

CARES Small Business Relief Fund

In 2020, Ramsey County received funding from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was used in part to fund the [Small Business Relief Fund](#) (SBRF). This fund disseminated \$14 million in financial relief to small businesses to combat challenges resulting from the COVID-19 pandemic. Additional funds were received from the state to help small businesses. The goals of the SBRF were to:

1. Provide direct financial relief to assist small business to sustain themselves over the next few months.
2. Stabilize small businesses, particularly businesses owned by black, indigenous, people of color, and women.
3. Develop long-term, sustained relationships with partners who support businesses owned by black, indigenous, and people of color.

Ramsey County's SBRF was administered by the Community and Economic Development (CED) team in partnership with the Metropolitan Consortium of Community Developers (MCCD) and the Alliance for Metropolitan Stability. The latter two organizations in turn partnered with 14 culturally-based community-based organizations (CBOs) to support outreach, education and technical assistance to ensure that eligible small businesses had support in accessing the grant.

This evaluation is focused on the SBRF grants administered using CARES funding during the first two rounds between July and December 2020 to some 830 businesses in Ramsey County.

This evaluation included a survey of 557 SBRF business grantees and interviews with 12 outreach partners and aimed to address the evaluation questions that are discussed in the following section.

The full report can be found on the [CARES Evaluation website](#). A list of all businesses that received funding, including those from state funds, and a geographic distribution of grantees can be found at [Open Data Ramsey County](#).

What We Learned

What proportion of grants went to Black, Indigenous, and People of Color (BIPOC) communities? Did the grants reach businesses went to BIPOC-owned businesses in these targeted communities?

Just under half of the grants from Round 1 and 2 (44%, n=362) went to businesses owned by BIPOC individuals. The findings from this evaluation do show that these grants reached and impacted BIPOC-owned businesses but that some would-be applicants were prevented from applying due to a number of factors. In addition, BIPOC business owners from immigrant communities faced additional barriers to accessing grant application and informational materials due to cultural and language barriers, as well as online access.

Partnering with community-based organizations, and especially community development financial institutions, was a successful strategy for increasing access for BIPOC businesses as well as woman-owned and creative businesses. However, these businesses continue to have limited access to the grant due to eligibility restrictions and documentation requirements.

What impact did the Small Business Relief Fund have on small businesses, particularly businesses in the targeted communities?

Businesses varied greatly in how they were impacted by the COVID-19 pandemic, what financial resources they have had access to, how the SBRF grant helped and their future outlook and needs. County efforts to support businesses should be customized to the unique needs of different business subgroups. Overall, the COVID-19 pandemic has dramatically decreased businesses' revenues and whether they were even able to remain open during the pandemic.

Businesses varied widely in their access to business-related resources to cover costs such as loans, credit cards and savings going into the pandemic and may experience more of a long-term impact and personal risk by relying on personal resources, such as individual savings, loans, credit cards, help from family and friends and even early withdrawal from retirement savings.

In addition to loss of revenues, the most widespread impact of the COVID-19 pandemic on businesses was unplanned expenses due to COVID-19, such as personal protective equipment. Other common issues were decreases in business hours and hours available to workers as well as temporary or permanent business closures.

The SBRF grant had the largest overall impact on unplanned expenses due to COVID-19 and missed payments on business loans or other scheduled payments. Nearly all businesses were helped at least partially by the grant, however for many businesses, the SBRF grant did not resolve the ongoing impact of the COVID-19 pandemic.

BIPOC businesses tended to have a number of factors that put them at increased risk during the pandemic, including being forced to close under executive order, being in operation for less years and having had lower annual revenues prior to the start of the COVID-19 pandemic. The SBRF grant appears to have had a stronger impact for BIPOC-owned businesses with their reported issues compared to White-owned businesses.

How can Ramsey County continue to support businesses during the pandemic?

The largest concern on the minds of many business owners is whether they will be able to keep their businesses open until the end of the pandemic. Many businesses need more financial support via grants in order to sustain and recover from their loss of revenues during the COVID-19 pandemic.

Even if their businesses do survive the pandemic, small business owners are concerned about the long-term impact on their revenues and customer buying/patronage behavior. In order to advance the goal of returning to normal (i.e., pre-pandemic) consumer practices, residents need to feel safe to shop and socialize in public (especially indoor) environments. Widespread provision of the COVID-19 vaccination in our community and lifting of mandates when transmission rates allow it are important milestones for many businesses to feel secure that they have sufficient revenues (and expectation of future revenues) to continue standard operations into the future.

Relief from local taxes, marketing support, business development support and government advocacy for business protections and emergency business loans are also needed.

