



February 16, 2022

RE: Joint Legislative Hearing on 2022 Executive Budget Proposal: Topic – Economic Development

Dear Chair Krueger, Chair Weinstein, and all members of the legislature:

LISC NYC commends Governor Hochul’s commitment to economic development funding [including](#):

- o \$350 million for workforce development
- o \$450 million for downtown revitalization
- o \$225 million in funding for the state's 10 regional economic development councils (REDCs)

It’s no secret that the heaviest economic impact was felt in black and brown neighborhoods throughout the ongoing pandemic. In the spring of 2021, LISC NYC conducted a [survey](#)ⁱⁱ with Minority-Owned Businesses that showed the depth of the crisis. We also published an [op-ed](#)ⁱⁱⁱ in the *NY Daily News* on solutions decision makers should consider in supporting our ailing minority-owned business community.

As for our survey, we found that:

- o Nearly 3 in 4 minority-owned small businesses feared they would be forced to close if they did not receive immediate financial relief.
- o Minority-owned small businesses lost 32.5% of their workforce over the course of the pandemic.

With small businesses representing 98 percent of all businesses statewide, investment and job training in our commercial corridors lined with small businesses is essential to reinvigorating New York’s economy ,especially in our hardest hit and most underserved neighborhoods.

[The Billion Dollar Plan for Small Business](#)^{iv} outlines clear pathways to addressing many of the needs voiced by our small businesses, including capital investment, seed funding, lending, and increased contracting opportunities. Increased access to capital for minority-owned businesses is also critically important to ensuring our city’s cultural enclaves have the ability to thrive and grow.

LISC NYC asks that as the budget is solidified, that racial and economic equity across distribution of funds and recipients become a key metric. Again, we applaud the proposed budget for including increased investment in our small businesses that will surely push our economic recovery forward.

Thank you for your time.

Sincerely,

Valerie White, Executive Director, LISC NYC

CC: Lashay Young, Senior Policy and Communication Officer

ⁱ Highlights of Hochul’s Executive Budget Proposal <https://www.timesunion.com/state/article/Highlights-of-Hochul-s-executive-budget-proposal-16784535.php>

ⁱⁱ New York City Minority Owned Small Business Report https://www.lisc.org/media/filer_public/59/8e/598e3623-f00c-445f-a185-ca2213918696/lisc_nyc_survey_report_april_2021.pdf

ⁱⁱⁱ Op-ed How to help Minority – Owned Businesses Recover from Covid <https://www.nydailynews.com/opinion/ny-oped-how-to-help-minority-owned-businesses-recover-from-covid-20210618-olymxjo7orbf3lj5fcymglh4-story.html>

^{iv} Governor Hochul Announces Billion Dollar Rescue Plan for Small Businesses and Strengthen New York’s Economic Recovery <https://www.governor.ny.gov/news/governor-hochul-announces-billion-dollar-rescue-plan-small-businesses-and-strengthen-new-yorks>