



Summary Report Impact of the COVID-19 Pandemic on Businesses in Washington County, Texas

On March 19, 2020, the Mayor of the City of Brenham and the County Judge of Washington County declared a Local Disaster Due to a Public Health Emergency Related to the COVID-19 (Coronavirus) Pandemic. In conjunction with State of Texas and Federal mandates and guidelines, the businesses of Washington County have worked to maintain their businesses—often making creative accommodations to continue serving customers, continuing to employ their workforce, and working to pay bills or make arrangements with creditors to defer payments. In true Texas-fashion, our businesses owners are 'managing.'

On the personal side, business owners and employees alike worried about the health of their family, learned how to support homeschooling, and struggled with concerns about the impact of this pandemic on the long-term viability of our economy. But through it all, Texans support Texans! And this is especially true of rural Texans. When COVID-19 impacted the ability of Brenham ISD to provide meals for our students, it was our restaurants, themselves strongly impacted by the loss of business, who stepped up and coordinated keeping these at-risk children fed for three weeks until Brenham ISD was able to pivot and restart their program. It is also local individuals and businesses giving to the Washington County COVID-19 Response Fund to provide funds to our most at-risk businesses to bridge the gap until CARES Act funds are received.

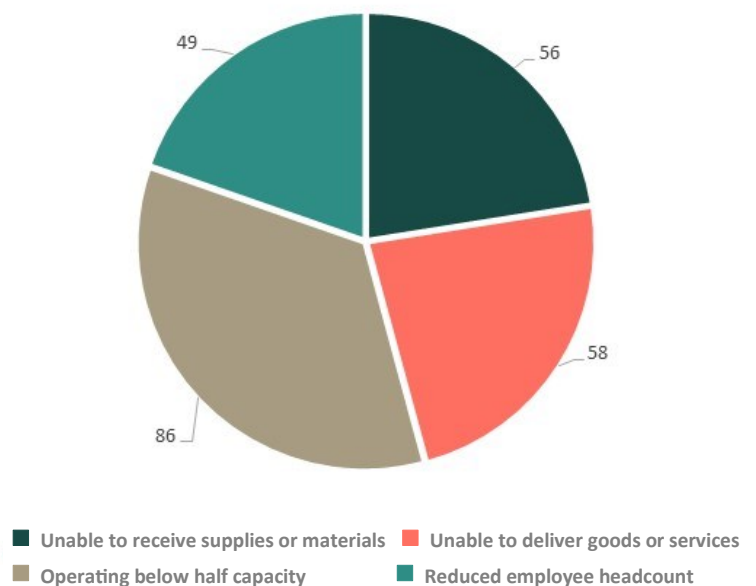
On April 7, 2020 Brenham-Washington County Economic Development launched a business survey that ran for ten days through April 17, 2020. We received responses from 196 separate businesses (plus four duplicates that were combined for the final results). This report is intended to highlight the impact of this pandemic on Washington County.

The first question was "How is your business feeling the impact of the COVID-19 slowdown. Businesses were able to select more than one option. You can see from the results on the right that 86 of respondents say they are operating below half capacity, for many this has been a full closure. 58 businesses indicated they have had to reduce their number of employees.

Other comments from businesses:

- Completely shut-down
- Demand for steel is declining, making it hard to sell our products
- Almost a total loss of 2020 income because we are in the travel industry
- Higher workload in healthcare
- Employees missing work to care for children out of school
- Some PPE supplies hard to come by
- Previously open 56 hours per week, now we are open 8 hours per week

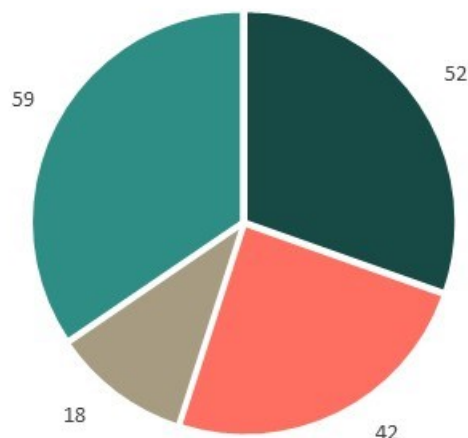
HOW IS YOUR BUSINESS FEELING THE IMPACT OF THE COVID-19 SLOWDOWN?



