



Synopsis of the East Bay Business Recovery Survey

For Alameda County
April 13-May 3, 2020

By
Samantha Miller
Business Services Coordinator

May 22, 2020

Executive Summary

The Alameda County Workforce Development Board (ACWDB) has pursued several efforts to provide additional services in response to the COVID-19 pandemic for both dislocated workers and impacted businesses throughout Alameda County. Under our enhanced business intelligence gathering efforts, we partnered with East Bay Economic Development Agency (EBEDA) to conduct an extensive regional survey of nearly 2,000 businesses to ascertain impacts and vulnerabilities. Results will inform recovery strategies for our Workforce Development and Business Resiliency Plan.

Collective results of 1085 Alameda County businesses showed that:

- 446 were temporarily or permanently closed due to the shelter-in-place (SIP) ordinance
- 155 would be permanently closed if the SIP lasts 4 months
- 388 reported reducing staff salaries or hours
- 581 businesses would lose between 60%-100% of their revenue over 3 months
- 752 reported re-establishing cash flow as the greatest challenge to recovery
- 603 reported that Access to Capital was the most helpful resource

Background

The East Bay Business Recovery Survey is a joint effort between EBEDA, ACWDB, the Contra Costa County Workforce Development Board (CCWDB), as well as city Economic Development Departments and Chambers of Commerce throughout Alameda and Contra Costa Counties. All are members of EBEDA's Economic Development Directors' Council (EDD Council), which serves to share and align strategies to "improve the region's business climate and expand economic opportunities throughout the East Bay." ¹

The survey was created in an effort to understand how the COVID-19 pandemic has affected the region's businesses (in both Alameda and Contra Costa Counties) so as to better target economic development and workforce strategies for recovery. The survey targeted small to medium businesses with less than 75 employees, which are not required to file a Worker Adjustment and Retraining Notification (WARN) when laying-off staff or closing. The survey results, in addition to data compiled from companies required to file WARN notices, provides a more complete picture of the of the impact that the COVID-19 pandemic has had on businesses in the East Bay.

The survey was published by EBEDA on April 13, 2020 and was distributed widely to community partners serving businesses and directly to businesses themselves, leveraged through networks of EDD Council members. Specifically, ACWDB staff shared the survey with Workforce Development Board members, directly to businesses via email, to Alameda County Business Engagement Team (ACBET) partners, to the Career Services Provider network, on social media platforms, and to businesses participating in Rapid Response activities.

¹ "Initiatives." *East Bay Economic Development Alliance*, <https://eastbayeda.org/initiatives/>. Accessed 6 May, 2020.

This synopsis provides the responses from Alameda County businesses that best illustrate immediate COVID-19 impacts and strategies for recovery. Data from the survey will be integrated into ACWDB's Workforce Development and Business Resiliency Plan which will focus specifically on services to business and workers affected by the COVID-19 pandemic. In addition, results will inform the work of ACWDB's Business Engagement Plan through 2024, including framing discussions among partners of the ACBET, targeting assistance to small businesses, and addressing training and referral services.

Survey Results

1) Primary East Bay Business Location

Out of 1085 total businesses responding from Alameda County, more than 50% of the businesses were located in Berkeley. In their outreach, the City promoted the survey through multiple channels including direct emails to businesses, phone calls to business license holders without a contact email address, through the City's newsletter and through business district associations. Oakland, the County's most populous city, and second in number of survey respondents, promoted the survey in newsletters and through the assistance of business networks.

