

Northern Colorado Regional Economic Development Initiative

NoCoREDI.com

COVID-19 Business Impacts Survey January 2021



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EXECUTIVE SUMMARY

The Northern Colorado Economic Development Initiative (NoCo REDI) conducted a Q4 2020 business survey between 10/30/2020- 12/15/2020. There were a total of 237 business responses, of which 206 were unique and reflect one response per business. Responses for this survey (Q4) were slightly lower than the Q3 survey, and overall survey responses have steadily declined since the first Northern Colorado Business Survey, which was administered 3/31/20- 4/10/2020 and resulted in 855 responses.

As the pandemic continued throughout 2020, institutions and organizations have relied on surveys to understand the challenges and concerns faced by businesses and individuals. Survey-fatigue was evident as early as Q2 2020. Understanding this trend, NoCo REDI focused on developing a survey that businesses could easily access and quickly complete. Northern Colorado businesses have weathered four quarters of an unprecedented pandemic that has challenged them to continually adjust their business models to new regulations and dynamic consumer behavior. In mid-November, Northern Colorado counties were moved to Level Red (Severe Risk) on the State of Colorado's COVID-19 Dial, which limited the capacity of most businesses to 25% and below, and precluded restaurants from conducting indoor dining. These new restrictions presented challenges for businesses as they pivoted once again to meet modified health guidelines.

Summary Points

- » There were **206 unique responses** from businesses located in Northern Colorado communities.
- » The sector with the largest portions of responses was **Accommodation and Food Services (19%)**.
- » **48% of businesses** said that their annual headcount was down.
- » **71% of businesses** responded that annual sales were down; over the next 6-12 months, **36% of companies** expect sales to increase.

