Business Concerns and Impacts Regarding the 2020 COVID-19 Pandemic

An Analysis of Two Survey Rounds

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August 2020

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.

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Executive Summary

The COVID-19 pandemic has typically been reported to have a substantial negative effect on businesses. To determine the 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 and comparison of the first and second round of the survey 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.

The majority of the businesses that responded to the survey are open and operating at or close to their normal capacity. In the past few months, every sector has experienced a change in employment through new hires, furloughs, layoffs, and terminations. There have been significant layoffs reported, but the second round of the survey showed a more optimistic economic picture with an increase in new hires and a decline in decreased employment.

Most businesses in both rounds of the survey have also seen a decline in revenue over the past few months. Fortunately, since the first round of the survey effort, fewer businesses reported a decline in revenue and the overall decline in revenue has been much less dramatic. The percentage of businesses that estimated an increase in their revenue has also increased.

However, businesses have remained very uncertain about their ability to stay open. Responses show that a majority of businesses estimate that they will have to shut down within eight weeks. Very few businesses expect to survive a year or more. Responding businesses are concerned about finances, government intervention, access to the internet, access to health supplies needed to continue operating, and just generally for the health of their employees. There also seems to be general confusion over information concerning the virus and business restrictions.

A few of the responding businesses applied for the Small Business Administration Disaster Loan Program and the Payroll Protection Program or requested further information regarding these supports. Businesses that successfully received aid from these programs received various amounts of funding. Hundreds of employees were also reported to be retained as a result of these grants. In round two, some businesses asked for additional support from these programs.

After considering both rounds of the survey effort, a number of conclusions were drawn:

- Businesses are concerned with their ability to survive in the foreseeable future. Declines in revenues, confusion over governmental regulations and restrictions, and a decreased ability to receive and deliver supplies leaves survivability uncertain.
- There does appear to be an improvement in the economic picture over the course of the survey effort, with less significant loss in revenue and employment than was reported in the first survey round.
- Support through programs such as the SBA Disaster Loan program and the Payroll Protection Program have benefited the businesses that have received help and this type of assistance is requested for the future.

Introduction

In June 2020, an online survey was distributed to businesses and technical assistance providers throughout Mississippi. The results and analysis of this effort have been presented in a previous report.[1] This effort was followed by another survey in July 2020. 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. Its purpose is to understand the trends that can be observed in Mississippi businesses as the pandemic progresses.

This analysis is an effort to compare the results of the second round survey effort to the results obtained from the first round and to identify any trends that may be occurring. Detailed results from the Round 1 effort are reported in the previously mentioned report.

Respondent Information

Both Round 1 and Round 2 survey instruments were distributed by email to local economic developers and officials, as well as businesses, across the state. The Round 2 effort garnered 175 responses, but 49 of these responses were from firms located outside of Mississippi's boundaries. This resulted in 126 responses being used in the Round 2 analysis, down substantially from the 235 usable responses received in the first survey round.

The responses received in both rounds were categorized by the appropriate 2-digit North American Industrial Classification System (NAICS) Codes. In Round 2, all 2-digit NAICS codes were represented in the responses except for the *Mining, Quarrying, and Oil and Gas Extraction* sector. Table 1 presents the number of businesses and percentage of the total number and percentage of businesses by NAICS sector for both survey rounds.

[1] Please contact Alan Barefield for further information regarding the Round 1 Survey Analysis (662.325.7995 or alan.barefield@msstate.edu)

Table 1 - Frequency of Survey Respondents by NAICS Sector

		Round 1		Round 2	
NAICS Sector	Description	Number of Responses	Pct of Total	Number of Responses	Pct of Total
11	Agric, Forestry, Fishing, Hunting	10	4.3%	3	2.4%
21	Mining, Quarrying, Oil/Gas Extract	0	0.0%	0	0.0%
22	Utilities	2	0.9%	2	1.6%
23	Construction	14	6.0%	5	4.0%
31-33	Manufacturing	18	7.7%	5	4.0%
42	Wholesale Trade	11	4.7%	3	2.4%
44-45	Retail Trade	39	16.6%	21	16.7%
48-49	Transportation and Warehousing	8	3.4%	5	4.0%
51	Information	7	3.0%	3	2.4%
52	Finance and Insurance	9	3.8%	5	4.0%
53	Real Estate and Rental and Leasing	7	3.0%	7	5.6%
54	Prof, Scientific, and Technical Svcs	27	11.5%	17	13.5%
55	Mgt of Companies and Enterprises	0	0.0%	1	0.8%
56	Admin/Support/Waste Mgt & Remediation Services	4	1.7%	1	0.8%
61	Educational Services	7	3.0%	2	1.6%
62	Health Care and Social Assistance	20	8.5%	10	7.9%
71	Arts, Entertainment, and Rec	8	3.4%	5	4.0%
72	Accommodation and Food Services	10	4.3%	5	4.0%
81	Other Services (exc Public Admin)	21	8.9%	18	14.3%
92	Public Administration	7	3.0%	8	6.4%
	Unknown	4	1.7%	N/A	N/A
	Totals	**235**	**100.0%**	**126**	**100.0%**

Pre-pandemic Level of Employment

The businesses that responded to the pre-pandemic level of employment question in Round 2 reported a range from zero to 375 full-time employees (three businesses declined to report the level of pre-pandemic employment) and a part-time employment range between zero and 250 part-time employees. The average level of pre-pandemic employment for businesses responding to this question is 16.4 full-time employees and 7.7 part-time employees.

The sector with the highest average level of full-time employment in Round 2 was Educational Services, primarily due to the inclusion of a higher education institution. *Manufacturing* had the second highest average level of full-time employment in Round 2, followed by *Transportation and Warehousing*; *Accommodation and Food Services*; and *Agriculture, Forestry, Fishing, and Hunting*. The disparities between Round 1 and Round 2 in terms of pre-pandemic full-time and part-time employment levels indicate that the survey respondents for the two rounds represent significantly different respondent pools. **Table 2** reports the average full-time and part-time employment by sector for both survey rounds.

