

# The People of Color Small Business Network

## 2021 Impact Report

MERCEDES GIBSON, THE GREENLINING INSTITUTE

JULIA MCCOTTER, ALLIANCE FOR COMMUNITY DEVELOPMENT

NOVEMBER 2022



## INTRODUCTION

Business ownership represents an opportunity to build intergenerational wealth within families of color, [accelerating the closure](#) of racial wealth gaps. Under-resourced entrepreneurs — and particularly entrepreneurs of color — are more likely to [hire from within their communities](#), leading to an increase in high quality jobs and [multi-tiered wealth building](#) in these communities. **Entrepreneurs who launch businesses in their own neighborhoods are also best suited to close gaps in community resources — opening [food businesses](#) to [address food deserts](#) and poor nutrition, for example. But simply encouraging higher rates of entrepreneurship is not enough.** In their [2021 article](#) in the Journal of Economics, Race, and Policy, Teresa Kroeger and Graham Wright found that, while business ownership increases upward wealth mobility for Black entrepreneurs, business failure has the reverse effect:

We first find that, as past work suggests, Black-owned businesses are less likely to remain open 4 years later, compared to white-owned businesses. We then show that Black and white entrepreneurs have a similar likelihood of experiencing upward economic mobility when their businesses succeed, and similar likelihoods of experiencing downward mobility when their businesses fail. Finally, as predicted by these two findings, Black business owners in a given year are more likely to experience downward economic mobility over the next four years, and less likely to experience upward mobility, compared to their White counterparts. In light of these results, improving the rate at which Black entrepreneurs succeed, rather than increasing the rate at which Black people become entrepreneurs, should be the primary focus of efforts to leverage business ownership to reduce the racial wealth gap.

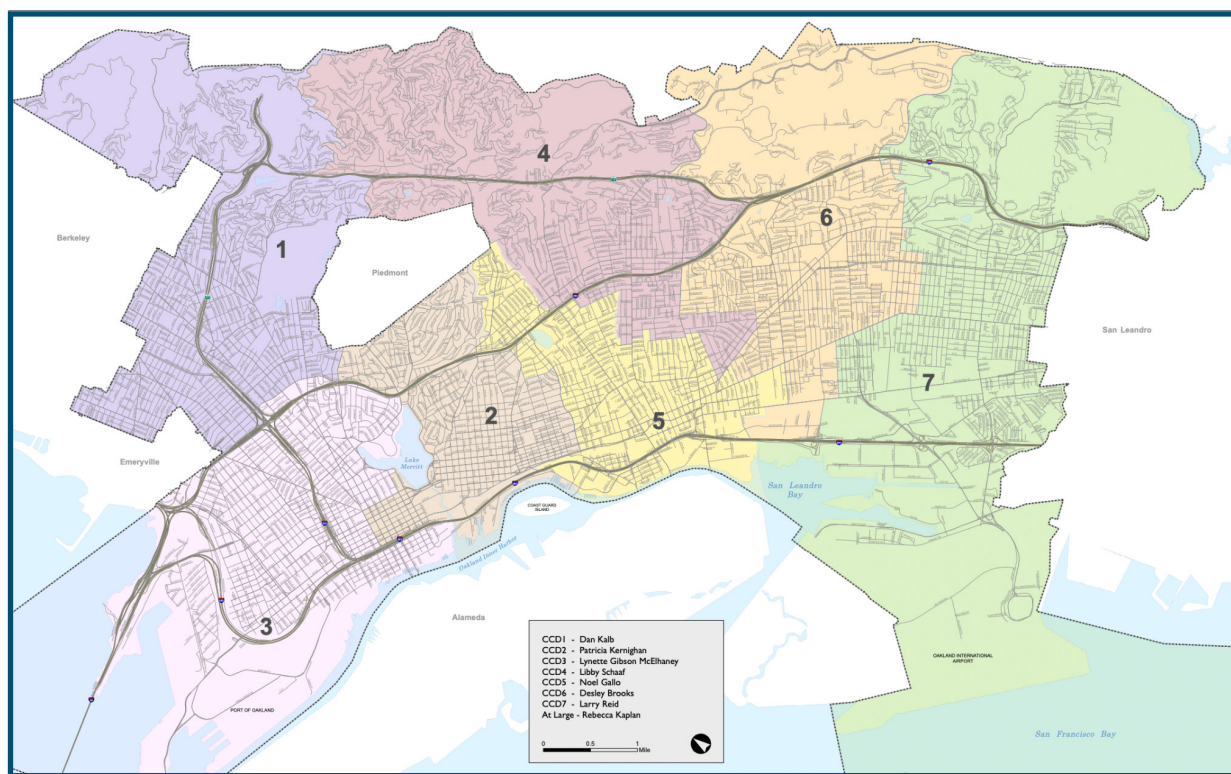
For low-wealth entrepreneurs, who have both the most to gain and the most to lose, **entrepreneurship support is essential**<sup>1</sup>. Although this theory of change is supported by many community-based small business service providers, such as [The Alliance for Community](#)

<sup>1</sup> The above is The Alliance for Community Development's stated theory of change. The research and development of this theory was conducted by Alliance prior to the creation of the People of Color Small Business Network.

**Development**, racial wealth gaps are far from closing. The **Federal Reserve** found in 2019 that the median net worth of Black families in the United States is \$24,100, just 15% of White families' net worth with a median of \$188,200. The median Latino family has assets worth \$36,100 — just 19% as much as the median White family. **Supporting small businesses in low-income communities can have a significant, long-term impact on community wealth. To do so successfully requires a collaborative, trauma-informed, community-centric approach.**

Small businesses are a critical component of the work to build economic security in formerly **redlined** cities such as Oakland, California. Decades of disinvestment and discriminatory policies like redlining and **White flight** made financial insecurity a daily reality for poorer neighborhoods in Oakland, with widespread consequences.

