



Investing in Chicago's Small Businesses: Recommendations for Business Growth and Job Creation in Underserved Neighborhoods and Communities of Color

- Arts, entertainment and media production
- Construction, building trades and engineering design
- Food and beverage manufacturing, retail
- Transportation and delivery

Chicago Inclusive Growth Coalition Contacts:

Small Business Majority - Illinois Office, illinois@smallbusinessmajority.org, (773) 888-4430

Brad McConnell, Accion, bmeconnell@accionchicago.org, (312) 924-2180

Table of Contents

Chicago Inclusive Growth Coalition Contacts:	1
Table of Contents	2
Introduction	3
Industry: Arts, Entertainment and Media Production	4
Small Business Owners of Color in Arts, Entertainment, and Media Production: Industry Vision.....	4
Recommended Intervention Strategies to Help Achieve Industry Vision by 2025.....	5
Small Business Task Group on Arts, Entertainment and Media Production	7
Construction, Building Trades and Engineering Design Industry in Chicago	8
Small Business Owners of Color in Construction, Building Trades and Engineering Design: Industry Vision ...	8
Recommended Intervention Strategies to Help Achieve Vision by 2025	8
Small Business Task Group on Construction, Building Trades, and Engineering Design	10
Food & Beverage Manufacturing and Retail Industry in Chicago	11
Small Business Owners of Color in Food & Beverage Manufacturing and Retail: Industry Vision	11
Recommended Intervention Strategy to Help Achieve Industry Vision by 2025	11
Small Business Task Group on Food & Beverage Manufacturing and Retail.....	13
Transportation & Delivery Industry in Chicago	14
Small Business Owners of Color in the Transportation & Delivery (T&D): Industry Vision	14
Two Recommended Intervention Strategies to Help Achieve Vision by 2025.....	14
Small Business Task Group on Transportation and Delivery Industry.....	16
CHICAGO INCLUSIVE GROWTH COALITION	17
Industry Strategies Workgroup.....	17

Introduction

The Chicago Inclusive Growth Coalition (CIGC) was established to improve support for small business owners in Chicago's underserved neighborhoods.¹ The coalition was created in response to a report authored by Next Street and Community Reinvestment Fund, USA (CRF), *Assessing Chicago's Small Business Ecosystem*,² which recommended industry-specific strategies to enhance sustainability and growth among business owners of color and women entrepreneurs in Chicago. Small business ownership by entrepreneurs of color in underserved areas, as well as the jobs they create in their communities, is an important avenue to closing the racial and gender wealth and income gap while fostering a thriving and inclusive economy in the region.

One initiative of the CIGC is to provide recommended strategies for specific industry sectors to measurably improve small business growth in underserved Chicago neighborhoods by 2025. To this end, in 2019 the CIGC convened industry task groups that identified seven recommended intervention strategies across four industry sectors in Chicago. Those industries include:

1. Arts, entertainment and media production
2. Construction, building trades and engineering design
3. Food and beverage manufacturing and retail
4. Transportation and delivery

These four industry sectors have demonstrated past performance and a potential for increased business growth and job creation, for and by entrepreneurs of color, that can help to equitably revitalize underserved communities, as noted in the aforementioned report. The set of recommendations that follows includes the following:

1. The vision of entrepreneurs of color to support and grow their industry in Chicago
2. One or two recommended intervention strategies to help achieve this vision for each industry

Small business owners of color with established operations led the creation of the recommendations, as they comprised the majority of participants in the industry task groups that were convened by CIGC. Participants were invited by members of the coalition that work directly with small businesses, with an emphasis on participation by business owners with established businesses operating with revenue for at least three years and those who have employees (either full-time or contract).

The recommendations outlined below are primarily intended for funders in the public and philanthropic sector to consider and undertake with grant-making in coordination with experienced nonprofits, small business owners of color, private industry, government and academia.

¹ Coalition members include representatives from private philanthropy organizations, neighborhood business service organizations and community economic development groups, small business organizations, city and state government, local lenders and financial institutions, small business owners and academia.

² *Assessing Chicago's Small Business Ecosystem: Pathways to Improved Coordination, Inclusive Growth, and Shared Prosperity*. January 2019. https://cct.org/wp-content/uploads/2019/01/ChicagoSmallBusinessEcosystem_2019.pdf

Industry: Arts, Entertainment and Media Production

Small Business Owners of Color in Arts, Entertainment, and Media Production: Industry Vision

The arts, entertainment and media production industry has been identified as a key industry to target for growth in underserved areas in Chicago. This industry represents diverse business ownership with a lower barrier to entry compared to others. Task force participants represented an array of creative endeavors—from music, to newsletter production, art, gallery owners and artist pop-up markets, clothing design and film. This discussion was hosted by the Rebuild Foundation at the historic Stony Island Arts Bank.

