

Business Concerns and Impacts Regarding the 2020 COVID-19 Pandemic (Round 1 Analysis)

By

Alan Barefield, Ph.D.
Extension Professor

Emily V. Durr
Student Assistant

Department of Agricultural Economics
Mississippi State University
alan.barefield@msstate.edu
662.325.7995

July 2020



MISSISSIPPI STATE UNIVERSITY™
EXTENSION



MISSISSIPPI STATE UNIVERSITY™
DEPARTMENT OF
AGRICULTURAL ECONOMICS

Mississippi State University is an equal opportunity institution. Discrimination in university employment programs, or activities based on race, color, ethnicity, sex, pregnancy, religion, national origin, disability, age, sexual orientation, genetic information, status as a U.S. veteran, or any other status protected by applicable law is prohibited. Questions about equal opportunity programs or compliance should be directed to the Office of Compliance and Integrity, 56 Morgan Avenue, P.O. 6044, Mississippi State, MS 39762, (662) 325-5839.

Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. GARY B. JACKSON, Director.



MISSISSIPPI STATE UNIVERSITY™
EXTENSION



MISSISSIPPI STATE UNIVERSITY™
DEPARTMENT OF
AGRICULTURAL ECONOMICS

Table of Contents

Executive Summary	i
Introduction	1
Respondent Information	1
Table 1 – Frequency of Survey Respondents by Industry	2
Table 2 – Average Number of Full-time and Part-time Employees per Business by Industry	3
Business Closures	4
Table 3 – Number of Open and Closed Businesses by Industry	4
Business Operations	5
Figure 1 – Operating Capacity by Location.....	6
Figure 2 – Percentage of Businesses by the Percentage of Employees Working Remotely.....	6
Figure 3 – Percentage of Businesses by the Percentage of Employees Unable to Work Remotely	6
Employee Morale	7
Figure 4 – Percentage of Businesses by Employee Morale Ranking	7
Table 4 – Average Employee Morale Ranking and Standard Deviation by Industry....	8
Table 5 – Employees’ Concerns Regarding the Pandemic	8
Table 6 – Top Three Business Concerns by Industry	9
Business Finances	10
Table 7 – Businesses with Decreased, Increased, or Unchanged Revenues by Industry	10
Table 8 – Magnitude of Business Revenue Decreases/Increases by Industry	11
Business Employment	12
Table 9 – Permanent Workforce Reduction Plans by Planning Horizon and Industry Sector.....	12
Business Assistance	13
Table 10 – Number and Percentage of Successful and Unsuccessful Federal Loan Applicants by Industry.....	14
Table 11 – Support Platform Requests by Industry.....	15
Conclusions	16

Executive Summary

The current COVID-19 pandemic has typically been reported to have a substantial negative effect on businesses. To document the true effects of the pandemic on Mississippi businesses, the Mississippi State University Extension Service embarked on a two-round survey effort to determine the issues that these businesses are facing.

The following is an analysis of the first-round effort. Businesses were asked questions regarding the industry in which they were operating, the level of business closures, operating capacity and procedures, employment levels, finances, and concerns for the future.

Most businesses remain open and are operating at or above 75 percent of their normal capacity. Businesses feel that employee morale remains high and that employees' physical and mental health are their top concerns, followed by finances, employment, and businesses continuity.

The top business concerns regarding the pandemic focused on the pandemic's effect on business finances, declining consumer confidence in the market, and the possibility of a global and/or U.S. recession. Other business concerns receiving substantial attention included supply chain disruption, employee stress, and workforce reduction.

The vast majority of businesses that have remained open have experienced losses in revenue, with roughly half of these businesses experiencing revenue loss of 50 percent or less and half experiencing revenue losses of over 50 percent. However, relatively few businesses have concrete plans for reducing their workforces within a six-month planning horizon.

While several survey respondents have participated in the Small Business Administration Disaster Loan program and the Payroll Protection Loan program, a number of businesses indicated that they desired further knowledge regarding these programs. In addition, responding businesses indicated that a need was needed for a number of business support platforms, including (in order of most-requested to least-requested) *Employer Best Practices* (regarding employees), *Employee Resources*, *Assistance Referrals*, *Technical Assistance*, *Economic/Financial Assistance*, *Market Assistance*, *Business Operations Assistance*, and *Family/Childcare Assistance*.

Several conclusions were drawn from this preliminary analysis of the first-round effort:

- Businesses feel that COVID-19 is a serious public health threat that has imposed severe stresses on both businesses and employees.
- Financial stress has proven to be a debilitating factor in business operations and financial and operational regulations should be revisited and relaxed.
- Current and future marketing opportunities are of tremendous concern.
- Family issues, including childcare, are at the forefront of employee concerns. A failure to address these issues could result in a decreased qualified workforce.

Introduction

Anecdotal evidence from a variety of sources suggest that the novel coronavirus COVID 19 has had a substantial debilitating effect on Mississippi businesses. Due to issues ranging from forced closures to significant restrictions on both staff and patrons in the name of public health and safety, many businesses have had to change their methods of operation. However, little effort has been made to determine the specific effects that Mississippi businesses have experienced as a result of the pandemic.

To identify at least a partial list of the issues that are faced by Mississippi businesses, particularly small- and medium-size businesses, the Economic and Community Development unit (ECD) of the Mississippi State University Extension Service partnered with Blane Canada, Ltd. (an economic development firm located in Wheaton, IL, that has a particular focus on business retention and expansion issues) to conduct a survey of businesses within the state to determine the issues that these businesses are facing. The survey instrument was developed by Blane Canada in conjunction with twenty-five economic developers from across the United States. ECD partnered with several Mississippi-based economic development entities to publicize the survey and an overview of the survey responses is found below.

It should be noted that the survey effort will consist of two rounds in order to establish trends in the issues that Mississippi businesses are facing. This report only contains data from Round 1; a comprehensive report will be developed upon completion of the Round 2 survey effort and analysis.

Respondent Information

The online survey instrument was distributed by email to local economic developers and officials, as well as businesses, across the state. Economic developers and local officials were encouraged to distribute the survey link to businesses in their communities.

As a result of this effort, 303 businesses provided information that could be used in the analysis. However, 68 of these businesses indicated that they were from other states (including Alabama, California, Florida, Illinois, Louisiana, New York, Ohio, Pennsylvania, Tennessee, and Virginia). While the issues faced by these out-of-state businesses are of no less importance than those faced by Mississippi businesses, addressing their concerns is beyond the scope of this analysis. Therefore, these responses were omitted from the survey.

