Representative Cedrick Frazier
Co-Chair, Ways & Means Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

Representative Paul Torkelson
Co-Chair, Ways & Means Committee
2nd Floor Centennial Office Building
St. Paul, MN 55155

March 16, 2026

Dear Co-Chair Frazier, Co-Chair Torkelson and Members of the Committee,

We represent organizations across Minnesota that are very concerned about the small businesses in our state and the loss in overall economic activity due to circumstances out of their control. We represent Community Development Financial Institutions, Greater Minnesota Organizations, Philanthropy, Local Governments, Chambers of Commerce, Non-profits and many others. We have all come together to support a Small Business Rapid Relief Initiative, taking the approach of working to fundraise to provide grants to small businesses through multiple philanthropic funding partnerships and we are also supporting a legislative request to provide much needed additional financial support to small businesses.

Collectively, we are writing to ask for your support for $100 million in Small Business Relief Grants to help stabilize our small businesses and Minnesota's economy. This investment in our communities is needed because we are experiencing an alarming loss in economic activity, disruptions to our workforce and the statewide nature of this stress on our economy.

- ***Loss of Economic Activity:*** Initial estimates in just 14 economic corridors in Minneapolis and St. Paul, show a loss of $213 million in revenue since the beginning of December. Many small businesses are reporting anywhere from 50%-90% in revenue losses and are on the brink of permanent closure. Small businesses make up 40% ($200 Billion) of Minnesota's economic output and without intervention, this moment in time will have a devastating impact on our state's budget for years to come. We are actively working to collect additional data across Minnesota and will update you as it is made available.

- **Workforce Disruptions**: According to Minnesota's State Demographer, Susan Brower, our state has been experiencing workforce shortages for years and industries that have been struggling the most with labor shortages are being hit even harder in recent months. Construction companies, farmers, childcare providers, restaurants, manufacturers, healthcare, food production and retailers are all feeling the impact of the sudden loss of workers.
    - A WCCO report on February 13th cites the loss of construction workers is impacting many construction companies, including Emily White and her exteriors company. She said, the are "several weeks behind" and "she fears that after 15 years in business, this will be the last."

    - Many restaurants of all sizes are not able to open for regular business hours due to staffing shortages and turning to take out only options and reduced hours to try stay open, but revenues are down so much they are afraid they won't make their mortgage or lease payments.

- **Statewide Impact:** Every corner of Minnesota is experiencing this sudden shift in economic losses and workforce disruptions. These impacts are not limited to the Twin Cities – Main Streets and businesses in Red Wing, Rochester, Northfield, Willmar, Worthington, Detroit Lakes, Fergus Falls, Brainerd, Duluth, and more experiencing the same stress.

Thank you for your leadership and your consideration. We hope that you recognize the growing needs of small businesses in our communities and will move with urgency to pass funding to stabilize our economy. Please reach out to Kari Johnson (kjohnson@mccdmn.org) or Carl Swanson (carl@mncdficoalition.org), should you need any further information.

Sincerely,

African American Leadership Forum
African Career Education, & Resource Inc.
African Development Center
African Economic Development Solutions
Alliance for Metropolitan Stability
Asian Economic Development Association
Aurora St. Anthony Neighborhood Development Corporation
Black Women's Wealth Alliance, SBC
Coalition of Asian American Leaders
COPAL
Community Reinvestment Fund, USA
ConnectUP! Institute
Exodus Lending
First Children's Finance
Greater Minnesota Partnership
Greater Twin Cities United Way
GroundBreak Coalition
Hmong American Partnership
Initiative Foundation
Lake Street Council
Latino Chamber of Commerce
Latino Economic Development Center
LISC Duluth
LISC Twin Cities
Metropolitan Economic Development Association (MEDA)
Midwest Minnesota Community Development Corp.
Minneapolis Regional Chamber
Minneapolis Downtown Council | Improvement District
Minnesota Catalyst Alliance

Minnesota Council on Foundations
Minnesota CDFI Coalition
Minnesota Consortium of Community Developers
Model Cities of St. Paul, Inc.
Neighborhood Development Alliance
Neighborhood Development Center
Northside Economic Opportunity Network (NEON)
Northwest Minnesota Foundation
Propel Nonprofits
Queermunity Collaborative
Shared Capital Cooperative
Southwest Initiative Foundation
Southwest Minnesota Community Capital
Springboard for the Arts
Sunrise Banks
Tending the Soil MN
Unidos MN
WomenVenture