



SF NEW DEAL

Current and Future Challenges: The Small Business Landscape in San Francisco

July 2022

SF New Deal
San Francisco, CA
sfnewdeal.org

About SF New Deal

SF New Deal provides supportive services and financial opportunities for small businesses in San Francisco.

We work to address both the symptoms and root causes of inequity by building pathways which connect local business owners, workers, community leaders, and neighbors in need, for the benefit of the entire city.

SF New Deal is a registered 501(c)3. We are funded through a combination of private contributions, foundation grants, and contracts with the City and County of San Francisco. Funding for this report and the disbursed grants came from our general fund.

Our organization was founded with a vision of San Francisco as a world-class city that provides an abundance of support, opportunity, dignity, respect, and appreciation for small businesses and neighbors in need.

Small businesses are critical to both the economy and culture of San Francisco, providing jobs, entrepreneurial opportunities, and community gathering spaces. By forging cross-sectional partnerships, we believe we can build a new model of community care that reflects lasting and meaningful improvement to economic mobility, civic engagement and investment, and community safety for all San Franciscans.



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Introduction

Over the past 2 years, small businesses have struggled, adapted, shown tremendous resilience, and, in many cases, closed in the face of the COVID-19 pandemic. In San Francisco, small businesses are a vital economic engine that represent the cornerstones and cultural fabric of the city. Their vibrancy and character define the eclectic culture of the neighborhoods they're a part of, and as a whole, the identity of San Francisco. The implications of the success of small businesses extend far beyond their front doors, and the challenges they face reflect the intersectional and nuanced challenges of San Francisco broadly.

In pursuit of better understanding the challenges faced by small businesses in San Francisco, SF New Deal launched its \$1 Million Microgrant Debt Relief Program in 2021. The program disbursed 400, \$2,500 microgrants to small businesses across

the City of San Francisco. A wide net was cast to solicit applications directly from individual businesses, as well as nominations from the community. From over 600 applications, the 400 selected recipients represent a broad and diverse cross section of all 11 Supervisorial Districts in San Francisco. 96% of these owners and operators are among systemically under-resourced groups that historically have experienced the greatest barriers to access capital and opportunities including BIPOC, immigrants, LGBTQ+ and women. 85% of selected businesses employ 5 or fewer workers. By centering the challenges and needs of the most vulnerable small businesses, we believe we'll be able to catalyze quality of life improvements for all San Franciscans.

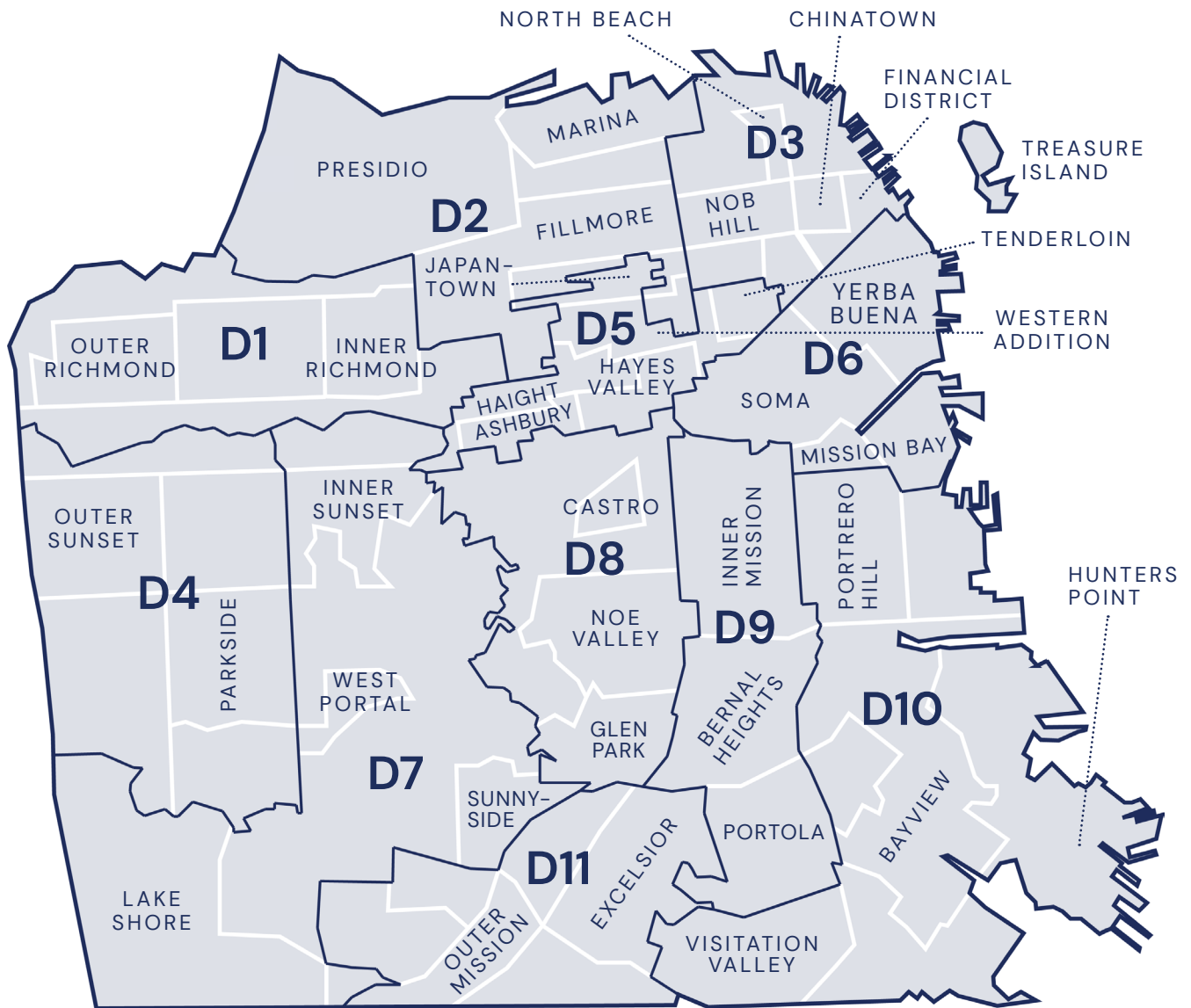
For more information on our application process and selection criteria, please see Appendix A.

Methodology

The survey findings reflect the responses of 351 out of 400 small business owners in San Francisco who received \$2,500 debt relief grants in 2021. The online survey was fielded between October 2021 and February 2022, and offered in English, Spanish, and Chinese. Survey links and reminders were provided by email. The margin of error for the survey is ~5%.

San Francisco Districts and Neighborhoods

This report makes references to Supervisorial Districts and neighborhoods across San Francisco. The map below depicts the current district lines and a selection of neighborhoods. Please note that the surveying and data analysis in this report reflect the district lines prior to the recent redistricting.



Survey Summary and Proposed Solutions

The problems outlined in this report cannot be sustainably addressed without the active engagement, leadership and financial support of City agencies, local officials, community groups, business associations, non-profits, and individual San Franciscans who shop, dine, and rely on these small businesses for goods and services every day.

The road to a thriving business ecosystem begins with listening to business owners and workers, identifying what needs are most exigent, and working with urgency and accountability in collaboration with the individuals and groups best situated to provide timely solutions.

SF New Deal's microgrant recipients participated in an in-depth digital survey designed to identify their challenges and current needs. From the experiences and perspectives the grantees shared, we strengthened our understanding of where SF New Deal, along with other community and governmental organizations, should invest resources and programmatic support to catalyze the greatest impact for small businesses, and in turn, the entire City of San Francisco.

The survey looked at three areas: business structures, financial stand-

ing, and specific challenges and needs arising from the COVID-19 pandemic and its exacerbation of preexisting systemic inequities. Our key findings in each area expose the limitations of what supportive programs have been able to accomplish to date, and provide a roadmap for new initiatives in the months and years to come.

Local challenges require localized solutions, and not all districts in San Francisco face the same difficulties. The summary below offers an overview of our findings and suggestions for how to direct efforts and resources. Our hope is that these findings inspire dynamic dialogue and catalyze direct action. Over the coming months, SF New Deal will introduce a series of programs and services both independently, and in collaboration with others, to address the challenges laid forth in this report.

Key Findings

1

67% of small business owners reported earning less than \$25,000 in 2020.

Implication:

These businesses are at the greatest risk to close and leave empty storefronts, unemployed workers, fewer options for consumers, and lost revenue for the City of San Francisco.

