# Making the Case For Funding: COVID-19 Economic Development Recovery

**August 25, 2020 | 2:00 PM - 3:30 PM**

# Presenters

**Larisa Ortiz**, Managing Director, [Streetsense](#)

**Michael Powe PhD**, Director of Research, National Main Street Center

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# Agenda

✓The Importance Of Collecting Data & Challenges With Data Collection

✓General Federal Guidance + Starting With Surveys

✓National Main Street Center Data

✓LISC Metric Data

# The Importance Of Collecting Data, Challenges With Data Collection + General Guidance
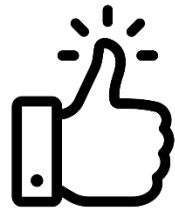
Larisa Ortiz

Managing Director, Streetsense

# The Importance of Data Collection

**Why collect data?**

Assess impact of damage accurately

Celebrate existing strengths and determine opportunities for growth

Conduct outreach and build relationships to ensure future buy-in and project support

Create a budget narrative for funding applications and advocate for resources

The DNA of a commercial district includes its **physical attributes**, its **business community** and **market assets**, its resources, and its **capacity** to support implementation of revitalization strategies.

LISC

# Comprehensive Framework for Data Collection (Quantitative + Qualitative)

| Physical Environment | Business Environment | Market Data + Demographics | Administrative Capacity |
|:---:|:---:|:---:|:---:|
| Public Realm | Finances | Residential | Leadership/ Partnerships |
| + | + | + | + |
| Private Realm | Operations | Daytime Workforce/ Students | Funding |
| + | + | + | + |
| Access/Visibility | Marketing/Sales | Visitors | Zoning/ Regulatory |
| | + | | |
| | Tenant Mix | | |

# General Federal Guidance
# (Per EDA CARES Act Requirements)

**Economic Distress Criteria**

- Unemployment Rate

- Per Capita Income

**Special Need Criteria**

- Economic injury from the COVID-19 pandemic
  - Business closures & job losses
  - Storefront vacancy
  - Out-migration
  - Military base closures or realignments, defense contractor reductions-in-force, or Department of Energy defense-related funding reductions

# General Federal Guidance

**Collect and map data to show your organization's geographic reach/scope**

**Collect data to show alignment of needs with economic development strategies planned for the community/region**

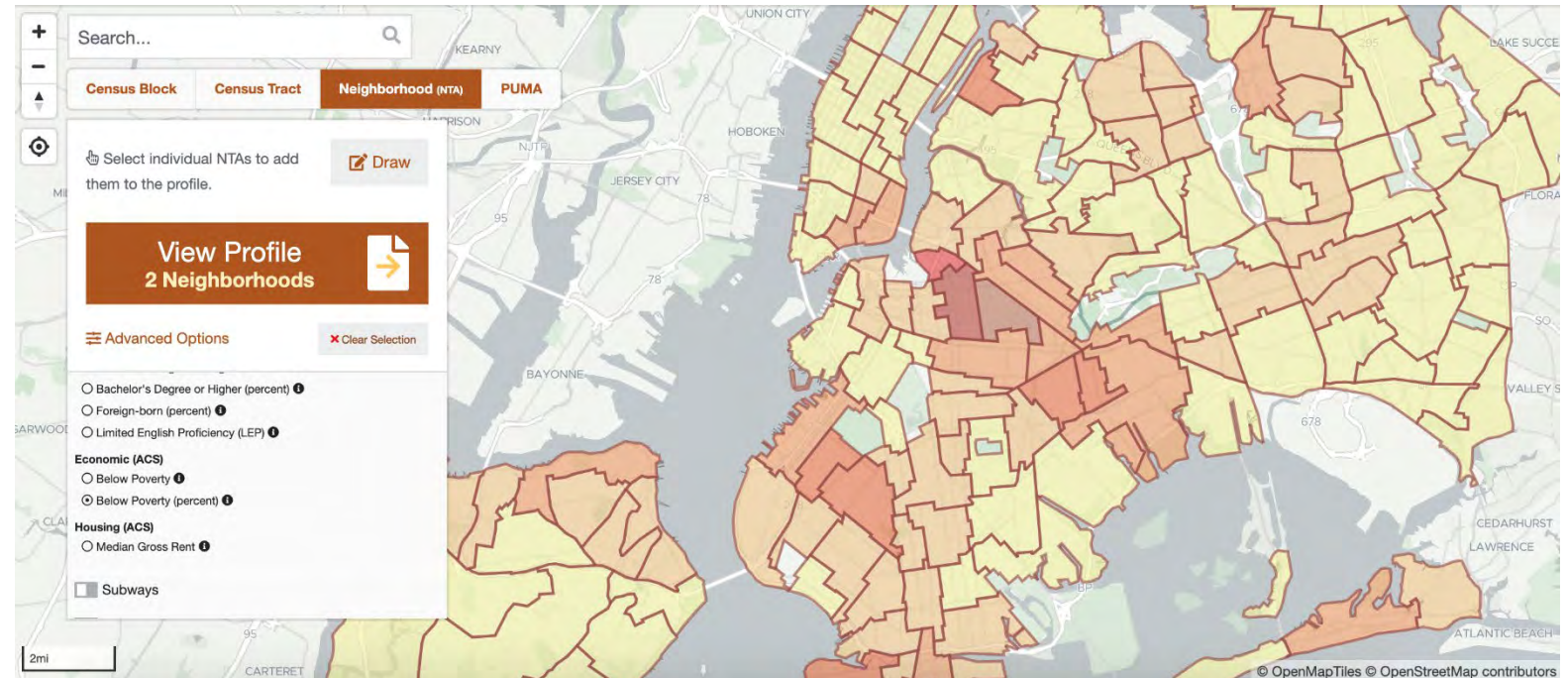Collect data that demonstrates community engagement & outreach

