



2019 KC-CUR Small Business Opportunity Survey Report



For Women and Minority-Owned
Businesses on Kansas City's Near East Side

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KC:CUR

We thank our community partners for their input and support of this project:

- Greater Kansas City Chamber of Commerce
- Ivanhoe Neighborhood Council
- Prospect Business Association
- AltCap

A special thanks to the near east side business owners that took the time to fill out the survey and to talk to us about their business needs and goals. We appreciate your hard work, resilience and continued input into the economic vibrancy of this community.

Report prepared by Eastside Collaborative
www.eastsidecollaborative.com



Foreword

In 2015, a partnership of local and regional organizations joined forces to work in the large swath of neighborhoods on the east side of the City commonly referred to as “east of Troost.” The partners wanted to help accelerate positive momentum occurring within the UNI area, as well as help address some of the challenges that still slow progress on the east side.

The partnership consisted of the City of Kansas City, MO, Greater Kansas City Local Initiatives Support Corporation (LISC), Urban Neighborhood Initiative (UNI), Mid-America Regional Council (MARC), and the Kansas City District Council of the Urban Land Institute (ULI).

The partners called their joint initiative the Kansas City Catalytic Urban Redevelopment Initiative (“KC-CUR” – pronounced “KC-CURE”). The KC-CUR Implementation Strategy was released in October 2016 and detailed ways to overcome some of Kansas City’s most entrenched barriers to creating healthy markets east of Troost Avenue. This focus area is bound by 18th Street to the north, 51st Street to the south, Troost Avenue on the west, and Prospect Avenue on the east.

The KC-CUR Implementation Strategy is being operationalized through the following:

- Creation of a patient capital fund (including Opportunity Zone Fund(s)) to provide real estate gap financing to ensure housing affordability and provide support to women/minority-owned businesses (W/MBEs) seeking to scale up, grow or relocate in or near each Priority Areas
- Capacity building of community development and business infrastructure, including new and established CDCs, community improvement districts (CIDs) and merchant associations to provide coordinated district-level branding/marketing and business recruitment/retention efforts for neighborhood serving W/MBEs
- Enhancing access to capital and providing wrap-around entrepreneurial support for W/MBEs

The Small Business Opportunity Survey gives the partners of the KC-CUR Initiative a chance to learn what specific barriers exist for near east side business owners and what strategies could be implemented to help local W/MBEs reach their full economic potential.



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About The Project

As part of the Kansas City Catalytic Urban Redevelopment (KC-CUR) Initiative, LISC Greater Kansas City (GKC) and the Urban Neighborhood Initiative (UNI) spearheaded a listening campaign to hear directly from women and minority-owned businesses on Kansas City's near east side, which roughly spans from Troost to Prospect Avenues, and from 52nd Street to Truman Road.

KC-CUR is one of Kansas City's primary strategies for scaling up redevelopment on the city's near east side, focusing on both people and place. KC-CUR is led by a steering committee composed of LISC Greater Kansas City, the City of Kansas City, Missouri, the Urban Neighborhood Initiative (UNI), Urban Land Institute (ULI) Kansas City District Council, and Mid-America Regional Council (MARC).

After issuing a competitive RFP for consultant services, and direct outreach to W/MBE contractors, LISC contracted with Eastside Collaborative to manage the Small Business Opportunity listening campaign and deploy the online survey. Eastside Collaborative is based in Kansas City and equips entrepreneurship support organizations (ESOs) with the tools, knowledge, and actionable processes to operationalize inclusion. Eastside Collaborative's scope of services included project management, survey development and deployment and summary of survey finding.

Outreach Report

Eastside Collaborative employed a variety of strategies to identify women and minority-owned businesses in the KC-CUR priority area—including door-to-door canvassing, person-to-person phone calls, emails to business owners, face-to-face interviews, community meeting presentations, and social media.

Eastside Collaborative identified 537 home-based and brick and mortar businesses located in the KC-CUR area. Of those identified, Eastside Collaborative further validated that 27% of those businesses are minority-owned, 13% are women-owned, and 10% are both women and minority-owned.

Methodology

W/MBE Inventory

The KC-CUR Small Business Opportunity survey is based on an inventory of women or minority-owned businesses located within the Urban Neighborhood Initiative (UNI) focus area. This area is bounded by Truman Road to the north, 51st Street to the south, Troost Avenue on the west and Prospect Avenue on the east.

Eastside Collaborative built the initial W/MBE inventory using data from DemographicsNow, City of Kansas City/BizCare, and the Missouri Office of Equal Opportunity, and included all businesses with addresses in the UNI focus area.

We further refined the inventory through field validation, including office visits, driving or walking through the neighborhood, and door-to-door canvassing. Additionally efforts to validate the inventory were made through emails and phone calls to businesses. A brick and mortar business was considered valid if it was located at the address listed. A home-based business was valid if the address existed.

In most cases, business owners self-reported the minority or women-owned status of each establishment. We also verified women or minority-owned status through in-person visits, phone calls, or from the information reported on a completed survey.

A women-owned business is defined as one that is at least 51% owned by a woman or women. A minority-owned business is defined as one that is at least 51% owned by one or more minorities. A minority was defined as African-American, Asian-American, Hispanic American or Native American to align with the requirements of the State of Missouri MBE certification requirements.¹

While the majority of businesses were brick & mortar establishments or located within commercial office spaces, 36% of the businesses addresses corresponded to residential locations.