2

Many grantees used the microgrant to reduce their overall debt, but 77% continue to carry debt. For 30% the debt is \$150,000 or higher, and 33% have more than one creditor. 37% of grantees reported accumulating debt as their single biggest challenge.

Implication:

Rising interest rates on debt will make it harder for many businesses to reduce principal balances, and consequently, overall debt levels will increase, all during a period of escalating costs. Small business owners – *often having personally guaranteed their loans* – will have to make hard choices between paying down debt, keeping workers, raising prices, investing in business improvements, or facing personal bankruptcy.

3

73% of grantees reported moderate to large decreases in demand for their goods and services since the start of the pandemic.

Implication:

Without intervention, it's inevitable that more small businesses will close, while others pivot away from brick-and-mortar storefronts to exclusively online models.

4

39% of the small business owners surveyed identified finance and accounting services as their greatest need and what they believe would be most helpful to their future success. 50% of all surveyed businesses reported not being comfortable reading and understanding cash flow statements and budgets.

Implication:

Businesses that don't understand their books are, foundationally, not equipped to build sustainable businesses. Without intervention, many businesses will be left without the tools they need to build profitability. Over time, this will result in widespread closures.

5

Asked to rank challenges they have confronted since the start of the pandemic, 41% of the small business owners surveyed chose hiring and staffing as their primary concern.

Implication:

Hiring and staffing issues have shown little abatement even as the pandemic has begun to recede. Shifts in population, changes in how and where people work, and quality of life issues have exacerbated more deeply rooted systemic challenges (such as affordable housing and affordable/accessible public transit). Increasingly, small business owners are competing for a more demanding and often shrinking set of workers. High costs in a compliance-heavy landscape contribute to small business owners' difficulty in offering advancement opportunities amidst high rates of employee turnover.

Takeaways and Actions

SF New Deal advocates for small businesses and works with urgency to meet their needs. As an organization, we serve both as a programmatic operator and an advocacy partner. The actions below represent both policy suggestions and the opportunity for programmatic investment.

→ **Takeaway:**

Small businesses, particularly those with 5 or fewer workers, owned by historically under-resourced groups: BIPOC, immigrants, LGBTQ+, and women are at high risk of closure due to lower demand for goods and services, mounting debt, and lack of familiarity with bookkeeping and financial management. Many small business owners, having personally guaranteed their loans, are at a high risk of needing to declare personal bankruptcy.

→ **Takeaway:**

Hiring and staffing remain the greatest challenge with small businesses unable to compete with a more demanding workforce and a high cost of operating.

→ **Action:**

In partnership with District Supervisors, SF New Deal will pilot programs to connect small businesses with professional services including: bookkeeping, financial, legal, and marketing/business development at no or low-cost, prioritizing those most at risk of imminent closure due to bankruptcy or eviction.

→ **Action:**

Distribute public transit vouchers for small business workers to enable improved intra-Bay Area hiring.

→ **Action:**

Allocate funds for expanded small business grant programs (not 0% interest or low interest loans), tax credits, basic income, and fee rebates or waivers.

→ **Action:**

Provide supplemental income programs for small business owners and workers to cover the delta between minimum wage (Full Time Equivalent = \$35,000 annually) to actual cost of living wage in Bay Area (Full Time Equivalent = \$64,000 annually).

→ **Action:**

Offer more accessible and approachable government contract opportunities for small businesses that provide reliable and recurring revenue.

→ **Action:**

Allocate government funding to expand SF New Deal's 2021 pilots, which introduced programs to improve employee retention, advancement opportunities, and organizational culture for owners and workers. These programs focused on building management skills, expanding dual language proficiency, and amplifying awareness of job opportunities.

→ **Action:**

Create incentive programs that support entrepreneurs looking to start new businesses in otherwise vacant storefronts.

*"We can't afford administrative help anymore so I spend my time doing paperwork instead of business development and marketing. During the pandemic a lot of energy was diverted to grant applications, most of which didn't come to fruition. Regulatory issues also chew up time."
- Grant Recipient, District 8*

Survey Findings

For a full breakdown of all responses, please refer to Appendix B.

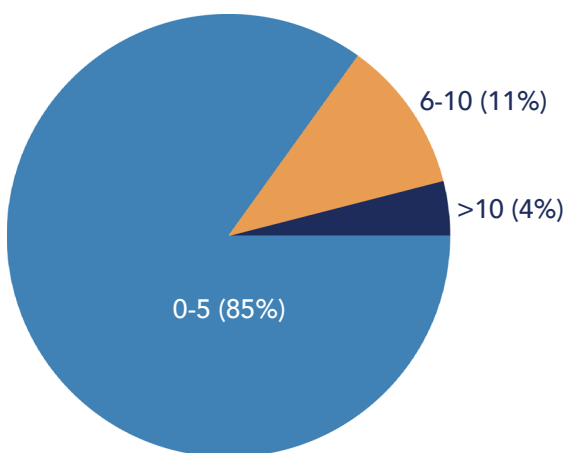
Section 1: Business Structures

Small Business Staffing

For nearly all businesses, owners are full-time employees at their respective businesses. 69% of all survey respondents are sole owners, and for 89% it is a full-time job.

85% of the surveyed businesses employ 5 or fewer workers, with a mix of full and part-time staff.

Number of Full & Part Time Employees per Business



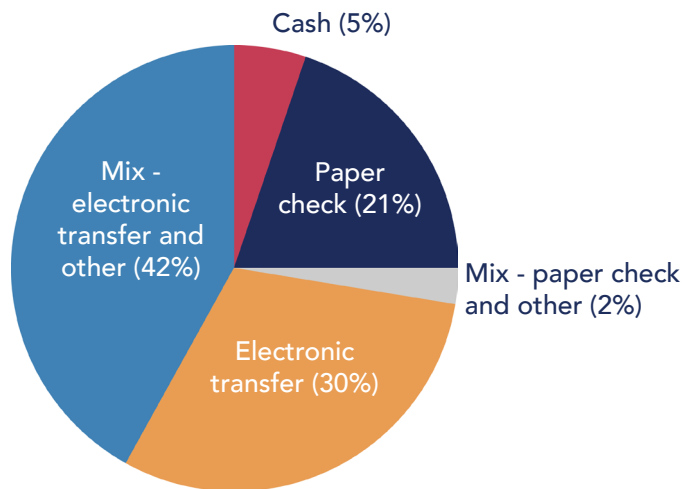
Payment Methods for Workers

How small businesses choose to compensate workers is influenced by a variety of factors including the

type of business, number of workers, bookkeeping practices, and worker choices.

Paper checks and electronic deposits are the primary methods businesses use to pay their workers.

How Business Owners Pay Their Employees



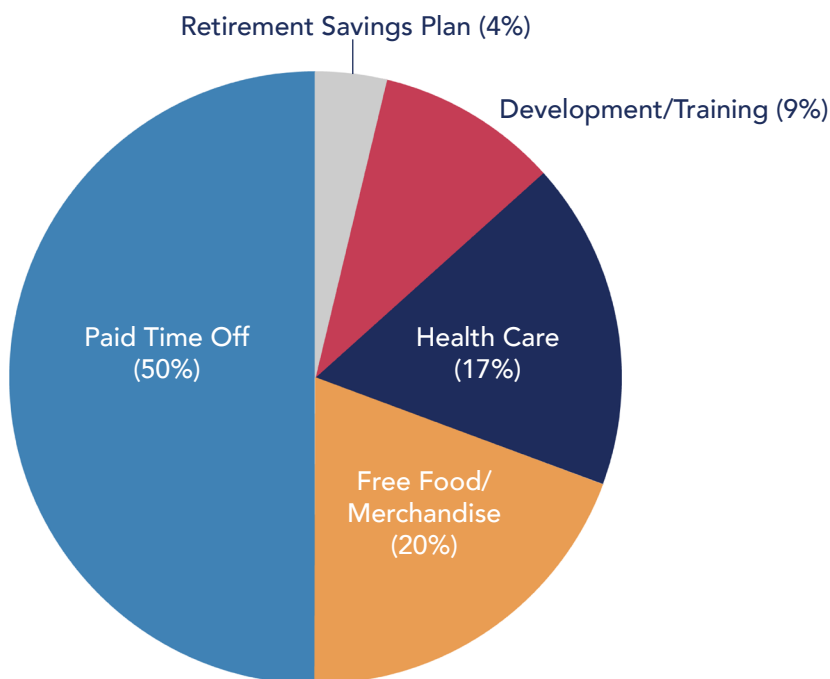
Historically, within underserved communities, paper checks and cash payments have been used when owners and/or workers have lower levels of engagement with traditional financial institutions. Districts 2, 4, 6, and 8 were the only districts where no grantees reported paying workers in cash.

