

Saving Main Street

*Small Business in the Time
of COVID-19*

Gary Rivlin



HARPER
BUSINESS

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Hollis Heimbouch, editor extraordinaire, is the one who first planted the idea in my head of a book that explored the country's complicated relationship with small business: we fetishize mom-and-pop establishments as we drive past them on the way to the mall or the parking lot of some big-box behemoth. COVID-19 added an urgency to that battle. Thank you, Hollis.

And heartfelt thanks as well to Elizabeth Kaplan. Every author should be blessed with an agent like Elizabeth, whose savvy, smarts, and encouragement were vital to the success of this project. She has been my super-agent from the start, but never has she played so central a role in the shaping of one of my books. Hollis, Elizabeth, and also Wendy Wong served as my council of advisors dating back

to the spring of 2020, when I first started reaching out to businesses. The three served as a video sounding board every step of the way, and then helped me tame an overly long first draft. Thanks as well at HarperCollins to James Neidhardt, for helping guide the book through the production process, and Janet Rosenberg, for saving me numerous times through the copy edit.

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Credit and also kudos to Mike Powell, whose touching and evocative *New York Times* column, "This Working Man Was Ready to Retire. But the Virus Took Him," in May 2020, pointed me toward Hazleton once I decided to focus on northeastern Pennsylvania. Julie Kramer and Niko Triantafyllou served as guides to the Scranton area and also played a matchmaker role with small-business people. Michael Sokolove helped me better understand Pennsylvania politics, both through his insightful writings and as a colleague. Thanks as well to my two translators, Aissa Cabrales and Arabellis Diaz, and also Fermin Diaz.

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And last but hardly least, my family. This book was conceived and researched during the worst of the pandemic, when the four of us—my wife, Daisy Walker, and our two sons, Oliver and Silas—

were living on top of one another in our New York apartment. I couldn't be prouder of Oliver and Silas for their good cheer through remote learning and the stresses of a lockdown in a city apartment, or happier for their support as their dad took on a new writing project. And then, of course, there's my Daisy, who does double duty as both life partner and my best reader, even if sometimes brutal ("No one cares!" "Cut it") with her feedback. This one is for the three of you, with my love and gratitude.

Notes on Sourcing

This book is based primarily on interviews with the two-hundred-plus people I spoke with while working on this project. That includes more than sixty small business owners, only a portion of whom are quoted within these pages. But I also pulled information from a wide range of newspapers, magazines, TV and radio clips, and podcasts to round out my story. Below is an accounting of media accounts used in the writing of this book.

Any nod to sources I relied upon to inform this narrative starts with my daily diet of media, which is heavy on the *New York Times*, *Washington Post*, NPR, and the public radio show *Marketplace*. My daily consumption was dosed with the *New Yorker*, the *Atlantic*, and the *Guardian*, along with pieces from Bloomberg, CNBC, *Business Insider*, *Forbes*, and pieces I found as an avid consumer of Redburn Reads, the regular email blast by my old editor, Tom Redburn, which was always chockful of links and commentary to articles relevant to COVID, electoral politics, or anything else on his mind. I became a daily reader of the *Philadelphia Inquirer* and a frequent visitor at the websites of the *Hazleton Standard-Speaker*, the *Wyoming County Press Examiner*, and *Scranton Times-Tribune*. A shout-out as well to Harrisburg's *Patriot-News'* PennLive site, the *Pittsburgh Post-Gazette*, and Spotlight PA, a nonprofit investigative news site

funded by news organizations around the state. From all of these I picked up insights, stray factoids, and the occasional quote.

Outside journalists have been traveling to Hazleton to chronicle goings-on there since at least the mid-2000s and passage of the city's draconian immigration ordinance. The articles and segments I want to call out start with an article by Michael Powell and Michelle García that ran in the *Washington Post* in 2006 under the headline, "Pa. City Puts Illegal Immigrants on Notice." Also worthy of note: Eleanor Klibanoff's "The Immigrants It Once Shut Out Bring New Life to Pennsylvania Town," on NPR in 2015; Michael Matza's 2016 article in the *Philadelphia Inquirer*, "10 Years After Immigration Disputes, Hazleton Is a Different Place"; Binyamin Appelbaum's October 2016 article in the *New York Times*, "In City Built by Immigrants, Immigration Is the Defining Political Issue"; NPR's Michele Norris, who wrote about Hazleton ("As America Changes, Some Anxious Whites Feel Left Behind") for a special issue on race that *National Geographic* published in 2018; and Ben Bradlee Jr.'s 2018 book, *The Forgotten: How the People of One Pennsylvania County Elected Donald Trump and Changed America*.