# General Federal Guidance

Collect and map data to show your organization's geographic reach/scope

Collect data to show alignment of needs with economic development strategies planned for the community/region

**Collect data that demonstrates community engagement & outreach**



- Online engagement dashboard by vendors such as BangTheTable
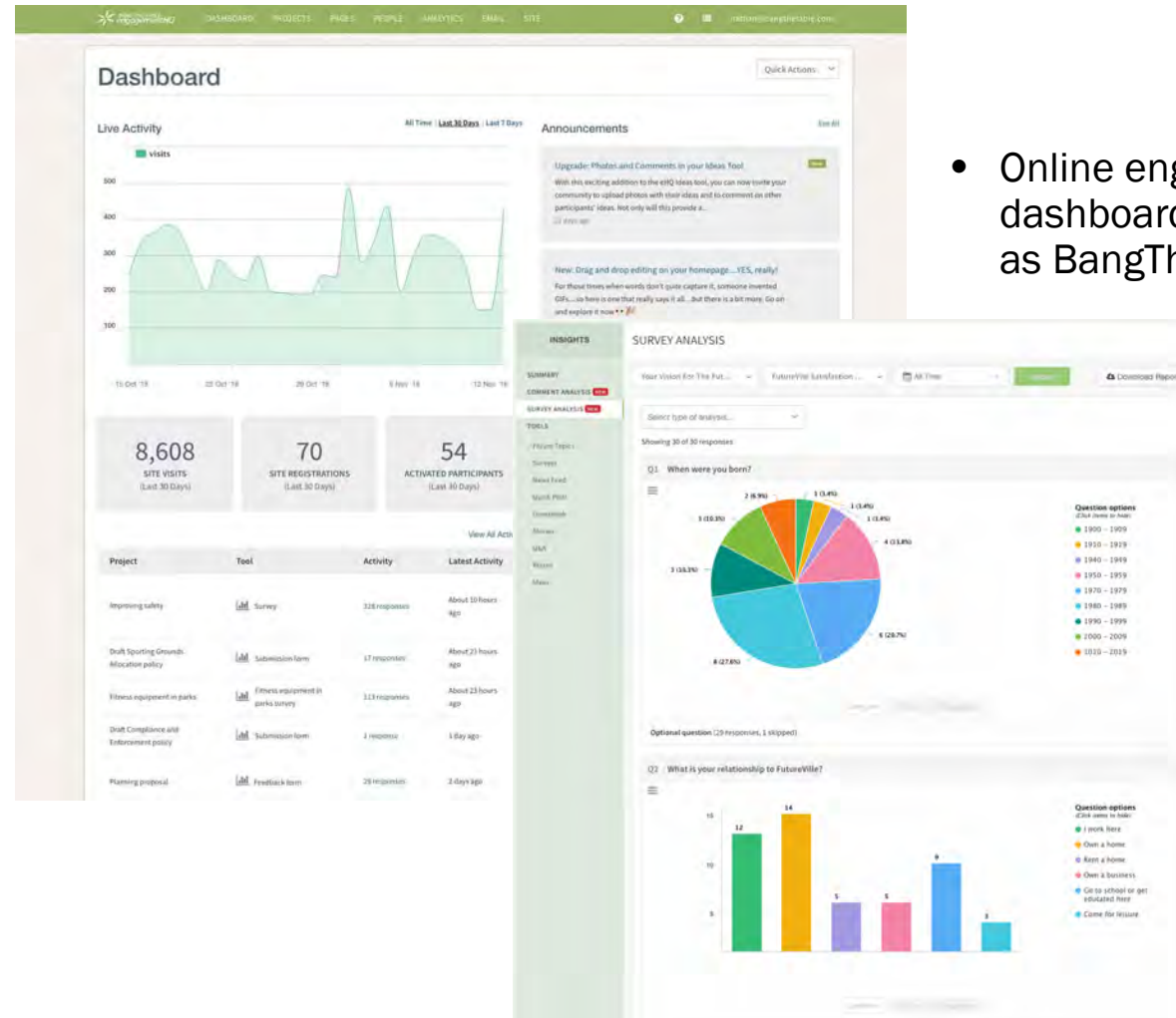
# Challenges with collecting data

