

**FOR IMMEDIATE RELEASE**  
**May 19, 2021**

**CONTACT:**  
**Christopher Im**  
**(714) 318-0060**  
**Christopher.Im@bizfed.org**

## **L.A. BUSINESS LEADERS OPTIMISTIC ABOUT THE NEXT 12 MOS.**

\*\*\*

### ***BizFed's 2021 Business Survey Sees Record Participation***

\*\*\*

#### ***Only 15.8% believe federal, state and local COVID-response programs helped their businesses***

**LOS ANGELES:** As the Los Angeles region slowly re-emerges from the COVID-19 pandemic and economically harmful business shutdowns, its business community is poised for a strong comeback in the next 12 months. A key finding in BizFed's annual *Pulse Poll* is that 63.2% of business leaders throughout the greater Los Angeles area expressed either an "Optimistic" (47.9%) or "Very Optimistic" (15.3%) outlook for businesses in the state during the next year, with optimism outpacing pessimism by more than 8:1. Business leaders also voiced strong views that federal, state and local COVID-19 response programs did not help their businesses during the pandemic. In spite of the pandemic, homelessness remains the top concern among all business leaders surveyed.

The survey, completed by 782 respondents, included 214 participating organizations comprising 100% of BizFed's membership spread across 19 industry sectors. The survey analyzed key topics that impact business operation and profitability including workforce levels, remote work, childcare challenges, the effectiveness of government relief programs and other topics.

"These comprehensive findings highlight how Los Angeles' business leaders are ready to get back to work and feel largely positive about the next 12-months," stated Tracy Hernandez, BizFed Founding CEO. "Barring unforeseen economic headwinds or government overreach, Los Angeles-area business leaders believe they are poised for economic growth, job creation and business expansion. That said, business leader concerns about homelessness and affordability must be addressed in tangible ways."

## **KEY SURVEY FINDINGS**

### **Businesses look more favorably about commercial real estate leases but uncertainty remains**

Close to 29% of business leaders report that they will not (15.3%) or might not (13.3%) continue to lease their office space post-pandemic. This view represents an improvement from BizFed's fall 2020 survey when 41.4% were either not continuing their lease (16%) or were unsure (25.4%). Industries with the highest probability of continuing their lease include chambers of commerce/trade associations (92.6%), manufacturing at 88.9%, financial services at 87.1%, retail/wholesale at 84.4% and hospitality/restaurants at 76%. Equally important, fewer business leaders anticipate challenges of paying rent or a mortgage during the next year, with 60% not anticipating any challenges in 2021 versus 39.8% in spring 2020.

### **Workforce levels expected to increase but remote work will remain.**

Roughly 40% of those businesses surveyed (38.3%) indicated that they anticipate their workforce will increase during the coming year, a positive sign for regional economic growth. The survey found that 24.4% of business leaders expect up to a 10% workforce increase and 13.9% anticipate an increase of more than 10%. Interestingly, more than 60% of business leaders anticipate that some or all of their employees will continue working remotely post-pandemic, either full- or part-time. This changing dynamic will influence office space requirements on a going-forward basis.

### **Childcare preventing employees from returning to the workplace**

Post-pandemic, business leaders are increasingly confronting childcare issues and their impact on employees' ability and/or willingness to return to work. More than two in five respondents (40.4%) report that an employee has cited childcare challenges as a reason for potentially not being able to return to the workplace.

“COVID has changed how employers and employees view where they work and how they work, whether it's on-site, part-time in the office or full-time remote work at home,” stated Mark Wilbur, CEO, Employers Group and Everything HR. “Childcare and flexibility for parents has emerged as a critical and

immediate issue that needs to be addressed by businesses of all sizes for purposes of retention and recruitment. Rethinking workforce management is a ‘Now’ discussion for HR and operations.”

## **Business leaders critical of government COVID programs but very specific about the best way to help business going forward**

Business leaders critically view the effectiveness of U.S. Congress, Governor Gavin Newsom, the State Legislature and the Los Angeles County Board of Supervisors in dealing with their recovery from the impact of the pandemic. In particular, more than a majority (51.1%) expressed the belief that the State Legislature and 54.8% expressed that Governor Gavin Newsom are not listening to business interests regarding reopening and restarting the economy.

