



U.S. House Committee on Financial Services  
Subcommittee on National Security, International  
Development, and Monetary Policy

**“Supporting Small and Minority-Owned Businesses  
Through the Pandemic”**

**February 04, 2021  
3:00 P.M.**

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Chairman Himes, Ranking Member Hill, and members of the Subcommittee:

Thank you for the opportunity to testify today on the need to better support minority-owned and smaller businesses like mine. I am honored and humbled to speak before your esteemed panel and to be alongside my distinguished fellow witnesses. More importantly, thank you for putting this hearing topic front-and-center at the start of the 117th Congress and demonstrating your strong commitment to helping the small business community.

My name is Nneka Brown-Massey and I am the founder and CEO of Innovative Supplies Worldwide, a school supplies design company based in Tulsa, Oklahoma. I am also speaking today as a member of Main Street Alliance, a national network of more than 30,000 small business owners who, like me, are eager to share their perspectives on critical public policy issues, especially as we try to find our way out of this once-in-a-lifetime pandemic.

### **My Story**

In July of 2016, less than two months after finishing my nine-year career as a Human Resources Specialist in the United States Army, I launched Innovative Supplies Worldwide, a stationery manufacturing company. In the first 24 hours of my e-commerce launch, my brand new business had sold more than 8,000 stationery notebooks globally. In 2017, former Georgia Governor Nathan Deal recognized my company with the G.L.O.B.E award. In 2018, I was named to the prestigious 40 under 40 List in the Gifts + Stationery Industry. Soon after, I was accepted into and completed the Class of 2018 Women Business Enterprise National Council Student Entrepreneur Program and the National Minority Supplier Development Council Emerging Young Entrepreneur program. Needless to say, the future could not have looked better or brighter for my start-up company.

Then COVID-19 hit us all last Spring, and in my case, caused consumers to shift to online classes. With the transition to remote and digital learning, demand for my physical product dipped and my sales dropped more than 60 percent. Despite the revenue loss, I remained hopeful we would come together and beat this virus so that schools could safely reopen in the Fall and allow my business to return. Yet here we are, almost a full calendar year later, still struggling to come to grips with the magnitude of this pandemic, while my seasonal business suffers a fourth consecutive quarter of low-to-no sales.

### **My Struggle to Access Capital**

When relief programs opened last April following passage of the CARES Act, I immediately applied for both the PPP and EIDL small business support. However, after months of radio

silence, I was finally told in June by a Small Business Administration (SBA) representative that I had been denied both for vague “credit reasons.” This was devastating not only for me and my family, but also for my lone employee I then had to lay off. But the lack of clear communication from beginning to end speaks to a larger issue of training and accountability at SBA.

Part of the frustration of applying for the PPP was that I was forced to establish a new relationship with a new bank because the bank I previously worked with closed their only branch in my town, forcing me to drive nearly two hours to reach the next-closest location. I eventually had to make the difficult and life-changing decision to move from Columbus, GA to Tulsa, OK to be closer to the services I needed since being in a rural area was making the process too challenging.

To compound matters I am a service disabled veteran with concussion complications from airborne missions held inside the United States with the 82nd Airborne Division. As a result of injuries I sustained, my executive functioning skills impact the ability to manage and process large amounts of paperwork without disability accommodations or support. The extensive and complicated loan application process required to access credit and capital became overwhelming for me.

### **My Attempts to Cope, Personally and Professionally**

As profits dissipated and capital dried up for my struggling business, I resorted to using disability benefits from the Department of veteran affairs for my traumatic brain injuries and post traumatic stress disorder. It wasn't too long before my car was repossessed. Then I was forced to take a second job at Waffle House just to get by.

With what little faith I had left, I applied for the Tulsa Remote Program, a business incubator, and was accepted into the program that pays Remote Workers \$10,000 to move to Tulsa, Oklahoma for a year. However, just to pay for the move, I used my tax refund and my stimulus check. This has been the only source of financial support I've gotten, but it has at least allowed me to keep my business afloat.

I started my business with small loans through fintech providers, which I have paid back slowly and diligently as my sales came through -- though likely at much higher interest rates than from other lenders. In the meantime, I am still relying on my VA benefits for housing. I have also decided to use some of that support to go back to school.

### **My Wish List for Myself and Others Like Me**

What my experience underscores are the very real barriers that exist when it comes to accessing capital and credit. As a person of color, living in a rural area, who wasn't well connected to the banking industry, I should have known that my chances of securing financial support were already slim. But I also believed, perhaps naively, that the immediate and early success of my business would help my cause in spite of those inherent disadvantages. So far, the former has trumped the latter.

