



Chamber of Commerce  
Southern New Jersey  
*Where Business Grows*

# South Jersey Economic Reopening and Recovery Plan



MAY 12, 2020

## Background

Since March, COVID-19 has upended life in New Jersey. On March 21, 2020, Governor Phil Murphy announced extensive measures to help slow the spread of COVID-19, which mandated the closure of all physical retail businesses deemed to be nonessential. He also issued a “stay at home order” that requested all residents remain in their homes, to the best of their ability, for foreseeable future. The financial consequences on businesses have been significant and unfortunately, are going to continue. As the curve continues to flatten, there is an urgency among business owners to reopen certain aspects of New Jersey’s economy in the safest and most efficient way possible.

As the number of cases in New Jersey continues to decline, steps were announced to begin focusing on reopening. On April 13, Governor Murphy announced that New Jersey and several of our neighboring states would take steps towards a coordinated reopening of the regional economy. Then, on April 27, the Governor announced his plan to reopen New Jersey's economy. The plan, entitled "The Road Back" has six guiding principles for reopening:

- Sustained reductions in new COVID-19 cases & hospitalizations
- Expand testing capacity
- Implement robust contact tracing
- Secure safe places for isolation
- Responsible economic restart
- Ensure New Jersey’s resiliency

Governor Murphy specifically noted that only after the first four items are accomplished will the last two items – “responsible economic restart” and “ensure New Jersey’s resiliency” – be the focus of the reopening plan.

**Without question, the health and safety of all New Jersey residents must remain the priority.**

However, the plan for the reopening of New Jersey cannot be a one size fits all approach. As the immediate crisis continues to slowly subside, specific South Jersey guidelines for how and what industries may reopen safely are needed. The virus has impacted each region of the state differently and the challenges to reopening differ greatly from the northern to the southern regions of the State.

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The Chamber of Commerce Southern New Jersey (CCSNJ) created the **CCSNJ Economic Reopening and Recovery Working Group** to hear directly from South Jersey business owners regarding what they believe reopening should look like for the region. The group, which consisted of approximately 100 businesspeople from various industries and sizes of businesses throughout the seven most southern counties of New Jersey, traded information, ideas and best practices to help identify the tools South Jersey needs to reopen the economy when it is deemed safe to do so.

Derived from the group’s comprehensive feedback, the CCSNJ proposes the following approach to reopening, with a specific focus on what South Jersey businesses need to safely reopen the economy and recover from the pandemic. It is important to once again note that the CCSNJ agrees health data must be the key driver in the reopening discussion; however, health data should be taken in tandem with other key information, such as geographic density and regional COVID-19 case numbers in the southern portion of the state.

One thing is clear, businesses of all sizes need concise guidelines on what a path to reopening looks like. This information can be dynamic and does not require a specific reopening date but should include tentative estimated timelines and steps businesses need to take to prepare for reopening. It is the only way to position businesses, and therefore the overall economy, to rebound as swiftly as possible when it is safe to do so.

**Regional Approach**

Any reopening plan for New Jersey cannot be a one size fits all approach. The impact of COVID-19 on the southern region of the state differs greatly from the devastating impact on the northern region. The South Jersey region has seen far fewer cases than our neighbors in the north and thankfully have not seen our healthcare infrastructure overwhelmed near the magnitude of other areas.

As of May 11, 2020, the total percentage of COVID-19 cases versus county population is as follows:

COUNTY	POPULATION*	NUMBER OF CASES	% OF IMPACTED POPULATION
ATLANTIC	274,549	1,533	0.56%
BURLINGTON	448,734	3,665	0.82%
CAMDEN	513,657	4,959	0.97%
CAPE MAY	97,235	462	0.48%
CUMBERLAND	156,898	1,363	0.87%
GLOUCESTER	288,288	1,690	0.59%
SALEM	66,083	411	0.62%
<b>REGIONAL TOTAL</b>	<b>1,845,444</b>	<b>14,083</b>	<b>0.76%</b>
	<i>* per 2010 Census data</i>		

Although some South Jersey-based businesses were against the decision to issue a statewide stay at home order before the region was seeing an impact from COVID-19, the Governor’s Executive Order 107 was meant to ensure that the healthcare infrastructure was not overwhelmed by the number of potential future cases converging at the same point in time. In reviewing the above statistics, it is clear that South Jersey reaped the benefits from the Order, which was issued on March 21, with a far lower number of cases, and therefore hospitalizations, than our northern brethren.

