



misty isles

economic development  
society

2020 Haida Gwaii COVID-19 Business Impact Survey  
Executive Report with Recommendations

Jennifer Rutt, Executive Director

November 20, 2020

# MIEDS Mission

“To work with individuals, businesses, stakeholders, governments, communities and potential investors to coordinate, collaborate and implement islands-wide economic development initiatives aimed at increasing employability, employment and/or jobs for the people of Haida Gwaii.”

# Historic Economic Development Background

**September 2007:**

Haida Gwaii Economic Development Accord was created in conjunction the Economic Development Understanding - Council of the Haida Nation and the Island Communities' these documents in turn created MIEDS.

# COVID-19 Business Impact Survey - Approach

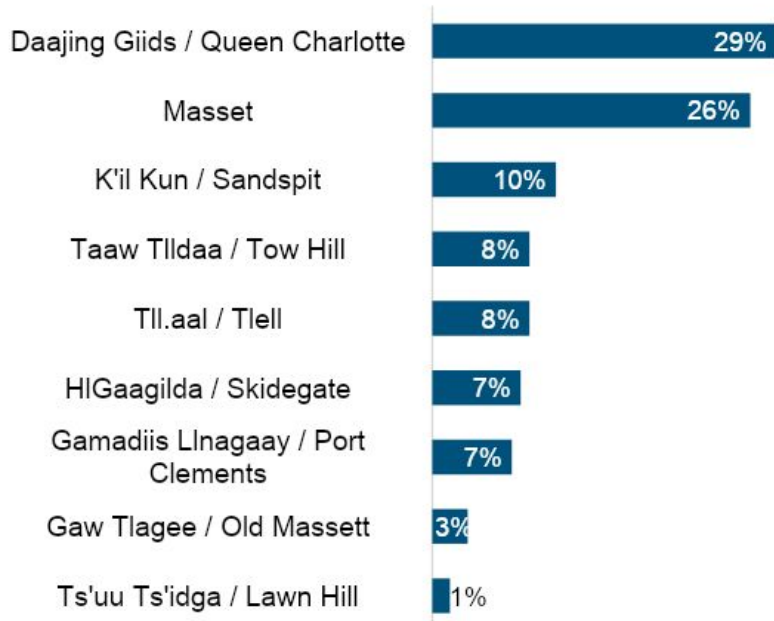
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- An online survey distributed in October 19-29, 2020. The questions were developed by MIEDS in consultation with CHN. Analysis was completed by Align Consulting Group.
- 136 survey responses were collected from about 254 private businesses in Haida Gwaii (from inventory).
- **Tourism** represents about 59% of all businesses in Haida Gwaii (~149 tourism businesses of 254)
- 79% of survey responses consider themselves part of tourism industry. Therefore survey responses may over-represent tourism industry.
- All Indigenous-owned business responses were in the tourism industry.

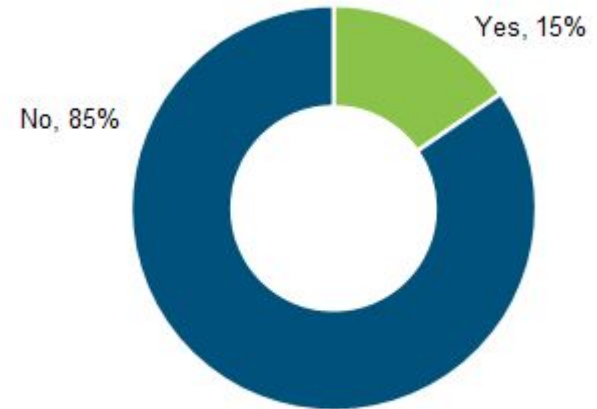
About **54%**  
of Haida Gwaii  
businesses are  
represented in survey  
responses

