Unequal Burdens:

Health Outcomes and Small Business Relief During COVID-19 in Los Angeles County

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ABSTRACT

This research focuses on the first ten months of the COVID-19 pandemic in Los Angeles County, who's myriad cities and neighborhoods have been impacted by the health and economic fallout of the pandemic to varying degrees. This study tracks infection rates within localities and analyzes them in relation to their demographics. Allocation of small business relief, including PPP and the Great Plates Delivered program are analyzed as well to see if they were dispensed substantially in the areas with the greatest need. This research found disproportionate health burdens in areas with lower median incomes and higher Latino concentrations, there was also an underrepresentation in small business relief in the areas with the most job losses.

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INTRODUCTION

The COVID-19 pandemic has threatened individuals' wellbeing across the world, with cases globally in the tens of millions and deaths in the millions (The New York Times, *Covid World Map: Tracking the Global Outbreak*). Outside the sheer number of cases, the pandemic has additionally thrown most facets of life into upheaval. This includes much of small brick and mortar businesses, their survival more precarious with the diminishing of public life from lockdown orders and limits on capacity for establishments. It is important to examine the shifts in the restaurant sector during COVID-19 to inform future governmental support responses to health crises or natural disasters, and the economic impacts they entail. The impacts of a disaster, such as COVID-19, and the subsequent aid are usually not distributed equally. (Hopkins, et al.) For example, small business relief loans from the Paycheck Protection Program were found to mostly be going to larger businesses, who often did not use them to retain employment (Jonathan O'Connell, 12/2/2020).

This study examines the disproportionate health and economic impacts across Los Angeles County. Within the county it analyzes areas that have disproportionate COVID-19 infection and job loss rates in order to investigate distribution of the Federal Paycheck Protection Program (PPP) and California enacted Great Plates Delivered (GPD) there. This project scrutinizes whether these benefits were distributed equitably across the county, with attention to communities where the most substantial infection rates and job losses were during the first ten months of the pandemic. These programs' shortcomings and successes can both better inform future responses towards similar disasters.

BACKGROUND

On March 20th, 2020, Governor Gavin Newsom of California enacted a statewide lockdown order to limit the spread of COVID-19. On April 24th, 2020, he announced the “Great Plates Delivered” program, a collaboration by the state of California and the Federal Emergency Management Agency (FEMA) to provide eligible seniors with meal deliveries during the pandemic. FEMA is a federal agency focused on the coordination and funding of disaster relief when prompted by a state in a declared state of emergency. California had declared a state of emergency on March 4th, 2020 (California, *Governor Newsom Declares State of Emergency to Help State Prepare for Broader Spread of COVID-19*). California and FEMA's work on Great Plates Delivered was meant to keep seniors, who were most susceptible to the virus’ harm, in lockdown. In his announcement, Governor Newsom stressed that of California’s 5.7 million seniors, “1.2 million live alone, socially isolated, unable, in many respects, to cook their own meals, unable to be provided the kind of nutrition and support that they deserve.” (KABC-7, 4/24/20) Besides providing for seniors’ health, the program was meant as a way to alleviate their financial burden. The program’s meals are contracted from small local businesses. This is due to the program’s goal of helping keep participating businesses operational as their clientele plummeted.

The Great Plates program is not for those seniors who were already participating in other state or federal nutrition programs. Additionally, qualified applicants have to be 65 or older and live alone or with another adult in that same age bracket. If between 60 and 64, one must also be at high risk for COVID-19 or have been exposed previously, and therefore isolating as a result to qualify. Though the Great Plates program was a statewide action, it was optional and has not been implemented by most cities in the state. In fact, one July 21st report states only thirty-four cities had been participating. (Watts, 7/21/2020) Whole counties have opted out from the beginning, citing complicated program restrictions. (Watts) Los Angeles County participated in the program and is the site of this analysis. The funding of the program breaks down as follows: FEMA reimburses 75% of the meal cost while the state pays 18.75% and the locality 6.25%, with the locality permitted to keep the sales tax. Participating restaurants are paid $16 for breakfast, $17 for lunch, $27 for dinner, and $5 for "incidental expenses."

LITERATURE REVIEW

To address small business relief during COVID-19, one must engage with preexisting literature on business relief. By reviewing the effects and flaws of precursor business programs, one may assess whether Great Plates Delivered has been flawed in the same manner. Moreover, the effects of previous programs can additionally provide insight into what responses could have best addressed the economic and health disaster at hand. This literature review surveys literature regarding the impacts that have already occurred to the small businesses during COVID-19 and what makes these businesses particularly vulnerable to closures. It then delves into previous findings on Federal PPP loans and how their disbursement has been handled. Then attention will be paid to studies about other SBA loans predating PPP, allocated in response to natural disasters. This review will then focus on how COVID-19 has spread in the Los Angeles region and how it has had an outsized impact in certain areas. The brunt of COVID infection has not been geographically, socioeconomically, or racially equal throughout Los Angeles. (Gil, et al). This is something crucial to consider when assessing Great Plates Delivered and where its participants are located. All of these topics and preexisting literature concerning them should be considered when researching small business relief in response to COVID-19.

Great Plates Delivered was rolled out as the first program of its kind, a Meals on Wheels analogue funded in part by FEMA to keep vulnerable seniors at home while also supporting local restaurants to serve seniors meals (*Great Plates Delivered: Home meals for seniors*). As it is a new program, there is no existing academic literature based specifically around it. However, Great Plates Delivered is just a new iteration of disaster economic relief for businesses.

Restaurant Business Frailty

The vast majority of businesses faced a steep drop-off of clientele following the beginning of lockdown orders and preventative measures against COVID-19. Small businesses that rely on concentrating patrons in a room, such as restaurants, are some of the most affected businesses labeled as “essential”. Throughout the pandemic, restaurants’ allowed capacities have flowed from limited indoor dining, to only outdoor dining, to only pickup and delivery orders. (Almendrala) Small businesses generally have a much smaller cushion of savings to avoid insolvency with the reduction of business. For maximization of small businesses surviving the pandemic there must be some form of governmental aid. Studies show the biggest drops in employment at the beginning of the pandemic were in the service industry. (Bartik, et al. 2020, p. 5-6) Within the subset of the service industry, businesses owned by women, immigrants, and Black Americans are found to face an even bigger threat of closing their business permanently post-COVID (Fairlie, 2020). The job losses incurred from COVID in this industry are not minimal (Maze, 2020), and it would take a long time to reach the levels they once were. The widespread contraction of businesses is not just a problem for themselves, but for the country as a whole. The restaurant and food service industry in California alone employs almost two million people. If unmitigated, there would be mass layoffs in this sector and the widespread economic contraction from small business insolvency overall would only make it harder for the economy and country to return to its pre-COVID economic state. In an attempt to combat such a scenario, the United States Treasury turned to the Federal Emergency Management Agency (FEMA).

