

IMPACTS OF COVID-19 ON LATINA BUSINESSES IN INLAND SOUTHERN CALIFORNIA

JULY 2021



A MESSAGE FROM NLBWA-IE

Dear Friends and Community:

The Board of the National Latina Business Women Association of the Inland Empire in partnership with UC Riverside's School of Public Policy, is pleased to present the Second Annual study of Latina Business Owners in the Inland Empire of California: "IMPACTS OF COVID 19 ON LATINA BUSINESSES IN THE INLAND EMPIRE OF CALIFORNIA."

Latina Businesses are one of the fastest growing sectors of small businesses in the United States. To better understand the needs of our members and to develop more effective programs NLBWA- Inland Empire has commissioned a series of studies on the status, challenges and growth of the Latina Business Owner in Inland Empire.

The "Impacts of Covid-19 on Latina Businesses" study, addresses the challenges, experiences and solutions that this important group used to survive, pivot, and lead their businesses under the pressures of Covid-19. Professor Qingfang Wang has presented a timely discussion on these issues providing compelling recommendations based on the surveys of over 100 members and supporting agencies.

On behalf of the Board of Directors of NLBWA-IE, we thank our sponsors and partners who have contributed to our Institute for the last 5 years! They are a large source of inspiration and encouragement to continue listening and learning from our members so we can grow and be better equipped to assist them succeed in their journey.

Many thanks,

Ruth Lopez Novodor
President of NLBWA-IE
President/ Owner of On Cue
Consulting

Rosibel Ochoa
Chair of Education NLBWA-IE
Associate Vice Chancellor,
Technology Partnerships
Research and
Economic Development
University of California Riverside

Maria Molina Solano
Executive Director,
NLBWA-IE

ABOUT THE AUTHOR

Qingfang Wang is a professor and the academic director of the Inland Center for Sustainable Development in the School of Public Policy at the University of California, Riverside. With a Ph.D. in geography, her research interests lie broadly in inequality and development, with a particular concern in minority populations (such as immigrants, racial minorities, and women) and their communities. Her work has been funded by National Science Foundation, the Department of Housing and Urban Development (HUD), the Kauffman Foundation, and other agencies. She has published widely on ethnic labor market segmentation and ethnic entrepreneurship.



ACKNOWLEDGEMENTS

The National Latina Business Women Association Inland Empire Institute (NLBWA-IE) has generously provided financial support for this project. Faby Carrera from NLBWA-IE helped tremendously recruit the project participants. Reyna Peña-Calvillo and Nataly Morales Sandoval from the School of Public Policy at UC Riverside worked as research assistants. Special thanks to the businesses and community stakeholders who generously gave their time and shared their experiences with us.

EXECUTIVE SUMMARY

This study examines the experiences of Latina-owned businesses (LaOB) in coping with the impacts of the coronavirus (Covid-19). As the only study focused on LaOB in the Inland Empire (IE) region, it builds on our first study in 2019 and extends to a broader small business community, consisting of 113 in-depth interviews with small businesses and community stakeholders. It identifies the gaps, challenges, and most urgent needs for LaOB to cope with the pandemic disruptions and recover. It gains insights into which transformation drivers they have focused on and what are the key components for reinventing and pivoting. It also examines the factors behind the differences in accessing government sponsored business aid programs. These findings provide important recommendations for peer small businesses, small business support organizations, and government agencies to foster an inclusive entrepreneurship ecosystem and equitable growth.

IMPACTS OF COVID-19 ON LATINA OWNED BUSINESSES

- Every participant expressed concern about severe impacts to their region and local communities due to COVID-19.
- Personal-level impacts are common among our participants including isolation, stress, emotional tolls, and issues related to mental health.
- At the business level, the majority of businesses have experienced moderate to large negative impacts; a small pro-

portion indicated minor or no impacts; and some reported an increase in demand for their services or products.

- Impacts on Latina business owners and their businesses also extend to the broader Latino communities.

LATINA OWNED BUSINESSES' COPING STRATEGIES

- Working from home, meeting virtually, and keeping minimum personal contact are the most common strategies. With reopening, the businesses have followed all protocols to mitigate the risks brought by COVID-19 to their employees and customers.
- Many small businesses have had to pivot away from traditional approaches and change how they operate their businesses on daily bases.
- More than other groups, LaOB expressed significant flexibility and reactivity in seeking new opportunities and reinventing. The modification and pivoting of one's business model displayed adaptability in pursuing success within their sectors.
- New opportunities often mean new strategies for different types of services and products, by either strengthening the current focus or shifting to new fields in highest demand under the pandemic.
- The most crucial factors for LaOB to take advantage of new opportunities

are technology, social networks, human capital, community support, and government-aid programs.

BIGGEST CHALLENGES AND MOST URGENT NEEDS

The biggest challenges include, ranked in order: (1) financial need; (2) medical safety (especially with employees in essential industries); (3) working remotely which include issues related to how to grow remotely, keep a boundary between the business and home, how to adapt online business model, and how to work with customers who need traditionally face-to-face interaction; (4) family and personal level issues including medical situation, childcare, emotional stress, and social needs; (5) marketing needs to generate new sales; (6) information confusion and uncertainty with the ongoing situation, which worsened among the interviewees in the later stage (i.e. Jan and Feb 2021) as the economy has been shut down back and forth; (7) not to be able to reopen; (8) time management; and (9) difficulty in finding employees or the right talent.

Financial support tops LaOB list of the most urgent needs. Next are marketing and generating new clients, especially through digital tools. Following this, timely and reliable information on the medical situation and guidance are urgently needed. Additional needs included reliable safety guidance in order to reopen the economy, and policies specifically geared to support small businesses. Other needs included labor, resources, and space.

We did not find significant differences across

gender and ethnic groups as they all significantly emphasize financial challenges. The community stakeholders who work with small businesses identified similar challenges and urgent needs. Specifically, lack of access to financial support and financial loss due to Covid-19 are the biggest challenges facing small businesses, including LaOB. Furthermore, lack of education on technical training, certifying, financial literacy, understanding of government programs, and technology adoption, as well as limited information, are significant barriers for small businesses' both short-term and long-term development.

BUSINESS AID PROGRAMS FROM GOVERNMENT

- The majority of businesses expressed keen interest in applying for assistance if conditions permitted. About 43% of project participants have received financial support from different government business aid programs when the interview was conducted.
- Experiences with the federal program applications varied among LaOB: some reported a smooth application process whereas others struggled with the procedure and paperwork.
- Successful recipients of federal assistance have more employees, have a higher level of human capital including financial literacy, good or constant relationships with banks, are well connected to business communities and organizations that work with small businesses, are well connected to business service sectors, and/or use social media.

- Those who did not receive government aid include businesses who (1) applied but did not qualify; (2) did not need or did not want to apply due to fear of debt; and (3) did not know much about the programs.
- The information on government assistant programs comes from social media, news outlets, emails from organizations and governments, banks, accountants, and personal online searches. This further highlights the importance of social networking and technology.
- The challenges of accessing government programs vary: lack of understanding how the programs work; paperwork completion instructions are unclear; and uncertainty about what is at stake to undertake loan forgiveness.
- The business participants made several recommendations to their peers in accessing the programs and for the government to improve the assistance programs.

MAJOR HIGHLIGHTS IN (RE)DEFINING SMALL BUSINESS RESILIENCE

- Access to information. Accurate and timely information about the most current situation on medical guidelines, government programs, and resources at different government levels are extremely important. Businesses connections to different networks before COVID-19 has significant impact on their ability to access information key to coping with pandemic-related dis-

- ruptions.
- Technology efficiency becomes critical for both business survival and consumer access. This is particularly important for businesses serving communities that are not traditionally technology proficient. Technological barriers also reflect the challenges facing LaOB who even before the COVID-19 pandemic hit, lacked human capital, English fluency, and access to continuing education and mentorship.
- Short-term strategies to cope with COVID-19 must be considered through long-term small business development plans. For traditionally underserved communities, continuous efforts to foster an inclusive entrepreneurship ecosystem are crucial for regional growth.
- COVID-19 poses similar sets of challenges for every business. However, the socioeconomic characteristics of Latina business owners and their business conditions before COVID-19 influence how their coping experiences differ from other groups. COVID-19 only exacerbates their long-term challenges and impacts their capabilities to recover, sustain, and thrive.
- Several aspects of COVID-19 were particularly impactful on LaOB as compared with other race and gender groups. These include responsibilities of homecare and childcare, English proficiency, undocumented immigration issues, high concentration in pandemic-vulnerable industries, and extremely small size (e.g., with no employees or

- zero revenue).
- Latina business resilience and Latino community resilience are intertwined. Impacts on businesses include impacts on Latinas as business owners, family members, and community residents. It is important to value small businesses and consider the role of Latina business in economic development strategies for underserved community building.
 - Nonprofits and government agencies also need to pivot. Businesses owned by women and people of color need to be better motivated and have the trust to reach out for information, networking, and assistance. Stakeholders need to extend their established networks to both traditional and non-traditional community-based networks.

to invest in education, promote higher-paid job opportunities, and attract more big corporations who are willing to work with small businesses and foster a stronger small business ecosystem.

