

Scientific opinion poll: Black small business owners continue to face closures and financial challenges during COVID-19 pandemic

Nearly a year into the COVID-19 pandemic that has devastated our country and economy, small businesses, particularly those owned by people of color, continue to experience significant challenges in keeping their businesses afloat. New opinion polling reveals the disproportionate impact of the economic crisis on small business owners of color, particularly Black entrepreneurs. The poll of 300 Black small business owners around the country, conducted online in November 2020 as part of a [larger national survey of small businesses](#), sheds an important light on how Black small business owners navigated the first round of federal relief and what they need to survive the ongoing crisis.

Overall, many Black small business owners are facing difficulties maintaining their businesses during the pandemic and economic slowdown. **More than half (52%) say the COVID-19 pandemic has had a negative effect overall on their business.**

- 53% say their revenue declined during the height of the pandemic and economic shutdown.
- 46% say that their revenue at this point in the year has declined, compared to the same time last year.
- 44% say their operating capacity has decreased.

Additionally, Black entrepreneurs have taken drastic steps to sustain their business through the economic downturn:

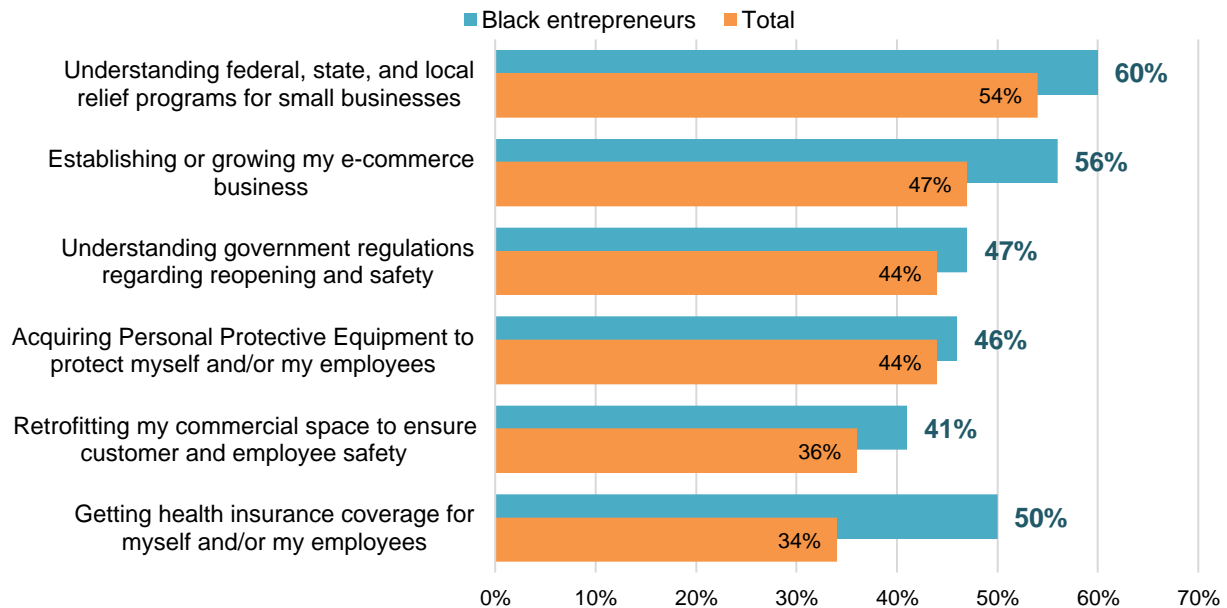
- 30% have changed their business model dramatically (compared to 21% of all small businesses)
- 29% have experienced supply chain disruptions
- 27% have cut employee hours
- 28% have closed their business temporarily
- 25% have reduced wages or compensation
- 16% have closed an office or location of their business (compared to 8% of all)
- 16% have temporarily furloughed employees
- 14% have laid off employees permanently
- 5% have closed their business permanently

Importantly, more than half of Black entrepreneurs (54%) who furloughed or laid off staff have not yet restored their employee headcount to pre-pandemic levels. What's more, **Black entrepreneurs anticipate they will need to make more changes** in the next three months to adjust to the economic situation, with 18% reporting they're facing permanent closure.

