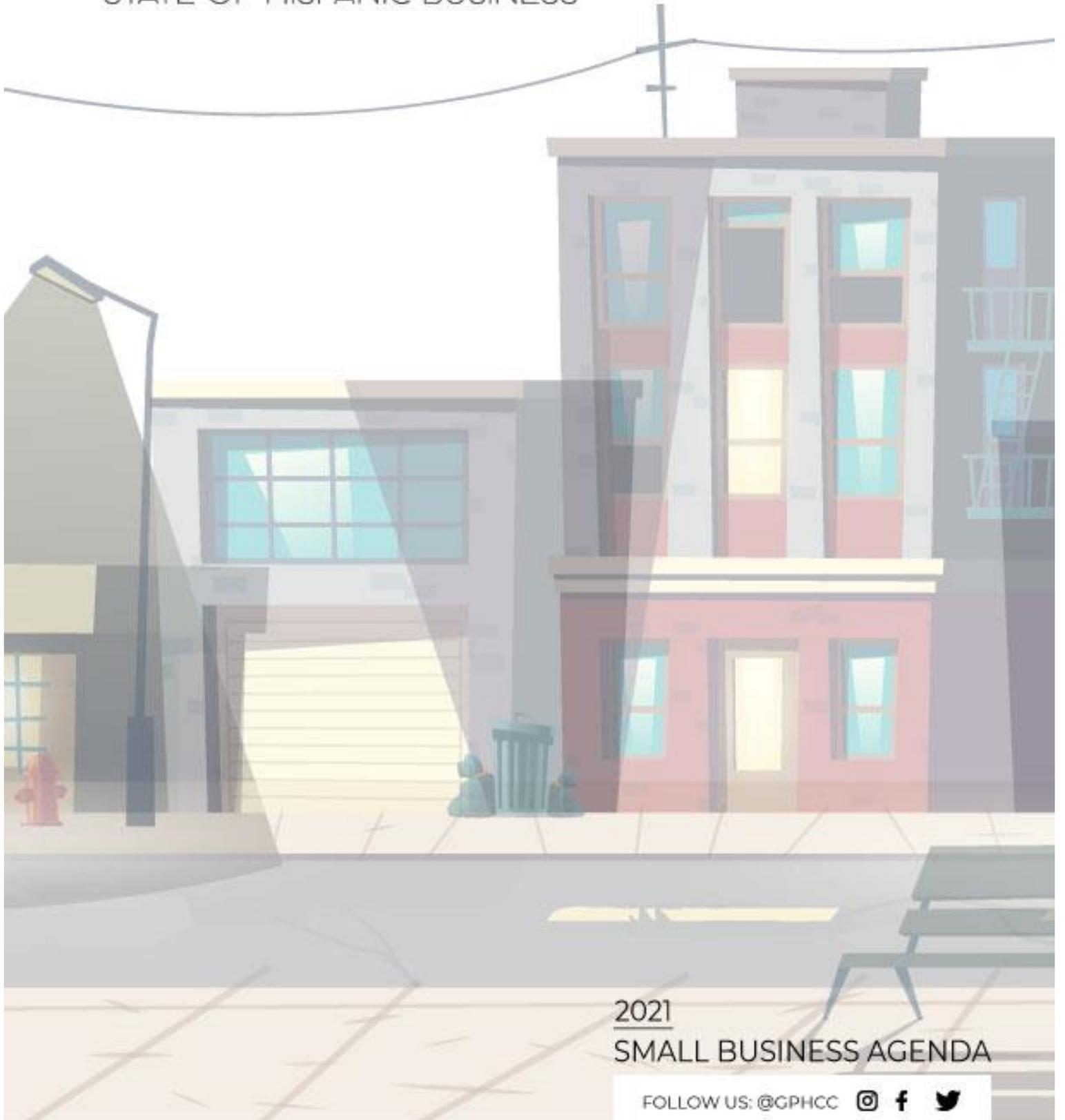


SOH B

STATE OF HISPANIC BUSINESS



2021
SMALL BUSINESS AGENDA

FOLLOW US: @GPHCC   



Greater Philadelphia Hispanic Chamber of Commerce

2021 Small Business Agenda

The Greater Philadelphia Hispanic Chamber of Commerce (GPHCC) was established to develop, promote, and advocate for Hispanic business in the Greater Philadelphia region while encouraging the advancement and economic growth of the larger Hispanic community.

