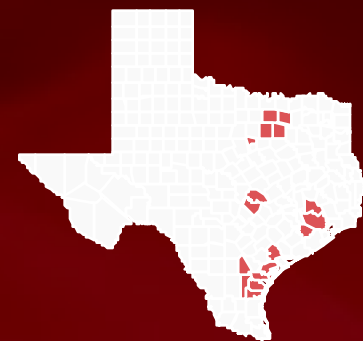


Texas COVID-19 Business Recovery Survey

August - September, 2020

Alice · Austin · Corpus Christi · Dallas · Denton · Fort Worth · Frisco · George West ·
Gregory-Portland · Ingleside · Kingsville · Lake Houston (Humble) · Rockport-Fulton ·
Round Rock · Sugar Land · Victoria

Special support from: American Bank



SOUTH TEXAS ECONOMIC
DEVELOPMENT CENTER

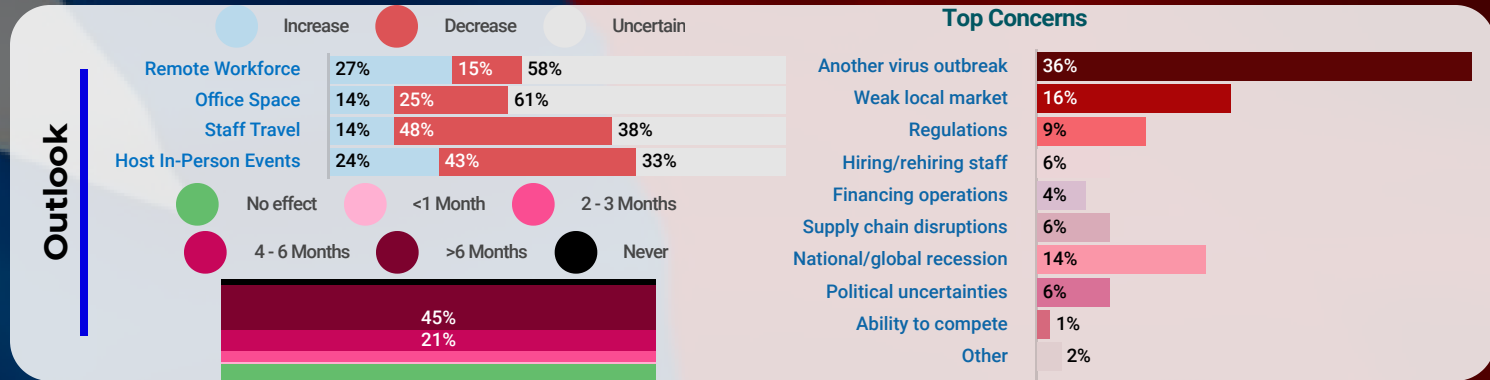
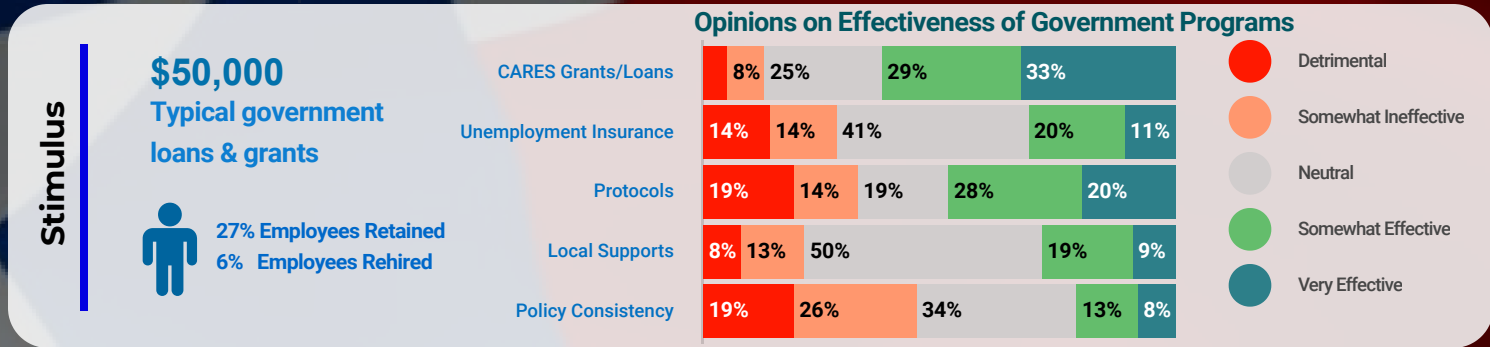
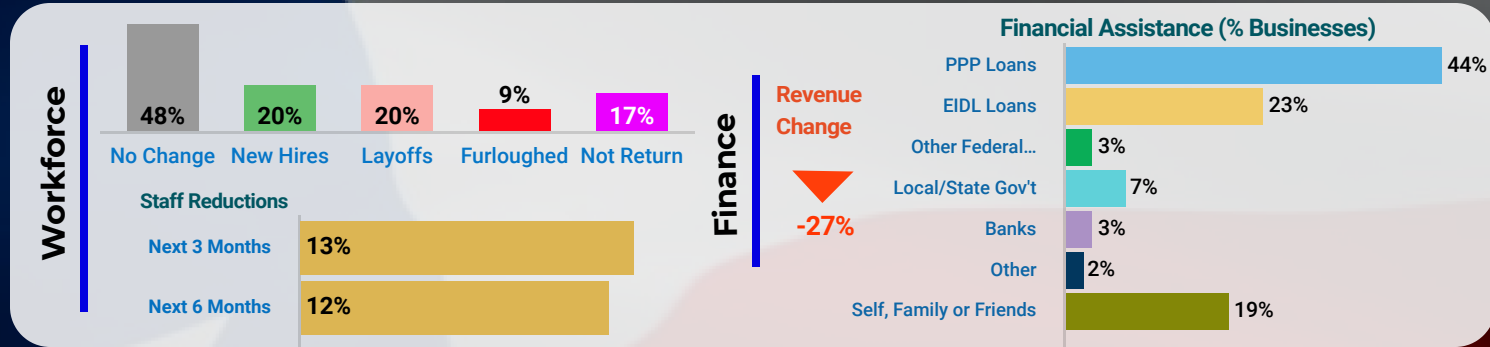
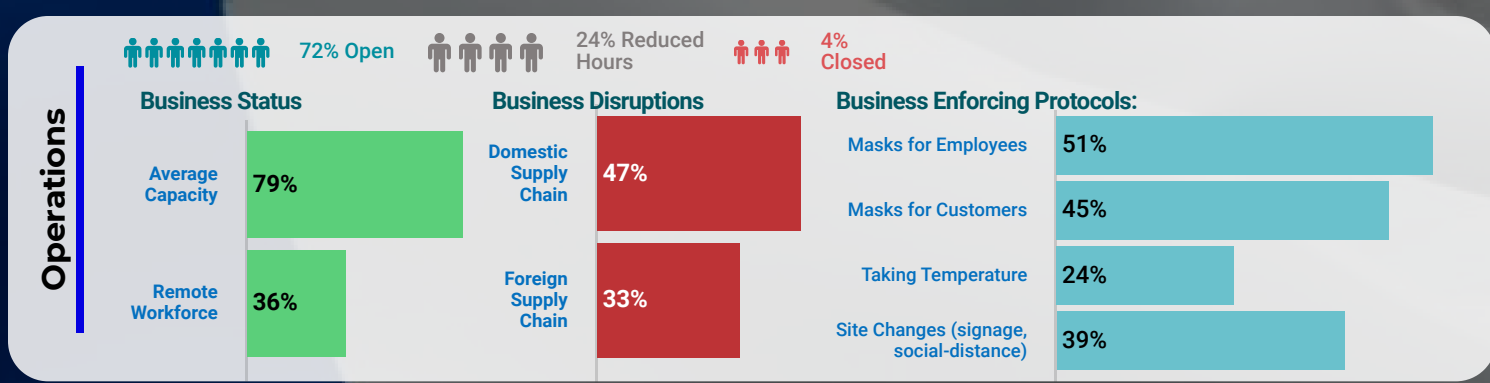
Texas Total

This survey was conducted online to gather input from local businesses in Texas regarding the impact of the COVID-19 pandemic, current operating conditions, and the challenges they face going forward. It was open for two weeks beginning on August 24th. The study was promoted primarily through individual partners' email blasts and social media, generating a total of 591 returns.

