

# UCLA

## Recent Work

### Title

COVID-19 Impacts on Minority Businesses and Systemic Inequality

### Permalink

<https://escholarship.org/uc/item/5jz7c4vd>

### Authors

Ong, Paul  
Comandom, Andre  
DiRago, Nicholas  
et al.

### Publication Date

2020-10-30

# COVID-19 Impacts on Minority Businesses and Systemic Inequality



Paul Ong  
Andre Comandom  
Nicholas DiRago  
Lauren Harper

October 30, 2020

**UCLA** Center for Neighborhood  
Knowledge



## Acknowledgments

This project was partially supported with grants from the UCLA Luskin School of Public Affairs (funded by Southern California Grantmakers) and from the UCLA Asian American Studies Center (funded by the Stanley Kow Lau and Dora Wong Lau Endowment). Data was made available by SafeGraph and StreetLight. Computational and storage services associated with the Hoffman2 Shared Cluster were provided by UCLA Institute for Digital Research and Education's Research Technology Group. This research was also partially supported by the California Center for Population Research at UCLA, including training support from the Eunice Kennedy Shriver National Institute of Child Health and Human Development (T32-HD007545).

## Disclaimer

The views expressed herein are those of the authors and not necessarily those of the University of California, Los Angeles or the University of California. The authors alone are responsible for the content of this report.

<b>7</b>	<b>Background</b>
<b>12</b>	<b>Case Sites</b>
<b>18</b>	<b>Data and Methods</b>
<b>20</b>	<b>Results</b>
<b>26</b>	<b>Conclusion</b>



# HOURS OF OPERATION

## Winter Hours

Monday - Closed  
Tuesday - Closed  
Wednesday - Closed  
Thursday - 10:00 - 4:00  
Friday - 10:00 - 4:00  
Saturday - 10:00 - 4:00  
Sunday - 11:00 - 4:00



# Closed

til further notice  
due to COVID19.

Thank you  
QVUP



# Abstract

This study examines the impact of the COVID-19 pandemic on small businesses in ethnic neighborhoods in Los Angeles. Location data from SafeGraph are used to analyze foot traffic patterns to restaurants and retail locations in ethnic and comparison neighborhoods from February through September 2020. The results indicate an earlier and steeper decline in commercial activity in Chinatown and, while retail was resilient in ethnic neighborhoods, restaurants suffered greater declines on average than in comparison neighborhoods. Overall, the ethnic neighborhoods collectively performed worse than the county as a whole prior to lockdown and performed no better than the county under shelter-in-place orders. This study contributes to the growing body of research around the disproportionate impacts of the pandemic on communities of color and recommends data-driven policy solutions to inform assistance and recovery policies and programs.

# Introduction

In addition to direct health impacts, COVID-19 has transformed how people live, work, learn, socialize, and consume. These drastic lifestyle changes have reinforced or deepened socioeconomic and ethnoracial inequalities. This is expected—a key feature of racialized societal structures is the reproduction of systematic disparities over time (1, 2). However, this result is not inevitable and public policies can mitigate the reproduction of inequality.

While previous studies have documented the pandemic's impacts in marginalized neighborhoods on labor and housing markets (3, 4), we focus on small businesses. This case study examines whether the COVID-19 crisis disproportionately impacted local businesses in ethnic neighborhoods in Los Angeles. Answers to this question provide academic insights on racial systemic inequality and inform policy interventions. If the disparities are significant, there are profound policy implications—race-conscious government efforts to address systemic racism are needed to ensure an equitable economic recovery.

This brief is organized into five sections.

*Background* provides information on the pandemic in Los Angeles County and summarizes emerging research on pandemic impacts on minority businesses.

*Case Sites* describes the six neighborhoods included in the analysis: Boyle Heights, Chinatown, Leimert Park, Larchmont Village, Sherman Oaks, and Venice.

*Data and Methods* describes the statistical methods used to analyze the “Big Data” provided by SafeGraph and StreetLight.

*Results* presents and interprets the empirical results. We found an earlier and steeper decline in commercial activity in Chinatown and, while retail was resilient in ethnic neighborhoods, restaurants suffered greater declines on average than in comparison neighborhoods. Overall, the ethnic neighborhoods collectively performed worse than the county as a whole prior to lockdown and performed no better than the county under shelter-in-place orders.

*Conclusion* discusses the policy implications. Pandemic assistance and recovery programs should be data driven and address disparate pandemic impacts on neighborhoods.

# Background

This section provides information on the temporal pattern of the pandemic, the resulting shelter-in-place mandates, and the emerging research on pandemic impacts on minority-owned businesses.

Los Angeles County first reached 100 confirmed COVID-19 cases on March 17, 2020 and has since recorded 270,260 cases and 6,576 deaths as of September 30, 2020 (5). Figure 1 shows the number of daily confirmed cases and deaths with respect to the timeline of mandated closing and subsequent reopening. The bottom panel shows the initial surge in daily COVID-19 deaths and a slight decline until the beginning of July, when the number of weekly deaths spiked.

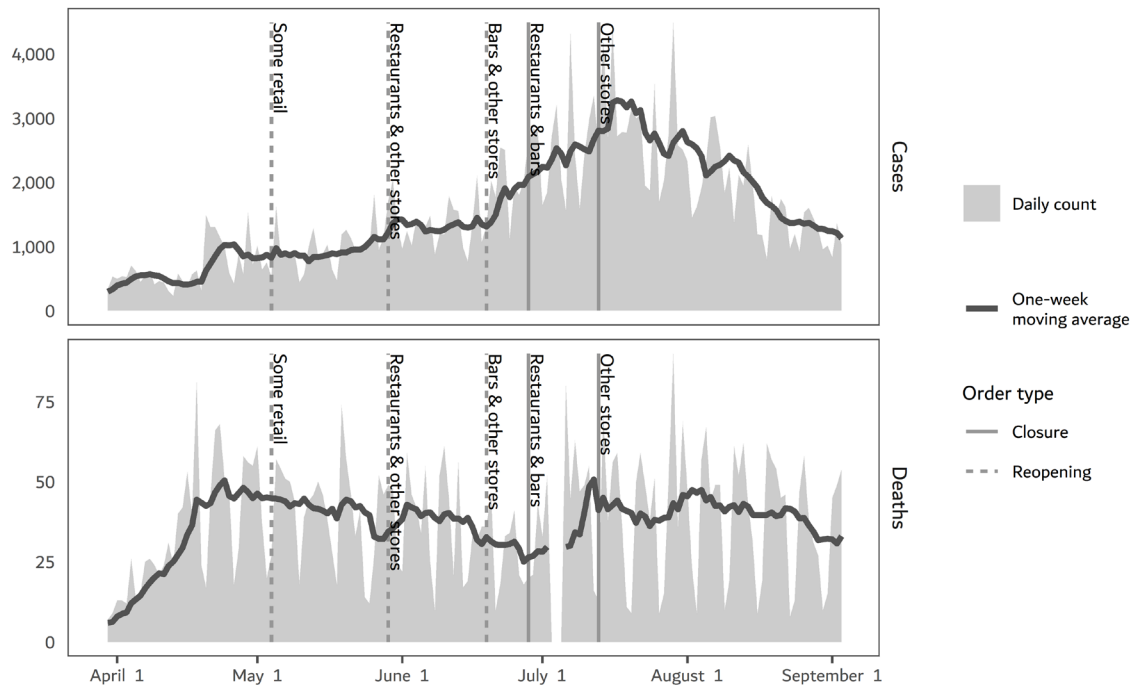


Figure 1 - COVID-19 New Cases and Deaths in Los Angeles County  
Source: California Department of Public Health

