



Partnership for NYC COVID-19 Impact

-Small/Mid-size Tech & Start-up Businesses-

March 2020

GLG Surveys

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Research Overview

Background:

This study was created to help understand how the novel Coronavirus (COVID-19) is impacting New York City businesses.

It was run in partnership between Partnership for NYC and GLG (Gerson Lehrman Group).

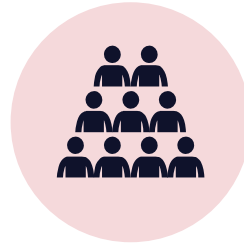
A total of 147 business leaders from the Partnership Fund for New York City Portfolio Companies, Chamber of Commerce and Tech:NYC were surveyed and asked how their businesses have been reacting to the COVID-19 pandemic, as well as their perspectives on how business will be impacted in the coming months.

The vast majority of companies surveyed in this study are small companies (with less than 100 employees) across the tech and start-up space.



Factors investigated:

1. Company employee policies in response to COVID-19 pandemic
2. Business leaders' assessment of impacts on revenue and business overall
3. Knowledge gaps for effective business decisions



Methodology:

- Online survey hosted and administered by GLG
- Survey length: 8-minutes
- Respondents are business leaders from the Partnership Fund for New York City Portfolio Companies, Chamber of Commerce and Tech:NYC



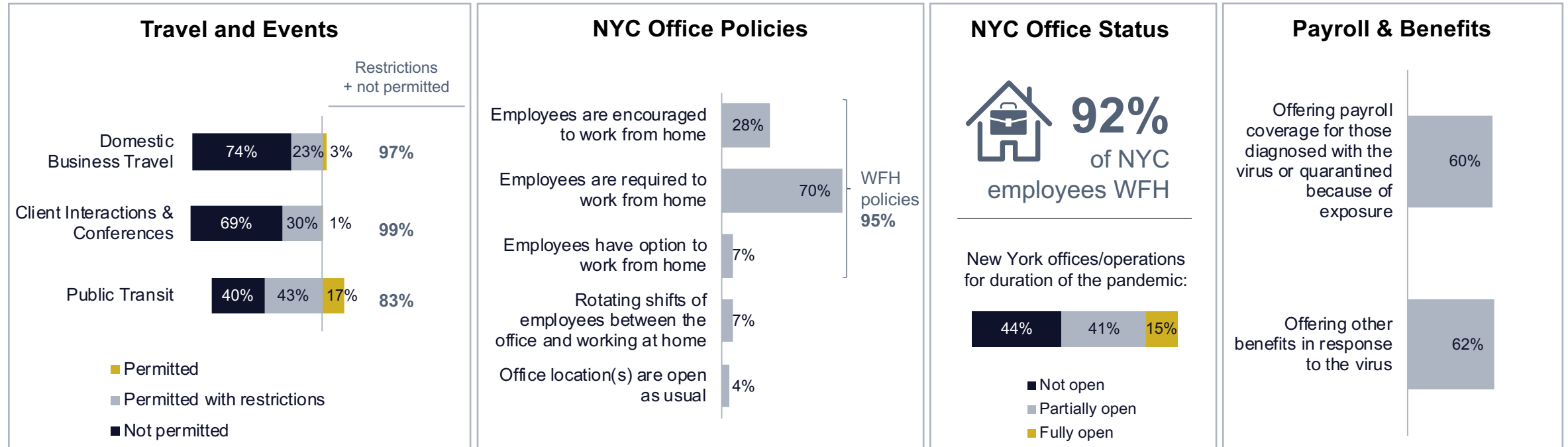
Fielding time:

- Fielding time: March 13 – March 18, 2020
- The survey was distributed after President Trump declared a national emergency in response to the COVID-19 pandemic

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Key Findings

Businesses took voluntary action to stop community contagion prior to government directives



- Domestic business travel and client interactions largely restricted or not permitted (97% and 99% of businesses respectively)
- Public transit is permitted as usual by roughly 1/5 of businesses

