

Rhode Island BIPOC Small Business Ecosystem Assessment

SUPPORTING THE STARTUP,
SUSTAINABILITY, AND GROWTH OF
BIPOC BUSINESSES IN RHODE ISLAND

January 2022

EXECUTIVE SUMMARY

Project Sponsors

This body of work was sponsored through a partnership between the Rhode Island Foundation and Rhode Island Commerce.



Acknowledgements

We would like to thank all of the members of the project Steering Committee for participating in virtual meetings and responding to various inquiries and requests for comment throughout the process.

- Vanessa Toledo-Vickers - Vice President, Community Development Market Manager - Citizens Bank
- Donna Sams - Partner & Sr. Consultant - Spencer Consulting Group
- Junior Jabbie - President & CEO - Banneker Supply Chain Solutions
- Roby Luna - President - Aretec, Inc.
- Neil D. Steinberg - President & CEO - Rhode Island Foundation
- Stefan Pryor - Secretary of Commerce - State of Rhode Island
- Keith Stokes - Director of Business and Economic Development - City of Providence

Project Consultants



Camoin Associates (www.camoinassociates.com) is a national leader in economic development services. For more than two decades, Camoin Associates has helped governments, businesses, and nonprofit organizations throughout North America understand the present to optimize opportunity for the future.



Based in Arlington, VA, EntreWorks Consulting (www.entreworks.net) is an economic development consulting and policy development firm focused on helping communities, businesses, and organizations achieve their entrepreneurial potential.

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1. EXECUTIVE SUMMARY

For much of its history, Rhode Island has been a challenging place for Black Indigenous People of Color (BIPOC) entrepreneurs. For a variety of reasons, the state's BIPOC residents have faced significant hurdles in starting, managing, and growing new business ventures. And, as elsewhere across the country, these challenging circumstances have been worsened as a result of the coronavirus pandemic.

These legacies are reflected in the latest data on the state of BIPOC entrepreneurship in Rhode Island. BIPOC business owners currently lead around 7.4 percent of all Rhode Island-based firms, far below their relative population share and nearly half the US average. These businesses also account for significantly lower shares of employment and revenue. However, the demographics in Rhode Island are shifting and BIPOC populations are driving growth in Rhode Island. According to U.S. Census data, from 2010 to 2020, the White population in the state declined by nearly 4 percent, while all other ethnic groups combined increased by nearly 27 percent and Hispanic Origin (any race) increased by over 38 percent. This rapid shift in demographics presents an opportunity to invest in quickly-emerging business and consumer markets.

In an effort to better understand these business trends, the Rhode Island Foundation and Rhode Island Commerce contracted with Camoin Associates to undertake a research project focused on building more inclusive, resilient, and successful entrepreneur ecosystems that provide world-class services and support to the state's BIPOC business owners and aspiring entrepreneurs. This assessment builds on a number of previous initiatives, including RI Commerce's *Rhode Island Innovates 2.0* strategy, and includes a review of the latest data on BIPOC business, an assessment of existing business support resources, and a series of recommendations for building more inclusive and diverse ecosystems that help more local people start and grow new ventures.

The landscape of support programs in Rhode Island is large and diverse; there is no shortage of organizations and programs that are in the business of helping small businesses and entrepreneurs. Yet, presence does not equal equitable access. BIPOC entrepreneurs find it difficult to access many support efforts, lack trust in program effectiveness, or believe that these programs are not open to them. In other cases, the mix of programs and support efforts may simply be too complex and confusing.

Rhode Island is home to extensive capabilities in nearly all of the core ecosystem building block components, such as access to capital and business support services. While room for improvement always exists, strong capacity is in place. Our challenge is less about creating new programs and capabilities, and instead about concentrating on improving access, developing more customized outreach, and programming for BIPOC entrepreneurs, and in nurturing a larger pipeline of BIPOC talent to tap into these support networks and business opportunities. Rhode Island's BIPOC entrepreneurs must be at the table as these efforts move forward, not in an advisory role, but as shapers and drivers of the inclusive ecosystem building efforts.

This report comes at a propitious time as many important initiatives to build a more inclusive and resilient economy are underway in Rhode Island. Governor McKee's Rhode Island Rebounds plan includes major new small business investments, Rhode Island Commerce is leading the rollout of many new financing tools, and a new statewide network, funded via the US Small Business Administration's new Community Navigator Program, is leading a new effort to better engage and support BIPOC entrepreneurs.

EXECUTIVE SUMMARY

As these efforts move forward, they should be part of a wider strategy that improves existing business support services, builds a more robust pipeline of new and aspiring entrepreneurs, and ensures that all Rhode Islanders can pursue their entrepreneurial dreams if they opt to choose this career path. Specifically, the report recommends targeted investments in several core areas summarized on the following page.

A note about terminology

When talking about race and ethnicity, we fully recognize that there is no 'one size fits all' vocabulary. The national discussion about which words are most appropriate to use when talking about individual racial and ethnic groups as well as 'marginalized' or 'underrepresented' people altogether is complex and evolving.

For this report, the consultant team, with advisement from the Steering Committee, uses 'BIPOC' when talking about Black people, Indigenous people, and other People of Color as the overall population we're intending to support through this work.

Additionally, the Economic Data Analysis, which is summarized in Chapter 2 and provided in full in Appendix B, examines demographic and socioeconomic trends and experiences of individual racial and ethnic groups. When discussing findings from the data-analysis, we retain the terms employed by the originating data-source to maintain consistency with that data-source.

In all cases, the words used are intended to acknowledge the experiences of the people in Rhode Island who are entrepreneurs, small business owners, entrepreneur-curious, investors, creators, etc. AND who identify with currently under-supported, and underestimated, racial and ethnic communities.

CORE ACTION STRATEGIES

CAPITAL | Develop new funding vehicles targeted to the needs of BIPOC-owned businesses.

- A new Community Development Finance Institution (CDFI) focused on BIPOC-owned ventures
- New investment pools targeted to BIPOC-owned ventures
- Support for newer programs, such as crowdfunding platforms and BIPOC-led angel investor networks, to diversify funding sources available for Rhode Island-based entrepreneurs

WORKFORCE AND TALENT | Ensure that every Rhode Islander with entrepreneurial ambitions can get the training and coaching needed to start a new venture.

- Require entrepreneurship training for all K-12 students
- Expand entrepreneurship education options at community colleges
- Expand availability of self-employment assistance programs

BUSINESS ASSISTANCE | Increase availability and visibility of technical assistance programs for BIPOC business owners and aspiring entrepreneurs.

- Provide business concierge and wayfinding support to BIPOC-owned businesses
- Create a new Business Builder Voucher program to help entrepreneurs access outside consulting assistance and support
- Create and sustain a statewide Minority Business Support Coalition

SPECIALIZED INFRASTRUCTURE | Provide increased access to specialized support efforts such as business incubators and coworking spaces.

- Locate new coworking spaces in neighborhoods and locations easily accessible to BIPOC residents
- Increase commercial kitchen and shared processing facilities

COMMUNITY CULTURE | Create local buzz and excitement about entrepreneurship.

- Expand availability of entrepreneurship education for all Rhode Islanders
- Support regular event series to learn and share ideas related to innovation, creativity, and entrepreneurship

SUPPORTIVE REGULATION | Ensure “entrepreneur-friendly” state and local laws and regulations.

- Create small business ombudsman position to address small business concerns
- Improve training to local government staff on effective “entrepreneur-friendly” practices and programs
- Continue ongoing state-level regular reform efforts

MARKET ACCESS | Help BIPOC entrepreneurs gain access to new markets at home and abroad.

- Support a BIPOC Business Accelerator program, as also recommended in RI Commerce’s *Rhode Island Innovates 2.0* plan to connect fast-growing BIPOC business to major corporate partners and customers
- Support reform of current MBE/WBE programs
- Develop a business succession program targeted to BIPOC residents and business owners

2. RI'S BIPOC BUSINESS ENVIRONMENT BY THE NUMBERS

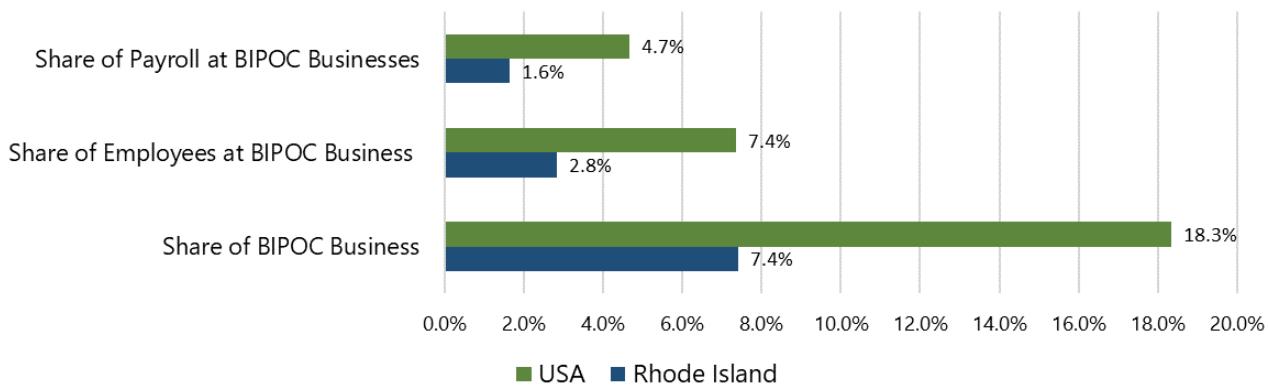
Implications from the economic data analysis for transforming the BIPOC business landscape in Rhode Island are presented below. This analysis established the foundation for the effort to develop strategies that set a path for the state to better support its BIPOC businesses and entrepreneurs. The work in this analysis relies on data sources like the U.S. Census and American Community Survey. Interviews, focus groups, and other primary research were conducted to supplement these findings and provide on-the-ground confirmation or clarity of the data analysis and deepen the understanding of trends and BIPOC business owner needs. Skills for Rhode Island's Future also provided information and insights.

The following pages summarize some of the key data points. The complete Economic Data Analysis can be found in Appendix B of this report.

Key Findings

BIPOC business participation is lagging in Rhode Island compared to the national average. According to the 2016 U.S. Census Bureau Annual Survey of Entrepreneurs, there are over 21,000 firms in the State of Rhode Island. About 2,275 of those firms have BIPOC owners, comprising 7.4% of all firms in the state.¹ Nationally, 18.3% of all businesses with employees are BIPOC-owned, over twice the rate for Rhode Island. Additionally, BIPOC-owned businesses have a greater share of employees nationwide, 7.4% compared to 2.8% in Rhode Island, and the share of payroll at BIPOC-owned businesses nationally is almost three times the rate in Rhode Island, 4.7% compared to 1.6%.

BIPOC Business Employer Participation Rates, RI vs. US



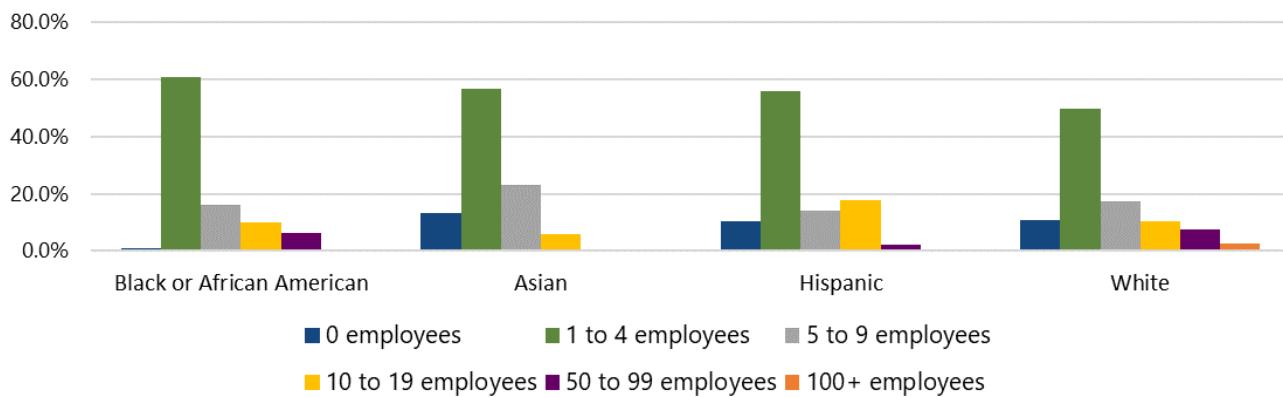
Source: US Census Annual Business Survey, Table AB1800CSA01, 2018

¹ Because of time lags in the availability of official Federal data, these figures do not account for recent growth in the number of BIPOC businesses. These figures represent the most recent available Federal data.

RI'S BIPOC BUSINESS ENVIRONMENT BY THE NUMBERS

Rhode Island's BIPOC-owned businesses tend to start small and stay small, remaining as microenterprises throughout their existence. Virtually all the largest businesses in the state are White-owned businesses. According to 2016 US Census data, no Black- or Hispanic-owned business employs more than 100 people, and there are just a few Asian-owned firms over this size. Most Black- and Hispanic-owned businesses are self-employment ventures, and employer firms typically employ between one and four people.

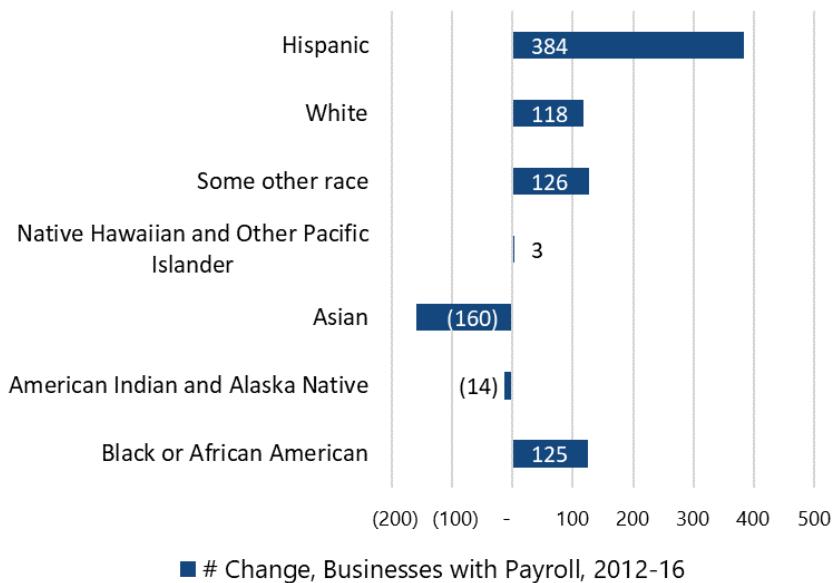
Percent of Firms by Size in Rhode Island



Source: 2016 US Census Bureau Annual Survey of Entrepreneurs

While Hispanic- and Black-owned businesses represent a smaller proportion of all businesses, they were enjoying robust growth prior to the pandemic. Between 2012 and 2016, the number of firms with employees jumped 73.5 percent (125 new firms) for Black residents and 87.3 percent (384 new firms) for Hispanic residents.

Change in Rhode Island Businesses with Payroll, 2012-2016

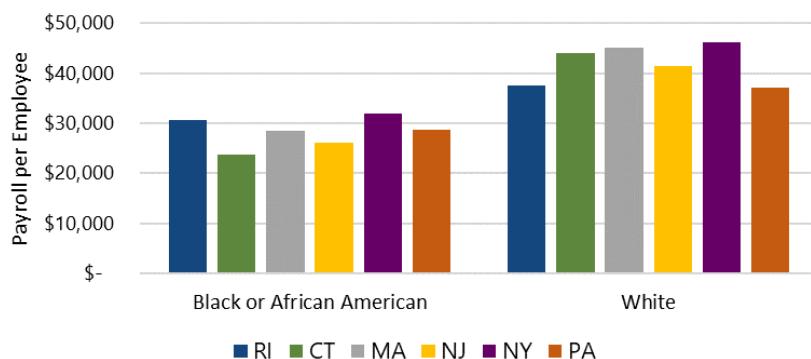


Source: 2016 US Census Bureau Annual Survey of Entrepreneurs

RI'S BIPOC BUSINESS ENVIRONMENT BY THE NUMBERS

While Rhode Island firms are challenged, some Black-owned firms are outperforming their counterparts in the comparison states of Connecticut, Massachusetts, New Jersey, New York, and Pennsylvania. Among the benchmark states, Rhode Island is second only to New York for payroll per employee at Black-owned firms (\$30,709 in RI compared to \$31,974 in NY). However, even though these Black-owned businesses rank higher, there is still a \$6,824 difference in payroll per employee between Black- and White-owned firms in the state.

State Comparison of Payroll per Employee: Black-owned + White-owned Firms

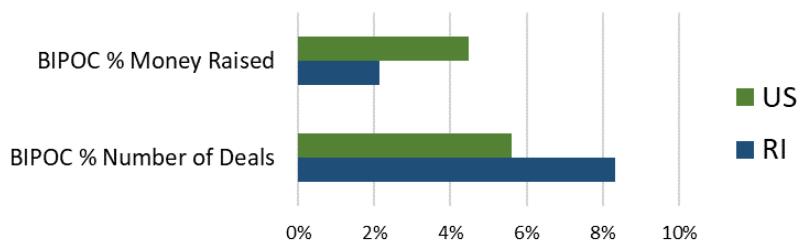


Source: 2012 US Census Bureau Survey of Business Owners and Self-Employed Persons

Most small businesses – regardless of industry or owner demographics – are self-funded via the owner's savings or via reinvestment of business profits. However, White-owned businesses are more likely to access outside funding than their BIPOC-owned counterparts. These funding patterns are persistent and pernicious. Due to historical discrimination and other factors, Blacks and Hispanic entrepreneurs are significantly less likely to receive outside investment or to receive the appropriate level of outside funding. These firms can rarely access rarified funding sources like venture capital, but they are also less likely to receive bank loans. In fact, many such firms must rely on personal credit cards to pay key business expenses.

Overall, less than 1% of US firms receive venture capital funding, but these companies tend to have big economic impacts. Rhode Island's BIPOC founders have enjoyed some success on this front, securing venture capital deals at rates above the national average. However, their total fundraising amounts fell below US benchmarks. From 2016 to 2021, there were 84 venture capital deals in Rhode Island, 7 of which were with BIPOC firms that represent 8% of total deals in the state compared to 6% in the US. BIPOC founders raised over \$3.78 million from 2016 to 2021, which is 2% of the total amount of money raised through venture capital in Rhode Island, despite representing 8% of the deals. Nationally, BIPOC founders raised just over 4% of the total venture capital.

Rhode Island BIPOC Venture Capital Activity, 2016-2021



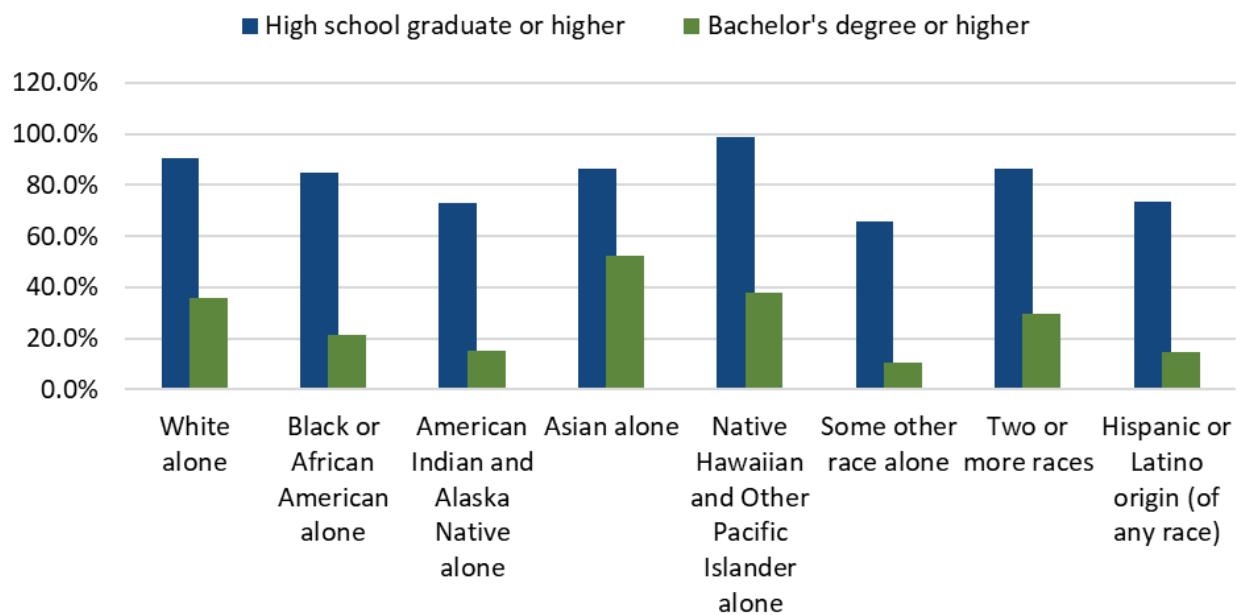
Source: Crunchbase | Note: 2021 is YTD ending 4/27/2021

RI'S BIPOC BUSINESS ENVIRONMENT BY THE NUMBERS

White Rhode Island households in 2019 made 55% more income than Black households, and 72% more than Hispanic households. In addition to these income disparities, differences in educational attainment also exist. Apart for the Asian population, Rhode Island's BIPOC population has lower levels of educational attainment compared to White residents. As of 2019, 35.9% of White Rhode Islanders had a bachelor's degree or higher; this figure is 21.1% for Blacks and 14.4% for Hispanics.

The relationship between educational attainment and entrepreneurship varies. Great businesses can be started by individuals with both low and high levels of formal education. Nationally, about 51.4% of US entrepreneurs held at least a bachelor's degree. In contrast, 3.6% of US entrepreneurs have not completed high school.²

Rhode Island Education Attainment by Race + Ethnicity, 2019



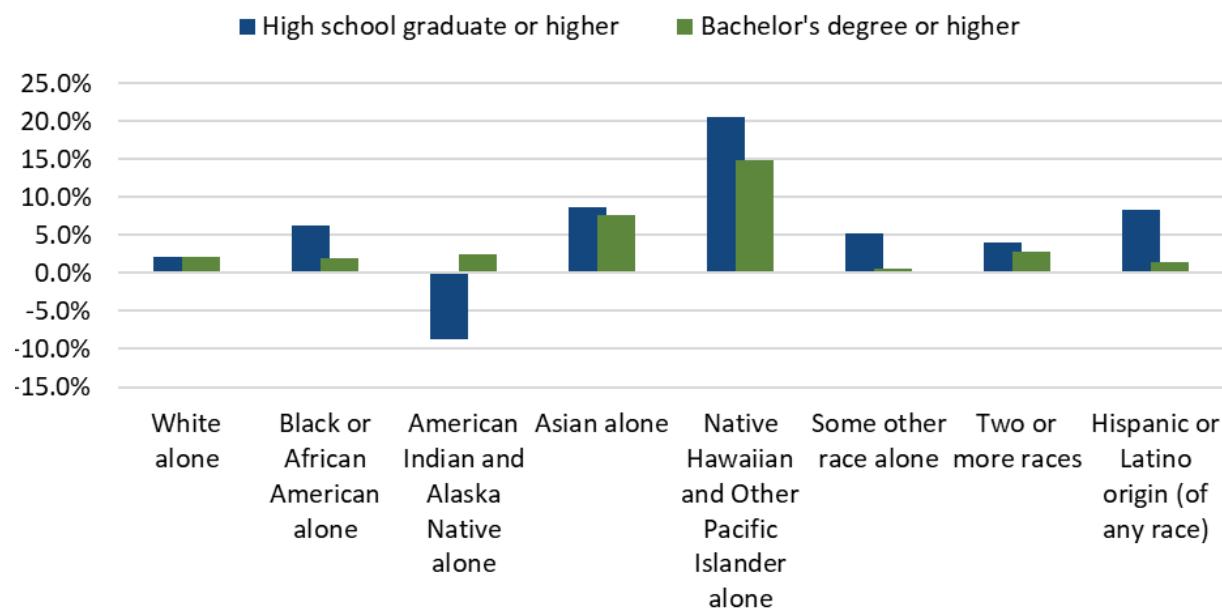
Source: 2019 American Community Survey 5-Year Estimates, 2010 US Census

² Ewing Marion Kauffman Foundation, "Educational Attainment of Business Owners in the United States," Issue Brief, 2020. Available at: https://www.kauffman.org/wp-content/uploads/2020/02/Kauffman_Education_Attainment_2020_final.pdf .

RI'S BIPOC BUSINESS ENVIRONMENT BY THE NUMBERS

Nationally, over half of Black entrepreneurs have a bachelor's degree or higher, twice the proportion of the entire Black population in Rhode Island. Other races and ethnicities show a similar disparity. While these disparities are troubling, educational attainment trends from 2010 to 2019 show a moderate improvement for Rhode Island's BIPOC residents.

Change in Rhode Island Education Attainment by Race + Ethnicity, 2010-2019



Source: 2019 American Community Survey 5-Year Estimates, 2010 US Census

The economic data analysis clarifies what policy makers and service providers around Rhode Island intuitively know – the state has too few BIPOC startups, too few BIPOC firms with growth potential, and too many BIPOC firms operating in slow-growing industries.

While as economic analysis and policy makers, we often refer to 'minority' or 'BIPOC' business owners as a singular population, it is imperative that we recognize that this group is highly diverse. This data analysis illustrates that the type of need, and degree of need, is distinct among racial and ethnic groups. To truly change the course and create real opportunities for BIPOC business development and entrepreneurship in Rhode Island, each racial and ethnic group will require tailored solutions.

WHAT WOULD SUCCESS LOOK LIKE?

To answer this question, we modeled what would happen in the Rhode Island economy if BIPOC business participation increased to meet the national rates (see Appendix B).

We found that to reach just the national average, the Rhode Island economy would need to add over 3,000 BIPOC-owned businesses with 22,650 additional jobs earning \$700 million in wages. In addition to the direct impacts, these new jobs and earnings would cause a ripple effect and create indirect and induced impacts for Rhode Island's economy.

In total, this new economic activity would result in 42,800 jobs, over \$1.2 billion in earnings, and nearly \$2.7 billion in sales in Rhode Island.

While these numbers may appear significant, rising to the U.S. average remains a low-bar. Building a statewide entrepreneurial ecosystem that is inclusive and equitable will require going beyond best practices and taking bold, innovative action.

3. RI'S BIPOC ENTREPRENEUR + BUSINESS OWNER NEEDS

Rhode Island's BIPOC entrepreneurs have faced a variety of hurdles over a long history, and have been further challenged due to the economic shocks that accompanied the COVID-19 pandemic. These business owners and aspiring entrepreneurs can benefit from a helping hand in starting, managing, and growing entrepreneurial ventures.

The landscape of support programs in Rhode Island is large and diverse; there is no shortage of organizations and programs that are in the business of helping small businesses and entrepreneurs. Yet, presence does not equal equitable access. BIPOC entrepreneurs find it difficult to access many support efforts, lack trust in program effectiveness, or believe that these programs are not open to them. In other cases, the mix of programs and support efforts may simply be too complex and confusing.

Below, we review the current business support landscape across Rhode Island, i.e., the resources and programs that constitute a core part of the state's entrepreneurial ecosystem. We recognize that, in most cases, the presence of a support program is only a first step. This analysis focuses on gaps where existing ecosystem partners or programs may not be effectively serving BIPOC business owners and aspiring entrepreneurs. We also offer a series of recommendations for how to close these gaps and ensure that Rhode Island's entrepreneurial ecosystems effectively serve all residents.

Ecosystem Framework

Our ecosystem assessment utilizes a framework that highlights the core policy elements required to help people start, grow, and manage new business and non-profit ventures. This model is based on seven core elements:

- *Capital*: Providing diverse sources of capital to help firms start and grow
- *Workforce/Human Capital*: Building a regional talent base
- *Business Assistance*: Providing easy access to technical assistance
- *Specialized Infrastructure and Facilities*: Meeting the unique space needs of entrepreneurs
- *Community Culture*: Honoring and embracing entrepreneurship
- *Effective Regulation*: Cutting red tape and promoting flexibility
- *Market Access*: Helping entrepreneurs identify, access, and succeed in new markets

Rhode Island is home to robust capabilities in nearly all of these core ecosystem building block components. While room for improvement always exists, strong capacity is in place. Our challenge is less about creating new programs and capabilities, and instead about concentrating on improving access, developing more customized outreach and programming for BIPOC entrepreneurs, and in nurturing a larger pipeline of BIPOC talent to tap into these support networks and business opportunities. Most importantly, Rhode Island's Black and Brown entrepreneurs must have a seat at the table, leading efforts to redesign existing

programs and to develop new initiatives that are open and welcoming to them, and providing critical support as they start and grow new ventures. While many important ecosystem assets are in place, they are not being accessed by Rhode Island's BIPOC entrepreneurs. These disparities will not be eliminated without the active engagement and direction of these businesses in the processes of identifying gaps and designing effective solutions.