PPP Loan Inadequacies

Great Plates Delivered is one of many disaster relief programs done in collaboration with or executed by FEMA. Oftentimes in the wake of natural disasters such as hurricanes, floods or earthquakes, the Small Business Administration (SBA) offers low interest loans to affected businesses. For those impacted by COVID, the federal Paycheck Protection Program (PPP), also managed by the SBA, was a possible lifeline. This program offered forgivable low interest loans meant for small businesses to ideally use on payroll to maintain employment. However, the program's various inadequacies in the application and award process have made it a nonfactor in most business owners and employees' lives and economic outlook. Major issues in PPP involved the government's decision to put banks in charge of distributing and approving the funds. This led to the banks prioritizing those businesses they had preexisting relationships with, in addition to larger firms that they could make more money off of, even if they were in less need for the funds (Bartik, 2020. p. 3). When businesses were able to get funding from the program they were found to have a 14-30% increase in anticipated survival (Bartik, 2020. p. 3). It is common for large businesses to be prioritized before smaller businesses in governmental programs, as well as to be less proportionally harmed by disaster (Kroll, et al, 2014, p. 34.). Additionally, the process for applying for and receiving aid is more unfamiliar and difficult to attain for a first-time, immigrant, or non-English speaking business owner. Whether a business owns or leases their own property is also important for anticipated survival, as the property can be used as collateral for new loans (Dahlhamer, Tierney, 1998. p. 3). This leaves lower income businesses that have to rent at a disadvantage which could mean going out of business. Reports found that banks indeed prioritized wealthy clients for PPP loans, thus reducing the money available for the small businesses it was meant for. (Ponciano, 2020)

It has been found that major factors influencing small business demise after natural disasters are being a woman, member of a minority group, or veteran (Marshall, 2014). This increased precariousness is evident too now in the COVID-19 disaster. In a study focused on Latino business owners' economic prospects it was found that Latino owned businesses were approved for PPP loans at half the rate of white owned businesses (Orozco, 2020. p. 10). 10% of Latino owned businesses were approved, compared to 17% of white applicants. They also noticed that when PPP was approved, only about 3% of Latino owned businesses received the full funding, as opposed to 7% for white owned businesses. This is troubling, as neighborhoods with strong concentrations of Latino owned businesses may face greater closures and less amenities in their vicinity. PPP was the main national tool to aid struggling firms during the pandemic and lockdown, yet it is not broad, available, or accessible enough. From this we can see that the federal loan program instituted to aid small businesses during COVID-19 has left many without help, and many without true need with extra funds.

Previous Disparities in Disaster Relief Loans

Flaws and limitations in SBA disaster relief are longstanding and are not exclusive to the COVID response. Analysis of the SBA loans following the 1987 Whittier Narrows Earthquake in Los Angeles County reveals large disparities in loan approval (Dahlhamer, et al. 1994, p. 17). For the Los Angeles region as a whole, 52% of applicants were approved and 22% denied. However, the picture changes upon looking into neighborhood approval rates. In Compton, a mostly Black and Latino neighborhood (City of Compton, *Demographics*), only 23% of applications were accepted. Again, it is evident that businesses that own their property are likelier to be accepted for SBA loans than renters (Dahlhamer, et al. 1994, p. 24-25). Other vulnerabilities reduced an applicant's likelihood; the least likely to receive the loans were Black and Latina women, who were among the youngest to apply for the loans and the likeliest to lease - both factors that strongly influence SBA approval rates. Some of these disparities in approval for aid were evident for the COVID SBA loans as well. The effects of the pandemic, such as slowed business, affect the whole country, rather than one specific area as an earthquake does. This makes it more imperative to address the inadequacies of the disaster loan system as more are in need of it than ever.

In looking at these previous SBA and FEMA business relief efforts one can pinpoint specific failures and institute change. Such failures include disparities in loan approval for women, minorities, first-time business owners, immigrants, non-English speakers, as well as difficulties in applying for aid in the first place. Yet despite knowledge of these previous program failures, it seems they have only been replicated in the COVID response. These failures result in businesses with a greater likelihood of insolvency being those least aided by the relief loan process.

COVID-19 in Los Angeles

The need for business aid occurs around the backdrop of the COVID-19 public health crisis. This crisis has not manifested itself consistently across LA County, with some areas facing substantially higher infection rates than others. For example, the First District of LA County includes many of the most infected areas per capita in the county, such as unincorporated East LA (Los Angeles Times, Los Angeles County coronavirus cases: Tracking the outbreak 2020). This also is an area in which a large subset of Latino immigrants, or non-english speakers live; both populations identified as having poor health outcomes and access (Gil, et al, 2020). Identifying these vulnerable areas, their health burdens during the crisis, and their geographic relation to participating businesses is necessary to see if this program was administered to the areas that faced outsized health and economic burdens.

The COVID-19 pandemic has simultaneously threatened the livelihood of millions of small businesses nationwide. This economic contraction requires a federal response to ease losses for small business owners and maintain employment. Current federal and state efforts to do are based in previous natural disaster relief efforts. Pre-existing literature on business relief in the wake of disaster is substantial and effective in articulating the mistakes of federal aid conducted through flawed and often inaccessible SBA loans. These loans have been found to not dispersed in an equitable manner. They are a direct precursor to the PPP loans used to aid businesses during COVID, and share the same flaws. Even within the same metro area, the burdens of a virus are not equal. Substantial literature exists, and continues to develop on the vulnerabilities exacerbated by the virus. While there is literature on the SBA loan disparities and flaws both pre and post COVID, there is no published research on the subsidized work program, Great Plates Delivered. By studying this program we can assess whether aid programs such as this are promising and could help reduce the economic stress of a pandemic and prolonged lockdown in the future. From this point, one can assess the central question: was Great Plates Delivered, PPP, and other small business aid conducted equitably and in the areas with greatest need?

METHODS:

The State of California touted its Great Plates Delivered program as an innovative and significant way to support small businesses, their employees, and vulnerable seniors during the COVID-19 pandemic. This research seeks to assess whether small businesses in Los Angeles County were indeed supported significantly during the COVID-19 lockdown by Great Plates Delivered and other aid programs including PPP. This research addresses the following question: **was Los Angeles County small business aid distributed equitably during the COVID-19 pandemic?**

To examine whether aid was distributed effectively, one must first identify which areas are the most impacted. In this study, focus is on what areas experienced the most business closures and COVID-19 infections. This required data available from the LA County Economic Development Corporation. LA County Department of Public Health COVID-19 infection data was also used, which was coded along with localities' demographic and income data from the LA Times on Microsoft Excel. The LA Times ranking was the closest coded repository of such information to the neighborhood coding of the Department of Public Health data. From these data sources, localities' infection rates were graphed corresponding to the area's median income and Hispanic population concentration. Once these values were graphed, it could be seen whether there were strong correlations. Using the dataset for these graphs, regression analyses were run to see how strong the variables' impacts were on infection rates.

