Findings from the Heldrich Center/NJSBDC Summer 2021 Outlook/Technical Assistance Needs Survey

October 2021

Survey conducted by the Heldrich Center for Workforce Development, Rutgers University

Sponsored by the New Jersey Small Business Development Center (NJSBDC) with funds provided by the U.S. Cares Act from the U.S. Small Business Administration (SBA)

Roadmap

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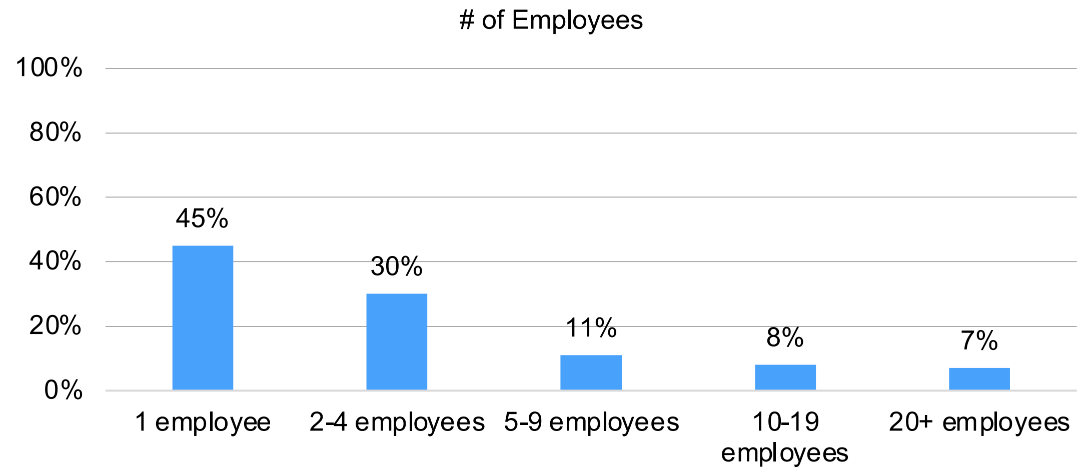
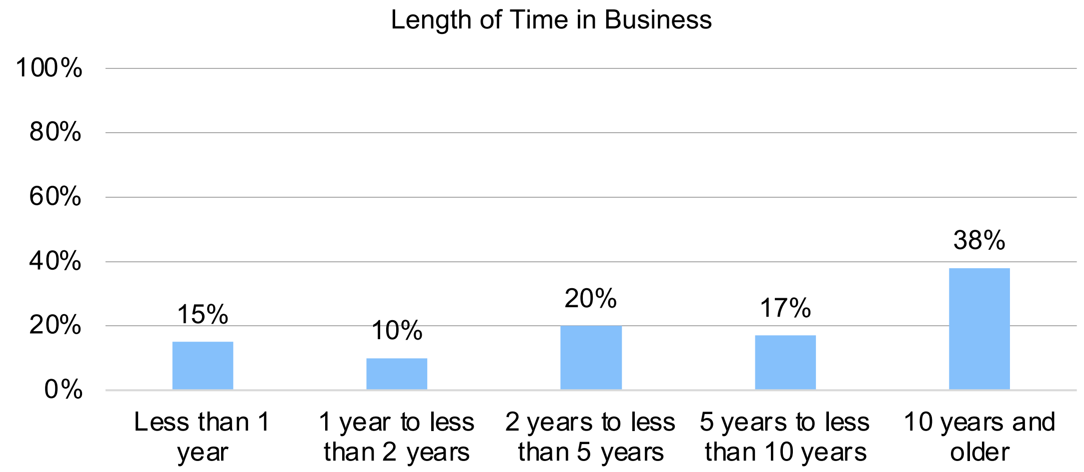
- Respondent Profile
- Topline Findings
- Disaggregated Findings by Subgroups
    - Age of Business
    - Type of Ownership Women- and Minority-Owned (WM) vs. Non-WMV (WMV)
    - Size of Business (by # of Employees)
    - NJSBDC Programming Participants
- Select Comparisons of 3 Heldrich Center Business Surveys During COVID (May/June 2020, November 2020, July/August 2021)

Survey Methodology

- Survey Dates: July 1–August 10, 2021
  - 90% of responses collected before July 18, 2021
- Web-enabled survey via Qualtrics, in English and Spanish
- Administered via publicly available business lists, through the NJSBDC e-mail network, and via various chamber, industry, and other organizations in the state
- 1,038 attempted surveys (includes incompletes)
- 919 owners, 878 indicated they make decisions about the business's operations
- 691 completed 100% of the survey
- Findings are based on respondents who completed at least 20% of the survey
  - 892 owners
  - 855 decision-makers about the business

Respondent Profile

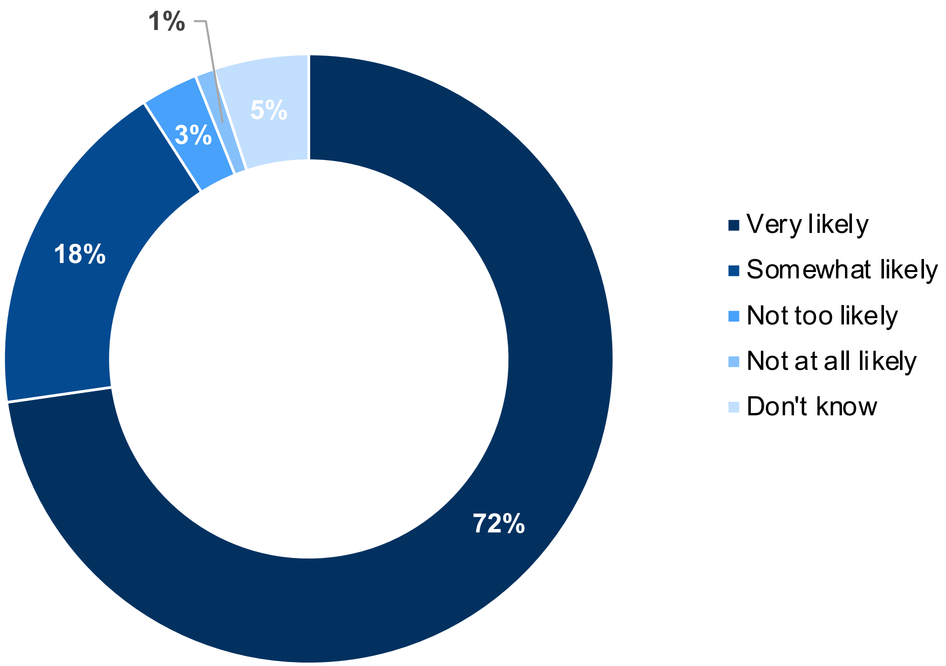




- All counties represented:
  - Essex (14%), Bergen (10%), Middlesex (8%), and Monmouth (8%)
- Wide variety of industries:
  - Professional and business services (22%)
  - Retail and wholesale (11%)
  - Personal services (10%)
  - Arts/entertainment/recreation (7%)
  - Restaurant/bar/catering (7%)
  - Education/childcare (7%)
- 2020 Revenues:
  - 74%: < $250,000
  - 15%: $250,000–$999,999
- 54% women-owned; 40% minority-owned (not mutually exclusive)
- 46% closed due to the pandemic and are now open; 43% never closed.
- Remote work:
  - 55% have no remote workers
  - 13%: 1–24% working remotely at least 2 days/week;
  - 19% all remote

A majority of businesses say it is very likely they will be open and operating in July 2022

Likelihood of Being in Business, July 2022 (n=820)



In November 2020, 1/3 of respondent businesses indicated they may need to permanently close in 3–6 months

Why is it not likely (or you are unsure) you will be open in July 2022? (n=80)

- 33%: loss of revenue
- 27%: cost/financial concerns
- 13%: new business/end of the business

"I spent 7 years building up a robust clientele for my fitness studio and almost none of them were available to continue remotely. They also seem very slow to trust coming back in person. I don't think I have it in me to rebuild my clientele especially with so many unknowns. What I need is FREE resources to walk me through bringing my business online and starting over building my clientele online with extra in-person options when available. That is a lot harder to do than you would think it is."

