



April 21, 2020

Letter to Majority Leader Senator Mitch McConnell
CC: Treasury Secretary Steven Mnuchin

Re: Replenishing PPP funds to support self-employed workers impacted by COVID-19 pandemic

Today we are facing the greatest crisis to the freelance workforce in modern history. Freelancers — including self-employed, sole proprietors, and other independent workers — comprise over 57 million of America's workforce and contribute an estimated \$1 trillion to its GDP. Freelancers are among the hardest hit by COVID-19 closures.

The signatories as a group represent and support freelancers in independent media who have been particularly hard hit, even as their work is so vital. Freelancers Union found that more than 80% of the freelancers surveyed reported that they had already lost thousands of dollars in wages because of the COVID-19 shutdowns, with no reprieve for paying ongoing business expenses.

The Paycheck Protection Program (PPP) has the potential to offer a critical financial lifeline to America's freelance and self-employed workers by providing forgivable loans to cover payroll and business expenses. Unfortunately, with insufficient federal funds allocated and rules set up to favor larger businesses, freelancers have not been able to gain access to this essential funding.

Freelancers were allowed to apply for PPP loans starting Friday, April 10, one week after applications opened to small businesses, offering a window of only four business days before the SBA announced that they were closing applications because funds were exhausted. During this time, freelancers struggled to connect with banks who were already overwhelmed with hundreds of thousands of loans from larger business applicants. Freelancers without dedicated business banking accounts were unable to find reputable lenders, as the majority of SBA-approved lenders were only processing loans for their existing business customers. Further, freelancers who are minorities or live in rural areas faced additional barriers to access. Finally, on Tuesday night, the SBA issued new rules for freelance applicants requiring the completion of a 2019 Form 1040, Schedule C, which many freelancers have not yet completed due to the extension of the IRS' filing deadline.

These measures have effectively shut freelancers out of PPP loans. We need to do more.

We urge the federal government to replenish SBA funding for PPP loans and institute measures to ensure that freelancers in film and media are able to access funding. Specifically:

1. Earmark funding specifically for self-employed and independent contractors, who are underbanked and underserved by government relief programs
2. Set aside and guarantee 50% of loans for minority sole proprietors
3. Require SBA lenders to process all applications, banning rules that require existing relationships with lending institutions
4. Open the next round of funding first to independent workers and self-employed individuals
5. Require SBA to publish data on the size of the businesses receiving loans, including a breakout of loans awarded to self-employed and independent contractors

Freelancers in media are being left out of critical government relief efforts. We must expeditiously put forward policies that include the millions of these independent workers that drive our cities and country forward.

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