



New York City Minority-Owned Small
Business Report

April 2021

Background

New York City's minority-owned small business community faced significant challenges long before the pandemic, but the public health and economic crises have exacerbated those challenges and driven systemic inequities to new extremes

To gauge the impact of the COVID-19 pandemic on these businesses crucial to our city's economy and culture, LISC NYC conducted a survey of 131 minority-owned small businesses across the five boroughs.

The survey data was collected between March 1 and April 1, 2021.

Key Findings

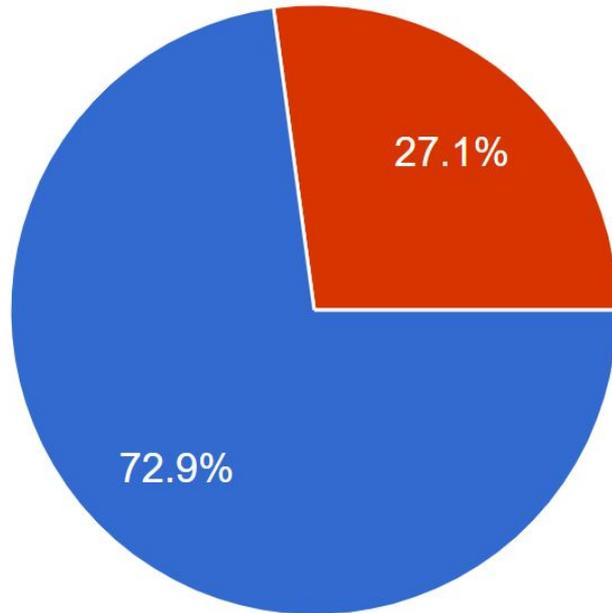
- Nearly three quarters of minority-owned small businesses fear they will be forced to close if they do not receive immediate financial relief.
- Minority-owned small businesses lost 32.5% of their workforce over the course of the pandemic.
- More than half (51%) of minority-owned small businesses could not pay their full February rent.
- Among minority-owned small businesses 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.

Minority-owned small businesses lost roughly a third (32.5%) of their workforce over the course of the pandemic.

In total, these businesses employed 703 employees prior to the start of the pandemic.

As of February 2021, these same businesses employ 474 individuals.

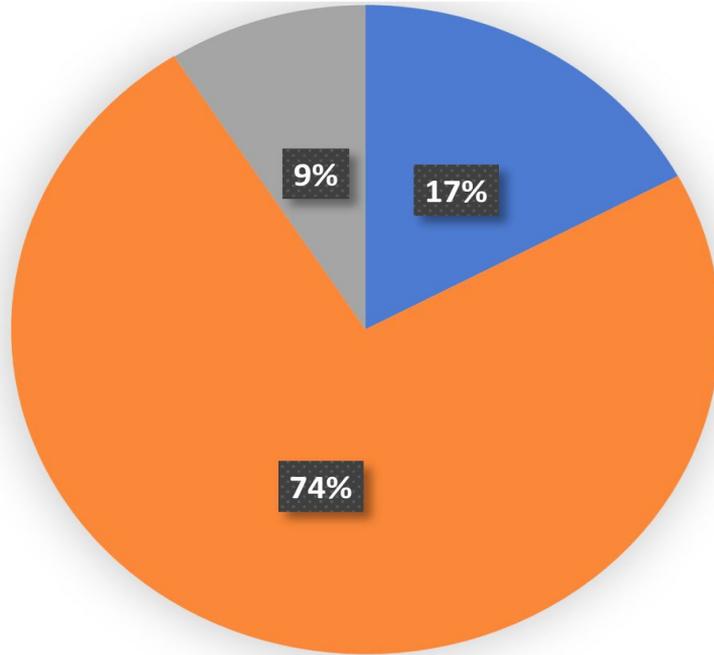
Nearly three quarters of minority-owned small businesses worry they'll be forced to close in 2021 without immediate financial relief.



Are you concerned you will be forced to close your business this year if it does not receive financial relief?