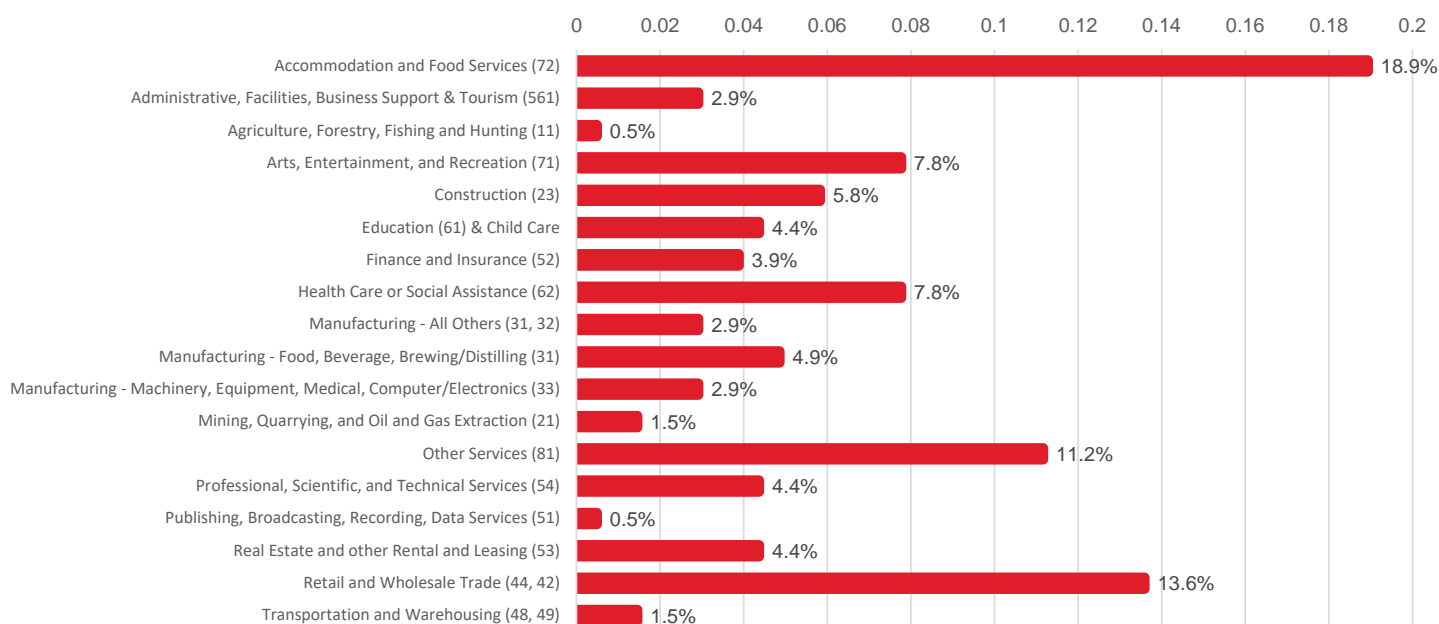


RESPONDENT PROFILE

19% of survey responses were from the Accommodation and Food Services industry, 14% Retail and Wholesale Trade, 11% Manufacturing, and 11% identified as Other Services- Personal Services, Repair and Maintenance of Goods, Grant-making or Giving, Civic or Social, Advocacy, Religious, Professional Organizations.