Based on the experiences and perspectives of businesses and community stakeholders, we have provided recommendations to small businesses, government agencies, and small business support organizations. Overall, the experiences of LaOB in coping with Covid-19 in the Inland Empire suggest the need for continuous investments in technology, continuing education, and social network building for small businesses to access money, market, and knowledge of management. Particular outreach should target traditionally underserved communities, and should include collaboration and partnership between government, non-profits, universities, and other community stakeholders. The region also needs to diversify its economic base, continue

RESEARCH OBJECTIVE

The coronavirus (COVID-19) has caused an unprecedented impact on global health and economic well-being. Although businesses of all sizes are bracing for unprecedented losses, small businesses, employing almost half of the country's workforce in the US (Small Business Administration, 2019), are in particular crisis. Minority- and women-owned businesses face greater challenges. For example, the number of active business owners in the United States plummeted by 3.3 million or 22% over the crucial two-month window from February to April 2020. Black-owned businesses dropped by 41%, Latinx-owned businesses dropped by 32%, and Asian businesses dropped by 36%.¹

In Inland Southern California, 89% of small businesses reported a moderate to large negative effect from the Covid-19 pandemic in early May 2020. By April 2021, the percentage remained almost as high at 67%. Several sectors in the region were disproportionately affected, including the Accommodation and Food Service sector and the Health Care/ Social Assistance industries.² Although governments have rapidly released a number of policies and stimulus packages at the federal, state, and local levels to lend crucial aid to businesses, challenges remain for small businesses to timely utilize these resources.³

1 Fairlie, R. 2020. *The impact of Covid-19 on small business owners: Continued losses and the partial rebound in May 2020*. NBER Working Paper, no. w27462.

2 Kang, W. 2020. *Economic impacts of Covid-19 on small businesses in the inland region*. Inland Center for Sustainable Development, UC Riverside.

3 Bartik, A. et al. 2020. The impact of COVID-19 on small business outcomes and expectations. *Proceedings of*

Under this context, how have Latina businesses in the Inland Empire (IE) region been coping with the impacts of COVID-19? What can we learn from their experiences? To address these questions, this study aims to (1) examine Latina business' vulnerability and resilience through their responses to COVID-19; and (2) seek perspectives on risk mitigation and business preparedness that will enhance their resilience for the future.

This study is unique in several ways. First, this is the only study to our knowledge that focuses on Latina owned businesses (LaOB). Existing studies have predominantly focused on small businesses in general. Although LaOB share some common experiences with other small businesses, their human capital and social capital endowment, cultural values, connection to communities, and consumer markets have distinguished them from other gender and racial/ethnic groups. Furthermore, they have already faced many challenges before COVID-19, including limited access to financial assistance, training, and limited markets and resources.⁴ All these conditions could provide different opportunities and challenges in their coping with the pandemic disruptions.

Second, this study is based on longitudinal and comparative perspectives. We conducted the first stage study right before COVID-19

the National Academy of Sciences 117, no. 30: 17656–66.
4 Wang, Q. and Ochoa, R. 2019. *Latina owned businesses in the inland empire region*. <https://www.nlbwa-ie.com/resources/Documents/UCR%20Latina%20Owned%20Business%20Report-DIGITAL-FINAL.pdf>

hit the IE region. In the current study, we have revisited most of the participants from the first stage. The knowledge gained from the first stage provides a significant foundation to understand current experiences. For instance, our first stage study finds that the LaOB in the IE region are mainly concentrated in personal services, social services, professional and management, and retail sectors. It highlights the vulnerability of LaOB to the pandemic disruption, in addition to the challenges they already faced before COVID-19. We not only revisited the first-stage participants but also expanded the sample size and include non-Latina women owned businesses and men-owned businesses for comparison.

Third, this study triangulates different perspectives from businesses, nonprofits, banks, big corporations, and government agencies. Most business surveys are not able to gain insights from small business support communities. Our analyses are based on common themes reflected by multiple community stakeholders and allow us to examine the process comprehensively. By tracing convergences and divergences among different community stakeholders, results are triangulated to determine commonalities in narrative as well as differences in perspective and opinion.⁵

Fourth, it provides significant implications for practice and policymaking in supporting both LaOB and small businesses in general. It identifies the gaps, challenges, and the most urgent needs for LaOB to cope with pandemic disruptions. It gains insights into which trans-

formation drivers they have focused on and what are the key components for reinventing and pivoting. It also examines the factors behind the differences in accessing government business-aid programs. Their experiences urge us to reflect and even redefine the concept of small business resilience in underserved communities: how small business resilience and community resilience are intertwined, and how short-term needs to cope with the external shock closely depends on the needs of long-term business development. These findings provide important recommendations for peer businesses, small business supporting organizations, and government agencies to foster an inclusive entrepreneurship ecosystem and equitable growth in our region.

RESEARCH DESIGN

Supported by the Inland Empire Latina Business Women Association (NLBWA-IE), a research team led by a faculty member from UC Riverside's School of Public Policy has conducted 114 in-depth interviews with small businesses and community stakeholders. A business database was initially constructed in Oct 2020 which includes NLBWA-IE business database (members, program attendees, and general contacts), a business list provided by San Bernardino County, the Latina business owners from our first study, and referrals from the current business participants as the project moved forward. The selection criteria include any businesses that operate in the IE region and have been in business for at least 6 months. The research team recruited business

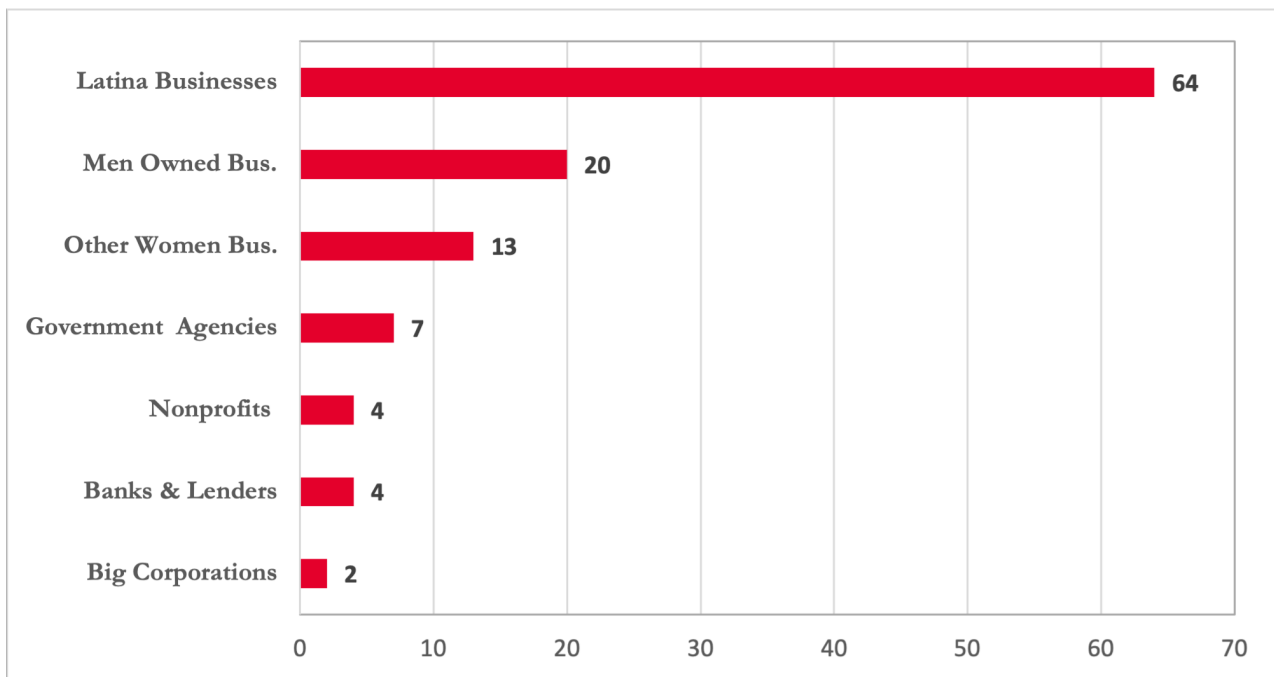
⁵ Saldaña, J. 2015. *The Coding Manual for Qualitative Researchers*. Publisher: Sage.

owners via phone calls, text messages, and email. In addition, NLBWA-IE posted sporadic announcements on its social media channels, inviting business owners to be part of the study. The first stage of recruitment focused on LaOB, with 64 participants. To understand their experiences in the broader context of the study area, the team recruited 13 female (4 white and 9 non-white) business owners from other racial or ethnic groups in the second phase and 20 male (4 white and 16 non-whites) business owners in the third phase. In the fourth phase, the team recruited 17 com-

munity stakeholders who have been closely working with small businesses in the IE region. They include representatives from federal and local government agencies, community-based non-profit organizations, banks, big corporations, and other small business development partners. **Figure 1** presents the composition of our interview participants.