"COVID has made it very difficult to obtain new business and I am burned out."

"Cannot find employees that want to produce or work more. No one answering ads of work available."

"Still trying to launch, hard to predict two weeks ahead, let alone one year."

"Material costs increased, our margins of revenue have decreased, and it's too taxing on the body for the financial outcome."

Current Major Challenges—Few Changes from November 2020

Sample size	Are the following factors a major challenge for your business, or not?	Major challenge	Not a major challenge	Total
N=734	Planning for your business's future	66%	34%	100%
N=724	Financial/credit management	65%	35%	100%
N=721	Bringing customers back to your business	57%	43%	100%
N=533	Finding workers for job vacancies	55%	45%	100%
N=551	Retaining critical employees/managing employee turnover	45%	55%	100%
N=675	Keeping up with advances in technology/digital tools/apps	42%	58%	100%
N=549	Managing supply chain or vending issues	42%	58%	100%
N=518	Helping employees manage work and family issues	33%	67%	100%
N=592	Handling legal issues, such as liability	33%	67%	100%
N=601	Complying with federal and state labor mandates	29%	71%	100%
N=555	Managing employee well-being	28%	72%	100%
N=588	Providing a safe working environment	20%	80%	100%
N=228	Managing remote or teleworking employees	20%	80%	100%

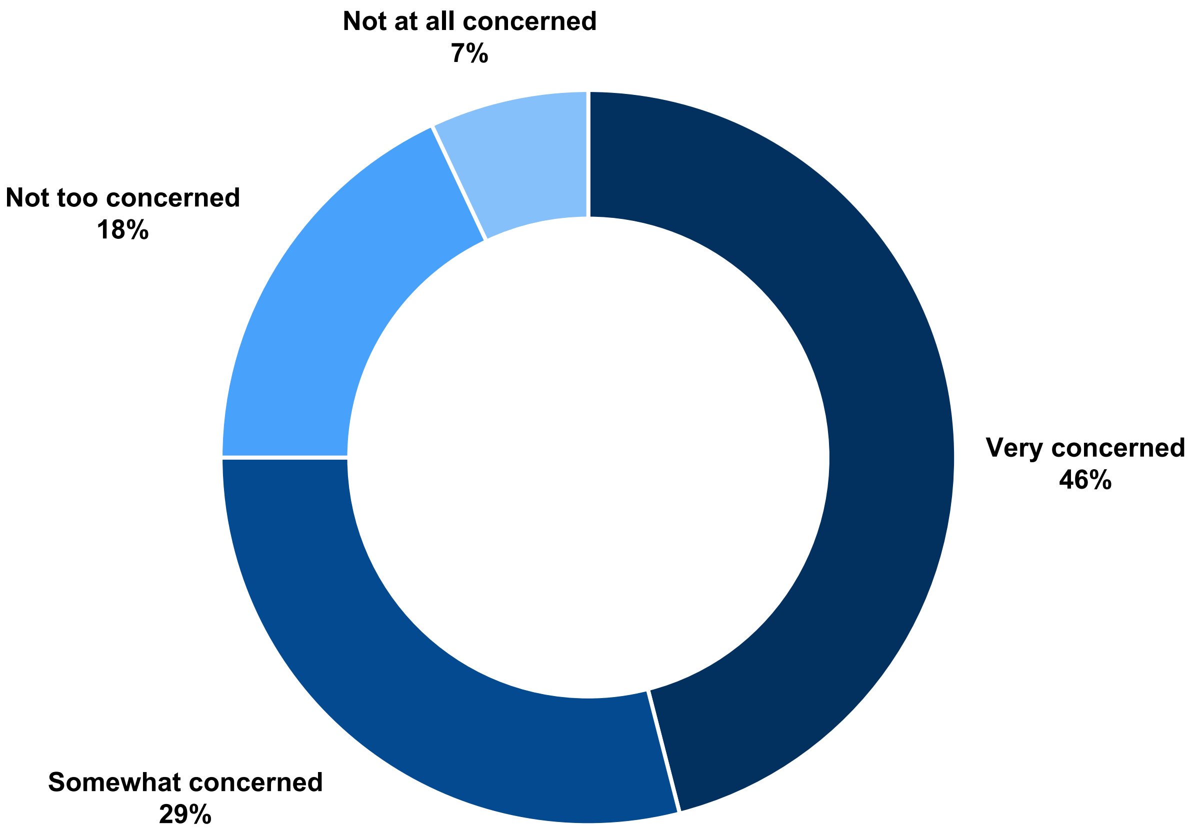
Planning has consistently been a major challenge for businesses, throughout 2020 and 2021

In November 2020, 7 in 10 customer-facing businesses indicated that bringing customers back was a major challenge

Safety/providing safe working conditions has been less of a challenge, compared to businesses surveyed in 2020

46% are very concerned about employee turnover

Concern about the Costs or Other Impacts of Employee Turnover (n=541)



Digital Tools, Apps, and Technology (based on total sample)

- 7 in 10 (71%) say they use technology to interact with their customers on a regular basis
- 4 in 10 (39%) have increased the use of automation technologies to replace tasks or processes previously done by workers, due to the pandemic
- 3 in 10 (31%) businesses have offered employees training in tech
- 2 in 10 (19%) say they think jobs at the business may change because of automation or technologies

What is one thing that has helped you adapt? (n=679)

- 37%: leveraging of technology
- 29%: operational changes
- 17%: product or service changes

"Revision of operating costs and research of available tools to reduce operating costs."

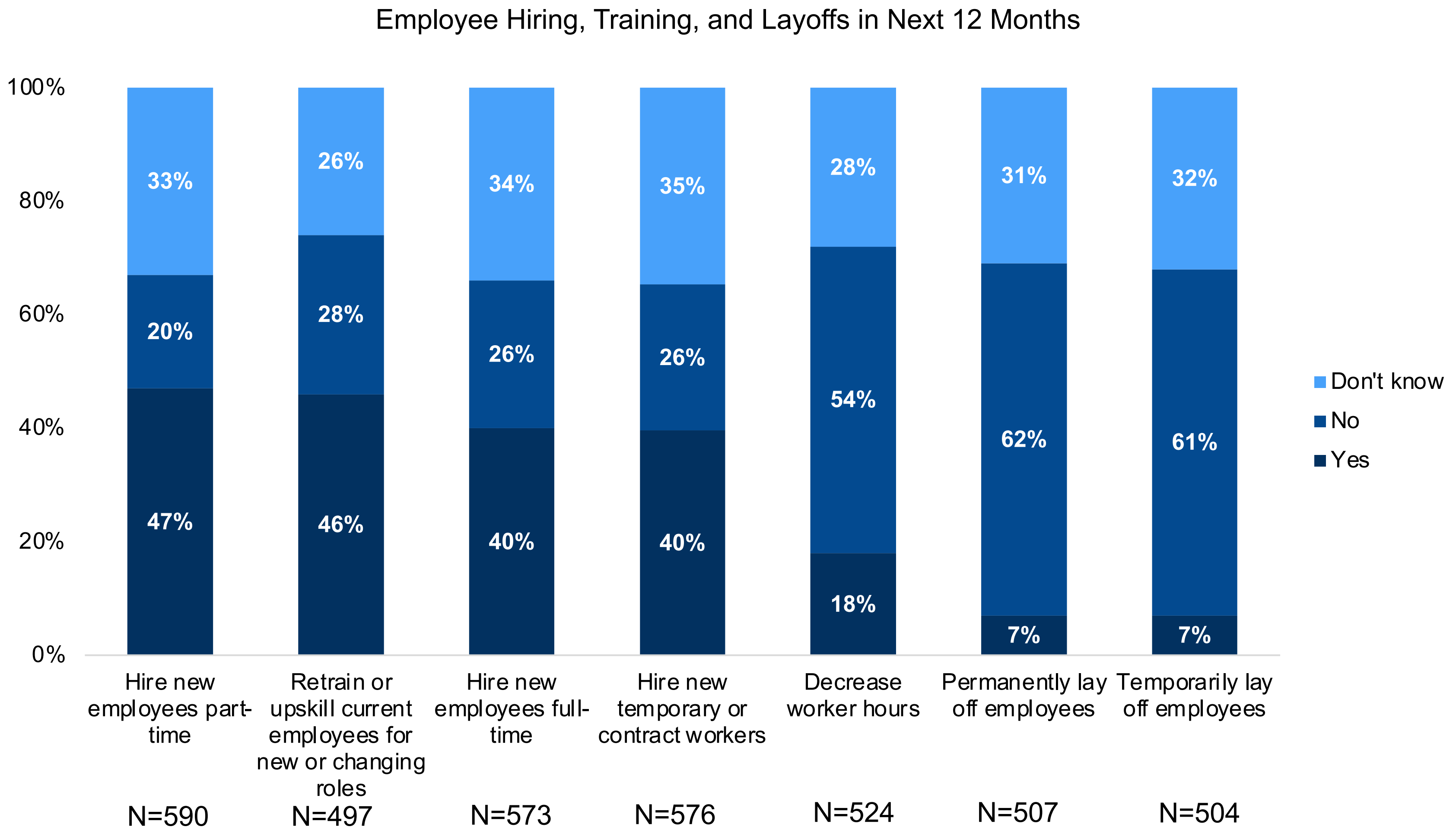
"We have re-engaged with various business organizations like Chamber of Commerce and have taken several courses seeking additional certifications."

