
From Crisis to Recovery: How COVID-19 is Impacting Businesses in Thunder Bay (Part 4)

SEPTEMBER 2020 RESULTS

Thunder Bay District COVID-19 Business Impact SURVEY

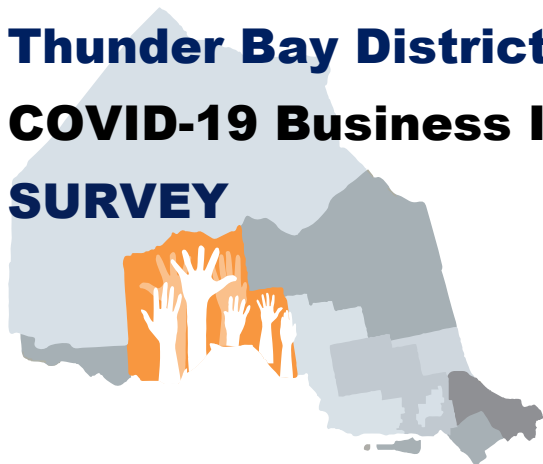




Table of Contents

Partners..... 3

Executive Summary..... 4

Introduction 5

Results 5

 Business Continuity Impact..... 8

 Business Human Resource Impact..... 18

Conclusion 21

Works Cited..... 22



Partners



Northern Policy Institute is Northern Ontario's independent think tank. They perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern communities. NPI operations are located in Thunder Bay and Sudbury. They seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.



The North Superior Workforce Planning Board (NSWPB) is one of twenty-six Workforce Planning zones across Ontario, mandated through the Ministry of Labour, Training, and Skills Development to identify, assess and prioritize the skills and knowledge needs of community, employers and individual participants/learners in the local labour market through a collaborative, local labour market planning process.



The Thunder Bay Community Economic Development Commission (CEDC) is responsible for business development, business retention and expansion, entrepreneurial support, opportunity promotion, and collection and assessment of key business data.

They can help with community information and statistics, networking and referrals, assistance in site selection, and labour market data.



The Thunder Bay Chamber of Commerce is a voluntary, member-driven organization of individuals and businesses working together to advance the commercial, financial, and civic interests of the Thunder Bay community. They pool resources to offer member learning opportunities, address policy issues, facilitate connections between members, and aim to bring businesses together to work towards common goals.



Executive Summary

As we all know, the COVID-19 crisis is having a significant impact on the Canadian economy. In response, a COVID-19 business impact survey was made available to employers in the Thunder Bay District to develop an understanding of how the pandemic is affecting business on aspects such as financials, workforce size, service delivery, and long-term viability. This survey will continue to be delivered to businesses over the next few months.

In comparison to the previous surveys, there are some important findings in this month's survey results. For instance, 19 per cent of business of employers classified the strategic risk that COVID-19 poses to the long-term prospects of their business as highly negative and 26 per cent marked their risk as medium negative. These are the lowest percentages reached since the first survey in April. The percentage of businesses that classified the level of risk as low negative has increased to 32 per cent in September. This suggests that the risk COVID-19 poses to businesses has shifted from highly/medium negative to low negative over the past few months because more businesses have been allowed to reopen and/or increase their capacity. Another possible explanation is that some of the high-risk businesses may have closed their doors and decided not to continue the survey.

In comparison to previous survey results, fewer respondents in September indicated having reduced hours and staff and more employers are operating online. For the second month in a row, no employers have stated they had to close their operations permanently. In September, there was a decrease in the proportion of employers who stated that they experienced a decrease in sales, an increase in debt load, and had to cancel contracts due to COVID-19. This suggests that businesses have increased their operations and are starting to get back to pre-pandemic levels. Although, it is important to note that certain sectors are struggling more than others. For example, a higher proportion of businesses in the services-providing industry like retail and accommodations and food services, stated that the risk posed by COVID-19 was highly negative.

The findings that come from this survey are important because they provide community decision makers with an understanding of how businesses are faring during COVID-19, and how to then respond appropriately. As well, employers and organizations that have succeeded in finding new ways to operate could share this information with their entrepreneur peers, which could benefit the economy and the well-being of the community.



