

INCLUSIVE & RESILIENT RECOVERY

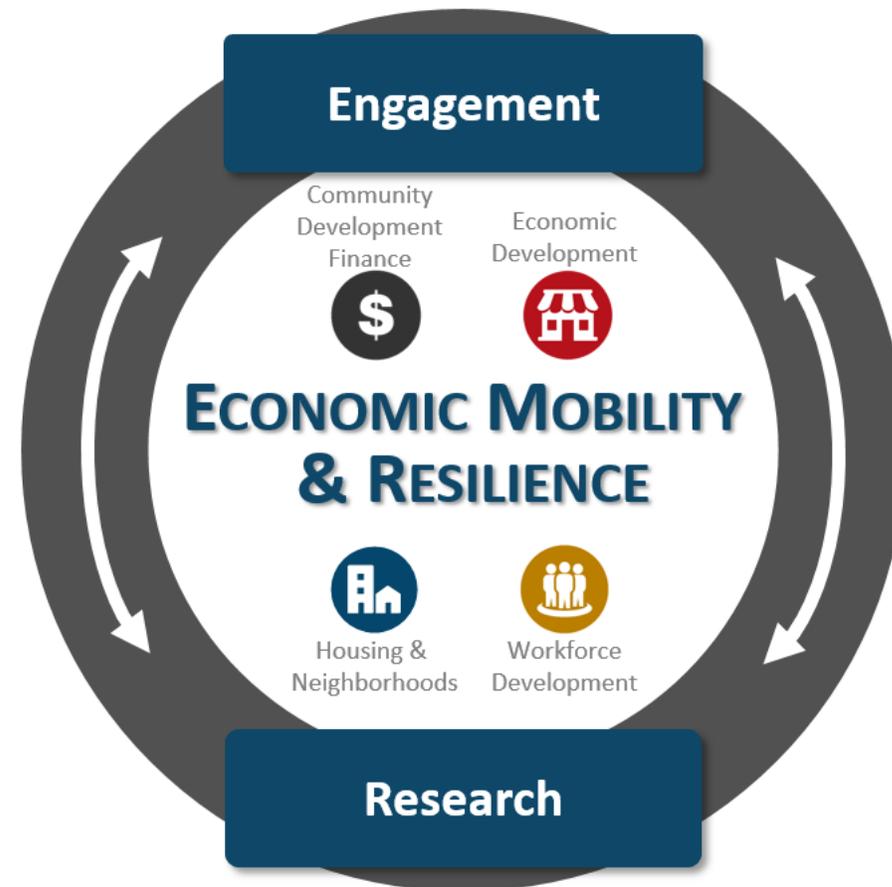
Virtual Roundtable on Supporting Small Businesses
for an Inclusive and Resilient Recovery



MISSION

Support the Central Bank's mandate of stable prices and maximum employment by working to improve the **economic mobility and resilience** of people and places for a healthy economy.

To access our papers, data tools, and other resources visit [the CED webpage](#).



Communities most vulnerable to economic fallout

“COVID is highlighting the vulnerabilities that already existed in so many communities”

“We do not want to return to our economic condition pre COVID, we want to be better.”

COVID’s Impact

“It’s akin to an emergency room in trauma center—healthcare professionals are doing everything they can, but it comes down to the available capital, like blood.”

Infrastructure

“It’s too late for so many of these businesses to take advantage of current legislation, we need to start building for the 2nd and 3rd round of funding and the new economy.”

“COVID pushed, challenged, strained smaller, under-resourced, frontline, movement-building organizations even harder, which are primarily BIPOC and women led.”

