
COVID-19 Impact on Iowa Businesses – Survey 4

Cedar Valley Regional Partnership Area Report

July 27, 2022

Prepared For:



The information used in this report is from a fourth online COVID-19 impact survey conducted for the Iowa Economic Development Authority (IEDA) from March 16 through April 15, 2022. Businesses and organizations across the state offered information about what they are experiencing and how they are handling the current COVID-19 crisis. Nearly 4,000 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
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About the Respondents

Survey 4 received 173 responses from businesses and nonprofits in the Cedar Valley Regional Partnership area of Black Hawk, Buchanan, Bremer, Butler, Chickasaw, and Grundy Counties. As expected, a lower response number than Survey 3 where 443 respondents offered input. The majority of respondents, 82.7 percent, were for profit businesses and represented several industry sectors. Nearly 42 percent of the respondents were family-owned businesses and about 25 percent were women-owned businesses (Figure 1).

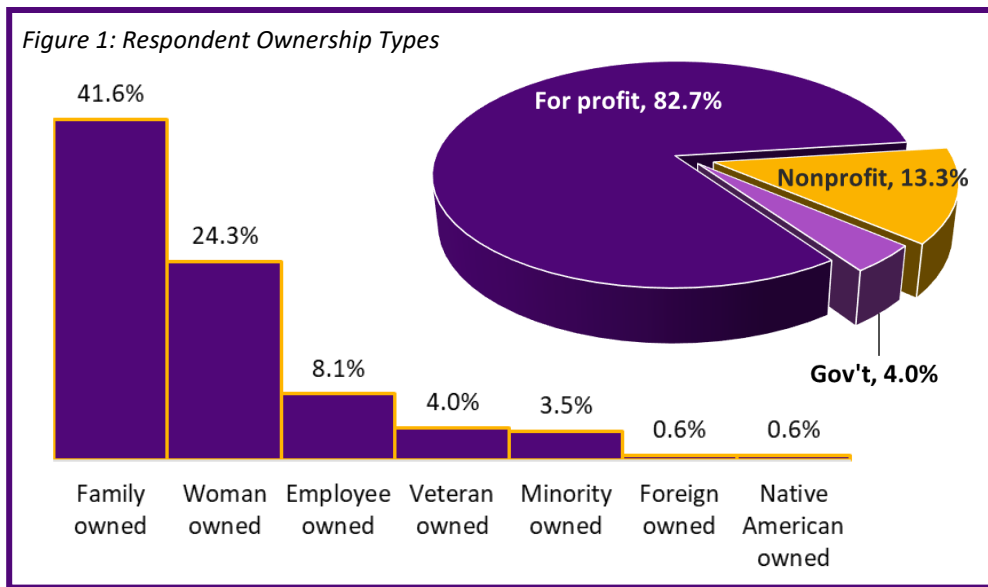
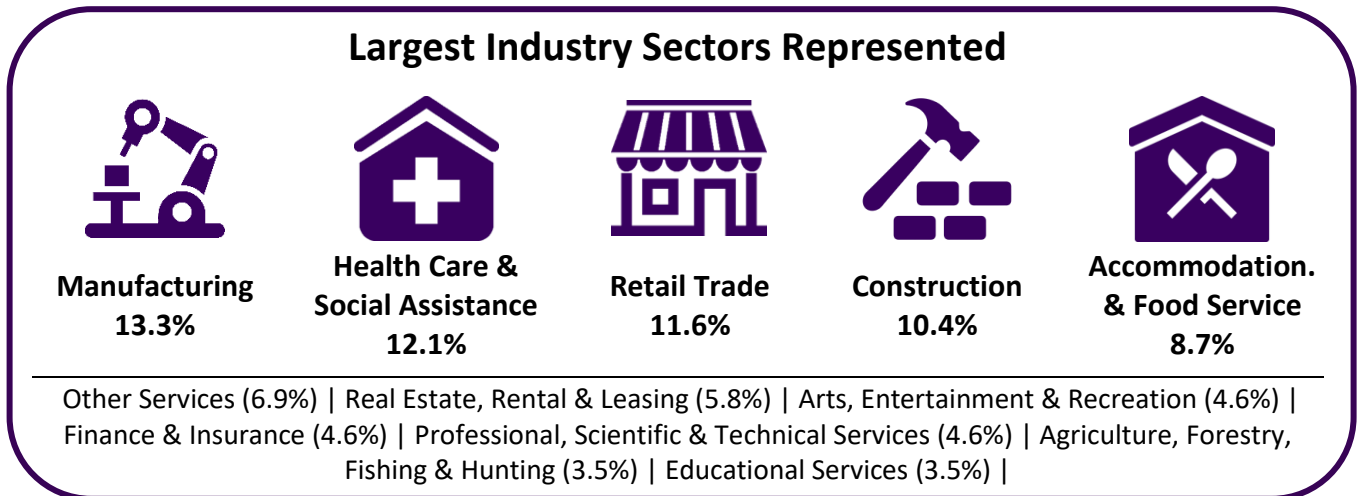
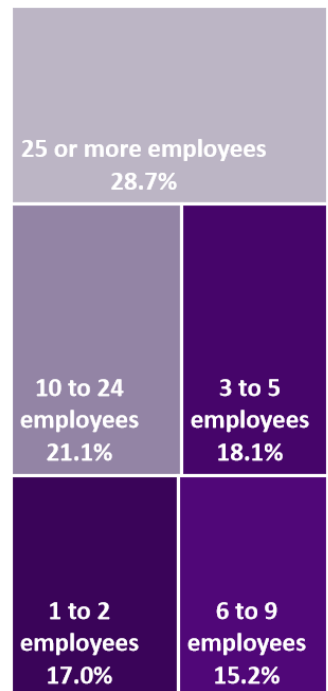


