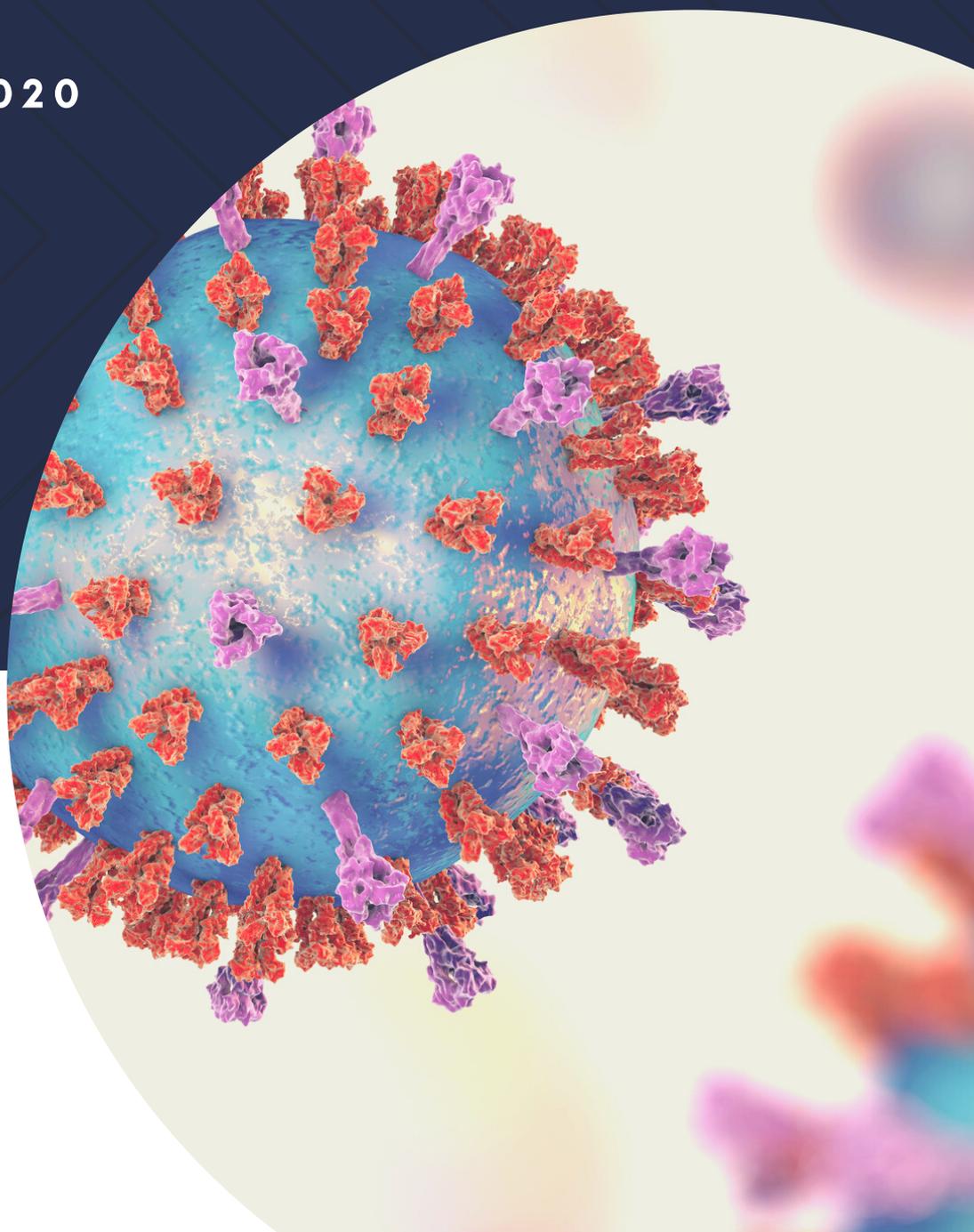




COVID-19 BUSINESS IMPACT SURVEY

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EAST VALLEY CHAMBERS OF COMMERCE ALLIANCE MEDIA CONTACTS

APACHE JUNCTION CHAMBER OF COMMERCE

Denise Hart
(480) 982-3141
ceo@ajchamber.com

CAREFREE CAVE CREEK CHAMBER OF COMMERCE

Patty Villeneuve
(480) 488-3363
director@carefreecavecreek.org

FOUNTAIN HILLS CHAMBER OF COMMERCE

Betsy LaVoie
(480) 837-1654
betsy@fountainhillschamber.com

GILBERT CHAMBER OF COMMERCE

Kathy Tilque
(480) 941-6322
kathy@gilbertchamber.com

MESA CHAMBER OF COMMERCE

Sally Harrison
(480) 969-1307
sharrison@mesachamber.org

QUEEN CREEK CHAMBER OF COMMERCE

Chris Clark
(480) 888-1709
Chris@queencreekchamber.com

SCOTTSDALE CHAMBER OF COMMERCE

Mark Stanton
(602) 799-2401
mstanton@scottsdalechamber.com

TEMPE CHAMBER OF COMMERCE

Anne Gill, CEO
(480) 736-4280
anne@tempechamber.org

EXECUTIVE STATEMENT

The East Valley Chambers of Commerce Alliance (EVCCA) conducted a survey of its more than 5,000 members to determine the immediate impact of the COVID-19 pandemic on their revenue, operations, and supply chains. Additionally, the survey asked about the impact expected over the next week as well as within the next 30 days. Members were asked to share their immediate needs and what additional help would be beneficial.

