SURVEY FINDS NYC MINORITY-OWNED SMALL BUSINESSES ON THE BRINK OF COLLAPSE

-- Minority-owned small businesses shed a third of their workforce over the course of the pandemic; Majority fears closure –

NEW YORK, NY, April 12, 2021 – Nearly three quarters of New York City minority-owned small businesses fear they will be forced to close their businesses permanently if they do not receive immediate financial relief, according to a survey of more than 130 minority-owned small businesses conducted by the non-profit LISC NYC: the latest sign that the prospect of economic recovery for small businesses remains grim.

Of the minority-owned small businesses uncertain about their future in the five boroughs, nearly 1 in 5 expects to close in the next three months without immediate financial relief and a full 90% expect to close in the next six months.

The survey results – which reflect input from a broad and diverse cross-section of industries, from retail to childcare to construction to food and hospitality – offer the latest look into the economic devastation confronting a minority-owned small business community that is essential to the economic and cultural fabric of communities across the five boroughs.

In addition to the significant economic uncertainty, minority-owned small businesses also are facing more tangible challenges. Respondents reported losing roughly a third (32.5%) of their workforce over the course of the pandemic.

And, even as other businesses and industries begin to show signs of recovery, about half (51%) of minority-owned small businesses were still unable to pay full February rent, according to the survey. Among respondents that were unable to pay all their rent, more than half (53%) could afford to pay no rent at all, while 2 in 5 (43%) could afford to pay less than half their rent.

“To see so many of these minority-owned small businesses on the brink of collapse should be of grave concern to anyone hoping for economic recovery anytime soon,” said Valerie White, executive director of LISC NYC. “These businesses make up the backbone of communities across the city, and if these small businesses don’t survive the pandemic, then countless New York City commercial corridors and neighborhoods will continue to suffer.”

Despite progress on vaccinations, testing and other metrics, some 40% of minority-owned small businesses expect business will not improve in the next six months, the survey found, which may stem from the fact that 4 in 10 minority-owned businesses did not receive PPP assistance.

“The fact of the matter is that major inequities existed long before the pandemic began for these businesses, so it’s crucial that elected officials and stakeholders prioritize these businesses if we want to turn the corner on this economic crisis,” White continued.
LISC NYC has been a leading advocate for the New York City minority-owned small business community since day-one of the pandemic, raising and deploying funds to support the survival of many of these businesses and investing in programs that promote their sustainability as long-term community anchors. Through LISC NYC’s Small Business Relief & Recovery Fund, the organization saved some 112 minority-owned small businesses, providing more than $1.1 million in direct grants to these businesses.

LISC NYC recognizes that businesses still need significant financial support immediately through grants, rent relief and marketing support and the extension of the rent moratorium, while also considering the financial needs to small, property-owners, too.

A link to the full survey results can be found here.

About LISC NYC
LISC NYC is the flagship New York City office of the Local Initiatives Support Corporation (LISC). LISC NYC supports local partners whose services and programs aim to create a more equitable, inclusive, and sustainable New York City. Since 1980, LISC NYC has invested over $3.1 billion and leveraged an additional $7.6 billion in support of low-income communities. LISC NYC’s investment strategy is guided by a belief that the time has come to forge a future for New York City that eradicates the racial wealth gap for good, protects affordable housing, and builds pathways of meaningful economic opportunity for all New Yorkers.

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