

Impacts of COVID-19 On Business Leaders Economic Sentiment in Flagstaff, AZ

ECONOMIC POLICY INSTITUTE

September 29, 2020

AGENDA

- **INTRODUCTION/BLUF/BACKGROUND**
- **SURVEY PULSE SUMMARIES**
- **HOW TO ASSIST RECOVERY**
- **QUESTIONS/COMMENTS/CONCLUSION**

2020 AND BEYOND

REGIONAL IMPACT, TRIBAL ECONOMIC DEVELOPMENT,
LEADERSHIP IN TECHNOLOGY POLICY

Center for Business Outreach

AZ Hospitality Research
& Resource Center

Center for American Indian
Economic Development

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NAU Roads Scholar

Center for Civic and
Financial Leadership *

Leaders On Fast Track *

Join us for the 45th annual

Economic Outlook Conference

*Bringing economic forecasts to
the Northland for 45 years*

THURSDAY, NOVEMBER 12TH, 2020

MANY THANKS TO TASK FORCE PARTICIPANTS

- **Coconino County**
- **City of Flagstaff**
- **City of Page**
- **City of Sedona**
- **City of Williams**
- **Town of Tusayan**
- **Page and Lake Powell Chamber of Commerce**
- **NAU Community Relat'ns**
- **Economic Collaborative of Northern Arizona**
- **Flagstaff Downtown Business Alliance**
- **Flagstaff Downtown Development Council**
- **Flagstaff Lodging and Hotel Association**

SURVEY BACKGROUND

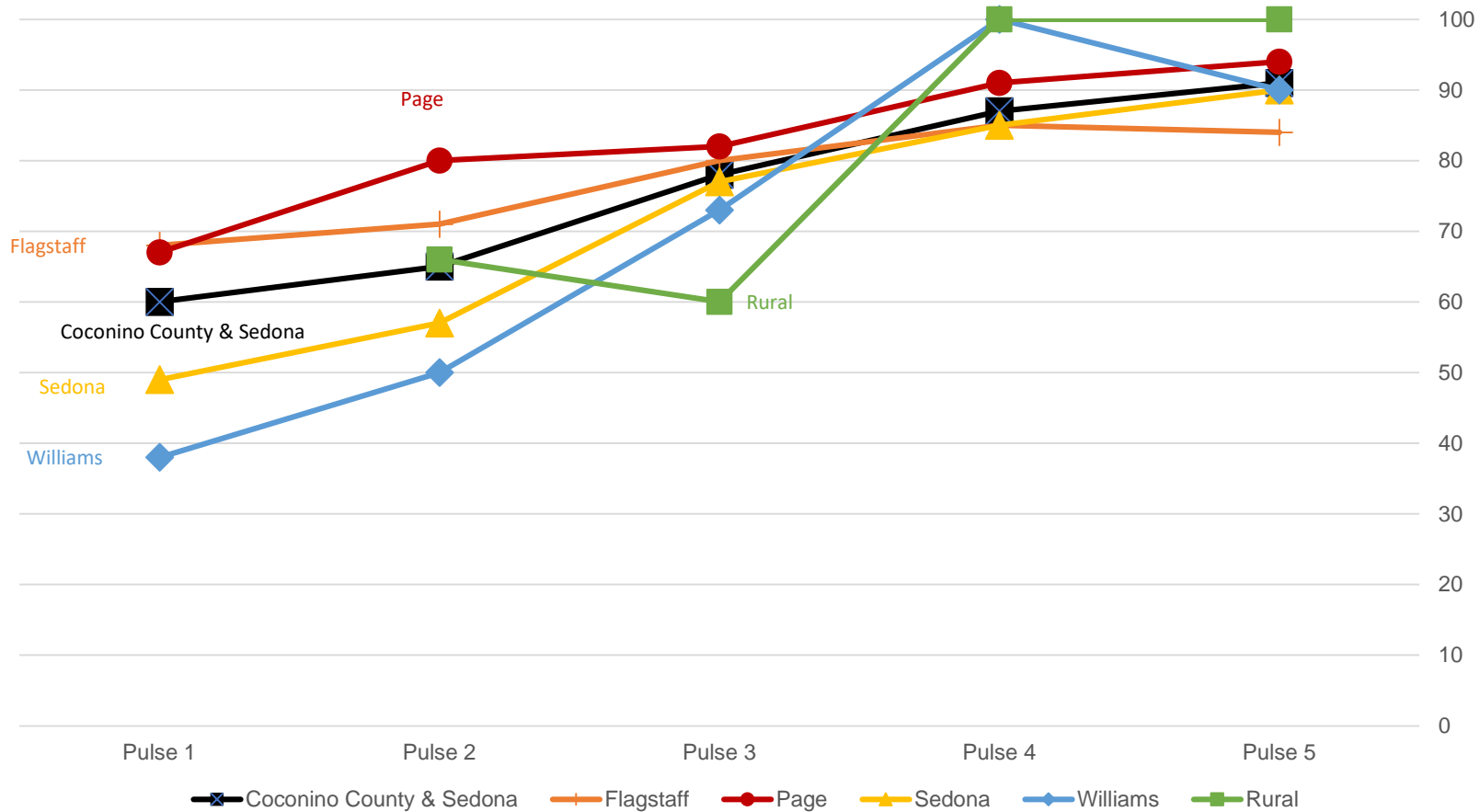
And as you can see from this chart...