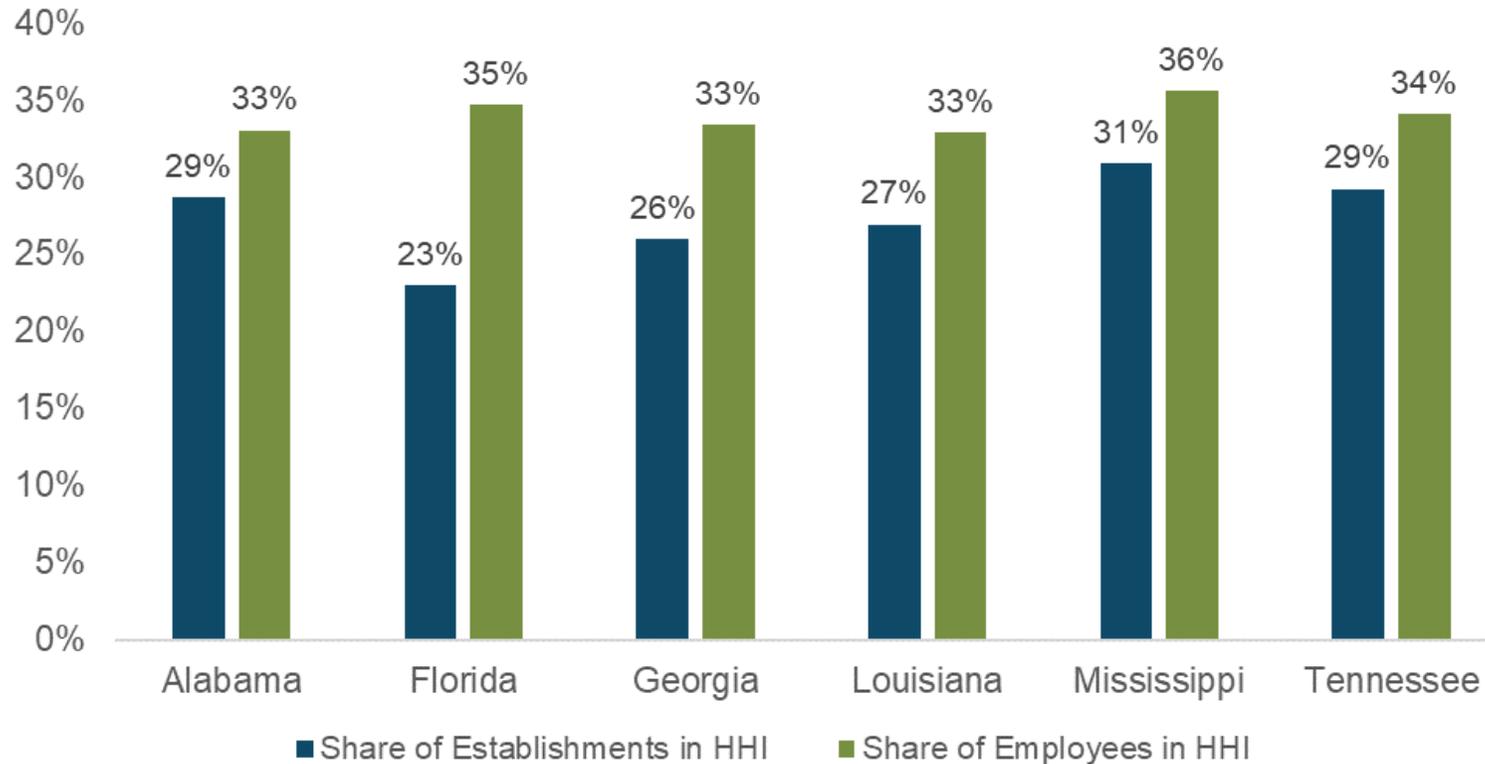
The Future Economy

“[We’re] not sure what the recovery will look like; there will be underserved markets and underserved industries. These businesses will not survive. Businesses will need to adapt to join the “new economy.”

“We anticipate that COVID will accelerate a recession and these communities will look very different as businesses close.”

“Hardest-Hit Industries” are a central part of the Sixth District economy

Share of Small Employer Firms in Hardest-Hit Industries by Number of Establishments and Number of Employees



Sources and Notes: Hardest-Hit Industry definition from [Philadelphia Federal Reserve Bank](#), April 2020.

