

# Building Capacity of CDFIs & the Small Business Ecosystem to Support Entrepreneurs of Color

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Tuesday, May 3, 2022 | 9:30- 10:30 am EST



Grantmakers Advancing Economic Equity



[assetfunders.org](https://assetfunders.org)



Grantmakers Advancing  
Economic Equity

As the leading national grantmaker membership organization focused on advancing economic security, the Asset Funders Network engages philanthropy to confront inequities and advance equitable wealth building and economic mobility.

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# Themes from our webinars, CDFI capacity and small business:

## Capacity Issues for CDFI Loan Funds

- Understanding CDFIs: what they are, who they serve, and clearly articulating the role of CDFIs in capital deployment and TA for entrepreneurs of color.
- Understanding limitations of CDFIs, CDFIs are not designed to be self-sufficient
- Need to address (grantmaker) technical understanding of CDFIs and Loan Loss Reserves
- Focus support for BIPOC-led CDFIs
- Need to modernize CDFIs
- Understanding CDFIs against the landscape of predatory lending

## Policy Issues for CDFI Loan Funds

- SSBCI, Navigator, ARPA and all the federal funds that are currently streaming into CDFIs as part of the post-pandemic effort to rebuild small business infrastructure
- Secure Choice, FMLA, paid leave, disability: the ecosystem of quality jobs policies
- Understanding CDFIs against the backdrop of predatory lending and fintech lending
- Small business owners as a trusted source and voice in moving policy

# WHO'S IN THE ROOM

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## GRANTMAKING IN THE SMALL BUSINESS ECOSYSTEM

- **Reduce structural barriers** to business growth for minority business owners
- Strengthen minority- and women-owned small businesses to be more financially resilient through **capital access and deployment**
- **Improve coordination, collaboration, and knowledge base** within the small business and entrepreneurship ecosystem including CDFIs
- Target small business **incubators or accelerators focused on immigrants** and BIPOC entrepreneurs. Focus is very small businesses (up to 20 employees, but more likely 1-5)
- Increase opportunities for diverse-owned businesses to create **quality jobs**, empower associates to build generational wealth, and expand access to financial services in communities
- **Sectoral approach** (e.g. retail, caregiving) to scale and strengthen employers within communities **to drive economic development**

# *Introductions*

- Name
- Organization and where you fund
- 2-3 sentences that summarizes your approach/interest in funding CDFIs and the small business ecosystem?

# YOUR QUESTIONS

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- For organizations that do not focus on this exclusively as a topic, how did you get buy in? How did you frame it? Particularly framing within the Social Determinants of Health.
- What is one thing that could most strengthen your CDFI strategy to increase capacity to deploy capital? What other ecosystem supports are critical to help small business owners of color?
- What innovative funding models, pilots, or partners should we know about and lift up? Could use additional investment?
- How do we help qualified, ready small businesses "graduate" from CDFIs to traditional banks to gain access to larger capital?
  - Is there real harm to these businesses when staying with CDFIs?
  - Is there real harm to the CDFIs when the businesses leave?
  - Is there a role for philanthropy or should we stay out of it?
- How do we leverage CDFIs as an economic mobility strategy to disrupt intergenerational poverty?
- How do we/can we leverage CDFIs to support the advancement of health equity?
- What glaring funding gaps have you seen that you most urgently want to address to increase interest and investment in CDFIs and small business?

# CLOSING QUESTIONS

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- How do we move the field to deepen investment and partnership with CDFIs? To support small business? Are there specific research questions, partnerships, advocacy that could further your investments?
- How do we translate this into actionable ideas for philanthropy? Are there opportunities for collaboration and continued shared learning? Are there ways that you would like to continue and/or further this conversation?
- Call to share resources and partners

# HELPFUL RESOURCES

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## FROM YOUR PEERS

- Living Cities Blog: [3 Cities Using Capital to Build More Inclusive Ecosystems](#)
- Living Cities Initiative: [Closing the Gaps Network](#)
- [Atlanta Wealth Building Initiative](#)
- [ESO Ventures](#)
- [Latino Business Foundation, Silicon Valley](#)
- IBank: [California Infrastructure and Economic Development Bank](#)
- Santa Clara University: [My Own Business Institute](#)





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Thank you for attending today's  
Greater New York Asset Funders Network presentation

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## PLEASE FILL OUT OUR SURVEY

The survey will pop up on your screen momentarily

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