

Name: Jenell R Ross

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Title of Hearing: Access Denied: Challenges for Women and Minority Owned Businesses Accessing Capital and Financial Services

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Good Afternoon, My name is Jenell R. Ross and I am the President of the Bob Ross Auto Group in Centerville, Ohio. I am the only second generation African-American Woman Automobile Dealer in the country and the only Mercedes-Benz and Buick-GMC Dealerships owned by an African American *'Woman'*.

My father Robert P. Ross Sr, was selected to be in the first class of the General Motors Minority Dealer Development Academy, in 1972. My father was the first in his class to purchase a dealership and when he died was the only one still in business.

My father became the first African-American Automobile Dealer in the state of Indiana, Ohio, Kentucky and West Virginia along with being the first African-American International Harvester Dealer in the US in 1974.

In 1979, my father purchased a Buick and Mercedes-Benz Dealership in Centerville, Ohio and he became the first African-American Mercedes-Benz Dealer in the world. In 1997, my mother Norma J. Ross assumed command of the dealerships after my dad's untimely death. At 27 years old I was thrust into running the day to day operations as VP/Dealer Principal. Imagine walking into an Automobile Dealership Meeting as the only/sometimes female and/or person of color in the room, that didn't work for the manufacturer or the travel company that set up the meeting. I became President of the Bob Ross Auto Group in

2010 as the result of my mother's passing. It's been 23 years this week that I have led our organization and I hate to say that the Diversification of the automobile dealer body is no better than when I started.

According to the National Association of Minority Automobile Dealers (NAMAD), at the end of 2019 there were a total of 1243 ethnic minority automobile dealerships in the United States out of 19,000. The breakdown is as follows African American 265, Hispanic 585, Asian 283, and Native American 110. Ethnic minority women represent 72 of the 1,076 women owned automobile dealerships Only 4 of those women are African American (Gail Martin, Juanita Baranco, Eillaena Fairhurst, and myself).

Since the initial launch of PPP and EIDL Programs, several financial institutions explained to many small businesses that they were excluded from gaining access to these financial opportunities because of the ***"Know Your Customer"*** rule, even if the business had a banking relationship without having a credit/lending history with them. NAMAD states, PPP left over 60% of the minority auto dealer body without bank approvals and/or were told to seek another financial institution to apply for funding in the first round.

Historically access to capital has been the leading concern for women and minority owned businesses to survive and during this pandemic it has been no different. Even though the Bob Ross Auto Group has a very strong relationship with our financial institution I too faced obstacles when applying for the PPP loan. After several days of waiting for proper information to submit our application I was instructed to go elsewhere. Fortunately I was able to approach another financial institution and in a

matter of 48 hours I was given approval. Unlike many women and minority owned businesses had the reserves and this safety net of financial relationships to fall back on.

Despite these preparations and adjustments of our business operations during the pandemic, we are continuing to invest thousands of dollars to ensure the safety of our employees, clients and facilities. I still feel a heightened sense of uncertainty, much like other women and minority owned businesses, of not knowing if we will be able to survive in the short term.

In the end the PPP program has allowed Small Businesses to keep our doors open, helped reduce the amount of employee layoffs, and business closures. The majority of all ethnic minority auto dealers are located in rural areas, who provide a significant amount of resources and financial support to local businesses, civic, and community base organizations. NAMAD's concern is once these funds run out, will these small businesses be forced to lay off employees once again who had to get rehired to participate in the PPP program.

As Women and Minority-Owned Companies continue to pivot their operations during the pandemic and navigate new normal it's imperative to utilize multiple resources to help drive their sustainability and growth. Being Certified thru WBENC and NMSDC allows business owners to develop relationships with corporations and businesses who value diversity and inclusion and are looking to partner with like-minded companies. We have been awarded many contracts for the State of Ohio Minority Set Aside bid regarding their vehicle needs. We continue to work with our regional partners to help grow our business

and yield success of winning bids to add revenue to our operation.

At the end of the day without access to capital, a financial relationship and education the wealth gap for Women and Minority owned businesses will continue to widen.