OFFICE OF THE NEW YORK STATE COMPTROLLER

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Business Growth in New York City During the COVID-19 Pandemic

Highlights

- During the first half of the pandemic, very small businesses (fewer than 5 employees) in New York City saw an increase similar to the national growth rate.
- During the second half of the pandemic, however, these businesses grew by only 1.2 percent citywide, similar to pre-pandemic levels, while nationally, they grew by a robust 14 percent.
- While the City as a whole added over 10 percent more very small businesses during the course of the pandemic, only the Bronx and Brooklyn saw sustained growth, and Manhattan lost some of its initial gains.
- While Manhattan remains the largest borough by business concentration, business activity in Brooklyn grew during the pandemic. Brooklyn now accounts for over a quarter of very small businesses and total businesses in the City.
- Business growth was concentrated in industries that experienced employment loss at different points in the business cycle, including construction, information and professional and business services.
- Leisure and hospitality saw an initial boom in very small businesses as well, which subsided as hiring in the industry strengthened.
- In 2020, the City received nearly $14 billion in small business loans – including those related to COVID – almost 70 percent of the New York City metropolitan area total and over 80 percent greater than in 2019.

The formation of businesses in established and emerging industries has long been a key contributor to New York City's economic growth. Between 2010 and 2019, the number of businesses in the City grew by nearly 16 percent, more than the national rate of 14 percent. The onset of the COVID-19 pandemic impacted the business landscape in New York City in terms of business size, location and industry.

The pandemic resulted in significant job loss and an abrupt shift to remote work and adjusted physical operations. These changes led individuals, out of necessity or opportunity, to form new businesses. The easing of regulations and increased availability of funding also reduced barriers to entry and boosted entrepreneurship. As a result, activity among the City's very small businesses, those with fewer than five employees, was quite strong in the first half of the pandemic. As economic activity began to normalize amid the introduction of vaccines, larger businesses rebounded and small business growth slowed in the second half of the pandemic.

Business activity, still dominated by the Central Business District in Manhattan, has also shifted to the outer boroughs. Brooklyn saw an acceleration of a pre-pandemic trend toward companies formed in the information and professional and business services sectors. While business growth citywide has slowed, a number of geographic, business size and industry trends have persisted and provide an opportunity for careful review. City officials can monitor business formation and closures, minority and women-owned business certification levels, and the overall regulatory environment to support business growth and usher in the future of the local economy.

Very Small Businesses Fueled Pandemic Business Growth

In 2020, the COVID-19 pandemic led to mass disruption of economic activity, as major restrictions to manage the virus required remote or limited physical operations or closures of businesses. Nationwide, many large and midsize businesses initially laid workers off to manage the implications of these new circumstances. At the same time, commuting patterns shifted amid the adoption of remote work and domestic demand for certain goods grew amid the move to remote schooling.

These shifts encouraged the creation of new small businesses, both out of opportunity and necessity. Research has shown that loss of employment may push some individuals to become entrepreneurs out of necessity, to earn income.[1] The expansion of remote work may have also encouraged the creation of businesses to take advantage of opportunity, for instance individuals who may have worked in face-to-face industries who wanted to shift to remote industries and lower barriers to entry through the proliferation of online shopping.

One gauge that analyzes why entrepreneurs start businesses showed that prior to the pandemic, the share of new entrepreneurs that created a business out of opportunity (meaning they were not unemployed and not looking for a job as they started the new business) was higher in New York State at 89.3 percent compared to 86.9 percent nationally.[2] When the pandemic hit, both experienced a decline in share in 2020, though it was far worse nationally, falling over 17 points to 69.8 percent (the State's share fell by only 5.4 points), suggesting more businesses started out of necessity nationally than statewide.

