

# 4

# Ways Cities Can Help Small Businesses



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NATIONAL IS LOCAL

# Small Business + COVID

COVID-19 has changed the retail and business world in the U.S. and globally, and small businesses have been disproportionately negatively affected. As of March 31, **39%** of America's small businesses were closed compared to January 2020.

Additionally, small business revenue in America was down **33%** in the same time period.

In America, small businesses make up **99%** of all businesses nationwide. They are the heart of communities and represent character and resiliency.

Businesses broken down by industry in the U.S. that were closed:  
(as compared to the beginning of the year)

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**56%** of leisure and hospitality businesses

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**35%** of health and education services

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**35%** of retail and transportation businesses

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**29%** of professional and business services





# THE PLAN

The **good news** is that cities have the unique opportunity, and now the means through the American Rescue Plan, to provide strategic support to their local small businesses and contribute to a revitalized business ecosystem in their downtowns and communities.

In this guide, we outline **4 ways** to do just that.

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## STEP 1

# Training & Tech Assistance:

Provide training and technical assistance to help businesses modernize and get their businesses online.

In April 2020, Main Street America surveyed small businesses nationwide and learned that pre-pandemic, **61%** of the United States' small businesses did not have an online presence, making it extremely difficult for them to connect with customers amid restrictions and mandatory shutdowns.

As cities and states lift mandates and restrictions, many businesses have yet to make the jump into the digital space.

To compete with the increase in online shopping, local business owners need the skills and acumen to not only maintain a social media presence but to create an omnichannel retail strategy.

## To Do:

Cities should utilize **3-5%** of their **American Rescue Plan funding** to invest in training, coaching, and technical assistance for business owners to learn this and other modernization techniques such as improved point of sale systems, connecting with restaurant delivery services, and claiming their digital presence in a small setting.





## STEP 2

# Plan an Ecosystem

Champion a downtown revitalization plan to create a sustainable ecosystem for small business success.

Economies are changing and because of COVID, the workforce in large metro areas are beginning to rethink their residential options as work from home becomes a more accepted practice. Today, 1 in 5 Americans live in rural communities, and small businesses are the backbone of rural resilience.

Downtown revitalization helps increase small business and entrepreneur access to capital, skills training, and capacity building by creating a built environment that attracts people and serves as a thriving business ecosystem.

Without a plan, it is difficult for cities to know what to do next in their revitalization journey, and often results in missing out on lucrative state and federal grant programs.



## To Do:

City leaders should champion the creation of a customized, highly implementable downtown revitalization plan that can jumpstart efforts and pull together partners for a coordinated and successful revitalization program.

### STEP 3

## Facilitate Funds

Serve as a facilitator between small businesses and available local, state, and federal aid (PPP).

The American Rescue Plan bill includes **\$7.25 billion** in new money for the small business loan program known as Paycheck Protection Program (PPP) and will allow more non-profits to apply, including groups that engage in advocacy and some limited lobbying. It also allows larger non-profits to be eligible.

In addition, the Small Business Administration (SBA) will receive **\$25 billion** for a new grant program for “restaurants and other food and drinking establishments.” Grants will be up to \$10 million per entity and \$5 million per physical location, with a maximum of 20 locations. The legislation sets aside \$5 billion of the total money to be targeted to businesses with less than \$500,000 in revenue in 2019.

## To Do:

Many small businesses have yet to apply and acquire federal funding, and cities should act as a liaison to connect them with local lenders and representatives from SBA to ensure that they are able to receive needed stimulus funding to jumpstart their recovery efforts.



## STEP 4

# Be Flexible

Implement flexible policy in city centers and downtowns to support and encourage outdoor dining and shared spaces for curbside pickup.

Consumers are anxious to get back into social settings and return to life as “normal,” however safe social distancing is still top of mind and is likely here to stay. Relaxing regulations regarding temporary patios, sidewalk cafes and outdoor retail expansions so businesses can create more space for their customers in alignment with CDC guidelines is a necessary strategy to support local business owners in their efforts to reconnect with customers and reinvite their patrons back downtown.



## To Do:

To maximize opportunity for businesses to connect with customers and to enhance downtown and city center vitality, cities should identify shared outdoor spaces for “streeteries” and parklets and create a framework for businesses to operate further into the street during scheduled road closures.



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Through a listening campaign that Retail Strategies championed during much of 2020, we heard that municipalities and counties were seeking ways to provide direct assistance to their local businesses.

## small business support

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As a result, we created our customized **Small Business Support** platform that provides live technical assistance, tutorials, data, and coaching directly to the owners and operators of your community businesses and properties.

## About Us:

Retail Strategies is a full service retail and community development consulting firm. Our mission is to provide the real estate expertise, tools, and human effort that position deserving towns as alluring locations for national businesses and destinations for tourism and quality of life amenities. Our activities pay a return in sales taxes, added jobs, and businesses that add to the unique qualities of your community.