

Latino and minority-owned small businesses in Massachusetts have been affected greatly from Covid-19. Since the onset of the pandemic and the strict restrictions imposed by the government, minority businesses in Gateway Cities have suffered heavy financial losses and disproportionate health effects. Our hope in preparing this white paper is to inform the public and raise the awareness of elected and government officials, corporate leaders and community organizations to drive more informed decision making.

## Insights of Covid-19 impacts on the Latino community and businesses in MA Gateway Cities

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## FOREWORD

This white paper on the impact that Covid has had on underserved communities in MA is a joint team effort by the Institute’s team of business advisors. This is a timely paper that attempts to document the health and business impacts due to Covid-19. Its intent is to raise awareness of the situation on the ground faced by small Latino and minority businesses located in underserved communities in MA.

We would like to acknowledge the contributions of these individuals, who devoted of their time and effort to gather the data, analyze it, draw conclusions, and write the paper. **Nader Acevedo**, Executive Vice President of the Institute allocated the budget needed to complete the paper. **Eduardo Crespo** edited the paper and offered suggestions for readability and content. **Alberto Luna** offered his insights on business challenges facing small Latino-owned restaurants and businesses from East Boston. **Pedro De Jesus** provided access to the Census data used in the demographic and business impact segments of the paper. **Rodolfo Palafox** offered insights into restaurant operations during Covid. **John Perez** summarized the challenges facing small business owners in the western part of MA. **Alberto Calvo** integrated all the material into a draft paper, which required numerous reviews and edits from all the above mentioned. Attachment B about Chelsea was prepared using the information presented by Trevor Mattos from Boston Insights during the event “Chelsea 2021 and Beyond: Toward a Just and Equitable Recovery”,

Lastly, we would like to extend our gratitude to **Bruce Young Candelaria**, President of the Institute, who allowed us the time to prepare this much needed white paper. A big thank you goes to **Larry Andrews**, President of Massachusetts Growth Capital Corporation, who provided the funds under the Small Business Technical Assistance grant awarded to the Institute in September 2020.

## BACKGROUND

Covid-19 has affected small businesses greatly, particularly those micro businesses (less than 5 employees) providing personal services such as restaurants, beauty/nail salons, retail shops and other enterprises found in downtown business districts, particularly those in Gateway Cities.<sup>1</sup> In trying to cope with the spread of the virus, the state and local governments have had to impose restrictions and guidelines on businesses and the community at large to constrain the spread of the virus and curtail its health effects.

Soon after the start of the pandemic in March 2020, the State Government ordered a lockdown of all businesses except those deemed “essential” such as Health Care, Food Retail, Wholesale establishments and emergency services. As the pandemic continued, the government faced a dichotomy between ensuring public health to residents and the economic viability of businesses.

The State Government had to impose restrictions early on with business lockdown followed by a gradual opening with restrictions. The State started monitoring the incidence and positivity rates (explained below) of the virus, enforcing safety measures and restrictions for non-essential businesses, depending on the spread and intensity of the pandemic. Consequently, small restaurants, nail and beauty salons, non-food retail stores, and other non-essential businesses had to curtail their operations resulting in



*Figure 1 – Chelsea’s Downtown Business District on Broadway (Source: Pro-Image Photography)*

<sup>1</sup> Based on the US Census Quick Facts report July 1, 2019 on selected statistics reporting the MA overall population to be 6,892,503 people. Hispanics / Latinos account for 847,778 residents and minority altogether 1,950,578.

revenue losses and diminishing profits. The small business sector took the brunt of the impact, particularly affected were Hispanic, African American, and other minority-owned businesses located in Gateway Cities and in Boston minority neighborhoods.

Figure 1 (above) presents a segment of the City of Chelsea’s downtown business district: Chelsea, with a population close to 40,000 people is located north of Boston and has 67% or

about 27,000 people of Latino descendency. Its downtown district, along Broadway street, is a vibrant *cultural* business district with restaurants, bodegas, hair salons / barber shops, retail boutiques, multiservice agencies, and many others. Attachment A provides more details on Chelsea.

In this white paper we examine the impacts that government restrictions have had on small minority businesses in Gateway Cities, along with the health impacts from Covid-19 on communities of color. We will attempt to *quantify*, as much as possible, these impacts from an economic and public health perspective and offer some *lessons learned* drawn from the Institute’s work with Latino business owners. Our hope in writing this white paper is to raise the visibility and awareness of these impacts among *decision makers* in government and industry so that they learn about these disparities, both of economic and human

concerns, hopefully inspiring our leaders to advocate and enact the creation of equitable policy and business decisions to rectify this long-term anomaly.

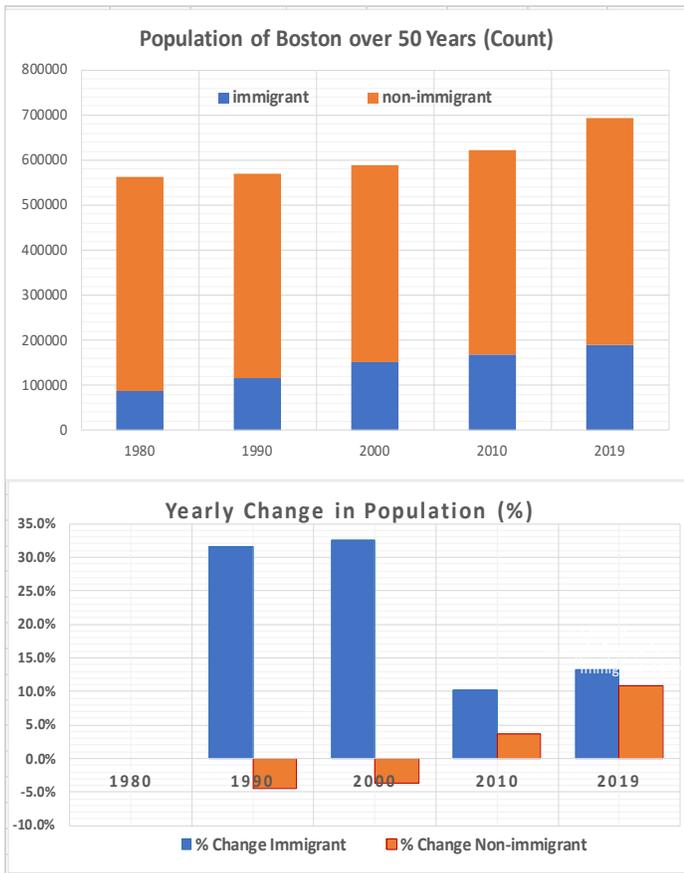


Figure 2 - Boston's Demographic Shift (1980 to 2019)

## LATINO AND MINORITY DEMOGRAPHIC TRENDS

There are 26 Gateway Cities in Massachusetts, where a high proportion of Latino and Minority population resides and own businesses. These 26 cities and towns account for 42% of the MA population, 74% of the Hispanic and 64% of the Minority population. A demographic shift has been taking place for the past 50 years in Massachusetts, with a significant increase in immigration of Latinos from South and Central America and Asians from South East Asia. As a

matter of fact, the population of Boston would have decreased in size during this period if it were not for the influx of immigrants<sup>2</sup>, as shown by Figure 2 (on the left).

