

IMPACT OF COVID-19 ON SMALL BUSINESSES IN SAN FRANCISCO

May 28, 2021

Anoshua Chaudhuri, Ph.D., Professor of Economics, SFSU
Cynthia Huie, Commissioner, SF Small Business Commission
Manpreet Kaur, MBA, SFSU
Adam Young, MSQE, SFSU



SAN FRANCISCO
STATE UNIVERSITY



TABLE OF CONTENTS

Sections

	<i>Executive Summary</i>	5
1	<i>Introduction</i>	8
2	<i>Methodology</i>	11
3	<i>Survey Findings</i>	18
	<i>Overall Impact of COVID-19 Pandemic on Businesses</i>	19
	<i>Specific Ways Small Businesses were forced to respond</i>	26
	<i>Utilization of governmental assistance</i>	37
	<i>Do SF Small Businesses Feel Supported?</i>	38
	<i>What Do Small Businesses Need?</i>	42
	<i>Qualitative Responses from Small Business Respondents</i>	50
4	<i>Conclusions and Policy Recommendations</i>	54
	<i>References</i>	56

List of Tables

1	<i>Industries Represented in the Survey Sample</i>	12
2	<i>Owner Demographics</i>	13
3	<i>Description of Business Operations</i>	14
4	<i>Number of Small Businesses Reported by CA EDD</i>	15
5	<i>Number of Businesses in Each Zip Code</i>	16
6	<i>Mean Impact by Industry</i>	20
7	<i>Mean Impact by Business Operations</i>	20
8	<i>Mean Impact by Demographic</i>	21
9	<i>Operational Status</i>	26
10	<i>Factors Affecting Operating Capacity</i>	28
11	<i>Rehiring Employees</i>	29
12	<i>Factors Affecting Sales</i>	31
13	<i>Alternative Business Models</i>	36
14	<i>Relief Programs Applied For</i>	37
15	<i>Business Needs in the next Six Months</i>	42
16	<i>Greatest Support to Businesses</i>	47
17	<i>Greatest Support to Business by Zip Code</i>	49

List of Charts

1	<i>Zip Codes (and Neighborhoods) Represented in Sample</i>	16
2	<i>Overall Impact of Pandemic on Businesses</i>	19
3	<i>Overall Impact of COVID-19 on Businesses by Industry Type</i>	21
4	<i>Change in Operating Revenue/Sales/Receipts and Number of Paid Employees</i>	22
5	<i>Change in Operating Revenue/Sales/Receipts by Industry Type</i>	22

Charts

6	<i>Change in Number of Paid Employees by Industry Type</i>	23
7	<i>Overall Impact by Regulatory License</i>	23
8	<i>Overall Impact of COVID-19 by Business Location</i>	24
9	<i>Overall Impact of COVID-19 by Years in Operation</i>	24
10	<i>Overall Impact of COVID-19 by Age of Business Owner</i>	25
11	<i>Extent of Business Closures by Industry Type</i>	26
12	<i>Pivot to Online Operations by Industry Type</i>	27
13	<i>Extent of Permanent Closure by Industry Type</i>	27
14	<i>Operating Capacity by Industry Type</i>	28
15	<i>Operating Capacity Affected by Rollout of Loans and Programs by Industry Type</i>	29
16	<i>Businesses that Did Not Re-hire Paid Employees by Industry Type</i>	30
17	<i>Businesses Affected by Not Enough Customers by Industry Type</i>	31
18	<i>Businesses Affected by Confusing Re-opening Guidelines by Industry Type</i> .	32
19	<i>Businesses Affected by Homeless Encampments by Industry Type</i>	32
20	<i>Cash Availability for Businesses</i>	33
21	<i>Cash Availability by Years of Operation</i>	33
22	<i>Cash Availability by Business Owner Ethnicity</i>	34
23	<i>How Long Do Businesses Think till Return to Normal?</i>	34
24	<i>Missed Payments by Ethnicity</i>	35
25	<i>San Francisco Is Generally a Good Place to Own a Small Business</i>	38
26	<i>This Business Feels that San Francisco is Doing a Good Job of Supporting Local Small Businesses</i>	38
27	<i>This Business Feels that Public Health Guidance from the City Of San Francisco During the COVID-19 Pandemic Has Been Clear and Easy to Understand</i>	39
28	<i>This Business Felt Disproportionate Regulations Were Imposed on It During the COVID-19 Pandemic</i>	39
29	<i>During the COVID-19 Pandemic, this Business Feels Supported by The Local Merchant Community</i>	40
30	<i>This Business Feels that Neighbors are Shopping Locally and are Intentionally Supporting Us</i>	40
31	<i>Sources of information for Businesses</i>	41
32	<i>Business Accessing Information by Business Owner Age Group</i>	41
33	<i>Finance and Operation Needs of Businesses by Industry Type</i>	43
34	<i>Marketing Needs of Businesses by Industry Type</i>	43
35	<i>Human Resource Needs of Businesses by Industry Type</i>	44
36	<i>Finance and Operation Needs by Business Owner Ethnicity</i>	45
37	<i>Marketing Needs by Business Owner Ethnicity</i>	45

Charts

38 *Human Resources Needs by Business Owner Ethnicity* **46**
39 *Business Closures by Business Owner Ethnicity* **46**
40 *Greatest Support by Business Owner Ethnicity* **47**
41 *Public Health and Safety Support by Business Owner Ethnicity* **48**

Executive Summary

The COVID-19 pandemic has had a debilitating impact on small businesses in San Francisco. While demand has dried up due to the lack of tourists and shelter-in-place mandates, city mandates around capacity limits, opening dates, and a lack of transparent rollouts of programs have been devastating. Various sectors have been affected in disparate ways.

Overall, the mean impact has been the worst for businesses in the arts and entertainment, accommodation and food services, and other personal services industries. Businesses that relied on tourists and office workers have seen large negative effects, as have businesses with multiple locations in San Francisco. 90% or more businesses reported an overall large negative effect in the neighborhoods of Embarcadero, Fisherman's Wharf, Chinatown, Marina, Inner Richmond, South of Market, Union Square/Financial District and Haight-Ashbury. A greater proportion of businesses operating for 4-6 years, with monthly revenues of \$50,000-\$100,000 (annual revenue of about \$0.5-1 million), leasing their business locations, with owners aged 51 years and over and mixed-race owners have seen large negative effects. Arts, entertainment, and recreation reported a significant drop in revenue/sales/receipts, closely followed by other personal services. Food services and educational services also experienced a large decrease in sales and receipts.

Since the March 17th, 2020 shelter-in-place orders, 27.98% of small businesses were still closed at the time of the survey. About 22% remained open during the shelter-in-place, and about 65% closed, opened, and closed again. Around 8% of businesses moved their operations online. 2% of businesses in this survey had permanently closed. Businesses identified "not enough customers in San Francisco," "confusing re-opening guidelines," "competition from online businesses," and "homeless encampments near businesses" as the top reasons that affected their sales and revenue.

A high proportion of businesses have missed scheduled loan, lease, and other payments. Fewer businesses missed loan payments as they tried to pay off their debt. However, regular lease and other payments were delayed. These missed payments varied by ethnicity. More than 50% of Black and Latinx businesses had missed lease and other payments, laying bare struggles and structural inequities in access to resources for historically oppressed communities. More Latinx businesses have also missed loan payments compared to other races.

The greatest struggles have been in the area of lease payments and lease negotiations. Of the entire sample, 78% lease the building in which their business is located, and of these, 72% are personal guarantors on their lease. About 50% of businesses that lease missed lease payments. 59% of those who lease have had no contact with their landlord, or no rent negotiation was offered.

Businesses have sought assistance from federal and local sources. While a large number of businesses have requested and applied for financial assistance, not many have been successful in securing grants and loans. To survive the pandemic, businesses have pivoted to alternative business models such as online sales (30%), curbside pickup (24%), and home delivery (19%). However, many businesses could not easily change their mode of delivery or business operations.

Only 21% of respondents agreed that San Francisco is generally a good place to own a small business, and an even smaller percentage (12%) agreed that San Francisco is doing a good job of supporting local small businesses. While about 30% agreed that SF public health guidance was easy to understand, almost 50% of businesses felt disproportionate regulations were imposed on them. Only 28% of businesses felt supported by the local merchant community, and 37% felt that neighbors were shopping to intentionally support the small businesses.

In the next six months, businesses identified that they would need additional financial assistance to come up with new business ideas and increase marketing and sales. About 14% of businesses anticipated closing permanently. A relatively higher number of Black-owned businesses need to hire new employees and provide professional development for employees. Black businesses have definitely reported more vulnerability and have been the group to be the highest to report (one in five businesses) a likely permanent close.

In terms of what would be of most help to businesses, the top 3 items identified were access to grants and 0% loans, cleaner neighborhood streets, and greater marketing and messaging to encourage residents to support local small businesses. More than 75% of businesses in Embarcadero, Chinatown, Excelsior-Crocker Amazon identified a need for grants and 0% loans. More than half of businesses in South of Market, Polk/Russian Hill, Inner Mission/Bernal Heights, Marina and Visitacion Valley/Sunnydale identified a need for cleaner streets. One in three businesses in Embarcadero, Fisherman's Wharf, Potrero Hill, Haight-Ashbury, Inner Richmond, Bayview, West Portal, Glen Park agreed that city could encourage neighbors to support their local businesses. South of Market, Union Square/Financial district, Fisherman's wharf, Japantown businesses need help with lease negotiations, Visitacion Valley/Sunnydale businesses need free or low-cost accounting and financial help as well as education to help keep workplace safe. Union square/Financial district businesses need free/low cost legal help with HR issues.

Other specific suggestions from the respondents were:

1. Bring back tourists/visitors and customers
2. Keep the city clean and safe
3. Provide public health insurance to small business employees
4. Create stronger and more visible law enforcement to avoid break-ins and theft

5. Loan and assistance metrics should not only be based on revenue but also on experience and merit
6. Eliminate permit fees and give property tax relief for those hurting
7. Issue forgiveness grants and negotiate pandemic discounts with utility companies
8. Simplify grants and loans application process and provide a centralized, common application portal, provide assistance with the application process
9. Department of public health should collaborate with various sectors and subsectors (such as arts, entertainment, personal services) on public health guidelines, best practices, and policy
10. City organizations should promptly respond to rent relief requests.
11. Rent moratoriums are not helpful, instead provide rent forgiveness. Provide legal help with lease negotiations
12. Allow business owners to buy neighborhood parking permits
13. More education and accountability of public behavior
14. Provide COVID-19 information and resources in other languages such as Chinese, Spanish and Vietnamese. Provide information in one place that are currently spread over various websites, social media, etc.
15. Assist the unhoused community and provide humane conditions for them
16. Be consistent and proactive in enforcing rules and regulations, not reactive

Our key policy recommendations are:

1. Bring Back Demand, Opening Businesses is Not Enough
 - a. Promote buying local to support businesses
 - b. Clean up streets, lower vandalism and crime
 - c. Make city attractive to tourists
2. Pay Attention to Neighborhood Needs
 - a. Provide services as identified by businesses in each neighborhood
3. Uniformly Enforce Public Health Guidelines
 - a. Equally for businesses and customers
 - b. In collaboration with various industry groups
4. Inform, Educate, and Assist About Local Programs
 - a. In a transparent and collaborative way to reach a diverse group of businesses
 - b. Pay attention to language and age-based needs
5. Pay Attention to Vulnerable, Less Resilient Businesses
 - a. Provide BIPOC businesses help to access grants, loans, marketing, legal and accounting services
 - b. Assist and outreach with Neighborhood associations as neighborhoods are important markers for racial and ethnic disparities

Introduction

COVID-19 has been devastating for small businesses, particularly for those in dense urban cities like San Francisco. Having one of the highest costs of living in the U.S., San Francisco has witnessed an exodus of residents and big businesses (mostly tech companies). Consequently, the small businesses that support this population have experienced a drop in clientele. Apart from social distancing rules and pandemic-related closures, there have been demand-driven reasons for the largely negative impacts on small businesses.

This report investigates the nature of the impact that COVID-related closures have had on small businesses in San Francisco. A survey was administered to gather data on the impact and the kinds of assistance that would be necessary to help revive and revitalize small businesses in the city.

Recent studies such as Fairlie (2020), using nationally representative data from the April 2020 Current Population Survey, found a 22 percent drop in the number of business owners between February and April 2020, with minority businesses hit particularly hard. African-American businesses experienced a 41 percent drop, Latinx businesses dropped by 32 percent, and Asian business owners dropped by 26 percent. Immigrant business owners experienced substantial losses of 36 percent. Female-owned businesses were also disproportionately hit by 25 percent. A McKinsey study projected that if there were no interventions, 25-36% of all small businesses could permanently close due to COVID-related disruptions. The Federal Reserve Bank reported that businesses financially at-risk before the crisis were most likely to close. The least resilient and financially unhealthy sectors included 1.7 million small businesses employing 20 million workers and earning 12 percent of U.S. business revenue. According to a Facebook and Small Business roundtable report based on 86000 surveys, cash flow and lack of demand were flagged as the two main challenges for small businesses. Digitizing operations and paying rents were the most significant barriers to staying afloat. The consensus was that the pandemic impact was not even across the business world.

A study from LendingTree in May 2020 found that San Francisco small business owners had the 5th grimmest outlook of all major U.S. cities. About 67.5 percent felt that recovery would not happen until the end of 2020, and another 14.6 percent believed they would never recover. A study from Yelp found that the San Francisco metro area saw 369 restaurants permanently close between March 1 and July 10 of 2020 and a staggering 2065 total permanent business closures, including all industries. Businesses needed to innovate and pivot to online delivery, different kinds of packaging, sidewalk delivery, etc. A COVID survey conducted by Start Small Think Big in the summer of 2020 found that of 486 small businesses sampled in San Francisco, only two-thirds of businesses were operating while the rest were under temporary closures. Personal services and childcare had been hit particularly hard. Although many reported

operating or with temporary closures, they had seen significant declines in sales and reported inability to survive much longer. The business' struggles had grave consequences on the owner's household financial well-being. 70% of households had seen significant decreases in household income. The worst hit were 68% of Black-owned businesses and 77% of Latinx-owned businesses who reported significant declines in household savings.

Since January 2020, earnings among low-income workers in San Francisco County had fallen 52.1%, among the highest in the state. An article by Opportunity Insights showed opening up businesses may not revive employment and demand for the small businesses. High-income individuals had reduced spending sharply in mid-March 2020. State-ordered re-openings of economies had little impact on local employment. Stimulus payments to low-income households increased consumer spending sharply but had modest impacts on employment in the short run, perhaps because very little of the increased spending flowed to businesses most affected by the COVID-19 shock. Paycheck Protection Program (PPP) loans also had little impact on employment at small businesses. Hence, traditional macroeconomic tools – stimulating aggregate demand or providing liquidity to businesses – had a diminished capacity to restore employment when consumer spending was constrained by health concerns. By August 08, 2020, 205,000 individuals (27% of the adult population) had filed for unemployment in San Francisco (OEWD Economics Indicators Summary August 24, 2020), and the employment rate in San Francisco decreased by 26.5%. Comparatively, for California as a whole, the employment rate decreased by 10.6%.

The effect of the pandemic would thus be directly proportional to its length. Businesses most vulnerable to permanent closure are those that are less resilient, financially unhealthy, minority-owned, owned by those with a high school degree or less, or those employing less than 20 employees. Forty percent of small businesses with fewer than 20 employees are vulnerable to closing permanently compared with less than 5 percent for firms with 100 to 499 employees. Further, loans such as PPP have not reached small businesses adequately. Broad suggestions have been to proactively engage with less resilient clients; consider relaxed payment schedules and credit availability; work with private financial institutions to improve access to credit or develop additional emergency grants, loans or incentives; and promote structural reforms that encourage financial institutions to provide longer-term access to capital and create incentives for small businesses to upgrade their facilities, digitize and invest in worker training.

While census surveys and nationally representative studies have provided the big picture, most of the knowledge generated using nationally representative data did not allow us to adequately capture ground-level realities for small businesses in the city of San Francisco. Some ad-hoc local surveys conducted throughout the period of closures were administered to specific

interest/industry groups and were thus limited in scope. Even before the pandemic, small businesses in the city were facing challenges that got amplified during shelter-in-place. It had become necessary to understand the various issues facing these businesses, specifically in the local context, so that through the forced changes experienced during the COVID-19 crisis, a more innovative and vibrant small business sector can emerge.

Thus, to take a more detailed look at the state of small businesses across all the major industry groups in San Francisco, particularly to inform relevant and timely policies, we started this collaborative project. We have paid special attention to equity and social justice issues with the hope of revealing and addressing structural and spatial/neighborhood inequities in the small business sector. This project is also critical from a civic standpoint. Our city of San Francisco is about to witness a significant change from the impact of the pandemic on small businesses, particularly restaurants, personal services, gyms, salons, and florists, which might change the nature of our city for a long time to come. This research has the potential to influence thoughtful interventions, implement policy changes, and provide critically necessary assistance to support and preserve our communities through this unprecedented and prolonged crisis.

Methodology

Our first step was to create a survey instrument that could add to the data that the Census COVID Pulse Survey and surveys by the Federal Reserve Bank, Yelp, and Lending Tree had collected, as well as validate the various local survey results and anecdotal stories emerging from the small-business community since the beginning of the pandemic. We worked with the San Francisco Office of Economic Workforce and Development, District 9 Supervisor Hilary Ronen's office, Small Business Commissioners, and other business stakeholders to develop a survey instrument that would adequately capture local struggles, barriers, and opportunities. The survey was translated into eight other languages to give voice to diverse and immigrant business owners as well as capture data from small business owners who may not be comfortable communicating in English.

We used a modified version of the COVID-Pulse Survey, adding several questions of local interest. The survey (Exhibit A) was administered online using Qualtrics software from January 14, 2021- February 28, 2021, in the nine most commonly spoken languages in San Francisco. Businesses were contacted through the Merchant associations, Chambers of Commerce, Supervisors' offices, Office of Economic and Workforce Development, and SF Small Business Commission notifications. Social media such as LinkedIn, Facebook, and email were used to administer the survey.

The total number of responses received was 579. There were 547 English surveys completed, 27 in Spanish, 3 in Chinese, 2 each in Korean and Vietnamese, and 1 in Japanese. Four hundred seventy-two surveys (83%) had all the questions completed, and about 57 (10%) completed only 27% of the survey. The rest had responded to anywhere between 47 and 64% of the survey.

About a third of businesses that responded to this survey (32.12%) were in the Accommodation and Food Services, and a quarter of the businesses were classified as other services which include gyms, salons, and personal services (Table 1). The majority of the owners (60%) live in San Francisco. About 15% of the owners are 65 years and older in age. 46% of businesses are female owned and 32% reported the primary language spoken by the owner as one other than English. Female businesses are over represented in this sample. 41% of businesses are owned by Whites and about 6% of businesses have owners of mixed races. (Table 2).