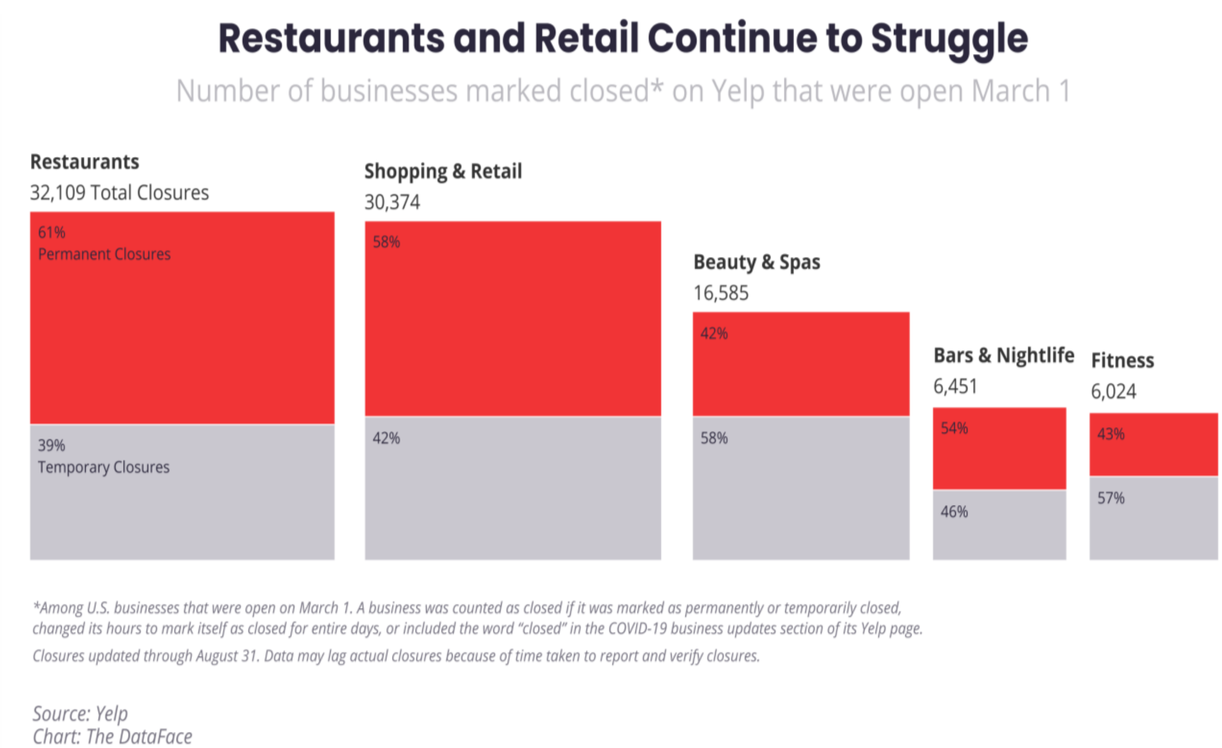
Since the Great Plates Delivered program was administered through the County of Los Angeles, my analysis is based upon this county as a whole. I looked into how many meals were contracted by Great Plates Delivered from each business and where these businesses are, as in which county supervisor district, city, and neighborhood. Through public records requests and direct communication with Los Angeles County Department of Aging and Los Angeles County Supervisorial Districts' offices I secured data reports for the county and state government on GPD operations. These data tables show the name of each GPD restaurant, number of meals contracted at each one, and the number of seniors served. This data, along with the standard rate of $66 for each meal allowed me to approximate how many funds were disbursed to each business, city, and county district. With this information I could pinpoint what areas had a higher concentration of GPD restaurants, and money from the program in general. To examine the Paycheck Protection Program there is a federal database releasing recipient information. From this database I drew demographic data for recipients, which I then made into a table and compared to county resident and businessowner demographics.

DATA AND ANALYSIS:

Increased Business Closures in LA County:

Various businesses have had to switch off between periods of outdoor dining then suddenly transition to takeout only. A study by the business review app Yelp found that restaurants and retail are the most affected sectors of industry registered on their app nationally. [Chart. 1] Additionally, they found the Los Angeles area to be among the most affected by closures both in total and per-capita nationally. Business closures due to COVID-19 are a national issue, but this data demonstrates how it is even more urgent in Los Angeles off the sheer amount of closures.

Chart. 1 Yelp Tracked Business Closures by Industry Nationally



According to an LA County economic report, the food service sector has had the most job losses and business closures in 2020. (Los Angeles County Economic Development

Corporation, 2020) This report is an economic summary of the year 2020 to gauge the progress of the county's economic development. Comparing September 2019 to 2020, there has been a 437,100 job loss in the county. 104,000 of these, just under a quarter, are in the food and drink services sector; 43,120 restaurant-specific job losses were recorded in 2020. The report also displays inequities in the economic loss. Most job losses due to business closures and employee layoffs occurred in the 1st County District: 76,907 in total with the next closest district totaling 31,102. [Table 1.] [Appendix A.] 53% of unemployed individuals from permanent business closures in the county were in the 1st district. Of all layoffs 49% occurred in the first district. The first county district is the one with the highest concentration of Hispanic residents with 72.5%. It has the lowest per-capita income among districts with $18,257 and encompasses some of the most infected areas of the county including East LA and Boyle Heights. Business relief is in dire need throughout the whole county, but this Los Angeles County Economic Development Corporation report informs which areas are more vulnerable to economic shifts and therefore in more need of aid. The first district is one such area where there is greater vulnerability and harm as a result of the virus yet it received a disproportionally low amount of aid compared to the greater economic losses it experienced.

