



President Donald Trump
Senate Majority Leader Mitch McConnell
House Speaker Nancy Pelosi

April 8, 2020

More Aid for Small Businesses in the Insights Industry

Dear President Trump, Leader McConnell, and Speaker Pelosi,

I am writing to urge you to extend funding for the small business loan programs authorized and funded by the CARES Act on March 27, 2020 before it runs out, and ensure that small businesses with equity investors, especially those with minority investments, will be able to access those loans.

As CEO of the leading nonprofit trade association representing the marketing research and data analytics industry,¹ I appreciate your continued support for America's small businesses, including many of our members, suffering from the impact of the current crisis, and for approving the new forgivable small business loan programs, as requested in my prior letter on March 24, 2020.²

¹ Our \$35 billion industry in the United States includes qualitative research, quantitative research, and data analytics. Both the private and public sectors rely upon the insights generated by our work. We are the world's leading producers of intelligence, analytics and insights defining the needs, attitudes and behaviors of consumers, organizations, employees, students and citizens. With that essential understanding, leaders can make intelligent decisions and deploy strategies and tactics to build trust, inspire innovation, realize the full potential of individuals and teams, and successfully create and promote products, services and ideas.

² The U.S. Marketing Research and Data Analytics Industry and COVID-19. March 24, 2020
https://www.insightsassociation.org/sites/default/files/misc_files/insights_association_letter_to_the_administration_and_congress_3-24-20.pdf

As we talk to our members, many report that clients (representing both large and small businesses, for-profit and non-profit, who are feeling the impact of the economic shutdown) have already stopped commissioning new projects or have cancelled programs already purchased (for some of which our member firms have already outlaid substantial money for startup costs).

Further, most in-person insights business locations have been forced to shut their doors and cease operations, particularly many qualitative focus group facilities and telephone call centers. While a lot of marketing research and data analytics operations can be transitioned to function remotely, nowhere near all of them can.

With reports indicating that the SBA loan programs will soon run out of funding because of their general effectiveness in delivering necessary loans, Congress will need to shore up the loan programs' financing with an influx of emergency appropriations.

In addition, the insights industry is concerned that small businesses in our industry with minority equity investments will be prevented or deterred from accessing these programs because of SBA's current "affiliation rules," causing more layoffs and more business failures in the insights industry. As we told the Treasury Secretary and SBA Administrator on April 2, 2020,³ the SBA's affiliation rules include a rebuttable presumption that many companies with minority investors are deemed to be controlled by those investors (which is often particularly untrue for venture capital-backed companies who receive minority investments). If the applicant cannot effectively rebut that presumption, the company must include in their count of employees all of the other jobs at other completely unrelated businesses in which their own investors are also invested.

This is not just an issue for a handful of Silicon Valley startups or Wall Street. The insights industry and our workforce are spread across the United States, primarily in small businesses. Nearly \$3 billion a year in the U.S. insights

³ IA letter to Treasury and SBA. April 2, 2020.

https://www.insightsassociation.org/sites/default/files/misc_files/ia_letter_to_treasury-sba_on_vc_biz_access_to_loans_4-2-20.pdf

industry comes from venture capital investments, and another \$5 billion or so a year from private equity funding.⁴

Our American industry is the most successful insights market in the world, representing almost half of all global marketing research and data analytics. We generate more research revenue than any other country in our field, but the pandemic-spawned economic crisis severely threatens that standing. How you respond will help determine the standing of our industry and the survival of many of our businesses and professionals in the coming days and months (and, hopefully, years).

Thank you for your urgent consideration of the Insights Association's request for shoring up the funding for these small business loan programs and ensuring that small businesses in the marketing research and data analytics industry with minority equity investments won't be prevented from access by the SBA affiliation rules.

Sincerely,

Melanie Courtright

Chief Executive Officer

Insights Association

⁴ "The 2019 Cambiar Capital Funding Index Report." January, 2020.