

TO: Cecil Barron Jensen & Virna Gonzalez, ReMain Nantucket
FROM: Adam Blair & Scott Middleton, EBP
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RE: Findings from the Nantucket COVID-19 Survey (Part 2)

The following provides a summary of survey responses collected from Nantucket businesses and organizations through a follow-up survey regarding existing and anticipated impacts of COVID-19 on their operations. An initial survey was conducted between April 3 through April 15, 2020. Responses to follow-up survey were collected using Google Forms, an online survey platform. The survey opened on September 10 and closed on September 30, 2020.

The survey received 238 total responses, representing about 22% of all establishments on Nantucket.¹ **This means that more than one in five organizations on the island offered their insight into the current and on-going impacts of COVID-19 for the purpose of future planning. These organizations represent the largest sectors of the island's economy: retail, construction/trades, culture/arts, food service, healthcare/human services, hotel/lodging, and more.**

For purposes of comparison, findings from the April survey are provided in red font for questions that appeared on both surveys.

Who responded?

- The September survey received 238 responses, 66% (157) of which came from respondents who had also completed the April survey. **The overall response rate declined from 28 percent in April to 15 percent in September.**
- 82% (199) of responses were from for-profit businesses with activities taking place on Nantucket. 18% (44) of responses were from non-profit organizations.² **This compares with 88% for-profits and 12% non-profits in the April survey.**
- The survey received the most responses from four industries: retail, construction/trades, culture/arts, food service, healthcare/human services, and hotel/lodging. These industries accounted for about 65% (157) of responses. Other common industries included personal services, business-to-business (B2B) services, and education/daycare. **The distribution of organizations is similar to the April survey.**
- About 43% (102) of responses represent organizations that have been in operation for 20 years or longer, while about 9% (34) of responses have been in operation for five years or fewer. **This compares with 50% of organizations in operation for 20 years or longer and 20% of organizations in operation for five years or fewer in the April survey.**

¹ According to the 2017 County Business Patterns Survey conducted by the US Census Bureau (the latest version available), there are an estimated 1,062 establishments on Nantucket. Establishments include all corporations, sole proprietorships, partnerships, non-profits, and government entities.

² For simplicity, both for-profit businesses and non-profit organizations will hereafter be referred to as "organizations."

- Prior to COVID-19, organization employment levels varied widely, ranging from zero (i.e., all volunteers) to 500. Organizations collectively employed about 1,570 year-round workers, plus an additional 1,510 seasonal workers.

What impacts have already happened?

- Since the beginning of the COVID-19 pandemic, 20% (617) of these workers have been laid off or furloughed.
- About 82% (199) of organizations generated less revenue between April and September 2020 relative to the same period in 2019.
 - Collectively, organizations responding to the survey lost over \$75 million in revenue.
 - The median amount of revenue lost was \$150,000.
 - Revenue loss varied by sector. The summary table below breaks down changes in revenue by sector.
 - At the high end, over 90% of organizations in hotel/lodging and culture/arts/entertainment reported a loss of revenue. A smaller (but still significant) share of organizations in retail (78%) and construction/trades (77%) reported a reduction in revenue.
 - Nearly 18 percent of respondents in the retail sector reported an increase in revenue relative to summer 2019—the highest share of any major sector.

Sector	Changed in Revenue Experienced		
	Decrease	Increase	No Change
Retail	78%	18%	5%
Construction/trades	77%	5%	18%
Food service	86%	10%	5%
Culture/arts/entertainment	95%	5%	0%
Healthcare/human services	79%	5%	16%
Hotel/lodging	94%	0%	6%
Other	79%	13%	7%

- Estimated revenue impacts between April and September 2020 relative to 2019:
 - 13% (31) of respondents lost more than 75% of their revenue.
 - 52% (126) of respondents lost 25-50% of their expected revenue
 - 15% (37) of respondents lost less than 25% of their expected revenue
 - 18% (44) of respondents lost no expected revenue or saw an increase in revenue
 - In the April survey, 89% of respondents expected to lose at least 25% of their revenue by June. This suggests that some respondents overestimated the impact the pandemic would have on their revenues.

- The pandemic has had varying impacts on island non-profits.
 - Slightly under half (44%, or 19 organizations) of non-profits surveyed reported a decline in philanthropic giving as the result of COVID-19, while 12% (5) reported an increase. The summary table below shows that conservation/sciences and healthcare and human services non-profits were the most likely to see an increase in philanthropic giving.
 - About 88% (38) have had to cancel events or programs, including nearly all non-profits in the culture/arts/entertainment sector.
 - **In April, only 37% of non-profits had seen a decline in philanthropic giving and 76% had to cancel events and programs.**

Type of Non-Profit	Decreased Philanthropic Giving	Increased Philanthropic Giving
Conservation/sciences	67%	33%
Culture/arts/entertainment	83%	17%
Education/daycare	100%	0%
Healthcare and human services	67%	33%

- About 38% (91) of organizations reported an increase in expenses between April and September 2020 relative to the same period in 2019. Most of these organizations reported increases in expenses of less than 50% (84 out of 91).
- Nearly 70% (166) of organizations have experienced some cancellation of reservations, appointments, contracts, events or programs since the beginning of the pandemic. Over 45% (107) of organizations have experienced supply chain disruptions such as canceled or delayed shipments. Many organizations are experiencing combinations of these effects. **In the April survey, about 60% of organizations reported experiencing cancellations and 42% reported experiencing supply chain disruptions.**
- Not including Paycheck Protection Program (PPP) loans, 24% (55) of organizations have taken on debt as a result of the COVID-19 pandemic (i.e., debt beyond what they would incur in a normal year).

