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**To:** Council of the District of Columbia

**From:** Brett Theodos and Tola Myczkowska

**Date:** February 11, 2022

**Re:** Best Practices in Small Business Recovery to Inform an Equitable COVID-19 Recovery

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## Introduction

The COVID-19 pandemic represented an existential threat to the District of Columbia's small businesses, especially those in the food, accommodation, and hospitality sectors. With the March 2020 closure of nonessential businesses, along with numerous operating restrictions for essential ones, small businesses needed to navigate an unprecedented crisis.[1] And they needed to do it in a context in which many small businesses already operate with little margin for error—the median small business had less than a month of cash buffer in reserve.[2]

In the months that followed, many small businesses across the District of Columbia (DC) experienced drops in sales. However, even in vulnerable sectors, delinquencies, defaults, and bankruptcies did not dramatically increase. Data show that the percentage of small business payments that were late or missed increased only slightly after the start of the COVID-19 pandemic, and bankruptcies in DC remained relatively stable at about 0.6 percent (figure 1).[3]

However, avoiding delinquency did not mean most firms were on solid financial ground. Many businesses remained afloat through federal stimulus payments, layoffs or other cost-cutting measures, and forbearance from creditors. By the point of full disbursal, DC received approximately $51,782 per small business employee in Paycheck Protection Program funding.[4] In addition, other federal and local programs, such as the US Small Business Administration's COVID-19 Economic Injury Disaster Loans (EIDLs), the US Treasury's State Small Business Credit Initiative (SSBCI), and DC's Small Business Recovery Microgrants, have helped and will continue to help small businesses continue operations.

Financial recovery among firms in DC is still highly linked to industry. Retail firms, apparel, groceries, and home improvement stores are now close to prepandemic foot traffic, but dining, hotels, fitness, and leisure are still well below prepandemic levels.[5] Domestic tourism to DC has returned to prepandemic levels,[6] though international tourism is still limited.

500 L'Enfant Plaza SW
Washington, DC 20024

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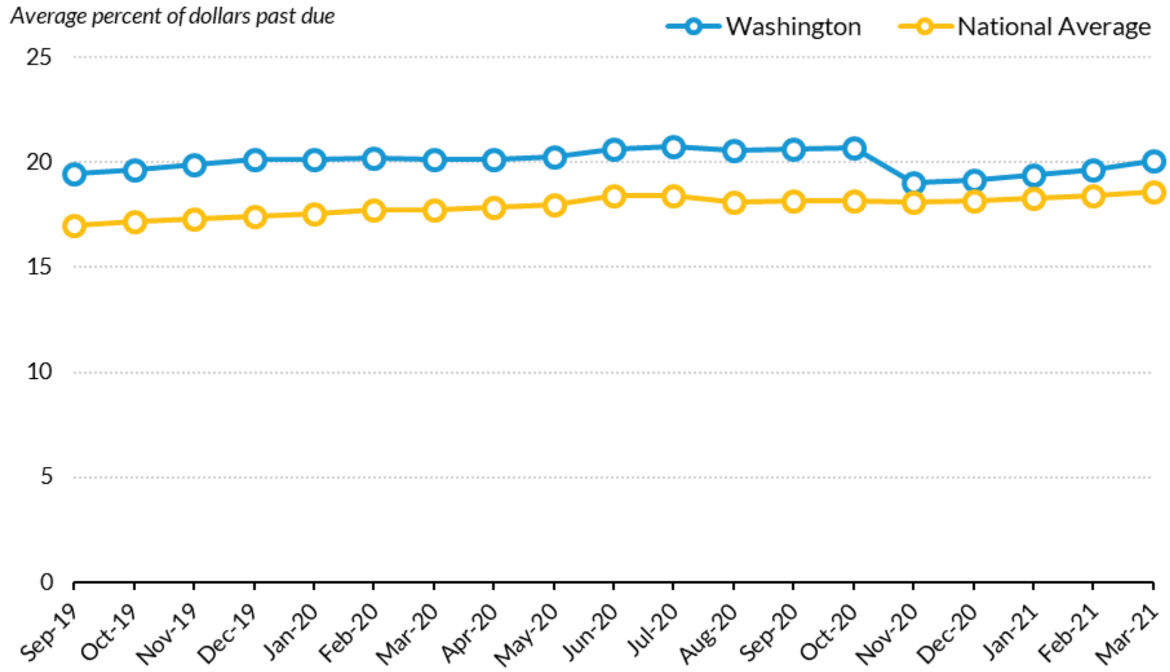
FIGURE 1

**DC Business Did Not Experience a Dramatic Rise in Delinquency during the COVID-19 Pandemic**




**Source:** Urban Institute analysis of Dun & Bradstreet data.

**Notes:** The share of business payments past due refers to the ratio of dollars that are past due compared with the total dollars owed by the company that month. The city average is calculated by giving each firm in DC equal weight. A similar process is used for a national average, but national averages use weights to correct for oversamples in national data.

Despite federal and local pandemic support and increasing foot traffic in businesses, preexisting inequities in DC's small business ecosystem have persisted through the pandemic and they will continue to challenge local small business recovery from the COVID-19 pandemic. In fact, the pandemic has made more visible the barriers to accessing capital, technology, technical assistance, workers, customers, and peer networks that small businesses owned and operated by Black and Latinx[1] people face; these barriers will need to be addressed in any equitable small business recovery.

## Key Questions and Best Practices

DC policymakers are grappling with the pandemic's effects on small businesses, and they are implementing policies, programs, and practices to help aid their responsible small business recovery. However, because of the nascent nature of the research and data on the efficacy of these policies, programs, and practices, DC does not have a definitive script to follow.

As a result, much of the best practices cited in this memo focus on developing a better understanding of DC's small business ecosystem to more clearly define gaps and needs. With deliberate consideration based on this information, DC leadership will be able to assist local small businesses through an equitable recovery from the COVID-19 pandemic. This memorandum explores three key questions for the DC Council to consider in formulating its strategy for small business recovery from the COVID-19 pandemic (table 1). At their heart, these topics encourage an informed understanding of DC's small business

[1] This memo uses the term Latinx to describe people of Latin American origin or descent. The authors use this term because it helps us provide a more consistent and gender-neutral identifier that respects the diversity of this population.

priorities, and they offer strategic considerations for crafting an equitable small business recovery from the pandemic.

TABLE 1

**Summary of Key Questions and Best Practices**

| |
|---|
| **What are DC's small business support priorities?** |
| Visible small businesses that facilitate a strong, place-based recovery |
| Nonvisible small businesses that promote worker safety and strong economic growth |
| Existing small businesses that strengthen and scale DC's small business infrastructure |
| New small businesses that grow DC's entrepreneurial ecosystem and number of small businesses |
| Microenterprises that increase DC's number of small businesses and encourage placemaking |
| Small businesses with strong growth potential that deliver positive revenue and job growth |
| **What are the current conditions of DC's small business landscape?** |
| The prevalence of small business ownership in DC |
| The composition of DC's small business sector |
| The composition of DC's small businesses by race and gender |
| The strength of small business capital flows in DC |
| The strength of DC's institutional ecosystem |
| **What are the most promising solutions to meeting DC's identified small business needs?** |
| Increased and more equitable access to capital |
| More effective technical assistance |
| Updated resources for small businesses and lenders |

### *What Are DC's Small Business Support Priorities?*

A successful small business recovery strategy from the COVID-19 pandemic will need to be informed by the DC Council's small business priorities. Several worthy short- and medium-term goals should be pursued. The small business context is highly segmented; a one-size-fits-all approach is much harder to achieve in this sector than in other sectors (such as homeownership). Potential small business priorities with solution strategies and their corresponding limitations include the following:

- Recognizing race and gender gaps in business ownership, DC could choose to prioritize increasing diverse small business ownership in DC by helping potential entrepreneurs start firms. For example, incubator or small grant approaches can help here. However, this strategy may create several microenterprises with limited wealth creation or job growth potential.
- Recognizing race and gender gaps in small business revenues, DC could choose to prioritize helping existing diverse small businesses increase their revenues. Accelerator or capital access strategies are examples of approaches that can help. However, this type of strategy may reward a narrow slice of small businesses, with equity implications across sectors and neighborhoods.
- Recognizing that small businesses are important sources of local jobs and neighborhood economic development, DC could choose to help firms grow their employee base. For example, preferential contracting can support this strategy. However, increased employment levels are, to some extent, at odds with wealth creation for the owner as illustrated by tensions in the design of the Paycheck Protection Program.