Interestingly, the survey asked respondents in a neutral way about the impact of various government programs – Paid Sick Leave, Family and Medical Leave, Unemployment Benefits, Hero Pay, Cal/OSHA Regulations and Workers’ Compensation – on their employees or what impact these programs had on their business. Almost 40% (39.5%) of those surveyed felt these programs hindered their business. Only 15.8% felt their business was helped by these programs.

Business leaders were specific on what further ‘assistance’ they desire from government on a going-forward basis. Tax deductibility for COVID expenses (24%) and a reduction in some or all payroll taxes (22.4%) rated highest on the wish list. Almost 20% (19%) suggested that the government provide economic incentives to bring supply chains back to California and 17% favor the offering of liability protection post-COVID-19.

“Government’s rush to ‘help’ businesses and employers either occurred too late to make a difference or had the counter effect of making re-starting or reopening more challenging,” added BizFed 2021 Chair Donna Duperron, president and CEO, Torrance Area Chamber of Commerce. “Businesses are optimistic about the future but they are very specific on what they want government to do and not do on a going-forward basis.”

“The uncertainty caused by the pandemic and the inconsistent, unpredictable response by government at all levels negatively and dramatically influenced businesses, small and large,” added David Fleming, founding chair of BizFed. “Sensing that ‘life after COVID’ is close at hand, businesses are preparing for a future – one they view with cautious optimism. That’s good news for the Los Angeles region.”

## Homelessness 2021's top issue for the second consecutive year

As BizFed has done in its previous 13 surveys, survey respondents were asked to identify issues they consider either “Extremely Critical” or “Somewhat Critical” and then rank those in order of importance. Prior to 2020, high taxes and fees had a nine-year run as the top issue; however, for the past two years, homelessness has been rated as the most concerning issue for Los Angeles area business owners. This year's top five issues are as follows:

- **Homelessness:** For the second consecutive year, the top business concern, after ranking as low as 17<sup>th</sup> in 2017, was Los Angeles' homelessness crisis. More than 95% of those surveyed rated it as “Extremely Critical” or “Somewhat Critical.”
- **Taxes & Fees:** This issue, which until 2020 ranked as the top concern among Los Angeles-area businesses, ranked a close second to homelessness for the second consecutive year.
- **Crime:** After jumping from #12 to #3 in 2020, business concern about crime rated as “Extremely Critical” or “Somewhat Critical” by 94% of those surveyed.
- **Education:** Likely reflecting challenges many workplaces experienced in the past year due to COVID-19-related school closures and accompanying childcare issues, education climbed the rankings to #4 this year, up one slot from 2020.
- **Legislative Gridlock (State/Federal):** Government's inability to get things done continues to be a top concern among business leaders, jumping from #10 in 2019 to #4 in 2020 and #5 in 2021.

In line with the issues identified as most critical, business leaders remain particularly dissatisfied with local government's performance when it comes to reducing homelessness (only 12.8% expressing they are satisfied), housing affordability (only 11.3% satisfied) and imposing reasonable fees and regulations (only 20.8% satisfied). Also registering very low satisfaction ratings were attracting new business, streamlining business permits, improving traffic and reducing crime. The only issue to score above a 50% positive was public safety and emergency response time.

## **About the BizFed Pulse Poll**

This year's survey marks the 13<sup>th</sup> year that Employers Group has partnered with BizFed to conduct its annual Pulse Poll, this year called "2021: Business Outlook and Re-Opening Survey." The survey, which was conducted from April 12 to May 4, 2021 asks BizFed members, business owners and executives throughout Los Angeles County, a battery of questions to find out key issues and concerns they deem most critical to the ongoing operation and growth of their business. Access the full BizFed Pulse Poll [here](#).

