

# Promoting Minority-Owned Business in the City of Charlottesville



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## Disclaimer

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## Table of Contents

Executive Summary .....	4
Problem Statement .....	5
Background & Literature Review .....	6
Minority-Owned Business in the United States .....	6
Minority-Owned Business in Charlottesville .....	6
Economic Importance of Minority Business .....	7
Major Barriers to Minority Business .....	8
Moving Toward Inclusive Growth through Local Government .....	10
City of Charlottesville’s Office of Economic Development .....	14
Evaluative Criteria .....	19
Policy Alternatives .....	20
Status Quo Option: Let Present Trends Continue .....	20
Option 1: Improve Data Collection & Analysis .....	22
Option 2: Increase Connection to UVA to Offer Education & Mentoring .....	23
Option 3: Increasing Preferential Procurement Policies for Minority-Owned Businesses .....	24
Recommendations, Conclusion, & Implementation .....	25
Table 5: Outcomes Matrix .....	26
References .....	27
Appendix A: Case Studies .....	31
Appendix B: Conducted Interviews .....	35

## Executive Summary

Localities throughout the United States struggle with the representation of minority business owners in the business community. Minorities are less likely to start a business, and those that do tend to fail at a higher rate. After the last recession, business ownership has been a key factor for financial recovery. This means that inequality grows even more as the minority business community struggles. Charlottesville is a city that mirrors much of the national problem. **While over 35 percent of Charlottesville's population consists of minorities, less than 14 percent of the business community is minority owned.**

Business ownership has been a proven path to the middle class. However, the minority community has been less successful than their non-minority counterparts in utilizing entrepreneurship to make up for the losses from the last recession. This is due to lower entrepreneurial activity and higher rates of business failure, caused by three main obstacles: lack of access to capital, lack of social support, and lack of proper business education. While states and localities have tried a variety of solutions, there hasn't been enough data on outcomes in order to judge the effectiveness of those efforts. Academics have only recently begun to start researching those solutions. Better data collection and research on the local level are necessary to begin filling the knowledge gap.

The City of Charlottesville Office of Economic Development (OED), has been working on improving minority-owned business outcomes through its Minority Business Program. Generally, the OED has instituted programs aimed at improving access to capital through loans and procurement reforms, education through city-run programs and partnerships with local organizations, and social support through consultations and events, such as networking, workshops, and business expos. While they are instituting programs similar to other localities, there are some additional reforms that could increase the effectiveness of their efforts (similar to other localities as well). The policy options, other than maintaining the status quo, are as follows.

1. Increasing data collection and analysis.
2. Establishing a connection to the University of Virginia's (UVA) academic community.
3. Implementing further preferential procurement reforms for minority-owned businesses.

These policy options have been evaluated through standardized criteria including effectiveness, cost, and political feasibility. **Based on an evaluation using those criteria, it is recommended that the OED implement policy option 1, increasing data collection and analysis, and option 2, establishing a connection with UVA (the largest anchor institution in the city) in order to take advantage of their wealth of knowledge and their professionals.** These two options are absolutely necessary in order to maximize the effectiveness of the OED's Minority Business Program. Policy option 3 could be effective, but Charlottesville lacks the authority to implement a set-aside procurement program. Unlike set-asides, preferential procurement reforms based on setting formal or informal targets have not been studied adequately in order to properly judge the costs and benefits of said reforms.

## Problem Statement

The number of minority-owned businesses, and, in particular, African-American-owned businesses, across the country remains very low. Charlottesville also experiences this problem. **While minorities constitute about 35 percent of the population, minority-owned businesses in Charlottesville constitute less than 14 percent.** Business ownership and entrepreneurship are proven ways in which people can improve their socio-economic status. Given that minority populations tend to be much more disadvantaged than white populations, minority-owned businesses have specific needs they face, such as access to capital, social support, and education (as displayed in Figure 1).

Figure 1: Causal Model of the Problem



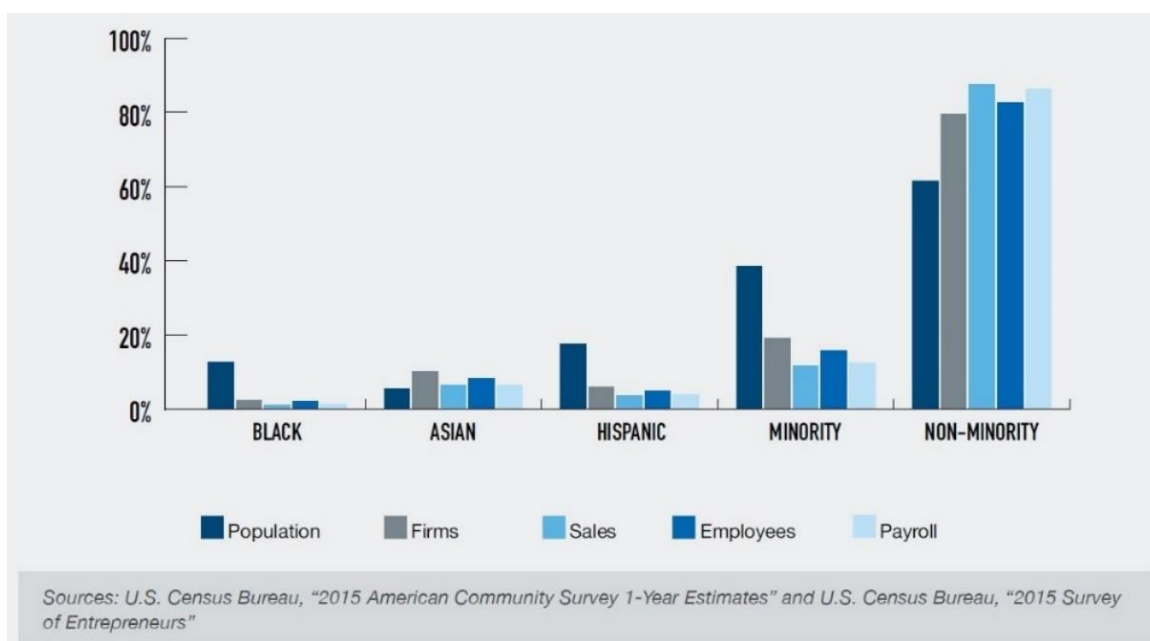
## Background & Literature Review

These sections will provide context on the state of minority-owned in the country and Charlottesville specifically, introduce the major barriers to minority business development, and discuss the ways in which localities have begun to take action on the problem. The information in these sections directly motivate the policy alternatives that follow.

### Minority-Owned Business in the United States

The United States has a broad problem with the representation of minorities among business owners (as shown in Figure 2). To be minority owned means ownership is 51 percent or more of the chosen demographic for the business. Just under 40 percent of the country is considered to be of minority descent (includes African-Americans, Asians, and Hispanics) (Census Bureau, 2017). Currently, the percentage of all U.S. firms that are minority owned sits around 29 percent with African Americans particularly standing out as underrepresented (MBDA, 2016). Only about 9 percent of all U.S. businesses are owned by African Americans, despite the fact that they constitute over 13 percent of the population (MBDA, 2016). Minority-owned firms are likely to be smaller and less wealthy than that of the average firm.

