



THE CRISIS FACING MAIN STREET

The public health crisis and subsequent economic impact continue to take a dramatic toll on the small businesses that support nearly half of our nation's private workforce and make our communities unique and vital places. Washington Main Street, a program of the Department of Archaeology & Historic Preservation (DAHP), is working with the Washington Trust for Historic Preservation (WTHP) and our national partners to gather data and priorities related to small business and Main Street recovery.

SUMMARY OF EARLIER DATA

In early April 2020, [National Main Street Center's survey](#) reached nearly 6,000 small businesses across the country. Major findings and policy implications include:

- Millions of small businesses are at risk of closing permanently, with approximately 35.7 million Americans employed by small businesses who appear to be at risk of unemployment.
- Of **Washington State's 273 respondents**, 91% reported loss of revenue and 36% reported added expenses to mitigate public health risks.
- Asked how long they could endure business disruption at the current rate before facing permanent closure, approximately 1/3 of Washington State businesses answered 1-2 months, and 1/3 answered 3-5 months.

"This is exactly the wrong time to decrease or cancel support for programs, like Main Street, that serve as critical connectors and supporters of small businesses. As we look ahead to a recovery, this data demonstrates that Main Street programs with a 40-year history of managing through crisis and recovery from large economic transitions are needed now more than ever." – National Main Street Center

NEW FINDINGS

The findings from our first data sheet (referenced above), based on both national and state data, paint a picture of urgent and evolving needs. A [follow-up study](#) at the national level confirms what we know from on-the-ground economic development professionals across Washington State – that emergency response for small businesses, especially those in smaller towns, has fallen well short of needed support.

- Less than half of respondents who applied for federal relief dollars in the initial stimulus round received funding, and **the smallest businesses had the least success** with their applications.
- **Businesses in small towns** applied for federal relief dollars less often and had less success receiving funding.
- Funding from the Payroll Protection Program (PPP) and Emergency Injury Disaster Loan (EIDL) offered **little long-term financial relief**.
- More than a third of businesses who responded to the survey earned **no revenue** in April and laid off or furloughed their entire staffs.
- **Local Main Street programs**, like those in the Washington Main Street network, have been key providers of assistance to small businesses across America.

WASHINGTON STATE PRIORITIES

In a survey recently conducted of Washington Main Street Communities, we confirm that the top need is for **small business grants**. Other forms of small business support, such as **rental or mortgage assistance**, provide additional opportunities for Washington State to address urgent economic needs. Pressing feedback received in this survey includes:

Which of the following have presented barriers to your Main Street district's businesses' abilities to access state and/or federal support? *Responses ranked in order of frequency:*

1. Funding cap hit before application submitted
2. Applications made and not granted
3. Lack of clear information or confusion about application process
4. Cumbersome reporting
5. Lack of language translation

What percentage of the businesses in your district need rental or mortgage assistance (i.e. are behind on their rent or anticipate being unable to pay rent soon)? *Average from all responses: 44.4%*

Moving forward, what state or federal support will be most critical for the businesses in your Main Street district? (Select top 3.) *Responses ranked in order of priority:*

1. Small business grants (95% selected)
2. Commercial rent relief (67%)
3. Tax relief (62%)
4. Utility expense relief (43%)
5. Low-interest loans (less than 5%)

WHERE WE STAND

With such urgent needs facing Main Streets across the nation and federal policies and funding proving to be inaccessible for most, many states have stepped up to provide grant funding to prevent mass business closures over the coming months and years. Like other states, Washington State's Working Washington Small Business grant program focused on businesses with 20 or fewer employees, providing critical grant support. But with **\$10 million in grant awards**, the need outstripped the available resources. An informal survey of other state investments in small business grants provided the following sampling:

- **Idaho: \$50 million** in small business grants
- **Montana: \$75 million** in small business grants and an additional \$5,500,000 in innovation grants and food and ag adaptability grants
- **Wyoming: \$325 million** through three different grant programs (all for less than 100 employees)
- **Nebraska: \$330 million** in small business grants
- **New Hampshire: \$400 million** (starting allocation) in small business grants
- **Connecticut: \$50 million** in small business grants
- **Iowa: Over \$76 million** in small business grants
- **Tennessee: \$200 million** in small business grants

Most of these states confirmed that grant programs were fully or partially funded by federal dollars received through the CARES Act.

This data was compiled by the Washington Trust for Historic Preservation in June 2020. To learn more about our efforts to support Washington communities during the COVID-19 visit www.preservewa.org/covid-19