The primary tools to combat the spread of COVID-19 are shelter-in-place mandates (6) and social distancing guidelines, which have a significant negative effect on businesses. Governor Gavin Newsom issued a statewide lockdown in California on March 19 ordering all nonessential businesses to close. By the end of April, California established a four-stage plan to lift restrictions and reopen business over the coming months. On May 8, California entered Stage 2 of the reopening plan, allowing businesses to reopen with modifications for safety. On May 26, California entered Stage 3, which included opening hair salons and



barbershops for indoor service. Bars reopened on June 19, even as the California Department of Health released mandatory face covering guidelines for public spaces. Then the reopening process began to reverse—on June 26, Newsom ordered bars closed and then on July 13, reclosed indoor dining and other indoor gathering spaces. On August 28, Governor Newsom unveiled the “Blueprint for a Safe Economy,” which established four classification tiers that dictated business closures and openings by county (7). As of October 2020, Los Angeles County was classified as “widespread,” with more than seven daily new cases per 100,000 people and greater than an 8 percent test positivity rate. Most nonessential indoor businesses remain closed (8).

The stay-at-home order reduced movement throughout Los Angeles County. As shown in Figure 2, the total vehicle miles traveled decreased significantly after the March lockdown order and did not return to prepandemic levels until July (9).

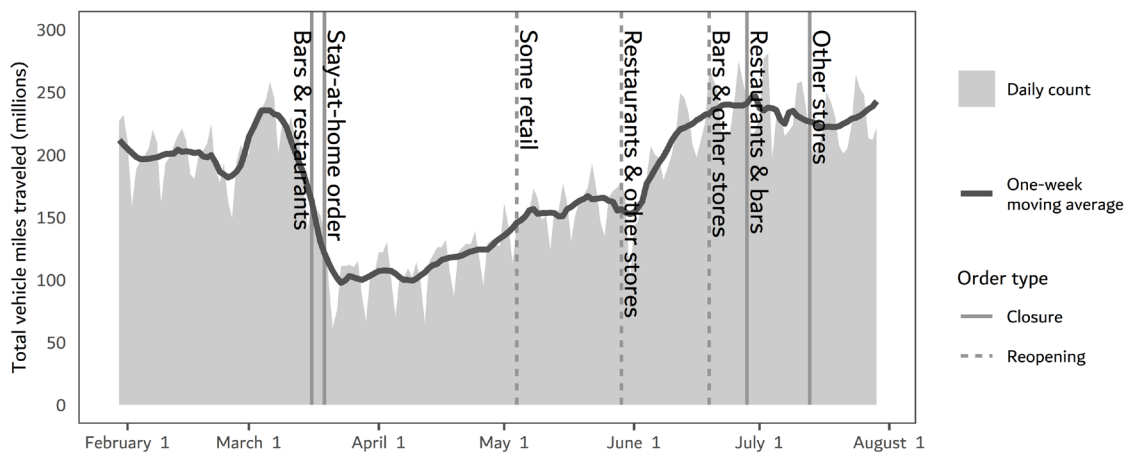


Figure 2 - Vehicle Traffic in Los Angeles County (2020)  
Source: StreetLight

The magnitude of the economic disruption is evident in the labor market. The national unemployment rate peaked at 14 percent early in the pandemic and there were 24.4 million new unemployment insurance claims in March and April (10). The retail industry alone lost 2.1 million jobs in April 2020 (11). Small businesses have been hard hit by these forces. The U.S. Census Bureau’s Small Business Pulse Survey measures the pandemic’s impact on small businesses using financial information, reliance on federal programs, and qualitative measures of well-being (12). From May through August, six out of seven small businesses in the Los Angeles Metropolitan Area reported that the pandemic had a moderate or large negative effect on their operations (see Figure 3).

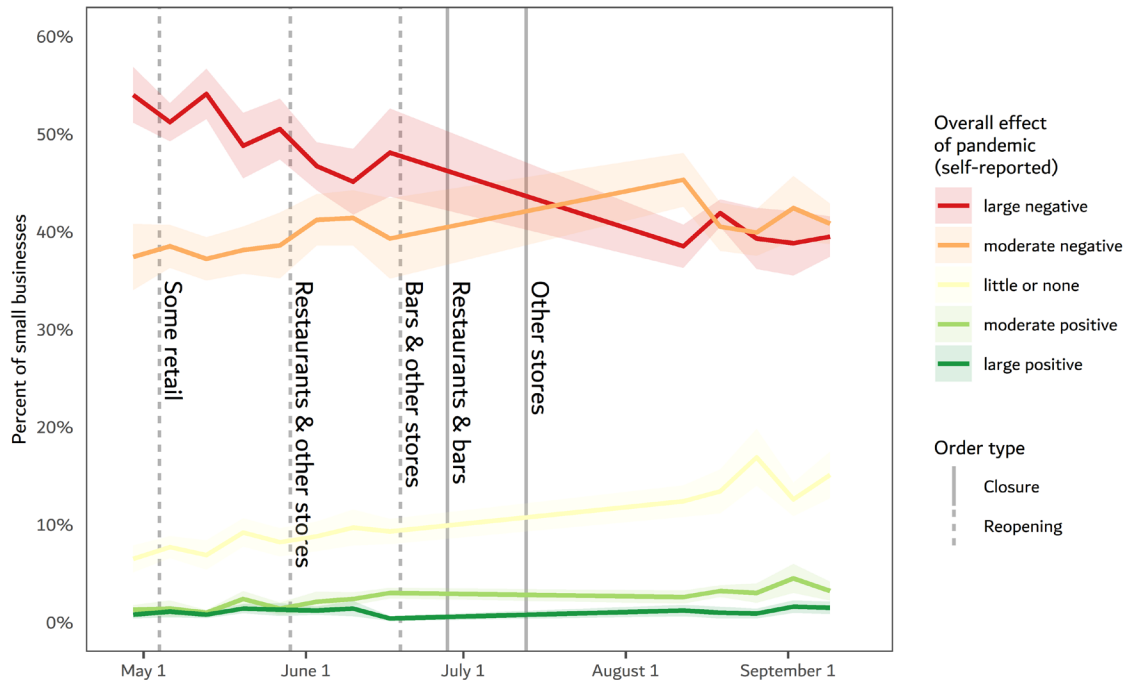


Figure 3 - Effects of Pandemic on Small Businesses in Metro Los Angeles (90% confidence intervals shown)

Source: US Census Bureau Small Business Pulse Survey

Figure 4 shows that while there are considerably fewer temporarily closed businesses in September, a consistent majority of businesses still required some sort of financial assistance. Over the course of the pandemic, approximately 70 percent of responding businesses have received a loan through the Paycheck Protection Program (PPP), which is intended to incentivize small businesses to keep workers employed. The loan can be forgiven if used for payroll costs, mortgage interest, rent, and utilities (13). However, there are criticisms about the effectiveness of PPP— the structure favors larger businesses with the resources and know-how to quickly apply for relief. There is also no evidence that the PPP has improved small business employment. In the literature, there is a gap with respect to the impact of the PPP on minority-owned businesses (14).