**Figure 1.1 -District Map of the City of Oakland**

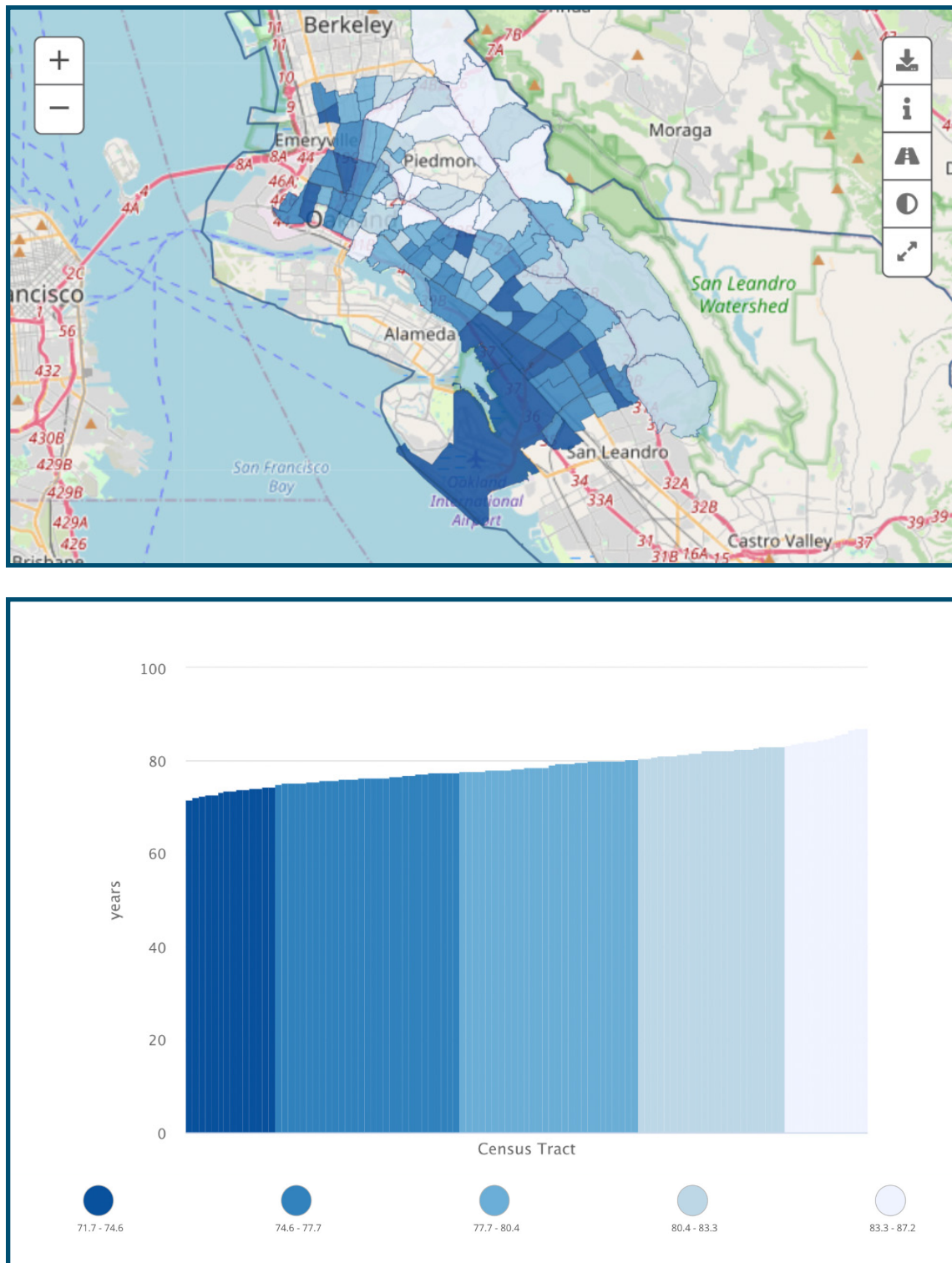


**City Council and OUSD Board Districts**  
Adopted December 10, 2013

*Neighborhoods located in West Oakland (District 2, District 5, and District 7) are more likely to be economically underresourced due to decades of disinvestment and discriminatory policies like redlining. Source: City of Oakland Department of Planning and Building (January 2014)*

In June 2022, the Oakland City Council declared racism in Oakland a **public health crisis**, citing in part that “residents in a historically White neighborhood in the North Oakland hills (District 1, District 4 and parts of District 6) can **expect to live**, on average, an additional 14 to 15 years longer than residents in historically Black and Latinx neighborhoods in West Oakland (District 3) and the East Oakland flatlands (District 2, District 5, and District 7).”