Figure 2: Respondents by Employment Size

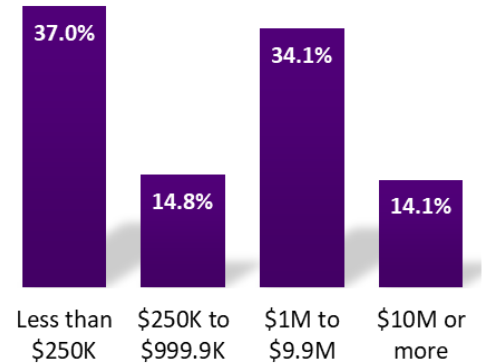


As a percentage of respondents, over half (50.3%) were small businesses with fewer than 10 employees and over 70 percent (71.4%) had fewer than 25 employees (Figure 2). A total of 17 percent were very small businesses with 1 to 2 employees.

Just over half (51.8%) of the respondents reported annual revenue for 2021 to be less than \$1M. Figure 3 illustrates the 2021 annual revenue (by range) of the respondents. The mean and median of respondents' 2021 revenue were:

Mean	• \$7,858,127
Median	• \$749,950

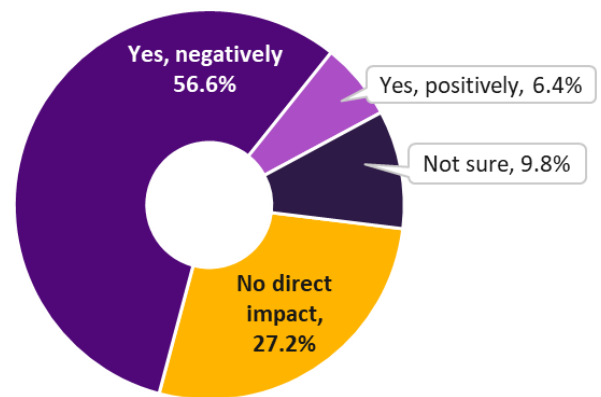
Figure 3: Average Annual 2021 Revenue



Impact of COVID Pandemic

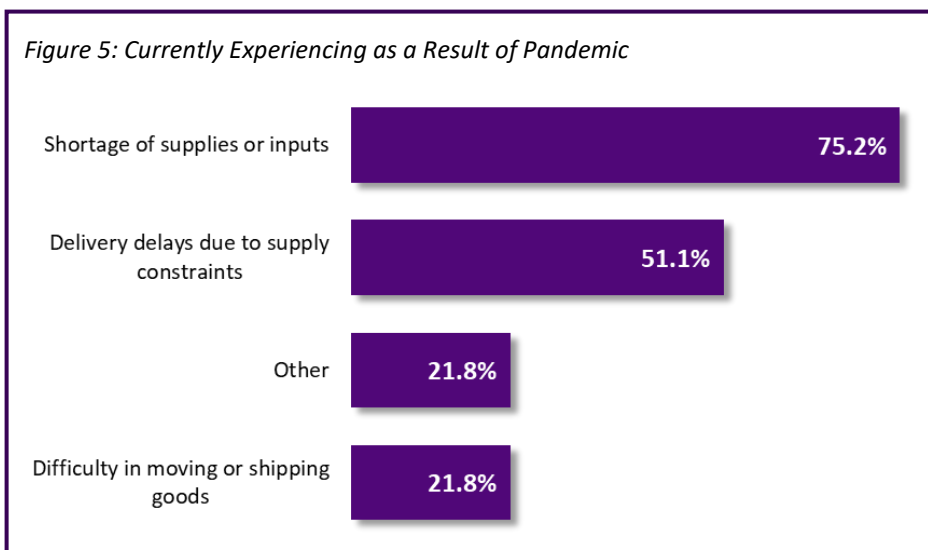
Respondents were asked to estimate the impact of the pandemic on their organizations' 2021 revenue and employment as it compared to 2020. In aggregate, respondents indicated a 1.3 percent average reduction in revenue, and