

The Continued Struggle For Equality Of Black American Business Owners

Senator Cardin, Senator Van Hollen, and Representative Ivey, esteemed guests, and fellow advocates for small businesses and diversity in entrepreneurship.

My name is Tonya Lawson, and I am honored to appear before this esteemed committee to address a matter of paramount importance to small businesses and minority entrepreneurs across our nation. As the owner of a minority, woman-owned small business, and a passionate advocate for Small Businesses, I bring a perspective deeply rooted in over two decades of experience in federal government and private sector contracting.

Today, I stand before you not just as a business owner but as a representative of Black-American small business community that has faced historical challenges and continues to encounter barriers in accessing opportunities that are fundamental to economic growth and prosperity. The recent challenges to programs like the Small Business Administration's 8(a) Business Development program and the Minority Business Development Agency's (MBDA) Business Center programs are deeply concerning, as they threaten to dismantle crucial avenues of support for socially and economically disadvantaged entrepreneurs.

The SBA's 8(a) program has been a lifeline for countless small minority businesses, providing training, technical assistance, and access to federal contracting opportunities. While I am not in the 8(a) program myself, I've long considered joining the program, given the doors it could open for my business. Similarly, the MBDA's Business Center programs have played a vital role in empowering minority business enterprises (MBEs) with essential resources and guidance to navigate the complexities of business ownership and access capital for growth and expansion.

Considering recent court rulings and challenges to these programs, it is imperative that we recognize the enduring value they bring to our economy and communities. These programs are not just about leveling the playing field; they are about creating pathways to success, fostering innovation, and driving economic inclusion for all Americans.

In my testimony today, I will share insights from my own experiences as a Black American, woman business owner and highlight the critical importance of preserving and strengthening initiatives like the SBA 8(a) program and MBDA's Business Center programs. Racism, discrimination, and gender discrimination still exists, especially for Black American business owners. I urge this committee to consider the profound impact of these programs in addressing the barriers caused by discrimination and to work collaboratively to ensure that all entrepreneurs, regardless of background, continue to have the opportunity to have access and contribute to our nation's prosperity.

Facing Hate Head-On: Confronting Racial Slurs and Discrimination in Corporate America

In my twenties, while working in the private sector for a large publicly traded electronics company, I encountered a deeply disturbing incident that highlighted the stark realities of discrimination. As part of the credit department, I diligently assisted customers with the credit application process, ensuring smooth transactions and excellent service. One evening shift, I adhered to my scheduled hours, making it clear to colleagues that I needed to leave promptly at 9 pm. Despite this, a mature-adult white woman sales

May 6, 2024
Written Testimony-Senate Committee on Small Business and Entrepreneurship
Tonya Lawson

representative insisted that I stay longer to assist her customer, disregarding my commitments. When I firmly declined, citing my prior arrangements, she resorted to using an offensive racial slur, calling me a "Nigger." The shock and hurt I felt were immediate and profound. In a moment of intense emotion, I reacted instinctively and slapped her in response to this deeply offensive language.

This incident revealed not only the racial animosity that still pervades our society but also the unequal treatment and lack of accountability faced by minority individuals. Rather than the company addressing the root cause of the conflict and the offensive behavior displayed by the sales representative, I was suspended and ultimately employment terminated. The lack of consequences for her actions and the swift punishment imposed on me sent a clear message about the systemic biases and injustices that Black Americans face in the workplace. It was a stark reminder that despite my hard work, dedication, and professionalism, I could still be targeted and penalized based on my race, while the offender faced no repercussions.

Regarding this incident, it's crucial to highlight the context and emotional impact that led to my reaction. Her use of a racial slur, specifically calling me a derogatory term, was not only deeply offensive but also created an intensely hostile environment. The immediate emotional distress caused by such a derogatory and racially charged insult cannot be overstated. It's important to note that I did not instigate this situation; rather, I was responding to a direct attack on my dignity and humanity.

