

For Immediate Release

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35% of Wisconsin businesses surveyed felt they could not be viable after three months of current circumstances

New North, key strategic partners announce statewide COVID-19 business impact survey results

NEW NORTH, April 22, 2020 – Thirty-five percent of Wisconsin businesses responding to a recent statewide survey reported they will be forced to close if current conditions persist for more than three months amid the COVID-19 pandemic.

The survey was conducted by New North Inc. and the eight other regional organizations in the state, along with the Wisconsin Economic Development Corp. (WEDC) and the University of Wisconsin Oshkosh, to assess COVID-19 business recovery ability, plus state and federal aid effort. It yielded nearly 2,550 responses from companies in 63 of the state's 72 counties, covering the period April 1-10.

Results also showed 8,795 jobs were lost in the earliest days of Wisconsin's safer-at-home order, along with losses of \$126 million in income, \$95 million in inventory, \$26.6 million in lost wages and productivity income, and \$404 million in other impacts.

New North Executive Director Barb LaMue stated, "While we know the survey results are a sampling of Wisconsin-based companies, the data suggests that prompt action must be taken to assist companies with financial support and the restart of in-person customer access as soon as medically possible. The information is helpful to develop recovery action plans, first for the most vulnerable, and to work with our state and local partners throughout this process."

"The conditions reported here represent companies' efforts to adapt to changing conditions," said Jeffrey Sachse, director of UWO's Center for Customized Research and Services (CCRS). "These impacts are certain to rise when we revisit these companies in a month, two months and six months' time. The assistance that these companies require and the effects felt throughout the state's economy are both unprecedented and continuous."

WEDC Secretary and CEO Missy Hughes said the report "reinforces a lot of what I'm hearing when I talk with businesses and business leaders around the state."

"Small businesses are being hit especially hard by the pandemic," she said. "WEDC has taken initial steps by creating the Small Business 20/20 assistance and unlocking federal disaster loans. Our Wisconsin Ready effort will provide additional guidance and resources as we begin our state's recovery efforts."

At the time of this first survey, the businesses — ranging from small sole-proprietorships to large firms like Kobussen Buses and UW Health — were still trying to adapt to the changes implemented in the safer-at-home order and in response to COVID-19. In addition, the results were understated as more than 40 percent of responding firms indicated not being able to report specific impacts at the time. The findings indicate greater future impacts on businesses as the worldwide health crisis persists.

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Firms reported using a variety of approaches, including delaying payments and reducing inventories, as a means of minimizing the impact of the crisis. "Responding firms suggested that their greatest immediate needs are access to greater liquidity in the form of low-interest loans, grants and access to customers. This closely mimics trends reflected in the national policy debate and recent surveys reported by the Federal Reserve Board and Small Business Administration," Sachse said.

Firms reported seeing a sharp reduction in productivity due to a shift to working from home, with most reporting a 25-50 percent decrease.

The survey is the first in a series that will track the economic impact of COVID-19. Responding companies will be surveyed again during the first months of May, June, July and for the foreseeable future, with results released during the third week of each month. Companies are invited to continue to respond to the initial survey at <http://uwo.sh/covid-19-econ-disruption> and to be added to the survey group.

In addition, CCRS has released an interactive dashboard detailing survey responses, along with advice and insights from University faculty, at <http://uwosh.edu/ccrs/covid-19-survey>.

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New North, Inc., is a 501(c)3 non-profit, regional marketing and economic development corporation fostering collaboration among private and public sector leaders throughout the 18 counties of Northeast Wisconsin, known as the New North region. The New North brand unites the region both internally and externally around talent development, brand promotion and business development, signifying the collective economic power behind the 18 counties. The counties include Outagamie, Winnebago, Calumet, Waupaca, Brown, Shawano, Oconto, Marinette, Door, Kewaunee, Sheboygan, Manitowoc, Fond du Lac, Green Lake, Marquette, Florence, Menominee and Waushara. To find out more information about New North, Inc., please visit our website at www.thenewnorth.com.