There are 48 Mississippi counties represented in the survey. Fifteen (15) of these counties had one business respond to the survey and seven (7) counties had more than ten (10) businesses respond. Madison County had the largest number of respondents (26), followed by Hinds and Lafayette Counties with 16 respondents each.

Each of the state's major regions were represented. The number of respondents by geographic region is presented below:

Capital	70	Northeast.....	55
Coast	23	Northwest.....	14
Delta.....	30	Pine Belt.....	18
East Central.....	12	Southwest.....	13

This resulted in a total of 235 responses from Mississippi businesses being used for the analysis. All 2-digit North American Industrial Classification System (NAICS) codes were represented except *Mining, Quarrying, and Oil and Gas Extraction* and *Management of Companies and Enterprises*. **Table 1** presents the number of businesses and the percentage of the total number of businesses by industry.

Table 1 - Frequency of Survey Respondents by Industry

NAICS Sector	Description	Businesses	Pct of Total
11	Agriculture, Forestry, Fishing and Hunting	10	4.3%
21	Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
22	Utilities	2	0.9%
23	Construction	14	6.0%
31-33	Manufacturing	18	7.7%
42	Wholesale Trade	11	4.7%
44-45	Retail Trade	39	16.6%
48-49	Transportation and Warehousing	8	3.4%
51	Information	7	3.0%
52	Finance and Insurance	9	3.8%
53	Real Estate and Rental and Leasing	7	3.0%
54	Professional, Scientific, and Technical Services	27	11.5%
55	Management of Companies and Enterprises	0	0.0%
56	Administrative and Support and Waste Management and Remediation Services	4	1.7%
61	Educational Services	7	3.0%
62	Health Care and Social Assistance	20	8.5%
71	Arts, Entertainment, and Recreation	8	3.4%
72	Accommodation and Food Services	10	4.3%
81	Other Services (except Public Administration)	21	8.9%
92	Public Administration	7	3.0%
	Unknown	4	1.7%
	Totals (may not add to 100% due to rounding)	235	100.00%

The respondent businesses reported current full-time employment ranging from zero employees to 1,100 employees. Not surprisingly, the types of businesses with the largest numbers of full-time employees were in the *Health Care and Social Assistance* sector and the *Manufacturing* sector. Current part-time employment by the respondent businesses ranged from zero part-time employees to 300 part-time employees. The sectors hiring the largest numbers of part-time employees include *Health Care and Social Assistance* and *Transportation and Warehousing*. **Table 2** presents the average number of full-time and part-time employees per business by industry.

Table 2 - Average Number of Full-Time and Part-Time Employees per Business by Industry

Description	Average Full-time Employees	Average Part-time Employees
Agriculture, Forestry, Fishing and Hunting	13.6	0.6
Mining, Quarrying, and Oil and Gas Extraction	N/A	N/A
Utilities	28.5	3.0
Construction	13.5	0.6
Manufacturing	104.1	3.9
Wholesale Trade	20.3	1.7
Retail Trade	7.9	2.8
Transportation and Warehousing	20.4	32.8
Information	10.2	1.8
Finance and Insurance	4.9	0.9
Real Estate and Rental and Leasing	6.6	0.6
Professional, Scientific, and Technical Services	5.6	1.7
Management of Companies and Enterprises	N/A	N/A
Administrative and Support and Waste Management and Remediation Services	30.25	27.5
Educational Services	19.3	1.3
Health Care and Social Assistance	61.3	26.2
Arts, Entertainment, and Recreation	6.0	53.3
Accommodation and Food Services	5.6	11.1
Other Services (except Public Administration)	22.7	14.3
Public Administration	2.7	4.0
Unknown	3.8	0.0

Business Closures

Several respondents (36 businesses of 235 businesses or 15.3 percent) reported having closed their businesses as a result of the pandemic. Seven of the closed businesses (19.4 percent of the closed businesses) indicated that they voluntarily closed their businesses. The remaining 29 closed respondents indicated that they were forced to close their businesses. **Table 3** presents the number of businesses that were open and closed at the time of the survey response with the reason for business closure.

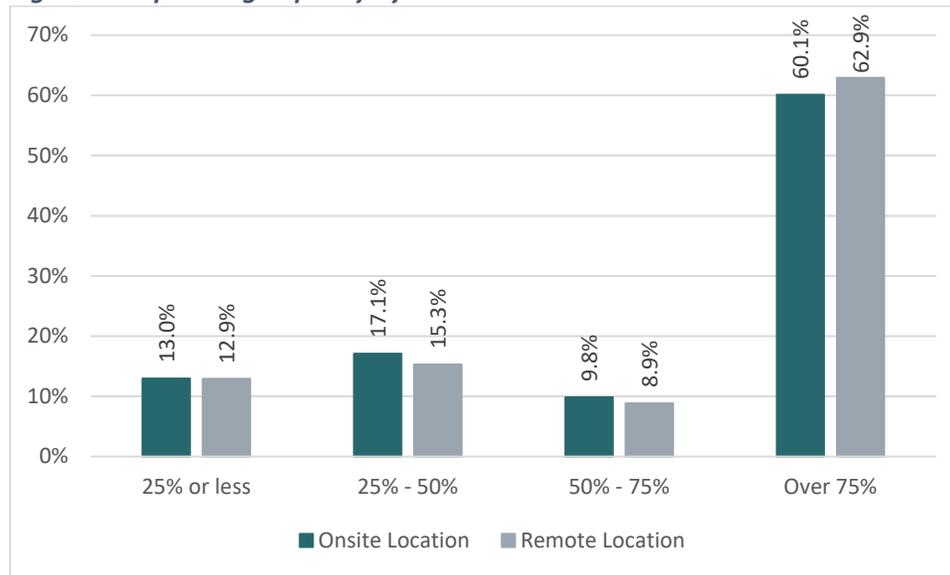
Table 3 - Number of Open and Closed Businesses by Industry

Description	Open Businesses	Closed Businesses	
		Forced Closure	Voluntary Closure
Agriculture, Forestry, Fishing and Hunting	9	1	0
Mining, Quarrying, and Oil and Gas Extraction	0	0	0
Utilities	1	1	0
Construction	12	1	1
Manufacturing	18	0	0
Wholesale Trade	10	1	0
Retail Trade	32	6	1
Transportation and Warehousing	7	1	0
Information	6	1	0
Finance and Insurance	8	0	1
Real Estate and Rental and Leasing	5	1	1
Professional, Scientific, and Technical Services	25	1	1
Management of Companies and Enterprises	0	0	0
Administrative and Support and Waste Management and Remediation Services	4	0	0
Educational Services	6	1	0
Health Care and Social Assistance	20	0	0
Arts, Entertainment, and Recreation	4	4	0
Accommodation and Food Services	8	1	1
Other Services (except Public Administration)	13	7	1
Public Administration	7	0	0
Unknown	2	2	0
Totals	234	29	7

Business Operations

The ability of businesses to operate at their normal (full) capacity onsite and at remote locations has implications for the survivability beyond, at least, the short-term. Of the 193 businesses that responded to this question, 25 respondents (13.0 percent) whose businesses have remained open indicated that their businesses were operating at 25 percent or less at onsite locations. Ascertaining accurate information regarding the operating level of remote locations is a bit trickier, but the responses suggest that 124¹ of the businesses that remain open have remote locations and 16 of these businesses (12.9 percent) suggested that these remote locations were operating at 25 percent or less of capacity. **Figure 1** presents the current operating capacity for onsite and remote locations.

