

COVID-19 Hamilton Business Impact

Survey Report - April 15 - April 24, 2020

**MAYOR'S
MESSAGE**



We all understand that the COVID-19 pandemic has been a challenge to public health. We are now turning our attention to understanding how the pandemic is a challenge to the economic health of our community.

That's why the City of Hamilton, in partnership with the Hamilton, Flamborough and Stoney Creek Chambers of Commerce, our 13 Business Improvement Areas and Workforce Planning Hamilton, recently undertook an intensive survey to understand the state of the local economy currently and the needs of businesses for economic recovery.

Over 1000 businesses answered the call and provided a valuable snapshot on the current state of our local economy. The information contained in this report will help us chart a path forward and inform the work of the Mayor's Taskforce on Economic Recovery in the coming weeks and months.

Thank you to our partners on this project and to businesses across Hamilton who provided their feedback.

We will, as a community, navigate this pandemic and emerge on the other side. When we do, we want to ensure that we not only re-establish our former economic momentum, but do so in a way that makes us stronger than ever before.

Mayor Fred Eisenberger

**EXECUTIVE
SUMMARY**

SURVEY SUMMARY

The City of Hamilton's Business Impact Survey #1 launched on April 15th and closed on April 24th in collaboration with the City of Hamilton's Economic Development Division, three Chambers of Commerce (Hamilton, Stoney Creek and Flamborough), Workforce Planning Hamilton and 13 Hamilton Business Improvement Areas. Numerous other organizations and individuals provided assistance to this effort by encouraging Hamilton businesses to participate in the survey.

The Business Impact Survey #1 created a direct conduit where the Hamilton business community provided insights and input on the impacts they have experienced, identified actionable items and will inform policy and program development.

Over nine days 1,040 respondents contributing qualified responses.

Qualified responses met the following conditions:

- The respondent accepted the terms and conditions of the survey;
- The respondent completed the questions requesting that they identify their Industry and the revenue impact on their business; and
- Only one response would be permitted for each individual local business.

KEY FINDINGS

- Businesses across all industry sectors, and across every business size category, have been significantly impacted by the COVID-19 pandemic and the resulting actions taken by governments around the world to mitigate the associated health impacts.
- The aggregated employment impact from all respondents who participated in the survey (who collectively represent approximately 35,000 employees) communicates an employment decrease of almost 13,000 jobs, which represents a city-wide decrease of 35.8%.
- Over 90% of respondents reported a decrease in revenue because of COVID-19, with over 50% of respondents indicating that the decrease in revenue was greater than 50% when compared to the month prior.
- Approximately 65% of respondents indicated that they have reduced their employment levels, with over 20% businesses reporting they have zero employees at the time they responded.

**EXECUTIVE
SUMMARY**

SUMMARY OVERVIEW

The survey results are as of April 25th at 11:59pm, at which time the survey was closed. The survey contained 17 major questions (some of which were of a matrix/rating scale, checkbox or other style which asked multiple questions within the major question), with a select number of questions mandating a response to move to the next section of the Business Impact Survey.

This survey report summarizes and aggregates individual and confidential data that was generously contributed by Hamilton business community leaders and entrepreneurs, for the purpose of providing aggregate industry sector and other business category overviews, and enabling direct follow up from survey partners where prompted by the respondent.

A concerted effort was undertaken by the Business Impact Survey partners and other individuals through various social media channels encourage and enable any Hamilton based business owner to participate in the Business Impact Survey, and while the outcome of those efforts appear to have produced a fairly representative group of respondents, the Business Impact Survey did not pursue academic standards and methodologies to enable the results to be considered scientifically representative (such as random sampling, etc.).

