



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– RANKING MEMBER MAXINE WATERS –
FACT SHEET: MINORITY BUSINESS DEVELOPMENT AGENCY
EXECUTIVE ORDERS

The Minority Business Development Agency (MBDA), housed within the U.S. Department of Commerce, is the sole federal agency dedicated to assisting minority business enterprises (MBEs) in overcoming social and economic disadvantages by helping expand MBE access to capital, untapped markets, business contracts, and other resources.¹ Through a network of local business development centers, the MBDA carries out its mission of supporting the growth and competitiveness of MBEs by providing technical and business assistance, support, and resources, as well as advocacy and research on behalf of MBEs.²

Initially established as the Office of Minority Business Enterprise by the executive order of Richard Nixon,³ the MBDA gained formal statutory authorization under the Minority Business Development Act of 2021, enacted as part of the Infrastructure Investment and Jobs Act (Public Law 117-58) signed into law by President Joe Biden.⁴ Under the Biden Administration, MBDA’s network helped businesses secure over \$3.2 billion in contracts and \$1.6 billion in capital for MBEs, and helped to create and retain over 23,000 jobs.⁵ On March 5, 2024, a Texas federal judge ruled that the MBDA could no longer consider race when determining eligibility for programs.⁶

Statutory Functions

The MBDA was formally codified by the Minority Business Development Act as part of the Infrastructure Investment and Jobs Act.⁷ This legislative action was a bipartisan recognition of the agency's critical importance to our national economic infrastructure. The law explicitly established several core statutory functions that the MBDA is mandated to fulfill:

- The **MBDA Business Center Program** is central to the agency's mission, providing technical assistance and business development services through 38 business centers nationwide.⁸ These centers—located in red and blue states-- serve as vital lifelines for entrepreneurs who might otherwise lack access to resources necessary for growth and sustainability.
- The **MBDA's Research and Data Collection** responsibilities include analyzing data related to the success or failure of businesses and conducting research on economic conditions affecting these enterprises. This includes mandatory Biennial Reports that provide crucial insights for policymakers and business leaders.
- The **Information Clearinghouse** function establishes and maintains a repository for demographic, economic, financial, managerial, and technical data pertinent to businesses, in order to increase accessibility for business owners and researchers who might otherwise face significant barriers to obtaining such information.

¹ The Congressional Research Service, [“The Minority Business Development Agency: An Overview of Its History and Programs”](#) (Jun. 6, 2024).

² *Ibid.*

³ Executive Order 11458, 34 Fed. Reg. 4937 (March 5, 1969).

⁴ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

⁵ MBDA, [“2024 Year in Review: Letter from Deputy Under Secretary of Commerce for Minority Business Development Eric Morrissette”](#) (accessed Mar. 19, 2025).

⁶ The Congressional Research Service, [“District Court Ruling on MBDA Business Development Program”](#) (Mar. 25, 2024).

⁷ The Congressional Research Service, [“The Minority Business Development Agency: An Overview of Its History and Programs”](#) (Jun. 6, 2024).

⁸ *Ibid.*

- Additionally, the **Annual Diverse Business Forum** conducted by the MBDA assesses capital formation challenges and opportunities for businesses, and aims to promote dialogue and solutions that benefit our entire economy.

From 2021 to 2024, MBDA has provided significant funding to key states through its business centers and capital readiness programs.

Alaska	\$4,027,299	Kentucky	\$1,600,000	Oklahoma	\$2,883,000
Alabama	\$2,472,583	Louisiana	\$5,348,032	Oregon	\$1,373,000
Arkansas	\$4,372,997	Maine	\$3,948,210	Pennsylvania	\$3,700,000
Arizona	\$8,883,000	Maryland	\$10,979,783	Puerto Rico	\$4,303,991
California	\$17,952,027	Michigan	\$5,600,000	Rhode Island	\$3,000,000
Colorado	\$1,883,000	Minnesota	\$3,500,000	South Carolina	\$3,973,000
Connecticut	\$1,600,000	Missouri	\$1,500,000	Tennessee	\$4,261,149
DC	\$14,177,059	Mississippi	\$2,315,546	Texas	\$17,075,737
Florida	\$12,636,783	Montana	\$5,402,133	Utah	\$1,096,055
Georgia	\$7,185,136	North Carolina	\$4,012,600	Virginia	\$1,700,000
Hawaii	\$6,626,555	New Jersey	\$1,700,000	Washington	\$4,636,684
Idaho	\$3,000,000	New Mexico	\$4,883,000	Wisconsin	\$4,373,000
Illinois	\$4,600,000	Nevada	\$4,208,520		
Indiana	\$1,190,000	New York	\$18,540,000		
		Ohio	\$1,635,000	Total	\$218,154,789

Recent Executive Action

A recent executive order has directed MBDA to "reduce the performance of their statutory functions and associated personnel to the minimum presence and function required by law." This action raises significant concerns regarding MBDA's ability to meet its legal obligations. On March 21, 2025 all MBDA personnel were placed on administrative leave.