

## SMALL BUSINESS RECOVERY INITIATIVE

Speaker Pelosi and Leader McConnell:

We urge you to resume immediate negotiations on a much-needed COVID relief package that includes meaningful help for our country's struggling small businesses. Small businesses around the country are in crisis and they can't afford to wait for a new Congress to pass additional relief in 2021.

Small businesses are essential to the United States. They employ almost half of all private-sector workers and account for 44 percent of our nation's GDP. They also are essential to the livelihood of our communities as employers and innovators. They support our churches, youth sports teams and civic events. Without them, there would be no Main Streets in America.

The COVID crisis has hit small businesses harder than any other sector of the economy. While the Paycheck Protection Program provided short-term relief for many, that lifeline has come to an end; for others, PPP was out of reach because of significant disparities in accessing capital. Without more help, millions of small businesses will be forced to shut down over the next few months.

Almost half of small business owners – 49 percent – do not believe they will be able to continue operations beyond the end of this year without more federal assistance, according to a recent survey by Small Business for America's Future. Federal Reserve Chairman Jerome Powell also has sounded a warning: "If a small or medium-sized business becomes insolvent because the economy recovers too slowly, we lose more than just that business. These businesses are the heart of our economy and often embody the work of generations."

At this moment of crisis, we urge you to transcend partisanship and forge meaningful agreement on an assistance package to help our struggling small businesses and, in turn, tens of millions of Americans. We believe that assistance should embrace the following principles:

- Federally guaranteed loans, at favorable terms, that will enable small businesses to transform and sustain themselves through the duration of the pandemic.
- Businesses should have flexibility in how loan funds are used.
- The hardest-hit businesses should be eligible for at least partial loan forgiveness.
- Relief needs to be delivered quickly.
- These funds must flow to all small businesses in need, particularly those run by people of color, who have traditionally had less access to capital.

Strong bipartisan support for Senator Michael Bennet and Senator Todd Young's RESTART Act—which embodies all of these principles and has 57 co-sponsors in the Senate and 171 in the House—demonstrates recognition of the need for small business recovery. Importantly, RESTART provides help to all small businesses in need, not just certain sectors of the economy. We believe something resembling the RESTART Act must be in this next package.

Republicans and Democrats already agree that small businesses are essential to the fabric of our communities and economy. It is time to put that belief to work. We urge the White House and Congress to put politics aside and get to work on the next round of COVID-19 relief legislation, which must include comprehensive recovery assistance for small businesses.