

Transcript

FedTalk: Small, Minority-, and Women-Owned Businesses: Challenges, Opportunities, and Successes

Federal Reserve Bank of Cleveland

September 30, 2021

Presentation

Introduction:

Diana C. Starks, senior vice president and director of the Office of Minority and Women Inclusion, Federal Reserve Bank of Cleveland

Moderator: George Sample, assistant vice president and deputy director of the Office of Minority and Women Inclusion, Federal Reserve Bank of Cleveland

Panelists:

- Brian Hall, executive director, Commission on Economic Inclusion, and senior vice president, Greater Cleveland Partnership
- Jenice Contreras, executive director, Northeast Ohio Hispanic Center for Economic Development (NEOHCED)
- Maria Thompson, outreach manager, Federal Reserve Small Business Credit Survey

Diana C. Starks: Good afternoon and welcome to today's *FedTalk* session on "Small, Minority-, and Women-Owned Businesses: Challenges, Opportunities, and Successes." The Federal Reserve Bank of Cleveland has had a longstanding commitment to diversity and inclusion and took a very active interest in supplier business inclusion to engage our workforce with small, minority-, and women-owned businesses in contract opportunities for well over 12 years, and our work continues. The COVID pandemic presented many challenges and opportunities for businesses and the life of many individuals. And within the range of opportunities, we learned of several successes. The work that each of us does to engage with small, minority-, and women-owned businesses helps to improve our region, strengthen our economy, and provide opportunities for others. I look forward to hearing from today's panel of experts. Thank you for joining today's session. And with that, I will turn the program over to George Sample, assistant vice president and deputy director in the Office of Minority and Women Inclusion.

George Sample: Well, thank you, Diana. I appreciate you opening up this really important and impactful discussion we're going to have today. I'm honored and

privileged to be able to read you the bios for our distinguished panelists for today's event. We're going to have the opportunity to hear from them, get their input and insight on a very important topic to everyone who's joined today.

I'll start off by introducing one of our own Fed employees, Maria Thompson, who serves as the Federal Reserve's Small Business Credit Survey (SBCS) outreach manager. As our SBCS outreach manager, she guides and facilitates our survey participation to make sure that we're connected with national partner organizations.

Maria has joined the Bank earlier this year in 2021. So, she joins in COVID. So I'm not sure if she's actually set foot inside the building yet. Prior to the Bank, she served as a corporate Community Reinvestment Act (CRA) officer, oversaw corporate CRA lending, services, and investments in department operations across multiple states.

Her previous roles include adjunct professorship, strategic planning, communications, and partnership engagement consultants for a variety of small businesses and community development financial organizations. Maria earned a bachelor's degree in business administration from Cleveland State University. She's also won the award of a national merit graduate fellowship and earned a master's degree in community development from Case Western Reserve University. Maria is the inaugural recipient of the Louis Stokes Community Service Leadership Award. So Maria, thank you for joining us today.

We move onto our second panelist Jenice Contreras. Jenice is an established leader in small business and community development, healthcare, and nonprofit management. I've had the privilege to serve on the board with Jenice, so I've known her for a while. I know the impact that she's had on our community. So, glad to have her here with us.

Jenice currently serves as executive director of the Northeast Ohio Hispanic Center for Economic Development. Under the center, the center is responsible for Northeast Ohio Hispanic Chamber of Commerce, small development business center, and community development.

As I mentioned before, she is just a driving force in our community, so we're privileged to have her be part of this panel. She is part of the redevelopment efforts, including Clark/Fulton neighborhood, known as La

Villa Hispana, which is the cultural and economic placemaking initiative in the most densely populated Hispanic enclave in the state of Ohio. Jenice earned her Bachelor of Arts from Capital University and executive Master of Business Administration from the Ohio State University Fisher College of Business. Jenice serves on the board for the Center for Community Solutions where we actually met. And also as a member of the city of Cleveland's Near West Design Review Committee. In 2017, she completed a fellowship through the Business Alliance for Local Living Economies and also served as the faculty chair for the National League of Cities Equitable Economic Development Fellowship.

She's been highly lauded for her work, which is the multitude of awards and citations. She's working on her third bookshelf. She keeps on just piling up and lining them up. Jenice is actually born in Puerto Rico, is bilingual, bicultural, and very proud of her heritage. She is the mother of two young adults, Carl and Kyle, and continues to ensure growth in economic and community development for Latinx in the city of Cleveland. So, please welcome Jenice Contreras.

Our third panelist is Brian Hall. I've known Brian Hall so long that I'm not going to say how long, because that's going to start revealing our ages around here. I don't want to do that. Brian joined the Greater Cleveland Partnership's (GCP) senior leadership team in 2014 but has absolute extensive history with the organization, including serving as Commission on Economic Inclusion's interim executive director since June 2012. Brian has a long history of entrepreneurship and impact in Northeast Ohio, over 30 years of leading companies in logistics, distribution, real estate, and food service.

He's been an active member of our civic community, serving two terms on the GCP board, as cochair of the Commission on Economic Inclusion, and on the boards of the GCP's three predecessor organizations, Cleveland Tomorrow, the Greater Cleveland Growth Association, and the Greater Cleveland Roundtable.

In addition to growing his businesses to the Black Enterprise Top 100 listing several times ... I'll say that again because that's really impressive. In addition to growing his businesses to the Black Enterprise Top 100 listing several times, Brian is one of the founders of the Presidents' Council and the Presidents' Council Foundation. The council has been instrumental in enhancing relationships between major and minority

corporate CEOs in Northeast Ohio. The foundation also trains both entrepreneurs and students toward greater success and leadership in the African American community and beyond. I've been able to see some of the work of the partnership firsthand, so kudos for Brian for being a significant impact on that work with the Presidents' Council.

