Partnership for NYC COVID-19 Impact

March 2020
GLG Surveys
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Research Overview

Background:

This study was created to help understand how the novel Coronavirus (COVID-19) is impacting New York City’s major businesses and industries.

It was run in partnership between The Partnership for New York City and GLG (Gerson Lehrman Group).

A total of 150 CEOs and business leaders representing 132 companies were surveyed and asked how their businesses have been reacting to the COVID-19 pandemic, as well as their perspectives on how business will be impacted in the coming months.

Factors investigated:

1. Company employee policies in response to COVID-19 pandemic
2. Business leaders’ assessment of impacts on revenue and business overall
3. Knowledge gaps for effective business decisions

Methodology:

• Online survey administered by GLG
• Survey length: 8-minutes
• Respondents are business leaders from the Partnership for NYC

Fielding time:

• Fielding time: March 13 – March 18, 2020
• The survey was distributed after President Trump declared a national emergency in response to the COVID-19 pandemic
Key Findings
Businesses have taken voluntary actions to stop community contagion prior to government directives

- Domestic business travel and client interactions largely restricted or not permitted (94% of businesses)
- Public transit is permitted as usual by roughly 2/5 of businesses
- Ninety-five percent of businesses have implemented work from home policies
- Most New York offices remain partially or fully open (as of March 17)
- Most large businesses are offering payroll coverage for those diagnosed with the virus or quarantined because of exposure

### Travel and Events

<table>
<thead>
<tr>
<th></th>
<th>Permitted</th>
<th>Permitted with restrictions</th>
<th>Not permitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Business Travel</td>
<td>41%</td>
<td>53%</td>
<td>6%</td>
</tr>
<tr>
<td>Client Interactions &amp; Conferences</td>
<td>29%</td>
<td>65%</td>
<td>6%</td>
</tr>
<tr>
<td>Public Transit</td>
<td>11%</td>
<td>43%</td>
<td>57%</td>
</tr>
</tbody>
</table>

### NYC Office Policies

- Employees are encouraged to work from home: 47%
- Employees are required to work from home: 41%
- Employees have option to work from home: 24%
- Rotating shifts of employees between the office and working at home: 26%
- Office location(s) are open as usual: 15%

WFH policies 95%

### NYC Office Status

- 78% of NYC employees are WFH
- Ninety-five percent of businesses have implemented work from home policies
- Most New York offices remain partially or fully open (as of March 17)

New York offices/operations for duration of the pandemic:

- Not open: 17%
- Partially open: 53%
- Fully open: 29%

### Payroll & Benefits

- Offering payroll coverage for those diagnosed with the virus or quarantined because of exposure: 79%
- Offering other benefits in response to the virus: 55%
Business development, employee morale, and access to offices and facilities are most negatively impacted to date

COVID-19 negative business impact until March 18th:

<table>
<thead>
<tr>
<th>Category</th>
<th>Neutral to positive impact</th>
<th>Moderate negative impact</th>
<th>Significant negative impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and Business Development</td>
<td>47%</td>
<td>48%</td>
<td>43%</td>
</tr>
<tr>
<td>Access to offices and facilities</td>
<td>46%</td>
<td>27%</td>
<td>36%</td>
</tr>
<tr>
<td>Shareholder confidence</td>
<td>28%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Employee productivity or morale</td>
<td>72%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Supply chain</td>
<td>57%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Cyber-security risk</td>
<td>51%</td>
<td>46%</td>
<td>3%</td>
</tr>
</tbody>
</table>

“Other” moderate or significant business impacts mentioned:
- Sales and revenue
- Impacts to business model
- Client inability to pay
- Employee concerns
- Courts closed, transaction largely delayed or holding, capital markets essentially closed given volatility

[Q3] How has COVID-19 impacted your business to date across the following categories?
BASE: (Total: N = 150 business leaders representing 132 companies), "prefer not to answer" excluded from each category
Nearly all NYC business leaders anticipate a negative impact on industry revenues

- Most business leaders believe their industry revenue will be affected negatively in the next 6 months (91% moderately or significantly)
- Over 2/5 leaders believe this negative impact will be significant

**Q6** How do you anticipate your industry’s revenues will be affected by COVID-19 in the next 6 months?

**BASE:** (Total: N = 150 business leaders representing 132 companies)
Increasing access to testing is most important government action

- These sentiments are reflective of the first stage of the crisis, before Federal stimulus discussions began
- Two-thirds of business leaders believe the most important action to increase business confidence is increasing access to COVID-19 testing
- Regular communications on the status of the pandemic is regarded as the second most important action

[Q1] What should government do to increase business confidence during the COVID-19 pandemic?
BASE: (Total: N = 150 business leaders representing 132 companies)
Clear, consistent communications from government and increased test availability are key actions to improve business confidence.

