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INVESTING IN
ENTREPRENEURS OF COLOR:
A PLAYBOOK FOR ECONOMIC DEVELOPERS



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Executive Summary

The covid-19 pandemic and the racial reckoning within the United States has exposed the need for increased investment and support for businesses and entrepreneurs of color in communities across the country. Within just the first three months of the pandemic, Black business ownership dropped by 41 percent, Hispanic business ownership by 32 percent, Asian American ownership by 26 percent and immigrant business ownership by 36 percent. In comparison, White-owned businesses fell by 17 percent, making them less than half as likely to close than a Black-owned business. The Paycheck Protection Program (PPP), the federal government's signature small business relief program, left significant gaps for small businesses of color, and especially Black businesses. According to the New York Federal Reserve, PPP loans only reached 20 percent of eligible firms in states with the highest densities of Black owned firms, and in counties with the densest Black owned business activity, coverage rates were typically even lower.

Economic development organizations (EDOs) have an opportunity to work with and support entrepreneurs of color to overcome short- and long-term barriers through programs tailored specifically for them. 'Investing in Entrepreneurs of Color: A Playbook for Economic Developers' – a publication by IEDC's Economic Development Research Partners (EDRP) program – is a comprehensive guide for EDOs on how to support small businesses and entrepreneurs of color.

This playbook presents research on the effects of the pandemic on small businesses owned by people of color, identifies barriers these businesses face, makes an argument for why it is important for economic developers to address challenges at the local and regional level, and showcases multiple examples of how different EDOs around the country are successfully supporting local entrepreneurs of color.



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The challenges and inequities entrepreneurs of color have faced during the pandemic are not new, and have contributed to a history of inequitable revenues, financing, employment levels, and other outcomes for businesses owned by people of color. These barriers include but are not limited to:

- **Access to Capital:** Gaining access to capital can be difficult for all entrepreneurs, but it is even more difficult for entrepreneurs of color. Black and Hispanic entrepreneurs struggle most with raising capital to start or expand their businesses. In 2019, 33 percent of all SBA loans went to a minority-owned small business, with only 3 percent going to Black-owned small businesses and 7 percent going to a Hispanic-owned small businesses. Greater likelihood of poor credit, discouragement about applying, and discrimination in general are among the underlying factors for this disparity.

- **Social Capital:** A large network of business relationships can help a business owner more successfully apply for a loan, secure clients, and learn the ropes of what it takes to be an entrepreneur. While lack of connections can be a barrier for all entrepreneurs, entrepreneurs of color are less likely to have connections to people in financial institutions and existing business circles, and to those who can provide technical assistance.
- **Access to Contracts:** Whether a business is just getting started, or is established and wants to scale-up, securing business is fundamental to staying open and growing. Smaller business networks can make finding and securing contracts and clients more difficult for entrepreneurs and business owners of color.
- **Access to Assistance:** Generic small business support programs may not always be effective in helping entrepreneurs of color for a variety of reasons. Language barriers and business support centers that are not accessible by public transport are some reasons why many small businesses owned by people of color are unable to fully utilize assistance programs.
- **Culture of Entrepreneurship:** Due to stereotypes of what and who an entrepreneur is, many people of color, especially youth, do not view entrepreneurship and business ownership as a way of life for themselves. Lack of exposure to a culture of entrepreneurship and lack of role models may lead to that belief.

Local and regional leaders including EDOs have been addressing some of these issues through local programs, especially during the pandemic. Many EDOs that had never worked directly with businesses found themselves learning all about small business financing, adding job portals to their websites to help spread the word about businesses that were still hiring, and engaging in more tactical activities like working with local elected officials to create temporary parking zones so restaurants can accommodate increased demand for takeout food. Several EDOs designed programs specifically for businesses owned by people of color in response to local and national data about disparity in outcomes.



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Others adapted well-established successful programs to address challenges arising specifically from the pandemic. Several such stories have been captured by other IEDC research during the pandemic and can be found on the www.RestoreYourEconomy.org website.

This playbook showcases programs and organizations that focus primarily on entrepreneurs of color, whether by design or because the vast majority of their customers are underrepresented populations. Several themes emerge as lessons for other EDOs that want to design new or expand programs aimed at entrepreneurs of color.

1. **Doing Biz Differently or “Business as Unusual”.** The pandemic forced EDOs to get creative to address their communities’ and businesses’ needs. New ideas and business practices can and

should be similarly deployed to address racial inequities in entrepreneurship and small business development in the future.

2. **Work with Entrepreneurs to Overcome Barriers to Access Capital.** Raising capital is the biggest barriers for entrepreneurs and small business owners of color. Offering more flexibility when determining if a loan can be approved, becoming more comfortable with risk, and helping them qualify for future funding through assistance in improving credit and financial standing, are all ways to support entrepreneurs of color.
3. **Create Programs Specifically for People of Color.** Creating programs that were designed specifically for entrepreneurs and business owners of color is an effective way to provide targeted assistance. This holds true for access to capital, business assistance, and mentorship strategies.
4. **Think Long Term: Help Lessen Future Barriers.** Poor credit, lack of previous loan experience, and not having correct documentation are three of the main reasons why entrepreneurs of color are denied funding by traditional lenders. Offering programs that bridge the gap to traditional capital, boost entrepreneurs' credit while repaying loans, and mirror traditional lending applications so businesses understand the necessary documentation are all ways to help lessen future barriers.
5. **Identify and Fill Gaps through Collaboration.** The needs of entrepreneurs are so diverse that it is almost impossible for an organization to support every need an entrepreneur has. This is why it is critical that communities assess their entrepreneurship support ecosystem locally and regionally, assess gaps, and collaborate across multiple public and private agencies to fill those gaps for entrepreneurs of color.
6. **Rely on Community Leaders.** Local subject matter experts such as attorneys and accountants can provide practical and in-depth support to business owners and entrepreneurs. Sponsorship and mentorship from experienced business executives can help entrepreneurs grow their business network which could potentially lead to new business opportunities and clients.

Programs like those highlighted in the playbook alone will not be able to address the severity and scope of the problem of racial disparities and racial wealth gap in the U.S. A push towards business ownership should be a part of an overall strategy that aims to assess, identify and rectify long-held systemic barriers that lead to racial wealth gaps, both at the local and national level.

Introduction

The covid-19 pandemic has exposed both the vulnerability and importance of small businesses to local and regional economies. Small businesses employ 59.9 million people, account for 47.3 percent of the private sector workforce, and 99.9 percent of all businesses in the U.S.¹ Over the past 25 years, small businesses created approximately 60 percent of the net new jobs nationwide², and the majority of money spent at a local business stays in the local economy.³

The economic fallout from the pandemic has disproportionately affected communities of color as compared to their White counterparts. Within just the first three months of the pandemic, Black business ownership dropped by 41 percent, Hispanic business ownership by 32 percent, Asian American ownership by 26 percent and immigrant business ownership by 36 percent. In comparison, White-owned businesses fell by 17 percent, making them less than half as likely to close than a Black-owned business.⁴ The bleeding hasn't stopped yet, more than ten months into the pandemic.

Even those who were able to keep their businesses open, revenues declined significantly, again disproportionately affecting businesses owned by people of color. For Black-owned businesses, cash balances decreased by 26 percent, as compared to 12 percent for all businesses.⁵ According to the Federal Reserve Bank of New York, weaker cash positions, weaker bank relationships, and pre-existing funding gaps left Black firms with little cushion as they entered the pandemic.⁶



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Another reason is that industries most adversely affected by the pandemic also have the highest share of business owners of color, specifically Black and Hispanic owners. For example, leisure and hospitality, retail trade, transportation and construction generate almost 50 percent of the revenues of Hispanic-owned businesses.⁷ In general, the service industry which has the highest share of minority-owned small businesses, has been the most disrupted industry from the pandemic.⁸ These outcomes are indicative of the condition of small businesses owned by people of

¹ Small Business Administration. "[2019 Small Business Profile](#)." 2020.

² Harvard Business School. "[The State of Small Business Lending: Innovation and Technology and the Implications for Regulation](#)." November 2016.

³ Better Business Bureau "[10 Ways Small Businesses Benefit Their Local Communities](#)." April 23, 2019.

⁴ Federal Reserve Bank of New York. "[Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities](#)." August 2020.

⁵ JP Morgan Chase & Co. "[Small Business Financial Outcomes during the Onset of COVID-19](#)." June 2020

⁶ Federal Reserve Bank of New York. "[Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities](#)." August 2020.

⁷ McKinsey & Company. "[US Hispanic and Latino lives and livelihoods in the recovery from COVID-19](#)." September 2, 2020.

⁸ McKinsey & Company. "[COVID-19's effect on minority-owned small businesses in the United States](#)." May 27, 2020.

color *before* the pandemic, and partially attributable to systemic barriers that they face on a regular basis.

Unfortunately, the coronavirus pandemic – as well as the federal relief packages rolled out to support the economy – only deepened those divides. The Paycheck Protection Program (PPP) was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in April 2020 to provide relief for small businesses through loans to cover payroll, mortgages, rent, and utilities. Although the amount of federal relief was unprecedented, research shows that the impact on small businesses was less than anticipated, especially for those who needed it the most. For example, the program was structured so that loans could be fully forgiven if used for payroll purposes. Ironically, about 80 percent of all small businesses and 96 percent of Black-owned businesses have zero employees. One week after the launch of the program, non-employer businesses were made eligible to apply and receive forgivable loans. In spite of this, many banks prioritized larger businesses with larger loan amounts first.⁹ In December of 2020, the Washington Post reported that more than half of the PPP funds went to just 5 percent of all participants, about 600 mostly larger companies. Only 28 percent of PPP funding went to small businesses, those seeking less than \$150,000 in loans.¹⁰

On the other hand, local and regional leaders such as economic development organizations (EDOs) stepped in to fill the gap to support small businesses, both in terms of financial capital as well as support services. Many EDOs that had never worked directly with businesses found themselves learning all about small business financing, adding job portals to their websites to help spread the word about businesses that were still hiring, and engaging in more tactical activities like working with local elected officials to create temporary parking zones so restaurants can accommodate increased demand for takeout food. Several EDOs designed programs specifically for businesses owned by people of color in response to local and national data about disparity in outcomes. Others adapted well-established successful programs to address challenges arising specifically from the pandemic.



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These disparities between minority- and White-owned businesses are not new. The racial wealth gap in the U.S. has actually worsened over the past several years. The net worth of a typical White family (\$171,000) was nearly ten times greater than that of a Black family (\$17,150) as of 2016.¹¹ Business ownership can be an effective approach that's part of a larger strategy to address the racial wealth gap in the long term. After all, research conducted prior to the pandemic by the Association of Enterprise

⁹ Center for Responsible Lending. "[The Paycheck Protection Program Continues to be Disadvantageous to Smaller Businesses, Especially Businesses Owned by People of Color and the Self-Employed.](#)" May 27, 2020.

¹⁰ Washington Post. "[More than half of emergency small-business funds went to larger businesses, new data shows.](#)" December 2, 2020.

¹¹ Brookings Institution. "[Examining the Black-white wealth gap.](#)" February 27, 2020.

Opportunity shows that the median net worth for Black business owners is 12 times higher than that of Black non-business owners, holding constant for wealth prior to business ownership¹². Business ownership is one of the greatest equalizers to racial inequality.

It cannot, however, be viewed in isolation from efforts to address systemic issues that people of color face in the U.S. A push towards business ownership should be a part of an overall strategy that aims to assess, identify and rectify long-held systemic barriers that lead to racial wealth gaps.

This playbook presents research on the effects of the pandemic on small businesses owned by people of color, identifies barriers these businesses face, makes an argument for why it is important for economic developers to address challenges at the local and regional level, and showcases multiple examples of how different EDOs around the country are successfully supporting small businesses and entrepreneurs of color. It is important to note, however, that in order to address the racial wealth gap in the U.S., such programs alone will not be able to address the severity and scope of the problem. Programs like those highlighted in the playbook, and more, are needed in every community for the country to start resolving this issue, in addition to national level policy to support entrepreneurs of color.



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Pre-Pandemic Disparities

The data couldn't be more clear. Businesses owned by people of color fall behind businesses owned by White people in almost every measurable indicator, starting with the number of businesses owned by people of color, to their revenue, number of employees, and access to business capital.

According to the 2012 Survey of Business Owners (the last year reported), Black-owned businesses make up 9.5 percent of all businesses, but only account for 1.3 percent in sales and 1.7 percent of employer businesses. Hispanic-owned businesses account for 12.2 percent of all businesses, 4 percent of sales and 4.2 percent of employer businesses. Asian-owned businesses account for 7.1 percent of businesses, 5.8 percent of sales and 6.4 percent of employer firms.¹³

More recent data from the 2018 Annual Business Survey, found that minority businesses still account for a very small percentage of employer businesses. Black Americans own just 2.2 percent of the 5.7 million employer businesses in the United States, even though they constitute 13.4 percent of the

¹²Association for Enterprise Opportunity. "[The Tapestry of Black Business Ownership in America: Untapped Opportunities for Success.](#)" March 20, 2017.

¹³ Small Business Administration. "[Minority Business Ownership: Data from the 2012 Survey of Business Owners.](#)" September 14, 2016.

population. Hispanics make up 5.6 percent of employer businesses, with 18.5 percent of the population. And Asian Americans make up 9.7 percent of employer businesses, with 5.9 percent of the population.^{14,15}

Access to capital is one of the most significant barriers facing business owners of color in the U.S., both in terms of starting a business and scaling it. It plays a major role in why businesses of color fall short in number of businesses, revenue, and number of employees.

In what can seem like a chicken and egg story, a key factor is lack of strong banking relationships. For example, according to the New York Federal Reserve's 2019 survey, only 1 in 4 Black-owned employer firms and 1 in 10 Black-owned non-employer firms had a recent borrowing relationship with a bank compared with 1 in 4 White-owned non-employers.¹⁶ Lack of banking relationships can be attributed to less reliance on formal financial tools for small businesses owned by people of color. But that is because minority business owners personally didn't think they would be approved for financing data supports this notion --28 percent of Hispanic-, 27 percent of Black-, and 24 percent of Asian-owned businesses cited that reason, compared to 13 percent of White-owned firms that did not apply for credit.¹⁷

Even so, when businesses owned by people of color do apply for financing, they are less likely to be approved. Large banks approve around 60 percent of loans from White-owned businesses, 50 percent of those from Hispanic business owners, and just 29 percent from Black business owners.¹⁸ Research has found that Black small business owners were significantly more likely to be asked to provide more information about their personal financials, including personal financial statements and personal W-2 forms, when applying for small business loans than White small business owners, even when controlling for credit score and business characteristics.¹⁹

The same dynamics played out in the rollout of the PPP federal relief funds because PPP funding was distributed through existing eligible SBA-approved lenders, banks, and credit unions, who then loaned the money out to the businesses who applied for them. According to the New York Federal Reserve, PPP loans left significant gaps with Black businesses, reaching only 20 percent of eligible firms in states with the highest densities of Black-owned firms. In counties with the densest Black-owned business activity, coverage rates were typically even lower.²⁰ A



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¹⁴ Census Bureau. "[Quick Facts: United States.](#)" 2020.