Key Findings

The overall findings changed little from those in the June survey. This suggests that local businesses are adapting to today's economic realities, which include more employees working from home, a protracted economic recovery along with an elevated public health risk.

- Operations:** The vast majority of local businesses have reopened since the beginning of May, but 22% of them are operating at reduced hours. Businesses are on average running at about 80% of normal capacity, with 36% of employees working remotely. Nearly half of businesses are facing supply chain disruptions. About half of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of about half of businesses has returned to the pre-pandemic level. While about 20% of businesses are now hiring more, 29% of them have laid off or furloughed their staff along with 17% facing permanent workforce losses. Slightly more than one in 10 businesses expected additional workforce reductions in the next 3 to 6 months.
- Finance:** A typical local business is experiencing a 27% revenue loss from the pandemic. Nearly half of them have received a Paycheck Protection Program loan and 23% of them have received an Economic Injury Disaster Loan. These programs were widely deemed effective, helping about one-third of businesses retain or rehire their workforce. Yet there is a concern about policy consistency among government agencies.
- Outlook:** With another virus outbreak and weak market conditions as the top concerns, 45% of the respondents expected their business would take more than six months to return to normal. Nearly half of them also planned to reduce in-person events locally or business travel. Nearly one-third of them also expected to increase their remote workforce or to reduce office space needs.

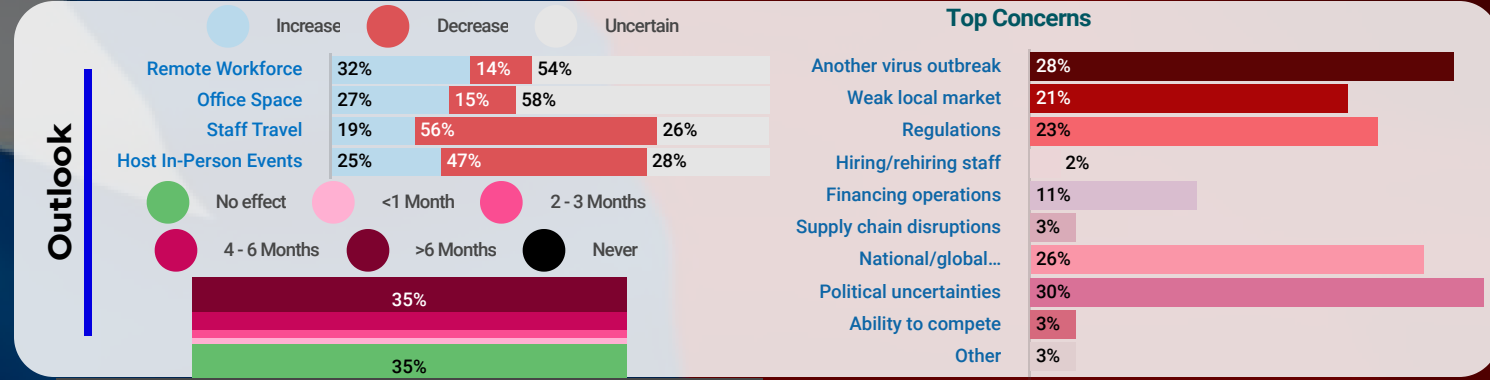
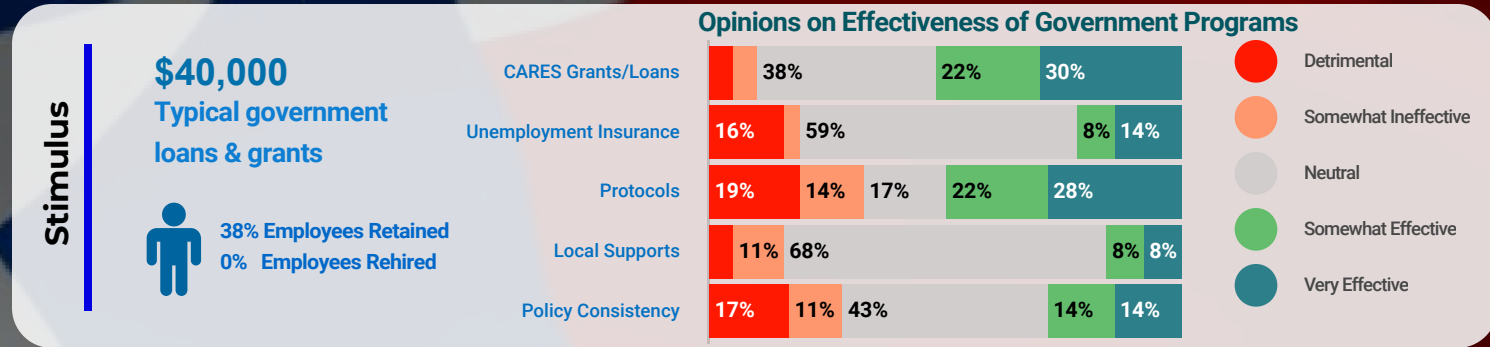
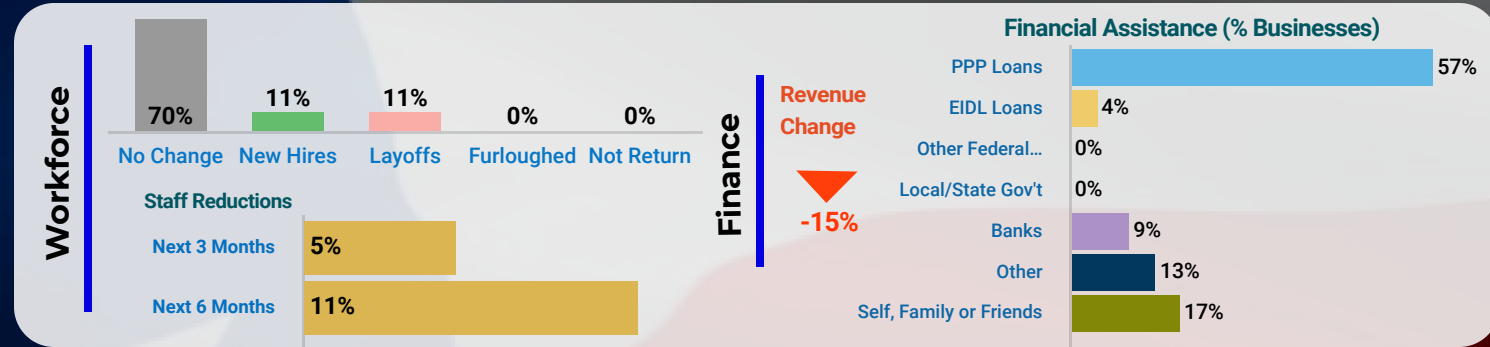
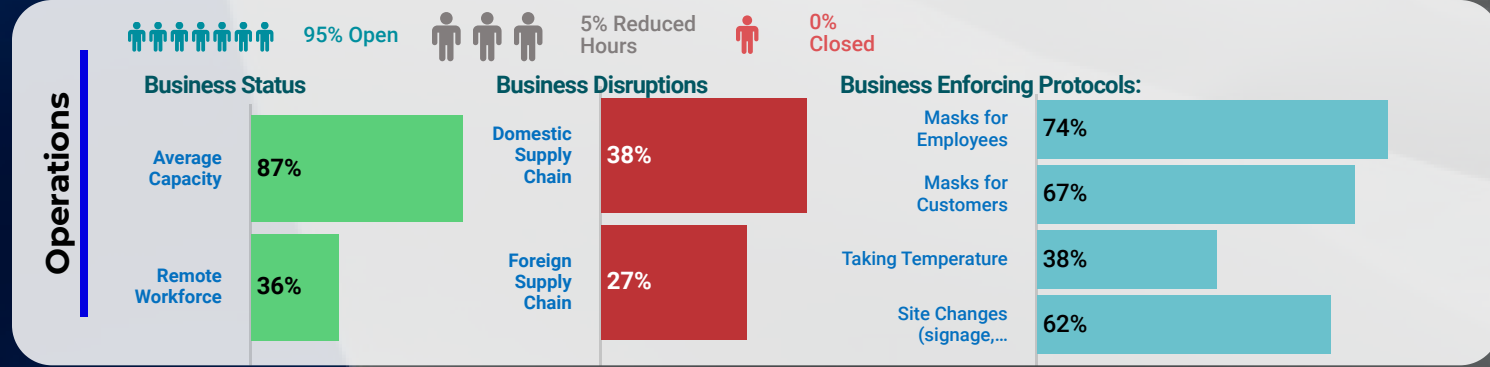




