

Testing the Keys to Economic Recovery from the COVID-19 Pandemic

A collaborative project provided by
the nclMPACT Initiative at the UNC School of Government
& NCGrowth at the Kenan Institute of Private Enterprise



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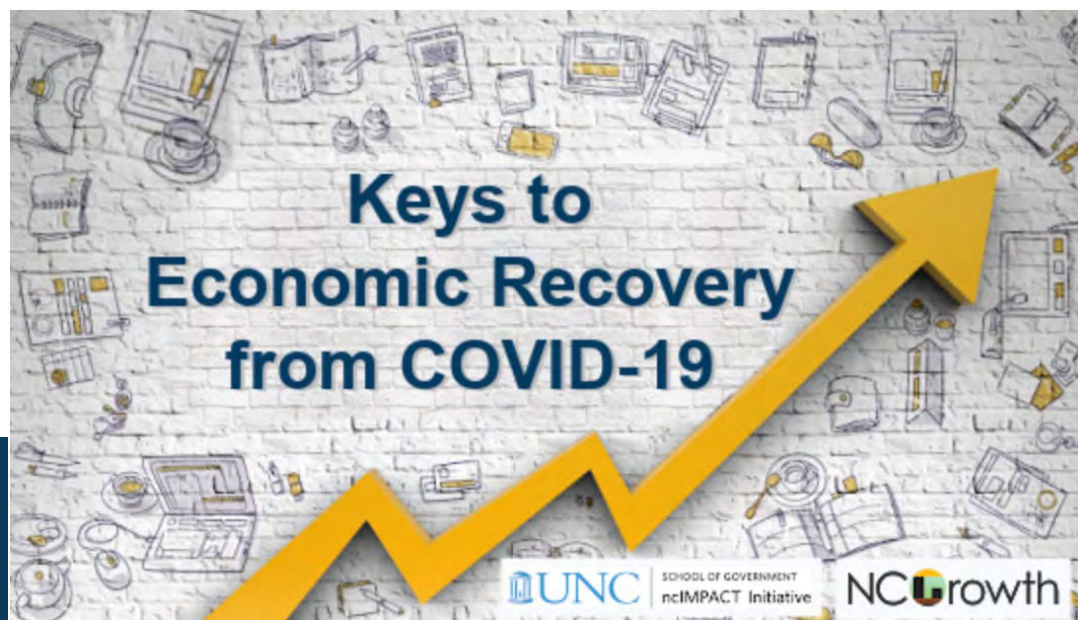
WHAT STRATEGIES WILL HELP LOCAL ECONOMIES RECOVER MORE QUICKLY FROM THE COVID-19 PANDEMIC?

The ncIMPACT Initiative at the UNC School of Government and NCGrowth at the Kenan Institute for Private Enterprise collaborated on a project to identify strategies that will help local economies recover more quickly from the COVID-19 pandemic. Through robust data analysis, case studies, webinars, and peer learning sessions, North Carolina local governments have access to some of the best economic recovery resources in the nation.

The project team convened four webinars that attracted 250 participants to learn from community experiences, share findings of their research and various resources, and facilitate peer learning between communities. They also conducted research into eight case study communities that feature a diversity of strategies and geographies, with a focus on replicable, community-level interventions. The team performed extensive analysis of quantitative and qualitative data collected from two surveys of local governments in North Carolina. All resources are available on the project site at: <https://go.unc.edu/keystorecovery>, which documented more than 2,200 views (as of 1/31/21).

Thirteen personnel contributed to the project including: faculty from the School of Government, staff from the School of Government and Kenan Institute for Private Enterprise, graduate students from public administration, city & regional planning, and geography; and an undergraduate student majoring in political science. The entire grant of \$95,000 was used to pay personnel expenses for their work on the project. The project also engaged 19 partners from the university, local governments, state agencies, and agencies with expertise in the subject matter.

This project was supported by the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill, with funding from the North Carolina Coronavirus Relief Fund established and appropriated by the North Carolina General Assembly.



WEBINAR SERIES

The project team provided four webinars. The first webinar on Sept. 30, 2020 engaged a select group of 20 thought leaders from local government, economic development organizations, and the NC Pandemic Recovery Office with initial data analysis and solicited their input to guide the project research and deliverables. Based on analysis and expert input, the project team identified three important keys to recovery for communities and organized the remaining three webinars around these themes:

1. An ability to innovate through the public health and economic crisis;
2. A willingness and capacity to collaborate across sectors and geographic boundaries; and
3. A penchant for using data to inform decision-making.