Brian graduated with a degree of business management from the University of Cincinnati and earned an executive MBA from Baldwin Wallace University.

He is a board member of University Hospitals Health Center, University of Cincinnati Foundation, the Presidents' Council Business Chamber, and the Rhythm & Blues Foundation. He is also a member of the Young Presidents' Organization, where he chairs the Black Presidents' Network, an international group of YPO and WPO members.

Now, we start off today's discussion. I'm going to turn our conversation over to Maria, who is going to do a presentation on our Small Business Credit Survey. And then I'll be back with all of our panelists to moderate the discussion about that and other topics that we're going to touch on today. So at this point I will hand it over to Maria.

Maria Thompson: Thank you again, George, for the opportunity to join this afternoon's session. Again, my name is Maria Thompson. I'm the outreach manager for the Federal Reserve Bank's Small Business Credit Survey initiative. And before I begin, I would like to thank the Federal Reserve Bank of Cleveland's Office of Diversity, Equity, and Inclusion for putting this program on and for inviting me to be part of the discussion.

I'll be presenting data from the Federal Reserve's 2020 Small Business Credit Survey. And the data I will be presenting on today provides a glimpse into some of the inequities in the small business space. As a disclaimer, the views expressed by me and in this PowerPoint are my own and not necessarily those of the Federal Reserve Bank of Cleveland or the Federal Reserve System. With that in mind, I'll begin with the short overview of the Small Business Credit Survey itself or SBCS as I'm likely to refer to it the remainder of this presentation.

The SBCS is our annual national survey of small businesses with zero to 500 employees. When we say, "zero employees," we're talking about businesses where the owner is the only operator or worker. In addition to

capturing different size small businesses, another distinct advantage of our survey is its broad reach. The 2020 SBCS reached about 15,000 small businesses across the country and it was conducted via the internet and distributed by a national network of hundreds of local, regional, and national partner organizations. The SBCS is the largest survey of its kind, and its size allows us to perform and generate a variety of reports like the one I'm presenting on today, which is the SBCS or the Small Business Credit Survey report on firms of color, and I'll likely say small businesses of color. We also produce a variety of other reports using the data.

And so, I encourage you to visit our website to check those out. I'd like to also point out that this presentation is based on our 2020 survey, which occurred from September to October of 2020, and this means that our 2021 survey is underway now. It's also important to note the timing of the 2020 survey and what that means is it's just a snapshot of how small businesses were at the beginning for the first seven to eight months of the pandemic in 2020.

So, a good place for us to begin looking at the snapshot of small businesses of color is by level setting the situation for all small businesses during the onset of COVID-19 in 2020. There's no denying that the pandemic had a severe impact on the economy and small businesses in general. And this chart illustrates that by showing small business revenue and employment growth via the blue and the yellow lines in the years before the pandemic and the drastic decline in both immediately following the onset of the pandemic. It's easy to see that the pandemic brought about sharp declines in both areas for all businesses, but the situation was much worse and dramatic for small businesses of color.

Prior to the pandemic, our survey focused mostly on access to credit issues. However, because of the pandemic, we expanded the survey to include questions about the overall financial state of small business owners. As the top bar on this graph shows, the majority of our participants reported during the first seven or eight months of the pandemic that they had a weaker financial condition. However, when we drilled down on these same percentages for small businesses of color, we see that Asian business owners was the group that reported having the most weakened financial condition. And they were followed closely by Black-owned businesses.

One possible reason why Asian- and Black-owned businesses reported at higher rates, may be because of what they told us about their decline in revenues and other aspects of the survey. Also, the Federal Reserve research area demonstrates that businesses owned by people of color are more concentrated in some industries hardest hit by the pandemic like tourism and food services.

Additionally, businesses of color are more likely to be smaller and newer, which may mean that they're not as well positioned to face the sharp declines brought on by the pandemic. The impact of the pandemic on small businesses in general would likely have been more severe if it had not been for the availability of various government-sponsored emergency assistance programs like the Paycheck Protection Program (PPP), or the SBA's [Small Business Administration's] Economic Injury Disaster Plan, or other programs. The major point of this slide is to show that the PPP was by far the most sought out program by our survey's participants or respondents.

Now, although the PPP program was widely sought out, this chart looks at why our survey respondents reported that they did not apply for the program. And we show this by comparing the overall survey participants via the blue bars to isolating what small businesses of color told us by looking at the orange bars. And a few general observations about the reasons why many of our participants didn't seek out the PPP. And these include things like they thought they wouldn't meet the qualifications for the Paycheck Protection Program or for its loan forgiveness, as illustrated by the first set of bars. And then the second ranking reason was that they thought the program process was too confusing.

Now, by comparison and via the orange bars, let's look at what our small businesses of color reported about their experiences. They had a greater tendency to say, one, they found that the program process was more confusing. Two, they missed the deadline. Three, they didn't find a lender to accept their application. And four, they simply weren't aware about the program. These responses from small businesses of color may be why the initial PPP did not have the same pickup by small businesses of color, despite their needing the funding.

Now, let's focus on businesses that did apply on this next slide. As we discussed previously, the majority of our survey group reported they applied for the PPP. And on this next slide, we're looking at a chart that

shows application rates and outcomes by race and ethnicity of the business owner. As a baseline, the top set of bars show the percent of our survey group that reported they applied for the PPP funding as shown by the blue bar.

And that indicates 82 percent say that they applied. And the percent that said they received all of the funding they sought as shown by the green bar, indicating 77 percent, saying that they received all of the monies they sought.

