

# Point Roberts Business Survey

---

SEPTEMBER 4<sup>TH</sup>, 2020

BORDER POLICY RESEARCH INSTITUTE AT WESTERN WASHINGTON  
UNIVERSITY

IN PARTNERSHIP WITH: POINT ROBERTS CHAMBER OF COMMERCE

Prepared by Erin Dahlman-Oeth, Research Analyst  
BORDER POLICY RESEARCH INSTITUTE | WESTERN WASHINGTON UNIVERSITY  
EMAIL: [dahlmae@wwu.edu](mailto:dahlmae@wwu.edu)

# Contents

---

- Key Take-Aways ..... 2
- Introduction ..... 2
- Methodology..... 2
- Results..... 3
  - Sample Demographics ..... 3
  - Employment ..... 3
  - Operations ..... 4
  - Sales ..... 4
  - U.S.-Canada Border ..... 5
- Conclusion..... 6
- References ..... 7

## Key Take-Aways

---

- Point Roberts businesses are experiencing financial hardships despite not having a case of COVID-19 to this day.
- The majority of businesses responded that the U.S.-Canada border was ‘extremely important’ and that more than 80% of their customers are typically Canadian.
- The majority of businesses indicated that they would be able to remain open *or* re-open later if the border remained restricted through the next four months of 2020.
- It is difficult to compare Point Roberts businesses with other local and state-wide businesses because of (1) a lack of up-to-date data, (2) the difference in the source of hardship (COVID vs. border restrictions), and (3) the small sample size of this data (n=13).

## Introduction

---

On March 21<sup>st</sup>, 2020, the U.S. and Canada made a joint decision to restrict the northern border to non-essential travel only. At that time, Washington State had had nearly 4,800 coronavirus cases, British Columbia had had only a tenth of that, and cross-border traffic was 98% lower than it had been compared to the same time last year (BC Centre for Disease Control, 2020; Border Policy Research Institute, 2020; Washington State Department of Health, 2020). This decision was and is seen as necessary for public health and has not been a major impediment to commercial movement across the border. However, the residents of Point Roberts are extremely concerned with the restrictions.

Point Roberts is a small American enclave on the tip of the Tsawwassen peninsula and is a part of unincorporated Whatcom County. To reach Point Roberts from the mainland U.S., one must drive 24 miles through Canada and cross the U.S.-Canada border twice. With its distinct geography comes unique demography; according to one *New York Times* article published on September 2<sup>nd</sup>, 2020, “Canadian tourists and seasonal residents [...] quadruple the [Point Roberts] population during the summer months [and] generate about 90 percent of their annual income” (Fremson). Given their economic dependency on Canadian travelers, it is possible the border restrictions have hit the Point Roberts community harder than others.

In order to measure how Point Roberts businesses have been affected by COVID-19 and the border restrictions, BPRI developed a survey regarding businesses’ employment, operations, and sales, and relationships to the border.

## Methodology

---

The Point Roberts Business Survey was developed in early August and consisted of twenty-three multiple choice and write-in response questions regarding business’s typical and current employment practices, operations, and sales, and any relevant impacts from the U.S.-Canada border. On August 19<sup>th</sup>, two Point Roberts community members, Louise Mugar (co-Chair, Point Roberts Chamber of Commerce) and Brian Calder (co-Director, Point Roberts Chamber of Commerce), contacted twenty-seven Point Roberts businesses using phone and email scripts and provided them with a confidential link to the consent form and survey using Qualtrics software.

