



BUSINESS IMPACT OF COVID-19 PANDEMIC

BRYAN-COLLEGE STATION
SURVEY RESULTS

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**PRIVATE ENTERPRISE
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TEXAS A&M UNIVERSITY

SURVEY RESULTS

BRYAN-COLLEGE STATION BUSINESS IMPACT OF COVID-19 PANDEMIC

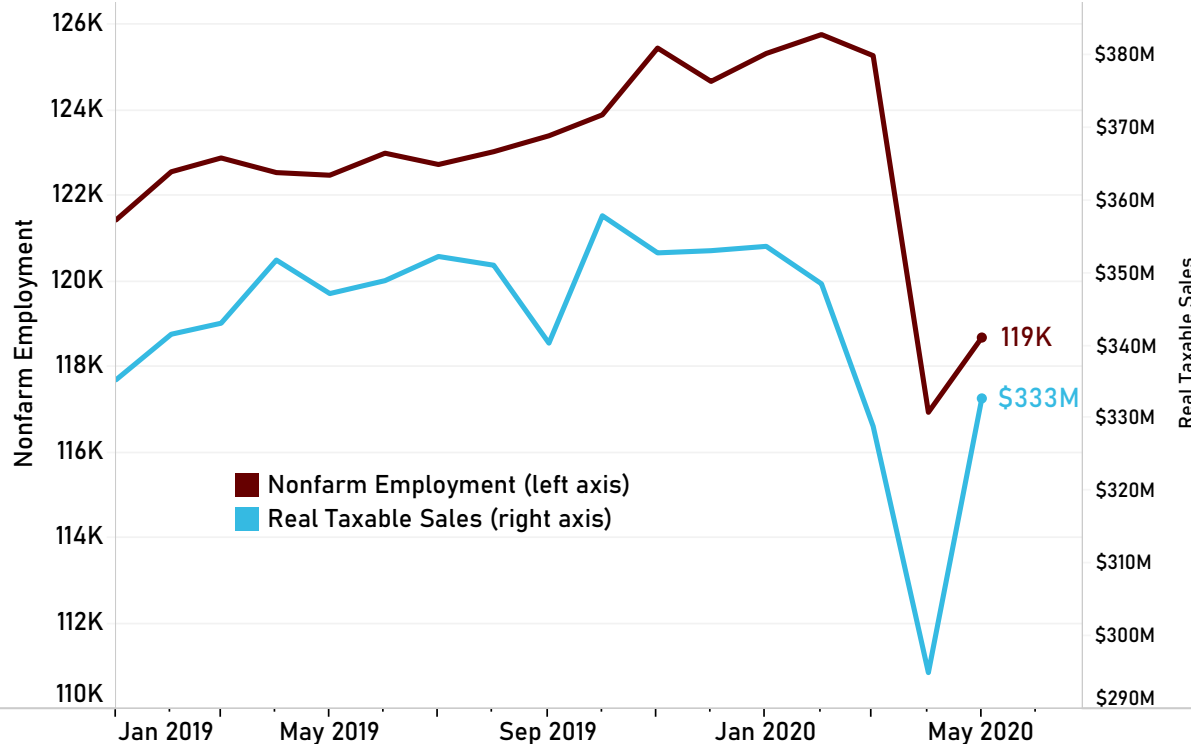
OVERVIEW

- The Office of the Provost at Texas A&M University funded this effort by the Private Enterprise Research Center (PERC) to design a survey of local businesses and analyze the responses. PERC partnered with the Bryan/College Station Chamber of Commerce to carry out the survey.
- The Business Impact Survey was conducted June 8-16.
- Email invitations to respond to the survey were sent to local businesses by the BCS Chamber of Commerce during the week of June 8-12.
- BCS Chamber personnel followed-up with Chamber members throughout the survey period June 8-16.
- A total of 499 surveys were completed representing 499 unique businesses.
- The survey had three sets of questions: operations and supply chain, workforce, and finance.

LOCAL ECONOMIC CONDITIONS

Before considering the survey responses, it is helpful to consider a brief summary of the local economic conditions leading up to the survey. The following figure depicts nonfarm employment and taxable sales in our local area. Nonfarm employment was 125,300 in January and by April had dropped to 116,900. May saw an increase to 118,700. A similar pattern is seen with inflation-adjusted taxable sales, which declined 16.6% between January and April. In May, they rebounded 12.8% relative to April, to \$333 million. The local unemployment rate was 2.7% in January, rose to 9.3% in April and declined to 8.9% in May. This May unemployment rate more than tripled the January rate and was tied for the lowest unemployment rate among metropolitan areas in the state.

NONFARM EMPLOYMENT & REAL TAXABLE SALES IN THE COLLEGE STATION-BRYAN MSA

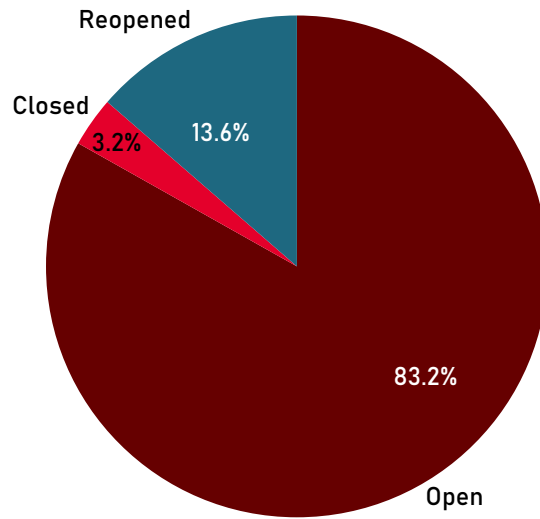


Seasonally adjusted. Sources: Texas Comptroller for Taxable Sales, Bureau of Labor Statistics for Nonfarm Employment.

OPERATIONS & SUPPLY CHAIN

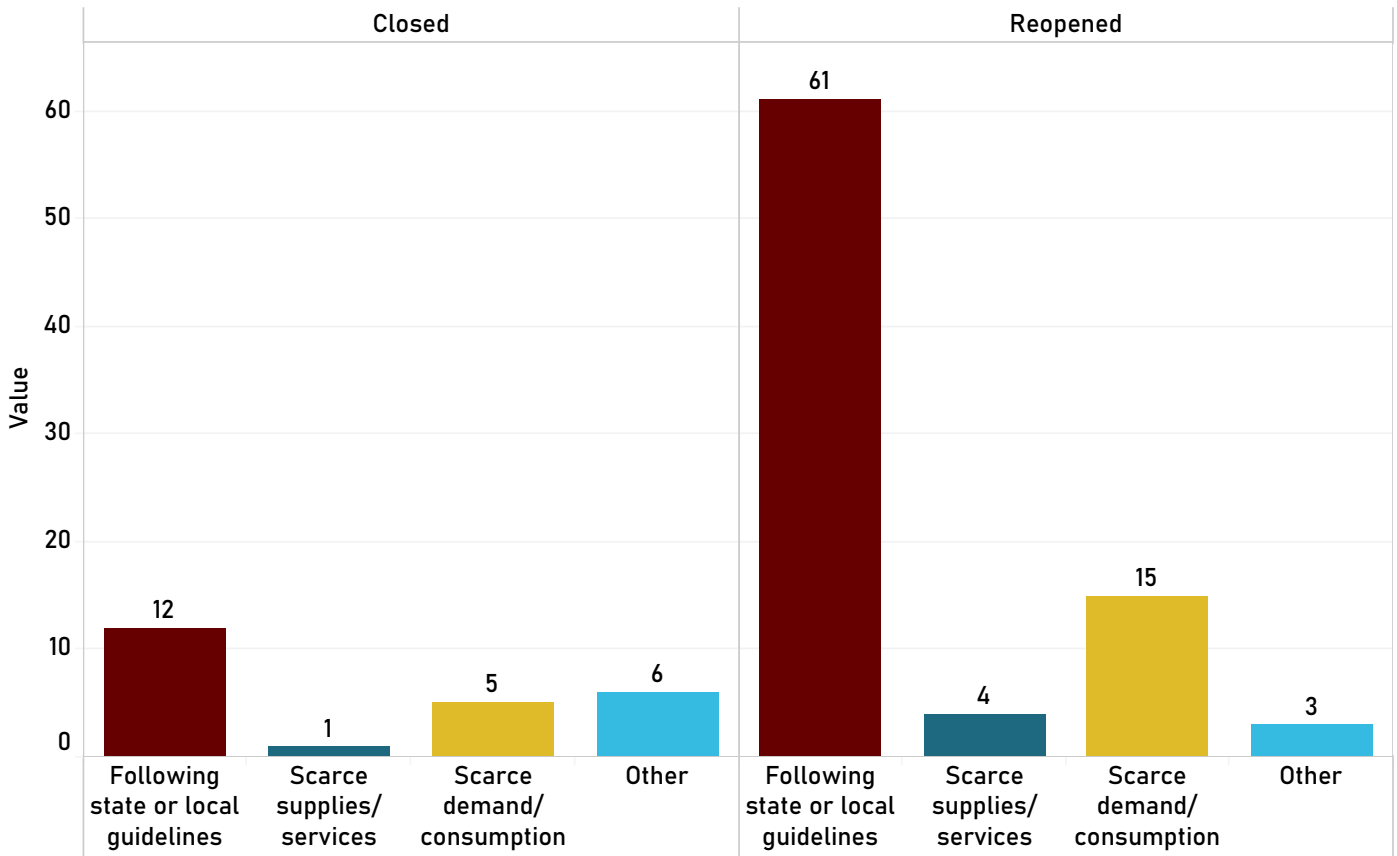
- 97% of the respondent businesses were open or had reopened.
- Most of those that closed and reopened had closed in response to state and local guidelines.
- Two-thirds of businesses are operating at above 60% and the average operating percentage was 75% across all firms.
- In response to the question about obtaining supplies, 85% of firms indicated they can receive at least 60% of their supplies, and the average percentage of supply availability was 84%.
- In response to the question about the ability to provide goods and services, 87% of firms indicate they can deliver above 60% of their usual goods or services and the average percentage of goods and services local firms can deliver is 87%.

