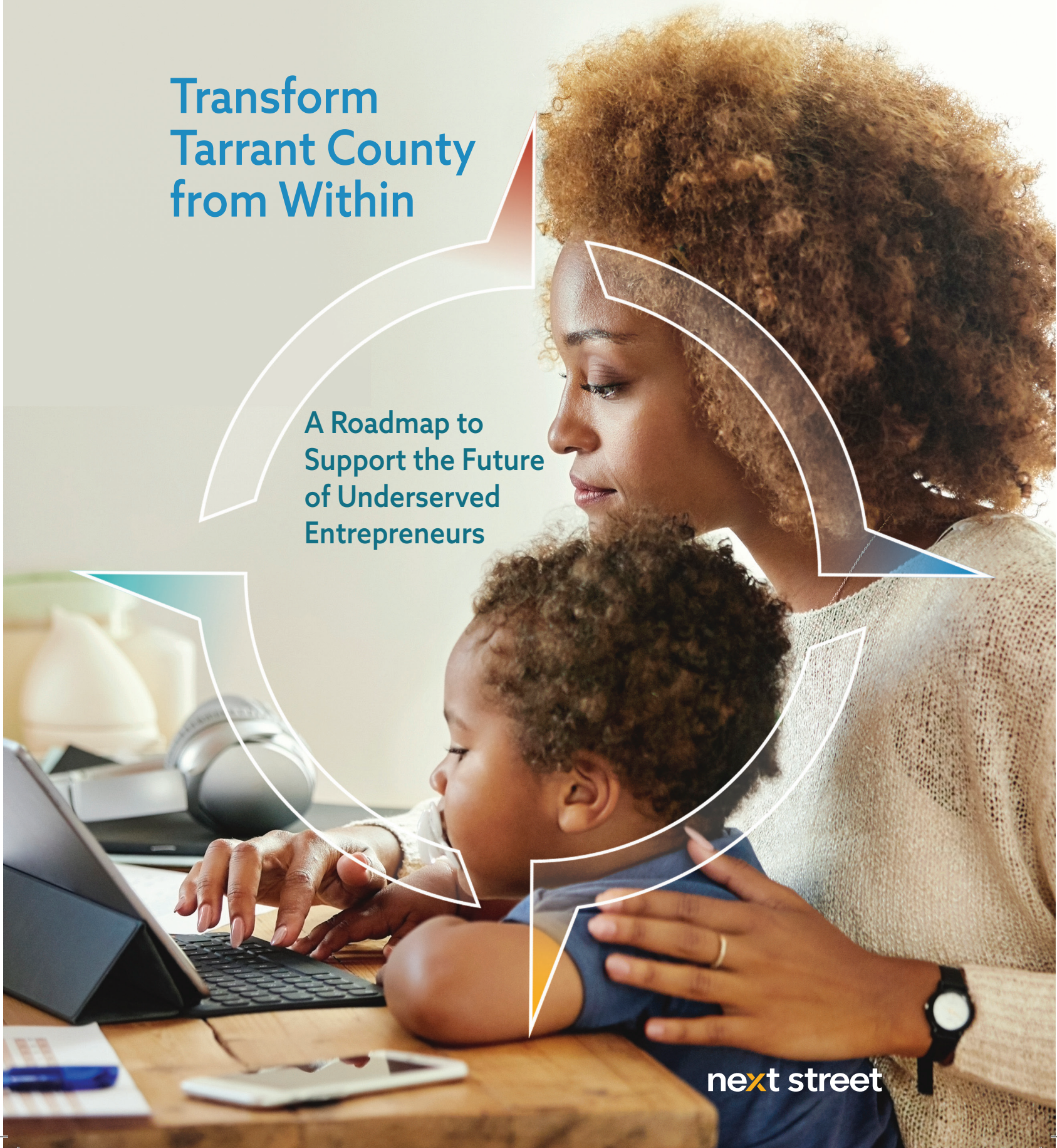


Center for
Transforming Lives
From Poverty to Prosperity. Together.

JPMORGAN CHASE & Co.

Transform Tarrant County from Within

A Roadmap to
Support the Future
of Underserved
Entrepreneurs



next street

Letter from the CEO

When the Center for Transforming Lives (CTL) requested support from JPMorgan Chase to commission an action-oriented roadmap rooted in data to strengthen the small business ecosystem in Tarrant County across race and gender, we had no expectation that this solution-focused report would launch during such extraordinary times. The impact of COVID-19 on small businesses has been devastating for Black and Latino(a)-owned businesses. Then, as if the pandemic was not enough, causing business closures, increased unemployment rates, and disproportionate deaths, civil unrest continues to be experienced both nationally and globally.

I couldn't agree more with the words of Mr. Raphael Bostic, President and CEO of the Federal Reserve Bank of Atlanta:

By limiting economic and educational opportunities for a large number of Americans, institutionalized racism constrains this country's economic potential. The economic contributions of these Americans, in the form of work product and innovation, will be less than they otherwise could have been. Systemic racism is a yoke that drags on the American economy. This country has both a moral and economic imperative to end these unjust and destructive practices [A Moral and Economic Imperative to End Racism, June 12, 2020]

The inequities Mr. Bostic speaks of exist here in Tarrant County, and I believe it is time for change. Systemic racism observed in the economic sense is the historical and current pattern of racial inequity in the financial, social, cultural, and political networks and institutions, functionally reinforcing existing socioeconomic patterns, and resulting in racial inequality in community wealth, family wealth and family income. In 1907, CTL's founders committed to disrupt the cycle of poverty for women and children in our community. Today, 113 years later, through this work with national consultant Next Street, CTL is continuing to promote systemic change by ensuring that women, minorities, and low-income entrepreneurs have increased access to the best-in-class small business ecosystem. This ecosystem creates pathways for financial prosperity and generational wealth. Because our work began pre-COVID, you will recognize that the small business statistics today are very different than what they were before March; however, the disproportionate impact still exists for women and minorities, making the recommended strategies in the roadmap even more relevant for today and our future.

As a community, business resource partners and stakeholders quickly pivoted to support those impacted by COVID-19, but how will these businesses sustain themselves once government assistance ceases? We must work together today to ensure lasting recovery and enduring financial strength. Through collaboration – public entities, corporations, faith-based organizations, foundations, banking institutions, and community leaders – we can truly embody the American Dream for all Tarrant County residents, including Black and Latino(a) families. Together, let's transform our community through an equitable ecosystem for entrepreneurs and small businesses.

