



# Impact of COVID-19 on Small Businesses in Big Cities- New Evidence from San Francisco

Anoshua Chaudhuri, Ph.D. | Cynthia Huie

San Francisco State University | San Francisco Small Business Commission



## Research Question

- This research explores the impact of COVID-related closures on San Francisco small businesses, that are a source of livelihood for many SF citizens.
- Survey asks locals to voice what kind of assistance would be most helpful to ensure survival and growth during such a disastrous time.

## Motivation for this Study

- Small businesses in San Francisco have been hit hard with large negative impacts, disproportionately in certain neighborhoods, on restaurants, personal services, and those owned by ethnic minorities, aged.
- This collaborative project was done to inform local policy-makers and provide necessary assistance to small businesses in San Francisco in order to preserve our communities through this unforeseen crisis.

## Contribution to Literature & Policy Implications

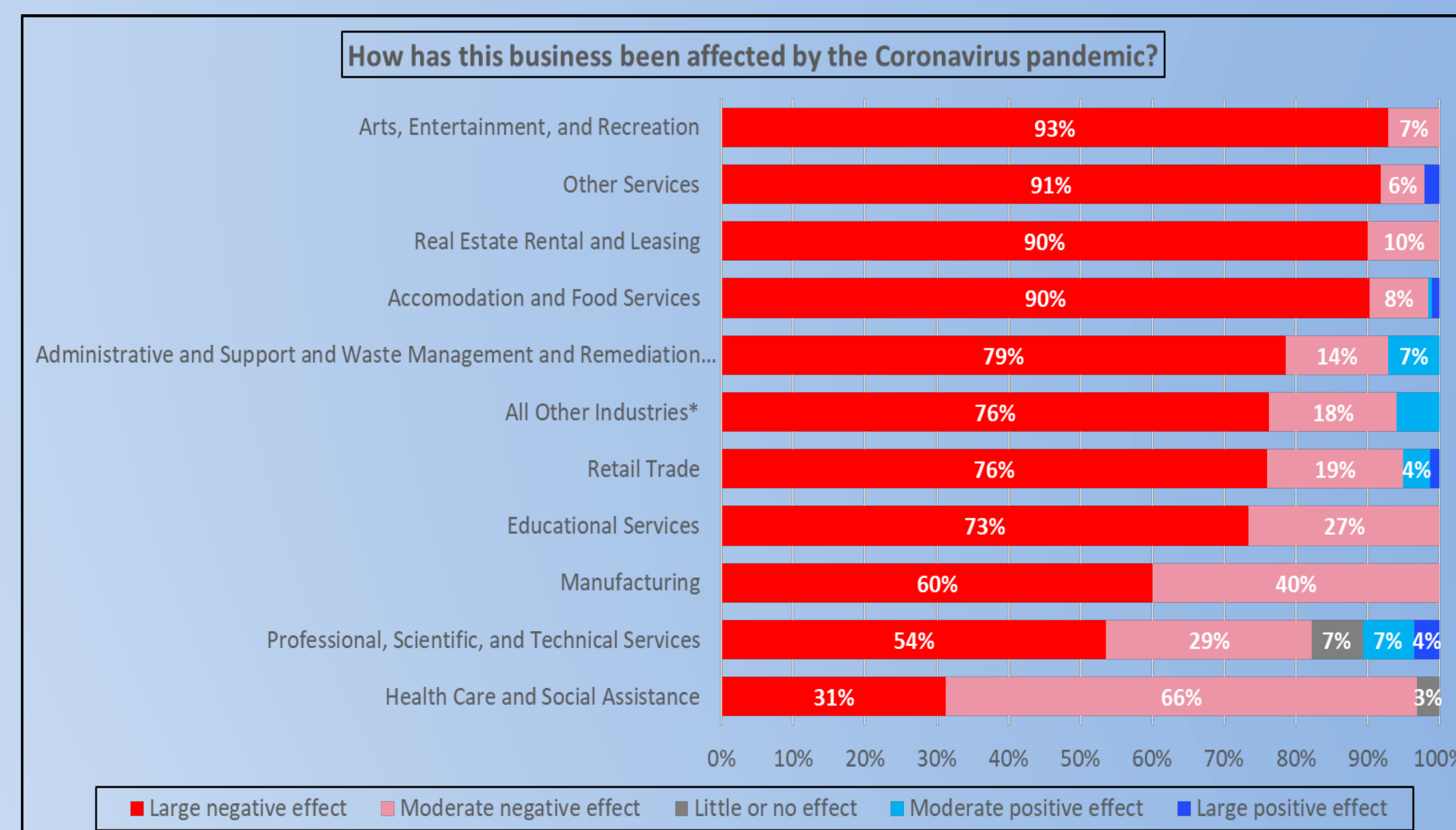
- Locally collected data that provides disaggregated results of COVID's impact by industry, owner ethnicity and neighborhood
- Highlights unequal and disproportionate effects on small businesses
- Need for data driven policy-making at the local level and not just based on national data

## Study Design and Sample

- Survey instrument created using Census COVID Pulse Survey with local questions & provide comments
- Internet Survey administered in 9 different languages
- Sample Size is 579
- Represents all zip codes and NAICS codes

## Findings

- Over 81% of businesses experienced a large negative effects.
- The mean impact is worst for arts and entertainment, accommodation and food services, "personal" services.
- Businesses experienced a significant decline in revenue/sales/receipts.
- 65% of businesses experienced a decrease in paid employees. With highest decrease in accommodation and food services.
- Operating capacity was affected by physical distancing, inability to re-hire employees, and confusing loans and programs.



## Impact Inequities

- Businesses that rely heavily on tourists and office workers, have been in existence 4-6 years, lease their business location, have multiple locations in SF, owners over 50 years old or mixed-race, have seen large negative effects.
- Regulatory licenses were a disadvantage
- Black/Mixed race businesses needed marketing support
- Black businesses had 1-2 months of cash

## Greatest Challenges

- Cash availability
- Lease payment and negotiation
- Confusing health guidance
- Little to no support from the city
- lack of multiple and inclusive sources of information
- disproportionate regulations

## Greatest Needs

- More support from city with funding, business support, create demand, financial relief, freeze fees & licenses
- Clean up city streets, lower crime
- Special attention to the most vulnerable
- Make information more accessible; allow business to apply for loans and assistance in one single platform; and provide financial planning services to business owners.