



strategic moves
THINKING : BUSINESS

WHITEHORSE CHAMBER OF COMMERCE

BUSINESS IMPACT SURVEY REGARDING COVID-19 PANDEMIC AND RESPONSE JUNE 3, 2020

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Results of the Research



Implications for Advocacy

- Some industries – especially those hardest hit by public health decisions to shutter them, to close schools, to ban all non-essential travel and recommend people stay-at-home – will require far **more extensive support and over a longer period of time** than has been offered so far. This applies especially to bars and restaurants, accommodations and many types of retail businesses.
- **Seasonal businesses** have largely been excluded from financial supports so far; they will require support to carry them to 2021 and beyond.
- **Home-based businesses** have not been considered in the same way as those that rent their facilities, despite having similar needs.
- **Sole proprietors and unincorporated partnerships** carry unlimited risk and liability, which will impact their ability to survive this crisis.
- Because sole proprietorships cannot be sold like a corporation, i.e. the sole proprietor has to wind down the business and a new owner winds it back up using the assets and goodwill that they bought, any government assistance would seize immediately under current rules. The current rules simply do not apply to any new businesses, even if they are only new on paper. This requires consideration, as impact will be disproportionate for sole proprietors and their successor owners in Restaurants, Personal Care, Accommodations, Retail and Tourism Operators.
- Having **old CRA tax debt** can prevent people from rebuilding their lives post-COVID and from exiting bankruptcy proceedings. Consideration should be given to advocating for a less punitive approach to businesses and creating a fairer tax and tax enforcement system that does not condemn business owners to a life in the shadow of CRA.

Shifts in economic activities: Implications for Advocacy

- Some industries will not return to pre-COVID levels simply by allowing them to be open. Capacity is a major concern. Serving a far lower number of customers cannot require the same staffing complement as previously, yet, the obligations for additional deep cleaning and disinfection procedures appears to require higher staffing levels.
- In terms of Tourism, and Tourism-related business: Yukoners as local tourists will not generate the type of revenue that would allow the industry as a whole to operate successfully. 37,000 Yukoners simply cannot replace 450,000 visitors, however, Yukoners do need to spend their money locally rather than outside whenever possible and feasible. The intensely local and intensely digital nature of the COVID shut down presents opportunity and challenge for local businesses.
- There are some worries about being able to rehire or attract needed staff when re-opening does occur. Yukon had a significant labour shortage before COVID and as business tries to return to pre-COVID activities, labour is likely to remain a challenge.
- The continuing open-ended ban on meetings, events and gatherings, as well as free travel, means that some business owners and employees will need to find new areas of activity and employment that may require different skill sets to sustain themselves. Advocacy related to retraining funds may be needed to ensure Canadians can change careers and continue to support themselves in the long-term.
- Businesses that are re-directing themselves will require access to regular government supports, like ETF and Tourism marketing funds. Those programs must be maintained and available.

Re-opening is complicated

- A few members want to see strong advocacy for opening up the economy and the border to the Yukon. However, it is clear many more are focussed on health and wellbeing of customers and staff and want to be assured that they can make it to the other side safely.
- Yukon's Chief Medical Officer for Health (CMOH) has created a process where every business must develop its own COVID operational plan and, if they are regulated, they must have it approved by the CMOH. This individual approach places an even greater strain on businesses: the CMOH instead should be specific about what is required of businesses based on the evidence and require implementation of these mandatory rules.
- The costs to open with physical distancing, lower maximum capacities, increased staff to accommodate more cleaning and disinfecting, are significant. Business owners are faced with unrecoverable costs, new debt to finance the new public health regime, or a decision to close permanently if they cannot guarantee a sufficient level of profitability to cover those costs and debts.

WCC: Potential New Programs and Services Opportunities

- How to navigate through the next 12 to 18 months:
 - “Business Navigator” (not merely a pivot, or new skills, but the full gamut of business concerns and sorting out both macro-economic and behavioural shifts in buying patterns)
- Sector roundtables to convene business peers to discuss challenges and solutions
- Strategic planning support/one-on-one coaching: far expanded from the Yukon Business Development Program; could partner with Yukon University’s COVID-related Pivot program (55 experts are part of this program already)
- Help in dealing with CRA including tax debt relief: 21% requested some kind of CRA navigation program and 18% feared bankruptcy, including tax debt-related bankruptcy
- Fast track/boot camp to ready businesses for the digital world: even though more Yukon businesses have moved to e-commerce, they are now competing in a global online marketplace that requires new digital marketing and search engine optimization and discoverability skills and tools. The digital world has undergone a major shift in the last 2 years and that is expected to accelerate with the new 5G network speeds coming online in the next few years.
- There is a desire to develop and manage a single digital marketing window for the Yukon where storefronts can be created, business conducted and the Yukon brand brings strength to all participants.

Methodology



Full Disclosure

Inga Petri, principal of Strategic Moves, is a member of the Whitehorse Chamber of Commerce's (WCC) Board of Directors and a member of its recently struck Tourism Committee. She neither had a role in any funding arrangements related to this work, nor was she part of the WCC Board of Directors discussions and decision-making regarding this project or its procurement.

Strategic Moves is an independent, research and strategy consultancy located in Whitehorse, YT and owned by Inga Petri. Strategic Moves was invited to participate in a competitive *Request for Proposal* process that was open to Yukon-based certified professional marketing researchers. Inga Petri holds the Certified Analytics and Insights Professional (CAIP) designation and is a member of CAIP Canada.



Methodology

■ Context and Purpose

- The widening government response to COVID-19:
 - On March 7, the Arctic Winter Games were cancelled due to fears related to COVID-19.
 - On March 18, Yukon's Chief Medical Officer for Health (CMOH) declared a public health emergency and suggested increased vigilance, social distancing and self-isolation rules.
 - On March 22, CMOH announced the first two cases of COVID-19 in Yukon for two Yukoners who returned from the USA.
 - Business closures were mandated as of March 26 and numerous changes to business conduct required resulted in many businesses closing. Over the weeks that followed some businesses continued operating, often via online sales, and other innovations.
 - On May 22, announcements were made outlining conditions to re-open several sectors including the necessary approval for each business of specific public health measures taken, including greatly reduced capacity and enhanced sanitation requirements.

■ Review of Secondary Research and Online Survey Design

- Inga Petri designed and fielded the overall research methodology as well as the online survey, fielded through the WCC's SurveyMonkey professional account thus ensuring professional standards for public surveys are upheld.
- This is the second survey of WCC members and wider business community to evaluate the impact of COVID-19:
 - This is necessary because WCC has a unique membership with most not holding membership in other business associations, and therefore, this is the best way WCC can obtain member and business community input. Other Yukon business associations recent COVID-related survey results to inform public policy have been requested but not received and thus are not included in this analysis.
- We undertook three additional contextual analyses:
 - Review financial situations in several industries that are hard hit by COVID-19, Yukon businesses and first quarter of 2020 GDP impact
 - Review survey results measuring Canadians confidence and changes in purchase behaviours due to COVID-19 response
 - Review suite of current financial support programs, waivers and new operational requirements

Online Survey Methodology

- **This report is based on responses received between May 7 and May 20, 2020, before news of permission to reopen on a wider scale:**
 - 236 individuals started the survey, resulting in 211 completions
- **Recruitment:**
 - WCC’s email list of members and other businesses of 1,026 names, invited by email and one reminder email. 114 responses were received for a participation rate of 11.6%
 - A survey invitation was posted on the WCC website and sent to the Artsnet email list to promote the survey to its 1,200 listserv subscribers. This effort resulted in 53 responses.
 - Facebook posts resulted in 44 responses.
 - These additional recruitment efforts resulted in a more robust sample with several larger sector subgroups.

Participation rate for Email invites	Total
E-mailed invitations	1,026
Bounced/undelivered / opt out	47
Delivered invitations	979
Opened email	454
Open rate	46%
Started survey	128
Eligible completed surveys (89% complete rate)	114
Participation rate (completed /delivered)	11.6%



Online Survey Methodology

- We sent one email invitation and one reminder to non-respondents.
- 11.6% is considered a high survey participation rate, and it is much higher than most standard phone surveys today.
- The results reflect the respondents' current situation and opinions.
- While most surveys today are conducted online and considered valid and reliable, we should not consider the present survey *representative* in the statistical sense. We opted to use a convenience sampling methodology including social media recruitment, rather than a random probability sample. As such, the results should not be extrapolated to the entire business community. The results are valid and reliable for the respondents at this moment in time.
- The survey used a series of skip patterns in order to ensure industry and situation specific questions were asked of each respondent.
- Not all respondents answered every question. Some were not comfortable with sharing specific financial impact information at this time. As such the reader should pay attention to the base number (N) of people responding to each question.

Yukon Business Overview

Yukon Bureau of Statistics: Business Survey 2017

Statistics Canada's Financial Performance by Sector, 2018

Statistics Canada's Economic Report on 2020 1st Quarter GDP



Understanding the Yukon business community (2017 data)

- **Number of active Yukon businesses is about 3,200: 2,400 of these are in Whitehorse.**
- **Of these businesses, 61% (1,943) are home-based businesses:**
 - Home-based businesses are active in every sector of the Yukon economy.
 - They employ far fewer people than non-home based businesses (3,067 versus 11,174), but do make essential contributions to the overall economy.
- **Over half (56.6%) of Yukon's private-sector jobs were in *Retail, Accommodation and Food Services, Construction, and Professional, Scientific and Technical Services* – the first two of these have been hard hit by the COVID response:**
 - Industry gross revenue (2016): Tourism \$263 million, Construction: \$257 mil, Mining: \$479 mil
- **15% of businesses reported being seasonal focused on the summer months (Mining is number one here, followed by Agriculture, Fishing and Hunting). Many tourism operators are also seasonal:**
 - These businesses normally do not have revenue in March or April when COVID became a major concern.

Understanding the Yukon business community (2017 data)

- **Half of all Yukon businesses operate as sole proprietors**
 - 7% are partnerships
 - 41% are incorporated
 - 41% of sole proprietors and 46% of people in partnerships are women (Yukon far exceeds the national average (16%) of business ownership by women)
 - Of note, sole proprietors (owners-operators) are 100% personally liable for any business debts and losses
- **In 2017, about 3 in 10 Yukon businesses had a website. Over the previous 10 year period the figure had risen from 24.4% to 31.4%.**
 - In the age of COVID restrictions, having an effective, e-commerce-capable web presence has become significantly more important.

Tourism industry hit hard in March and April

- **Tourism impact (April to April 2019):**
 - Americans entering Canada by car **-97%**
 - US air travelers **-99.5%**
 - Overseas air travels **-99.5%**
- **Tourism decline expected to continue until Yukon opens its border and Canada does to International travelers.**
- **Revenue from Tourism for top 3 sector:**
 - 12% (\$90 mil) of annual Retail sales
 - 64.5% (\$69.8 mil) of Accommodations and Food Services
 - 16% (\$37.5 mil) of Transport and Warehousing

Revenue and GDP attributed to Tourism in key sectors (2017)



Financial performance by sector in Yukon (2018)

	NAICS 7224 - Drinking places (alcohol)	NAICS 8121 - Personal Care Services	NAICS 722511 - Full-service Restaurants	NAICS 71 - Arts, Entertainment and Recreation	NAICS 721 - Accommodation Services	NAICS - 43-44 Retail Trade
Number of businesses	8	40	59	72	130	178
	Averages in thousands dollars					
Total revenue	1,203.10	172.70	623.90	316.80	559.60	999.90
Cost of sales (direct expenses)	704.90	37.60	283.90	42.40	169.40	672.5
Operating expenses (indirect expenses)	472.00	99.60	298.80	226.80	333.00	257.6
Net profit/loss	26.10	35.50	41.10	47.60	57.20	69.8
	Profitable Businesses in each industry only					
% of profitable businesses	n/a	95%	78%	85%	78%	83%
Total revenue (in thousands \$)		157.00	709.80	310.00	585.90	1,038.40
Net profit (in thousands \$)		38.40	66.30	65.40	86.40	96.4
Profit margin (after all expenses, before taxes)		24%	9%	21%	15%	9%

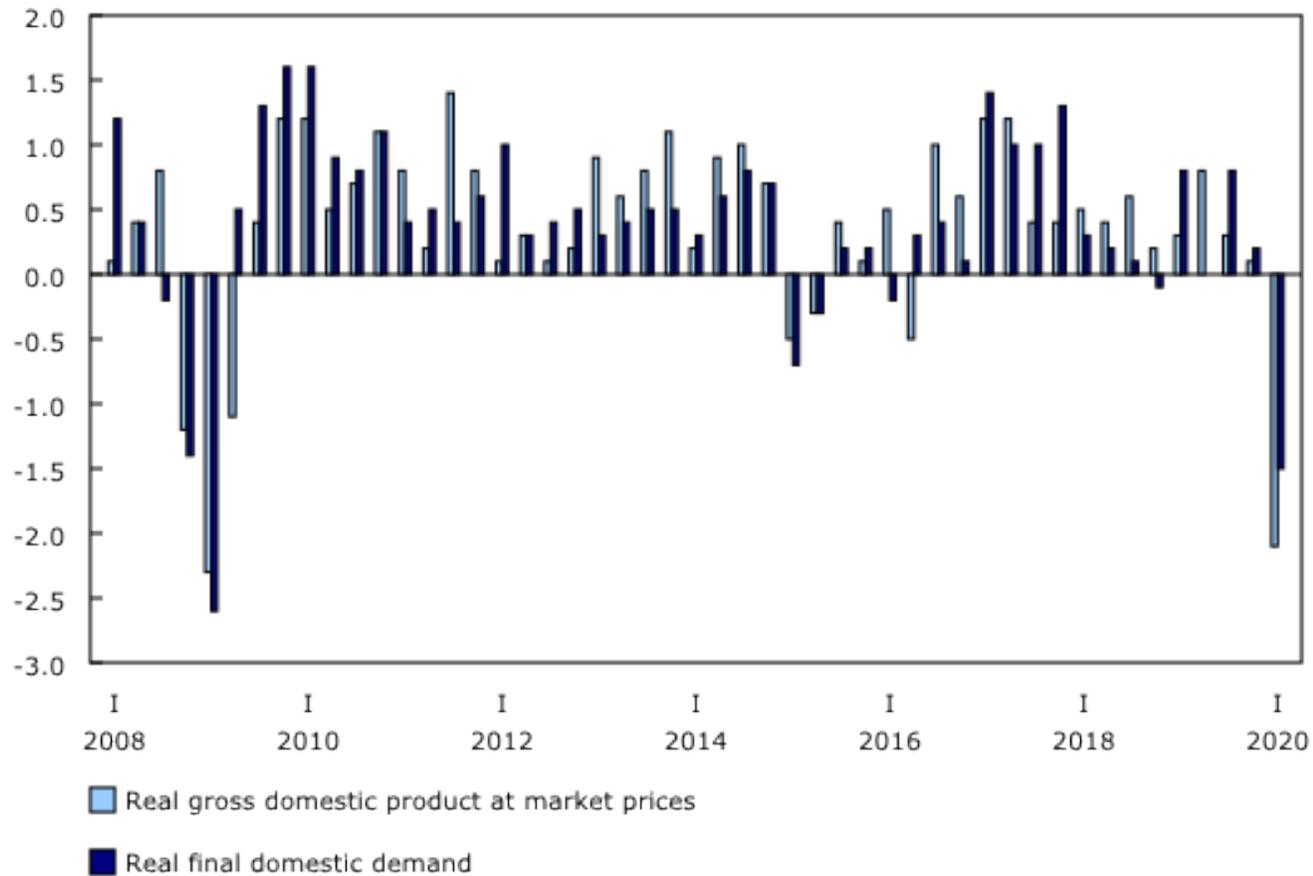
Source: Statistics Canada - Small business profiles, 2018 (Yukon data for businesses earning \$30 k to \$5 mil, data for all businesses over \$5 mil is suppressed)

Financial performance by sector in Yukon (2018)

- **This financial summary reveals how difficult it is in many core industries to make money:**
 - In some sectors like Restaurants, Yukon businesses actually perform better than the national average where 65% of Restaurants earn 7.6% profit.
- **The hardest hit industries (Bars, Restaurants, Accommodations, Retail) already have a large percentage (17% to 22%) of businesses that do not make any profit in a given year:**
 - 2.2% profit for Bars (overall), based on a very high volume of sales
- **Profit margins before tax for those that are profitable are very low:**
 - 9% profit for Restaurants & Retail = 4 weeks out of 52 these businesses earn all their profit
 - 15% for Accommodations = 7 weeks out of 52 to earn profit
 - By contrast, some of the most profitable businesses are Yukon physicians offices which return a 56% profit on revenue of \$408,000 and Management Consultants earn a 65% profit on revenue of \$100,400
 - One of Yukon's founding industries, Gold and Silver Mining, has on average a 23% profit on revenue of \$506,200
- **A 2-months shut down, re-tooling for these businesses means that they are already broke heading into a summer without tourists:**
 - Given that 64.5% of Accommodations and Food Services revenue is attributed to Tourism and 12% for Retail, it is clear that these businesses and business owners will require extraordinary support to avoid business and personal bankruptcy.
 - Businesses that are run as sole proprietorships have added risks compared to corporations because these owners have unlimited personal liability for business.