- Yes
- No

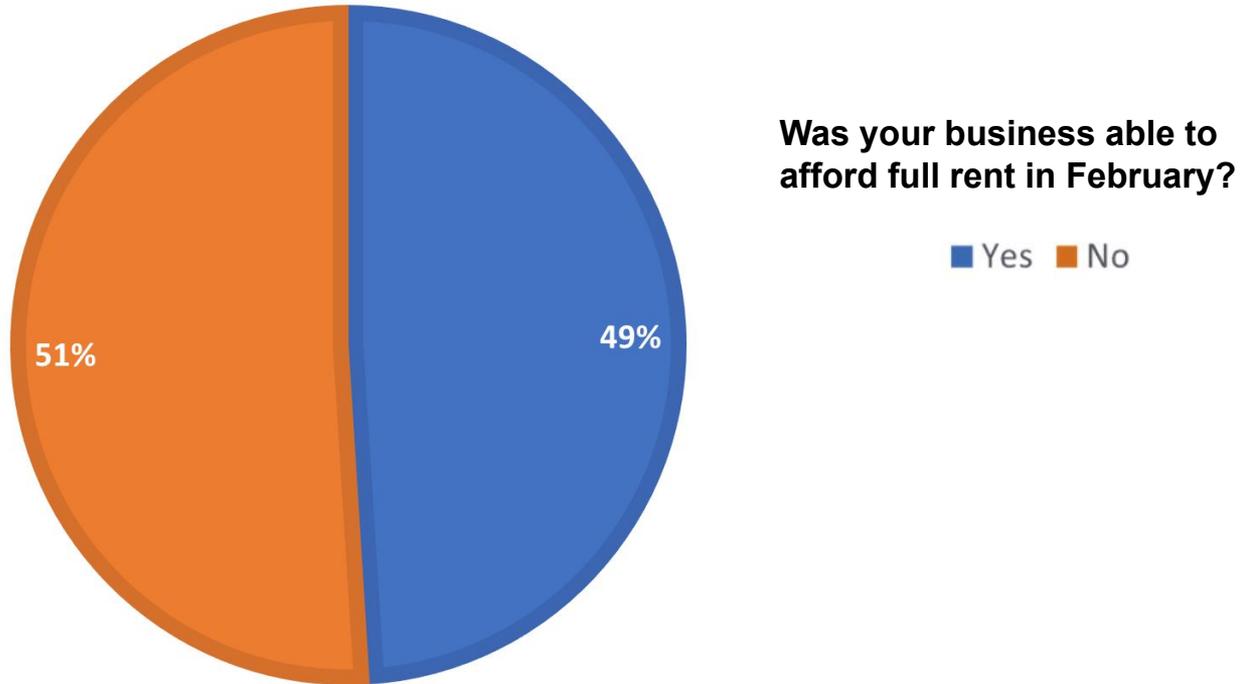
Nearly 1 in 5 minority-owned small businesses expects to close in the next 3 months without immediate financial relief and a full 90% expects to close in the next 6 months.



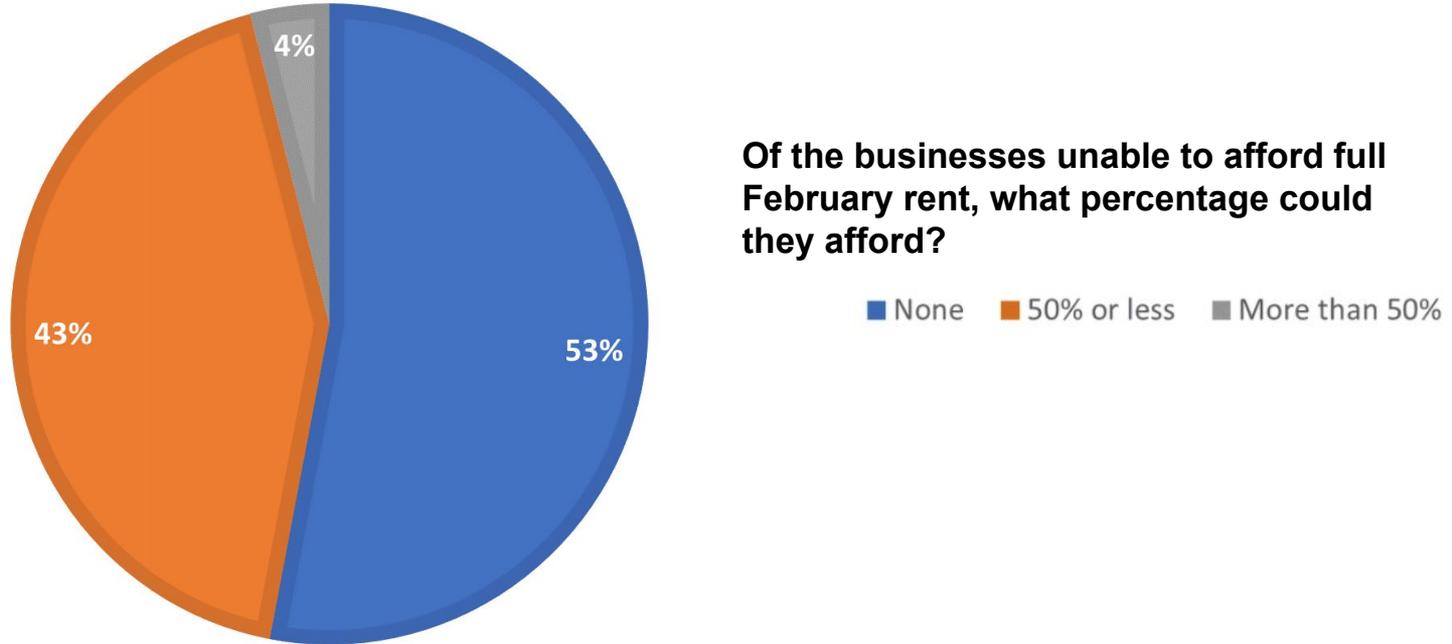
Of respondents who are concerned they will be forced to close, how much longer can these businesses remain open without financial relief?