Several recurring themes were identified across all industries:

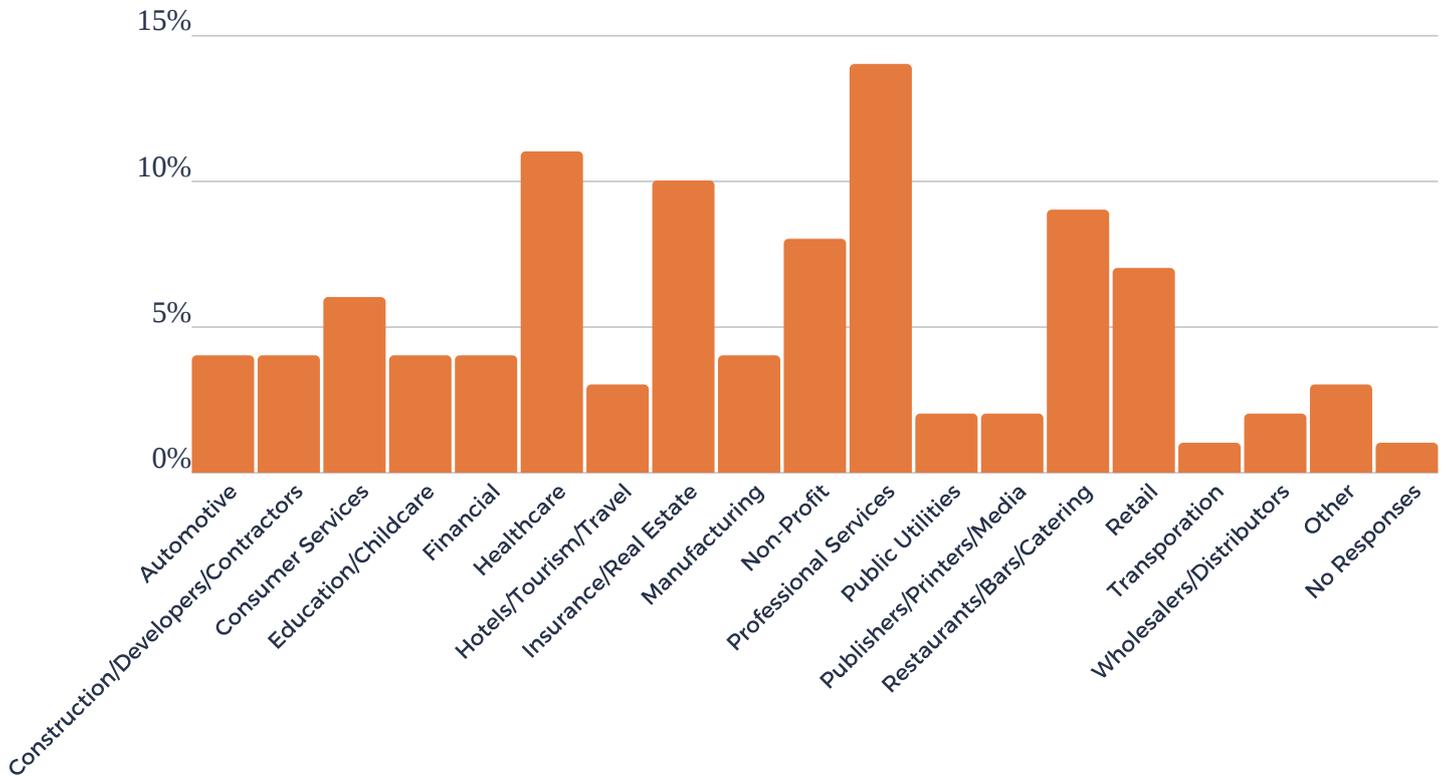
- An immediate need for access to cash to keep their businesses afloat and to cover payroll expenses. As such, the need to streamline the SBA loan application and to limit restrictions was identified as a priority. Access to loans, lines of credit, and other funding options from local banks is essential as well.
- Employers are concerned with the welfare of their employees and seek clarity on how to accommodate new Sick Leave, FMLA, and payroll tax credits. However, if businesses do not have access to cash, tax credits are not relevant as employees cannot be paid. Businesses are trying to reassign or identify new duties to keep current employees on the job, including delivery, maintenance, and remote work assignments.
- Access to medical and sanitizing supplies is critical, especially for our hospitals. Many businesses require access to these supplies in order to operate, including meal prep, delivery, and carry-out services.
- Businesses are asking for accurate and consistent information about COVID-19 and clarity to be provided for businesses and essential service protocols to keep employees and customers safe.

