



November Stakeholder Survey Summary

February 2021

Overview

This report summarizes the results of the November 2020 Quarterly Stakeholder Survey, which is the second phase of general outreach conducted for the *Arkansas EDA COVID-19 Recovery & Resiliency Initiative (ARR&RI)*. This survey was a follow up to the Stakeholder Interviews that were conducted in the summer of 2020 as a part of ARR&RI.

This survey was sent out to contacts from across the state, including contacts local to the eight Development Districts. Many survey respondents also participated in the summer interviews, but for some respondents this survey was their first engagement in ARR&RI.

This survey summary is also available as an interactive Dashboard via the ARR&RI project website: covidrecovery.youraedi.com.

Key Findings

- Businesses and organizations with less than 25 employees expected to retain fewer employees throughout the pandemic compared to larger organizations, though there was also a smaller number of organizations of 25 or fewer employees who had layoffs or furloughs.
- Respondents' greatest concerns are staff contracting the coronavirus and the long-term economic well-being of their organizations.
- Small businesses, restaurants, and tourism were the hardest hit by the impacts of the pandemic; this finding echoes the findings from the summer 2020 interviews as well as economic trends seen throughout the pandemic.
- Reported community responses to COVID-19 appear to be limited to enforcing or sharing information about CDC guidelines.
- Businesses and organizations with less than 25 employees had the most diverse range of priorities for maintaining or regrowing their business/organization after COVID-19.
- Respondents spoke to a need for financial assistance to help them and their communities get through the pandemic, likely because of the financial challenges the pandemic and related shutdowns have brought on.
- Emergency management plans are consistently viewed as the least important for recovery and resiliency efforts, though many respondents from the interviews reported that their community does not have an emergency plan. Those who reported having an emergency plan generally found them to be helpful.
- Respondents are optimistic, with some feeling neutral, in regard to the pandemic and recovery. This is an improvement since the 2020 interviews, in which people were more uncertain about the future.

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Top Ten Issues

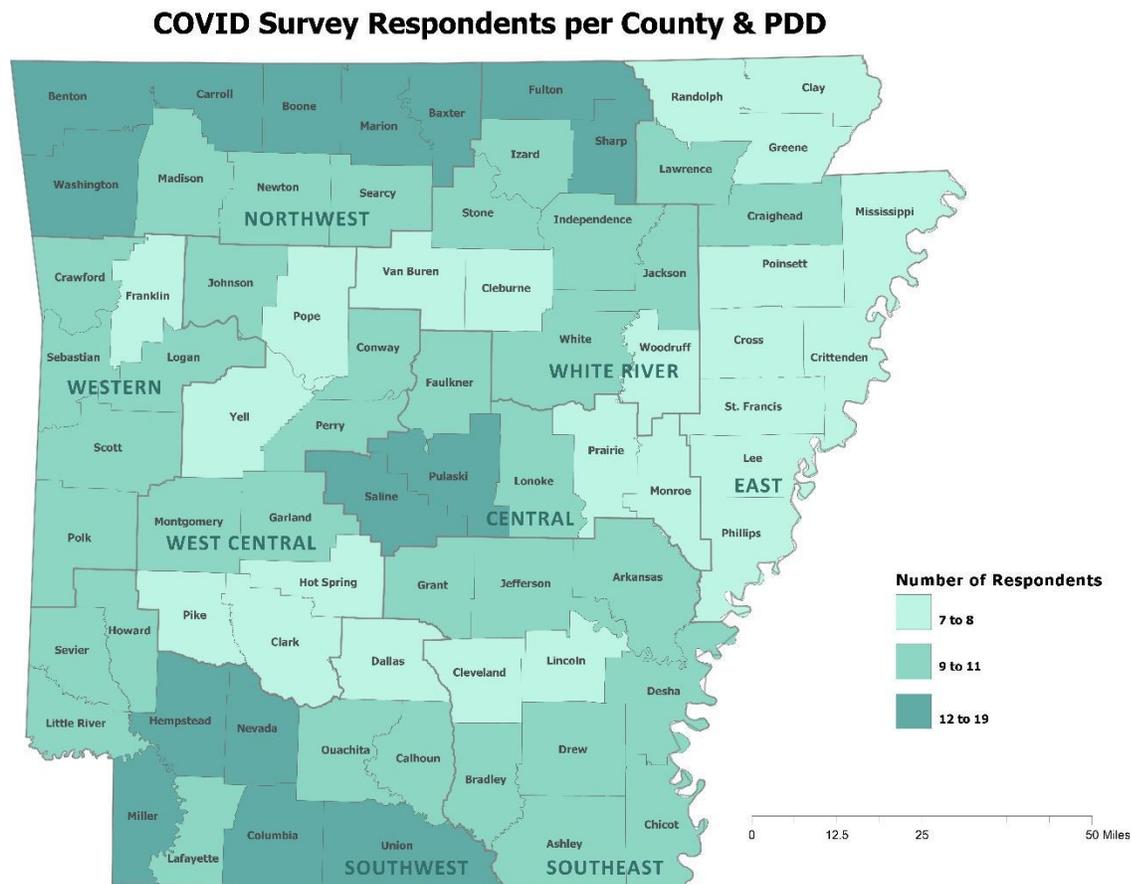
In the summer of 2020, over 100 interviews were conducted with stakeholders from each of the state's eight Economic Development Districts. The top ten COVID-related issues cited by interviewees were identified, documented, and reported to state officials. These issues, ranked from most reported to least reported, are listed below. The following survey summary, builds upon these top ten issues while also providing more detailed information about employment and recovery efforts.

1. Inconsistent guidance
2. Broadband availability
3. Restaurants
4. Lodging and hospitality
5. Healthcare
6. Accessing funds
7. PPE reserves
8. Emergency plans
9. Remote education
10. Rural areas

