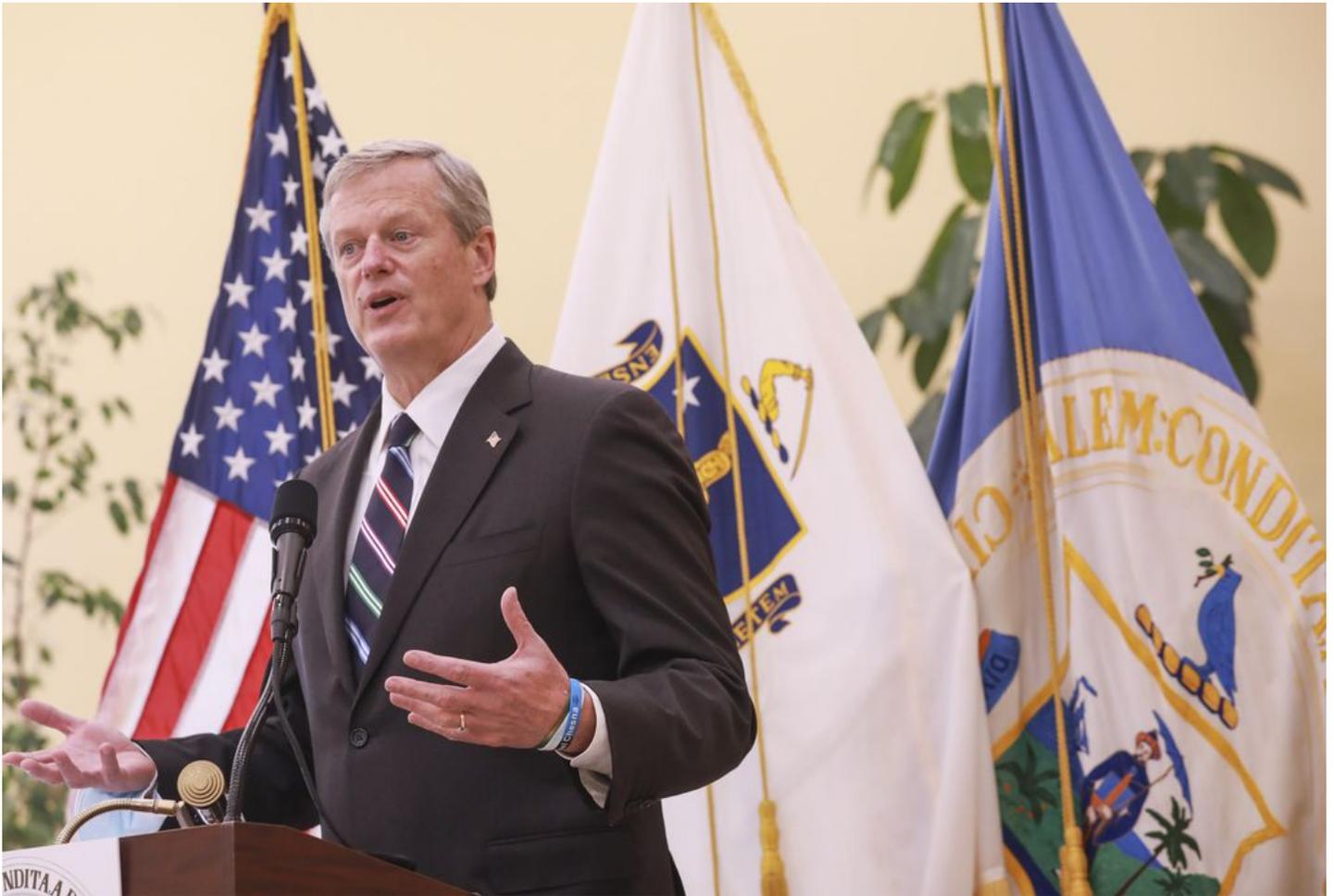


Baker to send tens of millions to help small businesses and Main Streets

Governor is establishing a new \$50M grant fund to help struggling small businesses stay afloat

By [Jon Chesto](#) Globe Staff, Updated October 22, 2020, 12:14 p.m.