Now, when we tease out who applied and who received the PPP funding by race and ethnicity, as represented by the following corresponding bars, we see that Black-owned businesses were the most disproportionate or smallest group to say they applied and they received the PPP.

The major access to the initial PPP program was via banks and providers like FinTech and other lenders, but they were to a much lesser degree than banks. So when we look at this chart that says businesses with banking relationships were more likely to apply for a PPP loan than those without one, which is again, broken out by race and ethnicity, we see that the high/low response rates this time are between Asian- and Black-owned businesses.

The blue bars on this graph represent PPP application rates when our respondents reported using banks as a financial provider and 86 percent of our Asian and white business owners responded affirmatively, whereas Black business owners reported they weren't as likely to apply even when they used the bank.

Now let's focus on the gray bars, which represent PPP application rates from our respondents that said they did not use banks as financial service providers. And in this case, our survey's Asian owners reported at the highest level. And again, Black owners reported at the lowest level. So to thread our last few slides together, we see that, across race and ethnicity of ownership, our data show that businesses that had connections to banks were more likely to apply and more likely to obtain the PPP funding they sought.

On the next slide we see that from among our survey participants, small businesses of color are less likely to use banks in comparison to white-owned businesses and the racial and ethnic group that indicated they were

least likely to use a financial service provider was again here, Black-owned businesses.

Now, what does this mean? Why is it important? Well, given the importance banking relationships appear to have played in helping businesses access the initial Paycheck Protection Program, it would stand to reason that small businesses of color would have likely faced challenges because they were less likely to use a bank as a financial service provider prior to the pandemic.

Now, let's briefly explore why small businesses of color reported they chose not to apply for financing. And this chart represents their major cited reasons. The green bars show the share of businesses by race and ethnicity that didn't apply for financing over the 12 prior months because they reported having sufficient financing. Over half or 56 percent of white-owned firms reported they didn't apply because they didn't need the money.

However, this level of sentiment was not echoed by small businesses of color because just 24 percent of them reported the same. Discouraging is the major factor represented by the yellow bar and it's the major factor Black-owned businesses said they chose not to apply. Discouragement can come in many forms. It can be both externally and internally driven. And it's said to be tied to social, historic experiences, knowledge, and beliefs about inequities and inequalities.

So, one way discouragement can or may manifest itself is a why even bother attitude. Of course, we don't know what the exact rationale for discouragement was. However, those are some common thinking on the subject.

And lastly, we're going to take a look at the gray bar and on this chart it represents other reasons why businesses say that they didn't apply. And these include things like they felt their sales were too weak, or they had sufficient collateral, or they thought that they were just too new for a lender to approve their financing.

Now, on the next slide, we have a new chart that turns our attention to the small businesses that did seek financing. We previously focused our attention on PPP funding, but this chart speaks to other types of business financing that businesses see, and it breaks this down by the owner's race

and ethnicity. And it shows that 40 percent of white business owners reported that they were successful obtaining traditional financing, whereas the rate declines to just 31 percent for Asian-owned businesses, 20 percent for Hispanic-owned businesses, and to just 13 percent for Black-owned firms.

One possible rationale for the gaps in these statistics might be that small businesses of color are more likely to seek financing to pay operating expenses. And our data show that businesses that seek financing to pay for operating expenses are not as successful as those that seek to obtain financing for things like capital assets. Still, our survey findings don't explain the entirety of the gap, even when we're controlling for things like age, industry, and revenue size of the business, race and ethnicity still seem to show differences.

Now, as we check out our next slide, we're looking at what small businesses reported as their top expected challenge for the coming 12 months. At the top of this chart, we see that in general, our respondents reported demand as their top pandemic-related concern and concern over demand was also the top of mind for the majority of our other racial and ethnic groups from white to Asian to Hispanic business owners. And the only exception in this category was Black-owned businesses who uniquely considered credit availability as their greatest concern.

Now, let's pause for a moment and think about this unique data finding. For Black-owned businesses of all the possible challenges that was reported as being the most significant for businesses, they could have said it was weak demand or supply chain disruptions, it's labor shortages, or even family obligations. However, Black-owned businesses uniquely reported credit availability as the most significant barrier facing their business.

Now, we covered a lot of information today in a very short period of time, and there's certainly so much more our Small Business Credit Survey speaks to for small businesses of color and for all the small businesses in various market segments. So I, again, invite everyone to check out our very small business reports that are posted to our fedsmallbusiness.org website.

And just summarize some of the things that we talked about regarding small businesses of color, we went over some baseline information during

the first seven to eight months of the pandemic in 2020. And we saw that small businesses of color, particularly Black- and Asian-owned businesses were more often to express concerns around their financial conditions than white-owned businesses. We also discussed that in a year when emergency funding and financing kept many businesses afloat, small businesses of color were less likely to obtain the funds they needed.

And similarly, when dealing with the Paycheck Protection Program, and that was one of the federal government's primary programs to assist small businesses in the wake of the pandemic, our data showed that small businesses of color reported that they were both less likely to apply, and they were less likely to receive the amount of funding they sought.

Again, just to thank everyone for their time and attention. And it's been my pleasure to be part of today's program. And I appreciate the opportunity to share information from our 2020 Small Business Credit Survey. And I'd like to turn the program back over to George Sample.

George Sample: Oh, Maria, thank you so much for sharing that information. That's an excellent foundation for the conversation we're going to have going forward. I'd like to pull Jenice and Brian into the conversation, and I'll start with Jenice.

Jenice, just give me your initial reactions to the information that Maria shared with us. Anything that's kind of top of mind for you as she went through the information she shared with us.

