Maine Rapid Business Survey

The Maine Rapid Business Climate Survey measures the challenges facing Maine’s business community during the coronavirus (COVID-19) pandemic. Survey content: The Maine Rapid Business Climate Survey will take no more than 6 minutes to complete. The survey’s 15 questions collect information on location closings, changes in employment, disruptions in the supply chain, use of federal assistance programs, and expectations concerning future operations.

Week 4

The third week of the Maine Rapid Business Survey closed on Monday June 29. We had over 350 responses covering every county and representing a large number of sectors.

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Sector Breakdown of Respondents

This week’s responses revealed a slightly different distribution than in previous weeks. For the first time retail trade made up the largest group (19%), closely followed by accommodation and food services (16%) and manufacturing (12%). There were also significant returns from Health and social services (9%) and a large increase from Agriculture (13%) The size of firms and geographical distributions remained the same, this is consistent with previous weeks.
Over the course of the last 4 weeks we have seen a shift in the effect of COVID-19 on businesses. To illustrate this we compared responses collected across all weeks to date. The biggest change can be seen in those businesses who reported ‘little or no effect’ rising by 5%. However after a week of decline, the number of businesses which reported a ‘large negative effect’ has risen by 3%. Although small, the number of businesses who reported a moderate positive effect also rose by 2% in week 4.
Week on week we have seen more businesses report that they are now able to operate. Between week 3 and 4, there was a 2% decrease in the number of firms that were unable to operate and a 4% increase in the number of firms that were operating with modified to meet social distancing rules.

This pattern almost directly corresponds to the changes in revenue being reported by businesses across the last 3 weeks. However, during week 4 we have begun to see a rise in those reporting a decrease in operating revenue (6% increase from last week), mirrored by increasing revenue over the first 3 weeks with week 4 showing a 5% decrease from last week.
This week we broke down the results by different groups of respondents. Firstly, we looked at the effect of cash in hand with respect to the age of business. We found that a quarter of new companies (less than a year) reported having only 1 week cash on hand available, whilst 42% of businesses 1-2 years old, reported having less than a months cash on hand. Overall it is businesses 6-10 years old that reported the highest cash in hand, 41% have more than 3 months. Taking a look at the effect of COVID by sector, Accommodation and food services reported the largest negative effect at 93% during the last week, whilst 60% of businesses in retail reported a large negative effect. Agriculture reported the largest positive effect 27.3%, followed by manufacturing with 15% of respondents.
Cash in Hand by County

There has been significant variation between counties in terms of the cash—in—hand businesses reported. Around Cumberland and the surrounding counties, on average businesses reported more than 3 months of cash reserves. However, further west towards the state’s border on average businesses reported 1–7 days of cash reserves. Northern Maine has reported on average 1–2 months of reserves. This is the same pattern that was recorded last week and even with different sectors and other businesses entering our panel, it remains unchanged.

Map Key

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<thead>
<tr>
<th>Map Key</th>
<th>Cash Reserves</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1-7 days of business operations</td>
</tr>
<tr>
<td>2</td>
<td>1-2 weeks of business operations</td>
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<tr>
<td>3</td>
<td>3-4 weeks of business operations</td>
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<tr>
<td>4</td>
<td>1-2 months of business operations</td>
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<tr>
<td>5</td>
<td>3 or more months of business operations</td>
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Thank you to those who are completing the survey!

Thank you for being part of the Maine Rapid Business Survey panel being run by the School of Economics at the University of Maine. Your responses over the next week will help us gain a critical understanding of the present economic conditions that businesses are experiencing in Maine. The next data release will be on Wednesday July 7, 2020.

This Analysis has been conducted by the Maine Regional Economic Modeling Lab. For enquiries contact Lab Director—Dr. Andrew Crawley (andrew.crawley@maine.edu)