Business by type (Brick & Mortar vs. Residential)

| | Total # of businesses | Minority Owned | Women Owned |
|---------------------------------------|-----------------------|----------------|-------------|
| Brick & Mortar | 331 | 102 (31%) | 51 (15%) |
| Residential | 196 | 41 (21%) | 21 (11%) |
| UNI focus area businesses (validated) | 537 | 143 (27%) | 72 (13%) |

The majority of identified woman- and minority-owned businesses within the UNI area were located in the Wendell Phillips Purpose Built Community (PBC) Priority Area. This is due to the retail and office space density in the 18th and Vine District, including the Historic Lincoln Building which is a well-known hub for African-American-owned businesses.

¹ 1 "M/WBE Certifications FAQs." Missouri Office of Equal Opportunity, oeo.mo.gov/faqs/#mbewbe. Accessed 16 Nov. 2019.

Business by KC-CUR Priority Area

| | Total # of businesses | Minority Owned | Women Owned |
|--|-----------------------|----------------|-------------|
| Wendell Phillips Purpose Built Community | 105 | 32 (32%) | 13 (12%) |
| Prospect | 36 | 12 (33%) | 4 (11%) |
| Ivanhoe | 32 | 6 (19%) | 3 (9%) |
| Troost | 14 | 1 (7%) | 1 (7%) |

In total, the consultant team validated 159 women and minority-owned businesses within the UNI focus area.

Survey

The stated project goal was to survey at least 15% of the validated women or minority-owned for-profit businesses in the UNI area. Potential respondents were identified through the W/MBE inventory and additional outreach to neighborhood associations and via social media.

The survey consisted of three parts with a total of 20 questions:

- Part 1: Demographic Information
- Part 2: Business Startup Strategies
- Part 3: Business Needs & Priorities

We received a total of 51 survey responses. Two responses were removed because they were submitted by non-profit businesses or government entities. Thirty-eight (38) responses came from businesses within the UNI area.

This is a 24% response rate for those businesses validated as women and/or minority-owned businesses in the UNI area. For survey research purposes, a response rate of 20-30% is considered adequate to

serve as a representative sample from which generalizations can be drawn. The survey instrument is included as an Appendix to this report.

Challenges

The landscape of minority and women-owned businesses in Kansas City is broad, and the number of individual establishments is numerous. The number of businesses that were validated during this project, however, does not fully reflect the total number of businesses within the UNI priority area, but it can and should be used as a starting point for further refinement and updates.

Some of the challenges encountered with both the creation of the inventory and deployment of the survey were:

- **Logistical:** Creating a comprehensive business inventory of businesses requires the devotion of significant time and effort to identify and validate current business establishments.
- **Data Quality:** Many of the businesses were no longer open at the address listed. Many of the businesses in operation were not included in the original data sources.
- **Home-Based Businesses:** The presence of home-based business establishments within an area is difficult to verify unless they are already identified by city government or prior survey, and the validation process itself often requires contact by telephone or email. If no telephone, email or website is listed in the original data source, there is no way to verify their existence.

- The US Small Business Administration Office of Advocacy notes that about 50% of businesses are home-based², so we can assume there is an entire ecosystem of home-based operations that could benefit from support.
- Survey Response Time: The survey required an average completion time of 18 minutes. Individual interviews took longer. Many business owners contacted by the consultant team did not have the time to complete the survey.
- Trust: Relationship building in advance is critical to getting people to consider taking this type of survey. Many business owners want to see direct benefit before they are willing to share what is ultimately very personal information.

Business owners sometimes believe that acknowledging a need for financial or technical assistance will be perceived as a personal deficiency. A business priority can be considered a dream for the future. For minority and women business owners, whose needs historically have been exploited and their dreams deferred, trust needs to be established through working relationships in order to gather that information.



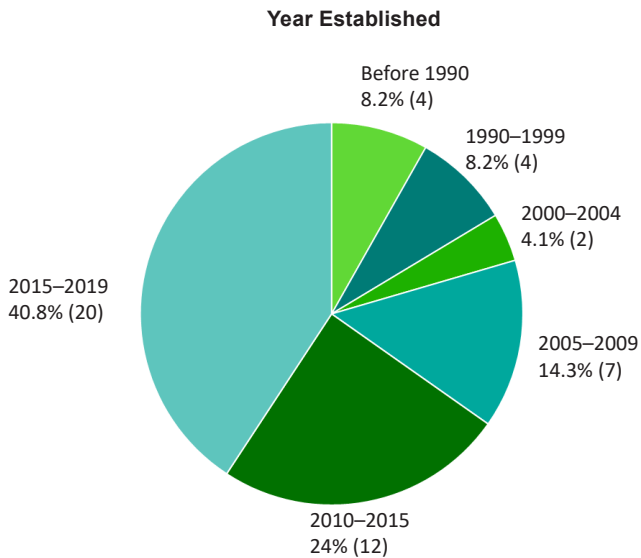
² "Frequently Asked Questions about Small Business." U.S. Small Business Administration Office of Advocacy, Sept. 2019, cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf.

Demographic Information

The information presented in this report is representative only of the businesses surveyed. For all charts and graphs, the number of actual respondents is in parenthesis.