¹⁵ Census Bureau. "[Annual Business Survey Release Provides Data on Minority- and Women-Owned Businesses.](#)" May 19, 2020.

¹⁶ Federal Reserve Bank of New York. "[Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities.](#)" August 2020.

¹⁷ Federal Reserve Bank of Atlanta. "[Small Business Credit Survey.](#)" December 2019.

¹⁸ Brookings Institution. "[Businesses owned by women and minorities have grown. Will COVID-19 undo that?.](#)" April 14, 2020.

¹⁹ McKinsey & Company. "[COVID-19's effect on minority-owned small businesses in the United States.](#)" May 27, 2020.

²⁰ Federal Reserve Bank of New York. "[Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities.](#)" August 2020.

survey conducted a month after the program rolled out found that 51 percent of Black and Hispanic small business owners who applied for a PPP loan requested less than \$20,000, and only 12 percent received the assistance they requested.²¹ There is also some evidence that shows reluctance to apply for PPP loans by Black firms. Among Black employer firms, 37.9 percent reported being discouraged to apply, compared to just 12.7 percent of White-owned firms.²²

These disparities between minority and White-owned businesses are well documented. Many of them stem from systemic barriers that entrepreneurs of color face on a regular basis, irrespective of community and location.

Barriers for Entrepreneurs of Color

Entrepreneurs and small business owners of color often struggle with many of the same challenges that White business owners face when it comes to access to capital, contracts, assistance and more. Unfortunately, these barriers tend to be more acute and pervasive for people of color.

Access to Capital

Raising capital can be difficult for all entrepreneurs, but it is even more difficult for entrepreneurs of color. In 2019, 33 percent of all SBA loans went to a minority-owned business, with only 3 percent going to a Black-owned small business and 7 percent going to a Hispanic-owned business.²³ Without banking relationships in place, it is difficult for businesses owned by people of color, especially Black- and Hispanic-owned businesses, to access the capital they need. Equity financing outside of major metros on the coasts is difficult, especially in non-technology sectors. Even debt financing – the most widely available option for most businesses – can be prohibitively expensive for entrepreneurs of color. Although several communities provided small grants as gap financing for local businesses during the pandemic, it is not a standard form of capital available to businesses and likely not a long term solution for communities outside of emergency situations.

Social Capital

Social capital is the idea that the more people you know, the more you are able to grow your business. A large network can help a business owner more successfully apply for a loan, secure a client, and learn the ropes of what it takes to be an entrepreneur and grow a business. Entrepreneurs of color are less likely to have connections with people in financial institutions, business circles, and technical assistance providers, leading to lack of informal advice or guidance at crucial stages of running and growing a business.

²¹ UnidosUS. "[Federal Survey Stimulus Findings](#)." May 13, 2020.

²² Federal Reserve Bank of New York. "[Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects In Black Communities](#)." August 2020.

²³ Small Business Administration. "[SBA Lending Statistics for Major Programs](#)." December 27, 2019.

Access to Contracts

Due to the lack of social and financial capital, many entrepreneurs of color need assistance in winning business. This is also referred to as pathways to market, gaining contracts or finding new clients and customers. Whether a business is just getting started, or is established and wants to grow, winning new business is fundamental to staying in business. Lack of connections in the private or public sector can make finding and securing contracts more difficult for entrepreneurs and business owners of color.

Access to Assistance

Generic small business support programs may not always be effective in helping entrepreneurs of color for a variety of reasons. Language barriers can make it more difficult for business owners to understand and comply with program rules if their first language is not English. Business support centers that are not accessible by public transport or otherwise not close to the target users make it difficult for those without private transportation to seek assistance. Or a program that operates only during standard business hours would make it difficult for those business owners who need to remain open during those hours.



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Culture of Entrepreneurship

Due to stereotypes of what and who an entrepreneur is, many people of color do not view entrepreneurship and business ownership as a way of life for themselves and their children. Lack of exposure early in life on what entrepreneurship looks like, and lack of role models are partial contributors. Even though being enterprising, in many ways, is a way of life for underrepresented and communities of color, unfortunately it doesn't always translate to business ownership, which has been consistently shown to be amongst the best ways to generate wealth.

Key Takeaways

From research and case study interviews conducted with communities across the United States, several broad strategies on how EDOs can support and invest in small businesses and entrepreneurs of color have been identified. The key takeaways below highlight those overarching themes.

Doing Business Differently or “Business as Unusual”

When it came to finding solutions during the coronavirus pandemic, thinking outside the box and doing business ‘as unusual’ was critical to supporting and deploying funds to small businesses. It doesn't have to end after the pandemic. Developing and implementing programs that make a real difference in helping entrepreneurs of color overcome and eliminate barriers is going to take doing business as unusual.

For the Baltimore Development Corporation (BDC), creating an equitable assistance program and specifically one to assist Black-owned businesses, was paramount when they designed their Small Business Assistance Fund. They wanted to ensure that those who needed the funding most were able to apply and access it efficiently. BDC gave preference to businesses who hadn't received CARES act funding during the first round (disproportionately Black owned-businesses), used a phased approach to ensure the businesses who needed the funding the most could apply first, and issued checks directly to businesses instead of using direct deposit, which is what BDC would have typically done, to ensure that those businesses who didn't have a bank account were still able to get the funds they need.

Work with Entrepreneurs to Overcome Barriers to Access Capital

Access to capital is one the biggest barriers for entrepreneurs and small business owners of color. Regardless of the type of capital being provided, helping entrepreneurs of color overcome barriers can mean becoming more flexible when determining if a loan can be approved, becoming more comfortable with risk, and helping them qualify for future funding through assistance in improving credit and financial standing.

Communities Unlimited (CU), a nonprofit and CDFI based in Arkansas, works to understand their clients' financial history, doing everything they can to prevent denying a loan. This means that CU does not look at a client's credit score or financial history as absolute. Instead, loan officers interview applicants with poor credit reports to understand the issues they face. If the applicant can explain their score, or go on a payment plan to start paying off debt, CU is typically able to accept their application. When Communities Unlimited is unable to provide a loan for regulatory reasons, they work with the client to start the process of addressing the barriers so they can come back for a loan in the near future.

Create Programs Specifically for People of Color

Creating programs that were designed specifically for entrepreneurs and business owners of color is an effective way to provide targeted assistance. Based on the case study research, this holds true for access to capital, business assistance, and mentorship strategies. Lyneir Richardson, Executive Director of the Center for Urban Entrepreneurship and Economic Development and Kurt Chilcott, President and CEO of CDC Small Business Finance, and members of the IEDC taskforce guiding this research, agree that supporting entrepreneurs of color and small business owners tends to help communities of color in general because they, in turn, hire people of color and support other businesses of color. It can be a critical part of a community economic development strategy.



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The New Community Transformation Fund is doing just this. After recognizing the clear need for equity capital specifically for people of color, the Right Place Inc. and partners decided to develop a new venture capital fund for entrepreneurs and business owners of color in West Michigan. The fund will provide venture capital for Black, Hispanic, Native American and Asian entrepreneurs as they scale their businesses or help legacy businesses transition ownership to entrepreneurs of color.



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Prospera, an EDO specializing in providing bilingual business assistance, strives to be all things to all Hispanic entrepreneurs regardless of industry, stage of business, or the type of assistance needed. Their success working with Hispanic entrepreneurs and business owners for over 25 years stems from their intention and deep cultural understanding of Hispanic entrepreneurs, their businesses' pain points, and their intentions for owning a business. Prospera utilizes this understanding in crafting business seminars, consulting, grants and access to capital programming.

Think Long Term: Help Lessen Future Barriers

Poor credit, lack of previous loan experience, and not having correct documentation are three of the main reasons why entrepreneurs of color are denied funding by traditional lenders. Support programs should create “on ramps” for business owners of color to bridge the gap to traditional capital options through programs that can help business owners boost their credit while borrowing and repaying loans, or financial literacy programs that mirror traditional loan applications so that business owners don't have to spend too much time gathering documentation.

The City of Norfolk's Capital Access Program (CAP) was created to do just that. The City wanted to develop new access to capital programs that filled the gap for those businesses who weren't eligible for traditional capital, but more importantly can become eligible to receive traditional capital in the future. The city structured their loan application to look as similar as possible to a loan application from a traditional banking institution. This prepares the applicant to gather information and documentation that banks will need with the hope that they are able to apply for traditional funding in a few years. Access to capital programs like these can also help businesses with no or poor loan history start or improve their own, which can help them when applying for a traditional loan as well.

Identify and Fill Gaps through Collaboration

The needs of entrepreneurs are so diverse that it is almost impossible for an organization to support every need an entrepreneur has. This is why it is critical that communities assess their entrepreneurship support ecosystem locally and regionally, assess gaps, and collaborate across multiple public and private agencies to fill those gaps. Strong relationships among various service providers in a region is paramount, especially when working with businesses owned by people of color because they are more likely to have multiple barriers they need assistance with.

This can be done in many ways. For EDOs such as Invest Atlanta, who provide direct loans to businesses, their partnerships with the local Small Business Development Center, Urban League, and other local service providers do two main things. One, due to the partnership, the partners are familiar with the loan application process, and can provide technical assistance to help the businesses successfully apply for the loan. Second, as entrepreneurship support organizations, the partners can refer their clients to the wide array of loan programs Invest Atlanta offers.

Catapult: Startup to Storefront, is a business incubator program for minority and women entrepreneurs based in Pittsburgh. The incubator was developed through the collaboration between public, private and nonprofit organizations. Each partner brought to the table vital resources, space, and funding to ensure that the program was successful in helping disadvantaged entrepreneurs succeed.

Rely on Community Leaders

A lot of resources can be gathered at the local regional level through relationships with existing community leaders. Subject matter experts such as attorneys and accountants can provide practical and in-depth support to business owners and entrepreneurs. Many will take on pro-bono assignments to help with CSR goals of their organizations. Sponsorship and mentorship from experienced business executives can help entrepreneurs grow their business network which could potentially lead to new business opportunities and clients.

The Greater Omaha Chamber asks subject matter experts such as attorneys, accountants, and marketing professionals in the Omaha area to volunteer their time to provide one-on-one technical assistance and speak at educational seminars. In the Chamber's REACH Beyond program, participants are matched with an experienced general contractor who mentors them on how to manage a business, builds their business network, and hopefully provides contracts to the small business owner.

A key component of the \$20M Connection program at Rutgers University is the corporate sponsors who provide their time and expertise to participants in the program. Corporate sponsors provide strategic advice, mentorship, and potential business to help the entrepreneurs succeed. The program helps to nurture and develop relationships between entrepreneurs and corporate sponsors as the entrepreneurs work to scale their business.



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Identifying Entrepreneurs and Business Owners of Color

Part of the reason why entrepreneurs of color are difficult to support is lack of good data, especially at the local and regional level, leading to a lack of understanding of their challenges. Many of the barriers discussed above are also the same reasons why data is difficult to gather. For example, reporting on sole proprietorships is less common than employer businesses, thereby making it difficult to understand a substantial portion of entrepreneurs of color. Therefore, local and regional leaders who want to support entrepreneurs of color need to piece together information from a multitude of sources, many times relying on incomplete or inaccurate information as they design and scale support programs.

Yet, it is crucial that EDOs make every effort to get a deeper understanding of the needs of entrepreneurs of color in their community, and collaborate with other partners such as chambers of commerce that work directly with businesses. Start by answering the following questions.

- Which industries have the highest concentration of entrepreneurs of color in the community?
- What is their average revenue?
- What is the average number of employees?
- Where in the community are they geographically located?

The following resources can help find national data on businesses owned by people of color across the United States.

- [Non-employer Statistics \(NES\)](#)- NES is an annual series that provides subnational economic data for businesses that have no paid employees and are subject to federal income tax. This series includes the number of businesses and total receipts by industry. This is the [NES by demographics](#).
- [U.S. Census Annual Survey of Entrepreneurs \(ASE\), 2016](#)- The ASE provides annual data on select economic and demographic characteristics of employer businesses and their owners by gender, ethnicity, race, and veteran status.
- [The Federal Reserve](#) - The Federal Reserve Bank consistently puts out reports based on the analyses of their Small Business Credit Survey, which is made up of a national sample of small businesses, or firms with fewer than 500 employees, aimed at providing insight into firms' financing and debt needs and experiences.
- [Annual Business Survey \(ABS\)](#)- The ABS measures research and development for microbusinesses, innovation and technology, and provides annual data on select economic and demographic characteristics for businesses and business owners by sex, ethnicity, race and veterans status.



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Local organizations whose mission is to serve communities of color, or whose memberships consist of people of color have some of the best insights, data, and relationships with the local business community. EDOs should leverage and build relationships with these groups as they are a large

component of the entrepreneurial ecosystem. If reaching out for the first time, ask how your EDO can be helpful to them or how to partner with them in the future.

Every organization below will not exist in every community, but this list is a good place to start to identify the organizations that work with and support communities of color, and have connections to the small business community. Some of these organizations have national affiliates that provide information on how to find local chapters (hyperlinks included).

- [National Minority Supplier Development Council](#)
- Local Minority Chamber of Commerce
- Professional associations for professionals of color (Black, Hispanic, Asian, Native American, etc.) This can include professional associations for attorneys, accountants, realtors, or bankers. Members of these organizations could be minority small business owners themselves or provide services to minority owned firms.
- Neighborhood Associations
- [National Urban League](#)
- National Association for the Advancement of Colored People (NAACP)
- Historically Black Sororities and Fraternities
- Incubators or accelerators focused on entrepreneurs of color
- Business Support Programs at Colleges and Universities
- [State](#) and local government agencies that certify Minority Business Enterprises
- Community Development Financial Institutions and Banks owned by people of color
- Entrepreneurship or Business Support Organizations
- [Small Business Development Centers \(SBDCs\)](#)

Additionally, EDOs can augment the forms and applications they already use by adding questions related to business owners' race to start building their own databases of business owned by people of color. Many EDOs did this with their covid-19 financial assistance programs, and now have data and relationships with entrepreneurs and business owners of color they didn't have before.



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How to Use This Playbook

This playbook was developed to give economic developers an overview of a variety of programs and strategies that can be used to better support entrepreneurs and business owners of color. It has three distinct sections: introduction and takeaways, case studies, and resources that includes a list of government and national organizations working in this field.

Tags are used throughout the remainder of this playbook to help quickly identify type of community, target audience, type of program, etc. They include:

- Access to Capital
- Getting Business
- Succession Planning
- Technical Assistance
- Mentorship
- Culture of entrepreneurship
- Covid-19 relief
- Rural
- Urban
- Hispanic
- Black
- Women
- Native Americans

Case Studies

InvestNOLA

Tags: Getting Business, Access to Capital, Urban, Technical Assistance, Black

Organization: New Orleans Business Alliance

Location: New Orleans, Louisiana

The New Orleans Business Alliance launched [InvestNOLA](#) in 2019, a program designed to help high-growth potential businesses owned by people of color increase revenue from around \$1 million to \$10 million within five years, by developing and implementing high growth strategies. The program provides executive education, connection to contract opportunities, and capital to implement strategies. The services are not provided in a linear fashion, which means that businesses can come for help in any of the three areas, depending on their need. The executive education and training are provided in a six-month cohort model. InvestNOLA is the local program of the national JPMorgan Chase & Co small business growth program called Ascend.

