

**Testimony of Rick C. Wade
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**U.S. House of Representatives
Select Committee on Economic Disparity & Fairness in Growth
Connecting Americans to Prosperity: How Infrastructure can Bolster Inclusive
Economic Growth**

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Chairman Himes, Ranking Member Steil and distinguished members of the Select Committee, thank you for the opportunity to testify before the Committee today and for holding this important hearing.

My name is Rick Wade and I am Senior Vice President of Strategic Alliances and Outreach at the U.S. Chamber of Commerce. Since our founding, the Chamber has advocated for policies that help businesses create jobs and grow our economy. And for more than two decades we have been at the forefront of advocacy for investment in the modernization of America’s aging infrastructure. We’ve led a coalition of business leaders, policymakers, and companies across industries to move forward this urgent and critical national priority. We are grateful to Congress for passage of the historic bipartisan Infrastructure Investment and Jobs Act, recently signed into law by President Biden. This once-in-a-generation investment in our nation’s infrastructure will rebuild America’s roads, bridges, and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, and so much more.

For many communities – whether minority, Appalachian, tribal, urban, or rural – the dream of an inclusive social and economic infrastructure is still not a reality. A report from the Environmental Protection Agency asserts that, as a result of our country’s past actions, “Black Americans are three times more likely to die from exposure to air pollutants than white Americans. Black communities have lower quality roads and transit systems than white areas. And Black, Latinx, and Native American people are more likely to live without running water and basic indoor plumbing than white Americans.”¹ The Infrastructure Investment and Jobs Act can transform these

¹ [Trump’s EPA Concludes Environmental Racism Is Real](#)

communities that have been historically underserved and left behind as well as significantly improve the quality of life of ALL people.

I grew up poor in a segregated, textile town in South Carolina and remember the days when the school bus had to travel down dirt roads to pick up students. As a young boy, I recall how excited I was when in-door plumbing was installed in our home. Times have changed and we have made progress. Most people live in homes with functional plumbing and clean water. Most of our roads are now paved, allowing us to safely get to schools, jobs, grocery stores, banks, and hospitals.

But existing disparities in public infrastructure continue to have profound costs on communities of color. Decisions on highway placement in decades past continue to separate minority neighborhoods from commercial districts. Today, fewer transit options and longer commutes from minority neighborhoods to job centers can make it more difficult to maintain employment and balance family obligations. Black, Latino, and Native American people are more likely to live in homes without clean drinking water, impacting both health and the cost of living. Households of color are also more likely to live near toxic Superfund sites in need of cleanup, impacting health, property values, and local economic opportunities.

The historic bipartisan Infrastructure Investment and Jobs Act provides a unique opportunity to close gaps that exist in our nation's core infrastructure. The law includes \$351 billion for highway programs and \$91 billion for transit programs. As local, state, and federal leaders decide which projects to fund with this historic level of investment, it is critical that they prioritize transit projects that shorten long, multi-stop commutes between minority communities and job centers; fix highways that bifurcate neighborhoods; and improve road quality and capacity to improve economic opportunity.

In a recent report published by the Center for Economic Policy and Research, it is noted that “there is reason to worry that the worst roads and bridges are disproportionately in communities of color which tend to lack the wealth that would be necessary for sufficient infrastructure investments.” In Mississippi the newly passed infrastructure law will provide \$3.3 billion for road repair. This investment could address poor road damage that currently costs drivers in Jackson, MI over \$2000 in repairs annually. This amounts to 7 percent of the median income of a Black household in the state compared to 4 percent of the median white income. Good roads and bridges

are critical to the transportation needs of people of color and key to opportunities to access good paying jobs, healthcare, and overall quality of life. ²

The bipartisan Infrastructure Investment and Jobs Act includes \$55 billion to ensure that households, schools, daycare centers, and businesses have access to clean water. Critically, \$15 billion is set aside specifically to replace lead water pipes, which literally bring poison through the tap. Lead water pipes happen to be most prominent in older, low-income, minority neighborhoods. The infusion of federal resources will help many minority and low-income communities complete the long-overdue and expensive upgrades that are essential for supporting local economic growth.

When it comes to the environment, the bill includes \$21 billion to clean up Superfund and brownfield sites, reclaim abandoned mine land and cap orphaned oil and gas wells. If we hope to close opportunity gaps, we must do more than make up for the lack of investment in the past, we must ensure that minority communities have access to the infrastructure of the future. Few things are as important to education, job creation, and economic opportunity than access to high-speed broadband internet. Through \$42 billion for broadband equity, access, and deployment, we can close internet access gaps that if unaddressed will hold back minority communities in the years to come.