The in-depth interviews with small business owners aimed to gain an in-depth understanding of businesses' experiences in coping with the current COVID-19 crisis. As shown later,

FIGURE I. COMPOSITION OF INTERVIEW PARTICIPANTS



business owner characteristics and the industrial distribution are consistent with the general profile in this region. The questions focus on the impacts of COVID-19 on their businesses; their strategies to cope with impacts; their gender, and race advantages and disad-

vantages; their access to business mentorship; and their access and utilization of different resources in the communities. Each interview lasted from 40-100 minutes and was conducted via zoom or phone, in English or Spanish as preferred by the participants. The in-depth in-

interviews with community stakeholders focused on their roles and activities in small business development and especially in underserved communities; their strategies and activities in helping small businesses to cope with pandemic disruptions; their perspectives in small business recovery and resilience; and their challenges or recommendations to move forward. Each interview with stakeholders lasted about 30-40 minutes and was conducted via

zoom or phone. To keep confidentiality, we use aliases of the participants in the report.

Of all the business owner participants, 67% are at the age of 40s and 50s, 20% are at the age of 20s and 30s, and 5% are at 60s and above (**Table 1**). 88% of Latina business owner participants are at the age from 30 to 50 years old.

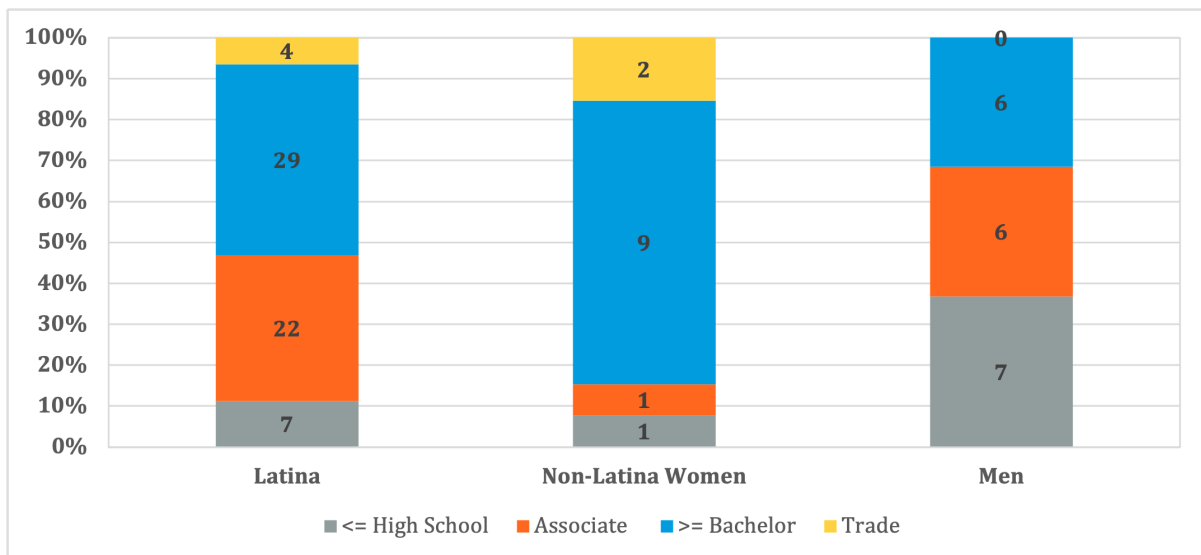
TABLE 1. AGE DISTRIBUTIONS OF BUSINESS OWNER PARTICIPANTS

	Age 20's	Age 30's	Age 40's	Age 50's	Age 60's	No data
Latina	3	10	23	18	6	4
Non-Latina Women	0	3	2	4	4	0
Men	1	2	8	6	2	1
Total	4	15	33	28	12	5

Figure 2 presents the educational attainment of each group based on available data. Among the participants, 35% of Latina business owners hold an associate degree and 47% hold at least a bachelor's degree. The majority

non-Latina female group (69%) have at least a bachelor's degree. Men participants are evenly distributed among high-school, associate, and bachelor's degree holders.

FIGURE 2. EDUCATIONAL ATTAINMENT OF PARTICIPANTS



The types of businesses of participants are diverse. The majority Latina business owners are in Finance and Insurance, Real Estate Rental and Leasing (FIRE, NAICS 52-53), Professional, Scientific, and Technical Services (Professional, NAICS 54), Accommodation and Food Services (NAICS 72), and Personal Service (NAICS 81). The majority of non-Latina female business owners are in Professional & Management, Construc-

tion (NAICS 23), Producer Services (including Administration, educational service, health service and social services (NAICS 56, 61, and 62), and Manufacturing (NAICS 31, 32). The majority of male business owners are in Professional & Management, and Producer Services. **Figure 3** provides the industrial distribution of the three groups.

FIGURE 3. BUSINESS TYPES OF PARTICIPANTS

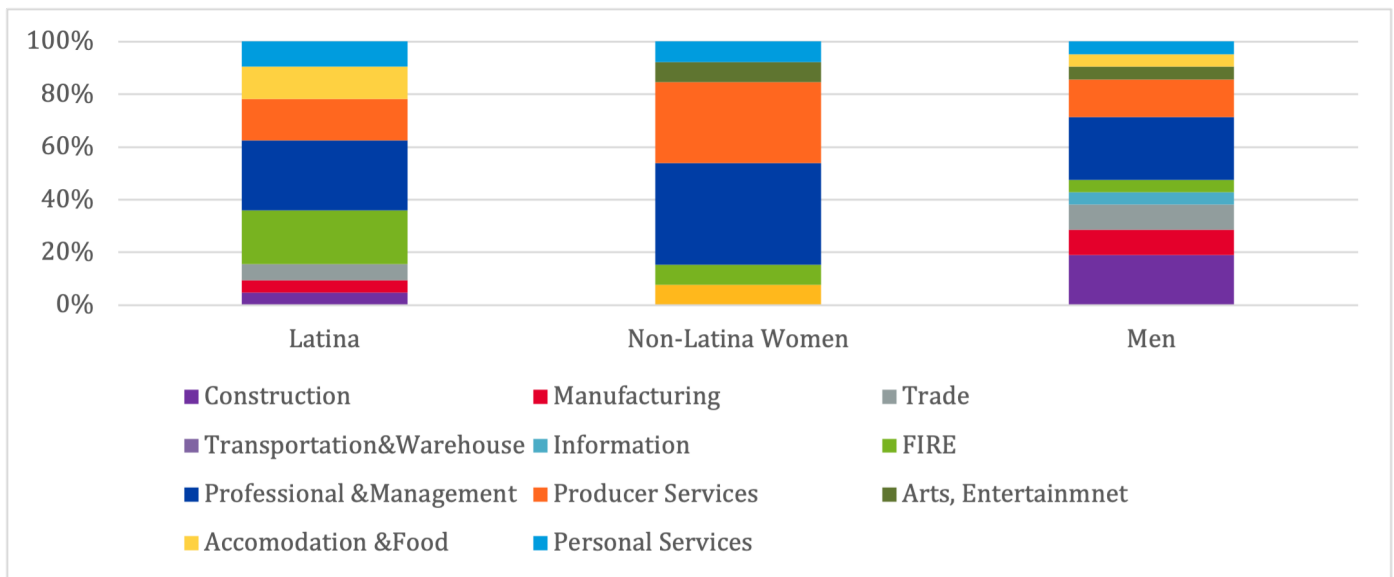


Table 2 provides a general profile of business revenue size. The LaOB are diverse in their annual revenues. Based on data availability, 37% of Latina-owned businesses (compared to 42% other women- and 29% men-owned business-

es) have no revenue or earn less than \$50,000 each year. 25% LaOB (compared to 8% other women- and 24% men-owned businesses) earn more than half a million each year.