These metrics were clearly reflected in the total number of businesses nationally, which grew between the first quarter of 2019 and the first quarter of 2021. (This report generally refers to this period as the first half of the pandemic or the beginning of the pandemic; see Figure 1.) Even as employment overall was down, given large businesses adjusted their workforces to withstand

FIGURE 1
Number of Businesses by Geography and Size (Employment), Q1 2019 to Q1 2023 (in thousands)

		<5	5 to 9	10 to 49	50 to 249	250 to 499	500 to 999	1000+	Total
New York City	Q1 2019	179.3	37.3	40.9	9.0	1.1	0.5	0.3	268.4
	Q1 2021	195.5	35.2	35.3	7.2	0.9	0.4	0.3	274.8
	Q1 2023	197.8	37.6	40.0	8.6	1.1	0.5	0.4	285.8
	Percent Change, 2019 to 2021	9.0%	-5.9%	-13.7%	-20.1%	-12.7%	-14.0%	-9.7%	2.4%
	Percent Change, 2021 to 2023	1.2%	6.8%	13.2%	20.1%	18.0%	8.2%	16.0%	4.0%
	Percent Change, 2019 to 2023	10.3%	0.6%	-2.3%	-4.0%	2.9%	-7.0%	4.7%	6.5%
United States	Q1 2019	6,165.2	1,453.9	1,757.9	376.4	34.1	11.8	6.3	9,805.6
	Q1 2021	6,765.6	1,479.1	1,714.5	344.6	32.3	10.8	6.2	10,353.1
	Q1 2023	7,734.0	1,516.0	1,826.8	386.1	34.8	11.6	6.7	11,516.0
	Percent Change, 2019 to 2021	9.7%	1.7%	-2.5%	-8.5%	-5.5%	-8.2%	-2.6%	5.6%
	Percent Change, 2021 to 2023	14.3%	2.5%	6.6%	12.0%	7.8%	7.6%	8.0%	11.2%
	Percent Change, 2019 to 2023	25.4%	4.3%	3.9%	2.6%	1.9%	-1.2%	5.2%	17.4%

Note: Establishment data by number of employees at the national level is only available for the first quarter of each year.
Sources: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; OSC analysis

the financial and operational implications of the pandemic, very small businesses (those with fewer than five employees) saw an almost 10 percent increase over the period, driving the increase in the overall number of businesses.

This difference between large and small businesses was even more pronounced in New York City. Among businesses with five or more employees, every class size experienced more significant declines than nationwide from 2019 to 2021. However, very small businesses in New York City saw an increase similar to the nation at 9 percent, suggesting the pandemic may have fueled the formation of businesses out of necessity or for people in search of new opportunities. Unemployment insurance data also supports the theory that job loss may lead to the creation of businesses out of necessity. In 2020, initial claims for unemployment benefits in the City grew by nearly six times to reach over 1.9 million, an increase similar to the nation.

Very small businesses were a key source of new economic activity during the first half of the pandemic in New York City, as the share of businesses with fewer than five employees grew by more than 4 points to reach over 71 percent of all businesses citywide. Nationally it grew by only 2.5 points to a little over 65 percent.

The growth among very small businesses in the City at a rate that compared to national growth was also unusual when considering growth prior to the pandemic. In the two years before the pandemic, very small businesses in the City grew by an annual average of 1.3 percent, half the rate of those nationally at 2.6 percent.

The growth in the number of businesses also translated to employment growth. Growth in employment by business size class, when compared to the pre-pandemic levels, was limited to very small businesses and the largest businesses (those with over 1,000 employees). Employment among very small businesses grew by 1 percent from 2019 to 2023, to 286,270, while employment among the largest businesses grew 9.6 percent to 990,419. All other business size classes had employment levels in 2023 which remained below 2019. Growth since 2020 was also led by the largest businesses, which grew 23 percent through 2023, but all business size classes experienced growth over the period.

