



MBDA Awards NAIC Million Dollar Grant to Raise \$1 Billion for Investment in Minority Entrepreneurs

WASHINGTON, October 4, 2019 – The Minority Business Development Agency (MBDA) of the U.S. Department of Commerce and the National Association of Investment Companies (NAIC), the largest network of diverse-owned private equity firms and hedge funds, announced today that MBDA has awarded NAIC a \$1.4 million grant to support a project that will facilitate the aggregation and deployment of approximately \$1 billion in growth capital into minority-owned businesses.

Access to capital remains the most important factor limiting the ability of many of the nation's 11 million minority- and women-owned business enterprises (MWBES) to increase in scale. The \$1.4 million grant demonstrates both a recognition of the obstacles faced by minority asset managers and a prioritization towards addressing the many challenges faced by MWBES.

Through this landmark MBDA grant, NAIC will launch the Minority Growth Equity Funds Initiative, which aims to increase the amount of capital available for MWBES poised for growth. As a key goal of the initiative, NAIC will quantify the demand for and current supply of capital focused on MWBES, then leverage its extensive expertise and broad network to attract and invest growth capital in innovative businesses owned by women and ethnically diverse entrepreneurs. The outcome will empower MWBES to drive substantial job and wealth creation and to make a significant economic impact in historically underserved communities and in the Nation.

“According to U.S. Census Bureau, the number of minority-owned small businesses in the U.S. is growing much faster than the overall small business growth rate. But, despite their growth rate, minority-owned firms are still having a much harder time accessing capital,” says Henry Childs II, MBDA National Director. “MBDA is committed to getting more minority-owned businesses growth capital through forward thinking investments like the *Minority Growth Equity Fund* initiative.”

“The importance of minority-owned businesses to our nation's economy cannot be overstated, but the entrepreneurs who run them are often overlooked in the growth equity market, substantially limiting their ability to scale,” says Robert L. Greene, President and CEO of the NAIC. “With the support of the MBDA and the efforts of our member firms and others, the Minority Growth Equity Funds Initiative will help position many of these businesses for enhanced contribution to the American economy of the future.”

About the MBDA: The U.S. Department of Commerce, Minority Business Development Agency (www.mbda.gov) is the only federal agency solely dedicated to fostering the growth and global competitiveness of U.S. minority business enterprises. In 2019, MBDA commemorates 50 years

of economic empowerment through programs that better equip entrepreneurs to create jobs, build scale and capacity, and expand into new markets.

About the NAIC: Based in Washington, DC, the National Association of Investment Companies (www.naicpe.com) was founded in 1971. Comprised of 75 member firms representing over \$150 billion of assets under management, it is the largest network of diverse-owned private equity firms and hedge funds in the United States.

MEDIA CONTACTS:

FOR MBDA:

Velicia D. Woods

vwoods@mbda.gov

202-482-6272

FOR NAIC:

Alan Hughes

ahughes@naicpe.com

917-993-3842