Key Findings

The results are representative of the business communities in Victoria and its surrounding areas in the Golden Crescent region, which seems to be resilient to the pandemic's economic impact in comparison with other regions covered by this survey.

- Operations:** Most local businesses have reopened since the beginning of May, with 5% of them operating at reduced hours. Businesses are on average running at 87% of normal capacity, with 36% of employees working remotely. Slightly less than half of businesses are facing supply chain disruptions. Also, about three quarters of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of 70% of businesses has returned to the pre-pandemic level. While 11% of businesses are now hiring more, another 11% of them have laid off their staff. About one in 10 businesses expect workforce reductions in the next 3 to 6 months.
- Finance:** A typical local business is experiencing a 15% revenue loss from the pandemic. Nearly 60% of them have received a Paycheck Protection Program loan, which has helped retain 38% of businesses' staff. Yet there is a concern about the effectiveness of the federal stimulus programs and policy consistency among government agencies..
- Outlook:** With another virus outbreak and political uncertainties as the top concerns, the majority of the respondents expected to reduce staff travel or to host in-person events. Also, nearly one in three businesses planned to expand their remote workforce in the future. More than one-third of respondents also indicated minimal effects from the pandemic and the vast majority of them expected to return to normal within six months.



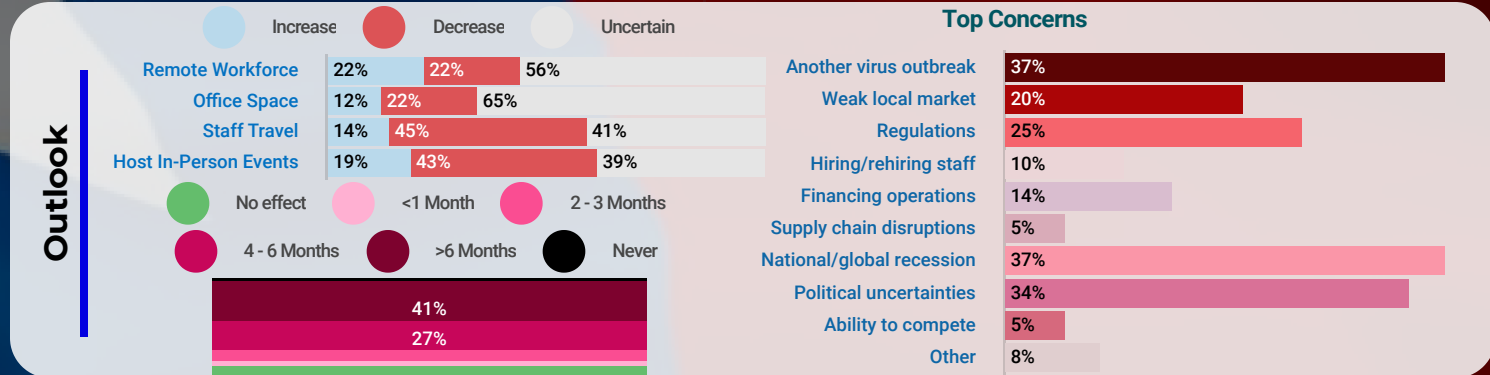
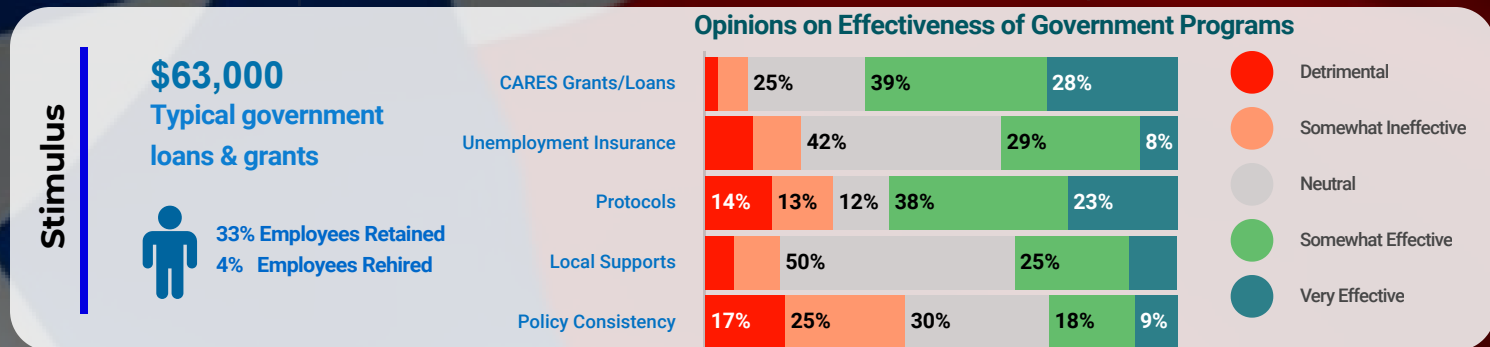
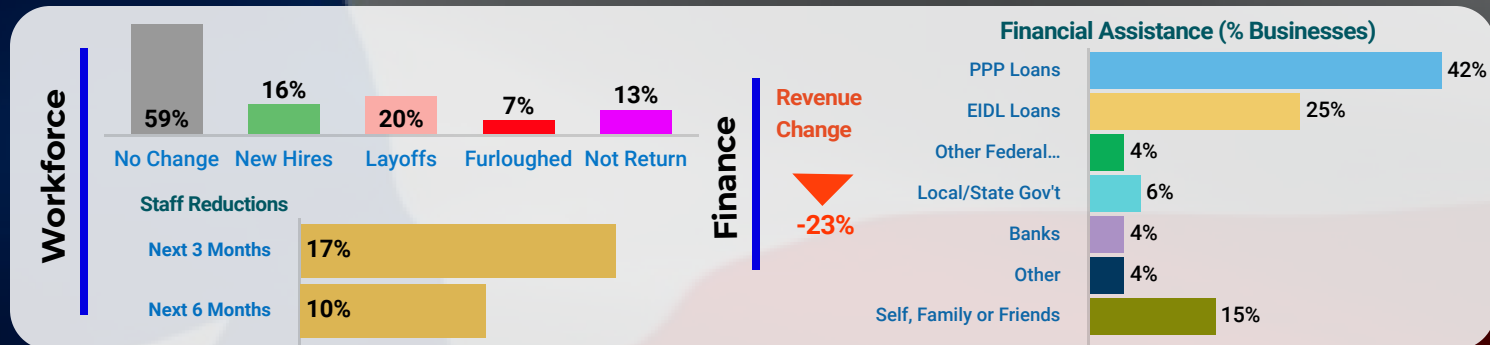
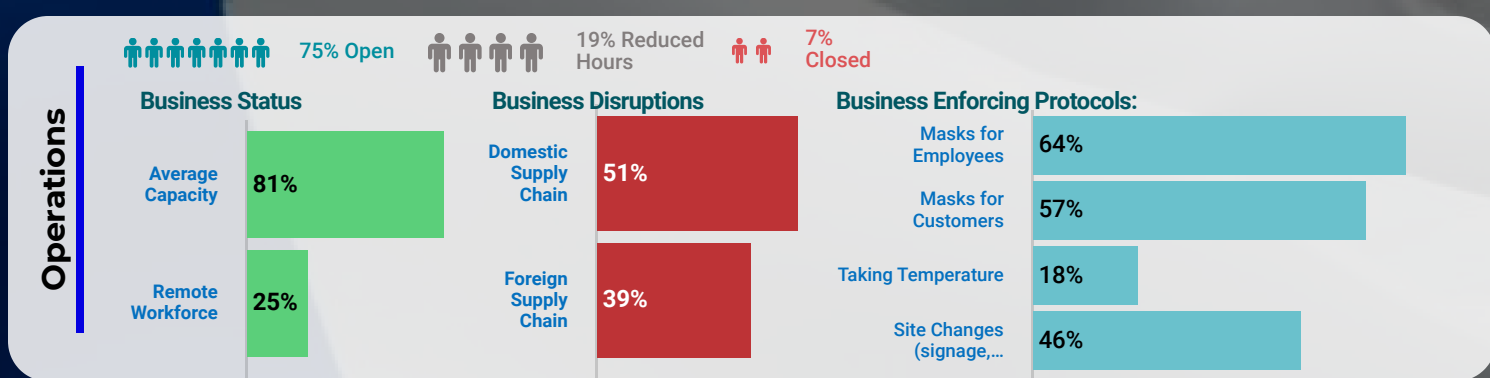
Coastal Bend



