June 10, 2020

The Honorable Steven T. Mnuchin          The Honorable Jovita Carranza
Secretary                                Administrator
U.S. Department of the Treasury         U.S. Small Business Administration
1500 Pennsylvania Avenue, N.W.           409 3rd Street, S.W.
Washington, D.C. 20220                    Washington, D.C. 20416

Dear Administrator Carranza and Secretary Mnuchin:

Our smallest businesses especially women-owned and minority businesses have long struggled getting access to capital. The coronavirus pandemic has created new hurdles for them. We urge you to ensure that small businesses with 10 or fewer employees and self-employed individuals get the help they need from the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL), and other COVID-19-related assistance. The needs of our smallest businesses must be taken into account in final guidance, forms, and process for PPP loan forgiveness.

Smaller businesses represent 96 percent of small businesses across the country and are disproportionately women- and minority-owned. Over 98 percent of women-owned businesses, representing more than 9.7 million businesses, have fewer than 10 employees. Black-owned businesses employ an average of nine people and 96 percent of all Black-owned firms are sole proprietors. Approximately 96 percent of all Asian-owned businesses have less than 10 employees.

The CARES Act was meant to prioritize underserved concerns including many of these women and minority-owned businesses. Soon after the PPP went into effect, however, it was reported that many smaller and underserved businesses struggled to access these loans. For example, a survey by UnidosUS and Color of Change found that only 1 in 10 Black and Latinx small business owners received the assistance they requested and more than 40 percent received no assistance at all. On May 8, 2020, the SBA Inspector General determined that the SBA’s efforts “did not fully align” with the CARES Act by failing to prioritize underserved markets.

At the same time, our minority communities have been disproportionately hurt by the coronavirus pandemic. Additionally, between February and May, the unemployment rate increased 190 percent for African-Americans and 500 percent for Asian Americans. The unemployment rate for black women has reached as high as 16.4 percent.

Ensuring that COVID-related small business assistance reaches businesses with 10 or fewer employees will enable more businesses to remain open and more employees to return to work, especially in underserved communities. We appreciate your attention to this important matter and urge you to help make COVID-19-related assistance more accessible to the smallest businesses.
Sincerely,

Maria Cantwell
United States Senator

Mazie K. Hirono
United States Senator

Edward J. Markey
United States Senator