

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-5481

AN ACT ESTABLISHING A GRANT PROGRAM FOR WOMEN AND MINORITY-

Title: OWNED BUSINESSES.

Vote Date: 3/22/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/16/2021

File No.: 334

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

HB 5481 will implement a grant to provide financial assistance for women and minority owned businesses to offset their economic losses, promote employment, and progress gender and racial equity going forward.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

CT Women's Education and Legal Fund (CWEALF) supports HB – 5481. They provide evidence demonstrating the negative impact from COVID-19 on these businesses. For example, black-owned businesses in 2020 experienced a 41% decline in economic activity while white-owned businesses experienced a 17% decline. Furthermore, 1.9 million of the 2 million Black-owned businesses in the United States do not have paid employees, and this bill will provide minority-owned companies in CT more funds to hire and retain employees. Also, women-owned businesses represent 42% of all businesses and are dominate in industries including healthcare, social services, educational services, and retail trade. These industries were the most impacted during the pandemic and thus need financial assistance. CWEALF believes HB – 5481 will provide economic recovery from COVID-19 and promote racial and gender equity.

The Hartford Foundation for Public Giving inspires to increase stable employment opportunities for adults and youth in region facing barriers to employment, particularly Black and Latinx residents. They believe that increasing capital access for Black and Latinx businesses will promote racial economic equity and expedite CT's recovery from the pandemic.

The Middle Sex County Chamber of Commerce requested the Connecticut General Assembly to support businesses impacted by the COVID-19 pandemic. They note the large impact on minority and women-owned businesses during the pandemic and thus support the implementation of HB – 5481.

Kelly McConney Moore, Interim Senior Policy Counsel for the American Civil Liberties Union of Connecticut (ACLU-CT), reviews the impact that COVID-19 had on minority and women-owned businesses. She states that providing access to capital for these businesses is a critical piece of pandemic recovery equity. She also emphasizes the definition of equity: giving individuals from oppressed backgrounds fair outcomes relative to the privileged.

Michelle Noehren, a resident of the town of Colchester, states that her town has over 30 woman-owned businesses. These businesses are essential to her town's character and community and have suffered greatly during the pandemic. She supports HB – 5481 to subsidize these businesses and stimulate CT's economy.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Jade Hardrick, Intern

Date: 4/6/21