

COVID-19 SURVEY HIGHLIGHTS

(about 80 participants)



42% of respondent firms are from Financial industries.

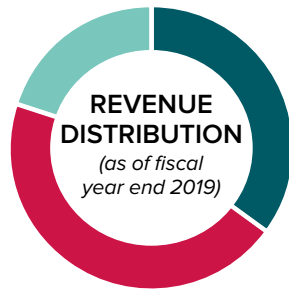
(Insurance and Banking)

Business or Professional Services (12%), Retail and Wholesale Trade (7%), and Food, Beverage & Franchised Restaurants (6%) are three industries with the largest representation among nonfinancial firms.



BALANCED SAMPLE:

- 35% LESS THAN \$100 MILLION
- 45% \$100 MILLION - \$10 BILLION
- 20% MORE THAN \$10 BILLION



Better governance and ERM helped in bad times:



- About **40% OF FIRMS** responded that their **BOARDS HAVE BEEN MORE ENGAGED.**
- Risk and audit **COMMITTEES HAVE MET MORE REGULARLY.**
- In about **30% OF FIRMS, THE ERM FUNCTION HAS BEEN MORE INVOLVED** in assessing risks related to the COVID-19 pandemic.

Risk appetite of most firms (71%) did not change during the COVID-19 shock, but

- 12% OF FIRMS INCREASED, ↑
- 17% OF FIRMS DECREASED THEIR RISK APPETITE. ↓

Liquidity (cash flow) risk is ranked as one of the top risks

not only during the crisis but also before the COVID-19 shock:



As firms had recognized the importance of liquidity prior to the shock, most of them were not liquidity constrained when the crisis hit, with only about 5% reporting they were illiquid while 64% responded that they had stored liquidity (cash).

Firms that needed more liquidity during the COVID-19 shock, mostly borrowed from banks through existing lines of credit or new loans (12%) or from the government-sponsored borrowing facilities (10%).

Although 68% of firms experienced a revenue decline,

76% of respondents reported that they were highly resilient to the COVID-19 shock. With:



77% NOT FURLOUGHING associates at all;



65% NOT CLOSING any locations;

83% OF FIRMS EXPERIENCING NO CHANGE IN THEIR ABILITY TO SECURE INSURANCE neither in terms of capacity nor cost;



Almost all of the FIRMS DEEMED ESSENTIAL having the ability to MEET CUSTOMER DEMAND.



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