Key Findings

The survey results are representative of the business communities in the Corpus Christi metro area and its surrounding areas in the Coastal Bend region.

- Operations:** The vast majority of local businesses have reopened since the beginning of May, but 19% of them are operating at reduced hours. Businesses are on average running at 81% of normal capacity, with 25% of employees working remotely. About half of businesses are facing supply chain disruptions. Also, more than half of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of 59% of businesses has returned to the pre-pandemic level. While 16% of businesses are now hiring more, 27% of them have laid off or furloughed their staff along with 10% facing permanent workforce losses. Nearly one in five businesses expect workforce reductions in the next 3 to 6 months.
- Finance:** A typical local business is experiencing a 23% revenue loss from the pandemic. Slightly more than 40% of them have received a Paycheck Protection Program loan and 25% of them have received an Economic Injury Disaster Loan. These programs helped more than one in three businesses retain or rehire their workforce. Yet there is a concern about the effectiveness of federal stimulus program and policy consistency among government agencies.
- Outlook:** With another virus outbreak, weak economic conditions and political uncertainties as the top concerns, 41% of the respondents expected their business would take more than six months to return to normal. Nearly half of them also planned to reduce in-person events locally or business travel.

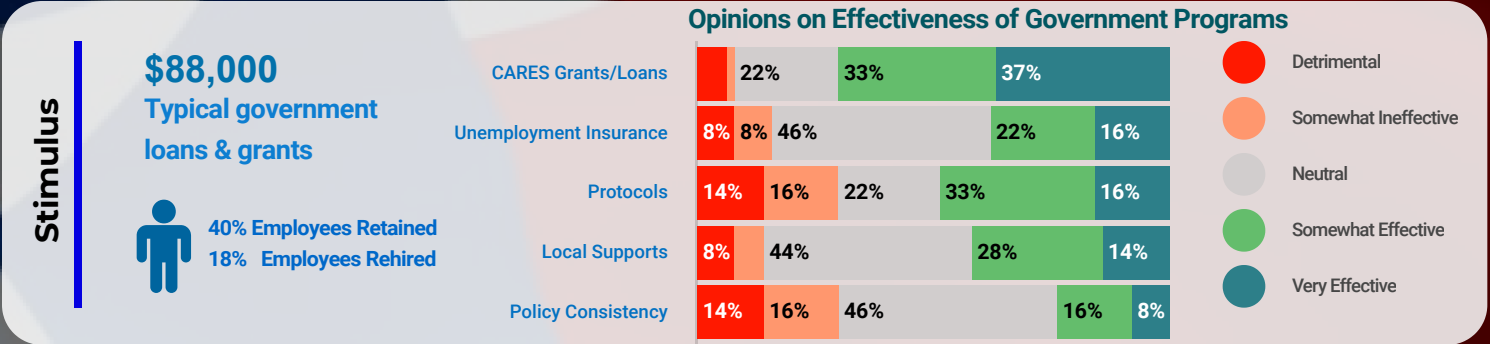
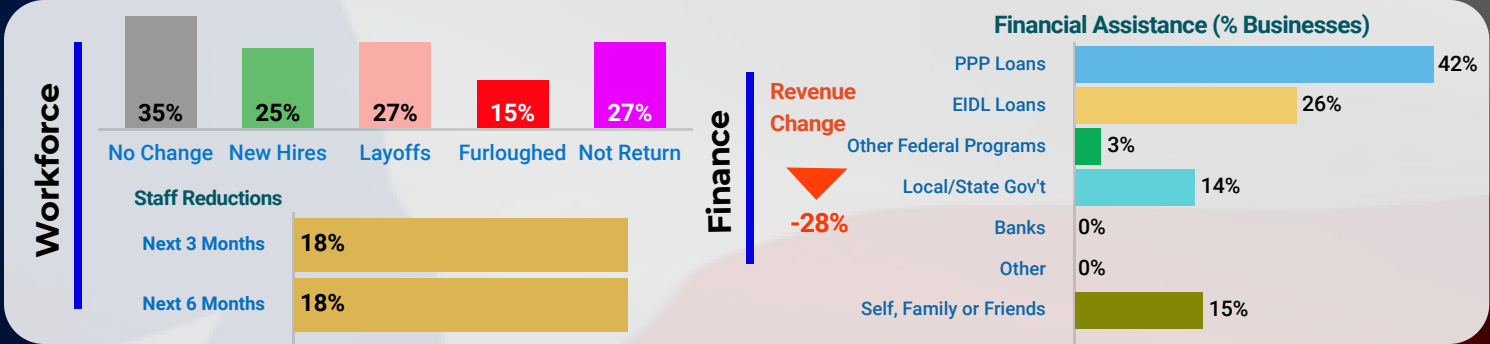
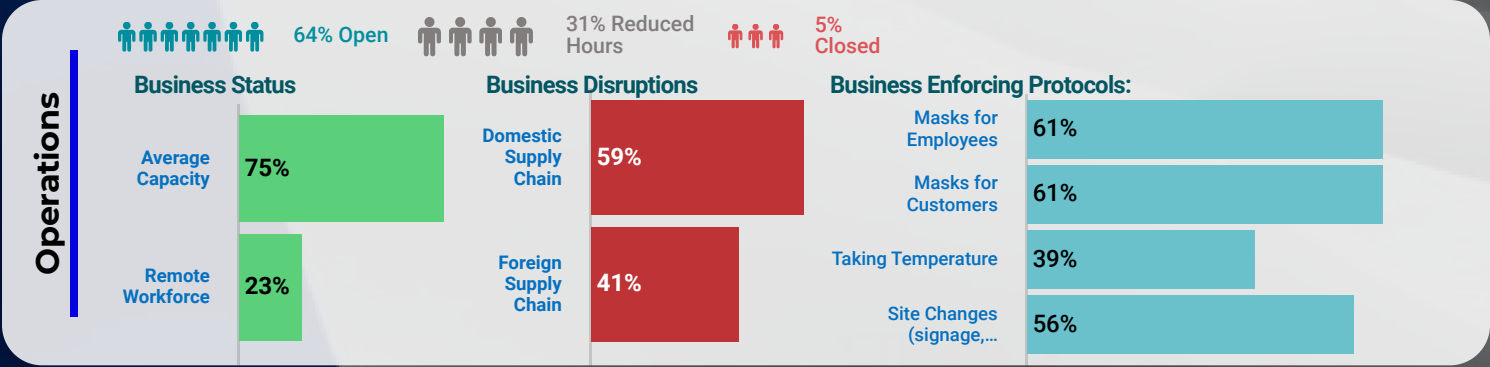




Key Findings

