



Rhode Island Rebounds

Supplemental Budget Request: Small Business and Impacted Industry and Tourism, Events, and Hospitality Assistance

RHODE
ISLAND

Many Rhode Island small businesses need help now

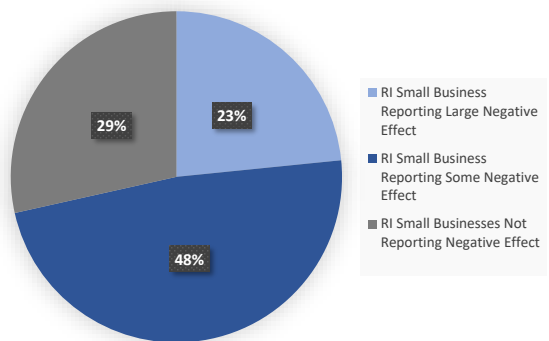
While the state is on the path to recovery, our economy and recovery face significant headwinds

- RI has done much better than most other states (#3 in the U.S. and #1 in the Northeast on Moody's back-to-normal index).
- Despite major progress, new challenges have emerged, placing added pressures on RI's economy, workforce, and small business community.
 - The delta variant has significantly impacted **consumer confidence**.
 - Inflation and **supply chain backlogs** are upending business finances and operations.
 - **Workforce shortages** are challenging large and small businesses alike.
 - There are major concerns about being able to **maintain progress as weather continues to cool**.
 - **Specific industries and geographies facing major challenges**: for example, office-dependent locations and industries.

Census: Small Business Pulse Survey

October survey shows 71.5% of Rhode Island small businesses continue to feel the impacts of COVID-19 .

Small Businesses Experiencing Negative Effects due to COVID



- 33.1% of RI businesses report decreased revenues, up nearly ten percentage points from a month ago.
- 74.4% of RI businesses are seeing increases in the prices of goods compared to March 2020
- 54.6% of RI experiencing domestic supplier delays

Census survey conducted between October 4-10, 2021.

Overview

Proposing combined total of \$45 million in investments to support our small businesses and impacted industries, including tourism, hospitality, and events industries

Grants:	\$12.5 million: small, impacted businesses
	\$8.0 million: tourism, events, and hospitality industries
Technical assistance:	\$10.5 million: case management and business services vouchers
Programming and public health:	\$7.5 million: take it outside and public health improvements
	\$3.0 million: placemaking and COVID-safe programming
Marketing:	\$2.0 million: marketing tourism regions and airport
Outreach, administration:	\$1.5 million: oversight, staffing, administration, outreach, legal, and other costs.

Grants

Propose \$20.5 million in grants across two sub-programs to support most impacted businesses as they continue to weather COVID

• \$12.5 million for impacted small businesses

- Goal: reach small businesses (e.g., less than \$1 mm in revenue) not served by other rounds of assistance or that are experiencing severe challenges.
- To be administered by Commerce in conjunction with intermediaries who are expected to play a significant role (e.g., as authorized agents).
- Fixed grant amounts: anticipate in the range of \$5,000 - \$10,000.
- Can be used flexibly to support business expenses (e.g., retaining or recruiting staff, rent, etc.).

• \$8.0 million for tourism, hospitality, and events businesses

- Goal: provide assistance for most impacted businesses in these industries, regardless of size.
- To be administered directly by Commerce.
- Grant amounts will be pro-rated/scaled based on need and are expected not to exceed \$75,000. Restaurant Revitalization Fund recipients not eligible.
- Can be used flexibly to support business expenses (e.g., retaining staff, rent, etc.).

Technical assistance

\$10.5 million to help small businesses build systems and expertise

- Many small businesses that need the most help are unable to access it without technical assistance.
- **Designed to address diversity of needs:** accounting, legal, HR/payroll, marketing & design, IT, e-commerce, business & growth planning, succession planning, etc.
- **Proposing three program components:**
 - **Services management:** centralized entity to oversee vetting, selection, and accountability of back-office service providers.
 - **Case management and assessment:** assists with matching businesses with services that will be most impactful and ensuring their highest priority needs are addressed first.
 - **Vouchers:** enables small businesses to spend up to \$10,000 for paid services to assist them
- **To begin, we propose targeting these services for small businesses with less than \$1 million in revenue** (potential to expand following initial launch). Must demonstrate COVID impact and either be located in qualifying census tract or be in a severely impacted industry.

Programming, public health, and marketing

Important tools as small businesses face challenges with consumer confidence and as impacted districts face renewed challenges.

Public health adaptation:

- Take it outside
- Public health supports/ventilation
- Clean and safe downtown districts

Placemaking, attraction development, and event programming: designed to draw visitors to impacted districts,

- Placemaking initiatives
- Catalytic events and COVID-safe programming

Marketing:

- Airport
- Tourism regions