Table 1. Job Losses by Supervisorial District Los Angeles in 2020

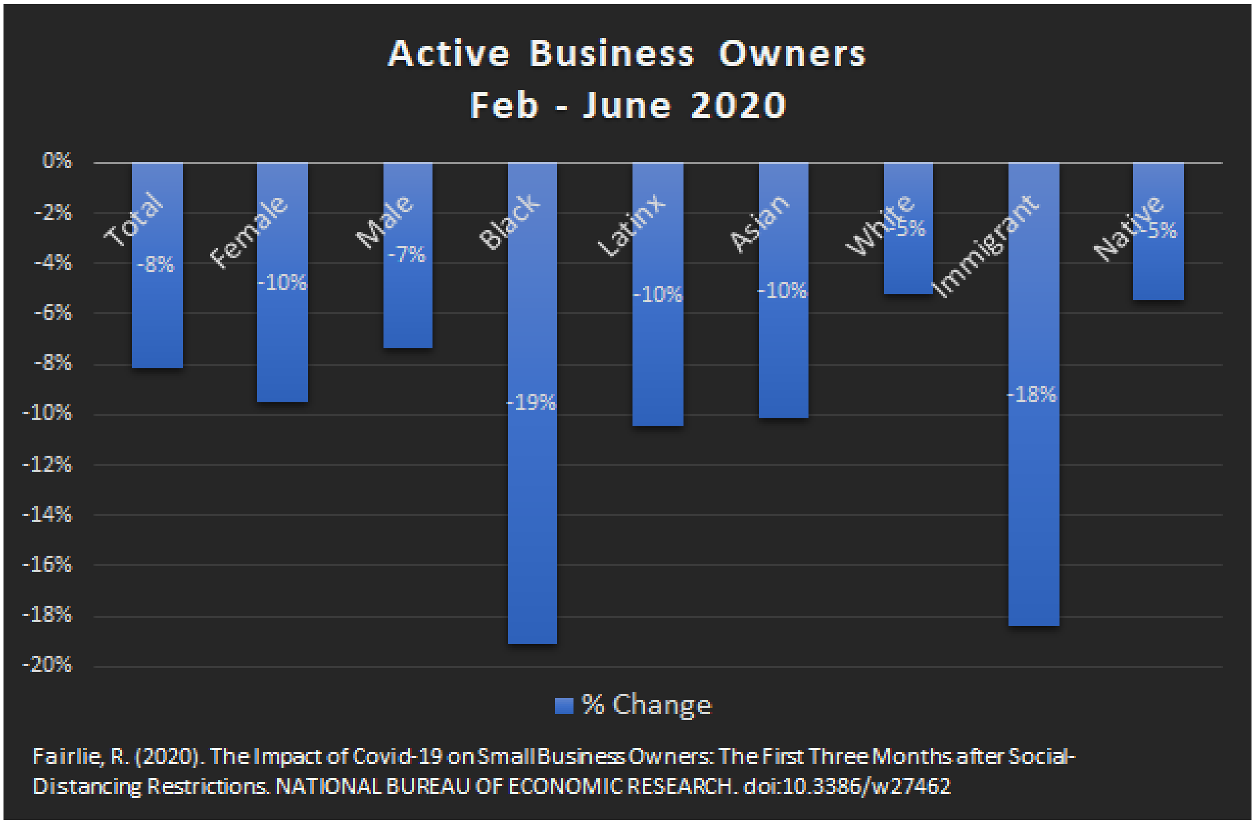
CA EDD WARN DATA (2020) - Employees Lost to Closure and Layoffs

Supervisorial District	Permanent Closure	Temporary Closure	Permanent Layoffs	Temporary Layoffs	TOTAL
1	6,026	5,832	11,215	53,834	76,907
2	2,543	2,055	3,132	7,502	15,232
3	594	1,450	1,517	9,693	13,254
4	1,493	5,294	6,954	17,361	31,102
5	599	2,371	4,105	11,934	19,009

Los Angeles County Economic Development Corporation. (2020). PATHWAYS FOR ECONOMIC RESILIENCY: 2021 Executive Summary.https://wdacs.lacounty.gov/wp-content/uploads/2021/02/Pathways-for-Economic-Resiliency-Executive-Summary-copy.pdf

Though survivability seems daunting to all Los Angeles restaurant owners, it may be even more difficult for certain populations. A recent study breaks up the monthly disruption in business by demographic groups (Fairlie). From February 2020 to June 2020 he found reductions of business owners across the board, but more among women, immigrants, and minority groups nationally. [Chart 4] This finding displays the need for racial equity in the distribution of aid. In a region as diverse as Los Angeles, efforts should be made to ensure that minority and immigrant businessowners more likely to suffer economic harm are also aided sufficiently.

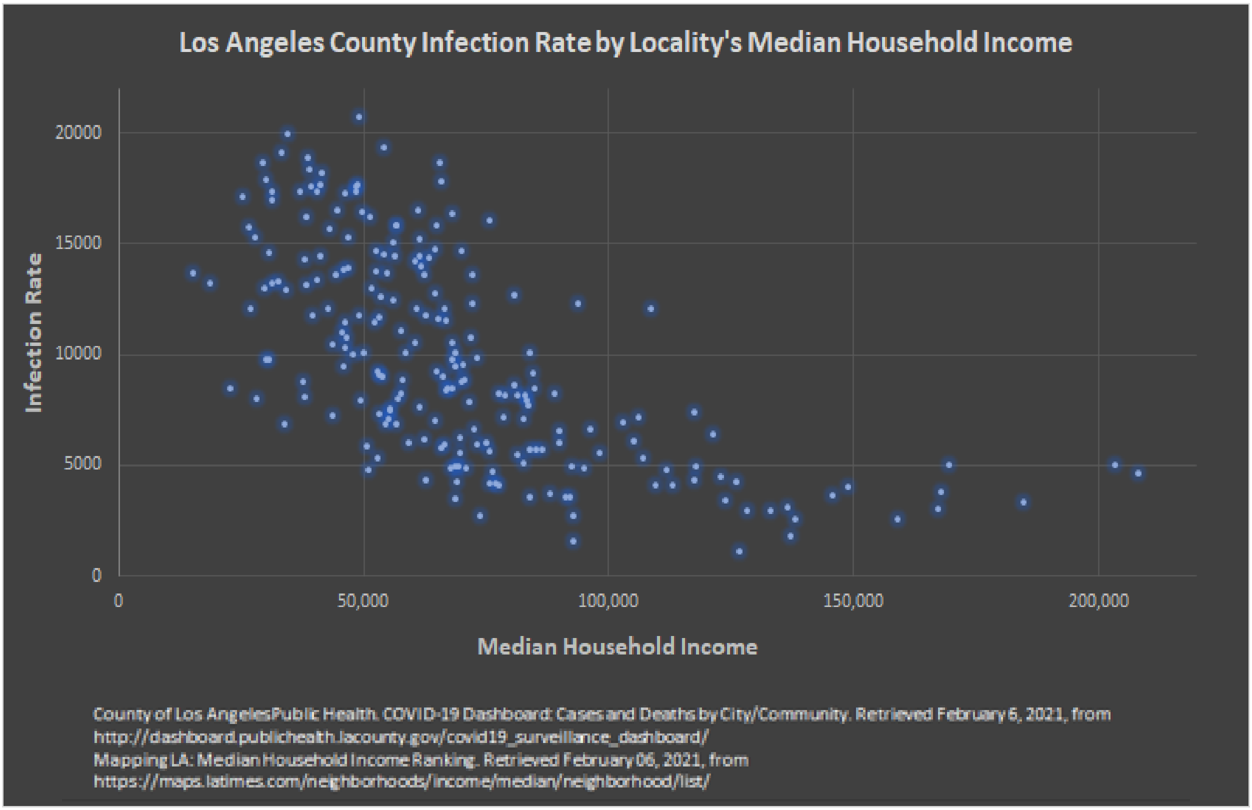
Chart 2. Active Businessowner Losses Nationally



