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Title

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In the spring of 2021, IGS launched a two-year Diversity and Entrepreneurship Fellowship Program. Cal-in-Sac Fellows conducted original research focused on the challenges and opportunities facing women- and POC-owned small businesses and diverse entrepreneurs in California. This series includes Op-Eds, blogs, policy briefs and other research products that capture key findings of the students' research. Learn more at <https://igs.berkeley.edu/matsui-center/fellowships/cal-in-sacramento>.

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BIPOC Small Businesses: Surviving and Sacrifice

By Tanvi Saran

Extreme situations often result in contour methods, methods that change and adapt to precisely remedy or mediate situations. Ideally, individuals, communities, and bodies are able to holistically respond to a devastating situation and accurately find remedies and create new systems that bring protection in the future. Covid-19 perfectly fits the extreme situations model, for it overwhelmed the world's existing systems and tested its dexterity, resulting in economic devastation and a staggering amount of loss of human life. The magnitude of the Covid-19 crisis has prompted several questions about the systems we have in place and how individuals navigate this terrain. Here we explore barriers faced by restaurants in the crisis, and how employee benefits and the employee experience were impacted due to lack of preparation for situations that are likely to become more common.

Deep cracks in the healthcare system have been exposed by the deadly pandemic, with small businesses and employees facing the harshest realities, but they existed long before the pandemic emerged. After 12 years of business, Mission Pie, a popular pie bakery in San Francisco, closed its doors prior to the pandemic. Its farewell in 2018 came after founders Krystin Rubin and Karen Heisler came to realize they could not afford to keep their Mission Street location without compromising the quality of the food they served or the benefits they provided to their employees. In an article published by Mission Local detailing the closure of the small business, the pie shop's aim was to "produce high-quality food from high-quality, ethically sourced ingredients, price it at a level people in the neighborhood could ostensibly afford, and treat

the staff well.” At the time the shop closed, Mission Pie employed 25 employees who earned \$15.75 to \$20 an hour, with an additional \$7 in tips. Moreover, each employee received a 401K employer match. The corner pie spot was a respected and loved pinnacle on Mission street. The demise of Mission Pie highlights the vulnerabilities of small businesses in San Francisco. Covid-19 added another layer of vulnerability to small business owners and their employees.

An analysis of eight major California counties that comprise 30.5% of California’s population reveals that high poverty, food insecurity, high incarceration rates, low education and lack of healthcare access make individuals more predisposed to Covid-19. These individuals often are Black, Indigenous and People of Color (BIPOC), immigrants, or non-English speakers – many of whom work in the restaurant and food service industry.

The owners of San Francisco Restaurant Three Brothers Tacos, featured in an [SFGate article](#) in 2020, explained that their East Palo Alto Mexican Restaurant had to resort to takeout and deliveries to keep their business afloat. This story is not uncommon, and it is measures like these that businesses had to take before being among the [45% of small businesses](#) that closed in SF during the pandemic.

Asian-owned businesses in the Bay Area were especially impacted. Japantown and Chinatown in San Francisco saw massive decreases in visitors and business. [Asiastar Fantasy](#), a SF Chinatown shop, saw an 80% decrease in sales; this mirrors the losses that other businesses saw. A medley of Anti-Asian sentiment coupled with the devastation of the pandemic adversely affected Asian businesses nationwide.

What Mission Pie reveals is that even prior to the pandemic, being a small business with a strong moral business plan can be difficult to sustain. It reveals that providing healthcare benefits to employees isn't always feasible for small businesses with limited resources and small profit margins; thus requiring businesses, rather than the state, to cover the cost of healthcare benefits for employees might be a step too far ahead. In addition, taking into account the type of individuals that are vulnerable to Covid-19, in the Bay Area it's clear that BIPOC small businesses were especially vulnerable, including Asian-owned ones that also bore the burden of racist remarks in the media and made by members of the public and public figures.

It is clear that what it takes to survive this type of extreme situation are contour methods. These contour methods can manifest in several ways and, like Three Brothers Tacos, business owners found ways to adapt. Parklets, outdoor seating, and shifting to take out, helped some restaurants navigate the challenges of the pandemic, but what is most needed is system change that brings with it benefits and safety nets for the businesses and their employees, protecting them from extreme situations now and in the future.