- Less than 3 months
- Between 3-6 months
- More than 6 months

The majority of minority-owned small businesses were unable to afford full February rent.



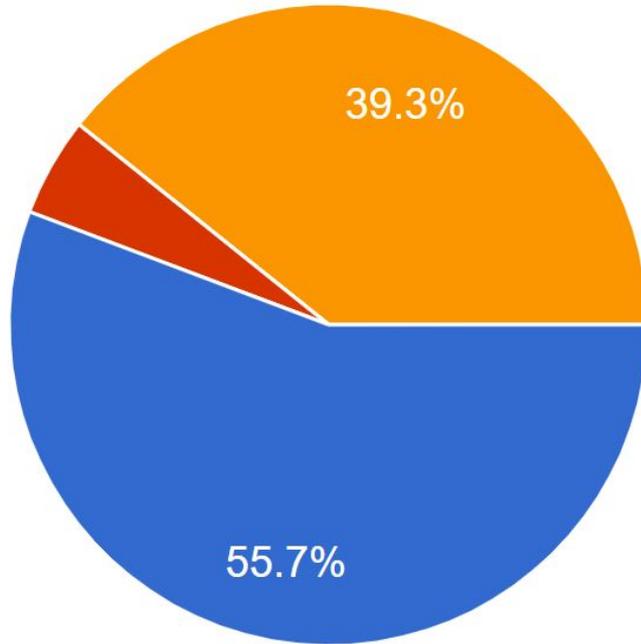
Among minority-owned small businesses that were unable to pay all their rent, more than half (53%) could afford to pay no rent at all, while 2 in 5 (43%) could afford to pay less than half their rent.



Of the businesses unable to afford full February rent, what percentage could they afford?

■ None ■ 50% or less ■ More than 50%

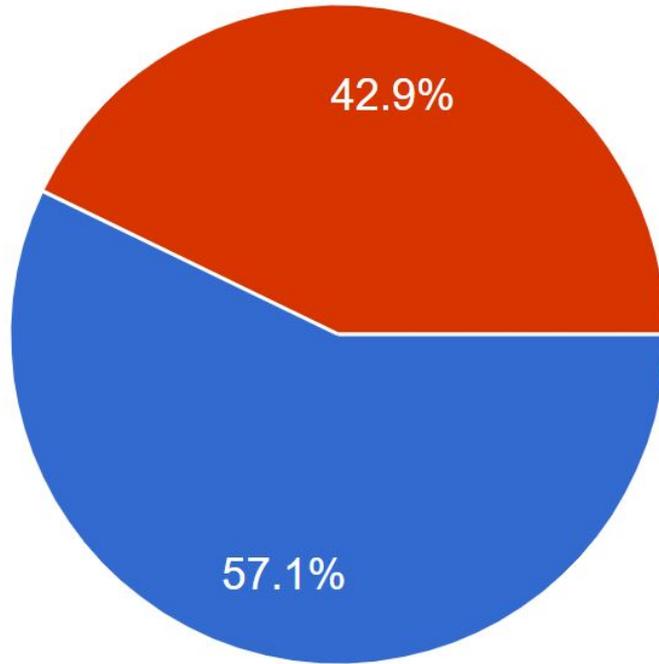
Despite progress on vaccinations, testing and other metrics, some 40% of minority-owned small businesses expect business will not improve in the next six months.



