

3rd Edition

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

September 2020



PRESENTED BY:



September 30, 2020



Dear Colleagues and Community Partners,

Thank you for your support as The North Carolina Institute of Minority Economic Development continues to collect data and report the necessary information in support of our diverse small businesses. As stated in our mission, we work "To strengthen the asset base of diverse populations through policy, education and economic opportunities." This 3rd 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.

Our target audience remains small diverse owned businesses with 50 or less employees. We have shared results of previous surveys with community stakeholders, government officials and corporate leaders to be used as guidance through policy changes and programmatic decisions. This survey will continue to equip community stakeholders with invaluable information about the impact of COVID-19 on diverse small businesses.

Over the past six months, we have released three surveys to gage how diverse small businesses are surviving during the economic downturn caused by the impact of COVID-19. Our data reveals our diverse communities and businesses have been devastated by this relentless pandemic. Local, state, federal and civic organizations have responded with vital resources to address these conditions. Our previous two surveys exposed the urgent need for various resources such as funding and technical assistance. The 3rd edition survey seeks to understand the continual challenges and long term affects, to which we offer suggestions regarding how we may provide additional support.

The most recent survey results revealed some new and existing key points.

- Most of the diverse suppliers are very small, however many are less than 5 employees
- Over half of respondents have been in business over 5 years, showing long term establishment
- Forty-three percent have not applied for grant relief funds, and of those who applied 70% did not receive anything
- Fifty-eight percent have not applied for any loan funds
- Of the businesses that are still operational, many have shifted their business models or have reinvented themselves to survive

Now that we have this information, what are our next steps? One simple action is sharing the survey results and recommendations below with local elected officials, corporate leaders, foundations and other community stakeholders and acting on them.

The top key recommendations we have previously identified are still relevant today. However, in addition, diverse businesses need to:

- Establish a culture of trust between funding agencies and small diverse businesses to encourage business owners to apply for grant and loan opportunities
- Develop a more streamlined process to access localized grant resources funded by municipalities, foundations, corporations, philanthropists and local stakeholders
- Encourage local citizens to express support by being intentional and buying locally to support diverse small businesses

These recommendations can make a significant difference as to how we address policy and in the interim, provide support for continued sustainability to those businesses on the brink of survival. We must remain committed and provide diverse businesses the tools and resources needed to survive through this challenging time. For those businesses fortunate enough to survive, we must address long term sustainability, continuity, preparedness and economic parity to facilitate equity, growth and prosperity.

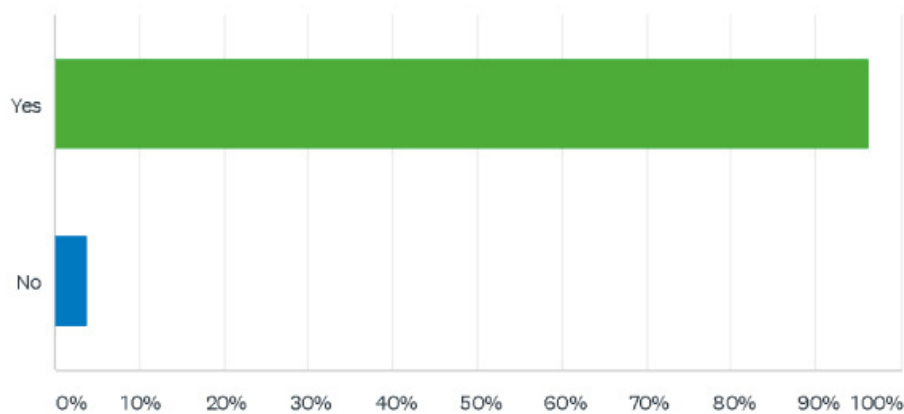
As in previous surveys, we collaborated with our community partners and are eternally thankful for their continued insight and commitment to addressing the challenges faced by our small diverse businesses. Our coalition includes, The Institute, Latin American Chamber of Commerce of Charlotte, Carolinas-Virginia 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.

Best Regards,

Talitha Batts

Director, The Policy Center

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.