Each Chamber of the EVCCA is committed to providing information and resources as quickly as possible. So that we can continue to determine the priorities of our business community, we will regularly conduct surveys and request feedback from our business members.

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INDUSTRIES AND SIZE OF BUSINESSES REPRESENTED



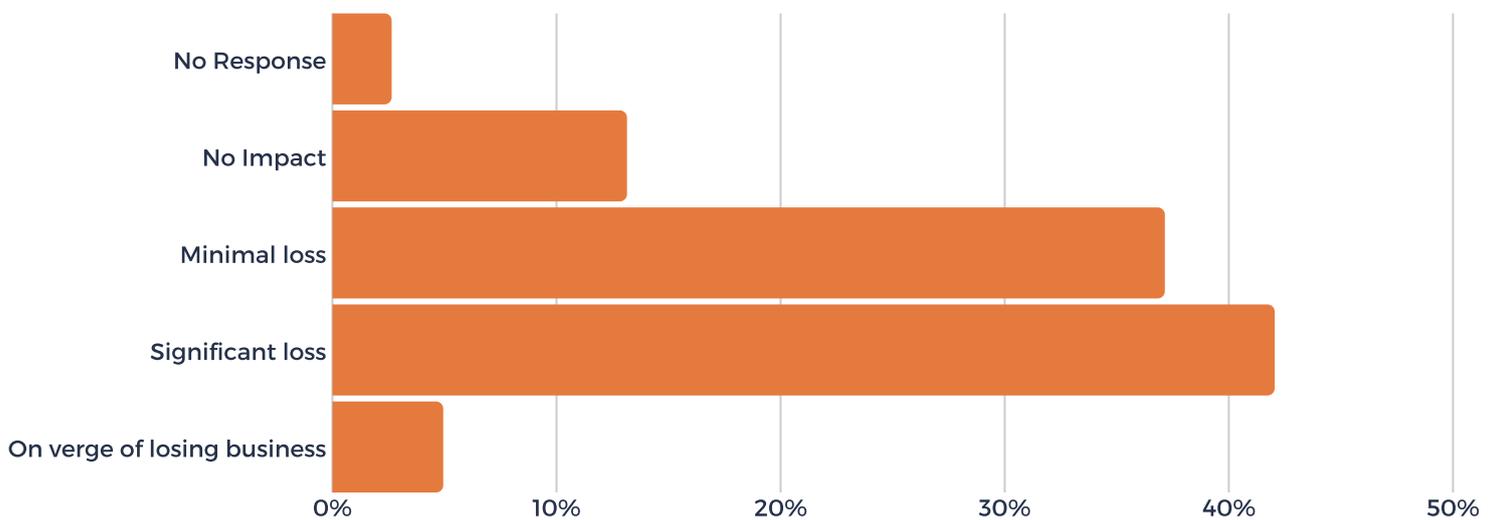
485

Responses received as of March 22, 2020

The EVCCA is the largest chamber organization in Arizona with more than 5,000 members. This survey was conducted with an immediate turnaround date resulting in a 9.7% response rate.

HAVE YOU LOST BUSINESS AS A RESULT OF THE COVID-19 (CORONAVIRUS) OUTBREAK?

The hospitality industry has been hit with an estimated immediate loss of between 60 and 90 percent of reservations and walk-in traffic. There is concern for the long-term impact of reduced individual and group travel as a result of fear or travel restrictions. Restaurants have been impacted by the loss of in-house dining and many have quickly transitioned to take-out and delivery models. All business sectors reported loss of contracts or cancelled appointments. Traditionally, Springtime is marked as the most profitable time of the year with visitors and school breaks contributing to an increase in business. In contrast, some respondents indicated March 2020 as being the worst month on the books.

