



FREDERICK

ECONOMIC DEVELOPMENT
MARYLAND

COVID-19 Business Impact Survey

Survey Background: The survey was launched Thursday March 19, 2020 and promoted through the weekend on social media, on our website, and via email. During that time, we received 171 responses -- 134 of which were City-based businesses.

As a reminder, the closure of bars and restaurants had just been announced days before this survey (on March 16, 2020). And school closure & the prohibition of mass gatherings had occurred just one week before (on March 12, 2020). It is important to note that this survey was conducted prior to the much more extensive State mandates declared on March 23, 2020 which required the closure of all non-essential workplaces.

Results:

Though conducted very early in the evolving State of Emergency, City businesses were already reporting overwhelming negative economic impact caused by COVID-19 and related State mandates:

- 100% of responding City businesses reported having seen an impact on their business already
- Over half of City businesses in the survey estimated the decrease in revenue to date experienced due to COVID-19 since March 1st, 2020 as 50% or more.
- Nearly a quarter of City businesses in the survey estimated the decrease in revenue to date experienced due to COVID-19 since March 1st, 2020 as 90% or more.
- Approximately 70% of responding businesses had already or were facing the need to lay-off employees.
- Roughly one quarter of these imminent workforce reduction decisions would impact 10 or more employees at the business.

Common Themes in the Short Answer Responses:

When asked to discuss their most immediate business need, roughly 50% of the businesses stated the need for additional working capital -- with 15 comments explicitly stating concerns of not being able to make upcoming rent/utility payments. Throughout these responses, grants and no-interest loans were repeatedly referenced as critical in the absence of normal income.



After financial resources, clear communication from the government regarding all aspects of the crisis (including public health updates, new regulations/mandates, and available resources) was the second most common request by businesses.

Assistance with workforce related issues (i.e. helping employees file for unemployment) was also mentioned with frequency. These businesses were connected with Frederick County Workforce Services.

Moving Forward:

Unfortunately, 79% of the responding businesses reported that 50% or more of their workforce was unable to work remotely. This inability to adapt to remote work suggests tremendous employment impact by the more recently announced regulations to close non-essential workplaces. Again, this first survey offers just a small glimpse of the widespread impact of the evolving and quickly escalating economic crisis.

As a silver lining, despite the bleak situation, many businesses mentioned in their short answer response that if there was a way their business could be of service to their local community, they would be very interested. Many also mentioned creative actions taken to adapt their business to the situation – with roughly 50% mentioning new discounts, promotions, or services designed in response to COVID-19.