



2020

# COVID-19 Juneau Business Survey



Completed by the Juneau Economic Development Council in partnership with the United Way, Travel Juneau, the Juneau Arts and Humanities Council, the Juneau Chamber of Commerce, and the Central Council. JEDC research efforts are supported by core funding from the CBJ.



October 29, 2020

## Table of Contents

EXECUTIVE SUMMARY .....	2
INTRODUCTION AND METHODOLOGY .....	3
FINDINGS.....	5
Impacts of COVID-19 on employment and operations.....	5
Business Responses to COVID-19 .....	9
Financial Assistance .....	11
Trends .....	12
Projections .....	13
Remote Work.....	15
Opportunities for Growth .....	17
SUMMARY OF FINDINGS.....	17
APPENDIX 1: SURVEY QUESTIONS.....	19

## EXECUTIVE SUMMARY

In September 2020, the Juneau Economic Development Council partnered with the United Way, Travel Juneau, the Juneau Arts and Humanities Council, the Juneau Chamber of Commerce, and the Central Council to develop and distribute an online survey to Juneau businesses to investigate the effects of the COVID-19 pandemic on businesses in Juneau. The survey was available to businesses online on the JEDC website and partner websites from September 10-30, and 246 businesses responded during that period.

Most businesses reported a general reduction in clients and sales, with an average estimated revenue loss of 38% for June, July, and August between 2019 and 2020. A few respondents working in construction or fishing reported an increase in sales and services. Businesses experienced an overall decrease in employment between 2019 and 2020 of 53.4%, with a loss of 25.8% of full-time, year-round employees, and a severe loss of 84.9% of seasonal employees. Over half of the businesses reported needing to cancel or delay projects or events, and 67% were forced to reduce worker hours. The lack of cruise ships and independent travelers had the most severe negative financial impact on businesses, followed by the mandatory city or state closures. Lack of childcare negatively impacted the ability of 41% of respondents to operate.

The federal government was the primary source of financial assistance to Juneau's small businesses (CARES Act and SBA). The City and Bureau of Juneau (CBJ) was the second most significant source of assistance. The State of Alaska has provided little assistance to date, although many businesses applied for assistance from state programs.

New trends seen in customers due to COVID-19 included financial hesitance, low confidence, and avoiding in-person shopping, which has resulted in an increased desire for cashless transactions, contactless service, and online sales. Trends that businesses see in their sectors include a new focus on delivery/take-out/online services and remote work. Over half of the businesses reported that some of their workforce was working remotely at the time of the survey.

Of significant concern is the projected closure of 118 businesses (56% of respondents) under a year following the completion of the survey in September 2020 if the pandemic climate were to continue, and 12% in three months or less. Only 22% of businesses reported that they could remain open indefinitely under pandemic conditions. A third of businesses also reported that their number of employees would probably or definitely decrease over the three months following this survey. Half of the businesses identified visitors to Juneau as central to their business success, and over half think that testing inbound passengers for COVID-19 is very important for their direct success. Businesses expressed interest in receiving education in applying for financial assistance, keeping employees and customers safe, and digital marketing/website maintenance skills to better adapt to changes caused by COVID-19. Most (72%) of respondents reported thinking that Juneau is ready to recruit remote workers,

especially as an opportunity to add remote high-paying technology jobs to the Juneau economy.

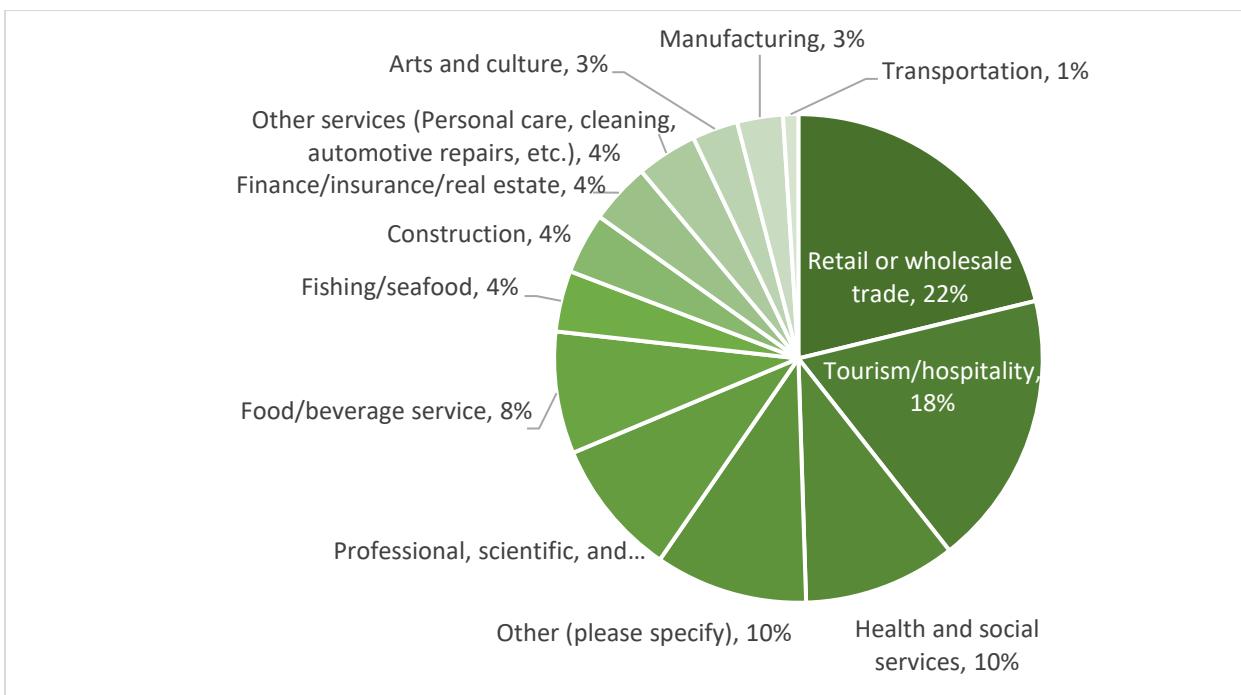
## INTRODUCTION AND METHODOLOGY

On March 11, 2020, Alaska Governor Mike Dunleavy issued a declaration of public health disaster emergency in response to the COVID-19 pandemic. During the following months, Juneau businesses experienced shutdowns and loss of business due to several factors related to the pandemic. Particularly impactful for many businesses was the loss of cruise ship activity during the summer due to the CDC's No Sail Order, signed on March 14, 2020. The City and Bureau of Juneau (CBJ) also took specific measures such as a hunker down order in March and capacity restrictions throughout the summer to prevent the spread of COVID-19.

In September 2020, the Juneau Economic Development Council partnered with the United Way, Travel Juneau, the Juneau Arts and Humanities Council, the Juneau Chamber of Commerce, and the Central Council to develop and distribute an online survey to Juneau businesses to investigate the effects of the COVID-19 pandemic on businesses in Juneau. At the time of the survey, the COVID-19 pandemic was still widespread and affecting many aspects of life and business. The survey aimed to identify how businesses in Juneau are pivoting, starting to recover, and planning for the future in response to the COVID-19 pandemic.

