

Survival of Small Businesses through COVID-19

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In March of 2020, the world went into an extreme shutdown. This pause resulted from the outbreak of a deadly disease that took the jobs and lives of many. The name of this disease is Covid-19, which at the time of this writing, infected 32.3 million people and took the lives of 575,000 people in the United States. For those that were employed, many lost their jobs abruptly because there was not enough money being made in these businesses to support all of their workers. For students of all ages, it started off with in person classes being cancelled and students having to attend class online, where students and teachers would meet virtually to continue their daily lessons. This was the beginning of the hardest of times. This was the beginning of the New York State shutdown.

A lot of people began to struggle financially due to only “essential” businesses being allowed to stay open, with essential defined as places that people needed to be open to survive. These included supermarkets, medical centers and hospitals, pharmacies, gas stations, post offices, and laundromats. Places like movie theaters, nail salons, hair salons, clothing stores, and more were forced to shut down until further notice. According to reporting from the New York Post, New York lost 1 million jobs. Job loss on this scale has not happened since the Great Depression. According to Bartik, 43% of small businesses temporarily closed due to Covid-19 in 2020.

Many essential jobs were able to survive this pandemic, as were those who were able to continue working remotely from home. But even then it took a toll on these essential businesses. Restaurants were essential because they provide food, but indoor dining was prohibited due to the fear of spreading the virus. Only pick-up and delivery were available, leading to massive profit losses. The National Restaurant Association revealed food service sales were \$240 billion below once the pandemic struck. “Employment in the food services, restaurant and beverage industry plummeted by 43 percent year-to-year” according to the New York Post. In June 2020

outdoor seating became allowed, but this was nothing near what it used to be when it came to going out to eat. Still, this was helpful for a small period of time until the weather started to get colder and no one wanted to eat their meal outside. Governor Andrew Cuomo decided to re-open indoor dining in February 2021 at 25% of usual capacity.

In his 2021 budget plan, Governor Andrew Cuomo said that New York might not recover from the hurt of this pandemic financially until the year 2025. That is how big of a toll coronavirus had on New York.

This became an economically stressful time for everyone, especially for those who work non-essential jobs. How were non-essential business workers going to earn their money? So many businesses in the beauty and retail industries were not considered essential. How were nail technicians or hairstylists or sales associates going to pay their bills when everything was forced to shut down out of their control?

Young entrepreneurs used social media during the pandemic to gain new clients and consumers. Social media is an outlet to help them get recognized because it was easy for these business owners to post what their brand consists of, gain followers that agree with the brand, like their work, or are clients or consumers of the brand. Creating a social media page for small businesses helped many get their brand out into the world quickly to bring business owners more success.

These workers stopped receiving income when their businesses were shut down, but the worst part was no one knew how long this crisis was going to last. Some of the people who lost their job due to the pandemic were eligible for unemployment insurance. But many people had trouble signing up for unemployment.

Since March 2020, 57.4 million people have signed up for unemployment and for some, there was an issue with either getting in contact with someone from unemployment, their money was delayed by what could be weeks, or they just simply did not qualify due to being laid off before the pandemic. Those who were not eligible had to wait and rely on a single \$1,200 stimulus check which was just not enough. This led to many creating their very own small businesses.

What is a small business? According to the New York Small Business Development Center, a small business is “an independent business having fewer than 500 employees.” 99.8% of all New York businesses are counted as small businesses. The New York Small Business Development Center also states that “as of 2012, there were 709,021 minority-owned businesses and 725,709 women-owned businesses in New York, many of them small businesses.”

New York City actively promotes the small business community. In 2015, NYC Mayor Bill de Blasio launched Small Business First, a series of initiatives designed to simplify and reduce the regulatory burden on small businesses. In 2018, the city announced it would help small businesses with leasing issues, grants would be awarded to small businesses, and business courses would be offered that could be helpful to young entrepreneurs in the beginning stages of their business.

The year 2020 is when Covid-19 broke out in New York. In March 2020, applications opened up for a NYC Small Business Continuity Loan Fund. This was crucial to New York because the state was about to enter into a worldwide crisis. “Our small businesses are the bedrock of our neighborhoods; they make New York City what it is. That is why we are doing everything possible to help them through this difficult time,” Mayor Bill de Blasio said on March 27, 2020.

Gregg Bishop, the Commissioner of the New York City department of Small Business Services said, "The City is committed to making sure small businesses have the resources they need to stay open during this time. As the situation continues to evolve, we will hear from our small businesses and make the necessary changes to address the challenges that they are facing. The partnership with the NYC Small Business Continuity Loan Fund represents a step in the right direction as City and private companies come together to assist this community."

During this time of the pandemic, the city's loan fund helped supplement federal funds provided by the Paycheck Protection Program (PPP), which provided \$659 billion to small businesses, non-profits, and other organizations to help with the Covid-19 pandemic.

