



San Antonio

Small Business

Ecosystem Assessment

Building a more inclusive, resilient San Antonio

Agenda

- 1:30P **Welcome and Overview**
Alex Lopez, Assistant City Manager & Leilah Powell, LISC
- 1:40P **Small Business Story: Jarvis Moore, Inc. and Get Right City**
- 1:50P **National Context**
Charlie Corrigan, JPMorgan Chase
- 1:55P **Project Report**
Ellen Shepard, Community Allies & Spencer Lau, Next Street
- 2:15P **Discussion**
Tuesdae Knight, SAGE; Celina Peña, LiftFund; Alex Lopez; Leilah Powell
- 2:30P **Implementation of the Findings: Small Group Discussion**
- 2:55P **Next Steps**
- 3:00P **End**

Welcome

From July to October 2020, the City of San Antonio, LISC San Antonio, Common Future, and Next Street, with the support of JPMorgan Chase, partnered to conduct research and drive a community-centric process ***to develop solutions for small businesses owned by people of color in Bexar County.***

The research team worked with a coalition of over 40 local stakeholders to co-create strategies to address the historical inequities for small businesses owned by people of color.

The primary goal of this work is to activate solutions to ***narrow racial gaps in small business ownership, revenue, and employment across Bexar County within the next five years,*** with the long-term goal of closing racial gaps.

Small Business Story



Research and Solutions Approach

Small Business
State of Play

Business
Support
Landscape

Capital
Supply
Landscape

Solutions
Development

Key Research Parameters

We set the following key parameters to focus our research on the elements that most impact underserved small business owners

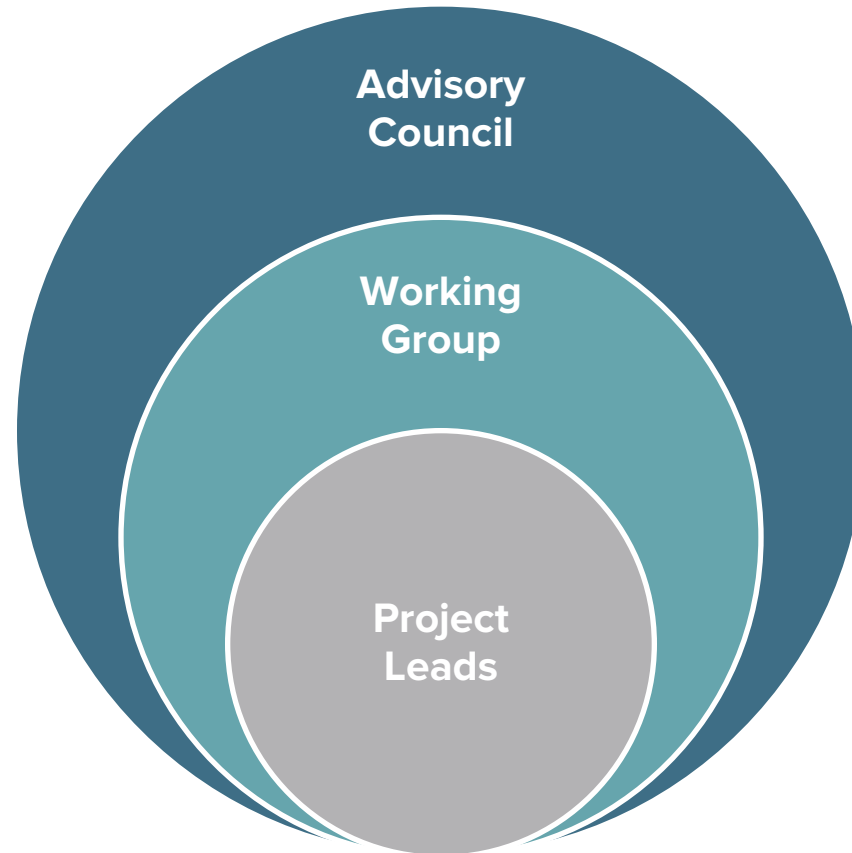
Geography: Bexar County

Demographics: Focus on Black, Hispanic and intersectional business owners

Defining “Small Business”: Businesses with <50 employees

Capital: Primary focus on availability of debt

Local Engagement



Stakeholders Involved

COMMONFUTURE.

next street



LISC SAN ANTONIO

JPMORGAN CHASE & CO.

San Antonio Small Business Ecosystem Advisory Council

Adrian Lopez, Workforce Solutions Alamo

Al Arreola Jr., Southside Chamber

Alex Lopez, City of San Antonio

Andres Andujar, Hemisfair

Beverly Watts Davis, WestCare Foundation

Brian Atkinson, JPMorgan Chase & Co.