TABLE 2. BUSINESS REVENUE SIZE

	<50k	50K-100K	100K-200K	200K-500K	500K-1M	>1M	No Data
Latina	21	7	6	9	2	12	7
Non-Latina Women	5	2	2	2	1	0	1
Men	5	4	1	3	2	2	3

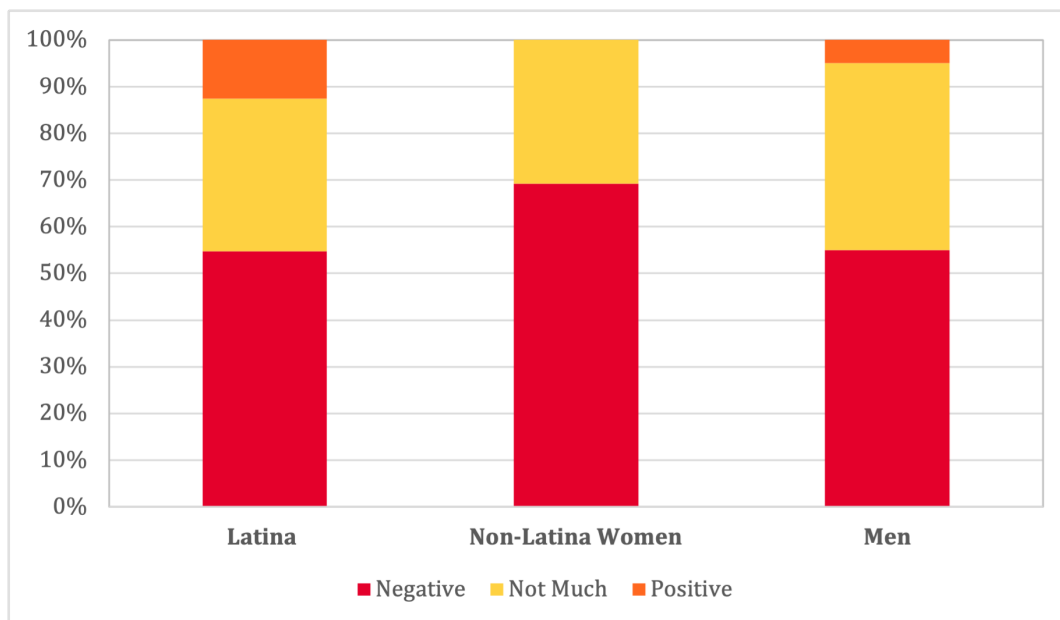
IMPACTS OF COVID-19 ON LATINA OWNED BUSINESSES

Every participant expressed concern about COVID-19 impacts to their region and local communities. Personal level impacts are common among our participants including isolation, stress, emotional tolls, and issues related to mental health. At the business level, the majority of businesses have experienced moderate to large negative impacts; a small proportion indicated minor or no impacts,

and some reported an increase in demand for their services or products. The impacts on Latina business owners and their businesses also impact broader Latino communities.

Figure 4 provides a summary of the impacts received by each group. 55% of LaOB have experienced negative impacts during the COVID-19 pandemic, 34% did not experience many impacts, and 11% experienced positive impacts. Of the 13 Non-Latina women, 69% experienced negative impacts, 31% experienced not much impact, and no one had positive impacts. Of the 20 Non-Latina men, 55% experienced negative impacts during the COVID-19, 45% had not experienced much impact, and 5% experienced positive impacts.

FIGURE 4. IMPACT OF COVID-19



The specific impacts are summarized as follows:

1. Direct market shrinkage due to lockdown and social distancing as personal meetings are prohibited. Some industries, such as restaurants, childcare, event planning, and real estate, are among the most impacted industries.
2. Operational disruption due to business shutdown, lack of capital, postponed or delayed payment, disruption of supply chains, reopening of the economy back and forth, and infection of COVID-19.
3. Shortage of employees or appropriate labor force. Although labor force shortages were reported before COVID-19, the pandemic exacerbated the situation due to COVID-related medical reasons, the need for childcare at home, and the availability of unemployment benefits.
4. Supply chain disruptions and thus delay in delivery of materials has delayed contract work and the capability of contracting new work, especially in construction industries.
5. The procurement and distribution of Personal Protective Equipment (PPE) was a responsibility that fell solely on each employer. Quick distribution of PPE was essential for employees to continue working at their establishment. Investments in PPE and new protocols to meet health requirements and regulations were unexpected costs that increased over time.
6. Essential businesses faced particular challenges, such as owners' or employees' infection of COVID-19, difficulty in

getting timely COVID-19 testing, challenges in getting enough and affordable PPE, as well as confusion and uncertainty caused by inaccurate and even politicized medical information related to COVID-19.

7. There are significant "ripple damages" caused by reduced demand or shutdown of small businesses in the supply chain. For instance, when restaurants shut down, impacts extend to real estate, food processing industries, farms, commercial insurance, accounting, and other businesses in the cluster and the consumption chain. Tourism-oriented communities, such as Palm Springs, are among the hardest hit.
8. "Startup depression" refers to the phenomenon that new companies will not enter the market because of the pandemic. Newly started companies face more severe challenges to access resources, and as a result, some are postponing business activities, changing plans, or "re-starting."
9. Small businesses are more vulnerable when compared to larger businesses due to their lack of preparation and already limited access to capital and resources. In particular, while most big corporations (e.g., the Big-box retailers) remained open under the "stay-at-home" order, most small businesses had to shut down
10. Impacts on the customer side have significant impacts on LaOB. In particular, as Latino communities tend to use cash, do business in person, and have limited usage of technology, LaOB who serve

these particular communities face great challenges under the constraint of social distancing.

11. The impact on business is also a family issue as most businesses are located at home. Particularly for women, childcare has prevented them from working. It is hard to keep the boundary between family and businesses, to meet the need between businesses and childcare and other family needs. As big families and multi-generational households are common among Latinos, family needs could generate higher demands for LaOB. For instance, in addition to aging adults, our participants are not only helping their own children, but also grandchildren and children of relatives.
12. As the capacities of local governments are impacted by COVID-19, the provision of public services is delayed which further negatively impacts small business operation.
13. Disruption of community involvement. Many Latina business owners used to be involved with local communities through volunteer and charity activities. Medical conditions, lockdowns, and social distancing have significantly disrupted community-level activities and social networking opportunities. As LaOB are socially and economically connected with Latino communities, the disruption has long-term impacts on both business and residents.
14. The impacts are not all negative. Some businesses were not impacted much, and some even saw an expanded mar-

ket and increased revenue. As detailed in the next section, some took the opportunity to adjust business plans, some adopted virtual operation modes which reduced cost, and some opened new locations or added new services.

BUSINESS PIVOT FOR NEW OPPORTUNITIES

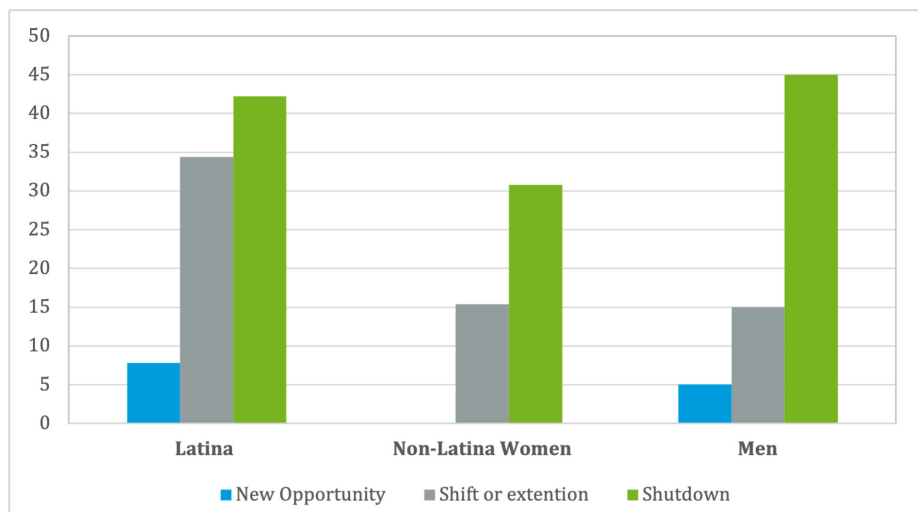
Under the “stay-at-home” and social distancing orders, connecting and serving customers in the traditional approach was no longer possible. The businesses who reported negative impacts had to temporarily shut down, lay off or furlough their employees, or maintain at the minimum level of operation. Working from home, meeting virtually, and keeping minimum personal contact are the most common strategies. With reopening, businesses have followed the new protocols to avoid the risks brought by COVID-19 to their own businesses and customers. For example, they bought PPE and consistently disinfected spaces to make sure it was safe for customers to come into their business. They also trained their employees with medical knowledge related to COVID-19, including how to properly use PPE and regarding new sanitization procedures

Many small businesses have had to pivot away from traditional approaches and change directions in how they sell their products.

As shown in **Figure 5**, 42% of LaOB had experienced temporary shut down by the time of the interview, in comparison with 31% of non-Latina women owned and 43% of men owned businesses. At the same time, 8% of LaOB found new opportunities, and 34% shifted or extended their products or services. In comparison, none of the Non-Latina women

business owners indicated that they found new opportunities, and 15% shifted or extended their products or services. 5% of male business owners found new opportunities, and 15% shifted or extended their products or services.