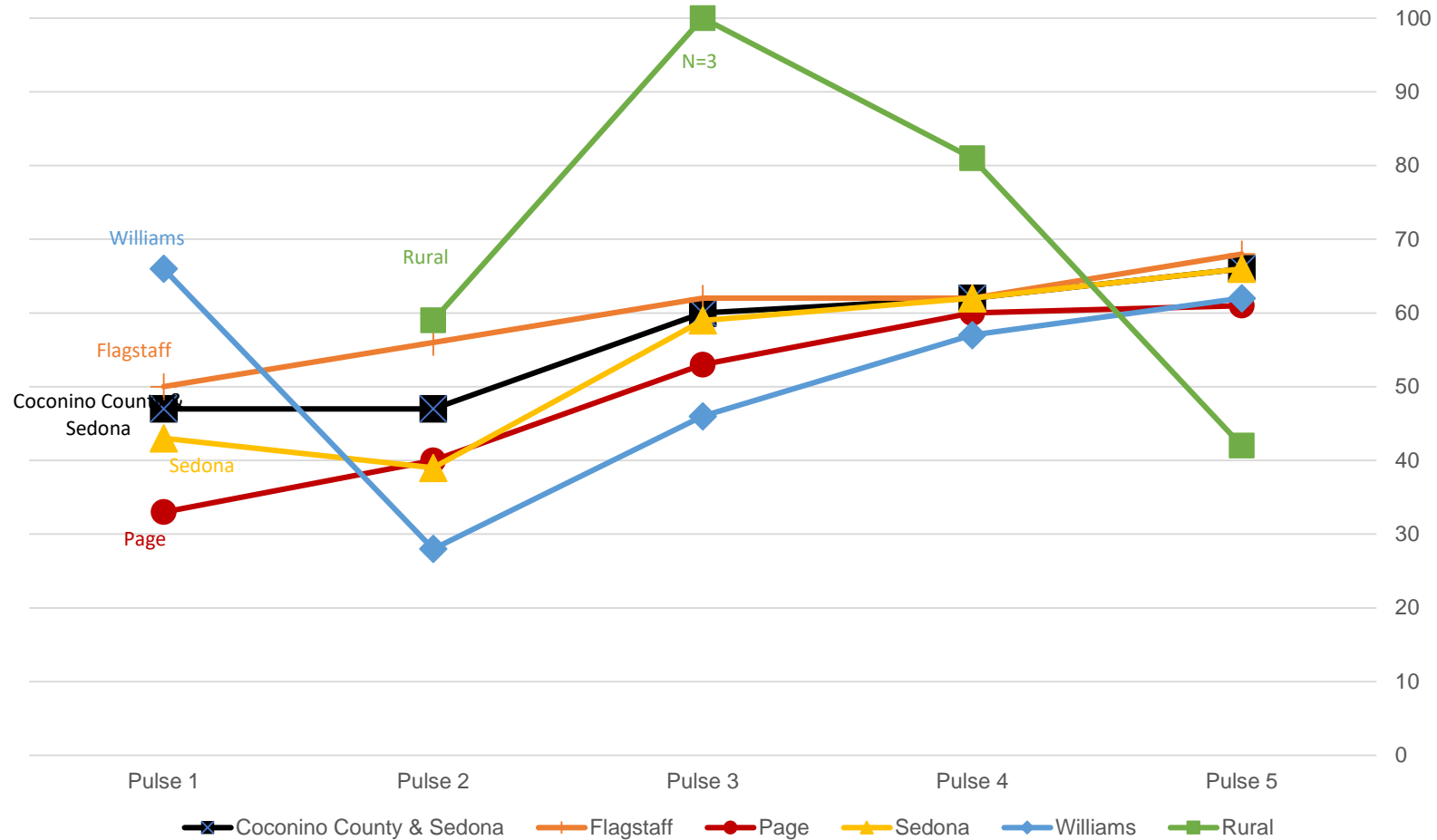
BOTTOM LINE UP-FRONT

- **NOTEWORTHY SMALL BUSINESS RESILIENCE**
- **CONSISTENT IMPROVEMENT IN INDICATORS WITH FEWER-THAN-EXPECTED BUSINESS CLOSURES**