- 48% expect to change business model dramatically (compared to 31% of all)
- 39% expect supply chain disruptions
- 35% may cut employee hours
- 35% anticipate reducing wages or compensation
- 29% expect to close temporarily
- 26% expect to temporarily furlough employees, and 22% expect to lay off employees permanently
- 23% may close an office or location, and 18% may attempt to sell their business

Yet, 53% say it's likely they will expand business operations (compared to 31% of all small businesses) and 44% say it's likely they will add employees (compared to 23% of all).

Figure 1: Black entrepreneurs have faced challenges maintaining their businesses during the pandemic and economic downturn.



Of the 70% of Black entrepreneurs who own or rent their commercial space, 45% report that it's difficult to make their rent or mortgage payment. One-third (32%) have negotiated a delay, suspension or deferral of their payments (compared to 24% of all). One-quarter have attempted to negotiate their payments but didn't receive a reprieve, compared to 19% of all small businesses. Nearly half (47%) anticipate difficulty paying for their commercial space in the next six months.

Nearly 3 in 10 (28%) have missed loan and debt payments since the pandemic, compared to 19% of all small business owners, and 29% are currently behind in making payments (compared to 18% of all).

More than one-third of Black entrepreneurs (34%) applied for the federal Paycheck Protection Program last year. Of those surveyed who applied, more than half (51%) said the PPP application process was difficult.

- Of those who applied, 65% said they received the loan, compared to 76% of all small business owners who applied.
- Only 23% said they received the full amount they requested, compared to 33% of all.
- 75% have applied for PPP loan forgiveness and most (88%) were approved. Of those who haven't applied for forgiveness, 41% said they were confused about the process and 18% said their bank isn't accepting forgiveness applications.

Small business owners had another avenue for federal funding assistance, the Economic Injury Disaster Loan (EIDL) program. Nearly 4 in 10 (37%) Black small business owners say they applied for an EIDL in 2020, compared to 21% of all small business owners.

- 49% of Black entrepreneurs who applied received the loan, compared to 70% of all small business owners.
- 57% who applied received the EIDL advance up to \$10,000, compared to 70% of all.

Most Black small business owners (71%) also benefitted from the federal economic stimulus that was sent to U.S. households in spring 2020. Of those who received a payment, 73% used at least part of the money to support their business, compared to 56% of all small business owners.

Methodology

This poll is an oversample of 300 Black small business owners that was part of [a larger national survey](#) of 500 small business owners with up to 100 employees.¹ The poll was an online survey conducted by Lake Research Partners for Small Business Majority between Nov. 10-23, 2020. The margin of error for the national survey is +/-4.4%.

Survey topline

Unless otherwise noted, the topline below show the % of responses.

	<i>Weighted N=</i>	<i>Total Black</i>
	<i>500</i>	<i>30</i>
1. Approximately how many people were on your company’s payroll a year ago, including yourself?		
1	26	27
2 - 4	28	23
5 - 9	16	9
10 - 19	13	17
20 - 49	9	14
50 - 100	8	9
2. What is your gender?		
Male	63	55
Female	36	42
Prefer to self-identify	1	3
3. To make sure we have a representative sample, please choose one or more of these racial or ethnic groups that you identify with.		
Black or African American	6	100
4. Now thinking about the COVID-19 pandemic, how has your business been affected overall by the pandemic?		
Negative effect – strong	28	27
Negative effect – not so strong	32	25
Not affected negatively or positively	25	19
Positive effect – not so strong	6	16
Positive effect – strong	8	13
Not sure	1	1
5. Thinking about the height of the pandemic and economic shutdown this year, would you say that your revenue during that period declined, stayed the same, or increased compared to the same time last year?		
Declined	59	53
Stayed the same	29	24
Increased	11	22
Not sure	1	1