Carolyn Watson, JPMorgan Chase & Co.

Celina Pena, LiftFund

Cristina Aldrete, North Chamber

Daniel Garza, Texas A&M San Antonio

Donna Normandin, Frost Bank

Dyanne Sampson, VIA

Henry Cisneros, LISC San Antonio

Janie Barrera, LiftFund

Jarvis Moore, Jarvis Moore, Inc

Jeff Ivey, River City Federal Credit Union

Jenna Saucedo-Herrera, SAEDF

Jim Pershbach, Port San Antonio

Juan Solis, Truist

Judy Canales, Southside First Economic Development Council

Krystian Reyes, Woodforest National Bank

Laura Cabanilla, Wells Fargo

Leilah Powell, LISC San Antonio

Marina Gonzales, SA Hispanic Chamber of Commerce

Martha Millette, JPMorgan Chase & Co.

Matt Brown, Centro San Antonio

Orestes Hubbard, San Antonio MBDA Business Center

Peter French, Grey Street Partners

Ramiro Gonzales, Westside Development Corporation

Rene Dominguez, Velocity TX

Renee Watson, Bexar County

Richard Perez, SA Chamber of Commerce

Ryan Salts, Launch SA

Steven Nivin, St. Mary's University

Storm Taliaferrow, National Association For Latino Community Asset Builders

Terri Williams, SBDC - UTSA

Tino Gallegos, City of San Antonio

Travis Whiltshire, CNG Engineering

Tuesdae Knight, San Antonio for Growth on the Eastside

Xavier Urrutia, Alamo Colleges

Yvonne C. Torres, SAWS

Small businesses are a
*critical driver of the
San Antonio economy...*

34k

Small Businesses
(<50 employees)

153k

Employees of Small
Businesses

145k

Sole Proprietors

34%

Local Workforce

... yet, disparities in ownership and revenue persist



Population

Firms

Revenue

Hispanic

60%

24%

20%

Black

9%

2%

2%

Asian

4%

9%

5%

In Bexar County, small businesses owned by people of color were *disproportionately hard hit by COVID-19*

Representation in Hardest Hit Sectors

Black

Hispanic

Asian

White



CLOSED

There is *a historic gap in small business capital in San Antonio and Bexar County*



San Antonio's small business capital has been *concentrated among banks and community financial institutions*

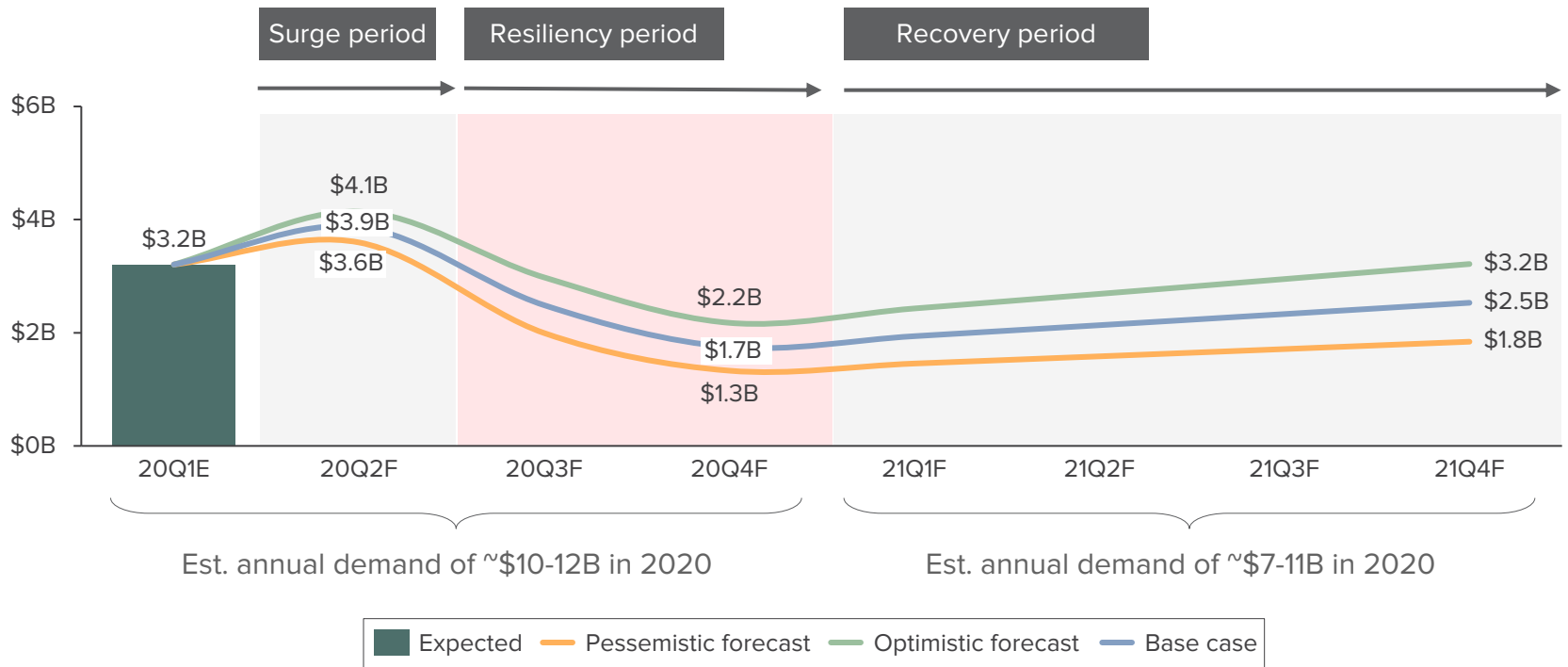
Estimated Small Business Capital Supply* (2017)