To determine its small business priorities, the DC Council will need to return to first principles and articulate its vision for what an equitable recovery looks like in DC. This articulation will require sufficient specificity to choose from among the outcomes discussed previously, and others. Not all strategies will advance all goals.

In box 1, we articulate in greater detail some types of small businesses DC may want to prioritize, whether explicitly or implicitly through the support it provides. Separate from, but also intersecting with the characteristics of these types of businesses, are the attributes of owners (most notably race/ethnicity and gender) and geographic locations, which we discuss in greater detail in the following section. A final note is that small businesses can have multiple identities and therefore be represented in more than one of the types discussed in box 1; for example, a microenterprise also can be an existing and a visible small business.

BOX 1

## Small Business Types and Corresponding Priorities and Limitations

**Visible small businesses**

Visible small businesses are publicly facing and facilitate near daily, in-person contact with their patrons. These small businesses can vary in scale and sector but are more prevalent in sectors like retail. They are often a part of a community's economic, social, and cultural fabric and their failure or success will affect their neighborhoods in more perceived ways than nonvisible ones. These small businesses offer an opportunity for both a place-based recovery and a strong neighborhood recovery from the COVID-19 pandemic.

**Nonvisible small businesses**

Nonvisible small businesses operate outside the scope of daily customer interaction. These small businesses can be economically significant, offer job opportunities, and contribute to a high-growth recovery from the COVID-19 pandemic. Nonvisible small businesses, particularly those that do not require employees to work together or to interface directly with customers, can offer a safer alternative to work amid a global pandemic. However, these businesses rarely contribute to placemaking.

**Existing small businesses**

Existing small businesses are already established in DC and enjoy the benefit of an already-functioning financial, operational, and physical infrastructure. This infrastructure can facilitate continued growth, hiring, and expansion. Still, as shown later in this memo, a scan of DC's small business ecosystem reveals stark inequities among existing small businesses, owners, and employees. Directing resources to existing small businesses can further pronounce the inequities and inefficiencies already present within the ecosystem.

**New small businesses**

New small businesses can be concepts or nascent establishments in DC. Most new small businesses will not have the same capacity for growing revenue, creating jobs, and expanding services in the near term as existing ones. However, they can contribute to DC's entrepreneurial ecosystem and grow the number of businesses and jobs in DC. Supporting new businesses through access to capital, technical assistance, and peer networks can strengthen and diversify the ecosystem. In the short term, new small businesses may not generate positive revenue; in the medium term, most growth is generated by a select number of young, rather than mature, businesses.

**Microenterprises**

Microenterprises are small business typically employing just a few employees. Microenterprises are present in many sectors; they face greater barriers to accessing capital than larger small businesses because of their higher risk profiles. Nevertheless, these types of small businesses play an important role in neighborhood development through local entrepreneurship and employment, as well as in placemaking through services, amenities, cultural identity, and social capital. Prioritizing microenterprises can expand the number of small business owners and catalyze placemaking but it is less likely to yield considerable wealth. Practices for supporting and growing DC microenterprises include guaranteeing loans without default for microenterprises in place of required personal guarantees, increasing credit enhancement on small business loans, and implementing family-and-friend grant programs requiring matches with their own capital.

**Small businesses with strong growth potential**

Small businesses with strong growth potential, which are represented more in some sectors such as information technology, real estate, construction, and engineering, can contribute to a high-growth recovery from COVID-19. These types of small businesses present strong opportunities for positive revenue and job growth. However, some of these small businesses do not offer robust employment opportunities for low-wage workers, which may challenge an equitable pandemic recovery.

### *What Is the Current Condition of DC's Small Business Landscape?*

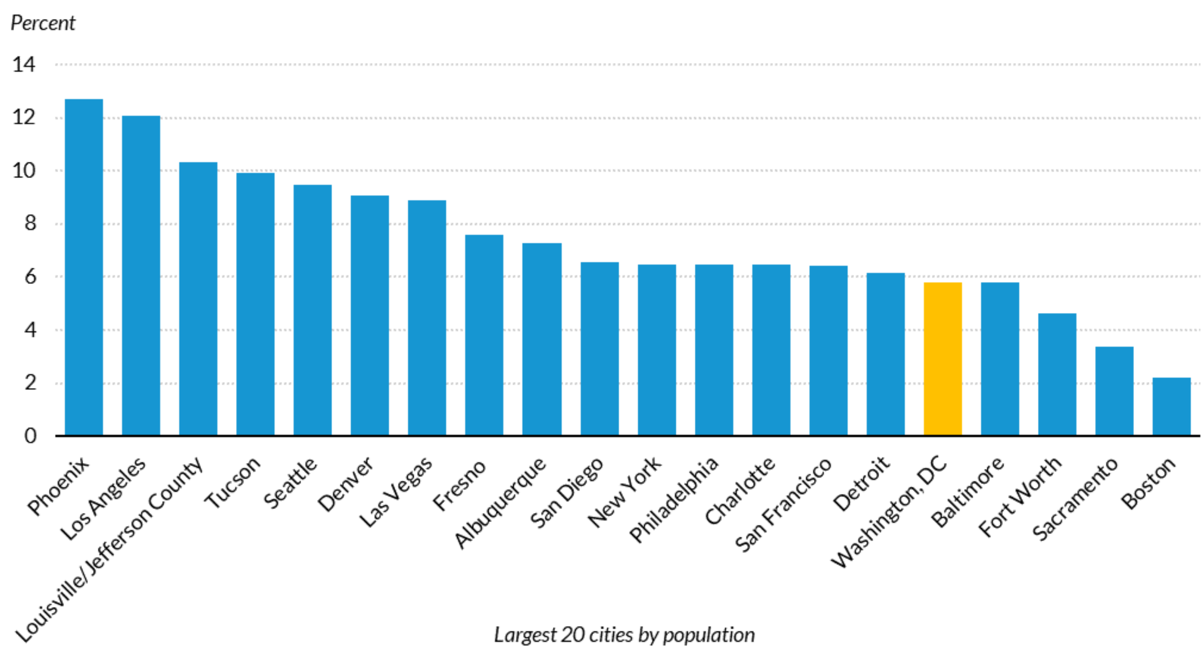
The District of Columbia is fortunate to have a strong small business ecosystem that has persisted through the COVID-19 pandemic. Still, to recover in a manner that is most responsive to the needs of local small businesses, the Council can consider conducting a thorough, data-driven assessment of the current condition of its small business ecosystem. In doing so, the Council can understand the composition and strength of its small business ecosystem, as well as current experiences with businesses' access to resources within it. The following sections provide examples of the types of data that the Council may collect to understand its small business ecosystem and to inform its recovery strategy.

