

2nd Edition

IMPACT OF COVID-19 ON **NC SMALL BUSINESSES**

June 2020



PRESENTED BY:



Dear Colleagues and Community Partners,

The mission of the NC Institute of Minority Economic Development is, “To strengthen the asset base of diverse populations through policy, education and opportunities.” This 2nd edition of our survey results indicates a continued need for collaborative partnerships and deliberate dedication to addressing the challenges faced by diverse businesses state-wide.



I would like to thank our community partners for their continued collaboration and unwavering commitment to addressing these challenges. Our coalition includes, The Institute, Latin American Chamber of Commerce of Charlotte, Carolinas-Virginia Minority Supplier Development Council, Hispanic Contractors Association of the Carolinas, NC Vet Biz Association, Disability: In NC, LGBT Chamber of Commerce, Urban League of Central Carolinas, The Greater Durham Black Chamber of Commerce and several others. Our goal remains to collect impact data that can be shared with community stakeholders, government officials and corporate leaders that can be used to guide their policy and programmatic decisions. Our target audience remains small diverse owned businesses with 50 or less employees. I'm eternally grateful to all of the suppliers who took the time to respond to the survey equipping community stakeholders with invaluable information about the impact of COVID-19 on diverse businesses.

Since the release of our first survey results March 26th, our country has been thrust into the throes of a deep economic downturn, heartbreaking civil unrest and the continued impact of COVID-19. Diverse communities and businesses have been especially impacted by these challenges. Local, state and federal organizations have responded with vital resources to address these conditions. Also, foundations and civic organizations have joined in to offer assistance as well. Our 2nd edition seeks to understand those sustained challenges and offer suggestions regarding how we can provide additional support and help.

The survey results revealed some key points.

- Most of the diverse suppliers are very small, less than 10 employees
- Over half of respondents have been in business over 5 years
- Slightly more than half have received some type of public/government financial assistance
- Over 90% of respondents have experienced significant revenue loss due to COVID-19
- As a result of state and federal stimulus funding, diverse companies are creatively leveraging those funds to extend their operating capacity. This is significant, since the first survey indicated that most diverse businesses have 30 days of working capital

So, what now? The call to action bell is ringing even louder than it was three months ago. That call to action implores all of us to get involved by addressing these challenges according to your abilities and influence. One simple way is by sharing this information and the recommendations below with local elected officials, corporate leaders, foundations and other community stakeholders and acting on them.

The five key recommendations we have identified include the following:

- Greater utilization of grassroots non-profits, community economic development corporations and community development financial institutions with expertise to distribute funds to diverse firms who remain in desperate need
- Development and easier/faster access to localized grant resources funded by municipalities, foundations, corporations, philanthropists and local stakeholders
- Greater creativity and engagement of corporations committed to addressing the challenges faced by small diverse companies (procurement term alterations and donations)
- Intensified efforts by chambers of commerce, corporations and local stakeholders to engage diverse suppliers via mentorships, capacity building, and increased utilization in procurement activities
- Encouragement of local citizens to be intentional about buying locally to support small businesses

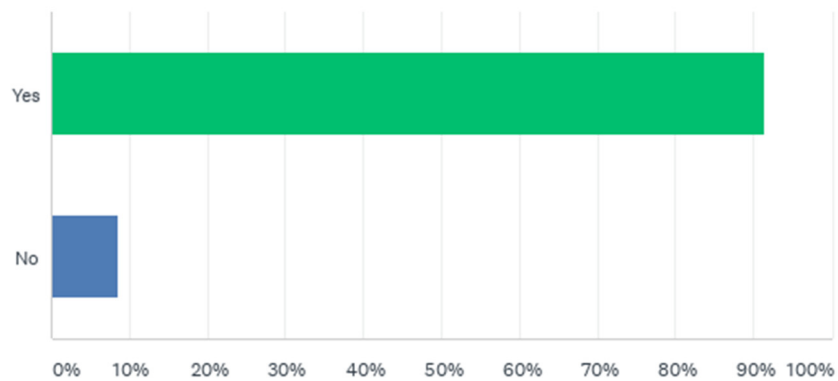
These are simple recommendations that could make a significant difference, provided we act with courage and unwavering commitment. Over the past three months, we have witnessed ordinary citizens, corporate and civic leaders move to a place of enlightenment and activism aimed at addressing challenges that have plagued our society for generations. We also have witnessed a renewed spirit of activism on behalf of young people. So, I continue to be encouraged and optimistic by the determined American spirit to succeed and support one another.