In a professional setting, racial slurs are completely unacceptable and have no place in civilized discourse. The use of such language not only undermines professionalism but also perpetuates harmful stereotypes and discrimination. In this case, the slur used against me was particularly egregious and hurtful, evoking a strong emotional response.

Some might argue I was wrong for slapping the woman. They may label me as the aggressor. That I was the violent one. But I ask you to consider this, what would you have done, in your twenties, if someone hurled a racial slur, a direct attack on your dignity and humanity, in a professional setting? In that moment, as a young person in my twenties, confronted with such blatant racism, my initial reaction was not premeditated, however, it rocked me to my core. I was shocked and hurt that someone could demean me with such venom.

Being called the offensive "N-word" was a painful reminder of the deep-rooted history of racism and oppression that Black Americans had endured for centuries. The "N-word" originated during the dark era of slavery, this derogatory term was used to dehumanize and belittle Black people, depicting them as inferior and unworthy. Through the harrowing periods of Jim Crow segregation and the Civil Rights Movement, the "N-word" continued to serve as a tool of hate, a means of asserting white supremacy and reinforcing racial hierarchies and perpetuating racial injustices and systemic discrimination.

The weight of the "N-word" encompasses the horrors of slavery, where our Black ancestors faced unimaginable atrocities—they were treated as mere property, husbands were separated from their wives and children, Black women were raped, they were whooped with chains and whips, hung from trees, mutilated, worked cotton fields from morning to night, they were told they were dumb, ignorant and couldn't learn. Our men were targeted for privatized prison. It symbolizes a deliberate attempt to strip away the dignity, autonomy, and humanity of Black people. Being subjected to such hate speech evokes the profound pain and trauma experienced by countless Black individuals who endured hate crimes, violence, and systemic oppression throughout history.

May 6, 2024
Written Testimony-Senate Committee on Small Business and Entrepreneurship
Tonya Lawson

So, when I was called the "N-word", I felt this sting of centuries of injustice and discrimination. It was a stark reminder of the dehumanization that my ancestors faced, the struggles they endured, and the sacrifices they made for future generations. This word is not just an insult, it is a manifestation of centuries of racism and hatred. No one should ever use or tolerate such language, as it perpetuates the cycle of pain and division. I wouldn't wish this level of hurt on anyone, and it's crucial for us to understand the impact of such words and work towards creating a more inclusive and respectful society.

Imagine being in my shoes, a dedicated young, loyal employee doing their job diligently, only to be met with a racial slur that cuts deep into your sense of self-worth. It's about the emotional impact of being dehumanized and degraded in such a manner. In that moment, my instinctive reaction was to defend my dignity and push back against the blatant racism I was subjected to.

Reflecting on the incident, I'm struck by how effortlessly the sales representative used the "n-word." Her casual delivery of such an offensive slur was astonishing to me. At the time, I was a young worker in my twenties, dedicated and enthusiastic about my job. The age difference between us was around 10-15 years, yet the ease and comfort with using such a derogatory term highlighted to me the lack of consequences she faced. Yes, I acknowledge that resorting to physical retaliation (a facial slap) wasn't the proper reaction, but it's crucial to grasp the emotional toll inflicted on me by such a derogatory term. It's not merely about the physical act of a slap; it's about the profound pain, hurt, and anguish caused by being targeted with hate speech in what should be a professional and respectful setting. It's important to note that the woman didn't sustain any lasting physical injury. However, the impact on me went much deeper and was long-lasting, striking at the core of my identity and dignity.

I am not alone in experiencing situations like mine. Discrimination is pervasive and its effects are long-lasting. It's a reminder of the barriers that we, Black Americans, face in our daily lives. This event underscores the ongoing need for government advocacy programs like the SBA 8(a) Business Development program and MBDA programs, which play a vital role in supporting businesses owned by socially and economically disadvantaged individuals.