Figure 1 – Operating Capacity by Location



Sixty-six percent of the responding businesses (155 of 235 businesses) reported no employee change as a result of the pandemic. Seventeen companies (7.2 percent of the total respondents) reported making new hires of 177 total employees; the largest number of hires were made by the *Administrative and Support and Waste Management and Remediation Services* sector and the *Manufacturing* sector.

Unfortunately, 58 firms (24.7 percent of the total respondents) laid off 746 workers. The sectors laying off the largest numbers of workers include *Manufacturing, Health Care and Social Assistance, and Construction*. These three sectors accounted for over half (61.9 percent) of the total number of laid-off workers. In addition, eight companies (3.4 percent of the total respondents) reported terminating 13 workers with *Agriculture, Forestry, Fishing, and Hunting; Manufacturing; and Retail Trade* accounting for three terminations each.

¹ Businesses that reported a remote location operating capacity of zero (0.0) percent were assumed to have no remote operating capacity and were not counted in this calculation. Forty-three businesses reported this level of remote operating capacity. If the reader would like to include these businesses, then the percentage of businesses with a remote operating capacity of 25 percent or less would be 35.3 percent.

A perceived factor for business survivability in the pandemic is the ability of employees to work remotely. Of the 230 businesses that responded to the question regarding the percentage of employees who worked remotely, 162 businesses (70.4 percent) indicated that they had no employees who worked remotely and twelve businesses (5.2 percent) indicated that all of their employees worked remotely. The sector with the largest number of businesses with fifty percent or more of their employees working remotely is the *Professional, Scientific, and Technical Services* sector. **Figure 2** presents percentages of businesses responding to this question by the percentage of employees who are currently working remotely.

Figure 2 – Percentage of Businesses by the Percentage of Employees Working Remotely

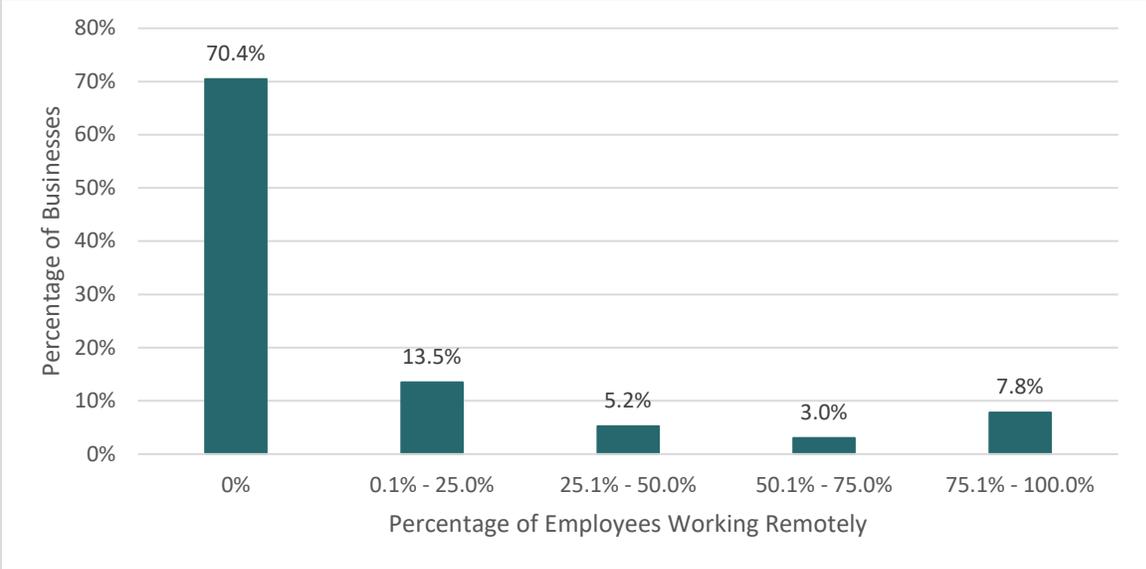
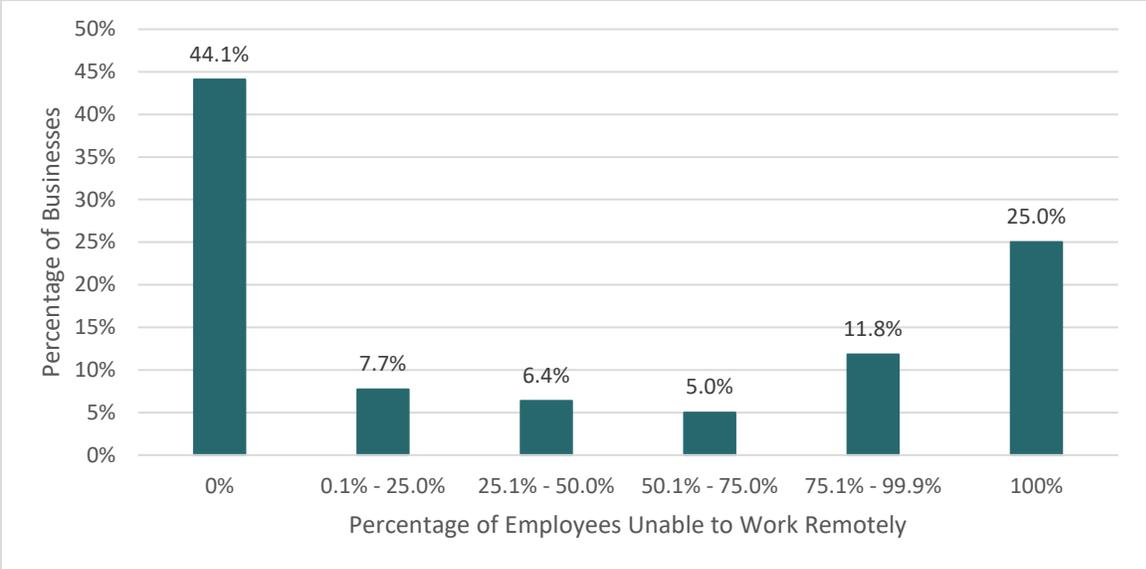