Who is this program made to help?

The program is designed to help scale high-growth potential small businesses owned by people of color in New Orleans from \$1 million in revenue to \$10 million.

How is it doing that?

1. **Management.** The program provides advanced business education with the goal of helping each individual business develop large and diverse growth strategies. The curriculum is developed in partnership with Xavier and Tulane Universities. It introduces advanced growth strategies including acquiring other businesses, forming joint ventures with other companies, and offering cost analysis, fiscal management, human resources and strategic planning. At the end of the six-month cohort, businesses present their comprehensive growth plans to a group of investors, bankers and high profile business owners for critique. InvestNOLA then works with each business to implement these growth strategies.
2. **Market Opportunities.** InvestNOLA works to connect the businesses with contract opportunities in the private and public sector throughout the New Orleans region. To accomplish this, InvestNOLA hosts a council of local companies and public organizations, helping them develop strategies to become more intentional in contracting with local businesses of color. The companies have committed to use the strategies InvestNOLA helped to develop in order to provide contracts to more businesses of color in New Orleans. InvestNOLA has developed the Opportunities Portal, an online platform, where the companies can market their opportunities to these small businesses, helping them become more accessible to people of color.



We need to make sure entrepreneurs have the business education, connections to opportunities, and the capital they need

3. **Money.** InvestNOLA convened three local CDFIs and challenged them to come up with a joint product to deploy large amounts of patient capital to businesses of color, so they have the ability to scale and implement their growth strategies. Through this consortium, the CDFIs pool their investments, enabling the CDFIs to provide substantially larger loan amounts to small businesses to help them scale. Through the collaborative effort, the repayment terms of the loans are structured patiently around benchmarks in the businesses' growth plans. This allows them time to deploy their plans, without the burden of paying a lofty monthly note before they begin generating revenue from the new strategies. When a business hits their predetermined benchmarks and starts to bring in more revenue, they start paying back their loans through methods that may include interest-only payments, depending on the terms. From there, InvestNOLA would look for a traditional bank to take up the loan, refinance it, and get the business into a traditional lending track. The consortium's goal is to eventually build out a \$10 million fund for entrepreneurs of color with a two-million-dollar loan loss reserve, of which \$1.5M has already been received. The consortium expects to receive its first award of loan capital during the first quarter of 2021.

Metrics

- \$10.7 million in contracts to entrepreneurs of color in 2020
- \$3.8 million in capital investments made to entrepreneurs of color in 2020
- All 13 businesses in the executive education program developed extensive growth plans at the end of their cohort.
- Over 250 small businesses supported through the InvestNOLA offerings.

Contact information

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\$20M Connection

Tags: Access to Capital, Getting Business, Urban, Technical Assistance, Black, Hispanic

Organization: Rutgers Business School – Center for Urban Entrepreneurship and Economic Development

Location: Newark, New Jersey

The Center for Urban Entrepreneurship and Economic Development (CUEED) at Rutgers University created the [\\$20 Million Connection](#) program to accelerate businesses owned by people of color with or above \$3 million in revenue and help them scale to \$20 million. The program connects and nurtures relationships between entrepreneurs of color and corporate executives, while providing specialized education with the goal of securing new contracts and building a business plan to grow to \$20 million in revenue. The program brings in corporate sponsorships who provide c-suite executives as mentors for the participants to be matched with. The program works to develop deep relationships between the mentors and mentees, and each mentor is responsible for one hour each month for one-on-one mentoring sessions. Through these corporate sponsorships, the entrepreneurs learn how to work with large scale businesses and secure new business opportunities.

Each cohort is made up of 10 entrepreneurs who go through the 10-month program, with 3 months of in-depth business education and 7 months of leadership coaching and implementation. The program costs \$10,000, but participants receive an \$8,000 scholarship from Rutgers and are responsible for \$2,000 of tuition. In 2020, the program started its first cohort, with the plan to have 3 cohorts a year. The program has been developed and is run by the Red Sapiens, a consulting company whose mission is to help entrepreneurs thrive as they scale their small businesses.

Who is this program made to help?

Entrepreneurs of color with companies at or above \$3 million in revenue, who have the ability and desire to scale to a \$20 million-dollar business.

How is it doing that?

- **Facilitating Corporate Partners.** The program brings in past and current executives to give strategic advice and potential business to the entrepreneurs in the program. These corporate sponsors will provide time, money, and people to help the entrepreneurs learn how to do business with their company and others like them. The program creates an environment of cooperation and trust between the corporate sponsors and entrepreneurs.

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People don't do
business with
companies, they do
business with people

- **Mentor Assisted Power Planning (MAPP).** This is a coaching program that focuses on the 7 areas that need to be developed to grow a business. MAPP lays out how entrepreneurs can build out a 15-year plan to help them thrive. This includes building a values-based foundation for all business decisions, creating actionable steps to increase revenue, developing the infrastructure needed when scaling, as well as education on marketing, sales and other business-related operations.
- **Specialized Executive Education.** This includes technical assistance to increase organizational effectiveness to meet demand created by new contracts. This is to ensure that, no matter how fast the entrepreneurs are scaling, they will be able to deliver their products or services. It may involve making adjustments in banking, transportation, logistics, hiring, or marketing.
- **Cohort Structure.** For the first 3 months, participants are engaged in the program 4-6 hours a week for weekly seminars with the cohort, mentorship meetings, and building out a business plan to scale the business. The last 7 months are used as a tool for accountability during implementation. The participants will be engaged in office hours once a week with Red Sapiens staff to implement everything they learned and planned during the first 3 months. Throughout the entire program, the participants will have monthly meetings with their mentors.

Contact information

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Minority-Owned Business Recovery Program

Tags: Covid-19 Relief, Access to Capital, Technical Assistance, Black, Hispanic

Organizations: [Alliance for Economic Development of Oklahoma City](#) and [Greater Oklahoma City Chamber](#)

Location: [Oklahoma City, Oklahoma](#)

The [Minority-Owned Business Recovery Program](#) was the third iteration of covid-19 relief provided to small businesses by the city of Oklahoma City with funding from the CARES Act. While the first two programs were developed for any small business located in the city, the third iteration was intended to provide short-term financial and technical support specifically for minority-owned small businesses. After observing the gaps in the businesses who had applied for the previous funding, and national data that showed minority-owned businesses had disproportionately less access to the federal funding, Oklahoma City decided to develop a program specifically targeted at minority businesses. The recovery program provides general grant funding, consulting services, and grants to update the business operations during the pandemic. The majority of applicants received funds for all three categories. Services were meant to stabilize, bolster and ultimately strengthen minority-owned small businesses in the city of Oklahoma City. The creation of the program was a partnership between the City of Oklahoma City, the [Alliance for Economic Development](#) and [Greater Oklahoma City Chamber](#), with Progress OKC as a supportive partner. The fund was ultimately approved by the OKC City Council.

Who is it helping?

The Minority-Owned Business Recovery Program was developed for small businesses located in Oklahoma City, with 25 employees or less and who are owned by someone who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Pacific Islander.

How is it doing that?

- **Grants.** Up to \$25,000 in grants for businesses who could demonstrate a loss of revenue or increased operational expenses due to covid-19. The grant could be used to pay for payroll, rent, utilities, and any business overhead costs. For any business who needed assistance with their application, the program offered options for virtual, in-person and by-phone assistance.



If you aren't intentionally including a population, you are unintentionally excluding people. This was all about intentionally including minority-owned businesses

- **Business Retrofit.** Business retrofit grants were developed to help businesses who needed to make changes to their operations or physical business locations due to the pandemic. This includes the costs for sanitizing equipment, furniture or renovations needed to meet social distancing to keep employees and customers safe.
- **Technical Assistance.** This program matched small businesses with consultants and subject matter experts and paid for up to \$10,000 in consulting, free of charge to the minority businesses. The most common form of assistance provided was website development and financial consulting. Consultants also provided expertise and assistance in legal, human resources, marketing, operations and strategy.
- **Use Local.** The majority of the consultants and subject matter experts were local small businesses themselves, which gave the consultants business and exposure to new clients, all while assisting the minority-owned businesses. The process to secure consultants began with an RFP process to find consultants that were qualified and able to provide services. Once a business applied for assistance, it took a few days to match the businesses with one of the consultants. From there, the consultants could provide up to \$10,000 in services.
- **Future Thinking.** The program alleviated short-term needs of the business with capital and began working towards long-term needs of the businesses through consulting services. Outside of website development, the majority of the assistance centered around helping businesses with their financial documentation, with the goal of better preparing the businesses for federal funding or traditional banking, if necessary, in the future.
- **Partnership.** Worked with the Oklahoma City Black Chamber of Commerce, Community Action Agency of Central Oklahoma, Oklahoma Small Business Development Center- Rose State and other organizations focused on minority communities, to provide outreach to the minority businesses, and to provide assistance in filling out the application. Intentional efforts were made to host this assistance in communities of color throughout OKC, ensuring the locations were accessible and frequently visited. Other outreach partners provided multilingual assistance to translate the application.

Metrics

- \$1.8 million funded to 97 minority-owned businesses
- 22 small businesses were provided \$211,650 in consulting services
- 24 businesses for a total of \$350,103.05 were funded for the business retrofit

Contact Information

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Catapult: Startup to Storefront

Tags: Mentoring, Technical Assistance, Urban, Culture of Entrepreneurship, Black, Hispanic, Women

Organizations: Urban Redevelopment Authority of Pittsburgh, Catapult Great Pittsburgh and Paramount Pursuits

Location: Pittsburgh, Pennsylvania

Born out of true collaboration between the public, private and non-profit sectors, [Catapult: Startup to Storefront](#) came from the desire to create a program that helps women and people of color become entrepreneurs and business owners in Pittsburgh. The program is based out of the East Liberty neighborhood, where people of color have been left out of recent revitalization efforts. Catapult is a twelve-month business incubation program for disadvantaged entrepreneurs who want to start or grow their business —most participants are in retail and lifestyle business. Each business has access to one-on-one mentoring consultations, educational seminars and local strategic partnerships; each business graduates the program with a working business plan. A key aspect of the program is the Gallery on Penn, which provides a low-cost retail space in a bustling commercial district to several participants, who are then able to gain customers and experience selling their products. The Gallery on Penn would not be possible without the partnership with East Liberty Development, Inc., who owns the space and has a vested interest in maintaining affordability in the area. They have rented the Gallery on Penn to the program at roughly an 80 percent discount.

Who is this program made to help?

Minority and women entrepreneurs who want to start or grow their business in Pittsburgh, with the majority of the participants being in the retail and lifestyle business space.

How is it doing that?

- **One-on-one monthly mentoring session** with Paramount Pursuits, the technical assistance provider, to develop a business plan, address goal setting, deal with credit or legal issues, and help identify local strategic partnerships.
- **Technical assistance** to access capital, specifically helping participants with the Urban Redevelopment Authority's Micro-Enterprise Loan Program.
- **Gallery on Penn.** A critical piece of the program, it gives the participants a very affordable opportunity to sell their products in a physical location.

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[The program] will not work unless there is a partner at the table who holds the real estate... someone who isn't looking to make money off of the space businesses

- **Meet people where they are.** Catapult never assumes someone knows more than their craft, which may mean teaching how to use an excel spreadsheet, create a marketing plan, or use a computer.
- **Culture of Entrepreneurship.** One of the goals of Catapult is to foster a culture of entrepreneurship in underserved, disadvantaged communities. This means the program not only offers business education, but also creates a supportive environment for these entrepreneurs, their families and their community.
- **Cohort Model.** Some aspects of entrepreneurship can be lonely; Catapult purposefully helps foster relationships between the entrepreneurs, which leads to business collaboration and support, so that participants may grow personally and professionally. The cohort meets monthly for educational seminars with lawyers, accountants, and professionals with extensive experience in marketing, sales and other business matters.
- **Collaboration of stakeholders.** The partnership between the Urban Redevelopment Authority of Pittsburgh (public), Catapult Great Pittsburgh (non-profit), Paramount Pursuits (private), Neighborhood Allies (non-profit) and East Liberty Development, Inc. (non-profit) brought together the necessary resources, space, and funding to make Catapult a reality.
- **Location matters.** Catapult is located in the East Liberty neighborhood, where the majority of the participants live, making it more accessible to those for whom the program was created.



© Catapult: Startup to Storefront

Metrics of the first Catapult cohort:

- Estimated 20 jobs have been retained or created through the 12 businesses and entrepreneurs that graduated from the program
- 100 percent of businesses are women and/or minority owned from Pittsburgh's East End
- 220 mentoring hours received
- 405 external connections made by participants
- 4 businesses received financing or business credit
- 6 businesses in the process of applying for financing

Contact information

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Philadelphia Anchors for Growth and Equity (PAGE)

Tags: Getting Business, Access to Capital, Technical Assistance, Urban, Black, Hispanic

Organization: Economy League

Location: Philadelphia, Pennsylvania

[Philadelphia Anchors for Growth and Equity \(PAGE\)](#) is a program developed by the Economy League in partnership with the City of Philadelphia and anchor institutions in Philadelphia. The goal of the program is to leverage the purchasing power of anchor institutions to create jobs and growth for local Black- and brown-owned small businesses. PAGE analyzes purchasing data to identify supply chain opportunities, reduces barriers by working with procurement professionals at the institutions, increases capacity by providing tailored consulting services, and works with partners to provide access to growth capital. The founding members of PAGE are the large education and medical institutions in Philadelphia. While the Economy League has been engaged in matchmaking with the anchor institutions and local Black- and brown-owned small businesses for several years, the three-tiered PAGE framework was developed in 2020 and is launching in 2021.

Who is this program designed to help?

Black- and brown-owned small businesses in Philadelphia who seek to join the supply chain of Philadelphia's anchor institutions.

How are they doing that?

- **Page R&D.** The first piece to the PAGE framework is research and advocacy to bring together the large anchor institutions and work with them to begin shifting their purchasing power. The first step was asking each partner institution to provide their purchasing data, specifically asking for information on nineteen different industry categories —for example, IT, construction, or security services. PAGE then put together an extensive supplier landscape analysis to determine how much money the institutions were spending on local businesses in aggregate and specifically Black- and brown- owned small businesses. For each anchor institution, PAGE put together an individual spend shift report to create a plan indicating where the anchor can start spending their money locally on businesses of color in the PAGE program. In order to be successful in this step, strong relationships and trust needed to be established between the Economy League and the anchor institutions.

