

## Personal Narrative – Social and Economic Disadvantage Statement

**Submitted by:** [Your Full Name]

**Business Name:** [Your Business Name]

**Date:** [MM/DD/YYYY]

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### I. Introduction

I, [Your Full Name], am the majority owner and managing member of [Your Business Name], a small, independently operated firm in [City, State], working in the construction industry. I respectfully submit this Personal Narrative (PN) to establish the existence of social and economic disadvantage in support of my application for certification under the **Disadvantaged Business Enterprise (DBE) Program**, governed by **49 C.F.R. Part 26**, and as defined in **13 C.F.R. § 124.103**.

My experiences illustrate the cumulative and persistent barriers I have encountered in education, employment, and entrepreneurship particularly as a new business owner seeking to establish a foothold in the construction sector. These barriers have resulted in measurable economic harm and restricted access to opportunity, capital, and competitive markets. This narrative is based solely on individualized, factual proof and does not rely on any presumptions of disadvantage related to race, gender, or ethnicity.

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## **II. Barriers in Education, Employment, and Entrepreneurship**

### **A. Education**

I was raised in an area where educational systems were under-resourced and did not provide the same access to college-preparatory courses, internships, or technology resources that students in more affluent districts receive. Despite this, I worked diligently to obtain the qualifications needed to pursue a career in business and construction. However, early educational disadvantages delayed access to higher education, business training, and technical certifications.

#### **Personal Example:**

*Ex. "As a student, I often lacked access to internet, textbooks, and career counseling services. While my peers in other districts received guidance for college and business pathways, I navigated the process independently while also working part-time to help support my household."*

### **B. Employment**

Early in my professional career, I encountered systemic challenges in securing stable employment that would build toward entrepreneurship. Positions with growth potential were frequently unavailable to those without personal industry connections or financial flexibility to accept unpaid internships or entry-level jobs with low wages.

#### **Personal Example:**

*Ex. "Despite applying for numerous jobs after completing my training, I was offered mostly temporary or part-time roles, which made it difficult to build savings or qualify for financing later as a business owner."*

### **C. Entrepreneurship**

Launching my business involved overcoming significant barriers not due to a lack of effort or ability, but due to lack of inherited capital, credit history, financial backing, or established professional networks. The economic playing field was not equal when I entered it.

#### **Personal Example:**

*Ex. "When I first launched [Your Business Name], I relied on personal credit cards to cover operating costs. Traditional banks considered me too high-risk despite a clear business plan, certifications, and relevant experience."*

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### III. Additional Barriers Faced as a New Business Owner

New business owners, regardless of background or age, face inherent disadvantages in today's economic climate. However, for individuals without generational wealth, institutional relationships, or a financial cushion, the challenge is significantly greater. Whether starting a business early or later in life, the lack of prior business ownership experience is used by lenders, insurers, and contractors as justification for exclusion often resulting in:

- Denial of loans or high-interest alternatives
- Ineligibility for bonding or insurance
- Rejection from subcontracting opportunities
- Lack of mentorship or guidance

According to the **Federal Reserve's 2023 Small Business Credit Survey**, over **60% of new business owners** were denied traditional loans, and **many were forced to turn to high-cost financing**, which damages long-term financial sustainability.

#### **Personal Example:**

*Ex. "As a first-time business owner, I was quoted interest rates as high as 21% for equipment loans, while larger or well-connected businesses secured credit at more favorable rates."*

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### IV. Breaking Into the Construction Industry: Systemic Challenges

The construction industry presents unique and well-documented barriers to new and disadvantaged businesses. Entry and survival in this sector require access to substantial capital, bonding, industry relationships, and reputation all of which typically take years to build and are rarely accessible to new or under-resourced businesses.

#### **1. Capital & Equipment Costs**

Construction requires large upfront investments before any payment is received including vehicles, tools, materials, payroll, and insurance. Without access to affordable capital, many businesses are unable to take on projects or expand.