Following the unusually strong growth of small business at the beginning of the pandemic, the City returned closer to pre-pandemic trends as its recovery took hold. Between the first quarter of 2021 and the first quarter of 2023, very small businesses grew by only 1.2 percent citywide compared to over 14 percent nationwide. (This report generally refers to this period as the second half of the pandemic or the end of the pandemic.) At the same time, all other size classes in the City grew at rates greater than nationally, suggesting very small businesses that formed during the first half of the pandemic, and larger businesses, added employees amid growing demand.

Business Activity Shifted Away from the Central Business District

While the City as a whole added over 10 percent more very small businesses over the course of the pandemic, the sources of that growth varied geographically. Most notably, Manhattan, which still makes up the largest share of total businesses citywide at nearly 45 percent, saw its dominance decline. The shift in growth among very small businesses and all businesses from Manhattan to the outer boroughs coincides with the shift in remote work, changes in commuting patterns and greater demand for larger living spaces.[3]

In 2023, the number of very small businesses was at least 10 percent greater than in 2019 in every borough except Manhattan (see Figure 2). This growth, however, was not distributed evenly. Between 2019 and 2023, Brooklyn's share of very small businesses citywide grew by 1.8 points to

FIGURE 2

Number of Businesses by Borough and Size (Employment)
(in thousands)

Borough	Business Size Class	2019	2019 Share	2023	2023 Share	Percent Change, 2019 to 2023
Bronx	Fewer than 5	12.3	6.7%	13.6	6.9%	10.5%
	Total	18.3	6.7%	19.5	6.8%	6.4%
Brooklyn	Fewer than 5	45.3	24.9%	52.9	26.7%	16.8%
	Total	63.7	23.4%	72.1	25.2%	13.2%
Manhattan	Fewer than 5	81.2	44.5%	83.6	42.2%	3.1%
	Total	127.5	46.9%	128.1	44.7%	0.4%
Queens	Fewer than 5	37.1	20.3%	40.8	20.6%	10.1%
	Total	52.8	19.4%	56.5	19.7%	6.8%
Staten Island	Fewer than 5	6.4	3.5%	7.1	3.6%	10.4%
	Total	9.7	3.6%	10.3	3.6%	6.1%
New York City	Fewer than 5	182.3	100.0%	198.1	100.0%	8.7%
	Total	272.1	100.0%	286.4	100.0%	5.3%

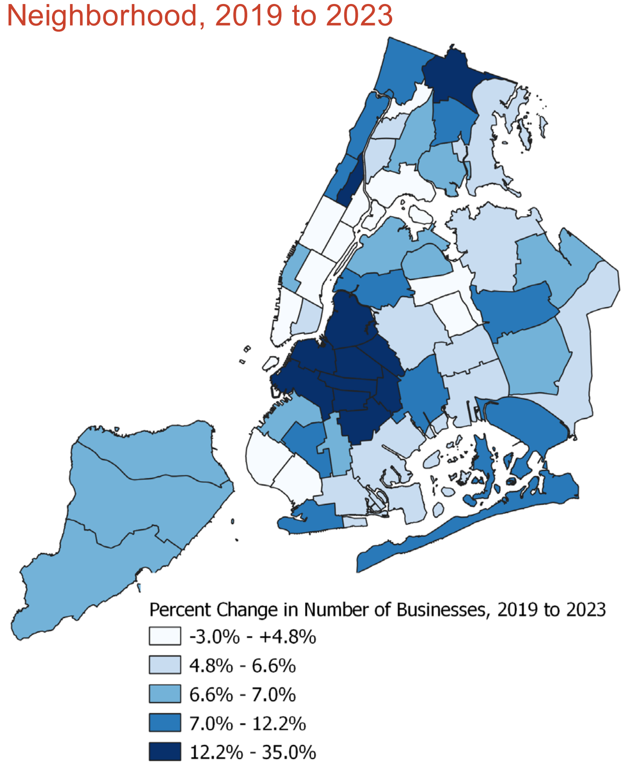
Sources: New York State Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

26.7 percent, by far the largest increase in share among the boroughs. Manhattan's share shrunk by a larger 2.3 points to 42.3 percent. Once again, unemployment insurance claims suggest necessity or opportunity may have fueled some of this growth, as Brooklyn and Queens each accounted for over 30 percent of the growth in claims citywide during that period, followed by the Bronx at about 20 percent.