Best Regards,

Kevin J. Price

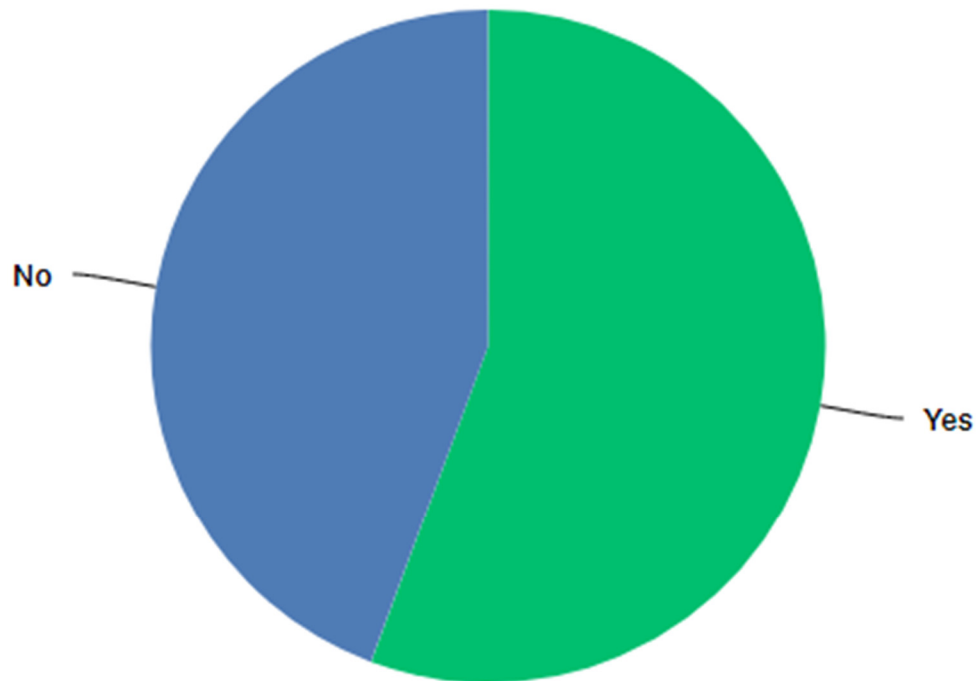
Kevin J. Price
President & CEO

Do you own a small, diverse owned business? For the purposes of this survey, a small, diverse owned business is defined as one that employs 1-50 people and is 51% owned, operated, and controlled by one or more of the following demographic groups: Ethnic Minority, Veteran, LGBT, Women, or Disabled.



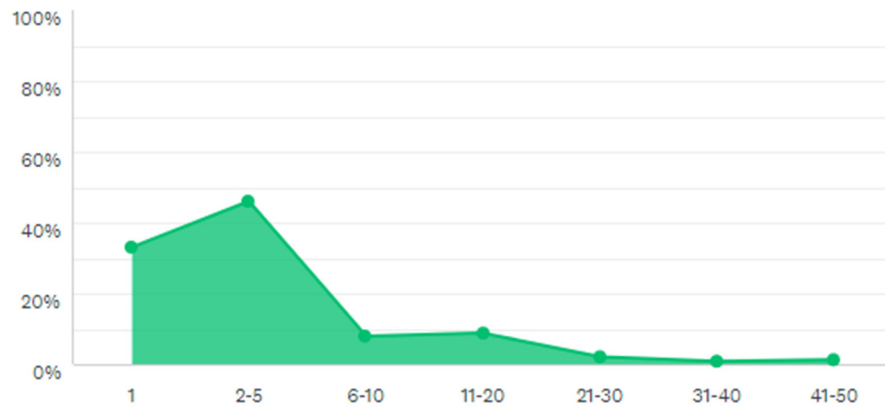
In this survey, 329 companies participated, reflecting results for 81% of small diverse businesses.

Are you a sole proprietor?



