



## **Main Street Bounceback Grant Testimony, Committee on Tourism, 2.14.2024**

Assembly Bill 963 Relating to: main street bounceback grants and making an appropriation. By Representatives Joers, Vining, C. Anderson, J. Anderson, Baldeh, Conley, Considine, Emerson, Hong, Jacobson, Madison, Moore Omokunde, Neubauer, Ortiz- Velez, Palmeri, Ratcliff, Shankland, Shelton, Sinicki, Snodgrass, Stubbs and Subeck; cosponsored by Senators Roys, Agard, Carpenter, L. Johnson, Larson, Spreitzer, Taylor and Wirch.

### **Dear Chairwoman, Vice Chair, and Members of the Committee:**

My name is Shawn Phetteplace and I am the Policy and Political Impact Director for the Main Street Alliance. We're an organization working to build power with small business owners here in Wisconsin and across the country.

I'm honored to be here today to share our perspective on the Main Street Bounceback Grant program, why it's essential for increasing capital access for entrepreneurs and why Assembly Bill 963 will help to meet an ongoing need across the state and especially in rural and low income communities.

It's impossible to miss as you drive around Wisconsin, from Stoughton to Superior, that our downtowns have seen a revitalization over the past several years. Even with the impacts of the pandemic, grand opening signs are becoming more and more common. This is because of innovative, targeted and well run programs such as the Main Street Bounceback program. By diffusing responsibilities to regional economic authorities who have stronger relationships and knowledge of their areas the Wisconsin Economic Development Corporation was able to promote and execute on a program that helped to support 9,429 businesses across Wisconsin as of March of 2023. Rural counties received 2,402 of those grants.

Due to the lower costs of rent and other costs in rural communities vs. urban communities it can be argued that rural communities and lower income urban communities benefited more on a per capita basis for these businesses, meaning the communities most in need had a larger impact per dollar.

We estimate that nearly 100 Main Street Alliance businesses were recipients of these bounceback grants. While \$10,000 may not seem like a large sum in the context of moving or starting a business, that extra capital can help with the initial months of rent, equipment

purchase, hiring and training costs, or other sunk costs at the beginning of a business moving into a new space. Given how recent this program existed it is difficult to accurately estimate how this has increased the business survival rate in the first few years of operation; however, we believe that once that data is available that it will show it increased the survival rate of those businesses. That means that downtowns and main streets will remain more full, tax revenues will remain elevated, helping to provide a firm foundation for towns across our state. The Main Street Bounceback program isn't a handout, it's an economic development tool.

Furthermore, the program helps to address lack of access to capital for entrepreneurs who do not have personal or inherited wealth. Here in Dane County there are around 10,000 small businesses with more than 1 employee. Only 40 are black owned. Recipients of the Main Street Bounceback program are 36.6% owned by minority entrepreneurs, women make up the majority with 56.8%. These are historically classes of small business owners who have found it difficult to receive start up capital. By giving them a stronger footing to start that will make it more likely they can establish the cash flow and profit and loss to establish more credit and be able to grow their business.

And for those reasons the Main Street Alliance wants to strongly urge members of this Committee to co-sponsor and vote in favor of Assembly Bill 963. In Wisconsin and across the country we're experiencing a small business comeback. Let's take this step to help sustain it and become the best state for small business in the United States.

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