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Sep. 30, 2020



As COVID-19 cases across the United States spiked in mid-July, executives expressed significantly more concern than just a few weeks prior, according to data from the new report, “[Crowe Business Challenges Survey: Part II](#).” Sixty-eight percent of respondents in the last weeks of July noted high concern about the pandemic, up from just 51% a few weeks earlier, a 17-point jump.

Crowe, a public accounting, consulting and technology firm in the U.S. with offices around the world, conducted a pulse survey of 349 C-suite executives in three phases between late June and mid-August 2020 for the second report in the firm’s ongoing research series. The first report examined sentiment between late April and early

June. The research series compiles responses from leadership spanning industries

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overall economy – 49% were somewhat or very pessimistic in the survey's first phase, while 54% said as much in the second. Respondents also reported more high uncertainty within their organizations in the second phase – 28% compared with 22% in the previous phase. Worries about a second wave of COVID-19 have remained largely static, but high, with 85% of respondents at least moderately concerned about a potential second wave.

“In July, as some restrictions were loosened and the virus spiked, it became clear how closely the economic recovery is tied to public health,” said Ann Lathrop, chief marketing officer at Crowe. “Organizational decision-makers were navigating whether or not to open their offices, facilities, schools or universities. They faced very tough and complex decisions balancing the health of their people with financial resiliency. Our data shows that worry, concern and uncertainty remained the norm for executives this summer.” When asked how much uncertainty their organization is dealing with, 24% responded with high uncertainty, 60% with moderate uncertainty and only 16% reported minimal uncertainty.

In the first report of this research series, 43% of respondents expected COVID-19's effects on their organization to meaningfully decline by the end of 2020. However, by the second report reality appeared to sink in, and that optimism withered with only 12% of respondents now predicting 2020 for organizational recovery.

The survey also asked how respondents would rate their organization's response to several social issues. More than half of respondents rated their organization's responses to both racial injustice and social inequality as excellent or good.

“Following the events that magnified nationwide racial inequity this spring and summer, many companies, including Crowe, were compelled to speak out, take a stance or address how they can fight against racial injustice within their own

organizations. Even if those actions are in early stages, the fact that companies are

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change/sustainability as excellent or good, while the majority (56%) deemed their organizational response to be OK.

- Only 13% of respondents rated the government's response to racial injustice as excellent or good, while 42% ranked the government's response to the economic recession as excellent or good.
- Almost all organizations in the survey shifted somewhat to remote work, with 93% saying they had shifted to at least partial work from home.
- As organizations continue to lay out plans for safely reopening offices, a majority of respondents expressed apprehension about returning on-site with 72% saying they were highly or moderately concerned.

The report also specifically looks at the public sector services industry, including respondents from government entities, higher education institutions and not-for-profit organizations. Public sector respondents usually were about 10 percentage points more uncertain (or outright pessimistic) about the pandemic's effect on their organizations than respondents in general.

“Public sector employees are on the front lines of the pandemic,” said Kevin Smith, managing partner of the public sector services group at Crowe. “The decisions about whether or not to open schools and universities or lift pandemic restrictions impact not only their organizations but the public as a whole. Additionally, economic struggles usually hit the sector at least a year later, after tax revenues, tuition fees and charitable donation decline, so it's not surprising this group is notably more uncertain or pessimistic.”

Additional key findings from the public sector include:

- Ninety-three percent of public sector respondents rated their level of concern regarding the COVID-19 pandemic on their organization as high concern or moderate concern.

- Twenty-nine percent of public sector respondents expected a severe decrease in

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sector likely did well here because many had to embrace technology after cost-cutting measures following the Great Recession, meaning processes and systems that made remote work easier were already in place,” added Smith.

For additional survey findings, please visit [Crowe business challenges survey](#).

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