Boston’s overall population grew by 23% over the past 50 years, but the bulk of the growth came from immigrants (118% growth) versus non-immigrants (6% growth). Significant growth in the immigrant influx occurred in the last two decades of the 20<sup>th</sup> century (as shown on the bottom graph) where the immigrant sector grew by over 30% each year (1980 and 2000), while the non-immigrant population decreased by 5% each year. In 2010 and 2019 both the immigrant and non-immigrant population grew, albeit the former had a greater growth. On a percentage basis. A similar pattern occurred in other Gateway Cities across the State.

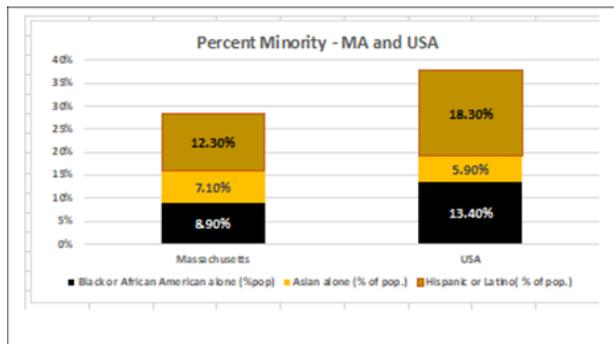
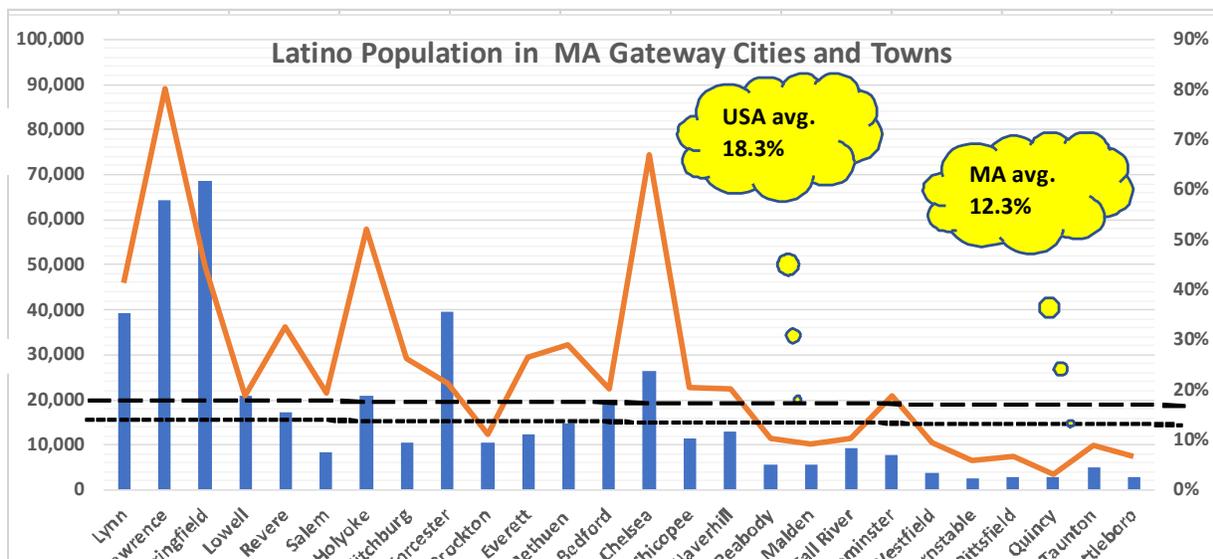


Figure 3 - Minorities in Massachusetts and the US

In recent years, despite the Trump administration’s adversarial position against immigration and immigration policies, several cities in Massachusetts adopted a “sanctuary policy”, resulting in a greater influx of immigrants to certain cities. For example, the city of Chelsea with a 2019 population counts of 39,960 residents, had 77% minority and 70% Hispanics, making it a “Majority

Minority” City. Today, Massachusetts minority population accounts for almost one third, with Latino’s accounting for 12.3%, followed by African-Americans (8.9%) and Asian (7.1%), as

Figure 4 - Distribution of Hispanic Population in Gateway Cities



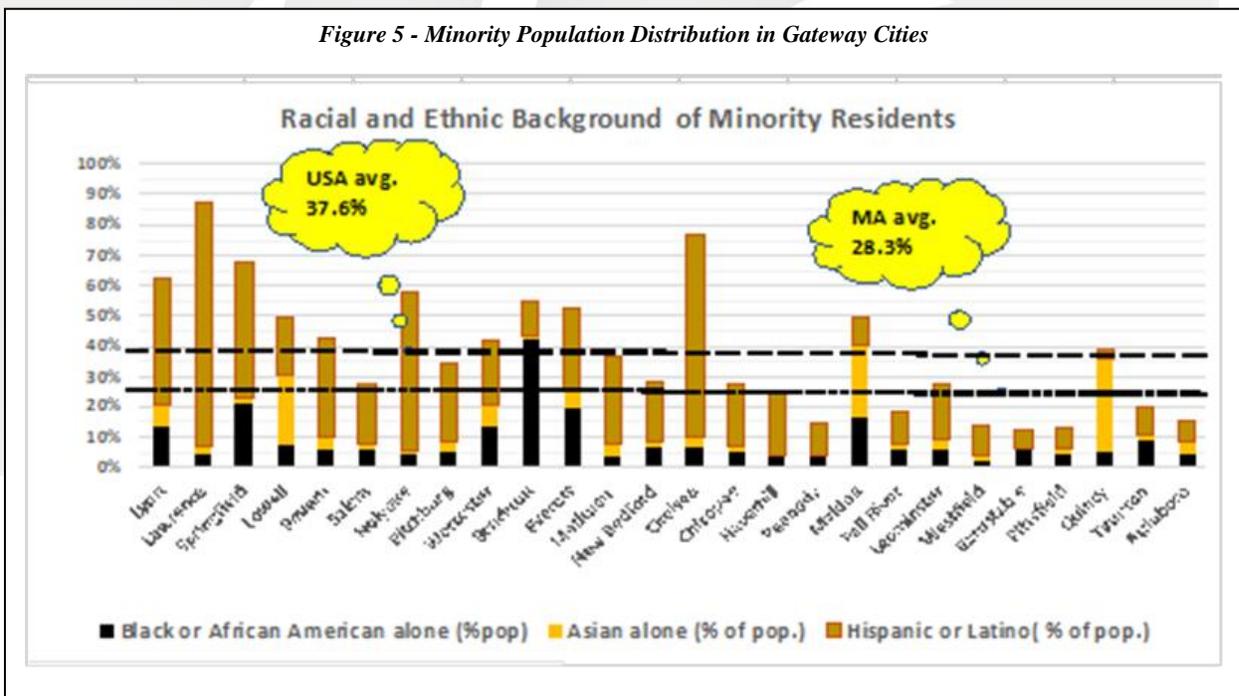
<sup>2</sup> Looking Ahead: Equity, Opportunity and the Immigrant Workforce, presentation given by Alvaro Lima, Director of Research, Boston Redevelopment Authority, City of Boston, English for New Bostonians forum, February 21, 2021

shown in Figure 3 (left). The MA demographic mix parallels that of the nation, with 18.3% of the population being Hispanic, 8.9% Asian and 13.4% African Americans. Hispanics will continue to grow, given current immigration patterns, across the country and may exceed 20% of the nation's population, to be determined by the US 2020 Census.

