



Good Jobs, Good Business

Entrepreneurs of Color Fund Pilot
Job Quality Impact Report 2022

*Learnings, successes, challenges, and feedback in making
meaningful business and job quality improvements*

April 2022





Good Jobs, Good Business

Reader comments and ideas are welcome. Please direct correspondence to:

Charles Fisher-Post (*he/him/his*)
Associate Director,
Good Jobs Innovation Lab
cfisher-post@pcvmail.org

About the Author

[Pacific Community Ventures \(PCV\)](#), is a 501c3 nonprofit impact investor that envisions a world of thriving, sustainable communities. Our mission is to invest in small businesses, create good jobs that address racial and gender wealth gaps, and make markets work for the common good. We achieve our mission through a “Good Jobs, Good Business” model that combines restorative capital small business loans with pro bono business advising; policy and advocacy; and tools, innovations, and grants to create good-quality jobs for business owners and their workers.

About this Report

This report captures learnings, successes, challenges, and feedback in making meaningful business and job quality improvements. PCV embeds the Good Job, Good Business toolkit to provide a set of accompanying guidance that informs the experience of the partnered Community Development Financial Institutions (CDFI) to help decrease the learning curve in utilizing the toolkit.

Acknowledgments

This evaluation has been a collective effort and would not have been possible without the support of JP Morgan Chase and their CDFI partners, Detroit Development Fund, Pursuit (formerly Excelsior), and Working Solutions.

We would also like to thank the referred entrepreneurs for generously sharing their time and experiences with PCV during the evaluation by completing our social and economic surveys and participating in our interviews.

Table of Contents

About this Report and Evaluation	2
Acknowledgments	2
Executive Summary	4
Overview of The Partnership	6
History	6
The Intent of the Partnership	7
Impact of COVID-19 on the Pilot Program	8
Capacity-Building In Racial, Social, & Gender Equity	9
Job Quality Impact Survey.....	10
BusinessAdvising.org.....	10
The Impact of COVID-19 on Small Businesses	13
Pandemic-Driven Business Transitions.....	13
Types of Capital Received	14
Top 10 COVID-19 Partnership Goals at Onboarding	15
Good Jobs, Good Business	16
Empowering Entrepreneurs Through Pro Bono Advice	19
Summary of pro bono advising partnerships	19
Who are the small businesses?.....	19
EOCF Cohort Economic Impacts	20
What are the businesses working on?	22
Partnership Experience.....	23
<i>Learnings and Opportunities</i>	<i>24</i>
<i>Impact of COVID-19 on Partnership Experience.....</i>	<i>25</i>
Case Studies.....	26
Kapstone Employment Services	26
Sweet Potato Delights	27
C & T Holdings Construction	28
Looking Ahead: Economic Recovery	29

Executive Summary



Bulbul Gupta
President & CEO

As the daughter of an immigrant entrepreneur, and an entrepreneur myself who didn't have friends and family capital to rely on when we started our business, I'm keenly aware of the challenges that entrepreneurs of color face in starting their ventures, funding their passions. From getting the early support they need, and all the trials, tribulations, and pivots of those first crucial years running and growing a business — as well as the implicit and explicit bias that comes along with trying to access capital — even more so for women of color.

People of color start more businesses each year in the US than anyone else, led by Black women and Latinx women, and in 2021 [communities of color saw the largest surge in new businesses](#) in decades after a year of disproportionate closures in the community. The portrayal of Black, Brown, Indigenous, and low-income populations as 'too risky' for business investments is rooted in racism used to justify the underinvesting of these communities. Almost 75 percent of women of color say their most common obstacle to growth is a lack of capital, and only [1 percent of venture capital dollars](#) are invested in Black founders. The vast majority of major bank loans and SBA loans [are inaccessible to Black business owners](#) because of restrictions around minimum credit scores and collateral that Black entrepreneurs often do not have. Many entrepreneurs of color also say they lack access to advisors and networks to help their businesses thrive. All of this puts entrepreneurs of color at a disadvantage.

This is why programs like the Entrepreneurs of Color Fund Program, administered by Community Development Financial Institutions (CDFIs), are valuable. CDFIs were created out of the Civil Rights Movement, and we believe every one of us should work to democratize capital by centering what we do around Black, Indigenous, Latinx, and AAPI entrepreneurs to create a just economy and good jobs with dignity for working people. This needs to start with underwriting for the 'whole entrepreneur,' eliminating minimum credit score and collateral requirements, getting rid of minimum thresholds in annual revenue and years in business, and giving applicants free coaching to figure out financial documents like balance sheets. We at PCV have gone further than that in our work to diminish asking about personal assets (historically under-reported by entrepreneurs of color) and being much more flexible about profit margins.

We also know that most small businesses go under because they can't get capital in their first two years AND they can't access affordable mentorship. At PCV we provide financial, marketing, and business growth advice to all our clients pre- and post-loan (and offer it pro bono for other entrepreneurs nationwide), which we scaled up to fellow CDFIs as part of this program. We've seen the multiplier effect that fair and affordable capital combined with free advice can have on businesses. The business owners we serve had 53 percent job growth pre-COVID (vs. the C.A. rate of 1.2 percent), and 68 percent grew revenues.

This is thanks not only to our mission-driven approach to lending but to the fact that PCV created our Business Advising program to intentionally solve the access to mentorship gap we know entrepreneurs of color face. Our average client receives 15 hours of free advising — worth more than \$2,900 according to Taproot Foundation’s valuation of time donated by professionals. A multi-city pilot with a partner, Initiative for a Competitive Inner City (ICIC), showed that entrepreneurs who worked with PCV’s [BusinessAdvising.org](#) had 14 percent higher average revenue growth than those that did not. From our interviews with business owners from that pilot, this was particularly true for entrepreneurs who struggled to find advisors and spent a lot of time and effort early in the pandemic on long phone wait times trying to access PPP and other state or federal relief programs.

When JPMorgan Chase partnered with Pacific Community Ventures to share our “Good Jobs, Good Business” approach with three other CDFIs — Pursuit, Detroit Development Fund, and Working Solutions — it was to leverage that model for other CDFIs. Like PCV, these three CDFIs are part of the Entrepreneurs of Color Fund, which provides flexible capital and technical assistance to meet the needs of hundreds of underserved businesses in cities across the country. We worked with these CDFIs to incorporate [Good Jobs Good Business](#) into their small business lending programs while supporting their small business owners through our national mentoring platform, [BusinessAdvising.org](#). And we look forward to partnering with these CDFIs and others in the scaleup of the Entrepreneurs of Color Fund nationwide to further invest in the success and resilience of our local small businesses.

PCV has learned that meeting the combination of their needs — from improved access to affordable capital as well as mentorship for their ranging needs — is the best way to support small business owners to grow their business and improve the quality of the jobs they are able to offer. Our Good Jobs, Good Business toolkit provides examples, resources, and advice to help small business owners boost their bottom line by creating jobs that help them attract employees and improve retention, performance, and productivity. During our pilot program with fellow Entrepreneurs of Color Fund CDFIs, we found that demand for our resources tripled when COVID hit, as small business owners were confronted with the dual challenges of prioritizing employee health alongside business health and the most challenging environment of hiring and retention in generations.

When BIPOC entrepreneurs can access affordable, patient capital paired with business coaching, they are set up for success that drives the economic opportunity for themselves, their workers, and their community. As Nani Tsedaye of PCV-supported business Tadu Ethiopian Kitchen said, *“Investing in businesses owned by people of color will pay off and create more and better jobs for people like me: people of color, immigrants, women, parents.”*

In solidarity,

Bulbul Gupta (she/her)
President & CEO
Pacific Community Ventures

Overview of The Partnership

History

Income and wealth inequality left many workers inadequately prepared to support themselves and their families following the 2008 global recession. Amidst the economic recovery in April 2016, Pacific Community Ventures (PCV) released a report defining and measuring the creation of quality jobs, “[Moving Beyond Job Creation](#).” Many entities, such as state and municipal governments, corporations, foundations, and social sector organizations, became committed to addressing the issue. Through initiatives and legislation intended to increase the minimum wage, PCV released “[Public Policy and Investments in Quality Jobs](#)” in 2017. This report focused on public policy’s role in encouraging private sector investments in quality job creation. It sought to answer questions regarding redirecting additional capital toward businesses and projects that create quality jobs.

As a nonprofit Community Development Financial Institution (CDFI) serving small business owners, PCV also looked at ways to apply this research into job quality to support entrepreneurs like our clients, who struggled to attract and retain employees. As one of the six organizations to receive grant funding through Reimagine Retail, a project run by the Aspen Institute to explore enhancing job quality in retail, PCV developed a [Good Jobs, Good Business \(GJGB\) toolkit](#) to equip small businesses with practical tools and resources to offer higher quality jobs that appropriately balance business and employee needs.

Based on PCV’s research and extensive interviews, the toolkit is structured around six key components:

1. Employee Compensation
2. Health Benefits
3. Retirement and Wealth-Building Benefits
4. Scheduling, Vacation, and Paid Leave
5. Hiring, Training, and Professional Development
6. Employee Engagement

Each section provides actionable insights through a) “How to” guides, b) case studies, and c) tools and benchmarks. Building upon the initial PDF resource, in 2019, PCV launched the GJGB toolkit as an open-access online resource.

The Intent of the Partnership

With the support of JPMorgan Chase, starting in 2019, PCV partnered with three fellow CDFI members of the Entrepreneurs of Color Fund — Detroit Development Fund (DDF), Working Solutions, and Pursuit (formerly Excelsior) — to pilot the online GJGB toolkit with a target of 60 small business. PCV provided entrepreneurs referred by these CDFIs access to PCV’s pro bono [BusinessAdvising.org](https://www.businessadvising.org) business coaching platform to pair each small business owner with an expert advisor for cost-free guidance on using the GJGB toolkit to improve job quality, reduce employee turnover, and ultimately improve business outcomes.

