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Written Testimony for Committee Hearing on District's Unemployment Compensation Program During the COVID-19 Pandemic and B23-500, the Unemployment Compensation Employer Classification Amendment Act of 2019

Hearing September 16, 2020
Submitted September 15, 2020

First and foremost, I want to thank the Chairperson and her office for their responsiveness and compassion as I frantically reached out for answers when the pandemic hit -- and thank the committee for the opportunity to testify about the Freelance unemployment experience today. My name is Lisa Kaneff and I am the founder of Freelance DC, a community of 2,600 members, with half living in the District itself.

Freelancers felt the economic impact of the pandemic uniquely. Contracts were quickly dropped and scopes were scaled way back. If our clients couldn't do their work, we couldn't do ours. But unlike traditional employees, we didn't have a company's HR department to guide us through the unemployment process -- and we didn't know if we'd be eligible for unemployment at all. What we knew for certain was our quarterly estimated taxes were due. Our tax revenue was too important to the city to lose, we heard, but not important enough to be included in the rollout of PUA.

In some ways, I get why it took longer. We don't work like everyone else. And we haven't had unemployment available to us like everyone else. Unfortunately, my community was panicking with nowhere to turn but to each other. The posts, comments, and conversations began flying around the community. Over time, we learned that we would be included in pandemic relief. We also learned the system was ill-equipped to handle the nuances of freelance work.

First, we'd have to apply for traditional unemployment, get rejected, and then apply for pandemic relief. That in and of itself was confusing because freelancers have never been eligible for unemployment and would of course be rejected.

Then, on the application forms for PUA, freelancers are asked to report their earnings for the past year, presumably to understand how this year's income would align, but our income isn't the same year over year and it doesn't come in evenly throughout the year; there are natural ebbs and flows.

But weekly Continued Claim forms are where we'd run into the biggest problems. Of the ten questions, one of the most important questions simply doesn't make sense for freelancers: **Did you perform work during the week claimed?**

The question per se is easy enough to answer. Except when filling out the forms, the work we perform and the associated revenue is expected to be calculated based on an hourly rate multiplied by hours worked. This is critical to understand: Not every freelancer works hourly and

it's simply an impossible calculation to make -- even for those who do. That's because we have varying and ever-changing rates, multiple clients, and, critically, non-billable work to support our business. This alone is a huge roadblock to freelancers successfully and accurately applying for relief.

On the forms, the penalties for making an error are crystal clear. I can tell you that there are freelancers who are worried they filled out their forms wrong and their unemployment is being underpaid. But they are afraid to speak out because they don't want to lose the money they are getting. PUA is a lifeline and it's just not worth the risk to them.

I am privileged. I did not need to request unemployment. I got by. But because of that privilege, and as leader of a growing community of freelancers, I felt responsible to help our members get the answers they were missing so they could get paid. So, I pulled together webinars, roundtables, and other resources to give them a fighting chance. Again, Councilmember Silverman's office was instrumental in those efforts and I thank you profusely. It was the single greatest hope we had -- that an official knew we as a community existed and that we were struggling. Though, to this day, many are stuck in limbo. They have no idea if their applications were even reviewed.

There is a clear need for the District to pay special attention to freelancers and to clarify the unemployment process for those who are self-employed. Today, I hope, is the first step.

On August 5th, an article was posted on [DC Measured](#), a research publication from the District of Columbia's Office of Revenue Analysis, entitled, "The Mystery of the District's Self-Employed." The author, Susan Steward, tried to quantify the scale of self-employed professionals in our city and even she found it challenging. There's simply no good single source of data. But here's what she did find: As of 2017, 54,965 establishments within the District were registered as self-employed which amounts to 70 percent of all establishments.

That's a lot of businesses, and they are a lot of voters. Which is why DC's Self Employed should not be a mystery. We are a critical piece of the vibrancy of our city. We are consultants and creatives. We are hairstylists and interior designers. We build websites and build movements. And yes, we get your groceries and drive you around town. Most importantly, we contribute to the city's bottom line.

DC is ripe for a buzzing, thriving freelance community. But the city simply does not have the tools needed to meaningfully reach or engage us. As we move into the next phase of the economic recovery and even further, I invite the Council to reach out and work with us to identify areas of concern and opportunity early in the process.

Esteemed Councilmembers, thank you for the time today, thank you for your hard work, and I look forward to your questions.

Respectfully Submitted,

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