

Personal Narrative – Social and Economic Disadvantage (SED) Statement

Submitted by: [Your Full Name]

Business Name: [Business Name]

Date: [MM/DD/YYYY]

I. Introduction

My name is [Your Full Name], and I am the majority owner of [Business Name], a small business operating in [Industry] and headquartered in [City, State]. I am submitting this narrative to establish that I have faced long-standing, chronic, and substantial social and economic disadvantage. These disadvantages have been experienced through systemic barriers, limited access to capital, and denied opportunities — all of which have impeded my professional and business growth compared to similarly situated, non-disadvantaged individuals and larger firms.

This narrative is submitted in support of my application to participate in the **Disadvantaged Business Enterprise (DBE)** program, as authorized under **49 C.F.R. Part 26**, which aims to level the playing field for disadvantaged individuals in transportation-related contracting.

II. Systemic Barriers and Denied Opportunities

Despite working diligently to obtain an education and start my own business, I have consistently faced unequal access to opportunity in education, employment, and entrepreneurship. These barriers are not circumstantial but are part of a systemic pattern disproportionately impacting individuals like myself who come from historically marginalized backgrounds.

A. Education Barriers

My early education took place in underfunded schools with minimal academic support, outdated textbooks, and limited college preparation resources. Opportunities such as internships, AP courses, and mentorships were not readily available.

Insert your personal education hardship here.

(e.g., "I had to work after school from the age of 16 to support my family, leaving little time for academic enrichment.")

B. Employment Barriers

While my credentials matched or exceeded many job descriptions, I often lacked access to influential networks or referrals that many of my peers had. The absence of such social capital resulted in delays in career advancement and missed job opportunities.

Insert your employment experience here.

(e.g., "Despite applying for numerous roles in [industry], I was often overlooked for individuals with internal referrals.")

C. Business and Financial Barriers

The financial system and procurement landscape are structured in ways that inherently favor large and established firms. For example:

- Traditional banks often view minority or disadvantaged-owned businesses as higher risk, regardless of creditworthiness or business viability.
- Prime contractors prefer working with businesses they've had long-standing relationships with—relationships that disadvantaged businesses are often excluded from.
- Larger firms benefit from economies of scale, allowing them to underbid on contracts, absorb delays, and finance upfront costs that small firms cannot.

Insert specific instance of capital denial, high loan interest, or unfair competition here.

III. The Structural Advantage of Larger Businesses

Large firms often enjoy:

- **Established networks and market credibility**
- **Greater access to affordable capital**
- **Dedicated legal, accounting, and compliance teams**
- **More competitive pricing due to volume purchasing power**

According to the **U.S. Census Bureau (2023)**, only about **2.1% of small, minority-owned businesses** have access to bank loans during their early years, compared to over **12% of white-owned businesses**. Further, **Federal Reserve data** indicates that minority-owned firms are **twice as likely to be denied financing** and often offered higher interest rates when approved.

These realities create an uneven playing field, where even highly qualified and capable small business owners cannot scale or compete effectively.

IV. Role of the DBE Program in Leveling the Playing Field

The **Disadvantaged Business Enterprise (DBE) Program**, authorized under **49 C.F.R. Part 26** and governed by the **U.S. Department of Transportation (DOT)**, exists to:

- **Ensure non-discrimination** in the award and administration of DOT-assisted contracts;
- **Create a level playing field** for disadvantaged businesses to compete fairly;
- **Remove barriers** to participation;
- **Assist the development** of small businesses so they can compete in the marketplace outside of the DBE program.

Through measures like contract participation goals, prompt payment provisions, and supportive services, the DBE program mitigates some of the entrenched advantages enjoyed by large, non-disadvantaged firms.

This program is not about giving unfair preference — it is about **correcting historic inequities** and **providing access to opportunities** that have long been denied.

V. Specific Incidents of Disadvantage

(Please replace or fill in these placeholders with your personal experiences.)

1. Loan Denial for Startup Capital

In [Year], I applied for a business loan through [Bank Name], backed by a detailed business plan and solid credit. The application was denied without clear justification. Later, I discovered that others in my industry — without stronger financials — were approved, often because of pre-existing relationships or race- and gender-based privilege.

2. Exclusion from Prime Contracts

Despite being qualified and submitting competitive bids, I was repeatedly passed over for contracts where larger firms or firms with inside connections won the work — even when their prices were higher.

(Add more details on a specific contract you lost.)

3. High Interest/Predatory Lending Offers

The only financing I could secure early on was through a nontraditional lender at 16% interest, which significantly hampered my ability to invest in marketing and staff.

VI. Economic Harm and Magnitude

These disadvantages have directly harmed my business's growth trajectory. Due to capital constraints and exclusion from contract networks:

- My business revenue is significantly lower than peers in similar industries.
 - I've been forced to delay hiring, expansions, and equipment upgrades.
 - Opportunities that could have tripled my revenue were missed due to lack of bonding or financing — opportunities that larger firms take for granted.
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VII. Statement of Disadvantage and Certification

In accordance with the SBA and DOT definitions of social and economic disadvantage (13 C.F.R. § 124.103 and 49 C.F.R. Part 26), I affirm that the disadvantages I've experienced are chronic, substantial, and beyond my control. The DBE program provides a critical framework to allow businesses like mine to access fair competition and, eventually, build capacity to succeed without assistance.

VIII. Signature

I certify that the statements made in this narrative are true and based on personal experience and fact to the best of my knowledge.

Signature: _____

Printed Name: [Your Full Name]

Date: [MM/DD/YYYY]