

Testimony Senate Committee Labor and Business 2020

Chair	Senator Kathleen Taylor
Vice-Chair	Senator Tim Knopp
Member	Senator Bill Hansell
Member	Senator Mark Hass
Member	Senator Laurie Monnes Anderson

Good Morning Chair Taylor and Members of the Committee. I would like to begin by thanking each one of you for your dedication and service to the public good. Your leadership is needed, now more than ever.

My name is James Alan Parker, I am an enrolled citizen of the Chippewa Cree Tribal Nation and I am the Executive Director of the Oregon Native American Chamber and the co-chair of the community chamber coalition of Oregon, a coalition of culturally serving community based organizations including the:

Philippine American Chamber of Commerce (PACCO)
Asian Pacific American Chamber of Commerce (APACC)
Black American Chamber of Commerce (BACC)
Hispanic Metropolitan Chamber of Oregon (HMC)

As a coalition, we understand that our struggle in this crisis is a shared experience by all of our communities of color and all those disenfranchised by our economic structures, including people with disabilities and the LGBT community. The threat of this crisis to our communities; lost wages, missed meals, and housing insecurity; and the economic downturn we are facing now will severely hurt the communities least prepared to handle it.

I would like to begin by taking a few minutes to discuss how:

Minority & Native-Owned Businesses Face Higher Risks during this Crisis and the role of Public policy in response to this crisis.

Amid the coronavirus public health pandemic and resulting financial crisis, minority-owned small businesses are facing dramatic economic casualties, as they struggle to access pandemic-related financial relief and recovery funding. As a point of reference, During the Great Recession of 2008, entrepreneurs of color were left behind and the economic disparities for communities of color deepened dramatically, to the point that many of the small gains made up til 2008 did not begin to resurface until 2017, almost a decade later. Now, once again, a crisis is disproportionately hammering our minority-owned small businesses and in a much shorter time frame coupled with a public health pandemic. WE must not let this history repeat.

Minority and Native American-owned small businesses were already at a disadvantage heading into the COVID-19 pandemic.

EXISTING health disparities and socioeconomic factors have disproportionately plagued OUR communities, BIPOC entrepreneurs face added challenges of limited access to investment capital and financial education. As an example, traditional banks won't accept reservation-based assets as collateral for loans. Businesses located within Native communities also tend to encounter a lack of technical infrastructure and support which is why we joined with Business For A Better Portland and 43 other statewide business and economic development organizations to call on the state to provide more funding for community-based and culturally competent technical assistance and navigation services, to combat *these economic disparities and equity challenges that have only been amplified amid the current crisis*.

Additionally, Native-owned and minority entrepreneurs are struggling with obtaining pandemic relief through federal funding and loans. With Minority-owned small businesses in dire need of revenue replacement and payroll support to survive. But, according to current reports, only 10% of PPP loans did went to Minority-Owned Businesses.

Before coronavirus, many minority owned small businesses in Oregon were JUST BEGINNING TO THRIVE 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 and photographers among many others. The investments made by invested community leaders, culturally serving organizations, and our partners in government must be upheld.

What are we facing now?

We have heard from our community, our business leaders and entrepreneurs. We are on the verge of the permanent shuttering of many of Oregon's POC-owned small businesses. Without continued bold action, we will see the decimation of the vast majority of POC businesses and the necessary ecosystem that we have all worked so hard to develop. If the state does not ground the response in racial and economic justice, the very inequities we've historically allowed to flourish will now continue to deepen.

With that in mind, ONAC, along with a broader coalition of invested partners, including the coalition of culturally specific chambers, call for an equity grounding in any and all response to COVID-19. And, By centering equity, we have the opportunity to transform the public and private sector response to frontline communities with collaborative effort rooted in economic justice.

And, with a broad coalition, and with equity centered in our calls for bold action, we look to help shape and define what equity looks like in practice within our local and state governments in relation to our business community.

Our call today is an additional allocation of state funds for small business relief and recovery efforts even as we move to a re-open phase. And, we call for an equitable implementation approach and plan of this funding to deepen the impact and broaden the reach.

This includes priorities such as:

- 1) Prioritize Grants and Forgivable Loans: It is risky and difficult for businesses, who simply cannot afford to take on additional debt at this time with so much uncertainty.
- 2) Technical Assistance: Pair funding with much needed technical assistance and administrative capacity. We must rely on and empower trusted community partners and culturally specific organizations—both financial institutions/CDFIs and technical assistance organizations—that have a demonstrated record of serving our communities in the past to reach our underserved communities. It is critical that the financial burden not fall on the entrepreneur or the community orgs or the community based lending institutions to truly have the deepest impact.
- 3) Culturally Embedded Services: Too often, BIPOC small businesses will be largely shut out of access in implementation because either the financial institution/CDFI isn't culturally equipped to make business owners of color aware of the opportunity (financial institution/CDFI lacks capacity to do this) or BIPOC business owners don't have a trusted relationship with the financial institution/CDFI.
And, to truly deepen the impact and scope of those we mean to serve, we must provide opportunity for relationship building, communications, and scalability of our partners to reach our underserved small business owners where no relationships exist
- 4) Data- How do we measure impact and effect? We need to find ways to work within the current restraints that do not allow the state to collect demographic data which is vital in showing the existing disparities but will also show the impacts of our collective efforts.
- 5) State funding for translation services: As an example, during a call last week with two credit unions that provide culturally competent service to diverse communities, we learned that SBA doesn't provide translated documents regarding the PPP application process OR info on the terms for PPP forgivability. While we appreciate the Governor's team asking our coalition to be a partner in promoting PPP applications, if the State wants to see application rates increase, it may be necessary for the state to support some of our financial institutions and organizations in ensuring that translated documents are available.

I would like to recognize the work of the Governor's office and Business Oregon. They have heard all the calls and are committed to getting this right. We will continue to work with the Business Oregon leadership team in support of our common goals as outlined by our open letter to the Governor and legislative leadership.

I thank you for your time today chair Taylor and honorable committee members

James Alan Parker
Oregon Native American Chamber
Community Chamber Coalition of Oregon