



Press Release

The American Rescue Plan and Financial Services

ALLISON EDWARDS | FEBRUARY 11, 2021

As part of the American Rescue Plan, House Democrats have proposed \$60 billion in aid to small businesses. AAF's Director of Financial Services Policy Thomas Wade outlines the proposal's provisions, which include creating a new \$25 billion grant program dedicated solely to helping struggling restaurants.

An excerpt:

\$60 billion represents rather small beer in the context of the \$1.9 trillion American Rescue Plan and previous legislative efforts....The proposed bill by Chairwoman Velázquez is interesting for how focused it is, and in particular that it represents the first relief targeted specifically at restaurants by name. This new program will, however, once again increase the burden on an already taxed Small Business Administration, a previously relatively sleepy agency thrust into great prominence by the CARES Act and already at its limits of manpower, infrastructure, and experience. That the proposal skirts around the Paycheck Protection Program is also curious. This mélange of grants and assistance programs, while hyper-focused individually, multiply an already crowded field of relief options available to small businesses, such that lawmakers on the left feel the need to set up an educational body just to navigate these choices, rather than improve existing options to better serve identified needs.

[Read the analysis.](#)