Capital

Rhode Island's BIPOC entrepreneurs are perhaps most vocal in their concerns about their limited capacity to easily access the many sources of business capital available in Rhode Island and across New England. On paper, Rhode Island is a treasure trove of funding sources to start and grow new companies. But the practical reality is that many of these potential funders are not providing resources to support the start-up and growth of BIPOC businesses in Rhode Island.

Recent experience with Federally-backed pandemic funding sources is instructive. As of May 2021, Rhode Island businesses had received nearly 15,700 SBA-backed Paycheck Protection Program (PPP) loans with a total value of more than \$966 million.³ While detailed demographic information on those who received PPP loans is incomplete, Federal Reserve data suggest that BIPOC-owned firms faced many challenges accessing PPP and Economic Injury Disaster Loan (EIDL) loans during the pandemic.⁴ Black- and Hispanic-owned firms were less likely to apply for these funds, with a large share of these business owners reporting that they were unaware of programs or faced burdens in applying for the funds. When they did apply, their applications were more likely to be rejected or they were less likely to receive the full amount of requested funds.

The challenges faced in accessing COVID-19 related funds are not unique to Rhode Island; they are commonly found across the US. As Rhode Island's business and community leaders develop new solutions, they can at least build on a relatively diverse and robust set of potential business funders doing business in the state. Prominent publicly-backed funding sources include RI Commerce's Small Business Assistance Program, the Slater Technology Fund, and various locally-backed loan funds, such as those operating in Providence, Cranston, and Pawtucket.

While a large number of funding programs are in place, they are often difficult to access by BIPOC entrepreneurs. Additional actions are needed to develop new funding streams and to ensure that existing programs and capital sources are effectively serving all of Rhode Island's entrepreneurs.

First, Rhode Island needs to support the development of home-grown capital pools targeted to BIPOC business owners and to those operating in distressed neighborhoods. At present, Rhode Island has only one CDFI or CDC funder that is headquartered in Rhode Island, the consumer-focused Capital Good Fund.⁵ RI Commerce should consider supporting efforts to charter a new Rhode Island-based CDFI or to ensure that Rhode Island-based firms can more easily access CDFI resources located elsewhere. This recommendation

³ U.S. Small Business Administration, *Paycheck Protection Program Report: Approvals as of 5/21/2021*. Available at: https://www.sba.gov/sites/default/files/2021-05/PPP_Report_Public_210502-508.pdf.

⁴ U.S. Federal Reserve, *Small Business Credit Survey: 2021 Report on Firms Owned by People of Color*. Available at: <https://www.fedsmallbusiness.org/mediabinary/FedSmallBusiness/files/2021/sbcs-report-on-firms-owned-by-people-of-color>.

⁵ However, a large number of out-of-state CDFIs do include Rhode Island in their service areas.

was also included in Rhode Island Commerce's *Rhode Island Innovates 2.0* report⁶ and the Rhode Island Foundation's recent recommendations for State use of American Rescue Plan Act (ARPA) funds.⁷

Because the process of creating a new CDFI is time-consuming, intermediate steps should also be considered. The development of the new State Small Business Credit Initiative (SSBCI) program offers a potential opportunity to steer these Federal funds into new capital pools targeted to microenterprises and BIPOC firms. Tapping into philanthropic sources to charter new funds is another option. Northeast Ohio's JumpStart Focus Fund offers a model for this approach.

State leaders should also embrace small business finance recommendations recently made by the Rhode Island Foundation and its partners.⁸ The Foundation's recent *Make It Happen* report advocates that a share of the states' ARPA funding be deployed to:

- Support a Forgivable Loan Program Pool valued at \$50 million.
- Invest \$35 million to enhance technical assistance services for small business.
- Invest \$10 million to create a new statewide CDFI.
- Invest \$5 million in a new loan program for certified Minority Business Enterprises (MBEs).

These small business technical assistance services should include mentoring and coaching programs that are culturally connected to the fast-growing immigrant population in Rhode Island.

Second, Rhode Island should embrace the burgeoning set of alternative financing tools now in the marketplace. Federal Reserve surveys suggest that a growing number of entrepreneurs, especially those shut out from traditional banking sources, are tapping into new online lenders.⁹ In fact, online lenders are now the top source of financing for Black-owned businesses. Efforts to encourage the expansion of fintech companies into the Rhode Island marketplace could be helpful, if accompanied by efforts to ensure that interest rates and fees are competitive.

⁶ Rhode Island Commerce, *Rhode Island Innovates 2.0*. See pp. 127-128. Available at: <https://commerceri.com/wp-content/uploads/2020/02/Rhode-Island-Innovates-2.0.pdf>.

⁷ Rhode Island Foundation, The Economic Progress Institute and RIPEC, *Make it Happen: Investing for Rhode Island's Future*, October 2021. Available at: https://assets.rifoundation.org/documents/RIF_MakeItHappen_SinglePages.pdf.

⁸ Rhode Island Foundation, *Make It Happen*, pp. 37-42.

⁹ Sifan Liu and Joseph Parilla, "New Data Shows Small Businesses in Communities of Color had Unequal Access to Federal COVID-19 Relief," Brookings Institution Report, September 17, 2020. Available at: <https://www.brookings.edu/research/new-data-shows-small-businesses-in-communities-of-color-had-unequal-access-to-federal-covid-19-relief/>.



JumpStart Inc's initial mission was straightforward but challenging: build a world-class entrepreneurial ecosystem in Northeast Ohio. JumpStart operates as a venture development organization that provides technical assistance to small businesses and technology companies, supports a regional network of service providers, and invests directly in promising local companies.

The Jumpstart Focus Fund provides much needed seed-funding to Ohio tech-based companies that are led by females and entrepreneurs of color. The investment in these companies by the Focus Fund starts around \$250,000 and is intended for growth in targeted technology sectors. Beyond the investment, the Focus Fund matches the entrepreneurs with an experience "Venture Partner" to help provide guidance, insight, and experience to help the start-up company achieve their goals.

RI'S BIPOC ENTREPRENEUR + BUSINESS OWNER NEEDS

In addition to supporting new online lending, Rhode Island should also consider investing in community-based crowdfunding platforms, which have proved quite successful in providing local investment capital to emerging companies. For example, many communities have created local funds on the Kiva crowdfunding platform, while others, such as the Massachusetts-based Pioneer Valley Grows Investment Fund, have developed their own independent funding pools. In an effort to incentivize the creation of such local funds, the State should consider designating a small matching fund (of \$5 million) to invest in local investment pools of this type.

Third, Rhode Island should seek to develop additional new sources of investment for BIPOC businesses. These steps might include additional capitalization of existing microloan funds, such as the Rhode Island Black Business Association's (RIBBA) new forgivable microloan fund. Efforts to stimulate increased BIPOC business investment by Rhode Island's banking sector should also be pursued. During the pandemic, numerous financial institutions, have stepped up their direct investments in BIPOC-owned businesses and in providing additional capital to Minority Depository Institutions (MDIs). Continued support for these efforts is needed.

A related strategy could encourage the development of new angel investor networks targeting BIPOC-owned ventures, and the encouragement of new investment in BIPOC companies by existing angel investor networks. In recent years, angel investments have become a more important part of the investment mix for BIPOC entrepreneurs. In fact, the value of initial angel funding for Black entrepreneurs doubled in 2020, and now accounts for 15% of all initial stage angel investing in the US.¹⁰

Workforce/Talent

When it comes to entrepreneur ecosystems, the concept of talent refers to the ability of local people to learn the skills and competencies needed to become an entrepreneur. Entrepreneurial competency is a mindset and skillset that can be learned from experience, but it can also be taught via workshops, peer connections, or via formal education. Robust ecosystems make it easy for all residents, especially young people, to learn about entrepreneurship as a viable career option. Along the way, local people learn that they have the option to "make a job" as opposed to "take a job."

Rhode Island has a fairly strong base of resources to help people learn about the journey of entrepreneurship. In addition to the business support programs discussed below, many excellent youth entrepreneurship programs are operating in the state. Junior Achievement has a strong presence, as do other business education programs such as DECA, Future Business Leaders of America (FBLA), and the National FFA Organization. Other important non-profit youth entrepreneurship programs include the Network for Teaching Entrepreneurship (NFTE), which is utilized at Providence's Metropolitan Regional Career and Technical Center (MET). MET students were selected as NFTE's National Entrepreneur of the Year award winners in both 2020 and 2021. In addition, the state is also home to several local programs, such as Young Entrepreneurs of Providence, supported by Brown University.

These existing programs offer great promise, but should be expanded. To do so, the State should set a goal that every Rhode Island-based student should participate in some type of entrepreneurship programming before they graduate from high school. At present, Rhode Island's education standards highlight some required entrepreneurship training in elementary schools, but no other formal requirements are in place.¹¹

¹⁰ Angel Capital Association, *Angel Funders Report 2021*. November 2021. Available at: www.angelcapitalassociation.org.

¹¹ Junior Achievement USA, *The States of Entrepreneurship Education in America*, 2019. Available at: <https://jausa.ja.org/dA/22d1d8706c/criticalIssuePdfDocument/JA%20States%20of%20Entrepreneurship%202019.pdf>.

RI'S BIPOC ENTREPRENEUR + BUSINESS OWNER NEEDS

However, such training need not be part of the formal curriculum as it can also be provided in other settings, such as clubs, after-school events, summer camps, and the like.

Community college programs offer another opportunity. Since 2019, the Community College of Rhode Island (CCRI) has offered an entrepreneurship certificate within its business programs. This is an important first step, but CCRI might also consider steps to "infuse entrepreneurship across the curriculum." This term refers to programs that link entrepreneurship to other disciplines, including trades and the arts. Many community colleges now offer entrepreneurship certificates that help these students learn about their primary major (e.g., cosmetology, HVAC, plumbing), while also learning how to run a business along the way. Kansas' Johnson County Community College offers a model for this approach.¹²

Third, Rhode Island should consider restarting its statewide self-employment assistance programs. This effort, which would be spearheaded by the Department of Labor and Training (DLT), authorizes the use of federal workforce funds to support self-employment training. DLT previously operated a program of this type, but it does not appear to do so any longer. In fact, proposed state legislation (H.6250) seeks to create this program at DLT. In addition, several localities, such as Providence, offer self-employment assistance services. All parts of Rhode Island should do so. The State's workforce programs could also consider providing these types of services in their federally-backed youth programs that serve at-risk young people aged 14-24.

Finally, the State should support and expand efforts that seek to provide career pathways and support diversity and inclusion in key fields, such as banking, accounting, management, and marketing, that support business development. Invest in 'earn and learn' training programs to create opportunities for individuals to develop and grow their talent while maintaining income. Similar efforts should focus on increasing youth interest in training and careers in other fields with high-growth potential and a strong history of supporting high-quality jobs and career options. These include computer and mathematical, architecture and engineering, and life, physical, and social sciences. Many trade associations, such as the Rhode Island Bankers Association, are initiating efforts to support diversity, equity, and inclusion. These efforts should be actively encouraged, as inclusive ecosystems include diverse types of entrepreneurs and diverse service providers as well.

Business Assistance

Rhode Island has a strong base of business support organizations (BSOs) and the roster of such organizations is growing on a regular basis. For example, RI Hub, and 401 Tech Bridge have all opened for business in recent years.

While there is a robust service provider base in Rhode Island, interviewed entrepreneurs report that they are often unaware of available programs or feel uncomfortable accessing such services. Meanwhile, BSOs report growing interest in entrepreneurship, which aligns with national trends showing business startup growth in 2021 at the highest levels in recent history. They also report that they have been actively seeking to better serve BIPOC entrepreneurs. For example, the statewide Small Business Development Center, SCORE, Social Enterprise Greenhouse (SEG), and Urban Ventures, networks have greatly expanded outreach

¹² Hanover Research, *Community College Entrepreneurship Center Models*, 2014. Available at: <https://www.hanoverresearch.com/wp-content/uploads/2017/08/Community-College-Entrepreneurship-Center-Models.pdf>.

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efforts to Latinx residents and the wider population as well. Additionally, the new Southern New England "E for All" program is committed to *'accelerate economic and social impact through inclusive business growth'*.¹³

Nonetheless, a "disconnect" still exists. BIPOC business owners want and need essential technical assistance, and BSOs want to provide such services. Yet, the current marketplace is not working. Several factors appear to be at work. First, BSO leaders acknowledge that their current messaging and marketing efforts may not be reaching BIPOC and immigrant communities. More resources for outreach and communication can help on this front, but money alone is not the solution.

Second, the sheer number of BSOs creates a complicated marketplace, even for those with deep knowledge of the ecosystem. BIPOC business owners do not know how to get started or do not know how to access resources tailored for their company's needs. Additional efforts to improve "wayfinding" through the ecosystem is needed. The "RIBizBuilder.com" resource center that was launched in 2018 by the Rhode Island Foundation and many other partners was a step in the right direction for a digital component of the needed wayfinding. However, this effort is not currently active, and no such digital ecosystem infrastructure exists.¹⁴

In October 2021, SEG and other key community partners were awarded with a major grant from the US Small Business Administration's Community Navigator Pilot program. This effort is designed to address some of these existing service gaps. If successful, these initiatives will operate something like a "business concierge," where BSO staff help business owners easily access a diverse array of services from multiple sources and act to break logjams and other barriers to accessing technical assistance and other support. Finally, many of the BSOs target high-growth or technology-focused entrepreneurs. Meanwhile, the vast majority of Rhode Island-based BIPOC entrepreneurs are early-stage and may need services targeted to earlier stages of business development. Examples include financial and digital literacy, initial business ideation, and technical assistance targeted to micro-enterprises. While many BSOs, especially the SBDC network, do provide such services, few RI-based BSOs primarily target the microentrepreneur or the BIPOC business owner.

Several steps are needed to enhance the quality and availability of business support services for Rhode Island's BIPOC entrepreneurs. As a first step, BSOs and RI Commerce should consider developing a new suite of program offerings targeted to microentrepreneurs and the self-employed. Potential offerings should include expanded programs focused on financial literacy, digital literacy, and basic business building blocks. These new programs could build on existing and new programs being offered and developed by key partners such as SEG, RIBBA, the RI Hispanic Chamber, and the statewide SBDC network.

In addition to these new technical assistance resources, RI Commerce should also consider development of new funding streams to support early-stage microenterprise development. Some of these funds could be deployed via new capital pools discussed earlier. RI Commerce might also consider development of a business voucher program---the Business Builder Voucher---modeled on Rhode Island's current innovation voucher program. The innovation voucher program provides small innovation grants (of up to \$50,000) to support companies and their internal research and development projects. The Business Builder voucher would operate in a similar manner, but would support a wider range of business development services. These might include new marketing or business development strategies, hiring of outside consultants, technical assistance, or other means. Grants could be smaller in size (ranging from \$2,500 to \$25,000), and require company matching funds as well.

¹³ *EforALL and BANKFIVE Announce \$300,000 Inaugural Southern New England Regional Sponsorship*, Sep 2021.

Available at: [https://www.bankfive.com/Resources/Learning/Blog/September-2021/EforAll-and-BankFive-announce-\\$300,000-Inaugural-S](https://www.bankfive.com/Resources/Learning/Blog/September-2021/EforAll-and-BankFive-announce-$300,000-Inaugural-S)

¹⁴ *Brave River Solutions Officially Releases "RIBizBuilder.com"*, <https://www.braveriver.com/blog/brave-river-solutions-officially-releases-ribizbuildercom/>.

New service offerings will help improve BSO responsiveness to BIPOC business needs, but BSOs also need to enhance their own capabilities to support RI businesses and to advocate for them. This work would benefit from creation of a statewide network, the Rhode Island Minority Business Coalition, composed of BSOs and other advocates for BIPOC business development. This effort could build on existing networks or be structured as a new stand-alone network. It should be modeled on similar coalitions such as the Massachusetts Coalition for an Equitable Economy or Cincinnati's Minority Business Collaborative. These network organizations serve several functions:

- 1) They coordinate service delivery to local businesses and share best practices.
- 2) They aggregate services and programs to ensure effective support of the marketplace.
- 3) They share data and results on their customers and refer customers to BSOs across the network.
- 4) They host events and activities to strengthen the area's ecosystems.
- 5) They advocate for BIPOC businesses via research, events, and other activities.

The coalition should be independent and include any and all ecosystem partners with a focus on supporting BIPOC business development. It should also be led by Rhode Island entrepreneurs who have direct experience in accessing (or being unable to access) needed support and technical assistance. At present, a number of Rhode Island-based BIPOC-serving BSOs are collaborating in response the US Small Business Administration's (SBA) Community Business Navigator Pilot Program funding opportunity. This new effort could be a first step in the Coalition's development, but the Coalition must have a broader mission beyond attracting grants and delivering specific programs. It must become the go-to place for ensuring that all parts of Rhode Island's ecosystems are effectively serving and supporting BIPOC entrepreneurs.

Becoming the "go-to place" for Rhode Island's entrepreneur ecosystems will require that the networks grow and evolve over time. As noted in the case studies highlighted in Appendix A, successful programs operate like entrepreneurs, assessing the market and developing new services in response to new demands. For example, in Miami, the Center for Black Innovation can trace its origins to a local coding program (Code Fever), but it has quickly transformed into a local and national advocate for inclusive ecosystem building. Among other things, it now manages coworking spaces, runs a business accelerator, provides training programs for BIPOC business investors, and supports the national Black Tech Week event series.

In its initial phases, the Coalition should develop a business concierge service that connects BIPOC entrepreneurs with services, resources, proven professionals, and industry sector experts. Entrepreneurs would meet one-on-one with the concierge and obtain an assessment of their business or idea, recommended next steps, and connections to appropriate high-quality resources. The concierge must be



First established in March 2020 as a response to the Pandemic and in order to ensure access by people of color to the federal business assistance programs, the Coalition for an Equitable Economy has a goal of achieving racial and ethnic parity in business ownership by the end of 2030.

From the Coalition's website: The Coalition for an Equitable Economy is a broad cross-sector coalition of stakeholders from across the state aligned around a shared commitment to building an equitable small business ecosystem and to the values of racial equity, collaboration, and shared leadership.

Using the collective voice of the key partners, the Coalition advocates for greater access to funding, access to business support, and key legislative and budget decisions that will make progress towards their mission of supporting under-resourced small businesses. Their most recent effort is advocating for the use of \$1.1 billion in American Rescue Plan (ARP) funds to be directed towards small businesses.

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an individual that is highly respected and trusted in the entrepreneurial ecosystem and has deep knowledge of capabilities and activities of the partners and resources on an ongoing basis. In addition to having intimate knowledge in the local entrepreneurial ecosystem, the concierge must understand and be able to direct people to federal resources such as those offered by the SBA (8a Business Development program, HubZone certifications, etc.).

BSOs who participate in this Coalition should agree to a common set of performance measures and standards to ensure that the quality of business support services is uniform and of high-quality across the network. In addition, common performance measures will ease capabilities to track programs and to identify underserved populations, industries, or locations.

As these early business concierge efforts gain traction, the network can support additional investments in local capacity building, such as professional development for program staff and networking with ecosystem builders around the US, and in supporting other worthy initiatives that build more resilient ecosystems for Rhode Island's BIPOC businesses and aspiring entrepreneurs.

Specialized Infrastructure

While the COVID-19 pandemic has led many of us to work from home, many analysts project that demand for specialized workspaces will grow in 2022 and beyond. Many new business owners and freelancers are embracing new ways of working, and are seeking work locations that foster collaboration, build networks, and build community. These often take the form of coworking spaces, business incubators, and other specialized facilities such as commercial kitchens and maker spaces. All these resource partners provide office space or real estate as part of their offerings, thus differentiating themselves from other incubators/accelerators that focus on technical assistance and coaching.

As in other ecosystem components, Rhode Island is home to a rich mix of specialized facilities for new and growing companies. Coworking spaces are the most prevalent form, with facilities in nearly every major city.¹⁵ In Providence, for example, prominent facilities include the Cambridge Innovation Center (CIC), District Hall Providence, and Sprout Coworking. These facilities typically offer office spaces, hot desks, conference rooms, and other business services. In most cases, the larger programs do not offer direct business technical assistance but do help members with access to networks and other programming. The RI Hub incubation program is offered at the CIC facility in Providence.

While Providence is home to the largest number of these facilities, a few co-working spaces are also located across the state. Examples include CoLab in Cranston, Innovate Newport, and The Hive in North Kingstown.

In addition to these facilities, Rhode Island is also home to several innovative and nationally-recognized programs targeted to specific industry niches. These include the Social Enterprise Greenhouse (SEG), the New England Medical Innovation Center, and Hope and Main, a culinary incubator and network.

All of these facilities serve a diverse mix of entrepreneurs. However, there are few specifically targeting BIPOC business owners. The new Manton Avenue center, supported by SEG and ONE Neighborhood builders, is an important step.

Rhode Island's BIPOC entrepreneurs need more spaces like the Manton Avenue facility and easier access to existing facilities and programs. In some cases, efforts to develop new coworking spaces and satellite business support centers may be needed. Meanwhile, other BIPOC entrepreneurs may benefit from financial assistance or scholarships to defray membership costs at existing coworking spaces around the state. An

¹⁵ "A Comprehensive Guide to Rhode Island's Coworking Spaces," *Rhode Island Inno*, January 1, 2020. Available at: <https://www.bizjournals.com/rhodeisland/inno/stories/guides/2020/01/01/a-comprehensive-guide-to-rhode-islands-coworking.html>.

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additional approach might include some type of coworking passport that allows BIPOC entrepreneurs to access multiple coworking spaces.

In addition, interviewed entrepreneurs report a shortage of commercial kitchen space and processing capacity at existing culinary spaces like the Millrace Kitchen. Efforts to expand the availability of such spaces and equipment are also needed. This step is also a key plank in Rhode Island's current Food Strategy.¹⁶

A final set of potential programs combine entrepreneurship training with neighborhood redevelopment initiatives. A number of regions are testing new approaches that support the creation and expansion of Main Street retail and 'micro-producer' businesses as a means to build community wealth and to revitalize commercial corridors. Tech Town Detroit's Retail Boot Camp program has been successful, and was previously offered in Rhode Island by the Center for Women and Enterprise (CWE). Pittsburgh Catapult's Startup to Storefront Program offers another excellent model.



The Tech Town incubator in Detroit, MI began as a traditional incubator that morphed to focus on technology-led opportunities for entrepreneurs in Southeast Michigan. Supported with investment from the New Economy Initiative (NEI), a unique project of the Community Foundation for Southeast Michigan, Tech Town's core programs include technology startup, small business, and entrepreneurial education programs.

In addition to technology-based businesses, Tech Town offers support for retailers through their Retail Bootcamp. This is a 11-week course that helps new businesses situate themselves in the shifting retail landscape and prepare for the opening of a brick-and-mortar location. It targets businesses seeking to open in core commercial business districts across Detroit. The Retail Boot Camp curriculum has also been used by Rhode Island's Center for Women and Enterprise.

TechTown's impacts are impressive. In 2019 alone, TechTown served 583 companies and 683 tenants and companies used TechTown's coworking services. The strong base of support services was especially important during the COVID-19 pandemic. During this period, the TechTown team worked with more than 1,700 entrepreneurs, with BIPOC businesses accounting for 86% of this total.

Community Culture

Entrepreneurs and business owners want to feel a sense of belonging and community support. Yet, our interviews and focus groups with BIPOC business owners suggest that many of Rhode Island's BIPOC entrepreneurs feel isolated and un-connected to business networks and support organizations.

Business owners report that they are uncertain about how to access services, or even where to go to connect with and hear about what else their peers are doing in the RI entrepreneurship community. They also report that most of their business information comes from friends and family in the community. This pattern aligns

¹⁶ "Relish RHODY: Rhode Island Food Strategy", Rhode Island Commerce Corporation. May 2017. Available at: <http://dem.ri.gov/relishrhody/>.

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with national trends that BIPOC business owners have weaker connections to mentors and support networks. When those support networks are in place, business performance improves greatly.¹⁷

Meanwhile, business service providers also acknowledge that outreach and engagement efforts could be improved. Most services are still provided only in English language, and additional investments are needed to build and nurture a wider ecosystem that engages BIPOC entrepreneurs.

Efforts to foster a more supportive entrepreneurial culture could help close these gaps. Some of this work can occur via training and education, especially in an expansion of entrepreneurship education programs at all levels—including K-12 systems, community college, and universities. Most youth entrepreneurship programs, such as NFTE or Junior Achievement, do offer teacher training and other curriculum support. Culture can be further bolstered through aggressive public relations and communications efforts that promote entrepreneurship as a viable career option and as a means to master essential twenty first century skills.

These efforts to build a more supportive entrepreneurial culture often involve public events and programs, such as business plan competitions, business of the year awards, and the like. Rhode Island already supports a number of such competitions, such as the annual Rhode Island Business Competition and the Lt. Governor's Entrepreneurship Challenge. Efforts to build on these important foundations should continue.

While awards and recognition programs can shine a light on BIPOC entrepreneurs, they do not build a community on their own. For this task, BIPOC business owners and aspiring entrepreneurs need regular access to peer networks of fellow entrepreneurs and community champions. Our interviews and community feedback suggest that business owners feel isolated and disconnected from business support providers and the wider support ecosystem. Bridging this gap will take time, but should become an important priority. Rhode Island's BIPOC community would greatly benefit from regular opportunities to connect, network, learn, and do business with one another.

Networking opportunities for BIPOC entrepreneurs are growing, thanks to the work of organizations such as the Latino Business and Professional Network, RIBBA, the Hispanic Chamber, the Broad Street Merchants Association, the Blackstone Valley Merchants Association, and others. Other entrepreneur networks and support groups, such as the Social Enterprise Greenhouse and the statewide SBDC network, are also actively engaging with BIPOC entrepreneurs. These promising efforts should be expanded.

¹⁷ McKinsey & Co., *Building Supportive Ecosystems for Black-Owned Businesses*, October 2020. Available at: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/building-supportive-ecosystems-for-black-owned-us-businesses>.

Existing network activities could be bolstered by new events that provide a regular venue to meet and discuss business ideas in a more informal setting. Many entrepreneur networks sponsor a regular event series that operate something like an "open house" where the primary focus is on networking along with short presentations from local people who currently own and plan to run a business. The Kauffman Foundation's One-Million Cups program offers a template for this approach. One Million Cups, which now operates in more than 136 communities, refers to regular (often monthly) event series that offers a venue to hear from fellow entrepreneurs and informally share and discuss business ideas.¹⁸ It offers a regular, no-cost, low stress opportunity to learn about entrepreneurship in the community. Along the way, participants learn about business, but, more importantly, they become part of a wider entrepreneurial community.

Rhode Island's BIPOC entrepreneurs and aspiring business owners would benefit from regular informal opportunities to connect, mingle, and learn from one another. Leading BSOs, as part of the networks discussed above, in partnership with strong professional networks, such as the Providence Men's Dinner Club, should sponsor a regular event series, using the One Million Cups model or similar approaches, that are open to anyone with an interest in learning about entrepreneurship, innovation, and creativity. These events should be viewed as one of the ecosystem's primary entry points where attendees can come to a single event, or use the meetings as an entrée to other services, such as technical assistance or coaching. Events should be held on a regular schedule (e.g. first Monday of every month) and in a location that is easily accessible.



Developed by the Ewing Marion Kauffman Foundation in 2012, 1 Million Cups (1MC) is based on the notion that great ideas are discussed over a million cups of coffee. 1MC is a free program that is now organized around 160 volunteer-led communities across the country, each designed to educate, engage, and inspire entrepreneurs. Every Wednesday morning 1MC events take place. During each event, entrepreneurs have 6 minutes to present their company or business idea to community members, followed by 20 minutes of questions, feedback, and support. In line with the intention of 1MC that each chapter is created by the community, for the community, each event concludes with a question posed to the entrepreneur: "What can we as a community do to help you?"