Table 1: Industries Represented in the Survey Sample		
	Frequency	Percent
Accommodation and Food Services	186	32.12
<i>Restaurants and Other Eating Places</i>	135	23.31
<i>Drinking Places (Alcoholic Beverages)</i>	32	5.53
<i>Special Food Services</i>	15	2.59
<i>Traveler Accommodation</i>	3	0.52
Other Services (except Public Administration)	147	25.39
<i>Beauty Salons and Barbershops</i>	48	8.29
<i>Other Miscellaneous</i>	27	4.66
<i>Fitness</i>	25	4.32
<i>Nail Salon</i>	14	2.42
<i>Spa and massage</i>	7	1.21
<i>Makeup and wax</i>	5	0.86
<i>Tattoo and piercing</i>	4	0.69
<i>Repair and Maintenance</i>	4	0.69
<i>Retail Trade</i>	79	13.64
<i>Clothing and Jewelry</i>	20	3.45
<i>Other Miscellaneous</i>	18	3.11
<i>Food, Alcohol, and Drug Stores</i>	14	2.42
<i>Office Supplies</i>	8	1.38
<i>Furniture, Home Appliance, and Hardware</i>	7	1.21
<i>Sporting Goods</i>	5	0.86
Health Care and Social Assistance	32	5.53
<i>Health Care Services</i>	22	3.8
<i>Child Care Services</i>	10	1.73
Arts, Entertainment, and Recreation	28	4.84
<i>Entertainment and Sporting Events</i>	12	2.07
<i>Museums, Amusement Parks, and Recreation</i>	16	2.81
Professional, Scientific, and Technical Services	28	4.84
Administrative and Support and Waste Management	14	2.42
Real Estate Rental and Leasing	10	1.73
Manufacturing	10	1.73
Transportation and Warehousing	7	1.21
Construction	5	0.86
Information	2	0.35
Finance and Insurance	1	0.17
Public Administration	1	0.17
Agriculture, Forestry, Fishing and Hunting	1	0.17
No Reply	13	2.25
Total	579	100

Table 2: Owner Demographics		
	Frequency	Percent
What is the primary language spoken by the owner of this business?		
Arabic	1	0.17
Chinese	18	3.11
English	396	68.39
Japanese	2	0.35
Korean	4	0.69
No Reply	124	21.42
Other	2	0.35
Spanish	27	4.66
Vietnamese	5	0.86
Does owner live in SF?		
Yes	349	60.28
No	111	19.17
No Reply	119	20.55
Age of the owner		
18-35 years	53	9.15
36-50 years	199	34.37
51-64 years	157	27.12
65 years+	63	10.88
No Reply	107	18.48
Gender		
Male	226	39.03
Female	268	46.29
Transfemale	0	0
Transmale	0	0
Not Listed	7	1.21
Gender Queer/Gender Nonbinary	5	0.86
Race/Ethnicity		
Asian	102	17.62
Black	13	2.25
Latinx	54	9.33
Multiple Owner/Multiple races	10	1.73
Mixed Race	25	4.32
Native American	1	0.17
Refused to provide	7	1.21
SF Native	5	0.86
White	240	41.45
No Reply	122	21.07

Table 3: Description of Business Operations		
	Frequency	Percent
Where is this business located?		
Single location in SF	427	73.75
Multiple locations only in SF	65	11.23
Multiple locations, in and outside SF	30	5.18
Run from my home	43	7.43
No physical location	12	2.07
No Reply	2	0.35
How long has this business been in operation?		
0-1 year	20	3.45
1-3 years	75	12.95
4-6 years	87	15.03
7-10 years	87	15.03
10+ years	228	39.38
35+ years	82	14.16
What kind of customers do you serve?		
Clients are SF Residents	489	85.46
Clients are neighborhood residents	399	68.91
Clients are Tourists	255	44.04
Clients are office workers	252	43.52
Pre-pandemic, total monthly operating revenues/sales/receipts?		
\$0 - \$50,000	239	41.28
\$50,001 - \$100,000	115	19.86
\$100,001 - \$500,000	135	23.32
\$500,001 - \$1,000,000	30	5.18
\$1,000,001 - \$2,000,000	18	3.11
\$2,000,001 - \$5,000,000	14	2.42
More than \$5,000,000	10	1.73
Don't know	14	2.42
No Reply	4	0.69
Pre-pandemic, how many paid employees did this business have?		
Sole proprietor	118	20.38
0-5	170	29.36
6-10	99	17.1
11-25	111	19.17
26-50	36	6.22
51-100	31	5.35
100+	12	2.07
No Reply	2	0.35
Do you need a regulatory license?		
Yes	330	56.99
No	243	41.97
No Reply	6	1.04

90% of respondents have a physical location in San Francisco. Almost three-quarters of businesses have a single location in San Francisco. 50% of the businesses have been around for less than ten years. About 41% of businesses reported annual income of less than half a million dollars, and another 43% reported annual income of between 0.5-5 million dollars. Roughly 20% of businesses are sole proprietors with about 30% of businesses having less than five employees. Only about 2% have more than 100 employees, about 77% of businesses have less than 100 employees, and 65% have 1-25 employees.

About 57% of businesses require additional regulatory licenses. 85% of businesses reported that their clients are San Francisco residents and 69% reported their clients to be in the same neighborhood as their business. A little more than 40% reported their clients to be office workers or tourists (Table 3).

How representative is this sample?

The United States Small Business Administration (SBA) uses two operational definitions to define small businesses: (1) the business must be independently owned and must not be dominant in its field, or (2) size is determined by annual receipts and number of employees. The size standard varies by industry. The two most common criteria are 500 employees for most mining and manufacturing businesses and 5 million dollars in receipts for most service and retail industries. In San Francisco, small businesses are defined as those that employ 100 or fewer employees.

As per 2019 data reported by EDD of California, there were 93,899 small businesses in San Francisco, of which 44,172 (44%) are sole proprietors and the rest(53,459) have one or more employees (53%). 41,187 (41%) had ten or fewer employees. Only 3.7% have more than 100 employees (Table 4).

Table 4: Number of Small Businesses Reported by CA EDD						
	% Change			% Change		
	2019	% of Total	from 2018	2018*	% of Total	from 2017
Total active business registrations	100,197	100.00%	-4%	104,502	100.00%	-24%
Exempt	2,566	2.56%	9%	2,345	2.24%	-27%
Total non-exempt	97,631	97.44%	-4%	102,157	97.76%	-24%
Total small businesses**	93,899	93.71%	-6%	99,434	95.15%	-24%
Sole proprietors	44,172	44.10%	-7%	47,694	45.64%	-35%
Total businesses with 1 or more employees	53,459	53.35%	-2%	54,463	52.10%	-10%
Businesses with more than 100 employees	33,732	3.70%	37%	2,723	2.60%	-10%
Businesses with 100 or fewer employees	49,727	49.60%	-4%	51,740	49.50%	-10%
Businesses with 10 or fewer employees	41,187	41.10%	-5%	43,570	41.70%	-10%
% of all businesses with 100 or fewer employees		93%			95%	
% of all businesses with 10 or fewer employees		77%			80%	
% of small businesses with 100 or fewer employees		83%			84%	
Persons employed by small businesses***	TBD		TBD	359,337		1%
*2018: Sole proprietor registration dropped - TNC and taxi drivers no longer required to register						
**Businesses with 100 or fewer employees + sole proprietors						
***CA EDD Data						

In our sample of 579 respondents, 2% of businesses have more than 100 employees, and about 77% of businesses have less than 100 employees. There is very little information on the demographic characteristics of business owners or operational features of these businesses. Using a zip code analysis, we found that our respondents represent businesses from all the zip codes (and neighborhoods) that have a concentration of businesses in San Francisco (Table 5).

Chart 1: Zip Codes (and Neighborhoods) Represented in Sample

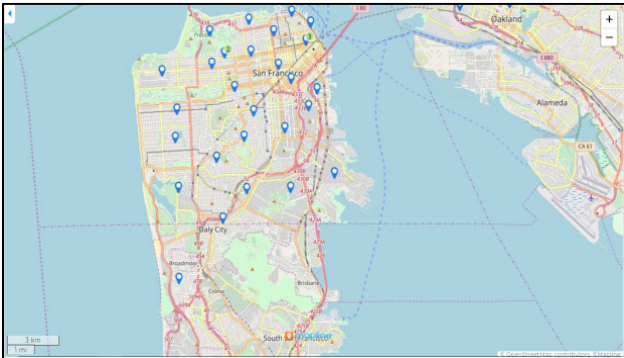


Table 5: Number of Businesses in Each Zip Code			
Zip Code	Frequency	Percent	Cum. %
94102	37	5.52	5.52
94103	47	7.01	12.54
94104	12	1.79	14.33
94105	20	2.99	17.31
94107	25	3.73	21.04
94108	19	2.84	23.88
94109	42	6.27	30.15
94110	107	15.97	46.12
94111	18	2.69	48.81
94112	20	2.99	51.79
94113	1	0.15	51.94
94114	35	5.22	57.16
94115	29	4.33	61.49
94116	7	1.04	62.54
94117	38	5.67	68.21
94118	51	7.61	75.82
94119	1	0.15	75.97
94121	31	4.63	80.6
94122	26	3.88	84.48
94123	17	2.54	87.01
94124	19	2.84	89.85
94127	11	1.64	91.49
94129	1	0.15	91.64
94130	1	0.15	91.79
94131	11	1.64	93.43
94132	4	0.6	94.03
94133	31	4.63	98.66
94134	7	1.04	99.7
94158	1	0.15	99.85
94159	1	0.15	100

Further, our sample represents all the major NAICS codes (industry sectors-Table 1). Although the sample is small, select, and poses a selection bias, the major findings of our study are consistent with national studies on small businesses. Survey results reveal important and valuable details about San Francisco small businesses that are otherwise not available from large-scale national studies. While the timing of the survey was not ideal as we missed data collection from businesses that shut down in 2020, the survey nevertheless provides baseline data for existing businesses just before strict restrictions were removed and businesses were allowed to open up. Finally, the qualitative section of the survey gives voice to small business owners in the city and reveals information that is invaluable in the feedback mechanism that is so critical in relevant policy-making. The suggestions made by small business owners in our survey will help inform policymakers in implementing programs crucial to the success of small businesses in San Francisco during the recovery and into the future.

Survey Findings

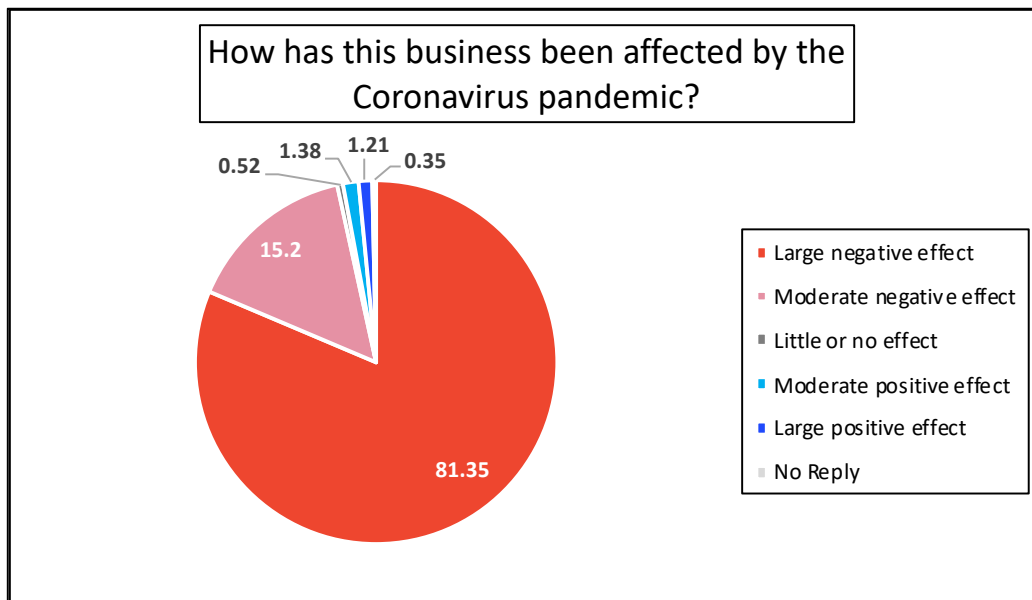
The survey findings have been organized under broad sections that address the following questions:

- How severe was the overall effect of the pandemic on small businesses?
- What specific actions did small businesses take in response to the pandemic (closures, layoffs, etc.)?
- What related factors contributed to a reduction in business and sales?
- What assistance did small businesses utilize from governmental and other sources?
- Did small businesses feel this support was adequate?
- What further support and assistance do small businesses feel is necessary to get them back on their feet?

Overall Impact of COVID-19 Pandemic on Businesses

We seek to first gauge the overall severity of the impact of the pandemic on business and then explore the specific ways in which they were affected. Not surprisingly, businesses experienced a large negative effect as a result of the pandemic. Businesses were asked to choose on a Likert Scale (1-5) whether the effect was a large negative effect (1) to a large positive effect (5). Over 81% of businesses indicated they experienced a large negative effect.

Figure 2: Overall Impact of Pandemic on Businesses



In tables 6-8 below, the mean impact of COVID-19 on businesses is provided by various features of small businesses. Since a large proportion of businesses experienced a large negative effect and chose 1, the mean impact is in the 1-2 range for all businesses, but the severity of impact is given by how close the mean is to 1. The closer the number is to 1, the worse the effect is.

Overall the mean impact is the worst for businesses in the arts and entertainment, accommodation and food services, and other “personal” services. Businesses that relied on tourists and office workers have seen large negative effects as have businesses that had multiple locations in San Francisco. Businesses that have been in existence for 4-6 years have monthly revenues of \$50,000-\$100,000 (annual revenue of about \$0.5-1 million), lease their business locations, or have owners that are over 50 years old or are mixed-race, have also seen large negative effects.

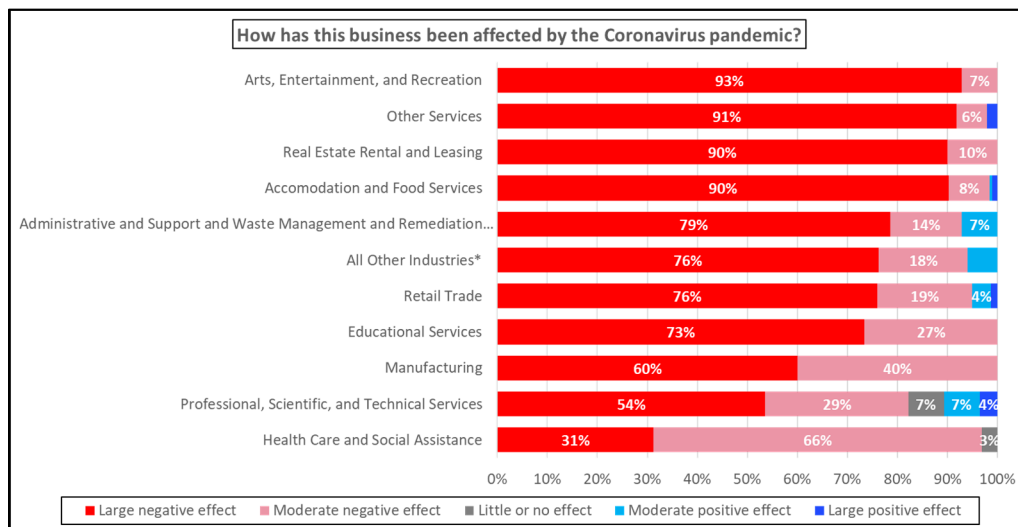
Table 6: Mean Impact of COVID-19 by Industry					
Industry	N	Mean	Std Dev	min	max
Agri., Forestry, Fishing, Hunting	1	2		2	2
Construction	5	1.2	0.45	1	2
Manufacturing	10	1.4	0.52	1	2
Retail Trade	79	1.35	0.78	1	5
Transportation and Warehousing	7	1.42	1.13	1	4
Information	2	1	0	1	1
Finance & Insurance	1	2	0	2	2
Professional/Scientific/Technical Serv.	28	1.78	1.1	1	5
Admin., Support, Waste Management, Remed.	14	1.35	0.84	1	4
Educational Services	15	1.27	0.46	1	2
Health Care and Social Assistance	32	1.72	0.52	1	3
Arts, Entertainment, and Recreation	28	1.07	0.26	1	2
Accommodation & Food Services	185	1.14	0.53	1	5
Other Services	146	1.14	0.61	1	5
Public Administration	1	1	0	1	1

Table 7: Mean Impact of COVID-19 by Operation Type					
Type of Business	N	Mean	Std Dev	min	max
Requires Regulatory License	328	1.24	0.66	1	5
No regulatory license	243	1.28	0.65	1	5
Clients are SF resident	488	1.22	0.63	1	5
Clients are neighborhood res	397	1.24	0.67	1	5
Clients are tourists	254	1.11	0.412	1	4
Clients are office workers	251	1.15	0.5	1	5
Single Location in SF	425	1.25	0.68	1	5
Multiple location in SF	65	1.12	0.45	1	4
Multiple location in and out of SF	30	1.3	0.65	1	4
Home based	43	1.42	0.69	1	4
No physical location	12	1.17	0.38	1	2
Operating 0-1 years	20	1.4	0.94	1	5
Operating-1-3 yrs	75	1.49	0.99	1	5
Operating 4-6 yrs	86	1.16	0.43	1	3
Operating 7-10 yrs	87	1.21	0.62	1	5
Operating 10+ yrs	228	1.21	0.58	1	5
Operating 35+ years	81	1.24	0.58	1	4
Monthly revenue 0-50K	239	1.25	0.71	1	5
Monthly revenue 50-100K	115	1.14	0.36	1	2
Monthly revenue 100-500K	134	1.28	0.63	1	5
Monthly revenue 500K-1m	30	1.2	0.61	1	4
Monthly revenue 1-2mn	18	1.11	0.32	1	2
Monthly revenue 2-5mn	13	1.15	0.37	1	2
Monthly revenue >5mn	10	1.7	1.25	1	4
Own business location	62	1.47	0.78	1	5
Lease business location	448	1.22	0.64	1	5

Table 8: Mean Impact of COVID-19 by Owner Demographics					
Business Owner Demographics	N	Mean	Std Dev	min	max
Owner speaks English	394	1.25	0.66	1	5
Owner speaks Spanish	27	1.25	0.45	1	2
Owner speaks Arabic	1	1	0	1	1
Owner speaks Chinese	18	1.22	0.55	1	3
Owner speaks Japanese	2	1.5	0.71	1	2
Owner speaks Korean	4	1	0	1	1
Owner speaks Vietnamese	5	1.8	1.78	1	5
Owner lives in SF	237	1.27	0.65	1	5
Owner lives outside SF	220	1.27	0.71	1	5
Owner is 18-35 years	53	1.35	0.79	1	5
Owner is 36-50 years	197	1.3	0.75	1	5
Owner is 51-64 years	157	1.18	0.55	1	5
Owner is 65+ years	63	1.2	0.45	1	3
Owner is Male	225	1.23	0.55	1	4
Owner is Female	267	1.29	0.76	1	5
Owner is non-binary	5	1.8	1.3	1	4
Owner is White	239	1.23	0.61	1	5
owner is Asian	101	1.36	0.88	1	5
Owner is Black	13	1.23	0.44	1	2
Owner is Latinx	54	1.27	0.57	1	4
Owner is Mixed race	25	1.12	0.33	1	2

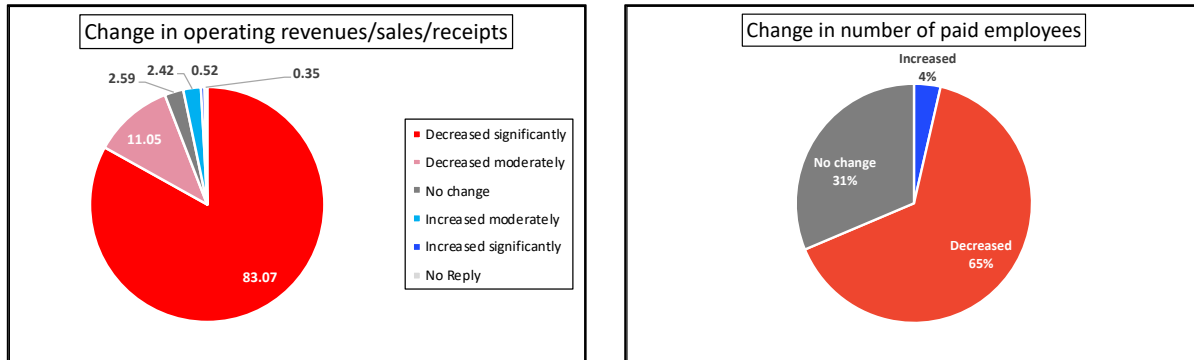
Disaggregating by industry types, the arts, entertainment, and recreation as well as the other personal services sectors have been affected the worst, closely followed by the real-estate and accommodation-and-food-service sectors. On the other hand, a small number of businesses in retail, professional/technical services, food services, and other personal services experienced a large positive effect.