The base-level of benefits small businesses must offer, including paid sick leave and minimum wage, is dictated by the City of San Francisco and State of California. Employers with 20 or more workers in San Francisco, largely not represented in this sample, are required to provide additional benefits, including paid parental leave and expanded health care coverage for employees working eight or more hours per week.

Businesses offering some level of health care benefits reported providing the largest array of additional benefits, including retirement savings plans. Very few workers are offered an opportunity to save for their future.

Mandated time-off requirements overshadow all other worker benefits, particularly health, retirement savings, and training, all of which have great potential to drive positive outcomes in health, wellness, and professional development for staff.

Employee Benefits Provided by Business Owners



Section 2: Financial Standing

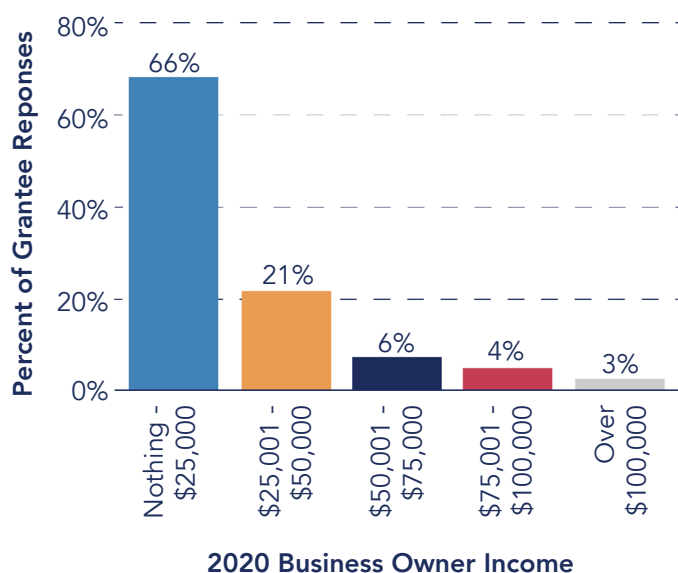
Average Earnings in 2020

A key component of running a successful small business is the ability to read and use business financial reports such as profit and loss statements, balance sheets, cash flow and income statements and budgets. Our findings revealed that half of all surveyed businesses reported not being comfortable reading and understanding cash flow statements and budgets. Notably, 16% of business owners said they were not familiar with any of these, and 22% indicated they would welcome the opportunity to learn more. Further research is required to understand the forces driving this gap in financial literacy.

Recent census data shows that San Francisco wages increased by 34% between 2015 and 2020, yet 67% of the small business owners we surveyed reported earning less than \$25,000 in 2020. Additionally, 26% paid themselves between \$25,000 and \$75,000, and only 4% earned between \$76,000 and \$100,000.

The chart below displays the earnings reported by our grantees for 2020, providing another view into the broad negative impacts of the pandemic across all neighborhoods.

With 67% of small business owners reporting that they made less than \$25,000, it is probable that many of them were paying more to their workers than they themselves earned. A full-time worker earning minimum wage would have an annual income of \$34,000.



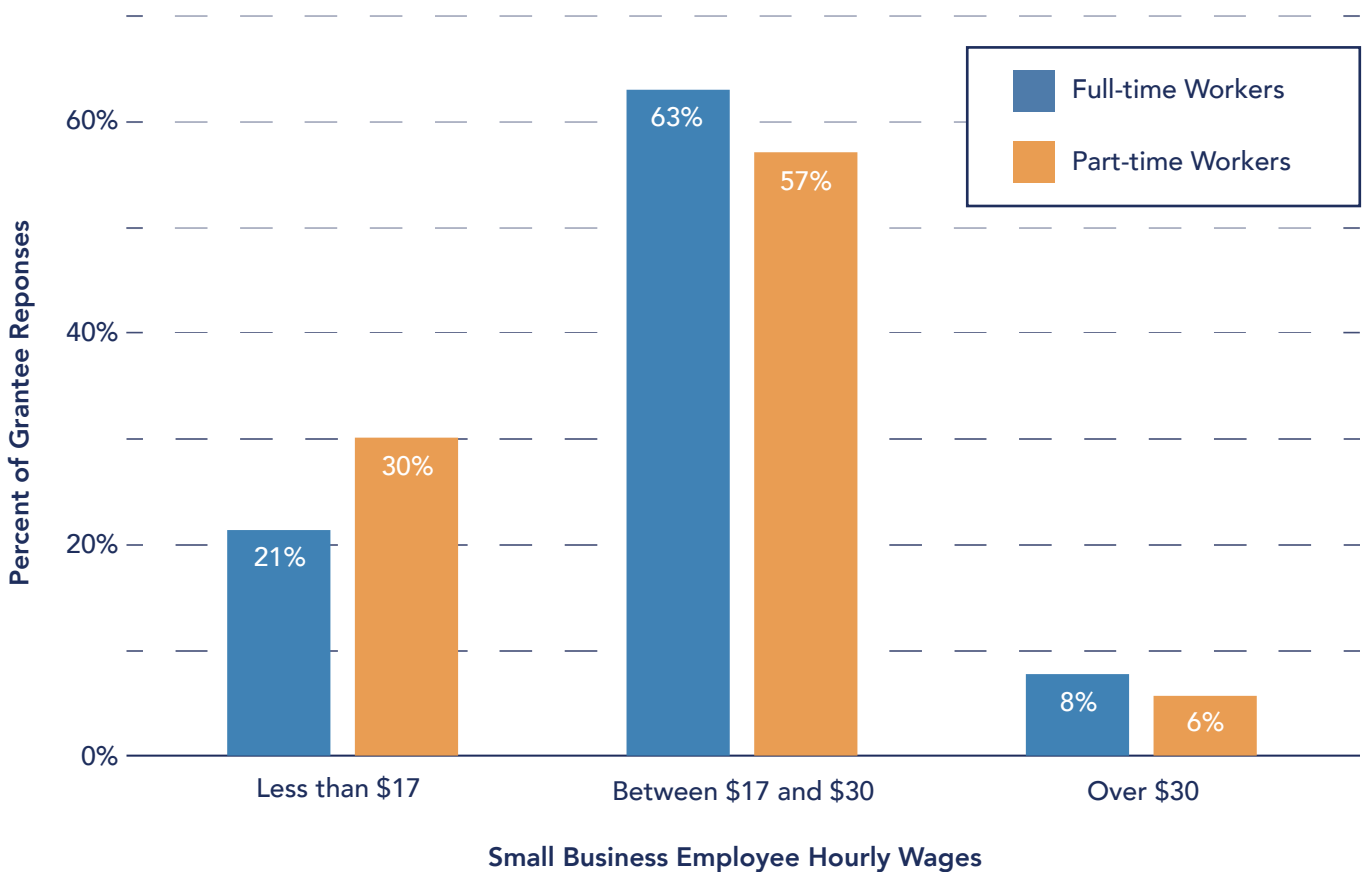
Worker Wages

We asked the business owners about what their workers are paid either hourly or in equivalent salary. Businesses were able to report multiple levels of pay for workers.

On July 1, 2022, minimum wage in San Francisco increased to \$16.99, requiring businesses paying less than \$17 an hour to increase wages, reduce staff, or find other ways to cover additional expense.

The chart below shows that more part-time workers are paid less than \$17 hourly, while full-time workers are earning above \$17 hourly. A small number of employers (15%) have varying pay scales both below \$17 and above \$30 an hour.

Despite their own challenges to pay themselves, a majority of business owners reported paying workers above San Francisco's minimum wage.