# # #

## **About BizFed**

With more than 214 business organizations representing 450,000 employers with four million employees throughout LA County, BizFed is a massive, diverse grassroots alliance that advocates for policies and projects that strengthen our regional economy. As a united federation, business leaders in LA County are able to more efficiently collaborate and mobilize to advance a shared agenda on local, regional, state and national issues. BizFed members are force multipliers who mobilize and empower their communities to take action on policies and projects that affect our economy. To learn more visit [www.bizfedlacounty.org](http://www.bizfedlacounty.org)

## **About Employers Group**

Established in 1896, Employers Group is the leading source for intelligent business, HR solutions, and employer advocacy, helping thousands of employers across the country – and around the world. We understand human resources and helping you manage your people by mitigating risk, ensuring regulatory compliance, and minimizing costs – it's OUR business. Employers Group is your connection to business solutions and performance. To learn more visit [www.employersgroup.com](http://www.employersgroup.com)

## BizFed Association Members

7-Eleven Franchise Owners Association of Southern California  
Action Apartment Association  
Alhambra Chamber of Commerce  
American Beverage Association  
American Institute of Architects - Los Angeles  
Apartment Association of Greater Los Angeles  
Apartment Association, CA Southern Cities, Inc.  
Arcadia Association of Realtors  
AREAA North Los Angeles SFV SCV  
Armenian Trade and Labor Association  
Associated Builders & Contractors, Inc. Southern California Chapter  
Association of Club Executives  
Association of Independent Commercial Producers  
Azusa Chamber of Commerce  
Bell Gardens Chamber of Commerce  
Beverly Hills Bar Association  
Beverly Hills Chamber of Commerce  
Black Business Association  
BNI4SUCCESS  
Bowling Centers of Southern California  
Boyle Heights Chamber of Commerce  
Building Industry Association - Baldyview  
Building Industry Association - LA/Ventura Counties  
Building Industry Association - Southern California  
Building Owners & Managers Association of Greater Los Angeles  
Burbank Association of REALTORS  
Burbank Chamber of Commerce  
Business and Industry Council for Emergency Planning and Preparedness  
Business Resource Group  
CA Natural Resources Producers Assoc  
CalAsian Chamber  
Calabasas Chamber of Commerce  
California Apartment Association- Los Angeles  
California Asphalt Pavement Association  
California Bankers Association  
California Business Properties Association  
California Business Roundtable  
California Cannabis Industry Association  
California Cleaners Association  
California Construction Industry and Materials Association  
California Contract Cities Association  
California Fashion Association  
California Gaming Association  
California Grocers Association  
California Hispanic Chamber  
California Hotel & Lodging Association  
California Independent Oil Marketers Association (CIOMA)  
California Independent Petroleum Association  
California Life Sciences Association  
California Manufacturers & Technology Association  
California Metals Coalition  
California Restaurant Association  
California Retailers Association  
California Small Business Alliance  
California Self Storage Association  
California Society of CPAs - Los Angeles Chapter  
California Trucking Association  
Californians for Balanced Energy Solutions  
Carson Chamber of Commerce  
Carson Dominguez Employers Alliance  
CDC Small Business Finance  
Central City Association  
Century City Chamber of Commerce  
Cerritos Regional Chamber of Commerce  
Chatsworth/Porter Ranch Chamber of Commerce  
Citrus Valley Association of Realtors  
Claremont Chamber of Commerce  
Coalition for Renewable Natural Gas  
Coalition for Small Rental Property Owners  
Commercial Industrial Council/Chamber of Commerce  
Construction Industry Air Quality Coalition  
Construction Industry Coalition on Water Quality  
Council on Trade and Investment for Filipino Americans  
Covina Chamber  
Crescenta Valley Chamber of Commerce  
Culver City Chamber of Commerce  
Downey Association of REALTORS  
Downey Chamber of Commerce  
Downtown Center Business Improvement District  
Downtown Long Beach Alliance  
El Monte/South El Monte Chamber  
El Segundo Chamber of Commerce  
Employers Group  
Encino Chamber of Commerce  
Engineering Contractor's Association  
EXP  