**Capacity Issues**

**Accuracy of data/ Gaps in information**

- You may need a team of staff with expertise and time/bandwidth to conduct research, craft and administer surveys, analyze and visualize data

# Challenges with collecting data

**Capacity Issues**

**Accuracy of data/Gaps in information**

- There are segments of your population/stakeholders that may be unaccounted for in publicly available data – undocumented immigrants, street vendors, etc.

# Audience Poll

**What is the main obstacle you are facing/anticipate facing in collecting data for your community?**

**Share any others with us in the chat!**

- Lack of expertise in data collection and analysis
- Limited staff capacity
- Limited participation in surveys
- Gaps in information

# Starting with surveys

**Tackling limited organizational capacity**

Ensuring data accuracy

- Identify and support the training of **community residents to conduct surveys, focus groups**, and virtual in-depth interviews

- Partner with other local organizations/ institutions

# Starting with surveys

**Tackling limited organizational capacity**

**Ensuring data accuracy**

- In order to maximize generalizability and allow for proper weighting techniques to ensure representativeness, **data on age, gender, race, ethnicity, tenure, and income would be essential in the survey.**

- Request **geographic indicator** – ZIP code, address, etc.

- **Find the right sample size to get a strong response rate** (e.g. consumer survey at least 300 responses for +/- 0.05% accuracy)

- **Use multiple choice**
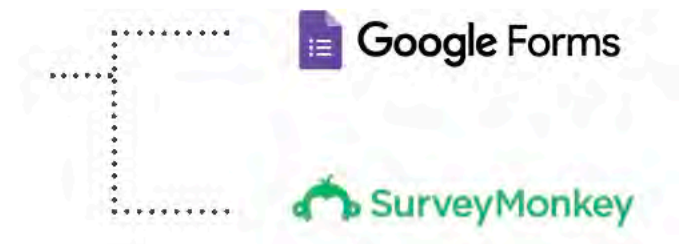
# Surveys for Merchants/Businesses

**Why?**

- To understand current/projected sales
- To assess financial/technical assistance needs

## Basic Details

What type of business are you?
Where is your business located?
Do you own / lease the space?
How many years have you been in business at this location?
How many gross square feet is your business / operation located in?
How many FTE employees do you have (pre-pandemic vs. during pandemic)?

## Business Operations + Finances

What percentage of net revenue would you estimate your business has lost?
If conditions do not improve, how long will you be able to keep your business running?
Have you applied for/or received emergency loan or grant assistance?

# Surveys for Consumers

## Why?

- To understand changes in consumer spending habits, preferences and lifestyles

## Customer Confidence & Preferences

How long do you believe your personal / household finances will be impacted by COVID-19?
How do you anticipate your spending habits will change across different categories?
When social distancing orders are lifted, how long after will you anticipate going back to shop in stores?

How many days a week did you commute to work before the pandemic? How many days a week do you expect to commute to work in the next six months?
How often do your order meals at home every week?
How important is a retailer's cleanliness/sanitation protocol in informing your store visit?

# National Main Street Center COVID-19 Small Business Survey +Data Collection

Michael Powe, PhD

Director of Research, National
Main Street Center

# OVERVIEW

1. First questions to consider as you think about gathering data

2. Overview of what data Main Street has gathered related to COVID-19

3. What two Main Street communities have done as they considered how to respond to COVID-19

4. Recommendations

# WHERE TO START?

+ **What's your goal? What information do you need?**

  – What do you want to do? What do you want to communicate? Who is your audience?

+ **Does the data already exist?**

  – Do you need to gather it yourself?

+ **How to go about gathering data?**

  – How can you make engagement and data gathering as painless as possible?