Overview of Survey Respondents

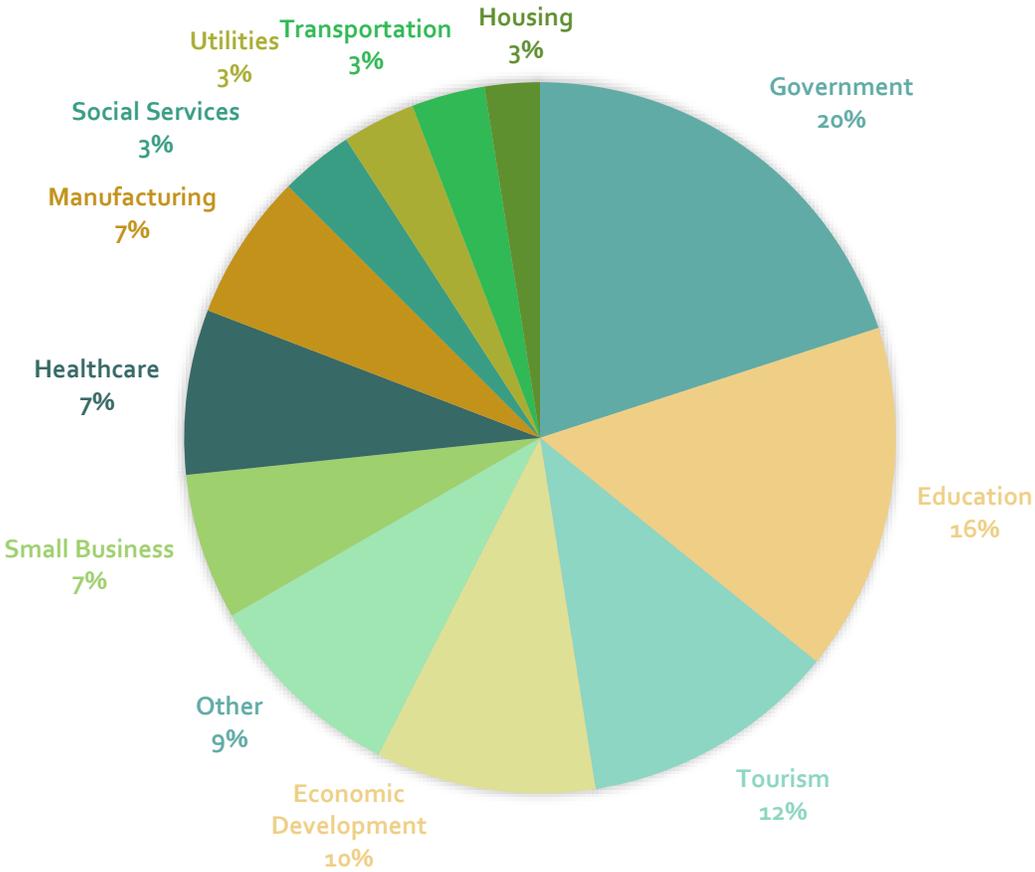
Respondents were asked which counties they represent or work in. Those with responsibilities that encompass the entire state were considered to represent or work in each of Arkansas' 75 counties.

As the map on the left shows, Northwest, Central, and Southwest Arkansas had the most survey respondents, and East Arkansas had the least.



Although survey respondents work in various fields, including economic development, small business, healthcare, manufacturing, transportation, and social services, most respondents work in government or education.

What best describes your industry?

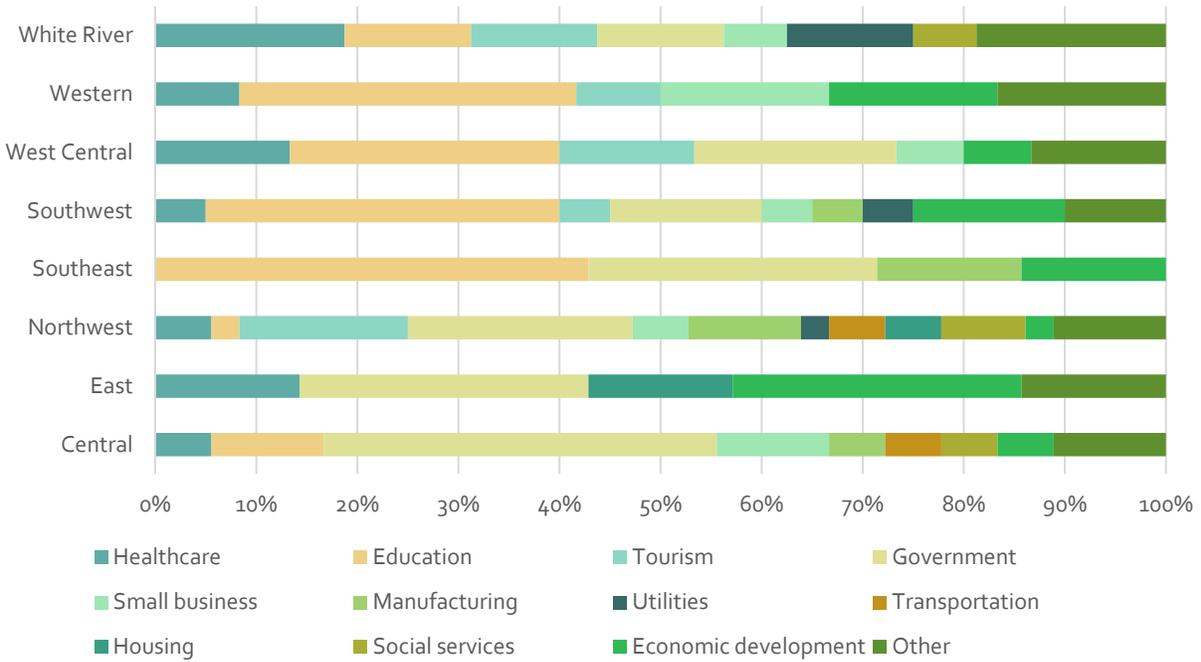


Most respondents from the state's eight Development Districts are from people working in government or education. The two districts representing Northwest and Central Arkansas had the most varied mix of respondents in public and private employment.

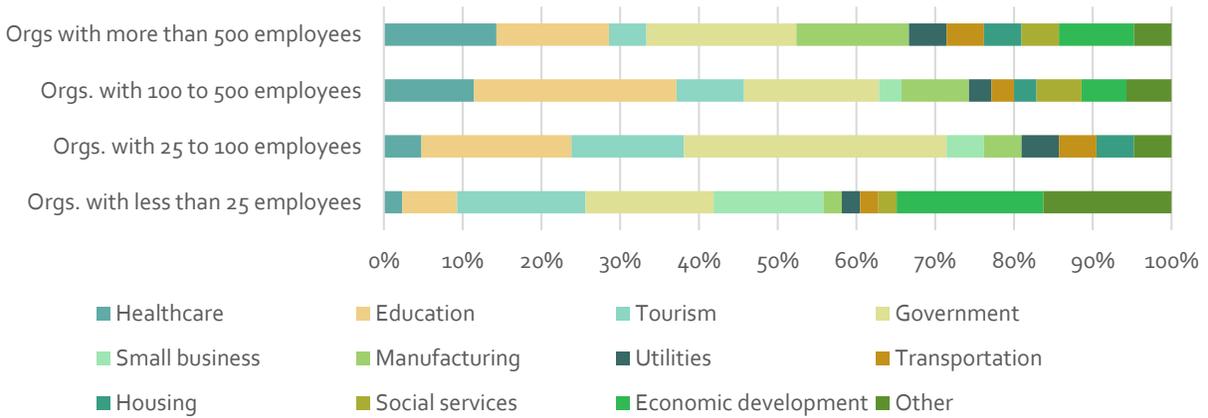
Respondents employed in tourism were limited to Northwest, Southwest, West Central, Western, and White River, where the industry forms a significant part of each district's economy.