The survey was available to businesses online on the JEDC website and partner websites from September 10-30, 2020. It consisted of 31 questions, some multiple-choice, some based on a rating scale, and some open response. Businesses were asked about the impact of COVID-19 on employment, operations, and finances, as well as business responses, financial assistance, trends, and projections.

*Figure 1: In what sector does your organization primarily operate?*



In total, 246 businesses responded to the survey. Of those businesses, the majority operated in retail or wholesale trade (22%) or tourism/hospitality (18%), followed by health and social services (10%). The remaining half of businesses operated in professional, scientific, and technical services (9%), food/beverage service (8%), fishing/seafood (4%), construction (4%), finance/insurance/real estate (4%), arts and culture (3%), manufacturing (3%), transportation (1%), and other services (4%) or sectors (10%).

For-profit corporations (LLCs, partnerships, etc.) were the largest group of respondents, with 135 responses. Eighty-five sole proprietorships and 21 non-profit corporations responded to the survey. Three responses were from limited entry permit holders (fishermen). Within each business, the surveys were primarily completed by a general manager, CEO, or executive director (52%). Board members completed 33% of the surveys. Employees, staff, or volunteers completed 5%, and other business members completed the remaining 10%.

Most of the businesses that responded to the survey are open year-round (75%). Only 1% are open only or mostly in winter; the remaining 24% was split evenly between businesses that are open only in summer or open all year but mostly in summer.

One respondent was identified as an outlier and removed from the data pool during the survey results analysis. Not all respondents answered every survey question. Percentage summaries for certain responses as they appear in this report were calculated using the number of responses to the particular question, not the total number of survey respondents, except in cases where it was necessary to calculate percentages using the total number of respondents.

## FINDINGS

### Impacts of COVID-19 on employment and operations

Over half of respondents reported personally knowing someone who had a confirmed case of COVID-19. On average, respondents estimated a 38% loss in revenue for June, July, and August between 2019 and 2020. Businesses experienced an overall decrease in employment between 2019 and 2020 of 53.4%, with a loss of 25.8% of full-time, year-round employees, and an extreme loss of 84.9% of seasonal employees. Part-time year-round employees experienced the lowest drop, with businesses employing only 3.9% fewer in 2020 than 2019.

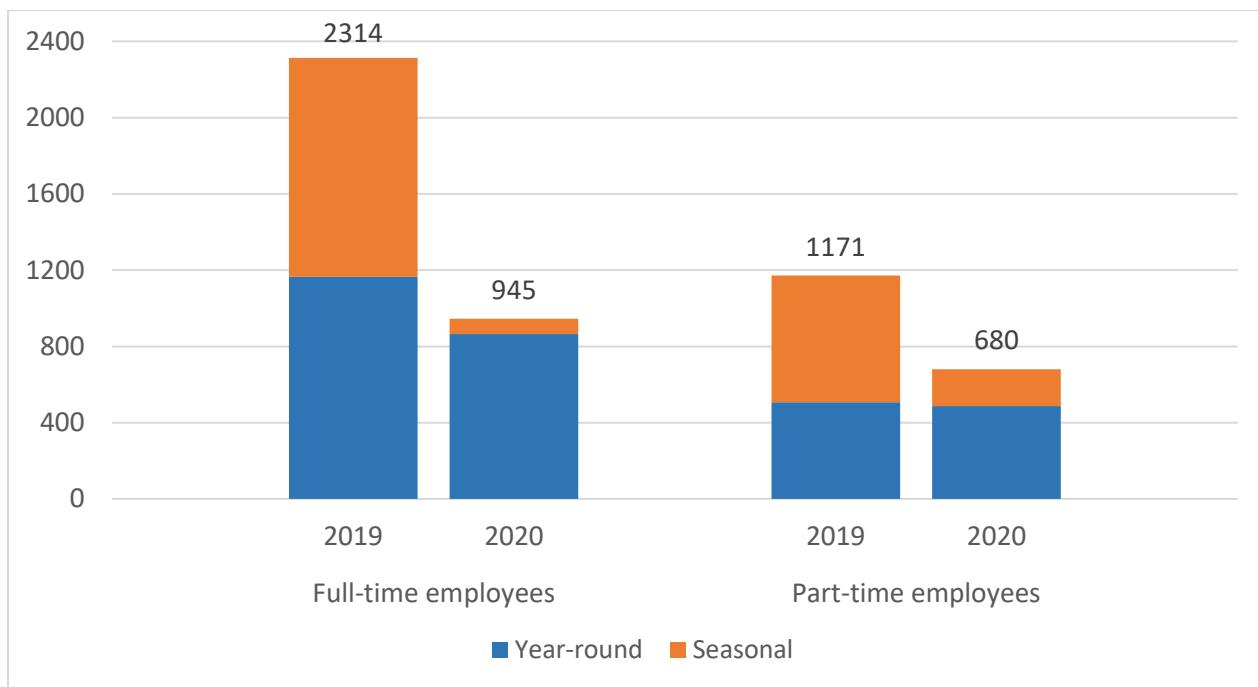
Over half of the businesses reported needing to cancel or delay projects or events. The most experienced impact of COVID-19 on business operation was reduced worker hours, which affected 67% of respondents. The lack of cruise ships and independent travelers had the most severe negative financial impact on businesses, followed by the mandatory city or state closures. Lack of childcare negatively impacted the ability of 41% of respondents to operate. Over half of the businesses were unable to provide community support due to COVID-19.

*Figure 2. How many employees did your organization employ on July 31, 2019 / 2020?*

		Year-round	Seasonal	All
<b>Full-time employees</b>	<b>2019</b>	1165	1149	2314
	<b>2020</b>	864	81	945
	<b>% Loss</b>	<b>25.8%</b>	<b>93.0%</b>	<b>59.2%</b>
<b>Part-time employees</b>	<b>2019</b>	507	664	1171
	<b>2020</b>	487	193	680
	<b>% Loss</b>	<b>3.9%</b>	<b>70.9%</b>	<b>41.9%</b>
<b>Total employees</b>	<b>2019</b>	1672	1813	3485
	<b>2020</b>	1351	274	1625
	<b>% Loss</b>	<b>19.2%</b>	<b>84.9%</b>	<b>53.4%</b>