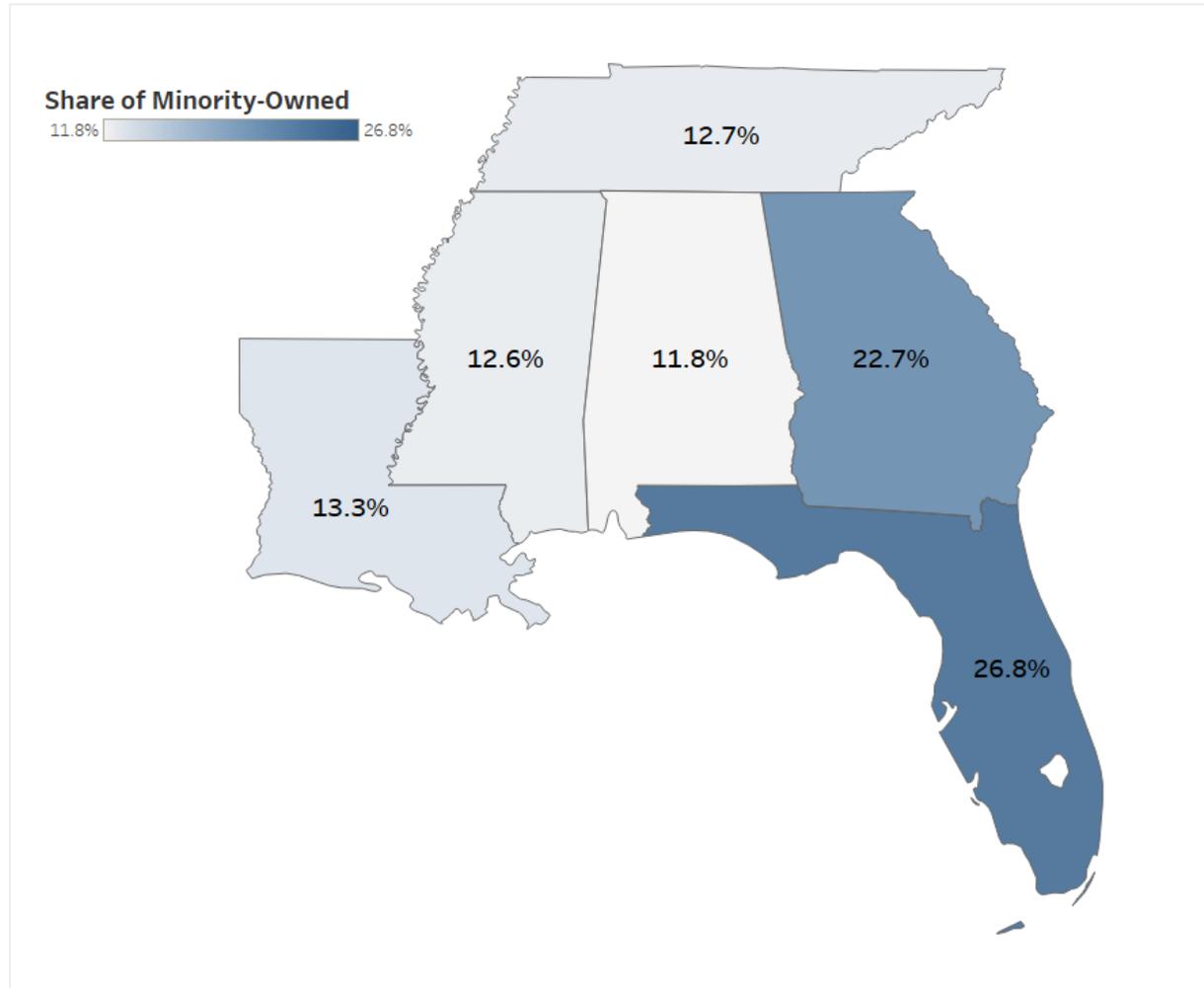
“Hardest-Hit” Industries defined as the following by NAICs code: Retail trade (except grocery and pharmacy): 44 and 45 (excluding 4451, 4452, 4461); Transportation: 48; Employment services: 5613; Travel arrangements: 5615; Arts, entertainment, and recreation: 71; Accommodation and food services: 72.

Share of Firms and Employees from [2018 County Small Business Patterns](#).

