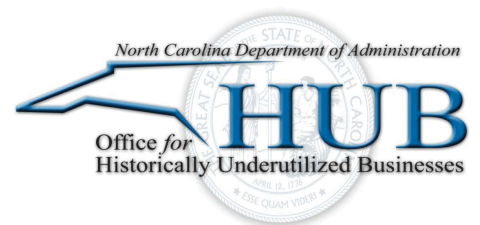


**COVID-19 Business
Impact Survey of
Historically
Underutilized
Businesses**

**2020
IMPACT SURVEY**

NC★DOA
Department of Administration



www.doa.nc.gov

COVID-19

Business Impact Survey

The North Carolina Office for Historically Underutilized Businesses (HUB Office) conducted a brief survey to understand the impact that COVID-19 is having on our HUB firms in North Carolina. The results of this survey are summarized below.

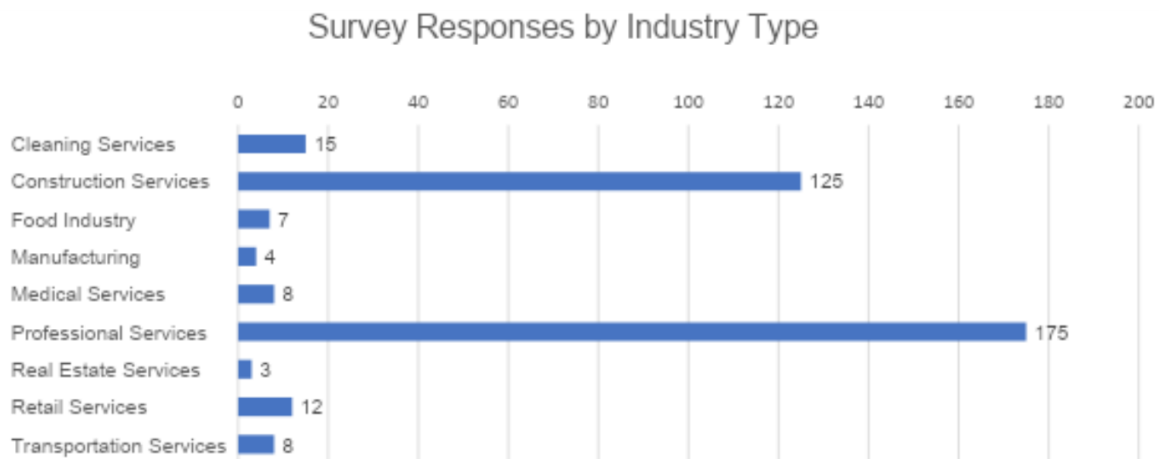
The survey was e-mailed to certified Historically Underutilized Businesses on Monday, March 23, 2020. A total of 357 responses were submitted over a four (4) day period. The survey consisted of eight (8) questions:

- What is your Industry?
- Has your business been impacted by COVID-19?
- When did your business start to see the negative impacts from COVID-19?
- As a direct result of COVID-19, are you currently operating under reduced hours?
- Please describe your business loss due to COVID-19. Please describe any tangible items (materials, supplies, bonding, insurance), if applicable.
- Please estimate your monthly decrease in revenue you've experienced as a result of COVID-19, if applicable.
- What was your employee count before COVID-19 impact?
- What is your estimated employee layoff due to COVID-19?

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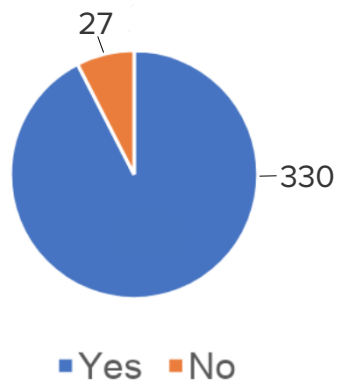
Business Impact Survey

What is your Industry? Approximately 84% of respondents indicated that they were in the Professional Services and Construction Services industries.



Impacted by COVID-19: Over 90% of respondents indicated that their business has been impacted by COVID-19.