Year Established (Question 4)

The majority of surveyed businesses were started in the last 10 years. This aligns with the greater trend - the rate at which minority and women-owned businesses are formed continues to rise. The Minority Business Development Agency reports a 38% increase in minority-owned firms between 2007 and 2012.³ The number of women-owned businesses has increased by 58% between 2007 and 2018.⁴



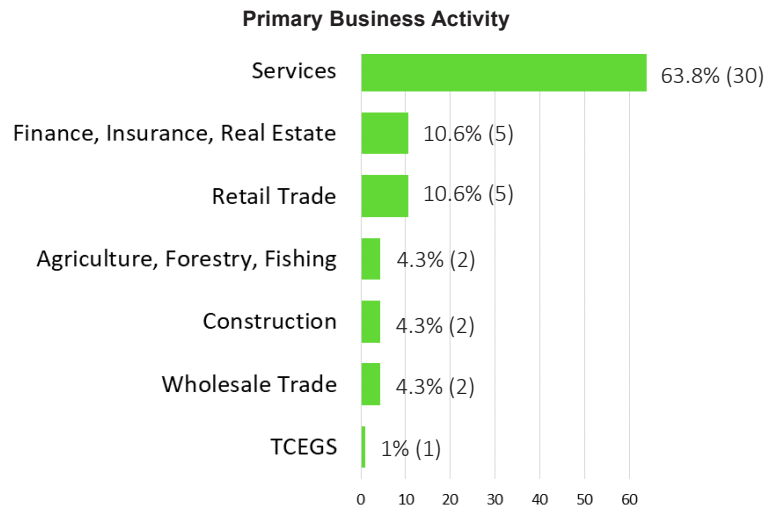
Primary Business Activity (Question 5)

(Question 5)

Business activity is categorized, using the Standard Industrial Classification (SIC) system. Most respondents (64%) identified Services as their primary business activity.

Products and Services (Question 6)

These businesses offer a range of services, including automotive repair, cosmetology, consulting services, health services, and food and beverage services.



³ Minority Business Development Agency - US Business Fact Sheets. https://www.mbd.gov/sites/mbda.gov/files/migrated/files-attachments/2012SBO_MBEFact-Sheet020216.pdf

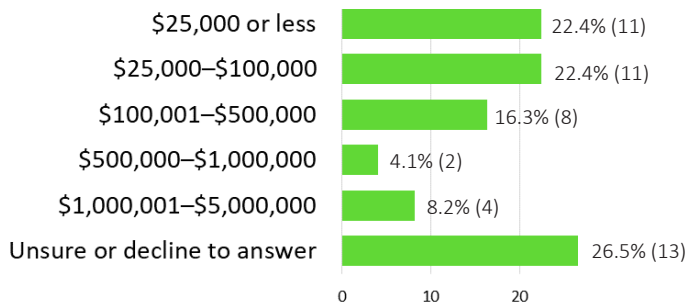
⁴ 4 American Express. The 2018 State of Women-Owned Business Report

2018 Business Revenues (Question 7)

More than half (58%) of the respondents reported 2018 revenues of less than \$100,000.

While the survey did not ask about the number of employees, the revenue levels indicate that the majority of these businesses would be considered microenterprises.

2018 Business Revenues



Microenterprises: Small Businesses with Big Impact

Microenterprises are companies with less than 10 employees and/or sales and assets valued at less than \$250,000 per year.

The Kansas City Business Journal reported that over 72% of Kansas City's small businesses are micro-enterprises.⁵

They are small in size and revenue but critically important to the revitalization of the neighborhoods within the UNI focus area. They help ensure storefronts are no longer vacant and serve as anchors for other economic development initiatives.

Revenues from these businesses are often sources of supplemental income and provide families an alternative to poverty. They create jobs that foster the development of skills and often employ residents that have been excluded from other labor markets.

They provide products and services for the local community, filling in market gaps where larger chains may not enter. Additionally, these businesses provide spaces for community members to gather and serve as role models for upcoming generations of entrepreneurs.

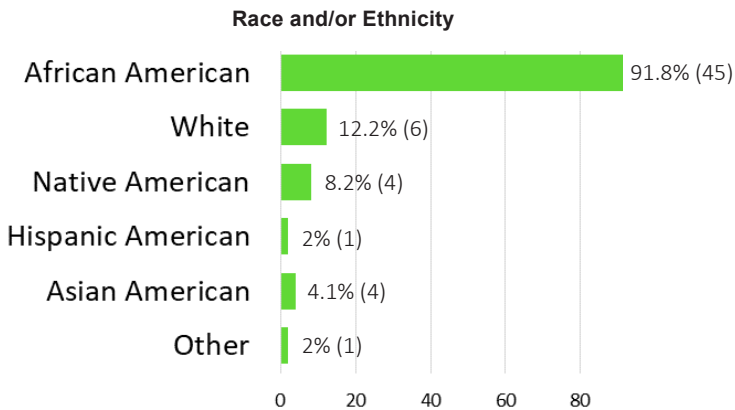
⁵ Stagemeyer, Suzanna. "Kansas City ranks 26th for small businesses", Kansas City Business Journal, 23 Jul 2012.

Percent Minority Owned (Question 8a)

The business is at least 51% owned by one or more minorities:

90% (44) YES
10% (5) NO

Race/Ethnicity (Question 8b)



Percent Women Owned (Question 8c)

The business is at least 51% owned by one or more women:

59% (29) YES
41% (20) NO



Moe Frazier

Business Name

Sharx Chicken & Fish KC-CUR

Priority

Area

Prospect Corridor

Years at location

13 years

Industry

Restaurant/Seafood & Chicken

Access to information means that we can expand in the community because we have knowledge and technical assistance to identify more sources of investment capital. Having the ability to make sound decisions allows us to purchase more equipment, make renovations and remain a staple in the urban community.

“I have been here for 13 years and this is the first time that someone has come into my business to ask me what I needed.”