Figure 2: Race and Ethnicity as a Percent of Population and Business in 2015



Taken from: (Schulman, 2018)

### Minority-Owned Business in Charlottesville

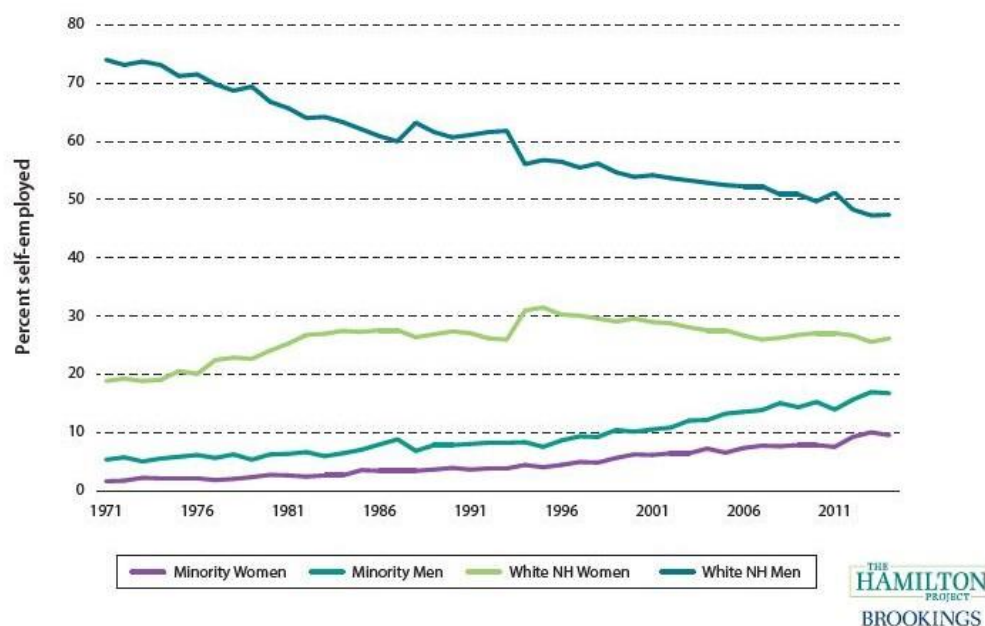
The local business community (last analyzed in 2012) is about 14 percent minority owned (Census Bureau, 2017). This amounted to 762 minority-owned firms (Census Bureau, 2017). To make a comparison to the national statistics, Charlottesville is around 31 percent non-white (36 percent if Hispanics are included) (Census Bureau, 2017). In essence, Charlottesville's racial and gender makeup is somewhat similar to the nation as a whole with the one caveat that African

Americans consist of a much higher 19 percent of the population, and Hispanics consist of a much smaller 5 percent. Compared to the nation as a whole, Charlottesville's business community is much less diverse.

### Economic Importance of Minority Business

Following the Great Recession in 2008, the minority community and the minority business community have both struggled more than their counterparts. The economic collapse removed many middle-class jobs and paths to the middle class that formerly existed (Fairlie, 2018). Research has shown that the minority community has exceeded the non-minority community, as evidenced in Figure 3, in trying to use entrepreneurship as a way to make up for the economic losses, but this has come with a lot of businesses failing (Laney, Bowles, & Hilliard, 2013). Business ownership has long been regarded as an effective path to the middle class, even though it comes with risks (Laney, Bowles, & Hilliard, 2013). In addition, over 99 percent of all U.S. firms are small businesses (SBE, 2018). As such, there has been a growing literature on formulating the right policies to make states and localities friendlier to small business. While the literature has been lacking in regards to minority-owned business specifically, there has been a recognition that increased business ownership for the demographic could help bridge, not only wealth gaps caused by the past recession, but also the larger racial wealth gap that has existed for much longer (CGPS, 2018). On the other hand, a lack of appropriate action in promoting minority business ownership has continued (and even increased) racial economic inequality.

Figure 3: Distribution of Self-Employed Workers by Demographic Group 1971-2014



Sources: U.S. Census Bureau (2015); and author's calculations based on the Current Population Survey.

Note: NH = non-Hispanic. Starting in 1988, the survey question regarding self-employment separately asked about incorporated and nonincorporated self-employment. Previously, some of the incorporated self-employed reported as wage and salary workers. The term "minority" refers to men and women of African American, Asian, Native American, Alaska Native, Native Hawaiian, and Pacific Islander racial descent, as well as men and women of Hispanic descent. The term also includes multiracial Americans.

Taken from: (Barr, 2015)

## Major Barriers to Minority Business

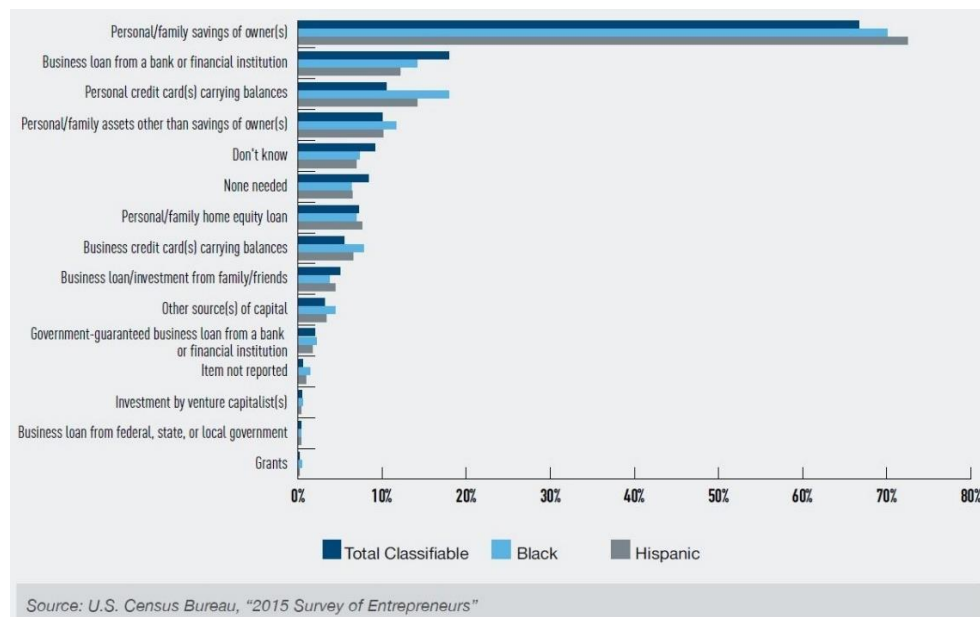
Due to the fact that minority-owned businesses tend to be less successful and viable than white-owned businesses, it is important to understand the additional barriers they face that prevent them from achieving the same success. It also sheds light on the lower rates of business ownership by these groups. Research on these barriers is generally robust and consistent in its findings.

### *Access to Capital*

The first of the main barriers identified for minority-owned businesses is their difficulty in obtaining access to capital. This problem occurs in a number of ways. The first roadblock is discrimination from the financial institutions themselves. This is particularly a problem for minorities. When a prospective minority entrepreneur or an established minority business owner seeks to obtain a loan or other financial help, they experience more difficulty in receiving the financial assistance (Carter, Mwaura, Ram, Trehan, & Jones, 2015). This usually takes the form of financial institutions requiring more evidence of financial standing compared to non-minority, prospective entrepreneurs in order to receive the loan (Carter, Mwaura, Ram, Trehan, & Jones, 2015). The problem is also exacerbated by much lower credit scores, which is typical amongst minority business owners (Robb & Robinson, 2017). The second hurdle lies in regards to personal networks (the social aspect of which will be discussed further below). As shown in Figure 4, a significant source of financial support for upstart businesses comes from friends and family (Laney, Bowles, & Hilliard, 2013). Minority families and communities tend to be much more impoverished than white families and their communities (Bates & Robb, 2013). Also, the inner-city communities, where minority businesses tend to be more prevalent, often struggle with the lack of capital available in impoverished communities (Bates, 2010). Personal credit is typically the second major source of funding but is more restrictive and comes with much higher interest rates (Barth, Betru, Bidigida, & Lee, 2018). This means minority business owners lack that initial support that is critical to their success. Combined with greater difficulty in receiving the financial support from an outside source, this system proves to be flawed. While these two issues are large and broad, health insurance and finder's agreements are two very specific capital-based issues hindering business ownership. Employer-based health insurance has become the most prominent employee benefit a business can offer and one of the most burdensome on small businesses. The expectation and costs of employer-provided insurance have been proven to be a disincentive to small business creation (Fairlie, Kapur, & Gates, 2010). Finder's agreements involve paying brokers to find capital for a business venture (Turner, 2016). While finder's agreements were frowned upon, the SEC increased enforcement of the rule in recent years, squashing any activity. The lack of finders has been found to be a significant hindrance to minority businesses as well (Turner, 2016).