SUMMARY OF TOTAL RESPONSES

1040

NUMBER OF QUALIFIED
RESPONDENTS

71%

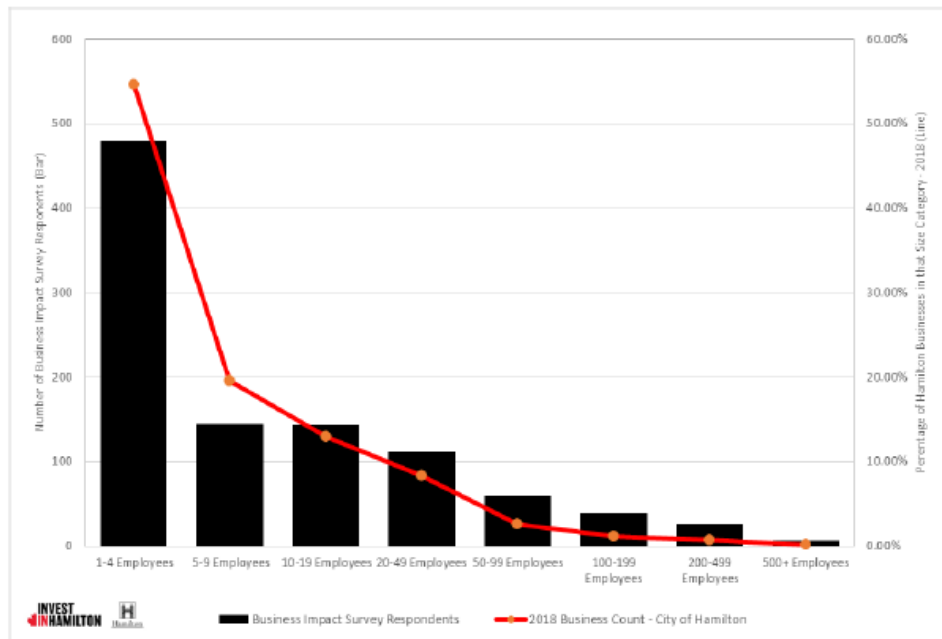
SURVEY COMPLETION

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AVERAGE TIME SPENT

**RESPONDENT
DEMOGRAPHICS**

**DISTRIBUTION OF BUSINESS RESPONDENTS
BY BUSINESS SIZE**

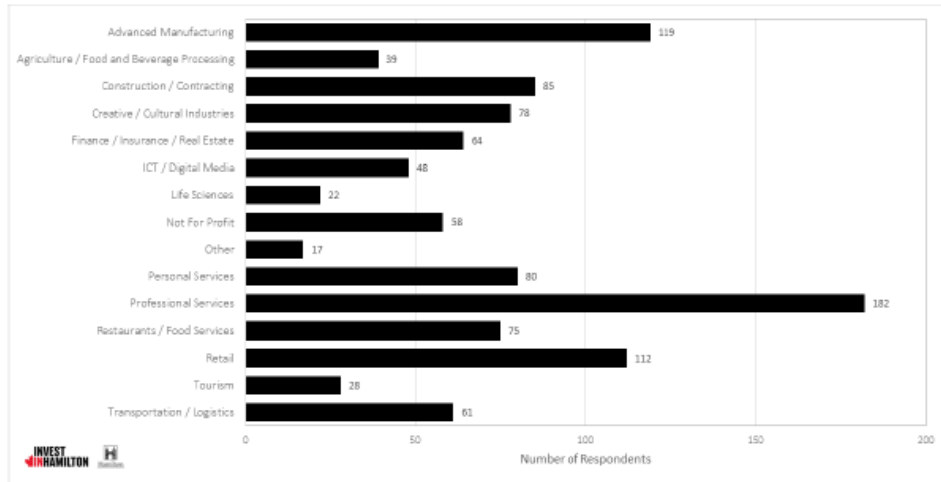


Key Findings

- The survey has organically achieved a good and representative sample of the larger business community, gathering insights and feedback from private businesses of all sizes and sectors, and from all areas of the city

**RESPONDENT
DEMOGRAPHICS**

**DISTRIBUTION OF BUSINESS RESPONDENTS
BY SECTOR**

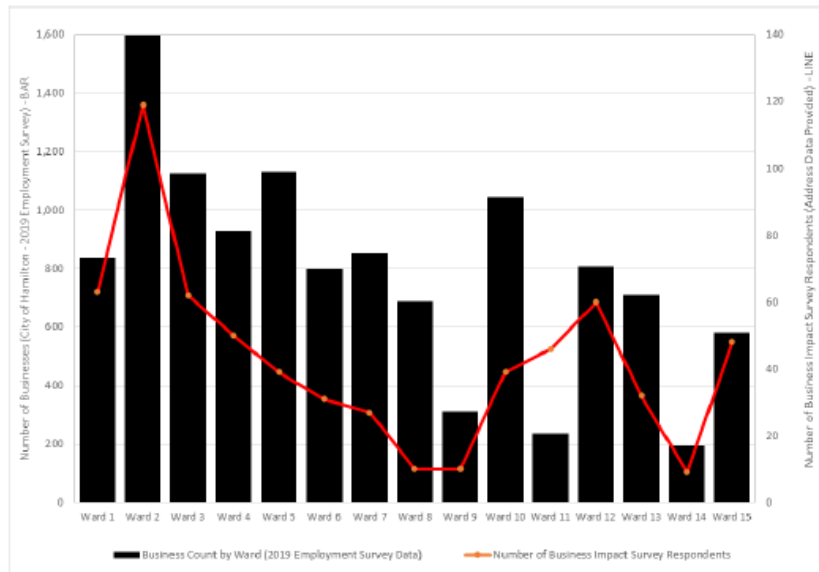


Key Findings

- The survey results show a very good mix of responses from large, traditional businesses (e.g., advanced manufacturing) and a vast collection of small and cultural based businesses- providing greater sectoral significance to the results