FIGURE 5. NEW OPPORTUNITIES AND PIVOT BY PERCENTAGE OF



Latina businesses owners expressed significant flexibility and reactivity in seeking new opportunities and reinventing. The modification and pivoting of one’s business model displayed their adaptability in pursuing success within their sectors. For example, Bailey said that going online reduced her operational cost and time cost, and she is planning to open new locations in different cities. Some of the business owners have taken this “downtime” to work on their business’ long-term planning, such as taking online education courses on business development, revising business plans, and enhanced marketing

plans. As Shadey said, “... *obviously this isn’t going away anytime soon. And so all of these new changes are things that we have to think long term. So, um, and what is going to better advance my business during this new time.*” It can be as small as thinking about a new business name, similar to what owner Jovana is contemplating, or as big as branding, as Amber is doing, “*We had already been thinking of that. Um, but it was almost an opportunity to focus on that because there wasn’t as much work. I devoted some attention to branding products and looking at the future...*”

Brook provides an example of a newly started business. Her original plan was to open a boutique. However, stranded by the Covid-19-related shutdown, she discovered unmet needs when the economy reopened. She quickly changed her plan to open a “hybrid” coffee shop by serving both beverages and food without sitting in a restaurant. *“The people who come back to work need coffee and food ... this fits their needs very well under COVID.”* With prior experience working in service and retail industries and with the assistance from mentors and business coaches, she also successfully integrated new software to help customers order ahead of time and avoid waiting lines.

New opportunities often mean new strategies for different types of services and products, either by strengthening the current focus or shifting to new fields that are the most demanded under the pandemic. For instance, insurance agent Aevery added health insurance to her service products although she had been specializing in home and life insurance. Law service provider Besty extended her law services to include death and divorce as these two areas are in high demand right now; real estate agent Jane opted to include new services on foreclosure prevention to take advantage of the new regulations that allow for a three-payment delay in housing or rent payment. Debbie, who runs an employment agency, expanded her efforts in recruiting cleaning personnel, as that is highly demanded under Covid-19. Nina, who runs digital marketing consulting company, had been mainly working with the food and beverage industries; but now she expanded to include the medical

industry, as well as providing different types of services to meet digital advertising needs. Chelly has been an accountant for 20 years, but has transformed herself into an online educator to help people to start up from home, and teach small business bookkeepers how to maneuver through current financial situations and use different types of business aid programs.

Many owners began educating themselves on guidelines, small business loans, and other important business information. By being proactive about their current situation Latina business owners have been working hard to look for different options, therefore, building resiliency. We particularly find the following factors are crucial for them to take advantage of new opportunities such as technology, social networks, human capital, community support, and government-aid programs.

I. TECHNOLOGY

Technology is important – this includes access to the most updated devices and technology, but also getting used to the associated business models. The businesses that had already transformed to a “paperless” model before the pandemic were the least impacted. The businesses that could quickly pivot to new business models saw a quicker rebound. Furthermore, knowing how to use different virtual tools and effective digital advertising became critical for many businesses. For example, both Bailey and Jules had integrated virtual operations before Covid-19, and so the pandemic disruption instead sped up their expansion plan to other cities. Efficient usage of GrubHub, DoorDash, and Uber Eats has been crit-

ical for restaurant owner Ace to do takeout, in addition to putting together her own small delivery team. Auto body shop owner Savanna was able to successfully expand her services to provide car accident insurance estimation via video call, which was always done in person and she did not provide similar services prior to COVID-19.

The successful experiences of some business owners highlight the significant barriers for small business owners who lack access to technology, do not know how to use technology, and are unable to pivot to new technology-related business models. In addition, technology usage on the consumer side brings challenges. For example, Emmie said that *“The struggle with this is that a lot of people that are not tech-savvy, so we’ve canceled, we’ve lost some clients because of this because they just don’t have the patience. And some people, just don’t want to align with technology or what’s happening. So it’s, it’s been a hassle.”*

Not only at the personal level, but also businesses who serve small businesses talked about the same challenge. As Aimee said, *“So one of the challenges that we have seen is, um, uh, a lot of the problem is like, since a lot of people, business owners, they’re stuck in a kind of like the old ways, per se. They’re not aware of what tools are available to them. And if they do know of them, they may be a little hesitant to implement them because they may see it as a, not worth the investment.”* This challenge is particularly severe for businesses serving the Latino communities, as *“Latino community definitely lack knowledge of these, um, technology skills”* (Nina). Furthermore, as

Jane shared with us, *“... we work a lot with the Hispanic community and Hispanic, Spanish speaking only I find it that they find it a little bit challenging to do virtual and stuff like that... and Latinos are so used to doing stuff the old school way. Right?”*

2. SOCIAL NETWORKS, HUMAN CAPITAL, AND COMMUNITY SUPPORT

Access to information and resources is critical for business reinvention. Participants of our study at stage one provided numerous examples about how social networks bring repeat clients, reliable employees, provide access to untapped markets, financial opportunities, and information on resources. Under the pandemic disruption, social networks are critical in providing information and guidance on the medical situation, how to use government business aid programs, and creative expansion or shifting new business products. We find the business owners who have rich social networks are those who are highly educated especially with a higher level of financial literacy, and those who have rich connections with business-support organizations (e.g., SBDC, SCORE, NLBA-IE) and other business-serving communities (e.g., banks, accountant, their bookkeeper, or their tax preparer). Furthermore, related to technology usage, social media through platforms such as Twitter, Facebook, and websites for businesses is critical to gain and spread information for small business owners.

At the same time, we find some extremely small businesses or self-employed business owners – e.g., two women businesses in cleaning industries – are not connected to any

organizations or other businesses. Although most other businesses received information on business assistance programs or other community news, these types of businesses are not aware of the same information.

3. GOVERNMENT BUSINESS-AID PROGRAMS

All of the businesses who used the government's business aid programs, mainly Paycheck Protection Program (PPP) and COVID-19 Economic Injury Disaster Loan (EIDL), have expressed their gratitude about how the programs helped. The capital directly helped with payroll to keep employees, pay the rent and cost of PPE, keep the business running instead of shutting down, and provide certainty and a backup plan. As Ava said, *"I believe that it's me personally been a huge blessing in the sense of having that peace of mind to be able to know, not only for myself but for my staff to know that we are taken care of. We don't know if this is going to be one month, two months, three months, but know that we at least have a secure loan to cover payroll expenses."* This has significant implications to maintain employment and thus reduce disruptions to the local economy.

In addition to addressing short-term needs, the assistance has indirect and possibly long-term effects. For instance, business owners use the assistance to improve physical infrastructure and equipment, streamline the structure of the labor force for long-term planning, and hire website developers for digital branding and marketing. As Bella showed, *"...the help I did already receive honesty was such a huge help because that actually allowed me to invest more in my marketing strategy. So that was for*

me what really like pushed us to the next level of my business ... It gave me an opportunity to get my employees raises and then invest in advertising." Furthermore, working with businesses who applied for these programs has also generated new opportunities especially for banking, accounting, and business-education industries. However, not every business is qualified for these programs; even for those who are qualified, significant barriers exist to access these programs. We will discuss the issues in later sections.

BIGGEST CHALLENGES AND MOST URGENT NEEDS

LaOB have experienced and are still facing significant challenges in coping with the pandemic interruption. How to meet their most urgent needs will impact how fast they can recover and thrive. The biggest challenges include, ranked in order: (1) financial need; (2) medical safety (especially with employees in essential industries); (3) working remotely which include issues related to how to grow remotely, keep a boundary between the business and home, how to adapt to an online business model, and how to work with customers who need traditional face-to-face interaction; (4) family and personal level issues including medical situation, childcare, emotional stress, and

social needs; (5) marketing needs to generate new sales; (6) information confusion and uncertainty with the ongoing situation, which was more severe among the interviewees in the later stage (i.e. Jan and Feb 2021) as the economy has been shut down back and forth; (7) not being able to reopen; (8) time management; and (9) difficulty in finding employees or the right talent.

We did not find significant differences across gender and ethnic groups as they all significantly emphasized financial challenges; however, the Latina group is more likely than the other two groups to emphasize needs and impacts at the family level, and the male group tended to emphasize health and safety issues in addition to financial challenges.

Financial support tops Latina businesses' list of the most urgent needs. Lack of financial access has been one of the biggest challenges for LaOB before COVID-19; the pandemic disruption just exacerbated these difficulties. Following that, marketing and generating new clients, especially through digital tools, top the needs of Latina businesses. In addition, timely and reliable information on the medical situation and guidance are urgently needed, as well as guidance on reopening safely, and policies to particularly support small businesses. Other needs include a shortage of labor force, resources, and space.