PCV also worked with each CDFI starting in 2019 to integrate considerations of job quality in their small business lending practices. This integrated small business model also paired impact measurement and management to assess the quality of jobs small businesses offered and to help the CDFIs measure real short- and long-term cost savings experienced by their small business clients that work on improving job quality — through higher retention rates, improved employee productivity, and employee engagement. The partnership workstreams and activities included:

TABLE 1

WORKSTREAMS AND ACTIVITIES
<i>Workstream I: Onsite training and co-development of approach with EoCF CDFIs</i>
<ul style="list-style-type: none"> I.I Site visits with EoCF CDFI partners to offer training and co-develop approaches on the GJGB Toolkit I.II EoCF CDFIs identify small businesses to utilize the GJGB toolkit with PCV support
<i>Workstream II: Implementing the Toolkit - Matching Entrepreneurs with Business Advisor</i>
<ul style="list-style-type: none"> II.I Recruitment, training, and matching of PCV business advisors and local advisors with small businesses, including recruitment from local markets with local partners as desired II.II Provide additional business advisors on an as-needed basis to help address small business owner needs II.III Conference calls and ongoing support with experienced advisors
<i>Workstream III: Ongoing support to EoCF CDFIs for implementation and fostering learning</i>
<ul style="list-style-type: none"> III.I Provide support to EoCF CDFIs for implementation of GJGB Toolkit III.II Create and administer peer learning opportunities for EoCF CDFIs III.III Establish and support small business peer groups III.IV Refine GJGB Toolkit as feedback is received from EoCF CDFIs, small businesses, and business advisors
<i>Workstream IV: Analyzing progress and capturing learnings</i>
<ul style="list-style-type: none"> IV.I Monitor progress and capture feedback on the GJGB Toolkit through surveys, check-ins, and final interviews IV.II Collect job quality and broader impact data at baseline and annually from small businesses participants IV.III Prepare, publish, and promote a report on EoCF CDFI partnership results, lessons learned, and guidance for other CDFIs

Impact of COVID-19 on the Pilot Program

With the sudden onset of the pandemic in 2020, small business owners experienced unprecedented challenges that required them to immediately rethink their growth strategy and pivot to COVID-19 recovery and survival. In alignment with the small business owners' pressing needs, PCV tailored the GJGB resources to equip small businesses and employees to build resilience amid COVID-19. PCV segmented its job quality components to include COVID-19 recovery components inclusive of the GJGB attributes (see Table 3):

- a. Managing Employee Compensation During the Pandemic
- b. Physical Safety
- c. Mental and Emotional Wellness
- d. Employee Engagement and Belonging
- e. Leadership Presence and Decision Making

As part of PCV's strategy to restructure the service with a COVID-19 recovery lens, PCV made tremendous efforts to anticipate the pandemic's effect on job quality at participating small businesses, emphasizing relief and recovery through the provision of a COVID-19 Job Quality Recovery kit intended to help entrepreneurs maintain employee and business health. To attract more entrepreneurs to utilize both the GJGB Toolkit, and the COVID-19 Recovery toolkit, we instituted an incentive structure to place more funding in the hands of the participating small businesses. Businesses had an opportunity to gain up to \$1,000 each for: 1) meeting with their advisor and completing their goal-setting worksheet at the start of the partnership, 2) participating in discovery calls and surveys, and 3) showing significant progress in their partnership compared to where they were when they started.

2021 JOB QUALITY IMPACT REPORT:
THE STATE OF SMALL BUSINESS ADVISORY SUPPORT

CAPACITY-BUILDING

in 2021

75 TOTAL NUMBER OF PARTNERSHIPS SERVED:

41

Detroit Development Fund



DETROIT
DEVELOPMENT
FUND
Helping You Get There

20

Working Solutions



Working
Solutions
Capital. Consulting. Community.

14

Pursuit



Pursuit
Lending Power to Potential

CAPACITY-BUILDING IN RACIAL, SOCIAL, & GENDER EQUITY:



57%

of entrepreneurs served through PCV's pro-bono advising services are African-American/Black

- 20% identify as White (*non-Hispanic*)
- 7% identify as Latinx
- 7% identify as Asian-American
- 1% identify as Native-American/Pacific Islander
- 4% identify as Multiracial/Other
- 5% chose not to respond



58%

of entrepreneurs identified as female

- 33% identified as male
- 9% identified as non-binary



13%

of the entrepreneurs identified as an Immigrant/Refugee

- 8% identified as LGBTQIA+
- 8% identified as Veteran
- 5% identified as Impaired/Disabled

Job Quality Impact Survey

In November 2021, all 75 participating small business owners across the three CDFIs were contacted to complete a final survey. The survey was designed to collect information around changes in revenue experienced by the small business owners, the quality of jobs they offer workers, and their advisor experience. Out of 75 participants, 39 responded to the survey. **100 percent** of small businesses provided a quality job with **at least one attribute of a quality job**. At the same time, **64 percent** of small businesses provided **at least three attributes or more of a quality job, compared to 59 percent of businesses that did not offer any job qualities at the time of onboarding.**

BusinessAdvising.org

FIGURE 1

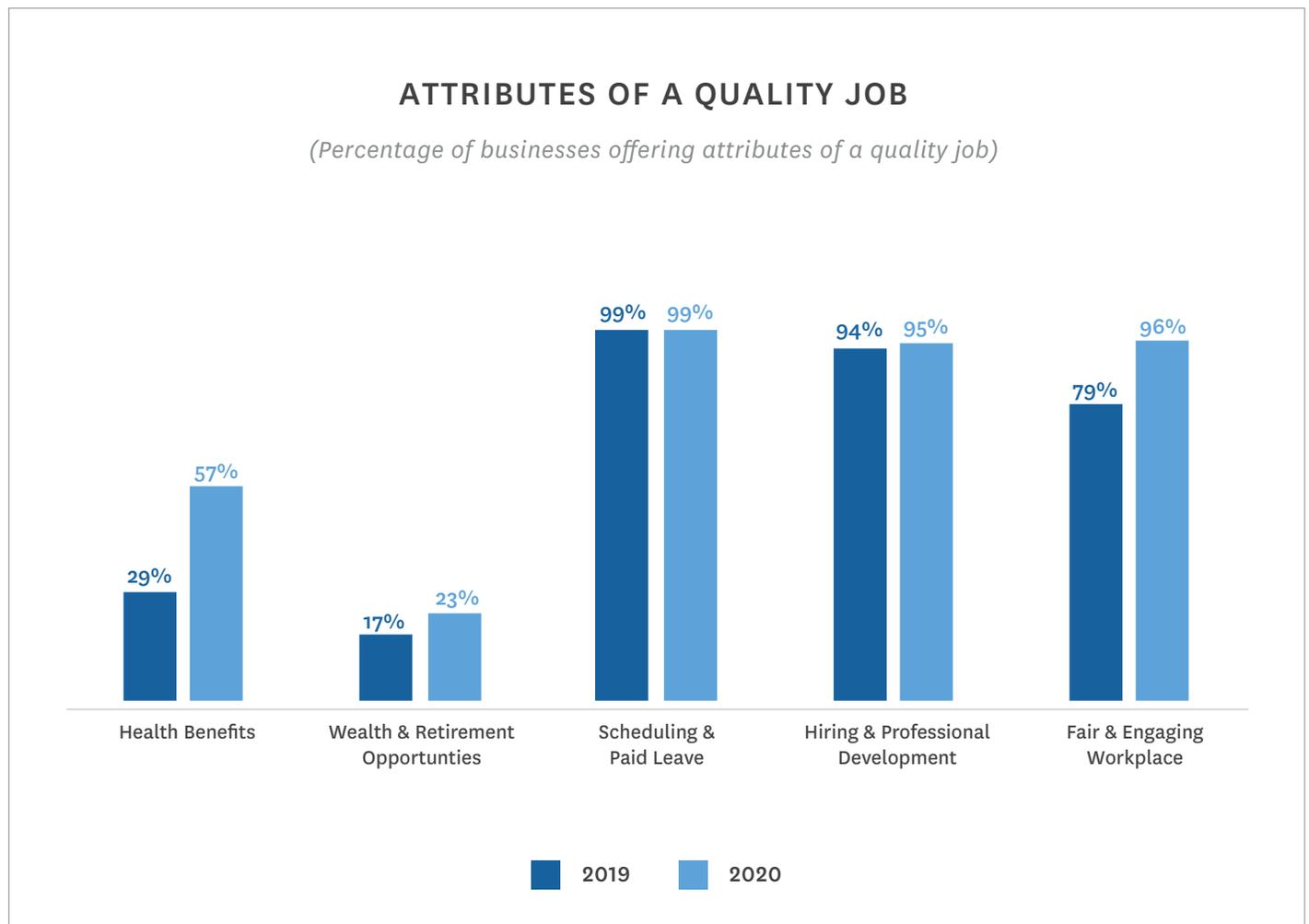
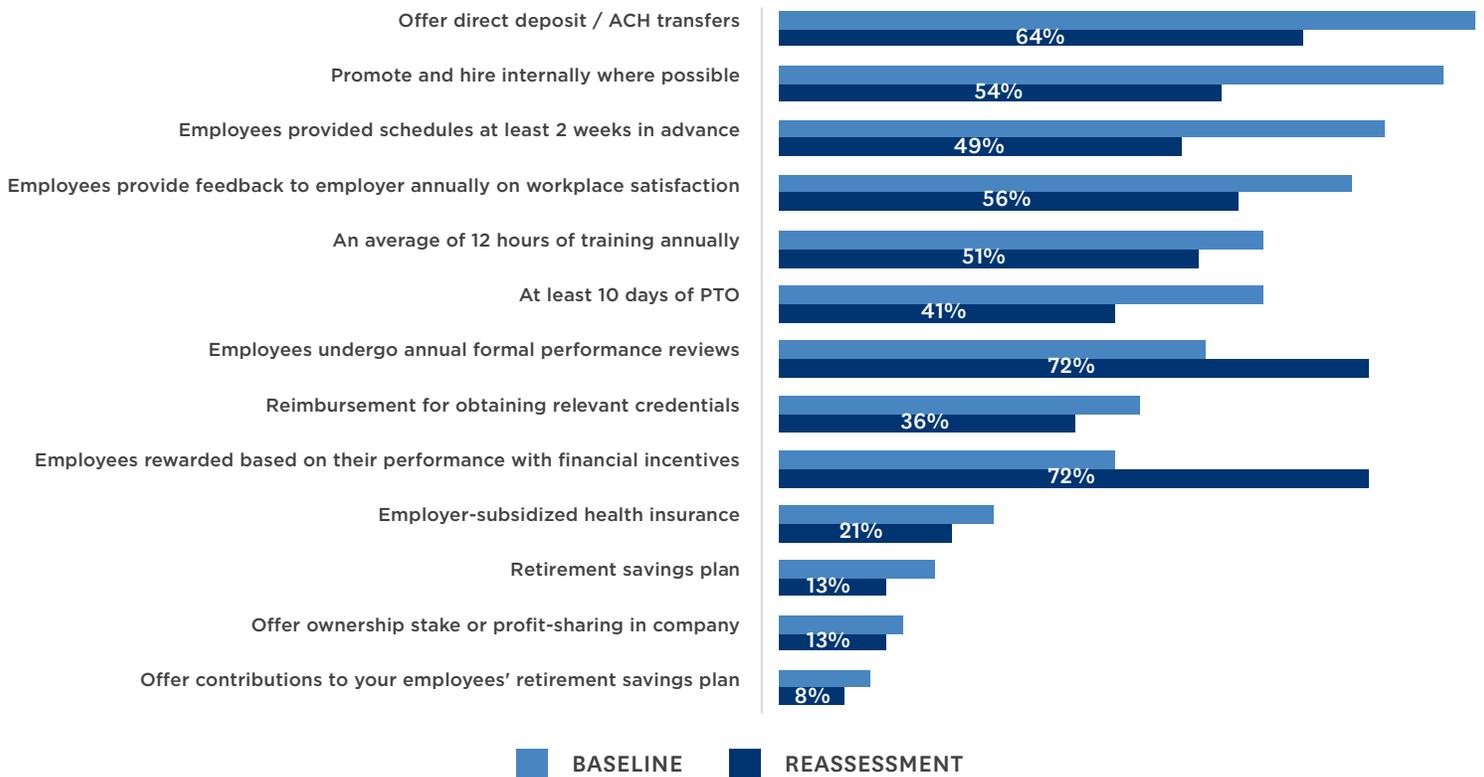