WHAT IS THE CURRENT OPERATING STATUS OF YOUR BUSINESS?



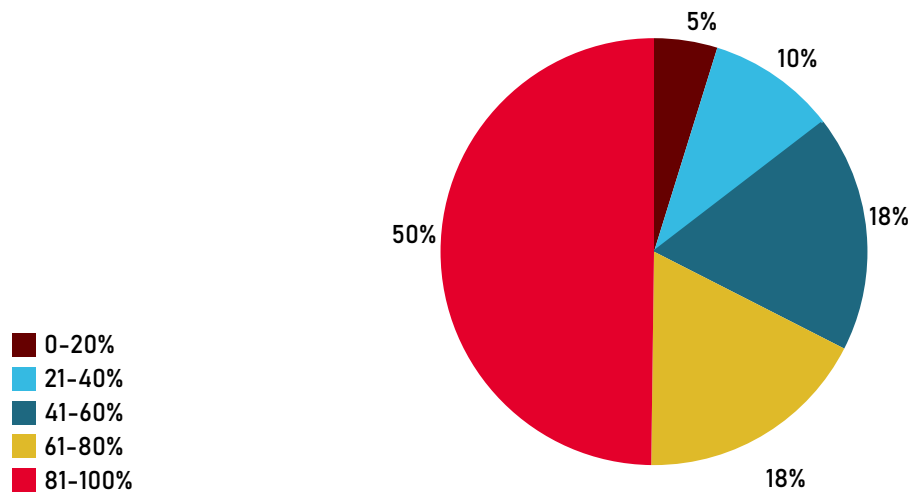
Note: Percentage of total responses depicted for each category. 499 responses.

WHAT WAS THE REASON THE BUSINESS INITIALLY CLOSED?



Note: Number of responses depicted for each category. Multiple responses possible. 16 businesses were closed and 68 had reopened.

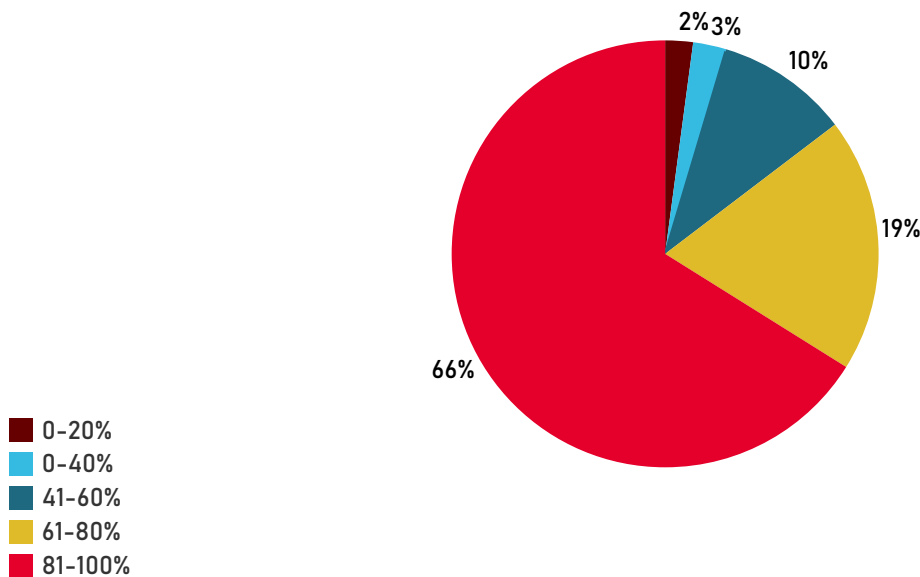
WHAT IS THE CURRENT OPERATING LEVEL OF YOUR BUSINESS?



The average reported operating percentage is 75%.

Note: Percentage of total responses depicted for each category. 480 responses.

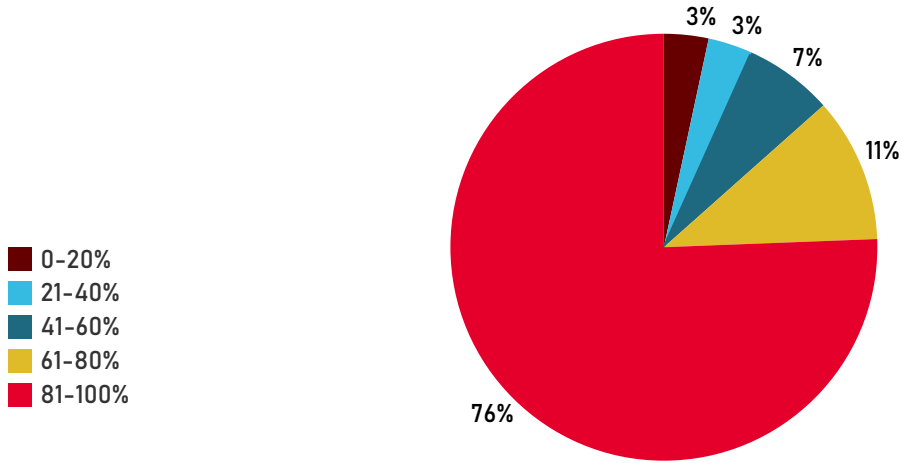
WHAT PERCENTAGE OF SUPPLIES OR SERVICES ARE YOU ABLE TO RECEIVE?



The average percentage of supplies firms are able to obtain is 84%.

Note: Percentage of total responses depicted for each category. 478 responses.

WHAT PERCENTAGE OF YOUR GOODS OR SERVICES ARE YOU ABLE TO SHIP OR DELIVER?



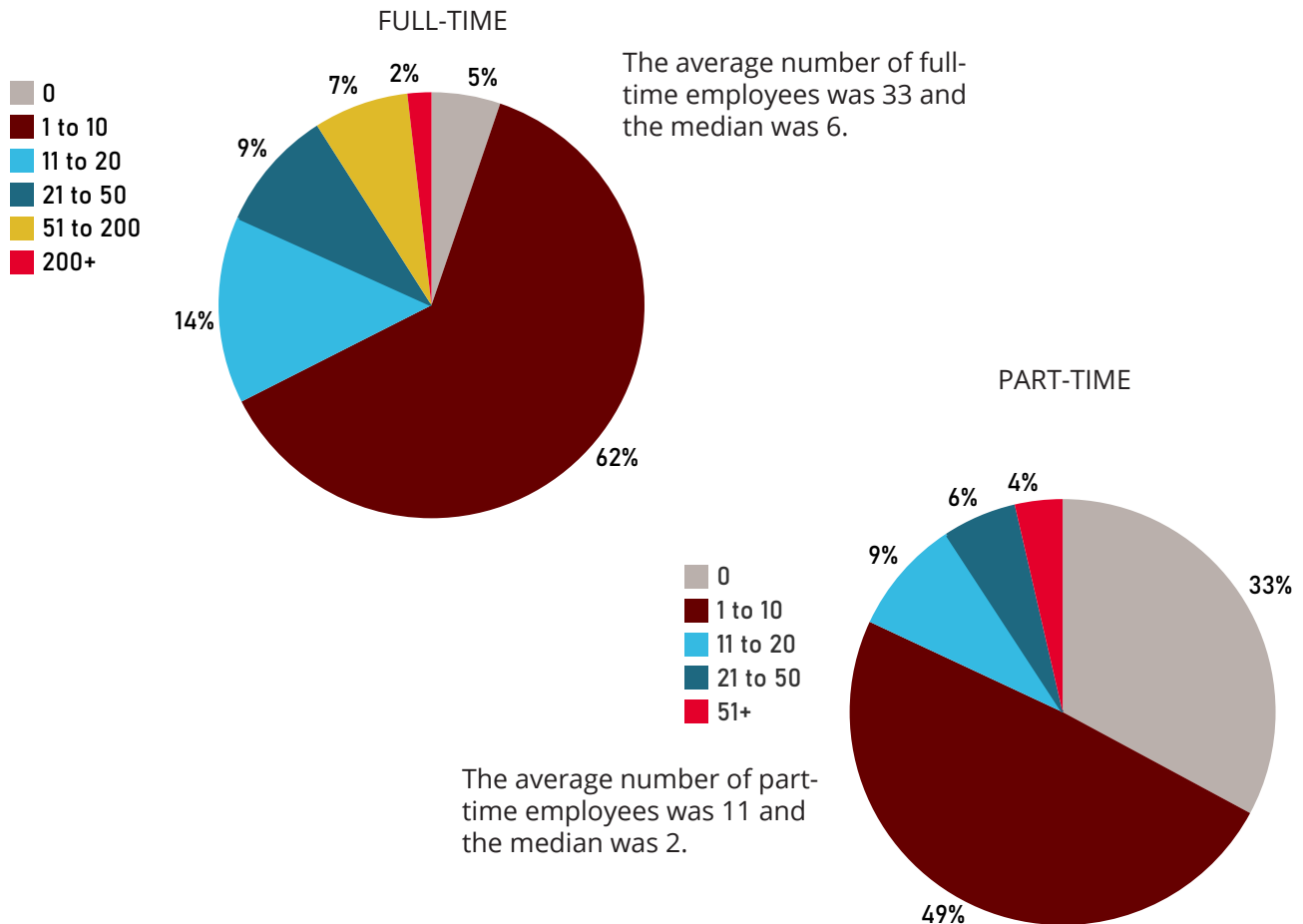
The average percentage of goods or services firms are able to deliver was 87%.