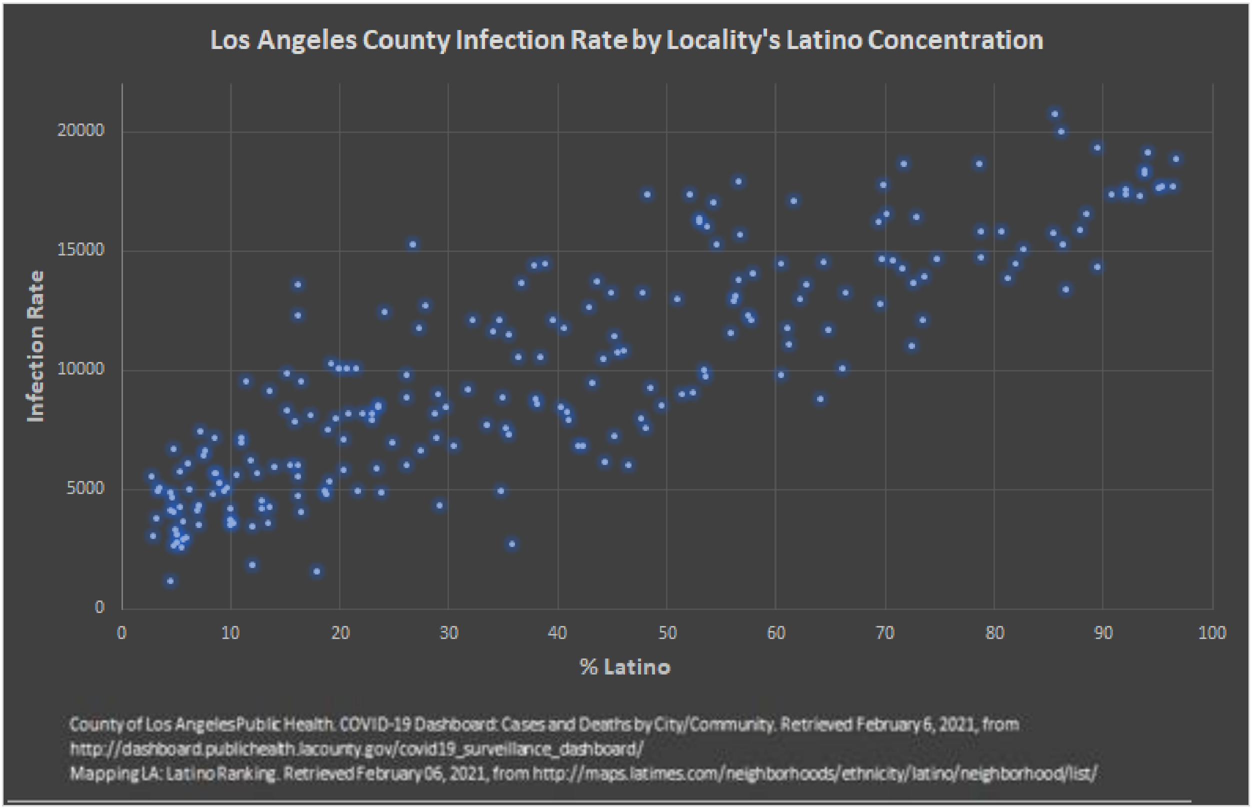
Unequal Health Outcomes in County:

Besides economic impact, many areas are also suffering disproportionate harm to their health from the pandemic. Lower-wage, mostly non-white areas in East LA and large swaths of South LA have had as much as one-fifth of their population infected with COVID. This troubling trend can especially be seen when isolating each official city and locality of Los Angeles County. For example, areas with lower median income inversely correlate with higher COVID-19 case rates. (County of Los Angeles Public Health COVID-19 Dashboard)(LA Times Median Income Ranking) [Graph 1] The greater percentage of Latino population/locality correlates strongly with COVID-19 case rate. [Graph 2] These two scatterplots indicate correlations among these factors. These correlations indicate the trend that Latinos and lower income Angelenos are more susceptible to infection, this may be due myriad factors such as; household arrangements, types of employment, and lower availability of health resources in their area.

Graph 1. LA County Localities' COVID-19 Infection Rate and Median Household Income



Graph 2.LA County Localities' COVID-19 Infection Rate and Latino Population Concentration



Linear regressions on both factors were run to determine statistical significance. These were chosen to consider how much the dependent variables of income and Latino concentration can account for how severe a locality's outbreak is, if at all. In Table 2 the R-squared is slightly over 0.4, a moderate effect. In Table 3 R-squared is 0.73, this would indicate a strong effect by a locality's Latino concentration among case rates. The outsized infection rates in Latino communities could be caused by the coalescing of myriad factors, from types of employment to accessibility to healthcare. **Nonetheless, this analysis reveals that Latino areas are facing much of the worst of the virus and in particular need support.** Solidifying these analyses' significance are the tables' respective p-values. The threshold for statistical significance in p-values is to be below 0.5. The p-values of 1.69E-73 in table 2 and 2.65E-33 are far below this threshold and statistically significant. Given that these findings are statistically significant, it would be reasonable to say the county and its localities must do a better job of promoting health equity in the whole region, for all ethnic groups and income levels.