The distribution of Hispanic residents across the State is uneven, as shown by Figure 4 (above). Sixteen (16) of the 26 gateway cities have higher densities of Latinos exceeding the State (12%) and the Nation's (18%) totals. The MA cities with the highest percentage of Hispanic residents are in Lawrence (80%), Chelsea (67%), Holyoke (52%), Springfield (45%), Lynn (41.5%), Revere (32.5%), Methuen (29%), Everett (26.5%), Fitchburg (26.2%), with the remaining 6 cities (Lowell, Salem, Worcester, New Bedford, Chicopee, and Leominster) with 20% each. Most of these cities and towns are in the North Shore of Boston, and in the Central and Western part of the State. It is a diverse Hispanic population consisting of Central Americans (mainly from El Salvador, Honduras, and Guatemala) and Caribbean (Dominican Republic, Puerto Rico, Jamaica, Haiti, and Cuba), followed by Colombia, Brazil, Peru, and Mexico. This cultural diversity tends to be concentrated in different cities, depending on immigration patterns. Thus, Colombians are concentrated in East Boston, Central Americans (from El Salvador and Honduras) dominate Chelsea, Guatemalans are concentrated in Lynn and Waltham, whereas Brazilians predominantly live in Framingham, and Somerville. Dominicans are concentrated in Lynn and Lawrence, whereas Puerto Ricans are in the central and western cities (Worcester, Holyoke, Springfield).

When we add other minorities to this picture, the demographic diversity becomes even wider, and the cultural tapestry even richer. As depicted by Figure 5 (below):

Figure 5 - Minority Population Distribution in Gateway Cities



The cities of Lynn, Springfield, Lawrence, Holyoke, Revere and Chelsea have a large percentage of Latinos (upwards of 30%), while the cities of Lowell, Malden and Quincy have a significant number of Asian residents (upwards of 25% of each city's population). This diverse ethnicity adds to the cultural diversity of Gateway Cities.

## IMPACTS TO THE LOCAL ECONOMY

This minority population diversity in Massachusetts Gateway Cities has led to the formation of *cultural business districts* with ethnic restaurants, retail shops, bodegas (neighborhood food stores), jewelry stores, beauty and nail salons, multi-service, and other firms. **Although these businesses cater largely to the Latino and minority residents by offering diverse food and products found in their native countries, there is a trend of increasing non-Latino customers patronizing those businesses.**

These cultural business districts become an asset to the Gateway Cities with restaurants, bodegas and related businesses creating a distinct cultural niche for the city or area. Thus, if residents are interested in savoring good Colombian or Peruvian dishes, they tend to travel to East Boston where a number of these restaurants exist. For Dominican food, the cities of Lynn and Lawrence offer great variety. Chelsea has several good Salvadorean and Honduran restaurants, and so forth. This cultural richness attracts out-of-town families to these cities, often traveling long distances to enjoy an authentic dish from a given country. Good ethnic restaurants serve as strong anchors to cities looking to revitalize their downtown districts. Census data reveal interesting trends, which will be confirmed when the 2020 Census results are published.

In 2019, a total of 607,664 business establishments were counted in Massachusetts<sup>3</sup>, of these 89,967 or 15% were minority-owned and an estimated 6.4% or 39,117 businesses were Hispanic-owned. Compared to 2002, a 2.5-fold increase in businesses created and operated by Latinos occurred during the last 20 years: an average growth rate of 8.5% per year. This steady growth came as a direct result of the large Hispanic immigration into Massachusetts in the 80's and 90's and the fact that immigrants start new businesses at a faster rate than other population groups. A recent Stanford Graduate Business School report states that Latinos are starting businesses at twice the rate than the national average across almost all industries<sup>4</sup>. The number of Latino-owned businesses (LOBs) has grown by 14% between 2012 to 2017, over twice the U.S. average of 6%. Additionally, the number of employer LOBs grew across 44 out of 50 U.S. states, and grew at a faster rate than the national industry average across 13 of the 15 industry sectors that

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<sup>3</sup> 2019 US Census Quick facts business statistics

<sup>4</sup> 2020 Research State of Latino Entrepreneurship Report, Stanford Graduate School of Business, Latino Entrepreneurship Initiative

include a substantial number (over 1,000) of employer LOBs. Among these industries, the growth rate is highest in the following industries: 1) Construction, 2) Finance and Insurance, 3) Transportation and Warehousing, 4) Real Estate. These trends bode well for the future of downtown districts in heavily populated minority cities.

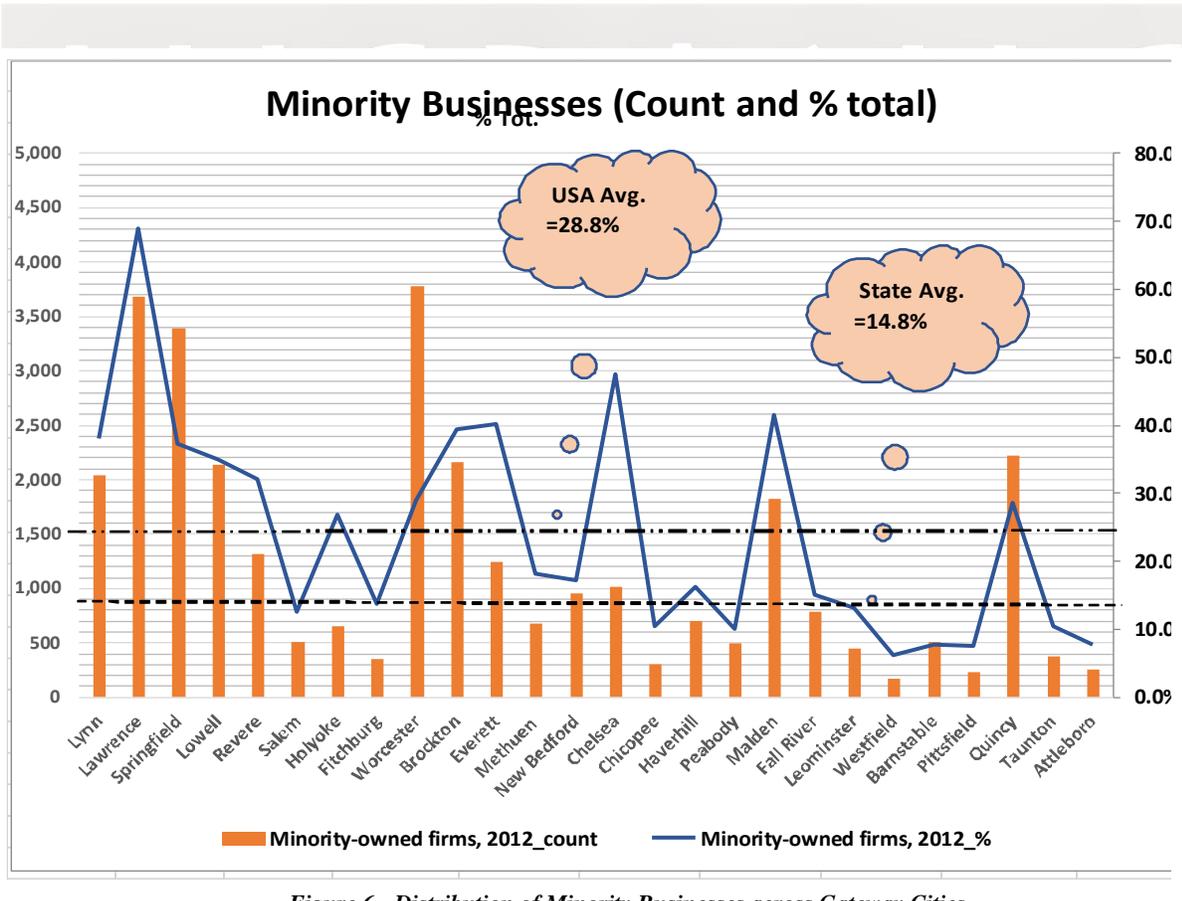


Figure 6 - Distribution of Minority Businesses across Gateway Cities

Figure 6 depicts (above) the distribution of minority businesses across Gateway Cities in both numbers and percent of small businesses in each city. Cities with a large presence of Latino and minority businesses are **Lawrence** (with close to 70% of businesses being minority-owned); **Chelsea** (close to 50%); **Lynn, Springfield, Lowell, Revere, Brockton, Everett, and Malden** (each close to 40%); and **Holyoke, Worcester, and Quincy** (each between 20% and 30%).

