

Increased Funding Available to Small Businesses in Need

The Biden-Harris Administration announced changes to the Paycheck Protection Plan (PPP) to include adjustments to make funding more equitable for small businesses. There are more than 31 million small businesses in the United States. Minority-owned businesses account for 15 percent of all businesses in this country. The Small Business Administration (SBA) has established a 14-day, exclusive loan application period available through March 9, 2021. Businesses and nonprofit organizations with 20 or fewer employees are eligible.

Under this new proposal, sole proprietors, independent contractors, and self-employed individuals will receive more financial support. Based on how PPP loans were calculated in the past, many of these businesses were not approved. The PPP loan calculation formula will be revised to provide more funding to these applicants. This proposal has allocated \$1 billion specifically for businesses with no employees and located in low- and moderate-income areas. Additionally, the provision to exclude business owners with prior non-fraud felony convictions from obtaining relief through PPP has been eliminated, as well as the restrictions on business owners who applied to the loans but struggled with student loan payments.

The changes made in this new relief effort will make a substantial impact in the aid of many businesses who have had issues with access to capital. “There are millions of small firms struggling to sustain as a result of the COVID-19 pandemic,” says Tonya Davis Johnson, director of the Palm Beach County Office of Equal Business Opportunity. “The decision to prioritize small and minority-owned businesses and earmark funds to specifically target these enterprises will make a tremendous difference in addressing disparities and providing recovery.”

The PPP loan program, exclusive to small and minority-owned businesses, went into effect Feb. 24, 2021, and is open through Tuesday, March 9, 2021. Sole proprietors, independent contractors, and self-employed individuals are eligible to apply. Business owners can go to local banks to apply. For more details, visit the SBA website at <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-3>.