The survey results are representative of the business community in the City of Sugarland. As part of the Houston metro area with relatively severe COVID-19 outbreaks, economic recovery seems weak relative to other areas covered by this survey. About one-third of businesses in this local sample are in the hospitality sector particularly hit hard by the pandemic.

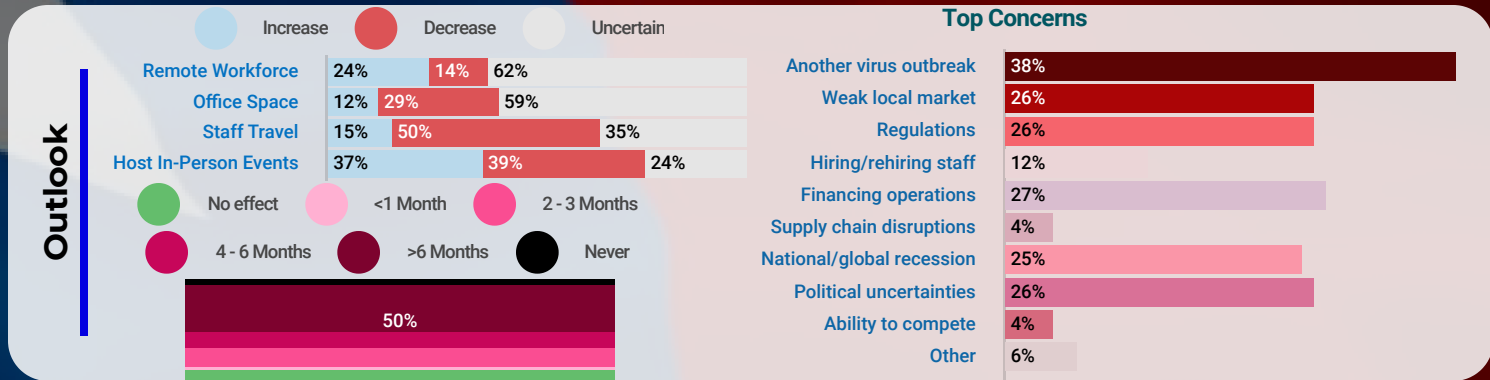
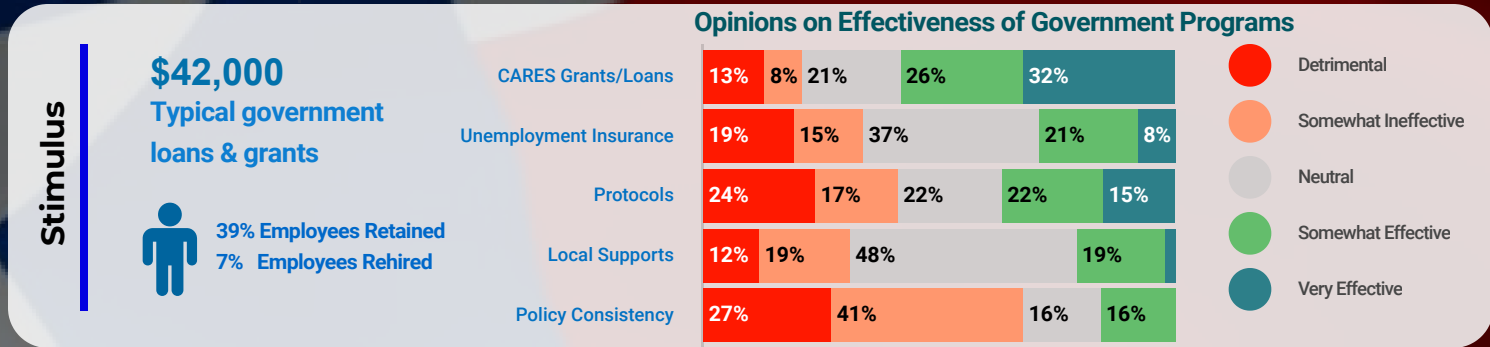
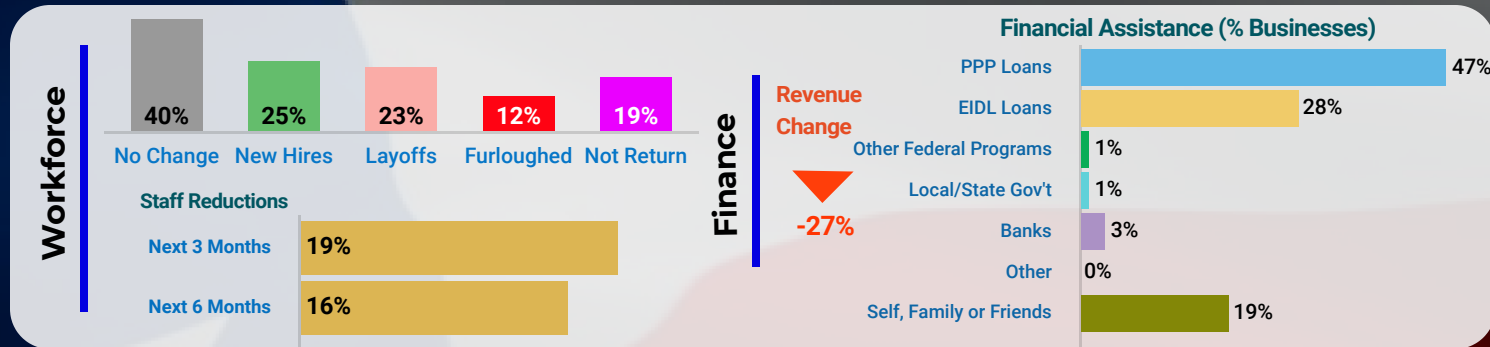
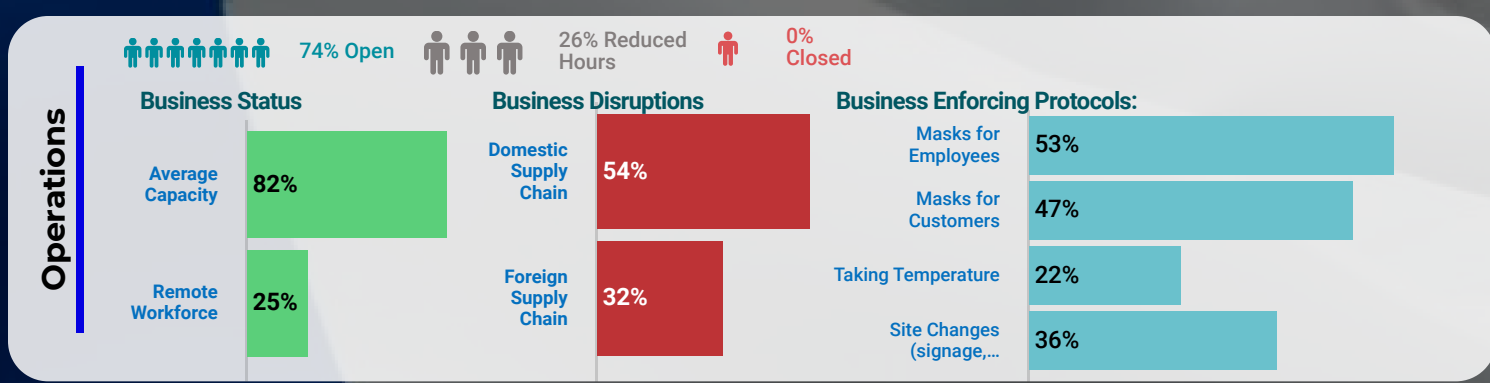
- Operations:** The majority of local businesses have reopened since the beginning of May, but 31% of them are operating at reduced hours and 5% are still closed. Businesses are on average running at 75% of normal capacity, with 23% of employees working remotely. Nearly 60% of businesses are facing supply chain disruptions. Also, more than half of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of 35% of businesses has returned to the pre-pandemic level. While 25% of businesses are now hiring more, 42% of them have laid off or furloughed their staff along with another 27% facing permanent workforce losses. About one in five businesses expected workforce reductions in the next 3 to 6 months.
- Finance:** With a 28% revenue loss from the pandemic so far, a typical business has received \$88,000 in government assistance, the largest amount among different Texas regions in this survey. More than 40% of businesses have received a Paycheck Protection Program loan and 26% of them have received an Economic Injury Disaster Loan. These programs were widely deemed effective, helping nearly 60% of businesses retain or rehire their workforce.
- Outlook:** With weak business conditions as the top concerns, 48% of the respondents expected their business would take more than six months to return to normal. About 40% of them also planned to reduce in-person events locally or business travel. The majority of them were uncertain about the future size of their remote workforce or office space.