Figure 4: Sources of Capital to Start or Acquire a Business by Demographic in 2015



Taken from: (Schulman, 2018)

### *Social Support*

The second of the main barriers identified for minority-owned businesses is generally labeled as a lack of “social support.” The research tends to break this down into role models, mentors, confidence, and networks. The underrepresentation of businesses owned by minorities means there are less role models available for other prospective owners to look up to when considering business ownership for themselves (Carter, Mwaura, Ram, Trehan, & Jones, 2015). This creates a negative feedback loop. With fewer business owners, there are fewer role models, which, in turn results in fewer minorities pursuing business ownership. The second area involves mentors, which includes characteristics very similar to the role model problem. With fewer minority business owners, there are fewer people available to mentor any future business owners. Mentorship and role models prove very important to newcomers looking to attempt entrepreneurship (Carter, Mwaura, Ram, Trehan, & Jones, 2015). Networks are another area that needs addressing since they are just as critical in a social support system as they are for the financial support, previously discussed. Networks offer access professionally to various resources such as on “best practices” and where to seek further resources (Bates & Robb, 2013). Each of the previous factors are significant in establishing confidence. The lack of confidence has led to an entrepreneurial reluctance. Societal and business-based barriers have added up, creating a significant disincentive to pursue business ownership (Rozell & Kapila, 2006). The minority populous lack the necessary role models in their everyday lives, lack the appropriate mentors to help them get started, and lack the networks to help build their business and learn how to be successful. In addition, the weight of failure contributes to the problem as well. Minority businesses tend to fail at a higher rate, and the cost of failure can be hard to weather (Houchens, 2018).

### *Education*

The last of the main barriers identified for minority-owned businesses is education, which comes in a variety of forms. The first problem starts very early on in grade school. Students are typically not taught about entrepreneurship as a career path. This is especially true for minorities (Laney, Bowles, & Hilliard, 2013). This lack of acknowledgement of business ownership as a legitimate career path continues as they progress through the public school system and into adult life, when people make important decisions regarding their career paths. In addition, issues with financial literacy and business development/business management tend to be lacking for these demographics (Carter, Mwaura, Ram, Trehan, & Jones, 2015). Skills such as these are essential to running a successful business and are rarely taught in the public school system. This disadvantage is especially true for minorities who exhibit lower rates of college attendance (Carter, Mwaura, Ram, Trehan, & Jones, 2015). As such, even if there is adequate capital available to a potential entrepreneur, they may not feel knowledgeable enough to properly manage it.

### **Moving Toward Inclusive Growth through Local Government**

While some of the major barriers facing minority business owners cannot be solved at the local government level, local governments can often be the most important entity for minority business success. In fact, local governments tend to be the entity that small businesses interact with the most, even though most financial resources come from the federal level (McConnell, McFarland, & Common, 2011). Despite this occurrence, academic research on solutions to the barriers that hinder minority business development are lacking. While many localities have been proactive on this issue, their findings have tended to provide more info on new ideas and strategies as well as program design lessons as opposed to data-driven performance metrics.

### *Entrepreneurship Promotion*

While creating business and entrepreneurial friendly environments is the goal of any locality's economic development office, in order to maximize entrepreneurial outcomes for minorities, it must be much more targeted (Bates, Bradford, & Seamans, 2017). Building strong relationships with the minority community is a necessary first step. Many potential entrepreneurs may already be operating within the informal economy as a hobby or "side hustle" (Laney, Bowles, & Hilliard, 2013). Therefore, outreach is critical to identifying those individuals and steer them to the right resources in order to take the next step. This support system could help, in part, replace the social support that is currently lacking in minority communities (Aldrich & Huff, 2018). Increasing the number of minority start-ups may help bridge the gap between minority and non-minority businesses, by increasing the number of mentors and role models in those communities.

There are some specific ideas that localities could use to promote entrepreneurship. Entrepreneurship could be incorporated into existing workforce development programs. Start-up competitions could be held and worker cooperatives could be formed (Laney, Bowles, & Hilliard, 2013). Localities could assist in deciphering, what's often seen as, complicated regulations or help make regulations less restrictive (Barr, 2015). Also, any local welfare benefits tied to income

should not be a disincentive to entrepreneurship (Parilla, 2017). These potential entrepreneurs are worried they would lose needed benefits should they make just enough to cross the threshold. At the local level this may involve housing assistance as opposed to large federal assistance programs.

### *Capital*

Fixing the access to capital problem is one of the most frequently covered issues. Solutions in this category can be divided into three sections. The first discusses debt and involves loan loss reserve funds, microloans, alternative underwriting, crowdfunding, and linked deposit programs. The second is equity and involves venture capital. The third is incentives and subsidies, which involve tax credits, fee waivers, and individual development accounts (McConnell, McFarland, & Common, 2011).

Loan loss reserve funds help small businesses by guaranteeing to cover all or some of the potential loss for lending institutions, which reduces some of the risk. Microloans are more straightforward with a focus on small, short-term loans at low interest rates. Alternative underwriting allows lenders to take alternative information into account when making credit decisions (Schulman, 2018). This concession will allow lenders to work with entrepreneurs, who under normal conditions have poor credit which makes them considered too risky. Crowdfunding may also seem straightforward, but it can take many forms, such as rewards-based, equity-based, and debt-based, which all have different rules that apply to them (Schulman, 2018). This policy can also pair well with the others. The idea behind linked deposit programs is reducing the cost of capital for lenders through deposited funds from the state or locality and allows for more competitive interest rates (Schulman, 2018). Venture capital is one of the most effective sources of funding for entrepreneurs to get started. Investment funds can be created and run by the state or locality. Tax credits reduce the amount of tax owed by businesses (Liu, 2018). Tax credits often show the priorities for development by a locality and can be specifically tailored to match policy goals. Fee waivers follow a similar line of thought by reducing or eliminating the permitting and licensing fees that can act as an early barrier. Lastly, individual development accounts act like a 401k matched savings plan, but they are used for starting or growing a business, with the locality matching the deposits (Parilla & Liu, 2018).