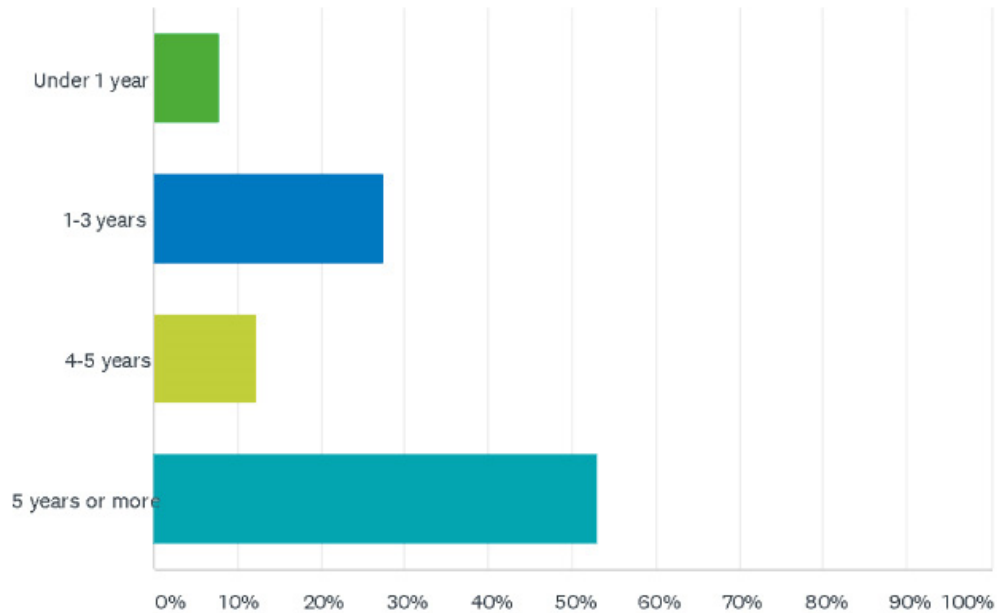
ANSWER CHOICES	RESPONSES	
Yes	96.18%	151
No	3.82%	6
TOTAL		157

How many workers do you employ, including yourself?



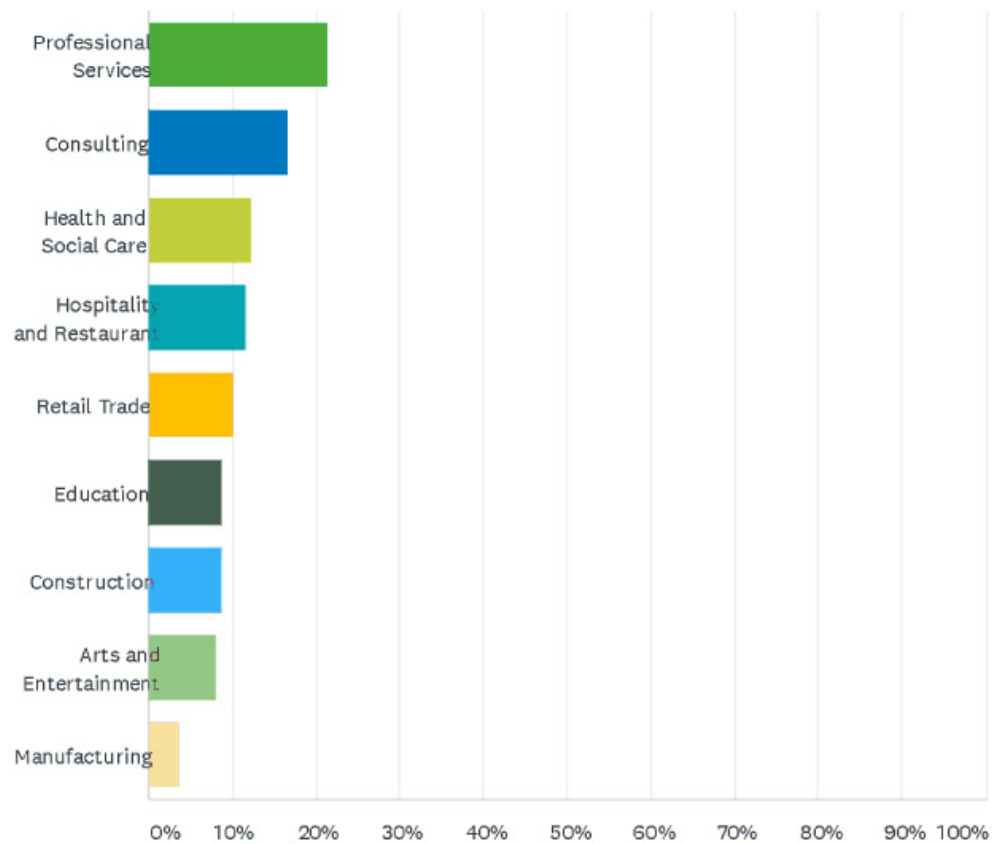
ANSWER CHOICES	RESPONSES	
1	39.10%	61
2-5	44.87%	70
6-10	9.62%	15
11-20	2.56%	4
21-30	1.28%	2
31-40	0.64%	1
41-50	1.92%	3
TOTAL		156

How many years have you been in business?