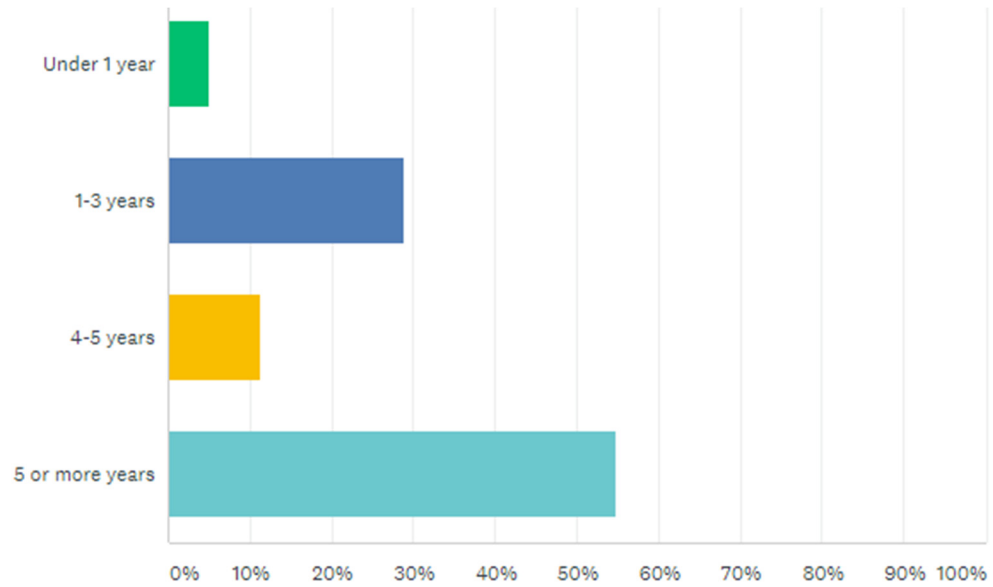
ANSWER CHOICES	RESPONSES
▼ Yes	55.65% 133
▼ No	44.35% 106
TOTAL	239

How many workers do you employ, including yourself?

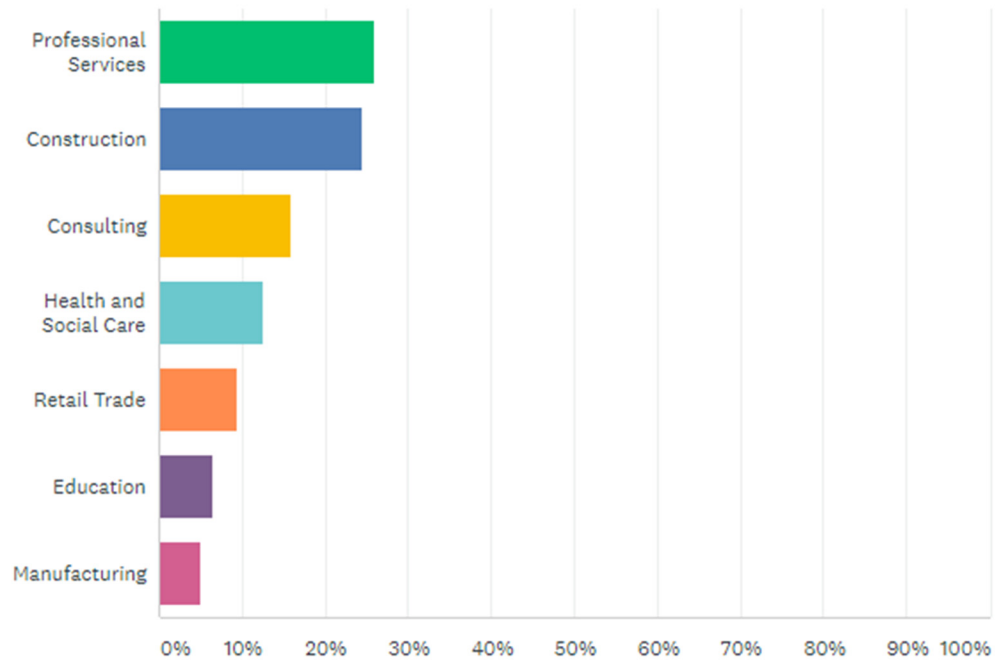


ANSWER CHOICES	RESPONSES	
▼ 1	33.05%	79
▼ 2-5	46.03%	110
▼ 6-10	7.95%	19
▼ 11-20	8.79%	21
▼ 21-30	2.09%	5
▼ 31-40	0.84%	2
▼ 41-50	1.26%	3
TOTAL		239

How many years have you been in business?

