



Colorado Business COVID-19 Impact Survey

A Survey of Colorado Businesses
on the Early Impacts of the Pandemic
and Initial Recovery Strategies

May 2020



COLORADO
Office of Economic Development
& International Trade

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Study Background and Methods

National Research Center, Inc. (NRC)/Polco collaborated with Downtown Colorado Inc. (DCI) and the Colorado Office of Economic Development and International Trade (OEDIT) to conduct a survey of businesses across the state of Colorado to assess the initial impacts of the COVID-19 pandemic on local industry and the state's workforce.

The survey was hosted on the Polco platform and was open from April 10, 2020 through April 30, 2020. The survey was administered using a variety of outreach methods including email and social media. DCI and OEDIT emailed and tweeted the survey out to businesses as well as to local governments, economic development assistance agencies, and state agencies to send out to the businesses they serve. Responses from the survey were statistically weighted by geography, size, and industry to match the known parameters for businesses across the state. (For more information on the survey methods, please see the *Colorado Business COVID-19 Impact Survey Technical Appendix*.)

The dataset of survey responses was analyzed using the Statistical Package for the Social Sciences (SPSS) and the statistical package R. The full frequencies of responses to each survey question, breakdowns of results of by business characteristics, background information on the survey participants, and a copy of the survey instrument are presented in the *Colorado Business COVID-19 Impact Survey Technical Appendix*. Verbatim responses to the open-ended questions were reviewed and grouped thematically so that responses could be quantified for use in this report, but a full set of the responses is provided in the *Colorado Business COVID-19 Impact Survey Supplemental Report: Verbatim Responses to Open-Ended Questions*.

A number of communities had hosted their own local business surveys prior to the statewide effort, the results of these surveys are blended into this report and its technical appendix when data was comparable.

A total of 2,382 businesses responded to the survey, with at least one survey from every Colorado county but four (60 of 64 counties). The location of the survey respondents is presented on the map at right.

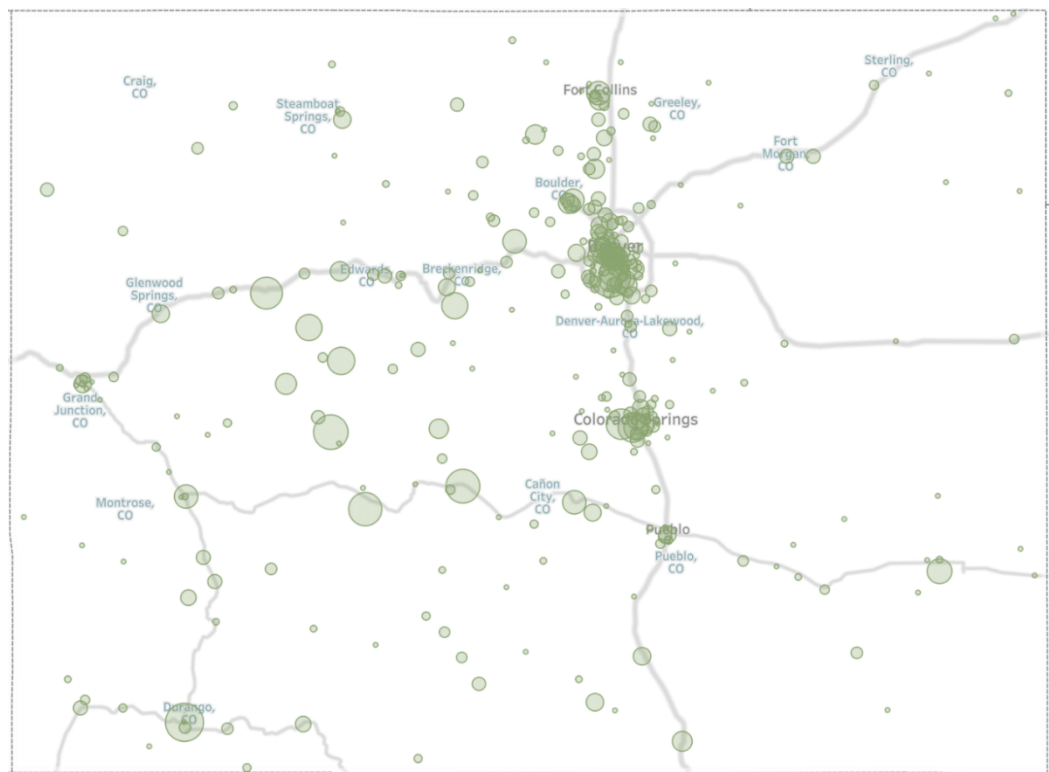


Figure 1: Map of Respondent Locations

Key Findings

Most Colorado businesses were not prepared for this pandemic and express uncertainty surrounding future operations.

- A majority of the businesses reported not being prepared for the changing economy due to COVID-19.
- Fewer than one-third of businesses across the state felt they could stay open for more than 6 months with the partial shutdown of the economy.
- About 40% of businesses anticipate that once social-distancing measures are lifted it would take more than 6 months for business to return to pre-COVID levels.

The impacts of COVID-19 on the business community has been immense.

- About 1 in 3 businesses completing the survey were shut down at the time of the survey.
- Declining sales was a concern for most businesses completing the survey and more than 40% of the businesses that remained open experienced reductions of greater than 50% in sales.
- A majority of businesses owners and operators expect 2020 actual revenues will be at least 25% below projections.

The decline in business revenues has and will continue to impact Colorado's workforce.

- One of the biggest concerns of business owners and operators were their employees (ability to pay them, their safety) and revenue loss.
- Of the businesses not currently completely shut down, nearly half reported that they have already or would need to lay off employees within the next 6 months.
- Even though many businesses were trying to minimize layoffs, the severe shortage in revenue is causing many to pursue other options that ultimately reduce employee income such as cutting back hours, suspending bonuses, reducing wages, or furloughing workers.

Businesses need short-term capital.

- Businesses have pursued federal relief programs more than state or local programs but still have significant financial need given their decreased revenues.
- The strongest interest in assistance was grants, followed by renewed access to clients, and no/low interest loans. Income tax relief was also very desirable to business owners and operators.

Information is also critical for business recovery across the state.

- The need for maintained communication around COVID, economic recovery, and available resources was voiced by many in the survey.
- About 9 in 10 respondents indicated that they felt either very or somewhat informed about federal, state, and local government resources available.

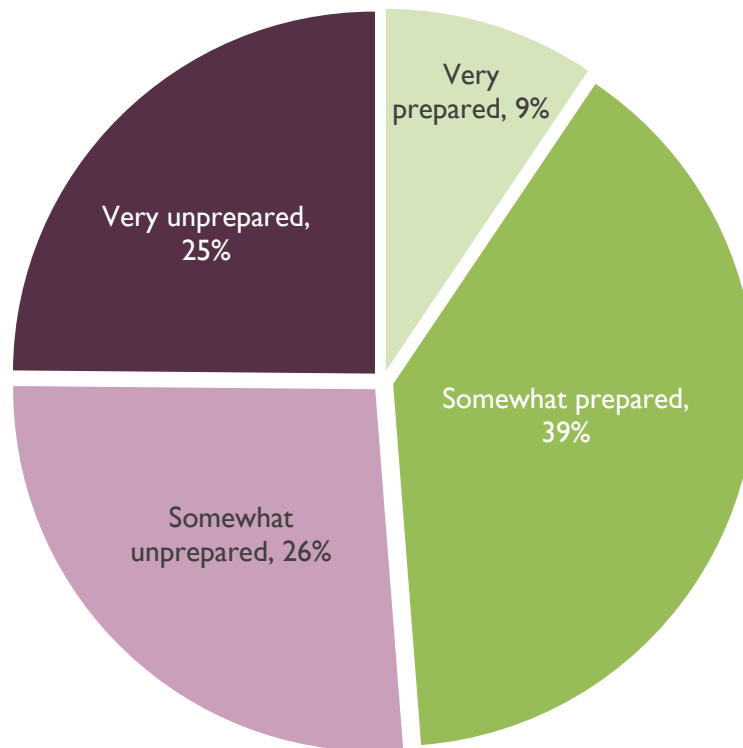
Not all businesses are impacted the same by the pandemic.

- While most businesses in the state are negatively impacted from COVID-19, smaller companies and businesses in public-facing industries reported larger deficits to revenues with greater workforce implications.