An Advocate for Equity,



Carol Klocek, MSW, MBA
Chief Executive Officer
Center for Transforming Lives



Executive Summary



21 billion dollars and 25,000 jobs¹ That is just a portion of the untapped value that exists within Tarrant County. Tarrant County is a dynamic and growing region of Texas with a rich history and promising future. With jobs and improved quality of life drawing people and businesses into Fort Worth at record numbers, it is a hotbed for acceleration. At the same time, the COVID-19 pandemic has exacerbated an already strained US economic system everywhere in the country. In Tarrant County, as in places around the nation, it is a critical time to reinforce existing structures to support communities while simultaneously pursuing inventive opportunities that revolutionize the former system.

Throughout the recovery, many aspects of society will need support; however, healthy economic growth and innovation can contribute through an emphasized focus on small business and entrepreneurial development, with a heightened concentration on marginalized communities. Based on research, people within underserved demographics represent a potential surplus of **21 billion dollars and 25,000 jobs² in Tarrant County**. This is not surprising news to those who work to advance the prosperity of Tarrant County. They see the ingenuity and creativity within these communities every day; however, they also see the lack of economic mobility afflicting certain groups. Without timely, well-resourced collaboration among key stakeholders, community leaders, local government, and anchor institutions, an opportunity could pass by, leaving those who need the most support in even greater disparity.

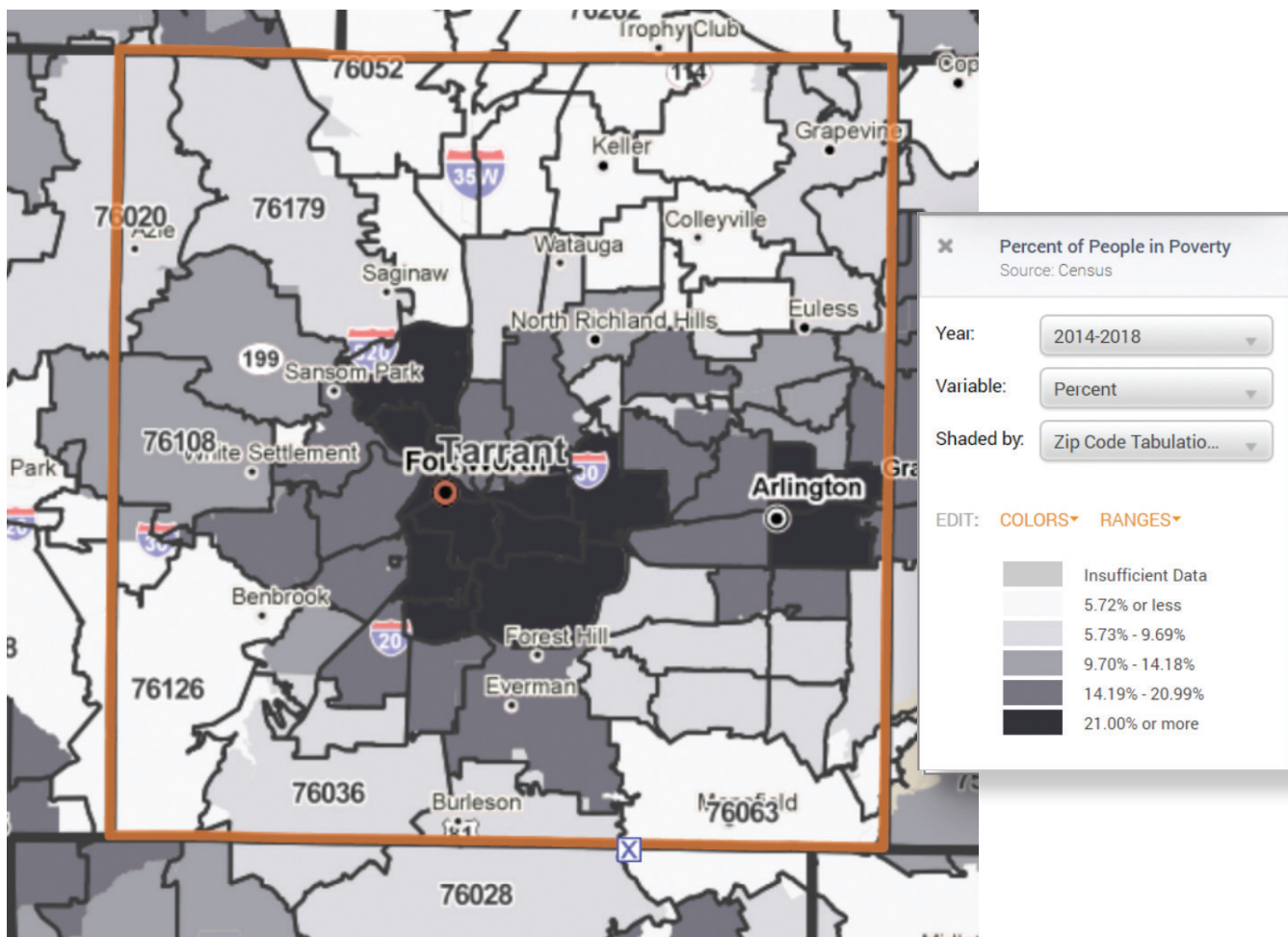
Our world is facing a rapidly shifting and painful challenge. The COVID-19 pandemic has devastated lives and livelihoods. While mourning our losses, we are also being asked to be intentional about how we step toward recovery. It may be difficult, and even unsettling, but it is through this effort that fewer families will live one paycheck from homelessness or a hospital bill from bankruptcy. The reality is that more Americans have become aware of the instability within our nation and our communities. Now, is the time to come together, in the midst of the struggle, to plan for the future. With the compassion, energy, and selfless leadership that has kept Tarrant County strong, coupled with the urgency of circumstance, this county is primed for a meaningful revitalization.