Jenice Contreras: Yeah. Well, George, first of all, thank you and Maria and the whole Fed team for creating the space for this important conversation and dialogue, and obviously for all the work that goes into gathering the data of the survey and now communicating it. And it's like, "So what? What do we do with all of this information," particularly for practitioners and folks that are on the ground, trying to create programs to address a lot of this disparity and really make sure that our business owners are connected. A lot of the results of this survey were not surprising. Reasons why businesses may not have been able to participate. The number one reason was we didn't know if we qualified or were we eligible? This was a very different way of doing business. It was a moment of crisis. And SBA was trying to figure it out while all of the financial institutions were trying to figure it out.

And then we were trying to translate what that means to the average small-business owner. And that in itself had an enormous amount of challenges just still addressing issues that digital divide with entrepreneurs is super huge, with the average entrepreneurs not sitting behind a laptop like we are in a Zoom call. They're out doing the work specifically as we are faced with the largest workforce crisis ever seen. Again, it just is challenge on top of challenge on top of challenge and peeling back the onion and really getting to the root issues. So, many were able to participate in these programs. Unfortunately, and disproportionately, minority entrepreneurs really were not able to, couldn't figure it out, didn't have the resources. And honestly, sometimes didn't even have that financial institution to connect with. Didn't know their banker, didn't have that established relationship that mattered so much in a moment of crisis of having financial institutions reaching out to their business clients and saying, "OK. We could help you. We could walk you through this." Unfortunately, many of the smaller businesses were not even getting a call back.

George Sample:

Gotcha. Thanks for sharing that. And Brian, I would pitch it to you, your initial feedback or initial thoughts from hearing the information shared by Maria.

Brian Hall:

Sure. Well, first of all, thanks to George and Maria. Thank you for that great presentation. I think it's information a lot of people need to hear and see and hear and see more and more. It's a pleasure to be here with Jenice. We are working on these issues. We're working on it for both the Black and Latino community. And it is part of the shock of this information is that we still have to tell the story because those people who are practicing and working with businesses already know. You started by saying, "The opinions expressed are my own and not those of the Federal Reserve." So, I'm going to say, "The opinions I express are my own, but shared by many." And that is that we need to rethink space that this data tells us.

And I'll give an example. The public sector right now, with the amount of money being funded through the federal ARPA [American Rescue Plan Act] dollars is considering how to address small business capital. And there needs to be a connection between this survey and the data that is learned from this survey as those programs are designed. Without that, we will design things with the same perspectives that we always have designed things, and we'll get the same results, and we'll do a survey three years from now and ask, "Well, why didn't more Black and Hispanic and

Asian businesses participate in this small business program that had every wonderful intention?”

And so, I would just encourage us that we use this data as we’re doing this work, and especially the Federal Reserve Bank that has such a prominent intellectual space, that you use this data to ask our lenders and our public sector to think very hard about how programs are designed.

George Sample: Yeah. I want to connect a couple of things. So Brad, you just mentioned the ARPA dollars and Maria, in your presentation, you mentioned PPP, which is one way that people can get funding, other ways can ... and I put this out to the entire panel, what are some of the other things that go beyond PPP that businesses can use as avenues to get funding? And how can we do a better job of making sure people know how to tie into those sources?

Brian Hall: Denise

Jenice Contreras: Yeah, I ... is good. Well, I’ll get us started. So, obviously prior to COVID, we have CRA, we have a lot of programs that are intended to serve low- to moderate-income communities and businesses, and so forth. Yet, we know that we’re not getting the results out of the programs that we would like to. We all know that our financial institutions could do better specifically at reaching these target populations.

So, I think beyond some of the new federal resources that are becoming available, which are great if we don’t take it as business as usual. It’s business as unusual. And therefore, it requires us to change, to change a lot of the way that we go. And I agree with Brian. I think that the jury’s still out on that one. Are we really going to be intentional on our approach and target challenges directly at their core versus just trying to run programs the way we typically do?

And so, I think it’s an enormous responsibility and accountability that we have to put on our financial institutions on reevaluating their programs. We’ve seen every banking partner, most of them on this call right now. All my friends kind of roll out these new programs and these new packages on CRA to really try to get to this core. And more often as much as I love my colleagues, I’m a little under-impressed because it just seems like we’re just repackaging what we’ve been doing, and yet we’re not seeing the results and the impact that we want.

And so, we all have the same common goal. How do we deploy capital that it gets to the most hard-hit businesses and that we really help build wealth for these organizations? And so, I think there's still a lot of work to do. I think the Federal Reserve plays an enormous role as a convener and as a facilitator for a lot of this great work that we still have a long way to go on.

Brian Hall: Maria, did you ... If not, I'll go.

Maria Thompson: Please do, Brian.

Brian Hall: So George, I think that's a great question and not a lot to add to what Jenice said, but it is about thinking differently to address the data and address the concerns, the fact that there aren't banking relationships. So what are the new ways to reach individuals?

And the PPP was a good example. And we looked at the data in our region for how businesses, small businesses, and particularly minority businesses got PPP. And the majority of them did it through FinTech companies rather than the banks because of the lack of banking relationships, or the lack of trust, or the lack of credit, or whatever it might be. But we're able to access it, and from what we've heard anecdotally, the service from those FinTech companies for those PPP loans was not at the level it needed to be.

So we have a bigger problem, and I would raise one other problem. And I think, Jenice, you and I are on the same call when we heard this, that the number of companies that got PPP loans and are eligible for forgiveness or are eligible for EIDL [Economic Injury Disaster Loans] grants, it's following the same track. So, our region, if we don't get 100 percent of the companies to apply for forgiveness, it's going to be a sucking sound of capital out of our region. That's money that the government is ready to forgive, and it'll follow probably the same track as the data that Maria shared on who takes advantage of the forgiveness.