- **SIGNIFICANT VARIATIONS IN SECTOR PERFORMANCE**
- **RECOVERY MAY BE SLOWING**

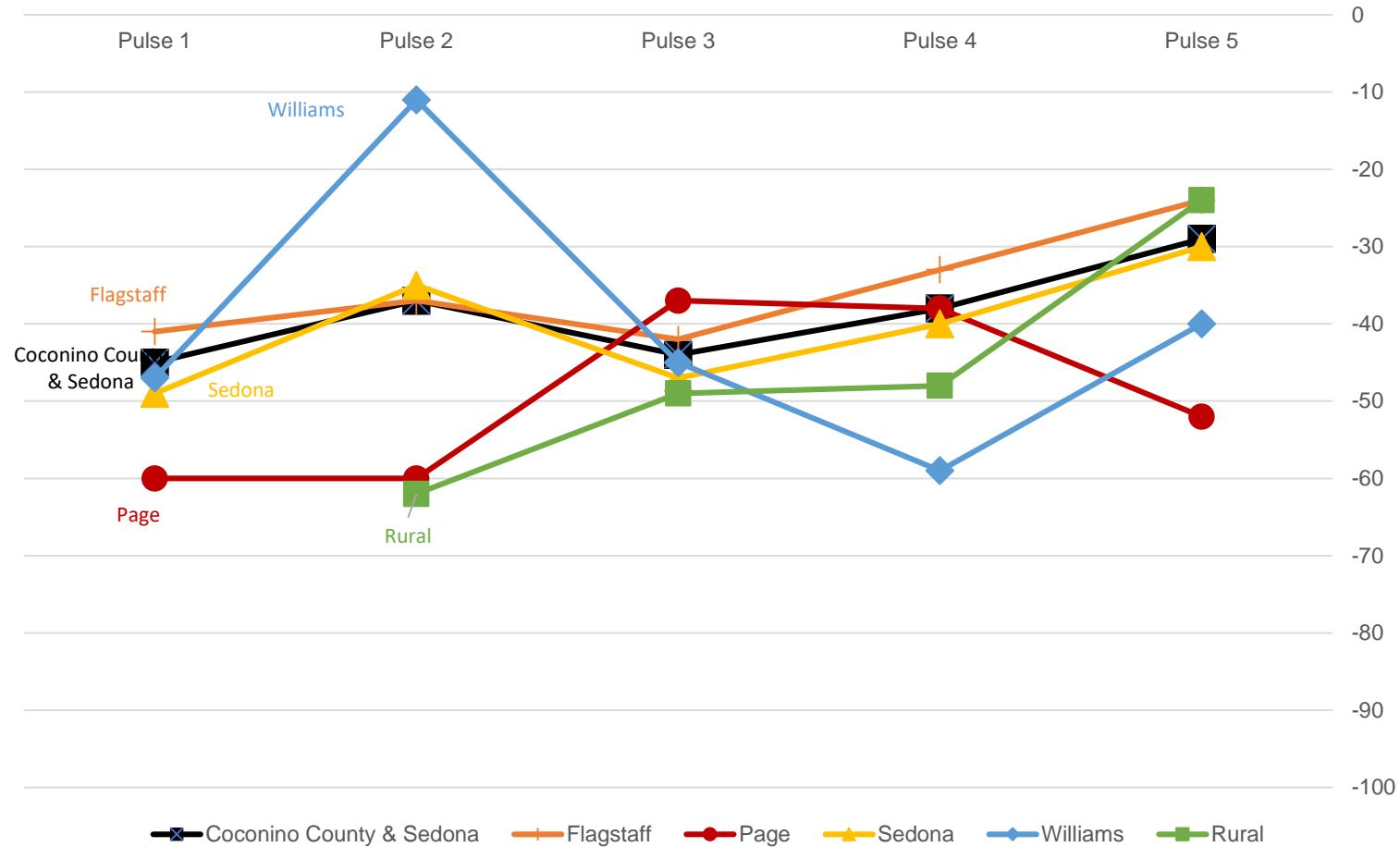
Coconino County and Sedona Percent of Businesses Open



