

IBIC COVID-19 Indigenous Business Survey

Introduction

The Indigenous Business and Investment Council (IBIC)'s COVID-19 Indigenous Business Survey was conducted April 22nd-29th, 2020, 6-7 weeks into implementation of social distancing directives from provincial health authorities in British Columbia. A similar survey was conducted for the general business community by the BC Chamber of Commerce, March 13th-18th, just as social distancing directives were ramping up.

Given the differing circumstances of Indigenous business – including significant instances of Nation-owned businesses, lower-collateral/higher-cost financing, seasonal businesses, and sole proprietorships it was felt that it was important to determine how the pandemic was impacting the Indigenous business community in British Columbia, and whether the emergency business supports introduced by the federal and provincial governments were addressing these circumstances.

Summary of Findings

Consistent with the BC Chamber of Commerce respondents, impacts due to COVID-19 are being deeply felt by Indigenous businesses in British Columbia:

- 91% of businesses are “currently being impacted by COVID-19”
- Of those impacted, 84% are seeing a “drop in revenue, business, or deal flow”
- 89% anticipate a further “decrease in revenue in the near-term”
- 70% of businesses expect their revenues will drop by 50% or more (with nearly a quarter saying revenues will drop by 100%)
- 39% of the respondents say they will be “temporarily shutting down” their offices.
- 49% of respondents expect to reduce their staff by over half (with a 18% saying they will be reducing their staff by 100%).
- Most businesses are implementing a range of public health measures involving social distancing and increased sanitation.
- Over 60% of Indigenous seasonal businesses are feeling the impact of mass cancellations.
- 85% of businesses are experiencing moderate to major impacts to their business model due to difficulty or inability to shift to virtual or digital service delivery.

Indigenous businesses are aware of but not fully accessing Federal and Provincial supports:

- 94% of businesses are aware of Federal and Provincial COVID-19 emergency supports; 34% are actively accessing those supports.
- Greater than 70% of businesses feel they need government support with most feeling at least partially supported by current programs.

A sample of open comments from respondents provides some guidance on how supports could better meet their needs:

- Grants for small and seasonal businesses (as opposed to loans)
- Provide supports for the self-employed/sole-proprietorships
- Access to loans without revenue restrictions
- Commercial rental assistance
- Option for retaining employees with child care responsibilities on reduced hours
- Online courses and workshops on self-employment
- Staffing grants or wage subsidies to provide an incentive to go to work
- Increased procurement for Indigenous business
- Acknowledge circumstances of on-reserve businesses (e.g. community closures)
- Business development and consulting programs for businesses forced to pivot or re-purpose
- Better internet services for employees working remotely
- Move forward with planned projects
- Reconsider reliance on global supply chains, especially for food.

Methodology

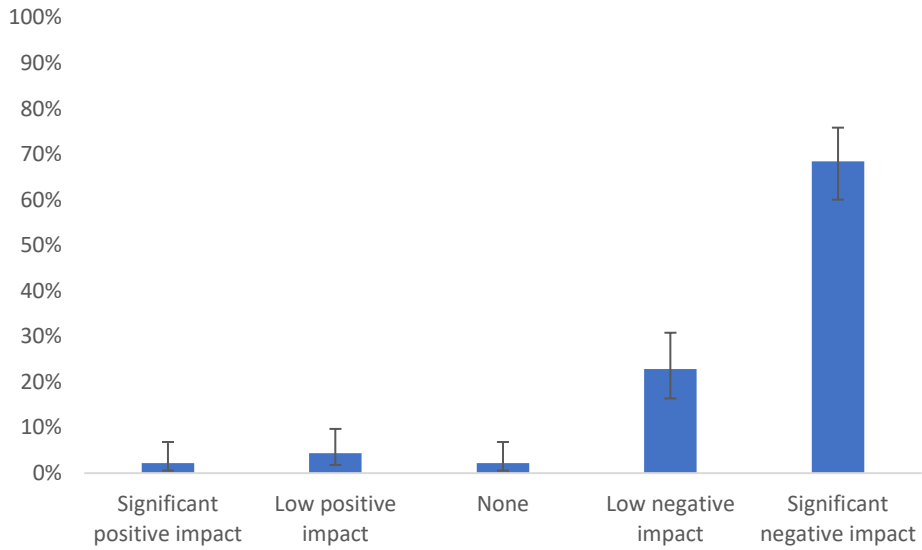
Below are question-by-question breakdowns of the Indigenous Business and Investment Council (IBIC)'s survey of businesses in their Indigenous Business Listings around the impacts of COVID-19. The bar on each result show the range of possible error, with 90% confidence on the survey's findings which agree with the real-world situation, based on the survey's sample of 115 businesses from a distribution list of 761.

Breakdowns are also included wherever we can be 90% sure that there is a difference either among Indigenous businesses in different regions, or between responses to the IBIC survey and responses to similar questions in a recent BC Chamber of Commerce survey. On the graphs, differences in which we can be 90% confident are (for the most part) those where the error bars do not overlap.

For all regional breakdowns, the province was divided into three regions big enough to obtain useful sample sizes. The Southwest includes the Lower Mainland/Southwest and Vancouver Island/Coast economic development regions; the Interior includes the Cariboo, Thompson Okanagan, and Kootenay development regions; and the North includes the North Coast, Nechako, and Northeast economic development regions.

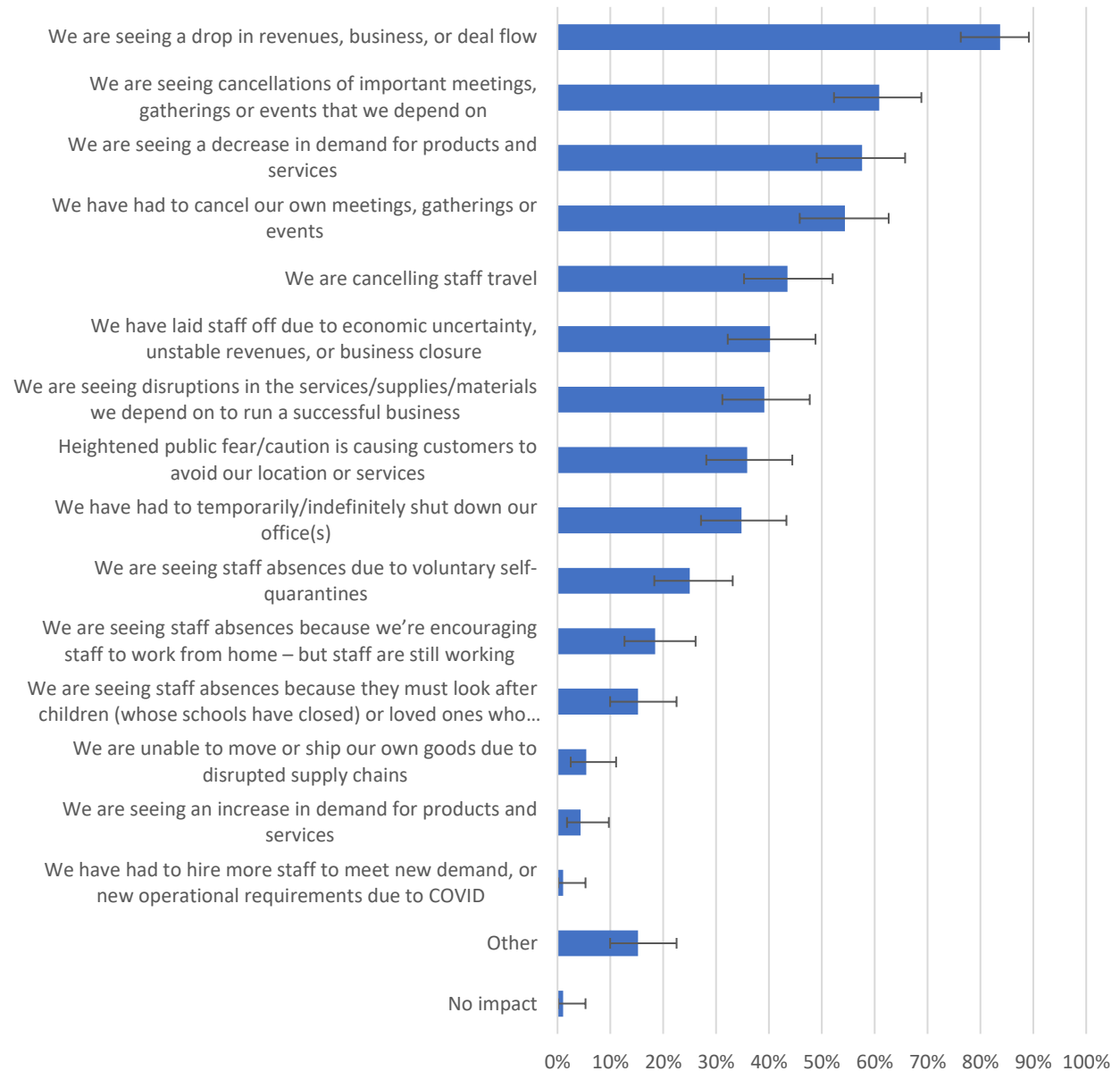
1. Estimate the immediate economic impact to your business (e.g. from a revenue, supply chain, HR perspective).

The overwhelming majority of Indigenous businesses across B.C. are feeling negative impacts from COVID-19. This is consistent with the BC Chamber of Commerce survey.



2. What types of impacts from COVID-19 is your business seeing? Select all that apply.

Drops in revenues and cancellations of major events are the two impacts affecting the significant majority of Indigenous businesses. The survey results show a diverse range of impacts are being felt.



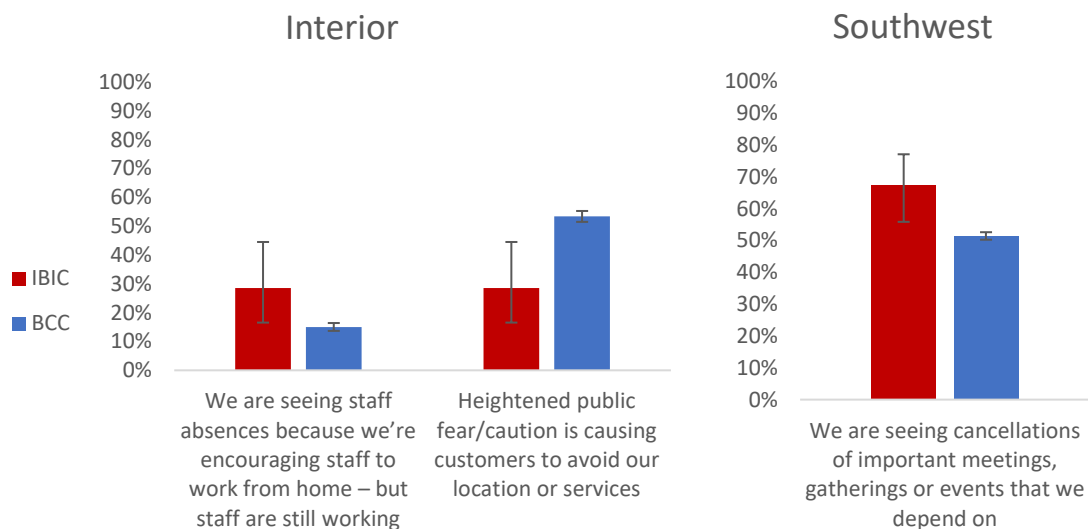
Province-wide differences with the BC Chamber survey

Compared to the BC Chamber of Commerce survey, Indigenous businesses seem to be more proactive with cancelling meetings, events, and staff travel.



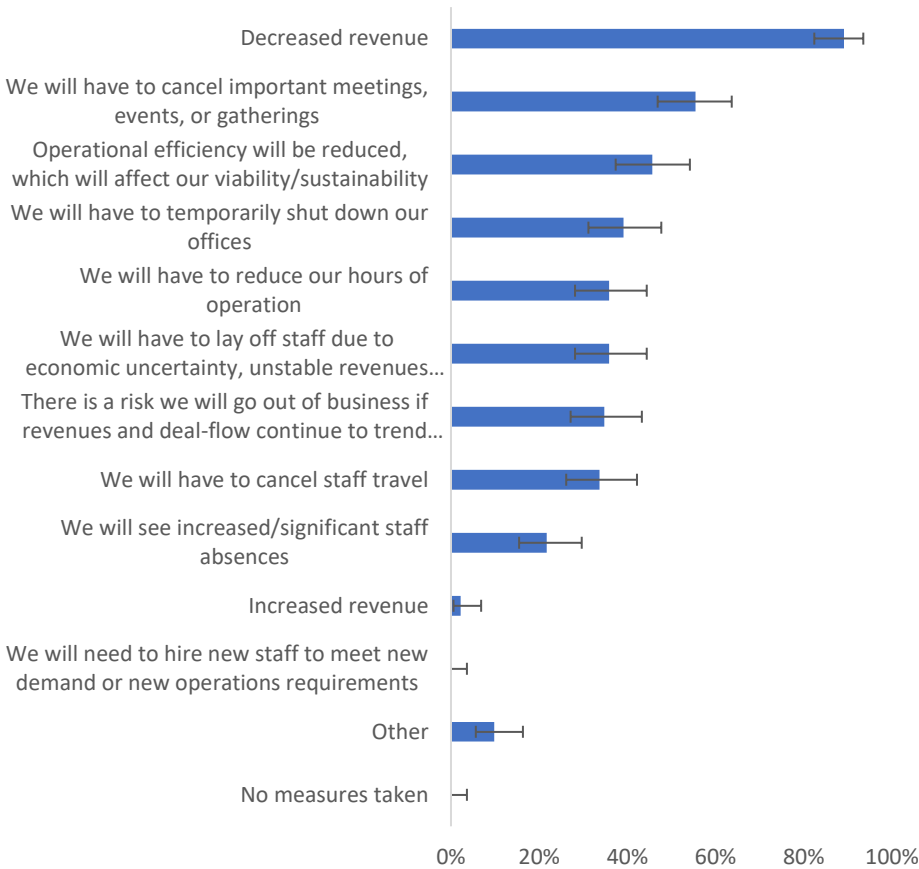
Regional differences with the BC Chamber survey

Indigenous businesses in the Interior are seeing less public fear/caution than their counterparts in the BC Chamber survey. Interior Indigenous businesses are especially affected by staff absences due to working from home, while Indigenous businesses in the Southwest are hard hit by cancellations of meetings and events.