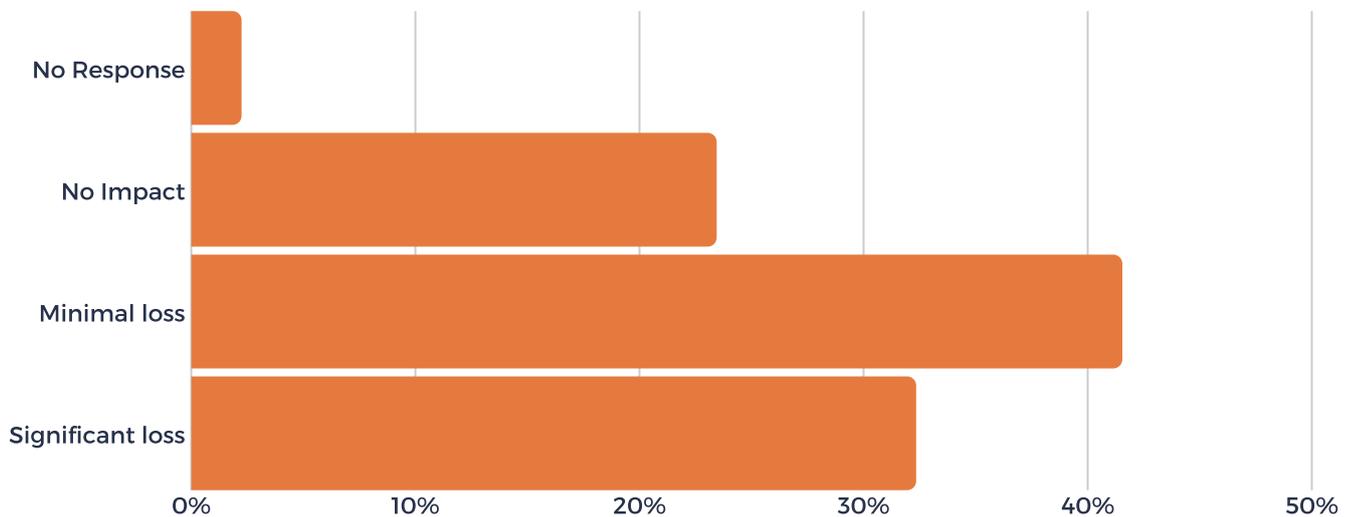


RESPONDENTS SHARED:

- One business shared that traditional revenue for the week of March 16th is \$43,000. This year, the same week generated just \$89.
- Many customers are cancelling appointments or are “no shows”, most without scheduling future appointments.
- School closings have people working from home, which has limited the need for services such as childcare, pet services, etc.
- Residential and commercial closings have been impacted by financial uncertainty.
- Social services may shut down due to volunteers staying home due to testing, fear, quarantine along with the reduction in donations.
- Food bank donations are down 60 percent.

HAS THE OUTBREAK IMPACTED YOUR OPERATION OR SUPPLY CHAIN?

Employees are uneasy about being in the work environment and/or, in many cases, they must be home with school-aged children. Employers are overwhelmingly concerned for the welfare of their employees and want to keep employees on the payroll for as long as possible. Employers are instituting options to work remotely however, not all jobs fit in this category. There are also constraints due to lack of technology and hardware to accommodate remote work. Many businesses are introducing new delivery models and reassigning or identifying new duties to keep current employees on the job. Supply chain deliveries have been somewhat reliable but there are fears of longer delays for critical parts and supplies as plants close around the country and the world. Lack of medical and sanitizing supplies is critical in all industries. Residents are afraid to allow service providers in their homes.