Top mentions:

- Increased public guidance/information/communication: 36%
- Increase availability of testing: 16%
- Encourage more social distancing/self isolation: 13%
- Healthcare system support (e.g. hospital patient increases/more respirators): 12%
- Financial compensation/assistance for businesses: 12%
- Financial compensation/assistance for individuals: 9%
- General business support: 9%
- More medical information (e.g. regarding virus transmission/patient recovery times): 6%
- Reduce misinformation/panic: 6%
- Decrease media focus on virus: 3%
- Increase social actions (e.g. food banks): 2%
- Other: 3%

“Start talking about life after the storm passes and stem the panic. Look to countries like Singapore and Australia as examples of places where government leaders executed. Collaborate with the private sector (like China did with Alibaba) to expedite solutions.”

“Continue to encourage social distancing. Provide financial assistance to individuals who are unable to work from home and will have no income.”

“Support the accelerated purchase of breathing ventilators for hospitals in the State of NY and the availability of COVID-19 test kits.”

“Private-public partnership. Coordinated response across the region.”

“Implement proven strategies from China, Korea and Japan e.g. dramatically increase testing including drive thru testing, dramatically increase the number of hospital beds (set up field hospitals), institute temperature checks, ensure health workers have equipment and supplies, ensure businesses have supplies (eg sanitizers, disinfecting wipes, etc)”

“Take action that allows businesses to access business interruption insurance claims; purchase contracts with non-profits providing essential services and social safety nets, more time than a day to prepare for changing events.”

[Q12] Please include any other action the government can take to improve business confidence.

BASE: (Total: N = 67 business leaders representing 132 companies)
Insufficient healthcare resources would have the greatest negative impact on business

- Roughly 3/5 business leaders ranked insufficient healthcare resources to be the most impactful potential negative event on their business.

- By comparison, more rigorous work-from-home and social distancing policies, as well as school closures were ranked as less impactful.

[Q5] Please rate the following events on the level of negative impact it would have on your business.

**BASE:** (Total: N = 150 business leaders representing 132 companies)

- **Insufficient healthcare resources to meet COVID-19 demands:**
  - Most impact: 59%
  - 2nd most impact: 11%
  - Rank: 70%

- **Travel in and out of New York City is prohibited:**
  - Most impact: 19%
  - 2nd most impact: 35%
  - Rank: 54%

- **Public transit is shut down or largely avoided by the public:**
  - Most impact: 5%
  - 2nd most impact: 22%
  - Rank: 27%

- **Government-mandated work-from-home policies:**
  - Most impact: 6%
  - 2nd most impact: 17%
  - Rank: 23%

- **Public or private school closures:**
  - Most impact: 6%
  - 2nd most impact: 9%
  - Rank: 15%

- **More rigorous “social distance” policies:**
  - Most impact: 5%
  - 2nd most impact: 5%
  - Rank: 10%
Increased testing, consistent guidance, and support for struggling businesses are priorities for government action.

"Increased information from the government; full transparency on depths of the crisis. Quarantines on incoming flights, ships (similar to Israel). Mobile testing stations. Supply stations for families and individuals in need. Supply chain updates - ensure continued production and distribution of all necessary resources (food, bottled water, toilet paper, paper towels, medicine, etc.)."

"More testing, financial relief for retailers in the city, change in agenda from progressive ideas to financially prudent ones so the city and state has the long term budgetary resources to weather the coming recession."

"That State and City have been doing a good job providing frequent communications and status updates. I would like to see cohesive management and consistent messaging at the Federal level."

"Provide updates as soon as possible and prepare employers to act accordingly to avoid negative impact on businesses. Less panic, more information. News & media need to stop causing the panic."