Business Startup Strategies

MBE and WBE Certifications

(Question 8d, 8e, & 8f)

The Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) certification initiatives were created to increase the number of minority and women-owned businesses pursuing city, state and federal contracts.

Along with the certification programs are a host of public and private programs focused on underrepresented businesses such as special loans, business counseling, and training, participation in special business fairs as well as the opportunity to bid on federal, state and private sector contracts.

81% of respondents are not certified as an MBE or WBE. Of those that are certified, most of them are registered with The State of Missouri or the City of Kansas City.

For those businesses that have not pursued certification, the reasons are varied. Many respondents were unaware of the various certifications, with quite a few indicating this was the first they had heard of the term.

Those that knew about the certification either had determined they were not in need of the certification or hadn't found the time to pursue it. A small percentage were interested but indicated they need additional assistance with the process.

Some of the narrative and in-person responses indicated a general impression that the certification may not be helpful, particularly if the business is not in the construction industry. There is also a perception of onerous time and effort needed to produce the required documentation needed. There is certainly opportunity for more education about the certification process, as well as stories about businesses from a variety of industries that have been able to leverage the certifications to grow.

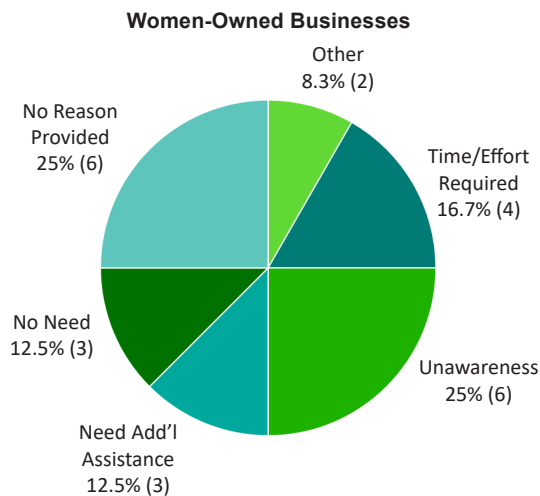
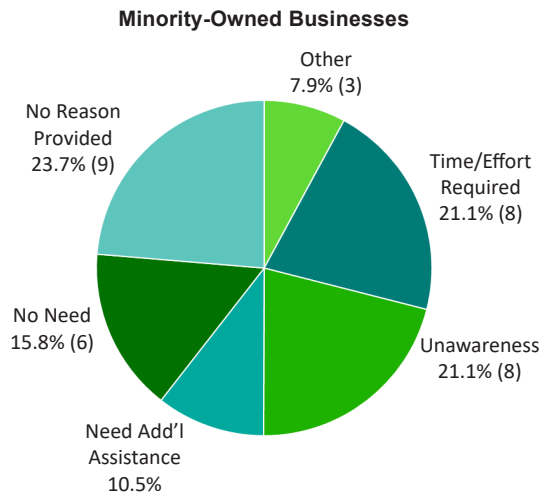
Selected Narrative Responses

"While we are M/WBE certified with KCMO, it has very little [to] no value outside of the construction industry. Even within construction, the value of certification does not exceed a company's quoted price."

"Don't see the need or benefit of going through the extra red tape."

"Have not had the time to complete the application. Did start it but had some questions. And wanted to make sure that I was filling it out correctly to open up my chances of winning"

Reasons for Non-Pursuit of Certification



Access to Capital (Question 9)

Access to capital is a well-cited and known barrier for women and minority business owners. In a 2008 report studying gender differences in the use of start-up capital, Coleman and Robb reported that women are more likely to start their businesses with smaller amounts of capital and are less likely to raise funds from other sources.⁶



Fannie Gibson

Business Name
Fannie's African & Tropical Cuisine

KC-CUR Priority Area
Troost Corridor

Years at location
1.5 years

Industry
Restaurant / Food & Beverage

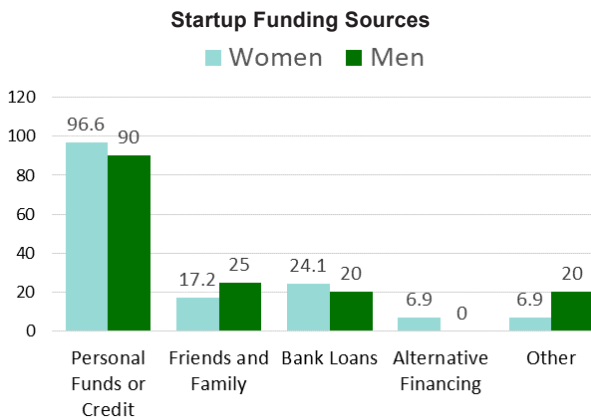
Access to capital means I can hire a skilled workforce team to meet the growing needs of my business. I can focus on marketing and branding and not have any fears that I can't keep up with the demands of my customers.

It also will pave the way for me to open a local grocery store and purchase modern equipment. Being able to have access to the ingredients that I need immediately by opening a grocery store and cutting down on shipping costs will help me grow both of my businesses.