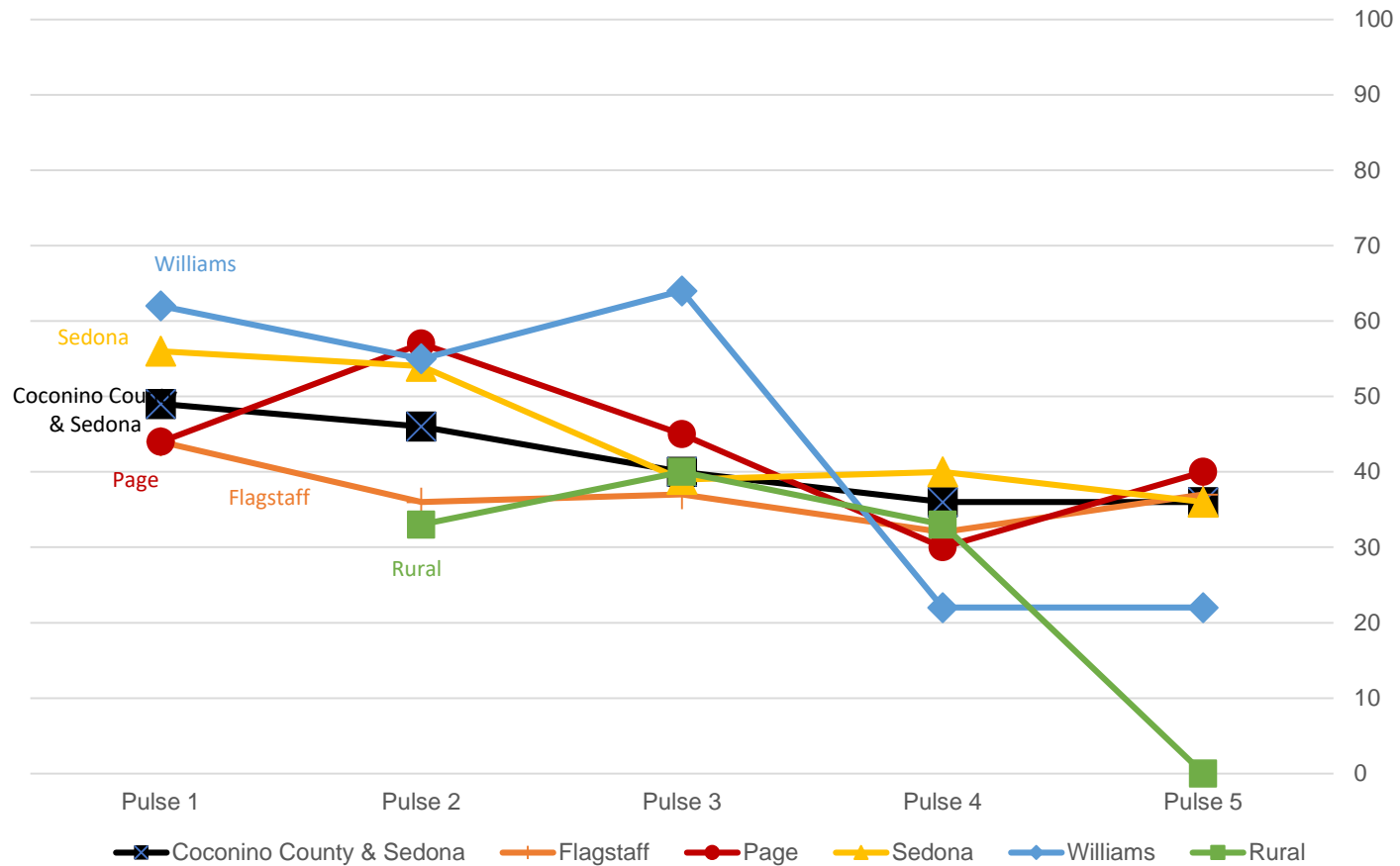
Coconino County and Sedona Percent Operating Capacity