The project team provided the second webinar focused on Innovations in the Face of Crisis on Oct. 28, 2020 and 92 individuals participated including local government officials, economic developers, workforce development boards, and other state and community leaders engaged in recovery efforts. The third webinar on Nov. 18, 2020 focused on Collaborations in the Face of Crisis and 112 individuals participated. In addition, the team hosted a peer learning session about business supports on Nov. 12, 2020 and 25 individuals participated. The project hosted a second peer learning session about hospitality industry and childcare support strategies on Dec. 10, 2020 and 30 individuals participated. The final webinar on Making Data-Informed Decisions for Economic Recovery attracted 142 participants on Jan. 27, 2021. Evaluation data from webinar attendees indicates respondents found the information presented helpful to their work (94% of respondents) and found value in discussion among participants (91% of respondents).

Keys to Economic Recovery Webinar 1 – Project Introduction Sep. 30, 2020

This webinar included findings from our [Spring 2020 survey of local governments](#), data indicators of local economic conditions, and discussions with participants about what conditions would make residents feel more comfortable resuming economic activity and what promising strategies they observed in local communities.

Findings



NC local government leaders expected early on that there would be significant **effects from COVID-19**.



Most NC local government leaders expected early on that the **recovery for communities** would be swifter than the recovery for the local government itself.



Business closures and job instability were respondents' primary concerns. NC local governments were concerned about staffing disruptions in their organizations and loss of businesses and overall employment opportunities in their communities (which may reduce local government revenues from sales and occupancy taxes).



When asked specifically about **positive impacts**, despite the negative impacts indicated previously, one-third of NC local government leaders noted positive impacts on the community. Half noted positive impacts on the local government itself.



There was significant variability on the expected **negative economic implications of COVID-19**, but there was no meaningful difference among communities based on poverty rates, economic tiers, or current incidence of COVID-19.

Keys to Economic Recovery Webinar 2 – Innovation in the Face of Crisis – Oct. 28, 2020

Ryan Smith, strategic initiatives manager for the City of Durham and director of the Durham Recovery & Renewal Task Force shared how the innovation process works in a crisis and the importance of municipalities and counties working together. Representatives from local innovations highlighted in the case studies spoke about their efforts and answered questions from participants in breakout rooms. Local innovations highlighted include:

1. Small business funding programs – Belmont & Fayetteville
2. Increasing broadband access to support education & business sectors – Caldwell County
3. Using data to inform and adjust child abuse reporting processes – Gaston County
4. Pivoting on production to meet demand & secure employment – Carolina Textile District



Keep the Lights on in Belmont small business funding program

Keys to Economic Recovery Webinar 3 – Collaboration in the Face of Crisis – Nov. 18, 2020

Brian Elms, Innovation Practice Lead from the Change & Innovation Agency, shared innovative collaborations from the pandemic and advised participants about collaborating more effectively in and between their communities. Lynn Minges from Count on Me NC, Lisa Finaldi from Family Forward NC, and Christopher Chung from Economic Development Partnership of NC described their strategies for strengthening local economies and answered questions from participants about how to implement the strategies locally. Data indicate the hospitality industry remains impacted more than most sectors and that parents and caregivers are leaving the workforce or struggling to balance remote learning and child/elder care responsibilities, so the webinar focused on strategies designed to address these challenges for economic recovery.