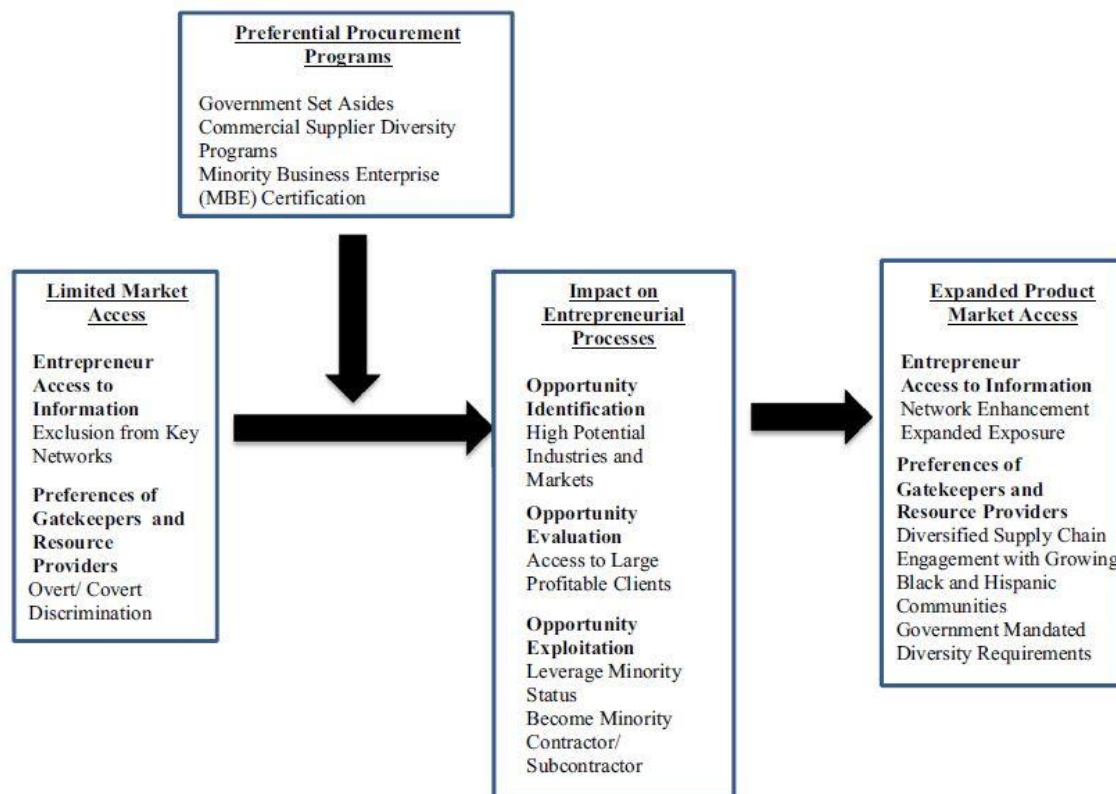
One more area of policy worth noting is Minority-Owned Depository Institutions. These lending institutions are FDIC designated and are much more likely to operate in minority communities and lend to minority institutions (Barth, Betru, Brigida, Lee, 2018). However, after the past recession, these institutions took a hit with a quarter becoming financially insolvent (Donahue, McDearman, & Barker, 2017). Given their effectiveness at reaching the minority community, they are worth consideration for receiving local government assistance.

### *Procurement, Supplier Diversity, and Set Asides*

Enhancing product market access through government contracting is another focus of attention for researchers (shown conceptually in Figure 5). While it is an access to capital policy

solution, the sheer amount of research on this topic warrants an appropriate amount of attention. Much of the research has centered on federal initiatives to increase supplier diversity and suggests that businesses have benefitted modestly from the funding and resources that come with federal contracts (Lewis, 2017). In addition, the market access allows for some initial expansion (Blount & Hill, 2015). However, it is important to note that there have been legal restrictions dealing with specific set-asides for minority businesses (Fernandez, Malatesta, & Smith, 2012). Also, there has been less evidence of businesses benefiting from best practices and mentor relationships attempted by those federal programs as part of the funding (Shelton & Minniti, 2017). Lastly, it is also very important that preferential funding for minority businesses is done in a careful manner. Simply awarding contracts without vetting can lead to undeserving firms receiving funding over other more deserving ones (Snider, Kidalov, & Rendon, 2013).

Figure 5: Conceptual Model of Preferential Procurement Programs



Taken from: (Shelton & Minniti, 2017)

### *Identity & Mentors*

While there has been little research directly addressing the lack of social support, there has been some research on identity and entrepreneurship. Although research suggests that successful minority mentors are critical to minority entrepreneurship, they can be tough to come across when a community is lagging behind (Wry & York, 2019). However, localities can play a key role in helping make those connections, by providing a platform through which the relationships can be

sustained (Abebe, 2012). In addition, it has been found that identity plays a large role for entrepreneurs, consumers, and investors, even when financial gains are the top priority (Godwyn, 2008). This has made social entrepreneurship a viable venture for some. The goal of social entrepreneurship is to create a venture with sound financials while seeking to remedy a social problem as well (Sullivan, 2006). Minority communities may be ripe with opportunities, given that some of them are struggling with long-running social problems (Pan, Gruber, & Binder, 2019).

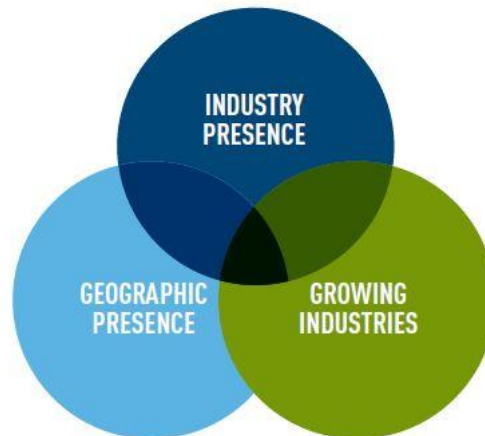
### *Education*

Solutions to the gaps in education and skills are twofold. There needs to be initiatives in place geared toward potential entrepreneurs who need business management and financial literacy knowledge to effectively run a business (Tiago, Faria, Couto, & Tiago, 2014). Also, there needs to be initiatives that target less advantaged youths and students who may have no connection to or knowledge of entrepreneurship as a career path. Students from minority communities are especially at risk because of the lack of entrepreneurial role models and mentors available to help introduce them to the idea (Linton & Klinton, 2019). If possible, it would be best to incorporate that type of business education into the public school curriculum (Zimbroff, Schlake, Anderson-Knott, Eberle, & Vigna, 2017). Also, it would be valuable to give them opportunities outside of the classroom to get hands-on experience through an internship program with successful entrepreneurs (Geldhof, et al., 2013). For adults, localities can play an important role in offering classes, workshops, or other types of educational programming (O'Connor, 2012). In addition, some localities have found it very valuable to partner with local colleges and universities to create educational programming (Jackson, 2016).

### *Concluding Thoughts*

Despite the infancy of research on the subject and the lack of evidence in order to judge current programs, there has been some new research on how localities should act to right the ship. The Small Business Administration has taken the lead on this and has provided some of the best information tailored for localities on how to move forward. Generally, they call for vastly improved data collection and use of technological tools, engaging anchor institutions and stakeholders, creating more targeted networks and marketing/outreach, and finding “champions” to serve as role models (Schulman, 2018). Of all these proposals, the first is by far the most important. Filling the data gap will allow for analysis of programs which in turn can allow the field of minority business development to grow and identify local market opportunities (see Figure 6). Also, it will allow localities to maximize their efforts given the more limited funding at the local level (Schulman, 2018). As such the SBA recommendations appear to be a logical and necessary foundation to bolster any current and future initiatives. As localities implement those policies, along with applying available knowledge on best practices and program design, research on the subject will improve, localities will be able to better tailor their programs, and minority business outcomes will improve.

Figure 6: Market Data Needed to Identify Opportunities for Minority Entrepreneurs



Taken from: (Schulman, 2018)

### **City of Charlottesville's Office of Economic Development**

The Charlottesville Office of Economic Development (OED) is a part of the City Manager's office and is tasked with representing the city to the business community. The office represents a very small portion of the City's total budget, 0.5 percent, with about \$780,000 in total funds including about \$190,000 specifically designated for the Downtown Job Center. They help start-ups and entrepreneurs, aid current businesses, and seek to attract outside businesses to the area. The OED does this mainly in two ways: business assistance and workforce development. Business assistance largely take the form of financial incentives, consultations, and marketing. Workforce development has focused on job training, education, and networking. They have worked to connect businesses to local resources that also offer assistance such as SCORE, the Community Investment Collaborative (CIC), the Central VA Small Business Development Center (CVSBDC), and the Charlottesville Regional Chamber of Commerce Minority Business Diversity Council (CMBDC). Over the years, these strategies have taken form in many different programs (which are described in the following section). Currently, the OED is looking to increase its initiatives, targeting the women and minority business communities. This was largely in response to a "Strategic Action Team on Workforce Development" report done by the City (with the OED as the lead) to identify current barriers to success in the business community (SAT, 2014).