### Prevalence of Small Business Ownership in DC

Our analysis reveals a small business sector in DC that is not exceptionally strong. As shown in figure 2, just under 6 percent of DC's workforce is self-employed—a smaller share than that found in most of the largest 20 US cities by population. On the other hand, of the enterprises it does have, the District of Columbia stands out as having a relatively large share of small businesses (figure 3). These analyses reveal that although DC does not have proportionally as many small business establishments as other large cities, DC does have a density of small business establishments with less than 100 employees. These analyses can help DC leadership understand the significance of DC's small businesses within the DC economy, as well as help frame the role that small business recovery can play in DC's overall recovery from the pandemic.

FIGURE 2

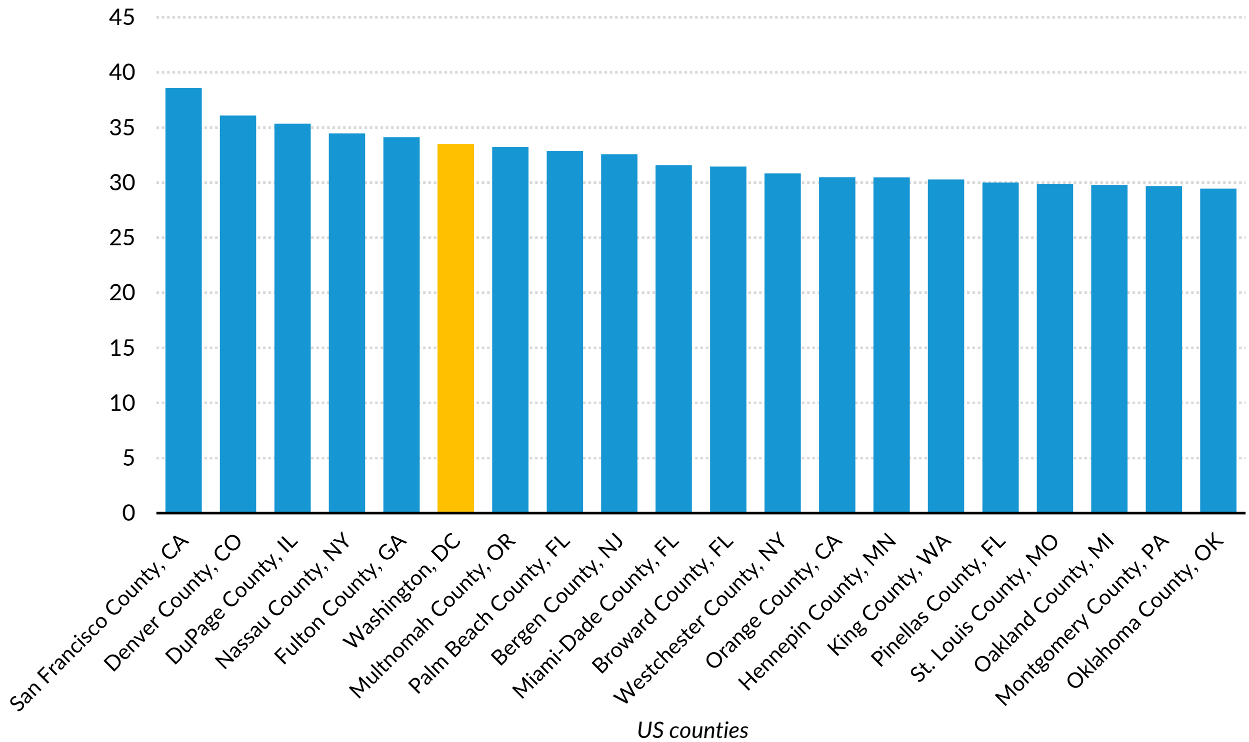
**Workforce Self-Employed in Own Incorporated Business (Top 20 US Cities)**




**Source:** US Census Bureau Annual Social and Economic Supplements, 2021.

FIGURE 3

**Establishments with Less Than 100 Employees per 1,000 Residents (Top 20 US Counties)**




**Source:** US Census Bureau County Business Patterns, 2019; American Community Survey, 2020.
**Note:** Figure shows the 20 US counties with the most establishments with less than 100 employees per 1,000 residents; it does not show the number of establishments with less than 100 employees per 1,000 residents in the 20 most populous US counties.

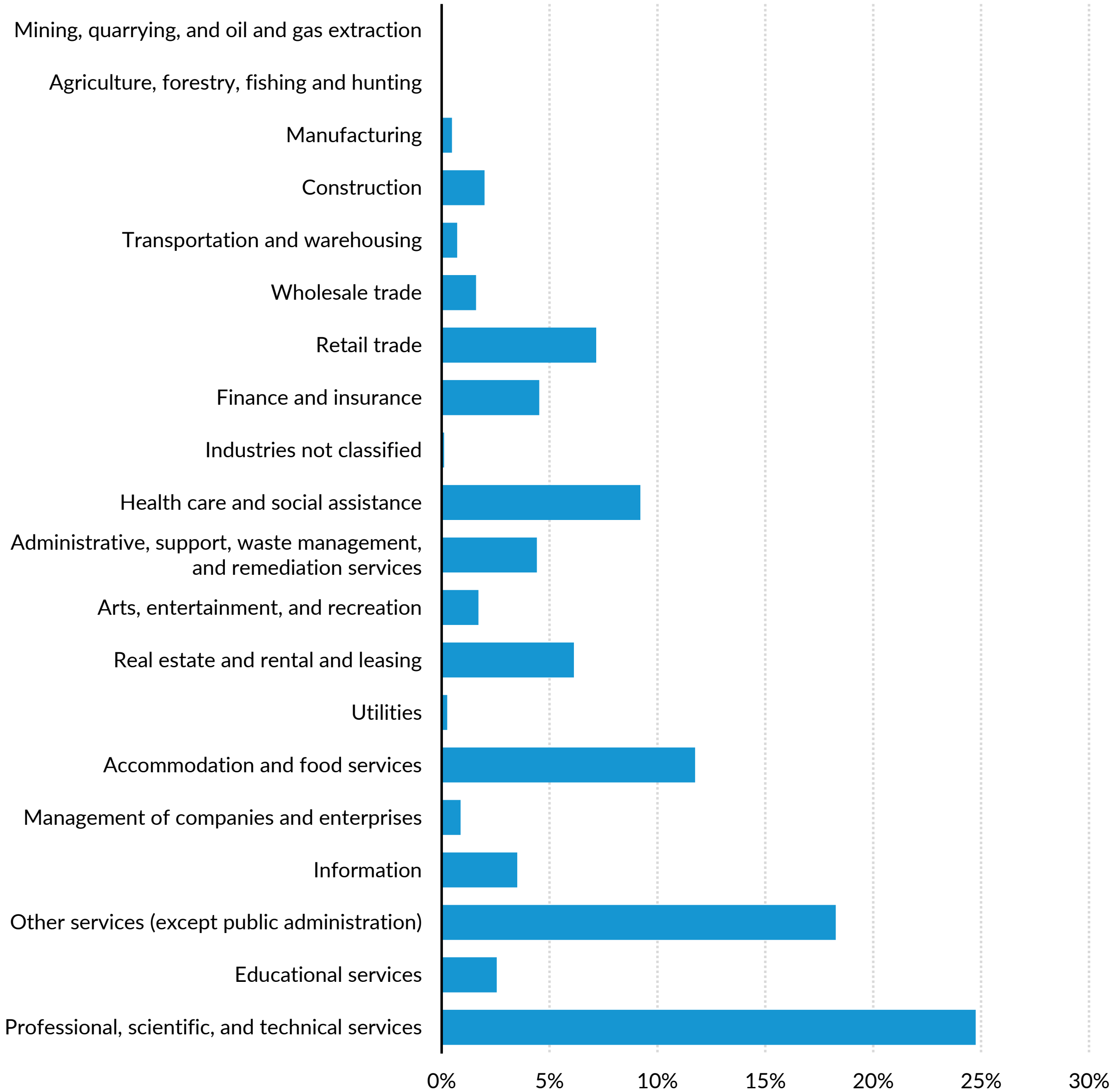
## DC's Small Business Sectoral Composition

What is useful for a small business specializing in food services is likely to be different from what is useful for a small business specializing in finance. As such, a sector-based breakdown of DC's small business ecosystem can be helpful in shaping a nimble small business recovery from the COVID-19 pandemic.

