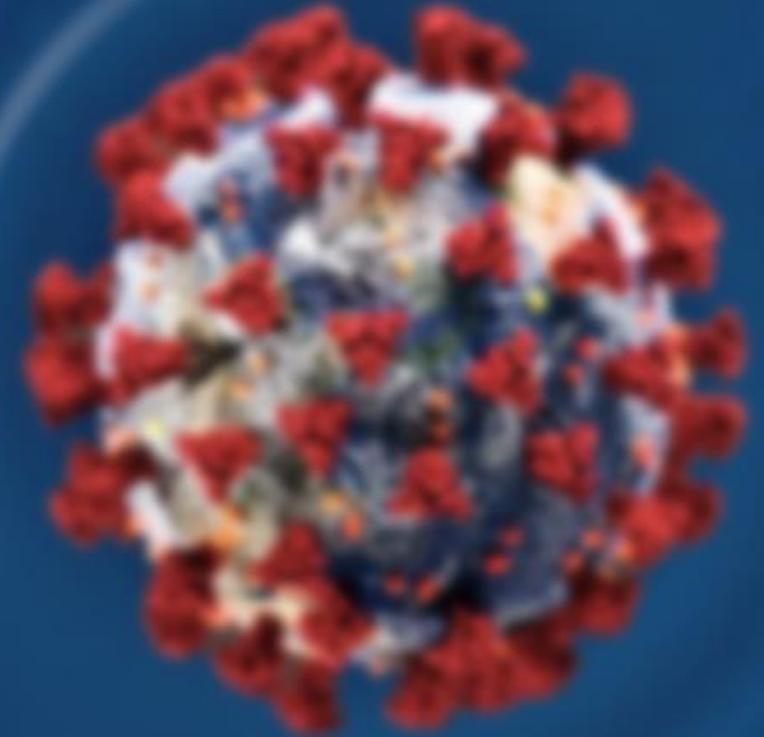


NEXT STEPS FOR ARIZONA'S ECONOMY!

A SURVEY OF ARIZONA BUSINESSES

LAST UPDATED APRIL 27, 2020



- a partnership of the -
ARIZONA ASSOCIATION COVID19 TASKFORCE



OVERVIEW

During the COVID-19 pandemic industry groups across the state have been meeting weekly to ensure seamless sharing of information, providing real time updates on industry specific impacts and needs, and coordinating resources. Through this partnership we surveyed a variety of Arizona businesses across all sectors.

While this deck contains a broad overview of survey results & general recommendations, it is important to note that each industry/association all have their own specific priorities & needs to respond to the pandemic on behalf of their members.

As the impacts of the pandemic continue, the Arizona business community is committed to continuing cross industry communication - we are all in this together.

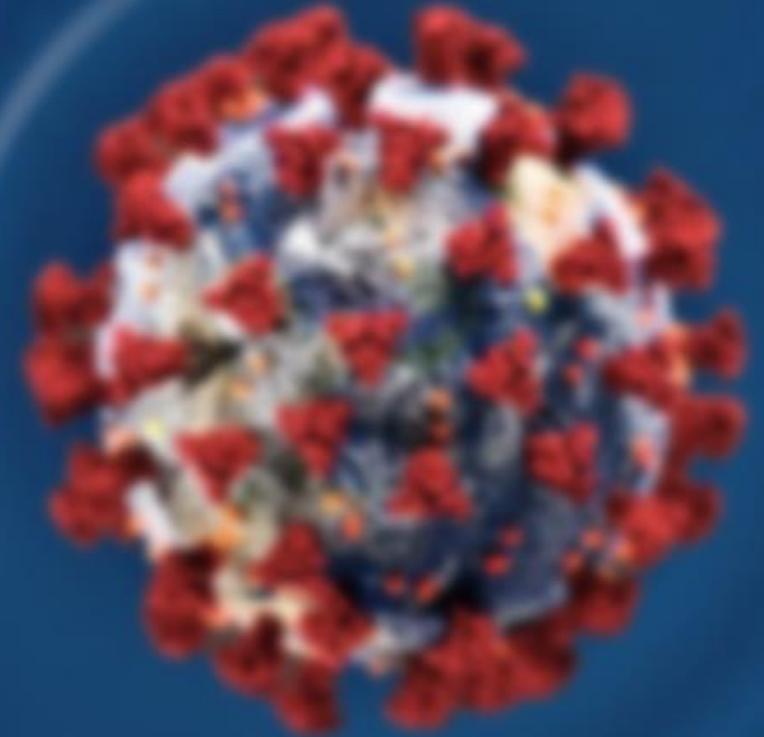


SUMMARY

- **SURVEY HIGHLIGHTS**
 - **COVID19 impact on businesses across AZ industries**
 - **Relief businesses have taken advantage of**
 - **Challenges & needs for reopening**
- **NEXT STEPS FOR ARIZONA'S ECONOMY**
 - **Policy considerations to restart**
 - **Economic relief needed**
 - **Economic recovery moving forward**