Share of workers that are childcare dependent working parents

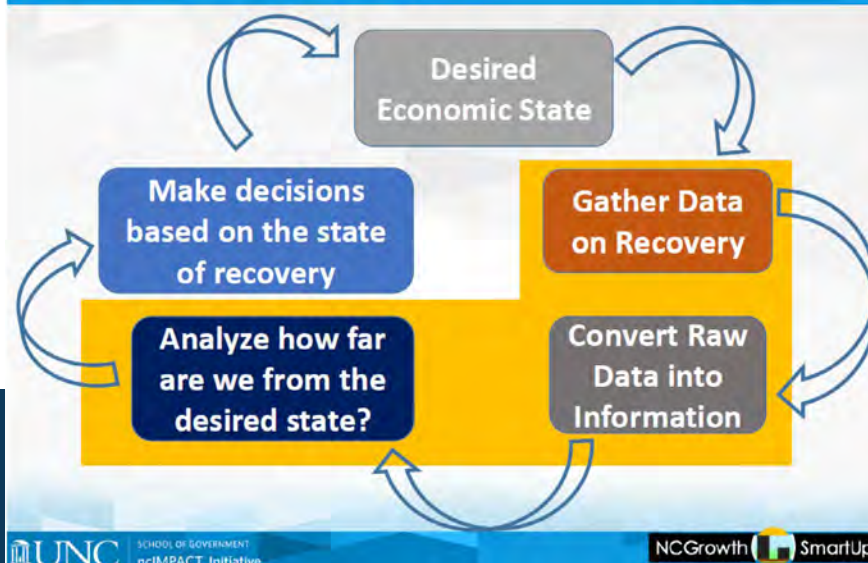
| Metropolitan Area | Share of all workers |
|----------------------------|----------------------|
| Goldsboro | 25% |
| Hickory-Lenoir-Morganton | 22% |
| Raleigh-Cary | 22% |
| New Bern | 22% |
| Jacksonville | 21% |
| Winston-Salem | 21% |
| Greenville | 20% |
| Greensboro-High Point | 19% |
| Charlotte-Concord-Gastonia | 19% |
| Fayetteville | 19% |
| Durham-Chapel Hill | 19% |
| Burlington | 18% |
| Asheville | 18% |
| Wilmington | 16% |
| Rocky Mount | 16% |

Source: Brookings analysis of 2018 American Community Survey 1-year microdata.

Keys to Economic Recovery Webinar 4 – Making Data Informed Decisions for Economic Recovery– January 27, 2021

This webinar shared data tools including [Carolina Tracker](#), [Community Confidence](#), and the [COVID Composite](#). Professor Obed Pasha from the UNC School of Government shared performance management strategies that communities could use to integrate data in their decision-making using examples from the three tools shared. The project team also shared results of the [COVID-19 Fall Survey of Local Governments](#) that reports how the pandemic affected municipalities and counties across North Carolina, and explores the differences in perceived impact from Spring 2020 to Fall 2020.

Decision-making cycle



DATA ANALYSIS

The project team performed extensive analysis of quantitative and qualitative data collected from a survey of local governments in North Carolina that generated more than 200 useable responses. The team shared these findings broadly in September and October 2020 with thousands of local leaders through email newsletters, social media, and presentations. A follow-up survey to assess changes in local conditions closed on Dec. 2 and generated more than 350 usable responses from 98 of the state's 100 counties, which the team analyzed in December. Both reports are available on the project site. The project released the [Information to Action Framework](#) and [COVID Composite Tool metrics, data, visualizations, and documentation](#) on Dec. 22, 2020 to support local decision makers in their efforts.

Links to sample analysis:

- [ncIMPACT Initiative COVID Composite Tool metrics, data, visualizations, and documentation](#)
- [ncIMPACT Initiative COVID Composite Tool Demo & Walkthrough Explainer Video](#)
- [Information to Action Framework](#)
- [Employment by Metropolitan Statistical Area \(MSA\) and Statewide by Industry](#)
- [ncIMPACT Initiative Spring Survey 2020 – NC Local Government Early Responses to the Coronavirus Pandemic](#)
- [ncIMPACT Initiative Fall Survey 2020 – NC Local Government Responses to the Coronavirus Pandemic](#)

COVID Composite Tool Features

- Offers quick look at a selection of data points related to COVID economic impact and recovery.
- Provides access to a variety of visualization formats depending on user preferences including data cards, charts, and maps.
- All data points are already standardized to allow for comparisons.
- Offers user ability to choose county and select their own data points to construct a unique composite.
- Data standardization goes a step further with the use of a z-score, which makes comparisons simple and helps visualize how far a data point is away from the average for all data points.
- Z-scores are all [documented and standardized](#) to ease interpretation. A higher z-score is always interpreted as less desirable and a lower z-score is always interpreted as more desirable regardless of the underlying data point.
- All source code, data, and documentation are freely available in a [GitHub repository](#) with more detailed documentation provided in a [stand-alone documentation site](#).

[The three layers of this tool](#) are rooted in real conversations and webinar engagements with local elected officials and practitioners to reflect their concerns and their approaches to mitigating pandemic impacts.

These three layers help to develop an understanding of:

1. a community's resilience and disposition towards widening inequity using publicly available Census data at the Census Tract level;
2. the emergency financial support resources received, which may mask short-term consequences and delay second-order impacts of the pandemic at the county level; and
3. real-time fluctuations in a selection of publicly available data points at the county level as the pandemic unfolds.