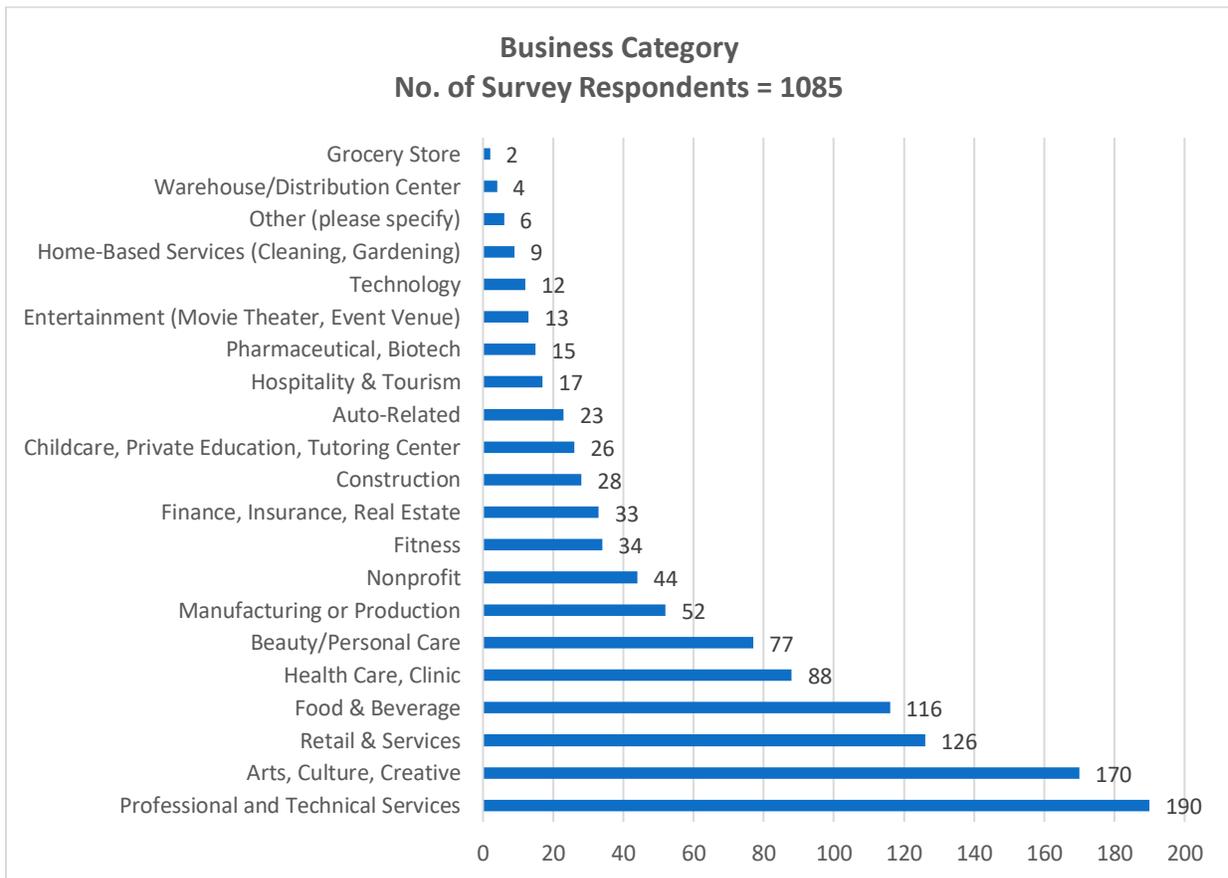
City	No. of Businesses
Berkeley	561
Oakland	110
Alameda	103
San Leandro	49
Pleasanton	42
Livermore	40
Emeryville	39
Dublin	38
Union City	27
Castro Valley	18
Hayward	16
Fremont	15
Albany	13
Newark	10
San Lorenzo	3
Piedmont	1
Grand Total	1085

2) Business Category

The survey addresses popular business categories in the region and respondents were asked to identify the one most closely aligned with their type of business. The low number of respondents from some of the categories may be associated with these businesses being deemed essential and the respondents not seeing the utility of the survey as they are still operational.