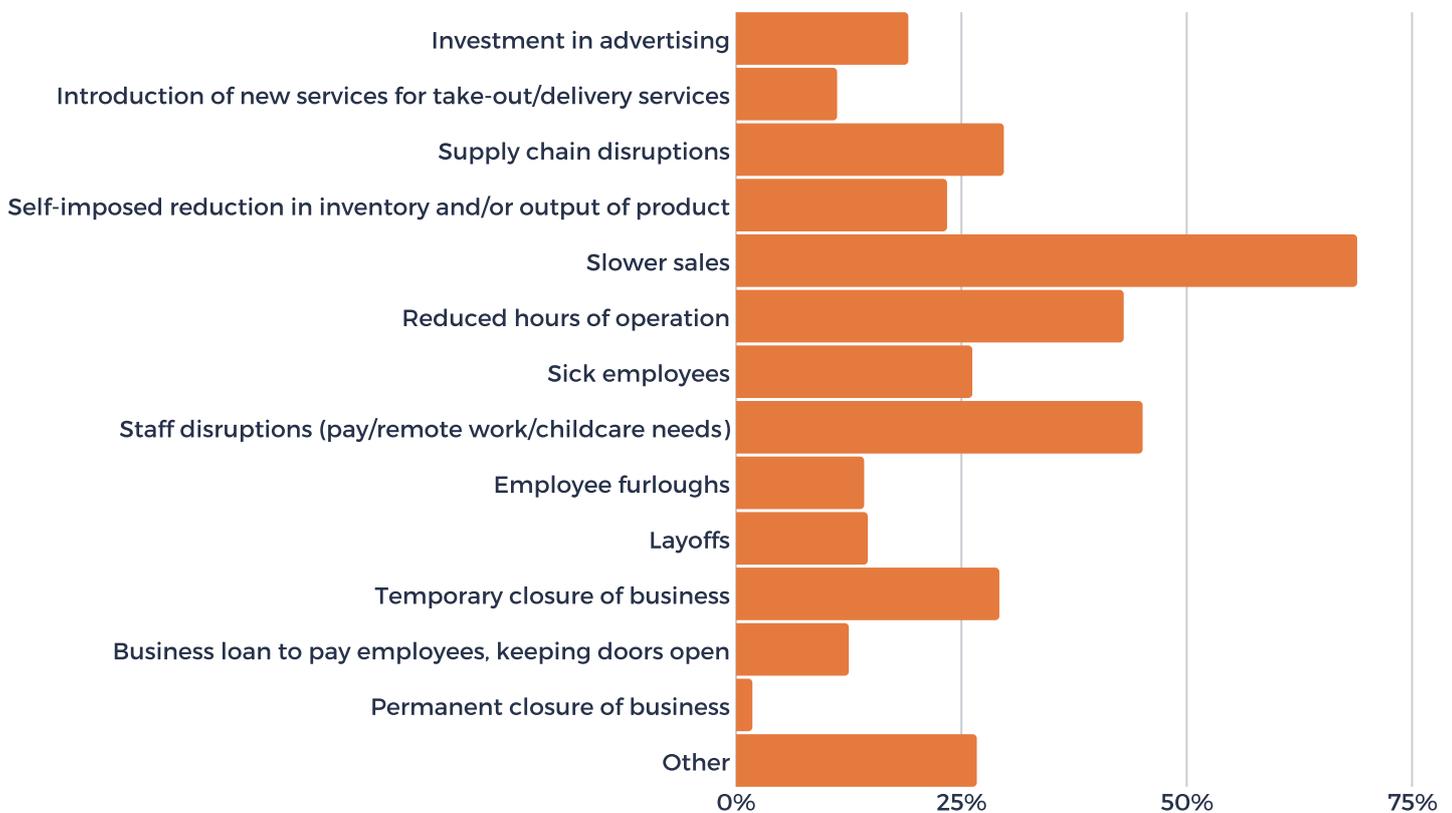


RESPONDENTS SHARED:

- New product delivery models include online and real-time classes for dance, workouts; virtual meetings; and delivery of sealed adult beverages with food take-outs to name a few.
- Dependence of FedEx and UPS for deliveries is increasing as local online retail stores are instituting this new model.
- Some workers are being shifted to maintenance, cleaning and delivery (whether curbside or delivery to home) to keep employees on the payroll.
- Back-order of product and supplies are reportedly delayed by at least two weeks.

DO YOU ANTICIPATE ANY OF THE FOLLOWING IMPACTS WITHIN THE NEXT WEEK?

Respondents anticipate additional virtual and phone conversations with clients, and many will close temporarily. Businesses are seeking financing opportunities in an attempt to keep their doors open as sales continue to decline. Without sanitizing supplies, many anticipate closing their doors to protect both employees and customers. Many businesses will begin a partial reduction of hours for employees or institute pay cuts across the board. Some are looking for promotional opportunities but are conserving funds on such expenditures.