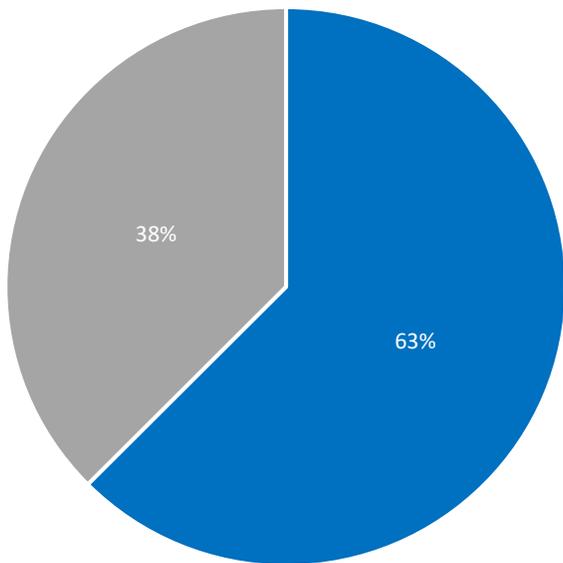


SURVEY RESULTS



INDUSTRY

INDUSTRY OVERVIEW

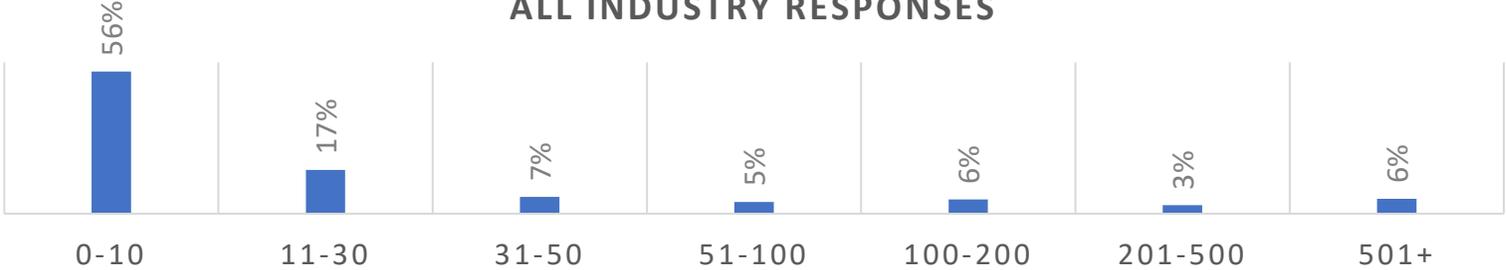


■ Other, not health care ■ Healthcare

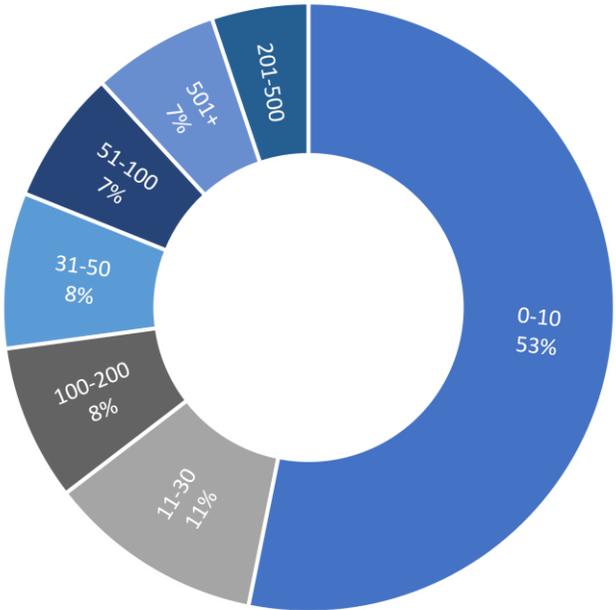


SIZE OF BUSINESS BY # OF EMPLOYEES

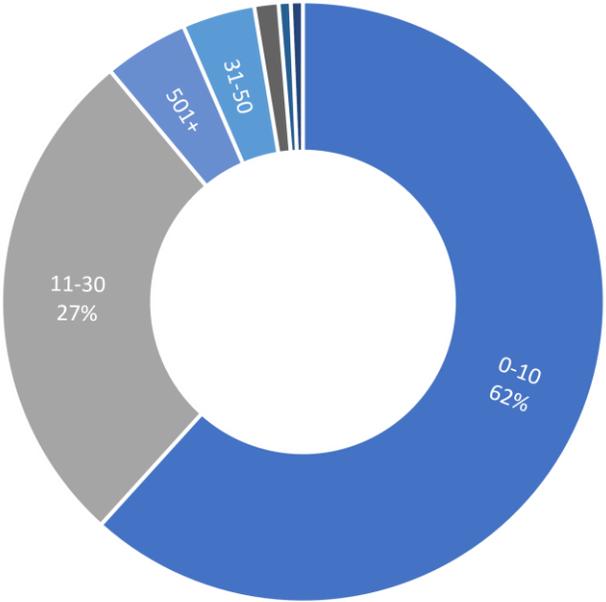
ALL INDUSTRY RESPONSES



Other Industry

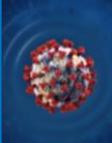


Healthcare

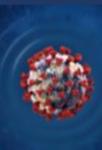


■ 0-10 ■ 11-30 ■ 31-50 ■ 51-100 ■ 100-200 ■ 201-500 ■ 501+

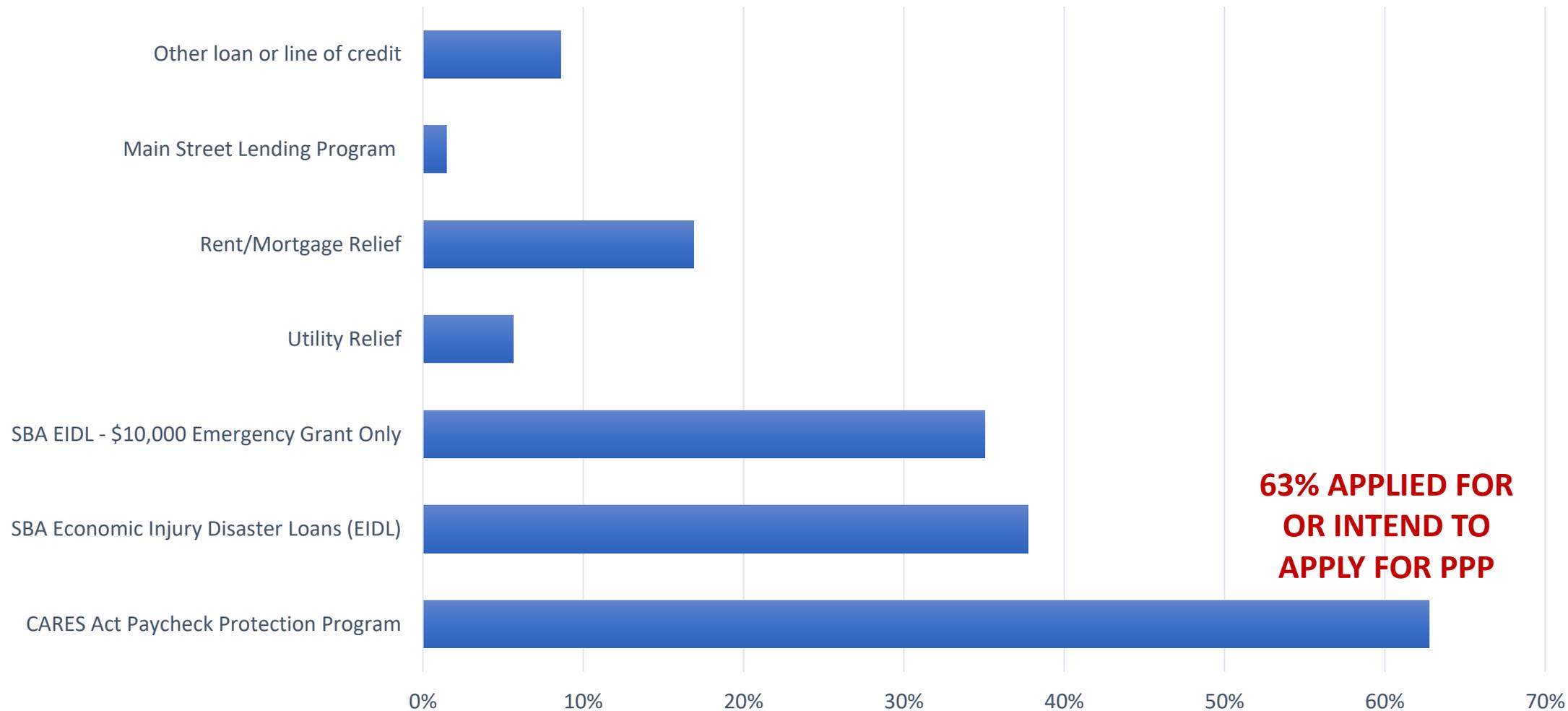
■ 0-10 ■ 11-30 ■ 31-50 ■ 51-100 ■ 100-200 ■ 201-500 ■ 501+



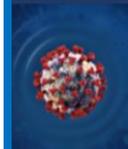
IMPACT OF COVID19 ON OPERATIONS



PROGRAMS BUSINESS HAS APPLIED FOR OR INTENDS TO TAKE ADVANTAGE OF



**63% APPLIED FOR
OR INTEND TO
APPLY FOR PPP**



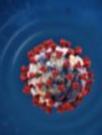
SUCCESS IN APPLYING FOR RELIEF

| Program | % of respondents that applied |
|---|-------------------------------|
| Paycheck Protection Program | 62% |
| Economic Injury Disaster Loans (EIDL) | 37% |
| EIDL \$10,000 Grant Only | 46% |
| Main Street Lending Program | 4% |
| Other Business or Commercial Loans or Lines of Credit | 16% |