Introduction

COVID-19 has been felt all around the world, and Northern Ontario is no exception. As such, it is important to understand how COVID-19 has impacted our local economies. With this in mind, a survey targeted at businesses was developed in partnership by Northern Policy Institute, North Superior Workforce Planning Board, Thunder Bay Chamber of Commerce, and Thunder Bay Community Economic Development Commission.

The results gathered from these surveys can be used by community partners and government to continue responding appropriately to COVID-19. The survey will be provided to businesses in the City and District of Thunder Bay¹ over the next few months.

Results

The results of Thunder Bay's Business Impact Survey for the month of September are summarized below. The survey collection period was between September 8 – September 22nd, 2020. During this time, the total number of confirmed COVID-19 cases in Ontario increased from 43,536 on September 8th to 47,752 on September 22nd (Government of Ontario 2020). Since the beginning of the September survey, the number of daily cases in Ontario has increased significantly. The number of daily cases increased from 185 on September 8th to 478 on September 22nd (Government of Ontario 2020). This rapid increase in cases indicates that Ontario has entered the second wave, though some regions are faring better than others. For the Thunder Bay District Health Unit (TBDHU), there was two additional cases reported during this period (Public Health Ontario 2020) and as of September 27th, 2020, TBDHU reported there are 106 confirmed cases over the entire pandemic (Thunder Bay District Health Unit 2020).

Breaking down the confirmed cases further, most local cases tend to be in Thunder Bay and the surrounding area (76 per cent), while the remaining percentage of cases were in First Nations communities and other communities in the district (Thunder Bay District Health Unit 2020). As well, 41 per cent of cases were due to being in close contact with positive COVID-19 case, while 38 per cent were classified as “no known exposure”, 11 per cent of confirmed cases were due to travel and 10 per cent of confirmed cases were due to an outbreak at a mine (Thunder Bay District Health Unit 2020).

Since the last survey, all regions remain in Stage 3 of Ontario's reopening plan, save for Ottawa, Toronto and Peel Region, which have been moved to a modified stage 2 due to an increase in COVID-19 cases (Crawley, Nasser, and Bessonov 2020). Stage 3 allows for nearly all businesses and public spaces to reopen as long as they follow public health guidelines. Since the number of daily cases in Ontario is on the rise and we have entered into the 2nd wave, the Provincial Government has implemented new restrictions for restaurants, bars, nightclubs, and strip clubs, which came into effect as of September 26th (Government of Ontario 2020). These changes include, restaurants and bars

¹ Northwest Training and Adjustment Board (NTAB) ran an identical survey in the Kenora and Rainy River areas. The results are not included in this report as the survey ran longer than the Thunder Bay district survey.



now have to stop selling alcohol after 11 p.m. and must be closed from 12 a.m. until 5 a.m. (with the exception of delivery and take out). Also, the government has mandated that all strip clubs remain closed for the time being (Government of Ontario 2020). In addition, the Provincial Government has made changes to gathering limits. As of September 19th, the maximum size of indoor events or gatherings was lowered from the previous limit of 50 to a limit of 10 people. Outdoor gatherings have also been lowered; the limit has decreased from 100 to 25 people. These limits apply to private social gatherings and do not apply to events in staffed businesses such as bars and restaurants (Government of Ontario 2020).

Before getting into a more detailed analysis, there are some key results that should be noted. Compared to previous surveys, there is a lower percentage of businesses that believe COVID-19 will put them out of business or significantly impact their financials. Rather, a greater proportion of employers believe that COVID-19 will impact them financially, but they are confident they will be able to weather the storm. This change in attitude may be attributed to the lessening of restrictions, government support, and the ability to adapt. In September, more businesses were able to increase their hours and increase staff.

For September, the Thunder Bay Survey had a total of 71 valid respondents. Approximately 24 per cent of employers are repeat respondents from the August survey and 76 per cent did not answer last month's survey. This is a 13 per cent increase in the number of first-time responders in August. Unless stated otherwise, all percentages are calculated based on the number of respondents to the relevant question.

75 per cent of survey respondents are private businesses, 10 per cent are public and 13 per cent are not-for profit (Table 1). The proportion of businesses in the private and not-for-profit sector increased, whereas the percentage of organizations in the public sector decreased since the last survey.

Table 1. Percentage of employers that identify with the following type of business.

