

United States Senate

March 30, 2021

Nakita Chambers
Supervisory Program Manager
Minority Business Development Agency
U.S. Department of Commerce
1401 Constitution Ave., N.W., Room 5079
Washington, DC 20230

Dear Mrs. Chambers:

According to the Harvard-based data project *TrackTheRecovery.org*, nearly one-third (31%) of small businesses in New Jersey had to shut their doors as of early November 2020 – and it is very likely that number could still increase. This grave statistic compounds an urgent need for resources and guidance that the small business community desperately needs. It is with this context that I write today in support of the MBDA Business Center Program Grant Competition, and urge the Minority Business Development Agency (MBDA) to establish a Minority Business Center (MBC) in New Jersey. The MBC would provide severely impacted minority-owned small businesses throughout New Jersey with access to crucial financial and technical resources focused on restoring one of the most devastated states in terms of small business closures since the onset of the COVID-19 pandemic.

The creation of a new MBC has the potential to usher in a new era for New Jersey's minority owned small businesses, opening the door for small business owners of color to access capital, compete for contracts, receive technical assistance, marketing skills, and other important services. According to a 2018 U.S. Small Business Administration (SBA) study, Black-owned small businesses were more likely to receive less capital than White-owned small business, and less likely to receive bank loans, and more likely to use credit cards to finance their business.

According to the SBA Office of Advocacy reported that New Jersey has 908,209 small businesses, which make up 99.6% of all businesses in the state, and roughly 34% are minority-owned. We must ensure that New Jersey's minority-owned businesses receive the assistance they deserve, and this center will help pursue that objective. Moreover, a small business center could also provide vital virtual infrastructure needed to ensure modern technology is utilized to serve minority businesses. Our small businesses, especially those in minority communities, need new age platforms that allow them to adjust to the digital business practices of today, and we must ensure these structures are in place.

According to a U.S. Department of Commerce Survey of Business Owners conducted before COVID-19, U.S. minority-owned firms generated \$1.4 trillion dollars in gross receipts, while Black firms generated just over \$150 billion dollars. Non-minority firms generated \$10.5 trillion dollars, nearly 10 times more than all minority firms and almost 67 times more than Black firms. Additionally, a report by your office noted that even though the number of minority-owned firms

increased by 35 percent over the last 10 years, the mean gross receipts for those firms dropped by 16 percent – this number could be even higher since the onset of the COVID-19 pandemic.

Squeezed between New York and Pennsylvania MBDA small business centers, New Jersey businesses are in urgent need of the MBC's services. As noted above, a significant share of already struggling minority-owned small businesses have shut their doors since this coronavirus slammed their enterprise. They represent vibrant industries and sectors across several regions in New Jersey, and are in desperate need of access to capital, resources, expertise, and vital foundational structures that will allow them to weather this pandemic and thrive beyond it, while also revitalizing our struggling small business economy.

I appreciate your fair and thorough review of this application. If you have and questions, please feel free to contact me or my staff at (973) 639-8700.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Booker', with a stylized flourish extending to the right.

Cory A. Booker
United States Senator