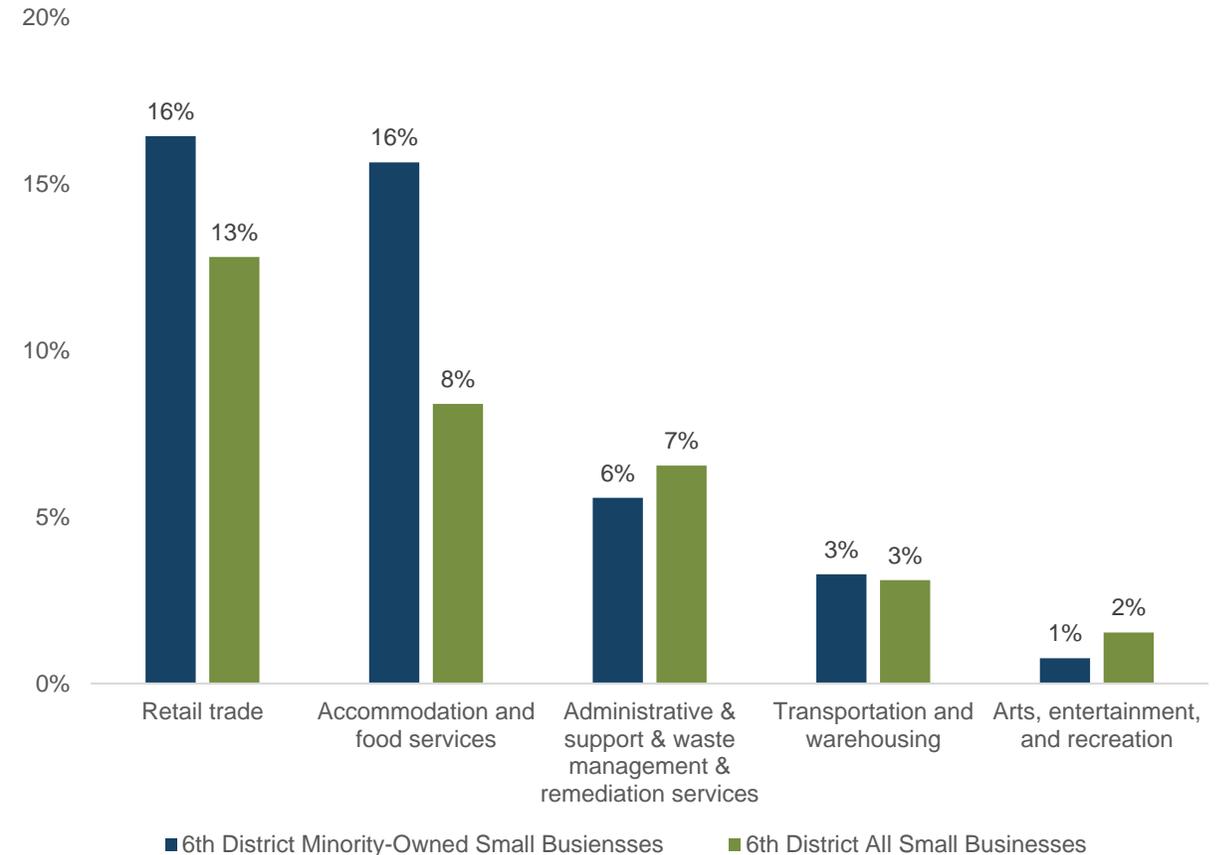
“Small Employer Firms” defined as employer firms with less than 500 employees.

Small Businesses of Color in the Sixth District hit particularly hard

Share of Small Businesses Owned by Minorities in the Southeast



Industry Share of Small Businesses in the Sixth District – Hardest Hit Industries
(Minority-Owned vs. All Small Businesses)