	Private (%)	Public (%)	Not-for-profit (%)	Other (%)
April	78	10	9	April
May	69	12	15	May
August	69	18	9	August
September	75	10	13	September



70.4 per cent of respondents indicated that their primary business is located in Thunder Bay (Table 2). The proportion of businesses primarily located in Thunder Bay has declined over the past two surveys. Also, there are a greater number of smaller communities represented than in August. This implies that the survey continues to reach more rural communities.

Table 2. Percentage of businesses that stated the region as their primary business location.

Primary Business Location	Percentage of Businesses
Thunder Bay	70.4
Greenstone	14.1
Rosslyn	4.2
Terrace Bay	4.2
Fort William First Nation	1.4
Lac des Iles	1.4
Neebing	1.4
Pass Lake	1.4
Slate River	1.4



BUSINESS CONTINUITY IMPACT

In September, 19 per cent of employers categorized the strategic risk that COVID-19 poses to the long-term prospects of their business as highly negative (this could put them out of business), 26 per cent as medium negative (this is going to significantly impact their financials) and 32 per cent as low negative (this may impact their financials, but they are confident they can weather the storm (see Table 3). Since the first survey in April, the proportion of employers rating the level of risk as highly negative has steadily decreased. In comparison to August, there is a lower percentage of employers that consider the risk to long-term prospects to be medium negative. It is possible that the decrease reflects a more positive outlook on their business prospects. This is supported by the higher proportion of employers ranking their strategic risk level as low negative. There also is a significant increase in the percentage of employers who believe they will be able to weather the storm. It is further supported by a slight increase in the proportion of employers that view the risk to their business prospects as low positive (demand for our products/services has changed but is still sufficient to maintain operations) and highly positive (we have added staff and expanded production to meet demand).

It is also important to note that the lower percentage of respondents ranking their strategic risk as highly negative could also be due to these businesses closing and the probability of an employer that permanently closed their business responding to this survey is quite low.

Table 3. Percentage of businesses rating the strategic risk that COVID-19 poses to the long-term prospects of their business.

	Highly negative – this could put us out of business (%)	Medium negative – this is going to significantly impact our financials (%)	Low negative – this may impact us financially, but we are confident we can weather the storm (%)	None (%)	Low positive – demand for our products/services has changed but is still sufficient to maintain operations (%)	Medium positive – we are seeing increased demand for some of our products/services (%)	Highly positive – we have added staff and expanded production to meet demand (%)
April	32	46	14	0	0	7	1
May	29	30	26	3	6	9	3
August	22	36	19	4	6	13	1
September	19	26	32	3	7	10	3

Out of the respondents that indicated having secondary or affiliated operations in communities, 23 per cent believe COVID-19 could put them out of business, 20 per cent anticipate significant impact to their finances, and 33 per cent are confident they can survive the strain on their revenue (Table 4).



Table 4. Percentage of businesses rating the strategic risk COVID-19 poses to the long-term prospects of their business by whether business has secondary affiliations or not.

		Highly negative – this could put us out of business (%)	Medium negative – this is going to significantly impact our financials (%)	Low negative – this may impact us financially, but we are confident we can weather the storm (%)	None (%)	Low positive – demand for our products/services has changed but is still sufficient to maintain operations (%)	Medium positive – we are seeing increased demand for some of our products/services (%)	Highly positive – we have added staff and expanded production to meet demand (%)
Businesses that have secondary affiliations with other communities (%)	April	20	50	25	0	0	5	0
	May	24	24	38	0	10	5	0
	August	25	42	0	0	0	33	0
	September	23	20	33	3	10	10	3
Businesses that only operate in one community (%)	April	20	60	12	0	0	8	0
	May	30	31	18	3	5	10	3
	August	22	35	24	6	7	9	2
	September	14	35	31	3	3	10	3

The risk that COVID-19 poses to long-term business prospects by industry sector is illustrated in Table 5. The business sectors were grouped into either goods-producing industries or service-producing industries to get a better understanding of which businesses are hit hardest by the pandemic (Bureau of Economic Analysis, 2006 n.d.) For the goods-producing industries, the proportion of employers that rated their strategic risk as highly negative has remained pretty consistent since May, with only a slight increase in September. There was a significantly lower proportion that stated medium negative and a significant increase that ranked their level of risk as low negative. This suggests that overall, employers in this sector are viewing their long-term prospects more positively in September. For the service-producing sector, the proportion of employers that rated their strategic risk as highly negative increased since the last survey. This is an important take away from the survey. It is a bad sign that the outlook has worsened for the service industry despite governments support and reopening the economy.

