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April 17, 2020

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives
Washington DC 20515

The Honorable Mitch McConnell
Majority Leader, United States Senate
Washington DC 20510

The Honorable Kevin McCarthy
Minority Leader, U.S. House of Representatives
Washington DC 20515

The Honorable Chuck Schumer
Democratic Leader, United States Senate
Washington DC 20515

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

Today's announcement that funding appropriated to the Paycheck Protection Program has been depleted and has led to the discontinuation of the application process by the Small Business Administration comes as a staggering blow to the millions of small businesses that have yet to benefit from this program. On the heels of this difficult news, the SBA announced that funding for the Economic Injury Disaster Loan program has also been depleted, and as such, will also cease acceptance of new applications. America's small businesses have experienced unprecedented challenges as a result of the pandemic, and without access to assistance from the Paycheck Protection Program or Economic Injury Disaster Loans not only is the continued operation of these firms placed in jeopardy, potentially forcing even more Americans onto unemployment, but further irreparable damage to the U.S. economy will almost certainly follow.

The SBA's Office of Advocacy reported in the 2019 Small Business Profile that some 30.7 million small businesses, which make up an overwhelming 99.9% of businesses in the U.S, employ over 47% of American workers. The most recent Paycheck Protection Program (PPP) Report, dated 13 April 2020, shows that some \$247 billion in PPP funding was spread across only 1.04 million small businesses. As such, this trajectory indicates that the overwhelming majority of American small businesses will find relief through the original funding allocated to this program. Further, the average loan size, per the same report, shows the average loan amount is \$239,152. Given that firms are allowed to apply for 2.5 times their monthly payroll cost, these loans suggest that the median approved firm, paying workers the median wage Americans earned in 2019, the average approved firm has 23 employees. Data from J.P. Morgan Chase Institute shows that 88% of employer firms have fewer than 20 employees, meaning that the smallest and most vulnerable small businesses have yet to benefit from this program, and have now lost their avenue to relief from the devastating impact of the COVID-19 pandemic.

The SBA's advisory that the Economic Injury Disaster Loan program has now experienced a lapse in appropriations, rendering the program closed to new applicants only furthers the already serious liquidity challenges for small businesses. This program held promise as a lifeline for many small businesses, and with the appropriations now depleted, a second important relief program became inaccessible.

We strongly urge you and all Congressional leaders will come together and quickly take action to provide additional relief to America's small businesses. While we understand many of the other matters that have entered the conversation surrounding these much-needed appropriations, we implore you and other leaders in Congress to address these matters separately and on their own merits. We believe that urgent action to allocate more funding to the Paycheck Protection Program and Economic Injury Disaster Loans must be executed without allowing any delay, debate or partisan divides to cause the further financial hardship to



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those the pandemic has already forced upon small business owners. Many of these businesses have weathered decades or even generations of difficult economic challenges and have not only survived, but thrived. Under customary free market conditions, they have not needed nor asked for government support. However, during a period in which many are being forced by law to curtail or cease operations, the government that has implemented many of those restrictions has a unique obligation to help mitigate them.

Small business owners and all Americans are looking to your able leadership in this time of crisis to swiftly and decisively take the needed actions that will render relief to the millions of small businesses who are now unable to obtain support from the Paycheck Protection Program or the Economic Injury Disaster Loans.

Thank you for your attention and your ongoing leadership. Nationwide Marketing Group, along with the 5,200 independent businesses and more than 14,000 storefronts within our membership stands ready to assist in any way as you consider how best to safeguard our communities and their small businesses.

Regards,

A handwritten signature in black ink, appearing to read 'THickman'.

Tom Hickman
President, Nationwide Marketing Group

A handwritten signature in black ink, appearing to read 'Dev Mukherjee'.

Dev Mukherjee
Executive Vice President, Nationwide Marketing Group

A handwritten signature in black ink, appearing to read 'Frank Sandtner'.

Frank Sandtner
Executive Vice President, Nationwide Marketing Group

cc: Matthew R. Shay, National Retail Federation, Brian Dodge, Retail Industry Leaders Association