

March 27, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington DC 20515

Dear Speaker Pelosi and Republican Leader McCarthy:

On behalf of the International Franchise Association (IFA), the world's oldest and largest organization representing franchising worldwide, I write on behalf of the nation's franchising community, which is comprised of over 733,000 establishments that employ over 7 million individuals and contribute \$674.4 billion of economic output to the U.S. economy. IFA supports the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) and urges the U.S. House of Representatives to swiftly pass this legislation to start providing immediate relief and liquidity to the nation's small businesses.

The American franchise sector, largely in the hospitality, restaurant, and business and personal service sectors, have been among the hardest-hit by the current COVID-19 coronavirus crisis. This crisis has led to operations ceasing altogether or reducing significantly for nearly all these businesses, imperiling the jobs of nearly 8 million Americans. Without this significant and immediate action in the form of direct federal aid, zero interest loan guarantees and tax credits to keep employees on payrolls, we estimate that 30,000 franchise owners may permanently close their businesses in the next 45 days, causing approximately 330,000 job losses in franchise community alone. In the next four months, we estimate that more than four million franchise workers will be without work, whether through layoffs or business closures.

We additionally urge you to carefully consider the practical impact of the expanded Unemployment Insurance provisions in the CARES Act, which provide an additional \$600 per week to workers, even if they voluntarily quit their jobs. Some small business employers are especially concerned that this provision will incentivize workers to either not come back to work when able or abandon their current employment. IFA stands ready to work with you to ensure that the government's zeal to keep workers afloat does not come at the cost of franchise businesses.

The measure of the success of the CARES Act will ultimately be its ability to quickly deliver resources to those in need. Approving this legislation and getting relief to Americans should be our government's highest priority. While the cost of this legislation is high, the cost of inaction will be higher. It is likely that additional legislation will be needed in the coming weeks to support America's 733,000 franchise businesses and their nearly 8 million workers. On behalf of our member brands, our franchise businesses - and most importantly - franchise employees and their families, we urge the U.S. House of Representatives to enact this big, bold, and bipartisan bill. Thank you for considering our views.

Sincerely,



Matt Haller  
Senior Vice President of Government Relations & Public Affairs  
International Franchise Association