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Commerce Department's Minority Business Development Agency Announces Nearly \$100 Million to Expand Opportunities for Underserved Entrepreneurs

The Capital Readiness Program grant competition marks the largest investment to support minority entrepreneurs and businesses from the Commerce Department

WASHINGTON DC – Today, the U.S. Department of Commerce launched the Capital Readiness Program grant competition, which dedicates \$93.5 million to help minority and other underserved entrepreneurs grow and scale their businesses. This program, administered by the Minority Business Development Agency, marks the largest program of its kind in the history of the Commerce Department.

The Capital Readiness Program will provide funding to incubators and accelerators across the country, with expertise to assist and train minority and other underserved entrepreneurs seeking resources, tools, and technical assistance to start or scale their businesses in high-growth industries such as healthcare, climate resilient technology, asset management, infrastructure, and more.

Businesses owned by women of color represent one of the fastest growing sectors in the economy. However, structural barriers persist, preventing many women from starting their own businesses and accessing capital, childcare solutions, and peer networks. The Capital Readiness Program will provide the curriculum, tools, and resources to minority entrepreneurs to access capital and funding, and connect them to subject matter experts, vendors and peer support to help start or scale their business.

“This new program reflects President Biden’s and the Commerce Department’s continued historic commitment to underserved business owners and entrepreneurs,” said U.S. Secretary of Commerce Gina Raimondo. “During the pandemic, women and minority-owned businesses and

entrepreneurs were among the hardest hit, often lacking the resources they needed to keep their doors open. We can't let this happen again. That's why the Capital Readiness Program prioritizes and encourages resources and tools, such as childcare services, that will ensure more people can launch and scale businesses."

"In 2020, Black and Hispanic female founders accounted for less than half of a percent of total venture capital investments," said U.S. Deputy Secretary of Commerce Don Graves.

"Jumpstarting the next generation of entrepreneurs and ensuring diverse representation in these high-growth industries is essential, not only to spurring innovation, but also to building a more resilient economy that's reflective of all Americans."

MBDA's Capital Readiness Program is funded by the Department of Treasury's State Small Business Credit Initiative (SSBCI), reauthorized under the American Rescue Plan Act of 2021. SSBCI provides \$10 billion to states, the District of Columbia, territories, and Tribal governments to promote entrepreneurship, increase access to capital, and help businesses grow—especially in traditionally underserved communities. The Capital Readiness Program is intended to serve entrepreneurs and businesses that are applying, have applied, or plan to apply to SSBCI or other government programs that support small businesses.

"We know that entrepreneurs and small businesses in underserved communities have long lacked equal access to resources and capital to reach their full economic potential," said Deputy Secretary of the Treasury Wally Adeyemo. "Through the Capital Readiness Program, the Minority Business Development Agency—tasked with promoting growth and competitiveness of our nation's minority-owned businesses—will help enable entrepreneurs and business owners to obtain the information they need to access funding through small business support programs. When entrepreneurs and small business owners in all communities have a chance to compete and thrive, it increases our country's entire economic potential and growth."

MBDA is the only federal government agency dedicated solely to supporting minority-owned businesses, enterprises, and entrepreneurs and helping them overcome the barriers to economic success that many women and minority communities face. The agency is uniquely situated to provide technical assistance and help these businesses be successful in applying to SSBCI capital programs and other government programs that support small businesses.

"The Capital Readiness Program will open doors for entrepreneurs," said Donald Cravins, Jr., Under Secretary of the Minority Business Development Agency. "The greatest obstacle facing disadvantaged entrepreneurs, especially entrepreneurs of color, is access. MBDA can effectively launch the initiative to help entrepreneurs start and develop their business, access capital through the Department of Treasury's SSBCI Capital Program, and access networks that understand and address the unique challenges minority entrepreneurs and other underserved entrepreneurs face."

Entities that are eligible to apply include non-profit organizations, private sector entities, institutions of higher education, and a consortium of two or more of any of the above-mentioned eligible applicants. To address one of the largest barriers to women in the workplace, the competition incentivizes applicants to provide childcare solutions, such as on-site day care, as a strategic priority. The competition also incentivizes proposals from organizations that are

working to break down economic barriers for underserved communities and support traditionally underrepresented, high-growth industries while growing America's economy.

Starting in January, MBDA will host a series of informational pre-application webinars. The webinars will assist potential applicants in better understanding the Capital Readiness Program and the application requirements outlined in the Notice of Funding Opportunity (NOFO). The webinars are scheduled on January 10, 17, and 24th 2023 at 2:00 pm Eastern Time.

For more information on the program and to register for the pre-application webinars, visit www.MBDA.gov.

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