Has your business been impacted by COVID-19?



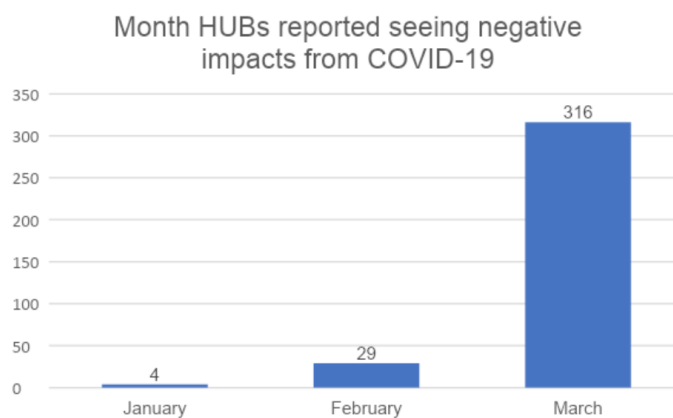
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Business Impact Survey

While there was some variation in impact by industry, the lowest level of impact was with **Transportation Services**. That industry still had **75%** negative impact.

Industry Type	Number Responding	Impacted by COVID-19	% impacted by Industry
Cleaning Services	15	12	80%
Construction Services	125	110	88%
Food Industry	7	7	100%
Manufacturing	4	4	100%
Medical Services	8	8	100%
Professional Services	175	168	96%
Real Estate Services	3	3	100%
Retail Services	12	12	100%
Transportation Services	8	6	75%
Total	357	330	92%

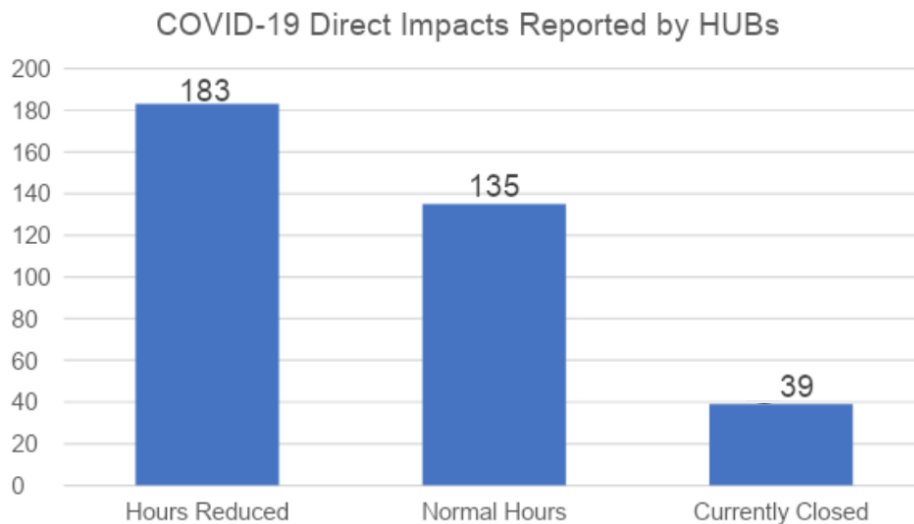
When did your business start seeing the negative impacts of COVID-19? Most respondents indicated seeing negative impacts in March. Responses do not add up to the 357 respondents as eight (8) of the dates provided were from prior years, before the COVID-19 outbreak or in the