Our analysis reveals that one-quarter of DC businesses with less than 100 employees provide professional, scientific, and technical services (figure 4). These businesses' activities, including legal, engineering, architecture, and consulting services, require significant expertise and training.[7]

FIGURE 4

**DC Firms with Less Than 100 Employees per Industry Sector**

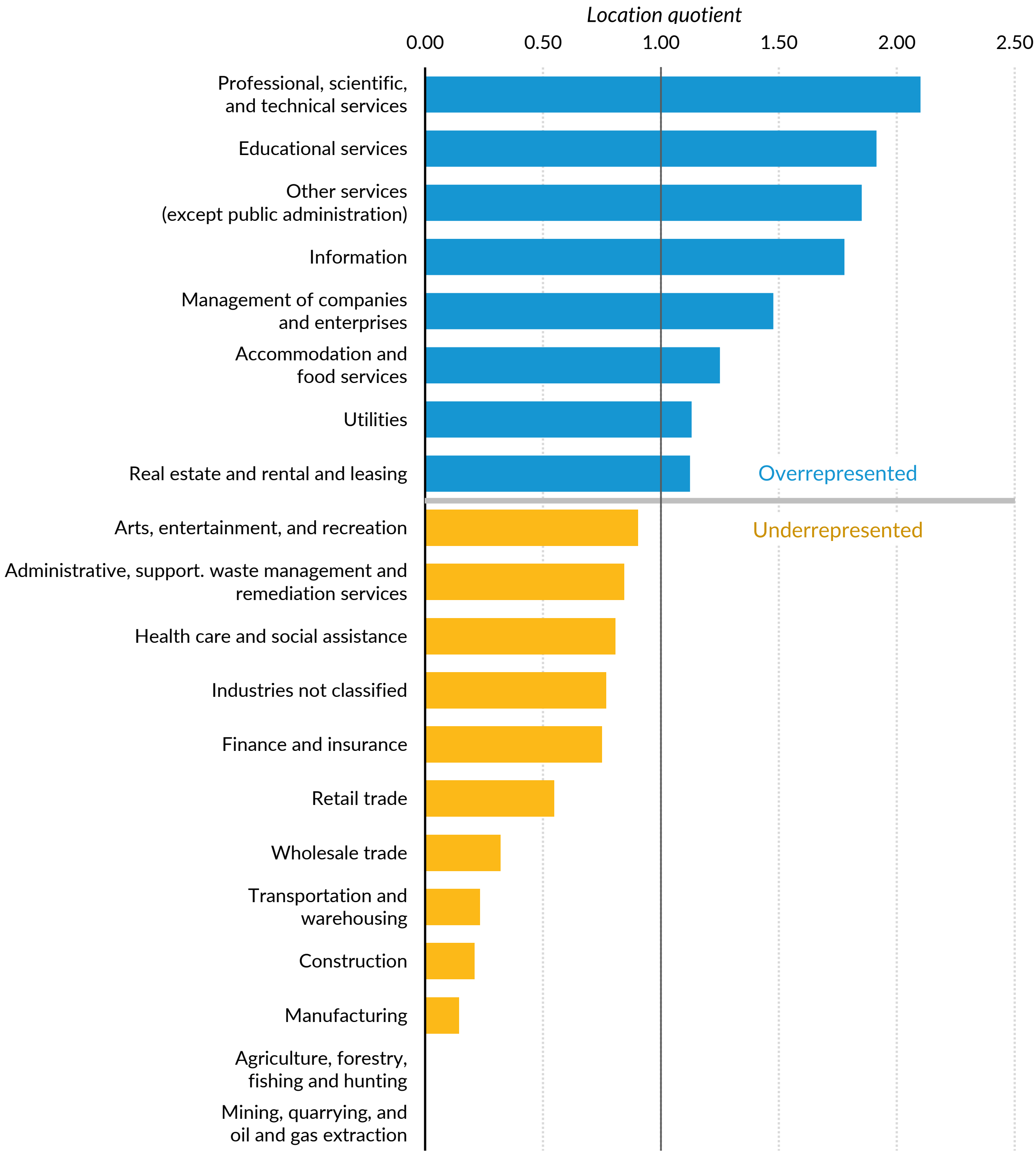



**Source:** US Census Bureau County Business Patterns, 2019.

Additional analysis reveals that, compared with the rest of the US, DC small businesses are overrepresented in the professional, scientific, and technical services; educational services; other services; information; and in the management of companies and enterprises sectors. They are underrepresented in manufacturing, construction, and transportation and warehousing (figure 5).

FIGURE 5

**Representation of DC Business Sectors Relative to the US**




**Source:** US Census Bureau County Business Patterns, 2019.
**Note:** Location quotient refers to the percent that a given sector represents among firms with less than 100 employees in Washington, DC, as a percent of what it represents for the US. Values above 1.0 are overrepresented in DC relative to the US; values below 1.0 are underrepresented.

How can these analyses provide considerations for an equitable small business recovery from the COVID-19 pandemic? Sectoral representation can inform how to direct resources and response within DC's small business recovery. For example, with one-quarter of DC small businesses falling into the professional, scientific, and technical services sector, the recovery response can direct additional resources toward those businesses' expansion and needs, or it can yield a decision to direct resources toward small businesses in underrepresented sectors. Of course, key equity implications arise from these decisions.

### DC's Small Business Composition by Race and Gender

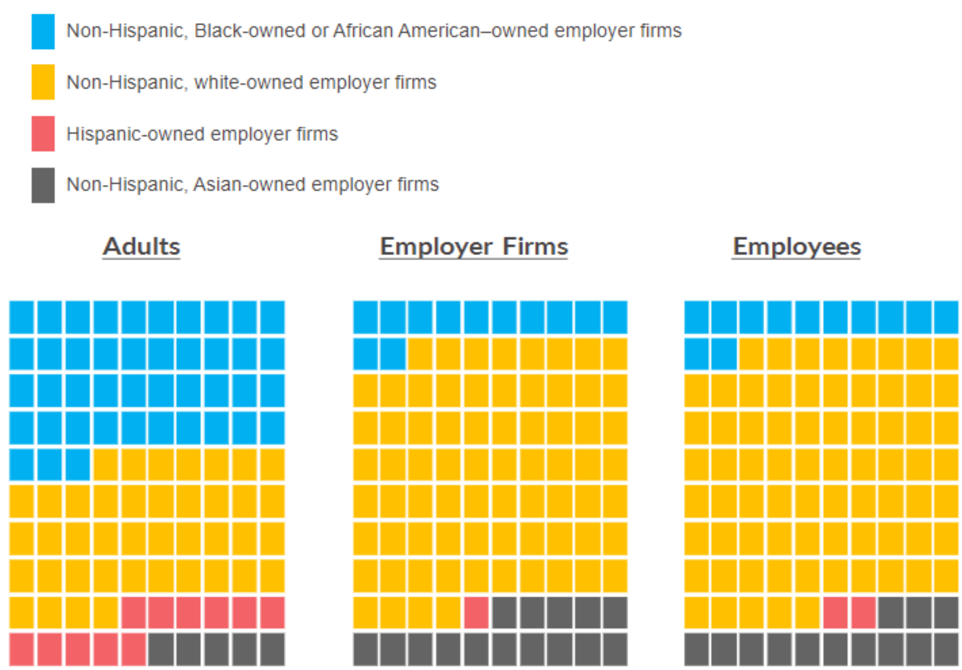
Although 43 percent of DC adults are Black, these residents own only 12 percent of all firms with employees, and those firms hire 11 percent of all employees (figure 6). These data mean that there are disproportionately fewer small businesses owned by Black people, and that the ones that do exist, are smaller on average than other firms.