As you are aware, America's 8 million minority-owned businesses are not only job creators, but important anchors in our communities and threads in the fabric of our society. U.S. Chamber research showed that 66% of minority-owned businesses were concerned about permanently closing as a result of the pandemic.³ And a study from the National Bureau of Economic Research reports that 41% of Black-owned businesses have already closed from February to April 2020.⁴ While the overall decline is noteworthy, the data shows that differences among business closure rates across racial and ethnic groups are even more striking. Black businesses experienced the most severe decline, followed by Latinx business owners (32 percent) and Asian (26 percent). In contrast, the number of White business owners fell 17 percent. Strengthening, and in some cases rebuilding, the economic infrastructure in minority communities is critical to the success of our businesses and our country.

The U.S. Chamber has long supported the codification of the Minority Business Development Agency (MBDA) which has existed through Executive Order since its

² [Historic Opportunities for Racial Equity in the Infrastructure Investment and Jobs Act](#)

³ [Coronavirus Pandemic Hits Minority-Owned Small Businesses Disproportionately Hard, New Poll Shows](#)

⁴ [Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects in Black Communities](#)

inception in 1969 under President Richard Nixon. Thank you for including provisions in the Infrastructure Investment and Jobs Act to codify the agency, create an Under-Secretary position, increase its funding, and expand its geographical reach. MBDA can now work to ensure more minority-owned businesses connect with opportunities to rebuild our nation's infrastructure as prime and sub-prime contractors, planners, designers, architects, and engineers. Streamlining procurement processes, simplifying government lending programs, and unbundling large contracts will help these enterprises be even more competitive and create jobs in the communities where they exist. Major corporations also play a role in ensuring that minority-owned businesses have a seat at the infrastructure table and we will continue to work with them to increase sub-contracting opportunities and enhance access to much needed capital, credit and bonding.

You also may be aware, though there have been improvements in recent years, Black unemployment is still twice that of white Americans. In addition, 19 percent of Black Americans live below the poverty level, compared to 7 percent of white Americans. The net worth of a typical white family is nearly ten times greater than that of the average Black family.⁵ An equitable infrastructure program can create higher paying jobs and help close the wealth gap. It is not only a moral imperative, but a matter of economic competitiveness.

We can look to Raleigh, NC for a model of inclusive infrastructure investment. Their Equitable Development Around Transit project created a planning framework to guide growth around transit with a focus on equity, affordability, and sustainability. Their goals are to promote fairness in development, enhance housing affordability, minimize displacement from rising real estate values, increase ridership of public transit, reduce carbon emissions and more. The benefits created by transit investments are shared broadly and equitably along racial and economic lines.⁶

Driven by data and informed by conversations with business, government, academics, and civic leaders, the U.S. Chamber developed the Equality of Opportunity Initiative in 2020 to advance private and public sector solutions to help close race-based opportunity gaps in education, employment, entrepreneurship, criminal justice, health, and wealth.⁷ We are very proud of the progress we've already made since launching the

⁵ [Inequalities Persist Despite Decline in Poverty For All Major Race and Hispanic Origin Groups](#)

⁶ [Equitable Transit-Oriented Development Guidebook](#)

⁷ <https://www.uschamber.com/equality-of-opportunity-initiative>

Equality of Opportunity Initiative – hosting 100s of events, meetings and briefings with companies and other organizations; endorsing several bills on Capitol Hill; releasing important research and data; sharing best practices across business and government; and standing up nearly a dozen Chamber-wide impactful partnerships and programs. In addition, over 500 state and local chambers and other groups have signed on to the Initiative and are advancing this work across their organizations and communities.

We will continue to work closely with our federal government partners to include the Minority Business Development Agency, Small Business Administration and Export Import Bank to support and strengthen minority-owned businesses. And we are working diligently with the private sector to connect these enterprises to corporate supply chains and unleash the capital that they need to grow and succeed.

We look forward to working with you, the Select Committee on Economic Disparity and Fairness in Growth, to ensure that inclusive infrastructure investment becomes a reality in America. Working together -- business and government and across both sides of the aisle -- we can transform communities, both economically and through improved quality of life, and ensure that all people have a real chance to live their American Dream.

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