Partnership for NYC COVID-19 Impact
-Small/Mid-size Tech & Start-up Businesses-

March 2020
GLG Surveys
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
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

### Travel and Events

<table>
<thead>
<tr>
<th>Restrictions + not permitted</th>
<th>Domestic Business Travel</th>
<th>Client Interactions &amp; Conferences</th>
<th>Public Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not permitted</td>
<td>74%</td>
<td>69%</td>
<td>40%</td>
</tr>
<tr>
<td>Permitted with restrictions</td>
<td>23%</td>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>Permitted</td>
<td>3%</td>
<td>1%</td>
<td>17%</td>
</tr>
</tbody>
</table>

### NYC Office Policies

- Employees are encouraged to work from home: 28%
- Employees are required to work from home: 70%
- Employees have option to work from home: 7%
- Rotating shifts of employees between the office and working at home: 7%
- Office location(s) are open as usual: 4%

### NYC Office Status

- Employees WFH: 92%
- WFH policies: 95%
- New York offices/operations for duration of the pandemic: 44% Not open, 41% Partially open, 15% Fully open

### Payroll & Benefits

- Offering payroll coverage for those diagnosed with the virus or quarantined because of exposure: 60%
- Offering other benefits in response to the virus: 62%

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**GLG**

[Q2a] [Q2b] [Q2c] [Q2d] [Q2e] Which policies has your company adopted in response to COVID-19?

[Q10] What percentage of your New York City employees are currently working from home on a full time or rotating basis?

[Q11] Are your New York City offices or operations going to remain open for the duration of the pandemic?

BASE: (Total: N = 149)
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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Neutral to positive impact</th>
<th>Moderate negative impact</th>
<th>Significant negative impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and Business Development n=145</td>
<td>13%</td>
<td>28%</td>
<td>61%</td>
</tr>
<tr>
<td>Access to offices and facilities n=145</td>
<td>14%</td>
<td>39%</td>
<td>47%</td>
</tr>
<tr>
<td>Shareholder confidence n=127</td>
<td>27%</td>
<td>23%</td>
<td>50%</td>
</tr>
<tr>
<td>Employee productivity or morale n=145</td>
<td>19%</td>
<td>59%</td>
<td>22%</td>
</tr>
<tr>
<td>Supply chain n=139</td>
<td>43%</td>
<td>22%</td>
<td>35%</td>
</tr>
<tr>
<td>Cyber-security risk n=136</td>
<td>76%</td>
<td>20%</td>
<td>2%</td>
</tr>
</tbody>
</table>

“Other” moderate or significant business impacts mentioned:

- Uncertainty in business future
- Office space expense
- Timeline impact on product release
- Sales
- Liquidity / funding / venture capital
- Travel bans
- Hiring

[Q3] How has COVID-19 impacted your business to date across the following categories? BASE: (Total shown: N = 149), "prefer not to answer" excluded from each category Sorted by descending significant negative impact percentage
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

[Q6] How do you anticipate your industry’s revenues will be affected by COVID-19 in the next 6 months? BASE: (Total: N = 149)
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.

[Q1] What should government do to increase business confidence during the COVID-19 pandemic?
BASE: (Total: N = 149)
Sorted by Mean rank importance
Most reinforce communication and increasing testing availability as other actions the government can take to improve business confidence:

Top mentions:

- Financial compensation/assistance for businesses: 34%
- More rigorous social distancing/self isolation/quarantine: 12%
- Financial compensation/assistance for individuals: 12%
- Increased public guidance/information/communication: 11%
- Rent aid (business or individual): 11%
- Healthcare system support (e.g., hospital patient increases/more respirators): 7%
- More detailed plans/guidance: 7%
- Decrease virus spread/outbreak: 5%
- Other: 5%
- More private/public collaboration: 4%
- General business support: 3%
- Increase availability of testing: 3%
- Restrict travel/movement: 3%
- More medical information (e.g., regarding virus transmission/patient recovery times): 1%
- Reduce misinformation/panic: 1%

“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.”

“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.”

“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.”

[Q12] Please include any other action the government can take to improve business confidence.

BASE: (Total: N = 73)
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.

Potential event impact on business:

- Insufficient healthcare resources to meet COVID-19 demands: 60% (Most impact), 17% (2nd most impact), Rank: 1st or 2nd
- Travel in and out of New York City is prohibited: 16% (Most impact), 31% (2nd most impact), Rank: 1st or 2nd
- Public transit is shut down or largely avoided by the public: 4% (Most impact), 21% (2nd most impact), Rank: 1st or 2nd
- Public or private school closures: 9% (Most impact), 14% (2nd most impact), Rank: 1st or 2nd
- Government-mandated work-from-home policies: 7% (Most impact), 9% (2nd most impact), Rank: 1st or 2nd
- More rigorous “social distance” policies: 3% (Most impact), 9% (2nd most impact), Rank: 1st or 2nd

[Please rate the following events on the level of negative impact it would have on your business. BASE: (Total: N = 149) Sorted by Mean rank importance]
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.”

“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 lockdown. 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.”

**Top mentions:**

- Financial compensation/assistance for businesses: 23%
- Increase availability of testing: 23%
- More detailed plans/guidance: 15%
- Increased public guidance/information/communication: 11%
- Healthcare system support (e.g. hospital patient increases/more respirators): 10%
- Financial compensation/assistance for individuals: 9%
- More medical information (e.g. regarding virus transmission/patient recovery times): 7%
- Encourage more social distancing/self isolation: 7%
- Rent aid (business or individual): 7%
- General business support: 5%
- Timing estimates for pandemic development: 3%
- Decrease virus spread/outbreak: 3%
- Focus on virus treatment/vaccine: 3%
- Reduce misinformation/panic: 3%
- Increase social actions (e.g. food banks): 2%
- More private/public collaboration: 2%
- Ensure essential businesses/operations remain open: 1%
- Restrict travel/movement: 1%

**Q8** What information do you need from the government? What actions would you like to see from the government?

BASE: (Total: N = 149)
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.”
Summary
Survey conducted between March 13 and March 18, 2020. This survey was taken by business leaders during the time restrictions were being rolled out by local, state, and federal authorities in response to the COVID-19 pandemic. BASE: (Total: N = 149)

Confidence in effective management:
- State: 90%
- City: 80%
- Healthcare System: 72%
- Federal: 23%

Top 3 most negative potential impact events:
- Insufficient healthcare resources to meet COVID-19 demands: 60%
- Travel in and out of New York City is prohibited: 16%
- Public or private school closures: 9%

Top action government should do to increase business confidence:
- Increase access to testing for those who may have COVID-19

Negative impact on industry revenue is generally expected in next 6 months:
- 58% expect significant negative impact

Top 3 trusted sources of info for COVID-19:
- CDC / WHO: 87%
- COVID-19 experts & healthcare professionals: 83%
- City/State officials: 54%

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.
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)

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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.

Confidence to effectively manage the COVID-19 pandemic in New York:

- City: 20% No confidence, 67% Some confidence, 13% High confidence
- State: 10% No confidence, 66% Some confidence, 24% High confidence
- Federal: 77% No confidence, 19% Some confidence, 3% High confidence
- Healthcare System: 28% No confidence, 64% Some confidence, 8% High confidence

What is your level of confidence in the ability of the government and the healthcare system to effectively manage the COVID-19 pandemic in New York?

BASE: (Total: N = 149)
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): 87%
- COVID-19 experts & healthcare professionals: 83%
- City/State officials: 54%
- Business community: 26%
- Federal government: 11%

[Q9] Which sources do you trust for accurate information on COVID-19 and how to deal with it?
BASE: (Total: N = 149)