



April 20, 2020

Governor Kate Brown
Senate President Peter Courtney
House Speaker Tina Kotek
Joint Emergency Board
State Capitol Building
900 Court Street NE
Salem, Oregon 97301

Dear Governor Brown, President Courtney, Speaker Kotek, and the Emergency Board:

Before coronavirus, many small businesses owned by people of color (POC) in Oregon were thriving from Portland to Pendleton, Ashland to Astoria. Our innovative entrepreneurs include digital marketing strategists. Tattoo artists. Video producers. Farmers. Interior designers. Architects. Attorneys. Consultants. Accountants. Concrete contractors. Massage therapists. Florists. Photographers.

But the pandemic has hit Oregon's POC communities and businesses especially hard.

We write to you as the Community Chamber Coalition of Oregon to say that unless the State of Oregon directs a significant portion of the [\\$2.45 billion in federal aid](#) immediately to our businesses, we foresee the near total decimation of the POC-owned small business community across Oregon.

This is not an exaggeration; the situation is dire. We are hearing from our entrepreneurs that they have seen government and private contracts canceled, hourly work cut in half, day jobs furloughed, events canceled, events postponed—all leading to devastating loss of income. They have seen income slashed by 50%, 75%, even altogether. One independent contractor's income dropped from \$15,000 to \$2,000. A brick-and-mortar shop that used to make \$10,000 a week now makes nothing.

One Native American contractor, a father, and the sole provider for his family, runs a construction business. Before the pandemic, he had five employees. Now he is down to two. And though he does a lot of work in Portland, he lives outside the city and so is ineligible for relief from Prosper Portland. He subcontracts and has had to ask the bigger firm he is working with for a \$12,000 advance to make payroll and fixed expenses this month. And not only has this entrepreneur built up his own and his team's capacity over the years, he is received capacity-building support from the Port of Portland and other government entities. We can't let him—and the many POC business owners like him—lose everything they and we have invested in.

Our small business owners are worrying they will have to lay off employees; many have already had to. They are worrying they will not be able to pay their health insurance premiums—impacting not just the owners and employees, but their families too. They are worrying they'll be forced to shut their doors forever.

These are the business owners across Oregon who are most vulnerable to the lasting effect of this crisis. These are also the businesses that have the least ability to absorb this crisis and re-open their doors for business.

We are hearing loud and clear from our members: they need direct, immediate financial support to survive this crisis. And as evidenced by the inadequate response during the 2008 Great Recession, without such action specifically supporting our most vulnerable, we will see the loss of any modest gains made by these communities over the past 10+ years.

Any response must be grounded in racial, economic, and gender justice.

The impacts of this pandemic are being compounded by our state's historic and ongoing disenfranchisement of people of color—at the individual, institutional, and structural levels. Decades of discrimination in land use, health care, education, housing, law enforcement, financing, employment, and pay are still very much being felt today, and mean that it's both harder for POC folks to start businesses, as well as to keep them afloat.

Public policy played a major role in creating the inequities that make POC communities and businesses more vulnerable to this crisis—public policy must now play a role in correcting those injustices. Many government entities recognize this responsibility via diversity, equity, and inclusion (DEI) statements.

[Business Oregon's Strategic Plan](#) declares that expanding economic opportunity to underrepresented communities, particularly people of color, immigrants, and Oregon's native and tribal populations, "is not just a moral imperative, it is an economic growth imperative...To ensure an inclusive and competitive economy it is critical that economic development explicitly invests in communities and populations that encounter significant systemic barriers to economic prosperity."

Now is the time to live up to this moral imperative, to make these explicit investments. To turn this commitment into bold, meaningful action.

We are calling on leadership in the Oregon Legislature to act immediately and with bold action that centers historically marginalized communities.

An equity-centered response to the COVID-19 economic crisis looks like:

- Broadening and diversifying the Governor's Coronavirus Economic Advisory Council to include culturally specific organizations as partners in making recommendations on how to deploy resources and inform economic interventions.
- Identifying and partnering with service providers that can support communities in different languages.
- Conducting community engagement with culturally specific organizations on evaluation of overall state economic impact investments.

The Community Chamber Coalition of Oregon calls on you to:

1. Prioritize the culturally specific economic interventions that people of color, immigrants, and Oregon's native and tribal populations so urgently need in this moment. Many of Oregon's POC-owned businesses are sole proprietors, so we ask you to:

- Expand access to unemployment insurance benefits to include the self-employed.
- Maintain contracts with Minority-owned and Woman-owned contractors as long as possible (avoid freezing or canceling MWB contracts), and work with existing organizations like the Oregon affiliate of the National Association of Minority Contractors to create strategies for MWB contractors to survive and to continue to work on public projects.