How are organizations responding?

- About 65% (155) of organizations have either reduced hours/operations (133), altered seasonal opening or closing dates (88), or both. Four organizations (1.6%) have already ceased operations permanently. **The same number of organizations had ceased operations permanently in April.**
- 55% (131) of organizations surveyed have invested in worker safety (e.g., purchased protective equipment). **In April, 20% had invested in worker safety.**
- 54% (129) of organizations have applied for a business loan or grant. **In April, 51% of organizations had applied for a loan or grant.**
- 35% (83) of organizations have reduced wages or reduced hours for workers. **In April 31% had reduced wages or hours.**

- 23% (54) of organizations have invested in remote work capabilities. **In April, 13% had invested in remote work capabilities.**
- 14% (34) of organizations have renegotiated lease or mortgage payments. This includes 27% of retail businesses and 33% of food service businesses. **In April, 13% had renegotiated lease or mortgage payments.**
- 12% (29) have changed or renegotiated with suppliers. **In April, 15% had changed or renegotiated with suppliers.**
- 10% (24) of organizations operate a retail store and have increased online sales. This represents 37% of retailers that responded to the survey. These organizations reported using a diverse set of platforms for online sales, including their own websites, Shopify, Etsy, eBay, Toast, and Square.

How have organizations taken advantage of Nantucket Economic Recovery Task Force's actions?

- 40% (98) of organizations have referred to the Town of Nantucket Reopening Guidelines.
- 5% (12) have used parking lots for dining, retail, or other activities.
- 5% (11) have taken advantage of the extension of liquor licenses to outdoor spaces (representing 43% of food service businesses surveyed).
- 4% (10) have used closed downtown streets for dining (representing 24% of food service businesses surveyed).
- 3% (8) have taken advantage of relaxed tent requirements.
- 3% (7) have used designated pickup locations for shopping.
- 1% (3) have used contact tracing assistance.

What further impacts do organizations anticipate?

- Anticipated revenue impacts during the off season (October 2020 through Memorial Day 2021) (percentages do not add to 100% due to rounding):
 - 11% (25) of respondents expect to lose more than 75% of their off-season revenue
 - 41% (97) of respondents expect to lose 25-75% of their off-season revenue
 - 19% (46) of respondents expect to lose less than 25% of their off-season revenue
 - 30% (70) of respondents expect to see no loss in off-season revenue or anticipate an increase in off-season revenue
- 42% (99) of respondents felt that their organization did not have adequate cash on hand to handle the anticipated drop in off-season revenue. **In April, 46% did not have adequate cash to handle an anticipated drop in overall revenue.**

- 10% (24) of respondents are planning to apply for further federal, state, or local aid as a result of COVID-19. Several organizations indicated that the exact aid that they would apply for depended on what became available in the coming months. **In April, 66% had applied for aid or were planning to do so.**
- Impacts organizations are most concerned about for the upcoming off-season (able to select more than one):
 - Cash flow 50% of respondents
 - Paying rent/mortgage 31%
 - Laying off staff/reducing hours 27%
 - Hiring issues 26%
 - Rescheduling events 24%
 - Meeting demand for goods/svcs 21%
 - Meeting debt obligations 21%
 - Obtaining supplies/inventory 18%
- Changes organizations expect implementing in the upcoming off-season (able to select more than one):
 - Reduce hours of operations 31% of respondents
 - Reduce off-season operations 22%
 - Reduce hours of workers 19%
 - Alter season dates 18%
 - Invest in worker safety 17%
 - Restructure organization 13%
 - Renegotiate lease/mortgage 12%
 - Apply for business loan/grant 10%
 - Invest in remote work capabilities 10%
 - No changes expected/unsure 29%
- Changes organizations expect implementing in summer 2021 (able to select more than one):
 - Invest in worker safety 17% of respondents
 - Alter opening/closing dates 15%
 - Invest in worker safety 17%
 - Renegotiate lease or mortgage 10%
 - Restructure organization 10%
 - No changes expected/unsure 40%
- Most organizations (72%, or 175) plan on remaining open through the Christmas Stroll. Only 9% (22) indicated that they will not remain open through the Christmas Stroll because of COVID-19. 24% of food service businesses surveyed indicated that they would not remain open during this period because of COVID-19.
- Most organizations (90%, or 214) indicated that they are planning to operate during the 2021 season. Three organizations indicated that they would *not* reopen, three indicated that they would open for a shortened season, and 18 remain unsure as of September 2020.