Supportive Regulation

Many entrepreneurs and small business owners consider Rhode Island to be a challenging place to do business, arguing that the state and local governments are not "entrepreneur-friendly." Conservative think tanks like the Small & Entrepreneurship Council, the Tax Foundation, and various "best states for business" rankings typically provide poor grades for Rhode Island's business climate.¹⁹ These rankings typically point to the state's higher tax rates and higher operating costs as major factors in these lower scores. Yet, Rhode Island is not unique on this front as most New England or Northeastern states perform poorly in these business climate ranking schemes. Meanwhile, an opposite pattern occurs in rankings that track science, technology, and innovation performance. Rhode Island performs relatively well in these assessments, which track R&D spending, patenting, STEM talent, and the like.

¹⁸ The SEG previously sponsored a One Million Cups series in Providence but it no longer appears to be operating.

¹⁹ Small Business and Entrepreneurship Council, *Small Business Policy Index 2019*. Available at:

<https://sbecouncil.org/resources/publications/small-business-policy-index-2019/>; Tax Foundation, *State Business Tax Climate Index 2021*, Available at: <https://taxfoundation.org/2021-state-business-tax-climate-index/>

State leaders have long recognized that Rhode Island's business climate can and should be more business-friendly, and have pursued a number of strategies to support these goals in recent years. Beginning in 2015, then-Governor Raimondo issued executive orders promoting regulatory reform and lean government, designed to "change the culture" around business rules and regulations. Among other things, these orders directed the State's Office of Regulatory Reform to scrub existing rules and regulations to assess their impacts on small business. This effort has enjoyed important successes in reducing the weight of burdensome laws and regulations.²⁰ Among other things, the Department of Business Regulation now offers a hotline/ombudsman service to receive and respond to complaints and concerns raised by the state's small business owners.

These efforts have made important progress, but business advocates also recognize that the real regulatory challenges facing many business owners are not directly due to specific laws or rules. Instead, they result from competing interpretations of existing regulations or unclear direction to front-line staff and other partners. In addition, many challenges result from local rules and regulations, as opposed to those emanating from state government. Examples include procedures for regulating cottage industries and home-based businesses. Both of these areas were cited as challenge areas by interviewed entrepreneurs.

These State-led efforts should continue, but should also acknowledge that many small business owners are challenged by the complexity of rules, especially when local and state regulatory schemes come into play. These barriers can be especially pronounced for BIPOC entrepreneurs, who may face language barriers or may be affected by other forms of discrimination. Additional efforts to provide guidance to small business owners should be considered. At the state level, the Department of Business Regulation could consider taking a more active role in directly providing tax and regulatory consultation to small business owners. This effort would build on the "virtual office hours" now offered to new business owners by the RI Department of State, and should be offered in a variety of languages. Similarly, the Department should consider expanding training and professional development opportunities that help local officials better understand the how's and why's of regulatory reforms that support a more "small business friendly" set of local rules and regulations. Finally, the Department of Revenue should embrace the recommendation, as presented in the Rhode Island Innovates 2.0 Plan, to create a new Taxpayer Advocate position with a focus on providing tax-related advice and support to small business owners.²¹

While state agencies lack jurisdiction over local rules related to zoning and licensing, they can support efforts to support reform at the local level. Potential actions might include development of model local statutes that are more "entrepreneur-friendly," expanded training and technical assistance, and outreach to business to identify the most pressing challenges they face related to local business regulation. An annual summit providing professional development opportunities and sharing leading practices could help to publicize the state's efforts to become entrepreneur-friendly. Ideally, these efforts should include key local government partners such as SNEAPA, the region's American Planning Association affiliate, or the Rhode Island League of Cities and Towns.

Market Access

Market access refers to programs that help firms enter new markets or develop specialized capabilities related to target clusters and industries. RI Commerce and other key partners support many of these cluster programs. Examples include 401 TechBridge (defense industry), Hope and Main (food), the New England Medical Innovation Center (life sciences), DesignRI, and Polaris, the state's Manufacturing Extension

²⁰ Rhode Island Office of Regulatory Reform, *A New Regulatory System for Rhode Island*, February 2020. Available at: http://www.omb.ri.gov/documents/reform/APA/ORR_Final_APAC_Report.pdf.

²¹ *Rhode Island Innovates 2.0*, pp. 119-120.

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Partnership network. In addition, programs like SupplyRI are focused on helping BIPOC contractors get into the government contracting business or to serve as suppliers to the state's major corporations.

All of these organizations have strong reputations and track records, yet they acknowledge that their networks do not include large numbers of BIPOC entrepreneurs. However, trends are moving in a positive direction. Interest in entrepreneurship has spiked during the pandemic, and BSOs are seeing a growing and more diverse clientele. Most importantly, they want to build on this progress. For example, SEG has opened a new business support center in Providence focused on supporting BIPOC business development. This new facility will also include a strong presence of local partners such as Hope and Main and the SBDC network.

Building on this momentum will require additional investments and a conscious commitment to helping BIPOC entrepreneurs start and grow companies in these target sectors. Most, but not all, of these industry-specific BSOs work with more established businesses. As such, an important first step involves expanding training offerings that provide essential industry-specific skills and competencies.

A second step involves establishment of a Minority Business Accelerator program, as initially recommended in RI Commerce's Innovates 2.0 report.²² The accelerator program will target a small cohort of high-potential entrepreneurs who will be provided with a customized suite of support services along with sophisticated coaching and mentoring support and connections to key partners and investors. Ideally, the sector-targeted programs noted above, such as 401 Tech Bridge and the NEMIC should actively participate in these acceleration programs.

A related strategy connects BIPOC residents to business opportunities via business succession programs. Researchers estimate that as many as 70% of US businesses will change hands over the next 10-15 years, as the boomer generation retires. Some of these companies may simply shut down, but a large number of companies remain viable yet lack business succession strategies. Connecting BIPOC entrepreneurs to these opportunities can help them hit the ground running with their business growth plans. More active efforts to connect BIPOC entrepreneurs to these opportunities are needed. At present, the RI SBDC network operates a business succession planning program, and could thus serve as an initial platform for this effort. Because many of these firms are manufacturers, Polaris MEP could also be part of this initial work. This recommendation is also included in the RI Innovates 2.0 strategy.²³ RIBBA's new Emerging Leaders Development Program could also be utilized to support this work.

The development of cluster-focused programming in new sectors could also create new opportunities for BIPOC business owners. We know from the BIPOC Business Landscape Economic Data Analysis (Appendix B) that industries where minorities are currently working in the state, and have the highest rates of self-employment, include *Administrative and Support and Waste Management and Remediation Services (NAICS 56)*, *Transportation and Warehousing (NAICS 48)*, *Accommodation and Food Services (NAICS 72)*, *Manufacturing (NAICS 31)*, and *Health Care and Social Assistance (NAICS 62)*. Specialized programming, such as business accelerators or mentoring networks, targeting these sectors could help to create new business development opportunities for many BIPOC entrepreneurs.

Additional 'cross pollinating' of industry-focused networks and associated programs with BIPOC business networks is needed. Hope & Maine is currently doing this within the Accommodation and Food Services sector. RI Commerce is the appropriate entity to bring together the other cluster-based programs and host an inclusion, diversity forum and introduction to BIPOC business organizations, i.e., Hispanic Chamber, Urban Ventures, etc.

²² Rhode Island Innovates 2.0, pp. 99-100.

²³ Rhode Island Innovates 2.0, pp. 102-103.

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Finally, additional reforms should build on the excellent procurement assistance support being provided by Supply RI and the state's Procurement Technical Assistance Center (PTAC) programs. Rhode Island is home to a major US Navy presence, and also hosts major corporations and other anchor institutions, such as major universities and hospital systems. All of these anchor institutions offer tremendous business development opportunities for BIPOC businesses. Important work is underway, as Supply RI's supplier base grows, and the effort engages with a more diverse set of industries and anchor institutions.

Additional work to address significant disparities in contracting opportunities is also needed. . An official disparity study, published in July 2021, identified problem areas in various government procurement programs. It offered a host of recommendations, including additional credits for BIPOC contractors and subcontractors, more rigorous performance monitoring and enforcement, enhanced outreach efforts, and many enhancements to state MBE/WBE programs.²⁴ This menu of recommendations should be a top priority over the coming months.



MIAMI CENTER FOR BLACK INNOVATION

What began as a venture to expose youth to coding, expanded to take on a comprehensive mission to support and grow innovative businesses led by black founders. The Center for Black Innovation works within the bounds of four areas: 1) Capital and Socioeconomics 2) Ecosystems and Coalitions 3) Education and Mobility 4) Social Justice and Innovation.

CFBI's runs many excellent programs that attract numerous participants. Their programs are all designed to serve a larger mission: to build ecosystems that value "black culture and communities as our greatest asset." For example, Code Fever's primary goal is not to train black coders. This training is part of a larger mission to infuse black talent into the ecosystem and to foster the development of the next generation of black entrepreneurs. CFBI is on a mission to build a globally competitive base of Black entrepreneurs in Miami.

²⁴ Mason Tillman Associates Ltd, *State of Rhode Island Disparity Study: Final Report*, July 2021.

4. FORWARD TOGETHER

Creating a more equitable and inclusive ecosystem.

This report contains a wide variety of recommendations, many of which will require several years of work and additional investments from private and public partners. Yet, as the old adage, states, “a journey of a thousand miles begins with a single step.” While we recommend a series of initial steps (as opposed to single step), the Rhode Island Foundation and Rhode Island Commerce can and should begin several significant new initiatives beginning immediately.

Step One involves supporting and convening key stakeholders working with BIPOC businesses across Rhode Island. This effort should engage and build upon the new, emerging coalition brought together, with support of SEG, around the new SBA-backed Community Navigator Pilot Program. This \$1 million grant seeks to develop a statewide “hub-and-spoke” model for business service delivery, and engages most of the state’s leading BIPOC business advocacy groups.

Since this effort is already underway and making important progress, additional funding and support should be utilized to broaden the network and to ensure its long-term sustainability. Examples of potential capacity building investments might include:

- 1) Support salary and expenses for a network director
- 2) Develop common metrics for use across the network
- 3) Purchase of CRM system for use across the network
- 4) Provide professional development opportunities for partners and their staffs
- 5) Create an advisory board composed of local business owners

As the Navigator Pilot commences with additional support from key partners, ecosystem building should reflect key design principles first development by the Kauffman Foundation and presented in its Ecosystem Building Playbook.²⁵

- 1) Put entrepreneurs front and center.
- 2) Foster conversations.
- 3) Enlist collaborators. Everyone is invited.
- 4) Live the values.
- 5) Connect people bottom-up, top-down, outside-in.
- 6) Tell the community’s authentic story.
- 7) Start, be patient.

These guiding principles all revolve around one common theme: resilient ecosystems are developed by and for entrepreneurs. Where possible, local entrepreneurs must assume important leadership roles and also provide direction and guidance on network events, activities, and programs. Thus, in addition to building capacity and long-term sustainability, the network should also sponsor a series of events and activities to create buzz and engage new partners in this work. These activities should include larger celebratory events such as an Annual Summit or youth business plan competition, as well as a regular event series as recommended earlier in this report. As this network gains traction, additional steps to bolster the ecosystem should be implemented.

²⁵ Ewing Marion Kauffman Foundation, *Entrepreneurial Ecosystem Building Playbook*, Version 3.0. Available at: <https://www.kauffman.org/ecosystem-playbook-draft-3/create/>.

Action Plan Matrix

The following action plan matrix contains the recommendations presented above, and is provided as a tool to support their implementation. As the Rhode Island Foundation, Rhode Island Commerce, and the many other partners, continue to get organized around this complex effort, the columns of the matrix should be filled out, maintained, and expanded to clarify actions, responsibilities, resources, and timing.

High-priority projects and initiatives are in bold text.

Project/Initiative	Collaborators	Priority	Timeframe	Estimated Cost + Resources	Potential Funding Sources	Performance Measures
Capital						
1 Create a Rhode Island-based CDFI		High	Mid		US Treasury, Municipal/ State ARPA	
Utilize the new State Small Business Credit Initiative (SSBCI) to steer Federal funds into new capital pools for microenterprises and BIPOC firms					US Treasury	
Implement small business finance recommendations made by RI Foundation and partners						
Designate a small matching fund (of \$5 million) to invest in local investment pools of this type		High	Short			
Encourage the development of new angel investor networks targeting BIPOC-owned ventures, and encourage new investment in BIPOC companies by existing angel investor networks						
Workforce/Talent		High	Short			
Set a goal that every Rhode Island-based student should participate in some type of entrepreneurship programming before they graduate from high school						

Project/Initiative	Collaborators	Priority	Timeframe	Estimated Cost + Resources	Potential Funding Sources	Performance Measures
8 Infuse entrepreneurship across the community college curriculum						
9 Restarting its statewide self-employment assistance program						
10 Replicate the Providence self-employment assistance services across all parts of the state						
11 Support and expand efforts that seek to provide career pathways and support diversity and inclusion in key fields, such as banking, accounting, management, and marketing, that support business development						
12 Increase youth interest in high-growth potential fields like computer and mathematical, architecture and engineering, and life, physical, and social sciences						
Business Assistance						
13 Increase resources for outreach and communication to reduce disconnect between BIPOC business owners and service providers		High	Short			
14 Improve online wayfinding through the ecosystem		High	Short			
15 Develop a new suite of program offerings targeted to microentrepreneurs and the self-employed such as financial		High	Short			

Project/Initiative	Collaborators	Priority	Timeframe	Estimated Cost + Resources	Potential Funding Sources	Performance Measures
literacy, digital literacy, and basic business building blocks						
16 Establish a business voucher program to support business development services						
Create the Rhode Island BIPOC Business Coalition, composed of BSOs and other advocates for BIPOC business development.						
17		High	Short			
Specialized Infrastructure						
18 Develop new coworking spaces and satellite business support centers						
19 Increase commercial kitchen space and processing capacity						
20 Combine entrepreneurship training with neighborhood redevelopment initiatives focused on retail and micro-producer businesses						
Community Culture						
21 Foster a more supportive entrepreneurial culture via entrepreneurship education programs at all levels						
22 Launch an aggressive public relations and communications efforts that promote entrepreneurship as a viable career option and as a means to master essential twenty first century skills						

Project/Initiative	Collaborators	Priority	Timeframe	Estimated Cost + Resources	Potential Funding Sources	Performance Measures
23 Build an event series, like One-Million Cups, that serves as an 'open house' to entrepreneurship and offers opportunities to connect, network, and learn						
Supportive Regulation						
24 Continue State-led efforts to change the culture around business rules and regulations		High	Ongoing			
25 Review procedures for regulating cottage industries and home-based businesses						
26 Actively provide tax and regulatory consultation to small business owners		High	Short			
27 Help local officials better understand the how's and why's of regulatory reforms that support a more "small business friendly" set of local rules and regulations						
28 Develop a model of local statutes that are more "entrepreneur-friendly"						
29 Conduct outreach to business to identify the most pressing regulatory challenges						
30 Host an annual summit providing professional development opportunities and sharing leading practices		High	Short			

Project/Initiative	Collaborators	Priority	Timeframe	Estimated Cost + Resources	Potential Funding Sources	Performance Measures
Market Access						
31 Expand training offerings that provide essential industry-specific skills and competencies						
32 Update and revitalize BIPOC Business Accelerator program		High	Short			
33 Connects BIPOC residents to business opportunities via business succession programs						
34 Develop cluster-focused programming in new sectors where minorities are currently working in the state, and have the highest rates of self-employment						
35 Build on procurement assistance support being provided by Supply RI and the state's Procurement Technical Assistance Center (PTAC) programs		High	Short			
36 Implement recommendations from 2021 disparity study						

APPENDIX A: CASE STUDIES

Leaders in Rhode Island are not alone in their efforts to build a more resilient and inclusive ecosystem for the state's BIPOC entrepreneurs. Similar efforts are underway around the US, and these experiences offer many useful lessons learned for ongoing work in Rhode Island.

This appendix presents a series of case studies of inclusive entrepreneurial ecosystem building from several locations around the US. They include:

- Cincinnati, OH
- Cleveland, OH
- Detroit, MI
- Miami, FL
- Philadelphia, PA

These locations share several characteristics that offer useful insights to inform future ecosystem building efforts in Rhode Island. All of these locations have been actively promoting inclusive entrepreneurship for many years, and are viewed as promising models by industry experts. In addition, the communities present a range of different business models and organizational types. In some cases, such as Cincinnati, traditional economic development organizations play an important leadership role. In other cases, initiatives are started by local policy entrepreneurs (Miami) or are seeded by major philanthropic investments (Detroit). Thanks to this diversity of programming and approaches, the cases offer a mix of useful lessons and suggestions for new policies and programs.

Each case focuses on a specific location and a lead organization that plays a critical role in supporting the region's entrepreneurial ecosystems. Each case study includes unique lessons learned, but some common lessons have also emerged. They include:

Embrace Ecosystem Building as a Core Strategy

In all of the cases discussed below, lead organizations and partners consciously view ecosystem building as a core mission. Organizations provide key services (e.g., we provide loans, we provide training), but they do not view themselves solely as service providers. Instead, they see their mission in a broader sense of supporting an environment that helps all BIPOC business owners thrive. Given this vision, they do not view themselves as "leaders" of the ecosystem, but as a part of a wider cohesive network that typically engages dozens of partners and stakeholders.

Embrace Comprehensive Services

Effective ecosystems offer support to entrepreneurs at all points in the business life cycle—from the initial stages of ideation to the first initial public offering (IPO) of a successful venture. No one organization can offer the full suite of needed services and support. For this reason, effective ecosystems engage multiple partners with specialized capabilities based on market needs, local business types, and local capacities. Effective organizations, like Tech Town Detroit or the Enterprise Center of West Philadelphia, often provide many of these services "under one roof" but they also rely on connections, referrals, and partnerships to deliver many programs and trainings.

The Power of Philanthropy

Local and national foundations played a critical role in every one of these case studies. In a few cases, such as Cleveland and Detroit, foundations led the initial charge to support ecosystem development and

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continue to assume important leadership roles. Foundation investments matter a great deal, but the role of foundation leaders as neutral convenors is equally important.

Diversified Funding Streams

Successful and inclusive ecosystems benefit from critical investments from foundations and other sources, but no one single funding stream can sustain ecosystem development over the longer term. Successful ecosystems rely on diversified funding streams that include investment from public agencies, foundations, and local business. In addition, fees for services are also a key part of the funding mix.

Case Study: Cincinnati and the Minority Business Accelerator

Background

Cincinnati Ohio has emerged as a leader in its self-professed goal of becoming "the national epicenter for minority business development."²⁶ This effort has been underway for fifteen years, and has engaged a wide array of partners and community leaders. Minority business owners and advocacy groups are actively engaged, but so are the traditional business community and organizations like the Cincinnati USA Regional Chamber.

Cincinnati's pioneering work grew out of crisis, when major disturbances spread across the city after the police shooting of Timothy Thomas, an unarmed Black teen, in 2001. Among other things, this event sparked creation of the Cincinnati Center City Development Corporation (3CDC), a community development corporation headquartered in the Over the Rhine neighborhood, one of Cincinnati's most diverse areas.²⁷ 3CDC focused primarily on real estate and neighborhood revitalization (as opposed to small business development), but its success helped trigger a host of follow-on activities. These include the Minority Business Accelerator (MBA), which will be further discussed below.

Key Organizations: The Minority Business Accelerator

The Minority Business Accelerator first opened for business in 2003, in response to recommendations from the Cincinnati Community Action Now Commission. It began operations with a broad mission to address disparities in the region's business community. MBA's programs have evolved and expanded over the years, but the basic core focus areas have remained consistent around three pillars of Advise, Accelerate, and Advocate. First, the MBA and its partners provide a host of advisory and technical services to MBE firms. This includes business assessments, capacity building, and training. A smaller cohort of firms receives more advanced acceleration services, such as assistance in accessing financing, developing talent, and in building corporate partnerships. Finally, MBA advocates for the MBE community by engaging key corporate partners who invest in the program, its businesses, and who commit to more expansive supplier diversity efforts.

²⁶ Cincinnati USA Regional Chamber, "Making Cincinnati the National Epicenter for Minority Business Development," 2019-2020 Annual Report. Available at:

<https://www.cincinnatichamber.com/docs/default-source/default-document-library/minority-business-accelerator-files/mba-annual-report.pdf>.

²⁷ Bruce Katz, Karen Black, and Luise Noring, "Cincinnati's Over-the-Rhine: A Private-Led Model for Revitalizing Urban Neighborhoods," Nowak Metro Lab, 2019. Available at: <https://drexel.edu/nowak-lab/publications/case-studies/cincinnati-city-case/>.

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The MBA team operates with an annual budget of approximately \$1 million that is funded via a mix of corporate and philanthropic contributions, fees for services, and other income. This funding supports a staff of five who provide coaching and support to companies. Each staff member is able to work with around fifteen portfolio companies per year.²⁸ This internal team is bolstered by volunteers from the local business community who serves as coaches, mentors, and advisors to both MBA and its portfolio companies.

MBA divides its customer base into two primary categories. Portfolio firms receive business assessment, technical assistance, and acceleration services to start, grow, and prosper. At present, 35 portfolio firms are using the program. These firms are locally headquartered, and typically report annual revenue exceeding \$1 million. To date, MBA has worked with 67 portfolio companies who have created more than 3,500 jobs.²⁹ Goal Setter companies typically represent larger employers who commit to supporting MBA programming and to building a truly inclusive vendor environment. At present, more than 50 area employers, including major firms like Procter & Gamble, Kroger, and PNC Bank, are committed Goal Setter partners.

Beyond these core activities, MBA has introduced a host of other innovations in recent years. They include:

- **2011:** MBE and key community partners chartered the Cincinnati Minority Business Collaborative, which engages all of the region's key minority business advocates in shared mission to support and advocate for minority business development. Among other things, CMBC serves as a primary pipeline for businesses considering MBE programs. Current partners include: the African-American Chamber, the Greater Cincinnati Urban League, the Greater Cincinnati Microenterprise Initiative, HCDC Inc., SCORE, the Ohio Minority Supplier Development Council, the Cincinnati USA Hispanic Chamber, and the City of Cincinnati Economic Inclusion office.
- **2013:** The L. Ross Love Growth Bridge Fund: MBA created a \$2 million fund to offer flexible financing to minority businesses seeking rapid growth. Typical investments fall in the range of \$125,000.
- **2016:** The Cincinnati USA Chamber (MBA's host organization) joined a local coalition to create Cincinnati Compass, a virtual resource hub for new immigrants and refugees.
- **2017:** Established a partnership with REDI, the region's business attraction entity, to recruit minority-owned firms to relocate or establish operations in the Greater Cincinnati region.
- **2017:** Created a new set of programs targeted to business succession, connecting budding minority entrepreneurs with existing business owners seeking to retire and pass on the business to a new generation. This effort is one of the few such initiatives seeking to link business succession programs to aspiring minority entrepreneurs.

Impacts

The Accelerator's current work plan is based on "breakthrough goals" that seek to double the aggregate sales of its portfolio companies—to \$2 billion—over the next five years. Based on this benchmark, the MBA teams projects that these firms will create more than 3,500 jobs.

MBA's breakthrough goals seem feasible given the program's track record to date.³⁰ The program's 67 companies have already created more than 3,500 jobs and generated more than \$150 million in new sales in 2019. The MBA portfolio firms are growing, with 25% of these firms generating annual revenues that

²⁸ Joseph Parilla and Darrin Redus, "How a New Minority Business Accelerator Can Close the Racial Entrepreneurship Gap," Brookings Institution, December 8, 2020. Available at:

<https://www.brookings.edu/research/how-a-new-minority-business-accelerator-grant-program-can-close-the-racial-entrepreneurship-gap/>.

²⁹ Cincinnati USA Regional Chamber 2019-2020 Annual Report.

³⁰ Cincinnati USA Regional Chamber 2019-2020 Annual Report.

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exceed \$25 million. Thanks in part to MBA's work, Cincinnati has been ranked by *Entrepreneur Magazine* as one of the US's top 10 locations for minority business growth.

In addition to strong business impacts, MBA has received numerous media accolades and is considered a national model for minority business development. Recent reports from the Brookings Institution and others highlight MBA's work, and several Members of Congress have introduced the Uplift Act of 2021, which seeks to create a national funding program for accelerators modeled on MBA.

Lessons Learned

The great success enjoyed by MBA and the Greater Cincinnati region offer a number of useful lessons for efforts to build more inclusive ecosystems in Rhode Island and beyond. Some key take-aways are detailed below.

- Effective Governance: MBA is governed by a Board composed of C-level senior executives, many of whom lead Goal Setter companies. In addition to providing strategic direction, these board members also assist the MBA team in accessing funding and other resources from the corporate and philanthropic community.
- Link to Wider Regional Goals: MBA benefits greatly from its home base at the regional Chamber of Commerce, and its role as a flagship partner in the region's quest to become the national epicenter for minority business development. In Cincinnati, support for MBE firms is not just a nice thing to do. It is considered a core plank in the region's economic development strategies.
- Diverse Funding Base: MBA benefits from a diverse funding base. As a national model, MBA attracts funding from major foundations and government agencies, but it also has a robust funding base of local corporations. Thanks to this stable funding base, the MBA team can do the work as opposed to devoting extensive time to fund-raising. Efforts to provide a long-term funding base are underway thanks to the J. Phillip Holloman Endowment Fund. Named for the recently retired President & COO of Cintas, Inc., this fund, which will hopefully be capitalized at \$5 million, will create long-term endowment to support MBA operations.
- Beyond Startups and Suppliers: Many minority business development programs around the US focus on two core sets of activities: encouraging minority residents to start businesses, and helping existing firms to connect into public and private supplier networks. MBA supports this work, but its primary goal is to nurture high-growth minority-owned businesses.
- This focus is reflected in its emphasis on working with Portfolio firms who generate a minimum of \$1 million in annual sales. In addition, its new focus on business succession strategies is a tool to inject minority entrepreneurial talent into existing firms in the Cincinnati region. Via this effort, MBA will help minority business owners acquire existing businesses that already enjoy significant scale and scope. This effort has had real-bottom line effects in Cincinnati. For six years, the region has been ranked as the national leader in the share of MBE firms that have been in business for longer than six years, and in the number of MBE firms with annual revenues exceeding \$500,000.
- Build a Pipeline: MBA's role in supporting creation of the Cincinnati Minority Business Collaborative is not just about connecting organizations with similar missions. This network can also serve as a pipeline to identify promising businesses and entrepreneurs who can benefit from MBA programs and resources. The network also has the added benefit of building a stronger regional voice to advocate for equity and inclusion.

Case Study: Cleveland and JumpStart Inc.

Background

Like many regions in America's industrial heartland, Cleveland and Northeast Ohio have faced decades of economic adjustment and struggle as once powerful manufacturing industries have declined and collapsed. Since the 1970s, the region has embraced multiple approaches to economic development and revitalization, such as a focus on tourism, new sports stadiums, eds and meds, and other approaches.

Beginning in 2004, a group of foundation executives and community leaders chartered the Fund for Our Economic Future with an explicit mission of reinventing the region's approach to economic development and to "transforming a decrepit Rust Belt into a 21st century knowledge economy."³¹ The Fund brought together more than 100 organizations to support several shared goals:

- 1) Attract businesses and help them grow
- 2) Improve the education and job training of the workforce
- 3) Bolster racial inclusion by helping minority business development
- 4) Implement regional policies to support growth while improving government efficiency

The Fund invested in numerous organizations to support these varied objectives, and local leaders acknowledge that not all of these investments panned out. However, they do share a strong consensus that their efforts to invest in business development have proved highly successful. This effort, led by JumpStart, Inc., is profiled below.

Key Organizations: JumpStart, Inc.

JumpStart Inc's initial mission was straightforward but challenging: build a world-class entrepreneurial ecosystem in Northeast Ohio. JumpStart operates as a venture development organization that provides technical assistance to small businesses and technology companies, supports a regional network of service providers, and invests directly in promising local companies.

JumpStart currently supports a number of programs focused on business development. These efforts help companies and entrepreneurs at all points of the business growth continuum. Aspiring entrepreneurs can tap into the Build My MVP programs, a six-week workshop series to help develop minimal viable product concepts. The twelve-week Small Business Impact program supports more expansive business planning and development work, and the Small Business Blueprint program helps founders speed their company's growth trajectory. Along the way, various other types of mentoring, coaching, and technical assistance are readily available.

These coaching services are also accompanied by robust mix of funding sources. In addition to offering connections to banks and other funding sources, JumpStart manages three venture funds that provide investments ranging from \$250,000 up to \$1.5 million.

Many of the programs developed by JumpStart were the first of their kind, and these efforts won numerous awards for innovation in economic development. Today, the types of strategies first pioneered by JumpStart are considered to be "best practices" for building inclusive and robust entrepreneurial ecosystems.