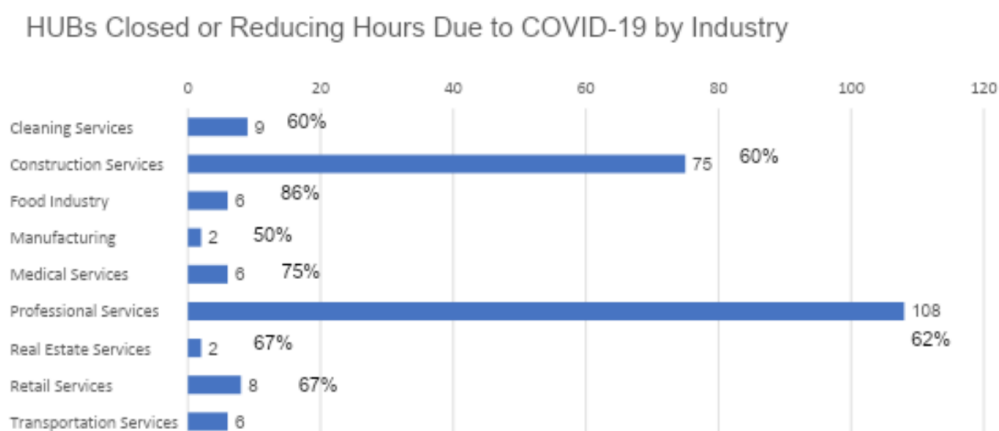
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As a direct result of COVID-19, are you currently operating under reduced hours? While 135 HUB vendors indicated they are continuing with normal hours, 62% of respondents indicated their hours were reduced (183) or their business had closed (39).



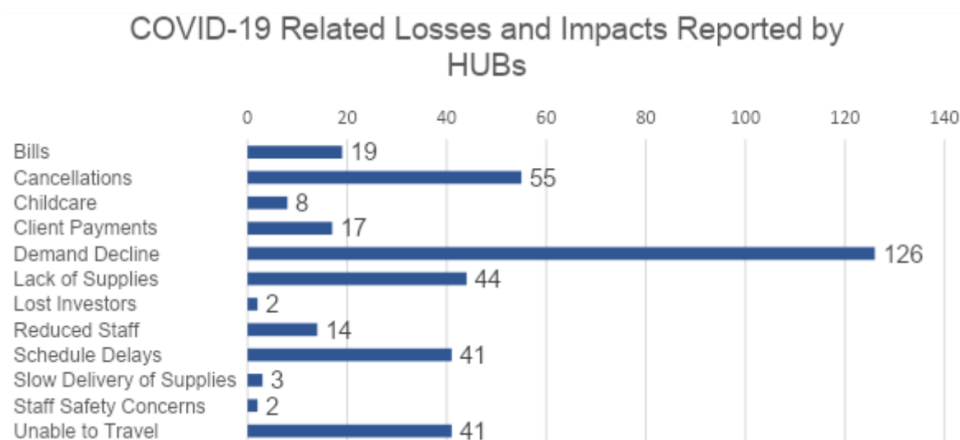
Across all industries the lowest percentage indicating reduced hours or closure was 50% for Manufacturing (2 of 4 respondents). Medical Services had the highest percentage at 75% (6 of 8 respondents). Professional Services and Construction Services had the largest number of reduced hours or closures.



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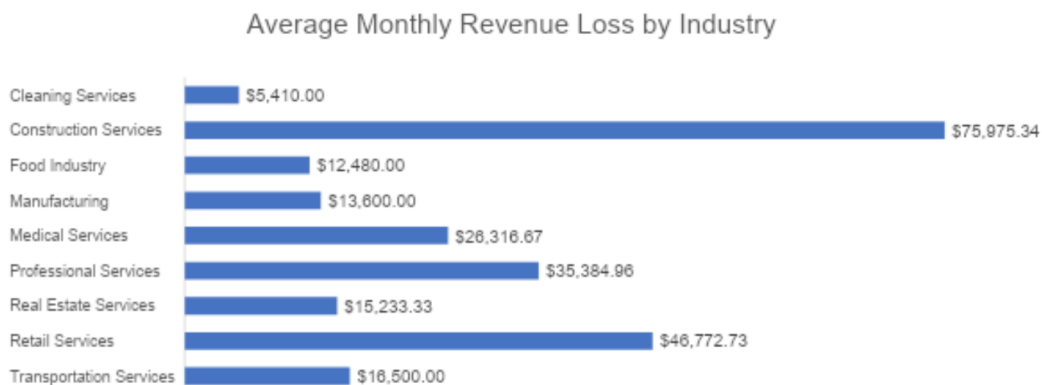
Business Impact Survey

Please describe your business loss due to COVID-19. HUBs reported many different kinds of losses and impacts. The losses fell into 12 broad categories: Bills, Cancellations, Childcare, Client Payments, Demand Decline, Lack of Supplies, Lost Investors, Reduced Staff, Schedule Delays, Slow Delivery of Supplies, Staff Safety Concerns and Unable to Travel. Many businesses reported multiple losses/impacts. A selection of individual comments is provided in Appendix A.