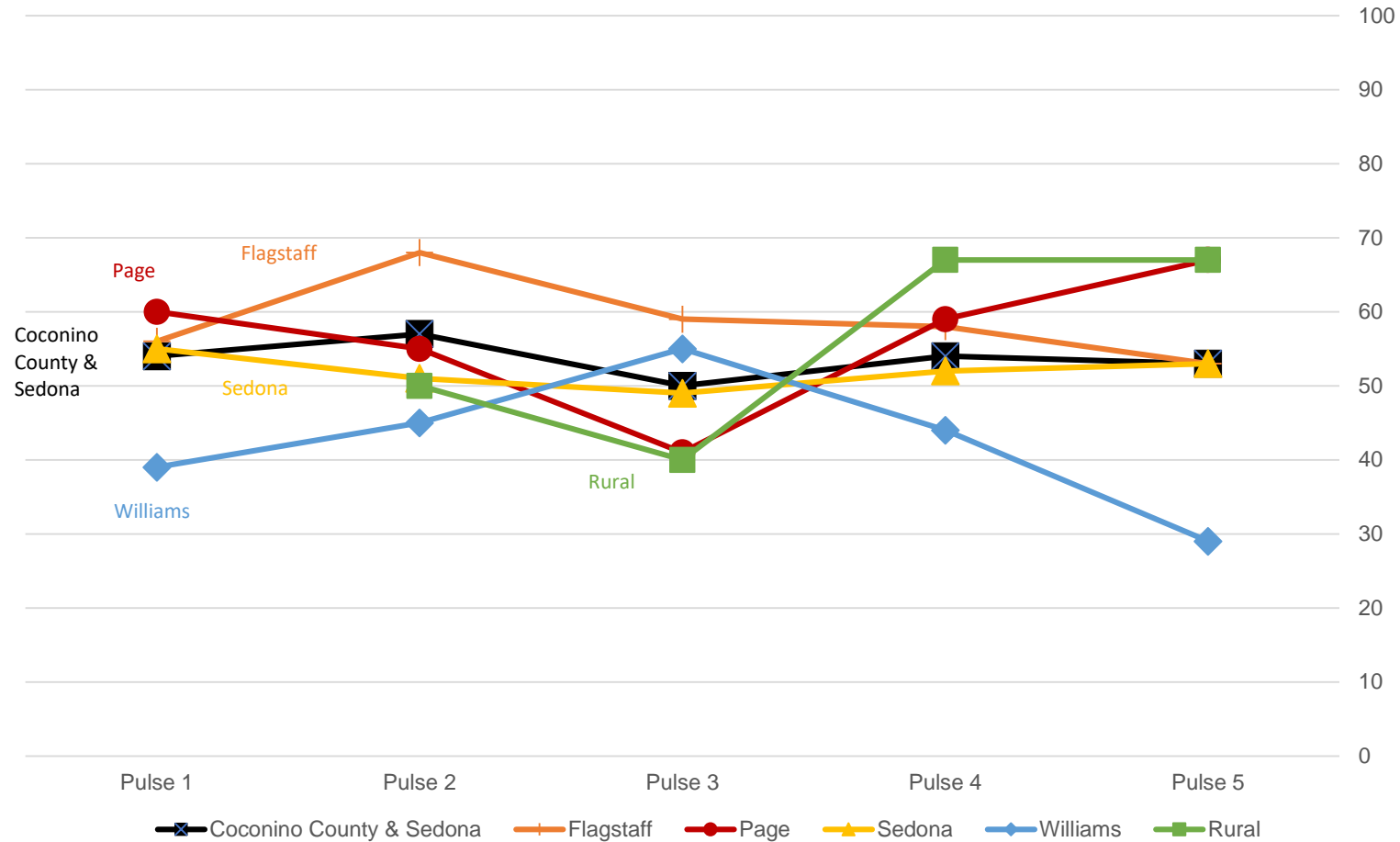
Coconino County and Sedona Percent Change in Revenue