Just as Hispanics have been disproportionately impacted by the COVID-19 virus, so have our businesses. The structural, long-term disparities observed in individual health and wealth outcomes also manifest themselves in the size, revenue, and profitability of our businesses. Yet, despite not having equal access to the financial support and social capital that can make a difference in their success, Latino entrepreneurs exhibit their characteristic grit and resilience, remaining optimistic about their ability to recover from the negative effects of the pandemic.

The long-term economic recovery of Philadelphia is inextricably linked to the ability of Latino entrepreneurs to start, rebuild, and scale businesses. As we emerge from the pandemic, we encourage those in power to invest in solutions that work and to craft policies that ease the burdens of starting and growing small businesses, because when small businesses thrive, jobs are created, wealth is distributed, and the city and region become more competitive.

GPHCC is committed to supporting entrepreneurs as they reintegrate into the economy under the new normal and we look forward to working with our leaders in government, the private and nonprofit sectors to build a strong and resilient region for all.

Respectfully,

Jennifer I. Rodríguez, MCP
President & CEO

Lou Rodriguez, P.E.
Chairman

Impact of COVID-19 on Hispanic Businesses

One year after the World Health Organization declared COVID-19 a pandemic, our national and regional economies struggle as the virus continues to surge, disproportionately impacting the Latino community and businesses.

According to Stanford's Latino Entrepreneurship Initiative (SLEI), the most significant impact of the pandemic on Latino-Owned Businesses (LOBs) are related to the loss of revenue and productivity. Yet, as is characteristic, most entrepreneurs surveyed indicate that they expect to recover from its effects.

Economists and other experts paint a different reality. The National Restaurant Association reports that four out ten restaurants in the US have closed, an alarming figure because LOBs are highly concentrated in food services, hospitality, healthcare and retail, the industries most impacted by the pandemic.

Another cause for concern is the fact that not only do LOB's have lower liquidity compared to their counterparts, but they are also less likely to have received financial assistance, like the SBA Paycheck Protection Program, to help them overcome cashflow shortfalls. According to SLEI, this lack of liquidity could result in the loss of over two million jobs in the US if Hispanic businesses were forced to shutter their doors.

To address the impact of the pandemic, GPHCC's launched Recalibrate Retool, Restart (R+), an initiative that provides tools, resources and education that LOBs need to successfully adapt to the new environment. Under the initiative, GPHCC has created new programs such as Dine Latino, which promotes restaurants and provides them with technical assistance; R+ Latinx Small Business Relief Fund, which has distributed \$15,000 in micro grants; and Resolve It In 30, a series of coaching sessions with experts on timely business topics which are archived and accessible through the Chamber's website.

As the Philadelphia region emerges from the pandemic, GPHCC has identified priorities for the recovery of LOBs and their long-term success.



While PPP funding prolonged the runway by a few months, this funding is running out for individual businesses, and a future without additional aid looks bleak.