Note: Percentage of total responses depicted for each category. 447 responses.

WORKFORCE

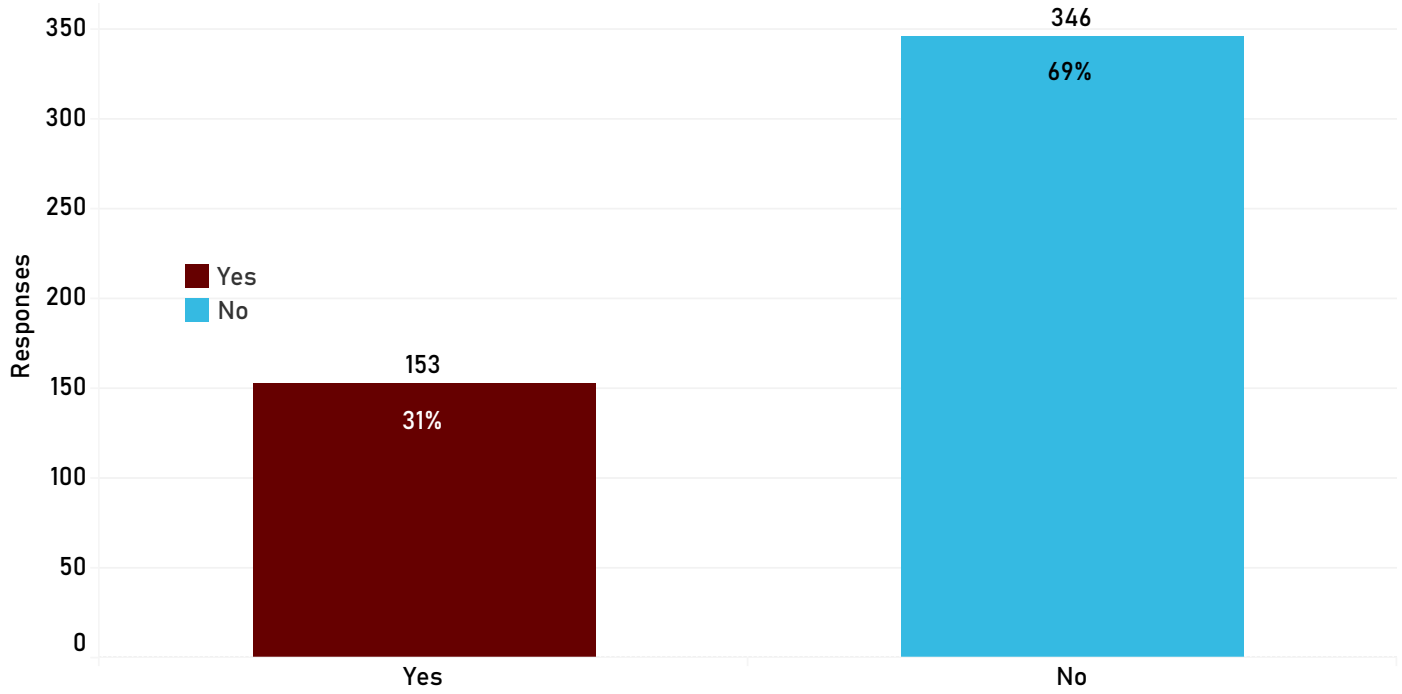
- 62% of responding businesses had between 1 and 10 full-time employees.
- 91% of businesses had 50 or fewer full-time employees, the average number of employees was 33, and the median was 6.
- 31% of the businesses reported that their workforce changed due to COVID-19.
 - Of these firms, 62% reported an employment decline through furloughs, layoffs, or terminations.
- 25% of firms had employees not reporting for work.
 - Of these firms, 50% were not paying these employees, 34% were paying all their employees, and 16% were paying a fraction of employees.
- Of the 312 firms responding to the question asking the percentage of a firm's workforce that was working from home, 64% had 0%-20% of their employees working from home, and 17% had 81%-100% of their employees working from home.
- On average, firms reported that 28% of their employees were working from home.
- 80% of businesses were opened to the maximum extent allowed; 38% never closed.
- Of the firms that recalled workers, 119 reported difficulty in recalling workers. Fear of infection was the leading reason.

WHAT WAS YOUR TOTAL EMPLOYEE COUNT PRIOR TO COVID-19?



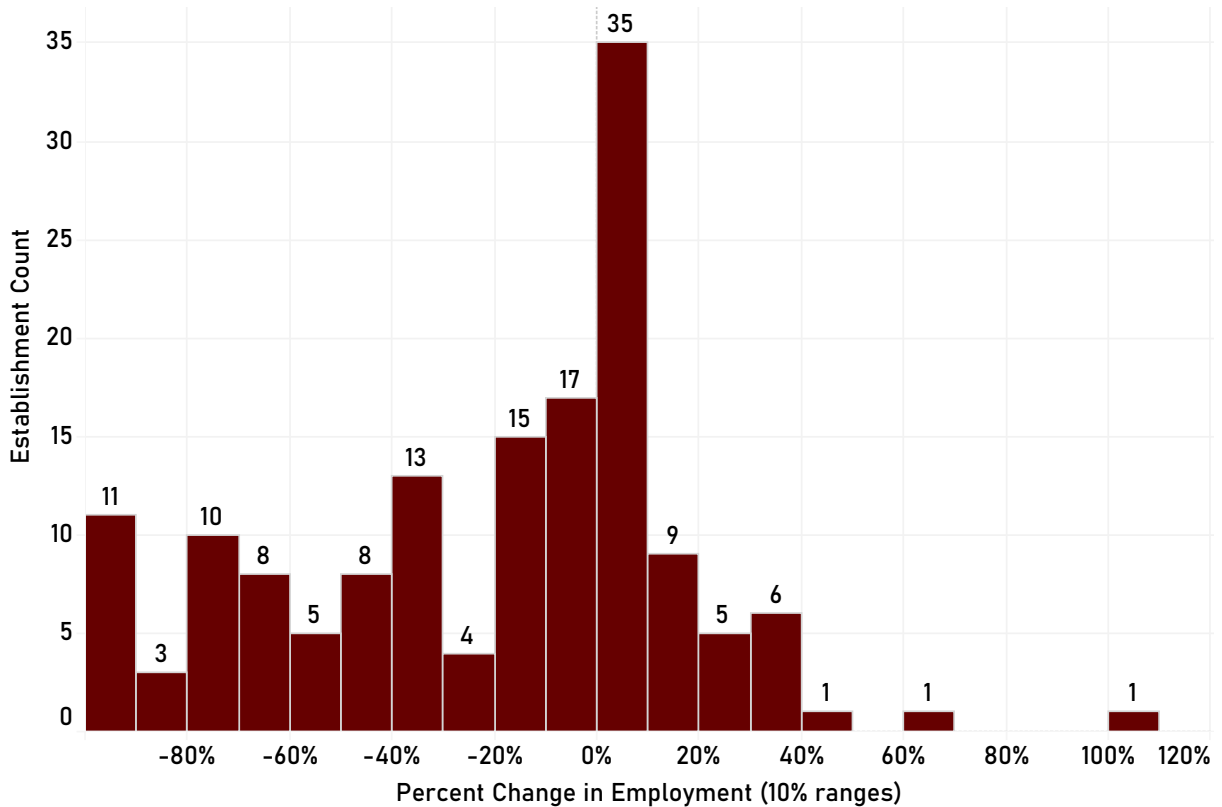
Note: Percentage of total responses depicted for each category. 499 responses.

HAS YOUR EMPLOYEE COUNT CHANGED DUE TO COVID-19, SPECIFICALLY?



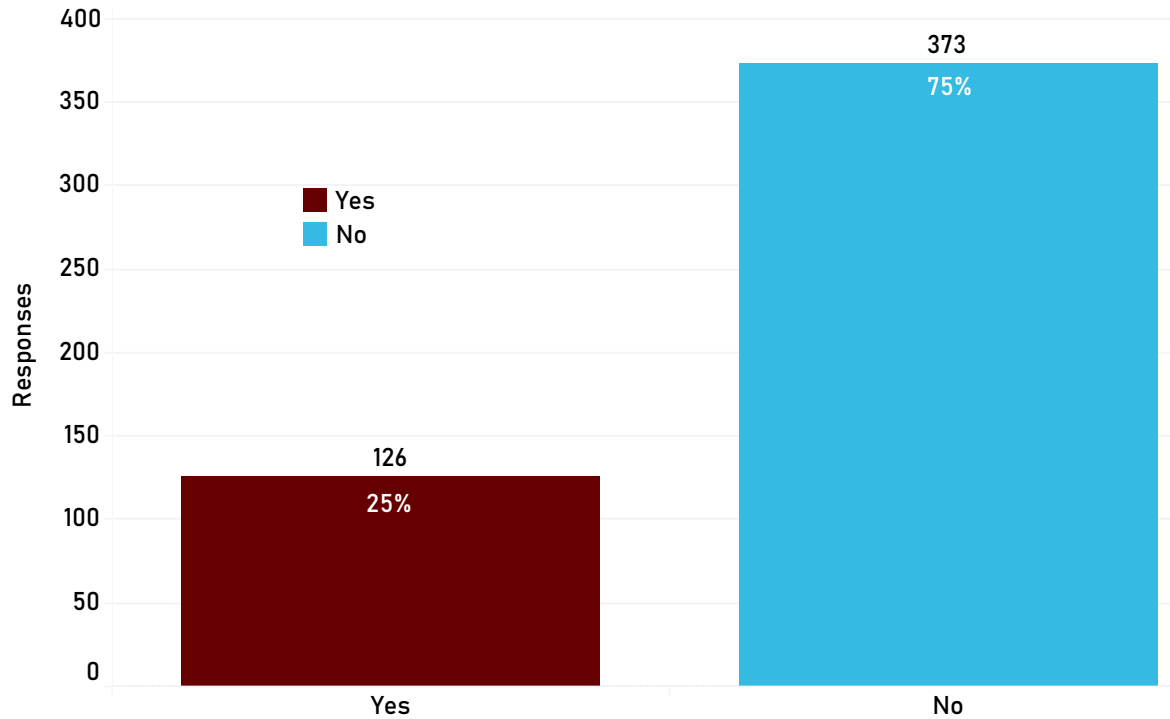
Note: Number of responses and percentage of total responses depicted for each category. 499 responses.

