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Statement by the Honorable Rep. Bobby L. Rush, Chairman

Subcommittee on Commerce, Trade and Consumer Protection

for Hearing on

“The Minority Business Development Agency: Enhancing the Prospects for Success”

October 15, 2009

WASHINGTON — “The 111th Congress took extraordinary steps to turn around our, then, collapsing economy when it passed the American Recovery and Reinvestment Act of 2009. Back in October 2008, I told citizens in my District, and across the nation, that I had just begun to ensure that the concerns of people living on Main Street would not be “eclipsed by the excesses of Wall Street.”

“Today’s hearing is a continuation of my pledge. This hearing is more than just about the Minority Business Development Agency (MBDA). It’s really about the larger matter of what we, as Members of Congress, can do to assist the Executive Branch in coming up with a prescription to help cure our fiscal and economic ills.

“As part of that prescription-building, we will have a frank discussion today regarding the MBDA’s reformulated vision from its new National Director, David A. Hinson, and whether it makes sense to endow MBDA with more resources to pursue that vision. In listening to the testimony and ideas of our distinguished panel of witnesses, we will discuss what MBDA could do, in conjunction with the Department of Commerce, to help reverse the devastation that has touched down on many of our hard-working and, historically, “blue collar” and minority communities. These communities have suffered disproportionately under the yoke of this recession.

“I am of the belief that the MBDA can be an agent for positive change, not just on Wall Street, but also on Raleigh Road in Wilson, North Carolina, on S. Presa Street in San Antonio, Texas, and on N. Broadway and

– more –

W. 74th Street in Chicago, Illinois. To make that change the federal government and the states must authorize more spending of stimulus dollars and Recovery Act contracting resources with minority businesses. These are businesses that have proven time and time again that they can complete projects on time and within budget. There can be no other fair outcome.

“Minority firms have a greater tendency than non-minority firms to train future minority entrepreneurs, recruit and hire minority workers, and set up operations in minority communities. African-Americans have a greater tendency to hire African-Americans. Women tend to hire women. Hispanic-Americans tend to hire Hispanic-Americans, and on and on it goes. This is how the real world operates. To understand this dynamic, one needn’t look any farther than the halls of Congress.

“Since the start of the recession in December, 2007, unemployment rates for all the major worker categories are much higher. The unemployment rates for minority workers are even higher than those for white workers, by as much as 50%.

“According to the most recent U. S. Department of Labor employment statistics, the unemployment rate, across race, sex, and age for African Americans is 15.3% (in Dec. 2007, it was 8.6%), for Hispanic Americans, it’s 12.2% (in Dec. 2007, it was 6.3%), for Asian Americans, it’s 7.4% (in Dec. 2007, it was 3.7%), for American Indian and Alaska Natives, it’s 15% (in Dec. 2007, it was 7.8%), and for Native Hawaiians it’s 14.4% (in Dec. 2007, it was 2.8%).

“These are horrifying statistics. They paint a picture of the underutilization of America’s minority workers which, I believe, is a harbinger of worse things to come unless we change course. The picture I’ve outlined, today, parallels the assessment I’ve drawn with respect to the manner in which the federal government has previously engaged MBDA, which is *under-utilized*.

“I will pose more questions to our panel of witnesses following their testimony, but to help frame today’s discussion, please indulge me as I ask a few questions right now.

“Should loans guaranteed by the U.S. government be extended to deserving minority businesses through, or with, MBDA’s assistance; and, what types of banks and lending institutions should MBDA’s partner with in such endeavors? Likewise, are all ethnic groups benefitting from MBDA’s portfolio of services and to what extent are they benefitting?

“In closing, thank you for coming here to offer us your perspectives. You are serving more than minority businesses through your appearances. You are also helping to uplift the United States from the severely, economically distressed position in which we find ourselves today.”