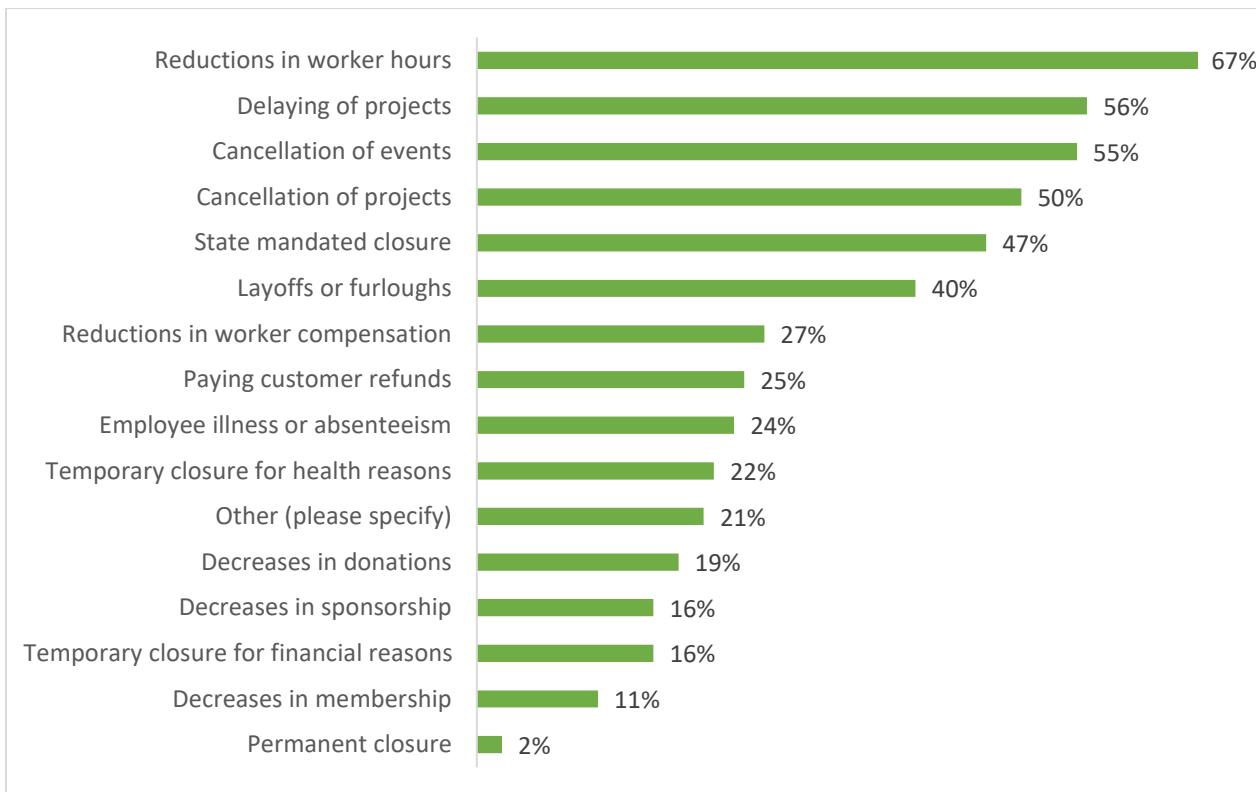
Respondents saw a drop in employment across the board from 2019 to 2020. The largest decrease was in full-time, seasonal employees, with 93% less employment in 2020 than 2019, followed by part-time seasonal employees with a 70.9% drop. Also significant was a 25.8% drop in full-time, year-round employment. Part-time year-round employees were least affected proportionally, with only a 3.9% decrease in 2020. Based on respondent data, businesses employed 53.4% fewer employees in 2020 than in 2019.

*Figure 3. Full-time and part-time employment by Juneau businesses in 2019 and 2020.*



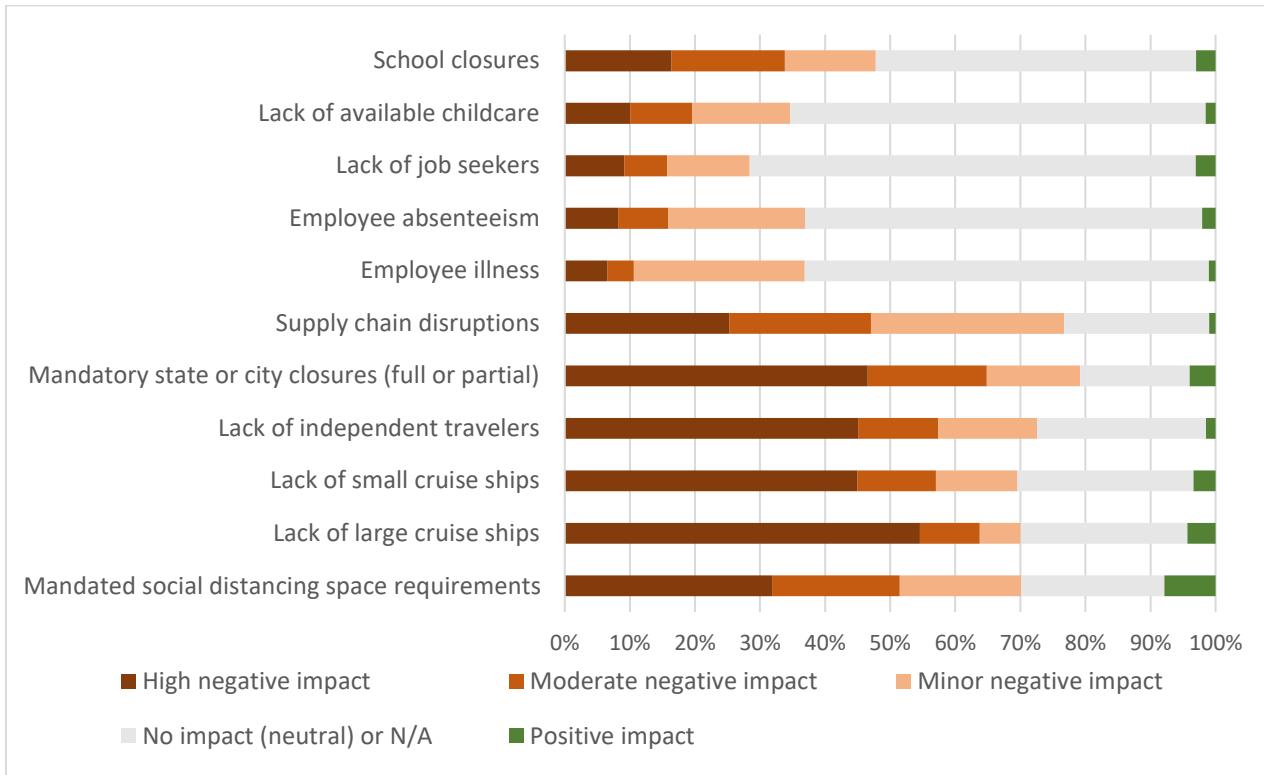
Full-time employment decreased in 2020 more than part-time employment. The majority of that drop can be attributed to a severe decline in full-time, seasonal employment, but full-time, year-round employment also dropped by 25.8%.

*Figure 4. Has your organization experienced any of the following due to COVID-19?*



Five businesses, constituting 2% of respondents, were forced to close due to COVID-19 by the time that they responded to the survey in September 2020. The most commonly experienced impacts of the pandemic were a reduction in worker hours and the delay or cancellation of projects or events. State-mandated closure impacted nearly half of respondents, and 40% experienced layoffs or furloughs.