Participants noted the biggest challenge for artists and creative business owners in Chicago is overcoming the long-term impacts of racial and ethnic segregation in their neighborhoods, and that owners of color are undervalued compared to their white counterparts as a result. Additionally, their neighborhoods are often characterized as dangerous, making it difficult to attract investment. Participants indicated that people from outside their neighborhoods have tried to offer solutions, but these efforts have failed to succeed because they are not owner/artist-led, nor are they led by people who own businesses, live or work in the neighborhoods.

Below is an overview of their vision for growing the industry in their neighborhoods, as well as specific actions that can be taken to support these ideas.

- **Active workforce development occurs across all levels of professions.** Youth and young adults will be exposed to and receive training for industry careers. Moreover, dynamic exposure to training and mentorship should occur for “back-of-the-house careers,” especially since earnings can be high for these professions that are often overlooked, as they’re less visible than the roles of the performers and producers.
- **The arts, entertainment and media industry powers local and international tourism and business on Chicago’s South, Southwest and West Side neighborhoods.** The distinct neighborhoods of Chicago’s South and West Sides have unique cultural identities that are linked to the array of small arts and creative businesses located in each neighborhood. This should serve as a tourism hook that is actively branded and marketed across the city and state, as well as internationally at venues like airports.
- **Negative community impact from segregationist policies is reversed by artistic leadership.** Community-led artist hubs can help to reclaim and positively reframe the narrative of Chicago and its neighborhoods for the residents and visitors across the region.
- **Expanded business development is readily available for owners to manage business accounting and financial matters and obtain support, which can correlate to increasing owner equity in the industry.** Owners and aspiring entrepreneurs will access quality business development training specific to their industry, with an emphasis on business financials and tactics to gain equity. This should be conducted through business service organizations, local creative coalitions and a future sustainable arts incubator for business owners of color.
- **A committed infrastructure that engages and supports the growth of owners of color in the industry.** Business owners should have easy access to information from the City of Chicago and other city and regional initiatives that impact their business. This will foster active industry participation and representation in business and economic development spaces. The City of Chicago and other funders focused on business and economic development should have specific policy and funding carve-outs for arts owners across city programs. Finally, regular networking events and convenings should occur to support and build businesses in the industry.
- **Owners are valued as necessary drivers for strong local commerce and receive serious investment in their craft by investors, banks and consumers.** The negative stereotype that ownership of an arts business is just a hobby should be reversed, and as a result, owners of color will be more valued and paid equitably compared to their white counterparts.

Recommended Intervention Strategies to Help Achieve Industry Vision by 2025

Strategy 1: Create and offer trainings for the community and the public and private sectors on how to engage small business owners in the creative arts. In 2020, philanthropic and/or government funders should identify an organization to create 60- to 90-minute training sessions for business associations and chambers, business service organizations, community economic development groups, government representatives and investors to learn how to work with and properly compensate small business owners in the creative industries. The industry owners should also participate in the workshops to guide and answer questions for mutual learning. Additionally, funders should allocate dollars not only for staff to conduct the trainings, but to provide incentives for business owners' participation. It is suggested that the sessions are offered twice every quarter in the first two years and at least quarterly thereafter. The workshops should:

1. Increase awareness and active responsiveness to industry needs for owners of color.
2. Encourage the establishment of local "community creatives coalitions" (in either a formal structure akin to a chamber or a volunteer-based entity) to cultivate community leadership led by creative arts business owners. Further, local owners of color recommend that membership in these coalitions be limited to small business owners or a nonprofit industry group so that the place-based concerns of local creative owners are front and center. At the workshops, it should be explained how a local creatives coalition structure can help address key challenges to industry aspirations. This includes workforce development and mentorship for youth, cultural arts as a means to promote local tourism, business development and finances, business equity, arts carve-outs in city policies and funding, utilizing creative industry to increase local tourism in specific neighborhoods, community leadership training for arts owners and developing a creatives incubator and business development center.

The task group recommends two key organizing principles in establishing these community creatives coalitions: 1) limit membership to community arts organizations, artists and business owner artists, including any volunteer or paid staff and 2) ensure the coalition leadership comprises creative small business owners or nonprofit arts associations. As a corollary, there is strong advisement that managing individuals should never be a city employee, a non-owner or non-creative individual. Similar initiatives failed in the past when the city and its representatives were involved in decision-making and appointed its employees and non-creatives.

