

Introduction

In May 2020, the Labour Market Group administered a survey to several target groups, which included an on-line link, targeted outreach to North Bay employers, as well as targeted outreach to employment service providers. In total, 238 respondents started the survey. The surveys were reviewed to ensure there were responses to the substantive questions which began after respondents were asked to identify the nature of their establishment. In the end, there were 208 responses which form the basis for this analysis.

Profile of Employers

Table 1 profiles the survey responses by industry. The table presents the actual number of survey responses by industry and the percentage share of the total survey population by industry to compare to the actual percentage distribution by industry of all establishments with employees in Nipissing and Parry Sound. Six respondents did not identify the industry to which they belonged.

Table 1: Distribution of survey respondents by industry

	Survey number	Survey Percent	Actual Percent
Accommodation and Food Services	38	18.8%	8.3%
Administrative & Support, Waste Management	13	6.4%	3.9%
Agriculture, Forestry, Fishing and Hunting	1	0.5%	1.8%
Arts, Entertainment and Recreation	8	4.0%	2.6%
Construction	21	10.4%	17.8%
Educational Services	4	2.0%	1.1%
Finance and Insurance	4	2.0%	3.3%
Health Care and Social Assistance	22	10.9%	10.0%
Information and Cultural Industries	3	1.5%	1.9%
Manufacturing	22	10.9%	4.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0.4%
Other Services (except Public Administration)†	13	6.4%	8.9%
Professional, Scientific & Technical Services	9	4.5%	6.3%
Public Administration	1	0.5%	1.4%
Real Estate and Rental and Leasing	3	1.5%	5.3%
Retail Trade	33	16.3%	15.9%
Transportation and Warehousing	5	2.5%	3.7%
Utilities	1	0.5%	0.2%
Wholesale Trade	1	0.5%	2.8%
TOTAL	202	100.0%	99.4%

Actual distribution of Nipissing and Parry Sound employers from Statistics Canada, Canadian Business Counts, June 2020

† Such as automotive repair, hairdressing or dry-cleaning services

In most cases, the distribution by industry of survey respondents very closely matches the distribution by industry of local employers. The main differences are that the survey has a higher proportion of employers in both Accommodation & Food Services as well as Manufacturing, and a smaller proportion among Construction as well as Real Estate & Rental and Leasing, compared to the local industry profile.

Respondents represented a range of firms by employee size. Compared to the actual distribution of establishments in Nipissing and Parry Sound by employee size, the survey sample was tilted was more heavily toward firms with employees and towards larger firms (Table 2).

Table 2: Distribution of survey respondents by number of employees

	NUMBER OF EMPLOYEES						
	0	1-4	5-9	10-19	20-49	50-99	100+
Survey	11%	20%	17%	17%	19%	7%	10%
Actual	64%	19%	8%	5%	3%	1%	1%

Actual distribution of Nipissing and Parry Sound employers from Statistics Canada, Canadian Business Counts, June 2020

Seven out of ten (72%) of the respondents were located in North Bay. Other towns with a higher proportion of respondents included: Parry Sound (5%); Callander (3%); South River (3%); and Sturgeon Falls (3%).

Overall impact of COVID

Respondents were first asked to describe the nature of the losses they experienced as a result of COVID. Follow-up questions in the survey quantify these losses, but this initial question provided as opportunity for respondents to express the impact in their own words. This was an open-ended question and it is noteworthy that almost everyone (90%) wrote a response. Of those who replied, half (49%) cited layoffs, ranging from a proportion to all of their staff. One out of five (19%) noted that their businesses closed completely, while a significant proportion had partial closures (dining room closed but take-out still operating; offices closed but employees still working from home; certain essential functions still operating but the main portion of the business closed to the general public). A handful of businesses were seasonal operations and they were not certain in May how things would pan out during the summer. A small proportion (4%) indicated that the pandemic had not affected their functions and 5% said the question was not applicable to them. Only one respondent out of the 189 who answered this question said that business had increased as a result of the pandemic.

A few comments illustrate the tone of many of the responses:

“Had to layoff 17 of 20 staff while we are closed (since March 15). Business has dropped by 80% on new orders and 95% on invoicing. Significant financial loss due to the timing of the pandemic.”

“Fluctuating numbers of layoffs, temporary closure of sales department, significant decrease in revenues due to COVID-19 safety concerns and economic uncertainty until after COVID has run its course.”

“There is a 90% reduction in sales revenue. Any revenues are used to pay rent, utilities, and goods. There is not enough revenue for wages.”

Temporary closure

Respondents were asked if they had been forced to close their doors temporarily as a result of the COVID-19 pandemic. The responses were almost evenly split: 47% did close temporarily, 53% did not. Surprisingly, in many industries, there was a rough balance between those who closed and those who did not, as Table 3 demonstrates. (The table only lists those industries where there were at least 10 responses.)