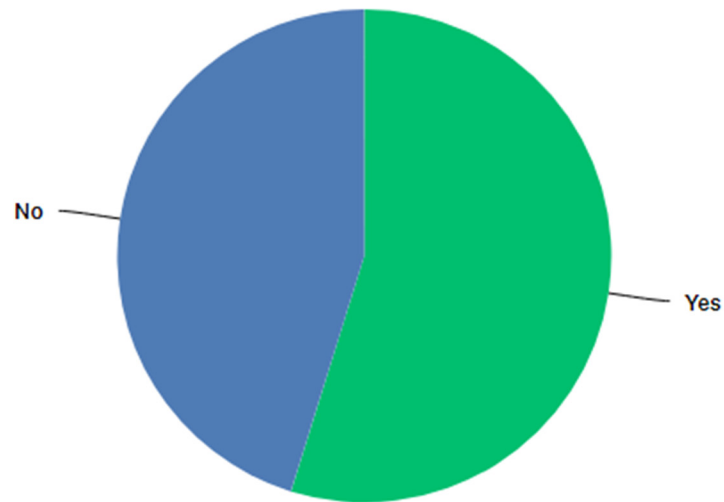


What is the primary industry in which your business identifies?



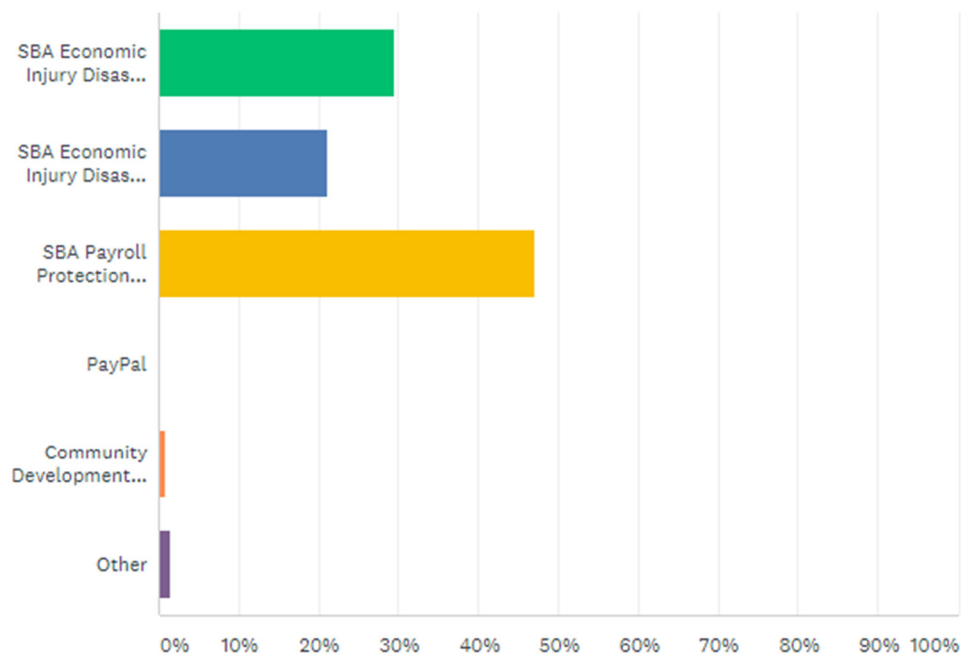
ANSWER CHOICES	RESPONSES	
Professional Services	26.00%	52
Construction	24.50%	49
Consulting	16.00%	32
Health and Social Care	12.50%	25
Retail Trade	9.50%	19
Education	6.50%	13
Manufacturing	5.00%	10
TOTAL		200

Were you able to find SBA funding?



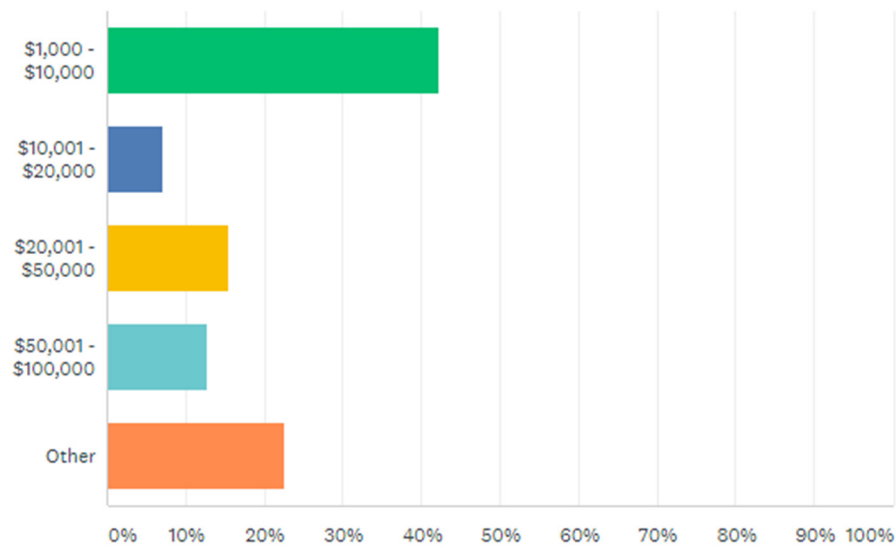
ANSWER CHOICES	RESPONSES	
Yes	54.81%	131
No	45.19%	108
TOTAL		239

If yes, what type of funding did you receive?