Please estimate your monthly decrease in revenue as a result of COVID-19, if applicable.

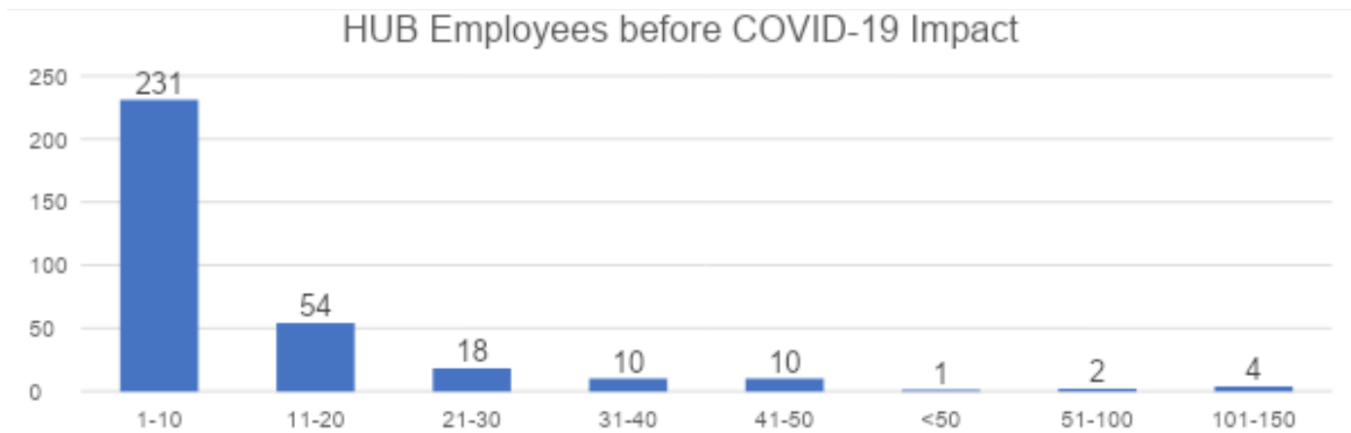
There were 243 HUBs, 68% of respondents, that estimated a revenue decrease as a dollar value. There were 33 HUBs that indicated decreases as a percentage of their revenue; about half of those responses indicated a 50% or more decrease in revenue.