Table 2 - Average Number of Full/Part-Time Employees per Business by NAICS Sector and Survey Round

Description	Round 1		Round 2	
	Full-time	Part-time	Full-time	Part-time
Agric, Forestry, Fishing, Hunting	13.6	0.6	27.0	1.0
Mining, Quarrying, Oil/Gas Extract	N/A	N/A	N/A	N/A
Utilities	28.5	3.0	N/A	N/A
Construction	13.5	0.6	13.5	0.6
Manufacturing	104.1	3.9	43.0	0.8
Wholesale Trade	20.3	1.7	1.7	2.5
Retail Trade	7.9	2.8	10.3	7.3
Transportation and Warehousing	20.4	32.8	28.6	63.8
Information	10.2	1.8	1.7	3.5
Finance and Insurance	4.9	0.9	10.8	0.8
Real Estate and Rental and Leasing	6.6	0.6	2.9	1.0
Prof, Scientific, and Tech Svcs	5.6	1.7	6.6	0.8
Mgt of Companies and Enterprises	N/A	N/A	2.0	0.0
Admin/Support/Waste Mgt & Remediation Svcs	30.3	27.5	2.0	1.0
Educational Services	19.3	1.3	225.0	50.0
Health Care and Social Assistance	61.3	26.2	10.4	2.3
Arts, Entertainment, and Rec	6.0	53.3	1.5	8.3
Accommodation and Food Services	5.6	11.1	27.6	38.5
Other Services (exc Public Admin)	22.7	14.3	3.8	2.8
Public Administration	2.7	4.0	17.4	3.6
Unknown	3.8	0.0	N/A	N/A
Overall Average	**23.3**	**9.7**	**16.4**	**7.7**

Operation Status

Table 3 presents the number of businesses that have remained open, that have closed, and that have reopened as reported by Round 2 respondents. Of the eleven businesses that indicated that they had reopened and provided a reopen date, all have reopened since the last half of April (two opened in April, five opened in May, three opened in June and one opened in July). Consistent with the Round 1 results is that half of the closed businesses are in the *Retail Trade* and *Arts, Entertainment, and Recreation* sectors.

Table 3 - Number of Open and Closed Businesses by NAICS Sector – Round 2

Description	Open Businesses	Closed Businesses	Reopened Businesses
Agriculture, Forestry, Fishing and Hunting	2	1	0
Mining, Quarrying, and Oil and Gas Extraction	N/A	N/A	N/A
Utilities	2	0	0
Construction	5	0	0
Manufacturing	5	0	0
Wholesale Trade	3	0	0
Retail Trade	15	2	4
Transportation and Warehousing	4	1	0
Information	3	0	0
Finance and Insurance	4	0	1
Real Estate and Rental and Leasing	5	1	1
Professional, Scientific, and Technical Services	16	1	0
Management of Companies and Enterprises	1	0	0
Admin/Support/Waste Mgt & Remediation Services	1	0	0
Educational Services	1	0	1
Health Care and Social Assistance	9	0	1
Arts, Entertainment, and Recreation	1	3	1
Accommodation and Food Services	5	0	0
Other Services (except Public Administration)	15	0	3
Public Administration	7	1	0
Total	**104**	**10**	**12**

Change in Employment

Since a smaller pool of businesses responded to the Round 2 survey, it is to be expected that a smaller number of businesses reported hiring new employees during the pandemic. This has been the case (16 businesses reported new employee hires in the Round 1 effort and 15 businesses reported new hires in Round 2). However, the percentage of businesses reporting new hires is remarkably different between the surveys. In Round 1, 6.8 percent (16 of 235 respondents) of the responding businesses reported hiring new employees and 11.9 percent (15 of 126 respondents) of Round 2 businesses reported hiring new employees. However, Round 1 businesses reported hiring over four times as many employees as were hired by Round 2 respondents, but this difference was largely accounted for by the *Manufacturing* sector and the *Administrative Support and Waste Management and Remediation Services* sector (these sectors hired 42 new employees and 100 new employees, respectively, in Round 1). **Table 4** presents the number of firms with new hires and the number of new hires by NAICS sector for both survey rounds.

Table 4 - Number of New Hires by NAICS Sector and Survey Round

Description	Round 1		Round 2	
	Firms w/ New Hires	Number of New Hires	Firms w/ New Hires	Number of New Hires
Agric, Forestry, Fishing, Hunting	1	1		
Mining, Quarrying, Oil/Gas Extract				
Utilities				
Construction	1	2	1	2
Manufacturing	2	42	1	1
Wholesale Trade				
Retail Trade	3	8	3	18
Transportation and Warehousing	1	1	1	5
Information				
Finance and Insurance				
Real Estate and Rental and Leasing	1	5		
Prof, Scientific, and Tech Svcs			3	4
Mgt of Companies and Enterprises				
Admin/Support/Waste Mgt & Remediation Svcs	1	100		
Educational Services	1	1		
Health Care and Social Assistance	1	1		
Arts, Entertainment, and Rec	1	9		
Accommodation and Food Services	1	2	2	6
Other Services (exc Public Admin)	2	4	2	2
Public Administration				
Unknown				
Total	**16**		**13check**	

The next tables present the number of firms that have reduced their workforces by termination and lay-offs, respectively. **Table 5** presents the number of Round 1 and Round 2 firms that have terminated employees and the number of employees that have been terminated since the beginning of the pandemic by industry sector. Firms responding to the Round 2 survey had a larger number of firms terminating employees than did firms responding in Round 1 (11 firms versus eight firms, respectively) and a higher percentage of firms terminating employees (8.7 percent of Round 2 responding firms terminated at least one employee versus 3.4 percent of Round 1 firms).

The number and percentage of employees that have been terminated is also higher for Round 2 respondents. Firms reported terminating 13 employees in Round 1 (0.2 percent of the total full-time and part-time pre-pandemic Round 1 workforce), but the number of terminated employees increased to 27 for Round 2 (4.3 percent of the total Round 2 pre-pandemic workforce). While this is likely not a valid comparison due to the difference in the responding cohorts, it is likely that the number of employee terminations have increased as the pandemic continues.

Table 5 - Number of Employees Terminated by NAICS Code and Survey Round

Description	Round 1		Round 2	
	Number of Firms	Terminated Employees	Number of Firms	Terminated Employees
Agric, Forestry, Fishing, Hunting	2	3	1	2
Mining, Quarrying, Oil/Gas Extract				
Utilities				
Construction				
Manufacturing	1	3		
Wholesale Trade	1	2		
Retail Trade	2	3	1	2
Transportation and Warehousing			2	4
Information				
Finance and Insurance	1	1		
Real Estate and Rental and Leasing				
Prof, Scientific, and Tech Svcs				
Mgt of Companies and Enterprises				
Admin/Support/Waste Mgt & Remediation Svcs				
Educational Services				
Health Care and Social Assistance			1	3
Arts, Entertainment, and Rec				
Accommodation and Food Services	1	1	3	7
Other Services (exc Public Admin)			3	9
Public Administration				
Unknown				
Total				

Table 6 presents the number of firms that have laid off employees (it is assumed that these employees are likely subject to recall by the firm) and the number of employees that have been laid off by industry sector for survey Rounds 1 and 2. While we do not know if any lay-offs reported in Round 1 have been called back, it does appear that the number and percentage of firms that are laying off employees are declining.