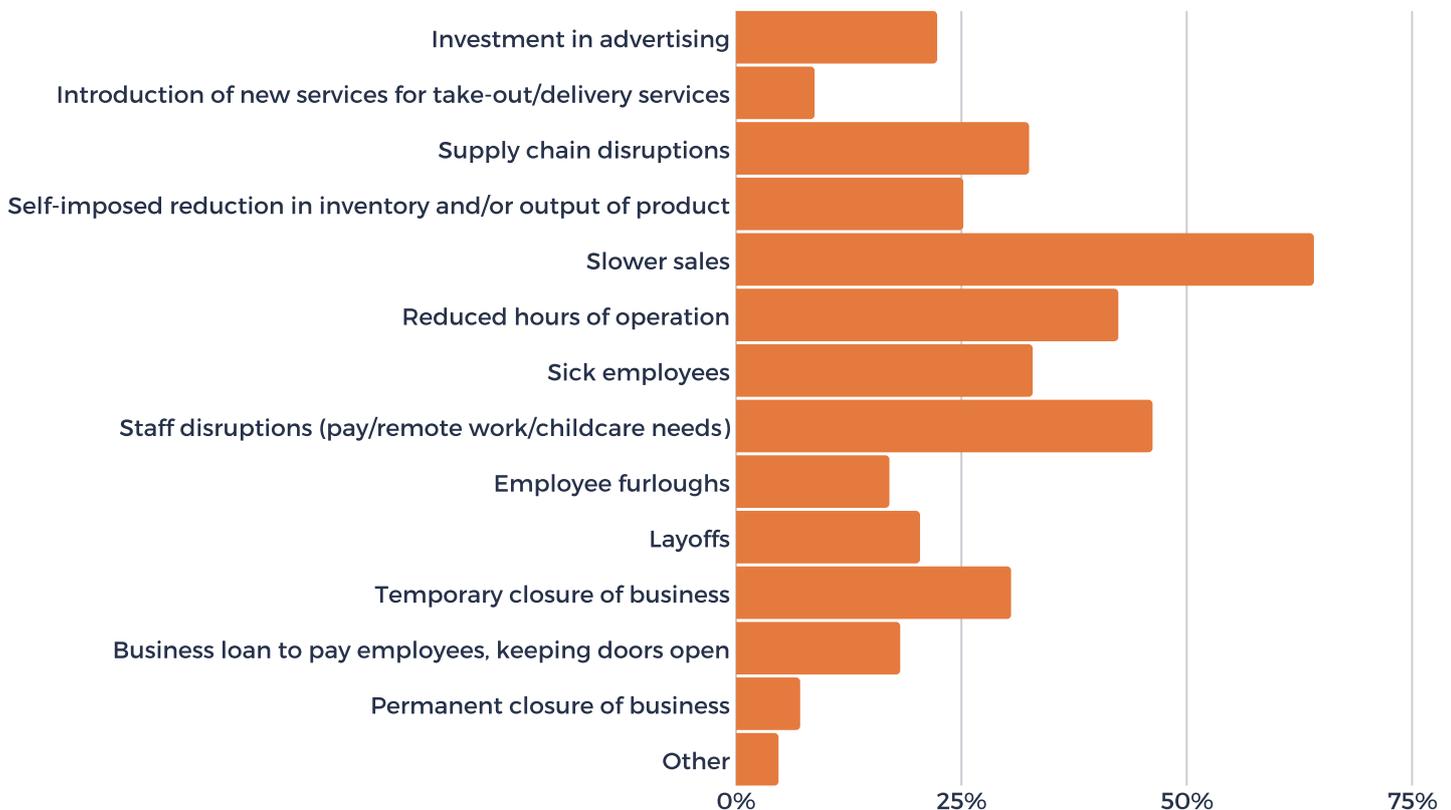


RESPONDENTS SHARED:

- Many businesses will begin to reduce inventory due to loss of customers.
- More cancellations of appointments, reservations, and orders are anticipated.
- Fear that financing won't be approved in time to keep the business open.
- Medical and sanitizing supplies are critical.

DO YOU ANTICIPATE ANY OF THE FOLLOWING IMPACTS WITHIN THE NEXT 30 DAYS?

Overall, immediate and extended concerns are consistent, however there is an increase in concern for funding and closing business. Access to funds is required now. A period of 15 or more days may be too late for many businesses. Extended concerns for businesses of all sizes include rent and mortgage payments, utility and other bills, and payroll expenditures.



RESPONDENTS SHARED:

- There is fear that, with time, the lack of medical and sanitizing supplies will require home quarantine, which will diminish the opportunity to recoup any lost revenue.
- Some businesses are so new they have already maxed out loan options.
- Businesses have a concern for the long-term impact of this crisis and express worry that consumer fear will negatively impact sales, reservations, investments and 'business as usual' long into the future.

WHAT ARE YOUR IMMEDIATE NEEDS?

FINANCIAL ASSISTANCE

- Immediate access to loans (SBA and others) with zero or very low interest rate and no pre-payment penalties
- Lines of credit
- Government Business Interruption Relief funding

DEBT RELIEF

- Reduction or deferment of rent and mortgage payments
- Loan deferment
- Utility bill deferment

SUPPLIES

- Medical
- Sanitizing
- Paper goods
- Office

SOCIAL SERVICES DONATIONS

- Food
- Diapers, formula, and baby wipes
- Clothing
- Volunteers

CLARITY

- Accurate and timely information
- Up-to-date protocols to understand and prevent spread of COVID-19
- Protocols of essential services
- Guidelines to allow businesses to serve customers

RESOURCES AND BEST PRACTICES

- Technology tools for remote work
- Best practices for reaching customers and promoting products and delivery options
- Technology for communication and remote teaching
- Best practices for reassigning employees to keep them on payroll

WHAT COULD HELP YOUR BUSINESS DEAL WITH THE IMPACT OF THE OUTBREAK?

ALLOW BUSINESSES TO STAY OPEN

- Provide up-to-date guidelines to ensure protocols are known and adhered to
- Ability to continue use of take-out, delivery of product for all businesses
- Community promotion and support

FINANCIAL HELP

- Quick turnaround for loan approvals
- Additional funding sources from Federal, State governments
- Deferment of rent, mortgage, and utility payments

TECHNOLOGY RESOURCES

- Communication tools for virtual meetings and remote work
- Best practices shared from other businesses
- Improved e-signature options

PROMOTIONAL RESOURCES

- Free or low-cost advertising
- Networking with other businesses, community
- Sharing 'Open For Business' messaging

