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### Diaz, Small Business Community Propose Federal Small Business Emergency Plan

Miami Mayor Manny Diaz has proposed a federal small business emergency plan to Congress, the Small Business Administration and the White House to assist in the nation's economic recovery. The plan offers a response to the stagnant lending market and threatened viability of the small business community. Main Street credit markets remain frozen in the midst of the economic downturn. Diaz has urged immediate attention and advocacy in support of the plan's recommendations. The comprehensive plan is the result of a series of extensive discussions convened by Diaz over several months with small businesses and the lending community in South Florida. Diaz is the immediate Past President of the U.S. Conference of Mayors.

The Small Business Economic Emergency Plan proposal resulting from those discussions addresses the critical issues and challenges facing Main Street and the small business and lending communities in South Florida and around the country. These include stagnant lending rates, access to financing, the failure of the Troubled Asset Relief Program (TARP) to address and affect Main Street lending issues and community banking and continued cash-flow shortage problems resulting from continued tight credit markets.

Because most small business owners' business and personal finances are intertwined, the failure to revive Main Street access to financing threatens the viability of small businesses and the livelihoods of their families. Small businesses represent half of the non-farm, private real gross domestic product (GDP) of the United States and some 44 percent of Florida's private sector employment. In Florida, the metro area economies of Miami, Tampa, Orlando and Jacksonville represent more than 70 percent of gross state product (GSP).

Recommendations in the plan include prioritizing federal programs to focus on their economic impact on Main Street, the recalibration of risk weight for small to mid-size business loans by bank regulators to soften the impact on capital, and using community banks as a conduit to provide guaranteed funds for the sole purpose of small business credit. Implementing the plan's recommendations will directly and immediately assist in unfreezing credit

markets and restore cash flow through the extension of credit and as such will have a corresponding immediate and direct short-term impact on small businesses. The renewed viability of small businesses will directly assist economic recovery in city and metro area economies in Florida and throughout the country.

“The lack of stimulus funding in South Florida, combined with the poor performance of lending initiatives in the metropolitan region has created an untenable situation for small business that is compromising the viability of Miami and South Florida’s small business community,” said Diaz. “Metropolitan area economies are the engines of our national economic growth, and are driven by small businesses’ he added. By directly addressing the issues identified in our plan, we can have an immediate impact on these economies and implement the most effective strategy to turn the economy around.”

The proposal has been sent to the Small Business Administration’s (SBA) Administrator Karen Mills, White House Chief of Staff Rahm Emmanuel and members of the Florida congressional delegation including Representatives Ileana Ros-Lehtinen, Kendrick Meek, Lincoln Diaz-Balart, Mario Diaz-Balart, Debbie Wasserman'schultz, as well as Florida’s Senators Bill Nelson and Mel Martinez. The plan has also been shared with Representative Nydia Velazquez (NY), Chair of the House Small Business Committee and Senator Mary L. Landrieu (LA), Chair of the Senate Small Business and Entrepreneurship Committee.

The proposed Small Business Economic Emergency Plan and recommendations can be viewed online at:

<http://www.miamigov.com/cms/Files/SBA%20Economic%20Emergency%20Plan-Miami-%20July%2017%202009.pdf>