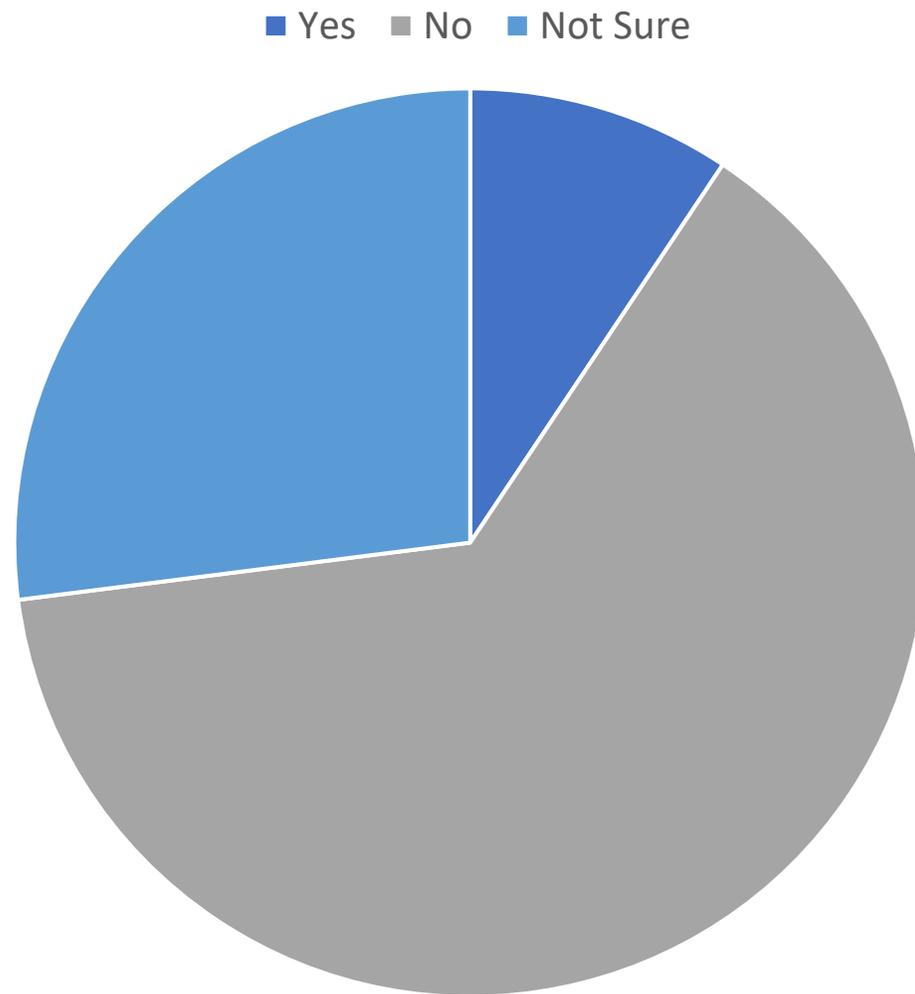


OF THOSE THAT APPLIED

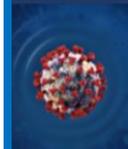
| Waiting on a Response | Approved (no funding) | Approved (funding received) |
|-----------------------|-----------------------|-----------------------------|
| 69% | 12% | 11% |
| 87% | 3% | 2% |
| 73% | 2% | 18% |
| 33% | 0% | 0% |
| 31% | 20% | 25% |



HAS FEDERAL RELIEF FUNDING BEEN SUFFICIENT?

