46.7%
Increased availability of training for HR	4.0%	8.0%	6.7%	10.7%	22.7%	46.7%
Assistance establishing remote work plan	4.0%	5.3%	8.0%	12.0%	20.0%	50.7%
Sector-specific guides on working remotely	2.7%	5.3%	6.7%	12.0%	22.7%	50.7%