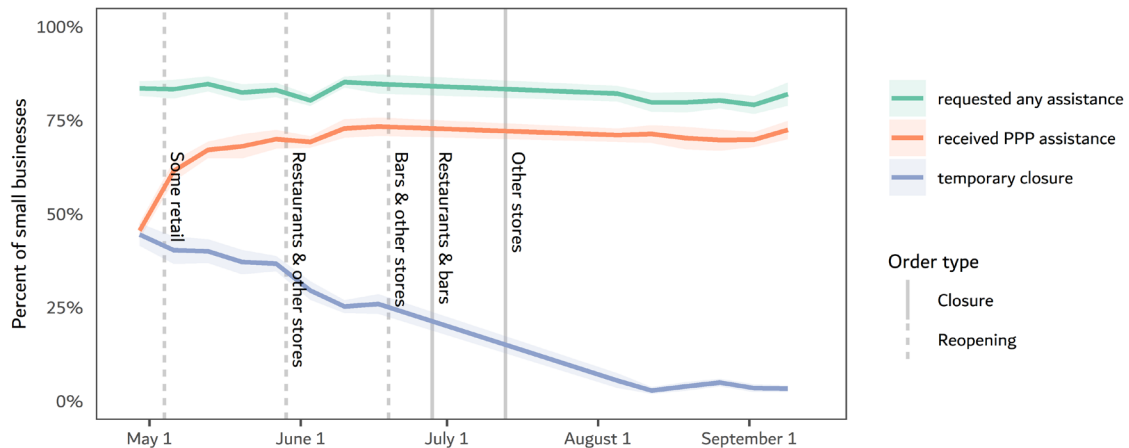


Figure 4 - Small Business Assistance and Closures in Metro Los Angeles (90% confidence intervals shown)  
 Source: US Census Bureau Small Business Pulse Survey

The emerging research shows systematic racial inequalities as a result of the pandemic. This is evident in the higher rates of coronavirus infections and deaths among minorities and low-income persons, who are more likely to be essential or frontline workers (15). Overall, there have been disproportionate impacts on minority unemployment rates (16).

Minority-owned businesses had weaker preexisting conditions before the pandemic, including lack of access to capital and disparities in government contracting. Prior to the pandemic, Black- and Hispanic-owned businesses were more likely to be “at risk” or “distressed” (17). A Brookings Institution study found that banks approved only 29 percent and 50 percent of loans for Black and Hispanic small-business owners, respectively, compared with approximately 60 percent approval for White small-business owners (18). In government contracting, the Minority Business Development Agency found “significant contracting disparities for minority business enterprises (MBEs), pervasive across different ethnic and racial groups, industries, and geographies” (19).

During the pandemic, minority-owned businesses have seen disproportionate impacts as compared to White-owned businesses. The number of total active businesses in the United States dropped by 22 percent from February to April 2020; however, Black-, Latinx-, and Asian-owned businesses dropped by 41 percent, 32 percent, and 26 percent, respectively, compared to a 17 percent drop in White-owned businesses (4). Businesses in high-contact sectors, such as accommodation, food services, and retail, are both most affected by COVID-19 and more likely to be minority owned (17).

The Washington Post reported stories of minority-owned businesses struggling in Los Angeles (20). Small businesses in Black and Latinx neighborhoods were struggling under the pressures of gentrification before the pandemic. In Chinatown, businesses reported a decrease in customers at the beginning of the pandemic, likely due to xenophobic reactions on the origin of the virus. This xenophobia has been seen in New York City as well—the NYU COVID Closure Study found that ethnically Chinese neighborhoods experienced a higher proportion of restaurant and grocery closures than other comparable neighborhoods (21).

Based on the documented disparate impact of the pandemic, we expect two outcomes:

- Businesses in neighborhoods with non-White ethnoracial associations remained open longer in the absence of safeguards and lower access to government assistance.
- Businesses in ethnic neighborhoods experienced deeper decreases in businesses and were slower to recover as their customer base was more heavily impacted by the economic slowdown.

We assess the two hypotheses using smartphone pedestrian traffic data from SafeGraph for six representative neighborhoods in the City of Los Angeles. In the following section, we provide a brief overview of our choice of neighborhoods and the specific circumstances they illustrate.



## Case Sites

Los Angeles is often described as a collection of ethnic enclaves. The many street signs that delineate dozens of neighborhoods based on the communities' culture create a diverse patchwork of districts. Few of these enclaves, however, are ethnically homogenous or have fixed boundaries (22). Most have a diverse population with little relation to the name of the district. For example, Koreatown and Chinatown are Latino majority and include many ethnoracial groups.

Our choice of neighborhoods is based on the identity label rather than the composition of the neighborhood. They are places where the businesses, rather than the residents, are likely to represent the culture. These labels, importantly, exert influence on how people navigate Los Angeles. Chinatown may not have a large Chinese population compared to neighborhoods further east in the county, but the association is unlikely to escape the perception and prejudices of potential visitors. In contrast, businesses in Larchmont Village, which is a highly diverse neighborhood, display a high-end, hip orientation rather than ethnic affiliations.

This association between name or reputation is what interests us. We chose six neighborhoods, three of which are ethnic neighborhoods (Boyle Heights is Latino, Chinatown is Asian, and Leimert Park is Black) and three of which are comparison neighborhoods that lack an ethnic affiliation (Larchmont Village, Sherman Oaks, and Venice). While we use the term ethnic, the neighborhoods in our sample are not ethnic in the traditional sense. Leimert Park is a majority Black neighborhood with no ethnic affiliation. The Crenshaw corridor that runs through the area, however, is the core of the Los Angeles Black community. As such, to anyone exploring Los Angeles, the area works much like an ethnic enclave. Chinatown has a clear ethnic identity, but even within our sample, it does not have the largest Asian population (Larchmont Village does).

While the comparison neighborhoods are in majority White areas, we are not implying that White neighborhoods lack an ethnic affiliation like the other neighborhoods. We aim to draw attention to the mechanics people use to make decisions about cities. People use shortcuts based on incomplete knowledge that lead to stereotypes and biased decisions. The social stratification of American society reinforces biases that lead people to treat White neighborhoods as the norm or safer choice, thus placing them in a different category. It is the reputation of the neighborhood rather than the demographics that matter. Larchmont Village

is not majority White, but its location within the Hancock Park area, one of the wealthiest and whitest in Los Angeles, gives the commercial corridor a specific reputation.

Gentrification has changed that landscape in recent years. Boyle Heights and Chinatown have been the target of aggressive redevelopment and many hip restaurants and attractions have increased the profile of these neighborhoods as destinations. Leimert Park is in the midst of a similar transition as the Los Angeles transit agency invests heavily in a rail line in the area. In part, we chose these neighborhoods because they are not enclaves that serve only the local community. They draw a diverse population of patrons from the region and beyond.

The remainder of this section provides a brief background on each neighborhood. The map in Figure 5 shows the location of each neighborhood based on the Los Angeles Times definition (23). Within each neighborhood, the map highlights the location of the main commercial corridor where most restaurant and retail businesses are concentrated. In addition, Table 1 provides a few descriptive statistics on the demographics and business environment of each neighborhood.