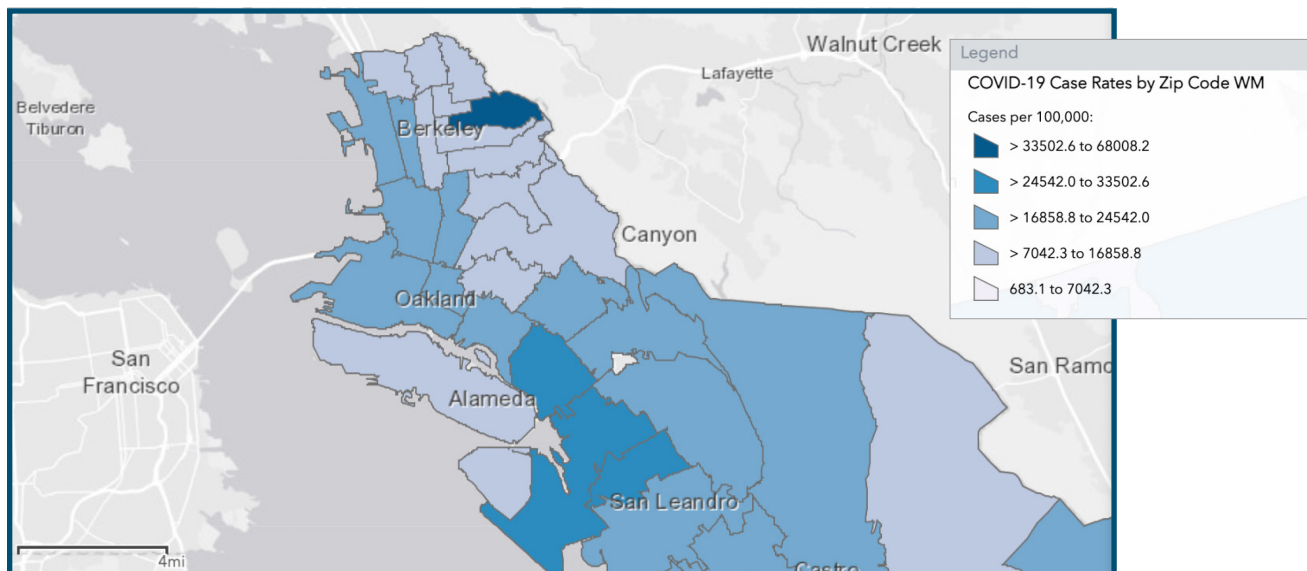
**Figure 1.2 Life Expectancy Estimates in Alameda County broken down by census tract**



Residents in a historically White neighborhood in the North Oakland hills (District 1, District 4, and parts of District 6) can expect to live on average, an additional 14 to 15 years longer than residents in historically Black and Latinx neighborhoods in West Oakland (District 3) and the East Oakland flatlands (District 2, District 5, and District 7). Source: Alameda County Public Health Department, a department of the Alameda County Health Care Services Agency

The Oakland City Council also [publicly noted](#) in 2020 that “according to data from the Alameda County Department of Public Health as of May 13, 2020, the zip codes that have the highest case rates of COVID-19 (94601, 94603, 94619, and 94621) are in Districts 5, 6, and 7 and are home for a significant number of Oakland’s African American and Latino residents.”

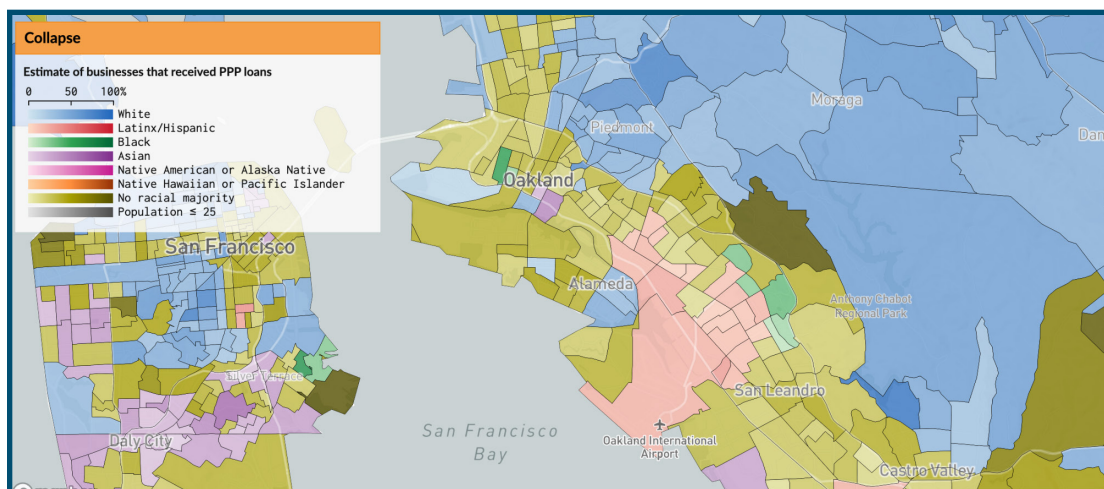
**Figure 1.3 Map of COVID-19 Infection Rates Broken down by Zip Code**



As of May 13, 2020, the zip codes that have the highest case rates of COVID-19 are in Districts 5, 6, and 7 and are home for a significant number of Oakland’s African American and Latinx residents. Source: Alameda County Public Health Department, a department of the Alameda County Health Care Services Agency

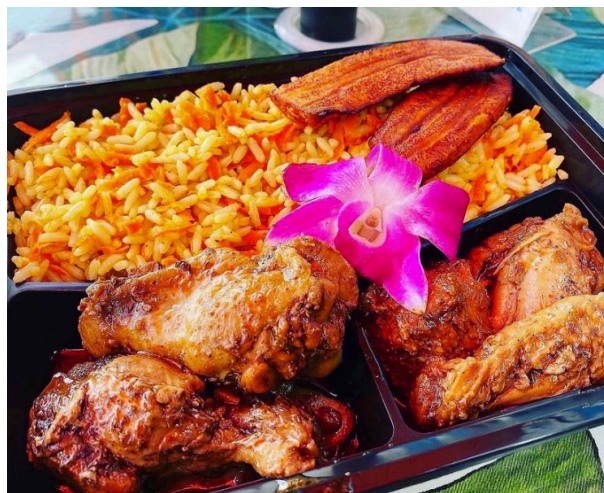
The very same East Oakland neighborhoods received a [disproportionately low number](#) of Paycheck Protection Program (PPP) loans:

**Figure 1.4 Map of COVID-19 Paycheck Protection Program Distribution by Neighborhood**



Majority White neighborhoods in the Bay Area received more PPP loans. The map is shaded according to race and a darker shade is indicative of a higher loan rate; paler shades show areas where business are greatly left out of the program. Source: Reveal News





*Cocobreeze is an authentic Caribbean restaurant offering catering services as well as vegan bakery bites and desserts in the Jefferson neighborhood. Focused on working to create brand awareness to educate their customers about the culture and cuisine of the Caribbean, owners also operate an e-commerce arm of the business. Photo credit: Cocobreeze*

**The East Oakland Neighborhood Initiative Community Plan** reports that East Oakland has a median income of \$39,600, compared to Oakland’s citywide median income of \$51,400. In 2016, the percentage of residents living in poverty in East Oakland was 30.4% versus 20% citywide.

If economic disinvestment is racialized and geographically based, the means by which we address that disinvestment must be too. Despite the Bay Area’s abundance of small business and entrepreneurial resources (educational programs, funding opportunities, peer groups, nonprofit support programs, etc), low-income neighborhoods of color are largely cut off from these resources. Even when a resource such as [PPP](#) does reach these areas, they are often difficult to access due to technology requirements, qualifying criteria, hard-to-navigate application paperwork and processes, and language barriers.

## THE PEOPLE OF COLOR SMALL BUSINESS NETWORK PILOT

Recognizing the above inequities, The Greenlining Institute partnered with The Alliance for Community Development and Uptima Entrepreneur Cooperative, along with the Business Team inside the Workforce and Development Department of the City of Oakland, to create the People of Color (POC) Small Business Network.

This is a place-based pilot program, meaning that the geographic area covered in a given year of the program directly dictates the type of support offered and the populations it is offered to. In other words, future iterations of this program may offer different services than the pilot if the

locations (and therefore gaps in community services) are different. In this pilot year, the small business support was administered by two community-based organizations (CBOs) with direct experience working in East Oakland. Both organizations are led by people of color, and were able to provide support in both English and Spanish.

We partnered with The City of Oakland to contribute to their goal of reducing asset poverty in Black and Latino communities, as outlined in their 2018 -2020 [Economic Development Strategy](#). In addition to significant wealth gaps, Black and Latino entrepreneurs face a myriad of challenges in creating and sustaining businesses:

- Only 18% of Black and Latino business owners [report receiving support](#) from bank loan officers.
- The [average level of startup capital](#) for Black entrepreneurs lies around \$35,000 compared to White entrepreneurs at over \$105,000.
- Latino-owned businesses are [underfunded across all types of capital](#) compared to their White peers, despite starting [the most businesses per capita](#) of any racial group.

The POC Small Business Network pilot successfully supported a diverse group of 20 participants from Oakland [Districts 6 and 7](#) throughout 2021. The program started one full year into the COVID-19 pandemic, offering essential support to local businesses that faced a variety of challenges to stay open.

Through a dynamic programmatic model, the POC Small Business Network pilot specifically set out to make Oakland's small business and entrepreneur ecosystem more accessible for Black and Latino entrepreneurs in East Oakland, including immigrants of any documentation status.

The purpose of this report is to explain the process and results of this pilot program, how the programmatic model could be improved, and learnings for other community-based organizations (CBOs), funders and policymakers.

The People of Color Small Business Network was a collaborative pilot that offered English and Spanish-language business coaching and technical assistance to Black and Latino entrepreneurs in Districts 6 and 7 of East Oakland. There were four pillars of this program:

**“Working with Greenlining has been a wonderful experience, allowing us to pilot our programmatic model in a place-based context. By providing such hands-on support in the pilot, we were also able to gain insight on creating pipelines to get East Oakland businesses access to other excellent resources and opportunities in the entrepreneurial ecosystem.”**

— Melanie Nuni, Director of Programs,  
Alliance for Community Development

- **Intentional data collection:** This pilot aimed to collect participant data in as non-invasive a manner as possible, with emphasis placed on a “relationship-first, data collection second” model. Data on Black and Latino-owned businesses in East Oakland is lacking at an institutional level, but this program sought to avoid placing greater importance on surveying business owners than assisting them. The data collection element of the pilot remains ongoing, with Alliance and Uptima attempting to continue tracking participants’ business trajectories over time through check-ins.
- **Technical Assistance:** Program participants were offered ongoing, individualized, one-on-one support throughout 2021 from either an Alliance Navigator or an Uptima Coach. This programmatic model was designed to meet participants where they are by providing place-based, culturally relevant services. It was essential to allow individual participants’ needs and goals to guide the support they received, as opposed to prevailing traditional models which often prescribe goals or milestones to participants.
- **Micro-grant awards:** The Greenlining Institute administered a total of \$62,500 in micro-grants for the 20 pilot participants. Because Black and Latino entrepreneurs are funded at lower levels (and face higher interest rates) than their White counterparts, providing *non-debt* cash infusions during the COVID-19 pandemic to business owners allowed them to address immediate financial needs that could have otherwise led to business closure.
- **Capital Access:** Beyond the micro-grant awards offered in this program, Alliance and Uptima also provided direct capital planning and applications assistance to participants. This offering was in contrast to the various governmental and private COVID-19 aid funding programs which *did* offer immediate financial support to the organizations who qualified for it, but *did not* offer follow-up support to ensure that businesses and organizations were effectively educated and prepared to attain other capital.