"Pivoted the focus and service offerings of the business."

"Staying in contact with clients throughout the pandemic, staying active on social media, and keeping informed about grant and loan opportunities"

"We provide non-profits with technical support of all kinds and found. We could do much more remotely than we ever thought we could. "

In the next year, 4 in 10 plan to hire new and/or retrain current workers. 2 in 10 say they will decrease worker hours. 3 in 10 are unsure.



November 2020

40% will decrease worker hours in 3–6 months

We measured about 14% of businesses needing to permanently layoff workers in 3–6 months; 25% temporarily layoff

Reported 8% hiring (all types)

In the next year, 6 in 10 expect increased operational costs; owners are split on whether they expect supply chain disruptions.

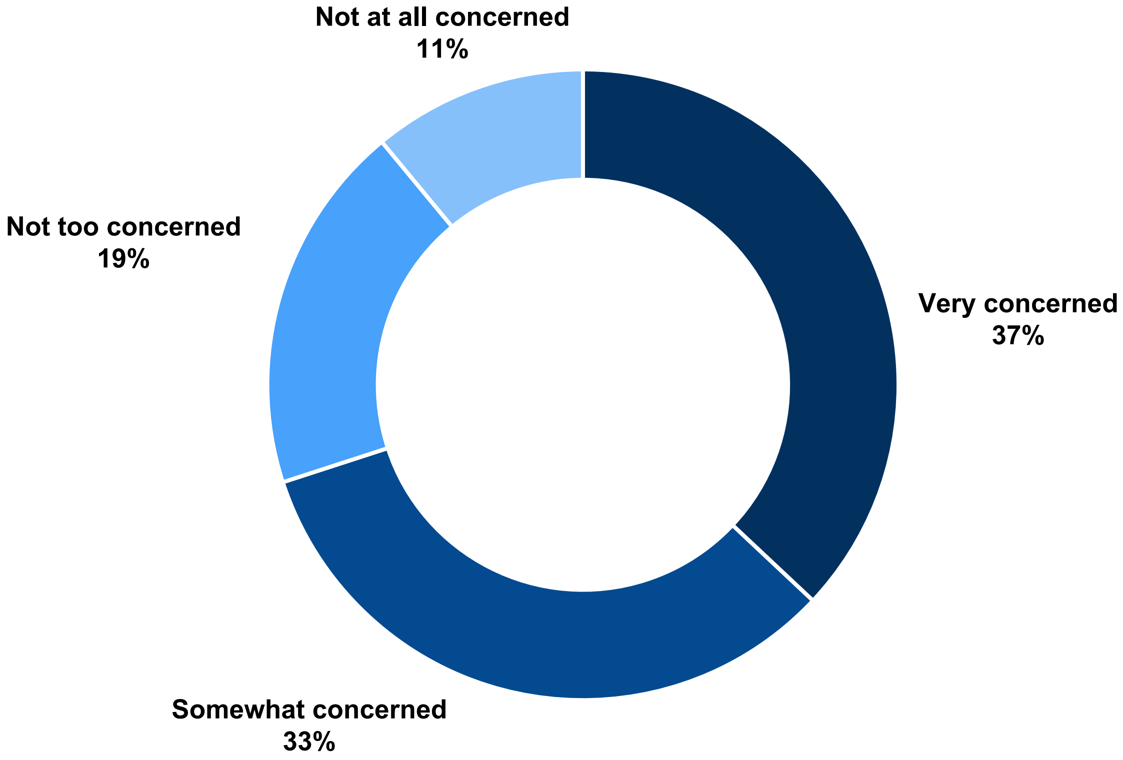
Sample Size	In the next 12 months, will your business…	Yes	No	Don't know	Total
N=680	Experience increased operational costs?	67%	10%	22%	100%
N=537	Continue to use remote work or increase your use of remote work?	57%	26%	17%	100%
N=591	Suffer supply chain disruptions?	37%	29%	34%	100%
N=420	Temporarily close a location (while open and operating other locations)?	8%	74%	18%	100%
N=418	Permanently close a location (while open and operating other locations)?	7%	74%	19%	100%

June 2020: 29% of businesses expected increased operational costs in next 90 days

November 2020: 42% of businesses expected increased operational costs in 3–6 months

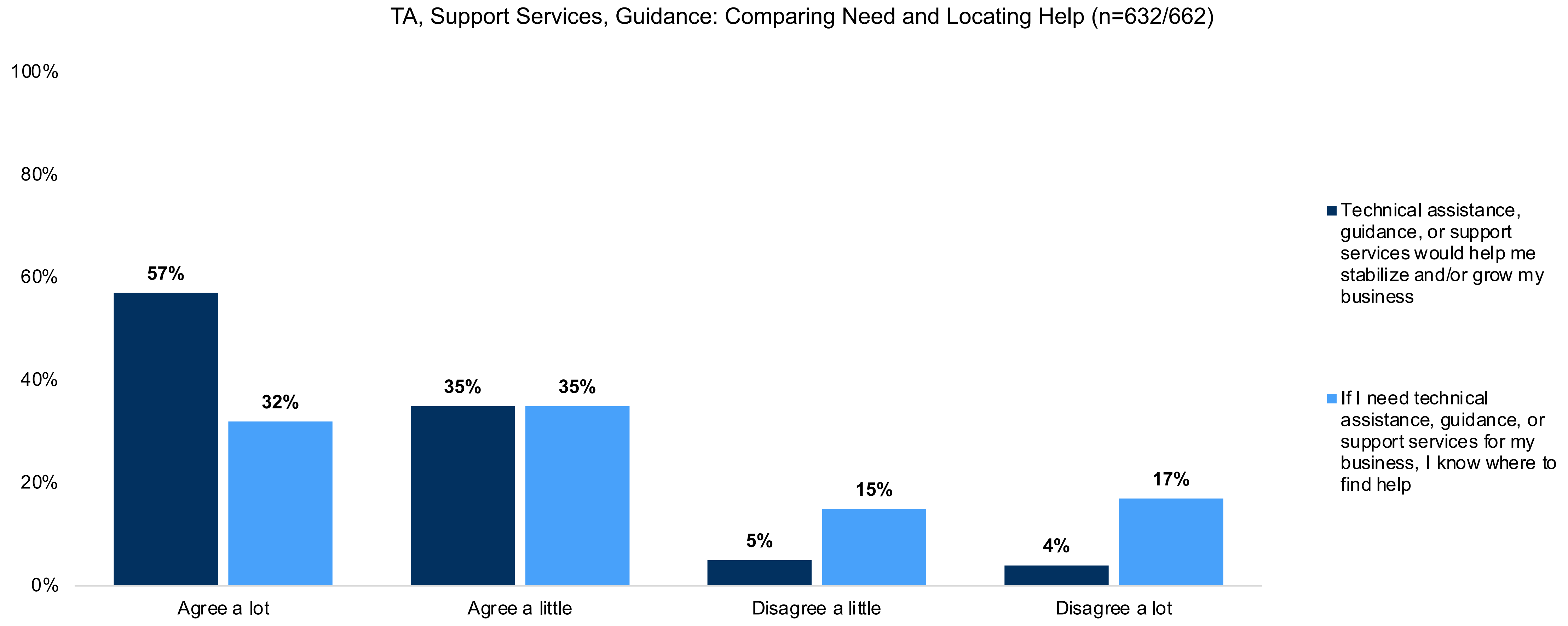
7 in 10 owners are somewhat or very concerned about the pandemic's impact on future operations—even as vaccination rates increase

