



September 23, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capital
Washington, D.C. 20515

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

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capital
Washington, D.C. 20515

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

RE: COVID-19 Relief Package and America's Small Businesses

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As a representative of America's 30 million small businesses, Small Business Majority writes today to strongly urge you to pass a comprehensive COVID-19 relief package.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and inclusive economy. We engage our network of more than 70,000 small businesses and 1,000 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

While we kick off National Small Business Week, just last week, new data revealed that almost 60% of business closures are now permanent.¹ This underscores our report from August in which more than 1 in 4 small businesses reported that they wouldn't survive past three months without additional relief and 16% are considering bankruptcy.² Our nation's small business communities are shattering as they try to navigate how to keep their doors open with little to no revenue coming in and no way to pay their bills until our economy recovers. For many, this is an impossible task and small businesses are shutting down and shedding jobs for good. Meanwhile, Congress remains gridlocked and leadership is more partisan than ever.

The consequences of not passing a comprehensive and robust relief package that includes more funding for small businesses would be catastrophic. Numerous bipartisan proposals have been shelved for months and could've been a lifeline for small businesses and their employees.

As a reminder, small businesses employ half the private-sector workforce and create two-thirds of all net new jobs. That's 60 million individuals who depend on small businesses for their livelihood, which is vitally important in underserved and rural communities and communities of color.

National Small Business Week is meant to uplift and celebrate our business community, but Congress's inability to come to a consensus is all but guaranteeing the demise of America's small businesses.

¹ NBC News, "Almost 60 percent of business closures are now permanent, new Yelp data shows." September 2020. <https://smallbusinessmajority.org/sites/default/files/agenda/2020-Policy-Agenda-for-Entrepreneurs-of-Color.pdf>

² Small Business Majority, "State of small business six months into the COVID-19 pandemic." August 2020. <https://smallbusinessmajority.org/sites/default/files/research-reports/Survey-State-of-small-business-six-months-into-COVID-19.pdf>

Businesses from across the country have been clear about what their needs are. In fact, Small Business Majority has shared nearly 10,000 signatures with Congress from small businesses who are treading water and are asking for help now.

Small businesses have indicated the following measures would provide them the cover they need to withstand this pandemic, keep their employees on payroll and meet their rent and other non-payroll expenses:

- Forgive all Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) under \$150,000 using a simple, one-page application form.
- Extend the deadline to apply for PPP through the end of the year.
- Allow borrowers to apply for a second round of PPP funding.
- Authorize \$100 billion in long-term, low-cost loans to recovery sector businesses.
- Set aside \$100 billion in PPP funds specifically for CDFIs, Minority Depository Institutions, rural loan institutions and other mission-driven lenders.
- Ensure set asides for any additional federal funding through PPP and EIDL for businesses with 10 employees and fewer.

We strongly urge you to pass a COVID-19 relief bill that appropriately addresses the needs of America's small businesses and the urgency they, their employees, their communities, and their families are facing. Without this, we may not have reason to celebrate a National Small Business Week in 2021.

Sincerely,



John Arensmeyer, Founder and CEO

CC:

Jovita Carranza, Administrator of the U.S. Small Business Administration (SBA)

Steven Mnuchin, United States Secretary of Treasury