

31/03/2020

IMPACT OF COVID-19 ON BLACK & ASIAN LED BUSINESSES & ORGANISATIONS

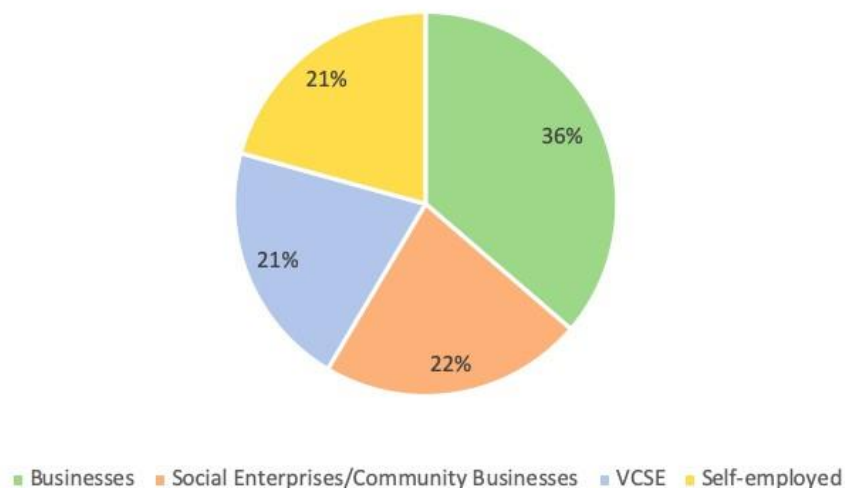
In order to slow down and ultimately stop the spread of COVID-19, in the past weeks the national government has given strict guidelines for businesses and communities to practice social distancing. These include, but are not limited to:

- Remote working for all staff whenever possible
- Ban of gatherings of people and public events
- Closure of pubs, restaurants, cafes, cinemas, schools and gyms
- Statutory sick pay (SSP) to be given to any staff members presenting COVID-19 symptoms from the first day of their absence from work

Combined with the listed measures, the government has announced a series of emergency economic support packages and schemes to sustain the UK economy throughout the crisis.

On Monday 23rd March, BSWN has launched a survey designed to assess the impact that COVID-19 is having on Black & Asian led businesses, community businesses, voluntary organisations and selfemployed minority ethnic individuals.

At the time of this report, the survey has gathered the experiences of 39 respondents; 14 of which are businesses (36%), 9 are social enterprises or community businesses (22%), 8 are self-employed workers (21%) and the remaining 8 are voluntary and community organisations (21%).



Currently, the survey remains open with the aim of reaching 100 responses in the coming weeks.

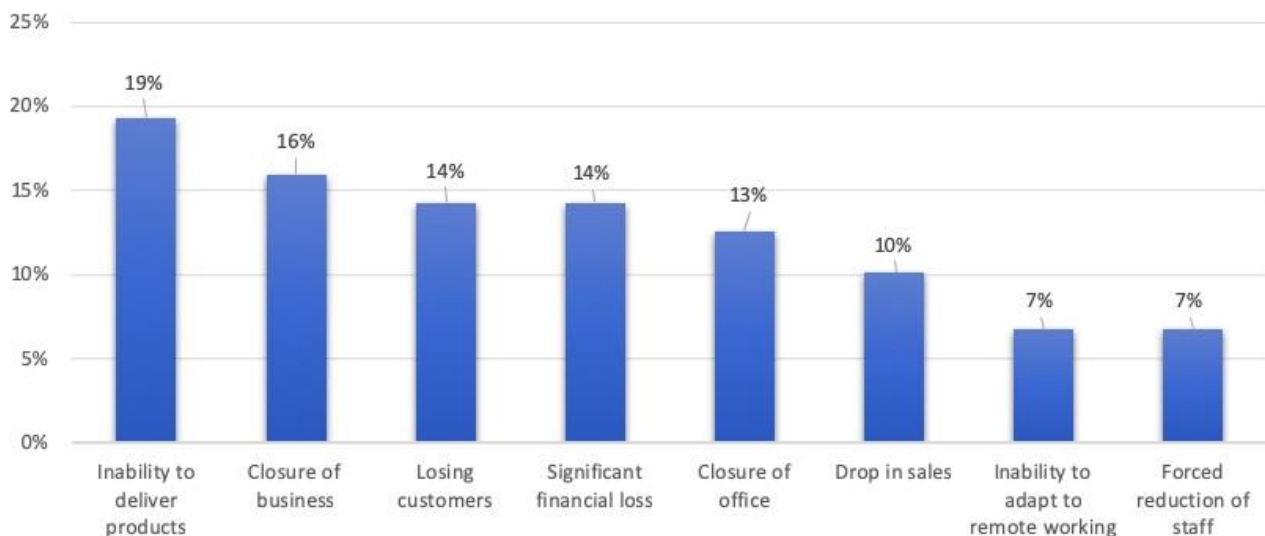
The main objectives of this data collation are as follows:

1. Assessing the impact that COVID-19 is having on BAME led enterprise, social enterprise and voluntary sectors as well as on self-employed BAME individuals.

2. Exploring the types of support requested and required by BAME entrepreneurs to overcome this crisis.
3. Ensuring that the economic emergency measures implemented by local and national authorities are equally accessible to all workers including BAME individuals.

ASSESSING DIFFICULTIES

Overall, the findings from the survey have identified the ‘inability to deliver products/services’ as the most frequently cited obstacle facing Black & Asian led businesses and organisations due to COVID-19. Across all sectors, nobody replied with ‘none of the above’ indicating that all respondents are experiencing at least one major difficulty.



The above graphic shows the main forms of impact COVID-19 has had across all BAME led sectors and self-employed BAME individuals, from the most frequently mentioned (‘inability to deliver products/services’ at 19%) to the least (‘inability to adapt to remote working’ and ‘forced reduction of staff’, each at 7%).

When analysing each sector independently, the findings tell us that:

- **79% of businesses have been forced to close.** It should be noted that BAME led businesses have been found in current and previous research to be overrepresented in the food industries sector, and particularly among restaurants which have been hit directly by the enforced closure measure for ensuring social distancing. The restriction to sell food only through home deliveries has turned into immediate significant financial loss for food businesses, accompanied by the loss of habitual customers and suppliers.

‘We can’t open during the day, we have lost all our customers that live and work in the local area. It has taken 6 years to build this business and now we can’t pay the bills or rent as we have a lease. We have lost our income. Our suppliers, who we have used since we have opened and which are also local businesses, have tripled and in one case have quadrupled their prices in our two main big sellers. We are trying to open in the evening for deliveries to bring in some money but we are losing every day.’ (Business owner respondent to the survey)

The BAME retail sector is currently experiencing a substantial drop in sales and significant financial loss due to the recommended isolation of potential customers and closure of all shops not selling food or essential items. In many cases, closing the business completely seems to be the only option.

‘We had a surge in consumers and now we have had a week of empty shops. Our staff are not coming to work and expecting a pay-out. We will manage a few weeks, but with Ramadhan approaching it’s not going to be long before we give in and close. We need a grant to keep us going to pay staff, pay the bills, and pay suppliers over the odds to supply. Our utility bills etc are the same as before but turnover is 50% of normal. It’s not a sustainable model. We need help.’ (Business owner respondent to the survey)

- **100% of all self-employed respondents have stated that they are unable to deliver products/services anymore.** Once again, previous and current research confirms that BAME individuals are overrepresented in certain sectors, which tend to have high levels of financial insecurity. Flexible and part-time workers such as taxi drivers have responded to the survey explaining that they are unable to earn an income due to the risks associated with their work:

‘I am a taxi driver can’t go out to work to earn to pay bills.’