How has the pandemic impacted all these small businesses and how did they survive it? Did these small businesses suffer during the pandemic due to the requirements of social distancing? Did e-commerce businesses see a more positive or negative impact on their business? How did the Coronavirus disease have an effect on these young entrepreneurs?

Operating home-based businesses became more popular as non-essential business closed in the pandemic. But having people in and out of your home was considered a very high risk because it was not following the mandate of being socially distanced. Based on guidance from the Centers for Disease Control, it was mandated that people had to be six feet apart from each other to help reduce the spread of Covid-19. This rule applied to all locations, even when in line at the supermarket. This meant that nail technicians could not do their jobs because it involved touching hands and close proximity between the nail technician and the client. Hair stylists faced a similar dilemma. Even being a server at a restaurant was very high risk because they were also coming into close contact with people. That is why many adopted a no contact pick-up and delivery only system for those ordering food.

If people started to take appointments at home during the pandemic, there was a possibility of getting fined for up to \$100,000 and a possibility of not re-opening the business and having to deal with those consequences. Despite the risk, some of these small business owners were able to survive through the pandemic by continuing to perform work in their own homes. It was a risk that they were willing to take during this tough time to be able to stay on their feet.

Nail technician, Daysbel Arroyo, owner of JL Dolls Nails & Beauty, opened up her own business in 2019. Arroyo shared she felt her business took off quickly due to her outstanding performance in doing nails. Her talent for doing nails lead to great success during the first year of her business. When New York shut down by force, it not only slowed down the growth of her business, but brought it to a complete stop beyond her control. Because her business was not considered essential, the salon was forced to close down until the state designated re-opening phase when her business was able to open up again. Arroyo's shop was able to re-open in July 2020. Arroyo tried to save her business by bringing those upcoming appointments she had into her home to stay on her feet, but that did not last very long.

“When the pandemic hit and closed down non-essential businesses, I took it upon myself to take clients at home for as long as I could,” Arroyo said. “My shop was closed, but I was still booked with appointments. I also did not know how serious this virus was until it got really serious, really fast.”

Arroyo has two kids under the age of 13 and didn't know what she was going to do when it came to making money.

“Being home based did not work long for me at all. I started being home-based when everything shut down because I still had appointments to take care of and bills to pay,” she said. “This was my only income of money. My neighbor realized I had people in and out of my house

and called 311 on me. I was fined with a ticket, stopped taking clients, and depended on unemployment until nail salons were able to open back up again.”

As a precaution against the virus, Arroyo’s beauty shop takes many safety steps. First, you must have an appointment. She does not accept any walk-ins. Second, every client must wear a mask and must be sprayed with alcohol and temperature must be taken upon arrival. Third, she does not allow any additional guests in the shop to be able to reduce the amount of people in the space. Clients are only allowed in at the time of your appointment and the earliest a client can arrive is five minutes before their scheduled appointment.

Yokeiry Bueno, owner of Opulence Beauty, is a home-based eyelash technician. She started her eyelash extension business in February 2020 which was a month before the pandemic started. Bueno said it was very difficult for her to start her business at the time because so quickly something out of her control came and took over her business.

“It was really hard for me. I just started my business that I had been wanting to start for so long and when I’m finally up and running, Covid struck New York. It sucked because due to mine and everyone else’s safety, I had no choice but to shut my business down for a few months along with the rest of the world it seemed like,” Bueno said.

Bueno also shared that Covid really delayed her business because normally every client she gets is a form of practice for her because everyone wants a different look. During the shutdown, all she had was her mannequin head, which could not provide her with the feedback that she needed for her business.

“It slowed me down by a lot and I just felt super delayed because had this never happened by the time I opened up again, my skills would have been sharper, my timing to lash would be quicker, and I would be more advanced,” Bueno said.

It wasn't until a few months later that her business was up and running again and she began to grow quicker than she thought she would. After Covid-19, her business grew quickly because for so long her clients were not able to do their eyelashes. Bueno's clients started coming to her once again and referring their own friends which helped her business grow. Because Bueno was taking more clients, using more product, and also trying to form this into her full time job, she raised her prices by 20%.

"I got a lot of clients when I opened back up again because so many girls wanted their eyelashes done after being locked down and not being able to feel their best selves," she said." I had a busy schedule and was making good money when I got back to regular programming with my business. I got double certified in lashes and began to learn more beauty related services to add more to my menu since I have a good amount of clients. It was a struggle in the beginning, but it is currently going great."

These days, Bueno is usually fully booked with her clients and getting new clients as the days go by. Currently, Bueno's eyelash business is her full-time job until she graduates with her master's degree in criminal justice and gets a job in that career.