**RESPONDENT
DEMOGRAPHICS**

**DISTRIBUTION OF BUSINESS IMPACT SURVEY
RESPONDENTS BY WARD**

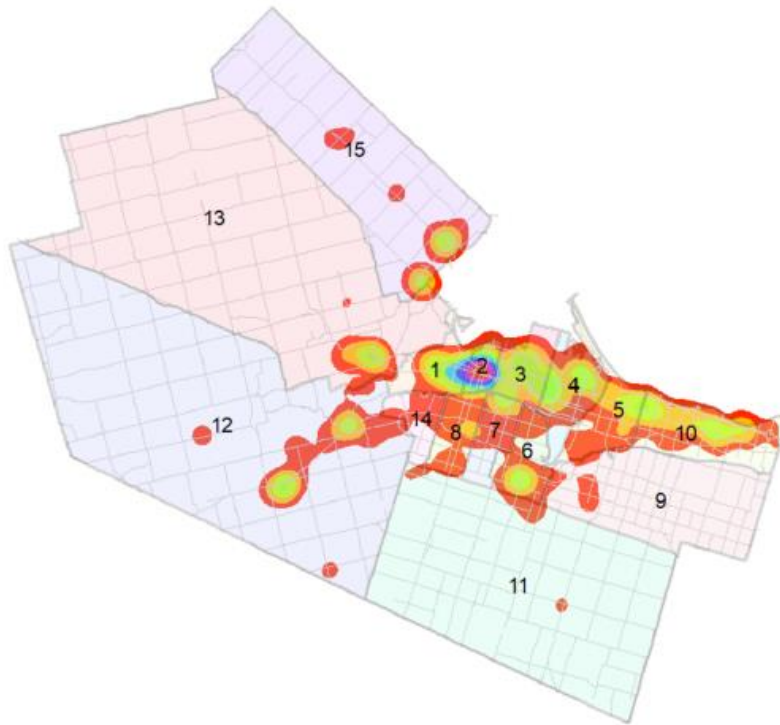


Key Findings

- Approximately 65% of respondents provided address data
- While there are some large variations noticed between ward business counts and Business Impact Survey respondent counts, we believe this is a fairly representative sample (unlikely material differences in impact noticed between two similar businesses located in different wards)

**RESPONDENT
DEMOGRAPHICS**

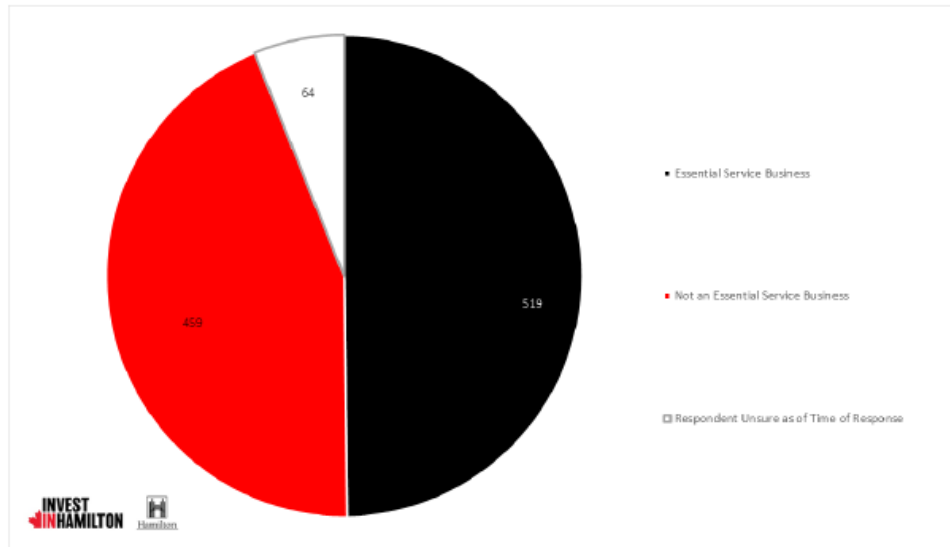
**DISTRIBUTION OF BUSINESS RESPONDENTS
BY WARD**



WARD	TOTAL
WARD 1	63
WARD 2	119
WARD 3	62
WARD 4	50
WARD 5	39
WARD 6	31
WARD 7	27
WARD 8	10
WARD 9	10
WARD 10	39
WARD 11	46
WARD 12	60
WARD 13	32
WARD 14	9
WARD 15	48

**RESPONDENT
DEMOGRAPHICS**

**REPORTED NUMBER OF ESSENTIAL SERVICE
BUSINESS (as of April 10, 2020)**

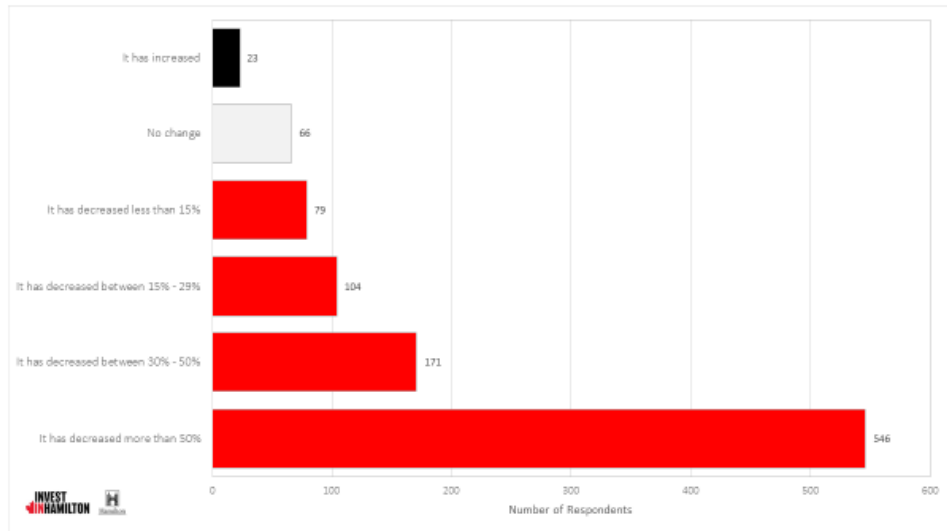


Key Findings

- Over half of the respondents indicated that they were considered an "Essential Service" business as of April 10, 2020 based on the guidelines published by the Province of Ontario

**IMPACT ON
REVENUE**

**REPORTED IMPACT ON REVENUE
(compared to previous month)**



Key Findings

- Over 90% of businesses reported a decrease in revenue, with over 50% of the total respondents identifying that their revenue decrease was more than 50%
- Businesses who responded to this question highlighted that in addition to decreased revenue, they were facing material risks associated with cashflow, quality of their accounts receivables, and the status of upcoming purchase agreements and product inputs