And so, we have a double tsunami that we didn't get enough businesses to get the money. And then those that did get the money don't apply for the forgiveness. And now, they owe more back to the federal government than they might have otherwise. So, we really do need to have a transformational stop and rebuild of how we're looking at this.

Maria Thompson: And if I may add to that, Brian hit on another one of our findings from the Small Business Credit Survey. The report on firms of color show that many small businesses of color were not totally satisfied with the services they got from online lenders. And one of the points I was going to bring out while it's important to establish a relationship with a bank or financial institution, a business will always want to do its due diligence in terms of whether the types of programs that these institutions are offering, and what's the best product for me. And it may not always be a financial institution. It might even be a state office of the treasury. They've come out with a lot of different programs.

So there might be some other types of avenues, but certainly in terms of how we, or how small businesses are evaluated for access to credit is a big discussion, we know today, and with the thought that meeting people with where they are. And as that applies to our small businesses, where are they? Do they have all of the financials that would poise them to get access from a lender? Are their needs, as we pointed out from the Small Business Credit Survey, different in terms of what maybe non-minority businesses need money for, capital assets, as opposed to operating expenses? So, how can all of these things be evaluated differently to be more inclusive?

George Sample: Awesome. So, a small, quick housekeeping note. If anyone in the audience has a question that you'd like to do, please raise your hand. Toward the top, you have a little hand icon next to a face. Hit that button if you have a question you want to ask, and then our AV team will take you off mute, so you'll be able to ask the question. So Maria, I want to follow up something ... Oh, go ahead, Brian.

Brian Hall: I just wanted to also add on the ends of the spectrum when Maria talked about those businesses without employees. So if Black and Latinx businesses have more percentage of businesses that don't have employees, they're already ineligible for PPP.

Secondly, on the other end of the spectrum, you mentioned that I chair a group of Black CEOs and this group of CEOs, it's about 130, have businesses larger than \$10 million. And probably on average a hundred or so employees, sophisticated businesses. And right after COVID, and as these programs were being announced, we started having a weekly call on Sundays. And even these sophisticated CEOs with companies that have CFOs, et cetera, were asking for help understanding how to apply, where

to apply. “My bank told me if I didn’t apply by this deadline, the money was out.” And we were fortunate enough to have the kind of clout to get resources from Washington on these Sunday calls to help this group navigate. And I mean, some of these loans might have been million-dollar loans.

So, look at the spectrum of minority-owned companies from those who have no employees to those who are very sophisticated. And they’re still a challenge with how you access this, and it starts with relationships. So that relationship that we had brought someone from the SBA to our Sunday call and we got all the answers so that everybody could make a phone call. And that next week, people were complimenting our coming together and how it helped their businesses because they were in danger of laying off hundreds of employees. So I think we have to think about the complications of these things as well.

George Sample: Yeah. That’s a great point you raise. That goes back to something Jenice said earlier on about a lot of these young entrepreneurs. They’re not in front of a computer like we often are. They’re out in the business running their business because they’re the lead person for their business.

Can we dive a little bit more into what are the sources of help? So Brian, I’m glad to hear the story about you making sure that group could established us on the Sunday call and correct did help. Are there other ways that we can provide more help toward the small businesses to help them get on a more even playing field?

Maria Thompson: If I could answer that by dovetailing what Brian said, I really think he could have written this Small Business Credit Survey report because he pointed to another finding from the survey. And that is that small businesses of color on average had to apply for more types of programs than white-owned businesses. And for this report, we are talking about employers or companies like Brian are referring to that employ people. But certainly we have the entrepreneurs, the startups, the gig workers, the types of companies that the owner is the only employee. But it would also seem from the data that what Brian said from his Sunday call is very true in the sense that small businesses of color, even when they employ people, one of our survey findings was is that they’ve had to make more applications for funding than white-owned businesses. So the data, I think, actually dovetails what Brian told us anecdotally. So, and I think that’s very powerful.

Jenice Contreras: Yeah, absolutely. I think one other thing, to Brian's point, and then George I'll get into what are the resources and how to connect entrepreneurs is the second round of PPP, you had to have demonstrated loss of income in 2020. And so for a lot of businesses, we had some businesses that started in 2019; 2020 was their first year. So they were not eligible for the second round of PPP because they couldn't demonstrate the loss because they didn't have the historical perspective.

So there was just a lot of challenges even when you were able to get that initial two-and-a-half months of operating. It was not a whole lot. It was significant and impactful, but it really wasn't a whole lot. And a lot of businesses were still shut out of the second round, now trying to get everybody to even get the forgiveness piece.

So again, super complicated. It's complicated for us, the practitioners, much less for the actual entrepreneurs just trying to make sense of all of this. And so, Maria, to your point, while there's a lot of resources and really having to do the research on what are the best options for them. That just takes an enormous amount of sophistication and time. Again, and it's a time that more than ever, again, addressing issues around the workforce that entrepreneurs just don't have. They don't have that luxury to be able to sit on a Sunday afternoon and just research what is going to be the best option for me.

And so, oftentimes they are relying on organizations like mine's, organizations like the commission and Presidents' Council and all of the SBDC [Small Business Development Centers] network, the Women's Business Center. So, I think Cleveland is fortunate that we have quite a robust, sophisticated ecosystem of folks doing this work.

I'll tell you for our organization, on average, our Small Business Development Center serves 400 business clients a year. Last year, we served 1,030. I don't have new staff. On the contrary. My team is smaller.

So the amount of strain that a lot of our organizations are experiencing because entrepreneurs are desperate. They're really trying to figure out what can they do to save their business. I mean, they are in crisis. And so, while we're all trying to do our best, all these organizations that I listed are under-resourced. They were under-resourced before COVID. You want to talk about being under-resourced now? It just adds a whole other level of complexities, even when we are the best-suited individuals to

really help entrepreneurs decipher for what are the best options for them, what are the best products, what are the banks that are really making things happen, and then having those relationships.