The results also show a decrease in the medium negative response rate and an increase in the proportion that perceive their risks level as low negative. This is in line with the overall trend that employers are slowly gaining a more positive perception of the strategic risk that COVID-19 poses to the prospects of their business.



Based on the results in Table 5, it suggests that there is a large increase in the proportion of employers who ranked their level of risk as highly positive. However, one of the employers who ranked their risk as highly positive also indicated their business was affiliated with all sectors which skewed the results due to the small sample size. More realistically, the proportion of employers who view the strategic risk to the long-term prospects of their business as highly positive increased but at a smaller percentage.

Figure 5. Percentage of businesses that classified the strategic risk that COVID-19 poses to the long-term prospects of their business by industry sector.

		Highly negative – this could put us out of business (%)	Medium negative – this is going to significantly impact our financials (%)	Low negative – this may impact us financially, but we are confident we can weather the storm (%)	None (%)	Low positive – demand for our products/services has changed but is still sufficient to maintain operations (%)	Medium positive – we are seeing increased demand for some of our products/service (%)	Highly positive – we have added staff and expanded production to meet demand (%)
Goods-producing Industries	April	23	54	15	0	0	8	0
	May	17	17	33	0	8	25	0
	August	15	31	8	0	15	31	0
	September	17	19	19	0	3	25	17
Service-producing Industries	April	24	57	13	0	0	4	2
	May	22	27	29	2	9	9	3
	August	22	36	17	2	6	17	0
	September	26	22	27	2	5	5	14

Note: some companies classified themselves in all sectors. This has caused the higher number of highly positive rankings in September.

In one of the survey questions, employers were asked “How has COVID-19 impacted your business’/organization’s operations?”. Table 6 presents a breakdown of the percentage of employers that agreed with the provided options. Some important points to note include the decrease in the percentage of employers that are experiencing reduced hours and reduced staff. This suggests that more businesses have been able to return to normal working hours and recall some of their staff now that most of the province is in Stage 3 and almost all businesses have been able to reopen to the public.

Also, it is important to note that the percentage of employers having trouble recalling staff has increased since August. In a follow up question, the survey asked employers why their staff chose not to return. Of those that answered the follow up question (only 18 respondents) 61 per cent of respondents indicated that they were having trouble recalling staff because employees preferred to use CERB/CESB, 51 per cent of employers have employees that are concerned about their own or their family’s safety, and 28 per cent of their employees cannot easily access childcare.



Table 6. COVID-19 Impacts on Businesses/Organizations.

<u>COVID-19 Impacts on Businesses/Organizations</u>	<u>April (%)</u>	<u>May (%)</u>	<u>August (%)</u>	<u>September (%)</u>
Reduced hours	25	48	35	30
Reduced staff	28	43	29	27
Working remotely but continuing operations	24	35	28	27
Closed our business/organization temporarily	45	35	23	25
Operating online	18	35	22	24
Accepting telephone orders	13	24	18	20
Delivering new services	9	19	15	18
Other business innovations/changes:	13	14	12	17
Re-tooled to manufacture in-demand supplies	3	4	11	14
Developed new partnerships with businesses, non-profits or charities	1	4	8	11
Increased hours	1	3	6	9
Increased staff	1	3	5	6
Closed our business/organization permanently	3	1	0	4
No impact	4	1	0	4

Employers were also questioned about their level of concern regarding the current reductions to the Canada Emergency Wage Subsidy (CEWS), and its impending closure in November (has now been extended to December – BDO 2020) (see Table 7). Based on the results, 39 per cent of the employers who answered the question stated they are very concerned about the reductions to the CEWS and its upcoming closure. 14 per cent of respondents are not concerned and 22 per cent stated they are not very concerned. Overall, there is a high proportion of employers that have some level of concern regarding the reductions to the CEWS and its eventual closure.