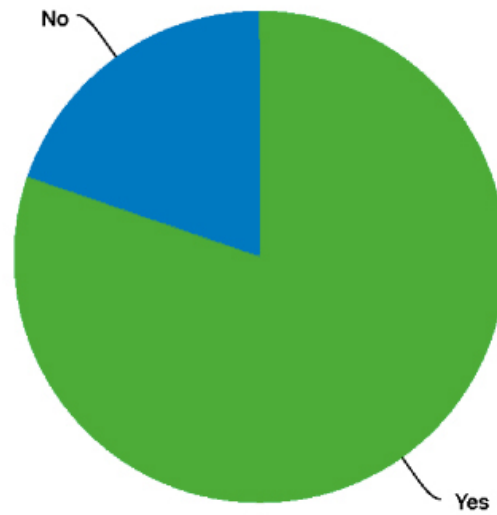
ANSWER CHOICES	RESPONSES	
Under 1 year	7.64%	12
1-3 years	27.39%	43
4-5 years	12.10%	19
5 years or more	52.87%	83
TOTAL		157

What is the primary industry in which your business identifies?



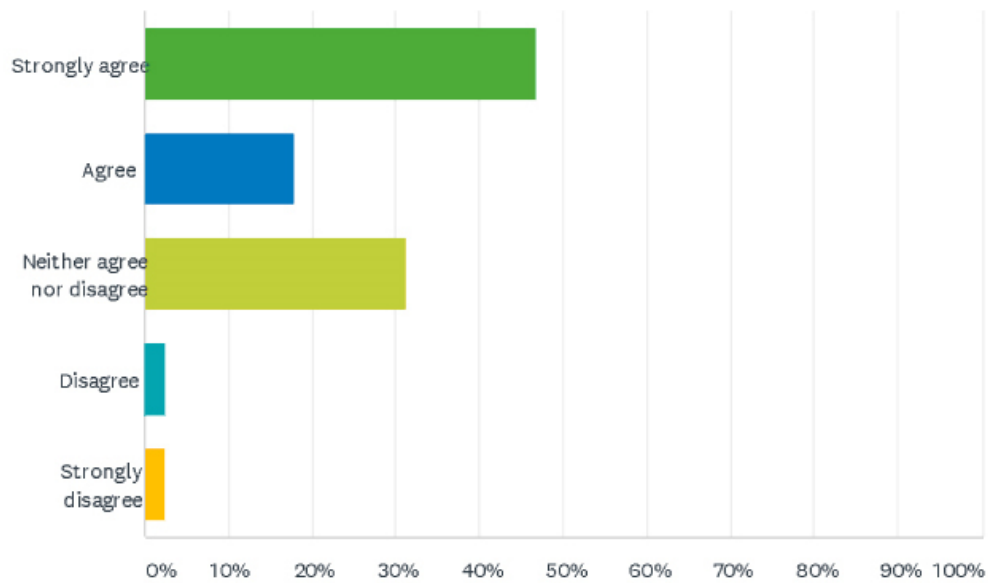
ANSWER CHOICES	RESPONSES	
Professional Services	21.43%	30
Consulting	16.43%	23
Health and Social Care	12.14%	17
Hospitality and Restaurant	11.43%	16
Retail Trade	10.00%	14
Education	8.57%	12
Construction	8.57%	12
Arts and Entertainment	7.86%	11
Manufacturing	3.57%	5
TOTAL		140

Are you currently operational?



