Dear Elected Leaders,

We are writing as small business owners and advocates for small businesses on the Lower Cape to call for the adoption of an Economic Relief and Recovery Program as quickly as possible to address the urgent and unmet needs of the small business community.

The signatories of this letter include small business owners and community leaders who are very concerned about how our region’s small businesses are being impacted by the coronavirus pandemic. We are heartbroken watching our hard working employees manage the loss of their livelihoods. And we are doing everything we can to save our businesses and our families from economic ruin – a situation that has nothing to do with our skills as business owners but is entirely due to COVID-19 and the public health necessity to close our businesses. We are suffering immense economic harm to help keep all of us safe, so we believe all of us have a shared responsibility through our state government to help keep us in business.

We believe the time for robust state action is now. It has been nearly two months since the economy was shut down and there is no end in sight – the economic crisis is reaching new levels of urgency every day. While the Federal CARES Act is providing significant assistance to our state, for many of us the SBA programs will be too little too late. For others, the prospect of more debt, even potentially forgivable debt, is something we can’t or shouldn’t incur. Many small business owners are unaware of the Federal resources or simply ineligible. And perhaps most troubling, the Federal programs do not work well for businesses that have been completely closed, i.e. those with the greatest need. Rather, the programs mostly benefit companies with modest reductions in revenue and/or the ability to retain their workers in productive roles.

To be clear, the CARES Act is helping a lot of people and we appreciate that our local banks and the SBA Massachusetts District Office are doing an incredible job implementing the program as quickly as they can. However, the bottom line is that the Federal programs were designed to inject a lot of money into the economy quickly, but not intentionally. The unfortunate result is that the programs are poorly targeted and won’t help many of the businesses on the Lower Cape. That is why we need a state-level strategy that is focused on reaching those who continue to be left behind.

Many of us participated in a statewide survey of small businesses. Over 400 responded statewide (vast majority with less than 10 employees), 68 businesses were from the Lower Cape, and what the survey revealed was deeply worrisome:

- 73% expect to see more than a 50% drop in revenue; 42% expect to see a 75% drop.
- 42% are surviving on personal savings, an unsustainable strategy.
- 56% of the businesses don’t think the Federal CARES Act can help them and 36% are not even highly aware of it.
Business owners need technical assistance to secure financing, access public programs, enhance communications and operations, adopt measures that will mitigate the negative impacts of future disasters and ultimately to reopen safely in a manner consistent with evolving public health guidelines.

We believe the state must respond at a scale and scope commensurate with this unprecedented crisis. Toward that end, we urge you to support the following recommendations for programs and policies that should be part of the state’s Economic Relief and Recovery Program:

1. $10 million in funding to support community-based organizations like the Community Development Partnership that deliver technical assistance and coaching to small businesses. This would build on the success of MGCC’s current SBTA program but would increase the availability of support for small businesses;

2. $30 Million in emergency relief grants to help businesses cover rent, mortgages and other fixed costs. To ensure the program reaches the communities most in need, we believe the program should be delivered in partnership with community-based organizations that are rooted in the communities being served;

3. $35 million to Community Development Financial Institutions such as Coastal Community Capital to help them offer grants, zero/low interest loans, loan deferments and other assistance to small businesses;

4. $75 million to MGCC for a revolving loan fund to help businesses unable to access SBA financing;

5. A statewide Small Business Assistance Task Force charged with ensuring the effective delivery of support to small businesses during the economic shutdown and through the recovery; the task force should have a laser focus on equity and inclusion.

We recognize that there may be many other good ideas for what to include in an Economic Relief and Recovery Program. We also know that new programs and policies will be necessary to address new challenges that emerge as the crisis unfolds. As the economy slowly reopens and rebounds, we will need to offer targeted support to businesses in different sectors to ensure adherence to public health guidelines and to enable success as new opportunities emerge. We stand ready to re-open our businesses in a manner that protects our employees, our customers and our community. All we ask is the support from our state government to help accelerate our economic recovery and to ensure that the benefits of that recovery are shared equitably and fairly across our Commonwealth.

Sincerely,