Concern about the Future Impact of the Pandemic on My Business (n=709)



June 2020: 3 in 4 owners were very or extremely concerned about a "second wave"

While most say TA, guidance, or support services will help stabilize and/or grow their businesses, fewer say they know where to find help.



When asked to rank the top 3 types of TA, most indicated help with finances and e-commerce; some indicated supply chain, liability, and cyber-security issues.

	Rank (# of times selected as 1 of 3 needs)	% Yes
Grants, loans, and credit, such as finding and applying for financial assistance	1	79%
E-commerce, digital marketing, and/or social media	2	72%
Supply chain or vending, such as procurement and consumer behavior	3	37%
Legal issues, such as liability and exit strategies	4	30%
Cyber-security protections	5	25%
Remote workforce management	6	11%

9 in 10 businesses say growth in online customers or sales will help growth in the next 12 months.

Sample Size	In the next 12 months…what do you need in order to grow/continue to grow your business	% Yes
N=589	Growth in online customers or development of online sales or websites	87%
N=649	Access to credit/funding/financial assistance	79%
N=617	A new or improved business plan/strategy	78%
N=347	To fully re-open my business	69%
N=458	Growth in walk-in customers	67%
N=252	To open closed locations	27%

Other than rising vaccination rates, what will help your business stabilize or grow in the next 12 to 24 months? (n=600)

- 23%: access to capital/grants
- 19%: increase sales/customers/clients
- 14%: marketing/ advertising
- 11%: availability of good workers

"The use of a mentor or coach to help me to focus and identify resources. I have been in business for 17 years. I've spent a lot of time coaching and mentoring others. It's time for me to speak with someone who can help me. I'd like to change my business model correctly."

"Implementation of a steady recruiting process and a tighter remote team management process. "

"Reduction in rhetoric that being inside is a public health danger and additional assistance marketing that people can use fitness facilities safely."

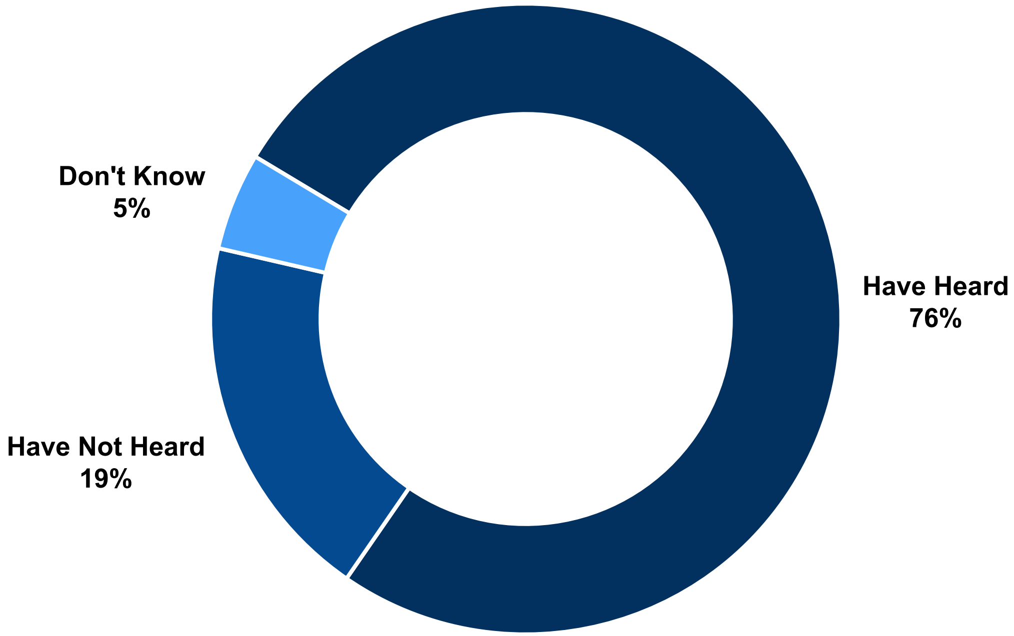
"I need businesses to be able to find me, speak to me, and hire me for graphic design services. I need to find clients with real budgets and not spin my wheels for $500."

"Access to capital, access to a mentor and more training about marketing on social media."