The flattening of the curve is occurring, and South Jersey is fortunate to have been far less impacted than other areas of the state. Now is the time to discuss a more regionalized approach to reopening that takes COVID-19's impact into account and outlines a detailed, staggered economic approach to resuming business operations in the southern portion of the state where the risk is the lowest.



Our neighbors in Pennsylvania and New York have taken a regional approach to reopening their states and the CCSNJ believes this is a reasonable and measured path to consider. Pennsylvania Governor Tom Wolf took a county-by-county approach to restrictions before issuing a statewide stay at home order on April 1 and has said he will take a similar tact to reopening the economy. His plan for reopening will be color-coded and come in phases —

red, yellow and green — starting with the northwestern and central parts of the state. New York Governor Andrew M. Cuomo laid out a broad outline for a gradual restart in New York allowing some “low-risk” businesses upstate to reopen on May 15.

Encouraging a reopening of the state’s economy and caring about the health, safety and welfare of the state’s residents are not and should never be categorized as mutually exclusive. The CCSNJ believes that a regional approach that divides the state into North, Central, South and Shore regions will allow for a succinct reopening plan that considers health, geographic and demographic data collectively to make informed decisions. South Jersey, given the demographics of the region, is better positioned to reopen quickly and safely. It is less densely populated, has more overall open space and less heavily used public transportation.

The CCSNJ recommends the following regional approach as it relates to the areas we represent:

**South Jersey Region:**

- Burlington County
- Camden County
- Cumberland County
- Gloucester County
- Salem County

**Shore Region:**

- Atlantic County
- Cape May County
- \*Monmouth County
- \*Ocean County
- \*outside CCSNJ territory*

As it relates to the “Shore Region,” the CCSNJ strongly endorses the comprehensive plan issued on May 5 by the County of Cape May. According to the most recent Tourism Economic Impact Study, in 2019 visitation to New Jersey brought the total of 116 million people. As a result, total spending by visitors to New Jersey reached \$46.4 billion, generating \$5.1 billion in state and local taxes for 2018. Seasonal businesses employ one in 10 New Jerseyans, and tourism represents a \$46 billion industry for New Jersey. The Cape May County plan is thoughtful, reasonable and comprehensive — and many of the County’s recommendations can be adopted along the shorelines in Atlantic, Ocean and Monmouth Counties as each have similar challenges.

Alternatively, the casino industry has its own set of challenges as it relates to reopening. According to the Spring 2020 edition of *The South Jersey Economic Review* released by Stockton University on April 21, the economic output lost during the shutdown is only a part of the problem. Deemed the “COVID-19 drag” the gaming and hospitality industries are going to have an elongated operational strain due to the need for spacing and capacity issues. The CCSNJ supports Atlantic County’s recommendations and supports the Casino Association of New Jersey’s suggestions on the safest and most reasonable way to reopen the casinos. Additionally, the CCSNJ defers to the recommendations made by the New Jersey Restaurant & Hospitality Association as it relates to hotel reopenings. However, the CCSNJ does not support legislating a casino or hotel reopening plan believing instead that the decision should be made by the casino owners and operators who know their industry best and have the health and safety of all casino employees at top of mind.

The “South Jersey Region,” as previously outlined, has very different demographics and challenges than the “Shore Region.” These counties do not see an influx of out-of-state/North Jersey visitors during the summer months, and have much more open space and lower peak populations. A reopening plan should differ significantly for these counties than the other areas of the state.