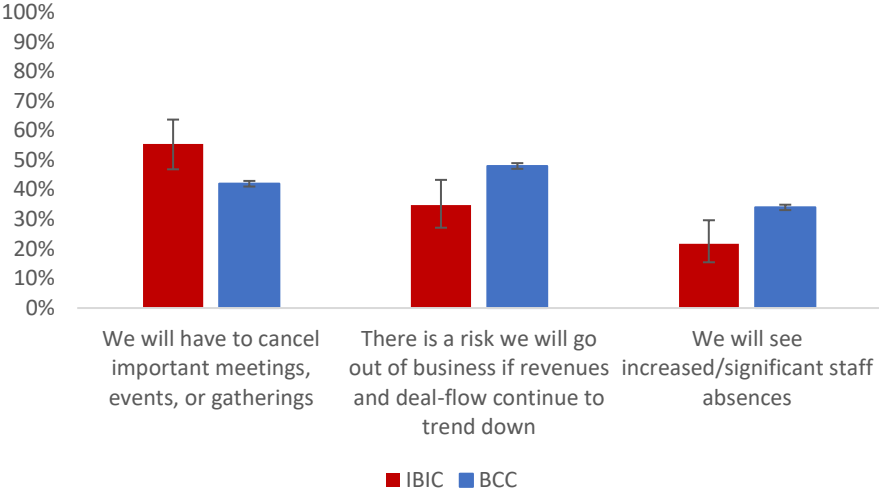
3. What near-term impacts on your business do you predict? Select all that apply.

A significant majority of Indigenous businesses see decreased revenues on the horizon, with a wide range of other impacts being predicted.



Province-wide differences with BC Chamber survey

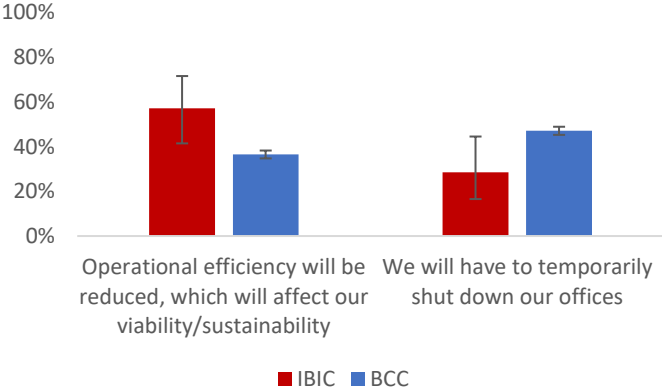
Indigenous businesses are expecting more event and meeting cancellations than respondents to the BC Chamber of Commerce survey. They also projected a lower risk of going out of business and increased staff absences, though these are still substantial worries.



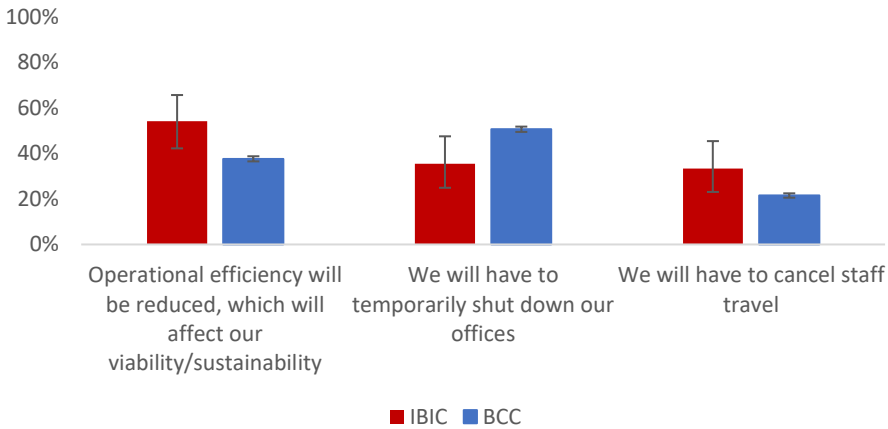
Regional differences with BC Chamber survey

In both the Interior and the Southwest, reductions in operational efficiency are a significantly bigger concern among Indigenous businesses, while temporary shutdowns are less of a fear. In the Southwest, Indigenous businesses are more concerned than BC Chamber of Commerce respondents about having to cancel staff travel.

Interior

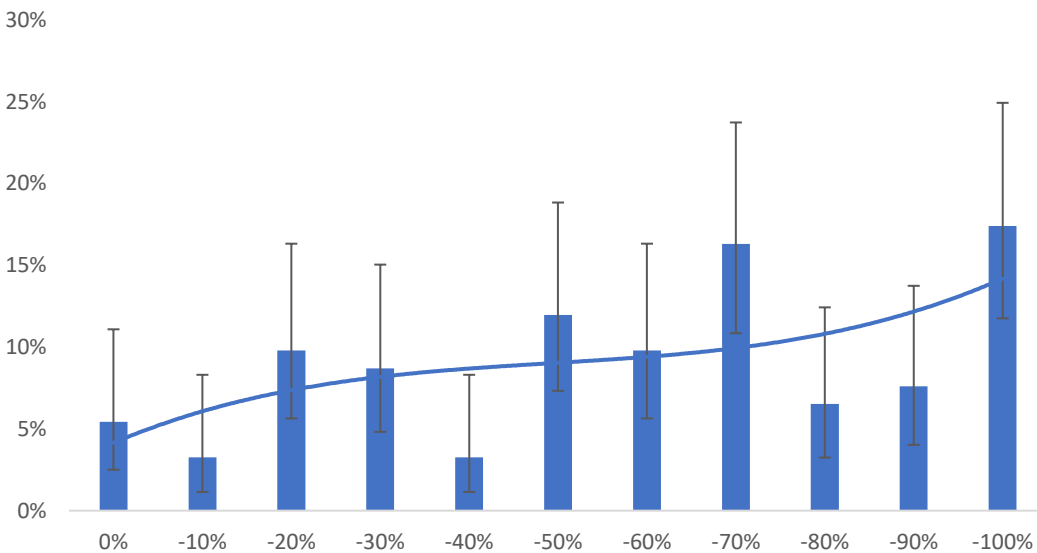


Southwest



4. Please indicate what % fall in revenue you expect during this crisis.

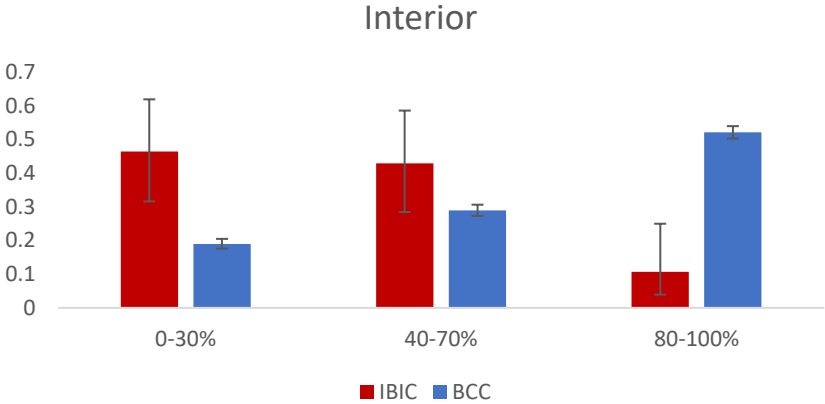
In terms of the scale of revenue impacts, the distribution for Indigenous businesses is indistinguishable from that of the BC Chamber survey, with larger revenue falls being more common for both.



Trend lines use third-degree polynomials.

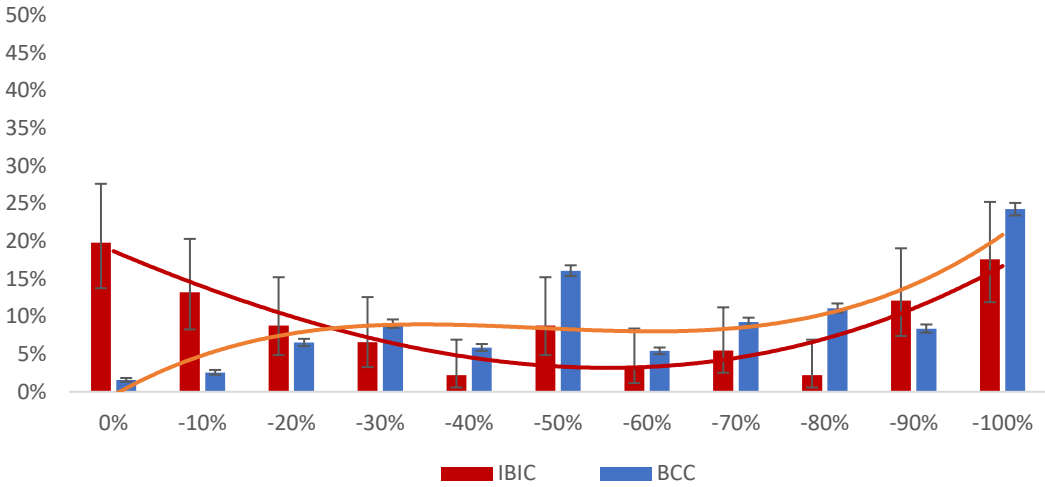
Regional differences with the BC Chamber survey

The one difference in expected revenue losses is in the Interior, where Indigenous businesses were significantly more likely to predict losses of 30% or less, and less likely to predict losses over 80%.



5. Please indicate what % decrease in staffing you expect during this crisis.

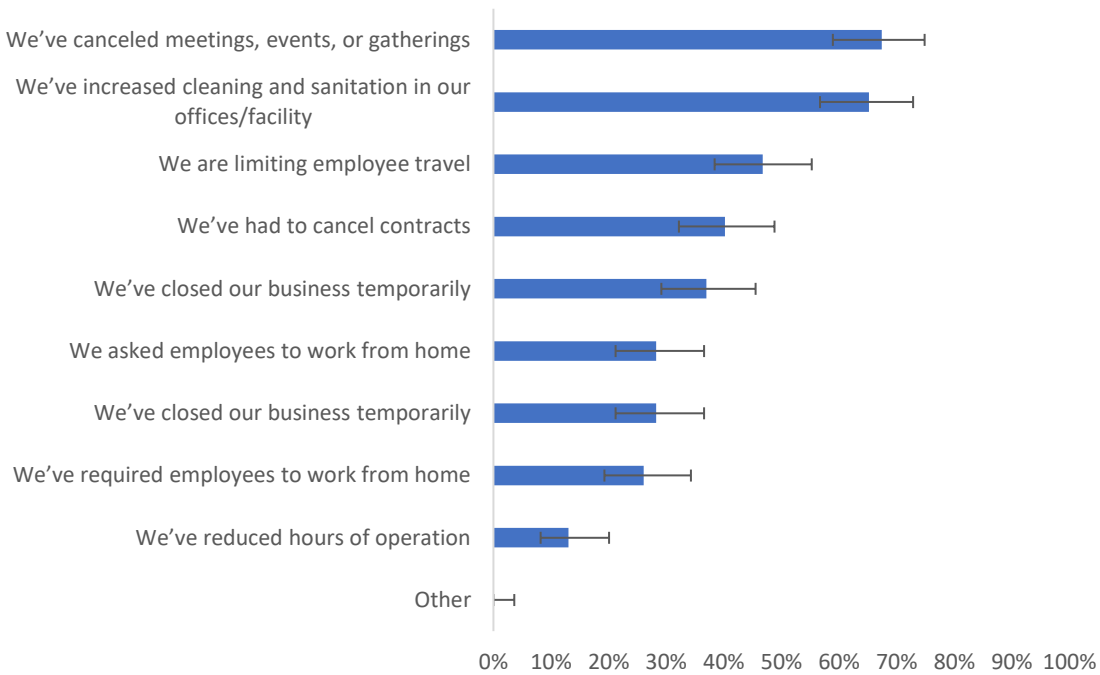
While the BC Chamber again shows a steady increase in the expected severity of staffing reductions, IBIC respondents are clustered towards the two extremes. More Indigenous businesses foresee small reductions, but about as many Indigenous businesses predict severe layoffs as the non-Indigenous counterparts.



Trend lines use third-degree polynomials.

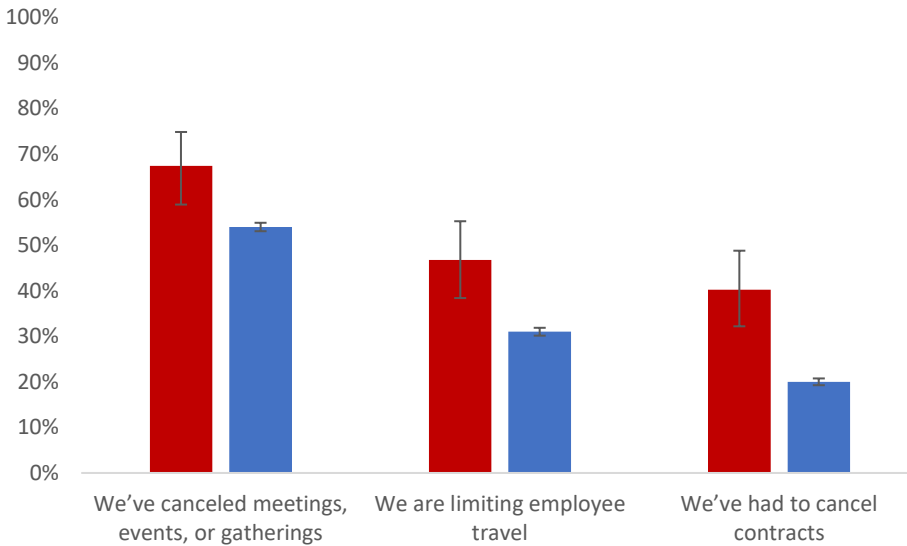
6. What measures has your business taken due to COVID-19? Select all that apply.

Most Indigenous businesses have cancelled meetings or events, and increased cleaning in their facilities. A range of other measures have been taken, though less than a quarter have reduced their hours of operation.



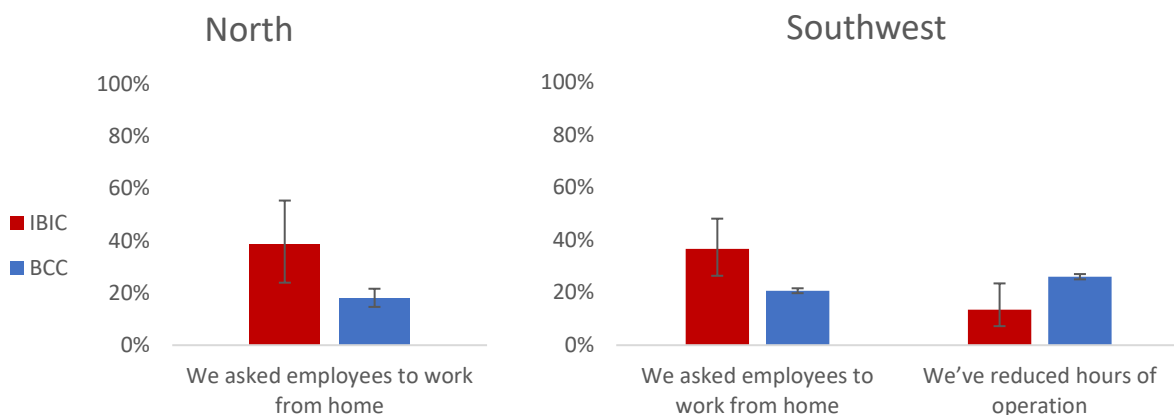
Province-wide difference with the BC Chamber survey

In keeping with the impacts mentioned above, Indigenous businesses around B.C. are more likely to have cancelled events and staff travel. They are also being hit especially hard by contract cancellations.