Round 1 survey respondents reported that 58 firms (24.7 percent) have laid off 746 employees (10.7 percent of the reported total pre-pandemic labor force including both full-time and part-time workers). In Round 2, 12 firms (9.5 percent of respondents) reported laying off 91 employees. While the number and percentage of firms laying off employees has declined, the percentage of the total pre-pandemic workforce laid off by the Round 2 respondents has increased (14.4 percent of the total pre-pandemic workforce) when compared with firms that responded in Round 1.

Table 6 - Number of Employees Laid Off by NAICS Code and Survey Round

Description	Round 1		Round 2	
	Number of Firms	Laid Off Employees	Number of Firms	Laid Off Employees
Agric, Forestry, Fishing, Hunting	2	7		
Mining, Quarrying, Oil/Gas Extract				
Utilities				
Construction	4	74		
Manufacturing	5	289		
Wholesale Trade	1	1		
Retail Trade	14	30	1	1
Transportation and Warehousing	3	11	2	16
Information	2	27	1	2
Finance and Insurance	1	5		
Real Estate and Rental and Leasing				
Prof, Scientific, and Tech Svcs	6	16	3	18
Mgt of Companies and Enterprises				
Admin/Support/Waste Mgt & Remediation Svcs	1	65		
Educational Services	2	5		
Health Care and Social Assistance	5	99	2	6
Arts, Entertainment, and Rec	1	19	1	19
Accommodation and Food Services	6	73	2	29
Other Services (exc Public Admin)	5	25		
Public Administration				
Unknown				
Total				

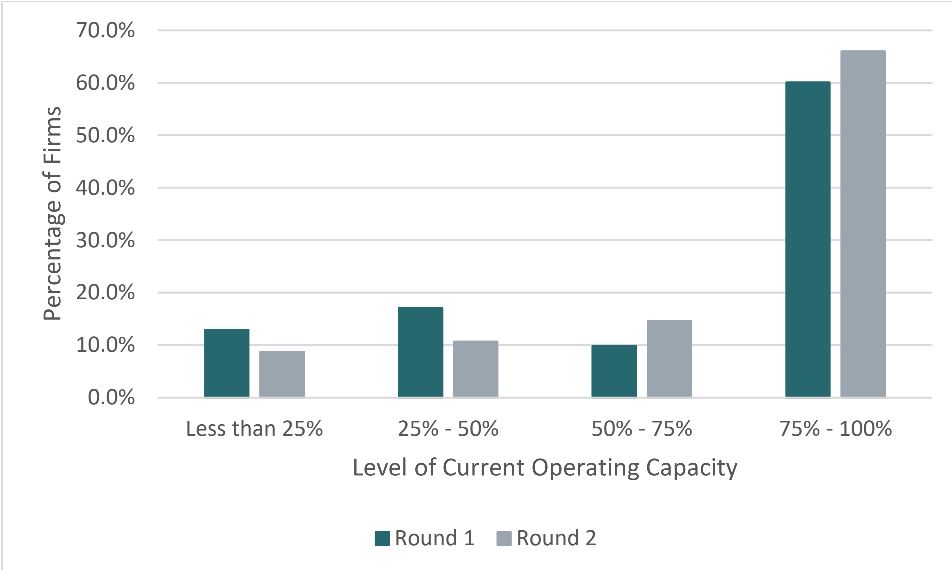
Business Operational Characteristics

Operating Capacity

A primary concern for businesses is the ability to efficiently conduct operations. In Round 1, 193 businesses reported an average on-sight operating level of 74.9 percent (an operating level of 100 percent indicates normal operations). In Round 2, 103 respondents reported a slightly higher overall business operating level (80.7 percent) and the variation in responses was slightly lower for Round 2 than for Round 1 as well. **Figure 1** presents the percentage of businesses in defined operating level ranges for each of the survey rounds.

This figure shows that the responding businesses seem to be inching back to more normal operations. The percentage of businesses operating at or below less than 50 percent of normal operations has fallen between survey Rounds 1 and 2 and the percentage of businesses operating above 50 percent of normal operating capacity has risen.

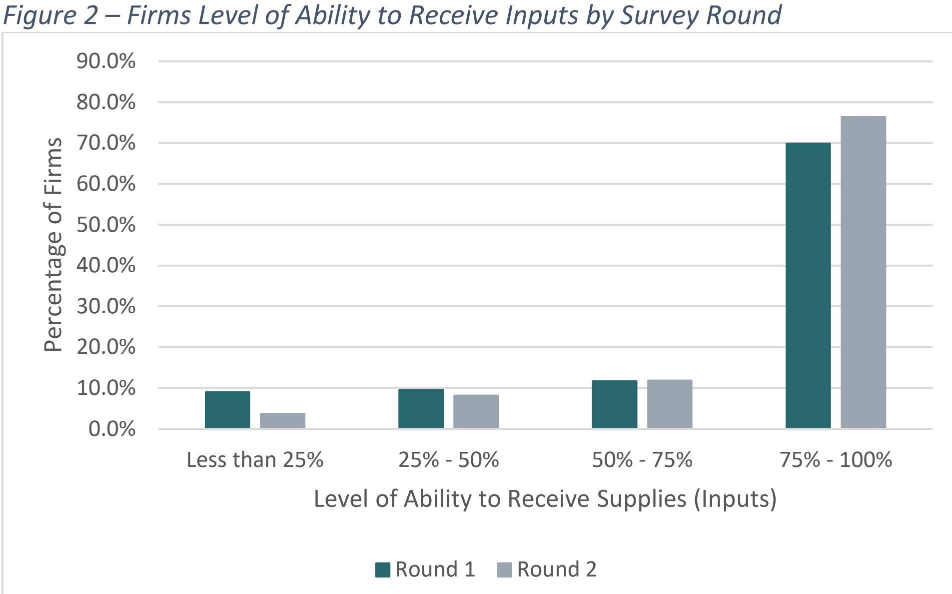
Figure 1 – Firms' Level of Operating Capacity by Survey Round