In the second question we inquired about how businesses were managing employee hours. Notably 59 respondents remarked that their business is closed for the duration of the emergency situation, therefore those employees, and the business owners themselves are out of work at this time.

- Shifts and hours have been severely reduced, but all employees are still working on site
- Only a few employees are able to work remotely, others are laid off
- We reduced hours to a 4-day work week with employees off 10 days then on 4 days. We are still paying workers full wages regardless of reduction in hours.
- 90% of employees are remote with only 10% in critical operations working in the office

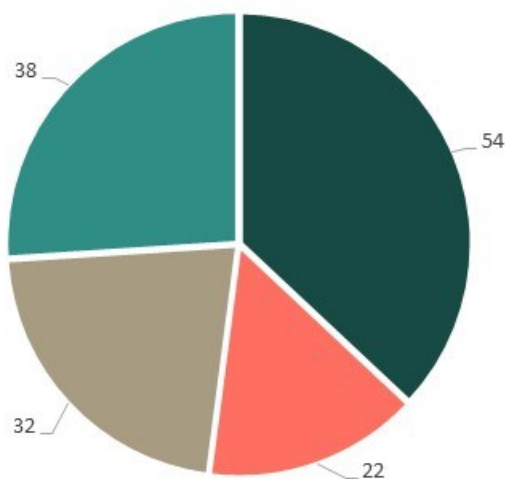
ARE YOU ABLE TO PROVIDE REMOTE WORK ACCOMMODATION FOR EMPLOYEES?



- All employees are still working on site
- Some employees are working remotely, some on site
- All employees are working remotely
- We are closed for the duration of the emergency situation

In a related question, we asked respondents how they are managing payroll for their workforce. 54 businesses responded that their workforce is still working and receiving regular pay. However, 38 businesses replied that they are laying off workers as they are unable to pay wages.

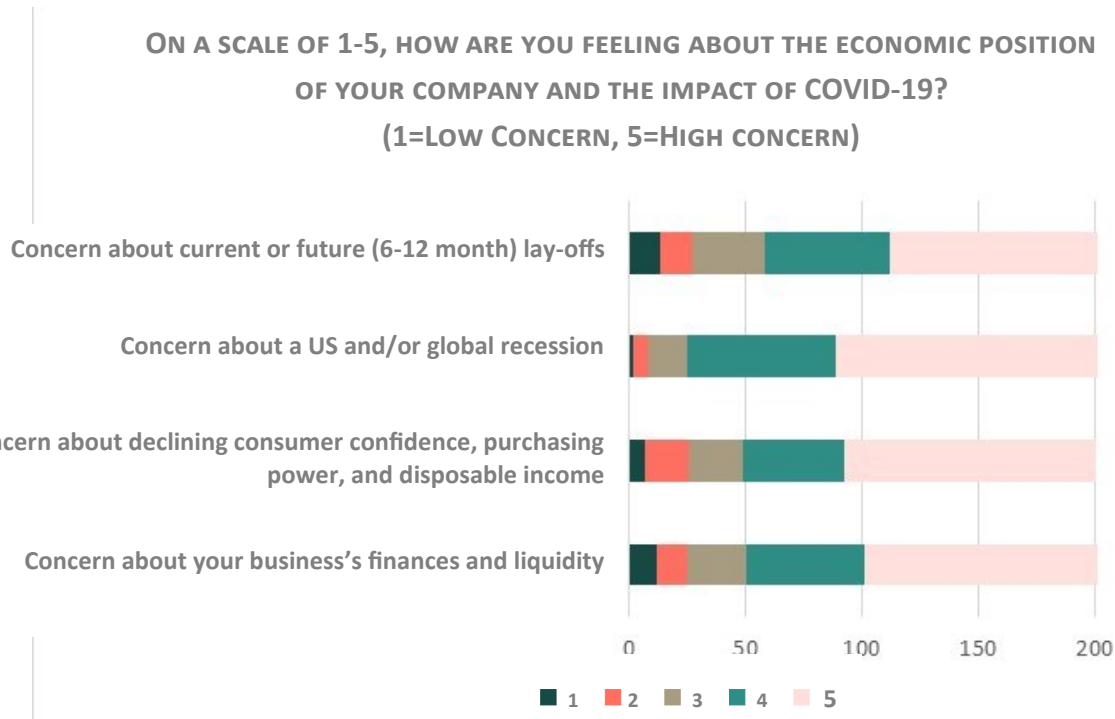
HOW ARE YOU MANAGING PAYROLL FOR YOUR WORKFORCE?



