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NJBIA & FOCUS NJ CORONAVIRUS REOPENING SURVEY RESULTS: BUSINESS REVENUE CHALLENGES CONTINUE AMID LIMITED CAPACITIES, SLOW REOPENINGS

Nearly half of business owners anticipate it will take 10 months or longer to generate revenues comparable to pre-COVID profits, while nearly 12% say they will never make up for those missed earnings, according to a new survey by the New Jersey Business & Industry Association.

[NJBIA's Reopening Survey](#), conducted in partnership with Focus NJ, also found that 65% of responding businesses are experiencing an overall decrease in revenue.

"These results shine a brighter light on the impacts of New Jersey's economic shutdown and a slow reopening process," said NJBIA President and CEO Michele Siekerka. "While it's a positive that businesses are getting the opportunity to reopen, their limited capacities and other factors are ensuring a longer road to recovery."

Nearly 16% of respondents say it will take 10-12 months to generate revenues comparable to pre-COVID-19 profits, while more than 25% say it will take more than a year. Nearly 8% claimed they will need more than two years.

To accommodate for their lost revenue, 61% of respondents said they sought additional funding by taking out a loan, tapping credit lines, seeking government aid or increased donations.

Percentages of other adjustments thus far made by business owners include:

- 45% reduced expenses and overhead
- 38% tapped into business reserves or personal savings
- 29% reduced workers' hours
- 28% delayed bill payments
- 21% reduced workers' pay, which includes reduction in salary for owner and executives

Thus far, 33% of businesses said they have laid off at least one employee, while 32% of businesses have furloughed at least one employee. Of those, 63% continued to offer health benefits to furloughed employees.

"These findings indicate that little has changed since our [Recovery Survey in April](#)," said Focus NJ Executive Director Nicole Sandelier. "Businesses are experiencing severe financial losses and have taken extensive action to give their company a fighting chance for survival during this economic downturn. Hopefully, their measures are enough."

The survey also chronicles the level of strain business owners are feeling during their reopening, including:

- 53% rated generating enough profit to keep their business open as burdensome or very burdensome.
- 39% rated meeting payroll costs and/or payroll taxes as burdensome or very burdensome.
- 42% rated paying rent, income/property taxes, loans and utilities as burdensome or very burdensome.
- 40% rated ensuring worker safety and/or purchasing personal protective equipment as burdensome or very burdensome.
- 35% rated complying with labor mandates as burdensome or very burdensome.
- 32% rated liability lawsuits and/or concern for future liability lawsuits related to COVID-19 as burdensome or very burdensome.

Full results Reopening Survey can be found [here](#).

The survey was conducted in partnership with Focus NJ from June 10 to June 22, 2020. A total of 743 respondents, comprised of NJBIA members and members from other partnering business associations, participated in the online survey.

[Focus NJ](#) – the Center for Economic Research and Workforce Solutions – is a nonpartisan, nonprofit research foundation launched by NJBIA in February, 2020. It will administer deep analysis of public policies, industry trends and economic indicators that impact New Jersey's overall affordability, workforce and competitiveness

METHODOLOGY

The NJBIA Reopening Survey was conducted by the New Jersey Business & Industry Association in partnership with Focus NJ from June 10 to June 22, 2020. In total 743 respondents participated in the online survey, comprised of NJBIA members and members from other partnering business associations who are participating in the New Jersey Business Coalition. Totals may not equal 100% due to rounding.

QUESTIONS AND RESULTS

Business Demographics

1. Do you own or manage a business or nonprofit entity?

Yes	79.27%
No	20.73%

2. Are you a primary decision maker for operational decisions, including finances, HR and/or staffing

Yes	79.27%
No	20.73%

3. Is your business a women-owned firm, a minority-owned firm and/or a veteran- owned firm?

Yes	27.17%
No	65.93%
I do not wish to disclose	6.90%

4. Please select the designation(s) that best described your business. (Select all the apply)

Women-Owned	81.77%
Minority-Owned	22.10%
Veteran-Owned	8.29%

5. For tax purposes, what business structure is your company?

Limited Liability Company (LLC)	31.05%
S Corp	30.53%
C corp	15.09%
Nonprofit Organization	11.05%
Sole proprietorship	5.61%
Other	2.63%
Partnership	2.11%
Closed corporation	1.40%
Cooperative	0.53%

