

Jefferson Quick, Timely Reads

Erie Businesses and COVID-19

By Pat Cuneo
Jefferson Publications Coordinator



While it's no news flash that the COVID-19 pandemic has thrust us into perilous times, Bruce Katz and Ben Speggen provide new insight and analysis about how Erie and the nation have been affected and are responding.

In a new presentation on the Jefferson Educational Society's [Facebook page](#), Katz and Speggen deliver a follow-up to their recent report, "[Why Erie's Downtown is a Proxy for the Nation: The Future of Main Street Businesses Amidst the COVID-19 Crisis.](#)"

The report generated many responses regionally and nationally, including a sobering assessment from The Atlantic's James Fallows about how the pandemic is undoing hard-earned progress in smaller communities. "Years of effort, undone in weeks," [Fallows wrote](#). "That's the prospect that Erie, and countless towns and cities like it, are facing right now."

Katz is Director of the [Nowak Metro Finance Lab](#) at Drexel University in Philadelphia, while Speggen is Vice President of the Jefferson Educational Society and a contributing editor at the Erie Reader. Together they describe the unprecedented challenges facing Erie's Main Street businesses – the smaller, the more at risk.

Katz urges a broader federal approach to aiding small businesses and is also taking part in helping formulate policy.

Much of the federal response, he explains, involves banks coordinating “forgivable loans” to mostly midsized businesses. Considering that small businesses are defined as having 500 or fewer employees, many mid-sized companies have applied for and are receiving help. But often lost in receiving aid are the true “mom and pop” operations that have 25, 10, 5, or even fewer workers, many of whom have already furloughed workers because these entrepreneurial businesses typically survive month to month.

“We need more tools in the toolbox,” says Katz, referring to federal measures that could more directly help “mom and pop” establishments that aren’t just reluctant to take on more debt. They often have little or poor relationships with banks, making the loan path more daunting.

Katz also credits the emergency relief response to small businesses and nonprofits in some communities, including Erie, which have created a pool of funds and zero-interest loan programs, as well as streamlined application processes. In particular, he praises the Erie County Gaming Revenue Authority and Erie County government for its creation of the COVID-19 Response Fund.

The situation, however, is both complicated and fraught with unknowns, Katz argues. Not helping is that the last major survey of American small businesses was conducted in 2012, meaning measurables and data typically used to make informed decisions don’t exist, even to determine the scope of the Main Street challenges. One silver lining of the crisis is that the opportunity suddenly exists to fix systemic problems, and he cited a group in Cincinnati, Ohio as embracing creative solutions. Meanwhile, “what can people do to help?” Speggen asks. Replies Katz: “This country is driven by evidence and storytelling.” Just as their report is based on small businesses that people can relate to, he says, a “feedback loop” is needed to tell the Erie story as an American story.

Katz and Speggen address many other issues in the video, including the pandemic’s effect on Opportunity Zones and other factors that affect Erie.

Check out the Katz/Speggen Facebook video and other related reports on the following links:

[Jefferson Video](#)

[Follow-Up Newsletter](#)

ABOUT THE AUTHOR

Pat Cuneo serves as the Coordinator of Publications at the Jefferson Educational Society. He is a former reporter, editor, and columnist for the Erie Times-News.

An Erie native, he is a 1978 graduate of the University of Notre Dame and studied journalism at Poynter Institute and the American Press Institute. He recorded his first “45” for Franklin Records in Fort Wayne, Ind., in 1979 (“Lost and Lonely”), performed as a singer-songwriter for the Alex Findley Band at regional folk festivals for more than a decade and was a member of the Nashville Songwriters Association from 1992 to 2007.