³¹ John Dorschner, "A Big Job: Retooling Northeast Ohio's Economy," Report prepared for the John S. and James L. Knight Foundation, 2007, p. 2. Available at: https://knightfoundation.org/wp-content/uploads/2019/06/2007_12_10_Northeast_Ohio_scribe_report.pdf.

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While JumpStart embraced diversity and inclusion from the outset, it has institutionalized this commitment over the years via a number of program introductions, residents, and reorientations. Some milestones of this work include;

- **2009:** Creation of JumpStart Inclusion Advisors and JumpStart TechLift Advisors
- **2017:** JumpStart creates its new Focus Fund, which provides financing (\$250,000 and above) for early-stage minority-owned technology ventures
- **2017:** JumpStart's first managing partner for inclusion, Erin Horne McKinney joins the team
- **2020:** JumpStart and four other regional economic development organizations engage Ron Stubblefield as a shared Entrepreneur-in-Residence, with a focus on advancing Black and Brown tech entrepreneurship

Impacts

JumpStart regularly tracks and publishes data on its economic impacts. These assessments are generally managed by third-party researchers, such as Cleveland State University or private consultants. In 2020, the organization worked directly with 1,385 companies, 56% of which were led by women and 49% of which were led by Black or Latinx entrepreneurs. In addition, JumpStart's network partners collectively engaged 2,073 companies, 49% of which were led by women and 39% of which were led by Black or Latinx entrepreneurs.³² Firms using JumpStart services performed well, even in the midst of the COVID-19 pandemic. Assisted companies in Northeast Ohio saw a 2% increase in jobs between 2019 and 2020.

JumpStart also assesses its overall economic impacts that engage a wider region of Ohio and Western New York. Overall, its programs were estimated to support more than \$1.3 billion in regional economic activity in 2020. Since 2010, these impacts have been estimated to exceed \$9.1 billion in overall economic activity.³³

Lessons Learned

- *Embrace Performance Measurement:* From the start, JumpStart has embraced expansive performance metrics and regularly publishes reports on its program impacts and outcomes. By actively sharing these metrics, JumpStart has cemented its important place in the regional ecosystem and provided essential feedback to key partners and funders. Most importantly, the JumpStart performance measurement system helps to support the design and improvement of its own program portfolio.
- *Provide Comprehensive Programming:* JumpStart partners with many different organizations, but, when it comes to building businesses, it has most of the needed of services in-house under one roof. As a result, JumpStart can be a "one stop shop" for local entrepreneurs regardless of where they are in their own business journeys.
- *Power of Philanthropy:* Northeast Ohio's ecosystem building efforts have benefited greatly from the extensive support provided by local and national foundations. The initial Future Forward NEO effort was spearheaded by major foundations, and many of JumpStart's current programs are also

³² *Jumpstart Ohio 2020 Economic and Fiscal Impact Report*, p. 9.

³³ *Ibid*, p. 3

backed with major foundation support. For example, the Burton D. Morgan Foundation has been the primary driver and backer of JumpStart's mentoring programs.

Case Study: Detroit and the New Economy Initiative

Background

By the early 2000s, Detroit had become synonymous with economic decline and despair. According to local sources, Michigan accounted for 50% of all jobs lost in the US during the 2000-2010 period.³⁴ The popular local t-shirt slogan, Detroit vs. Everybody, captured the feelings of many Detroiters. That slogan also highlighted the grit and resilience found there. The New Economy Initiative (NEI) sought to build on that resilience and support Detroit's rebound and recovery.³⁵

When the NEI was first being developed, Detroit's problems were deep and profound. Band-aids and small projects would not fix them. A historically unprecedented rebuilding effort was needed, and the NEI team thought big, with an initial down payment of \$100 million provided by ten foundations, led by the Community Foundation for Southeast Michigan, with major support from national funders such as the Ford, Hudson-Webber, Kellogg, Knight, and Kresge Foundations. An additional \$33.25 million was invested in NEI in 2014. These funds were deployed to support a host of strategies, including neighborhood revitalization, workforce training, food systems development, and others. In terms of business development, NEI funds supported dozens of local organizations, including the Arab Community Center for Economic and Social Services, the Detroit Microenterprise Fund, Invest Detroit, Venture for America, and many others.

Few communities can muster \$100 million to support economic revitalization. But the NEI did support and spawn many innovative organizations that offer useful lessons for ongoing work in Rhode Island. Below, we profile Tech Town Detroit, one of the NEI's flagship projects.

Key Organizations: Tech Town Detroit

Tech Town's origins pre-date the NEI. The organization was established in 2000, by a collaborative of Wayne State University (WSU), General Motors, and Henry Ford Health Systems.³⁶ At the outset, Tech Town was envisioned as a traditional incubator with a primary mission of supporting the development and commercialization of WSU-developed technologies. This initial work was successful, but thanks to major NEI investments, Tech Town's mission was transformed from a narrow focus on technology-based development to supporting an entrepreneur-led renaissance across Southeast Michigan.

Between 2010 and 2016, NEI invested more than \$16.5 million to support TechTown, the largest investment in the NEI portfolio.³⁷ NEI funding was matched with additional funding exceeding \$4.75 million. In 2019, TechTown's annual expenses exceeded \$9.6 million.

Under the auspices of NEI, TechTown developed and delivered a variety of programs targeted Detroit's entrepreneurial community. TechTown's facility, located in an iconic 1920s building, is designed to serve as a hub for activities and programs. It offers extensive meeting space, and provides coworking space, offices,

³⁴ Rob Pitingolo and Kathryn L. S. Pettit, *Forward Cities: Four Cities' Efforts toward more Inclusive Entrepreneurship*, Urban Institute, 2017, p. 16.

³⁵ For various NEI impact reports, visit <https://neweconomyinitiative.org/impact/>.

³⁶ On the NEI's early history, see https://www.aplu.org/projects-and-initiatives/economic-development-and-community-engagement/innovation-and-economic-prosperity-universities-designation-and-awards-program/IEP_Library/wayne-state-university-techtown/file.

³⁷ Brian Pittelko, Briyan Bommersbach, and George Erickcek, *The Economic Impact of the New Economy Initiative on the Detroit Region and the State of Michigan*, W.E. Upjohn Institute, 2016, p. 19.

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and lab space for local businesses. TechTown also serves as a lead partner in three larger community collaboratives:

- [Detroit Urban Solutions](#): A collaborative of innovation-focused organizations partnering to address regional challenges such as urban mobility and neighborhood revitalization.
- [MedHealth](#): A local cluster support organization focused on the region's medical innovation sectors.
- [Co.Act Detroit](#): A regional collaborative for innovation in the non-profit sector.

TechTown's core business programs fall into three categories: technology startup programs, small business programs, and entrepreneurial education programs. Technology startups were the primary target of early TechTown investments and remain a high priority today. Tech programs are designed to help entrepreneurs at all business phases from ideation to incubation to commercialization. At the earliest stages, the TechTown Start Studio is a twelve-week introduction that helps aspiring entrepreneurs test and refine their business ideas. As firms start up and grow, they can tap into the TechTown Capital program or use TechTown's incubation services. The Capital programs connect entrepreneurs to a variety of local funding sources, including the state-backed Business Accelerator Fund which provides up to \$50,000 of support services to technology firms. Finally, TechTown manages the STEEP program, a ten-week incubation initiative for Black/African-American women starting companies in STEM-related fields. STEEP Detroit is based on a partnership with the National Science Foundation's I-Corps program.

TechTown also operates three targeted programs for brick-and-mortar small businesses. [313 Strong](#) provides customized coaching and technical support to neighborhood small businesses operating in Detroit, Hamtramck, and Highland Park. Business coaches work with companies on all sorts of issues related to daily operations, human resources, financing, and the like. Through the [SWOT City](#) initiative, TechTown (in cooperation with local community organizations) provides one-on-one coaching (in English and Spanish) to businesses operating in six Detroit neighborhoods. The coaches operate out of local offices in each of the target neighborhoods.

Retail Boot Camp is an eleven-week program to help new entrepreneurs prepare for the opening of a brick-and-mortar location. It targets businesses seeking to open in core commercial business districts across Detroit. The Retail Boot Camp curriculum has also been used by Rhode Island's Center for Women and Enterprise. Finally, THE SHOP: Virtual Edition coaches business owners on how to set up virtual pop-up retail businesses.

TechTown's Entrepreneurial Education offerings provide a host of opportunities to participate in training programs, workshops, and networking events. TechTown manages a Professional Services Network of local volunteers who provide free coaching, counseling and other services, such as legal and accounting support, to local business owners and aspiring entrepreneurs. Eighty-six local professionals were formally enrolled in the network in 2019.³⁸

Impacts

Tech Town has embraced a rigorous program evaluation and impact assessment process. In addition to its own key performance indicator systems, it has supported outside evaluations from the Upjohn Institute and other partners. In addition, Tech Town is one of 21 entrepreneur support organizations that participate in

³⁸ TechTown Detroit 2019 Impact Report, p.11. Available at: https://28ed7ipt082jvqz4i8dynq5r-wpengine.netdna-ssl.com/wp-content/uploads/2021/03/TT_2019-Impact-Report_Final_LR.pdf.

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the JPMorgan Chase Small Business Forward economic impact assessment project.³⁹ This project's latest 2019 assessment (of 14 ESOs including TechTown) found that the organizations collectively supported 2,000 entrepreneurs, and 35 percent of these firms were led by people of color.

TechTown's impacts are impressive. Between 2007 and 2019, TechTown supported 2,863 firms who created more than 1,500 jobs and raised more than \$168 million in outside capital. In 2019 alone, TechTown served 583 companies and 683 tenants and companies used TechTown's coworking services.⁴⁰

The strong base of support services was especially important COVID-19 pandemic. During this period, the TechTown team worked with more than 1,700 entrepreneurs, with minority businesses accounting for 86% of this total.⁴¹ The performance of firms supported by the 313 Strong coaching effort was especially impressive, as 100% of these companies remained open during COVID.

Lessons Learned

- *The Power of Engaged Philanthropy:* Detroit's ongoing revitalization efforts are a classic case study of engaged philanthropy. The city has long been home to major foundations, and their commitment to NEI has transformed the local and national conversation about the future of Detroit. NEI is the largest philanthropic initiative of its kind, and offers a model for other communities around the US and around the world.
- *Think Big:* Investing \$134 million is a big deal, and from the start, NEI and TechTown have embraced the mantra of "Think Big." Thanks to big investments, TechTown transformed its own vision from that of a typical technology incubator to that of regional revitalization. This expansive vision has inspired enthusiasm, spawned numerous spin-off efforts, changed the conversation about Detroit's future, and changed lives. Along the way, TechTown has also succeeded far beyond its initial mission, by helping to rebuild neighborhoods and to create thousands of new companies in Detroit and beyond.
- *Build Back Neighborhoods:* Detroit's revitalization depends on the revitalization of its neighborhoods and commercial corridors. When TechTown first opened, its programs primarily targeted the Midtown neighborhood surrounding the TechTown hub and Wayne State University. Thanks to NEI funding and expanded partnerships, TechTown's' programming now serves multiple neighborhoods around Detroit.

Neighborhood stabilization requires programming beyond business development. Other NEI backed projects support black homeownership, building rehabilitation, and programs to connect landlords and business owners. These efforts recognize that entrepreneurship can be a place-based strategy where exciting new businesses help to revitalize and stabilize neighborhoods.

- *Inclusion at the Core of Programming:* TechTown has always prioritized equity and inclusion in its work. When it first opened in 2000, TechTown was just about tech. Yet, that mission soon

³⁹ Initiative for a Competitive Inner City, "Small Business Forward Partners Create Economic Impact," 2020. Available at: <https://icic.org/blog/small-business-forward-partners-create-economic-impact-supporting-diverse-group-entrepreneurs/>

⁴⁰ TechTown Detroit 2019 Impact Report, p. 4.

⁴¹ TechTown Detroit March 2020 to March 2021 Impact Report, p. 4. Available at: https://techtowndetroit.org/wp-content/uploads/2021/06/TechTown_Meeting-the-Moment.pdf.

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broadened and now embraces general support for Detroit-area small businesses and the revitalization of the city's core commercial districts.

TechTown has sought to embrace inclusion as a core part of its work. In 2019, Dr. Marlo Rencher, TechTown's Director of Technology Programs, published a report entitled *Radical Inclusion in Tech*, that laid out five critical actions for building inclusive innovation ecosystems.⁴² These steps, with some suggested actions, include:

- 1) **Community Organizing:** Sponsoring events and conversations that go beyond business topics to discuss issues such as social justice or community development.
- 2) **Cultural Signifying:** Reflect local culture through art and iconic representation. Decorate coworking and meeting spaces with work from local artists and artisans.
- 3) **Trauma-Informed Approach:** Recognize the many challenges and trauma faced by some entrepreneurs, and provide opportunities for therapy and other support.
- 4) **Relevant Representation:** Ensure that program participants see people who look them in the support organization and in leadership positions. Recognize the costs of not embracing inclusion and diversity in all programming.
- 5) **Critical Race Theory:** Recognize its key finding that racism is woven into the structure of American society.

- *Change the Conversation About Entrepreneurship:* Changing the local "image" of entrepreneurship has been an important, and underappreciated, part of Detroit's ecosystem building efforts. In late 2019, NEI supported dissemination of a local survey of resident perceptions about entrepreneurship ten years after the NEI effort first got underway.⁴³ The survey found that most Detroiters view entrepreneurship as key to economic renewal, and that 40% of survey respondents consider themselves to be entrepreneurs. In addition, nearly twice as many Detroiters saw becoming an entrepreneur as a better path to financial success than working for an established company.

While Detroiters have positive attitudes about entrepreneurship, the survey also showed some differences between white and minority residents. Minority residents were much less likely to identify business support programs and other business owners for startup advice, relying instead on friends and family for guidance. They were also less likely to be aware of the wide range of business support services, with roughly 227 business support efforts underway in Detroit, than white residents. Improving knowledge and access of these support tools could like boost local business ownership and business success rates.

⁴² See <https://techtowndetroit.org/radicalinclusionintech/>.

⁴³ New Economy Initiative, *Entrepreneurship and Economic Opportunity in Detroit: Perceptions and Possibilities*, 2019.

Case Study: Miami and the Center for Black Innovation

Background

Over the past decade, Miami has emerged as one of the US's—and the world's—most exciting and vibrant entrepreneur ecosystems. Yet it wasn't always that way. In fact, Miami had few resources and support organizations for new and growing business twenty years ago. Thanks to major philanthropic investments, a renewed commitment to revitalizing challenged neighborhoods, and an embrace of Miami's role as a global gateway, an exciting and innovative ecosystem has emerged.

Some recent data points reinforce this story. Miami was recently ranked by INC. magazine as America's top startup "surge city" and the region has also ranked highly in global ecosystem system assessments led by the Global Entrepreneurship Monitor project.⁴⁴ The latter analysis also found that total entrepreneurial activity rates in Miami were nearly double the US average.

This buzz is not limited to the startup or technology communities. Pre-pandemic surveys of local residents showed a thriving entrepreneurial culture, with more than 2/3 of working adults agreeing with the statement that they see lots of opportunities for starting a business and only 25% noting that a fear of failure would deter them from pursuing such opportunities.⁴⁵

This thriving entrepreneurial culture has been driven and has spawned a whole of host of ecosystem-building and support organizations. Many observers point to the critical role of LAB Miami as a critical catalyst.⁴⁶ Founded in 2011, LAB (which stands for Love, Art Business) originally opened as a small (700sf) coworking and collaboration space. LAB's founders were inspirational, creative and hard-working, hosting hundreds of events and creating buzz around entrepreneurship. In its first few years of operation, the LAB space hosted more than 50,000 people at various events, networking meetings, and the like.⁴⁷

This initial spark generated exciting buzz and startup activity, but it also energized other major institutions in South Florida. Perhaps most importantly, the Knight Foundation initiated a major round of grantmaking that, since 2012, has invested more than \$55 million to support ecosystem building efforts. Knight Foundation investments seeded the startup and creation of many key ecosystem hubs, including the Center for Black Innovation (formerly Code Fever Miami), LAB Miami, the Miami-Dade College IDEA Center, and many others.

These foundation dollars also had massive ripple effects as other major institutions, especially local colleges and universities got into the game as well. South Florida is home to a number of the nation's leading college-level entrepreneurship program. These include:

- [Miami-Dade College IDEA Center](#): The college's hub for all things entrepreneurial, innovative, and creative. The IDEA Center hosts a variety of programs that help students develop business ideas, turn them into businesses, and scale up those companies once they have started.

⁴⁴ See Babson College and Emerge Americas, *An Ecosystem on the Rise: Entrepreneurship in Miami*, 2020; and Gabrielle Bienasz, "Miami's Tech Startup Scene Gets Hotter," INC. Magazine, January 29, 2021. Available at: <https://www.inc.com/gabrielle-bienasz/miami-next-bay-area-surge-cities.html>.

⁴⁵ Babson College and Emerge Americas, p. 10.

⁴⁶ Rosabeth Moss Kanter, "Miami's Tech Future: Entrepreneurial Ecosystems and Leadership Challenges," Harvard Business School Case Study, April 2018. Available at: <https://www.hbs.edu/faculty/Pages/item.aspx?num=54439>

⁴⁷ Knight Foundation, *Catalyzing Connections: The State of Miami's Startup Ecosystem*, 2015, p. 13.

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- [The Launch Pad](#) (University of Miami): A national model for college-based career support and business development services, Launch Pad helps University of Miami students, faculty, staff, and alumni who are seeking to start or grow companies.
- Florida International University: FIU's [Eugene Pino and Family Global Entrepreneurship Center](#) is regularly ranked as one of the nation's top entrepreneurship programs. In addition, [StartUpFIU](#) manages a mix of support program for student, faculty, or staff with interest in business startups. StartUpFIU also manages three important community focused programs that teach youth entrepreneurship and that help local residents do business in the food sector or sell to government agencies.

To some extent, Miami's ecosystem development efforts have always embraced diversity and inclusion. For example, Miami's tech sector is ranked one of the most diverse in the US by COMPTIA, a major industry trade association.⁴⁸ In addition, many of Miami's best-known tech firms, such as Kairos, and support organizations, like Venture Café Miami and the Center for Black Innovation, were founded or are led by BIPOC entrepreneurs.

While progress has been made, local leaders know that they can do better in terms of supporting diversity, equity, and inclusion. And, they are beginning to take concrete steps in this direction. In January 2021, hundreds of local entrepreneurs, public officials, ecosystem partners, community leaders and residents signed onto the [Miami Tech Manifesto](#), which, among other things, commits key partners to building a more inclusive and diverse ecosystem. Among its key planks are the following statements:

- We Believe Talent Is Universal
- We Are Home to Outsiders
- We Are Women-Led
- We Are Driven By Our Inclusive Values

The manifesto was developed by a mix of groups including leaders from CFBI, Venture Café and others. Their hopes for the effort were articulated by CFBI's JaDan Johnson:

"A big, big part of this manifesto for me is looking at what diversity, equity, and inclusion mean in our diverse but not yet integrated tech community. I don't feel like diversity and inclusion happens until we start all living harmoniously together. I hope this is the pivot toward a harmonious ecosystem where everybody feels welcome and are able to access opportunities equally, and are able to thrive in the ecosystem equally."⁴⁹

Key Organizations: The Center for Black Innovation

Within this vibrant ecosystem, the Center for Black Innovation (CFBI) has been present at the creation and a leading advocate for black and brown entrepreneurs from day one. CFBI is a non-profit based in and focused on Miami, but which now operates in a number of cities across the US.

CFBI got its start in 2012 as the Black Tech Miami Initiative, with an explicit mission of fostering diversity and inclusion in Miami's startup ecosystem. This effort was spearheaded by Felecia Hatcher and Derick Pearson, Black tech professionals who continue to lead the organization today. They left their tech jobs to

⁴⁸ Rob Wile, "Miami Renew Focus on Diversifying Tech Ecosystem," *Governing*, April 8, 2021. Available at: <https://www.governing.com/community/miami-renews-focus-on-diversifying-tech-ecosystem.html>.

⁴⁹ Nancy Dahlberg, "MiamiTech Manifesto Serves as Guiding Light for Newcomers and Locals Alike," *Refresh Miami*, January 4, 2021. Available at: <https://www.refreshmiami.com/miamitech-manifesto-serves-as-guiding-light-for-newcomers-and-locals-alike/>.

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start a gourmet popsicle company and wanted to give back to the communities of Liberty City and Overtown, where many of their employees and customers were based. They opted to host a one-day event for local residents that included a mini-hackathon, coding lessons, and other activities to inspire innovation. This one-off event was so successful that the couple created a new organization, Code Fever, to capture this energy and spirit.

The project had a primary technology focus in its early years. As the name implies, Code Fever taught coding to local youth via hackathons and summer camps. The program continued to grow, attracting more students and significant outside funding from foundations and from corporate partners such as Dell. It also generated spin-off efforts such as Black Girls Code.

Hatcher and Pearson were succeeding with these training efforts, but they also recognized that these new coders needed places to work. Preferably, they could work at firms founded by black and brown entrepreneurs. This goal prompted creation of Black Tech Weekend in 2015, and this event soon became a "must-attend" in the local tech community. These efforts were successful, but both Hatcher and Pearson felt that their organization was the one of the few with primary focus on building a robust black startup ecosystem in Miami.⁵⁰

Meanwhile, Black Tech Week continued to expand, thanks in part to seed funding from the Knight Foundation. The team sponsored Black Tech Week events around the US and at industry events like SXSW in Austin and with key partners such as the Kauffman Foundation. They also established a VC in Residence program to connect Black founders to VC networks around the US. The program now operates in several US locations, and the next Black Tech Week Miami is scheduled for July 2021.

The original Code Fever team continued to grow the organization and broaden its mission, and in August 2020, they rebranded to become the Center for Black Innovation. CFBI now operates several core programs. In addition to Code Fever and Black Tech Week, CFBI also manages several other projects:

- Black Ecosystem Builders Fellowship: A national initiative providing small grants, training and a peer network for Black leaders involved in local ecosystem building efforts.
- [Accelerator Program](#): CFBI is now running the first cohort of its Accelerator program targeting Black founders.
- [Investor Academy](#): A related program, to start later in 2021, will provide training and coaching to potential Black investors so they can better understand the early stage financing landscape.
- Youth—Young Genius Virtual Program and [STEM at Home](#): Code Fever continues to manage STEM training programs, including virtual programming during COVID, in coding and in youth entrepreneurship.
- [Space Called Tribe Cowork and Urban Innovation Lab](#): CFBI also manages a coworking space that offers typical coworking services, but is also intended to serve as a hub for the community.

CFBI has grown rapidly in recent years, and has absorbed several other non-profits. Prior to the pandemic, the organization operated with an annual budget of around \$1 million. In 2015, the first Black Tech Week event attracted 1,000 local people to various events. Today, thanks to Knight Foundation investments, Black Tech Week events operate all year in locations across the US, attracting many thousands of participants from around the world. CFBI's founders and partners note that their programs have changed the local

⁵⁰ Miami's Tech Future, p. 8

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conversation about innovation and entrepreneurship. As Hatcher noted, our programs have "made people reimagine Black neighborhoods and their innovation potential differently."⁵¹

Lessons Learned

CFBI and its pioneering role in building a more inclusive ecosystem in South Florida offers some useful lessons learned.

Build an ecosystem, not just programs: CFBI runs many excellent programs, and its initial offerings—via Code Fever—still attract numerous participants. These programs are all designed to serve a larger mission: to build ecosystems that value "black culture and communities as our greatest asset." For example, Code Fever's primary goal is not to train black coders. This training is part of a larger mission to infuse black talent into the ecosystem and to foster the development of the next generation of black entrepreneurs. CFBI delivers excellent programs, but its mission is bigger: to build a globally competitive base of Black entrepreneurs in Miami.

- *Act Like an Entrepreneur:* CFBI's founders have started multiple companies, and they manage CFBI in an entrepreneurial fashion as well. They have executed a growth plan has consistently introduced new market offerings that address key gaps in the Miami ecosystem. They began by developing talent via Code Fever and in their latest program expansion, the Accelerator and Investor Academy, they are targeting more established firms and investors.
- *Think Locally and Beyond:* CFBI is proudly based in Miami, but the founding team has always sought to have impacts outside of South Florida. Many of its programs, especially Black Tech Week, have a national footprint. This wider focus can support fundraising efforts, but it has other benefits as well. It introduces Miami's black entrepreneurs to potential customers, investors and partners, and generates buzz about the Miami ecosystem as well.
- *Connect to Higher Education:* Miami's ecosystem development has benefited greatly from the presence of major higher education institutions. The University of Miami, Florida International University, and Miami-Dade College all operate leading entrepreneurship centers and have been active community partners. Most importantly, all three institutions see community engagement and ecosystem support as core parts of their missions.
- *Build Global Linkages:* Miami's entrepreneurs aggressively embrace their global links, especially as a gateway to Latin America. The role and impact of immigrant entrepreneurs is significantly higher than in other US-based ecosystems. In fact, the concentration of immigrant entrepreneurs in Miami is nearly twice the global average.⁵² These companies also have a significantly higher share of international customers when compared to global benchmarks.

⁵¹ Carolyn DiPaolo, "How Four Women Made Miami more Equitable for Startups," Forbes, June 10, 2021. Available at: <https://www.forbes.com/sites/hbsworkingknowledge/2021/06/10/how-four-women-made-miami-more-equitable-for-startups/?sh=4d3ac9314a38>.

⁵² Startup Genome, *Miami's Startup Ecosystem: Next Steps for Growing the Region as an Innovation Hub*, 2021, p. 30.

Case Study: Philadelphia and the Enterprise Center of West Philadelphia

Background

Like many older industrial cities in the Northeast, the city of Philadelphia faced decades of economic stagnation and challenge as the region coped with the loss of manufacturing and other key economic anchors. But, beginning in the early 2000s, the City's economic engines were revving again, driven by growth in large corporate players, such as Comcast, emerging life sciences and technology clusters, a strong base of higher education institutions, and a burgeoning base of local innovators and entrepreneurs.

This economic transformation was both driven and reflected in research and in economic development plans developed by the City of Philadelphia and other local leadership organizations such as the Economy League, the Philadelphia Industrial Development Corporation (PIDC), the Delaware Valley Regional Planning Commission, and others. All of these efforts have generally aligned around strategies designed to support innovation, entrepreneurship, and talent development. For example, The Economy League of Philadelphia's *2012 Focus 2026: Priorities and Goals for a World-Class Greater Philadelphia* strategy reflects these patterns.⁵³ It recommends a three-pronged strategy built on education and talent development, business growth, and infrastructure modernization.

These various efforts have spawned a host of innovative programs and strategies. Examples include Campus Philly, a region-wide initiative to retain area college students, and creation of an innovation district anchored by the University of Pennsylvania and Drexel University.

These efforts generated important successes, but community leaders also realized that inclusion and equity were often missing from these initiatives.⁵⁴ Philadelphia has the highest poverty rate of America's ten largest cities, residential housing segregation is among the worst in the US, and wage disparities between Black and White workers exceeded \$7 per hour. Business ownership and growth patterns were similarly skewed. While Black and Latinx residents account for 61% of the city's population, they own only 5% of city businesses.⁵⁵ As seen across the US, these small businesses were also disproportionately affected by the COVID-19 pandemic.

Efforts to promote more equitable and inclusive development began some years ago, and these efforts have gained traction in the aftermath of the COVID-19 pandemic and the public debates spurred by the police murders of George Floyd, Breonna Taylor, and others. Dozens of interesting and innovative new experiments are underway. A major blueprint for this work can be found in the May 2021 report entitled *Philadelphia Equitable Entrepreneurship Ecosystem Assessment and Strategy*. Commissioned by the City of Philadelphia, the United Way, and other key partners, this report presents a roadmap for reform in areas such as capital access, technical assistance, network, and business development opportunities. The report also recommends creation of a region-wide Philadelphia Equitable Entrepreneurship Ecosystem Coalition to support BIPOC entrepreneurs.

⁵³ Economy League of Greater Philadelphia, *Focus 2026: Priorities and Goals for a World-Class Greater Philadelphia*, 2012. Available at: <https://economyleague.org/uploads/files/43136739970144563-focus-2026-report.pdf>.

⁵⁴ For example, see Bruce Katz and Richard Florida, "Building Philadelphia Back Better: A Roadmap for an Inclusive and Resilient Recovery," The New Localism Newsletter, September 3, 2020. Available at: <https://www.thenewlocalism.com/newsletter/building-philadelphia-back-better-a-roadmap-for-inclusive-and-resilient-recovery/>.

⁵⁵ *Philadelphia Equitable Entrepreneurship Ecosystem Assessment and Strategy*, May 2021, p. 4.

