



Report: How the American Rescue Plan Helps Small Businesses

Small businesses are the backbone of the American economy, but they have been left to fend for themselves during an extremely difficult year. The American Rescue Plan lends a helping hand to struggling businesses and ensures that they will be the engine of the American recovery.

Paycheck Protection Program

The Paycheck Protection Program, which offers loans to cover payroll expenses, was created as a lifeline for struggling small businesses at the start of the pandemic. Even as the economy begins to recover, those same businesses are not out of the woods yet. That is why the ARP increased PPP funding and expanded eligibility to additional forms of nonprofit organizations and internet publications.

Impact on Wisconsin

- All small businesses (having 500 employees or fewer) in Wisconsin are available to [apply](#) for two loans via the Paycheck Protection Program (PPP), receiving up to 2.5 times their monthly payroll costs, up to \$10 million in total for their first loan and \$2 million for the second.
- 158,148 Wisconsin businesses have [received](#) PPP loans.
- The dairy industry has received the most PPP loans in Wisconsin, with an average loan of \$32,347. WI has the second [largest](#) dairy industry in the country, producing half of Wisconsin's agricultural economy. Producing dairy creates 154,000 [jobs](#) in Wisconsin.
- 5,903 restaurants in Wisconsin have received PPP loans.

Save Our Stages

The Save Our Stages Act, passed in December, allows theaters, venues, and museums to apply for Shuttered Venue Operators (SVO) grants. The ARP allocates an additional \$1.25 billion in grants to the program, while also expanding eligibility to include businesses that received a PPP loan in 2021.

Impact on Wisconsin

- 96 Wisconsin venues recently [received](#) small grants from the state government. They will now be eligible for SVO grants.

EIDL Program

Much like the PPP, the Economic Injury Disaster Loans program is a SBA initiative that provides money to small businesses impacted by the pandemic. Unlike the PPP, EIDLs do not need to be paid back. Businesses can receive up to a maximum of \$10,000 from this program. The ARP restarts this extremely successful program and allocates an additional \$15 billion for these grants.

Impact on Wisconsin

- Last year, 67,000 small businesses in Wisconsin [received](#) \$252.61 million in funds from the EIDL program before it ran out of money.

Restaurant Revitalization Fund

This fund provides grants to one of the hardest hit industries. The \$28 billion in this fund is specifically designed for any establishment where food or drinks are sold, and the grants do not need to be repaid. Restaurants can receive grants up to \$10 million, and will be calculated based on their lost revenue during the pandemic.

Impact on Wisconsin

- The Wisconsin restaurant industry [employs](#) 284,600 people, representing 9% of all employment in the state.
- 1 in 10 restaurants have [closed](#) due to the pandemic.
- Restaurant sales were [down](#) 30% in Wisconsin last year.
- 83% of Wisconsin restaurants say they are operating with fewer staff than usual.
- Before passage of the ARP, 13% of restaurants said they would most likely close without federal aid.