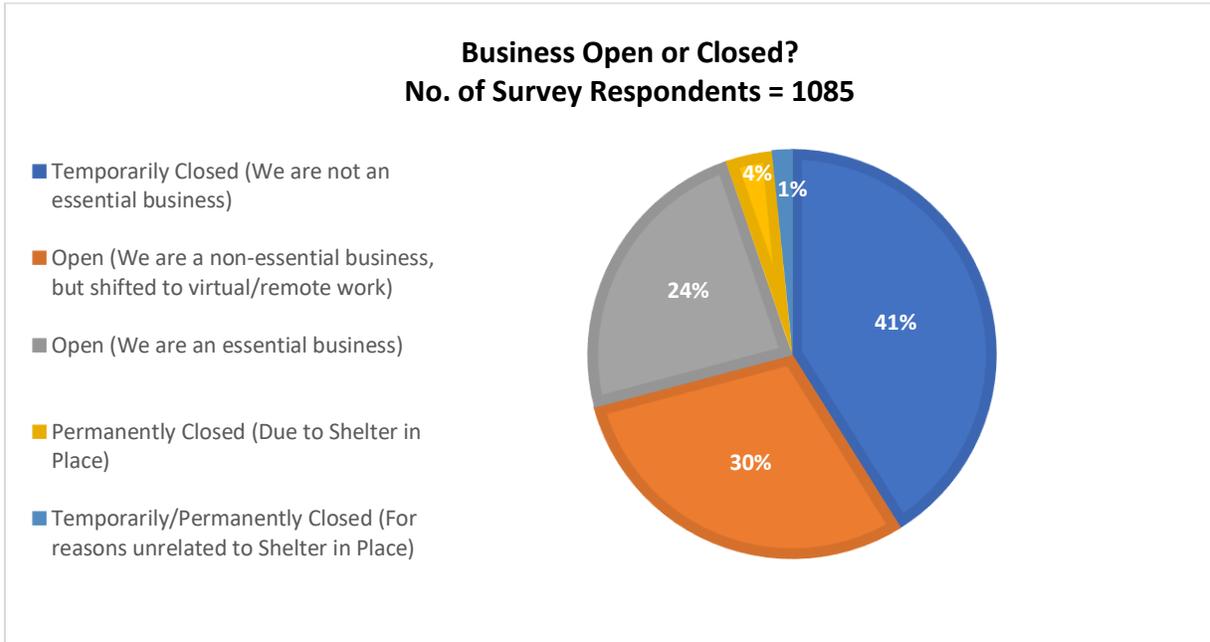
In addition, the Alameda County Arts Commission in Berkeley distributed the survey widely to the Northern California Public Arts Administrators list, the Berkeley Cultural Trust and the Civic Arts Newsletter, which may account for the large number of respondents in the Arts, Culture and Creative category.

Types of businesses identified in the “other” category include personal coaching, recycling, and commercial property rental.



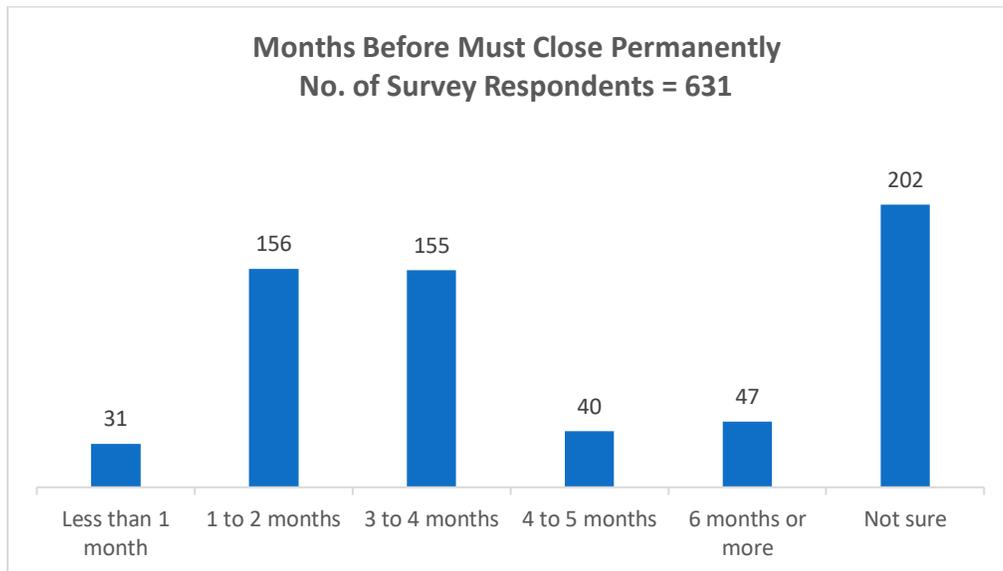
3) Status of Business Operations

Although more than 50% of businesses reported remaining open either because they were deemed essential or because they are non-essential but have modified operations, more than a third of reporting businesses have been temporarily closed as a result of the shelter-in-place ordinance that went into effect on March 16, 2020.