Central and Western Arkansas had the highest percentage of respondents from small businesses, while those in social services worked in White River, Northwest, and Central Arkansas.

What best describes your industry?



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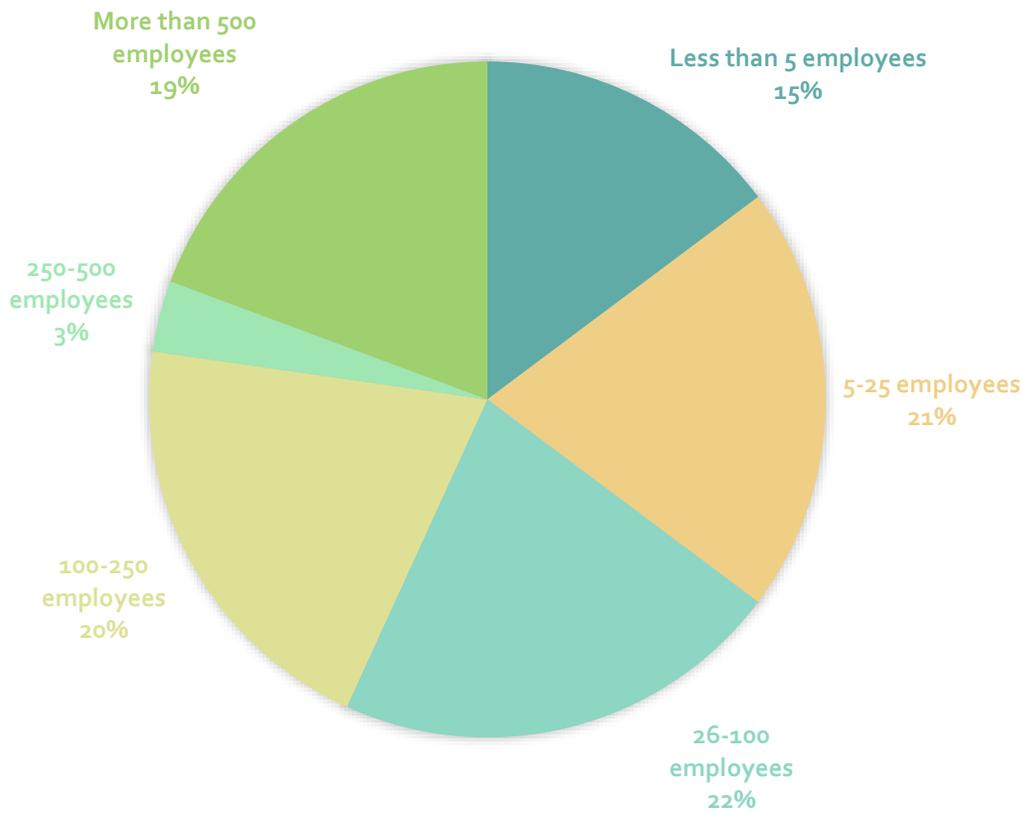


The size of the company or organization represented by survey respondents varied considerably. Just over one-third of respondents worked for small businesses (or organizations) with 25 or fewer employees, and over half are employed by companies

or organizations with 100 or fewer employees. Barely one-fifth of respondents represent large businesses or organizations that have more than 500 employees.

Since the overwhelming majority of Arkansans work for small businesses (commonly defined as employing 500 employees or less), the survey represents a good cross-section of the state's business climate.

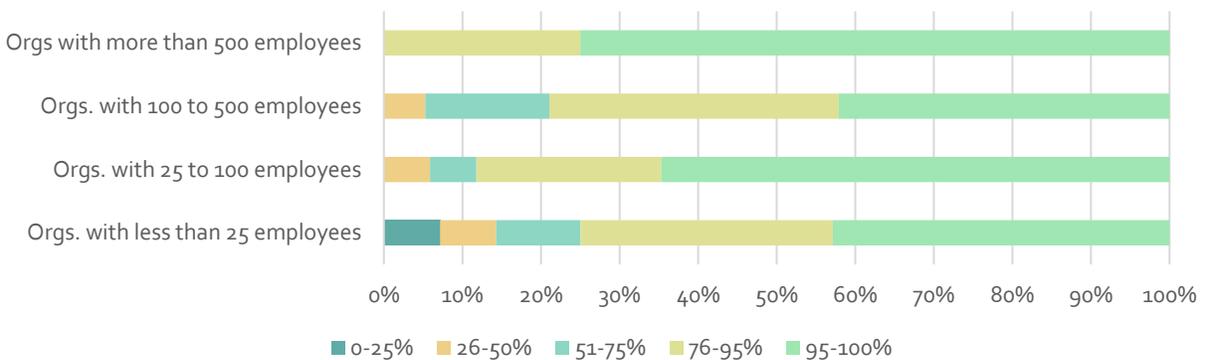
How large is your company or organization?



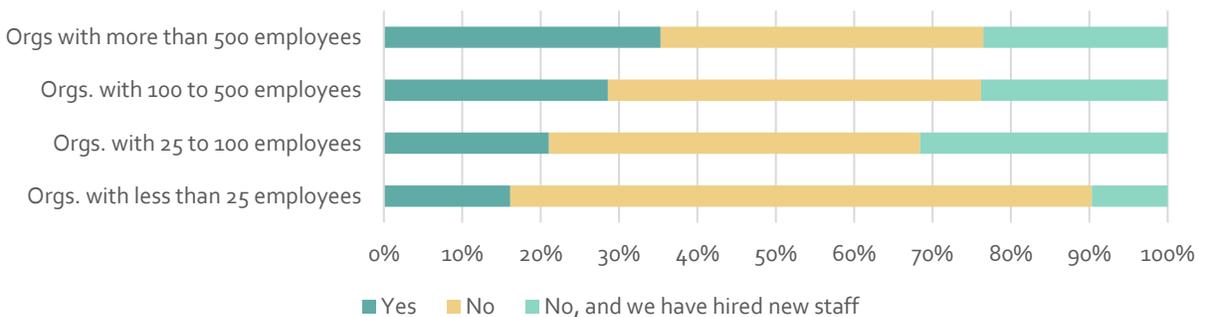
Workforce Impacts

93% of all respondents expect to keep more than 50% of their workforce throughout the pandemic. Mid-size organizations (25-100 employees) had the highest percentage of furloughs and layoffs due to COVID-19. Large businesses and organizations (500+ employees) had the second-highest percentage of employees furloughed or laid off, though they expect to retain more than 75% of their staff through the pandemic, which is more optimistic than mid-size organizations' workforce retention expectations. Smaller businesses anticipated keeping a smaller percentage of their staff than larger employers. This may be due to size since a single employee in a small business constitutes a larger share of their workforce than a single employee at a large corporation. Despite uncertainty about retaining their workforce, so far, smaller business owners have been able to keep their employees working during the pandemic.