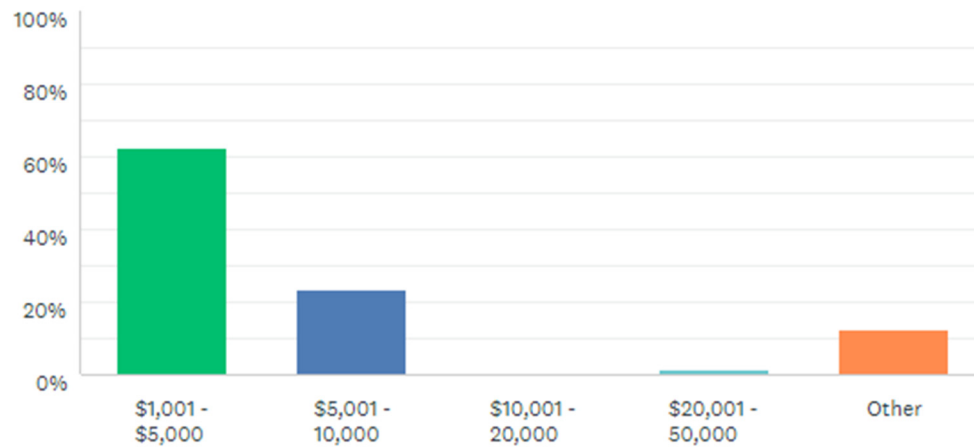
ANSWER CHOICES	RESPONSES	
▼ SBA Economic Injury Disaster Loan (EIDL) Loan	29.55%	39
▼ SBA Economic Injury Disaster Loan (EIDL) Loan Advance Grant	21.21%	28
▼ SBA Payroll Protection Program	46.97%	62
▼ PayPal	0.00%	0
▼ Community Development Financial Institution (CDFI) Loan	0.76%	1
▼ Other	1.52%	2
TOTAL		132

If you received the Economic Injury Disaster Loan (EIDL), what amount?



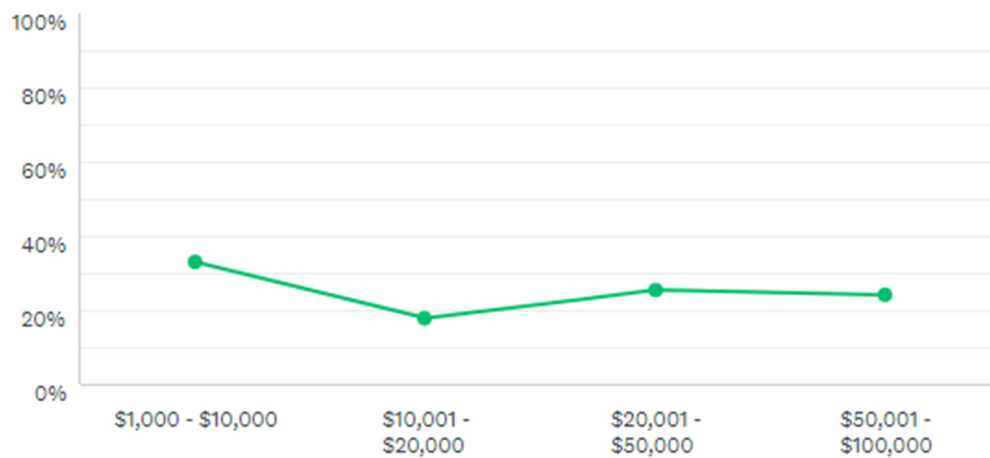
ANSWER CHOICES	RESPONSES	
▼ \$1,000 - \$10,000	42.25%	30
▼ \$10,001 - \$20,000	7.04%	5
▼ \$20,001 - \$50,000	15.49%	11
▼ \$50,001 - \$100,000	12.68%	9
▼ Other	22.54%	16
TOTAL		71

If you received the Economic Injury Disaster Loan (EIDL) advance grant funds, what amount?



