



July 30, 2020

The Honorable G.K. Butterfield
Chief Deputy Whip
United States House of Representatives
2080 Rayburn House Office Building
Washington DC, 20515

Dear Chief Deputy Whip Butterfield,

On behalf of two organizations that focus on Black and Hispanic economic empowerment, we write today as our community is facing two of its greatest challenges: A pandemic that is impacting Black and Hispanic communities at a horrifically disproportionate rate of infection and death; and a wave of economic devastation that has left nearly 18 million people out of work - half of them people of color. Black and Hispanic unemployment now exceeds 15.4% and 14.5% respectively. 41% of Black businesses and 32% of Hispanic businesses have closed since the pandemic began, most of them permanently. Nearly half of all Black Americans, and over half of Hispanic Americans, say that they or someone in their household has lost a job or income due to the coronavirus outbreak. Without focused action by Congress, COVID-19 could condemn millions of Black and Brown American families into poverty for generations to come.

Congress' efforts to provide emergency assistance to communities impacted by COVID-19 exposed the fundamental inequities in our existing safety net programs for people of color. 82% of minority-owned businesses in the United States are sole proprietorships and ninety-six percent of Black-owned businesses are sole-proprietorships with less than 5 employees. A third of the workforce in the so-called "gig" economy are Black or Hispanic. More than any other demographic groups, Black, Hispanic and women are using freelance technology platforms like Lyft and Uber to find self-employment opportunities or start their own businesses. These entrepreneurial, independent workers were unable to access previous rounds of COVID-19 emergency funding simply because they do not look like the traditional employees and businesses for whom these programs were designed. Pouring more resources into a broken safety net will not reduce unemployment, save Black and Hispanic businesses or create new jobs.

Congressman, your proposal to establish a new framework of portable, flexible benefits for independent workers to fund health care, sick leave and unemployment, funded entirely by businesses, would provide immediate and permanent assistance to Black and Brown families most in need. The urgency for this

measure cannot be overstated:

- Allowing businesses that hire independent workers to fund portable benefits will help families pay for healthcare, sick leave, and unemployment.
- Millions of individuals now unemployed are turning to freelance technology platforms for temporary work and income support.
- Twenty seven million Americans have lost health insurance coverage in the pandemic and millions more will lose employer-sponsored coverage by the end of this year.
- Families that cannot afford health insurance will overwhelm Medicaid programs or face catastrophic medical bills if they get sick from COVID-19.

In addition to providing health care and other benefits for independent workers, your proposal also has the power to transform the gig-economy into the largest job training program in America.

By directing a portion of the revenues from gig-platform technology companies into community job training, trade apprenticeship programs and paid internships, this proposal creates an historic opportunity to forge a partnership between labor and the gig-economy that will give millions of individuals who've lost work the opportunity to re-train and learn new skills while earning income from the gig-economy to support their families.

- 1% of revenues from the largest gig-economy technology companies alone could generate more than \$400 million in permanent, annual funding for job training programs in the US.
- To the extent possible, companies with more than 500 workers who receive portable benefits accounts must establish at least **10%** of those accounts with "*Community Development Financial Institutions*", a term we incorporate from the PPP legislation. More than 50% of *Community Development Financial Institutions* are **minority depository institutions**, meaning that either: (1) they are 51% or more owned by minority individuals; or (2) more than half of the board of directors is minority and the community that the institution serves is predominantly minority.
- By forging a partnership with labor and community organizations, gig-economy platforms could serve as an on-ramp for unemployed individuals to access training and apprenticeship programs to become carpenters, electricians, medical technicians or software engineers.
- Funds for job training would be focused on communities with high employment, directly injecting critical resources into Black and Brown communities where it is needed most.

We know this path is difficult. Change always is. But, in this moment of crisis for our communities and the nation, the time to act is now. Our communities cannot wait. We want you to know that we have your back and stand ready to rally the millions of Americans we represent to support your leadership on this issue in Congress.

Thank you for your leadership, your courage and your willingness to embrace change during these challenging times. Please count on us as you lead this life-changing fight for our communities.

Sincerely,

The image shows two handwritten signatures in blue ink. The signature on the left is 'Ramiro Cavazos' written in a cursive style. The signature on the right is 'R. Busby' written in a more stylized, blocky cursive.

Ron Busby, President, Black Chamber

Ramiro Cavazos, Chief Executive Officer and President, US Hispanic Chamber

cc: Members of the House Leadership

Members of the Congressional Hispanic and Black Caucus