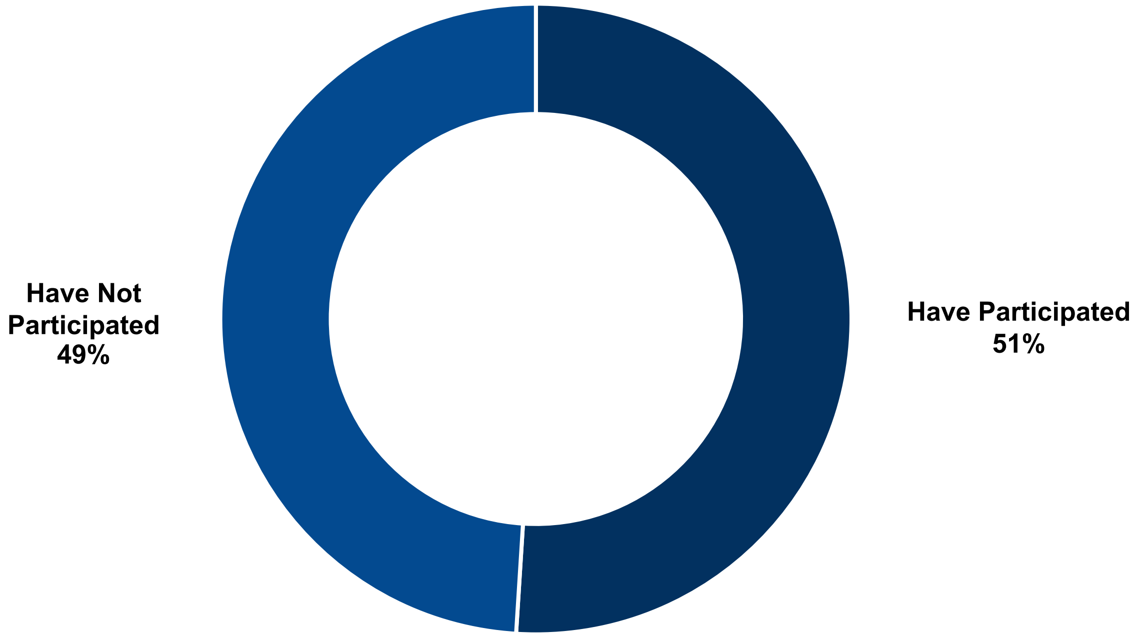

OCCUPATION
CHOOSING
SALES
JOB
GLOBAL
FINANCE
WINNING
IDEAS
SKILL
SOLUTION
STUDYING
WISDOM
MOTIVATION
EDUCATION
COMPUTER
INDIVIDUALITY
INVENTION
VISION
CREATIVITY
GROWTH
INNOVATION
FINANCIAL
LEADERSHIP
ASPIRATIONS
DEVELOPMENT
BRAINSTORMING
CONSPIRACY
CONTEMPLATION
COOPERATION
IMAGINATION
INSPIRATION
PLAN
TEAMWORK
MARKETING
WORKING
CAREER
PLANNING
THINKING
FUTURE
CROWD
PRESENTATION
LEARNING
INTERNET
OFFICE
SMALL BUSINESS
FORECASTING
CONCEPTS
HOPE
TECHNOLOGY
COMMUNICATIONS
INTELLIGENCE
BUSINESS
INCENTIVE
ANALYZING
FORWARD
WEALTH
RESEARCH
PROGRESS
DESIGN
MONEY
ACTION
CONCENTRATION

Most are aware of NJSBDC; half of those who have heard of NJSBDC say they have participated in a NJSBDC program

Awareness of NJSBDC (n=693)



Participated in NJSBDC Webinar, Training, Course, Counseling Session Since March 2020 (n=554)



Disaggregated Data

- Age of Business
- Type of Ownership Women- and Minority-Owned (WM) vs. Non-WMV (WMV)
- Size of Business (by # of Employees)
- SBDC Programming Participants

Age of Business

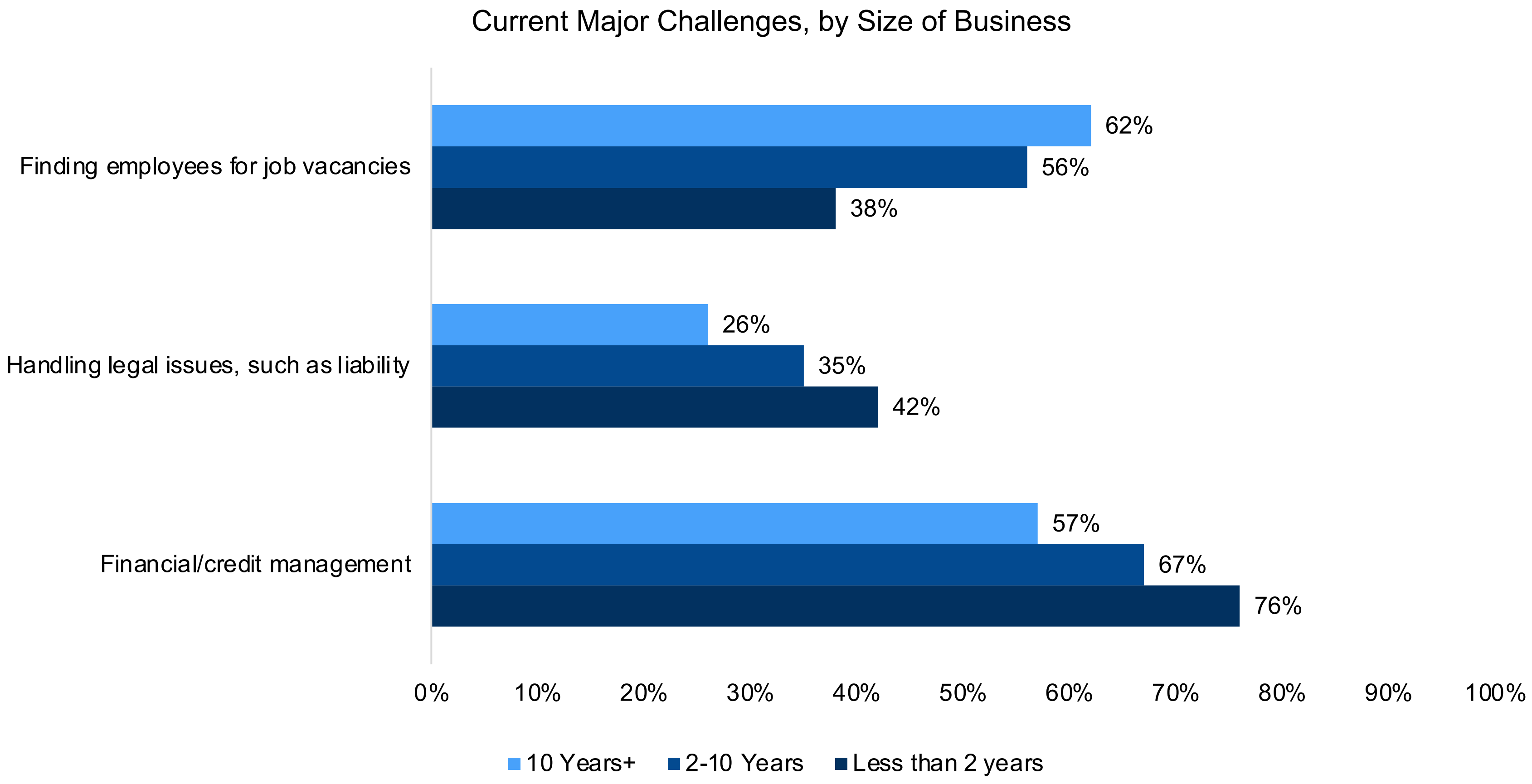
For newer businesses, the Future of Work is here, especially compared to the survey's "oldest" businesses.

	Less than 2 years	2 –10 years	10 years +
Implementing **sustainable or socially responsible business practices** – "very important"	81% (n=156)	66% (n=239)	56% (n=252)
Have **increased automation technologies** since March 2020	47% (n=181)	40% (n=277)	33% (n=292)
Using technologies to sell goods or services	68% (n=183)	56% (n=279)	48% (n=292)

Newer businesses are more likely than older businesses to say TA or guidance will help them grow; majority say they would seek out one-on-one or webinar/group assistance.

	Less than 2 years	**2 –10 years**	**10 years +**
Tech assistance, guidance, or support services **will help** – “agree a lot”	69% (n=165)	59% (n=233)	45% (n=232)
Likelihood to seek **one-on-one** guidance or mentorship – “very likely”	68% (n=169)	43% (n=256)	25% (n=268)
Likelihood to seek **group, webinar, or online short course** – “very likely”	71% (n=169)	58% (n=256)	41% (n=269)

Newer businesses say they have current financial and legal challenges, more than the survey's oldest businesses. Older businesses say finding employees is a major challenge.