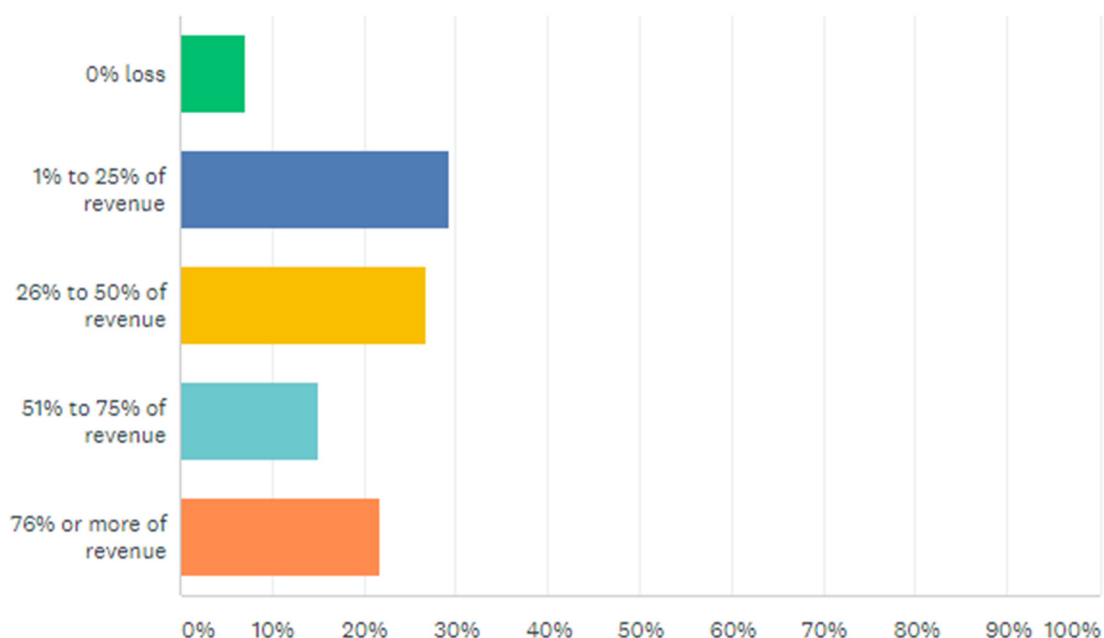
ANSWER CHOICES	RESPONSES	
▼ \$1,001 - \$5,000	62.50%	40
▼ \$5,001 - 10,000	23.44%	15
▼ \$10,001 - 20,000	0.00%	0
▼ \$20,001 - 50,000	1.56%	1
▼ Other	12.50%	8
TOTAL		64

If you received funding through the Payroll Protection Program, what amount?



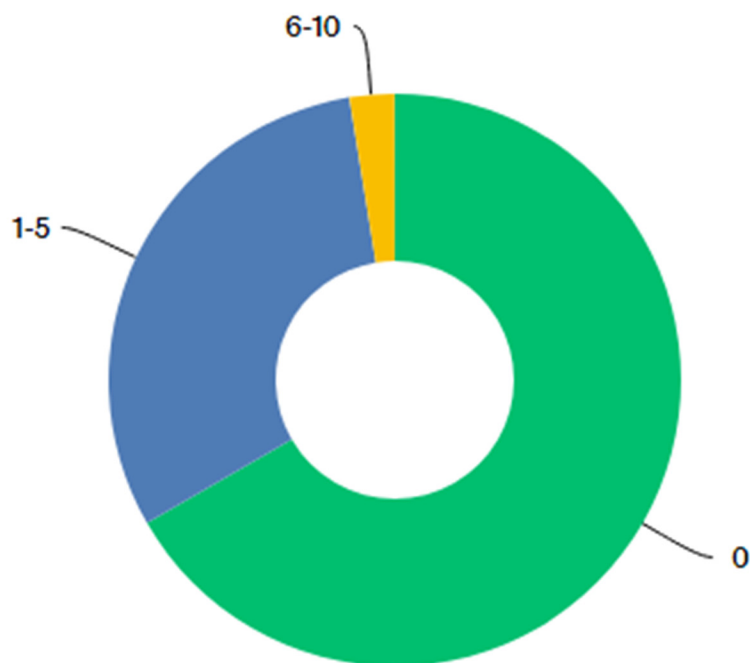
ANSWER CHOICES	RESPONSES	
▼ \$1,000 - \$10,000	32.91%	26
▼ \$10,001 - \$20,000	17.72%	14
▼ \$20,001 - \$50,000	25.32%	20
▼ \$50,001 - \$100,000	24.05%	19
TOTAL		79

What is your current revenue loss for Q2 of 2020?