#### *Current OED Small Business Initiatives*

The OED has experimented with many programs in the past five years aimed at aiding the business community. These programs can be categorized into five different types of assistance or development: capital investment, business development, workforce development, community engagement, and special projects. Many of these programs, which have been very successful in the eyes of the OED, are still being run. However, a lack of data prevents a data-driven conclusion on how effective they truly have been. The biggest initiative is the financing used by the Charlottesville Economic Development Authority. The city also still maintains its technology



zone, which supports tech businesses and works hard to promote the Virginia Job Investment Program with the local matching funds, to help employers maintain the workforce they need. The OED still dedicates a lot of effort to the running of the Downtown Job Center and maintains a variety of its GO programs (which change up, based on need and resources). The ACE program continues to support a small number of local businesses with micro-loans, and the Business Visitation Program (and other consultations) allows the office to support businesses in all other areas. Lastly, the OED continues to run many business and workforce events each year aimed at educating and networking businesses as well as giving job seekers a chance to connect with those businesses. In addition, the city works to connect businesses with services and resources offered by other governmental agencies or non-governmental organizations. The state and federal government have a number of small business-focused programs and local organizations, such as the Community Investment Collaborative, who have been a strong partner to the City with supporting up-and-coming businesses and start-ups (OED, 2019).

#### *New OED Minority Business Program Initiatives*

The following initiatives are being planned as part of the OED's Minority Business Program. Besides the Minority Business Equity Fund and the Minority Procurement Program, the programs are in the planning phase and costs are still being calculated. The Minority Business Equity fund has been approved by the City Council and is accepting applications. The Office of Procurement is also already in the beginning phase of implementation of its diversity program.

#### Minority Business Equity Fund

The City of Charlottesville Business Equity Fund (BEF) is a recently approved loan program for existing City businesses that are owned by individuals who are considered socially disadvantaged (i.e., those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group). The BEF, administered in partnership with CIC, lowers eligibility criteria typically experienced in traditional banking scenarios and offers a subsidized interest rate that is well below the market rate (up to 3 percent). Interested businesses should schedule an initial meeting with the Office of Economic Development to determine need and if minimum eligibility criteria can be met. Businesses will then be referred directly to CIC to provide required documents and complete a loan application. Microloans offered from the fund, can range from \$5,000 to \$25,000 with a total of about \$500,000 available (OED, 2018).

#### Minority Procurement Program

This plan, developed jointly by OED and the Office of Procurement, sets a strategy to increase the number and scale of minority-owned businesses contracting with the City of Charlottesville. The City will provide opportunities for responsible business owners and make every reasonable effort to increase opportunities for minority owned (MBE), women owned

(WBE), and other certified businesses. The City plans to create an equitable approach to procurement and good faith efforts, increase outreach, vendor engagement, and training. Finally, the City will maintain centralized records with statistical data on utilization of MBE and WBE businesses and use the information to measure success (OED, 2019).

#### Minority Business Development Coordinator

In 2013, one OED staff person dedicated to small-, woman-, and minority-owned business development was assigned new workforce development duties and responsibilities, thus reducing this individual's time to work on these efforts. By adding a Minority Business Development Coordinator, who is dedicated to engaging minority-owned businesses and providing resources and programming, it is anticipated that the OED will be able to enhance its current offerings and develop new, innovative programs/events that will specifically target these businesses in the community. Additionally, this position will create an opportunity for the OED to work more closely with the Division of Procurement and Risk Management's new Minority Business Procurement Coordinator position, to develop a collaborative Minority Business Program, designed to increase the number of woman- and minority-owned businesses that are registered vendors with the City and to encourage more City spending with such businesses. New business development programs will more than likely focus on two audiences: 1.) individuals/start-ups and 2.) existing woman- and minority-owned businesses that need assistance developing their business until they are ready to sell their products and/or services to the City of Charlottesville (and other governmental agencies/organizations). Below are potential new programs and events that could assist with these efforts (OED, 2018).

#### GO Start-Up

Growing Opportunities (GO) Start-Up is a proposed program that will be a grassroots program for woman and minority residents interested in starting a business. The curriculum will focus on business etiquette/soft skills, budgeting, idea creation, and business basics. After discussions with senior leaders at CIC, staff found that many "would-be" entrepreneurs express an interest in the 16-week program, but ultimately do not participate due to similar challenges experienced by those in the workplace, such as childcare issues, transportation challenges, unexpected bills, etc. Difficulties such as these often require the potential entrepreneur, who already works long hours or multiple jobs, to pick up more hours at work or spend time addressing the issues, rather than working on their business. During GO Start-Up, which will be much shorter than the CIC program, staff will work with individuals to address these challenges, so that they will be better equipped to deal with them, should they decide to start a business or move on to CIC. (Please note that the model for this has already been established with the GO pre-employment training programs, so it should not be a challenge. Additionally, CIC suggests that one of the main reasons that individuals do not get accepted into the program is because they either do not have a



business idea or it is not fleshed out enough. GO Start-Up will spend a lot of time on idea creation and making sure that individuals have a solid, marketable business idea if they decide to start a business or apply for CIC (OED, 2018).

### GO Contractors Academy

The Growing Opportunities (GO) Contractors Academy is another proposed program and will be a partnership between the OED and Division of Procurement and Risk Management. It will be a mid-level program for existing woman- and minority-owned businesses that want to do business with the City (or other governmental agencies/organizations). The program will be designed to enhance the technical and managerial skills of small contractors and entrepreneurs specifically in the construction industry since there is a lack of minority-owned businesses working with the City in this industry (and a lack of contractors competing in this industry in general). The curriculum will touch on key topics related to business development and construction procurement such as (OED, 2018):

1. Business Basics – marketing to buyers, networking with buyers and general contractors and/or other sub-contractors, financing, etc.
2. Construction Accounting and Finance – learning about the dollars and cents of construction and how to do business with the City of Charlottesville; will also offer complete coverage of City purchasing requirements and procedures.
3. Estimating and Bidding – hands-on training with actual estimating and bidding exercises.
4. Contract Administration – understanding and executing contracts.
5. Scheduling – effective and realistic scheduling to complete projects “on time and within budget.”
6. Conflict Resolution – protocol, methodology, and legal considerations.
  - a. There could also be an opportunity to incorporate industry credentials that are required for specific contracts (or would make a contractor more competitive), if they can be obtained within a reasonable amount of time (e.g., OSHA 10 certification, flagging certification, etc.). *(Please note that this academy will focus on the construction industry, but opportunities for businesses in other industries will also be provided through various workshops and events).*

## Business Development Events

As mentioned earlier, the OED used to hold more *workshops* for City businesses on entrepreneurship and other business development topics (e.g., financing, marketing, etc.). These were typically done in partnership with other organizations such as the Central Virginia Small Business Development Center, the Chamber of Commerce, Forward/Adelanté, etc. The new position will allow for more of this activity. The Minority Business Development Coordinator will also organize regular business *networking* get-togethers (possibly once per quarter) that will allow minority-owned businesses the opportunity to interact with each other as well as other interested parties in the community. In partnership with the Minority Business Procurement Coordinator, some of these networking events will be focused on selling to the government/procurement and providing businesses the opportunity to meet other business owners and potential buyers (similar to the Construction Contractor Meet-Up that was held earlier this year). Finally, the Minority Business Development Coordinator will work to establish a *Women and Minority Business Week* with relevant partners in the Charlottesville community. This will be an annual event, which will include a large networking symposium, business development workshops, a woman and minority business expo (similar to the one held in the fall of 2017), and possibly an awards dinner. The purpose of the event will be to provide opportunities/resources to local woman and minority businesses as well as to emphasize the importance of these businesses in our community (OED, 2018).