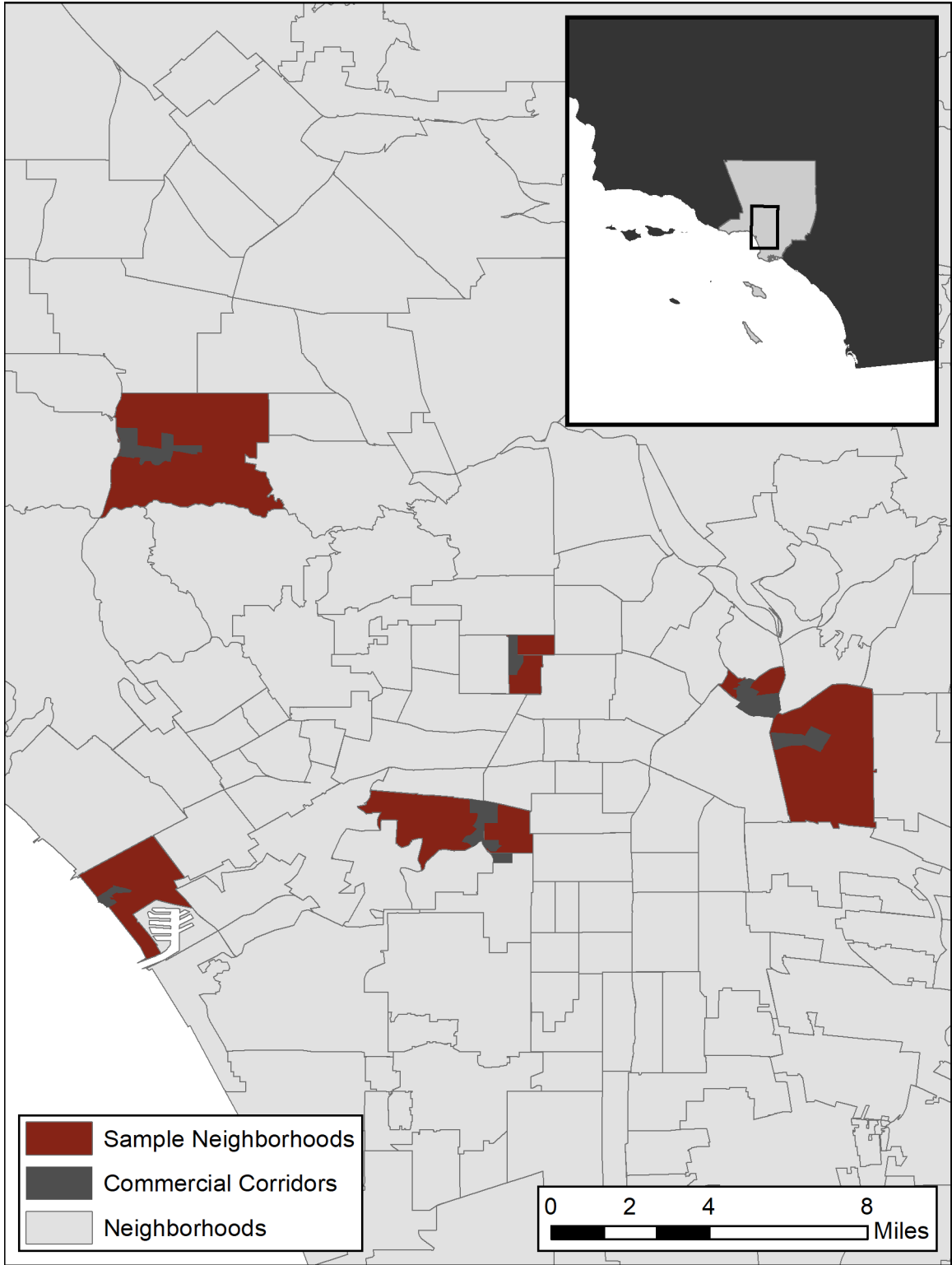


Figure 5 - Study Neighborhoods

Table 1 - Study Neighborhood Demographics

Neighborhood	Total Population	% Asian	% Black	% Latino	% White	Total Jobs	% Retail and Restaurants
Boyle Heights	93,528	3%	1%	93%	3%	32,231	17%
Chinatown	22,945	34%	15%	34%	14%	13,837	14%
Leimert Park	42,707	4%	59%	26%	7%	9,746	16%
Larchmont	14,651	36%	5%	27%	27%	3,645	10%
Sherman Oaks	73,516	8%	5%	14%	68%	34,456	15%
Venice	36,149	4%	6%	16%	70%	17,645	28%

## Boyle Heights

Boyle Heights is one of the oldest neighborhoods in the city and has long been home to immigrant populations. The neighborhood was specifically designated to house working-class and immigrant residents in the growing urban area. Jewish, Mexican, and Japanese migrants were attracted to its location near downtown Los Angeles to the west and industrial jobs to the south. After the war, segregationist policies and population growth remade the neighborhood. Jewish people migrated to other areas while Japanese, Black, and Mexicans resident faced greater restrictions on residential moves (24). Over time, Boyle Heights lost its diversity and today is nearly 100 percent Latino.

Boyle Heights is the largest and most homogenous neighborhood in the sample. The population was more than 90,000 in 2016, with 93 percent identified as Latino. The large local economy, proximity to downtown, and connection to the rail transit system have made Boyle Heights a significant hub of activity. Mariachi Plaza, the location of a Metro station, has become a site of both pushback against gentrification as well as opportunity for small businesses (25).

## Chinatown

While Chinatown lies next to Boyle Heights, the rail lines and the Los Angeles River create significant barriers between the two neighborhoods. Chinatown was part of the segregationist architecture of Los Angeles, located east of Los Angeles to protect the westside against any incursion by non-Whites. The enforcement of segregation was often violent, culminating in the razing of Old Chinatown to make way for Union Station in 1933. The destruction of the community also led to



the creation of New Chinatown a few blocks north, the first Chinatown owned by Chinese Americans (26).

New Chinatown is a dense and diverse neighborhood. Asians and Latinos each comprise a third of the population, with the remaining evenly divided between Black and White people. Like Boyle Heights, the neighborhood's proximity to downtown and relatively cheap rents have made it attractive to new residents and developers. The neighborhood abuts the administrative center of Los Angeles and many jobs included within its boundaries are attached to those administrative functions.

### **Leimert Park**

Leimert Park is one of the most important commercial and cultural centers of the Black community in Los Angeles. The history of Leimert Park is distinct as it was the only neighborhood to have started as a segregated White area. The historical center of the Black community in Los Angeles was closer to Boyle Heights, in South Central, just south of downtown. Leimert Park emerged as the Los Angeles Black population expanded westward after the repeal of discriminatory housing laws in the 1960s (27). The area is one of the few majority Black neighborhoods that remain in Los Angeles, which has seen a shrinking Black population since the 1990s.

Leimert Park anchors the Black neighborhoods in Los Angeles, connecting the communities along Crenshaw Boulevard. As a result of connecting these neighborhoods, Crenshaw Boulevard has developed into the primary commercial area. However, due to the location and decades of underinvestment, there are fewer jobs in the area relative to its size than in other neighborhoods.

