



News Release

For more information: Katherine Shek
Katherine.Shek@conference-board.org
(202) 469-7824
(703) 362-0803 Mobile

CED Calls for Full Funding for COVID-19 Small Business Loans

Washington, DC, April 3, 2020... The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27 and established a new Paycheck Protection Program loan for eligible business. As part of the Committee for Economic Development of The Conference Board's (CED) ongoing COVID-19 efforts, co-chaired by Trustees Joseph Kasputys and Bowman Cutter, CED released the following statement to ensure the necessary funding is available for all eligible small businesses:

"Small businesses are absolutely critical to the functioning and health of our economy. The US's more than 30 million small businesses employ nearly half of all workers and will be the epicenter for enormous and potentially permanent job losses if not supported through this period of social and economic restriction. Bluntly, there will be no quick recovery once the crisis is surmounted if small businesses, many of which have limited access to resources to keep themselves functional even for a short period of disruption, are not preserved.

"Aid to small businesses is needed urgently and deeply and must be delivered swiftly. Ensuring their survival is a top priority. The CARES Act provides small businesses with a measure of critical relief by establishing a new Paycheck Protection Program loan, which is empowered to lend roughly two months of payroll costs to every eligible business. However, it is already clear that Congress provided the program with insufficient funds – raising the prospect of aid for only some applicants, on a first-come, first-served basis. Millions of small businesses surely are rushing the decision to apply for aid, or else risk missing out on a potential lifeline that could help them to survive and preserve jobs and paychecks for their employees. This risks a spectacle of financially



well-connected and well-advised businesses receiving loans, at the expense of smaller, more-vulnerable small businesses. In any conceivable outcome, the absence of aid to so many businesses, especially after relief was promised, would be crushing.

“While much more needs to be done to ensure that small businesses are adequately supported and that available support works as intended, Congress needs to take immediate action to bolster the Paycheck Protection program to ensure that there is enough funding to cover the needs of all businesses who require it and, should the period of crisis continue, extend support for as long as is necessary. In the interim, with the new program set to begin lending as early as today, Congressional leaders must state clearly that they will act expeditiously to ensure funding is available for all eligible small businesses. With that assurance, more of our small businesses will be able to retain their trained workers while they await relief. We urge the leaders of Congress to make that commitment now.”

Joseph Kasputys is Chairman & CEO of Economic Ventures. He was Assistant Secretary of the US Department of Commerce under the Ford Administration. He is Co-Chair of CED’s Ad Hoc Committee on COVID-19.

Bowman Cutter, Senior Fellow and Director of the Next American Economy Project at the Roosevelt Institute. He was Director of the National Economic Council and Deputy Assistant to the President during the Clinton Administration. He is a Co-Chair of CED’s Ad Hoc Committee on COVID-19.

About CED

The Committee for Economic Development is the Public Policy Center of The Conference Board that delivers well-researched analysis, and non-partisan, reasoned solutions in the nation’s interest. www.ced.org.

About The Conference Board

The Conference Board is the member-driven think tank that delivers trusted insights for what’s ahead. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. www.conference-board.org.