Chart 3: Overall Impact of COVID-19 on Businesses by Industry Type



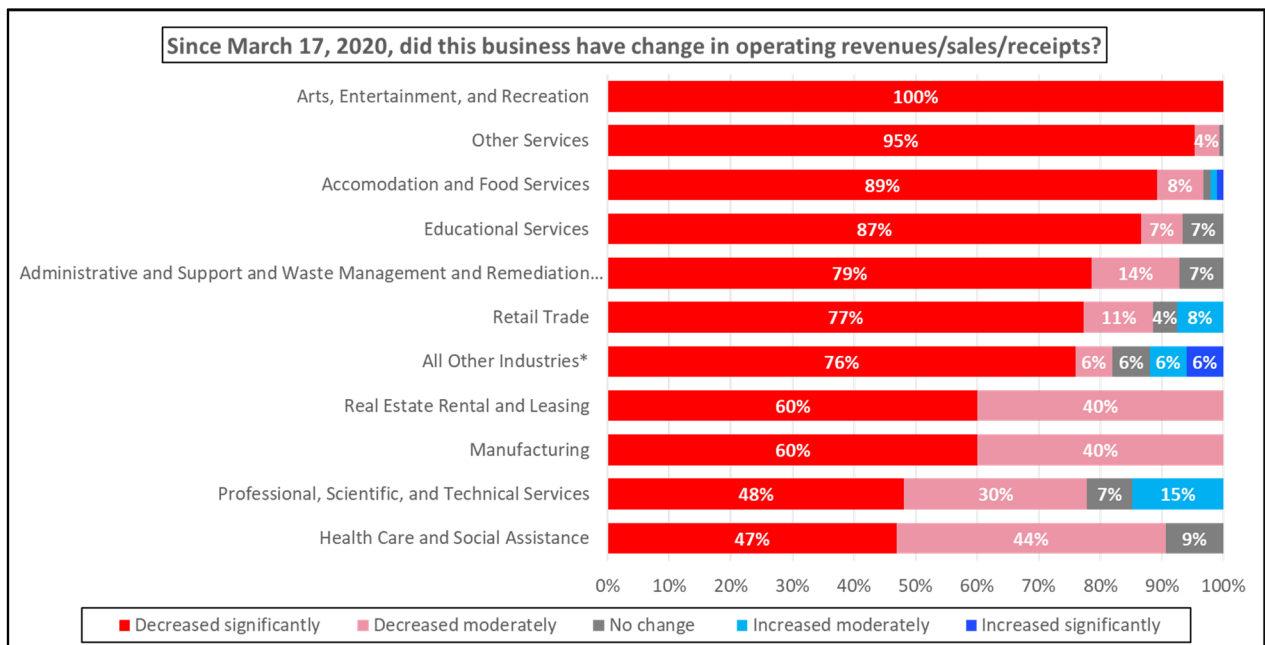
When businesses were asked to explain specifically how the pandemic affected them, over 83% said they experienced a significant decline in revenue/sales/receipts since the March 17th, 2020 shelter-in-place went into effect, while 65% of businesses said they experienced a decrease in paid employees.

Chart 4: Change in Operating Revenue/Sales/Receipts and Number of Paid Employees



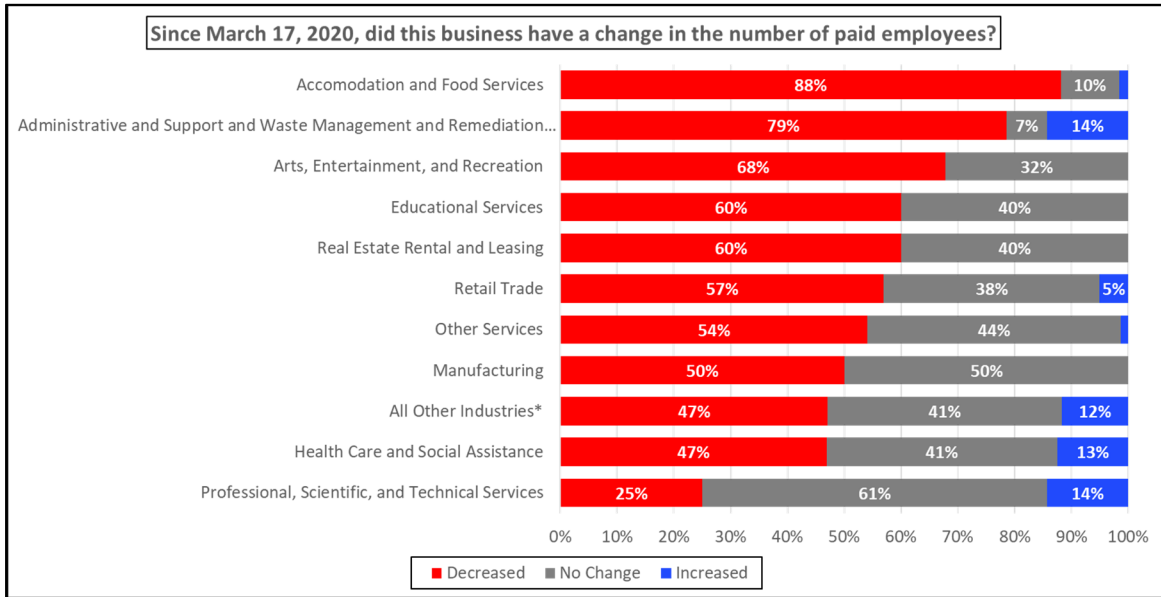
Disaggregating by businesses, arts, entertainment, and recreation reported a significant drop in revenue/sales/receipts closely followed by other personal services. Food services and educational services also experienced a large decrease in sales and receipts.

Chart 5: Change in Operating Revenue/Sales/Receipts by Industry Type



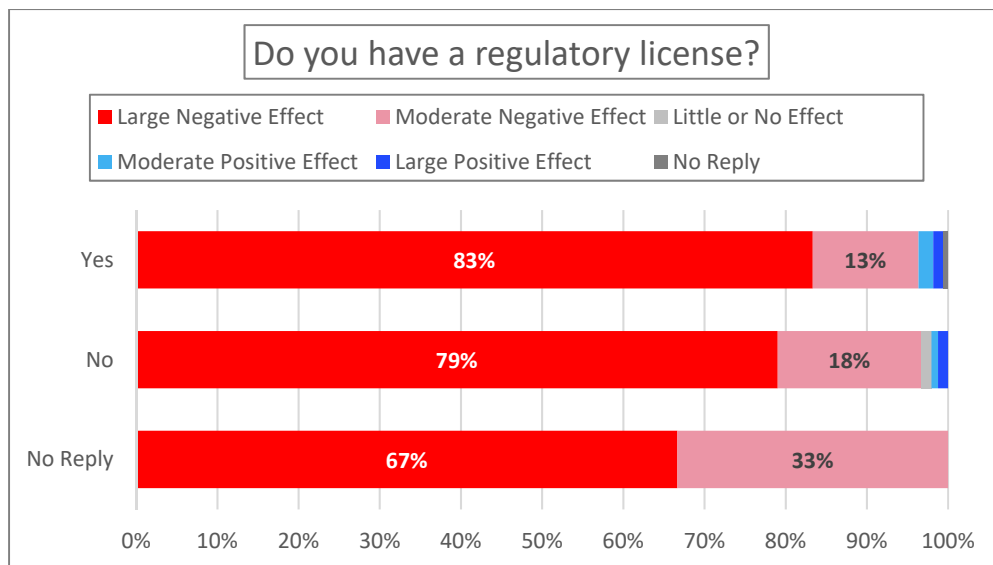
In terms of paid employees, the sector that reported the highest decrease was accommodation and food services. Professional, scientific, and technical services have seen the smallest drop.

Chart 6: Change in Number of Paid Employees by Industry Type



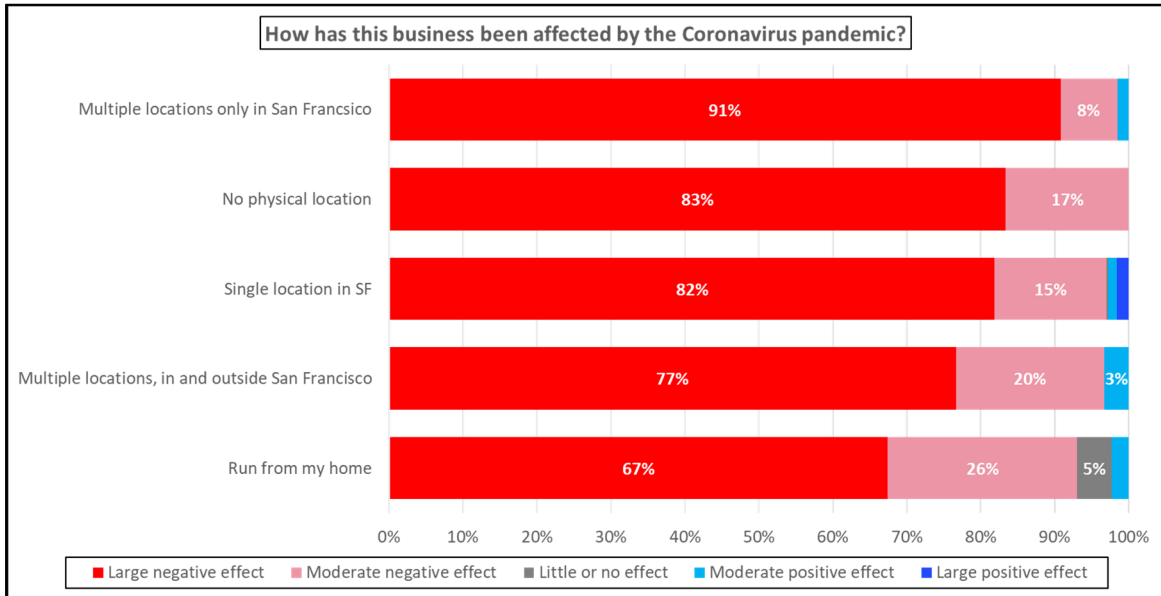
Having regulatory licenses put businesses at a disadvantage, and this was evident from the fact that a greater proportion of businesses with regulatory licenses reported large negative effects.

Chart 7: Overall Impact by Regulatory License



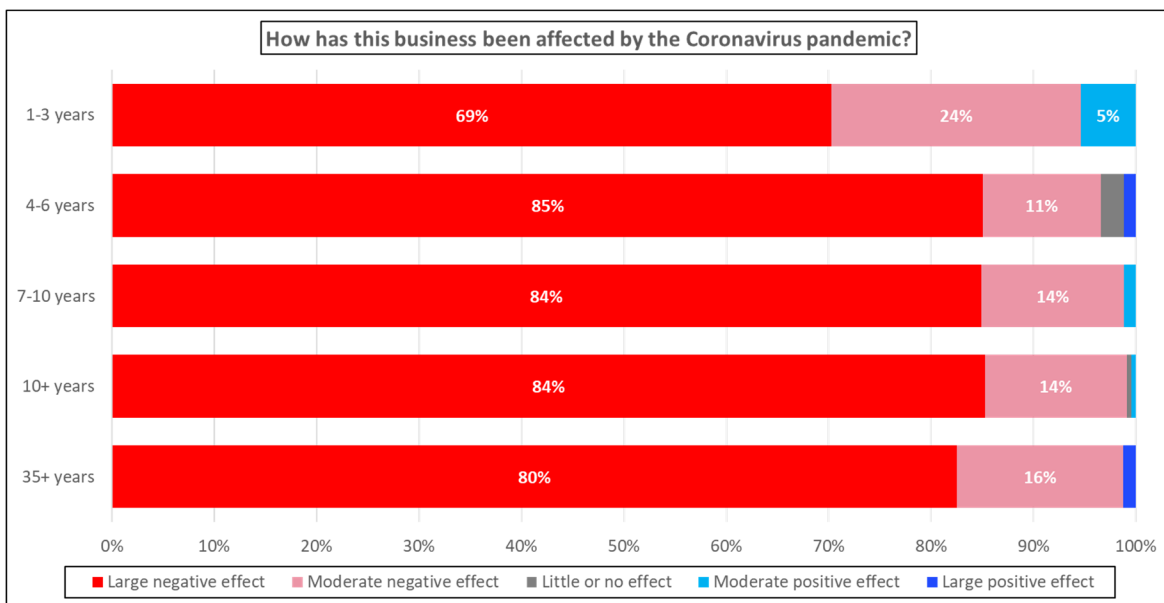
Even though all businesses have been negatively impacted, those that have multiple locations in San Francisco have been hit the worst. Businesses run from home have reported fewer large negative effects.

Chart 8: Overall Impact of COVID-19 by Business Location



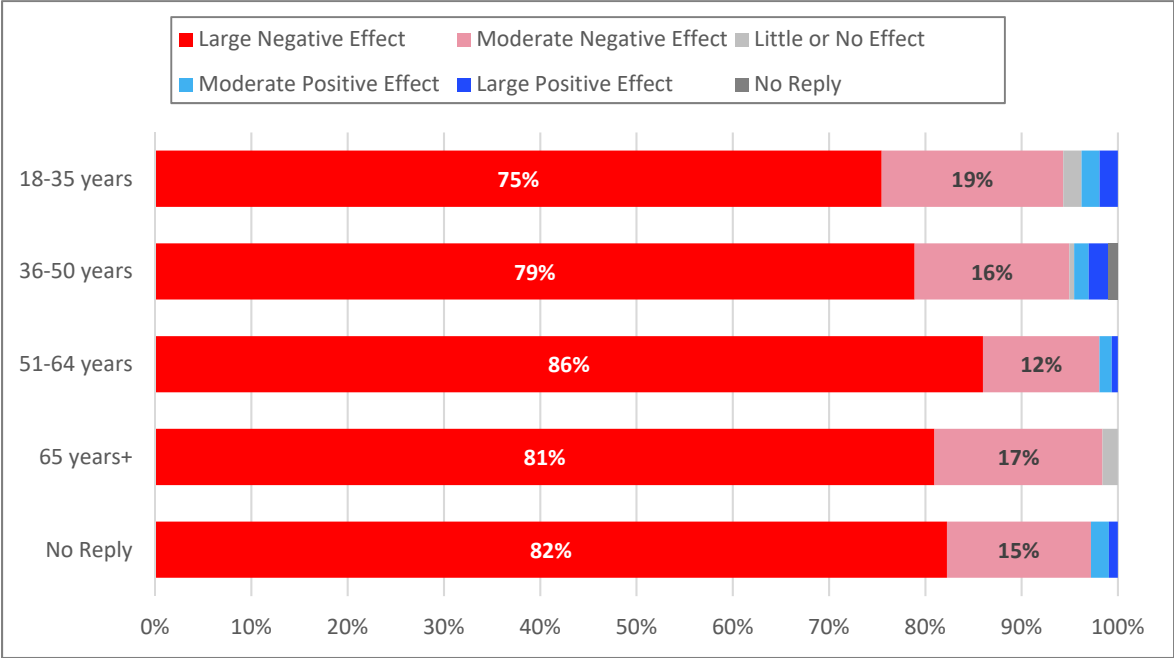
Examining the impacts based on how long the business has been in existence, we found that over 80% of businesses that have been around for four or more years reported large negative effects.

Chart 9: Overall Impact of COVID-19 by Years in Operation



Business owners who are older than 50 years of age reported large negative effects of COVID-19 closures on their business. One could conjecture that this was due to age-related restrictions that COVID-19 imposed on the population.

Chart 10: Overall Impact of COVID-19 by Age of Business Owner



Specific Ways Small Businesses were Forced to respond to the Pandemic

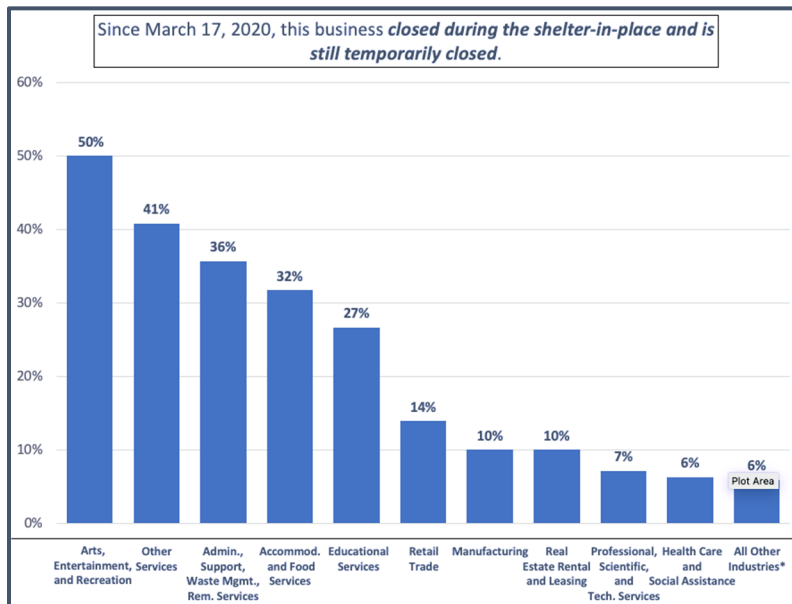
In this section, we explore how small businesses responded to the pandemic in terms of: closing or staying open, moving online, reducing hours of operation, laying off employees, responding to government regulations and resources, cash flow, and business risks and challenges.

Since the March 17th, 2020 shelter-in-place orders were implemented, 27.98% of small businesses were still closed at the time of the survey. About 22% remained open during the shelter-in-place, and about 65% closed, opened, and closed again. Around 8% of businesses moved their operations online. 2% of businesses in this survey had permanently closed.

Since 3/17/20, did this business do any of the following?	Frequency	Percent
This business was deemed essential and stated open during SIP	129	22.28
This business was closed during shelter-in-place and reopened	244	42.14
This business reopened after the shelter in place and closed again	134	23.14
This business is still temporarily closed	162	27.98
This business has moved all operations online	49	8.46
This business has permanently closed	10	1.73

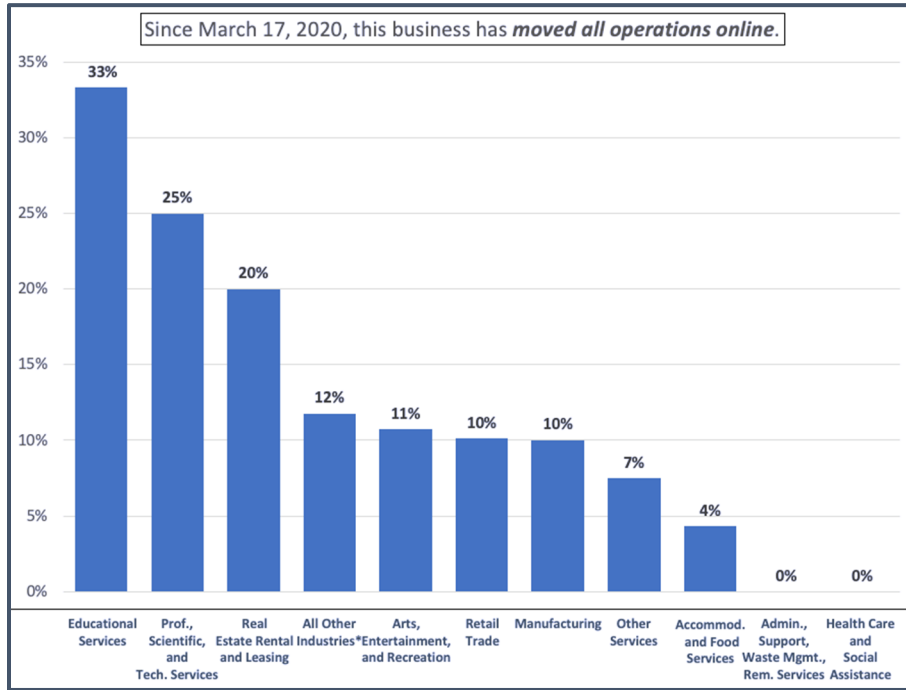
The sectors where a large proportion of businesses were still closed are arts, entertainment, and recreation (50%), other personal services (41%), Administrative support (36%), food services (32%), and educational services (27%).

Chart 11: Extent of Business Closures by Industry Type



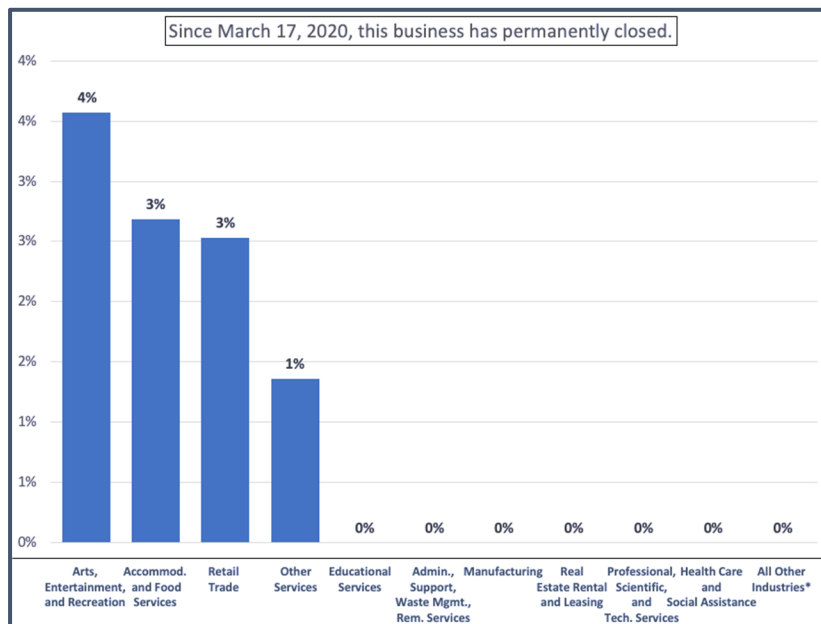
Businesses that moved online were in educational services (33%), professional and scientific services (25%), and real estate rental and leasing (20%).