Survey Responses by Industry Sector

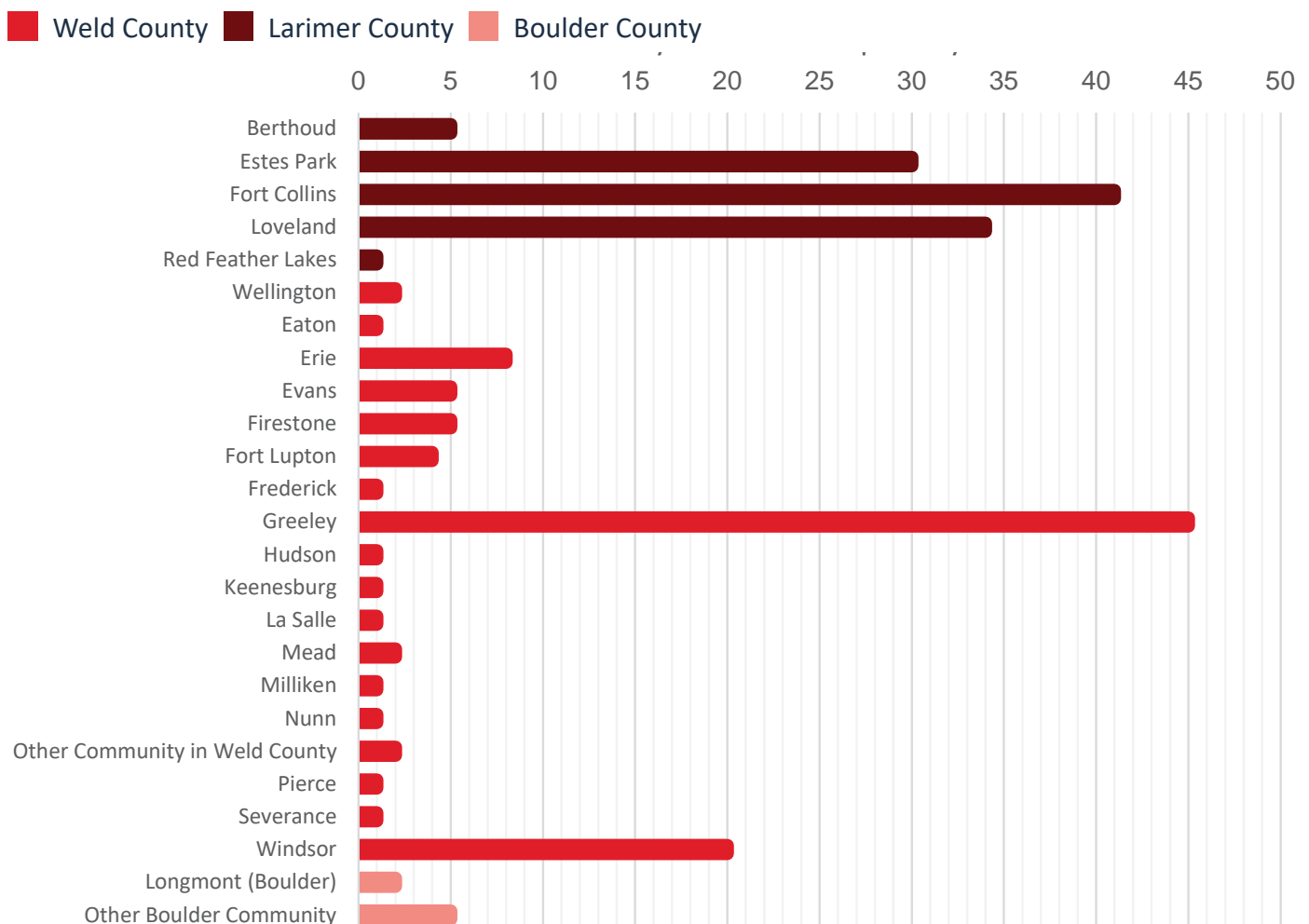


RESPONDENT PROFILE

Respondent Location by Municipality and County

Northern Colorado refers to Larimer and Weld County communities. Several communities in the region have boundaries that extend into counties outside of Larimer and Weld. To be inclusive all NoCo community businesses, Multi-County business location responses were added to the survey, which include Boulder and Adams County.

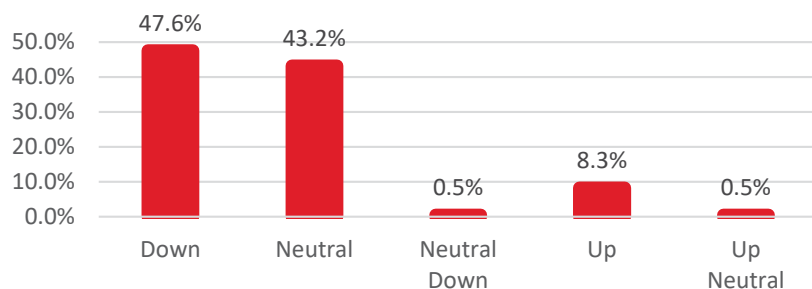
50% of businesses responded their primary location was in Larimer County, 42% were in Weld County, 2% Boulder County, and 6% indicated their location was in multiple Northern Colorado counties. The largest segment of responses came from Greeley, at 22%, followed by Fort Collins at 20%.



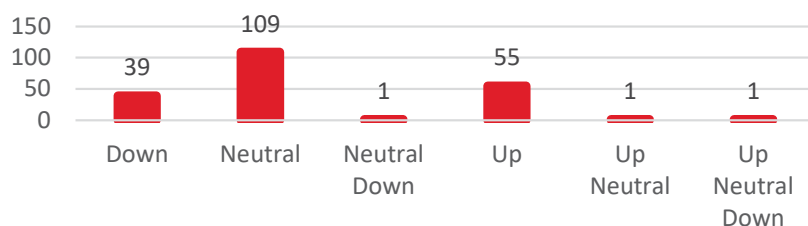
HEADCOUNT AND SALES GROWTH

48% of businesses said that their annual headcount was down, and 8% said growth was up. 53% respondents expect their headcount to remain neutral over the next 6-12 months. 25% expect headcount to increase.

Is your annual company growth (head count):

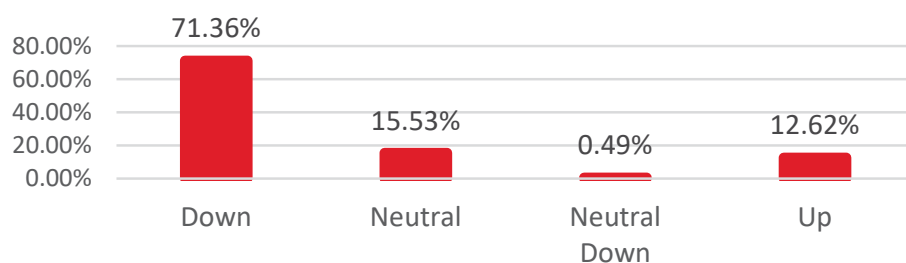


How do you expect head count to change in the next 6-12 months?