Ability to Receive and Deliver

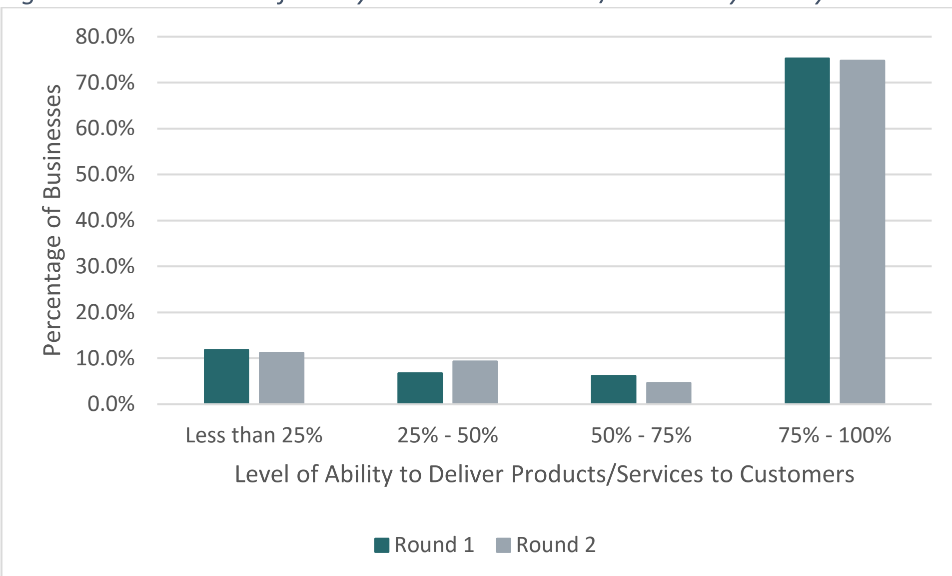
The ability of the respondent businesses to receive goods and services used as inputs in their production processes may have improved slightly between the two survey rounds. In Round 1, 189 businesses indicated that they were able to receive, on average, 80.8 percent of the goods and services used as inputs. In Round 2, this percentage had increased slightly to 85.3 percent. **Figure 2** presents the percentage of businesses able to receive various levels of inputs for each survey round.

Figure 2 – Firms Level of Ability to Receive Inputs by Survey Round



However, the ability to deliver goods and services to customers has fallen slightly, or least remained unimproved, between the two survey rounds. In Round 1, 178 businesses reported an average ability of 82.0 percent to deliver goods and services to their customers (a rating of 100 percent would indicate that goods and services are being delivered to customers in a normal manner). In Round 2, 107 businesses reported an ability of 81.0 percent. While not a statistically significant difference, this does indicate that businesses, particularly smaller businesses, have not been able to develop improved methods to service their customers at pre-pandemic levels. **Figure 3** presents the percentages of businesses able to deliver various levels of products and services to customers for each survey round.

Figure 3 - Firms' Level of Ability to Deliver Products/Services by Survey Round



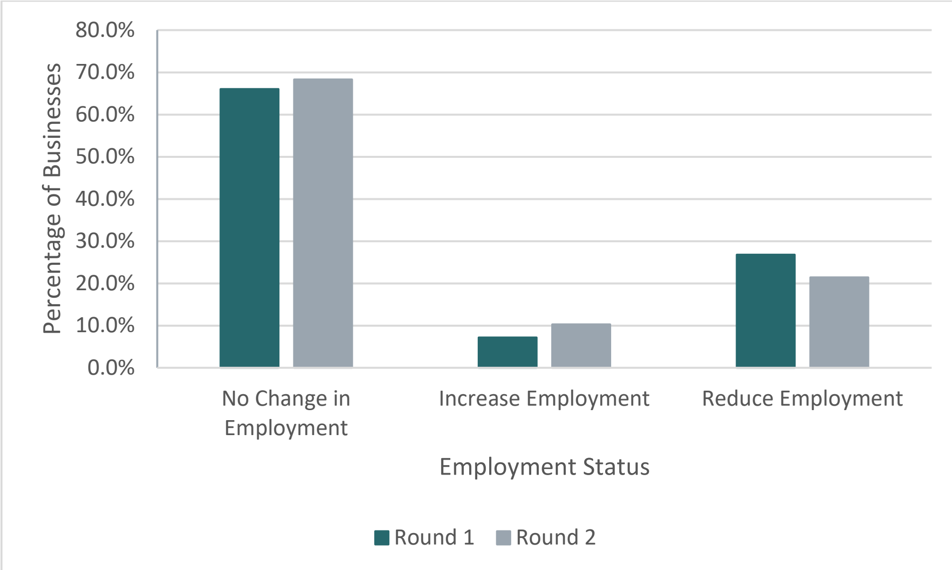
Change in Employment

One of the primary concerns for policymakers regarding the COVID-19 pandemic has been the effect on employment. Round 1 found that 80 of the 235 responding firms (34.0 percent) had a change in employment with 17 firms (7.2 percent) hiring 177 new employees. However, 63 firms (26.8 percent) had laid off and/or terminated employees (three firms had experienced both lay-offs and terminations).

In Round 2, 68.3% of the responding firms reported no change in employment and 13 firms (10.3 percent) reported hiring 38 new employees with about half of these employees coming from the Retail Trade sector. However, 27 firms (21.4 percent) reported either laying-off, terminating, or furloughing employees (four firms undertook one or more of these actions). **Figure 4** presents the percentage of firms either remaining stable in employment, increasing employment, or reducing employment.

It should be noted that Round 2 presents a slightly more optimistic economic picture than was present in Round 1. Not only did the percentage of firms that increased employment (new hires) increase slightly in Round 2, but the percentage of firms that decreased employment through lay-offs, furloughs, or terminations decreased by 5.4 percent.

Figure 4 – Employment Change Status by Survey Round



Change in Revenue

Round 2 businesses expressed a much more optimistic picture regarding the change in business revenues than did Round 1 respondents (see **Figure 4** and **Figure 5**). In Round 1, 190 firms (81.6 percent of the 236 responding businesses) reported decreased revenues, while 12 firms (5.1 percent) reported an increase in revenues and 31 firms (13.2 percent) reported that their revenues have not changed. The Retail Trade sector reported the most firms that experienced a decrease in revenue. Forty-nine firms (20.8 percent) reported that revenues had declined by more than 80.0 percent.

In Round 2, 85 of the 126 responses (67.5 percent) reported that revenues had decreased while 15 firms (11.9%) reported an increase in revenue. Of the firms that reported an increase in revenue, none reported an increase of over 60.0 percent and two-thirds (66.7 percent) that experienced an increase in revenues reported an increase of 30 percent or less. Of the firms that reported a decline in revenue, 56 firms (65.9 percent) estimated a revenue decrease of 50 percent or less and eight businesses (6.3 percent) reported a decrease in revenue above 80 percent. Businesses that experienced declines in revenue were not concentrated in one NAICS sector, but were dispersed throughout a variety of sectors.