Strategy 2: Establish locally-based chief creative officers by working within the existing city structures. By September 2021, philanthropic, government and private funders should partner to finance at least three neighborhood or regional Chief Creative Officer (CCO) positions housed within a neighborhood or regional nonprofit organization in the South, Southwest and West Sides of Chicago (e.g., via a Neighborhood Development Center of the City of Chicago, or a regional business association).

The coalition and task group recommend that the CCO will serve as the liaison between the community creatives coalition (or a similar structure) and the City of Chicago, Business Affairs and Consumer Protection (BACP) to operate within the existing infrastructure. A CCO could also be the funded position that manages a community creatives coalition.

A CCO's responsibilities would include the following:

- Manage the coalition's programs and ensure information impacting the industry owners is more readily accessible
- Heighten industry representation and needs in the city's policies and programs, such as specific industry carve-outs in the existing business development funding
- Focus not only on supports for owner business development and financial operations, but also industry workforce development
- Strengthen business development and tourism by marketing the local artists through mainstream, urban and diverse media to help brand and encourage tourism and commerce

- Inform public or private investment in creative businesses, as leveraged by the city and partner stakeholders' resources

Finally, it is recommended that the final decision to hire a CCO should be in the hands of the owner-led community creatives coalition (or similar structure). The CCO would be accountable to the owner-led coalition, be the formal arts liaison for the City of Chicago and be funded through a blend of shared financing from the City of Chicago, philanthropy, developers and other sources. However, the city should *not* fund the majority percent of this position's salary, as the CCO should be primarily accountable to the community they are representing.

CHICAGO INCLUSIVE GROWTH COALITION

Small Business Task Group on Arts, Entertainment and Media Production

Working Meeting: November 19, 2019

Small Business Owners

Fernando Avila

Social Impact Films
(773) 870-4502
fernando@socialimpactfilms.org

Shannon Bonner

Stash Market
(312) 927-4337
shannonlorinda@gmail.com

Rodney Gipson

Audible Edge Music Group
(773) 844-3519
rodneygipson@gmail.com

Andres Guichard

Gallery Guichard
(773) 791-7003
andreguichard1911@gmail.com

Frances Guichard

Gallery Guichard
(708) 772-9315
francesguichard@gmail.com

Yohance Lacour

YJLACOUR, LLC
(773) 412-4342
yjlacour@gmail.com

Karega “Kofi” Moyo

Zepia
(912) 713-5154
kofi.moyo@gmail.com

Yvette Moyo

The Quarry; South Shore Current Magazine
(773) 425-4113
yvettemoyo@gmail.com

Eric Williams

The Silver Room
(773) 343-8446
eric@thesilverroom.com

Shelly Wilson

SRW Sports Marketing
(815) 600-2054
sportzu935@gmail.com

Industry Advocates

Julie Yost

Rebuild Foundation
(312) 857-5561
julie@rebuild-foundation.org

Laura Lane

Sunshine Enterprises
(312) 868-0040, ext. 205
laura@sunshineenterprises.com

Chicago Inclusive Growth Coalition Workgroup Liaisons

Small Business Majority – Illinois Office

(773) 888-4430
illinois@smallbusinessmajority.org

Kenya Merritt

Chief Small Business Officer
City of Chicago, Business Affairs and Consumer
Protection
(312) 744-5288
Kenya.merritt@cityofchicago.org

Breakout Group Facilitators

Kyle Johnson*

Owner
Business Services Collective
(612) 554-8989
kyle.anthony.johnson@gmail.com

Lindsay Mueller

Managing Director, ScaleUp
Women’s Business Development Center
(312) 853-3477, ext. 490
lmueller@wbdc.org

*also a workgroup liaison

Construction, Building Trades and Engineering Design Industry in Chicago

Small Business Owners of Color in Construction, Building Trades and Engineering Design: Industry Vision

This industry was important to convene as it is recognized as a high-growth industry with potential for high earnings, and it has a large percentage of establishments owned by people of color. Participants in the task force included owners of small firms with small to large contracts with revenues of at least \$2 to \$5 million.

The biggest challenge cited by entrepreneurs of color in this industry is access to capital and managing capital, which is rooted in a cycle in which many owners lack the skills necessary to manage credit and contracting bids. Below is an overview of their vision to address these challenges, and specific strategies to promote entrepreneurship by people of color in the industry.