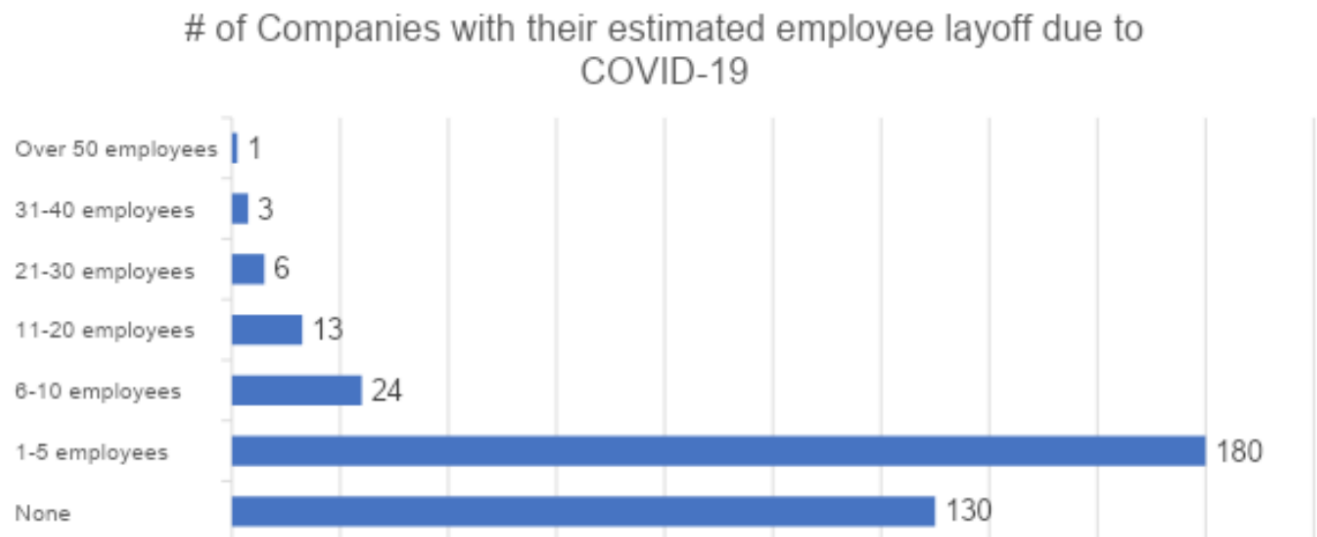
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Business Impact Survey

What was your employee count before COVID-19 impact? Prior to the impact of COVID-19 65% of responding businesses indicated they employed one to ten people.



What is your estimated employee layoff due to COVID-19? While there were 130 companies that indicated no layoffs had occurred, 227 indicated that employees had been laid off, which is 64% of respondents. Just over 50% of HUBs indicated they had laid off one to five employees.



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Business Impact Survey

Appendix A: Selection of Responses to the question: Describe your business loss due to COVID-19. Describe any tangible items (materials, supplies, bonding, insurance), if applicable.

“We are not receiving payments from clients for services rendered. Services involve treatment of water and wastewater, so they are critical/essential services.”

“Workers do not want to work afraid of Getting COVID 19”

“We need HELP!! No work means I won't be able to bill incrementally so cash flow keeps coming in to pay the regular and material bills. How will I pay without cash flow?”

“Received bid award for a school safety and security assessment, and EO 117 closed the schools in NC. (And smartly so)”

“Not a loss, we are looking to potentially hire to help the businesses and schools needing help with using remote technology to deliver services and support remote workers.”

“The non-competitive bid allowance in the state of emergency has put us out of the running for many opportunities where we could effectively support efforts in disaster relief and setting companies up for secure remote IT support. These opportunities are now being shepherded to other firms, even though we have provided these services to larger firms for many years.”

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“Beginning 4/1, I will no longer have an Office Space due to not being able to pay rent for the month of April. My business and personal credit will be affected due to late payments. My internet service will be disconnected. Insurance premiums won't be paid. There are also several more losses that are foreseen in the upcoming weeks in regards to my business.”

“Employees have been sent home due to the closure of customers facilities, and some for a two week period due to possible exposure of the virus. A stop work has been issued for all current projects at the closed facilities, and due to the risk of the virus exposure, it has stopped projects for a two week period to quarantine.”

“I applied for a SBA disaster loan last week. However, I can't find out the status of the application.”

“With businesses closing demand for services reduced, placed on hold or even cancelled. Not to mention parents having to stay home to care and protect their children fulltime while schools are closed. And the #1 reason for mostly the entire general human population is fear and uncertainty. Fighting every minute of the day to remain healthy physically and financially with no end in sight is where we are right now.”

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“Our occupancy dropped over 70% resulting loss of hours for housekeeper, laundry person, breakfast host, house boy and some got laid off. Front desk staff list hours from full time to almost part time and manager started to work covering front desk. A huge impact, where we are unable to pay our bills, mortgage and even payroll.”

“Tissue, paper towel and cleaning supplies were stolen from most of our location. We have to purchase more for the clients to use. Several locations have closed and employees are not able to work.”