[The Information to Action Framework](#) provides users with an easy to understand and implementable way of moving toward meaningful community and organizational action. This framework also reflects conversations and engagements with local elected officials and practitioners. The COVID Composite is a great way to get started with some quantitative insights.

Fall Survey Findings

The fall survey covered 98 out of 100 counties with either a county or municipal government response. Sixty-seven percent (67%) of responses came from municipal government and 33 percent came from county government. The team collected responses from 70 county governments (70 percent) and 172 municipal governments (31 percent).

From the spring survey to fall survey, for top three negative community impacts, the percentage of respondents citing:

1. Employment Instability decreased by 16 percentage points,
2. Housing Instability increased by 13 percentage points,
3. Food Insecurity decreased by 13 percentage points, and
4. Travel Restrictions decreased by 10 percentage points.

From the spring survey to fall survey, for top three negative local government impacts, the percentage of respondents citing:

1. Reduced Revenue decreased by 39 percentage points,
2. Staffing Absences Due to COVID-19 Exposure or Potential Exposure increased by 37 percentage points, and
3. Staff Burnout Due to the COVID-19 Pandemic increased by 23 percentage points.

When looking at jurisdiction type for respondents, county government respondents were 37 percentage points lower in citing reduced revenue versus municipal government respondents. For impact on local economy, local workforce, and local government revenue, respondents appear much more optimistic in the fall about potential impacts over the next 90 days. The only area in which the fall survey indicates no change in outlook is the impact to local government staffing over the next 90 days.

The total percent of respondents indicating the COVID-19 pandemic had some positive impacts on their community slightly increased to 37 percent. The themes among positive impacts included: community unity; tourism and occupied rental properties; service transitions and changes to operations that may be long-lasting; and societal shifts such as the recognition of underlying issues like broadband access.

When asked if the COVID-19 pandemic had any positive impacts on local government, 203 of the 353 survey respondents (58 percent) indicated some positive impact. Their responses formed several major themes, including: the benefits of remote work, changes to service delivery, hard work and resilience, improved revenues, opportunity for change, and improvements to emergency preparedness.

RESOURCES

The project team maintained a [COVID-19 resource database](#) for small businesses and communities, and continually shared resources through social media platforms and email newsletters. The COVID-19 database hosts more than 230 resources. The database was viewed 2,275 times (as of 1/27/21). The majority of users are business owners, based on a user survey launched on the site. The database represents a compilation of federal, state, local, and private resources available to small businesses and community organizations in North and South Carolina for dealing with the effects of COVID-19.

Sample resources include:

- [Count on Me NC & Family Forward NC Strategies Information](#): This document includes resources communities may use to implement strategies developed by Count on Me NC and Family Forward NC. Count on Me NC encourages businesses, staff, guests, and visitors to each do their part in preventing the spread of COVID-19, highlighting a collective responsibility, and inviting everyone throughout the state to join the collaboration. Family Forward NC created a Rapid Response program to help employers adapt to the conditions caused by COVID-19. They provide no-cost human resources assistance and consultation to help employers that are reopening or retooling, with the goal of building workplace resilience for families that will endure even after the crisis.
- [Resources for nonprofit organizations and others responding to COVID-19](#) offered by the Office of State Budget and Management Office of Strategic Partnerships and the North Carolina Center for Nonprofits. Resources are organized by category: grants and funding, professional assistance and training, food supply and technology, general COVID-19 information and restrictions, and COVID-related workplace safety.



CASE STUDIES

The project team conducted research into case study communities that feature a diversity of strategies and geographies, with a focus on replicable, community-level interventions. Eight case studies are available on the project webpage, as well as several blog posts summarizing findings and resources to support communities. The cases will be cross posted to HomegrownTools.unc.edu, a web tool maintained by NCGrowth that houses over 50 case studies of economic and community development across the United States.