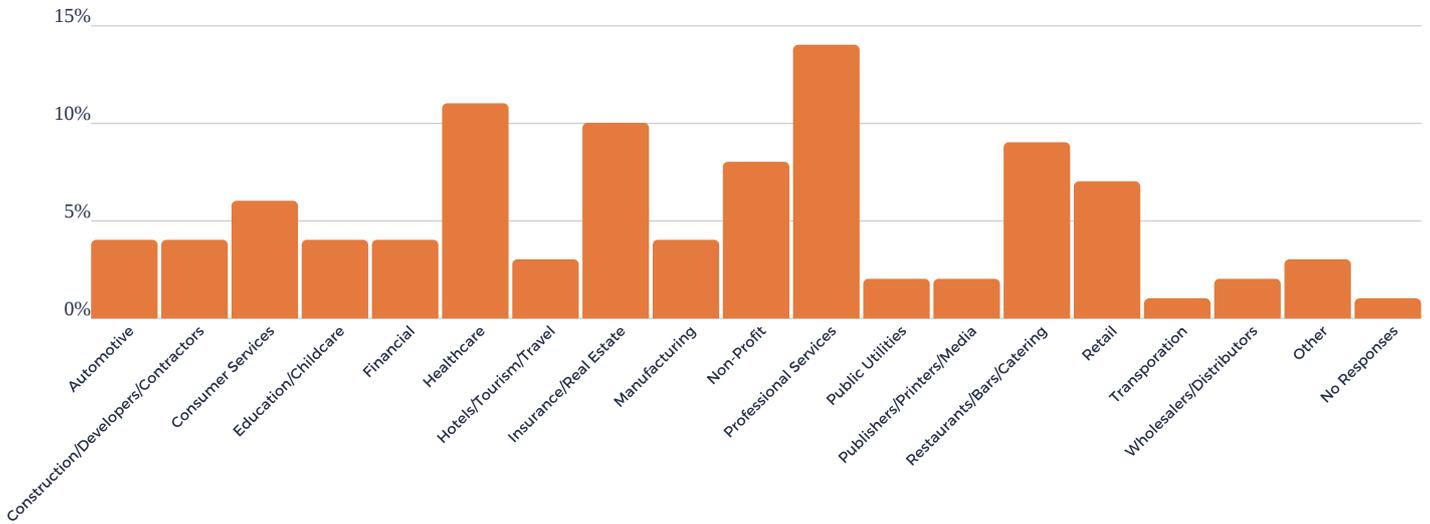
EMPLOYEES

- Financing to keep current employees on payroll
- Connections to job openings for displaced workers
- Clarity on sick leave, FMLA, and other regulations

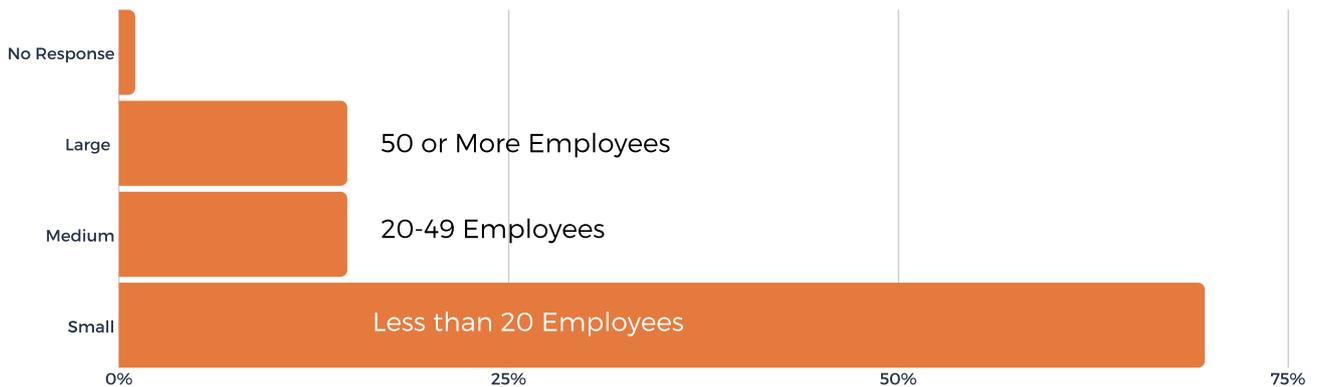
COMMUNITY SUPPORT

- Donations
- Volunteers
- Childcare
- Resources for online learning
- Reopening of schools