Chart 12: Pivot to Online Operations by Industry Type



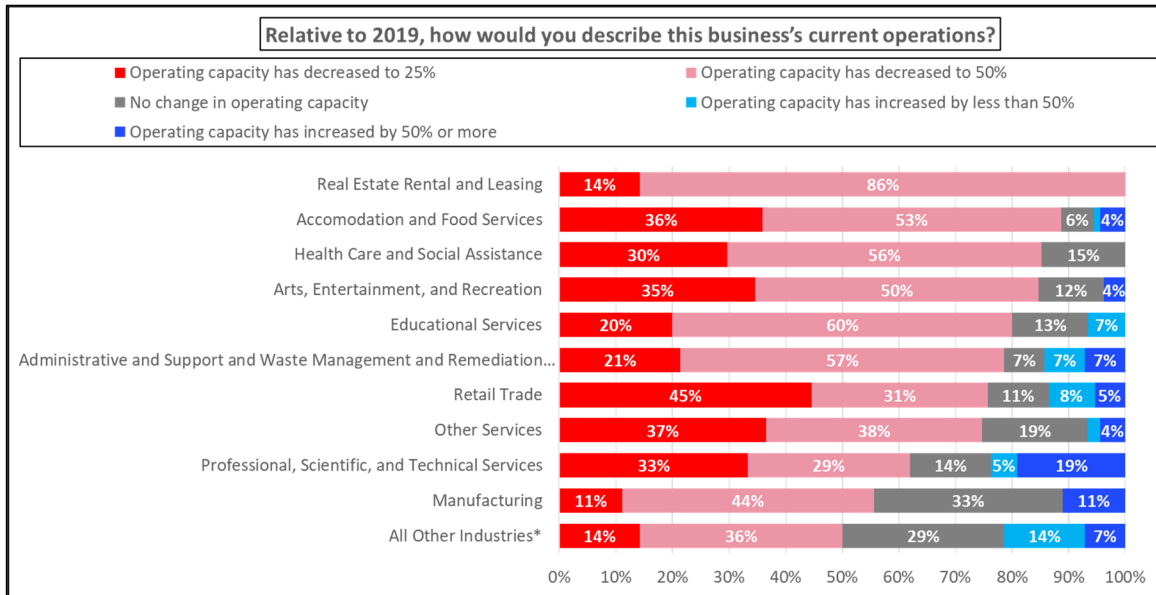
Businesses that permanently closed were in the arts and entertainment, accommodation and food services, retail, and other services.

Chart 13: Extent of Permanent Closure by Industry Type



As a result of COVID-related closures and regulations, businesses that were allowed to open have operated at less than 100% capacity. At the time of the survey, most businesses were operating at either 50% or 25% capacity. About 4-5% of establishments in food services, entertainment, retail, and other sectors were able to increase their operating capacity by 50%.

Chart 14: Operating Capacity by Industry Type

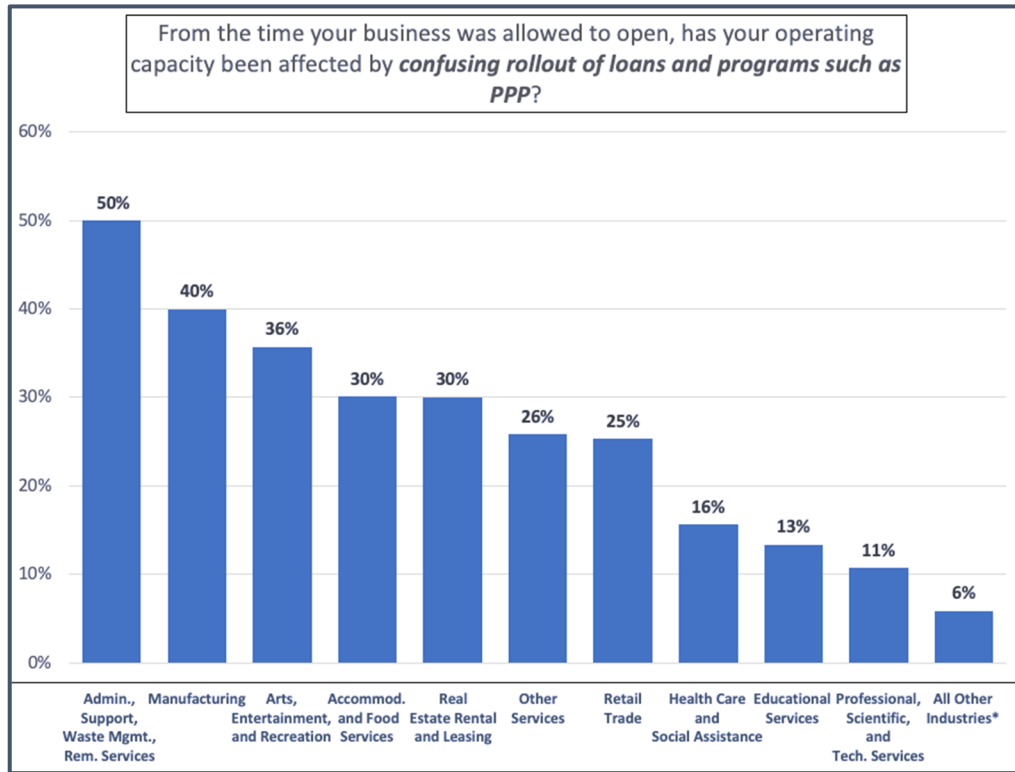


Operating capacity was mostly affected by physical distancing rules, inability to re-hire employees, and confusing rollout of loans and programs.

Table 10: Factors Affecting Operating Capacity		
When allowed to open, operating capacity affected by following?	Frequency	Percent
Ability to re-hire furloughed or laid off employees and/or hire new employees	131	22.63
Ability of employees to work from home	49	8.46
Physical distancing of employees	119	20.55
Physical distancing of customers or clients and/or limits	304	52.5
Availability of Personal Protective Equipment (PPE) and/or related	54	9.33
Implementation of Covid-19 regulations is too costly	73	12.61
Supply chain issues	60	10.36
Confusing rollout of loans and programs such as PPP	150	25.91
Need for additional licenses or permits	30	5.18
Staff not being able to commute in safely	90	15.54
Availability of employees to work due to caring for a child	38	6.56
None of the above	85	14.68

The sectors that were most affected by the confusing rollout of loans and programs have been administrative and support services (50%) and manufacturing (40%).

Chart 15: Operating Capacity Affected by Rollout of Loans and Programs by Industry Type

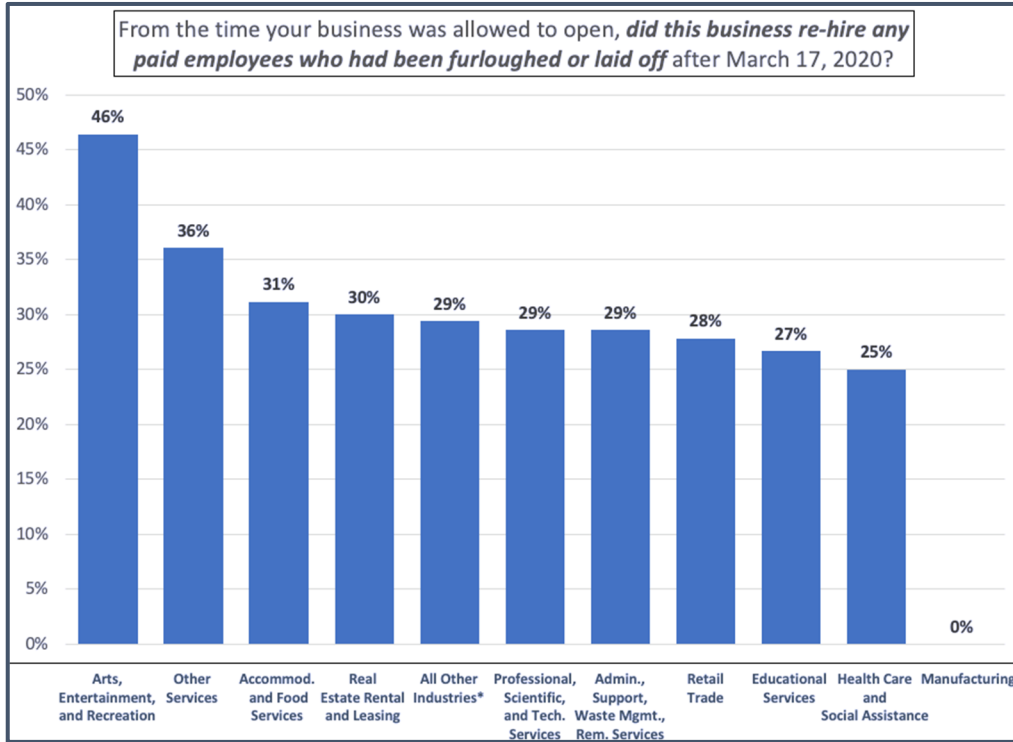


When businesses were allowed to open, 31% were not able to rehire paid employees.

Table 11: Rehiring Employees		
When allowed to open, rehire any paid employees?	Frequency	Percent
Yes	216	37.31
No	181	31.26
Did not furlough or lay off	114	19.69
No Reply	68	11.74
Total	579	100

We examined the types of businesses that could not rehire paid employees, to understand which businesses and why. Almost half of arts and entertainment were not able to rehire as well as almost a third of businesses in other personal services and accommodation and food services. More than a quarter of all businesses were unable to rehire their furloughed or laid-off employees.

Chart 16: Businesses that Did Not Re-hire Paid Employees by Industry Type



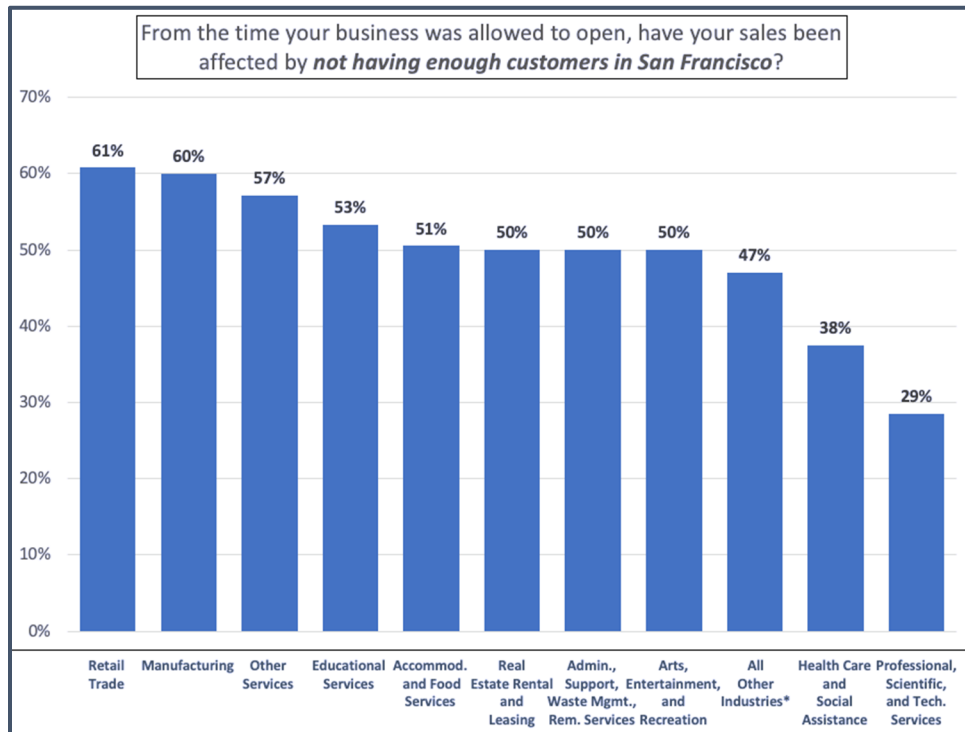
Not being able to re-hire employees was most certainly because businesses had suffered and revenue/sales had been negatively affected. The sectors that suffered a large loss of revenue and sales were the same sectors where businesses were unable to re-hire employees and had shut down. These sectors are arts, entertainment and recreation, accommodation and food services, and other personal services (such as gyms, salons, massage, etc.).

We asked businesses to identify the top three reasons that affected their sales and revenue. 40% of businesses cited legal and regulatory restrictions. Besides this reason, the other top reasons were “not enough customers in San Francisco” (51%), “confusing re-opening guidelines” (31%), “competition from online businesses” (22%), and “homeless encampments near businesses” (21%).

Table 12: Factors Affecting Sales		
When allowed to open, sales affected by following?	Frequency	Percent
Competition from similar businesses outside your county	65	11.23
Not enough customers in San Francisco	297	51.3
Legal and regulatory restrictions in San Francisco	232	40.07
Lack of cleanliness of outdoor public spaces used by the business	61	10.54
Confusing re-opening guidelines in San Francisco	180	31.09
Customers who refuse to follow county rules	48	8.29
Public Transit Changes	36	6.22
Homeless encampments near the business	119	20.55
Closed Streets	21	3.63
Delays in getting permits, licenses, and approvals	45	7.77
Competition from online businesses	125	21.59
Lack of parking and increased cost of parking	73	12.61

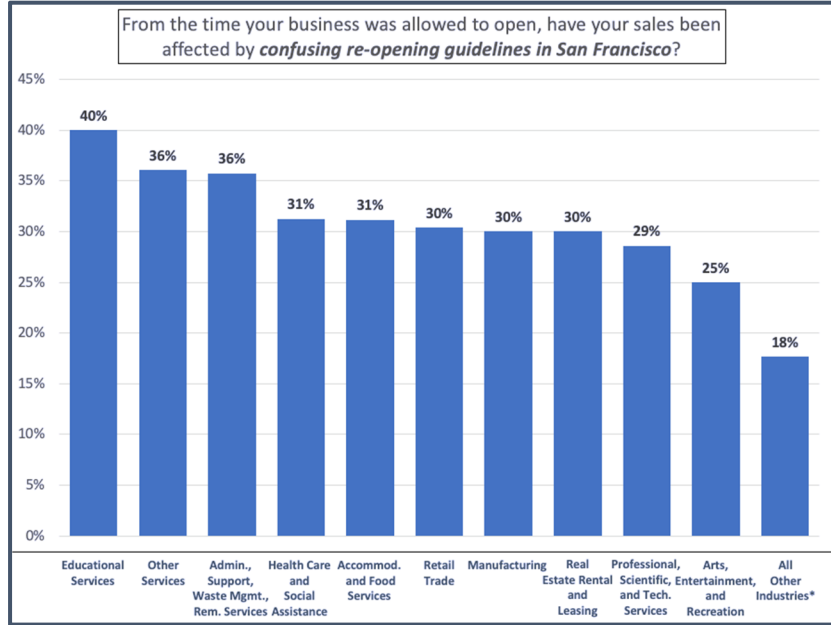
Barring health care and professional/technical services, the majority of all other business sectors in San Francisco attributed their drop in sales to not enough demand or not enough customers in San Francisco buying from them.

Chart 17: Businesses Affected by Not Enough Customers by Industry Type



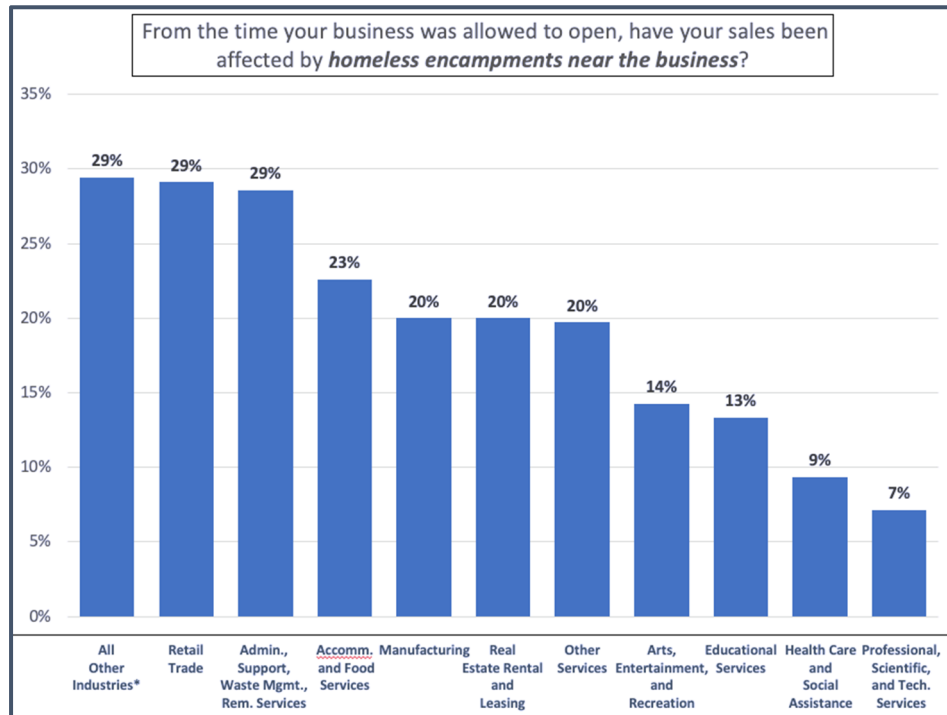
A range of 25-40% of all businesses were negatively affected by confusing reopening guidelines. The sectors more affected than others were educational services, other personal services, administrative support services.

Chart 18: Businesses Affected by Confusing Re-opening Guidelines by Industry Type



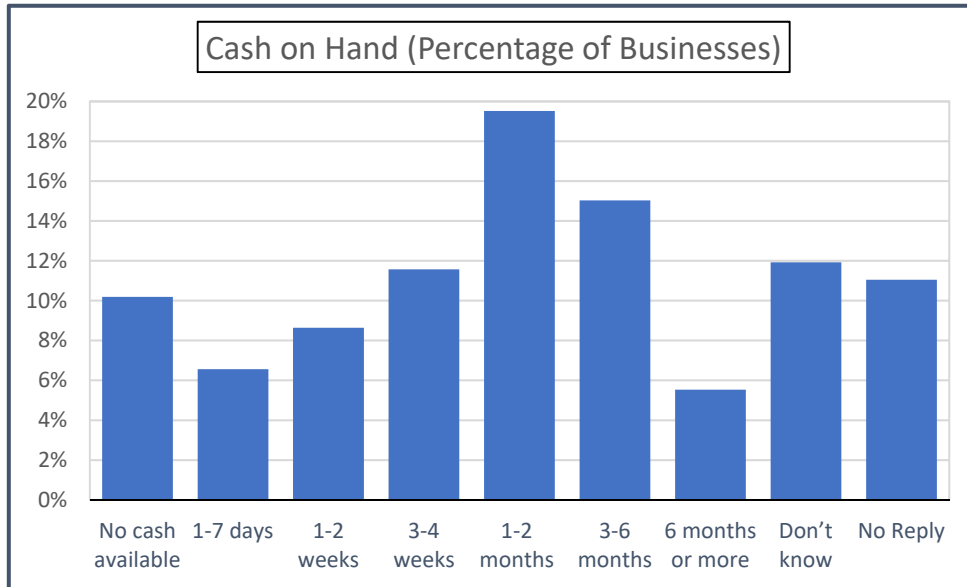
A large number of businesses felt their sales were impacted by homeless encampments, particularly transportation, retail, administration support services, and accommodation and food services.

Chart 19: Businesses Affected by Homeless Encampments by Industry Type



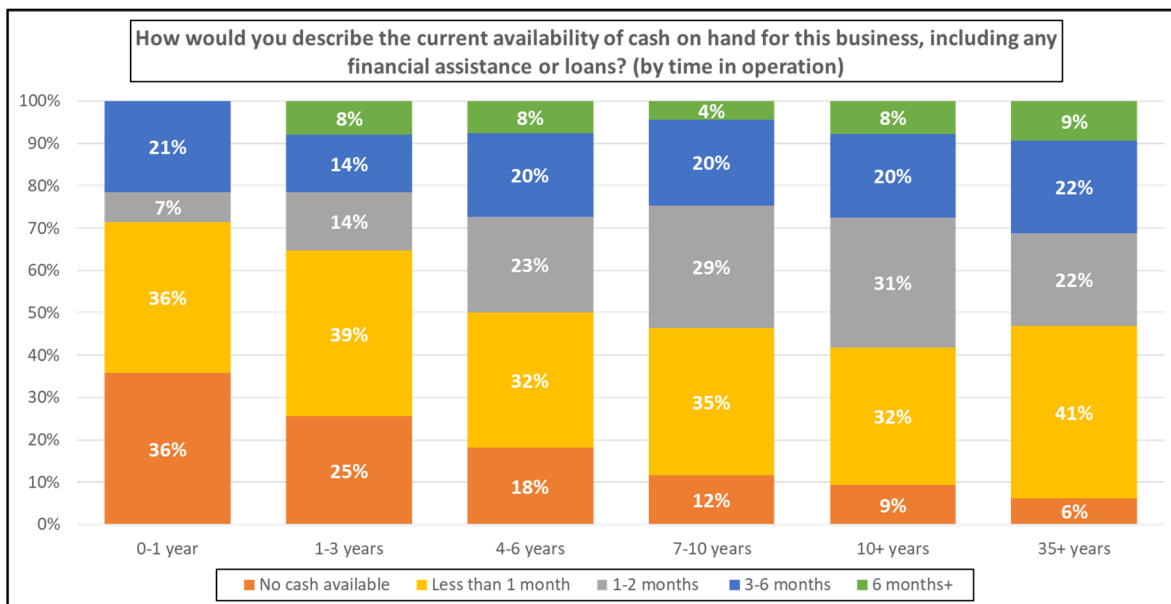
We asked businesses to identify their runway in terms of cash on hand. 36% of businesses had less than one month of cash, about 20% of the businesses in the sample reported having about two months of cash.

