

Remarks by Deputy Secretary of the Treasury Wally Adeyemo at Roundtable on Expanding Access to Capital for Minority Entrepreneurs and Small Business Owners

June 14, 2023

WASHINGTON – Today, Deputy Secretary of the Treasury Wally Adeyemo participated in a roundtable on expanding access to capital for minority entrepreneurs and small business owners with representatives from the U.S. Department of Commerce and the Office of the Vice President. During the roundtable, Deputy Secretary Adeyemo discussed the Treasury Department’s State Small Business Credit Initiative and strategies for using public-private partnerships as force multipliers for investments in underserved businesses and entrepreneurs.

As Prepared for Delivery

As I look back at the last two-and-a-half years of the Biden-Harris Administration, I am proud of the actions we have taken to advance racial and economic equity, from the American Rescue Plan (ARP) enacted in the early days of the Administration to the ways we have implemented the Inflation Reduction Act (IRA) over the past few months. We have seen historic gains in employment and wages among Black and Hispanic workers, as well as on other key economic metrics. There are two things that have made these outcomes possible: intentional policy design and implementation, and our partnerships with the private, philanthropic, and social sectors.

In my view, there are deep commonalities in the challenges facing different low-income communities—from rural white Americans who have been increasingly left out from economic opportunity to communities of color who too often never had it to begin with. Last week, I wrote a [short blog](#) post detailing the ways the approach to racial equity we are taking not only helps Black and Hispanic Americans but struggling white Americans too. It is our deeply held belief that actions that serve one vulnerable community also create opportunities in others—that by focusing on helping the least well-off, we can build an economy that works for everyone.

When I think back to some of our most impressive achievements over the last two years – for example, lifting 60million children out of poverty through the ARP’s Advance Child Tax Credit and helping millions of families avoid foreclosure – we worked hand in hand with partners that helped us deliver culturally competent messages and services. Philanthropic and private institutions

banded together to serve as messengers, funders, and capacity-builders. And, just last week I joined Senator Warner and Senator Crapo to celebrate the commitment a coalition of 20 companies and foundations are making to provide deposits to community development financial institutions (CDFIs) and minority depository institutions (MDIs) to help them further their mission to deliver capital to underserved communities.

The State Small Business Credit Initiative (SSBCI) is ripe for this kind of partnership – which is why I am so glad you all are gathering today.

As part of the Biden-Harris Administration’s Investing in America agenda, SSBCI illustrates our commitment to ensure federal resources actually reach underserved communities.

SSBCI is well positioned to be among the most significant small business programs in U.S. history. And with your respective sectors working together as part of the Initiative for Inclusive Entrepreneurship, we can ensure that this program reaches its full potential to expand capital access to small business owners of color and strengthen the overall small business ecosystem.

The Initiative for Inclusive Entrepreneurship is an essential partner in building capacity and providing match capital to make sure small business owners benefit from these significant federal investments.

SSBCI is expected to catalyze up to \$10 of private investment for every \$1 of SSBCI capital funding, meaning this historic investment will drive tens of billions of dollars in public and private support for small businesses across the country. This does not work without access to matching capital and this is particularly important with growth capital where female entrepreneurs and entrepreneurs of color have long struggled to receive investments commensurate with the size and number of businesses.

We want SSBCI to serve as a catalyst for changing the way growth capital flows to underserved entrepreneurs– not just to serve as matching funds, but to provide matching investments with partners and players in the ecosystem with proven track records of investing in and growing underserved businesses. The power to achieve greater impact at scale is in this room; together, we have the ability to re-write the playbook for underserved entrepreneurs.

Before I go, I want to thank Hyphen, the co-leads, early investors, and state partners for your effort. Collaborative efforts are not always easy, but when we work together, we achieve outcomes far beyond what any of us could accomplish on our own.

Thank you for everything you are doing.