- **PAGE Prep.** The second step is to build capacity for Black- and brown-owned small businesses, so they are able to fulfill contracts for the anchor institutions. A large barrier for the anchors in working with small businesses is that many lack the capacity to fulfill their needs. By developing a skills and mentor-focused business incubator, PAGE Prep will reduce the barriers on the demand side, allowing for more diverse small businesses to receive contracts from major institutions. To accomplish this, PAGE will work with the anchors to understand what these businesses need to do to be ready, and then will connect businesses with tailored consulting services. PAGE Prep aims to enroll two cohorts of 25 businesses in the first year.
- **PAGE Capital.** The final piece is PAGE Capital, which will help the Black- and brown-owned small businesses build relationships with the investment community. This piece of the PAGE program is run by two organizations in Philadelphia, Impact PHL and Social Venture Circle. The goal of PAGE Capital is to develop a cohort of individual and institutional investors interested in advising, mentoring and investing in Black and Brown businesses. The first step in the process is the recruitment of investors, followed by educational services in areas such as implicit bias, networking with fellow investors, and finally identifying specific types of capital needed, to ultimately connect the investors with the PAGE Prep graduates for mentorship and investment.

Contact information?

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New Community Transformation Fund

Tags: Access to Capital, Succession Planning, Hispanic, Black

Organization: The Right Place, Inc.

Location: West Michigan

The Right Place, Inc., Bank of America, Consumers Energy Foundation and DTE Energy have developed a new venture capital fund for entrepreneurs and business owners of color in West Michigan. Based in Grand Rapids, Michigan the New Community Transformation Fund's (NCTF) purpose is to increase the ethnic and racial diversity of business ownership and create multi-generational wealth within historically disadvantaged communities in West Michigan. With the starting goal of \$25 million in capital, the fund will begin investing in 2021 and will invest between a quarter of a million to a million dollars in each business.

Who is this program designed to help?

This venture fund was created to be invested in companies that will generate long-term economic prosperity in communities of color in West Michigan. The fund will increase upward mobility and ultimately build a more diverse and globally competitive economy. The goal is to increase ethnic and racial diversity in Grand Rapids' business ownership through growing and scaling businesses owned by people of color. The fund will invest in current and prospective West Michigan companies, but will require the businesses and the majority of the operations to be based in West Michigan. One of the goals of the NCTF is to attract more people of color to the region, and to bring down the regional unemployment rate and the ALICE²⁴ threshold by building wealth in communities of color.



This fund was not born out of tragedy; it was founded as a vision to transform our community businesses

Two Types of Firms Targeted:

- Early to mid-stage businesses founded by people of color in West Michigan
- Transitioning of legacy businesses with an owner who is ready to sell to an entrepreneur of color in West Michigan

Areas: advanced manufacturing, food and agricultural, e-commerce, information technology, fintech, sports tech, and life sciences.

²⁴ United for Alice. "[United for Alice Methodology](#)" n.d.

How is it doing that?

1. After the decision was made to create the fund, leaders wrote up a business plan. This included information on why the fund was necessary, for whom it was meant, desired outcomes and what was needed to be successful.
2. In order to dedicate time to set up the fund, the fund managers looked to institutions in their community that were committed to inclusion to help with the startup capital. Bank of America and the Consumers Energy Foundation have each provided \$200,000 and DTE Energy has provided \$100,000 in initial startup capital.
3. With these funds, the New Community Transformation Fund has been able to create the legal structure and operational systems, begin establishing the management team, advisors, a board of directors, and secure local and national portfolio growth partners.
4. Using the large networks of NCTF's leaders to socialize the venture capital fund, the process started first locally in West Michigan, moving regionally next, and finally nationally to fundraise, with a goal of bringing in 10 million locally, and 15 million outside of West Michigan.
5. Through the Right Place, Inc.'s deep connections with businesses in West Michigan and expertise in the entrepreneurial ecosystem, NCTF businesses will have the tools and support needed to succeed, with the goal of NCTF businesses achieving a higher success rate than traditional businesses. This includes many traditional economic development services such as access to networks, customers, site selection, and mentorship.

Contact information

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Latina Hope

Tags: Technical Assistance, Access to Capital, Rural, Culture of Entrepreneurship, Hispanic, Women

Organization: McAllen Chamber of Commerce

Location: McAllen, Texas

The [Latina Hope](#) program provides an opportunity for Latina women to create, monetize their handmade skills, and run their own micro-business, in order to bring in additional income for their families. In partnership with Wells Fargo, United Way of South Texas, and Calvary Baptist Church, the McAllen Chamber provides technical assistance, the space and training to learn how to craft different products, and the opportunity to present their business in front of a panel of judges to earn a microloan of up to \$250 to pay for product materials and equipment. Launched in 2009, the program is delivered twice a month in a class setting entirely in Spanish, with about 40 to 50 participants in every session. Latina Hope helps foster a culture of entrepreneurship in the region and connects Latina women with opportunities to provide for their families through entrepreneurship.

Who is this program made to help?

The Latina Hope program is designed to create an opportunity for an underserved market — Latina women— to learn, create, and monetize their handmade skills (jewelry, crafts, soaps, scarves, home décor, necklaces, hair accessories, bracelets, etc.) in order to obtain an extra revenue source for their families.

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It’s an entrepreneurial system designed to create sustainability for these women, so they can go out and generate money for their families

How is it doing that?

- **Financial Literacy.** The program helps the participants build credit and provides basic workshopping on finance and single-entry booking all taught in Spanish. This helps the participants learn about their personal and business finances.
- **Business Professionals.** It invites experienced professionals in business to come talk with participants, as they go through some of the basic business pieces such as operational management, marketing, and business plan development.
- **Local Speakers.** The program brings in business leaders in the community, many of whom are Latina women themselves, to talk about their business background, so that participants can learn from them. Participants are encouraged to share their own stories of what brought them to Latina Hope.
- **Business Plan.** Latina Hope helps each of the entrepreneurs create their own business plan. This includes answering the following questions: Who is your customer? What problem are you

solving? How much will it cost to make? How much will you sell it for? How will you market your product and business?

- **Path to Market.** A large part of the technical assistance provided to participants is helping them find customers and the pathway to the marketplace. This includes finding low-cost to entry venues such as at food truck parks, farmer's markets, and grocery stores. They have also helped the entrepreneurs create an online presence through the creation of their own websites, social media, and selling through online vendors, such as Facebook or Amazon.
- **Microloan.** After attending 4 out of the 5 sessions, participants have the opportunity to make their pitch in front of a panel of judges, describe their product and their business plan, and depending on their presentation, will receive funds up to \$250 to spend on materials or equipment for their business to continue or to start to grow.
- **Meet people where they are.** In an effort to help participants be as comfortable as possible, Latina Hope sessions are held at a local church, instead of at the chamber or at a bank, and are led primarily by Latina women themselves who teach in Spanish.



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2019 Metrics

- 32 entrepreneurs received a microloan
- \$4,850, total money granted through microloans
- \$15,975, total made by entrepreneurs from microloans
- \$151.56, average loan amount, with a maximum amount of \$250
- \$515.32, average made by entrepreneur from microloan

Contact information

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REACH

Tags: Technical Assistance, Mentoring, Access to Capital, Getting Business, Black, Hispanic

Organization: The Greater Omaha Chamber of Commerce

Location: Omaha, Nebraska

The [Greater Omaha Chamber of Commerce's REACH](#) program provides technical assistance, mentoring, connections, capital, business education, and financial literacy to small and emerging (small) businesses in the construction and contracting field. Major institutions in Omaha, such as the city, universities, and medical centers, all of which have large construction projects, have provided funding for the program. The chamber identifies small contractors, connects them with major institutions and helps the partnership become successful. This ensures that the institutions are able to fulfill their construction projects, as the small businesses get business. In 2020, the REACH program added a 'navigator,' who will assist REACH businesses and their employees with social services support such as transportation, childcare, and other issues not directly related to their work, but that can affect their success. This position functions like an HR for the businesses to help them reduce employee turnover and become more efficient.

The Chamber has also created REACH en Español to deliver all REACH program in Spanish, including all educational training, webinars, and meetings. The chamber also does specific outreach to the Hispanic communities in Omaha, so more people can learn about the services. This program and the dedicated staff member is funded through philanthropic sources.

“
Whatever a small contractor has problems with or whatever is holding them back, it's my team's job to solve

Who is this program made to help?

The program is race and gender-neutral, but the outreach and target audience is the underserved communities where the majority of the population is low-to-moderate income (LMI). 68 percent of the REACH participants are African American, 20 percent are Hispanic and 79 percent are LMI.

3 pillars of the REACH program:

- Education
 - **Technical Assistance.** One-on-one consulting services aimed both at building the participants' knowledge base, and at solving a specific issue the business is facing. REACH provides webinars and other group learning opportunities for the businesses to learn important management and business skills. Topics related to banking, financial barriers, and connections comprise the vast majority of requests for assistance.

- **Leveraging Key Assets in the Community.** REACH relies on technical assistance providers, volunteers from the private sector, and their own staff to provide the educational component to the participants, based on their expertise and experience in a given field.
- **Mentoring**
 - **REACH Beyond Mentoring Program.** This program was created for entrepreneurs who have the desire and ability to grow their business. Through this year-long program, each entrepreneur is matched with a large general contractor who helps expand their network, teaches them how to manage a large company and provides contract opportunities. Participants are given benchmarking assessments, including the Gallup “Strengths Finder”, Gallup “BP10” and the Bellwether “Flitter”. The program also provides the entrepreneurs with a three-year analysis on their business’ financial statements and tax returns and, based on the analysis, it helps pinpoint where and how to scale the business.
 - **Coaching.** Part of the REACH Beyond program includes coaching sessions to go over the Gallup and Bellwether assessments. Coaches work with the entrepreneurs to evaluate the sophistication of different business processes and to create an individualized step-by-step plan to fix and improve the business.
 - **Using the Community.** By tapping into the private sector, REACH found attorneys, accountants, architects, engineers and other professional service providers that were willing to volunteer their time to teach and offer their expertise to each participant. Outside of the formal REACH Beyond program, the chamber works to connect small firms with larger companies in Omaha with the intent to provide guidance and, potentially, new contracts.
- **Access to capital**
 - **Traditional Capital.** By providing education and mentoring to the REACH program participants, the chamber strives to identify opportunities and prepare participants to be able to obtain traditional funding when possible. If traditional funding is not available to the participant, REACH works to remove barriers for the businesses through credit remediation, creditor negotiation, and financial literacy education.
 - **Invoice Lending Program.** The REACH program will lend money to a business with an invoice from a project for the city or a large contractor that will not be paid for 45 days, using the invoice as collateral. Once the contractor pays the small business, it is in the form



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of a joint check to the Nebraska Enterprise Fund, which pays the Chamber back for the loan. For those small businesses who may not have the operating budget to sustain their business without getting paid, this program allows them to pay their workers, keep the business operating and build credit once the money is paid back.

Contact information

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Rapid Response Recovery program (R3)

Tags: Covid-19 Relief, Urban, Access to Capital, Hispanic, Black

Organization: Hillsborough County

Location: Hillsborough County, Florida

Some of the major gaps in the CARES Act left out businesses who didn't have an existing relationship with a bank or those who were sole proprietors (initially), disproportionately affecting Black-owned businesses. One of the priorities of Hillsborough County's [Rapid Response Recovery program \(R3\)](#) was to fill the gap that government assistance left for communities of color. With this in mind, the county allocated \$100 million to small business relief and created the R3 program, which included sole proprietors, did not require a relationship with a bank, and strategically did outreach in communities of color. As this was a financial assistance program, and not a loan, no prior bank relationship was needed, the money did not need to be paid back, nor was a credit check required. Depending on the number of employees, businesses were awarded anywhere from \$10,000 to \$40,000, which could be used for any business-related expenses, such as employees' wages, mortgage, rent, vendor invoices, utility bills, or payroll, as long as these expenses were not paid for by insurance or any other federal assistance program. Through this program, the county was able to assist and build relationships with over 6,000 small businesses throughout the county. Because of this program, they now have more contact and demographic information to help inform and better serve small businesses in the future.

Who is this program made to help?

Although created for all Hillsborough County small businesses, careful attention was paid when crafting the program, in order to ensure businesses left out of the Paycheck Protection Program (PPP), which were disproportionately Black and Latino-owned businesses, were helped.

How is it doing that?

- **Emphasis on sole proprietorship.** This meant businesses that have zero employees, often operate out of a home, and the smallest of small businesses were able to receive financial assistance.
- **Phased Approach.** The money was released in phases to allow those who needed the money first to be able to get it. The county identified low-to-moderate census tracts and allowed those who were based in economically distressed areas to have access to the first phase of funding.
- **Beta Testing.** The majority of the businesses selected to beta test before the program rolled out were businesses of color. Due to the urgency of the funds, the county didn't have a lot of time to

test the program. They worked to ensure the perspective of businesses was diverse and represented the communities they wanted to help the most.

- **Virtual consulting meetings.** One-on-one bilingual assistance was made available to help with filling out the application, technology issues uploading documentation, or language barriers.
- **Leveraged relationships** within the Black and Latinx communities. This meant working with chambers, local CDC's and SBDC's that focus on the communities of color in Hillsborough County to ensure they got the word out.
- **Advertising.** The county put out 160 road signs, full-size billboards, ads in the newspaper, and went on Spanish television networks to explain the program. The county held 17 virtual informational sessions, 7 of which were held in Spanish to be accessible to the many Spanish speakers in the county. These sessions explained the program, eligibility and left time for business owners to ask questions.
- **Bilingual.** Every sign, advertisement and training was in both Spanish and English.

Metrics

- 54 percent of all awards went to a Hispanic and/or non-White businesses
- 26.8 percent of awards went to Hispanic-owned firms; 16.4 percent of awards went to Black-owned businesses; 12.7 percent of awards to Asian- owned businesses; .6 percent to American Indians/Alaska natives; .3 percent to Native Hawaiian or other Pacific Islander. These percentages are consistent with Hillsborough County's general demographics.

Contact information?

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Capital Access Program (CAP)

Tags: Access to Capital, Urban, Black, Hispanic

Organization: City of Norfolk

Location: Norfolk, Virginia

The [Capital Access Program \(CAP\)](#) was established to fill the gap in access to capital for low to moderate income entrepreneurs and small business owners with a target population of people of color, women, and veterans. CAP consists of five different capital access products that vary based on business size, need, and purpose of fund for small business owners who would not otherwise be serviced by a traditional bank. It helps small business owners who may not have the ability to apply to a traditional lending source, as well as for those who have a need that a bank doesn't provide, such as a loan under \$10,000, necessary technical assistance, or lower interest rates. The five CAP loans are: Microgrant, Economic Development Authority Small Business Grant, Façade Grant Program, Reimbursable Grant Program and Norfolk Revolving Loan Fund. Applications are open once a quarter, which allows businesses four opportunities a year to apply for funding. In order to apply, applicants must first attend a mandatory workshop on the application process.



We wanted to prepare our businesses for a capital request down the road

Who is this program made to help?

Low-to-moderate income entrepreneurs and small business owners in the City of Norfolk with a target audience of minority-, women, and veteran small-business owners and entrepreneurs.

How is it doing that?