CHANGES IN WORKFORCE (IF EMPLOYEE COUNT CHANGED)



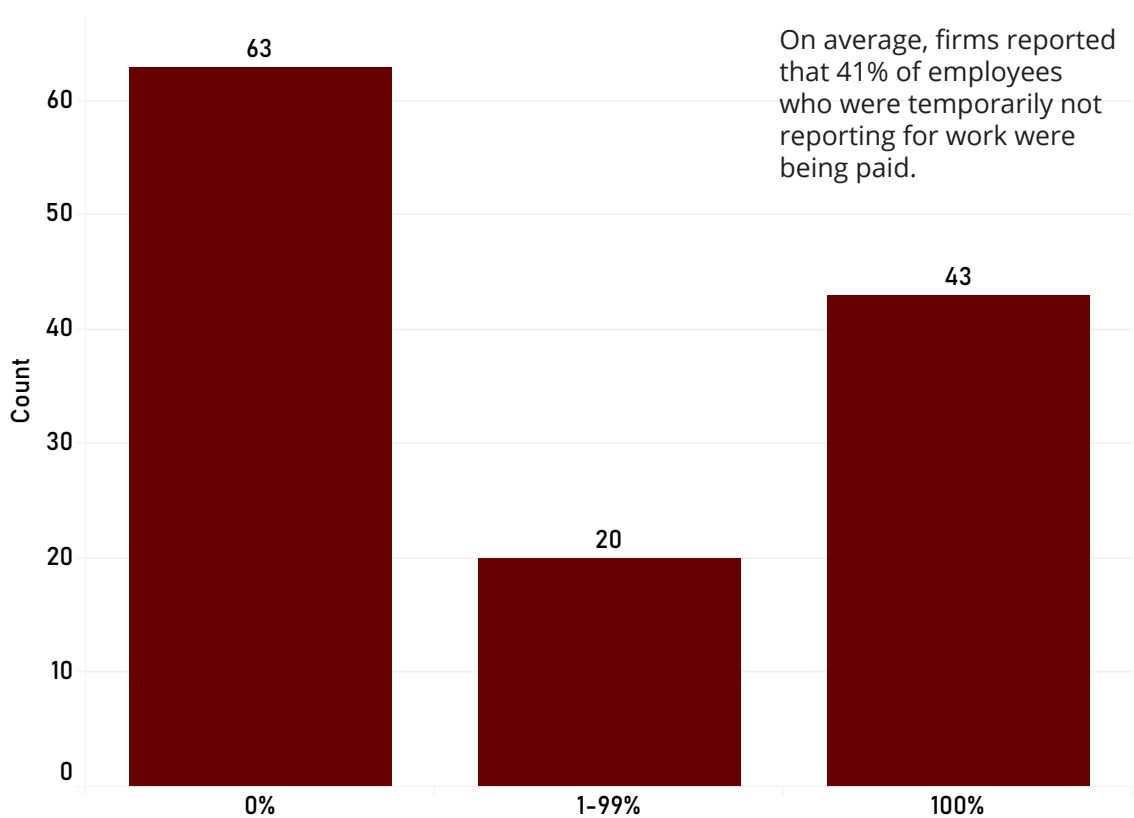
Note: Number of responses depicted for each category. 152 responses.

DO YOU HAVE EMPLOYEES TEMPORARILY NOT REPORTING TO WORK?



Note: Number of responses and percentage of total responses depicted for each category. 499 responses.

IF EMPLOYEES ARE TEMPORARILY NOT REPORTING FOR WORK, WHAT PERCENTAGE ARE BEING PAID DURING THE WORK HIATUS?



Note: Number of responses depicted for each category. 126 responses.

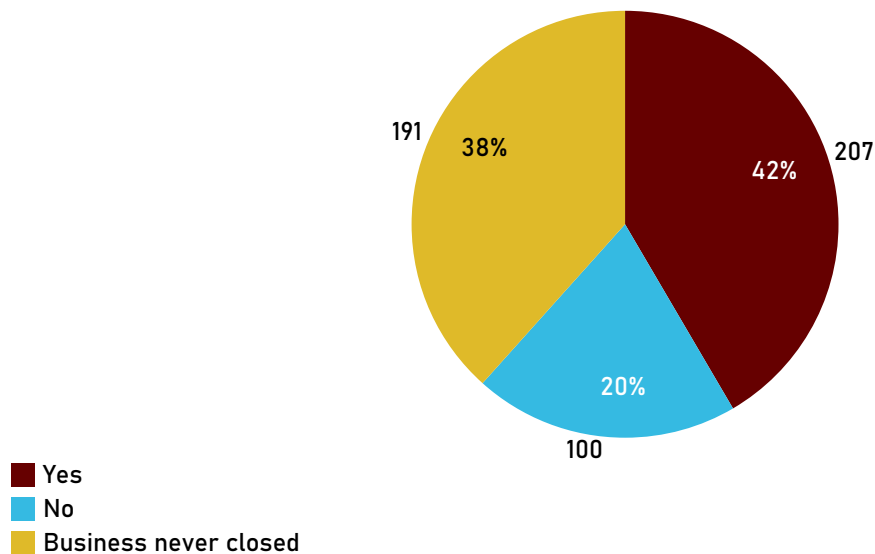
WHAT PERCENTAGE OF YOUR WORKFORCE IS CURRENTLY WORKING FROM HOME?



On average, firms reported that 28% of employees were working from home.

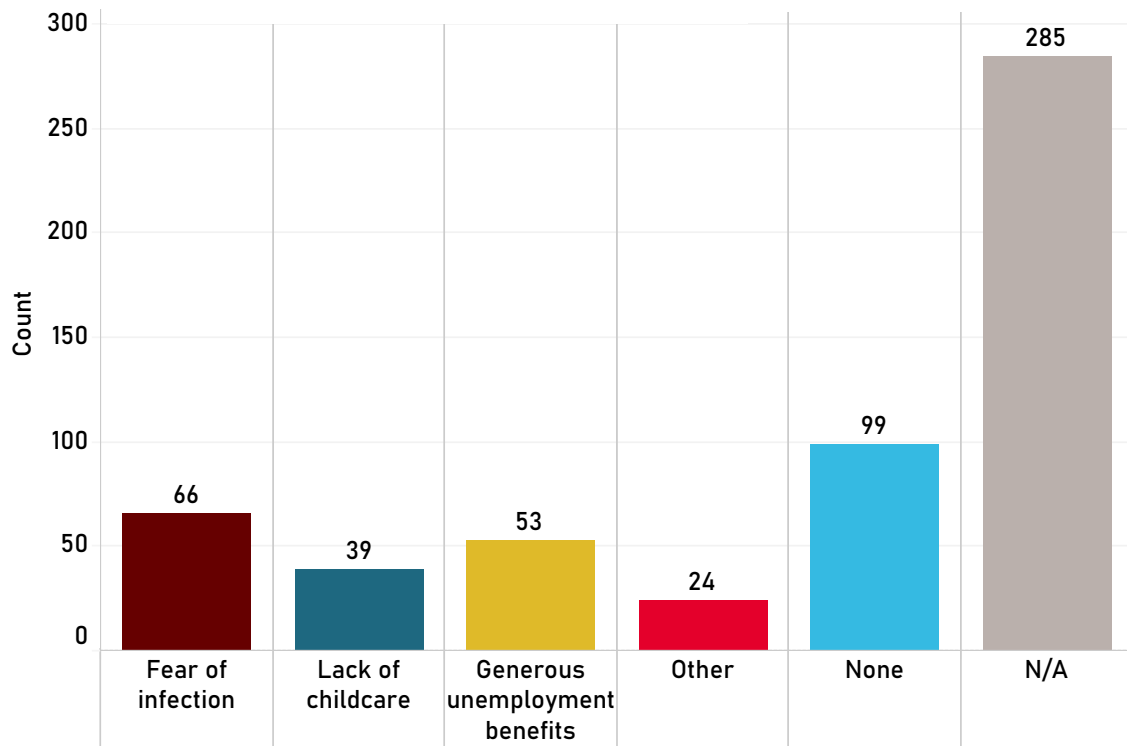
Note: Percentage of total responses depicted for each category. 312 responses.

HAS YOUR BUSINESS OPENED TO THE MAXIMUM EXTENT ALLOWED AT THIS TIME?



Note: Number of responses and percentage of total responses depicted for each category. 498 responses.

