



SB 74

KEEP CALIFORNIA WORKING ACT

INVESTING IN SMALL BUSINESSES

FACT SHEET

SUMMARY

Senate Bill 74 creates a grant program for small businesses and non-profits that have sustained financial losses due to the impacts of COVID-19.

ISSUE BACKGROUND

COVID-19 has altered nearly every aspect of our lives and brought a halt to much of California's economy. Many small businesses are struggling to survive and recent data indicates that close to one third of small businesses will not survive beyond January of 2021 without additional funding.¹ Non-Profits have also been adversely impacted as their resources and finances have declined while their demand for services has increased.

Small businesses play a major role in California's three trillion dollar economy. Businesses with less than 20 employees make up almost 90% of businesses and those with less than 100 employees represent 97.3% of all businesses in the state.² As of November, small business revenue was down 33% and in light of the recent increases in COVID-19 cases and new stay at home orders, revenue will likely continue to decrease.³

A September report from Yelp showed that of the businesses who have closed, 60% have closed permanently.⁴ Small businesses employ 35.8% of California's workforce and are a driving force in job

creation and tax revenues.⁵ Mass closures among small businesses will have devastating long-term impacts on California's economy and job market.

Prioritizing the health and safety of our community while also supporting measures that responsibly and sustainably support our economy is a responsibility of the Legislative body. Now more than ever, California should provide relief to small business and non-profits or risk losing a fundamental component of each community.

SOLUTION

SB 74 would invest \$2.6 billion in grants to help small businesses and non-profits that have sustained financial losses. SB 74 has been introduced with an urgency clause so that it can take effect immediately upon approval.

Legislative Support

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¹ <https://smallbusinessmajority.org/our-research/survey-more-1-3-small-businesses-won-t-survive-past-next-three-months-without-additional-financial-relief>

² <https://ajed.assembly.ca.gov/sites/ajed.assembly.ca.gov/files/Small%20Business%20Handout.pdf>

³ <https://tracktherecovery.org/>

⁴ <https://www.yelpeconomicaverage.com/business-closures-update-sep-2020>

⁵ <https://ajed.assembly.ca.gov/sites/ajed.assembly.ca.gov/files/Small%20Business%20Handout.pdf>