These *twelve cities*, with a high number of minority firms (20% or higher), had retail sales per capita below the MA and national average, except for Holyoke as indicated by Figure 7 below. Other Gateway Cities with smaller counts of minority businesses also exhibit larger retail averages than these 12 cities. Many reasons could account for this disparity, including household income and economic activity of these downtown districts, but the fact remains that average per capita retail sales is rather low in these 12 cities, with large minority business districts. There is

an economic and opportunity loss in these communities with robust business districts and large minority population that could serve as an economic engine for these districts. Resources applied to economic development in these 12 downtown business districts could bolster their economic vitality by attracting minority shoppers to retail stores, restaurants, and other ethnic minority businesses.

The local economy of these Gateway Cities is heavily dependent of the small businesses started by immigrants and minorities. These businesses have stayed behind in accessing financial and technical assistance offered by the Federal and State governments. Restrictions in occupancy, curfews, investments in Personal Protective Equipment (PPE), social distancing, plex-glass partitions, delivery services, and safety measures necessary to operate safely have resulted in large revenue losses and out-of-the-ordinary expenditures to many local restaurants, beauty / nail salons and retail shops. Consequently, their bottom lines have suffered, many requiring lifelines such as State economic subsidy grants to stay open. The Small Business Administration (SBA) Payroll Protection Program (PPP) and the Emergency Injury and Disaster Loan (EIDL) have been extremely popular among small businesses offering low interest loans, with a possibility of loan forgiveness. Other financial assistance programs offered by the State have been *sector specific* to industries affected by the lockdown and restrictions such as restaurants, gyms, beauty and nail salons, and entertainment venues.

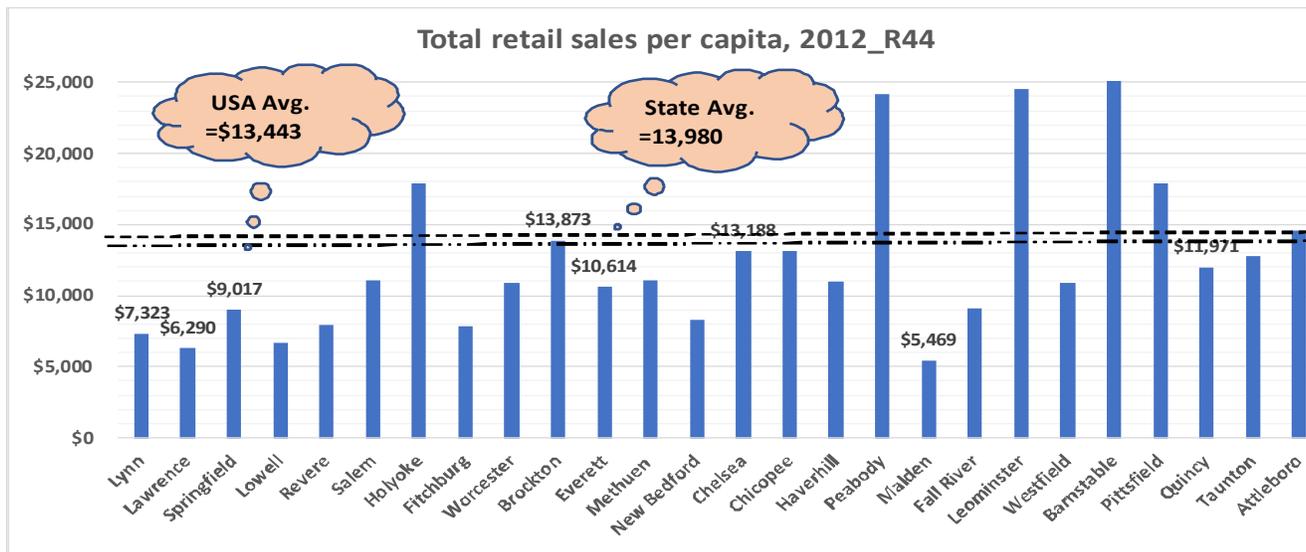


Figure 7 - Average Retail Sales per capita across Gateway Cities (2019)

Several statistics are revealing from these MA distressed sectors:

- About 20% (or 3,600 eateries) have closed since March of 2020.
- 10% of the workforce in the State are from restaurants suffering high unemployment rates, which among Latinos stand at 15% (state average is 8%).

- Restaurants typically operate with low to medium margins (10% to 30%), and with large investments in PPE and strict occupancy restrictions (25% to 40% occupancy) the financial stress restaurateurs face may be unsurmountable resulting in closings.
- Beauty / nail salons and barber shops face a similar predicament, with occupancy limits, additional expenses in plex-glass and PPE, and loss of patronage since residents are afraid to have a close contact and become infected.

## IMPACTS TO PUBLIC HEALTH DUE TO COVID

Latinos has suffered a disproportionate impact from Covid-19. A study by Tufts Health Plan<sup>5</sup> points out the following inequities:

- Latinos represent 12% of the MA population but comprise 24.1% of positive COVID cases.
- COVID-19 infection rates are 2.8 times higher in the Hispanic or Latino Community, compared to the non-Hispanic white community.
- In the community of Chelsea, there are 28.4 cases per 100,000 residents (based on mid-October 2020 public health records); one of the highest rates of the entire country.
- Only 16% of Latinos have the option of working from home, while 30% of the white population have the options of working from home.
- Prior to the pandemic, the average annual revenue of Latino-owned businesses increased by 10%.
- Latino owned businesses saw a 42% drop in revenue in March and April 2020, at the start of the pandemic.

Since the start of the pandemic back in early 2020, Americans have been inundated by health data and statistics measuring the spread, intensity and death rates caused by Covid-19. Statistics are necessary to measure how well a city / town, county, state, and the nation overall are fairing in the fight against the pandemic. Although the Center for Disease Control (CDC) sets standards for measurement of the Covid-19 infection and death rates, each state uses its own set of metrics, thereby making it difficult to make state to state comparisons. Massachusetts uses a group of metrics to measure the status of the pandemic and the effectiveness of the measures taken by the State. These statistics are published each week by the State's Department of Public Health<sup>6</sup>, and are used by State officials to take preventive measure to stop the spread. Two of the key metrics used by health officials are: the *positivity rate* and the *incidence rate*.