Within the boroughs, certain neighborhoods saw significant growth between 2019 and 2023, led by Brooklyn (see Figure 3). Business growth in the borough was concentrated in Bedford-Stuyvesant (35 percent), Bushwick (30 percent) and Crown Heights North (27 percent). Each of these neighborhoods had a high concentration of residents employed in business services in 2019.[4] During the period, business growth in these neighborhoods, and citywide, was fueled by growth in the information and professional and business services sectors. These sectors were more amenable to remote work and had lower barriers to entry, enabling people working in

FIGURE 3

Total Business Growth in New York City by Neighborhood, 2019 to 2023



Sources: New York State Department of Labor, Quarterly Census of Employment and Wages; New York City Department of Planning; OSC analysis occupations such as app developers to form their own businesses more easily.

Outside of Brooklyn, Harlem in Manhattan and Wakefield, Williamsbridge, and Eastchester in the Bronx saw significant growth between 2019 and 2023 of 19.4 percent and 12.7 percent, respectively. Neighborhoods in Manhattan below 96th Street saw declines or comparatively slow growth over the period, as overall population, commuters and foot traffic in the borough declined.

Industry-Specific Trends Fueled Business Growth

Job losses were more common in certain face-to-face industries at the onset of the pandemic. Prior to the pandemic, the City had a higher share of employment in the restaurant, retail and recreation industries in particular, which were disproportionately impacted due to the severity of the pandemic locally.[5] More recently, industries that saw substantial employment increases during the pandemic such as the office sector have seen a decline in employment as they manage changes in the operating and financing landscape.[6]

In 2023, information, professional and business services, and leisure and hospitality all had unemployment claims levels that exceeded 2019 levels by at least 75 percent. The leisure and hospitality sector saw the largest increase in unemployment insurance claims in 2020, growing by over 20 times since 2019 to reach over 1.1 million (see Figure 4).

As suggested earlier, during the beginning of the pandemic, industries that experienced significant employment loss but had lower barriers to entry and benefited from the shift to remote work saw relatively strong growth in very small businesses.

During the beginning of the pandemic, the City saw very small businesses grow the most in the leisure and hospitality industry by over 22 percent compared to less than 16 percent nationally. This industry – comprised of the arts, entertainment and recreation, and accommodation and food services, sectors – underwent major disruption during the pandemic.[7] A shift to delivery services and the implementation of a number of City programs to combat the pandemic's effects on these industries, particularly for food and beverage services, may have helped support this growth.

The City's implementation of the outdoor dining and Open Streets programs to transform streets into public spaces in 2020 may have boosted opportunity for nimble entrepreneurs, as

FIGURE 4

Number of Initial Claims for Unemployment Benefits by Industry and Geography

	New York City			United States		
Industry	2019	2023	Percent Change, 2019 to 2023	2019	2023	Percent Change, 2019 to 2023
Construction	46.0	71.8	56.2%	2,853.5	2,447.0	-14.2%
Trade, Transportation and Utilities	81.9	140.7	71.8%	3,168.8	3,264.5	3.0%
Information	25.4	88.5	248.7%	592.8	909.5	53.4%
Financial Activities	34.7	43.7	26.2%	913.6	1,105.4	21.0%
Professional and Business Services	117.7	216.3	83.8%	3,589.3	3,901.6	8.7%
Education and Health Services	76.2	126.2	65.6%	2,127.5	2,168.9	1.9%
Leisure and Hospitality	55.1	97.7	77.4%	1,551.6	1,468.2	-5.4%
Other Services	15.6	22.2	41.9%	525.4	533.7	1.6%

Sources: U.S. Department of Labor, Unemployment Insurance; New York State Department of Labor, Unemployment Insurance Data; OSC analysis