Table 7. Level of concern with the current reductions to the Canada Emergency Wage Subsidy.

Level of Concern	Percentage of Businesses
Not concerned	14
Not very concerned	22
Somewhat concerned	12
Very concerned	39
Unsure	3

As a follow up question, employers were asked “What do you expect the program change will have on operations and/or personnel?” The expected impacts are outlined in Table 8. The respondents of the survey stated a relatively even distribution of the expected level of impact on operations and/or personnel. 27 per cent expect a significant impact on their business, such as having to lay off workers. 14 per cent of employers said they expect very little impact on their business from the change in the CEWS. And 19 per cent do not expect any impacts on operations or personnel.

Table 8. Expected impact from the change to the CEWS on businesses’ operations and/or personnel.

Expected impact on operations and/or personal	Percentage of employers
Significant impact (e.g. will have to let people go)	27
Some impact (e.g. cannot bring on new hires)	22
Very little impact (e.g. will delay plans to bring on more people)	14
None	19
N/A	19

Out of the businesses that responded to the question “What additional impacts from COVID-19 has your business/organization experienced?”, the percentage that agreed with the provided reasons are below (Table 9). The results from this question suggest that businesses are increasing their capacity and minimizing the negative financial impacts of COVID-19. In September, the percentage of employers that have experienced impacts such as, a decrease in sales (48 per cent), an increase in debt load (33 per cent), had to cancel contracts (13 per cent), and had to cancel fundraising events (10 per cent), are the lowest they have been since the introduction of the survey in April. Also, there is a higher proportion of employers that indicated that they have signed new contracts with other businesses (5 per cent) and/or governments (2 per cent). This further suggests that some businesses are starting to slowly rebound since the onset of the pandemic. This could be a result of fewer restrictions now that most of the province is in Stage 3 or because businesses have had more time to adapt and innovate to stay afloat.



Table 9. Additional Impacts on Businesses/Organizations.

What additional impacts have you experienced (check all that apply)	April (%)	May (%)	August (%)	September (%)
We've increased cleaning, sanitation and/or protective measures in our offices/facilities	36	66	79	67
We are having to restrict spending because of the uncertainty	55	51	57	57
We are experiencing decreases in sales (or donations if non-profit)	52	68	56	48
Our business equity/value has fallen	45	43	44	48
Our debt load has increased	40	46	41	33
Our supply chain is interrupted	27	24	39	33
Our supply chain is experiencing bottlenecks	14	25	30	30
We've had contracts cancelled	36	35	23	23
Other	5	6	15	8
We've had to cancel fundraising events (for non-profits)	13	22	15	10
We've had to cancel contracts	19	19	15	13
We are experiencing significant increase in consumer demand for certain items	4	11	13	10
We are experiencing increases in sales	3	5	13	11
Our business equity/value has increased	1	5	8	8
We have excess perishable supplies	3	6	5	2
We've signed new contracts with other businesses	4	6	3	5
We've signed new contracts with government	1	0	0	2

Note: Respondents could choose more than one option.



A large majority of businesses that responded to this survey are negatively financially impacted by the crisis (Table 10). Out of the 55 businesses that responded to the question, 45 per cent estimated that their sales/ income decreased by more than \$100k. 11 per cent believe that their sales/income decreased by \$50-100k, 4 per cent said that their sales/income decreased by \$20-50k and 18 per cent stated that their sales/income decreased by \$0- 20k. Although the majority of businesses have experienced a significant loss in sales, 13 per cent of businesses that answered this month's survey were not financially impacted by the pandemic and 5 per cent stated that their sales/income has increased by more than 100K.

Compared to the previous results, the employers that reported a decrease in sales by more than 100k has increased the most. This is likely explained by the cumulative impact of the COVID-19 crisis. As time goes by under COVID-19 operation restrictions, the employers that are losing revenue are reporting greater losses. However, the impact on business sales/income depends in part on the services/goods provided. COVID-19 has shifted consumer behavior and certain businesses are flourishing (CTVNews, 2020). For example, Clorox had a 15 per cent increase in overall sales in the first quarter and Peloton (home workout products) increased their revenue by 66 per cent for their most recent quarter (CTVNews, 2020).

Table 10. Percentage of employers stating an estimated financial impact that COVID-19 has on their business.