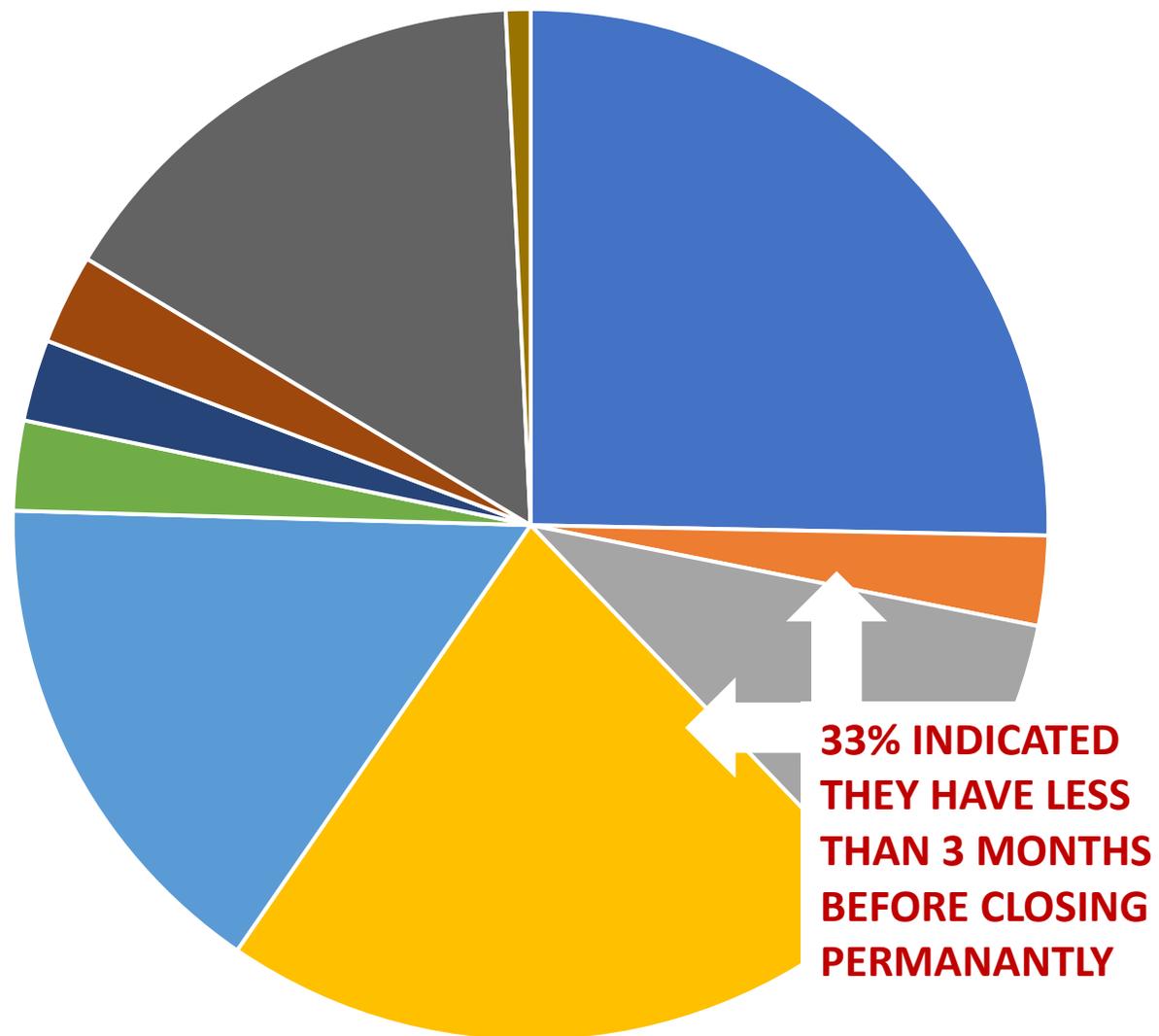


Note: Survey was taken after passage of the CARES Act, but prior to replenishment.



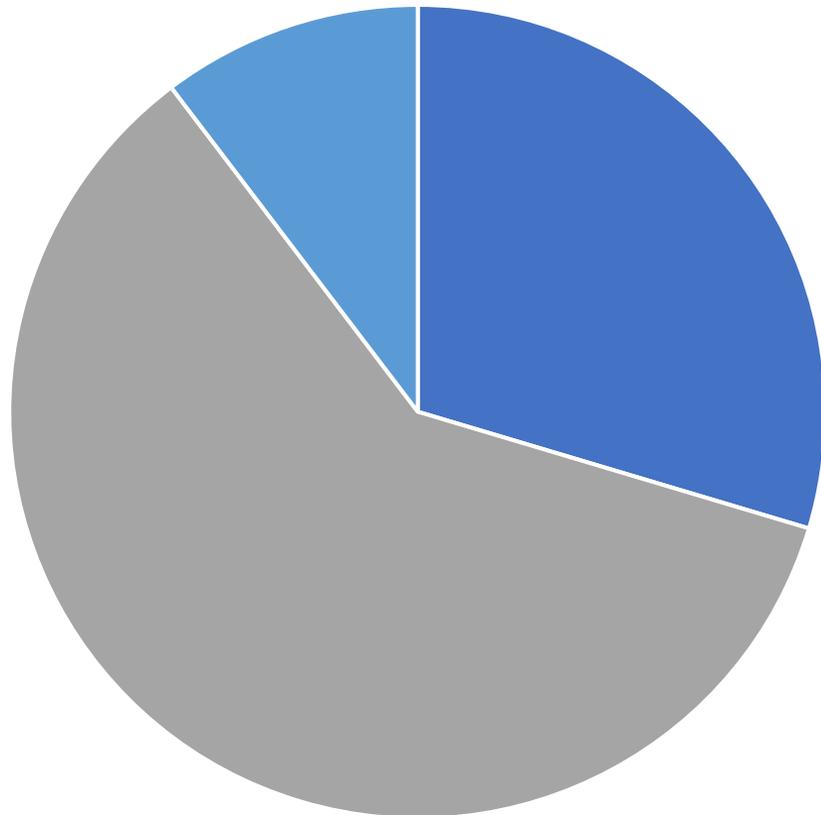
HOW LONG DO YOU HAVE BEFORE YOU CLOSE PERMANENTLY?

- N/A, Business is still operating as an essential service
- Less than 2 weeks
- Approximately 1 month
- Between 1 and 3 months
- Between 3 and 6 months
- Between 6 and 9 months
- 9 to 12 months
- 12 months +
- Unsure
- I have already closed permanently

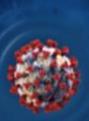


SOCIAL DISTANCING APPLICABILITY

If the CDC recommends social distancing beyond April 30th, do you believe any orders to stay at home should apply statewide or based on geographic regions of high-risk areas?