**IMPACT ON
REVENUE**

**REPORTED IMPACT ON REVENUE COMPARED
TO MARCH 1, 2020 BY INDUSTRY CATEGORY**

Industry Category	It has decreased more than 50%	It has decreased between 30% - 50%	It has decreased between 15% - 29%	It has decreased less than 15%	No change	It has increased	Total Population Size
Personal Services	85.7%	7.8%	3.9%	1.3%	1.3%	0.0%	77
Tourism	84.0%	12.0%	0.0%	0.0%	4.0%	0.0%	25
Restaurants / Food Services	81.8%	12.1%	3.0%	1.5%	0.0%	1.5%	66
Retail	77.8%	9.3%	6.5%	1.9%	1.9%	2.8%	108
Creative / Cultural Industries	71.6%	16.2%	4.1%	5.4%	1.4%	1.4%	74
Other	70.0%	0.0%	0.0%	10.0%	20.0%	0.0%	10
Life Sciences	60.0%	10.0%	10.0%	5.0%	15.0%	0.0%	20
Professional Services	58.0%	15.4%	13.8%	7.1%	5.9%	0.0%	169
Total	55.2%	17.3%	10.5%	8.0%	6.7%	2.3%	989
ICT / Digital Media	46.7%	31.1%	6.7%	2.2%	8.9%	4.4%	45
Construction / Contracting	40.2%	28.0%	9.8%	12.2%	6.1%	3.7%	82
Transportation / Logistics	34.5%	25.9%	15.5%	8.6%	12.1%	3.4%	58
Advanced Manufacturing	33.0%	22.9%	17.4%	14.7%	10.1%	1.8%	109
Agriculture / Food and Beverage Processing	29.4%	26.5%	8.8%	5.9%	5.9%	23.5%	34
Not For Profit	29.1%	16.4%	16.4%	16.4%	21.8%	0.0%	55
Finance / Insurance / Real Estate	26.3%	15.8%	22.8%	24.6%	8.8%	1.8%	57

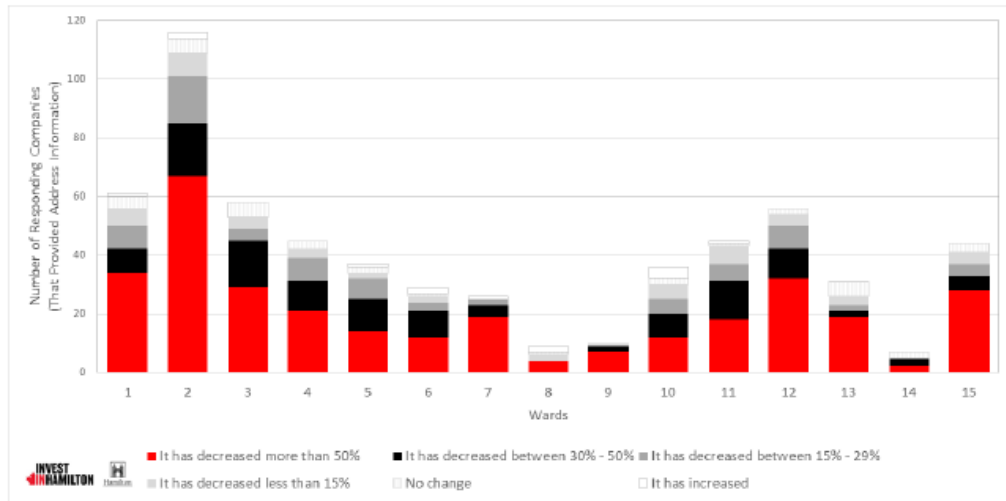


Key Findings

- The “Total” row, highlighted in red, represents all relevant data aggregated across all Industry categories
- The “Total” row has been ranked along with the other 15 categories by the percentage of companies reporting decreases of revenues greater than 50%, from highest to lowest
- The red “Total” row represents the average or mean, with all the Industry Categories listed above it having reported a higher than average total

IMPACT ON REVENUE

IMPACT ON REVENUE BY WARD

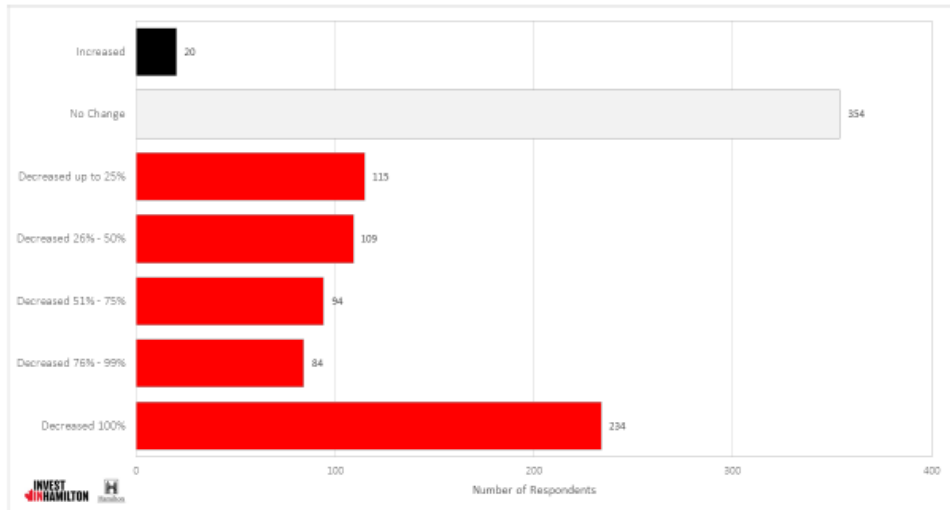


Key Findings

- There was a significant impact on revenue reported by business respondents from all of the City’s 15 wards
- These numbers represent only those respondents who chose to provide physical address information. Over 300 respondents chose not to provide physical address information