The *positivity rate* is an important metric for tracking the *spread* of COVID-19 in Massachusetts as it measures how prevalent positive cases of the disease are, when compared to the number of

<sup>5</sup> RECOVERING FROM THE COVID-19 CRISIS OPTIONS FOR KEEPING HEALTH INSURANCE, Tufts Health Plan, HAI Growing A Healthy Business in 2020 AND 2021webinar, Oct. 28, 2020 Thursday, October 29, 9-10:15 AM

<sup>6</sup> The Public Health weekly report of Massachusetts Department of Public Health

tests being done or the number of persons tested. Another useful metric is the *incidence rate* defined as the number of new cases divided by the number of people living in the geographic area, normalized by the population of each area<sup>7</sup>.

The *incidence rate* measures the *intensity* of Covid infections in each community, and it becomes a useful metric for comparing the intensity of the infections across communities and to the State average, since the metric is normalized to *cases per 100,000 population*. Thus, cities with different population sizes such as Chelsea, with a population of 39,600 (2019), and that of Lynn with 94,299 (2019) had an average daily incidence rate of 144.5 and 128.2 cases per 100,000 population, indicating a higher incidence rate for Chelsea than for Lynn based on January 12, 2021 reporting by the State. Similarly, Lawrence (with a population of 80,082) exhibited an incidence rate of 171.6 and Revere (with population of 53,073) had an incidence rate of 141.2. All these gateway cities with a high Latino population density experienced higher incidence rates than the State average of 78 cases per 100,000 for January 12<sup>th</sup>.

Figure 8 below compares these two metrics for a selected group of cities including the 12 Gateway Cities with high density of minority population and businesses.<sup>8</sup> The bar charts depict the incidence rate, grey bars, (reported cases per 100,000 population) and the positivity rate, blue bars, (number of persons testing positive divided by all persons tested). The dotted horizontal lines across each chart depict the State average reported on January 12, 2021 for both metrics. Looking at these trends, the situation looks dire for all these Gateway cities. About 75% of the cities (25 of 33) shown in Figure 7 have rates equal or higher than the state average for the two metrics.

The cities of Lynn, Lawrence, Revere, Everett, Methuen, New Bedford, Chelsea, Fall River, Leominster, and Saugus have 1.6 to 2.2 times the State's average incidence rate. The positivity rate shows a similar trend for these same cities with a range of 1.5 to 2.25 times the State's average rate. These two metrics show a disproportionate impact of Covid-19 incidence in these Gateway Cities. Given that, one can pose two questions:

- *Has the Covid incidence and positivity trends in these cities remained consistently high or have decreased over time?*

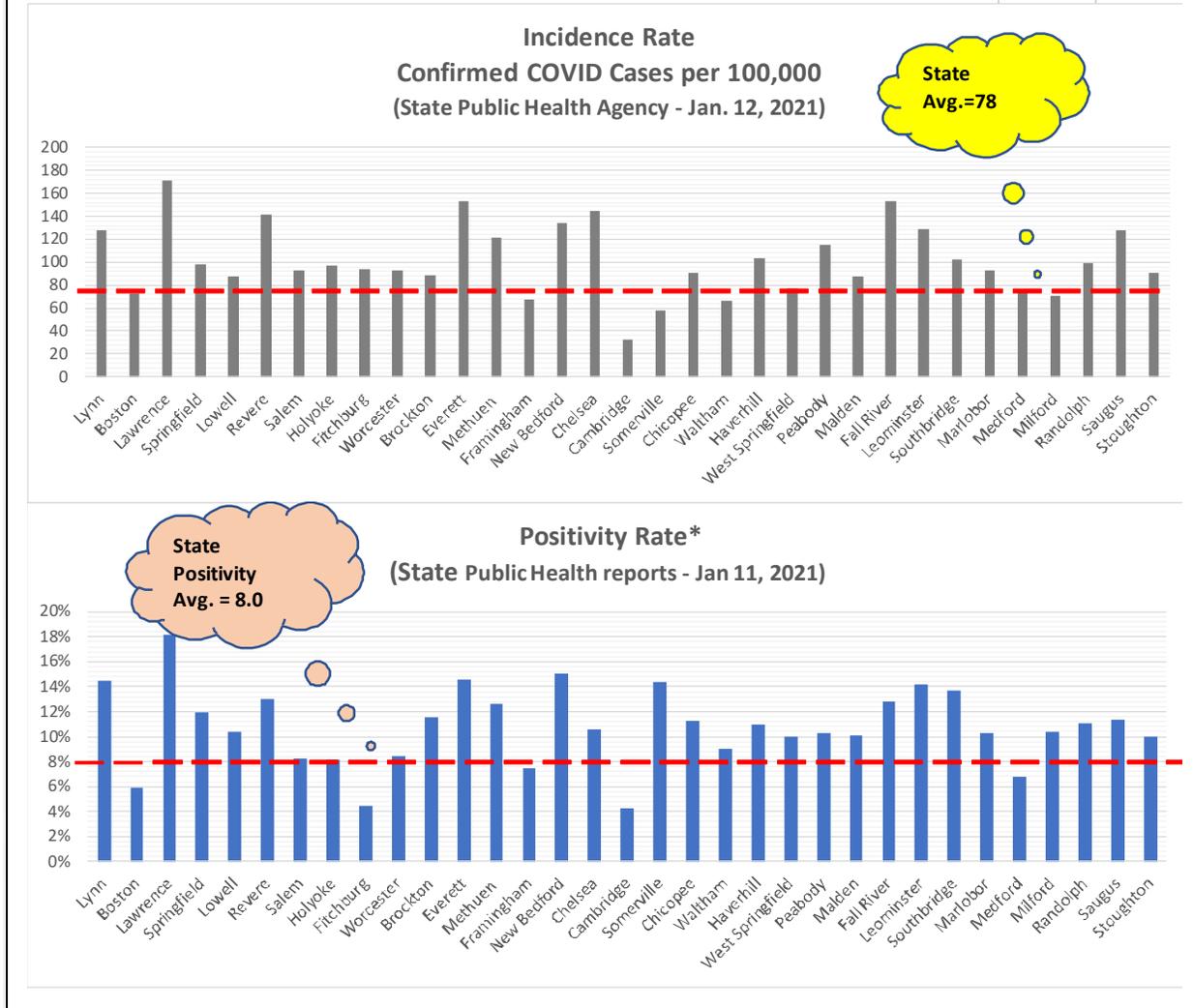
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<sup>7</sup> MDPH calculates rates per 100,000 population using denominators estimated by the University of Massachusetts Donahue Institute using a modified Hamilton-Perry model (Starter S, et al. Small Area Population Estimates for 2011 through 2020, report, Oct 2016.)

