
San Antonio/Bexar County Small Business Ecosystem

Economic and Workforce Development
Committee
March 22, 2022

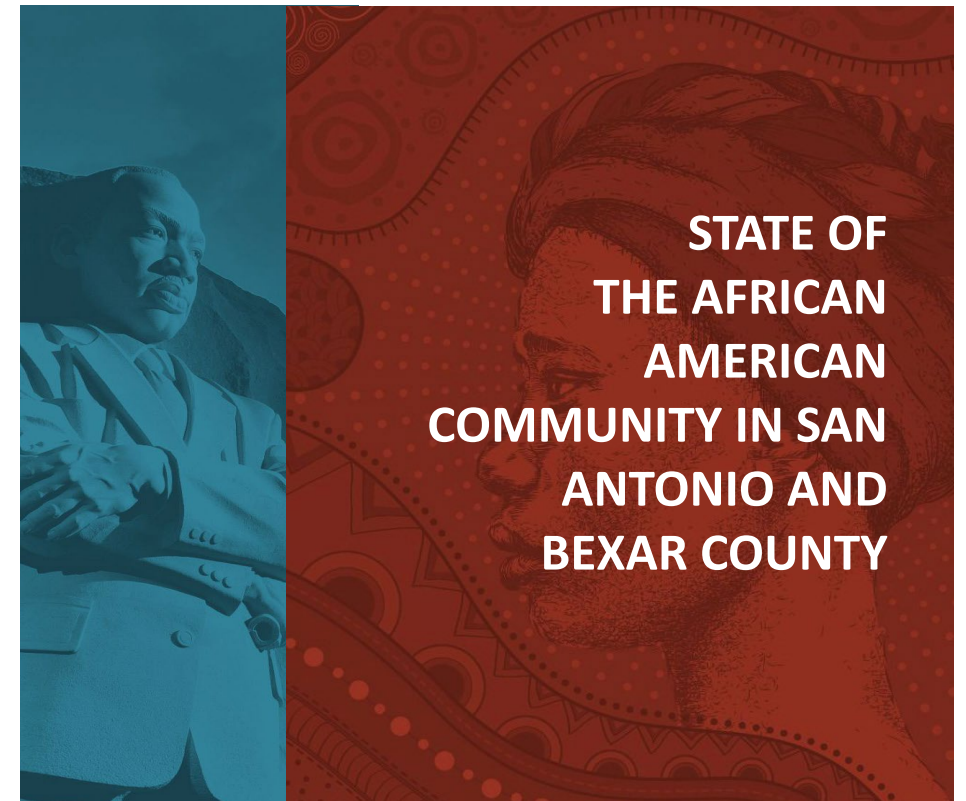
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Systemic Barriers & Recent Impacts: Small Business Ecosystem

- Since early 2020, San Antonio's small businesses have faced a set of unprecedented challenges that increased existing gaps and inequities
- The COVID-19 pandemic, uprisings stirred by acts of racial injustice, and natural disasters all exposed the vulnerability of the region's small business sector, with the harshest consequences falling on small businesses owned by people of color
- Impact on the region's small business economy has been devastating: since the start of the pandemic, total small business revenue and the number of small businesses opened in San Antonio decreased by 45% and 35%, respectively
- Black-owned businesses in San Antonio are overrepresented in deeply impacted, neighborhood-based industries such as food services, laundry services, and retail—among the most affected by the adverse economic effects of the pandemic
- Hispanic-owned businesses were also significantly impacted, heavily represented in industries such as construction, merchant wholesale, and truck transportation

San Antonio Area Foundation Findings—January 2022

- With 7% of the population, African-Americans owned 4.5% of all firms in the MSA but only 1.4% of firms with employees
- African-Americans own 11.9% of non-employer veteran owned-small businesses
- Policy Recommendations:
 - Build coalitions across city, county, banking, and CDFI small business services to promote efficiency and responsiveness to community needs
 - Specifically examine small business support services to ensure that those services are reaching veterans and small business owners
 - Increase participation in business accelerator programs and access to investors





LISC San Antonio
City of San Antonio,
Economic Development
Department
Community Allies
JPMorgan Chase & Company

San Antonio
Small Business
Ecosystem Coalition

Building a more inclusive, resilient San Antonio

Identifying & Overcoming Barriers

July-October 2020

Advisory Council comprised of 40+ local stakeholders studied the ecosystem for small businesses in San Antonio

Identified core capital and service needs of small business owners of color and gaps in small business assistance

Co-created strategies to address historical inequities for local small business owners of color and respond to the continued impact of COVID-19

September-November 2021

San Antonio Small Business Ecosystem Coalition created

Group defined the coalition's vision, mission, and functions; created guiding principles for coalition governance; refined a set of immediate and long-term priorities; and engaged in time-sensitive advocacy on ARPA

Mission: "coordinate and strengthen technical assistance, capital, and policy ecosystem for disadvantaged small business owners and entrepreneurs in order to create equitable access to opportunity and outcomes."

