



April 14, 2020

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Chairman Powell,

On behalf of the membership of Financial Executives International (FEI), I write to urge you to include all 501(c) organizations, including 501(c)(6) trade and professional associations, in the Main Street Lending program that was created by the CARES Act. While the CARES Act did include funds for 501(c)(3) nonprofit organizations through expanded Small Business Administration loans, it did not provide relief for all other 501(c) organizations, including 501(c)(6) trade and professional associations.

FEI is a professional association representing the interests of more than 10,000 chief financial officers, treasurers, controllers, chief tax officers and other senior financial executives from over 8,000 companies throughout the United States. Like many businesses including 501(c) organizations, FEI has been impacted by the COVID-19 pandemic. Associations – large and small – face severe layoffs and the threat of bankruptcy during this crisis. Without any fault of their own, associations lose their ability to provide for constituents and employees due to lost production and lost revenues on account of massive event cancellations.

Associations of all sizes, varied functions and disparate industries comprise Section 501(c)(6). More than 62,000 associations across the country play an important role to train America's workforce, create industry and professional standards, and disseminate essential information and resources to people in need – particularly during times of crisis. These organizations are already relied upon to help coordinate federal resources to combat the coronavirus pandemic, and they require staff to fulfill this duty. Associations now face, however, unprecedented financial losses from event cancellations. Most associations also anticipate further losses in dues revenues, as members address their own economically precarious circumstances by cutting expenses, including association membership. Without support, Section 501(c)(6) organizations will be unable to continue to provide the services on which so many rely. Meeting cancellations alone have dealt a staggering blow to associations. According to the Professional Convention Management Association, conferences and events account for roughly 35 percent of total annual revenue for associations. And according to a recent survey conducted by the American Society of Association Executives (ASAE) Research Foundation:

- 29% of respondents face \$100,001-\$500,000 in current and projected losses due to cancellations;
- 16% face \$501,000-\$1,000,000 in current and projected losses;
- 10% face more than \$1,000,000 in current and projected losses;
- 12% have partial insurance coverage for cancellations; and
- 52% have zero insurance coverage for cancellations.

Section 501(c) organizations play an important role in training America's workforce, creating industry and professional standards, and disseminating essential information and resources to people in need, particularly during times of crisis. Associations and Section 501(c) organizations are already needed to help coordinate federal resources, and they require staff to fulfill this duty. Without support, however, and due to unprecedented financial loss from event cancellations, associations will be unable to meet this critical obligation.

To ensure all Section 501(c) organizations are included in crucial stimulus funding to combat COVID-19, we request that you include them in the Main Street Lending Program. Without this financial support, innumerable associations and other Section 501(c) organizations will fail.

Thank you for your consideration and continued support of our country during this challenging time. If you have questions regarding this urgent request for critically needed support for the association sector, please contact me at andrej@financialexecutives.org or (973) 765-1001.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrej Suskavcevic". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Andrej Suskavcevic
President & CEO