## ABOUT THE COLLABORATIVE PARTNERS

**Figure 1.5: The POC Small Business Network Collaborative Partnership Model**



*A graphic depiction of the collaborative partnership approach employed by The Greenlining Institute, Alliance, and Uptima to steer resources and support to entrepreneurs.*

**The Greenlining Institute** works toward a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. To achieve this vision, Greenlining is committed to building a just economy by acting as an incubator of new policy ideas, a bridge builder between diverse partners, and an advocate to build momentum for transformative change.

As the founding organization of the People of Color Small Business Network, Greenlining selected the partner organizations that would provide direct services to program participants. Greenlining took on a **capacity building** role in this pilot:

Capacity building is the process of strengthening local leadership, skills, expertise and resources so that communities can meet their needs and achieve self-determination. Against a backdrop of systemic disinvestment and oppression, we must invest in the capacity of local leaders to advance community visions. This work includes uplifting community knowledge, building skills, developing partnerships, identifying and planning for projects, and shifting resources and power.

In this role, Greenlining provided the partner organizations the necessary funding, project management support, research support, connections to additional organizations and the City of Oakland, and administrative support to implement the pilot.

**The Alliance for Community Development** (Alliance) is a 501(c)(3) not-for-profit organization dedicated to increasing access to capital and support for under-resourced entrepreneurs. Alliance supported 15 of the 20 program participants, which included early to mid-stage businesses. Alliance provided in-depth Navigation support, assisting program participants to reach the specific business goals they identified at the start of the program. Many of these businesses were new, having started in 2019 or 2020, and did not qualify for government relief funding. Some also did not qualify for relief funding because they did not have the proper financial or legal documentation for their business. The POC Small Business Network was essential in helping to keep these early-stage businesses afloat.

**Uptima Entrepreneur Cooperative** (Uptima) provides holistic and culturally relevant education, advising, and community to support diverse entrepreneurs in creating thriving businesses in service to their communities. Uptima supported five legacy businesses, which averaged over 10 years in business each. These participants received in-depth technical support for initiatives such as developing new standard costing processes, completing financial forecasting and even hiring new staff.

**“The grant funds really helped me stabilize old payments I had not gotten to. I also enjoyed the accountability. The conversations with Alex were helpful in not feeling so overwhelmed.”**

— Guadalupe Garcia, La Nieta de Pancho,  
Years in Business: 3, Industry: Retail





Located in San Antonio neighborhood, Bandung Books opened its door in 2018 and is a project of the EastSide Arts Alliance. A Brick & Mortar third world bookstore, Bandung books is dedicated to serving the people in East Oakland through books and community. Photo credit: Bandung Books

## IMPLEMENTATION AND IMPACT

### Outreach

The Alliance for Community Development worked with various partner organizations to inform East Oakland communities about the [People of Color Small Business Network Program](#). These community outreach partners were selected based on their existing ties to East Oakland, their commitment to providing culturally competent services, and the trust they have built with both the pilot organizations and their communities.

Through newsletters, social media and blog postings, the organization reached over 10,000 people. In a three-month outreach period, the service providers pivoted from primarily digital outreach to primarily in-person. This shift in outreach strategy intended to fill major gaps in digital outreach, primarily:

- Online ‘impressions’ do not necessarily reach their intended audiences. This is particularly true when a subset of the intended audience is rarely or never online due to lack of technology and internet access.
- Online marketing may not inspire trust, especially in areas that mostly rely on in-person communication and community-building.

In the shift to emphasize trust-building outreach, over 100 eligible Black and Latino business owners were directly outreached to for the POC Small Business Network. Direct outreach consisted

of email introductions from other partners, phone calls, text messages, direct social media messages, in-person connection at [Akoma Market](#), and door-to-door business visits with flyers. The service providers from Alliance reported that visiting businesses directly was the most effective form of outreach, allowing for deeper relationship-building before business owners had even applied for the program.

This outreach resulted in 69 applicants. After review, 41 of 69 applicants were eligible for the program. Others were not eligible due to race, ethnicity, or zip code. The final set of program participants included 20 businesses: five “legacy” businesses (in business for five or more years) that were supported by Uptima, and 15 “non-legacy” businesses that were supported by Alliance.

## Intentional Data Collection

At the start of this pilot, the City of Oakland provided the program partners with a list of Black and Latino-owned businesses within the relevant zip codes to aid outreach efforts. While this list was a helpful starting point for Alliance’s Navigators to begin making calls, many of the businesses listed were closed or missing accurate contact information. These challenges illustrate the precise need that data collection efforts during the pilot sought to address: a lack of up-to-date, nuanced information on the state of Black and Latino-owned businesses in East Oakland.

Often, the best information available to local governments and nonprofits is based on formal requirements such as business licenses registered with the city. Many participants in this pilot were first-time entrepreneurs and, as a result, many were using informal business operations. **In working with participants, we also found that a lack of accessible support for formalizing businesses is a massive barrier to accurate data collection.** Financial, educational, linguistic and technological barriers can make it difficult for first-time entrepreneurs to register their businesses, file their taxes correctly, and go through the application process and cost of business licensing. With the individual support and grant funding provided to participants in this pilot, the participating business owners were able to formalize or update business procedures.

Basing this pilot on a **relationship-first programmatic model** was an intentional choice that may seem in opposition to robust data collection. Throughout the pandemic, well-meaning institutions (from city governments to nonprofits to private foundations) sent out survey after survey to as many business owners as possible, seeking data to help them understand what support to offer to these businesses. While this push for data collection was based on positive intent, the result was that small business owners — who were already struggling to understand how they could stay open amid changing regulations and significant financial loss — were asked repeatedly to fill out detailed surveys with no concrete promise of help. This dynamic is extractive: valuable data is taken from business owners, who are spending precious time to provide that data, without compensation from the data-collecting organizations. Relationship-first data collection asks: In an economy that places high value on data, what are we offering in return for it? Are we protecting the sensitive data we are entrusted with as carefully as we would protect our own personal data?

