



*Investing in Black Economic Development  
to promote sustainable  
Jobs & Wealth Creation*

Celebrating 10 Years!

**RIBBA**

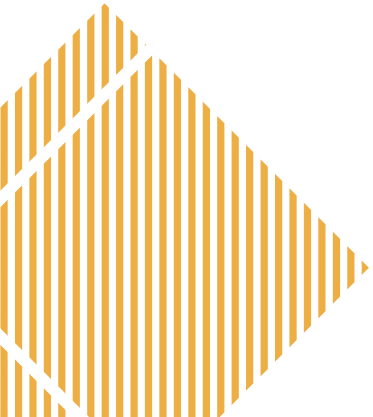
Rhode Island Black Business Association

# Agenda

- 1. Who is RIBBA**
- 2. State of Black Economy & Business**
- 3. Urban Development Legislative History**
- 4. Benefits to Minority Business Investment**
- 5. Recommendations**

## **What is the Rhode Island Black Business Association**

The Rhode Island Black Business Association (RIBBA) is a non-profit organization dedicated to advancing business opportunities and vitality of Black-owned and minority businesses in Rhode Island through access to capital, contracting, business development resources, entrepreneur training, business advocacy, meaningful investor services, and workforce development.



# How We Accomplish Our Important Work

## **BUSINESS DEVELOPMENT RESOURCES**

Programs and services designed to help Black and minority businesses grow and scale

## **CAREER DEVELOPMENT RESOURCES**

Programs and services to support the growing employee-base for Black-owned businesses and to change the face of influential leadership in RI.

## **ADVOCACY**

RIBBA's historic and groundbreaking work in the advocacy and policy space has created awareness of the plight of small businesses in Rhode Island.

# State of Black Businesses & Impacts

- According to the most recent Census Bureau data available, Black people comprise of Approximately 12.2% of the U.S. population, but Black Businesses comprise only of 2.2 of the nation's 5.7 businesses (firms with more than one employee).
- Rhode Island Planning Division collects and publishes limited data on the status of small businesses. There is almost no data collected by or available from the RI planning Division about minority small businesses in Rhode Island by race and ethnicity.
- According to the most recent Census Bureau data available, there are 3,364 Black owned businesses in RI of which just 295 have more than one employee.
- White unemployed workers receive unemployment benefits at almost twice the rate of Black workers, receiving 24% of the time when compared to 13% for Black workers.
- Black workers have a consistently higher unemployment rate than white workers
- RI Black businesses lack equitable access to valuable resources and contracts opportunities

# The State of Black Economy & Businesses

- RI Small business revenue down 47% (All but 4 Black-owned RI businesses are small businesses)
- 41 % of Black businesses have closed due to COVID-19
- Black unemployment is nearly double that of White unemployment in RI
- 44% of Black business owners use their own cash or personal credit to start their ventures
- The Restore RI grants gave out \$50 million and only 26% went to Black and Latino businesses.
- Only 33% of Black RI residents own homes
- RI ranked as 3<sup>rd</sup> worst state for Black business success
- Only 18% of Black business owners report receiving assistance from loan officers in completing business loan applications

## Urban Economic Development Legislative History in RI

1. (RIGL) 45-31:Urban Blight Redevelopment Act – 1956
2. (RIGL) 37-14.1: Minority Business Enterprise – 1986
3. (RIGL) 42-64.8: Urban Infrastructure Commission – 2003
4. (RIGL) 42-64-13.1: Urban Equity Fund & Incubator (Urban Ventures)
5. (RIGL) 42-64.3-3.1: Enterprise Zone Council & Program – 1991
6. (RIGL) 44-18-30.C : Municipal Economic Development Zones – 2003
7. (RIGL) 42-77.1: Rhode Island Black Achievers Commission -2001
8. Section 45D (e) Internal Revenue Code: Federal Opportunity Zones – 2018



# Recommendations

Rhode Island must make it as easy as possible for existing MBE micro and small businesses to stay open and for new businesses to form

- **Access to Capital:** Black and brown businesses are less likely to receive bank funding. There needs to be a a state-wide banking program for MBE.
- **Ensuring Access to Relief Funds:** The majority of relief funds did not go to minority businesses. Funding needs to be more accessible and based on more equitable practices. This includes the eligibility of PPP funds for new businesses and the waiving of licensing and permitting fees.
- **Relief Grants:** Small businesses are overwhelmed by COVID-10 related debt. Relief loans should be forgivable and future grants should be tailored to smaller businesses in hardest hit communities and industries.
- **Enact a Self-Employment Assistance Program:** One of the biggest barriers to starting and sustaining a business is supporting yourself in the early months as you plan and ramp up. Several states, including New Hampshire, New York, Oregon, Delaware and Mississippi, offer SEA through their unemployment insurance systems



# Recommendations (continued)

Rhode Island must make it as easy as possible for existing MBE micro and small businesses to stay open and for new businesses to form

- **Increase State Utilization of Minority Business Enterprises to 25% to better reflect current Ri census data:** Current rate for Small Business procurement target is 10%(Includes WBE & MBE) to align more closely with neighboring states (CT - 25%, Boston - 25%).
- **Provide budget-friendly tax relief:** Providing penalty free tax deadline extensions, penalty free tax audits, tax consultants, and automatic sales tax circulation.
- **Invest in Minority Business Support Agencies and Organizations:** There are organizations in RI that are currently providing essential services to sustain and grow minority businesses. These organizations have connections, built trust and history with minority business communities.

# ROI - Benefits of Minority Business Investment

*Black Business Growth = Community Health & Wealth*

- Job Creation, Employment Increases, & Wealth Generation
- Economic Equity
- Increased Business Capital Flow into Communities
- Decrease in Crime Rates
- Increased Real Estate Occupancy & Home Ownership
- Increased Minority Representation in Influential Leadership
- Increased # of Contracts & Dollar Value of Contracts Awarded
- Increased Education & Health Outcomes

For Questions or  
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