What percentage of your community's pre-COVID-19 workforce do you expect to retain throughout the pandemic?

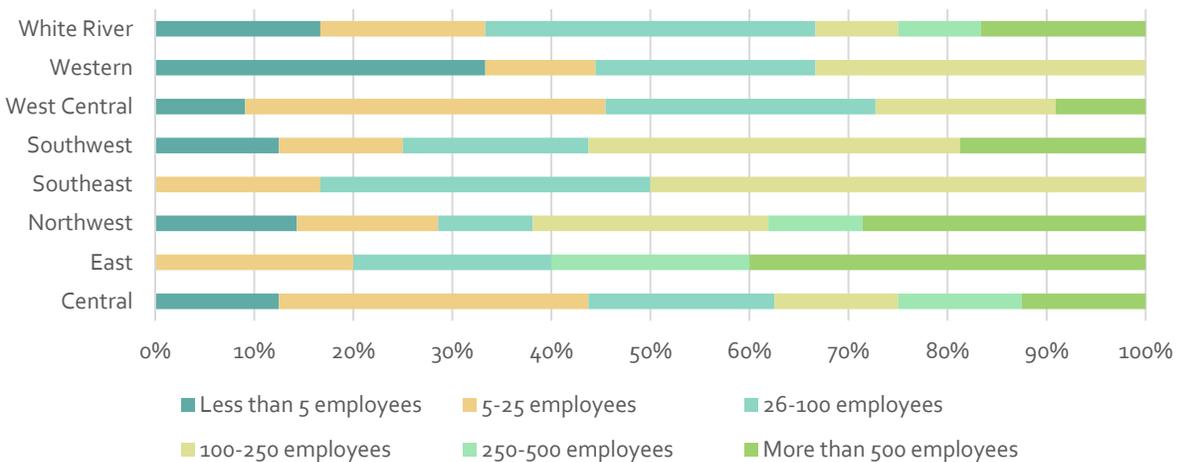


Since July 1, 2020, has your business or organization had to lay off or furlough staff due to the impacts of the COVID-19 pandemic?



Organization and business size of respondents varied across the state. Western had the greatest number of respondents from small (less than 25 employees) businesses. East and Northwest had the greatest representation of large (more than 500 employees) businesses.

How large is your company or organization?

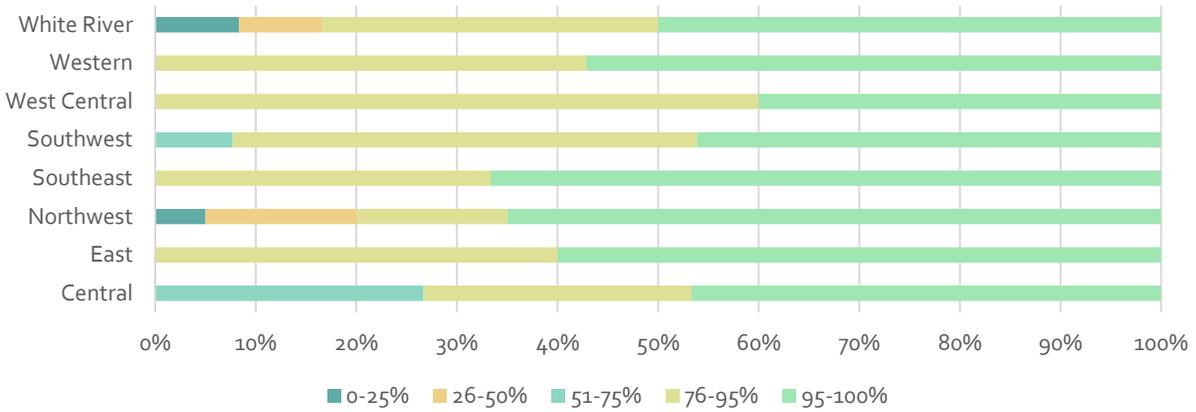


Respondents overwhelmingly reported that they expected to retain most of their communities' workforces. Those from Development Districts in East, Southeast, West Central and Western Arkansas anticipated keeping almost all of their workforces.

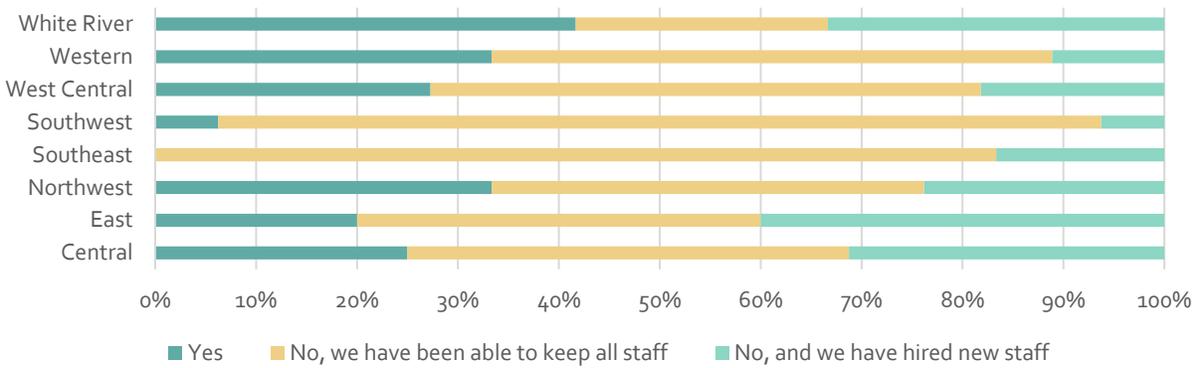
In contrast, a small percentage of White River and Northwest Arkansas respondents expected to retain less than 50% of their workforces.

White River and Northwest Arkansas experienced the highest number of layoffs and furloughs, while Southeast and Southwest reported the fewest.

What percentage of your community's pre-COVID-19 workforce do you expect to retain throughout the pandemic?