**IMPACT ON
EMPLOYMENT**

**REPORTED IMPACT ON EMPLOYMENT
(compared to previous month)**



Key Findings

- The survey results appear to indicate that there has been a greater impact on revenue than employment
- The retention of employment levels where possible by businesses also increases the ability and likelihood of those businesses to return to normal operations once restrictions are removed

IMPACT ON
EMPLOYMENT

REPORTED IMPACT ON EMPLOYMENT COMPARED
TO MARCH 1, 2020 BY INDUSTRY CATEGORY

Industry Category	It has decreased 100%	It has decreased 76% - 99%	It has decreased 51% - 75%	It has decreased 26% - 50%	Decreased up to 25%	No Change	It has increased	Total Population Size
Personal Services	57.1%	5.2%	5.2%	3.9%	1.3%	27.3%	0.0%	77
Other	44.4%	0.0%	0.0%	0.0%	0.0%	55.6%	0.0%	9
Retail	40.2%	12.1%	7.5%	10.3%	4.7%	23.4%	1.9%	107
Creative / Cultural Industries	36.0%	10.7%	2.7%	9.3%	2.7%	37.3%	1.3%	75
Restaurants / Food Services	29.7%	28.4%	17.6%	4.1%	2.7%	17.6%	0.0%	74
Professional Services	24.1%	2.9%	5.7%	8.0%	8.0%	49.4%	1.7%	174
Total	23.2%	8.3%	9.3%	10.8%	11.4%	35.0%	2.0%	1010
Finance / Insurance / Real Estate	18.6%	3.4%	8.5%	6.8%	6.8%	55.9%	0.0%	59
Tourism	16.7%	25.0%	12.5%	4.2%	8.3%	33.3%	0.0%	24
ICT / Digital Media	15.2%	2.2%	10.9%	26.1%	4.3%	32.6%	8.7%	46
Life Sciences	13.6%	13.6%	13.6%	9.1%	4.5%	45.5%	0.0%	22
Construction / Contracting	12.2%	3.7%	18.3%	23.2%	17.1%	23.2%	2.4%	82
Agriculture / Food and Beverage Processing	10.8%	8.1%	10.8%	5.4%	13.5%	32.4%	18.9%	37
Not For Profit	7.4%	11.1%	9.3%	9.3%	18.5%	42.6%	1.9%	54
Advanced Manufacturing	6.2%	6.2%	10.6%	12.4%	32.7%	31.9%	0.0%	113
Transportation / Logistics	3.5%	3.5%	8.8%	21.1%	28.1%	35.1%	0.0%	57

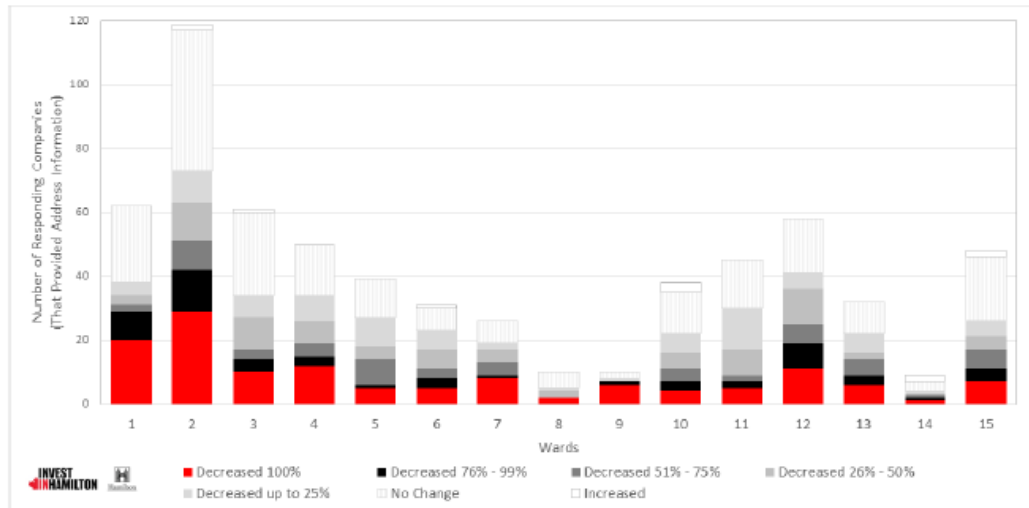


Key Findings

- The “Total” row, highlighted in red, represents all relevant data aggregated across all Industry categories
- The “Total” row has been ranked along with the other 15 categories by the percentage of companies reporting decreases of 100%, from highest to lowest
- The red “Total” row represents the average or mean, with all the Industry Categories listed above it having reported a higher than average total