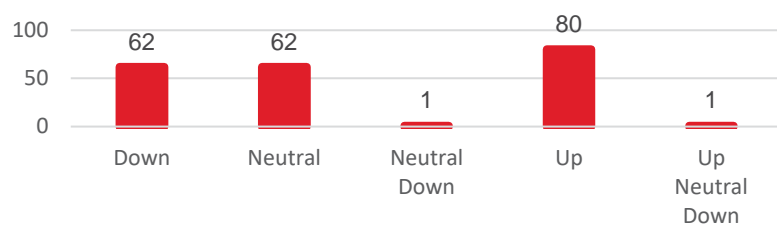
Is your annual company growth (sales):

71% of businesses responded that annual sales were down, and 13% said that sales were up.



How do you expect sales to change in the next 6 to 12 months?

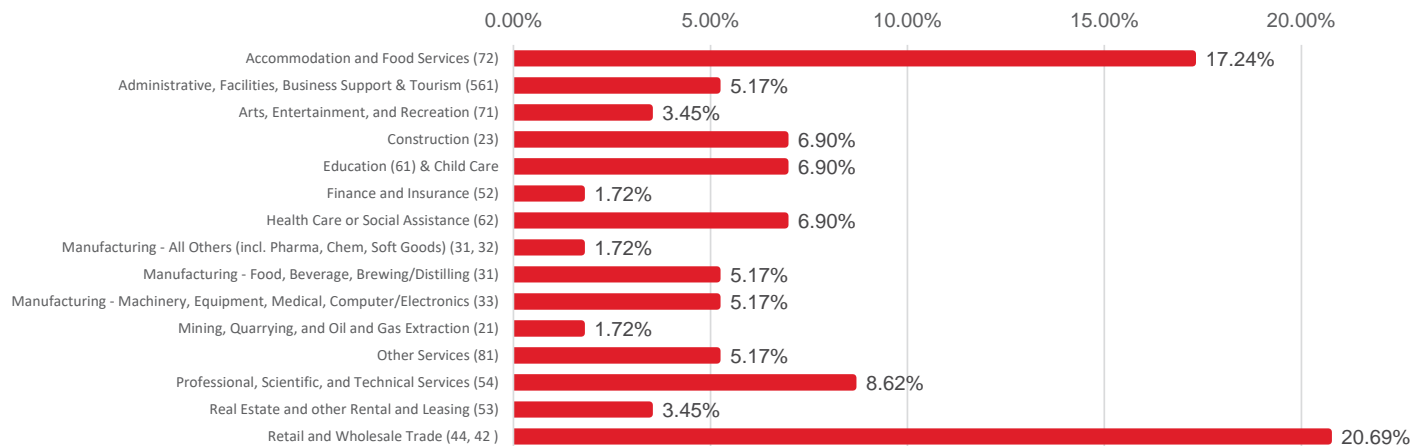
Over the next 6-12 months, 36% of companies expect sales to increase.



HEADCOUNT AND SALES GROWTH

What types of positions will you be filling?

When asked what types of positions companies will be filling, Retail and Wholesale Trade, and Accommodations and Food Services were the highest responding industries. Companies stated that 'limited capacity operations' were strongly impacting most of their employment positions.



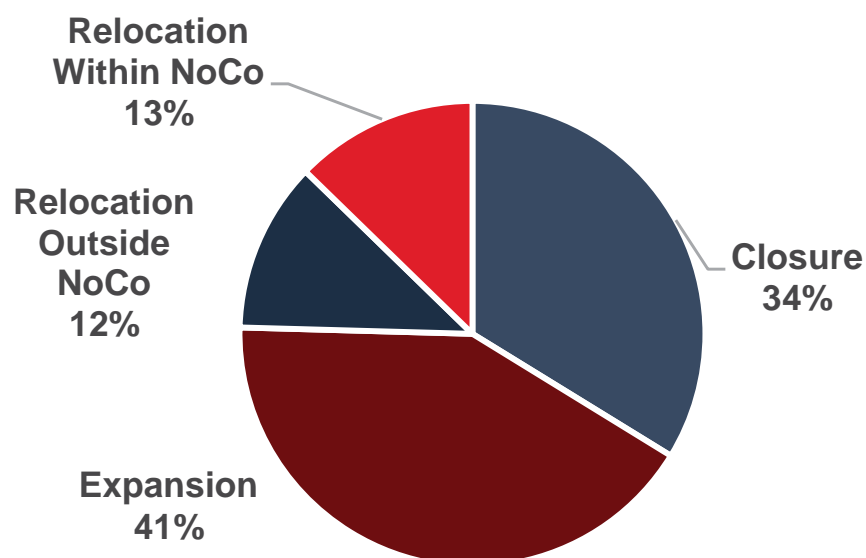
BUSINESS CONSIDERATIONS OVER THE NEXT 6-12 MONTHS

41% of businesses said that they were considering an expansion in the next 6-12 months, followed by 30% considering a closure. With new restrictions over the last quarter of the year, it is unclear if the reported expansions referred to increased outdoor dining.