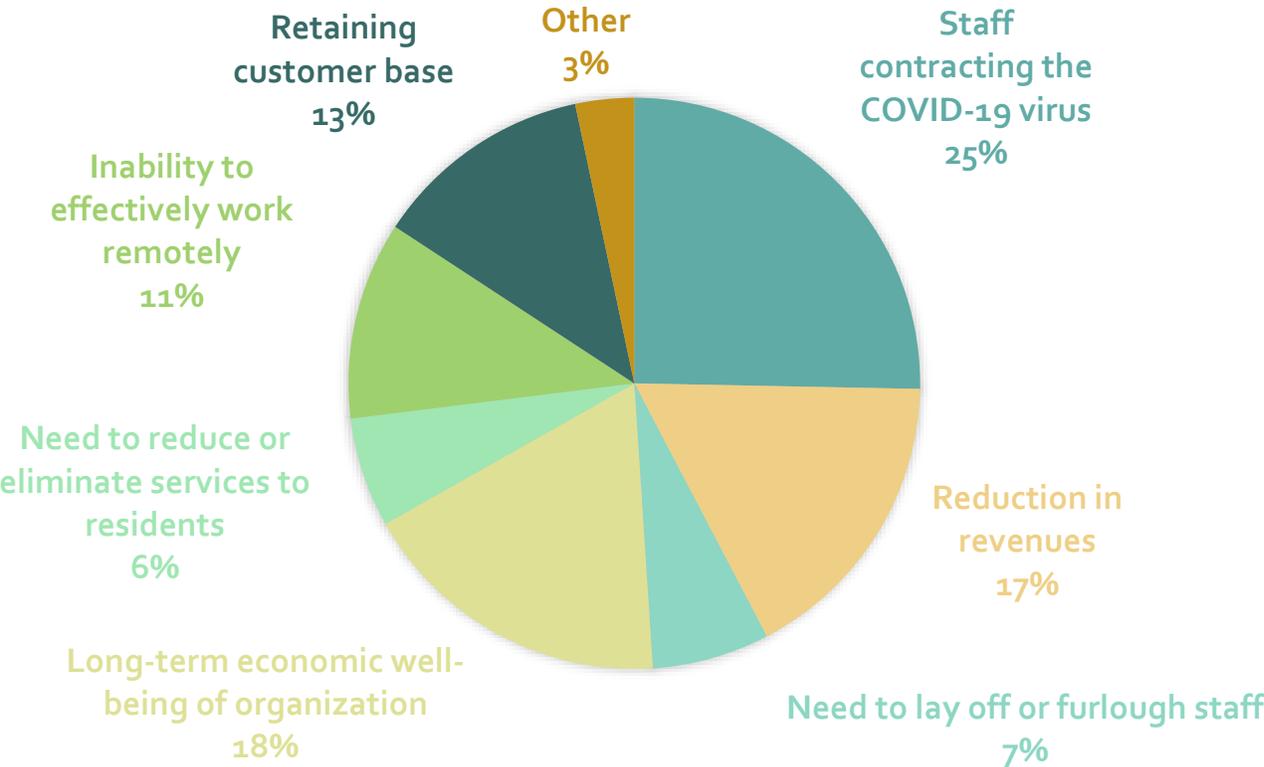
Since July 1, 2020, has your business or organization had to lay off or furlough staff due to the impacts of the COVID-19 pandemic?



Community Impacts

All survey respondents see the possibility of their staff contracting COVID-19 as their most significant concern. Other concerns include revenue loss and the long-term economic well-being of their organizations.

Since July 1, 2020, what impacts of the COVID-19 pandemic are of greatest concern for your business or organization?



Hardest Hit Community Impacts

When asked to rank which aspects of their communities were hardest hit by COVID-19, respondents overwhelmingly reported that small businesses and restaurants were most affected. Tourism and medical services were seen as significantly impacted, but less so than restaurants and small businesses.

These findings echo stakeholders from ARR&RI's Summer 2020 interviews, who repeatedly expressed concerns about the damage to restaurants, small businesses, and tourism and lodging.

Table 1: Hardest Hit Community Impacts by Sector

All Results	Small Business	Healthcare	Education	Government
1 Small business	Small business	Restaurants	Small business	Small business
2 Restaurants	Tourism	Small business	Restaurants	Restaurants
3 Tourism	Restaurants	Tourism	Tourism	Medical services
4 Medical Services	Schools	Medical services	Medical services	Tourism
5 Schools	Medical services	Schools	Schools	Schools
6 Residents' health	Residents' health	Residents' health	Residents' health	Residents' health
7 Industry	Industry	Industry	Industry	Industry
8 Other	Other	Other	Other	Other

Community Responses to COVID-19

Changes to Operations

Most respondents stated that their community's response was limited to enforcing or sharing information on CDC safety guidelines or relying on electronic communications or operations. Few reported that their community employed other strategies to aid in COVID-19 recovery.

One respondent commented that, while individual businesses adapt to change, their community did not have a recovery strategy.

These findings indicate that residents are either unaware of how their communities respond or their communities may not know what action to take other than encouraging residents to follow CDC guidelines. This perception presents ARR&RI with an opportunity to provide communities with resources and training targeted to meet their unique recovery needs.

What specific strategies, if any, is your community currently preparing or implementing to help your community recover from the COVID-19 pandemic?

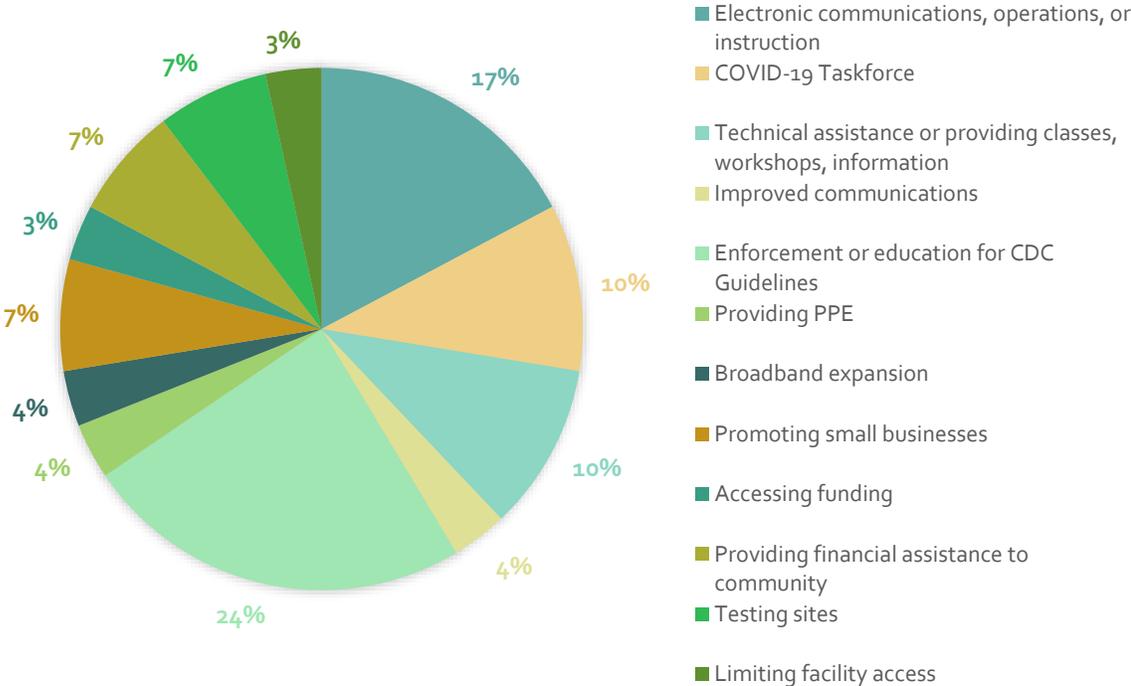


Table 2: Top 3 Changes to Operations by Sector

All Results	Small Business	Healthcare	Education	Government
1 Suspending or cancelling events	Adapting to new techniques or programs	Suspending or cancelling events	Suspending or cancelling events	Conducting meetings remotely
2 Limiting the number of people inside facilities	Limiting the number of people inside facilities	Adapting to new techniques or programs	Limiting the number of people inside facilities	Allowing limited public and staff access to facilities
3 Adapting to new techniques or programs	Reducing services or products offered	Applying for financial assistance/Limiting the number of people inside facilities	Adapting to new techniques or programs	Suspending or cancelling public meetings

