

Coalition for an Equitable Economy

October 21, 2020

Senate President Karen Spilka
House Speaker Robert DeLeo
State House
Boston, MA 02133

Dear President Spilka and Speaker DeLeo:

We are writing as a statewide coalition of community-based organizations, community lenders and advocates to request your support for the ***Small Business Relief and Recovery Programs*** proposed by Governor Charlie Baker in his updated FY 2021 budget.

The programs included in the Governor's Budget reflect input provided by our Coalition over the past several months and they represent urgently needed relief for small businesses, in particular those owned by people of color, immigrants, women and other low- or moderate-income people. We called for similar initiatives in a [letter](#) we sent to you in April 2020.

We believe the time for robust state action is long past due. Therefore, we urge you to include in the final state budget these key programs proposed by Governor Baker:

- \$6 million for the Small Business Technical Assistance program administered by the Mass. Growth Capital Corporation;
- \$35 million for grants for small businesses, particularly businesses in underserved markets, minority-owned, women-owned, and veteran-owned businesses, and those who have not yet received federal aid;
- \$35 million for community development financial institutions (CDFI) grants, loans and other assistance to small businesses;
- \$15 million for matching grants for capital investments by businesses with twenty or fewer employees; and
- \$7.7 million for technical assistance and grants, including for tools and strategies to rapidly build the online and digital capacity of small businesses.

These programs will provide the state with a diverse set of tools and funding resources that can help thousands of business owners and their employees, while positioning the state to maximize access to federal dollars when Congress passes new COVID-19 Relief Legislation.

The signatories of this letter include dozens of organizations that work every day at the local level with entrepreneurs impacted by this crisis. We are heartbroken watching hard working men and women fight to save their businesses and their families from economic ruin – a situation that has nothing to do with their skills as business owners but is entirely due to COVID-19 and its economic effects. They are suffering immense economic harm to help keep all of us safe, and all of us have a shared responsibility through our state government to help keep them in business. We have already lost many businesses and we can't afford to lose more. Time is of the essence.

We are particularly focused on those small businesses that are most vulnerable during this economic crisis, specifically those from historically underserved communities, including businesses owned by

African Americans, Latinx people, Asians, other people of color, immigrants and women. We also see significant challenges for businesses located in rural towns, Gateway Cities and other low-income areas. In the same way that long-standing health and economic disparities are causing COVID-19 itself to have a greater impact in communities of color and low-income communities, the economic challenges that we face today are having a disproportionate impact on those same communities. Importantly, minority-owned businesses play a critical role in our economy: according to the SBA, there are 125,988 such businesses in our state (SBA 2019 Small Business Profile for Massachusetts). Micro businesses are also critical to our economy with 500,000 people in Massachusetts working for a company with less than 20 employees.

In July, members of our coalition led a statewide survey of over 1800 small businesses conducted by the [MassInc Polling Group](#). The survey found that 69% of Black and Latinx small businesses have experienced a revenue decrease of 25% or more in the first half of 2020, and 62% are open in a limited way. More than 70% of these businesses indicated that grant capital and access to new customers and markets, and digital transformation were their top needs to navigate the recovery. The survey also documented that smaller businesses were much less likely to receive forgivable PPP loans or other federal assistance.

We want to call attention to the needs for the SBTA program. While this is the smallest line item in the package, it is also essential to the success of other programs and for our ability to leverage federal and private-sector dollars. The community-based organizations funded through this program have been working heroically and collaboratively since March to help thousands of businesses survive the initial shutdown, access relief dollars, comply with new safety regulations and begin to rebuild. They have done so without any additional state funding and with zero state funding since the beginning of the fiscal year on July 1. This network of providers meets bi-weekly to coordinate and share information. We have helped thousands of businesses access millions of dollars in PPP loans. The state needs to support this network so we can continue to assist entrepreneurs and respond to increasing demands for support.

As our country has experienced a renewed reckoning with racial inequity in all aspects of our society, we think it is important to highlight the racial wealth gap in Massachusetts. According to the Federal Reserve Bank of Boston, White families hold an average of \$248,000 in wealth compared to just \$8 for Black families and less than \$3,500 for Latinx families included in the report. This disparity is no accident – it is the result of systemic racism over hundreds of years. It also means that businesses owned by Black people and other people of color are likely to have significantly less wealth with which to weather this storm. Without an intentional strategy and programs that center racial equity, we will see growing wealth disparities when we should be closing these gaps.

We would welcome the opportunity to discuss this further with you and/or your staff members. If you would like to connect with the Coalition, please contact Joseph Kriesberg, President, Massachusetts Association of Community Development Corporations (MACDC) at joek@macdc.org or 617-721-7250.

Thank you for your kind attention and consideration,

African Community Economic Development of New England

Amherst Business Improvement District

Amplify Latinx

Asian Community Development Corporation
Black Economic Council of Massachusetts
Blackstone Valley Chamber of Commerce
B'nai B'rith Housing
Boston Impact Initiative
Boston Ujima Project
Chelsea Business Foundation
Coalition for a Better Acre
Codman Square NDC
Common Capital, Inc.
CommonWealth Kitchen
Community Development Partnership
Community Teamwork
Compass Working Capital
Cooperative Fund of New England
Domus, Inc.
Dorchester Bay Economic Development Corporation
East Boston CDC
EforAll (Entrepreneurship for All)
Fenway CDC
Foundation for Business Equity
Franklin County CDC
Franklin Regional Council of Governments
Gateway Cities Innovation Institute @ MassINC
Greater New England Minority Supplier Development Council
Haitian American Business Expo, Inc. / U.S. Haitian Chamber of Commerce
Harborlight Community Partners
Hilltown CDC
Hispanic American Institute
Home City Development, Inc.

Homeowners Rehab Inc.
IBA - Inquilinos Boricuas en Accion
Interise
IXL Center, Inc.
Janin Duran Consulting Group
Jared Nicholson
Jamaica Plain NDC
Just-A-Start Corp.
Latin American Business Organization
Lawrence Partnership
Lawyers for Civil Rights
LEAF
Lena Park CDC
LISC Boston
Lowell Development & Financial Corp.
Massachusetts Association of Community Development Corporations
Madison Park Development Corporation
MASS MoCA's Assets for Artists Program
Massachusetts Housing Investment Corporation (MHIC)
Metropolitan Area Planning Council
Mill Cities Community Investments
Neighborhood of Affordable Housing (NOAH)
NeighborWorks Housing Solutions
North Central Massachusetts Chamber of Commerce
North Shore Community Development Coalition
North Shore Latino Business Association
Nuestras Raíces Inc
Opportunity Communities, LLC
Pittsfield Economic Revitalization Corporation
Revitalize Community Development Corporation

Southeast Asian Coalition of Central Mass
Somerville Community Corporation
South Boston NDC
Southwest Boston CDC
Springfield Neighborhood Housing Services
Surfside Capital Advisors
The Brookline Improvement Coalition (BIC), Brookline's CDC
The Carrot Project
The Center for Women and Enterprise
The Lowell Development & Financial Corporation
The Lowell Plan, Inc.
The Midas Collaborative
TLE Center for Urban Entrepreneurship
Urban Edge
Valley Community Development
wiseHer
Worcester Common Ground, Inc.