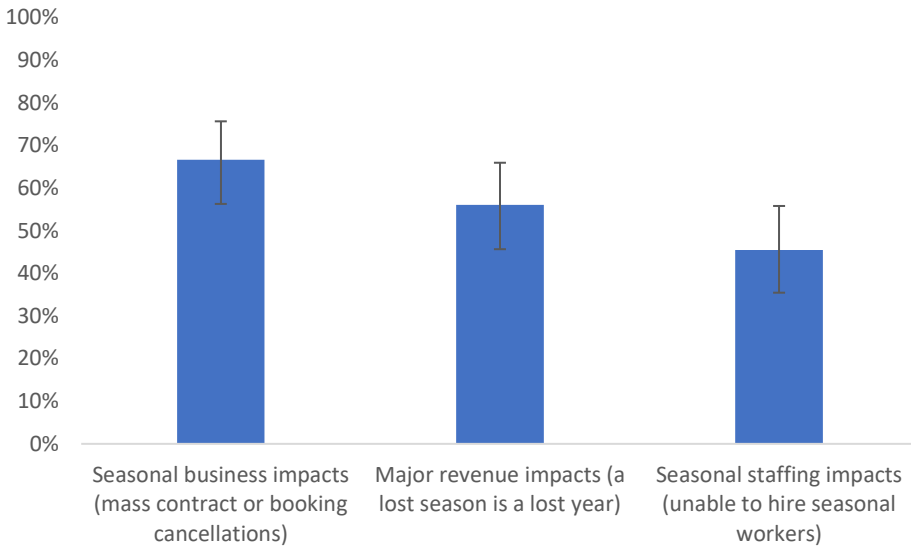
Regional differences with the BC Chamber survey

In both the North and Southwest, more Indigenous businesses are asking employees to work from home. In the Southwest, fewer Indigenous businesses have reduced their hours than respondents to the BC Chamber survey.



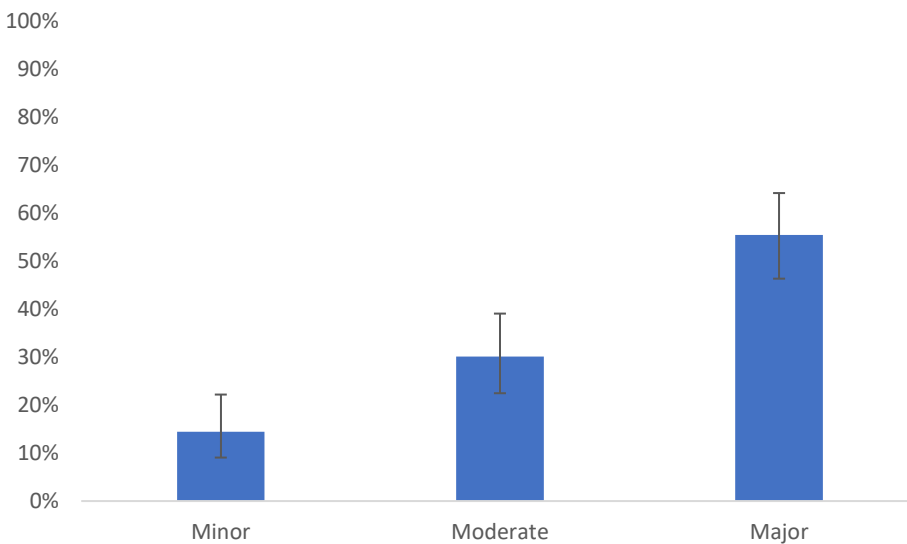
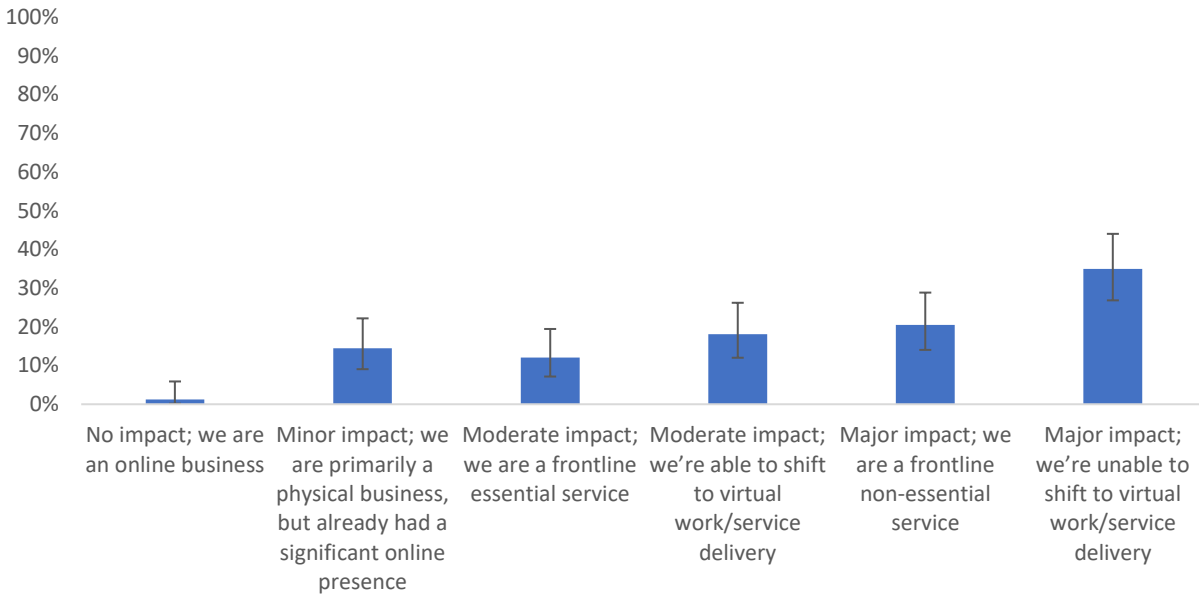
7. If you operate a seasonal business, indicate how the timing of the pandemic has worsened impacts for your business. Select all that apply.

Over 60% of Indigenous businesses are feeling the impact of mass cancellations for seasonal business. Revenue and staffing impacts are also widespread.



