



Support for Minority-Owned Businesses (FY 2022)

March 2023



ONLINE PUBLICATION

Consistent with the Joint Explanatory Statement accompanying the *Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023*, EXIM President and Chair Reta Jo Lewis determined that it is in the national interest to post this report online at www.exim.gov. The report will be published no less than 30 days after transmittal to the Committees on Appropriations.

SUPPORT FOR MINORITY-OWNED BUSINESSES

(FY 2022)

March 29, 2023

Background

The Export-Import Bank of the United States (EXIM) is the official export credit agency of the United States. EXIM is an independent federal agency that supports American jobs by facilitating the export of U.S. goods and services.

EXIM's financing is not disbursed on the basis of a predetermined amount of financing for an individual sector, region, industry, constituency, or export destination. Rather, it is primarily driven by the needs of U.S. businesses and their international buyers to access EXIM financing in order to facilitate U.S. exports.

Consistent with statutory requirements, qualified applicants must commit to pay applicable fees, premia, and interest to access EXIM financing. Applications must align with the requirement that the private sector was unable to provide viable, competitive financing and that EXIM financing will supplement—not compete with—private capital.¹

Demand for EXIM financing can vary by sector and region and may change over time, based on the capacity of private sector financial institutions, the relative competitiveness of U.S. exports, and the presence of foreign government-backed export credit financing, among many other variables.

EXIM's financial products are available to support exports from businesses of all sizes. Exports with payment terms of up to one year typically benefit from EXIM financing through export credit insurance and working capital loan guarantees. Exports that require longer repayment periods due to their cost or nature tend to be financed through loan guarantees or direct loans to the buyers. EXIM is also able to provide medium- and long-term financing to U.S. companies that are building out their capacity to manufacture goods for export under its Make More in America initiative.

Outreach and Engagement

Given statutory requirements for qualifying applications described above, EXIM seeks to increase the amount of its financing for statutorily identified constituencies, sectors, and geographic regions through increased outreach and engagement.² To achieve these objectives, EXIM works to build awareness among the business

¹ 12 U.S.C. 635(b)(1)(B); 12 U.S.C. 635(c)(1).

² Statutorily identified constituencies, sectors, and geographic regions include small businesses, women-owned businesses, minority-owned businesses, veteran-owned businesses, businesses owned by persons with disabilities, businesses in rural areas, and start-up businesses (12 U.S.C. 635(b)(1)(E)(i)(I)); rural companies (12 U.S.C. 635(b)(1)(I)); socially and economically disadvantaged small businesses, women-owned small businesses (12 U.S.C. 635a(i)(1)); agricultural exports (12 U.S.C. 635(b)(1)(B)); exports related to renewable energy, energy efficiency, and energy storage (12 U.S.C. 635(b)(1)(K)); environmentally beneficial exports (12 U.S.C.

community and stakeholder organizations about how the agency's financing can support exports. By improving awareness, EXIM encourages more qualifying businesses to consider applying for its financing.

EXIM's field office staff located in regional offices across the country play an important role in engaging with exporters and other key stakeholders at local business development events, as well as leveraging the agency's digital marketing resources to identify export-ready businesses.

EXIM has also made significant investments in a digital media strategy and automated marketing tools that will enhance the agency's reach to new businesses who might be unaware of EXIM or its services. At the same time, EXIM has invested in customer relationship management systems that will improve EXIM's ability to help more businesses through the customer journey.

In addition to a robust and well-funded digital media strategy, EXIM is developing targeted webinars, materials, and promotional support designed to more effectively reach and educate businesses about how EXIM can support their export of goods and services.

EXIM has also been working to strengthen its private sector partnerships, which serve as multipliers and help expand awareness to more U.S. businesses. Currently, there are 50 private sector lenders actively participating in EXIM's delegated authority program for working capital loan guarantees. These lenders are familiar with EXIM programs and processes, as well as regional business communities, and can assist local companies in securing the EXIM-backed financing they need to export their goods and services.

In addition, EXIM has registered 72 insurance brokerage firms that can help more businesses learn and access EXIM's export credit insurance. EXIM recently established account manager teams that seek to enhance and deepen our coordination with brokers and lenders to strengthen these partnerships and more effectively reach and build awareness of EXIM among export-ready companies.

EXIM has also worked to expand its use of outside economic development stakeholders for minority-owned business outreach. EXIM now has 58 state, county, and local nonprofit economic development entities participating in its Regional Export Promotion Program, which taps into the local market knowledge of these stakeholders to expand education and outreach efforts. Currently, four REPP members include Department of Commerce Minority Business Development Agency (MBDA) funded organizations dedicated to engagement with minority-owned businesses:

- Arizona MBDA Export Center
- Houston MBDA Export Center
- Miami MBDA Export Center
- San Antonio MBDA Business Center

Local partnerships have been among EXIM's most successful and cost-effective ways to engage businesses that are export-ready but lack access to affordable financing solutions.

635i- 5(b)(1)); transformational export areas and exports directly competing official export credit financing provided by the People's Republic of China and other covered countries (12 U.S.C. 635(l)(1)(B)); and exports to sub-Saharan Africa (12 U.S.C. 635(b)(9)(A)).

