

Lansing Region Small Business Restart Program Grants

Funding Categories, Amounts and Goals

Objective

To create a system of categories and associated amounts that creates equitable representation of businesses who were most affected by the COVID-19 pandemic.

Categories

- **Microbusinesses** (defined as a business with 9 or fewer employees, encompassing sole proprietorships and home-based businesses)
- **Nonprofit** (standard definition of nonprofit, any 501 designation)
- **Traditional** (standard definition of small business; 10-50 employees)

Ratios

- Microbusinesses (38%)
- Non-Profit (15%)
- Traditional (47%)

Total Amount of Funds to be Awarded	\$5,270,000
Max Number of Grants w/ \$10k and \$20k Split	402
Suggested Categories and Breakdowns	
Microbusiness Allocation (38%)	\$2,000,000
Max MicroBiz Grants w/ \$10k award	200
Non-Profit Allocation (15%)	\$770,000
Max Non-Profit Grants w/ \$10k award	77
Traditional Business Allocation (47%)	\$2,500,000
Max Business Grants w/ \$20k award	125

State law requires a **minimum** of 30% of funds (\$1,590,000) be awarded to minority-, women- and veteran-owned businesses.



Explanation of Category Funding Ratios

Microbusinesses

- Microbusinesses represent 92% of all U.S. businesses collectively employing 41.3 million people ([Association for Enterprise Opportunity](#)).
- More businesses from underrepresented groups, especially people of color (Blacks in particular) are operating sole proprietor/ships, classified as Microbusinesses ([Stanford Institute for Economic Policy Research](#)).
- Establishing a category for Microbusinesses increases opportunity to have a large representation of underrepresented groups.

Nonprofits

- Nonprofit organizations play a vital role in our regional economy and contribute to overall community prosperity. Nonprofits consume both goods and services that create jobs and provide relief and support from the economic impact of COVID-19 across many sectors including social services, social justice, economic development and education.
- Increasing the funding ratio allocated to nonprofits would impair our ability to reach the state-mandated 30 percent minimum of funds allocated to women-, veteran- and minority-owned businesses, as nonprofits cannot be counted within the scope of this criteria.
- While nonprofits are eligible for the grants, the program as designed by the legislature and state is geared toward providing support to small businesses.
- A large amount of additional funds specifically for nonprofit organizations may become available in the region this fall from other local organizations.



1000 S Washington Avenue, Suite #201
Lansing, Michigan, 48910-1682
P: (517) 702-3387 | F: (517) 702-3390 | purelansing.com