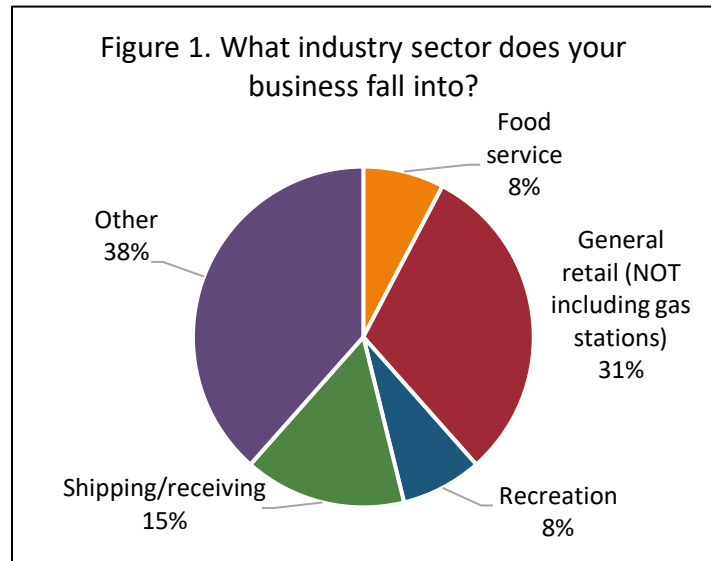
The survey was open for one week. At the end of the data collection period, there were eighteen responses. Five responses were thrown out due to poor quality, resulting in a final response rate of 48%. The following

results use only the thirteen remaining responses (with some answers missing), which were analyzed in early September.

## Results

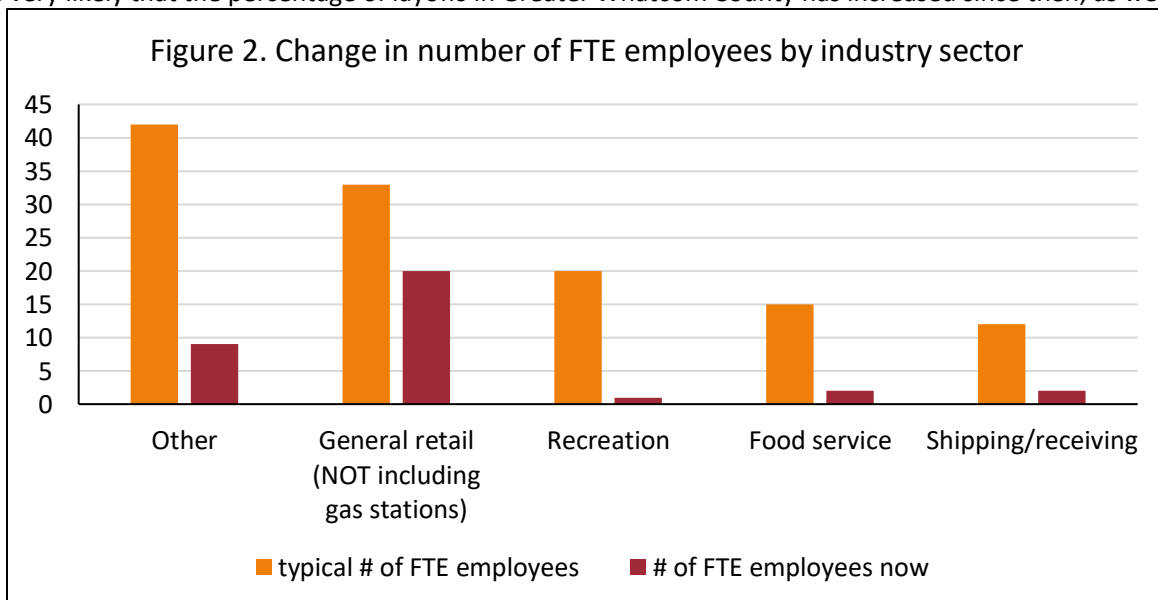
### Sample Demographics

When asked what industry sector the business could be categorized as, 38% of the sample chose 'other', 31% chose 'general retail', 15% chose 'shipping/receiving', 8% chose 'food service', and 8% chose 'recreation' (Figure 1). Of those in the 'other' category, some wrote that their business provided multiple services. The sample's average year of opening was 1996, and 69% of the businesses in the sample were seasonally oriented (i.e. required more employees in one season compared to another).



