

April 5, 2021

The Honorable Charles 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

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

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

RE: The critical need for unrestricted grants for America's small businesses

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

As representatives of America's 30 million small businesses, Small Business Majority, Main Street Alliance, and the undersigned organizations write today to urge Congress to immediately appropriate funding for flexible, unrestricted grants targeted to the smallest and hardest hit businesses.

Having reached the grim one-year anniversary of the COVID-19 pandemic shutting down the U.S., small businesses continue to struggle to keep their doors open, particularly women- and minority-owned businesses. While the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) provided a crucial lifeline for many businesses, the programs' rollout, technical errors, and restrictive loan parameters caused many small businesses—especially newer businesses and under-resourced communities—to fall through the cracks.

Small Business Majority's [recent survey](#) found that of the businesses that applied for PPP, 36% did not receive the full loan amount they requested, including nearly all of the Black self-employed entrepreneurs surveyed. And for those small business owners who did not apply for PPP, more than half (55%) say they did not do so because they were ineligible, or they were told they were ineligible for the program. Small businesses still need assistance. In fact, [40% of small business owners](#) report they will need no-cost grants or zero interest loans this year to keep their business open.

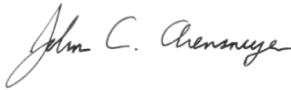
Additionally, a [nationwide poll](#) of small business owners from last fall found that 68% of owners agreed that the loans available to small businesses through PPP have been of limited help to many small businesses because the guidelines on how to use them and the time frame for use have been unclear. Moreover, 62% say that the loans available to small businesses to survive during the pandemic are not equally distributed, and it is more difficult for small businesses owned by people of color and women to receive economic assistance.

While many small businesses have applied for the EIDL program and some have received the advance grant, these funds likely did not scratch the surface of what small businesses need to survive the crisis. Only 34% received the full \$10,000 available and nearly 1 in 4 received just \$1,000, according to a [recent survey](#). For those businesses that received funding, the money most certainly has dried out, and for the businesses that did not receive anything, they are hanging on by a thread.

While [recent changes](#) to PPP have expanded access for certain small business borrowers, and grant programs for specific industries such as shuttered venues and restaurants are coming to fruition, many small businesses will still fall through the cracks. With each day that passes, a new batch of small businesses are pushed off a cliff because their year-long cries for grant assistance have been ignored.

That is why we are calling on Congress to provide them with unrestricted funding—because only they can determine how best to utilize the funding to keep their businesses open. This has strong support, with [91% of small businesses](#) saying they want Congress to pass legislation authorizing direct grants. It is critical that you pass a substantive and unrestricted grant program immediately to support small businesses.

Sincerely,



John Arensmeyer
Founder and CEO
Small Business Majority



Stephen Michael
Executive Director
Main Street Alliance

cc:

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

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

The Honorable Nydia Velázquez: Chair,
House Committee on Small Business

The Honorable Blaine Luetkemeyer: Ranking
Member, House Committee on Small Business

Adelante Community Development
Alliance to End Strong, LLC
American Booksellers Association
Americans for Financial Reform
APC Collective
Beaverton Chamber of Commerce
Black Business Association
Black Business Initiative
Brea Chamber of Commerce
California Asian Pacific Chamber of Commerce
California Hispanic Chambers of Commerce
California Network of Women's Business Centers
CAMEO (California Association for Micro
Enterprise Opportunity)
Carbon Valley Chamber of Commerce
CDCRC Inc
CEDS Finance
CEM

Center for LGBTQ Economic Advancement &
Research (CLEAR)
Chicago Foundation for Women
Chicago Minority Supplier Development Council
Children's Council of San Francisco
Closing the Women's Wealth Gap
Color Of Change
Colorado Black Chamber of Commerce
Colorado Lending Source
Columbus (TX) Chamber of Commerce
Community Health Councils
Corning Area Chamber of Commerce
Corona Chamber of Commerce
Crowdfund Better
Cushing Chamber of Commerce
Dane Buy Local
Downer Avenue Business Improvement District
Downtown Springfield Inc
East Side Business Improvement District

Employers Group
Fresno Area Hispanic Foundation
Fresno Metro Black Chamber of Commerce
Get in Motion Entrepreneurs
Good Business Colorado
Good Work Austin
Good Work Network
Greater Coachella Valley Chamber of Commerce
Greater San Fernando Valley Chamber of Commerce
Greenwich Village Chelsea Chamber of Commerce
Guatemala American Chamber of commerce
Helpr
Hillsboro Chamber of Commerce
Humboldt Chamber of Commerce
Illinois SBDC at Build Bronzeville
Immigrants Rising
Inclusive Action for the City
Indian Dispute Resolution Services, Inc.
Initiative for a Competitive Inner City (ICIC)
Inland Empire Regional Chamber of Commerce
Institute for Local Self-Reliance
Instituto de Avance Integral Latino CDC
Invest in Women Entrepreneurs Initiative
Jefferson Economic Development Institute
Lake Elsinore Valley Chamber of Commerce
Latino Business Network and Allies
Latino Chamber of Commerce of SE Wisconsin, Inc
Latino Council
Lendistry
Los Angeles Area Chamber of Commerce
Los Angeles LGBTQ Chamber of Commerce
Lowcountry Local First
Main Street Launch
Marin County Small Business Development Center
Marin SBDC
Metropolitan Business League
Mid South Business & Resource Center (MSBARC)
Mile High Connects
Missouri Faith Voices
National Association of Women Owned Small Businesses, INC (NAWOSB)
National CAPACD- National Coalition for Asian Pacific American Community Development
North Avenue Business Improvement District 28
North Bay Leadership Council

North Branch Works
Oakland Latino Chamber of Commerce
Oceanside Chamber of Commerce
Pacific Community Ventures
Plexus LGBT & Allied Chamber of Commerce
Process Green
Professional Family Child Care Alliance of Georgia
Progress North
Prospera Community Development
Prosperity Indiana
Richmond LGBTQ Chamber
Richmond Main Street Initiative
Rogers Park Business Alliance
Sacramento Black Chamber of Commerce
Save Small Business Coalition
Sherman Oaks Chamber of Commerce
Small Business Center
Small Business For America's Future
Startup Colorado
Superior Chamber of Commerce (Colorado)
Support Latino Biz
The Fax Partnership
The Latino Chamber of Commerce of Boulder County
The New York Women's Foundation
Torrance Area Chamber of Commerce
United States Hispanic Chamber of Commerce
Uptima Entrepreneur Cooperative
Vail Valley Partnership
Vista Chamber of Commerce
Wemblr LLC
West Side Forward
Windham Arts
Windham Region Chamber of Commerce
Women's Business Development Center
Women's Biz Coop
Women's Entrepreneurship Initiative