

NATIONAL
COMMUNITY
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**Testimony of Owen Jackson
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United States House of Representatives
Committee on Appropriations
Subcommittee on Commerce, Justice, Science, and Related Agencies**

Good morning, Chairman Wolf, Ranking Member Fattah, and other distinguished members of the subcommittee. My name is Owen Jackson and I am the Vice President of Business Development for the National Community Reinvestment Coalition. On behalf of NCRC, it is an honor to testify today before the Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies. In a time of limited federal resources and a struggling economy, activities that directly contribute to economic growth should be the highest priority. For this reason, I encourage you to restore funding for the Department of Commerce's Minority Business Development Agency to \$32 Million in Fiscal Year 2013.ⁱ Now is not the time to take funds away from the programs that help American businesses grow and create jobs.

The MBDA program has an impressive track record in promoting small business growth and job creation. In the past three years, MBDA business centers have helped small businesses obtain \$10 billion in contracts and create 15,000 net new jobs.ⁱⁱ That outcome means that American taxpayers have received a 125 percent return on investment for every single dollar of funding.ⁱⁱⁱ

A core aspect of our mission at NCRC is to help Americans become and succeed as entrepreneurs. Small businesses are the backbone of America's economy and the key to our recovery. In fact, small and minority businesses account for two-thirds of all net, new jobs added to the nation's economy.^{iv} And, just last year, minority-owned businesses contributed \$1 trillion to the nation's economic output.^v NCRC plays a powerful role in promoting the growth of small, minority, and women-owned businesses.

NCRC is the only non-profit organization in the country that operates three Department of Commerce Business Centers in Washington, D.C., New York, NY, and Houston, TX. We also manage a Women's Business Center and Small Business Teaming Center sponsored by the U.S. Small Business Administration and a small business loan fund. We know, first-hand, the impact that access to a business center's resources can have on improving a company's performance. Since the opening of our first MBDA Business Center in 2004, we have helped clients access more than \$2.3 billion in financing, secure more than \$300 million in contracts, and—most importantly—create nearly 1,500 net, new jobs. All of this was possible because of the grants provided by the Department of Commerce's Minority Business Development Agency.

Since its inception, the agency's budget has been cut by more than half. Though these activities are needed now more than ever, the current budget proposal would continue that trend by reducing the agency's funds by another \$1.5 million. At first glance, that cut may seem minimal. Yet, its consequences are anything but. Less funding for MBDA means less funding for MBDA's business centers. And less funding for business centers means fewer resources for small businesses.

Though the nation's unemployment rate has improved since the worst points of the recession, it remains much higher than it was ten years ago. Indeed, just two days ago, Dallas Federal Reserve Bank President Richard Fisher stated that our unemployment rate may not return to pre-crisis levels until 2019. The take away from Fisher's statement should be obvious: *a key part of our economic recovery lies in our willingness to invest in America's businesses in order to spur job creation.*

As the Vice President of Business Development for NCRC, I can personally testify to the value added by MBDA's business centers. For example, in 2010, our DC Business Development Center was engaged by an IT firm to help them grow their business and expand contracting opportunities. At the time, the firm had 600 employees and an annual revenue base of \$34 million. In three years, with the direct support of NCRC's MBDA center, the firm's revenues almost doubled to \$60 million. The firm also expanded its workforce to 900 employees, an increase of 300 new jobs. That gain in profitability and employment growth was directly due to the counseling and contracting opportunities provided by NCRC's business center.

As an expert in business growth and expansion, I know that when something works—and works well—you do everything in your power to encourage it. That's because success depends upon solidifying and promoting a company's core strengths and capabilities. This axiom also applies to the federal budget. It is essential to invest in those programs that provide the greatest returns to American taxpayers. MBDA programs have proven their productivity and value. Few programs have such an impressive and well-documented track record.

In conclusion, I encourage you to support full funding for the MBDA at \$32 million in 2013. Your support will not only help the clients who directly benefit from its programs and services, but will ensure that these businesses continue to play an important role in a strong and healthy economic recovery for all Americans.

Thank you again for the opportunity to testify today. I look forward to answering any questions you might have.

ⁱ A \$32 Million appropriation in FY 2013 would restore the Minority Business Development Agency to its 2008 funding level.

ⁱⁱ *Id.*

ⁱⁱⁱ *Id.*

^{iv} Roger A. Campos, "Look to small, minority businesses for job creation." Federal Times. <<http://www.federaltimes.com/article/20110813/ADOP06/108130303/>>

^v "New Job Creation and Economic Impact Dominate Big Numbers for Minority Business Development Agency." U.S. Department of Commerce MBDA. <<http://www.mbda.gov/node/1195>>