

2021 Event Series

Actualizing Equity in Small Business and Economic Development

With new resources flowing to small businesses through federal and state funding, cultural and community-based organizations came together through the Business Resource Collective (BRC) to articulate and amplify the needs of small businesses in our Black, Indigenous, immigrant and people of color communities. At our October 2021 Actualizing Equity event we learned more about the work and impact of the BRC from Denise Butler (African Career, Education and Resource Inc), Tabitha Montgomery (Powderhorn Park Neighborhood Association), Felicia Perry (West Broadway Business and Area Coalition) and Y. Elaine Rasmussen (Connect Up Institute).



The Business Resource Collective is a coalition of more than 20 cultural and place-based community organizations with a focus on centering **Black, Indigenous, immigrant, and people of color-owned (BIPOC) businesses** in COVID-19 relief and recovery efforts in Minnesota.

Our Black, African, Asian, Latinx, Indigenous and immigrant-owned businesses play an essential role in building and sustaining the culture, wealth and economic vitality of our communities — and are central to the economic survival and prosperity of our state and region overall.

Because they were more likely to be financially at risk before the pandemic, BIPOC-owned businesses must be **centered in economic recovery efforts to address the longstanding injustice and imbalance in business support**. Recovery must mean that BIPOC owned businesses have not just returned to their pre-pandemic baseline of underinvestment, but that these business owners have all the tools they need to build back thriving businesses, prepared to withstand the next disaster and continue thriving for decades to come.

The BRC envisions a Minnesota with a thriving small business landscape in every community, where small businesses create living wage jobs for neighborhood residents, and businesses are community-nurturing gathering spaces that generate economic opportunity.

SHORT-TERM STRATEGIES

With new resources flowing to small businesses through federal and state funding, the BRC has lifted up specific strategies to meet this moment, including recommendations for the spending of \$1.15 billion in federal relief funds.

Shifting definitions to ensure inclusion.

“Small business” must recognize and intentionally name micro-enterprises, self-employed, sole proprietorships, creative businesses, and home-based businesses. *“Minority business”* must explicitly name ownership by historic Black, immigrant, African, Asian, Latinx and Indigenous persons.

Funding technical assistance.

Community-based and culturally specific technical assistance resources can bridge the access gaps between government program and our communities due to language, trust, non-conforming business models and practices, and many other cultural factors.

Providing grants rather than loans.

BIPOC small businesses continue to need access to relief grants, not loans — not only because loans are more cumbersome for the state and qualified lenders to manage, but also because many businesses are wary of taking on debt with an unknown timeline to recovery.

REGIONAL IMPACT:

Partnering with Hennepin and Ramsey counties

In 2020, the BRC worked with Hennepin and Ramsey counties to ensure our communities' entrepreneurs and businesses were not being left out of the programs intended to provide relief to businesses impacted by COVID. Through this process, the small business community partners developed a relationship with the counties and were able to influence the evolution of the relief programs to better meet the needs of small businesses and entrepreneurs in our communities, including the creation of a fund targeting Self-Employed entrepreneurs and inclusion of home-based businesses. **While over 90% of small businesses are white-owned, more than 50% of applicants to the county relief programs were from BIPOC business owners.**

STATE IMPACT:

Advocating to Minnesota state leaders

In 2020, the BRC sent a detailed letter to Governor Walz, Lt Governor Flanagan and relevant state leaders, calling on the administration to add intentionality to its small business relief and recovery efforts. In June, the coalition published a commentary in the *Star Tribune* and mobilized members of the public to urge state leaders to follow through on their commitments to racial equity and include explicit provisions to support and nurture BIPOC businesses in final budget negotiations. **Based on recommendations of the coalition and high-level meetings with state leaders, the Governor's budget included increased dollars for technical assistance under the Department of Employment and Economic Development.**

LONG-TERM SHIFTS

Over the longer term, government and institutional leaders must work with our communities to ensure our businesses are able to thrive on our terms, not forced to conform to existing models created without our needs and ingenuity in mind.

Building for the future, not the past.

From the gig economy to the renewable energy transition, resources must be targeted to match the evolving workforce and employment landscape, providing the flexibility and skills our communities need to thrive.

Matching training to infrastructure.

Our communities have increased access to business training but that learning must be matched with access to infrastructure and capital — for instance connecting entrepreneurs to low or no-cost office or makerspace — to bring the ideas to life and sustain them over the long term.

Increasing community ownership.

Economic inclusion means moving beyond our small businesses having space but owning space to ensure long-term sustainability and generational wealth building. We need a financial landscape that supports different business configurations, like cooperatives.

Adopting a healthy businesses framework.

Moving beyond fiscal solvency, a broad definition of “healthy” must include physical, mental, and spiritual health at the levels of individual, business and community. This framework may include: access to affordable health care for selves and employees; personal time off; and community benefits plans.

Creating new models.

Too often, our communities are told that our projects or ideas don't fit the current programs or paradigms. Instead of starting from a deficit mindset, government and institutional partners must work to co-create new models when none exist.