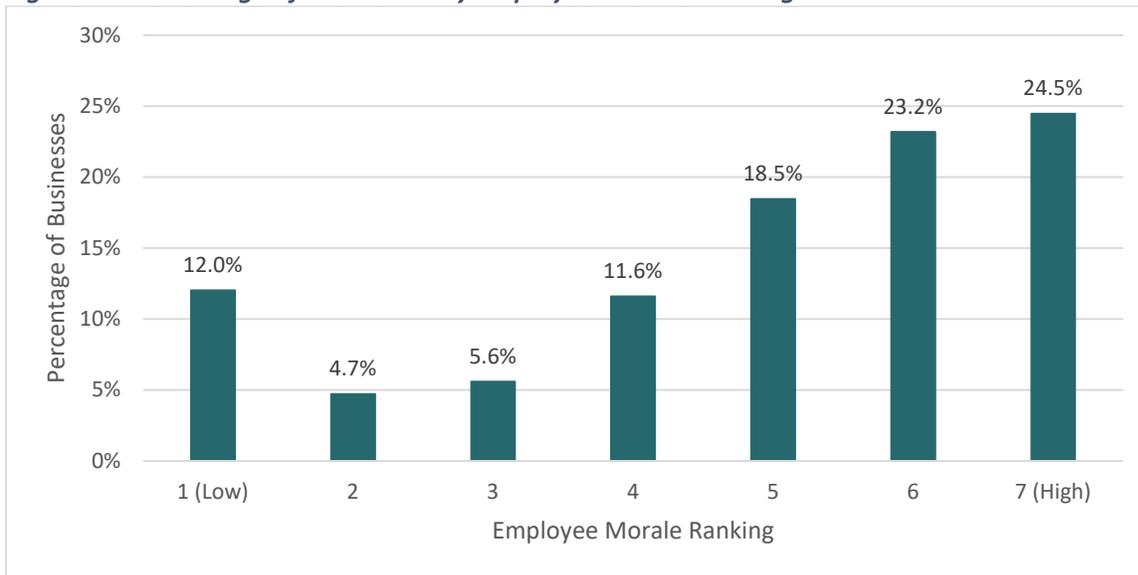
Figure 3 – Percentage of Businesses by the Percentage of Employees Unable to Work Remotely



Employee Morale

Two hundred twenty (220) businesses shared the percentage of their employees who were unable to work remotely. Fifty-five businesses (25.0 percent) indicated that all of their employees were unable to work remotely and 97 businesses (44.1 percent) indicated that none of their employees were unable to work remotely. The sectors with the largest percentages of businesses that indicated that no employees were able to work remotely include *Utilities* (50.0 percent); *Accommodation and Food Services* (50.0 percent); *Health Care and Social Assistance* (45.0 percent); *Agriculture, Forestry, Fishing, and Hunting* (40.0 percent); and *Retail Trade* (38.2 percent). **Figure 3** presents the percentages of businesses with employees who are unable to work remotely.

Figure 4 – Percentage of Businesses by Employee Morale Ranking



Even with the challenges facing businesses and their employees, businesses believe that employee morale remains relatively high. Of the 233 businesses that ranked employee morale on a scale of 1 to 7 (with 1 being extremely low morale and 7 being extremely high morale), 111 businesses (47.6 percent) ranked employee morale as either a 6 or 7 (extremely high morale). Only 39 businesses (16.7 percent) ranked employee morale as being either a 1 or 2 (extremely low morale). **Figure 4** presents the percentage of businesses by employee morale ranking.

One hundred sixty-five (165) businesses responded a question regarding paid leave for employees who were not reporting to work. Ninety-seven (97) of these businesses (58.8 percent) indicated that they were not paying employees while 48 businesses (29.1 percent) indicated that they were paying full salaries and wages to employees.

However, it does appear that employee morale as ranked by business owners/managers varies by industry sector. Of the respondent businesses that can be categorized in known NAICS sectors, *Manufacturing* had the highest employee morale rating (5.8) and *Accommodation and Food Services* had the lowest rating (3.5). It is interesting to note that the sectors with employee morale ratings of 5.0 or higher had less variability (as measured by standard deviation) in their ratings (the average standard deviation for these sectors is 1.8) than did the sectors with employee morale ratings of less than 5.0 (the average standard deviation for these sectors is 2.1). The overall employee morale average rating is 4.9

for all businesses. **Table 4** presents the average employee morale rating and standard deviation by industry sector.

Table 4 – Average Employee Morale Rating and Standard Deviation by Industry

Description	Average Rating	Standard Deviation
Agriculture, Forestry, Fishing and Hunting	4.3	1.6
Mining, Quarrying, and Oil and Gas Extraction	N/A	N/A
Utilities	4.0	2.8
Construction	5.4	2.2
Manufacturing	5.8	1.2
Wholesale Trade	5.5	2.2
Retail Trade	4.6	2.2
Transportation and Warehousing	4.4	2.6
Information	5.0	2.0
Finance and Insurance	5.3	1.9
Real Estate and Rental and Leasing	4.6	2.2
Professional, Scientific, and Technical Services	5.0	2.0
Management of Companies and Enterprises	N/A	N/A
Administrative and Support and Waste Management and Remediation Services	5.3	1.0
Educational Services	4.4	2.0
Health Care and Social Assistance	5.3	1.6
Arts, Entertainment, and Recreation	4.6	1.8
Accommodation and Food Services	3.9	1.8
Other Services (except Public Administration)	4.5	2.2
Public Administration	4.8	1.9
All Sectors	4.9	2.0

Table 5 - Employees' Concerns Regarding the Pandemic

Employee Concern Category	Number of Businesses	Percentage of Businesses
Physical Health	43	18.3%
Mental Health	29	12.3%
Finances	39	16.6%
Employment	31	13.2%
Family	9	3.8%
Safety	13	5.5%
Workforce	24	10.2%
Business Continuity	28	11.9%
Economy and other Macro Issues	11	4.7%
No concerns	5	2.1%

Businesses were given the opportunity to provide insight into their employees' concerns regarding the pandemic and 217 businesses provided usable responses. Ten (10) concern categories were identified

based on responses and several individual responses addressed more than one category. **Table 5** presents the employee concern categories, the number of businesses that had this category of concerns, and the percentage of total responding businesses (out of the 235 responding businesses) that had this concern.