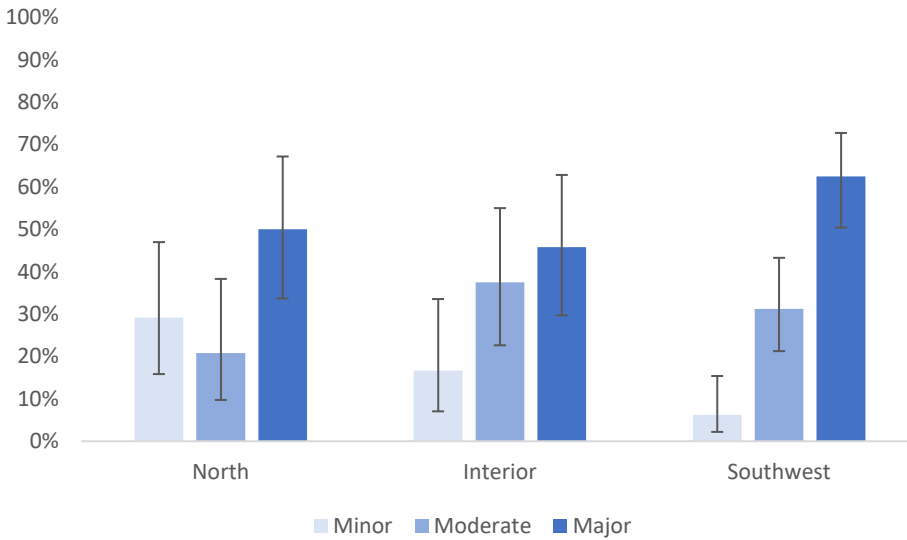
8. The adoption of social distancing as part of the COVID-19 emergency response has placed increased importance on virtual work and digital service delivery. How has this shift impacted your business model?

Looking at the severity and types of impact, there is real diversity among Indigenous businesses in B.C. The only universal is that there are significantly fewer businesses feeling no impact than in any other category. Combining all businesses into categories of minor, moderate or major impacts makes it clear that major impacts are the most common feeling among Indigenous businesses.



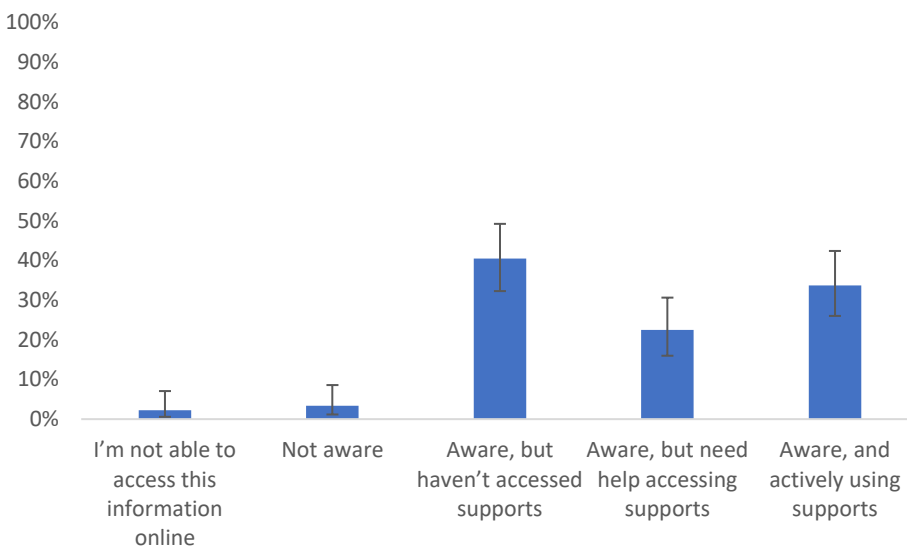
Regional differences in the IBIC survey

Indigenous businesses in the Southwest seem hardest hit, with a steeper distribution from minor to major impacts.



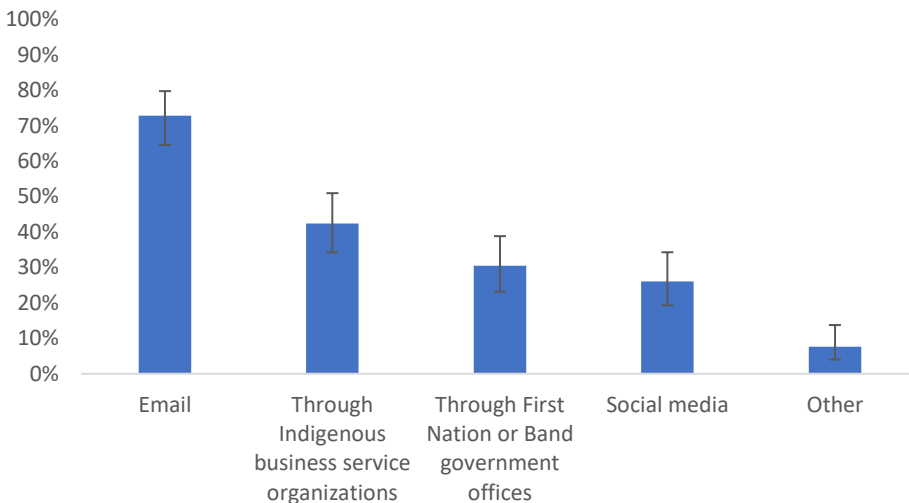
9. Are you aware of the following COVID-19 Federal and Provincial personal, community, business and economic supports?

The majority of Indigenous businesses are aware of existing supports, though most either need additional guidance or more targeted supports. Less than half of Indigenous businesses are actively using them.



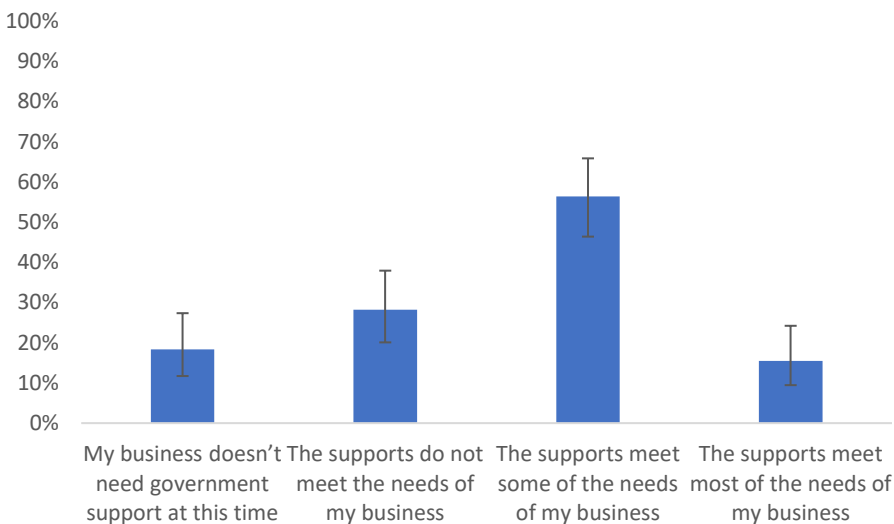
10. If you are not aware of or able to access information on Federal and Provincial supports, what is the best means of sharing this information? Select all that apply.

Email is an effective way to reach more than 60% of Indigenous businesses. While the sample size is too small to identify the best way of reaching those who will not respond to e-mail, preliminary results suggest that email and Indigenous business service organizations will be enough to reach most people.



