***RU-Flourishing: Providing Entrepreneurial Training Solutions through Existing Partnerships in Newark, NJ***

In response to the Small Business Administration’s Aspire Challenge

Submitted February 10, 2017

***Contestant Capacity***

The Rutgers Advanced Institute for the Study of Entrepreneurship and Development (RAISED) is a leading center of entrepreneurial research and education at the Rutgers Business School based in Newark, New Jersey. We provide a broad array of pathways for people committed to building entrepreneurial lives and sustainable businesses, while making positive social and economic changes. Through deliberate integration of research, teaching, and community engagement, RAISED fosters access to various forms of business ownership regardless of resource constraints or obstacles. Our initiatives range from social entrepreneurship to urban economic development to technology commercialization.

While there are many positive developments occurring to improve socio-economic conditions in Newark crime and recidivism remain as big problems. For example, according to FBI statistics, the homicide rate in Newark was the third highest in the U.S. during 2013. RAISED has the unique opportunity to address one of the city’s top social issues which is reducing the recidivism rates helping people release from prison desist from crime and build flourishing lives through entrepreneurship. Our Re-Entry Initiative will be called “RU-Flourishing” (RU-F),

The co-directors of our program will be RAISED Director and George F. Farris Chair in Entrepreneurship, Dr. Ted Baker and Director of the Center for Urban Entrepreneurship and Economic Development (CUEED) Lyneir Richardson, Esq. Between them, Ted and Lyneir have built a wide variety of successful entrepreneurship training and support programs, trained and consulted with hundreds of entrepreneurs, built several new ventures and published widely on entrepreneurship across both academic and practitioner outlets.

Dr. Ted Baker

[tbaker@business.rutgers](mailto:tbaker@business.rutgers).edu

973-601-5488

Lyneir Richardson

[lrichardson@business.rutgers](mailto:lrichardson@business.rutgers).edu

973-353-1288

***Recruitment***

RAISED has partnered with the NJ STEP program, which currently provides access to higher education for people in the custody of the State of New Jersey while they are incarcerated, and assists in the transition to college life for those continuing their education upon release. This program has served nearly 1,000 inmates in the last five years, providing pathways earning an associate’s degree and beyond. Our program, which is modeled after our award winning Entrepreneur Pioneers Initiative (EPI), is a 9-month capacity building program that develops small cohorts of first generation business owners to scale and improve upon their business plans. With over 200 successful graduates, the EPI program has had a lasting effect on building the entrepreneurship community in Newark over the last eight years.

Our approach for the pilot will be to conduct introductory entrepreneurship training at several New Jersey correctional facilities including both men’s and women’s prisons, focusing on people who are already taking advantage of NJ STEP educational programs. We will recruit students for the pilot both from those we meet during these training sessions and from among other graduates of the NJ STEP program.

***Screening***

The RU-F pilot program will require participants to complete a comprehensive application process that will allow us to assess their interest in and aptitude for pursuing entrepreneurship. Our assessment will include factors related to their behavior while incarcerated, including engagement with other programs within the corrections system (most notably but not limited to the NJ Step program). We will interview the most promising candidates with a goal of enrolling no more than forty students in our inaugural class. Our experience with EPI suggests that smaller groups form deeper and more productive and meaningful bonds, and facilitate a more transformative learning experience.

***Instruction & Mentoring***

The courses and specific content for this population will be built upon our EPI and customized based on our screening process which will include up-front counseling sessions. This methods ensure that the training courses are suitable for participants’ specific needs and allows us to build sustained relationships once participants are released.

General entrepreneurship and personal development sessions will be held twice a month for a half a day over the course of 9-months. Facilitators will employ case studies, exercises, and other teaching materials and methods, making the learning experience interactive, relevant and enriching. These training sessions would include topics such as Constructing Value Propositions, Brand Building and Positioning, Customer Management, Enterprise Resource Management in addition to self-development related to Emotional Intelligence and Identity Transformation. Participants will create a set of business goals and a plan to reach these goals by the end of the 9-month program. In each session, counselors will assess gaps in knowledge, understanding and other key performance indices for the cohort. This method will provide us with information on the needs of each individual and the group while allowing us to capture data both for short-term program evaluation and improvement and for longitudinal research on what approaches work and why they work.