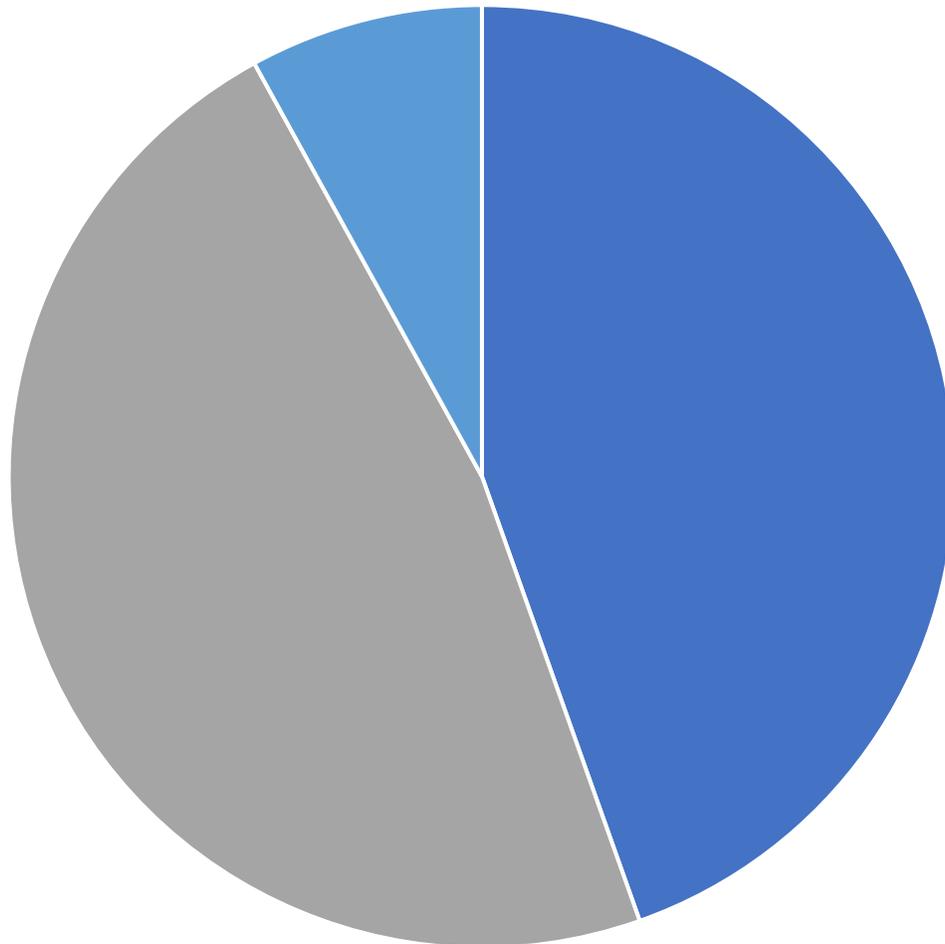


- Orders should apply to the whole state
- Orders should be geographically, limited to high risk regions
- Not sure



APPROACH TO RESTARTING

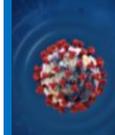
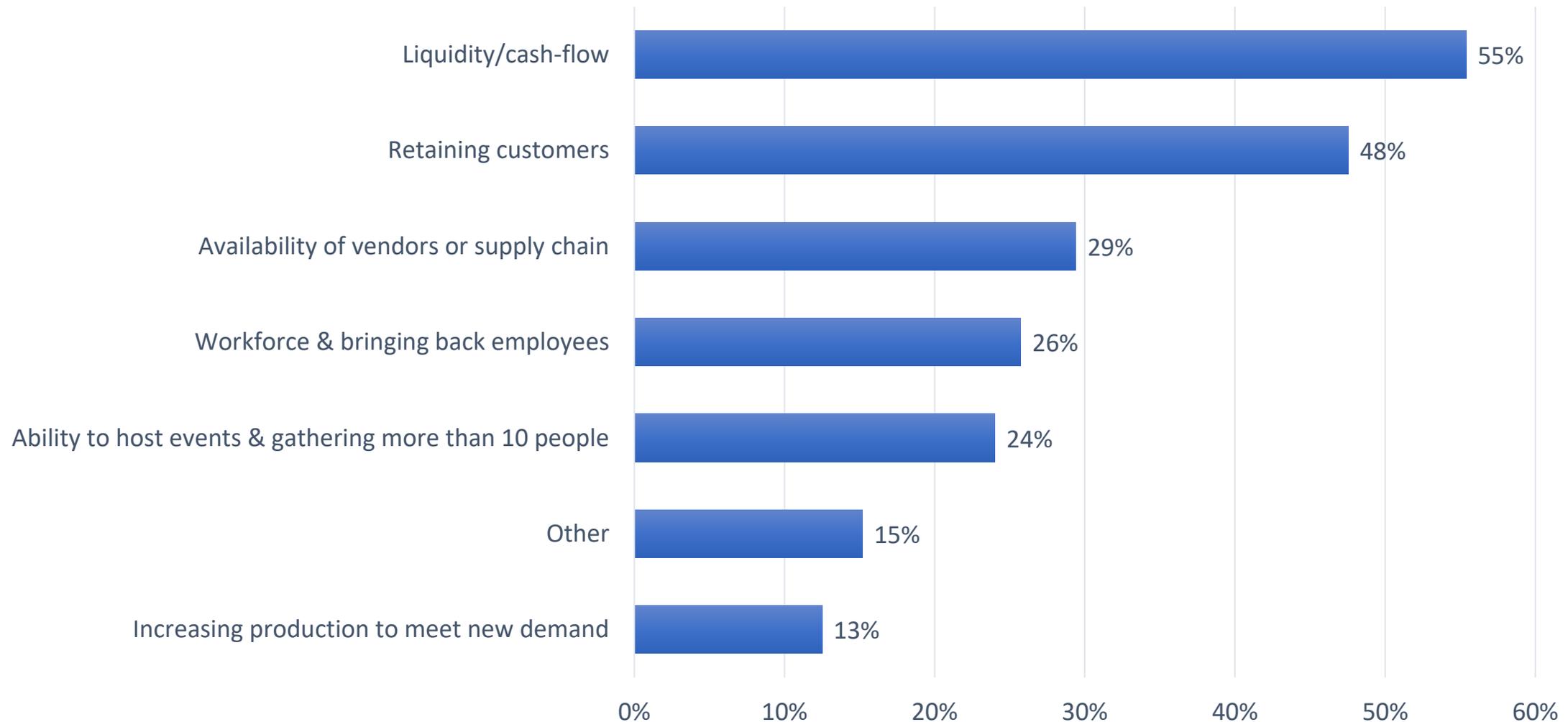
Do you support a phased-in approach to restarting economic activities?