### **Comparative Framework**

For this study, we conduct two types of comparisons relying on difference-in-difference (changes across time and across study sites). The first is against the trajectory for the county as a whole, which gives the broadest benchmark to evaluate the impact of the pandemic on the ethnic neighborhoods. We also include comparisons with three neighborhoods to provide additional insights. These comparison neighborhoods were chosen as popular destinations in Los Angeles that are not dominated by large-scale retail. Larchmont Village stands out for its diversity—located at the intersection Hollywood, Fairfax, and Koreatown, the neighborhood is highly eclectic and diverse. Of the neighborhoods in the

sample, it has the smallest number of jobs. The area is primarily residential and small businesses concentrate along a section of Larchmont Boulevard. In contrast, Sherman Oaks is connected to a large employment center at the southern edge of the San Fernando Valley. The area is divided by the main commercial corridor, Ventura Boulevard. To the north are dense residential neighborhoods and to the south lie affluent neighborhoods in the hills. Venice is a beach community that has retained focus on small-scale shopping districts. The boardwalk is one of Los Angeles's famed tourist attractions and Abbot Kinney Boulevard provides a high-end shopping district.

## Data and Methods

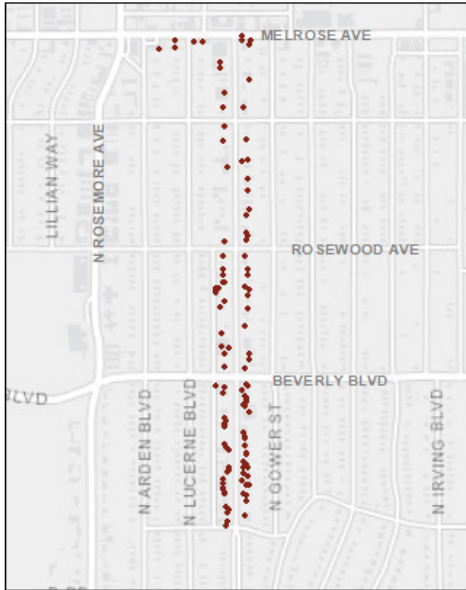
From SafeGraph, we collected the daily number of visits to “places” in Los Angeles County from January 2019 through August 2020. SafeGraph defines a “place” as a “location where consumers can spend money and/or time” (28). SafeGraph claims its dataset is effectively comprehensive for commercial “places,” but the data likely underrepresent informal businesses, establishments without a fixed location, and more recently opened “places” (29, 30). SafeGraph “uses a machine learning model to accurately predict” the industry of each “place,” based on the definitions in the North American Industry Classification System (NAICS) (28). SafeGraph’s national sample of approximately 10 percent of cellular devices tracks daily visits to about two-thirds of the six million “places” in its database (31, 32).

The SafeGraph data include 165,882 places in Los Angeles County that were visited between January 2019 and August 2020. Of these places, 37,806 are coded as retailers and 25,198 as restaurants. Our analyses exclude establishments associated with one or more of approximately 6,000 national, regional, and local brands<sup>1</sup>. We refer to these excluded businesses as chain establishments. Our analyses focus on non-chain establishments in the restaurant and retail sectors. They comprise 141,500 non-chain establishments with 29,570 coded as retailers and 18,256 as restaurants.

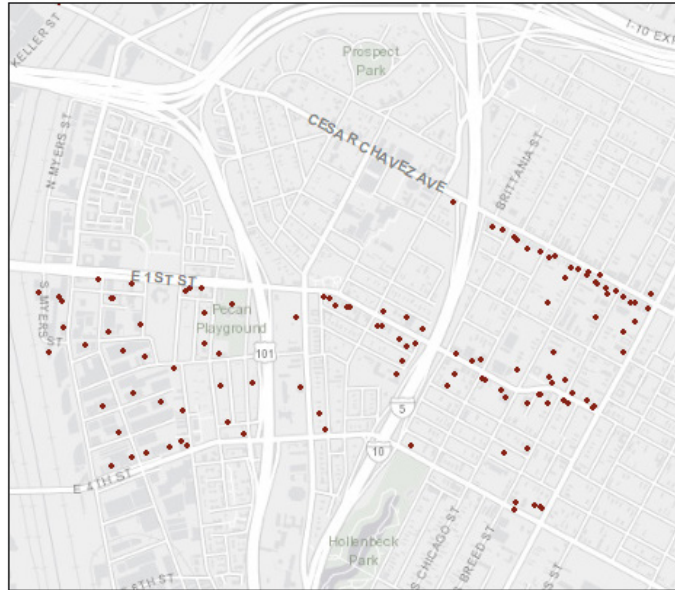
We restrict the sample of non-chain establishments to the six focal neighborhoods for the main analysis. For each neighborhood, we identified the block groups with the highest concentration of non-chain establishments. These form principal commercial corridors and the economic heart of each community. The corridors vary in size and form (see Figure 5). Figure 6 illustrates the location of establishments in Boyle Heights and Larchmont Village. Larchmont Village illustrates a highly linear single street corridor while businesses in Boyle Heights, a larger neighborhood, are more dispersed between two main areas. While the analysis relies on the individual “places,” the main measure of activity is the total number of visits in each corridor within a specified time interval.

---

<sup>1</sup>SafeGraph defines a brand as “a logo or branded store which has multiple locations all under the same logo or store banner.”



*Larchmont Village*



*Boyle Heights*

Figure 6 - Distribution of Businesses

We describe changes over time in commercial traffic during the pandemic and compare trends between ethnic and comparison commercial corridors. The outcomes of interest are the percent change in the total number of visitors for each interval in 2020 from the same interval in 2019 and the trend in activity from the beginning of 2020 to July 2020. In the case of weekly intervals, we define the first week of the year as the week beginning on the first business Monday.

We use Welch two-sample t-tests to determine whether the change in commercial visits differed between the ethnic and comparison corridors for each week from February through July. We also use analyses of variance (ANOVA) to determine whether monthly differences in the change in traffic were systematically different among the six corridors, regardless of ethnic or comparison status. We identify which of the six neighborhoods differed significantly from one another using Tukey's range test.



# Results

West Coast cities were generally swifter in their response to the spread of COVID-19 (33). The identification of the first hot spots in the Bay Area and Seattle in February 2020 spurred an early avoidance of public spaces in many localities. A similar trend happened in Los Angeles but varied by neighborhood. Figure 7 shows the trends in activity for retail and restaurants in the county and six focal neighborhoods. The graphs trace year-to-year changes for restaurants and retailing. The shading provides a visual representation of the magnitude of the decline, with darker colors capturing deeper declines. In Los Angeles County (top panel), visits decreased gradually until early March, when the first official business closures and stay-at-home guidelines were enacted and a sharp decrease was registered. While the ethnic neighborhoods followed the general trajectory for the county, there are also differences.

