

Long Island Business News

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Reaching a post-COVID economy

By: [Adina Genn](#) February 26, 2021



Jeffrey Weiner

While many see the federal funding as a needed lifeline to ultimately move forward from the COVID-19 crisis, others still see struggle ahead, according to a new survey from Marcum, a national accounting firm with offices in Melville, and Hofstra University's Frank G. Zarb School of Business, in Hempstead.

Polling 267 middle-market CEOs across the nation, the survey aimed to gauge their business outlook as well as their priorities and concerns for the year ahead. "American businesses are still struggling to survive the impact of the pandemic, with CEOs expressing a clear need for additional economic relief," Jeffrey Weiner, Marcum's chairman and CEO, said in a statement.

On a scale of 1-10, 48 percent of the survey's respondents gave their business outlook a 5 or higher, up from 35 percent last fall. And 12 percent rated their outlook an 8 or higher, up from 5 percent in the fall.

"While less than half of CEOs rated their economic outlook in the positive range of the scale, there was a definitive improvement in the upper ratings since our last poll," Wiener said. "This is an indicator of the resilience of the middle-market that hopefully will strengthen in the months to come."

"Economic conditions are extremely fragile as the nation begins to emerge from the COVID-19 pandemic, and that is reflected in the guarded optimism we see among mid-market CEOs," Zarb School of Business Dean Janet Lenaghan, said in a statement.

The stimulus package would help business leaders pay expenses without relying on credit or loans or damaging credit scores, survey respondents said. It would enable them to keep employees, and therefore grow the business, others said. It would help customers and suppliers, and their employees. But some said the package would not suffice.

For some businesses, the stimulus program from the Biden administration would not be enough, according to the survey. There was concern the program would lead to inflation, triggering counterproductive consequences. Others saw the package as a “drop in the bucket,” saying there were no funds for the self-employed even if business is down, calling for the economy to reopen.

But Phil Andrews, the president of the Long Island African American Chamber of Commerce, said the package would help members of his organization.

He pointed out that “many business owners may work a job and have a business at the same time. Some business owners may have lost their job during this period, and other may have had to take on a job while waiting for the [Paycheck Protection Programs] loans to be processed.

“This is a very complex problem as some Americans had to exhaust their savings and retirement due the extended length of unemployment,” Andrews said.

A full 78 percent of CEOs polled in the Marcum-Hofstra survey said the program is needed for the U.S. economy to recover. Asked about the impact, 40 percent it would allow them to continue to [re]cover at full capacity, while 32 percent said their operations would continue at a diminished capacity. Meanwhile 14 percent said it would have little impact because the program would likely not be sufficient, and 15 percent said the impact would be minimal because the pandemic did not significantly affect their business.

But funding alone may not be enough.

“Schools need to be reopened as that is a big part of the puzzle for working Americans,” Andrews said.

And state and local governments, with decreased tax revenue, need funding, he said.

“At the chamber we believe additional funding will be needed for small business owners as consumer confidence and spending is down,” Andrews said. “Long-term problems must be met by long-term solutions. The statistics state that Americans are taking a similar stance that was taken during the depression, and that is hold on to every dollar you can, and reduce debt [as] the future of economy is uncertain.”

Yet Andrews said the new direction in Washington “gives us hope that America is on the right path to rebound as a resilient nation in the toughest of circumstances.”

Terri Alessi-Miceli, the president and CEO of the Hauppauge Industrial Association of Long Island, said the stimulus will allow the organization's member companies to operate at, a larger capacity, in some instances, or maintain their operations without downsizing. The HIA-LI has more than 1,000 company members across Long Island. With the pandemic's onset came a slew of hurdles, including the need for upgraded IT infrastructure, a necessity Alessi-Miceli doesn't expect to subside.

"Through this pandemic, we've all gotten a lot more used to technology, working remotely, and that shed a lot of light within companies that technology needs to be an integral part of what we do," Alessi-Miceli said.

Additional concerns include the pandemic's long-term impact on our mental health – employers now are talking about "being more hands-on" and "stepping up with compassion," Alessi-Miceli said. Other difficulties include the need to create a vital talent pool – "that's always been a challenge for business owners," she said.

The widespread availability of the COVID-19 vaccine will serve as a turning point in the economy. And the Marcum-Hofstra survey found that about 60 percent of the CEOs said that they would require their onsite employees to get vaccinated before returning to the workplace.

At the HIA-LI, "the suggestion has been to encourage it," Alessi-Miceli said about vaccination. Herd immunity "is the only way we can safely reopen."

The vaccine would provide a path for venues – especially restaurants, retail and theaters – to reopen at full capacity, she said. And with the stimulus package businesses would be in a better position to add staff.

That combination would trigger "a stronger economy," Alessi-Miceli said.

"So many have not been able to travel, go to plays in New York City, go to the movies," she said, adding that "people are itching" to take part in such activities.

And when they do, she said, there will be "a real boom."