+ **How will you share the data once you have it?**

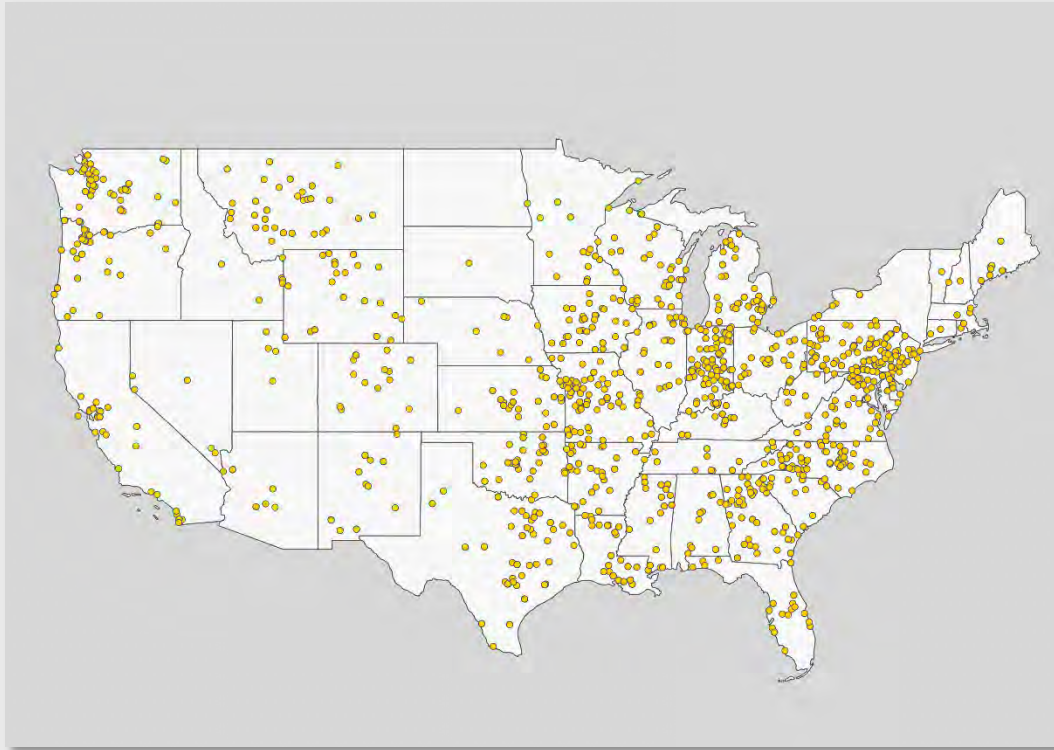# NATIONAL SMALL BUSINESS SURVEY



**Initial COVID-19 Survey – March 25th to April 6th**

- GOAL: Understand local impacts and broadcast concerns nationally

# NATIONAL SMALL BUSINESS SURVEY



**Initial COVID-19 Survey – March 25th to April 6th**

- 5,851 small business owners in more than 2,500 communities
  - 81% from communities with < 40k residents
  - About 75% locally owned; 66% fewer than 6 employees

# NATIONAL SMALL BUSINESS SURVEY

+ **19 Questions**

  – **Business characteristics** – Type, time in operation, number of employees, ownership characteristics, business space, online / e-commerce

  – **COVID-19 impacts** – Closure status, risk of layoffs, impacts on business operations, revenue impacts, projected runway, concerns, needed assistance

  – **Locale and contact information** – City and state, business name and email, willingness to participate in follow-up survey

# NATIONAL SMALL BUSINESS SURVEY

**Initial COVID-19 Survey – March 25th to April 6th**

- Nearly 75% said revenues had dropped by 50% since early March
- 57% said revenues down 75%



Q. How has your business revenue changed since COVID-19 became a widespread concern in early March 2020?

56.86% | DECREASED BY MORE THAN 75%
15.30% | DECREASED BETWEEN 50 AND 75%
11.77% | DECREASED BETWEEN 25 AND 50%
10.11% | DECREASED BETWEEN 0 AND 25%
4.52% | BEEN NORMAL
.67% | INCREASED BETWEEN 0 AND 25%
.29% | INCREASED BETWEEN 25 AND 50%
.09% | INCREASED BETWEEN 50 AND 75%
.39% | INCREASED BY MORE THAN 75%