From this experience, I've learned several key lessons that highlight the importance of such programs in fostering a fair and inclusive business environment. Here are the lessons learned:

- **Advocacy for Minority-Owned Businesses:** Recognizing the ongoing challenges faced by minority-owned businesses in combating discrimination underscores the critical need for government advocacy programs like the 8(a) Business Development program. These programs are indispensable in providing a level playing field for businesses owned by socially and economically disadvantaged individuals, ensuring fair opportunities for growth and success
- **Strategic Navigation of Discrimination:** Navigating instances of discrimination requires a strategic approach and the utilization of available resources. Programs like the SBA 8(a) program offer support and opportunities for growth, essential for small businesses to thrive in competitive environments.
- **Upholding Professionalism and Resilience:** Upholding professionalism and resilience in the face of discriminatory behavior is crucial for maintaining business integrity and reputation. Initiatives like the SBA 8(a) program promote ethical business practices and fair treatment for all entrepreneurs.
- **Seeking Recourse and Support:** Seeking recourse and support from appropriate channels, such as HR departments or advocacy programs like the SBA 8(a) program is essential in addressing and rectifying instances of discrimination within business partnerships.

- **Continuous Advocacy for Equity, Equality and Fairness:** Advocating for equity, equality and fairness in business interactions is a continuous effort that requires active participation and engagement. Programs like SBA 8(a) program empower entrepreneurs to challenge discriminatory practices and advocate for inclusivity and diversity in the business landscape.
- **Promoting Awareness and Education:** Educating stakeholders and promoting awareness about the impact of discriminatory language and actions fosters a culture of respect and inclusivity. Initiatives like the SBA 8(a) program contribute to creating a more equitable and supportive business environment for all entrepreneurs.

Navigating Racism: Experiencing Racial Discrimination in Business Partnerships

A few years ago, I entered into a partnership with a large government contractor that is owned and operated by individuals of Caucasian descent, a company with which I had a relationship. They initially showed support and willingness to mentor my small business, inviting me to collaborate on a Department of Defense (DOD) contract that included a small business/MBE requirement. As part of the proposal process, I contributed extensively by providing information about my company, including past performances, capabilities, and expertise. Our team successfully secured the contract.

Post-award, I expected discussions to commence regarding the specifics of our partnership, such as the allocation of technical resources, roles, responsibilities, and the number of full-time equivalents (FTEs) my company would provide. However, despite my repeated inquiries over two years, I received no response or clarity on these critical matters. I remained proactive, maintaining regular communication, and expressing my readiness to contribute to the team's success.

Disheartened by the lack of progress and meaningful engagement, I reached out to my small business advocate at the Small Business Administration (SBA) to seek assistance. After the SBA's review, it became apparent that the large business was not fulfilling its obligations outlined in the small business subcontract plan submitted during the proposal stage. Despite SBA intervention and discussions with the large business, the situation did not improve. Instead, the company ceased all communication with me, signaling a clear lack of genuine commitment to partnering with a qualified small business like mine.

Why do I believe this experience amounted to discrimination? Firstly, there were indications within the company's culture of discriminatory practices. Employees, including some of my supporters within the company, spoke openly about instances of discrimination against Black employees. These included disparities in promotion rates, limited opportunities for customer-facing roles, and a pervasive sense among Black employees of needing to exceed expectations significantly to advance within the company. Moreover, Black employees observed disparities in mentorship opportunities and succession planning, where white colleagues were systematically favored.

Ultimately, I made the difficult decision to disengage from the partnership after investing two years of effort and hope into building a strategic relationship. The company's failure to uphold its commitments, coupled with a corporate culture that seemed indifferent to diversity, equality, and genuine partnership with small businesses, made it clear that this was not an environment conducive to my success or aligned with my values. This

experience not only drained significant time, money, and effort but also potentially cost me other valuable opportunities and partnerships that could have contributed to the growth and sustainability of my business.