In addition, we expect to use the internal support of Rutgers Institute for Ethical Leadership to facilitate individual and group counseling sessions that speak specifically to personal development and identity transformation. Existing research suggests that ex-offenders who focus on constructing new aspirational identities are more likely to desist from crime. We intend to use the opportunity to launch and nurture a new business as a way to focus student attention on entrepreneurship as a pathway to becoming “who they want to be.” For these counseling sessions, participants will be divided into smaller groups and assigned a personal counselor who will provide individualized and holistic support.

Mentorship and personal development will not solely be related to the quality of education and support we will provide but will also involve “wrap around” services from partners and other providers. To encourage ex-offenders to take advantage of personal development and mentorship resources, we’ll conduct roundtable discussions with experts on a variety of topics and challenges pertinent to the previously incarcerated population. In addition, alumni from our EPI program, many of whom have non-traditional business backgrounds and life stories, will volunteer their time and support as counselors and mentors for RU-Flourishing participants.

***Community Connections***

Our mission is to create a community around RU-Flourishing and participants in our programs. We will do this in part through a set of collaborations both with other units of our Tier-1 publicly funded research university and with a wide range of community stakeholders. We plan initial cross-disciplinary collaborations involving Rutgers Business School, Rutgers School of Criminal Justice and Rutgers School of Public Affairs and Administration. In addition to leveraging required wrap-around services through the NJ Step Program, we plan to seek funding for this initiative from other anchor institutions in our community such as PNC Bank, Prudential, the Greater Newark Economic Development Corporation and similar organizations.

Our EPI program has a substantial number of alumni who are active business owners in and around Newark. They have formed an active alumni group that engages in activities to support area entrepreneurship activities. Complementing the EPI alumni group, we also maintain strong relationships with the New Jersey Small Business Development Centers. Many of the courses and programs offered by the SBDC can provide useful additional training and support to our students and we will work with SBDC leadership to allow and encourage our students to take advantage of these offerings

We also have a variety of other ongoing programs and initiatives that will complement and will benefit participants in the RU-F program. For example, Professor Jeffrey Robinson, the Academic Director of the Center for Urban Entrepreneurship and Economic Development, will lead and serve as primary investigator on a National Science Foundation-funded program designed to increase minority business participation in federally-funded innovation and technology commercialization programs. Lyneir Richardson, Executive Director of CUEED currently leads a Black and Latino Technology Entrepreneurship (BLT) initiative designed to increase access to accelerator programs and funding for minority technology entrepreneurs. We anticipate that these programs will provide valuable contacts and potential opportunities for employment in technology ventures for some of our participants as well as support for technology-oriented businesses RU-F program participants might initiate.

***Access to Capital***

Our long-standing partner, The Greater Newark Enterprises Corporation (GNEC) is a 501(c)(3) non-profit Community Development Financial Institution (CDFI) whose mission is to carry out economic and community development by financing small business and entrepreneurial growth and development, job creation, community facilities and providing financial services to low-income families. GNEC provides financial assistance and training to small businesses in a variety of topical areas, both directly as part of its ongoing programming, and in partnership with RAISED. GNEC sponsors seminars and workshops designed to give entrepreneurs practical training in skills critical to business start-up and daily business management.

In general terms, entrepreneurs have limitations accessing capital for new ventures. Carrying a conviction creates a broader range of restrictions and challenges. Our partnership with financial institutions like GNEC will allow us to address the financial issues faced by entrepreneurs confronted with these challenges and will provide the participants with financial training and assistance. They will co-facilitate various workshops including Financing Options, Financial Projections, and Financial Literacy. Financial counselors will identify participants who are in need of, and are prepared to obtain, loans in order to guide these participants through the loan packing process.

To date, GNEC has:

* Provided approximately $5M in financing to small businesses;
* To 91% who are classified as minorities;
* Where 76% of the dollar amounts were made in areas designated as distressed;

These loans continue to have a positive impact on the communities they serve. With a strong commitment and dedication to assisting small businesses, the loans make a remarkable contribution to the development of new small businesses and to the expansion of existing businesses by financing things like needed equipment, inventory, or adding working capital. These borrowers could not qualify under regular banking requirements, but because of the GNEC lending activities, small businesses are opening and expanding in and around Newark.

Working with GNEC, we will also expand our participants’ access to other sources of financial support.