4) How Long Before Business Must Close Permanently

While an almost equal number of businesses project remaining open between 1-2 and 3-4 months after the SIP order, 33% indicated they were not sure how long they would be able to remain closed before having to close permanently.



5) How Businesses Have Avoided Closure

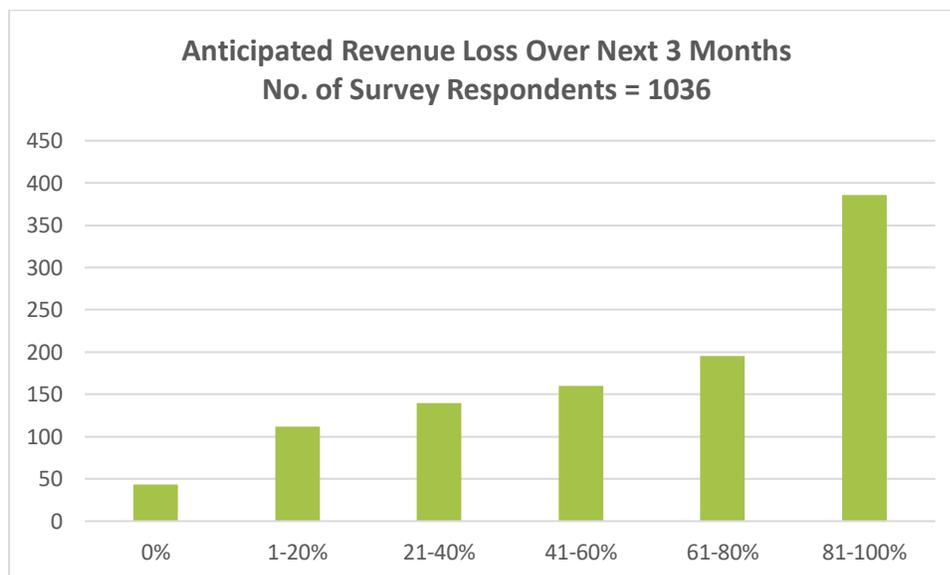
For this question, survey respondents were asked to check all strategies that applied to them. The leading strategy in avoiding business closures has been to shift to online sales or virtual services. Strategies identified in this area included distance learning, holding performances and art exhibits online, increasing marketing efforts to customers online and moving to phone consultations. One respondent launched an online purchase of gift cards for future use at their facility.

In the “other” category, many respondents reported exploring funding options in order to stay open including applying for federal, state and city grants or loans, starting a GoFundMe campaign, cutting back on expenses, and asking creditors for loan forbearance and delayed rent payments. Several respondents in the arts community reported cancelling all events in the foreseeable future or for the year.

Strategy	No. of Businesses
Shifted to Online/Virtual Sales	419
Reduced Salaries/Staff Hours	388
Retooling/Pivoting Business to Respond to COVID-19 Needs	195
Delivery/Pick-Up	173
Other	276