FIGURE 5

Number of Businesses with Fewer than Five Employees by Industry and Geography (in thousands)

Industry	New York City Q1 2019	New York City Q1 2023	New York City Percent Change, Q1 2019 to Q1 2023	United States Q1 2019	United States Q1 2023	United States Percent Change, Q1 2019 to Q1 2023
Construction	10.0	11.3	13.2%	542.8	623.8	14.9%
Manufacturing	2.9	3.0	3.2%	148.4	183.2	23.5%
Trade, Transportation and Utilities	34.2	34.1	-0.2%	1,028.8	1,152.6	12.0%
Information	4.6	6.3	38.9%	121.2	214.2	76.8%
Financial Activities	21.8	22.5	3.3%	615.2	765.3	24.4%
Professional and Business Services	30.5	34.2	12.1%	1,335.0	1,816.1	36.0%
Education and Health Services	15.3	16.3	6.8%	1,224.0	1,532.6	25.2%
Leisure and Hospitality	15.9	16.7	5.2%	303.4	362.7	19.5%
Other Services	29.5	27.1	-8.0%	625.0	646.8	3.5%

Note: Establishment data by number of employees at the national level is only available for the first quarter of each year.
Sources: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; OSC analysis

employment prospects at larger indoor dining establishments remained depressed. As an example, neighborhoods that participated in the Open Streets program saw a surge in the number of new restaurants and bars compared to neighborhoods that did not participate.[8]

As regulations were relaxed, vaccines were distributed and more traditional dining establishments began to hire more quickly, business growth in the industry slowed. In the second half of the pandemic, all sectors saw growth except for leisure and hospitality. It is possible the expansion of initially very small businesses, as well as the return of very large businesses in this industry, had a larger impact on the success of start-up businesses citywide than nationally.

The construction, information, and professional and business services industries saw relatively strong growth in very small businesses both in the City and nation from the first quarter of 2021 to the first quarter of 2023. These three industries experienced the largest growth in the number of very small businesses for the four-year period beginning in the first quarter of 2019 (see Figure 5).

The information and professional and business services sectors also saw very small businesses grow initially both citywide and nationally, as the pandemic expanded, and even necessitated, remote work opportunities, and the many services that were created to take advantage of further digitalization of the economy.[9] For example, software publishing companies, which include app developers, grew significantly in 2020, representing 6.2 percent of the growth among all very small businesses citywide.

The tech-intensive component of the professional and business services sector, called the professional, scientific and technical services sector, also strenghtened. Prior to the pandemic, the sector nationally accounted for 32 percent of employment in science, technology, engineering and mathematics (STEM) occupations that may have fueled the boom in artificial intelligence-related business start-ups.[10]

Growth in these industries followed pre-pandemic trends. Very small businesses' growth was concentrated in Brooklyn, where creative industry start-ups were on the rise even prior to the pandemic. In 2018, Brooklyn was home to 9.2 percent of New York City's start-ups, by one measure (and had grown by 356 percent since 2008).[11]

Growth in very small construction businesses was potentially buoyed by an increase in renovation work for smaller buildings. Permit activity for 1-3 family homes grew during the pandemic.[12]

Despite this growth, the City saw slower growth than nationwide in these industries in the second half of the pandemic. This may have been due to the arc of the City's recovery, location choices related to the remote nature of some of the work or even labor force composition. A large share of the foreign-born labor force worked in the professional and business services sector locally prior to the pandemic, at nearly 36 percent compared to less than 20 percent nationally.[13] In 2020, the share declined citywide as it grew nationally, and still had not recovered as of 2023. Fewer immigrant workers in the professional and business services industry may suggest fewer opportunities for business formation.

Pandemic Aid Fosters Business Opportunities Citywide

In response to the pandemic, substantial fiscal stimulus, including funds directed to businesses, unemployed workers, and accommodative monetary policy supported economic activity, likely increasing applications and approvals for small business loans.[14] This increased financing activity may have also supported business formation. State and local governments also adjusted policy to allow altered operations and reduced barriers for business owners.