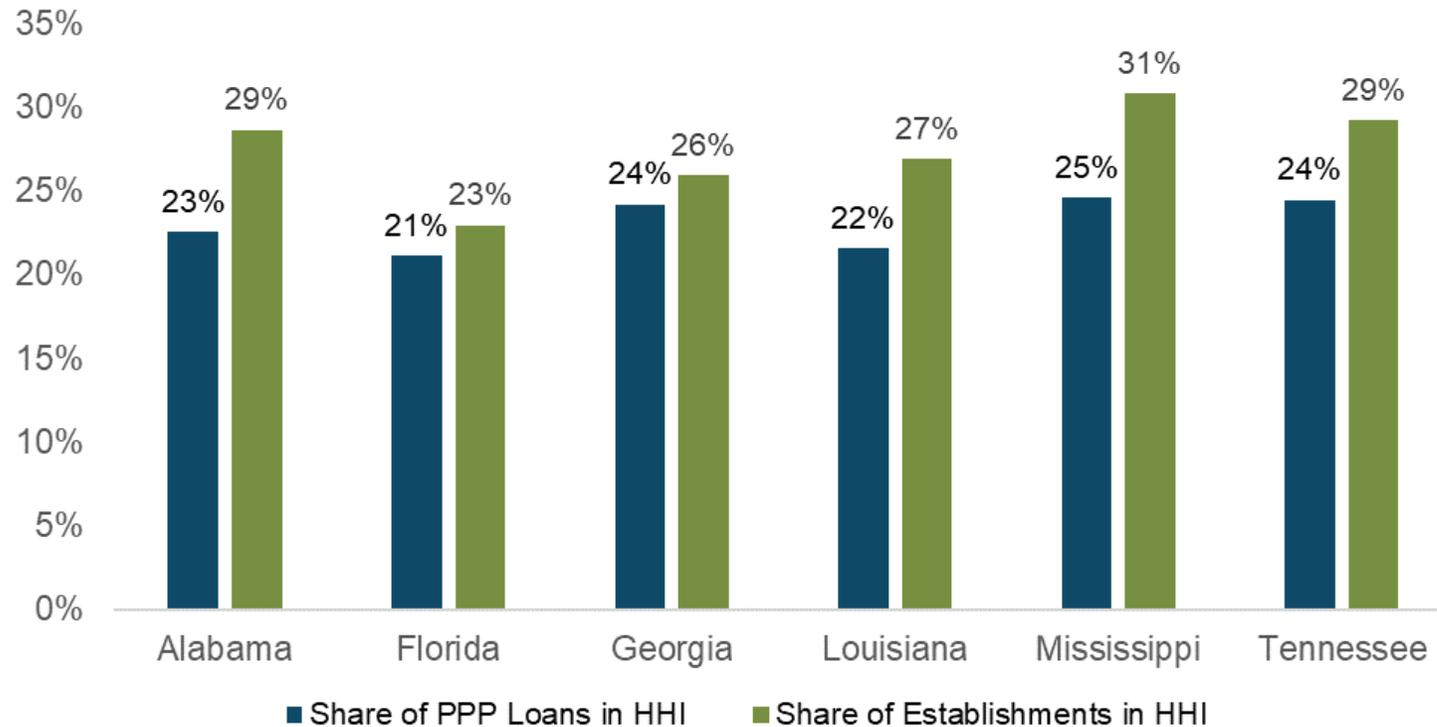


Source: Annual Business Survey 2017

Note: Hardest Hit Industries approximated by 2-digit NAICS

PPP Loans did not consistently reach the Hardest Hit