More recently, there was Charles Thompson's PennLive article, "Some Blame Latinos for Hazleton's COVID-19 Outbreak, Echoing Divisions That Once Roiled City."

Closer to home, Jamie Longazel, a son of Hazleton, wrote *Undocumented Fears: Immigration and the Politics of Divide and Conquer in Hazleton, Pennsylvania*, published in 2016. (Longazel is now a professor of law and society at John Jay College of Criminal Justice in New York.) Charles F. McElwee III has been writing engagingly about his ancestral home for the *City Journal* and the *Atlantic*, among other publications. The Greater Hazleton Area Historical Society & Museum, where McElwee is vice president, and Tom Gabos is president, provided a snapshot of downtown Hazleton in its heyday, when anthracite coal was still the area's main industry. I also relied on the trove of interviews with locals conducted by Sam

Lesante, the proprietor of a cable access station called SSPTV and the host of the eponymous *The Sam Lesante Show*.

A pair of books helped in my understanding of coal's impact on northeastern Pennsylvania. One, *The Face of Decline: The Pennsylvania Anthracite Region in the Twentieth Century*, published in 2005, was written by two academics: Thomas Dublin, a professor of history at Binghamton University, State University of New York, and Walter Licht, a professor of history at the University of Pennsylvania. The other was *Remembering Lattimer: Labor, Migration, and Race in Pennsylvania Anthracite Country*, by anthropologist Paul A. Shackel (published in 2018). Also helpful were a pair of terrific nonfiction books: *Coal: A Human History* (2016), by Barbara Freese, and *Big Coal: The Dirty Secret Behind America's Energy Future* (2007), by Jeff Goodell.

There has been much good journalism shining a light on Amazon, which looms large both in Hazleton and over the retail landscape more generally. Alec MacGillis's excellent 2021 book, *Fulfillment: Winning and Losing in One-Click America*, was one place to gain insights, along with anything about Amazon running under the bylines of Karen Weise, David Streitfeld, or Farhad Manjoo in the *Times*. Wiese's May 2020 *New York Times* article, "'Way Too Late': Inside Amazon's Biggest Outbreak," focused specifically on the Hazleton plant. There were Jim Dino's articles in the *Standard-Speaker* about Amazon (and the industrial parks generally) as they contended with COVID in the spring of 2020, along with (all in May 2020) Lesley Stahl's *60 Minutes* piece on Amazon; Josh Dzieza's "A Seventh Amazon Employee Dies of COVID-19 as the Company Refuses to Say How Many Are Sick," in the *Verge*; and Ezra Kaplan and Jo Ling Kent's "Eighth Amazon Warehouse Worker Dies from COVID-19," on the NBC website.

Helping to inform my writing about Old Forge were *Our Town Old Forge*, a 2018 documentary appearing on WVIA, the Scranton area's public television station, and "The Early Days of Old Forge: Pieces of History," by Margo L. Azzarelli, appearing in the

Wilkes-Barre *Times Leader* in 2015. I also relied on the entertaining *Wise Guys Love to Cook: Stories and Recipes from My Time with the Mob*, by Bob Rinaldi. The statistic about the enormous jump in pizza sales during the pandemic was from an article written by my old buddy Julie Creswell (“Pizza Was the Restaurant Hero of 2020,” in the *New York Times*, in February 2021). On the topic of bars and restaurants, I want to call out Gabrielle Hamilton’s terrific article about her Manhattan eatery, Prune, in the *New York Times Magazine* (“My Restaurant Was My Life for 20 Years. Does the World Need It Anymore?”); Jack Nicas’s equally excellent “One Bar. Twelve Weeks. Seventeen Lives in Lockdown,” appearing in the *Times*’s Sunday Business section in June 2020; and Patric Kuh’s first-rate 2019 book, *Masters at Work: Becoming a Restaurateur*.