	# of small businesses	Non-SBA bank lending	SBA lending	CDFI lending [^]	Equity investments
San Antonio	34k SBEs	\$1.1B	\$0.1B	\$5.1M	\$0.1B
Indianapolis	21k SBEs	\$0.7B	\$0.1B	\$0.2M	\$0.1B
St. Louis	68k SBEs	\$1.8B	\$0.2B	\$4.4M	\$0.2B
Dallas	61k SBEs	\$2.8B	\$0.4B	\$5.7M	\$0.3B
Atlanta	53k SBEs	\$1.6B	\$0.3B	\$12.0M	\$0.9B

Note: * Debt lending figures calculated on a county-level with the exception of St. Louis which is calculated on a Metropolitan Statistical Area level. Equity investment figures are calculated on a Metropolitan Statistical Area level; [^] CDFI lending calculated as 2012-17 average

COVID-19 has *significantly impacted demands for small business capital*

San Antonio small business capital demand forecast
(2020-21F, Billions of USD)



San Antonio has *gaps in business support at the corridor/ neighborhood level*

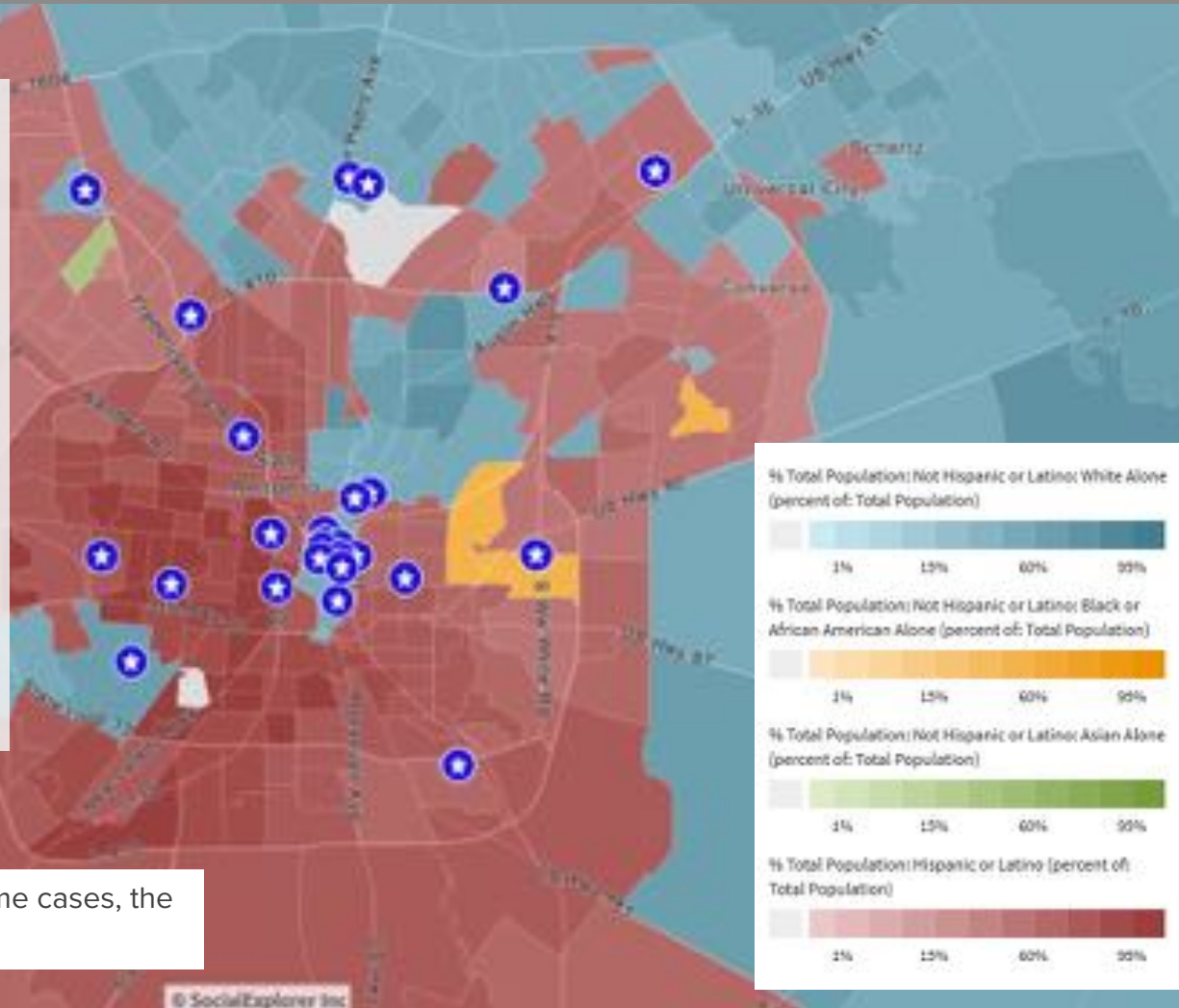
Business Support Service Access and Coordination