Table 2. Regression Analysis: Household Income and COVID-19 Infection Rate

Median Income and Infection Rate	
Regression Statistics	
Multiple R	0.636333
R Square	0.40492
Adjusted R Square	0.402139
Standard Error	3645.152

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	16208.33	578.8194	28.00239	1.69E-73	15067.41	17349.25

Table 3. Regression Analysis: Latino Population Concentration and COVID-19 Infection Rate

Latino Concentration and Infection Rate	
Regression Statistics	
Multiple R	0.856285
R Square	0.733223
Adjusted R Square	0.731977
Standard Error	2440.628

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	4160.324	289.0268	14.39425	2.65E-33	3590.62	4730.028

PPP Distribution Disparities:

The federal Paycheck Protection Program (PPP) loan database has a category for the owner's race; although many left this section unanswered, several thousands did respond to it. Of those that did respond we see a disproportionate amount of loans being distributed to White and Asian business owners compared to their makeup of the county's demographics. [Figures 10-11] Given this data, it is apparent there are large disparities in the proportion of loans given to Black and Hispanic business owners compared to their proportion of the population of the county. According to the 2012 Census Survey of Business Owners, 55% of businesses in Los Angeles County were minority owned. 61.25% of the businessowners included in Table 4 and 44.48% in Table 5 were minorities. This data also demonstrates an slight underrepresentation of White businessowners in PPP loans under 150k where race was disclosed, and an overrepresentation in over 150k. As 18.6% of businessowners in LA County, Asians are significantly overrepresented in both sets of PPP data. It is important to distribute aid programs like PPP to all demographic groups throughout the county. Disparities as large as these are a symptom of a flawed approval and outreach process for a program that all businesses in the county have been in desperate need of. These flaws are especially troubling in LA County where the Black and Latino populations are among the most economically and medically vulnerable. (Pastor) Unequal distribution of loans among ethnic groups has been seen in previous business aid following natural disaster. (Dahlhamer, et al. 1994, p. 17) This is a continuous issue with this kind of aid and must be addressed in future iterations of this model of relief.

Table 4. Under $150k PPP Loan Distribution by Demographics, Los Angeles County

Race of Business Owner	Count of Loans	Distribution	Population Share LA	Businessowner Share LA County
American Indian or Alaska Native	51	0.34%	0.20%	1.0%
Asian	6784	45.13%	14.50%	18.6%
Black or African American	644	4.28%	7.70%	7.1%
Hispanic	1728	11.50%	48.60%	29.0%
White	5825	38.75%	25.90%	44.0%
Grand Total	**15032**			

Source: SBA Paycheck Protection Program Loan Level Data. (n.d.). from https://home.treasury.gov/policy-issues/cares-act/assistance-for-small-businesses/sba-paycheck-protection-program-loan-level-data

Table 5. Over $150k PPP Loan Distribution by Demographics, Los Angeles County

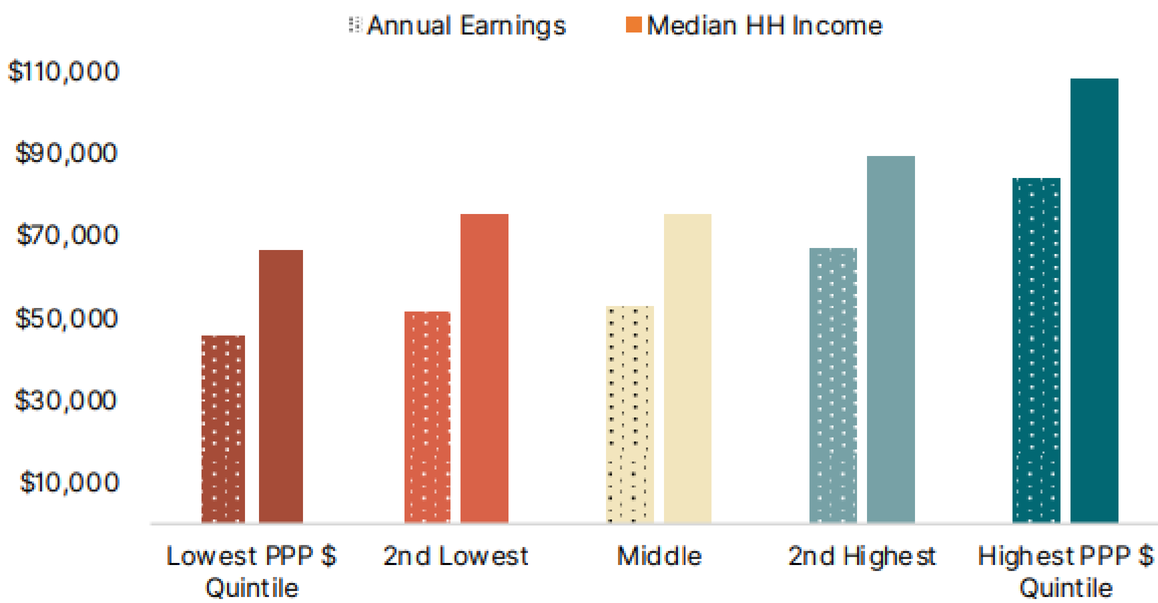
Race of Business Owner	Count of Loans	Distribution	Population Share LA	Businessowner Share LA County
American Indian or Alaska Native	11	0.23%	0.20%	1.0%
Asian	1491	31.64%	14.50%	18.6%
Black or African American	79	1.68%	7.70%	7.1%
Hispanic	515	10.93%	48.60%	29.0%
White	2617	55.53%	25.90%	44.0%
Grand Total	**4713**			

Source: SBA Paycheck Protection Program Loan Level Data. (n.d.). from https://home.treasury.gov/policy-issues/cares-act/assistance-for-small-businesses/sba-paycheck-protection-program-loan-level-data

It seems the wealth of a locality also had an impact on how much PPP they received. One UCLA study analyzed PPP distribution by California's congressional districts; they separated the districts into quintiles of how much PPP they received, then compared these quintiles by their median income and annual earnings. (Ong, et al.)[Graph 3.] They also found that the composition of the lower quintile districts tended to include districts that were mostly Latino and Black. According to their study, none of the fourteen majority Latino Districts in California were in the quintile with most PPP dollars. This displays a siphoning of small business relief to the most economically empowered and stable areas of the state. The aid is meant to help the most in need, yet much of it was taken by areas and owners who could have continued through the COVID-19 crisis without it. The Small Business

Administration must look into how it can better target loan programs towards the communities and businessowners in most need of said aid. Accomplishing such a task is easier said than done.

Graph 3. California Districts' PPP Quintiles



Source: Ong, P., Gonzalez, S. R., Pech, C., Hernandez, K., & Dominguez-Villegas, R. (2020). Disparities in the Distribution of Paycheck Protection Program Funds Between Majority-White Neighborhoods and Neighborhoods of Color in California.

GPD Disparities and Successes:

Besides PPP, another means for small businesses to receive aid was the State of California's Great Plates Delivered Program. By the end of January 2021, LA County GPD had served 3,767,079 meals to 8,828 seniors through 76 restaurants. With each meal being compensated at $66, this means a $248,627,214 influx to LA County restaurants, their employees, and the food supply chain. The distribution of meals contracted by county district is; 498,831 in the 1st, 405,756 in the 2nd, 307,551 in the 3rd, 784,467 in the 4th, and 609,954 in the 5th. The distribution and divergence of GPD meals and job losses by district can be seen in Table [6].