Chart 20: Cash Availability for Businesses



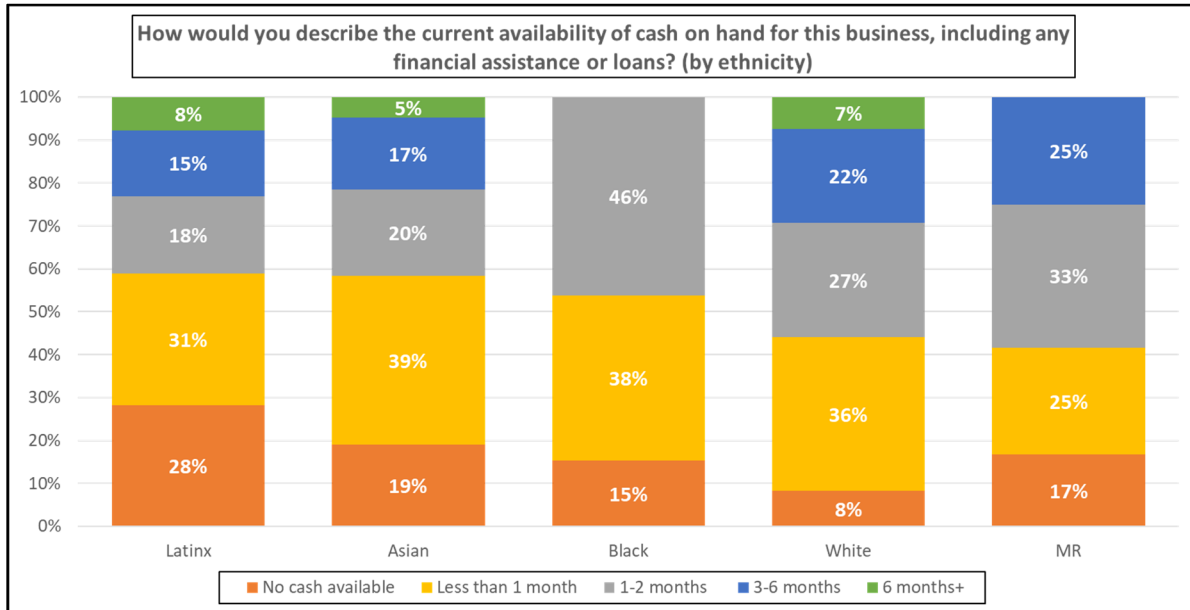
It seemed that the longer the businesses were in existence, the greater likelihood of them having cash for about six months. However, within all categories, most of the businesses had less than one month of cash on hand.

Chart 21: Cash Availability by Years of Operation



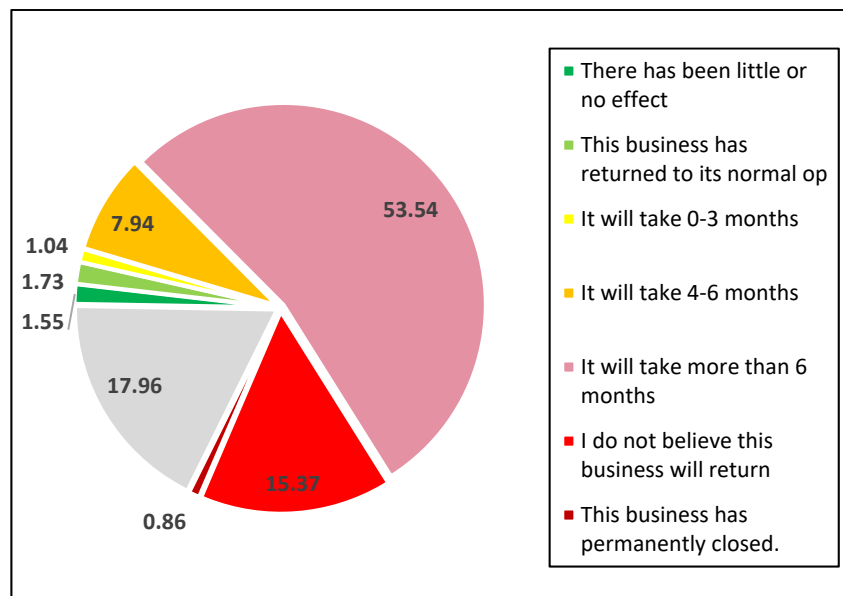
Examining by business owner ethnicity, Black businesses had less than two months of cash at the most. In this sample, only 8% of White businesses reported cash available as opposed to 28% Latinx businesses and 19% of Asian businesses.

Chart 22: Cash Availability by Business Owner Ethnicity



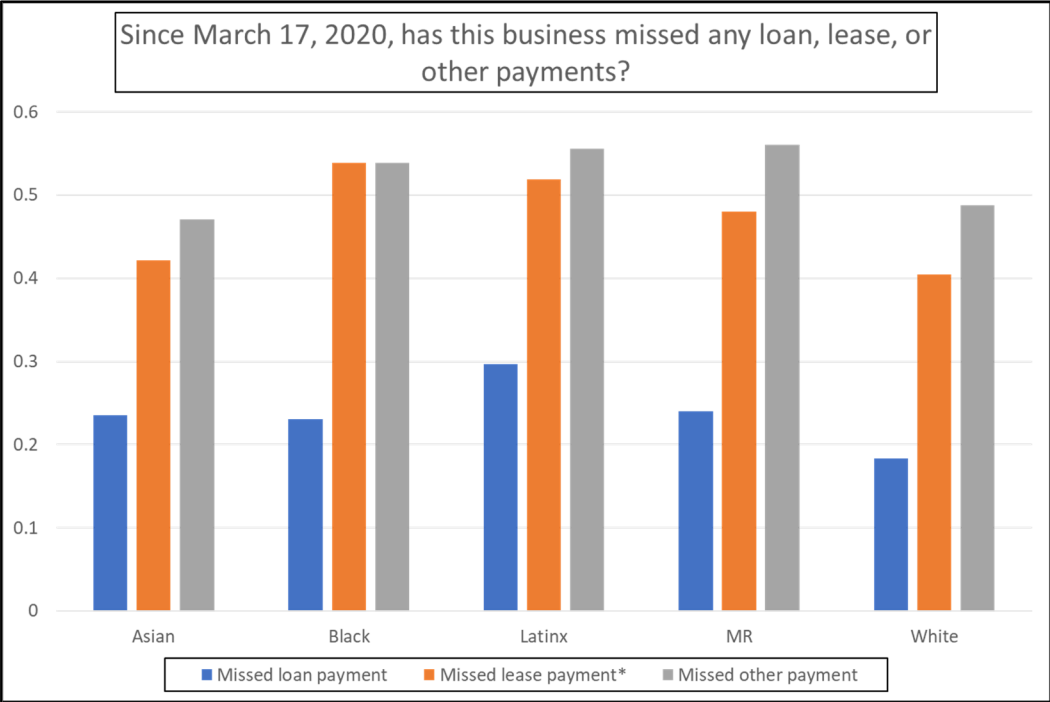
At the time of the survey taken at the beginning of 2021, more than 50% of businesses felt it would take more than six months to return to normal. About 17% believed that business would not return to normal or would permanently close.

Chart 23: How Long Do Businesses Think till Return to Normal?



A high proportion of businesses have missed scheduled loan, lease, and other payments. Fewer businesses have missed loan payments as they have tried to pay off their debt. However, they have missed regular lease and other payments. These missed payments vary by ethnicity with more than 50% Black and Latinx businesses having missed lease and other payments, laying bare struggles and structural inequities in access to resources for historically oppressed communities. More Latinx businesses have also missed loan payments compared to other races.

Chart 24: Missed Payments by Ethnicity



The greatest struggles have been in the area of lease payments and lease negotiations. We asked in the survey if the business owned or leased its business location. About 11% did not respond to this question. Of the entire sample, 78% lease the building in which their business is located, and of those who lease, 72% are personal guarantors on their leases. About 50% of businesses that lease missed lease payments. 59% of those who lease have had no contact with their landlord or no rent negotiation was offered. About 30% were able to negotiate a rent decrease, but the rest, in fact, faced a rent increase. About 54% of businesses in long-term leases reported that their lease would expire in 1-5 years and about 10% of businesses are stuck in long-term leases of 7+ years.

To survive, businesses had pivoted to alternative business models wherever possible. While almost 30% had resorted to online sales, 24% offered curbside pickup, and 19% offered home

delivery, many businesses could not easily change their mode of delivery or business operations.

Table 13: Alternative Business Models		
Since 3/17/20, has this business used alternative business models?	Frequency	Percent
Online sales	169	29.19
Curbside pick-up	139	24.01
Phone sales and pick-up/home delivery	110	19
Third-party pick-up and drop-off such as Uber-eats, Instacart, and Doordash	70	12.09
This business does not offer alternative forms of delivery	42	7.25
Moving all services/classes online	167	8.81
Not applicable to this business	51	28.84

Utilization of Governmental Assistance during the Pandemic

Businesses have sought assistance from federal and local sources. While a large number of businesses have requested and applied for financial assistance, not many have been successful in securing grants and loans. We asked whether businesses have requested or received financial assistance from any of the listed sources since March 17, 2020. Only 3.45% of businesses had not requested any financial assistance. About 27% used their own savings, 20% secured assistance from family and friends, and 6% of businesses were not aware that financial assistance was available.

Table 14 illustrates that businesses were more successful in securing federal assistance. However, less than 20% of businesses surveyed had received any sort of financial assistance from SF programs. There were plenty of businesses that had applied for various programs and had not received assistance from any of these programs. Overall, 14% of small businesses had received no federal assistance, and 38% had received no local grants or loans.

Since March 17, 2020, has this business requested financial assistance from any of the following sources?	% Requested Out of Total Sample	% Received Out of Total Sample	% Received Difference	% Received Out of Total Applications
Paycheck Protection Program (PPP)	69.1	61.3	7.8	88.8
Small Business PPE distribution program	17.6	13.5	4.2	76.5
Economic Injury Disaster Loans (EIDL)	51.8	39.4	12.4	76
The San Francisco Workers and Families First Paid Sick leave Program	6.4	4.8	1.6	75.7
Business tax, registration and license fee deferrals	20.4	13	7.4	63.6
Federal Sick and Family Leave Tax Credits	6.6	3.6	2.9	55.3
Federal Employee Retention Tax Credit	4.8	2.4	2.4	50
Deferral of Federal Employment Tax Deposits and Payments	7.1	3.1	4	43.9
Moratorium on commercial evictions for small and medium-sized businesses	7.4	3.1	4.3	41.9
Small Business Administration (SBA) Loan Forgiveness	32.8	9	23.8	27.4
Other Federal programs	4.7	1.2	3.5	25.9
SF Shines for Reopening Grant	15.5	2.9	12.6	18.9
Latino Small Business Fund	3.1	0.5	2.6	16.7
SF Mini Grant	24	4	20	16.6
SF Help Loan	14.9	2.1	12.8	14
SF Resiliency Fund	20.9	2.8	18.1	13.2
Main Street Lending Program	16.6	2.1	14.5	12.5
African American Small Business Revolving Loan Fund	2.8	0.2	2.6	6.3
Shared Spaces Equity Grant	11.9	0.7	11.2	5.8

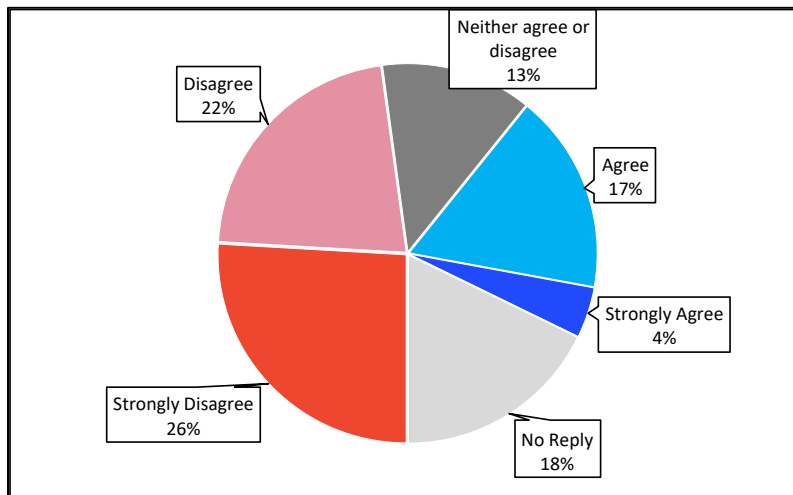
There is an unmet need with a gap reported between requests and receipts of assistance for all the different programs. While PPP has reached 89% of businesses who requested the loan, there were still about 8% of businesses who did not receive the loan. The program that has the largest gap is the SBA loan forgiveness program. SF programs and loans also have large unmet needs as 15-20% of businesses that requested these loans have not received any.

Do San Francisco Small Businesses Feel Supported?

In this section, we discuss how small businesses feel about the overall business environment they are operating in. Only 21% of small businesses agreed that San Francisco is generally a good place to own a small business, and an even smaller percentage (12%) agreed that San Francisco is doing a good job of supporting local small businesses. The charts below summarize the responses on a 5-point scale to questions that were asked.

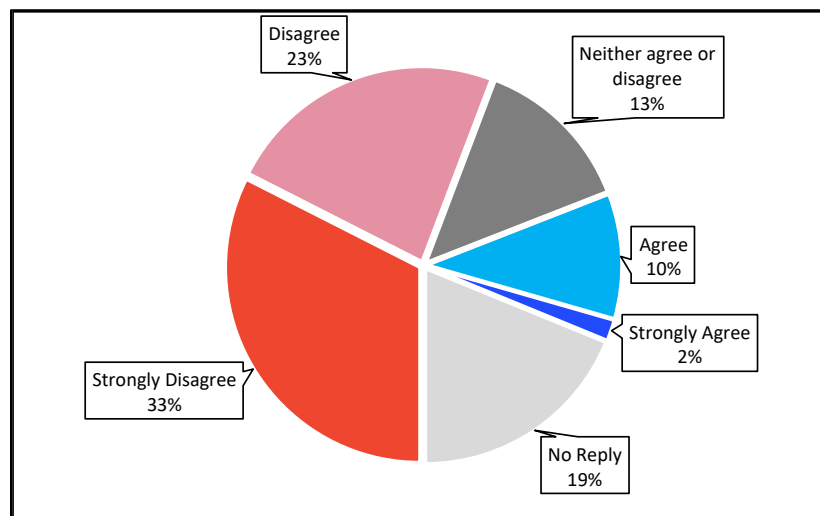
Chart 25 below represents responses to the statement, *“This business feels that San Francisco is generally a good place to own a small business.”* Almost half of the respondents (48%) disagree that San Francisco is generally a good place to own a small business. Only 21% agree that it is.

Chart 25: San Francisco Is Generally a Good Place to Own a Small Business



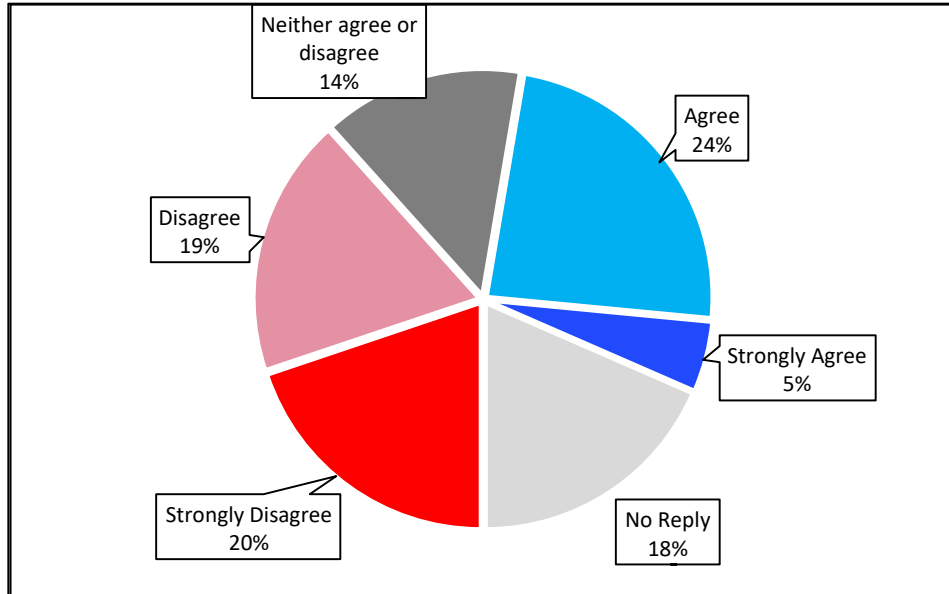
In response to the statement, *“This business feels that San Francisco is doing a good job of supporting local small businesses,”* 56% disagreed, whereas only 12% agreed.

Chart 26: This Business Feels that San Francisco is Doing a Good Job of Supporting Local Small Businesses



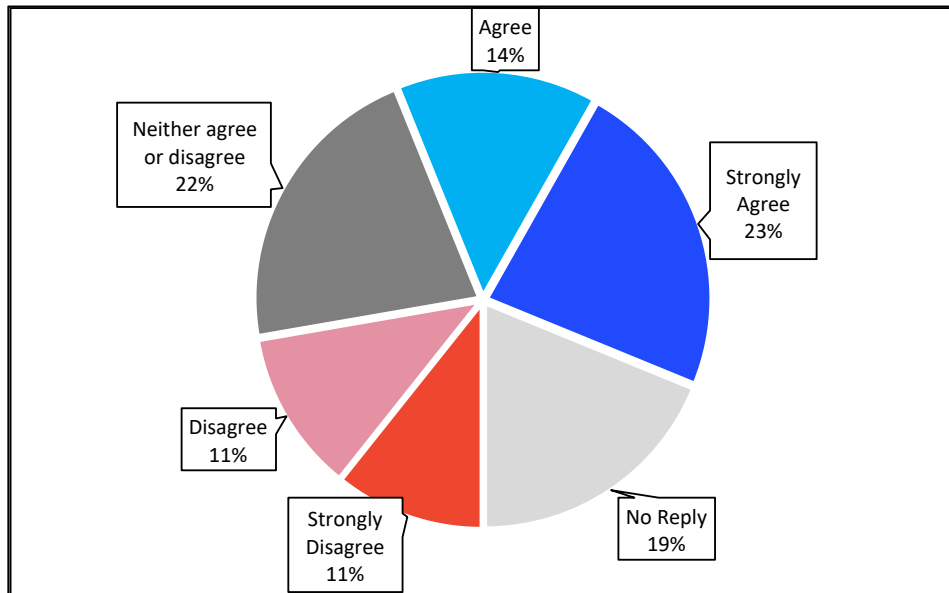
While about 30% agreed that SF public health guidance was easy to understand, almost 50% of businesses felt disproportionate regulations were imposed on them.

Chart 27: This Business Feels that Public Health Guidance from the City Of San Francisco During the COVID-19 Pandemic Has Been Clear and Easy to Understand



Also, 37% felt disproportionate regulations imposed on them during the pandemic, 22% disagreed with the statement, and an equal number (22%) neither agreed nor disagreed.

Chart 28: This Business Felt Disproportionate Regulations Were Imposed on It During the COVID-19 Pandemic



Only 28% of businesses felt supported by the local merchant community (Chart 29), and 37% felt that neighbors were shopping to intentionally support the small businesses (Chart 30).