a 7.5 percent reduction in employment. When asked whether the effects of the COVID pandemic were directly impacting their organizations, 56.6 percent of respondents indicated that they were currently experiencing a negative effect (Figure 4). This percent has improved in the service area since Survey 3, when 62.7 percent of respondents noted overall negative effects from the pandemic.

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



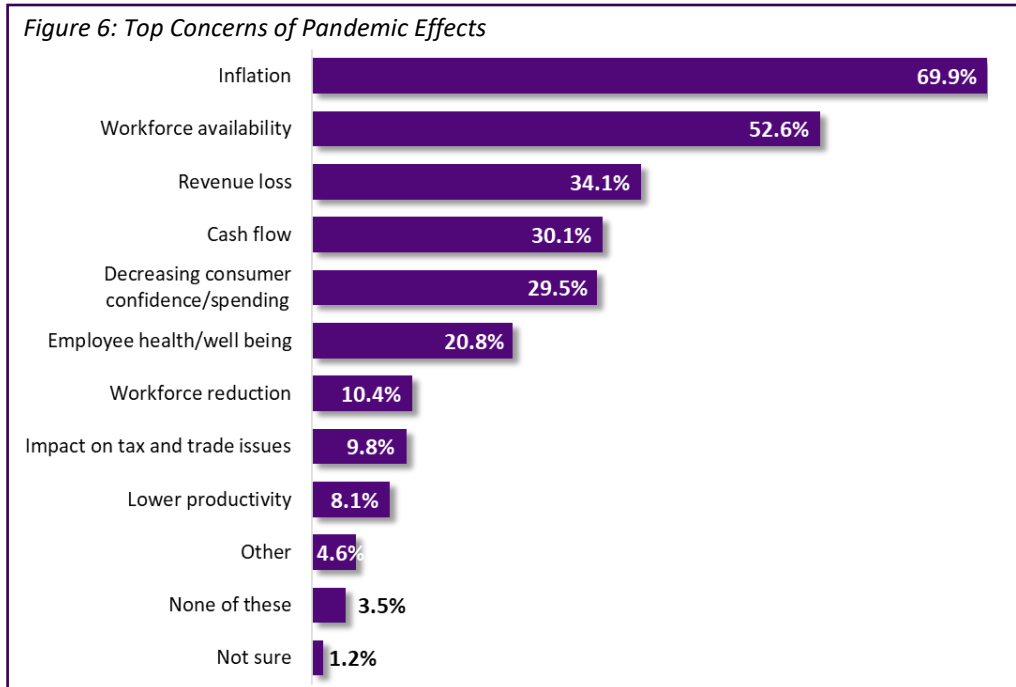
Respondents were asked whether their organizations were currently experiencing negative disruptions among critical suppliers as a result of the pandemic. A total of 80.1 percent are currently experiencing or anticipate a mild, moderate, or severe disruption. As illustrated in Figure 5, a shortage of supplies or inputs was being experienced at the time by three-fourths (75.2%) of the 133 respondents experiencing or anticipating a mild, moderate, or severe negative disruption.