Table 6: Great Plates Delivered Meals by Supervisorial District Los Angeles County

Meals Contracted by Supervisorial District Los Angeles County					
As of 1/28/21	Sup 1	Sup 2	Sup 3	Sup 4	Sup 5
# Meals Delivered	620,856	859,173	477,654	756,492	825,459
Share of Meals	18%	24%	13%	21%	23%
# of Job Losses	76,907	15,232	13,254	31,102	19,009
Share of Losses	49%	10%	9%	20%	12%

Source: Great Plates Delivered Program Report Program Summary (Cumulative Data from Start of Program 05/01/20) As of 1/28/2021

Decisions on which restaurants would be contracted were made by the Los Angeles County Department of Workforce Development, Aging and Community Services (WDACS). They weighed considerations such as where the demand for meals was, as well as whether a restaurant could serve vegetarian, vegan, and kosher meals. An emphasis was placed on small businesses, businesses owned by people of color, and those that were not already participating in another meal delivery plans. Businesses additionally had to have at least five employees.

Examining the location of GPD restaurants provides insight into how such programs can make more equitable decisions regarding where they choose to partner with businesses.

The 1st county district has faced far more closures and layoffs than any other district yet was underrepresented in meals served compared to how many job losses it endured. This district shouldered 49% of job losses yet it only received 18% of the GPD total meal orders. Variances in meals contracted and job losses are not as substantial for other districts, but this gap in the 1st district is large. As stated previously in this study, the 1st district has the lowest per-capita income of all LA County Districts at $18,257. It has the highest concentration of Hispanic residents with 72.5%, and is home to some of the most infected areas of the county such as East LA and Boyle Heights. These trends are important to consider for when there is a need for similar allocation of business relief in the future. The most economically harmed district of a city should not be receiving a substantially undersized portion of the programs meant to aid said harm. Though much of the job loss data was not clear until months into the pandemic. These findings show which areas of the county are most vulnerable to economic losses in a public health crisis, and how aid should be more targeted there.

Great Plates Delivered has at least made a better attempt at equity than other business aid programs, namely PPP. Of the restaurants contracted by GPD, 71% are minority owned. In a majority minority area like Los Angeles, such considerations are important. Overall, the program seems to be a relative success. In LA County it has served 8,828 seniors and channeled money to 76 small businesses employing over 450 workers. It sets a promising precedent for future meal subsidization programs. If a future public health crisis similar to the COVID-19 pandemic occurs, an expanded version of GPD's model could leave a positive impact on economic survival for a greater quantity of businesses and their employees.

The program seems to have helped many in other areas as well. One Pasadena business owner interviewed by the LA Times about Great Plates Delivered described it as “literally the only thing keeping us afloat”. (Seidman) Pasadena’s program worked with 21 restaurants. One news article cites a report by Brenda E. Harvey-Williams, Pasadena’s Director of Parks, Recreation and Community Services; she says GPD restaurants had hired back 110 employees. In the report staffing levels are reported to have been 725, which dropped to 276, and after GPD rose to 386. According to Williams, “three restaurants reported that they would have closed if it had not been for their involvement in this program.’’(Kenney) The President of the Pasadena Chamber of Commerce has previously submitted public comment to a City Council public meeting to continue the program. According to him, “It is also having the result intended... it has become a vital lifeline for local restaurants struggling to cope with the impacts of the COVID-19 pandemic.” One Riverside business has been contracted with serving 72 GPD seniors. According to a news interview with the owner, “75-80% of our revenue now is from Great Plates, so it’s substantial. You know, our takeout business is 10 orders a day, and that’s not enough to employ 15 people [down from 30]”, “and pay the rent.” (Fitzgerald) Great Plates Delivered also has some union support. According to co-president of Unite Here Local 11 in a news article, “Some government assistance programs have come under fire for helping large rather than small businesses. In this case, the employees - who have full healthcare coverage - are the biggest beneficiaries.” (Baertlein) Though Great Plates Delivered is not as widespread as PPP and other disaster aid programs, it seems to be regarded positively by the businesses and individuals involved. If another health crisis like the COVID-19 pandemic emerges, an expanded program based on the Great Plates model may aid even more businesses, their owners, employees, and individuals served.

Other Aid:

Other business aid has been available in LA County. The county has had a commercial eviction moratorium from March 4, 2020 until February 28th, 2021, although it may be extended further. Though this is a temporary relief for owners, once the moratorium ends, they still have to repay their back rent. Businesses with nine or fewer employees would have up to twelve months to do so. Businesses with between ten and one hundred employees would have up to six months to pay. Some localities are even less generous. Los Angeles City for example will require commercial tenants to pay back debts within three months. For many business owners, continuing their operations may only seem like an invitation to rack up more debts as their ability to pay them remains low. Understandably many businesses are wary of the moratorium or even prefer to shut down permanently given the uncertainty of the industry’s economic prospects. In early 2021 LA began its Keep L.A. County Dining Grant Program, which provides $30,000 grants to accepted restaurants.

POLICY RECOMMENDATIONS:

1. Final COVID-19 infection concentrations should be considered in the distribution of health and business aid for future mass infectious diseases.

Though state and countywide business closures affect all businesses in the LA County area, businesses in more infected areas carry a greater likelihood and burden of infected staff and dealing with infected customers. It would be difficult to know which areas of the city to prioritize when the infection concentrations are ever-changing as with COVID-19. However, once the COVID-19 pandemic wanes, it will be important to note which areas of the city were more ravaged by and vulnerable to the virus. This way, the county could better focus economic and health aid where it is more needed. An example of this would be Los Angeles' decision to reserve a certain amount of COVID-19 doses for distribution in minority neighborhoods.

2. The State of California and FEMA should provide more clarity on when localities participating in Great Plates Delivered will receive reimbursement. Additionally, a quicker system of periodical reimbursement would allow localities to continue participating in the program longer.

A common complaint of GPD is the reimbursement process. 75% of expenditures are to be reimbursed by FEMA and 18.75% by the state of California. This results in a local cost of 6.25% post reimbursement. However, all the upfront costs are placed upon the locality, in this case study Los Angeles County. The issue many localities had was a lack of clarity regarding when FEMA and the state would be reimbursing, as well as fear that they may not be reimbursed at all. This led some localities, like Pasadena, to end their participation in GPD.

During the COVID-19 pandemic cities are spending much more than they are accustomed to. This, coupled with looming budgetary shortages and uncertainty of reimbursement makes it difficult for some of these cities to continue fronting the significant upfront costs of the program without clarification about reimbursement. Even with greater clarity, more cash strapped localities would need periodical reimbursement rather than a lump sum after the end of the crisis.

3. Disparities in job losses and business closures by area should be considered when distributing business aid across the county in the future.