- **Increased capacity-building for small businesses.** Business service organizations, industry stakeholders and advocates should provide an improved ecosystem of support for entrepreneurs of color by enhancing opportunities, policies and training programs for owners to achieve the following: obtain contracts, access capital and credit, and secure equipment and employees for business growth.
- **Expanded profitability to support owners' interest in social responsibility.** Owners of color will have improved margins to re-invest their business profits in programs and initiatives that improve their local neighborhoods (e.g., programs to support the residents, or to advance urban renewal practices versus urban gentrification).
- **Workplace-based mentorship to foster diverse ownership through the employee pipeline.** More owners of color will serve as role models and mentors to their own diverse employees to help encourage more entrepreneurship by people of color in an industry that operates and hires locally.

Recommended Intervention Strategies to Help Achieve Vision by 2025

Strategy 1: Create and offer regular workforce development trainings on bidding and estimation.

Funders and stakeholder resource partners should address the lack of skilled estimation and credit experts who can help train and mentor small contractors whose businesses focus on small residential and similar commercially-sized projects. Specifically, the task group and coalition recommend two objectives that should be addressed in the workshop content.

1. **Workforce development: pipeline and career paths.** Fund train-the-trainer workshops on estimation and credit to increase the supply of diverse estimators who can also coach owners on estimation and credit. Include content for participants to learn tactics on how to engage and teach owners of color in Chicago, especially those in underserved communities.
2. **Workforce development: owner skills training for estimation and credit.** Fund estimation and credit bootcamps for diverse owners in underserved areas, which should be delivered by the same diverse experts who are trained to teach estimation and credit. These estimator and credit trainer coaches should work in coordination with business services organizations and industry partners to deliver these bootcamps. To increase owner impact and participation, the bootcamps should be marketed as an opportunity to gain practical skills such as *"to increase revenues and expand profitable contracts by entrepreneurs of color in the construction and building trades."* Lastly, owners could also receive advice throughout the year by the trainer coaches outside of the bootcamps.

Funders should encourage grantee coordination with similar industry initiatives, such as CRF Small Contractor Initiative, Related Midwest, among others. This is one solution to address both poor bid estimation skills, and a dearth of diverse trainer/mentors to teach and advise diverse owners in the industry on bid estimation, credit management and cash flow management. This will increase the number of people of color in the estimation workforce.

Funds are needed for program development, staffing, physical space and learning supplies.³ The following is a suggested industry timeline for funders and stakeholder partners to realize this recommendation.

- In 2020, funders should either sole source or post an RFP to fund a nonprofit or partnership that will develop standardized half-day, train-the-trainer curricula for diverse and experienced bid and credit estimators. Participants will learn how to teach estimation and credit, especially for diverse owners of small firms in underserved communities. These trainings should involve coaching and communication skills for entrepreneurs of color, with a focus on serving underserved communities.
- In 2020 and annually thereafter, funders and resource partners should support service providers (both private and public entities) to conduct a train-the-trainer estimation and credit workshop at least twice a year to build a network of trainers-of-color who conduct estimation and credit bootcamps and provide free or low-cost mentorship and coaching.
- In 2020 and annually thereafter, funders and resource partners should support the development and staffing of estimation bootcamps for small residential and commercial owners in underserved communities. This should be coordinated by either business service organizations, community and economic development groups, industry partners and chambers that retain the services of the trained estimators. The estimation skills bootcamp for owners should be offered at least three times a year.

Strategy 2: Explore the feasibility of a purchasing cooperative located on the South and West Sides:

CIGC will facilitate a dialogue with purchasing cooperative subject matter experts so that Chicago organizations and business owners may learn more about establishing sustainable purchasing cooperatives for diverse business owners.

Work toward a vision to establish a purchasing cooperative model⁴ that: 1) acts as a large supplier to qualify for purchasing discounts by sharing purchasing across businesses, 2) provides owner savings on the cost of goods, as well as the time it takes to access materials (as there is a lack of suppliers in underserved areas), and 3) leverages opportunities for innovative financing, such as up-front lines of credit based on secured contracts⁵ or mobilization loans.⁶

In 2020, CIGC will invite a representative from the Community Purchasing Alliance to visit Chicago for an industry forum with funders, interested stakeholder partners and small business owners of color to learn about purchasing cooperatives (e.g., resources, funding, structure, and sustainability). This will help to identify agencies, owners, organizations and companies that are willing to explore taking shared ownership on the future creation of a Chicago purchasing cooperative for small business owners of color in the industry.

³ Estimation bootcamp content can be adapted from existing trainings, such as those offered by Sunshine Enterprises or the Hispanic American Construction Industry Association.