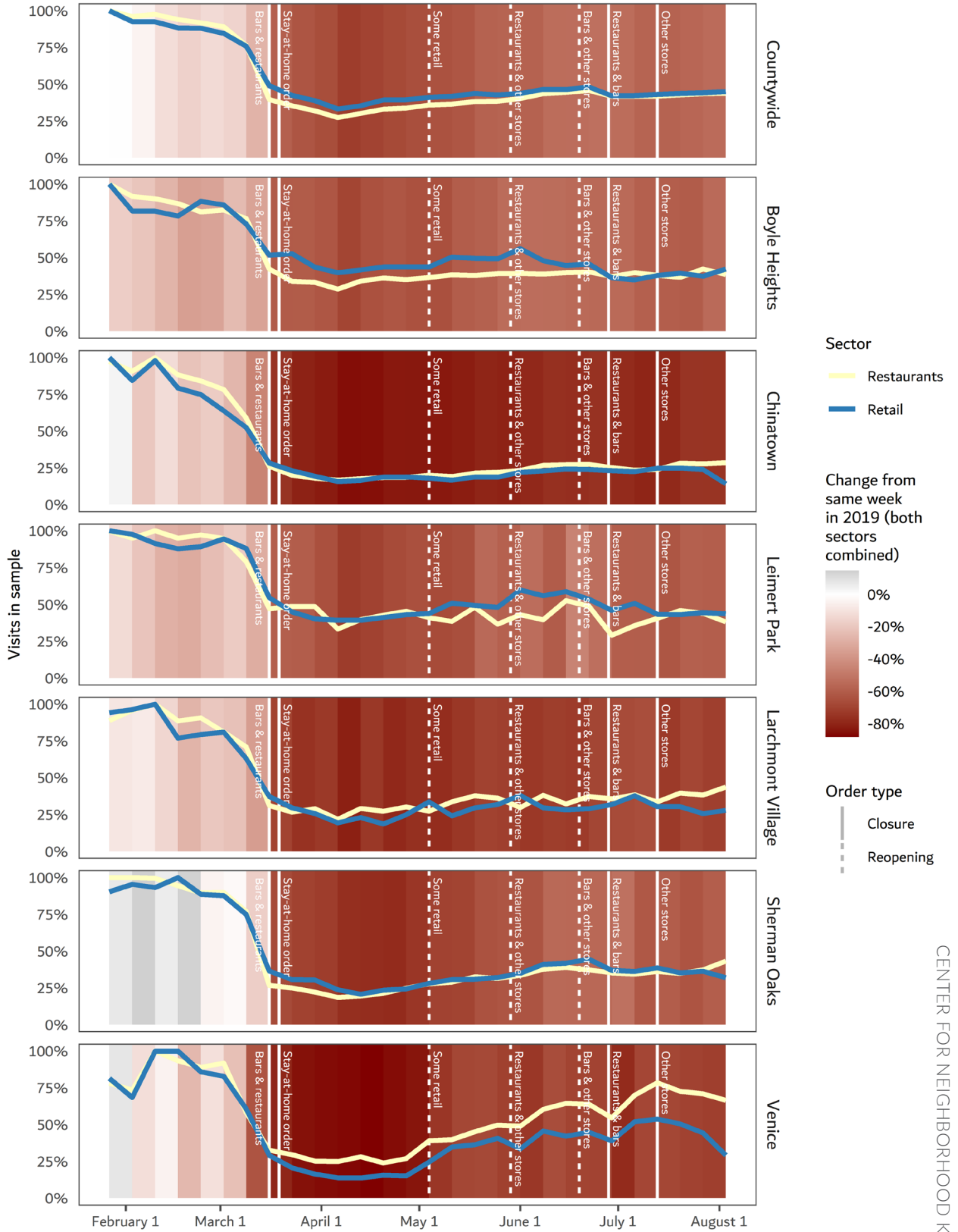


Figure 7 - Weekly Non-Chain Restaurant and Retail Traffic  
 County and Study Corridors  
 Source: SafeGraph Weekly Patterns

Chinatown deviates most distinctively from the countywide trend. It experienced an earlier and more pronounced decline in activity than any of the other focal neighborhoods<sup>2</sup>. This disparity is consistent with anecdotal evidence of systematic avoidance of Chinese neighborhoods early in the pandemic. However, Larchmont Village shares this trend and also has a large Asian population, suggesting the pattern may be a result of greater awareness in the Asian American community. While we cannot isolate the cause of the decline in Chinatown, the narrative of avoidance offers one possibility. Businesses in the area may have been quicker to close and remain closed as suggested by the flat curve after reopening orders. It should be noted that the observed results for Chinatown could also have been affected by pandemic-induced changes in nearby employment and activity centers. Chinatown is close to Union Station and government operations, which were affected by a collapse in travel and remote work for white-collar employees.

Leimert Park exhibited a greater resilience relative to Chinatown, but nonetheless struggled. This African American neighborhood maintained higher activity prior to closure orders than Chinatown; however, Leimert Park declined more in contrast to the county and comparison neighborhoods during the early months of 2020. The lower activity perceptible from the beginning of the year more likely highlights underlying vulnerability and weakness in the neighborhood during the early impact of COVID-19. A likely explanation is that a disproportionate number of business did not have the capital reserve and financial cushion to weather the initial decline in demand. The outcome during the shelter-in-place period is unexpected because Leimert Park did not dip as far as the comparison neighborhoods. (Nonetheless, it did perform worse than the county as a whole.) One plausible explanation is the residents are more likely to lack alternatives nearby, making the businesses essential to the community.

Boyle Heights experienced a trajectory closer to Leimert Park than Chinatown. During the preclosure period, this Latinx neighborhood maintained a higher level of activity than Chinatown, but did not perform as well as the county and comparison neighborhoods. Again, this points to the underlying vulnerability and weakness among many of the businesses in Boyle Heights, which made them highly susceptible closure because of changes in demand. During the shelter-in-

---

<sup>2</sup>While not shown here, the decline in activity in Koreatown was not nearly as early or as deep, suggesting that Chinatown was particularly hard hit. It should be noted, however, that Koreatown is more ethnically diverse in its commercial offering than the name suggests.

place period, the remaining businesses in Boyle Heights fared better some of the other neighborhoods and performed roughly on par with the county. This may be due to a spillover effect from nearby large medical facilities (e.g., White Memorial Hospital) that continued to operate in response to the public-health crisis. Health-care workers and hospital visitors could have attenuated the decline in demand in Boyle Heights. While changes in adjacent activities appear to have had a positive effect in Boyle Heights and a negative effect in Chinatown, they nonetheless highlight the potential importance of nearby influences on local businesses.

The visual summary in Figure 7 provides an overview of the trends and differences but does not highlight systematic differences. Table 2 reports the results of ANOVA tests to analyze differences between neighborhoods. For each month, we compare the difference in activity for all neighborhoods and, where we find differences, we highlight significant pairs. The F score is an indication of the consistency of the difference between pairs. Low scores lacking asterisks show months where the differences were not consistent enough to set neighborhoods apart. A high score does not mean that all differences between neighborhoods are significant. Therefore, the last column (significant pairs) reports pairs that were different.

