

**TESTIMONY ON S.B. 105 (SYKES, SCHURING)  
BEFORE THE OHIO SENATE  
SMALL BUSINESS AND ECONOMIC OPPORTUNITY  
COMMITTEE**

March 24, 2021

Chairman Rulli, Vice-Chairman Lang, and Ranking Member Sykes, my name is Eric H. Kearney and I am President/CEO of the Greater Cincinnati & Northern Kentucky African American Chamber of Commerce (AACC). I provide testimony in support of S.B. 105.

In general, the AACC favors the lessening of bureaucracy in the process of becoming certified as a minority business enterprise (MBE). Removing the red tape that handcuffs minority businesses is the right thing to do – and NOW is the time to do it. We must continue to make our State a welcoming environment for entrepreneurs, small businesses, and the eco-system that supports them. The AACC performs MBE-certification services in 17 counties for the State of Ohio through its Minority Business Assistance Center (MBAC).

2020 was a year of pandemic challenges and growing demand for opportunity for ALL. The impact of COVID-19 and measures to stop its spread had a disproportionate negative impact on minority communities. The National Bureau of Economic Research reports that, “the number of African-American business owners plummeted from 1.1 million in February 2020 to 640,000 in April.” That means more than 40 percent of U.S. Black-owned businesses have closed their doors in the last year. In Cincinnati, our statistics suggest that approximately 30% of Black-owned businesses have closed due to Covid-19.

In many cases, access to funding was - and is – a tall hurdle for Black-owned businesses. A study from the Stanford Institute for Economic Policy Research shows that only one percent of Black business owners see their request for a loan approved in the first year of business.

Easier certification as an MBE allows greater access to beneficial programs, including:

- Access to funding - Many MBEs are eligible for programs that help them gain access to financial services including capital, credit and other services.
- Tax incentives - The federal government provides tax incentives to businesses that choose to work with MBE and women-owned businesses.
- Contracts - Many contracts from larger businesses and government agencies are required to be given to certified MBEs. Making the certification process easier will lead to more opportunity for minority businesses.

The AACC is celebrating its 25<sup>th</sup> anniversary and recently announced results of a groundbreaking study in partnership with University of Cincinnati, Economics Center. It shows the Greater Cincinnati Black businesses included in the analysis support more than \$1.4 billion of operations expenditures and are responsible for directly employing 8,680 people with \$540 million in earnings throughout the Cincinnati Metropolitan Statistical Area (MSA). Additionally, earnings by Black-owned businesses generate approximately \$1.2 million in taxes for the five



Ohio counties (Brown, Butler, Clermont, Hamilton, Warren) included in the Cincinnati MSA.

Removing barriers to MBE certification has the potential to grow minority businesses, minority earnings and minority communities.

Removing barriers to MBE certification has the potential to grow all businesses, earnings for everyone and the great State of Ohio.

Respectfully Submitted,

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President & CEO

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African American Chamber of Commerce***

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We provide over 120 Programs/Events/Workshops a Year for Small Businesses and Entrepreneurs!  
The AACC is celebrating its 25th Anniversary!!!

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