

August 2, 2021

Senator \_\_\_\_\_  
U.S. Senate  
Washington, DC 20510

Dear Senator:

We write you in strong support of Amendment #2163, which would codify the Minority Business Development Agency (MBDA) at the Department of Commerce. As the leaders in the small business and minority business communities, we hope our unified support represented by the signatures below will urge your fellow Senators to include this language in the Infrastructure Investment and Jobs Act. **We urge you to support this Amendment.**

The link between infrastructure, revitalized manufacturing, and technical assistance to the minority entrepreneur community cannot be overstated, and we strongly encourage building a strong national support system through MBDA to ensure minority participation in infrastructure investment.

This amendment, which is based on the bipartisan *Minority Business Development Act of 2021*, will support the expansion of Minority-owned Business Enterprises (MBEs) and bolster the country's economy. Moreover, it will ensure that the infrastructure investments made in the legislation can utilize and support America's minority-owned businesses.

Prior to the Coronavirus pandemic, MBEs consisted of 30 percent of the country's 28.6 million small businesses<sup>1</sup>, contributed nearly \$1.5 trillion in annual gross receipts and employed over 7.2 million Americans.<sup>2</sup> Despite these significant figures, MBEs stand disproportionately disadvantaged as evidenced by challenges with access to capital and collateral, lower credit scores, and less access to technical assistance services.<sup>3</sup>

Created under President Nixon by executive order, the MBDA has been a significant resource in reducing market and capital access challenges while growing the number of MBEs. In 2020 alone, the MBDA assisted MBES in attaining over \$7.8 billion in contracts and capital, with 10% of contracts made in the manufacturing sector and another 15% made in the utility and construction sector.<sup>4</sup> Overall, the MBDA assisted MBEs at the height of the pandemic to retain or create over 27,000 jobs.

Despite MBDA's progress, the pandemic's economic downturn has amplified the need to invest in services for underserved and minority small business owners – particularly those within Women, People of Color, and Tribal markets. MBEs overwhelmingly are concentrated in industries that remain susceptible to

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<sup>1</sup> Frequently Asked Questions. U.S. Small Business Administration Office of Advocacy.

<https://www.sba.gov/sites/default/files/advocacy/Frequently-Asked-Questions-Small-Business-2018.pdf>.

<sup>2</sup> Infographic: Impact of Minority Businesses on the U.S. Economy. Minority Business Development Agency.

<https://www.mbda.gov/page/infographic-impact-minority-businesses-us-economy>. Published: 4/19/2017.

<sup>3</sup> Exploring Challenges and Opportunities for Minority Business Owners in 2019. Benetrends Financial.

<https://content.benetrends.com/blog/exploring-challenges-and-opportunities-for-minority-business-owners-in-2019>.

<sup>4</sup> Annual Performance Summary: Fiscal Year 2020. Minority Business Development Agency. [MBDA FY 2020 APR Summary 042121.pdf](#). Accessed: 8/2/2021.

economic disruption, such as personal and laundry services, and retail.<sup>5</sup> As the nation experiences a resurgence of Coronavirus cases, these fragile markets face near-fatal consequences.<sup>6</sup>

We urge lawmakers to support this amendment as it will strengthen and establish the MBDA into federal statute. This critical proposal, introduced by Senator Ben Cardin (D- MD), would increase MBDA's fiscal year 2021 budget to further safeguard MBEs from the devastating inequities brought on by the health crisis and promote a diverse entrepreneurial pipeline by establishing a process for the Minority Business Development Center Program to expand its regional coverage to reach MBEs in rural areas.

During this time of economic emergency, we believe now is the time for Congress to pass equitable and targeted legislation that will benefit underserved and rural markets and encourage underserved and rural markets enterprise formation. This amendment achieves that while strengthening the infrastructure package more broadly.

We commend your work on ensuring that all small businesses receive the resources necessary to withstand the current economic downturn, as well as grow now and into the future. We urge you to reach out directly to John Stanford (js@prismgroup.global) with any questions or comments.

Thank you for your consideration.

Airport Minority Advisory Council (AMAC)  
Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)  
Association for Enterprise Opportunity (AEO)  
Association of Women's Business Centers (AWBC)  
Gusto  
Local Initiatives Support Corporation (LISC)  
National Association of Latino Community Asset Builders (NALCAB)  
NextGen Chamber of Commerce  
Pacific Community Ventures  
Page 30 Coalition  
Prosperity Now  
Small Business Majority  
Small Business Roundtable  
US Black Chambers, Inc.  
US Hispanic Chamber of Commerce  
Virginia Asian Chamber of Commerce  
Women Impacting Public Policy (WIPP)

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<sup>5</sup> COVID-19's effect on minority-owned small businesses in the United States. McKinsey & Company. <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states#>. Published 5/27/20.

<sup>6</sup> Coronavirus Resurgence Threatens Recovery. Politico Morning Money. <https://www.politico.com/newsletters/morning-money/2020/06/29/coronavirus-resurgence-threatens-recovery-788857>