



Testimony in Support of An Act to Provide Emergency Access to Equity and Justice for All
(H.4634)

David A. Bryant
Director of Advocacy
to the
Joint Committee on Revenue

May 22, 2020

Chairman Cusack, Chairman Hinds, and members of the Joint Committee, on behalf of the members of the Massachusetts Association of Community Development Corporations (MACDC), I am testifying in support of An Act to Provide Emergency Access to Equity and Justice for All (H.4634), and we commend Rep. Liz Miranda and her colleagues for introducing and supporting this legislation.

MACDC represents all 60 state-certified CDCs in Massachusetts as well as 30 other nonprofit organizations that share our mission of expanding economic opportunity across the Commonwealth. Our members have long been engaged in addressing the need for affordable housing and small business technical assistance in communities across the commonwealth.

We are particularly focused on those small businesses that are most vulnerable during this economic crisis, including those from historically underserved communities, including African American, Latinx, Asian, people of color, immigrant, and women. We also see significant challenges for businesses located in rural towns, Gateway Cities, and other low-income communities. In the same way that long-standing health and economic disparities are causing the COVID-19 crisis to have a greater impact in communities of color and low-income communities, the economic challenges that we face today are having a disproportionate impact on those same communities. And to be clear, minority-owned businesses play a critical role in our economy: [according to the SBA](#), there are 125,988 such businesses in our state (SBA 2019 Small Business Profile for Massachusetts). Micro businesses are also critical to our economy with 500,000 people in Massachusetts working for a company with less than 20 employees.

We believe the time for robust state action is now. It has been one month since the economy was shut down and there is no end in sight – the economic crisis is reaching new levels of urgency every day. While the Federal CARES Act is providing significant assistance to our state, for many businesses the SBA programs will be too little too late. For others, the prospect of more debt, even potentially forgivable debt, is something they cannot or should not incur. Still others are unaware of the federal resources or simply ineligible. And perhaps

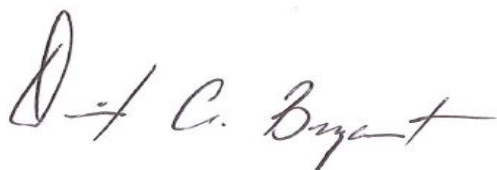
most troubling, the federal programs do not work well for businesses that have been completely closed, i.e. those with the greatest need. Rather, the programs mostly benefit companies with modest reductions in revenue and/or the ability to retain their workers in productive roles. Finally, many of our members are concerned that the program is perpetuating and potentially aggravating racial inequities in access to capital and wealth.

In summary:

- Small businesses are hurting, and the pain is going to last for many more months if not years;
- Federal assistance has been important, but it is not reaching everyone – especially micro enterprises and minority owned businesses;
- Massachusetts needs a comprehensive strategy that includes technical assistance, grants, and low-cost, patient loans;
- Grants are essential to cover fixed costs like rent, insurance, debt service, etc. and to buy the necessary equipment, materials and inventory needed to reopen;
- We support this bill because it provides a mechanism for much needed grants focused on smaller companies with 26 or fewer employees;
- We urge the legislature to move quickly before we start to see many small businesses close their doors for good.

MACDC supports H.4634 to meet these key challenges and ask the Committee for a favorable report.

Respectfully submitted,

A handwritten signature in black ink that reads "David A. Bryant". The signature is written in a cursive, flowing style.

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