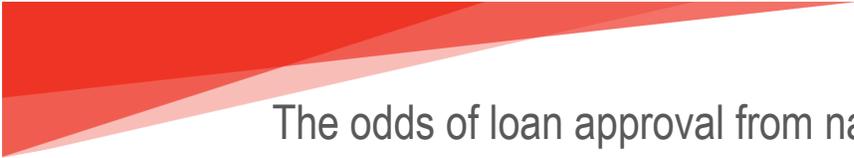
Stanford Latino Entrepreneurship Initiative
Report on the Ongoing Impact of COVID-19 on
Latino-Owned Businesses

GPHCC Priorities

- Advocating for a Welcoming Business Environment
- Helping Latino-Owned Businesses Adopt Best Practices
- Supporting the Access, Management and Control of Capital
- Supporting Businesses in the Recruitment and Retention of a High-Quality Workforce
- Building the Social Capital of GPHCC's Network
- Supporting Technology and Infrastructure Investments
- Encouraging International Trade and Commerce
- Supporting Immigration Reform
- Mitigating the Impact of COVID-19

Advocating for a Welcoming Business Environment

- Advocate for the implementation of transparent, fair, and consistent application of rules; timely responses to inquiries; reviews of decisions made; and professional customer service, as required by the City of Philadelphia Business Owners' Bill of Rights.
- Restructure tax policies that discourage start-ups and make it difficult for small businesses to comply with regulations. Some examples include the elimination of the Business Income and Receipts Tax (BIRT) and redefining "new company" for tax incentive calculations.
- Empower the Special Committee on Regulatory Review and Reform, created by City Council, to ensure its recommendations receive timely consideration and a vote.
- Modernize licensing and permitting requirements by conducting regular reviews of state and local business licensing requirements and regulations.
- Hold government entities accountable for a thorough community engagement process related to issues that affect small businesses.
- Advocate for regulations that are part of a larger, strategic effort to support local business development and not a patchwork of legislation adopted in reaction to perceived and/or existing challenges.
- Advocate for greater public investments in safer, cleaner, and attractive neighborhood commercial corridors.
- Ease licensing and regulations to spur growth in key industries for the Hispanic community, including but not limited to, making permanent the simplified requirements for outdoor dining and sidewalk café licensing implemented during the pandemic.
- Advocate for increased accountability and testing for fraud in supplier diversity contracts.
- Support local procurement and supplier diversity programs and policies that provide an effective *on-ramp* for Hispanic businesses that want to increase their business-to-business (B2B) portfolio.



The odds of loan approval from national banks are 60% lower for LOBs, when controlling for business performance.

Stanford Graduate School of Business
2020 State of Latino Business Report

- Support programs and policies that provide opportunities for Latino businesses to establish in thriving commercial corridors/nodes, such as Center City, the Philadelphia Airport, Fishtown, and University City.

Helping Latino-Owned Businesses Adopt Best Practices

- Educate businesses on the importance of filing taxes, keeping adequate accounting and risk management practices, etc.
- Promote higher utilization of business incentives and resources.
- Secure access and provide robust funding for affordable high-quality business education programs that are geographically and language accessible.
- Advocate for investment in affordable high-speed internet access and technology education for micro-businesses (\$1 million or less in revenue) that incorporates essential skills for business owners.
- Support technical assistance programs focused on commercial corridors to leverage business clusters and their ecosystems.

Supporting the Access, Management and Control of Capital

- Ensure equitable access to the capital ecosystem.
- Promote expanded use of equity investments for small businesses, not only in technology, but also in traditional sectors.
- Advocate for transparency and responsible practices in lending.
- Advocate for the creation of flexible debt/financing products with features such as, repayment moratoria, periods of no- or low-interest and forgivable loan options targeted at diverse businesses (MBEs).
- Advocate for robust funding to mission-driven financial institutions and CDFIs, especially those with strong track records of serving the Latino community.
- Advocate for financial institutions to report on an annual basis the volume and dollar amounts of loans made to diverse enterprises (MBEs) and to businesses with revenues of \$1 million or less.

Supporting Businesses in the Recruitment and Retention of a High-Quality Workforce

- Identify and advocate for affordable healthcare solutions for small businesses.
- Identify and advocate for affordable retirement benefit solutions for small businesses.
- Advocate for affordable childcare solutions for employees of small businesses.
- Support development of apprenticeship programs and career skills training.
- Support diversity and inclusion in corporations, government, and large institutions, particularly in senior and executive positions.



