



American Rental Association

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## Coronavirus Emergency

### Potential Steps Providing Relief to the Equipment and Event Rental Industry

#### Background

The American Rental Association represents more than 5,000 equipment and event rental businesses with over 11,000 locations employing 125,000 people in the U.S. The vast majority of ARA members are small businesses, many of them multi-generational family-owned businesses. The current Coronavirus emergency is causing significant disruption within the equipment and event rental industry. The impact has been most acute in the party and event sector of the industry. ARA party and event rental businesses are all small and medium sized businesses that predominately operate within local or regional markets. These businesses rent tents, tables, chairs, and other equipment for large corporate events, educational events like graduations at colleges and universities, and family or private events such as weddings and life celebrations. Many ARA members in the party and event sector have reached out to ARA to tell us that they are having hundreds-of-thousands of dollars in business cancelled as a result of the Coronavirus. Many of these businesses are seasonal and Spring is a prime season for events. The party and event sector alone represents nearly \$4.0 Billion in 2020 revenues, and this sector is by far the most labor intensive sector within the equipment and event rental industry.

We also have concerns about other sectors of our industry which rent heavy and light construction equipment as well as tools and other small equipment to homeowners. If the Coronavirus emergency leads to a prolonged economic slowdown, many of these companies, particularly those that are small businesses may not survive.

#### Recommendations - Small Business Administration (SBA) loan and disaster relief programs.

1. The SBA loan programs could be funded, and rules changed to allow small businesses access to bridge loans with zero or low interest that would allow small businesses to continue operating throughout the emergency.
2. The SBA disaster loan program provides low-interest loans to businesses that are affected by natural disasters. Effects of the Coronavirus may be felt nationally, and some areas may feel even more acute effects. Authorization and funding for SBA to provide disaster relief loans or new disaster relief grants to businesses in areas affected by the Coronavirus could provide another source of capital for small businesses adversely impacted by the emergency.

We urge the Administration to work with Congress through the SBA to develop funding and emergency provisions that give small businesses access to the capital they need to survive.