FIGURE 2

JOB QUALITY PERFORMANCE REASSESSMENT

(Percentage of businesses with job quality attributes)



WHEN ASKED, SMALL BUSINESS OWNERS ALSO HIGHLIGHTED SOME CURRENT PRIORITIES OF THEIR EMPLOYEES:

“My driver helper would like to have a training program that will allow them to move up to lead driver.”

“Employees want flexibility in scheduling and increased overall compensation.”

“Employees understand that flexibility in the workplace is important but also [as important] is being able to work from home during the pandemic.”

“Employees want resources to make additional income outside of my business services to they can pivot in the new way of business and survival, such as taking courses to develop their services to my businesses and their own.”

FIGURE 3

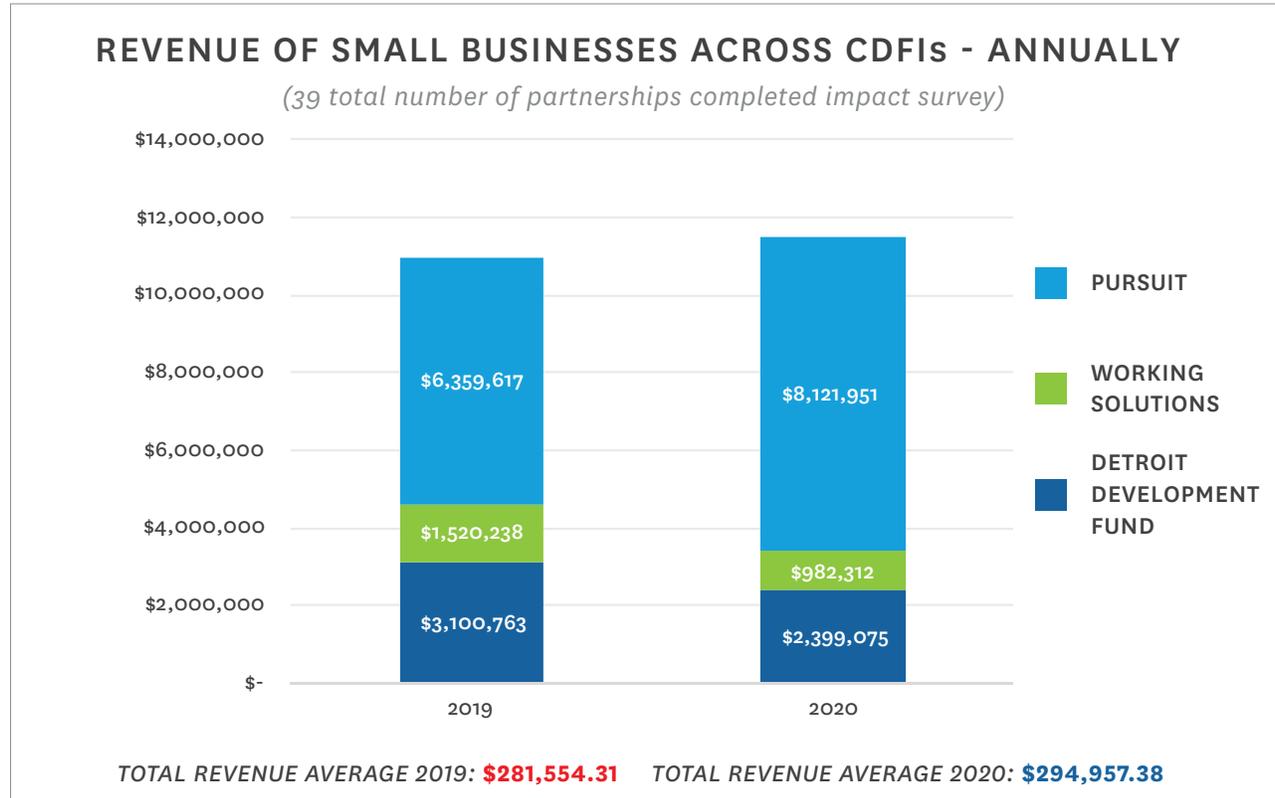
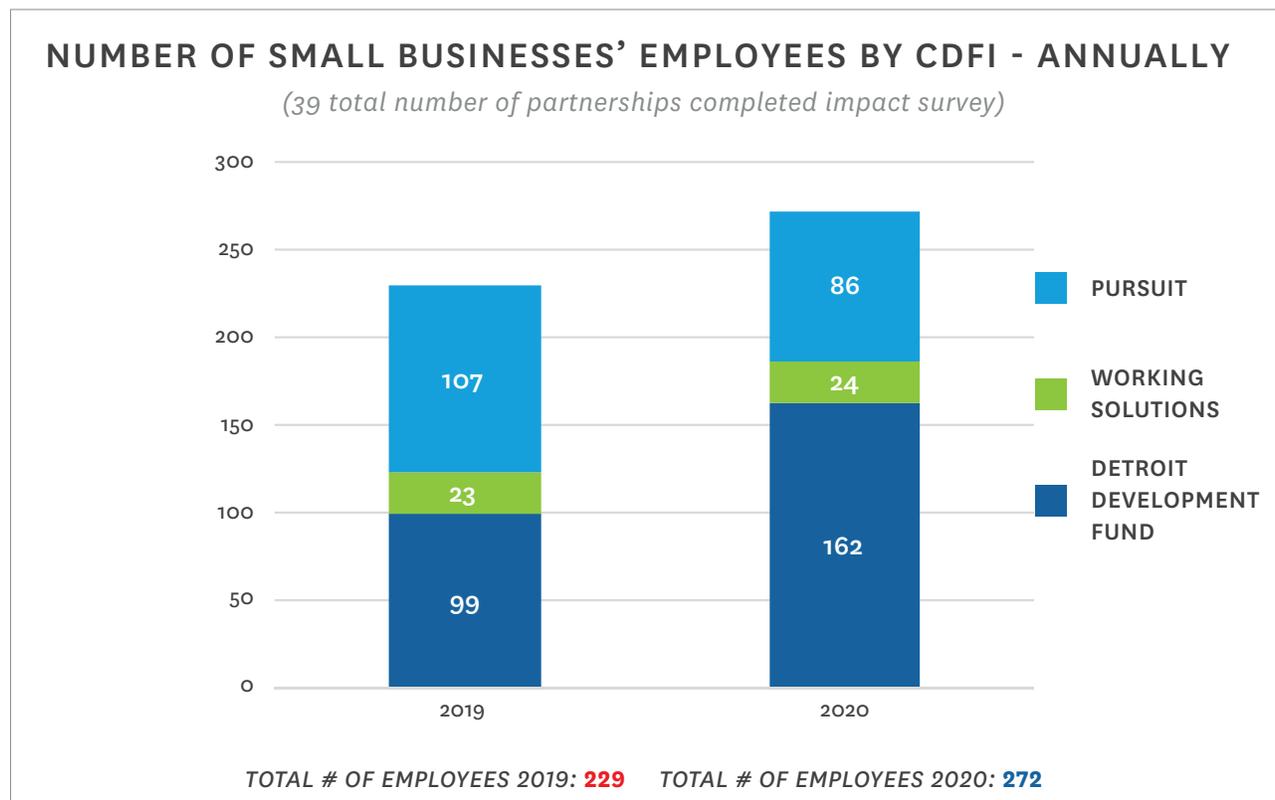
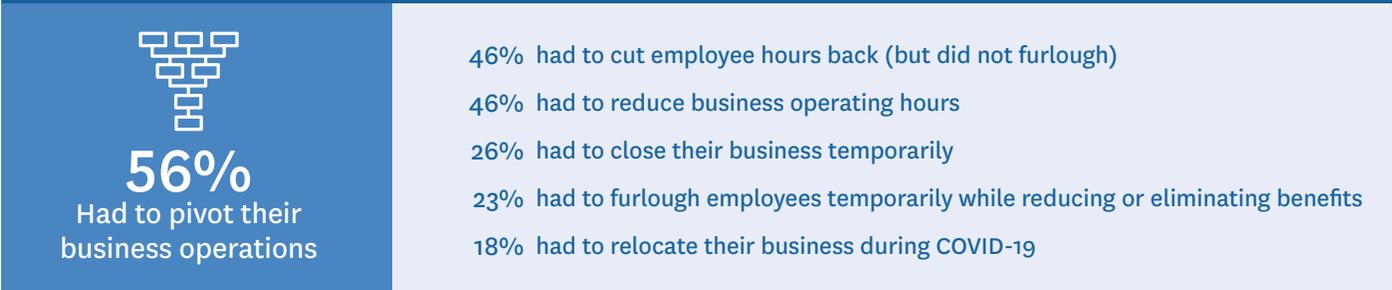


FIGURE 4



The Impact of COVID-19 on Small Businesses

COVID-19 AFFECTED OUR CLIENTS IN THE FOLLOWING WAYS:



Pandemic-Driven Business Transitions

Business owners were asked to select areas in which their business had to make changes that were pandemic-driven effects while re-evaluating their growth strategy with their PCV relationship advisor. Many of these changes were implemented to retain employees. Of the surveyed businesses, at least 21 percent had to implement at least three dimensions of a business transition.