A similar story emerges for Latinx people, who make up 11 percent of DC's adult population. However, just 1 percent of employer firms are Latinx-owned, and those firms have 2 percent of employees.

Meanwhile, although 41 percent of adults in DC are white, white-owned employer firms represent 72 percent of all DC employer firms and they employ 73 percent of workers in these types of firms. In addition, in DC, Asian residents are overrepresented in business ownership. Five percent of adults in DC are Asian, but Asians own 15 percent of employer firms and those firms have 13 percent of employees.

FIGURE 6

**Business Ownership by Race in Washington, DC**

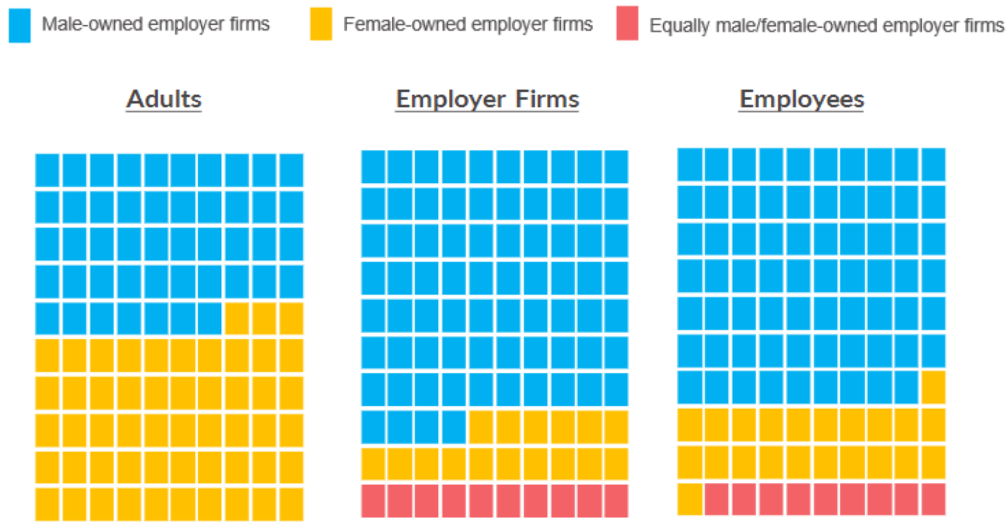



**Sources:** US Census Bureau Annual Business Survey,2020; American Community Survey,2020.

Similarly, our analysis revealed that 52 percent of DC adults are female, but these residents own only 16 percent of all firms with employees, and those firms hire 22 percent of all employees (figure 7). Meanwhile, although 47 percent of adults in DC are male, male-owned employer firms represent 74 percent of all DC employer firms and they employ 69 percent of workers in these types of firms.

FIGURE 7

**Business Ownership by Gender in Washington, DC**




**Sources:** US Census Bureau Annual Business Survey,2020; American Community Survey,2020

This type of analysis—which can be intersected with sectoral and other dimensions—may help direct DC's small business recovery toward expanding the number of Black, Latinx, or female-owned small businesses in DC. This type of analysis can also provide a baseline measure for assessing how small business ownership evolves as a result of DC's COVID-19 recovery strategy.

In short, scanning the current composition of DC's small business ecosystem by race and gender can be an effective approach to generating a comprehensive understanding of the conditions of the current ecosystem and developing strategies that transform these conditions in the long term.

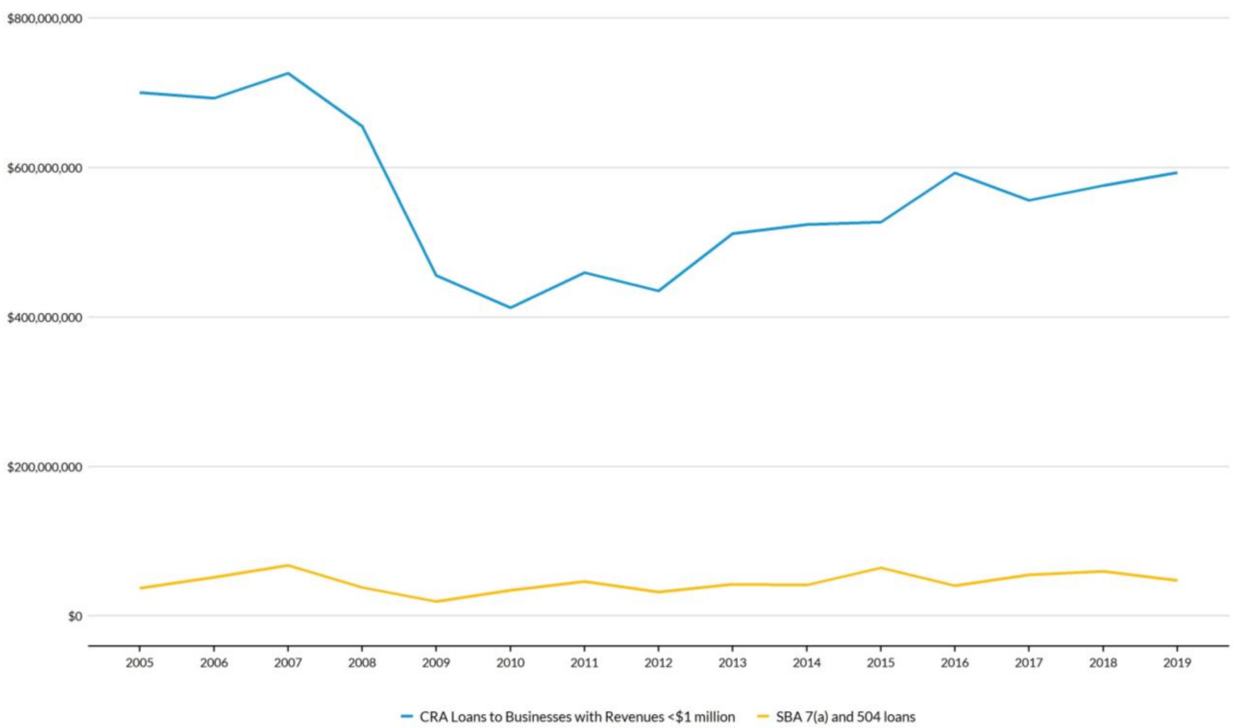
## Small Business Capital Flows

Understanding lending to small businesses in DC supplements the understanding of small business composition. Such data can also highlight disparities in lending across races and neighborhoods in DC. These data can inform DC's understanding of the places and small businesses most disadvantaged prior to the pandemic and, as such, the ones that are most in need of attention in DC's small business recovery.

