

United States Senate

November 09, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St., SW
Washington, DC 20416

Dear Administrator Carranza:

We write today regarding the future of our nation's small businesses. Prior to the COVID-19 pandemic, we had witnessed the longest economic expansion ever recorded in the United States, with unemployment at 50-year lows, poverty on the decline, and incomes on the rise for most, albeit not all, communities and populations in America. The pandemic, unfortunately, has reversed these encouraging trends, triggering widespread job losses and small business closures. While our economy is proving resilient, a robust and sustainable recovery will demand an aggressive entrepreneurial growth strategy.

The Paycheck Protection Program (PPP), which has enabled essential short-term relief for job creators across the country, provides an optimistic illustration of Congress's ability to work on a bipartisan basis, in consultation with federal agencies, to protect American jobs and preserve pathways to economic opportunity. That said, in order to effectively rebuild, expand, and innovate, our small businesses and entrepreneurs will need additional tools and support, including through practical guidance and mentorship.

These opportunities could prove particularly critical for minority-owned small businesses, which face a broad range of hurdles exacerbated by the pandemic. In August, the Federal Reserve Bank of New York issued a report suggesting that 41% of Black-owned small businesses, 32% of Latino-owned small businesses, and 26% of Asian-owned small businesses had shuttered by the end of April, as opposed to just 17% of White-owned small firms. The Black unemployment rate has also declined at a slower rate than the White unemployment rate in recent months.

In light of the challenges we will continue to confront in the weeks and months ahead, and as we seek to facilitate a robust recovery, we request that you provide responses to the following questions regarding the Small Business Administration's (SBA) current and prospective plans and recommendations for encouraging entrepreneurial growth, particularly for minority owned small businesses and businesses in communities of color.

1. Describe the extent to which SBA is currently conducting direct outreach or providing direct assistance focused on small, minority-owned businesses through entrepreneurial development, capital access, contracting, and other programs or initiatives.

2. To what extent does your agency coordinate with other relevant federal agencies, such as the Minority Business Development Agency (MBDA) and the Department of Labor, to support and facilitate mentorship for small firms, and for small minority-owned businesses in particular?
3. What mechanisms does your agency have in place to evaluate the outcomes of programs such as the 8(a) Mentor-Protégé program and the 7(j) Management and Technical Assistance program? Does your agency have the authorities and resources needed to effectively monitor and track the outcomes of these programs?
4. Does your agency maintain a hub or clearinghouse of best practices for mentoring or otherwise supporting small, minority-owned businesses and other small firms? If not, does your agency have the authority and resources needed to establish a clearinghouse along these lines?
5. What barriers or challenges have constrained federal efforts to facilitate effective mentorship of small, minority-owned businesses in the past, and what steps can Congress take to mitigate these hurdles in the future?
6. Does the SBA believe it has sufficient training protocols and resources in place to ensure that staff working directly with small businesses are well equipped to serve small businesses with the most up-to-date information on new programs and initiatives?

We appreciate the SBA's willingness to work with us on addressing these vitally important issues. With your response, we hope to identify a strategic path forward in helping small businesses and entrepreneurs continue to thrive in our economy.

Thank you for your attention and we look forward to your response.

Sincerely,



Tim Scott
United States Senator



Christopher Coons
United States Senator

/S/ Marco Rubio

Marco Rubio
United States Senator

/S/ Cory Booker

Cory Booker
United States Senator

/S/ James Risch

James Risch
United States Senator

/S/ Jacky Rosen

Jacky Rosen
United States Senator

/S/ Todd Young

Todd Young
United States Senator