

# Small Business Recovery Grant Program for Massachusetts Overview

4.30.20

LISC



# The Partnership



## Existing Partnership

LISC and Citizens have previously partnered on an annual pitch contest for small business and in supporting financial opportunity centers building bridges to career opportunities

## Shared Goal

LISC and Citizens both sought ways to respond to immediate needs of small businesses statewide who are struggling to survive the effects of the COVID-19 pandemic.

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# The Program

## LISC Small Business Recovery Grant Program for MA

**Targeting:** Annual revenue under \$1.5 million, in operation for 2+ years

**Geography:** Statewide

**Equity:** Weight for MBE, WBE, Veteran and LGBTQ-owned

**Leverage & Flexibility:** Grants of up to \$10,000, Use not Restricted

**Inclusion:** Translation, Open for 1 Week

**Ecosystem Building:** Engagement of Business Support Partners



# The Applicants

**3,739 Applicants**

**26 communities. (20% from Boston, 15% from Gateway Cities)**

**30% Minority-owned and 53% Woman-owned businesses.**

- 14% Restaurant/Catering
- 14% Personal Services (barber shop, nail salons, cleaners, landscaping, etc.)
- 11% Retail
- 10% Professional Services
- 9% Health and Wellness
- 8% Childcare
- 4% Creative/Arts
- 4% Construction
- 4% Manufacturing

## Small Scale

- 66% have annual revenue under \$300K.
- 2.4 FTEs and 1.8 PTEs on average pre-COVID-19



# The Applicants

## The Impact of COVID-19:

- Majority of businesses (55%) estimate >80% revenue decline due to COVID
- 19.56% of businesses are no longer able to sell products/services.

## Accessing SBA programs:

- Almost half (49%) had applied to Paycheck Protection Program (PPP).
- 54% had applied to Economic Injury Disaster Loan (EDIL) Emergency Advance.
- Another 21% plan on applying for at least one of these programs.

## Businesses plan on using grant to...

- 85% Cover payables/operating expenses
- 73% Cover rent for leased property
- 67% Provide payroll/benefits to support and retain employees
- 42% Replace/secure inventory for ongoing operations

**We are actively fundraising to assist more of the applicants.**

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# Need for Business Support

## Types of business assistance still needed:

- 33% Communications/Marketing/Social Media
- 32% Strategic or Operational Planning
- 30% Business Continuity/Disaster Planning
- 17% Website Building Support
- 13% Peer Support/Networking
- 12% Sanitation Guidelines
- 12% Assistance Determining Essential Employee Protection Gear
- 10% Legal Assistance
- 10% Insurance Counseling
- 9% Guidance Regarding Safe Practices for Delivery or Pickup
- 9% Assistance Providing Emotional Support for Staff

# Massachusetts Equitable PPP Access Initiative



# Massachusetts Equitable PPP Access Initiative Overview

- Mission: Ensure timely and equitable access to Paycheck Protect Program (PPP) loans for underbanked businesses and historically disadvantaged demographic groups, including people of color and women
- Goal: get as many underbanked/disadvantaged businesses PPP loans as possible before the money runs out

*This needs to be a curated funnel of folks that can realistically be ready*

- Stakeholders and roles
  - Banks that are committed to either making PPPs directly or providing capacity building and/or liquidity to CDFIs to make PPPs
  - CDFIs that are committed to providing advice/TA and potentially making PPPs directly (pending final eligibility rules from SBA)
  - BSOs are committed to identifying those most in need and supporting routing and PPP checklist completion
- Process
  - This document includes detailed “decision flows” for BSOs and CDFIs as well as a proposed geographic coverage model to ensure all target businesses are served

## Guiding Principles

- Mission and people first
- Speed
- Flexibility
- Creativity
- Patience & Understanding
- Trust