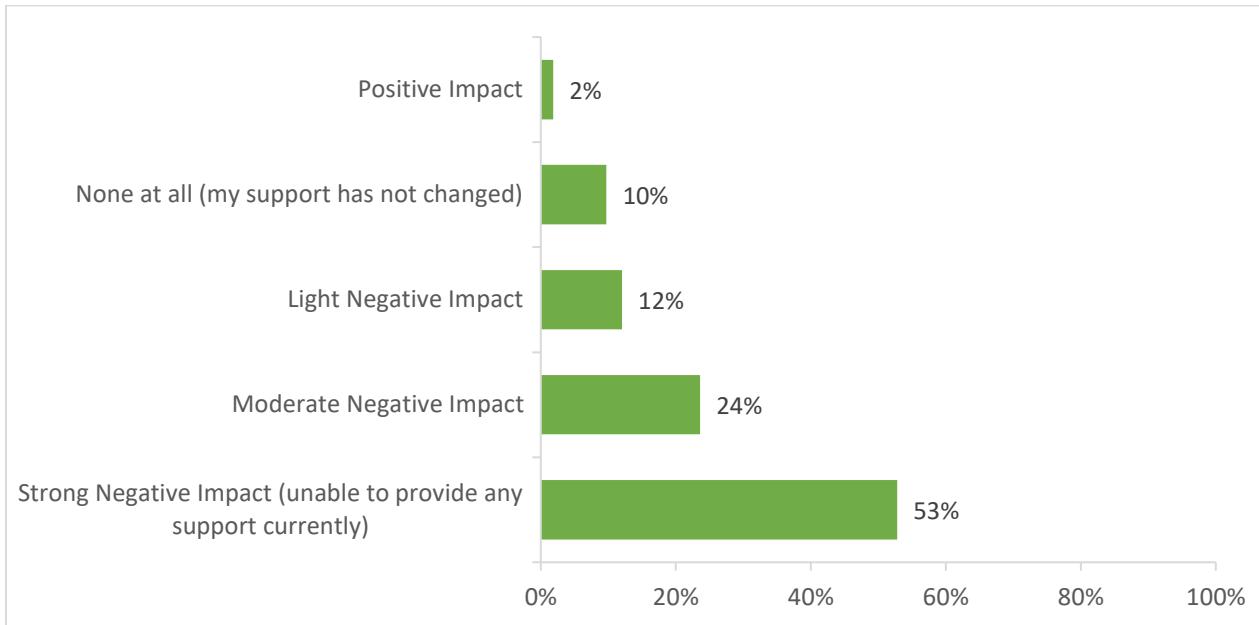
*Figure 5. What is the relative financial impact of each of the following to your business/organization?*



Businesses experienced the highest negative impact from the lack of large cruise ships, followed by mandatory state closures and then the lack of independent travelers and small cruise ships. Many businesses experienced moderate and minor negative impacts from supply chain disruptions, mandated social distancing requirements, and school closures. Employee absenteeism and illness had a minor negative impact on several businesses. Mandated social distancing requirements positively impacted 8% of respondents.

In a separate survey question about the amount of available childcare, 14% of businesses responded that the amount of available childcare had a strong negative impact on their ability to operate, meaning that employees could not find childcare, and it was disrupting work. An additional 27% indicated that it had a slightly negative impact, meaning employees were finding it more difficult to manage work and care for their children. The remaining 59% responded that it had no effect on their ability to operate.

*Figure 6. How has COVID-19 affected your organization's ability to support local activities, non-profits, and events?*

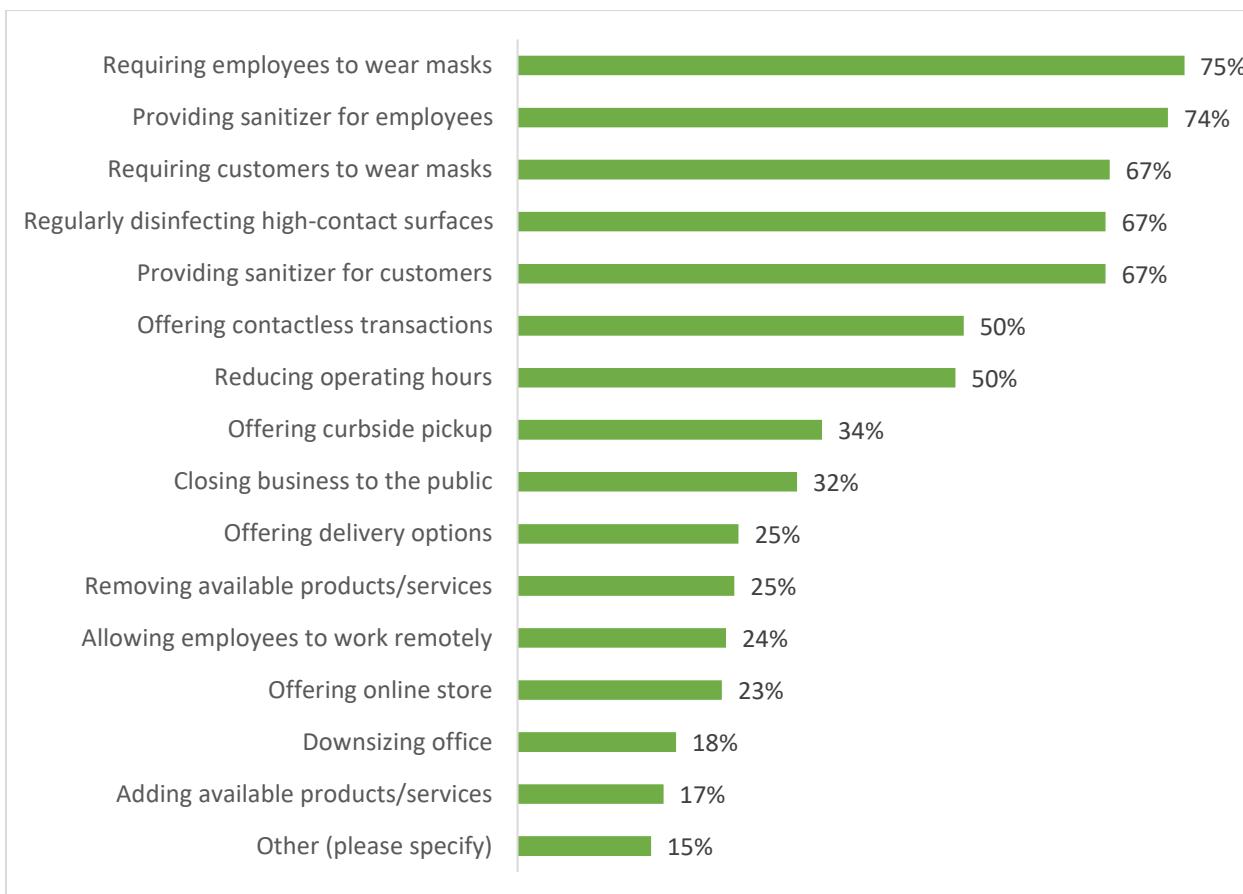


COVID-19 negatively impacted 89% of respondents' ability to support local activities, non-profits, and events in the community. Over half of the respondents were unable to provide any support to the community.

