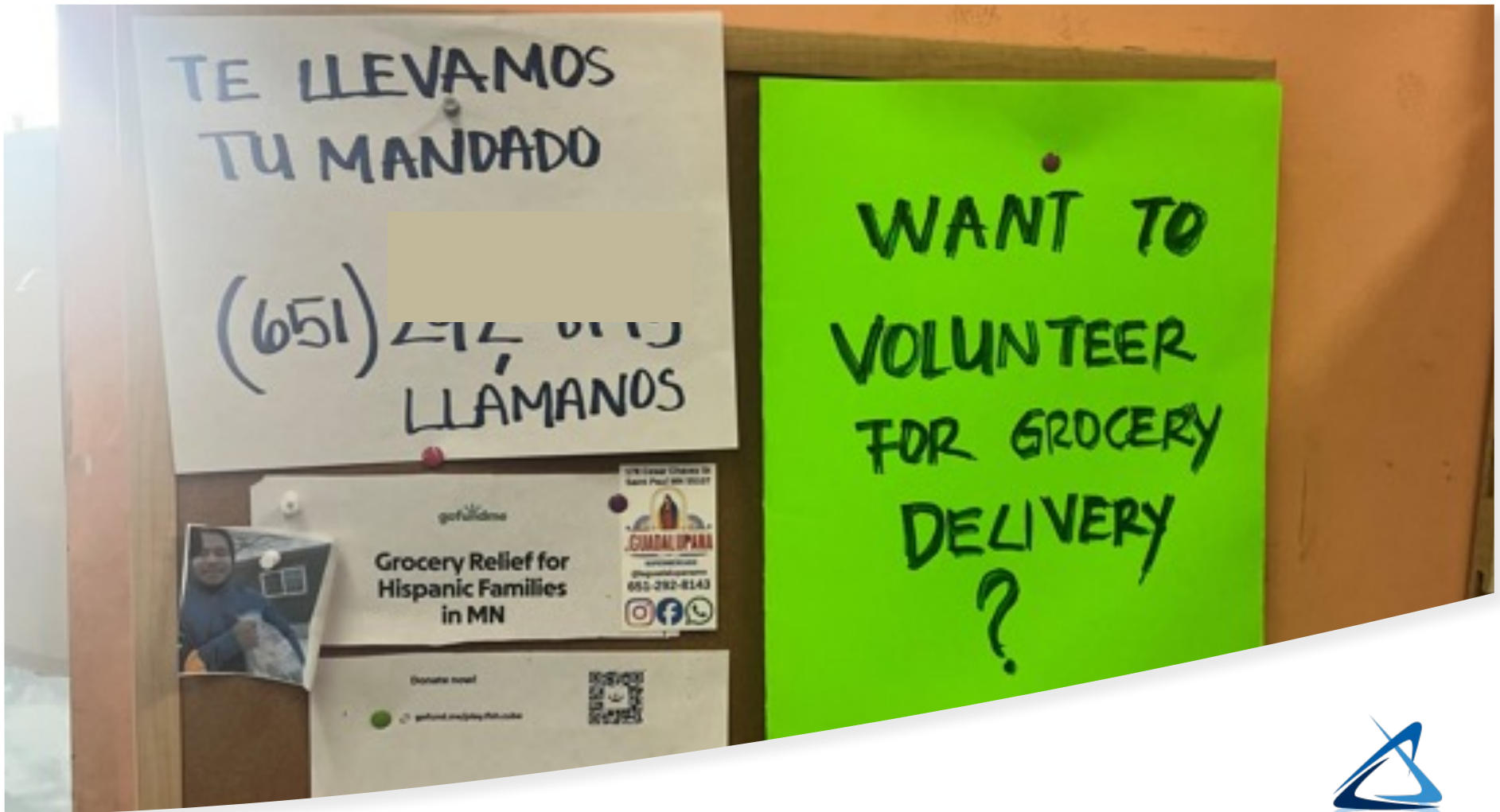


SMALL BUSINESS VOICES THE IMMEDIATE AFTER-EFFECTS OF OPERATION METRO SURGE, MARCH-APRIL 2026

Brief #2 | September 2026



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About the Small Business Voices Project

Operation Metro Surge significantly impacted the wellbeing of main street business owners and staff region-wide. Businesses, neighbors, and trusted community organizations united to protect residents and livelihoods as government entities struggled to respond. This research project concentrates on the voices of small businesses in these areas and begins a two-year effort to help inform local and regional entities supporting Imagine 2050's goal of a dynamic and resilient region.

The Metropolitan Council is conducting on-the-ground interviews and ethnographic analysis in eight economic nodes across the region to better understand ways to support ongoing recovery and future resilience. These defined economic areas contain a variety of retail and offer services that meet local residents' daily needs.

Met Council staff completed 265 semi-structured interviews with 173 unique businesses at the time of publication. This brief focuses on the conditions businesses faced during the peak of Operation Metro Surge.

Staff will continue to observe and talk to these businesses in selected areas through 2028. Future brief topics

include business strategies for recovery and resilience, the contributions of immigrant-owned small businesses, barriers to resiliency, and how businesses are doing six months after the peak of Operation Metro Surge.

