

# **New Jersey COVID-19 Business and Nonprofit Organization Survey: Assessing Select Financial Impact Questions for Women- and Minority-owned Businesses**

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The New Jersey COVID-19 Business and Organization survey collected the responses of ~1,608 women- and minority-owned businesses and ~1,510 white, men-owned businesses in New Jersey between May 21 and June 3, 2020.<sup>2</sup> This data brief summarizes the response differences across these two groups of business owners on questions about business closures and financial impact due to the COVID-19 public health crisis.<sup>3</sup> On many questions, owners reported similar responses based on their experiences from the restrictions put on their businesses and the public as a result of the pandemic. However, the findings show that, to some degree, women- and minority-owned businesses experienced a more significant financial toll on their operations, compared to white, men-owned businesses.

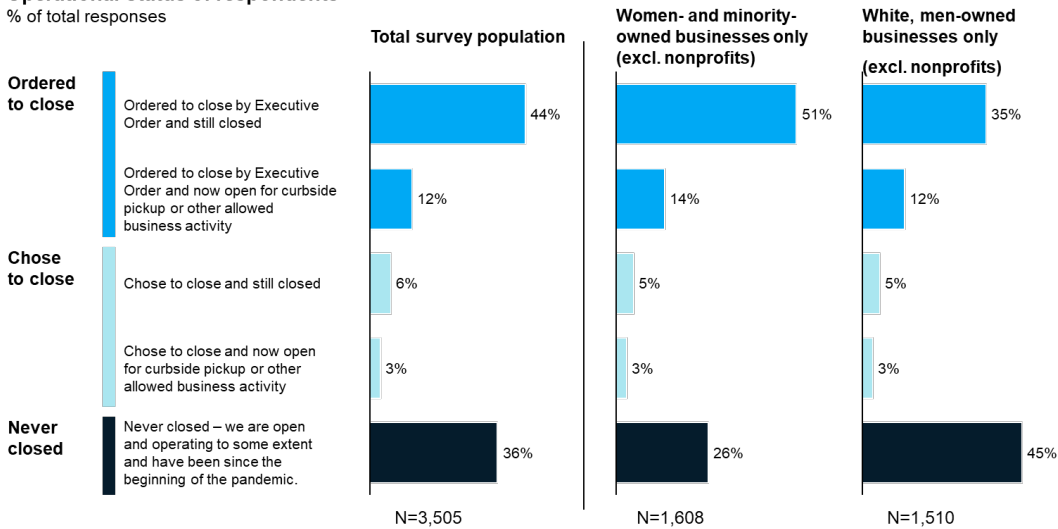
Overall, women- and minority-owned business leaders anticipate losing more revenue/funding due to the pandemic compared to white, men-owned business leaders. **This is likely due to the fact that almost 5 in 10 (45%) white, men-owned businesses that responded to the survey remained open and operating to some extent during the pandemic, compared to less than 3 in 10 (26%) women- and minority-owned businesses.** Almost 7 in 10 (65%) respondent women- and minority-owned businesses said they were ordered to close their doors by Executive Order, considerably more than the 5 in 10 (47%) white, men-owned businesses that were ordered to close by the government (see Figure 1).<sup>4</sup>

While 3 in 4 respondent businesses in both subgroups said they have lost significant revenue or contracts to date (78% of women- and minority-owned businesses and 74% of white, men-owned businesses), **6 in 10 (59%) women- and minority-owned business leaders expect to lose at least 50% of their annual revenue as a result of the COVID-19 pandemic, while only 4 in 10 (43%) white, men-owned business leaders expect to weather the same fate (see Figure 2).** There are no significant differences across these groups in terms of how long they expect it will take to return to pre-pandemic business operations; these findings mirror the responses of the total survey population that at least half of New Jersey business owners expect it will take until at least 2021 to get back to business as it was.

FIGURE 1

## 73% of women- and minority-owned businesses closed at some point, compared to 55% of white, men-owned businesses

Operational status of respondents  
% of total responses



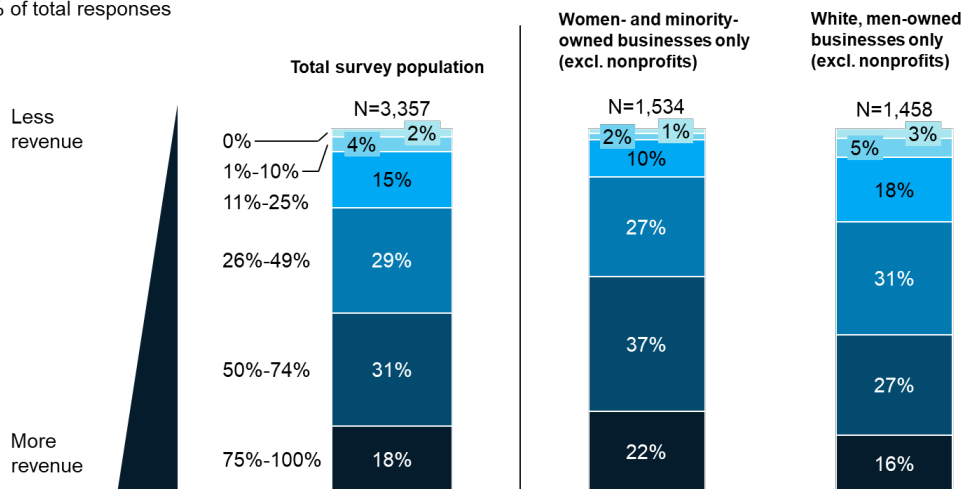
Q7: Which of the following best describes your business/organization?