Table 2 - Results of ANOVA Test  
Source: SafeGraph Weekly Patterns

Month	Restaurants		Retail	
	F (ANOVA)	Significant Pairs	F (ANOVA)	Significant Pairs
<b>February</b>	3.38**	Sherman Oaks & Boyle Heights* Sherman Oaks & Chinatown† Venice & Boyle Heights*	5.41***	Sherman Oaks & Boyle Heights*** Sherman Oaks & Chinatown** Sherman Oaks & Larchmont Village* Sherman Oaks & Leimert Park* Venice & Sherman Oaks**
<b>March</b>	3.19**	Sherman Oaks & Chinatown** Venice & Sherman Oaks†	5.64***	Venice & Boyle Heights** Venice & Leimert Park† Venice & Sherman Oaks***
<b>April</b>	1.72		5.49***	Chinatown & Boyle Heights* Venice & Boyle Heights*** Venice & Sherman Oaks**
<b>May</b>	4.15**	Venice & Chinatown*** Venice & Larchmont Village*	0.87	
<b>June</b>	2.13†	Leimert Park & Chinatown†	0.52	
<b>July</b>	0.98		3.47**	Sherman Oaks & Boyle Heights* Sherman Oaks & Chinatown* Venice & Sherman Oaks*

† p < 0.1; \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

The restaurant column shows that differences were most significant in February and May. The results for February highlight how changes in commercial activity levels before lockdown differed among ethnic and comparison neighborhoods. Chinatown and Boyle Heights saw an earlier decline as compared to constant activity levels in Venice and Sherman Oaks. Larchmont Village also shows signs of early decline, while Leimert Park indicates high activity leading up to closure. The difference in neighborhoods in May, particularly Venice, is driven by the rate of recovery after relaxation of closure orders.

Differences were more significant in the retail sector. Sherman Oaks stood out in February thanks to its high level of commercial activity leading up to closure orders. After the initial orders, Venice is the most distinctive neighborhood. Venice and Chinatown experienced the most intense declines in retail activity, but, unlike Chinatown, the decline was abrupt in Venice. This may be due to the fact that Venice is a tourist destination and recreational spot, thus more subject to the effects on these nonessential activities.

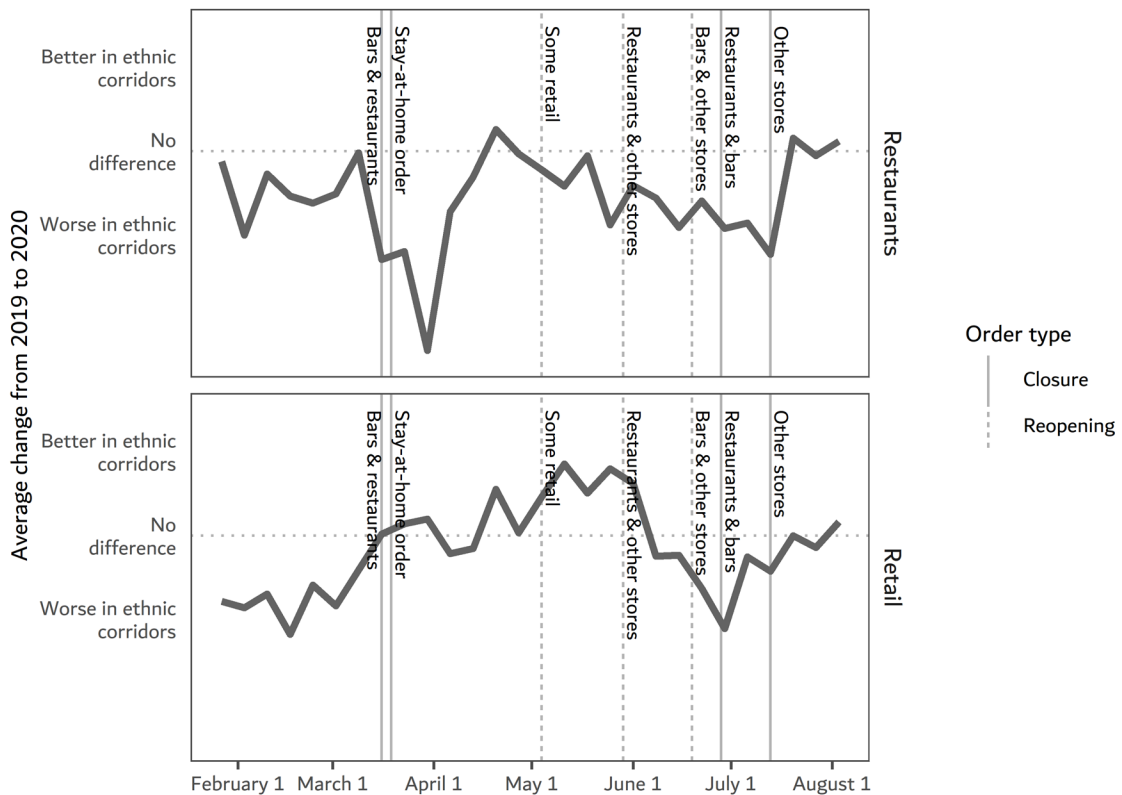


Figure 8 - Change in Non-Chain Restaurant and Retail Traffic Ethnic vs. Comparison Corridors  
Source: SafeGraph Weekly Patterns

Figure 8 visualizes the comparative change in activity between the ethnic and comparison neighborhoods over time. The dotted horizontal line indicates where the change in activity is the same in both ethnic and comparison neighborhoods. Where the trend line dips below the dotted line, decline in activity was worse in ethnic neighborhoods than in the comparison group. Over the course of the pandemic, the trends in Figure 8 are largely consistent with the narrative provided for Table 2. Despite initial trailing, retail was more resilient in ethnic neighborhoods, though after reopening orders, retail in comparison neighborhoods bounced back. Restaurants in ethnic neighborhoods, in contrast, have struggled. Even though the difference equalized after the initial shock of the first orders, restaurants in ethnic neighborhoods have suffered greater declines on average. Only with the latest round of orders scaling back reopening did the change in activity equalize again. Restaurant and retail traffic in ethnic and comparison neighborhoods saw different impacts over time; however, the overall average decline in activity was not definitively different between the ethnic and comparison neighborhoods over the course of the pandemic.



# Conclusion

This study found distinct trends in pandemic impacts on the study neighborhoods, which can be described along ethnoracial lines. Ethnic and comparison neighborhoods experienced different declines during initial closure orders and different rates of recovery during reopening. While we speculate the causes of these differences based on anecdotal evidence and economic preconditions, this study raises further lines of inquiry into the causes and future effects of disparities in pandemic impacts in ethnic and nonethnic neighborhoods.

One such question is the cause of early, steep decline in Chinatown and Larchmont: To what extent was early avoidance driven by Chinese immigrants (suggesting network effects) versus by non-Chinese customers (suggestive of xenophobia)? These trends could be examined by using other data (such as StreetLight) that include the origin of customers visiting businesses in the study neighborhood. Indeed, this approach could be expanded to other neighborhoods to determine whether changes in business demand during the pandemic is internal or external.

We surmise that disparate pandemic impacts in ethnic and nonethnic neighborhoods are a result of economic preconditions and access to capital and assistance during the pandemic. However, a deeper examination of economic preconditions of each neighborhood could reveal economic class as a confounding and contributing factor in pandemic effects. Future studies should examine the impact of neighborhood economic status before the pandemic on business outcomes during the pandemic and recovery period.

The pandemic is far from over. This study can continue to track neighborhood impacts during the pandemic and recovery periods, as well as expand to include more neighborhoods in the sample. In addition, a more detailed analysis by businesses sector and subsector could reveal further trends about pandemic impacts on business type. Further study on individual business effects could include analysis of businesses surviving in ways that don't rely on foot traffic or an examination of business closures and openings over the course of the pandemic.