FIGURE 5

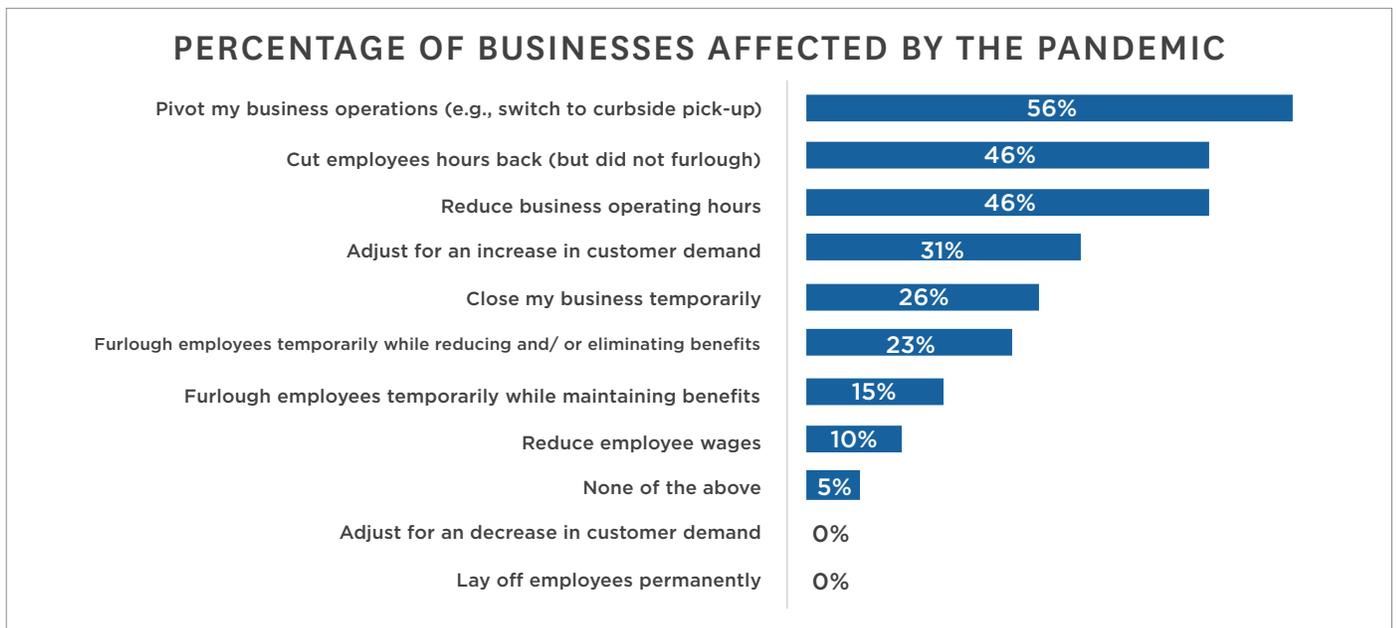
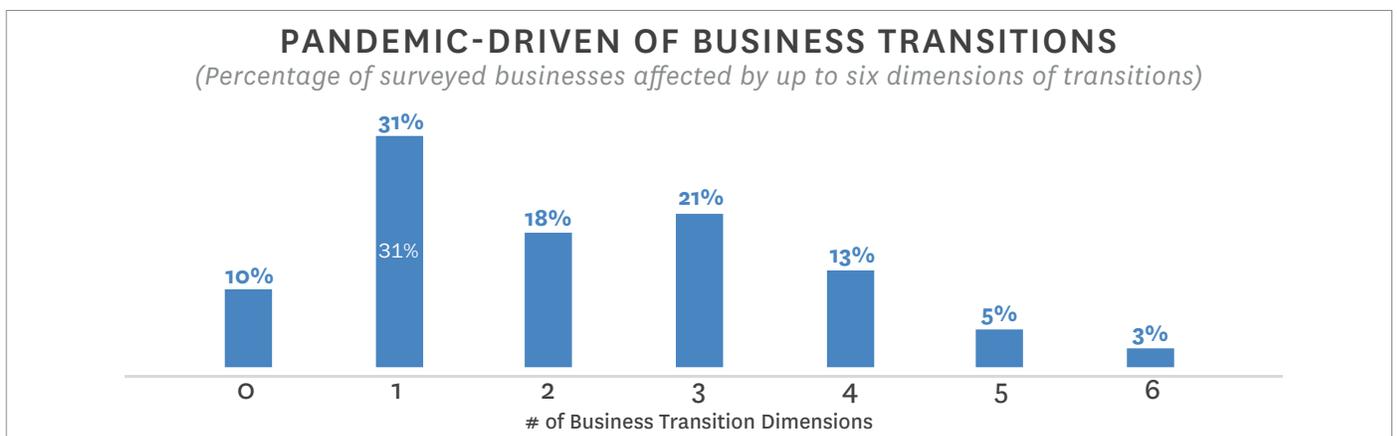


FIGURE 6



Types of Capital Received

Since working with a PCV advisor, 21 percent of the surveyed business owners received non-COVID-19 related, traditional financing. PCV also asked business owners to select the capital they applied for and received to withstand the pandemic. Here's what they've selected.

FIGURE 7

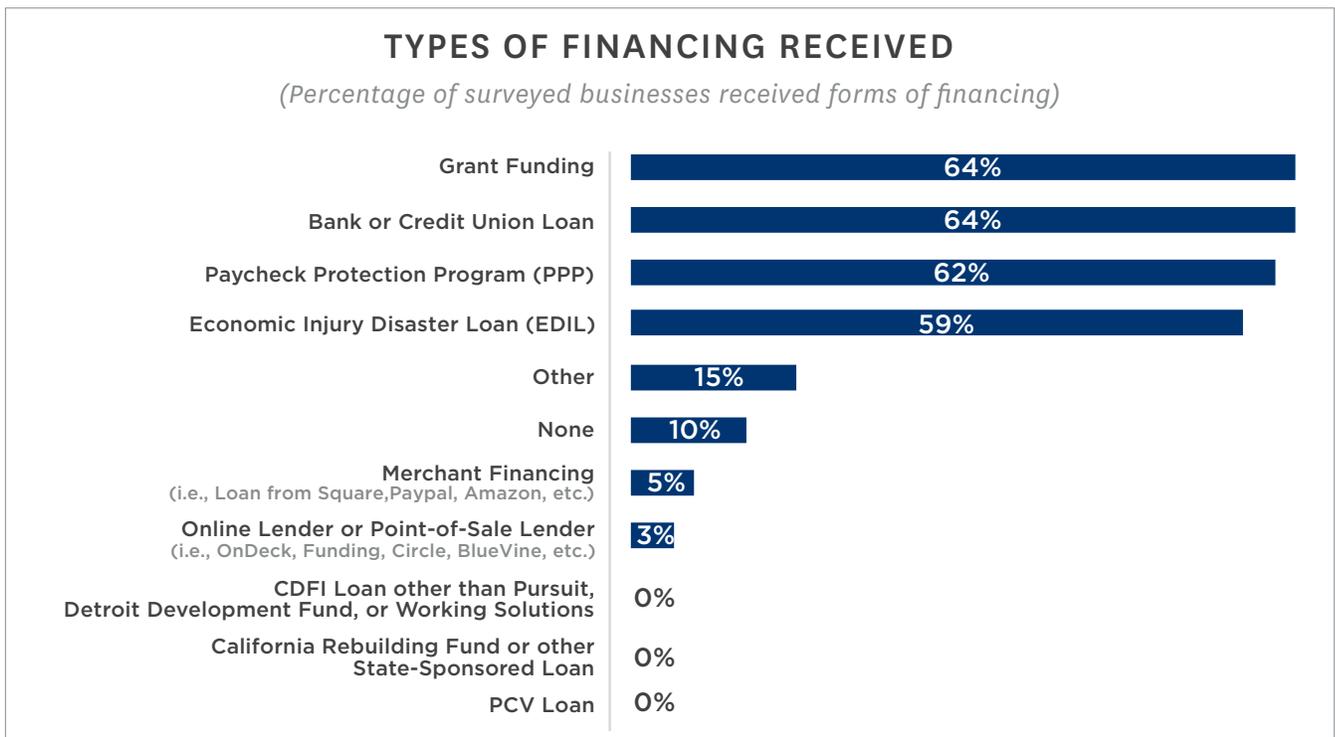
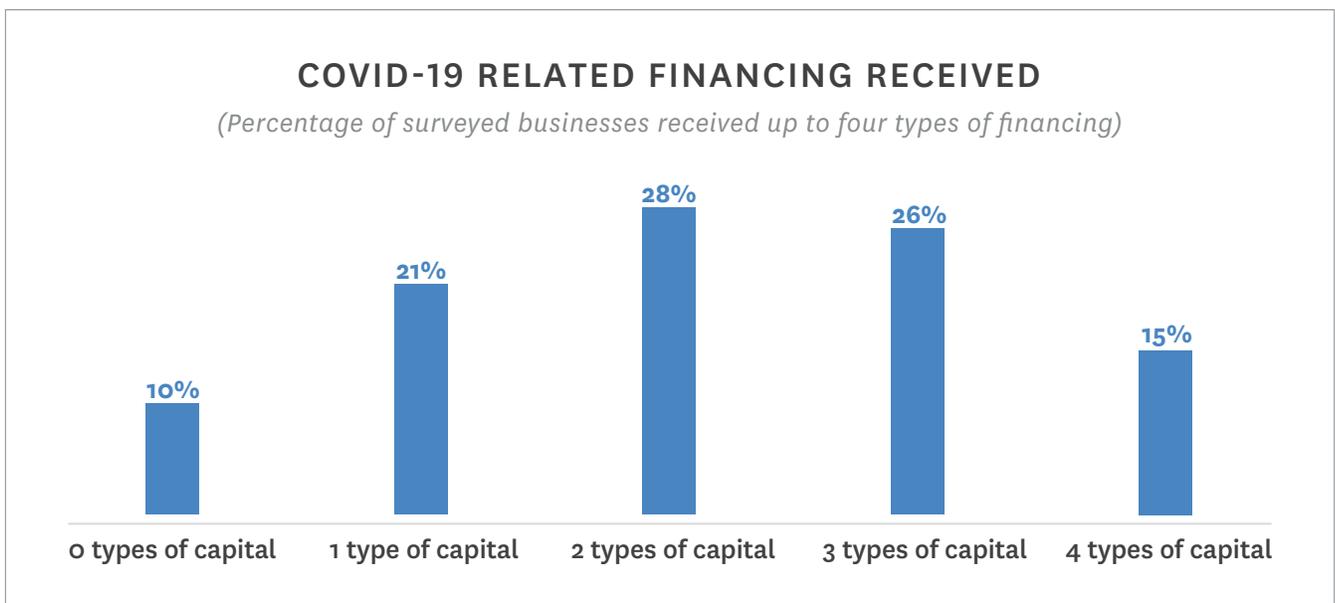


FIGURE 8



Top 10 COVID-19 Partnership Goals at Onboarding

Once PCV pivoted their Good Jobs, Good Business pilot to include COVID-19 Recovery tools, PCV trained advisors through webinars and COVID-related recovery material to serve business owners better during the crisis.