For this region, the CCSNJ suggests targeting certain industries and allocating capacity guidelines for businesses as the best approach. Low risk industries should be considered for initial reopening of the economy. The CCSNJ was pleased that Governor Murphy recognized that state parks and golf courses could reopen safely with strict guidelines on social distancing and believes strongly this model is one that other industries could follow. Construction sites, curbside retail businesses and other primarily open-air businesses, such as South Jersey’s wineries and drive-in movie theatres, can reopen promptly with guidance in South Jersey. Additionally, projects and industries that will swiftly impact the state’s economy should be prioritized in any reopening plan, including critical infrastructure and other shovel ready projects in the southern portion of the state.



Low risk industries should be considered for initial reopening of the economy, as well as critical infrastructure and shovel ready projects in South Jersey.

Taking into consideration the low number of cases in South Jersey, the region should follow similar standards seen across the country – starting with reopening at 25 percent capacity allowances and moving to 50 percent *only if* reopening proves to not spike new COVID-19 cases. However, this cannot be accomplished without strict safety guidelines and the ability for businesses to acquire the appropriate equipment to assure employee and customer safety.

## Safety Guidelines

One consistent theme the CCSNJ heard from members of all sizes and industries was the need for clear and concise reopening and safety guidelines. Reopening directives will likely differ according to the type of business and type of client interaction required for a business to open successfully. It will also require certain equipment discussed subsequently in this document.

Although the CCSNJ supports the CDC recommendations on “*Reopening Guidance for Cleaning and Disinfecting Public Spaces, Workplaces, Businesses, Schools, and Homes,*” the **CCSNJ Economic**

**Reopening and Recovery Working Group** also recommends the following guidelines:

- Physical distancing and capacity measures to manage the density of people to comply with CDC guidelines
- Increased cleaning protocols and sanitization
- Screening and prevention with guidance from the medical community, including face coverings and temperature checks
- Staff training on CDC guidelines and new health and safety precautions
- Prior to each shift, employees should pass a health check or complete a health survey

## **Personal Protective Equipment (PPE)**

From the start of the COVID-19 crisis, acquiring PPE has been a challenge for healthcare workers and essential businesses across the state. Through creative partnerships and agreements with other states, New Jersey has been successful in obtaining PPE equipment for hospitals and our public safety and other frontline workers. However, an important component to successfully reopening the state’s economy will be allowing businesses to gain access to similar equipment.



To be clear, N95 masks and respirators are not critical to reopening businesses and should remain in the healthcare system. However, hand sanitizers and other disinfectants, high quality cloth face masks and gloves will be in great demand to assure safety, and are equally hard to find and costly to purchase – especially for businesses that have been closed and may not have the means to acquire the necessary equipment. The CCSNJ encourages the state to create a program through the New Jersey Economic Development

Authority (NJEDA) in conjunction with the New Jersey Department of Health (NJDOH) to assist in identifying this type of equipment and to provide financial assistance for businesses to purchase equipment. South Jersey businesses should be prioritized seeing the region is best positioned to reopen in the near future.

## **Small and MWBE Business v. Large Business Needs**

Different sized businesses have very different needs and demands. In order for micro and small businesses, especially MWBEs situated in low to moderate income communities, to recover there is a desperate need for capital, tax incentives and subsidies to support their dramatic economic losses. Unfortunately, many of these businesses have received no or limited federal or state level support. The Administration should consider improving coordination of pandemic relief efforts to better streamline economic and social impact, including the forming of collaborative funding models and a continued push for more federal funding that can be used specifically for COVID-19 impacted small businesses. If the Administration does not focus on this, many of these businesses will be unable to reopen.

On the other hand, larger businesses have a different set of challenges. These businesses are often doing business across state lines and with international locations. Because COVID-19 has hit areas of the United States and certain countries differently, businesses that call New Jersey home are handcuffed from operating while other arms of the business may be operational. This is especially a concern if New Jersey is the national or North American headquarters to a company of which South Jersey is fortunate to have several. Undoubtedly, these companies that have the capability to work remotely and remain operational; however, the longer New Jersey stays closed, or at a minimum does not have clear reopening guidelines regarding office space occupancy and needed equipment to ensure workers safety, the harder it is to plan an effective strategy for a successful post-COVID-19 business model.

