



# Building a Better Ecosystem for Business Owners of Color

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February 24, 2021



# Working Together to Achieve Economic Security for All

As the only membership organization for grantmakers focused on advancing economic security, the Asset Funders Network connects philanthropic leaders to drive greater impact where it's needed most.

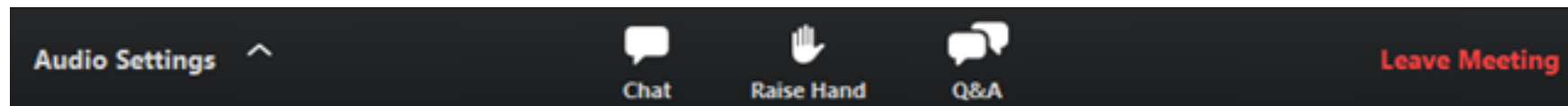
**INFORM | CONNECT | INFLUENCE | BUILD**

# WEBINAR CONTROL PANEL

## PARTICIPATE

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*During the presentation –*  
Type your question in the  
**QUESTIONS BOX**  
to be addressed during  
discussion breaks or during  
Q/A



# Thank you to our Sponsors:



**JPMORGAN CHASE & CO.**



# Building a Better Ecosystem for Business Owners of Color

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# SPEAKERS



**JEANIQUE RICHE-DRUSES**  
MODERATOR

JPMORGAN CHASE & CO



**STEVE HALL**

LOCAL INITIATIVES  
SUPPORT CORPORATION  
(LISC)



**TOMMY SMITH**

KAISER PERMANENTE



## Fulfilling our Mission, Achieving our Vision



Source: University of Wisconsin, County Health Ranking Model 2018

### Factors that Influence Health

#### Physical Environment

- Air & Water Quality
- Housing
- Transportation

#### Social & Economic Factors

- Education
- Jobs/Income
- Social Support

#### Health Behaviors

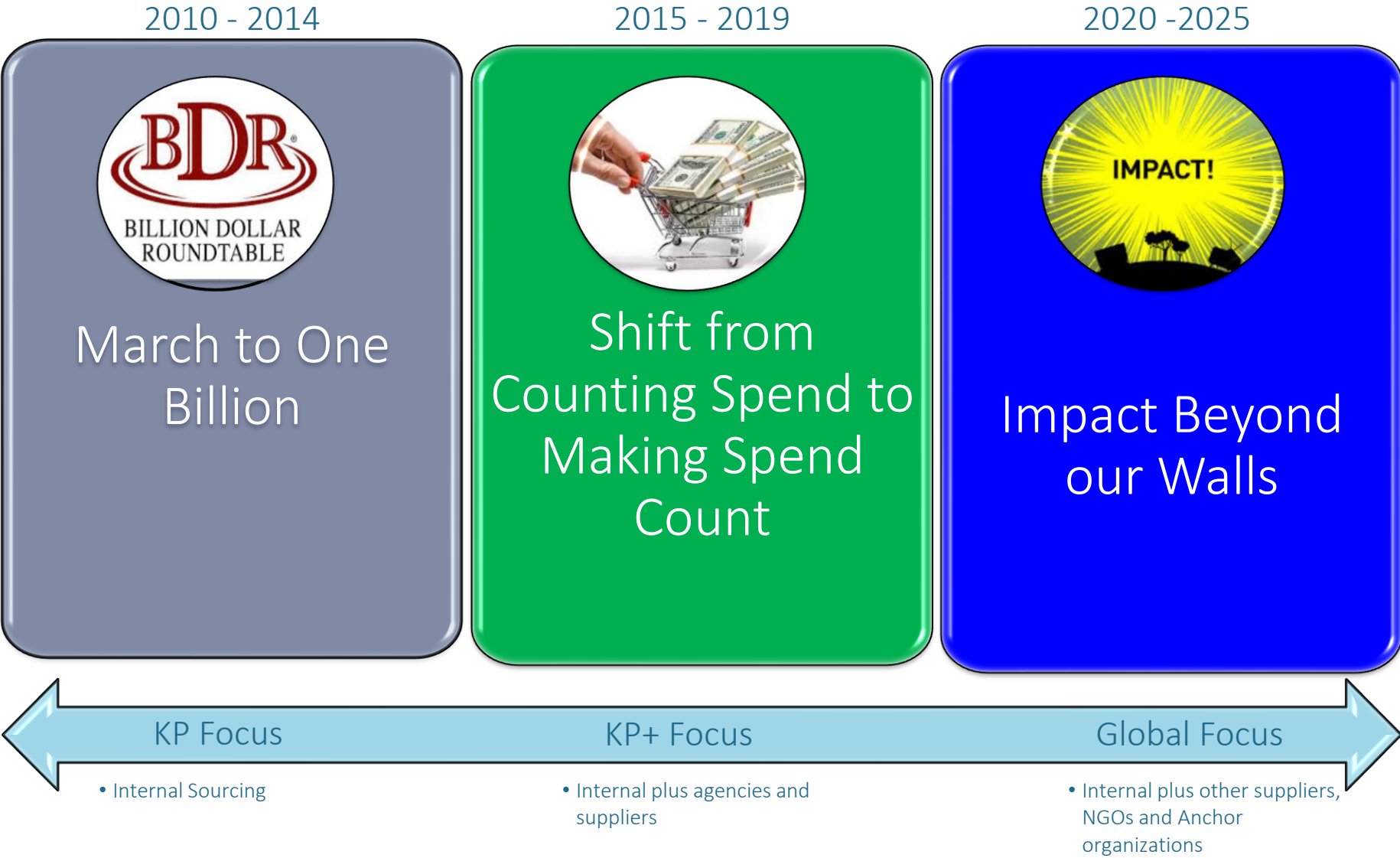
- Diet & Exercise
- Smoking
- Substance Abuse