- **Understand how the funding can be spent.** Sean Washington, administrator for CAP, spent time while developing the program to become familiar with CDBG and other federal, state, and local funds, so he could use underwriting standards and terms that are flexible, as to fill the gap traditional banking leaves.
- **Fill the gap.** Prior to the CAP, the City's capital program was similar to traditional lending programs, didn't truly distinguish itself from other programs, and wasn't filling a gap in the community. CAP specifically targets low-to-moderate income business owners. This means that the program is more flexible than traditional lenders and doesn't use credit scores and financial histories as the only metrics to determine if a business can qualify.

- **Become more comfortable with risk.** To truly service low-to-moderate income entrepreneurs and small business owners, loan officers should become more comfortable with some risk when approving business loans.
- **Prepare businesses for the future.** The CAP application purposefully asks for the same documentation that a bank would require for their own loan application. This allows applicants to be prepared in the future, so as they are continuing to grow and scale with assistance from the initial loan, they are able to apply for a traditional bank loan because they now have the loan history, the proper documentation and the initial investment from the city to be successful.
- **Necessary Documentation.** This includes a consolidated business plan with an executive summary, marketing plan, profit and loss statement, as well as their personal financial statement. Information on what is needed for each of these documents is provided to the applicants.
- **Partnership and Technical Assistance.** The city partners with local entrepreneurship support organizations for needed assistance the city doesn't provide. In the application, the city asks each business about insurance, HR management, and other relevant business operations, so they can align them with the necessary providers. Partner service providers are acquainted with the application, so they can assist businesses when applying. If a business needs more assistance, the city is sometimes able to provide funding to the providers so they are able to assist.
- **Marketing.** To ensure that the new program was widely advertised, especially to the neighborhoods and communities of color across the city, CAP administrators went on radio stations, went to business improvement districts, neighborhoods, and met people where they are. They worked to build trust and relationships to allow the business owners to get comfortable working with the city. They also asked the businesses who had received a CAP grant or loan to help spread the word about the benefits of the program.

Year 1 Metrics

- 37 businesses or entrepreneurs received a CAP grant or loan
- \$764,695 funded through one of the five CAP products
- 54 percent of CAP winners are a minority-owned business

Contact information

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Communities Unlimited

Tags: Technical Assistance, Rural, Access to Capital, Culture of Entrepreneurship, Black

Organization: Communities Unlimited

Location: Rural South, United States

[Communities Unlimited \(CU\)](#) is a non-profit and CDFI that works to unwind generations of inequity and disinvestment in the rural south. CU primarily serves communities of color in the rural regions of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas— areas with high rates of poverty and food insecurity. Through a wide array of technical assistance and access to capital, CU works to provide entrepreneurs with the tools necessary to start and grow their small businesses. CU offers a parallel of extensive technical assistance specifically targeted at financial management and lending through their CDFI. CU addresses what they see as the three issues that entrepreneurs, specifically entrepreneurs of color face, which are: a lack of access to markets, not enough critical capital at both the startup and growth phases, and management capacity.



**We fail entrepreneurs
when we don't provide
financial literacy**

Who is this program made to help?

Majority Black-, minority-owned small businesses in seven states in the southern United States, an area with a large number of rural communities, a high minority population, and high rates of poverty and food insecurity.

How is it doing that?

- **Technical Assistance.** The majority of Communities Unlimited's technical assistance is in financial management, with 40 different products, with a focus in financial literacy (i.e. bookkeeping, sales, customer retention, and marketing.) Regardless of the skill being taught, CU works one-on-one to help entrepreneurs learn the skills needed to make their businesses succeed. The average client spends 36 individual hours with a CU team member.
- **Working in parallel with technical assistance.** The loan team and the technical assistance team work hand and hand, helping the businesses through the process simultaneously ensuring that the entrepreneur gets what they need, when they need it, whether that is an emergency loan or a cash flow issue. If the loan officer finds a problem, the TA team can help solve it.
- **Right-sizing the loan.** With the technical assistance team's input, CU identifies and typically loans out exactly the amount the business needs at that moment—with the entrepreneur knowing that they can apply for multiple loans down the road according to their needs. In most

cases, if a business has enough collateral, they receive the full amount requested from the CDFI. CU purposefully works with the client to ensure they do not receive more than they need. When the business requests their second or third loan, the process is streamlined and can be approved in less than 24 hours because CU already has all of their information.

- **Relationship lending.** Instead of only looking at the credit score to decide whether an entrepreneur qualifies for a loan, CU pulls a credit report, and talks with the client about the score and gives the entrepreneur an opportunity to explain their debt, or go on a payment plan, allowing CU to accept their loan application. When CU is unable to give a loan based on SBA guidelines or other regulations, they disclose the reasons to the entrepreneur and, whenever possible, help them address some of the issues, helping them clear the path for a potential loan in the future. As a CDFI, CU always takes collateral, not as a decision factor, but to ensure that the entrepreneur is fully committed in the process.

Contact information

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Prospera

Tags: Rural, Urban, Hispanic, Technical Assistance, Access to Capital

Organization: Prospera

Location: Florida and North Carolina

[Prospera](#) is an economic development nonprofit organization specializing in providing bilingual business assistance to Hispanic entrepreneurs trying to establish or expand their business. They serve about 5,000 Hispanic entrepreneurs every year, offering a variety of services designed for Hispanic entrepreneurs specifically and recent immigrants in particular, to help empower them through training, access to capital and consulting. Prospera has been supporting Hispanic entrepreneurs in Florida since 1991 and is beginning to expand their services to rural North Carolina. Prospera's success stems from their empathy and understanding of Hispanic communities and the obstacles Hispanic entrepreneurs face when starting their own businesses. Regardless of what is needed, Prospera aims to meet the needs of Hispanic entrepreneurs and small business owners. Funded by private contributions, as well as funds raised through special events and government contracts, Prospera is able to offer all of its services at no charge to their clients.



© Prospera

Who is this program made to help?

Prospera provides assistance to Hispanic entrepreneurs who are trying to establish or expand their business in Florida and North Carolina.

How is it doing that?

- **Business Seminars.** These seminars are taught in Spanish, and are meant for Hispanic entrepreneurs who want to start their own business. This includes group training on how to do business in the United States, including legal structures, finances, taxes, regulations, licenses, marketing trends and technology solutions.
- **Business Consulting.** One-on-one, personalized, ongoing guidance and mentorship in Spanish to identify opportunities and solutions on how to do business in the United States. This technical assistance can be for entrepreneurs who are just starting their own business, helping them save time and money, and increasing their chances of success through credit building and planning before the incorporation of the business. For businesses already established that may

be dealing with past mistakes, Prospera offers assistance to work out these past issues. Prospera can also provide assistance to businesses wanting to scale.

- **Access to Capital.** Prospera helps entrepreneurs understand the U.S. financial and banking systems, its requirements, as well as the process to apply for a loan. They connect the entrepreneurs with a local CDFI, SBA lender, or traditional lender, and will help them through the entire process of securing capital. This can include help with the business plan, preparing documentation properly, and physically going to the lender with the client. Prospera has also run its own micro-loan program for clients in South Florida.
- **Business Grants.** Provides funding for additional consulting through subcontracted specialized service providers in legal, accounting, branding, marketing and sales, and business planning for entrepreneurs who need more in-depth services. These services are vetted and paid for by Prospera for the benefit of its clients.
- **Cultural Awareness.** The key to each of the services Prospera provides is empathy and the cultural understanding Prospera brings to each Hispanic entrepreneur. This is done through training and consulting provided by Hispanics themselves, speaking Spanish and the understanding of the barriers Hispanic entrepreneurs are more likely to face.

Metrics during fiscal year 2019- 2020

- 3,988 jobs created/retained
- \$17 million dollars in loans marketed for clients
- \$1,941 clients received business consulting
- \$3,498 Business seminar participants

Contact information

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MORTAR

Tags: Mentorship, Technical Assistance, Getting Business, Access to Capital, Black, Women

Organization: MORTAR Entrepreneurship Academy

Location: Cincinnati, Ohio

[MORTAR Entrepreneurship Academy](#) is a fifteen-week course designed for entrepreneurs starting or growing their businesses in Cincinnati, Ohio. The organization was created after an entrepreneurial ecosystem assessment was conducted, which found a major gap in support for minority entrepreneurs. Created in 2014 to focus specifically on underserved populations, Mortar works predominantly with African Americans and women to assist them in accessing the resources needed to start and run successful businesses. Four cohorts of fifteen entrepreneurs go through the program each year, allowing Mortar to work with 60 entrepreneurs annually. Each cohort has entrepreneurs just getting started on their business journey, as well as those who are currently in business but are looking to scale. The cohort model encourages peer-to-peer learning, mentorship, and business-relationship building between the entrepreneurs. Following the academy, graduated participants can join the eighteen-month alumni program, which provides support for the entrepreneur as they continue their business journey. Mortar strives to keep the price of their program low to ensure accessibility for low-income entrepreneurs. While the program costs \$295 to participate, the organization uses grants to supplement the majority of the total program cost, which is much higher.

Who is this program made to help?

Entrepreneurs in underserved communities, predominantly African Americans and women. About half of the participants are entrepreneurs just getting started, while the other half are in the program to scale their existing business.

How is it doing that?

- **The Academy.** Participants in the program meet for three hours, once a week, for fifteen weeks. The interactive course teaches entrepreneurs about personal and business finances, marketing, legal, and customer service. Mortar brings in subject-matter experts as guest speakers in business law, finance and accounting, food and entertainment, retail, and public relations to help teach participants.
- **Curriculum.** Mortar has developed their own 'culturally competent' curriculum to fit the needs of the population they serve, predominantly African Americans and women based in Cincinnati. All different types of learning styles are incorporated into the curriculum, including visual, logical, aural, verbal, physical, kinesthetic, social, and solitary. The curriculum is filled with examples and stories from entrepreneurs from a variety of backgrounds and experiences with the hope that participants will 'see themselves' in successful entrepreneurs.

- **Alumni program.** This is an eighteen-month program following graduation from the academy that provides continued technical assistance to the businesses through goal-planning, accountability, and continuing to build out the entrepreneur's network. For many, the end of the program is just the beginning of their business journey, so the alumni program is crucial for entrepreneurs to continue to implement what they learned in the course.
- **Pitch Night.** At the end of the fifteen-week program, Mortar puts on a pitch night, similar to shark tank, which gives participants the opportunity to pitch in front of a large crowd in their community. In the crowd could be anyone from a potential investor, a business owner looking for a new product or service for their business, or a banker in the community. After pitch night, connections and business deals are made, helping the network of Mortar entrepreneurs grow, as well as getting them business deals.
- **Brick-and Mortar Pop-Up Shops.** This provides vacant storefront space to entrepreneurs in the program, allowing them to use the space to gain real experience working with customers, growing their revenue and receiving feedback. The space can also be used to test, innovate, and prototype concepts in Cincinnati.
- **Access to Capital.** The Iron Chest Fund provides access to capital exclusively for the graduates of Mortar's Entrepreneurship Academy. Through this fund, Mortar has put \$279k in the hands of entrepreneurs through low-interest loans, grants and equity investments.
- **Partnership.** Mortar entrepreneurs receive free legal services from law students going to the University of Cincinnati's Law School, and through a partnership with SCORE, participants are matched with a mentor that they regularly meet with throughout the program.

Metrics

- 87 percent of program participants are people of color, with 76 percent being African American and 67 percent women of color
- 71 percent of Mortar participants are still in businesses
- In 2018, Mortar graduates created 65 jobs in Cincinnati, while adding an estimated \$1.5 million to the regional economy.

Contact information

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Baltimore Development Corporation

Tags: Covid-19 Relief, Access to Capital, Technical Assistance, Black

Organization: Baltimore Development Corporation

Location: Baltimore, Maryland

The [Baltimore Development Corporation \(BDC\)](#) established a \$3.5 million small business assistance fund in response to the covid-19 pandemic. The fund was developed with the specific goal of creating an equitable assistance program for small businesses, specifically to ensure it was accessible to Black- and other minority-owned businesses.

Who is this program made to help?

Small businesses based in the City of Baltimore, specifically those who did not receive funding via a PP loan, SBA or other financial assistance. As minority-owned businesses disproportionately were excluded from these financial assistance programs, there was a focus on serving those businesses specifically. Many Black-owned small businesses are cornerstones of the Baltimore community, and it was a priority for BDC to help keep community institutions open.

“
We really had to change our mindset... but if it was ‘first come, first served,’ it would hurt the businesses that needed it the most

How is it doing that?

- **Targeted Relief.** Preference was given to businesses who did not receive a PPP loan, an SBA disaster relief loan or other financial assistance from federal or state programs. Businesses that were underbanked, did not have a relationship with a bank, or didn't have the documentation to qualify for federal or state assistance (disproportionately Black-owned businesses) were able to receive assistance through this program. Checks were issued directly to the businesses and not through direct deposit because many of the businesses rely on the check-cashing businesses in their neighborhood, or don't have a bank to cash the check. Due to the pandemic, that meant the BDC was cutting checks in their office.
- **Not First Come, First Serve.** Grants were not distributed on a first-come, first-serve basis. Instead, the city had a two-week period for accepting applications. ‘First-come, first served’ would have hurt the businesses that needed the assistance the most.
- **Technical Assistance.** One of the criteria was that the business had to be in good standing with the state, so BDC did a lot of assistance to ensure that every business was in good standing with the state, providing technical assistance to help businesses become in good standing so they could qualify.

- **Equitable Outreach.** The majority of the funds were directed towards specific neighborhoods and communities to ensure the equitable distribution of the grants. BDC mapped the outreach to ensure equitable coverage across the city, also identifying areas that may need more direct outreach.
- **Getting out the Word.** Launched a survey with over 700 businesses respondents at the beginning of the pandemic; each respondent was then individually contacted to share information on the new grant program. BDC launched a new website dedicated to small business assistance throughout the covid-19 pandemic and had the Mayor announce the program in a televised press conference.
- **Partnership.** Worked with a network of 18 business-improvement districts, community and neighborhood associations, so that as many businesses in the city as possible could learn about the program.
- **Solving the Language Barrier.** BDC put together a technical assistance committee to help businesses successfully apply for the grant application. The majority of the work the committee did was in translation for business owners whose first language is not English, a large part of which came from the Hispanic and Korean communities.

Metrics

- The fund awarded 261 businesses, with 70 percent going to minority-owned businesses
- African American-owned businesses made up 17.7 percent of total applicants, with 23.4 percent of applicants awarded
- Asian American-owned businesses made up 20.6 percent of total applicants, and 20.7 percent of applicants were awarded
- Hispanic American-owned businesses made up 13.7 percent of total applicants, and 16.5 percent of applicants were awarded
- Technical assistance committee engaged with over 1,000 small businesses, of which 48 percent were minority-owned, 32 percent were Black-owned and 56 percent were women-owned.

