FAIRFAX THRIVE: TECHNICAL ASSISTANCE GRANT PROGRAM

February 1, 2022
Economic Initiatives Committee

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PRESENTATION TOPICS & GOALS

Topics and Goals

1. Share current small business recovery needs and outlook
   • Census Small Business Pulse Survey
   • Local Small Business Survey

2. Present the proposed Fairfax Thrive program

2. Receive feedback and guidance from the Board
Most small businesses continue to be impacted

The majority (71%) of regional small businesses currently report a large or moderate negative impact of the pandemic.

Business Impacts from the Coronavirus Pandemic
Survey Responses Comparing November, 2021 and January, 2022

- Large negative effect
- Moderate negative effect

Survey 11/22/21 to 11/28/21
Survey 01/10/22 to 01/16/22

30% increase in reports of ‘large negative effect’ since start of Omicron.

Source: U.S. Census Small Business Pulse Survey
REGIONAL SMALL BUSINESS TRENDS

Steady decrease in operating revenues/sales since November, 2021

Percent of Businesses Reporting Decreased Operating Revenue

Weekly survey responses November, 2021 through January, 2022

Source: U.S. Census Small Business Pulse Survey
Small Businesses Foresee Lengthy Recovery
52% of respondents believe the return to ‘normal’ business operations will be beyond 6 months, or will not happen at all

Time to Return to Normal Level of Operations
Business Pulse Survey - January 10-16, 2022

- I do not believe this business will return to normal level of operations.
- More than 6 months
- 4-6 months
- There has been little or no effect on normal level of operations
- This business has returned to normal level of operations

Source: U.S. Census Small Business Pulse Survey
REGIONAL SMALL BUSINESS TRENDS

Top need is no longer financial assistance

What Businesses Will Need in Next 6 Months
*Business Pulse Survey - January 10-16, 2022*

- Identify and hire new employees
- Increase marketing or sales
- Identify new supply chain options
- Obtain financial assistance or additional capital
- Make a capital expenditure
- Develop online sales or websites
- Cancel or postpone a planned capital expenditure
- Identify potential markets for exporting products or services

Source: U.S. Census Small Business Pulse Survey
LOCAL SMALL BUSINESS TRENDS

Many Small Businesses in Fairfax County continue to struggle

55% operating at partial capacity (even pre-Omicron)
LOCAL SMALL BUSINESS TRENDS

What types of assistance would most help your business stabilize and/or grow? (select up to three)

- Find and keep qualified workers
- Obtain financial planning assistance or additional capital
- Increase digital marketing or brand development
- Develop online sales or websites
- Real estate assistance – location search, lease negotiation, other
- Government procurement readiness
- Help with business permitting, license or other government regulations
- Implement IT security / cybersecurity
- Other business operations and planning
- Enhance worker computer/digital skills
- Identify better shipping, production, or supply systems
- Legal support
**RECOVERY CONTINUUM**

- **RISE**
  - Relief
    - $52 million small business & non-profit relief program

- **PIVOT**
  - Recovery
    - $16 million to most impacted sectors

- **THRIVE**
  - Resiliency
    - Small business capacity building

- **GROW**
  - Move Forward
    - Next Gen Concepts to fully stabilize and grow
RESPONSE: FAIRFAX THRIVE

Program Objective:
Provide negatively impacted small businesses with the most needed service(s) to:

• Build capacity and meet individual business goals
• Address economic and consumer shifts
• Support business planning

Delivery:
Targeted, one-on-one technical assistance and counseling to small businesses from specialized vendors

• Up to approximately $10,000 in services per business
FAIRFAX THRIVE – BASIC MODEL

1. Business applies and is determined eligible

2. Business receives counseling to determine needs

3. Counselor connects business with identified technical assistance provider

4. Business Receives Direct Assistance From Technical Assistance Provider in Identified Area, for example:
   - Digital marketing / brand development
   - Financial planning
   - Real estate assistance
   - HR / Staff Retention Tools
   - Online sales or websites
   - Other topics, tbd
PROPOSED BUSINESS ELIGIBILITY

• Location in Fairfax County (including Towns)
• Small business (less than 50 full-time employees per location)
• Negatively impacted by the health emergency (*to define per ARPA*)
• Existing business
  • Open across business sectors, locations (commercial and home-based), and corporate structures

Anticipate rolling applications
Outreach and Engagement
• Build on achievements and county efforts
• New networks and approaches

Project Administrator
• A project administrator will manage, track and report on a more complex program
• Likely including several ‘buckets’ of RFPs to select:
  • Service providers/vendors by topic (i.e., marketing, financial planning, etc.)
  • Business counselors
  • Outreach and engagement partners
PROPOSAL: FAIRFAX THRIVE

Total Program Budget Request: $7 million in ARPA funds

<table>
<thead>
<tr>
<th>Program Element</th>
<th>Proposed Amount</th>
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<tbody>
<tr>
<td>Direct Counseling and Technical Assistance to Eligible Small Businesses</td>
<td>$6,600,000</td>
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<tr>
<td>Targeted Outreach and Engagement</td>
<td>$100,000</td>
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<tr>
<td>Administration / Management</td>
<td>$300,000</td>
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Anticipated number served: 620 small businesses over program period
NEXT STEPS

February – March, 2022

• Additional small business feedback sessions
• Finalize Program Details
  • Determine administrator / sub-recipient
  • Eligibility, based on ARPA
  • Topic areas and execution

Spring - Summer, 2022

• Spring: Bring for Board Approval
• Summer: Launch Program for Business Application
QUESTIONS & DISCUSSION