Estimated Financial Impact	April (%)	May (%)	August (%)	September (%)
Decreased sales/income more than \$100k	21	36	30	45
Decreased sales/income \$50-100k	13	21	16	11
Decreased sales/income \$20-50k	28	19	12	4
Decreased sales/income 0-20k	29	12	26	18
No financial impact	N/A	5	9	13
Increased sales/income 0-20k	6	0	4	2
Increased sales/income 20-50k	3	0	2	0
Increased sales/income 50-100k	0	3	0	2
Increased sales/income more than 100k	0	4	2	5

The level of familiarity that employers in the Thunder Bay District have for the Federal and Provincial governments' COVID-19 programs is shown in Table 11. As seen from the previous surveys, the COVID-19 employer programs that employers are most familiar with are the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Business Account (CEBA), and the Canada Emergency Response Benefit (CERB). Based on the results from this question, there is a high proportion of employers that are unfamiliar with many of the programs offered by the Federal and Provincial Government. For instance, 61 per cent of employers are either somewhat or very unfamiliar with the Regional Opportunities Investment Tax Credit, 56 per cent are not familiar with the Entrepreneurial Support Programs and 58 per cent of employers unfamiliar with the Regional Relief and Recovery Fund. Employers may be less familiar with these programs because they are more niche programs compared to CERB and CEWS.



Table 11. Level of Familiarity with the Federal and Provincial Governments' COVID-19 employer programs.

How familiar are you with the federal government's COVID-19 programs for employers?	Very Familiar (%)	Somewhat Familiar (%)	Somewhat Unfamiliar (%)	Very Unfamiliar (%)	Unsure (%)
Canada Emergency Wage Subsidy	56	27	5	5	5
10% Temporary Wage Subsidy	30	38	8	14	10
Extending the Work-Sharing Program	2	35	18	20	24
Canada Emergency Commercial Rent Assistance	16	40	16	10	18
Changes to the Canada Summer Jobs Program	8	30	20	20	22
Tax/Remittances Deferral Programs	32	34	11	8	15
Sales Tax Remittance and Customs Duty Payment Deferral	22	33	12	16	18
Business Credit Availability Program	20	39	12	14	16
Canada Emergency Business Account	33	42	10	4	12
Insured Mortgage Purchase Program	6	12	22	34	26
Canada Emergency Response Benefit	33	35	13	6	13
Entrepreneurial Support Programs	4	12	30	26	28
Regional relief and Recovery Fund	2	10	32	26	30
Industrial Research Assistance Program	6	6	22	34	32
Employer Health Tax Relief	6	22	24	25	24
Regional Opportunities Investment Tax Credit	0	6	22	39	33
Large Employer Emergency Financing Facility Program	6	12	16	28	38

Following, the level of satisfaction that employers in the Thunder Bay District have towards these federal and provincial programs was evaluated (Table 12). 75 per cent of businesses that answered this question said that they are very or somewhat satisfied with CEWS, 54 per cent are very or somewhat satisfied with the 10 % Temporary Wage Subsidy, and 43 per cent are satisfied with both CERB and CEBA. The level of dissatisfaction for the Canada Emergency Commercial Rent Assistance (CECRA) has decreased since August from 44 per cent to 32 per cent who stated they are very or somewhat unsatisfied with the program. Despite this improvement, CECRA remains the program with the highest dissatisfaction rate in September.



Table 12. Employer's Level of Satisfaction with the Federal and Provincial COVID-19 Programs for Employers.

Federal COVID-19 Programs for Employers	Very Satisfied (%)	Somewhat Satisfied (%)	Somewhat Unsatisfied (%)	Very Unsatisfied (%)	Neutral (%)
Canada Emergency Wage Subsidy	32	43	11	6	8
10% Temporary Wage Subsidy	10	44	17	6	23
Extending the Work-Sharing Program	2	15	13	7	63
Canada Emergency Commercial Rent Assistance	7	17	15	17	43
Changes to the Canada Summer Jobs Program	2	17	9	4	67
Tax/Remittances Deferral Programs	9	21	6	9	55
Sales Tax Remittance and Customs Duty Payment Deferral	4	20	7	4	65
Business Credit Availability Program	4	15	13	9	60
Canada Emergency Business Account	11	33	13	4	37
Insured Mortgage Purchase Program	0	9	9	2	80
Canada Emergency Response Benefit	9	34	13	9	36
Entrepreneurial Support Programs	0	11	9	2	77
Regional Relief and Recovery Fund	0	9	9	5	77
Industrial Research Assistance Program	2	7	7	0	84
Employer Health Tax Relief	4	18	13	4	60
Regional Opportunities Investment Tax Credit	2	2	7	7	82
Lowering electricity rates	13	23	6	11	47
Large Employer Emergency Financing Facility Program	0	2	7	9	82