¹ Small Businesses Continue to Face Closures in 2021, Small Business Majority, January 27, 2021, <https://smallbusinessmajority.org/our-research/small-businesses-continue-face-closures-2021>

6. **Now thinking about today, would you say that your revenue at this point in the year has declined, stayed the same, or increased compared to the same time last year?**

Declined	52	46
Stayed the same	33	31
Increased	14	20
Not sure	1	3

7. **Thinking about today, how much would you say that your revenue at this point in the year has declined compared to the same time last year?**

	<i>Weighted N=</i>	<i>259</i>	<i>14</i>
Declined by 10% or less	18		14
Declined by 11-25%	30		33
Declined by 26-50%	22		19
Declined by 51-75%	16		12
Declined by 76-90%	6		11
Declined by more than 90%	7		9
Not sure	1		1

8. **Thinking about today, at what capacity do you think your business is operating compared to the same time last year?** (Operating capacity is the amount of business you can conduct under reasonable operating conditions.)

Increased by 50% or more	7	14
Increased by less than 50%	11	22
No change	38	18
Decreased by less than 50%	28	28
Decreased by 50% or more	14	16
Not sure	2	2

9. **During the pandemic and economic downturn, have you done any of the following?**
Check all that apply

Cut employee hours	32	27
Experienced supply chain disruptions	25	29
Closed my business temporarily	24	28
Changed my business model dramatically	21	30
Reduced wages or compensation	21	25
Temporarily furloughed employees	18	16
Laid off employees permanently	10	14
Closed an office or location of my business	8	16
Closed my business permanently	4	5
None of the above	28	20

10. **What percentage of staff did you furlough or lay off during the height of the pandemic and economic downturn?** (Asked of those who said they furloughed or laid off staff)

	<i>Weighted N=</i>	<i>117</i>	<i>7</i>
Less than 10%	12		18
11-25%	24		23
26-50%	20		31
51-75%	19		8
76-90%	7		8
More than 90%	16		12
Not sure	2		1

11. **Have you restored your employee headcount to pre-pandemic levels?** (Asked of those who said they furloughed or laid off staff)

	<i>Weighted N=</i>	<i>117</i>	<i>7</i>
Yes	40		42
No	60		54
Not sure	0		4

12. **Looking ahead to the next three months, how likely is it that your business will do the following:**

Add employees

Very likely	9	15
Somewhat likely	13	29
Somewhat unlikely	15	12
Very unlikely	44	31
Not applicable to my business	15	7
Not sure	4	6

Close permanently

Very likely	6	10
Somewhat likely	8	8
Somewhat unlikely	13	15
Very unlikely	54	48
Not applicable to my business	12	12
Not sure	7	6

Close temporarily

Very likely	10	13
Somewhat likely	13	16
Somewhat unlikely	15	17
Very unlikely	44	36
Not applicable to my business	12	13
Not sure	6	6

Close an office or location

Very likely	7	13
Somewhat likely	8	11
Somewhat unlikely	12	13
Very unlikely	38	26
Not applicable to my business	31	32
Not sure	4	6

Experience supply chain disruptions

Very likely	14	17
Somewhat likely	21	21
Somewhat unlikely	16	14
Very unlikely	22	22
Not applicable to my business	21	17
Not sure	6	9

Change business model dramatically

Very likely	14	26
Somewhat likely	17	22
Somewhat unlikely	15	14
Very unlikely	36	23
Not applicable to my business	11	8
Not sure	7	7

Temporarily furlough employees

Very likely	9	12
Somewhat likely	11	14
Somewhat unlikely	14	11
Very unlikely	32	30
Not applicable to my business	27	26
Not sure	7	8

Lay off employees permanently

Very likely	7	9
Somewhat likely	9	12
Somewhat unlikely	12	13
Very unlikely	39	33
Not applicable to my business	27	23
Not sure	6	10

