To help our business community prepare for a full recovery from the COVID-19 pandemic, a consortium of local economic development organizations and chambers of commerce across South Texas conducted a survey as part of the nationwide BR|E COVID-19 Response Network. The objective of this survey is to monitor the immediate impact of the crisis on local business operations and to assess their business needs.

This survey is a project of the COVID-19 Business Resources Working Group spearheaded by the Corpus Christi Regional Economic Development Corporation. Survey results are compiled by the South Texas Economic Development Center at Texas A&M University-Corpus Christi. Contact Jim Lee (jim.lee@tamucc.edu) for questions.

Team Partners
Alice-Jim Wells County Economic Development Corporation · Aransas Pass Chamber of Commerce · City of Corpus Christi · City of Falfurrias · City of Robstown · Coastal Bend Council of Governments · Corpus Christi Downtown Management District · Corpus Christi Regional Economic Development Corporation · Del Mar College · Del Mar College Small Business Development Center · Ingleside Chamber of Commerce · Kingsville Economic Development Corporation · Liftfund · Nueces County Development Commission · Port of Corpus Christi · Portland Chamber of Commerce · Rockport-Fulton Chamber of Commerce · San Patricio Economic Development Corporation · Sinton Chamber of Commerce · Synchronist · University of Houston-Victoria Small Business Development Center · Texas A&M University-Corpus Christi · United Corpus Christi Chamber of Commerce · Victoria Chamber of Commerce · Victoria Economic Development Corporation · Workforce Solutions of the Coastal Bend
About the survey

This survey was conducted over the week of March 23 -27, 2020, in the wake of a series of executive orders issued by the Texas Governor to slow the spread of COVID-19 in Texas. The survey generated a total of 388 complete responses, the vast majority of which were completed before South Texas communities issued stay at home orders. This report focuses on Victoria and other counties in the Golden Crescent region, which generated 88 responses.

Key Findings:

1. **Operations & Supply Chain:** More than 40% of local businesses are closed. Open businesses are operating at 65% capacity on average. The overall supply chain remains intact, with over 85% of businesses being able to receive or deliver goods and services.

2. **Workforce:** The COVID-19 outbreak has resulted in layoffs by 9% of businesses and terminations by 6% of businesses, while 2% of businesses have in fact hired more workers. Slightly more than 20% of the local workforce is working remotely. For employees temporarily not reporting for work, slightly more than half are being paid for an average expected period of six weeks.

3. **Finance:** The typical affected business has experienced a revenue loss of 40%, and it expects to remain open for four more weeks. Slightly less than 40% of affected businesses have standing lines of credit to help bridge the current business interruption, and 17% of them have sought a bridge loan, which is considered unnecessary by 28% of business owners.

4. **Outlook:** Financing is a top concern for two out of three respondents, followed by the crisis’ impact on consumers and the national and global economy. More than one in four (27%) business owners anticipate a permanent reduction in their workforce by an average of about 36% over the next three months. Over the next six months, 17% of them anticipate to reduce their workforce by an average of 13%.

5. At this stage of the coronavirus outbreak in South Texas, the economic tolls of unprecedented policy measures and avoidance behavior seem to dwarf the devastation of the virus itself, barring the belief that lives are invaluable.
Operations & Supply Chain

What is your current operating status?

- **Operations**
  - Still operating facility at capacity: 65%
  - Operating remotely at capacity: 8%

- **Supply Chain**
  - Still operating facility at capacity: 35%
  - Operating remotely at capacity: 92%
Workforce

How has your employee count changed due to COVID-19 specifically?

Average full-time employees: 32  Median (typical business) full-time employees: 5

<table>
<thead>
<tr>
<th>% Businesses with Staffing Change</th>
<th>Remote Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hires</td>
<td>Laid Off</td>
</tr>
<tr>
<td>2%</td>
<td>9%</td>
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</tbody>
</table>

If employees are temporarily not reporting for work, the percentage will be paid during the work hiatus:

- Paid (average for 6 weeks): 52%
- Unpaid: 48%
Workforce

On a scale of 1 (low) to 7 (determined), how would you evaluate workforce morale today?

Average 4.3

In addition to general health, what is your greatest concern for employees during this time of emergency?
Finance

Company's weekly revenue change experienced as a result of the COVID-19 pandemic:
-40%  
Median (all businesses)

-32%  
Average (all businesses)

Weeks of a business slowdown or shutdown to survive before closing:

<table>
<thead>
<tr>
<th>Weeks to Survive</th>
<th>Median</th>
<th>Average</th>
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<tbody>
<tr>
<td>4</td>
<td></td>
<td>13</td>
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</tbody>
</table>

Have standing lines of credit to help bridge business interruption:
- Yes: 39%
- Unnecessary: 61%

Have contacted bank about bridge loan or other financing options:
- Yes: 17%
- Unnecessary: 28%
- No: 55%
Future

Top three concerns looking forward:

- Consumer confidence/spending
- Financial impact on operations, liquidity, capital
- Global or US recession
- Impact on tax and trade issues
- Lack of information for decision making
- Lower productivity
- Supply chain disruptions
- Workforce reduction
- Employee stress
- Other

Affected businesses' anticipated permanent reduction in workforce:

<table>
<thead>
<tr>
<th>% of Affected Businesses</th>
<th>Avg. Lost Jobs</th>
<th>Avg. % Lost Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next 3 months</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Next 6 months</td>
<td>17%</td>
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</tr>
</tbody>
</table>
Interested in an SBA Economic Injury Disaster Loan:

Business supports respondents think beneficial as they navigate this global challenge:

- Technical assistance: 9%
- Employee resources: 27%
- Distribution of other employers' best practices: 9%
- Assistance referrals: 27%
- Other: 10%
Demographics

Respondents' Industry Mix

- Retail Trade: 21%
- Construction: 8%
- Accommodation & Food Services: 9%
- Professional, Scientific, & Technical Services: 8%
- Arts, Entertainment & Recreation: 6%
- Health Care & Social Assistance: 6%
- Wholesale Trade: 6%
- Manufacturing: 7%
- Finance & Insurance: 6%
- Educational Services: 5%
- Real Estate & Rental & Leasing: 6%
- Other Services: 7%
- Utilities: 2%
- Medical: 2%
- Real Estate & Rental & Leasing: 6%

Respondents by Golden Crescent County

- DeWitt
- Jackson
- Victoria
- Calhoun