Key Findings

The survey results are representative of the business communities in the northeastern Houston area, led by the Lake Houston Area Economic Development Partnership in Humble.

- Operations:** Most local businesses have reopened since the beginning of May, but 26% of them are operating at reduced hours. Businesses are on average running at 82% of normal capacity, with 25% of employees working remotely. Slightly more than half of businesses are facing supply chain disruptions. Also, about half of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of 40% of businesses has returned to the pre-pandemic level. While 25% of businesses are now hiring more, 35% of them have laid off or furloughed their staff along with 19% facing permanent workforce losses. Nearly one in five businesses expect workforce reductions in the next 3 to 6 months.
- Finance:** A typical local business is experiencing a 27% revenue loss from the pandemic. Nearly half of them have received a Paycheck Protection Program loan and 28% of them have received an Economic Injury Disaster Loan. These programs were widely deemed effective, helping about 36% of businesses retain or rehire their workforce. Yet there is a concern about policy consistency among government agencies.
- Outlook:** With another virus outbreak and weak economic conditions as the top concerns, half of the respondents expected their business would take more than six months before returning to normal. Nearly 40% of them also planned to reduce in-person events. While half of respondents expected to reduce staff travel and more than one in three planned to reduce their office space, a vast majority of them were uncertain about the size of the remote workforce in the future.