Chart 29: During the COVID-19 Pandemic, this Business Feels Supported by The Local Merchant Community

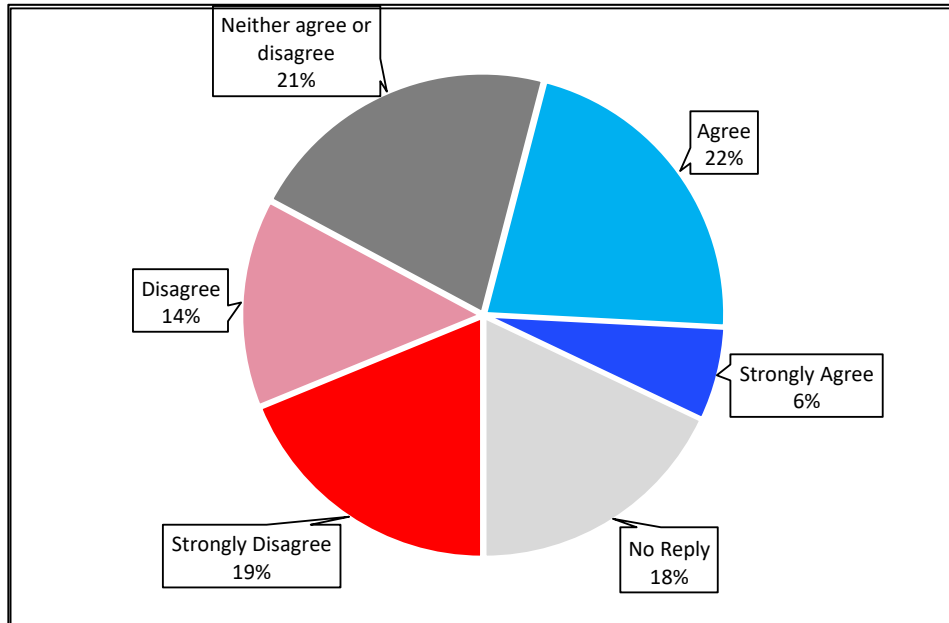
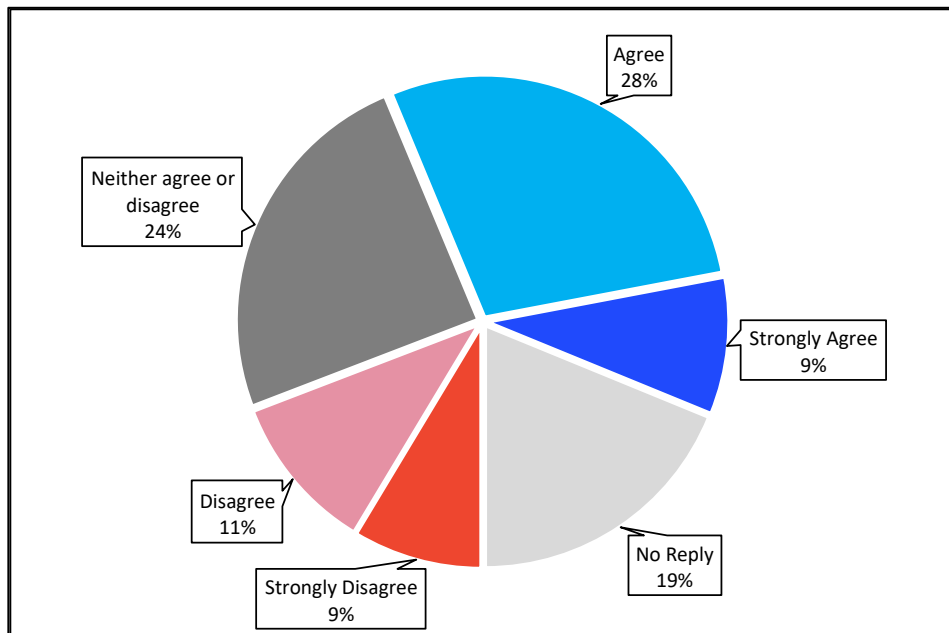
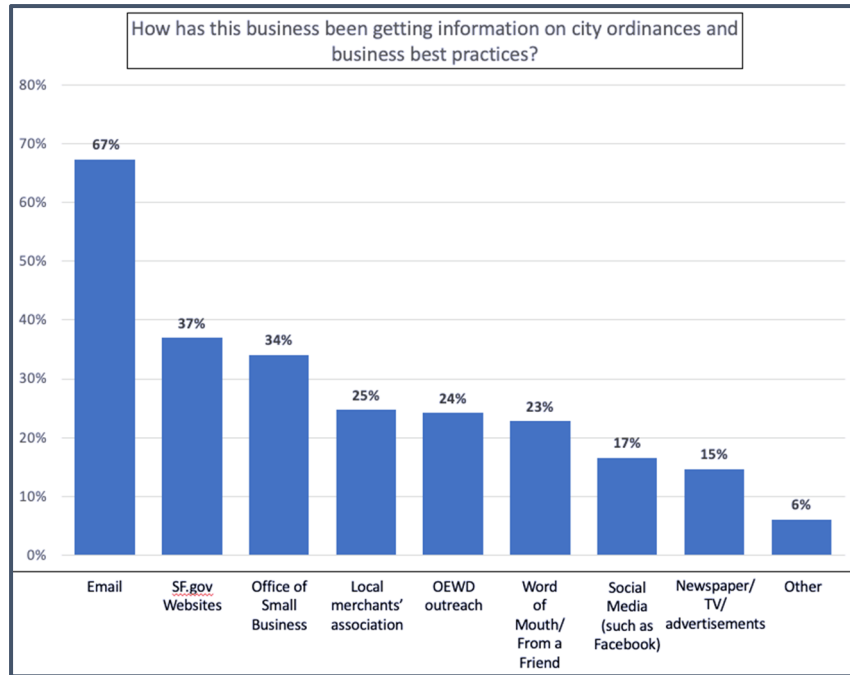


Chart 30: This Business Feels that Neighbors are Shopping Locally and are Intentionally Supporting Us



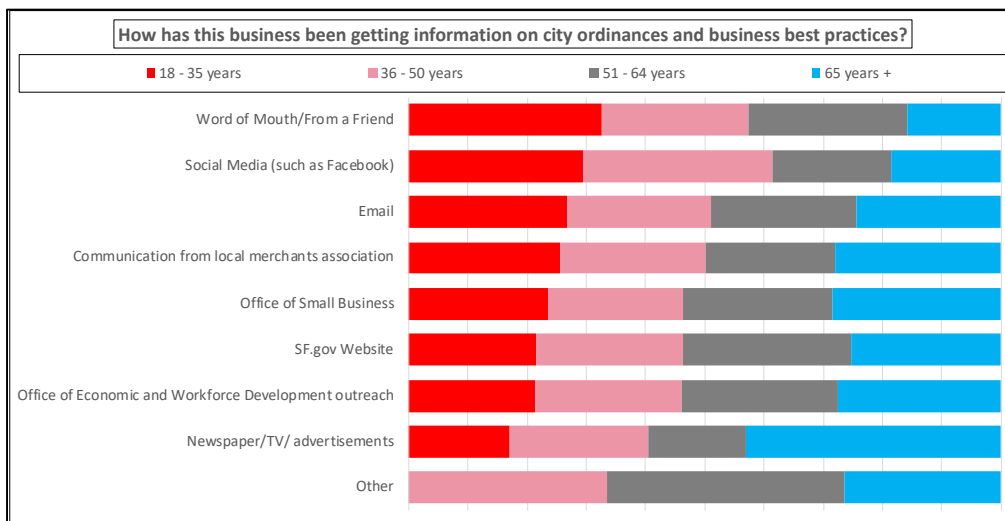
Most of the businesses reported getting information via email, followed by SF websites, Office of Small Business, local merchants' association, and OEWD outreach. However, many businesses talked about a lack of cohesion in the way information was disseminated and suggested a central repository for information.

Chart 31: Sources of information for Businesses



For the oldest age groups, newspaper and TV were effective, whereas word of mouth or social media worked better for younger aged business owners.

Chart 32: Business Accessing Information by Business Owner Age Group



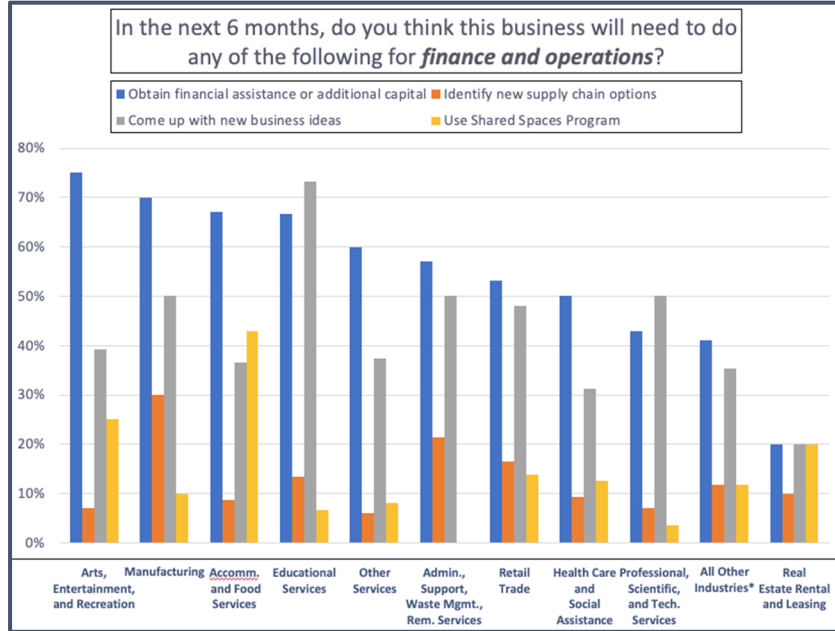
What Do Small Businesses Need?

In the next six months, businesses identified that they would need additional financial assistance to come up with new business ideas and increase marketing and sales. About 1 in 5 businesses felt that they would need to hire new employees, would like to continue using the Shared Spaces program, and need help with developing their digital/online sales platforms. About 14% of businesses anticipated closing their businesses permanently.

Table 15: Business Needs in the Next Six Months		
In the next 6 months, do you think this business will need to do any of the following?	Frequency	Percent
Obtain financial assistance or additional capital	339	58.55
Identify new supply chain options	56	9.67
Come up with new business ideas	228	39.38
Use Shared Spaces Program	121	20.9
Develop online sales through websites or apps	108	18.65
Increase marketing or sales	224	38.69
Will need information and financial assistance to set up digital sales and marketing	86	14.85
Learn how to better provide for the safety of customers and employees	80	13.82
Identify and hire new employees	149	25.73
Provide professional development for employees	51	8.81
Permanently close this business	79	13.64
Close any brick and mortar and move business online	27	4.66
None of the above	26	4.49

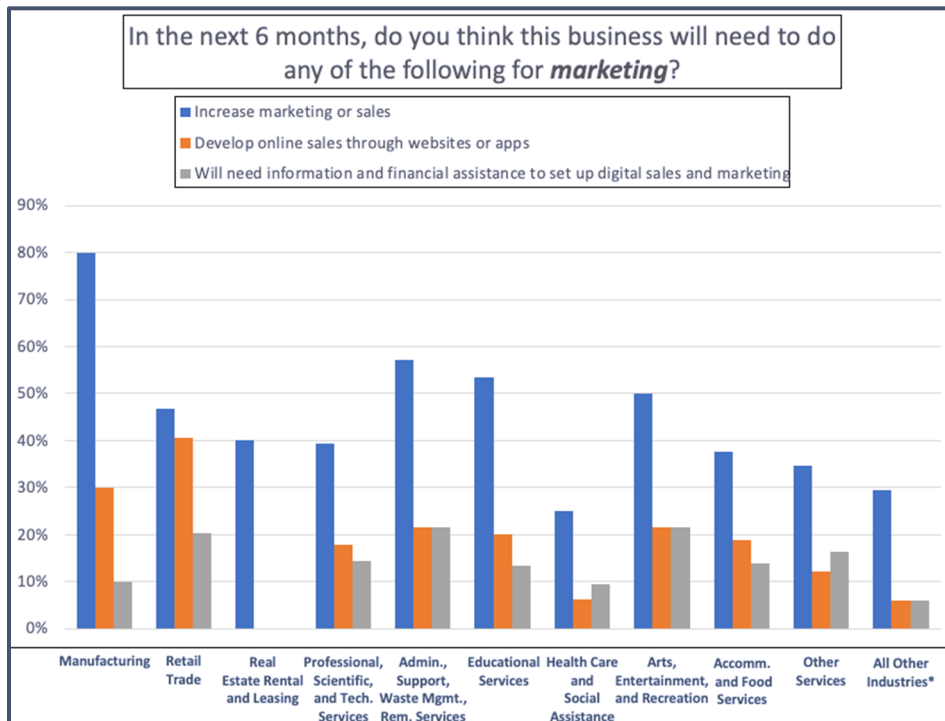
To understand and direct the nature of assistance that businesses identified they will need, we did a sectoral analysis. The charts below indicate that arts, manufacturing, food services, and educational services will need additional financial and operational assistance. Educational services will also need to come up with new business ideas. Food services and arts and entertainment will likely continue to use the Shared Spaces program.

Chart 33: Finance and Operation Needs of Businesses by Industry Type



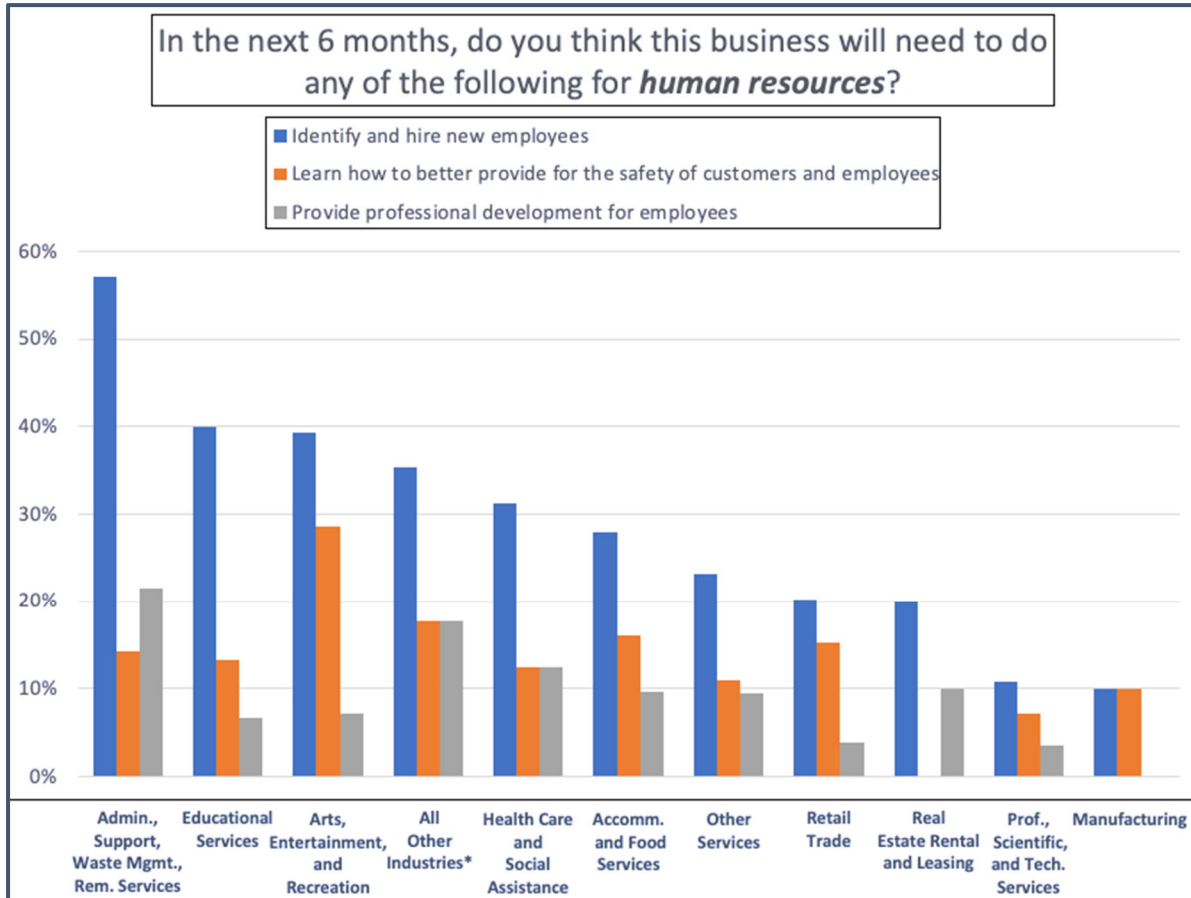
Almost 80% of businesses in the manufacturing sector will need to increase marketing or sales. Retail will need to increase marketing and develop online sales.

Chart 34: Marketing Needs of Businesses by Industry Type



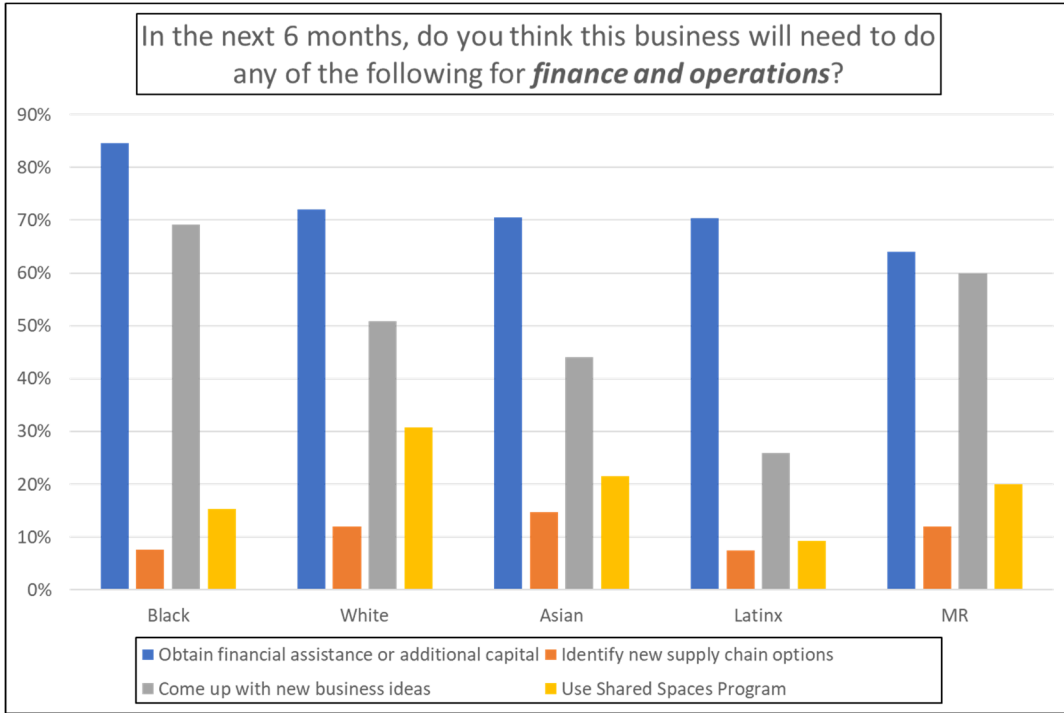
Administrative and support, education services, and arts and entertainment are the top three sectors that identified a need to hire new employees. A third of arts and entertainment also felt the need to learn how to better provide for the safety of customers and employees.

Chart 35: Human Resource Needs of Businesses by Industry Type



We also examined if there were racial disparities in the needs as identified by business owners. A very high proportion of businesses would like financial assistance and this is particularly acute for Black-owned businesses. Business owners who are Black and mixed-race also indicated that they need to come up with new business ideas. More White owners indicated that they would need to use the Shared Spaces program. It is not clear whether this is indicative of inequity in the way information about the programs is disseminated or if it is the dissemination of the programs themselves.

Chart 36: Finance and Operation Needs by Business Owner Ethnicity



A higher number of mixed-race business owners identified their need to increase marketing and sales.