## Evaluative Criteria

In order to properly evaluate the numerous alternative policies available to address the problem, the following criteria are used:

### *Effectiveness*

The policy alternatives will be evaluated based on their potential economic impact on the City. The effects of chosen policies should have a positive impact on the minority business community. While it would be ideal to be able to calculate the expected number of businesses created and economic gains, the lack of data in Charlottesville and from comparable programs across the country make it difficult to form any sort of estimate with confidence. For the purposes of this criterion, effectiveness will be evaluated based on how well the policy addresses a major barrier to minority business development and will follow in line with best practices and design lessons from other programs across the country. Effectiveness will be rated as either high, moderate, or low.

### *Cost*

The alternatives will also be judged by their cost. The OED has a limited budget compared to other city departments across the state and country, so cost considerations are crucial in order to make sure the policies can be implemented. Simply put, cost precludes some programs from being considered in the first place and will have a strong bearing on the alternatives chosen below. Any relevant opportunity costs will be considered as well. Cost will be rated as either high for expensive, moderate, or low for minimal costs.

### *Feasibility*

It is important for the chosen policies to be politically feasible to implement. Policies that are too controversial or difficult to implement would not be useful. Interviews with stakeholders will be used as a resource for determining feasibility. In addition, the complexity of implementation will be taken in account. Given the rate of current reforms, feasibility can also be determined, in part, based on actions that have already passed or failed in certain areas. Feasibility will be rated as either high for feasible and easily implementable, moderate, or low for infeasible or complicated implementation.

## Policy Alternatives

Three different policy options and a status quo option will be analyzed as potential solutions to the minority business development problem in Charlottesville. Information on implementation will be included in the descriptions. Each alternative will be rated according to the aforementioned evaluative criteria. The information from this section will be used to make comparisons and justify the final recommendation.

### **Status Quo Option: Let Present Trends Continue**

The OED is currently running numerous programs aimed at aiding the minority business community. They are tackling access to capital issues by providing microloans through their ACE Program and their Business Equity Fund (in partnership with CIC). The OED is working directly with the Office of Procurement on improving supplier diversity through a Minority Procurement Strategy. They are primarily focused on increasing the number of SWAM certified businesses that are registered with the City through a program called GO Contractors Academy, which also educates participants on the City's procurement rules and processes. In addition, they are seeking to increase the thresholds for their informal bidding processes, to make it easier for minority businesses to compete while also ensuring minority businesses are included in the process. The City is attempting to promote minority entrepreneurs through its new GO Start-Up Program. Education and mentoring occur primarily through a partnership with CIC and various City-run workshops and events over the course of the year. In addition, the City does some youth entrepreneurial education through a partnership with Computers4Kids. Networking happens through events sponsored by the City as well as through a strong partnership with the CMBDC. Lastly, business consultations and outreach primarily happen through OED employees and through referrals to the CVSBDC.

#### *Effectiveness*

Effectiveness for this policy option is considered **moderate**. The OED is generally implementing or already running programs that target all the major barriers. However, they are failing to address some of the major pitfalls that localities are facing when trying to improve minority business outcomes. The OED is implementing or currently running programs that address barriers to capital, education, and social support. However, they are failing to properly collect outcomes data in order to judge program effectiveness and identify market opportunities in the City where minority-owned businesses would be competitive. Also, they are failing to properly engage the largest anchor institution in the region, UVA. Efforts in those two areas in particular are necessary to maximize the success of the Minority Business Program.

#### *Cost*

Cost for this option is considered **high**. Many of the previously listed programs are already in existence and will involve no significant change in funds. The Minority Business Equity Fund, as proposed, requires around \$500,000 in funds (which doubles the budget of the OED). GO Start-

Up and GO Contractors Academy will also likely involve more funding, but there are no detailed proposals yet outlining those costs. Based on the Minority Business Equity Fund alone, these programs will involve a significant increase in funding.

### *Feasibility*

Feasibility for this option is considered **high**. There is no deviation from current plans required in this policy proposal, so feasibility is clear and implementation is not a concern. The only area that could be an issue is acquiring funding for all the proposed programs. However, based on City Council attitudes and actions, there is a lot of support for the Minority Business Program and giving it the funding it needs.

**Table 1: Summary of the Evaluation of the Status Quo Option**

	<i>Effectiveness</i>	<i>Cost</i>	<i>Feasibility</i>
<i>Status Quo: Let Present Trends Continue</i>	Moderate	High	High

## Option 1: Improve Data Collection & Analysis

The Office of Procurement is beginning to track data on program effectiveness, but the OED doesn't have a robust data collection system. Both offices would benefit from developing strong, outcome-based performance metrics in order to determine the effectiveness of past, present, and future programs. In addition, this new data may shed light on opportunities that exist in the area that were not previously recognized. A recent study by the Milken Institute, in partnership with the U.S. Small Business Administration, found that improved data collection at the local level was the top priority, in order to properly tackle minority business development (Schulman, 2018). For the Office of Procurement, they recently hired a new employee to help with data collection. For the OED, they are hoping to hire a Minority Business Development Coordinator in the near future. This person would be in an ideal position to begin data collection.

### *Effectiveness*

Effectiveness for this option is considered **high**. This policy would address the top problem faced by localities across the country. Collecting data will allow the department to have its own data on the minority business community, which will allow them to tailor programs better to the needs of minority entrepreneurs and business owners. This data will also be useful for identifying market opportunities, especially in industries that minority-owned businesses would succeed in. Lastly, they will be able to use the data to judge the effectiveness of their initiatives.

### *Cost*

Cost for this option is considered **low**. The main cost associated with this policy option is the opportunity cost of the Minority Business Development Coordinator performing these duties as opposed to doing other duties currently outlined in the job description. If 10 to 25 percent of the work the coordinator did shifted to data analysis, then it would represent an opportunity cost of \$6,000 to \$15,000 annually (based on a proposed salary of around \$60,000).

### *Feasibility*

Feasibility for this option is considered **moderate**. This policy is of interest to the OED, so the idea is not disqualifying. Given the small OED staff, and the number of reforms currently being implemented, there may be a time constraint on the staff members performing this task. However, should they decide to implement this reform as part of the planned hire of a Minority Business Development Coordinator, then it will fit well into the already planned initiative.

**Table 2: Summary of the Evaluation of Policy Option 1**

	<i>Effectiveness</i>	<i>Cost</i>	<i>Feasibility</i>
<i>Option 1: Data Collection &amp; Analysis</i>	High	Low	Moderate

## Option 2: Increase Connection to UVA to Offer Education & Mentoring

This policy option seeks to build a stronger relationship with the University of Virginia. UVA has a wealth of top-tier professors and business professionals within their ranks that could offer community workshops or serve as mentors in the community instead of the City taking on the burden of offering these services themselves. The sheer amount of resources and knowledge available make it a vitally important anchor institution to take advantage of. In addition, the newly appointed president of the university has made it one of his top priorities to increase UVA's connection to the local community (UCWG, 2019). Also, many other localities have found that taking advantage of a university's prestige can be valuable for bringing in outside resources, such as venture capital (McConnell, McFarland, & Common, 2011).

### *Effectiveness*

Effectiveness for this option is considered **moderate**. The policy targets the second major problem localities face on this issue: engaging local anchor institutions. The OED already does this with many institutions, but fails to do so with UVA, which is the largest in the City. Also, the OED is already planning many programs without utilizing UVA's resources. Should the City develop a connection, UVA's network could be integrated into the OED's programs. However, the City is crowding out the opportunity for UVA to run the programs themselves as some localities do. Based on Charlottesville's unique situation, this is more of a partial implementation of connecting to anchor institutions when compared to other localities.

