

INCLUSIVE ECONOMIC GROWTH

City of Norfolk, VA: Committed to Creating Economic Opportunity

Alea Slappy Wilson- Chief Diversity, Equity & Inclusion Officer

Agenda

- Economic Mobility & Economic Inclusion Defined
- Historical Context
- City Of Norfolk, Virginia
- City of Kalamazoo, Michigan
- Q & A

Economic Mobility

- Describes an individual or a community's opportunities to improve their income (overall economic situation) over their lifetime.
- Economic mobility can also refer to the changes in economic outcomes for groups of people, or generations over time. ~The Bell Policy Center
- Measured by time and an economic indicator (i.e. income, education, health, home ownership, business ownership, wealth, etc).



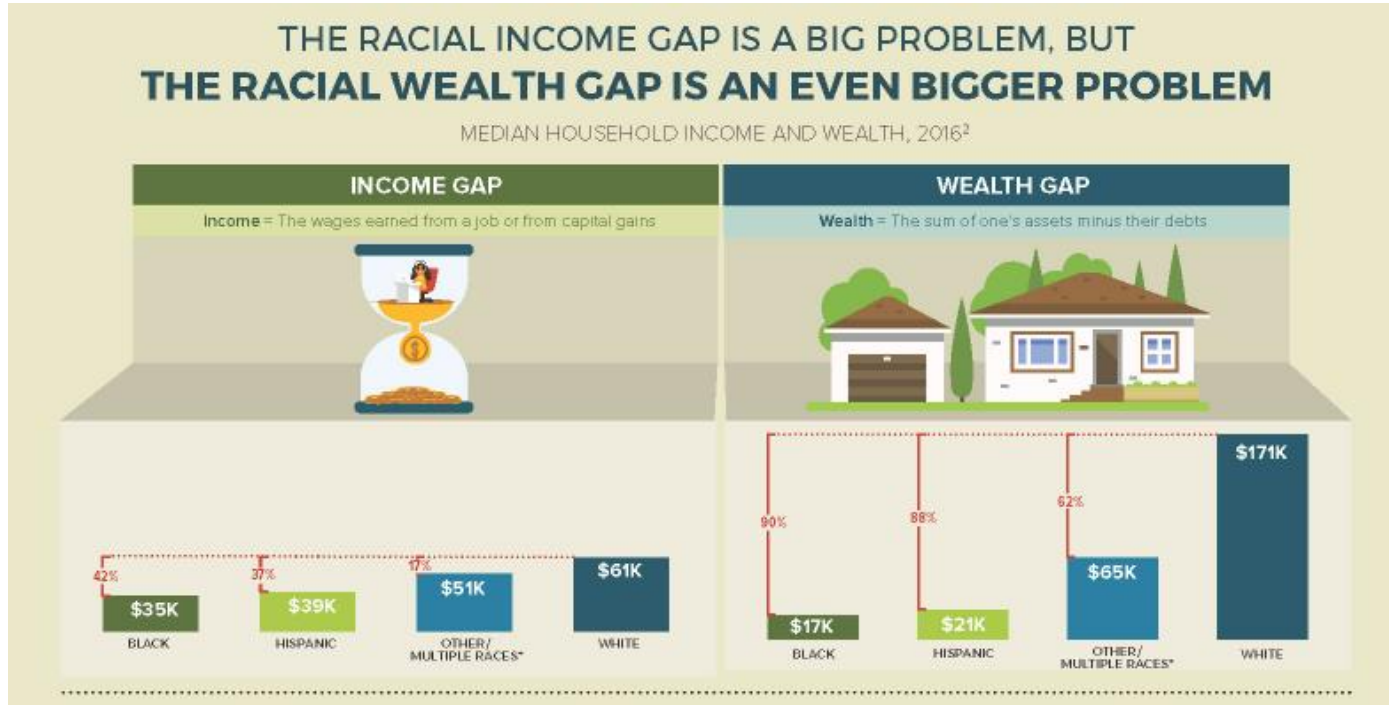
Economic Inclusion

“Equitable **access** to resources and opportunities so all people can participate in the economy and prosper.” ~Federal Reserve Bank of Dallas

- Removing barriers that hinder individuals, businesses and communities from increasing income/revenue and accumulating wealth
- Programming focuses on helping individual increase their income and build assets