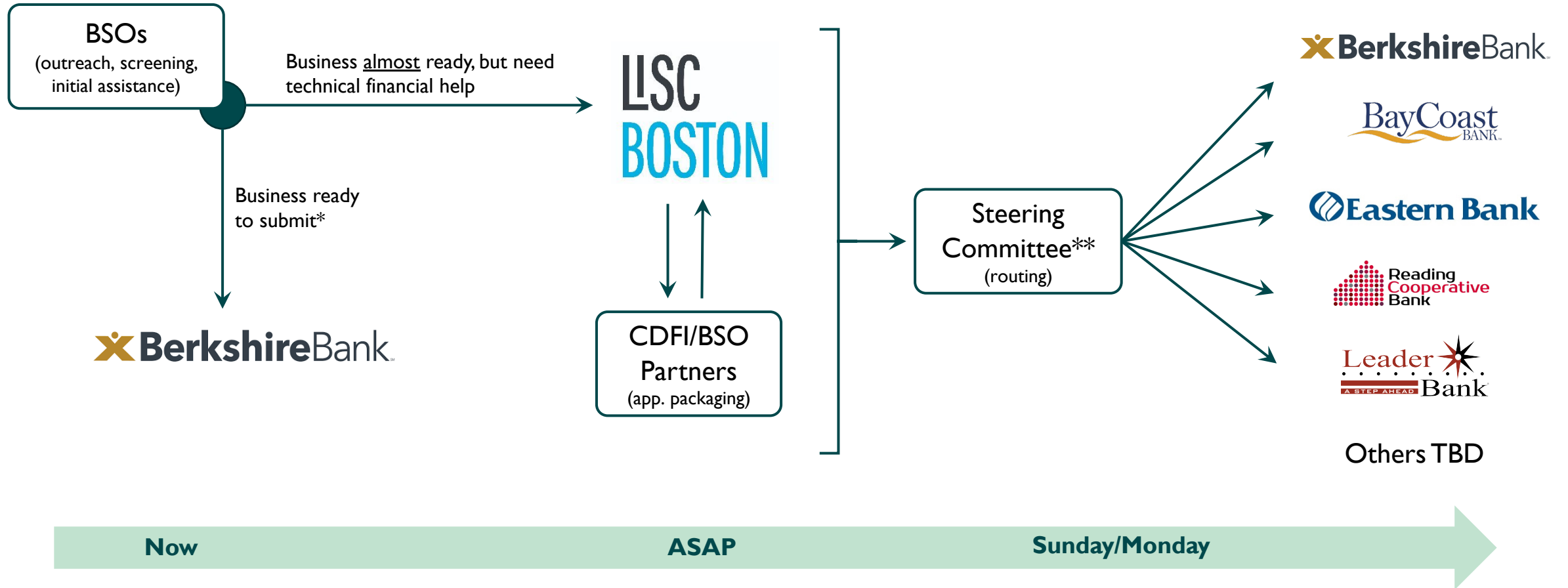
# Phases & Timing



Phases	Outreach & Qualification	Application Prep & Routing	Application Submission & Funding
Timing / Status	ASAP / currently underway	ASAP / today + tomorrow	ASAP / Portal opens Monday 10:30am
Detail	<ul style="list-style-type: none"> <li>• Outreach to target businesses to identify those that are <u>ready or near-ready</u></li> <li>• Outreach to banks to secure application submittal commitments</li> </ul>	<ul style="list-style-type: none"> <li>• BSOs send qualified target businesses to LISC for central intake and routing to application prep support via supporting partners</li> <li>• CDFIs/BSOs help prepare applications</li> </ul>	<ul style="list-style-type: none"> <li>• Banks commit to application slots, with goal of funding/servicing the loans</li> <li>• Steering Committee routes prepared applications Sunday night/Monday morning to various banks</li> </ul>
Players	<ul style="list-style-type: none"> <li>• BSOs, community partners, and CDFIs contacting clients</li> </ul>	<ul style="list-style-type: none"> <li>• Lead intake coordinator: LISC</li> <li>• CDFIs: MCCI, LEAF, CNFE, DBCDC</li> <li>• BSOs: Amplify Latinx/Surfside</li> </ul>	<ul style="list-style-type: none"> <li>• Berkshire Bank</li> <li>• BayCoast Bank</li> <li>• Eastern Bank</li> <li>• Reading Coop Bank</li> <li>• Leader Bank</li> </ul>

# Process Flow Detail

Qualified underbanked, disadvantaged business?



\*Application [checklist](#) is complete or nearly complete.

\*\*Steering Committee will route loan applications proportionally based on capacity, while also considering geographic coverage area and other bank restrictions.



# Key Partners



Plus 23 Other Business Support Organizations and 47 TA Volunteers!

# Results So Far

**169 Businesses Engaged**

**73 Businesses Referred to Banks**

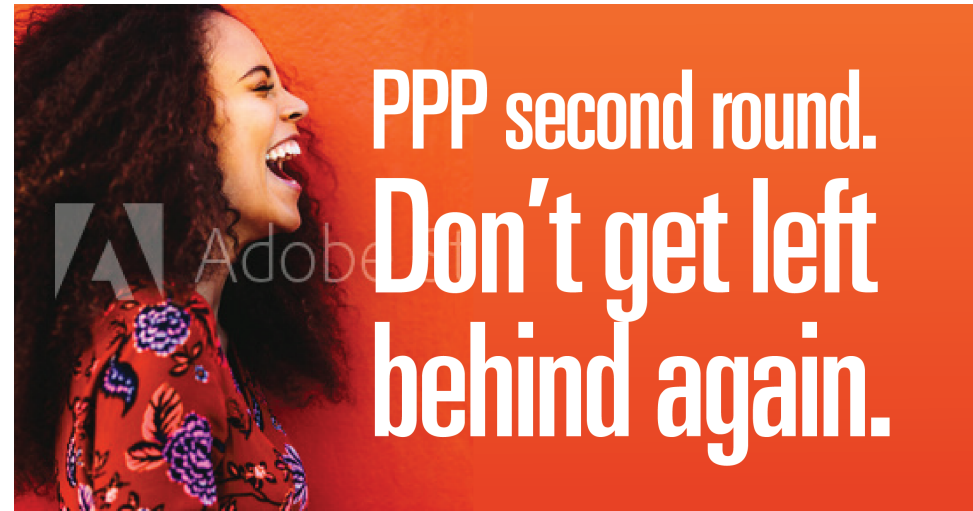
**66 Businesses Receiving TA**

**30 Businesses Not Proceeding**

## Added Benefits

- ✓ Coalition/Ecosystem Building
- ✓ Understanding of Challenges
- ✓ Foundation for Further Work Together

# Outreach Phase 2



# Questions?

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