Table 3: Percentage of businesses that temporarily closed, by industry (minimum 10 responses)

	Closed	Did not close
Accommodation and Food Services	37%	63%
Administrative & Support, Waste Management	50%	50%
Construction	38%	62%
Health Care and Social Assistance	48%	52%
Manufacturing	36%	64%
Other Services (except Public Administration)	62%	39%
Retail Trade	64%	36%

Of course, industries have their subsectors, and each of these would have had a different response to a lockdown. In Retail Trade, for example, grocery stores were required to stay open, but non-essential retail stores were closed. In Health Care and Social Assistance, hospitals and nursing homes stayed open, whereas various social services and child daycare centres closed.

Other modifications for businesses that temporarily closed

Respondents were asked, in addition to having temporarily closed, what other modifications they may have put in place. Table 4 lists the percentage distribution of modifications taken by those respondents who had temporarily closed.

Table 4: Other modifications implemented by businesses that had temporarily closed

	Percent
Modified customer interaction (For example: delivery, takeout, curbside pick-up, capacity limits, etc.)	37%
Modified in-office social distancing protocols (For example: working from home)	37%
No modifications	32%
Reduced or increased service offerings	30%
Reduced hours of operation	18%

Percentages do not add up to 100% because respondents were able to select more than one response.

Employers had to adapt in a number of ways to ensure the continued operation of their organizations. These modifications run the gamut of adjustments. Only one-third did not make some modification.

Re-opening after the COVID-19 crisis passes

Respondents were canvassed about their views regarding re-opening after the crisis has passed. (Recall that this question was posed in May, before the further province-wide restrictions put in place during the seasonal holiday period.) Of the 95 respondents who closed temporarily, only three felt that they would not re-open after the pandemic had ended.

Loss of revenue

A large majority (81%) of respondents indicate that they experience a loss of revenue as a result of COVID-19. Respondents were also asked to estimate their loss as a percentage of their gross annual revenue. The average percentage loss was estimated at 50%.

There was general consistency in the estimated percentage revenue losses by industry, with larger losses expressed by Other Services (this would include personal services, such as hairdressers and barbers and nail salons, as well as auto repair shops), by Accommodation and Food Services and Administrative & Support (includes cleaning/janitorial firms, landscaping firms and temp employment agencies).

Table 5: Percentage estimated revenue losses by industry

	Number	% Loss
Accommodation and Food Services	34	62%
Administrative & Support, Waste Management	9	59%
Construction	17	48%
Health Care and Social Assistance	14	52%
Manufacturing	19	43%
Other Services (except Public Administration)	10	66%
Retail Trade	27	56%

To estimate the dollar figure which this loss represented, we applied the percentage loss to their gross annual revenue figure. Because respondents were given a range to choose from, we used the lowest end of the range, so that the dollar figure is the most conservative estimate. By this calculation, based on 109 respondents who provided both an estimate of their percentage loss and their gross annual revenue, the average dollar loss expressed by these establishments was at least \$571,888 (for the 13 firms with estimated revenues of under \$30,000, we applied an average revenue figure of \$15,000).

A caution regarding these figures: these losses were expressed in terms of annual revenue figures, whereas the time frame for the losses were for approximately two months (from the time the pandemic started until when the survey was administered). It may be more likely that respondents were expressing the percentage losses over this limited period. If these restricted conditions were to continue through the year, then one could extrapolate those losses to the entire year. Nevertheless, even for this period, the percentage figures represent substantial losses.

Ability to work from home

Respondents were asked to estimate what percentage of their workforce could work from home. Table 6 shows the distribution of responses by percentage ranges of employees who could work from home. For a large share (66% -- two-thirds) of the establishments surveyed, only a very small portion (under 10%) of their workforce could work from home. For a minority of establishments (10%), almost all their employees could work from home.

Table 6: Distribution of respondents by share of employees who could work from home

Percent of employees who could work from home	Share of responses
Under 10%	66%
10% to 25%	14%
26% to 50%	9%
51% to 75%	2%
76% to 100%	10%

In the case of establishments in Accommodation and Food Services, 90% indicated that less than 10% of their workforce could work from home, compared to 70% of firms in Retail Trade. In Health Care and Social Assistance, the responses coalesced at the two ends: 60% of establishments indicated that less than 10% of their workforce could work from home (likely health care services), while 30% said that 90% or more of their employees could work from home (likely social services).

Layoffs

Roughly six of ten (58%) of respondents had to lay off staff. The layoff rates were higher for some industries, but all industries were affected. Table 7 provides data for some of the industries with larger numbers of respondents. In this sample, the Manufacturing sector had the highest proportion of employers who had laid off staff, followed by Other Services and Accommodation & Food Services.

