

The Impact

The U.S. Census Bureau's Small Business Pulse Survey gives an insight into Covid-19's impact on Puerto Rico's small businesses between April 26 to May 2, 2020.¹ According to this survey,² at least 65.4 percent of Puerto Rico's small business respondents reported a large negative effect from COVID-19 (see table 1). Puerto Rico's small businesses (65.4%) show the highest overall impact compared to the states and nationwide (51.4%).

Table 1. Overall Covid-19 Impact between April 26 to May 2

Question	Answer	Puerto Rico	U.S.	Diff*	
Overall, how has this business been affected by the COVID-19 pandemic?	Large Negative Effect	65.4%	51.4%	14.0%	PR Higher
	Moderate Negative Effect	29.2%	38.5%	-9.3%	PR Lower

Source: U.S. Census Bureau's Small Business Pulse Survey, April 26 to May 2, 2020.

*Diff column represents the percentage points difference between Puerto Rico and U.S.

As shown in table 2, nearly one-third (29.2%) of the respondents reported a moderate negative effect relative to the national average of 38.5 percent. At least 37.6 of Puerto Rico's respondents expect their businesses to take more than 6 months for normal business operations to resume.

Table 2. Opinions related to businesses returning to normal operations

Question	Answer	Puerto Rico	U.S.	Diff*	
In your opinion, how much time do you think will pass before this business returns to its usual level of operations? Select only one:	2-3 months	23.2%	24.1%	-0.9%	PR Lower
	4-6 months	30.8%	27.7%	3.1%	PR Higher
	More than 6 months	37.6%	31.4%	6.2%	PR Higher

Source: U.S. Census Bureau's Small Business Pulse Survey, April 26 to May 2, 2020.

*Diff column represents the percentage points difference between Puerto Rico and U.S.

Impact by Industry

It is important to note, not all of Puerto Rico's small business industries is represented in this survey and this may be partially due to lower response rate. However, among those who responded, Puerto Rico's respondents within the 'health care and social assistance' (76.6%) reported a large negative effect from COVID-19 followed by 'retail trade' (74.6%), and the 'professional, scientific, and technical services' (45.3%). Nationally, the Small Business Pulse Survey reports the 'accommodation and food services' (83.5%) as the hardest hit followed by 'arts, education, and recreation' (75.2%) and 'educational services' (74.3%), 'healthcare and social assistance' (69.5%), 'other services (except public administration)' (64.6%).

Impact on Business Revenues

Between the week of April 26 and May 2, 41 percent of the Island's small business respondents reported their total operating revenue for their business between \$0 to \$500; followed by 24.9 percent between \$501 to \$2,500; 10.2 percent between \$5,001 to \$15,000; and lastly 10.1 percent between \$2,501 to \$5,000.

Table 3. Total Operating Revenue for Small Businesses between April 26 to May 2

Question	Answer	Puerto Rico	U.S.	Diff*	
In the last week, what was the total operating revenue for this business?	\$0 - \$500	41.3%	23.0%	18.3%	PR Higher
	\$501 - \$2,500	24.9%	11.9%	13.0%	PR Higher
	\$2,501 - \$5,000	10.1%	10.0%	0.1%	Same
	\$5,001 - \$15,000	10.2%	15.3%	-5.1%	PR Lower

Source: U.S. Census Bureau's Small Business Pulse Survey, April 26 to May 2, 2020.

*Diff column represents the percentage points difference between Puerto Rico and U.S.

Financial Assistance

Between April 26 and May 2, at least 56.7 percent of the small business respondents from Puerto Rico requested financial assistance from Paycheck Protection Program (PPP),³ followed by 25.6 percent from State or Local Government, 22.3 percent from Economic Injury Disaster Loans (EIDL), 17.1 percent other, and 13.3 percent from SBA Loan Forgiveness. Key differences are shown within the sample in the type of financial assistance Puerto Rico's small businesses requested in financial assistance compared to the nation overall. For example, 74.9 percent of the nation's small business respondents requested financial assistance from the Paycheck Protection Program (PPP), this is 18.2 percentage points higher than Puerto Rico's small businesses (56.7%) reported in the survey. Furthermore, this survey also sheds light that Puerto Rico's small businesses are more likely to seek financial assistance from their 'State and Local Governments' (25.4%) while the national average was only 4.9 percent. Other reports found Puerto Rico has received far less loans from the Paycheck Protection Program (PPP) relative to other states.⁴

Table 4. Source of Financial Assistance

Question	Answer	Puerto Rico	U.S.	Diff*	
In the last week, what was the total operating revenue for this business?	Paycheck Protection Program (PPP)	56.7%	74.9%	-18.2%	PR Lower
	Economic Injury Disaster Loans (EIDL)	22.3%	29.3%	-7.0%	PR Lower
	SBA Loan Forgiveness	13.3%	10.2%	3.1%	PR Higher
	State or Local Government	25.6%	4.9%	20.7%	PR Higher
	Self	10.9%	12.7%	-1.8%	PR Lower
	Other	17.1%	17.3%	-0.2%	Same

Source: U.S. Census Bureau's Small Business Pulse Survey, April 26 to May 2, 2020.

*Diff column represents the percentage points difference between Puerto Rico and U.S.

