



The Economic Bridge Coalition

The **Economic Bridge Coalition (EBC)** represents small businesses across the country that have been hit hard by the coronavirus (COVID-19) pandemic. For some, the disruption lasted only a period of months before revenues began returning to normal. Other firms were able to rethink how they serviced their customers and maintained revenues at reduced levels. Take-out dining is a good example of that model. However, there are other businesses that have been unable to generate significant revenues for more than a year. They include companies that support live events such as equipment rental companies, audio visual providers, event planners and designers etc.; firms that power the travel industry such as travel advisors; amusement parks and attractions, and those who are engaged in all aspects of producing fairs and festivals as well as airshows and horse shows. **Almost all of these businesses lost 25-100 percent of their revenues between the second and fourth quarters of 2020 compared to the same period in 2019.**

Not only have these firms lost much of their 2020 revenues, but they are also not likely to see income return to pre-pandemic levels until late third quarter or early fourth quarter of 2021. For some, that time of year often signals the end of their peak season which means that they will be looking to 2022 before they are able to have a full season of normal economic activity.

Moreover, much of the revenue losses these businesses face will never be recovered; those losses are amplified for seasonal businesses. Every day a park or attraction is closed is a day of revenue that can never be recovered. Every event, fair, airshow, horse show or exposition that did not happen in 2020 and may not happen in 2021 cannot be held retroactively and all the equipment that would have been utilized or rented to produce these events sat idle and has not produced any revenue. Receipts from travel plans or advance season pass sales in 2019 were either refunded to customers or will be applied to future travel or attendance which results in businesses incurring expenses in 2021 without receiving additional revenue. Travel revenue foregone in 2020 cannot be recovered in many cases. Moreover, revenue is not received by advisors until the travel actually occurs.

All of these businesses share one common theme. **They have lost income that cannot be recovered, and they have a longer runway than most businesses before they can return to pre-pandemic business activity.** After more than a year of being effectively shuttered,



their operators are struggling to hang on, having taken on mountains of debt and made uncountable personal sacrifices in order to weather the storm the pandemic has brought. Many, in fact, have already failed and many more will follow soon without further assistance. In addition:

- These small independent companies, that are owned and operated by local community members employing local residents, are an important economic driver within their community ecosystems.
- **Revenue losses were a direct result of government restrictions closing businesses and shuttering events by restricting capacity and travel.**
- **These firms are represented by numerous North American Industry Classification System (NAICS) codes.**
- In the event industry, both event producers and event rental companies are highly professional operations that produce special events at the highest level. However, consumer confidence in attending large gatherings continues to be a significant barrier to reopening, even after restrictions have been lifted. This has resulted in the loss of billions of dollars in economic activity in the form of lost wages, revenues, and investment spending.
- Amusement parks and attractions are ubiquitous throughout the country. Many small and mid-sized communities have amusement parks and attractions that have been attended by generations of families within those communities. They provide clean, wholesome family entertainment in their communities.
- The vast majority of U.S. travel agencies — 98 percent — are small businesses under the Small Business Administration’s size standards, and over two-thirds of them are owned and operated by women. The more than 160,000 Americans who work in this part of the travel industry help people realize their dreams of traveling and seeing this country and the world, and help businesses manage travel spending and make sure business travelers are protected when on the road.
- State and county fairs generate more than \$4.6 billion in economic activity in the communities where they are held.
- Mobile outdoor attractions not only provide billions of dollars of economic activity but are also a major driver of charitable giving derived from events sponsored by nonprofit organizations across the country.
- Horse shows and racing events that occur across America and are deeply rooted into the cultural fabric of many communities and provide employment opportunities for those working in this \$122 billion industry.
- **Firms in these industries employ significant numbers of women and minorities. They also often provide the first job for young people in their communities, sometimes creating a pathway to a career within the industry and/or a steppingstone to greater success in life.**
- **These businesses are part of a broad ecosystem of industries that drive a significant portion of our nation’s economy, including hospitality, travel and tourism, the arts, fairs, festivals and shows as well as business, sporting, fundraising, and social events of all kinds. The impact to local economies that could be lost if these businesses fail cannot be underestimated. Losing these small businesses will permanently cost our nation millions of jobs and disrupt the economic life of thousands of communities that rely on the goods and services they provide.**

Millions of small firms, from a diverse range of industries, continue to need financial assistance to survive the pandemic. We support legislation that provides additional financial assistance to businesses that have sustained significant losses throughout 2020 and into 2021, using an objective revenue-loss test.



The EBC supports the following principles that will help struggling small businesses reopen and succeed in the post-pandemic economy.

- *Utilize existing pandemic relief funding programs.*
- *Target businesses based on a demonstrated loss threshold with minimum qualifying revenue loss of at least 25%.*
- *Measure losses by comparing revenues from the second quarter of 2020 through the first quarter of 2021 to those from the second quarter of 2019 through the first quarter of 2020.*
- *As a policy matter, we believe Congress should focus on revenues lost due to COVID-19-related closures and limitations on capacity, avoiding the use of and refraining from additional reliance on NAICS codes in developing COVID-19 relief legislation, as this approach inevitably creates “winners” and “losers” and leaves large segments of the economy out in the cold.*
- *Be open to sole proprietors.*
- *Provide flexibility by allowing funds to be utilized for all normal operating expenses.*

Congress needs to pass legislation that supports these and other small businesses that have been decimated by the pandemic and do so in a fair and equitable manner!

About: The Economic Bridge Coalition includes the American Rental Association (ARA) representing the equipment and event rental industry; the Live Events Coalition (LEC) representing firms that produce and service live events; the American Society of Travel Advisors (ASTA) representing travel agencies and advisors; the International Association of Amusement Parks and Attractions (IAAPA) representing theme parks, family entertainment centers, museums, water parks, aquariums, and other attractions; the International Association of Fairs and Expositions (IAFE) represents and facilitates agricultural fairs, exhibitions, and their stakeholders; the Outdoor Amusement Business Association (OABA) representing the mobile amusement industry; the International Council of Airshows (ICA) representing the nation's airshows; the Professional Photographers Association (PPA); the Performance Racing Industry (PNI); the Specialty Equipment Market Association (SEMA); and the American Horse Council (AHC) representing the \$122 billion horse industry in the U.S. The goal of the coalition is to secure additional financial assistance that will allow member firms of these associations to survive the prolonged disruption in their businesses forced upon them by government mandated lockdowns and the lingering reluctance of people to attend large gatherings.