# COVID-19 Business Impact Survey - Responses

Location of Survey Responses



Indigenous Ownership



Is your business Indigenous owned? n = 136



# COVID-19 Business Impacts

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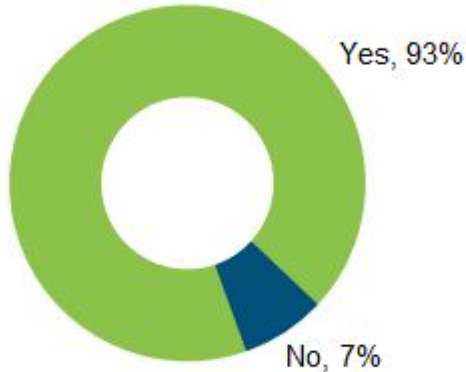
Declines in Revenue and Employment



# COVID-19 Business Impact Survey – Revenue Declines

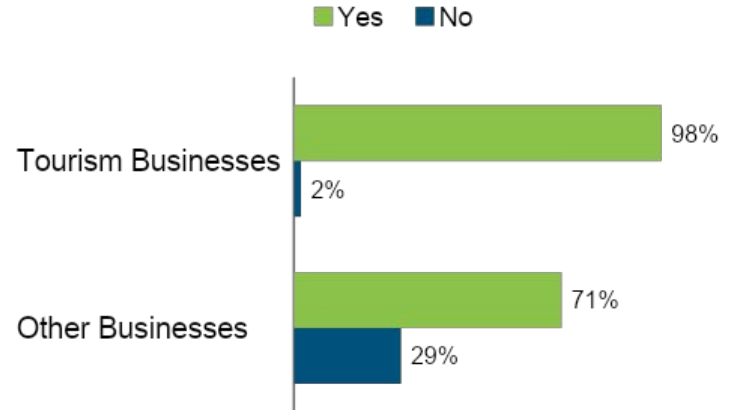
- 93% of businesses experienced revenue declines as a result of COVID-19.
- 100% of Indigenous businesses experience revenue declines. Similarly, tourism businesses were more likely to experience revenue declines (98%) compared to other businesses (71%).

Experience Revenue Declines?



Has your business experienced a revenue decline due to COVID-19? n = 136

Experience Business Revenue Declines?

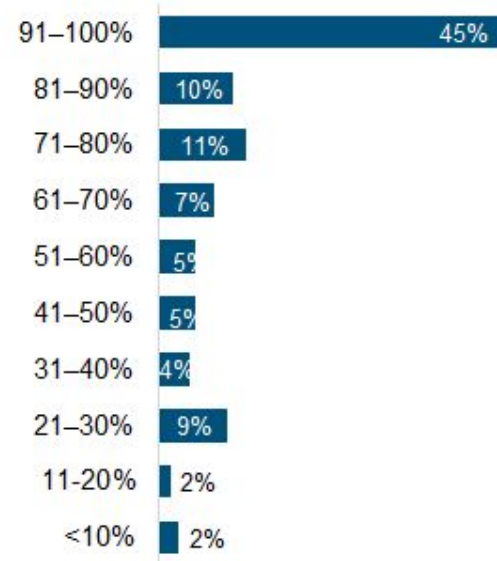


Has your business experienced a revenue decline due to COVID-19? n = 136

# COVID-19 Business Impact Survey – Revenue Declines

- 66% of all businesses had revenue declines of more than 70% in 2020.
- 45% of those businesses had a revenue decline of 91-100%