Racial Wealth Gap

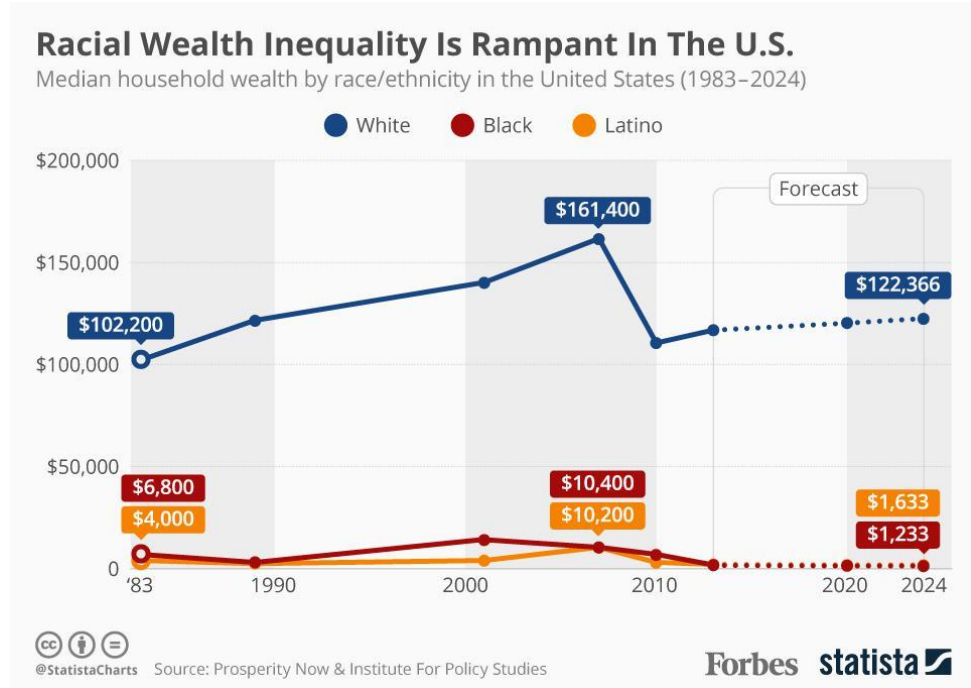


<https://prosperitynow.org/blog/infographic-racial-wealth-gap>

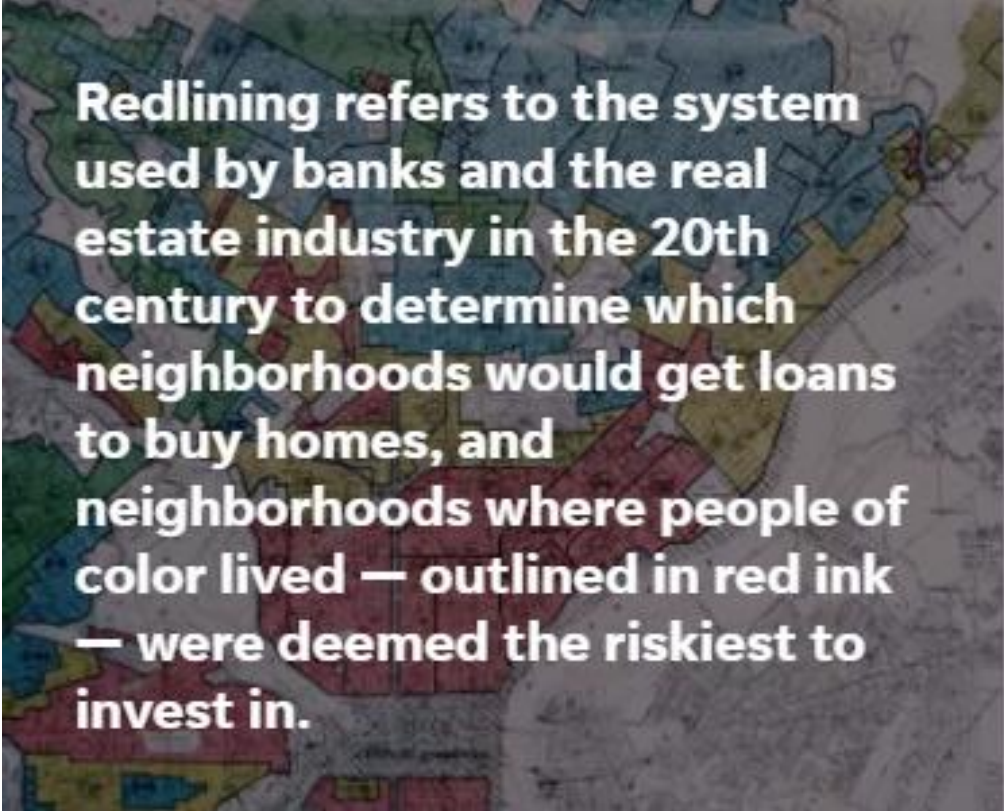
Racial Wealth Gap

The wide gap in financial well being between white households and households of color ~Prosperity Now

“At \$171,000, the net worth of a typical white family is nearly ten times greater than that of a Black family (\$17,150) in 2016.” ~The Brookings Institution



Red Lining



Redlining refers to the system used by banks and the real estate industry in the 20th century to determine which neighborhoods would get loans to buy homes, and neighborhoods where people of color lived — outlined in red ink — were deemed the riskiest to invest in.