Creative, BIPOC-owned, woman-owned and smaller businesses, including sole proprietors are more limited in their access to financial resources, how they are impacted by COVID-19 and what supports are most helpful to them. Funding and other types of support should be customized to better meet the needs of these businesses in particular.

What can Ramsey County learn from its partnership with MCCD and partnering outreach organizations to inform Community Economic Development's future business outreach and collaborations to support and sustain small businesses?

Ramsey County benefits greatly from collaborating with community-based organizations to reach BIPOC and other marginalized groups, including women and creative businesses, that might not otherwise learn about and apply for these grants. These partnerships built trust and promoted greater acceptance of government support for businesses experiencing unprecedented challenges this past year. These partnerships also built the capacity of these partner organizations to support Ramsey County's work by providing technical assistance to potential applicants.

Partners and businesses alike would like improvements to the grant application process, including having more clear and consistent guidance, providing a point of contact within Ramsey County to answer questions, and give the partner organizations a sense of confidence that they can respond to the needs of their clients with sufficient accurate information to support the grants-making process.

Businesses and partners would appreciate more detailed FAQs and quick reference guides, most especially about eligibility guidelines and documentation requirements, to answer questions from small business owners quickly and accurately. They also suggested greater alignment and cooperation between local and state government entities providing grants, to make funding more accessible with less bureaucracy required to access it.

Overall, these partner organizations greatly appreciated the opportunity to support SBRF grants and wanted to feel they are an integral part of the grants-making process. They gave positive feedback on the eligibility changes that Ramsey County implemented for Round 2 based on their feedback to include sole proprietors and creative businesses as eligible applicants and felt this reflected a successful partnership model with mutual feedback systems.

Several partners expressed an appreciation for regular partners' meetings to share experiences and resources. They requested more training on key technical assistance areas, to provide better services for clients seeking grants. One partner also expressed a desire to contribute to the selection process for grantees. While this suggestion would promote a sense of inclusion and transparency between partner organizations and with the general public, it also would require clear guidelines and systems to ensure that this input still enabled fair and unbiased selection of grantees.

Recommendations

Short-term Recommendations

As the county and businesses recover from the economic and other impacts of the pandemic, in the short-term we recommend that the county:

Continue and Expand Direct Help to Businesses

- **Provide ongoing grant relief to businesses, particularly to address help with rent and mortgage payments.**
- **Work with the Information and Public Records to explore how to work with businesses in Ramsey County to reduce, delay or waive property taxes.**
- **Review funding guidelines** to ensure that accepting a SBRF grant will not disqualify applicants from receiving other funding, including public assistance and other grants.

Provide Other Business Supports

- **Develop business support strategies specific to sub-populations of businesses**, such as sole proprietors, woman and BIPOC-owned, creative, small businesses and industries uniquely impacted by state mandates and significant shifts in customer buying/patronage behavior.
- **Support businesses in marketing strategies including local business campaigns to help with small business recovery.**
- **Invest in widespread COVID-19 vaccination and link vaccination campaigns to local business support.**
- **Opportunities for businesses to network.**

Enhance Approaches and Practices for Grants-making

- **Continue outreach and expand upon current marketing strategies** for promoting future grant opportunities. Ensure cultural, language and technology barriers are addressed in application processes and in the technical assistance offered to small business applicants.
- **Reduce barriers to grant eligibility and application process.**
- **Adjust application materials to provide greater flexibility** for different types of businesses, especially sole proprietors and creative businesses who cannot meet the current documentation guidelines but still qualify for and need financial assistance.
- **Develop a process to track applications and businesses that are not funded** in order to better understand any inequities in the application and approval processes, to enable the County to reduce or eliminate these barriers in the future.
- **Improve communication systems and materials:** establish and visibly promote contact information to reach a single point of contact within Ramsey County who is consistently available to answer questions from applicants and technical assistance partners.
- **Develop clearer FAQ and quick-reference guides** for applicants and technical assistance partners.

Long-term Recommendations

Through the COVID-19 recovery and beyond, to improve partnerships with the business community, we recommend:

- **Invest in long-term partnership models** building off the success of the SBRF grants to engage partners in supporting Ramsey County's work on a larger scale, including involving them in development and review processes as appropriate.
- **Expand the range of types of organizational partners** to support a broader range of stakeholders, including women and at-risk communities.
- **Engage with partners through inter-governmental partnerships**, including joint projects with neighboring city, county, and state agencies that are working towards a common purpose.
- **Promote collaboration and asset sharing between CBO partners**, including referrals to appropriate culturally-based organizations for applicants with limited English language skills, and to community development financial institutions for applicants who may require more sophisticated technical assistance to complete an application.