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Title

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In the spring of 2021, IGS launched a two-year Diversity and Entrepreneurship Fellowship as part of the Cal-in-Sacramento Fellowship program. Now in year two, IGS and the Matsui Center are proud to showcase students' original research on the challenges and opportunities facing women- and POC-owned small businesses and diverse entrepreneurs in California. This series includes op-eds, blog posts, policy briefs and other research products. Learn more at <https://igs.berkeley.edu/matsui-center/fellowships/cal-in-sacramento>.

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Latinx-owned small businesses are struggling to survive in Sacramento even post-covid, but what can be done?

By: Aylene Ruelas

During the Covid-19 pandemic, many businesses were forced to close for an indefinite amount of time, without a chance to advertise and give hope to their customers that they might come back in the future. Every business suffered tremendously during the pandemic, but was it the same for small minority-owned businesses?

Unlike large corporations, small businesses tend to cater to local customers, in a much smaller place, with fewer opportunities for growth. The U.S. Small Business Administration (SBA) is an agency that focuses on developing the growth of small minority-owned businesses often in underserved communities. The SBA continues to have initiatives and funding programs that uplift and allow small businesses to expand and enter a more competitive market with more opportunities because they understand that it is much harder for a small minority owner.

During the pandemic, the SBA and the California Office of the Small Business Advocate (CalOSBA) collaborated to offer minority-owned businesses grants to help them survive the pandemic. Aside from monetary assistance, they were also given the opportunity to move to an online platform and continue offering their services online. Given this support, why are many Latinx-owned businesses still not generating enough annual sales to remain open even post-covid?

After interviewing 8 different Latinx-owned businesses in Sacramento, many of the owners gave me the same answers. The first thing these companies are having problems with is the lack of knowledge and support with how they implement their businesses in a post-covid world. Many of the owners agreed that although California has provided monetary support, they also need mentoring and technical assistance. As I previously mentioned, after the pandemic hit, many of these companies received state funds to move onto an online platform so that they could continue generating money and selling their products, which would eliminate the cost of having to pay rent for an office or local space. The issue is that these owners also needed coaching and mentoring in how to create an online platform for their business. These owners wanted CalOSBA and the SBA to join forces and dedicate their time to helping these businesses because they had already received the grants to move their business online but they simply don't know how. They found themselves having trouble with purchasing their domain name, setting up secure online payments, and advertising their business online. One would love to think that government-funded small businesses monetary support is sufficient, but there is much more that needs to be done.

Another owner noted that besides having problems with moving to an online platform, they struggled to find creative ways to advertise and gain clients to buy their products. Many of these Latinx owners lost clients when they had to temporarily close down their physical business due to the pandemic. Other owners expressed that they haven't been able to rent out a physical space like before because they aren't making enough money. They wonder if their community will come out and support them as before. These owners are now experiencing a need for marketing and ways to strengthen their operations. Although there are government programs such as the CalOSBA that can provide mentoring, it is still not enough. According to many owners, it is extremely competitive and they seem to prioritize certain types of minority businesses over others.

Latinx small businesses are working on recovering post-pandemic and taking it day-by-day. They understand things are changing and it is all about adaptation and finding resources that can help them reach their ultimate goal. A few important things for all the fellow Latinx small businesses out there is to never give up. Always remember why you started being an entrepreneur and never do things alone. Talk to other owners and find resources that can support you not only monetarily but also with e-commerce and finding an online presence which many owners are excited about. Moving forward, owners are confident that they will continue to expand and grow their small business.