Ahead of U.S. Treasury Freedman's Bank Forum, Biden-Harris Administration Announces New Private Sector Commitments to Invest $3 Billion in Community Lenders Supporting Underserved Small Businesses and Communities

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Vice President Harris issues historic call to action for companies in the Investing in America sectors to commit at least 15% of procurement dollars to small and disadvantaged businesses

WASHINGTON – Today, ahead of the U.S. Department of the Treasury's annual Freedman's Bank Forum, the Economic Opportunity Coalition (EOC) – a group of nearly 30 private sector companies and foundations working to make historic investments in underserved communities – announced its commitment to secure $3 billion in deposits for community development financial institutions (CDFIs) and minority depository institutions (MDIs), community lenders with a proven record of reaching low-income, rural, and other underserved communities.

Additionally, Vice President Kamala Harris is calling on companies in Investing in America sectors – semiconductor manufacturing, clean energy manufacturing, transportation, heavy industry, and biomanufacturing – to strengthen and diversify domestic supply chains by committing to at least 15% of their U.S.-based contract spending on outside goods and services from small and underserved businesses by 2025. Micron, Air Products, and Xcel Energy are the first companies to make this commitment. These companies have also committed to provide technical assistance – such as offering preferential financing and guiding companies through supplier certification processes –to help underserved entrepreneurs enter these high-growth sectors.

Lastly, Google has committed to spend at least $1 billion annually with diverse-owned suppliers in the United States. Together, these investments will facilitate the growth of a diverse set of suppliers and create sustained economic benefits in underserved communities.

"To bridge the financial disparities that hold so many of our communities back, we must continue to work together to combine the capacity of the private sector with the reach and

the scale that only the government can provide. When we do, we create opportunity and prosperity for millions of Americans," said Vice President Kamala Harris.

"Innovative partnerships between the public and private sectors are key to increasing economic opportunity for all Americans," said Secretary of the Treasury Janet L. Yellen. "The new private sector commitments announced today will maximize the Biden-Harris Administration's investments in expanding access to capital in low-income, rural, and other underserved communities, which increase long-term productivity and economic growth."

"Earlier this year, the Economic Opportunity Coalition reached their goal of securing $1 billion in committed deposits for CDFIs and MDIs to better serve overlooked communities," said U.S. Senator Mark Warner (D-VA). "Their work didn't stop there. I'm thrilled to see, along with the EOC's continued efforts on deposits, a focus on ensuring small and disadvantaged businesses are reaping the benefits of the seismic legislation we have passed under the Biden administration."

In June, the EOC announced that it had reached the goal made at last year's Freedman's Bank Forum and secured $1 billion in committed deposits in CDFIs and MDIs. Today's announcement includes a 200% increase of this original goal, ensuring billions of dollars will reach low-income, rural, and other underserved communities.

The Treasury Department has worked closely with the EOC to maximize the impact of federal investments, particularly in underserved communities that are building infrastructure for sustainable economic development. For instance, EOC investments complement the Department's more than $8.5 billion in investments to CDFIs and MDIs through the Emergency Capital Investment Program. Among other things, these funds support CDFIs and MDIs in providing loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities. Alongside today's announcements, this week, the Treasury Department released a new report card detailing how EOC investments and other public sector financing are working together with federal investments to reduce economic inequality and maximize the impact of the Biden-Harris Administration's historic investments.

Today's annual Freedman's Bank Forum features Secretary Yellen and senior Biden-Harris Administration officials, as well as key leaders from the public, private, nonprofit, and philanthropic sectors. The conference will highlight the Administration's efforts to increase economic opportunity for communities of color and address the persistent drivers of the racial wealth divide. A livestream will be available here beginning at 10:00 AM ET.

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