



**Small Business Virtual Roundtable with U.S. House of Representatives Speaker Nancy Pelosi
May 5, 2020, at 4:00pm ET
Summary**

On May 5, 2020, Speaker of the House Nancy Pelosi participated in a virtual roundtable with over 3,000 small business owners to discuss the experiences of the small business community during the COVID-19 pandemic. Please feel free to view the [recording](#) of the webinar or read the below summary of it.

Rhett Buttle

Moderator Rhett Buttle, Co- Executive Director of the Small Business Roundtable and Founder of Public Private Strategies, welcomed everyone to the call and wished them a Happy Cinco De Mayo. He explained that the Small Business Roundtable is a coalition of leading small business and entrepreneurship organizations that collectively advocates for more than 30 million American small businesses and thanked the business organization partners who had joined the webinar.

Rhett then described the unprecedented situation of the COVID-19 pandemic and how American small businesses are struggling. Nearly 100 million people generate their livelihoods from them and they represent more than 90 percent of all businesses in each state in the country.

He then gave a quick overview of the agenda, reminded participants that the webinar was being recorded, and introduced Speaker of the House Nancy Pelosi.

Speaker Pelosi

Speaker Pelosi thanked Rhett and the audience for the opportunity to participate and hear from so many in the small business community. She also took the time on Cinco de Mayo to acknowledge Ramiro Cavazos, President of the U.S. Hispanic Chamber of Commerce, and his efforts. Speaker Pelosi's daughter, Christine's, birthday is on Cinco de Mayo and it has historically been difficult to plan a party at a restaurant in San Francisco because they are booked solid on this day. Sadly, she said they will not be having that experience this year, but hopefully will again soon because Mexican and Hispanic restaurateurs represent the dream of opening a small business that brings the community together.

Speaker Pelosi then said that dream, as well as entrepreneurship across the whole country, are being threatened by the COVID-19 pandemic. She described how important it was for Congress to try as hard as it could to protect small business owners, the lifeblood of the American economy.



Moving to efforts underway with Congress, Speaker Pelosi said she was very pleased that the Paycheck Protection Program (PPP) was part of the first bipartisan, coronavirus relief package. With the follow-up bill, it was clear that there was an immediate need for more PPP funding and that it was not reaching all underserved communities, including minorities, veterans, and women, so they paid special attention to how that could be improved. Congress also increased the Economic Injury Disaster Loan (EIDL) amount from \$7 billion to over \$300 billion and approved \$250 billion more in PPP loans, in addition to the \$60 billion in set-aside for loans and grants. The bill also provided \$100 billion to hospitals for COVID-19 testing.

Speaker Pelosi believes testing will be the entrée to opening the door to economic recovery and the next COVID-19 relief package will primarily focus on that. She commended House Financial Services Committee Chair Maxine Waters [D-CA] and House Small Business Committee Chair Nydia Velázquez [D-NY] on their efforts to support CDFIs in positioning them to provide greater support to underserved communities. Speaker Pelosi also wants the next bill to extend the grace period for PPP loans and create special provisions for small businesses with 25 or less employees. She expects Chairwoman Velázquez to share her proposal on this in the coming days so hearing from small business owners at this time is very critical.

She then reiterated that she wants the next package to strengthen PPP, expand its scope, and provide more resources. Speaker Pelosi noted that Congress can help people with their rent and paychecks, but the problem is not solved if customers aren't coming through the door and increased testing is required to make that happen.

She closed by saying, "I don't think there is anything more optimistic that a person can do than start a small business, except maybe get married," and saluted their courage and emphasized the power of their input.

Rhett Buttle

Rhett introduced three small business owners who discussed their experiences.