Business Preparedness

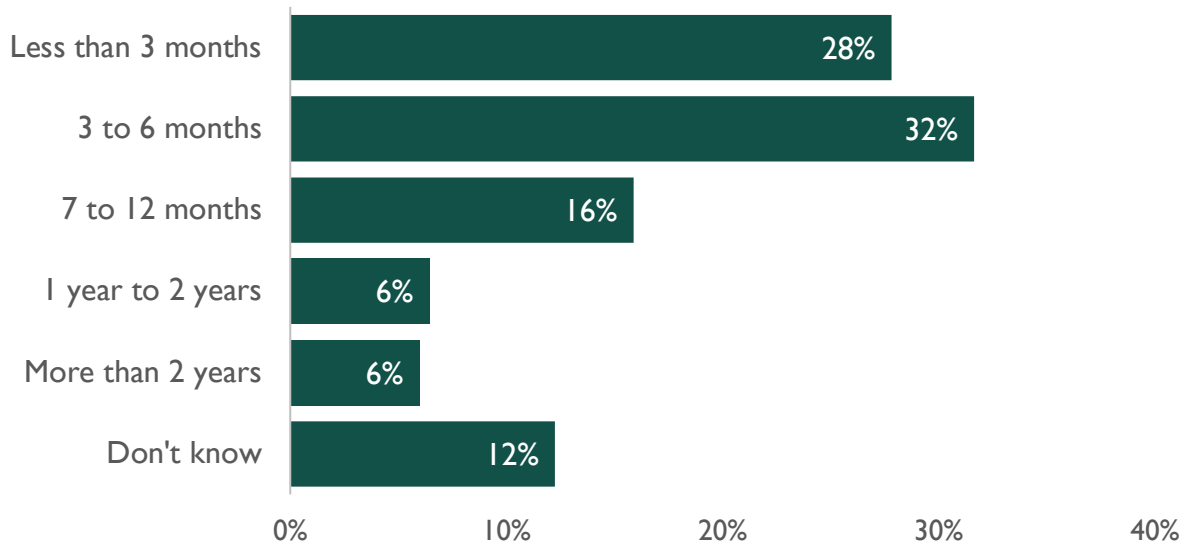
About half of businesses reported being very or somewhat unprepared to meet the needs of the changing economy as a result of COVID-19. Only 1 in 10 business owners or operators felt they were very prepared.

Figure 2: How prepared do you think your business is to meet the needs of the changing economy as a result of COVID-19?



Of the businesses that were open at the time of the survey, about 6 in 10 businesses did not believe they could sustain the partial shutdown of the economy for more than 6 months, and 3 in 10 felt they had less than 3 months. About 12% believed they could last at least one year with the partial shut-down.

Figure 3: How long do you estimate you could sustain your business in the partial shutdown of the economy?*



*Note: 32% of respondents were completely shut down and were not asked this question.

Figure 4: Length of time businesses could sustain: Statewide results compared to other surveys of businesses

Percent of businesses who can sustain in partial shutdown of economy for more than 6 months

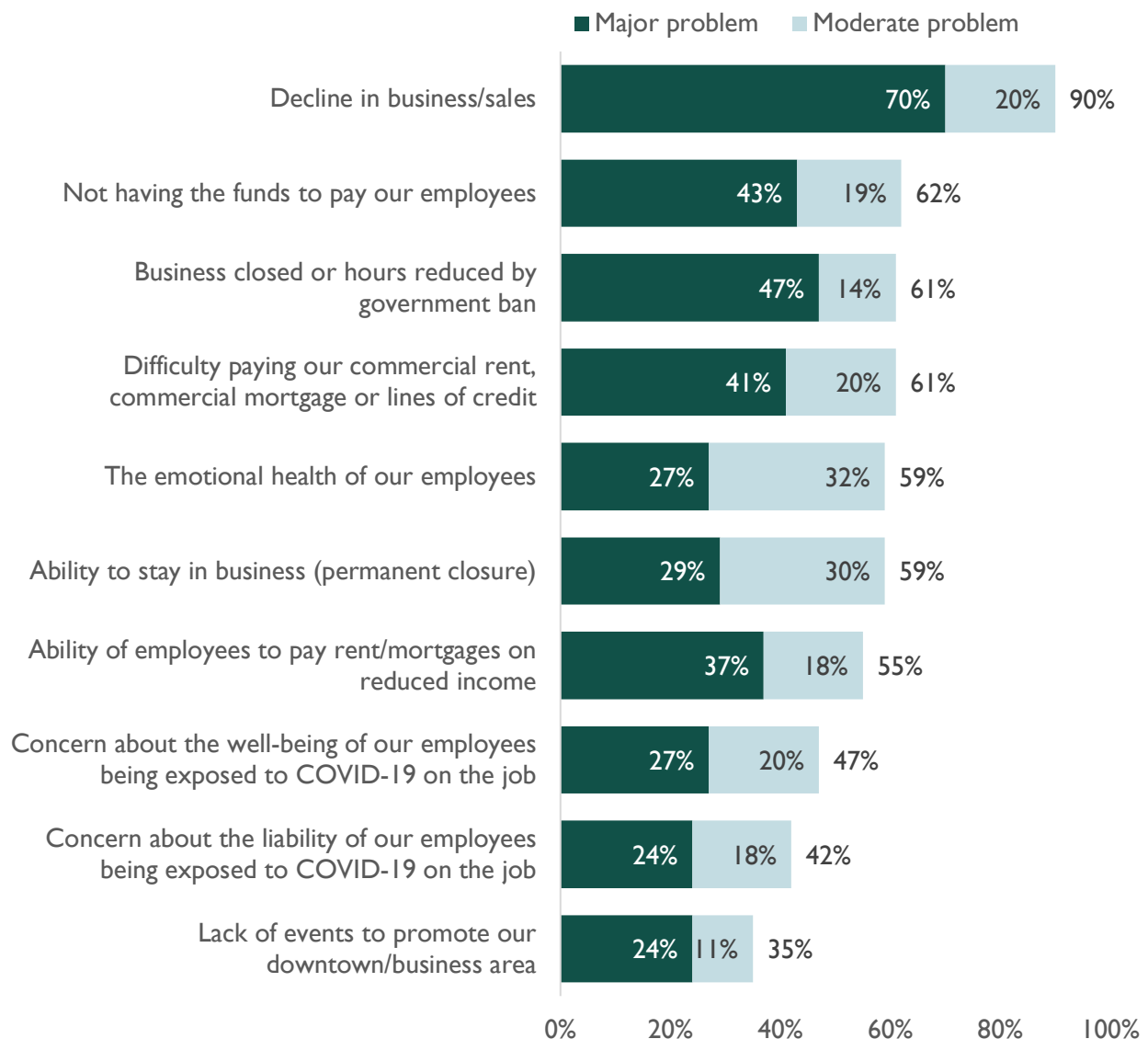
State	28%
Durango	32%
Grand County	58%
San Luis Valley	11%
National Main Street (Steamboat Springs)	32%

Data from surveys conducted before the state survey showed similar trends to the state except for San Luis Valley where most businesses reported they could sustain less than 6 months with the current regulations.

Top Challenges for Businesses

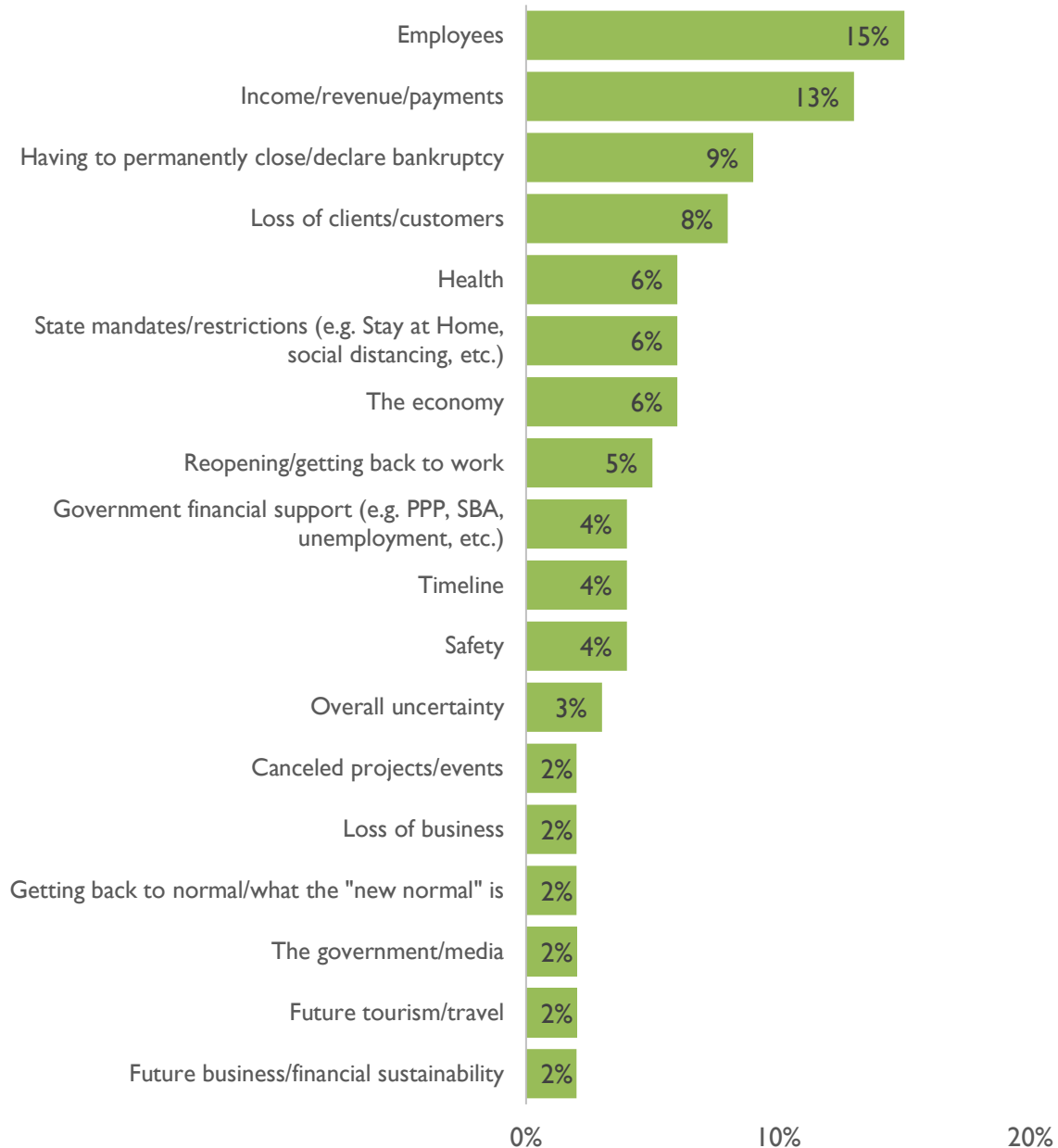
When asked about a list of problems businesses may face as part of the pandemic, the most common reported issue was a decline in business/sales, with 9 in 10 businesses reporting this as a major or moderate problem. Other significant problems for the businesses across the state included the lack of funds to pay employees, closures due to government bans, and the emotional health of employees. Nearly 60% of the businesses surveyed reported their ability to stay in business (vs permanent closures) was a major or moderate problem.