34% of respondents indicated that they were considering a Closure in the next 6-12 months, the Accommodations and Food Services industry being the largest segment. Retail and Wholesale Trade respondents were the largest industry group to consider an expansion.

42% of respondents indicated that they were considering an expansion over the next 6-12 months. While this represents a larger group than expected, this may be due to shifts in business offerings and consumer behavior, rather than a traditional expansion.

**This survey question did not provide a "None of the Above" response option. Respondents noted in their comments that they just selected a response, but their business was not considering any of the multiple choices provided. Since this question was mandatory and "N/A" was not a provided answer-option, results for this question may be skewed.*



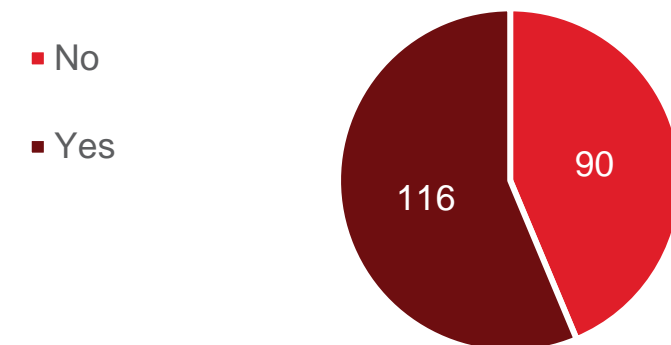
SUPPLY CHAIN

Have you experienced any supply chain challenges due to COVID-19?

57% of companies experienced supply chain challenges due to COVID, and 43% did not. Many companies reported inconsistency in the availability of product, delivery delays, and price increases as key supply chain challenges. Respondents stated that shortages from food and beverage suppliers persists, with intermittent availability of items and when items are available the price has substantially increased. While PPE and cleaning products are more available than they were in the early stages of the pandemic, price increases make it difficult for businesses to get the products they need to operate. Several survey respondents cited aluminum, metal products, and storage-container suppliers experiencing shortages.

"Special orders are 2 to 6 weeks delayed. Inventory level are 75% to 100% out of stock"

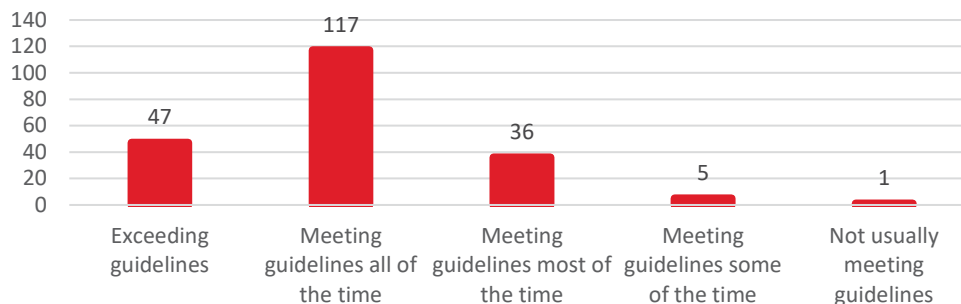
"Shortages in food and everyday supplies. Every week there is something we are not able to get or if it is available the price has doubled or even tripled with some items."



PUBLIC HEALTH GUIDELINES

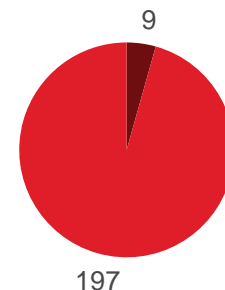
How well do you think your business is able to meet county and state COVID-19 public health guidelines?