Figure 5: Currently Experiencing as a Result of Pandemic



Effects of the Pandemic

Respondents were asked to identify their organizations' top 3 concerns with respect to the effects of the coronavirus pandemic. The highest percent of respondents (69.9%) indicated that inflation was one of their top three concern, followed by workforce availability (52.6%) and revenue loss (34.1%). Respondents were least concerned about lower productivity (8.1%) and impact on tax and trade issues (9.8%). (Figure 6)



Respondents were asked about adjustments they have made to their businesses and/or business models in the last 6 months, and whether they planned any certain adjustments in the next six months. Top adjustments already made include increased prices due to inflation (63.0%), identified and hired new employees (37.6%), and identified new supply chain options (34.7%).

Table 1: In the last 6 months, has your organization done any of the following?	
Increased prices due to inflation	63.0%
Identified and hired new employees	37.6%
Identified new supply chain options	34.7%
Obtained financial assistance or additional capital	25.4%
Increased or pivoted marketing or sales efforts	24.9%
Evaluated work arrangements for employees	23.7%
Better provide safety for customers and employees	22.0%
Adjusted our business model	21.4%
Offered new/additional training for employees	16.8%
Developed online sales or websites	9.8%
Temporarily closed this business	5.2%
Other	4.0%

The top short-term pending adjustments included increasing prices due to inflation (59.5%), identifying and hiring new employees (46.8%), and identifying new supply chain options (33.5%). Tables 1 and 2 include additional response tabulations.

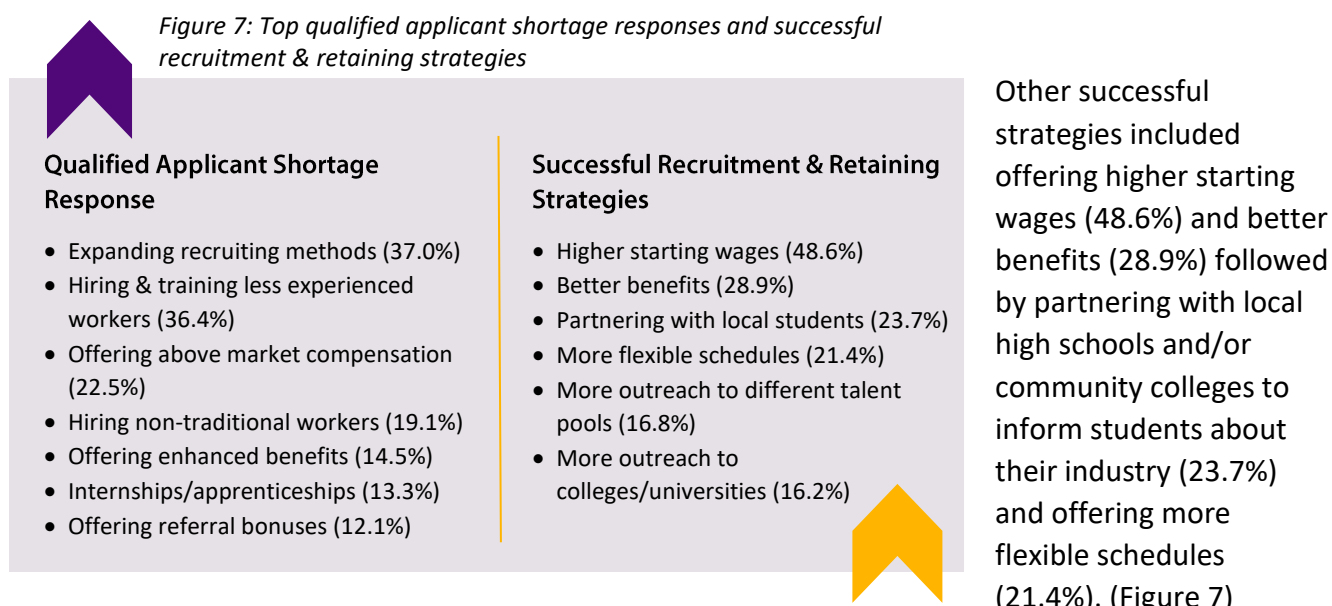
Table 2: In the next 6 months, will your organization need to do any of the following?	
Increase prices due to inflation	59.5%
Identify and hire new employees	46.8%
Identify new supply chain options	33.5%
Increase or pivot marketing or sales efforts	24.3%
Adjust our business model	22.0%
Offer new/additional training for employees	20.8%
Obtain financial assistance or additional capital	19.7%
Evaluate work arrangements for employees	18.5%
Develop online sales or websites	10.4%
Better provide safety for customers and employees	5.2%
Permanently close this business	2.9%
Other	2.9%

