

## COVID-19 business impacts survey generates almost 8,000 responses

Multi Partner led survey reveals severe impacts taking toll, calls to action are clear

**March 19, 2020, Vancouver, BC--** The BC Economic Development Association (representing over 300 local, Indigenous, and regional governments in BC), the BC Chamber of Commerce in partnership with Small Business BC, and Community Futures BC, launched a survey on March 13 to understand specific impacts BC businesses are experiencing due to the COVID-19 pandemic – and hear their proposed solutions

As of March 18, almost 8,000 businesses had responded to the survey. [Final results can be found here.](#)

The data paints a dire picture of what businesses are experiencing now and what they expect to be facing in the near future:

- 90% of businesses are “currently being impacted by COVID-19”
- Of those impacted, 83% are seeing a “drop in revenue, business, or deal flow”
- 91% anticipate a further “decrease in revenue in the near-term” [sic]
- 73% of businesses expect their revenues will drop by 50% or more (with nearly a quarter saying revenues will drop by 100%)
- Half of the respondents say they will be “temporarily shutting down” their offices.
- 64% of respondents expect to reduce their staff by over half (with a quarter saying they will be reducing their staff by 100%)

“It’s no question that public health has to be the number one priority at this time.” says Dale Wheeldon, President & CEO, BC Economic Development Association. “Our local business community provides us with a standard of living we are all accustomed to, and it’s important to support them now. We will need them there for us in the future. The survey results provide a good cross-section of small and medium-sized businesses from across British Columbia. It clearly shows that SME’s are already experiencing a significant reduction in business, putting them and their employees at risk. Collectively we need to act now to implement measures like loan guarantees, flexibility with tax payments, development of programs to enhance economic development at the community level - recognizing that not one solution will fit all. BCEDA is a leader in disaster recovery and has led programs in BC, Alberta and the United States. We have already been providing tools and resources to communities and look forward to delivering more with the support of federal and provincial governments.”

### What survey respondents said

The survey revealed that self-employed and/or contract workers are gravely concerned, due to their ineligibility for Employment Insurance. One respondent says, “I am the only full-time employee, and I may need to close my business, potentially go bankrupt and lose \$100,000 investment. I’ve paid into EI

my entire life, except for the last year since starting my business. What services are available to me during this incredibly challenging time?”

The tourism industry and peripheral industries fear they will be particularly hard hit, with some stating they’ve already seen cancellations of 90% of bookings. “We are worried about bankruptcy if the summer does not go as planned—we really rely on overseas travelers,” one respondent says.

Businesses are saying they need immediate and direct fiscal intervention to mitigate the impacts on their businesses and their employees. “I need cash in hand and decreased bills soon. Help me and my business, so I can help my staff by keeping them employed,” a respondent says.

### [Recommendations to government to assist businesses](#)

The survey results also recommend specific measures that BC businesses would like to see put in place to relieve immediate economic pressures.

The BC Chamber, SBBC, CFBC & BCEDA have already made the following recommendations to government based on the survey results:

**1. Provide flexibility for tax remittance**

- Extend the April 30 tax deadline (for those who owe) to take pressure off the system and provide relief.
- Provide a 6-12-month holiday on paying the EHT to put \$950 million - \$1.9 billion back in the hands of business, so they can stay open and keep workers employed.
- Remove the PST for six months on every transaction, or at the very least, for select purchases.

**2. Allow for delayed property tax payment**

Work with municipalities to allow business to defer property tax payments to free up revenue.

**3. Encourage financial institutions to provide zero interest loans, lines of credit and deferred payment terms**

Work with banks, credit unions and other lenders such as Community Futures to offer zero interest business loans – with deferred payment terms – backed by government.

**4. Enhance EI access and wage replacement options**

**5. Provide funding for businesses to work remotely**

Create a provincial fund to help businesses operate remotely and in turn, avoid staffing reductions/layoffs. This is also a future-oriented opportunity—as we recover from COVID-19, some will continue working remotely, which will reduce congestion and help with GHG reduction targets going forward.

**6. Support the efforts of BCEDA and Local, Indigenous and Regional Governments to meet current and future needs of business**

BCEDA is actively working with government across BC to provide advice to them on what immediate steps can be taken to assist businesses at risk now and once the current situation

begins to improve. Proper recovery efforts will need to happen in every corner of BC and all levels of government will need assistance.

### “Survey says...” – Federal government’s fiscal stimulus package

The federal government introduced a stimulus package totaling \$82 billion yesterday, including a number of initiatives in categories that businesses flagged in the BC Chamber-led survey, including: providing eligible small businesses a 10 per cent wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer; measures to ensure business has access to cash via loan from banks and other financial institutions (including the Business Development Bank of Canada and Export Development Canada); and extending the tax filing deadline to June 1 and allowing taxpayers to defer tax payments until after August 31 (for amounts that are due after today and before September).

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### About BCEDA

The BC Economic Development Association (BCEDA) is the leading professional association of economic development practitioners in the Province of BC. BCEDA currently has over 450 members from communities throughout the province. BCEDA provides services that help member communities grow and expand new and existing businesses, attract new business investments, and work towards strategic infrastructure investment, land use planning, and community enhancement. BCEDA services include an annual summit and networking event, educational and professional development opportunities, public relations, advisory services and resources and partnering with communities and the Province of BC to market British Columbia for business investment.

### Survey Partner Quotes

#### **Val Litwin, CEO of the BC Chamber of Commerce**

*“Public health must be the primary concern during the early days of the pandemic,” says Val Litwin, CEO of the BC Chamber of Commerce. “We commend the federal and provincial governments for prioritizing the health and safety of its citizens above all else. We have also been reassured that government is strategically and thoughtfully looking at ways to mitigate impacts to businesses of all sizes and are working tirelessly to soften the economic impacts to British Columbians. Businesses in BC are saying that a combination of tax cuts, flexibility around tax remittances and enhanced credit access will help them weather this unprecedented storm in the short term.”*

#### **Tom Conway, CEO, Small Business BC:**

*“Small Business BC stands with our community of entrepreneurs and their employees during this difficult time. We will continue to advocate on their behalf to government and communities throughout British Columbia. Against the challenging backdrop of COVID-19, we must do everything we can to sustain their*

*vital contribution to the provincial economy. Small businesses form the backbone of our economy here in BC, representing 98 per cent of all businesses and employing 57 per cent of all private sector employees. We want this community to know we are here for them and we recommend they continue to refer to our website for up-to-date information, resources and support.”*

**Cheryl Johnson, Executive Director, Community Futures British Columbia.**

*“Community Futures BC and our network of 34 CF offices throughout rural BC has heard loud and clear from SME’s across the province...The COVID-19 pandemic is having a devastating effect on their businesses, staff, customers and local economies. Many rural businesses are still recovering from devastating wildfires, floods and now forest sector impacts. CF has helped rural small businesses be resilient in the face of economic disruption for over 30 years. And today we are delighted to collaborate with our colleagues to encourage the federal and provincial governments to provide the BC business ecosystem with the supports and relief needed to sustain local economies during this unprecedented time of public health concern.”*

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