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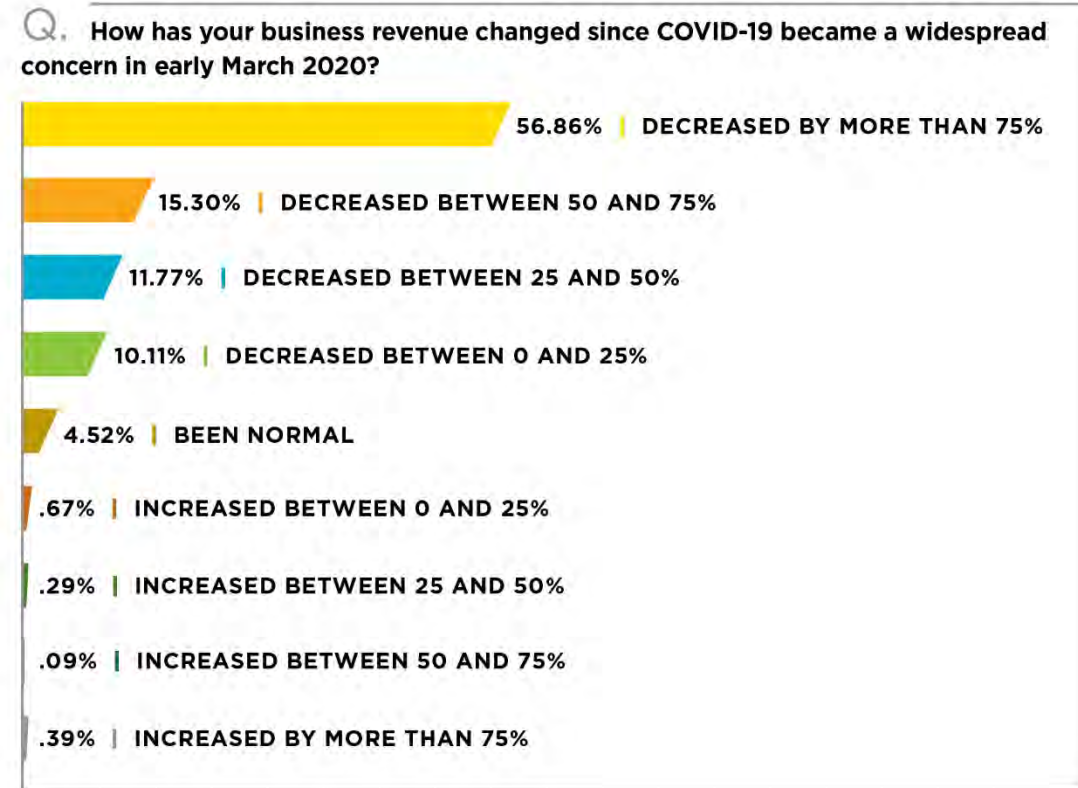
# NATIONAL SMALL BUSINESS SURVEY

**Initial COVID-19 Survey – March 25ᵗʰ to April 6ᵗʰ**

- About 32% didn't expect they'd survive more than two months
- Nearly two-thirds didn't expect they'd survive more than five months
  - Projects to 3.5M small business closures by late May and 7.5M by late August

Q. If business disruption continues at the current rate, how soon will your business be at risk of closing permanently?

5.63% | LESS THAN ONE MONTH

26.28% | 1-2 MONTHS

34.07% | 3-5 MONTHS

17.62% | MORE THAN 5 MONTHS

16.39% | NOT A CONCERN
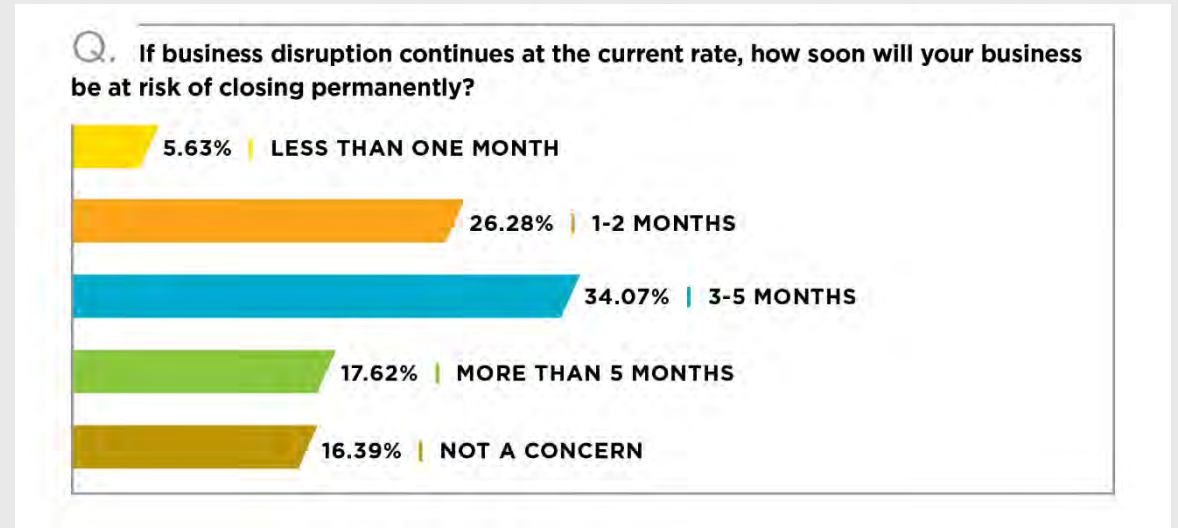
# NATIONAL SMALL BUSINESS SURVEY