To accept and evaluate applications for this program, it was imperative for the team to collect information without recreating extractive data collection practices. First, we assessed whether applicants met the basic criteria for the program, namely:





*Located in the Fruitvale neighborhood and with more than two decades at their current location, El Huarache Azteca is a Bay Area staple serving authentic Mexico City cuisine. Photo credit: El Huarache Azteca*

- Black, Latino, immigrant and undocumented business owners in East Oakland
- Reside or operate a business in the zip codes of 94601, 94603, 94605, and 94621
- Have had at least one sale
- Can commit to a year-long program with regular check-ins

Then, to meet the needs of applicants, Alliance Navigators offered several dimensions of application support (listed in order of process):

- Navigators physically visited businesses in the program zip codes to make business owners aware of the program
- Navigators provided business owners with hard copies of the application and allowed interested applicants to fill out and return the application in real time, bypassing the need to mail or scan in physical applications
- Navigators were available by phone to fill out applications by proxy for business owners who lacked sufficient internet or tech access to apply online without support

Accommodating pilot participants' time and access needs was not just about removing physical barriers. The economic trauma and [institutional betrayal](#) experienced by people of color in formerly redlined neighborhoods can directly lead to hesitancy with completing official forms or documentation. For immigrant communities with valid concerns about immigration status or other information being provided to law enforcement, this hesitancy can be especially strong.

The data collected through this pilot falls into three categories:

- Demographics (collected in the application and intake process)
- Business data such as revenue, costs, debt, projections and future planning, number of employees, and more (collected in the intake process and throughout the program)
- Stories/qualitative data (collected throughout the program)

## Technical Assistance

The People of Color Small Business Network offered 20 Black and Latino small business owners in East Oakland regular one-on-one support from either an Alliance Navigator or Uptima Coach. Support sessions were entrepreneur-led, meaning pilot participants determined the types of resources, guidance and education needed rather than having those services prescribed to them. The service providers have seen firsthand the value of client-led services throughout their many years of supporting Bay Area entrepreneurs. At the start of the program, participants were able to set goals and discuss current business challenges with their Navigator or Coach. Throughout the rest of the year, Navigators and Coaches offered support towards achieving each of those goals, and alleviating challenges.

Financial, educational and professional resources were made available for entrepreneurs during the COVID-19 pandemic; however, the sheer amount and specificity of these resources made navigating them deeply challenging. Business owners were also dealing with personal and professional challenges. An invisible cycle exists for many entrepreneurs in which:

- The time burden of research and networking creates a barrier to accessing support and funding,
- Lack of access to support and funding requires these entrepreneurs to continue working additional jobs to fund their businesses,
- Entrepreneurs face even greater time scarcity due to their additional jobs, and the cycle continues.

This pilot supplied its participating business owners with two primary means to break this cycle:

- Support services that relieve time burdens by providing research and application help (technical assistance)
- Quick, low-barrier, non-debt cash infusions that could be used to relieve short-term business financial needs and fund additional staff (micro-grants)

Alliance and Uptima are both organizations that seek to provide clear, culturally relevant support to business owners who often fall through the cracks of traditional programmatic models. Navigators and Coaches were able to research and report back to clients things like application requirements for funding opportunities, educational opportunities outside of the People of Color Small Business Network, and low-cost or free legal and tax support services they may qualify for.



**Offering research support and direct coaching requires a trusting relationship between service providers (such as Navigators and Coaches) and their clients.** It is important for business owners to trust not only that they are receiving accurate information from their service providers, but also that they will not be recommended resources that may harm them personally or financially. In turn, service providers must *earn that trust* by carefully evaluating the resources they recommend and network contacts when they facilitate introductions. This is where having service providers that reflect the community they are working with is incredibly valuable. An entrepreneur that has faced the same or similar marginalization as their service provider does not need to prove that these barriers exist in order to receive support.

This pilot sought to support overlooked business owners. Understanding why businesses are overlooked was crucial to our success. Black and Latino entrepreneurs operating in under-resourced communities are often classified as “hard-to-reach” due to many factors including lack of access to internet and technology, language barriers, institutional mistrust and transportation barriers. The 2020 Census [considered](#) immigrants, older adults, renters, families with young children and communities of color all as “hard-to-reach” populations. We saw the impacts of challenges with collecting and maintaining data on East Oakland businesses at the start of the pilot, with the lack of updated data owned by the City of Oakland.

However, in practice, it was not difficult to meet these business owners where they were. But it did require flexibility, customization and substantial on-the-ground work. Service providers were willing to travel to their clients to conduct meetings, and to take phone calls or texts in lieu of just video calls and emails. Meeting small business owners where they are at — while providing a non-judgement space — addressed gaps in traditional small business technical service. For example, there were instances in which service providers filled out forms for their clients over the phone, due to clients’ lack of computer and internet access.

Program participants overwhelmingly reported positive outcomes from this pilot — 100% of final evaluation respondents found their Navigation or Advising sessions very useful or useful, with 93% of early stage survey respondents reporting to have gained specific new knowledge and/or directly increasing capital or revenue as a result of the program. 100% of early-mid stage respondents indicated they would recommend the program to other early-stage entrepreneurs.