First quarter GDP impact: 2.1% quarterly drop translates to an annualized contraction of 8.2% of the economy

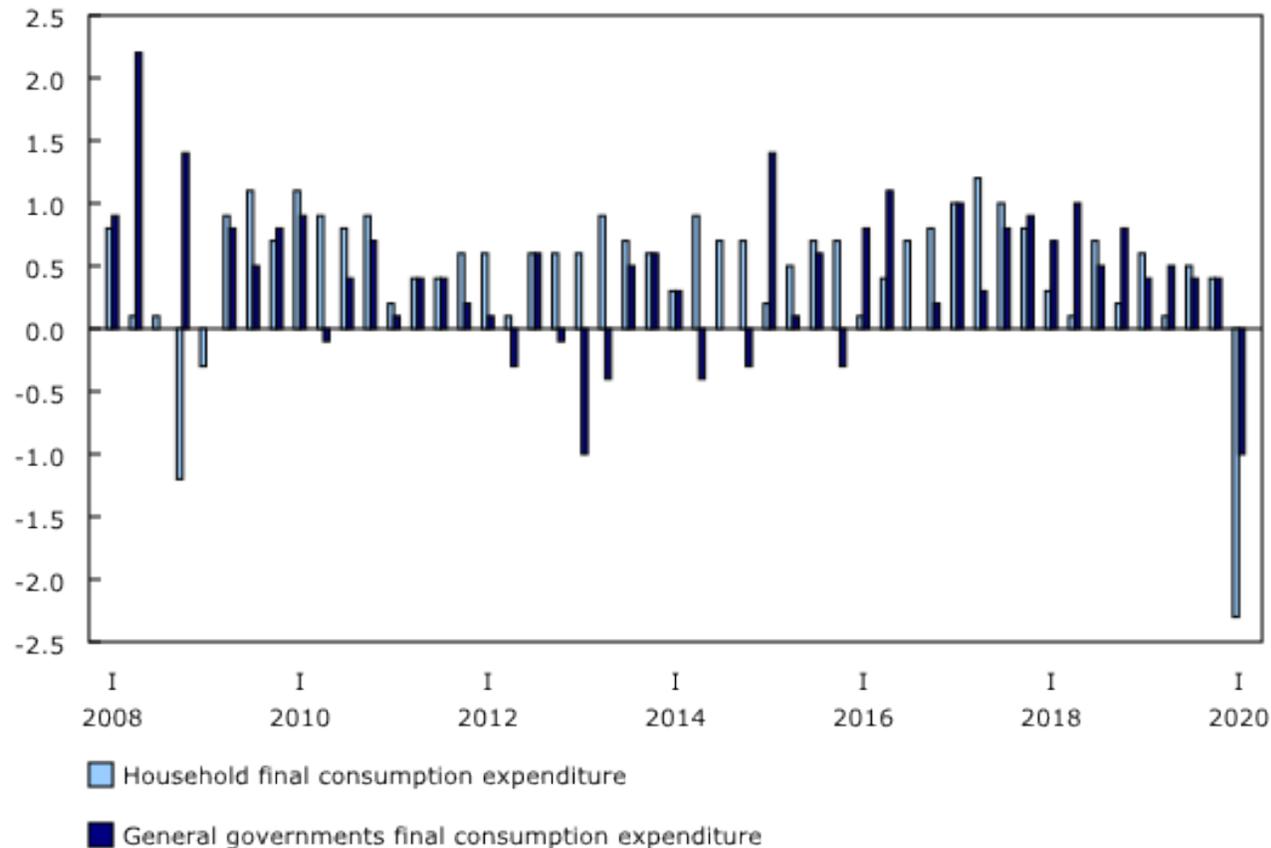
quarterly % change, chained (2012) dollars



- From mid-March onwards, COVID-related shutdowns took effect and the GDP immediately dropped.
 - January and February had been softer due to other factors, like Ontario’s teachers strike and railway blockades to safeguard Indigenous Rights

Spending is down

quarterly % change, chained (2012) dollars

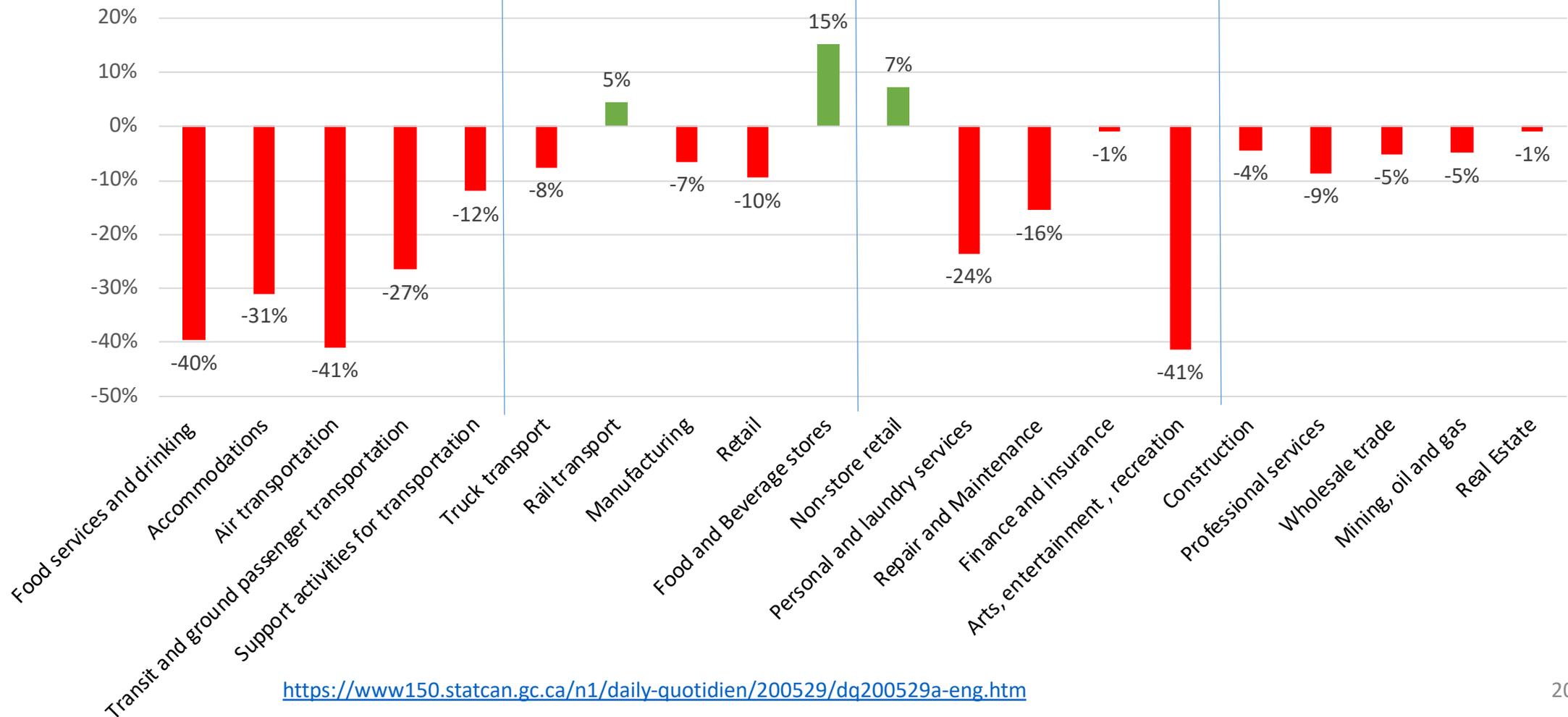


- **Household spending down 2.3% in the first quarter of 2020:**
 - the sharpest decline on record
- **Government spending also down 1%**
- **Export declined 3%**

April and May saw sectoral shut downs, and stay-at-home orders across the country, including the Yukon. This prolonged period of time is expected to result in even greater economic decline.

March decline was sharp and foreshadows a devastating second quarter as the shut down continued through April and May with some businesses re-opening in June

GDP decline by sector in March 2020



Consumer Confidence and Changing Buying Patterns



Consumer confidence low

- **April 2020: Index of Consumer Confidence fell by 41 points to 47.6 (2014 = 100), a historical low.**
- **May 2020: it recovered somewhat to 63.7:**
 - At height of 2008 financial crisis the Index fell to 56.3
 - Most recently the Index had scored around 120
- **Consumer confidence is a measure used to gauge Canadians appetite to spend money**
- **As re-opening plans have started to be implemented, there is a cautious optimism among Canadians when comparing April to May findings, however they are at their lowest levels ever:**
 - Canadians were “worried about their financial situation in 6 months” improved from 36.1% in April to 23.2% in May
 - “Pessimism about job prospects” moved slightly from 53% in April to 52.2% in May
 - Bad time to make a major purchase had a slight improvement from 76.5% in April to 75.4% in May

Major trends: Nesting, Trading down, Online Shopping

- **Significant changes in purchase patterns since COVID**
 - With stay-at-home orders:
 - **Nesting** increased with major positive impact on home décor, lawn and garden, home DIY projects
 - Home gyms
 - Health and wellness
 - **Athleisure** wear and outdoor activities increasing
 - Low consumer confidence results in “trading down” to value purchasing:
 - Dollar stores
 - Discount retailers
 - Off-price retailers (Winners)
 - Online buying/e-commerce/digital tools:
 - When retailers were closed and customers told to stay home, online stores gained in popularity and entirely new user groups appeared suddenly
 - Rapid adoption of digital tools to enable online learning, remote working and entertainment
 - Those businesses that had invested were well positioned; those who did not have an e-commerce ready site, needed to make large investments at a time when they needed to curtail spending
 - Travel, Tourism and related businesses are not expected to rebound until some time after travel restrictions are loosened and borders within Canada and to Canada are re-opened.

Financial Support Programs

**COVID-19 public health response and financial mitigation for those affected
(Detailed program information in appended Excel file)**



Federal and Territorial programs available to Yukoners

- **We have identified 57 unique government interventions, including those benefiting individuals and families, as well as support to various kinds of businesses through loans, grants and deferred tax payments.**
- **Most useful programs are those that directly pay for unrecoverable losses and ensure that people and businesses can pay their basic bills:**
 - Canada Emergency Response Benefit for those without EI coverage: \$500/week for 16 weeks within 7 months
 - Canada Emergency Business Account: \$40,000 loan, up to \$10,000 forgivable
 - Yukon Business Relief Program/Regional Relief and Recovery Fund/Northern Business Relief Fund
 - Canada Emergency Wage Benefit: 75% of wages per eligible employee
 - Deferral to pay GST, excise and income taxes to the fall
- **Easing regulatory requirements, for instance to maintain a mining claim in good standing, or permission to hold mandatory Annual General Meetings through digital media have also aided society to continue to function.**

These programs do not deliver to everyone equally

- Home-based businesses don't receive the same benefits as businesses that rent even though their expenses may not be much lower when they carry a mortgage and pay property tax.
- Sole proprietors, especially small ones, can fall through the cracks of the business support programs due to not having payroll/ not employing others in a traditional employment situation, but still having significant revenue losses; unincorporated partnerships would encounter similar issues.
- Lost revenue tends to be unrecoverable making taking on loans of any sort daunting for the self-employed/sole proprietors especially given their unlimited liability.
- This is particularly important in the Yukon because they are the dominant types of businesses.
- Revenue losses required to qualify for various programs are set without regard for the actual financial dynamics within different industries; in some industries a 10% loss of revenue can mean bankruptcy while in others that level of loss may be more of an inconvenience requiring minor adjustments. For most programs, a minimum 30% loss or more must be demonstrated – that threshold is too high for some of Yukon's businesses have been put in dire straits by public health orders and recommendations.
- There are limitations on being able to apply to different programs when another type /source of COVID funding is received, even though the funding received may not cover all costs.
- Information available when programs are announced can differ greatly from what is ultimately created, e.g. CEWS may not be available to any business with old tax debt, Commercial Rent Relief is handled through the landlord not the business requiring the rent relief.



Online Survey Results

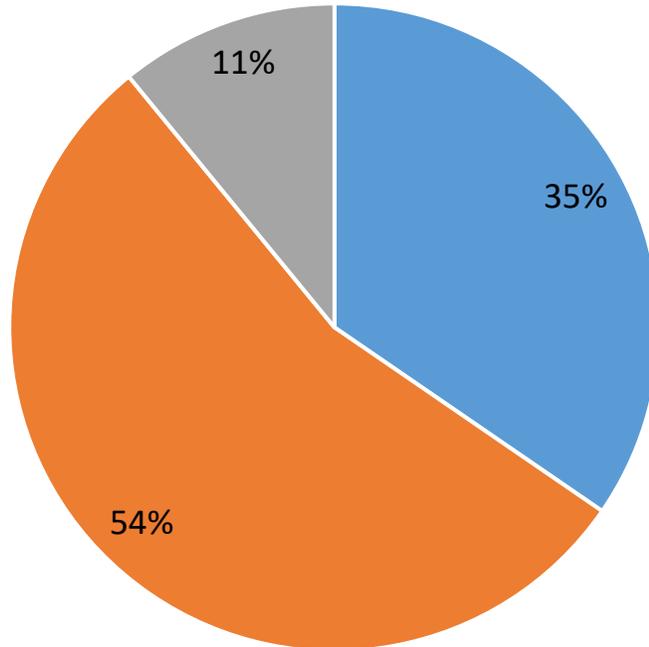
Responses collected from May 7 to May 20, 2020



Respondent profile

Legal structure (N=211)

- sole proprietorship
- incorporated business
- not-for-profit org / assn



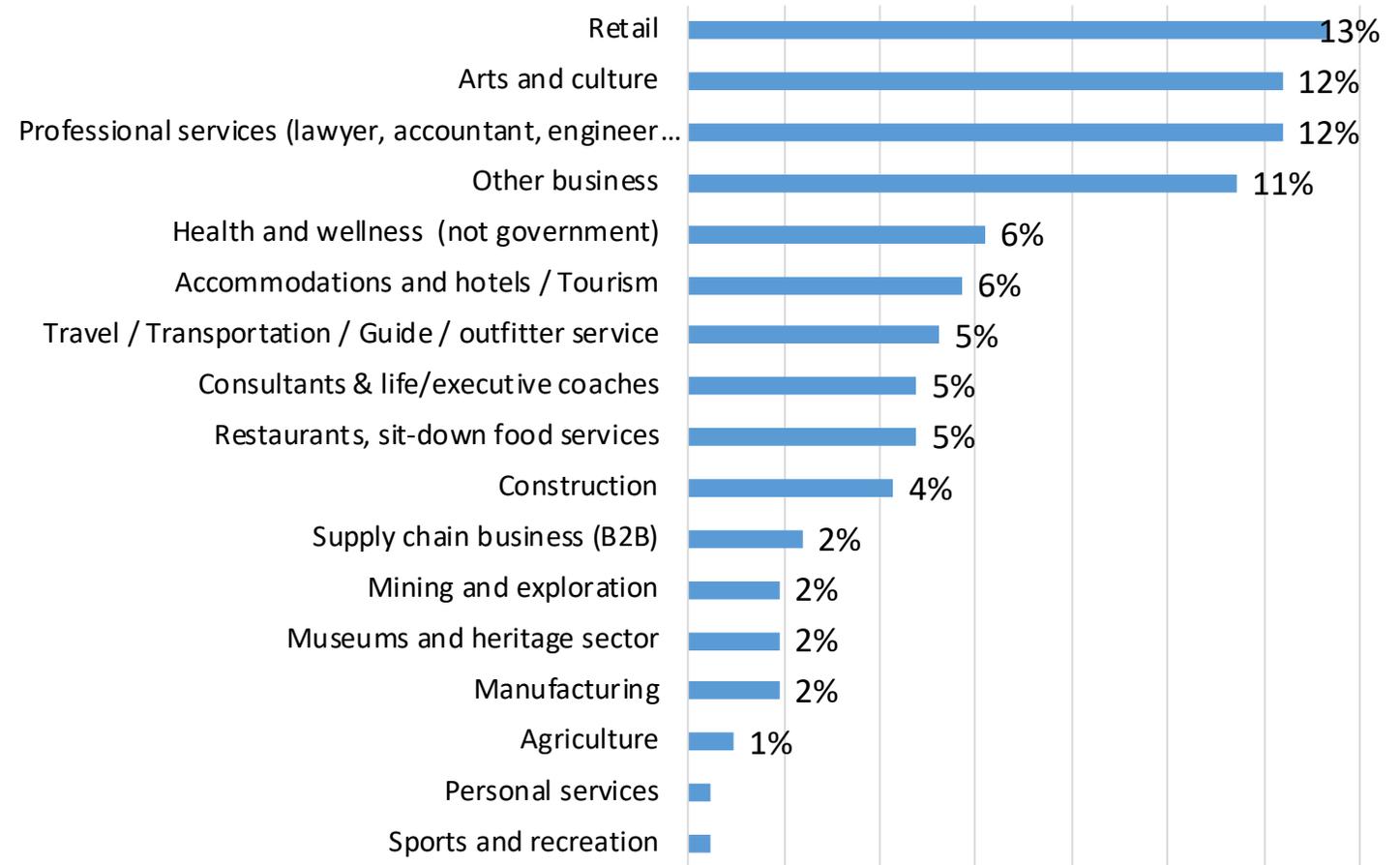
- **35% of respondents are sole proprietors:**
 - Sole proprietors are fully liable for their business activities and debts with their personal property.
- **54% are incorporated businesses:**
 - Incorporation protects business owners from being the *de facto* personal guarantor for any business liabilities. Of note, Yukon has a very large segment of home-based businesses, many of which operate as sole proprietorships, as do a number of other businesses.
- **11% are not-for-profits:**
 - Half of them are in the Arts and Culture sector
- **The website, ArtsNet and social media recruitment added a larger number of sole proprietors, self-employed people, compared to the email list:**
 - 2/3rd of sole proprietors came from those sources
 - Similarly, 6 in 10 of not-for profits did, too.