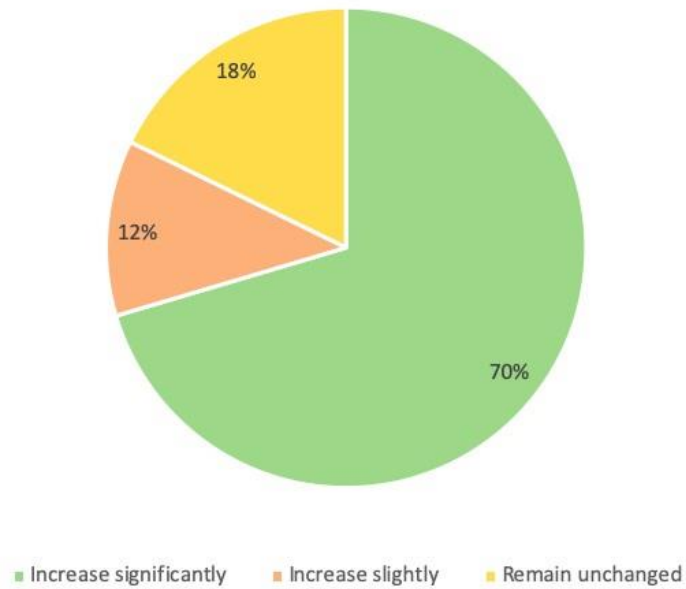
‘Unable to work due to risk of infection.’

‘Unable to pay HP on my taxi with zero income coming in.’

Other self-employed workers responding to the survey have been consultants and creatives from the heritage and performing arts sectors, who have highlighted their own barriers hindering income generation:

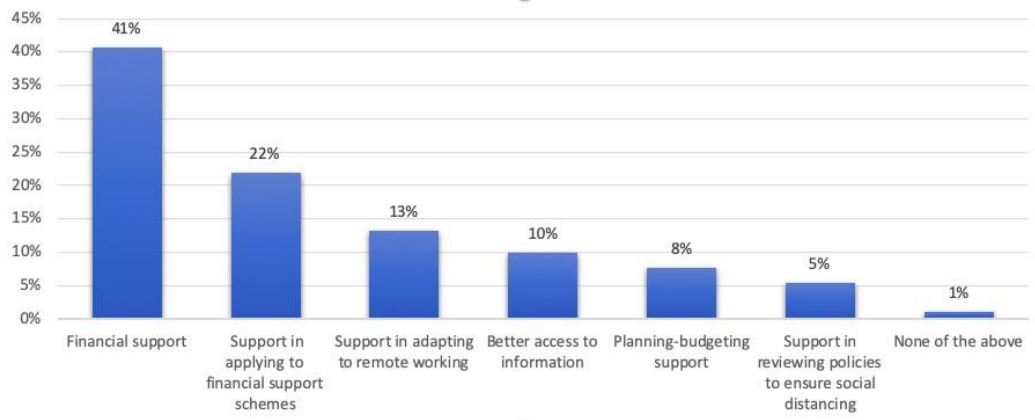
- Performing and creative arts generally require social gathering
- Traditional clients such as schools or museums have had to shut down
- Lastly, within the social enterprise and community organisations sectors, **70%** of respondents have identified a **significant increase in the community needs they serve due to COVID-19.**

However, they are unable to meet the demand as 70% of them also stated that they are unable to deliver their social services anymore, especially when the beneficiaries are from groups who have additional barriers to accessibility such as people with disability or elders.



EXPLORING SUPPORT OPTIONS

To the question ‘What type of support do you need to overcome the consequences of COVID-19?’, the most frequently selected answer was ‘financial support’ (accounting for 41% of all responses), followed by ‘support in applying to financial support schemes’ (22%), ‘support in adapting to remote working’ (13%), ‘better access to information’ (10%), ‘support with budgeting’ (8%) and ‘support in reviewing policies and procedures to ensure social distancing’ (5%). The ‘none of the above’ option was ticked off only once.





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These findings are consistent with previous BSWN's research into the BAME sector, where the main systemic barriers identified were the lack of access to financial support, the lack of access to information around opportunities and how to access them, and the lack of capacity for applying to said opportunities.

- **Overall, 94% of all respondents asked for financial support.** More specifically, 71% requested for grants packages. To the question 'what type of financial support do you need?', the second more popular answer was 'general financial bridging support' to meet the basic expenses whilst the business is temporarily closed or not able to generate income. Government loans have also been requested, although much less frequently than grant packages. Lastly, wage subsidies and business rates holidays are also seen as essential financial measures to handle the COVID-19 crisis.