#### Clinical Care

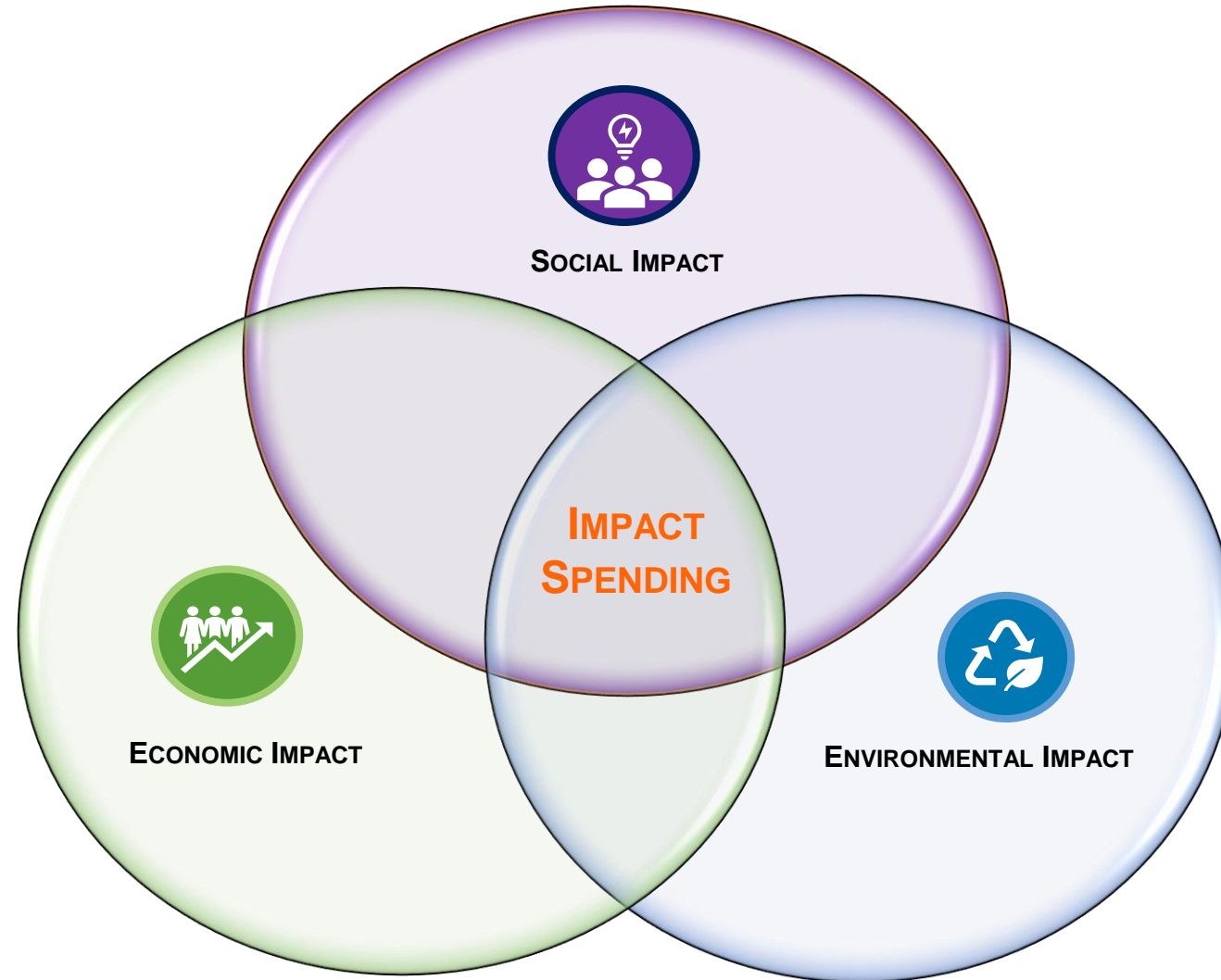
- Access to Care
- Quality of Care



# Journey to Impact Spending



# Environmentally Sound, Economically Viable, and Socially Equitable.



SUPPLIER DIVERSITY

SUSTAINABILITY

COMMUNITY IMPACT

AFFORDABILITY



## Businesses Served (2016-2020)



**3**

MEDIAN FULL-TIME EMPLOYEES



MEDIAN AGE  
OF BUSINESS



AVERAGE REVENUE <sup>2</sup>

**66%**  
BIPOC-  
OWNED

**58%**  
WOMAN-  
OWNED

## Program Impact (2016-2019)

Since 2016, alumni from KP-sponsored cohorts in Los Angeles, Oakland, Baltimore, Sacramento, Oahu, Portland, and San Diego have achieved:



AVERAGE REVENUE GROWTH



**\$87.57M**

TOTAL CAPITAL RAISED

*Businesses that participated in the 2020 cohorts will be surveyed in summer 2021.*

 KAISER PERMANENTE®  
next street

# Supplier Restoration & Resilience Toolkit



## NEW! COVID-19 Guidance & Resources

To support our suppliers and business community we have developed **The Kaiser Permanente Supplier Restoration & Resilience Toolkit** to assist your business recovery from the effects of the COVID-19 pandemic. [Read More.](#)



### Prospective Suppliers

For prospective suppliers interested in doing business with Kaiser Permanente.

[Click here »](#)



### Current Suppliers

For suppliers currently doing business with Kaiser Permanente.

[Click here »](#)

LISC

February 2021



Entrepreneurs of Color Fund

# Table of Contents

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- Why Entrepreneurs of Color
- What is the Entrepreneurs of Color Fund
- EOCF Structure
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# Why Entrepreneurs of Color (EOC)?

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If people of color in the U.S. owned businesses at the same rates as white Americans, the country would have one million more businesses, nine million more jobs, and \$300 billion in additional income.

**Expand Equity In Access:** EOC have been systemically excluded from accessing external financing, which has further exacerbated barriers to entry – lower credit scores, less collateral/lower wealth, lower profit margins and less cash flow buffer.

**Increase EOC's Capacity for Success:** Lack of access to coaching, advisory services and vital networks further exacerbates these challenges for EOC.

**Improve the CDFI Ecosystem:** We must sustain and strengthen CDFIs with programs explicitly targeting EOC, as they can help bridge the gap and demonstrate that the risk of lending is overstated.

**Achieve Scale:** We need to make it easier for CDFIs to serve EOC at scale, increasing capital invested in our communities.