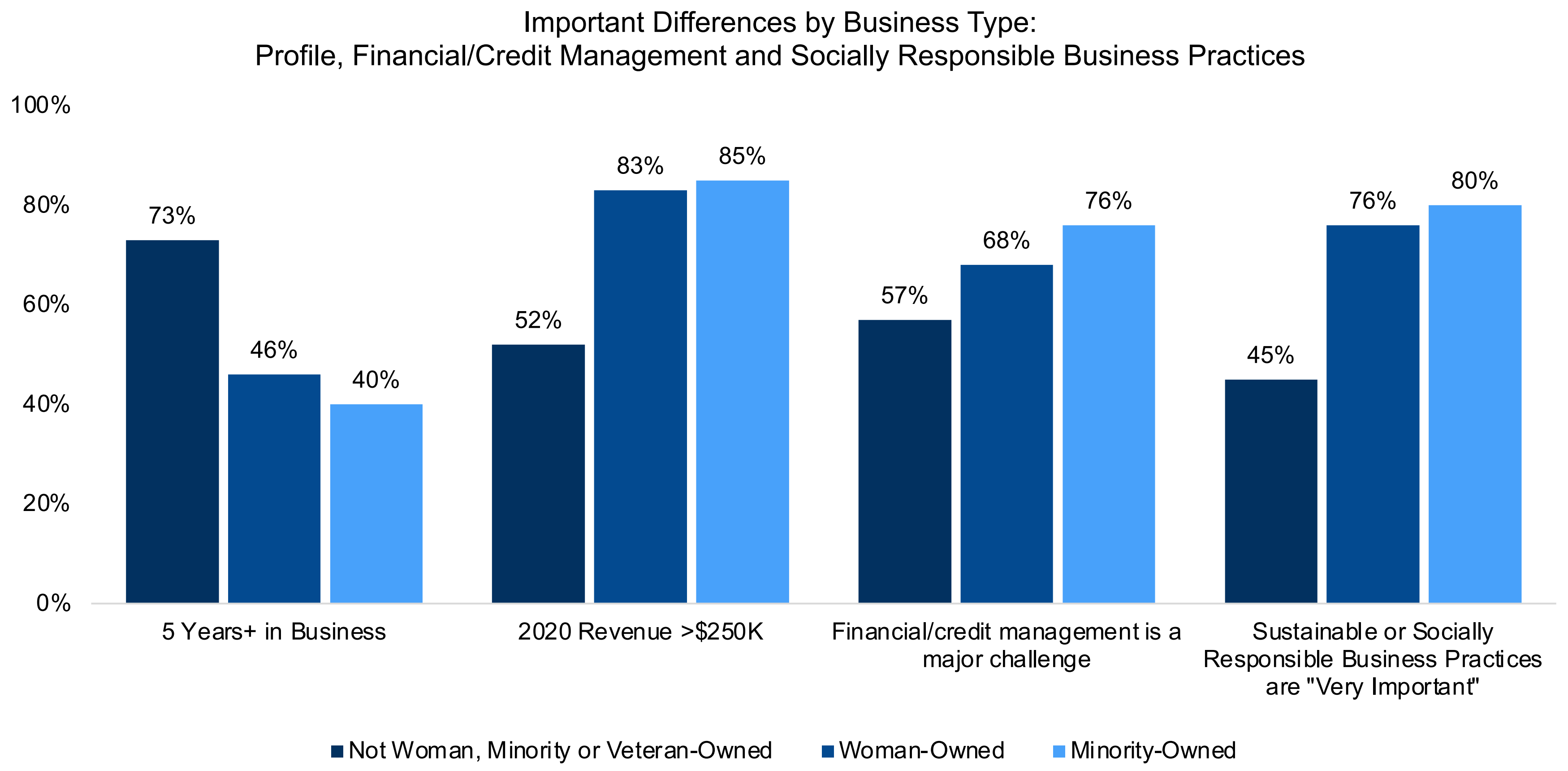
Sample Sizes: Less than 2 years n=181; 2–10 Years n=264; 10 Years+ N=278. Subgroups for individual questions may have smaller sample sizes.

Newer businesses say they have financial and planning needs to help them grow in the next year, more than the survey's oldest businesses. Newer businesses are less likely to expect supply chain disruptions and more likely to say they'll use remote work.

Need/Expectation in Next 12 Months	Less than 2 years	2 –10 years	10 years +
Need access to credit/funding/financial assistance	90% (n=164)	82% (n=243)	68% (n=240)
Need a new or improved business plan/strategy – next 12 months	87% (n=153)	82% (n=225)	68% (n=237)
Expect supply chain disruptions	26% (n=140)	32% (n=210)	49% (n=240)
Expect to use or continue to use remote work	66% (n=137)	59% (n=195)	50% (n=204)

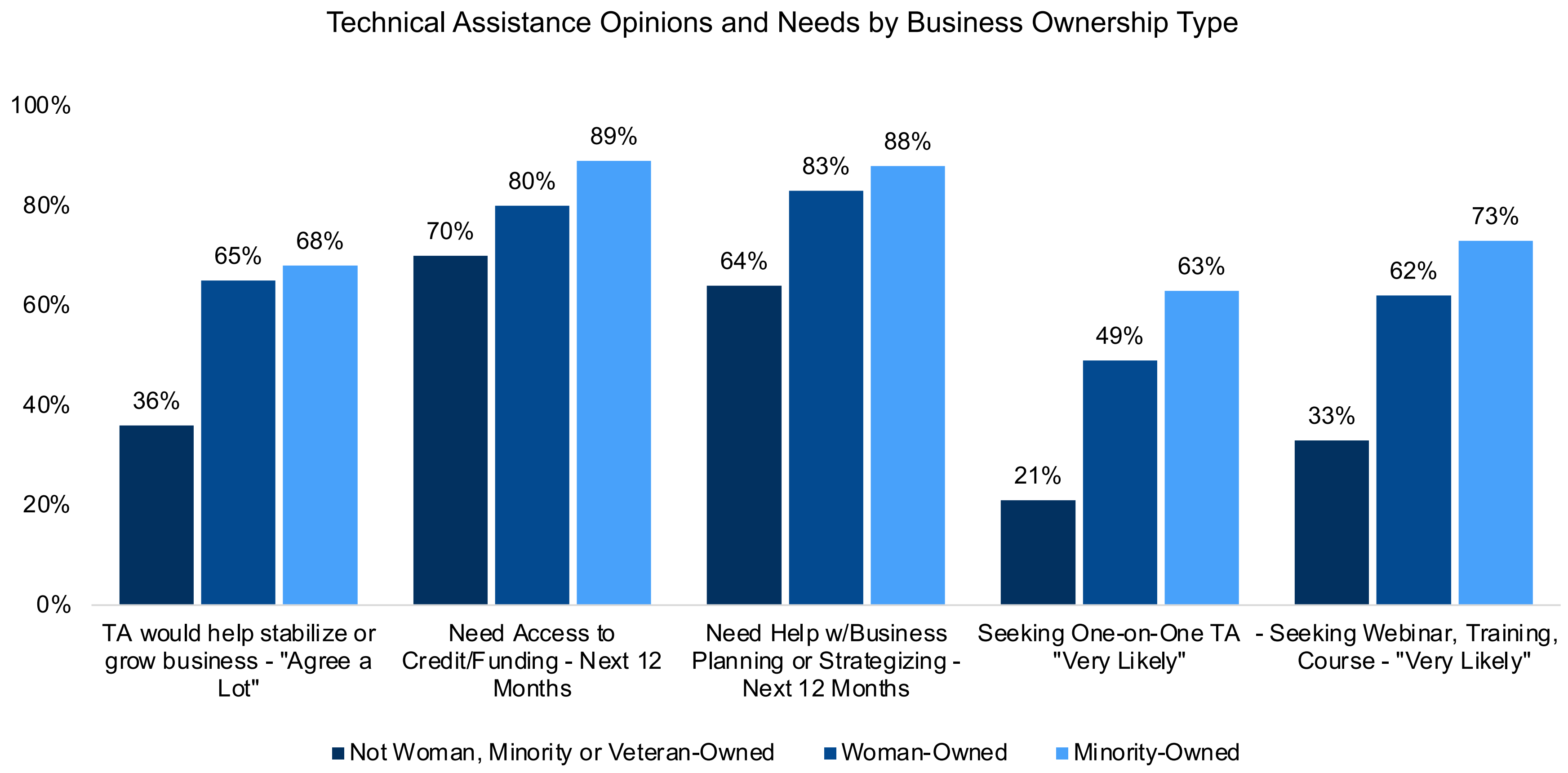
Type of Ownership

Non Women-, Minority- or Veteran owners are more likely to report they've been in business longer and have more 2020 revenue, compared to owners who say they label their business women- or minority-owned.