⁴ Example cooperative assistance providers in the Midwest: <http://www.mcrcmadison.org> and <https://sharedcapital.coop>

⁵ This line of credit model is demonstrated through the Nusenda Credit Union Foundation Co-op Capital Model.

⁶ The Illinois Department of Transportation offers mobilization loans via invoice factoring for the private sector through regulated financial institutions.

CHICAGO INCLUSIVE GROWTH COALITION

Small Business Task Group on Construction, Building Trades, and Engineering Design

Working Meeting: June 11, 2019

Small Business Owners

Benjamin Avery

Avery & Pryor Construction, LLC
averypryor.com
(773) 378-7310
estimating@averypryor.com

Kyle Johnson

Business Services Collective
(612) 554-8989
kyle.anthony.johnson@gmail.com

Floyd James

Reliabuild Quality Construction
reliabuildconstruction.com
(312) 623-8855
rqcconstruction@gmail.com

George Marsh

Genesis Construction and Carpentry Services, Inc
genccs.com
(773) 238-6720
george@genccs.com

Mariana Pitalua

MP General Contractors
(773) 629-1562
pitaluam@mpgcontractors.com

Industry Advocates and Government Representatives

Juan Calahorrano

Director of Operations
Hispanic American Construction Industry
Association (HACIA)
(773) 401-1656
jcalahorrano@haciaworks.org

Mark Ferguson

Deputy Director
U.S. Small Business Administration, Illinois District
Office
www.sba.gov/il
(312) 353-5430
ferguson@sba.gov

Irma Lopez

Outreach Manager
State of Illinois Central Management Services,
Business Enterprise Program
(312) 814-7012
Irma.Lopez@illinois.gov

Curtis Thompson

President
National Association of Minority Contractors,
Chicago
namcnational.org
(773) 633-2704
chicagoname@gmail.com

CIGC Coalition Workgroup Liaisons

Small Business Majority – Illinois Office
illinois@smallbusinessmajority.org

Thomas Huffman

Sr. Vice President, Wintrust SBA Lending
Wintrust Financial
thuffman@wintrust.com

Brad McConnell

CEO
Accion Serving Illinois & Indiana
Bmccconnell@accionchicago.org

Maureen McKenna

Sr. Development Officer
Community Reinvestment Fund
maureen@crfusa.com

Jake Stern (workgroup co-facilitator)

Vice President
Somercor
jsetern@somercor.com

Food & Beverage Manufacturing and Retail Industry in Chicago

Small Business Owners of Color in Food & Beverage Manufacturing and Retail: Industry Vision

Business growth and employment in this industry have surpassed business and employment growth rates since 2012. This industry also has a low barrier to entry for ownership, as often owners do not need a higher education to be successful in starting a business. The biggest challenge cited by task force participants is finding local neighborhood assistance to help answer questions on their specific issues across different types of food business models (including food carts, catering, shared kitchens, cafe/restaurant, etc.).

Their ideas for growing the industry and better supporting owners of color are outlined below.

- **Sustainable profitability for businesses.** More owners of color will use operation models that generate reliable cash flow for profit and business sustainability.
- **Excellent customer service demonstrated by entrepreneurs of color.** Owners of color will foster exceptional customer service practices in selling quality food and beverage products and services.
- **More owners will access capital and credit.** There will be an increase in responsible capital products available to owners in the industry that feature flexible borrower and payback terms, while also meeting the needs of small food and beverage operations.
- **Workforce development to foster ownership through mentorship.** More owners of color will serve as role models and mentors to support the growth of food and beverage entrepreneurship in their communities.
- **Workforce development programs improve the pool to recruit small business employees.** Improved systems should exist for owners to recruit employees from a larger pools of candidates who possess or have the suited emotional IQ to learn the hard and soft skills necessary to work in the industry.
- **Expanded free counseling to help navigate numerous compliance matters.** More subject matter counselors will advise owners on licensing, certifications and compliance concerns based on the owner's food and beverage business model.
- **Improved perception of owners that operate wine and liquor businesses.** In the future, liquor-based businesses are less negatively stereotyped as “sin” operations, as there are a variety of business models beyond drinking establishments. This negative connotation fuels bias and disqualifies many owners for capital, as well as de-legitimizes their operations for business networking opportunities.