2. Allocate \$10 million to the [Small Business Stabilization Fund](#) established by the Oregon Community Foundation to get financial assistance directly to business owners immediately, prioritizing POC-owned businesses.

When distributing funds, prioritize small businesses owned by people of color, people with disabilities, and women, given that these entrepreneurs are experiencing the compounded effects of identity-based oppressions.

We are encouraged that the Governor's Coronavirus Economic Advisory Council is [prioritizing cash infusions](#) with a focus on small businesses and request that state funds distributed to the OCF fund be *earmarked for direct payments to businesses rather than loans*.

By directing funding to the Small Business Stabilization Fund, state government can eliminate bureaucratic hurdles for small businesses and get critical funding directly to small businesses most efficiently. Oregon nonprofit Community Lending Works has a model for a streamlined application that puts minimum burden on the business owner and allows funding to be deployed rapidly and with streamlined application forms aimed to reduce barriers for access to resources.

3. Allocate \$5 million to fund technical support for Oregon's most vulnerable—prioritizing POC-owned—small businesses by scaling up *existing, trusted, community-based and culturally responsive programs*. These organizations have the ability to rapidly:

- *Provide short-term navigation services to small businesses that do not have sufficient capacity in-house, so that Oregon businesses secure their fair share of the federal economic relief package and are able to get the correct funding that helps, not harms them longer term. (\$1 million)*
- *Provide comprehensive business strategy coaching that companies will need to do in order to survive this crisis. (\$4 million)*

For our state's most vulnerable businesses to access resources coming from our individual cities and counties, state government, and federal government, we must rapidly scale up existing, trusted, community-based technical assistance programs that help businesses navigate all of the options, identify those that are the best fit, and help them apply successfully to receive the funds they need. By pushing the resources as close to communities as possible, you'll be engaging the nimble organizations best positioned to rapidly serve small business while bolstering the capacity of our state's diffuse technical assistance network.

Examples of trusted, community-based, culturally competent technical assistance programs ready to provide immediate services with additional funding include:

- Small town and culturally specific chambers of commerce, including:
 - Asian Pacific American Chamber of Commerce of Oregon and SW Washington (APACC)
 - Black American Chamber of Commerce
 - Hispanic Metropolitan Chamber
 - Oregon Native American Chamber (ONAC)
 - Philippine American Chamber of Commerce of Oregon (PACCO)
- Economic Development Districts, Economic Development Organizations
- Community Development Finance Institutions
- Nonprofit organizations such as Oregon Entrepreneurs Network, Oregon

RAIN, PIE, and XXcelerate, Urban League of Portland

In addition to short-term navigation assistance, many businesses will benefit from strategic business coaching that will allow them to evaluate and plan for cash flow, liquidity, and business structure issues through months of uncertainty. This support is particularly important for startups and businesses in hospitality, restaurants, travel, and personal services.

Governor Brown, President Courtney, Speaker Kotek, and the Emergency Board, we are on the verge of the permanent shuttering of many of Oregon's POC-owned small businesses. Without your immediate action, we will see the decimation of much of the POC business ecosystem that we have all worked so hard to develop. And if the state does not ground the response in racial and economic justice, the very inequities we have historically allowed to flourish will now deepen.

Finally, this is about more than businesses: it's about community health and wellbeing. POC-owned businesses are lifelines for our communities. When they thrive, we thrive. When they fail, the impacts ripple across all levels and all people in a community.

To ensure Oregon's POC-owned small businesses can once again open their doors, remain open in the long term, and provide critical employment and services, we urge you and the Oregon Legislature to act now and invest significant resources in direct financial relief and technical assistance. Every day we wait results in more job loss and the boarding up of storefronts in our communities, potentially forever.

SIGNED ORGANIZATIONS:

The Community Chamber Coalition of Oregon and Alliance Partners

James Alan Parker, Executive Director, Oregon Native American Chamber (ONAC)

Jan Mason, President, Philippine American Chamber of Commerce (PACCO)

Yuri Sernande, President, Asian Pacific American Chamber of Commerce (APACC)

Jessie Hyatt, Executive Director, Black American Chamber of Commerce (BACC)

Carmen G. Castro, Executive Director, Hispanic Metropolitan Chamber of Oregon (HMC)