Chart 37: Marketing Needs by Business Owner Ethnicity

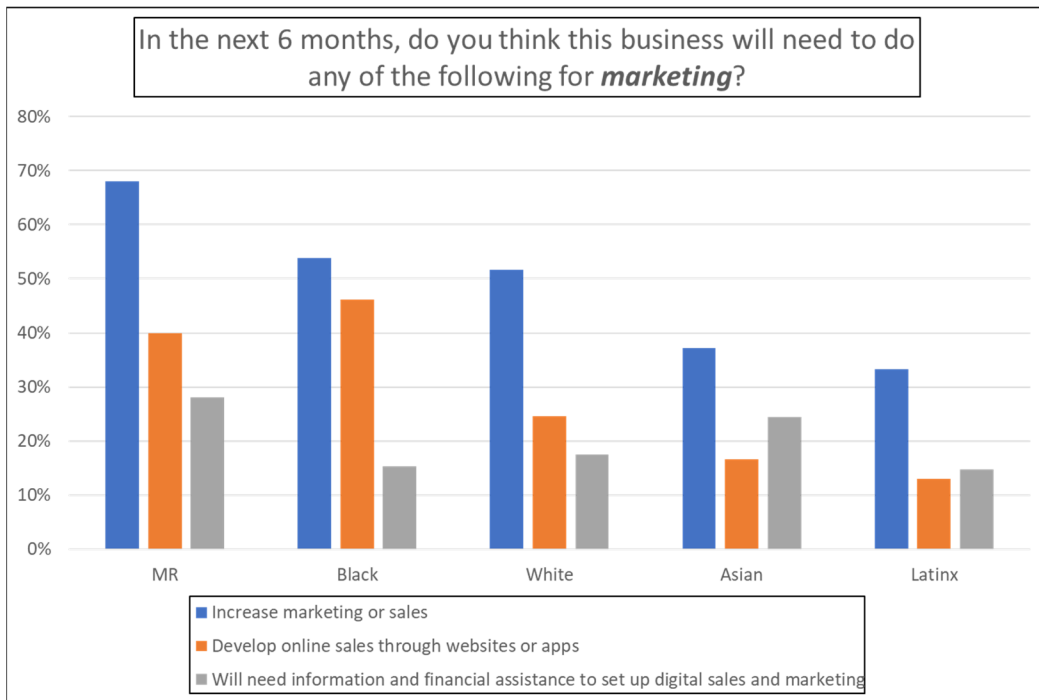
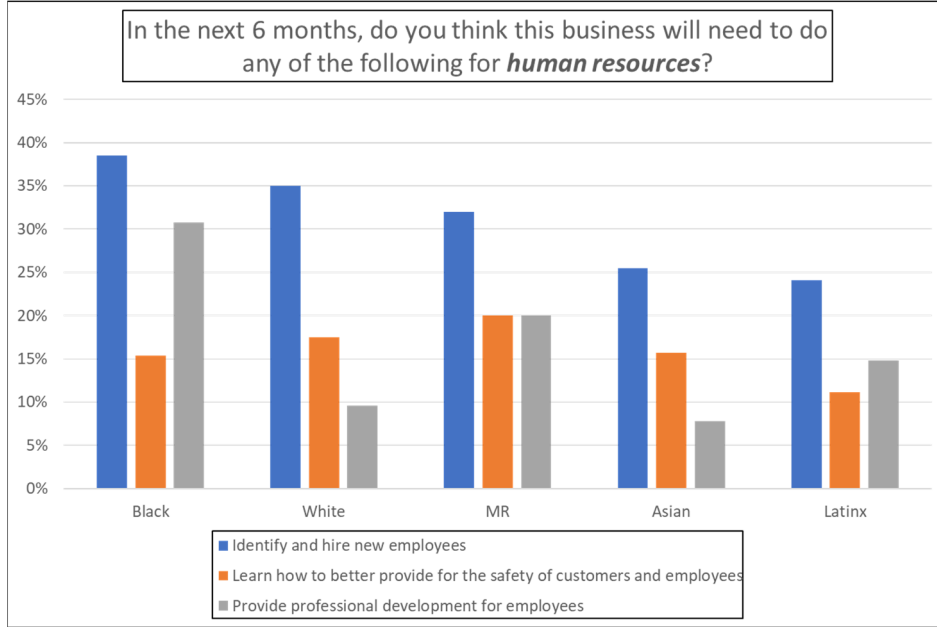
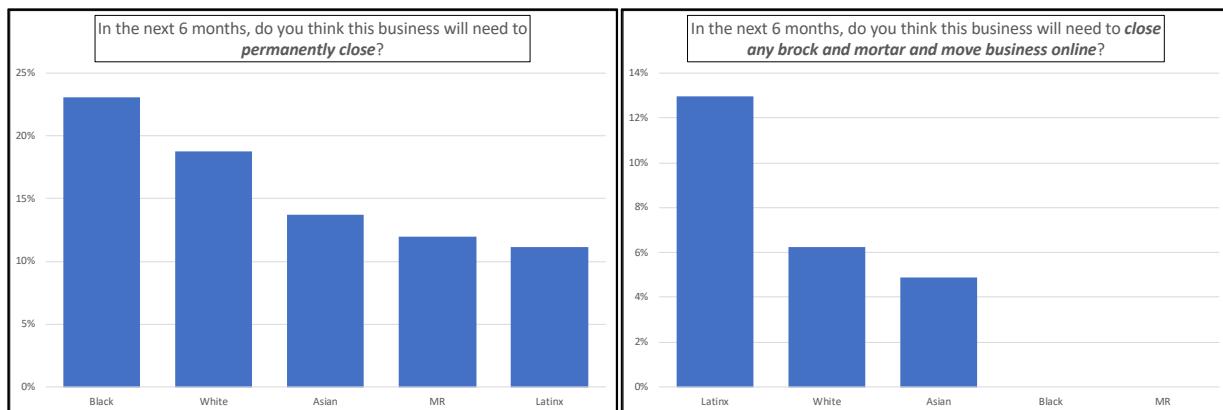


Chart 38: Human Resources Needs by Business Owner Ethnicity



A relatively higher number of Black businesses need to hire new employees and provide professional development for employees. Black businesses have definitely reported more vulnerability and have also been the group to be the highest to report (one in five businesses) a likely permanent close. One in eight Latinx businesses thinks they would need to close their brick-and-mortar businesses.

Chart 39: Business Closures by Business Owner Ethnicity

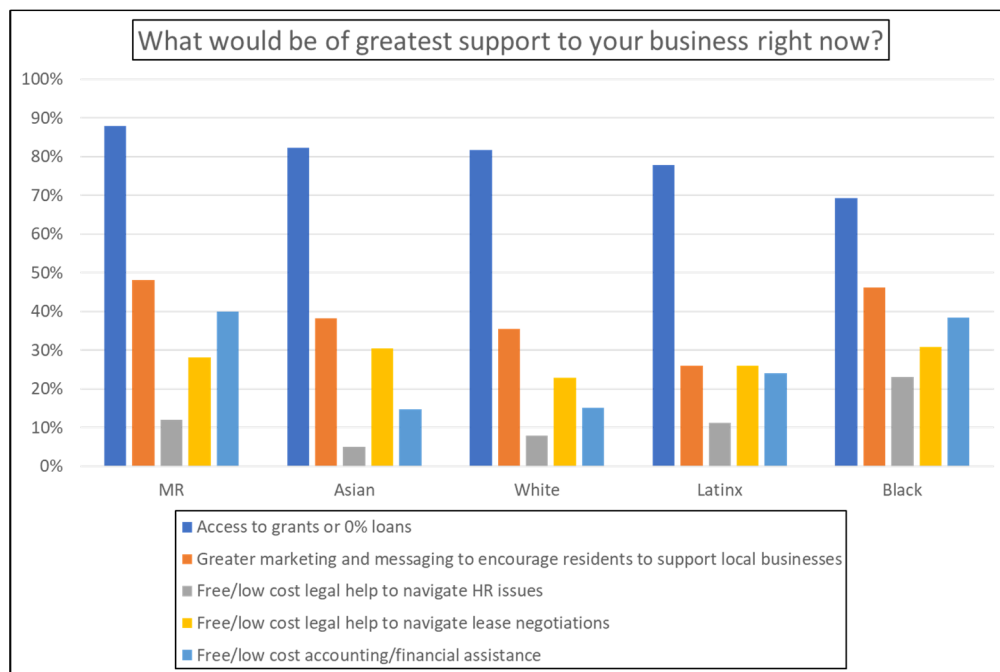


In terms of what would be of most help to businesses, the top 3 items identified were access to grants and 0% loans, cleaner neighborhood streets, and greater marketing and messaging to encourage residents to support local small businesses.

Table 16: Greatest Support to Businesses		
What would be of greatest support to your business right now?	Frequency	Percent
Access to grants or 0% loans	384	66.32
Cleaner neighborhood streets	236	40.76
Greater marketing and messaging to encourage residents to support local businesses	172	29.71
Free/low cost legal help to navigate lease negotiations	115	19.86
Free/low cost accounting/financial assistance	82	14.16
Assistance understanding health ordinances	46	7.94
Free/low cost legal help to navigate HR issues	41	7.08
Education to help keep workplaces safe	38	6.56

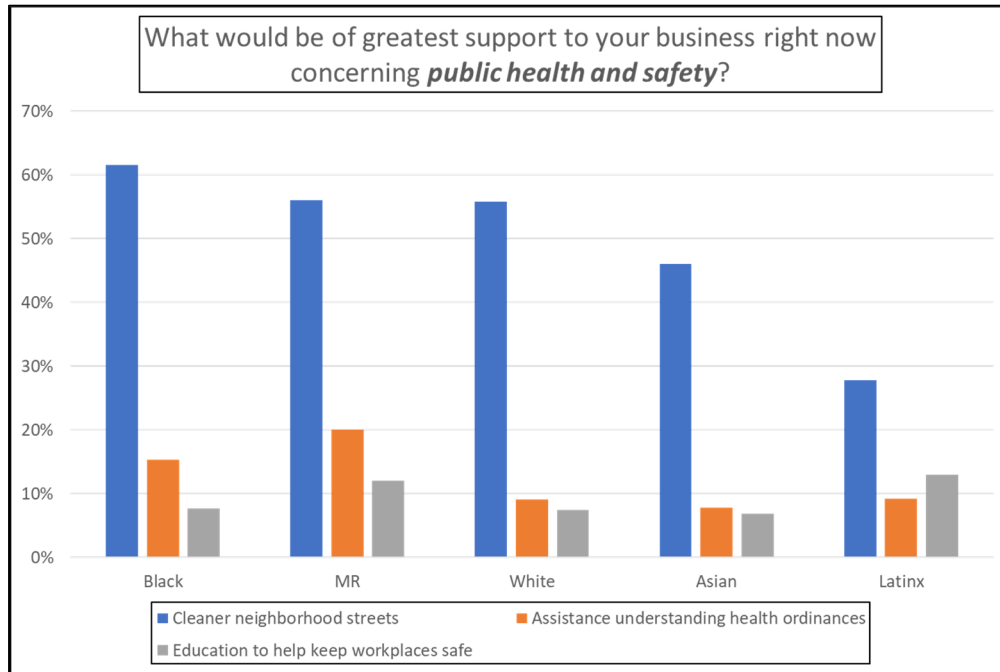
To understand what kinds of businesses need help the most from an equity standpoint, we disaggregated these responses by race/ethnicity. A majority of businesses from all races need access to grants and 0% loans. Almost half of Black and mixed-race businesses need help with greater marketing and messaging to residents to support their businesses. 40% of Black and mixed-race businesses need help with accounting services. One in three Asian and Black businesses need legal help with their lease negotiations.

Chart 40: Greatest Support by Business Owner Ethnicity



40% of all businesses asked for cleaner neighborhood streets. Disaggregating by race, more than 50% of Black, mixed-race, and White business owners would like to see cleaner neighborhood streets. One in five mixed-race owners wants assistance in understanding health ordinances.

Chart 41: Public Health and Safety Support by Business Owner Ethnicity



A spatial analysis was done to understand the needs of small businesses in relation to the neighborhood they operate in. For this, we disaggregated needs identified by respondents by zip code. More than 50% of businesses in almost all zip codes asked for grants or 0% loans. More than 75% of businesses in zip codes 94105, 94108, 94111, and 94112 asked for access to grants and 0% loans. These businesses are in the Embarcadero, Chinatown, Excelsior, and Crocker-Amazon neighborhoods. More than 50% of businesses in zip codes 94103, 94109, 94110, 94123 and 94134 identified a need for cleaner streets. These businesses serve the South of Market, Polk/Russian Hill, Inner Mission/Bernal Heights, Marina, and Visitacion Valley/Sunnydale. More than 70% of businesses in 94134 (Visitacion Valley/Sunnydale) identified this need specifically. One in three businesses in zip codes 94105, 94107, 94111, 94117, 94118, 94124, 94127, 94131, and 94134 agreed that city could encourage neighbors to support their local businesses. These are businesses serving the neighborhoods of Embarcadero, Fisherman’s Wharf, Portrero Hill, Haight-Ashbury, Inner Richmond, Bayview, West Portal, and Glen Park. Other services that were identified of great need by a significant number of businesses were help with lease negotiations (94013, 94104, 94111, 94115-South of

Market, Union Square/Financial district, Fisherman’s Wharf, Japantown), free or low-cost accounting and financial help (94134- Visitacion Valley/Sunnydale), free/low cost legal help with HR issues (94104- Union square/Financial district), and education to help keep workplace safe (94134-Visitacion Valley/Sunnydale).

Table 17: Greatest Support to Business by Zip Code								
Zip Code	Access to grants or 0% loans	Cleaner neighborhood streets	Marketing encouraging residents support local businesses	Free/low cost legal help to navigate lease negotiations	Free/low cost accounting/ financial assistance	Assistance understanding health ordinances	Free/low cost legal help to navigate HR issues	Education to help keep workplaces safe
94102	70.27	48.65	24.32	18.92	18.92	10.81	8.11	8.11
94103	78.72	55.32	31.91	27.66	12.77	4.26	12.77	6.38
94104	45.45	36.36	27.27	36.36	9.09	0.00	27.27	9.09
94105	75.00	55.00	40.00	25.00	10.00	10.00	15.00	5.00
94107	72.00	44.00	36.00	28.00	12.00	4.00	20.00	8.00
94108	78.95	42.11	31.58	21.05	15.79	0.00	0.00	0.00
94109	58.54	60.98	26.83	9.76	9.76	7.32	2.44	4.88
94110	70.09	56.07	28.04	15.89	11.21	11.21	7.48	5.61
94111	83.33	50.00	44.44	50.00	16.67	5.56	11.11	11.11
94112	85.00	15.00	20.00	20.00	30.00	5.00	15.00	15.00
94113**	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
94114	60.00	31.43	22.86	22.86	14.29	2.86	8.57	5.71
94115	71.43	42.86	32.14	32.14	14.29	10.71	10.71	10.71
94116*	57.14	14.29	28.57	28.57	0.00	0.00	0.00	14.29
94117	76.32	28.95	36.84	31.58	13.16	5.26	7.89	2.63
94118	64.71	41.18	39.22	9.80	11.76	11.76	7.84	7.84
94119**	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
94121	58.06	19.35	19.35	6.45	16.13	6.45	9.68	3.23
94122	57.69	46.15	30.77	7.69	7.69	7.69	7.69	7.69
94123	52.94	52.94	11.76	11.76	0.00	5.88	0.00	0.00
94124	63.16	26.32	42.11	15.79	21.05	5.26	5.26	5.26
94127	36.36	18.18	36.36	9.09	0.00	18.18	9.09	0.00
94129**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
94130**	100.00	100.00	0.00	0.00	100.00	0.00	0.00	0.00
94131	63.64	18.18	36.36	18.18	27.27	0.00	9.09	0.00
94132*	25.00	0.00	0.00	0.00	25.00	0.00	25.00	0.00
94133	54.84	29.03	19.35	22.58	16.13	0.00	3.23	3.23
94134*	57.14	71.43	42.86	0.00	57.14	0.00	14.29	28.57
94158**	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
94159**	100.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00

*Zip codes with less than 10 observations
**Zip codes with only 1 observation

Qualitative Response from Small Business Respondents

In the survey, we asked respondents “to elaborate on any of your responses to these questions or this business's experiences during the Coronavirus pandemic.” We received about 40 pages of comments that were read by researchers and a thematic analysis was conducted using a triangulation method.

Some major themes and sub-themes emerged.

Many businesses mentioned the **Payroll Protection Program (PPP)**. Many businesses received the PPP loan, but most felt the loan was not enough. Many business owners were disappointed that they were not eligible as sole proprietors as PPP was given to businesses that have employees on the payroll.

A large number of businesses felt that there was **not enough business and customers**. Operations were limited, revenue had drastically declined, and businesses had lost clientele, especially those that depended on visitors, office workers, and tourists.

Local Grants and Loans were not adequately and fairly distributed. Many businesses felt that eligibility criteria were set too narrowly and that *“applying for any of the financial assistance is pointless as we have never been successful in landing any. I am a women of color and have no idea how the city is picking which business to support”*. On the other hand, some felt that *“SF only offers financial assistance to smaller businesses and those that are non-profit, “minority” or female owned or those with less sales revenue--particularly frustrating for a very compliant, 46 years in business in SF, born and bred San Franciscans, one owner residing in SF”*. Many businesses were either denied or they never heard back on the status of their applications, leaving some to feel *“small businesses that are immigrant-owned, mom and pop shops, and neighborhood staples have been forgotten, left behind, and ignored.”*

Businesses found the **paperwork and grant application processes onerous, duplicative**, and time-consuming. They asked to centralize information to avoid duplication of paperwork.

Many businesses **need financial assistance very badly and are deep in debt**. Further, the lack of flexibility in loan processing and forgiveness juxtaposed with regulatory restrictions in business operations was costly to many businesses. For example, one business owner said, *“When we come out on the other end we are going to be crushed by the debt load and not able to continue to move forward. Recently in working with my lender to get forgiveness with the 1st Draw of the PPP loan, it was found that I would not be able to get 100% forgiveness. This is related to the fact that I was unable to rehire staff and operate at a level to generate payroll expenses. The SIP and directives about % of operations and capacity have created this DEBT. I*

will now be in debt as a result.” Most business owners need 0% loans and grants and are not in a position to pay back another loan.

Businesses identified the **need for rent relief and help with lease negotiations**. Many businesses asked for legal support for rent/lease negotiations.

Crime, burglary, vandalism, and break-ins were identified as major sources of nuisance and loss of property for many businesses.

Inconsistent and unscientific enforcement of public health guidelines and many times contradictory regulations were cited as a major reason why small businesses in San Francisco were hurting. For example, ballet schools were treated as public gyms. A fitness trainer expressed frustration at *“a client could go to a physical therapist, but not see me with masks on, windows open and distanced.”* Many did not understand why shopping malls were allowed to open and were safer at 20% capacity, yet one-on-one licensed personal services that followed all safety protocols were not allowed to re-open.

Businesses felt that they were **subject to unfair fees and regulations**. They were forced to pay fees for outdoor permits when they were not allowed to operate indoors. These businesses felt unnecessarily penalized by the city and not supported at all. With the lack of public transit and safe transportation options, business owners were forced to drive. They were frustrated by the city’s enforcement of parking violations that placed an extra burden on business owners and their employees. Further, there was no scope for delayed or excused property tax payments, and the city continued to enforce late payment penalties. Businesses asked for forgiveness grants and advocacy to utility companies for pandemic discounts

At the same time the city enforced and collected all payments, **city streets remained dirty and unsafe**. The majority of businesses mentioned fecal matter and urine not cleaned from the streets around their businesses, drug dealing and needles on the streets, overcrowded sidewalks, homeless encampments, and overall unpleasant, unsafe, and scary streets and neighborhoods. One respondent commented that *“It feels like the city just forgot how to wash the sidewalks.”* Another respondent said that *“the streets are DISGUSTING, decorated with human feces, urine, HYPODERMIC NEEDLES, humans living in tents. I'm heartbroken over the absolute failure of our city government to help out the communities that made this city special.”*

Further, businesses felt there was a **lack of uniform enforcement on all citizens of the city and a disproportionate burden on small businesses**. While businesses were subject to regulations, capacity limits, etc., there were no consequences for people walking into businesses without masks.

Inadequate communication and messaging, lack of outreach, cohesive dissemination of information, and lack of a prompt response was another major theme. One business owner said, *“Communication has been inconsistent, late to arrive, and poorly thought through. I think the city failed to adequately consider the exceptional degree of wealth inequality going into the pandemic when making policies and that restrictions placed disproportionately impacted people on the lower end of the economic spectrum.”*

By examining the frequency in which these themes occurred, the word cloud below represents the themes of concern that occurred the most in order of size.



In addition, there were also concrete recommendations made to help small businesses recover and thrive. These are:

1. Bring back tourists/visitors and customers
2. Keep the city clean and safe
3. Provide public health insurance to small business employees

4. Create stronger and more visible law enforcement to avoid break-ins and theft
5. Loan and assistance metrics should not only be based on revenue but also on experience and merit
6. Eliminate permit fees and give property tax relief for those hurting
7. Issue forgiveness grants and negotiate pandemic discounts with utility companies
8. Simplify grants and loans application process and provide a centralized, common application portal, provide assistance with the application process
9. Department of public health should collaborate with various sectors and subsectors (such as arts, entertainment, personal services) on public health guidelines, best practices and policy
10. City organizations should promptly respond to rent relief requests.
11. Rent moratoriums are not helpful. Instead, provide rent forgiveness. Provide legal help with lease negotiations
12. Allow business owners to buy neighborhood parking permits
13. More education and accountability of public behavior
14. Provide COVID-19 information and resources in other languages such as Chinese, Spanish and Vietnamese. Provide information in one place that is currently spread over various websites, social media, etc.
15. Assist the unhoused community and provide humane conditions for them
16. Be consistent and proactive in enforcing rules and regulations, not reactive

In conclusion, it seems that small businesses were already feeling unsupported before the pandemic, and COVID-19 just exacerbated many of these endemic issues. The words of a respondent sum up this dynamic:

“SF only pays lip service to small business. Lack of understanding what small business needs to survive (let alone succeed!) is jaw dropping. We were all being led to slaughter even BEFORE pandemic. WE (small business) are not the same as Big Business. Our businesses aren't investments, they are our livelihood! City's inability to see that WE are not same as Big Biz & cannot possibly survive under equal rules as the Starbucks, etc., is THE PROBLEM. You can't help someone you can't see!!!!”