**PERSONAL FINANCE**

## 7.5 million small businesses are at risk of closing, report finds

PUBLISHED TUE, APR 14 2020·3:08 PM EDT | UPDATED WED, APR 15 2020·8:55 AM EDT

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Main Street America - "Small Businesses and the Impact of COVID-19" - Local Results

**Info**

Total responses from small businesses in Los Alamos, NM: 26

| What kind of business do you operate? | Count | Percent |
|---|---|---|
| Food service (i.e., restaurant, bar, cafe) | 6 | 23.10% |
| Grocery | 0 | 0.00% |
| Non-food retail | 5 | 19.20% |
| Nonprofit / social services | 2 | 7.70% |
| Health practitioner / healthcare | 2 | 7.70% |
| Accommodations (i.e., hotel, motel, bed and breakfast) | 1 | 3.80% |
| Professional services (i.e., banking, legal, design, real estate) | 2 | 7.70% |
| Personal care (i.e,. beauty/barbershop, nail salon) | 0 | 0.00% |
| Other | 8 | 30.80% |

| How long has your business been in operation? | Count | Percent |
|---|---|---|
| Less than a year | 2 | 7.70% |

## + **Outcomes**

– Good coverage from national media

– Made aggregated results accessible to states and communities on mainstreet.org

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**Follow-Up Survey – April 24ᵗʰ to May 4ᵗʰ**

- GOAL: Track impacts over time and understand impact of PPP, etc.
- 728 completed surveys
- 21 Questions:
  - Impacts to revenue, staffing, projected survival
  - Accessing assistance and relief programs
  - Location characteristics

The Impact of COVID-19 on Small Businesses: Follow-up Survey Report

May 26, 2020 | The Impact of COVID-19 on Small Businesses: Follow-up Survey Report | By Matthew Wagner, Ph.D., Vice President of Revitalization Programs, NMSC, and Michael Powe, Ph.D., Director of Research, NMSC

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**Follow-Up Survey – April 24th to May 4th**

- 80% of respondents applied for federal relief funding; less than half received it
  - Data suggested receiving relief extended estimated closure by 30 days
- Personal care businesses hit hardest. Restaurants and retail next.

Projected Survival Rate of Small Businesses Relative to Federal Relief Status

Applied and received federal relief (n=93)
Applied but did not receive federal relief (n=93)
Did not apply for federal relief (n=48)
Overall (n=234)

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**Follow-Up Survey – April 24th to May 4th**

- Value of district-level support
  - 40% said they'd received support from local Main Street program
  - 37% no local support; 28% local Chamber of Commerce
- Most assistance needed:
  - Safety guidelines for running or reopening business (41%)



Q. What local organizations, if any, have provided you assistance related to business challenges and/or have identified resources for your business's use during COVID-19? (check all that apply)

| Organization | Percentage |
|---|---|
| Small Business Development Center | 17.72% |
| Main Street organization | 40.25% |
| City Officials/Mayor's Office | 13.74% |
| Chamber of Commerce | 28.30% |
| Community college | 1.10% |
| University | 0.69% |
| Mutual-aid network | 1.10% |
| Other private business sources | 12.09% |
| Other service providers or nonprofit sources | 9.34% |
| I have not received assistance or resources from any local organizations | 36.68% |
| Other (please specify) | 13.46% |

# FOLLOW-UP SMALL BUSINESS SURVEY

**+ Outcomes:**

- Didn't yield national news coverage to same extent

- Gave us information for advocacy to U.S. Congress

- Informed our work, especially need for focused attention on safety with businesses reopening and consumers comfort with risk

# COMMUNITY-LEVEL DATA GATHERING

+ **Owosso, Michigan**

   – Developed SurveyMonkey survey aimed at understand consumer comfort shopping and dining out

   – 1,200 respondents in five days in late April

+ **Abingdon, Virginia**

   – Used Constant Contact to conduct survey assessing how long consumers might wait to do different activities

   – 2,400 respondents in 24 hours

+ **Great response rates! Short, painless surveys**

# OTHER DATA GATHERING FROM NMSC

+ Published NMSC consumer survey and small business interview questions for local communities to use