The community stakeholders who work with small businesses identified similar challenges and urgent needs. Specifically, lack of access to financial support and financial loss due to COVID-19 are the biggest challenges facing

small businesses, including LaOB. Furthermore, lack of education on technical training, certifying, financial literacy, understanding of government programs, and technology adoption, as well as limited information, are significant barriers for small businesses' short-term and long-term development. As one director of the chamber of commerce commented,

“Well, small businesses, I think most of the thing is capital and is always going to be capital. And access to capital. Access to capital is a twofold type of thing. You can look at it as a red lining on one side, where we’re not getting fair treatment. And then on the other side, where we’re not prepared. And that means that now that maybe you don’t have the tools, you’re not prepared as far as knowing exactly what to do to get that yes. And nobody’s going to tell you unless you’re in the end game.”
(BCH-1)

Education is believed to be fundamental to gain *“the technical knowledge of how to find these opportunities, how to bid for opportunities, how to build profiles, you know, what the procurement process is. Having that information is a gap that needs to be filled.”* (DGS-2, government agency). For minority and women owned businesses, the challenges are particularly higher. As one director from a small business development center said that,

“We’re talking women, people of color. You know, the three biggest needs that any small business owner has are, you know, the ability to access capital, the ability to access mentorship or training or programming, and then the ability to understand and know where the

resources are. That's really what you see from sophisticated businesses who take advantage of all three of those, and underserved businesses or underrepresented do not.” (MD-3)

For small businesses' most urgent needs, especially those owned by women and people of color, the stakeholder participants in this study identified the following: access to financial support and resources, outreach to small business supporting communities, education (e.g., financial literacy, certification, and business planning), and assistance with reinvention and marketing using new technology. While they recognize the confusion and difficulties caused by government regulations (e.g., confusing health guidance, back and forth on economy reopening, and issues related to government business aid programs), they call for collaboration of different sectors and greater roles played by the big corporations.

BUSINESS AID PROGRAMS FROM GOVERNMENT

As discussed earlier, governmental business aid programs have significantly helped the businesses who received them to address short-term needs, as well as paving the road for long-term development. The majority of

businesses indeed expressed keen interest in applying for the assistance if conditions permitted. About 43% of project participants had received financial support from different government business aid programs by the time of the interview. The major aid programs are the PPP and EIDL from the federal government. Although grants and assistance from local governments are easier to work with and obtain than the federal programs, in most cases they do not offer enough support when compared to the huge financial needs. Some businesses opted not to apply for the programs when time management and other issues became more difficult.

Experiences with federal program applications are divided among LaOB: some reported a smooth application process whereas others struggled. In general, the successful federal assistance recipients are bigger in size of employees and have some, or a combination of these other characteristics: have a higher level of human capital including financial literacy, have good or constant relationships with banks, are well-connected to business communities and organizations that work with small businesses, are well-connected to business service sectors, and/or use social media. Although some of them applied by themselves, the majority went through the application process with substantial assistance from business-service sources.

In contrast, smaller businesses who searched online and applied by themselves normally were more likely to get denied, had to apply multiple times, or generally experienced more difficulties. Those who did not receive gov-

ernment business aid included businesses who (1) applied but did not qualify; (2) did not need or did not want to apply because of fear of additional debt; and (3) did not know much about the programs.

Table 3 summarizes the percentage of applicants and recipients of government aid.

Non-Latina women had a higher rate of denied applications, as well as a higher rate of receiving government assistance. The male group represented a higher percentage than the female group of those who did not apply for federal assistance. In the interviews, the male group also had a higher rate of people who felt they did not need to apply for assistance.

TABLE 3. APPLICATION OF GOVERNMENT BUSINESS-AID PROGRAMS (%)

	Federal		Federal	Local
	Did not Apply	Denied Application	Received	Received
Latina	30	9	44	20
Non-Latina Women	8	23	69	38
Men	35	0	40	15

The information on government assistance programs came from social media, news outlets, emails from organizations and governments, banks, accountants, and personal searching online. This further highlights the importance of social networking; connections with professional organizations, especially those who serve the LaOB communities; and usage of technology in accessing government assistance programs.

The challenges of accessing government programs come from multiple aspects: they do not understand how the programs work, they are not sure how to fill out the paperwork, and are uncertain about the forgiveness of the loan in terms of what is at stake. This overall uncertainty prevented some businesses from applying to the loans. The following experiences are representative of those who expressed frustration and uncertainty:

“I heard a lot of people got like 150,000 and I didn’t know how to fill out the application. I think I fill it out wrong because I did it on my own and it was a lot of like questions and I didn’t understand a lot of the stuff. And I know I fill it out wrong because, um, I only got a loan for 15,000, ... I just fill it out and it was very, very complex, the questions and all that stuff. I know, most likely I filled it out wrong.” (Betty)

“... it was still kind of like a process of understanding what it was. How did it work? Um, you know, what’s at stake too, because, you know, the forgiveness part am I going to be able to repay it? Are we going to still be in business long enough to be able to repay that? Or is it now going to become, you know, a personal debt that I’m going to carry on with my business? If I just, if I’m not able to stay open and close, you know, those were all questions that came through my mind.” (Bella)

“I consider myself to be quite educated, computer smart business smart woman. The process was very simple to do it, but their denials of why they weren’t approving it were just ridiculous. We would provide them whatever they wanted, and they will still come back with the denial. [...], but I don’t want to say their name, but I do feel that the bigger banks that are more common had a ridiculous amount of applications that they probably didn’t have the staff to handle it. So that easy way for them to do is probably just kinda deny it. Um, but like I said, then I ended up going through a third party and the same day they approved it and like I said, within three days they had already deposited that loan. So that was great.” (Ava)

The businesses’ experiences are consistent with the comments made by community stakeholders. For example, one representative from the federal government said that,

“Well, one of the clear challenges has been around [...] to some degree, I mean things like the paycheck protection program that was already designed to create a very, very long wait line for very small businesses. And so had we had the opportunity to really recommend how that program could be designed in a way that was more equitable. So in some instances, it’s just the inability of our federal relief programs of really getting to the hands of the people that need it the most. I think another challenge is, we don’t have a lever on additional stimulus packages. [...] And so businesses have been struggling with receiving additional support from the federal government. And while the state has stepped in, to offer

some relief for small businesses, it’s still not enough.” (SBM-4)

The business participants make several recommendations for the government to improve the assistance programs: simplify the application process; clarify the rules and guidelines and be consistent; provide necessary financial education services related to these programs; provide industry-specific programs; and focus more on small businesses to make them qualify. For small businesses with education, language, and technology barriers, assistance is necessary to help them comprehend the guidelines or the opportunity of the loan. For example, one business development partner commented about the application process, saying that, *“... the link and the general information to get to it at the explanation of what is available is in different languages, but once you get to the real applications, those are not translated. There’s just not enough time, I think, to get that done.”* (SG1228, government agency).

The Latina business owners provided suggestions to their peers: do not be afraid of applying for these programs; keep up with the most current information; get more financially educated about their businesses; and get help from professionals (banks, accountants, their bookkeeper, or their tax preparer) and small business-serving organizations. Again, this reinforces the necessity for LaOB to gain sufficient information, have the necessary knowledge, and be prepared.

DISCUSSIONS AND HIGHLIGHTS

I. ACCESS TO INFORMATION

Accurate and timely information about the most current situation on medical guidelines, government programs, resources at different government levels, and small business communities are extremely important. Business owners' pre-pandemic relationship with community stakeholders was key to accessing information and effectively using it. For instance, businesses with connections to professional organizations, banks, and local government agencies have shown a greater capacity to cope with the pandemic disruption. Furthermore, the ability to quickly obtain information and effectively utilize it depended on business owners' knowledge of technology usage, business management, planning, branding and marketing, and financial literacy. This knowledge is essential to take advantage of assistance and resources, and to pivot for new opportunities and operational strategies. This is consistent with our first phase study, which emphasizes that social capital, social networking, human capital, and access to continuing education are considered the most powerful elements of Latina businesses' success.

The interviews with stakeholders suggest that federal government agencies' work with small businesses is mainly executed through collaborations of different local branches of federal government agencies, local governments, community-based organizations, and universities

or community colleges. Small business development partners, such as business consulting companies and big corporations, reach out to small businesses through community-based organizations (such as chambers of commerce and business associations) and different databases of certified small businesses (e.g., minority, women, and veteran owned businesses). This means that when information, capital, and resources are allocated and transferred through these networks, those who are not part of these networks will be excluded from access to these resources. To complicate matters, most government agencies do not have a budget for marketing themselves. Community-based organizations also face stringent financial constraints and language limitations for non-English speaking communities. Under COVID-19, the majority of organizations seldom reached out to businesses outside of their established networks despite increasing presence and visibility through social media. Therefore, it is largely up to the businesses themselves to reach out through their social networks. Thus, access to information to cope with the pandemic disruption was largely determined by businesses' pre-pandemic connections to different networks.

Wang and Ochoa (2019) point out that Latina business owners in the IE region lack financial literacy and business planning, which prevents them from accessing capital. The study suggests that Latina entrepreneurs should connect with stakeholders in and outside their local communities such as peers, government agencies, and local community organizations. This second-stage study further argues that constraints in information access and effec-

tively using it reflect longstanding challenges for LaOB. Their preparedness and resilience to cope with pandemic disruption reinforce the importance of long-term investments in these important aspects.

2. TECHNOLOGY

Research has long argued that optimizing technology can improve business efficiency. With social distancing and under stay-at-home orders, technology efficiency becomes critical for business survival. Business technology efficiency means an ability to access technical devices and knowledge of the technology, understand and comfortably explore different remote business models, and invent new business operation strategies with technology. This type of efficiency requires technological preparation as well as changes in mindsets. Study participants expressed an urgent need for assistance with online marketing, as they believe that an important component of new business strategies is understanding how to engage customers online. At the same time, technology efficiency on the consumer side becomes equally critical, especially for businesses serving communities that are not traditionally technology-proficient.