⁶ Susan Coleman and Alicia Robb (2008). A Comparison of New Firm Financing by Gender: Evidence from the Kauffman Firm Survey Data. Small Business Economics 33: 397-411

The Minority Business Development Agency stated that financial constraints are the top factor affecting minority business ownership and performance.⁷

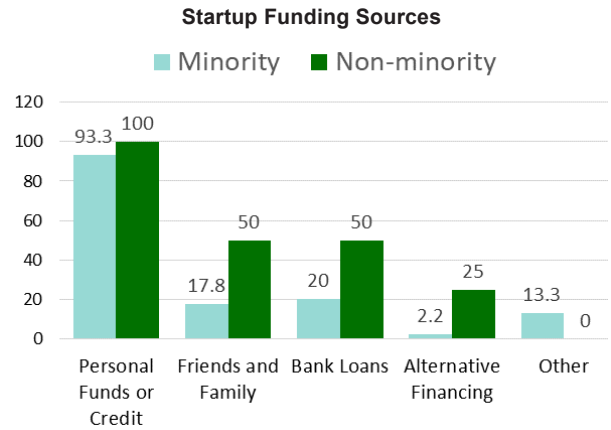
While this survey did not ask a direct question about financial challenges, we can look at how women and minority owners have sourced capital in the past to give some indication of how this may impact progress.



93% of women respondents indicated they funded their business through personal funds or credit. Almost 70% said that this was their only funding source. Only 20% used bank loans for business financing and 10% used an alternative financing entity such as AltCap.

90% of men used personal funds or credit to begin their business. However, 55% of men reported access to other funding sources such as friends and family (25%), and bank loans (20%).

When reviewing the data by minority status, non-minorities tend to have more access to multiple sources of capital. 50% of non-minorities indicate that personal funds were their only funding source.

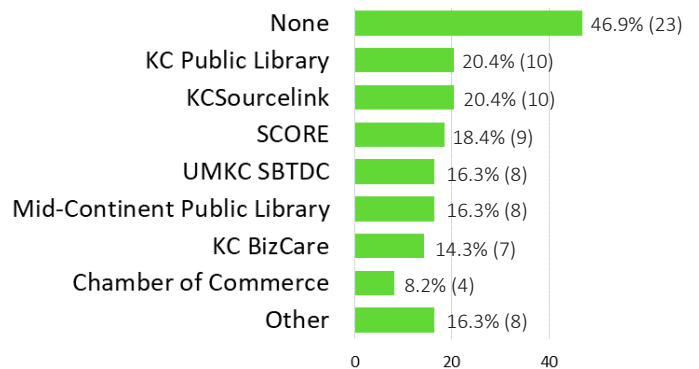


Use of Entrepreneurial Support Organizations (Question 10)

The majority of business owners, 54%, have used entrepreneurial support organizations within the last two years. Additionally, 60% of those that have utilized a support service, have used two or more entrepreneurial support organizations.

The top identified resource providers are:

- KCSourcelink (20%)
- KC Public Library (20%)
- Service Corps of Retired Executives (SCORE), (18%)
- UMKC Small Business Technology Development Center (SBTDC) (16%)



⁷ Robert W. Fairlie, Ph.D. and Alicia M. Robb, Ph.D. (2010). Disparities in Capital Access between Minority and Non-Minority-Owned Businesses: The Troubling Reality of Capital Limitations Faced by MBEs. Washington, D.C.: U.S. Dept. of Commerce, Minority Business Development Agency.

Other resources accessed included AltCap, the Kauffman FastTrac program (offered by multiple providers), Enterprise Center of Johnson County (ECJC), Women’s Business Development Center, Mechanical Contractor’s Association, and MidAmerican Minority Business Development Council.

46% of the survey respondents have not used any entrepreneurial support organizations in the past 2 years. Without further context, this number is alarming as it indicates that a large percentage of business owners are disconnected from the entrepreneurial ecosystem. It also aligns with anecdotal stories that entrepreneurs don’t have access to needed information that would help support their business growth.

However, a review of the respondent’s rationale for low usage indicates the issues are more complex than lack of awareness.

Reasons for Not Using Entrepreneurial Support Organizations (Question 11)

Of those that gave a reason for not using entrepreneurial organizations, very few businesses indicated a lack of awareness of entrepreneurial support service providers.

The most frequent reasons provided were not enough time to access the services, not understanding how entrepreneurial support services could help their business, or feeling as though the resources would not be beneficial.

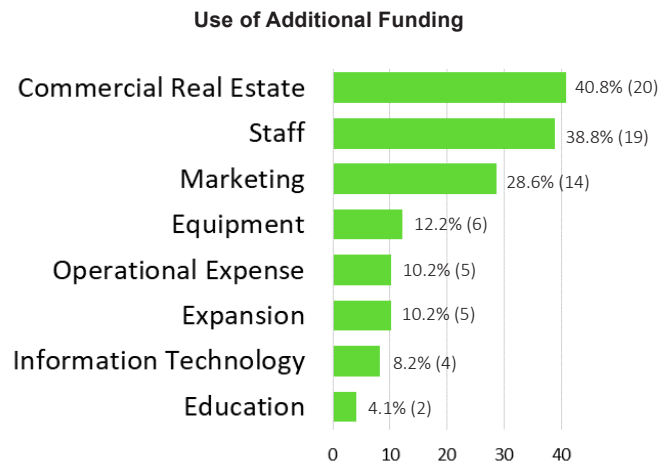
These responses indicate that there is at least a cursory awareness of entrepreneurial support services, but the connections between

what these organizations offer and how these service offerings could impact business results, are not clear. Ongoing relationship building can influence program and service offerings and help to clarify messaging that resonates with business owners.

Use of Additional Funding

(Question 12)

When we asked how business owners would use additional funding, a large percentage (40%) were focused on either renting, purchasing or modifying commercial real estate. Nearly as many owners (39%) expressed interest in hiring additional staff. The other top desire (29%) is support for marketing efforts to attract more customers or clients.