#### **Personal Example:**

*Ex. "In my first year, I turned down two small contracts due to lack of capital for upfront material purchases and labor, since my line of credit application was rejected."*

#### **2. Bonding and Insurance Restrictions**

Most public works and large-scale private jobs require bonding. However, bonding companies require years of tax returns, cash flow history, and established credit lines — creating a barrier that excludes newer firms.

**Personal Example:**

*Ex. “Despite having the skills and workforce to complete a \$100,000 public sidewalk project, I was denied a bid bond because I had not been in business for three full years.”*

**3. Exclusion from GC Subcontractor Networks**

General contractors tend to work with subcontractors they know and trust. New businesses are often left out of bidding opportunities because they lack prior experience or are simply unknown.

**Personal Example:**

*Ex. “I attended multiple pre-bid meetings and shared my capability statement, but I was repeatedly told GCs ‘already had their team’ and were unwilling to try someone new.”*

**4. Delayed Payments and Cash Flow Crisis**

Payment cycles in construction can stretch 60–90 days or longer. Large firms can absorb the delay; small businesses cannot.

**Personal Example:**

*Ex. “One public job I completed took 84 days to be paid. In the meantime, I had to delay payroll and negotiate extensions with vendors, risking relationships and operations.”*

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**V. Structural Advantage of Large and Established Businesses**

Large firms benefit from decades of head start, accumulated assets, and institutional relationships. They also benefit from:

- Dedicated proposal and compliance teams
- Easier access to bonding and insurance
- Lower credit rates and priority with lenders
- Preferred vendor status and supplier discounts
- More favorable terms from subcontractors and primes

These built-in advantages make it extremely difficult for new, small businesses to compete fairly, even when the work product and quality are equal.

**Data:**

According to a **Brookings Institution** study (2021), small businesses attempting to enter construction are underrepresented in public infrastructure contracts and disproportionately excluded from growth opportunities, particularly when they lack the three “Cs”: **Capital, Connections, and Contracting history**.

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**VI. Economic Harm and Lost Opportunity**

The cumulative result of these barriers has caused my business:

- To lose over ***\$(Insert Amount)*** in contracts we were technically qualified for but unable to bid due to lack of bonding or past performance
- To operate with higher financial risk and increased debt burden
- To miss out on revenue-generating opportunities due to cash flow issues
- To delay hiring, training, and equipment purchases that would support growth

Compared to similarly situated individuals and businesses that do not face these barriers, I have had to work harder, accept worse financial terms, and absorb more risk just to stay operational.

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**VII. The DBE Program: Leveling the Playing Field**

The **Disadvantaged Business Enterprise (DBE) Program**, established under **49 C.F.R. Part 26**, exists to address precisely these types of disparities. Its purpose includes:

- Ensuring **fair access** to federally funded transportation and infrastructure projects
- Providing **contract participation goals** for disadvantaged businesses
- Supporting firms through **technical assistance, mentorship, and capacity-building resources**
- Correcting the ongoing effects of marketplace discrimination and systemic barriers
- Ensuring **compliance with Title VI of the Civil Rights Act of 1964**

The DBE program does not guarantee success, but it ensures an opportunity one that would otherwise be unavailable to businesses like mine. DBE certification would allow me to build past performance, qualify for more work, grow my team, and eventually compete independently.

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### VIII. Certification of Truth and Economic Disadvantage

Pursuant to **13 C.F.R. § 124.103(c)**, I affirm that:

- I have experienced specific and individualized social and economic disadvantage that has directly impeded my ability to compete on equal footing with non-disadvantaged business owners.
  - The economic harm I have experienced including loss of revenue, lack of capital access, exclusion from contracting networks, and elevated financial risk is ongoing and substantial.
  - These disadvantages are not based on race or gender, but on real-world conditions, historical inequities, and market barriers that continue to exist today.
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**Signature:** \_\_\_\_\_

**Printed Name:** [Your Full Name]

**Date:** [MM/DD/YYYY]