Coconino County and Sedona Percent Layoffs/Furloughs

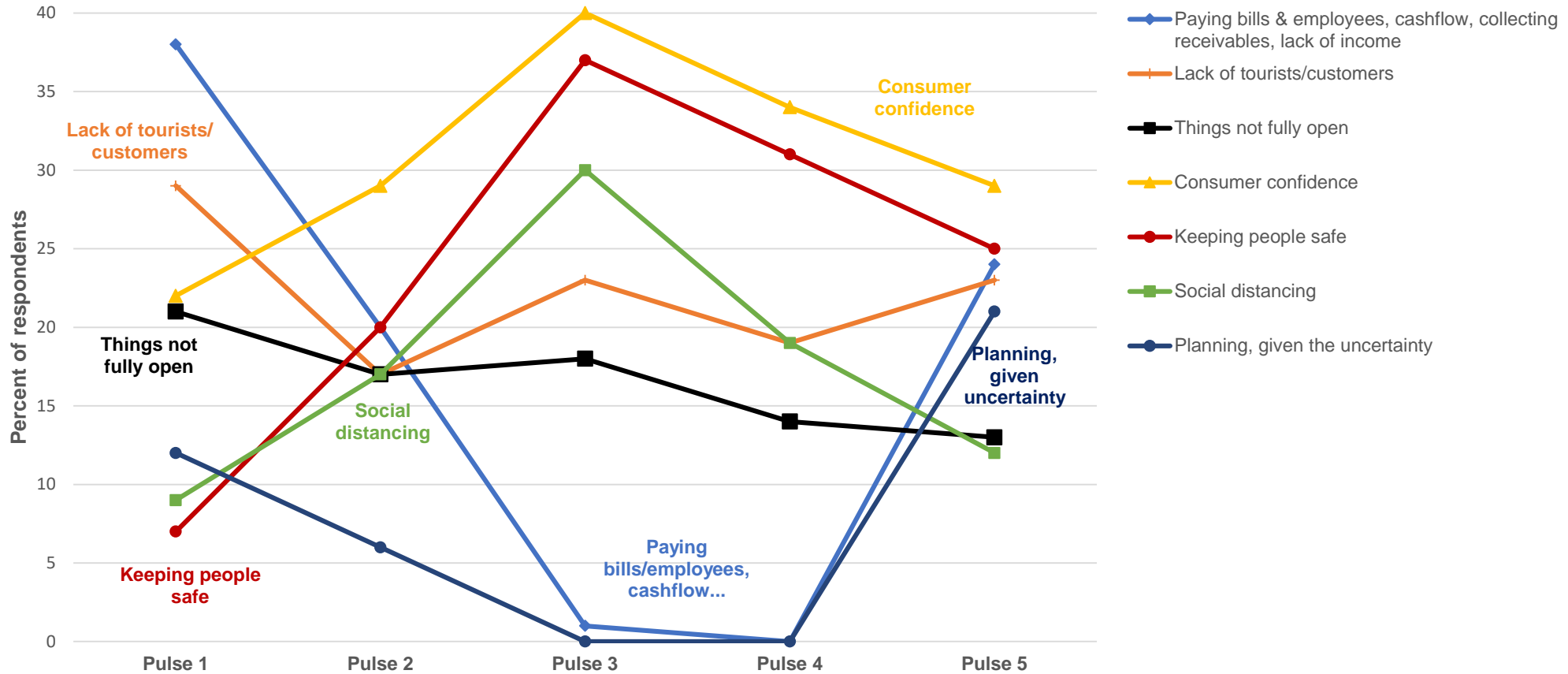


Coconino County and Sedona Percent Applied for Aid



Flagstaff

What is the biggest hurdle to the return of your business?