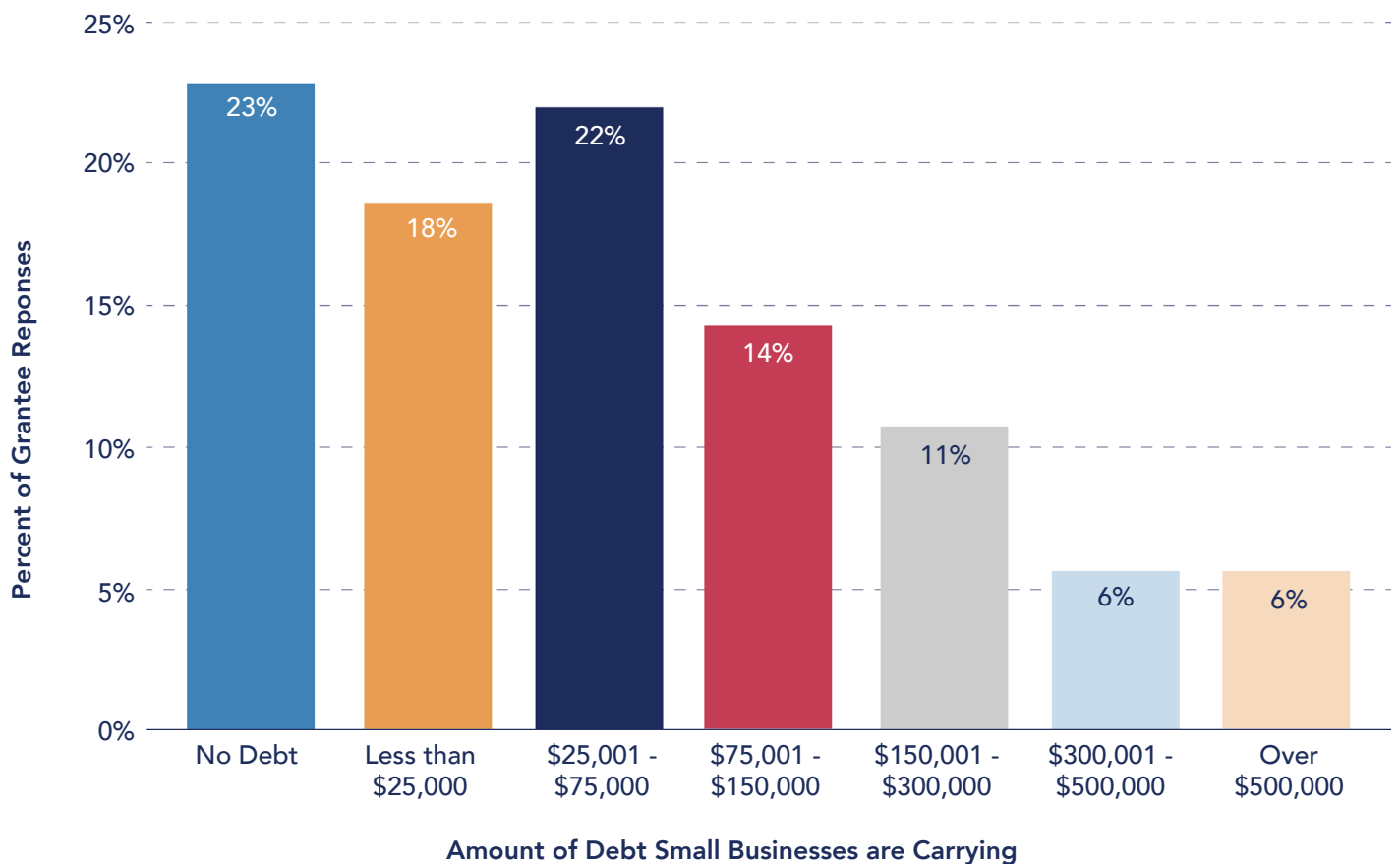
Distribution of Small Business Debt

A primary focus of SF New Deal’s programs over the last two years has been to provide financial support to small businesses struggling with debt.

Although we did not expect that a \$2,500 grant would bring significant debt relief, we heard from many grantees that they were able to use the microgrant to reduce their overall debt. Accordingly, the survey results highlight that 77% continue to carry debt.

This chart below reflects the number of business owners reporting debt levels from under \$25,000 to over \$500,000.

An estimate of the combined total debt for surveyed businesses is between \$30MM and \$55MM.



Most Utilized Creditors

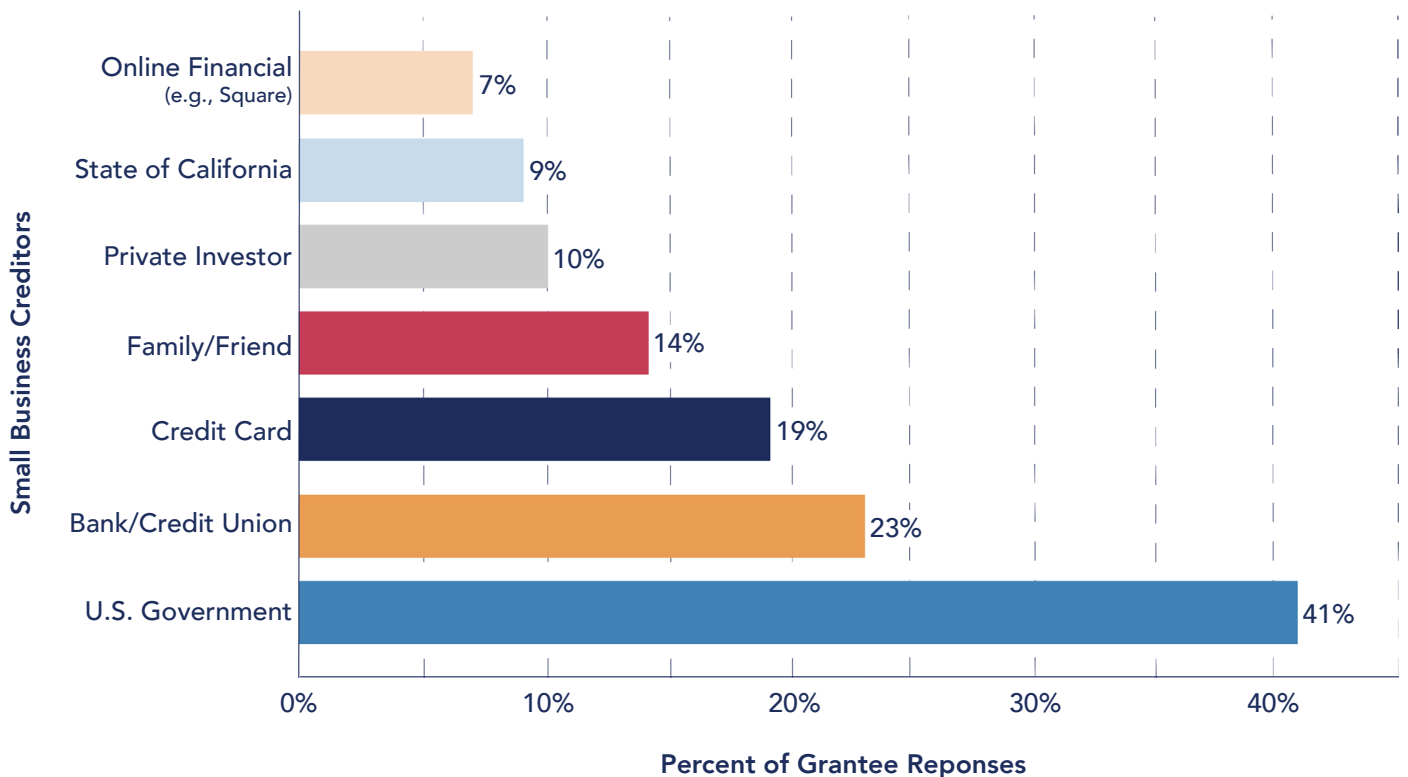
89% of the grantees reported completing at least one application for pandemic-related assistance. For those that did not apply, lack of awareness about programs (28%), and application processes that were overly difficult or confusing to navigate (20%), were given as the two primary roadblocks.

33% of survey respondents reported owing more than one creditor. In addition to traditional credit

sources, small businesses turned to family, friends, and private investors for support.

Loan forgiveness for government programs will have a major impact on the ability small businesses have to fully recover. As credit card issuers, banks, and credit unions increase borrowing rates in the months ahead, paying off debts will become increasingly challenging.

The U.S. Government is listed as the largest credit source because of programs like Paycheck Protection and Economic Injury Disaster Loans.



Addressing debt is only one component of the financial challenges small business owners faced in the last two years. Businesses had to pivot to create new or expanded revenue sources as consumer behaviors changed and demand decreased. 73% of grantees reported moderate-to-large decreases in demand for their goods and services since the start of the pandemic. 59% of restaurants and 33% of personal care businesses reported the largest decreases.

The survey found that 53% of SF New Deal grantees introduced new programs, offers, and discounts, and 85% plan to continue these efforts as they recognize the lasting shifts in consumer behavior.