<sup>8</sup> Weekly report for January 12, 2021 DPH

- *Has Covid-19 continued to affect disproportionately the Latino and minority population of Gateway Cities?*

Figure 8 – Covid-19 Public Health Trends in Gateway Cities



For this analysis we selected **eight** of the worst cities showing high incidence and positivity rates. We defined a new metric that compares to the State average rate and call it the **multiplier factor** for each city and date. The multiplier factor is defined as the number of multiple times a city’s metric exceeds the State average. For example, if Chelsea in January 12 had an incidence rate of 144 cases per 100,000 population and the State average is 78, the multiplier factor for Chelsea is calculated as 1.85 for that date (see Figure 8 above). Similarly, the positivity rate multiplier is defined as the number of times this rate exceeds the State average, which for the case of Chelsea in January 12 stands at 1.5. The multiplier factor allows us to compare the

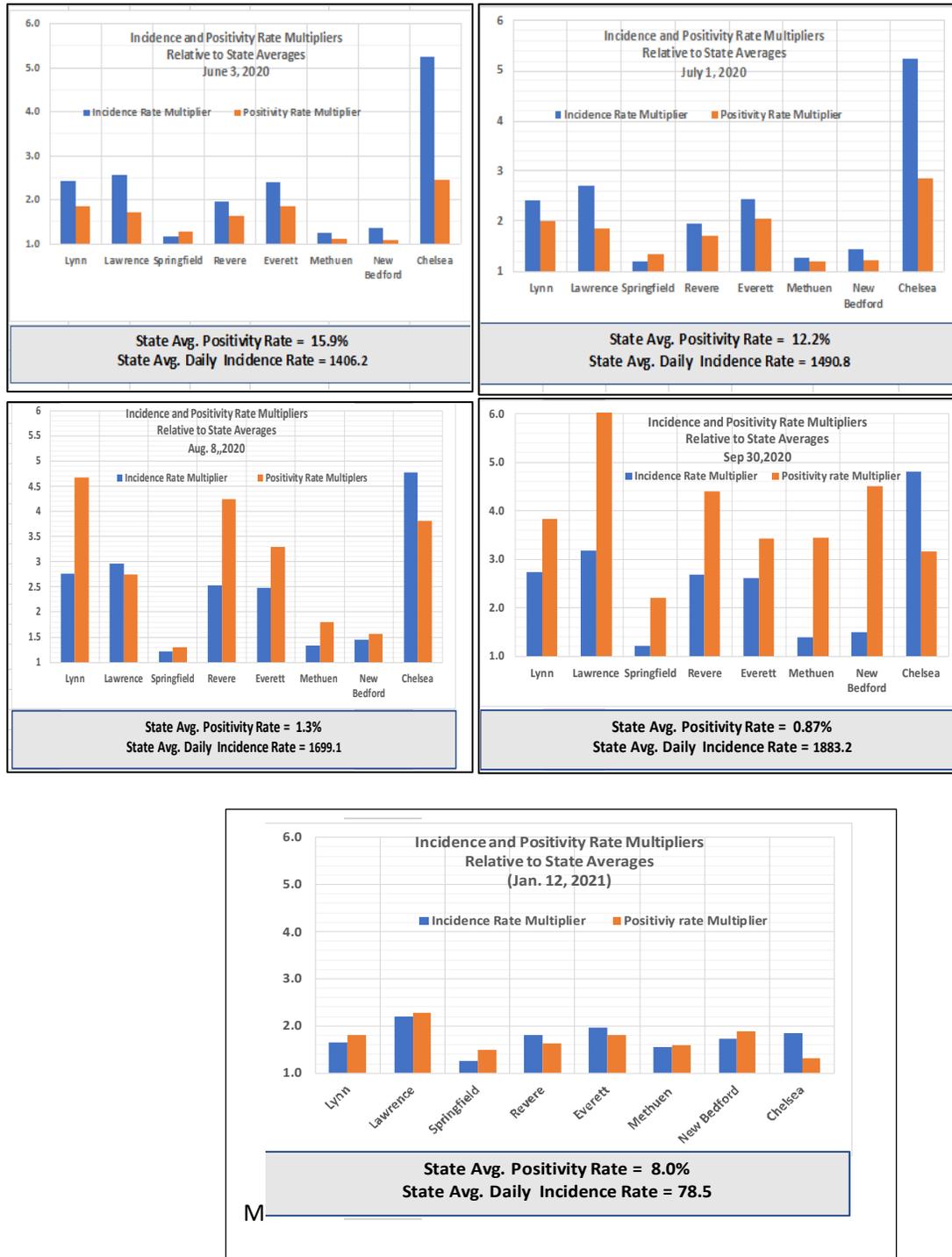
severity of the Covid-19 disease as measured by incidence and positivity metrics, across communities and time, and hence one can realize how well these eight cities are coping with Covid-19. The real question becomes, has the public health conditions improved or deteriorated with time in each city? We took snapshots of time from June 3, 2020 to September 30<sup>th</sup>, 2020 when the Covid-19 spread increased and decreased and calculated the multiplier factors for each city for both positivity and incidence rates.

Figure 9 (below) shows the results. For June and July, the multiplier factor for incidence rates (blue bar) was much higher than that of the positivity rate (orange bar), principally due to rather slow start of testing, which measures positivity directly. One can see that Chelsea exhibited a multiplier of five times the State's incidence rate, while the other cities remained at levels of 1.5 to 2.5 times the average. (We show the average rate at the bottom of each chart, just multiply the factor by the average to get the city's actual rate). In August and September the positivity rate multiplier increased dramatically, due to increased levels of testing, and also the state changed the formula for positivity initially based on number of tests conducted to number of persons tested to account for those persons getting tested multiple times, such as the college students at the start of the academic year. The absolute values for positivity decreased but the multiplier factor could be compared across dates. The fact remains that for cities such as Lynn, Revere, and Everett (all in the North Shore) the positivity multiplier increased significantly. It is interesting to note that in Lawrence, New Bedford, Methuen, and Springfield the positivity multiplier increased dramatically comparing August to September charts. These increases may be due to the return of college students to campuses. The good news is seen when we compare September to January results where the multiplier factors decreased significantly for all cities selected in the sample, most probably caused by the intense measures implemented by the State during the Christmas and New Year's holidays. Recent data show that the pandemic has decreased in intensity due to preventive measures but also due to the start of the vaccination program across the State.

All the cities in the sample have high concentration of Latinos and other minorities, showing a worsening conditioning on positivity rates during the height of the pandemic. These 8 cities represent 8.2% of the Commonwealth population (or 566,767 residents) with 44% Latino population (249,734 residents) and close to 60% minorities (331,886 residents). With high densities of Latinos and minorities, these 8 cities could be considered representative of the conditions the Gateway Cities in the State are facing. Close to 15% of the minority businesses in the State are considered in this sample with an average retail sale per capita of \$7,894, which is well below the State average of \$13,134. These statistics show a dire picture from a public health and economic perspectives for these 8 cities and possible extrapolations could be made to the other 18 gateway Cities. The recent study conducted by MassINC bears this fact. Facing an uncertain future posed by Covid-19, the economic challenges remain formidable for Gateway

Cities and the minority businesses operating there. Much needed financial and technical assistance is necessary to restore the economic status of these cities to pre-Covid-19 levels.

**Figure 9 - Incidence and Positivity Rates Multiplier Factors**



## LESSONS LEARNED

The Hispanic-American Institute and its team of business advisors have been assisting small Latino and minority business owners since the start of the pandemic. This white paper summarizes the lessons learned so far from this experience and presents trends and data available from the Census Bureau and public health reports. It paints a picture of the conditions on the ground affecting Latino businesses in Massachusetts. Our team of bilingual / bi-cultural business advisors is shown in Figure 10 (below).