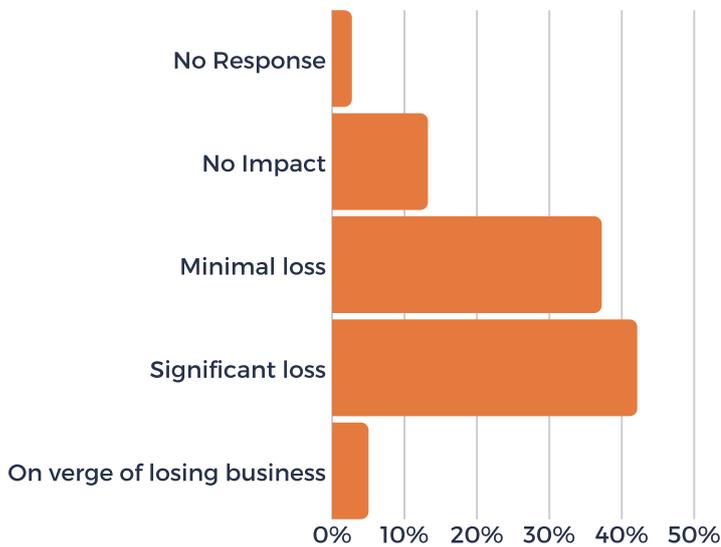
INDUSTRIES REPRESENTED



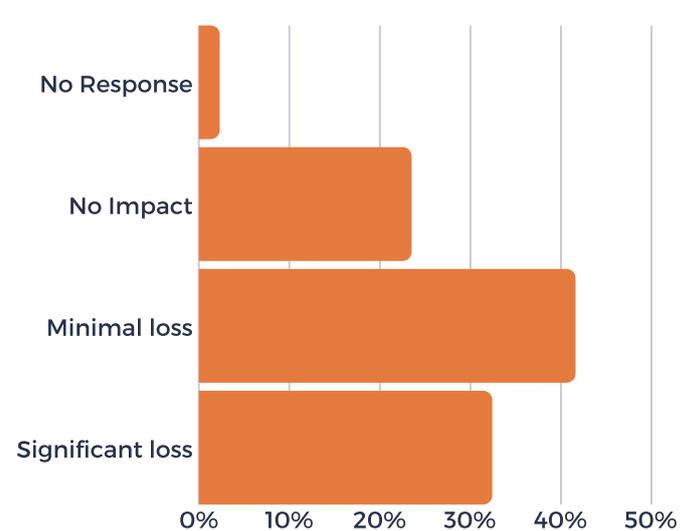
SIZE OF BUSINESS REPRESENTED



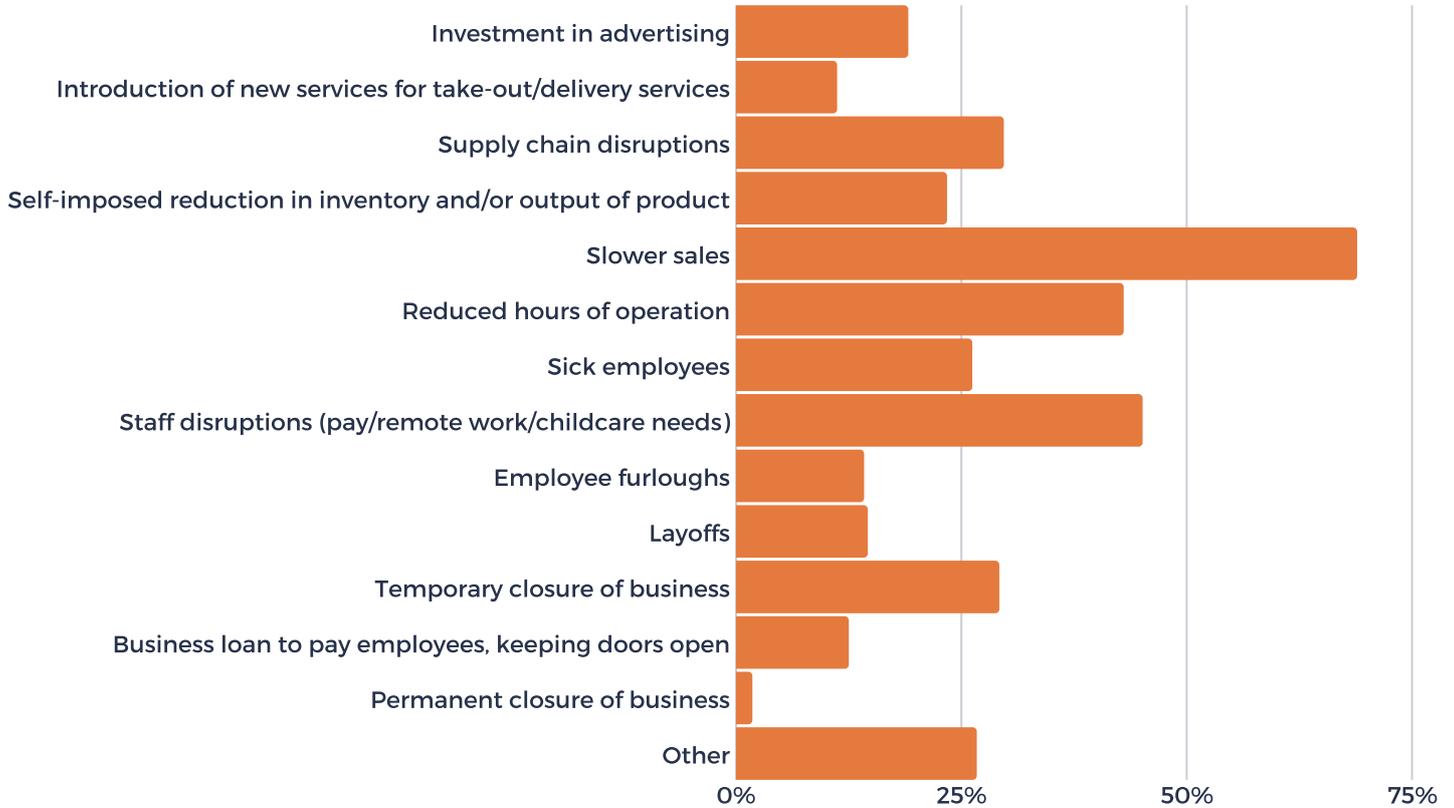
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DO YOU ANTICIPATE ANY OF THE FOLLOWING IMPACTS WITHIN THE 30 DAYS?