Do you expect business to improve within the next six months?

- Yes
- No
- Can't yet tell

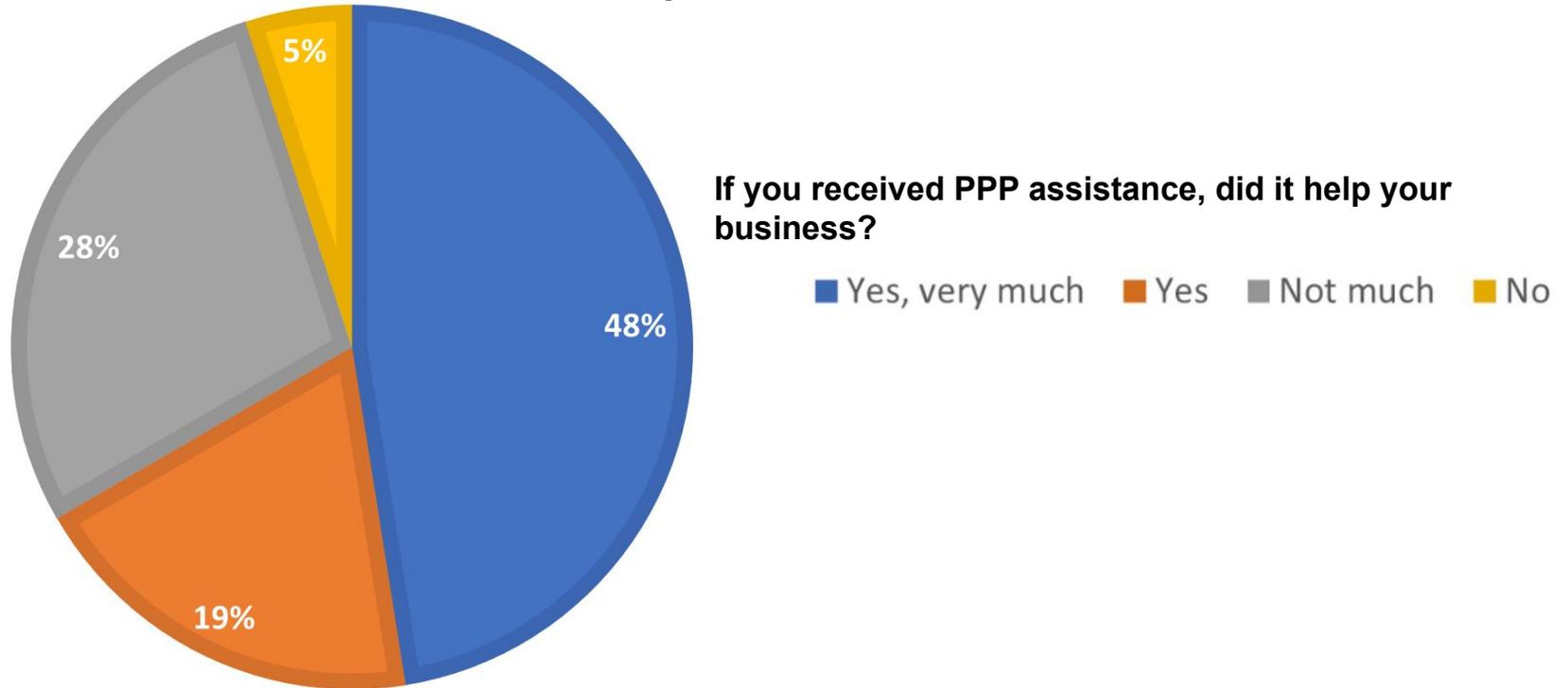
4 in 10 minority-owned businesses did not receive PPP assistance.



Did you receive PPP assistance in 2020?

- Yes
- No

About two thirds of minority-owned small businesses that received PPP assistance said it had a significant positive impact.



LISC NYC

For questions or comments, please contact NYCinfo@lisc.org.

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