FIGURE 9



Good Jobs, Good Business

Historic and widespread job loss has left millions of people in economic and employment hardships due to the pandemic. Many unemployed workers found themselves without income, health coverage, and in many cases, borderline homeless. These pandemic-driven effects have created insufferable outcomes and limited opportunities not only for workers but for small businesses to scale or even stay afloat. At the same time, job openings and labor turnover have surged during the pandemic. For example, according to data from the U.S. Bureau of Labor Statistics, in April 2021, there were 9.3 million job openings, while about 4.0 million workers voluntarily quit their jobs.¹ With a steady decline in working employees, small businesses search for solutions to attract, hire, and retain employees.

One strategy that businesses have successfully used has been to improve job quality for their workers. After an in-depth review of existing research and extensive interviews in 2016, PCV found that generating a high level of employee engagement through a quality job can reduce turnover and produce highly motivated, engaged employees while reducing housing insecurity, underinsurance, and underemployment for these employees.

PCV’s Good Jobs, Good Business framework identifies five attributes that are part of a quality job: [1\) A Living Wage](#), [2\) Basic Benefits](#), [3\) Career-Building Opportunities](#), [4\) Wealth-Building Opportunities](#), and [5\) a Fair and Engaging Workplace](#). While defining a quality job is subjective based on how one values the different aspects of a job, according to PCV’s definition, a job must offer at minimum three of the five components to qualify as a “quality job.”

TABLE 2: JOB QUALITY ATTRIBUTES

	LIVING WAGE	BASIC BENEFITS	CAREER-BUILDING OPPORTUNITIES	WEALTH-BUILDING OPPORTUNITIES	FAIR AND ENGAGING WORKPLACE
Recommended Employee Offerings	Offer Competitive Employee Compensation	Offer Paid Leave , Scheduling , Vacation, and Health Insurance	Offer Hiring, Training, and Professional Development	Offer Retirement, Savings Plans, and Wealth-Building Opportunities	Offer Employee Engagement (Competitive Benefits)
Employer Benefits	<ul style="list-style-type: none"> Attract the best workers Improve performance and service delivery Boost employee retention Increase employee morale Improve company reputation and brand 	<ul style="list-style-type: none"> Attract and retain talented employees Improve employees’ well-being and productivity Lower absenteeism 	<ul style="list-style-type: none"> Evaluate employee goals through regular performance reviews Align employee goals with your business goals Encourage staff to continue to learn outside of work 	<ul style="list-style-type: none"> Attract and retain talented employees Reduce income taxes for plan participants Reduce your business taxes Support you and your employee to build wealth 	<ul style="list-style-type: none"> Reduce potential physical and financial barriers to their ability to work Train and promote internally

¹ U.S. Bureau of Labor Statistics. (April 2021). Job Openings and Labor Turnover. Retrieved from: https://www.bls.gov/news.release/archives/jolts_o6o82o21.pdf

In collaboration with our partnered CDFIs, PCV has recruited, trained, and matched PCV's business advisors and local advisors with the referred small businesses of our partnered CDFIs (Detroit Development Fund, Working Solutions, and Pursuit). By matching a small business owner with a thought partner, the relationship enables them to tackle some of their most pressing business challenges.

objective took a significant shift when COVID-19 scattered across the nation. Immediately, PCV shifted its priority and expanded the Good Jobs, Good Business Toolkit to include [COVID-19 Recovery resources](#). Amongst the COVID-19 pandemic and the racial injustice, these resources were tailored to tackle small business survival tactics and deep-rooted systemic racism.

Initially, at the launch of this Good Jobs, Good Business pilot with our partnered CDFIs, our shared priority was to improve overall job creation and job quality. However, the partnerships'

TABLE 3: COVID-19 GOOD JOBS ATTRIBUTES

	MANAGING EMPLOYEE COMPENSATION DURING THE PANDEMIC	PHYSICAL SAFETY	MENTAL AND EMOTIONAL WELLNESS	EMPLOYEE ENGAGEMENT AND BELONGING	LEADERSHIP PRESENCE AND DECISION MAKING
Employer Guidance	How can Small Businesses help ensure pay equity?	<ul style="list-style-type: none"> State-by-state reopening guidance How to deal with a racist or sexist customer? 	<ul style="list-style-type: none"> Bereavement Leave and Employee support amid COVID-19 Supporting Employees of Color through the Pandemic 	Belonging in the Age of COVID-19	<ul style="list-style-type: none"> Leading during traumatic and triggering events Identifying and interrupting bias in performance evaluations
Equity-driven approaches	<ul style="list-style-type: none"> Prioritizing Pay Equity Offer hazard pay for frontline workers Offer remote work stipends 	<ul style="list-style-type: none"> Adopt safety procedures in the workplace Offer accommodations for high-risk employees Offer or expand paid sick leave Consider providing telemedicine as part of a healthcare plan Plan to confront workplace racism — as well as homophobia and transphobia 	<ul style="list-style-type: none"> Supporting your Team's psychological safety Protecting the well-being of workers of color Providing flexible scheduling options 	<ul style="list-style-type: none"> Foster a Culture of Inclusivity Build Connection and Trust in an unconventional work environment Decentering white dominant culture 	<ul style="list-style-type: none"> Open and Transparent communication and leadership Reimagining and Rewiring business practices Decision-making framework

While the COVID-19 pandemic pivoted this project to focus on small business crisis response, the experiences of some participating entrepreneurs re-emphasized why offering quality jobs is vital to business health. In the learning and feedback sessions, some participants shared that not having enough employees meant they had to focus on administrative work and their business development work. This experience underscores how employees are central to the functioning of a business and how good talent is key to sustainable growth. Hiring and retention have become even more challenging, with many employees reassessing their place in the current labor environment. Thus, entrepreneurs see that improving job quality to hire and keep workers is necessary to move the business forward.

"The main support I need is to keep the people I have. If my sales drop for whatever reason, most likely be due to COVID, it'll be nice to have similar support I had for San Francisco at the Los Gatos location because there's no support like that. It was only two months old in the San Francisco location after being closed for 22 months. We lost money, which was expected, but we had funds to support that. I now have many people; sales are slightly dropping, and I don't want to let go of anyone. It's concerning right now, but I'm reflecting on two weeks of data. It'll be nice to keep people and keep them on the job for 3-4 months at least until we can see some traction in sales."

– Entrepreneur

Empowering Entrepreneurs Through Pro Bono Advice

Summary of pro bono advising partnerships

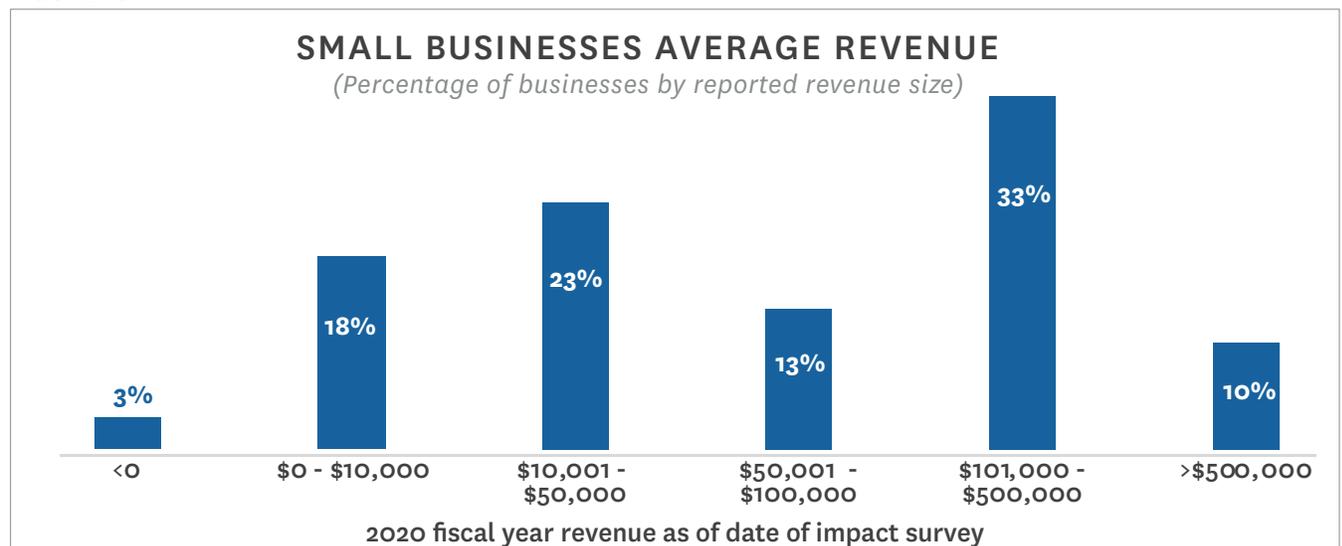
Black women are 300 percent more likely to launch a new business than a white person, and Latinas are 180 percent more likely — but both groups are also more likely to fail.² Part of the reason? Many female entrepreneurs and entrepreneurs of color say they lack mentors. The U.S. Small Business Administration says half of all new businesses fail within five years. But for business owners with a mentor, the difference is striking: 70 percent thrive with revenues increasing an average of 20 percent each year.³ Therefore, having an advisor or mentor is crucial.