Industries in the Sixth District

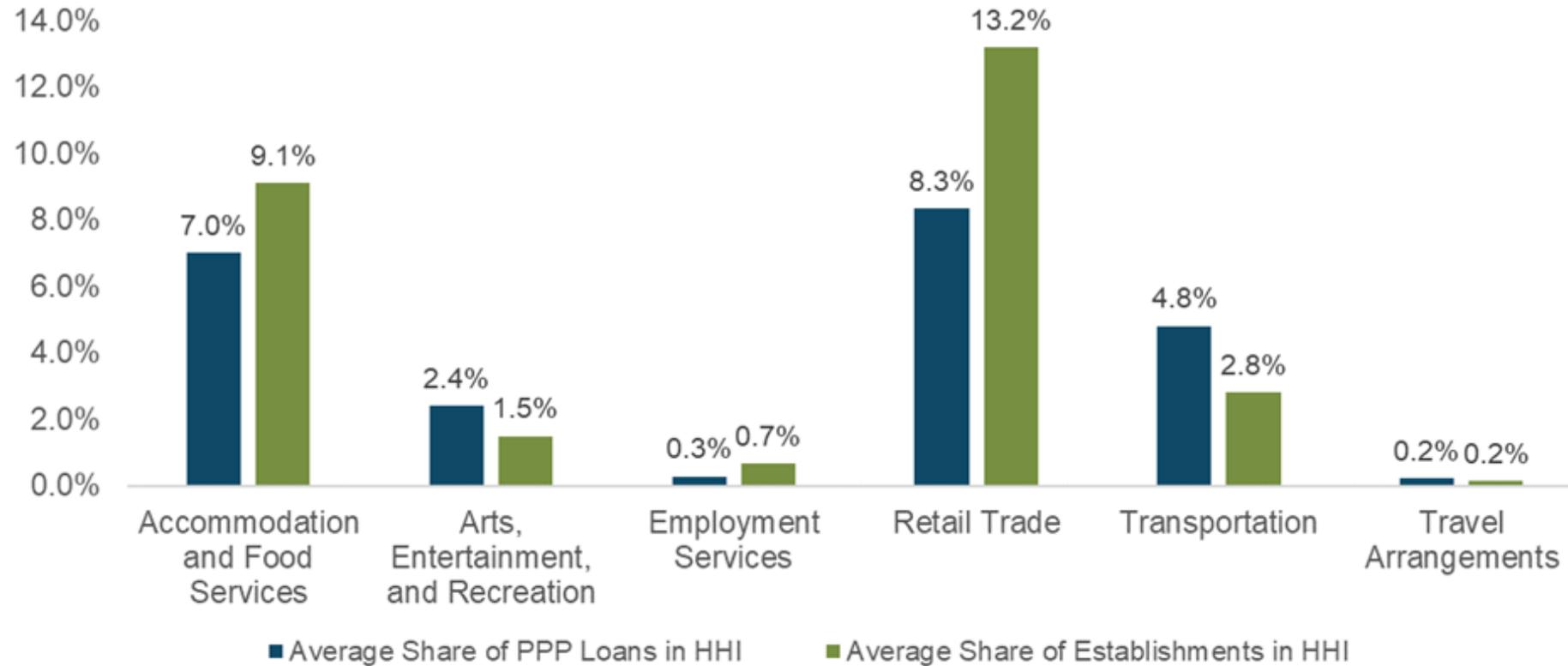
Share of Number of PPP Loans to Share of Number of Small Employer Firm Establishments for Hardest-Hit Industries