Contact information

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Re/Cast

Tags: Succession Planning, Urban, Access to Capital, Technical Assistance, Black, Hispanic

Organization: Manufacturing Renaissance Partnership

Location: Chicago, Illinois

[Re/Cast](#) is a non-profit organization formed to retain manufacturing jobs and companies in Illinois, while diversifying ownership in the manufacturing sector. As advisors in manufacturing ownership succession, the purpose of the organization is to help retain Chicago’s industrial base by arranging the acquisition of manufacturing companies through ownership succession by groups of employees, or externally by outside entrepreneurs, specifically African American and Hispanic population groups. The organization pays special attention to engaging women entrepreneurs of color to rectify a gender gap in business ownership as well. Re/Cast is a partnership between Manufacturing Renaissance, the Safer Foundation, Chicago Federation of Labor, Local Initiatives Support Corporation (LISC) Chicago, World Business Chicago, Cook County Bureau of Economic Development and the Illinois State Treasurer.

“
Ownership succession is such a crisis... but it is also an enormous opportunity”

Who is this program made to help?

Re/cast was created to help keep small manufacturing companies open through succession planning, while pairing them with Black and Latino entrepreneurs. This allows manufacturing companies to stay open, provide jobs for the community, and increase minority ownership in this sector.

How is it doing that?

- **Build the Network.** The first step is identifying small manufacturing companies that are healthy and viable. Leverage relationships with unions, community organizations, service providers, employees, churches, and other businesses for a warm introduction to the owner. From those conversations, Re/cast identifies owners who are at the age of retirement and want to get out of the business, but are without a successor.
- **Once identified, evaluate the company** to ensure it is a good opportunity for an entrepreneur – Is it a quality product? Is the company well run? What do the employees have to say? With this step, the value of the company is determined.
- **Develop Pool of Qualified Purchasers,** with special attention to entrepreneurs of color who have the skills and desire to purchase companies. In addition to outside acquisitions, this model can also encourage employee ownership and Employee Stock Ownership Plan (ESOP)

utilization, as well as other cooperative structures. Integral to this part of the process is working with these entrepreneurs to help familiarize them with the manufacturing companies available for purchase.

- **Identify Sources of Capital.** Assist the entrepreneurs and employees through the acquisition process. Many of these acquisitions can be financed by existing owners, banks, and new owners. Create a dedicated fund that can be used to facilitate these transitions. If possible, provide patient and reasonably priced capital for both acquisitions and their continued development. Through partnerships with other financial institutions, form a fund to assist in the sale.
- **Lead the Transaction Process.** Oversee the transaction from beginning to closing. This includes facilitating and coordinating the required transaction-related activities, including accounting services, legal services, and consultants.
- **Provide Ongoing Support.** Following the closing of the sale, ensure that the new businesses are provided the support needed to be successful. This includes mentorship, training and technical assistance.

Contact information

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Ohio Employee Ownership Center

Tags: Succession Planning, Technical Assistance

Organization: Ohio Employee Ownership Center

Location: Ohio

The [Ohio Employee Ownership Center \(OEOC\)](#) provides succession planning assistance and business education for the general business community and specifically works to help transition businesses to employee ownership and ensure their success. Formed out of Kent State University's College of Arts and Sciences in 1986, it is one of the oldest centers for employee ownership in the country. OEOC is funded through foundational support, public sector grants, program income, donations, and membership dues from their network of about 70 employee-owned businesses in Ohio, who the center provides training and educational services to. They also work extensively with the professional advisory community, including banks, law firms, accountants, financial planners, and others, who also sponsor the center's programs. In general, the center promotes 'broad based employee ownership', including ESOPs, worker-owned cooperatives, employee ownership trusts, and other cases in which a significant portion (or all) of the business is owned by the employees. The center performs a large amount of project-based work with organizations across the state of Ohio such as local chambers of commerce, SBDC's, EDOs, local governments, as well as community organizations who work specifically in underserved areas, including communities of color. Through these partnerships, the center is able to provide services and education directly to businesses, business owners, and employee owners. Employee ownership addresses the impending mass retirement of baby-boomer business owners, also known as the 'silver tsunami', while also addressing income and racial inequality by helping employees access the benefits of business ownership.

Who does the OEOC help?

OEOC works with both existing and prospective employee-owned businesses to create succession plans, and with employees, local governments, and community organizations seeking partnerships to prevent business shutdowns and job loss in their communities.

How is it doing that?

- **Training for existing employee-owned businesses.** The center provides training and education services and programs at all levels of the business, to help them take advantage of the benefits of employee ownership. For prospective employee-owned businesses, the center provides technical assistance and succession planning services to help transition their business smoothly to their employees. Partners with private sector providers of legal, accounting, and financial services to assist businesses through the process. The center can help businesses



Succession planning is business retention, job retention, community development, and economic development. It should be in everyone's toolkit

mitigate costs before engaging professionals for help. The center also partners with community and economic developers and others, to educate business owners about the employee ownership option.

- **Research.** The center does research to better understand the impact of employee ownership on communities, businesses and employees.
- **Partnerships and Project-Based Work.** A lot of the work the OEOC does is project-based partnering with a broad range of public and private organizations to promote, educate, and provide technical assistance for succession planning and employee ownership. This allows the center to pivot depending on what a community needs and localize their approaches depending on the industry, business size, or the community itself. It is not a one-size-fits-all approach. The center works with organizations across the state of Ohio that have a specific mission to work with low income communities, immigrant populations and communities of color. This includes organizations such as Co-op Cincy and Co-up Dayton, among others. The center has also worked with city governments to provide outreach and information to the aging business community to help them plan for succession, specifically in communities of color, rural communities, and other underserved areas.
- **Advocacy and Outreach.** The center promotes and informs the public about the option of employee ownership, as well the need for business succession plans. This includes newsletters, a podcast, writing articles for publications, and public lectures on the topic.

Succession Planning Steps

1. Identify the goals of the business owner. This includes future annual income, level of involvement in the business after sale, investments, legacy and values.
2. Identify the goals of other stakeholders. This includes key employees, other owners, or family members that have a stake in the business' success. This may also include the community, customers, suppliers, and others.
3. Management Planning. Who is capable and willing to take over the responsibilities of the current owner? This can include promotion from within the company, outside potential entrepreneurs, or family members.
4. Develop a 'best case scenario'. This should include the business owner's income while in retirement, a list of those who will own equity in the business and how much, responsibilities, and other individuals' involvement in the future of the company.
5. Explore all options. This includes looking into and investigating all available options for succession, from selling to employees, or keeping it in the family, to selling to an outside buyer.
6. Design and implement the succession plan. This means putting together any and all legal, financial, and implementation documents together; as well as creating a timeline with goals or 'trigger events' informing stakeholders of the plan, and finally completing the deal.

2020 Metrics

- Provided assistance to owners and managers of 14 companies (employing over 400) in Ohio, and 2 companies outside Ohio, on selling their company to their employees.
- The Succession Planning Program for retiring owners provided 7 seminars for 102 participants, which resulted in the creation of a new employee-owned company, as well as a Community-based Cooperative.
- Center staff presented at 8 workshops, meetings, and conferences - with over 500 participants - on employee ownership as a tool for business succession, employee communications and education, and the role of employee ownership in economic and community development.
- Partnered with Co-op Cincy and Co-op Dayton to receive a two-year grant from Google to promote employee ownership and business succession planning throughout the state of Ohio.

Contact information

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Choctaw Nation's Small Business Development Department

Tags: Access to Capital, Technical Assistance, Rural, Native Americans

Organization: Choctaw Nation of Oklahoma

Location: Choctaw Nation (Oklahoma)

The [Choctaw Nation's Small Business Development Department](#) provides direct assistance to Choctaw tribal members who are starting a new small business or looking to expand their current business, to help create and retain jobs in the Choctaw Nation of Oklahoma. The program provides one-on-one business assistance, training sessions, access to capital and networking opportunities for "Chahtapreneurs" in the rural region of the Choctaw Nation. Available on their website, as well as hard copy, the Small Business team has developed an in-depth business guide that takes the entrepreneur through every step of the process to start a business in the Choctaw Nation. It covers 10 counties in southeast Oklahoma with five business advisors, each dedicated to their own region. They have recently added two rural co-working spaces.

Who is this program made to help?

Choctaw tribal members who want to start or grow their small business within the Choctaw Nation of Oklahoma.

How is it doing that?

- **One-on-one advising.** Entrepreneurs meet monthly with advisors to develop the steps to either start or grow their business, and set the goals needed to accomplish that. The advisor takes notes, follows up and ensures the entrepreneur accomplishes 2-3 goals each month, becoming a successful business. Advisors provide accountability and guidance to entrepreneurs on a regular basis. The staff has been professionally trained by Small Biz U coaching clinic to help entrepreneurs.
- **Training.** The program provides online and in-person courses for Chahtapreneurs to learn basic business skills such as bookkeeping, marketing, customer service, and creating a business plan.
- **Business Guide.** The Small Business Development team created the Chahtapreneur Business Guide, which includes every step an entrepreneur needs to take to start a business in the Choctaw Nation. It includes information on business types, business structures, business planning, finances, marketing, legal requirements and templates on how to get started. They

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It's about our people making a difference in our rural communities so our tribal members can provide for their families

have also created starter kits to help specific types of business such as food trucks, medical clinics and self-employed contractors.

- **Helping entrepreneurs receive loans.** The Choctaw Nation helps entrepreneurs prepare to receive a business loan and speak with the loan officer confidently. This program includes helping them develop a business plan, understanding how much to borrow, establishing use of funds, what kind of collateral they have, and what their credit is. Through relationships with CDFIs, CDCs, and other financial institutions, Choctaw Nation connects the entrepreneurs directly with the loan officer, based on business type and financial need. Advisors are certified credit counselors and can help the entrepreneurs with their credit.
- **Marketing Allowance Program.** Clients can apply to receive a \$200 marketing grant which can be used to buy signs, stickers, or any other marketing materials. The Choctaw Nation also offers free graphic logo designs for their clients, using their own marketing team.
- **\$5,000 Forgivable Loan Program.** For both startups and expansions, the forgivable loan application mirrors a traditional loan application to prepare the Chahtapreneurs to apply for a business loan in the future. In order to receive the loan, the entrepreneur needs to provide a business plan, use of funds, financial projections and quotes. Once the entrepreneur receives the loan, they must meet with a counselor on a quarterly basis for at least 12 months and receive advice on their business. After 12 months, the loan is forgiven and turns into a grant.
- **Partnerships.** The Choctaw Nation works with SBDCs and financial institutions to seamlessly support the entrepreneur. The Choctaw Nation asks that entrepreneurs working with the SBDC or receiving a loan from a financial institution, sign a form that allows the Choctaw Nation to share and learn information in confidence. This allows the banks to reach out if a client misses or is late with a payment, and the small business team can step in to help. They have also started partnering with local trade schools to do basic business training, as the majority of those in trade school can eventually start their own business by using their trade.
- **Furniture donation program.** Small businesses can take advantage of Choctaw Nation's excess furniture and use it for free in their own business to help mitigate some of their startup costs. The furniture is from the Nation's fixed assets and can be used for daycares, restaurants, or office spaces.

Metrics

- 1,213 active clients
- 148 business startups
- 121 businesses expansion
- 951 jobs created
- 365 trainings, with over 3,000 attendees
- 4,000 hours in counseling

Contact information

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Invest Atlanta

Tags: Access to Capital, Urban, Black, Hispanic

Organization: Invest Atlanta

Location: Atlanta, Georgia

[Invest Atlanta](#) provides several gap-filling loan programs to small businesses and entrepreneurs in the city of Atlanta, to encourage small business development for small businesses located in, or moving to, the city. In order to be approved for a loan from Invest Atlanta, applicants must have been first denied full or partial funding from a traditional financial institution. Invest Atlanta offers over ten different small business loans, each structured slightly differently based on location, need, or background, in order to accommodate the wide array of entrepreneurs and business owners.

Who is this program made to help?

Invest Atlanta's loan programs are not specifically for minority-owned businesses, but the majority of the loan recipients are Black and brown entrepreneurs and small business owners. Any entrepreneur or small business owner with a business based in the city of Atlanta who has been denied at a traditional financial institution is able to apply.



Our goal is to deploy money to those who traditionally cannot receive funding

How is it doing that?

- **Denied first.** In order to receive a loan from Invest Atlanta, the applicant must have been denied by a bank for some or all of their requested loan, which allows Invest Atlanta to specifically target those that can't access traditional banking. Entrepreneurs of color and female entrepreneurs are most likely to be denied by a bank and therefore are the majority of Invest Atlanta's loan portfolio.
- **Funding.** Invest Atlanta's loan program funding comes from federal, state or local government grants. The majority of loan funding comes from the City of Atlanta, Department of Housing and Urban Development, Department of Commerce, or Economic Development Administration.
- **Know the Why.** Invest Atlanta will create a new loan program if they determine there is a current gap in the lending ecosystem that they could fill. To do this, the loan team creates a loan document which includes new program description, interest rates, length of terms, criteria, and eligible charges. They then seek out funding for the new program, usually through grants from the local, state or federal government.

- **Part of future success.** After successfully paying off an Invest Atlanta loan, many entrepreneurs or small business owners will have a positive credit history with a lender and in many cases will then be able to successfully apply for a traditional bank loan.
- **Partnership.** Invest Atlanta works with local partners such as the SBDC, Urban League and the Russell Center, who are able to provide assistance to Invest Atlanta applicants applying for a loan. Invest Atlanta also refers loan applicants to the partners who can provide them with technical assistance.
- **Work with the entrepreneur.** If problems occur with paying back the loan, Invest Atlanta works with the clients, so they can continue to be successful in paying back the loan, whether that is through a few months of deferments, or lowering their monthly payment. This continues the relationship, ensures the money is still being paid back and can usually fix the problem before it is too late.

Contact information

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Small Business Resource Program

Tags: Access to Capital, Technical Assistance, Covid-19 Relief, Urban, Black, Hispanic

Organization: St. Louis Economic Development Partnership (STL Partnership)

Location: St. Louis, Missouri

The [STL Partnership](#) partnered with St. Louis County, St. Louis City, other economic development organizations and local financial institutions to create the Small Business Resource Program for small businesses in St. Louis that has sustained economic injury due to the covid-19 pandemic. The program was set up as immediate relief as a zero-interest bridge loan until the Paycheck Protection Program and Economic Injury Disaster Loans became available. Small businesses were offered \$5,000 in loans and sole proprietors, contract workers, gig workers and 1099 workers were offered a \$500 grant. When St. Louis County was appropriated funding from the CARES Act, the STL Partnership was charged with distributing the over \$24 million to the small businesses. Any for-profit business in the city of St. Louis or St. Louis County that has sustained economic damage due to the covid-19 crisis could apply. To apply, businesses needed to be current on local taxes, be in good standing with state and local governments, and have been in business for at least one year inside St. Louis County.

Who is this program made to help?

STL Partnership developed the Small Business Resource Program to assist small businesses in St. Louis in response to the covid-19 pandemic. Outreach was intentional to ensure that Black- and Brown- owned businesses in underserved areas, as well as foreign-born owned businesses were helped.

How is it doing that?