The Center for Transforming Lives, an organization that works side-by-side with women and their children to disrupt the cycle of poverty, enlisted the expertise of Next Street, a mission-driven advisory firm revolutionizing the way clients provide capital, customers and services to small businesses, in order to explore the pathway toward inclusive economic mobility through small business and entrepreneurship in Tarrant County. Toward that effort, it is valuable to note that this call to action has also been heralded by other work across the county expressed in *Fort Worth Small Business & Entrepreneurial Ecosystem Assessment & Strategy* (2019), *Arlington Comprehensive Plan* (2015) and other important studies. In addition to census data and other referenced sources, the report findings are based on focus group results that recorded lived experiences of Tarrant County entrepreneurs, and from interviews and surveys conducted with community stakeholders in the small business ecosystem.

1 Source: Survey of Business Owners (2012) Tarrant County, U.S. Census <https://www.census.gov/library/publications/2012/econ/2012-sbo.html>
2 Source: Survey of Business Owners (2012) Tarrant County, U.S. Census <https://www.census.gov/library/publications/2012/econ/2012-sbo.html>; Next Street analysis

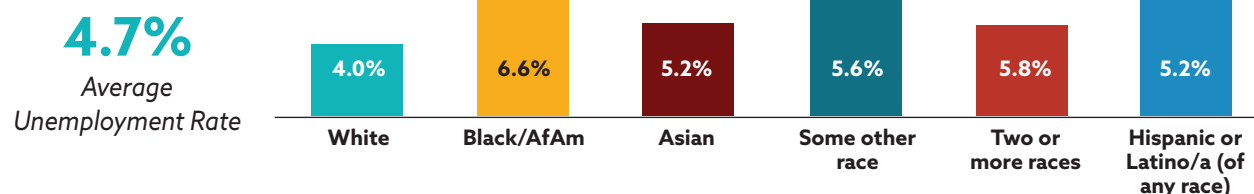
Context

Tarrant County is the 15th largest county in the US and the 3rd largest in Texas. It has experienced a strong rebound since the 2008 recession through growth in population, the decline in unemployment, and increases in economic opportunities. However, this progress has not been felt equally across race, ethnicity, gender, and class lines. This is where the opportunity lies. There are still large pockets of Tarrant County that have high poverty and unemployment rates, especially for Black/African Americans, Hispanic/Latino(a)s, and other marginalized groups. Often this can be overlooked in assessments of Tarrant County as a whole, but with a more surgical focus on zip code data and block-level experiences, we disperse the shadow of more affluent communities to expose deep segments of poverty and unemployment.

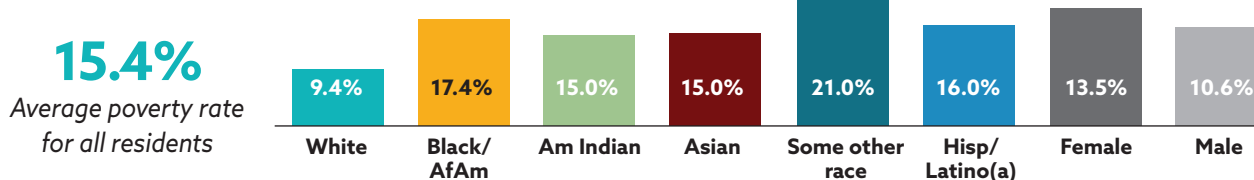


Source: Estimated percent of all people that are living in poverty as of 2014-2018. PolicyMap <https://plcy.mp/F3H6XLm>

Unemployment by Race / Ethnicity



% Below Poverty by Race / Ethnicity



Sources: American Community Survey 1-Year Estimates (2018)

Source: *Unemployment by Race and Ethnicity*. American Community Survey 1-Year Estimates (2018) US Census <https://www.census.gov/programs-surveys/acs>

The average poverty rate in Tarrant County is 15.4% (Sources: American Community Survey 1-Year Estimates (2018)) amongst the entire population, however, there are still large parts of Tarrant County that have high poverty rates, especially for Black/African American (17.4%), Hispanic/Latino(a) (16%), and other marginalized groups. Looking at the poverty rate within the specific zip codes of 76104, 76105, 76119, 76010, 76011, we found that the average poverty level (34.8%) was more than double that of the County average overall.³

Of significance, there are pockets of severe poverty impacting other ethnic communities within these zip code blocks as well, such as Asian-American neighborhoods. Within these zip codes, some Asian-Americans populations have the highest unemployment rate and live well below the poverty line, even though in Tarrant County as a whole this demographic demonstrates upward mobility. These findings indicate that it is critical to dig deeper at the zip code level and block level if we truly want to address the landscape of poverty and unemployment in our communities.

We see the high poverty and unemployment rates are especially prevalent for households with a woman of color as the head of the household. The poverty rate for Black/African American female households is 30%, and for Latinas it is 35%. We know that 3 out of 4 female households have obtained a high school diploma or less formal education. We also know that the poverty rate for Black and Latina female-headed households is 10% and 15% of white households, respectively.

While there are commendable strategies in place across Tarrant County to help those in poverty have a safe place to live, get connected to jobs, and gain access to food and other social services, the conversation around economic mobility is missing a key ingredient - business ownership. As homeownership equity continues to slump across the US since the recession, business ownership represents an increasingly attractive asset to secure and build individual, familial, and community wealth, especially for people of color.

3 Source: American Community Survey (2018), PolicyMap: Census (2019), PolicyMap: Census (2014-2018), American Community Survey (2013-2017)

Impact of Local Business Ownership

Based on national and Tarrant County statistics, owning a small business and expanding ownership to include higher rates of people of color, women, residents of low-income communities has implications for:⁴

Entrepreneurship and small business ownership represent an opportunity for individuals to build wealth and own their economic futures

The Family

- The median **net worth of a family with a small business owner** compared to those who worked for someone else **is 5x higher**

The Community

- **47% of business owners of color** hire staff predominately comprised of people of color compared to 13% of white business owners
- **68% of every \$100 spent at a local business stays in the community** vs. only 42% when spent at a chain or non-local business

The Economy

- **Tarrant County businesses owned by people of color represent approximately 70,000 businesses** (35% of total), **create 121,000 jobs** (25% of total), and **contribute \$7B in economic output** (10% of total)
- In low-income neighborhoods, 4,000 employer businesses are **creating 87,000 jobs**

This report provides an overview of the current state of business ownership in Tarrant County. It highlights disparities for women and people of color as business owners, and most importantly, it demonstrates the economic impact that a region can realize if underserved entrepreneurs share in the access to support and capital needed to be successful. Lastly, it will also provide strategic recommendations that stakeholders across Tarrant County must employ to become the torchbearers of that success.