Figure 5: Please rate how much of a problem, if at all, the following issues are to your business as a result of the COVID-19 pandemic?



Survey participants shared, in their own words, what their biggest concerns were about COVID-19 for their business and employees. There were a wide range of concerns shared but the more common responses related to employees – owners' ability to pay them, health and emotional concerns, and the desire to bring them back to work – and revenue loss. (For more information, see the *Colorado Business COVID-19 Impact Survey Supplemental Report: Verbatim Responses to Open-Ended Questions.*)

Figure 6: What are your biggest concerns about COVID-19 for your business and employees?*



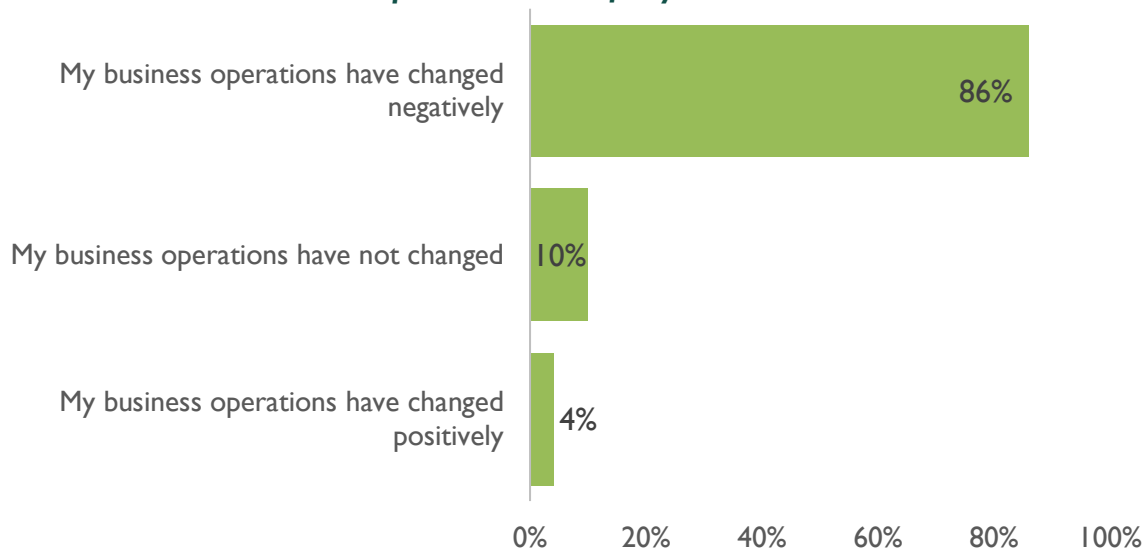
*NOTE: The complete set of verbatim responses can be found in the *Colorado Business COVID-19 Impact Survey Technical Appendix.*

Impacts on Business Operations

When asked how COVID-19 has changed their business operations, about 9 in 10 reported the changes were negative. About 10% reported no change and 4% reported a positive increase in operations. For the few businesses who had experienced positive changes, the most frequently mentioned reasons written by respondents were a chance for business improvement, using a different business model, positive customers/clients, being able to work from home, and a positive change for employees.

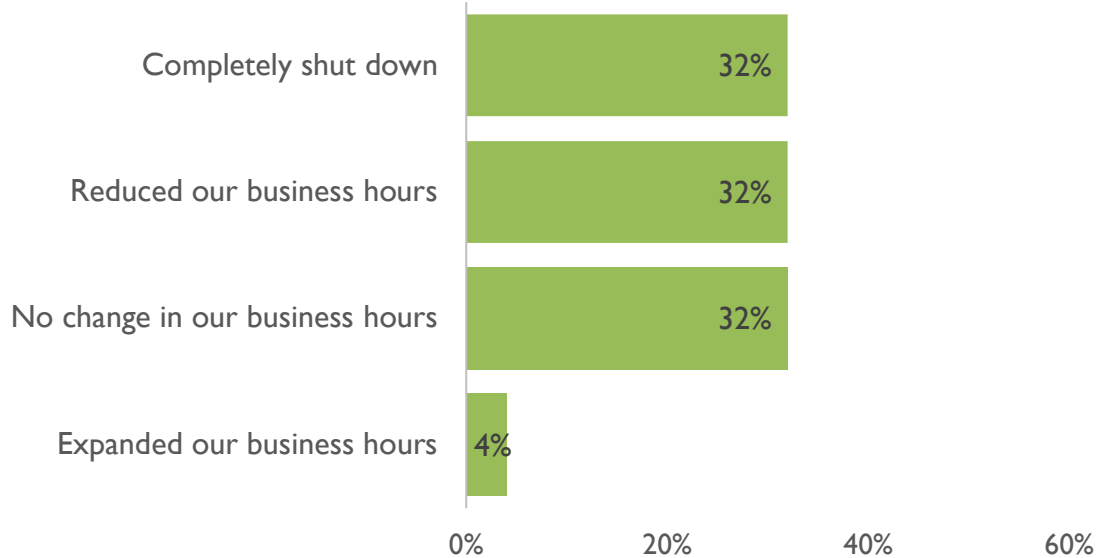
For the businesses who experienced negative changes, the most commonly cited reasons were the business being shut down or forced to close; a loss of revenue, sales or income; a loss of clients or projects, slowed business; and the impact on employees.

Figure 7: Please select the description that best fits your situation.



Of the businesses responding to the survey, one-third reported that they were completely shut down at the time of the survey. Another third of businesses reported reduced hours. About 4% of the businesses had expanded their business hours due to the pandemic.

Figure 8: Have you changed your regular business hours due to the pandemic?



**Figure 9: Percent of Businesses Closed:
Statewide results compared**

**Percent of Businesses
Closed (Temporary or
Permanent)**

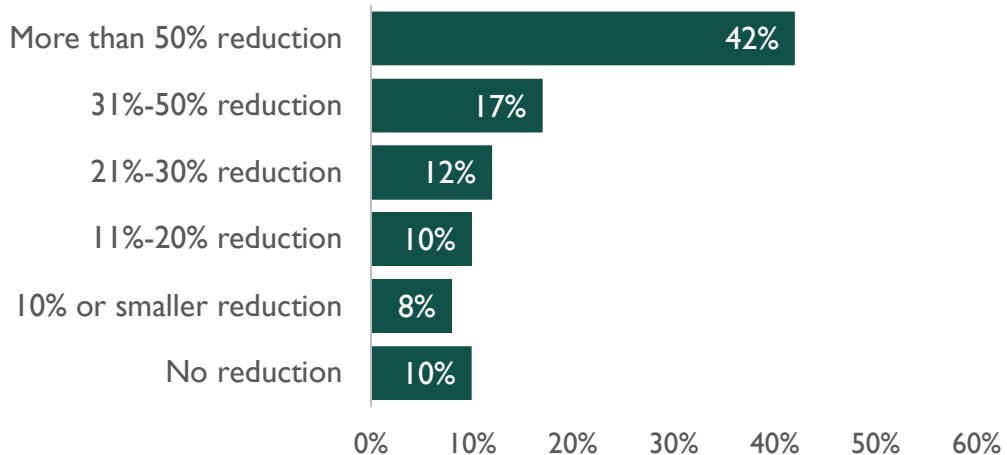
State	32%
Boulder.....	45%
Durango.....	17%
Grand County	38%
San Luis Valley	38%

The proportion of businesses shut down across the state in this study was lower than that found in the Boulder study and higher than the Durango study but similar to others.

