

Delaware Business Impact of Covid-19

Summary of survey results, 3/20 -3/24

To help prepare for a full recovery and to understand the likely need for possible business support/assistance, a range of Delaware economic development organizations and other partners are jointly conducting a series of business surveys to monitor the impact of COVID-19 on business operations across the State of Delaware.

This document provides a brief summary of survey results from 3/20 to 3/24.

- 320 employers responded to the survey. Responses were well distributed geographically within the state (48% New Castle County; 11% Kent County; 28% Sussex County; 14% did not indicate). Responses were also well distributed across industries, with responses from nearly every industry.
- Collectively, the respondents indicated that they employ about 24,000 people, which would account for about 5% of Delaware's workforce
- Respondents indicated that they have already laid off approximately 640 employees.
- The Accommodation and Food Services industry accounted for about ¼ of these job losses, but other local services industries like Arts, Entertainment & Recreation; Retail Trade; and Other Services also had notable job losses. However, job losses were also felt in Health Care—not at hospitals, but at establishments like chiropractors, physical therapy, dental and eye care, etc.
- Still, 72% of respondents indicated that their staffing levels had not yet changed due to Covid-19. It should be noted, however, that nearly all results from this survey window were received before the closure of non-essential businesses went into effect on 3/24.
- Approximately 22% of respondents indicated that they had already closed their businesses (again, before the closure of non-essential business went into effect). This included about 70% of Arts, Entertainment, and Recreation respondents; 36% of Accommodation and Food Services respondents; and nearly half of respondents in Retail Trade and Other Services.
- Among respondents, supply chains appeared to be holding up relatively well. 80% of respondents indicated they could still receive supplies/services, and 73% indicated they could still ship/deliver goods and services. Again, most impacts were felt in the local services industries previously mentioned.
- As expected, most office-using industries (Finance & Insurance; Information; Professional, Scientific, and Technical Services; Real Estate) are reporting high levels of ability to work remotely, with respondents in those industries indicating an average of at least 2/3 of their workforces are able to work remotely.
- 72% of respondents indicated that their revenue has decreased, with revenues down across all industries. Again, though, local services are feeling this more acutely. More than 90% of Accommodation and Food Services respondents have seen revenue declines of more than 70%. But even other industries not as directly impacted, like Finance and Insurance; Information;

Professional, Scientific, and Technical Services; Real Estate; and Construction are seeing decreases in the 20-50% range.

- On average, respondents indicated they could survive the current business slowdown/closure for about 13 weeks. Local services industries pegged this at about 8 weeks.
- 54% of respondents indicated that they do not have standing lines of credit to help bridge this business slowdown.
- Looking to the future, the top concern among respondents was not surprisingly the financial impact on their operations and liquidity/access to capital (64%). The next leading concerns were fears of recession and decreased consumer confidence and spending (56%). Respondents were less concerned about a lack of information for decision-making (19%) or lower productivity (12%).
- 16% of respondents indicated that they expect permanent reductions to their workforce; 41% indicated they do not expect permanent reductions; 43% were unsure. The survey also included questions asking respondents to estimate the number of workers they thought they might lay off in the next 3 or 6 months; virtually no employers responded to that question.
- 51% of respondents indicated interest in an SBA loan, including 86% of respondents in Accommodation and Food Services.
- When asked about the top business supports that would be most helpful going forward, the most prevalent answer was access to employee resources (42% of respondents).