Flagstaff Pulse 5: September 8-17, 2020 What business sector is your organization in? (N=112)		Downtown Flagstaff Pulse 5: September 8-17, 2020 What business sector is your organization in? (N=30)	
	Column %		Column %
Other	1%	Commercial Rental	3%
Manufacturing	2%	Construction	3%
Transportation	2%	Lodging/Hotel	7%
Commercial Rental	3%	Professional	10%
Tourism/Attractions	6%	Retail	17%
Lodging/Hotel	7%	Medical	17%
Restaurant/Prepared Food	10%	Services	17%
Supplier		Restaurant/Prepared Food	27%
Construction	10%	Supplier	
Professional	12%	Manufacturing	0%
Retail	13%	Transportation	0%
Medical	13%	Tourism/Attractions	0%
Services	23%	Other	0%
Total	100%	Total	100%

Flagstaff					Downtown Flagstaff				
Pulse 5: September 8-17, 2020					Pulse 5: September 8-17, 2020				
Which business sector is your organization in by are you open for business? (N=112)					Which business sector is your organization in by are you open for business? (N=30)				
Are you open for business?					Are you open for business?				
	No, perm. closed	No, temp. closed	Yes, partially open	Yes, fully open		No, perm closed	No, temp. closed	Yes, partially open	Yes, fully open
	Row %	Row %	Row %	Row %		Row %	Row %	Row %	Row %
Lodging/Hotel			13%	88%	Lodging/Hotel				100%
Restaurant/Prepared Food Supplier			82%	18%	Restaurant/Prepared Food Supplier			100%	
Commercial Rental				100%	Commercial Rental				100%
Construction			9%	91%	Construction				100%
Retail			29%	71%	Retail			40%	60%
Manufacturing				100%	Manufacturing				
Transportation				100%	Transportation				
Medical		21%	21%	57%	Medical		20%	20%	60%
Tourism/Attractions		14%	86%		Tourism/Attractions				
Services	4%	15%	38%	42%	Services		20%	60%	20%
Professional			38%	62%	Professional			33%	67%
Other			100%		Other				

Flagstaff Pulse 5: September 8-17, 2020 Are you open for business? (N=112)		Downtown Flagstaff Pulse 5: September 8-17, 2020 Are you open for business? (N=30)	
	Column N %		Column N %
No, permanently closed	1%	No, permanently closed	0%
No, temporarily closed	7%	No, temporarily closed	7%
Yes, partially open	36%	Yes, partially open	50%
Yes, fully open	56%	Yes, fully open	43%

Flagstaff		Downtown Flagstaff	
	Mean		Mean
Percent Operating Capacity	68.24	Percent Operating Capacity	62.46
Percent Change in Revenue	-23.82	Percent Change in Revenue	-25.12

Flagstaff Pulse 5: September 8-17, 2020 Which business sector is your organization in by operating capacity (N=99) and revenue (N=96) compared to normal?			Downtown Flagstaff Pulse 5: September 8-17, 2020 Which business sector is your organization in by operating capacity (N=26) and revenue (N=26) compared to normal?		
	Percent Operating Capacity Mean	Percent Change in Revenue Mean		Percent Operating Capacity Mean	Percent Change in Revenue Mean
Commercial Rental	90%	3%	Construction	100%	22%
Construction	79%	-4%	Professional	90%	15%
Professional	78%	-8%	Commercial Rental	79%	-18%
Retail	73%	-6%	Medical	74%	-29%
Medical	72%	-32%	Retail	66%	-19%
Services	70%	-20%	Services	56%	-36%
Lodging/Hotel	62%	-39%	Restaurant/Prepared Food Supplier	48%	-33%
Other	61%	-47%	Lodging/Hotel	47%	-45%
Manufacturing	56%	-55%	Other	.	.
Transportation	55%	-47%	Tourism/Attractions	.	.
Restaurant/Prepared Food Supplier	52%	-36%	Transportation	.	.
Tourism/Attractions	44%	-64%	Manufacturing	.	.