State of Business Ownership in Tarrant County*

First, let us understand the foundational backdrop of business ownership through the data. Pre-COVID, Tarrant County boasts a thriving business community, with over 41,000 businesses with employees and 165,000 businesses without employees, totaling approximately 1 business for every 10 residents of Tarrant County.

Size Breakdown

Of the 41,000 employer businesses in Tarrant County, 97% have less than 50 employees and **49% have less than 5 employees.** Accounting for businesses both with and without employees, **the majority of firms in the region (80%) have no employees.** This is higher than national averages, wherein 95% of businesses with employees have under 50 employees and 74% of total businesses have no employees.

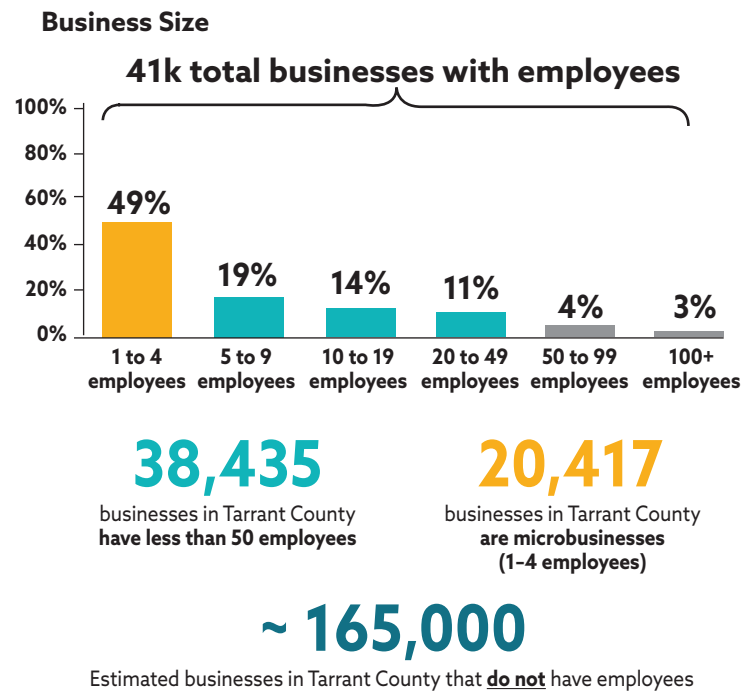
Racial / Ethnicity Breakdown

Just as disparities exist in employment, access to education, and income levels within Tarrant County, so too are there disparities in business ownership, especially for women and people of color. For employer businesses, 82% have White owners, compared to 65% of the population which is White. For businesses without employees, non-White businesses make up a slightly higher percentage of the total, but White-owned businesses are still overrepresented by 10% of their share of the population. Elevating non-White businesses with employees and adding to their ranks would greatly benefit members of the Tarrant County community and the overall economy.

Census data also revealed disparities related to:

- **Unequal revenue** - On average, White-owned businesses generate approximately 3x more revenue than Hispanic/Latino(a) businesses and 5x more than Black-owned businesses
- **Gap in business margins:** Black/African American and Latino(a)-owned businesses make 50% less per employee

These disparities are caused by a range of historical and systemic issues. For example, we know that Black/African American and Hispanic/Latino(a)-owned businesses tend to be in lower margin sectors, such as food, personal services, healthcare, and retail. Additionally, customer trends reflect that Black and Latino(a) consumers patronize White-owned businesses at a significantly higher rate than White consumers patronize Black and Latino(a)-owned businesses. Lastly, White-owned businesses tend to be in more highly trafficked commercial corridors. Exacerbating these issues are lack of access to, or knowledge of, services such as business support, capital, markets, networks, and more.

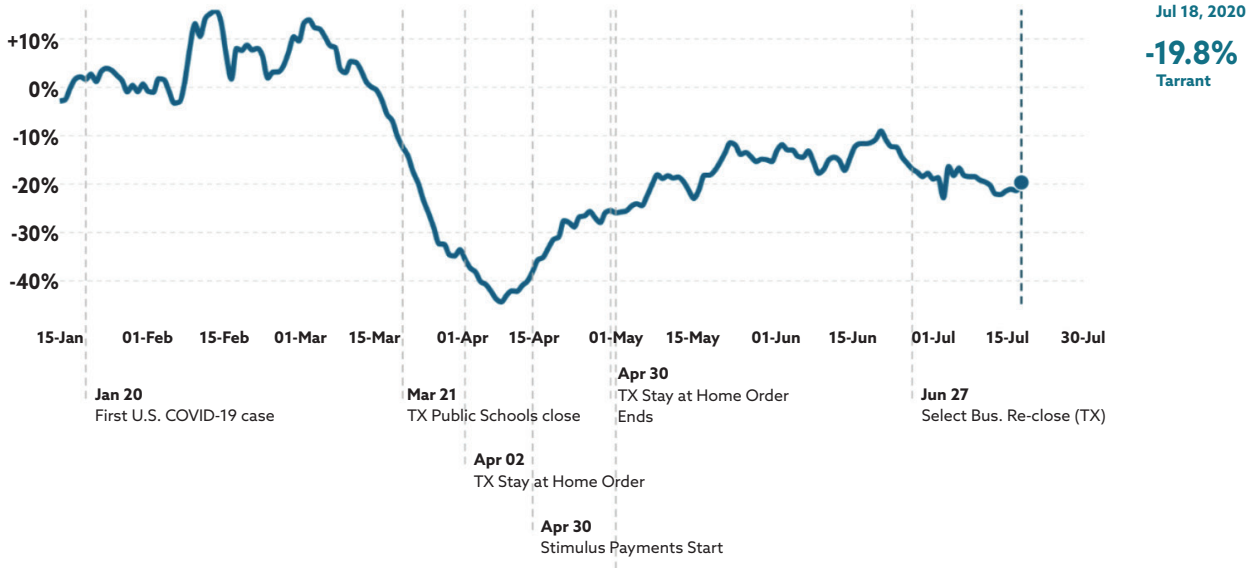


Source: County Business Pattern Survey (2016); Survey of Business Owners (2012)

* This research began prior to the pandemic; CTL and Next Street must acknowledge that most small businesses have been impacted negatively creating an even greater disparity for minority and LMI entrepreneurs.