“Our core business customers, corporate offices, were the first to close their doors and seem to be the last to open them. This has caused an incredible hardship for our company and our ability to survive. We expanded our offering to keep minimal staff, but don’t have the finances to hire for sales to increase sales proactively.” – Grant Recipient, District 10

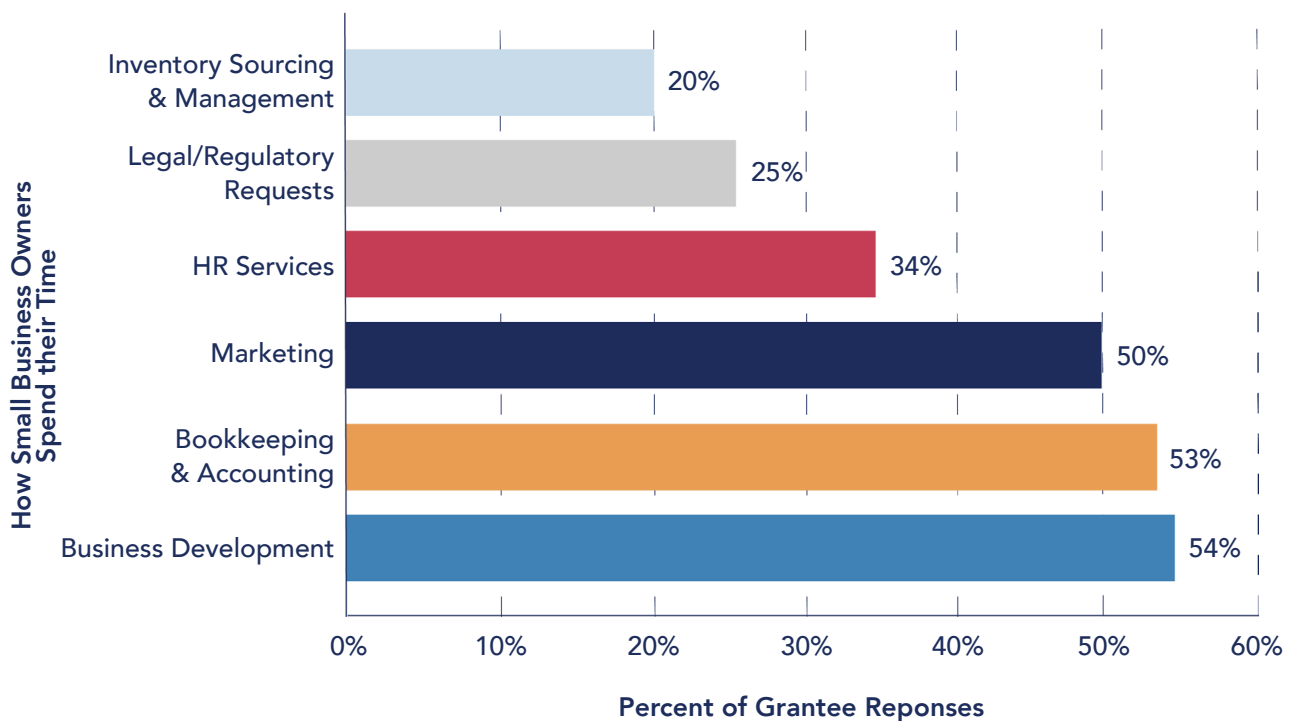
Section 3: Challenges and Needs

How Small Business Owners Spend their Time

We asked small business owners a variety of questions to understand how they spend their time, the challenges they experience, and what supportive services are of greatest need. The results below focus on the areas of greatest need identified by the owners.

Businesses were asked to identify the top three areas that require their greatest time investment. For 54% of business owners, business development appeared within their top 3 selections.

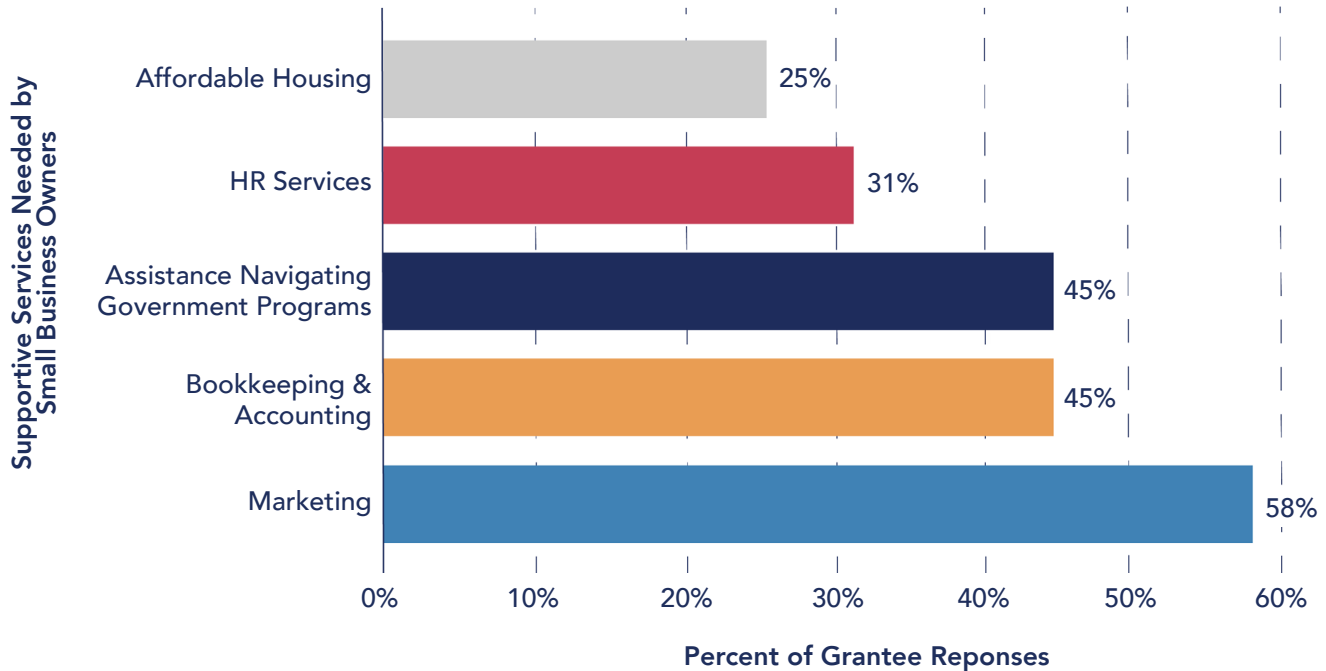
With business development, bookkeeping/accounting, and marketing consuming the bulk of their time, there is less opportunity for owners to focus on HR, including culture building, staff development, and hiring.



Supportive Services Business Owners Want Now

The pandemic exacerbated business owners' difficulty retaining staff while simultaneously attempting to maintain profitability in the face of decreasing demand and government restrictions. Owners have identified marketing, bookkeeping/accounting and assistance navigating government programs as the top three areas where they have the greatest current need.

The challenges small businesses face transcend their business acumen, and needs such as affordable housing require government intervention. The lack of affordable housing in the Bay Area impacts not only the availability of workers, but also consumer spending behavior.