- **Technical Assistance.** A hotline was set up to help small businesses through the funding applications. STL Partnership hired a firm with SBA experience to help businesses put together the proper documentation, become in good standing with the state, and pay their taxes.
- **Helping through Barriers.** STL Partnership called every business who had applied for CARES funding through the county but was having issues being approved. The Partnership helped businesses understand what was holding up their application, whether it was due to unpaid taxes or an expense that wasn't covered under CARES Act. Whatever the barrier was, the Partnership worked through the issue with the business so they could receive the most benefit from the program.
- **Partnership.** In order to invest in underserved communities and neighborhood-serving small businesses, the STL Partnership partnered with Invest STL and other local community



As an organization, we learned about being flexible and how to quickly pivot to respond to the needs of small businesses, which are the anchors of our community

organizations, to create the Neighborhood Small Business Lift grants. These grants helped businesses to maintain staff, facilities, and other essential costs in the neighborhoods that had been hardest hit by the pandemic.

- **Foreign-born Outreach.** The STL Partnership's St. Louis Mosaic Project was a liaison to the foreign-born population by working with the area's ethnic chambers to get information to foreign-born business owners and paid to have the materials translated into Spanish and other languages.
- **Getting out the Word.** Using their extensive network with underserved communities, neighborhoods and businesses, STL Partnership worked intentionally to help businesses in some of the hardest hit areas of St. Louis that are traditionally underserved, receive business relief. They hired a social media influencer who is local to St. Louis and focused on getting out the word to communities of color through social media. In addition, they ran webinars about the program, reached out to faith-based organizations in the underserved communities, and engaged council members to share the information about the program, how to apply and that assistance was available to help.
- **Rent Forgiveness.** STL Partnership gave rent forgiveness to entrepreneurs who were housed in their four business incubators, including one that sits in the Promise Zone and serves primarily entrepreneurs of color.

Metrics

- \$1 million in loans for 200 business from STL Partnership Bridge Loans
- \$24 million in grants to 2,300 businesses from the CARES Act

Contact information

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Government Resources

Small Business Development Centers (SBDCs)

Tags: Access to Capital, Technical Assistance

Overview:

Administered by the [SBA](#), the [SBDC](#) Program promotes entrepreneurship and small business growth by providing the funding, oversight, and support to the nationwide network of SBDCs. Additionally, [America's SBDC](#) is a national association for SBDCs that provides training, technical assistance, and other services to SBDCs throughout the country. In each state, there is a lead organization that sponsors the SBDC and manages the program. The lead organization coordinates program services offered to small businesses through a network of service locations at colleges, universities, community colleges, vocational schools, chambers of commerce and economic development corporations. Throughout the country, there are 62 Lead SBDCs, with one in every state, and over 900 service locations. The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management.

SBDC services are geared towards the individual needs of clients. Entrepreneurs and small business owners can take advantage of free face-to-face business consulting and at-cost training on topics including business planning, accessing capital, marketing, regulatory compliance, technology development, and international trade. Special SBDC programs and economic development activities include international trade assistance, technical assistance, procurement assistance, venture capital formation and rural development. Other services offered by local SBDCs typically include:

- Financing assistance
- Marketing assistance
- Production assistance
- Organizational assistance
- Engineering assistance
- Technical assistance
- Feasibility studies

Many local SBDCs include initiatives and offer resources and services that support minority businesses. Pennsylvania's state-level SBDC has a [resource page for minority-owned small businesses](#) that connects business owners to financial assistance, minority business network groups, and other business opportunities. New York state's SBDC similarly has a [resource page for minority and women entrepreneurs](#).

Assistance is provided to all current or potential small business owners through their [local SBDC](#).

Minority Business Development Agency (MBDA)

Tags: Access to Capital, Mentoring, Technical Assistance, Getting Business

Overview:

Operated by the U.S. Department of Commerce, [MBDA](#) supports the growth and global competitiveness of minority business enterprises (MBEs) owned and operated by African Americans, Asian Americans, Hasidic Jews, Hispanic Americans, Native Americans and Pacific Islanders. Programs are accessible at 37 nationwide locations through MBDA's national network of [Business Centers and Specialty Centers](#). MBDA's programs offer customized business development and industry-focused services to provide greater access to capital, contracts and markets. MBDA's services include:

- Improved access to capital: MBDA connects entrepreneurs to private lenders, including banks, mutual funds, and investors.
- Improved access to contracts: MBDA produces and promotes information about government contracts for and about MBEs.
- Introduction to new markets: MBDA positions minority-owned businesses to perform in high growth industries, emerging markets, and global supply chains by facilitating exports.

Eligibility and Requirements:

Each MBDA Business and Special Center has its own client eligibility requirements and intake processes. Find your local Business or Specialty Centers [here](#).

Other MBDA Grant Programs

American Indian Alaska Native/Native Hawaiian Projects (AIANNH): There are [13 AIANNH program grantees](#) located in the United States. These grantees provide a wide range of services to Native MBEs, from improving access to capital or contracts, to providing counseling or technical assistance.

[Enterprising Women of Color Initiative \(EWOC\)](#): Minority women are the fastest expanding entrepreneurial population in the country. MBDA developed EWOC to support minority women entrepreneurs through programming and services. These services include:

- Opportunity connections: contracts, partnerships, global markets, finance and investments
- In-person and virtual networking conventions
- Mentoring
- Training

[Minority Enterprise Development \(MED\) Week](#): MBDA hosts MED Week annually to recognize the achievements and leadership of minority-owned firms, organizations and advocates from across the United States. MED Week also offers panels and workshops for MBE owners to attend.

National Association of Investment Companies (NAIC) Growth Equity Funds Initiative

Tags: Access to Capital

Overview:

The [NAIC Growth Equity Funds Initiative](#) is a capital fund designed to aggregate billions of dollars of growth equity capital to invest in ethnically-diverse- and women- owned businesses (DWBEs). Through this initiative, NAIC provides information to potential investors in a series of fundraising efforts, with managers in charge of allocating the capital to a series of growth equity funds, which will be subsequently invested directly in DWBEs. To receive capital, DWBEs must demonstrate that they can leverage the capital investment to deliver agreed-upon performance metrics, which are determined by investors on a case-by-case basis. The NAIC looks for healthy, growth-oriented companies with more than \$5 million of revenues that are looking for at least \$1 million of growth equity to support business expansion.

Eligibility and Requirements:

Businesses do not have to be certified as a DWBE to be eligible for funding from this program; however, in order to qualify for this initiative, businesses must meet the following criteria:

- must be at least 51 percent ethnically diverse-owned and/or woman-owned
- must be operated by ethnically-diverse individuals and/or women
- must be headquartered in the United States
- must be in business for at least 2 years
- must have a minimum of \$5 million in annual revenues and \$1 million in EBITDA (earnings before interest, depreciation, taxes and amortization)

On the [application](#) you will be asked to provide the following information:

- Employer Identification Number (EIN)
- Company Name, Company Description
- NAICS Code
- Chief Executive Officer's Contact Information (name, telephone number and e-mail address)
- Headquarters Address (street, city, state and zip code)
- Number of Employees
- 2018 Revenues (minimum \$5 million)
- 2018 EBITDA (earnings before interest, taxes, depreciation and amortization, minimum \$1 million)
- Amount of Requested Capital
- Use of Funds

Disadvantaged Business Enterprise (DBE) Program

Tags: Getting Business

Overview:

The U.S. Department of Transportation's (USDOT) [Disadvantaged Business Enterprise \(DBE\) Program](#) aims to increase the participation of minority- and women- owned businesses in state and local transportation projects that are funded by the Federal Aviation Administration (FAA), the Federal Highway Administration (FHWA), and the Federal Transit Administration (FTA). The DBE program is designed to combat the ongoing and pervasive effects of racism and sexism in federally-assisted contracting. The primary objective is to level the playing field by providing small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts.

DOT requires that a minimum of 10 percent of its contracting amounts shall be expended with DBEs. DOT also establishes contract-specific DBE subcontracting goals with prime contractors. Additionally, the DBE program requires that state and local transportation agencies, transit authorities, and airports establish annual, statewide overall DBE participation goals.

Eligibility and Requirements:

Only eligible firms can participate in the DBE program. Businesses owned and controlled by socially and economically disadvantaged individuals must receive DBE certification through their state's Uniform [Certification Program](#). To qualify for certification, a business must meet the following criteria:

- Socially and economically disadvantaged individuals who own at least a 51 percent of the business and also control management and daily business operations.
 - To be regarded as economically disadvantaged, an individual must have a personal net worth that does not exceed \$1.32 million.
 - African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, as well as women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

Contracting Opportunities:

Certified DBEs should access [DOT's Office of Small and Disadvantaged Business Utilization \(OSDBU\)](#) to learn about contracting and subcontracting opportunities.

8(a) Business Development Program

Tags: Getting Business, Mentoring, Technical Assistance, Access to Capital

Overview:

The [8\(a\) Business Development Program](#) helps small businesses owned by socially or economically disadvantaged individuals compete for federal contracts, and receive contract and business counseling, mentoring, and technical assistance. To qualify for the 8(a) program your organization must:

- Be a small business
- Not already have participated in the 8(a) program
- Be at least 51 percent owned and controlled by U.S. citizens who are disadvantaged
- Be owned by someone whose personal net worth is \$750,000 or less
- Be owned by someone whose average adjusted gross income for three years is \$350,000 or less
- Be owned by someone with \$6 million or less in assets
- Have an owner who manages day-to-day operations and also make long-term decisions
- Have all its principals demonstrate good character
- Show potential for success and be able to perform successfully on contracts

Businesses must also certify as an 8(a) small business to participate in the program. To certify their business, entrepreneurs must open an account at [SAM.gov](#) and certify their business at [certify.SBA.gov](#).

Programs:

[8\(a\) Protege Program](#): This program connects 8(a) small businesses with “mentor businesses” that will provide business development assistance. Mentor businesses can help their “protégé businesses” in the following ways. Mentor and protégé businesses must submit a written agreement to the SBA, outlining their relationship.

- Technical and/or management assistance
- Financing in the form of equity investments and/or loans
- Trade education
- Government contracting

[7\(j\) Management and Technical Assistance Program](#): The 7(j) program offers participants the opportunity to receive assistance in the form of training and business consulting. Eligibility criteria include:

- A current participant in the 8(a) program
- Owned and controlled by an economically and socially disadvantaged individual
- Owned by a low-income individual
- Located in an area of high unemployment or low-income

[Local SBA district offices](#) offer personalized services to clients.

SCORE

Tags: Technical Assistance, Mentoring, Access to Capital

Overview:

[SCORE](#) has helped more than 11 million entrepreneurs through mentoring, workshops, and educational resources since 1964. SCORE's website offers a comprehensive small business library with "how-to" e-guides, downloadable templates, checklists, articles, videos, infographics and blogs. SCORE also hosts online workshops. During the coronavirus pandemic, all of SCORE's mentoring and programming has become virtual; however, in-person programming is expected to continue after the pandemic. Located in every state and totaling 250 nationwide local chapters, SCORE has mentors and programming accessible to entrepreneurs across the country.

Programs:

[Mentoring](#): Entrepreneurs can access free and confidential business mentoring virtually via email, phone and video, and, after the pandemic, in-person at the local SCORE office. SCORE mentors are typically retired business executives. Mentors are experts in entrepreneurship and related fields and meet with their clients on an ongoing basis to provide continued advice and support.

[Webinars and courses on-demand](#): SCORE offers free online workshops on topics ranging from startup strategies, marketing, and finance. Clients can [watch webinars live](#) or [view recordings online](#) on their own time. SCORE also offers [interactive courses on-demand](#), so you can walk through each module at your own pace.

[Library of online resources](#): Business owners can also benefit from SCORE's extensive collection of e-guides, templates, checklists, blogs, videos, infographics and more. SCORE strives to provide the most relevant and current educational content to help small business owners and entrepreneurs succeed.

[SCORE Small Business Resilience Hub](#): In response to the coronavirus pandemic, SCORE's Small Business Resilience Hub offers small business owners the opportunity to receive [mentoring and industry-specific resiliency training](#). SCORE's Small Business Resilience Hub contains a [resource portal](#) that links clients to government, financial, and other relevant resources.

[Local workshops and events](#): SCORE's [local chapters](#) typically hold free or low-cost in-person workshops and events covering a range of business topics. Due to the pandemic, all local workshops and events are being hosted online.

Delta Regional Authority (DRA)

Tags: Access to Capital

Overview:

The [Delta Regional Authority \(DRA\)](#) invests federal appropriations into the physical and human infrastructure of the 252 counties and parishes in the Delta. These investments help improve transportation and basic public infrastructure, and strengthen the Delta region's workforce development system and local business environments. The Delta Regional Authority supports job creation and economic development through innovative approaches to growing local and regional leadership, increasing access to quality healthcare and boosting opportunities for entrepreneurs to obtain affordable capital. In 2019, 23 opportunity zone projects generated \$5.5 million of investment in the Delta region. Delta Regional Authority works with local, state, and federal leaders to promote investment and opportunity in the region. Compared to federal proportions, there is a high concentration of Black communities in the Delta region, which creates a significant opportunity to advance minority businesses by investing in the region.

Programs:

[States' Economic Development Assistance Program \(SEDAP\)](#): The States' Economic Development Assistance Program (SEDAP) is a grant opportunity for public and non-profit organizations in the Delta region aimed at community-based and regional projects that address the DRA's congressionally mandated four funding priorities. One of those priorities is business development, with a focus on entrepreneurship.

Although entrepreneurship is a priority of SEDAP, businesses and for-profit entities are not eligible to apply directly to SEDAP funding; however, businesses are a key component of economic development and, in many circumstances, become the ultimate beneficiary of the project funding. They can be a partner within a project, but can neither serve as the lead applicant for SEDAP funding, nor receive federal funding through a pass-through relationship. More [eligibility](#) and [application](#) information for SEDAP can be found on the DRA website.

Appalachian Regional Commission (ARC) Business Development Revolving Loan Fund (RLF) Grant

Tags: Access to Capital

Overview:

The [ARC's RLF Grant](#) is a pool of money used by an eligible grantee for the purpose of making loans to create and save jobs. As loans are repaid, the money is returned to the RLF pool to make other loans, and the fund becomes a revolving financial tool. Revolving loan funds are not intended to replace other lending sources like banks. The RLF program is designed to fill gaps in local financial markets and provide capital that otherwise would not be available for economic development.

[Eligibility and Requirements:](#)

Projects are expected to support specific types of economic activities planned or underway in the area. These may include, depending on local needs and conditions, one or more of the following:

- Small business development, including the start-up or expansion of locally owned businesses as measured by job creation
- Existing business and saving jobs
- Redevelopment of blighted land and vacant facilities for productive use
- Modernization and rehabilitation of existing industrial or manufacturing facilities
- Support for the use of new technologies, growth industries and high-tech firms
- Development of businesses owned and operated by minorities, women, and members of other economically disadvantaged groups.

Eligible applicants for ARC RLF grant assistance include state governments, local development districts, and other non-profit multi-county organizations in any of the 420 counties in Appalachia. Applicants must have the legal authority and capacity to make loans. Business owners can apply for RLF loans through an ARC RLF grantee.