F.A.S.T.- Fixing Angelenos Stuck in Traffic FilmLA  
Friends of Hollywood Central Park  
FuturePorts  
Gardena Valley Chamber  
Gateway to LA  
Glendale Association of Realtors  
Glendale Chamber  
Glendora Chamber  
Greater Antelope Valley AOR  
Greater Bakersfield Chamber of Commerce  
Greater Lakewood Chamber of Commerce  
Greater Leimert Park Village Crenshaw Corridor Business Improvement District  
Greater Los Angeles African American Chamber  
Greater Los Angeles Association of REALTORS  
Greater Los Angeles New Car Dealers Association  
Greater San Fernando Valley Regional Chamber  
Harbor Association of Industry and Commerce  
Harbor Trucking Association  
Historic Core BID of Downtown Los Angeles  
Hollywood Chamber  
Hong Kong Trade Development Council  
Hospital Association of Southern California  
Hotel Association of Los Angeles  
Huntington Park Area Chamber of Commerce  
Independent Cities Association  
Industrial Environmental Association  
Industry Business Council  
Inland Empire Economic Partnership  
International Cannabis Business Women Association  
Irwindale Chamber of Commerce  
La Cañada Flintridge Chamber  
LA Fashion District BID  
LA South Chamber of Commerce  
Lancaster Chamber of Commerce  
Larchmont Boulevard Association  
Latin Business Association  
Latino Food Industry Association  
Latino Restaurant Association  
LAX Coastal Area Chamber  
League of California Cities  
Long Beach Area Chamber  
Long Beach Economic Partnership  
Los Angeles Area Chamber  
Los Angeles County Board of Real Estate  
Los Angeles County Waste Management Association  
Los Angeles Gateway Chamber of Commerce  
Los Angeles Gay & Lesbian Chamber of Commerce  
Los Angeles Latino Chamber  
Los Angeles Parking Association  
MADIA Tech Launch  
Malibu Chamber of Commerce  
Marketplace Industry Association  
Motion Picture Association of America, Inc.  
MoveLA  
Multicultural Business Alliance  
NAIOP Southern California Chapter  
Nareit  
National Association of Tobacco Outlets  
National Association of Waterfront Employers  
National Association of Women Business Owners - CA  
National Association of Women Business Owners - LA  
National Federation of Independent Business  
National Hookah Community Association  
National Latina Business Women's Association  
Orange County Business Council  
Pacific Merchant Shipping Association  
Pacific Palisades Chamber  
Panorama City Chamber of Commerce  
Paramount Chamber of Commerce  
Pasadena Chamber  
Pasadena Foothills Association of Realtors  
PhRMA  
Planned Parenthood Affiliates of California  
Pomona Chamber  
Propel LA  
Rancho Southeast Association of Realtors  
ReadyNation California  
Recording Industry Association of America  
Regional Black Chamber-San Fernando Valley  
Regional Hispanic Chamber of Commerce  
Regional San Gabriel Valley Chamber  
Rosemead Chamber  
San Dimas Chamber of Commerce  
San Gabriel Chamber of Commerce  
San Gabriel Valley Economic Partnership  
San Pedro Peninsula Chamber  
Santa Clarita Valley Chamber  
Santa Clarita Valley Economic Development Corp.  
Santa Monica Chamber of Commerce  
Sherman Oaks Chamber  
South Bay Association of Chambers  
South Bay Association of Realtors  
South Gate Chamber of Commerce  
Southern California Contractors Association  
Southern California Golf Association  
Southern California Grantmakers  
Southern California Leadership Council  
Southern California Minority Suppliers Development Council Inc.  
Southern California Water Coalition  
Southland Regional Association of Realtors  
Sunland/Tujunga Chamber  
Sunset Strip Business Improvement District  
Torrance Area Chamber  
Town Hall Los Angeles  
Tri-Counties Association of Realtors  
United Cannabis Business Association  
United Chambers - San Fernando Valley & Region  
United States-Mexico Chamber  
Unmanned Autonomous Vehicle Systems Association  
US Green Building Council  
US Resiliency Council  
Valley Economic Alliance, The  
Valley Industry & Commerce Association  
Vermont Slauson Economic Development Corporation  
Vernon Chamber  
Veterans in Business Network  
Vietnamese American Chamber  
Warner Center Association  
West Hollywood Chamber  
West Hollywood Design District  
West Los Angeles Chamber  
West San Gabriel Valley Association of Realtors  
West Valley/Warner Center Chamber  
Western Electrical Contractors Association  
Western Manufactured Housing Association  
Western States Petroleum Association  
Westside Council of Chambers  
Whittier Chamber of Commerce  
Wilmington Chamber  
World Trade Center