

**February 4, 2021**

**Committee on Financial Services Hearing Entitled**

**"More Than a Shot in the Arm: The Need for Additional COVID-19 Stimulus"**

**Written Testimony of  
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Good morning, Chairwoman Waters and Ranking Member McHenry. Madam Chairwoman, thank you for the invitation to testify on the timely and important topic of the need for additional COVID-19 relief. I am excited about your leadership at this crucial time and look forward to working with you.

On behalf of the more than two million activists who make up the NAACP, I want to highlight some of the racial justice challenges faced by Black Americans and that have only been exacerbated by the COVID-19 pandemic. To be clear, this pandemic has been and continues to be an issue of life and death. Nowhere is that more evident than in the African-American community where one out of every 660 Blacks has been killed by COVID-19. In addition, the ongoing impact being borne by surviving family members, workers, educators, business owners and school-age children are significant. As a result, the NAACP has advocated for substantial changes to social safety net programs, robust testing and outreach, and the creation of new, targeted financial assistance for individuals and businesses.

Members of this panel have been instrumental working alongside the NAACP. In December, Rep. Pressley helped us make the case for cancelling student loan indebtedness. Congressional Black Caucus (CBC) Chairwoman and member of this Committee, Rep. Beatty has used her platform to amplify our calls for justice, equality and equity. Former CBC Chairman Cleaver has been sounding the alarm on testing and racial disparities. I would be remiss if I did not also acknowledge my mother's representative, from Detroit, Rep. Tlaib who continues to be a courageous truth-teller in this fight.

Turning to the call of this hearing, more than \$1.7 trillion of student loan indebtedness is currently being held. The NAACP believes this indebtedness should be cancelled and used as a stimulus for this lagging economy. These monthly payments could be directed toward savings or other spending that could boost GDP. Families from coast-to-coast, irrespective of geography, class or race would see a significant burden lifted. President Biden's recent announcements extending forbearance until the end of next month was a step in the right direction, but more is needed. Congress can help.

While some of the federal government's efforts have met with measured success during the pandemic, others leave much to be desired. The Paycheck Protection Program (PPP) struggled

to provide timely resources to small and Black-owned businesses while seemingly fast-tracking loans and grants to well-heeled corporations ten million dollars at a time. The banks that have been charged with processing PPP applications have cited technical errors with the web portal. Meanwhile, the self-employed were only allowed to participate in the program a week after other larger businesses had received the lion's share of available funding.

In Houston, our activists and local leaders have taken it upon themselves to stem the tide of pandemic evictions. Nationwide, when the NAACP leaned into the eviction and foreclosure crisis last year, we received more than 17,000 applications for assistance in the first two days. More than 37,000 families expressed need and interest in the eviction prevention tools we brought to the table. Similarly, 50,000 businesses expressed interest as the pandemic raged. These are folks who go to work every day to provide a quality of life for their families. They deserve an honest day's pay for an honest day's work. With the poverty guidelines suggesting that a family of four can survive off of \$26,501 with substantial government support, the NAACP believes it's past time that Congress increased the federal minimum wage to an inflation-indexed \$20 per hour. This would give poor folks who go to work every day a fighting chance.

Throughout this pandemic, COVID-19 testing in medically underserved communities – primarily poor and majority Black – has been woeful. Equitable vaccine distribution has been elusive in Miami-Dade County. In Georgia, corrections agencies are turning a blind eye as the pandemic ravages those entrusted to their care. In this most recent phase of the pandemic when many are turning their attention to the FDA-approved vaccines, the systemic and persistent issues of health and health care disparities, lack of education and outreach, and justified mistrust have hampered efforts to more fully include all Americans in what could be the last front of this COVID-19 war.

These are some of the reasons why the NAACP's 2,200 local chapters have been engaged at historic levels. Few times in our 112-year history have required the creativity, resourcefulness, diligence and mobilization of the last eleven months. We have forged stronger relationships with partner organizations, including many that have been on the frontlines of these fights for justice and equality for decades. Now, we find ourselves at a critical juncture.

Our nation is undergoing a racial justice crisis unparalleled in the modern era. Three powerful forces have elevated the urgency and necessity of eliminating systemic inequity: a pandemic that has hit communities of color the hardest; an escalation of police violence against Black people; and four years of a presidency rooted in white supremacy and bigotry that culminated in an insurrection against this very body, the United States Congress. We cannot afford a siloed or piecemeal approach to racial justice. To fully address the significance and impact of this national crisis, we must look beyond traditional governmental structures and tools to fulfill this mandate. This requires leadership at the highest level of government to focus exclusively on racial justice.

The work of this Committee will be instrumental. A systemic review and analysis of federal agencies under your purview is required to identify how the government itself is reinforcing institutional barriers that perpetuate racial inequality and impede progress toward meaningful equal opportunity for all. This would include a review of agency roles in creating and maintaining disparities, segregation, and discrimination and would involve evaluating current agency structures and programs to identify those components that still obstruct racial justice and those that can be better utilized to promote equity. Increasing funding for minority-serving CDFIs and strengthening the CFPB are among the top priorities for the NAACP. Racial barriers continue to stymie our collective advancement. The need for a strengthened Community Reinvestment Act and targeted funding for minority-serving financial institutions require this Committee's attention. This is the time to develop action plans for reducing and eliminating identified institutional barriers and to coordinate actions among cabinet members to enact comprehensive and sustainable changes across agencies to reduce racial disparities. The future of our nation depends on these comprehensive, systemic, and interlocking solutions for addressing racial justice and healing the "soul of our nation."

Thank you, and I look forward to your questions.