Figure 8 reveals how small business lending in DC, as measured through Community Reinvestment Act reporting, has not recovered fully from the 2008–09 financial crisis. However, this trend is not unique to DC; it mirrors nationwide lending volumes, which have been slowly increasing since 2010. Small Business Administration (SBA) guaranteed lending has held steadier during this period, including through the Great Recession.

FIGURE 8

**Small Business Lending in Metro DC**



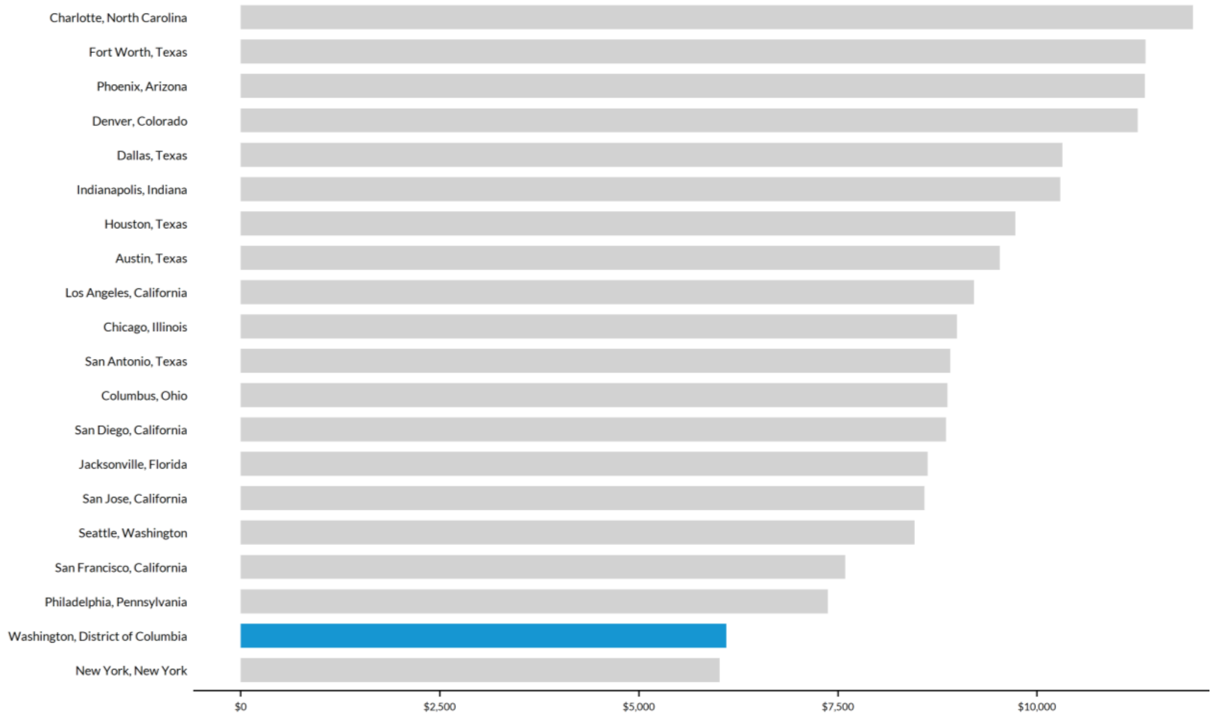

**Sources:** Small Business Administration and Community Reinvestment Act.

**Notes:** Figure is in constant 2019 dollars. CRA Rev <$1 million defined by the businesses receiving the loans having under $1 million in annual revenues. CRA = Community Reinvestment Act; SBA = Small Business Administration.

As was true for small business ownership, DC is outperformed by most of the 20 largest US cities in its small business capital flows. DC ranks 19th among the 20 largest cities for the volume of composite small business lending on a per employee basis (figure 9).

FIGURE 9

**Volume of Composite Small Business Lending on a Per Employee Basis among 20 Largest Cities**




**Source:** Authors' analysis of Community Reinvestment Act and Small Business Administration Data.
**Notes:** Figure is in constant 2019 dollars for businesses under $1 million in annual revenues. Composite small business lending is calculated by summing CRA and SBA lending. The loan values are divided among the number of employees working in firms with less than 250 workers. CRA = Community Reinvestment Act; SBA = Small Business Administration.

In isolation, this type of analysis may lead DC policymakers to prioritize increasing small business lending and overall financing in DC. Overall increases in small business lending would enhance the volume of small business lending on a per employee basis in DC which would, in turn, help to strengthen DC's overall small business ecosystem.

Still, to understand how small business lending is distributed across DC, further analyses are necessary. Figure 10 provides a comparative depiction of disparities in annual average Community Reinvestment Act (CRA) and SBA small business lending volumes per small business employee in each of DC's census tracts. Importantly, the figure does not report data for census tracts with less than 100 small business employees. This data may prove insightful for the Council because it helps to convey the overall geography of small businesses in DC.

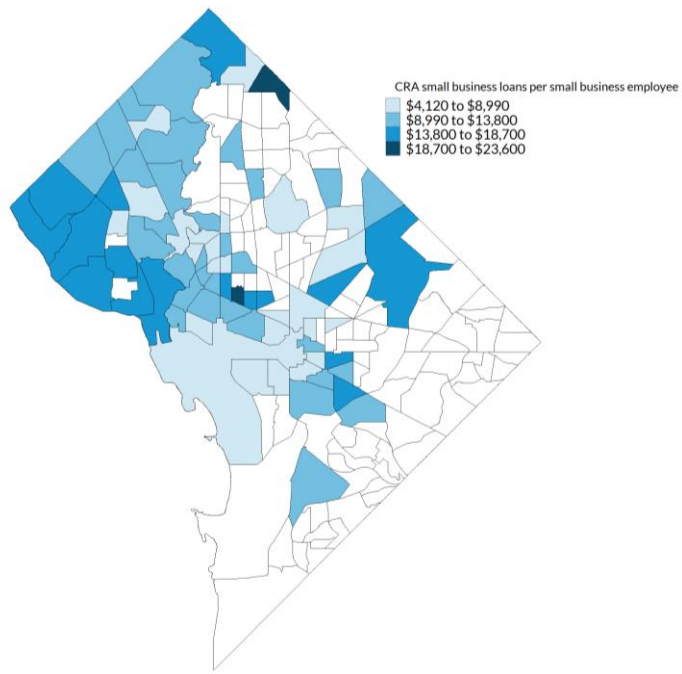
Figure 10 reveals a geographic lending disparity between census tracts in northwest DC and census tracts in northeast DC and south of the Anacostia River. This disparity is especially pronounced in annual average CRA small business lending volume.

Differences in small business lending are pronounced between the neighborhoods in which most people report their race as white and the neighborhoods in which most people report their race as Black. As figure 11 shows, white-majority census tracts receive four times more CRA lending than Black-majority ones and they receive three times more SBA lending. Together, figures 10 and 11 reveal which communities are the most underinvested for small business support, and they reveal where the Council can center its small business recovery strategy with the objective of removing longstanding inequities within its small business ecosystem.