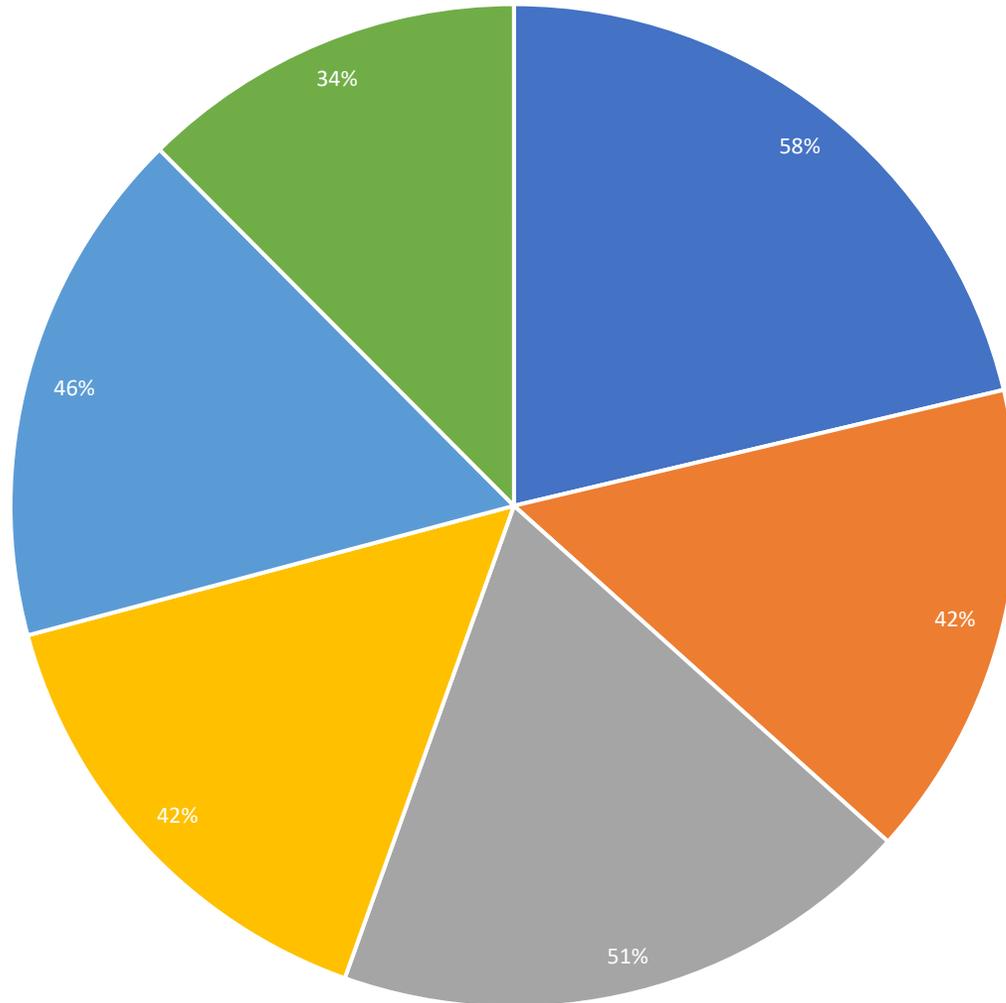
- Phased in approach with low-risk restarting first
- Choice should be left to business as long as they are in compliance with guidance and regulations from CDC & state health officials
- Not Sure



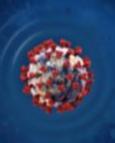
BIGGEST CHALLENGES TO RETURNING TO BUSINESS AS USUAL



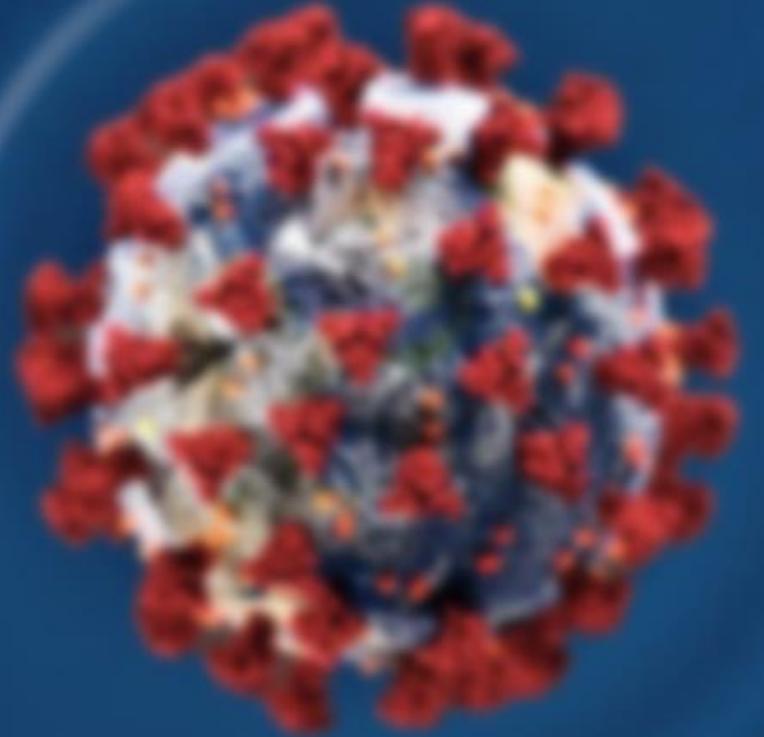
WHAT DOES YOUR BUSINESS NEED TO RESTART & BRING EMPLOYEES BACK?