Since March 13, 2020, 56.7 percent of the Island’s small business respondents who sought financial assistance from the Paycheck Protection Program (PPP) only 17.8 percent received the assistance in Puerto Rico while 38.1 percent received the assistance nationwide. On the other hand, 74.9 percent of Puerto Rico’s respondents reported no financial assistance from any federal program compared to 53.6 percent in the United States (see table 5).

Table 5. Financial Assistance Received from Federal Government

Question	Answer	Puerto Rico	U.S.	Diff*	
Since March 13,2020, has this business received financial assistance from any of these programs from the federal government? Select all that apply:	Paycheck Protection Program (PPP)	17.8%	38.1%	-20.3%	PR Lower
	This business has not received financial assistance from any Federal Program	74.9%	53.6%	21.3%	PR Higher

Source: U.S. Census Bureau’s Small Business Pulse Survey, April 26 to May 2, 2020.

*Diff column represents the percentage points difference between Puerto Rico and U.S.

The number of respondents is expected to increase in the following weeks and the next survey will be released on May 21, 2020.

Footnotes:

- 1.The sample size of the 1st survey includes a total of 22,449 businesses nationwide and responded between April 26 to May 2, 2020. According to the U.S. Census Bureau, this survey was conducted via email.
2. Source: <https://portal.census.gov/pulse/data/>
3. The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
4. Source: https://www.theweeklyjournal.com/business/only-7-percent-of-small-businesses-in-puerto-rico-received-approvals-for-ppp-funds/article_347fa6f2-84bf-11ea-ba60-7710c25646fd.html

Appendix A. U.S. Census Bureau's Small Business Pulse Survey Results for Puerto Rico and the U.S., April 26 to May 2, 2020.

Question	Answer	PUERTO RICO	US	DIFF*	
Overall, how has this business been affected by the COVID-19 pandemic?	Large negative effect	65.4%	51.4%	14.0%	PR Higher
	Moderate negative effect	29.2%	38.5%	-9.3%	PR Lower
In the last week, did this business experience a change in operating revenues?	Yes, increased	6.8%	5.9%	0.9%	PR Higher
	Yes, decreased	79.8%	74.0%	5.8%	PR Higher
	No	13.5%	20.1%	-6.6%	PR Lower
In the last week, what was the total operating revenue for this business?	\$0 - \$500	41.3%	23.0%	18.3%	PR Higher
	\$501 - \$2,500	24.9%	11.9%	13.0%	PR Higher
	\$2,501 - \$5,000	10.1%	10.0%	0.1%	Same
	\$5,001 - \$15,000	10.2%	15.3%	-5.1%	PR Lower
In the last week, did this business temporarily close any of its locations for at least one day?	Yes	76.7%	41.4%	35.3%	PR Higher
	No	23.3%	58.6%	-35.3%	PR Lower
In the last week, did this business have a change in the number of paid employees?	Yes, decreased	46.3%	27.5%	18.8%	PR Higher
	No	50.9%	68.2%	-17.3%	PR Lower
In the last week, did this business have a change in the total number of hours worked by paid employees?	Yes, decreased	77.4%	51.2%	26.2%	PR Higher
	No	19.5%	43.2%	-23.7%	PR Lower
In the last week, did this business have disruptions in its supply chain?	Yes	67.7%	44.9%	22.8%	PR Higher
	No	32.3%	55.1%	-22.8%	PR Lower
In the last week, did this business shift to the production of other goods or services?	Yes	16.6%	6.8%	9.8%	PR Higher
	No	83.4%	93.2%	-9.8%	PR Lower
In the last week, did any of this business's locations adopt pickup/carry-out/delivery as their only means of providing goods and services to their customers?	Yes	24.0%	15.2%	8.8%	PR Higher
	No	76.0%	84.8%	-8.8%	PR Lower
How would you describe the current availability of cash on hand for this business? Currently, cash on hand will cover:	1-7 days of business operations	13.7%	9.5%	4.2%	PR Higher
	1-2 weeks of business operations	21.6%	13.8%	7.8%	PR Higher
	3-4 weeks of business operations	16.0%	17.9%	-1.9%	PR Lower
	1-2 months of business operations	16.6%	24.8%	-8.2%	PR Lower
	3 or more months of business operations	9.8%	16.7%	-6.9%	PR Lower
	No cash available for business operations	16.1%	6.8%	9.3%	PR Higher
	Don't know	6.3%	10.4%	-4.1%	PR Lower
The White House declared a national emergency because of the COVID-19 pandemic on March 13,2020. Since then, has this business missed any loan payments?	Yes	20.0%	11.5%	8.5%	PR Higher
	No	80.0%	88.5%	-8.5%	PR Lower
Since March 13,2020, has this business missed any other scheduled payments, not including loans? Examples of other scheduled payments include rent, utilities, and payroll.	Yes	47.1%	23.6%	23.5%	PR Higher
	No	52.9%	76.4%	-23.5%	PR Lower
Since March 13,2020, has this business requested financial assistance from any of the following sources? Select all that apply:	Paycheck Protection Program (PPP)	56.7%	74.9%	-18.2%	PR Lower
	Economic Injury Disaster Loans (EIDL)	22.3%	29.3%	-7.0%	PR Lower
	SBA Loan Forgiveness	13.3%	10.2%	3.1%	PR Higher
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In your opinion, how much time do you think will pass before this business returns to its usual level of operations? Select only one:	2-3 months	23.2%	24.1%	-0.9%	PR Lower
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