Impacts on Revenue

Of the businesses that were open at the time of the survey, more than 4 in 10 reported decreases in sales of more than 50% due to COVID-19. Another 17% had experienced reductions of 31-50%. Only 10% of businesses across the state did not report income sales reductions.

Figure 10: Excluding the seasonal changes in sales that you may typically experience, to what extent, if at all have you experienced reductions in sales due to the emergence of COVID-19?*



*Note: 32% of respondents were completely shut down and were not asked this question

Figure 11: Decreased Sales: Statewide results compared

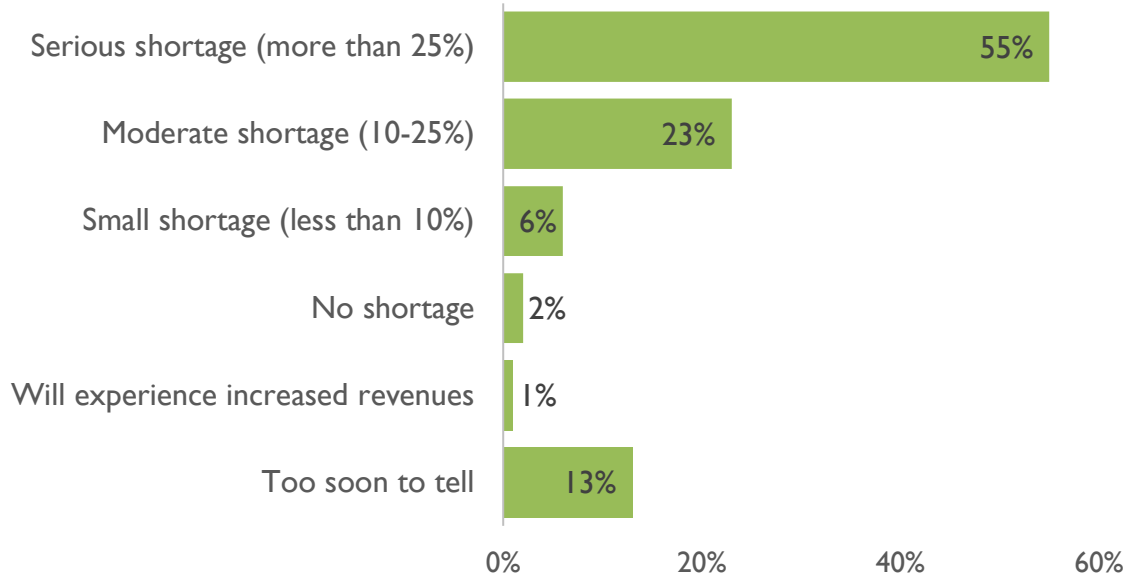
All of the COVID-19 business surveys that have been administered showed that three-quarters or more of businesses had experienced decreased sales due to the pandemic.

Percent of Businesses Experiencing Decreased Sales/Revenues

State	90%
Boulder	73%
Durango	87%
Grand County	79%
National Main Street (Steamboat Springs)	88%

More than half of the businesses surveyed that were still operational expected to experience serious (25%+) revenue shortages for 2020, while one-quarter anticipated moderate (10-25%) shortages. About 1% were expecting increased revenues for the year and 13% felt it was too soon to tell.

Figure 12: Because of COVID-19, most businesses are expecting lower revenues than they projected at the outset of the year. How do you think your actual 2020 revenue will compare to your original budget projections?*

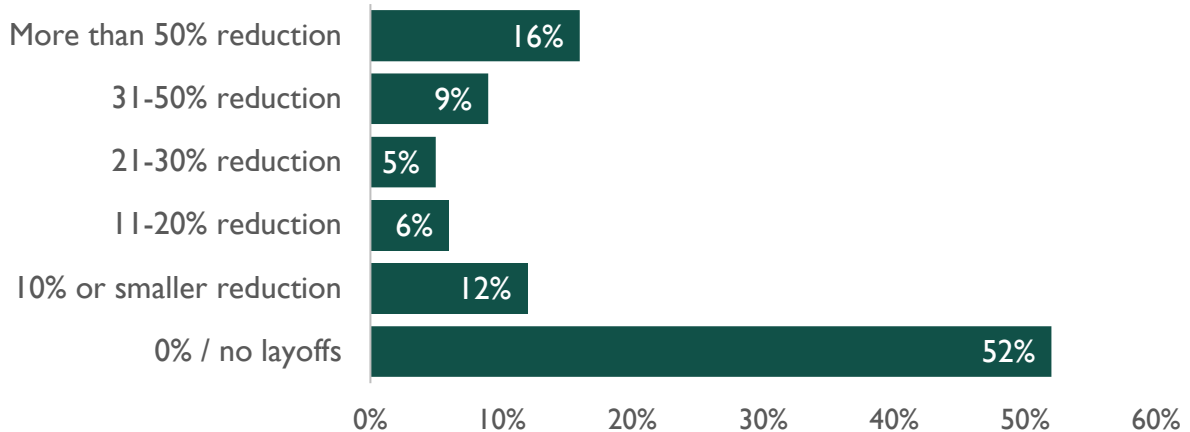


*Note: 32% of respondents were completely shut down and were not asked this question

Impacts on Workforce

Slightly more than half of business owners and operators were not expecting to lay off any of their workforce in the next 6 months. However, one-quarter of companies expected to lay off at least 30% of their employees before November 2020.

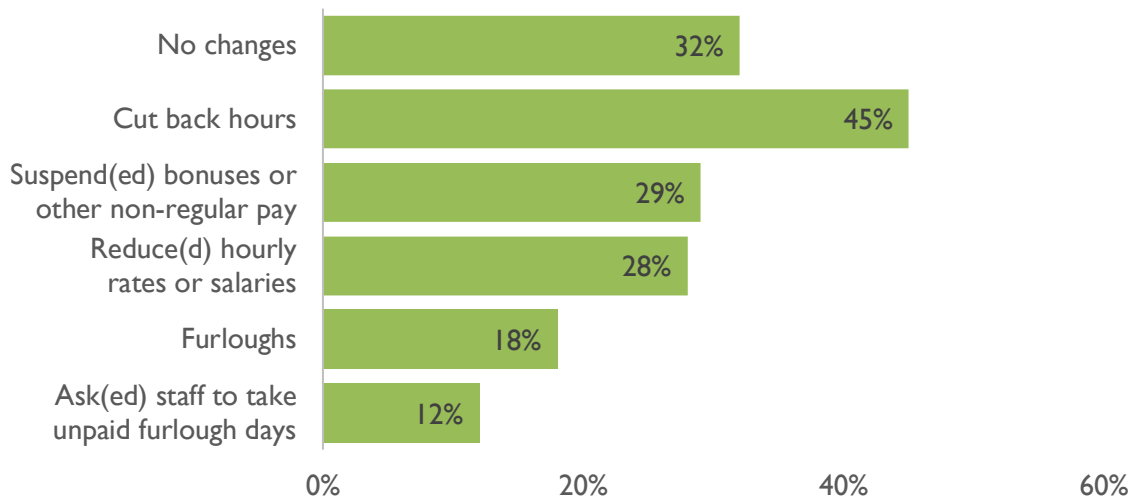
Figure 13: In response to COVID-19, what percentage of your workforce, IF ANY, do you anticipate you will have laid off by the end of the next 6 months?*



*Note: 32% of respondents were completely shut down and were not asked this question

Beyond layoffs, the impacts of COVID-19 on the state workforce is significant. Employers reported that they are considering or have already cut back employee hours (45%), suspend(ed) bonuses (29%), and reduced the hourly rates or salaries of employees (28%). Only one-third of businesses expected no changes as a result of COVID-19.