Shaundell Newsome

Shaundell Newsome, Founder of Sumnu Marketing LLC and Chair of the Las Vegas Urban Chamber of Commerce, highlighted that there are 270,000 businesses representing 99 percent of small businesses in Nevada, employing 487,000 people. Nearly 100,000 work for minority-owned businesses. Yet Nevada had just 8,600 PPP loans approved in the first round. Shaundell said that his personal story with the PPP is similar to that of many other small businesses. His family and veteran-owned business has been operating since 2006 and is a recipient of the SBA Nevada Family-Owned Business of the Year Award. His marketing firm has 10-15 employees at any given time and a solid relationship with its bank, making it financially prepared to apply for a PPP loan. Shaundell did not receive a PPP loan his first round, but did during the second after Congress created more opportunities for smaller businesses to receive them. The process



exposed the disparity in access to capital for very small and minority-owned businesses and that lawmakers need to provide greater access to PPP.

Frank Knapp, Jr.

Frank Knapp, Jr., owner of Carolina Pet Resort LLC and President of the South Carolina Small Business Chamber of Commerce, reported that only 23,000 of the more than 400,000 small businesses in South Carolina received PPP loans in its first round. Frank owns a small dog kennel with his wife and in March, all of the boarding business stopped and most employees were laid off. He notified his commercial bank of 20 years that his kennel wanted to apply for a loan, but the day before the loan process started, his bank recommended that he apply to an online lender. Neither the online lender or another bank that he tried helped him. His bank of 20 years told him two weeks later that they were finally ready to process loans, but he learned that they had already been successfully processing loans for other larger customers. The kennel eventually did receive a PPP loan after a month of trying and Frank felt that small business owners are not being treated fairly by banks.

Anne Zimmerman

Anne Zimmerman, owner of Zimmerman & Co CPAs Inc., in Cincinnati, Ohio, employs six people and is completely buried in the details of the COVID-19 relief packages. She is also the co-chair of Businesses for Responsible Tax Reform, a small business advocacy group that formed in response to the Tax Cuts and Jobs Act of 2017. Anne stated that the country will not recover economically if the small businesses do not survive to lead the way back to economic prosperity. Congress needs to help the truly small businesses that will continue to struggle despite the PPP loans. Anne asked that Speaker Pelosi consider a few provisions in the next relief package.

1. No-strings-attached grants to truly small businesses. This will allow them to stay open and operational so they can make it to the other side of this crisis and employ as many more than they did before the COVID-19 pandemic started.
2. Overrule IRS notice 2020-32, which made the PPP loans taxable against the original will of Congress. Anne has written a paper on this.
3. Expand the eight-week period of forgiveness for PPP loans to two-and-a half months. Without this change, many small businesses will be stuck with a loan balance that they must repay regardless of whether or not they retain their entire staff.
4. Continue working to lower prescription drug costs. One of Anne's daughters and granddaughter have type 1 diabetes and another daughter has rheumatoid arthritis. They rely on prescription drugs to stay alive and out of a wheelchair, but their medication can cost thousands of dollars even without insurance. They should not be faced with choosing between staying alive or going bankrupt.



Rhett Buttle

Rhett introduced leaders of three small business organizations who had questions for Speaker Pelosi.

Ramiro Cavazos

Ramiro Cavazos, President of the U.S. Hispanic Chamber of Commerce, thanked Speaker Pelosi and Reps. Waters and Velázquez for their leadership and noted that Latinos make up 60 million residents in the United States and are one out of every six Americans. Latino small businesses also make up five million of the 30 million small businesses in the United States. Many are struggling to get PPP loans and he would like to see them get access to greater liquidity but also be integrated into the U.S. Supply Chain. He then asked: How can we work with you to make sure that Hispanic and female-owned businesses have a better share of government procurement and make opportunities more available to minority business owners?

Speaker Pelosi

Speaker Pelosi noted that by the end of the week, three million businesses will have received PPP loans so a lot more work needs to be done. She has stressed to businesses that if PPP funding is not necessary to their survival, they should not ask for the loan and leave it for someone else who needs it. With procurement, Speaker Pelosi wants to expand the amount of access so more businesses can participate in the U.S. Supply Chain. However, she also said achievable standards need to be set and would like a better sense of bureaucratic obstacles that Hispanic businesses are facing. During her time on the Intelligence and Banking Committees, she has seen the challenges businesses have faced in entering the U.S. Supply Chain.