In 2020, the number of small business loan originations, or new loans, of less than $1 million in the New York City metropolitan area grew by 2 percent to reach almost 406,000 (see Figure 6).[15] It is notable, however, particularly for very small businesses, that the overall increase in the number of new loans was much smaller than in other populous metropolitan areas and the nation at large.

Loan amounts of $100,000 to less than $250,000 saw the largest increase in number of small business loans in the area followed by loan amounts of $250,000 to less than $1 million. The

FIGURE 6

Loan Metrics by Top 10 Most Populous Metropolitan Areas

	Number of Loans (thousands)					Total Loan Amount ($ billions)				
Metropolitan Area	2019	2020	2022	Percent Change, 2019 to 2020	Percent Change, 2020 to 2022	2019	2020	2022	Percent Change, 2019 to 2020	Percent Change, 2020 to 2022
Atlanta	162.5	186.9	236.7	15.0%	26.7%	$5.0	$8.8	$5.7	77.2%	-34.9%
Chicago	194.0	212.6	210.3	9.6%	-1.0%	$7.3	$12.9	$7.5	77.5%	-42.1%
Dallas	129.6	143.4	166.6	10.6%	16.1%	$4.6	$8.1	$5.2	75.7%	-36.5%
Houston	178.0	195.3	221.4	9.7%	13.4%	$6.2	$10.6	$6.9	71.9%	-35.3%
Los Angeles	354.9	365.9	400.6	3.1%	9.5%	$9.8	$17.5	$9.9	77.7%	-43.3%
Miami	123.6	137.4	168.4	11.2%	22.5%	$2.9	$5.5	$3.9	88.4%	-28.7%
New York	397.7	405.7	423.9	2.0%	4.5%	$11.0	$19.9	$10.8	80.6%	-45.9%
Philadelphia	36.1	43.4	46.9	20.2%	8.1%	$1.2	$2.4	$1.2	95.6%	-49.9%
Phoenix	111.9	118.6	135.4	5.9%	14.2%	$3.3	$6.3	$3.7	88.2%	-40.7%
Washington, D.C.	120.5	125.2	140.4	3.9%	12.2%	$3.7	$7.1	$3.8	91.4%	-45.9%
U.S.	7,219.3	8,003.3	8,497.9	10.9%	6.2%	$250.9	$448.5	$266.7	78.7%	-40.5%

Sources: Federal Financial Institutions Examination Council, Aggregate Flat Files; OSC analysis

FIGURE 7

Loan Metrics by Borough

	Number of Loans (thousands)					Total Loan Amount ($ billions)				
	2019	2020	2022	Percent Change, 2019 to 2020	Percent Change, 2020 to 2022	2019	2020	2022	Percent Change, 2019 to 2020	Percent Change, 2020 to 2022
Bronx	14.9	16.4	18.7	10.3%	13.9%	$0.4	$0.7	$0.4	79.4%	-44.7%
Brooklyn	87.2	82.4	94.4	-5.5%	14.5%	$2.2	$3.2	$2.3	47.0%	-29.2%
Manhattan	97.4	104.9	90.9	7.7%	-13.3%	$3.3	$7.0	$2.8	114.1%	-59.8%
Queens	58.7	57.4	65.7	-2.3%	14.6%	$1.5	$2.3	$1.4	56.1%	-38.7%
Staten Island	11.6	11.9	13.3	2.7%	12.3%	$0.3	$0.5	$0.3	66.5%	-35.2%
New York City	269.8	273.0	283.1	1.2%	3.7%	$7.5	$13.6	$7.1	80.1%	-47.5%

Sources: Federal Financial Institutions Examination Council, Aggregate Flat Files; OSC analysis

area received nearly $20 billion in total that year, an almost 81 percent jump over 2019 and a larger increase than seen across several large metropolitan areas and the nation. The loan numbers include the Paycheck Protection Program and Small Business Administration disaster loans (see the Office of the State Comptroller's prior work on these topics).[16]

During the following two years of the pandemic, new loans to small businesses continued to grow in the New York City metropolitan area. However, the total loan amount to the area in 2022 fell below the 2019 level, even as it surpassed it in most populous metropolitan areas, aligning with the overall slowdown in business growth experienced locally during the second half of the pandemic.