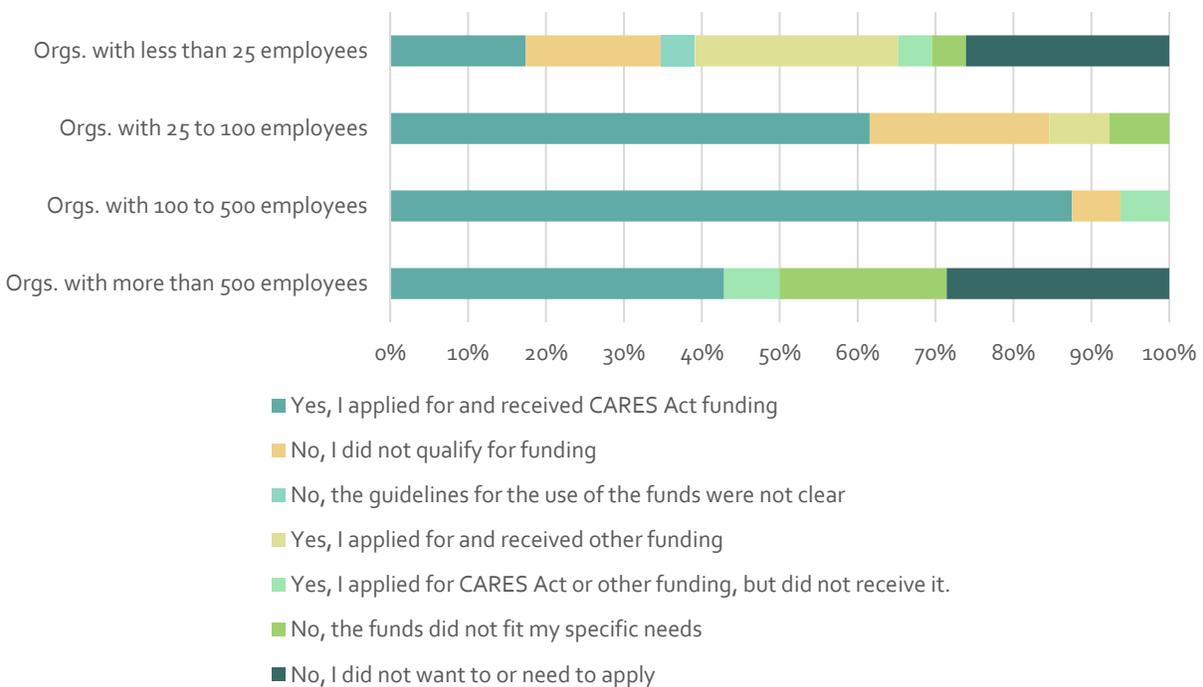
Seeking Relief Funds

56% of all respondents applied for and received financial assistance. 100% of respondents from businesses with 25 or fewer employees found the guidelines for using COVID funds unclear. Training and technical assistance for small business owners appear warranted.

Large businesses and organizations were less likely to apply for funding because they did not need it or believed the assistance failed to meet their specific needs.

No respondents from mid-size organizations (25 to 100 employees) indicated that they had applied for but failed to receive CARES Act or other funding, possibly indicating that most organizations of this size had successfully received funding after applying for it.

Did your business or organization apply for state or federal funding to help with the impacts of COVID-19?



COVID-19 Recovery

Priorities for Recovery

Respondents' number one recovery priority is identifying policies that will help their community recover. Remote education and PPE reserves ranked significantly lower, indicating that these concerns are not as prevalent as they were at the start of the pandemic.

Consistent with their belief that the virus has hit smaller businesses the hardest, survey respondents felt that businesses like restaurants and hotels should receive second-highest priority in recovery efforts. This result indicates strong support for these businesses and a willingness to deploy significant resources to keep them afloat. Lower prioritization of emergency management plans may mean a focus on more immediate issues, such as business closings and financial strains on local hospitals. Alternatively, the lower ranking could reflect the difficulty of preparing for a pandemic, a concern echoed repeatedly in this survey, and the interviews conducted in the summer of 2020.

Priorities for Recovery Efforts

1. Policies to help residents, businesses recover **(most important)**
2. Maintaining small businesses like restaurants and lodging
3. Broadband access
4. Local healthcare fiscal sustainability
5. More accessible financial assistance programs
6. Expanding healthcare access
7. Transitioning to remote education, safe schools
8. Economic, health, or social impacts to rural areas
9. Reserves or steady supply of PPE
10. Emergency management plans **(least important)**

