

First COVID-19 economic impact survey results released

Fort Myers, FL, April 7, 2020 – Small businesses are suffering the most due to COVID-19, according to an initial survey conducted to understand the economic impact of the coronavirus pandemic on Southwest Florida.

The COVID-19 Economic Impact Survey was designed to allow company executives to voice concerns about the impact of the pandemic on their business. The 22-question internet survey was sent to various chambers of commerce, economic development organizations and visitor & convention bureaus scattered across Lee, Charlotte and Collier counties on March 23, 2020, along with the request that they distribute the survey to their contact list. The survey also was distributed by Southwest Florida Business Today, a multi-platform business communications company that focuses on the three coastal counties. By March 28, 947 executives completed the survey.

Among the findings:

- 61% of respondents reported that their sales revenue has declined by more than 50% because of COVID-19. The loss is even higher for businesses with less than 25 employees.
- 59% of business respondents said they believed the effects of COVID-19 would be temporary and not permanent.
- 65% of respondents said they have laid off less than 20% of their employees.
- 21% of the small firms (fewer than 25 employees) laid off more than 80% of their employees compared to 17% of the large firms.
- 60% of large firms had developed a disaster plan to deal with the coronavirus compared to just 32% of the small firms.

The full business study can be downloaded from the Regional Economic Research Institute's web site: https://www.fgcu.edu/cob/reri/studies/coronavirus_economic_impact_survey_report.pdf

"We now have a baseline to work from as we closed the end of March," Lee County Commissioner Ray Sandelli said. "Data such as this will help the commission make informed decisions related to our business community as we move ahead in the coming months."

The report was produced for the Lee County Economic Development Office, the Horizon Council, Horizon Foundation and by Florida Gulf Coast University's Regional Economic Research Institute (RERI).

The COVID-19 Economic Impact Report represents the first part of a multi-part project to estimate the economic impact of this virus on the economy of Southwest Florida. The project originated through a request from the Lee County Economic Development Office (on behalf of the Lee EDO and the Horizon Council), to conduct a broad study of the region at a time when businesses were shuttering and many area residents were voluntarily quarantining themselves in response to threats posed by the spread of COVID-19 in Southwest Florida.

Follow-up surveys will be conducted around the last weeks of April, May and June, and possibly through the end of 2020, to track changes in the economic baseline established in late March, around the time of the beginning of the coronavirus' adverse social and economic effects in Southwest Florida.

FGCU economist Amir Neto and Collier County-based economist Joseph Burke joined the RERI to develop a three-part plan for the study. The first part of the plan established an initial survey of area businesses in order to create baseline economic conditions. The second part will require follow-up surveys to track how his baseline changes over the months that follow. The third part utilizes some of the information from the surveys to conduct a more in-depth economic impact analysis that will apply either computable general equilibrium or standard input-output analysis.

"In Southwest Florida, the Coronavirus is also an anti-small-business virus. Its effect on small business is pretty significant," said economist Christopher Westley, dean of the Lutgert College of Business at FGCU and director of its Regional Economic Research Institute. "They were less prepared to weather an event like this. The data puts numbers to that more than anything."

The Regional Economic Research Institute studies, analyzes and reports on the regional economy encompassing Collier, Lee, Charlotte, Hendry, and Glades counties. Established in 2005, it serves as a public service and economic development unit of the Lutgert College of Business' Dean's Office and strives to connect Southwest Florida to the resources of Florida Gulf Coast University.

The Lee County Economic Development Office provides business assistance to retain existing businesses, attract new businesses and encourage entrepreneurship to ensure Lee County has a strong economy, thriving communities and broadly shared prosperity.

The Horizon Council is a public-private advisory board established in 1991 to advise the Lee Board of County Commissioners on economic development issues. The Council's mission is to improve Lee County's business environment, retain and encourage expansion of existing businesses, and attract new and diversified employers. It is the only public-private partnership of Lee County Government and business leaders.

The Horizon Foundation, Inc. is a 501(c)(3) organization established as a fundraising vehicle enabling individuals and businesses to actively support the program of work of the Horizon

Council and the Lee County Economic Development Office. For more information, call 239-533-6800.