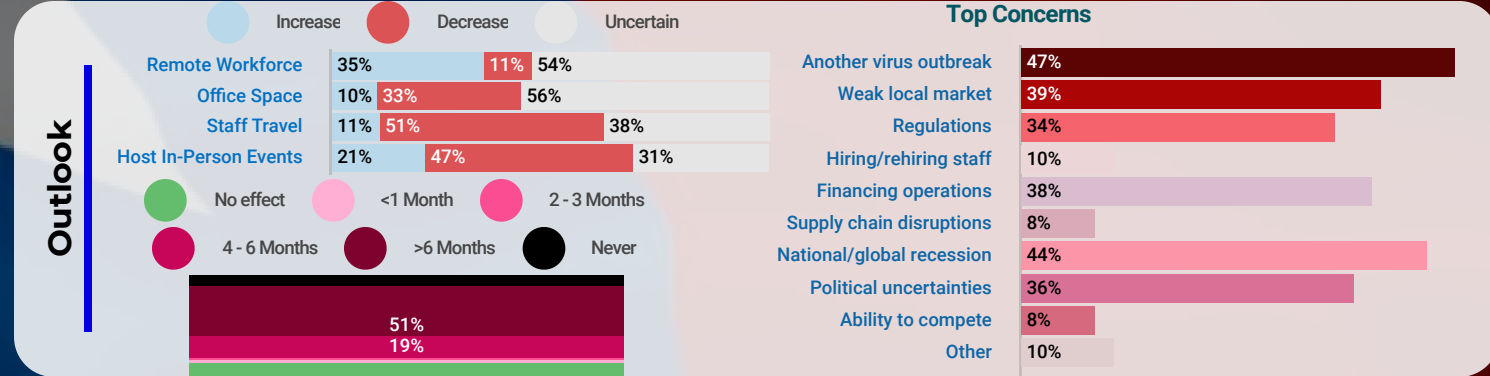
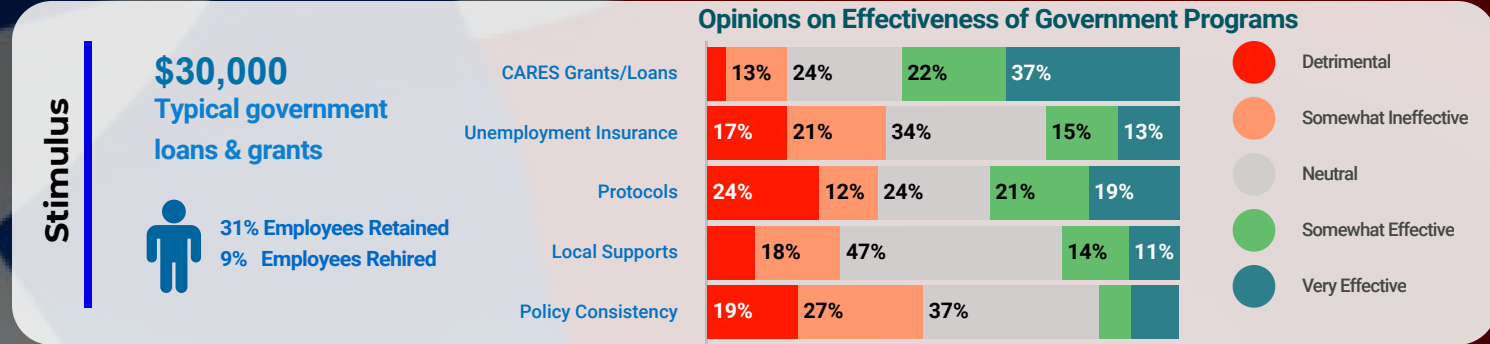
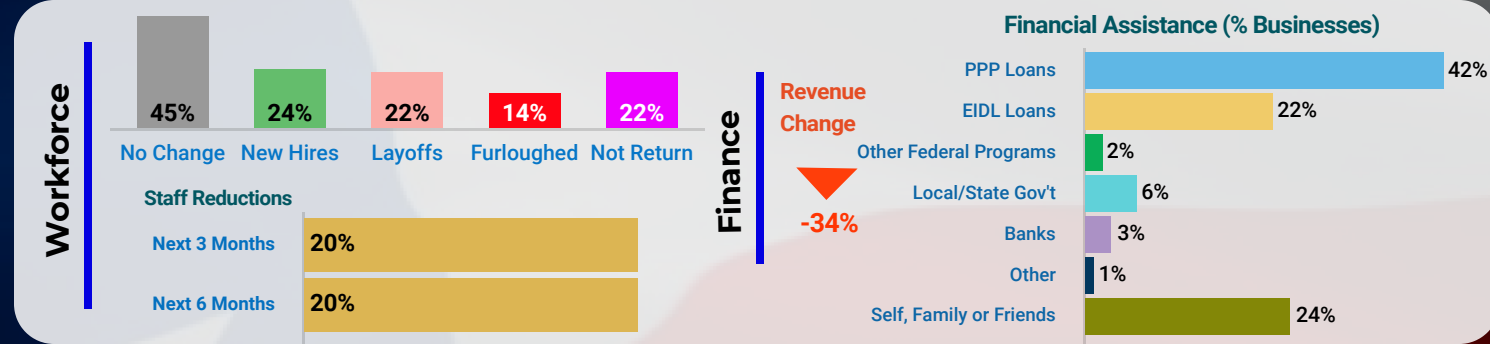
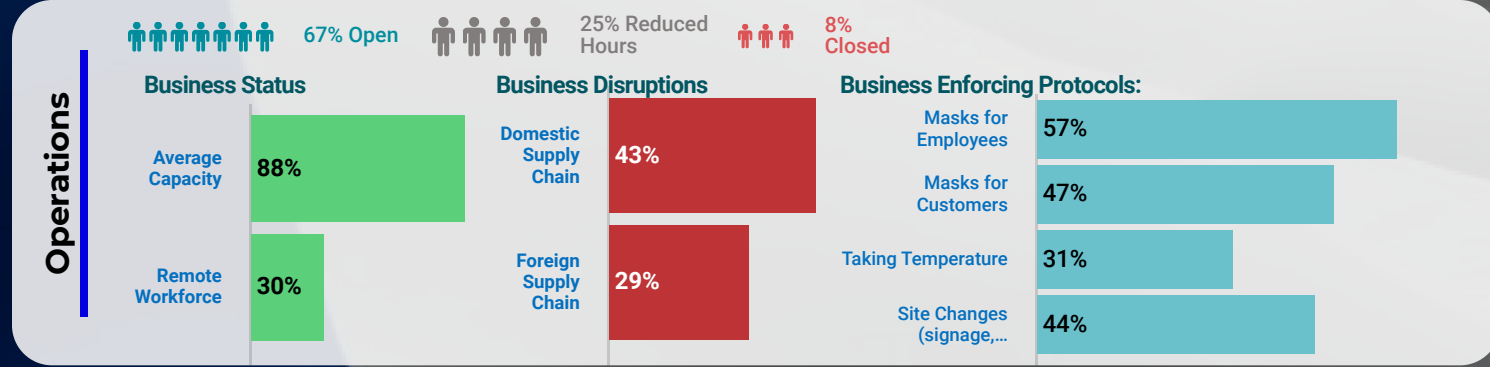




Key Findings

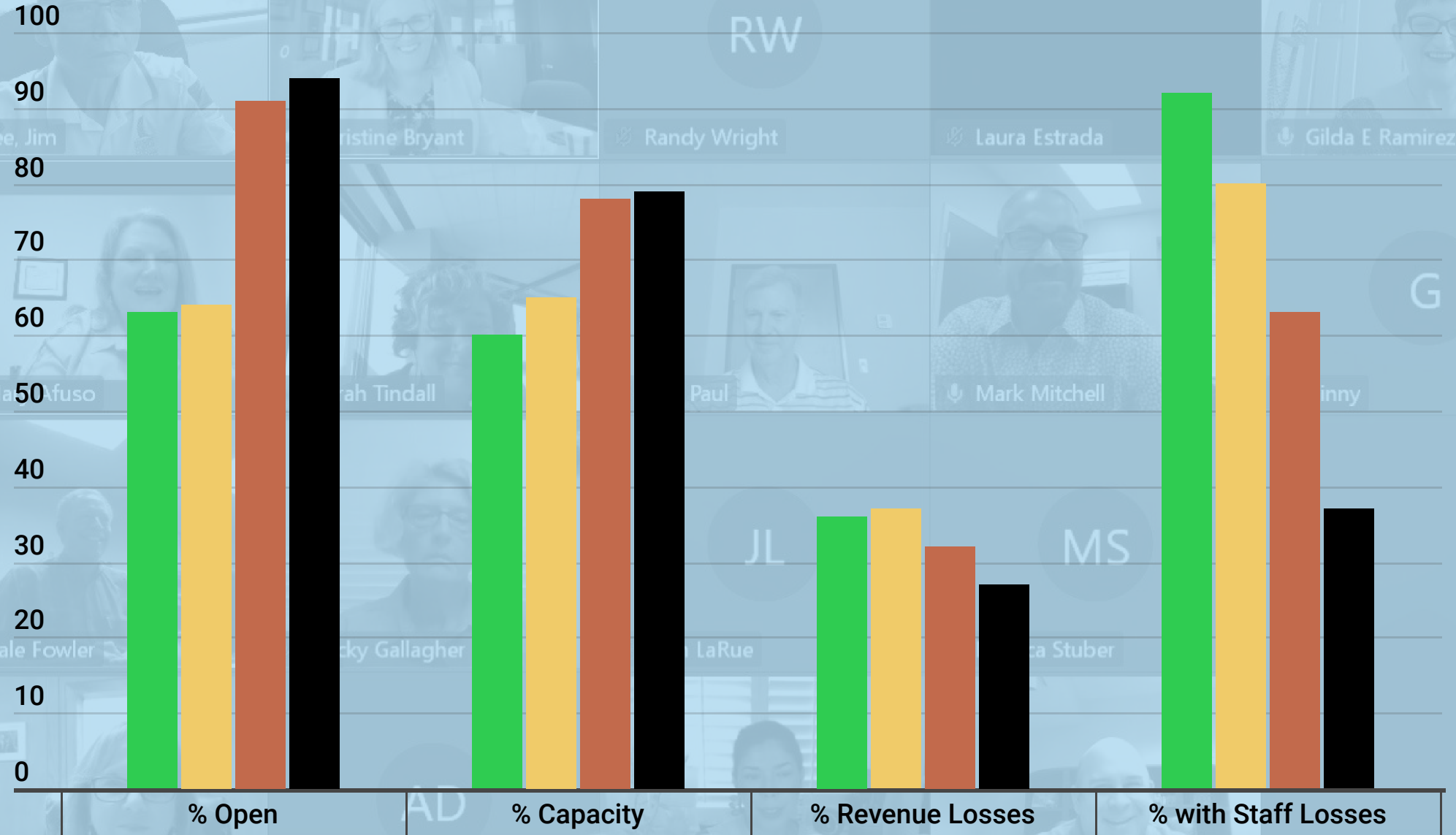
The survey results are representative of the business communities in the Dallas metro area, which has experienced relatively more severe COVID-19 outbreaks and slower business recovery.