The first County district faced the most job losses and restaurant job losses yet was still underrepresented in GPD. The disparities in job losses have been noticed and published by the county itself. Moving forward, relief efforts such as PPP and GPD should be weighed with consideration to which parts of the city tend to suffer the economic losses. If they know the first district is more vulnerable to economic loss, then at bare minimum a representative portion of the aid should be sent there. This would aid in attaining more consistency of the economic burden of the pandemic rather than differing areas of the cities experiencing vast differences in impact and aid.

4. Outreach must be bolstered in areas with populations less likely to be informed about business aid programs, particularly ethnic enclaves, lower income neighborhoods, and where there are considerable populations of immigrants and non English speakers.

If there is insufficient outreach in these areas, there is the risk that much of the applicants and recipients of loans are in higher income, whiter homogenous areas. If Los Angeles

County hopes to administer aid and support all of its populations there must be greater outreach in these areas, including canvassing or calling. Furthermore, culturally relevant and translated informational materials must be a part of the outreach, as well as technical support for the application process.

DISCUSSION AND CONCLUSION:

In the preexisting literature surveyed for this study, inequities of allocation were found in Small Business Administration loans following natural disasters. In this study those same inequities were found in the SBA's PPP loan program. Distribution was not proportional among racial groups, both when comparing to their share of the county population and of the county businessowner population. Besides this, these loans are found to have concentrated to areas and individuals of greater wealth that could have remained solvent without them. These findings show that PPP has been a continuation of the flaws exhibited by SBA disaster relief loans in the past. This displays a need for better outreach and more equitable allocation of said loan programs. Many of the populations underrepresented in loan allocation were also among those with the greatest health impacts from COVID-19. For example, lower income areas were overrepresented in COVID-19 infections and underrepresented in PPP loans. The same goes for areas with high Latino concentrations. Preexisting literature laid out increased health vulnerabilities in Los Angeles' Latino and minority populations. These overrepresentations in COVID-19 infections in these groups shows that these health vulnerabilities in the region's medical system are still present.

The fallout of the COVID-19 pandemic has further exposed the myriad inequality that pervades the health and economic systems of the United States and Los Angeles County. Business closures are found to disproportionately affect minority and immigrant business owners. Minority neighborhoods, particularly lower income working class Hispanic and Black ones face much higher COVID infection rates than higher income as well as whiter neighborhoods. Compared to their representation in the county's population, as well as in the businessowner population; Hispanic and Black businesses were vastly underrepresented in the Federal PPP program. The GPD program had greater considerations to include mostly minority owned businesses, yet said program had its flaws as well. Analysis by supervisorial district showed that the most impacted districts from business closures were vastly underrepresented in meals contracted compared to the less impacted districts. Disparities in aid by county region as well as race will only worsen if they are not used in consideration for how to better administer future aid. Based on my findings, these recommendations should be considered when distributing future disaster relief for businesses.

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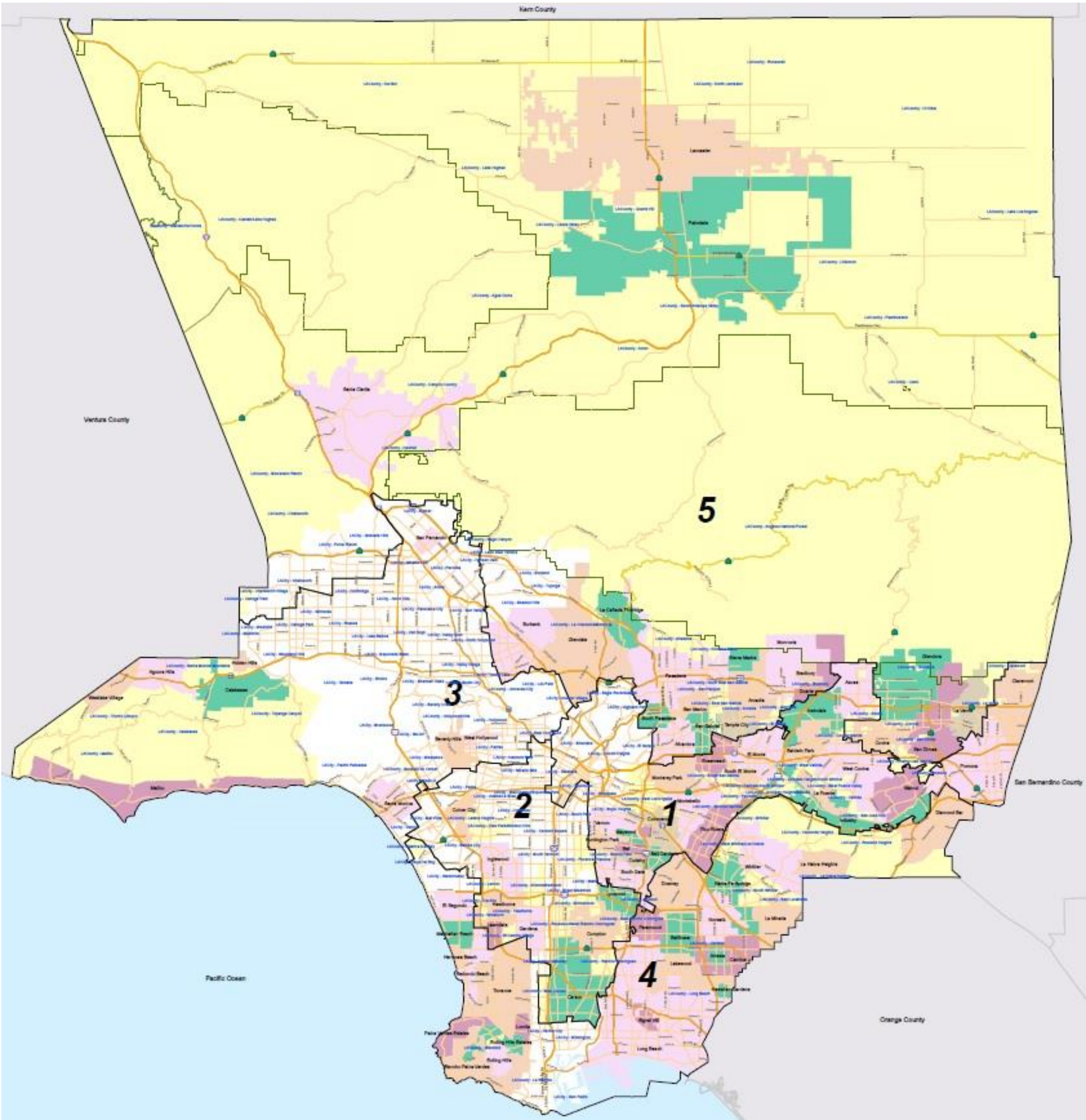
APPENDIX A.

LA County Supervisorial District Map



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