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Lots of other innovations are also underway. The [Philadelphia Anchors for Growth and Equity](#) partnership is actively working with major corporations and other anchor institutions to open up local contracting opportunities for BIPOC entrepreneurs. In addition, a new Black Business Leadership Coalition was recently established to advocate for Black-owned businesses.⁵⁶ New funding streams are also being developed. These include the new Raynier Seed Fund, seeded with \$500,000 to invest in the city's minority businesses, and the Philadelphia Office of Innovation's Philadelphia Fund for Leadership, Innovation and Entrepreneurship (FLIE).

Key Organizations: Enterprise Center of West Philadelphia

The Enterprise Center (TEC) of West Philadelphia has been a leader in inclusive ecosystem building for decades. TEC was initially founded in 1989 by David Thornburgh, then head of the SBDC network headquartered at the nearby Wharton School of Business. It was an independent non-profit, focused on a mission of supporting economic development in West Philadelphia. At the time, West Philadelphia was one of the City's most challenged areas, with high rates of poverty, crime, and economic distress.⁵⁷

After a few years of work, TEC moved its operations to an iconic facility, the former WFIL television studios used for the original *American Bandstand* shows. The facility's central location, on a street known as West Philly's Main Street, and iconic status helped cement its role as the hub for business development in West Philadelphia.

TEC began operations as a traditional business incubator, but it soon evolved to undertake a much broader mission of community development. Today, TEC supports three primary missions: business development, capital access, and community services. TEC's business services remain a core part of its support offerings. In addition to traditional types of business technical assistance, TEC also manages a host of programs designed to support minority entrepreneurs in a number of key sectors, including construction, food, government contracting. It manages the Philadelphia Minority Business Development Agency (MBDA) Center, and also provides business certification services for the Philadelphia Office of Economic Opportunity. During the pandemic, it has been a key provider of business grants and other support services, such as assistance with recovery plans and with accessing various public funding streams.

Lessons Learned

TEC's extensive work in supporting West Philadelphia's reinvention and prosperity offer some useful lessons learned.

- *Provide Comprehensive Services:* With its diverse program portfolio, TEC can often operate as a one stop shop for minority businesses. Most of the public services needed by local entrepreneurs can be accessed "under one roof" at the TEC.
- *A Visible Presence:* TEC's commitment to the Walnut Hill neighborhood and its clear visible presence, via its headquarters and other projects like the Walnut Hill Farm, ensure that its role and purpose are well understood. If you need help with starting a business in West Philadelphia, local people clearly know where to go for help and support.

⁵⁶ Michael Butler, "The New Black Business Leadership Coalition: We will Build Generational Wealth Regardless of Gov Funding," Technically Philly, June 23, 2021. Available at: <https://technical.ly/philly/2021/06/23/black-business-leadership-coalition/>.

⁵⁷ John Kromer and Lucy Kerman, *West Philadelphia Initiatives: A Case Study in Urban Revitalization*, University of Pennsylvania Fels Institute of Government, 2004.

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- *Evolve Programs:* TEC started as a traditional business incubator, but its current operations are anything but traditional. Over its existence, TEC has been active in introducing new programs and reforming its existing portfolio to remain responsive to the marketplace. By acting like an entrepreneur, TEC can quickly innovate in the face of new challenges, such as COVID-19 business support, or new growth opportunities, such as its active work to support Opportunity Zone investments.
- *Diversified Funding Streams:* From the beginning, TEC has emphasized diversification of funding streams for its program portfolio. While donations form the bulk of its revenues, they come from large variety of sources, ensuring that TEC will not become too dependent on single source of funds. It taps into multiple venues to attract funds, and even uses a [GoFundMe page](#) to support its 52nd Street Initiative.
- *Embrace Corporate Partnerships:* TEC manages an aggressive and effective fundraising effort, and has enjoyed great success in attracting donations from major corporation and other leaders in the Philadelphia and beyond. Major partners include Deloitte, Comcast, Verizon, and the University of Pennsylvania.

APPENDIX B: ECONOMIC DATA ANALYSIS

In April 2020, Camoin Associates completed a data analysis for the Rhode Island Black Business Association entitled, *Positioning RIBBA for the Future: Scaling Through Strategic Action, Advocacy & Partnership*. Some of the data that follows was originally presented as part of that work and has been updated with the most current data available.

Demographic Trends

This section includes an overview of basic demographic and business data within Rhode Island, focusing on BIPOC populations and businesses. The purpose of this section is to provide a baseline of information to understand the conditions of minorities in Rhode Island and how this may impact the ability for BIPOC businesses to function in the state.

Households by Race & Ethnicity

The definition of a BIPOC business can vary. For the purposes of this data-analysis, a BIPOC includes Black or African American, Native American, Asian, Native Hawaiian or other Pacific Islander, or Hispanic owned businesses. Data were benchmarked against the total population and compared to the White population to understand racial and ethnic discrepancies.

Change in Households by Race & Ethnicity, 2010-2019				
	2010	2015	2019	# Change 2010-2019
				% Change 2010-2019
White alone	352,695	350,034	347,699	(4,996)
Black or African American alone	21,007	22,871	24,315	3,308
American Indian and Alaska Native alone	1,490	1,892	1,944	454
Asian alone	8,919	10,099	10,940	2,021
Native Hawaiian and Other Pacific Islander alone	113	102	282	169
Some other race alone	20,099	18,833	17,325	(2,774)
Two or more races	5,982	6,771	7,984	2,002
Hispanic or Latino origin (of any race)	124,432	143,788	163,226	38,794
All Households	410,305	410,602	410,489	184
				0.0%

Source: 2010, 2015, 2019 American Community Survey 5-Year Estimates

BIPOC populations have grown significantly in Rhode Island from 2010 through 2019. Hispanic or Latino, households with two or more races, Asians, and Black or African American households have driven overall household growth. White households and households of some other race have declined in the studied time frame, with White households declining by 1.4% and some other race households declining by 13.8%. Even though White households are declining, they still make up 84.7% of all households in Rhode Island.

BIPOC populations are driving growth in Rhode Island. As population growth is a main function of economic growth, it stands to assist these populations in their endeavors to create a life that is prosperous. A prosperous life may mean higher education, a life that allows for community service or mentorship, or the ability to raise a family and afford a safe place to live. It also may mean the opportunity to start, own and grow a business. Regardless of the path or definition of prosperity, BIPOC populations have faced systemic inequities leading to less opportunity to achieve their personal goals.

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Household Income

White Rhode Island households in 2019 made 55% more than Black households, and 72% more than Hispanic households. This income disparity can make it more difficult for BIPOC businesses to build their market, capitalize their business, obtain loans, and ride through periods of low economic return.

Change in Household Income by Race & Ethnicity, 2010-2019

	2010	2015	2019	# Change 2010- 2019	% Change 2010- 2019
White alone	\$ 58,923	\$ 61,402	\$ 71,096	\$12,173	20.7%
Black or African American alone	\$ 34,699	\$ 36,209	\$ 45,727	\$11,028	31.8%
American Indian and Alaska Native alone	\$ 31,455	\$ 25,082	\$ 37,621	\$6,166	19.6%
Asian alone	\$ 53,357	\$ 53,441	\$ 77,420	\$24,063	45.1%
Native Hawaiian and Other Pacific Islander alone	\$ 23,475	NA	\$ 40,507	\$17,032	72.6%
Some other race alone	\$ 31,153	\$ 32,751	\$ 37,910	\$6,757	21.7%
Two or more races	\$ 38,262	\$ 38,885	\$ 48,717	\$10,455	27.3%
Hispanic or Latino origin (of any race)	\$ 33,679	\$ 31,121	\$ 41,293	\$7,614	22.6%
All Households	\$ 54,902	\$ 56,852	\$ 67,167	\$12,265	22.3%

Source: 2010, 2015, 2019 American Community Survey 5-Year Estimates

The Asian population has seen the largest spike in household income growth, increasing by 45.1% from 2010 to 2019. Black household income has increased by 31.8% in this same timeframe. While the Black population is gaining some ground, the overall difference in household income compared to Whites and Asians still stands.

Without adequate capital and a supportive marketplace, present and future needs are harder to meet. Housing, transportation, and investments in personal growth make the present situation harder, especially when an unplanned expense occurs. Lack of savings, net worth, and the ability to pass wealth to future generations have negative implications that can be passed down generations.

Educational Attainment

Educational attainment from 2010 to 2019 shows a moderate increase in education for minorities, with Asian and White Rhode Islanders leading in bachelor's degree (or higher) educational attainment. As of 2019, 35.9% of White Rhode Islanders had a bachelor's degree or higher; this figure is 21.1% for Blacks and 14.4% for Hispanics. These are on par with national educational attainment levels by race and ethnicity.

Less education does not necessarily preclude people from creating and running a successful business, but it may limit opportunities for professional connections, internships to grow experience, and learning opportunities that can help expand and creatively grow a business. In addition, a bachelor's degree (or higher) is a credential often viewed as important among potential partners, grantors, and lenders.

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Proportion of Rhode Island Population by Educational Attainment by Race & Ethnicity, 2010-2019

	High school graduate or higher			Bachelor's degree or higher		
	2010	2019	Change, 2010-19	2010	2019	Change, 2010-19
White alone	88.5%	90.6%	2.1%	33.8%	35.9%	2.1%
Black or African American alone	78.8%	85.0%	6.2%	19.1%	21.1%	2.0%
American Indian and Alaska Native alone	81.6%	72.8%	-8.8%	12.7%	15.2%	2.5%
Asian alone	77.9%	86.6%	8.7%	44.5%	52.1%	7.6%
Native Hawaiian and Other Pacific Islander alone	78.5%	99.0%	20.5%	22.8%	37.6%	14.8%
Some other race alone	60.2%	65.5%	5.3%	9.8%	10.3%	0.5%
Two or more races	82.1%	86.2%	4.1%	26.8%	29.6%	2.8%
Hispanic or Latino origin (of any race)	65.4%	73.7%	8.3%	13.0%	14.4%	1.4%
All	86.2%	88.8%	2.6%	31.9%	34.2%	2.3%

Source: 2019 American Community Survey 5-Year Estimates, 2010 US Census

Numerous studies have identified a relationship between business startup and educational attainment. A recent report from the Kauffman Foundation finds that half of all entrepreneurs have at least a bachelor's degree.⁵⁸ Improving the state's educational attainment levels makes sense on many grounds, but it may also contribute to a higher business startup rate as well.

Educational Attainment of All Entrepreneurs in the United States by Race & Ethnicity

	Black or African American	White	Some other race	Hispanic
Less than high school diploma	2.8%	2.9%	18.2%	6.4%
High school graduate, GED, or alternative	21.1%	25.5%	34.5%	30.9%
Some college or associate's degree	21.3%	20.5%	19.1%	21.8%
Bachelor's degree or higher	54.8%	51.1%	28.1%	41.0%

Source: Educational Attainment of Business Owners in the United States, Kauffman Foundation Trends in Entrepreneurship Series, 2020

Population Projections

Population growth can create new business opportunities on its own. As new residents move in, they need places to shop, places to do business, and places to live, work, and play. New businesses can start up to serve these needs, and existing business can capture new business opportunities. Fast-growing parts of the US, such as the Mountain West, also tend to see high business growth rates as well.

Like much of New England and the Northeast, growth rates in Rhode Island fall below national averages. Future projections suggest that we should not expect rapid population growth over the coming decades. However, we can expect a significant change in Rhode Island's population demographics. While the White population will continue to be the dominant racial group in Rhode Island, this will steadily decrease from 2020 to 2025 from 76.9% to 74.5%. Those of Hispanic origin will increase proportionally the most, by 16.4% from 2020 to 2025. Rhode Island's Black population is expected to account for 7.4% of Rhode Island residents in 2025. As their relative share of the state population grows, we should also expect to see a related growth in the share of BIPOC-owned businesses across the state.

⁵⁸ *Educational Attainment of Business Owners in the United States*, Kauffman Foundation Trends in Entrepreneurship Series, 2020

Rhode Island Population by Race & Ethnicity, 2010-2025

	2010		2020		2025	
	#	%	#	%	#	%
White Alone	856,869	81.4%	824,039	76.9%	807,735	74.5%
Black Alone	60,189	5.7%	72,679	6.8%	79,818	7.4%
American Indian Alone	6,058	0.6%	7,452	0.7%	8,360	0.8%
Asian Alone	30,457	2.9%	38,730	3.6%	43,272	4.0%
Pacific Islander Alone	554	0.1%	753	0.1%	844	0.1%
Some Other Race Alone	63,653	6.0%	83,629	7.8%	94,076	8.7%
Two or More Races	34,787	3.3%	44,564	4.2%	49,746	4.6%
Hispanic Origin (Any Race)	130,655	12.4%	180,683	16.9%	210,344	19.4%

Source: Esri

State Comparison

We compared Rhode Island demographic data to nearby states to understand if racial disparities exist to the same extent. We looked at household income data, educational attainment of a bachelor's degree or higher, and population change for Connecticut, Massachusetts, New Jersey, New York, and Pennsylvania in relation to Rhode Island.

Household income shows a similar sizeable discrepancy between income levels by race and ethnicity. The following reflect the wage gap between Blacks and Whites in the following states: in Rhode Island, Whites make 55% more than Blacks. This figure is 74% in Connecticut; 65% in Massachusetts; 67% in New Jersey; 58% in New York; and 69% in Pennsylvania. Discrepancies are even larger among the Hispanic population, ranging from White households making 56% more in New Jersey and New York and 91% more in Massachusetts. Overall, there is no one state of those examined that has an even remotely equitable distribution of income among the racial and ethnic groups, reflecting the larger nature of this issue.

Educational attainment of a bachelor's degree or higher shows similar achievement throughout racial and ethnic groups in the comparison states, with Asians and Whites having a higher degree of educational attainment and Hispanics and Blacks having less. Rhode Island ranks last with Hispanics holding a bachelor's degree or higher at 14.4%. Among all households, Rhode Island ranks last for those holding a bachelor's degree or higher educational attainment at 38.7%.

Finally, we examined the projected change in population from 2020 to 2025 by ethnic and racial groups. Rhode Island generally runs middle of the pack among the comparison states, with a decline of the White population by 2.0% and double-digit growth among all other races and ethnicities. In all comparison states the White population is projected to decline.

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State Comparison of Demographic Data

Household Income, 2019										
	White	Black or African American	Indian and Alaska Native	American Asian	Native Hawaiian and Other Pacific Islander	Some other race	Two or more races	Hispanic or Latino	All	
RI	\$71,096	\$ 45,727	\$ 37,621	\$ 77,420	\$ 40,507	\$37,910	\$48,717	\$ 41,293	\$67,167	
CT	\$85,502	\$ 49,000	\$ 43,350	\$ 96,689	\$ 37,000	\$41,569	\$58,464	\$ 47,753	\$78,444	
MA	\$85,789	\$ 51,842	\$ 37,587	\$ 96,556	\$ 80,119	\$45,297	\$64,361	\$ 44,885	\$81,215	
NJ	\$88,810	\$ 53,247	\$ 61,204	\$121,111	\$ 47,188	\$49,881	\$73,147	\$ 57,068	\$82,545	
NY	\$76,737	\$ 48,557	\$ 41,509	\$ 76,341	\$ 54,593	\$42,907	\$60,767	\$ 49,159	\$68,486	
PA	\$65,306	\$ 38,560	\$ 40,622	\$ 76,682	\$ 47,237	\$36,566	\$48,713	\$ 41,725	\$61,744	
Percent of Population with Bachelor's Degree or Higher, 2019										
	White	Black or African American	Indian and Alaska Native	American Asian	Native Hawaiian and Other Pacific Islander	Some other race	Two or more races	Hispanic or Latino	All	
RI	36%	21%	15%	52%	38%	10%	30%	14%	39%	
CT	42%	21%	19%	66%	46%	12%	31%	17%	44%	
MA	45%	26%	21%	61%	37%	15%	36%	20%	53%	
NJ	41%	24%	26%	70%	31%	14%	38%	19%	46%	
NY	41%	24%	18%	47%	24%	15%	35%	19%	46%	
PA	32%	19%	18%	57%	23%	11%	30%	16%	39%	
Population Change, 2020-2025										
	White	Black or African American	Indian and Alaska Native	American Asian	Native Hawaiian and Other Pacific Islander	Some other race	Two or more races	Hispanic or Latino	All	
RI	-2.0%	9.8%	12.2%	11.7%	12.1%	12.5%	11.6%	16.4%	1.1%	
CT	-2.7%	4.5%	7.9%	14.2%	2.3%	11.6%	9.3%	13.0%	0.4%	
MA	-1.3%	11.9%	7.4%	18.6%	6.5%	15.7%	14.0%	18.4%	2.8%	
NJ	-1.7%	2.0%	8.3%	11.5%	9.3%	9.9%	9.4%	11.1%	1.5%	
NY	-2.2%	0.4%	4.2%	10.6%	5.0%	5.0%	8.4%	6.2%	0.4%	
PA	-1.7%	3.8%	11.2%	18.3%	16.5%	18.8%	17.8%	20.1%	0.9%	

Source: Esri, 2019 American Community Survey 1-Year Estimates

Business Composition

BIPOC Business Participation

Data from the US Census Annual Business Survey indicate the number of firms with employees, sales, number of employees, and annual payroll. As of the 2018 data, there are 1,697 BIPOC-owned businesses with employees in Rhode Island, 7.4% of all businesses with employees. These BIPOC-owned businesses employee 2.8% of employees and contribute 1.6% to payroll. Some data was withheld from publishing due to public confidentiality standards.

2018 Business Data by Race and Ethnicity, RI				
	Number of employer firms	Sales, value of shipments, or revenue of employer firms (\$1,000)	Number of employees	Annual payroll (\$1,000)
White	19,822	\$5 billion or more	206,467	9,559,981
Black or African American	168	\$150 million to less than \$500 million	1,284	51,445
American Indian and Alaska Native	34	\$15 million to less than \$50 million	107	4,145
Asian	938	\$500 million to less than \$1 billion	4,716	139,752
Native Hawaiian and Other Pacific Islander	D		0 to 19 employees	D
Hispanic	S		100 to 249 employees	D
Minority	1,697	\$1 billion to less than \$5 billion	12,595	389,243
Total	22,900	\$5 billion or more	445,167	23,624,401

Source: US Census Annual Business Survey, Table AB1800CSA01, 2018

S - Withheld because estimates did not meet publication standards

D - Withheld to avoid disclosing data for individual companies

BIPOC business participation is lower proportionally when compared to the nation, where 18.3% of all businesses with employees are BIPOC-owned, over twice the rate of Rhode Island. BIPOC-owned businesses also have a greater share of employees nationwide, 7.4% compared to 2.8% in Rhode Island. The share of payroll at BIPOC owned businesses nationally is almost three times the rate in Rhode Island, 4.7% compared to 1.6%.

Minority Business Participation with Employees, RI vs. USA		
	RI	USA
Share Minority Business	7.4%	18.3%
Share of Employees at Minority Business	2.8%	7.4%
Share of Payroll at Minority Businesses	1.6%	4.7%

Source: US Census Annual Business Survey, Table AB1800CSA01, 2018

Data from the Survey of Business Owners from the US Census in 2012 and the 2016 Annual Survey of Entrepreneurs helps build out the BIPOC business ownership picture in Rhode Island. The table below outlines the number of businesses by racial and ethnic group and the change in those businesses with payroll from 2012 to 2016. When compared to the population data on page 6, Blacks make up 6.8% of the population, however they only represent 3.7% of the businesses. Similarly, Hispanics own 9.2% of the businesses but represent 16.9% of the population. Comparing these metrics will help to create numeric goals to reach in creating more BIPOC-owned businesses.

The table below indicates 23.8% of White-owned businesses have payroll, compared to just 5.2% of Hispanic-owned businesses and 5.1% of Black-owned businesses. Notable is the change in businesses with payroll from 2012 to 2016. While Hispanic- and Black-owned businesses represent a smaller proportion of all businesses, these businesses are driving growth of the businesses with payroll. Black businesses increased

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the number of businesses with payroll by 73.5% and Hispanic businesses increased businesses with payroll by 87.3%. This means that more Black- and Hispanic-owned businesses are growing and, in a position to hire.

Businesses in Rhode Island by Race, Gender, and Payroll

	# of Businesses, 2012	% of Businesses, 2012	# of Businesses with Payroll, 2012	# of Businesses with Payroll, 2016	# Change, Businesses 2012-16	% Change, Businesses 2012-16
Black or African American	3,364	4%	170	295	125	74%
American Indian and Alaska Native	673	1%	63	49	(14)	(22%)
Asian	2,937	3%	943	783	(160)	(17%)
Native Hawaiian and Other Pacific Islander	62	0%	4	7	3	75%
Some other race	4,628	5%	188	314	126	67%
White	81,819	89%	19,509	19,627	118	1%
Hispanic	8,439	9%	440	824	384	87%
All classifiable firms	92,123	100%	20,796	21,062	266	1%

Source: 2012 US Census Bureau Survey of Business Owners and Self-Employed Persons; 2016 US Census Bureau Annual Survey of Entrepreneurs

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The Rhode Island Department of State conducts an annual survey of registered businesses about number of employees, gross revenue, and whether it is owned by a woman, veteran, BIPOC, or individual who is disabled. As shown in the table below, from 2015 to 2019, the number of BIPOC owned businesses increased from 6% to 9%, which is similar to the 7.4% ratio noted above in the U.S. Census Annual Business Survey data.

For Profit Entities Registered in RI, DOS Annual Survey			
Year	Total Businesses	Minority Owned	% Minority Owned
2019	1705	151	9%
2018	2108	198	9%
2017	1784	113	6%
2016	1512	98	6%
2015	1281	83	6%
Total	8390	643	8%

Source: Rhode Island Department of State Data Hub

BIPOC businesses in the survey tend to be a little larger than the group overall; however, the gross revenue of the BIPOC owned businesses is significantly lower. Over 80% of the businesses that responded to the survey indicated a gross revenue of less than \$250,000 compared to 54% in the overall sample.

Size of Firms

When we look at the number of employees by firm, we see that virtually all the largest businesses are White-owned businesses. Black- and Hispanic-owned businesses do not run any businesses with over 100 employees. This unequal distribution of firm size indicates there may be opportunities to scale up both Black- and Hispanic-owned businesses. The majority of Black- and Hispanic-owned businesses have between one and four employees at 60.7% and 55.7% respectively, compared to 49.8% for White-owned businesses.

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Number of Employees by Firm, RI

	Black or African American	Indian and Alaska Native	American Asian	Native Hawaiian and Other Pacific Islander	Some other race	White	Hispanic	All classifiable firms
Firms with no employees	3	-	103	7	38	2,122	84	2,318
Firms with 1 to 4 employees	179	49	445	-	160	9,779	459	10,527
Firms with 5 to 9 employees	47	-	182	-	33	3,437	116	3,699
Firms with 10 to 19 employees	29	-	46	-	84	2,013	147	2,183
Firms with 20 to 49 employees	19	-	2	-	-	1,450	18	1,487
Firms with 50 to 99 employees	18	-	-	-	-	329	-	347
Firms with 100 to 249 employees	-	-	-	-	-	238	-	238
Firms with 250 to 499 employees	-	-	-	-	-	92	-	92
Firms with 500 employees or more	-	-	5	-	-	167	-	172
All firms	295	49	783	7	314	19,627	824	21,062

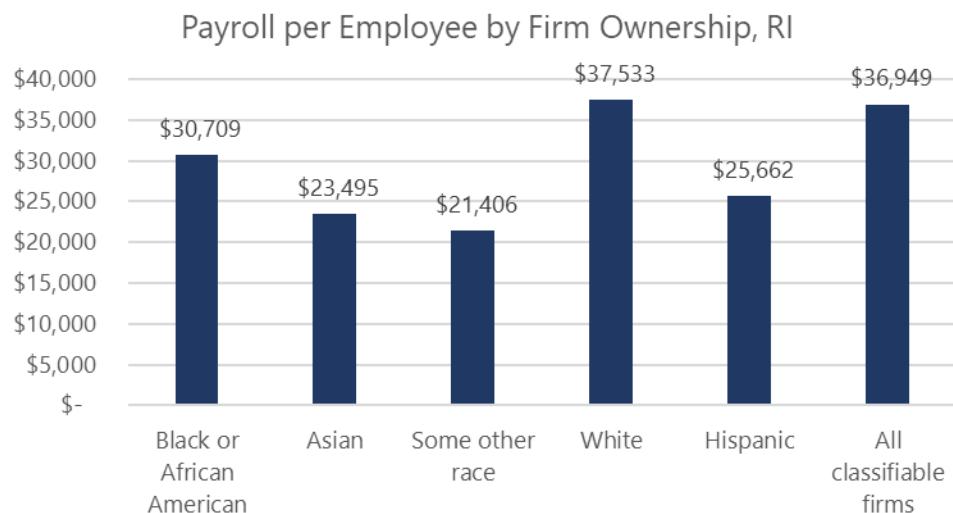
% of Employees by Firm, RI

	Black or African American	Indian and Alaska Native	American Asian	Native Hawaiian and Other Pacific Islander	Some other race	White	Hispanic	All classifiable firms
Firms with no employees	1%	0%	13%	100%	12%	11%	10%	11%
Firms with 1 to 4 employees	61%	100%	57%	0%	51%	50%	56%	50%
Firms with 5 to 9 employees	16%	0%	23%	0%	11%	18%	14%	18%
Firms with 10 to 19 employees	10%	0%	6%	0%	27%	10%	18%	10%
Firms with 20 to 49 employees	6%	0%	0%	0%	0%	7%	2%	7%
Firms with 50 to 99 employees	6%	0%	0%	0%	0%	2%	0%	2%
Firms with 100 to 249 employees	0%	0%	0%	0%	0%	1%	0%	1%
Firms with 250 to 499 employees	0%	0%	0%	0%	0%	0%	0%	0%
Firms with 500 employees or more	0%	0%	1%	0%	0%	1%	0%	1%

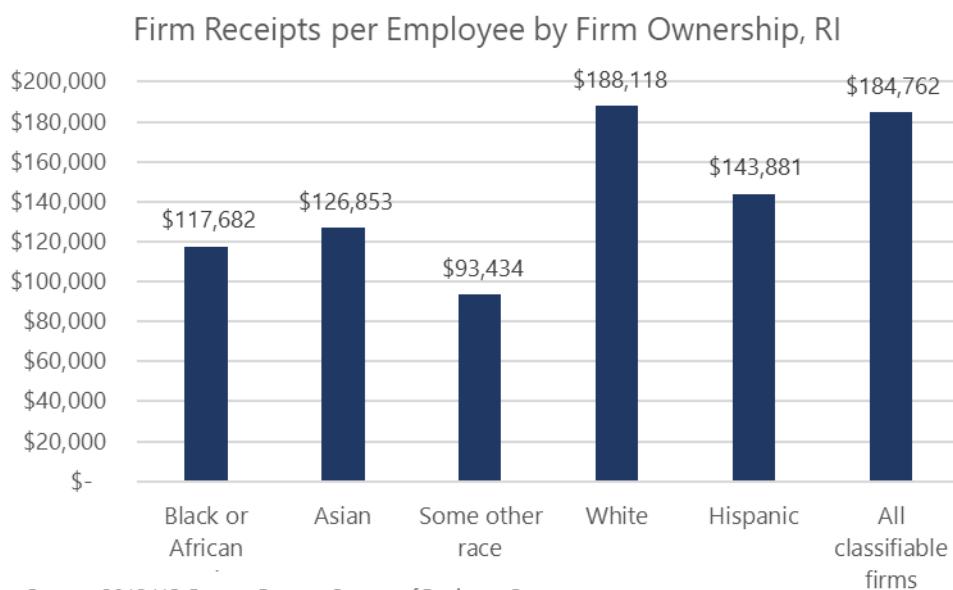
Source: 2016 US Census Bureau Annual Survey of Entrepreneurs

Payroll

Payroll and firm receipts by employee can also be an indicator of relative businesses health (see below). As previously mentioned, the number of businesses with payroll is considerably less among BIPOC populations. Less labor force means less ability to scale businesses and work on larger projects to increase profitability. BIPOC owned businesses also provide less pay to their employees versus their white counterparts (see "Payroll per Employee by Firm Ownership, RI" below). Lower receipts per employee means BIPOC businesses are capturing less money for the same effort. These disparities impact the ability for a business to grow and make it less resilient in times of economic downturn.



