



THE FACTS

Ownership of property, land, or real estate is a key strategy for driving an inclusive and equitable economy that generates long-term generational wealth. Black and Brown communities suffer from disinvestment, a lack of opportunities to acquire assets and build wealth, and development practices that perpetuate inequity.

Community development investments support diversity and advance economic opportunity. Local businesses are more likely to hire within the community, pay family sustaining wages, and work with other small businesses, thereby circulating more money within a local economy. Small businesses create two-thirds of net new jobs and account for 44% of U.S. economic activity (U.S. Small Business Administration Office of Advocacy, 2019). But BIPOC businesses need access to capital to grow and take advantage of real estate opportunities. In 2020, Black and Latine founders received only 2.6% of all venture capital funding.

The development process for businesses can be daunting. Thus, the Center for Economic Inclusion, through its Project Vanguard initiatives, partners with Black-owned developers like NEOO Partners Inc. to support Black, Indigenous and Latina-owned women businesses in their journey to develop and acquire property that centers the business owners and their needs.

Black and Brown people have been opening businesses at dramatically higher rates than their White peers for years, but their property, job, and wealth creation rates pale in comparison. Chase's multi-million dollar investment in Project Vanguard, reinforces that Black and Latina women business owners and their businesses are indispensable drivers of economic growth for Minnesota, and the engines of economic opportunity for other Black, Indigenous, Latine and Asian people who can be hired into family-sustaining, career-pathway opportunities resulting from their business growth.

THE BUSINESS CASE

BIPOC entrepreneurs who own their commercial real estate are able to keep more money in their communities, as profits that would go to rent are instead reinvested in the business and local community.

A recent CitiGroup report found that,

“giving Black entrepreneurs fair and equitable access to business loans could have added \$13 trillion in business revenue and potentially created 6.1 million jobs per year.”

PROMISING PRACTICES

1. The **City of Saint Paul**'s Rondo Inheritance Fund is, in the words of Mayor Melvin Carter, *“an effort to rebuild generational wealth lost by families of Old Rondo who were displaced to build I-94.”*

Open to direct descendants of those displaced due to I-94 construction, the program provides eligible participants with up to \$110,000 in forgivable loans for down payments and up to \$80,000 for repairs.

2. As a promising local example, in 2022, **Washington, D.C.** launched a Commercial Property Acquisition Fund that provides down payment assistance of up to a quarter of the sales price to disadvantaged small business owners to remain in the District. This fund is part of the initiative to support, “Black residents and businesses to remain or return to thriving in the District of Columbia.” Similarly, in 2021, **Seattle** announced a Strategic Investment Fund that allocates \$30 million “for land and property acquisition to respond to disproportionate displacement pressures impacting Black, Indigenous and people of color communities.”



LET US HELP YOU BUILD AN ANTI-RACIST, ECONOMICALLY INCLUSIVE WORKPLACE!

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