These gaps results in *insufficient strategies for commercial district revitalization, co-tenancy, and business support and marketing.*

Service providers are *not adequately coordinated.* They lack formal modes of collaboration and shared metrics and goals.

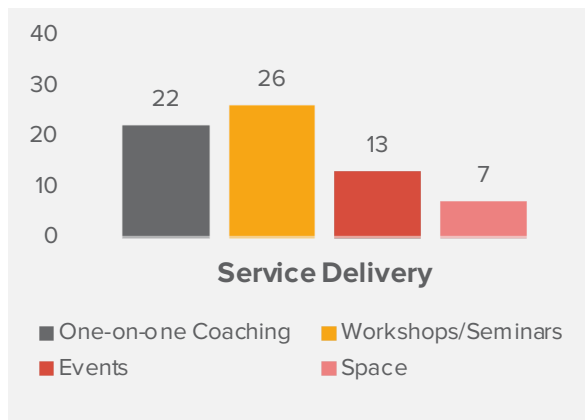
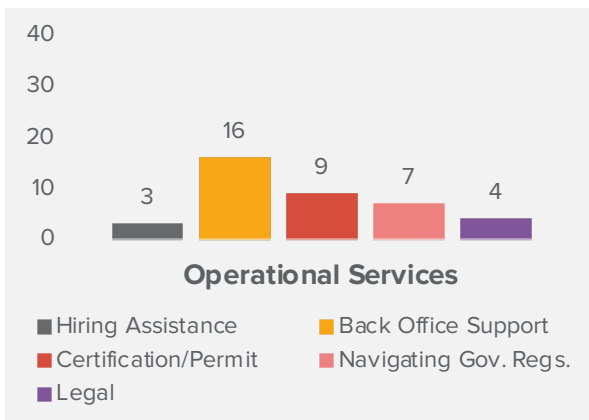
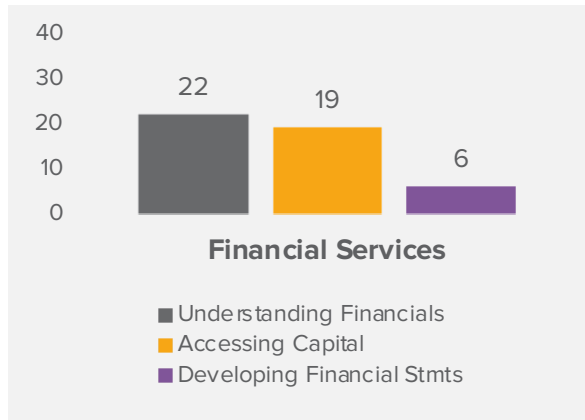
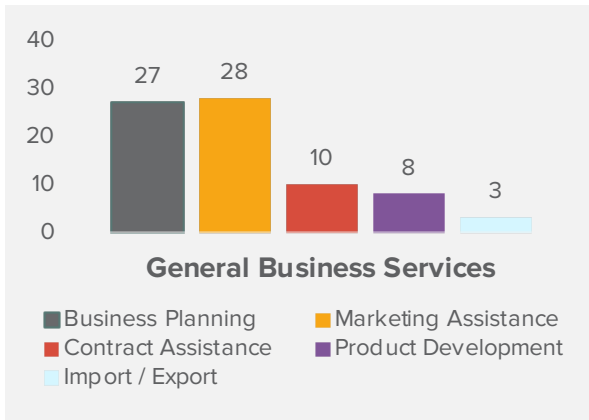
San Antonio *makes a lot of plans but lacks coordination and resources for implementation.*

