

# Congress of the United States

Washington, DC 20510

April 26, 2024

The Honorable Tom Cole  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Hal Rogers  
Chairman  
Committee on Appropriations  
Subcommittee on Commerce, Justice, Science,  
and Related Agencies  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Matt Cartwright  
Ranking Member  
Committee on Appropriations  
Subcommittee on Commerce, Justice, Science,  
and Related Agencies  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Cole, Ranking Member DeLauro, Chairman Rogers, and Ranking Member Cartwright:

We write to express our strong support for funding to the Minority Business Development Agency (MBDA) for FY 2025 appropriations as it is the only federal agency charged to focus on the unique needs of minority business enterprises (MBEs).

In 1969, MBDA was created through Executive Order 11458 as an agency within the Department of Commerce, charged to promote the establishment and successful operation of MBEs, which includes the facilitation of financing, grants and technical services. Over 50 years later, the agency was finally codified in the bipartisan Infrastructure Investment and Jobs Act in November 2021. With this codification, the agency has the opportunity to expand the development of regional offices and finally reach rural communities through rural business centers and partnerships with minority serving intuitions.

Our commitment to the funding of this agency has been stalwart. In the House version of the Build Back Better Act that was passed in November of 2021, we included in our language a direct appropriation of \$3.1 billion to MBDA over 10 years to expand the agency and deliver aid and support to the MBEs that need it.

Over the last 10 years, MBEs comprised approximately 50 percent of the two million new businesses started in the United States and created 4.7 million jobs. According to the U.S. Small Business Administration (SBA) there are eight million minority-owned companies in the United States, of which 1.1 million employ 8.7 million workers.

MBEs face unique and disparate barriers to market entry, including but not limited to, limited access to capital and persistent discrimination when compared to White-owned firms. The Federal Reserve's 2017 congressional report on availability of credit for small businesses showed that in almost every financing category—loans, credit cards, outside investors and grants—women and minorities, especially African Americans and Latinos, experienced the highest denial rates and were the least likely to receive full funding.

These challenges are exacerbated during periods of market disruption, such as the 2008 Great Recession and the ongoing COVID-19 pandemic. In April 2020, the Federal Reserve Bank of New York reported that MBEs were not only more likely to show signs of limited financial health, but also twice as likely to be classified as “at risk” or “distressed,” which meant they were less able to weather the economic consequences of the COVID-19 pandemic than their non-minority counterparts. The pandemic has also led a number of MBEs to close permanently. According to a February 2020 study by the National Bureau of Economic Research, the drop in minority business owners was the largest on record during this pandemic, with 41 percent of Black owned businesses experiencing a 41 percent drop, while Latinx- and Asian-owned businesses falling by 32 percent and 26 percent, respectively, from February to April 2020.

With funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other stimulus legislation, MBDA used its network of MBE advocates, including chambers of commerce, to provide technical and other assistance to MBEs for pandemic recovery. For example, the U.S. Hispanic Chamber of Commerce, the U.S. Black Chambers and National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship used grants from MBDA to assist more than 9,300 minority-owned businesses with their applications for federal pandemic programs, such as Treasury’s Paycheck Protection Program and Economic Injury Disaster Loans through the Small Business Administration. MBDA also used CARES funding to enhance services at its minority business development centers, such as education and training, to help MBEs recover from the economic effects of the COVID-19 crisis. The American Rescue Plan of 2021 reauthorized \$10 billion for the State Small Business Credit Initiative (SSBCI) for loans and equity opportunities for small and minority-owned businesses. SSBCI also included \$500 million dollars for Treasury to provide technical assistance to small businesses applying for SSBCI, including the option for Treasury to contract with organizations like MBDA to provide such assistance. In 2023, Vice President Kamala Harris announced 43 winners of the \$125 million American Rescue Plan-funded Capital Readiness Program. The 43 winning organizations – a mix of non-profit and community-based organizations, private sector entities, and institutions of higher education located across the country – are forming partnerships to assist and train underserved entrepreneurs seeking resources, tools, and support to start or scale their businesses in high-growth, high-wage industries such as healthcare, climate resilient technology, asset management, infrastructure, and more.

Given the economic challenges that MBEs face, it is important that we fund MBDA at the requested level and appropriate at least \$80 million for FY2025 to support MBEs’ growth and retention. Thank you in advance for your consideration of these requests. Please contact Dr. Chelsea Crittle with Ranking Member Waters’ office at [Chelsea.crittle@mail.house.gov](mailto:Chelsea.crittle@mail.house.gov) with any questions about this letter.

Sincerely,

Sincerely,



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Maxine Waters  
Ranking Member, Committee  
on Financial Services



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Al Green  
Member of Congress



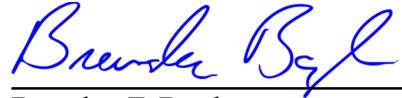
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Joyce Beatty  
Member of Congress



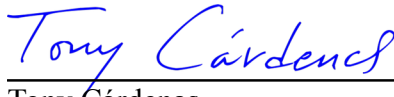
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Dwight Evans  
Member of Congress



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Brendan F. Boyle  
Member of Congress



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Tony Cárdenas  
Member of Congress



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André Carson  
Member of Congress



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Sean Casten  
Member of Congress



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Danny K. Davis  
Member of Congress



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Madeleine Dean  
Member of Congress



