June 9, 2020

The Honorable Cory Booker  The Honorable Steve Daines
717 Hart Senate Office Building  320 Hart Senate Office Building
Washington, DC 20510  Washington, DC 20510

Dear Senators Booker and Daines:

On behalf of the International Franchise Association (IFA), the world’s oldest and largest organization representing franchising worldwide, I write to express our support for the RELIEF for Main Street Act (S.3742). Your leadership on this bipartisan, commonsense legislation will provide thousands of franchised small businesses with meaningful relief as they struggle to survive the pandemic.

Prior to COVID-19, America had 733,000 franchise establishments that employed more than 7.6 million Americans. These businesses operate in hundreds of business lines, including food and beverage, automotive, education, fitness, residential services, senior health services, salons, and hotels. The vast majority of these franchise owners are small business owners in every sense. According to industry research firm, FRANdata, 75% of all franchise owners have fewer than 20 employees. Franchising is also more diverse than non-franchise businesses: nearly 30% of franchises are minority-owned, compared to 18% of non-franchised businesses.

The CARES Act provided a temporary lifeline to thousands of franchises, but many businesses continue to face liquidity issues, upcoming rent obligations, and are in dire need of additional assistance. The RELIEF for Main Street Act will ensure that small franchise businesses could top-up their relief funds through additional resources made available to cities, counties and states. This construct is particularly well suited to support the franchise sector, which is made up of locally owned businesses that are active in their communities.

We are also grateful this legislation would create relief opportunities to franchised small businesses left out of the Paycheck Protection Program (PPP). Approximately 35,500 franchise businesses that are associated with 95 franchise brands are ineligible for the PPP due to SBA’s eligibility criteria. Providing relief to these small businesses could assist more than 160,000 employees stay connected to their employers.

On behalf of the franchising sector, we thank you for your strong, bipartisan leadership to address these urgent issues. We stand ready to continue to work with you during this critical moment, and urge Congress to include the RELIEF for Main Street Act in an upcoming relief package.

Sincerely,

Matt Haller
Senior Vice President of Government Relations & Public Affairs
International Franchise Association