

United States Senate
WASHINGTON, DC 20510

July 22, 2020

VIA ELECTRONIC DELIVERY

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street SW
Washington, D.C. 20416

Dear Administrator Carranza:

We are writing to inquire on the current status of the Small Business Administration's (SBA) Open Network for Board Diversity (ONBOARD) initiative. I was troubled to hear that the ONBOARD initiative has been discontinued as of 2017, based on witness testimony during a Senate Small Business Committee hearing in 2019. We see this as a missed opportunity to fulfill one of SBA's initiatives of supporting small businesses and entrepreneurs from underrepresented communities, a critical objective in bringing increased diversity to the U.S. small business community.

In 2015, SBA commissioned a study with the Library of Congress that found that women working at Small Business Investment Companies (SBICs) are more likely to have leadership positions than in the broader private equity community, and that diverse investor groups are more likely to invest in companies with diverse representation. On the heels of this study, SBA created the ONBOARD initiative, a public-private partnership with LinkedIn and several other organizations that leveraged online platforms to connect small businesses, recruiters and associations with talented professionals from underrepresented communities. This program sought to address the lack of women and people of color in leadership positions on high-growth small businesses, particularly, those supported by Small Business Investment Companies by establishing a pipeline for high-quality, diverse applicants.

The Library of Congress study further confirmed what we already knew to be true: underrepresentation of women and minorities in corporate leadership is a common problem throughout the small business, venture capital and financial sectors. The ONBOARD initiative was one of the first of its kind in the public sector to advance the pipeline of individuals from underrepresented communities into business leadership roles and build a mission to address the gender and racial inequalities currently present in the boardrooms of American small businesses. This initiative was critical in its investment in women and minorities seeking leadership positions in high-growth small businesses and, if fully supported, has the capability of increasing diversity of small business leadership nationwide, with SBA leading the charge.

In a time when Americans are reexamining the racial injustices that are pervasive within our society, corporate leaders are being forced to reckon with a stark reality; women, Black, Latinx, Native American, Asian American and Pacific Islander business professionals remain drastically

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underrepresented in leadership, corporate boards and C-suites in businesses nationwide. This remains the case despite proven evidence that increasing the diversity of leadership teams leads to increased innovation, improved financial performance and better business results. Now more

than ever, it is vital that SBA takes swift action to advance individuals from underrepresented groups into small business leadership roles and establish a mission to help address the gender and racial inequalities within the business community.

We respectfully request the following information:

1. A detailed justification for why the ONBOARD Initiative is no longer active;
2. The number of staff members who were managing SBA's ONBOARD initiative prior to it becoming inactive, and;
3. The SBA's plan for advancing the ONBOARD initiative, or similar initiatives that support women and people of color in obtaining leadership roles on high-growth small businesses.

We appreciate your attention to this matter and look forward to your prompt response by no later than August 5, 2020. Please contact Elizabeth Sukut for Senator Duckworth at 202-224-2854 or elizabeth_sukut@duckworth.senate.gov if you have any questions.

Sincerely,

/s/ Tammy Duckworth

Tammy Duckworth
United States Senator

/s/ Edward J. Markey

Edward J. Markey
United States Senator

/s/ Jacky Rosen

Jacky Rosen
United States Senator

/s/ Cory Booker

Cory Booker
United States Senator

/s/ Jeanne Shaheen

Jeanne Shaheen
United States Senator

/s/ Jeffrey A. Merkley

Jeffrey A. Merkley
United States Senator

/s/ Dianne Feinstein

Dianne Feinstein
United States Senator

/s/ Amy Klobuchar

Amy Klobuchar
United States Senator