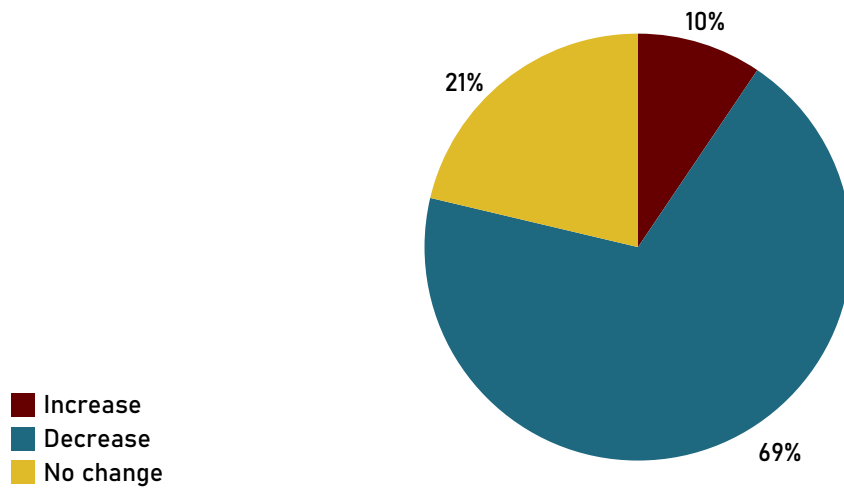
IF YOU HAVE RECALLED WORKERS WHO WERE FURLOUGHED, LAID OFF, OR HAD REDUCED HOURS, WERE THERE ANY DIFFICULTIES RECALLING WORKERS? [SELECT ALL THAT APPLY]



FINANCE

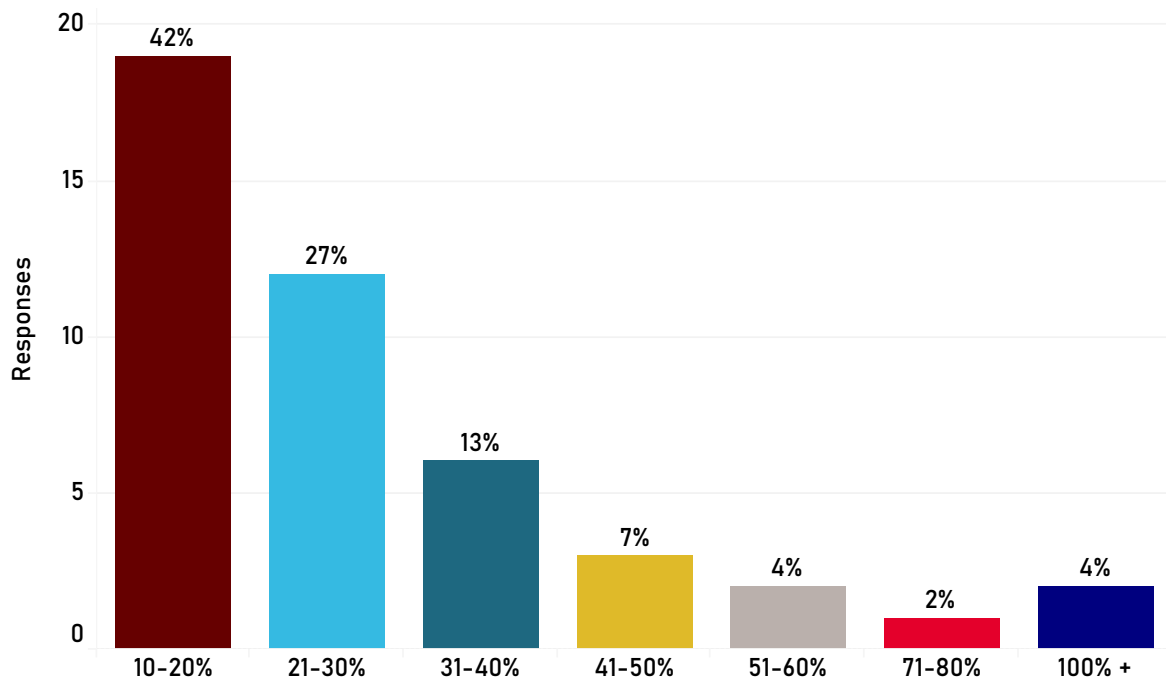
- 69% of businesses reported that weekly revenues had decreased as a result of COVID-19, 10% reported a revenue increase, and 21% reported no change.
- Of the firms reporting decreased revenues, 57% reported a decrease of 50% or less and 43% reported a decrease over 50%. Only 16% reported a decrease of 20% or less.
- 33% of firms have contacted their banks about a bridge loan or other financing.
- 31% of firms have applied for a U.S. Small Business Administration Economic Injury Disaster Loan. Of the applying firms, 51% were successful, 33% were pending, and 16% were unsuccessful.
- About two-thirds of the firms reported they could survive 3 months or less before closing.
- 57% of firms have applied for the Paycheck Protection Program. Of the applying firms, 94% were successful and 6% were pending. 68% of the loans were less than or equal to \$100,000. The average loan amount was \$152,152 and the median amount was \$75,000.
- 68% of firms reported that 0%-20% of their current revenues are related to direct business with Texas A&M University, the Texas A&M System, or its affiliates. The average percentage across firms was 21%.
- 46% of firms reported that 0%-20% of their current revenues are related to students, events, or activities related to Texas A&M University, the Texas A&M System, or its affiliates. The average percentage across firms was 29%.
- 37% of businesses expect they will be in better condition in 2021 than in 2019, 35% expect to be in worse condition, and 28% expect to be in the same condition.

HAS YOUR COMPANY'S WEEKLY REVENUE EXPERIENCED AN INCREASE OR A DECREASE AS A RESULT OF COVID-19?



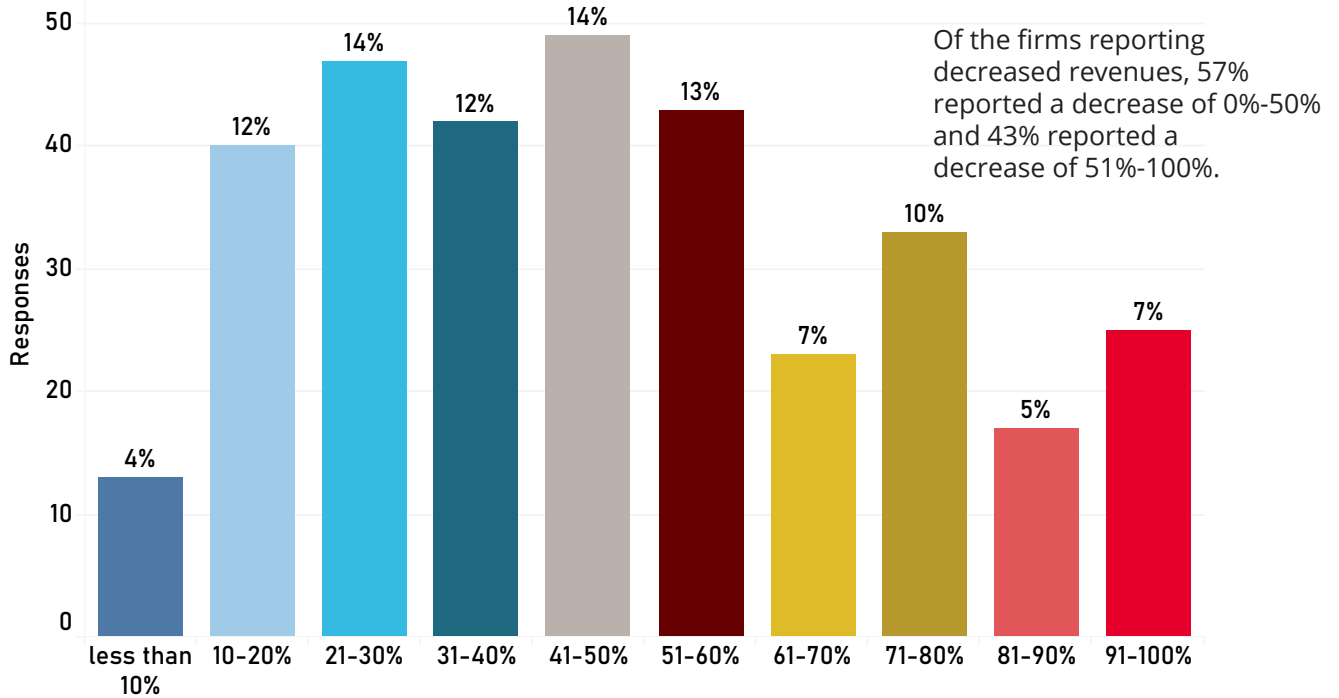
Note: Percentage of total responses depicted for each category. 498 responses.

PLEASE ESTIMATE THE PERCENT INCREASE.



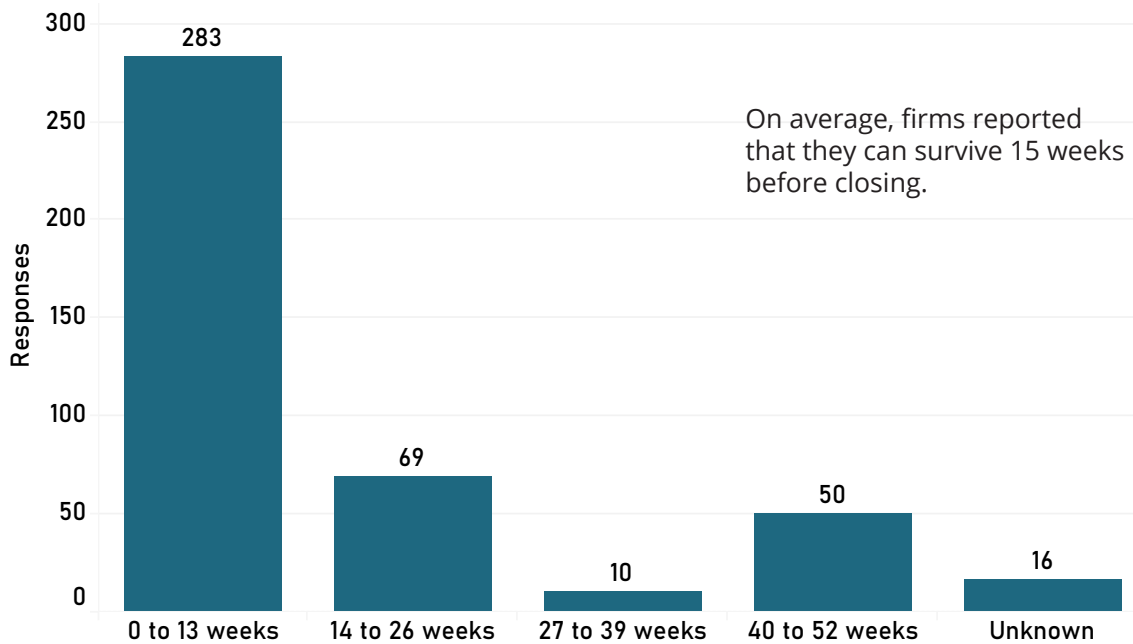
Note: Vertical axis measures the number of responses. Percentage of total responses depicted for each category. 45 responses.