57% of respondents said their business meets County and State COVID public health guidelines 'All of the Time', 23% stated they 'Exceed Guidelines', and 17% said they 'Meet Guidelines most of the Time'. Only 0.4% (one respondent) said they are 'Not Usually Meeting Guidelines'.



Does your business have all the information it needs about COVID-19 and COVID-19-related public health guidelines?

95% of businesses said that they have the information they need regarding COVID public health guidelines.



What would help you and your business meet public health guidelines better?

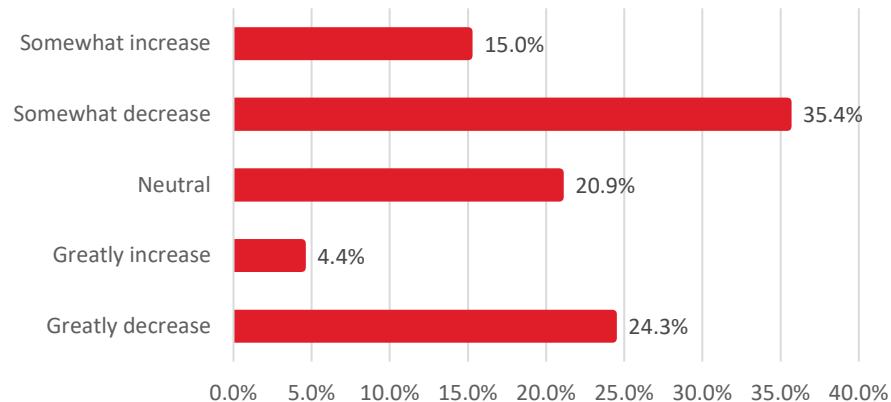
Of the 42 respondents that answered: "What would help you and your business meet public health guidelines better?", 50% said Financial Support and 33% said Clarification Regarding the Public Health Guidelines. 80% of respondents did not answer "What would help you and your business meet public health guidelines better".



CONSUMER CONFIDENCE

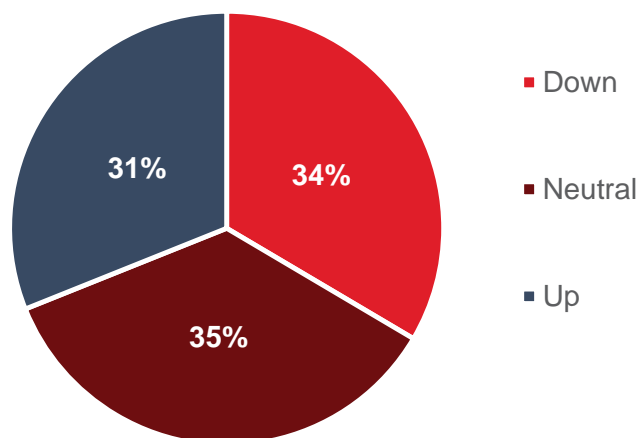
How have you seen consumer confidence change since May 2020?

Since May 2020, 35% of companies stated that they have seen consumer confidence Somewhat Decrease and 24% have seen it Greatly Decrease.



Is your confidence in the recovery of the Northern Colorado economy over the next 6-12 months...

Confidence in the Recovery of Northern Colorado over the next 6-12 months was 38% neutral, 35% down, and 27% up. Survey respondents expressed concern that changes in consumer behavior and confidence will continue to negatively impact their businesses even after restrictions are lifted.



ECONOMIC OUTLOOK

How do you expect the regional Northern Colorado economy will change between Q4 (Oct-Dec) 2020 and Q2 (Apr-Jun) 2021?

Businesses were asked, “How do you expect the regional Northern Colorado economy will change between Q4 (Oct-Dec) 2020 and Q2 (Apr-Jun) 2021?”. An overwhelming sentiment in responses was “it depends”. Respondents expressed uncertainty relating to COVID regulations, the upcoming election, access to capital, and economic recovery. Business responses also reflected optimism for the COVID vaccine to reestablish consumer confidence and help business activity return to near-normal levels.

“As vaccines are distributed and people become to feel more comfortable traveling and working in offices, we are confident that we will see our business returning to normal and even increasing.”

“Depends upon COVID, additional restrictions will ultimately have a negative impact economically.”