Conclusions and Policy Recommendations

The COVID-19 pandemic has had a debilitating impact on small businesses in San Francisco. While demand has dried up due to a lack of tourists, the shelter-in-place mandates, city mandates around capacity limits, opening dates, and a lack of transparent rollouts of programs have been devastating. Various sectors have been affected in disparate ways, and overall, small businesses in San Francisco have felt left behind. This quote below summarizes thoughts expressed by survey respondents:

“We feel completely abandoned by San Francisco. We received no help or guidance. The rules were constantly changing. The ONLY thing that saved us, so far, was that we saw immediately that we were on our own and started to adjusted our business strategy. Our business has decreased by 50-55%. We have been digging into our saving to pay ourselves, so we can keep our employees. We are very disheartened by the lack of care or concern from the city about whether our business survives or not.”

It is imperative that the city tries to bring back demand. Opening up businesses will not ensure a quick revival. Programs need to be implemented that make special appeals to local San Franciscans to support their local small businesses. Buying local and supporting small businesses could help foster community and economic activity in the city that has been ravaged by the pandemic. It also behooves upon the city to clean up the streets, lower crime, and make the city attractive to tourists and visitors. There is an opportunity for small business stakeholders such as chambers of commerce, financial institutions, and small business associations to provide development assistance to businesses to foster innovation, new ideas, capabilities, and workforce development.

The impact of the pandemic will be directly proportional to its length. Consistent public health messaging in collaboration with businesses in a variety of industry types would ensure safely opening up economic activity. Enforcement of public health guidelines uniformly for everyone would be key to keeping our communities safe from future waves of COVID infections.

Particular attention needs to be paid to businesses that are most vulnerable to permanent closures. These are businesses that are less resilient, cash strapped, deep in debt, minority, immigrant and female-owned, less educated, and those employing less than 20 employees. Personal businesses or businesses like hotels and restaurants that were affected more such as indoor dining, indoor recreation, hair salons, barbershops, gyms, and fitness centers could be assisted with resiliency grants, relaxed payment schedules, and increased credit availability. Paying attention to various language groups and catering to needs based on the age of owners would be key in assisting all types of businesses.

There is a general mistrust about how local grants and loans were disbursed. BIPOC groups felt ignored, whereas White business owners felt that all assistance went to minority and female-owned businesses. City and federal government agencies need to work with financial institutions and chambers of commerce to educate, assist, and inform businesses of opportunities in a more transparent and collaborative manner.

There are disparate needs expressed by businesses depending on the neighborhood in which they operate. Neighborhoods are also important markers of ethnic and racial disparity in the availability of resources. These findings provide specific challenges and needs indicated by businesses in each neighborhood.

The survey results confirm findings from other sources that BIPOC businesses have been hurt the most during the COVID-19 shutdown. Black-owned businesses reported they had less than two months of cash, with the majority reporting less than one month of cash and were also the highest group to report a likely permanent close. More than 50% of Black and Latinx businesses had missed lease and other payments with more Latinx businesses missing loan payments compared to any other ethnicities. In terms of needs identified, a very high proportion of Black businesses chose financial assistance, and Black and mixed-race owners indicated that they needed help to come up with new business ideas. On the other hand, White owners disproportionately indicated familiarity with city programs such as Shared Spaces. These findings point to the structural inequities in access to resources and information for historically oppressed communities. It is not clear whether this is indicative of inequity in the way information about the programs is disseminated or if it is the dissemination of the programs themselves. However, BIPOC businesses need more help and support in access to grants and loans, help with marketing and messaging as well as legal and accounting services.

Finally, we offer our recommendations to better prepare small businesses for future downturns and disasters. Small business owners are often sole proprietors or mostly run their businesses with less than 100 employees. Around 350,000 individuals were employed by the small business sector in San Francisco in 2018 (2019 data unavailable). Small businesses are sources of livelihood for a large number of individuals in the city of San Francisco and thus warrant careful support and attention. We recommend that the city government and small business support services do the following: not enforce extra fees and licenses during recessions; have local financial relief programs in place for those not helped by federal programs; provide important information in one central space; allow businesses to apply for loans and assistance from one central portal to not duplicate efforts and save time; and provide financial planning services to business owners.

References

- Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Stanton, C. (April, 2020). The impact of COVID-19 on small business outcomes and expectations. <https://doi.org/10.1073/pnas.2006991117>
- Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Stanton, C. (April, 2020). How Are Small Businesses Adjusting to COVID-19? Early Evidence from a Survey. <https://www.nber.org/papers/w26989>
- Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Stanton, C. (July, 2020). Measuring the labor market at the onset of the COVID-19 crisis <https://www.nber.org/papers/w27613>
- Fairlie, Robert W. (June, 2020). The Impact of Covid-19 On Small Business Owners: Evidence of Early-Stage Losses from The April 2020 Current Population Survey. <http://www.nber.org/papers/w27309>
- Fairlie, Robert W. (July, 2020) The Impact of Covid-19 On Small Business Owners: Continued Losses and The Partial Rebound In May 2020. <http://www.nber.org/papers/w27462>
- Buffington, C., Dennis, C., Dinlersoz, E., Foster, L., Klimek, S. (May, 2020) Measuring the Effect of COVID-19 on U.S. Small Businesses: The Small Business Pulse Survey. <https://www2.census.gov/ces/wp/2020/CES-WP-20-16.pdf>
- Humphries, J. E., Neilson, C., Ulysea, G. (April, 2020). The Evolving Impacts of COVID-19 on Small Businesses Since the CARES Act. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3584745
- Chetty, Raj, Friedman, JN, Hendren N, Stepner M and the Opportunity Insights Team (November 2020), The Economics Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data, https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf
- Craven, M., Liu, L., Mysore, M., and Wilson, M. (March 1, 2020). COVID-19: Implications for Business. http://www.amcham-egypt.org/bic/pdf/corona1/McKinsey_Co%20-%20COVID-19-Implications%20For%20Business.pdf
- Craven, M., Liu, L., Mysore, M., and Wilson, M. (March 16, 2020). COVID-19: Briefing note, March 16, 2020. <https://iapi.ie/files/images/COVID-19-Briefing-note-March-16-2020.pdf>

Dua, A., Ellingrud, K., Mahajan, D., and Silberg, J. (June, 2020). Which Small Businesses Are Most Vulnerable to COVID-19—And When. <https://www.mckinsey.com/featured-insights/americas/which-small-businesses-are-most-vulnerable-to-COVID-19-and-when#>

Federal Reserve Bank of New York, Can Small Firms weather the economics effects of COVID-19?<https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2020/COVID-brief>

Facebook Data for Good, Future of Business Survey, <https://dataforgood.fb.com/wpcontent/uploads/2020/05/SMBReport.pdf>

Kurmann, A., Lal'e, E., Ta, L. (August, 2020). The Impact of COVID-19 on Small Business Employment and Hours: Real-Time Estimates with Homebase Data. http://www.andrekurmann.com/hb_COVID

Kim, O. S., Parker, J. A., & Schoar, A. (November, 2020). Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID-19 Pandemic. <https://www.nber.org/papers/w28151>

Opportunity Insights Tracker, <https://www.tracktherecovery.org/>

Georgij Alekseev, Safaa Amer, Manasa Gopal, Theresa Kuchler, JW Schneider, Johannes Stroebel & Nils C. Wernerfelt (September, 2020). The Effects of COVID-19 on U.S. Small Businesses: Evidence from Owners, Managers, and Employees. <https://www.nber.org/papers/w27833>

Liguori, E. W., Pittz, T. G. (July, 2020) Strategies for Small Business: Surviving and Thriving in the Era Of COVID-19. <https://www.tandfonline.com/doi/full/10.1080/26437015.2020.1779538>

Baker, T. H., Judge, K. (April, 2020) How to Help Small Businesses Survive COVID-19. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3571460

Gursoy, D., Chi, C. G., Chi, O. H., (May, 2020 – January, 2021) Tracking the effects of COVID 19 pandemic on restaurant and hotel customers' sentiments: "Customers' sentiments in January 2021 towards dining out, traveling to a destination and staying at a hotel" <http://www.htmacademy.com/COVID-19-research-for-hospitality-industry/>

Pierre-Olivier Gourinchas, Şebnem Kalemli-Özcan, Veronika Penciakova & Nick Sander (September, 2020) COVID-19 and SME Failures. <https://www.nber.org/papers/w27877>

Nicholas Bloom, Robert S. Fletcher & Ethan Yeh (January, 2021). The Impact of COVID-19 on U.S. Firms. <https://www.nber.org/papers/w28314>

Exhibit A: Survey Instrument

Informed Consent and Business Description



San Francisco Small Business COVID-19 Impact Survey

Dear San Francisco Small Business:

COVID-19 and the local emergency have created unprecedented challenges for San Francisco small businesses and their workers.

The [San Francisco Small Business Commission](#) has partnered with economists from [San Francisco State University](#) to better understand your challenges so that we can best advocate for your needs. It takes approximately 10-15 minutes to complete this survey.

The survey results will be kept anonymous and will help decision-makers enact programs and policies uniquely appropriate for small businesses. Thank you in advance for your willingness to participate in this effort! If you have any questions, please let us know: sbc@sfgov.org, 415.554.6481. Should you receive this survey from multiple sources, please only fill it out once. Surveys are available in the following languages:

| [Chinese](#) | [Spanish](#) | [Tagalog](#) | [Arabic](#) | [Japanese](#) | [Russian](#) | [Vietnamese](#) | [Korean](#)

The survey is voluntary and results will be made available on request.

Would you like to proceed with the survey?

- Yes
- No
- Not interested at this time

. How would you describe your business? Please provide either a [NAICS](#) code or a brief description.

. Aside from your standard business license, do you need additional regulatory licenses (for example, license to operate from the Department of Public Health, Entertainment Commission, Police Department or other local agency) to operate your business?

- Yes
- No

. What type of customers does your business primarily serve? (Select all that apply)

- SF residents
- Neighborhood residents
- Tourists
- Office workers

. Where is this business located?

- No physical location
- Run from my home
- Single location in San Francisco
- Multiple locations only in San Francisco
- Multiple locations, in and outside San Francisco

. What zipcode(s) is this business located in? Fill in as many as pertinent.

. How long has this business been in operation?

- 0-1 year
- 1-3 years
- 4-6 years
- 7-10 years
- 10+ years
- 35+ years

. Overall, how has this business been affected by the Coronavirus pandemic?

- Large negative effect
- Moderate negative effect
- Little or no effect
- Moderate positive effect
- Large positive effect

. **City & County of San Francisco issued a Stay at Home order on March 17, 2020.**

Before the pandemic, what were the total monthly operating revenues/sales/receipts for this business, not including any financial assistance or loans?

- \$0 - \$50,000
- \$50,001 - \$100,000
- \$100,001 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001-\$2,000,000
- \$2,000,000-\$5,000,000
- more than \$5,000,000

Don't know

. Before the pandemic, how many paid employees did this business have?

Sole proprietor

0-5

6-10

11-25

26-50

51-100

100+

. Since March 17, 2020, did this business have a change in operating revenues/sales/receipts, not including any financial assistance or loans?

Decreased significantly

Decreased moderately

No change

Increased moderately

Increased significantly

. Since March 17, 2020, did this business have a change in the number of paid employees?

Increased

Decreased

No change

City and County of San Francisco has opened up businesses in a phased manner.

. **City and County of San Francisco has opened up businesses in a phased manner.**

Since March 17, 2020, did this business do any of the following? (check all that apply if business has multiple locations)

This business was deemed essential and stayed open during shelter-in-place

This business was closed during shelter-in-place and reopened on

This business reopened after the shelter in place and closed again on

This business is still temporarily closed.

This business has moved all operations online.

This business has permanently closed.

. Relative to 2019, how would you describe this business's current operating capacity?

(Note: Operating capacity is the maximum amount of activity this business could conduct under realistic operating conditions.)

- Operating capacity has increased by 50% or more
- Operating capacity has increased by less than 50%
- No change in operating capacity
- Operating capacity has decreased to 50%
- Operating capacity has decreased to 25%

. From the time your business was allowed to open, did this business re-hire any paid employees who had been furloughed or laid off after March 17, 2020?

- Yes
- No
- This business did not furlough or lay off any paid employees after March 17, 2020.

. From the time your business was allowed to open, has your operating capacity been affected by any of the following reasons? Select your top three reasons.

- Ability to re-hire furloughed or laid off employees and/or hire new employees
- Availability of employees to work due to caring for a child
- Ability of employees to work from home
- Staff not being able to commute in safely
- Physical distancing of employees
- Physical distancing of customers or clients and/or limits on the number of concurrent customers or clients
- Availability of Personal Protective Equipment (PPE) and/or related equipment or supplies
- Implementation of Covid-10 regulations is too costly
- Supply chain issues
- Confusing rollout of loans and programs such as PPP
- Need for a additional licenses or permits
- None of the above

. From the time your business was allowed to open, have your sales been affected by any of the following? Select your top three reasons.

- Competition from similar businesses outside your county
- Competition from online businesses
- Not enough customers in San Francisco

- Legal and regulatory restrictions in San Francisco
- Lack of cleanliness of outdoor public spaces used by the business
- Confusing re-opening guidelines in San Francisco
- Customers who refuse to follow county rules
- Public transit changes
- Homeless encampments near the business
- Closed Streets
- Lack of parking and increased cost of parking
- Delays in getting permits, licenses and approvals

. How would you describe the current availability of cash on hand for this business, including any financial assistance or loans? Currently, cash on hand will cover:

- 1-7 days of business operations
- 1-2 weeks of business operations
- 3-4 weeks of business operations
- 1-2 months of business operations
- 3-6 months of business operations
- 6 months or more of business operations
- No cash available for business operations
- Don't know

. Since March 17, 2020, has this business missed any loan payments?

Loan payments that have been forgiven or postponed should not be considered to be missed.

- Yes
- No
- Yes, but the payment has been renegotiated

. Since March 17, 2020, has this business missed any other scheduled payments, not including loans?

Examples of other scheduled payments include rent, utilities, and payroll. Scheduled payments that have been forgiven or postponed should not be considered to be missed.

- Yes
- No

. Do you own or lease the building/s in which your business is located?

- Own
- Lease

. Are you a personal guarantor on the lease?

- Yes
- No

. Have you missed any lease payments?

- Yes
- No

. Have the terms in your lease been renegotiated during this time?

- No, no contact with landlord
- No, no rent negotiation offered
- Yes, Rent has increased in lease renewal
- Yes, Rent has decreased in lease renewal

. When does your lease expire?

- month to month
- in 6 months
- in 1-3 years
- in 3-5 years
- in 7+ years
- Just re-negotiated

. Since March 17, 2020, has this business **requested** financial assistance from any of the following sources?

Select all that apply:

- Paycheck Protection Program (PPP)
- Economic Injury Disaster Loans (EIDL)
- Small Business Administration (SBA) Loan Forgiveness
- Main Street Lending Program
- Deferral of Federal Employment Tax Deposits and Payments
- Federal Sick and Family Leave Tax Credits
- Federal Employee Retention Tax Credit
- Other Federal programs
- African American Small Business Revolving Loan Fund

- Latino Small Business Fund
- SF Help Loan
- SF Mini Grant
- SF Resiliency Fund
- SF Shines for Reopening Grant
- Shared Spaces Equity Grant
- The San Francisco Workers and Families First Paid Sick leave Program
- Small Business PPE distribution program
- Business tax, registration and license fee deferrals
- Moratorium on commercial evictions for small and medium-sized businesses
- Banks
- Self
- Family or friends
- Other sources
- This business has not requested financial assistance from any source since March 17, 2020.
- This business was not aware that many of these programs were available.

. Since March 17, 2020, has this business **received** financial assistance from any of these programs from the Federal government?

Select all that apply.

- Paycheck Protection Program (PPP)
- Economic Injury Disaster Loans (EIDL)
- SBA Loan Forgiveness
- Main Street Lending Program
- Deferral of Federal Employment Tax Deposits and Payments
- Federal Sick and Family Leave Tax Credits
- Federal Employee Retention Tax Credit
- Other Federal programs
- This business has not received financial assistance from any Federal program since March 17, 2020.

. Since March 17, 2020, has this business **received** financial assistance from any of these programs from the Local government?

Select all that apply.

- The San Francisco Workers and Families First Paid Sick leave Program
- Small Business PPE distribution program
- Business tax, registration, permits and license fee deferrals
- African-American Small Business Revolving Loan Fund
- Latino Small Business Fund

- SF Help Loan
- SF Mini Grant
- SF Resiliency Fund
- SF Shines for Reopening Grant
- Shared Spaces Equity Grant
- Moratorium on commercial evictions for small and medium-sized businesses
- Other Local Programs
- This business has not received financial assistance from any local program since March 17, 2020.

. Since March 17, 2020, has this business used alternative business models?

Select all that apply.

- Not applicable to this business
- Online sales
- Curbside pick up
- Phone sales and pick up / home delivery
- Third party pick-up and drop off such as Uber-eats, Instacart, Doordash
- This business does not offer alternative forms of delivery
- Moving all services/classes online

Planning Ahead

. In the next 6 months, do you think this business will need to do any of the following?

Select all that apply.

- Obtain financial assistance or additional capital
- Identify new supply chain options
- Come up with new business ideas
- Use Shared Spaces Program
- Close any brick and mortar and move business online
- Develop online sales through websites or apps
- Increase marketing or sales
- Will need information and financial assistance to set up digital sales and marketing
- Learn how to better provide for the safety of customers and employees
- Identify and hire new employees
- Provide professional development for employees
- Permanently close this business
- None of the above

. In your opinion, how much time do you think will pass before this business returns to its normal level of operations relative to one year ago?

- This business has returned to its normal level of operations.
- There has been little or no effect on this business's normal level of operations.
- It will take 0-3 months to return to normal
- it will take 4-6 months to return to normal
- it will take more than 6 months to return to normal
- I do not believe this business will return to its normal level of operations.
- This business has permanently closed.

. How has this business been getting information on city ordinances and business best practices? Select all that apply.

- Email
- Communication from local merchants association
- Word of Mouth/ From a Friend
- Social Media (such as Facebook)
- SF.gov Websites
- Office of Economic and Workforce Development outreach
- Office of Small Business
- Newspaper/TV/ advertisements
- Other

. Please provide your response to the following statements.

	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
This business feels that San Francisco is generally a good place to own a small business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
During the COVID-19 pandemic, this business feels supported by the local merchant community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
During the COVID-19 pandemic, this business feels that neighbors are shopping locally and are intentionally supporting us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
During the COVID-19 pandemic, this business feels that San Francisco is doing a good job of supporting local small businesses.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
This business feels that Public Health guidance from the city of San Francisco during the COVID-19 pandemic has been clear and easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This business felt disproportionate regulations were imposed on it during this COVID-19 pandemic.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

. What is the primary language spoken by the owner of this business?

. Does the owner of this business live in San Francisco?

- Yes
- No, please provide the zip code where owner resides

. What is the age of the owner?

- 18-35 years
- 36-50 years
- 51-64 years
- 65 years+

. What is the gender of the owner?

- Female
- Male
- TransFemale
- TransMale
- GenderQueer/Gender non-binary
- Not Listed. Please specify.

. What is the Race/Ethnicity of the owner of this business? Be as detailed as you can.

. What would be of greatest support to your business right now? (Select up to 3)

- Access to grants or 0% loans
- Greater marketing and messaging to encourage residents to support local businesses
- Free/low cost legal help to navigate HR issues
- Free/low cost legal help to navigate lease negotiations
- Free/low cost accounting/financial assistance
- Assistance understanding health ordinances
- Education to help keep workplaces safe
- Cleaner neighborhood streets
- Other; Please specify.

. Would you like to elaborate on any of your responses to these questions or this business's experiences during the Coronavirus pandemic?

Remarks (500 characters)

. Your contact information will enable us to send you the survey results and connect you to important resources that will be of use to your business and will not be shared with anyone outside of the Office of Small Business.

. Business Website or Yelp URL

. Name of your business

. Email Address

. Cell phone Number