Just under 10 percent of respondents have already made capital expenditures for Industry 4.0 technologies with another 2.3 percent making plans to do so. Among those respondents, top Industry 4.0 investments include cybersecurity (50.0%) and software/ERP/inventory tracking (50.0%).

Workforce Challenges vs. Strategies

When asked about the difficulty in attracting new talent today as compared to before March 2020, 69.7 percent of respondents indicated this is a more difficult task with 29.6 percent seeing no difference. More organizations reported utilizing the following hiring measures in response to a shortage of qualified applicants: Hiring less trained workers and providing training (36.4%) and expanding recruiting methods (37.0%). (Figure 7)

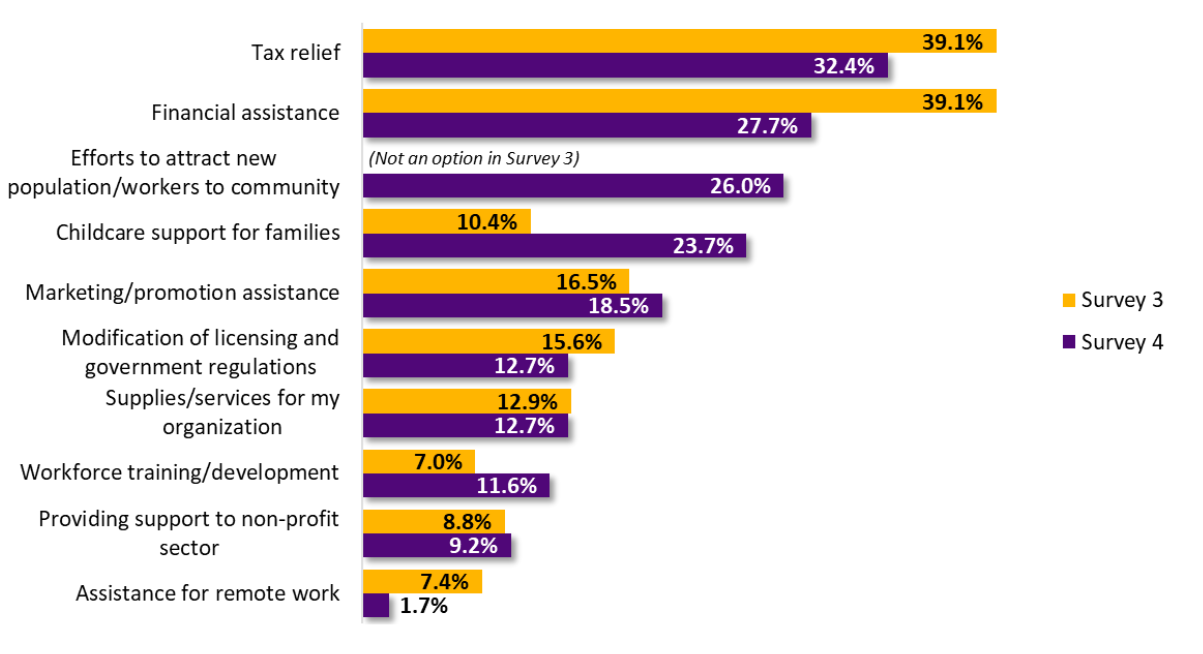
Figure 7: Top qualified applicant shortage responses and successful recruitment & retaining strategies



General Assistance and Resources

Respondents were asked about the types of assistance that would be most helpful to their organizations (Figure 8). Financial assistance and tax relief continue to be the assistance types that are selected most by respondents, followed by efforts to attract new population/workers to the community (new in Survey 4). The percent of respondents indicating financial assistance would be most helpful was significantly less than in Survey 3.