As might be expected, many comments dealt with the physical and mental health of employees due to the emotional stress that the pandemic has laid on employees and their families. Employees were also worried about the toll that the pandemic has and will take on their families, particularly with family operational issues such as childcare.

At first glance, the safety category could be construed as being safe from the COVID-19 virus, but several comments dealt with the issue of employees being safe in their jobs while having to wear the personal protective equipment (PPE) and the effect that potential requirements such as social distancing would have on employee safety. Many of the comments in the *Economy and Other Macro Issues* category dealt with “When would the world get back to normal?” type issues.

The comments expressed in the *Workforce* category and the *Business Concerns* category leads one to believe that the respondent businesses used this survey question to express business, rather than employee, concerns. Many of the comments in the *Workforce* category dealt with the issue of employees receiving a high level of unemployment benefits (or wanting to be laid off so that they could take advantage of these benefits) due to the pandemic. Furthermore, many of the *Business Concerns* category comments dealt with the long-term survivability of the business.

Examining these concerns by NAICS sector yields some interesting comparisons. The category that garnered the most comments in the *Agriculture, Forestry, Fishing, and Hunting*, the *Accommodation and Food Services*, and the *Retail Trade* sectors was the *Finances* category. The *Retail Trade* sector also had a substantial number of comments regarding physical and mental health and business concerns as well.

The largest number of comments in the *Manufacturing* sector focused on employment issues; it could easily be argued that employment is closely tied to finances, but it is interesting that different sectors chose to express these types of concerns in different ways. The concerns expressed by the *Wholesale Trade* sector concerns both employment and finance issue categories.

The main concerns in the *Professional, Scientific, and Technical Services* sector seem to be centered around future business issues, while concerns for the *Health Care and Social Assistance* sector, the *Educational Services* sector, the *Other Services* sector, and the *Public Administration* sector are predominantly concerned with physical and mental health issues.

Businesses were also given the opportunity to select their top three concerns for the future from a predetermined list and then add other concerns that are priorities. **Table 6** presents the number of businesses that selected each of the nine (9) predetermined concerns by NAICS sector as well as the percentage of businesses responding in each NAICS sector that selected each predetermined concern.

Table 6 – Top Three Business Concerns by Industry

Description	Declining Consumer Confidence	Financial Impact on Operations	Global/US Recession	Impact on Tax and Trade	Lack of Decision Information	Lower Productivity	Supply Chain Disruption	Workforce Reduction	Employee Stress
Ag/Forestry/Fish/Hunt	5 (50.0%)	7 (70.0%)	5 (50.0%)	0 (0.0%)	1 (10.0%)	1 (10.0%)	5 (50.0%)	1 (10.0%)	4 (40.0%)
Mining, Quarrying, and Oil and Gas Extraction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utilities	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (50.0%)	2 (100.0%)	0 (0.0%)	1 (50.0%)
Construction	6 (42.9%)	8 (57.1%)	8 (57.1%)	2 (14.3%)	2 (14.3%)	5 (35.7%)	4 (28.6%)	1 (7.1%)	4 (28.6%)
Manufacturing	8 (44.4%)	8 (44.4%)	10 (55.6%)	0 (0.0%)	4 (22.2%)	2 (11.1%)	10 (55.6%)	5 (27.8%)	6 (33.3%)
Wholesale Trade	8 (72.7%)	2 (18.2%)	5 (45.5%)	3 (27.3%)	1 (9.1%)	3 (27.3%)	4 (36.4%)	1 (9.1%)	1 (9.1%)
Retail Trade	28 (77.8%)	22 (61.1%)	18 (50.0%)	3 (8.3%)	6 (16.7%)	3 (8.3%)	16 (44.4%)	5 (13.9%)	2 (16.7%)
Transport/Warehousing	4 (50.0%)	5 (62.5%)	7 (87.5%)	2 (25.0%)	1 (12.5%)	0 (0.0%)	1 (12.5%)	2 (25.0%)	3 (25.0%)
Information	4 (57.1%)	7 (100.0%)	1 (14.3%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (14.3%)	3 (42.9%)	3 (42.9%)
Finance and Insurance	6 (66.7%)	4 (44.4%)	5 (55.6%)	0 (0.0%)	2 (22.2%)	3 (33.3%)	2 (22.2%)	1 (11.1%)	3 (33.3%)
Real Estate/ Rental and Leasing	4 (57.1%)	6 (85.7%)	3 (42.9%)	0 (0.0%)	1 (14.3%)	1 (14.3%)	0 (0.0%)	2 (28.6%)	3 (42.9%)
Professional, Scientific, and Technical Services	15 (55.6%)	15 (55.6%)	16 (59.3%)	1 (3.7%)	4 (14.8%)	5 (18.5%)	5 (18.5%)	2 (7.4%)	4 (14.8%)
Mgt of Companies/ Enterprises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative and Support and Waste Management and Remediation Services	1 (25.0%)	2 (50.0%)	2 (50.0%)	0 (0.0%)	0 (0.0%)	1 (25.0%)	2 (50.0%)	1 (25.0%)	3 (75.0%)
Educational Services	3 (42.9%)	5 (71.4%)	3 (42.9%)	1 (14.3%)	0 (0.0%)	1 (14.3%)	1 (14.3%)	4 (57.1%)	3 (42.9%)
Health Care/ Social Asst	4 (20.0%)	13 (65.0%)	6 (30.0%)	3 (15.0%)	1 (5.0%)	5 (25.0%)	4 (20.0%)	8 (40.0%)	9 (45.0%)
Arts/Entertainment/Rec	7 (87.5%)	6 (75.0%)	2 (25.0%)	0 (0.0%)	3 (37.5%)	1 (12.5%)	2 (25.0%)	1 (12.5%)	2 (25.0%)
Accommodation and Food Services	6 (60.0%)	8 (80.0%)	4 (40.0%)	0 (0.0%)	3 (30.0%)	1 (10.0%)	3 (30.0%)	4 (40.0%)	1 (10.0%)
Other Services (except Public Administration)	6 (28.6%)	14 (66.7%)	10 (47.6%)	4 (19.0%)	2 (9.5%)	1 (4.8%)	5 (23.8%)	4 (19.0%)	10 (47.6%)
Public Administration	3 (42.9%)	6 (85.7%)	1 (14.3%)	1 (14.3%)	0 (0.0%)	2 (28.6%)	3 (42.9%)	2 (28.6%)	3 (42.9%)
Unknown	3 (75.0%)	2 (50.0%)	2 (50.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (25.0%)	1 (25.0%)	1 (25.0%)
Total Responses by Concern	121 51.5%	140 59.6%	108 46.0%	20 8.5%	31 13.2%	36 15.3%	71 30.2%	48 20.4%	69 29.4%

Business Finances

When asked whether business revenue increased, decreased, or remained the same, 234 businesses responded. Of these, 191 businesses (81.6 percent) indicated that their revenue had decreased, 12 businesses (5.1 percent) maintained that business revenue had increased, and 31 businesses (13.2 percent) indicated that revenue had remained the same. **Table 7** presents the number and percentages of responding businesses by industry classification.