PLEASE ESTIMATE THE PERCENT DECREASE.



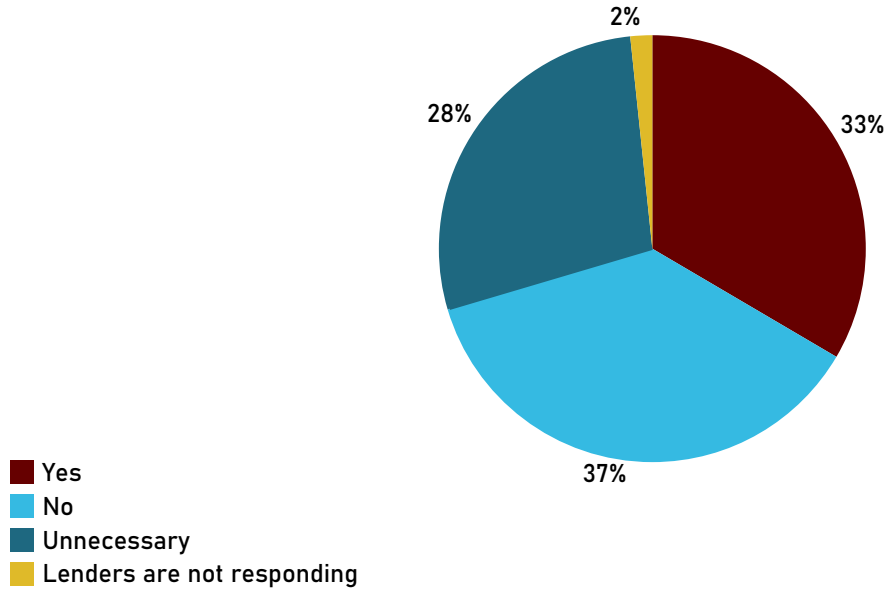
Note: Vertical axis measures the number of responses. Percentage of total responses depicted for each category. 332 responses.

HOW MANY WEEKS OF A BUSINESS SHUTDOWN WOULD YOU ESTIMATE YOUR BUSINESS CAN SURVIVE BEFORE CLOSING?



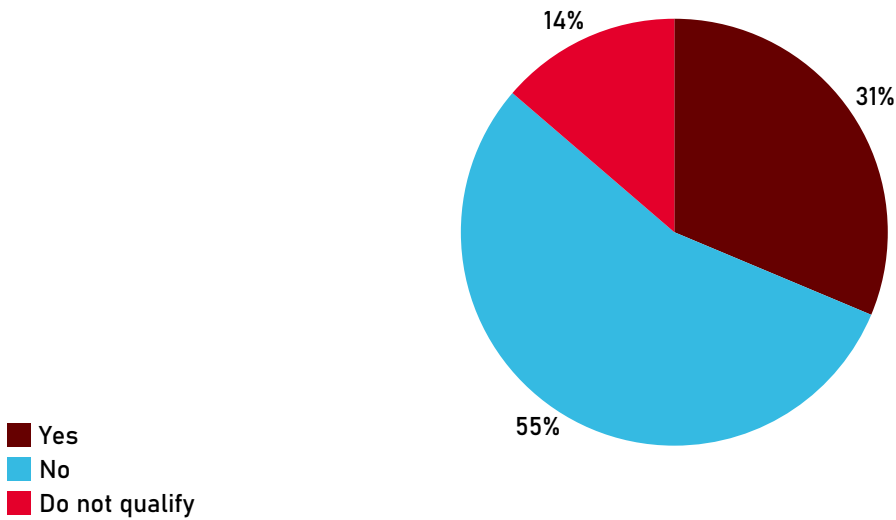
Note: Vertical axis measures the number of responses. 428 responses.

HAVE YOU CONTACTED YOUR BANK ABOUT A BRIDGE LOAN OR OTHER FINANCING?



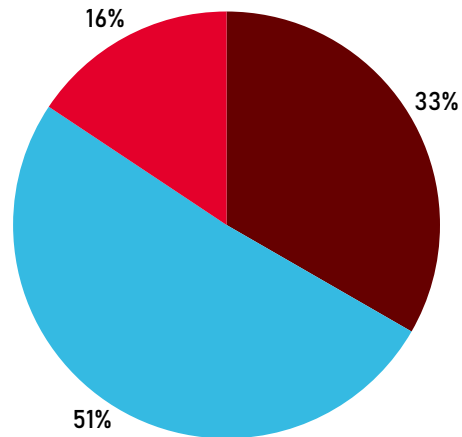
Note: Percentage of total responses depicted for each category. 487 responses.

HAVE YOU APPLIED FOR A U.S. SMALL BUSINESS ADMINISTRATION ECONOMY INJURY DISASTER LOAN?



Note: Percentage of total responses depicted for each category. 482 responses.

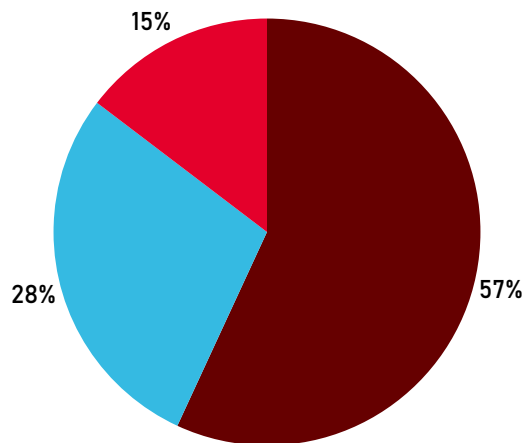
WHAT IS THE STATUS OF YOUR U.S. SMALL BUSINESS ADMINISTRATION ECONOMIC INJURY DISASTER LOAN APPLICATION?



- Pending
- Successful
- Unsuccessful

Note: Percentage of total responses depicted for each category. 147 responses.

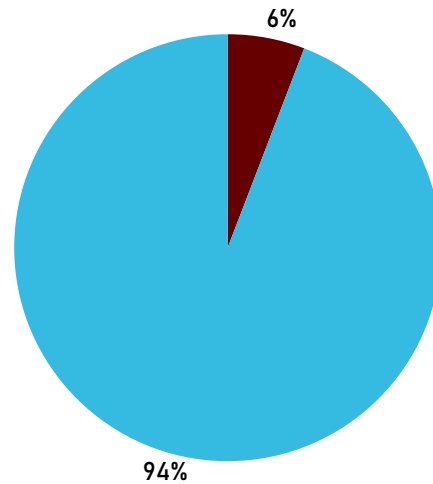
HAVE YOU APPLIED FOR THE PAYCHECK PROTECTION PROGRAM?



- Yes
- No
- Do not qualify

Note: Percentage of total responses depicted for each category. 485 responses.

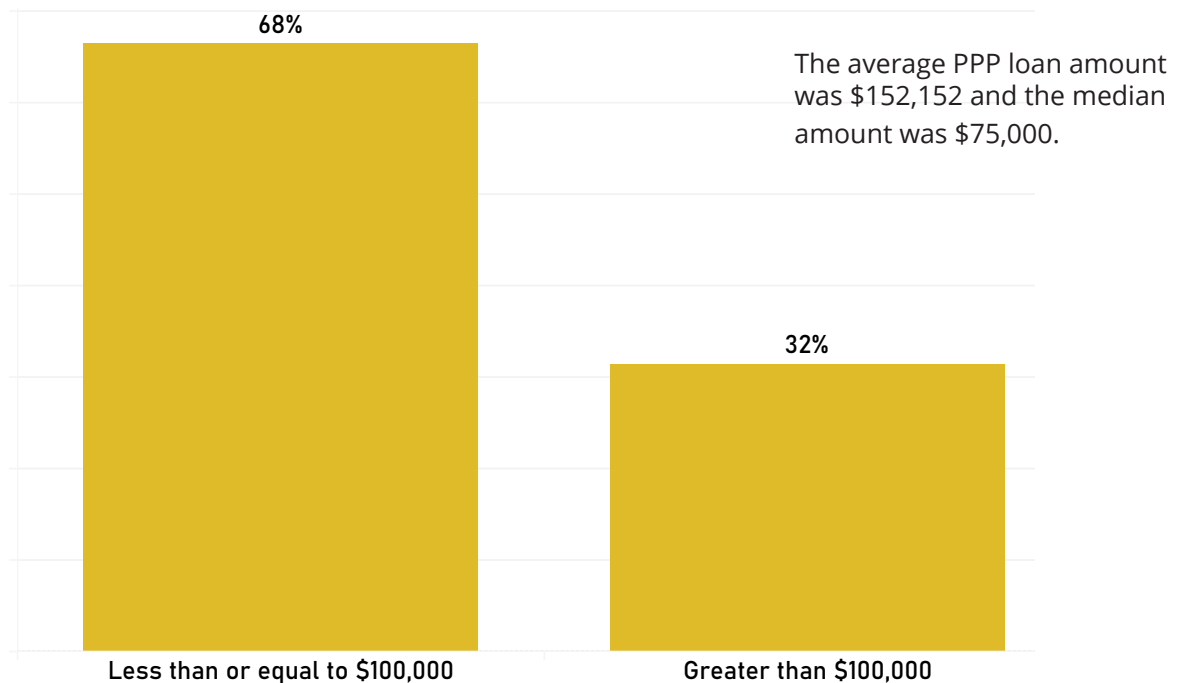
WHAT IS THE STATUS OF YOUR PAYCHECK PROTECTION PROGRAM (PPP) APPLICATION?