**IMPACT ON
EMPLOYMENT**

IMPACT ON EMPLOYMENT BY WARD

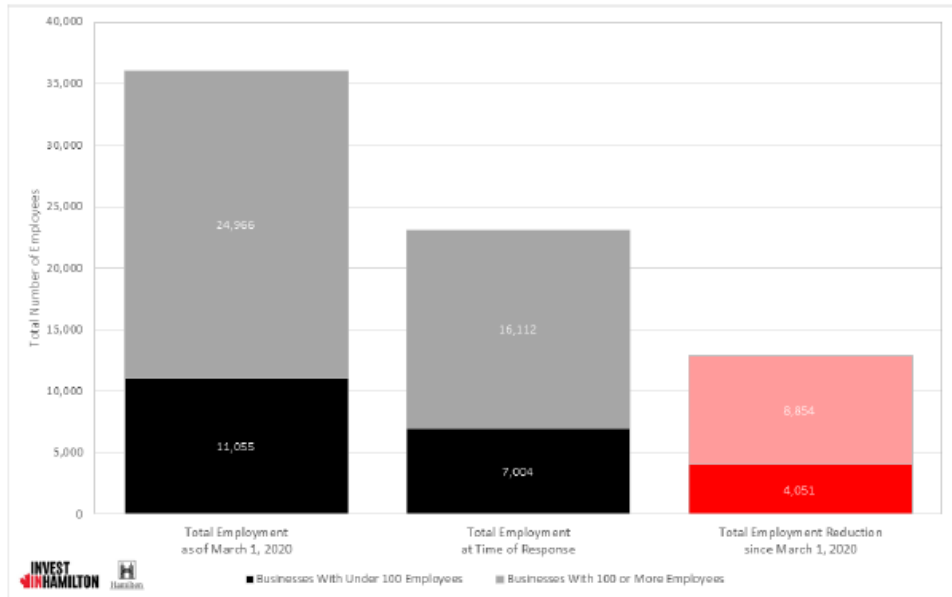


Key Findings

- There was a significant impact on employment totals reported by business respondents from all of the City's 15 wards
- These numbers represent only those respondents who chose to provide physical address information. Over 300 respondents chose not to provide physical address information

**IMPACT ON
EMPLOYMENT**

**IMPACT ON TOTAL EMPLOYMENT LEVELS OF
RESPONDENTS BUSINESS SIZE COMPARISON**

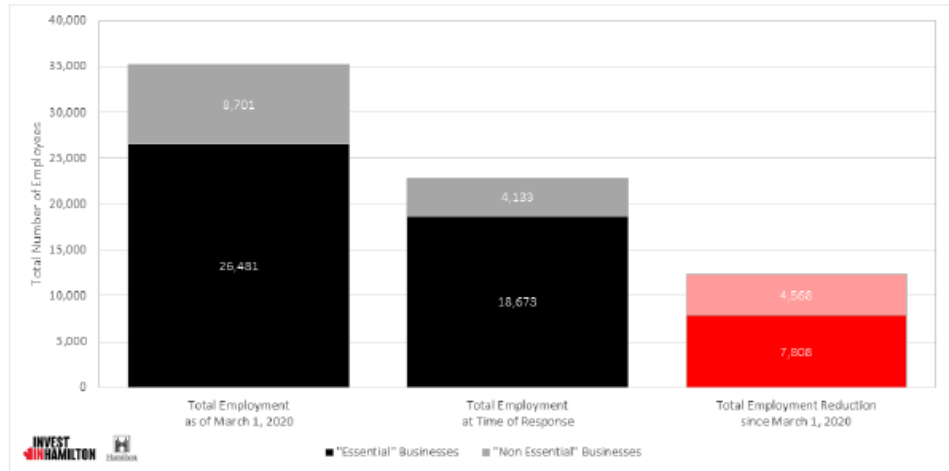


Key Findings

- The cumulative employment levels for all respondents was over 35,000, which represents over 15% of all employment in Hamilton according to the 2019 Employment Survey
- Overall the responding businesses reported a total cumulative decrease of 12,895 jobs as compared to March 1, 2020, which represents a 35.8% decrease

**IMPACT ON
EMPLOYMENT**

**IMPACT ON TOTAL EMPLOYMENT LEVELS OF
"ESSENTIAL SERVICE" SIZE COMPARISON**

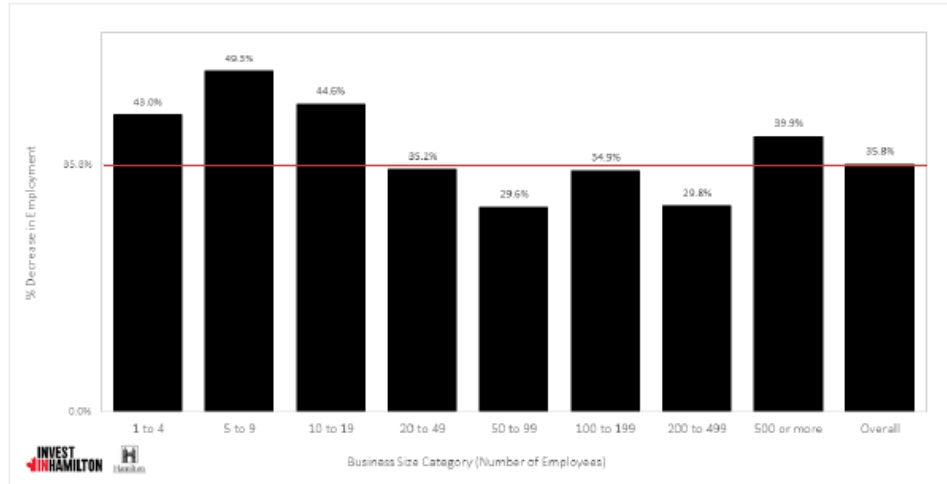


Key Findings

- Approximately 75% of the employees represented by the survey results were associated with the designated "Essential Service" businesses
- While businesses that weren't designated as an "Essential Service" accounted for 37% of the overall decrease in employment, with an average decrease of over 50%