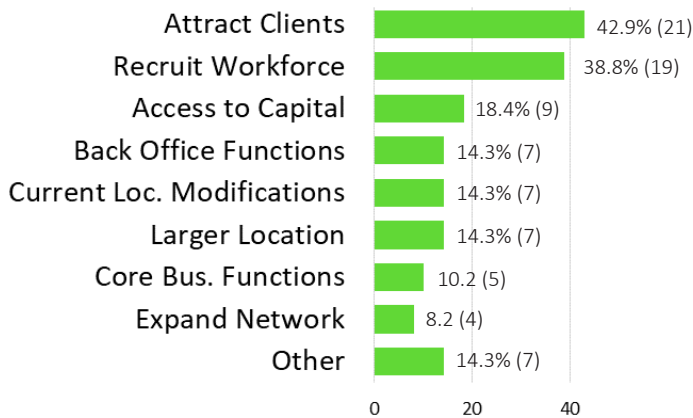


Business Needs and Priorities

Business Priorities (Question 13)

Building market share and attracting qualified employees stand out as key goals for surveyed business owners. Attracting and retaining clients were mentioned by 43% of respondents, and 39% want to recruit a skilled workforce. These core business functions greatly outweigh more rudimentary, though necessary, aspects of running a small business.

Business Priorities Next 2 Years



Equity or Debt Needs (Question 14)

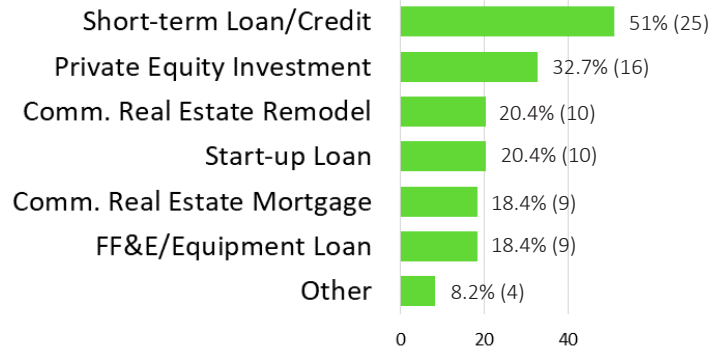
While a large amount of money is not always needed to start a business, the dependence on personal funds and consumer credit can limit business growth. Research indicate that businesses with inadequate access to working capital or a flexible line of credit will likely have lower sales and lower profit margins (Fairlie and Robb). It also leaves businesses vulnerable to cash flow issues and limits

their ability to pursue larger contracts. Lack of access to capital and undercapitalization prevents entrepreneurs from realizing the full potential of their business.

What type of equity or debt do near east side business owners need?

Half of the surveyed business owners are interested in a short-term loan or line of credit. 33% would be interested in private equity investment. 20% would like to obtain a loan to start their business. Additionally, 40% of respondents are interested in a commercial real estate loan, either to purchase or remodel a business location.

Equity or Debt Needs



Barriers to Accessing Capital

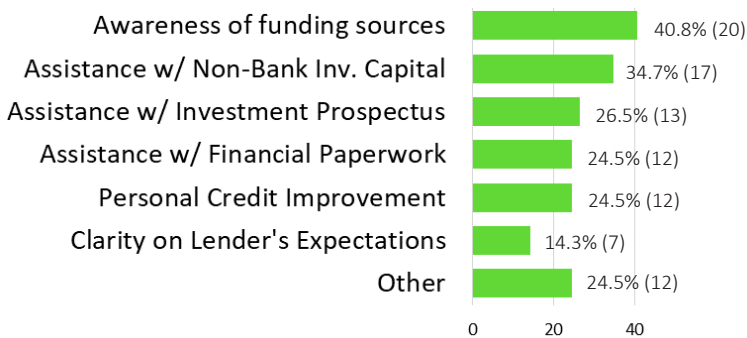
(Question 15)

One of the main barriers respondents identified (40%) is the lack of information about alternative funding sources. There are 13 community development financial institutions (CDFIs) in the Greater Kansas City area, including LISC, that are committed to providing greater investment for under-served communities. Many of these

are focused on providing funding for women and minority business owners.

About a third of respondents have requested assistance with either identifying sources of non-bank investment capital or preparing an investment prospectus. These numbers indicate a need for education on how to prepare for and attract equity investment.

Barriers to Accessing Capital



Steps to Close Lending Gap

(Question 16)

More than half of the respondents cite dedicated funding for women and minority businesses as a key need in closing the lending gap. Specifically, respondents selected establishing a dedicated fund for women and minority businesses (59%) and creating a geographically targeted fund with flexible loan criteria (24%) as key steps to begin to establish investment equality for women and minority-owned businesses. These responses suggest a perceived or real bias against lending to W/MBEs and/or businesses operating in the UNI area.