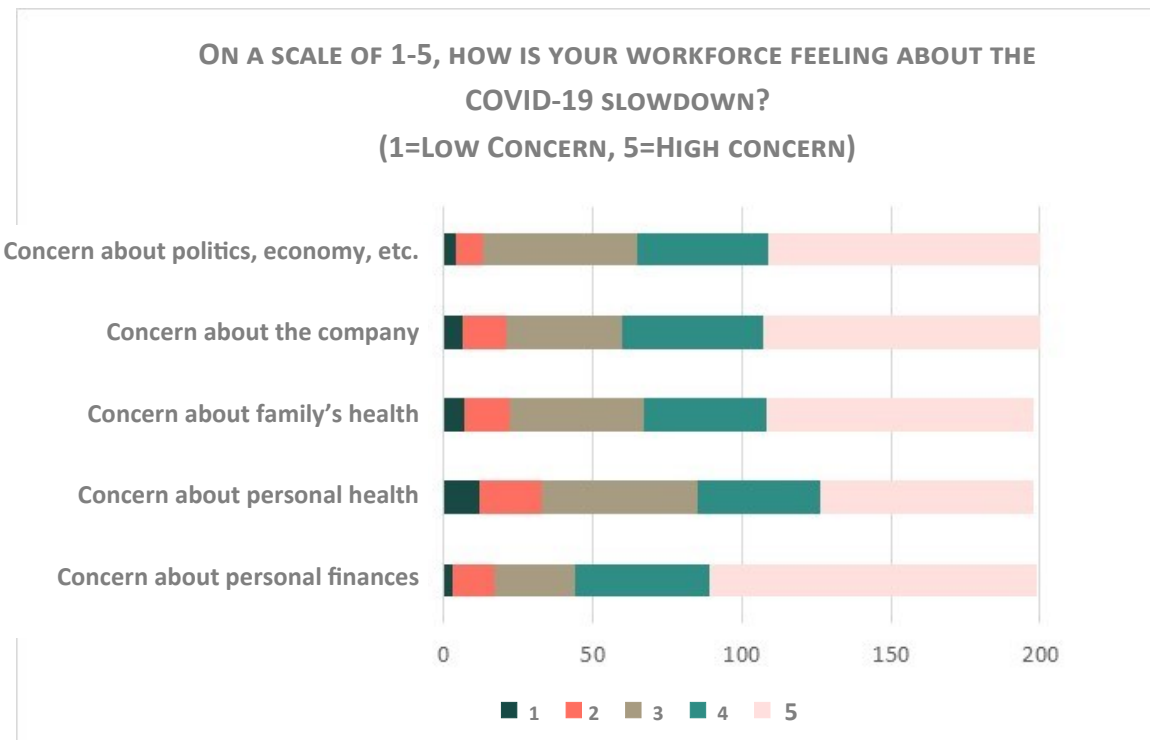
- Our workforce is still working and receiving regular pay
- We are paying workers full wages regardless of reduction in hours
- We are paying workers reduced wages
- We are laying off workers as we are unable to pay wages