## **Childcare**

As the only female led and 100 percent female staffed large-scale business organization in the state, the CCSNJ is especially sensitive to the needs of women-owned businesses. With more than 90 percent of all women-owned business defined as “small” businesses it is inevitable that the decision to close schools will have an impact on many women’s ability to go back to work or reopen their small business.

However, the childcare issue is not only a women’s issue, but a family issue. Many working parents rely on schools, childcare centers, and grandparents who fall into the “high-risk” category of those most vulnerable to COVID-19. As a result, finding a safe path to offer childcare options will be essential to reopening the economy. The CCSNJ encourages the Administration to secure federal funds to reopen childcare facilities safely. There should also be an effort to reopen summer camps, at a lower total capacity, so safe social distancing can be safely followed.

This will not solve the problem in its entirety seeing many parents will be hesitant to send their children back to childcare facilities or camps even with distancing and other elevated safety measures in place; but, the state should do all it can to make these type of facilitates as secure as possible for working parents and women business owners.

## **No New Taxes**

The CCSNJ feels strongly that New Jersey can and will see an economic rebound if the above steps and suggestions are taken into consideration. However, none of the above suggestions, or recommendations from other experts in economics or business, will matter if New Jersey increases taxes as a way to generate revenue for the FY2021 state budget, which must be finalized by September 30, 2020.



The FY2021 state budget as proposed by Governor Murphy in February, pre-COVID-19, called for nearly \$1 billion in new taxes, most of which were levied on the state’s employer community. However, the consequence of the statewide shutdown, though a medically prudent decision, is that businesses were forced to close their doors through no fault of their own – causing many to financially suffer, and some to close their doors altogether. The CCSNJ implores the Administration to look past tax increases as a viable solution to our economic problems. The residents and businesses of this state simply cannot afford higher taxes as we continue to navigate this crisis together.

## **Conclusion**

As stated earlier, encouraging the reopening of the state’s economy and focusing on the health, safety and welfare of the state’s residents are not and should never be categorized as mutually exclusive. In fact, in many ways they go hand in hand. The CCSNJ strongly recommends:

- A regional approach to reopening, with the “South Jersey Region” prioritized for reopening based on a combination of health, geographic and demographic data.
- A specialized approach to reopening the “Shore Region,” as recommended by the Counties of Atlantic and Cape May; and a casino reopening plan as suggested by the Casino Association of New Jersey.
- Strict adherence to safety guidelines for the employer, employees and customers.
- Assistance for businesses to identify available PPE, as well as financial assistance for businesses to purchase PPE.
- New financial assistance streams for micro and small businesses, especially those in low to moderate income areas, which are most at threat of closing.
- Clear and concise guidelines for large employers on reopening large-scale office spaces and employer safety measure given the size of their workforce.
- Safe options for childcare to allow parents and women-owned businesses to reopen and/or return to work.
- No consideration given to tax increases as the state debates the FY2021 state budget.

The CCSNJ was honored to be included in the Governor’s Restart and Recovery Advisory Council on the “Main Street” subgroup and stands ready to work with the Administration on a staggered, regional reopening approach that prioritizes certain areas in South Jersey and low-risk industries for reopening as quickly and safely as possible. Thank you for your consideration of the above recommendations and suggestions.

## **South Jersey Economic Reopening and Recovery Plan**

**Authored by: Chamber of Commerce Southern New Jersey**

220 Laurel Road, Suite 203, Voorhees, NJ 08043 | [www.chambersnj.com](http://www.chambersnj.com)



**Christina Renna**

President & CEO  
(856) 424-7776 ext. 127  
[crenna@chambersnj.com](mailto:crenna@chambersnj.com)



**Hilary Beckett**

Manager, Government Affairs  
(856) 424-7776 ext. 121  
[hbeckett@chambersnj.com](mailto:hbeckett@chambersnj.com)