Community Development Financial Institutions Fund (CDFI Fund)

Tags: Access to Capital

Overview:

The [CDFI Fund](#) serves a network of over [1,000 CDFIs nationwide](#) to increase their capacities to expand economic opportunity for underserved people and communities. Mission-driven banks, credit unions, loan funds, microloan funds, and venture capital providers are encouraged to apply for CDFI certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing. CDFIs are financial institutions recognized for their expertise in providing service and support to low-income communities.

To qualify for any of the CDFI Fund's programs, the organization must be certified as a CDFI, which can be done by completing an [application](#). These are the eligibility criteria for CDFI certification:

- Is a legal entity at the time of Certification application;
- Has a primary mission of promoting community development;
- Is a financing entity;
- Primarily serves one or more target markets;
- Provides development services in conjunction with its financing activities;
- Maintains accountability to its defined target market; and
- Is a non-government entity and not under the control of any government entity (Tribal governments excluded)?

Programs:

[CDFI Bond Guarantee Program](#): The CDFI Bond Guarantee Program incentivizes and enables CDFIs to fund large capital projects and other investments. Unlike other CDFI Fund programs, the CDFI Bond Guarantee Program is a federal credit subsidy program, designed to function at no cost to taxpayers. The bond proceeds are debt instruments that must be repaid. Eligible CDFIs may use the capital to extend credit to other community development borrowers, or refinance existing loans at low interest rates, freeing up capital for additional investments. The CDFI Bond Guarantee Program has secured over \$1.7 billion in bonds.

[Bank Enterprise Award Program \(BEA\)](#): The BEA Program grants money to organizations that can provide community and economic development in neighborhoods where at least 30 percent of residents have incomes that are less than the national poverty level and where the unemployment rate is at least 1.5 times the national unemployment rate.

FDIC-insured depository institutions are eligible to apply for a BEA Program award. Below are the three categories of qualified activities:

- **CDFI Related Activities:** Provide equity investments, grants, equity-like loans, loans, deposits, and/or technical assistance to CDFIs
- **Distressed Community Financing Activities:** Provide direct lending or investment in the form of affordable home mortgages, affordable housing development loans or investments, home improvement loans, education loans, small business loans or investments, small dollar consumer loans, commercial real estate development loans or investments to residents or businesses located in distressed communities.
- **Service Activities:** Provide access to financial products and services, such as checking accounts, savings accounts, check cashing, financial counseling, new banking branches, or individual development accounts to residents in distressed communities.

SBA 504 Loan Program

Tags: Access to Capital

Overview:

The [SBA 504 Loan Program](#) is a unique financing opportunity that provides eligible small businesses with long-term, fixed-rate financing of up to 90 percent of project costs or \$5 million to acquire fixed assets for expansion or modernization. Small business owners can apply to 504 Loans through Certified Development Companies (CDCs), SBA's community-based partners for 504 Loans. Located in every state, there are over 260 CDCs nationwide. Businesses can reach a CDC through their [local SBA District Office](#).

Eligibility and Requirements:

A business is eligible for a 504 Loan if its net worth is not more than \$15 million and has an average net income of \$5 million or less after federal income taxes for the preceding two years prior to application. Businesses engaged in nonprofit and passive or speculative activities do not qualify for 504 Loans. For additional information on eligibility criteria and loan application requirements, small business and lenders are encouraged to contact a Certified Development Company in their area.

Borrowers are required to use the capital raised from 504 Loans for fixed assets and certain soft costs. These include:

- The purchase of existing buildings
- The purchase of land and land improvements, including grading, street improvements, utilities, parking lots and landscaping
- The construction of new facilities or modernizing, renovating or converting existing facilities
- The purchase of long-term machinery
- The refinancing of debt in connection with an expansion of the business through new or renovated facilities or equipment

Borrowing small businesses are typically required to create or retain one job for every \$65 thousand guaranteed by the SBA -- small manufacturers are required to create or retain one job for every \$100 thousand. If a borrowing business cannot create or retain jobs with the 504 loan, it can qualify for a loan if it meets a community development or public policy goal. Some of these goals include bringing new income into the community and expanding small business ownership for women and minorities. The complete list of these goals can be found on the [SBA 504 Loan Program website](#), under "504 Loan Specifics."

Nonprofit Resources

The National Minority Business Council, Inc. (NMBC)

Tags: Technical Assistance, Getting Business

Overview:

[NMBC](#) provides business assistance, educational opportunities, seminars, contract listings, and related services to hundreds of businesses across the nation. The main goal of both NMBC and its members is to expand opportunities available to small, minority and women business owners. Business owners must have [membership](#) in order to participate in and benefit from NMBC's programs and services. Membership fees are low cost, at \$415 annually.

Programs:

[NMBC Global – International Trade Program \(ITP\)](#): The ITP helps US minority-owned businesses create successful international business and trading relationships. The NMBC has led its members and other interested entrepreneurs on several trade missions to countries such as Jamaica, Great Britain, South Africa, Puerto Rico, Barbados, Costa Rica, Trinidad and Tobago, and the Dominican Republic, as part of the ITP. The ITP provides technical assistance, education and training, and acts as a clearinghouse for business leads and information on exports and imports. It also holds business exchanges for small and minority business entrepreneurs who want to establish trading relationships with, and conduct business in, the Caribbean, Central America, Europe, Africa and Asia.

[Executive Management Program](#): This is a five-track comprehensive educational program and practicum to prepare business owners and their senior staff to grow and compete in the global economy. Program workshops will be taught by working professionals who are experts in their fields and who understand the needs of entrepreneurs, who will be able to take what they learn in the classroom and immediately apply it to their businesses. The five tracks covered include:

- Management, Leadership & Strategic Planning
- Growth Strategy & Financial Management
- Brand Management & Marketing Strategy
- Procurement, Alliances & Compliance
- Human Resource Strategy & Development

First Nations Development Institute & First Nations Oweesta Corporation

Tags: Technical assistance, Access to Capital

Overview:

[First Nations Development Institute](#) aims to improve the economic opportunities for Native communities through technical assistance, training, advocacy, policy and grants. First Nations Development Institute and its independent subsidiary, [First Nations Oweesta Corporation](#) (a CDFI), work in partnership with Native American tribes and communities to design and administer financial and investor education programs. Assistance ranges from helping individuals and families understand the basics of financial management – opening and maintaining a bank account and using credit wisely – to helping individuals understand financial markets and a variety of financial instruments for borrowing and saving.

First Nations and First Nations Oweesta Corporation help establish and support CDFIs that provide Native businesses and tribal programs with early-stage investments and capitalization needed for business growth within Native communities. Through these CDFIs, First Nations supports entrepreneurship and business-development projects in Native communities. First Nations and First Nations Oweesta Corporation do not provide funding directly to businesses, but rather fund CDFIs and similar organizations that lend to Native businesses.

Programs:

[Keepseagle Fast-Track Grant Program](#): In 2018, First Nations started the Keepseagle Fast-Track Grant Program to support Native American agriculture business owners. Grant funding must support projects in Native communities with the goal of expanding business development services and programs to Native American farmers and ranchers. These activities can include:

- Native farmer and rancher trainings
- Capacity and skill-building services offered to producers
- Cooperative management programs
- Projects that focus on multiple producers
- Inter-generational or youth-focused farming and ranching programs
- Engaging farmers and ranchers in plans for local food-system control
- Programs focused on increasing business operations or access to capital
- Projects connecting farms to market opportunities, technical assistance and more

Other First Nations Development Institute grant opportunities can be found on their [grant making site](#).

Native business owners seeking capital can locate and find more information about the Native CDFI nearest them on this [map](#).

National Minority Supplier Development Council (NMSDC)

Tags: Getting Business, Technical Assistance

Overview:

The [National Minority Supplier Development Council](#) is a membership organization that supports and advances business opportunities for over 12,000 certified minority business enterprises (MBEs) through its network of 23 regional affiliate offices and 1,450 corporate members. NMSDC does this in three ways:

- Work through the NMSDC regional affiliate offices to support and facilitate MBE integration into corporate and public-sector supply chains
- Build MBE capacity and capabilities through programs and other education offerings
- Facilitate MBE-to-MBE partnerships to meet the needs of corporate members

Corporate members support NMSDC programs and services financially through corporate membership fees, based on the corporation's sales revenue. MBEs are distinct from corporate members; however, they must be [certified](#) by NMSDC and subscribe for [services](#) to access programs and resources. MBE certification fees vary amongst [NMSDC regional affiliate](#) offices. Subscription fees vary between services and service providers. MBEs wanting to subscribe to NMSDC programs and services can do so by contacting their [NMSDC regional affiliate](#).

Programs:

[Advanced Management Education Program \(AMEP\)](#): AMEP is designed to provide CEOs of certified, expansion-oriented MBEs with the tools and skills they need to achieve and sustain accelerated growth. A four-day intensive curriculum uses interactive, team-based study, with a class size limited to 40 participants.

[Emerging Young Entrepreneurs \(EYE\)](#): EYE is a year-long learning and development program that helps millennial entrepreneurs (ages 19-25) outline realistic next steps to developing a sustainable business and maximizing business growth opportunities with special interest in businesses in science, technology, engineering, and mathematics (STEM). EYE utilizes an interactive pre- and post-conference curriculum, along with five days of hands-on training and practical application. Entrepreneurs tackle important business concepts and practices as they move through assessments, feasibility, and execution stages of new venture creation. Businesses do not have to be NMSDC certified to participate in EYE.

[Minority Business Executive Program \(MBEP\)](#): MBEP is a one-week intensive executive education course for NMSDC-certified MBEs. The interactive curriculum focuses on finance and accounting, human resource management, leadership, marketing and brand strategy, relationship marketing and strategic thinking. This program is hosted annually at the University of Washington in Seattle. MBEP tuition cost was \$4,380 in 2020.

Operation HOPE

Tags: Mentoring, Technical Assistance, Access to Capital

Overview:

Through the lenses of financial dignity and inclusion, [Operation HOPE's](#) mission is to expand economic opportunity, helping make free enterprise work for everyone. Operation HOPE works to disrupt poverty and empower the economically underserved. To this end, Operation HOPE offers a variety of programs to underserved youth and adults at no cost. Programs relevant to small business clients are outlined below. Entrepreneurs and business owners can register for these programs by contacting their [local Operation HOPE branch](#).

Programs:

[HOPE Inside Adult Empowerment Program](#): Operation HOPE offers 8-week and 12-week entrepreneurship training programs. These programs provide a practical curriculum designed to empower aspiring entrepreneurs with the tools and skills to navigate the path to small business ownership successfully —combining business training, personal development, access to professional services, and financial counseling. The 12-week program additionally provides aspiring and existing entrepreneurs the ability to build partnerships through a direct network with [Operation HOPE partners](#).

[The Credit and Money Management Program](#): HOPE's Credit and Money Management Program teaches clients how to create a budget, as well as reduce and pay off debt. The program also helps clients to clear errors from their credit reports. 72 percent of clients see their credit score increase; 25 percent achieve a credit score of 660 or greater after 6 months of participation.

[One Million Black Business and Entrepreneur Initiative \(1MBB\)](#): 1MBB is an initiative to help create or grow one million new Black-owned businesses by 2030. Through a network of volunteers, private donors and corporate partners, 1MBB clients receive financial assistance, training and technical assistance in the areas of business development, accounting, budgeting, e-commerce, legal services, marketing and public relations. 1MBB is open to any Black person with the ambition to start or expand their business. Business owners and entrepreneurs interested in applying to 1MBB must apply [online](#).

NAACP Black Entrepreneur Grants

Tags: Access to Capital, Technical Assistance, Mentorship

Overview:

[NAACP Black Entrepreneur Grants](#) is designed to direct funding into Black-owned small businesses to help support businesses in need during the pandemic. NAACP has partnered with BeyGood, Diversity Capital, Hello Alice, and other organizations to assist Black entrepreneurs by providing training, mentorship and increased opportunities to raise capital.

NAACP x Hello Alice: Black-Owned Business Resource Center:

NAACP and Hello Alice partnered to create an online resource center for Black-owned businesses that connects business owners to grant opportunities, training resources, networking, and other educational resources.

Association for Enterprise Opportunity's (AEO)

Tags: Access to Capital, Technical Assistance, Mentorship

Overview:

With its network of over 1,700 members and partnering organizations, [AEO](#) provides capital and other small business services to assist underserved entrepreneurs in starting, stabilizing, and expanding their businesses. Since 1991, AEO members have helped more than two million entrepreneurs create jobs for themselves and their communities. AEO has secured more than \$1 billion federal dollars for micro-business industry participants since 2001 through policy advocacy efforts. Through AEO-managed programs, like [Empower by GoDaddy](#), member organizations have received \$20 million in private funding to improve and expand vital programs and services geared towards underserved entrepreneurs and distressed communities.

Programs:

[MainStreet RISE](#): MainStreet RISE was developed to provide direct help to small businesses' recovery during the COVID-19 pandemic. The MainStreet RISE program delivers to each participant \$6,000 worth of financial counseling, ecommerce training, mentoring services, technical assistance, and other services for free through third-party providers. Organizations must meet the following criteria to be eligible for the MainStreet RISE program:

- Be a legal for-profit business entity based in the U.S., including Puerto Rico & Washington D.C.
- Have a maximum of 10 employees or be a sole-proprietor
- Have been in business for over a year
- Applicants must be the business owner who is the Founder or leading executive (President, CEO, CFO, COO, or equivalent).

Accion

Tags: Access to Capital, Technical Assistance, Mentoring

Overview:

[Accion](#) is a nonprofit small business lender that seeks to help entrepreneurs succeed in generating wealth, jobs, and assets through support services like mentoring, training, [webinars, articles, and other online resources](#). Accion offers loans to a wide variety of small businesses; however, Accion has demonstrated a clear commitment to helping underserved groups. 64 percent of the loans Accion has distributed has gone to minority borrowers. There are different requirements for borrowers, based on the location of the business. Accion's basic loan requirements demand that borrowers:

- Have a minimum 575 credit score
- Have the cash flow needed to repay the loan
- Be no more than 30 days late on any bills, loans, credit cards, or any other payment. If late, the total late balance must be under \$3,000.
- Not have any mortgage-rate adjustments due during the term of the loan.
- Not have declared bankruptcy in the past 12 months.
- Not have had any late rent or mortgage payments in the past 12 months.
- Not have gone through foreclosure in the past 24 months.

There are additional [requirements](#) for startups wanting to apply for a loan.

[TrustPlus Financial Coaching](#): Accion partners with TrustPlus to provide financial counseling and mentoring to entrepreneurs. This program is free of charge and available to Accion borrowers. To sign up for this program, speak with your Accion loan officer.

[Accion Academy for Entrepreneurial Success \(AAES\)](#): AAES is a 10-week program located in San Diego, consisting of business counseling and training to empower individuals to become entrepreneurs and start their own businesses. In addition to receiving access to multiple business resources and experts, participants who complete the series will also be eligible for up to a \$5,000 business loan to cover start-up costs. You must live in San Diego to participate in AAES. At \$49, AAES is a low-cost program, and the fee is refundable upon program completion.

Accion also offers mentoring programs tailored to [beverage businesses](#) and [food businesses](#).