

With gaps in COVID-19 support, small businesses looking to city hall for help

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The federal government has rejigged some of the requirements for small businesses to access COVID-19 support, but there are still gaps in the funding.

[Canada has lowered the Canada Emergency Business Account payroll qualification from \\$50,000 to \\$20,000 in 2019. It also announced the Canada Emergency Commercial Rent Assistance benefit in partnership with the province, which will provide loans to commercial property owners who lower or forgo rent for small businesses through April to June.](#)

Heather Breadner, owner of [Aberdeen's Wool Company](#) in Kawartha Lakes, [has been an active proponent of further government assistance for small businesses](#). She says the new funding announcements show [the government is making progress](#), but small businesses are by no means gaining access to a bailout.

“It still leaves so many businesses with no access to funding,” she says.

Breadner points out that independent contractors such as physiotherapists, anyone who hires them and small businesses that pay themselves dividends still don't qualify for the funding. She says that makes sense for large companies, but small businesses don't make tons of cash in dividends by the end of the year.

As far as the commercial rent support, Breadner notes the funding relies on what the landlord wants to do – it's great if you have a reasonable landlord, but not so great if you don't.

“There's more layers than the rent and fixed costs that are starting to pile up. Non-business owners don't understand the complexity of that,” she says. Non-essential small businesses aren't just facing their third rent payment with reduced revenues, for example, but bills for spring inventory that didn't sell as well.

“If we don't pay our suppliers, when we are allowed to reopen we can't get any stock,” she says.

That could mean [wider implications for the economy](#) as a whole when it starts getting back on track.

“As small businesses, to anticipate the economy's recovery, you can't get there without the businesses in the middle,” Breadner says, adding more needs to be done but not in terms of loans. Small businesses can't afford to take on more loans with the uncertainty of the economy.

[SaveSmallBusiness.ca](#) – a self-defined grassroots coalition of 32,000 small businesses across Canada, united against a debt-forward solution to the COVID-19 economic crisis – is calling on the government to waive the first \$10,000 of

commercial rent for three months while giving landlords the support to do it and to defer debt obligations, including principal and interest payments.

It had also called for help with employee wages, to which the government has promised a 75 per cent wage subsidy.

Breadner says making sure their employees would be OK was the first priority for small businesses. Now it's figuring out how to get through closure to the end of May, June or longer.

Though she's careful not to criticize the city for its efforts in supporting its small business community, Breadner says it needs to do more.

In a recent news conference, Mayor Andy Letham said he was hearing from small businesses that there are still gaps in the support offered for small businesses. He said he had also heard that Kawartha Lakes' tourism and agriculture sectors were struggling.

"A lot of the programs they're putting in place now are obviously geared toward some of the small businesses, vulnerable residents ... and people that are out of work," he said.

The city has received \$1.8 million in emergency community funding for Kawartha Lakes and Haliburton from the province. This support has gone to organizations such as those that look after housing and food security.

When asked if the city was actively seeking more funding from the upper levels of government, Letham said "always," but funds for the most vulnerable and the front lines were the priority.

"Other programs, if they come, they'll probably come a little later ... We're going to end up a little bit upside-down, like every other municipality, with what's going on," he said.

"When we tally everything up, we'll start working with our other partners to see if there's any assistance in funding; if there is, we'll certainly jump on board and take advantage of it," he added.

"If not, we'll adjust internally with what we have to do to balance that budget with that budget that needs to be balanced every year."

The city has deferred property taxes and utility payments during the COVID-19 crisis. [It's also been advocating for more applicable support from the upper levels of government for small business](#), and [set up a web page to help owners navigate funding announcements](#).

Letham said the city could also look at reallocating funding it's set out for other small business initiatives, such as the Million Dollar Makeover, to help them recover in the wake of the outbreak. He said [the goal of the city's coming economic recovery task force](#) will be to assess the "big picture" of the virus' impact.

"The goal of that task force is to look at the big picture. What businesses have fallen through the cracks? Which ones need the most help to get back on their feet?"

That said, the mayor noted, the city is not in the position to “start waiving taxes and giving grants.”

“Our small businesses are the backbone of our economy ... We’re going to have to have a real good look at the entire big picture and what assistance we can offer from a municipal level.”