



U.S. BLACK CHAMBERS, INC.

The National Voice of Black Business

**Not affiliated with the National Black Chamber of Commerce*

April 22, 2022

The Honorable Patrick Leahy
Chairman
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Jeanne Shaheen
Chairwoman
Senate Committee on Appropriations
Subcommittee on Commerce, Justice,
Science, and Related Agencies
Washington, DC 20510

The Honorable Rosa DeLauro
Chairwoman
House Committee on Appropriations
Washington, DC 20515

The Honorable Matt Cartwright
Chairman
House Committee on Appropriations
Subcommittee on Commerce, Justice,
Science, and Related Agencies
Washington, DC 20515

The Honorable Richard Shelby
Ranking Member
Senate Committee on
Appropriations
Washington, DC 20510

The Honorable Robert Aderholt
Ranking Member
Senate Committee on
Appropriations
Subcommittee on Commerce,
Justice, Science, and Related

The Honorable Kay Granger
Ranking Member
House Committee on Appropriations
Washington, DC 20515

The Honorable Robert Aderholt
Ranking Member
House Committee on Appropriations
Subcommittee on Commerce,
Justice, Science, and Related
Agencies

Dear Chairman Leahy, Ranking Member Shelby, Chairwoman Shaheen, Ranking Member Aderholt, Chairwoman DeLauro, Ranking Member Granger, Chairman Quigley, and Ranking Member Womack:

We the undersigned, write to you on behalf of the U.S. Black Chambers, Inc. (USBC), which consists of 152 member Chambers of Commerce and affiliated Business Associations in 43 states, representing 380,000 businesses nationwide. On behalf of the USBC and its members, we write to request that appropriators fund the Minority Business Development Agency (MBDA) under the Department of Commerce, with \$110M in annual funding for FY23, as authorized in statute by the *Infrastructure Investment and Jobs Act*, passed last year.

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The U.S. Black Chambers has remained a vocal, long-standing advocate for the Minority Business Development Agency prior to its current, newly codified status as a permanent agency. The USBC recognizes the MBDA as an agency that fills a blaring gap in the market for Black businesses, providing them with access to capital, access to export opportunities, access to procurement training, and access to its expansive business center network across the country that fosters new business creation and growth. The MBDA also provides targeted technical assistance to Black startups and supports new business creation by helping entrepreneurs navigate regulatory challenges respective to their industry. As Black business ownership continues to rebound following the COVID-19 pandemic, increased support for the MBDA in FY23 is paramount to a robust, thriving, Black entrepreneurial ecosystem.

While the MBDA saw a record increase (\$7M) in annual funding through the FY22 budget, a substantial and historic achievement, an increase in \$7M for the agency to meet the current demand of the market is not sufficient. Increased funding for the MBDA and its programs will ensure robust benefits including enabling Black businesses access to capital, opportunities in federal contracting, exporting, and manufacturing. While Congress has previously committed to increased funding for the agency, increased program appropriations for the MBDA was outlined within the Build Back Better Act, which stalled, leaving the agency with decreased funding levels from previous Congressional commitments. While the Infrastructure Investment and Jobs Act made great progress in codifying the agency in statute, and authorizing \$110M in annual funding for ten years, Congress must now act through the appropriations process to ensure that the agency receives the funding that it is authorized to receive.

The MBDA is essential to ensure that Black business ownership and growth rates return to pre-pandemic levels. A recent study conducted by the Federal Reserve Bank of New York found that Black business ownership rates dropped 41% between February and March of 2020 because Black businesses were less equipped to cope with closure mandates, restrictions, and pivot towards digital storefronts compared to other businesses.¹ Had the MBDA been fully funded at \$110M and made permanent the percentage rate for Black business closures would have been much lower.

The MBDA also provides Black entrepreneurs and startup Black businesses with the resources needed to gain parity with their counterparts in other demographic groups. For example, a study conducted by the Ewing Marion Kauffman Foundation found that if minority-owned businesses were started and owned at the same rate as non-minorities, the US economy would gain an additional one million employer firms, creating an estimated 9.5 million jobs overall.² As the United States faces an unprecedented mismatching of jobs to jobseekers, Black firms deserve to be at the forefront of solving the labor crisis as we know it, and we must ensure that the MBDA is supported at \$110M so that more Black startup firms can become employer businesses and generate wealth in their families and communities. Today, Congress faces a critical moment to learn from the past and to ensure that Black businesses, one of the fastest growing sectors of our economy, can gain access to capital, technical assistance, and business development programs that set them up for long-term, sustainable success.

Without targeted investment, the MBDA will be unable to meet the demands it currently faces. In a post-

¹ Federal Reserve Bank of New York. *Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities*. Aug. 2020, https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses.

² Ewing Marion Kauffman Foundation. *State of Entrepreneurship: Zero Barriers: Three Mega Trends Shaping the Future of Entrepreneurship*. 2017. https://www.kauffman.org/wp-content/uploads/2019/12/state_of_entrepreneurship_address_report_2017.pdf.

COVID economy, as our nation begins to heal, we must ensure that Black firms gain access to the opportunities before them; investing in the MBDA with full funding for its impactful programs and services represents a critical step in that direction.

We thank you again for your dedication to ensuring equal access and opportunity for Black businesses across the country with your historic support of the MBDA and its various programs. The USBC kindly urges that the Committee consider our request, and in doing so, will support Black business ownership, job creation, opportunity, and increased diversity in contracting across the country. USBC will continue to be the leading advocate for the MBDA and the services it provides, as it is essential towards building a strong Black economy, and therefore, a stronger American economy.

Thank you again for your time and consideration, if you have any questions or concerns, please do not hesitate to reach out me at ron@usblackchambers.org.

In the spirit of success,



Ron Busby
President & CEO
U.S. Black Chambers, Inc.