I am here today not just to share my story, but to advocate for other small business owners who could just as easily be sitting on this panel. COVID-19 continues to present the greatest threat in generations to the country's more than 30 million small businesses, particularly businesses in Black and Brown communities, micro-businesses, veteran and women-owned businesses, and businesses in rural communities. A [survey](#) conducted last Fall by Main Street Alliance and Color of Change found that nearly half of Black owned businesses were saying they would have to close without additional support (compared to a third of businesses overall). Women-owned businesses had to wait longer, and in some cases were 10 times less likely to hear in a couple days from their lenders compared to their male counterparts. In that same survey, among small business owners who applied for any of the government aid programs, only 58% said they received the full amount they applied for, and Black men and women were twice as likely than that to not receive what they applied for. While waiting for economic assistance people of color and women owners were more likely across the board to reduce hours, pay, or make other financial sacrifices.

Main Street small businesses are the mainstay of our jobs, our economy, and our community life. They are also the [most trusted](#) institution in our country. Yet, since January 2020, more than a quarter of the country's small businesses have shuttered, and small business revenue is down by [32 percent](#) (as of December 31, 2020 according to the Opportunity Insights Economy Tracker).

What would have helped me the most, and could still help me now, is a flexible, responsive, direct grants program. Even just a \$5k-10k grant can change the course of my business and my life. The other needed support is technical assistance -- someone who can point me in the right direction, help me navigate programs I am unfamiliar with, and make sure I dot the i's and cross the t's. I simply can't afford an accountant or a lawyer on payroll who might offer expert advice and counsel.

During these times when COVID has closed many business doors around the country, small business owners are now unable to afford their commercial or personal rent. This is made worse by the fact that commercial leases often don't allow tenants to live in their place of work. I am personally living off the grid and in a school bus that I won through an eBay bid in January 2020, so that I can have more liquid capital to pay for commercial rent.

## **My Journey Continues**

In closing, I am grateful to appear before this committee today. Despite experiencing the highest of highs and the lowest of lows, at the end of the day I am an entrepreneur trying my hardest and doing my best to succeed. I have proudly and dutifully served my country, sought the same opportunities that others have been afforded, and done whatever necessary to achieve financial freedom -- including packing my bags, moving to a foreign place, and securing my daughter's well-being by making the incredibly painful decision to send her to be with her father in another state rather than force her to share the same sacrifices I am making. Despite the setbacks I have been dealt, I look forward to resuming the business mentorship I was providing to my employees, many of whom are "at-risk" youth -- training them on inventory software, social media marketing, résumé building, and other skill sets. Despite everything I have been through, I still believe in myself and the potential of future entrepreneurs.

I hope that you and your colleagues in Congress will make the most of this uniquely challenging yet historic moment in time to learn from the past and [rethink entrepreneurship](#) in this country. There are a number of lessons from 2020 and the uneven implementation of COVID relief programs for small businesses. My experience is one data point that could be built into a more intentional and systematic effort to collect quality disaggregated data about minority-owned small businesses.

There should be a thorough examination of SBA lending, technical assistance, and other programs to assess their effectiveness for supporting very small businesses, including minority-owned businesses, rural businesses, and other underserved Main Street businesses. Consumer protections should be expanded to small business borrowers, guaranteeing that: small business borrowers receive clear, accurate information that allows them to compare financial products; financial corporations cannot charge excessive interest rates and fees or engage in abusive debt collection practices; and, small business owners can retain personal assets while financing their businesses. Lastly, Congress should consider a new public entity to dramatically expand access to capital for small businesses by better assessing small business needs, exploring alternate measures to credit history, and delivering support along with technical assistance on the scale they need.

In closing, you have the ability to make course corrections in the midst of this pandemic to build a resilient, flourishing small business economy for the future by:

- Rebuilding businesses like mine that have been devastated by COVID, focusing on grants to hardest-hit businesses, those excluded from earlier relief programs, and businesses having to pivot as a result of the pandemic;
- Adequately addressing our capital, credit, and business development needs through increased outreach and technical assistance, especially in communities of color and rural areas;
- Leveling the playing field for small businesses by supporting a safety net for owners and their employees; and
- Reining in monopolies that inhibit the ability of small businesses to compete and thrive.

Thank you for your time and attention. I look forward to answering any questions you may have.