Source: 2012 US Census Bureau Survey of Business Owners

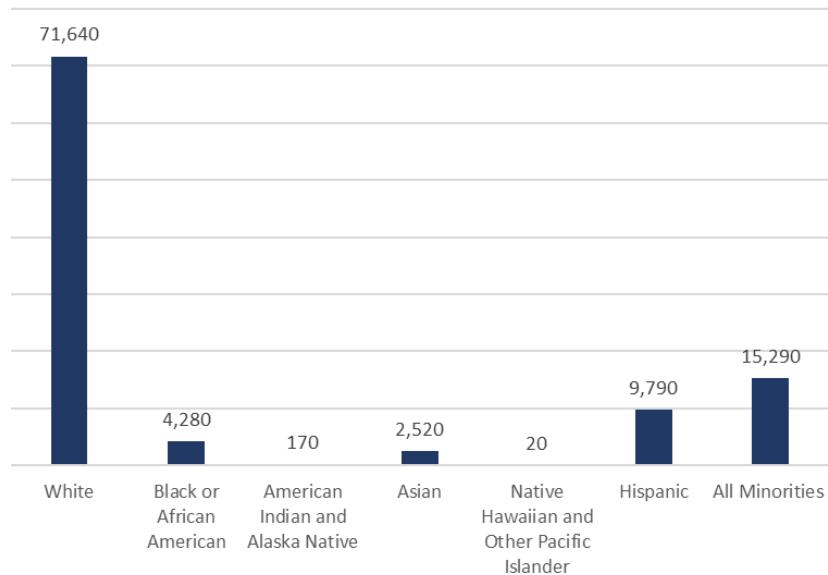


Source: 2012 US Census Bureau Survey of Business Owners

Nonemployer Firms

Nonemployer firms⁵⁹ are businesses that do not have any employees. In Rhode Island, there are 80,200 of these firms, with 89% of these owned by people who are White. 12% of these firms are Hispanic-owned, 5% are Black-owned, and 3% are Asian-owned. Nationally, 79% of Nonemployer firms are White-owned, 14% are Hispanic-owned, 12% are Black-owned, and 8% are Asian-owned. These nonemployer firms are broken out by sales and receipts amount in the following table.

Number of Nonemployer Firms, RI



Source: US Census Annual Business Survey, Nonemployer Statistics by Demographics series (NES-D), 2017

Number of Nonemployer Firms by Sales/Receipts, RI

Sales/receipts Amount	White	American			Native Hawaiian and Other Pacific Islander			All Minorities		Total	
		Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Hispanic	All Minorities				
							Native Hawaiian and Other Pacific Islander	Hispanic			
Less than \$5,000	17,500	1,200	50	500	S	2,000	3,400	3,400	19,500		
\$5,000 to \$9,999	11,000	800	40	400	S	1,900	2,900	2,900	12,500		
\$10,000 to \$24,999	16,000	1,300	60	700	20	3,200	4,700	4,700	18,500		
\$25,000 to \$49,999	11,000	500	20	350	S	1,400	2,100	2,100	12,000		
\$50,000 to \$99,999	8,500	300	< 15	250	S	750	1,200	1,200	9100		
\$100,000 to \$249,999	5,500	150	< 15	250	S	450	800	800	6100		
\$250,000 to \$499,999	1,500	30	S	50	-	70	150	150	1700		
\$500,000 to \$999,999	550	S	-	20	-	20	40	40	700		
\$1,000,000 or more	90	S	-	S	-	S	S	S	100		
Total	71,640	4,280	170	2,520	20	9,790	15,290	15,290	80,200		

Source: US Census Annual Business Survey, Nonemployer Statistics by Demographics series (NES-D), 2017

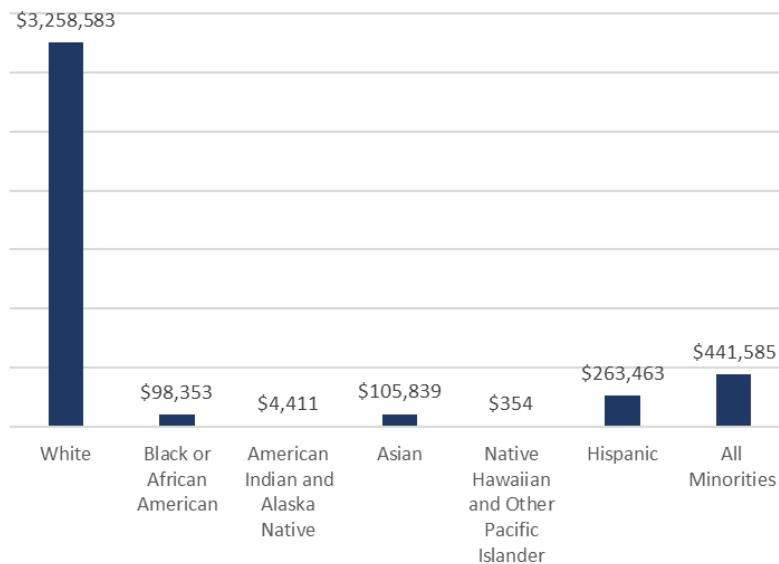
S - Withheld because estimates did not meet publication standards

⁵⁹ A nonemployer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes.

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Total sales and receipts are illustrated in the chart and table below. White-owned nonemployer firms comprise \$3.3 billion in sales compared to \$441 million for all BIPOC groups. Among all firms, BIPOC nonemployer firms account for 12% of all nonemployer sales. This number is half that (24%) at a national level.

Sales, Value of Shipments, or Revenue of Nonemployer Firms (\$1,000), RI



Source: US Census Annual Business Survey, Nonemployer Statistics by Demographics series (NES-D), 2017

Sales, Value of Shipments, or Revenue of Nonemployer Firms (\$1,000)

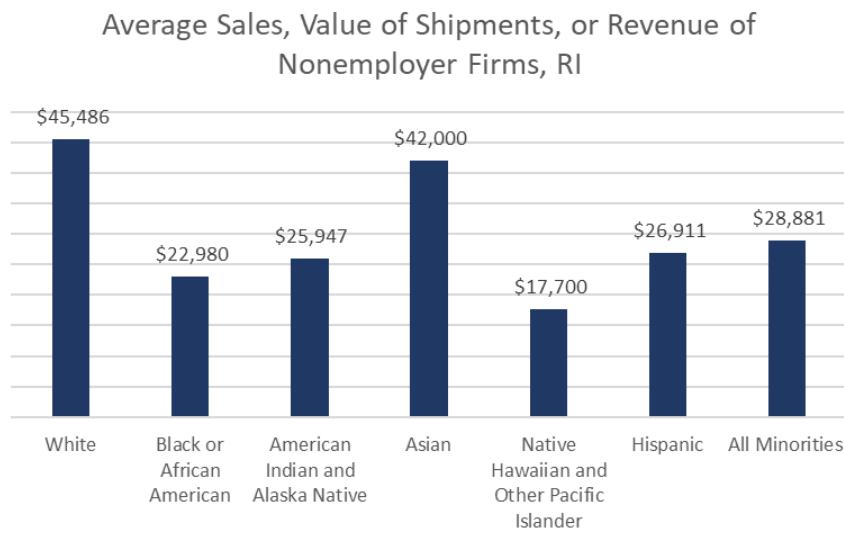
Sales/receipts Amount	Native							Total	
	American		Hawaiian and Other			All			
	Black or African	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Hispanic				
Sales/receipts Amount	White	American	Native	Asian	Native Hawaiian and Other Pacific Islander	Hispanic	All Minorities	Total	
Less than \$5,000	\$41,559	\$2,736	\$112	\$1,193	S	\$4,903	\$8,249	\$45,756	
\$5,000 to \$9,999	\$75,660	\$5,572	\$286	\$2,638	S	\$13,107	\$19,668	\$84,586	
\$10,000 to \$24,999	\$254,605	\$19,291	\$889	\$10,733	\$354	\$47,762	\$71,475	\$287,148	
\$25,000 to \$49,999	\$388,344	\$18,494	\$850	\$12,509	S	\$47,029	\$72,021	\$423,812	
\$50,000 to \$99,999	\$590,533	\$18,737	\$668	\$18,066	S	\$50,822	\$81,330	\$637,087	
\$100,000 to \$249,999	\$832,108	\$25,078	\$1,606	\$33,629	S	\$65,515	\$115,231	\$919,378	
\$250,000 to \$499,999	\$521,826	\$8,445	S	\$15,652		\$23,514	\$46,310	\$595,649	
\$500,000 to \$999,999	\$388,365	S		\$11,419		\$10,811	\$27,301	\$479,133	
\$1,000,000 or more	\$165,583	S		S		S	S	\$175,034	
Total	\$3,258,583	\$98,353	\$4,411	\$105,839	\$354	\$263,463	\$441,585	\$3,647,583	

Source: US Census Annual Business Survey, Nonemployer Statistics by Demographics series (NES-D), 2017

S - Withheld because estimates did not meet publication standards

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Given the number of firms and total sales, value of shipments, or revenue of nonemployer firms, the average sales per firm is calculated below. Black-owned nonemployer firms make about half of what White-owned nonemployer firms make, \$22,980 compared to \$45,486 – a difference of \$22,506.



Source: US Census Annual Business Survey, Nonemployer Statistics by Demographics series (NES-D), 2017

State Comparison

We compared Rhode Island business data to nearby states to understand if racial disparities within BIPOC-owned business exist to the same extent. We looked at the distribution of business ownership by race and ethnicity, payroll per employee, and firm receipts per employee for Connecticut, Massachusetts, New Jersey, New York, and Pennsylvania in relation to Rhode Island.

When looking at distribution of business ownership by race and ethnicity, we see that Rhode Island has the highest proportion of White-owned businesses, compared to New York that has the lowest proportion among the comparison states at 70.8%. New York generally is the most diverse among the comparison states, with 36.0% BIPOC-owned businesses compared to 16.0% in Rhode Island.

Rhode Island's payroll per employee is overall, one of the lowest among the comparison states at \$36,949 (Pennsylvania is the lowest at \$36,862). Among BIPOC-owned businesses, Rhode Island payroll per employee is lowest at \$24,985. In addition, Rhode Island ranks lowest with regard to Latino-owned payroll per employee, at \$25,662, an \$11,871 difference from their White-owned business counterparts.

Similar to payroll per employee, Rhode Island ranks low among firm receipts per employee, ranking lowest among all classifiable firms at \$184,762 compared to \$227,379 in Connecticut who ranked highest. Among racial and ethnic groups, Rhode Island also ranks lowest for White-owned businesses. However, Rhode Island ranks near the top for receipts for Black-owned businesses, at \$117,682. Even through these businesses rank higher, it is still a \$70,436 difference from Rhode Island's White-owned businesses. Among all BIPOC groups, Rhode Island ranks lowest at \$125,952 per employee, an approximate \$50,000 difference between the second-lowest rank state, Connecticut.

Benchmarking against other states' performances can provide insight as to where business performance is most equitable and helps Rhode Island understand how their efforts are (or are not) impacting its business ecosystem. Overall, there are significant inequities among racial and ethnic groups within all states. Where

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those inequities are less might prompt further study to understand what efforts are underway to achieve a more equitable performance among businesses.

State Comparison of Small Business Data

	American		Native		Hispanic			All	
	Black or African American	Indian and Alaska Native	Hawaiian and Other	Pacific Islander	Some other race	White	(of Any Race)	All Minorities	All
Percent of Population*									
RI	7.5%	1.2%	3.5%	0.1%	6.8%	83.7%	21.70%	21.7%	100.0%
CT	11.3%	0.9%	4.4%	0.1%	5.6%	80.5%	26.90%	26.9%	100.0%
MA	8.2%	0.7%	6.0%	0.1%	4.5%	83.2%	21.90%	21.9%	100.0%
NJ	14.7%	0.7%	9.1%	0.1%	6.5%	71.5%	39.30%	39.3%	100.0%
NY	16.9%	0.9%	8.1%	0.1%	8.8%	67.9%	40.30%	40.3%	100.0%
PA	11.9%	0.6%	3.2%	0.1%	2.2%	84.1%	19.20%	19.2%	100.0%
Percent of Businesses									
RI	3.7%	0.7%	3.2%	0.1%	5.0%	88.8%	9.2%	16.0%	100.0%
CT	5.6%	0.5%	4.3%	0.1%	3.3%	87.2%	7.6%	17.7%	100.0%
MA	3.9%	0.5%	5.7%	0.1%	2.9%	88.1%	5.1%	15.2%	100.0%
NJ	8.2%	0.5%	10.5%	0.1%	4.4%	77.4%	12.0%	30.5%	100.0%
NY	11.1%	0.7%	12.3%	0.1%	6.8%	70.8%	13.5%	36.0%	100.0%
PA	5.9%	0.4%	4.2%	0.1%	1.7%	88.4%	3.6%	13.8%	100.0%
Payroll per Employee									
RI	\$ 30,709	N/A	\$ 23,495	N/A	\$ 21,406	\$ 37,533	\$ 25,662	\$ 24,985	\$ 36,949
CT	\$ 23,713	\$ 35,629	\$ 29,906	N/A	\$ 20,105	\$ 43,938	\$ 29,421	\$ 29,238	\$ 43,198
MA	\$ 28,525	\$ 43,265	\$ 39,605	N/A	\$ 31,961	\$ 45,168	\$ 36,317	\$ 38,153	\$ 44,648
NJ	\$ 26,064	N/A	\$ 39,381	N/A	\$ 23,646	\$ 41,505	\$ 28,387	\$ 35,303	\$ 40,873
NY	\$ 31,974	\$ 29,725	\$ 28,440	N/A	\$ 27,249	\$ 46,132	\$ 30,518	\$ 29,426	\$ 44,127
PA	\$ 28,592	\$ 40,644	\$ 31,384	\$ 44,405	\$ 24,508	\$ 37,138	\$ 30,445	\$ 31,016	\$ 36,862
Firm Receipts per Employee									
RI	\$ 117,682	N/A	\$ 126,853	N/A	\$ 93,434	\$ 188,118	\$ 143,881	\$ 125,952	\$ 184,762
CT	\$ 115,986	\$ 197,732	\$ 156,275	N/A	\$ 112,797	\$ 231,797	\$ 150,751	\$ 151,697	\$ 227,379
MA	\$ 107,927	\$ 183,155	\$ 154,285	N/A	\$ 139,713	\$ 227,616	\$ 165,924	\$ 152,212	\$ 221,834
NJ	\$ 104,165	N/A	\$ 245,606	N/A	\$ 153,391	\$ 221,520	\$ 152,762	\$ 212,227	\$ 221,165
NY	\$ 119,330	\$ 258,046	\$ 181,165	N/A	\$ 174,981	\$ 218,966	\$ 151,379	\$ 170,592	\$ 213,655
PA	\$ 94,637	\$ 158,187	\$ 182,327	\$ 88,642	\$ 121,550	\$ 194,387	\$ 138,659	\$ 158,938	\$ 192,895

Source: 2012 US Census Bureau Survey of Business Owners and Self-Employed Persons

* Population figures are based on 2012 ACS 5-year estimates to provide a comparison with 2012 business data.

Financing

Understanding how startup businesses are funded helps illustrate the pathways and risks different people take to access capital. The following two charts illustrate data from the 2016 Annual Survey of Entrepreneurs from the US Census by race and ethnicity for the entire US, and for Rhode Island. They show 1) the source of startup financing by race and ethnicity and, 2) unmet credit needs by race and ethnicity. Data was not available by race and ethnicity for the state of Rhode Island. Even though data is not available by race and ethnicity for the state, understanding the distribution and frequency of financing source by race and ethnicity nation-wide can shed light on how to support BIPOC-owned businesses in the future.

First, we examine the source of startup financing by race and ethnicity. Among all ethnicities, the majority of funding comes from personal savings of the owner; this is highest among Asian and Hispanics at 73% and 72% respectively. Using personal savings is lowest among Whites at 65% and for all Rhode Island businesses stands at 61%. A business loan is most utilized by White startups at 17%, compared to 11% for Hispanics and 13% for Blacks or African Americans. Blacks also have the highest rate of using a personal credit card for carrying startup balances, 15% compared to 9% for White startups. Overall, if you are Black or Hispanic, you are less likely to get a business loan and more likely to use a personal credit card. Personal credit cards are easier to access yet have higher interest rates that can quickly compound, creating a situation that makes the initial stages of businesses development quite tenuous.

NATIONAL TRENDS

Findings from the 2021 Small Business Credit Survey

The *Small Business Credit Survey: 2021 Report on Firms Owned by People of Color* provides additional insight into minority business finance challenges.¹

According to the survey, about 1 in 10 minority owned businesses do not use financial services. Black-owned firms have smaller amounts of debt than other firms and were more likely to use credit unions as financial service providers (19%).

Business owners of all backgrounds tend to use primarily large banks as financial service providers (47% to 49%); however, white-owned firms were much more likely to use small banks (47%) compared to Asian (38%) Hispanic (31%) and Black (27%) business owners.

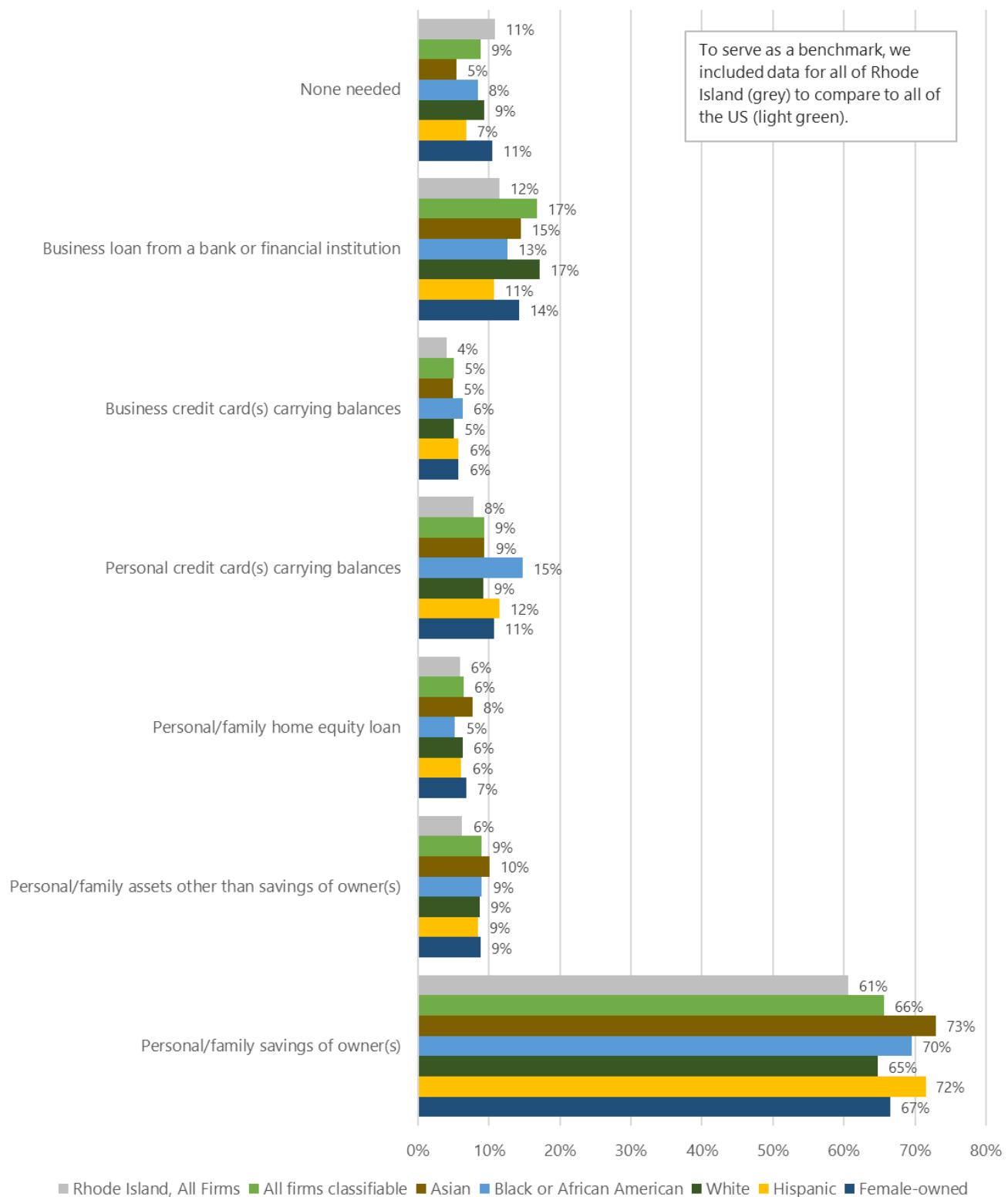
The Small Business Credit Survey also found that firms owned by minority business owners were far less satisfied with the support from their primary financial service providers during the COVID-19 pandemic.

Black-owned firms were nearly half as likely as White-owned firms to receive all the PPP they sought. About 79% White-owned firms received all of the PPP funding they sought, compared to 68% of Asian-owned firms, 61% of Hispanic-owned firms, and 43% of Black-owned firms.

Black-owned firms were more likely than others to expect increases in revenues and employment over the next 12-months, while Asian-owned firms were the least optimistic.

According to the survey, the challenges firms expect to face because of the pandemic differ. A primary concern among all firms is weak demand for products/services; however, just over half of Black, Hispanic, and White owned firms indicated this as a concern where 75% of Asian-owned firms cited this challenge. Government-mandated restrictions is a concern for about half Asian- and White-owned firms, less so for others. About 48% of Black-owned firms are concerned about credit availability where between 30% and 40% of firms in the other groups are concerned about credit availability.

Source of Startup Financing by Race and Ethnicity



Source: 2016 Annual Survey of Entrepreneurs, US Census

NATIONAL TRENDS

Findings from Small Business Owner Race, Liquidity, and Survival Report

The following observations are derived from the JPMorgan Chase & Co. Institute July 2020 report

- *Small Business Owner Race, Liquidity, and Survival Report.*

Finding 1: Black- and Hispanic-owned firms are well represented among firms that grow organically, but underrepresented among firms with external financing.

Finding 2: Black- and Hispanic-owned businesses face challenges of lower revenues, profit margins, and cash liquidity.

Finding 3: Firms with Black owners, particularly owners under the age of 35, were most likely to exit in the first 3 years.

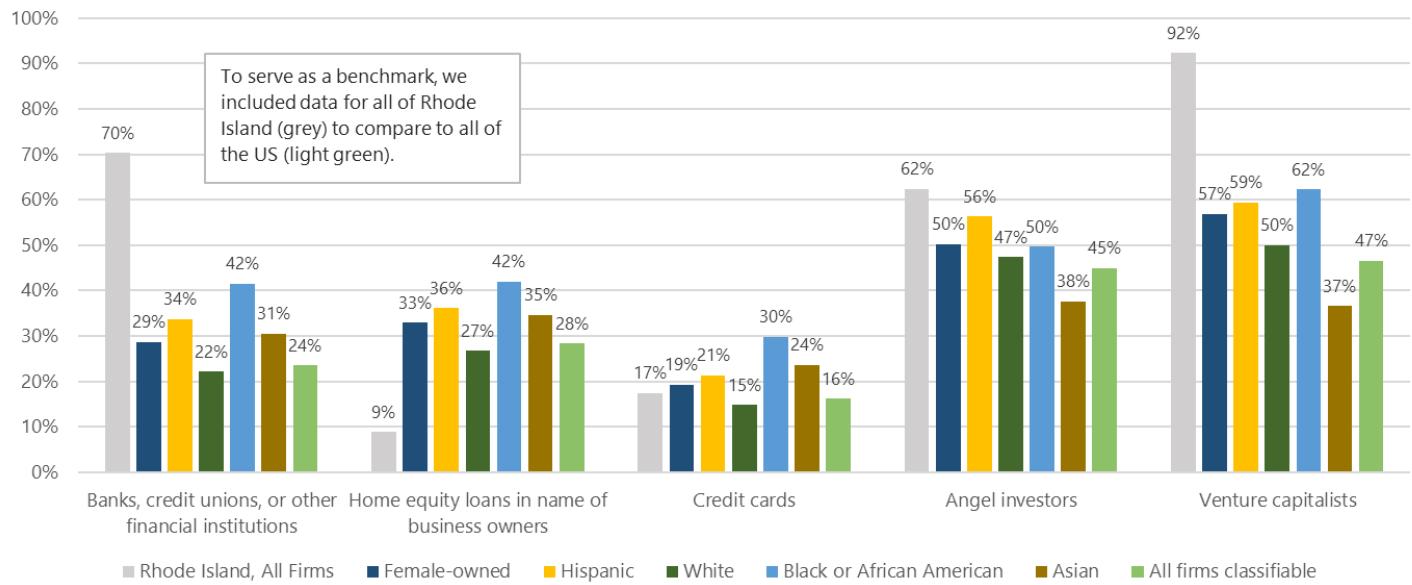
Finding 4: Black- and Hispanic-owned businesses with comparable revenues and cash reserves are just as likely to survive as White-owned businesses.

Finding 5: Racial gaps in small business outcomes are evident across cities, even in cities with large Black or Hispanic populations.

Next, we examine unmet credit needs by race and ethnicity as seen in the chart below. For those businesses that established new funding relationships, the chart below illustrates what percent did not get the total amount they requested. All businesses for Rhode Island are shown in grey for comparison.

Within every financing type, Blacks and Hispanics have the most unmet credit need. Given the lower household income among these groups previously discussed, it is possible these higher rates are due to a lack of personal equity to leverage. Nevertheless, without access to credit, it is hard to build or scale a business or respond to and take advantage of market changes. The unmet credit need is strikingly different for all Rhode Island businesses. This may reflect the availability of funding in Rhode Island through banks, angel investors, and venture capitalists.

Unmet Credit Needs by Race & Ethnicity



Source: 2016 Annual Survey of Entrepreneurs, US Census

Venture Capital

Venture capital provides funding to early-stage companies with a high potential for growth, in exchange for equity stake in the company. Historically, funding to BIPOC founders has trailed significantly behind non-BIPOC groups. As shown in the table below, from 2016 to 2021, there were 84 venture capital deals in Rhode Island, 7 of which were with BIPOC firms that represent 8% of total deals in the state compared to 6% in the U.S. BIPOC founders raised over \$3.78 million from 2016 to 2021, which is 2% of the total amount of money raised through venture capital in Rhode Island during this time. At the national level, BIPOC founders raised 4% of the total venture capital investments.

Rhode Island Venture Capital Deals - Number of Deals

	All Companies	Minority Companies	United States:	
			Minority % of Total	Minority % of Total
2016	19	1	5%	4%
2017	14	2	14%	5%
2018	16	2	13%	5%
2019	12	1	8%	6%
2020	17	1	6%	7%
2021	6	0	0%	6%
Total	84	7	8%	6%

Source: Crunchbase

*2021 is YTD ending 4/27/2021

Rhode Island Venture Capital Deals - Money Raised

	All Companies	Minority Companies	United States:	
			Minority % of Total	Minority % of Total
2016	\$18,331,309	\$28,000	0%	4%
2017	\$17,043,852	\$2,328,061	14%	5%
2018	\$26,955,267	\$221,000	1%	5%
2019	\$35,235,008		0%	4%
2020	\$77,165,000	\$1,200,000	2%	4%
2021	\$1,589,623	\$0	0%	5%
Total	\$176,320,059	\$3,777,061	2%	4%

Source: Crunchbase

*2021 is YTD ending 4/27/2021

Angle Investments

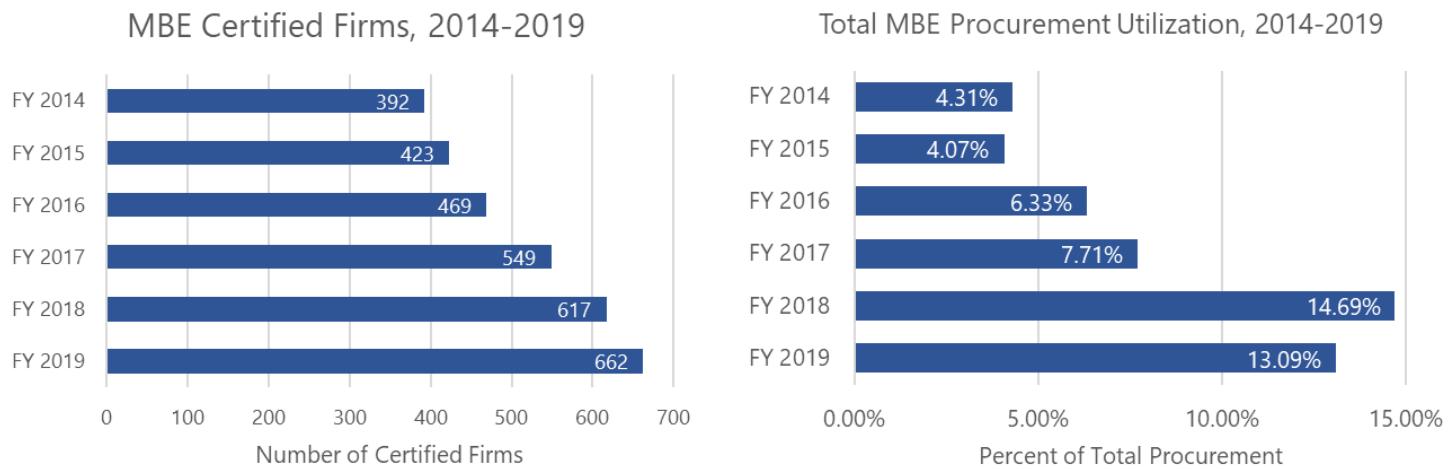
Angel investment are another important source of equity for small businesses – especially for early-stage firms as it can be used to leverage venture capital investments. They also provide non-monetary benefits to early stage companies in the form of mentorship. While state-level data for angel investing is not available, we know that nationally white male CEOs account for 86% of angle investments, just 6% were Black or African American, 3% were Asian, and 5% grouped into an “other” category.⁶⁰

⁶⁰ Angel Capital Association, “Angel Funders Report 2020” (Angel Capital Association, 2020), <https://www.angelcapitalassociation.org/angel-funders-report-2020/>.