Source: Rutgers University's Heldrich Center for Workforce Development  
NJ COVID-19 non-probability impact survey for businesses/organizations,  
May 21, 2020 to June 3, 2020

FIGURE 2

## 6 in 10 (59%) women- and minority-owned businesses expect to lose at least 50% of their annual revenue as a result of the pandemic

Impact of COVID-19 pandemic on revenue/ funding  
% of total responses



Q12: What percentage of annual revenue (or funding) do you expect your business/organization to lose as a result of the COVID-19 pandemic?

Source: Rutgers University's Heldrich Center for Workforce Development  
NJ COVID-19 non-probability impact survey for businesses/organizations,  
May 21, 2020 to June 3, 2020

Other interesting findings detailing the financial impact of the public health crisis on these subgroups include:

- Almost half of women- and minority-owned businesses (44%) and white, men-owned businesses (47%) reported having to temporarily furlough or permanently lay off workers since the beginning of the public health crisis.
- The reality of temporarily furloughing the majority of their staff (75% to 100% of the workforce) was greater in closed women- and minority-owned businesses that needed to implement furloughs due to the pandemic (58% of that group), compared to white, men-owned businesses (43%).<sup>5</sup>
- Considering financial assistance options, respondent **women- and minority-owned business leaders were slightly more likely to obtain a New Jersey Economic Development Authority grant or loan (14%), compared to white, men-owned businesses (10%)**. However, the Small Business Administration's Paycheck Protection Program assisted nearly 6 in 10 white, men-owned respondent businesses (59%) and 5 in 10 women- and minority-owned respondent businesses (48%).

The pandemic will continue to affect business owners in both subgroups, even as they reopen or continue to operate:

- A majority of both subgroups said they anticipate losing significant revenue or contracts in the next three months (70% of women- and minority-owned businesses and 67% of white, men-owned businesses).
- The biggest concern of respondent reopening business owners is their ability to pay rent/mortgage/lease/utility expenses as reported by 45% of women- and minority-owned business owners and 42% of white, men business owners, which is a bigger concern than payroll, debt payments, taxes, and implementing safety requirements.
- **To compensate for lost revenue or funding in the near future, a large number of women- and minority-owned business leaders said they will dip into personal savings; 62% will fund their businesses as needed with their own money.** This is compared to 51% of white, men-owned businesses. There are also slight differences across these groups with regard to planning for layoffs or furloughs to adjust for financial losses in the future (23% of women- and minority-owned business leaders expect to turn to this approach, compared to 33% of white, men-owned businesses).

In summary, the findings show that largely all New Jersey businesses and organizations have been significantly affected by the fiscal devastation caused by the COVID-19 pandemic, yet women- and minority-owned businesses in particular have felt the brunt of that impact, compared to their white, men-owned counterparts. Business owners have important revenue, workforce, and safety decisions to make as reopening continues, and as they enter the much-anticipated recovery period.

## ABOUT THE HELDRICH CENTER

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As captured in its slogan, “Solutions at Work,” the Heldrich Center is guided by a commitment to translate the strongest research and analysis into practices and programs that companies, community-based organizations, philanthropy, and government officials can use to strengthen their workforce and workforce readiness programs, create jobs, and remain competitive. The center’s work strives to build an efficient labor market that matches workers’ skills and knowledge with the evolving demands of employers. The center’s projects are grounded in a core set of research priorities:

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## ENDNOTES

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<sup>2</sup> This analysis is of businesses only, and excludes the subsample of nonprofit organizations (N = 348).

<sup>3</sup> Because the survey was administered using a non-probability distribution method/approach, differences across groups discussed in this brief are not intended to suggest that the results are *statistically* significant, but rather *anecdotally* significant.

<sup>4</sup> There are no differences in responses among the financial status of open businesses across both subgroups; 85% of women- and minority-owned businesses and 83% of white, men-owned businesses that remained open to some extent during the pandemic reported financial losses compared to their pre-COVID-19 operations.

<sup>5</sup> Sample sizes for reopening businesses are  $N = 635$  for women- and minority-owned businesses;  $N = 618$  for white, men-owned businesses.