Jen Earle

Jen Earle, CEO of the National Association of Women Business Owners (NAWBO), noted that NAWBO was founded in 1975 and represents the voice of the 10 million female business owners in the United States, that fastest growing sector of the U.S. economy. She asked: You have been an advocate for women-owned businesses throughout your tenure. The federal government maintains a procurement scorecard, such as the five percent set-aside for women-owned businesses. Do you believe there should be set-asides for females within PPP and EIDL?

Speaker Pelosi

Speaker Pelosi said that when Congress was establishing the criteria for enabling CDFIs to administer PPP loans, the understanding was that they would be lending to female-owned businesses. Since then, she has spoken with the Federal Reserve and Treasury Secretary and learned that those two entities do not have enough control over CDFIs to ensure this happens. Speaker Pelosi would like to establish requirements on set-asides for CDFIs in the next legislative package. Another option is establishing set-asides for businesses with 25 or fewer employees. She would like to make it 10, but thinks it will survive the legislative process at



25. Speaker Pelosi also said that this has not been a partisan issue and encouraged business owners to tell their members of Congress if a specific direction is needed with PPP loans.

Chiling Tong

Chiling Tong, President of the National Asian Pacific Islander Chamber of Commerce & Entrepreneurship, noted that her organization represents two million Asian American and Pacific Islander-owned businesses in the United States. She also highlighted that May is Asian Heritage Month and applauded the House of Representatives' proclamation on it. Chiling asked: Many Asian American and Pacific Islander (AAPI) restaurants, especially in Asian American communities throughout the country, are being hit hard by this downturn. Approximately 60 percent of independent Chinese restaurants across America have ceased all operations. While some areas of the country begin to re-open, restaurants are only allowed limited dine-in capacity, making PPP not a viable option for most restaurants in our community unless the PPP loan grace period is extended. What more can be done specifically for restaurants during the recovery period? Additionally, we are thankful for Rep. Judy Chu [D-CA] and Grace Meng [D-NY] for efforts to include \$25 million for SBA to provide resources and services to small business concerns in the 10 most commonly spoken languages other than English, which include Mandarin, Cantonese, Japanese, and Korean. Almost one-third of AAPIs are limited in English proficiency. With most of PPP and Economic Injury Disaster Loan money already gone, when will the Administration provide in-language services and resources?

Speaker Pelosi

Speaker Pelosi shared her admiration for Reps. Chu and Meng, but reported that the \$25 million was not funded in the final bill and would be in the next bill. She also highlighted how safe San Francisco's Chinatown has been.

Speaker Pelosi then noted that the hospitality industry is taking a huge hit and that the loan forgiveness period needs to be extended and that language is being prepared for the next bill. Restaurants are the heart of the community and the way to make sure people can go to them is through testing so we have a clear, accurate view of how COVID-19 has affected all of the community.

She emphasized that it is crucial for business owners to share their experiences because we cannot allow the hundreds of billions being spent to harden the disparity of access to capital. Instead, it must loosen it.

Rhett Buttle

Rhett kicked off a roundtable discussion with small business organization leaders on the call.

John Arensmeyer



John Arensmeyer, CEO of the Small Business Majority (SBM), kicked off the discussion and noted that SBM has been working with Speaker Pelosi over the past 12 years on issues that included the passage of the Affordable Care Act. John said what is taking place is heartbreaking, as 90 percent of small businesses are being impacted and nearly half could potentially close.

He also noted the need for better demographic data to better understand who is being hit and who is getting the money. John also stressed the need to understand who is getting the money to administer the loans.

John then laid out the immediate needs going forward.