Figure 8: Areas of Assistance Most Helpful to Organization



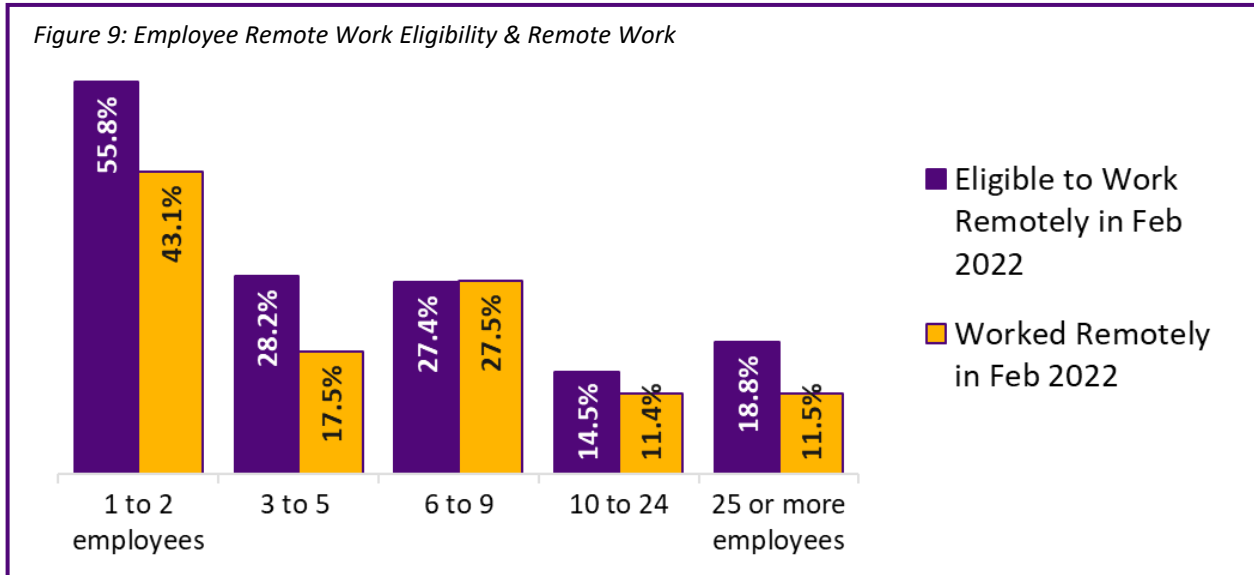
Business Operations

Respondents were asked whether they had made any specific operational changes to their business, or whether they were considering certain activities. Over one-third (34.1%) of respondents indicated that they were already creating or revising their supply chain strategy, and over one-fourth were increasing cash reserves. (Table 5)

Table 3: 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
Create or revise our supply chain strategy	34.1%	19.1%	23.1%	23.7%
Increase cash reserves	28.9%	21.4%	29.5%	20.2%
Rely more heavily on communications services for our business operations	26.0%	7.5%	32.9%	33.5%
Expand our organization through digital means and related technologies	19.7%	15.0%	30.1%	35.5%
Utilize contractors/contract services to segment workforce needs	12.1%	10.4%	33.5%	43.9%
Invest more in work automation	10.4%	11.0%	28.9%	49.7%

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 9)



Respondents were asked how their organization has been impacted by remote work options as a result of the pandemic. As shown in Table 6, 30.1 percent of respondents reported no impact with 12.7 percent reporting both positive and negative impacts. Additionally, 44.5% indicated remote work was not applicable for their employees.

Table 4: How has your company been impacted by remote work options that are becoming more prevalent in the U.S. economy?

Positively impacted-Recruited talent to work remote for my company from outside of market/Iowa	3.5%
Both, positively and negatively impacted	12.7%
Negatively impacted– Lost existing employees to remote job/companies outside of market/Iowa	6.9%
No impact	30.1%
Not sure	2.3%
Not applicable	44.5%

Lastly, workplace footprint and occupancy decreased 3.25 percent on average as compared to pre-pandemic, and the majority of respondents (69.4%) anticipate this staying the same for the next six months.