Table 3: Priorities for Recovery Efforts by Sector

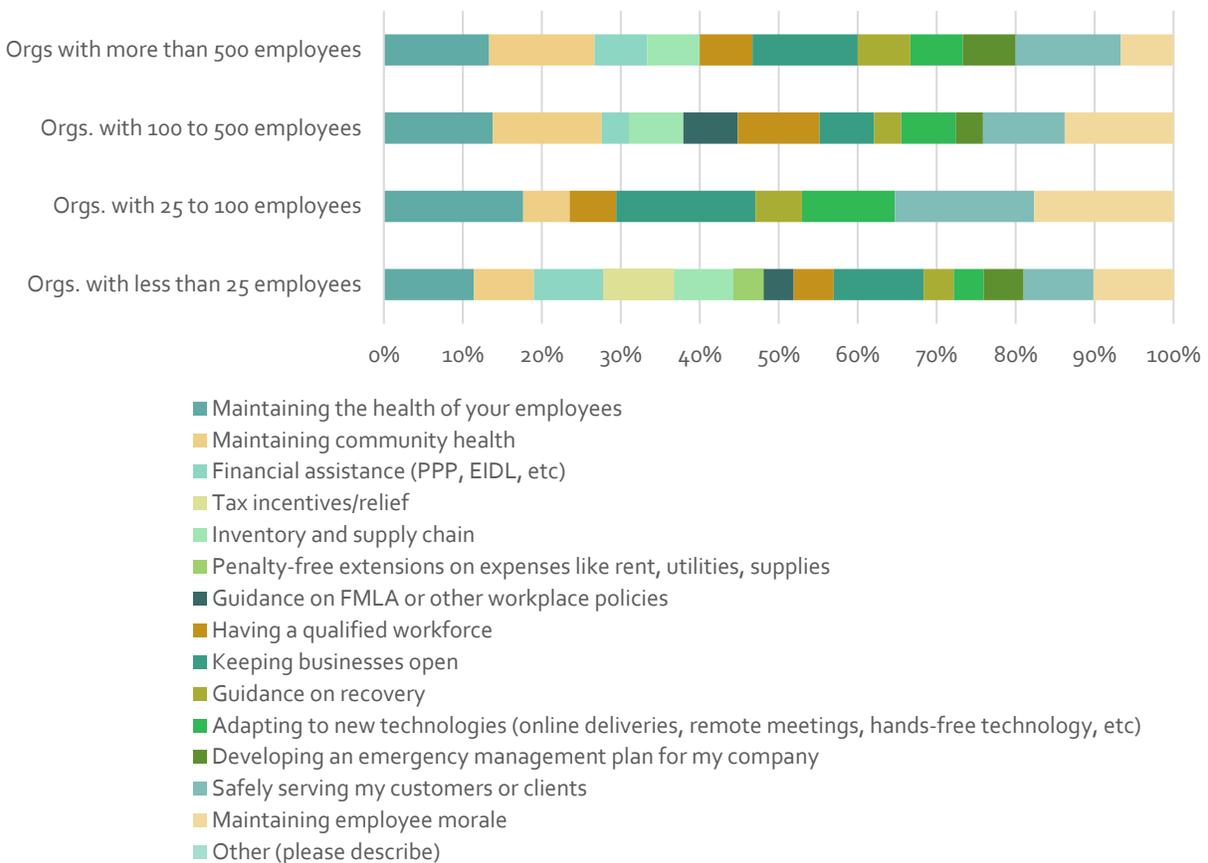
	All Results	Small Business	Healthcare	Education	Government
1	Policies to help residents, businesses recover	Sustaining small businesses...	Local healthcare fiscal sustainability	Broadband access	Policies to... recover
2	Sustaining small businesses like restaurants and lodging	Policies to help residents, businesses...	Policies to help residents, businesses...	Policies to help residents, businesses...	Sustaining small businesses...
3	Broadband access	<i>(tied)</i> Broadband access	Expanding healthcare access	Sustaining small businesses...	Broadband access
4	Local healthcare fiscal sustainability	<i>(tied)</i> More accessible financial assistance...	More accessible financial assistance...	Economic, health, or social impact...	<i>(tied)</i> Expanding healthcare access
5	More accessible financial assistance programs	Local healthcare fiscal sustainability	Broadband access	Transitioning to remote education...	<i>(tied)</i> More accessible financial... programs
6	Expanding healthcare access	Expanding healthcare access	Sustaining small businesses...	Local healthcare fiscal sustainability	Transitioning to remote education...
7	Transitioning to remote education, safe schools	<i>(tied)</i> Reserves or steady supply of PPE	Economic, health, or social impacts...	Expanding healthcare access	Local healthcare fiscal sustainability
8	Economic, health, or social impacts to rural areas	<i>(tied)</i> Transitioning to remote education...	Reserves or steady supply of PPE	Reserves or steady supply of PPE	Economic, health, or social impacts...
9	Reserves or steady supply of PPE	Economic, health, or social impacts...	Transitioning to remote education...	More accessible financial assistance...	Reserves or steady supply of PPE
10	Emergency management plans	Emergency management plans	Emergency management plans	Emergency management plans	Emergency management plans

Priorities for Business Growth

Mid-size organizations of 25 to 100 employees were most concerned about maintaining employee health, keeping businesses open, safely serving clients, and maintaining employee morale. This result may reflect that many respondents from mid-size organizations that work for governmental entities may have a more holistic perspective of their community's needs. Businesses with 25 or less employees had the highest number of priorities. They were the only organizations that looked to tax incentives/relief and penalty-free extensions on expenses for help in re-growing their businesses after COVID.

Large organizations were primarily concerned about employee and community health, as well as keeping businesses open.

What are your top priorities for maintaining or regrowing your business or organization after COVID-19?

