

October 13, 2020

An Open Letter from San Francisco Businesses in Support of Prop 16

The San Francisco Chamber of Commerce and our members believe in building an inclusive economy that values equity and diversity — values we believe the state of California shares. This election, California has the opportunity to make real progress toward advancing that objective with Proposition 16.

Our businesses can only succeed when our communities of color succeed. Equity and a strong economy go hand-in-hand. As the state recovers from the economic impacts of the COVID-19 pandemic, we need to invest in solutions that will help businesses not only rebuild but for the future. Proposition 16 is such a solution.

Since 1996, California has had a ban on affirmative action in public education, public employment, and public contracting. This has increased racial and gender inequality in public higher education and employment. According to [research](#) from the University of California, Proposition 209 caused a 12 percent decline in systemwide enrollment of underrepresented students and eventually led to those underrepresented students earning 5 percent less on average in annual wages.

Our systems of higher education do not accurately reflect the demographics of our state. The Latinx community makes up over half of California's public school students, but historically it has made up just 22 percent of the University of California's undergraduate students.

Affirmative action is essential to combat the systemic racism entrenched in our country and state. We need affirmative action to fight discrimination, level the playing field, and increase our workforce diversity. A recent Citigroup [report](#) found that America's economic health could have accelerated by \$16 trillion in additional growth if not for structural inequities and barriers to education, housing access, wages and business investment between Black and White Americans over the past 20 years. Compounding these shortcomings with a less diversified talent pipeline not only inhibits lifting up the collective prospects of our neighborhoods, but it also cedes novel innovation, small business growth, and GDP to our competitors around the globe as they prioritize diverse representation as an economic engine.

When Proposition 209 passed in 1996, state and local governments were forced to abandon preferential procurement programs designed to increase public contracting participation for women and minority owned businesses. As a result, these businesses lost an estimated \$1 billion a year in revenue. There's an immense societal benefit to supporting entrepreneurship within underrepresented communities, where women and minority owned businesses often lack access to capital and business connections. Financial success and durable educational opportunities are key ingredients to countering systemic discrimination, and Proposition 16 will create greater economic opportunity in the public sector for California's diverse small business owners.

California is one of only nine states in the U.S. that bans affirmative action, still accepting old, and unfounded, misconceptions about affirmative action. The Supreme Court has ruled that racial quotas are unconstitutional. Proposition 16 will not lead to quotas, but it will pave the way for women and people of color to equally compete for government contracts, provide equal opportunity for all in education and work, and continue to diversify the California workforce so that it reflects our state's demographics.



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This is an issue of equity, opportunity, and shared prosperity. As advocates for the California economy, dedicated to expanding the state's global prowess and growing innovation and entrepreneurship in San Francisco and beyond, we strongly encourage all voters to vote 'yes' on Proposition 16.

Sincerely,



Rodney Fong
CEO & President
San Francisco Chamber of Commerce





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