IMPACT ON
EMPLOYMENT

REPORTED DECREASE IN EMPLOYMENT LEVELS BY BUSINESS SIZE CATEGORY

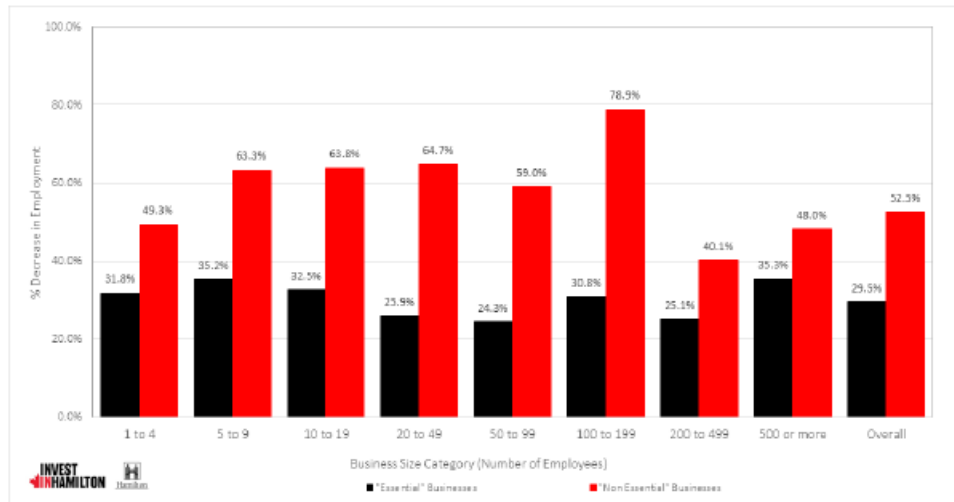


Key Findings

- Small businesses (those with under 20 employees) have seen the largest percentage decrease in employment levels compared to the levels they reported having on March 1, 2020, with businesses in the 5 to 9 employee range reporting an almost 50% decrease
- The few businesses with 500 or more employees who responded reported decreases that also sit above the mean

**IMPACT ON
EMPLOYMENT**

REPORTED DECREASES IN EMPLOYMENT LEVELS
(by business size category and “essential service” classification)

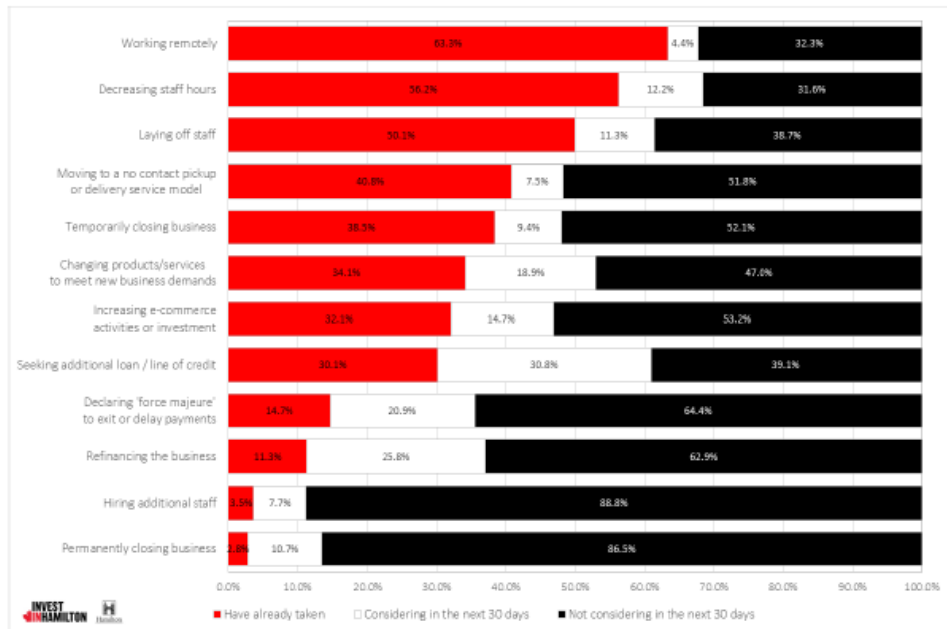


Key Findings

- Businesses that reported being covered under the “Essential Service” designation experienced a significantly reduced impact on their employment levels as compared to similar sized businesses identifying as not being covered under the “Essential Service” designation
- The largest degree of difference can be seen for companies with between 20 – 199 employees, where the decrease in employment to businesses who are not “Essential Service” is more than double what is experienced by those businesses that are deemed an essential service