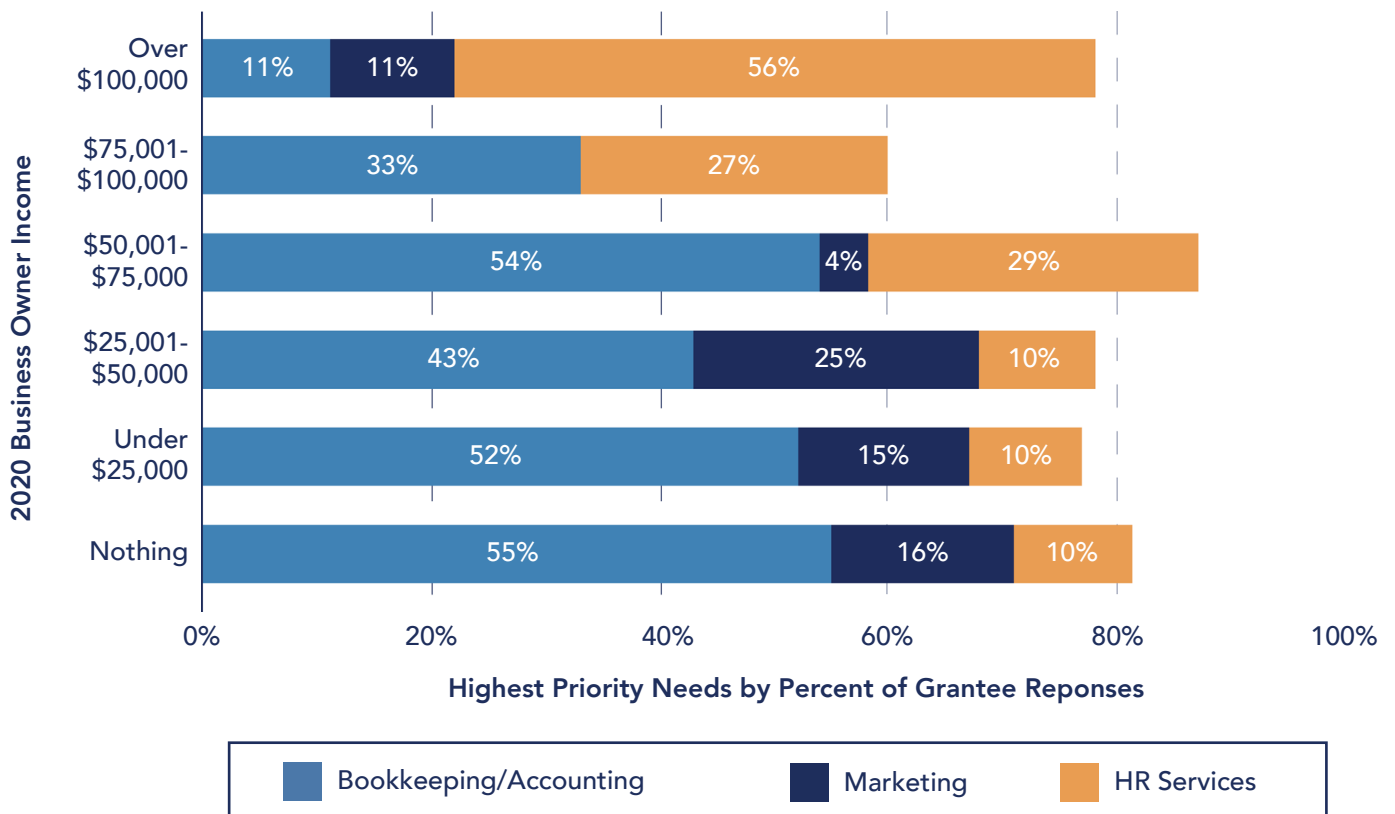


“As the owner, you wear every single hat and this has been the most challenging time in the last 37 years for me. Hiring issues, supply chain issues, vandalism, people loitering.” – Grant Recipient, District 6

Supportive Service Needs by Demographics

While the need for bookkeeping/accounting assistance was identified as the most important priority across all language speakers, it was identified as the most important for 50% of English and Spanish speakers, as compared to 31% of respondents with Chinese as their primary language. 22% of Chinese speaking business owners rated marketing services as the second most important priority, and 18% rated HR services.

All income groups making less than \$100,000 annually identified bookkeeping/accounting services as most important. Owners making over \$100,000 ranked HR services as their top need.



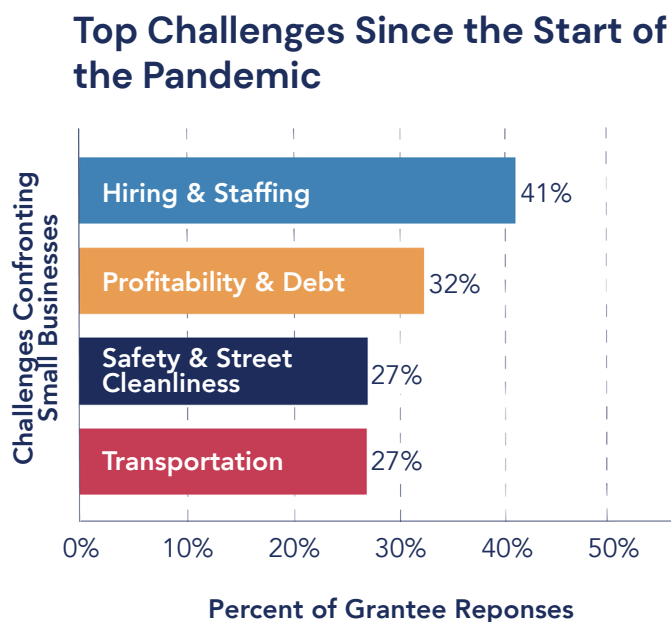
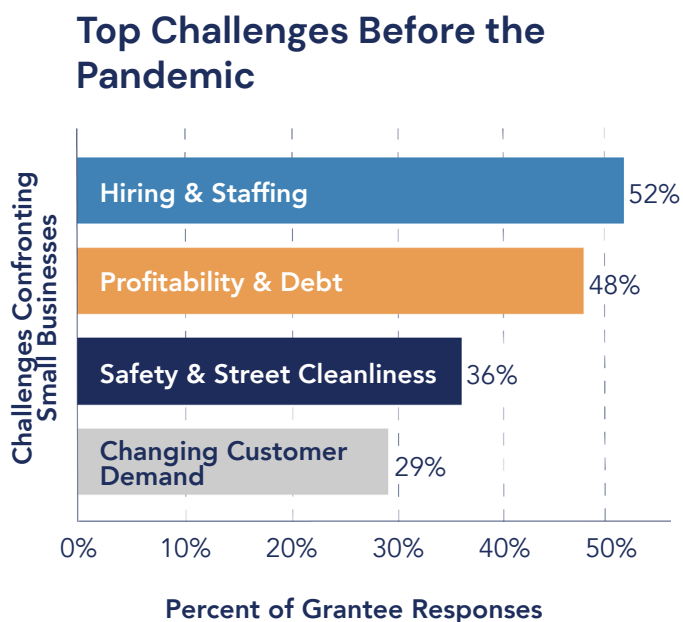
Challenges Small Businesses are Facing

The survey asked about the impact the pandemic had on the challenges of operating a small business, what made running the business difficult prior to the pandemic, and what have been the biggest challenges since.

As with income, the survey found that the size of the business was correlated with its needs. For businesses with 10 or fewer employees, finance/accounting is the area of greatest need. For those with more than 10 employees, HR services ranked highest.

Staffing and profitability were identified as the two leading challenges both prior to and after the start of the pandemic.

Although safety and street cleanliness has remained a core challenge, transportation issues have significantly increased for operators since the start of the pandemic due to reduced public transit schedules and routes.



Most Helpful and Reponsive Groups

When asked about the level of support and assistance small businesses received in 2021, 50% reported receiving business mentorship or advice through a variety of programs offered by the Small Business Administration, the City of San Francisco, or nonprofits.

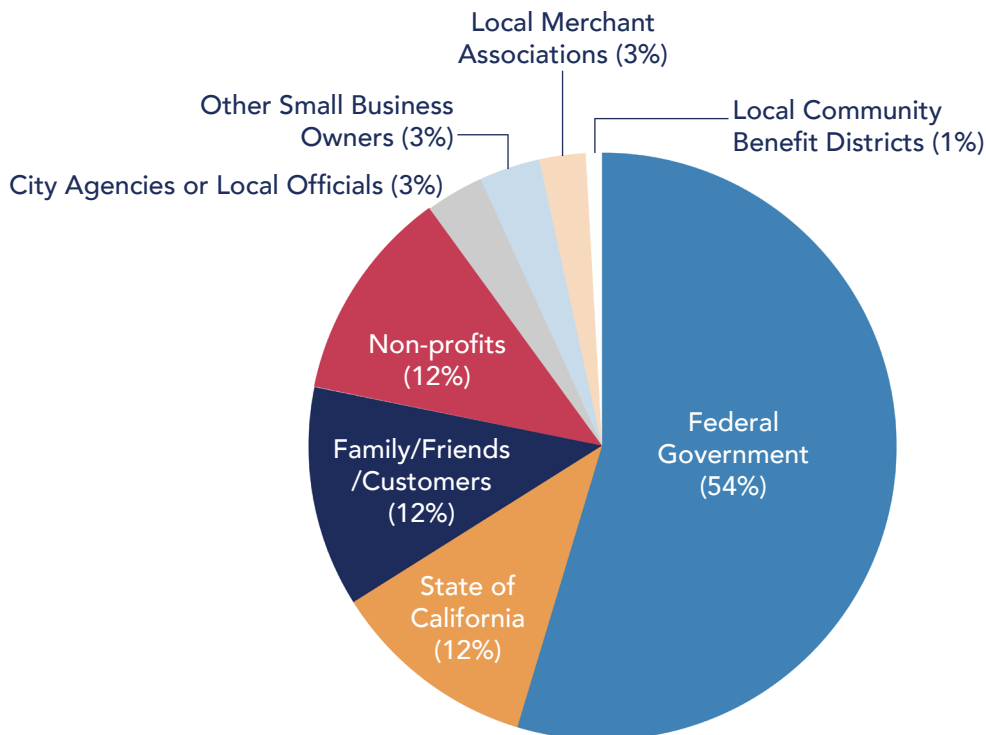
Government programs have been the most utilized resource. Family, friends, and customers also have been a significant source of support for small businesses – reflecting the

strong ties small businesses have to their communities.