Q1. Is your organization a ...

Respondent profile

- Achieved participation by diverse sectors.
- **The strength in Arts and Culture/Museums stems from the ArtsNet list and social media outreach:**
 - 20 of 23 respondents came from those sources, rather than the email list
- **Retail, Arts and Culture, Professional Services, along with the two Tourism categories, Accommodations and Transport/Guides/ Outfitters, are the largest sectors represented.**
- **“Other business” range from child care to Media and Communications companies to Tutoring Services**

Sectors (N=211)

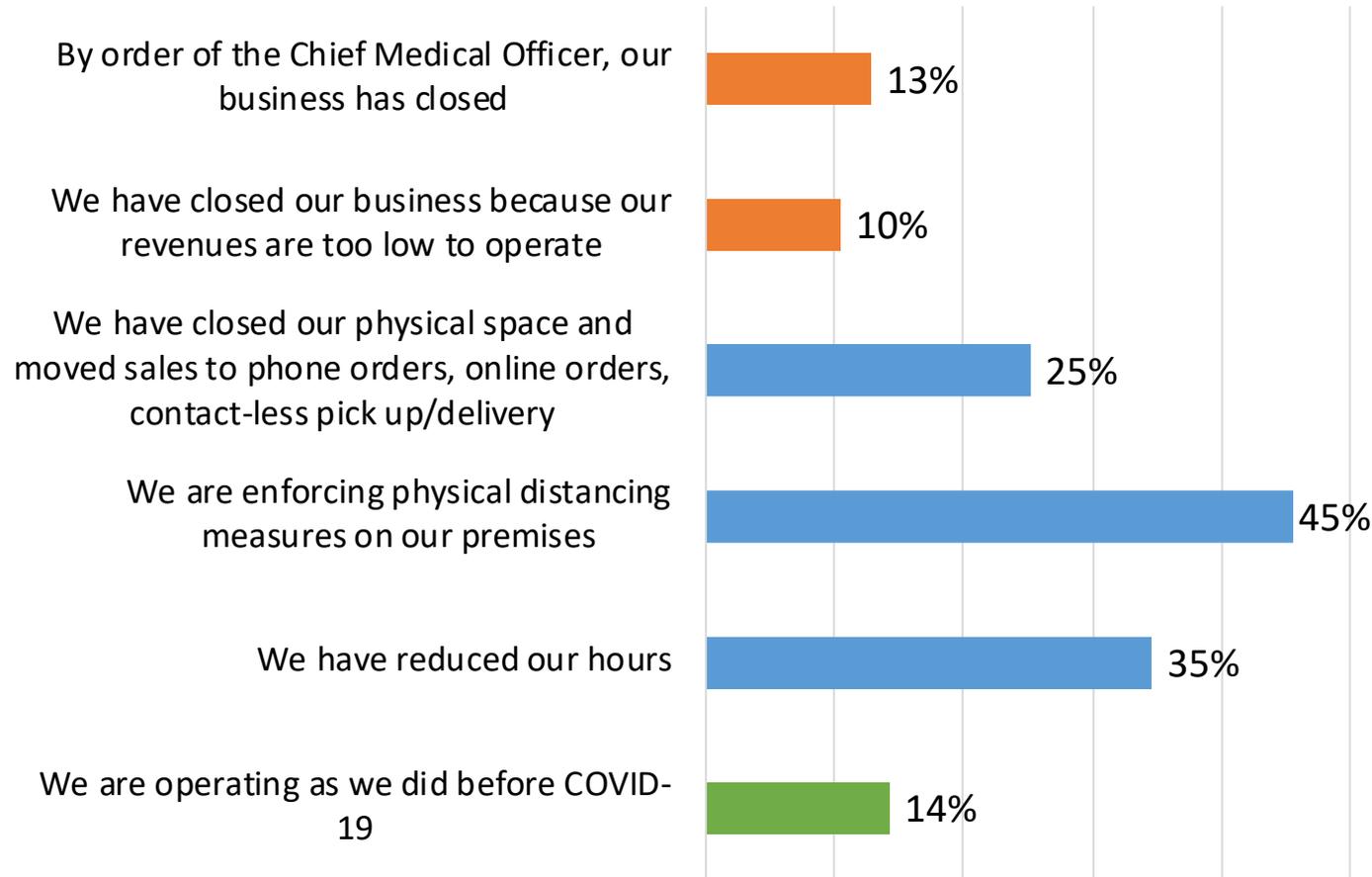


Impacts of COVID-19 Response



Impact on operations: far reaching

Effects on operations (N=211)

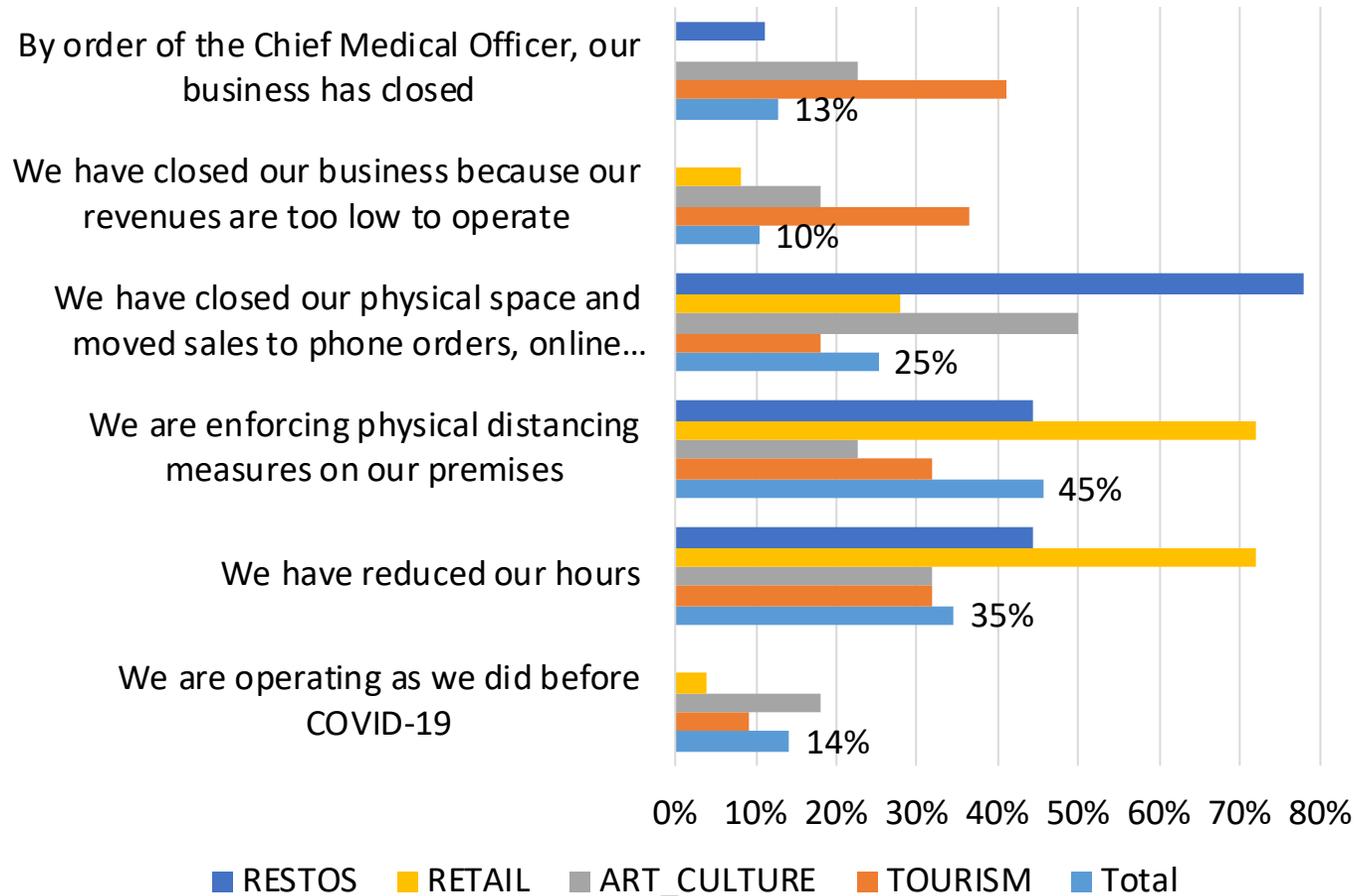


- Only 14% reported operating as before COVID.
- 23% reported closing by order of the CMOH (13%) or because the orders resulted in major revenue losses, making operating too risky (10%):
 - A number of businesses tried to accommodate the public health recommendations before closing.
- 25% have moved their business online/to phone ordering.
- Reduced hours and enforcing physical distancing are the most prevalent response with 35% and 45% respectively.

Q2. What are the effects of COVID-19 on how and whether you can operate your business?
(Select all that apply)

Impact on operations: sector-specific

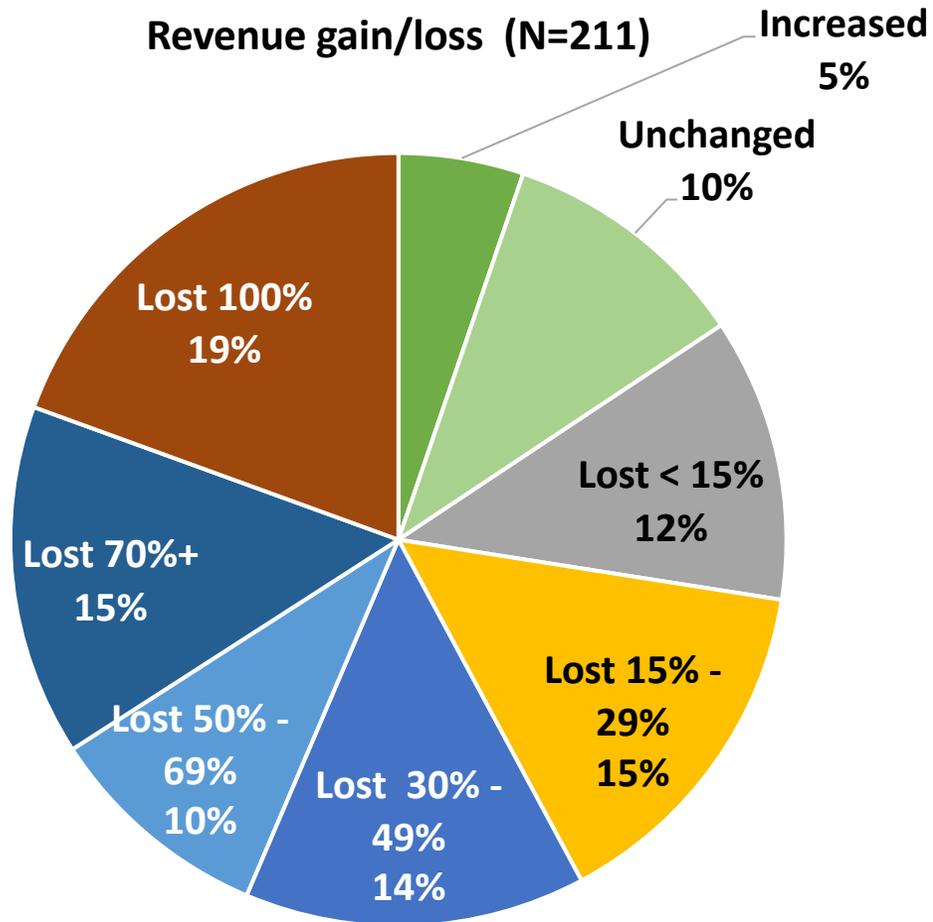
Impacts by sector (N=211)



- The dynamics in each sector are somewhat different due to its nature, and CMOH orders and recommendations.
- Some sectors like Restaurants made taking public health measures central before being shut down; nonetheless, most of the responding restaurants moved to take-out/delivery.
- Retail wasn't ordered to close down, so mostly stayed open with public health measures.
- While the Arts and Culture sector suffers from the loss of all events, some companies have continued to work with COVID prevention measures.
- Some types of Tourism experiences are shut down, but many of these businesses suffer under related changes e.g. closing the border to visitors including Canadians

Q2. What are the effects of COVID-19 on how and whether you can operate your business?
(Select all that apply)

85% report losing revenue – half of them lost 50% or more

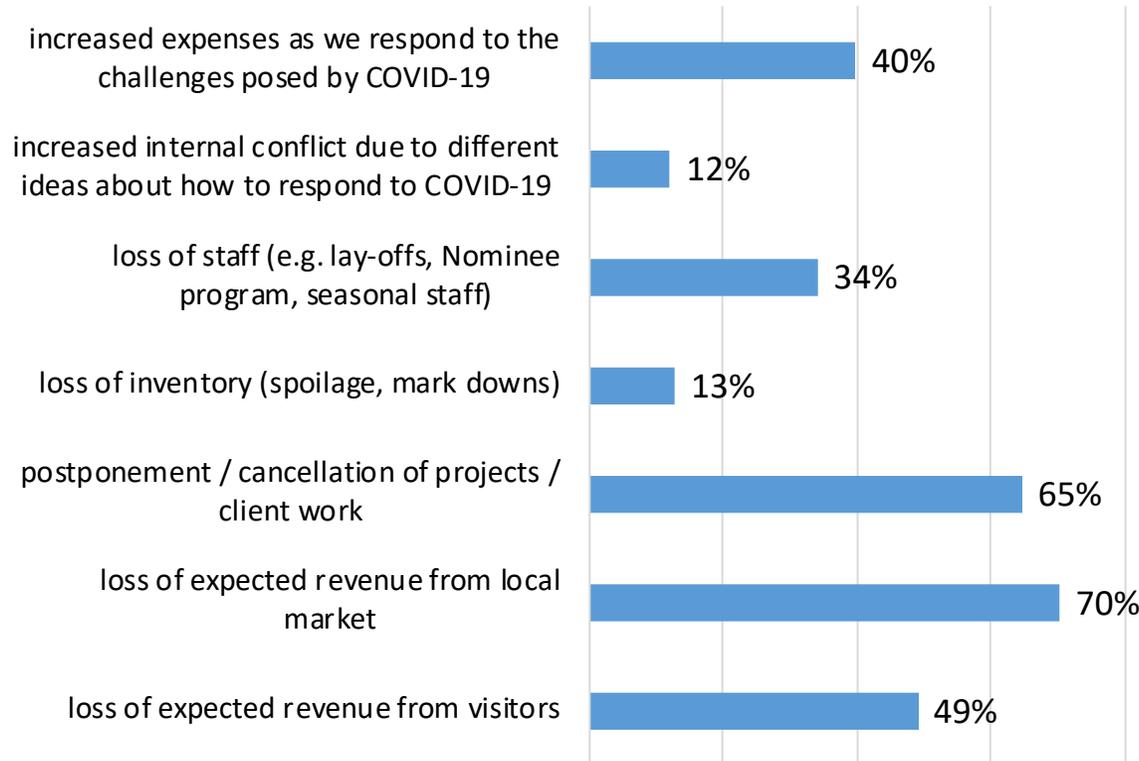


- The wide-spread losses extend to most of the economy far beyond those businesses that were specifically ordered to close.
- In many business sectors, average profit margins mean a business losing around 15% can be in a dire financial situation.
- For Restaurants and Retail, losing as little as 10% of revenue puts them at immediate risk of insolvency, because their average annual profit margin is merely 9% in the Yukon and much of that is driven by tourist spending and some Christmas shopping season.
- The businesses reporting increases in revenue are only 1 in 20, and those unchanged are 1 in 10 of respondents.