Business Revenue Declines Due to COVID-19



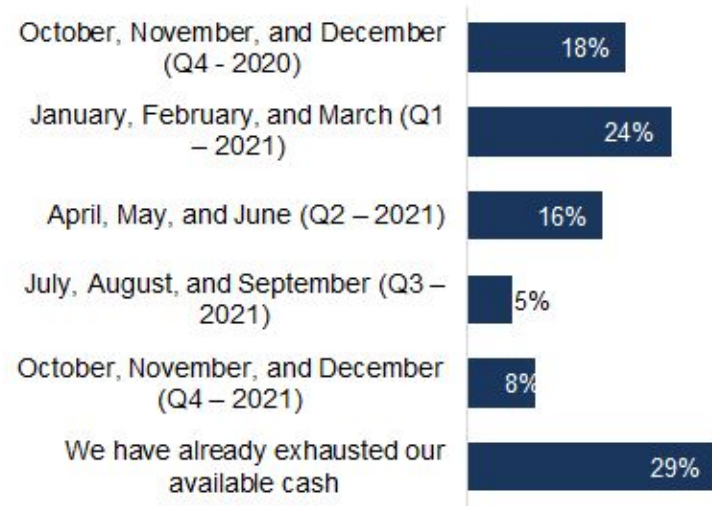
Please estimate the revenue decline you have experienced as a result of COVID-19? n = 136



# COVID-19 Business Impact Survey – Use All Cash & Credit

- 45% of all businesses indicated they have more bills than income (negative cash flow gap.)
  - 75% of Indigenous businesses responded they had a negative cash flow gap.
- Nearly 50% of these businesses have or will have used all resources before the end of 2020.
- Another 24% will have used all available resources by March 2021.

## How Long Can You Stay Solvent With Negative Cash Flow Gap

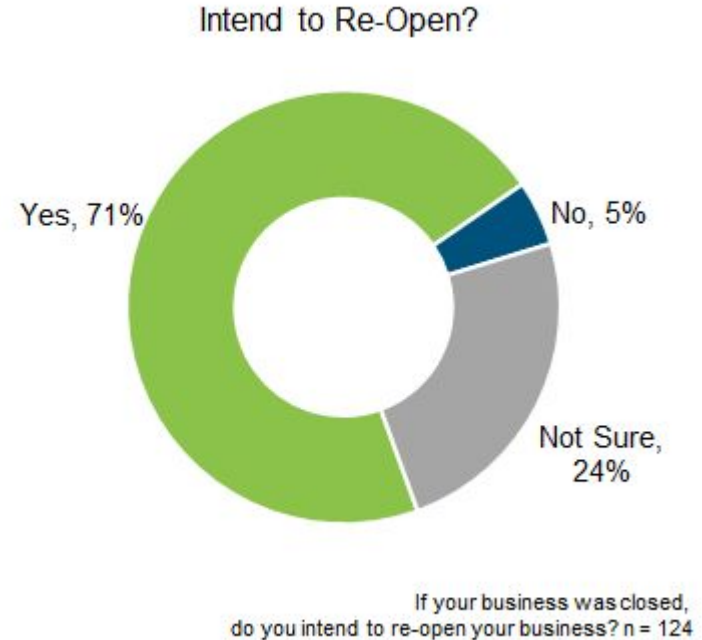


If your business currently has a negative cash flow gap, how many months before your business uses all available cash and credit facilities (i.e. bank accounts, access to equity in other assets, credit cards, lines of credit, creator terms)?