#### **Business Responses to COVID-19**

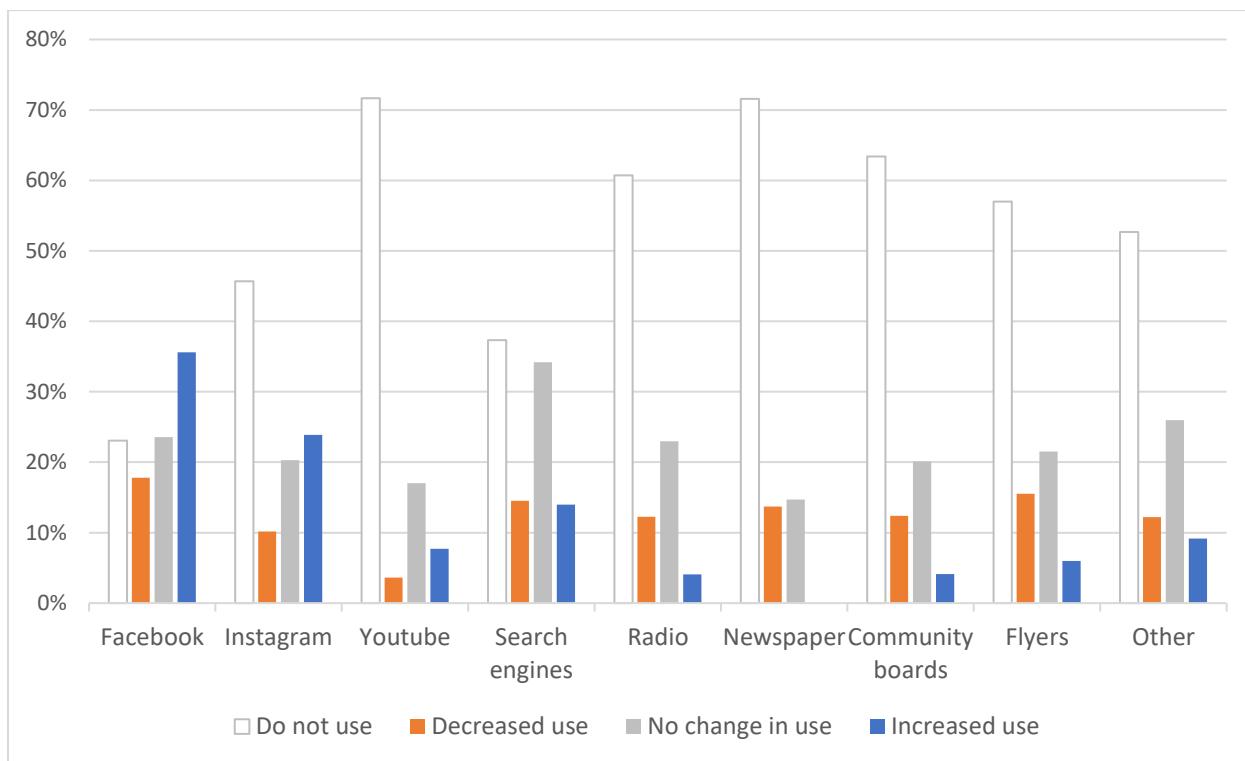
The most common new measures that businesses put into place as a response to COVID-19 were related to mask-wearing and sanitation. Offering delivery and contactless services was another common response. Many businesses also reduced operation and services, while a few added available products or services. Some businesses changed their marketing strategy, with a shift towards Facebook and Instagram as marketing mediums.

*Figure 7. Please indicate the new measures your organization is taking in response to COVID-19.*



Measures focused on employees and sanitation were the most common, with 75% of respondents requiring employees to wear masks and 74% providing them with sanitizer. Slightly fewer businesses (67%) enacted customer-focused measures, including mask-wearing and providing sanitizer. The majority of businesses also began regularly disinfecting high-contact surfaces. Half of the respondents started offering contactless transactions, with 34% specifically offering curbside pickup, 25% offering delivery options, and 23% offering an online store. Half of the businesses reduced operating hours, 34% closed their business to the public, and 18% downsized their office. Some businesses added available products/services, but a greater number removed products/services.

*Figure 8. Indicate what changes you have made in your marketing for the mediums listed below.*

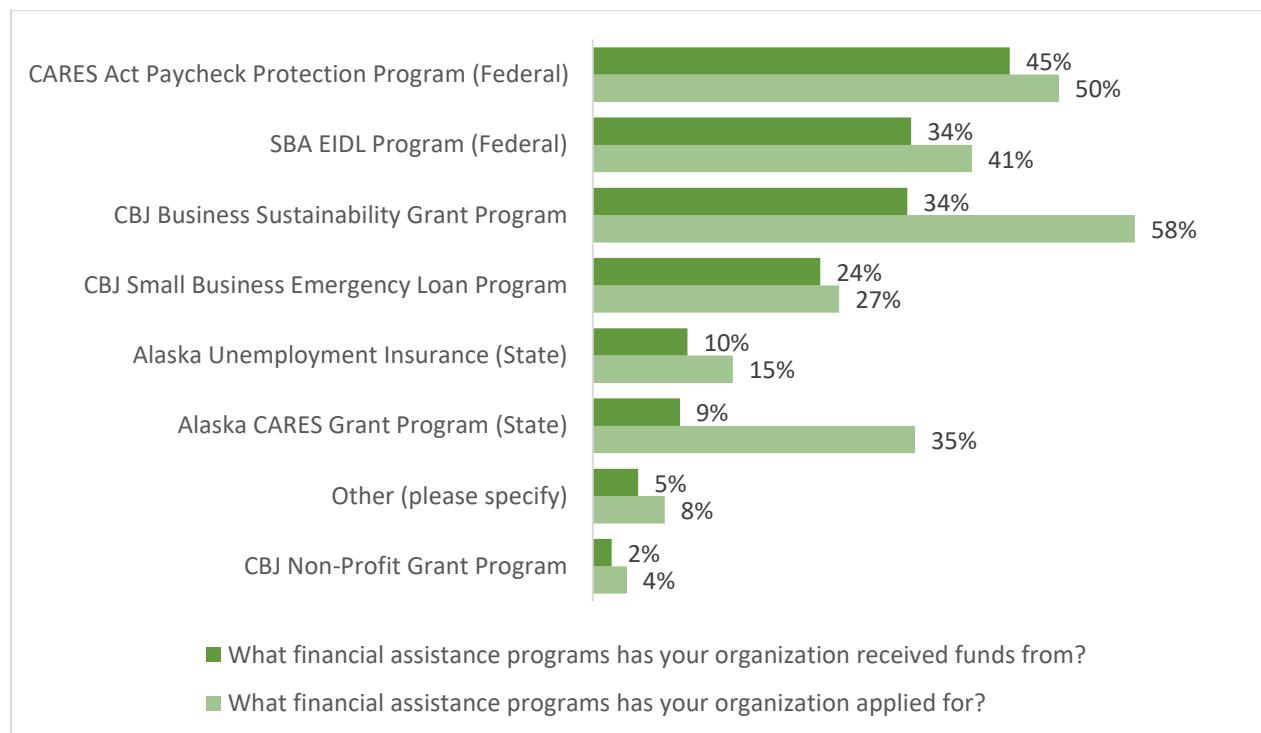


The most used form of marketing by respondents was Facebook, followed by search engines and Instagram. More respondents increased their use of Facebook and Instagram than decreased or remained the same. For all other forms of marketing, most respondents did not change their use. More respondents decreased their use of radio, newspaper, community boards, and flyers than increased.

#### **Financial Assistance**

The federal government was the primary source of financial assistance to Juneau's small businesses (CARES Act Paycheck Protection Program and SBA Loans). The City and Bureau of Juneau (CBJ) was the second greatest source of assistance through their grant and loan programs. At the time of this survey, the State of Alaska has provided little assistance through its AK CARES Grant program, although 35% of respondents applied for assistance from that program.

*Figure 9. Financial assistance applied to and received by Juneau businesses*



## Trends

Many businesses reported a general reduction in clients and sales. A few respondents working in construction or fishing reported an increase in sales and services.