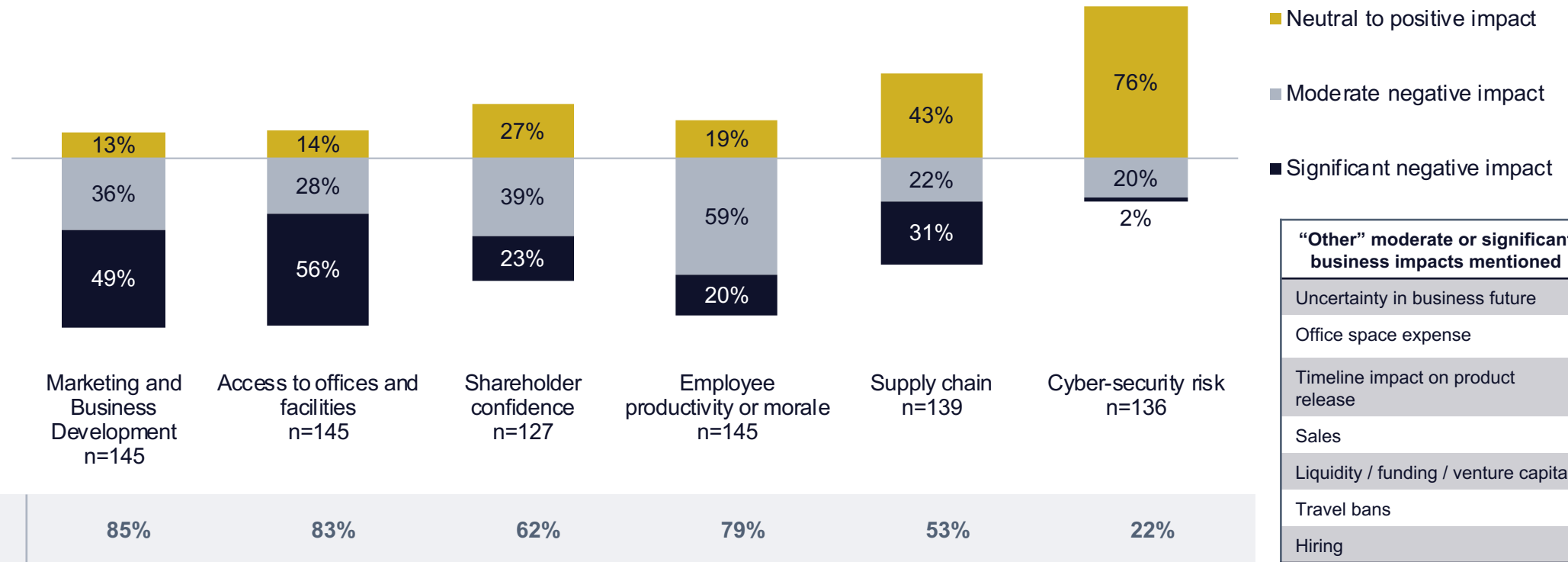
- Ninety-five percent of businesses have implemented work from home policies

- Roughly half of New York offices to remain partially or fully open throughout pandemic (56% as of March 17th)

- Roughly 3/5 businesses are offering payroll coverage for those diagnosed with or quarantined because of COVID-19

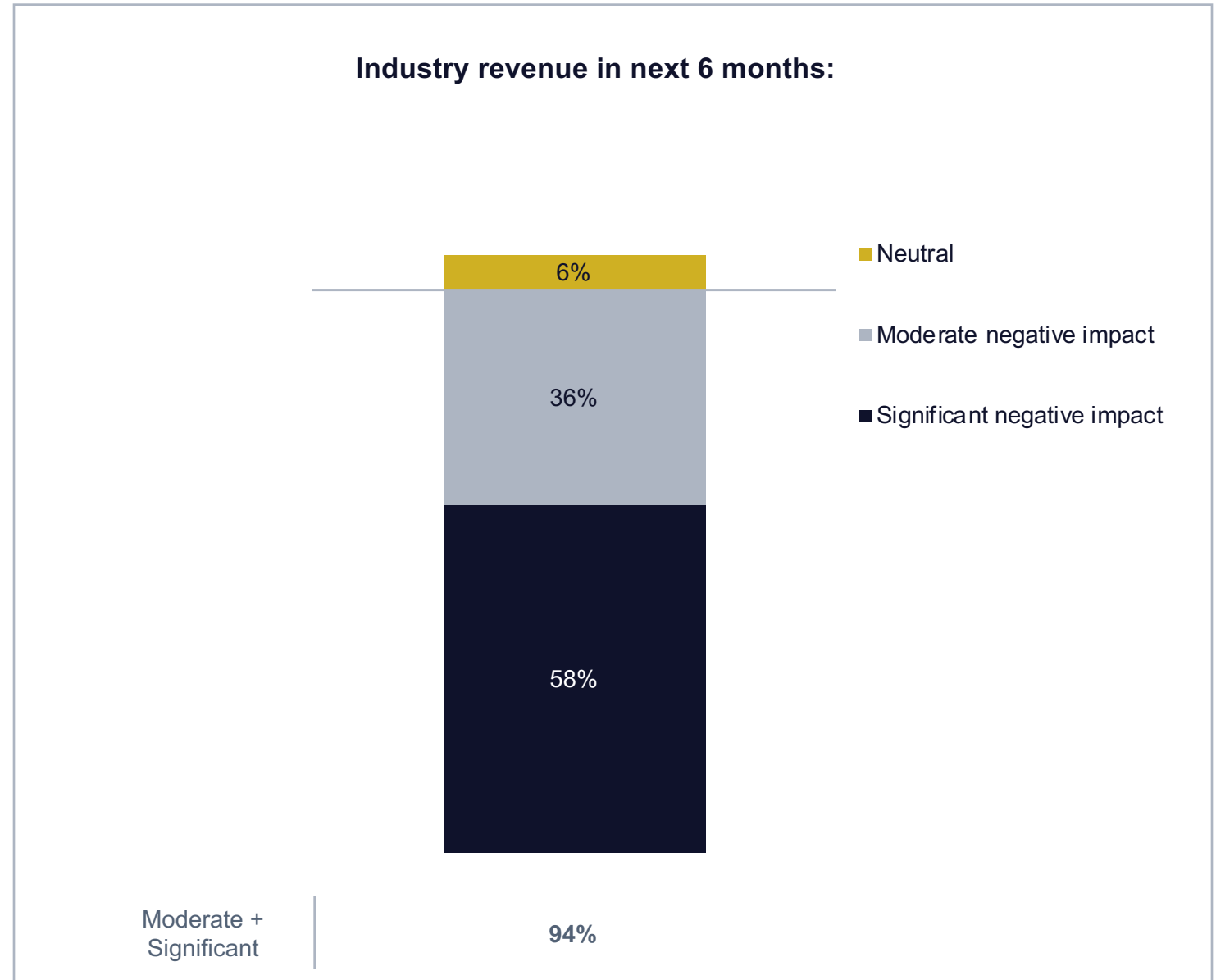
Business development, access to offices and facilities, and employee morale were most negatively impacted through March 18th