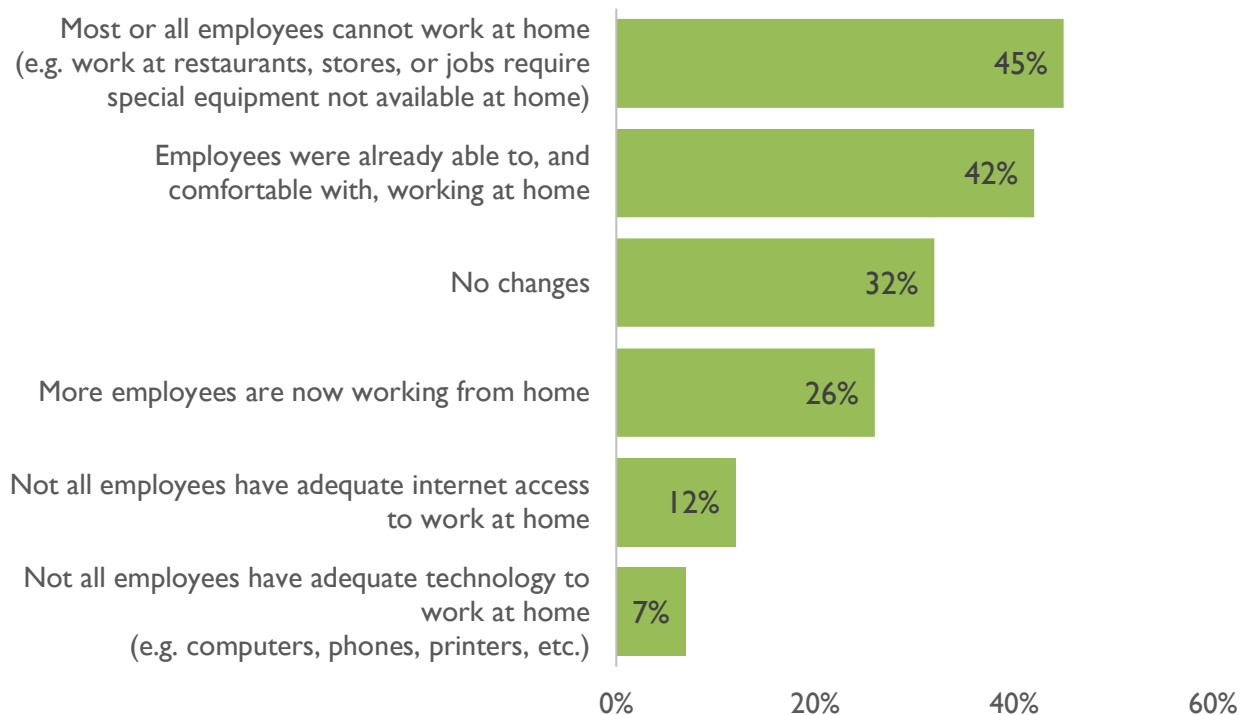
Figure 14: Beyond lay-offs, have you done, or do you anticipate doing, the following as a result of COVID-19? (Check all that apply) *



*Note: 32% of respondents were completely shut down and were not asked this question

In terms of teleworking, about 45% of the companies responding reported that their employees cannot work from home due to the nature of their business. However, a similar proportion (42%) were allowed to telework before the pandemic and 32% required no changes to their employees' current workplaces. About 1 in 5 businesses experienced challenges with employees converting to teleworking due to lack of technologies and internet access.

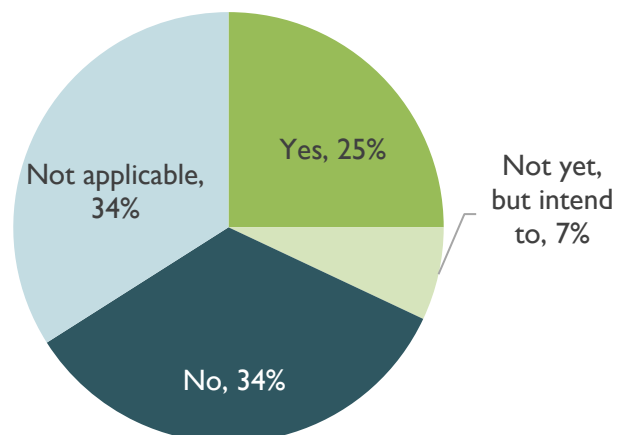
Figure 15: Thinking about where your employees currently work, please check all of the following that apply.*



*Note: 32% of respondents were completely shut down and were not asked this question

Figure 16: Have you changed any sick or leave policies to help employees at risk for COVID-19 self-isolate or quarantine?*

About one-quarter of the businesses reported making changes to their sick or leave policies due to COVID-19. About 7% had not made changes but were planning to alter policies.

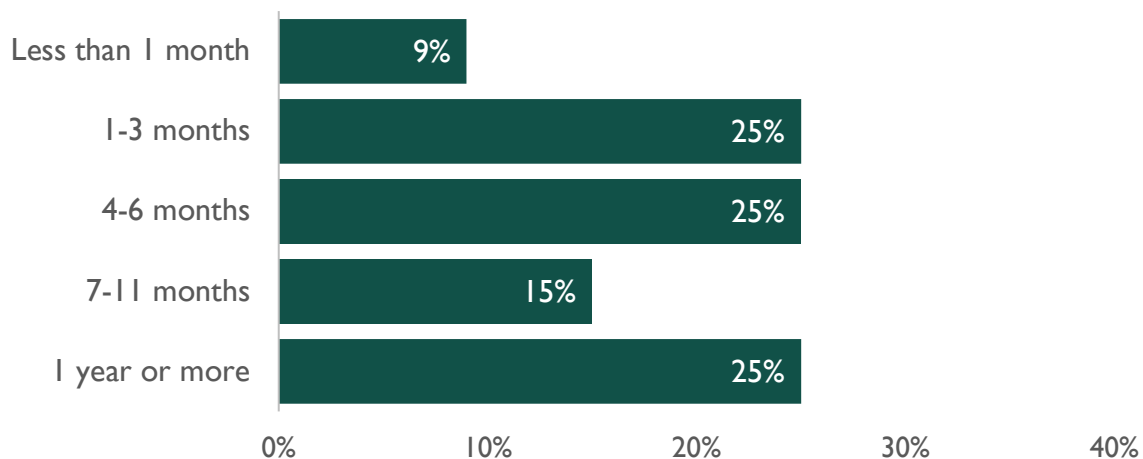


*Note: 32% of respondents were completely shut down and were not asked this question

Recovery Efforts

About one-third of businesses reported that they it will take them less than 3 months to return to pre-COVID-19 levels once social distancing requirements are loosened. One-quarter reported it will take a year or more to get back to pre-COVID-19 levels.

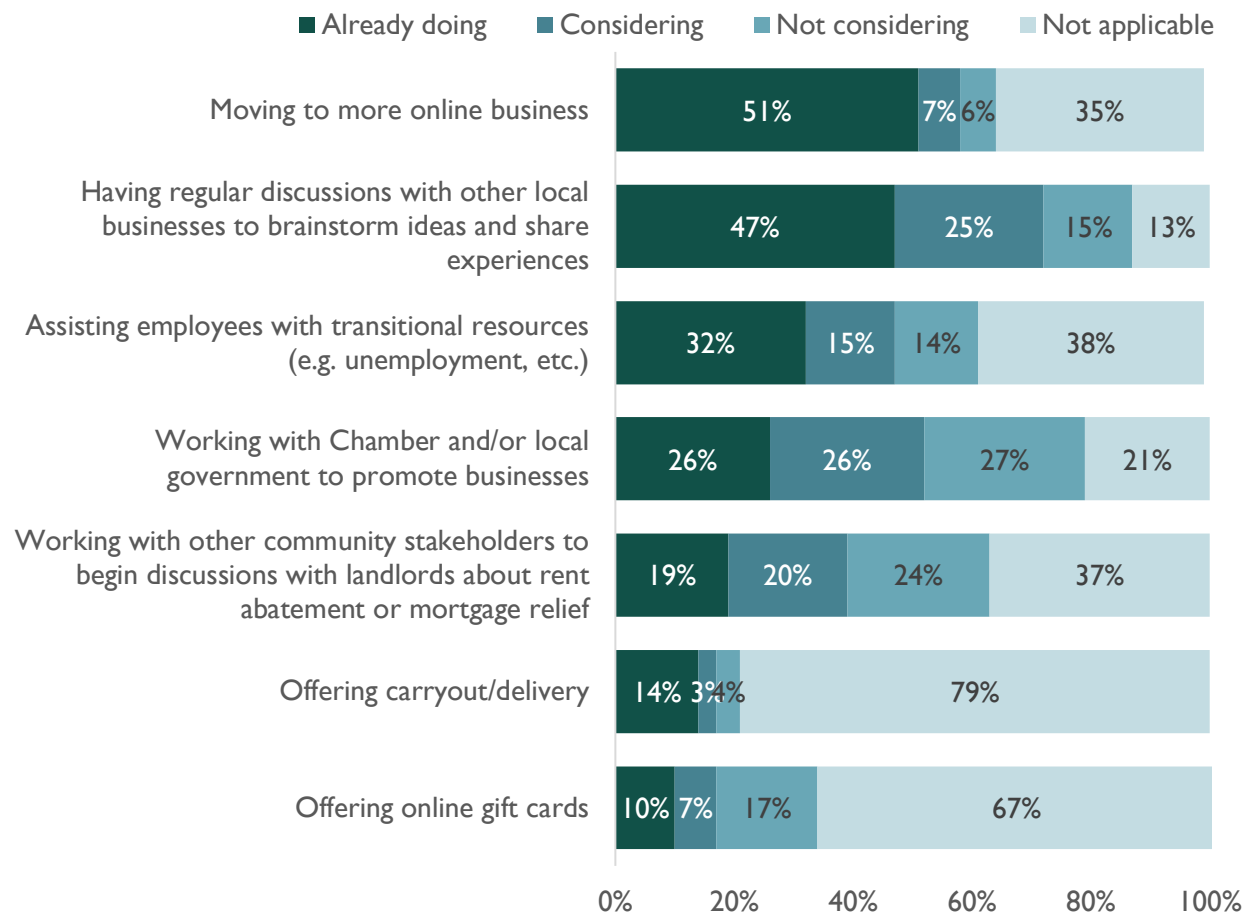
Figure 17: Following a reduction in COVID-19 cases and loosening of social distancing requirements, how quickly do you think it will take for your business to return to pre-COVID-19 levels?*