n = 69

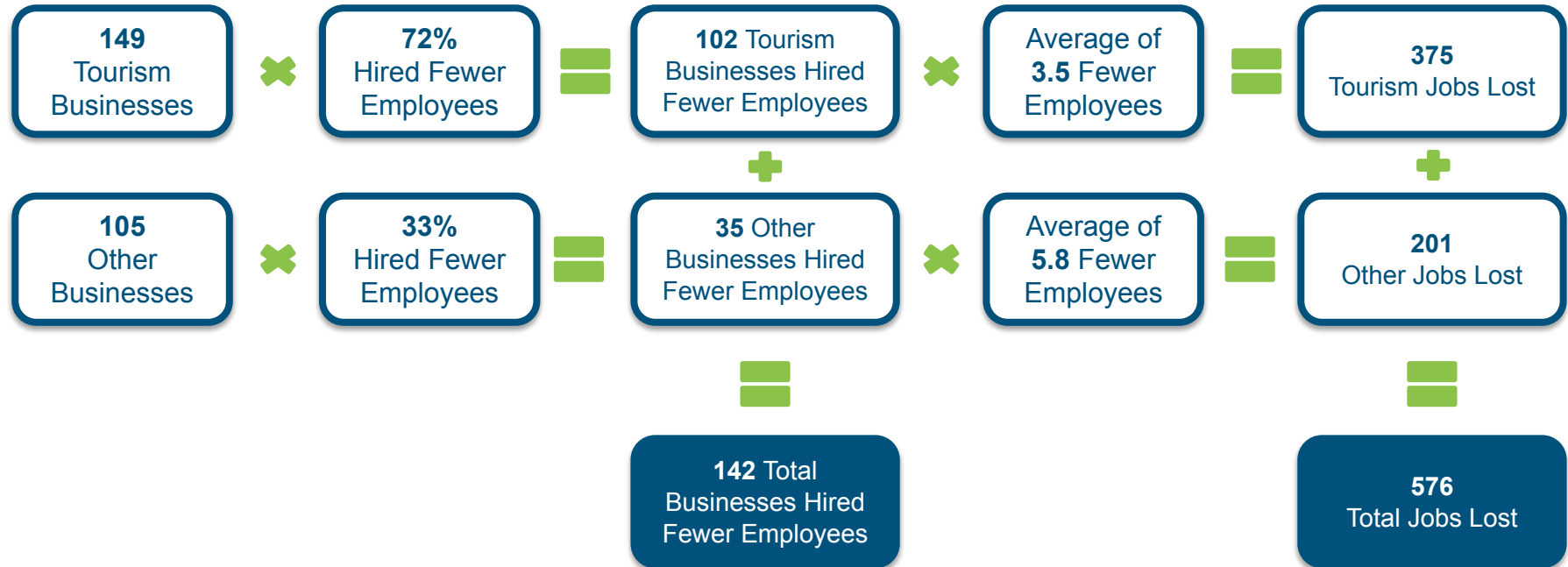
# COVID-19 Business Impact Survey – Intention to Re-Open

- The majority of businesses intend to re-open (71%).
- 29% of businesses are unsure or not re-opening.
- This means we could potentially lose nearly 1 in 3 businesses on Haida Gwaii.



# COVID-19 Business Impact Survey – 2020 Lost Jobs

To date, there is approximately 576 Haida Gwaii jobs that went unfilled in 2020, including 375 tourism jobs and 201 other jobs.





# COVID-19 Support Programs

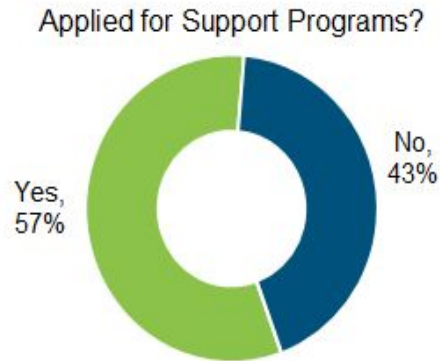
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Program Participation and Business  
Debt Acquired



# COVID-19 Business Impact Survey – Support Programs

- Over half (57%) of businesses applied for support programs. Most of those businesses (69%) were successful in obtaining support.
- 65% of Indigenous-owned businesses applied for support programs and 46% of them were successful.
- 61% of tourism businesses applied for support programs and 63% of them were successful.