And I think we are fortunate that we have a lot of our financial institutions, again, most of them on this call, that were able to do that. In my organization, I did a call to action and created a Latino access to capital task force and invited the banks and other financial sources to help me figure out why we're having such an issue with getting capital to Latino businesses. And we're still in that journey, but I think on both sides we've learned because we want to be that connector. We want to be able to say, "Hey, these are the best options for you," and kind of be that clearinghouse for entrepreneurs on really being able to understand what their best options are based on what's out in the market.

Brian Hall:

Yeah. I would add to the idea of resources, again, echoing, and amening Jenice, first and foremost, the organizations that exist are undercapitalized and they don't have the resources to do the job. And it's so interesting, and I know you've heard this, Jenice, that as you go to seek philanthropic funding, you have to demonstrate your impact or demonstrate your ability to create results. And then at the same time, you don't have the money to create the results that you need to ... It's a vicious circle. How much you can pay your staff, what's the talent of the people that you can hire? We're launching the Minority Business Development Agency and we got a pretty nice-sized federal grant when you look at the total number, but it's over five years, it's divided by four people. And we look at what we can pay for a business advisor. How strong is that resource going to be to help a business based on the salaries that we're able to pay? So I think that's one side of it.

The other side, and it is our friends at the banks who have the ability and have the interest to serve this community. But, as I said earlier, I think there needs to be a rethink about how that happens, and I've said this before on *FedTalks* or in times when the Fed has invited me. They may stop inviting me because I keep saying this, but the CRA program does not measure impact. It's not accountable. It measures intention.

And so, if you invest in a neighborhood by building a low-income property in this neighborhood, then you get credit for CRA, but it doesn't measure whether the income of that neighborhood changed or whether the businesses were created or whether more capital was available to those

businesses, not to the developer that was building in that business, in that neighborhood.

And so, for the neighborhood where you're located, Jenice, I'm pretty sure CRA can qualify. And I bet it could qualify 20 years ago. And so, if CRA is doing its job, these neighborhoods should not continue to qualify for CRA because we are measuring the impact. The income in those neighborhoods should go up, the capital in those neighborhoods should go up, and the median wage that makes them qualifications for CRA should go away. We should go out to another neighborhood. And so this might be my last time, y'all. Thanks for inviting me again. But, as I said, these opinions are my own.

George Sample: Oh, definitely. Thank you for sharing that opinion. I want touch something that's parallel to this conversation. As we talk about bigger contracts and then minority- or small-owned businesses who try to come in as a subcontractor for those businesses, do you have any helpful tips or things that those business owners should be thinking about to make sure they're properly positioned to be successful as they come up to you as subcontractor for bigger contracts?

Brian Hall: I'll jump in. So, part of the work we do is trying to connect companies to those contracts. And I think there isn't a one-size-fits-all answer to this because we just talked about the size of the business and the capabilities of business, and whether they have employees or not. So, when you're talking to the Cleveland Clinic or Eaton or Parker Hannifin, big companies who are looking for suppliers, there has to be a fit with the capability of the company and what they're going after. However, there are many companies in both of our communities that are capable of doing that and they're doing those contracts whether they're supply contracts or service contracts with other major corporations.

So, part of what I would say, George, is the onus is on both sides. It's just like in the capital. It's on the entrepreneur's side to be ready and capable. It's also on the business's side to have an open door and a policy that's looking and welcoming to businesses that may not look like the ones that are usually there.

And the other part of that is sometimes the service is national, maybe even international. And can that service be performed locally? So, if the banks are looking for someone to do, I'll use travel services or snow plowing,

some of that is bought locally and some of that's bought nationally. And so there has to be a good fit there.

Jenice Contreras: So, to this, there's a couple of layers to it. One, when it comes to prime contracting and then subcontracting, I think we have some real, real challenges and real barriers on primes wanting to self-perform and not wanting to deal with the subcontracting process, specifically when it deals with diverse firms. And so, I think there's a lot of responsibility that goes on the project owner and what is their expectation and how they're going to manage. That and intentions are not good enough. We want to see impact. We want to see dollars spent in subcontracting opportunities and we want it to be intentional and authentic. Just best effort is just not good enough anymore.

And so, I think as a region, I think there's been lots of efforts to try to improve this. We've had benefits agreements. We've had all kinds of initiatives to really try to drive on setting an even playing field for subcontractors, livable wage versus union shops, but we're still not there. And so, I think there's just a huge opportunity still that's missed and challenges the subcontractors face in trying to get in.

I've seen organizations, project owners be very intentional about that, really hold their project owners into who do you have that's diverse and what is the dollar spend?

I will give an enormous shout out to Cuyahoga Community College. I've seen them grow from zero Latino spend to really making headways and no, they're not where we want them to be, but they are making very intentional efforts to get there. And I think there's maybe a few other examples, but it's taken way too long, just like everything. That might be just a Midwest thing. But I think that's definitely one issue.

I think when we see minority set-asides, and particularly in government, the state has a pretty robust set-aside program. There is a disconnect between the types of set-asides and the actual businesses that we have that could do this work. So, if I get a set-aside bid of opportunity from the state for meat packing and we have zero minority firms that do meat packing, why do we have a set-aside for that category?

So, it seems very big basic to us. But for whatever reason, there's a huge disconnect. And so making sure that a lot of these programs are really in

maybe the top five categories where we have firms that could actually deliver the service and bid, competitively bid, because ideally we would have more than one minority firm that can meet those demands.

