



April 24, 2020

The Honorable Marco Rubio
Chair
Senate Committee on Small Business &
Entrepreneurship
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Ben Cardin
Ranking Member
Senate Committee on Small Business &
Entrepreneurship
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nydia Velázquez
Chair
Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Steve Chabot
Ranking Member
Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair Rubio, Chair Velázquez, Ranking Member Cardin, and Ranking Member Chabot:

As you continue to seek ways to be of assistance to women-owned businesses, we wanted to share a snapshot of a recent impact survey on the novel coronavirus/COVID-19 global pandemic and recommendations made by the participants.

Representing 34 states, one-third identified themselves as federal government contractors while two-thirds identified as private sector contractors. The pandemic has taken its toll on these businesses, with more than 71% of the respondents reporting a decrease in business. Women-owned businesses are seeking relief from federal loan programs. Approximately 73% have already applied for federal funding, the majority listing either the Paycheck Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) program. On a more positive note, 89% of respondents have been able to continue operations during this pandemic as of this date.

Women-owned businesses need the PPP and EIDL loan programs in order to stay in business—we urge the Congress to act expeditiously when demand exceeds appropriated funds. We anticipate more relief will be needed. In addition, microlenders, mission-based lenders and community banks are important sources of capital women-owned businesses. Their increased participation in the small business loan programs provide a critical lifeline to women- and minority- owned businesses. To put this in perspective, women receive only 4% of all commercial loan dollars and the average size loan for women-owned businesses was 31% less than for male-owned businesses 2018, according to a Biz2Credit report. We commend Congress on the inclusion of these lenders in the recently passed additional relief bill H.R. 266.

While we understand that deployment of over \$700 billion through systems designed for much lower volumes can result in glitches, our respondents expressed frustration at the lack of information regarding their loan application status in general – especially in the event of the program shutdown. In short, the process has been frustrating for businesses who are dependent on the loans to keep workers on their payrolls and continue operations.

A recommendation made by the respondents was simply to give small businesses grants rather than get a loan to be forgiven. Given the urgency of this capital, we ask Congress to consider revamping the programs to separate them into loans and grants rather than a combination of the two. While small businesses will need loans with generous terms in the recovery stage of this pandemic, they need grants now. This is not a far-fetched idea – both conservative and progressive Members of Congress have proposed this solution.

Our respondents see the federal marketplace as an avenue to keep businesses intact while the commercial market is recovering. Congress can make changes to remove barriers to buying from small businesses and women owned businesses specifically. The trend toward government buying through large contracts prohibits maximum participation by small businesses and creates real barriers to entry. We would note that the government has only met its 5% buying goal from women-owned companies once. Now, more than ever, the federal government needs to shift its focus and its buying policies toward smaller and more agile companies.

On behalf of the 13 million women-owned businesses in the U.S. who employ 9.4 million workers and generate \$1.9 trillion in revenue, we thank you for your assistance thus far and ask for continued assistance as we work together to weather the economic crisis facing every American.

Sincerely,

A handwritten signature in cursive script that reads "Candace Waterman".

Candace Waterman
President and CEO
Women Impacting Public Policy (WIPP)