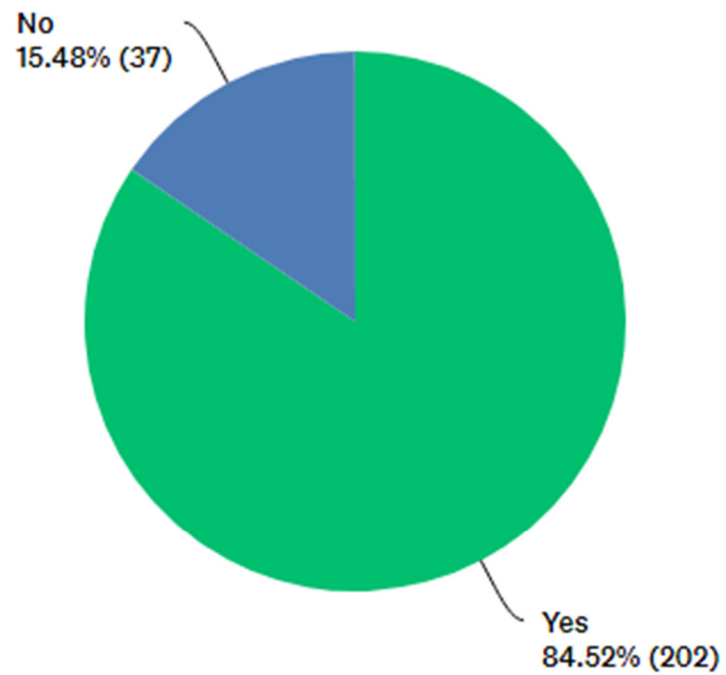


ANSWER CHOICES	RESPONSES	
▼ 0% loss	7.11%	17
▼ 1% to 25% of revenue	29.29%	70
▼ 26% to 50% of revenue	26.78%	64
▼ 51% to 75% of revenue	15.06%	36
▼ 76% or more of revenue	21.76%	52
TOTAL		239

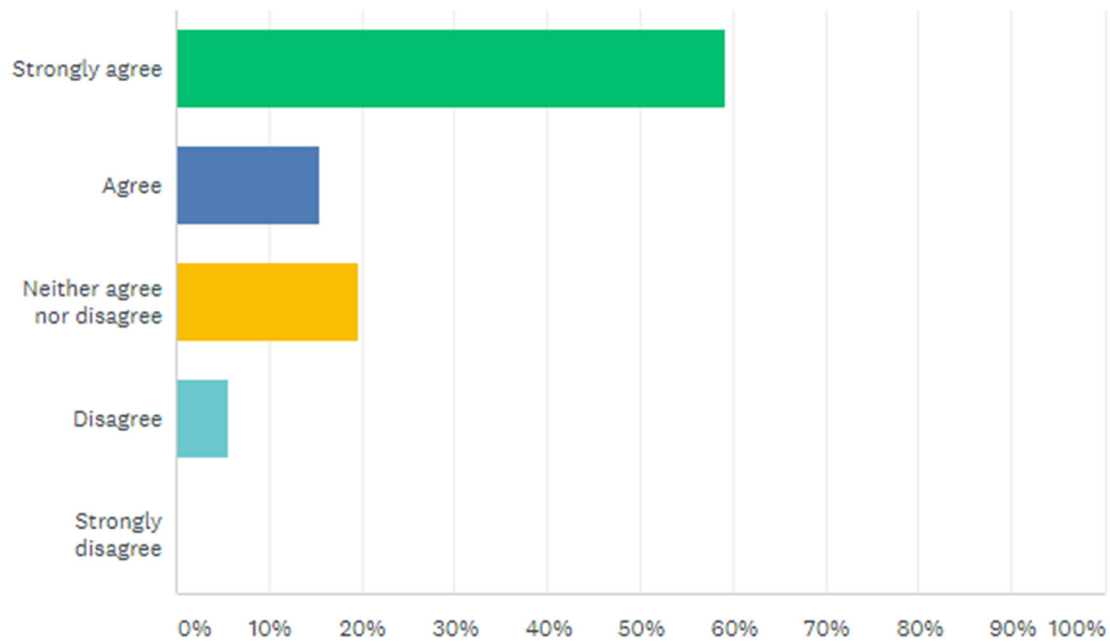
To date, have you laid off any staff?



