The Acceleration of Ecommerce Among Small Businesses

THE STATE OF SMALL BUSINESS TODAY
In the U.S. today, small businesses account for over 99 percent of businesses and employ nearly half of the workforce.1 They have felt the effects of the pandemic particularly hard – a quarter of small businesses have reported temporarily closing since March.2 Given this reality, many small businesses have turned to companies like PayPal for a ladder to a more permanent future – helping with the distribution of federal loans, providing emergency funding, and leveraging the power of ecommerce – to reach a socially distanced consumer population.

HELPING BLACK-OWNED SMALL BUSINESSES THROUGH COVID-19
Forty-one percent of Black-owned businesses have shuttered since the start of the pandemic, compared to 17 percent of their white-owned counterparts.3 To help sustain these businesses during this time, PayPal committed $10 million dollars in emergency funding to Black-owned small businesses, providing up to $10,000 to more than 1,000 businesses across the U.S.

CAFÉ WAKEFERN
Bridgett Jeffries owns Café Wakefern, a home-based dog boarding business. When the pandemic hit, Bridgett was forced to close her doors. PayPal Empowerment Grant: PayPal’s grant of $10,000 has allowed Bridgett to keep her business running and combat the continuing financial impacts of COVID-19.

BRONX NATIVE
Bronx Native was started by Amaurys Gullon to sell clothing and goods that represent the rich culture and history of the Bronx. PPP Loan: When the pandemic hit, Bronx Native applied for a PPP loan via PayPal and used the funds to supplement essential costs such as payroll and rent.

SALTOPIA
Kimarie Santiago, owner of SALTOPIA Infused Sea Salts, was faced with a complete stop to business when its wholesale partner shut down due to the pandemic. Pivot to Ecommerce: Santiago quickly pivoted online to sales by using PayPal, keeping her business afloat and created a new business model to focus on direct-to-consumer and drive sales and traffic to the website.

PAYPAL HELPED US CONTINUE OUR MISSION OF CHANGING THE NARRATIVE AND SEEING COMMUNITIES LIKE OURS THRIVE.

BRINGING BRICK AND MORTAR STORES TO LIFE ONLINE
With a huge number of traditionally physical businesses – such as bakeries, butchers and grocery stores – permanently moving online, businesses are seeking new technologies to support their needs and reach their consumers. These new e-commerce businesses need an integrated payments platform that can drive a comprehensive, consistent, simple and unified payments experience.

PARTNERING WITH THE SBA TO EXTEND A LIFELINE TO SMALL BUSINESSES
When the Small Business Administration (SBA) implemented the Paycheck Protection Program (PPP) to distribute loans to businesses impacted by the pandemic, small businesses in particular struggled to access financing. PayPal was the first non-bank lender approved to distribute the PPP funds and provided access to more than 12 billion in loans to more than 7,600 small businesses in the U.S. Approximately 308,000 jobs were saved with these funds.

THE PATH FORWARD FOR SMALL BUSINESSES
While the pandemic has hit small businesses particularly hard, it has also proven their resiliency. New data from PayPal’s Whitepaper “Resilience and Growth During the COVID-19 Pandemic: A Study of Digital Small Businesses” has found that:

1.7 million
In Q2, 1.7 million merchants decided to join PayPal, which is nearly three times that of an average quarter for the payments company.

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1. Small businesses that joined PayPal between March and May of 2020 experienced double their expected sales revenue.
2. Transitioning to digital payments has proven successful, as digital small businesses experienced 25% year-over-year growth in Q2 of 2021.
3. Ecommerce is the key for small businesses, expanding their customer footprint – In Q2, digital small businesses saw 73% of sales outside of their home state in Q2 of 2020.