Cut employee hours

Very likely	12	18
Somewhat likely	20	17
Somewhat unlikely	15	15
Very unlikely	27	21
Not applicable to my business	22	24
Not sure	5	5

Reduce wages or compensation

Very likely	12	15
Somewhat likely	15	19
Somewhat unlikely	16	12
Very unlikely	33	30
Not applicable to my business	18	15
Not sure	7	8

Attempt to sell your business

Very likely	6	9
Somewhat likely	9	9
Somewhat unlikely	9	11
Very unlikely	54	49
Not applicable to my business	17	18
Not sure	5	5

Expand business operations

Very likely	12	23
Somewhat likely	19	30
Somewhat unlikely	18	12
Very unlikely	39	22
Not applicable to my business	9	6

13. Indicate whether each of the following has been a major challenge, minor challenge, or not a challenge for your business during the pandemic and economic downturn.

Establishing or growing my e-commerce business

Major challenge	21	31
Minor challenge	26	25
Not a challenge	22	24
Not applicable to my business	30	17
Not sure	2	3

Acquiring Personal Protective Equipment to protect myself and/or my employees

Major challenge	15	19
Minor challenge	29	27
Not a challenge	37	34
Not applicable to my business	19	18
Not sure	2	2

Retrofitting my commercial space to ensure customer and employee safety

Major challenge	14	19
Minor challenge	22	23
Not a challenge	26	24
Not applicable to my business	36	33
Not sure	2	2

Understanding government regulations regarding reopening and safety		
Major challenge	16	19
Minor challenge	28	28
Not a challenge	36	38
Not applicable to my business	18	13
Not sure	2	1

Getting health insurance coverage for myself and/or my employees		
Major challenge	16	24
Minor challenge	18	26
Not a challenge	36	27
Not applicable to my business	28	19
Not sure	2	3

Understanding federal, state, and local relief programs for small businesses		
Major challenge	22	27
Minor challenge	33	33
Not a challenge	29	29
Not applicable to my business	14	7
Not sure	2	4

Switching to a remote work environment		
Major challenge	15	20
Minor challenge	21	22
Not a challenge	32	38
Not applicable to my business	31	18
Not sure	1	2

Availability of employees able to work		
Major challenge	14	23
Minor challenge	23	23
Not a challenge	38	30
Not applicable to my business	23	21
Not sure	2	2

14. Do you rent or own one or more commercial spaces for your business?		
Yes – rent	28	38
Yes – own	34	32
Do not rent or own commercial space	37	30
Not sure	1	0

15. How difficult is it for your business currently to make your rent or mortgage payments? (Asked of those who said they rent or own)		
	<i>Weighted N=</i>	
	310	21
Very difficult	16	22
Somewhat difficult	28	23
Not too difficult	30	27
Not difficult at all	26	28
Not sure	0	0

16. **Have you negotiated or attempted to negotiate a delay, suspension, or deferral of your rent or mortgage from your landlord or lending institution?** (Asked of those who rent or own)

	<i>Weighted N=</i>	<i>310</i>	<i>21</i>
Yes – negotiated a delay, suspension, or deferral	24		32
Yes – attempted to negotiate but did not get a delay, suspension, or deferral	19		24
Have not attempted to negotiate	56		42
Not sure	1		1

17. **In the next 6 months, how difficult do you anticipate it will be to pay your rent or mortgage?** (Asked of those who rent or own)

	<i>Weighted N=</i>	<i>310</i>	<i>21</i>
Very difficult	15		18
Somewhat difficult	26		30
Not too difficult	29		23
Not difficult at all	27		26
Not sure	3		4

18. **Since the pandemic, has your business missed any loan or other debt payments?**

Yes	19	28
No	79	71
Not sure	2	1

19. **Are you currently behind on loans or other debt payments for your business?**

Yes	18	29
No	80	69
Not sure	2	2

20. As you may know, the Paycheck Protection Program is a new type of Small Business Administration loan created in 2020 to help businesses keep their workforce employed during the coronavirus crisis. **Have you applied for a Paycheck Protection Program (PPP) loan this year?**

