



AN OPEN LETTER FROM THE SMALL BUSINESS COMMUNITY TO THE INCOMING BIDEN ADMINISTRATION AND THE U.S. CONGRESS

January 15, 2021

Dear President-Elect Biden and Members of Congress:

We have a clear message for you: Americans need more than one direct cash relief check as soon as possible, or small businesses across the country will continue to be devastated.

The economic impact of the continued COVID-19 recession will mean that spending necessary to the survival of small business continues to be out of reach for many families. A recent [Gallup poll](#) found that in the absence of sufficient direct relief, Americans planned to spend less money.

There have been far fewer shoppers and diners at local shops and restaurants for almost a year. Nationwide, hundreds of thousands of small businesses have already closed their doors for good, and without additional relief, many more neighborhood businesses will be forced to permanently shutter.

In fact, more than one-in-three small businesses say the dual public health and economic crises would force them to close, unless Congress passes significant additional stimulus relief, according to a [recent survey](#) by Small Business Majority.

The number is even higher for small business owners of color: an astounding 41% of Black- and Latino-owned businesses won't make it through the next few months without additional financial support.

The repercussions of business closures cannot be overstated. Without income it is basic necessities that people won't be able to afford. Already almost half of all U.S. households have experienced serious financial trouble due to the coronavirus pandemic, leaving millions struggling to meet basic needs, including food, rent, and utility bills. We as business owners need help during this trying time. Our employees need support. And our customers need money to spend.

That's why we're calling for recurring cash payments to families until the economy recovers, as the most practical support for small businesses facing unforeseen challenges and an unknown future. It's no wonder that 80% of small business owners approve of direct stimulus checks.

\$1,200 stimulus payments to individuals, along with loan and grant support for small businesses, provided a lifeline for some small businesses over the summer. The checks boosted the economy by increasing spending at all income levels, most significantly among low-income people. In rural communities, particularly those in the South, the checks directly increased small-business revenue. The \$600 Congress added after months of inaction was simply insufficient for the scale of the crisis.

It's not too late to turn things around. Congress should pass a robust stimulus bill that sends recurring checks to individuals now to help keep families afloat and rebuild local economies, by putting cash into the pockets of those who need it most.

In the COVID relief bill passed in late December, improvements were made to the Paycheck Protection Program (PPP), which will hopefully result in more funding for smaller and needier businesses and more equitable funding for businesses owned by people of color and women who were shut out of the first round of PPP funding. However, more changes are needed in the next round including automatically forgiving loans under \$150,000.

In addition to being good policy, stimulus checks are also good politics. A recent poll by Lake Research found that 77% of voters, including majorities of Democrats and Republicans, support another one-time payment, and a similar number **support ongoing cash payments until the crisis is over.**

Now is the time for bold solutions. The incoming Biden Administration and Congress must quickly pass a robust stimulus that includes access to loans and grants for the neediest businesses and recurring direct checks to individuals to promote a sustained and racially equitable recovery that helps families and small businesses get back on their feet.

Signed:

MAIN STREET ALLIANCE

SMALL BUSINESS FOR AMERICA'S FUTURE

SMALL BUSINESS MAJORITY

AMERICAN INDEPENDENT BUSINESS ALLIANCE