**IMPACT ON
BUSINESS
BEHAVIOR**

**REPORTED MEASURES RESPONDENTS ARE
TAKING TO MITIGATE IMPACTS OF THE COVID-19**

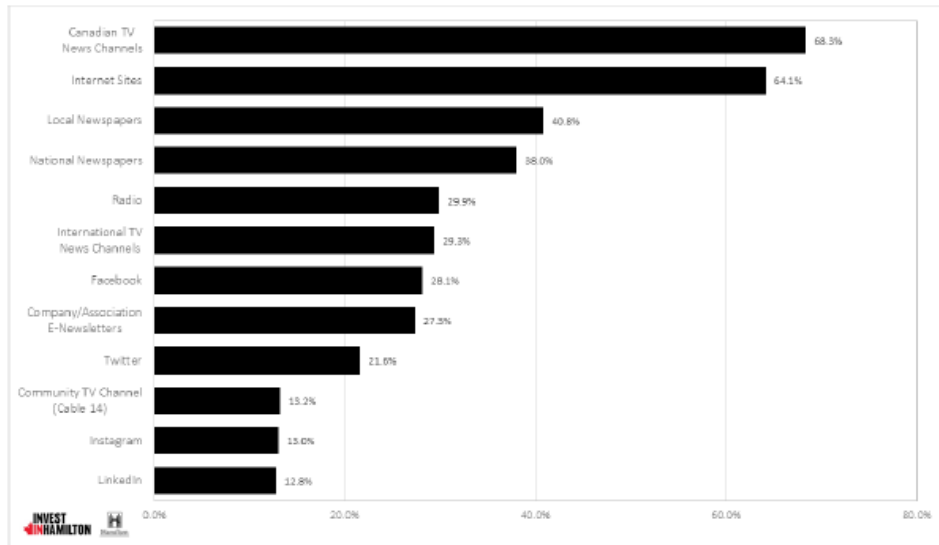


Key Findings

- A majority of businesses responded that they had already implemented a number of measures due to the COVID-19 pandemic including “working remotely”, and “decreasing staff hours” and “laying off staff”
- Close to half of the respondents indicated that they were attempting to or considering a material change in their products/service delivery procedures, or a “pivot” into a new product/service direction to meet new business demands

**LEADING
INFORMATION
CHANNELS**

**REPORTED CHANNELS RESPONDENTS ARE USING
TO GATHER COVID-19 RELATED INFORMATION**

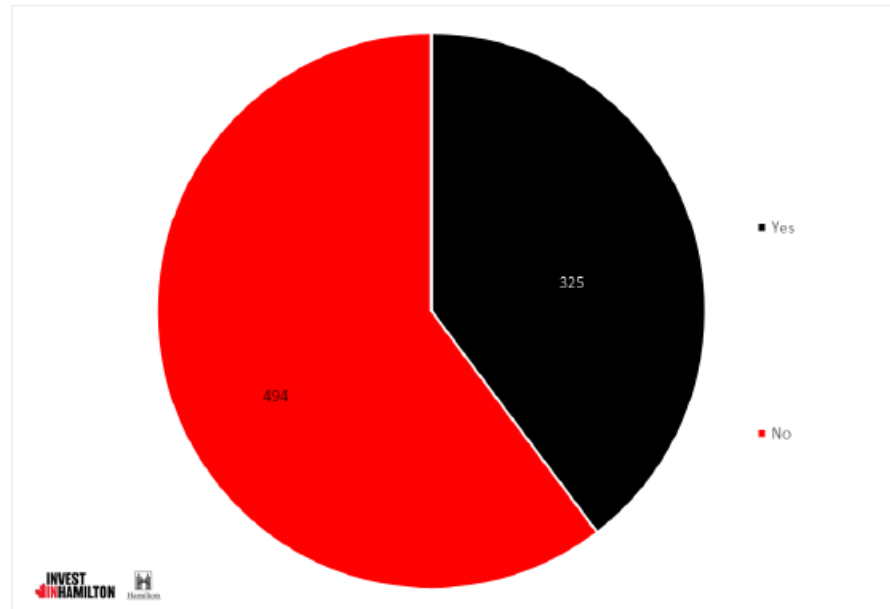


Key Findings

- Businesses are reporting to use a wide variety of information channels to gather information related to COVID-19
- Canadian television media was the most frequent response, with over 2/3 respondents identifying that media channel

**AWARENESS
OF TAX
ASSISTANCE**

**REPORTED AWARENESS OF THE PROPERTY TAX
ASSISTANCE PROGRAM (at the time of completion)**



Key Findings

- There was a relatively low awareness level of the Property Tax Assistance Program among the Business Impact Survey respondents, with over 60% of respondents indicating they hadn't heard of it
- A large percentage of those responding they hadn't heard about the program requested that information about the program be sent to them



OUTREACH PROMPTED BY RESPONDENTS' ANSWERS TO BUSINESS IMPACT STUDY QUESTIONS



Key Findings

- By far, many of the respondents focused on receiving more information about the Property Tax Assistance Program to help with their current credit issues and as a tool to direct their accounting in the months to come

**CALL TO
ACTION**

**RESPONDENTS' OFFER OF ASSISTANCE TOWARDS
THE COVID-19 PANDEMIC BY CATEGORY**



PPE
Certified Product,
Retooling and Sewing

31



**COMPANIES OFFERING
TO PIVOT**
Beds, Curtains, Sinks,
Shields, Ventilators and Parts

28



SANITIZER
Hand Sanitizer
to Washing Stations

8



CONSULTING SERVICES
Wellness, Financial
and Other

27



**TRANSPORTATION
AND LOGISTICS**

18



**TECHNOLOGY AND
SOFTWARE SOLUTIONS**

9



FOOD

13

Key Findings

- Over 100 offers of assistance came in from respondents across a wide variety of goods and services
- Offers were broken down by industry sector and handed off to Economic Development's Business Development Consultants for direct follow up and actions