COVID-19 negative business impact until March 18th:



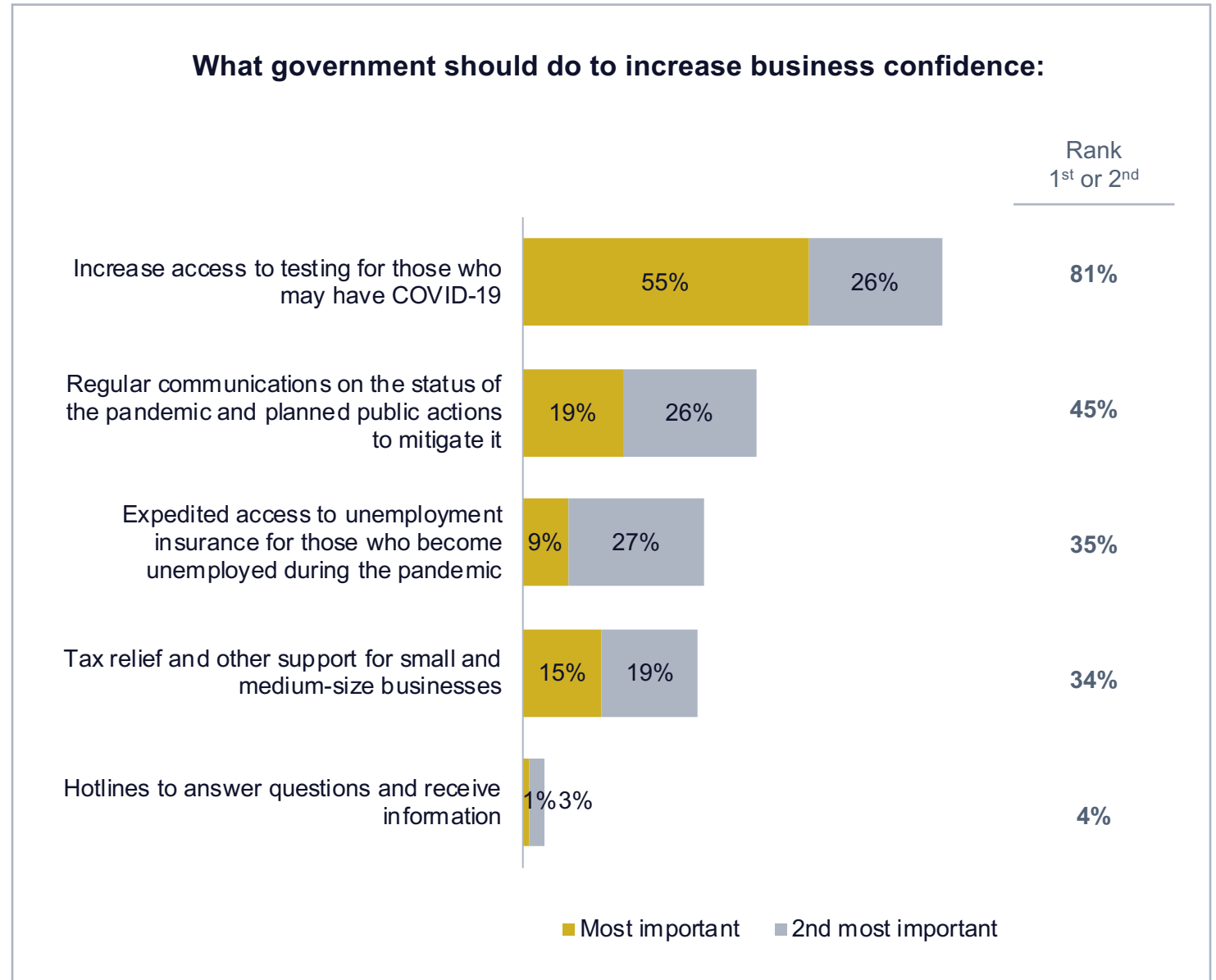
Nearly all small business leaders anticipate a negative impact on industry revenues