*Note: 32% of respondents were completely shut down and were not asked this question

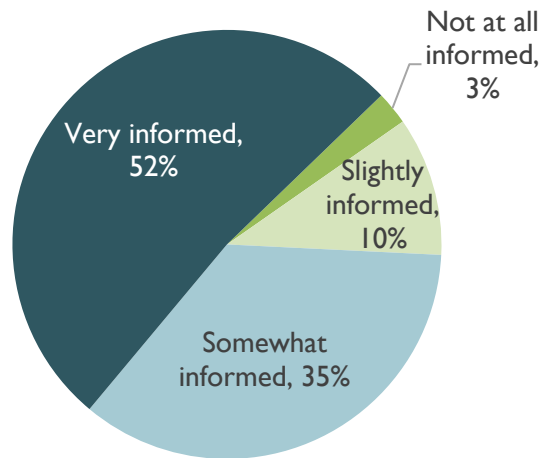
Business owners and operators reported the use of myriad methods to reduce the impacts of the pandemic on their companies. Common activities included moving to more online business and having discussions with other local businesses to share ideas.

Figure 18: A number of businesses are trying new methods to minimize the impact of COVID-19 on their income and employees. Please rate to what extent your business is pursuing these activities.*



*Note: 32% of respondents were completely shut down and were not asked this question

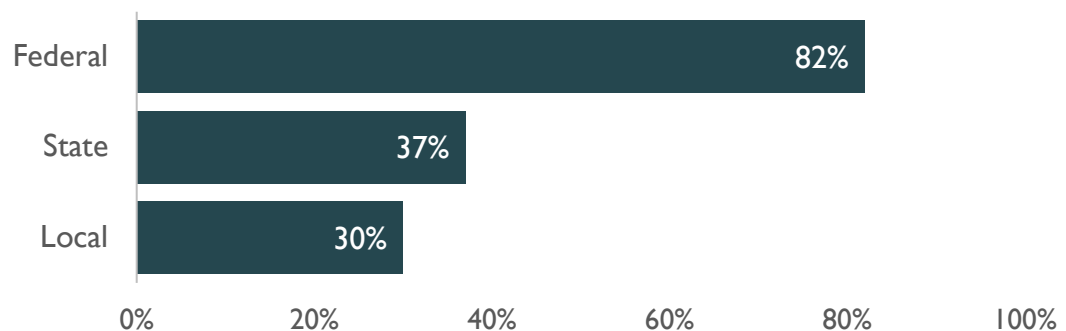
Figure 19: How informed are you about federal, state, and local government resources that could help your business mitigate the impact of COVID-19?



About 9 in 10 business owners and operators felt they were very or slightly informed about the federal, state or local government resources available for COVID-19 response.

About 8 in 10 businesses reported pursuing federal assistance. When asked which federal program was the most helpful, the Paycheck Protection Program (33%) was the most frequent answer, followed by the Small Business Administration (5%) and the Economic Injury Disaster Loan (4%). Over 4 in 10 businesses said none of the programs had been helpful or they had not yet received assistance.

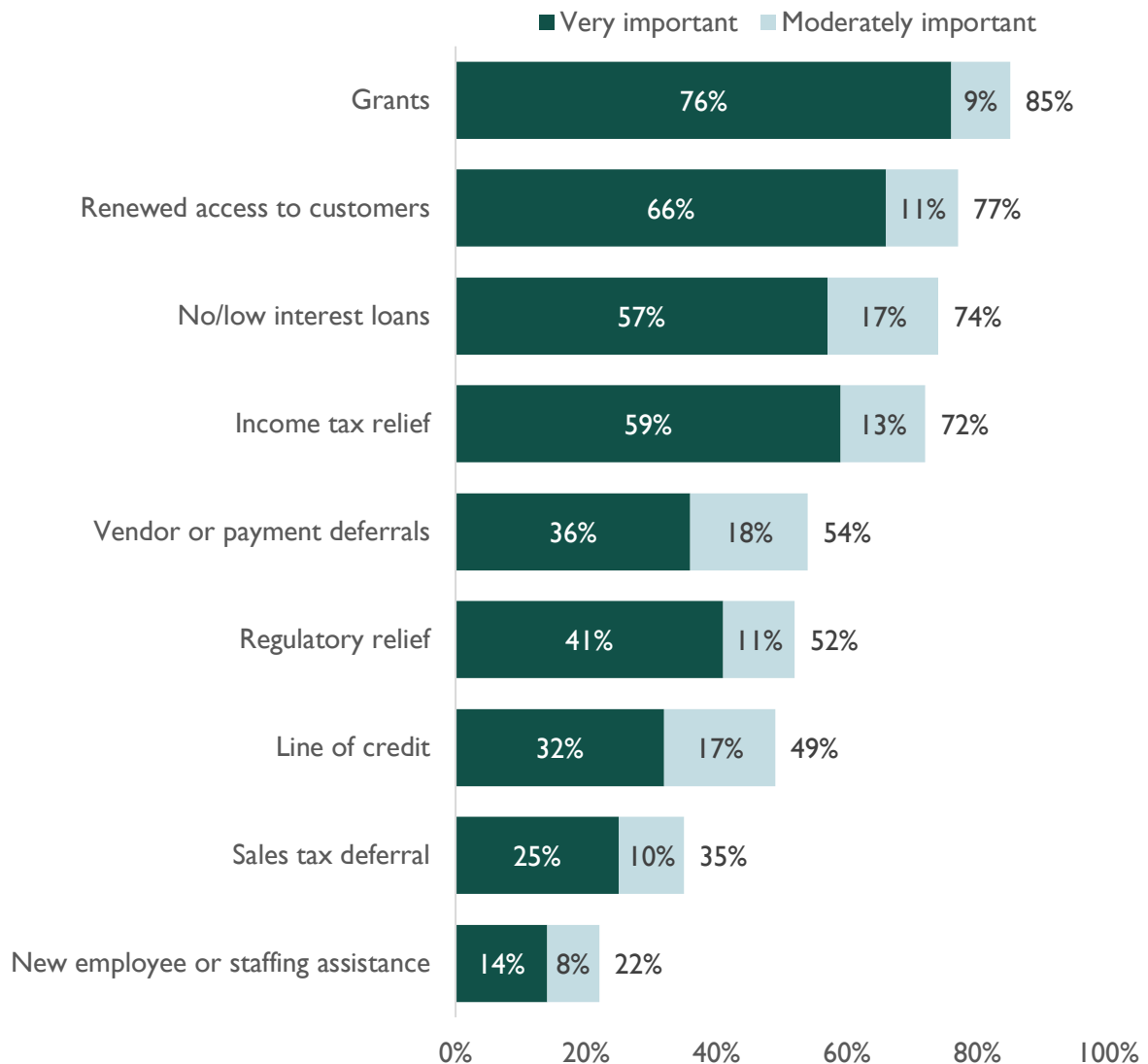
Figure 20: Which of the following government relief programs have you pursued, if any, since the emergence of COVID-19? (Percent pursuing each)



About 4 in 10 businesses reported that had sought help from the state and 3 in 10 from their local government. When asked about what state or local programs had been most helpful, very few mentioned any specific programs, while most said they had not yet received any assistance or did not know about any assistance programs at these levels of government.

The most important types of assistance desired by business owners and operators focused on financial resources such as grants, no/low interest loans and income tax relief. Renewed access to customers also was felt to be very or moderately important to more than three-quarters of the businesses surveyed.