Recommended Intervention Strategy to Help Achieve Industry Vision by 2025

Intervention Strategy: Support the City of Chicago, Business Affairs and Consumer Protection (BACP) department's efforts to strengthen its existing resources that help food and beverage entrepreneurs start and grow. In 2020, and annually thereafter, funders, ally partners and food and beverage resource organizations should strengthen their partnerships with BACP to both fund and provide support for the department to plan and conduct “How to be a food and beverage resource ally” trainings with their delegate neighborhood agencies. Such trainings will strengthen the capacity of the more than 70 BACP delegate agencies to strengthen their role as a City of Chicago neighborhood resource. This will help solve the vocalized need by owners of color for more in-person, local neighborhood assistance to help them navigate the city's resources.

The resource trainings for BACP grantees would be delivered by BACP with partners, and supported by funders, to focus on the two most frequent training needs:

1. **Topic 1: How to educate business owners about city resources based on their food and beverage business model.** Conduct grantee training on the different food and beverage business models so they may help owners navigate the City of Chicago's resources. (Specific business models can

include home-based or shared kitchens, food truck, storefront, consumer or wholesale distribution, manufacturing and packaging, etc.) The trainings should also familiarize delegate agencies with public resources available that are related to the three most frequent concerns in the food and beverage industry: (1) business registration, (2) compliance for building codes and permits, and (3) mandatory licenses, certifications, authorizations, etc.

- **As part of this effort, create and maintain a resource flier that lists local and state food and beverage-focused trainings for owners, available as a supplementary tool to use year-round.** Training providers and stakeholder partners should help BACP create a flier that lists industry food and beverage training resources that are distributed to its delegate agencies to reference and distribute. Agency grantees should be encouraged to establish connections with the organizations to increase opportunities for meaningful referrals.
 - *State-based training resources:* National Restaurant Association, Illinois Restaurant Association, National Retail Association, Illinois Hotel and Lodging Association
 - *Local and place-based training resources for underserved communities and owners of color:* The Hatchery, West Side Forward

2. **Training Topic 2: How to guide business owners to find capital and avoid predatory lending.** Grantees should be trained on how to better advise local owners about how to find funding and how to avoid predatory lending products and practices. Partners that help facilitate the training should be unbiased, non-lending entities such as Small Business Majority and the Illinois SBDC.

Lastly, there are two long-term recommendations for the financing institutions, funders, agencies and food and beverage training organizations to consider.

1. **More flexible capital:** Create more products that help solve the challenge of quick access to debt-based capital with flexible payback terms for established owners of color that have business operations in underserved areas.
2. **More on-demand help.** Encourage food and beverage training organizations to collaborate with funders, public, private and non-profit stakeholder partners to explore the possible creation and sustainability of operating a staffed, on-demand assistance program. Any on-demand help programs should be housed within existing training organizations that have a mission to support diverse entrepreneurs in the food and beverage industry, in order to leverage existing resources. Two ideas to further explore, design and fund include:
 - A 311 food and beverage hotline for entrepreneurs. Fund the staffing to operate the hotline with people who have experience and demonstrated familiarity with the City of Chicago's resources, processes and policies specific to the food and beverage industry, such as a former city staffer.
 - A mobile food and beverage coaching program that brings paid advisors who offer free services in the neighborhoods by holding regularly scheduled office hours in coordination with a host organization that provides other small business services. For example, this could include holding office hours at business service organizations, chambers of commerce or academic institutions.

CHICAGO INCLUSIVE GROWTH COALITION

Small Business Task Group on Food & Beverage Manufacturing and Retail

Working Meeting: August 14, 2019

Small Business Owners

Javier Haro

FoodHero L3C
(773) 630-6031
javier@foodhe.ro

Felice Matthews

Green Garden Café at Homan Square
(773) 638-2775
greencardencafe09@gmail.com

Chrishon Lampley

Love, Cork, Screw
(773) 330-2440
chrishon@lovecorkscrew.com

Shelby Parchman*

InUrban Strategies
(773) 904-9800
Shelby.parchman@inurbbanstrategies.com

Nicole Jordan Reed*

Nicole Jordan Catering
(312) 884-1836
njr@nicolejordancatering.com

Lori Seay

Original Soul Vegetarian
(773) 595-7708
Loriseay10@gmail.com

Evelyn Shelton

Evelyn's Food Love, LLC
(872) 818-5557
evelynshelton@att.net

Barron Waller

Culvers of Chicago Bronzeville
www.culvers.com
(312) 498-2686
baron.waller@gmail.com

Industry Advocate

Dani Zuchovicki

Program and Curriculum Coordinator
The Hatchery
(773) 401-1656
dani@thehatcherychicago.org