Yes	30	34
No	67	64
Not sure	2	3

21. **How difficult was the application process for the Paycheck Protection Program (PPP) loan?** (Asked of those who said they applied)

	<i>Weighted N=</i>	<i>152</i>	<i>10</i>
Very difficult	22		18
Somewhat difficult	35		33
Not too difficult	29		35
Not difficult at all	14		14
Not sure	0		1

22. **Have you received a Paycheck Protection Program (PPP) loan?** (Asked of those who applied)

	<i>Weighted N=</i>	<i>152</i>	<i>10</i>
Yes	76		65
No	22		34
Not sure	2		1

23. Of the amount you requested for your Paycheck Protection Program (PPP) loan, what percentage did you receive? (Asked of those who said they received the loan)

	<i>Weighted N=</i>	<i>116</i>	<i>7</i>
100%.....	33		23
75-99%	26		26
50-74%	28		42
25-49%.....	7		6
1-24%	2		0
Not sure	3		3

24. Have you applied for this loan to be forgiven? (Asked of those who said they received the loan)

	<i>Weighted N=</i>	<i>116</i>	<i>7</i>
Yes	68		75
No	32		25
Not sure	1		0

25. Have you received approval for your Paycheck Protection Program (PPP) loan to be forgiven? (Asked of those who said they applied for forgiveness)

	<i>Weighted N=</i>	<i>78</i>	<i>5</i>
Yes	74		88
No	21		7
Not sure	5		4

26. Which of the following reasons best describes why you have not applied for your Paycheck Protection Program (PPP) loan to be forgiven? Select all that apply. (Asked of those who said they did not apply for forgiveness)

	<i>Weighted N=</i>	<i>37</i>	<i>2</i>
I am still using the PPP funds	45		21
I expect Congress to pass automatic forgiveness for my loan	27		25
My bank is not accepting forgiveness applications	27		18
I am confused about the process	23		41
Other	4		9
Not sure	3		5

27. Which of the following are reasons you did not apply for the loan? Select all that apply. (Asked of those who said they did not apply for the loan)

	<i>Weighted N=</i>	<i>336</i>	<i>19</i>
I didn't need the funds	44		37
I was concerned about taking on debt	31		30
I thought or was told my business was ineligible	25		25
I was concerned the loan wouldn't be forgiven	21		14
I could not find a bank to accept my application.....	5		9
Other	5		5
Not sure	4		7

28. As you may know, the Economic Injury Disaster Loan (EIDL) provides relief to small businesses and non-profit organizations that are currently experiencing a temporary loss of revenue.

Have you applied for the Economic Injury Disaster Loan (EIDL) this year?

Yes	21	37
No	75	58
Not sure	4	4

29. **Did you receive an EIDL?** (Asked of those who applied for the EIDL)

	<i>Weighted N=</i>	<i>105</i>	<i>11</i>
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Yes	70	49	
No	26	50	
Not sure	4	0	

30. **Did you receive the EIDL advance (up to \$10,000)?** (Asked of those who applied for the EIDL)

	<i>Weighted N=</i>	<i>105</i>	<i>11</i>
<hr/>			
Yes	70	57	
No	28	41	
Not sure	2	2	

31. **Did you receive an economic stimulus payment from the federal government that was sent to every U.S. household near the beginning of the pandemic?**

Yes	73	71
No	25	26
Not sure	2	3

32. **Did you use any part of the stimulus payment to support your business?** (Asked of those who received a stimulus payment)

	<i>Weighted N=</i>	<i>367</i>	<i>22</i>
<hr/>			
Yes	56	73	
No	42	26	
Not sure	1	0	

33. **Since the pandemic started in March 2020, please indicate if you have maintained, eliminated, reduced, or expanded the following benefits for yourself and/or your employees.** If you have taken different actions for different employees (ie: maintained for some and reduced for others), please mark the option that applies to the greatest number of employees.