And so, again, another just area where we are missing the buck, and then, when it gets to more just procurement and supplier programmings within large institutions, there is also a disconnect between that procurement officer that is out there working with me and Brian and grassroots organizations and the actual buyers. Buyers have a culture of who are their preferred vendors and who they want to go to. And so, unless it's the culture shift within that organization where you're going to hold buyers accountable to making sure that they have some sort of inclusivity in their spend, you're going to continue to see that disconnect. Because I see that frustration from the kind of procurement community person, but then still internally not being able to get there.

So, again, huge regional issues, lots of different layers into that, but really having a lot of these larger corporations needing to change the way we're doing business. I mean, it's the only way we need to just go back to the drawing board and really figure out what our intentionality is around inclusivity, primarily with entrepreneurs and small businesses.

George Sample: So, since Jenice already came back from the future and answered my next question, I'll send it to Brian and Maria as well, because I was going to ask, on the other side of things, what can organizations do to enhance their supplier diversity efforts?

Brian Hall: So, we started an effort about two years ago and it's been very quiet, but we hopefully are building momentum. One of the things that we try to examine is the demand. Is there really a demand for diverse suppliers? And if so, let's identify what it is, to Jenice's point. Let's say, "Here are the categories. Here are the things that we're looking to. Here are the real opportunities," and then to get buy-in from the top of the organization.

So we launched something called CommitCLE, where we asked organizations to commit to increasing their supplier diversity spend over a period of time. We've got 18 organizations, including the Federal Reserve Bank, thank you all. Maybe I will get invited back for that plug, but thank you all, that have made a commitment to, and now we're come together quarterly. We have scorecards, we have the leadership commitment at the top, and the group is holding themselves accountable.

And while this may seem like a small thing for the years that I've been involved in supplier diversity, we're always trying to fix the supplier. We're always looking at the capacity. We're looking at what's wrong. What don't they know? How can they get in the door? We could teach you how to network better. Here's how to work a trade show, et cetera. But we have never focused on the corporations and organizations on how do you get better at doing this? And so that's one of the things, George, that I would say has been missing. And we're trying to put the focus on that while we do all the other things that are vitally important.

Jenice Contreras: George, I wanted to just add as the US Census data is coming out around our 2020 Census, the US Hispanic Chamber of Commerce issued just a preliminary white paper on the growth and population specific to the Latino community. We are 62 million strong and the fastest growing population in this country. And so, while we're that, there was a startling data piece that they shared, and they said that this is an enormous opportunity. I'm going to quote exactly what they said on the report. "It is very important that the US government and corporations meet this growth, our population growth, with more equitable opportunities to provide parity and close the \$1.38 trillion opportunity gap that exists between Latino enterprises and what they would generate if they were invested in, compared to the non-Latino counterparts."

\$1.3 trillion of an opportunity gap of investment and procurement opportunities for Latino businesses alone. I would love to see what this looks like for the Black community and the Asian community. So, there is a lot of work to do in this area of procurement, and diversity, and inclusion, and diversification of who are our suppliers and doing business as unusual.

Brian Hall: I just want to ...

Maria Thompson: ...

Brian Hall: Go ahead, Maria. Go ahead.

Maria Thompson: And I would answer that in a similar way to Jenice is that focusing on the contribution that's either made or lost as a result of not utilizing firms of color. And then, I think you have to also keep in mind why this conversation is so important because you have basically two types of industries. When you look at this, you got the public and you got the

private. And a lot of organizations that utilize public dollars, there's some accountability that they hire, utilize firms of color in their work or minority business enterprises, I should say is the more correct name.

However, when it comes to private industry, then it's a much different picture because it's up to that business owner to say, "Well, I'm going to do this because this is the thing to do because it helps the economy." However, that can't happen in a vacuum. And so, building that sensitivity I think is really needed and we've got a great corporation or organization, I should say, in the Greater Cleveland Partnership and with Brian's leadership to help private industry see that light.

George Sample: Yeah. And that's an interesting comment, Maria. And I tie that back to Jenice's comment about buyer culture. I mean, I know that's getting deeper down into it. Are there specific things that we can do that help to uproot that buyer culture? Because at the end of the day, it seems like that's where decision's made at. Is there anything we can do beyond that's what's been already mentioned?

Brian Hall: Yeah. I think what we're trying to do, George, and we heard this, I told you this has been a two-year-long project. We heard this last year as we started convening the buyers. I never heard the word risk used so much in a meeting. This group of probably at the time was 10 or 11 buyers. And as we talked about supplier diversity, and they were giving us feedback and we had to listen. We could try to say, "Hey, it's not more risky. White companies fail just like Black companies fail."

But their concern is a couple of things. The buyer culture is to purchase the most efficient cost-effective value proposition for their corporations. And sometimes it's to consolidate and have fewer suppliers rather than more suppliers.

And so, it's not a culture that lends itself to this idea of, I need to bring new suppliers into the stream. I need to figure out how to break up this contract so that I could do business with three suppliers instead of one big one. And so, we're just up against it.

And then, I think the most important thing from what we heard and what they asked us for, and these were senior people in organizations was we need our CEO on board because when I go to talk to the people in transportation and say, "I found this great Latinx transportation company.

They're capable. They're doing all this great work." And that transportation director says, "Well, we already have some people and we're not going to bid this out for another year," or "I don't want to take a risk with moving the business." They need to have the cover of their leadership to say, "This is important." And then the why is it important is not just the contribution to the economy, but that is big.