Survey responses indicating helpfulness are aligned with the distribution of financial relief resources. 66% of those surveyed received assistance through the Paycheck Protection Program (PPP) with 57% reporting qualifying for PPP loan forgiveness. 52% received funds through a California Relief Grant and 42% reported receiving assistance from an Economic Injury Disaster Loan (EIDL).

Nonprofit organizations, like SF New Deal, have served as a vital lifeline and resource for struggling businesses.

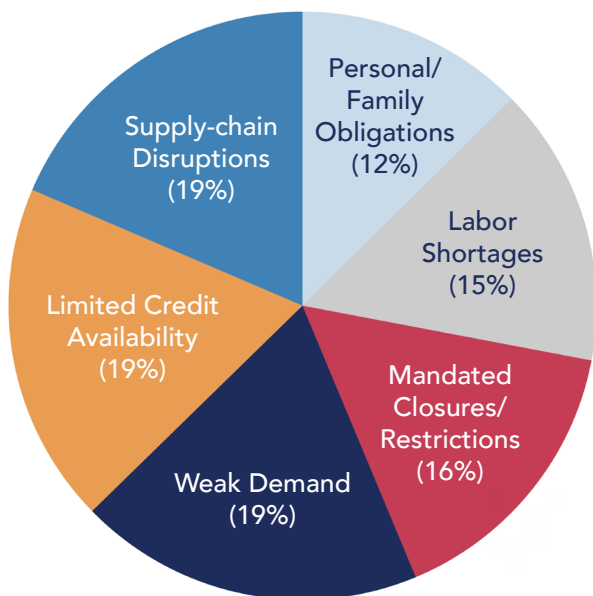
Resources Businesses Found Most Useful During the Pandemic



Anticipated Challenges

Looking ahead towards anticipated challenges, a relatively equal distribution of responses reflect that there is no single solution to address an individual standout challenge that lies ahead. Meaningful solutions will need to address the multitude of challenges that businesses are facing. While supply chain disruptions, limited credit availability, and weak demand ranked equally for 19% of respondents, family obligations, labor shortages, and mandated restrictions were of similar concern. Recent interest rate increases, rising inflation, and escalation of global tensions will exacerbate several of these anticipated challenge areas.

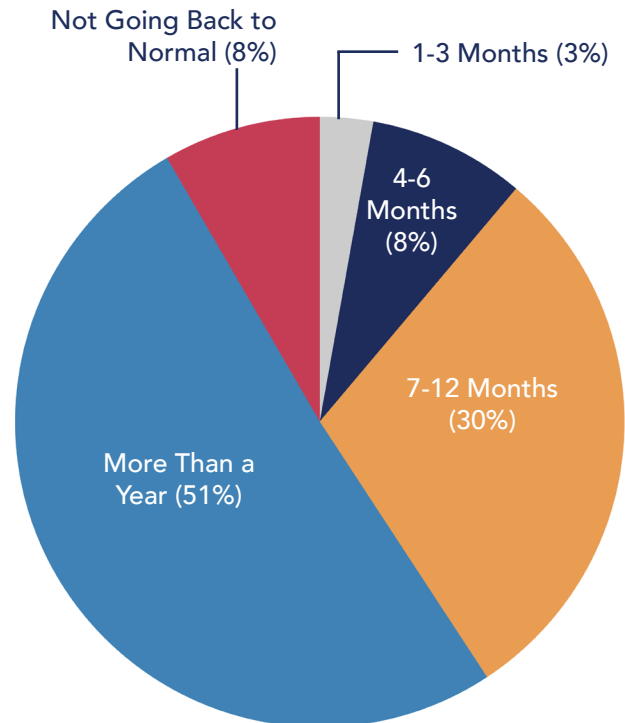
Challenges Small Business Owners are Anticipating



Expected Time for Economic Recovery

For the majority of respondents, the expectation is that it will take more than a year to return to a healthy or sustainable level of operation.

How Long Small Business Owners Expect it Will Take to Recover



Conclusion

This report provides a snapshot of the current landscape for small businesses in San Francisco. Responses indicate that a broad collection of struggles are shared among the smallest scale and least resourced businesses.

The pandemic landscape has exacerbated the two primary challenges for small business owners: hiring & staffing, and profitability & debt. Looking forward, anticipated challenges include these, and a host of others in near equal measure, making a singular focused solution for impact impossible. The challenges confronting small businesses are complex and intersectional, and addressing them will require robust collaborative partnerships.

Mounting debt, evolving consumer behavior and labor shortages put many of these businesses at risk for near term closure. Small businesses have been explicit about the significance of pandemic-related federal aid in overcoming their struggles.

In light of the recent determination that the federal government will not be providing more COVID-19 relief funding, and the ongoing challenges that small business owners and operators continue to face, local and state funded programs are increasingly critical lifelines.

During the past two years, small businesses have demonstrated incredible resilience while continuing to provide vibrancy and character to our neighborhoods and city. Small businesses are cultural touchstones and represent a vital opportunity for their often under-resourced owners and workers to improve their economic mobility. Ensuring their ability to thrive is paramount to preserving the unique identity and character of San Francisco.

Small businesses have been at the heart of our efforts since day one. Across our programs, we strive to build connected pathways and trusted partnerships between local business owners, workers, community leaders, the government, and neighbors in need. Together, we are able to effectively pilot and scale solutions that address San Francisco's most persistent and entrenched challenges.

This report reflects a summary of findings aggregated from survey responses across all districts in San Francisco. Analysis was also done on the district level, and supplemental reports were created for districts whose findings varied from the average. Unless shared in a supplemental report, district findings align with summarized findings presented here.

To request additional information or get in touch, please visit us at sfnewdeal.org

Appendix A: Grant Application and Selection

Outreach for Grant Applications

We used a 4-pronged approach to encourage a broad and diverse set of applicants from across the city. The geographic and demographic composition of applicants was regularly monitored to allow us to make targeted marketing efforts throughout the application window.

- 1 Announcements across SF New Deal social media (Instagram, Facebook, Twitter, LinkedIn) that the application portal was open and encouraging people to apply and spread the word.
- 2 Direct outreach to community organizations asking for their support to encourage applications and community nominations. This effort included the distribution of prepackaged marketing and social media assets.
- 3 SF New Deal hand-distributed flyers throughout neighborhoods and retail corridors including, but not limited to 24th Street, Bernal Heights, Chinatown, Hayes Valley, and the Outer Mission.
- 4 A press release was issued and provided to local media outlets.

Review and Selection Process

Applications were given an initial screening based on limited criteria: at least one location in San Francisco, no more than three total locations, at least three employees, a 2020 revenue of at least \$10,000 (if applicable), and a valid business license.

Each application was measured quantitatively and qualitatively. Among the primary factors considered were revenue, debt, staffing changes, and COVID-19's impact to the business overall, specifically on consumer demand. Narrative statements both from applicants and the community nomination process were additionally considered.

Efforts were made to equitably distribute funds across the city. In the end, 414 businesses were selected from 612 applicants; 13 were unresponsive and 1 was later determined ineligible, leaving 400 final grantees. The final slate of grantees represented a wide and diverse population of business owners across all districts, business categories, and demographics.

Below is a list of grantees by business category.

Business Category	Number of Grantees		
Restaurants	116		
Personal Services	64	Bookstores	5
Retail	46	Transportation/Tourism	5
Coffee Shops	23	Consumer Goods	4
Bars	20	Healthcare	4
Education/Childcare	14	Ice Cream Shops	4
Gyms	14	Cleaning Services	3
Professional Services	14	Printing Services	3
Bakeries	9	Tailoring	3
Events	9	Automotive	1
Catering	8	Construction	1
Entertainment	7	Lodging	1
Dry Cleaner/Laundromat	6	Pet	1
Grocery/Corner Stores	6	Real Estate	1
Art Space/Artists	5	Technology	1

Appendix B: Survey and Responses

1. Are you the sole legal owner of this business?

Yes 69%
No, I have partner(s) 31%

2. Is this business your full-time job?

Yes 89%
No 11%

3. During 2020, how much did you personally earn from the business?

Nothing 29%
Under \$25,000 38%
\$25,000– \$50,000 19%
\$50,001 – \$75,000 7%
\$75,001 – \$100,000 5%
Over \$100,000 3%

4. Do you expect to earn more, less, or the same in 2021 from the business?

Same 25%
Less 20%
More 55%

5. How many full-time employees do you have (including yourself, if applicable)?

0 – 5 85%
6 – 10 11%
More than 10 4%

6. How much are your full-time employees paid an hour or the equivalent salary? (Select all that apply.)

Less than \$17 21%
Less than \$17, Between \$17 and \$30 4%
Less than \$17, Between \$17 and \$30, Over \$30 2%
Between \$17 and \$30 63%
Between \$17 and \$30, Over \$30 3%
Over \$30 8%

7. How many part-time employees do you have (including yourself, if applicable)?

0 – 5	87%
6 – 10	10%
More than 10	3%

8. How much are your part-time employees paid an hour or the equivalent salary? (Select all that apply.)

Less than \$17	30%
Less than \$17, Between \$17 and \$30	5%
Between \$17 and \$30	57%
Between \$17 and \$30, Over \$30	2%
Over \$30	6%

9. How do you pay your employees? (Select all that apply.)

Cash	5%
Electronic transfer/direct deposit	30%
Mix of electronic transfer/direct deposit with other forms of payment	15%
Paper check	42%
Mix of paper check with other forms of payment	2%
Other	6%

10. Which form of payment do you use with the majority of your employees?

Electronic transfer/direct deposit	42%
Paper check	45%
Cash	6%
Other	8%

11. Do you offer any of the following benefits to your employees?

(Select all that apply.)

