



July 20, 2020

Senate Majority Leader Mitch McConnell  
Senate Minority Leader Chuck Schumer

RE: Fair inclusion of self-employed workers in federal coronavirus relief packages

I write today to express deep concern about the millions of freelance and self-employed workers who are experiencing unprecedented income loss because of the COVID-19 pandemic and have been unable to access the government assistance that they desperately need.

Freelancers, who are at the front lines of coronavirus response, are among the hardest hit by COVID-19 closures. Freelancers Union, which represents over half a million members, found in a member survey released on May 1 that more than 86% of freelancers had already lost thousands of dollars in wages, and that 84% of freelancers who had applied for government aid had not received relief.

It's been several months since the CARES Act passed, which commendably created an inclusive Pandemic Unemployment Assistance program to serve freelancers and self-employed people as well as employees. Unfortunately, key elements of the program have resulted in freelancers not qualifying for sufficient assistance, and in some cases being shut out from relief entirely.

While states updated their systems and expanded their capacity to process an unprecedented number of unemployment claims from employees, application systems for freelancers and the self-employed lagged for weeks. Today, in states like California, 40% of applicants have not yet been able to qualify for PUA.

Moreover, freelancers who reported earning even a small amount of W-2 income were deemed ineligible for PUA and traditional unemployment insurance, as the systems have not adequately taken into consideration individuals who earn a mix of 1099 and W-2 income, a common scenario for many freelancers.

Freelancers — including self-employed, sole proprietors, and other independent workers — comprise over 57 million members of America's workforce and contribute an estimated \$1 trillion to its GDP. An estimated 31.9 million workers earn both W-2 and 1099 income. The next stimulus package must serve these workers. We need to do better.





**We urge you today to support freelancers and all Americans in the next relief bill by instituting the proposals below:**

1. **Extend a monthly stimulus payment of \$2,000** for up to 12 months, as proposed in the Monthly Economic Crisis Support Act, to all Americans regardless of citizenship status.
2. **Establish rent and mortgage forgiveness**, as proposed in the Rent and Mortgage Cancellation Act.
3. **Require states to include all income for freelancers in Pandemic Unemployment Assistance eligibility determinations and assistance calculations** to ensure that freelancers are fairly awarded unemployment assistance. Specifically, states should calculate benefits using all income earned within the previous calendar year, including W-2, 1099 Misc, gross income reported on a Schedule C, and other self-reported income.
4. **Expand federal Pandemic Unemployment Assistance to include all workers who have been impacted by the COVID-19 pandemic.** Current guidance extends PUA to individuals who are quarantined or have contracted COVID-19, are caring for family members with COVID-19, or have had their places of employment shut down because of COVID-19. This definition causes confusion and leaves out the hundreds of thousands of freelancers who have experienced canceled contracts due to the sharp decline in the economy.
5. **Extend the \$600/week Federal Pandemic Unemployment Compensation indefinitely** until the pandemic is over.

Unemployment benefits are a critical financial lifeline for freelance workers who are struggling with unprecedented income loss. I urge you to prioritize these policy changes to fairly include freelancers in government relief, and provide needed support to the millions of freelance workers that drive our country forward.

Sincerely,

Rafael Espinal  
President / Executive Director  
Freelancers Union