Sample Sizes:
Non WMV-Owned n=239;
W-Owned n=458;
M-Owned N=341.
Individual questions may have smaller sample sizes.

9 in 10 Minority-owned businesses and 8 in 10 Women-Owned businesses say they will need access to credit/funding in the next 12 months and help with business planning or strategizing. Over 6 in 10 say TA, guidance, or support services would help them.



Sample Sizes:
Non WMV-Owned n=239;
W-Owned n=458;
M-Owned N=341.
Individual questions may have smaller sample sizes.

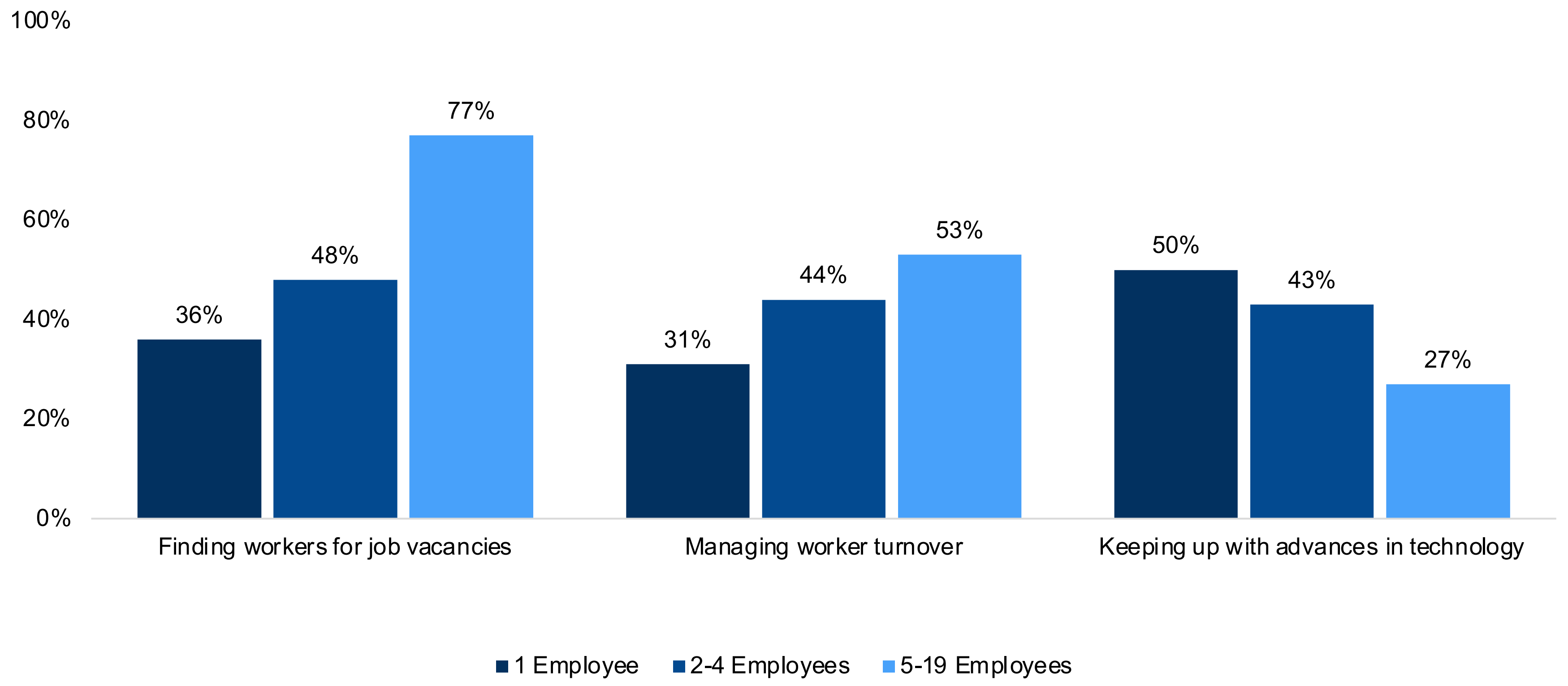
AMERICA'S SBDC NEW JERSEY

HELDRICH CENTER FOR WORKFORCE DEVELOPMENT

Size of Business

Finding employees for job vacancies and managing employee turnover is a major challenge for the majority of businesses having 5–19 employees; half of single-employee businesses say keeping up with advances in technology is a major challenge

Current Major Challenges, by Size of Business



Sample Sizes:
1 Employee n=162;
2–4 Employees n=195;
5–19 Employees N=145.
Individual questions may have smaller sample sizes.

There are differences by size of business on owners' plans for hiring, expectations for operations and using remote work in the next year.

	1 Employee	2–4 Employees	5–19 Employees
Hire new FT employees	32% (n=200)	31% (n=192)	53% (n=133)
Hire new PT employees	36% (n=210)	42% (n=199)	65% (n=133)
Experience increased operational costs	57% (n=287)	71% (n=209)	78% (n=135)
Experience supply chain disruptions	28% (n=241)	35% (n=184)	49% (n=123)
Continue to use or increase use of remote work	67% (n=233)	53% (n=171)	46% (n=97)

A majority of single-employee businesses say they need help in specific areas, and are looking for TA.

5 in 10

(51%) say they are "very likely" to seek out TA via a one-on-one counseling session

6 in 10

(65%) say they are "very likely" to seek out TA via a webinar, course, or other group training

6 in 10

(66%) say they "agree a lot" that TA would help their business, more than bigger businesses

8 in 10

(84%) say a new or improved business plan is needed to grow in the next 12 months

9 in 10

(94%) need more online customers or development of online sales or websites in the next 12 months

NJSBDC Programming Participants

Profile of Owners who Participated in SBDC Programming Since March 2020 (n=283)

44%
have 1 employee

28%
2–4 employees

50%
have at least some remote workers

47%
closed at some point due to pandemic and are now open

75%
had less than $250K in revenue in 2020

All counties represented, mostly

Essex (14%)
Middlesex (12%)
Hudson (10%)
Bergen (8%)
Monmouth (8%)
Mercer (7%)
Passaic (7%)

163
Women-Owned (58%)

130
Minority-Owned (46%)

13
Veteran/Disabled Veteran-Owned (5%)

"Agree a Lot"

62%
TA would help

37%
Know where to find TA help

29%
in business less than 2 years

23%
2–5 years

48%
5 years+

Select Comparisons of 3 Heldrich Center Business Surveys During COVID

Overview of 3 Heldrich Center Business Surveys During COVID

	July/August 2021	**November 2020**	**May/June 2020**
Field dates	July 1 – August 10, 2021 (as Delta variant circulated)	November 4 – December 1, 2020 (beginning of the winter surge)	May 21 – June 3, 2020 (as reopening began)
Purpose / Strategy	Outlook/Technical Assistance	Recovery	Reopening
Administration	Via NJSBDC and various industry associations	Via NJSBDC, NJEDA, various industry associations and social media	Via Governor's Office, NJEDA, industry associations and social media
% of respondents closed at some point during the pandemic	6 in 10	7 in 10	7 in 10

Major challenges experienced by businesses varied across surveys.

May/June 2020:

Business owners indicated their **biggest operational challenge** was **providing a safe working environment** for their employees and customers, and they sought **guidance** on how to safely re-open. **Paying rent, mortgage, utilities and payroll** were their **biggest financial challenges**, and they expected to lose significant revenue as they reopened due to concerns about customers returning.

November 2020:

Uncertainty about the future of the pandemic, a **lack of consumer confidence** and the **need to bring customers back** to the business were cited as their biggest operational challenges, replacing safety. **Pivoting to digital operations and uncertainty about the winter surge** were key themes. Paying rent, mortgages, utilities, and payroll continued as major challenges, in addition to concerns about rising debt.