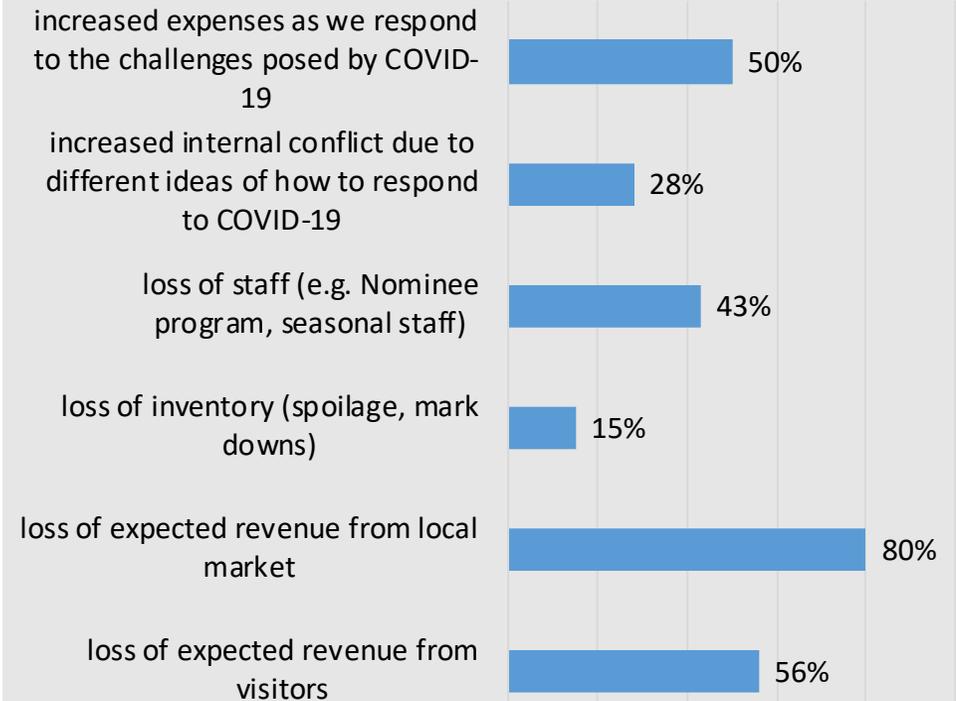
Q3. How has your business revenue been affected by COVID-19 during March and April 2020? Please consider revenue compared to one year ago - or for new businesses, compared to prior months.

Compared to the March survey, the items are ranked in the same way but intensity of response is somewhat different: less internal conflict, 2 in 3 still report project postponement or cancellations as a challenge.

**Challenges due to COVID-19 (N=141)
May 2020 survey**

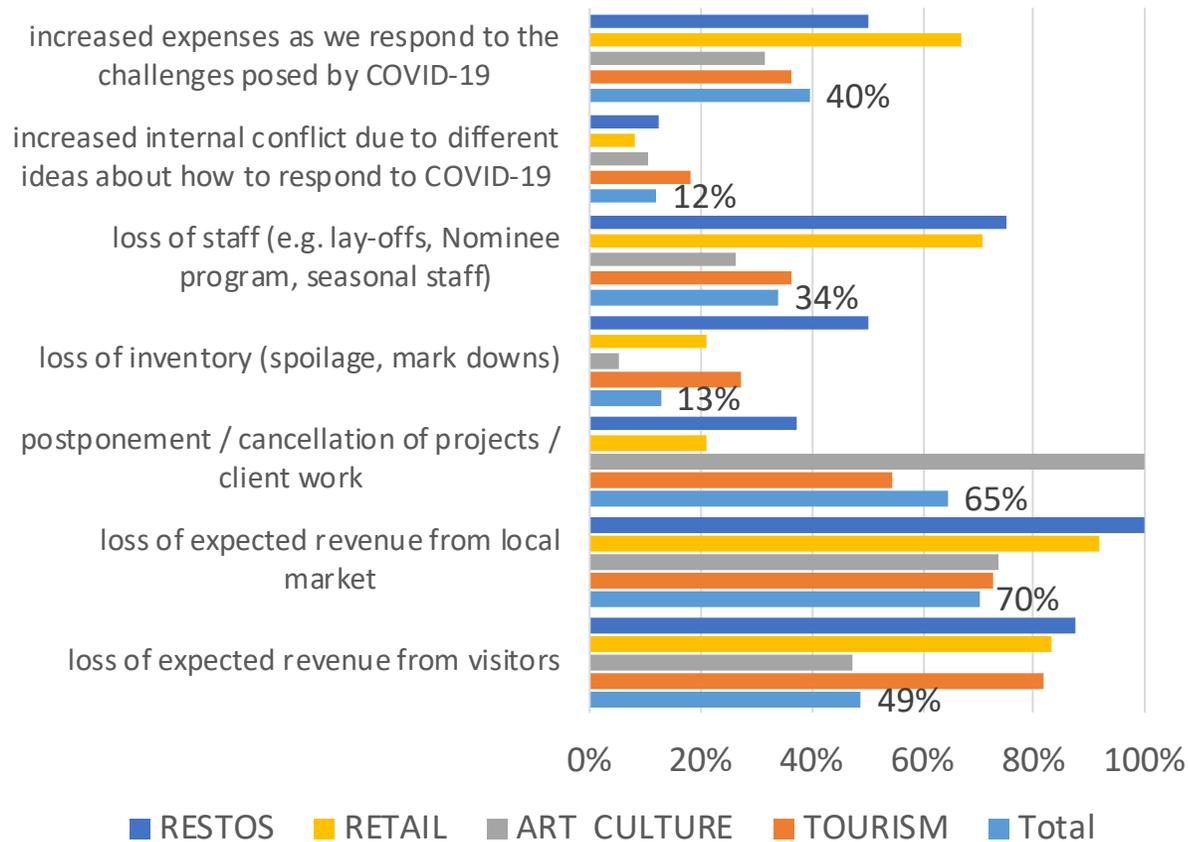


**Types of Losses (N=100)
March 2020 survey**



Challenges vary in degrees by sector

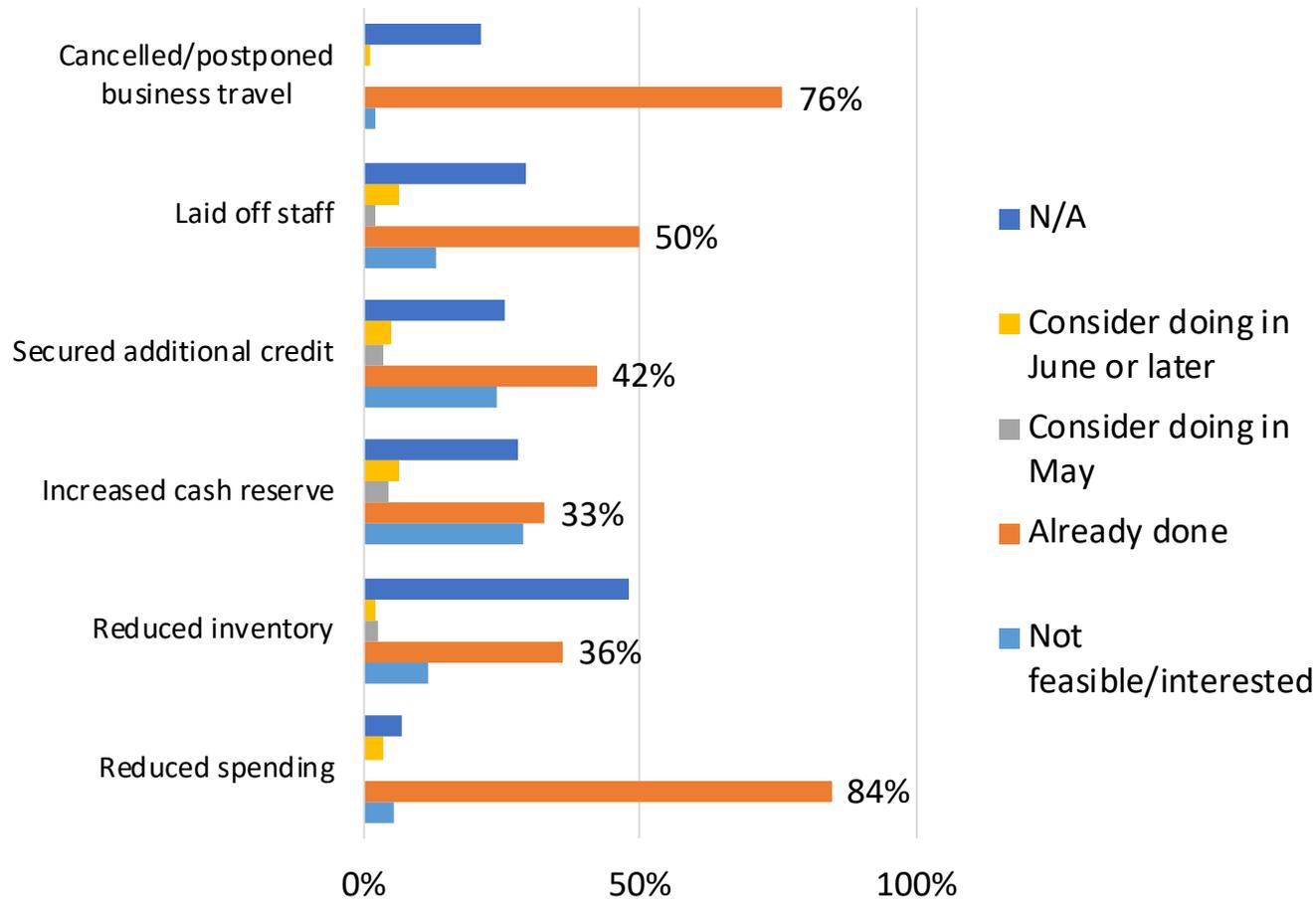
Challenges due to COVID-19 by sector (N=70)
May 2020 survey



- 100% of Arts and Culture events are cancelled/postponed; but far fewer lay-offs than in Retail and Restaurants due to mitigating actions by governments
- All but the Tourism sector report losses from the local market over losses from visitors, even though all derive significant revenue from visitors
- New expenses due to COVID are reported by 2 in 3 Retailers, followed by Restaurants that started take out/delivery services:
 - As Restaurants work to re-open for dine-in with extensive public health measures as of May 29, this should increase
- Other sectors have fewer expenses as they have limited their operations

Businesses reacted quickly

Changes made (N=170)



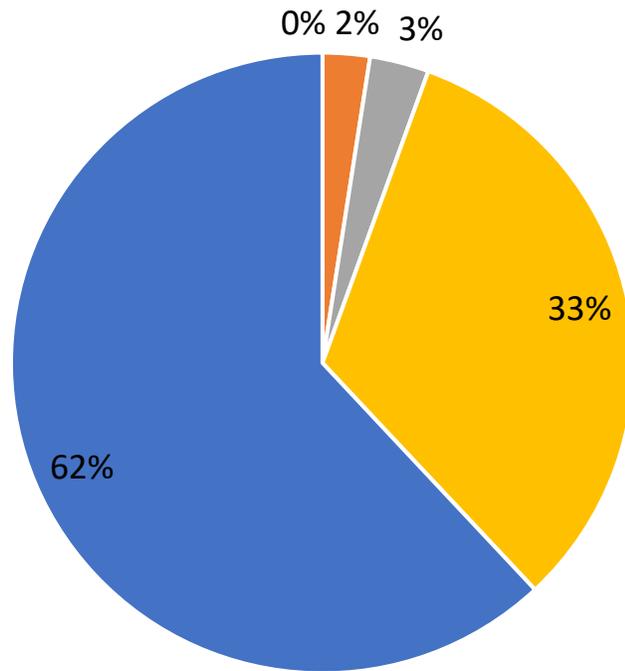
- Reducing spending, cancelling business travel and laying off staff are the top three actions already taken.
- Retail and Restaurants took action across all of the options that were listed.
- While some respondents were contemplating further actions in May, June seemed the next larger decision point, likely due to aid received or announced.
- For 3 in 10, increasing debt is not feasible.
- Due to the nature of some of the respondents, some of the actions are not applicable, e.g. one person businesses cannot lay anyone off; a Professional Service business does not carry inventory.

Q8. Please tell us what changes you have made or are considering making in response to COVID-19?

5% of respondents consider closing by the end of June

Risk of going out of business (N=168)

- have closed permanently
- Yes, perhaps by the end of May
- Yes, perhaps by the end of June
- Not sure, we will wait and see
- No, we expect to weather it

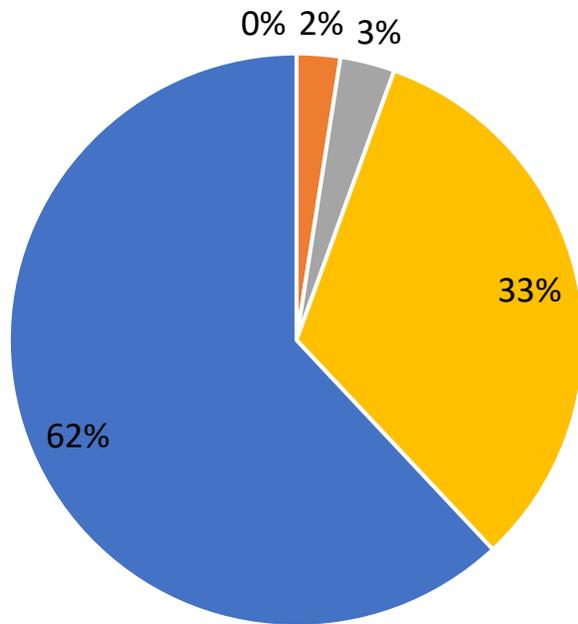


- 6 in 10 say they will weather it
- 9 businesses are on brink of closing permanently, while fully 33% are unsure:
 - The number of businesses at risk could mean a significant change for quality of life for the whole of Whitehorse in the near future.
- Some are pivoting:
 - “New products launched to fit situation, diversify products”
 - “I am already trying to Pivot and offer different services and getting more broad client base”
 - “Will have to open doing something new.”
 - “Store will likely never reopen. Sales thru other retail outlets will likely not return to their previous levels due to lack of tourists”
- Or asking for loosening of restrictions:
 - “As long as the government opens our border back up shortly & not in 18 months!”

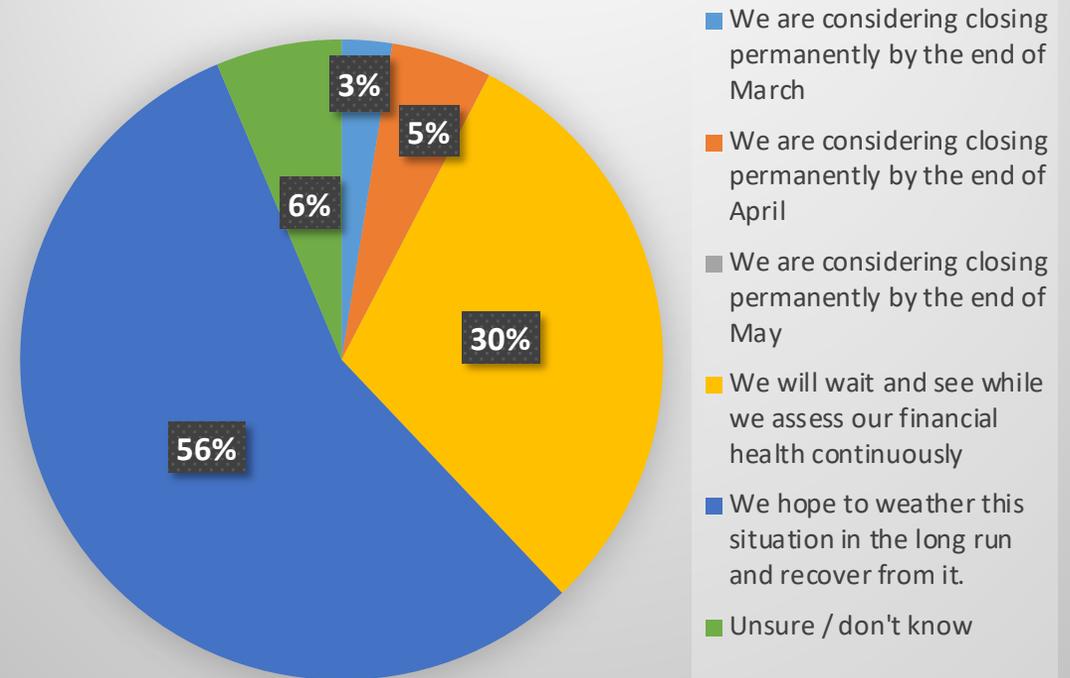
Since March survey, slightly more respondents expect to weather COVID; uncertainty is also slightly lower at 33%

Risk of going out of business – May 2020
(N=168)

- have closed permanently
- Yes, perhaps by the end of May
- Yes, perhaps by the end of June
- Not sure, we will wait and see
- No, we expect to weather it