The lessons learned from this situation are profound and have guided my approach to business partnerships and advocacy for fair practices:

- **Accountability and Oversight:** The SBA must play an active role in holding large businesses accountable for meeting their small business subcontracting plans as outlined in contract requirements. This includes monitoring the allocation of funds and resources designated for small businesses, ensuring that these opportunities are not overlooked or redirected to non-compliant practices.
- **Importance of Due Diligence:** Conduct thorough due diligence before entering into partnerships, ensuring alignment not only in goals but also in values and commitment to diversity and fairness.
- **Advocacy and Collaboration:** Actively engage with advocacy organizations like the SBA to address issues of non-compliance and discrimination, leveraging their expertise and support to advocate for fair treatment.
- **Transparency and Communication:** Maintain open and transparent communication channels with partners, setting clear expectations and seeking regular updates to ensure mutual understanding and accountability.
- **Resilience and Adaptability:** Remain resilient in the face of challenges, recognizing when to pivot or disengage from partnerships that do not uphold ethical standards or support diverse and inclusive practices.
- **Heightened Awareness and Discernment:** The experience highlights the persistence of racism in business interactions. As a small business owner, it's essential to maintain a heightened level of awareness and discernment to detect early signs of discrimination or bias. This includes being attentive to subtle cues, language, and behaviors that may indicate underlying prejudices. As a minority business owner, I must continuously think about this. Why?

Systemic Bias Unveiled: Challenges Faced by Black American, Woman-Owned Business

A few years ago, I encountered discrimination while working on a subcontract for a civilian agency, providing project management services. Initially, I reported directly to the Interim CIO, a Black male professional, who recognized my competency and experience. I was brought onto the contract as a project manager to support a team of about 25 technical resources. As I began supporting the Interim CIO, the department and the team, everything seemed positive and productive.

However, when the permanent CIO, a white male professional, took over, the dynamics shifted. After a few months, the new CIO not only commended my work ethics and effort but also invited me to collaborate closely with him on special projects, recognizing my capabilities publicly. This recognition inadvertently triggered jealousy among some white male teammates, particularly a project manager who had a history of making disparaging comments about me to the CIO. I became aware of these conversations through other coworkers who shared the white teammates' complaints, revealing their jealousy and attempts to undermine my work ethics and reputation. Despite my unwavering dedication and hard work, these jealous colleagues started to influence the CIO's decisions, ultimately impacting my small business subcontract.

May 6, 2024
Written Testimony-Senate Committee on Small Business and Entrepreneurship
Tonya Lawson

Over time, the team's disparagement escalated, leading to a decline in my interactions with the CIO and eventually, the early termination of my contract. The explanation given was budget concerns, but it became evident that this decision stemmed from the influence of jealous colleagues and a lack of leadership discernment from the CIO.

This experience left me feeling proud initially, to contribute meaningfully and collaborate effectively with the team. However, as the discrimination unfolded, I felt hurt, disappointed, and disillusioned. It was a clear case of racial and gender-based discrimination, where jealousy and undermining tactics prevailed over merit and professionalism.

The discrimination manifested in several ways. Let me explain:

- **Unequal Treatment:** Despite my qualifications and contributions, I faced unequal treatment compared to my white male counterparts. This included being overlooked for opportunities, receiving less recognition for my work, and facing undue scrutiny and criticism.
- **Undermining Tactics:** The jealous colleagues engaged in undermining tactics, such as spreading false rumors about my performance, questioning my abilities without merit, and attempting to discredit my reputation within the team and with the CIO.
- **Lack of Support:** Instead of addressing the discriminatory behavior and supporting a fair and inclusive work environment, the CIO and some colleagues chose to ignore or condone the discriminatory actions, further exacerbating the situation.
- **Emotional Impact:** The discrimination took a toll on my emotional well-being, leaving me feeling hurt, disappointed, and disillusioned. It created a hostile work environment where I constantly felt undervalued and undermined, impacting my morale and confidence.
- **Economic Impact:** The discriminatory actions ultimately led to the loss of the subcontract, resulting in a significant financial impact on my business and my family. This loss of revenue not only affected the sustainability of my business but also had direct implications for my ability to provide a stable income for myself and support my family, highlighting the real economic consequences of discrimination in business relationships.