CIGC Workgroup Liaisons

Small Business Majority – Illinois Office

illinois@smallbusinessmajority.org

Brad McConnell

CEO
Accion Serving Illinois & Indiana
Bmcconnell@accionchicago.org

Maureen McKenna

Sr. Development Officer
Community Reinvestment Fund
maureen@crfusa.com

Kenya Merritt

Chief Small Business Officer
City of Chicago, Business Affairs and Consumer
Protection
Kenya.merritt@cityofchicago.org

Jake Stern (workgroup co-facilitator)

Vice President
Somercor
jsetern@somercor.com

*also a workgroup liaison

Transportation & Delivery Industry in Chicago

Small Business Owners of Color in the Transportation & Delivery (T&D): Industry Vision

This industry has experienced consistent growth in the Chicago region, exceeding national numbers in both employment and revenues. As with the industries above, it also presents a low barrier to entry for business ownership, as 80% of business owners in this industry do not have a college degree.⁷ Participants were racially diverse and a majority were women entrepreneurs.

The biggest challenge cited by those in this industry is managing credit, both personal and business, to obtain capital. Participants also connected this to the need for low-cost assistance to help business owners organize their finances, not only to obtain credit, but to manage their capital and cash flow.

Specific ideas for addressing these issues are below.

- **Increased access to capital and credit.** There will be an increased number of business owners in the industry who strengthen their personal credit management skills to support their business finances, build business credit and obtain capital. Further, new debt products with innovative and flexible underwriting should be created for T&D owners of color to support those who earn business revenues and possess very good to excellent credit, but are unable to obtain traditional financing. This new financing could include increased flexible underwriting that considers secured contracts as a factor, or fleet financing products for certified minority- and women-owned business enterprises.
- **Business service organizations receive funding to expand programs that support T&D owners.** Business service organizations will create specific programs that help T&D businesses owned by people color grow in underserved areas, as noted by the following success indicators:
 - Increased contracts with companies and transportation brokers
 - More prime contractors earn revenues through a mix of public and private contracts
 - Professional development training addresses the unique interests of T&D owners of color (e.g., how to address peer and customer bias, or how to obtain government contracts).
- **Strengthened transportation and delivery workforce development.** Public and private organizations offer resources or industry programs that grow the pipeline of T&D owners of color by focusing on the hands-on business training accessed by both owners and their employees.
- **Reduced gender and age-based bias, particularly among owners who are women of color.** Gender bias and ageist attitudes towards women is prevalent in the industry and presents numerous barriers to business development and growth, especially for women of color. Owners in the industry hope for a future where there is increased awareness and effective tactics and recourse to combat gender and age-based bias experienced by women.

Two Recommended Intervention Strategies to Help Achieve Vision by 2025

Strategy 1: Create and offer regular training on credit management for business financials.

Funders and stakeholder partners should fund one or more business service organizations to conduct at least eight personal and business credit workshops annually for T&D owners of color. These workshops should focus on teaching the skills needed to help business owners in the industry manage their personal and business credit in order to strengthen their business financials.

Funding should cover staff time to co-develop, co-facilitate and assess the workshops, which should be hosted by: 1) a trainer or counselor at a business service organization and 2) a nonprofit expert coach on personal credit management. The task group and coalition recommend the following:

⁷ Assessing Chicago's Small Business Ecosystem: Pathways to Improved Coordination, Inclusive Growth, and Shared Prosperity. January 2019. https://cct.org/wp-content/uploads/2019/01/ChicagoSmallBusinessEcosystem_2019.pdf

- At least eight annual workshops (two each quarter) between 60 to 90 minutes with Q&A. To facilitate participation by owners at different business stages, conduct one workshop during a weekday morning toward the end of the week (Thursday or Friday), and a second workshop on a Sunday morning.
- The workshops should include education on for-profit, predatory credit repair programs, as well as training on how to avoid unscrupulous lenders and predatory financing products and practices in the future.

Strategy 2: Underwrite the cost of providing accounting support via an internship program, which is coordinated through a partnership between business service organizations and colleges. The program will aim to help business owners organize their records and strengthen their financial capacity to gain capital and contracts to grow their business. Funders, partners and business service organizations should help owners improve their accounting processes and bookkeeping records with no-cost help from undergraduate interns who are supervised by either a CPA at the university or a staff member at a business service organization. Specifically, funders and stakeholder partners should fund and support business service organizations or nonprofits to serve as the lead intermediary to establish and manage the student internship program in partnership with a university or college to match T&D owners with an accounting student.