Only 63% of Latino business owners have health insurance, the lowest rate of coverage of any demographic group. Thus, a looming health crisis is also a likely economic crisis for Latino business owners.

Stanford Latino Entrepreneurship Initiative

Building the Social Capital of GPHCC's Network

- Build social capital through networks and develop ecosystems in key industries.
- Create a corps of pro bono consultants to provide professional services to Latino-Owned Businesses.
- Advocate for the appointment of Latinos to boards and leadership positions.
- Develop the leadership skills of emerging Latino professionals.

Supporting Technology & Infrastructure Investments

- Support investment in public transportation systems that improve the movement of the workforce.
- Advocate for road and pedestrian improvements along commercial corridors and main thoroughfares.
- Advocate for affordable access to high-speed internet and technology education for diverse micro-businesses that incorporates essential skills for business owners.
- Support improvement and maintenance of aging infrastructure.

Encouraging International Trade & Commerce

- Help Hispanic businesses access international networks.
- Support the development of international trade relations in Latin America.

Supporting Immigration Reform

- Support the passing of a comprehensive immigration law guaranteeing eventual citizenship for those who play by the rules and contribute to our economic success, coupled with appropriate and reasonable employment verification provisions.
- Support a long-term solution for recipients of Deferred Action for Child Arrivals (DACA), understanding that young immigrants like the “Dreamers” work at small businesses, start new ventures at higher rates and contribute to our nation's economic success.
- Support a long-term solution for recipients of Temporary Protected Status (TPS), understanding that many workers who are integral to our nation's economic success would lose their legal status and their ability to continue contributing to the economy if the program were to end.
- Support expansion of the H-1B visa program to allow more visas for low-skilled workers.
- Support the creation of a "Startup Visa" for foreign-born entrepreneurs who wish to start a business.
- Support the granting of drivers' licenses for undocumented immigrants.

Mitigating the Impact of COVID-19

- Advocate for a moratorium on the increase of future unemployment insurance rates, so that small businesses do not have to pay higher premiums in subsequent years resulting from COVID-19 layoffs.
- Eliminate the bottleneck in the processing of licensing and permits that has become exacerbated during the pandemic.