  – Available at mainstreet.org on COVID-19 resources page

+ COVID-19 small business recovery survey

  – Focuses on ways businesses shift operations and business models

  – Closes today, August 25th
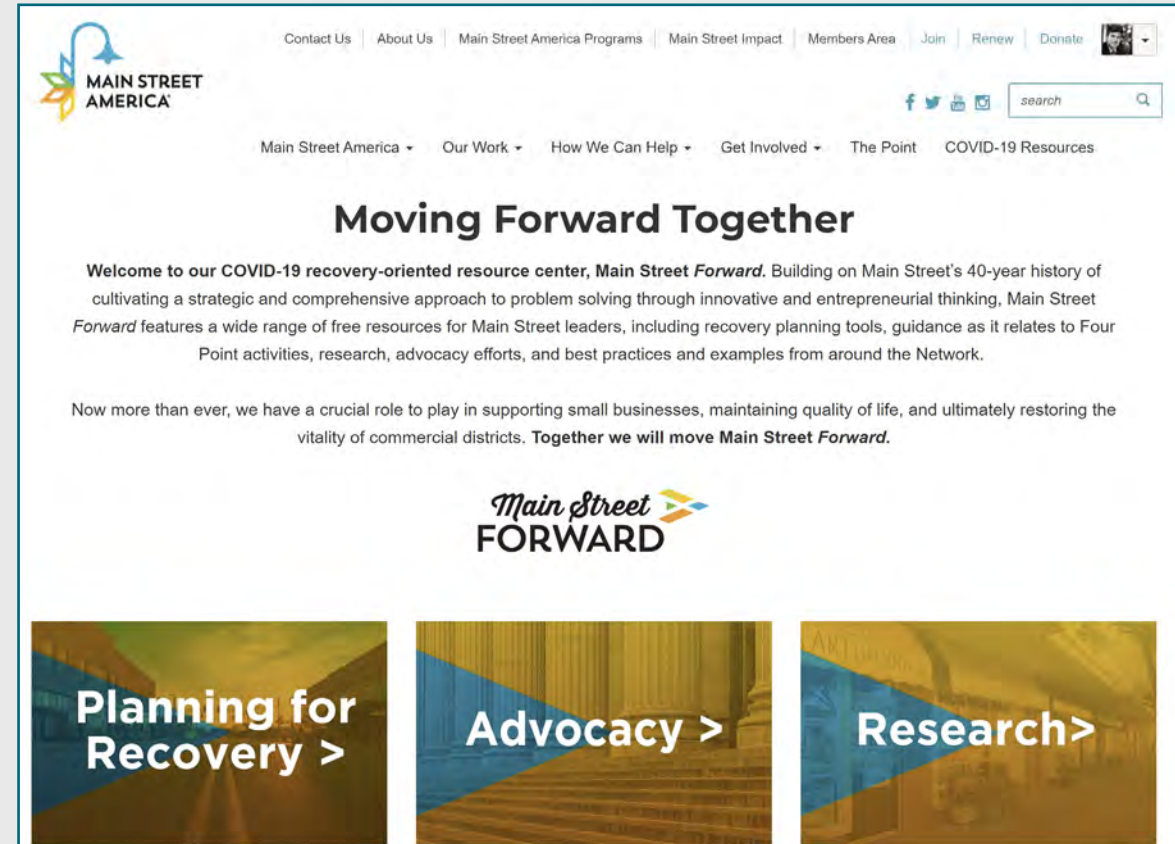
# RECOMMENDATIONS

1. Be deliberate at the outset!

2. Proceed with a product in mind.

3. Survey fatigue is real. If you survey, keep it short.

# LISC Metrics

Patricia Voltolini PhD

Senior Associate, LISC

# Importance of Metrics and Measuring Impact

- **Track progress of our work** and allow us to see how well we're achieving organizational goals and mission

- Support internal decision-making and allow for course corrections

- Communicate organizational priorities, and signal commitment to advancing particular goals

- Relationship-building: setting expectations and communicating impact to funders, partners, and communities we serve