New trends or attitudes commonly seen in customers/members due to COVID-19 included financial hesitance, low confidence, and avoiding in-person shopping, which has resulted in an increased desire for cashless transactions, contactless service, and online sales. Some businesses reported that elevated online sales were increasing their administration costs. Several also reported feeling less connection with clients.

Some businesses reported that customers/members were understanding of business changes due to COVID-19, while others reported that customers/members were fatigued by the regulations and challenging to manage. A few businesses reported a loss of stable, older clients and an increase in new, younger clients. Many customers/members are using masks and concerned about COVID-19 safety, businesses reported, while others appear unconcerned and reluctant to wear masks. Several businesses reported that customers are only purchasing essential goods and services and that more value is being placed on homemade goods. Some reported that customers/members are more conscientiously supporting local businesses.

New trends that businesses see in their sector include a focus on delivery/take out/online services and remote work. Less foot traffic and the shift to online shopping causes some businesses to face more competition from other online sources. However, it also allows for some specialty/tourism retailers to reach customers outside of Juneau. Many businesses

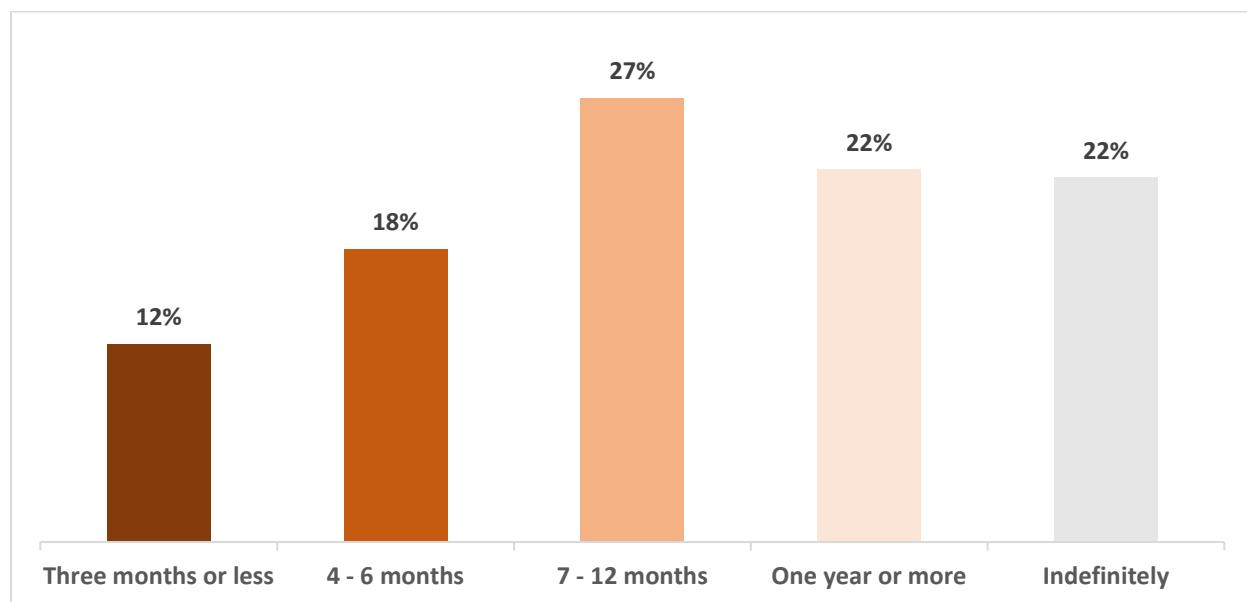
reported changes in appointment setting, including masking. Some businesses reported increased outdoor movement as a new trend, and one business reported increased interest in growing and foraging practices.

While most businesses reported concern over decreased customer volume, a few businesses reported excitement about the lack of cruise ship passengers. Some businesses also reported an uptick in independent travelers. Many businesses expressed fear and uncertainty in their sector due to COVID-19, with several businesses reporting reduced profit margins, unemployment, and business failure as new trends in their sector.

### Projections

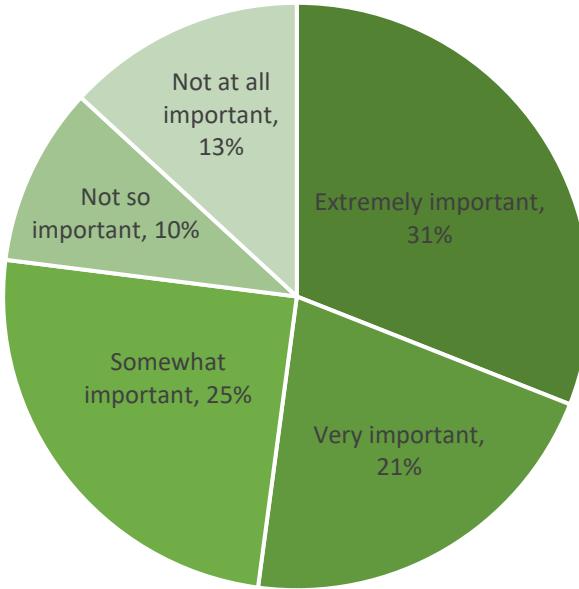
Over the three months following the completion of this survey, 35% of businesses reported that their number of employees would probably or definitely decrease. Only 8% indicated that their employment would probably or definitely increase, while 57% expected no change. Over half of businesses reported that they would close in under a year if the pandemic climate at the time of the survey continued, with 12% expecting to close in three months or less.

*Figure 10. If the current business/pandemic climate continues as it is currently, how long would your business be able to continue before closing?*



Of the 246 businesses that responded, 118 businesses (56%) reported that they would close in under a year if the pandemic climate at the time of the survey continued. Only 22% of businesses reported that they could remain open indefinitely under pandemic conditions. Furthermore, 58% of respondents thought their risk of closing at the time of the survey was higher than three months ago.

*Figure 11. How important is testing inbound travelers for COVID-19 to the direct success of your organization?*



Visitors to Juneau are central to the business success of 45% of respondents and positively impact another 29%. Only 26% of respondents are not affected by visitors. Over half of businesses think that testing inbound passengers for COVID-19 is extremely or very important for their success, while only 23% reported that it is not so important or not at all important.

