

Presentation to the Ohio Workforce Coalition
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Equitable Pathways to Small Business Recovery

AN ALL-HANDS APPROACH

LISC

NEXT
CITY

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Background

- **Goal:** Develop an ambitious yet practical playbook for equitable small business recovery tailored to government audiences in different kinds of economic, regional, urban and rural contexts.
- **Deep collaboration:** Developed through a series of cohort discussions and interviews with nearly 50 public officials, practitioners from small business support and workforce development organizations, advocacy groups, think tanks, and community-based organizations.
- **Equity focused:** Centers the needs of entrepreneurs of color and those who historically have been excluded from capital and resources.

The Need for Equitable Small Business and Worker Recovery Strategies

- COVID-19 has had a **devastating impact** on small businesses, **in particular those owned by Black, Indigenous, and People of Color (BIPOC)**.
- The pandemic has laid bare not only the greater challenges that BIPOC-owned enterprises face, but also the **profound differences in how they have been supported by federal policies and local action**.
- Because businesses owned by people of color are more likely than other firms to hire employees of color, **their struggles affect their employees and the communities of color they support**.

The Need for Equitable Small Business and Worker Recovery Strategies

- Workers from historically marginalized communities were the **populations most affected by COVID**.
- Many of these workers are also small business owners. The **boundaries between them is not clear-cut**.
- The majority of **new job growth** takes place through **small business creation or expansion**.
- Small businesses contribute to better work opportunities for workers who have been most denied employment opportunities.

Helping emerging entrepreneurs and small businesses to achieve stability is, by itself, a powerful job-generating strategy.

Strategies

Access to Capital

- Create new investment vehicles to drive public funds to BIPOC entrepreneurs.
- Invest in non-extractive finance to support BIPOC entrepreneurship and shared ownership.
- Encourage private investment through loan guarantees.
- Provide direct sales opportunities for small businesses by prioritizing them for local procurement contracts.
- Amplify the impact of public dollars through public banking.

Small Business and Workforce Capacity

- Provide incentives for small businesses to advance accessible, living wage jobs.
- Provide digital skills training.
- Reimagine cities' role as potential workforce intermediaries.
- Leverage cities' economic power to promote hiring access.

Commercial Space Affordability

- Support BIPOC-owned small businesses in securing affordable commercial space.
- Provide access to free spaces like parks and parking lots for BIPOC-owned micro-enterprises and pop-up markets.
- Support commercial real estate acquisition by community-serving, BIPOC small businesses and nonprofit partners, including small business incubators and collaboratives.

<https://report.lisc.org/equitable-pathways-small-business-recovery/home/>

Our Framework: Equitable Pathways to Recovery

- The playbook's strategies are framed by a series of five mutually reinforcing principles that could be applied to support equitable program development and implementation more broadly:

1 **Being intentional**, defining focal small businesses and their needs

2 **Being inclusive** in strategy development and implementation

3 **Ensuring program accessibility**, by addressing barriers to access

4 **Leveling the playing field**, by accounting for capacity needs in deployment

5 **Setting up a monitoring process** with accountability mechanisms

Federal Policy Opportunities

- Use CDBG to promote more equitable small business and workforce development ecosystems.

CDBG provides critical funds that localities may use creatively to address local small business needs and advance equitable outcomes:

- Los Angeles uses CDBG funding to support Business Source Centers.
- San Diego uses CDBG funds to support the training, licensure, and business development of home-based child care providers.

- Support child care businesses as a catalytic and equitable recovery strategy.

Child care enterprises occupy a unique position both as small business operators and essential social service providers.

The approximate \$15 billion in child care relief currently available offers unprecedented resources and opportunities to invest in the supply and quality of local child care.

Local Case Study

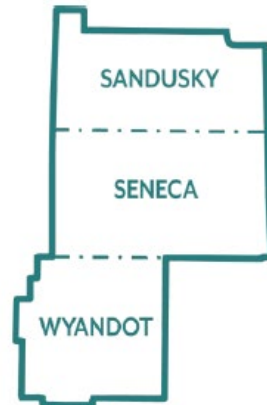
Advancing equitable partnerships for inclusion in Fremont

The Goal:

- To establish a partnership with Terra State Community College, Fremont City School District, & the Mental Health & Recovery Services Board of Seneca, Ottawa, Sandusky, and Wyandot Counties to create the position of Diversity and Inclusion Director for the City of Fremont.

The Role:

- The position's role is instrumental in building bridges between historically disadvantaged communities and economic opportunities.



Local Case Study

Advancing equitable partnerships for inclusion in Fremont

The Community Need:

The Drive to Advance Communities of Color

- Increase in Minority Population
- Community Town Hall Discussion
- Racism Declared a Public Health Crisis
- Impact of Covid-19



The Process:

Creating Equitable Economic Opportunities

- Access to Education & Skill Trade
- Workforce Development & Talent Attraction
- Addressing Social Determinants
- Removing Barriers/Etc.



Interim Outcome:

Implementing the 7 Pillars of Inclusive Strategy

- Listen
- Strategize
- Access
- Monitor

Local Case Study

Building an equitable small business ecosystem in Toledo

Looking Back

- 2019: Toledo Business Growth Collaborative (BGC) established
- 2020-2021: Covid-19 Relief Grants to Small Businesses
 - Targeted most vulnerable businesses
 - BGC members connected to grantees for T.A.
 - IMPACT: Over \$853,000 in grants
 - Retail, Food & Drink, Day Care
 - Microenterprises



85% minority-owned
67% woman-owned
68% located in low-income census tracts

Local Case Study

Building an equitable small business ecosystem in Toledo



Lessons Learned

- Surveyed Lucas County grant recipients
- Key Takeaways:
 - Businesses looking for more 1:1 support, especially for financial/financing coaching
 - Nearly 2/3 had never applied for a business loan
 - Business owners perceived a variety of obstacles to obtaining loan approval, but credit worthiness was most-cited

Local Case Study

Building an equitable small business ecosystem in Toledo

LISC Awarded SBA Community Navigator Pilot Program Grant

- Support underserved communities and ensure that ALL businesses have the tools and resources they need to recover and grow, with focus on BIPOC-owned small businesses
- Build/Strengthen equitable small business ecosystems
- Toledo Network:
 - Leverage existing relationships BDOs have with BIPOC communities
 - 1:1 technical assistance for financial/financing counselling and business planning
 - Capital Resources
 - Day care expertise

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Q&A