### Employment

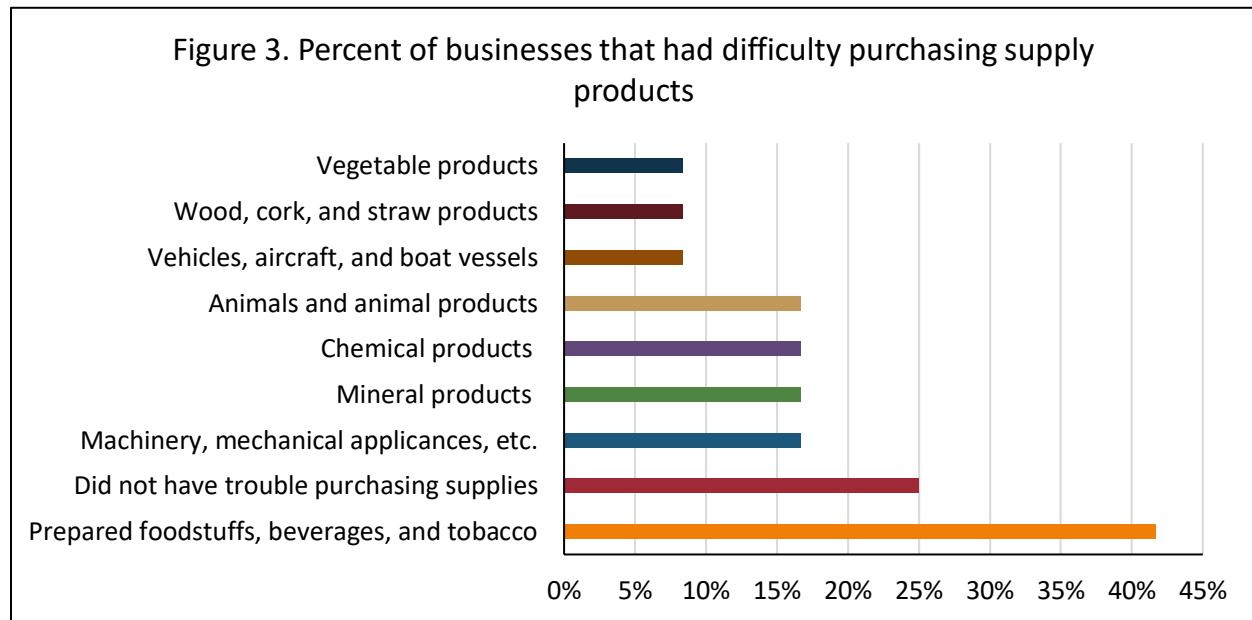
Most businesses' employees had been impacted by the border restrictions. During a typical year or high season, the businesses reported employing a total of 122 full-time-equivalent employees. When asked how many full-time equivalent employees they currently employ, the total was 34 people. This represents a 72% decrease in the number of full-time equivalent employees from "normal" to current times (Figure 2). An early April 2020 survey collected by the Port of Bellingham indicated that the average percent of workforce layoffs was 32% in Whatcom County, though this is not directly comparable due to the three-month time difference. It is very likely that the percentage of layoffs in Greater Whatcom County has increased since then, as we see



with Point Roberts. About 83% of the businesses also reported that at least one employee had had their hours or pay reduced. None of the businesses had employees that worked remotely.

## Operations

As of August 26<sup>th</sup>, all but one of the businesses were open, though 91% of those businesses had reduced hours. Most businesses had also experienced supply chain issues (92%) though three out of the twelve responding businesses did not have issues with the actual products. The products that the rest of the businesses reported having trouble purchasing were prepared foodstuffs, beverages, or tobacco (42%), animal products (17%), mineral products (e.g. cement, ores, mineral fuels, etc.) (17%), chemical products (17%), machinery, appliances, electrical equipment, etc. (17%), vegetable products (8%), vehicles, aircraft, or boats (8%), and wood, cork, or straw products (8%) (Figure 3).<sup>1</sup>