Figure 4 and **Figure 5** demonstrate a substantial change regarding business revenues in the time period between Rounds 1 and 2. Round 2 saw a larger percentage of firms with an estimated increase in revenue and a smaller percentage of firms with an estimated decrease in revenue. It also appears that for firms reporting a decrease in revenue, the decrease has been less dramatic in more recent weeks.

Figure 5 – Round 1 Businesses Reporting Changes in Revenues[2]

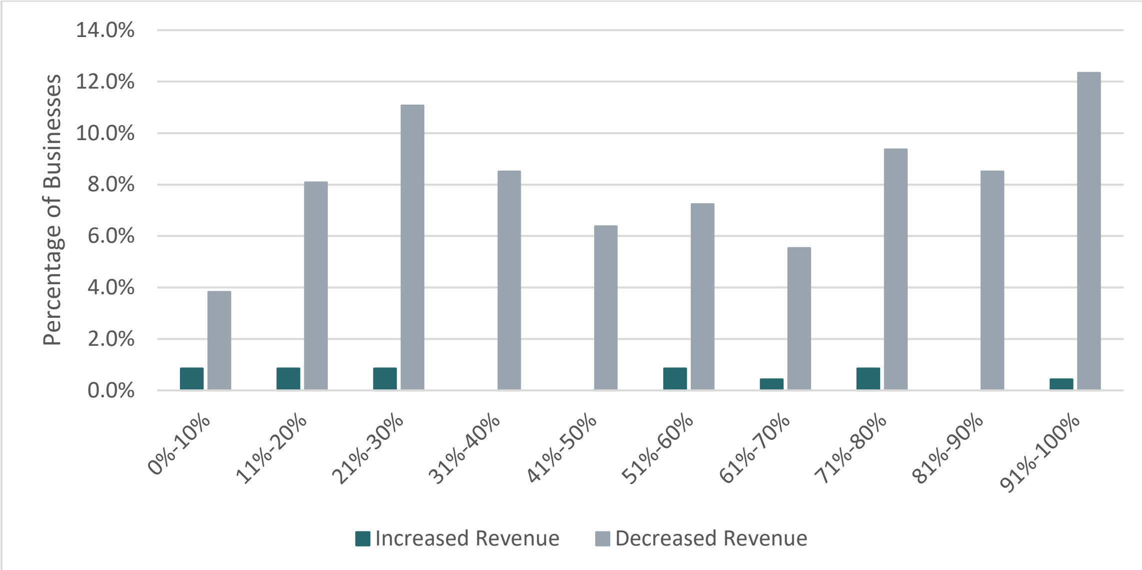
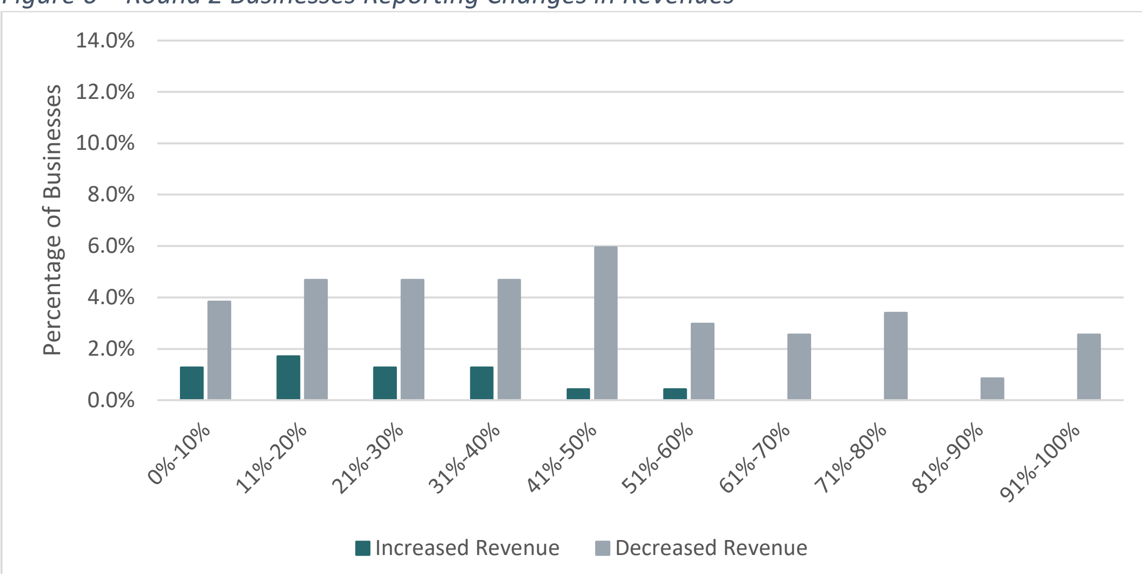


Figure 6 – Round 2 Businesses Reporting Changes in Revenues[2]



Expected Firm Survival

In Round 1, firms were asked to estimate how many weeks their business could survive before closing. There was a wide range of responses, with many firms saying they could not survive a week and some estimating a year or more of survival. The responses were broken into four categories: 0-8 weeks of survival; 8-26 weeks of survival; 26-52 weeks of survival; and 52+ weeks of survival. One hundred

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[2] Percentages of businesses for each revenue increase/decrease category are based on the total number of firms responding to the survey (235 firms for Round 1 and 126 firms for Round 2).

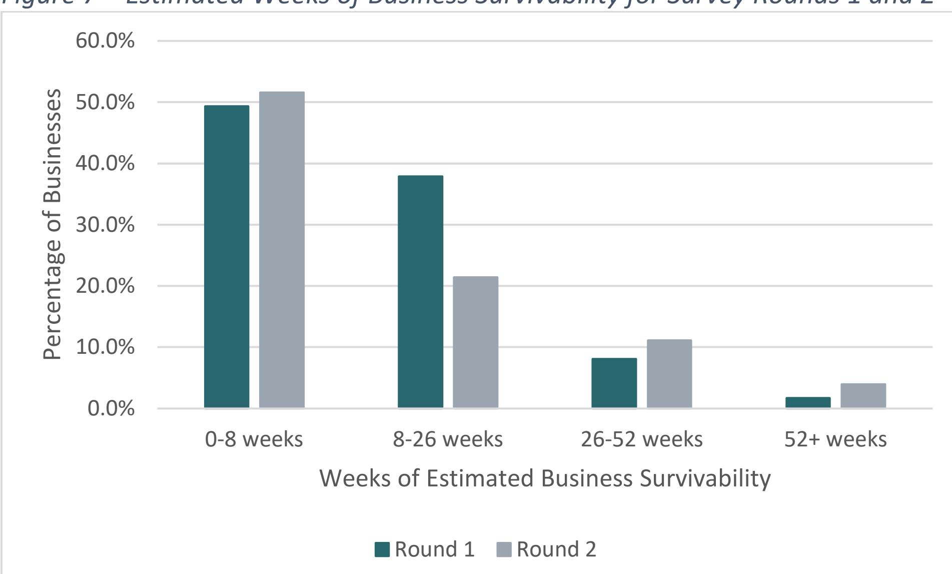
sixteen of the total responding firms (49.4 percent) estimated a survival time of 8 weeks or less. Only 4 firms (1.7 percent) estimated that their business could survive being open for a year or more. Two hundred five firms (87.2 percent) indicated closure within 26 weeks (six months) or less.

