## RESEARCH UPDATE

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## Boston's Small Businesses Withstood the MBTA Shutdowns

Despite fears that the four-week Orange Line shutdown and partial Green Line shutdown in the summer would significantly hinder small business activity, Boston's Small Business Unit and the non-profit Small Business Strong found the shutdowns only slightly affected small businesses. Employers and policy leaders worried the shutdowns would challenge employees, slow business activity, and stymie the economic recovery of small businesses which already had to adjust operations due to COVID-19. In the month prior to the shutdown, about 104,000 trips were taken on the Orange Line on an average weekday. Small Business Strong met with stakeholders to discuss the shutdowns and to crowdsource solutions and tools. Though a few reported reduced business, for many, the impact was short-lived.

Foot Traffic Increased During Orange Line Shutdown - According to the Boston Planning and Development Agency (BPDA) Research Division, foot traffic (an indicator of potential business activity) around the Orange Line decreased slightly (1-2%) in the first week of the shutdown, then increased significantly (20-35%). The BPDA Research Division utilized cell phone mobility data as a proxy for overall foot traffic. Beginning the second week, the number of people stopping near the Orange Line increased, driven by an influx of returning college students in the Boston area, even exceeding 2019 levels. Although this data has limitations, it indicates that foot traffic increased between July and September despite the subway shutdown.

Resilient Responses – The MBTA provided free shuttle buses and free Commuter Rail rides to supplement the closed subway lines, which helped people still access small businesses. Additionally, Blue Bikes were free, leading to record-breaking ridership levels. Some Main Streets organizations also promoted alternatives to support businesses and employees: in Jamaica Plain, Three Squares Main Street offered a free shuttle for employees working in restaurants, professional services, and retail stores in the area.

More Advanced Notice Needed -- The impact of the shutdowns was worsened because the MBTA gave only short notice to municipal officials and the public. Small businesses had little time to prepare contingency plans for how their employees would get to work. The City and business support organizations scrambled to communicate the changes and prepare responses to lessen negative economic effects. With more advance notice, these resources could have provided additional support, as Union Square Main Streets did during construction of Union Square Station in Somerville. Union Square Main Streets seized the opportunity to advertise local businesses to the MBTA's construction workers. The organization provided a list of local eateries for lunch options with QR codes linked to their menus. Also, policy analysts had little time to plan data collection efforts. The dearth of data makes it difficult to understand the true extent of impacts on small businesses.

Conclusion -- On the whole, the shutdowns did not impact small businesses as badly as expected. The biggest challenge was the short notice the MBTA provided to the public and businesses prior to the shutdowns. The MBTA should collaborate with affected constituencies and the City and disperse information to affected areas further in advance of any future shutdowns. The pandemic and the shutdowns highlighted the value of organizations that provide technical assistance and support to small businesses.