The eight case studies developed for this project are:

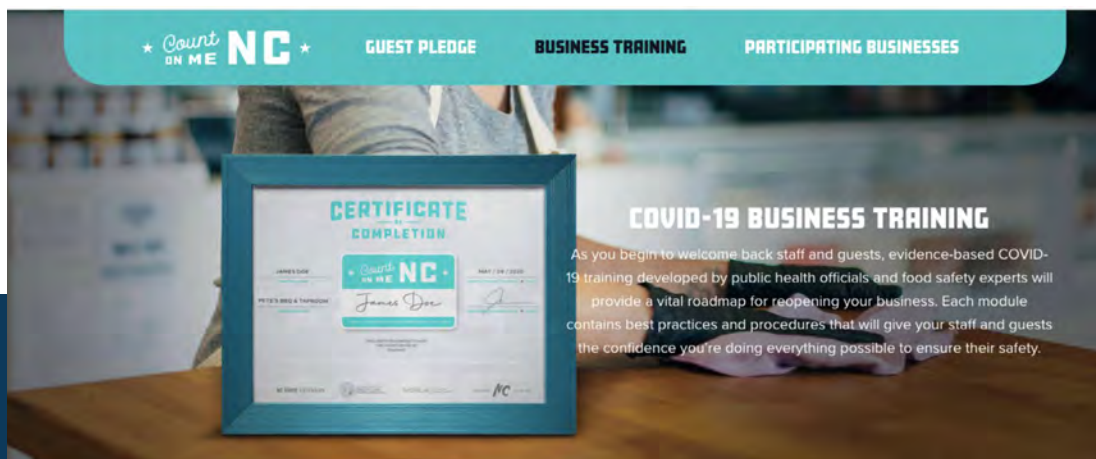
- **Caldwell County** – [Increasing broadband access to support education & business sectors](#):
In Caldwell County, several partners came together to bridge the digital divide and support students when the COVID-19 pandemic hit. Caldwell Community College and Technical Institute leveraged an existing relationship with Google to improve broadband access and obtain 75 Chromebooks. Doing so allowed high school and community college students to continue their coursework remotely uninterrupted, ensuring continuity in the county’s talent development pipeline through the pandemic.
- **Carolina Textile District** – [Pivoting on production to meet demand & secure employment](#):
The Carolina Textile District is a network of firms with a focus on the textile and apparel manufacturing industry, and a part of The Industrial Commons, a social enterprise non-profit organization located in Burke County. The District pivoted its work in response to COVID-19 and subsequent demand for personal protective equipment and cloth face coverings, supplying hospitals and public-school systems, among other clients throughout North Carolina.
- **City of Belmont** – [Small business funding programs](#):
Belmont paired an emergency small business loan program with the “[Keep the Lights on in Belmont](#)” program to drive residents to support local enterprises and raise funds for an emergency relief grant for downtown businesses.
- **City of Fayetteville** – [Small business funding programs](#):
The City of Fayetteville expanded on an existing small business loan program to fund emergency grants intended to keep businesses from shutting down in the area. Through a dense network of partnerships, the City was able to target assistance to the businesses that needed it most.





Restaurant in Fayetteville, NC

- **City of Puyallup, WA** – [Funding to support businesses adapting to serve customers outdoors:](#)
Through the Winter Ready Funds Program, the City of Puyallup awards one-time \$5,000 grants (a total of \$150,000) to eligible local restaurant and retail businesses for purchasing equipment and making other necessary adjustments to be able to serve customers outdoors during the pandemic restrictions. The project is supported through a grant from the US Department of Treasury and administered by the Washington State Department of Commerce’s Local Government Coronavirus Relief Fund.
- **Gaston County** – [Using data to inform and adjust child abuse reporting processes:](#)
Leadership in Gaston County noticed that reports of child abuse significantly decreased during the COVID-19 pandemic. The assistant county manager gathered community stakeholders to address process improvements for reporting to ensure the wellbeing of children and families.











- **New Bern, NC-** [a collaborative approach to maintain tourism and support small businesses:](#)
New Bern leveraged statewide resources and ran several programs to ensure that local businesses could reopen and position the town as a safe travel destination.
- **The Center for Advanced Hindsight (CAH) at Duke University** – [improving community response to COVID-19:](#)
CAH partnered with the NC State College of Design, Cabarrus County, Catawba County, Gaston County, Haywood County, and Union County to use insights from behavioral science and design to improve community response to COVID-19.

ACKNOWLEDGEMENTS

The project team expresses gratitude to the NC Policy Collaboratory and the General Assembly for providing the financial support that made this work possible. It was a privilege to conduct this research and engagement to serve local communities in the state and support their efforts to recover economically from the pandemic. The project team remains committed to sharing findings, resources, and analysis as the state continues its focus on recovery efforts in the years to come.

The Project Team

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