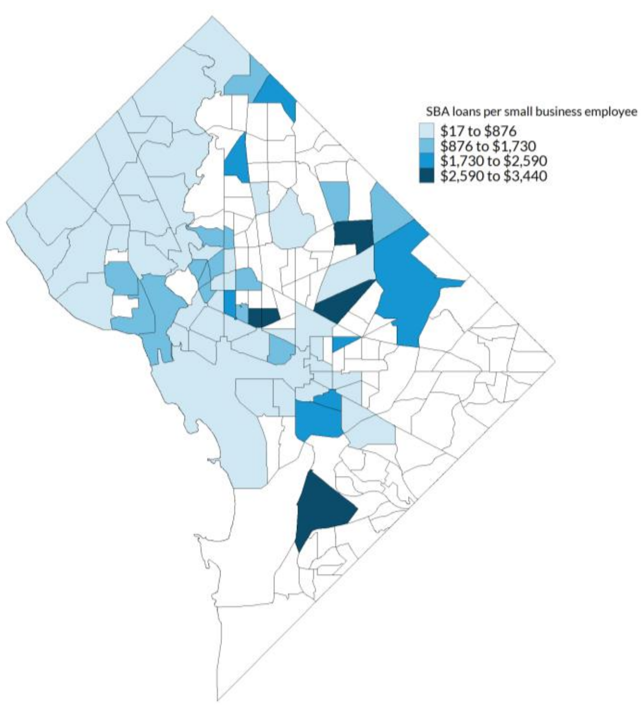
FIGURE 10

## CRA and SBA Geographic Lending Disparity for DC

*Annual average CRA small business lending volume (revenue <$1 million) per small business employee*




*Annual average SBA lending volume per small business employee*



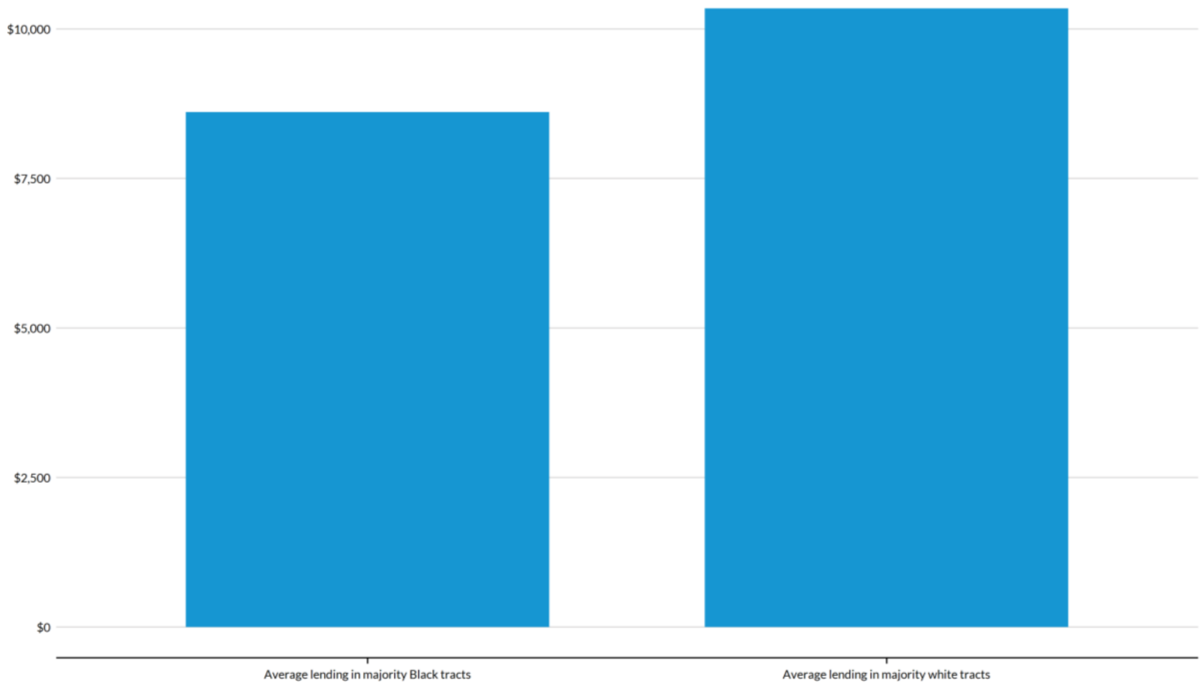

**Sources:** Community Reinvestment Act, Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics Workplace Area Characteristics data, and Open Data DC.

**Notes:** Annual average calculated using data between 2005 and 2019. Census tracts with less than 100 small business employees are suppressed.

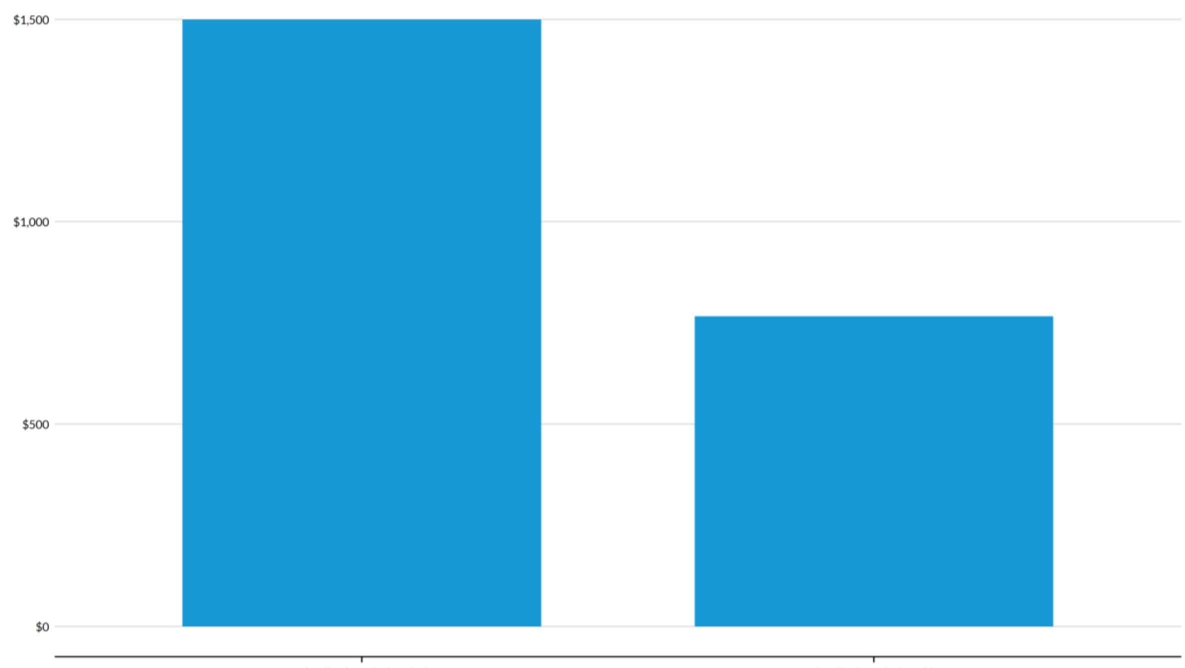
FIGURE 11

**CRA and SBA Lending in DC Census Tracts by Racial Composition, 2005–2019**

*CRA lending in DC census tracts by racial composition*




*SBA lending in DC census tracts by racial composition*




**Source:** Community Reinvestment Act and Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics Workplace Area Characteristics data.

**Notes:** Figure is in constant 2019 dollars. Averages of CRA lending taken between 2005 and 2019. In 2019, there were 82 Black-majority Census tracts and 66 white-majority census tracts in DC.

Given spatial segregation patterns, the disparities observed in these figures manifest across place, which means that pockets of DC lack access to small business finance. This data can inform a place-based small business recovery that is led through a racial and geographic equity lens.

