



Response by the Chamber of Progress
March 15, 2022 Request for Information:
To the Select Committee on Economic Disparity and Fairness in Growth
On Solving the Prosperity Gap Between Wealthy Americans and Everyone Else

March 15, 2022

The Honorable Jim Himes
Chairman
House Select Committee on
Economic Disparity and Fairness
in Growth
3470 O'Neill House Office Building
Washington, DC 20024

The Honorable Bryan Steil
Ranking Member
House Select Committee on
Economic Disparity and Fairness
in Growth
3470 O'Neill House Office Building
Washington, DC 20024

Dear Chairman Himes and Ranking Member Steil:

Chamber of Progress appreciates the opportunity to respond to the March 15, 2022, Request for Information by the Select Committee on Economic Disparity and Fairness in Growth ("Select Committee") regarding policy recommendations for solving the wealth gap. Chamber of Progress is a progressive technology industry association fighting for public policies to build a fairer, more inclusive, and thriving American economy.

Technology benefits all Americans and plays a critical role in reducing income inequality. Public policy that supports an evolving workplace and fosters technological innovation are vital for successfully closing the wealth gap in America. The Select Committee can improve upon the wealth disparities that have slowed our economy by encouraging congressional action that facilitates technological innovation and establishes relevant social benefit programs. Chamber of Progress encourages the Select Committee to make policy recommendations in the following areas: job training programs, portable benefits, and financial technology innovation.

Creating Job Training Programs for Evolving Industries

Increased use of artificial intelligence (AI) is changing the landscape of the U.S. job market. We support federally funded education and job retraining programs to ensure Americans are ready for the jobs of the future.

One evolving industry that has deployed creative tech engineering is autonomous vehicles (AVs).¹ Congress must lay the foundation for ensuring today's workers will thrive in the future trucking and transit industries. Federally funded job transition programs will enable workers to find gainful work and support incumbent workers looking to continue their education within an industry. The AV industry's education and

¹ https://www.rand.org/content/dam/rand/pubs/research_reports/RR400/RR443-2/RAND_RR443-2.pdf

job retraining programs can serve as a model for successful retraining in other industries impacted by AI.

Establishing Portable Benefits for an Evolving Workplace

Workers in the internet age have come to expect flexible work options. Flexible work options ensured America could financially survive the pandemic.² Congress should continue to explore policies that facilitate flexible work. For example, the rise of the gig economy illustrates the need to move away from outdated norms of employment. These jobs create flexible work options that traditional employment fails to provide.³

However, flexible work should not foreclose access to strong benefits. Many individuals pursue gig work because it allows them to work when and how they want. This has become especially important to parents transitioning to part-time work post-pandemic. The creation of portable benefits programs can benefit every working American, regardless of circumstance.

Portable benefits would provide workers with access to benefits historically only offered to full-time employees. The U.S. Department of Labor can incentivize local government and nonprofit organizations to implement portable benefits programs by providing grant opportunities.⁴

Fostering Robust Opportunities for Financial Technology Innovation

Financial insecurity profoundly impacts the lives of Americans and studies consistently illustrate how minority communities disproportionately bear this burden.⁵ Historically, traditional finance systems have excluded people of color, women, and low-income workers.

The rise of consumer banking has allowed for increased financial inclusion but severe gaps remain. Financial technology innovation can provide financial services to those left out by the traditional system. Some of these services include “buy now pay later” (BNPL), cryptocurrency, security deposit insurance for home rentals, and earned wage access – an improvement upon traditional payday lending services

For those who have been shut out of the traditional finance system or denied credit, “buy now pay later” services can provide liquidity access to families who previously relied on predatory payday lending businesses. Many families have immediate needs that must be met, such as paying rent or buying groceries, but will not receive a paycheck until later in the month. “Buy now pay later” services utilize new software applications that provide families with access to funds for daily necessities.

Further, the proliferation of cryptocurrencies have bridged a gap for the unbanked

² <https://www.forbes.com/sites/rebeccahenderson/2020/12/10/how-covid-19-has-transformed-the-gig-economy/?sh=95c48076c99f>

³ <https://mitsloan.mit.edu/ideas-made-to-matter/how-gig-economy-can-reduce-unemployment-and-debt>

⁴ <https://www.ncsl.org/research/labor-and-employment/portable-benefits-for-gig-workers.aspx>

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<https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>

whose needs were unmet by traditional financial services.⁶ Increased transparency and accountability in the emerging crypto economy will ensure the American people can reap the benefits of these technologies.

Tools like security deposit insurance can be utilized to increase access to rental housing. The inescapable rise of housing costs has exacerbated homelessness nationwide and novel financial technologies can help bridge the liquidity gap for families and individuals looking for affordable housing.

Additionally, financial software applications that allow families to access earned wages from their phone or computer improve upon the traditional payday lending model. Mobile technologies that provide workers earned wage access online increase access to financial services previously only available to consumers at physical retail locations. These new earned wage access models utilize cost-saving technologies and offer advantageous repayments plans. These competitive advantages provided to consumers should be encouraged by the Select Committee's policy recommendations.

Thank you for your leadership and for this opportunity to submit a response to the Select Committee's Request for Information. As Americans seek to build individual wealth and reap the benefits of the American economy, lawmakers need to increase the available technological solutions to address income disparities.

Sincerely,



Koustubh "K.J." Bagchi
Senior Director, Federal Public Policy

⁶ <https://cointelegraph.com/defi-101/banking-the-unbanked-how-defi-can-help-the-low-income-population>