Blue stars represent locations of BSOs; in some cases, the stars may represent more than one BSO



Business support services are *not sufficiently culturally sensitive and are lacking in back office services and displacement prevention*

Concentration of business service categories in San Antonio
Dataset of 36 Business Support Organizations



Priority Gaps

- 1 Spanish language services, especially around capital access
- 2 Support for Black-owned businesses in growth industries
- 3 Back-office services, in English and Spanish
- 4 Planning and services to prevent displacement due to gentrification
- 5 Support to transition to digital and new business models
- 6 Networking and social capital infrastructure for Black business owners

San Antonio's BSO leadership is *representative of the population* but may be *underfunded for leaders of color and women*

Annual Budgets of Surveyed Business Support Organizations

	San Antonio	Indianapolis	St. Louis
White Men	\$4.1M	\$4.4M	*
White Women	\$753K	\$1.4M	\$9.4M*
Men of Color	\$2.0M*	\$4.9M	\$602K
Women of Color	\$2.2M	\$3.1M	\$1.1M
Total	\$2.2M	\$3.7M	\$2.0M

Over 50% of the BSO dataset had budgets less than \$500K.

Community stakeholders recommend **four strategies** for San Antonio's and Bexar County's small business owners and entrepreneurs of color



Access to Flexible Capital



Sustainability and Resiliency



Access and Networks



Ecosystem Coordination



Access to Flexible Capital

Capital aggregation

Engage local public and private funders to seed new fund formations to deploy flexible growth capital to entrepreneurs of color

Community crowdfunding

Engage a national crowdfunding provider to bring an established platform that enables community members to invest into neighborhood-based businesses

Entrepreneurial-driven coalitions

Develop a streamlined deal origination platform to connect to local banks, credit unions, and community financial institutions

Loan loss reserves

Establish new or enhance existing loan loss reserve funds and credit enhancement programs to expand lending through community financial institutions



Sustainability and Resilience

Innovative land ownership models

Implement innovative land ownership models (e.g., community land trust, revenue bonding, public land leasing) to support shared ownership and maintain affordability in target neighborhoods at risk of commercial displacement

Financial health and credit building

Create partnership between local capital and service providers to pair credit-building capital with one-on-one counseling to help business owners of color improve financial health

Capacity building for service providers

Build a COVID-19 resiliency and recovery collaborative that coordinates resilience programming and increases the capacity of capital and service providers



Access and Networks

Accelerators for tailored growth strategies

Build upon and sustain accelerators to provide tailored advising, coaching and mentorship to help business owners of color develop a strategy, secure capital, and form connections

Small business networks

Create and sustain network of small businesses owned by people of color with a shared advocacy agenda, coalition structure, and programs for entrepreneurs to engage and connect

Corridor level supports

Localize access to support services and create vibrant neighborhood commercial districts that offer favorable environments for small businesses to thrive



Ecosystem Coordination

Ecosystem coalition building

Establish and sustain a formal coalition of ecosystem stakeholders to coordinate ecosystem-wide initiatives, collective policy agendas, and track and report city- and county-wide metrics, led by designated “ecosystem champions”

Advocacy platform

Advocate for and integrate small business ecosystem priorities in city and county community development plans, highlighting the role of small business in neighborhoods and job creation

Discussion



Alex Lopez
Assistant City Manager
City of San Antonio



Tuesday Knight
President & CEO
San Antonio For Growth on the East Side



Celina Peña
Chief Advancement Officer
LiftFund



Leilah Powell
Executive Director
San Antonio LISC

Implementation of the Findings: Small Group Discussion

1

From this solutions set, what is emerging as most impactful and urgent?

2

How can the solution build upon local initiatives that already exist?

3

What is the next step towards implementation?

Next Steps

- Follow up meetings in May & June to:
 - Begin to align around a common vision, long term priorities, and quick wins
 - Start to envision the model for an entity or partnership that can provide the infrastructure for solutions implementation and ecosystem building
 - Engage the funding and policy communities to build support for coordinated efforts and solutions implementation
- Small Business Commission application deadline:
APRIL 21