# What is the Entrepreneurs of Color Fund (EOCF)?

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## Overview

To increase access to capital for entrepreneurs of color, EOCF directly supports Community Development Financial Institutions (CDFIs) that provide small business owners with capital and technical assistance that they are often unable to access from traditional sources. CDFIs are community-based, positioned to know their borrowers, and offer technical assistance informed by local realities. CDFIs can also make loans that regulated banks can't, supporting entrepreneurs at the time they need it most and increasing racial equity.

## Objectives

- Provide creative, flexible capital to meet the needs of minority business owners and help them build a path to bankability, positioning owners to access capital through traditional financial institutions.
- Sustain micro- and small business-focused CDFIs
- Stabilize and create jobs for communities by strengthening local businesses

# EOCF Target Markets

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EOCF currently operates in **five metro areas**:



EOCF is **expanding to multiple new metro areas**.  
Initial expansion sites include:



**If you are interested in bringing EOCF to a new market, please let us know.**

We will keep AFN apprised as new sites are selected.

# The Structure of the EOCF

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**In each market, EOCF has selected CDFIs** to receive grant and/or loan capital to make low-cost loans and provide high-touch technical assistance to entrepreneurs.

**At the national level, LISC oversees EOCF**, providing a centralized data system to track outcomes across all markets; reporting on impact; offering peer learning opportunities; and managing a national investment fund for the participating CDFIs.

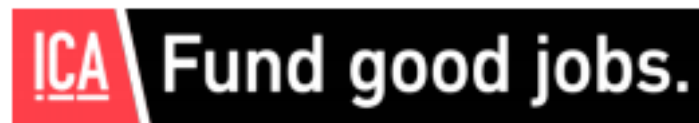


# Current CDFI Partners in Each Market

Chicago



Bay Area



Washington D.C.



Detroit



New York City



# Impact: Borrower Success Story

## The Business

**Urban Roots, Inc.** is a Chicago-based lawn care, landscaping, parking lot maintenance, and snow removal services company that grew from a home-based business with just two clients into a thriving company that serves numerous residential, commercial, and industrial properties.



Jimmie Williams, the owner, is a driven entrepreneur dedicated to supporting the local community. Urban Roots, Inc. is working on a re-entry training program for former offenders. They will provide field training, teach managerial skills, and provide entrepreneurship courses. Mr. Williams, a returning citizen, is committed to providing opportunities to people returning to their communities after time in jail or prison.

## The Loan

LISC provided Urban Roots, Inc. with a **\$440,700 acquisition loan** to purchase a new property that will allow consolidation of office space, operations, and storage in a single location, as well as hiring up to three new employees. Owning the building will help protect the business's assets (e.g. equipment) as well as allow for more efficient operations.



## The EOCF Impact

The business did not have sufficient funds for a down payment on the building. **Grant funds from EOCF helped mitigate the risks to the lender by filling the equity gap and enabled Urban Roots, Inc. to obtain the loan to purchase its new space.**

“The Entrepreneurs of Color Fund gave us the opportunity to grow and expand our business,” said Jimmie Williams, Entrepreneurs of Color Fund loan recipient and owner of Urban Roots, Inc.

“Now, we can continue to offer our services across Chicago, help create more jobs in our neighborhood and give back to our community.”

# Impact: Leveraging other Funding

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Join the growing number of EOCF's national and local supporters\*:

- JPMorgan Chase
- W.K. Kellogg Foundation
- Fifth Third
- First Midwest Bank
- U.S. Bank
- The Coleman Foundation
- McCormick Foundation
- The Chicago Community Trust
- Providence Bank & Trust

*Our commitment to the Entrepreneurs of Color Fund provides a pathway for community ownership, better jobs and more opportunities. The goal is more equitable economic development and an increased of quality of life for the people of Detroit and their children.*

La June Montgomery Tabron  
President and CEO  
W.K. Kellogg Foundation

# Q & A

## QUESTIONS?

Click the **QUESTIONS** box to share a question for the presenters.





Thank you for attending today's  
Asset Funders Network presentation

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## PLEASE FILL OUT OUR SURVEY

The survey will pop up on your screen momentarily  
and will also be sent to you via email

**WE VALUE YOUR TIME,  
AND YOUR RESPONSES WILL INFORM  
OUR FUTURE PLANNING**