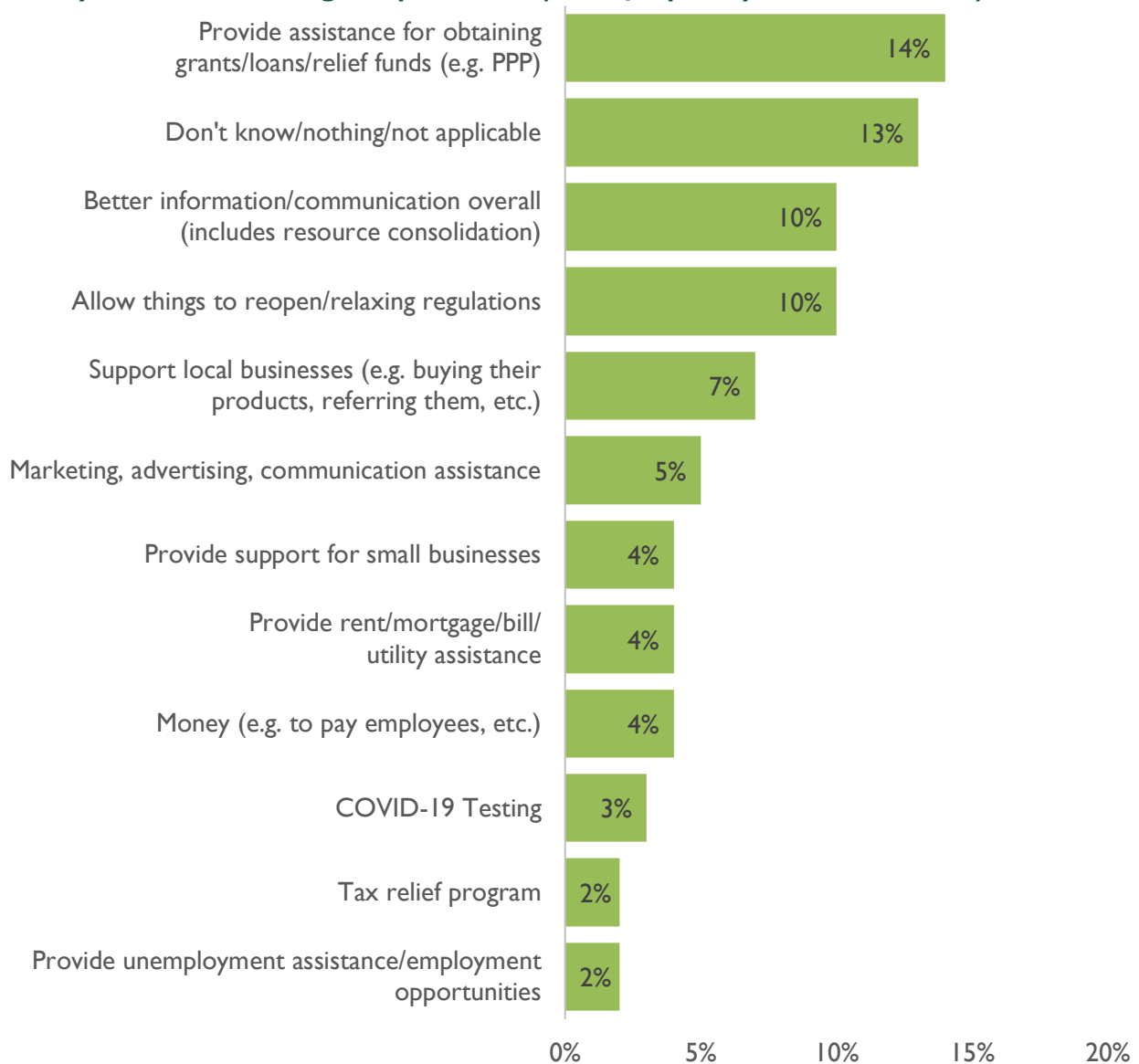
Figure 21: Please indicate how important the following would be to your business recovery efforts from COVID-19:



Respondents could write in their own words any other resources that would be helpful to their business recovery efforts. The most commonly mentioned resources was financial assistance and re-opening the economy. Also mentioned were resources specifically for local and small business, clear direction and information, and COVID-19 testing and vaccines. Responses were similar for a question about resources needed in the medium- to long-term recovery.

An open-ended question was included on the survey for businesses to discuss the types of assistance they could use from their local governments and chambers of commerce. Providing assistance for obtaining grants, loans and relief funding was the number one assistance need followed by information/resource repositories and working to relax governmental policies to reopen the economy.

Figure 22: What can the local government or the Chamber of Commerce do to better assist your business during this pandemic? (Most frequently mentioned items)



Comparison of Responses by Business Characteristics

Not all businesses are experiencing the pandemic similarly. The following tables compare key indicators from the survey by business size, industry, Front Range status (in/out), and region. A full set of comparisons is included in the *Colorado Business COVID-19 Impact Survey Technical Appendix*, under separate cover.

Responses by Business Size

Smaller companies are faring worse than larger companies on most indicators. They tended to be less prepared for the pandemic, have fewer reserves and are experiencing greater shortfalls in sales and expected revenues for the year. However, a larger proportion of smaller companies (99 employees are smaller) expected to recover from the government bans more quickly.

Figure 23: Key Indicators by Business Size

	Employees				
	1-9	10-99	100-499	500+	Overall
Preparedness					
Prepared (very/somewhat)	43%	57%	66%	86%	47%
Can last 6 months *	24%	28%	35%	71%	26%
Return to pre-COVID levels within 3 months *	34%	36%	26%	21%	34%
Impact					
Completely shut down	33%	26%	23%	8%	32%
More than 30% reduction in sales *	67%	58%	60%	46%	64%
Serious shortage of revenue *	60%	54%	39%	44%	58%
More than 30% reduction in workforce *	28%	27%	27%	15%	28%
Information and Assistance					
Very informed	47%	64%	81%	65%	51%
Pursuing federal relief programs	80%	91%	87%	71%	82%
Pursuing state relief programs	38%	36%	39%	34%	37%
Pursuing local relief programs	31%	31%	18%	12%	30%

* Only asked of those businesses that were not completely shut down

Responses by Industry

Businesses in the real estate, rental and leasing industry as well as in government, education and nonprofit were more likely to feel that they could last 6 months compared to those from other industries. Those in leisure and hospitality as well as shopping and retail were more likely to cite a serious revenue shortage and a more than 30% reduction in their workforce. The pursuit of federal relief programs was similar across most industries, while seeking out state and local relief funds was more common for health services, leisure and hospitality, and shopping and retail.

Figure 24: Key Indicators by Industry

	Leisure and hospitality	Shopping and retail	Professional services	Health services	Ag, construction, manufacturing, trades	Real estate, rental and leasing	Government, education, nonprofit	Other services, other	Overall
Preparedness									
Prepared (very/somewhat)	40%	36%	54%	44%	45%	49%	53%	37%	47%
Can last 6 months *	17%	14%	28%	19%	25%	36%	37%	12%	26%
Return to pre-COVID levels within 3 months *	20%	29%	33%	40%	37%	41%	30%	44%	34%
Impact									
Completely shut down	46%	60%	18%	51%	10%	16%	34%	79%	32%
More than 30% reduction in sales *	86%	81%	58%	72%	61%	59%	66%	74%	64%
Serious shortage of revenue *	81%	66%	54%	55%	57%	57%	57%	54%	58%
More than 30% reduction in workforce *	51%	37%	24%	21%	27%	22%	23%	31%	28%
Information and Assistance									
Very informed	57%	51%	53%	54%	46%	47%	60%	47%	51%
Pursuing federal relief programs	87%	86%	81%	83%	84%	81%	80%	79%	82%
Pursuing state relief programs	45%	41%	31%	57%	26%	32%	39%	60%	37%
Pursuing local relief programs	42%	47%	21%	48%	19%	22%	33%	45%	30%

* Only asked of those businesses that were not completely shut down

Responses by Urban/Rural Status

Responses by urban/rural status were similar except that businesses residing in more urban zip codes were more likely to report seeking federal and local grants. Note that businesses were classified as urban/rural based on the zip code rather than the county.

Figure 25: Key Indicators by Urban/Rural Status

	Urban	Rural	Overall
Preparedness			
Prepared (very/somewhat)	47%	45%	47%
Can last 6 months *	25%	26%	26%
Return to pre-COVID levels within 3 months **	34%	32%	34%
Impact			
Completely shut down	31%	35%	32%
More than 30% reduction in sales **	65%	58%	64%
Serious shortage of revenue **	58%	60%	58%
More than 30% reduction in workforce **	27%	32%	28%
Information and Assistance			
Very informed	51%	51%	51%
Pursuing federal relief programs	83%	73%	82%
Pursuing state relief programs	37%	35%	37%
Pursuing local relief programs	31%	22%	30%

* Business zip code used; zip codes are considered urban if more than 50% of their population live in urban areas

** Only asked of those businesses that were not completely shut down

Responses by Location in State (Front Range/Rest of State)

Businesses preparedness and impacts from the pandemic were similar for those on the Front Range and the rest of the state. Businesses on the Front Range rated their knowledge of resources available slightly higher and were more likely to have pursued governmental grants at all levels.