Health insurance

Maintained	39	43
Eliminated	5	7
Reduced	8	9
Expanded	5	6
Did not offer before the pandemic	43	35

Retirement plan

Maintained	30	31
Eliminated	6	10
Reduced	9	12
Expanded	3	5
Did not offer before the pandemic	52	42

Sick days

Maintained	35	38
Eliminated	8	10
Reduced	10	13
Expanded	7	7
Did not offer before the pandemic	40	31

Family leave

Maintained	32	36
Eliminated	8	12
Reduced	7	12
Expanded	5	8
Did not offer before the pandemic	48	32

Workers' compensation

Maintained	39	32
Eliminated	5	8
Reduced	11	15
Expanded	4	7
Did not offer before the pandemic	40	38

Disability insurance

Maintained	27	31
Eliminated	6	11
Reduced	9	12
Expanded	3	4
Did not offer before the pandemic	55	42

34. Have you decreased employer contribution to healthcare coverage or moved to a plan with a lower premium? (Asked of those who reduced their health care benefits)

	<i>Weighted N=</i>	<i>41</i>	<i>3</i>
Decreased employer contribution	36		47
Moved to plan with lower premium	56		50
Other	4		0
Not sure	4		2

35. Have you maintained healthcare coverage for furloughed employees?

Yes	27	38
No	13	18
N/A	59	43
Not sure	1	1

36. Do you plan to make any changes or reductions in healthcare coverage for employees in the next few months?

Yes	16	28
No	36	30
N/A	40	32
Not sure	8	9

37. **Now you are going to see some things that businesses might need help with right now to survive and grow during the pandemic and economic crisis.** On a scale of 0-10 where 0 is not at all useful and 10 is extremely useful, how useful would you find help in the following areas?

Pivoting my business to offer a new product and/or service

Mean (On a scale of 0-10).....	5.9	7.3
10 – Extremely useful.....	15	30
8 - 9	22	22
6 - 7	20	19
5 - Neutral.....	8	10
1 - 4	14	11
0 – Not at all useful	14	4
Not sure	6	5

Accessing capital

Mean (On a scale of 0-10).....	6.5	7.4
10 – Extremely useful.....	22	33
8 - 9	22	23
6 - 7	19	13
5 - Neutral.....	9	8
1 - 4	13	13
0 – Not at all useful	9	3
Not sure	7	7

Building my online presence

Mean (On a scale of 0-10).....	6.9	7.9
10 – Extremely useful.....	26	41
8 - 9	28	23
6 - 7	16	18
5 - Neutral.....	7	7
1 - 4	8	5
0 – Not at all useful	10	4
Not sure	5	2

Selling my products/services online

Mean (On a scale of 0-10).....	6.4	7.7
10 – Extremely useful.....	24	44
8 - 9	24	18
6 - 7	15	15
5 - Neutral.....	6	5
1 - 4	10	8
0 – Not at all useful	14	7
Not sure	6	3

Attracting customers

Mean (On a scale of 0-10).....	7.9	8.3
10 – Extremely useful.....	37	50
8 - 9	30	21
6 - 7	12	13
5 - Neutral.....	7	6
1 - 4	6	7
0 – Not at all useful	3	1
Not sure	5	2

Maintaining benefits

Mean (On a scale of 0-10).....	6.2	7.0
10 – Extremely useful.....	20	32
8 - 9	22	22
6 - 7	17	12
5 - Neutral.....	9	4
1 - 4	10	12
0 – Not at all useful	13	9
Not sure	9	8

Debt relief

Mean (On a scale of 0-10).....	6.3	7.0
10 – Extremely useful.....	27	34
8 - 9	20	22
6 - 7	14	13
5 - Neutral.....	8	5
1 - 4	11	11
0 – Not at all useful	15	10
Not sure	5	5

Improving health and safety

Mean (On a scale of 0-10).....	6.8	7.4
10 – Extremely useful.....	24	39
8 - 9	24	18
6 - 7	17	16
5 - Neutral.....	10	7
1 - 4	9	11
0 – Not at all useful	9	6
Not sure	7	3