The percentage of businesses that stated they were currently using or are going to use the following federal and provincial programs are stated below (Table 13). The most widely used programs for September are the Canada Emergency Wage Subsidy (60 per cent), the Canada Emergency Business Account (39 per cent), and the 10 per cent Temporary Wage Subsidy (35 per cent). Most of these programs are provided by the Federal Government except for the Regional Opportunities Investment Tax Credit which is funded by the Provincial Government and the Sales Tax Remittance Deferral Program which encompasses both provincial and federal programs.

Table 13. Percentage of businesses that stated they had or are going to access to one of the following Federal and Provincial programs

Have you or are you going to access the federal programs? If so which programs? Check all that apply	Yes	No	Not eligible
Canada Emergency Wage Subsidy (f)	60	17	23
10% Temporary Wage Subsidy (f)	35	37	29
Canada Emergency Business Account (f)	4	59	37
Canada Emergency Response Benefit (f)	11	47	43
Tax/Remittances Deferral Program (f/p)	2	55	43
Canada Emergency Commercial Rent Assistance (f)	26	46	28
Sales Tax Remittance and Customs Duty Payment Deferral (f)	11	56	33
Business Credit Availability Program (f)	10	60	29
Entrepreneurial Support Programs (f)	39	41	20
Changes to the Canada Summer Jobs Program (f)	0	57	43
Regional Opportunities Investment Tax Credit (p)	17	57	26
Regional Relief and Recovery Fund (f)	2	65	33
Extending the Work-Sharing Program (f)	9	65	28
Insured Mortgage Purchase Program (f)	2	63	35
Industrial Research Assistance Program (f)	5	45	48
Large Employer Emergency Financing Facility Program (f)	0	45	52

Employers were asked to describe their experience applying to and accessing these programs. Those who answered the question indicated that some programs were very easy to apply for, like CERB and CEBA while others were confusing and time consuming. Some responders mentioned they were frustrated with the long wait to access programs after they were announced by the government and found it frustrating that the rules/qualifications frequently changed. Employers also remarked that certain businesses – small and new – fell through the cracks. For example, one respondent said they were disturbed to find out that their small business did not qualify because they did not have employment earnings.



BUSINESS HUMAN RESOURCE IMPACT

The percentage of businesses that stated having the following workforce sizes are found in Table 14. In September, there was a large decrease in the percentage of employers with a very small workforce (1-9 employees) and an increase in all the other ranges. Most notable, the percentage of employers with 99 or more employees increased from 0 in August to 10 in September.

Table 14. Percentage of businesses that stated having one of the following workforce sizes.

Size of workforce (Number of employees)	April (%)	May (%)	August (%)	September (%)
1 to 9	78	72	69	40
10 to 19	8	10	11	23
20 to 49	12	10	16	19
50-99	0	0	2	8
99 or more	2	7	0	10

The average number of laid off workers was analyzed (Table 15). Most employees that were laid off following the shutdown of non-essential businesses on March 26 were part-time and working for mid-sized businesses. There are very few seasonal and/or contract workers that were laid off. A possible explanation is that most of the employers who answered the survey do not hire many (or any) seasonal and/or contract workers. Or businesses did not hire any seasonal and/or contract workers because of the COVID-19.

Table 15. Average number of employees laid off by employee type.

Average number of full-time employees laid off	Average number of part-time employees laid off	Average number of seasonal workers laid off	Average number of contract workers laid off	Average number of full-time employees laid off
1 to 9	3	3	2	0
10 to 19	10	34	0	0
20 to 49	5	14	5	1
50-99	13	27	0	5
99 or more	3	0	0	0

Note: Respondents could enter more than one option.