- Selected Grantees
- All Applicants (With Geocoded Address)
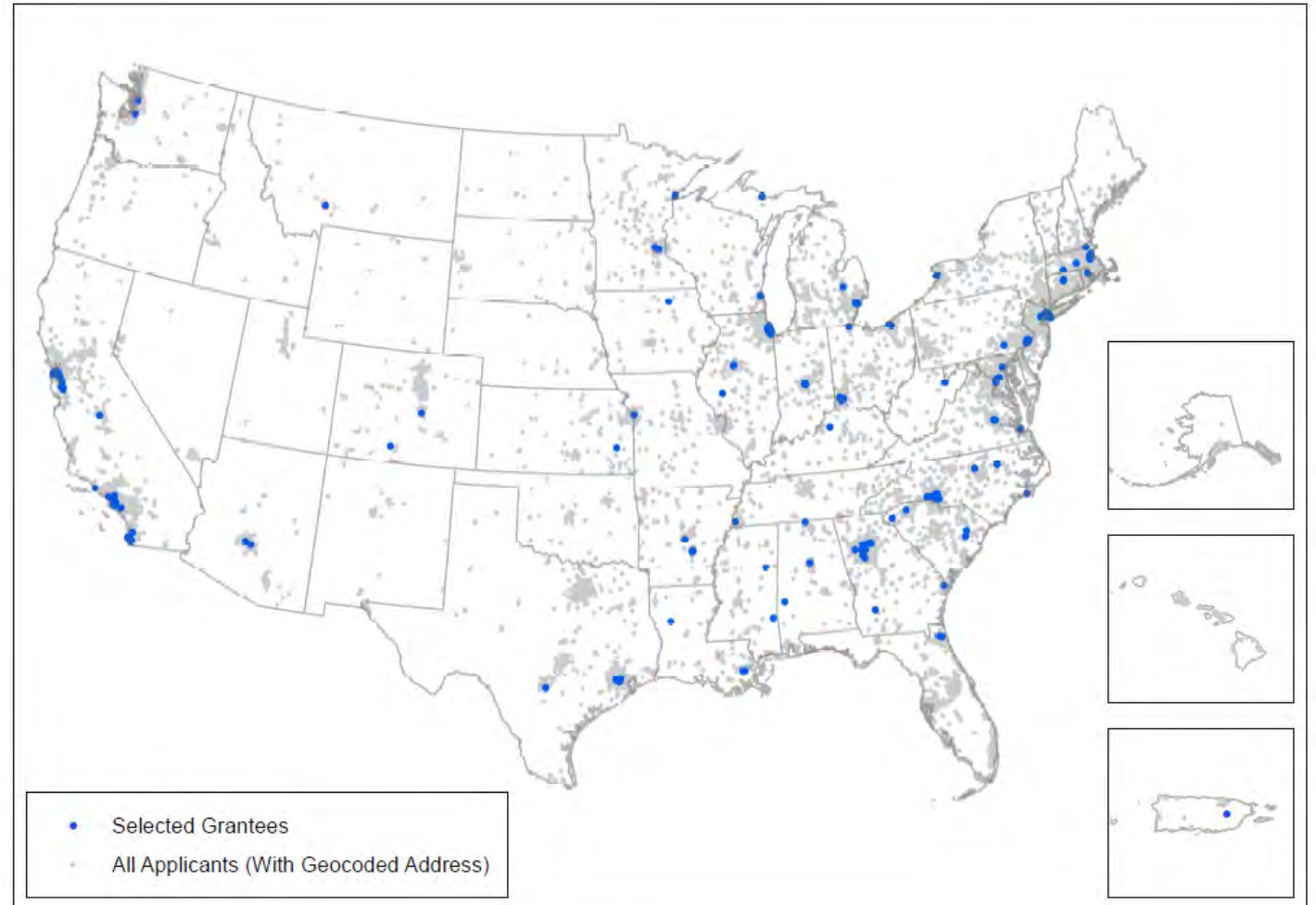
# LISC Economic Development Recovery and Resiliency

- ## LISC COVID Small Business Relief Grants
  - $5,000-20,000 grants to sustain cash flow for the short term but linked to TA and other resources that can help in longer term recovery at both national and local level.

- ## Small Business Lending
  - Flexible, patient and low to no cost capital to small businesses, CDFIs and other business-serving organizations to enable businesses to sustain their operations and finance their most urgent needs

- ## Small Business Infrastructure Support
  - Grant funding and technical assistance to place-based partners to deliver technical assistance and grants to develop outreach and recovery strategies tailored to local conditions and help businesses access public and private resources, including SBA and local resources

# Small Business Relief Grants Metrics

- Who are we serving?
  - Business size and age
    - Full and part time workers
    - Yearly revenue
    - Years in business
  - Business Type
    - Primary industry (NAICS Codes)
  - Socioeconomic data
    - % owned or led by women
    - % owned or led by people of color
    - % owned or led by persons with disabilities
    - % owned or led by veterans
    - % of MBE, WBE, VBE

- Identifying needs
  - Use of grant
  - Changes in revenue
  - Changes in workers numbers
  - Tenure (own/lease property)
  - Location
    - Communities served
    - LMI tract

# Collecting Data, Lessons Learned

- Early and uniform application template aligning grant requirements and desired indicators = consistent and reliable metrics

- Format and wording of questions are important for accuracy and for a fair selection process

- Mix of centralized application portal and local promotion from partners helped increase program visibility and applicant pool

- Opportunity to build local data capacity and/or establish new partnerships

- Metrics helpful beyond reporting requirements: allow to capture local need, identify gaps in services, and communicate impact – inform programmatic decision-making and leveraging additional funds

# Discussion/ Question & Answer

# Making the Case For Funding: COVID-19 Economic Development Recovery

**Thank you for joining us!**