6) Anticipated Revenue Loss (%) Over Next Three (3) Months

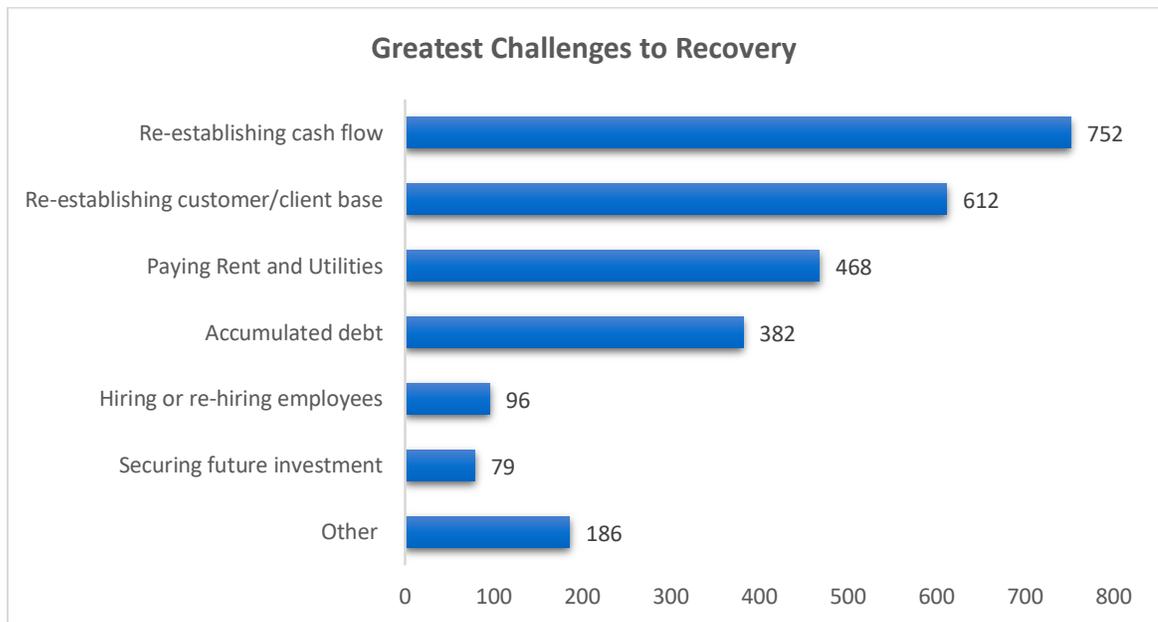
Approximately 386 survey respondents anticipate losing between 81-100% of their revenue over the next 3 months. Respondents were not asked to indicate whether this was assuming the business would be closed or not.



7) Greatest Challenges to Business Recovery

Respondents listed their top three (3) challenges in recovering from COVID-19 impacts as: 1) Re-establishing cash flow; 2) Re-establishing customer/client base, and 3) Paying rent and utilities. In regards to reestablishing cash flow, respondents reported concerns with replenishing their financial reserves, re-establishing donors and funding, and recovering lost revenue. Some respondents expressed concern over losing vendors and not being able to access needed supplies. One respondent expressed concern over business lost to online vendors such as Amazon which have remained operational during the pandemic.

As it pertains to re-establishing a customer base, the biggest stated concern was around post-COVID-19 regulations on social distancing and the potential for lost business and revenue. Businesses stated that community trust in gathering, especially in large groups for events and performances, would determine their success. Some businesses also expressed concern over the ability to rehire all their staff due to potentially new social distancing restrictions. Businesses in some personal services anticipated challenges in being able to work one-on-one with clients.



8) Resources Most Helpful for Recovery

For this question, survey respondents were asked to check all strategies that applied to them. Responses are meant to inform economic development as well as workforce strategies to assist businesses during recovery, and to identify additional areas where assistance will most be needed. For example, those desiring a peer network of other business leaders in their industry could lead to establishing new industry sector partnerships such as those initiated under the California Workforce Development Board’s SlingShot Initiative first implemented in 2014². The initiative supports regional collaboration among employers, government, workforce and economic development to solve employment challenges.