Table 7: Percent of respondents by industry who had to lay off employees

	ALL INDUSTRIES	Manufacturing	Other Services	Accommodation & Food Services	Health Care & Social Assistance	Retail Trade	Construction
YES	58%	77%	69%	68%	55%	53%	52%
NO	42%	23%	31%	32%	45%	47%	48%

Table 8 illustrates the distribution of layoffs by the size of the firm. According to this data, it would appear that firms with 20-49 employees were more likely than others to lay off half or more of their staff.

Table 8: Distribution of number of layoffs by size of firm

Size of firm	Number of layoffs					
	Less than 5	6-10	11-20	21-50	51-99	100+
1-4	18	1				
5-9	17	8				
10-19	9	10	5			
20-49	5	3	9	11		
50-99	1	2	1	1	2	
100+	2	4	1	2	2	1

Layoffs were more likely to occur among full-time staff, although this is likely a reflection of more employees working full-time, compared to those working part-time or casual. Among all respondents who indicated they laid off staff, half (51%) indicated they had laid off full-time staff, a third (34%) indicated layoffs among part-time staff and 15% said they laid off casual staff.

Employees self-quarantining

Respondents were asked the following question:

“What percentage of your current staff are still employed, but have chosen to go on leave due to ‘self-quarantining’ (i.e., choosing to stay home due to sickness/symptoms or if they are a high-risk individual)?”

Table 9 shows the distribution of responses by percentage range of employees self-quarantining.

Table 9: Percentage of employers by range of employees self-quarantining

	Percent of employees self-quarantining				
	0%	1% to 9%	10% to 49%	50% to 99%	100%
Percent of respondents	53%	21%	16%	7%	3%

Around half (53%) of respondents reported that no employees were self-quarantining. Among the rest, most employers reported a very small proportion of employees self-quarantining (one-fifth saying that 1% to 9% of employees were self-quarantining). Out of 197 responses, five employers said that all their staff was self-quarantining (all five firms each had less than 20 employees).

Operating on-line

Employers were asked whether they could fully or partially operate their business on-line. Almost four in ten (38%) employers said they could fully or partially operate on-line. There were, not surprisingly, considerable variations by industry sector, from a high of 59% of businesses in Retail Trade to a low of 14% in Manufacturing.

Table 10: Percentage of employers who could operate fully or partially on-line, select industries

	ALL INDUSTRIES	Retail Trade	Health Care & Social Assistance	Other Services	Accommodation & Food Services	Construction	Manufacturing
YES	38%	59%	40%	31%	29%	24%	14%

There was no discernable pattern based on the size of the firm, except that firms with 5-9 employees were less likely to be able to work on-line (Table 11).

Table 11: Percentage of employers who could operate fully or partially on-line, by number of employees

	Number of employees						
	0	1-4	5-9	10-19	20-49	50-99	100+
YES	43%	43%	28%	38%	35%	39%	45%

Hiring during COVID-19

The survey probed respondents whether, despite COVID, they were currently hiring (currently refers to the month of May). Slightly more than one quarter (28%) of employers indicated they were hiring. Table 12 shows the variations by select industries. While the Arts, Entertainment & Recreation had only seven responses, it is noteworthy that all seven said they were not hiring.

Table 12: Percentage of employers who were hiring in May despite COVID, by select industries

	ALL INDUSTRIES	Retail Trade	Construction	Health Care & Social Assistance	Accommodation & Food Services	Manufacturing	Other Services
YES	28%	39%	38%	35%	28%	18%	15%

There is a slight tendency for larger firms to be more likely to be hiring during this time, although firms with 5-9 employees also were more inclined to hire.

Table 13: Percentage of employers who were hiring in May despite COVID, by number of employees

	Number of employees					
	1-4	5-9	10-19	20-49	50-99	100+
YES	28%	35%	21%	30%	46%	35%

The occupations which employers were hiring for ran the gamut of jobs, from numerous entry-level and service jobs (labourers, cashiers, servers, cleaners, housekeeping, dishwashers, cooks, bartenders), to health care positions (personal support workers, registered practical nurses, registered nurses), skilled trades (carpenters, plumbers) and office and manager occupations (accounts receivable/payroll, branch manager). More than three-quarters (78%) indicated that they were having difficulty finding qualified individuals.

Desired stimulus measures

Respondents were asked:

“What (if any) stimulus measures would be most effective during the recovery period?”

Respondents were provided an opportunity to suggest up to five measures. In total, 155 respondents answered this question, providing 314 entries. Of these suggestions, 19 related to “no comment,” “none” or some other response that did not involve a suggestion.

Many respondents provided more than one measure, so that the following breakdown by various suggestions can include a respondent proposing multiple measures.

Ninety-seven responses referred to some form of financial aid that did not involve a wage subsidy but referred to some way of providing assistance with some other operational expense. This included 36 which sought some form of tax relief or deferral, 19 seeking help with rent, 14 seeking assistance or deferral for interest payments and 13 wishing help with cash flow. Eighty-four respondents specifically sought assistance with wages. Ten identified the need to attract more visitors and customers and nine sought assistance with training.