What is the greatest threat facing your company?

When businesses were asked, “What is the greatest threat facing your company?”, there were a broad range of responses but many common themes. Many companies expressed concern about not being able to make up lost sales/revenue, especially if restrictions persist; decreased consumer confidence which may result in decreased business even after restrictions are lifted; and that an impending shutdown due to COVID and/or an outbreak at their business would be detrimental.

Understanding that the economy is a symbiotic ecosystem, responses reflected concern for a slow economic recovery and reduced disposable income, which will negatively impact their business and industry. The respondents’ comments resonated fear that businesses might be forced to close and/or lay off their employees due to the prolonged and uncertain nature of this pandemic.

“Another stay at home order would be the greatest threat. It will be difficult enough to regain my sales and customer base as it is.”

“We are down over 80% compared to this time last year. Not many businesses in this country can survive that.”

What is the greatest opportunity facing your company?

Businesses were also asked, “What is the greatest opportunity facing your company?”. Respondents expressed opportunity in continuing to enhance online and delivery offerings/services. While COVID forced businesses to quickly innovate and change their business model, many were optimistic that this shift would ultimately help them enter new markets even after the pandemic. Businesses also saw opportunity in the COVID vaccine, increased consumer confidence, rescheduled events in 2021, grants and business assistance, economic recovery, and the ability to return to business at 100% capacity.

“Being able to get grants has been a great opportunity for our business this helps with the relief of the rent, supplies, and anything necessary to keep our business open.”

“To be able to open back up for indoor dining or open up 100% and provide over 50 jobs for our community.”

ECONOMIC OUTLOOK

Economic Development Assistance - How can we help at this time?

Respondents requested that business restrictions be lifted so they could operate at full capacity. Comments focused on information/communication with businesses, additional grants and business assistance programs, and support for small business through consumer confidence and shop local campaigns.

“Let us open our dining room and provide us with the guidelines needed under the 5 star program.”

“Keep us apprised of COVID related restrictions and mandates. Update us on the availability of any State, local or Federal stimulus / support opportunities.”



APPENDIX: BUSINESS OWNER DEMOGRAPHICS

We requested business owner demographics in our latest survey. Locally available data on business owner demographics is neither complete nor timely. Collecting local data is important to help fill the knowledge gaps about the demographics of local business ownership and entrepreneurship.

Please select any gender options that describe the business's owners	
Female	60
Male	73
MaleFemale	29
Non-binary or third gender	1
Unknown or prefer not to answer	3
(blank)	40
Grand Total	206
Are any of the business owners of Hispanic, Latino or Spanish origin?	
No	143
NoUnknown or prefer not to answer	1
Unknown or prefer not to answer	3
Yes	20
(blank)	39
Grand Total	206
Please select any race options that describe the business's owners	
American Indian or Alaska Native	3
Asian	3
AsianNative Hawaiian or Other Pacific IslanderWhiteOther not listed	1
AsianWhite	2
AsianWhiteOther not listed	2
Black or African AmericanWhite	1
Other not listed	6
Unknown or prefer not to answer	5
White	139
WhiteOther not listed	3
WhiteOther not listedUnknown or prefer not to answer	1
(blank)	40
Grand Total	206
Have any of the business owners ever served in any branch of the U.S. Armed Forces, including the Coast Guard, the National Guard, or a Reserve component of any service branch?	
No, none of the business's owners have served in any branch of the U.S. Armed Forces.	139
No, none of the business's owners have served in any branch of the U.S. Armed Forces.Unknown or prefer not to answer	1
Unknown or prefer not to answer	7
Yes, at least one owner is a non-Veteran who has served in the U.S. Armed Forces	5
Yes, at least one owner is a Veteran	15
(blank)	39
Grand Total	206
Are any of the business's owners members of the of LGBTQ+ community?	
No	140
Unknown or prefer not to answer	15
Yes	10
(blank)	41
Grand Total	206
Do any of the business's owners identify as having a disability?	
No	147
Unknown or prefer not to answer	9
Yes	11
(blank)	39
Grand Total	206

The following organizations supported and or promoted this survey throughout Northern Colorado.



NoCo REDI

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