The Entrepreneurs of Color Fund partners referred a pool of entrepreneurs to be paired with a PCV pro bono business advisor. 75 small businesses across Pursuit, Detroit Development Fund, and Working Solutions have been matched and onboarded with an advisor as of November 30, 2021. Of the onboarded entrepreneurs, 41 were referred by Detroit Development Fund, 20 from Working Solutions, and 14 from Pursuit.

Who are the small businesses?

As referrals came in, kick-off calls were scheduled and held during the fall of 2020, serving 48 (64 percent) business owners and continued through spring of 2021, serving the remaining 27 (36 percent) owners. While PCV received referrals representing a variety of industries, some of the top industries represented were Restaurants/Food & Beverage (12 percent), Health, Wellness & Fitness (10 percent), and Retail (10 percent). Of the surveyed entrepreneurs in partnership, 44 percent reported over \$100,001 in revenue in 2020. Yet, the effects of the pandemic resulted in 63 percent of businesses reporting they **operated at a loss**. 21 percent of those surveyed reported they broke even as of June 2021 compared to the 13 percent of businesses that broke even in 2020.

FIGURE 10



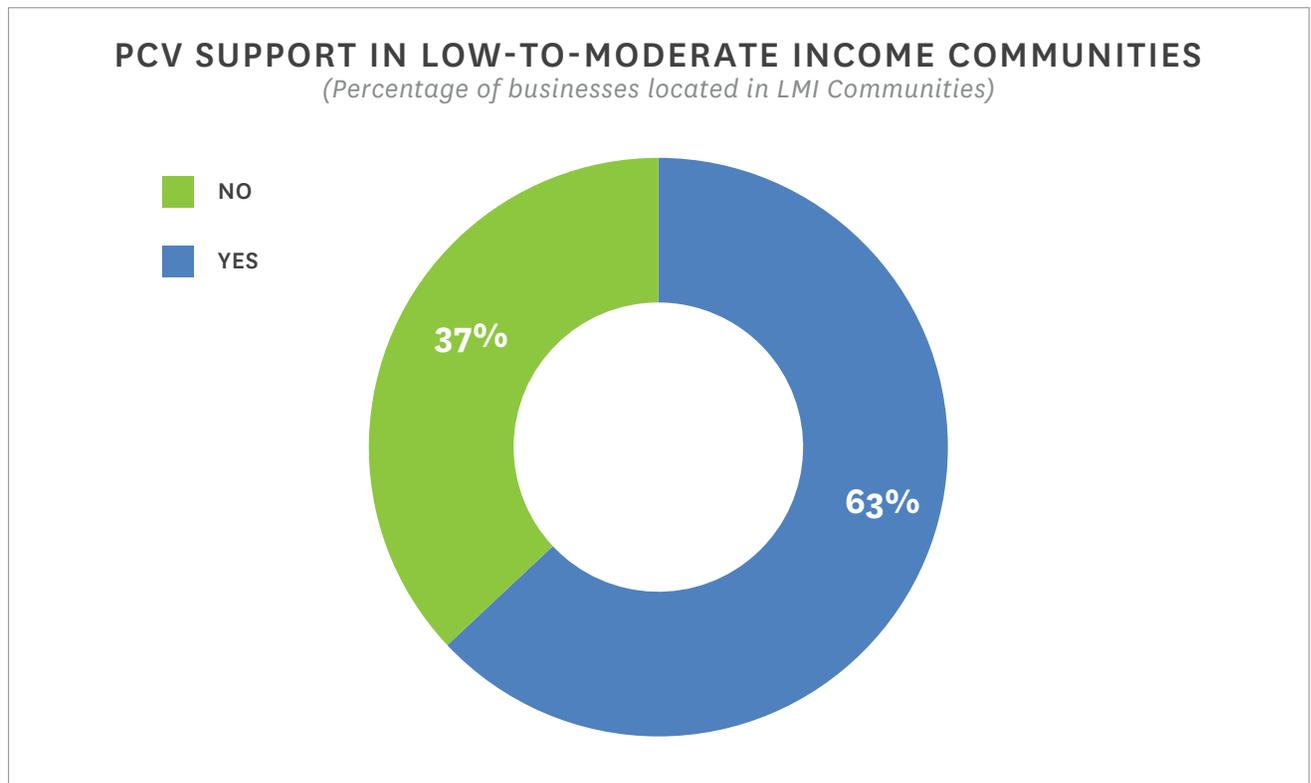
² Kroeger, T., (2021, February 22). Entrepreneurship and the Racial Wealth Gap: The Impact of Entrepreneurial Success or Failure on the Wealth Mobility of Black and White Families. Retrieved from: <https://link.springer.com/article/10.1007/s41996-021-00081-6>

³ McShane, K., (2019, February 4). Mentoring: the missing link to small business growth survival. Retrieved from: <https://www.sba.gov/blog/mentoring-missing-link-small-business-growth-survival>

EOCF Cohort Economic Impacts

PCV seeks to increase access to economic development opportunities as a means to increase job creation, prioritizing those in low-income communities, historically underserved communities, and BIPOC communities. PCV provides pro bono advisory services to support the referred entrepreneurs with lived experience and applicable skills to improve employee retention, revenue increase, and overall growth. 63 percent of the EoCF cohort supported by PCV as pro bono clients were in low-to-moderate income communities.⁴

FIGURE 11



In this pilot, 20 percent of the small business entrepreneurs sent to PCV by the participating CDFIs identified as white-owned businesses. 7 percent of these white-owned businesses are located in LMI communities. The average unemployment rate of the communities where LMI businesses are located is 7 percent.⁵ The average percentage population that identifies as a person of color in the communities of those LMI businesses is 77 percent.

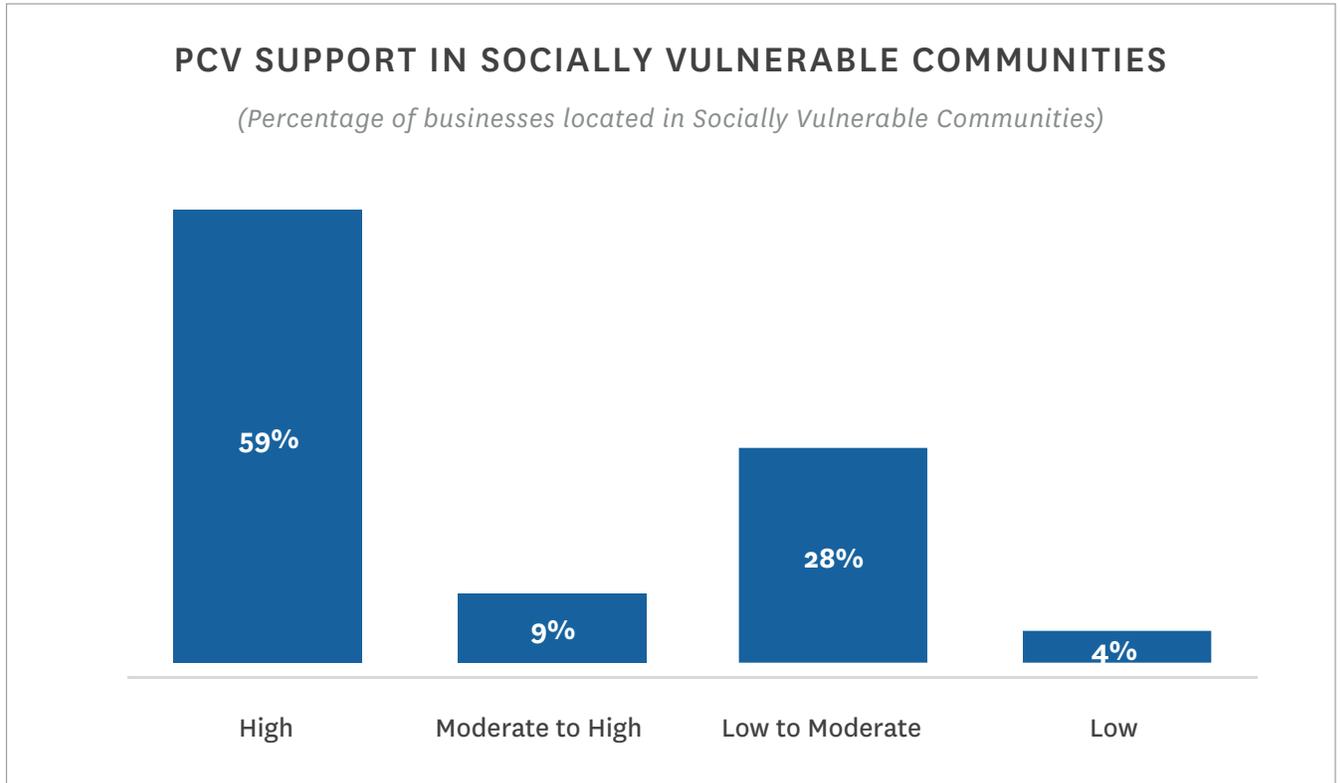
68 percent of the cohort is located in high/moderate-to-high socially vulnerable communities.⁶ Social Vulnerability is defined to refer to populations that are particularly vulnerable to disruption and health problems as a result of natural disasters, human-made disasters, climate change, and extreme weather. The index comprises four categories: 1) socioeconomic status, 2) household composition and disability, 3) minority status and language, and 4) housing and transportation.

⁴ Federal Financial Institutions Examination Council. (2021). FIEC Census Report. Retrieved from: <https://www.ffiec.gov/geocode/help3.aspx>

⁵ Based on unemployment data by county as of January 2021; PolicyMap.