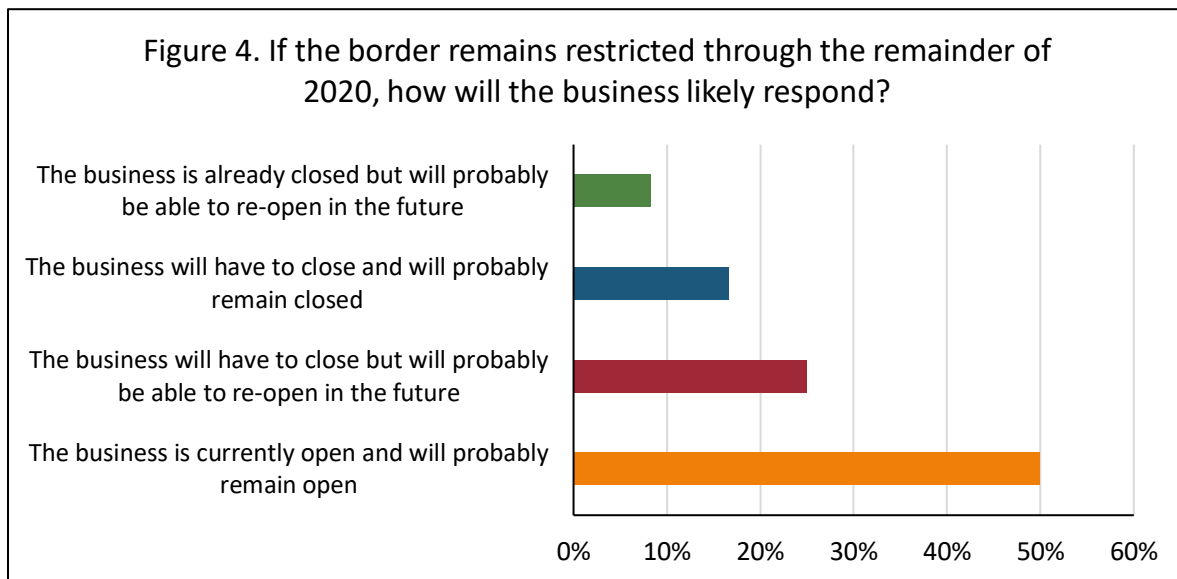
## Sales

No business in the sample was making more monthly income than it had the previous year during the same month. One business reported that average monthly revenue was about the same as it was prior to the pandemic, and the other eleven businesses reported making between 0-50% less monthly revenue (8%), 50-100% less monthly revenue (58%) and over 100% less monthly revenue (25%) than what it was prior to the pandemic.<sup>2</sup> The last question in this category asked, “Based on your business’s current gross income and expenses, if the border remains restricted through the remainder of 2020, how will your business likely respond?” Most businesses responded that they will be able to remain open (50%), 25% responded that they will have to temporarily close but will probably be able to re-open in the future, 17% said they would have to

<sup>1</sup> “Trouble purchasing” could mean products that were out of stock, products that were back ordered, or products that arrived late. Also, respondents could choose more than one option.

<sup>2</sup> There was one question in the survey that asked how much average monthly revenue the business was generating, but most businesses preferred not to answer. The question was subsequently thrown out due to low response rate to guarantee business confidentiality.

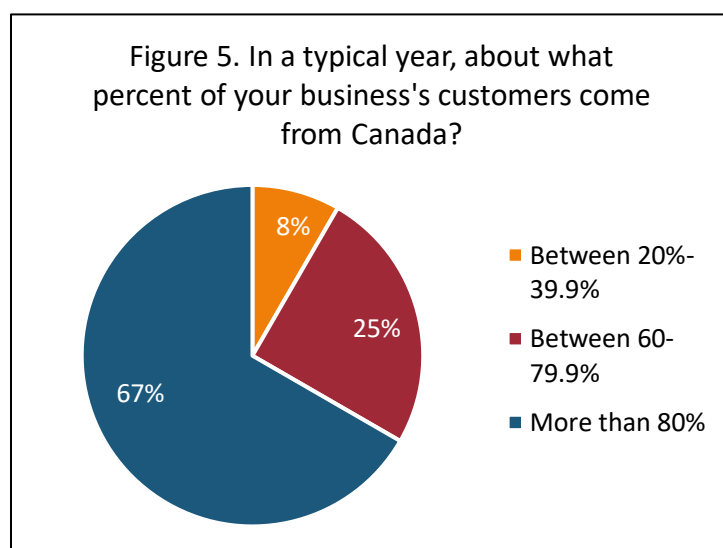
close and would probably remain closed, and one business was already closed but would probably be able to re-open in the future (Figure 4).



