



Charleston Metro  
Chamber of Commerce

## COVID-19 BUSINESS IMPACT SURVEY

March 24, 2020

### KEY FINDINGS

- 75% of respondents report revenue impact, 80% report operational impact
- Decrease in customers/orders is the most cited impact
- Hospitality sector businesses report most severe impacts
- Overall high anxiety about business prospects in a climate of deep uncertainty

### OVERVIEW

Impacts to business operations and revenue from COVID-19 on employers in the Charleston region are widespread and occurring rapidly. 75% of respondents to a recent Charleston Metro Chamber survey reported that COVID-19 has impacted their revenue, 80% reported impacts to operations.

The most frequently cited top impact was a decrease in customers/orders, followed closely by an inability to deliver core products/services due to social distancing restrictions. For a limited number of businesses, supply chain disruption or decreased productivity were cited as the top concern.

Business anxiety about the future is high. When asked to anticipate the severity of overall impact from COVID-19 on a 10-point scale where one is minimal impact and 10 is possible business closure, seven was the median response. 23% of respondents reported a 9 or 10 anticipated severity, only 6% reported a one or two.

While the nature and severity of impact vary widely by sector and specific business, COVID-19 has caused widespread business disruption in under two weeks.

### BUSINESS CONCERNS/NEEDS

Four themes have been repeated in conversations about immediate business needs:

- 1) **Capital loans** – access to working capital with speed and efficiency in processing is the biggest need. Some of the hardest hit businesses won't be able to cover their next payroll or rent payment without help.

- 2) **Support for displaced workers** – unfortunately employee layoffs in some sectors are coming fast and deep. There are questions about the viability of the state’s unemployment fund if layoffs are as widespread as feared and disruption stretches.
- 3) **Continuity of services** – as local governments appropriately transition to remote work and deploy social distancing tactics, there is concern in some sectors with timeliness for critical services like permitting and inspection to allow work to proceed.
- 4) **Accurate and timely information** - hunger for information is very high, particularly about promulgation of and compliance with new regulations and orders, the development of business financing programs, and efforts to aid displaced workers.

The official designation on March 20 of eligibility for South Carolina to apply for Small Business Administration Economic Injury Disaster Loans was welcomed news to many employers. Processing efficiently in the coming days will be an important test.

<https://disasterloan.sba.gov/ela/>

Many members have asked preemptive questions about the definition criteria for businesses deemed “essential” in the event of wider shutdown. Recently issued federal guidance is the foundation for initial determination. <https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19>

Overall, businesses need decisive, effective government action in response to both the health and economic implications of COVID-19. They also need more clarity on the timeline for response and basis for future decisions.

Much about the virus is uncontrollable and still unknowable. The more quickly more controllable things are made clear, businesses will be better able to adjust plans and position for recovery.

## SECTOR IMPACT

**Advanced Manufacturing** – most firms continue operating production lines for now, with team members who can telework doing so. Several have announced planned pauses beginning as early as this week for a period of 2-3 weeks. Supply chain continuity is a lingering concern. Several regional manufacturers are in sector deemed critical to national infrastructure.

**Construction/Engineering Services** – projects already in the development pipeline are proceeding for now with minimal disruption. Crews and subcontractors remain active on jobsites. Delays in permitting and building inspection as local governments adjust to new remote work protocols has the potential to hamper continued progress. Many report that the pipeline for future projects is thin, a potential warning signal for the duration of economic recovery.

**General Business** – from banking to accounting, IT to marketing, many professional service firms have transitioned to remote work environments and are busy helping their clients respond to urgent issues.

**Healthcare** – in addition to being on the front lines of pandemic response, major players in the critical health care service and delivery sector, plus their supply chain, face unique

workforce and supply chain challenges. More help may be needed from state and federal sources as more cases of coronavirus become severe.

**Hospitality** (*including hotel, food/beverage, event venues*) – experiencing a sharp, immediate impact with the majority reporting deep layoffs. Transition to take-out cannot replace much of the lost business. Many businesses in this sector, of all sizes, are vulnerable to closure without rapid assistance.

**Non-profit/charitable** – leaders in this important sector, both for employment and for critical human needs, are concerned about their capacity to raise needed funds to meet rapidly increasing needs.

**Logistics** - Port activity and the logistics sector continue to operate with minor disruptions. Initial signals show potential for rebound in trade activity with China, a positive sign for the supply chain.

**Real Estate** – on the residential side, showings and listings are down sharply. On the commercial side, many property owners are already beginning negotiations with leaseholders and lenders. Local government services provided by the Registrar of Deeds are essential to keep transactions processing.

**Retail** – dramatically uneven impacts exist in this sector with grocery, pharmacy, home improvement and other essential goods retailers posting strong sales and struggling to maintain inventory while other retailers (particularly tourism-centric shops) hurt dramatically.

## DATA COLLECTION

Information for the report was collected Wednesday, March 18 through Saturday, March 21 via:

- Electronic survey sent to all Chamber members
- One-on-one calls to every Chamber member employer (+1,700 total)
- Chamber Executive Committee and government relations video conferences

Additional surveying is planned in the coming weeks and throughout the duration of COVID-19 impact to the regional and national economy.

## CONTACT

For more information about these findings and the impact of COVID-19 on Charleston area businesses, please contact:

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