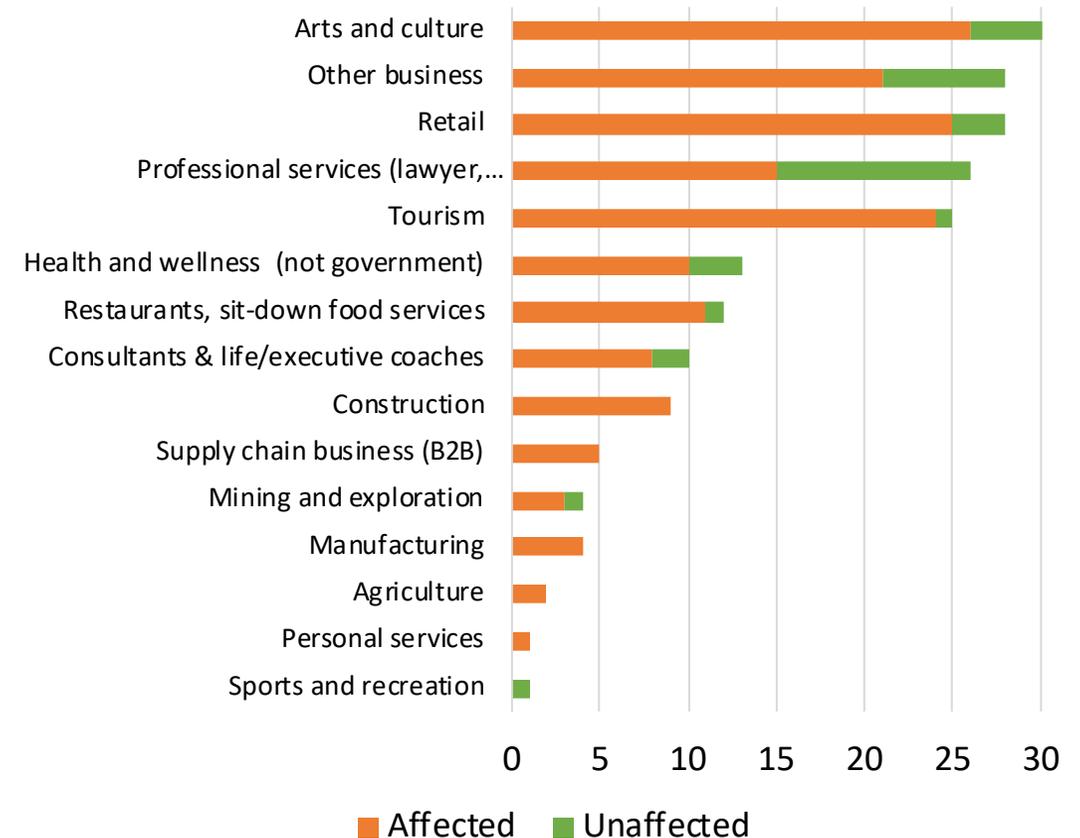
March 2020 - Risk of going out of business (N=84)



How many are affected by declines in revenue

- 80% (167) of respondents report negative effects on revenues, 20% (43) are unaffected or positively affected:
 - Tourism, Restaurants, Retail, Arts and Culture and Supply Chain businesses are **strongly affected** by the COVID response
 - Among Professional Services, more businesses are **unaffected** than other sectors
 - The “Other business” category represents a wide range of impacts from none to very negative due to the wide range of businesses represented

Businesses across sector
(N=167 affected; N=43 unaffected)



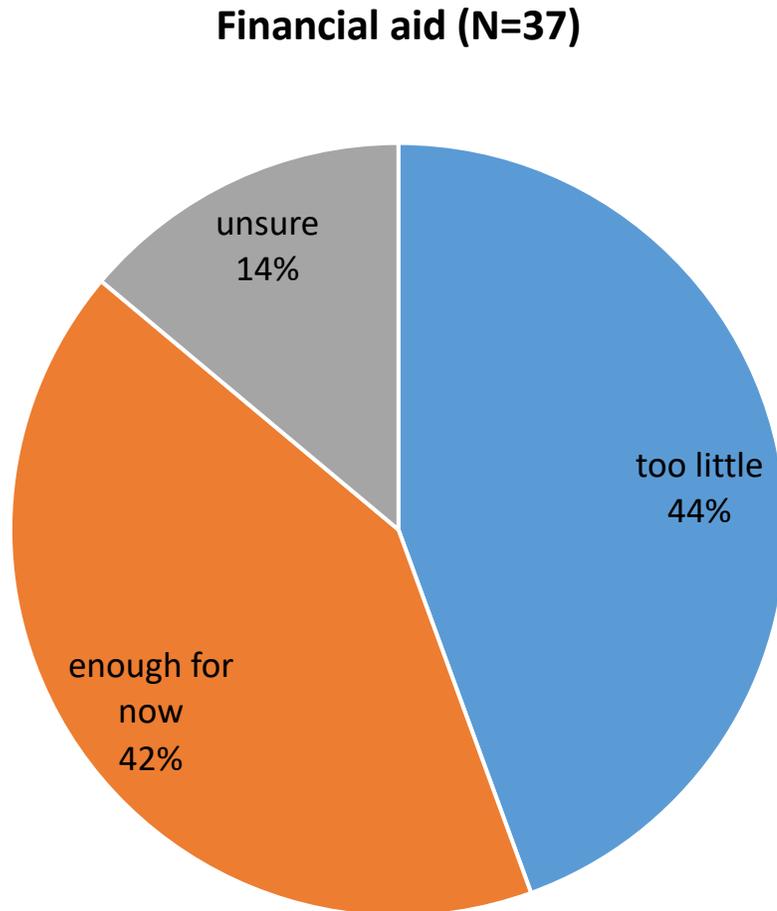
Q3. How has your business revenue been affected by COVID-19 during March and April 2020? Please consider revenue compared to one year ago - or for new businesses, compared to prior months.
Q10 & 11. Please select your business' or organization's main sector:

Serious revenue losses in March and April

- **127 respondents reported a specific loss**
- **Cumulative total: \$4,373,600**
 - In March 2020, 69 respondents estimated \$3 million in losses, showing that the impact continued to worsen through April, even though lay-offs and closures would have limited expenses to some degree.
- **Average revenue loss: \$87,500**
 - A few companies reported losses of \$500,000 to \$5 million, which pushes the average up considerably.
- **Median loss (half above and half below this figure): \$31,000**
 - Each business is quite unique: for some, the loss of a few thousand dollars is as serious as several hundred thousands are for another business.

Q7. Please tell us what your estimated loss of revenue is for March and April 2020 combined, in actual dollars:

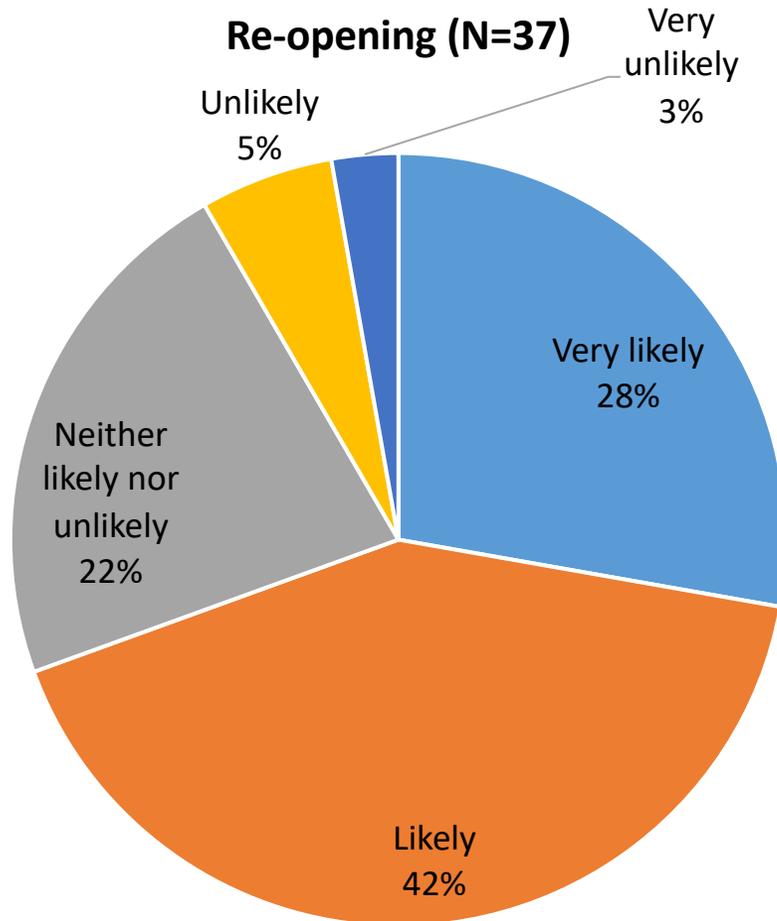
Closed businesses: only 42% say aid is enough for now



- **44% say the aid available is too little; 42% report it is enough for now:**
 - “The money we have received can cover our business expenses but nothing else. Not car payments, rent etc.”
 - “Support for initiatives/projects in Museum/Heritage sectors currently non-existent at territorial level”
- **Ideas for what else is needed range:**
 - “Advertising funding for restarting when the time comes”
 - “Bridge funding for seasonal tourism (2020 to 2021 season)”
 - “more loans with grants”
 - “Contingency plan exceeding the summer month”
 - “It is more about the unknowns of how long this will last and whether we will be able to rent meeting rooms. As well as will there be any demand for meeting rooms with little to no travel to the Yukon.”
 - “Without childcare, our business cannot sustainably continue.”
- **Unintended consequences:**
 - “Our financial aid package prohibits us from earning revenue and we are therefore unable to cover expenses, access federal wage subsidies or offer staff sick days etc.”
 - “Opening of the 40k loans program to sole proprietors who have a business license and no employees. No requirement for business account or 2019 salaries”

Q5. Are the financial aid and loan programs available to you and your currently closed business: too little, enough for now, unsure. [followed by open-end: What else is needed?]

... but most closed business (70%) believe they will reopen



- What are your considerations for re-opening or permanently closing (of those unlikely to open):**
 - “As a senior & a bnb operator, I can’t risk have anyone in my home who might potentially carry the virus.”
 - “As a theatre company, we need to find a way to attract an audience.”
 - “Whether costs of revenue will cover re-opening costs, and whether it will be enough to cover emergency loans”
 - “We will need to open our lounge and be able to continue our social gaming including Crib and Poker nights.”

Concerns of those closed businesses on the fence: customers, revenue, rent and direction by government

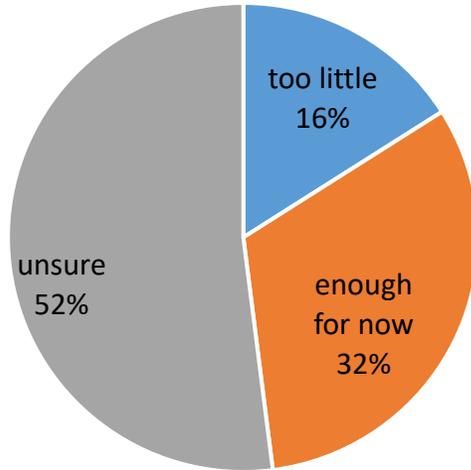
- "I have too much personally invested to see my business fail"
- "Country of origin with tourists."
- "Can we host meetings over 10 people, can you social distance them appropriately? Will there be demand, especially with reduced travel?"
- "With the current financial aid we are unable to save enough money to cover our summer expenses. It is unknown at this time if the financial package will cover our summer expenses so that we can reopen in the fall."
- "Will there be enough revenue to maintain operations"
- "If we cannot pay our lease then we will lose the business as we cannot operate at any other location. If we remain shut down longer than the end of the month or if YTG doesn't cover our rent for the summer until we are open... then we can't reopen"
- "As I work in the tourism industry, with closed borders between provinces and quarantine for airline passengers, I cannot take bookings until the re-opening."
- "Need customers - that requires cruise ship travellers, highway travellers, air travellers and tourists both national and international. Also would need to be allowed to open and operate in my store and i am no allowed to travel to Carcross. or open the store there. I also have strong regular monthly revenues from YAAW Gallery sales and YAAW was closed for this pandemic. And tourism accounts for most of my sales in that gallery as well as through other retail outlets."
- "Most of my work is simply on hold as decision makers are dealing with more immediate concerns"
- "The risk to my own health and finances"
- "We have no direction from government. We don't know if they will ever let us reopen or not."

By Sector: Is Aid Sufficient

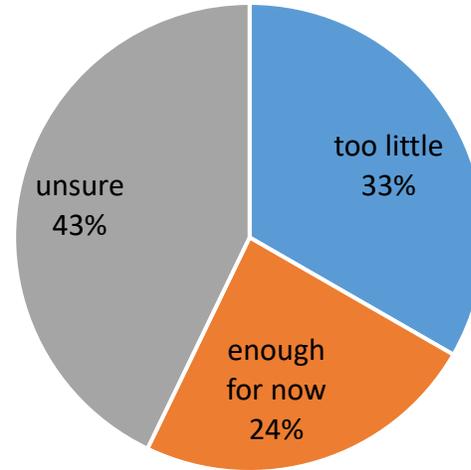


Each sector reacts differently due to specific dynamics

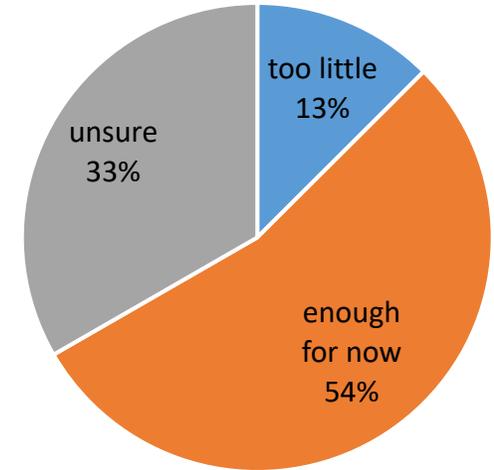
Arts & Culture (N=26)



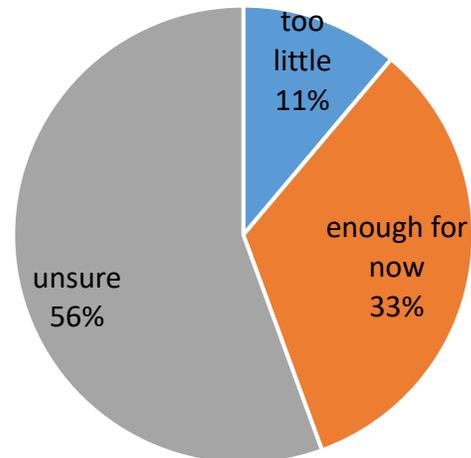
Tourism businesses (N=22)



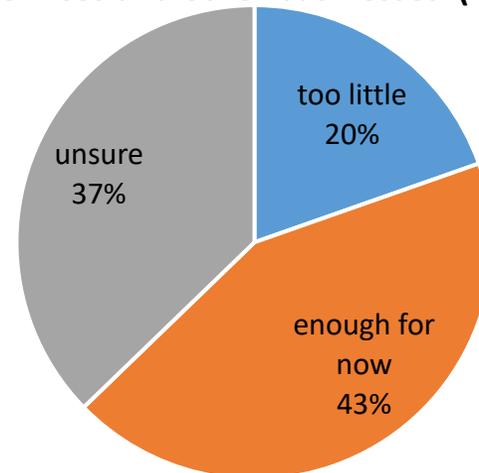
Retail (N=25)



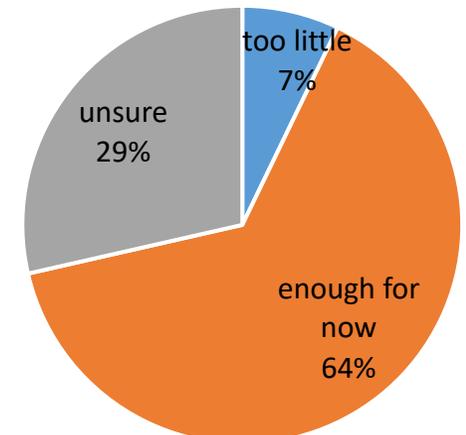
Restaurants (N=9)



Services and other businesses (N=53)

