



*Survey 2 Business Impact Assessment
(April 27 - May 11, 2020)*

TOP LINE RESULTS

With 322 survey respondents across all industry sectors, the results reflect an overall tempered confidence in long-term business sustainability due in large part to federal support programs.

Below are the summary findings from our second survey to Greater Fargo Moorhead regional businesses.

Significant utilization of SBA's Paycheck Protection Program (PPP). 68% of respondents applied (Only 2% unsuccessful in receiving PPP and 13% still pending) and the funding they received helped to keep nearly 3,000 employed.

- The **top priority areas for assistance** didn't change much from the first survey and were led by **Tax Relief and Financial Assistance** (68% and 67% respectively) and to make sure there was support for impacted employees (61%)
- The PPP program was most impactful for mid-sized businesses with 10-49 employees. Among respondents from firms of this size, 82% applied for PPP with 92% of applications successful. Sixty-three percent of firms with fewer than ten employees applied for PPP while 53% of firms with at least 100 employees applied.
- Nineteen percent of companies applied for EIDL funding with 23% successful and 17% unsuccessful. The majority of EIDL applicants (60%) had a pending status at the time of survey. **Very few companies (6% of respondents) applied for state (North Dakota or Minnesota) funding programs at this time.** It appears that the focus on forgivable loan programs was more enticing at this time than low-interest loans.

About 20% of all companies indicate 8 weeks or less of survival in current conditions, but it is nearly 30% of accommodation, food service and retail who believe they have less than two months of survival at the current state.

Furloughed and laid off employee data is still mostly in the accommodation, food service and arts/entertainment sectors (approximately 950 jobs), but there was some increase of employees being let go in the information sector (more than 100 jobs), likely due to layoffs in the media industry.

3,000

Retained jobs due to PPP funding

85%

Confident operating normally around year end

There was also a small uptick in layoffs in the health care sector, but relatively small compared to accommodation, food service and arts/entertainment sectors

It appears the data thus far bodes well for markets such as ours with strong non-service sectors and a diverse primary-sector base of companies and industries.

Business closure numbers are still in the mid-teens, and our average change in revenue, though down 31%, has gradually shifted from the first survey where more than 15% of respondents experienced revenue losses of 70% or greater to around 10% of respondents with similar percentage losses in our second survey.

We asked questions of the companies' confidence, if they would be operating normally in 2 and 4 months and at year-end:

- Two months – 52% said somewhat to completely confident; 27% not confident at all
- Four months – 69% said somewhat to completely confident; 9% not confident at all
- End of 2020 – 85% said somewhat to completely confident; only 4% not confident at all

These results seem to point to a business community with a high level of confidence that they will be operating normally starting this fall and into the new year.

Professional services and financial businesses tended to be most confident in a return to normal over the next few months.

We also found it interesting that whether having to close, or being open but not fully operational, **we had very few companies say they couldn't access employees.** In fact of those who were closed (15% of respondents), 93% said they felt confident getting access to employees when they reopened.