Every industry sector had at least one firm that fell into the category with an estimated 0-8 weeks of survival. The *Retail Trade*; *Professional, Scientific and Technical Services*; *Health Care and Social Assistance*; and *Manufacturing* sectors had double digit numbers of firms in this category.

In Round 2, the estimates of firm survivability were much more varied, but there was a slight increase in the percentage of firms that reported an estimate of 0-8 weeks for survival (65 firms or 51.6 percent of total responding firms). However, as **Figure 7** shows, there was a shift of firms from the 8-26 week survival estimate to longer estimates and the mean estimated survivability increased from 14.3 weeks in Round 1 to 23.4 weeks in Round 2. In addition, the range of survivability estimates increased from zero weeks to 150 weeks in Round 1 (one estimate that was assumed to be a data entry error by the respondent was excluded) to zero to 500 weeks in Round 2.

Many of the businesses that estimate 0-8 weeks of survival in Round 2 are concentrated in three industry sectors (*Retail Trade*; *Professional, Scientific, and Technical Services*; and *Other Services*). These sectors contain 35 of the 65 responses in this category (53.8 percent). It is interesting to note that no respondent in these sectors believed that their business could survive more than a year.

Figure 7 – Estimated Weeks of Business Survivability for Survey Rounds 1 and 2



Assistance Programs and Business Support Issues

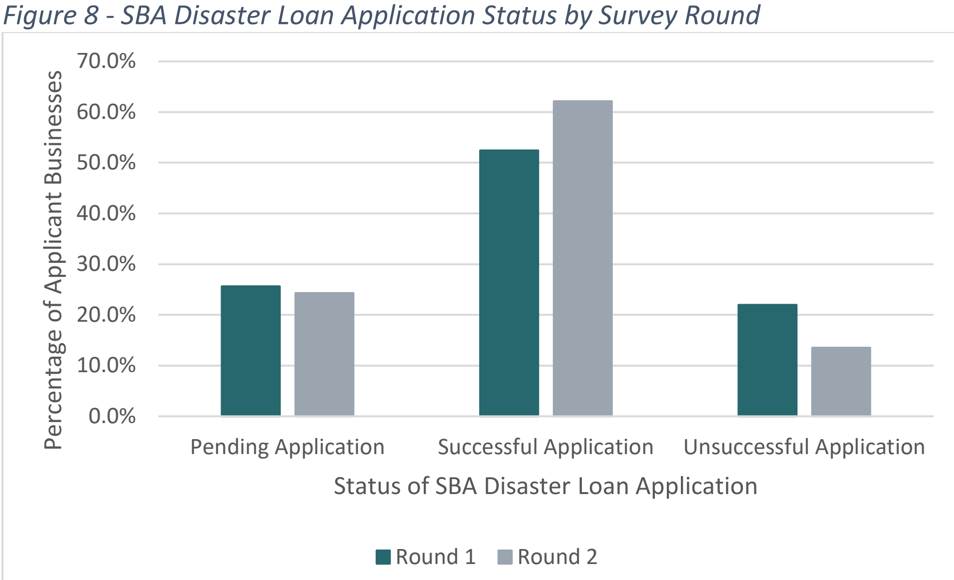
SBA Disaster Loan

Out of the 126 survey responses in Round 2, 37 businesses (29.4 percent) applied for the Small Business Administration Disaster Loan Program and indicated that their applications were either pending, successful, or unsuccessful. sixteen businesses did not qualify for the SBA Disaster Loan, six businesses wanted more information, 64 businesses did not apply, and 37 businesses did apply. Of the 37 businesses that applied, **Table 7** presents the number of successful/unsuccessful SBA Disaster Loan applications by NAICS sector and survey round while **Figure 8** presents the overall SBA Disaster Loan application status by survey round.

Table 7 – Status of SBA Disaster Loan Applications with NAICS Industry Success Rates by Survey Round

	Round 1		Round 2	
Description	Successful	Not Successful	Successful	Not Successful
Agriculture, Forestry, Fishing, and Hunting	3 (100.0%)	0 (0.0%)	2 (100.0%)	0 (0.0%)
Utilities	N/A	N/A	N/A	N/A
Construction	6 (75.0%)	2 (25.0%)	N/A	N/A
Manufacturing	2 (100.0%)	0 (0.0%)	N/A	N/A
Wholesale Trade	1 (50.0%)	1 (50.0%)	N/A	N/A
Retail Trade	6 (75.0%)	2 (25.0%)	4 (80.0%)	1 (20.0%)
Transportation and Warehousing	3 (100.0%)	0 (0.0%)	2 (66.7%)	1 (33.3%)
Information	0 (0.0%)	2 (100.0%)	1 (50.0%)	1 (50.0%)
Finance and Insurance	2 (66.7%)	1 (33.3%)	1 (100.0%)	0 (0.0%)
Real Est, Rental, and Leasing	3 (75.0%)	1 (25.0%)	N/A	N/A
Prof, Scientific, and Tech Svcs	6 (75.0%)	2 (25.0%)	7 (100.0%)	0 (0.0%)
Admin/Supp/Waste Mgmt & Remed Svcs	1 (100.0%)	0 (0.0%)	N/A	N/A
Educational Svcs	2 (66.7%)	1 (33.3%)	N/A	N/A
Health Care and Social Assistance	4 (80.0%)	1 (20.0%)	4 (100.0%)	0 (0.0%)
Arts, Entertainment and Recreation	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Accommodation and Food Services	2 (50.0%)	2 (50.0%)	1 (50.0%)	1 (50.0%)
Other Services	2 (50.0%)	2 (50.0%)	1 (50.0%)	1 (50.0%)
Public Administration	N/A	N/A	N/A	N/A
Unknown	0 (0.0%)	1 (100.0%)	N/A	N/A
All Businesses	**43 (70.5%)**	**18 (29.5%)**	**23 (82.1%)**	**5 (17.9%)**