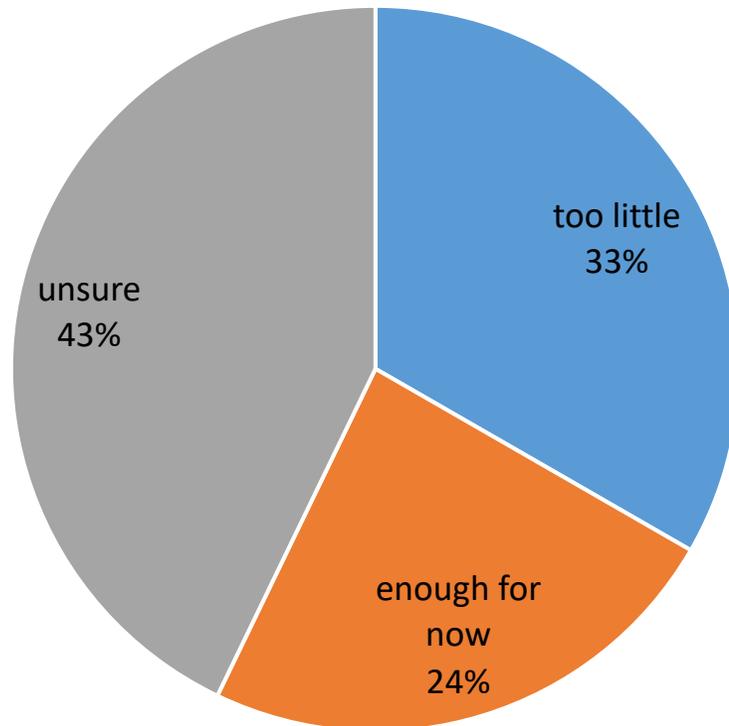


Primary Industries and Supply chain (N=14)



1 in 4 say aid is enough for Tourism: Accommodations, Outfitters/Guides, Transportation

Financial support for Tourism businesses
(N=22)

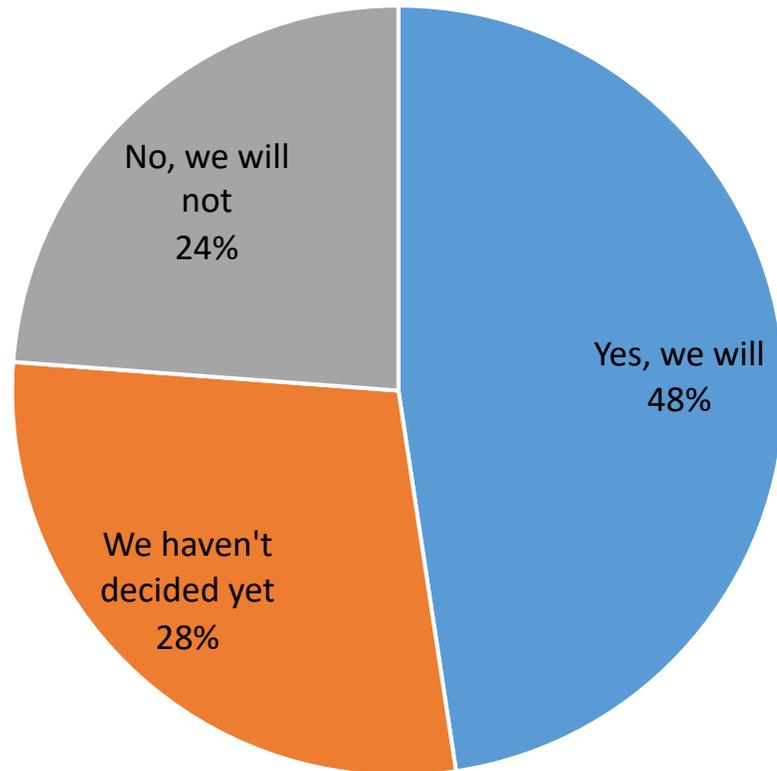


- **1 in 3 report financial supports are not enough, while a majority are unsure**
- **Needs/ideas to mitigate:**
 - “Bridge support to the 2021 season.”
 - “That funds will be available long term. If we miss 3 months of operation in the summer, that is 100% of our yearly revenue. This will not be over for once business is allowed to re open”
 - “Our total family expenses are about \$6K per month. My business loss for April through August will be about \$60K as I depend on tourism. 2K a month for four months from CERB does not cover this loss.”
 - “More loans/grants. Better support for self-employed people. CERB just goes to pay our business bills. We have no personal income.”

Q13. Is the promised support for tourism once travel is allowed through access to credit, Canada Emergency Response Benefit (CERB), new funding for experience development, destination marketing, changes to the Yukon Tourism Marketing Fund to allow marketing to Yukoners and receiving 100% reimbursement of eligible costs: [followed by open-end: What else is needed?]

Only half of Tourism respondents will operate for Yukoners, while 3 in 10 are still considering as risks remain high

Open Tourism service for Yukoners (N=22)



- “We are creating new services at lower prices to try and generate some revenue, opposed to none. We hope to keep a few staff employed, but even if things go as well as we hope, we are expecting a 93% decrease in revenue.”
- “Locals expect a cheaper price. If we reduce our price our business financial model changes and if we don't, we risk poor reviews.”

Concerned because:

- “Our product is great for foreigners or other Canadians but without interest for Yukoners.”
- “Most clients are from Outside”
- “I am a wholesaler to stores. No one wants more inventory right now because Covid.”

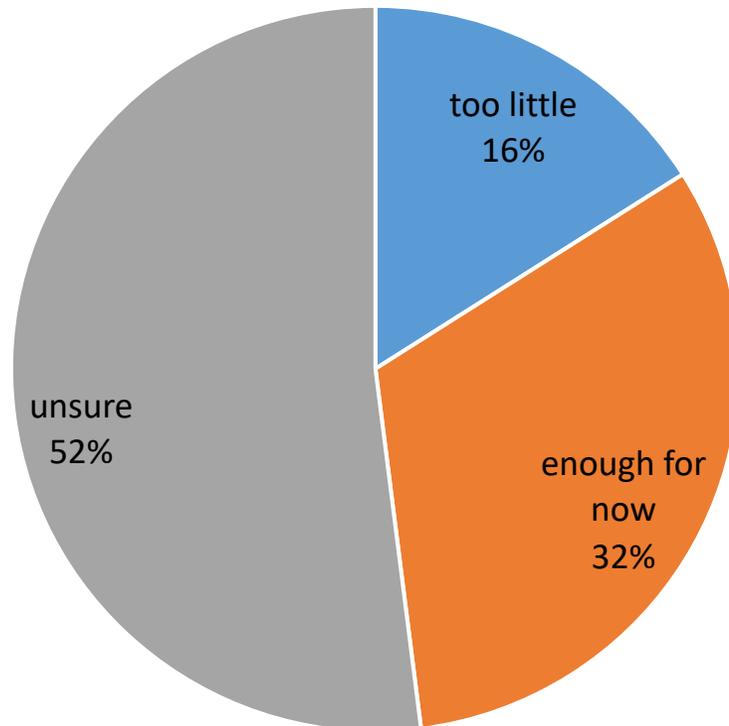
Not able to operate because:

- “We need to be allowed to open [by the CMOH]”
- “I don't feel I can risk getting the virus.”

Q14. Are you planning to operate this year with a focus on serving Yukoners?

1 in 3 say aid is enough in Arts, Culture, Museums, Heritage

Financial Support for Arts, Culture and Heritage (N=26)



- While the majority is unsure about whether the financial support is enough, twice as many say it is enough as say it is too little.
- Needs/ideas to mitigate:
 - “More freedom in project restrictions in shorter term projects. 3 year cycle on long term funding agreements to ensure stability in our organization, as well as remaining nimble enough to react to our changing realities.”
 - “smaller sole proprietor businesses need help too! CERB is ok but only available until June, applied for monthly expenses assistance still haven't had reply to that and due to home business only partial help available. Equalling to only one month support.”
 - “Support for fixed costs, additional supports through 2020 and 2021 as there is no chance to recover activities in 2020”
 - “Affordable housing / rent relief The understanding that many of these things will go on for a while. Venue support for small quiet places.”

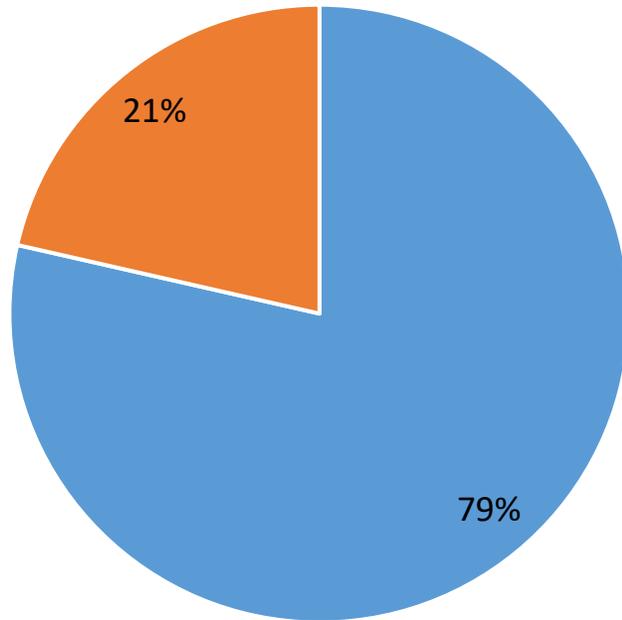
Q12. Is the additional financial support delivered through access to credit, ongoing Yukon Government funding, Canada Emergency Response Benefit (CERB), as well as increases to Advanced Artists Award, On Yukon Time, Arts Fund and Cultural Industries Training Fund: [followed by open-end: What else is needed?]

- “I think there's an opportunity here to take a look at how to better support the (live) music industry in the long run. The funding structures are hopelessly outdated - we all know this, and every study done in the past few years has identified it. I think that serious consideration should go to keeping something like CERB even after the COVID crisis dissipates (universal basic income). It would need to be enough to live on (ie 25k a year?), and to ensure this, politicians should have to live on it. Also, income tax should begin at this level, ie if everyone gets \$25k a year, then anything more that this gets taxed. I also think that consideration should be given to support the live music scene here in the Yukon, as well as the recording industry. There are obvious crossovers into the film world too that should/could have been explored a long time ago, ie making music videos... where's the funding for this? Whether live or otherwise, having a music video is the industry standard, and has been now for some years, but there's no funding structure that supports it (they still require cd's, and we're not living in the 90's anymore...). Strengthening the local internet infrastructure is absolutely crucial to the long-term viability of the Yukon becoming and remaining competitive in the national and global market. Finally, there's a severe lack of affordable space, certainly in Whitehorse, for both living and working. In my opinion, the COVID crisis is exposing where the holes are in our system, and this is an opportunity to fix them.”
- “Having difficulty navigating the applications. Loan was easy but wage subsidy is not.”

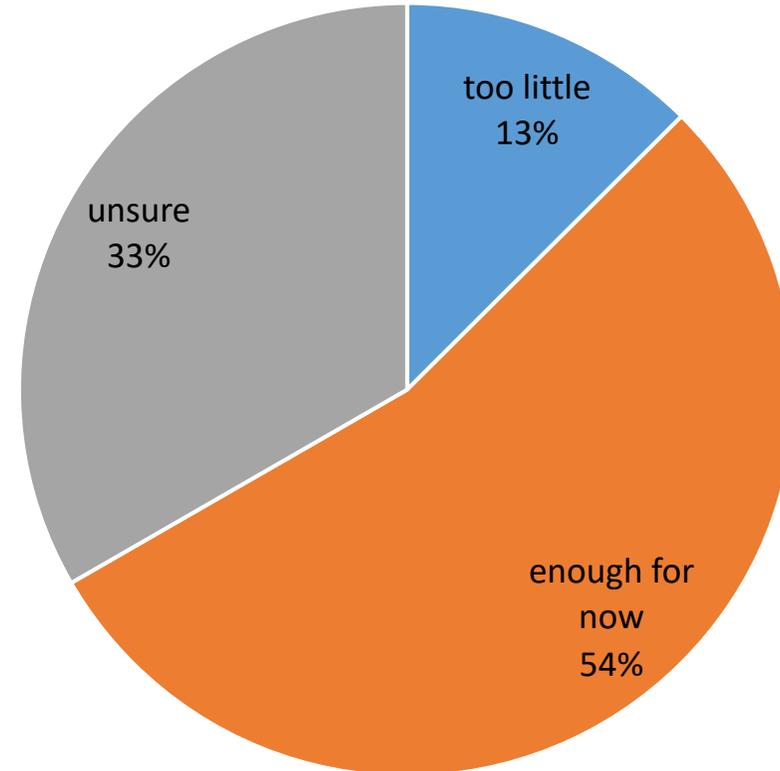
Retailers moved to online stores and phone ordering; majority feels aid is enough for now

Retail status (N=14)

- We have moved / are moving to an online store / ordering by phone or email and contact-less pick up
- We already had a strong online business and we are strengthening that



Financial Support for Retail (N=25)



Q15. What is the status of your retail business today?

Q16. Is the support available to your business in the form of the Canadian Emergency Response Benefit (CERB) for those without EI, covering some fixed costs, commercial rent relief through the Canada Emergency Commercial Rent Assistance Program (CECRA), the 75% Canada Emergency Wage Subsidy (CEWS) and various tax and mortgage deferrals: [followed by open-end: What else is needed?]

Retailers are concerned about consumer spending and longer term impacts on the business community

- “Having lower-than-most overhead makes it likely to weather the storm, however the goal is not to just keep lights on and doors open-ish thanks to gov't funding. We need to be moving product. There's an entire supply chain potentially affected if buying behaviour doesn't resume. It doesn't make sense that folks locally would change their buying behaviour considering the number of residents whose income was never at risk due to being government employees. But the buying habits have definitely shifted. That needs to be addressed.”
- “YGs funding to cover fixed costs will help at the present time. There are so many unknowns with regard to consumer spending over the next months, which is what we need to stay afloat when funding programs cease to exist.”
- “This crisis will continue for businesses long after the relief and subsidies expire. What do we do then? Some businesses may pop back up above water right away, but many will continue to sink without long term financial support.”
- “Extending the current programs, even on a more limited basis, for a longer time frame, for as long as revenues are down at least 30%”

Some retailers do not meet thresholds for aid programs

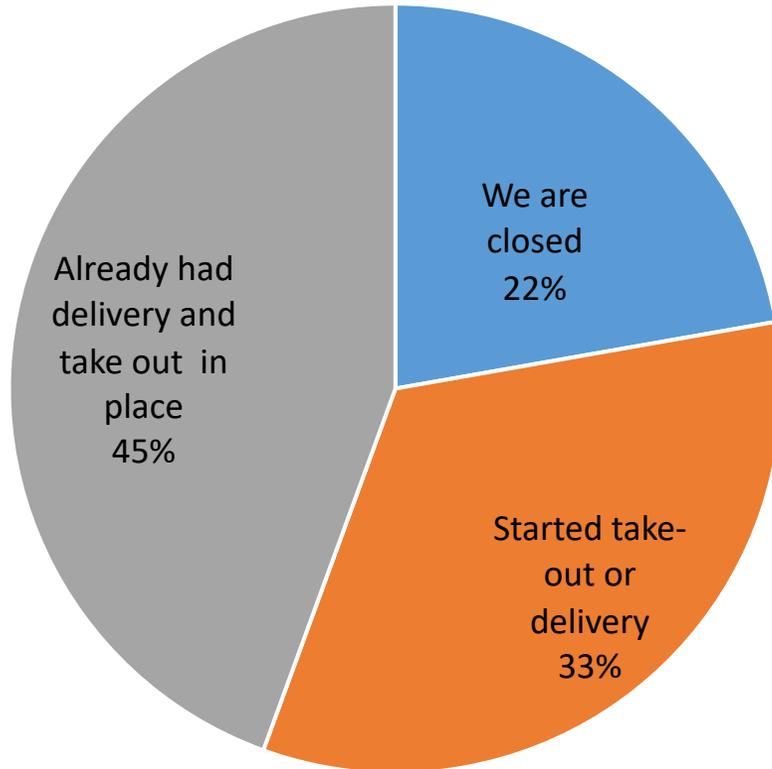
- “We do not qualify for CERB, CECRA and the CEWS - the way these programs calculate need has left us out - we spent lots of money to generate sales (to build a web store, to offer shipping, to keep cash flowing) if we did nothing we would have received benefits.”
- “We do not qualify for most programs listed.”

New markets:

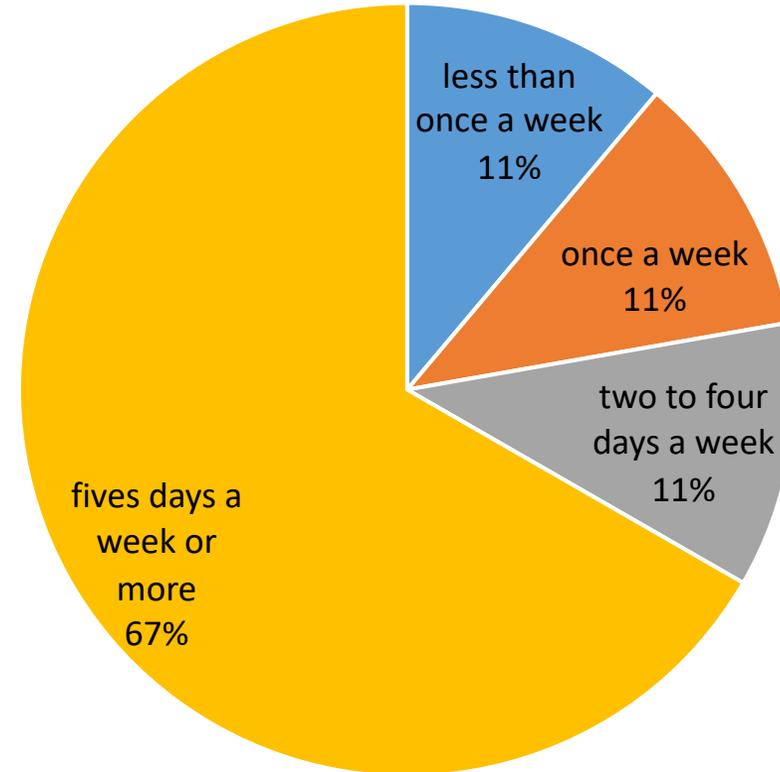
- “Persons working in essential services should be granted a tax benefit now and going forward to recognize their efforts through pandemics and emergency situations.”
- “We are working hard to pivot and diversify our business. Whether it be to help other businesses with health and safety plans, teaching and concentrating on Yukon markets. It has been hard, but there is no option B.”