Accessing new supply chains

Mean (On a scale of 0-10).....	5.9	7.0
10 – Extremely useful.....	16	29
8 - 9	21	21
6 - 7	18	19
5 - Neutral.....	8	7
1 - 4	14	11
0 – Not at all useful	13	7
Not sure	10	5

38. **Now you are going to see some ideas about what Congress and state lawmakers can do to help small businesses like yours survive and grow.** For each of the following please indicate if you support or oppose that idea on a scale of 0 to 10 where 0 means you strongly oppose and 10 means you strongly support.

Providing direct grant assistance to small businesses

Mean (On a scale of 0-10).....	8.0	8.1
10 – Strongly support.....	36	47
8 - 9	25	20
6 - 7	17	15
5 - Neutral.....	8	4
1 - 4	4	7
0 – Strongly oppose	2	2
Not sure	7	3

Automatically forgiving Paycheck Protection Program (PPP) loans under \$150,000

Mean (On a scale of 0-10).....	7.4	8.1
10 – Strongly support.....	32	45
8 - 9	22	21
6 - 7	15	15
5 - Neutral.....	7	6
1 - 4	8	7
0 – Strongly oppose	5	2
Not sure	11	3

Converting Economic Injury Disaster Loan (EIDL) loans under \$150,000 to grants

Mean (On a scale of 0-10).....	7.4	7.7
10 – Strongly support.....	27	40
8 - 9	25	20
6 - 7	15	15
5 - Neutral.....	7	6
1 - 4	8	12
0 – Strongly oppose	4	2
Not sure	15	5

Providing another round of Paycheck Protection Program (PPP) loans

Mean (On a scale of 0-10).....	7.6	7.7
10 – Strongly support	32	38
8 - 9	23	22
6 - 7	16	15
5 - Neutral.....	10	8
1 - 4	6	9
0 – Strongly oppose	3	3
Not sure	11	5

Extend Truth in Lending Act disclosure requirements to small business credit products

Mean (On a scale of 0-10).....	7.5	7.6
10 – Strongly support	22	31
8 - 9	23	23
6 - 7	20	17
5 - Neutral.....	10	6
1 - 4	5	9
0 – Strongly oppose	2	2
Not sure	18	11

Significantly expand small business technical assistance programs

Mean (On a scale of 0-10).....	7.4	7.9
10 – Strongly support	22	36
8 - 9	28	27
6 - 7	19	18
5 - Neutral.....	11	6
1 - 4	6	5
0 – Strongly oppose	2	3
Not sure	12	5

Enact a rent and/or mortgage moratorium for small businesses

Mean (On a scale of 0-10).....	7.0	7.6
10 – Strongly support	23	34
8 - 9	23	24
6 - 7	17	17
5 – Neutral.....	9	8
1 - 4	9	7
0 – Strongly oppose	6	4
Not sure	13	6

Freeze or cap unemployment insurance taxes

Mean (On a scale of 0-10).....	7.3	7.5
10 – Strongly support	24	30
8 - 9	24	23
6 - 7	18	16
5 – Neutral.....	9	11
1 - 4	8	7
0 – Strongly oppose	4	3
Not sure	13	10

Reimburse businesses immediately for providing sick leave and family leave, instead of offering a tax break

Mean (On a scale of 0-10).....	7.2	7.7
10 – Strongly support	23	34
8 - 9	24	25
6 - 7	17	17
5 – Neutral.....	9	7
1 - 4	8	9
0 – Strongly oppose	5	2
Not sure	13	6

Provide partial wage replacement for small business employees and the self-employed

Mean (On a scale of 0-10).....	7.7	8.1
10 – Strongly support	30	44
8 - 9	29	25
6 - 7	16	13
5 – Neutral.....	9	5
1 - 4	6	7
0 – Strongly oppose	2	2
Not sure	9	4