- For CDC Guidance & any "stay at home" order to be lifted
- Guidance on how to keep employees and/or customers safe (i.e. required health or temperature screenings, disinfecting practices, social distancing requirements etc.)
- Protections from liability (if business remains in compliance with all relevant guidance on sanitation, social distancing etc.)
- Access to Personal Protection Equipment (PPE) for all employees
- Access to cash to pay employees, vendors & other expenses
- Growth in our customer base/traffic



RECOMMENDATIONS



PROTECT PUBLIC HEALTH WHILE SAFEGUARDING ARIZONA'S ECONOMY

The COVID-19 pandemic has sent shockwaves across the state **impacting both lives and livelihoods**. With public health data driving decision making, we must begin planning for Arizona's economic recovery. In order to be successful, we must realize the importance public health plays on both consumer and employer confidence, and in turn the economy. The absence of healthy individuals, and thus confidence, will delay the return of the "new normal" for Arizona's economy. **To move Arizona forward we must take a data driven approach that mitigates the risk of resurgence, protects our vulnerable populations, and allows economic activity to continue & grow safely.**



FEDERAL ECONOMIC RELIEF

60% of respondents do not believe federal relief funding has been sufficient

55% of respondents said liquidity & cash flow was the biggest challenge for returning to work

62% have applied for a PPP loan, but only 23% of those that applied have been approved

33% indicate they have less than 3 months before closing permanently

- **INCREASE FUNDING TO THE PAYCHECK PROTECTION PROGRAM**
 - The PPP is a lifeline for small businesses who in need of relief, ensure funding is increased to a level the services small businesses in need.
- **FULLY FUND THE ECONOMIC INJURY DISASTER LOAN PROGRAM & EXPAND ELIGIBILITY**
 - This program is essential to help small businesses to meet pressing non-payroll expenses and prepare to rebuild operations
- **INCREASE FLEXIBILITY FOR PPP FORGIVENESS**
 - Eliminate the restriction for 75% of the PPP to be used for payroll, which was not required by the law.
- **EXPAND ELIGIBILITY FOR 501(C)6 RELIEF**
 - These groups contribute to the vitality of their communities, employ thousands of people, and provide needed community-minded services & economic support.



RETURN TO WORK SAFELY

58% of businesses need CDC guidance & stay at home orders lifted to return to work

42% of businesses would need guidance on how to protect their workers & employees & access to PPE

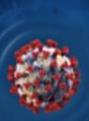
- **ENCOURAGE BUSINESS INNOVATION & FLEXIBILITY TO SAFELY BRING EMPLOYEES BACK WITH GUIDANCE, NOT INFLEXIBLE MANDATES**
 - While businesses should continue to implement procedures consistent with CDC and health guidance, there is not a one size fits all approach. Support business innovation to best protect employees and customers.
- **ALLOW BUSINESSES TO DEVELOP & IMPLEMENT APPROPRIATE POLICIES FOR THEIR INDUSTRY**
 - These policies should comply with federal, state and local regulations as well as CDC guidance and industry best practices. Policies may include physical distancing, temperature checks, sanitation, business travel, etc.
 - Where possible, maintain physical distancing measures while allowing businesses that cannot operate using physical distancing to phase in. Use technological solutions and telework if possible, maintain personal hygiene, implement a protocol for regularly disinfecting surfaces, and limiting gatherings.
 - Do not allow symptomatic individuals to physically return to work unless cleared by a medical professional.



LIABILITY RELIEF FEDERAL/STATE

Arizona needs to address a range of liability issues that will create obstacles for businesses and further obstruct our economic recovery. These include addressing various safe harbor protections for businesses and employees operating in good faith in addition to:

- **MEDICAL LIABILITY**
 - Memorialize liability protections for medical providers & healthcare facilities from Executive Order 2020-16.
- **EXPOSURE LIABILITY**
 - Enact liability protections for all Arizona businesses from allegations that they were exposed at their place of business.
- **PRODUCT LIABILITY**
 - Limit liability on manufacturers & businesses that design, sell, donate, or make personal protection equipment, personal hygiene, & other products for use by healthcare providers & essential businesses operating during COVID19.
- **PROTECT EMPLOYERS FROM LIABILITY & CLARIFY WORK HOURS**
 - Enact liability protections for businesses to allow screening its employees & other visitors. Clarify that negligible amounts of time spent performing tasks such as checking voicemail or text is not compensable work time.



REOPENING & RECOVERY

While the current focus is on immediate economic relief and reopening, Arizona's economic recovery will be a much longer process and **need to be continually evaluated**. Economic recovery will require both federal and state partnership and programs. It will be essential to evaluate Arizona's emerging workforce needs, encourage growth in manufacturing to ensure localize supply chains, and other projects to support infrastructure needs critical to Arizona.

Each industry will also have their own specific priorities, needs and recommendations, but we are committed to aligning industries to move Arizona forward and coming back stronger.