I never had a chance to interview Governor Tom Wolf, despite repeated attempts over the nearly two years I worked on this project. For his background, several articles proved especially useful. I loved “Perfect Stranger,” by Steve Volk, a profile of Wolf appearing in *Philadelphia* magazine in 2014. Also in 2014, the year he was first elected governor, there were “As Tom Wolf Seeks the Pennsylvania Governor’s Office, Political Life Comes Full Circle,” by the *Pittsburgh Post-Gazette*’s James P. O’Toole, and “Tom Wolf Runs as Gentleman Politician,” by Steve Esack at the *Morning Call*. I also want to call out “‘Clear as Mud’: How Pa.’s Chaotic Coronavirus Waiver Program Hurt Small Businesses,” by Charlotte Keith and Angela Couloumbis, published by Spotlight PA in June 2020; the *Economist*’s Lexington column in June 2020, “How Pennsylvania’s Governor Is Battling the Pandemic”; and Charles DuHigg’s May 2020 *New Yorker* article, “Seattle’s Leaders Let Scientists Take the Lead. New York’s Did Not,” which offered an interesting primer on the best practices among public officials during a pandemic.

There was a lot of great reporting on the Paycheck Protection Program by a wide range of outlets, from Yahoo! News to Bloomberg to the *American Prospect*. Of special note was Stacy Cowley’s coverage in the *New York Times*, including “Banks Gave

Richest Clients ‘Concierge Treatment’ for Pandemic Aid” (cowritten with Emily Flitter) in April 2020, and “The Small Business Administration’s Gaffes Are Now Her Job to Fix” in May 2021 (the source for the SBA budget being less than what the Defense Department spends in a day). I also relied on Zachary Warmbrodt’s coverage of PPP for Politico; a column Eleanor Clift wrote for the *Daily Beast*, “How Susan Collins’ Small Business Bill Helped Bail Out Big Ones,” in May 2020; an April 2020 NBC News article by Gretchen Morgenson, Rich Gardella, and Andrew W. Lehren, “Firms with Trump Links or Worth \$100 Million Got Small Business Loans”; the *Wall Street Journal*’s “PPP Small-Business Loans Left Behind Many of America’s Neediest Firms,” by Yuka Hayashi, Ruth Simon, and Peter Rudegeair, in June 2020; and “The Failures and Future of the Paycheck Protection Program,” which WBUR’s *On Point* broadcast in February 2022. The background on Oklahoma congressman Kevin Hern was reported by Timothy L. O’Brien, in his Bloomberg article in April 2020, “A ‘McCongressman’ May Get a Coronavirus Bailout for His Business.”

On the CARES Act, the American Rescue Plan, and other aid the government provided during the pandemic, I relied on my usual diet of media, including Jonathan O’Connell and Aaron Gregg at the *Washington Post* and Ben Casselman and Jim Tankersley at the *New York Times*. Gregg and Erica Werner cowrote “SBA Slashes Disaster-Loan Limit from \$2 Million to \$150,000, Shuts Out Nearly All New Applicants” about the EIDL program in May 2020. The *Times*’ Stacy Cowley wrote “How a Relief Fund for Restaurants Picked Winners and Losers” in December 2021, about the Restaurant Revitalization Fund. The invaluable OpenSecrets, a nonpartisan research organization, was my source for lobbying data woven into the book.

The sections about Steven Mnuchin were helped by three great Mnuchin profiles, all appearing in 2020: “Steven Mnuchin’s Deal Staved Off Catastrophe. Can He Make Another One?,” by Jason Zengerle in the *New York Times Magazine*; “Steven Mnuchin Tried

to Save the Economy. Not Even His Family Is Happy,” by James B. Stewart and Alan Rappeport in the *New York Times*; and “The High-Finance Mogul in Charge of Our Economic Recovery,” by Sheelah Kolhatkar in the *New Yorker*.

Jonathan J. Bean, a history professor at Southern Illinois University at Carbondale, wrote a pair of books about the SBA: *Beyond the Broker State: Federal Policies Toward Small Business, 1936–1961*, which was published in 1996, and *Big Government and Affirmative Action: The Scandalous History of the Small Business Administration* (2001). Also of note was Alexander Sammon’s article “Everybody Hates the SBA,” appearing in the *American Prospect* in May 2020, and the writings of University of North Carolina professor Benjamin C. Waterhouse. The 2018 book *Big Is Beautiful: Debunking the Myth of Small Business*, by Robert D. Atkinson and Michael Lind, was also a source for understanding how small business is perceived by elected officials and the public.