Ron Chaney

Business Name
Ethnic Art Gallery

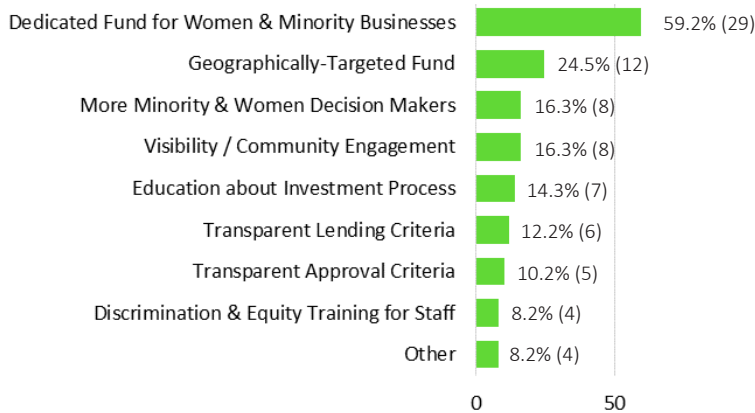
KC-CUR Priority Area
Wendell Phillips Purpose Built Community

Years at location
2 years

Industry
Artwork & Picture Framing

Access to support means that I can expand my services and retail space for the community to enjoy. Being able to attract and retain customers also comes from having access to strong back-end support resources. Building relationships within the community are just as important as building a relationship with your business neighbor—it also helps create a bridge to returning customers.

Steps to Close the Lending Gap



Succession Planning (Question 17)

Only 38% of surveyed businesses have a succession plan to determine who will make logistical and financial decisions upon the owner’s retirement. This suggests the need for additional support to ensure business owners have the human capital, financial, and legal structures in place so their businesses can continue for multiple generations.

Support for Women and Minority-Owned Businesses (Question 18)

Respondents cited needs in mentorship, ongoing training, and back office support. They also identified a trust gap with entrepreneurial support organizations and fear of being rejected for loans and support services.

Mentorship was mentioned multiple times with specific callouts to support women in sharing resources and expanding their networks.

There was also a strong request for back office support, with multiple respondents citing a need for affordable administration, bookkeeping, accounting, and marketing services. One respondent described these as, “resources that directly affect customer service, image, trust, and provides breathing room.”

There was also concern about the stigma facing women and minority businesses related to professionalism and quality. Some suggested targeted programming, but there is also a desire for increased visibility and support of women and minority owned businesses that are creating quality work, hiring employees and doing well.

Selected Narrative Responses

“Helping with awareness of support resources; Minority business owners have fear of being rejected, which means we won’t as[k] for help.”

“We are often hoodwinked and bamboozled by companies that do not have our best interest in mind. [...] The “so-called” minority initiatives are nothing more than veiled attempts to get us into more high interest debt.”

“Every business isn’t going to want debt, but dedicated resources that directly affect customer service, image, trust and provides breathing room is crucial.”

“Some way to alleviate the stigma associated with minority businesses. Sometimes they are held to a higher standard than other businesses.”

Recommendations

Since the ultimate goal of this survey is to develop strategies that enable women and minority business owners to fully participate in the entrepreneurial ecosystem, the consultant team has developed the following recommendations for KC-CUR and the Kansas City entrepreneurial support community.⁸

Additionally, since 80% of the report respondents indicated they would be interested in joining a focus group, we recommend additional research focused on the near east side to gather additional input and refinement to the ideas presented in this report. Multiple business owners indicate they are pleasantly surprised to be asked their opinion and are interested in working with support organizations to develop programs and services that meet their needs.

| ENTREPRENEURIAL ECOSYSTEM DOMAINS | RECOMMENDATIONS |
|-----------------------------------|---|
| ACCESSIBILITY | <ul style="list-style-type: none"> • Establish consistent business education and training programs in locations on the near east side, within the UNI area • Ensure bidding processes are transparent and marketed towards WBE/MBE for more participation. |
| CULTURE | Develop a culturally relevant marketing strategy that aims to raise awareness of ESO support services. |
| FINANCIAL CAPITAL | <ul style="list-style-type: none"> • Develop new financial products that align with the revenues of micro enterprises, such as lower minimums for loans. • Create a hyper-targeted short-term capital fund focused on women and minority-owned businesses. |
| HUMAN CAPITAL | <ul style="list-style-type: none"> • Develop mentoring/sponsorship programs that understand and can support the needs of high-touch entrepreneurs. • Create technical assistance programs that provide sustained back-office needs, specifically for marketing. |
| POLICY | Develop a strategy focused on increasing awareness of the existence and benefits of WBE and MBE certifications. |
| INFRASTRUCTURE | Provide technical support (financial, legal, brokering) for near east side business owners with commercial real estate capital needs (purchase, rent or modification). |
| SOCIAL CAPITAL | Create and/or provide ongoing support for networking and peer support groups for near east side business owners. |

⁸ Gines, Dell and Rodney Sampson. Building Entrepreneurship Ecosystems in Communities of Color. Federal Reserve Bank of Kansas City, 2019. www.kansascity-fed.org/~media/files/publicat/community/smallbusiness/ecosystembuildingincommunitiesofcolor062019.pdf.

Conclusion

The KC-CUR W/MBE Business Inventory and KC-CUR Opportunity Survey have established that women and minority business owners are resilient. Many have chose to remain in neighborhoods that have suffered from decades of disinvestment. The growth and success of their businesses are critical to the revitalization of these neighborhoods.

The majority of businesses identified through this survey meet the definition of micro-enterprises, as they typically generate less than \$250,000 in annual revenues. Almost 40% are home-based businesses operated as sole proprietorships. Although the vast majority are not retail storefronts, these businesses provide still employ dozens of workers, and could potentially add employees with access to the right financial tools and technical assistance. These businesses already have a significant economic footprint in Kansas City's urban core and are well-positioned to serve as a primary mechanism for building community wealth and achieving higher levels of economic impact.

The KC-CUR Opportunity Survey was advertised through social media, leafletting, and direct community outreach. We received responses from 24% of the minority or women-owned businesses we identified. Collectively, these responses provide important insights into the strengths, challenges and opportunities facing women and minority entrepreneurs operating businesses in the core of Kansas City's east side.