Of the 191 businesses that indicated that their revenue had declined, 190 provided estimations of the amount of decline that they had experienced. Revenues had declined by 50 percent or less for 89 of the businesses (46.8 percent) and had declined by more than 50 percent for 101 businesses (53.2 percent) **Table 8** presents the number and percentages of businesses whose revenue had either increased or declined by industry.

Of the 12 businesses that indicated that revenue had increased, six of the businesses (50 percent) indicated that they had experienced a revenue increase between 0 percent and 50 percent while six businesses (50 percent) of the businesses indicated that their revenue had increased over 50 percent.

Table 7 – Businesses with Decreased, Increased or Unchanged Revenues by Industry

Description	Decreased Revenues	Increased Revenues	No Change
Agriculture/ Forestry/Fishing/Hunting	9 (90.0%)	1 (10.0%)	0 (0.0%)
Utilities	2 (100.0%)	0 (0.0%)	0 (0.0%)
Construction	7 (50.0%)	1 (7.1%)	6 (42.9%)
Manufacturing	14 (77.8%)	2 (11.1%)	2 (11.1%)
Wholesale Trade	10 (90.9%)	1 (9.1%)	0 (0.0%)
Retail Trade	30 (76.9%)	4 (10.3%)	5 (12.8%)
Transportation and Warehousing	8 (100.0%)	0 (0.0%)	0 (0.0%)
Information	7 (100.0%)	0 (0.0%)	0 (0.0%)
Finance and Insurance	8 (88.9%)	0 (0.0%)	1 (11.1%)
Real Estate and Rental and Leasing	4 (57.1%)	0 (0.0%)	3 (42.9%)
Professional, Scientific, & Technical Svcs	21 (77.8%)	0 (0.0%)	6 (22.2%)
Admin/Suppt/ Waste Mgmt/Remed Svcs	3 (75.0%)	1 (25.0%)	0 (0.0%)
Educational Svcs	5 (71.4%)	0 (0.0%)	2 (28.6%)
Health Care and Social Assistance	16 (80.0%)	1 (5.0%)	3 (15.0%)
Arts, Entertainment and Recreation	8 (100.0%)	0 (0.0%)	0 (0.0%)
Accommodation and Food Services	10 (100.0%)	0 (0.0%)	0 (0.0%)
Other Services	19 (90.5%)	1 (4.8%)	1 (4.8%)
Public Administration	7 (100.0%)	0 (0.0%)	0 (0.0%)
Unknown	3 (60.0%)	0 (0.0%)	2 (40.0%)
All Businesses	191 (81.6%)	12 (5.1%)	31 (13.2%)

Table 8 – Magnitude of Business Revenue Decreases/Increases by Industry

Description	Decreased Revenues		Increased Revenues	
	0% - 50%	Over 50%	0% - 50%	Over 50%
Agriculture/Forestry/Fishing/Hunting	4 (44.4%)	5 (55.6%)	0 (0.0%)	1 (100.0%)
Utilities	2 (100.0%)	0 (0.0%)	N/A	N/A
Construction	4 (57.1%)	3 (42.9%)	1 (100.0%)	0 (0.0%)
Manufacturing	9 (64.3%)	5 (35.7%)	1 (50.0%)	1 (50.0%)
Wholesale Trade	8 (80.0%)	2 (20.0%)	1 (100.0%)	0 (0.0%)
Retail Trade	9 (30.0%)	21 (70.0%)	2 (50.0%)	2 (50.0%)
Transportation and Warehousing	2 (25.0%)	6 (75.0%)	N/A	N/A
Information	6 (85.7%)	1 (14.3%)	N/A	N/A
Finance and Insurance	6 (75.0%)	2 (25.0%)	N/A	N/A
Real Estate and Rental and Leasing	0 (0.0%)	4 (100.0%)	N/A	N/A
Professional, Scientific, and Tech Svcs	10 (47.6%)	11 (52.4%)	N/A	N/A
Admin/Suppt/ Waste Mgmt & Remed Svcs	3 (100.0%)	0 (0.0%)	1 (100.0%)	0 (0.0%)
Educational Svcs	2 (40.0%)	3 (60.0%)	N/A	N/A
Health Care and Social Assistance	6 (37.5%)	10 (62.5%)	0 (0.0%)	1 (100.0%)
Arts, Entertainment and Recreation	2 (25.0%)	6 (75.0%)	N/A	N/A
Accommodation and Food Services	4 (40.0%)	6 (60.0%)	N/A	N/A
Other Services	7 (36.8%)	12 (63.2%)	0 (0.0%)	1 (100.0%)
Public Administration	4 (66.7%)	2 (33.3%)	N/A	N/A
Unknown	1 (33.3%)	2 (66.7%)	N/A	N/A
All Businesses	89 (46.8%)	101 (53.2%)	6 (50.0%)	6 (50.0%)

When businesses were given the opportunity to add other concerns to this list, sixteen (16) businesses provided responses. These responses were categorized by the authors as concerning regulations, health, markets, or company operations. The *Professional, Scientific, and Technical Services* sector provided the most responses with five responses and the *Health Care and Social Assistance* sector had three responses. The *Construction* and *Other Services* sectors had two responses each while the *Retail Trade*, *Wholesale Trade*, *Manufacturing*, and *Real Estate and Rental and Leasing* sectors each had one response.

The majority of the responses (seven responses) focused on markets and marketing issues with concerns such as the inability to meet with clients, decreased government spending on new projects, and a lack of accurate information and opportunities. Responses that addressed the regulatory environment (four responses) included concerns about political turmoil and continued economic shutdowns as well as the more traditional responses concerning federal and state regulations.

The three responses that were categorized as company issues had a great deal of breadth, ranging from financial support by parent companies, the workforce, and the ability to provide services. As might be expected, the health response focused on a spike in virus cases.

Business Employment

When asked about permanent reductions in employees over a three- or six-month planning horizon, the majority of respondent businesses either felt that they were not going to reduce their labor force or were unsure of their plans. The responding businesses were consistent in their views regarding the different planning time horizons; in both cases of either a three-month or six-month planning horizon, 132 businesses (56.2 percent) did not plan on having a permanent workforce reduction and 80 businesses (34.0 percent) were unsure. This left 22 (9.4 percent) businesses that indicated that anticipated a permanent reduction in employees (one business did not respond to these questions).