### The Strength of DC's Institutional Ecosystem

An additional recommended next step is a greater effort to understand the strength of DC's institutional small business ecosystem. Though not presented here, this effort will involve interviews and assessing other resources that are present within DC's small business ecosystem and that fulfill a supportive function, including a scan of local business support organizations, community development financial institutions (CDFIs), and other small business supports that operate in DC. Small business owners' perceptions should be incorporated in this effort and DC's permitting, regulatory, oversight, tax, and programmatic efforts should also be reviewed. This description of the ecosystem can help DC determine where small business resources are currently concentrated, where institutional strengths are, and where gaps exist in the ecosystem. In this manner, the Council can understand better how partners and providers fulfill the needs of DC's small businesses, both financially and operationally. For example, understanding gaps in services and support for small businesses can, in turn, help direct recovery efforts toward providing the missing support that small businesses need to operate and grow.

## *What Are the Most Promising Solutions to Meet DC's Identified Small Business Needs?*

After establishing small business priorities and understanding the condition of the local small business landscape, the next step for any decisionmaker is to identify the most promising solutions that align with those priorities and that close landscape gaps. The needs discovered during a broader landscape assessment will inform the strategies for overcoming barriers that many small businesses face. Potential barriers revealed may include lack of access to capital; lack of access to technology and technical assistance; and lack of access to workers, customers, and peer networks that can be critical to recovery and long-term growth. Key solutions include efforts to increase equitable access to capital, efforts to bolster technical assistance, and offering new or expanded direct resources to businesses.

### Increased and More Equitable Access to Capital

To provide increased access to capital for small businesses in DC, the Council can consider strategies to strengthen loan offerings and grants available to small businesses, particularly small businesses owned by Black or Latinx people and by women and small businesses in specific DC geographies. The goal of increasing access to capital should be to create sustainable financing streams for small businesses and to encourage them to scale to a self-sufficient operating threshold.

First, DC's small business recovery from the COVID-19 pandemic can support and scale CDFIs or other mission-driven actors to help vulnerable businesses. This support can involve establishing CDFI grants for interest-rate buy downs for small businesses that meet certain criteria or incentivize bank buyouts of CDFI loans performing at a certain level after one year. This model would also recapitalize CDFIs issuing the original loan and enhance CDFIs' long-term lending capacity. This strategy could be funded through donated Paycheck Protection Program fees.

Second, the Council may consider increased credit enhancement on business loans to address small business barriers such as insufficient loan-to-value ratios, low credit scores, inadequate collateral, cash flow weakness, or lack of an operating track record. Credit enhancements may be facilitated using a fund capitalized by local banks for CDFIs to lend to firms unable to access bank capital directly.

The Council can also consider underwriting or directly providing loan guarantees for loans to high-risk small businesses. This strategy de-risks lending to these types of businesses, and it can help obviate the need for personal guarantees from small business owners. Oftentimes, prospective small business owners will have guaranteed their loans using personal resources, placing them at a financial risk and placing their small business in a vulnerable operating position.

Finally, family-and-friend grants for truly small businesses are an effective consideration for increasing access to capital. These grants require business owners to match grant amounts they receive with their own capital, either in the form of equity or debt. This practice effectively doubles small businesses' capital, with returns expected on contributions made by small business owners. An example of this type of grant is the city of Chicago's Neighborhood Opportunity Fund model, which provides grants for new construction and rehab of business development projects.[8] The fund is capitalized through public- and private-sector contributions and can encourage both new small business development and strengthening or growing existing ones.

### More Effective Technical Assistance

Technical assistance is an important tool for strengthening DC's small business ecosystem by building the capacity of individual small businesses, integrating them with their peers, and introducing new resources and partners that offer assistance. Investing in targeted, culturally relevant technical assistance for small business owners is important to fulfill DC's small business priorities. Specifically, technical assistance can be designed and offered through a sectoral, geographic, race/ethnicity, or gender lens. Several examples of successful models across the US are available.[9] Such an approach may involve assessing current technical assistance offerings and recalibrating them to best meet the needs of the types of businesses centered in DC's small business priorities, or to meet the needs of small businesses revealed to be most disadvantaged through a landscape assessment.

Technical assistance also may be offered to support small businesses that are pivoting to carrying out functions virtually, or to support sunsetting businesses to help them discover other industries where their skill set and those of their workers are applicable.

### New Resources for Small Businesses and Lenders

Technological resources also can help DC's small businesses recover from the COVID-19 pandemic. These types of resources can connect small businesses with different financial products and advisory services according to specific needs. Technology can also simplify loan application processes and reduce processing times for DC's small businesses. These types of tools can democratize access to financial and informational resources. Examples from across the country include the Community Reinvestment Fund's Connect2Capital platform[10] and DreamSpring's digitized Presto Loan.[11] Existing technological resources can also be reconfigured to communicate DC's small business priorities and to articulate how different resources can help different types of small businesses with varying sectorial, geographic, and racial or gender needs.

## Conclusion

The key to DC's small business recovery from the COVID-19 pandemic will be its understanding of the strengths and disparities existing within its small business ecosystem alongside its determination of small business priorities that address those disparities and close gaps in small business support. Upon reaching that type of understanding, DC will be able to add policies, programs, and practices to its small business recovery from COVID-19 efforts that address challenges, advance priorities, and strengthen DC's small business ecosystem in the long term.

## Notes

1 "Mayor's Order 2020-053 Closure of Non-Essential Businesses and Prohibition on Large Gatherings during Public Health Emergency for the 2019 Novel Coronavirus (COVID-19)," Government of the District of Columbia, accessed November 15, 2021, https://coronavirus.dc.gov/sites/default/files/dc/sites/mayormb/release_content/attachments/Mayor%27s%20Order%202020-053%20Closure%20of%20Non-Essential%20Businesses%20and%20Prohibiti....pdf.

[2] "Cash is King: Flows, Balances, and Buffer Days," JPMorgan Chase & Co., accessed November 18, 2021, https://www.jpmorganchase.com/institute/research/small-business/report-cash-flows-balances-and-buffer-days.

[3] Brett Theodos, Eric Hangen, Jorge González-Hermoso, Benny Docter, and Christopher Davis, "The COVID-19 Pandemic's Effect on Small-Business Credit in Washington, DC," Fact sheet, Urban Institute, June 15, 2021.

[4] Theodos et al., "The COVID-19 Pandemic's Effect on Small-Business Credit in Washington, DC."

[5] "Washington, District of Columbia Foot Traffic Recovery," Placer.ai, accessed November 22, 2021, https://www.placer.ai/the-square/recovery-dashboard/district-of-columbia/district-of-columbia-county/washington.

[6] "Washington, District of Columbia Foot Traffic Recovery."

[7] See the US Bureau of Labor Statistics website at https://www.bls.gov/iag/tgs/iag54.htm.

[8] Brett Theodos and Jorge González-Hermoso, *Building Community and Wealth in Underserved Commercial Corridors: Chicago's Neighborhood Opportunity Fund* (Washington, DC: Urban Institute, 2019).

[9] Brett Theodos, Jorge González-Hermoso, and Jein Park, *Supporting Latino and Immigrant Entrepreneurs in a Time of Crisis: A Review of the NALCAB-Kellogg Building Equitable Communities through Place-Based Investment Program in the Context of COVID-19* (Washington, DC: Urban Institute, February 25, 2021).

[10] See the Connect2Capital website at https://www.connect2capital.com.

[11] "DreamSpring Offers Affordable Alternative to Predatory Loans with Wells Fargo Grant," *Opportunity Finance Network* (blog), September 28, 2020.