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March 20, 2020

The President
The White House
Washington, DC

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

Re: Stimulus Proposal from the Direct Selling Association

Dear Mr. President, Speaker Pelosi, and Majority Leader McConnell,

The Direct Selling Association (“DSA”) appreciates the work already done to ensure individuals who run their own businesses are included in stimulus conversations. Our hope is this can continue with targeted relief for direct sellers whose businesses are dependent on in-person interactions.

DSA is the national trade association for companies that sell their products and services directly to consumers through an independent, entrepreneurial salesforce. In 2018, direct selling generated \$35.4 billion in retail sales. More than six million entrepreneurs in the United States sold products or services through the direct selling channel, providing a personalized buying experience for more than 36.6 million customers.

Individuals selling for direct selling companies are independent contractors – 90% sell on a part-time basis to their neighbors, relatives, and friends to supplement their family income, while 75% of the sales channels are women. They like the freedom and flexibility to build businesses on their own terms. Their direct selling activities are generally neither extensive nor sophisticated. Direct sellers are quintessential micro-entrepreneurs.

Direct sellers, especially those reliant on face to face interactions and home parties could be negatively impacted by required health measures limiting face to face interactions. The business provides an ideal platform for person-to-person marketing, and at the same time is flexible. People can work independently selling products and services they know and love from the comfort of their home.

While they can also leverage digital tools to enhance productivity and support their customers, it

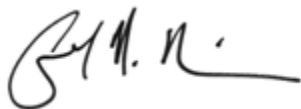
may not be the same as in-person interactions.

We are aware of conversations regarding direct payments to taxpayers based on income and family size. This is an important first step in providing direct stimulus to Americans. As a next step, we advocate for the pointed consideration of individuals who choose the freedom and flexibility to run their own businesses.

So these small business owners can be protected in a time of economic uncertainty, DSA encourages Congress to include in any stimulus package a one-time check for \$5,000 to all individuals who filed a 1099-MISC with the Internal Revenue Service last year so long as their household income is less than \$75,000. Additionally, small business owners earning less than \$500,000 in annual revenue should be entitled to this same benefit.

We welcome any conversations with you and your staff, and commit to partnering with your offices to support our companies and the independent contractor salesforce who make the business model successful.

Sincerely,

A handwritten signature in black ink, appearing to read "J. N. Mariano". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joseph N. Mariano
President
Direct Selling Association