Table 9 presents the percentages of businesses for each industry sector that responded to each planning horizon option.

Table 9 shows that 50.0 percent of utilities are planning on reducing their permanent workforce; however, it should be remembered that there are only two businesses in this sector that responded to the survey. It is interesting that two respondents in the public administration (government) sector indicated that plans were definitely underway to reduce employment since this sector is usually thought of as being a stalwart in maintaining or increasing its workforce.

Table 9 – Permanent Workforce Reduction Plans by Planning Horizon and Industry Sector

Description	Permanent Workforce Reduction in 3 months			Permanent Workforce Reduction in 6 months		
	Yes	No	Unsure	Yes	No	Unsure
Agriculture, Forestry, Fishing, & Hunting	20.0%	40.0%	40.0%	20.0%	40.0%	40.0%
Utilities	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%
Construction	14.3%	71.4%	14.3%	14.3%	71.4%	14.3%
Manufacturing	11.1%	33.3%	55.6%	11.1%	33.3%	55.6%
Wholesale Trade	18.2%	72.7%	9.1%	18.2%	72.7%	9.1%
Retail Trade	15.4%	53.8%	30.8%	15.4%	53.8%	30.8%
Transportation and Warehousing	12.5%	25.0%	62.5%	12.5%	25.0%	62.5%
Information	0.0%	57.1%	42.9%	0.0%	57.1%	42.9%
Finance and Insurance	11.1%	44.4%	44.4%	11.1%	44.4%	44.4%
Real Est, Rental, and Leasing	0.0%	57.1%	42.9%	0.0%	57.1%	42.9%
Professional, Scientific, and Technical Svcs	0.0%	66.7%	33.3%	0.0%	66.7%	33.3%
Admin/Suppt/ Waste Mgmt & Remed Svcs	0.0%	75.0%	25.0%	0.0%	75.0%	25.0%
Educational Services	0.0%	57.1%	42.9%	0.0%	57.1%	42.9%
Health Care and Social Assistance	5.0%	50.0%	45.0%	5.0%	50.0%	45.0%
Arts, Entertainment and Recreation	0.0%	62.5%	37.5%	0.0%	62.5%	37.5%
Accommodation and Food Services	10.0%	70.0%	20.0%	10.0%	70.0%	20.0%
Other Services	4.8%	71.4%	23.8%	4.8%	71.4%	23.8%
Public Administration	28.6%	57.1%	14.3%	28.6%	57.1%	14.3%
Unknown	0.0%	33.3%	50.0%	0.0%	33.3%	50.0%
All Businesses	9.4%	56.2%	34.0%	9.4%	56.2%	34.0%

It is also interesting (and encouraging) that sectors that are usually reported to be the first in cutting employee numbers do not seem to have permanent plans for employee reductions. These sectors would include *Construction; Retail Trade; Arts, Entertainment, and Recreation; and Accommodation and*

Food Services. However, even if these business' plans hold regarding a permanent workforce reduction, there may very well be a temporary reduction until the pandemic subsides.

However, it should be realized that over a third (34.0 percent) of the businesses are unsure what the future will hold regarding workforce levels and, presumably, other factors involved in business operations as well. While this might be expected for the *Manufacturing and Transportation and Warehousing* sectors, it is unexpected for sectors such as *Real Estate and Rental and Leasing*; *Educational Services*; and *Health Care and Social Assistance*.

Business Assistance

Businesses were surveyed regarding their participation in two highly publicized federal assistance programs – the Small Business Administration's (SBA) Disaster Loan and the Payroll Protection Program (PPP). Of the 232 businesses that responded to the SBA Disaster Loan questions, 83 businesses (35.8 percent) indicated that they had applied for the program. Of the 149 businesses that didn't apply, 39 businesses (16.8 percent) indicated that they didn't qualify for the program and nine businesses (3.9 percent) wanted more information about the program.

Of the 83 businesses that applied for this program, 43 businesses (51.8 percent) had successful applications, 18 businesses (21.7 percent) were denied, and 21 businesses (25.3 percent) had applications that were still outstanding (one business did not indicate the status of its application).

Higher numbers of businesses applied for the PPP program (143 of 231 businesses or 61.9 percent applied for the program). Of the businesses that applied for this program, 130 (90.9 percent) had successful applications while seven (7) businesses (4.9 percent) had unsuccessful applications and six (6) applications (4.2 percent) were pending. Thirty-seven (37) businesses (16.0 percent) of the businesses did not qualify for the PPP and eight (8) businesses (3.5 percent) asked for more information. **Table 10** presents the number and percentage of businesses that applied for these programs and the status of completed applications by industry.

Table 10 – Number and Percentage of Successful and Unsuccessful Federal Loan Applicants by Industry

Description	SBA Disaster Loan Program		Payroll Protection Program	
	Successful	Not Successful	Successful	Not Successful
Agriculture, Forestry, Fishing, and Hunting	3 (100.0%)	0 (0.0%)	7 (87.5%)	1 (12.5%)
Utilities	N/A	N/A	N/A	N/A
Construction	6 (75.0%)	2 (25.0%)	12 (100.0%)	0 (0.0%)
Manufacturing	2 (100.0%)	0 (0.0%)	9 (100.0%)	0 (0.0%)
Wholesale Trade	1 (50.0%)	1 (50.0%)	6 (85.7%)	1 (14.3%)
Retail Trade	6 (75.0%)	2 (25.0%)	2 (100.0%)	0 (0.0%)
Transportation and Warehousing	3 (100.0%)	0 (0.0%)	1 (100.0%)	0 (0.0%)
Information	0 (0.0%)	2 (100.0%)	6 (100.0%)	0 (0.0%)
Finance and Insurance	2 (66.7%)	1 (33.3%)	5 (83.3%)	1 (16.7%)
Real Est, Rental, and Leasing	3 (75.0%)	1 (25.0%)	17 (94.4%)	1 (5.6%)
Prof, Scientific, and Tech Svcs	6 (75.0%)	2 (25.0%)	1 (100.0%)	0 (0.0%)
Admin/Suppt/ Waste Mgmt & Remed Svcs	1 (100.0%)	0 (0.0%)	4 (100.0%)	0 (0.0%)
Educational Svcs	2 (66.7%)	1 (33.3%)	4 (100.0%)	0 (0.0%)
Health Care and Social Assistance	4 (80.0%)	1 (20.0%)	17 (100.0%)	0 (0.0%)
Arts, Entertainment and Recreation	0 (0.0%)	0 (0.0%)	4 (100.0%)	0 (0.0%)
Accommodation and Food Services	2 (50.0%)	2 (50.0%)	8 (88.9%)	1 (11.1%)
Other Services	2 (50.0%)	2 (50.0%)	13 (100.0%)	0 (0.0%)
Public Administration	N/A	N/A	4 (80.0%)	1 (20.0%)
Unknown	0 (0.0%)	1 (100.0%)	10 (90.9%)	1 (9.1%)
All Businesses	43 (70.5%)	18 (29.5%)	130 (94.9%)	7 (5.1%)