Many employers implemented measures to support/protect their employees during the COVID-19 crisis. The percentage of employers that stated implementing one or more measures to support/protect their employees during this crisis is found in Table 16. Based on the results from this question, 79 per cent of employers implemented physical distancing measures in their business which is very similar to the results in August. This is likely a reflection of Ontario entering Stage 3 in July and businesses reopening to the public while following health and safety guidelines. Other interesting results include, 81 per cent of employers have informed their employees of the government assistance programs, 44 per cent required that their employees work from home, and 29 per cent have closed their business temporarily and are not paying employees while they are closed. Also, on a positive note, 80 per cent of respondents to the NSWPB's workforce impact survey said they think their employer has done enough to keep them safe during reopening.

Table 16. Percentage of employers that implemented the following measures to support/protect employees during the COVID-19 crisis

	April (%)	May (%)	August (%)	September (%)
We've implemented physical distancing measures in our business	41	68	76	79
We've educated our employees as to the symptoms and risks associated with the virus, as well as prevention measures	48	70	74	29
We've informed employees of the government assistance programs	34	51	55	81
We've required employees to work from home	25	33	33	44
We've staggered work hours for employees	13	33	26	17
We've hired or made employees aware of mental health and well-being resources	7	25	26	29
We continue to pay wages to employees that are off work for quarantine or illness.	7	14	24	10
Other (please specify)	13	13	24	38
We've closed our business/organization temporarily and not paying employees during closure	36	24	12	29
We are asking employees to use vacation, sick or personal days during the crisis, and deferring layoffs	5	5	5	13



WHAT DO YOU THINK THE GOVERNMENT CAN DO TO ASSIST YOU RIGHT NOW?

For the open-ended question “What do you think the government can do to assist you right now?”, the most common answer at the local level was lowering taxes. Employers also believe that the local government should reduce water, hydro and sewer rates for their businesses. Other measures that respondents mentioned include supporting and promoting tourism, working on the supply chain, and getting employees back to work.

At the provincial level, employers stated that governments could help them right now by providing tax relief, following regional specific shutdown plan, continuing financial assistance, and rent relief. Based on the answers provided, employers in the Thunder Bay District want the provincial government to assist businesses in returning to normal, and do not want to go back into lockdown.

At the federal level, employers stated that the government should assist businesses by continuing programs (most noted was extending the wage subsidy), preparing and distributing a COVID-19 vaccine, and reducing taxes. Also, one respondent stated that the federal government should roll back CERB to encourage people in returning to work. Some businesses are having trouble recalling employees or hiring new staff because workers can choose to remain unemployed and receive CERB instead (GlobalNews, 2020). Also, workers are choosing to work fewer hours and ensuring they meet the \$1,000 per month earnings cutoff needed to continue receiving CERB. Of note, the CERB program ended on October 3, 2020 (Government of Canada, 2020).

WHAT DO YOU THINK THE GOVERNMENT CAN DO TO ASSIST YOU AFTER THE CRISIS RECEDES AND THE ECONOMIC

Employers were also asked “What do you think the government can do to assist you after the crisis recedes and the economic recovery begins?”, the answers were very similar to the above. Employers would like all levels of government to support local businesses, provide financial assistance and reduce taxes. Some other interesting suggestions include assistance in re-structuring debt to allow for long pay back periods, make business loans 100 per cent forgivable and continue financial support during recovery. Based on these answers, businesses seem concerned about having to repay their debt and are hoping that governments will continue working with them after the crisis recedes.



Conclusion

Overall, most businesses have reopened and have been able to increase their operations. Employers have worked hard to adapt to this new reality. Some businesses have made physical changes to their store/office in order to provide services and goods to the public while meeting the new health and safety guidelines. Also, employers have adapted their business to provide new goods and/or services, or continue delivering the same services in new ways, such as operating online or taking orders over the phone. As a result, a lower proportion of employers stated that their business prospects are highly or medium negative. This suggests that business is slowly on the rise and returning to normal. However, this progress would likely not be possible without the continued support from governments and other organizations. The employers who responded to this survey have indicated that all levels of government need to assist local businesses, provide tax relief, provide financial assistance and extend the various programs currently offered in order to recover from this crisis.



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