1. More money is crucial for small businesses through PPP loans.
2. There is a need to make sure that the funding is going to underserved communities and to the self-employed.
3. Businesses need money not just for payroll, but for operating expenses. The provision requiring that only 25 percent of PPP loans can be used for non-payroll items is making it difficult for them to cover their operating expenses.
4. The grace period for the loan period needs to be extended past eight weeks. The short timeframe has many businesses worried that the loan will not be forgiven.

John also noted that SBM has been a major proponent of no-strings-attached grants. He cited numerous bills in this area, including The Paycheck Security Act.

He closed by saying that this crisis has highlighted the importance of small businesses, as well as the economic inequality in the United States. Moving forward, we need to reexamine our infrastructure and health care system.

Ron Busby

Ron Busby, President of US Black Chambers, Inc., outlined three points that he wanted to make.

1. We need data. Black businesses are getting hit hard in their health and wealth, and the Chambers estimates that 35-40 percent will close because of COVID-19. However, we still cannot gather the data to determine who is getting the funding, where they are located, what industries they are in, what is their nationality, and what is the size of their business. More data is needed for better accountability.
2. On contracts, many businesses have grown because of work with the government, but the payment can take up to 120 days. During the Obama administration, the Quick Pay program was initiated, establishing a net-15 day payment schedule, and we would like to see that renewed.
3. We would like to see some greater accountability from the large corporations that received PPP loans. If and when those dollars are returned, we would like to see money go to the CDFIs.



Justin Nelson

Justin Nelson, President of the National LGBT Chamber of Commerce, highlighted that his organization represents 1.4 million LGBT-owned companies in the U.S. He agreed with everything his colleagues said and then noted a letter requesting 501c6 inclusion in the relief efforts and wanted to check on the status of that. Justin said that he would like to see relief included in the next package and said that he was comfortable with a carve-out for lobbyists to assuage any concerns.

Speaker Pelosi

Speaker Pelosi said that she would like to expand PPP to all nonprofits, including 501c6s, who are active in the community. She also wanted more documentation on the PPP process so we have a better understanding of how loans were administered. For example, 26,000 firms received PPP loans of \$2 million or higher, and she wants greater scrutiny to determine how crucial they were. Greater scrutiny will lead to less inclination to abuse the system.

Speaker Pelosi also noted that The Paycheck Security Act is not part of the PPP, but is a guaranteed paycheck for unemployed individuals and struggling businesses. She thinks it is an efficient, helpful idea and would like to hear from small business owners whether or not it would benefit them.

Amanda Ballantyne

Amanda Ballantyne, National Director of the Main Street Alliance, said that COVID-19 has created an extinction-level event for small businesses. So many are on the verge of bankruptcy and in very desperate straits as they try to determine if the relief packages can help them. She is supportive of The Paycheck Security Act even if PPP is fixed in the short term. She also laid out recommendations for improving PPP.

1. Set clear parameters for what constitutes economic harm.
2. Provide more money in any loan or grant to allow businesses to adjust to the new “normal.”
3. Establish real-time data collecting and reporting.
4. Adopt a longer-term subsidy program.

Todd McCracken

Todd McCracken, President of the National Small Business Association, said the PPP has been super helpful, but we need to think about what the long-term strategy is going to be. Companies are going to have to retool and that is going to require capital lending and resources that may not exist through traditional programs. He said we need to think about how we’re going to help companies grow, along with the whole economy. In the short term, we need to make sure small businesses make it through this.



Jill Houghton

Jill Houghton, President, Disability IN and US Disability Chamber of Commerce, said she would echo everything said today and thanked Speaker Pelosi for including people with disabilities in this discussion.

Speaker Pelosi

Speaker Pelosi said that based on the comments on the webinar, she thinks people will be pleased with what is in the next COVID-19 relief package. She also asked that if people on the webinar think The Paycheck Security Act is a viable option to let their members of Congress know.

Speaker Pelosi closed by saying small business owners should know their power and that outside mobilization in their community is key to influencing and guiding legislation.

Closing

The webinar went into a 30-minute question and answer session and ended at 5:30 pm ET.