- Most business leaders believe their industry revenue will be affected negatively in the next 6 months (94% moderately or significantly)
- Close to 3/5 leaders believe this negative impact will be significant

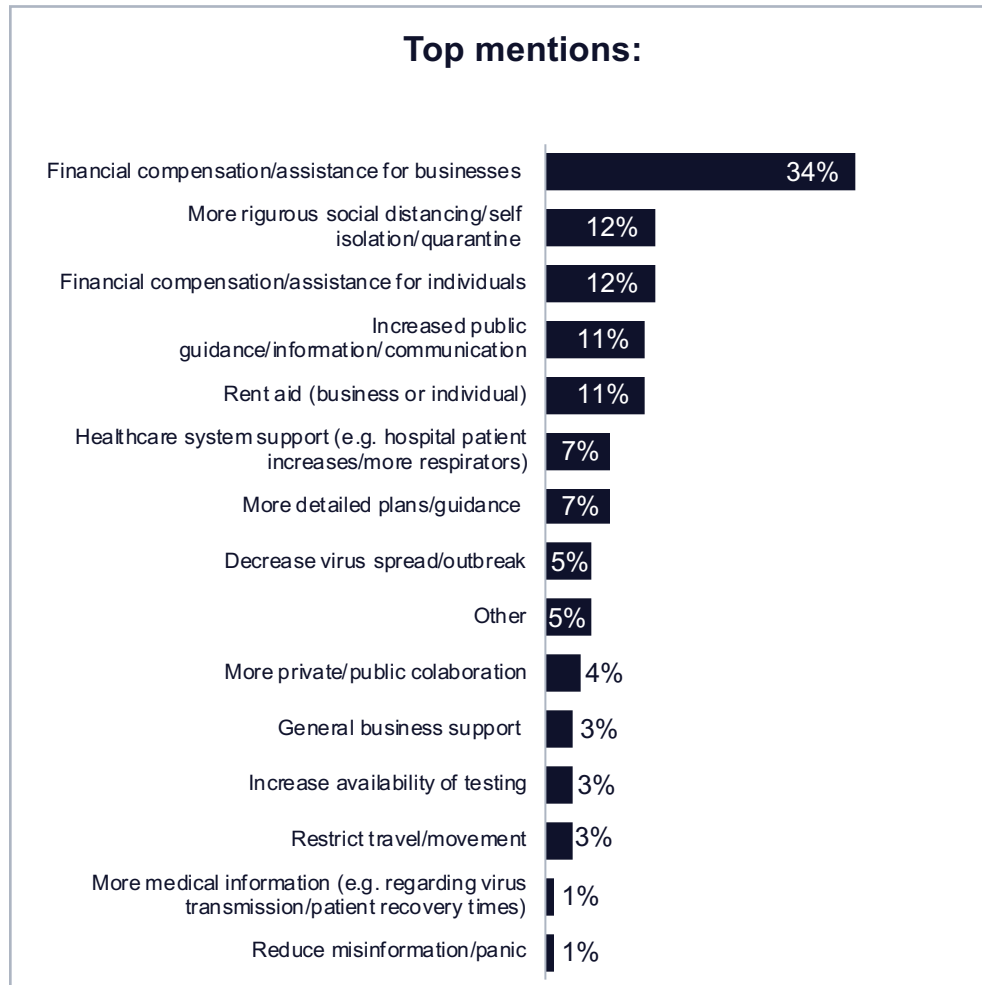


Increasing access to testing is most important government action, but financial relief is also sought

- These sentiments are reflective of the first stage of the crisis, before Federal stimulus discussions began
- Roughly half of business leaders believe the most important action to increase business confidence is increasing access to COVID-19 testing (55%)
- More than 1/3 of small business leaders rank financial and unemployment relief as top government actions they want to see



Most reinforce communication and increasing testing availability as other actions the government can take to improve business confidence:



“Letting the public know what steps would be undertaken to ensure the ongoing availability of food, medicine and other **necessities** were there to be a quarantine would ease fears and perhaps **slow hoarding and other behaviors that could disrupt the supply chain.**”

“Continue to **assure the public** that grocery stores, pharmacies, and liquor stores will remain open.”

“**Suspend all lease payments** on commercial real estate for small businesses. Leases are typically the largest portion of the Expenses. Relief on this end could allow small businesses to make room to help their employee base, keep credit cards and credit lines within limits, etc.”

“This is a short term cash flow crisis, so anything the government can do to **alleviate the short term cash burden** would drive up confidence.”