Minority- and Women-Owned Businesses

In addition to these general outreach efforts, EXIM has a dedicated group of specialists who work with minority- and women-owned businesses (MWOBs) to help them access EXIM financing. The MWOB group seeks to engage minority- and women-owned businesses interested in exporting their goods and services, educate them regarding the availability of EXIM financing, and increase the total amount of financing to support exports from these businesses.³

EXIM has established long-standing partnerships with organizations that have a minority trade focus and are dedicated to working with the agency to educate and raise awareness about its opportunities for exporters. Some of these organizations include:

- Minority Business Development Agency (MBDA)
- National Asian & Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)
- National Center for American Indian Enterprise Development
- National LGBT Chamber of Commerce
- National Minority Supplier Development Council
- National Veteran Small Business Coalition
- Organization of Women in International Trade
- U.S. Black Chambers Inc.
- U.S. Hispanic Chamber of Commerce
- U.S. Pan Asian American Chamber of Commerce
- U.S. Department of Veteran Affairs Office of Small & Disadvantaged Business Utilization
- Women Business Enterprise National Council

EXIM welcomes congressional input on additional partnerships that will help expand outreach to minority- and women-owned businesses looking to export.

The MWOB team also travels throughout the country to collaborate with partners by hosting export seminars, participating in trade shows, and organizing workshops focused on trade finance and global business development. In FY 2022 EXIM staff participated in 195 outreach and education events across the country engaging minority- and women-owned businesses.

In FY 2022, EXIM approved 462 MWOB authorizations totaling \$347.4 million.

Racial and Ethnic Data

EXIM is providing disaggregated data regarding its FY 2022 financing and procurement, to the extent such information is available to the agency.

³ Sec. 14 of P.L. 109-438, *The Export-Import Bank Reauthorization Act of 2006* (12 U.S.C. 635a(i)(1)).

In recognition of the need to better evaluate the effectiveness of EXIM's outreach and engagement efforts to individual historically underserved communities, the agency has revised its export credit insurance applications to allow for voluntary self-identification of race and ethnicity and is updating its reporting systems to track such information.

In early FY 2022, EXIM and MBDA implemented an information-sharing initiative to better identify underserved businesses supported by EXIM financing. The implementation of the rollout is moving into the third of four phases. Phase one included the MBDA Export Centers; phase two included the Manufacturing Centers; and phases three and four will split the remaining centers in half. The Export Centers and Manufacturing Centers are fully trained, and the effort has assisted the MWOB team identify new customers. .

Authorizations Disaggregated by Minority- and Women-Owned Businesses (FY 2022)

Product	Classification	Attributed Transactions	Total Authorization	Attributed Amount
Loan	Minority-Owned	-	-	-
	Women-Owned	-	-	-
	Minority- and Women-Owned	-	-	-
	Other/Not Indicated	-	-	-
	Loan Total	-	-	-
Guarantee	Minority-Owned	-	-	-
	Women-Owned	-	-	-
	Minority- and Women-Owned	2	1,420,000	1,420,000
	Other/Not Indicated	82	1,739,524,000	-
	Guarantee Total	84	\$1,740,944,000	\$1,420,000
Insurance	Minority-Owned	75	47,695,000	47,695,000
	Women-Owned	197	137,156,000	137,156,000
	Minority- and Women-Owned	139	71,807,000	71,807,000
	Other/Not Indicated	1,178	2,085,692,000	-
	Insurance Total	1,589	\$2,342,350,000	\$256,658,000
Working Capital	Minority-Owned	7	13,140,000	13,140,000
	Women-Owned	11	34,965,000	34,965,000
	Minority- and Women-Owned	8	41,171,000	41,171,000
	Other/Not Indicated	100	1,069,388,000	-
	Working Capital Total	126	\$1,158,663,000	\$89,276,000
TOTAL		1,799	\$5,241,957,000	\$347,354,000

Note: Amounts are rounded to thousands. Attributed Transactions include authorizations with at least one known minority- or women-owned exporter or supplier. Attributed Amount reflects the prorated amount of the transaction based on the goods and services to be provided by minority- and women-owned businesses.

Procurement

EXIM adheres to the Federal Acquisition Regulation (FAR) in its procurement of government goods and services, with a goal of 23 percent of the total value of the agency's annual awards to small businesses (15 U.S.C. 644(g)(1)). EXIM actively pursues small and socio-economically disadvantaged small businesses to address procurement needs and exceeded the small business award goal, awarding 61 percent for small businesses in FY22. FAR is a regulation and does not require the collection of service provider ethnic or racial information. The below breakdown is consistent with the self-reported data available via SAM (System for Award Management).

Businesses may qualify for multiple small business designations and the corresponding awards are included in all applicable categories. "Other" businesses include contracts with foreign vendors that perform in-country services related to portfolio management and asset protection. Foreign vendors are not required to declare their socio-economic data or SBA certifications.

Obligated Federal Procurement Dollars (FY 2022)

TOTAL EXIM CONTRACT ACTIONS FY22	Actions	Amount	EXIM Percent of Total Awards	SBA Statutory Goals for Agencies
TOTAL EXIM CONTRACT ACTIONS	343	\$48,479,718.64	n/a	n/a
TOTAL SMALL BUSINESS	169	\$29,705,219.65	61.27%	23%
Self-Certified Small Disadvantaged Business	71	\$21,157,376.58	43.64%	11%
Women-Owned Small Business	49	\$12,483,361.48	25.75%	5%
Service-Disabled Veteran-Owned Small Business	18	\$2,041,189.04	4.21%	3%
HUBZone Firm	10	\$948,444.15	1.96%	3%