Sources: [Small Business Administration Paycheck Protection Program loan-level data](#), through August 8, 2020. Share of Firms by Establishments and Employees from [2018 County Small Business Patterns](#). “Small Employer Firms” defined as employer firms with less than 500 employees.

PPP Loans did not consistently reach the Hardest Hit Industries in the Sixth District

Average Share of Number of PPP Loans to Number of Small Employer Firm Establishments in the Southeast by Hardest-Hit Industries

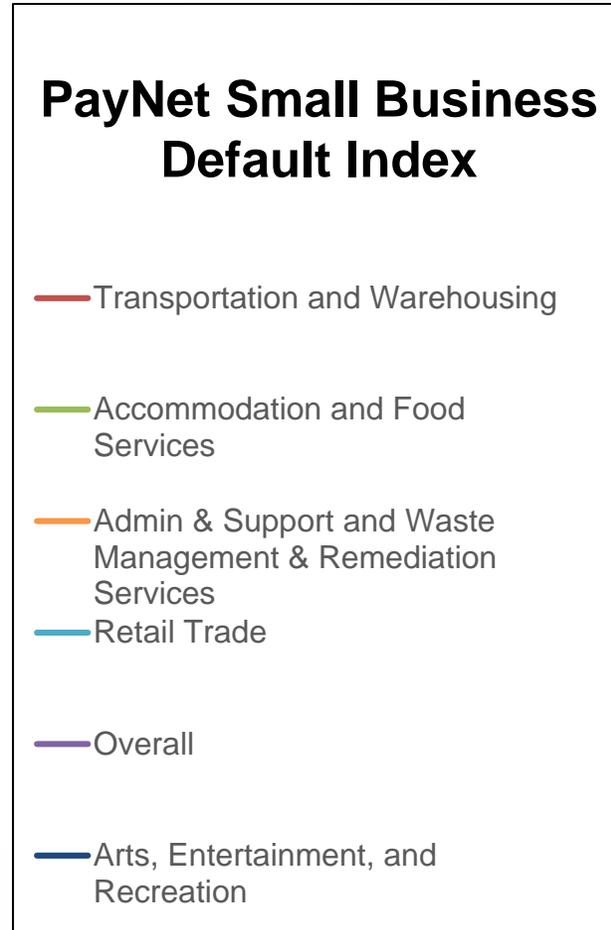
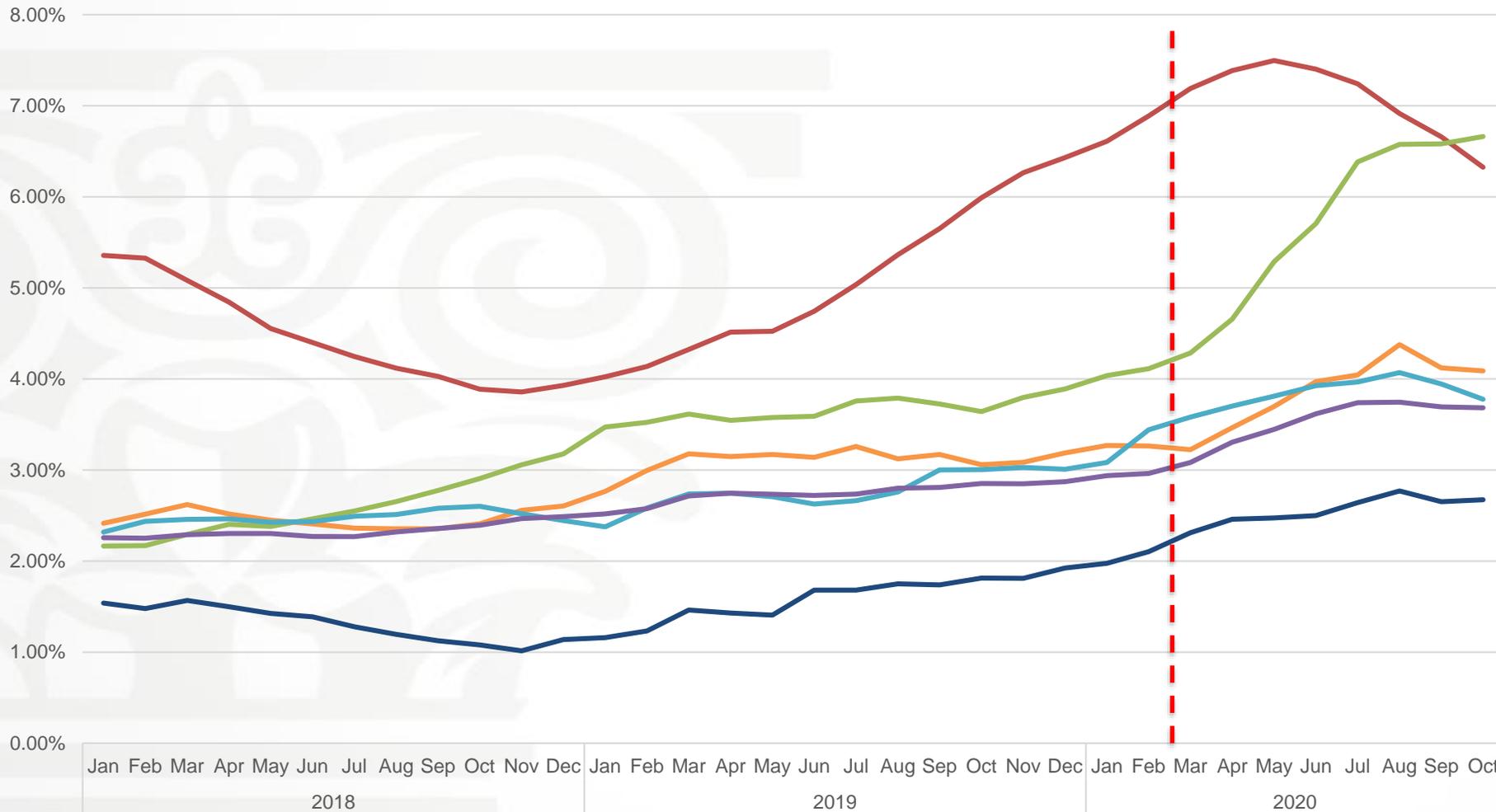