Health care: medical, dental, and/or vision	16%
Retirement savings plan	11%
Paid holidays	18%
Paid time off	21%
Paid vacation	15%
Paid sick time	48%
Professional development/training	26%
Free food/merchandise	51%
Other	20%

12. Are you comfortable reading and using any of the following business financials? (Select all that apply.)

Balance sheets	58%
Cash flow statements	49%
Budgets	50%
Profit and loss/income statements	67%
I am not familiar with any of these	16%
I would like to learn more about these	22%

13. Currently do you have business debt?

No	23%
Less than \$25,000	18%
\$25,001 - \$75,000	22%
\$75,001 - \$150,000	14%
\$150,001 - \$300,000	11%
\$300,001 - \$500,000	6%
Over \$500,000	6%

14. If you have business debt, who loaned you money? (Select all that apply.)

US Government	41%
More than 1 creditor	33%
No business debt	23%
Bank/credit union	23%
Credit card	19%
Family/friend	14%
Private investor	10%
State of California	9%
Online financial company or organization (e.g., Square, PayPal, Kiva)	7%

15. Of the business activities below, which 3 do you spend the most time on currently?

Business development	54%
Bookkeeping/financials	53%
Marketing	50%
HR services	34%
Managing legal, regulatory, or similar requests from government agencies/other organizations	25%
Inventory management/sourcing	20%

16. What supportive services would help your business in the next 12 months? (Select all that apply.)

Marketing services	58%
Finance/accounting services	45%
Assistance navigating government programs	45%
HR services	31%
More affordable housing options for employees	25%
Business insurance	24%
Health and wellness services	22%
Assistance connecting with elected officials	11%
Better transit options for employees	11%
Language translation services	7%
Childcare options for employees	7%

17. Please rank the services from most to least helpful that could help your business right now. (Average ranking = 6)

Finance/accounting services	9.6 (1st choice of 47% of responders)
Marketing services	8.7 (1st choice of 22% of responders)
HR services	8.5 (2nd choice of 36% of responders)
Health and wellness services	7.3
Business insurance	6.5
Assistance navigating government programs	6.3
Assistance connecting with elected officials	4.7
Language translation services	4.4
Better transit options for employees	3.3
Childcare options for employees	3.2
More affordable housing options for employees	3.1

18. How has demand for your business's goods or services changed since the beginning of the pandemic?

Large decrease in demand	54%
Moderate decrease in demand	19%
Little or no change in demand	7%
Moderate increase in demand	15%
Large increase in demand	5%

19. If you introduced new business programs, services, discounts, or other types of offers did they help your business in any of the areas below?

(Select all that apply.)

Not applicable	47%
Revenue/profit gains	33%
Neighborhood support	26%
Employee retention	20%
Receiving government or similar support	18%
Ability to access capital	9%

20. If you introduced new business programs, services, discounts, or other types of offers do you plan to keep them in 2021?

Yes	85%
No	15%

21. Prior to the pandemic, what made running your business difficult?

(Select all that apply.)

Hiring and staffing	52%
Being profitable / accumulating debt	48%
Safety and street cleanliness	36%
Changing customer demand	29%
Staying in compliance with City/State/Federal guidance	24%
Affordable housing	17%
Transportation	9%
Other	8%

22. Since the pandemic began, what have been your biggest challenges?

(Listed by weighted ranking below.)

Hiring and staffing	7 (1st choice of 41% of responders)
Being profitable/accumulating debt	6 (1st choice of 32% of responders)
Transportation	5 (2nd choice of 27% of responders)
Safety and street cleanliness	5
Staying in compliance with City/State/Federal guidance	5
Affordable housing	4
Changing customer demand	4
Other	1

23. During 2021 have you received any help through business mentorship or advisory programs through the SBA, City of San Francisco, Pacific Community Ventures, the Chamber of Commerce or similar programs?

Yes	50%
No	39%
No, but I would like to learn more	11%

24. Please rank the groups listed below in order of who has been most responsive or helpful to get business resources you need in the last 12 months? (Listed by weighted ranking below.)

Federal Government	7 (1st choice of 55% of responders)
State of California	6 (2nd choice of 52% of responders)
City government agency or local officials	5
Nonprofits	5
Other small business owners	4
Family/friends/customers	3
Local merchants associations	3
Local community benefit districts	2

25. In 2022, what challenges do you expect your business will face because of COVID-19? (Select all that apply)

Weak demand for products/services	60%
Supply-chain disruptions	57%
Labor shortages	54%
Limited credit availability	29%
Government-mandated restrictions or closures	37%
Owner or employee personal/family obligations	34%
I don't expect more significant challenges	6%
Other	4%

26. How much time do you think will pass before your business returns to a healthy or sustainable level of operations?

There has been minimal impact on
this business's normal level of operations 2%

Already recovered 5%

1 – 3 months 3%

4 – 6 months 8%

7 – 12 months 29%

More than a year 50%

I do not believe this business will
return to its normal level of operations 8%

27. Did your business apply for any pandemic-related emergency assistance funding from a government or nonprofit source?

(Including PPP, EIDL, or other loans/ grants)

Yes, I completed at least one application 89%

Started credit search or application process, but didn't complete 3%

Did not apply 8%

28. If you did not apply, why didn't you seek assistance?

(Percentages are after removing "Not applicable" responses)

Didn't know about the programs 28%

The application process was too difficult/confusing 20%

Other 25%

Didn't qualify 15%

Was not able to provide the requested paperwork 4%

I didn't trust the organization offering the opportunity 3%

There was no language assistance available 3%

The assistance offered would not have helped me 1%

29. Has this business received financial assistance from any of the following sources? (Select all that apply.)

Paycheck Protection Program	66%
Paycheck Protection Program loan forgiveness	57%
California Relief Grant	52%
Economic Injury Disaster Loan	44%
Restaurant Revitalization Fund	17%
Shuttered Venue Operators Grant	4%
Child Care Stabilization Fund	2%
California Rebuilding Fund	3%
Other Federal programs	2%
Not applicable	8%
Other	7%

30. Preferred Pronouns of Primary Owner

She/her	50%
He/him	39%
They/them	<1%
Prefer to not answer	11%

31. Race/Ethnicity of Primary Owner

Arab American	3%
Asian American/Pacific Islander	39%
Black/African American	7%
Caucasian	14%
LatinX/Hispanic	15%
Native American/Alaskan	<1%
Multi-racial	4%
My race/ethnicity is not listed	5%
Prefer Not to Answer	13%

32. Does the Primary Owner Identify as LGBTQ+?

Yes	15%
No	65%
Prefer Not to Answer	20%

33. Age of Primary Owner

Under 30	2%
31 – 40	21%
41 – 50	28%
50 – 60	25%
Over 60	16%
Prefer Not to Answer	8%

34. Education Level Completed by Primary Owner

Less than high school	3%
Some high school	7%
Completed high school/GED	12%
Some college/vocational tech	17%
Completed college	40%
Post-graduate work	11%
Prefer Not to Answer	10%

35. Military Status of Primary Owner

Active	<1%
Veteran	<1%
No military status	90%
Prefer Not to Answer	10%

36. Does the Primary Owner Have a Disability?

Yes	6%
No	83%
Prefer Not to Answer	11%

Appendix C: Distribution of Grants by District

District	Number of Grantees
1	22
2	20
3	81
4	19
5	45
6	49
7	19
8	24
9	77
10	35
11	9