## Micro-Grants

Greenlining administered a total of \$62,500 in micro-grants for the 20 participants. \$2,500 was provided to each of the 15 early-mid stage businesses, and \$5,000 was provided to each of the five legacy businesses. Funds were used on a variety of both urgent needs such as repairs, tax payments, utilities and rent, and long-term capital investments like equipment upgrades, bulk-ordering product materials, marketing and professional services.

**Offering timely non-debt capital was an essential component of this program. Various COVID-19 relief grants (such as [PPP](#), [CA Relief Grant](#), [EIDL](#), [Oakland CARES](#), and others) were inaccessible to both newer businesses and those without back office support, with these grants often requiring**

**years of tax reporting and other documentation to qualify.** The People of Color Small Business Network micro-grants represented an opportunity for participating Black and Latino entrepreneurs to stabilize their finances and make investments in their businesses. When the [average level of startup capital](#) for Black entrepreneurs lies around \$35,000 (compared to White entrepreneurs at over \$105,000), and Latino-owned businesses are [underfunded across all types of capital](#) compared to their White peers despite starting [the most businesses per capita](#) of any racial group, a \$2,500-\$5,000 grant can make a significant difference in a Black or Latino entrepreneur's growth trajectory.

Because the pandemic created (and worsened) many challenges for small business owners, it appeared likely that program participants would use these funds primarily to pay for back-owed rent, utilities and other emergency expenses. Many of the participating businesses were in “crisis mode” after a full year of pandemic operations with constantly changing regulations. However, though some funds were used on these stabilization costs, nearly all business owners in the POC Small Business Network used some or all of their grant funds on capital and/or efficiency investments, illustrating a strong desire for business growth among participants. **Despite facing a wide range of personal and business challenges, every single business that participated in the program remains open to this day.**

## Capital Access

The participating business owners in this program faced numerous barriers to capital that were made worse by the COVID-19 pandemic. We've shown above that Black and Latino founders are underfunded in myriad ways; we've also shown that business owners in Oakland's Districts 6 & 7 received far [fewer relief funds](#) from the Paycheck Protection Program than their counterparts in majority-White areas of Oakland. Additionally, the People of Color Small Business Network participants themselves were primarily classified as Low-to-Moderate Income. The majority of these entrepreneurs reported making less than \$60,000 a year, with 46% reporting only \$40,000 in annual household income.

**Beyond the micro-grants provided in this pilot, the People of Color Small Business Network offered capital planning and funding application assistance to participants. This dimension of the program was intended to build upon the grants provided, creating a pathway to more capital as participating entrepreneurs continue to grow their businesses.**

Individual application support is a major gap for business owners of color – for example, only 18% of Black and Latino business owners [report receiving support](#) from bank loan officers. The pilot sought to close this gap by providing basic [business capital literacy](#), direct application assistance, and resource recommendations for other financial services.

For the more early-stage participants, Alliance's Navigators were able to connect entrepreneurs who requested tax support with affordable tax providers to ensure that their business taxes were completed and up-to-date. Having documentation of business taxes is a very common requirement for funding applications across the capital spectrum, and the preliminary work needed to file business taxes additionally provides business owners with a more clear understanding of their businesses' financial health.

In addition to the micro-grants provided through the pilot, Alliance's Navigators helped participants obtain an additional \$3,600 in community grants during the program. One of the legacy businesses supported by Uptima was able to receive funding from the [CA Relief Grant](#), [Kiva](#), and [RUNWAY](#) thanks to the support they received in the program. As time and data collection go on, we expect to see capital attainment numbers increase for pilot participants.

## LEARNINGS AND RECOMMENDATIONS

The first year of the People of Color Small Business Network was filled with learnings on the reality of supporting small, POC-owned businesses. Each pillar of the program came with its own set of takeaways:

### Technical Assistance

In-person outreach was the most effective means of recruitment for this program.

- Digital marketing is useful for reaching audiences that are currently online, but for place-based programs such as this one, physical presence is a critical component of relationship building. Outreach must be done in multiple forms to truly connect with business owners across the spectrum of tech literacy.
- Ability and comfort with filling out forms or traditional applications is not indicative of a potential participant's interest or commitment to the program, but may be impacted by other factors such as tech literacy or institutional trauma. Application support is a necessary accessibility accommodation, as is accepting physical in addition to digital applications.

Our client feedback shows that one-on-one support is incredibly effective at addressing specific knowledge and skill gaps for under-resourced entrepreneurs.

- We would like to see more programs such as this one, focused on depth of impact to a similar or greater degree than breadth of impact.

### Intentional Data Collection

When seeking specific evaluation or survey responses from an existing client base, response rates are higher if the service provider is willing to accept verbal responses and physically fill out survey/evaluation forms on behalf of clients.

- This allows participants to choose whether they would like to fill and submit a form on their own or engage in more of a discussion to achieve the same end.

More surveys does not equal more or better data.

- We would like to see more cross-sector efforts to create data sharing policies between government bodies and non-governmental organizations that avoid exposing sensitive or identifying information while still allowing for shared, overarching understanding across organizations.

## Micro-Grants

Access to *non-debt* capital with few strings attached benefits entrepreneurs of color enormously.

- Cash infusions allow business owners to stabilize their finances, especially in periods of crisis, and/or front costs for equipment upgrades and bulk supplies orders to scale up production.

Offering funding without requiring Social Security numbers or specific banking relationships is a best practice for truly accessible capital.

- We would like to see more funding bodies adopt this practice.

The delivery of grant funds must take into consideration the needs and preferences of recipients.

