

August 24, 2020

Standing Committee on Finance and Economic Affairs

RE: Economic Impact of COVID-19 on SMEs

The economic impact on SMEs (small and medium enterprises) has been challenging. While there are definitely businesses that are doing well, there are also businesses that are not doing very well at all.

The Peterborough Chamber of Commerce represents about 900 member businesses in the City and County of Peterborough. These businesses are a diverse constituency ranging in size from very small to very large, from rural to urban settings, from zero employees to hundreds of employees, from those renting to those owning their buildings, from profit to not-for-profit.

We are hearing their struggles which include:

1. Accessing the wage subsidy
2. Participating in the rent assistance program
3. Employees and business owners securing childcare
4. Extra cleaning protocols
5. Finding employees
6. Accessing broadband

Accessing the Wage Subsidy

The City and County of Peterborough are heavy tourism areas. These businesses struggled to access the wage subsidy program as they were not open in the beginning. Some have been able to do so now, but it's a challenge with zero revenue coming in. This is expected to be a challenge for our larger venue spaces – both private and not-for-profit are seeing insurance increases.

Participating in the Rent Assistance Program

One member in the property owner business acknowledged that the program has helped them and their tenants but stated that it was very cumbersome to apply for the rebate. They felt while it was necessary to get the appropriate paperwork a less cumbersome process would have led to increased take up of the program.

Employees and Business Owners Securing Childcare

Childcare has been challenging and there is continued concern that should school-aged children have to return to the home environment as to what that will mean for childcare options for working parents.



Extra Cleaning Protocols

The cost of personal protective equipment (PPE) along with cleaning supplies has been a concern for many months. Businesses are worried about the added continuing cost. Here's what one member had to say:

"Closing down all of the businesses cost hundreds of thousands of dollars in our store alone. Now with the city making masks mandatory, we have to expense masks to hand out to customers and hire extra staff to man the door to keep people out or hand them a mask."

This statement reveals that businesses have taken a significant hit since March and revenues have not returned so adding in the cost of cleaning and PPE is another stressor. Many of the programs available for PPE use are being driven through the private sector through campaigns such as #CanadaUnited.

Another member expressed similar concerns:

"My business is in retail apparel. We had to shut down for 2 months, and business has been slow to return.

The financial impact of COVID-19 has been tremendous. Not only has there been a loss of revenue, there has also been an increase in costs, due to the measures which needed to be implemented upon re-opening. Some of these implementation costs have been one-time (ie. store signage) and some will be ongoing (ie. continual supply of PPE and cleaning solutions).

There is also the continuing issue of consumer confidence. Many consumers are avoiding stores for fear of COVID spread."

Finding Employees

Recently, one member expressed that their manufacturing business was unable to secure employees at a \$16/hour rate with the opportunity to move to \$18+/hour after three months.

The COVID-19 pandemic has highlighted an issue that has plagued Peterborough and that is matching people with job postings. Currently in the Peterborough area there are over 1000 job postings (<https://www.wdb.ca/map/>) and yet there are those also unable to find employment. There is an ongoing effort to understand what the challenges are and identify a way forward that is productive. Locally, the Peterborough has both private and not-for-profit employment agencies working with employers and potential employees. Many of these service providers are working with new provincial contracts so it will be interesting to see if this has an impact on outcomes.

Accessing Broadband

The issue of access came barrelling to the forefront of infrastructure needs during the COVID-19 pandemic. With more businesses turning to online methods to sell goods and services, students using bandwidth for school and many in the workforce working from home the need for improved broadband access has increased. Continued focus on broadband projects is welcomed.



Overall, COVID-19 has had an impact. Even if a business has been able to operate online or continue with curbside pick-up or delivery it doesn't mean they are achieving revenues they were anticipating at the beginning of 2020. Reopened doesn't mean recovered. It means on the road to recovery.

We know certain industries will be the last ones out of the pandemic such as this member in the wedding and event industry: "Devastating impact. Thousands++ of dollars in lost revenue. Minimal work as most events cancelled or postponed. Limited income. Revenues still small as we cannot hold large events."

We also know that the pandemic has led to exposing the cracks in our current institutions. As another member told us, "This experience points to the need for a national strategy on basic income. Additionally, the cost of hydro must remain static and there should be no increase for at least 2 years."

The Peterborough Chamber of Commerce is asking that government:

1. Consider sector-specific relief programs targeting industries that have been particularly hard hit, and will continue to be, such as hospitality, tourism and performance spaces.
2. Build sliding scales into programs so that as a business recovers and their revenues go up their reliance on government programs goes down.
3. In the event of a second wave economic slow-down make program access as simple as possible.
4. Consider a tax deduction for cleaning and PPE supplies for the 2020 and 2021 tax years.

Thank you to the Standing Committee on Finance and Economic Affairs for their work and information gathering on the impact of COVID-19. Thank you for taking the time to read and listen to the submissions of the business community. We hope that this information will continue to inform government decisions moving forward.

Sincerely,

Stuart Harrison
President & CEO
Peterborough Chamber of Commerce