### *Cost*

Cost for this option is considered **low**. The main expected cost for this alternative involves the opportunity costs of time of the individuals involved to hold the meetings. The recent UVA study on increasing its connection to the Charlottesville community was able to accomplish its goal through five major meetings, plus some smaller meetings. Based on an assumption using the parameters of the UVA working group, \$26/hour average wage (the average Virginia wage) for the cost of time, and five major representatives, the opportunity cost would be about \$1,300.

### *Feasibility*

Feasibility for this option is considered **high**. The recent UVA working group indicates the issue is ripe. Also, through interviews, the nature of this type of policy would be feasible from the City's perspective. Lastly, based on the implementation details above, there shouldn't be a substantial burden to conduct the initial steps to strengthen the relationship.

**Table 3: Summary of the Evaluation of Policy Option 2**

	<i>Effectiveness</i>	<i>Cost</i>	<i>Feasibility</i>
<i>Option 2: UVA Connection</i>	Moderate	Low	High

**Option 3: Increasing Preferential Procurement Policies for Minority-Owned Businesses**

The goal of this policy alternative is to better target deserving minority firms and increase contracting with those firms. Government contracting is a proven way to promote minority business through product market access and critical funding. The City of Charlottesville’s Office of Procurement has already made reforms to the procurement process, allowing more accessibility to minority-owned businesses. This is in line with research that supports building stronger relationships (similar to Federal 8A Program) with minority businesses in order to yield results (Lewis, 2017). Currently, efforts are being focused on increasing the number of minority-owned businesses that are registered with the City. Right now, only 1 percent of minority-owned businesses in the City are registered, which is part of the reason why only 4 percent of the City’s contracting is done with those firms (OED, 2018). However, simply using outreach as a strategy may not address some other significant barriers in this area. For example, acquiring bonding insurance is a significant financial barrier for minority-owned construction businesses (Lazarus, 2018).

*Effectiveness*

Effectiveness for this option is considered **low**. As stated earlier, the only evidence available on preferential procurement policies deals with set-asides and similar types of policies and found only a modest increase in minority business on average for localities. Any type of policy dealing with targets or goals will have even less enforceability. Also, without proper registering of businesses with the City and analysis of the minority business community, the target could be arbitrary and create inefficiencies in the system.

*Cost*

Cost for this option is considered **moderate** and it based on economics. Giving contracts to firms for reasons beyond those involved in the competitive bidding process may introduce inefficiencies in the system (despite the social good). Also, imposing increased regulations on firms can increase cost as well. The size of the inefficiency varies with size of the target or goal.

*Feasibility*

Feasibility for this option is considered **high**. The OED has a strong partnership with the Office of Procurement, allowing this type of proposal to be implemented without bureaucratic barriers. Also, both offices are working together on the Minority Procurement Strategy, further showing the partnership between them. Lastly, setting a target or goal, whether formal or informal, should not put a great deal of burden on either office.

**Table 4: Summary of the Evaluation of Policy Option 3**

	<i>Effectiveness</i>	<i>Cost</i>	<i>Feasibility</i>
<i>Option 3: Preferential Procurement</i>	Low	Moderate	High



## Recommendations, Conclusion, & Implementation

**It is recommended, based on the analysis using the evaluative criteria (and summarized in the following outcomes matrix), that the OED implement policy option 1, instituting data collection and analysis, and policy option 2, establishing a working relationship with UVA to bolster the Minority Business Program.** The OED is currently implementing many new programs, which in a general sense, is targeting all three major barriers to minority business development. Based on academic research, work done by other localities, and interviews with major stakeholders in Charlottesville, the OED is still missing some foundational policies that would maximize the effectiveness of its Minority Business Program.

Instituting a proper system of data collection will allow the City to adequately evaluate its current initiatives and improve tailoring of future initiatives to the current situation in the City. This policy option will indirectly increase the effectiveness of the MBP, should only impose minimal opportunity costs on its staff, and shouldn't face any major barriers to implementation. With the impending hiring of a new Minority Business Development Coordinator, implementation may be most efficient if these responsibilities are incorporated in the coordinator's job description. It would be wise for the OED to track data on outcomes. This includes the number of program participants that start a business or grow their business as a result of receiving a loan or going through one of the City's programs. Long-term data on the number of businesses continually operating five years later, ten years later, and longer is equally important. Surveys (such as a disparity study) on the actual business community will allow much more detailed information that the Census can provide. Finding the actual demographic breakdown of the number businesses, the size of businesses, the types of businesses and the geographic location of those businesses will give a much better idea of what the minority business community looks like. It would be valuable to also survey businesses on what problems they face, what resources they find valuable, and what resources not currently available that they would like. These data points would provide a good start.

Increasing the City's connection to UVA could give the MBP access to a plethora of resources in the form of business expertise and business professionals, who can aid in the City's educational and mentoring initiatives. The recommendation is also in line with research showing the value of engaging anchor institutions and robust university partnerships. Charlottesville is fortunate to have this type of resource available, compared to other localities. This policy option will also indirectly increase the effectiveness of the MBP and shouldn't impose any major costs on the City. It is also an opportune time for feasibility, due to UVA's desire to build this connection. Implementation of this reform could be done through the establishment of a working group or task force, with major figures from the OED, the city government and UVA (broadly), and UVA's business and commerce schools. The Charlottesville Office of Procurement and UVA's Office of Supplier Diversity may be two more groups that could benefit from this type of working group since they work on the same issues. Through this collaborative group, they could discuss the nature of a relationship that would achieve the goals of all involved.

The lack of a recommendation for policy option 3, increasing preferential procurement policies, is not due to evidence of ineffectiveness. Unfortunately, there is a lack of research on formal or informal procurement targets or goals that would be necessary in order to make a judgement on effectiveness, relative to costs. Without the authority to implement a set-aside program, the City cannot consider that type of reform, which has been found to be successful, when properly implemented, at the federal level and in some states and localities. Should the OED want to pursue this type of policy, it would be advised that they properly track the effects of the policy to ensure it is achieving the desired goal without major unintended consequences.

**Table 5: Outcomes Matrix**

	<i>Status Quo</i>	<i>Data Collection</i>	<i>UVA Outreach</i>	<i>Preferential Procurement</i>
<i>Effectiveness</i>	Moderate	High	Moderate	Low
<i>Cost</i>	High	Low	Low	Moderate
<i>Feasibility</i>	High	Moderate	High	High

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## Appendix A: Case Studies

### *International Trade in Wichita (KS)*

In Wichita, they have recognized the growing importance of the ability to export goods for the small business community. Small businesses, in general, are accounting for a larger share of total exports. They face more barriers to doing so than larger businesses. Wichita, in partnership with the Kansas World Trade Center, has developed a curriculum to help businesses enter this market. It includes aiding with research on outside markets, education on legal processes, and global credit checks to prevent poor transactions. While Charlottesville is a much smaller market than Wichita, this type of program may be scalable to help small businesses sell regionally (McFarland & McConnell, 2011).

### *Regulatory Reform in Seattle (WA) and Rock Hill (SC)*

During the recession, Seattle's Office of Economic Development found its most valuable tools were those geared towards aiding the business community with the regulatory environment and seeking to change or remove overly burdensome regulations on the business community. They have built this connection with the business community through networking where they can learn the needs of businesses and connect businesses with relevant government leaders in order to get the help they need with their business. Their Office of Economic Development is also willing to help with any fees that businesses face through the regulatory process. Rock Hill runs a similar Open for Business program where staff will hold appointments with businesses that reach out. They will ensure the business is following all laws, regulations, and codes. They make sure all reviewing is done within about a week of the appointment and then provide next steps (McFarland & McConnell, 2011).

