

February 12, 2021

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-230, The Capitol  
Washington, D.C. 20510

*RE: Provisions in the stimulus package that will benefit small businesses*

Dear Leader Schumer and Leader McConnell:

As a leading representative of America's 30 million small businesses, we write to offer our strong support for key provisions in the stimulus package that are essential to our nation's small businesses at this critical time.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 80,000 small businesses and 1,000 business organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

We believe the stimulus plan, in its current iteration, includes vital measures that will ensure our smallest and most vulnerable businesses receive access to tools and resources that are essential to their survival.

### **U.S. Small Business Administration grant and loan programs**

Recent research from Small Business Majority reveals 4 in 10 small business owners have not obtained capital from any lending institution, or even from friends or family. And for those who were lucky enough to secure a Paycheck Protection Program (PPP) loan last year, only [one-third](#) received the full amount requested, with the numbers even lower for business owners of color. More funding for unrestricted grants is essential. In particular, the \$15 billion proposed for additional grants through the Economic Injury Disaster Loan program will target the smallest of businesses that are in dire need of unrestricted grants.

The remaining \$35 billion in the package for Small Business Administration (SBA) programs will provide critical support for struggling small businesses. In particular, \$25 billion for the Restaurant Revitalization Fund, \$7.25 billion for additional PPP loans, \$1.25 billion for the Shuttered Venue Operators program, and support for the new Community Navigator Pilot Program, will further ease the ongoing economic crisis facing our nation's entrepreneurs.

### **State-run capital programs**

We also wholeheartedly support the \$10 billion being considered to reauthorize the State Small Business Credit Initiative (SSBCI). During the previous decade, with 47 states participating, SSBCI helped [direct funds](#) to 152 small business programs, while 80% of those funds supported the smallest of businesses with 10 or fewer employees. We've seen the challenges that can arise from rigid funding structures, which has resulted in an inequitable lack of funding for small businesses owned by people of color and other underbanked businesses. With a more flexible approach, the SSBCI program helped drive capital to underserved markets and benefitted early-stage, rural, tribal, minority-owned, and women-owned businesses.

## Strengthening healthcare for small businesses

It is equally important to strengthen access to healthcare and lower costs for small businesses and their employees. We strongly support the inclusion of provisions to strengthen health insurance subsidies, ensuring ACA enrollees pay no more than 8.5% of their income on health insurance premiums, subsidies available for people earning more than 400% of the Federal Poverty Level and to include support for COBRA coverage. [More than half](#) of all healthcare marketplace enrollees own or work for a small business, so expanding the benefits of these marketplaces is essential to our nation's entrepreneurs at this critical time. Additionally, the proposal to strengthen Medicaid will help low to moderate-income entrepreneurs and small business employees who currently lack access to health coverage, but don't make enough to access the marketplaces.

## Additional economic relief

Lastly, increasing and extending unemployment benefits, expanding access to the earned income tax credit (EITC), and including another round of stimulus checks will help bolster small businesses and our economic recovery. Our [latest research](#) found the majority of small business owners used their stimulus payments last year to help sustain their businesses.

There is not a moment to waste in delivering this relief to our small businesses that are on the brink of collapse or staring down additional layoffs. More than 400,00 small businesses have already closed their doors for good, and [more than](#) 1 in 3 small business owners will not survive without additional financial support. What's more, small businesses, particularly women- and minority-owned businesses that have been left behind during the pandemic, are still experiencing significant declines in revenue. Indeed, [more than half](#) of small businesses report their revenues are still down compared to the same time last year, and 1 in 5 Black and Latino-owned businesses are facing closure in the next few months.

While re-launching PPP last month was an important step to stabilizing our small business community, we know much more is needed in the difficult months to come to put small businesses on the path to recovery. We strongly urge your support for these provisions that are essential to the health and vitality of our nation's hardworking entrepreneurs.

Sincerely,



John Arensmeyer  
Founder and CEO

cc:

The Honorable Ben Cardin: Chair, Senate Committee on Small Business & Entrepreneurship

The Honorable Ron Wyden: Chair, Senate Committee on Finance

The Honorable Sherrod Brown: Chair, Senate Committee on Banking, Housing & Urban Affairs

The Honorable Patty Murray: Chair, Senate Committee on Health, Education, Labor & Pensions

The Honorable Rand Paul: Ranking Member, Senate Committee on Small Business & Entrepreneurship

The Honorable Michael Crapo: Ranking Member, Senate Committee on Finance

The Honorable Patrick Toomey: Ranking Member, Senate Committee on Banking, Housing & Urban Affairs

The Honorable Richard Burr: Ranking Member, Senate Committee on Health, Education, Labor & Pensions