



Testimony in Support of SB 1579: The Equity Investment Act
February 8, 2022

Chair Taylor, Vice Chair Knopp, and members of the Senate Labor and Business Committee,

Thank you for the opportunity to share support for SB 1579 on behalf of Oregon Small Business United (OSBU). OSBU was formed in 2020 to unite and amplify the voices of small businesses and the organizations that serve them, with a particular focus on entrepreneurship from individuals from rural, women, Black, Indigenous, and people of color (BIPOC) communities.

In the 2021 session, OSBU supported the Racial Justice Council economic subcommittee's work on access to capital through the passage of HB 2266, which established a loan loss reserve to increase access to capital for small business owners, in particular those in rural, women, veteran and BIPOC communities who are unable to access traditional lending. A \$10 million dollar investment was an incredible start at increasing access to capital but barely scratches the surface of the need.

The need is great: Communities most harmed by over-policing and the War on Drugs are caught in a multi-generational economic decline resulting from over-policing, imprisonment and a lifetime of limited opportunity in jobs, housing, access to capital and more. Black and brown business owners are undercapitalized and more vulnerable to economic shocks than non-minority owned businesses. During the Covid-19 pandemic there was a 41% decline in Black-owned businesses and 32% drop in Latinx business owners, while white entrepreneurs experienced only a 17% decline.

Passage of the Equity Investment Act is a key step in creating generational wealth equity in Oregon's most economically vulnerable communities. SB 1579 creates the Equity Investment Fund, which allocates \$50M to Business Oregon to provide grants to culturally-responsive, community-based organizations that support paths to homeownership, workforce development, and entrepreneurship. We strongly believe this is a critical investment for Oregon and will both strengthen and diversify our economy.

With the effects from the compounding crises of over-policing, COVID-19, rising household costs, and other economic strains, now more than ever, we must strengthen Oregon's future by investing in historically underserved communities. We urge your support of SB 1579.

Sincerely,

Chloe Becker
On behalf of Oregon Small Business United