- Operations:** The vast majority of local businesses have reopened since the beginning of May, but 25% of them are operating at reduced hours. Businesses are on average running at 88% of normal capacity, with 30% of employees working remotely. Slightly less than half of businesses are facing supply chain disruptions. Also, nearly 60% of businesses are enforcing different COVID-19 related protocols.
- Workforce:** The staffing level of 45% businesses has returned to the pre-pandemic level. While 24% of businesses are now hiring more employees, 36% of them have laid off or furloughed their staff along with 22% facing permanent workforce losses. About 20% of respondents expected workforce reductions in the next 3 to 6 months.
- Finance:** A typical local business is experiencing a 34% revenue loss from the pandemic. Slightly more than 40% of them have received a Paycheck Protection Program loan and 22% of them have received an Economic Injury Disaster Loan. These programs were widely deemed effective, helping about 40% of businesses retain or rehire their workforce. Yet there is a concern about policy consistency among government agencies.
- Outlook:** With another virus outbreak and weak economic conditions as the top concerns, slightly more than half of the respondents expected their business would take more than six months to return to normal. Nearly half of them also planned to reduce in-person events locally and business travel. More than one-third of them also expected to increase their remote workforce or to reduce office space needs.

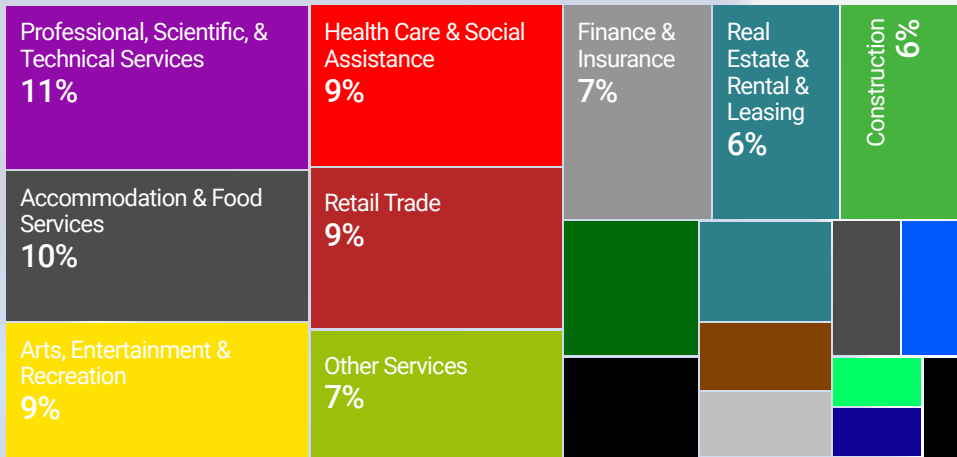


Business Conditions Since March 2020

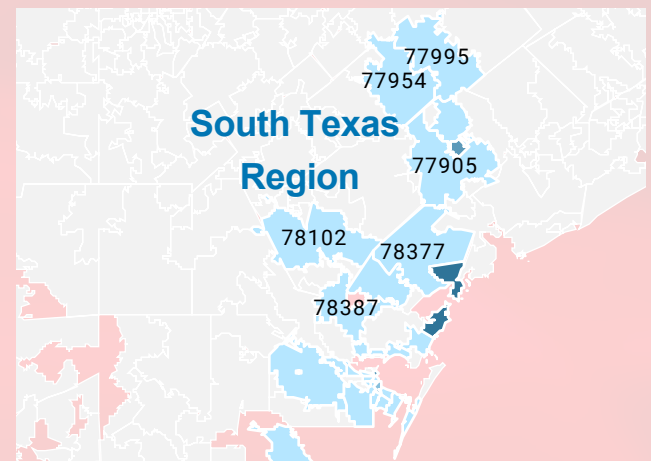
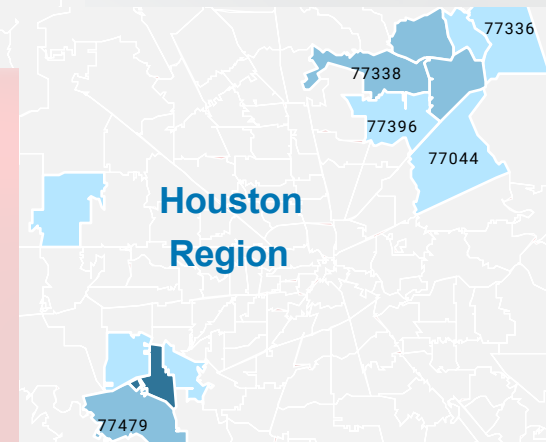
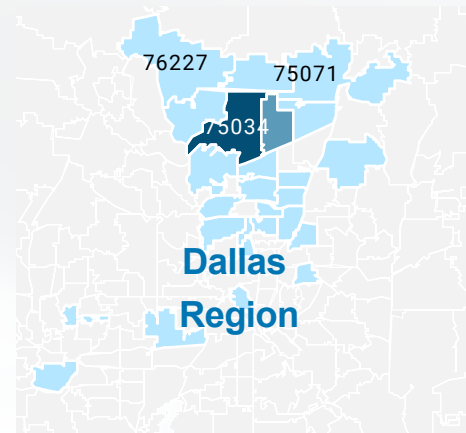
Survey Month: ● March ● April ● June ● August



Respondent Demographics



Respondents by ZIP Code



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Open Businesses (%)
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