

# Small Business Closures due to COVID-19 in Portland, OR

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## Introduction

COVID-19 has increased small business closures in Portland, Oregon as a result of safety and social distancing measures in place.

- ❖ Our solutions combine environmental, social, and economic goals, all of which will be implemented through **the CLOUD**, our co-op.

## Literature Review & Links to Sustainability

**World Health Organization (WHO)** declared the COVID-19 outbreak a global pandemic on March 11th, 2020. We have had to adapt to life-changing rules and regulations.

What are **small businesses** and **sustainable cities**?

**SDGs 3, 8, 11, & 12:** Good health & Wellbeing, Decent Work & Economic Growth, Sustainable Cities & Communities, Responsible Consumption & Production)  
**Economic, Environmental, & Social Sustainability**



## Our Solution: The CLOUD Co-Operative

**The Collective of Local Organizations Utilizing Democracy (CLOUD)** is designed to meet the need of its members first by:

- ❖ Leading with equality, fairness, and democracy
- ❖ Providing local businesses with access to resources, bargaining power, and a better chance to reclaim space in Portland

## Research & Feasibility

Small businesses account for **99% of Oregon's businesses** and employ 55% of the state's workers. By Oct. 2, 2020, the pandemic had resulted in the temporary closure of **170 small businesses** and permanently shuttered **20 businesses**.

In 2020, 83 restaurants closed, with 16 additional closures in 2021. Closures are mainly a byproduct of rental and leasing issues. Oregon's back rent is estimated to be between **\$249 million to \$378 million**. Office vacancy rates jumped from 10.6% at the beginning of 2020 to **13.6%** by the year's end.



44%

Population fully vaccinated

4.02 million

Doses administered



## Payment Mechanisms

The March 2021 **COVID-19 relief bill** provides a variety of **government funding** for alleviating the financial difficulties caused by the pandemic.

- ❖ Targeted EIDL Advance
- ❖ Paycheck Protection Program
- ❖ Vaccination site funding

This funding will not last forever, and **the CLOUD** must grow to be **self-sustaining** on its own as its member businesses recover. Ultimately, **the CLOUD** will rely on **membership fees** and **revenue sharing** to cover its own costs and operate fully independent of government aid.

## Cost/Benefit Analysis

Parameters: feasibility, initial & long-term gain, social gain, economic gain, sustainability, job creation

Option 1: **The CLOUD**

- ❖ **Higher** initial investment, **bigger** potential gains, **high barrier to entry**

Option 2: **Pop-up shops**

- ❖ **Faster** implementation, **no** longevity, **little** sustainability



## Discussion & Conclusion

The COVID-19 pandemic has caused many small businesses to close, yet this is not the end. **The CLOUD** provides a **comprehensive solution** to revitalizing small businesses in Portland.

Small businesses stand to strengthen their environmental practices, improve their finances, and regain social capital, all with **the CLOUD**.

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