



October 10, 2019

The Honorable Marco Rubio
Chairman
U.S. Senate Committee on Small Business
& Entrepreneurship
Washington, D.C. 20510

The Honorable Benjamin L. Cardin
Ranking Member
U.S. Senate Committee on Small Business
& Entrepreneurship
Washington, D.C. 20510

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of Small Business Majority, we wish to express our support for the Ushering Progress by Leveraging Innovation and Future Technology (UPLIFT) Act of 2019, introduced by Ranking Member Cardin, which seeks to amend the Small Business Act to spur entrepreneurial ecosystems in underserved communities.

Specifically, this legislation will support small businesses, particularly entrepreneurs of color, by establishing the Innovation Centers Program within the U.S. Small Business Administration (SBA) to award competitive cooperative agreements to Historically Black Colleges and Universities (HBCUs), minority-serving institutions (MSIs), and community colleges to establish or expand small business innovation-focused projects focused on underserved groups.

Legislation like this is needed because small businesses, especially entrepreneurs of color and women business owners, struggle to receive the resources, support and financing they need to launch or grow a successful business. While minority and women's entrepreneurship is on the rise, there are a number of factors that are limiting this growth. For instance, an [SBA study](#) concluded that the major constraint limiting the growth, expansion, and wealth creation of small firms—especially women- and minority-owned businesses—is inadequate capital. Additionally, [research](#) from the Kauffman Foundation found that businesses owned by people of color often have higher borrowing costs, receive smaller loans and are more likely to have their loan application rejected than white-owned firms. That means these business owners are more likely to rely on personal credit, which can limit their ability to grow and expand.

Similarly, women and entrepreneurs of color often lag in the crucial business indicators of revenue, number of employees and funding. Many factors continue to work against underrepresented entrepreneurs—in addition to less access to capital and venture investments, women and people of color are more likely to struggle to access networking, mentoring and business support services.

The UPLIFT Act will help address this by establishing new entrepreneurship ecosystems that utilize HBCUs, MSIs and community colleges; creating incubators, accelerators and other models that can help entrepreneurs thrive; and by helping to expand SBA's reach to those who need it most.

We support any commonsense policy to help small businesses thrive, and the UPLIFT Act of 2019 will do just that.

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer".

John Arensmeyer
CEO and Founder