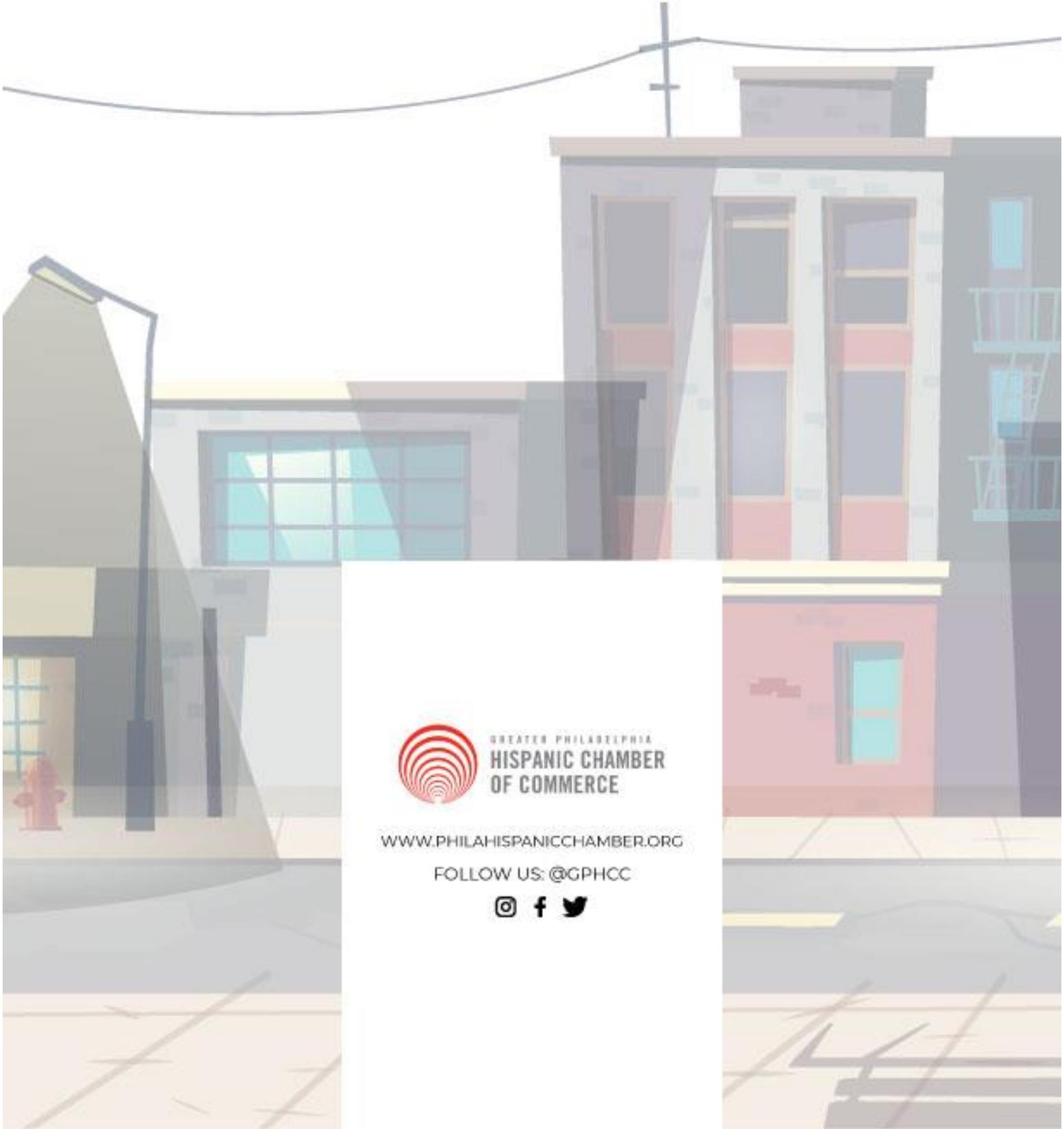
While PPP funding prolonged the runway by a few months, this funding is running out for individual businesses, and a future without additional aid looks bleak.

Stanford Latino Entrepreneurship Initiative
Report on the Ongoing Impact of COVID-19 on
Latino-Owned Businesses

- Ensure small business tax provisions of the CARES Act can be taken in conjunction with any grant/loan assistance, such as the Payroll Protection Program. Advocate for flexible payment terms on local business taxes collected.
- Advocate for the forgiveness of SBA Payroll Protection Program (PPP) loans of \$150,000 or less.
- Advocate for grants and subsidies for the purchase of Personal Protection Equipment, supplies, modifications, and improvements necessary for businesses to meet the health and safety requirements related to COVID-19.
- Advocate for equitable distribution of the vaccine, prioritizing vulnerable groups and those disproportionately impacted by the disease.

About the Greater Philadelphia Hispanic Chamber of Commerce

Established in 1990, the Greater Philadelphia Hispanic Chamber of Commerce (GPHCC) is a not-for-profit organization devoted to promoting the advancement and economic growth of Hispanic businesses and professionals in the greater Philadelphia region. We accomplish this through educational programs, and a broad range of services and special events. The GPHCC proactively serves a diverse membership—consisting of entrepreneurs, Latino businesses, Latino professionals, corporations, and government—with the overriding goal of helping these critical constituencies capitalize on the many opportunities their diversity, enhanced by our Latino multicultural mix, offers.



GREATER PHILADELPHIA
**HISPANIC CHAMBER
OF COMMERCE**

WWW.PHILAHISPANICCHAMBER.ORG

FOLLOW US: @GPHCC

