

March 31, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth H.O.B.
Washington, DC 20515
SENT VIA EMAIL

Dear Speaker Pelosi,

Diverse Businesses, Communities, and Non-Profits Must be Included in the Economic Recovery

The Greenlining Institute and the Greenlining Coalition would like to thank you for being our legislative champion during the negotiations with Senate Republicans over the CARES Act. Communities of color never recovered from the Great Recession and today, the average White family has ten times as much wealth as the average non-White family. It is imperative that this latest economic recovery package, and all forthcoming legislation, target the families and businesses who need help the most.

Ensure the \$850 billion business fund benefits ethnic businesses and diverse workers

First, we applaud you for increasing the fund for small businesses from \$300 billion to \$350 billion as well as ensuring that the \$500 billion fund for industry is not an unrestricted slush fund. Now that the legislation has been passed and the implementation stage begins, these funds must support vulnerable small businesses and workers, especially people of color and “mom-and-pop” sole proprietors. The undersigned strongly urge you to consider common-sense measures to track the efficacy of the current economic package as it pertains to economically vulnerable communities. Our specific recommendations are:

- A. ***The Inspector General and Oversight Committee appointed by Congress to oversee the \$500 billion industry fund should look like and represent vulnerable Americans most impacted by economic disaster.*** The Inspector-General should come from a community that has been historically marginalized and has suffered disproportionately from economic crises. Further, three of the five members of this committee should be non-white and three of the five members should also be female.
- B. ***The Inspector General and Oversight Committee must expand their responsibilities to include the \$350 billion small business fund.*** The fund for small businesses is almost as large as what is being provided to corporations and should also have oversight by a special body, such as the Inspector General and Oversight Committee.
- C. ***The Inspector General and Oversight Committee should implement crucial transparency measures.*** A report should be published within the next six months that details:
 - The extent to which small business funds have been utilized by firms owned by people of color (disaggregated by race, gender, and size of firm);
 - The average time it takes for small business funds to be disbursed (disaggregated by race, gender, and size of firm);
 - The extent to which the \$500 billion fund has had a quantifiable economic impact on workers at large corporations (disaggregated by race and gender).

If the Inspector General and Oversight Committee find that businesses owned by people of color did not actively participate in the economic rescue program within the first three months of its implementation, a new economic package must be passed that directly targets communities of color. Further, if the Inspector General and Oversight Committee find that the majority of economic benefits from the industry fund (\$500 billion) disproportionately benefitted corporate shareholders and senior

executives rather than job creation or retention, Greenling urges House Democrats to immediately consider clawing back those funds and disbursing them directly to families.

Promote Equity in the Distribution of \$150 Billion to Medical Centers

Second, while emergency funding is critical to support health systems with rapidly growing caseloads, it is important to integrate a racial equity lens into the implementation and distribution of these funds to ensure that they have widespread impacts. In particular, we urge you to:

- **Invest in Community Health Centers:** In addition to hospitals and larger health systems, support should be prioritized to Federally Qualified Health Centers and community health centers that provide critical services to underserved communities and low-income neighborhoods across the nation. Local clinics and community health centers are a lifeline for many neighborhoods that lack access to amenities and quality care.
- **Promote Transparency in Spending:** To ensure accountability and transparency in the distribution of funds, medical centers that receive emergency funding should track and report their spending to their State Health and Human Services Agency.
- **Encourage Contracts and Procurement with Diverse Businesses:** As medical centers increase their spending to acquire equipment, supplies, and routine organizational functions (e.g., janitorial, legal, and communications services) they should be encouraged to contract with minority, women, veteran, and LGBTQ owned businesses to support and protect local economies.

The next round of stimulus must target grassroots non-profits plus fill gaps in the existing recovery legislation

Third, we appreciate your comments this week stating that you are already looking to fill the gaps left by the current legislation. We urge you to consider one key group that has been left out of the economic funding: diverse grassroots organizations. While Greenlining encourages broad support to the entire non-profit sector, it is essential that any economic support for non-profits is directed first and foremost to small community organizations, especially those led by people of color. It is small, diverse non-profits that are on the front lines serving low-income neighborhoods, new immigrants, and vulnerable seniors. **The undersigned strongly urge you to ensure that small, diverse non-profits are specifically targeted in any new spending bills.**

Greenlining and the organizations listed below, representing ethnic small business chambers and grassroots community organizations, request a virtual meeting with you at your earliest convenience to discuss our proposals further. Adam Briones, Greenlining’s Economic Equity Director, will contact your office within one week to schedule this meeting. He can also be reached at adamb@greenlining.org. Thank you for considering our request and we look forward to scheduling this meeting with you at your earliest convenience.

Sincerely,

Debra Gore-Mann

President, The Greenlining Institute

The Greenlining Coalition

Organizations below



Organizations listed above:

- AnewAmerica
- Asian Business Association
- East Oakland Black Cultural Zone Collaborative
- Brightline Defense Project
- California Community Builders
- California Journal For Filipino Americans
- California Association for Micro Enterprise Opportunity
- Community Veterans Oversight and Engagement Board
- Council of Asian American Business Associations of CA
- El Concilio of San Mateo County
- Fresno Metro Black Chamber of Commerce
- Faith and Community Empowerment
- National Federation of Filipino American Associations
- Asian Business Association of Silicon Valley
- Richmond Neighborhood Housing Services, Inc.
- Sacramento Black Chamber of Commerce
- San Francisco African American Chamber of Commerce
- Southeast Asian Community Center
- Southern California Black Chamber of Commerce

cc: Congresswoman Maxine Waters
Congressional Asian Pacific American Caucus
Congressional Black Caucus
Congressional Hispanic Caucus
Congressional Progressive Caucus