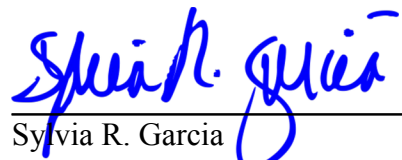
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Mark DeSaulnier  
Member of Congress



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Lizzie Fletcher  
Member of Congress



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Sylvia R. Garcia  
Member of Congress



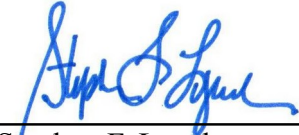
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Jenniffer González-Colón  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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Stephen F. Lynch  
Member of Congress



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Lucy McBath  
Member of Congress



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Gregory W. Meeks  
Member of Congress



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Gwen S. Moore  
Member of Congress



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Eleanor Holmes Norton  
Member of Congress



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Ilhan Omar  
Member of Congress



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Frank Pallone, Jr.  
Member of Congress



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Stacey E. Plaskett  
Member of Congress



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Ayanna Pressley  
Member of Congress



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David Scott  
Member of Congress



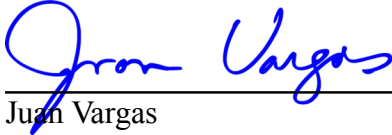
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Adam Smith  
Member of Congress



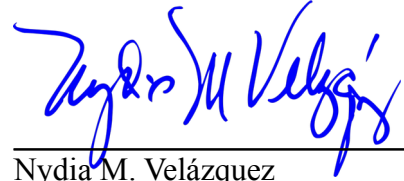
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Rashida Tlaib  
Member of Congress



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Juan Vargas  
Member of Congress



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Nydia M. Velázquez  
Member of Congress



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Frederica S. Wilson  
Member of Congress



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Nikema Williams  
Member of Congress



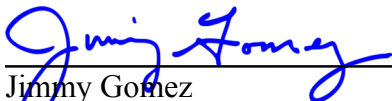
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James P. McGovern  
Member of Congress



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Jim Himes  
Member of Congress



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Jimmy Gomez  
Member of Congress



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Emanuel Cleaver, II  
Member of Congress



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Troy Carter  
Member of Congress



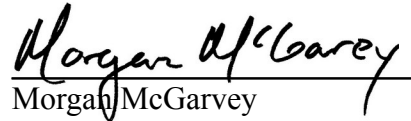
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Mikie Sherrill  
Member of Congress



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Katie Porter  
Member of Congress



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Morgan McGarvey  
Member of Congress



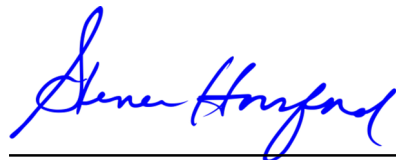
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Joaquin Castro  
Member of Congress



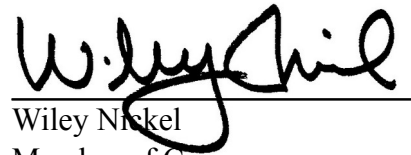
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Jiu Tokuda  
Member of Congress



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Steven Horsford  
Member of Congress



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Wiley Nickel  
Member of Congress



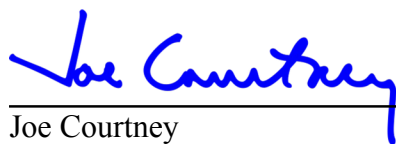
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Angie Craig  
Member of Congress



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Jamaal Bowman, Ed.D.  
Member of Congress



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Joe Courtney  
Member of Congress



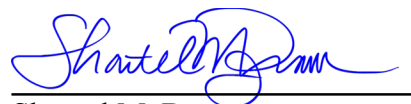
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Ro Khanna  
Member of Congress



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Lisa Blunt Rochester  
Member of Congress



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Shontel M. Brown  
Member of Congress




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Gregorio Kilili Camacho  
Sablan  
Member of Congress



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Andy Kim  
Member of Congress



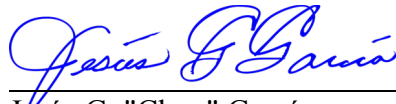
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Jasmine Crockett  
Member of Congress



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Delia C. Ramirez  
Member of Congress



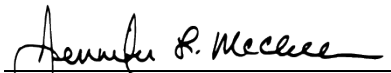
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Jesús G. "Chuy" García  
Member of Congress



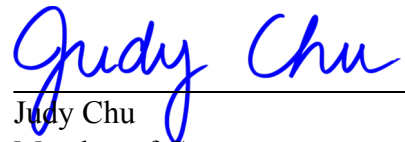
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Pramila Jayapal  
Member of Congress



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Jennifer L. McClellan  
Member of Congress



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Judy Chu  
Member of Congress



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Steve Cohen  
Member of Congress



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Josh Gottheimer  
Member of Congress



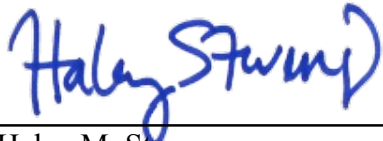
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Robert C. "Bobby" Scott  
Member of Congress



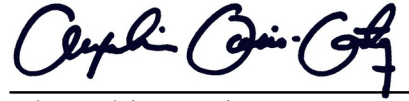
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Abigail Davis Spanberger  
Member of Congress



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Haley M. Stevens  
Member of Congress



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Alexandria Ocasio-Cortez  
Member of Congress



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Maxwell Alejandro Frost  
Member of Congress