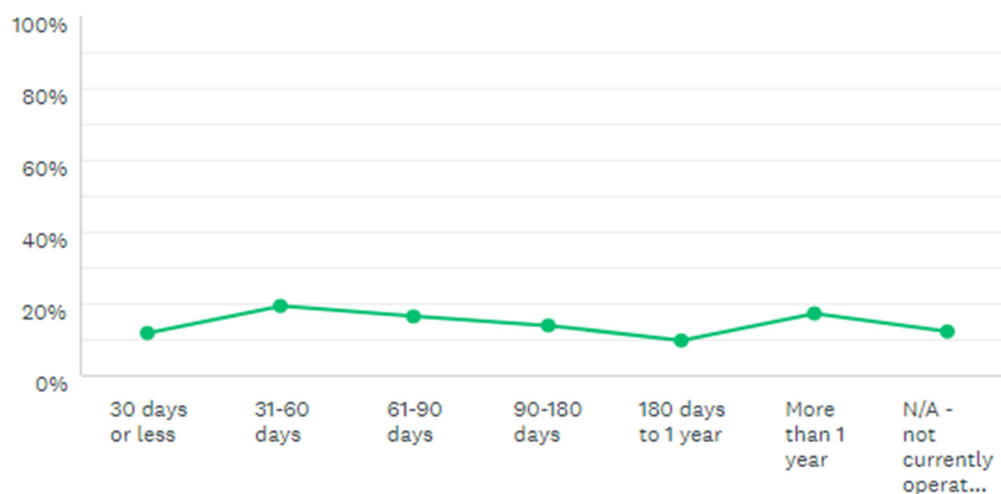
Are you currently operational?



If you are not currently operational, is this closure due to COVID-19?

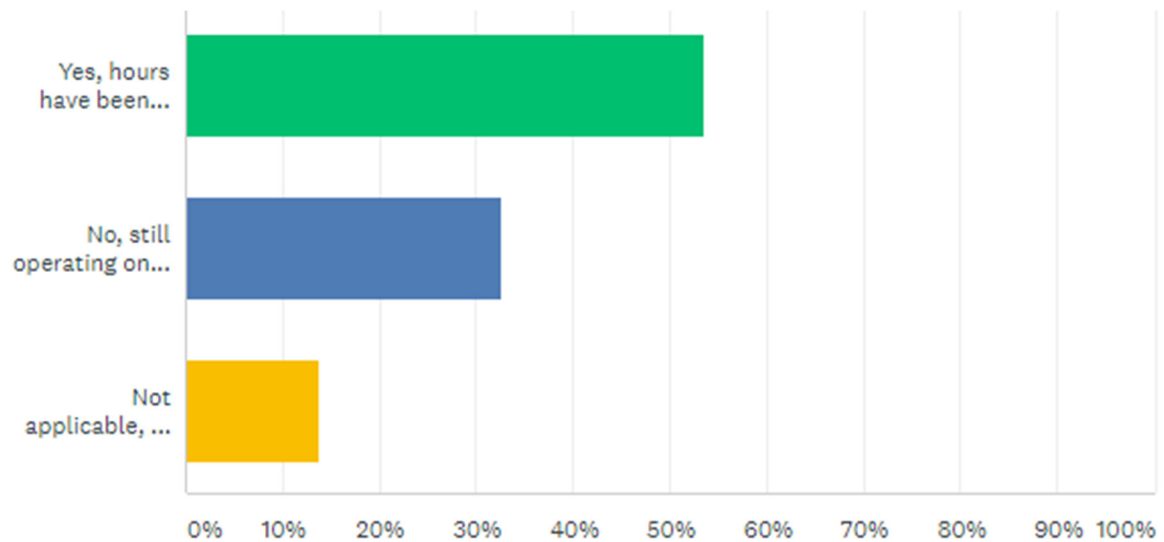


If you are currently operational, how long can you continue to operate under your current conditions?



ANSWER CHOICES	RESPONSES	
▼ 30 days or less	11.72%	28
▼ 31-60 days	19.25%	46
▼ 61-90 days	16.32%	39
▼ 90-180 days	13.81%	33
▼ 180 days to 1 year	9.62%	23
▼ More than 1 year	17.15%	41
▼ N/A - not currently operational	12.13%	29
TOTAL		239

Are you currently operating under reduced hours?



ANSWER CHOICES	RESPONSES	
▼ Yes, hours have been reduced	53.56%	128
▼ No, still operating on normal hours	32.64%	78
▼ Not applicable, we are currently closed	13.81%	33
TOTAL		239

Many thanks to the following community stakeholders for your participation:

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Beth Butler

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Teddy McDaniel

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Success by Choice

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Black Business Ink

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300+ SMALL BUSINESSES SURVEYED BETWEEN 6/8/2020 – 6/19/2020

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