6. In what county is your business located?

Monmouth	11.23%
Bergen	10.35%
Middlesex	9.12%
Morris	7.89%
Cape May	7.37%
Essex	7.37%
Passaic	6.67%
Mercer	6.32%
Union	6.32%
Hudson	4.74%
Ocean	4.56%
Burlington	4.39%
Somerset	3.68%
Camden	3.16%
Hunterdon	2.11%
Sussex	1.40%
Atlantic	1.23%

Gloucester	0.88%
Cumberland	0.53%
Warren	0.53%
Salem	0.18%

7. Approximately how many people did your business employ prior to COVID-19?

1	8.25%
2-4	18.25%
5-9	16.14%
10-19	17.19%
20-49	19.65%
50-99	6.49%
100-249	8.42%
250-499	1.58%
500+	4.04%

8. What industry is your business?

Professional, Business & Other Services	17.19%
Education Services	12.28%
Manufacturing	11.23%
Construction	7.19%
Retail	6.32%
Health Services & Social Assistance	5.96%
Financial Activities/Services	4.74%
Technology	3.51%
Leisure & Hospitality	3.33%
Arts, Entertainment, Recreation	3.33%
Wholesale	3.16%
Real Estate	2.81%
Trade, Transportation, Utilities	2.63%
Warehousing, Logistics, Distribution	1.58%
Information	0.88%
Research & Development	0.70%
Other	13.16%

9. Before the COVID-19 health crisis, what percentages of your workforce worked remotely at any given time?

0%	64.74%
1-24%	25.26%
25-49%	2.63%
50-74%	2.46%
75-99%	1.93%
100%	2.98%

The Impact of COVID-19

10. Has your business' physical location remained open through the duration of government mandated stay-at-home orders and the closure of "non-essential" businesses?

Yes	56.94%
No	43.06%

11. What percentage of your workforce continued to work in your physical location through the duration of the COVID-19 health crisis?

0%	4.18%
1-24%	33.76%
25-49%	12.86%
50-74%	16.40%
75-99%	16.40%
100%	16.40%

12. Has your business operated via a remote workforce during the duration of government mandated closures and stay-at-home orders, despite your physical location being open?

Yes	60.71%
No	39.29%

13. If your business was ordered to close its physical location as a result of government mandates, do you see the closure of physical location being:

Temporary	81.62%
Permanent	1.28%
Unsure	17.09%

14. Has your business been able to operate remotely during the duration of government mandated closures and stay-at-home orders?

Yes	49.58%
No	50.42%

15. Was your business able to find new efficiencies and/or cost-saving opportunities as a result of an increased reliance upon a remote workforce?

Yes	37.27%
No	62.73%

16. If you utilized a remote workforce, will you continue to do so more than you previously had when New Jersey is back open for business?

Yes	31.53%
No, we will not utilize a workforce more than we previously had	42.68%
Not sure/Undecided	25.80%

17. Did your business increase its online presence for the purpose of sales as a result of the COVID-19 health crisis?

Yes	27.25%
No	72.75%

18. Including physical location & remote work, my business is:

Operating, but experiencing losses	57.35%
Operating like normal	20.82%
Temporarily closed as a result of COVID-19 with plans to reopen	19.39%
Operating and performing better than normal	2.45%
Permanently closed as a result of COVID 19 with no plans to reopen	0.00%

19. Financially my business is experiencing:

A decrease in revenue	64.77%
Normal revenue	17.92%
No revenue	15.48%
A surge in revenue	1.83%

20. What percentage of your income has resulted from your physical location during the COVID-19 health crisis?

0%	33.05%
1-24%	12.71%
25-49%	8.05%
50-74%	9.32%
75-99%	6.99%
100%	29.87%

21. What percentage of your income has resulted from your online presence/remote workforce during the COVID-19 health crisis?