The CIGC task group—comprised of majority business owners—identified preliminary owner applicant criteria for those who should receive this assistance to strengthen their capital access, to in turn measurably create jobs within two to three years of securing the capital.⁸

- Owner of color has majority ownership.
- Business has been operating for at least three years with a minimum of \$250,000 in annual revenues.
- Owner has completed an entrepreneur training program with a business service organization.
- Owner resides, or conducts significant business (including hiring), in Chicago’s South, Southwest and West sides.
- Owner participated in a personal and business credit workshop (if recommendation no. 1 is also implemented).

Lastly, there are two recommendations for financing institutions to consider in order to better support T&D small businesses.

1. **Fleet financing.** Consider creating a fleet financing loan to offer to businesses in the industry in 2021 or 2022. Owners of color often decline job contracts because they are unable to secure the up-front capital for the vehicles and staffing because current capital options do not place a value on pending business contracts. Owners who do accept contracts end up modifying their scope, which only allows them to grow “one truck at a time” instead of scaling in multiples for a competitive advantage. It’s recommended that a fleet financing product feature underwriting and conditions seen in community development financing products (such as funding for loan loss reserves) that is only for certified women and minority owners with clean payment histories and strong historical business performance. To further abate risk, if owners need capital to purchase fleet vehicles, then they could verify that the purchases are certified pre-owned vehicles being re-sold by corporations.
2. **Loan applications.** Lenders should be more open to considering applicants in the industry who incurred high personal debt to fund business start-up expenses, yet demonstrate the following three conditions: 1) history of on-time payment, 2) their business has earned revenue the last two years, and 3) business financial forecasts show future growth.

⁸ If this back-office services model for the T&D industry proves helpful for owners to improve capital access and create jobs, then the coalition recommends that funders consider replication for other CIGC-focus industries and/or to expand the program for smaller-sized T&D businesses.

CHICAGO INCLUSIVE GROWTH COALITION

Small Business Task Group on Transportation and Delivery Industry

Working Meeting: November 26, 2019

Small Business Owners

Kristina Covarrubias

Truckies
(773) 831-7007
Email: info@truckie.online

Donald Little

Little Transportation
(773) 960-1202
littletransportation@yahoo.com

Tammishia Little

Little Transportation
(773) 960-1202
littletransportation@yahoo.com

Cresy Padilla

JCV Transportation
(312) 508-1992
jevtransportinc@gmail.com

Kelly Smith

Safe Passage Transit
(773) 349-0959
kelly@safepassagetransit.com

Guana Stamps

Keep it Moving
keepitmoving.associates@gmail.com

Industry Advocate

Ibie Hart

Illinois Department of Commerce and Economic
Opportunity, Office of Minority Economic
Empowerment
(630) 9475252
ibie.hart@illinois.gov

Chicago Inclusive Growth Coalition Workgroup Liaisons

Small Business Majority – Illinois Office

(773) 888-4430
illinois@smallbusinessmajority.org

Roxanne Charles

Chief Engagement Officer
West Side Forward
(773) 473-7879
rcharles@westsideforward.org

Thomas Huffman

Sr. Vice President, Wintrust SBA Lending
Wintrust Financial
(847) 590-7030
thuffman@wintrust.com

Kyle Johnson (workgroup co-facilitator*)

Owner
Business Services Collective
(612) 554-8989
kyle.anthony.johnson@gmail.com

* also a breakout group facilitator

CHICAGO INCLUSIVE GROWTH COALITION

The Chicago Inclusive Growth Coalition was established in 2018 to improve support for small business owners in Chicago's underserved neighborhoods.

Industry Strategies Workgroup

- **Geri Sanchez Aglipay**, Small Business Majority
- **Roxanne Charles**, West Side Forward
- **Tom Huffman**, Wintrust Financial Community Bank
- **Abigail Ingram**, DePaul University, Coleman Entrepreneurship Center
- **Kyle Johnson**, Business Services Collective
- **Nicole Jordan Reed**, Nicole Jordan Catering
- **Brad McConnell**, Accion Serving Illinois & Indiana
- **Clark McCain**, Coleman Foundation
- **Maureen Mckenna**, Community Reinvestment Fund, USA
- **Kenya Merritt**, City of Chicago, Business Affairs and Consumer Protection
- **Shelby Parchman**, InUrban Strategies
- **Rowan Richards**, Accion in Illinois and Indiana
- **Jake Stern**, Somercor
- **Shelly Wilson**, SRW Sports Marketing & Digital Media

The Chicago Inclusive Growth Coalition, and the efforts by its Industry Strategies Workgroup and the industry task groups, is supported by the Polk Bros. Foundation, Chicago Community Trust, Coleman Foundation, and J.P. Morgan Chase Foundation.