Restaurants mostly moved to take out while some closed outright. 1 in 3 with take out are not open daily.

Restaurant status (N=9)



Frequency open in May (N=9)

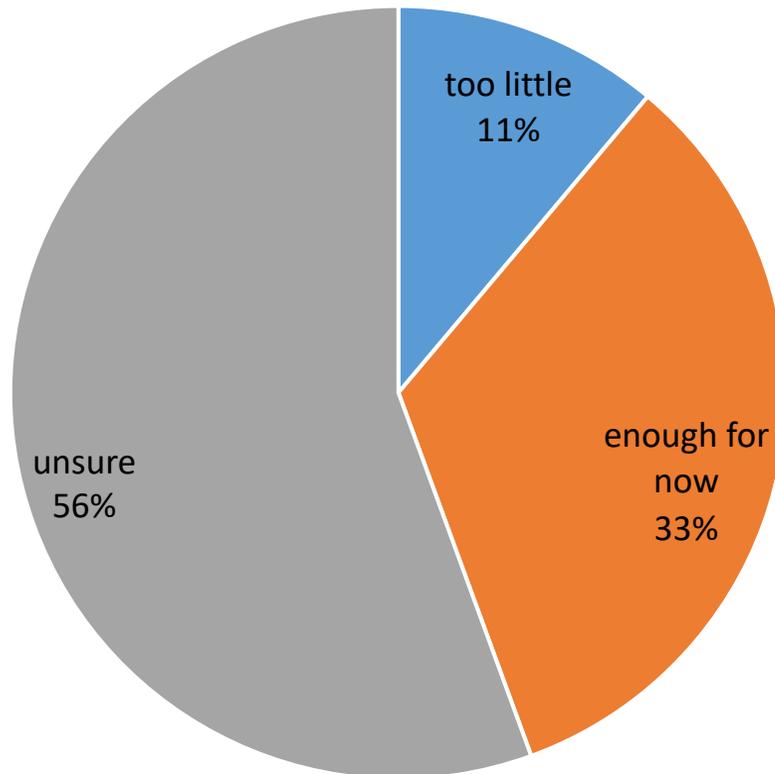


Q17. What is the status of your restaurant or sit-down food service today?

Q18. How many days will you be open to the public throughout May?

Great uncertainty among restaurants

Financial Support for Restaurants (N=9)

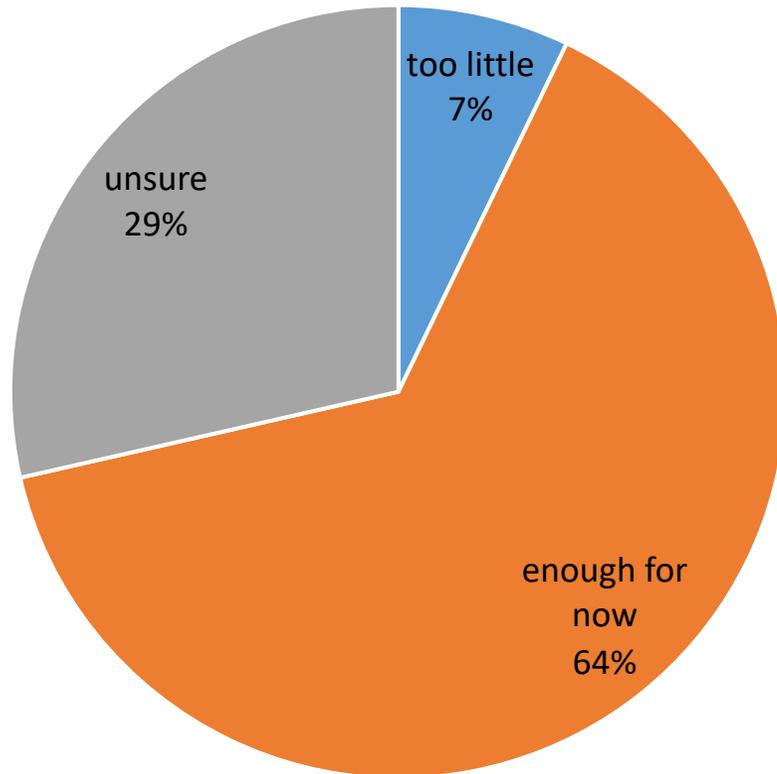


- “We need grants not loans. How am I expected to accept a loan with little to no revenue coming in? How do I pay back the loan?”
- “Assistance for those businesses that initially qualified for the 75% wage subsidy program but now do not. Threshold should ideally be businesses that have lost 50% or more would qualify. Deferral/reduction or elimination of property taxes for the upcoming year
Reduction/ Elimination of WCB for the upcoming year”
- “My primary concern is failure of the supply chain. Though we have been fortunate enough to maintain the bulk of our business, if we run out of key supplies we will be forced to close.”

Q19. Is the support available to restaurants, food services through the Canada Emergency Response Benefit (CERB) for self-employed and others without EI, access to credit, covering some event cancellation expenses through YG’s Temporary Support for Events Funding (TSEF) and certain fixed costs, the 75% Canada Emergency Wage Subsidy (CEWS), commercial rent relief through the Canada Emergency Commercial Rent Assistance Program (CECRA) and various tax, worker’s compensation and personal mortgage deferrals: [followed by open-end: What else is needed?]

Primary industries and supply chain business

Primary Industries and supply chain (N=14)

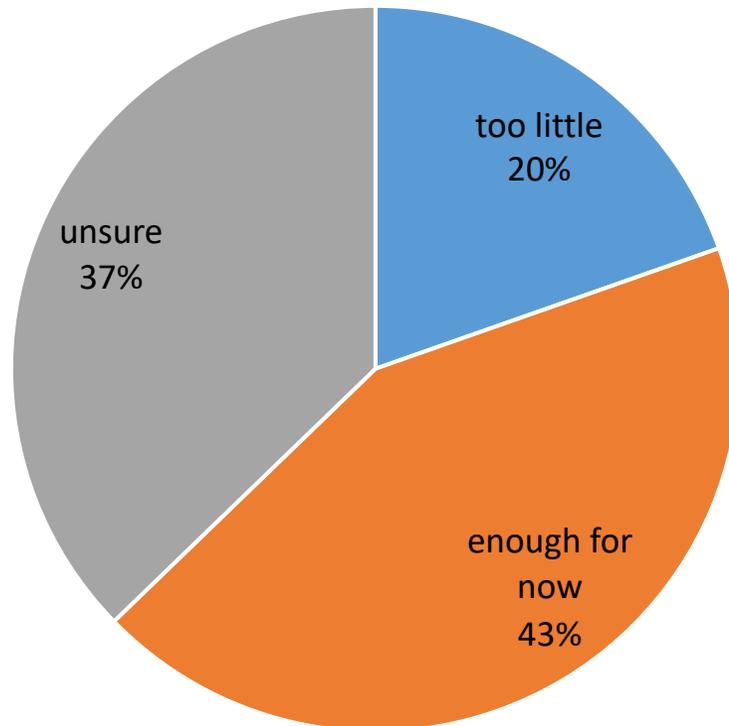


- “We may all need further support come June”
- “More opportunities to be introduced and connected with other local businesses to learn what others are doing and opening up the door to explore ways to collaborate and partner”
- “Lots of support right now. But my business being mostly seasonal, it could be impacted seriously until mid 2021 depending on how much work I get in coming months”
- “Open the borders, let people open their business. If you are afraid of the Covid then stay home, but if you are needing to support your family then allow business to make up their own minds. Having the government decide the fate of the economy is a recipe for disaster. Not 1 government worker or department has felt anything financially from this. They are all still getting their paychecks. This 'free' money isn't free, our taxes will all go up, and socialism will reign. I could go on and on.”

Q20. Is the support available to you like access to credit, the Canada Emergency Response Benefit (CERB) for self-employed and others without EI, the 75% Canada Emergency Wage Subsidy (CEWS), commercial rent relief through the Canada Emergency Commercial Rent Assistance Program (CECRA), and various tax deferrals: [followed by open-end: What else is needed?]

Services and other businesses not reflected elsewhere

Financial Support for Personal, Professional, Health Services and other businesses (N=53)



Eligibility and feasibility at issue for some:

- “Not eligible”
- “Our business is not eligible.”
- “Don’t know, not accessing any of it”
- “We fell through the cracks of every federal support as we are an unincorporated partnership.”
- “I have a part time job that is paying my bills for now but it leaves me unable to work on my business due to reduced hours from lack of childcare. I have not applied for any government programs but do not believe my business would qualify as I was on maternity leave last year and so do not have comparables from last year.”
- “I've lost at least one contract due to COVID-19, and I'm unsure if CERB will cover me. Also mortgage deferrals are a joke, since the banks are still charging interest - so you end up in the hole way more. Deferred credit card payments should also not incur interest.”
- “Don't meet the payroll threshold to apply for the emergency loan and having to use savings to cover expenses”
- “I am working hard not to access any federal funding support re: not wanting to contribute to the federal debt. That being said, program eligibility for sole proprietors, as I did look into it, is challenging to actually access a/o be eligible for.”

Q23. Is the support available to you and your organization in the form of the Canada Emergency Response Benefit (CERB) for self-employed and others without EI, changes to Canada Summer Jobs program, covering some fixed costs, including for home-based businesses, access to credit, commercial relief through the Canada Emergency Commercial Rent Assistance Program (CECRA) and various tax and mortgage deferrals: [followed by open-end: What else is needed?]

What else is needed? Grants and support to change direction

- “Grant money. Not loans or credit but actual grants to be spent on things needed. It's hard to make sure you fit in the box the way they think you should”
- “Additional funding toward wages for Northern residents. The cap on the wage subsidy is too low as it doesn't reflect average wages in the Territories.”
- “Grants for businesses”
- “Why grab loans that we have to pay back when we have no income? more debt is not the answer”
- “Small business loan, we are not qualified as we are new business and we struggle now as we don't have enough to buy inventory as we didn't make anything during March and April.”
- “Rental Assistance for residential tenants that fall between the cracks in funding. More liquidity. The CEBA program was great start but dollar amount needs to be expanded.”
- “Support (mainly financial) to redesign the business.”

What else is needed? Other opportunities/concerns

- “A major global overhaul of our over-consumerist society to avoid economic crisis in the first place.”
- “Banks are still profiting. Any deferment results in increased interest. We need the deferment to be interest free. We may survive this but it could take years to recover financially”

Re-opening plan and more:

- “A clear path to returning to regular business which focusses on a phased approach, and gives some sense of how long this will last.”
- “A plan as to how all this ‘support’ is going to repaid and what effect that will have on program spending and tax rates.”
- “The ability to cancel my lease without having to pay 6 months penalty to NVD for space I haven’t used since March”



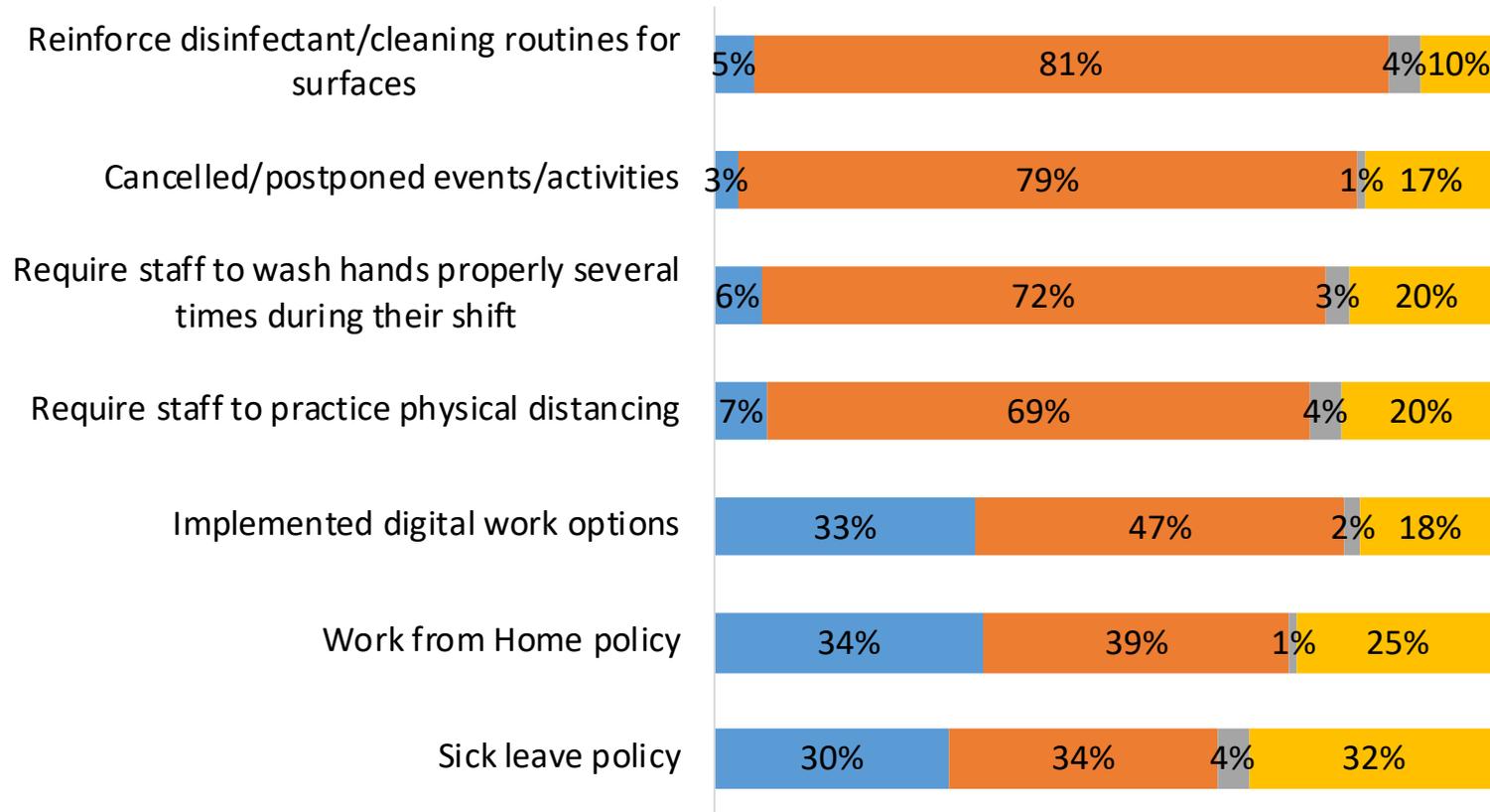
Programs for Business Support



Business made large changes to how they operate

Changes Made (N=102)

■ No change made ■ Already done ■ Consider doing ■ N/A

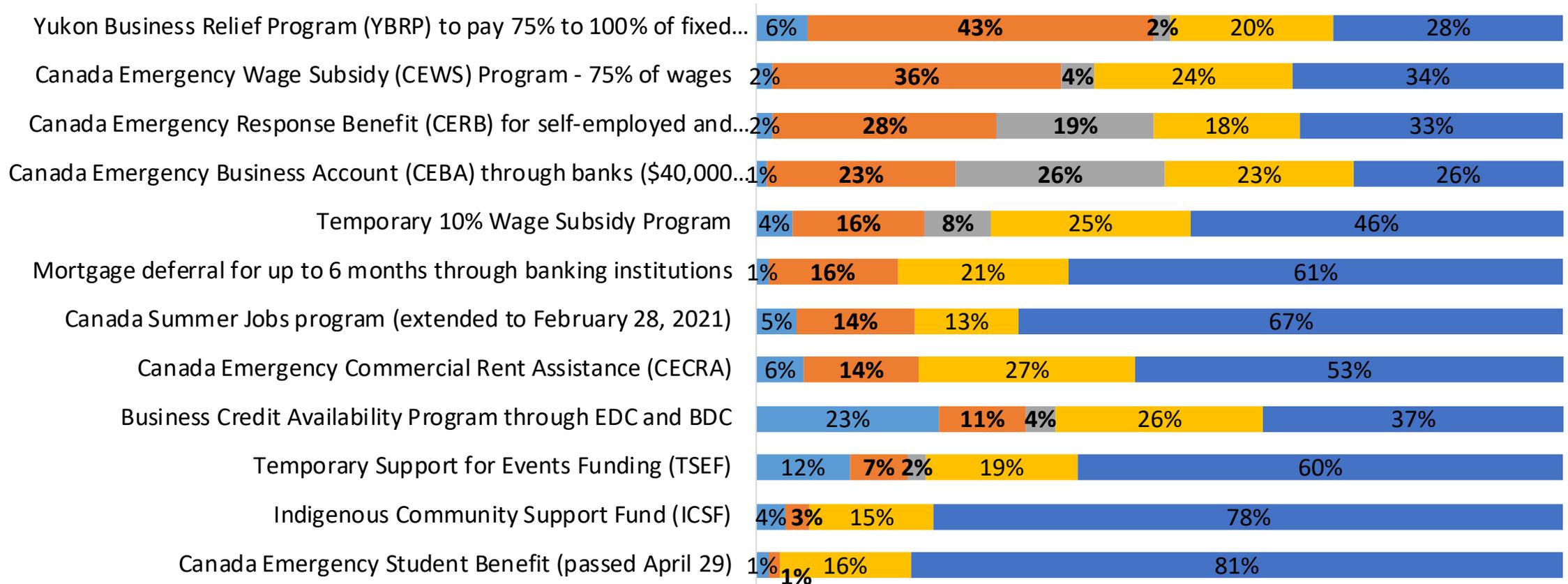


- The main public health advice on hygiene and physical distance and gatherings has been heeded by businesses. Few are still considering further changes.
- Some areas where there is no change is because the normal procedures already cover these activities or don't apply e.g. sick leave, or cleaning routines in food services.