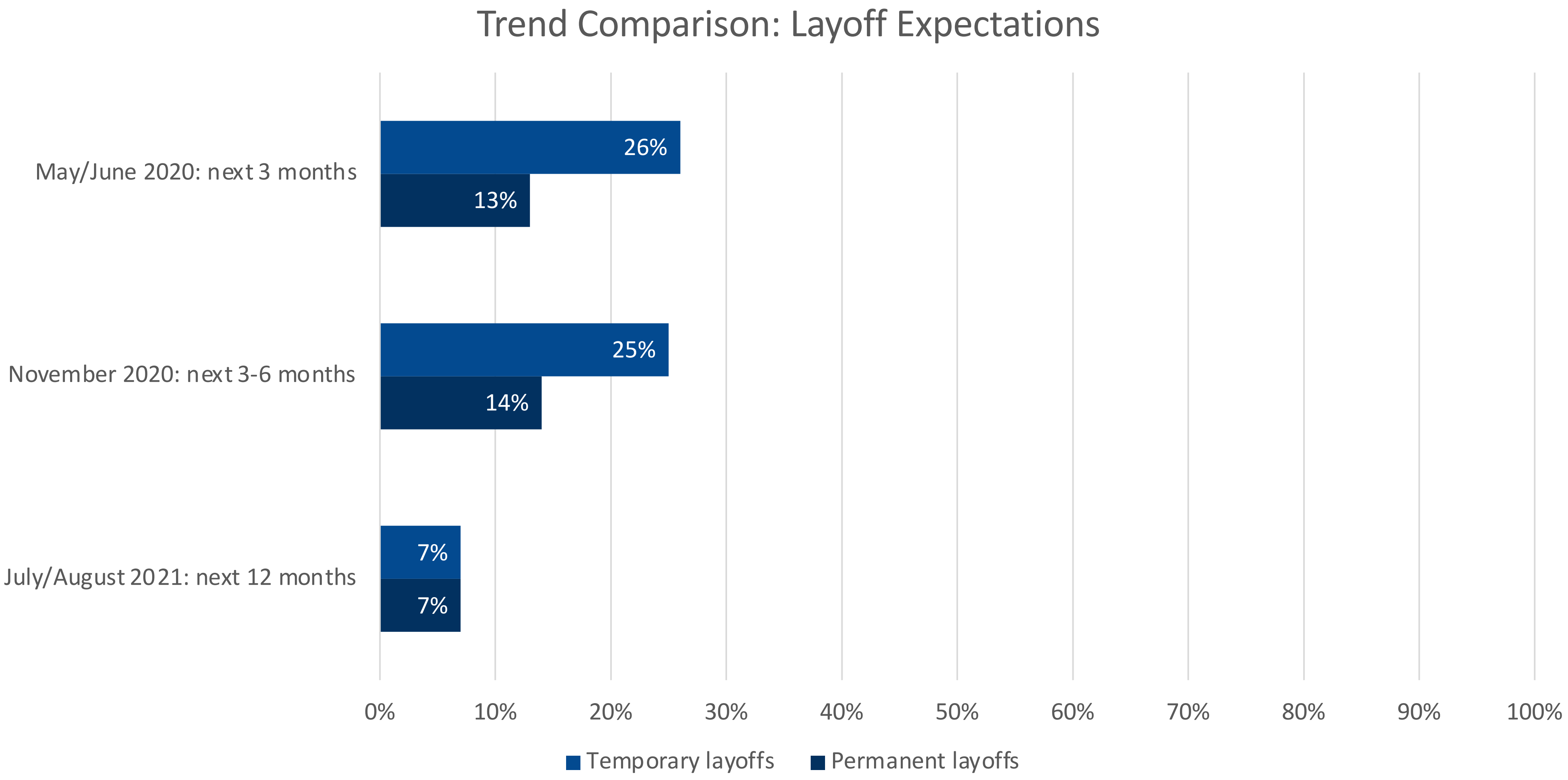
July/August 2021:

Planning for the future and financial/credit management replaced bringing customers back as the major challenges. Emerging concerns include **employee hiring and turnover**.

Expectations for the future changed during the course of the pandemic.

Business Operations	**July/August 2021**	**November 2020**	**May/June 2020**
Possibility of permanent closure	1 in 10 say likely in next 12 months	3 in 10 say likely in next 3-6 months	4 in 10 say likely or are unsure (of those closed)
Expect increased operational costs in the future	7 in 10 in next 12 months	4 in 10 in next 3-6 months	3 in 10 in next 3 months
Concern regarding future of the pandemic and its impact	7 in 10 (concern re: impact on operations)	9 in 10 (uncertainty is major challenge)	9 in 10 (concern re: second wave)
What They Need to Grow (ranked)	1. Access to credit/funding 2. Online customers 3. Walk-in customers	1. Access to credit/funding 2. Walk-in customers 3. Online customers	1. Walk-in customers 2. Access to credit/funding 3. Online customers

Layoffs are much less likely for respondents in July/August 2021.



4 in 10 respondent businesses reported having at least some remote workers in each time period. Hiring is a challenge in July/August 2021.

Workforce Issues	July/August 2021	November 2020	May/June 2020
% having remote workers	4 in 10	4 in 10	4 in 10
Planning to hire	4 in 10 in 12 months	1 in 10 in 3-6 months	Not asked
Planning to decrease worker hours	2 in 10 in next 12 months	4 in 10 in next 3-6 months	3 in 10 in next 3 months
Finding workers for job vacancies is a challenge	5 in 10	3 in 10	1 in 10

About America's SBDC New Jersey (NJSBDC)

America's SBDC New Jersey, also known as New Jersey Small Business Development Centers (NJSBDC) network, is one of the nation's first pilot projects and has provided comprehensive services and programs for small businesses in New Jersey over 40 years. SBDC experts help businesses expand their operations, manage their growth, and start new ventures. Expert business consultants help small business owners and entrepreneurs develop business plans, find financing, perform accounting and financial analysis, develop and refine marketing strategies, find and take advantage of procurement and international trade opportunities, learn green sustainability practices, commercialize technology and develop an E-commerce presence. The NJSBDC is a non-profit network, a federal-state-educational partnership, leverages funding from the U.S. Small Business Administration (SBA), the N.J. Business Action Center, the educational institutions that host the 12 centers, as well as other private sponsorships and additional private/public grants. The NJSBDC Headquarters, located at the Rutgers Business School in Newark, NJ, oversees the network, which is an accredited member of America's SBDC. Approximately 1,000 centers and satellite offices serve small businesses across the country, generating jobs and economic development. To learn more about the NJSBDC, visit www.njsbdc.com and follow @**NJSBDC** on Instagram, Facebook, and Twitter for new updates, opportunities, and resources. **#NJSBDC #NJThrives**

About the Heldrich Center

The John J. Heldrich Center for Workforce Development at Rutgers University is devoted to transforming the workforce development system at the local, state, and federal levels. The center, located within the Edward J. Bloustein School of Planning and Public Policy, provides an independent source of analysis for reform and innovation in policymaking and employs cutting-edge research and evaluation methods to identify best practices in workforce development, education, and employment policy. It is also engaged in significant partnerships with the private sector, workforce organizations, and educational institutions to design effective education and training programs. It is deeply committed to assisting job seekers and workers attain the information, education, and skills training they need to move up the economic ladder. As captured in its slogan, "Solutions at Work," the Heldrich Center is guided by a commitment to translate the strongest research and analysis into practices and programs that companies, community-based organizations, philanthropy, and government officials can use to strengthen their workforce and workforce readiness programs, create jobs, and remain competitive. The center's work strives to build an efficient labor market that matches workers' skills and knowledge with the evolving demands of employers. The center's projects are grounded in a core set of research priorities:

- Career and Technical Education
- Data Collection and Analysis
- Disability Employment
- Job Seekers in Transition
- Program Evaluation
- Trend Analysis

Learn more: www.heldrich.rutgers.edu

Thank you!

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