These results have implications for pandemic assistance and recovery programs. In the short term, any government assistance program must address the systematic differences in pandemic impact. A race-blind or even location-independent

recovery program will be unable to offer assistance where it is most needed. One broad program cannot meet the specific needs of different neighborhoods. In the longer term, the reality of these disparate impacts will have a lingering effect and must be considered in recovery plans. Neighborhoods should be prioritized for recovery based on the actual effects of the pandemic to promote equitable outcomes. Elected officials should be aware of the uneven effects and enact policies that ensure an equitable recovery. Policy analysts should monitor, assess, and recommend policy based on evidence and results.

# References

Front Cover Photo Credit: Dapiki Moto, 2020

Back Cover Photo Credit: Hanson Lu, 2020

1. Ong, P., & Gonzalez, S. 2019. *Uneven Urbanscape: Spatial Structures and Ethnoracial Inequality* (Cambridge Studies in Stratification Economics: Economics and Social Identity). Cambridge: Cambridge University Press.
2. Link, B., & Phelan, J. 1995. Social Conditions As Fundamental Causes of Disease. *Journal of Health and Social Behavior*, 80-94. Retrieved October 22, 2020, from <http://www.jstor.org/stable/2626958>
3. Ong, P., & Gonzalez, S., et al. 2020. "Struggling to Stay Home: How COVID-19 Shelter-in-Place Policies Affect Los Angeles' Black and Latino Neighborhoods," May 19, 2020. <https://knowledge.luskin.ucla.edu/wp-content/uploads/2020/05/LPPI-CNK-3-Shelter-in-Place.pdf>
4. Robert Fairlie. 2020. "The Impact of COVID-19 on Small Business Owners: Evidence from the First Three Months after Widespread Social Distancing Restrictions." <https://onlinelibrary.wiley.com/doi/epdf/10.1111/jems.12400>
5. California Open Data Portal. 2020. "COVID-19 Cases." <https://data.ca.gov/dataset/covid-19-cases/resource/926fd08f-cc91-4828-af38-bd45de97f8c3>
6. "How a Rush to Reopen Drove Los Angeles County into a Health Crisis." 2020. LA Times. <https://www.latimes.com/projects/how-rushed-la-reopening-sparked-covid-19-cases/>
7. Blueprint for a Safer Economy. 2020. Press Release. <https://www.gov.ca.gov/2020/08/28/governor-newsom-unveils-blueprint-for-a-safer-economy-a-statewide-stringent-and-slow-plan-for-living-with-covid-19/>
8. COVID-19 Tracking Tiers. 2020. <https://update.covid19.ca.gov/>
9. StreetLight Data. (2020). <https://www.streetlightdata.com/>
10. U.S. Department of Labor. 2020. Unemployment Insurance Claims. <https://oui.doleta.gov/unemploy/wkclaims/report.asp>
11. U.S. Census Bureau. 2020. American Community Survey Reports. <https://www.census.gov/content/dam/Census/library/publications/2020/demo/acs-44.pdf>
12. U.S. Census Bureau. 2020. Small Business Pulse Survey. <https://portal.census.gov/pulse/data/#weekly>

13. U.S. Small Business Administration. 2020. Paycheck Protection Program. <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
14. UCLA Latino Policy and Politics Initiative. 2020. Paycheck Protection Program Literature Review.
15. Centers for Disease Control. 2020. "COVID-19 Hospitalization and Death by Race/Ethnicity." <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>
16. Robert Fairlie. 2020. "Early Evidence of Impacts of COVID-19 on Minority Unemployment." <https://www.sciencedirect.com/science/article/pii/S0047272720301511>
17. Dua, A., Mahjan, D., et al. 2020. "COVID-19's Effect on Minority-Owned Small Businesses in the United States." McKinsey & Company. <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states>
18. Liu, S., Parilla, J. 2020. "Businesses Owned by Women and Minorities Have Grown. Will COVID-19 Undo That?" Brookings Institution. <https://www.brookings.edu/research/businesses-owned-by-women-and-minorities-have-grown-will-covid-19-undo-that/>
19. "Contracting Barriers and Factors Affecting Minority Business Enterprises." 2016. Minority Business Development Agency. [https://archive.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/ContractingBarriers\\_AReviewofExistingDisparityStudies.pdf](https://archive.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/ContractingBarriers_AReviewofExistingDisparityStudies.pdf)
20. "Coronavirus Recession Could Accelerate Gentrification." Washington Post. 2020. <https://www.washingtonpost.com/business/2020/07/31/ethnic-enclaves-gentrification-coronavirus/?arc404=true>
21. Yi, S. 2020. NYC COVID Closures Study. "Changes to the Food Retail Environment Due to COVID-19."
22. Collins, B. 2020. "Whose Culture, Whose Neighborhood? Fostering and Resisting Neighborhood Change in the Multiethnic Enclave." *Journal of Planning Education and Research* 40(3): 249–62. <https://doi.org/10.1177/0739456X18755496>
23. "Mapping L.A." 2020. Los Angeles Times. <http://maps.latimes.com/neighborhoods/>

24. Sánchez, G. 2004. "What's Good for Boyle Heights Is Good for the Jews': Creating Multiracialism on the Eastside during the 1950s." *American Quarterly* 56(3): 633–61. <http://www.jstor.org/stable/40068237>
25. Crisman, J. and Kim, A. 2019. "Property Outlaws in the Southland: The Potential and Limits of Guerrilla Urbanism in the Cases of Arts Gentrification in Boyle Heights and Street Vending Decriminalization in Los Angeles." *Urban Design International* 24: 159–70. <https://doi.org/10.1057/s41289-019-00086-6>
26. Cho, J. 2009. *Chinese Historical Society of Southern California: Chinatown in Los Angeles*. Arcadia Publishing.
27. Chapple, R. 2010. "From Central Avenue to Leimert Park." In D. M. Hunt and A.-C. Ramón (Eds.), *Black Los Angeles: American Dreams and Racial Realities* (pp. 21–59). New York: New York University Press.
28. SafeGraph. 2020. "Places Manual," September 11. <https://docs.safegraph.com/docs/places-manual>
29. Hoffman, A. 2018. "Introducing SafeGraph Places: The Source of Truth about Physical Places." *Ideas-of-Interest* (blog), July 25. <https://www.safegraph.com/blog/introducing-safegraph-places-the-source-of-truth-about-physical-places>
30. SafeGraph. 2020. "FAQs," August. <https://docs.safegraph.com/docs/faqs>
31. Squire, R. 2019. "What about Bias in Your Dataset?' Quantifying Sampling Bias in SafeGraph Patterns." SafeGraph. <https://colab.research.google.com/drive/1u15afRytJMsizySFqA2EPIXSh3KTmNTQ>
32. SafeGraph. 2020. "Places Schema," September 7. <https://docs.safegraph.com/docs/places-schema>
33. Thakkar, N., Burstein, R., et al. "Social Distancing and Mobility Restrictions Have Reduced COVID-19 Transmission in King County, WA." March 29, 2020. [https://covid.idmod.org/data/Social\\_distancing\\_mobility\\_reductions\\_reduced\\_COVID\\_Seattle.pdf#/](https://covid.idmod.org/data/Social_distancing_mobility_reductions_reduced_COVID_Seattle.pdf#/)



**UCLA** Center for Neighborhood  
Knowledge

<https://knowledge.luskin.ucla.edu/>

 KnowledgeLuskin

 UCLACenterforNeighborhoodKnowledge

[knowledge@luskin.ucla.edu](mailto:knowledge@luskin.ucla.edu)