

Small Business Facts

BLACK BUSINESS OWNERS HIT HARD BY PANDEMIC

August 2020 · By Daniel Wilmoth, PhD



Black owners show biggest decline in business activity

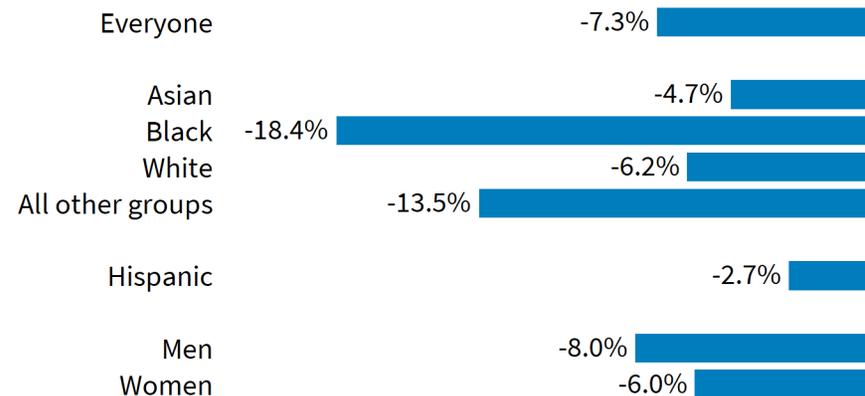
Effects of the COVID-19 pandemic on business owners have varied across demographic groups. Data on demographic characteristics and self-employment are collected through the Current Population Survey and available through [IPUMS](#). In July 2020, the total number of people who were self-employed and working was 7.3 percent lower than in July 2019. That decline was a partial recovery from April 2020, when the decline was 20.2 percent relative to April 2019. Declines have been largest for Black self-employed workers, with a decline of 37.6 percent in April and a partial recovery to a decline of 18.4 percent in July. The effects of the pandemic have varied by industry, and demographic differences in the effects of the pandemic [reflect demographic differences](#) in distributions across industries.

The decline in business activity among Black owners has been nearly three times the decline among other owners

Black women show bigger decline than Black men

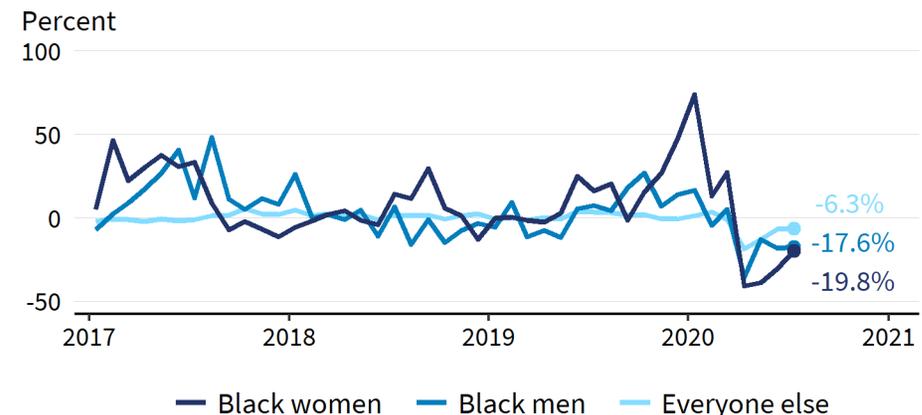
In April 2020, the total number of Black women who were working and self-employed was 40.8 percent lower than in April 2019, while the decline for Black men was 35.7 percent. After a partial recovery, the decline for Black women in July was 19.8 percent, while the decline for Black men was 17.6 percent. Relatively few business owners are Black women, and the large declines among Black women have reduced their representation in recent months. In January 2010, Black women accounted for 5.9 percent of all workers but only 1.8 percent of self-employed workers. The share of self-employed workers who were Black women had risen to 3.1 percent by March 2020 before falling to 2.0 percent in April and then recovering to 2.7 percent in July.

Change in total working self-employed



Change from July 2019 to July 2020.
Source: Current Population Survey; BLS, Census, and IPUMS

Change in Black self-employment by gender



Change relative to 12 months prior.
Source: Current Population Survey; BLS, Census, and IPUMS