

Minnesota Now (MPR) | Minnesota Now Downtown St. Paul businesses see tough times, post-pandemic
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CATHY WURZER: The economy continues to recover from the COVID pandemic. Minnesota's unemployment rate is a low 2.8%. And if last week's revival of St. Paul's Grand Old Day on Grand Avenue is any indication, folks are having a pretty good time.

The glaring exception is downtown office buildings around the country, including St. Paul. Many offices continue to allow their employees to work from home, at least some of the time. Their absence means they're spending less money at the small businesses that have long catered to the downtown crowd. Chris Farrell, our Senior Economics Contributor, talked to Bilal Saleem, owner of Mr. B's Barbershop in the downtown St. Paul Skyway to see how business is going. Chris, I love Mr. B. He's just the best. I know you're a customer.

CHRIS FARRELL: I am a customer. I've been going to Mr. B for, I don't know, the past several years. And what I learned is he's been a barber since the early 1990s-- so several decades of experience. And he moved into the St. Paul downtown Skyway in 2016, opening his own business.

And I like the place. You've walked by there, Cathy. It's a small space off the Alliance Bank Skyway, has two barber chairs, and then there's a set of chairs that are lined up for customers who are waiting their turn. There are some jackets and other clothing in one corner for sale and some little books for kids on at a table.

And I always enjoy our conversations. We have some good laughs. And, Cathy, I like the way he cuts my hair.

BILAL SALEEM: For me, I enjoy making people have a sharp image. And I love doing it. And to me, it's enjoyable when somebody comes looking rough and leaves looking smooth.

CATHY WURZER: Does sound like something he would say-- smooth, I like that. I know, though, for a fact, because every time I do go by there he always says "hi," that it's not been smooth going, of course, being a small business owner in downtown St. Paul in recent years.

CHRIS FARRELL: The math for these small businesses is really harsh. When fewer workers show up daily, it isn't only the commercial real estate owners who take a financial hit. So does small businesses like Mr. B's. They're reliant on this 9 to 5 customer. And many small businesses, if you walk these Skyways in downtown St. Paul, same thing in downtown Minneapolis, many of these small businesses closed up shop during the pandemic downturn and even during the post-pandemic recovery. Now, Good news is Mr. B has managed to hang on, but he told me it hasn't been easy.

BILAL SALEEM: I have been affected drastically in a negative way based on the COVID pandemic. There has been a shift in the numbers as far as the business is concerned. There's been an overall decline in business activity as a result of the COVID.

CATHY WURZER: Yeah. Yes, but there seems to be more office workers in the skyways, at least around lunchtime, you know? So are a lot of the main economic indicators better than they were before the pandemic?

CHRIS FARRELL: So here's the thing, Cathy-- when you talk about these overall economic numbers-- employment growth, labor force participation rate, the stuff that I like to talk, about consumer spending-- these numbers are good. We've seen a lot of improvement. But downtowns remain eerily quiet, especially compared to the pre-COVID days, going back to 2018, 2019.

And a lot of CEOs have said we want our workers to come back into the office. But you don't have to come back five days a week, how about three days a week? Which five days a week was the expectation before the pandemic. And so managements are accepting this hybrid work, and that means employees spend part of the week in the office and the rest working remotely.

And by the way, some of these mandates, employees just say, we're not returning anyway. So downtown St. Paul was never that busy compared to other major cities. So the numbers are better, but they're not like they were back in 2019, not for small businesses like Mr. B's. And here's his take.

BILAL SALEEM: It's going to probably take, I would say at this point, for my business in particular, maybe a year or so to get back. Because it's been how long now? A couple of years since the COVID virus. And I'm still not where I was.

CATHY WURZER: And I wonder too, Chris, whether Black owned businesses like Mr. B's, they face additional challenges. We know that compared to their white owned peers, right? So owning and running a business just generally speaking is tough, but probably tougher if you're a Black business owner.

CHRIS FARRELL: Yeah. No matter what measure you favor when you're looking at small business-- owning a small business is really hard. But being a Black small business owner-- starting a small business if you're Black, it's really hard. There are significant barriers, deep inequities. And I was curious, so I asked Mr. B about his experience in the barbershop business.

BILAL SALEEM: I think that there's more traffic that flows to white small businesses in this case, as opposed to Black businesses. But thanks be that I've been in the business long enough I have a substantial amount of people that have helped to keep me on the surface and not allowed me to sink. I would love to service more white people, for an example, but I think there's just that distinction that has caused the differences in the culture.

CATHY WURZER: Please tell me Mr. B is going to stick it out.

CHRIS FARRELL: He says "yes," assuming business does pick up. And he really enjoys his work. And everybody needs purpose.

BILAL SALEEM: I don't want to retire. I don't see that in my vision for as long as I can stand up and as long as I can have eyesight, as long as I can use my limbs. Because I love what I do. And I'm pretty good at it.

CATHY WURZER: And he is. And he is. Because your hair looks great, Chris Farrell.

CHRIS FARRELL: It does. And I go to Mr. B.

CATHY WURZER: There you go. Thanks for stopping by. It was good talking to you.

CHRIS FARRELL: Thanks a lot.

CATHY

Chris Farrell, Senior Economics Contributor at MPR News and Marketplace.

WURZER: