



The **Business Resource Collective** (BRC) is a coalition of more than 20 cultural and place-based community organizations in the Twin Cities and statewide focused on centering the needs and growth of Black, Indigenous, immigrant, and people of color owned (BIPOC) businesses. The BRC envisions a Minnesota with a thriving small business landscape in every community of small businesses creating community-nurturing spaces and jobs that generate economic opportunity and health.

The \$5 million appropriation to the Business Resource Collective in HF 4253 will strengthen the capacity of an underinvested ecosystem to meet the growing number of BIPOC entrepreneurs in start-up and early growth stages. These businesses are largely micro-businesses, sole-proprietors, home-based businesses and creative businesses which get overlooked by non-targeted main-stream small business programs and investments.

### **What is the BIPOC Small Business Ecosystem?**

Many businesses require support to flourish, whether it is help writing a viable business plan, finding the right lease, reaching their potential customers, or accessing additional capital, these all require a different form of assistance, yet all are essential to be successful. Therefore, the BRC has defined an ecosystem that includes:

1. Technical Assistance and training – 1-1 support and assistance to businesses, as well as learning in group settings. In addition to service providing, these organizations also need capacity to update their systems to best meet the business needs efficiently
2. Small Business Events – Business promotional opportunities such as placekeeping activities, as well as events that promote business-to-business commerce and networking
3. Infrastructure – Business spaces suited for BIPOC small businesses such as cooperative work spaces, commercial kitchens or makerspaces
4. Direct funds to businesses – Many businesses are still recovering from losses due to COVID in addition to additional expenses to adapt their business to how their customers access their goods or services.
5. Corridor redevelopment – BIPOC business districts suffer from underinvestment pre-COVID, and were hit hard by civil unrest due to the murder of George Floyd. They continue to need additional support to recover to be the healthy nurturing spaces our communities need.

### **WHY is this work important?**

**Our businesses play an essential role** in building and sustaining the culture, wealth and economic vitality of BIPOC and immigrant communities, and they are central to the economic survival and prosperity of our state overall.

- We know that our businesses are powerful
  - The Black, African, Latino, Asian and Native American economy constitutes a \$1.4 trillion asset to the state.
  - From 2007 to 2017, the number of BIPOC-owned businesses in Minnesota doubled, increasing dramatically from just 6% (31,000) to 11% (58,000) of the state's businesses.

- More Black women entrepreneurs were starting their own businesses than any other group in the U.S.
- Racial inequities is costing Minnesota:
  - Startups founded by Black women received 0.34 percent of total VC capital spent in the U.S. in the first half of last year (2021).
  - Racial disparities result in an estimated loss of \$287 billion dollars for BIPOC communities in Minnesota, including a \$22 billion loss in income because of the wage gap, and \$67 billion loss in racial entrepreneurship gap.
  - Startups founded by Black women received 0.34 percent of total VC capital spent in the U.S. in the first half of last year
- Increased importance of BIPOC small business investment due to COVID
  - A survey of Black businesses in Minnesota conducted by the African American Leadership Forum in late 2020 found that 62% of Black businesses had experienced reductions in revenue and 40% were struggling to pay their bills.
  - In March 2021, research from the New York Federal Reserve and AARP found that 90% of Asian-owned businesses

**The Business Resource Collective includes the following organizations:**

African Career, Education and Resources Inc, African Development Center of Minnesota, African Economic Development Solutions, The Alliance, Asian Economic Development Association, Black Women's Wealth Alliance, Coalition of Asian American Leaders, East Side Neighborhood Development Company, Lake Street Council, Lao Assistance Center of MN, Latino Economic Development Center, Liberian Business Association, McKinley Neighborhood Association, Mni Sota Fund, Neighborhood Development Center, New American Development Center, Northside Economic Opportunity Network, Powderhorn Park Neighborhood Association, Social Impact Strategies Group/ConnectUp!, Springboard for the Arts, The Urban Village, West Broadway Business & Area Coalition, West Side Community Organization, WomenVenture