Figure 26: Key Indicators by Location in State*

	Front Range	Rest of State	Overall
Preparedness			
Prepared (very/somewhat)	46%	49%	47%
Can last 6 months*	25%	29%	26%
Return to pre-COVID levels within 3 months **	34%	34%	34%
Impact			
Completely shut down	31%	36%	32%
More than 30% reduction in sales **	65%	65%	64%
Serious shortage of revenue **	58%	59%	58%
More than 30% reduction in workforce **	28%	27%	28%
Information and Assistance			
Very informed	52%	48%	51%
Pursuing federal relief programs	85%	73%	82%
Pursuing state relief programs	38%	34%	37%
Pursuing local relief programs	32%	21%	30%

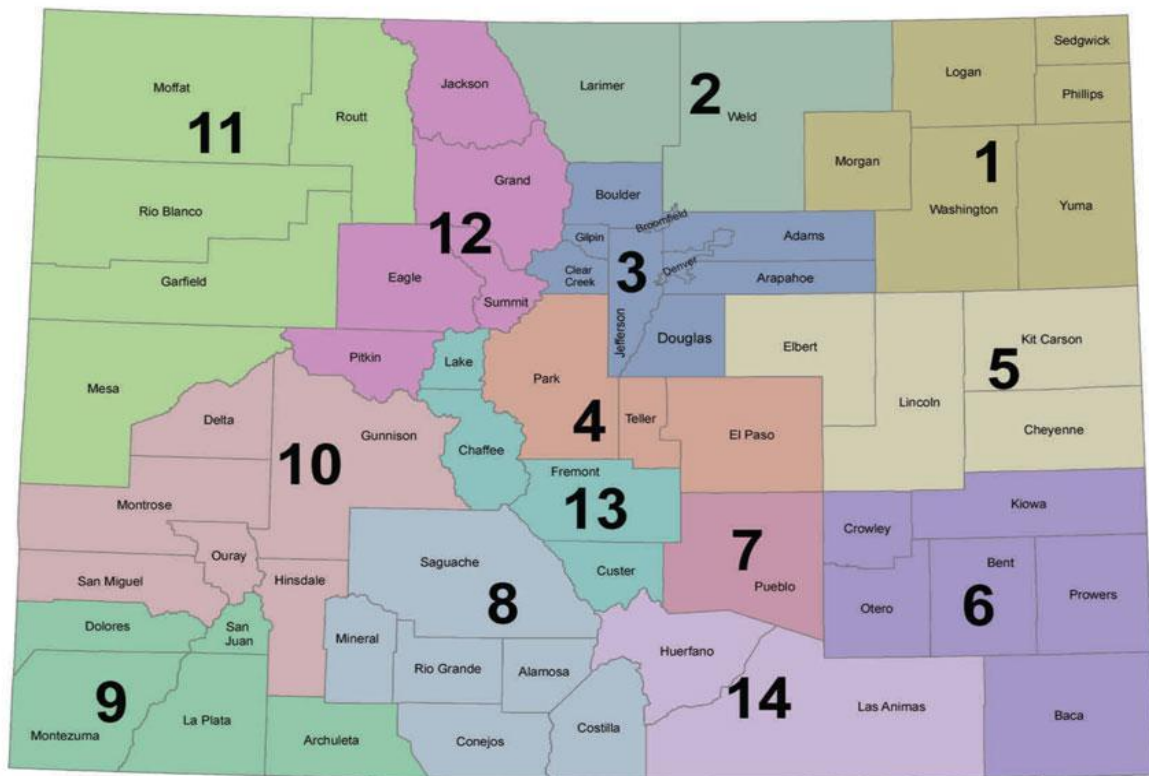
* Business zip code used; zip codes are considered urban if more than 50% of their population live in urban areas

** Only asked of those businesses that were not completely shut down

Responses by Region

The survey data were statistically weighted by region to ensure adequate representation from businesses across the state. The regions used in this survey generally followed the 14 voluntary associations of local governments formed under Colorado law. The region served by each of these associations or COGs (Council of Governments) is shown in the map below. These regions were used as the starting point to create more aggregated regions by which to break down results from the Colorado Business Survey. Some of the larger counties were separated from the regions to further differentiate portions of the state more accurately. (For more information on the regional breakdown, please see *Colorado Business COVID-19 Impact Survey Technical Appendix*, provided under separate cover.) The counties that comprised each region for the break downs are shown in the table on the next page.

COLORADO PLANNING AND MANAGEMENT REGIONS



Region	Counties
Region 1, 5, 6 (Northeast, East Central, Southeast)	Logan, Morgan, Sedgwick, Phillips, Washington, Yuma, Elbert, Lincoln, Kit Carson, Cheyenne, Crowley, Kiowa, Otero, Bent, Prowers, Baca
Region 2 North Front Range	Larimer, Weld
Region 4-, 13 (Upper Arkansas, Pikes Peak minus El Paso County)	Park, Teller, Lake, Chaffee, Fremont, Custer
Region 7 (Pueblo Area)	Pueblo
Region 8, 14 (San Luis Valley, South Central)	Saguache, Mineral, Rio Grande, Alamosa Conejos Costilla, Huerfano, Las Animas
Region 9 Southwest	Dolores, San Juan, Montezuma, La Plata, Archuleta
Region 11 AG of Northwest	Moffat, Routt, Rio Blanco, Garfield, Mesa
Region 10	Delta, Montrose, San Miguel, Ouray, Hinsdale, Gunnison
Region 12 + (Northwest plus Gilpin and Clear Creek Counties)	Jackson, Grand, Summit, Eagle, Pitkin, Gilpin, Clear Creek
Adams County	Adams
Arapahoe County	Arapahoe
Boulder County	Boulder
City and County of Broomfield	Broomfield
City and County of Denver	Denver
Douglas County	Douglas
Jefferson County	Jefferson
El Paso County	El Paso

Trends in preparedness, COVID-19 impacts, and information and assistance levels were more consistent than variable, overall, although there are specific instances where a region differed more than 10 percentage points from the state benchmark.

Figure 27: Key Indicators by Region of Colorado (part 1)

	Region(s)									
	1/5/6	2	4/13**	7	8	9	10	11	12+	Overall
Preparedness										
Prepared (very/somewhat)	52%	51%	49%	37%	43%	51%	56%	47%	47%	47%
Can last 6 months*	24%	23%	21%	19%	22%	33%	33%	33%	26%	26%
Return to pre-COVID levels within 3 months *	47%	33%	28%	32%	49%	34%	30%	36%	26%	34%
Impact										
Completely shut down	36%	28%	45%	26%	46%	30%	36%	29%	41%	32%
More than 30% reduction in sales *	45%	69%	77%	60%	79%	60%	59%	67%	71%	64%
Serious shortage of revenue *	46%	57%	68%	42%	72%	56%	56%	60%	62%	58%
More than 30% reduction in workforce *	14%	27%	28%	39%	29%	23%	30%	27%	30%	28%
Information and Assistance										
Very informed	40%	51%	47%	48%	38%	45%	60%	51%	49%	51%
Pursuing federal relief programs	62%	85%	66%	83%	64%	76%	80%	68%	85%	82%
Pursuing state relief programs	26%	28%	39%	40%	42%	28%	32%	33%	40%	37%
Pursuing local relief programs	16%	22%	21%	49%	36%	12%	19%	13%	34%	30%

* Only asked of those businesses that were not completely shut down ** Except El Paso County

Figure 28: Key Indicators by Region of Colorado (part 2)

	County							
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	El Paso
Preparedness								
Prepared (very/somewhat)	44%	39%	37%	51%	48%	59%	47%	46%
Can last 6 months*	23%	19%	27%	41%	28%	19%	32%	21%
Return to pre-COVID levels within 3 months *	37%	37%	31%	11%	27%	53%	36%	33%
Impact								
Completely shut down	24%	29%	30%	20%	27%	30%	35%	42%
More than 30% reduction in sales *	63%	70%	64%	44%	61%	66%	59%	71%
Serious shortage of revenue *	67%	64%	56%	41%	54%	57%	52%	64%
More than 30% reduction in workforce *	34%	25%	38%	25%	26%	22%	21%	33%
Information and Assistance								
Very informed	62%	42%	53%	24%	62%	52%	50%	50%
Pursuing federal relief programs	93%	75%	87%	84%	86%	87%	87%	82%
Pursuing state relief programs	39%	36%	39%	46%	43%	31%	36%	43%
Pursuing local relief programs	30%	31%	25%	28%	45%	19%	27%	40%

* Only asked of those businesses that were not completely shut down