Percent Change in Small Business Revenue*

In **Tarrant County**, as of July 18, 2020, total small business revenue decreased by **19.8%** compared to January 2020.

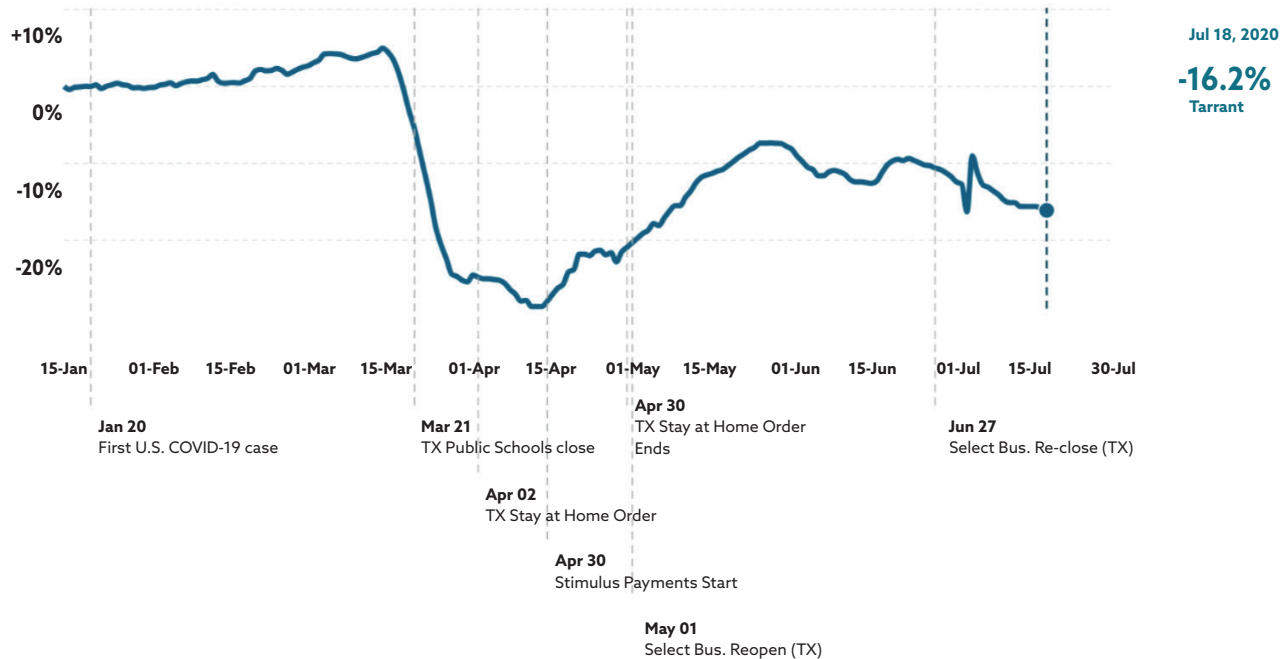


* Change in net business revenue for small businesses, indexed to January 4, 2020 and seasonally adjusted. This series is based on data from Womply.

last updated: July 28, 2020 next update expected: July 31, 2020

Percent Change in Number of Small Businesses Open*

In **Tarrant County**, as of July 18, 2020, the number of small businesses open decreased by **16.2%** compared to January 2020.



* Change in small businesses open (defined as having financial transaction activity), indexed to January 4-31, 2020 and seasonally adjusted. This series is based on data from Womply.

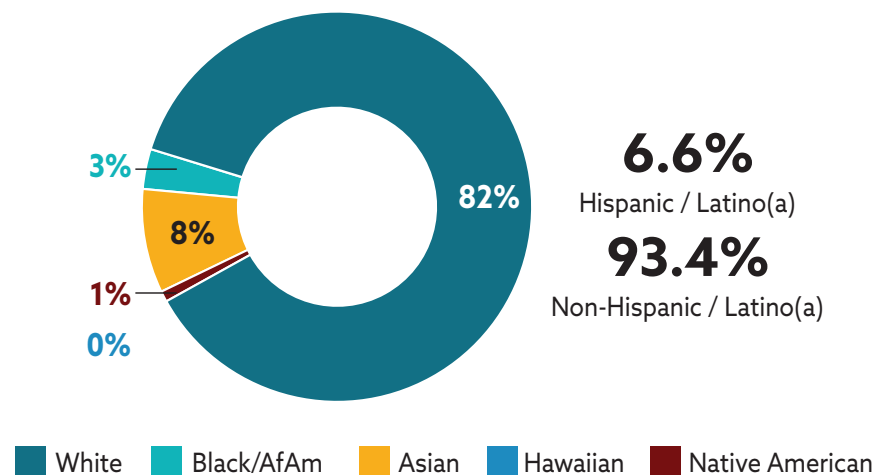
last updated: July 28, 2020 next update expected: July 31, 2020



Economic Impact of Business Owners of Color

Even though people within these demographics are faced with considerable challenges, businesses owned by people of color and those located in low-income zip codes already generate considerable economic output for Tarrant County. Considering businesses both with and without employees, **businesses owned by people of color represent approximately 70,000 businesses** (35% of total), **create 121,000 jobs** (25% of total), and **contribute \$7B in economic output** (10% of total). In low-income neighborhoods, 4,000 employer businesses are creating 87,000 jobs.⁵ To increase these numbers, Tarrant County should leverage the changing environment within the current crisis to create a more visible pathway for more people to contribute to this performance and increase the positive impact on economic recovery.

Ownership Demographics By Race and Ethnicity for Employer Firms



6.6%
Hispanic / Latino(a)

93.4%
Non-Hispanic / Latino(a)

While Black/African Americans make up 17% of population, they only own 3% of businesses with employees; Hispanic/Latino(a)s experience similar disparities with 29% of population and only 7% of employer business ownership; **White residents of Tarrant County are overrepresented in business ownership by 20% compared to population representation.**

Source: County Business Pattern Survey (2016); Survey of Business Owners (2012)



⁵ These figures likely underrepresent the economic impact created by businesses in LMI neighborhoods since it does not include firms with no employees or non-registered businesses.