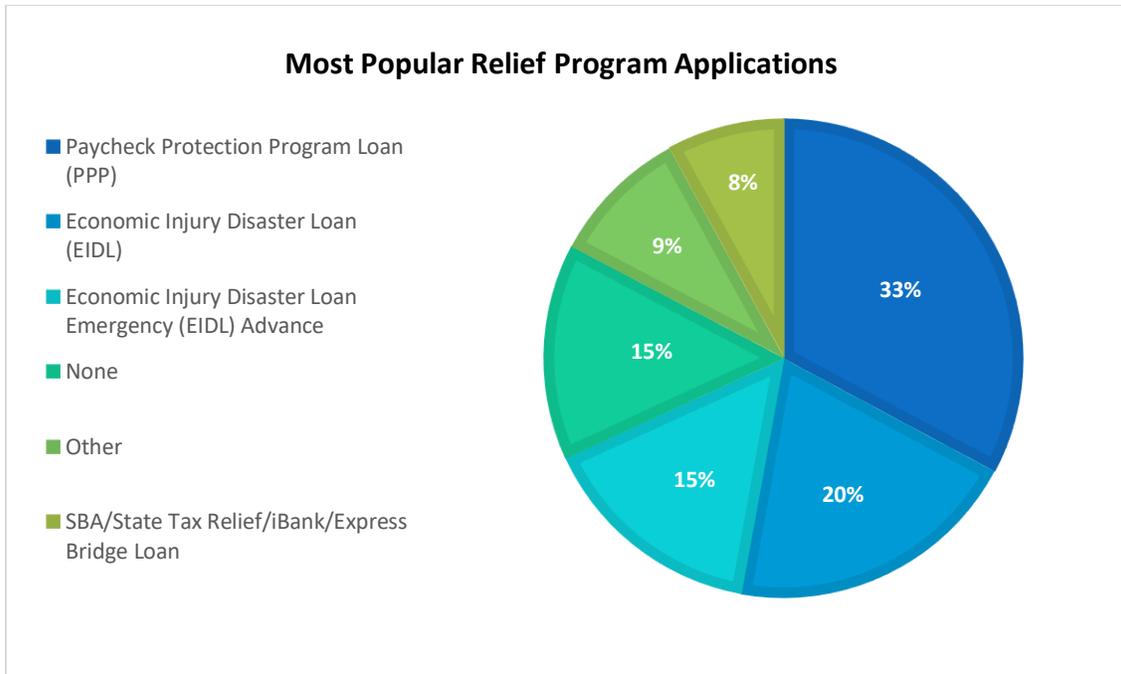
In addition, those choosing “Managing organizational change and business continuity” will likely need to make changes to their management, business priorities or organizational structure, which could potentially be addressed by entities such as the Small Business Development Center.

Resource/Strategy	No. of Responses
Access to capital and other financial relief programs	603
Help applying for available federal, state, or local government relief grants and loans	591
Understanding new regulations as a result of COVID-19	429
Having a peer network of other business leaders in my industry/community to discuss best practices	234
Business Assistance Workshops (digital marketing, business coaching, credit repair, etc.)	167
Managing organizational change and business continuity	161
Other	158
Legal/Human Resources (HR) Assistance	75
Employee training	38

² “SlingShot.” California Workforce Development Board, cwdb.ca.gov/initiatives/slingshot/. Accessed 1 May, 2020.

9) Relief Program Applications

For the majority of businesses seeking financial relief programs to help sustain their business during shelter-in-place, 33% reported applying for the Paycheck Protection Program through their local bank lender. The Small Business Administration Economic Injury Disaster and Emergency Advance Loans were the next most applied for programs. Other loans applied for include individual city grants such as the City of Berkeley Small Business Disaster Relief, Facebook and Salesforce grants, and Pandemic Unemployment Assistance offered under the CARES Act.



10) Business Testimonials on COVID-19 Impact

Many businesses surveyed included retail or personal services (healthcare, counseling, events, etc.) which rely on personal interactions with customers and clients. Those who could, made the transition to online sales and services while others are facing permanent closure. Some of the areas of concern that emerged from business testimonials shared in the surveys include:

- Fears of never being able to recover or that recovery will be very slow
- Dissatisfaction around definitions of essential and non-essential business
- Maintaining quality of service online or after COVID-19 with increased regulations
- Inability to pay rent, taxes, or insurance
- Applying for but not receiving loans
- Inability to rehire staff or hire seasonal staff

ACWDB staff will consider these themes in more depth while developing strategies for business assistance during recovery as part of the Workforce Development and Business Resiliency Plan.