*Figure 10- The Institute's Team of Business Advisors*

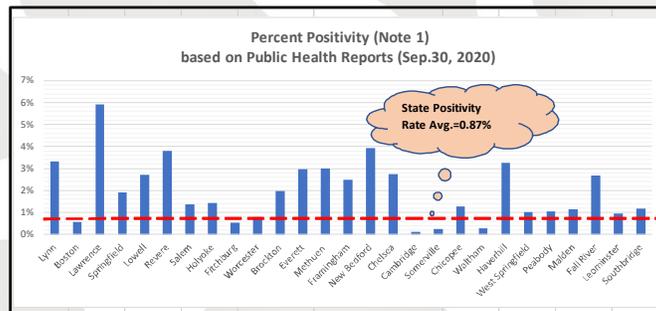
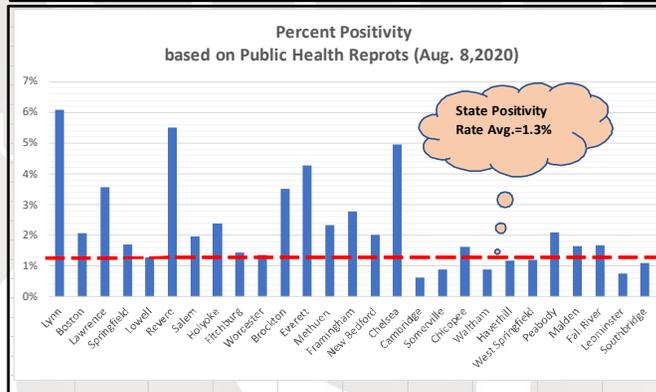
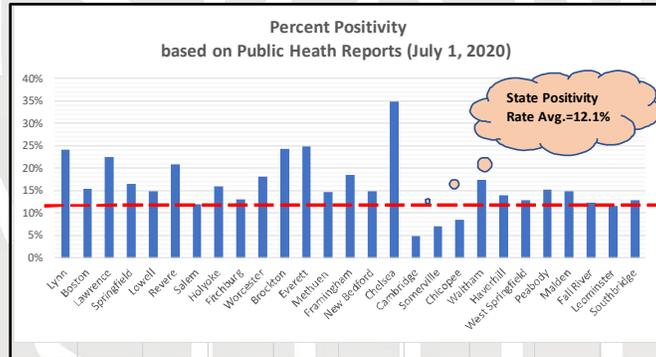
- **Nader Acevedo**, Executive Vice president of the Hispanic-American Institute and Boston office manager will have overall responsibility for program execution,
- **Alberto Calvo**, a seasoned project manager, with over 30 years industry experience will serve as Project Manager. Mr. Calvo owns to latino markets in Chelsea and Lynn,
- **Eduardo Crespo**, a seasoned professional with over 30 years' experience in marketing and public relations, assisting business owners in Lawrence and other Merrimack Valley communities,
- **Pedro De Jesus** is a forensic accountant with broad counseling experience. His clients are in the South Shore (Brockton, Taunton, Fall River, New Bedford, and Boston)
- **Alberto Luna** is a small business advisor educated in Colombia and serving restaurant owners East Boston, Revere, Everett, Chelsea, Malden and others),
- **Rodolfo Palafox** is President & CEO of KOUNTULARI is a consulting firm specialized in restaurant operations and finance, with clients in Boston, Cambridge, Somerville, and Framingham,
- **John Perez** is the principal of Consilium Opus, a business consulting firm located in western MA assisting Latino-Owned Businesses since 2016 in Springfield, Chicopee, Westfield, Holyoke, and others. John completed the Restaurant Revenue Management Certificate Program from the Hospitality Department of Cornell University.

A few lessons learned from our work with latino business owners are;

- Small latino-owned businesses failed to capitalize on Federal and State grants, many suffering great revenue losses.
- Those business owners who applied lacked the financial information and digital skills to apply themselves to the grants, requiring technical assistance.
- Many *bodega* owners saw customers getting infected by the virus and losing their jobs, pushing regulars to ask to put groceries on tab; creating a risk to the owner.
- Bodegas in low-income communities suffered from the lack of foot traffic, while those food stores in affluent neighborhoods experienced a surge as the working-from-home crowd shopped locally and spent more time cooking.
- Restaurants learned to *pivot* by offering prepared foods and selling their favorite sauce, dressing or other specialty items at retail and wholesale.

## ATTACHMENT A - COVID-19 HEALTH STATISTICS IN GATEWAY CITIES

A quick look at these charts shows the disproportionate effect that Covid-19 has had on the Latino and minority populations of these Gateway cities. As shown by both key metrics: Incidence rate (cases per 100,000) and the positivity rate (% who tested positive), the trends look dire. From the January 2021 results it is evident that Gateway Cities fared worse than the State average.



*Note 1: The state changed the calculation of the positivity rate from # of positive tests divided by the number of cases tested to that divided by the number of individuals tested.*

## ATTACHMENT B - CHELSEA: PROFILE OF A GATEWAY CITY



Chelsea is a fully developed urban community of 39,690 per July 1, 2019, (V2019) Population estimates from the US Census Bureau. The city contains 2.48 square miles, making Chelsea the second highest densely populated city in MA (15,902 residents per square mile of land) following Somerville at 18,404 per square mile. Chelsea is characteristic of a

gateway city: high population density, low household and per capita income, high poverty rates, low educational attainment, low rates of home ownership and reliance on public transit for mobility, as shown by the following bullets:

- Percentage of housing in multi-family units (85.1% for Chelsea, 41.7% for MA).
- Low median household income (\$40,487 for Chelsea, versus \$64,509 for MA).
- High percentage of persons under 5 years old (8.7% for Chelsea, versus 5.6% for MA).
- Low average per capita income (\$18,630, versus \$33,966 for Massachusetts).
- High incidence of poverty (24.2% versus 10.5% for MA).
- Low educational attainment (13.6% of population versus 38.3% for MA).
- Low percentage of home ownership (33.30%, versus 64% for MA).
- Low proportion of households with two or more cars (20.3%, versus 49.9% for MA).

Typical of an old industrial city, Chelsea has an older industrial district, which was largely destroyed in a fire that allowed for a new development to take its place, with modern industrial buildings and a shopping mall on the city's west side, adjacent to Everett. The New England Produce Center is at the Everett border and is a major employer, with food processing and refrigerated space in the center and in the surrounding neighborhood, where industrial rents are high. Industrial rents are also high on the east side of Chelsea, with good access to Logan Airport

and several air freights companies as occupants. New residential development includes redevelopment of older loft-style industrial buildings in the downtown area. Chelsea's residential values are increasing, as well as rents, forcing many low-income households to move from the City. Residents rely heavily in public transportation, with public busses, the commuter rail line and the recent Silver line from Logan airport and Boston. The Mystic River Bridge provides the main access to and from Boston and carries Route 1, a major highway that passes through the middle of the city.

Chelsea's downtown district is a bustling area, located on Broadway, a major street that runs the length of Chelsea from the waterfront to the Revere border, where it continues to the north. Chelsea's traditional downtown runs from Bellingham square (next to City Hall) to Chelsea Square for little over a mile in length. Broadway has virtually continuous retail frontage, with a mix of small independently owned shops and restaurants (mostly Latino owned), branch banks, a CVS pharmacy, convenience stores and "bodegas", the main post office, and other businesses catering to the public. Buildings range from single story retail, to three- and four-story mercantile buildings erected from the 1890's through the early twentieth century. Upper floors are occupied by apartments and office space. Chelsea's downtown offers a very colorful, culturally diverse, and eclectic business district with dozens of ethnic restaurants aligning both sides of the street. This presents a real opportunity and asset base on which to build a culturally relevant Latino business area in downtown.