Figure 8 - SBA Disaster Loan Application Status by Survey Round



Payroll Protection Program

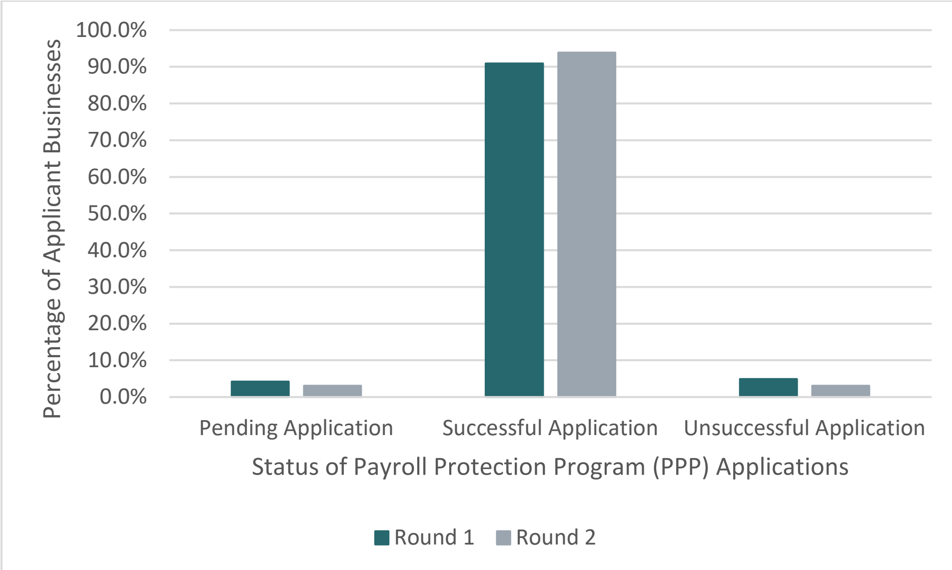
In Round 1, respondents indicated that 143 businesses (60.9 percent of the total number of respondents) had submitted applications to the Payroll Protection Program (PPP). Six of these proposals (4.2 percent) were pending at the time of the survey response and seven (4.9 percent) were unsuccessful applications. In Round 2, the proportion of businesses that applied for this program decreased to 51.6 percent (65 of the 126 respondents indicated that they had applied for the program), but the application success rate remained high at 93.8 percent (61 of the 65 businesses that applied for the program had successful applications and two businesses had applications that were still pending). **Table 8** presents the number and percentage of successful and unsuccessful PPP applications for both survey rounds by industry sector while **Figure 9** presents the state of submitted PPP applications for each survey round.

Table 8 – Status of Payroll Protection Program Applications with NAICS Industry Success Rates by Survey Round

	Round 1		Round 2	
Description	Successful	Not Successful	Successful	Not Successful
Agriculture, Forestry, Fishing, and Hunting	7 (87.5%)	1 (12.5%)	1 (100.0%)	0 (0.0%)
Utilities	N/A	N/A	1 (100.0%)	0 (0.0%)
Construction	12 (100.0%)	0 (0.0%)	2 (100.0%)	0 (0.0%)
Manufacturing	9 (100.0%)	0 (0.0%)	3 (100.0%)	0 (0.0%)
Wholesale Trade	6 (85.7%)	1 (14.3%)	2 (100.0%)	0 (0.0%)
Retail Trade	2 (100.0%)	0 (0.0%)	10 (83.3%)	2 (16.7%)
Transportation and Warehousing	1 (100.0%)	0 (0.0%)	2 (100.0%)	0 (0.0%)
Information	6 (100.0%)	0 (0.0%)	3 (100.0%)	0 (0.0%)
Finance and Insurance	5 (83.3%)	1 (16.7%)	3 (100.0%)	0 (0.0%)
Real Est, Rental, and Leasing	17 (94.4%)	1 (5.6%)	3 (100.0%)	0 (0.0%)
Prof, Scientific, and Tech Svcs	1 (100.0%)	0 (0.0%)	11 (100.0%)	0 (0.0%)
Admin/Supp/Waste Mgmt & Remed Svcs	4 (100.0%)	0 (0.0%)	N/A	N/A
Educational Svcs	4 (100.0%)	0 (0.0%)	N/A	N/A
Health Care and Social Assistance	17 (100.0%)	0 (0.0%)	8 (100.0%)	0 (0.0%)
Arts, Entertainment and Recreation	4 (100.0%)	0 (0.0%)	1 (100.0%)	0 (0.0%)
Accommodation and Food Services	8 (88.9%)	1 (11.1%)	3 (100.0%)	0 (0.0%)
Other Services	13 (100.0%)	0 (0.0%)	8 (100.0%)	0 (0.0%)
Public Administration	4 (80.0%)	1 (20.0%)	N/A	N/A
Unknown	1 (100.0%)	0 (0.0%)	N/A	N/A
All Businesses	**130 (94.9%)**	**7 (5.1%)**	**61 (96.8%)**	**2 (3.2%)**

The level of PPP assistance provided to Round 2 individual businesses varied, with reports ranging from $12 to approximately $1.7 million. The sectors that saw the largest amount of financial assistance from this program are *Manufacturing*; *Transportation and Warehousing*; *Retail Trade*; and *Professional, Scientific, and Technical Services*. As a result of the Payroll Protection Program Grant, respondent businesses reported that 1,403 employees were retained across every responding industry sector. One business reported retaining 300 employees due to the PPP grant.

Figure 9 – Payroll Protection Program Application Status by Survey Round



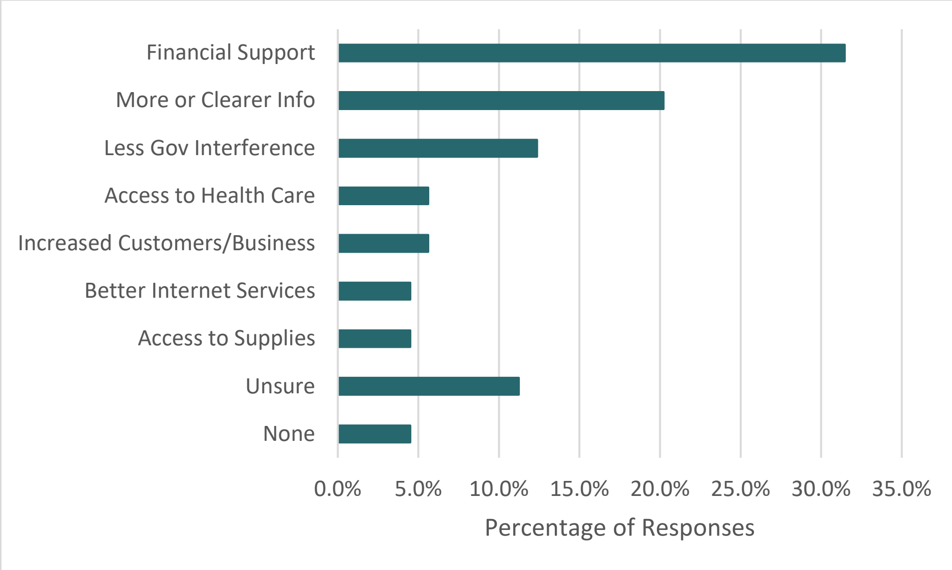
Additionally, the PPP grant allowed many businesses across many sectors to rehire employees. Fifteen businesses reported that they were able to rehire 401 employees due to PPP grant funding in Round 2. The two sectors with the reported largest numbers of rehired employees due to the PPP grant are *Transportation and Warehousing* and *Other Services*.