For more information on the KC-CUR Implementation Strategy and how KC-CUR partners are working to create healthy markets and thriving businesses east of Troost, visit: <https://www.lisc.org/kansas-city/what-we-do/kc-cur/>



Appendix A

Small Business Opportunity Survey

1. What is the name of your business?*
2. In what ZIP code is your business located?* (5-digit ZIP code)
3. Where is the street address of your business?*
4. What year was this business established?*
5. What is your primary business activity? (Choose one)
 - Agriculture, Forestry, And Fishing
 - Mining
 - Construction
 - Manufacturing
 - Transportation, Communications, Electric, Gas, And Sanitary Services
 - Wholesale Trade
 - Retail Trade
 - Finance, Insurance, And Real Estate
 - Services
 - Public Administration
6. What products or services does your business provide?*
7. Roughly, what were your business' total revenues in 2018?
 - \$25,000 or less
 - \$25,001–\$100,000
 - \$100,001–\$500,000
 - \$500,001–\$1,000,000
 - \$1,000,001–\$5,000,000
 - \$5,000,001–\$10,000,000
 - More than \$10,000,000
 - Unsure or decline to answer
- 8a. For the purpose of this survey, a minority is defined as a person who is African American, Hispanic American, Asian American, Native American. Is your business at least 51 percent owned by one or more minorities?*
- Yes
- No
- 8b. Which races and/or ethnicities do you identify as?* (Choose as many as you like)
 - African American
 - Hispanic American
 - Asian American
 - Native American
 - White
 - Other _____

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8c. Is your business at least 51 percent owned by a woman or women?

- Yes
- No

8d. Some businesses are officially registered with various entities as an MBE, WBE or DBE. Are you officially registered and if so, with which certification? (Choose as many as you like)

- WBE (Women's Business Enterprise)
- MBE (Minority Business Enterprise)
- DBE (Disadvantaged Business Enterprise)
- No, I'm not officially registered

8e. If you are not officially registered, why not?

8f. If you are officially designated, which entities are you registered with? (Choose as many as you like)

- City of Kansas City
- State of Kansas
- State of Missouri
- KCATA
- N/A

The next few questions are focused on what resources (financial and others) you used to get your business to its current state.

9. To date, what sources of capital have you used to fund your business? (Choose as many as you like) Personal funds (savings and/or credit)

- Bank loans
- Friends and family
- Venture capital
- Angel investor
- Government grants / subsidies
- Alternative funding (non-bank entities)
- Incubator / accelerator
- Competition awards
- Other _____

10. Which of the following entrepreneurial support services and resources in the Kansas City metro area have you used in the last 2 years?*(Choose as many as you like)

- KCSourcelink
- KCBizCare
- SCORE
- UMKC Small Business & Technology Development Center (SBTDC)
- Square One Small Business - Midcontinent Public Library
- KC Public Library
- Enterprise Center of Johnson County (ECJC)
- Chamber of Commerce
- None
- Other _____

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11. If you haven't used any entrepreneurial support organizations or resources in the past 2 years, why not?

The next few questions are focused on your needs in the areas of capital and/or real estate and how the entrepreneurial ecosystem can support those needs.

12. If funding was unlimited, how would you use it to grow your business?

13. In order to obtain those goals, what are your top two priorities for managing your business in the next 2 years?* (Make between 1 and 2 choices)

- Move to a larger/different or additional location
- Make modifications to the current location
- Attract and retain more customers/clients
- Recruit and/or hire additional skilled workforce
- Increase business knowledge of core business products and/or services
- Increase business knowledge in support business practices (for example - accounting, payroll, marketing, etc.)
- Reduce cost of operations
- Expand professional or industry network
- Improve software and IT infrastructure
- Gain access to additional capital
- Other _____

14. What types of equity or debt would help you to better achieve those goals?* (Choose as many as you like)

- Start-up loan
- Short-term loan/working capital/line of credit
- FF&E/equipment loan
- Private equity investment in my business
- Commercial real estate acquisition/mortgage loan
- Commercial real estate remodel/leasehold improvements/expansion loan
- Other _____

15. What would you need to be successful in the pursuit of those funds?* (Choose as many as you like)

- Clarity on lenders expectations
- Assistance with financial applications and paperwork
- Awareness of alternative funding sources
- Personal credit improvement
- Technical assistance with identifying non-bank sources of investment capital
- Assistance with investment prospectus/pitching to investors
- Other _____

Appendix A

16. What steps should lenders and capital providers take to close the lending gap and establish investment equality for women and minority-owned businesses?* (Make between 1 and 2 choices)

- A dedicated fund for women and minority businesses
- A geographically targeted fund with flexible loan criteria
- Transparent lending criteria
- Transparent approval process
- Recruit more minority and women decision-makers
- Visibility and community engagement
- Discrimination and equity training for staff
- Education/outreach about the investment/borrowing process and lending criteria/standards
- Other _____

17. Does your business have a succession plan (logistical and financial decisions needed to deal with the unexpected)?*

- Yes
- No

18. What other things should we consider, besides capital, in supporting women and minority owned businesses?

That's just about it. There are multiple ways for KC-CUR to assist your business. Let's stay in touch.

19. Would you be interested in joining a focus group to help KC-CUR learn more about how to support women and minority-owned businesses in Kansas City?

- Yes
- No

20. If yes, please provide your email address for follow-up communication.