



NATIONAL
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Organizations Receive \$250,000 Grant to Help Entrepreneurs of Color Start and Grow Businesses

(WASHINGTON DC) – Three national advocacy organizations today announced they have received a \$250,000 grant to engage with policymakers and address systemic challenges that prevent Asian American, Pacific Islander, Latino and Black entrepreneurs and micro-entrepreneurs from being able to start and grow businesses.

The **National Coalition for Asian Pacific American Community Development (National CAPACD)**, **National Association for Latino Community Asset Builders (NALCAB)** and **Center for Responsible Lending (CRL)** will use the Rebuilding Together grant from the **Ewing Marion Kauffman Foundation** to advocate for policies that help these communities thrive and contribute to the growth of the national economy.

The pandemic has worsened the financial health of small businesses run by people of color, particularly micro-businesses, which account for 95 percent of Black-owned businesses, 91 percent of Latino-owned businesses, and 91 percent of Native Hawaiian or Pacific Islander-owned firms. Microbusiness typically have only one to fewer than ten employees, and include solopreneurs, home-based businesses, individual consultants, freelance graphic designers or social media producers, and entrepreneurs who sell products they create – often by hand – on social media platforms like Amazon or Etsy.

These businesses contribute to the economic health of their communities, and the nation. CRL research shows that businesses owned by people of color are a substantial source of income and employment – accounting for more than 8.9 million jobs at a total annual payroll of \$295 billion, and \$1.4 trillion in revenue. These businesses often are not well-served by traditional lenders or government funding opportunities.

Original research conducted by National CAPACD identified lack of access to credit and start-up capital, as well as limited English proficiency and lack of knowledge of where to turn for support, as additional barriers to the success of micro-entrepreneurs.

Asian American, Pacific Islander, Latino and Black entrepreneurs and micro-entrepreneurs have been disproportionately impacted by the COVID-19 pandemic and have benefited the least from relief and recovery programs to date. The lack of intentional investment in more equitable relief efforts has resulted in a slower and more arduous recovery for owners of these small and micro-businesses. Due to program limitations, guideline oversights and the failure of SBA to require collection of key demographic data, these entrepreneurs were excluded from the first round of PPP funding.

- In the first month of PPP, **88 percent of loans and 85 percent of loan dollars went to white neighborhoods**, and funding favored larger businesses.

Grant to Increase Entrepreneurs of Color

Page 2

- Latinos are **60 percent less likely to get their funding approved** by national banks, even after controlling for business revenue size, profitability, and credit scores.
- While white entrepreneurs were able to see recovery of business activity by June 2020, **Asian business owners continued to show significant losses** of activity through the end of 2020.

“Current public policies are not serving entrepreneurs of color, particularly microenterprises, which limits their ability to achieve their full potential,” said Seema Agnani, executive director of National CAPACD. “This partnership will collect data, educate policymakers, and improve access to opportunity, funding, knowledge and support at the federal level to ensure that all our communities thrive.”

The organizations will collect and track data over time to inform discussions and advocate for entrepreneurs/micro-entrepreneurs of color, who often do not have the time or resources to engage in substantive policy work at the federal level.

“It’s important for entrepreneurs to have a voice in policy discussions that affect the communities they live and work in. We’re excited about these projects because these organizations work closely with the entrepreneurs in their communities and understand what it takes to engage entrepreneurs in conversations with policymakers at all levels,” said Jennifer Kelly, program officer in Entrepreneurship at the Ewing Marion Kauffman Foundation.

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Since 2000, [National CAPACD](#) has advocated for and organized low-income AAPI communities and neighborhoods. We strengthen and mobilize our members to build power nationally and further our vision of economic and social justice for all. National CAPACD’s 100 member organizations across 21 states and the Pacific Islands employ a diverse set of strategies tailored to local community needs, including small business training and technical assistance, housing counseling and financial empowerment services reaching tens of thousands each year. National CAPACD works in partnership with leading civil rights and advocacy groups, including the proposed partners, to shift narrative, include the diverse perspectives of AAPI communities, and advance policies that advance economic and social justice for all.

[NALCAB](#) is the hub of a national network of more than 140 member organizations that are anchor institutions in geographically and ethnically diverse Latino communities in 40 states, Washington DC and Puerto Rico. NALCAB supports its member institutions through funding, training, research, and advocacy, enabling them to invest in their communities by building affordable housing, ensuring equitable neighborhood development, supporting small business growth, and providing financial counseling on issues including credit building and homeownership. As a grantmaker and US Treasury certified CDFI lender with offices in San Antonio and Washington DC, the NALCAB Network serves hundreds of thousands of low- and moderate-income people, advancing economic equity and inclusivity in the communities we serve.

[CRL](#) is a nonpartisan nonprofit that strives to ensure fair and inclusive financial services and tools that provide economically vulnerable families opportunities, reduce the racial wealth gap, and address systemic inequity through research, legal analysis, policy development, and state and national advocacy and engagement. CRL is effective in achieving reforms to end abusive lending and create opportunity, including access to homeownership, student loan debt solutions, and COVID relief, including support for small businesses of color. CRL is uniquely positioned to understand, develop, and advocate on financial issues because of its affiliation with Self-Help, one of the nation’s largest community development financial institutions (CDFIs), which has successfully provided credit to low-income families and communities of color for nearly 40 years.

The **Ewing Marion Kauffman Foundation** is a private, nonpartisan foundation based in Kansas City, MO that seeks to build inclusive prosperity through a prepared workforce and entrepreneur-focused economic development. The Foundation uses its \$3 billion in assets to change conditions, address root causes, and break down systemic barriers so that all people – regardless of race, gender, or geography – have the opportunity to achieve economic stability, mobility and prosperity. For more information, visit www.kauffman.org and connect with us at www.twitter.com/kauffmanfdn.