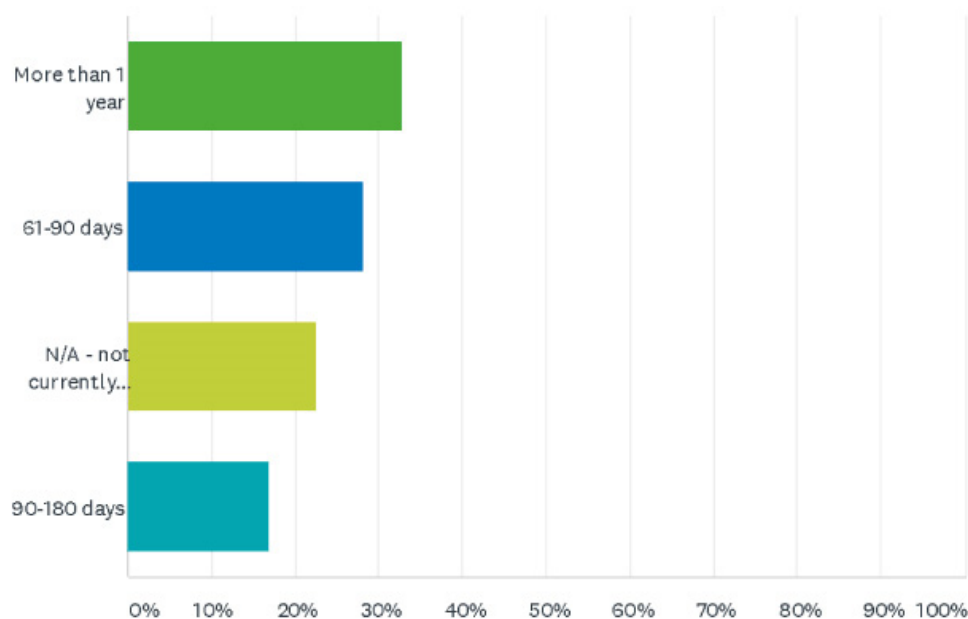
ANSWER CHOICES	RESPONSES	
Yes	80.25%	126
No	19.75%	31
TOTAL		157

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



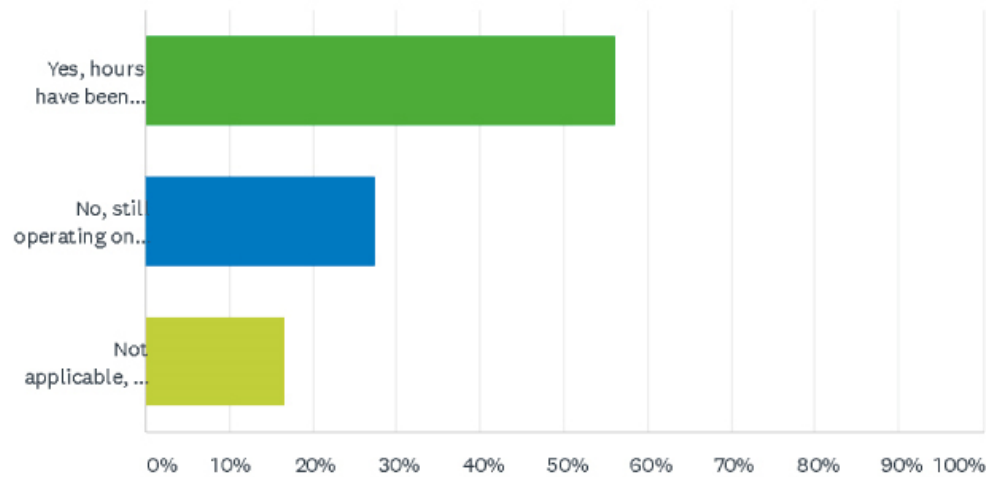
ANSWER CHOICES	RESPONSES	
Strongly agree	46.67%	21
Agree	17.78%	8
Neither agree nor disagree	31.11%	14
Disagree	2.22%	1
Strongly disagree	2.22%	1
TOTAL		45

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



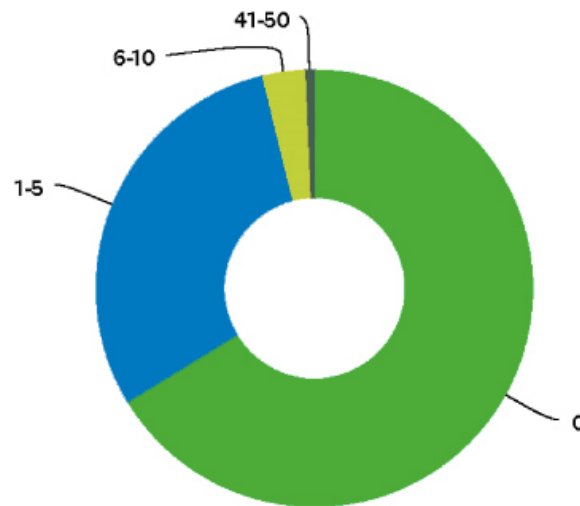
ANSWER CHOICES	RESPONSES	
More than 1 year	32.71%	35
61-90 days	28.04%	30
N/A - not currently operational	22.43%	24
90-180 days	16.82%	18
TOTAL		107

Are you currently operating under reduced hours?