Within the New York City metropolitan area, the City saw almost 273,000 new loans in 2020, a 1.2 percent increase over the prior year (see Figure 7). However, City businesses received nearly $14 billion in loans that year, almost 70 percent of the metropolitan area total loan amount and over 80 percent greater than in 2019. The difference in growth between the loan number and loan amount suggests fewer businesses received larger loan amounts, a disparity that OSC noted for COVID-19 relief options to businesses such as the Restaurant Revitalization Fund program.[17]

Further to this point, within the City, Manhattan saw the largest number of new loans in 2020 at nearly 105,000. However, the largest increase was in the Bronx, at over 10 percent to about 16,400 new loans. By 2022, the total amount citywide fell below pre-pandemic levels, which was not the case for many large metropolitan areas, including Atlanta, Dallas and Miami. This difference suggests that federal COVID-related loans may have played an important role in fueling business activity in most parts of the City. Brooklyn and Staten Island were the only boroughs that saw a higher total loan amount in 2022 compared to 2019.

Outlook

The COVID-19 pandemic provided a unique opportunity for individuals to form their own businesses amid widespread layoffs and a necessity for tech- and health-related goods. During the first half of the pandemic, very small businesses in New York City grew at a rate similar to the nation, unlike before the pandemic. However, the growth locally slowed during the second half of the pandemic and normalized to pre-pandemic levels as it continued to grow nationally. The difference between the City and nation could be due to their very different economic circumstances, with the City fully recovering its pandemic job losses almost two years later than the nation. Additionally, elevated rents, wages and inflation may have disproportionately pressured businesses that formed during a more favorable economic period flush with federal aid.

Still, trends established during this time suggest the City can encourage small business growth further and build on gains in the outer-boroughs and in certain industry sectors. The number of businesses with fewer than five employees citywide was over 10 percent greater than pre-pandemic levels in 2023, suggesting the City should continue to develop the business ecosystem as the economy continues to evolve. This will require monitoring of trends and policies in support of these new businesses. To that end, the City Council recently approved the Mayor's "City of Yes for Economic Opportunity" proposal to support small businesses and entrepreneurs.

One aspect of the Mayor's wider initiative that would benefit from further analysis is the NYC Small Business Opportunity Fund. The ultimately $85 million public-private loan fund was created in 2023 to serve start-up and growth-stage businesses especially in Black, Indigenous and people of color (BIPOC) and immigrant communities. The fund gave low-interest loans to over 1,000 businesses, of which 80 percent were minority or women owned and 69 percent were BIPOC owned. The popular program, now concluded, elicited a response from 15,000 businesses, suggesting more fiscal relief is needed. The Mayor recently took a step in the right direction by announcing another $10 million investment in the NYC Future Fund to further support BIPOC and women entrepreneurs.

The City can also review and build on the programs outlined in "Rebuild, Renew, Reinvent: A Blueprint for New York City's Economic Recovery." Steps would include continuing to foster business growth by expanding access to capital, identifying and remedying onerous regulation and providing mentorship for small business owners. The blueprint also recognized difficulties in scaling up as a small business in a high-cost environment; efforts to improve affordability of housing, utilities and fines and fees are welcome and will be important for fostering future growth. However, elevated inflation and interest rates and slowing national economic growth pose challenges for all small businesses, especially those that formed more recently and have not experienced an economic downturn. Directing programmatic efforts at those businesses that need it most and are likely to succeed will be a formidable challenge that the City needs to rise to in the coming years.

ENDNOTES

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