More than half (52%) of businesses in Tarrant County are White-owned businesses. These businesses are the largest employers, with their employee base representing 86% of the total workforce.

First, let us understand the foundational backdrop of business ownership through the data. Pre-COVID, Tarrant County boasts a thriving business community, with over 41,000 businesses with employees and 165,000 businesses without employees, totaling approximately 1 business for every 10 residents of Tarrant County.

	For Employer and Non-Employer Businesses			For Employer Businesses Only	
	Ownership	Total Sales Receipts (in \$000s)	Average Revenue per Firm (in \$000s)	Number of Employees	Average Revenue per Employee
White	99,099	\$4,950 \$62,038	\$50 \$2,994	100,959	\$224,674
Black / AfAm	23,978	\$455 \$467	\$19 \$581	489	\$88,525
Hispanic / Latino(a)	29,704	\$959 \$1,960	\$32 \$1,165	4,791	\$105,896
Asian	10,826	\$465 \$3,201	\$43 \$1,038	10,615	\$128,035
Other*	1,756	\$50 \$263	\$33 \$1,125	227	\$137,641

■ Non-Employer Businesses ■ Employer Businesses

Wealth disparities: On average, white-owned businesses generate approximately 3x more revenue than Hispanic/Latino(a) businesses, and 5x more than Black/AfAm owned businesses
Inconsistent contribution to workforce: Black/AfAm and Latino(a) businesses also only make up 5% of the total workforce, even though they make up ~30% of businesses collectively
 Gap in business margins: Black/AfAm and Latino(a) owned businesses make up 50% less per employee, signaling that they are likely in lower margin businesses

*Other includes Native Hawaiian and other Pacific islander, and Native American Indian and Alaskan Native | Sources: Survey of Business Owners (2012) <https://www.census.gov/library/publications/2012/econ/2012-sbo.html> | Note: Sale receipts for Hispanic or Latino/a and Black or African American data are not mutually exclusive

As we have discovered, a significant social and economic impact could be created if these businesses had access to the same current resources, alongside historical and systemic benefits that white-owned businesses can access today. As mentioned,

- If Non-White businesses made as much revenue on average as a White-owned business, there would be an additional \$21B added to the economy
- If Non-White businesses employed as many employees on average as White-owned businesses, there would be an additional 25,000 jobs
- If Black and Latino(a) residents' share of Tarrant County businesses grew to equal their share of the workforce, there would be an additional 14,800 Black and Latino(a)-owned businesses

On these grounds, capital and service providers would be wise to invest in these segments within Tarrant County. Stakeholders would not only see a grand return on the investment, but they would also further ignite a community that has already demonstrated a spark for entrepreneurship, small business ownership, and side businesses.

Current State of Small Business Support in Tarrant County

To know where to go from here, we must first recognize the current landscape of support. Review of past studies and interviews with over 50 key stakeholders, including policymakers, nonprofit leaders, capital providers, and small businesses in Tarrant County revealed the gaps that prevent more underserved entrepreneurs from expanding their businesses and from contributing more to their communities. Now, wading through the unfamiliar territory of a global pandemic, those gaps are excruciatingly clear – studies show that people with low economic resources suffer from illness at higher rates and take longer to restore losses during the turnaround. The loss of life is also disproportionate along color and economic lines. Therefore, wraparound services play a major role in the effort.

Based on focus groups and interviews, business owners are aware and utilizing some existing services, but awareness and utilization are not ubiquitous. Tarrant County must seek to amplify and multiply what is working while motivating greater collaboration between parties in order to address the challenges that derail small businesses of color.

"We have day jobs so we can't take time to take classes and training. And when we do have time, we have to go across town. The message received is that we do not fit the vision of what they are looking for."

"There is a big gap in finding people ahead who can show the way. Because of competition or closed networks, you find older mentors who are unwilling or don't know how to encourage."

"What disqualifies you from services is the very reason that you need them. Can't be above the poverty level, can't be a city employee, can't have a job."

"We need professional mentors who help open doors, provide the 'future step', help tweak ideas, they are trustworthy and accessible mentors. Right now, it feels like a closed network and they don't share access."

"I didn't realize how important marketing was, so I spent my money on product, but no one came to purchase it."

"I need support from the planning stages all the way up through the business being up and running and turning a profit; services across that spectrum."

"Our voice already feels small. I don't want investors who want to have a say in the direction of my business."

The review also highlighted bright spots throughout the region. There are organizations that are hard at work to inclusively transform Tarrant County already. These dedicated organizations and individuals have launched fruitful programs that have made a tangible impact on small business owners and entrepreneurs, such as novel organizations and programs like North Texas Entrepreneur Education & Training Center⁶, Sparkyard⁷, and Fort Worth Soup⁸. In partnership with the community, the goal is to link these programs together through cooperative leadership that elevates relevant capital options and refines offerings to meet the needs of LMI small business owners of color outlined in this study. A few specific programs that have made an impact within Tarrant County include:

Fort Worth Business Assistance Center

Fort Worth Business Plan Competition | Selected businesses learn as much as possible to create a comprehensive winning business plan

Ewing Marion Kauffman Foundation

One Million Cups | IMC works with entrepreneurs, empowering them with the tools and resources to break down barriers that stand in the way of starting and growing their businesses

Center for Transforming Lives

Economic Mobility Services | CTL has successfully executed a business development program designed to coach aspiring entrepreneurs in business literacy and micro-enterprise training

6. North Texas Entrepreneur Education & Training Center: <https://www.nteetc.com/>, last accessed May 2020 7. Sparkyard: <https://www.sparkyard.co/>, last accessed May 2020 8. Fort Worth Soup: <https://fortworthsoup.wordpress.com/>, last accessed May 2020

So how does Tarrant County reach a collaborative and inclusive outcome for LMI small business owners of color? This can be achieved by uniting resources to engage with these small business owners at every stage (i.e., side hustlers, idea stage, sole proprietors) and uniting the organizations currently in the field around a shared action roadmap. Studying ecosystems across the country, Next Street has identified six key elements necessary to support resilient entrepreneurial ecosystems, including **ecosystem infrastructure**, **policy**, **capital**, **business support**, **market access**, and **wraparound services**. Each element has a series of sub-elements that point to actionable strategies.



Tarrant County has a nascent small business support ecosystem, particularly for underserved communities. This framework was used to evaluate the LMI small business of color ecosystem in Tarrant County which revealed areas of strategic opportunity. The analysis confirmed the need for a collective effort to strengthen the ecosystem in order to rise to the occasion. Therefore, these strategies have been organized into a roadmap for Tarrant County stakeholders to employ collaboratively according to relevant organizations' assets. First, to set the stage, we will walk through the spectrum of needs aligned to these six elements to understand the *lower performing*, *moderate performing*, and *higher performing* characteristics of these elements within Tarrant County.

Ecosystem Element**Ranking****Rationale**KEY ■ Higher Performing ■ Moderate Performing ■ Lower Performing**ECOSYSTEM INFRASTRUCTURE**

Narrative Change	■	Based on survey results, few resources exist to promote entrepreneurship in the area; Sparkyard, Global Entrepreneurship Week, and Startup Week represent a start but consistency and intentionality around inclusivity are required
Dedicated Transformational Leadership	■	Emerging “ecosystem builders”, but the need for more institutional support and cultural change at all levels (e.g., policy, nonprofit, philanthropy)
Awareness and Navigation Support	■	Increased awareness being driven by colocation of services at Fort Worth Business Assistance Center (BAC) and online at Sparkyard, but underserved entrepreneurs are not connecting to them
Collaboration Amongst Providers	■	Some informal partnerships established across providers, but limited formal agreements and convenings
Sufficient And Flexible Funding	■	Limited funding allocated to small business support today both from the City and philanthropic funders
Impact Measurement	■	No systematic way of tracking impact within and across business support resources

POLICY

Tax Incentives	■	Tax incentives prioritize supporting big businesses, with limited attention on microbusinesses
Favorable Zoning and Real Estate Support	■	Zoning regulations are difficult to understand and navigate without support
Business Friendly and Navigable Regulations	■	Texas is a low regulation state, making it easier for businesses to start, but more guidance is required around how to navigate regulations
Leveraging Capital	■	Emerging opportunities to leverage Community Development Block Grant (CDBG) funds for neighborhood revitalization, but need to ensure microbusiness support is included and additional funds are leveraged to maintain that support

CAPITAL

Capital Readiness / Prep Support	■	Alternative lenders offer capital readiness programs, but advice across programs differs; programs can be expanded and offered through trust community partners
Right-sized, Flexible Microlending	■	Alternative lenders exist that can provide microloans, but are not lending at the lower ends (~\$500) and awareness of products and how to apply for them is low
Alternatives to Friends and Family Capital	■	The Fort Worth Business Plan Competition is one of the only grant programs and is only accessible to a handful of businesses each year; business owners cannot and/or are reticent to take on debt, leading to the need for a ramp-up of equity or equity-like products
Entrepreneurial “Safety Net”	■	The financial risk of entrepreneurship is higher for target populations requiring creative solutions that do not currently exist

Ecosystem Element**Ranking****Rationale**KEY ■ Higher Performing ■ Moderate Performing ■ Lower Performing**BUSINESS SUPPORT**

Specialized Services (by Industry and Stage)	■	Most business support resources are outdated and focus on 101 support; need for programming that is industry-specific, beyond tech, appropriate for existing / later-stage businesses, as well as startups, and delivered in "experiential" formats
Culturally Competent Services	■	Ethnic chambers of commerce are offering more culturally competent services (e.g., language translation), but programming needs to better meet business owners "where they are" (e.g., after hours, on weekends, in their neighborhoods)
1-1 Mentorship	■	Limited formal mentorship programs exist outside of SCORE which is considered inaccessible and inconsistent
Access to Networks	■	Underserved entrepreneurs are often left out of existing networks. Few opportunities outside Chambers and some industry groups exist for networking
Access to Talent	■	Workforce programs are not closely linked with small business support programs
Back Office Support	■	Some back-office programs exist for a fee (e.g., Legal Aid) but uptake and awareness of programs is inconsistent

MARKET ACCESS

Access to Consumers	■	There are few formalized efforts to connect underserved entrepreneurs to customers, which was highlighted as an overwhelming need by business owners
Access to Other Small / Medium-Sized Biz	■	No programming exists to connect businesses to one another for procurement or partnership opportunities
Access to Anchors / Large Corporates	■	National Minority Supplier Development Council (NMSDC) DFW seeks to certify and connect small businesses to larger contracts, but the certification process can be complicated and opportunities for contracts are limited for underserved, smaller businesses

OTHER WRAPAROUND SERVICES

Connections to Other Social Services	■	While Fort Worth has a robust social service infrastructure, few formal programs or nonprofits exist that connect the dots between social support and small business support
Personal Financial Health	■	Existing nonprofit programs have the opportunity to be amplified and better integrated with small business programs
Behavioral Coaching	■	Need to intentionally integrate and scale programs that integrate trust and eliminate fear amongst the target audience

Based on the analysis, Next Street has determined that significant human capital and financial investment is required to build upon Tarrant County's existing assets and create an inclusive, collaborative ecosystem that allows business owners of color and those from low- and moderate-income backgrounds to access what they need to be successful. As we march toward pandemic recovery efforts, the infusion of talent, resources, and funding needs to be applied tactically, according to an actionable roadmap. The change that can be shaped by supporting these entrepreneurs could not come at a better time.

Roadmap to Action

To recap, the research surfaced two important conclusions for Tarrant County:



There is tremendous economic impact that can be unleashed by supporting entrepreneurs of color and those living in low-income circumstances.



Deeply collaborative and community-relevant efforts are required to build the lasting infrastructure for sustainable transformation

A Steering Committee of cross-sector stakeholders (Tarrant County policymakers, nonprofit leaders, business leaders) helped develop a list of priority strategies and an action roadmap to accomplish these two conclusions.



For example, small business owners, along with these supporting stakeholders, communicated the need for services that promote access to customers, but also, programs around capital-access surfaced consistently. In fact, the top ten strategies revolve around actions that would:

- Build personal financial management capacity for underserved entrepreneurs
- Leverage existing local capital to bring underserved entrepreneurial ideas into reality
- Establish relationships with alternative lenders
- Partner with traditional financial institutions to develop more flexible, affordable sources of capital

Additionally, collaboration amongst local stakeholders ranked high, as did, 1:1 mentorship for entrepreneurs. A strategy to achieve this encourages buy-in from leaders as a natural medium to build network connections between budding entrepreneurs and local leaders across industries, organically forming 1:1 mentorship opportunities. Strategies aligned with relevant programs and relationships will help new entrepreneurs access the resources they need and navigate the sometimes turbulent waters of business ownership.

Action Roadmap NEAR-TERM Recommendations

The following top 10 strategies were highlighted from a comprehensive list of over 40 vetted options to form The Action Roadmap, which includes the complete approach. To generate near-term and accessible success, the following actions were surfaced based on feasibility and priority.

CAPITAL STRATEGY

Support for entrepreneurs to understand capital options available and what the best option is given their situation, and to help prepare and collect documents required for loan applications or other pitches to receive capital.

RECOMMENDED ACTION

Capital Readiness & Prep Support	Partners should work together to establish a minimum standard of capital education delivered through cohort models by service providers that all small businesses are encouraged to go through. In this way, the providers and the small business owners are operating from a place of consistency and awareness.
Entrepreneurial "Safety Net"	Expand/replicate the Ideas to Income program by Center for Transforming Lives (CTL) which coaches aspiring entrepreneurs in business literacy and microenterprise training and addresses barriers to small business ownership success (e.g., transportation, childcare, education, financial assistance)

ECOSYSTEM INFRASTRUCTURE STRATEGY

All levels of the ecosystem, including policymakers, capital providers, and resource providers, help steward the ecosystem and champion change that addresses barriers caused by systemic racism and classism.

RECOMMENDED ACTION

Dedicated Transformative Leadership	Host quarterly convenings bringing together business, political, and nonprofit leaders to drive ecosystem building efforts and help shift the mindset from a "big business focus" to lifting up small businesses.
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POLICY

Reposition city, state, and federal funds to support small business growth and development.

RECOMMENDED ACTION

Leveraging Capital	Continue and expand Community Development Block Grants (CDBG) funding in annual Action Plans to support loans or technical assistance for microbusinesses located in areas with a high concentration of poverty or owned by persons with incomes at or below 80% of the area median income.
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Action Roadmap LONGER-TERM Initiatives

While quick wins are valuable for momentum and motivation, there are other areas where deeper collaboration and resource application are needed to enable true advancement.

WRAP-AROUND SERVICES

Through a formal network of support organizations, LMI microbusiness owners can be referred to uninterrupted social services, such as childcare, welfare services, counseling, healthcare, affordable housing, and access to transportation.

RECOMMENDED ACTION

Connections to Other Social Services	<ul style="list-style-type: none">Create peer support programs for small- and micro-business owners to learn from other owners who have successfully overcome challenges or grown their business.Create 1:1 mentorship/coaching program for microbusiness owners to help them fully utilize available social services
Behavioral Coaching	Integrate programming that helps entrepreneurs overcome fear into existing service provision (e.g., increase comfort with checking credit scores)

CAPITAL

Provide loan products with specifications for LMI borrowers (e.g., smaller loan sizes (\$500 - \$10k), lower interest rates, flexible repayment plans, low or no collateral requirements, trust-based credit assessments, and peer accountability) deployed by mission-aligned lenders.

RECOMMENDED ACTION

Right-sized, Flexible Microlending

Expand the reach and impact of existing microlenders to provide smaller dollar amounts and lower interest rates to provide the proper entryway for balanced business growth and manageable debt. Broaden these micro-loan products to support COVID-19 relief.

MARKET ACCESS

Designate specific services that help LMI microbusinesses connect to customers, ranging from campaigns to encourage consumers to buy local, organizing craft fairs/markets, access to distribution networks to get their products to customers, to neighborhood revitalization efforts (e.g., public safety, street cleanup) to encourage foot traffic to LMI neighborhoods.

RECOMMENDED ACTION

Access to Consumers

Coordinate efforts between local Chambers (e.g., Arlington Chamber, Black Chamber, and Hispanic Chamber), city, and county economic development departments focused on LMI microbusinesses.

Create digital presence (e.g., individual website or website aggregator) for microbusinesses to sell their goods or gift cards virtually

There are opportunities for every organization and individual to activate some aspect of the roadmap through the application of time, resources, and capital, for the benefit of this audience, Tarrant County and Texas overall. For access to the full Action Roadmap, please contact Charletra Sharp at the Center for Transforming Lives (CTL): csharp@transforminglives.org. The strategies surfaced through this research will be incorporated into ongoing efforts by CTL to stand up Economic Mobility Centers which will focus on diversity, inclusion, and economic growth of underserved entrepreneurs at the zip code level within Tarrant County. Partnerships will be established for services needed at the census tract block group level.

It is often said that “a rising tide lifts all boats”, but for those in this work, it is clear that coordinated action first raises the tide that then lifts the boats. That action needs an inclusive lens more than ever. Supporting entrepreneurs of color and those living in low-income circumstances will benefit all members of our society. It is not simply charity, but an investment. The financial, housing, education and food insecurity that people face requires the involvement of many dedicated people, but a united focus on small business development in key communities will have a powerful ripple effect touching all of these other obstacles. Wherever you are now, whatever work you do, consider the impact you can have operating in partnership with others toward this collective goal. In this way, as communities across America pursue an economic pathway beyond the COVID-19 pandemic, Tarrant County can emerge as a leading example of transformation, collaboration, and development for other counties within Texas and the United States as a whole.

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NAME	BUSINESS/ORGANIZATION NAME
Kendra Thorpe	Tru / Beauty Enterprise
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Vakisha Taylor	SeRae Naturals
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Lucille Wilson	Meal Queen
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Sheree Tucker	31 Status Nails and Beauty

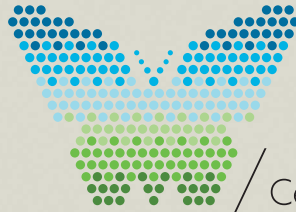
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Ashley Thomas	Supreme Driver Recruiting
Darlene Parker	Local Entrepreneur
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Khanesia Hill-Washington	LTR Now
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