Summary of Findings

Continued operational disruptions due to previous immigration enforcement activities

- The mental health impacts experienced by business owners, employees, and customers have persisted beyond the peak of Operation Metro Surge and continue to hinder the region's resilience and recovery.
- Customers don't have money to spend.

Two different geographic patterns of downturn

- Economic areas affected by enforcement display two distinct post-Surge patterns. Latine and East-African business owners are affected by both.

Ripple effects

- Each impacted business creates a ripple effect of reduced spending.



Receiving formal financial assistance

- Financial support from Community Development Financial Institutions and nonprofits is being distributed in March and April. Some businesses haven't applied, haven't heard back, or haven't received enough to cover revenue gaps.

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FINDING 1

The mental health impacts experienced by business owners, employees, and customers have persisted beyond the peak of Operation Metro Surge and continue to hinder the region's resilience and recovery.

Many businesses affected attribute continued reduced customer traffic to the atmosphere of fear created by Operation Metro Surge. At least one business owner from each economic node reported their health was negatively impacted by their experiences during Operation Metro Surge.

The continued effects reported in March and April have two implications:

- First, calculations of economic damages should include time beyond the end of the peak of Operation Metro Surge.
- Second, data collection will continue to ask about revenue trends to better understand the long-term effects and recovery after this period of federal immigration enforcement.

Small Business Voices: Continued fear hinders recovery

“We just reopened. We haven’t felt safe. ICE kept showing up here. Everyone was afraid.”

- restaurant, Columbia Heights (March 2026)

“We put plastic on the windows so ICE couldn’t see who was doing their laundry here. But look how empty it is. No one feels safe to come back.”

- laundromat, Columbia Heights (March 2026)

“There are a lot of regular shoppers who haven’t been coming. It has been helpful that non-Latinos have been coming to buy groceries and make deliveries to their neighbors. There are volunteers who have been patrolling but this stopped in mid-February. This is a process.”

- supermarket, Eat Street in Minneapolis (April 2026)

“When ICE was here, my husband had a stroke here at work because of the stress, the anxiety. He isn’t doing well now.”

- restaurant, Eden Prairie (April 2026)

“Time alone won’t fix this, because there’s still fear. This has thrown off our plans to expand. Some of our bills are still unpaid.”

- restaurant, Eden Prairie (April 2026)

FINDING 2

Small businesses continued to experience operational disruptions due to previous immigration enforcement activities.

Customers don't have money to spend. Even after the peak of Operation Metro Surge, the effects of earlier reduced economic activity linger. Businesses relying on discretionary spending are particularly impacted.

Small Business Voices: Revenue is still down as of Spring 2026

"We are still fighting, still here to try to make it work. We are like family here. We keep working. But fewer than 50% of customers have returned. They don't have money and they're scared."

- hair salon, West Side of Saint Paul (April 2026)

"Things are getting back to normal.. A little bit of fear remains. Many clients remain harmed by what happened. This includes a lack of money and also fear. We have cut back on our staff by 30%."

- grocery store, Payne Avenue in Saint Paul (April 2026)

A deli owner shared that at 12 PM (lunchtime), revenue was only about \$188, whereas it should normally be closer to \$600, especially during Ramadan.

- deli, Eden Prairie (March 2026)

FINDING 3

Economic areas affected by immigration enforcement display two distinct post-Surge patterns. Latine and East-African business owners are affected by both.

Pattern 1

Entire geographic area affected, whether or not the businesses are immigrant owned. In these areas, all businesses have clientele affected.

Pattern 2

Differential effects reported. Businesses serving immigrant communities are hit harder than neighboring businesses in the same small economic area. Businesses in close proximity have different clientele, resulting in diverse current conditions within the same small economic area.

Small Business Voices: Two different geographic patterns of post-Surge downturn

Pattern	Corresponding locations
1: Entire geographic node affected.	– Columbia Heights and Hilltop – East Franklin Avenue in Minneapolis – Lake Street in Minneapolis – Eden Prairie – Payne Avenue in Saint Paul
2: Differential effects within one node based on primary ethic composition of clients.	– Burnsville – Eat Street in Minneapolis – West Side of Saint Paul

FINDING 4

Each impacted business creates a ripple effect of reduced spending.

Downturns ripple throughout the economy as an impacted business reduces spending to accommodate lost revenue. These effects spread beyond the small economic area.

Businesses report cuts to spending on staff, rent, cleaning services, wholesalers, suppliers, marketing, delivery companies, and utilities. Sometimes, these cuts result in them being cut off by crucial suppliers, preventing rebound. To avoid falling behind, business owners use personal savings and loans from friends to cover shortfalls. Some businesses without this support volunteered to researchers the dollar amounts of current debts, which ranged from owing \$3,400 to over \$15,000.