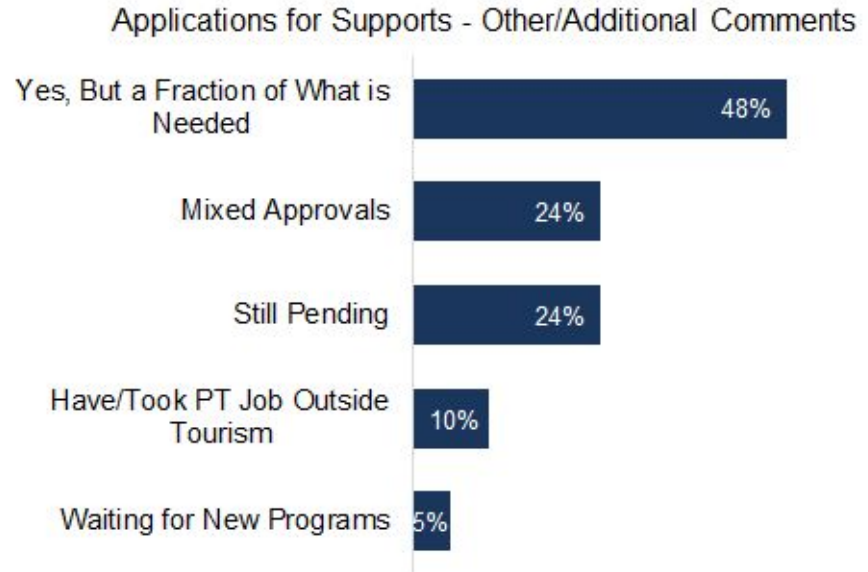
Have you applied for any support programs due to COVID-19? n = 130



Were your applications for COVID-19 support successful? n = 74

# COVID-19 Business Impact Survey – Support Programs

- 21 businesses made 23 comments about support programs.
- Half of those comments mentioned they were successful in obtaining funding but it is a fraction of what is needed.
- Another quarter mentioned they were approved for some but not all programs or were still waiting to hear if they were approved or not.

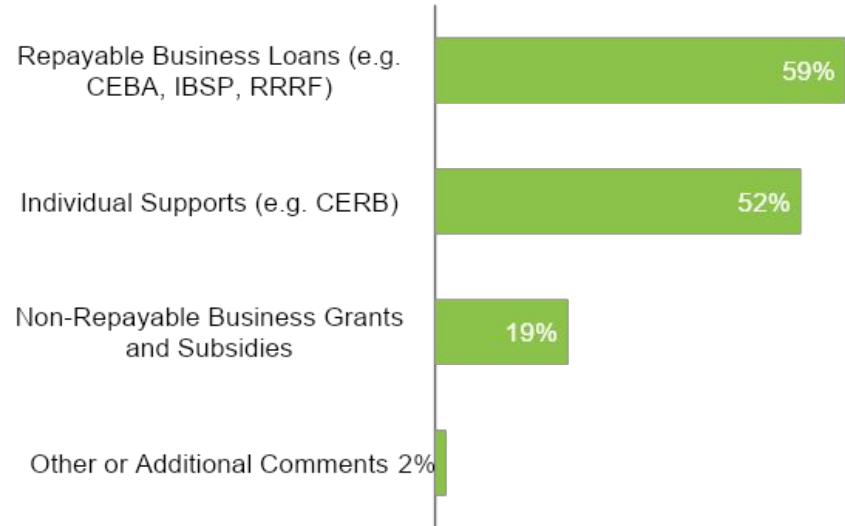


Those that answered 'Other' to: Were your applications for COVID-19 support successful?  
21 businesses made 23 comments \*Caution low sample size.  
Businesses could respond with more than one comment so the total sums to more than 100%.

# COVID-19 Business Impact Survey – Support Programs

- Most businesses received were repayable business loans (59%), followed by individual supports (e.g. CERB, 52%) and non-repayable business grants and subsidies (19%).
- 58% of tourism businesses obtained repayable loans followed by individual supports (54%) and non-repayable business grants and subsidies (21%).
- Of repayable business loans the majority of businesses took out \$10-50K in debt that will take 3-5 years to repay at normal operating activity.

Kinds of Supports Received



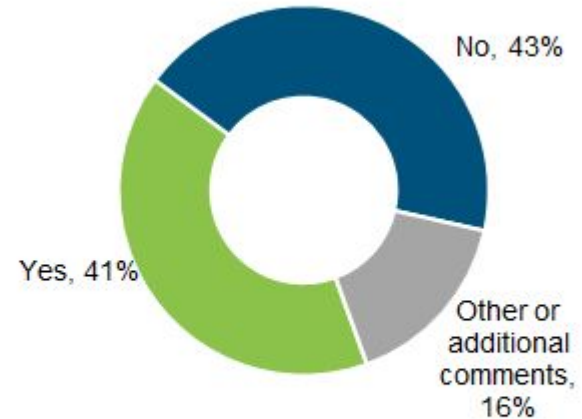
What kinds of supports have you or your business received?  
n = 63.

Businesses could respond with more than one comment so the total sums to more than 100%.

# COVID-19 Business Impact Survey – Support Programs

- 43% of businesses responded support programs were NOT effective in addressing immediate challenges.
- Similarly, 41% of businesses believe support programs were effective.
- 53% of Indigenous businesses and 45% of tourism businesses mentioned support programs were NOT effective.
- 16% had other comments.

Effectiveness of Support Programs



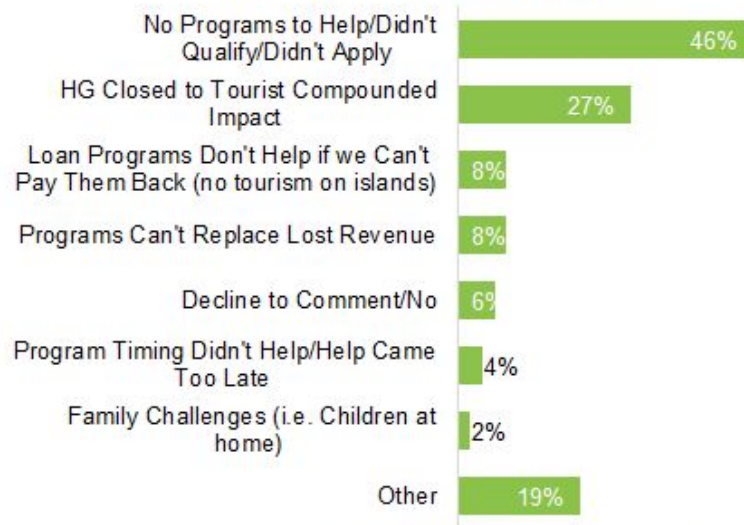
Were the COVID-19 support programs effective in addressing immediate challenges faced by you or your business? n = 113



# COVID-19 Business Impact Survey – Support Programs

- These responses are from all businesses, not just the under half who did not apply.
- 52 businesses made 62 comments about why support programs weren't effective.
- 46% responded that there weren't any programs to help or they weren't eligible for support programs.
- Some businesses responded that loan programs don't help if there is no revenue (8%) and programs can't replace lost revenue (8%).

## Were Supports Programs Effective for Immediate Challenges - Additional Comments



[If 'No' on Q23] If no, please provide details on your situation. n = 52

52 businesses made 62 comments.

Businesses could respond with more than one comment so the total sums to more than 100%.

# Recommendation: Advocacy to Provincial and Federal Governments

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- The difference between the Provincial and Haida Gwaii responses has created a situational difference in the help available vs. the help needed.
- Example: Mainland hotels, many of which are operating at a higher level of occupancy, have access to the exact same programs that are available to a hotel on Haida Gwaii which has had zero occupancy.
- Advocacy around these inequities is needed now regardless of what happens in 2021.
- Once a business is bankrupt it is too late to help them.
- Advocacy that is done by working together will most likely have the strongest potential positive response.

