



To: Philadelphia and Pennsylvania Government Officials
Re: Acute Challenges and Needs of the Small Business Community, and their Ideas for Solutions
From: Sustainable Business Network of Greater Philadelphia (SBN)
Contact: Anna Shipp, Executive Director
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As you know, the small business community is the backbone of our economy. Research consistently shows that thriving independent business communities are linked to higher incomes, less economic inequality, more tax revenues, stronger community cohesion and wellbeing, and improved environmental sustainability. In Pennsylvania, small businesses represent 99.6% of all private sector employers. Nearly half of all workers in the state are employed by a small business.

SBN knows you are working around the clock on ways to minimize short- and long-term economic damage from the coronavirus pandemic. And we thank you. We write this letter to reaffirm our partnership to you, offer ideas from the small business community, and invite an open dialogue as you rapidly explore legislative and administrative interventions.

SBN has been in close contact with our membership over the past week. They are deeply concerned for their businesses, their employees, and vulnerable communities; and they have smart ideas for what would help, which we offer below. **Please reach out to SBN to talk more about these ideas, and to connect directly with our small business members.**

1. Many small businesses rely on earned income from government contracts. Others rely on city and state government departments to review and approve private sector projects. Many small businesses have not received stop work orders, but have been getting mixed messages about what Philadelphia government workers are or are not working remotely. We also understand that PA's Department of General Services is putting all contracts and work on hold. This creates uncertainty around project approvals as well as payments, both of which are critical for their cash flow and continued operations.
 - a. **City and State project reviews, approvals, payment processing, and more can and should continue to ensure that the small businesses that are able to continue operations can actually do so.** Like most office work, these tasks can be done remotely. Government operations are a crucial element of economic stability and recovery.
2. Small businesses are expressing a desperate need for guidance on ways they can hold on to cash to keep operations running and keep people employed.
 - a. Many small businesses, especially those being mandated to close, are facing brutal choices of paying rent or payroll. **Temporary commercial rent and commercial mortgage abatement, as well as a temporary moratorium on commercial evictions**



- would allow small businesses to reallocate these critical dollars to keep operations going and people employed.
- b. **Small businesses are seeking temporary relief regarding paying payroll taxes so they can redirect those dollars to operations and keeping people employed.**
 - c. Glaringly absent from any government response is any significant relief around City and State tax preparation and payments.
 - i. Small businesses desperately need tax filing and payment extensions; the federal government recently announced payment extensions but not filing extensions. So far, only 3 states have offered similar payment extensions. **Tax filing extensions as well as tax payment extensions in the City and State would ease a significant time and cash flow burden to the small business community,** allowing them to prioritize other crisis management activities and minimize staff layoffs.
 - ii. **SBN members are asking for the cap on the number of businesses that can claim the Sustainable Business Tax Credit be lifted,** and for an allowance to apply for it retroactively.
 - d. **For employers that offer a 401k, they are legally required to give employees 30 days' notice. Permissions to skirt this requirement for the time being can help businesses reallocate critical cash to operations and keeping people employed.**
3. Small businesses are eager for financial relief, and are restlessly anticipating the financial packages that Philadelphia and Pennsylvania are saying they will roll out. Low to no interest loans will indeed help many small businesses. However, an important consideration is that many small businesses are already in debt, and are deeply concerned about taking on more debt and/or risking their homes or other collateral to secure such debt. A loan structure also assumes that the business owner has collateral to offer; many business owners from historically marginalized or underrepresented backgrounds do not have such collateral. **The City and State needs to ensure that financial packages for small businesses include grants and not just loans.**
 4. Small Business Administration (SBA) disaster relief packages are only available to businesses in named disaster areas. As far as we know, Governor Wolf has asked for a declaration for the Commonwealth, but it is not yet listed on the SBA's website. Philadelphia and the surrounding counties appear to be eligible as adjacent counties to New Jersey, but **Pennsylvania needs to be named a disaster area so that small businesses across the state can access emergency SBA financing.**
 5. Accelerated unemployment claims processing and temporary moratorium on residential evictions have been welcome interventions. **Our members are calling for additional emergency financial provisions for the hundreds of thousands of extremely vulnerable people in the region.**



6. Infrastructure is a powerful tool that government uses to drive the economy forward when recessions and depressions occur. Related to the first point above, these projects must continue. Additionally, we can assume that stimulus packages are needed for economic recovery. The economic projections of a global recession, combined with climate projections, and increasing social inequity demand that **economic stimulus packages prioritize socially equitable and climate resilient infrastructure investments**, such as renewable energy, transportation system investments that reduce greenhouse gas emissions, and nature-based stormwater management.

A sincere thank you again for all you have been doing thus far. And thank you in advance for responding to these recommendations from the small business community. Please let me know a few days and times that we can connect in the next few days to discuss.

In partnership,

A handwritten signature in blue ink, appearing to be "AS" or a similar stylized monogram.

Anna Shipp
Executive Director
Sustainable Business Network of Greater Philadelphia