Color of Law:
A Forgotten History of How
Our Government Segregated
America
By: Richard Rothstein

City Of Norfolk, VA:
Committed to
Economic Opportunity

City Of Norfolk, Virginia

- Located in the Southeastern region of Virginia (Hampton Roads)
- Population: 242,803
- White: 47%
- Black: 43%
- Asian: 3.3%
- Hispanic: 6.6%
- Two or more races: 3.6%



City Of Norfolk



**OUTREACH &
NEIGHBORHOOD
ENGAGEMENT**

**INCLUSIVE
ECONOMIC GROWTH**

**PLANNING &
INFRASTRUCTURE**

**HUMAN RESOURCES &
WORKFORCE
DEVELOPMENT**

Inclusive Economic Growth



Goal

Close the wealth gap through internal strategies, external programming and policy recommendations designed to reduce barriers and increase economic mobility.

A Community Focused Approach

- Business trainings and networking events held in the community
- Libraries, Rec Centers, Coffee shops
- Making business information and resources accessible and easy to understand
- Access to city officials: Chief Procurement Officer, Commissioner of the Revenue, Zoning staff, etc



Small Business Initiative

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Doing Business with Norfolk | Have a Business Idea? | Starting a Business ▾ | Guided Tour | Appointment | Tell Us More


START &

GROW

A BUSINESS IN NORFOLK

<https://startgrowbiz.norfolk.gov>

Starting a business is as easy as '1-2-3-4'

1 
Planning

2 
Launching

3 
Managing

4 
Growing

Not sure where to begin?

Start Here

Access To Capital

- The Capital Access Program(CAP)was created with the goal of filling a financing gap in the marketplace for Small, Women and Minority Owned Businesses.
- Removed access to capital barriers
 - Requirements
 - Application Process
 - Simplified business templates



Inclusive Economic Growth

Goal: Develop an Economic Inclusion Plan and Procurement Policy to promote the participation of minority- owned and women-owned businesses in City spending

Our Process:

- Established an internal Economic Inclusion Taskforce
- Explored Economic Inclusion efforts in other cities
- Researched the City Of Virginia Beach Disparity Study

VA Beach Disparity Study

Figure 9-1.
Availability of minority- and woman-owned businesses for City contracts

Industry	Business type		Total
	Minority-owned	White woman-owned	
Construction	10.2%	9.6%	19.8%
Architecture and engineering	14.0%	18.6%	32.6%
Other professional services	16.0%	10.3%	26.3%
Goods and services	11.4%	18.8%	30.3%
All industries	12.0%	13.3%	25.2%

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Economic Inclusion Plan and Procurement Policy

- Adopted unanimously by Norfolk City Council in December 2020
- Set goals for city spending with minority-owned and women-owned businesses
 - Minority-owned businesses- 12%
 - Women-owned businesses- 13%

Removing The Barriers

- Sheltered Procurements
- Forecast contracting and procurement needs
- Microbusiness contracting and support
- De-bundling
- Construction Project Goals- individual inclusion plans for all construction projects valued at over \$5 million

Community Level Contracting

- **Citywide Custodial Contract**
 - De-bundle Custodial Contract
 - Create sheltered procurement opportunities for micro, minority and women owned cleaning companies
 - Business and Govt contracting training classes
 - 1:1 business coaching to assist business in building capacity

Deepening Our Impact

- Scale our efforts to support businesses post COVID-19
- Address the digital divide- businesses not using e-commerce and online marketing
- Increase the financial products available to businesses needing capital to build capacity and grow their business
- Further connect and strategize with Ecosystem partners
 - Internal (City departments: Econ Dev, Procurement, Planning/Zoning etc.)
 - External (Ethnic Chambers of Commerce, Faith Institutions, etc.)

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MANAGEMENT ASSOCIATION

Inclusive Economic Growth

City of Kalamazoo Michigan – Business Development Program

Dorla Bonner, Director of Diversity, Equity and Inclusion

Kalamazoo, MI

- Population 73,598
- White 68%
- African American/Black 22%
- Native American 1.7%
- Hispanic/Latino 6.4%
- Two or more races 4.6%

Business Data (Kalamazoo County)

All firms (2012) 20,816

Men owned firms 11,131

Women owned firms 7,438

Minority owned firms 3,163

Non-minority owned firms 16,849





imagine kalamazoo 2025

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Master Plan/Strategic Vision

- **Shared Prosperity – Abundant opportunities for all people to prosper**
- **Economic Vitality – Growing businesses and stabilizing the local economy to benefit all**
- **Strength through diversity – An inclusive city where everyone feels at home**

Business Development Fund

- + Created in 2018.
- + Support for residents who want to start a business or grow their small business
- + Small business = 20 or less employees
- + Economic Development Loan Committee oversees lending process, Community Planning & Economic Development staff approve grants