The CIO's failure to address this discrimination and uphold equitable practices was disheartening. It not only affected my professional growth but also highlighted systemic challenges that black minority professionals often face in corporate environments.

The experience I just recounted highlights the pervasive challenges of racial and gender-based discrimination that persist in professional environments, even in agencies where diversity is valued. This incident underscores the importance of addressing systemic biases and promoting equity and fairness in the workplace. These lessons are particularly relevant to the Senate Committee on Small Business and Entrepreneurship as they consider policies and programs to support minority-owned businesses and combat discrimination in federal contracting. In reflecting on this incident, here are my take-aways:

- **Discrimination hinders productivity and innovation:** When discriminatory behaviors go unchecked, it creates a toxic work environment that stifles collaboration, productivity, and innovation. Agencies and leaders must actively address discriminatory practices to foster inclusive and high-performing teams.

- **Accountability is essential for fairness:** Government agencies and contractors must be held accountable for promoting diversity, equity, and inclusion. This includes implementing clear policies and practices to prevent and address discrimination, ensuring fair treatment for all employees and subcontractors.
- **Support for minority-owned businesses is crucial:** Programs like the SBA 8(a) Business Development program play a vital role in providing opportunities for socially and economically disadvantaged entrepreneurs. Continued support and advocacy for such programs are imperative to level the playing field and promote diversity in federal contracting.
- **Heightened Awareness and Discernment:** The incident emphasizes the need for small business owners to maintain a heightened level of awareness and discernment in professional environments. Being attuned to subtle signs of discrimination, such as disparaging remarks or biased treatment, is crucial to address issues early and advocate for fair treatment. This experience underscores the importance of recognizing and confronting discrimination, even in seemingly progressive workplaces.
- **Connecting the Dots – The Ongoing Presence of Racism:** Reflecting on this incident brought back memories of a deeply upsetting experience from my twenties when I was subjected to a racial slur, being called the “N-word”. Those words left me feeling deeply devalued and disrespected. Fast forward fifteen years, and I found myself in a similar situation where a white male professional made me feel undervalued, unappreciated, and inadequate. However, this time around, I approached the situation with increased resilience and determination, seeking justice and accountability for discriminatory behavior.
- **Today, Racism Persists:** Racism is no longer as overt as it was in the 1960s when it was openly displayed through symbols like hoods and messaging on walls and businesses. Instead, racism today exists in more subtle and insidious forms, ingrained into the very fabric of American society. It often lurks beneath layers of privilege and systemic biases, making it challenging to address directly. Despite these challenges, I maintain hope and pray for progress, believing that we must collectively work towards a society where discrimination has no place, fostering a more just and equitable environment for all.

Impact of Discrimination on Business Opportunities

This year, at a recent small business development event, where networking plays a crucial role in fostering business connections and opportunities, I encountered a troubling instance of discrimination that highlighted ongoing challenges faced by Black-owned businesses. The event, bustling with exhibitors ranging from small to large corporations across various industries, offered a platform for networking and exploring potential business opportunities. As I eagerly awaited my turn to speak with the lead IT procurement representative, a white male professional, from a global pharmaceutical company, I observed a disheartening sequence of events. The representative, after engaging with three individuals ahead of me, abruptly turned away when it was my turn, opting instead to converse with two white woman who weren't in line. This blatant disregard left me feeling frustrated and overlooked. Despite attempting to draw his attention back to our conversation, I was met with a dismissive gesture (pointing his index finger at me signaling for me to wait) and a lack of acknowledgment.

