

Cook County Finance Committee Meeting

Date: 1/10/2022

Next Street Testimony

My name is Katie Johnson, and I am a director for a mission-driven firm called Next Street that partners with governments, foundations, corporations, and nonprofit organizations to advance small businesses within their communities and networks.

Through our efforts to advance small businesses, we have performed ecosystem assessments in over 25 communities nationwide, and we conducted such a research effort here in our own backyard of Chicago in 2018-19 in conjunction with community partners, such as Community Reinvestment Fund and the Chicago Community Trust. Over the past year and a half, we have served as Cook County's program coordinator for its Small Business Assistance Program and have supported the broader Cook County Small Business Agenda to lay out a multiyear strategy for supporting small businesses.

We know from this work the importance of small businesses to both the national and the Cook County economies and communities. Small businesses represent 94% of all local, Cook County businesses and contribute 36% of the workforce (Source: US Census Survey).

We have also seen a variety of small business needs over the past two years as new and mature businesses have seen higher costs, lower revenues, and changing business conditions emerging from COVID-19. Specifically, small business revenues locally decreased by 34% because of the pandemic (Source: Opportunity Insights). At the same time, new businesses launched at an impressive rate during the pandemic, and yet these businesses were prohibited from accessing most COVID-relief funding and need funding to establish themselves and grow. What does all this mean? Small businesses, especially those that have been systemically held back and disproportionately impacted by COVID, need access to affordable services and capital now more than ever.

Cook County has made great progress in meeting these needs to date through its Small Business Assistance Program, which has directly served over 2,500 businesses with grants or 1x1 advising and over 10,000 businesses with additional types of assistance, such as PPP coaching, access to online resources and small group webinars. These businesses also represented our intended audience of entrepreneurs who have been systemically held back, including 66% of program registrants who are members of Black, Brown, Indigenous Nation, or Asian American communities and 54% of registrants who are women entrepreneurs.

Given our in-depth knowledge of Cook County's strategies and our national purview of small business ecosystems, we also know that Cook County's proposed American Rescue Plan Act investment in small businesses is groundbreaking, innovative, and potentially transformative to local businesses. This investment would help small businesses access the funding and services they need to continue to weather the ongoing storms of COVID-19 and establish long-term infrastructure to thrive and build community wealth over time. As we coordinate with our 30+ partners of the Cook County Small Business Assistance Program, we use the motto that "we are better together," and we know that this is true across our community too. Thank you for helping our community thrive together and thank you to President Preckwinkle and the Cook County Bureau of Economic Development for their leadership, partnership, and deep commitment to equity.