“We purchased lots of COVID 19 product to be used to disinfect. However now clients are canceling appointments due to fear of people in their homes”

“Reduced capacity due to loss of childcare, reduced workflow due to market reaction. As a real estate appraiser, an integral component of my job is going into peoples homes. I am a single employee, small business.”

“Loss of closing on several manufactured homes home projects. Have clients that are mortgage ready but we're unable to proceed with the home manufacturer.”

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Business Impact Survey

Appendix A: Selection of Responses to the question: Describe your business loss due to COVID-19. Describe any tangible items (materials, supplies, bonding, insurance), if applicable.

“We do cabling and computer repairs for small doctor offices, eye care facilities, and rehabilitation centers. Most have closed or are working from home. This has stopped our ability to work.”

“We service both commercial and residential customers. People do not want us in their homes and businesses. Some businesses like restaurants, retail are canceling orders.”

“Contractors are not allowing us to pick up checks, delaying payments getting to the bank or costing money to overnight payments. Shortage of truck drivers to get materials to our job sites, increased paperwork with Contractors leads to loss of production time. Workforce reduced due to employees staying home sick.”

“This could totally put us out of business and I have no other income, no savings, no retirement, nothing to live on if this business goes down.”

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Business Impact Survey

Appendix B: Additional Data.

What was your employee count before COVID-19 impact?

Industry Type	NA - Employees	0 - Employees	1-10 employees	11-20 employees	21-30 employees	31-40 employees	41-50 employees	<50 employees	51-100 employees	101-150 employees
Cleaning Services	1	1	9	0	0	0	3	0	0	1
Construction Services	2	10	67	25	12	5	3	1	0	0
Food Industry	0	0	6	0	0	0	1	0	0	0
Manufacturing	0	0	3	0	1	0	0	0	0	0
Medical Services	0	0	5	2	1	0	0	0	0	0
Professional Services	0	12	123	25	4	4	3	0	1	3
Real Estate Services	0	0	3	0	0	0	0	0	0	0
Retail Services	0	0	8	2	0	1	0	0	1	0
Transportation Services	0	1	7	0	0	0	0	0	0	0
Total	3	24	231	54	18	10	10	1	2	4

What is your estimated employee layoff due to COVID-19?

Industry Type	No Layoffs	1-5 employees Laid Off	6-10 employees Laid Off	11-20 employees Laid Off	21-30 employees Laid Off	31-40 employees Laid Off	Over 50 employees Laid Off
Cleaning Services	5	7	1	1	1	0	0
Construction Services	35	69	13	6	1	1	0
Food Industry	1	5	1	0	0	0	0
Manufacturing	2	2	0	0	0	0	0
Medical Services	2	4	1	1	0	0	0
Professional Services	76	82	7	4	4	1	1
Real Estate Services	2	1	0	0	0	0	0
Retail Services	2	7	1	1	0	1	0
Transportation Services	5	3	0	0	0	0	0
Total	130	180	24	13	6	3	1

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Describe your business loss due to COVID-19. Describe any tangible items (materials, supplies, bonding, insurance), if applicable.

Industry Type	Bills	Cancellations	Childcare	Client Payments	Demand Decline	Lack of Supplies	Lost Investors	Reduced Staff	Schedule Delays	Slow Delivery of Supplies	Staff Safety Concerns	Unable to Travel
Cleaning Services	0	2	0	0	4	4	0	0	0	0	0	1
Construction Services	6	12	5	8	31	19	1	11	20	3	1	12
Food Industry	1	0	0	1	5	0	0	0	1	0	0	1
Manufacturing	0	0	0	0	3	1	0	0	0	0	0	0
Medical Services	1	2	0	0	3	1	0	0	0	0	1	1
Professional Services	9	36	3	6	69	18	1	3	20	0	0	23
Real Estate Services	0	0	0	2	1	0	0	0	0	0	0	1
Retail Services	1	3	0	0	7	0	0	0	0	0	0	1
Transportation Services	1	0	0	0	3	1	0	0	0	0	0	1
Total	19	55	8	17	126	44	2	14	41	3	2	41