The procurement representative initially was dismissive towards me, eventually was very impressed with my skills and knowledge area. He became very interested and engaged in the conversation as I shared my company's core competencies in automation and AI. I felt that he had dismissed me because I was black, for he spoke to the

May 6, 2024
Written Testimony-Senate Committee on Small Business and Entrepreneurship
Tonya Lawson

male professionals and the white woman professionals with a sense of eagerness and joy. I had to get over an extra hurdle before he would talk to me and recognize my company's capabilities.

Despite these initial setbacks, I persisted in introducing my company's services and engaging the representative in a meaningful conversation about our automation and AI offerings. This demonstrated my determination and resilience in the face of adversity. Had I not pushed through and engaged the representative despite the dismissive behavior, it could have meant missed opportunities for my business. Networking events like these are critical for establishing partnerships, securing contracts, and expanding business reach. By actively participating and advocating for my company's services, I showcased our capabilities and expertise, potentially opening doors to new collaborations and projects. This incident highlighted the importance of perseverance and seizing opportunities, especially in environments where bias and discrimination may exist. It also reinforced the need for minority entrepreneurs to assertively pursue business opportunities and challenge discriminatory behaviors to create a more inclusive and equitable business landscape.

After reflection, the following take-aways underscore the urgent need for proactive measures to address bias and discrimination in business settings and promote inclusivity and fairness for all entrepreneurs.

- **Heightened Awareness and Discernment:** The experience underscores the need for heightened awareness and discernment among business leaders and representatives to detect and address early signs of discrimination or bias.
- **Accountability and Fair Treatment:** Government agencies and contractors must be held accountable for promoting diversity, equity, and inclusion in business interactions. Fair treatment for all entrepreneurs and subcontractors is imperative for fostering a level playing field.
- **Advocacy for Inclusive Policies:** Policies and programs supporting minority-owned businesses, such as the SBA 8(a) Business Development program, are essential for promoting diversity and combating discrimination in federal contracting.
- **Economic Implications:** Discriminatory practices can have significant economic impacts, affecting the sustainability of businesses and individuals' livelihoods. Addressing discrimination is not only a matter of fairness but also crucial for economic empowerment and growth.
- **Importance of Networking and Building Relationships:** Networking plays a crucial role in fostering business connections, uncovering opportunities, and building meaningful relationships. Creating an inclusive environment in networking settings is essential for promoting diversity and equal access to business opportunities.
- **Persistent Discrimination and Its Economic Toll:** Discrimination against minority-owned small businesses creates significant barriers, bias, and hurdles that hinder their growth and success. Beyond the immediate impact on individual opportunities, discrimination consumes valuable time and resources that could otherwise be invested in business development and innovation. The need to navigate discriminatory practices and overcome bias adds layers of complexity and challenges to everyday operations, diverting attention from core business objectives. This not only affects the morale and productivity of entrepreneurs but also has long-term economic repercussions, leading to missed opportunities, financial strain, and decreased competitiveness. Addressing discrimination is not just about fairness; it's about leveling the playing field and creating an environment where all businesses can thrive without unnecessary obstacles and setbacks.

Conclusion

In conclusion, the incidents detailed here shed light on the persistent challenges faced by Black-owned businesses in today's landscape. Discriminatory practices remain prevalent, as evidenced by the experiences recounted. Black America continues to grapple with the enduring effects of systemic racism, hindering progress and opportunities for business growth.

These narratives underscore the critical need for affirmative initiatives and programs like the SBA 8(a) and MBDA. These programs are not just about leveling the playing field; they are about rectifying historical injustices and providing equitable access to opportunities. The lessons learned from these experiences highlight the complexities and realities that Black minority businesses must navigate—issues of racism, fairness, and the fundamental right to access the same opportunities as their Caucasian counterparts.

As we advocate for the preservation and enhancement of these vital affirmative programs, we must also recognize the broader societal implications. Supporting Black-owned businesses isn't just about economic empowerment; it's about fostering a more inclusive and just society where everyone has a fair chance at pursuing the American dream of entrepreneurship. It is imperative that we continue to address these issues comprehensively and proactively to create a more equitable future for all.