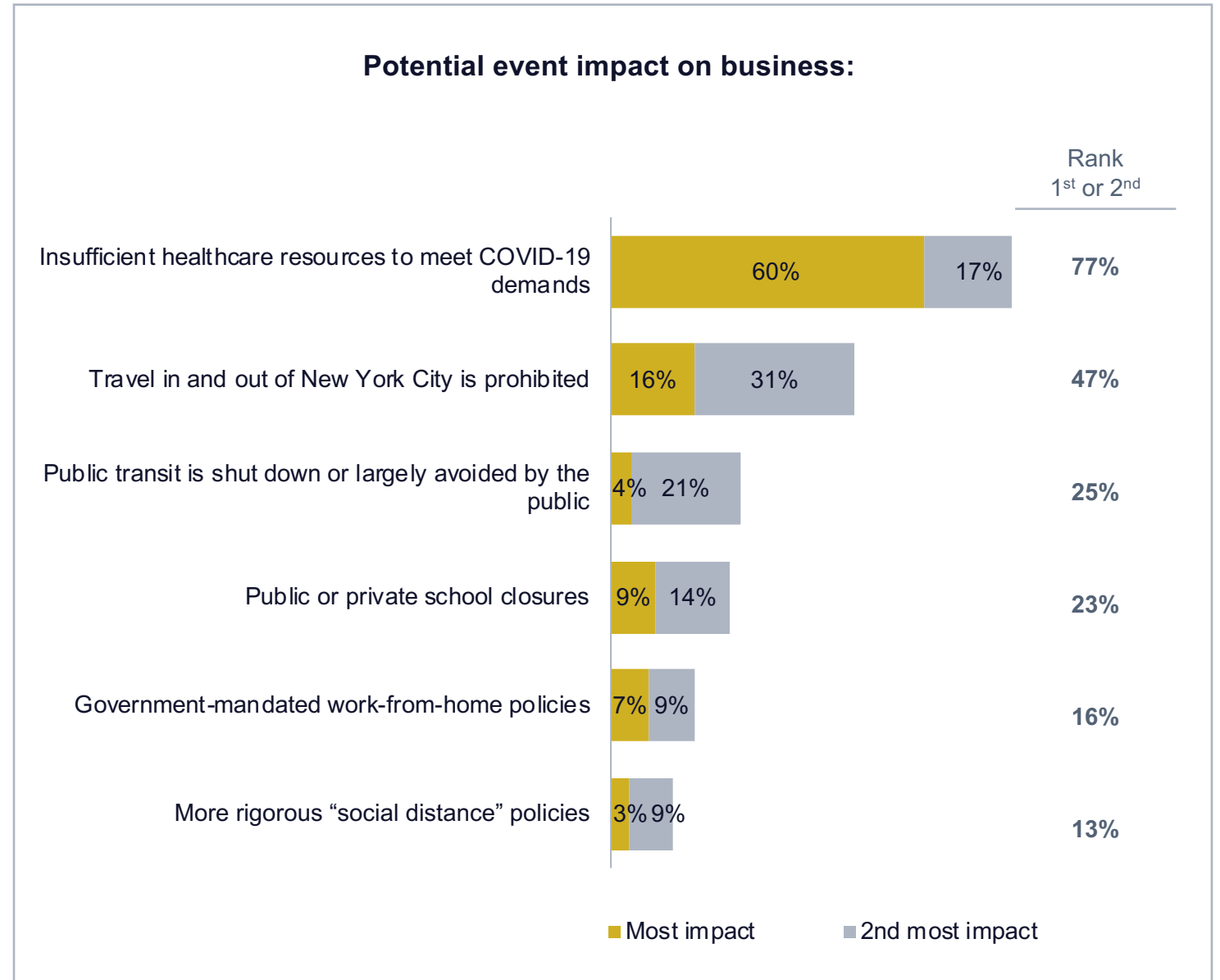
“Take the hit now. **Force closure of all non-essential services** until the rate of increase of infection has been properly characterized and the tools and systems are in place to handle the issue.”

“Keep us informed immediately of any progress toward a vaccine.”