<p align="center">Flagstaff Pulse 5: September 8-17, 2020 Have you let any workers go as a result of the economic downturn, if so how many by organization sector? (N=32) If you had to let workers go, how many did you let go?</p>			
	Responses	Average number of laid off workers	Total laid off workers
Lodging/Hotel	5	27	136
Restaurant/Prepared Food Supplier	8	21	165
Commercial Rental	0	.	.
Construction	0	.	.
Retail	4	1	5
Manufacturing	0	.	.
Transportation	1	4	4
Medical	2	2	3
Tourism/Attractions	5	4	18
Services	5	5	25
Professional	1	1	1
Other	1	1	1

<p align="center">Downtown Flagstaff Pulse 5: September 8-17, 2020 Have you let any workers go as a result of the economic downturn, if so how many by organization sector? (N=13) If you had to let workers go, how many did you let go?</p>			
	Responses	Average number of laid off workers	Total laid off workers
Lodging/Hotel	1	30	30
Restaurant/Prepared Food Supplier	6	26	156
Commercial Rental	0	.	.
Construction	0	.	.
Retail	1	1	1
Manufacturing	0	.	.
Transportation	0	.	.
Medical	2	2	3
Tourism/Attractions	0	.	.
Services	2	4	7
Professional	1	1	1
Other	0	.	.

Flagstaff

Pulse 5: September 8-17, 2020

If you let workers go as a result of the economic downturn, what percent did you hire back?

(N=24)

If you let workers go, and you hired some back, what percent did you hire back?

	Responses	Average percent hired back
Lodging/Hotel	4	47%
Restaurant/Prepared Food Supplier	7	43%
Commercial Rental	0	.
Construction	1	1%
Retail	3	81%
Manufacturing	0	.
Transportation	0	.
Medical	0	.
Tourism/Attractions	4	55%
Services	3	46%
Professional	1	99%
Other	1	100%

Downtown Flagstaff

Pulse 5: September 8-17, 2020

If you let workers go as a result of the economic downturn, what percent did you hire back?

(N=10)

If you let workers go, and you hired some back, what percent did you hire back?

	Responses	Average percent hired back
Lodging/Hotel	1	19%
Restaurant/Prepared Food Supplier	5	59%
Commercial Rental	0	.
Construction	0	.
Retail	2	71%
Manufacturing	0	.
Transportation	0	.
Medical	0	.
Tourism/Attractions	0	.
Services	1	51%
Professional	1	99%
Other	0	.

Flagstaff

How can city and/or county leaders assist in the recovery of your business?

Have them reach out.

Do not raise minimum wage. Encourage people to get out and travel.

Let our customers assume the risks themselves instead of making us close down.

Thanks for your concern. There is assumed risk in business, that is part of free enterprise and our capitalist system. I don't feel things of this nature should be your focus.

Please continue to implement measures to keep people safe.

Bring more tourists in winter months - maybe a designated snow play area. Without foreign tourists, we need to figure out how to market to guests that can drive here and spend money in our town.

Keep parking free and suspend business license fees.

Establish clear guidelines to move forward.

Enforce rules and regs to encourage consumer confidence.

Support local government and laid off employees.

Fully reopen our community.

Do not limit capacity for outdoor recreational attractions.

Loosen regulations for enclosed patio dining. Allow for flexibility for pop-up kitchens and food trucks on city property.

Better communication on when COVID restrictions will be reduced. Give accurate information to people and let them make decisions.

Restaurants do not have a business model that works at 50% capacity. We need to have all restrictions removed, as they are completely out of proportion to the current COVID threat.

Creating a newspaper that's available to the consumer and the public. Allowing consumers to publicize their location, hours of operation, and website.

Find ways of keeping NAU accountable to mitigate the risk to our community.

Grant money. Tax breaks. Government funding.

Lower property taxes.

Restaurants do not have a business model that works at 50% capacity. We need to have all restrictions removed, as they are completely out of proportion to the current COVID threat.

We need alternative solutions that keep businesses open and ensure public safety at the same time. i.e. Outdoor dining, block off downtown streets so that businesses can move outdoors.

Continue to promote Flagstaff. Get employees and community to support local restaurants.



QUESTIONS/COMMENTS/CONCLUSION

NOTE: PULSE-BY-PULSE DATA AVAILABLE AT

**[https://in.nau.edu/economic-policy-
institute/covid-19](https://in.nau.edu/economic-policy-institute/covid-19)**