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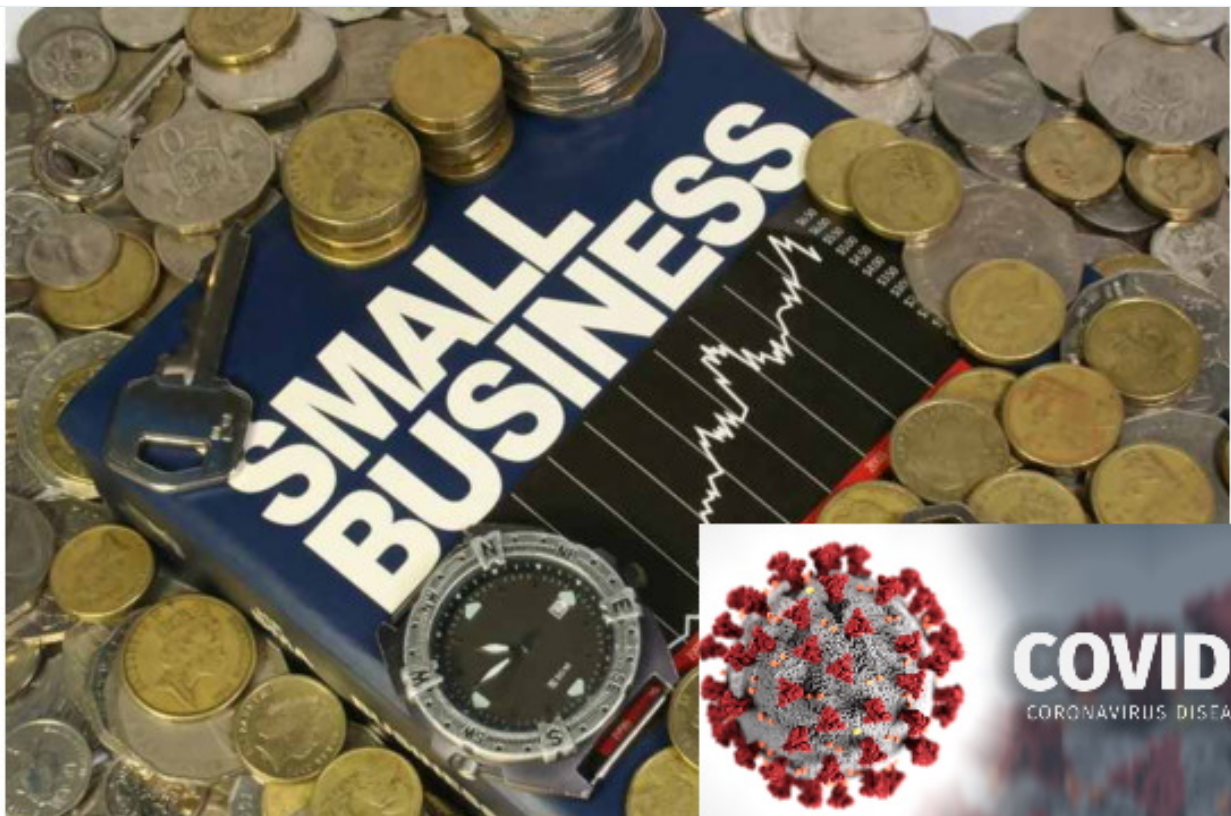
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COVID-19

Nearly Half of Black-Owned Small Businesses Could Close Permanently Due to Covid-19

The new nationwide poll surveyed 600 small business owners representing a range of demographics on the impact of COVID-19 on their businesses as well as their views of federal coronavirus relief measures.

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As critical federal coronavirus relief legislation remains stalled in negotiations between lawmakers and the White House, [a new poll](#) from Color Of Change and Main Street Alliance out today reveals Black-owned small businesses are being decimated by government inaction and racial inequities. Barring swift and decisive action by Congress to provide direct grants to Black small business owners, the poll indicates Black small businesses are on the brink of extinction, with 46% either already forced to close or planning to close within the next six months.

The new nationwide poll surveyed 600 small business owners representing a range of demographics on the impact of COVID-19 on their businesses as well as their views of federal coronavirus relief measures. Coupled with the findings of Color Of Change's [previous Paycheck Protection Program poll released in May](#), and [stories from Main Street Alliance members](#) this Fall, the results of the new survey clearly reinforce the dire need for both improved and immediate government relief in order to save Black small businesses and the communities they prop up.

“Our new poll emphasizes what so many Black small business owners already know: unless Congress works quickly to pass new relief legislation and address the racial inequities that exist within current relief measures, a disproportionate number of Black small businesses will shutter forever,” said Color Of Change President Rashad Robinson. “Small businesses are the cornerstone of our communities. The devastating consequences of these closures will ripple throughout Black communities and last for generations. Our federal government can no longer wait to bring immediate, accessible relief to Black small businesses.”

Black-owned businesses not only generate billions of dollars for the economy annually and create thousands of jobs but also provide critical avenues of upward mobility and independence for Black people, generate monetary support for racial justice causes, and create physical spaces where employees and community members can engage in meaningful activism. In fact, the [new survey](#) shows Black and Latinx owners are more likely than Asian and white owners to be engaged in a range of community activities. Additionally, Black small business owners are most likely to make statements in support of racial justice causes at 46%, in comparison to 24% of Latinx owners, 21% of Asian owners, and 14% of white owners. The decimation of Black small businesses therefore threatens not only individual Black people and families but entire communities and racial justice movements.

Beyond illustrating the unanimous need for relief, the survey also indicates that any new measures must better address the needs of Black small businesses. The results

paint a picture of how the Paycheck Protection Program and other federal relief measures present too many barriers to access and offer insufficient support to Black businesses. Despite being more likely to apply for PPP support, Black small business owners had to wait longer to hear back about their application and were less likely to receive the amount of assistance they requested. Only 33% of Black PPP applicants received a response within 2 weeks, whereas 50% of Latinx and 44% of white recipients heard back in two weeks. Further, only 37% of Black small business owners received the amount of assistance they requested.

The inequities and hurdles baked into the PPP application process and existing legislation have fueled sentiment among small business owners that COVID relief measures were not designed to help them. Across racial and ethnic subgroups, the poll shows that a majority of small business owners believe COVID-19 relief packages were passed in the interests of major corporations rather than small businesses and working people. Black owners were most likely to believe this, with 77% agreeing.

“As Senate Republicans scramble to push through the installation of a new supreme court justice, the stakes of this moment couldn’t be higher for millions of small businesses and working families across our nation suffering financial devastation from the ongoing economic impacts of COVID,” said Amanda Ballantyne, Executive Director of Main Street Alliance. “Our polling results are clear on what small business owners believe they need to succeed. With the right investments in long term federal relief designed to rebuild our struggling small business sector, we can not only stem the tide of economic loss, we can rebuild our economy and put ourselves on a path to a more equitable and sustainable economy where small business owners and working people can thrive. But we do not have months to wait.”

The survey shows that while grants are a priority across business groups, Black business owners are most likely to see federal grants as a top priority compared to other racial groups, indicating the need for direct grants rather than loans as well as measures like PPP set-asides for businesses with ten or fewer employees — a category an overwhelming majority of Black businesses fall under.

A summary of key takeaways can be found [here](#).

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