

## Pandemic Widens Gap Between Big And Small Business

Written by Palzewicz for Wisconsin, Chelsea Cross  
Saturday, 15 August 2020 15:54 -

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<http://newiprogressive.com/images/stories/S5/unemployment-virus-outbreak-dp-s5.jpg>



***Big businesses are gobbling up market share from the small businesses. Mom and pop retailer is probably not going to come back from pandemic slowdown unless they were sitting on a large sum of cash.***

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**Brookfield, WI** – The economic downturn during the pandemic has served to illustrate the increasing gap between small business and big business. In America, big business is ever looking to swallow small business, either by acquisition or outright displacement. Tom Palzewicz, running for Wisconsin's Fifth Congressional District seat in Washington, wants to level the playing field.



“The pandemic has exasperated the market share movement from small business to big business,” Palzewicz explained. “The stock market is still doing relatively well because the big businesses are gobbling up market share from the small businesses. Think about this—every mom and pop retailer is probably not going to come back unless they were sitting on a large

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sum of cash, or they had a plan to continue to sell online even though they were competing against Amazon.”

Palzewicz, a small business owner, wants the economy to function, with all playing their part.

“I am a pro-business Democrat,” said Palzewicz. “Every small business that deals with a big business knows that they won't get paid for 90 days. Large businesses learned a long time ago that they don't have to pay a small business right away. Small business must have enough cash to produce the product that the big business wants knowing that they won't be paid for 90 days. This is the hidden cost to small business owners. Not only does big business have access to financing at incredibly low rates, they use small business cash flow for their own benefit.”

Palzewicz understands that in order to compete, small business needs access to resources big business takes for granted. If a small business is a supplier to a large business, even simple things like getting paid are difficult.

“You have to have a game plan when you go after big business, which is why small business tends to stay small, because you will have to have a good banking relationship to be able to float that cost over 90 to 120 days. Small business can't say that they'll pay their employees when they get paid, or that they'll pay their vendors when they get paid. It doesn't work that way.”

The relationship with a bank that understands business is key to a small business owner's ability to sustain through tough times. It's the difference between staying open, or shutting the doors for good.

“The banks know this is how it works,” said Palzewicz, who worked in risk management in the banking industry. “The problem is the small business owner has to have very strong personal credit to get a line of credit for their business. During this pandemic, small business owners are getting hammered in their business and in their personal life. Their access to credit is starting to narrow, because who is going to lend to a business that's going out of business?”

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“On top of all the challenges to small businesses, you have a banking industry that only caters to businesses outside the city. If you go into Milwaukee, try to find a bank on the northwest side of Milwaukee. There aren't any. There used to be a couple, but they got bought out. That's why I am in favor of the Post Office doing banking, because they could do banking favoring small business, almost like a credit union. They already have the facilities to do it. It would be a huge benefit to the city communities, and also rural America.”

People are always looking for low prices, which is why Walmart, for example, has prospered. But where does the money taken in by big corporations go, not to the local community?

“The biggest reason to protect and help small business is because, unlike the big retailer, the small business brings all the money back to the community,” said Palzewicz. “They also tend to pay closer to a living wage. If you love America you should love small business. If you love small business, here's the checklist of things you should want to happen:

1. You should want universal healthcare because small business is at a competitive disadvantage when it comes to being able to afford benefits for their workers. Universal healthcare will actually promote entrepreneurship.
2. Small businesses needs the same access to cash that large business have.
3. You want big business to pay living wages to their employees to level the playing field.

If you love small business and you love capitalism, that means you love competition. Big businesses are solely focused on eliminating competition.”

Palzewicz realizes that his view on business, as a small business owner, doesn't mesh with Republican thinking, but he wants to help bridge the gap.

“Small businesses are getting the short end of the stick all the time. At what point do they say that this is completely unfair? Small businesses that sell to Amazon, only to have Amazon start to compete against them and cut them out. How that is not seen as an anti-trust problem is beyond me. I am all for capitalism, but there has to be rules and fairness.”

Palzewicz says he will work to promote Wisconsin manufacturing, small and large. There needs

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to be a level playing field for all to participate.