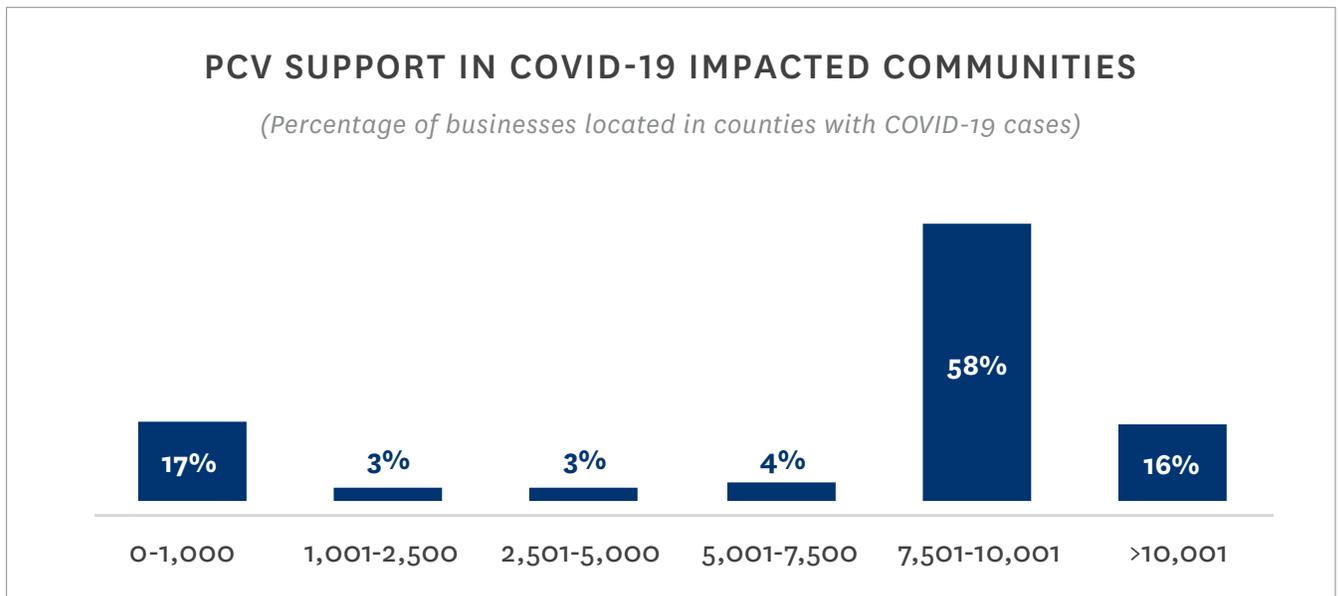
⁶ Based on SVI by county as of 2018; PolicyMap

FIGURE 12



COVID-19 has impacted communities in which the referred entrepreneurs' businesses are located. These businesses are identified in counties with an average COVID-19 rate of approximately 13,784 cases per 100,000⁷ people compared to the national rate of 21,762 cases by county as of January 26, 2022.⁸

FIGURE 13



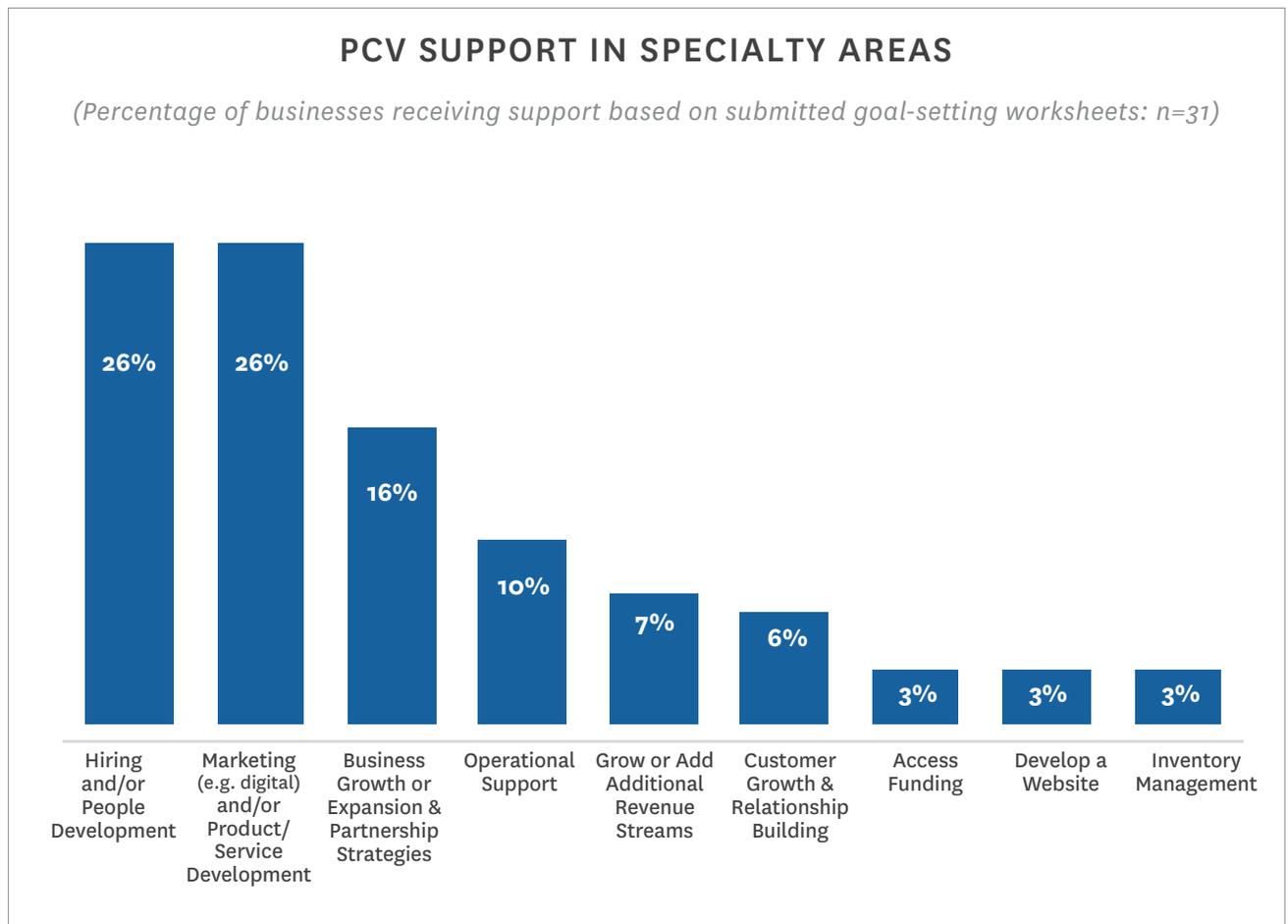
⁷ USA Facts. (2022). US COVID-19 cases and deaths by State. Retrieved from: <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/>

⁸ New York Times. (2022). Coronavirus in the U.S.: Latest Map and Case Count. Retrieved from: <https://www.nytimes.com/interactive/2021/us/covid-cases.html>
Based on rates of COVID-19 cases per 100,000 people as of November 15, 2021; PolicyMap

What are the businesses working on?

Primarily, at the start of their EOCF journey, business owners stated in their goal-setting worksheets that they planned to work on access to funding, financial acumen, or marketing strategies with their advisors. Yet, while businesses had various goals they wanted to focus on, many highlighted that the support of their advisor was critical in their COVID-19 recovery and pivot strategies. From our interviews, this was particularly true for small business entrepreneurs who struggle to access other mentors and spent much effort early in the pandemic on long phone wait times, trying to access PPP and other state or federal relief programs. Feeling like someone was in their corner for a quality 1:1 phone call during this time provided a helpful morale boost in many cases. This resulted in various partnerships focusing on hiring/ people development, marketing, and business growth/ partnership strategies.⁹

FIGURE 14



⁹ Based on Pacific Community Ventures Entrepreneurs' Goal-Setting Worksheets. (2020 – 2021).

Partnership Experience

PCV conducted one-on-one interviews in the Fall of 2020 and 2021 with pilot participants to understand their experience with their advisor and whether their business needs were met. Throughout the 37 interviews, PCV observed common themes and gathered feedback on their advisor partnership and the effectiveness of the GJGB framework. Within each partnership, the appointed advisor offered their expertise across various industries, skills, knowledge, and resources. PCV matched entrepreneurs with advisors that specialized in strategy, marketing, finance, operations, management, taxes, legal, IT, recruitment, sales, PR, and digital transformation. Some entrepreneurs could utilize advisors with multiple experts in different areas and work across different projects with more than one advisor. The entrepreneurs rated their advisors based on what they worked on and how COVID-19 affected their relationship.

TABLE 4

ENTREPRENEURS RATED ADVISORS SUPPORT

(Percentage of businesses rating advisors on a scale of very good to very poor)

EXPERT MENTORSHIP	LEARNING & FEEDBACK 1	LEARNING & FEEDBACK 2	IMPACT SURVEY %
<i>Overall Experience with Advisor:</i>			
VERY GOOD	80%	71%	46%
GOOD	15%	18%	23%
FAIR	5%	12%	18%
POOR	-	-	10%
VERY POOR	-	6%	3%
Percentage of entrepreneurs rated their advisor good or better:			69%

Learnings and Opportunities

PIVOT BUSINESS OPERATIONS AND MODEL	
<p><i>Advisors have approached each partnership with a project management lens to accomplish their entrepreneur's priorities.</i></p>	<ul style="list-style-type: none"> • Shifting their products and services to an e-commerce platform. • Scaling their services across a strategic budgeting model. • Increasing businesses visibility across competitive markets and regions.
COMMUNICATION	
<p><i>Entrepreneurs have found their advisors to be more of an accountability partner. Most described their advisor match as successful; however, some were unaware of when and how to communicate with their advisor.</i></p>	<ul style="list-style-type: none"> • There was a lapse in effective communication around scheduling check-ins and follow-ups between the advisor and entrepreneur. • Both advisors and entrepreneurs need to be transparent around the expectations of the partnership (i.e., the longevity of partnership and availability).
CRISIS RESPONSE	
<p><i>Advisors have shown great flexibility in utilizing their resources to support the needs of their entrepreneurs. Although partnerships are roughly 1 -2 months old, advisors have gone above and beyond providing their services.</i></p>	<ul style="list-style-type: none"> • Advisors have identified clear improvements, laid out goals, and actionable steps to achieve those goals. • Advisors have identified potential supportive partners, contracts for entrepreneurs to connect with.
TIME CAPACITY	
<p><i>Entrepreneurs struggle to focus on administrative needs and the growth of their businesses due to capacity restrictions.</i></p>	<ul style="list-style-type: none"> • With the bit of capacity to bring on new hires, entrepreneurs are stretched thin to tackle administrative needs vs. focusing on business development needs. Their time is minimal.

Impact of COVID-19 on Partnership Experience

COVID-19 SUPPORT	
<p><i>While some entrepreneurs received support through PPP and/ or EIDL, funding was quickly allocated across employees' salaries.</i></p>	<ul style="list-style-type: none"> • At least 59 percent of surveyed entrepreneurs received PPP, EIDL, and grant funding to survive COVID-19. • A few entrepreneurs were able to request and receive a reduced rent from their landlords.
MAINTAIN EMPLOYEES' SALARY	
<p><i>Employers identified different strategies to retain their staff with a decline in working employees.</i></p>	<ul style="list-style-type: none"> • Entrepreneurs took a direct pay-cut to provide and maintain their staff's wages. • Some entrepreneurs increased staff wages to promote higher productivity and provide more responsibility. • For low-to-no-cost, entrepreneurs hired independent contractors and/ or interns because they couldn't afford full-time staff members.
LOSS AND/OR PROFITS	
<p><i>At year-end 2020, 62 of PCV's surveyed entrepreneurs operated at a loss compared to 59 percent that operated at a loss ending of June 2021.</i></p>	<ul style="list-style-type: none"> • COVID-19 has cost many businesses the loss of their clientele. • Sales are lower than wages and / or rent due to temporary business closures. • Entrepreneurs had to refund members (membership). • In partnership, entrepreneurs strategize to attract and attain former clients through "word of mouth."
CAPITAL	
<p><i>Entrepreneurs with a credit score of 590 or better are denied traditional lending.</i></p>	<ul style="list-style-type: none"> • Entrepreneurs' dove into their personal savings to withstand business. • Businesses are denied lending from big banks. • Need more capital.

CASE STUDY

KAPSTONE EMPLOYMENT SERVICES

**BUSINESS SECTOR:**

Grocery/Retail

LOCATION:

West Oakland

YEARS OF SUPPORT:

2017 – 2019

TYPE OF ADVISING SUPPORT:

Received financial and human resources technical assistance

[Kapstone Employment Services](#), a Detroit-based full-service staffing agency, provides full-cycle recruiting, contingent, and permanent employment. Their niche is automotive engineering but has expanded into high-low, warehouse, and c-suite employment positions for clients, some in the energy industry. Kapstone employs returning residents and folks directly from the Detroit community. During COVID-19, Kapstone had to downsize due to the impact of the pandemic on their clients. However, many clients were able to rebuild, which positioned Kapstone to grow beyond where they were before COVID-19.

During COVID-19, the small business owner faced high turnover, costing them time, money, and the ability to scale their business. The business owner was paired with a PCV business advisor to develop a financial plan and strategic budgeting. After being paired with one of PCV's advisors, the business owner described the advisor as an accountability partner.

"Sophia is nice to talk to, discuss where you are with your business, how you want to grow, and the challenges you are meeting because of growth and COVID-19. She offered suggestions for budgeting and provided us with sample

sheets and excel programs to budget for what is coming in and going out. My advisor helped Kapstone visualize the numbers of what we can do. By putting together, a monthly budget, we understand the language around financial reporting for the business. It helped revenue, not as an increase due to COVID, but it allowed us to catch the holes where we can save more."

At the onset of COVID-19, Kapstone employees received \$13-18/ hr. They had 5-6 employees onsite and 13-15 contingent employees that worked for them and worked out their clients' facilities throughout Detroit and outside of Detroit. While working with an advisor, Kapstone hired 97 contingent employees with an average wage of \$17 per hour. Kapstone adjusted for increased demand by identifying the savings areas while providing staff financial performance incentives.

"Daniel, PCV's lead relationship manager, reached out from day 1. Daniel continued to stay in touch, and the follow-ups were helpful. The advisor match Daniel made was excellent. It is a good reminder from PCV that they are here and checking in on the resources I need."

CASE STUDY

SWEET POTATO DELIGHTS

**BUSINESS SECTOR:**

Food and Beverages

LOCATION:

Detroit, MI

YEARS OF SUPPORT:

2021 – ACTIVE

TYPE OF ADVISING SUPPORT:

Technical Support in Partnerships and Marketing

Established in 2013, [Sweet Potato Delights](#) is a veteran-woman-owned enterprise whose social mission is to increase access to good, nutritious food while nurturing youth for future food entrepreneurship and supporting veterans in repurposing their culinary skill set. In 2016, Sweet Potato Delights acquired commercial manufacturing licensing and shelf space in plant-friendly grocery stores like Meijer. However, many signature stores got booted during the pandemic, and Sweet Potato Delights pivoted their products from grocery stores to restaurants that wanted to build their baked goods menu.

Sweet Potato Delights approached PCV, searching for an advisor that would help them improve and expand their partnerships with restaurants and better understand government contracting. At the onset of the advisor match, Sweet Potato Delights laid out three goals — each of which they accomplished.

The owner stated that her advisor helped her: “1) identify and register for new farmers’ markets, 2) identified and established a wholesale agreement with three restaurant partners, and 3) finalized a new farmers market and wholesale distribution schedule.”

Before Sweet Potato Delights partnership, they had 2 - 3 restaurant partners. During their technical support, they increased their restaurant partnerships to 5. By the end of May - June, Sweet Potato Delights was able to see a spike in sales as they moved into the farmer’s market.

After completing their first advisory partnership, Sweet Potato Delights is working with a second advisor to maximize their online sales to scale to an employee-owned company while prioritizing hiring veterans.

CASE STUDY

C & T HOLDINGS CONSTRUCTION

**BUSINESS SECTOR:**

Real Estate

LOCATION:

Detroit, MI

YEAR OF SUPPORT:

2021

TYPE OF ADVISING SUPPORT:

Equitable Development Technical Support

Kyra Jefferson, CEO of [C&T Holdings](#), is committed to restoring communities one neighborhood at a time through her “Buy the Block, Build the Block” program. C&T Holdings offers affordable homes for first-time homebuyers. Their social mission is neighborhood stabilization. Unfortunately, when the pandemic hit, C&T Holdings construction was pushed back amid rehabbing a home, causing some delays in rehabs.

At the onset of C & T Holdings’ advisory partnership, they came to PCV with hiring needs, but the pandemic swiftly shifted its focus to improving real estate rehab development projects through technical support on their pro forma. With their advisor, most of their time went toward learning and developing a proforma and broadening their technical skills to feel more confident with attaining more capital to withstand project delays and acquire more rehab opportunities.

“My experience was excellent. I instantly clicked with my advisor. She was open, honest, and had a high understanding of the importance of a pro forma. I would love to have my advisor forever.”

Looking Ahead: Economic Recovery

The past two years since the COVID-19 pandemic started have brought monumental shifts in the U.S. economy. The economic shocks in 2020 saw millions lose their jobs — with 2021 also seeing a record number of new business applications being filed. More and more people who were either let go during the pandemic or decided on career changes are setting up new businesses.⁹ Moreover, the fastest-growing rate of these new entrepreneurs is Black and Brown — especially Black and Latinx women, who have the least access to capital and mentor networks. With job quality finally at the forefront of the national labor conversation to shape a more inclusive recovery, and 50% of Americans employed by small business owners, it is even more imperative to make sure these new businesses are well-equipped to provide good, quality jobs to their employees — not only for business growth but also for wealth-building pathways for entrepreneurs and workers of color. This is an important time to ensure that those pursuing entrepreneurship as a vehicle for sustaining and building community wealth, addressing the racial wealth gap, have access to the best mentorship support on their journey.

PCV's model of providing pro bono business advising to entrepreneurs of color, with a focus on job quality outcomes, is set up to provide the support that both early and more established businesses will need through this nascent and uncertain recovery. PCV's Business Advising outcomes continue to grow — with the number of businesses served with advisor matches

increasing every year. To ensure we can effectively address the access to mentorship gap, particularly among entrepreneurs of color and underestimated communities, PCV continues to onboard staff with lived experience in the communities we aim to serve. In 2021, PCV hired bilingual Spanish relationship managers and credit analysts to support entrepreneurs who are also bilingual or native Spanish speakers. We also continue to recruit a diverse set of advisors to fulfill the growing and shifting needs of our entrepreneurs of color and ensure culturally competent matches for effective and sustainable outcomes.

Before the pandemic, PCV was already starting to grow our network of volunteer advisors and launched the first cohort of Good Jobs advisors — many of whom quickly adapted to become COVID-19 crisis response advisors early on to this cohort of entrepreneurs through the Entrepreneurs of Color Fund. In 2022, PCV is ensuring that our advisor network is best equipped to support entrepreneurs through additional Expert Advisor Cohorts. These groups led by expert advisors aim to foster collaboration, resource-sharing, and training opportunities among members. Our Expert Advisor Cohorts will deepen advisor-entrepreneur partnerships by pooling knowledge, experience, and conversation among industry professionals — helping small business owners receive the best advice for increasing revenue and maximizing their local economic impact.

PCV is also committed to expanding access to our services for those who speak languages other than English. When the pandemic began, we saw the rollout of the PPP program and its lack of sufficient

⁹ Hsu, A., (2022, January 12). New Businesses Soared to Record Highs in 2021. Here's a taste of one of them. Retrieved from: <https://www.npr.org/2022/01/12/1072057249/new-business-applications-record-high-great-resignation-pandemic-entrepreneur>

language support for many immigrant entrepreneurs and entrepreneurs of color. The PCV team then expanded its efforts to ensure support for entrepreneurs that prefer to communicate in languages other than English became embedded within our [BusinessAdvising.org](https://www.businessadvising.org) program. As it stands, PCV's network of advisors speaks over 52 languages across the country. PCV has also adapted language translations across our material with more bilingual resources to build a sustainable support system for multilingual speakers.

Looking ahead, PCV strongly encourages its Entrepreneurs of Color Fund — and other CDFI partners — to provide the benefits of pro bono advising to their entrepreneurs. Entrepreneurs of color face unique challenges in growing their businesses, from longstanding racial inequities to the disproportionate effects of COVID-19 on communities of color, lack of access to fair and affordable capital, and expert networks. As the U.S. adjusts from the economic shocks of the pandemic, effective business mentorship ensures small businesses of color are included — not left behind — in the national recovery, such as after the Great Recession ten years ago when half of Black wealth in the US was wiped out. Effective mentorship will be essential for the millions of new entrepreneurs of color who have started their businesses in the past year, and for those navigating through the range of recovery pivots ahead. Business advising continues to be a valuable service to support entrepreneurship as a wealth-building pathway in communities of color and underestimated places.



1700 Broadway, Suite 300 – Oakland, CA 94612 • PH 415.442.4300
E-MAIL info@pcvmail.org • www.pacificcommunityventures.org