

News Release

Comptroller Franchot Renews Call for \$500M in Small Business Relief

Business advocates and owners throughout Maryland share stories of struggle, endorse Franchot's proposed use of surplus money

ANNAPOLIS, Md. (February 17, 2022) - Comptroller Peter Franchot today redoubled his call for Governor Larry Hogan and the General Assembly to earmark \$500 million from the state's historic surplus for direct financial relief payments to Maryland small businesses in hard-hit industries.

The Comptroller said his agency estimated 40,000 businesses in Maryland have closed since the pandemic began, a number that is almost certain to grow.

"Our small businesses will not survive this economic devastation in the absence of state support," [Franchot said during the virtual news conference](#). "With each closure of a business, Maryland continues to be in danger of losing thousands of jobs, direct and indirect economic benefits and community investments that each one generates."

Small business advocates and owners throughout the state echoed the Comptroller's proposal for more aid, describing a slow economic recovery that has not fully trickled down to Main Street.

"As new restrictions and variants are still here, our business is on the verge of life support," said Craig Martin, owner of [The QG](#), a full-service barbershop in Baltimore City that also includes a spa, cigar lounge, clothier, speakeasy and restaurant.

Now in its 17th year of business and having opened a second location in Hunt Valley, Martin said sales declined by 70 percent in 2020 and have been down 40 percent in the last two years. He's been forced to lay off more than half of his 48 full-time employees from before the pandemic, while supply chain issues and rising costs further impacts The QG's bottom line.

Marigot Miller, co-owner of [Abbey Burger Bistro](#), which has three locations in Baltimore City and another in Havre de Grace, shared similar struggles.

"I've never worked harder, had more stress, seen less gains and had more struggles [than in the past two years]," Miller said, adding that her family made the difficult decision to close their Ocean City location due to the pandemic's impact. "I don't want to lose this business for our family, for the Abbey family or for the community. But it's definitely hard."

Maryland has roughly [\\$6 billion in extra undesignated revenues](#) in the current and following fiscal year, largely due to an influx of federal assistance that poured into the state during the pandemic. State lawmakers are in the midst of reviewing Gov. Hogan's Fiscal 2023 budget proposal.

[Comptroller Franchot has offered a series of proposals](#) on how to best utilize the one-time surplus: providing direct payments to low- and middle-income earners, supporting child care facilities that have been decimated during the pandemic, bolstering the state's Rainy Day Fund and supporting small businesses with direct cash assistance, instead of tax credits.

"The key here is immediacy," he said. "The need is now. If we wait, we're going to lose another 10,000 businesses and that would be a tragedy."

The Comptroller noted that minority-owned and woman-owned businesses bore the disproportionate brunt of COVID-19's economic impact and that mom-and-pop businesses without access to well-connected lawyers, lobbyists and financial institutions were at a disadvantage when applying for federal and state relief programs.

According to the [2021 Small Business Credit Survey](#), 57 percent of small businesses overall -- and 66 percent of Hispanic-owned businesses reported being in fair or poor financial condition, said Naddia Clute, a business consultant for the [Maryland Small Business Development Center](#).

The pandemic has taken a toll on both urban and rural businesses, said Corinne Sawyer, who co-owns [The Family Room](#) in Laytonsville (Montgomery County), which marked its fourth anniversary on Thursday.

"Having additional funds would make it possible to get more employees and help cover the cost of increasing goods. We'd also be able to invest that money back into our community, back into other Maryland small businesses," she said, explaining that they procure many of their offerings from nearby businesses, such as South Mountain Creamery and Quartermaine Coffee.

Setting aside direct aid for small businesses would be a wise investment, said Jeff Burton, executive director of [Bethesda Urban Partnership](#), an organization that

maintains and promotes downtown Bethesda as a good place to live, work and visit.

"These local small businesses are the lifeblood of our community and economy," he said. "They are also the economic engines of our tax base in both our counties and state, and they are staffed by the fathers, mothers, brothers and sisters that call this great state home."

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