



TO: Chairwomen Maxine Waters and members of the U.S. House of Representatives
Financial Services Committee
RE: Written Testimony
DATE: February 2, 2022

To Chairwomen Maxine Waters and members of the U.S. House Financial Services Committee:

Thank you for the opportunity to provide testimony today. I am Tawanna Black, founder and CEO, of the Center for Economic Inclusion. The Center for Economic Inclusion (the Center) is committed to closing racial employment, income, and wealth gaps by building racially inclusive and equitable regional economies. Founded in 2017, the Center is the nation's first organization dedicated exclusively to closing racial wealth gaps and stimulating racially inclusive and equitable regional economies. We believe by strengthening regional civic infrastructure and building the capacity of public- and private-sector employers to build racially inclusive and equitable workplaces. In addition to working within the public and private sector, the Center supports the work of employers throughout the Minneapolis-St. Paul region and seven county metropolitan area as well as regions across the state of Minnesota.

Our economy requires diverse talent in high-demand, resilient industries with family-sustaining employment. The economy of the future needs businesses that can meet growing supply chain needs, which will require that Black, Indigenous, Latinx, and Asian businesses and communities have improved access to capital, land, and homeownership opportunities.

As an organization deeply committed to growing Black and Brown owned businesses, I want to lift up both the challenges that these business owners face, and the opportunity that these businesses provide for creating jobs and wealth. The Center imagines an economic shift where our nation spurs innovation and accelerates economic growth through this once in a generation opportunity to address our country's infrastructure needs. However, this can only be accomplished if we address systemic barriers in contracting and the undercapitalization of minority and women-owned businesses, particularly Black and Latina-owned businesses.

Black, Indigenous, Latinx, and Asian businesses and communities carry the historical burden of structural inequities that have combined into the COVID-19 pandemic to create powerful obstacles for these businesses:

- Nationally, 41 percent of Black-owned businesses (440,000 enterprises) have closed compared to just 17 percent of white businesses.
- Minority-owned businesses grow at 3.5 times the rate of all Minnesota businesses, yet inequitable access to capital (white entrepreneurs attract 17 times more equity capital than Black entrepreneurs) hinders this.
- More than 8 in 10 Black employees and 7 in 10 American Indian employees have filed for unemployment compared to 4 in 10 non-Hispanic white employees.
- Between 2000 and 2020, the wage gap between Black and white workers has increased by more than 20 percent, with Black families earning less than half of the median income of white families.

In Minnesota, we have a saying attributed to the late United States Senator Paul Wellstone; “we all do better when we all do better.” We all are not doing better. We at the Center believe now is the time to invest in a more inclusive economy that will benefit all people. We project that achieving racial equity and inclusive growth leads to greater economic participation and would generate an additional \$6,000-\$8,500 in annual per capita income. This economic activity would lead to greater opportunities for inter-generational wealth, demonstrating the need and opportunity for both assessing and prioritizing those inclusive policies and investments that accelerate economic growth and competitiveness.

Thank you Chairwoman Waters and members of the for your time Chair and members of the U.S. House of Representatives Financial Services Committee.

Together, we can write a new page in our country’s history, developing a process for designing the most informed infrastructure policies and investments possible to fuel our country’s economic growth through the power of inclusion, equity and belonging.

Thank you.

In solidarity,

A handwritten signature in black ink, appearing to read 'Tawanna A. Black', with a long horizontal line extending to the right.

Tawanna A. Black
Founder & Chief Executive Officer, Center for Economic Inclusion

cc: Justin Thornton, Clerk- Committee on Financial Services