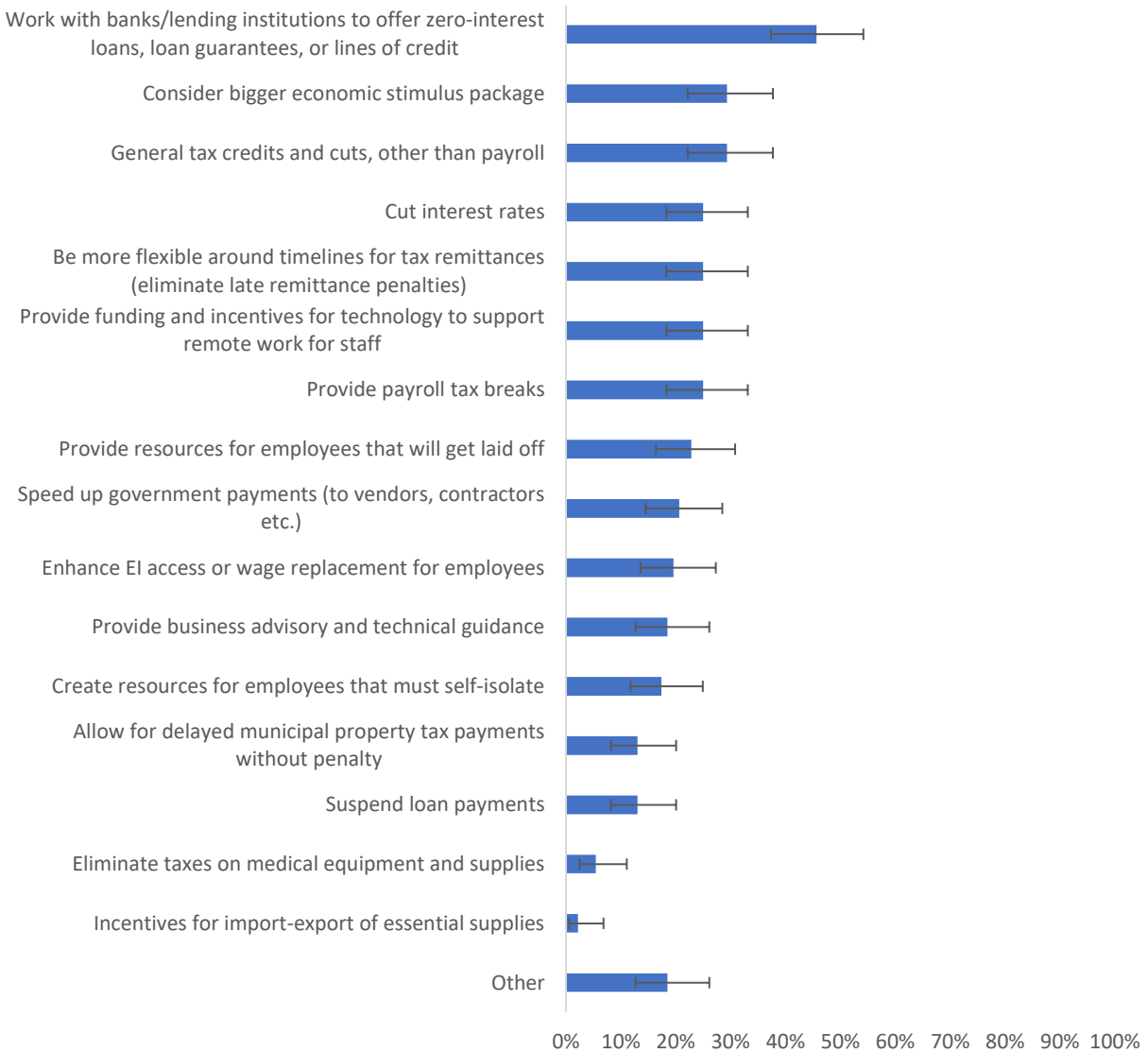
11. Do the Federal and Provincial supports meet the needs of your business in responding to COVID-19 related impacts?

The plurality of Indigenous businesses feels partially supported by existing supports. Less than 30% felt they needed no support.



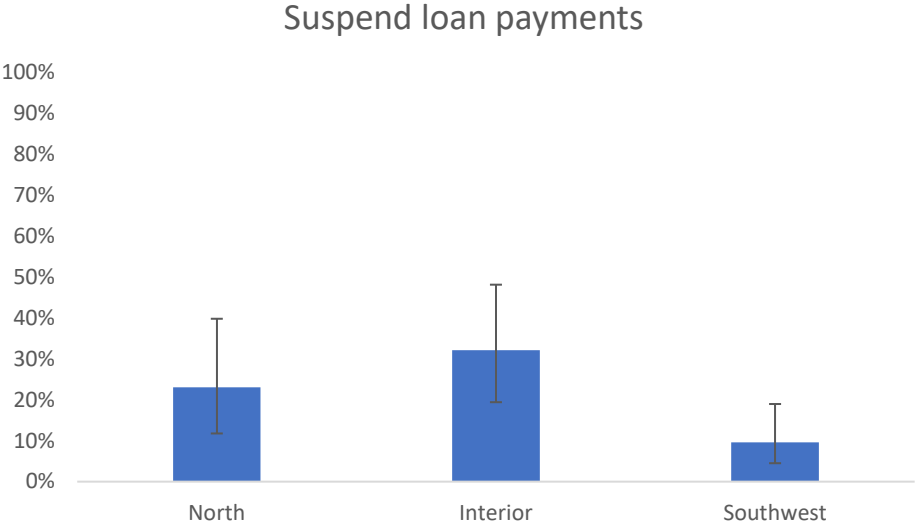
12. What can different levels of government do to support your business during COVID-19? Please select your Top 5.

No one potential response had the support of the majority of Indigenous businesses, though working with banks for cheaper financing was significantly more popular as a top-five choice than most other options.



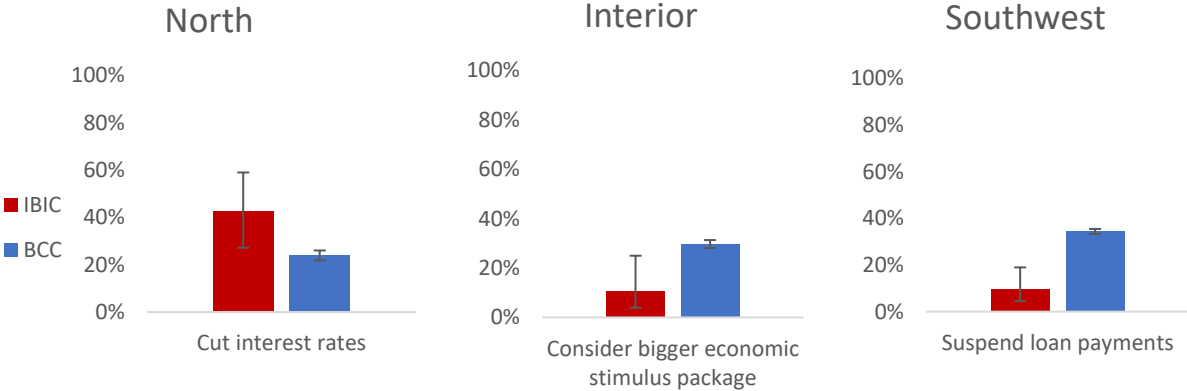
Regional differences in the IBIC survey

Suspending loan payments is significantly more popular as an idea in the Interior than in the Southwest.



Regional differences with the BC Chamber survey

A few options saw significant different levels of regional support in the IBIC survey than in the BC Chamber survey: cutting interest rates is more popular in the North, a bigger stimulus package is less popular in the Interior, and the Southwest is less interested in suspending loan payments.



