

Maximising well-being post COVID-19

Dean Stronge¹, Alison Greenaway¹, Robyn Kannemeyer¹, Chris Howard²
¹MWLR, ²MBIE

KEY INSIGHTS

Much has changed in New Zealand since the New Zealand Government imposed a nation-wide lockdown in response to the COVID-19 pandemic on 26 March 2020. Research³ undertaken by social researchers from Manaaki Whenua – Landcare Research and the Ministry of Business, Innovation & Employment provides insights into how people navigated their COVID-19 response and what that means for their, and New Zealand's, continued well-being.

Small Businesses

Small business owners or associates spoken to as part of this research noted that the initial lockdown was a time of significant concern and uncertainty for them:

...initially there was a lot of pressure, because my husband owns his own company, and so there were a lot of concerns about what was going to happen in that space, obviously wanting to look after the staff and make sure that we could retain all the staff that we have and that they were happy, and they felt that they were useful and that the team stayed together (MWB4).

I was very uncertain about what the future would hold, and I didn't see any bright lights at that time (MWB10).

Participants with small businesses varied in their success at navigating the pandemic response. Some participants reported that their businesses fared well following lockdown:

...it's just actually gone from strength to strength, amazingly (MWB4).

So, the business has had a number of impacts: one interesting impact being that we've had a significant increase in inquiries... we've been inundated with requests... (MWB10).

...the business is not affected by COVID at all (MWB27).

Others didn't fare as well or knew first-hand of others who were struggling:

Our friends tend to be business owners, and they've been hit hard and they want to look after their people, and if they have to let anyone go it's a very traumatic thing. And one in particular, he's gone from a staff of 14 down to 4 – he's had to sell his house. Outwardly he seems all right but gosh, it's a pretty big hit, isn't it? (MWB4).

³ A background and methodology report is available from StrongeD@landcareresearch.co.nz

I also run a small wine company with my partner... it affected our own business a lot. We were just kind of starting to sell our wine and we were targeting on premise and small wine shops and things like that. And they were just slammed by COVID (MWB57).

Even within the same sector, impacts were variable. For example, one Auckland IT consultant spoken to reported that their business had done okay and that they hadn't needed to claim any of the Government subsidies, whereas another business owner (also from Auckland) was looking at winding up his business because he no longer had the cash reserves to keep it going, despite receiving the wage subsidy. Some thought the Government could do more to support small businesses:

I'm frustrated because they don't seem to be helping businesses by opening up the money supply literally by releasing tax revenue from people so that people who are paying income tax have a bit more in their pay packet so they will spend a little bit more and that will actually cause jobs to be created...because that gives people more money to spend and they will spend it. [Also] Reducing the cost of compliance somehow; the things I have to do as a self-employed person are numerous and very time-consuming. So, somehow, we need to free up some of that time so people can produce things that have value. (MWB12).

However, most small business owners we spoke to were thankful for the business support packages provided by the Government:

[My husband] runs his own business...the wage subsidy paid for him to keep working, so that was just a godsend. That basically saved the business from going under and kept him employed, and we've been able to pick things up now that lockdown has finished and everything's back on track (MWB53).

I've got a brother that's got a white-water rafting company, so I knew how hard [my business] could be hit...the money that came through the grants was actually really important for him, so that's kept him going (MWB81).

The money that's being pumped into the economy has been excellent, the support for employers, the fact that people could apply for it and it was rapidly deployed. I think the mental health of people who own their own business and employers, it was just saved by that, really (MWB4).

In addition to the benefits to their mental health, the Government's support packages have enabled otherwise successful businesses to weather the disruption caused by the pandemic and get back to operating and contributing to New Zealand's economic productivity:

So,...[my husband's] managed to get [the business] back up to numbers – it's doing as well, if not better than it was before lockdown. And he didn't have to press the pause button for too long. And the wage subsidy was absolute gold in helping support staff...and he's hired another [staff member] since (MWB2).

However, the difficulties faced by small businesses are expected to be felt for some time to come, and continued support from Government will likely be needed if additional otherwise successful businesses are to survive the ongoing impacts and burdens of the pandemic response:

Some people I know are hugely concerned about their future well-being and their business in particular, because I think there are a lot of businesses that are going to go bust. And I don't think we've seen the impact of that yet, the full impact. (MWB10).