April 2, 2020

Illinois Delegation Members of Congress

RE: Illinois and Chicago Trade Associations and 501(c)(6) Need Federal Emergency Relief to Survive Coronavirus Impact

Dear Member of Congress:

The undersigned, members of the Association Forum (FORUM) which represent nearly 1,700 Chicagoland’s trade associations and its 47,000 employees, urge you to support efforts of the American Society of Association Executives (ASAE) to include additional, direct emergency support in the next coronavirus aid package for Internal Revenue Code Section (Section) 501(c)(6) organizations, such as trade and professional associations.

These organizations serve 29 million individual members, that could fill Soldier Field nearly 240 times and have nearly 2 million volunteers to support Chicagoland association efforts.

To help mitigate the coronavirus pandemic’s harmful impact on our sector, we request $25 billion in aid for associations that face financial losses from cancelled conferences and events; eligibility for associations to access small business interruption loans that prevent layoffs and continue to pay employees; and a pandemic risk insurance program to create a federal backstop for prospective insurance claims related to a pandemic or epidemic.

Our community is extremely grateful the Administration and Congress took swift action to help businesses, nonprofits and millions of Americans withstand the coronavirus pandemic, which jeopardizes our collective livelihood, welfare and safety. Provisions within the Coronavirus Aid, Relief and Economic Security (CARES) Act will prove vital to help stabilize our economy and keep Americans safe. We are especially thankful significant relief is provided to Section 501(c)(3) charitable nonprofit organizations through the Paycheck Protection Program (CARES Act; Section 1102), an expanded charitable giving incentive (Section 2205) and the employer payroll tax deferment (Section 2302), among others.

The CARES Act does not, however, provide enough and critically needed emergency funds to trade and professional associations in desperate need of support. Section 501(c)(6) organizations can indeed access certain aid through an employee retention tax credit (Section 2301), and the Small Business Administration is accepting applications from 501(c)(6) organizations for expanded Economic Injury Disaster Loans (EIDL; Section 1110). While helpful, it will be challenging for members of our community to qualify for aid – particularly through Section 2301 – and secure the funds they need to avoid bankruptcy. Moreover, statutory language for EIDLs is unclear in exactly how it treats trade and professional associations. Regardless, because of the level of urgency for our members, the FORUM has asked its members to apply for these critical funds.
We are also alarmed that trade and professional associations were seemingly removed from a previous draft of the CARES Act in which they had access to the Paycheck Protection Program. Countless associations are in dire need of these funds for their economic survival – and their members now, more than ever, rely on associations for critical support during these unprecedented times. We remain the central access point for information, advocacy and education in these turbulent times.

The story gets worse. 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.

We are expecting reduced membership and stunted programming, among other significant issues, compound this potentially catastrophic situation for associations. To help mitigate the coronavirus pandemic’s devastating impact on our economy and safety, we support and reiterate ASAE’s call for emergency aid to the association community, as follows:

1. Provide $25 billion in immediate capital assistance to trade and professional associations;
2. Include 501(c)(6) organizations in the Paycheck Protection Program or similar Small Business Administration loan expansions; and
3. Create a pandemic risk insurance program with a federal backstop for prospective insurance claims related to a pandemic or epidemic.

We are one community. As hard as travel, tourism and hospitality have been hit in Chicagoland, it is the Association industry which has been one of the largest buyers of rooms in hotels, flights on planes, reservations in restaurants and sales taxes in Chicagoland retail stores. Association Forum is a member of the US Travel Association and support its advocacy for support of the industry as we are all working together. We need relief so our members and our staffs can fill the rooms, planes and restaurants as well as shop in local retail. Please heed our call for help at this critical moment.

Thank you for your consideration and continued support of our country during this challenging time. We stand ready as always to provide help, education and information to you and your staff on the plight of associations in the wake of this devastating pandemic. If you have questions regarding any aspect of this urgent request for critically needed support for the Chicagoland association sector, please me at (312) 924-7070 or mason@associationforum.org, or Brian A. Bernardoni at babernardoni@aureliuspa.com or 312.731.1407.

Regards,

Michelle Mason, FASAE, CAE
President and CEO
Association Forum
Signatories listed below carbon copy line.