Sources: [Small Business Administration Paycheck Protection Program loan-level data](#), through August 8, 2020.
Share of Firms by Establishments and Employees from [2018 County Small Business Patterns](#).
“Small Employer Firms” defined as employer firms with less than 500 employees.
Average share calculated across shares in AL, FL, GA, LA, MS, TN.

Defaults rose and declined within some Hardest Hit Industries in the Sixth District



6th District Small Business Defaults

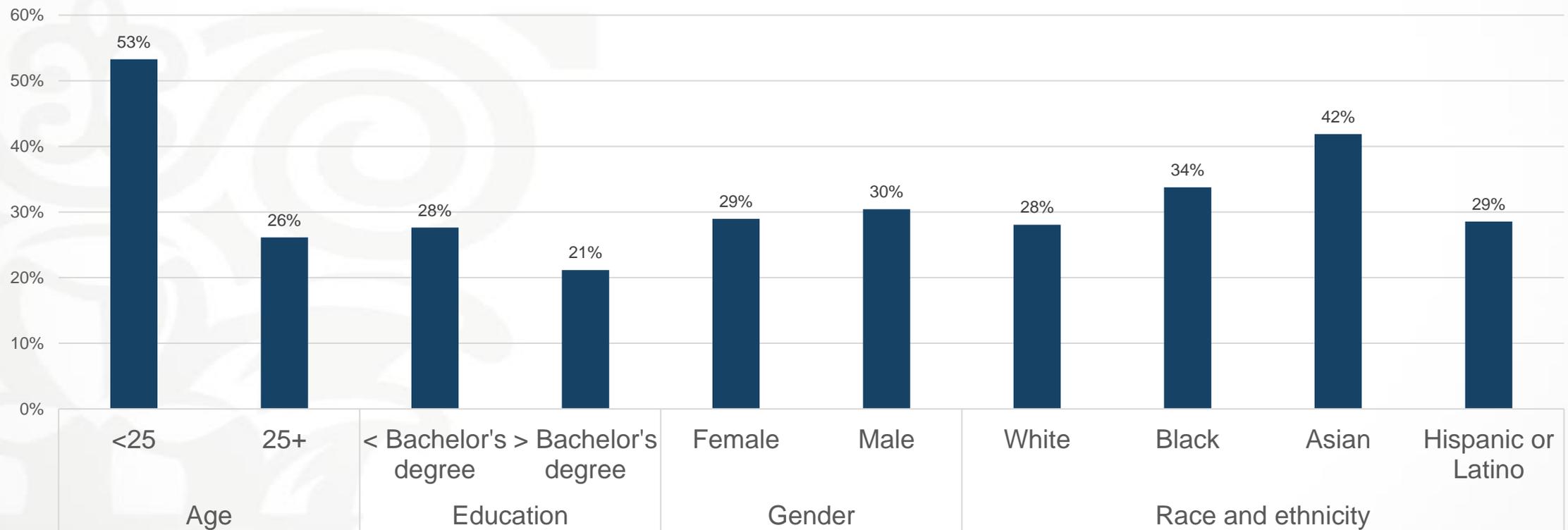


Source: PayNet Small Business Default Index (SBDFI), December 2020

Note: Hardest Hit Industries approximated by 2-digit NAICS

People of color, younger, and less credentialed workers are overrepresented in Hardest Hit Industries

Share of Affected Small Business Employees by Demographic Group



Source: 2017 Longitudinal Employer-Household Dynamics

Key Takeaways

- Hardest hit industries are still vulnerable to the economic fallout of the pandemic
- We are beginning to see an uneven recovery among hardest hit industries
- There is overrepresentation of small businesses of color in the hardest hit industries
- Younger and less credentialed workers of color at small businesses in hardest hit industries are most impacted

Supporting Small Businesses for an Inclusive and Resilient Recovery



Moderator

Raphael Bostic

President and CEO
Federal Reserve Bank of Atlanta

Small Business Panelists

Kelly Burton

Co-Convener at Black Innovation Alliance
& CEO of Founders of Color

Clint Gwin

President of Pathway Lending

Karama Neal

President of Southern Bancorp Community Partners

Gilda (GiGi) Pedraza

Founder and Executive Director of the Latino Community Fund

RESOURCES FOR COMMUNITY AND ECONOMIC DEVELOPERS FROM THE ATLANTA FED & THE FEDERAL RESERVE SYSTEM



Focused on People:

Unemployment Claims Monitor: Data on initial and continued claims for unemployment insurance, including the Pandemic Emergency Unemployment Compensation and Unemployment Assistance, and claimants' demographic data,.

Opportunity Occupations Monitor: Get an estimate of the number and share of jobs accessible to workers without a bachelor's degree that pay more than the national median wage.

Advancing Careers: Examines barriers to employment, safety net policies and systems, and career pathways to support efforts to improve economic security for families and meet the talent needs of businesses for a healthy economy.

Focused on Communities:

Small Business Credit Survey Report on Employer Firms: Join us for our next webinar on the 2020 Small Business Credit Survey where we will share the results from the upcoming Report on Employer Firms on February 25.

Small Business of Color Recovery Guide: The Atlanta and Kansas City Feds have published this guide to assist communities throughout the nation in supporting SBOCs as they recover from the economic crisis caused by the COVID-19 pandemic

Renter Households Vulnerable to COVID-19 by Region : The tool estimates the number of households susceptible to COVID-19-related job loss, at the intersection of income, cost-burdened status, dwelling unit type, and race.

THANKS FOR JOINING US!

ANY QUESTIONS?

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- For regular updates on all Community & Economic Development resources email AtlFedComDev@atl.frb.org and type SUBSCRIBE in the subject line.
 - For weekly updates on all the news from the Atlanta Fed text FRBA to 33777.
 - Follow us on Twitter [@AtlFedComDev](https://twitter.com/AtlFedComDev)
 - You can reach us at david.a.jackson@atl.frb.org