Open Comment Responses for Question 7:

#	Respondent	Are there other impacts specific to seasonal businesses?
1	18	Less Oil & Gas Drilling and Pipeline Projects being affected
2	32	Loss of a building season
3	49	Cannot undertake outreach program and summer student program.
4	58	Wedding events which are seasonal and generate higher revenue are all cancelled.
5	78	This has affected our business in a negative way with refunds now being issued on a daily basis to clients and are trying to keep our office staff on but they need to work from home which can be not as productive and comes with mental health challenges
6	95	Markets will cause the break up to be longer possibly and less demand for our product
7	114	The window is gone so revenue lost
8	136	Our clients have shut down in their busiest time of the year. Most may not re-open
9	150	Seasonal work the window is gone
10	156	Additional costs of doing business (one field crew member per truck, this will limit field staff availability and increase vehicle purchase/lease/rental cost. Overall increased operating cost with no change in contract revenue.
11	176	Disruption in supply chain. Staff (younger) are likely to move away, bringing more pressure on the city's accommodations and competition for work. Likely increase in unscrupulous employers taking advantage of fewer options for employees
12	195	N/A
13	201	We had to return all prepayments we received for events.

Open Comment Responses for Question 8:

#	Respondent	If there are major impacts, what are the barriers to moving your business to a virtual work/service delivery model?
1	12	As a restaurant, we started to offer takeout. As a business our revenue is a shadow of what it was.
2	27	We only provide vending services to our clients so it's a hands-on service.
3	29	we are a service delivery service providing vending to our clients.
4	31	I cannot provide any services but have been offering retail drop offs. Not much income from it. I will plan to provide online training and/or try to wholesale private label products to retail online. However, I do not have the capital for that right now.
5	32	Our office-based workers have shifted to virtual work, our field workers cannot.
6	50	Aircraft cannot be flown 'virtually'.
7	54	Cost of more sophisticated technology options.
8	60	Costs of purchasing more sophisticated technology and related programs and platforms.
9	66	We are not open to the public, so they have to make their own change; we are carwash and lube shop.
10	78	None of the above are right for us and we are a on the ground fishing charter business and yes, we have social presence but if you cannot take out clients for adventure experiences, we are deeply affected.
11	83	No, we are a small lodging facility.
12	98	Unable to train new staff virtually as training requires individuals to be closer than 2m.
13	110	We offer Group Tours.
14	119	We cannot complete construction of our Cannabis Cultivation Facility.
15	120	Hospitality business.
16	131	Work construction so still working but must work around other trades, so jobs are longer, and doing more work alone without contract help.
17	132	food security issues

18	136	Most of our clients have shut down business
19	149	Organizational effectiveness and ability to maintain standard of service has been negatively impacted by knowledge/comfort/experience gaps with the various virtual platforms being utilized across the organization
20	171	Challenges with teaching staff to use services and our business is both office and field work for fishing adventures
21	176	With ferry cutbacks and cost, we are unable to meet with prospective clients in the Lower Mainland
22	180	we're a convenience store

Open Comment Responses for Question 10:

#	Respondent	If you answered other, describe the best means of sharing this information:
1	29	Radio, TV.
2	78	The above are best or by personal contact directly.
3	82	Friendship Centre's 85% of the Indigenous population in Canada are in urban areas and access programs and services provided.
4	114	Not applicable at this time.
5	119	There are barriers to meeting the criteria.
6	150	All good we have applied now waiting.
7	175	Chamber of Commerce.
8	176	Mobilize Metis groups who exist in both First Nations areas and in all metropolitan areas.
9	179	I am self-employed and there is not really any program that covers me the problem is all the funding has been geared towards bigger businesses.
10	180	TV and News.
11	184	Community Futures Development Corporation of Central Interior First Nation.

Open Comment Responses for Question 11:

#	Respondent	If the Federal and Provincial supports are not meeting the needs of your business, what would make them more suitable?
1	12	Development and distribution of a vaccine. Dismantling of triple net lease rental agreements. Access to more grants. Further payroll tax forgiveness.
2	26	This would need to be answered by the CEO from our band office.
3	31	It only helps me in my home. This does not stretch far enough to help my business in any way. Currently only receiving CERB. I am not eligible for CEBA because I am a sole proprietor and did not have pay roll in 2019.
4	48	Taking too long to implement.
5	78	We are unsure whether we will be eligible and or will qualify for the support or grants.
6	91	Better information.
7	107	I have read that there are funds coming.
8	119	We are not yet in revenue, so nothing helps us...yet we are being beat up by COVID.
9	134	Easier access or direct sharing of information towards government support.
10	136	We're close to 100% lost business.
11	142	Some small businesses are proprietary, not limited companies, makes it hard for any support.
12	149	There are no supports that I am aware of that are designed to support new businesses.
13	151	Deferrals of government payments do nothing for a seasonal business as a lost season cannot be made up once the restrictions are lifted. We have to wait until next summer to make up that income. We need to be able to not make payments or have the rates reduced. Taking on more debt is not the answer either :(
14	158	This would be a question for the band office and not I-Hos Gallery.
15	179	The programs offered do not help people in business for self.
16	184	We live on a First Nations band land and our business is with cattle and horses.

Open Comment Responses for Question 12:

#	Respondent	If you answered "Other", please describe the kind of support needed.
1	26	The CEO would be better at answering this from our band office
2	29	I could use a larger loan
3	32	Provide an option for those that are working from home and looking after children. Our staff are trying to balance both. Business is not getting 100% value of employee and employee is stressed trying to keep up and tend to children. Need an option for reduced hours.
4	42	Commercial rent assistance
5	82	I am self-employed and do not fit the CERB criteria. Not sure what the IBIC criteria is?
6	99	More courses or online workshops on self-employment, as many people will HAVE to take this route
7	107	Offer forgivable grants and or at least wage subsidy for any staff we have working
8	118	Employees believe they make more by not coming to work need financial support to help pay employees more
9	119	Simply allow us to access some of the COVID stimulus dollar loans without having to show revenue. We're working towards completing our construction so we can get our license so we CAN get revenue. COVID interfered with this significantly.
10	124	Government could increase procurement for Indigenous businesses.
11	142	I mostly work on reserve land, most native communities are very careful about what they are doing right now, no business is being done. Only emergencies.
12	149	Fund business development and consulting programs targeted to existing businesses who will be forced to pivot, to re-purpose themselves, to establish a foothold in the new economy.
13	155	Provide better Internet service for employees working remotely.
14	158	This would be a question for the band office not I-Hos Gallery. I-Hos does not apply for things the band office directs too

15	175	Process contract proposals and move forward with planned projects
16	176	Take the opportunity to re-examine the US-influenced basis of our economy which primarily works to support the US economy. We will always be second place to US self-interest so let us look within. We should look into the cost of our program-specific "socialism" and use those funds to provide a basic home, food, health care and education (as deserved and useful to Canada). Beyond that, we should support trade within Canada and limited trade with our neighbours under stringent conditions (i.e. investment in Canada). Foreign firms operating in Canada should not be allowed to move their profits offshore. Finally, we need to pay for all this by a simplified progressive tax system, limited loans to companies (NO subsidies, grants or handouts). We also need to create very rigid rules about politicians and civil servants profiting from their service. Nationalize our essential services (homes, health, food) & charge heavily for our resources.
17	179	Provide proper funding for people that are self-employed/in business for self.
18	192	Offer support grants for small seasonal businesses. We cannot take on loans at this time.
19	194	We have to look at the BIG picture we are not able to receive imported supplies. The BIG picture is the long-term effect on food supplies more so the Meat and Fresh Food products
20	197	Being more business owner friendly I find that most of the "government aid" is geared towards employees with little consideration for the business entities themselves. Let's keep the businesses going so people have jobs to come back to.