**Support programs have high awareness, but most are not feasible for applicable for many.
Money has started flowing through some programs, CEBA and CERB most efficient in getting money to businesses and those without EI, incl the self-employed, sole proprietors**

Use of Support Programs (N=152)

■ not aware of program ■ will / have applied ■ received funds already ■ not feasible ■ N/A



Q24 & Q 25. Which of the following aid programs do you expect to use?

Wide range of concerns

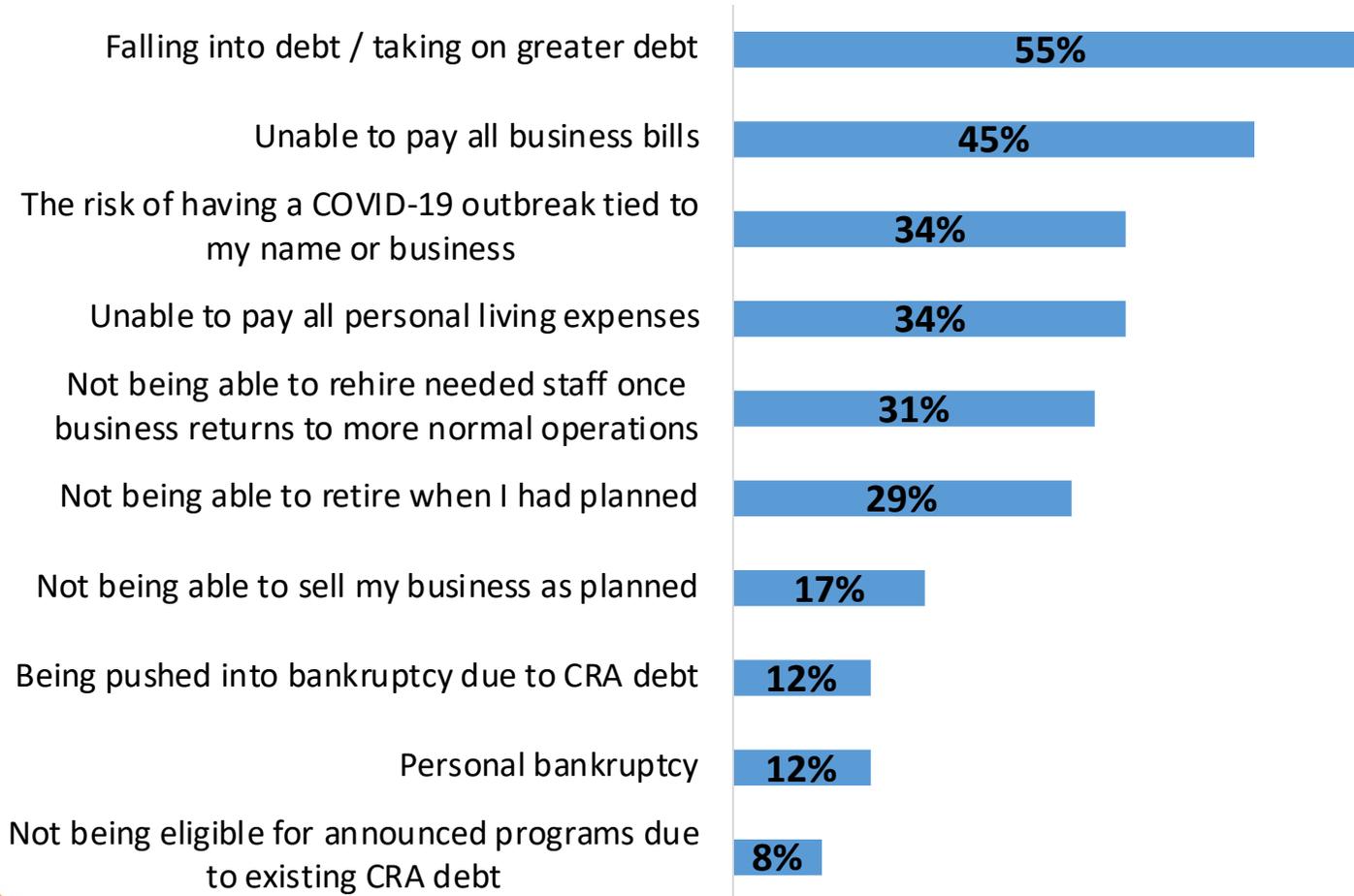
- Eligibility criteria are too narrow, especially when they are difficult or not possible to access for many of Yukon's smaller sole proprietors and home based businesses – these two types are Yukon's dominant business types.
- People with multiple businesses at a disadvantage with CanNor.
- Growing businesses not adequately considered
- Non-profits, Yukon has about 700 registered societies, also have difficulty accessing support programs
- Revenue losses too steep to be meaningful; or revenue comparisons meaningless due to specific circumstances
- Announced programs and encouraging taking action based on that and being left in a lurch when they don't meet eligibility upon actual launch of the program, e.g. CEWS

Q26. What are some issues or worries you have encountered related to your eligibility for various programs that have been announced or established so far?

NOTE: Verbatim comments available in appended Excel spreadsheet.

Serious worries shared across the board

Worries shared by owners/ self-employed (N=143)



- Falling into debt is a concern for more than half of the respondents followed by being able to pay the bills.
- 1 in 3 fear the risk of having COVID outbreak tied to their name
- Long-term life impacts worry a relatively large minority: bankruptcy is feared by 26 respondents (18%); not being able to sell their business (17%) and not being able to retire as planned (29%). As respondents were readying life transitions, those plans have become unreliable.

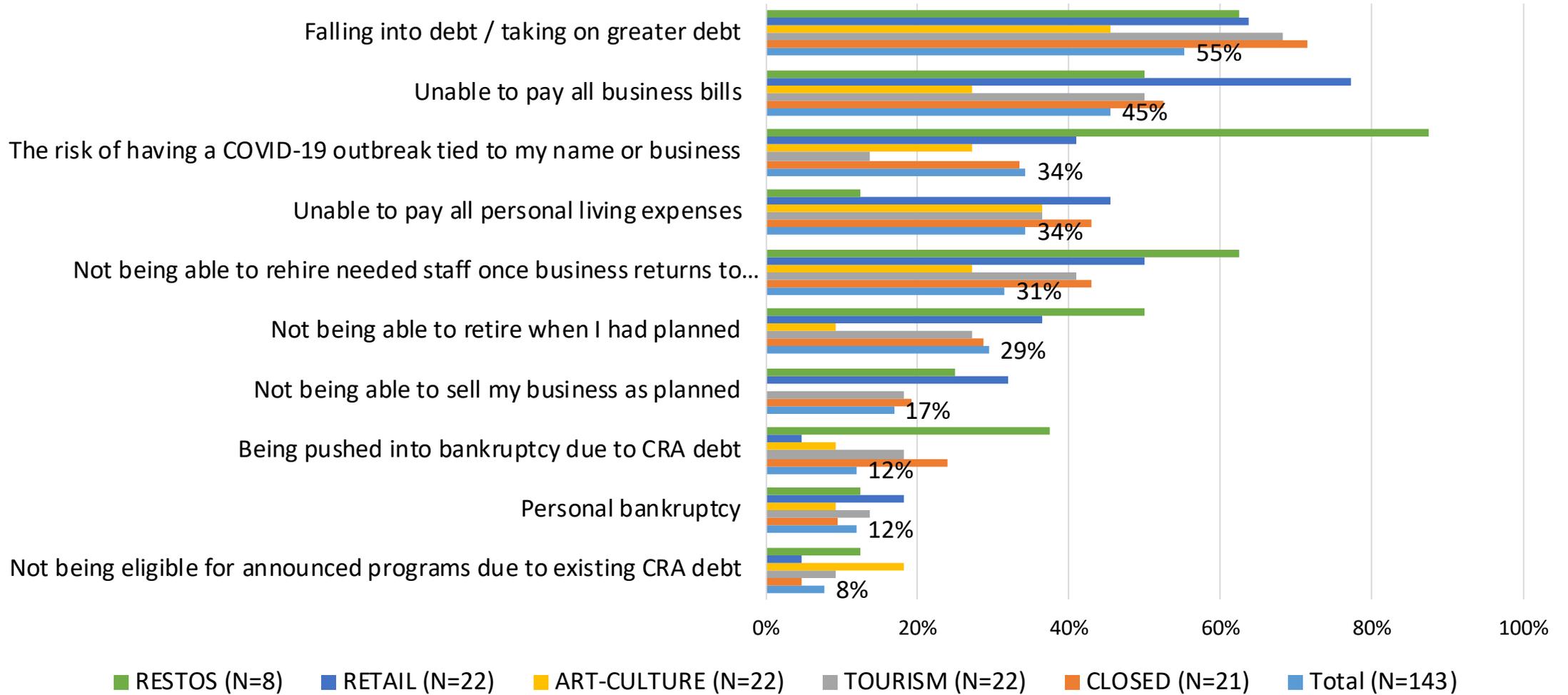
Q27. As a business owner or self-employed person, what are the greatest worries you have as a result of the impact of COVID-19 on your business?

Other concerns

- Lack of child care – and no school for older children – outside the home has made working much harder for business owners, home-based businesses, self-employed who are parents and those who employ people with children
- Having little clarity on the more specific timing of what reopens when makes having any confidence in moving forward with decisions difficult and decisions are made or help up without all the necessary information
- Worries about consumer confidence, ie buying patterns, moving forward
- Impact on staff that have to be laid off
- Inability to make up lost income later
- How long government will keep financial supports in place

By sector: some worries appear disproportionate in some sectors – especially in restaurants and retail – ie those sectors with generally lowest margins

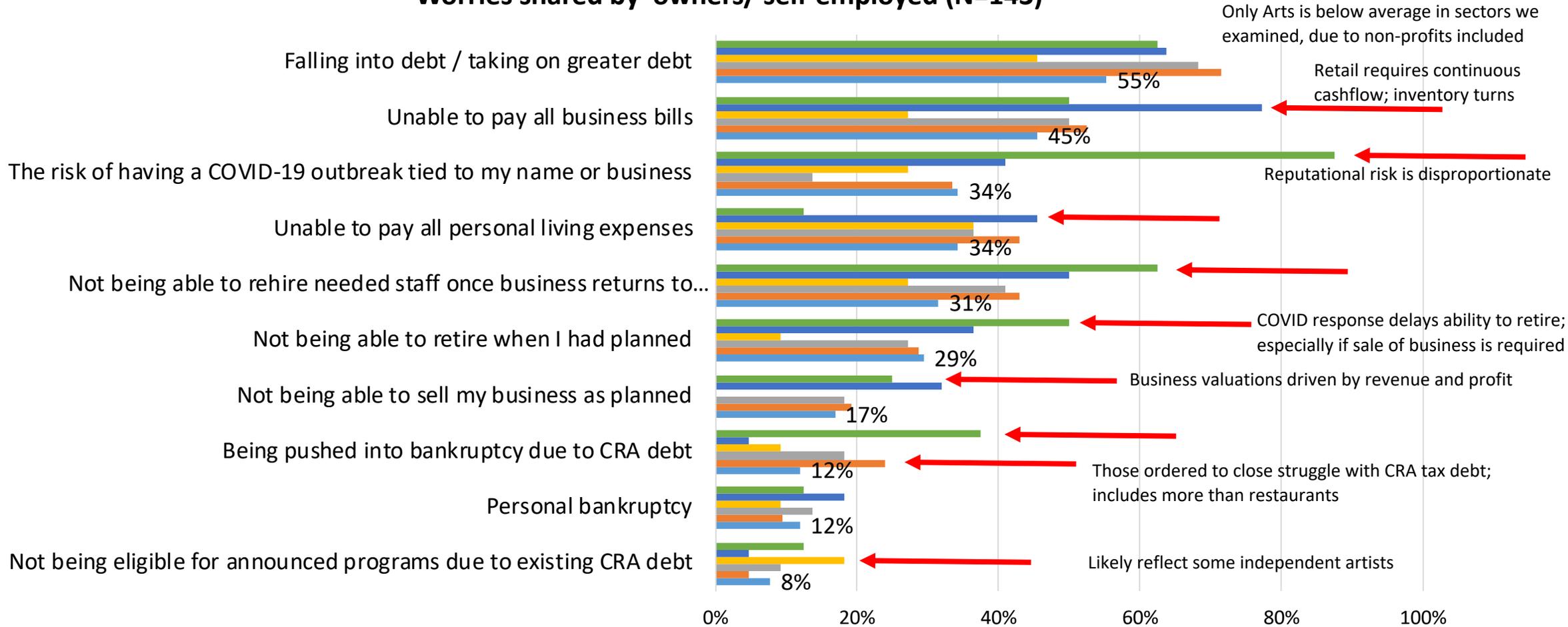
Worries shared by owners/ self-employed (N=143)



Q27. As a business owner or self-employed person, what are the greatest worries you have as a result of the impact of COVID-19 on your business?

By sector: some worries appear disproportionate in some sectors – especially in restaurants and retail – ie those sectors with generally lowest margins

Worries shared by owners/ self-employed (N=143)



■ RESTOS (N=8) ■ RETAIL (N=22) ■ ART-CULTURE (N=22) ■ TOURISM (N=22) ■ CLOSED (N=21) ■ Total (N=143)

Matching Needs and WCC Service Options



Areas of challenges

Areas most challenged (N=191)



- Restaurants were far more concerned about health and safety (78%) and managing risk (67%), followed by retail at 48% and 57% respectively
- Restaurants (67%) and Retail (57%) also are concerned about managing customer perceptions.
- Art and Culture are more concerned about logistics (how to put on events within social distancing rules) at 65%, followed by restaurants at 56%

Several avenues for strengthening the WCC programmatic offers

How WWC can assist business (N=170)



Q29. How can the Whitehorse Chamber of Commerce best assist your business at this time? (Select your top 5)

WCC Programs and Services opportunities

New Opportunities

- (1) 59% How to navigate through the next 12 to 18 months:
 - “Business Navigator” (not merely a pivot, or new skills, but the full gamut of business concerns and sorting out both macro-economic and behavioural shifts in buying patterns)
- (4) 38% convene business peers to discuss challenges and solutions
- (6) 23% strategic planning support/ one-on-one coaching
- (8) 21% Help in dealing with CRA including tax debt relief
- (10) 16% fast track / boot camp to ready business for digital world

Continue existing services

- (2) 56% making sense of financial support programs and application info
 - Make more easily understand relevant information
- (3) 49% continue advocacy related to securing aid
- (5) 27% Co-op marketing program (Buy Local program long-standing)
- (7) 22% Help apply to programs
- (9) 18% identify and learn new skills

Themes from open-end final comments

- **Re-opening**
 - Advocate for opening up the local economy and opening up safely to tourism – based on public health science and information
 - Work with regulators and business to ensure a safe re-opening for all types of businesses
- **Digital storefront**
 - Create a “beautiful online destination for “Made in the Yukon” products with storefronts for all Yukon businesses” – enable achieving a critical mass and complete adequately
- **WCC: be there for the mid- to long-term recovery needs; develop/ provide a roadmap forward for a robust and vibrant business community and help navigate YWCB and government regulators**
- **Create opportunities to envision a greener, more sustainable future**
- **Collaborate with other chambers to disseminate information**