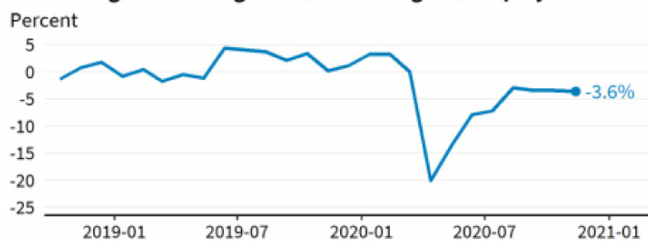


# The Pandemic Pivot

To say that the Pandemic overshadowing our lives for the past 15 months has caused disruption to small business and the economy is a woeful understatement.

In 2019, there were more than 30 million small businesses in the U.S. and 70% of those businesses were run by a solo entrepreneur or independent contractor. By April of 2020, nearly nine million of those solo entrepreneurs – more than 20% of the small businesses in the U.S. --- were no longer earning wages, according to a 2021 Small Business Administration report.

**Figure 1: Change in total working self-employed**



Change relative to 12 months prior.

Source: Current Population Survey; BLS, Census, and IPUMS

So how did the other 79% manage to survive the past year and, in some cases, even thrive? And what can be learned from those experiences the next time the economy shifts gears?

Some entrepreneurs and business owners have made nimble adjustments to adapt and even grow during an exceptionally challenging year.

Take Bank of Labor customers, Brixton Staffing, for example.

Sergio Palacios and Rosa Izurieta both had years of experience in staffing when they decided to become partners and open their own staffing business. After months of planning and preparation, Brixton Staffing opened its Kansas City, Kan. headquarters in March of 2020, just as the Pandemic caused businesses to reduce services or temporarily close.



"By the end of our first month, hiring was in limbo," said Palacios. "But we knew we had to keep working towards our goals, so we started to look for some financing to help us stay on track."

That's when a Bank of Labor loan officer referred them to Amanda Villarreal, CEO of Plex Capital. Her company specializes in creative commercial finance solutions for entrepreneurs.

"Brixton needed a financing plan that was a little 'out of the box'," explained Villarreal. "That's a specialty area for us so it was a good fit."

Brixton received the financing it needed from Plex, along with ongoing banking services support from Bank of Labor staff to help weather the hiring slow-down.

"One of the advantages a community bank like ours offers is we truly know our customers," explains Randy Kimmel, Senior Vice President and Community Bank Director. He adds, "Our team works hard to try to understand and respond to each client's needs, whether that client is a mom-and-pop shop or a multi-million dollar enterprise."

*Continued on page 2 >*



*Pictured from left to right: Sergio Palacios, Rosa Izurieta (Brixton Staffing), and Mary Buche, SVP of Consumer Lending/Relationship Manager at Bank of Labor*

One mom-and-pop shop that managed to weather the past year is Sportsman Barber & Beauty in Kansas City, Kan. Cindy Steinbrink, who runs the shop with her husband Jay, explained that they worked with Bank of Labor to get two PPP loans that helped them cover business expenses when Jay was diagnosed with cancer in May of 2020 and they temporarily closed up the shop.

"Over the last year, we received both first-round and second-round PPP loans that made it possible for us to keep our business afloat," explained Cindy. "I'm not great on the computer but Mary Buche walked me through the process and made everything easier."

While Cindy was home caring for Jay during his cancer treatment and dealing with a drop in income and rising medical expenses, Sportsman Barber & Beauty also received a WYCO Loves Small Business grant of \$10,000. In addition, long-time customers stopped by with gift cards and offers of financial assistance.

Fortunately, Jay recovered and the Steinbrink's re-opened the shop this spring, when mandates were lifted, and have been extremely busy helping a long line of clients eager for haircuts.

Their shop is not unlike many other businesses which have come roaring back in 2021, thanks to vaccination availability, a dramatic reduction in infection rates and a jump in job openings. In fact, hiring demand is so high that Brixton Staffing recently expanded to three Kansas City metro locations with 200 full and part-time staff and they are planning for a fourth office in Tampa by 2022.

And another Bank of Labor PPP Loan customer, RA Construction in Kansas City, MO, has also fully resumed operations after a year of furloughs and other cutbacks.

"The PPP loan that banker Kim Nolan helped us set up allowed our construction company to get by when things got really tough," explained Office Manager, Belen Aguirre. She added, "Now that we're fully-operational again and have plenty of business, the hard part has been finding enough staff and supplies."

As Villareal of Plex Capital noted, "Adapting and thriving during challenging periods is about creative solutions and thinking 'big picture'.

Kimmel agrees. He adds, "Even when times get tough, try to stay agile, find good partners and keep your eyes on your goals."

*For other stories of budding entrepreneurs who stayed in business thanks to smart adjustments and helpful connections, check out these profiles compiled by Bank of Labor's community partner, KC SourceLink: <https://bit.ly/3Ak0N1J>*