On the stakeholder side under COVID-19, most government agencies and community-based organizations transitioned quickly from their traditional in-person activities to online-only. Using zoom and other technology for online delivery has become a norm. For small businesses, especially those owned by women and people of color, a lack of technology efficiency adds another barrier to accessing information and resources. We also found that big cor-

porations, especially banks, were among the groups who quickly adapted to a remote environment and created new products and services to engage their customers, including small businesses. However, as discussed earlier, the products and services are provided via existing networks or databases where minority and women owned businesses are underrepresented and lack technology efficiency. Therefore, the barriers brought by technology also reflect the challenges facing LaOB even before COVID-19, including a lack of human capital, English fluency, and access to continuing education and mentorship.

3. SHORT-TERM COPING STRATEGIES VS LONG-TERM DEVELOPMENT NEEDS

LaOB have provided numerous examples of how Latina business owners creatively pivot for new opportunities and new strategies. Their experiences highlight the importance of thinking out of the box, education, technology, social capital, financial support, and government assistance. These critical elements raise important questions about how small businesses, non-profit organizations, and government agencies should invest to prepare small businesses down the road to not only survive but also thrive. For example, it became urgent for many small businesses to learn digital marketing and customer engagement.

The critical elements to cope with short-term pandemic disruption suggest that the fundamental challenges facing LaOB are part of their need for long-term development. Their biggest challenges come from the need to grow, business branding and planning, and talent recruitment for long-term growth. As federal

government business aid is critical for short-term coping strategies, challenges of accessing them also reflect small businesses' long-term needs in human and social capital building and technological advancement. Furthermore, addressing challenges from the customer side would require significant investment from community stakeholders in different sectors. As one stakeholder representative has commented, *"... it's what COVID did, you know, the crisis is a great, great revealer. It revealed the exacerbation of the problems that existed way before COVID. [...] It's important for us to know."* (HK1223, lender)

Altogether, data from both businesses and stakeholders suggest that short-term strategies to cope with COVID-19 must be considered as part of the long-term small business development plan. Therefore, for traditionally underserved communities, continuous efforts to foster an inclusive entrepreneurship ecosystem are still crucial for the region to grow. In this sense, the recommendations from the first stage study are still significant and should be considered alongside these short-term coping strategies.

4. THE CHALLENGES FACING UNDERSERVED COMMUNITIES

Our study before COVID-19 identified some of the cultural and market challenges facing LaOB. These include issues related to the negative stereotypes of being a female business owner, customer discrimination, difficulties in connecting or accessing broader male-dominated social networks, and maintaining a work-life balance. In coping with the pandemic disruption, the biggest need for both Latina

and women of other ethnic/racial groups is financial support and marketing, followed by needs for medical safety and ways to overcome challenges due to public health and social distancing requirements. Both groups talked extensively about the disruption to social networking due to halting of in-personal meetings, and both groups emphasized their family roles.

Financial support is also the most urgent need identified by male business owners in our study. However, a higher share of male business owners than the female business owners indicated "none" when asked what their urgent needs are. When asking about their racial or gender-related experiences, the majority of male business owners indicated that they did not experience racial or gender-related discrimination personally, with the exception of an Asian male business owner in retail who talked about how he hires "young, white girls" to work at the front desk to avoid customers' discrimination. Two men of color also mentioned that recent social movements did not directly impact their businesses but have made them conscious about these issues.

When asked to talk about the specific impacts of COVID-19 on their businesses because of racial or gender identity, the majority of participants indicated that they did not experience more negative impacts because of their racial or gender identities. In other words, they think COVID-19 post similar sets of challenges for everyone.⁶ This perspective corresponds to a perspective that has been found in previous research. ⁶ One exceptional case is provided by an Asian male business owner. He talked about how other people and even customers may relate him or his business with "China Virus" under Covid-19.

with that of stakeholders. For the biggest challenges facing small businesses, the stakeholders also suggest no significant differences among the small businesses, although they think minorities and women-owned businesses face greater challenges in general. This is also consistent with the findings from a recent survey conducted by the Stanford Latino Entrepreneurship Initiative.⁷ It finds that from March to June 2020, both Latino-owned and white-owned employer businesses in the United States are experiencing significant impacts from COVID-19, with nearly 80% reporting moderate to large negative effects on their businesses.

However, the socioeconomic characteristics of Latina business owners and their business conditions before COVID-19 do influence their coping experiences. A lack of information access, low technology proficiency, severe health conditions, family needs, and customer-end challenges all affected to what degree these business owners could react to and recover from pandemic disruptions. In other words, COVID-19 only exacerbates their long-term challenges and impacts their capabilities to recover, sustain, and thrive.

For example, at the business owner level, Latinas are believed to be highly family-oriented. As one business development partner commented, ***“I don’t think [the challenge] is just for minorities. [...], whether they’re red, white, or***

⁷ Orozco, M., Tareque, IS, Oyer, P., and Porras, JI. 2020. *The Ongoing Impact of COVID-19 on Latino-Owned Businesses*. Stanford Latino Entrepreneurship Initiative, Stanford University. <https://www.gsb.stanford.edu/sites/default/files/publication-pdf/slei-research-spotlight-2020-on-going-impact-covid-19-latino-owned-businesses.pdf>

blue, I think they all have the same challenges, with one being that the Latina women are very ... one for most is their family, and second is the business.” Correspondingly, we observed that Latina business owners emphasized responsibilities of homecare and childcare more than other groups did. Meanwhile, both businesses and stakeholders expressed the importance of delivering resources and information in Spanish.

At the business level, LaOB has highly concentrated in pandemic-vulnerable industries and tends to be smaller in size.⁸ As self-employment and non-employer firms are generally not qualified for government assistance, LaOB communities need special attention.⁹ Furthermore, when technology becomes critical for business reinvention, LaOB are largely concentrated in industries that had not embraced technology before Covid-19. In addition, on the customer side, LaOB are more likely to serve communities that are socioeconomically vulnerable under a pandemic disruption and are less proficient in technology and new business strategies. Therefore, while pandemic disruptions challenge every business, the vulnerability and constraints facing underserved communities before Covid-19 have disadvantaged LaOB, and entire minority and women owned business communities broadly, more than others.

⁸ Bartik, A. et al. 2020. The impact of COVID-19 on small business outcomes and expectations. *Proceedings of the National Academy of Sciences* 117, no. 30: 17656–66.

⁹ In particular, significant barriers face businesses owned by undocumented immigrants as they are not able to access government assistance programs. This issue on undocumented immigration did not show up in other racial and gender groups.

5. SMALL BUSINESS RESILIENCE AND COMMUNITY RESILIENCE

Community and social networks buffer the impacts of COVID-19 in multiple ways. LaOB are closely embedded in their local communities. Impacts on businesses include impacts on Latinas as business owners, family members, and community residents. The first stage of our study highlighted their close relationship with local communities. During the pandemic disruption, the blurring of boundaries between work and home, family responsibilities, and childcare became more challenging for small business owners, particularly women. The top challenges for LaOB are not only about their business operations, but also about their personal challenges, relationship with families, and relationship with their employees and customers who are also local community members.

For LaOB in particular, family values and multi-generational households impact how they run their businesses and how they prioritize family needs and business needs. Many of them emphasized that their employees are like “family” and it is extremely hard to handle unemployment issues. On the customer side, serving a Latino clientele has provided niche markets for many Latina businesses. However, as COVID-19 hit socioeconomically vulnerable communities hard, it is increasingly important to continue serving these communities, though it is also more challenging to do so. Therefore, Latina business resilience and Latino community resilience are intertwined with each other. Valuing small businesses and considering Latina business owners in economic development

strategies for underserved community building is important. As one federal government agency participant argued, “... *Covid-19 was really laid to bare, laid bare the disparities that exist for businesses owned by people of color, and women, and other and other minorities. [...] We recognize entrepreneurship being a true pathway of economic mobility. And to that end, we see that the Latino community really thrives by leveraging this tool to increase their economic mobility. So, for us, it's important that we reach out to those groups.*” (SBM-4)

6. NONPROFITS AND GOVERNMENT AGENCIES ALSO NEED TO PIVOT

Under the impacts of Covid-19, in addition to disruption and delay of certain services (e.g., small business owners complained about slower paperwork processing and delayed trash pickup), most outreach activities and services offered by these agencies and organizations shifted to online-only, and continued to primarily engage their pre-pandemic established membership and networks. This made their services more difficult to access for those underrepresented in these networks, as many activities and services provided by these agencies and organizations are not well known. As one business participant commented, “*You know, it makes me pretty sad that [...] their marketing has gotten better, but I feel like they're just not marketed well enough.*” (Jules). Business participants suggested that what small businesses need most from nonprofits and governmental agencies are technological innovation, more accurate information and guidance, and better outreach to socioeconomically vulnerable communities.

