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## **Black and Brown Businesses Did Not have Same Access to Paycheck Protection Program in Monroe County Compared to More Established Businesses**

Empire Justice Center examined the Paycheck Protection Program data for the 25th Congressional District and concludes that micro-business owners in Monroe County did not have the same access to the federal emergency loan program compared to more established businesses.

The lack of access disproportionately impacted Black and Brown businesses, 90% of which are one-person businesses. Recently released data showed that self-employed individuals and independent contractors received only 472 loans or 5% of the federal loans, while corporations received 6,781, or 72% of the loans in Monroe County.

“Micro businesses have limited access to capital even in a strong economy. This is especially true for businesses in communities of color. Our neighborhoods, barely emerging from the foreclosure crisis, suddenly face the prospect of empty storefronts in commercial strips. This will put more downward pressure on property tax values on strained cities and towns, in urban communities,” said Ruhi Maker, a Senior Attorney at Empire Justice Center.

As federal lawmakers work on a more equitable way to shore up funding for underserved businesses later this month, it is critically important to establish the following:

- Provide set-asides for businesses with less than 10 employees, minority-owned businesses, and independent contractors;
- Ensure that New Yorkers who are Limited English proficient have equal access to federal loan funding;

- Encourage banks with local Community Reinvestment Act (CRA) obligations to make every effort to provide loans to underserved communities, reaching beyond customers with pre-existing business relationships. Currently, the top nine Paycheck Protection Program lenders are institutions with a local branch presence, of which eight are banks with local CRA obligations. Together, these nine lenders made 86% of the loans, but appeared to have primarily served larger business, where a preexisting commercial relationship was already in existence.

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*Empire Justice Center is a statewide, multi-issue, multi-strategy, public interest law firm focused on changing the “systems” within which poor and low-income families live. Empire Justice protects and strengthens the legal rights of people in New York State who are poor, disabled or disenfranchised through: systems change advocacy, training and support to other advocates and organizations, and high quality direct civil legal representation. Empire Justice has offices in Albany, Rochester, Yonkers, White Plains and Central Islip on Long Island.*