- The initial delivery of grant funds were to be delivered via USPS mail following a 4-5 week review and approval process. However, we received feedback from participants that they had a concern of mail theft at their home address and they received no advance notice of when checks were to be mailed out and expected. Thus, program administrators pivoted to an online delivery system that Navigators helped set up with entrepreneurs. User-friendliness, straightforward processes and cyber security were paramount for both administrators and entrepreneurs. From this shift in delivery, entrepreneurs received a direct deposit to their bank accounts when funds were awarded to them following a 3-4 week review and approval process.

## CLIENT PROFILE

**Client Profile:** [Latorra Monk](#) | Oaklandia Cafe

Years in Business: 3

Employees: 4

Industry: Food and Beverage

Website: [www.oaklandiacafe.com](http://www.oaklandiacafe.com)



### Outcomes:

- Secured city, state, federal, and private funding for her business
- Hired 2 new part-time employees
- Now has up-to-date legal protection and documentation for her business
- Featured in Alliance's 2021 Small Business Directory

Alliance began working with Latorra Monk, owner of Oaklandia Cafe, in February 2021 when she was hoping to apply for the California Small Business COVID-19 Relief Grant Program. Once Alliance determined that Latorra was not eligible for the CA Relief Grant, her Navigator recommended that she apply to the People of Color Small Business Network in March 2021. Alliance has worked with Latorra to apply for and secure business funding from city, state, federal and private sources. The funding she received has helped her offload upfront expenses related to payroll, utilities, equipment and marketing support.

Despite the pandemic's impact on her business, Latorra has not lost her vision and driving motivation for her cafe. As a fourth generation Oaklander, she created her cafe to challenge social expectations of who cafes are for, creating a space of belonging through food inclusivity. By utilizing her skills and talents, as well as those of her staff and community, she's helping to create a new wave of Black and Brown-owned cafes as a foundation for cultivating generational wealth. Ultimately, her goal is to partner with the community to create more opportunities for other female entrepreneurs of color in Oakland.



## Capital Access

More application support is required to narrow funding gaps.

- There is an application support gap that we would like to see more business funders and government bodies addressing. Without free, individual application support for funding and licensing applications, we can expect inequities such as the PPP funding gap to persist.

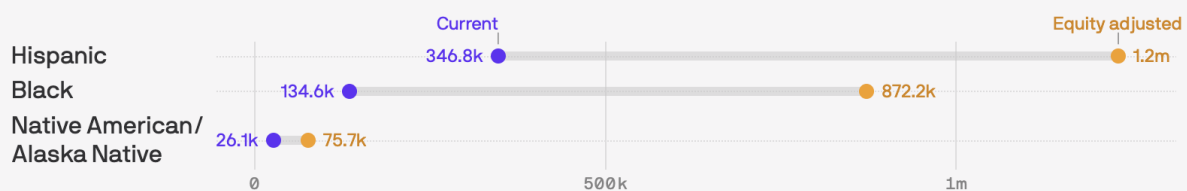
## CONCLUSION

In order to create a future where communities of color can build wealth, COVID-19 economic recovery efforts and broader wealth-building policies must prioritize the needs of households and businesses of color. **Increasing household wealth in communities of color can be achieved by expanding access to resources and business development opportunities for households and businesses of color. This strategy builds wealth through increased levels of entrepreneurship, creating quality community jobs and expanding homeownership.**

There is still a long way to go before POC-owned small businesses can exist and thrive at the same level as their White counterparts. Through the provision of community-driven, culturally relevant services, partnerships such as the People of Color Small Business Network can and will make a difference.

### Number of businesses if ownership were proportionate to U.S. population, by race/ethnicity

As of 2020



Data: The Alliance for Entrepreneurial Equity; Chart: Erin Davis/Axios Visuals

[\*Image source\*](#)

The People of Color Small Business Network pilot sought to understand overlooked businesses through sustained relationships. Alliance and Uptima continue to check in with pilot participants at regular intervals, with hopes that we can gain insight into the long-term effects of the program with updated business data and stories.

In the next phase of this program, local non-profit venture capital firm [ICA](#) is partnering with our Network to add to the continuum of services offered to businesses in the People of Color Small Business Network. Through their seed-stage accelerator, [The Lab at ICA](#), advisors will support participants to access seed capital through the ICA Growth Fund. This expansion of the program will allow underfunded entrepreneurs in Oakland to access The Lab's focused programming, accelerating their growth and opening them to greater funding opportunities including up to \$50,000 in Seed Equity Funding. The opportunity to raise non-debt seed funding is still exceedingly rare for Black and Latino founders – in 2021, venture capital funding to Black founders represented just [1.3% of total venture capital dollars](#) raised in the U.S., with Latino founders receiving [2.1% of total venture capital dollars](#) raised.

For applicants that are not yet ready to go through The Lab, Alliance for Community Development will offer pre-program technical assistance, including support creating financial documentation and capital plans. This support is essential to ensuring that the program remains accessible to early-stage businesses that may not otherwise have access to the knowledge required to prepare for an accelerator. Entrepreneurs and small businesses will work with ACD to prepare to apply for both The Lab and Seed Equity Fund.

Community wealth is achieved through the cooperative actions of many stakeholders. The People of Color Small Business Network is a replicable programmatic model that demonstrates the power of focused, localized support in communities still battling the legacy of redlining and disinvestment.

## SPECIAL THANKS

The 2021 pilot of the People of Color Small Business Network was a community effort supported by many stakeholders. We want to say a special thank you to:

- The funders that helped make this effort possible: Surdna Foundation, US Bank, Community Vision CDFI and the Kaiser Permanente's Northern California Community Benefit Program
- The support partners in this ecosystem that assisted program participants: ESO Ventures; Start Small, Think Big; Darcelle Lahr, Ed.D; and ICA