*Figure 12. Please indicate any educational opportunity topics that your organization or employees would be interested in receiving to better adapt to changes caused by COVID-19.*

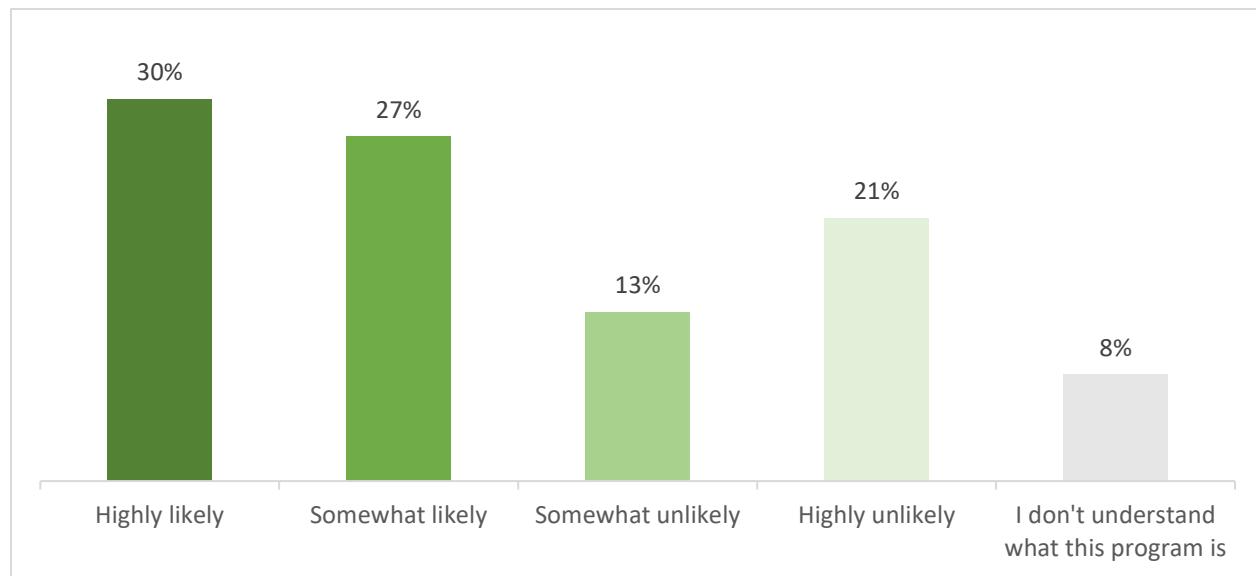


Seventy-three businesses (30% of respondents) indicated that they would be interested in receiving education in applying for financial assistance to better adapt to changes caused by COVID-19. A similar number were interested in receiving education in keeping employees and customers safe. Digital marketing and website maintenance were also topics that businesses found interesting and possibly helpful to adapt to changes caused by the pandemic.

### Remote Work

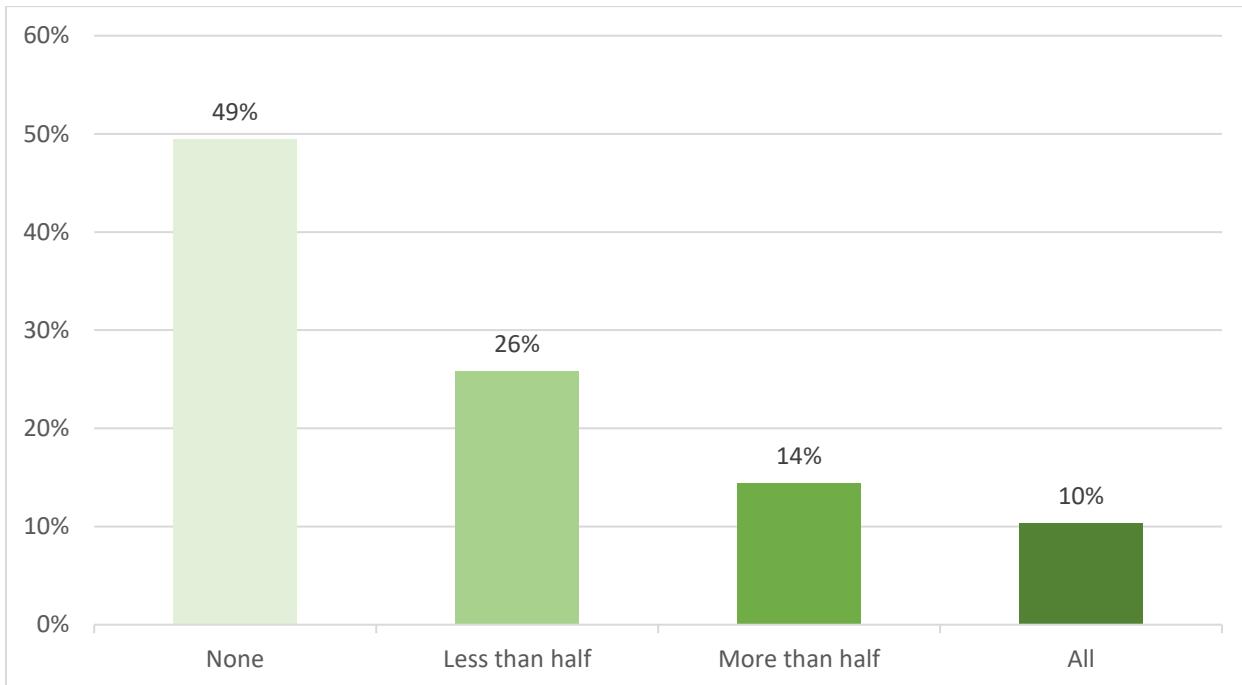
Over half of the businesses reported that some of their workforce was working remotely at the time of the survey. A third of respondents reported that their workers were less productive when working remotely, while 10% reported that they were more productive. Most businesses reported thinking that Juneau is ready to recruit remote workers, although the majority would not use a coworking space in Juneau. The lack of interest in a coworking space may be because the respondents already have workspaces for their employees, and, therefore, do not see the importance in providing a separate workspace for remote workers.

*Figure 13. Would your organization participate in a community-wide loyalty program for local businesses to encourage local spending and keep more money in the local economy?*



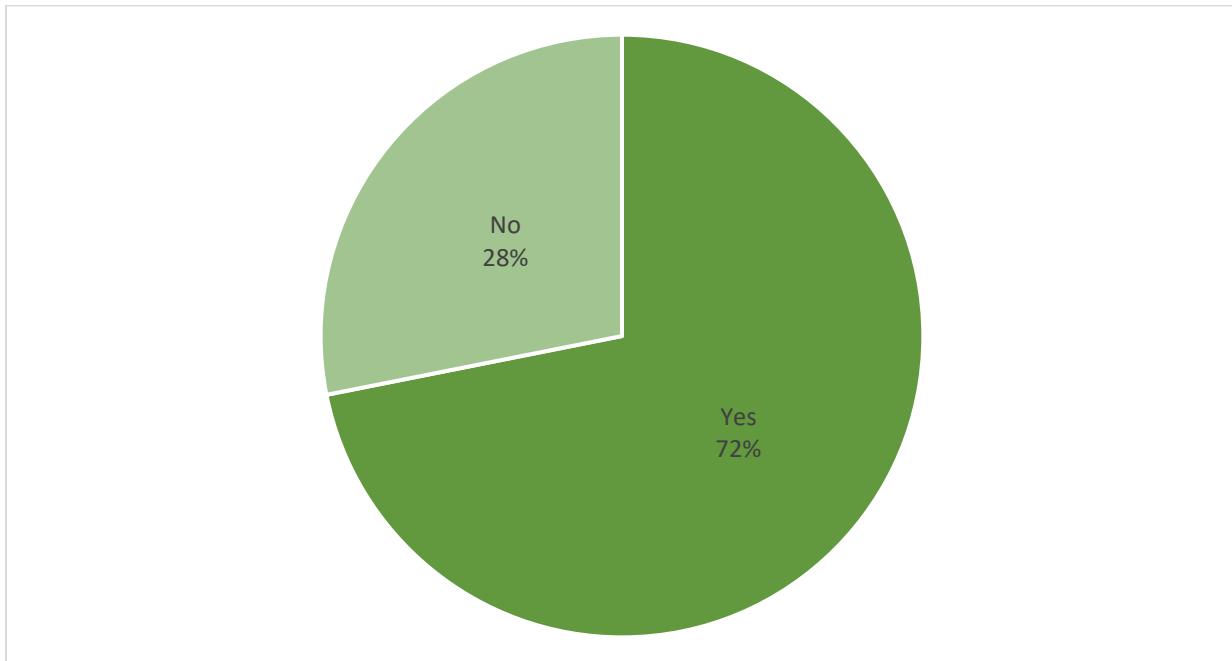
Of the businesses that responded, 25% already had a loyalty program, and 24% are in a business sector in which loyalty programs are not applicable. Among the remaining, 30% indicated strong interest in participating in a community-wide loyalty program for local businesses to encourage local spending.