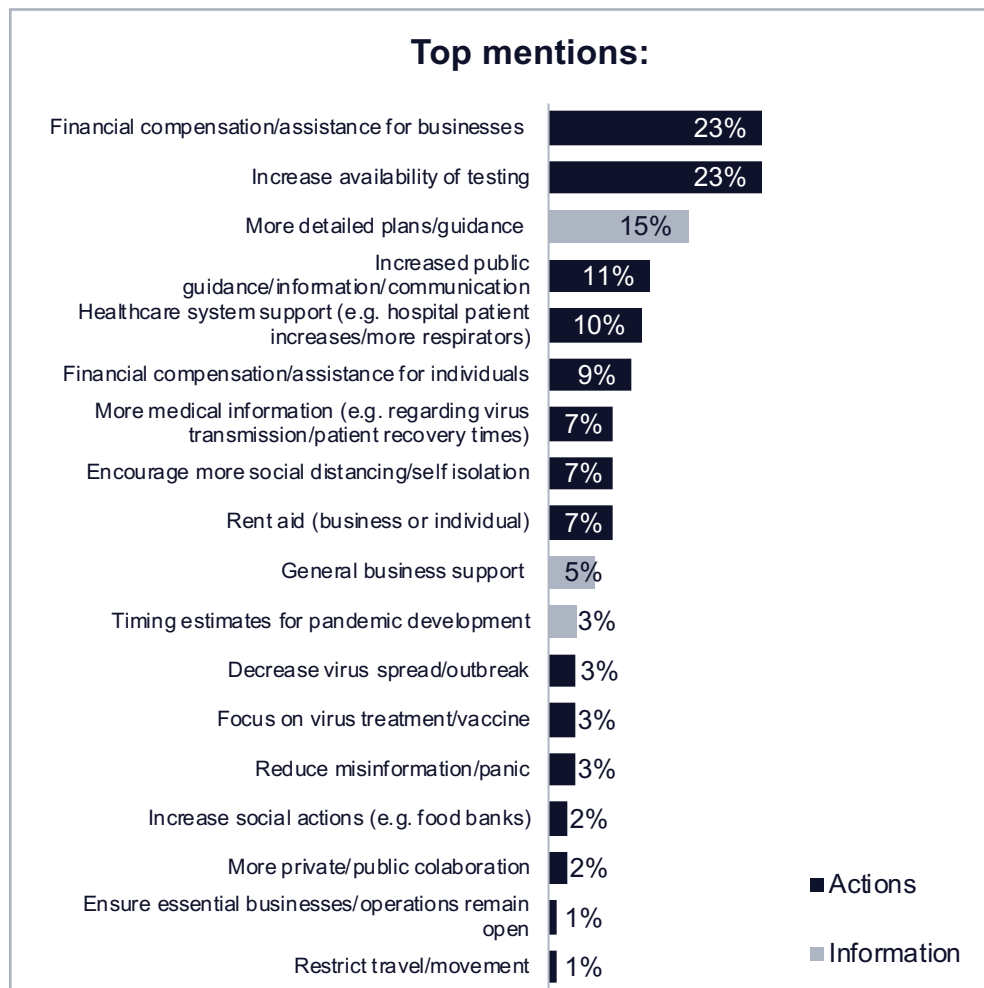
“Massive small business stimulus package or else our company and many others will cease to exist.”

Insufficient healthcare resources would have the greatest negative impact on business

- Roughly 3/5 business leaders ranked insufficient healthcare resources to be the most impactful negative event on their business
- More rigorous work-from-home and social distancing policies were ranked as less impactful in comparison.



Most reinforce increasing testing availability, communication, and supporting businesses through this time.



“**Support the health care system** first and foremost. The sooner public confidence returns the better and knowing the health care system can keep up is the first step in confidence, second to a vaccine or medical breakthrough. Then **help small businesses**, help those who lose their jobs as a result of declining performance. Then when appropriate open up transportation, **calm fears** and allow recovery to begin.”

“**Halt rents, payroll assistance** for prelaunch tech companies.”

“Immediately **institute social distancing policy** sufficient to flatten the growth curve of infection to linear. Immediately **conscript resources to deal with health care needs** before allowing return to normal. Need to get ahead of this.”

“Suspend payroll taxes to **infuse cash into small businesses and into individuals' pockets.**”

“**Direct financial support to small business** - loans, credit guarantees, grants.”

“Just as businesses are required to have disaster recovery and business continuity planning, I think the government should communicate how it would **ensure the ongoing availability of food, medicine, electricity**, etc under various degrees of lock down. When restaurants and bars are shut down with little to no warning, behavior resulting from the fear that people have about losing access to various services and goods being cut off can be very damaging. **Clear communication of well thought out plans is essential.**”

Specific questions asked or information needed from government:



“More info on future capacity for test and beds.”

“More information about testing. When will more tests be available and where to go to get tested.”

“Infection cases and response. Testing sites and procedures. Actions being taken to reduce spread. Resources to support most at-risk labor force such as hourly workers. Resources to assist most at-risk families where children at home may threaten livelihood.”

“I'm not sure if the government can do anything to support a startup that is impacted in its ability to raise capital due to a lack of investor confidence during COVID19. If there was something, that would be great.”

“More clear symptoms, testing locations.”

“What are the available relief/stimulus packages and how can we access them.”

“It would be helpful to have a clearly-articulated plan for how businesses will be compensated for forced business closures”

“Plans on how to increase testing Plans on how to increase hospital bed capacity Plans on how to shore up economic support for workers who are losing daily income (hospitality workers, livery car drivers, artists/musicians) - how will they pay rent, buy food Plans to shore up/maintain food supply chain (how to avoid rushes on grocery stores).”

“1. How do we prevent the fall of 2020 from being a repeat of this situation 2. What will be left of the economy after this?”

“Transparency in progress toward vaccine. Accurate numbers of those infected. Compensation for those laid off due to CoVid-19.”

“There's lack of information and resources, the information is scattered if there is info out there. It can also seem like tribal knowledge, there's a lot of fud that NYC government is not quick enough to respond to.”