At the *Washington Post*, there are three more articles that I want to call out: Heather Long’s “Small Business Used to Define America’s Economy. The Pandemic Could Change That Forever,” appearing in May 2020; “The End of Small Business,” by James Kwak, published in July 2020; and “America’s Biggest Companies Are Flourishing during the Pandemic and Putting Thousands of People Out of Work,” by Douglas MacMillan, Peter Whoriskey, and Jonathan O’Connell, in December 2020. In the *New York Times*, there was “Wealthiest Hospitals Got Billions in Bailout for Struggling Health Providers,” in May 2020, by Jesse Drucker, Jessica Silver-Greenberg, and Sarah Kliff; “Large Companies Take Bailout Aid in Dubious Gains,” by Jessica Silver-Greenberg, David Enrich, Jesse Drucker, and Stacy Cowley; “Lawsuits Swell as Owners, from Gun Shops to Golf Courses, Demand to Open,” by Neil MacFarquhar, in April 2020; and “Start-Up Boom in the Pandemic Is Growing Stronger,” by Ben Casselman, in August 2021. Other *Times* reporters whose bylines graced the top of articles that helped in the writing of this book: Emily Cochrane, Patricia Cohen, Michael Corkery,

Emily Flitter, Amy Haimerl, David Leonhardt, Eric Lipton, Sapna Maheshwari, David McCabe, Ben Protess, Nelson Schwartz, Jeanna Smialek, and Kenneth P. Vogel.

I loved Francesca Mari's article "What My Dad Gave His Shop," appearing in the December 2020 issue of the *Atlantic*. High praise as well for the collected works of the *Atlantic*'s Ed Yong and his coverage of the pandemic. It was Yong who offered the "a thousand times smaller than a dust mote" line. Deep respect as well for the writings of both Derek Thompson and Annie Lowrey. Thompson wrote "The Pandemic Will Change American Retail Forever," in April 2020, and "We Can Prevent a Great Depression. It'll Take \$10 Trillion," in May 2020. Lowrey authored "The Small-Business Die-Off Is Here," also in May, and "The Pandemic Business Boom," in August 2021.

The Plague Year, by Lawrence Wright, was my favorite of the first batch of COVID-19 books I read. Other key sources about the pandemic included the COVID Tracking Project, Yelp, Kabage, Womply, and the Census Bureau's Small Business Pulse Survey. Ally Schweitzer and Mikaela Lefrak were the reporters on the WAMU story "Taking Stock of the Hundreds of Businesses D.C. Lost During the Pandemic." Katherine Eban's "Painful Prescription," appearing in *Fortune* in 2013, was an early effort at exposing the PBMs as a behind-the-scenes drivers of healthcare costs.

There also have been a lot of insightful reporting on the take-over of the economy by giants. David Dayen's 2020 book, *Monopolized: Life in the Age of Corporate Power*, includes several pages about PBMs. Dayen is also the author of "The Hidden Monopolies That Raise Drug Prices," a 2017 article appearing in the *American Prospect*, where he now serves as executive editor. Also of note are works by Matt Stoller and Stacy Mitchell. Stoller is author of the 2019 book *Goliath: The 100-Year War Between Monopoly Power and Democracy*, and publishes BIG, a Substack newsletter on the same topic. Stacy Mitchell wrote the 2006 book *Big-Box Swindle: The True Cost of Mega-Retailers and the Fight for America's Independent*

Businesses. Mitchell, who is codirector of the Institute for Local Self-Reliance, also wrote “Amazon Doesn’t Just Want to Dominate the Market—It Wants to Become the Market,” which appeared in the *Nation* magazine in 2018. There was also Barry C. Lynn’s illuminating article “America’s Monopolies Are Holding Back the Economy,” appearing in the *Atlantic* in 2017.

Finally, chocolate. My education in the finer points of high-quality dark chocolates began inside Sol Cacao’s production facility and continued with a “Guided Craft Chocolate Tasting with Roni-Sue” (hosted by Rhonda Kave, the chocolatier at Roni-Sue’s Chocolates in Lower Manhattan) that included samples of Sol Cacao’s Peru and Colombia bars among her samples. I then moved on to the video library at John Nanci’s site, Chocolate Alchemy, which is focused on “the art and science of bean to bar chocolate.” *Confectionery News* was useful in its coverage of the chocolate industry and the palm oils, emulsifiers, and other additives many large producers use in their chocolates. There was also Stasia Bliss’s 2013 article in the *Guardian Liberty Voice* that asked, “Does Your Chocolate Contain Wax?” If you’re eating a mass-produced chocolate bar, apparently the answer is likely a yes.