Bueno now has very strict safety precautions such as masks being worn at all times by herself and her client. She sanitizes her work area after every client leaves to prepare for the next client, and she is constantly cleaning her floors, door knobs, and all products that are touched. She also makes her clients fill out a Covid-19 form before beginning their appointment and makes it clear to reschedule if the client is experiencing any type of symptoms.

While some beauty technicians took strict precautions during the beginning stages of the pandemic in order to continue working out of their homes, others decided to not take any clients for the safety of their homes and their families.

Kateleen Martinez, owner of Lashed by Marz, began her small business in 2019. She shared she had a good business running up until Covid stopped her. With her business, she was able to pay off her car and help her mom pay monthly bills.

“I stopped taking clients in February of 2020 before everything shut down because I was genuinely scared of what this virus was and so was my mom. It just felt so unknown at the moment and like anything could happen,” Martinez said.

Martinez was afraid of bringing the virus to her mom or sister and did not want to even risk it by putting herself out there.

“Working from home but also being a traveling eyelash technician just was not sanitary at the moment of the outbreak. I did not know what I was coming into contact with by traveling to random homes or by having people travel to me, so I decided to stop it all,” Martinez said., She did not think the lock down was going to be in place for so long, let alone the pandemic.

Although her business is now open again and she is back to taking house calls and traveling, she still tries to remain safe.

“I feel as though now I know how to take better precautions, but it did mess up my business flow,” said Martinez. She also said how she tries to fit in more appointments than before so she can be more financially prepared for the next time if there is a pandemic. “Fast forward to a year later, and now I know how to take precaution a lot more,” Martinez said.

In addition to the temporary closure of her business, the lockdown impacted Martinez personally because she was so used to making her own money and quickly.

“I had to depend on unemployment which was cool, but then I got bored. I felt like I wasn’t being successful because I was forced to no longer do my job. It took a toll on me mentally and it was a very hard transition for me during this time,” she said

Martinez is now a lot more careful when traveling and bringing people into her home. Masks are required at all times, you must wash your hands upon arrival, and she does not allow any extra guests. She stated that these rules are a must and she will not accept any clients that do not want to obey her protocols. Fast forward to today, Martinez is taking on her business full time and her small business is able to keep her on her feet.

Unlike beauty businesses that require in person contact, some small businesses were able to still make money by adopting an e-commerce business model. These types of businesses may have had more of a benefit because so many people were bored at home and entertaining themselves during quarantine by doing lots of online shopping. According to Annie Palmer's report on CNBC, online shopping increased 31% three months into the pandemic.

Kevin Alejo, owner of small business Define Ghetto NYC, saw a small rise in his business during the pandemic.

"While we were stuck at home in quarantine, I took it as more time for me to get creative with my work. I started designing more and bringing those looks to life on sweatsuits, hoodies, hats, shirts, you name it," said Alejo. With nothing else to do, Alejo kept working on his craft and coming out with projects he had in mind for a while and finally released them on his website and social media platforms.

"Everyone was literally just home, so online shopping was everyone's go to. I sold the most items during quarantine and even sold out of one of my collections at one point. It was amazing for me," said Alejo. He shared that he knows the pandemic and lockdown was challenging for many people, but that he feels he got lucky because he took it as a time to work on his craft.

"Sometimes you have to work with what you got and make it better, and that is exactly what I did," Alejo said.

Today, Alejo's small business has slowed down a little bit but he states that is because of him. He currently has a job working for Amazon, so he does not have as much free time for his clothing brand like he did before.

"I am grateful that even though we were in a pandemic, my business took a turn for the better in that moment when I know others may have had it worse. It could have been me honestly," he said.

The way Alejo takes precautions is by making sure his work space is clean and wearing gloves at all times.

Some small businesses did not succeed as much as their owners thought they would. Samantha Santiago, owner of small business Glossed by Samantha, began to do her research and mix up her own healthy ingredients to form them into lip glosses, lip scrubs, and chapsticks during lockdown. Though Santiago also started a business based on online sales, the results for her business were not the same as Alejo's and she encountered a bit of a struggle.

"When I first released my product, it was a few months into the pandemic back in July 2020. In the beginning, my products were being bought and a lot of people were being supportive. As the pandemic went on and is still going on, I noticed a decrease in people buying my stuff," said Santiago. She believes that the reason for her lip products not doing so well is due to the mask mandate New York State has. "People are wearing less lip gloss, lipstick, and even makeup in general because of these masks, so I think that is where my problem in my business arose" said Santiago.

Santiago took a break from her business for over a month because she realized her business is not at all where she wanted it to be and began thinking of what she can do to help increase and

grow her business. Luckily, Santiago's business was and still is more of a side job for her and Santiago is still currently working in retail at a Children's Place clothing store.

"I started selling skin care products. Body scrubs, body mists, and body whips were now added to Glossed by Samantha." She still sells her glosses for \$4 each plus shipping and still wants to keep selling better quality glosses. Santiago came up with an idea for a lipgloss that is stain free so it does not get on any masks. She is now currently testing if her small business will rise back up again or not. "It is currently a work in progress, but hoping for the best. I really hope that my stain free lip tints will go a long way in my business," said Santiago.

Due to quarantine, a lot of people had more free time on their hands and this led to new hobbies and hidden talents being discovered. The isolation allowed people to find their inner creativity and start up something new. People started learning how to do nails, eyelash extensions, clothing items, and started making their own money and creating their own businesses.

Jacob Ramos is the owner of the small business Cottonmouth, a clothing brand. His focus right now is on designing hoodies since he just started out, but he is also developing other things such as stickers, recyclable tote bags, and more. Ramos' hoodies sell for \$60, his stickers are \$5, and the tote bags go for \$25.

"I always wanted to create my own line of hoodies but I never found it in me to do so. What inspired me to start my own business was seeing the creativity in all the people around me. The pandemic really forced a lot of people to start up something of their very own and now there is a bunch of young, talented entrepreneurs. I love to see it," Ramos said.

Prior to the pandemic, Ramos worked retail at Zara and was heavily into fashion and new styles. Ramos spoke about his previous job experience and what life was like for him before he started up his own business.

“I did quit Zara because although I loved the environment, they had me working two positions but paying me for one,” he said. “It just wasn’t fair and it started to make me really unhappy, so I quit. Luckily with the help of my parents I was able to get a press machine and bring my graphic designed hoodies to life and start my business.”

Arlene Diaz, owner of small business Melts by Bella, is a stay-at-home mom which is what pushed her to start a business of her own. Melts by Bella is a chocolate covered strawberry business. She also makes breakable chocolate hearts and provides small sweet messages with letters made out of chocolate. Diaz recently started her own business in February 2021. “This pandemic has made me realize how difficult it is going to be to get a job out there. I don’t have a college degree, so I knew it was going to be more of a struggle for me so I decided why not start something on my own,” Diaz said.

Diaz is still learning how to make the finances work out. “It’s about to be two months since I started my business but I am still learning how to maneuver the money,” said Diaz. She feels it can get tricky because the money she makes will sometimes go to buying more supplies or sometimes be pocket money for her and her daughter.

The way Diaz takes precautions for her business is different from others since she is dealing with food. “I have a section in my kitchen to myself that I simply use for my berries and all my materials. I clean and disinfect the area before every order and I make sure to wear my mask and gloves since I am dealing so closely with food,” said Diaz. Diaz makes sure to complete her orders while no one else is in the kitchen. She shared that her kitchen is too small and doesn’t

want anything unsanitary around while she is in the processing her berries. “If my mom comes into the kitchen while I am working on an order, she wears her mask as well. We lost my grandma to Covid, so we understand how serious it can get,” said Diaz.

Despite the challenges, Diaz’s business seems to be performing very well and her business surged during Valentine’s Day week. She is excited for the upcoming Easter and Mother’s Day holidays to work on a bunch of orders again. In the meantime, she is still taking birthday orders, thank you or appreciation orders, and other gift orders. Her business has been flourishing thus far and she is currently doing orders full time. Her schedule varies depending how many orders she gets, but she says her business has been holding her up. After receiving positive feedback on her products, she increased her prices, which has significantly helped her income.

Since the pandemic started, many people learned a new hobby and more than a year later, it’s important to see the positive and negative effects for these small businesses and to share their stories. These small business owners are survivors. Their talent may have been able to save them through one of the world’s darkest times. Unintentionally, Covid brought out a lot of hustle in people. It also seemed like a reality check for some, especially young adults.

Overall, Covid-19 has had a very negative impact on all of us. Whether it cost you a loved one, loss of your job, your business to shut down, or even a negative mental state, it was a very troubling and tragic time for many and unfortunately, it still is not over yet. The pandemic is still happening today and Covid is still very real. But many young entrepreneurs are trying to look at the bright side, stay positive, and learn how to maneuver around this new type of “normal.”

“If it’s anything Covid-19 taught me, it was how to survive on my own for myself and for my daughter through any sudden struggles, and for that I am thankful,” Diaz says.

SOURCE LIST

Kevin Alejo, February 18, 2021; Owner of Define Ghetto NYC

Daysbel Arroyo, January 21, 2021; Owner of JL Dolls Nails & Beauty

Yokeiry Bueno, January 29, 2021; Owner of Opulence Beauty

Arlene Diaz, February 23, 2021; Owner of Melts by Bella

Kateleen Martinez, February 19, 2021; Owner of Lashed by Marz

Jacob Ramos, February 23, 2021; Owner of Cottonmouth

Samantha Santiago, February 5, 2021; Owner of Glossed by Samantha

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