



December 16, 2020

Dear Governor Walz and Lieutenant Governor Flanagan,

Building on generations of structural racism and systemic exclusion, the impacts of the COVID-19 pandemic have had a disproportionately devastating impact on Black, brown, Indigenous and immigrant-owned businesses in the Twin Cities and across the state.

**While we applaud your leadership in providing millions of urgently needed dollars to support Minnesota small businesses through the impact of COVID-19, now is a critical moment to deepen your understanding around the specific needs of BIPOC and immigrant-owned businesses to save our communities.**

As cultural and place-based business associations, arts organizations, chambers of commerce and BIPOC-led community organizations, we have come together during the pandemic to ensure our businesses are not left behind by relief and recovery efforts. **Without explicit intentionality, the relief package passed by the legislature this week allows the specific needs of our BIPOC and immigrant-owned businesses to be overlooked.**

**As such, we ask that you meet with us at this pivotal time to co-create shared strategies and tactics to shape current and future efforts around small business support.**

We know you recognize that our small businesses and entrepreneurs don't just play an essential role in sustaining the culture, wealth and vitality of BIPOC and immigrant communities – they are central to the economic survival and prosperity of our state overall. Moving forward, we cannot afford to continue to systematically exclude the businesses that are hardest hit by this pandemic and have been historically under-resourced by government assistance.

Based on countless conversations and interactions with hundreds of directly impacted businesses, we have identified key elements that must frame any funding process or business support programming:

- » **Essential definition language** that ensures inclusion of our small businesses:
  - » **“Small business”** must recognize and intentionally name micro-enterprises, self-employed, sole proprietorships, creative businesses, and home-based businesses – categories of small business where our communities are disproportionately represented, and too often overlooked when small business is simply defined as fewer than 500 employees.
  - » **“Minority business”** must explicitly name ownership by historic black, immigrant, African, Asian, Latinx and Indigenous persons.
- » **Technical assistance resources** within historic black, immigrant, African, Asian, Latinx and Indigenous communities to bridge the access gap between government program and our communities due to language, trust, non-conforming business models and practices, and many other cultural factors. Business technical assistance providers should be contracted for targeted outreach and support of BIPOC businesses in this grant program and future business development programs.
- » **Supplier diversity focus** should be expanded to all State spend categories and targeted spend goals and BIPOC participation programs should be included in all legislative spend initiatives. Create intentionality to direct and prioritize current and future state spending with BIPOC businesses to put money into BIPOC communities and economies. Leveraging State 2017 disparity study and the protocols established by the Department of Administration, establish spend targets, intentional outreach objectives and business development programs for BIPOC owned businesses as a means of increasing access and opportunity and accelerating the growth of BIPOC owned businesses.
- » **Extended timeline for relief resource applications with flexible financial documentation options for business.** Three months offered in the current package creates an unnecessary rush that discourages weary small businesses from applying.
  - » Most BIPOC small businesses do not have a relationship with the government agencies administering the small business relief funds, nor do they rely on email to receive information, thus outreach to BIPOC businesses require personal and tailored outreach strategies. Additionally, during COVID and forced closures, businesses have become more difficult to reach.
  - » Many BIPOC small businesses do not have small business accounting knowledge; therefore, they need technical assistance to support the submission of their financials for the relief resources, which can take significant time. Additionally, the businesses who use a bookkeeper for their accounting may be reluctant to take on that expense for a grant that is not guaranteed.
  - » BIPOC communities tend to be more relational, preferring in-person conversations to build the trust of a person who wants to help them apply for the relief. This may take several contacts of extended conversations with a single business before they are ready to submit.

- » Language often prevents a business from applying. Even English-speaking businesses in our communities will be discouraged from applying by jargon or formal language not used in their community.

**To deliver on your administration's commitment to racial equity**, you must always be intentional and explicit in centering the specific needs of the communities who are most impacted by both historic and current harms. Without these considerations, any relief or funding paradigms will be fatally flawed and widen, rather than close, our state's nation-leading racial disparities.

**We ask that you prioritize a meeting with our coalition to work together to integrate specific steps to save and grow our businesses through the pandemic and beyond.**

Sincerely,

*Asad Aliweyd, New American Development Center (NADC)*  
*Denise Butler, African Career, Education & Resource Inc. (ACER)*  
*Sunny Chanthanouvong, Lao Assistance Center of Minnesota*  
*Anne DeJoy, East Side Neighborhood Development Co.*  
*Gene Gelgelu, African Economic Development Solutions*  
*Kenya McKnight-Ahad, Black Women's Wealth Alliance, SBC*  
*Warren McLean, Northside Economic Opportunity Network (NEON)*  
*Kathy Mouacheupao, Metropolitan Regional Arts Council (MRAC)*  
*Felicia Perry, West Broadway Business and Area Coalition*  
*Joo Hee Pomplun, Alliance for Metropolitan Stability*  
*Y. Elaine Rasmussen, Social Impact Strategies Group/ConnectUP!*  
*Nasibu Sareva and Hibo Abdi, African Development Center (ADC)*  
*Va-Megn Thoj, Asian Economic Development Association*  
*Mihailo Temali and Renay Dossman, Neighborhood Development Center (NDC)*  
*Elaine Wyatt, WomenVenture*  
*Yao Yaj, Minnesota Hmong Chamber of Commerce*  
*KaYing Yang, Coalition of Asian American Leaders*  
*Laura Zabel, Springboard for the Arts*

cc: MN Senate Jobs and Economic Growth Finance and Policy Committee  
MN House Jobs and Economic Development Finance Division  
MN House Greater Minnesota Jobs and Economic Development Finance Division  
MN House Select Committee on Racial Justice  
DEED Commissioner Grove