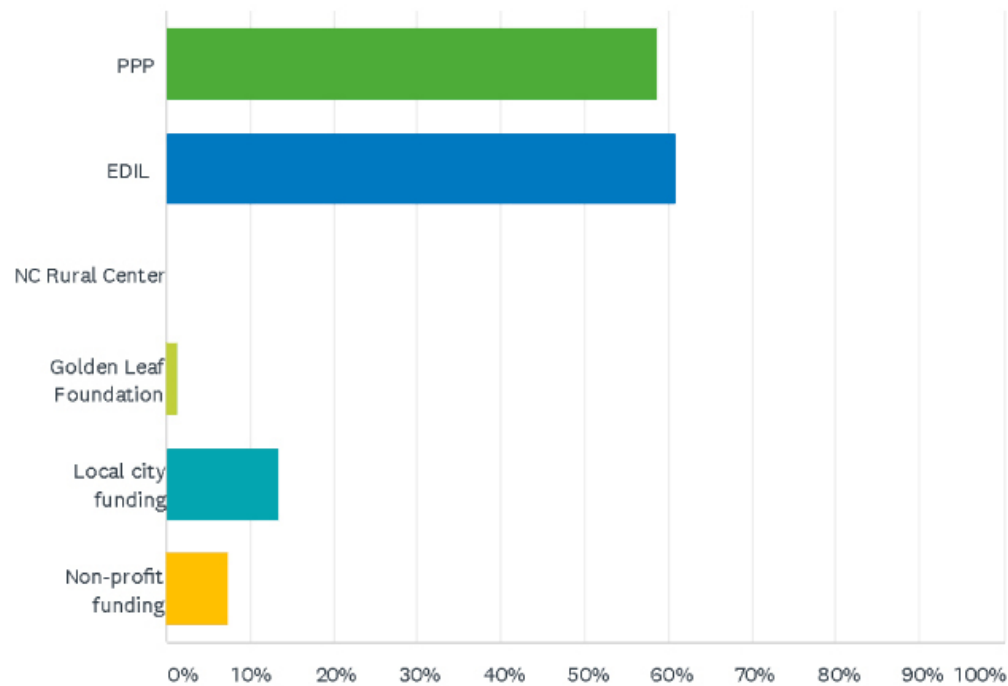
ANSWER CHOICES	RESPONSES	
Yes, hours have been reduced	56.05%	88
No, still operating on normal hours	27.39%	43
Not applicable, we are currently closed	16.56%	26
TOTAL		157

To date, have you laid off any staff?



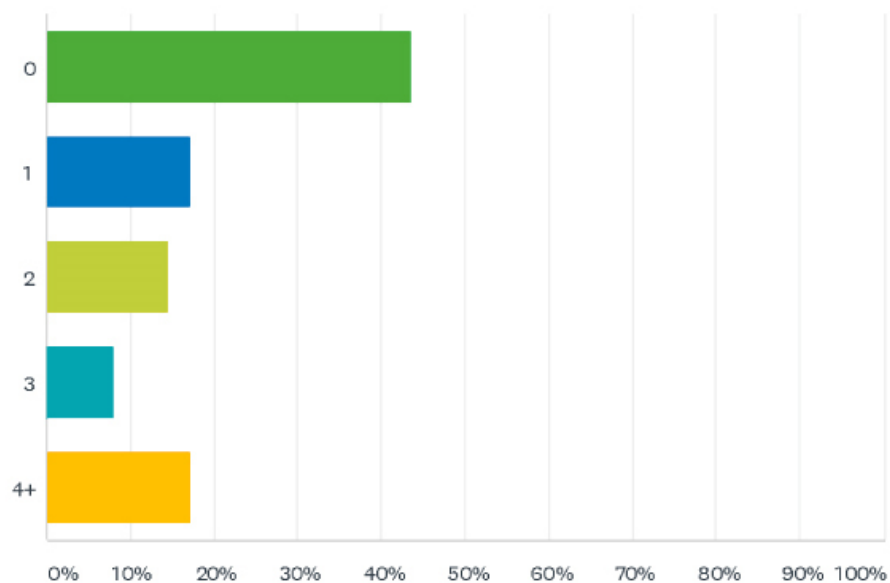
ANSWER CHOICES	RESPONSES	
0	66.24%	104
1-5	29.94%	47
6-10	3.18%	5
11-20	0.00%	0
21-30	0.00%	0
31-40	0.00%	0
41-50	0.64%	1
TOTAL		157