- Pending
- Successful

Note: Percentage of total responses depicted for each category. 275 responses.

IF SUCCESSFUL, WHAT WAS THE AMOUNT OF THE PAYCHECK PROTECTION PROGRAM (PPP) GRANT?



Note: Percentage of total responses depicted for each category. 200 responses.

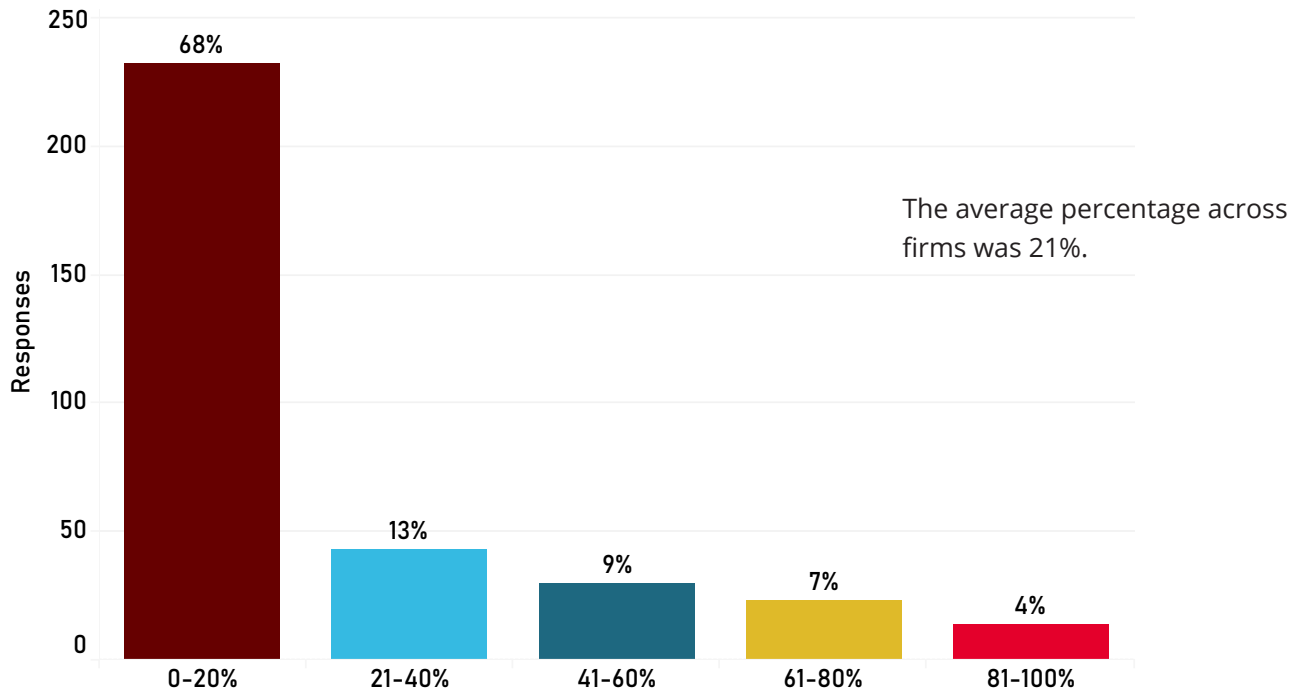
WHAT BUSINESS SUPPORT WOULD BE BENEFICIAL AS WE NAVIGATE THIS GLOBAL CHALLENGE?



Note: Number of suggestions depicted for each category. 172 responses.

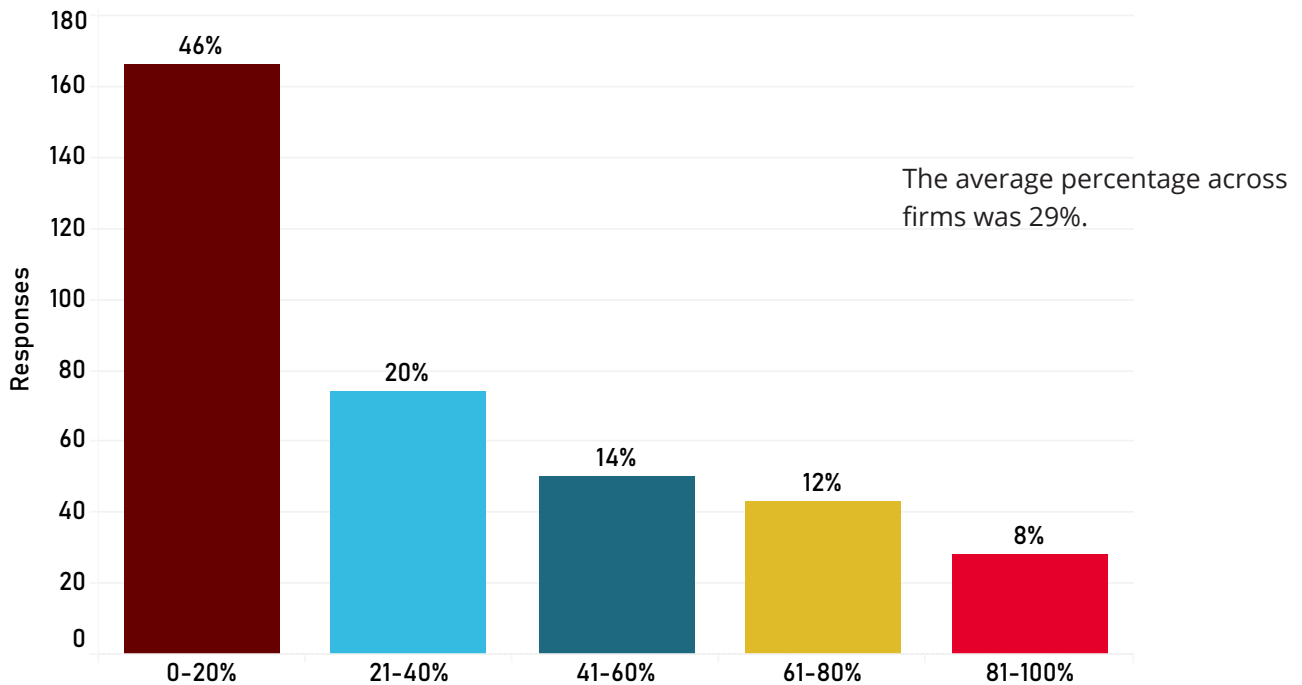
Of the total number of respondents, 172 provided suggestions for how businesses can be supported during this global challenge. Some respondents offered more than one suggestion, for a total of 189 suggestions that were then grouped with other like comments into the categories above. The largest category called for the economy and business community to reopen, including the removal of travel restrictions, with 30 suggestions, or 15.9% of the total. Twenty-nine suggestions, or 15.3%, called for a 'buy local' marketing and advertising plan to be implemented. Financial help in the form of more federal funding programs, grants, and low-interest loans was the third largest category at 11.6%, or 22 suggestions. Fourteen comments, or 7.4%, asked for increased information disseminated to the public on current regulations and medical facts regarding Covid-19. Eleven suggestions asked for help understanding currently available programs and loans. Increased communication to businesses on best practices, liability, and closure procedures due to positive cases was stated in 10 suggestions. Nine suggestions called for rent/lease assistance or deferment. Holding activities and events to draw people to the region, along with better availability of supplies, including disinfectant and personal protective equipment (PPE), each held 8 suggestions. The need for stronger policies and better future planning designed to increase health and safety was listed in 7 suggestions. Six suggestions stated a need for temporarily reduced taxes, fees, or utilities. The need for employees or volunteers to help with business operations, along with the need for a vaccine or tests provided to businesses were each mentioned in 3 suggestions. The call for the implementation of a group referral program, increased unemployment benefits, and all of the answers listed above each received two suggestions. Lastly, direct monetary assistance for individuals/families, looser industry-specific regulations, and free or reduced health care each received one suggestion. Of all of the suggestions, 14 said the question was not applicable or none, while 7 did not know or were unsure.

WHAT PERCENTAGE OF YOUR CURRENT REVENUES IS RELATED TO DIRECT BUSINESS WITH TEXAS A&M UNIVERSITY, THE TEXAS A&M SYSTEM , OR ITS AFFILIATES?



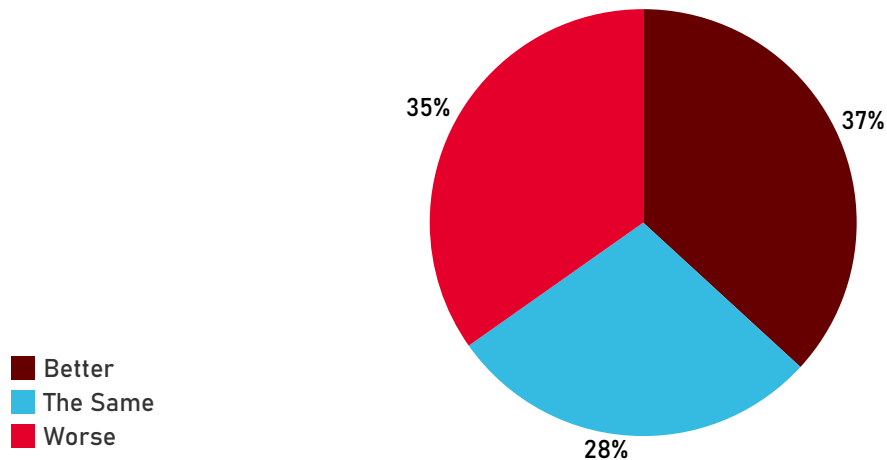
Note: Vertical axis measures the number of responses. Percentage of total responses depicted for each category. 342 responses.