Ripple effects are wide. Businesses are trying to cut costs to stay afloat, resulting in cutting spending. These case studies of impacted businesses explore the issues:

Small Business Voices: Case studies of ripple effects

A branch of a local financial services chain in Minneapolis has cut costs in many ways. Business has been down “quite a bit.” One employee notes all the unpaid bills, including his paycheck (March 2026):

“Last month, we couldn’t pay our rent in February. Our rent check was returned with insufficient funds from the bank. Our light and our Internet are unpaid. Our staff have been cut, and there are weeks we haven’t been paid. We are cleaning the office ourselves.

We usually would be very busy two weekends a month after everyone gets paid, but it was empty this past weekend. We hope it’s going to come back soon. We just want everything to start working again.”

A restaurant owner in Burnsville describes the spending reductions and personal sacrifices post-ICE (March 2026):

“ICE entered my restaurant more than once. The first time, all of the customers immediately left the store. Since then, the customers have not come back, although some are coming to pick up food for Ramadan. This is something that has never been seen before. The last three months have been different from any time in my business. I have paid all bills out of my savings. I have lost so much of my savings. I can’t pay the rent. I haven’t cut back on the food I purchased, but I have had to throw away a lot of prepared food. I have reduced the hours that my employees have worked. No one has been able to work full-time.”

A bakery in Saint Paul described the cost cuts and financial efforts to stay open (March 2026):

“ICE was parked and arriving every day, and they were on our street constantly from January. Our business crashed, just crashed. How was anyone going to come here? Who was going to buy? Customers would only come at night after ICE left. I have gotten behind on my bills. The light bill, the rent. We have no staff outside of our family, so right now none of us are getting paid. My husband’s paycheck goes half to supporting the family and half to the business. The hardest thing is that we couldn’t pay the flour wholesaler. They won’t deliver to us until we pay over \$2,000 we owe them. But we can’t make that money without flour. I buy small amounts of the quality flour we need, but it slows us from making sales.”

FINDING 5

Financial support from Community Development Financial Institutions and nonprofits is being distributed in March and April. Some businesses haven't applied, haven't heard back, or haven't received enough to cover revenue gaps.

Businesses in Minneapolis and Saint Paul reported more of all sources of support compared with suburban economic nodes. In terms of formal financial support, some businesses have already received aid, although only one reported having received enough to cover all gaps in expenses.

Other businesses commented on other kinds of support received or a lack of need for support.

Small Business Voices: Receiving formal financial assistance

"We just received from Latino Economic Development Center and \$1000 from Indigenous Roots."

- Saint Paul business (March 2026)

"Latino Economic Development Center has given us some funds. I know they had more applicants than money."

- Saint Paul business (March 2026)

"I got the application, but it's too much for everything we're dealing with. I just couldn't get it done."

- Saint Paul business (March 2026)

"We have applied but haven't heard anything. No one has heard anything."

- Minneapolis business (March 2026)

"I haven't heard about any assistance. We don't know anything."

- Burnsville business (March 2026)

"We have gotten help from mutual aid, from volunteers making donations."

- Minneapolis business (March 2026)

"Our business is doing fine. We don't need anything."

- Minneapolis business (March 2026)

Appendix: Data Collection Process

This mixed-method study focuses on the voices of small businesses and documenting on-the-ground conditions. Research staff document conditions and interview small business owners and workers. Economic nodes contain main street businesses, a variety of retail and services that meet local residents' daily needs. The two-block economic areas were selected to be representative of commercial areas containing customer-serving, locally owned small businesses. Some nodes also contain national and local chain businesses. Data collection focuses on areas known to be heavily impacted by Operation Metro Surge as well as areas outside of Minneapolis and Saint Paul with a concentration of immigrant-owned businesses.

Participation in the study is voluntary, and researchers obtain consent before beginning interviews. While we expected that many businesses would refuse to talk to Met Council researchers, few businesses refused, which they attributed to a lack of time or manager present. Instead, we found that owners, managers, and staff were eager to share experiences, necessitating us to sometimes spend up to 45 minutes talking to staff at a single location.

This analysis includes data collection at eight geographies between February 26, 2026 and April 1, 2026:

- Columbia Heights shopping area/strip mall
- Two block area of Payne Avenue in Saint Paul
- Two block area of East Franklin Ave in Minneapolis
- Eden Prairie shopping area/strip mall
- Two block area of the West Side of Saint Paul
- Two block area of East Street in Minneapolis
- Two block area of Lake Street in Minneapolis
- Burnsville shopping area/strip mall

Researchers observed business operating hours, clients/customers present, staff present, presence of patrollers, protective security measures (covered windows, locked doors), and signage including efforts to articulate the rights of people inside (4th amendment protections), solidarity with immigrants, and opposition to ICE and ICE tactics.

Researchers interviewed one person working at each store canvassed, preferably an owner or manager. Store representatives were asked about general sentiment, general sales trends compared with last year, current challenges, conditions in January and February, staffing issues, and support received. They were invited to comment about what they wanted decision makers to know about conditions at their small business, including topics not related to Operation Metro Surge.

More interviews and observations are ongoing. A third round of interviews has happened at all economic nodes. More about effects will be known as researchers return to these geographies over time.

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