In the past six months, have you received any emergency debt relief funding from the following resources?



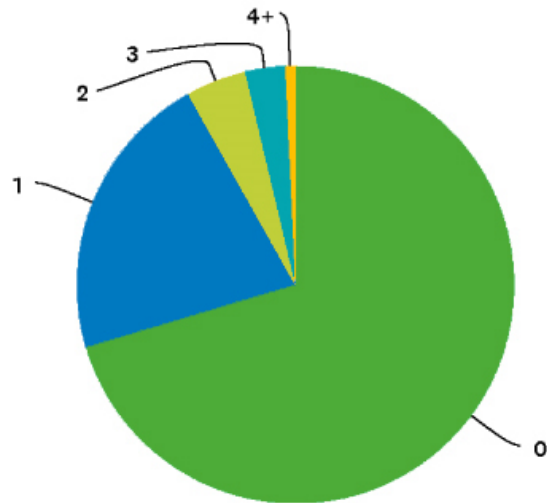
ANSWER CHOICES	RESPONSES	
PPP	58.54%	48
EDIL	60.98%	50
NC Rural Center	0.00%	0
Golden Leaf Foundation	1.22%	1
Local city funding	13.41%	11
Non-profit funding	7.32%	6
Total Respondents: 82		

Have you applied for grant relief funding? If so, how many?



ANSWER CHOICES	RESPONSES	
0	43.42%	66
1	17.11%	26
2	14.47%	22
3	7.89%	12
4+	17.11%	26
TOTAL		152

Of the grants you applied for, how many have you received?



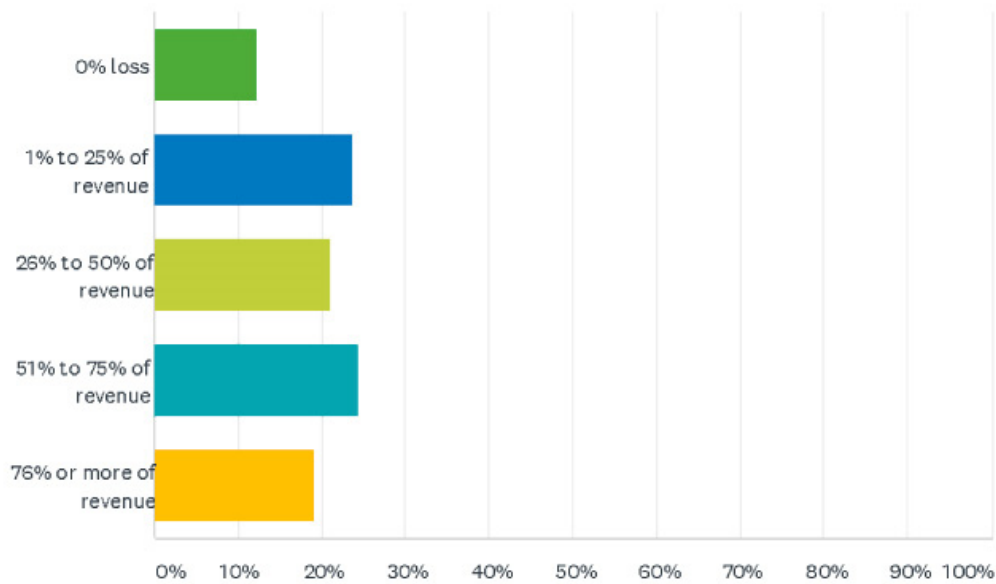
ANSWER CHOICES	RESPONSES	
0	70.37%	95
1	21.48%	29
2	4.44%	6
3	2.96%	4
4+	0.74%	1
TOTAL		135

Have you applied for any loan relief funding? If so, how many?



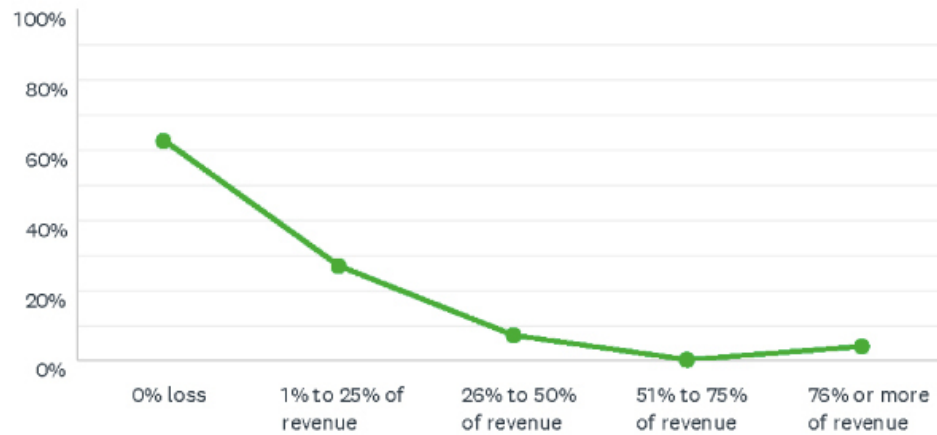
ANSWER CHOICES	RESPONSES	
0	58.28%	88
1	27.15%	41
2	10.60%	16
3	3.31%	5
4+	0.66%	1
TOTAL		151

What is your revenue loss since March 2020?



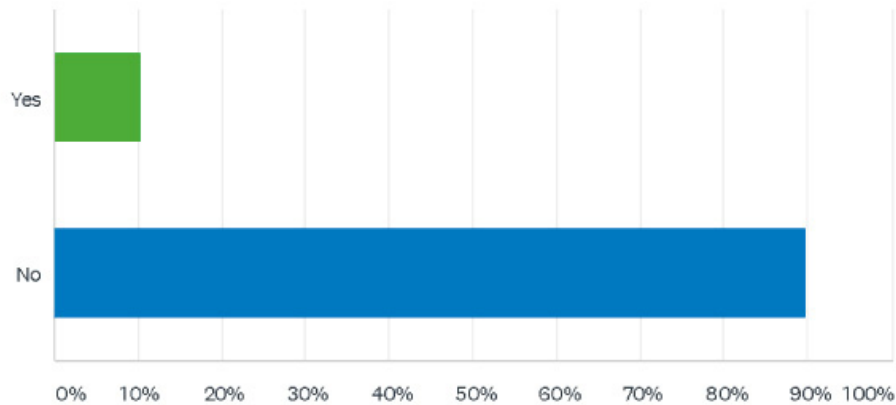
ANSWER CHOICES	RESPONSES	
0% loss	12.10%	19
1% to 25% of revenue	23.57%	37
26% to 50% of revenue	21.02%	33
51% to 75% of revenue	24.20%	38
76% or more of revenue	19.11%	30
TOTAL		157

What is your revenue growth since March 2020?



ANSWER CHOICES	RESPONSES
0% loss	62.42% 98
1% to 25% of revenue	26.75% 42
26% to 50% of revenue	7.01% 11
51% to 75% of revenue	0.00% 0
76% or more of revenue	3.82% 6
TOTAL	157

Have you started your business in 2020 as a result of job loss, business closing or downsizing?



ANSWER CHOICES	RESPONSES	
Yes	10.19%	16
No	89.81%	141
TOTAL		157

Many thanks to the following community stakeholders for your participation:

Rocio Gonzalez

Latin American Chamber of Commerce of Charlotte

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Monnette Sewell

Norsan Media

Annette Stevenson

NC Vet Biz, Stevenson Consulting Group

Gloria Shealey

The Daniele Company

Lissette Velez

Hispanic Contractors Association of the Carolinas

Chad Turner

Charlotte LGBT Chamber of Commerce

Beth Butler

Disability: In North Carolina

Reginald McCaskill

Winston-Salem Maximum Enterprises

Teddy McDaniel

Urban League of Central Carolinas

LaPronda Spann

Lain Consulting, LLC

Marlon Smith

Success by Choice

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APPROXIMATELY 200 SMALL BUSINESSES SURVEYED BETWEEN 9/14/2020 - 9/18/2020

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