"Activate the army corp of engineers to build hospitals and procure ventilators, echoing Gov. Cuomo's request to handle potential wave of patients who may overwhelm hospitals."

"Clear, comprehensive, truthful, frequent communications."

Top mentions:

- Increase availability of testing (29%)
- Increased public guidance/information/communication (21%)
- More detailed plans/guidance (21%)
- General business support (15%)
- Financial compensation/assistance for businesses (13%)
- Healthcare system support (e.g. hospital patient increases/more respirators) (12%)
- Ensure essential businesses/operations remain open (7%)
- Financial compensation/assistance for individuals (7%)
- Reduce misinformation/panic (7%)
- More medical information (e.g. regarding virus transmission/patient recovery times) (5%)
- Timing estimates for pandemic development (5%)
- Invest in treatment (e.g. vaccine) (3%)
- Reduce spread of virus (3%)
- Encourage more social distancing/self isolation (3%)
- More private/public collaboration (3%)
- Childcare support (1%)
- Allow for travel/movement to continue in NYC (1%)

[CQ] What information do you need from the government? What actions would you like to see from the government?

BASE: (Total: N = 150 business leaders representing 132 companies)
Specific questions asked or information needed from government:

“What additional preventative or restrictive measures are being considered in order for businesses to ensure scenario planning is as complete as possible?”

“What is choice as to operations/ what is mandated behavior under state of emergency?”

“More communication including what will be the criteria to exit restrictions.”

“What additional steps are being considered to mitigate transmission of the virus?”

“What additional preventative or restrictive measures are being considered in order for businesses to ensure scenario planning is as complete as possible?”

“What is choice as to operations/ what is mandated behavior under state of emergency?”

“More communication including what will be the criteria to exit restrictions.”

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“What additional steps are being considered to mitigate transmission of the virus?”
Summary
Survey conducted between March 13 and March 18, 2020. This survey was taken by business leaders during the time restrictions were being rolled out by local, state, and federal authorities in response to the COVID-19 pandemic. BASE: (Total: N = 150 business leaders representing 132 companies)
About Us

Partnership for NYC

The Partnership for New York City represents the city’s business leadership and its largest private sector employers. We work with government, labor and the nonprofit sector to promote economic growth and maintain the city’s position as a global center of commerce and innovation. Through the Partnership Fund for New York City, the Partnership contributes directly to projects that create jobs, improve economically distressed communities and stimulate new business creation.

https://pfnyc.org/

GLG (Gerson Lehrman Group)

GLG is the world’s knowledge marketplace. We connect decision makers to insights from experts, so they can act with the confidence that comes from true clarity. Our network of 700,000 professionals is the world’s largest and most varied source of first-hand expertise, and we recruit hundreds of new experts every day. We bring the power of insight to every great professional decision. Visit www.glg.it.

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Appendix
Leaders have most confidence in the State and Healthcare System to manage the COVID-19 pandemic

- Rapid escalation of the pandemic is driving more aggressive action since this survey closed on March 18th
- Business leaders expressed only moderate confidence in the federal government’s ability to manage the pandemic, but this survey predates declaration of a national state of emergency and federal legislation to address the pandemic

<table>
<thead>
<tr>
<th></th>
<th>No confidence</th>
<th>Some confidence</th>
<th>High confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City</strong></td>
<td>21%</td>
<td>65%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>3%</td>
<td>66%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>39%</td>
<td>52%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Healthcare System</strong></td>
<td>9%</td>
<td>73%</td>
<td>18%</td>
</tr>
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[Q1_new] What is your level of confidence in the ability of the government and the healthcare system to effectively manage the COVID-19 pandemic in New York?

BASE: (Total: N = 150 business leaders representing 132 companies)
The greatest trust for information and management of the pandemic is with the CDC/WHO, health care experts, and state government.

Percentage of business leaders who trust the following sources of information on COVID-19:

- Center for Disease Control (CDC)/World Health Organization (WHO): 90%
- COVID-19 experts & healthcare professionals: 84%
- City/State officials: 59%
- Business community: 46%
- Federal government: 29%

[Q9] Which sources do you trust for accurate information on COVID-19 and how to deal with it?
BASE: (Total: N = 150 business leaders representing 132 companies)