Governor Charlie Baker NICOLAUS CZARNECKI/POOL

As debate over an additional federal stimulus package drags out in Congress, Governor Charlie Baker unveiled a plan Thursday to deploy nearly \$51 million from a previous round of federal aid to small businesses reeling from the devastating impacts of the COVID-19 pandemic.

Baker announced [the new grant program](#) as part of a multipronged economic rescue strategy with a total price tag approaching \$775 million, funded by a mix of federal and state dollars.

Some parts of the Baker package had already been announced, such as \$171 million to help renters stave off eviction. But other new allocations include \$25 million in workforce development funds, \$8 million to provide technical assistance to small businesses, and another \$10 million to help cities and towns make infrastructure improvements, such as setting aside outdoor space for restaurants.

“We still have huge issues with our downtowns and our small businesses, and unemployment generally,” Baker said in an interview. “The goal here is to try to create some positive momentum as we head into the fall and the end of the calendar year.”

Some of the money can be traced back to the CARES Act, the major pandemic stimulus bill that Congress passed in March. In addition to

the “eviction diversion” funds unveiled last week, Baker has also announced an effort to provide nearly \$100 million in small-business assistance, which was included in the revised budget proposal he submitted to the Legislature earlier in October.

Baker said targeted state spending can make a big difference in expediting the recovery. Workforce training grants can ensure unemployed residents can find work in a new field, he said, and infrastructure grants to cities and towns can spur developments that bring property taxes and workers to those communities.

“Let’s face it, the big machine is the private sector,” Baker said. “The thing we can do is pick our spots and help folks to stitch together the final pieces of things.”

The Baker administration has five main goals with this economic initiative: supporting small businesses, getting people back to work, providing housing stability, revitalizing downtown areas, and spurring more innovation. State officials note Massachusetts has so far regained nearly half of the roughly 1 million jobs lost during the pandemic-related shutdowns; the unemployment rate is now under 10 percent after peaking at nearly 18 percent.

But Baker and his aides worry that tens of thousands of people could be left chronically unemployed, slowing the overall recovery.

Meanwhile, owners of smaller businesses that rely on customers physically coming in their doors — from hair salons to pizzerias to bowling alleys to bookshops — are getting increasingly desperate for government help as the pandemic drags on and Congress fails to agree on another bailout.

For now, the quasi-public Massachusetts Growth Capital Corp. is expected to [begin accepting applications](#) this week for \$50.8 million in grants. Businesses with 6 to 50 employees will be eligible for grants of up to \$75,000 each, while smaller employers can get up to \$25,000. Among the eligible uses for the funds are covering payroll for employees, for example, or making rent or utility payments.

“We’re excited to see these dollars reach the community,” said Joe Kriesberg, chief executive of the Massachusetts Association of Community Development Corporations and a member of the Mass. Growth Capital board. “We know that businesses are struggling to hang on. We know it’s going to be a tough winter. These dollars can hopefully help more of these companies hang in there.”

These grants will likely face strong demand. Mass. Growth Capital offered \$20 million in low-interest loans in the early days of the pandemic, and was flooded with requests. The money ran out almost overnight.

Kriesberg knows this new round will go quickly, too. He sent a letter, signed by roughly 60 small-business advocacy groups, to the Legislature on Wednesday calling for lawmakers to approve the \$100 million that Baker has requested for small-business assistance. The funds would provide additional grants for small businesses as well as technical assistance, and underwrite low-cost loans made by community development finance institutions.

Kriesberg pointed out that small businesses in communities of color are in particular need, meaning the ongoing pandemic could worsen the racial wealth gap.

“These grants are a lifeline to get these folks through the fall, through the winter, a bridge to the next federal program, whatever that is,” Kriesberg said. “Every day we wait, we could lose more businesses.”

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