Current–2022

Next steps underway:

- Business development organization hub to share best practices, refer businesses to the right services, and track who is and isn't being served
- Solidify, catalyze, and support the full ecosystem coalition (technical assistance, capital, and policy)
- Launch funders network
- Create an inventory of available funding

Realizing the Small Business Ecosystem Coalition

San Antonio Small Business Ecosystem Guiding Principles

- **Resource** backbone entities. Ensure the work's sustainability by compensating participants and participating organizations fairly for time served, with equitable distribution of resources between large, established organizations and smaller organizations that may have been under-recognized in the past.
- **Engage** and **empower** those most impacted by the issues we address.
- **Focus** on mission and **organize** for impact. The coalition will develop shared goals and outcome measurements to solve relevant problems, with timeline-bound actions and structures for responsibility, accountability, and cooperation.
- **Openness**, **transparency**, and **respect**, with willingness to engage in crucial and difficult conversations.
- Maintain an **abundance mentality**. We can and will address our most entrenched problems to build equitable access to opportunity and outcomes.

LISC San Antonio Business Development Organizations Collaborative

Support non-profit organizations

Place-focused approach

Grassroots

Relationship based

Outgrowth of the 2021 BIPOC Small Business Ecosystem Study

LISC San Antonio has received the following support from the JP Morgan Chase Foundation to carry out the following activities:

- Grants to BIPOC-led or serving non-profits for place-based community development planning, especially plans utilizing an asset-based approach
- Predevelopment technical assistance for innovative programs and projects supporting stabilization, expansion or creation of BIPOC-owned small businesses, such as employee-ownership co-ops or community land trusts
- Coordinated marketing and outreach materials
- Joint advocacy on policy and systems change issues
- Non-profit leadership support

Non-Profit BDOs

- **Centro San Antonio**
- **Culturingua**
- **ProsperWest**
- **SAGE (San Antonio for Growth on the Eastside)**
- **Southside First**
- **AITSCM (American Indians of Texas at the Spanish Colonial Missions)**
- **Maestro Entrepreneur Center**

“

It's not about the short term. It's not a transaction, 'here's a grant.' It's about meeting you where you are now and supporting you as you recover, retool, and hopefully grow.”

— *Elizabeth Demetriou, LISC
Program Director*

LISC Economic Development: National Support for BDOs

<https://www.lisc.org/our-stories/story/time-crisis-business-development-organizations-step/>

Since March 2020, LISC has deployed nearly \$240 million in grants to the small-business sector, with support from partners including Lowe's, Verizon, U.S. Bank Foundation, Sam's Club, Truist & others, including \$5 million in assistance to some 130 BDOs.

- BDOs provide culturally competent geographic/demographic-specific services
- Working from relationships of trust, local BDOs can connect businesses with expert business assistance
- Systems approach to economic development in disinvested communities layers three types of investment:
 - support for individual businesses,
 - support for the BDOs they rely upon, and
 - support for their larger business ecosystems.
- Ecosystem support is a years-long effort that might include developing real estate, helping communities beautify and brand their commercial corridors, and sharing information and forging helpful connections among local businesses, BDOs, government entities, and grassroots organizations.

Verizon Small Business Digital Ready

- Partnership between Verizon, LISC and NextStreet
- Free online curriculum designed to give small businesses tools they need to thrive in the digital economy
- Includes access to personalized learning plans, coaching from experts, and networking opportunities with diverse, industry-specific businesses



San Antonio Next Steps: Community and Philanthropic Support

- Create a *business development organization hub* where organizations can learn what others do, share best practices, refer businesses to the right services, and track who is and isn't being served;
- Develop the *full ecosystem coalition* to coordinate and strengthen the technical assistance, capital, and policy ecosystem for disadvantaged small business owners and entrepreneurs in order to create equitable access to opportunity and outcomes; and
- Launch a *funders network* to resource the ecosystem coalition work long-term and direct critical funds to support of disadvantaged San Antonio business owners.

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