### U.S.-Canada Border

For most businesses in the sample, the border does not affect employees directly by way of a commute (58%). About 33% of businesses reported that less than a quarter of employees commute to work from across the border and the remaining 8% reported that between 25-50% of employees commute to work from across the border.

When asked about the supply chain, 58% of businesses said that more than three-quarters of their imports and exports cross the land border, 17% said less than a quarter of imports and exports crossed the border, and another 17% said that the border does not affect their supply chain operations. (One business preferred not to answer.)



The majority of the businesses derive most of their customers from Canada. About two-thirds of the sample reported that over 80% of their customers came from Canada, a quarter said between 60-80%, and one business report 20-40% of their customers came from Canada (Figure 5). Additionally, out of five levels of importance, when asked how important the U.S.-Canada border was to the day-to-day operations of the business, all but one said it was “extremely important.”<sup>3</sup>

<sup>3</sup> The other business preferred not to answer.

## Conclusion

---

Based on this survey, it is apparent that Canadian customers and the U.S.-Canada border are extremely important to many Point Roberts businesses that occupy a variety of industries. The fact that the enclave is American seems to define the general demographic of the businesses that are started there, such as ones that provide fuel, mailing, and retail services. The businesses that were sampled are financially struggling, as most of them are making 50-100% less revenue compared to prior to the pandemic and the average number of full-time-equivalent lay-offs is seven people per business, as of late August. However, it is interesting to note that most businesses remained open, though with reduced hours and staff. Also, most of the sampled businesses indicated that if the border remained restricted for another four months, they would still be able to remain open *or* would have to close but would be able to re-open later. Overall, the survey demonstrates that despite not having any COVID-19 cases to date, many Point Roberts businesses are still experiencing significant hardships related to the lack of Canadian customers yet they have a positive outlook for how their business will fare in the future.

It is very difficult to compare Pt. Roberts' situation to the rest of Whatcom County or Washington State because most business surveys are asking how the pandemic is affecting them rather than how the border restrictions are (e.g. [U.S. Census Bureau's Small Business Pulse Survey](#)), and other surveys collected at the beginning of the pandemic are now outdated. There is also the issue of location; while the Pt. Roberts economy is exceedingly unique, there are multiple other border communities with businesses that also rely heavily on Canadian cross-border travelers and are likely experiencing similar issues. But without gathering data from these communities, we cannot directly compare Point Roberts businesses to them. In the same vein, the sample methodology for this project was not random or representative, so the data found here does not represent the state of all Point Roberts businesses. In the future, it would be more useful and insightful to distribute a similar survey to businesses occupying a variety of locations in Whatcom County, to be able to compare border businesses like those in Point Roberts, Blaine, Lynden, and Sumas to those elsewhere.

## References

---

- BC Centre for Disease Control. (2020). *BC COVID-19 Data*. <http://www.bccdc.ca/health-info/diseases-conditions/covid-19/data>
- Border Policy Research Institute. (2020). *Figure 1: percent change in daily passenger vehicle traffic in the Cascade Gateway compared to the same day last year (moving average)*. Available by contacting Erin Dahlman-Oeth at [dahlmae@wwu.edu](mailto:dahlmae@wwu.edu)
- Fremson, Ruth. (September 1, 2020). "I am stuck until that border opens': Marooned in paradise." *New York Times*. <https://www.nytimes.com/2020/09/01/us/coronavirus-point-roberts-washington-canada.html>
- Washington State Department of Health. (2020). *COVID-19 Data Dashboard*. <https://www.doh.wa.gov/Emergencies/COVID19/DataDashboard>