Businesses were also asked to identify business support programs that would be beneficial as the pandemic continues. Four types of support programs were provided and businesses were provided the opportunity to submit additional topics. At least one predetermined category was chosen by 189 (81.5 percent of the 232 businesses participating in the survey). *Information on other employer best practice responses* received the most requests (87 requests or 46.0 percent of the businesses responding to this question), followed by *Employee Resources* (81 requests or 42.9 percent), *Assistance Referrals* (76 requests or 40.2 percent), and *Technical Assistance* (67 requests or 35.4 percent).

It is interesting to note that 116 businesses (61.4 percent) requested information on one business support platform; 39 businesses (20.6 percent) requested information on two support platforms; 19 businesses (10.1 percent) requested information on three support platforms and 15 businesses (7.9 percent) requested information on all four platforms. **Table 11** presents the number of businesses by industry type that requested information on each of the predetermined business platforms.

Table 11 - Support Platform Requests by Industry

Description	Technical Assistance	Employee Resources	Employer Best Practices	Assistance Referrals
Agriculture, Forestry, Fishing, & Hunting	3	1	2	4
Utilities	1	1	0	0
Construction	3	3	4	5
Manufacturing	5	8	6	2
Wholesale Trade	2	3	2	4
Retail Trade	9	11	16	12
Transportation and Warehousing	2	5	4	4
Information	3	3	2	1
Finance and Insurance	2	2	5	4
Real Est, Rental, and Leasing	4	3	4	2
Prof, Scientific, and Tech Svcs	11	6	10	11
Admin/Suppt/Waste Mgmt & Remed Svcs	0	2	1	1
Educational Svcs	3	4	3	3
Health Care and Social Assistance	3	8	7	9
Arts, Entertainment and Recreation	2	4	6	4
Accommodation and Food Services	2	4	3	1
Other Services	8	10	8	6
Public Administration	3	3	3	1
Unknown	1	3	1	2
All Businesses	67	84	87	76

Thirty (30) businesses provided additional needs for business support platforms or other information. These additional needs were categorized into four classifications and the results are as follows:

- *Family/Childcare* – One business reported having childcare concerns during the pandemic.
- *Economic/Financial Assistance* – Fourteen (14) businesses reported that they needed some form of financial assistance. These included:
 - Financial wellness insights for worker and business benefits
 - Availability of grants and loans, including revolving loan funds and lines of credit
 - Guidance on federal programs, including the Payroll Protection Program
 - Loosening of lender restrictions, particularly for SBA loans.
- *Business Operations* – Six (6) businesses reported concerns regarding their operations, including:
 - High speed internet
 - Personal protection equipment for employees
 - Resources for infrastructure investment
 - State government reporting requirements
- *Markets* – Nine (9) businesses reported marketing concerns, including:
 - Future outlook for both the U.S. and the state, including international travel restrictions and government funded construction projects
 - Identifying open businesses that would be interested in specific products
 - Keeping businesses open so that customers can be served
 - More stable commitments from manufacturers

Conclusions

Although preliminary since the second survey round has not yet been completed and analyzed, the authors feel that there are several conclusions that can be reached from this set of responses.

- Businesses across the state feel that the COVID-19 pandemic is a serious public health threat, on both the physical and mental levels, to both business owners and employees. Effective programs dealing with these issues should be developed and implemented by state agencies (the Mississippi State Department of Health and the Mississippi Department of Mental Health), institutions of higher education, and nonprofits. Given the financial stress placed on businesses as a result of the pandemic, these programs should be offered at nominal or no cost to businesses and employees. Specific marketing efforts should be made through business organizations (i.e., chambers of commerce and trade groups), medical professionals, lenders, and civic/charitable organizations to facilitate awareness of new or existing programs.
- Financial stress is another top concern of businesses within the state. There is a sense from the survey respondents that there is a lack of awareness and effectiveness of specific programs that can provide resources to alleviate this stress.
 - Federal and state agencies, as well as lenders and other business service providers, should promote existing federal and state financial assistance programs (loans and grants) to businesses within the state.
 - Human resource oriented educational resources designed to assist businesses in providing effective and sustainable benefits programs should be developed, promoted, and made available to businesses, particularly small businesses, at nominal or no cost. These resources should specifically address effective policies for employees working remotely.
 - State-based operational and reporting regulations should be reviewed in an effort to make these regulations as convenient **and** understandable as possible.
 - It appears that lending restrictions based on credit scores is prohibiting many businesses from being able to participate in the Small Business Administration Disaster Loan Program. State and local officials should lobby SBA administrators to reconsider the effects that these restrictions are having on local economies.
- Businesses are understandably concerned about current and future marketing opportunities. Efforts should be made in the following areas:
 - Identifying currently operating consumers of goods and services produced by Mississippi companies and facilitating the interaction between sellers and potential buyers.
 - Working with local businesses, particularly those in the *Retail Trade, Accommodation and Food Services*, and *Other Services* sectors to identify ways to provide goods and services given current local and state trade restrictions (compulsory shutdowns, etc.).
- While this effort is focused on business sustainability, it is obvious that a major issue that businesses are facing involves the challenges that employees face in their home lives on a daily basis. Many of these challenges seem to be addressable on a state or local basis and include:
 - Availability of personal protective equipment (PPE), particularly for businesses that require intensive contact with customers (personal services, retail, accommodation and food services).

- Day care facilities are experiencing all of the stresses that other businesses have faced through the pandemic, but many of these businesses have fewer financial resources to sustain themselves through difficult times. Many of these businesses have lost substantial shares of their markets through compulsory business shutdowns and are having a difficult time with reopening to service potential customers. Without these businesses, parents have few or no options for quality childcare and are forced to choose between caring for their children or working. This reduces the qualified workforce available to other businesses within the state and results in additional operational stress on the businesses. State and local agencies and other organizations should collaborate to develop lending streams, operational guidelines, and other forms of assistance that can be made available to these businesses.