Technical Assistance

Up to \$750

Support to develop/strengthen business
– marketing, accounting, IT

Business Grants

Up to \$2,500

Support to purchase equipment, tools, signage and product

Gap Financing

Up to \$25,000

For businesses that have received 75% of project cost through traditional funding but still have gap

Business Loans

Up to \$35,000

0% interest loans.
Max 10 year term

2019 results



101

Grants



75

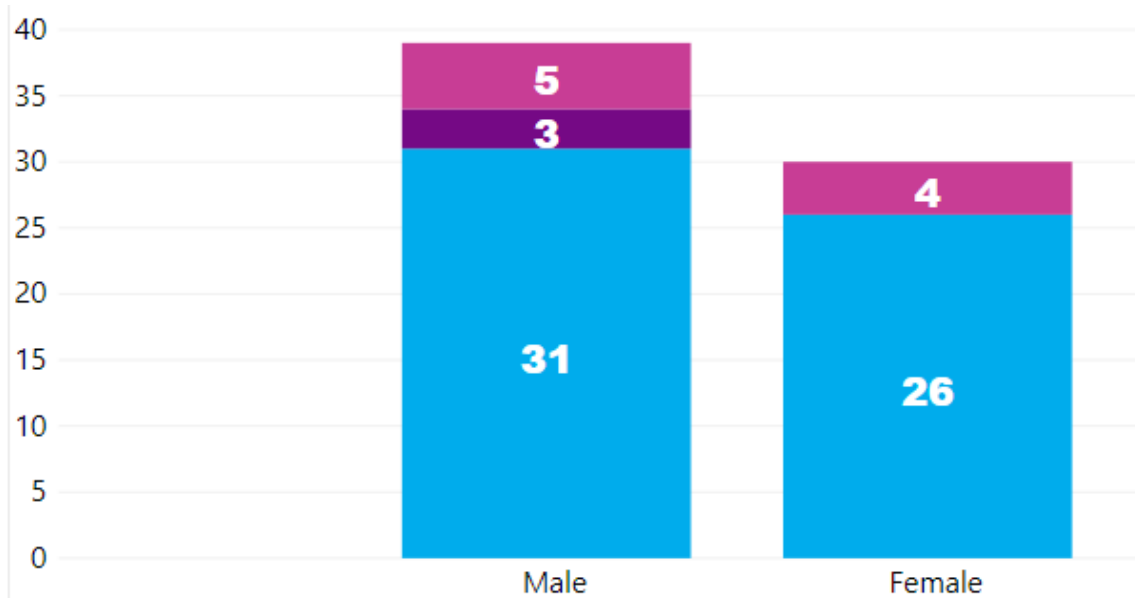
Businesses



69

**Business
Owners**

Business Owner Demographics



- Black
- Hispanic
- White



\$329,490

Total Invested in 2019

Partners - Traditional

- Local Initiative Support Corporation (LISC)
- Employer Resource Group included traditional workforce organizations – SBA, SCORE

Partners – Non -Traditional

Capital Consortium

- + Group of nonprofit and for-profit partners
- + Work through Greater Kalamazoo Business Resource Network
- + Provide loans and technical assistance to small businesses in order to help them start and grow
- + Allows small business owners to reach out to 17 Lenders with one application

+SCORE

+SBDC

+For-profit Lenders

+Nonprofit Lenders

+City of Kalamazoo

Barriers



Lack of access to capital is often cited as one of the primary barriers facing

entrepreneurship

At least

83%

Don't access bank loans or venture capital at startup

Almost

65%

Rely on personal and family savings for startup capital

Close to

10%

Carry balances on their personal credit cards

Lessons Learned

- Listen to businesses
- Listen to lenders
- Create Partnerships
- Identify opportunities
- Seek additional resources
- Stay positive
- Stay flexible
- Follow up
- Maintain relationships
- Technical assistance is key

Modifying Practices

- Change micro-business definition 10 or less instead of 20 or less
- Tech Asst is now \$5,000 instead of \$2,500
- Partnership for loan programming with the United Way:
 - Simplified funding process
 - Faster turnaround of releasing funds

Funds invested to date



- **\$1,733,500**
 - 99 businesses
 - Asian \$30,000
 - Black/African American \$394,00
 - Black/Hispanic \$10,000
 - Hispanic/Latinx \$46,000
 - Middle Eastern/North African \$35,000
 - Prefer not to answer \$237,000
 - White \$981,500

Funding – Foundation for Excellence (FFE)

Local Philanthropy

Donations to the Foundation for Excellence are invested in its endowment to ensure it will last for generations to come, and the endowment earnings provide millions of dollars each year to fund our community's Imagine Kalamazoo 2025 vision.

2021 commitment was \$400 million!

<https://www.kalamazoo.org/ffe>

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