MBE Certified Firms

The Office of Diversity, Equity and Opportunity (ODEO) was created in 2014 as a result of the State's implementation of an Executive Order. ODEO is primarily focused on increasing the number of MBE/WBE firms in its directory and providing more State contracts to these firms. Major goals of the ODEO are to ensure the state government's workforce reflects the demographics of the state as a whole; to improve internal culture to be more equitable and inclusive; and to increase the opportunities for disadvantaged businesses to participate in the state's procurement activities.

Overall, the efforts of the ODEO Offices have been positive. Since 2014, there are 270 more BIPOC certified business in its directory and an increase in total procurement by about 10 percentage points.



Source: *Office of Diversity, Equity, and Opportunity, Presentation of the Governor's Working Group on Diversity in Construction, 2019*

As of March 2020, there were 695 firms certified. About half of those firms (54.1%) are firms based in Rhode Island and the remainder (45.9%) are based outside of Rhode Island. Of those 695 firms that are currently certified as MBEs:

- 328 (47.2%) are owned by White women;
- 147 (21.2%) are owned by Blacks;
- 89 (12.8%) are owned by Hispanics;
- 64 (9.2%) are owned by Asians;
- 58 (8.3%) are owned by Portuguese; and
- 9 (1.3%) are owned by Native Americans.⁶¹

The efforts to both increase the number of MBE/WBE firms in the RI directory and increase the procurement given to these is commendable. However, ODEO only helps existing firms get certification; in order to have more MBE/WBE firms, there needs to be an additional organization to support, create, and enhance these firms, a responsibility ODEO is not tasked with.

⁶¹ Rhode Island Office of Diversity, Equity, and Opportunity

Overall Indicators of Entrepreneurship

It is important to contextualize Rhode Island's performance on BIPOC entrepreneurship with overall indicators of entrepreneurship. Below Rhode Island is benchmarked against the comparison states and the U.S. on indicators of early state entrepreneurship and new employer businesses.

Early Stage Entrepreneurship

Rhode Island lags the country and the comparison states on most indicators of early state entrepreneurship. The percent of the U.S. population in 2020 that started a new business was 0.38% nationally compared to 0.16% in Rhode Island. Once businesses are created, Rhode Island lags on early startup job creation at 3.74% compared to 4.5% nationally, and the startup survival rate at 75.75% compared to 77.90% nationally.

However, with an opportunity share of new entrepreneurs at 80.71%, Rhode Island entrepreneurs are more likely to start a business by choice, instead of by necessity, compared to the national average of 69.75%. Rhode Islands opportunity share of new entrepreneurs is like the comparison states.

Indicators of Early Stage Entrepreneurship, 2020				
State	Rate of New Entrepreneurs	Opportunity Share of New Entrepreneurs	Startup Early Job Creation	Startup Early Survival Rate
	Percent of population that starts a new business	Percent of new entrepreneurs who created a business by choice instead of necessity	Average number of jobs created by startups in their first year (normalized by population)	Percent of startups that are still active after one year
RI	0.16%	80.71%	3.74%	75.75%
CT	0.28%	74.48%	3.62%	77.67%
MA	0.27%	65.97%	5.13%	80.53%
NJ	0.36%	79.84%	6.69%	79.58%
NY	0.39%	83.88%	5.30%	77.03%
PA	0.18%	83.09%	3.71%	79.05%
U.S.	0.38%	69.75%	4.50%	77.90%

Source: State Report on Early-Stage Entrepreneurship in the United States: 2020, Kauffman Foundation

New Employer Business

Rhode Island is number eight in the U.S. on the rate of new employer business actualization, meaning that a greater percentage of newly formed businesses in the State hire employees within 2-years compared to the national average (13.27% in the state compared to 9.41% nationally). The rate of new employer businesses emerging in Rhode Island is equal to the national average at 0.11 and lags most of the comparison geographies. Looking at new employers as a share of all employer firms, Rhode Island is well below the national average of 7.01% at 5.95%.

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Indicators of New Employer Businesses			
State	Rate of New Employer Business Actualization (2020)	Rate of New Employer Businesses (2019)	Employer Business Newness (2018)
	Percent of all new businesses that make a first payroll within 8 quarters of business application	Number of new employer businesses per 100 people	New employers as a share of all employer firms
RI	13.27%	0.11	5.95%
CT	9.64%	0.08	4.60%
MA	12.06%	0.11	5.90%
NJ	8.25%	0.12	6.02%
NY	10.28%	0.14	6.02%
PA	9.78%	0.09	5.15%
U.S.	9.41%	0.11	7.01%

Source: 2020 New Employer Business Indicators in the United States: National and State Trends, Kauffman Foundation.

Industry & Occupation Overview

The following table shows a summary of all jobs in Rhode Island, by industry sector and by occupation. Jobs by industry are categorized by 2-digit NAICS code⁶²; number of jobs in 2016, 2021, and 2026; the average yearly earnings of each category; and the industry's Location Quotient. Jobs by occupation are categorized by Standard Occupational Classification (SOC) system, which is a federal system used to classify workers into occupational categories; number of jobs in 2016, 2021, and 2026; and the median annual earnings of each category.

Top Industries & Occupations in Rhode Island

In Rhode Island, *Health Care and Social Assistance* (NAICS 62) and *Government* (NAICS 90) represent the two industries with the largest number of jobs, at 81,000 and 70,000 respectively. Note that the Government industry includes local and state government jobs in the county, but also spans positions at local, state and federally owned educational and health care institutions, as well as military jobs. Industries with the top Location Quotients include *Education Services* (2.38), *Management of Companies and Enterprises* (1.71), and *Finance and Insurance* (1.30).

From an occupation perspective, categories with the greatest number of jobs include 65,560 jobs in *Office and Administrative Support Occupations* (SOC 43-0000), 46,500 jobs in *Sales and Related Occupations* (SOC 41-0000), and 39,500 jobs in *Food Preparation and Serving Related Occupations* (35-0000). Together these three occupation categories make up 30% of the Rhode Island workforce.

While the Rhode Island economy has shown a decline in jobs in the last five years, job growth is expected in the future. The number of jobs shrunk between 2016 and 2021, for a decrease of 21,000 jobs. From 2021 to 2026 there is an anticipated increase in jobs by 1%, adding about 5,500 jobs.

Industries Where Minorities Work

White populations make up the majority of every industry; however, there are industries where minorities have a strong showing. These include: *Administrative and Support and Waste Management and Remediation Services* (NAICS 56), *Transportation and Warehousing* (NAICS 48), *Accommodation and Food Services* (NAICS 72), *Manufacturing* (NAICS 31), and *Health Care and Social Assistance* (NAICS 62).

It is important to recognize that different racial and ethnic groups represent different proportions of the workforce within any given industry sector. Specifically:

- Hispanic or Latinos are most likely to work in *Administrative and Support and Waste Management and Remediation Services* and *Manufacturing*.
- Black or African Americans are most likely to work in *Administrative and Support and Waste Management and Remediation Services* and *Health Care and Social Assistance*.

Location Quotient (LQ) measures an industry's concentration in an area compared to the rest of the United States. A Location Quotient above 1 denotes a higher concentration of an industry in a geographic area compared to the rest of the United States, while a Location Quotient below 1 denotes a lower relative density. This figure is used to show industry clustering and identify industries that may be particularly prominent.

⁶² Employment figures in the following tables represent jobs, not workers, since 1 individual may hold multiple jobs. Additionally, employment figures include both full and part-time jobs, meaning job counts are not adjusted to FTE.

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- American Indian or Alaska Natives are most likely to work in *Agriculture, Forestry, Fishing and Hunting and Accommodation and Food Services*.
- Asians are most likely to work in *Professional, Scientific, and Technical Services* and *Accommodation and Food Services*.
- Native Hawaiian or Other Pacific Islander are most likely to work in *Accommodation and Food Services* and *Administrative and Support and Waste Management and Remediation Services*.

Self Employed

This section uses data on self employed *workers* provided by Emsi, which are in fact, self employed *businesses*.⁶³ Self-employment is the pathway to entrepreneurship for BIPOC entrepreneurs.

The table that follows illustrates self employed workers by race and ethnicity by 2-digit NAICS code. Analyzing the industries in which self-employed workers are located help us understand where BIPOC business owners are currently working to then target specific industry-related resources. The top industries held by self employed minorities are closely related to those mentioned above and include: *Accommodation and Food Services (NAICS 72)*, *Transportation and Warehousing (NAICS 48)*, *Management and Remediation Services (NAICS 56)*, *Administrative and Support and Waste and Health Care and Social Assistance (NAICS 62)*.

- Hispanic or Latino are most likely to be self-employed in *Administrative and Support and Waste Management and Remediation Services and Construction*.
- Black or African Americans are most likely to be self employed in *Transportation and Warehousing and Other Services (except public administration)*.
- American Indian or Alaska Natives are most likely to be self employed in *Agriculture, Forestry, Fishing and Hunting and Construction*.
- Asians are most likely to be self employed in *Accommodation and Food Services and Arts, Entertainment, and Recreation*.
- There is insufficient data on self employed workers for Native Hawaiian or Other Pacific Islanders due to the small size of this population.

Occupations Held by Minorities

The occupation categories where minorities hold the greatest percentage of jobs include *Production (51-0000)*, *Healthcare Support (31-0000)*, and *Military-only (55-000)*. Looking closer at specific racial and ethnic groups:

- Hispanic or Latino are most likely to hold *Building and Grounds Cleaning and Maintenance Occupations* and *Production Occupations*.
- Black or African Americans are most likely to hold *Healthcare Support Occupations* and *Community and Social Service Occupations*.

⁶³ A self-employed individual directly offers their personal services to others in return for compensation, instead of earning an income from a business, corporation, or employer.

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- American Indian or Alaska Natives are most likely to hold Farming, Fishing, and Forestry Occupations and Healthcare Support Occupations.
- Asians are most likely to hold Computer and Mathematical Occupations and Military-only occupations.
- Native Hawaiian or Other Pacific Islander are most likely to hold Building and Grounds Cleaning and Maintenance Occupations and Food Preparation and Serving Related Occupations.

Knowing which sectors minorities currently work in, and which occupations they hold, can help target programming, skill development, and assist with transition to potential business ownership. The next section outlines the more specific sub-industries in which minorities work most, and the sub-industries and sub-occupations in which growth and higher incomes are more prevalent.

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Rhode Island Industry Overview, 2016-2026

NAICS	Description	2016 -				2016 -		2021 -		2021 -		Avg. Earnings	2020 Location Quotient
		2016 Jobs		2021 Jobs		2026 Jobs	2021	2021 %	2026	2026 %	2021 Change		
		Change	Change	Change	Change	Change	Change	Change	Change	Change	Change		
11	Agriculture, Forestry, Fishing and Hunting	2,079	2,136	2,262	57	3%	126	6%	\$43,606	0.33			
21	Mining, Quarrying, and Oil and Gas Extraction	203	186	180	(16)	(8%)	(7)	(4%)	\$71,797	0.10			
22	Utilities	1,092	1,107	1,046	15	1%	(61)	(5%)	\$150,031	0.63			
23	Construction	24,724	25,352	25,418	627	3%	66	0%	\$72,073	0.86			
31	Manufacturing	41,249	38,227	36,614	(3,022)	(7%)	(1,613)	(4%)	\$78,527	0.96			
42	Wholesale Trade	17,252	15,820	15,799	(1,432)	(8%)	(21)	(0%)	\$92,559	0.85			
44	Retail Trade	50,558	46,279	44,853	(4,279)	(8%)	(1,426)	(3%)	\$42,765	0.94			
48	Transportation and Warehousing	11,526	12,751	13,303	1,225	11%	552	4%	\$54,929	0.61			
51	Information	8,475	5,476	4,742	(2,999)	(35%)	(734)	(13%)	\$95,351	0.62			
52	Finance and Insurance	26,414	28,176	28,572	1,763	7%	395	1%	\$124,615	1.30			
53	Real Estate and Rental and Leasing	7,995	7,583	7,385	(412)	(5%)	(198)	(3%)	\$62,559	0.87			
54	Professional, Scientific, and Technical Services	28,863	30,615	32,158	1,752	6%	1,542	5%	\$97,104	0.87			
55	Management of Companies and Enterprises	13,391	12,941	13,416	(451)	(3%)	476	4%	\$142,199	1.71			
56	Administrative and Support and Waste Management and Remediation Services	30,933	30,643	31,534	(290)	(1%)	891	3%	\$49,127	0.98			
61	Educational Services	31,627	31,359	32,983	(268)	(1%)	1,624	5%	\$49,098	2.38			
62	Health Care and Social Assistance	83,605	81,044	83,077	(2,561)	(3%)	2,033	3%	\$63,595	1.21			
71	Arts, Entertainment, and Recreation	10,742	7,803	7,894	(2,938)	(27%)	90	1%	\$39,441	1.02			
72	Accommodation and Food Services	48,814	42,390	43,577	(6,424)	(13%)	1,187	3%	\$27,079	1.10			
81	Other Services (except Public Administration)	25,293	22,575	22,147	(2,718)	(11%)	(428)	(2%)	\$37,697	0.85			
90	Government	69,302	70,427	71,446	1,125	2%	1,019	1%	\$89,385	0.90			
99	Unclassified Industry	27	63	32	36	131%	(31)	(49%)	\$87,372	0.16			
Total		534,163	512,954	518,439	(21,209)	(4%)	5,486	1%	\$68,874				

Source: Emsi

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Rhode Island Industry Overview by Race, 2020

NAICS	Description	All Industry Jobs (2021)	Avg. Earnings Per Job	Total Diversity % of Industry	Hispanic or Latino % of Industry	White % of Industry	Black or African American % of Industry	American Indian or Alaska Native % of Industry	Asian % of Industry	Native Hawaiian or Other Pacific Islander % of Industry	Two or More Races % of Industry
11	Agriculture, Forestry, Fishing and Hunting	2,136	\$43,606	15.2%	7.9%	84.8%	1.7%	1.4%	2.8%	Insf. Data	1.4%
21	Mining, Quarrying, and Oil and Gas Extraction	186	\$71,797	9.7%	7.6%	90.3%	Insf. Data	Insf. Data	0.0%	0.0%	0.0%
22	Utilities	1,107	\$150,031	7.0%	3.0%	93.0%	3.0%	Insf. Data	Insf. Data	0.0%	Insf. Data
23	Construction	25,352	\$72,073	17.7%	11.8%	82.3%	3.2%	0.3%	1.1%	0.0%	1.2%
31	Manufacturing	38,227	\$78,527	27.9%	17.0%	72.1%	4.7%	0.2%	5.0%	0.1%	0.9%
42	Wholesale Trade	15,820	\$92,559	18.3%	9.9%	81.7%	3.7%	0.1%	3.5%	Insf. Data	1.0%
44	Retail Trade	46,279	\$42,765	22.0%	12.1%	78.0%	4.9%	0.3%	2.8%	0.1%	1.7%
48	Transportation and Warehousing	12,751	\$54,929	30.4%	16.3%	69.6%	9.1%	0.3%	2.6%	Insf. Data	2.0%
51	Information	5,476	\$95,351	15.3%	6.2%	84.7%	3.5%	Insf. Data	4.2%	Insf. Data	1.2%
52	Finance and Insurance	28,176	\$124,615	17.0%	7.5%	83.0%	4.2%	0.1%	4.1%	0.1%	1.1%
53	Real Estate and Rental and Leasing	7,583	\$62,559	18.9%	10.5%	81.1%	4.8%	0.2%	2.3%	Insf. Data	1.0%
54	Professional, Scientific, and Technical Services	30,615	\$97,104	17.5%	6.3%	82.5%	2.8%	0.1%	7.2%	0.0%	1.0%
55	Management of Companies and Enterprises	12,941	\$142,199	19.7%	8.4%	80.3%	4.5%	0.2%	5.3%	Insf. Data	1.2%
56	Administrative and Support and Waste Management and Remediation Services	30,643	\$49,127	42.0%	27.5%	58.0%	9.6%	0.4%	2.8%	0.2%	1.5%
61	Educational Services	31,359	\$49,098	20.4%	7.4%	79.6%	5.6%	0.2%	5.4%	0.1%	1.6%
62	Health Care and Social Assistance	81,044	\$63,595	26.5%	11.8%	73.5%	9.6%	0.4%	3.1%	0.1%	1.5%
71	Arts, Entertainment, and Recreation	7,803	\$39,441	15.6%	7.0%	84.4%	3.6%	0.2%	2.9%	0.0%	1.8%
72	Accommodation and Food Services	42,390	\$27,079	30.0%	14.5%	70.0%	6.9%	0.6%	5.5%	0.2%	2.3%
81	Other Services (except Public Administration)	22,575	\$37,697	23.0%	11.4%	77.0%	5.9%	0.3%	3.7%	0.1%	1.7%
90	Government	70,427	\$89,385	22.4%	10.2%	77.6%	4.5%	0.5%	3.4%	Insf. Data	3.8%
99	Unclassified Industry	63	\$87,372	20.2%	Insf. Data	79.8%	Insf. Data	0.0%	Insf. Data	0.0%	Insf. Data
Total		512,954	\$68,874	24.0%	12.1%	76.0%	5.9%	0.3%	3.9%	0.1%	1.8%

Source: Emsi

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Rhode Island Self Employed Workers by Race, 2021

NAICS	Description	2021 Jobs	Avg. Earnings Per Job	Total Diversity % of Industry	Hispanic or Latino % of Industry	White % of Industry	Black or African American % of Industry	American Indian or Alaska Native % of Industry	Asian % of Industry	Native Hawaiian or Other Pacific Islander % of Industry	Two or More Races % of Industry
11	Agriculture, Forestry, Fishing and Hunting	679	\$41,106	11.8%	2.8%	88.2%	Insf. Data	2.7%	3.5%	0.0%	2.3%
21	Mining, Quarrying, and Oil and Gas Extraction	0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Utilities	12	\$43,083	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Construction	5,673	\$46,684	32.0%	24.8%	68.0%	3.5%	0.4%	1.5%	Insf. Data	1.8%
31	Manufacturing	681	\$40,298	12.8%	7.3%	87.2%	Insf. Data	Insf. Data	3.4%	0.0%	Insf. Data
42	Wholesale Trade	506	\$52,332	27.5%	19.0%	72.5%	3.1%	0.0%	5.0%	Insf. Data	Insf. Data
44	Retail Trade	1,810	\$30,972	25.2%	13.8%	74.8%	3.2%	Insf. Data	6.3%	Insf. Data	1.4%
48	Transportation and Warehousing	1,496	\$41,271	43.6%	17.1%	56.4%	14.8%	Insf. Data	6.5%	0.0%	5.1%
51	Information	311	\$41,143	19.8%	7.0%	80.2%	5.9%	Insf. Data	3.3%	0.0%	3.3%
52	Finance and Insurance	1,009	\$110,856	18.2%	6.5%	81.8%	5.7%	0.0%	4.7%	Insf. Data	1.3%
53	Real Estate and Rental and Leasing	1,531	\$61,604	19.2%	8.7%	80.8%	3.7%	Insf. Data	5.5%	0.0%	1.1%
54	Professional, Scientific, and Technical Services	4,405	\$82,746	17.9%	7.5%	82.1%	3.8%	Insf. Data	5.4%	Insf. Data	1.2%
55	Management of Companies and Enterprises	0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
56	Administrative and Support and Waste Management and Remediation Services	2,919	\$27,235	40.9%	30.5%	59.1%	7.5%	Insf. Data	1.3%	Insf. Data	1.2%
61	Educational Services	805	\$21,881	17.0%	3.9%	83.0%	5.0%	0.0%	6.7%	0.0%	1.4%
62	Health Care and Social Assistance	2,770	\$62,919	34.4%	23.6%	65.6%	5.1%	Insf. Data	5.0%	Insf. Data	0.6%
71	Arts, Entertainment, and Recreation	1,502	\$41,441	24.5%	8.3%	75.5%	2.9%	0.0%	10.1%	0.0%	3.2%
72	Accommodation and Food Services	370	\$51,229	44.1%	20.2%	55.9%	5.1%	0.0%	17.8%	0.0%	Insf. Data
81	Other Services (except Public Administration)	3,249	\$29,095	28.5%	11.2%	71.5%	7.9%	Insf. Data	5.4%	0.0%	3.9%
90	Government	0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
99	Unclassified Industry	0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total		29,728	\$50,278	27.9%	16.0%	72.1%	5.1%	0.2%	4.6%	0.0%	1.9%

Source: Emsi

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Rhode Island Occupation Overview, 2016-2026

SOC	Description	2016 Jobs	2021 Jobs	2026 Jobs	2021	2021 %	2026	2026 %	Median
					Change	Change	Change	Change	Annual Earnings
11-0000	Management Occupations	25,622	26,139	27,234	517	2%	1,095	4%	\$122,143
13-0000	Business and Financial Operations Occupations	29,815	35,476	36,633	5,662	19%	1,157	3%	\$77,964
15-0000	Computer and Mathematical Occupations	15,468	16,090	16,948	622	4%	858	5%	\$87,395
17-0000	Architecture and Engineering Occupations	8,927	9,254	9,520	327	4%	266	3%	\$87,879
19-0000	Life, Physical, and Social Science Occupations	4,202	4,496	4,725	293	7%	229	5%	\$76,614
21-0000	Community and Social Service Occupations	10,194	10,642	11,196	447	4%	554	5%	\$52,457
23-0000	Legal Occupations	4,618	4,757	4,893	139	3%	136	3%	\$85,490
25-0000	Educational Instruction and Library Occupations	37,439	36,987	37,822	(452)	(1%)	835	2%	\$65,693
27-0000	Arts, Design, Entertainment, Sports, and Media Occupati	9,982	9,912	9,902	(71)	(1%)	(10)	(0%)	\$52,713
29-0000	Healthcare Practitioners and Technical Occupations	34,112	34,501	35,238	390	1%	736	2%	\$80,964
31-0000	Healthcare Support Occupations	24,716	25,697	26,669	982	4%	972	4%	\$33,288
33-0000	Protective Service Occupations	12,984	12,560	12,950	(424)	(3%)	390	3%	\$52,185
35-0000	Food Preparation and Serving Related Occupations	50,458	39,501	39,592	(10,957)	(22%)	90	0%	\$26,604
37-0000	Building and Grounds Cleaning and Maintenance Occupat	20,478	19,822	20,562	(656)	(3%)	740	4%	\$32,313
39-0000	Personal Care and Service Occupations	14,311	12,884	13,106	(1,427)	(10%)	222	2%	\$28,526
41-0000	Sales and Related Occupations	50,337	46,531	45,783	(3,806)	(8%)	(748)	(2%)	\$34,109
43-0000	Office and Administrative Support Occupations	73,139	65,560	64,298	(7,578)	(10%)	(1,263)	(2%)	\$43,092
45-0000	Farming, Fishing, and Forestry Occupations	1,509	1,524	1,602	16	1%	77	5%	\$30,906
47-0000	Construction and Extraction Occupations	21,175	21,048	21,094	(127)	(1%)	46	0%	\$51,270
49-0000	Installation, Maintenance, and Repair Occupations	18,037	17,944	18,051	(93)	(1%)	107	1%	\$52,338
51-0000	Production Occupations	29,969	27,480	26,028	(2,489)	(8%)	(1,452)	(5%)	\$39,346
53-0000	Transportation and Material Moving Occupations	33,070	30,789	31,327	(2,281)	(7%)	538	2%	\$35,245
55-0000	Military-only occupations	3,601	3,359	3,267	(242)	(7%)	(92)	(3%)	\$49,083
99-0000	Unclassified Occupation	0	0	0	0	0%	0	0%	\$0

Source: Emsi

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Rhode Island Occupation Overview by Race, 2020

SOC	Description	All Occupation Jobs (2021)	Median Annual Earnings	Total Diversity % of Industry	Hispanic or Latino % of Occupation	White % of Occupation	Black or African American % of Occupation	American Indian or Alaska Native % of Occupation	Asian % of Occupation	Native Hawaiian or Other Pacific Islander % of Occupation	Two or More Races % of Occupation
43-0000	Office and Administrative Support Occupations	65,560	65,560	21%	11%	79%	6%	0%	3%	0%	2%
41-0000	Sales and Related Occupations	46,531	46,531	20%	11%	80%	5%	0%	3%	0%	2%
35-0000	Food Preparation and Serving Related Occupations	39,501	39,501	29%	15%	71%	7%	1%	5%	0%	2%
25-0000	Educational Instruction and Library Occupations	36,987	36,987	19%	9%	81%	3%	0%	4%	Insf. Data	2%
13-0000	Business and Financial Operations Occupations	35,476	35,476	18%	7%	82%	4%	0%	5%	0%	2%
29-0000	Healthcare Practitioners and Technical Occupations	34,501	34,501	19%	7%	81%	5%	0%	5%	0%	2%
53-0000	Transportation and Material Moving Occupations	30,789	30,789	31%	18%	69%	9%	0%	2%	0%	2%
51-0000	Production Occupations	27,480	27,480	33%	21%	67%	6%	0%	5%	0%	1%
11-0000	Management Occupations	26,139	26,139	16%	7%	84%	3%	0%	4%	0%	1%
31-0000	Healthcare Support Occupations	25,697	25,697	36%	15%	64%	16%	1%	3%	0%	2%
47-0000	Construction and Extraction Occupations	21,048	21,048	21%	15%	79%	4%	0%	1%	0%	1%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	19,822	19,822	42%	28%	58%	9%	1%	2%	0%	2%
49-0000	Installation, Maintenance, and Repair Occupations	17,944	17,944	19%	11%	81%	4%	0%	2%	0%	1%
15-0000	Computer and Mathematical Occupations	16,090	16,090	25%	6%	75%	4%	0%	13%	Insf. Data	2%
39-0000	Personal Care and Service Occupations	12,884	12,884	26%	12%	74%	6%	0%	5%	Insf. Data	2%
33-0000	Protective Service Occupations	12,560	12,560	24%	11%	76%	9%	0%	1%	Insf. Data	3%
21-0000	Community and Social Service Occupations	10,642	10,642	28%	12%	72%	11%	0%	2%	Insf. Data	2%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	9,912	9,912	17%	8%	83%	3%	0%	4%	Insf. Data	2%
17-0000	Architecture and Engineering Occupations	9,254	9,254	17%	6%	83%	2%	0%	7%	Insf. Data	2%
23-0000	Legal Occupations	4,757	4,757	13%	7%	87%	3%	0%	2%	Insf. Data	2%
19-0000	Life, Physical, and Social Science Occupations	4,496	4,496	18%	6%	82%	3%	0%	7%	Insf. Data	2%
55-0000	Military-only occupations	3,359	3,359	37%	14%	63%	3%	0%	8%	0%	12%
45-0000	Farming, Fishing, and Forestry Occupations	1,524	1,524	22%	14%	78%	2%	2%	3%	Insf. Data	2%
99-0000	Unclassified Occupation	0	0	0%	0%	0%	0%	0%	0%	0%	0%
Total		512,954	512,954	24.0%	12.0%	76.0%	6.0%	0.0%	4.0%	0.0%	2.0%

Source: Emsi

Finding Strategy through Industries & Occupations

There are three sets of possible strategies embedded into this analysis.