Dozens of bodegas (a name *derived* from the Spanish word for "storeroom" or "wine cellar") and ethnic restaurants are located in Chelsea's downtown and surrounding neighborhoods. Chelsea is considered a "food desert" according to Federal regulations, where bodegas and supermarkets become the main source of groceries for the neighborhood. Many of these small businesses are struggling due to the restrictions imposed by the State. In January, the **unemployment rate** in the Chelsea was almost 18%, compared with 6.3% nationwide. Chelsea also had higher Covid infection and death rates than the average for MA. Compounding the challenges to these businesses is the amount of free food being distributed by local food pantries and non-profits, such as La Colaborativa, resulting in decreased revenues for the food businesses in Chelsea.

While government assistance such as the Paycheck Protection Program loans are intended to help small businesses weather the pandemic, many bodega owners have difficulty providing the documents to apply for the loans. "*They run their business on a notebook and pay cash to staff*" says Nader Acevedo, Executive Vice President of HAI and board member of the Chelsea Chamber of Commerce. Nader has been providing technical assistance to small business owners in Chelsea and Lynn for bodega owners and other small businesses. Vaccinations have been slow in the city with a lot of confusion about the vaccines among the Latino population and many are undocumented immigrants and are wary of providing job information to vaccination sites.

The Boston Foundation (tBf), along with its donor community, has launched a place-based initiative called *Chelsea 2021* on March of this year. This initiative seeks to help the most affected city in MA, from the perspectives of public health, economic, unemployment, education, income and food distribution, in order for its residents to persevere and recover from these unprecedented times. A community-driven process facilitated by the Foundation, was started with two *listening sessions* bringing together community leaders, residents and public officials, along with the city manager Tom Ambrosino to learn more about Chelsea and its dynamics, priorities, and challenges in order to review and vet grant investments to spark the recovery process. Community voice and lived experience will be *centered* in tBf's work and process, and will work with the public, private and nonprofit sectors to support rapid and active grantmaking towards a just and equitable recovery for the City.

As part of the tBf *Chelsea 2021* initiative, *Boston Indicators* presented data that frame the challenges facing Chelsea during this pandemic. Several charts from the analysis are reproduced below, with the permission of Trevor Mattos (the author) from Boston Indicators. Here is what the data shows:

- **Today, Chelsea is a *multicultural* City with close to 70% of the residents being immigrants from Latin America and the Caribbean.**

### Chelsea's foreign born population has more than quadrupled since 1980.

Country of origin for the foreign born population, Chelsea, MA.



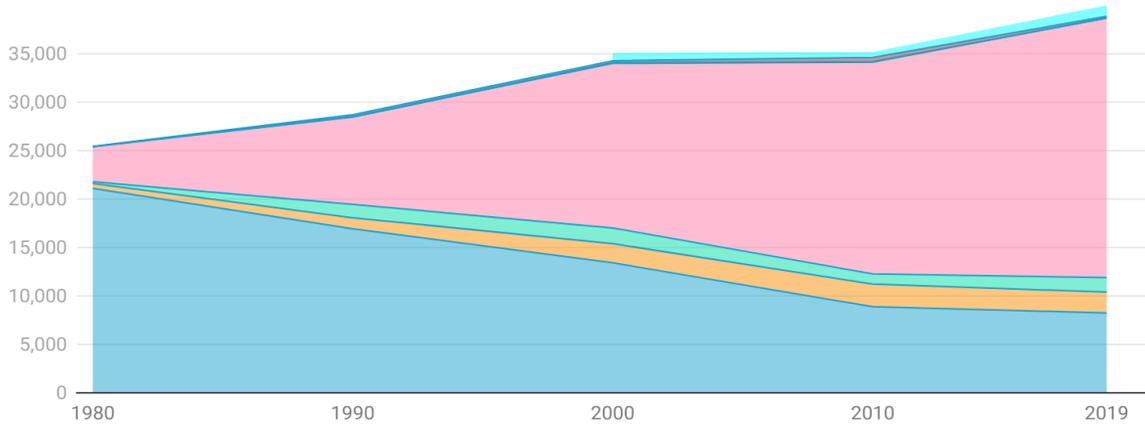
Chart: Boston Indicators • Source: Census Bureau • Created with Datawrapper

**(Source: Boston Indicators 2021)**

- Chelsea’s Latino population has grown sevenfold (7X) in the past 40 years contributing to the City’s growth and prosperity.

### Chelsea's Latinx population has been central to its growth.

Total population by race and ethnicity, Chelsea, MA.



Roughly 1/2 of Latinx residents in Chelsea identify as White and the other 1/2 as multiracial.

Chart: Boston Indicators • Source: Census Bureau • Created with Datawrapper

(Source: Boston Indicators 2021)

- Over 56% of the Latino population of Chelsea (25,314 people) are native of three Central America countries: El Salvador, Honduras, and Guatemala.

### Immigrants from Central America make up the top 3 countries of origin.

Country of origin for the foreign born population, Chelsea, MA, 2019.

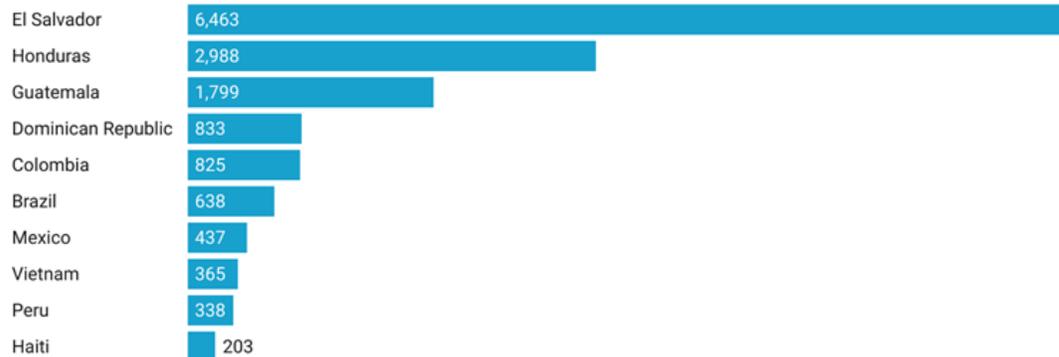


Chart: Boston Indicators • Source: Census Bureau • Created with Datawrapper

(Source: Boston Indicators 2021)

Chelsea has suffered a disproportionate impact from Covid-19, as shown by the graphic below. The graph plots **Covid Positivity Rates** per 10,000 population (horizontal axis) versus household occupancy rate in the vertical axis (measured by % of units equal to or greater than 1.01 occupants per room). Chelsea's data point is on the far right with Positivity counts close to 2,000 per 10K population and an occupancy rate of around 8%. Other Gateway Cities such as Lynn, Lawrence, and Revere with positivity counts greater than 1,600 per 10K people and % household occupancy rates greater than 5%. The correlation of household occupancy rate (proxy to living closely together) and positivity rate is *high* (with a correlation coefficient,  $R=0.71$ ), indicating that housing density (>1.01 occupants per room) is a determinant of Covid-19 positivity rate. This correlation is representative of Gateway Cities, with 13 out of the 33 cities considered in this white paper are in the chart below.