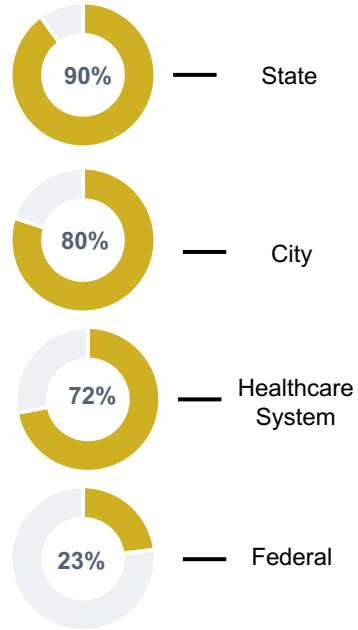
“More information on what financial services and assistance are available to small businesses. Because if we need to start applying for things now, we'd like to be able to before there's a giant backlog and we wind up going under before we can access the assistance.”

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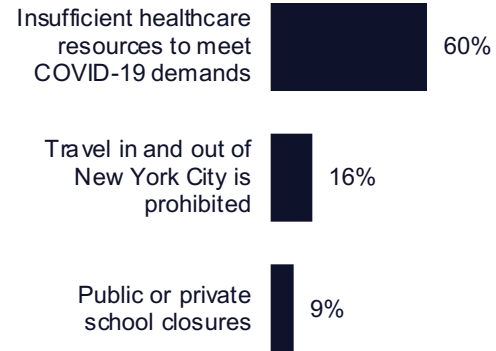
Summary

Business sentiment and response to the COVID-19 pandemic

Confidence in effective management: (some or high confidence)

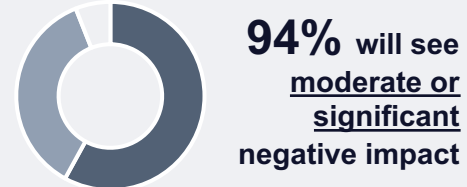
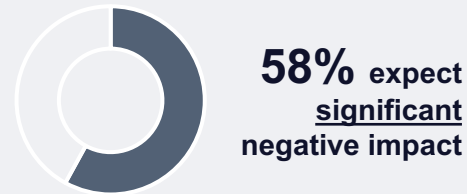


Top 3 most negative potential impact events: (% Rank 1)



% of Businesses with Restrictions	
Domestic Business Travel	97%
Client Interactions & Conferences	99%
Public Transit	83%

Negative impact on industry revenue is generally expected in next 6 months



Business development and access to offices and facilities are most significant business impacts to date.

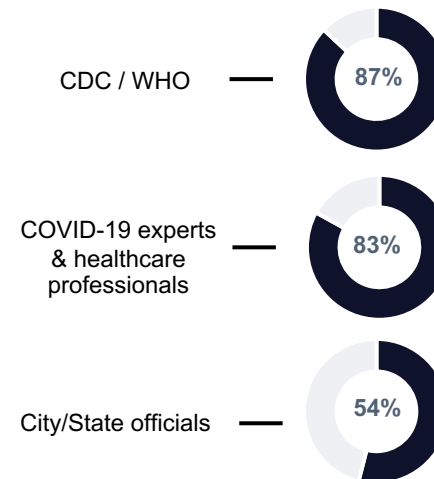


92% of NYC employees currently WFH



56% of New York offices/operations plan to stay partially or fully open throughout pandemic.

Top 3 trusted sources of info for COVID-19



Top action government should do to increase business confidence:

- Increase access to testing for those who may have COVID-19

About Us

Partnership for NYC

The Partnership for New York City represents the city's business leadership and its largest private sector employers. We work with government, labor and the nonprofit sector to promote economic growth and maintain the city's position as a global center of commerce and innovation. Through the Partnership Fund for New York City, the Partnership contributes directly to projects that create jobs, improve economically distressed communities and stimulate new business creation.

<https://pfnyc.org/>

GLG (Gerson Lehrman Group)

GLG is the world's knowledge marketplace. We connect decision makers to insights from experts, so they can act with the confidence that comes from true clarity. Our network of 700,000 professionals is the world's largest and most varied source of first-hand expertise, and we recruit hundreds of new experts every day. We bring the power of insight to every great professional decision. Visit www.glg.it.