*Figure 14. What percentage of your workforce routinely works remotely these days?*



Nearly a quarter of businesses have over half of their employees working remotely, with 10% of those businesses operating fully remotely.

*Figure 15. Do you think Juneau is ready to recruit remote workers?*



Most respondents reported thinking that Juneau is ready to recruit remote workers, especially as an opportunity to add remote high-paying technology jobs to the Juneau economy.

## Opportunities for Growth

Respondents indicated several potential areas for growth of the Juneau economy. Opportunities in education included tutoring/private schools, childcare, and university or community college training opportunities. Event ideas included summer street fairs, conventions/conferences, more festivals, cultural events, and state-wide events. Tourism ideas included a marina for mega yachts, boutique hotels, expanding the glacier visitor center, drawing more independent travelers, and audio/video content creation. Several respondents suggested expanding outdoor recreation opportunities, particularly at Eaglecrest, to attract more winter tourism. Expanding healthcare services, such as counseling and in-home nursing were also suggested. Environmental ideas included green energy and local food production. Value-added seafood processing and kelp farming were mentioned. Notably, several businesses recommended recruiting remote workers to Juneau. Some also suggested expanding e-commerce, home delivery, and cleaning and disinfecting services, which have become more relevant in recent months due to COVID-19.

## SUMMARY OF FINDINGS

Most businesses reported a general reduction in clients and sales, with an average estimated revenue loss of 38% for June, July, and August between 2019 and 2020. A few respondents working in construction or fishing reported an increase in sales and services. Businesses experienced an overall decrease in employment between 2019 and 2020 of 53.4%, with a 25.8% loss of full-time, year-round employees, and a severe loss of 84.9% of seasonal employees. Over half of the businesses reported needing to cancel or delay projects or events, and 67% were forced to reduce worker hours. The lack of cruise ships and independent travelers had the highest negative financial impact on businesses, followed by the mandatory city or state closures. Lack of childcare negatively impacted the ability of 41% of respondents to operate. COVID-19 negatively impacted the ability of 89% of respondents to support local activities, non-profits, and events in the community. Over half of the respondents were unable to provide any support to the community.

The federal government was the primary source of financial assistance to Juneau's small businesses (CARES Act Paycheck Protection Program and SBA Loans). The City and Bureau of Juneau (CBJ) was the second most significant source of assistance through their grant and loan programs. Respondents reported that the State of Alaska provided little assistance through its AK CARES Grant program, although 35% of respondents applied for aid from that program.

New trends or attitudes commonly seen in customers/members due to COVID-19 included financial hesitance, low confidence, and avoiding in-person shopping, which has resulted in an increased desire for cashless transactions, contactless service, and online sales. New trends that businesses see in their sectors include a new focus on delivery/take out/online services and remote work. Some businesses changed their marketing strategy, with a shift towards Facebook and Instagram as marketing mediums.

Over half of businesses reported that some of their workforce was working remotely at the time of the survey and 72% reported thinking that Juneau is ready to recruit remote workers, especially as an opportunity to add remote high-paying technology jobs to the Juneau economy. Several businesses indicated strong interest in participating in a community-wide loyalty program for local businesses to encourage local spending.

Of significant concern is the projected closure of 118 businesses (56% of respondents) within a year following completion of the survey in September 2020 if the pandemic climate continues, and 12% in three months or less. Only 22% of businesses reported that they could remain open indefinitely under pandemic conditions. A third of businesses also reported that their number of employees would probably or definitely decrease over the three months following the survey. Half of the businesses identified visitors to Juneau as central to their business success, and over half think that testing inbound passengers for COVID-19 is very important for their direct success. Businesses also expressed interest in receiving education in applying for financial assistance, keeping employees and customers safe, and digital marketing/website maintenance skills to better adapt to changes caused by COVID-19.

## APPENDIX 1: SURVEY QUESTIONS

1	In what sector does your organization primarily operate?
2	What is your type of organization?
3	Please indicate the time of year your organization operates:
4	Which of the following best describes your role at your organization?
5	How many employees did your organization employ as of July 31, 2020?
6	How many employees did your organization employ on July 31, 2019?
7	How will the number of employees working at your organization change three months from now?
8	Do you personally know anyone who has had a confirmed case of COVID-19?
9	Has your organization experienced any of the following due to COVID-19? (Check all that apply)
10	Indicate what changes you have made in your marketing for the mediums listed below.
11	Please indicate the new measures your organization is taking in response to COVID-19. If you already offered or required something (like delivery options) before COVID-19, please do not select that option. (Check all that apply)
12	What new trends or attitudes are you seeing in your customers/members?
13	What new trends are you seeing in your business sector?
14	How is the amount of available childcare affecting your organization's ability to operate?
15	Please indicate the level of financial impact each of the following have on your organization. We understand health is of the utmost importance and are not discounting the risks of the conditions listed below (or their complements) related to health. Again: what is the relative financial impact of each of the following to your business/organization?
16	Is the risk of your organization permanently closing greater now than it was THREE MONTHS ago?
17	How dependent is your organization on visitors coming to our community?
18	How important is testing inbound travelers for COVID-19 to the direct success of your organization?
19	How has COVID-19 affected your organization's ability to support local activities, non-profits, and events?
20	If the current business/pandemic climate continues as it is currently, how long would your business be able to continue before closing?
21	What financial assistance programs has your organization applied for?
22	What financial assistance programs has your organization received funds from?
23	Please indicate any educational opportunity topics that your organization or employees would be interested in receiving to better adapt to changes caused by COVID-19.
24	Juneau's overall economy has continued to grow in recent years. What economic opportunities should be developed in Juneau? Are there new opportunities emerging because of the pandemic?

25	Growth has been seen in the summer economy, mostly in the tourism cluster, while the winter economy has seen a slight decrease over the past few years. What economic opportunities should be developed in the winter months in Juneau?
26	Does your business have a customer loyalty program?
27	There is an idea to start a community-wide loyalty program for local businesses to encourage local spending and keep more money in the local economy. What is the likelihood your organization will participate in a program like this?
28	What percentage of your workforce routinely works remotely these days?
29	How would you compare the productivity of working in office to working remotely?
30	Coworking spaces are used as an alternative to renting/owning an office space. Would your organization or its employees use a coworking space if one existed in Juneau?
31	Many tech companies are reorganizing to allow their employees to permanently work remotely. These are high paying jobs that could be added to Juneau's economy if those employees choose to move to Juneau. Do you think Juneau is ready to recruit remote workers?