When talking about the challenges they are facing, stakeholders indicated that small businesses, especially in underserved communities, face organizational barriers in obtaining necessary resources, skill sets, and mindsets. The biggest challenges include low credit scores hindering accessing finance, under-certifying, lack of financial literacy, lack of access to information, low technology proficiency, lack of mentorship, low English proficiency, and lack of continuing education or training. These points are consistent with the small businesses long-term needs discussed in earlier sections. In addition, how to reach as many small businesses as possible and increase organizational visibility in different communities becomes an urgent issue. For example,

“So, the challenges I had with small businesses is that sometimes they’re not really paying attention to what I’m saying to them about get yourself certified. [...] I think what happens with a lot of Latino businesses is that I don’t know if they’re just not aware and there are so many organizations out there to help them now [...] There are all kinds of stuff.” (a government agency).

“Our own challenges is finding companies that can provide the goods or services that are needed during COVID at the capacity that they’re needed.” (contractor)

“I still think that there are a lot of businesses that were hesitant about asking for help and stepping now to ask for help ... And those businesses did not or have not taken advantage of the help that is available for them, which is unfortunate.” (a government agency)

“We do a lot on social media and I talk to you about our town hall meetings. But expanding our contact information for small businesses has been a challenge.” (an Assemblymember)

Most of these agencies and organizations, especially community-based organizations, do not have a budget for marketing, in addition to an already constrained financial situation. The perspectives from both businesses and stakeholders suggest that small businesses, especially businesses owned by women and people of color, need to be better motivated and have enough trust to reach out for information, networking, and assistance. The stakeholders need to extend their established networks to both traditional and non-traditional community-based networks, such as faith-based organizations and other small businesses in underserved communities. There is a constant need for continuing education programs through collaboration with community-based organizations. Increasing the budget for marketing these organizations and strengthening the public-private partnership for outreach is warranted.

RECOMMENDATIONS

I. TO SMALL BUSINESSES:

1. Keep yourself informed as best as possible: Do your own research for the right information; keep connected and keep good relationships with professionals, banks, professional organizations, and local government agencies; and be present in social media.
2. Change and pivot: Do not get stuck in the old ways of thinking; think outside the box; be willing to make adjustments; change your business model; be more flexible with employees.
3. Embrace technology: Do not be afraid of technology adoption; embrace new business strategies through technological innovation; look at your entire suite of offerings and evaluate how you can offer it differently with technology.
4. Digital marketing is extremely important right now: Use a percentage of your loan or governmental assistance funds to focus on marketing; stay in contact with your customers on a personal basis.
5. Education is key: Educate yourself on business management, planning, and financial literacy.
6. Be proactive: Reach out, speak up, and ask for help from professional organizations and government agencies; seek mentorship through them.
7. A long-term business development plan is important and now could be a right time to revisit and pivot: Do market research and use your resources to find your niche; be really good at what

you do and keep learning; keep studying about your industry so that you can converse with other players; do a SWOT analysis to figure out what kind of changes are needed to make to survive, not just this pandemic, but also moving forward.

8. Financial preparation: Be smart with your money and save it as much as you can or have it invested so that you can easily like make it liquid; be prudent with your money; save for a rainy day; check and evaluate your expenses toward better financial planning.
9. Networking is key: Get connected with peer small business communities for consolation, innovation ideas, social support, and economic opportunities; be willing to help others and work with them.
10. Resilience at personal level: Do not give up, be persistent, and persevere; pay attention to life-work balance.

2. TO GOVERNMENTS:

1. Keep people informed: Provide accurate, timely, and consistent information and guidance (including on both medical and economic regulations); use social media; reach out to local people especially traditionally hard-to-reach communities; provide information in Spanish.
2. Public services should keep up with changing community needs: Governments need to pivot as small businesses are innovating; listen to and really get to know their communities; have more town hall meetings; streamline govern-

- ment services; know the communities' needs first before making policies.
3. Small businesses need to be at the table when governments are making decisions: "We are hurt because we are small" (interview quote); understand that it is harder for small businesses to access resources than bigger ones; women and minority-owned businesses should be represented in policymaking; there should be specific resources for small businesses such as loan and grant programs; businesses owned by ethnic minorities and women need to be supported.
 4. Invest in technology proficiency: Help small businesses by providing technology devices and associated technical support and cyber security.
 5. Business assistance programs: provide "one-stop"-type websites that list all available resources and guidelines at different levels for small businesses; consider industry-specific assistance especially for the most vulnerable and essential industries; assistance from a supply-chain perspective could be useful by targeting the industries that are most connected to other industries; business aid programs should include assistant services that help clarify and guide through the application process; business aid program eligibility should consider more small businesses and firms with a sole proprietorship.
 6. Reopen the economy with consideration of "new normality" to consider both medical safety and economic vitality: While big-box chain companies can operate under pandemic restrictions, there should be optional strategies for small businesses to operate.
 7. Provide services to help with small businesses: Services such as education, technology adoption, and business strategy consultation on taking new strategies or shifting to new services/products are key; continue support to startups; continue investment in social and financial support to traditionally underserved communities.
 8. Clear and precise laws and regulations: Clarity is important, including how these laws and regulations should be implemented; in particular, find out what education or public awareness people need so that the policies can be carried out as intended.
 9. Vaccination: Vaccination should be prioritized within certain industries, and for employees who interact with the elderly and more vulnerable clients.
 10. Invest locally: Promote and incentivize "grow locally" and "spend locally" to foster a healthy ecosystem for small businesses who serve the local communities.

3. TO NONPROFIT ORGANIZATIONS AND COMMUNITY STAKEHOLDERS

1. Service provision: Services from non-profit organizations have proven to be more urgent under the pandemic disruption; Latina businesses noticed that some local organizations have stepped up to help small businesses.
2. Be known and reduce distrust: Nonprofits should advocate for and promote themselves in local communities; make

sure communities know of their their mission and services; stay relevant and communicate to the community that there is a lot of misinformation and lack of information.

3. Reach out and know the business communities: Know communities' small business needs; communicate and follow up with them; get members involved in organizations' activities because they want to and are able to help other small businesses.
4. Provide consistent services: Reach people at a personal level; one-on-one services provided by organizations such as NLBWA and SCORE are effective and highly appreciated; work with other fellow local business owners who understand the needs of the community.
5. Need to pivot as well to meet the fast-changing community need: Better motivate Latina businesses and underserved communities to reach out for education and networking; budget for marking themselves; collaborate with other community-based organizations (e.g., faith-based institutions) to reach out.
6. Provide timely and accurate information: Utilize social media; provide a "one-stop"-type website that contains all available resources at different levels for small businesses and timely send the information to the small business communities.
7. Continue investment in education and social support to small businesses: Latina businesses have provided numerous examples of how these programs have

helped them; more education under the pandemic disruption includes financial education, digital advertising, technology adoption, business planning, better management of social media, and mentorship; urgent programs are needed to educate small business owners on how to evolve, how to go from pre-COVID-19 to now, after COVID-19, and the tools that they are going to need for the new era.

8. Support ethnic minority and women-owned businesses: Special efforts are needed to reach out to Latino communities with resources, information of resources, and delivery plans; bilingual services are critical for LaOB; provide free membership for certain communities, especially the self-employed and those with sole proprietorship; Latina business communities should be organized and presented in different boards; Latino communities have markets and energy.
9. Services: Services should be provided based on the needs of different industries.

Overall, the experiences of LaOB in coping with COVID-19 suggest a need for continuous investments in technology, continuing education, and social network building for small businesses to access money, market, and knowledge of management. Particular efforts should be made to traditionally underserved communities. This calls for collaboration and partnership between government, non-profits, universities, and other community stakeholders. The region also needs to diversify its

economic base, continue to invest in education, promote higher-paid job opportunities, attract more big corporations who are willing to work with small businesses, and foster a stronger small business ecosystem. More financial support with more options and flexibility for small businesses is needed. Financial institutions should be more creative when working with small businesses, especially in underserved communities. For a very diverse region like the IE region, it is particularly important to foster collaboration and partnerships between government, non-profits, universities, and other community stakeholders. In this aspect, building a small business database is urgent for both research and practice purposes.

The majority of Latina business participants were positive and confident that the economy will rebound, and that a similar level of business operation will resume, although they have different opinions about how long it will take. However, almost everyone agreed that business may not resume in the same way, with “new normal” as a commonly referred term. This raises questions like, what does “new normal” really mean for small business development? How will the businesses continue to pivot and adapt to the “new normal”? How will organizations and government agencies work with the “new normal” to serve small businesses? As the situation evolves each day, we need to keep tracking how Latina owned businesses and other small businesses in various sectors are working to figure out what the most effective practices are. In particular, we need to track how they adopt technology changes over time, what is possible and what are the most efficient ways to pivot for new opportunities and new strategies, and how to address the urgent needs of online marketing of small businesses.