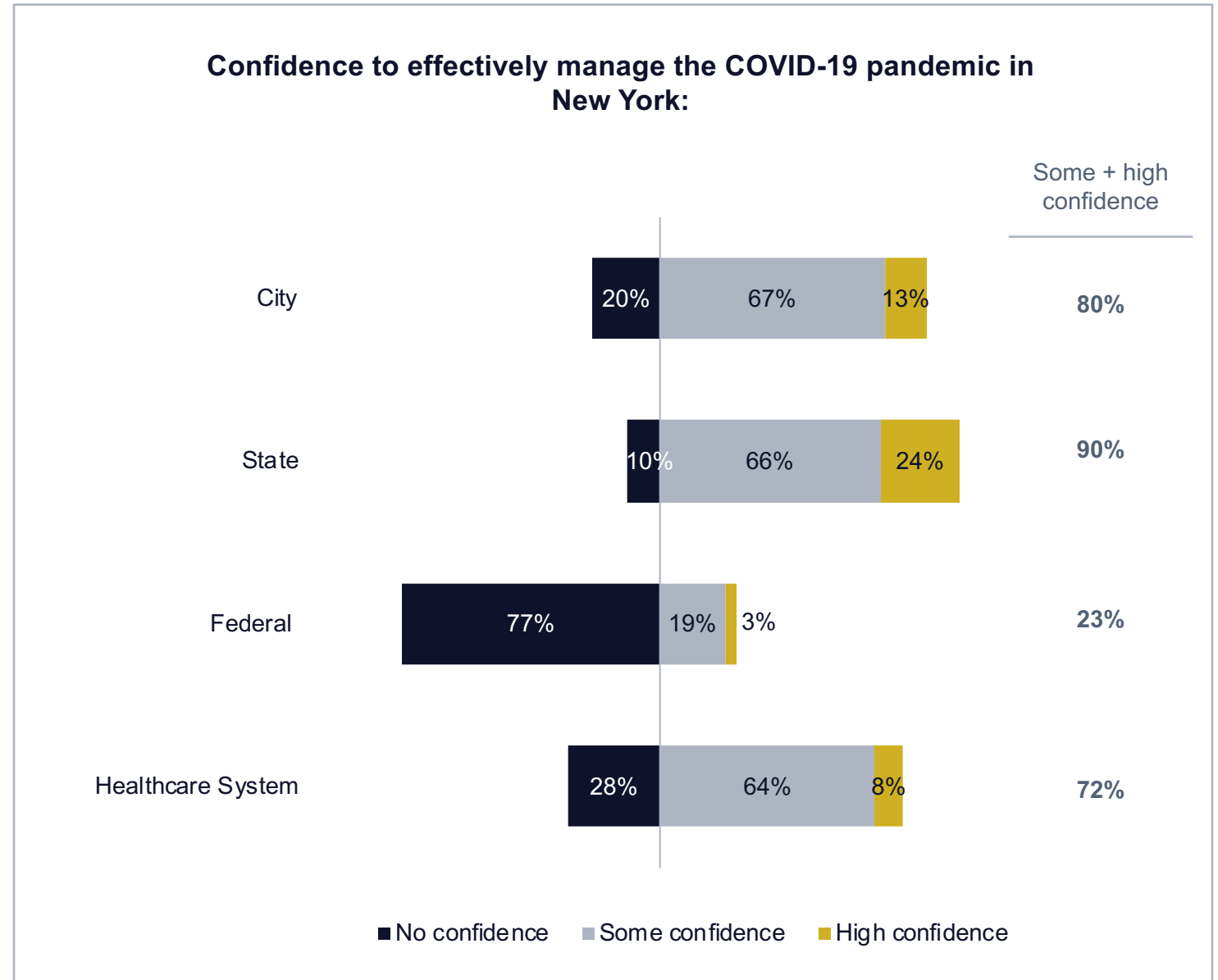
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Appendix

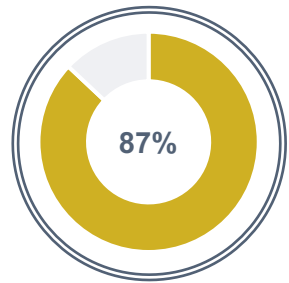
Leaders have most confidence in the State and City to manage the COVID-19 pandemic

- Rapid escalation of the pandemic is driving more aggressive action since this survey closed on March 18th
- Almost 4/5 have no confidence in the Federal government to manage the pandemic, but this survey was in field during the time of the declaration of a national state of emergency and federal legislation to address the pandemic on March 16th

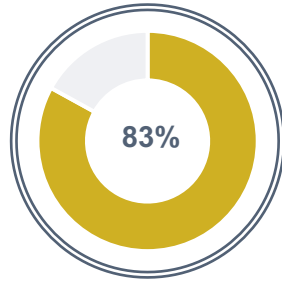


The greatest trust for information and management of the pandemic is with the CDC/WHO, health care experts, and state government

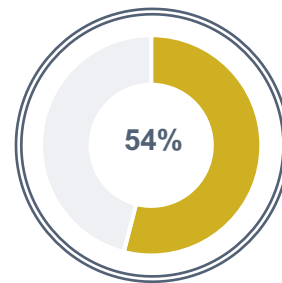
Percentage of business leaders who trust the following sources of information on COVID-19:



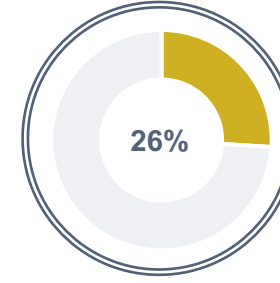
Center for Disease Control (CDC)/ World Health Organization (WHO)



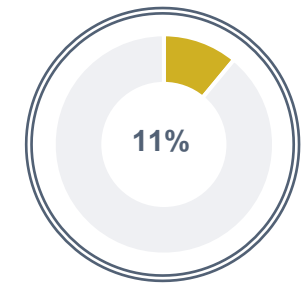
COVID-19 experts & healthcare professionals



City/State officials



Business community



Federal government