Business Supports

Round 2 businesses were asked what business supports would be beneficial as navigation of the pandemic continues. These responses were organized into nine different categories: requests for financial support (this includes increased amounts of stimulus checks, loans, and grants); more and clearer information regarding the virus and business operations; less government interference; better internet services; better access to health care and supplies; increased customers and business; better access to supplies; those who were unsure about what would be most beneficial; and those who said there are no business supports needed. Many businesses indicated that multiple supports would be needed the future.

Figure 10 presents the individual business support response categories for Round 2 as a percentage of the total number of business support responses. The three supports that businesses said would be most beneficial include additional financial support; clearer information regarding the virus, restrictions, available resources, and how to move forward; and less interference and restrictions from state and local governments. Many businesses asked specifically for more stimulus checks from the government and another round of the Payroll Protection Program. Many businesses found government restrictions to be confusing and asked for standardized restrictions and guidelines for businesses.

Figure 10 – Business Support Responses as Percentage of Total Responses



Many of these issues cited in this question concerning remained consistent from Round 1. In Round 1, several businesses noted that employees were receiving a high level of unemployment benefits due to the pandemic and this was discouraging them from coming back to work. In Round 2, this trend continues in the responses categorized as "Less Government Interference." Another trend that continues from Round 1 is a concern with the financial impact of COVID-19 on operations. Many businesses in Round 1 and Round 2 worry about their future ability to survive and their access to supplies and financial support. Businesses report "shaky markets", "the supply chain is nearly broken", and "depleted" funds.

A support issue that was reported in Round 2 was a request for more sources and help concerning the internet. As many businesses are having to move operations and marketing efforts online or increase their use of social media, several businesses requested better internet service and resources on how to improve their social media presence. Specifically, survey responses included "social media marketing", "need faster and more dependable internet service", and "strong solid internet services in the area without buffering." **Table 9** reports the number of business support issue by industry sector.

Table 9 – Beneficial Business Supports by NAICS Industry

Industry	Financial Support	More or Clearer Info	Less Govt Interference	Better Internet Services	Access to Health Care	Increased Customers /Business	Access to Supplies	Unsure	None
Accommodation and Food Services	2	1	0	0	0	0	1	0	0
Administrative and Support and Waste Management and Remediation Services	0	0	0	0	0	1	0	0	0
Agriculture, Forestry, Fishing and Hunting	1	0	0	0	0	0	1	0	0
Arts, Entertainment, and Recreation	1	2	0	0	0	0	0	0	0
Construction	1	0	0	0	0	0	1	1	0
Health Care and Social Assistance	2	0	2	0	1	0	0	1	0
Educational Services	0	1	0	0	1	0	0	0	0
Finance and Insurance	0	1	0	0	0	0	0	0	0
Information	1	1	1	1	0	0	0	0	0
Management of Companies and Enterprises	0	1	0	0	0	0	0	0	0
Manufacturing	1	2	0	0	0	0	0	0	0
Other Services	4	0	1	1	0	1	0	1	2
Professional, Scientific, and Technical Services	3	2	1	2	2	1	0	1	1
Public Administration	4	2	0	0	0	0	0	0	0
Real Estate and Rentals	0	1	2	0	0	0	1	2	1
Retail Trade	5	2	4	0	0	1	0	3	0
Transportation and Warehousing	3	2	0	0	1	1	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	1	0
Total	**28**	**18**	**11**	**4**	**5**	**5**	**4**	**10**	**4**

Conclusions

Upon consideration of the businesses' responses and the change in responses from Round 1 to Round 2 of the survey efforts, a number of conclusions can be reached.

Businesses across the state feel that the COVID-19 pandemic has seriously threatened their survivability, stability, and outlook for the future. Responses show that most businesses do not believe they will be able to survive more than a couple of months at most. While most of the responding businesses are currently open, there is a severe lack of confidence in the foreseeable future when considering these factors.

- A majority of businesses have faced a decline in revenue. In many cases, the revenue decline was drastic. Survey responses reporting that revenues have declined by fifty percent or more are common, with several businesses reporting a total loss in revenue.
- An unstable workforce also threatens business survivability. Survey responses show large numbers of employees that are laid off, terminated, or furloughed because of financial stress. Support programs and government support have allowed for the retention of many employees, but businesses are just unsure of if they can continue to support employees and for how long. In addition, unemployment benefit supplements have discouraged many experienced workers from returning to their former positions, thus adding to production and delivery uncertainty.
- While most businesses report being able to deliver products and services to customers, many businesses complained of an inability to consistently receive supplies.
- As many business operations move online, access to internet and knowledge of social media are paramount and without these, many businesses are feeling unprepared.
- Government intervention through unemployment benefits, restrictions, and regulations leave many businesses uncertain about the best way to maintain business operations.

However, even in the face of the challenges that the COVID-19 pandemic has brought, businesses across the state seem to be encouraged. Many businesses have benefitted from programs such as the SBA Disaster Loan program and the Payroll Protection Program. Several businesses have been able to use these resources to retain employees and continue operations. When asked what business supports would be most beneficial in the future, many businesses requested similar programs. These types of programs could go far in easing the burden of the pandemic on Mississippi businesses. Efforts should be made to ensure that these programs are well known so that all businesses can benefit from their support.

While many of the reports from businesses across the state seem (and are) grim, there does appear to be an encouragingly more optimistic economic picture between the two survey rounds. The revenue decline in Round 2 was less drastic. Furthermore, the percentage of employees that have been laid off decreased and the percentage of businesses making new increased. With continued support from state and local government and with greater access to information concerning the pandemic and resources, the future for businesses across the state should continue to improve.