0%	56.24%
1-24%	16.91%
25-49%	6.34%
50-74%	5.71%
75-99%	5.92%
100%	8.88%

22. To adjust for lost revenue, my business had to: (Select all that apply)

Seek additional funding: Take out a loan, tap credit line, government aid, seek increased donations	60.8%
Reduce expenses & overhead	45.3%
Tap into business reserves or personal savings	38.2%
Reduce workers' hours	28.8%
Delay bill payments (including vendor payments)	28.0%
Reduce workers' pay (including reduction in salary for Owner/Executives)	20.6%
Not do anything	10.8%
My business is not experiencing lost revenue	7.1%

Cut employees' health insurance or other benefits	5.1%
Sell capital	2.9%

23. How many employees have you laid off as a result of COVID-19?

0	67.01%
1-9	22.82%
10-19	4.15%
20-50	4.15%
51+	1.87%

24. How many employees have you furloughed as a result of COVID-19?

0	68.05%
1-9	19.71%
10-19	5.39%
20-50	4.56%
51+	2.28%

25. If you furloughed employees, has your business continued to offer health benefits to employees that were furloughed?

Yes	62.67%
No, we did no offer health benefits to furloughed employees	23.29%
Not sure/ Don't know	14.04%

26. If you are not already back in your physical location, have you begun making plans for your staff to return to work in your physical location?

Yes	82.79%
No	11.04%
Not sure	6.17%

27. If you are not already back in your physical location, by what month do you plan to begin bringing your workforce back at your physical location?

June 2020	31.25%
July 2020	28.75%
August 2020	7.81%
September 2020	11.25%
October 2020	0.63%
November 2020	0.00%
December 2020	0.00%
Sometime in 2021	1.56%
I do not know	17.81%
Never	0.94%

28. As you begin to plan your business reopening, what struggles (if any) do you anticipate?

	No Burden	Some Burden	Neutral	Burdensome	Very Burdensome
Meeting payroll costs and/or paying payroll taxes	25.47%	16.51%	19.34%	14.39%	24.29%
Paying expenses such as rent, income/property taxes, loans & utilities	26.06%	16.20%	15.73%	15.26%	26.76%
Ensuring worker safety and/or purchasing personal protective equipment (PPE)	17.14%	19.95%	22.77%	17.37%	22.77%
Handling supply chain distribution with contractors and vendors shut down/reduced	31.73%	19.47%	25.24%	12.26%	11.30%
Complying with labor mandates	30.43%	17.15%	17.63%	16.18%	18.60%
Cost of maintaining equipment and/or making physical changes to your facility	25.95%	22.86%	20.71%	14.52%	15.95%
Finding enough employees to fill my workforce needs	46.01%	15.49%	15.02%	10.80%	12.68%
Liability lawsuits and/or concern for future liability lawsuits related to COVID-19	37.77%	15.91%	14.73%	13.78%	17.81%
Generating enough profit to keep my business open	15.53%	14.35%	17.18%	16.71%	36.24%

29. How long do you anticipate it will take for your business to generate revenues comparable to pre-COVID-19 profits?

3 months or less	14.38%
4-6 months	15.96%
7-9 months	9.44%
10 months to a year	15.73%
More than a year	25.17%
More than two years	7.87%

I will never make up the revenue lost during COVID-19	11.46%
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30. If you are struggling to access government aid, such as PPP, an EDA grant/loan or unemployment insurance, what is hindering your ability to do so?

Waiting for response	12.53%
Ineligible	8.51%
Administrative difficulties in completing application	5.44%
Eligible, but rejected	3.31%
I am not struggling to access government aid	57.45%
I do not want government aid	12.77%

31. Does your workforce use public transportation to commute to and from work?

Yes	14.41%
No	85.59%

32. What percentage of your workforce used public transportation prior to COVID-19?

0%	3.03%
1-24%	60.61%
25-49%	15.15%
50-74%	9.09%
75-99%	6.06%
100%	6.06%

33. Do you anticipate a decrease in the use of public transportation amongst your workforce once your business is allowed to re-open?

Yes	26.15%
No	30.77%
Not sure	43.08%

34. In what month do you anticipate your workforce to begin using public transportation again for their commutes?

June 2020	27.27%
July 2020	10.61%
August 2020	6.06%
September 2020	18.18%
October 2020	0.00%
November 2020	0.00%
December 2020	0.00%
Sometime in 2021	7.58%
I do not know	28.79%
Never	1.52%

35. Are you or your staff concerned about the public health risks that may be associated with public transportation as a result of COVID-19?

Yes	78.79%
No	9.09%
Not sure	12.12%

36. Do you plan to incorporate staggered employee start/end times to accommodate for reduced capacity/overcrowding in your workplace?

Yes, by 1 hour	12.50%
Yes, by 2 hours	3.13%
Yes, by 3 hours	0.00%
Yes, by more than 3 hours	1.56%
Yes but not sure about timing yet	39.06%
No	26.56%
Not sure	17.19%