



BLACK AND BROWN OWNED BUSINESSES HIT HARDEST BY COVID-19 PANDEMIC

New data by [Robert Fairlie](#) reveals that across the United States businesses owned by Black, Latinx, and Asian people have closed down at an alarming rate during the COVID-19 pandemic.

Recent [estimates](#), for example, show that 40 percent of the revenues of Black-owned businesses are more likely to be in sectors most impacted by the pandemic including leisure, hospitality and retail. Between February and April of 2020, more than 3 million small businesses closed down across the country. Businesses owned by people of color, women, and immigrants were most severely harmed, closing down faster than the national average. White owned businesses have closed down at a much slower rate, the only group to see a smaller share of businesses close than the national average.

KEY FINDINGS:

- Between February and April of 2020, the number of business owners in the United States fell from 15 million to 11.7 million, a 22% decline in small businesses in just two months
- Black owned small businesses declined by 41% from February to April of 2020, more than any other racial or ethnic group
- Latinx owned small businesses declined by 32%, nearly double the rate of white owned businesses
- Asian owned small businesses declined by 26%
- White owned small businesses fell by only 17%, below the national average and below every other racial and ethnic group
- Immigrant owned small businesses fell by 36%, second only to Black business decline
- Women owned businesses fell by 25%, compared to 20% of small businesses owned by men

Small businesses serve vital roles in our economy, particularly for people who are denied opportunities by employers and the job market. For Black and Brown people, small businesses are often the only pathway to economic security and/or a job where their dignity stays intact. As federal and state governments work to address the economic fallout of the pandemic, **they must center businesses owned by people of color and women to ensure they are able to survive during and after the pandemic.**

Small businesses nationally	Number of businesses in February 2020	Number of businesses in April 2020	Percent change
Total	15,012,692	11,710,360	-22%
Female	5,389,399	4,048,205	-25%
Male	9,623,293	7,662,156	-20%
Black	1,079,116	637,769	-41%
Latinx	2,070,896	1,412,925	-32%
Asian	888,528	657,896	-26%
White	10,553,415	8,761,531	-17%
Immigrant	3,120,275	2,009,597	-36%

Source: The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey, Robert Fairlie, May 2020. <https://siepr.stanford.edu/research/publications/impact-covid-19-small-business-owners-evidence-early-stage-losses-april-2020>