# Recommendation: Advocacy to Provincial and Federal Governments

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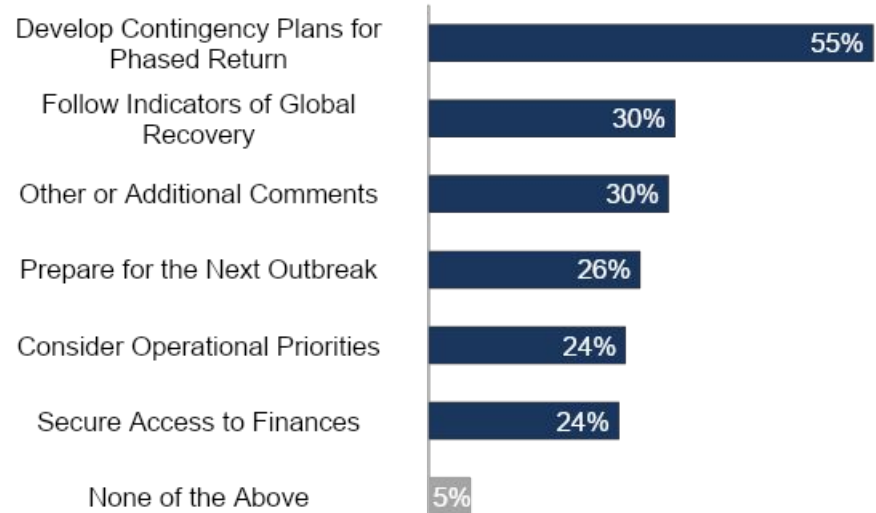
- The Provincial and Federal governments need to be made aware that their support programs are not designed for the business realities here on Haida Gwaii and that those programs are not adequately supporting our local businesses.
- MIEDS welcomes the full survey report being taken to government leaders to ask for assistance. We are available to help if requested.
- If we are successful in advocacy we will need a model to reach out to 100% of businesses on Haida Gwaii.

***Haida Gwaii Protocol Table to have a dedicated discussion and explore strategies around special support for Haida Gwaii businesses in light of the unique challenges they face.***

# COVID-19 Business Impact Survey – Business Environment

- More than half (55%) of businesses believed contingency plans for a phased return should be developed to improve the business environment.
- 30% of businesses responded Haida Gwaii should follow indicators of global recovery or had additional comments
- About a quarter of businesses believed Haida Gwaii should prepare for the next outbreak, consider operational priorities or secure access to finances.

Important Factors to Improve Business



Which of the following are most important to improving Haida Gwaii's business environment? n = 115  
115 businesses checked 223 factors.  
Businesses could respond with multiple factors so the total equals more than 100%.

# Recommendation: Communication & Marketing

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- Comments mentioned communication as a barrier or frustration for businesses.
- The vast majority of businesses, have been respecting the CHN emergency orders regarding their tourism marketing and awaiting direction.
- Most businesses have not yet started marketing and booking for 2021, some exceptions exist that may cause a feeling of inequity.
- In a typical year, businesses begin to take reservations in January/February.
- According to the Visitor Exit Survey over 60% of visitors are from BC.
- If there is not a tourism season in 2021, advocacy to government on behalf of local businesses will become even more imperative.


***Targeted communication from CHN to tourism business on how to respectfully plan for 2021.***



# COVID-19 Preparedness

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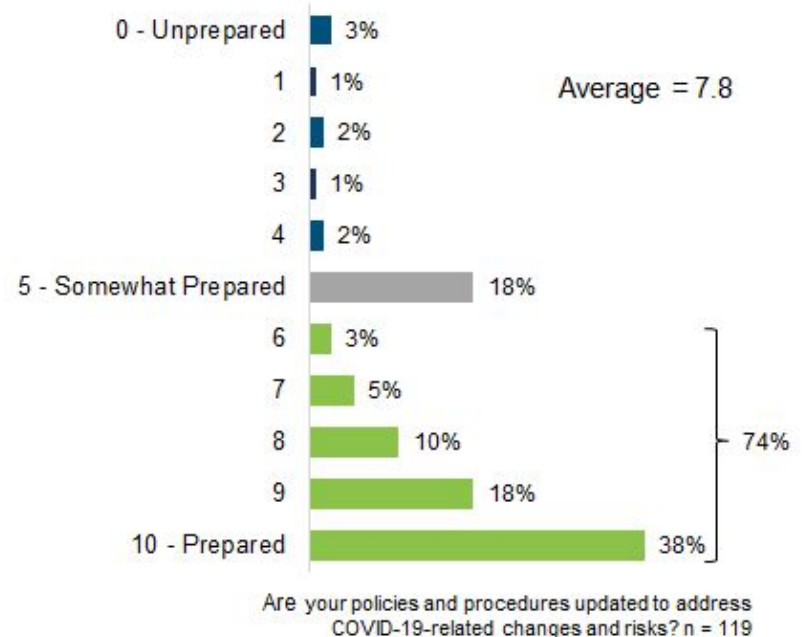
Policy and Procedures, Compliance  
Assessment and PPE