### *Emerging Industries in Boston (MA) and Littleton (CO)*

Boston's approach to aiding small businesses in emerging industries is to cluster them in order to build collective knowledge and accelerate innovation. One of the biggest ways they have done this is to turn struggling areas into "innovation districts," where there are incentives for businesses to locate and grow. They have found that there is some collaboration that happens between businesses. Also, they found that businesses can better enter larger regional economies. Only through local initiatives can these types of things happen. In addition, in Littleton they will also provide assistance with things such as social network mapping, GIS, and database research (McConnell, McFarland, & Common, 2011).

### *Economic Development Incentives in Cincinnati, Indianapolis, Salt Lake City, and San Diego*

These four cities are some of the leaders in the country in fostering entrepreneurship and small business growth. One of the top ways they do it is through economic development incentives. Tax Increment Financing and Community Reinvestment Areas function as subsidies. They aid in redevelopment, infrastructure, and community improvement. Also popular, are job creation tax credits, revolving loan funds, and property tax abatement. In summary, these cities target areas for growth through tax credits and have found that the small business community responds well to the incentives (Parilla & Liu, 2018).



### *Loan Loss Reserve Funds in California*

Loan loss reserve funds allow banks to take on more risk because the government guarantees part or all of any potential losses. California has found these to be popular as part of its Capital Access Program. To date they have helped secure \$237 million in loans which has led to the creation of over 3,000 jobs and the retention of about 30,000 more jobs. These types of transactions have accounted for over 85 percent of the business that the Capital Access Program does. This program is primarily funded through state funds as opposed to localities (Schulman, 2018).

### *Alternative Underwriting in the City of Long Beach (CA)*

This type of policy allows additional criteria to be considered when a business applies for funding. This can include cash flow data, social media analytics as well as non-quantitative info such as the needs of a community. The City of Long Beach has found this policy to be good at meeting the needs of entrepreneurs with a poor financial background. They allow this policy for fixed rate loans up to \$25,000. Also, they find that minorities and women make up 80 percent of the beneficiaries and maintain low rates of default (Schulman, 2018).

### *Crowdfunding in the City of Oakland (CA)*

Oakland partnered with Kiva to set up a loan fund using crowdfunding principles. Crowdfunding can be rewards, equity, or debt based. Oakland chose a debt-based program where local residents can contribute funds to businesses in need that will be repaid. The loans have zero percent interest and must be at least \$25. They also formed partnerships with organizations such as Capital One who will match all loans up to \$225,000. This program is of particular value to minorities (90 percent of recipients) and women (70 percent of recipients) (Schulman, 2018).

### *Linked Deposit Program in New York, Missouri, Kentucky, and Washington*

This program aids businesses by reducing the financing burden when businesses apply for funding. Basically, states maintain a deposit of state funds and fund are distributed to businesses that apply for funding. These businesses have to meet certain criteria in order to qualify for that help. The main way this program helps is by reducing interest rates. Washington state in particular has found success in keeping interest rates on qualified loans under 2 percent. So far, their program has helped almost 500 businesses acquire \$170 million in low interest funding (Schulman, 2018).

### *Venture Capital in New York State and City of Portland (OR)*

This policy is one of the simplest for providing capital for businesses in need. These governments maintain a sizable fund from which the state uses to make investments. Investments are made in innovative, high-growth fields. The funds can also be used to aid in job creation. These programs have also sought to find investors from outside sources to join in. Portland has found that this program is of good value to women (40 percent of recipients) and minorities (40 percent of recipients) (Schulman, 2018).



### *Individual Development Accounts in Oregon*

Individual Development Accounts are matched savings programs (similar to a 401k program). The state will match qualified participants savings and can receive up to a 3 to 1 match. Participants are expected to be saving towards a certain goal. So far, Oregon has helped over 1,000 individuals and given out over \$6 million in funds. They found that about 30 percent of participants used the funding towards their business or starting one. About 10 percent of participants were African-American and just under 25 percent were Hispanic (Schulman, 2018).

### *Mentoring in City of Normal (IL)*

Normal started a mentoring program and eventually passed it off to Illinois State University's Center for Emerging Entrepreneurs to run. The program targets small and medium sized businesses and entrepreneurs. Cohorts of up to seven business owners are matched with a successful, experienced business owner. The groups meet monthly and cover a variety of topics from branding to planning to accounting. These groups also provide a place for networking and collaborations since the groups function as a team (McConnell, McFarland, & Common, 2011).

### *Celebrating Successful Companies in Boulder (CO)*

In Boulder, they run an annual Companies to Watch program to celebrate successful small businesses in the city. In order to run the program, there is a strong partnership between the government and local organizations such as the chamber of commerce in order to identify the businesses. Businesses benefit from the recognition, and Boulder benefits from the strong performance of local businesses. In 2011, this amounted to almost \$1 billion in revenue and just under 900 jobs created among award winners (McConnell, McFarland, & Common, 2011).

### *University Partnerships in Scottsdale (AZ)*

Scottsdale partnered with Arizona State University in order to get local businesses in the university's incubator program. ASU has experience working with major businesses across the globe so there is a wealth of knowledge and mentors available. Typically, only the most high-potential businesses are able to get in. So far, businesses involved with the program have received \$100 million in invested capital and those businesses are worth over \$200 million (with many success stories such as two IPO's). ASU also runs a Rapid Startup School and a Student Entrepreneurship Initiative to attract students to the field (McConnell, McFarland, & Common, 2011).

### *Tuck School of Business, Minority Business Program*

The Tuck School of Business at Dartmouth manages the longest running minority business program in the country. They typically don't work with start-ups but have programs for businesses at different stages of development/growth. In addition, they run courses in more topic specific areas such as the financials of owning a business and "digital excellence." There is a cost to enrolling in the program of around \$5,000 for its central programs for a week's worth of classes which could be a barrier to some. So far over 6,000 business owners have gone through the program (Jackson, 2016).

### *LEAD Program in Philadelphia (PA)*

In Philadelphia, they run a program called LEAD (Leadership Education and Development). This program is able to attract over 300 minority high schoolers a year. Students will attend a summer session of classes where local university professors teach on knowledge necessary to succeed as a business owner such as finance, marketing, economics, and entrepreneurship concepts. The program partners with the Educational Testing Service to better identify high-achieving students. The college that hosts the program every year takes on a cost of about \$120,000, but it is covered by charging participants tuition of about \$750. They offer financial assistance for those who cannot afford that. Up to 65 percent of students who have taken part have gone onto business careers (Roach, 2004).

### *NYC Junior Achievement, Virtual Enterprise, & Network for Teaching Entrepreneurship Programs*

New York City takes advantage of three major educational programs for its educational initiatives. Junior Achievement is a K-12 program that focuses on teaching business knowledge and skills as well as experiential learning. This includes personal budgeting, developing business plans, and interacting with successful business owners. Virtual Enterprise is a high school program for juniors and seniors. They are put through a simulation that mimics creating and running a business. This can be run with minimal training needed for teachers. Lastly, the Network for Teaching Entrepreneurship in the most intensive tackles many similar topics as the last two, but with middle and high school students only. Students learn the buy and sell goods, develop business ideas, and participate in a business competition. Teachers require much more training (about a week) for this program (Laney, Bowles, & Hilliard, 2013).

### **Other Resources**

City of St. Louis, Minority Business Development Office

<https://www.stlouis-mo.gov/government/departments/sldc/minority-business-development.cfm>

New York State, Division of Minority and Women's Business Development

<https://esd.ny.gov/doing-business-ny/mwbe>

City of Memphis, Office of Business Diversity & Compliance

<https://www.memphistn.gov/cms/one.aspx?pageId=11966669>

## Appendix B: Conducted Interviews

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**Les Haughton**

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**Dr. Bala Mulloth**

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**Andrea Copeland-Whitsett**

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**Stephen Davis**

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**Pat Foster**

Director of Minority Business Development, City of Richmond