- We have laid off workers because there is just no work to do
- Working on receiving PPP, but laying off until then
- We are a family owned business and self-employed but working off our retirement savings
- As the owners, we are not taking a salary right now
- No sales commissions have been received since mid-March, so no pay for staff
- I'm paying workers more per hour for cleaning and other projects, but at 60% fewer hours than before
- Trying to figure it out, but reducing hours
- Pulling from savings
- Husband laid-off from oilfield 2 weeks before this, now no customers = no income

The survey continued with questions that assessed the concern level of business owners regarding certain topics. In the graph below, please note that the largest number of business owners selected "5" or highly concerned about each of the topic we presented. Of greatest concern is declining consumer confidence, purchasing power, and disposable income. With a significant number of businesses in Washington County in the retail, hospitality, and restaurant industry, our economy may be slow to return to pre-coronavirus vitality as consumers have less disposable income for non-necessary spending.



In assessing concerns of the workforce in Washington County, employers responding noted that their employees are most concerned about personal finances, as seen in pink on the graph below. When looking at combined ratings of both 4 (moderately high) and 5 (high) level of concern (both pink and turquoise on the graph), concern about the company, family's health, and politics/economy is significant, but rated somewhat lower than concerns about personal finances.



The final question for the survey allowed respondents to 'fill in the blanks' for us. What concerns or challenges did we not inquire about that are impacting businesses in Washington County. Most of the 196 businesses replied to this question. What follows is a sampling of the responses. The raw data from this survey in an Excel spreadsheet is available by emailing scates@cityofbrenham.org.

- SBA and PPP not being able to fund in time or at all.
- Afraid we will have to close our door for good.
- I'm afraid businesses like ours will feel the wrath of the shutdown long after the virus is gone. I'm afraid shopping and travel will be put on the back burner while people rebuild their lives and finances.
- What the government is doing is good...just too damned slow.
- It would be helpful if we could receive temporary relief on 2020 Federal Income Tax if we have to withdraw from 401k.
- Worried about Downtown Brenham, we rely on these 2 months to get us through the slow times.
- After we are allowed to function normally, Texas still has to deal with the oil industry being in the dumper.
- Want the shutdown to end soon to begin rebuilding our businesses.
- Employees have been drastically reduced because of loss of patronage. The fear of rent and utilities not being paid and the possibility of not being able to buy products are all detrimental.
- Worried about rebuilding clientele on recurring payments, it is somewhat like starting over again.
- I am considered a 'necessity' business providing feed for livestock, but business is off by half and commodities required to manufacture our feed remain very high. The economic impact of this is far-reaching.
- Independent pharmacies are overlooked when allocating resources, even though we are on the front lines of healthcare.
- Feeling uncertain whether EIDL application was even received. My focus on decisions has to change daily. Yesterday we closed because a worker had to self-quarantine and another employee had fever.
- Our business has still been able to operate at half capacity because we have drive through windows, but sales are down 40-50% daily.
- As a small non-profit arts organization I am deeply concerned if we can last through this time.
- Employee confidence in the economy and confidence in employers is down. Their morale is very low. I think it will take quite a bit of time to rebuild this aspect of our economy.
- We are starting to see shortages in the products and medicines we provide to our pharmacy customers.
- I don't feel like we are going to come back from this.
- We work strictly off of donations and grants. Donations have ceased and grants are unknown at this time.
- Remove government restrictions on commerce and quality of life. We have flattened the curve and the healthcare system is now prepared to meet the needs of those that are ill.
- PPP and EIDL dried up before I could apply.

Currently, in the midst of the crisis, there is a lack of optimism among the businesses in Washington County relating to the long-term impact of the COVID-19 pandemic. However, we have also seen firsthand how businesses pull together and pull one another up in times of trial. Most of these businesses are small with fewer than 25 employees. Federal assistance needs to be directed to these most at-risk businesses so that communities like Washington County have the resources our businesses owners need to recover and thrive into the future.