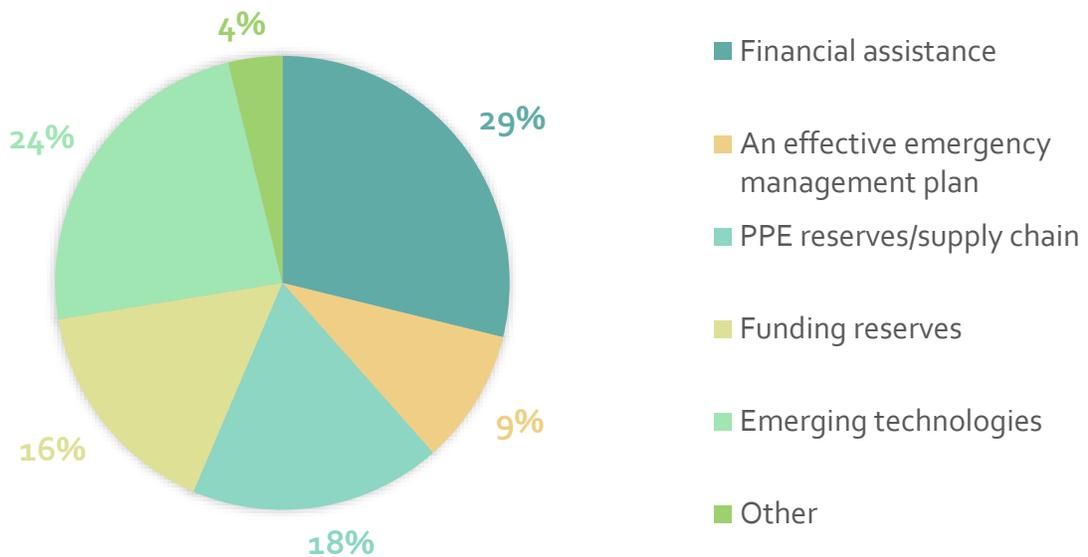


Strategies for Recovery

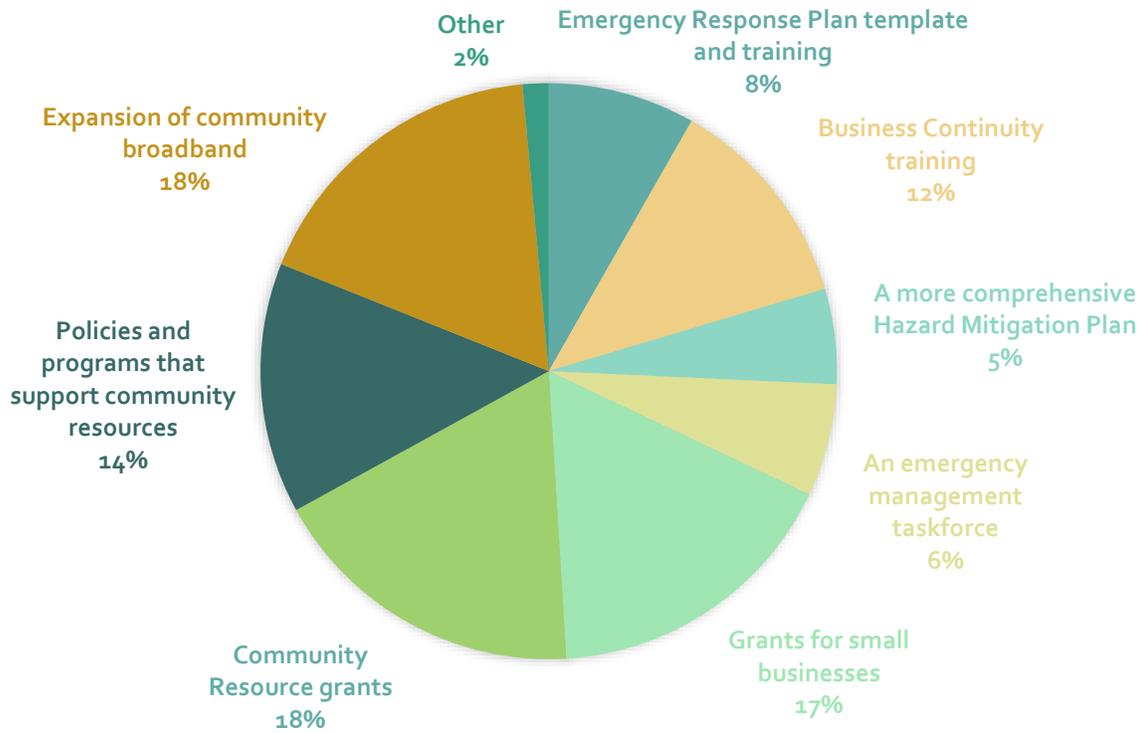
The top two resources respondents believed would best help their communities be more resilient in the future were broadband expansion and community resource grants. Interest in small business grants was also high. Similarly, the highest percentage of respondents identified financial assistance and emerging technologies as resources that would have helped them cope with the pandemic more effectively.

The lack of broadband access, exacerbated by COVID-19, has long been a concern for Arkansas communities. Likewise, the interest in grants reflects standing financial challenges intensified by the pandemic.

In the last three months, what would have helped your community deal more effectively with the COVID-19 pandemic?



What resources would make your community more resilient in the future?

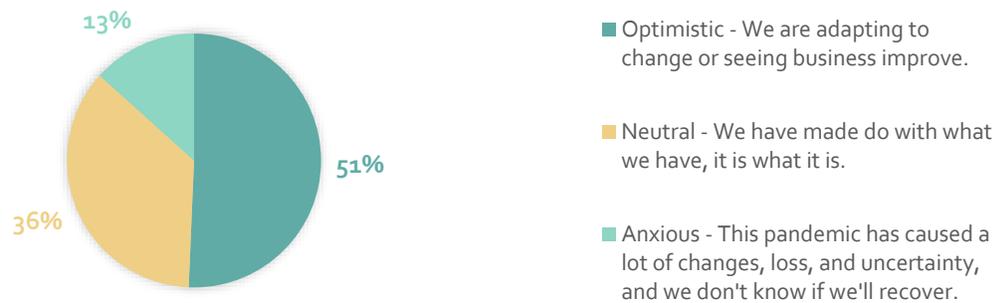


Recovery Outlook

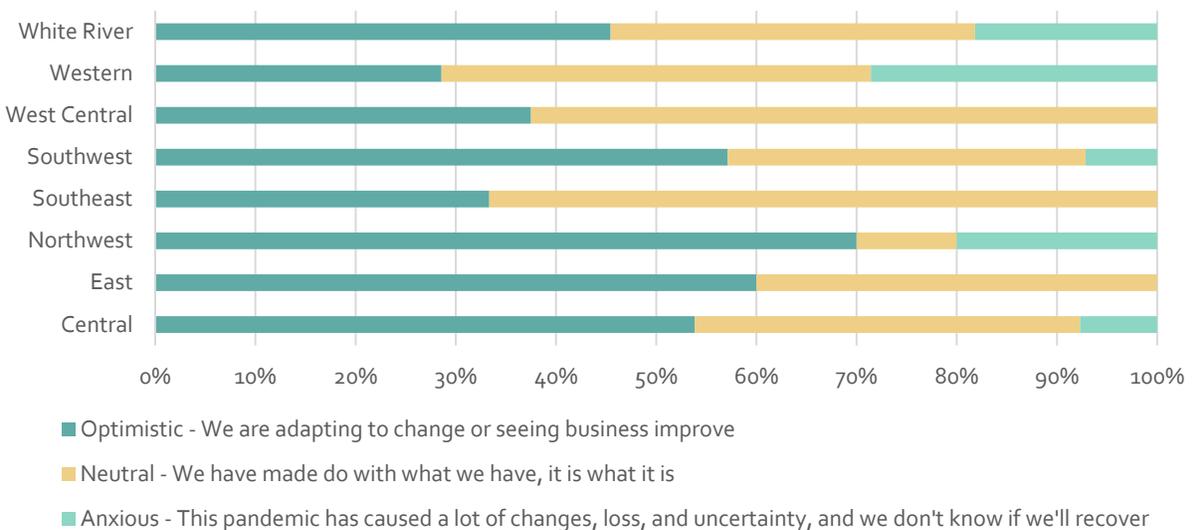
Despite the historic social and economic hardships caused by the pandemic, more than half of respondents are optimistic about their community's well-being. A relatively small percentage of respondents are anxious about the future.

Respondents from Development Districts representing West Central, Southeast, and East Arkansas expressed no anxiety about their communities' futures. Of the five remaining districts, respondents from Western Arkansas were the most anxious, while those in Northwest Arkansas the most optimistic.

What best describes your outlook for your community as the COVID-19 pandemic continues?



What best describes your outlook for your community as the COVID-19 pandemic continues?



Survey Summary

Compared with the Summer 2020 interviews conducted for ARR&RI, this survey provides a more current and detailed snapshot of the issues and concerns facing employers in the state's eight Economic Development Districts as they grapple with the fallout from COVID-19. Broadband access, practical guidance about COVID-19, PPE reserves, and remote education were dominant concerns at the pandemic's start. Respondents to this survey, taken in November 2020, are primarily focused on residents' well-being and the economic recovery of small businesses, restaurants, and tourism.

Most respondents were generally upbeat about their communities' prospects and believe funding and financial assistance are essential to a comprehensive recovery. Areas less optimistic about their communities' future included Western Arkansas, whose respondents heavily represented small businesses, and Northwest Arkansas, with its vital tourist industry. Across the state, there was also significant support for having broadband expansion and more extensive community resources as critical components of any effective recovery effort.

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