# COVID-19 Business Impact Survey – Updated Policies

- 74% of businesses were prepared and had updated their policies and procedures to address COVID-19 related changes and risks.
- 72% of Indigenous businesses and 73% of tourism businesses were prepared for COVID-19 related changes and risks.
- 27% of business feel somewhat or less prepared.

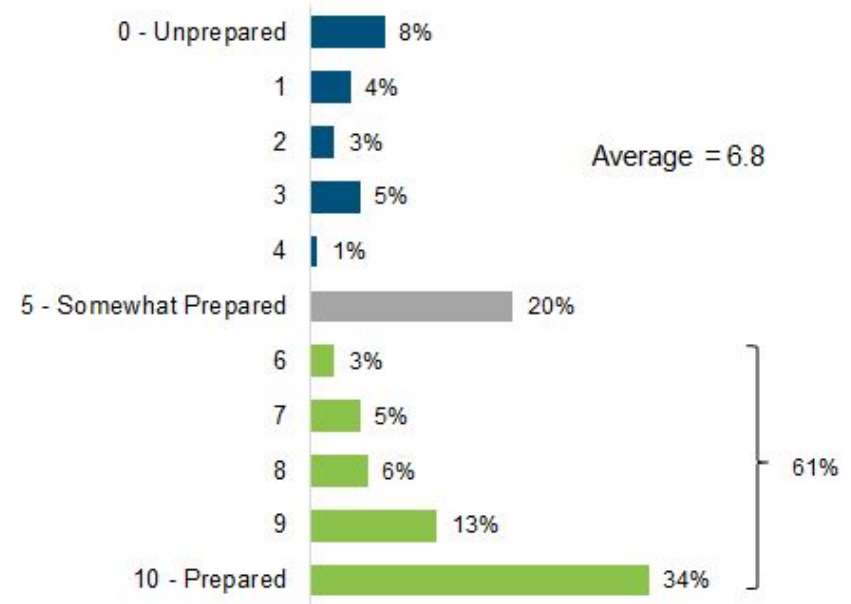
Prepared to Address COVID-19 Related Changes



# COVID-19 Business Impact Survey – Compliance Assessment

- 61% of businesses had done a compliance assessment to prepare for COVID-19 safety rules in 2021.
- 56% of Indigenous businesses and 61% of tourism businesses had completed a compliance assessment.
- 39% of businesses have not done a completed assessment.

Prepared For 2021 Safety Rules - Compliance Assessment



Have you done a compliance assessment to prepare your business for COVID-19 safety rules in 2021? n = 119



# Recommendation: Planning & Preparation

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- Absence of knowledge about the future does not mean we can not prepare for scenarios and safety.
- Planning and preparing can happen now in a resident only model.
- Specifically, an opportunity exists to create a business safety planning program that would have a positive impact on community health regardless of what happens in 2021. (See addendum.)
- This work would need to be done cooperatively with CHN Incident Command and CHN Communications.

***Write a letter of support for MIEDS to receive Gwaii Trust project funding for the Business Safety Precautions position and program development.***

# Recommendations Summary

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- ***Haida Gwaii Protocol Table to have a dedicated discussion and explore strategies around special support for Haida Gwaii businesses in light of the unique challenges they face.***
- ***Targeted communication from CHN to tourism business on how to respectfully plan and advertise for 2021.***
- ***Write a letter of support for MIEDS to receive Gwaii Trust project funding for the Business Safety Precautions position and program development.***

Questions?  
For more information  
<http://www.mieds.ca/>

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Thank you for making this possible.

