MAIN STREET COMMUNITY RECOVERY AND REVITALIZATION:
Help Main Streets and Vulnerable Small Businesses Survive COVID-19

Main Street America is urging Congress to provide funding for a Main Street Community Recovery and Revitalization program to support the critical work of Main Street entities that provide on-the-ground economic assistance to our nation’s downtowns. Main Street America recommends including a $100 million competitive grant through the Economic Development Administration in the next stimulus package to support the vital work of Main Street coordinating programs, local Main Street programs, and small businesses in commercial districts. This program would provide specific funding for Main Street commercial revitalization entities and technical assistance for small businesses struggling to adapt to the public health requirements resulting from COVID-19.

Main Street America is a national network of community revitalization entities with a proven track record for generating strong economic returns. In 2019, local Main Street programs leveraged an average of $30 in public and private investment for every dollar spent on the program\(^1\). With over 2,000 local community participants and 44 state-, county-, and city-wide coordinating programs, the Main Street network is an efficient, highly-localized, delivery system for recovery funding. Because the Main Street program's approach to revitalization is a longstanding and highly-adaptable model for community growth and prosperity, there are also nascent efforts in the other 11 states, Tribal nations and territories where nationally accredited Main Street programs do not currently exist.

Congress has taken extraordinary steps to facilitate our nation’s economic recovery, but data shows our Main Street communities are being left behind. The COVID-19 pandemic has had an outsized and profound impact on smaller, locally-owned businesses that form the backbone of our nation’s downtowns. In a Main Street America survey of over 5,800 small businesses, 57 percent reported a decline in revenues of more than 75 percent since the onset of the crisis\(^2\). Additionally, a majority of the small businesses surveyed said they are not financially prepared to survive prolonged public safety measures with 63 percent reporting no form of online sales. Of all survey respondents, 93 percent reported having 20 or fewer employees.

COVID relief funding administered through the national Main Street network offers a streamlined solution to support existing community revitalization and infrastructure efforts, including microbusinesses with less than 20 employees. Main Street coordinating programs are intimately connected to public and private partners and well positioned to link financial resources and expertise to community-level needs. Local Main Street programs work directly with small businesses, offering essential support in accessing funding, adapting operations, business marketing and promotion, business-to-business collaboration, and community organization and leadership. Therefore, seventy-five (75%) percent of the proposed funding would be used to sustain and expand these essential support networks.

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\(^1\) Data compiled from annual community reporting by the National Main Street Center, 2019.

Main Street businesses need support helping shift operational models to remain economically viable during a prolonged public health emergency. Whether developing an online presence or implementing socially-distanced outdoor seating, businesses in Main Street districts are facing unplanned needs, such as relying on e-commerce platforms and installing physical dividers to adhere to health regulations. Therefore, twenty-five percent (25%) of the proposed funding would be used to provide technical assistance for these businesses as they attempt to safely reopen, remain open and operate under the auspices of COVID-related restrictions for the foreseeable future.

Main Street technical assistance buttresses other economic relief programs by helping small businesses navigate application and eligibility requirements to receive funding and resources. Since the onset of the pandemic, Main Street programs have played an active role in helping small businesses identify and access relief funds, whether through federal programs such as PPP or local grants and loans. Technical assistance support provided by Main Street programs helps to ensure that funding available to small businesses is utilized to the fullest extent possible and reaches those most in need in a timely manner.

Current federal funding is not reaching Main Street programs and many small businesses. A variety of federal funding channels have been established to help communities and small businesses, but in many parts of the country, there is an unfortunate lag in distribution and too often funding is failing to reach local organizations and businesses. The Main Street Community Recovery and Revitalization program would ensure direct federal support to Main Street programs in every part of the country that will help support small businesses adapt to public safety requirements associated with COVID-19.

FOR MORE INFORMATION
Please visit mainstreet.org to learn more about Main Street America. For more information or details about this proposal, contact Kelly Humrichouser at khumrichouser@savingplaces.org or call 312-610-5619.