

Small Business Facts

PANDEMIC PRESSURES CITY BUSINESSES

November 2020 · By Daniel Wilmoth, PhD



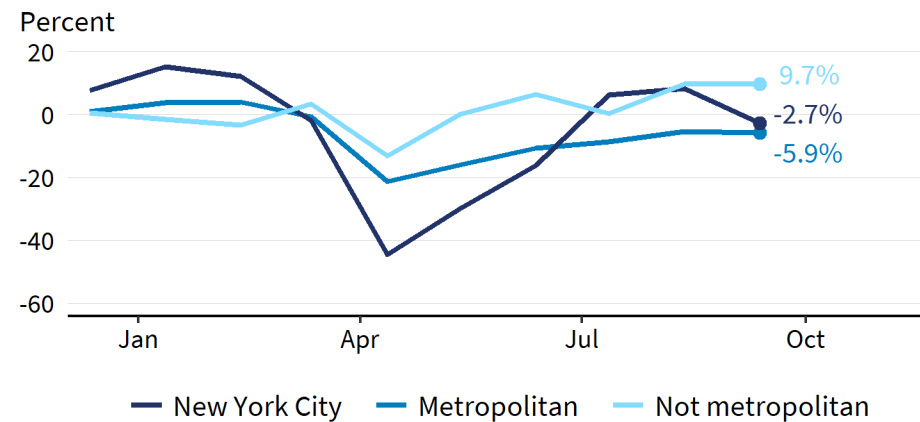
More businesses closed in metropolitan areas

The effects of the COVID-19 pandemic on businesses have varied by location. Data on location and self-employment are collected through the Current Population Survey and available through [IPUMS](#). In April 2020, the number of people in metropolitan areas who were self-employed and working was 21 percent lower than in April 2019, while the decrease was only 13 percent outside of metropolitan areas. The decline was especially severe in the New York City metropolitan area, the largest in the nation, where it reached 44 percent. Geographic differences in the impact of the pandemic may have contributed to the larger impact of the pandemic [on Black business owners](#), since the proportion of business owners who are Black is higher in metropolitan areas and particularly high in the New York City area. The number of working self-employed people has since rebounded, with especially large gains in the New York City area, where in recent months it has been about the same as in 2019.

New York City area led nation in business reopening

Another source of data on business closure and reopening is the Census Bureau's Small Business Pulse Survey. The first data were collected at the end of April 2020, when a large negative impact of the pandemic was reported by 51 percent of businesses nationally and 66 percent of businesses in the New York City metropolitan area. Temporary closure was reported by 41 percent of businesses nationally and 59 percent of businesses in the New York City area. In August, the survey added a question about business reopening. In the weeks since, the rate at which businesses reopened in the New York City area has consistently exceeded the national rate, with reopening reported in the most recent week by 2.4 percent in the New York City area and 0.9 percent nationally. In that week, San Francisco surpassed New York to achieve the highest reopening rate in the nation at 2.8 percent.

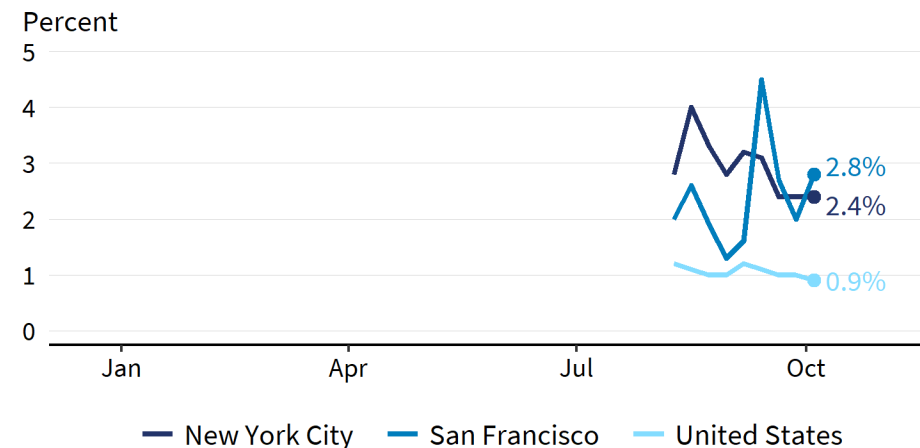
Change in total working self-employed



Change relative to 12 months prior.

Source: Current Population Survey; BLS, Census, and IPUMS

Percentage of businesses reopening



Source: Small Business Pulse Survey, Census