

PCV's Good Jobs Innovation Lab: Inaugural Research Agenda



PCV's Good Jobs Innovation Lab exists to re-think existing capital structures, advisory services, & good jobs program and policy design for small businesses to **reduce racial and gender wealth gaps**.

Pacific Community Ventures (PCV) envisions a world where every entrepreneur and worker has the freedom and capacity to build wealth through a **good job**.

Small businesses founded by entrepreneurs of color are critical infrastructure, yet the Good Jobs narrative often dismisses them as "too hard to reach," and too readily accepts scarcity in wealth building opportunities. In addition to creating ownership in communities, small businesses supply local social-cultural connectedness and:

Child and elder care	Personal services	Manufacturing and supply chain
Home & auto maintenance	Construction services	Transportation and distribution
Support for mental & physical wellbeing	Custodial services	Professional services



Small Business Facts

- 48%** of workers in the U.S. are **employed by small businesses**
- 89%** of the new businesses opened every day are led by **women of color**
- 59%** of PCV's small business owners surveyed are **keen to adopt good job standards** but unable due to: i) lack of financial resources, and ii) lack of support
- 75%** of female-identifying BIPOC entrepreneurs report **access to capital and resources as their biggest barrier** to creating good jobs and wealth creation for themselves and their workers
- 13%** of Black business owners and 20% of Latinx business owners **got the PPP loans they applied for** in 2021
- 1%** of venture capital dollars were **invested in Black founders** in 2021

Launching in Q3 2022, the Lab will kick-off an **ambitious, multi-year research agenda** to identify gaps and interventions in good jobs for wealth creation in the small business ecosystem spanning the following dimensions:



1



Centering Good Jobs Product Innovation into Restorative Capital Deployment



Small Business Segmentation for Good Jobs Journeys: Small businesses face trade-offs as they grow their businesses and work to achieve financial health. This study will blend qualitative and quantitative insights, and apply segmentation and clustering techniques to assess the “good jobs gateways” that have the greatest impact on advancing mobility, balanced against factors including geography, maturity of business, industry and cultural context.



Place-Based Impact Evaluation of Good Jobs Strategies and Catalytic Capital within Oakland Restorative Loan Fund Pilot: In 2021-2022, PCV’s Oakland Restorative Loan Fund deployed \$2.5 million to 33 BIPOC businesses at a critical moment in the pandemic, through local community partners. Loans were coupled with business advising and **good jobs rebates** to clients who advanced along PCV’s good jobs standards. This retrospective analysis will create a guidebook for restorative, place-based, lending capturing immediate lessons learned and the longer-term outcomes for entrepreneurs and workers.

Centering Community Voices and Self-Determination in Good Jobs Agendas

2



Good Jobs Fellows Small Business Co-Learning Cohort: Support for Good Jobs Outcomes in small business **must** be rooted in entrepreneurs’ and workers’ voices. PCV intends to use a co-researching model with good jobs rebates recipients to identify “innovation triggers” within financial product development, coaching and policy systems to deepen impact . Our model practices community-centered, non-extractive engagement that ensures our entrepreneurs feel empowered from our partnership and not drained of information.



“Financial Diaries” Worker Voice Research: Traditional survey research is limited in its ability to understand the complexities of wage-worker lived experiences. This ambitious narrative interview study will leverage ethical machine learning and sociolinguistics to evaluate how small business employment is contributing to workers’ and their families’ longer-term aspirations - with a focus on identifying support gaps and innovation triggers.



Building to Employee Ownership: Current evidence suggests that employee ownership is a powerful pathway toward closing the racial wealth gap and building assets within communities. Using applied research techniques - the Lab plans to explore the barriers to pursuing employee ownership pathways from awareness to implementation hurdles, and the roles CDFIs can play supporting this client journey.



3



Racial Equity Impact Measurement and CDFI Impact Underwriting

Defining Good Jobs and Racial Equity Impact Underwriting Standards: PCV is one of the country's first impact investors, and a pioneering CDFI incorporating impact frameworks into lending underwriting evaluation, measurement and verification. As we pilot impact underwriting standards that measure "Good Jobs" outcomes, we are building partnerships to test and iterate toward best practices, which increase objectivity and accountability in impact management for racial equity practitioners, and build learning communities with other CDFIs to scale these practices in our industry.



Racial Equity Impact Reporting, Measurement & Verification Standards for Community Lending Programs

As PCV innovates and invests in its data analytics infrastructure we are deepening our accountability to funders by reporting racially-disaggregated data, and leveraging mapping tools that dig beyond zip codes to the neighborhood level for place-based work – ensuring our work reaches historically excluded communities. Leveraging our national partner network, we seek to drive universal adoption of our standards for racial equity practitioners, and **to support government and philanthropy in rigorous and objective measurement and evaluation of Good Jobs programs.**

Scaling Place-Based Innovations to Drive Restorative Good Jobs Impacts



Stress Testing the Impact of the Racial Wealth Gap on the Economic Mobility of Frontline/Essential Workers: The Racial Wealth Gap poses a systemic risk to the U.S. economy and its democratic system of government. CDFIs are poised to play a critical role in directing restorative capital and resources to reduce market failures in underestimated communities. This study will pilot evaluation using criteria intended to highlight focal communities most impacted by wealth gaps for structuring & deploying place-based good jobs and restorative capital strategies.



4



Good and Green Jobs - Overcoming Barriers to Supplier Diversity for Clean Energy Deployment: BIPOC-owned businesses face barriers, including gaps in specialized skills and certifications in safety, to win clean energy contracts. This co-researching study will unearth clearer paths to reduce barriers to the engagement of underestimated businesses in clean energy deployment.

5



Product & Policy Innovation to Advance Economic Mobility through Benefits Access



Enhancing Financial Health Outcomes in Small Business: As states like California begin to require small businesses to offer retirement savings vehicles, PCV plans to identify behavioral nudges to aid entrepreneurs and their workers in selecting the financial tools most appropriate for them, and best utilizing them to meet their financial goals.



Reducing Barriers to Affordable Healthcare for Small Businesses: Our internal research supports widespread findings uncovering how - even for essential workers - adverse medical events can obliterate a family's life savings and plunge them into poverty. This study will explore avenues to improve access to affordable small business health insurance that decrease racial bias, build awareness, explore risk pooling and reduce administration & HR costs.

Partner with us! Or Sponsor PCV's new Good Jobs Innovation Lab: Contact Casey Bell, PCV Chief Impact Officer at cbell@pcvmail.org.