WHAT PERCENTAGE OF YOUR CURRENT REVENUES IS RELATED TO STUDENTS, EVENTS, OR ACTIVITIES RELATED TO TEXAS A&M UNIVERSITY, THE TEXAS A&M SYSTEM, OR ITS AFFILIATES?



Note: Vertical axis measures the number of responses. Percentage of total responses depicted for each category. 361 responses.

COMPARED TO 2019, DO YOU THINK YOUR BUSINESS WILL BE IN BETTER OR WORSE CONDITION IN 2021?

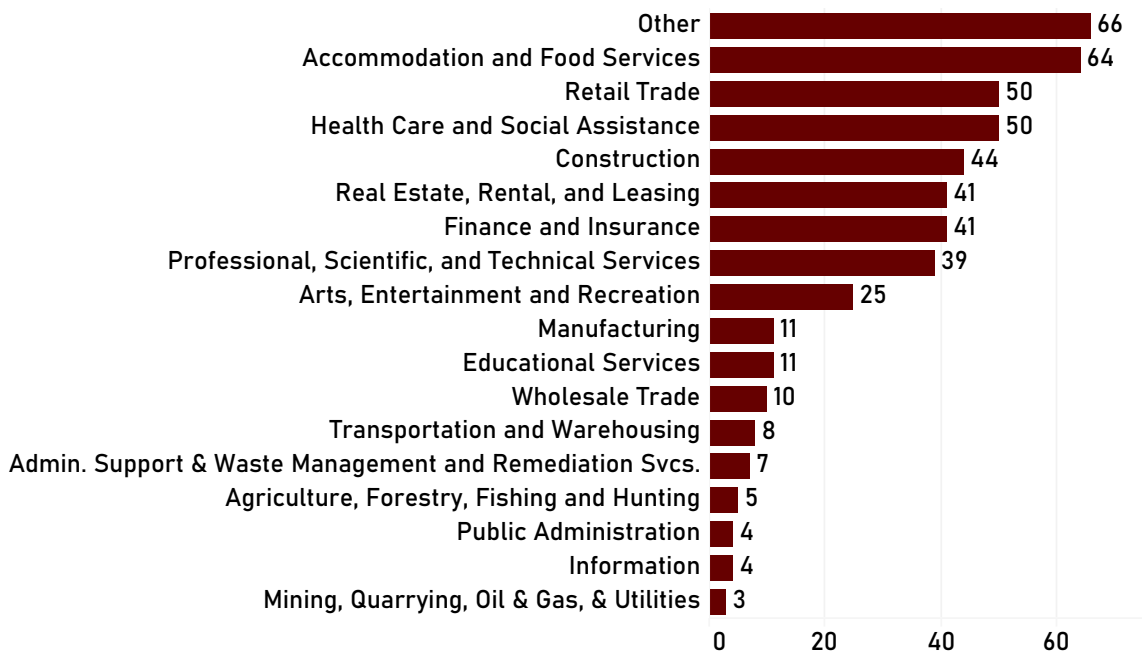


Note: Percentage of total responses depicted for each category. 486 responses.

INDUSTRIES REPRESENTED

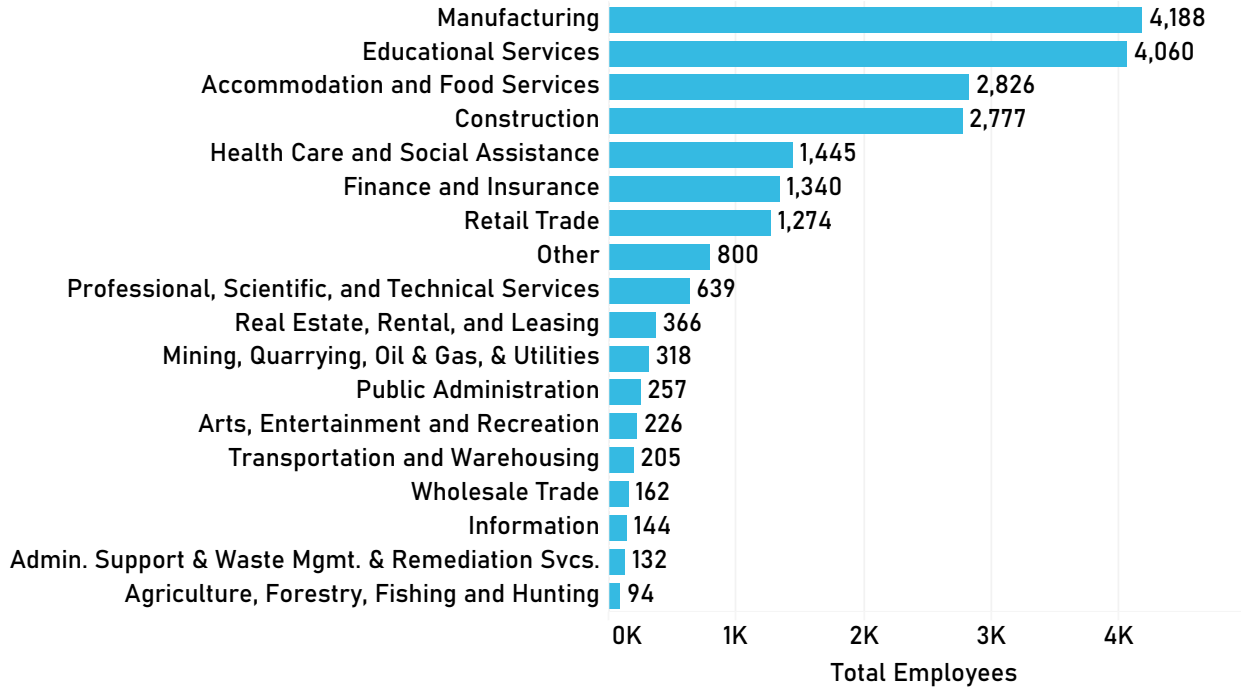
- The four largest industry categories in terms of respondents are:
 - Other with 14%,
 - Accommodation and Food Services with 13%,
 - Health and Social Assistance and Retail Trade each with 10%.
- The four largest industry categories in terms of employees are:
 - Manufacturing with 20%,
 - Educational Services with 19%,
 - Accommodation and Food Services and Construction each with 13%.

WHICH ONE OF THE FOLLOWING BEST DESCRIBES YOUR ORGANIZATION'S PRIMARY INDUSTRY?



Note: Number of responses and percentage of total responses depicted for each category. 483 responses.

TOTAL EMPLOYMENT BY ORGANIZATION'S PRIMARY INDUSTRY



Note: 483 business responded with total employment (full-time plus part-time) of 21,253.

SURVEY RESPONSES BY INDUSTRY GROUPS (AVERAGES)

| Question | Construction | Wholesale & Retail | Real Estate | Finance & Insurance; Professional, Scientific & Technical | Health Care & Social Assistance | Arts, Entertainment & Recreation; Accommodations Food Services | Other Services | All Other Industries |
|---|--------------|--------------------|-------------|--|---------------------------------|---|----------------|----------------------|
| Business opened or reopened | 100 | 100 | 100 | 99 | 98 | 89 | 98 | 96 |
| Current operating level | 94 | 72 | 85 | 91 | 75 | 51 | 67 | 71 |
| Percentage of supplies that are receivable | 93 | 75 | 88 | 93 | 78 | 78 | 82 | 87 |
| Percentage of goods that can be shipped | 98 | 78 | 95 | 92 | 83 | 74 | 87 | 89 |
| Full- and part-time employees prior to COVID-19 | 63 | 24 | 9 | 25 | 29 | 34 | 12 | 177 |
| Percent with employment reduction | 82 | 71 | 75 | 88 | 56 | 89 | 60 | 100 |
| Percent of workers not reporting | 18 | 30 | 15 | 18 | 32 | 35 | 23 | 26 |
| Percent of workers working from home | 22 | 11 | 41 | 41 | 10 | 22 | 33 | 37 |
| Percent opened to maximum extent | 98 | 80 | 90 | 91 | 78 | 62 | 80 | 74 |
| Percent with a revenue decrease | 48 | 78 | 68 | 43 | 65 | 94 | 73 | 72 |
| If a decrease, percent with decrease>50% | 25 | 59 | 27 | 15 | 25 | 59 | 40 | 51 |
| Percent seeking bridge or other loan | 21 | 35 | 20 | 23 | 45 | 46 | 35 | 37 |
| Percent applied for EIDL* | 19 | 37 | 21 | 21 | 43 | 48 | 30 | 27 |
| If applied for EIDL, percent successful | 71 | 52 | 71 | 47 | 38 | 40 | 60 | 64 |
| Percent applied for PPP** | 55 | 68 | 38 | 43 | 69 | 70 | 55 | 52 |
| If applied for PPP, percent successful | 96 | 98 | 100 | 100 | 94 | 88 | 89 | 96 |
| Percent of revenues directly related to TAMU | 29 | 19 | 30 | 10 | 16 | 27 | 20 | 17 |
| Percent of revenues related to TAMU students & activities | 24 | 35 | 45 | 24 | 22 | 48 | 34 | 22 |
| Percent same or better in 2021 compared to 2019 | 54 | 60 | 70 | 75 | 65 | 58 | 69 | 63 |

*EIDL stands for Economic Injury Disaster Loan.

** PPP stands for the Paycheck Protection Program.