- The first is to support BIPOC workers where they are currently working. These might not be the highest paying jobs, but with resources to start their own businesses, they can have greater success, community impact, and power to dictate when and how they work.
- The second is to support BIPOC workers into growing industries with an above-average wages and whose industries are growing, encouraging them to start businesses in these fields. This strategy helps combat the overall racial wealth gap, brings much needed diversity into traditionally white industry sectors, and provides more opportunity for growth for BIPOC workers.
- The third is similar to the second, except instead of focusing on growing industries with above-average wages, the intent is to support BIPOC workers into growing occupations with above-average wages.

To understand each set of strategies, we examine 1) the top sectors where minorities are working, 2) the top sectors that are growing and have above average wages, and 3) the top occupations that are growing and have above average wages. The tables that represent this analysis are found at the end of this section.

Industry Sectors Where Minorities Currently Work

Not surprisingly, the average wage for each of these industries is below the average wage for all industries. The majority of work within these industries is locally focused, meaning these jobs are dependent upon local need with little opportunity for export. This makes upward mobility more difficult because wages and job growth is dependent on local need.

Administrative and Support and Waste Management and Remediation Services (NAICS 56) | 42% of all jobs within this industry are held by minorities, a total of 13,000 jobs. They are most readily employed in the employment services (temp work), building maintenance, and security services sub industries. On the whole, the vast majority of sub-industries in which minorities are employed are expected to grow over the next five years. The average wage is in this industry is \$49,000, about \$20,000 less than the average wage among all industries.

Transportation and Warehousing (NAICS 48) | 30% of jobs within this industry are held by minorities, for a total of about 11,000 jobs. The bulk of work within this industry is found in the more specific industries of bus transportation, freight trucking, and taxi and limousine service. The majority of this industry's smaller sub sectors are expected to grow in the next five years.

Accommodation and Food Services (NAICS 72) | 30% of all jobs in this industry are held by minorities. It is the lowest paying of those examined, with average earnings of just over \$27,000 per year, close to \$42,000 less than the average wage among all industries. With 13,000 minorities working in this industry, a bulk of them work in restaurants, traveler accommodation, in specialty food services, or drinking establishments.

Manufacturing (NAICS 31) | 28% of jobs within this industry are held by minorities, a total of 11,000 jobs. This wide-reaching industry includes establishments engaged in manufacturing goods such as equipment, plastics, ship and boat building, medical supplies and more. Virtually all of the top BIPOC-employed sub-sectors are expected to decline in the next five years. The top sub-industries within this field are other miscellaneous manufacturing, ship and boat building, Plastics product manufacturing, navigational equipment, and fabric mills.

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Health Care and Social Assistance (NAICS 62) | 27% of all jobs within this industry are held by minorities. This industry represents the largest number of minorities employed, with over 21,000 working in this field. Many work at hospitals, nursing care facilities, provide individual health care, or home care. Average earning run \$64,000, about \$5,000 less than the average wage of all Rhode Islanders. Jobs at nursing facilities and child day care services are expected to decline, but the other top BIPOC-employed sub-industries within this field are expected to grow in the next five years.

Reviewing these top industries employed by minorities illustrate a few things. First, they help identify the skills current minorities have given the industry in which they are employed. Second, it helps identify where the largest concentration where minorities are employed, in order to investigate potential for growth. We can begin to explore the following questions:

- Are there opportunities for self-employment within industries that have a heavy BIPOC representation?
- What existing BIPOC-owned small businesses exist within these industries? Is there potential for scaling up?
- What additional knowledge, skills, and abilities are needed for an employee in these industries to transition to self-employment?
- How can BIPOC-owned companies increase their sales and increase their connections?

What High-Value Sub-Sectors are Growing?

How do you get more racial and ethnic diversification into higher paying work? First, we need to understand what industries are growing and have high wages. Based on a review of the broad 2-digit NAICS industry categories, those that constitute the most future growth (by number of jobs) and the highest wages (compared to the average among all industries) include the following outlined below. We further explored the more refined 4-digit NAICS code within each category.

Construction (NAICS 23) | Expected to grow by about 600 jobs in the next five years, the average annual wage in this industry is \$72,000. Future growth is being driven primarily by *Building Equipment Contractors* (NAICS 2382) which is anticipated to grow by 237 jobs with average earnings of \$76,000. The *Highway, Street, and Bridge Construction* (NAICS 2373) is expected to grow by 95 jobs with average earnings of \$101,000. Many of Rhode Island's BIPOC business owners operate in this sector.

Finance and Insurance (NAICS 52) | By growth in number of jobs, the following sub-industries are expected to have the largest increase: *Depository Credit Intermediation* (NAICS 5221), *Agencies, Brokerages, and Other Insurance Related Activities* (NAICS 5242), and *Insurance Carriers* (NAICS 5241). These sub-industries are expected to grow by 312, 170, and 108 jobs respectively. Average wages are \$95,000, \$98,000, and \$116,000 respectively.

Professional, Scientific, and Technical Services (NAICS 54) | This is the proverbial golden ticket when it comes to high wage jobs. *Computer Systems Design and Related Services* (NAICS 5415) is expected to grow by 981 jobs in the next five years. *Management, Scientific, and Technical Consulting Services* (NAICS 5416) is expected to grow by 379 jobs in the next five years, and *Architectural, Engineering, and Related Services* (5413) is expected to grow by 137. All these sub-industries have annual earnings between \$96,000 and \$115,000.

Management of Companies and Enterprises (NAICS 55) | There is only one 4-digit sub-category in this industry; *Management of Companies and Enterprises* (NAICS 5511). To gather additional information, we examine the 6-digit level; here we see all of the growth in this industry is driven by *Corporate, Subsidiary,*

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and Regional Managing Offices (NAICS 551114) with an average wage of \$142,000 and expected growth of 503 jobs in the next five years.

Government (NAICS 90) | Growth is being driven by *State Government, Excluding Education and Hospitals* (NAICS 9029) and *Federal Government, Civilian* (NAICS 9011) with the former adding 1,288 jobs for average earnings per job of \$105,000 and the later adding 156 jobs with average earnings of \$118,000.

Many of these high-value sub-sectors are identified as 'advanced industries' in the 2015–2016, study conducted by Battelle Technology Partnership Practice, Brookings, Monitor Deloitte, and TEconomy Partners and have since been the focus for business attraction, retention, and expansion for Rhode Island Commerce. These sectors include Life Sciences; IT Software, Cyber-Physical Systems, Data Analytics; Defense, Shipbuilding, and Maritime; Advanced Business Services; Design, Food, and Custom Manufacturing; and Travel and Hospitality.

What High-Wage Sub-Occupations are Growing?

Understanding high-wage, high-growth occupations is another way to approach getting more racial and ethnic diversity into higher paying work and, in turn, create opportunities for entrepreneurship. Occupations that constitute the most future growth (by number of jobs) and the highest wages (compared to median annual earnings overall) include the following.

Business and Financial Operations Occupations (SOC 13-0000) | Expected to grow by about 1,160 jobs in the next five years, the median annual earnings in this occupation are \$78,000. Future growth is being driven primarily by *Management Analysts*, which is anticipated to grow by 244 jobs with average earnings of \$88,000. *Miscellaneous Business Operations Specialists* is expected to grow by 203 jobs with average earnings of \$83,000.

Computer and Mathematical Occupations (SOC 15-0000) | These occupations have median annual earnings of \$87,000. Growth is being driven by *Software and Web Developers, Programmers, and Testers* with 329 jobs expected to be added from 2021-2026. Additionally, *Computer and Information Analysts* are expected to add 158 jobs and *Database and Network Administrators and Architects* 71 jobs in Rhode Island in this same time.

Management Occupations (SOC 11-0000) | Management occupations have among the highest wages with median annual earnings of \$122,000. *Medical and Health Services Managers Occupations* are expected to grow by 226 jobs in the next five years. *Financial Managers* is expected to grow by 203 jobs in the next five years, and *General and Operations Managers* is expected to grow by 171 jobs. All these sub-occupations have annual earnings between \$115,000 and \$130,000.

Architecture and Engineering Occupations (SOC 17-0000) | Expected to grow by 229 jobs in the next five years, Architecture and Engineering Occupations have a median annual earnings of \$88,000. This growth is driven by *Civil Engineers* (56 jobs), *Industrial Engineers* (43 jobs) and *Electrical Engineers* (32 jobs).

Life, Physical, and Social Science Occupations (SOC 19-000) | This occupation group has a median annual earnings of \$76,500 and is expected to add 229 jobs between 2021-2026. Sub-occupations of *Psychologists*, *Environmental Scientists and Geoscientists*, *Miscellaneous Life, Physical, and Social Science Technicians*, and *Medical Scientists* are each expected to add over 20 jobs in the next 5-years.

What Skills are Needed for Top Occupations?

Each of the top occupation categories identified above, and the relative skillset necessary to hold these occupations, have a unique role within Rhode Island's entrepreneurial ecosystem. For example, *Computer and Mathematical Occupations* support technology-driven research and innovation, *Architecture and Engineering Occupations* can drive innovation in manufacturing processes and products. Research and development often stem from *Life, Physical, and Social Science Occupations*. And, once it is time to turn an idea or innovation into a product, *Business and Financial Operations Occupations* and *Management Occupations* support commercialization, market research, capital access, and other business operations necessary to start and scale successful ventures. These unique attributes relate to the hard skills necessary for each occupation. Hard Skills are generally things taught through formal educational or training that are specific to a type of occupation (i.e. AutoCAD for Engineers). The following table contains a skills matrix of the hard skills within each top occupation group.

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Top Skills by Occupation						Entrepreneur Occupations
	Business and Financial Operations Occupations	Computer and Mathematical Occupations	Management Occupations	Architecture and Engineering Occupations	Life, Physical, and Social Science Occupations	
Diversity Index	18%	25%	16%	17%	18%	
Jobs 2021	35,476	16,090	26,139	9,254	4,496	
Non-White Jobs 2021	6,386	4,023	4,182	1,573	809	
Hard Skills						
Accounting	x		x			
Agile Methodology		x				
Amazon Web Services		x				
Auditing	x		x	x		
AutoCAD				x		
Automation		x				
Biology					x	
Budgeting	x		x			x
Business Development			x			x
Chemistry					x	
Civil Engineering				x		
Computer Science		x				
Computer-Aided Design				x		
Corrective And Preventive Action (CAPA)				x		
Data Analysis	x				x	x
Data Collection					x	
Electrical Engineering				x		
Financial Statements	x					x
Forecasting	x		x			
Good Manufacturing Practices				x	x	
Individualized Education Programs (IEP)					x	
Java (Programming Language)		x				
Loans	x					
Mechanical Engineering				x		
Molecular Biology					x	
Mortgage Loans	x					
New Product Development			x	x		x
Operating Systems		x				
Pharmaceuticals					x	
Product Management			x			
Project Management			x			
Psychology					x	
Python (Programming Language)		x				
Quality Control				x	x	
Selling Techniques			x			
Software Development		x				
SQL (Programming Language)	x	x				
Strategic Planning				x		
Underwriting	x					

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Common skills, or “soft skills” are broad statements of ability and are found in different types of occupations. The top ten common skills within each of the occupation categories are identified in the table that follows, and compared to the common skills that pertain to being an entrepreneur. This data tells us the type of skills that BIPOC employees within each occupation category are likely to have and how their skills compare with those typical to entrepreneurs. This information can be used to adapt strategies and tactics. For example, strategies to support technology-driven BIPOC entrepreneurship may focus on developing skills around customer service, presentations, and sales.

Top Skills by Occupation

	Business and Financial Operations Occupations	Computer and Mathematical Occupations	Management Occupations	Architecture and Engineering Occupations	Life, Physical, and Social Science Occupations	Entrepreneur Occupations
Diversity Index	18%	25%	16%	17%	18%	
Jobs 2021	35,476	16,090	26,139	9,254	4,496	
Non-White Jobs 2021	6,386	4,023	4,182	1,573	809	
Common Skills						
Communications	x	x	x	x	x	x
Construction					x	
Customer Service	x		x			x
Detail Oriented	x				x	
Infrastructure		x				
Innovation		x	x	x		x
Integration		x				
Leadership	x	x	x	x		x
Management	x	x	x	x	x	x
Microsoft Excel	x					
Operations	x	x	x	x	x	x
Organizational Skills					x	
Planning		x	x	x	x	x
Presentations	x		x	x	x	x
Problem Solving	x	x	x			x
Research				x	x	
Sales	x		x			x
Troubleshooting		x		x		
Writing					x	
Written Communications					x	

Source: Emsi

Knowing which industries and occupations are growing will better target educational opportunities, apprenticeships, trainings, mentorship opportunities, and other resources to the BIPOC community. This knowledge will help craft strategies and connect to resources, and can help answer the following questions:

- ◆ How do you get more racial and ethnic diversification into these industries and occupations?
- ◆ What resources are needed to train the potential workforce?
- ◆ What existing businesses are willing to partner?
- ◆ How can we translate these jobs into BIPOC self-employment?
- ◆ How can we add entrepreneurial skills into the skillset of BIPOC workers?

Economic Impacts of Transforming the BIPOC Business Landscape

Economic impact is modeled to show what would happen if the share of BIPOC businesses in Rhode Island increases from 7.4% of all businesses to 18.3% of all businesses (the national proportion).

This assumes that the number of non- BIPOC businesses will remain the same, and looks at the number of BIPOC businesses that would need to be added to achieve this ratio. In other words, the total number of businesses will increase because of an increase in the number of non- BIPOC businesses, only.

This means that 3,052 new BIPOC businesses would be needed for BIPOC businesses to be 18.3% of all businesses.

Share of Minority Businesses, Rhode Island	
Minority Businesses (2018)	1,697
Total Businesses (2018)	22,900
Minority Share of Total	7.4%
Target Share (U.S.)	18.3%
Minority Businesses Needed	3,052

Source: U.S. Census Annual Business Survey, Camoin 310

Currently, there are an average of 7.4 employees per BIPOC owned business. It is therefore assumed that if 3,052 new BIPOC businesses were added, an associated 22,652 new jobs would be created.

New Jobs Associated With Businesses Needed	
Minority Businesses	1,697
Employees at Minority Businesses	12,595
Employees per Business	7.4
Businesses Needed	3,052
New Jobs	22,652

Source: U.S. Census Annual Business Survey, Camoin 310

Currently, average payroll at each BIPOC business is \$229,371. It is therefore assumed that if 3,052 new BIPOC owned businesses are added, there will be over \$700.0 million in new payroll/earnings going into Rhode Island's economy.

New Payroll Associated With Businesses Needed	
Minority Businesses	1,697
Payroll at Minority Businesses	\$389,243,000
Payroll per Business	\$229,371
Businesses Needed	3,052
New Payroll	\$700,041,035

Source: U.S. Census Annual Business Survey, Camoin 310

The 22,652 new jobs and over \$700.0 million in new earnings would create indirect and induced impacts on Rhode Island's economy. In total, this new economic activity would result in 42,788 jobs, over \$1.2 billion in earnings, and nearly \$2.7 billion in sales in Rhode Island.

Economic Impact of New Minority Businesses on Rhode Island			
	Jobs	Earnings	Sales
Direct	22,652	\$700,041,035	\$1,546,999,812
Indirect	7,072	\$207,436,922	\$413,896,941
Induced	13,065	\$332,903,849	\$734,774,350
Total	42,788	\$1,240,381,806	\$2,695,671,103

Source: Emsi, Camoin 310

Additional Tables for Industry & Occupation Analysis

Industry Detail - Top Sectors Where Minorities are Employed, 2016-2026												
NAICS	Description	Total	Total	2016 -			2016 -			2021 -		Avg. Earnings
		Diversity % of Industry		2016 Jobs	2021 Jobs	2026 Jobs	2021 Change	2021 % Change	2026 Change	2026 % Change		
Administrative and Support and Waste Management and Remediation Services (NAICS 56)												
5613	Employment Services	57%	5,103	10,029	8,750	8,326	(1,279)	(13%)	(424)	(5%)	\$46,793	
5617	Services to Buildings and Dwellings	43%	4,497	9,929	10,617	11,319	688	7%	702	7%	\$40,590	
5616	Investigation and Security Services	35%	996	2,805	2,865	2,965	60	2%	100	3%	\$43,236	
5614	Business Support Services	31%	514	1,685	1,726	1,917	40	2%	191	11%	\$61,337	
5615	Travel Arrangement and Reservation Services	21%	423	2,199	1,982	1,834	(217)	(10%)	(148)	(7%)	\$67,844	
All Sub-Sectors		42%	12,865	30,933	30,643	31,534	(290)	(1%)	891	3%	\$49,127	
Transportation and Warehousing (NAICS 48)												
4921	Couriers and Express Delivery Services	27%	661	1,862	2,574	2,838	712	38%	264	10%	\$50,332	
4841	General Freight Trucking	32%	542	1,741	1,681	1,651	(60)	(3%)	(30)	(2%)	\$72,259	
4854	School and Employee Bus Transportation	29%	493	2,120	1,642	1,553	(478)	(23%)	(89)	(5%)	\$36,471	
4931	Warehousing and Storage	29%	449	1,274	1,615	1,670	341	27%	56	3%	\$52,389	
4853	Taxi and Limousine Service	45%	403	628	949	1,119	321	51%	170	18%	\$30,102	
All Sub-Sectors		30%	3,877	11,526	12,751	13,303	1,225	11%	552	4%	\$54,929	
Accommodation and Food Services (NAICS 72)												
7225	Restaurants and Other Eating Places	30%	9,791	38,546	32,748	32,730	(5,798)	(15%)	(18)	(0%)	\$24,898	
7211	Traveler Accommodation	37%	1,865	4,394	5,356	6,991	962	22%	1,634	31%	\$39,952	
7223	Special Food Services	30%	804	3,225	2,618	2,470	(608)	(19%)	(148)	(6%)	\$32,565	
7224	Drinking Places (Alcoholic Beverages)	18%	308	2,485	1,567	1,293	(918)	(37%)	(274)	(18%)	\$22,406	
All Sub-Sectors		30%	12,715	48,814	42,390	43,577	(6,424)	(13%)	1,187	3%	\$27,079	
Manufacturing (NAICS 31)												
3399	Other Miscellaneous Manufacturing	41%	1,309	4,296	2,850	1,809	(1,445)	(34%)	(1,042)	(37%)	\$68,983	
3366	Ship and Boat Building	16%	764	4,382	4,750	4,597	368	8%	(153)	(3%)	\$83,429	
3261	Plastics Product Manufacturing	31%	617	1,955	1,945	1,841	(9)	(0%)	(105)	(5%)	\$76,330	
3345	Navigational, Measuring, Electromedical, and Control Instruments	22%	600	2,417	2,711	2,798	294	12%	87	3%	\$102,206	
3132	Fabric Mills	46%	487	1,370	1,033	914	(337)	(25%)	(119)	(12%)	\$57,288	
All Sub-Sectors		28%	10,648	41,249	38,227	36,614	(3,022)	(7%)	(1,613)	(4%)	\$78,527	

Source: Emsi

Industry Detail - Top Sectors Where Minorities are Employed, 2016-2026											
NAICS	Description	Total Diversity % of Industry	Total Diversity	2016 Jobs			2016 - 2021 Change	2016 - 2021 % Change	2021 - 2026 Change	2021 - 2026 % Change	Avg. Earnings Per Job
				2021 Jobs	2026 Jobs	2021	2026	2026	2026	2026	
Health Care and Social Assistance (NAICS 62)											
6221	General Medical and Surgical Hospitals	23%	4,200	18,278	18,555	18,924	277	2%	369	2%	\$74,672
6231	Nursing Care Facilities (Skilled Nursing Facilities)	35%	3,276	10,478	9,176	8,935	(1,303)	(12%)	(240)	(3%)	\$51,907
6241	Individual and Family Services	34%	2,405	7,064	7,424	8,520	361	5%	1,095	15%	\$34,140
6211	Offices of Physicians	20%	1,690	8,815	8,265	8,331	(549)	(6%)	65	1%	\$118,957
6216	Home Health Care Services	35%	1,674	5,026	4,864	5,180	(162)	(3%)	316	7%	\$47,609
6244	Child Day Care Services	33%	1,274	4,227	3,797	3,517	(430)	(10%)	(280)	(7%)	\$32,658
6214	Outpatient Care Centers	26%	1,156	3,848	4,615	5,171	767	20%	556	12%	\$60,884
	Residential Intellectual and Developmental Facilities										
6232	Disability, Mental Health, and Substance Abuse Facilities	31%	1,106	3,962	3,608	3,679	(354)	(9%)	71	2%	\$40,562
All Sub-Sectors		27%	21,488	83,605	81,044	83,077	(2,561)	(3%)	2,033	3%	\$63,595

Source: Emsi

Industry Detail - Top Growing Sectors, 2016-2026

NAICS	Description	Total	Total	2016 Jobs	2021 Jobs	2026 Jobs	2016 -	2016 -	2021 -	2021 -	Avg. Earnings
		Diversity % of Industry					2021 Change	2021 % Change	2026 Change	2026 % Change	
Construction (NAICS 23)											
2382	Building Equipment Contractors	13%	931	6,391	7,039	7,276	648	10%	237	3%	\$75,582
2373	Highway, Street, and Bridge Construction	10%	98	854	1,024	1,119	170	20%	95	9%	\$100,638
2362	Nonresidential Building Construction	14%	296	1,894	2,076	2,138	182	10%	62	3%	\$105,043
2371	Utility System Construction	10%	98	845	1,054	1,107	208	25%	53	5%	\$115,419
All Sub-Sectors		18%	4,482	24,724	25,352	25,418	627	3%	66	0%	\$72,073
Finance and Insurance (NAICS 52)											
5221	Depository Credit Intermediation	22%	2,198	7,927	10,000	10,312	2,073	26%	312	3%	\$94,521
5242	Agencies, Brokerages, and Other Insurance Related Activities	12%	652	4,980	5,518	5,688	538	11%	170	3%	\$98,214
5241	Insurance Carriers	16%	924	5,414	5,704	5,812	289	5%	108	2%	\$115,831
5239	Other Financial Investment Activities	13%	262	1,871	1,976	2,037	105	6%	61	3%	\$240,984
5222	Nondepository Credit Intermediation	14%	176	1,226	1,233	1,267	7	1%	34	3%	\$136,535
All Sub-Sectors		17%	4,787	26,414	28,176	28,572	1,763	7%	395	1%	\$124,615
Professional, Scientific, and Technical Services (NAICS 54)											
5415	Computer Systems Design and Related Services	28%	2,242	7,066	8,220	9,202	1,154	16%	981	12%	\$114,571
5416	Management, Scientific, and Technical Consulting Services	18%	693	3,739	4,070	4,449	331	9%	379	9%	\$103,255
5413	Architectural, Engineering, and Related Services	12%	561	4,284	4,743	4,880	459	11%	137	3%	\$95,691
5417	Scientific Research and Development Services	13%	113	811	862	871	51	6%	9	1%	\$129,126
All Sub-Sectors		17%	5,345	28,863	30,615	32,158	1,752	6%	1,542	5%	\$97,104
Management of Companies and Enterprises (NAICS 55)											
5511	Management of Companies and Enterprises	20%	2,518	13,391	12,941	13,416	(451)	(3%)	476	4%	\$142,199
All Sub-Sectors		20%	2,518	13,391	12,941	13,416	(451)	(3%)	476	4%	\$142,199

Source: Emsi

APPENDIX

Industry Detail - Top Growing Sectors, 2016-2026																
NAICS	Description	Total	Total	2016 Jobs	2021 Jobs	2026 Jobs	2016 -	2016 -	2021 -	2021 -	Avg.					
		Diversity					2021	2021 %	2026	2026 %	Earnings					
Industry																
Government (NAICS 90)																
9029	State Government, Excluding Education and Hospitals	22%	2,616	10,209	12,062	13,350	1,853	18%	1,288	11%	\$104,744					
9011	Federal Government, Civilian	23%	2,682	10,821	11,722	11,878	901	8%	156	1%	\$118,207					
	All Sub-Sectors	22%	15,768	69,302	70,427	71,446	1,125	2%	1,019	1%	\$89,385					

Source: Emsi

APPENDIX

Occupation Detail - Top Growing Occupations, 2016-2026											
SOC	Description	Total	Total	2016 Jobs			2016 -	2016 -	2021 -	2021 -	Median
		Diversity % of		Diversity	2021 Jobs	2026 Jobs	2021 Change	2021 %	2026 Change	2026 %	Annual Earnings
Business and Financial Operations Occupations (SOC 13-0000)											
13-1110	Management Analysts	18%	739	3,458	4,107	4,351	649	19%	244	6%	\$88,181
13-1190	Miscellaneous Business Operations Specialists	22%	1,043	2,666	4,801	5,003	2,134	80%	203	4%	\$83,457
13-1160	Market Research Analysts and Marketing Specialists	16%	428	1,878	2,778	2,975	900	48%	197	7%	\$66,532
13-2010	Accountants and Auditors	16%	918	5,076	5,627	5,740	551	11%	113	2%	\$79,749
13-1070	Human Resources Workers	22%	650	2,413	3,015	3,100	602	25%	85	3%	\$74,213
All Sub-Occupations		18%	6,354	29,815	35,476	36,633	5,662	19%	1,157	3%	\$77,964
Computer and Mathematical Occupations (SOC 15-0000)											
15-1250	Software and Web Developers, Programmers, a	29%	1,375	4,542	4,787	5,116	246	5%	329	7%	\$96,842
15-1210	Computer and Information Analysts	25%	682	2,297	2,755	2,913	459	20%	158	6%	\$97,831
15-1240	Database and Network Administrators and Arch	20%	458	2,749	2,284	2,355	(465)	(17%)	71	3%	\$96,868
15-1290	Miscellaneous Computer Occupations	26%	427	1,600	1,640	1,687	39	2%	48	3%	\$78,363
15-2030	Operations Research Analysts	21%	85	447	417	461	(31)	(7%)	44	11%	\$89,028
All Sub-Occupations		25%	3,968	15,468	16,090	16,948	622	4%	858	5%	\$87,395
Management Occupations (SOC 11-0000)											
11-9110	Medical and Health Services Managers	19%	348	1,698	1,855	2,081	158	9%	226	12%	\$115,102
11-3030	Financial Managers	16%	384	2,418	2,486	2,689	68	3%	203	8%	\$150,218
11-1020	General and Operations Managers	13%	752	5,909	5,766	5,937	(143)	(2%)	171	3%	\$133,064
11-3200	Computer and Information Systems Managers	19%	264	1,322	1,449	1,527	127	10%	78	5%	\$152,074
11-2020	Marketing and Sales Managers	13%	190	1,515	1,529	1,598	14	1%	69	5%	\$156,179
11-9030	Education and Childcare Administrators	17%	445	2,494	2,593	2,660	98	4%	68	3%	\$106,060
All Sub-Occupations		16%	4,136	25,622	26,139	27,234	517	2%	1,095	4%	\$122,143

Source: Emsi

APPENDIX

Occupation Detail - Top Growing Occupations, 2016-2026											
SOC	Description	Total	Total	2016 Jobs			2016 -	2016 -	2021 -	2021 -	Median
		Diversity % of		Diversity	2021 Jobs	2026 Jobs	2021 Change	2021 %	2026 Change	2026 %	Annual Earnings
Architecture and Engineering Occupations (SOC 17-0000)											
17-2050	Civil Engineers	14%	142	946	1,037	1,092	91	10%	56	5%	\$86,654
17-2110	Industrial Engineers, Including Health and Safety	18%	183	738	1,025	1,068	287	39%	43	4%	\$97,277
17-2070	Electrical and Electronics Engineers	17%	281	1,622	1,624	1,656	3	0%	32	2%	\$124,990
17-1010	Architects, Except Naval	13%	60	396	480	501	84	21%	21	4%	\$81,742
17-2140	Mechanical Engineers	16%	211	1,212	1,310	1,327	97	8%	18	1%	\$92,982
All Sub-Occupations		17%	1,593	8,927	9,254	9,520	327	4%	266	3%	\$87,879
Life, Physical, and Social Science Occupations (SOC 19-0000)											
19-3030	Psychologists	12%	121	1,134	998	1,040	(136)	(12%)	41	4%	\$84,661
19-2040	Environmental Scientists and Geoscientists	10%	41	456	432	463	(24)	(5%)	31	7%	\$80,619
19-4090	Miscellaneous Life, Physical, and Social Science Technicians	22%	89	340	404	432	64	19%	27	7%	\$64,808
19-1040	Medical Scientists	31%	146	333	472	494	139	42%	22	5%	\$101,142
19-1020	Biological Scientists	15%	36	183	245	259	62	34%	15	6%	\$79,554
All Sub-Occupations		18%	794	4,202	4,496	4,725	294	7%	229	5%	\$76,614

Source: Emsi

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