I think the stats in Buffalo, which probably would mirror our stats, are \$14 billion of lost revenue and our Greater Cleveland economy because of inequity in supplier diversity and income. And I think it's \$13 trillion nationwide. And in fact, given the data from the Census, if we don't have minorities that have equitable income and wealth, it just won't work. We're going to be a country where, and I think it's in 2046, the median Black wealth will be zero. And I think the Hispanic community is not far behind. It's moving in the wrong direction. And we can't have a country where wealth sits in just a small percentage of the population and expect that's going to work for us.

George Sample: I love the fact that all of you come with numbers. The data you'd be able to, that's been helpful for our audience. Now, I remind our audience, if you have questions, please raise your hand or you can put them in the chat. We do have one question that I pulled up just specifically for Brian and I guess others can chime in. The question is, "Who organizationally should be focused on notifying/encouraging vendors to apply for loan forgiveness?"

Brian Hall: Yeah, I saw that question in the chat. I think it's the clients to apply for the loan forgiveness. And first of all, I got a PPP loan and my bank ... And by the way, Maria, I did have to apply more than once. I had a bank that said, "We aren't doing PPP loans anymore," even though I have my payroll with them, had my operating account with them. Went to a second bank. And the second bank said, "Oh, we will do your PPP loan application, but only if you move all your business from that bank to my bank." And finally, I got to a third bank who was looking at their lack of diversity in their PPP loans and was actively seeking minority companies to apply. And I did have to open an account there because I didn't have one, but I did have to go through three banks. But the banks then should make sure every company they've made a loan to is aware of and applying for that forgiveness. And they could do that in partnership with organizations like the Hispanic Chamber, and Presidents' Council, and Urban League, and

others who have that relationship. But I think that's how to answer that question. I think it's first the banks.

The problem goes back to what Maria said, though. The FinTech companies who did the loans, they aren't following up. They did a loan and they're gone. And the people who got loans through those online sources, maybe on their cell phone, don't have a customer service person to talk to or to call them and say, "Hey, let's walk you through this application for forgiveness. You got a tip \$20,000 loan and maybe all of it could be forgiven."

Well, the next thing is going to happen, they're going to be sending the bill for payments and that small business, depending on how they're doing, may yet have a failure because they didn't take advantage of the forgiveness. So, that would be my answer to the question. Thank you.

Jenice Contreras: Yeah. And just to add to that quickly. Maria, I think that this would be really good to see how SBA would respond to that. How do we address this issue that we have with FinTech companies that don't have customer service lines or that folks can't reach beyond? I mean, we have folks that got an acceptance letter for their PPP and nothing else and never got their money and couldn't go anywhere else because they were no longer eligible because they had an acceptance letter.

So, it would be interesting to see what's SBA's response going to be to assist with that along with the loan forgiveness for, again, FinTech users and these FinTech lenders for their PPP. So I think that's an area of maybe some advocacy and I believe, I think I saw Maria from SBA on the chat. So interesting to see what happens with that.

George Sample: Very good question just popped up in our chat. Question is, "Are you seeing minorities opening/starting new businesses during the pandemic or people holding back because of all the challenges that have come with the pandemic?"

Jenice Contreras: Yeah, I want to say it was another *FedTalk* that I participated on that the numbers were brought up on just the state of Ohio's Secretary of State and how many new businesses were opening in the fall. I think it was like September, October, November, women-owned businesses, minority-owned businesses were all at a rise.

So, I think definitely. I mentioned to you guys we went from 400 to a thousand clients in 18 months. We are seeing more folks turning for a lot of different reasons. We are in the midst of a pandemic. People are trying to figure out how to care for family, how to take care of health, and how to still generate income. And so, while we have this workforce shortage, we have a ton of displaced workers that for one reason or another, have to come up with other alternatives and becoming an entrepreneur has definitely been the space to do that. Obviously, we'll see how many of these small businesses will be able to really generate income and really become wealth creators for their families, or folks who would eventually go back to the workforce and put the business in the back burner. But we are super strapped with enormous growth in small business startups.

Brian Hall:

I was on that same call, Jenice, and it was sort of amazing. And again, at the same time, I remember he was saying there were more business that started, the state of Ohio created a grant program for businesses who had started in the last year or two since they weren't eligible for the PPP or the EIDL, and the participation was low, lower than they expected. So they're going to end up with surplus funds at the state for that. And I think there's potentially, and I don't know this except for anecdotally. I think that because of the pandemic, a lot of people who had these dreams of owning a business or maybe lost a job because of the pandemic, or had to work from home because of childcare issues, et cetera, said, "Hey, well, I'm going to start my business now. I'm going to do this." And it's a gig economy and there's ways that people are doing reselling businesses and other things right from home.

George Sample:

Well, since we're here in this conversation, what advice do you have for women- or minority-owned businesses that are getting started up right now and how can they best position themselves for long-term success?

Jenice Contreras:

Yeah, I mean, definitely get connected. We've referenced all of the organizations and many more that are here for the sole purpose of helping entrepreneurs grow and thrive. The new impact, the SBDCs, the women business centers, Hebrew Free Loan. I mean, there's so many options and really just figuring out what's the one that works for you. We all play well in the sandbox. We all refer to each other on any stage, but really be connected, educate yourself. Most of the times we have entrepreneurs that have a passion and just labor, sweat equity, but may not really understand small business accounting or ... That's one of the challenges in PPP. They didn't feel like they had their paperwork in order, in order to be able to

apply, so really get some of those fundamentals so that you are empowered to be able to do that.

Don't be scared of credit, understanding your credit and what programs are out there. We understand that not everybody might be able to walk into a traditional bank and get funded. And if so, a lot of these organizations can help you. There's so many programs now, more than ever, but it requires making those calls. It requires getting connected. And, as much as we understand that small business owners are busy running their businesses, you also have to work on the business and on the strategy because you are the owner. And that's the only way you're going to grow is investing in yourself and your ability to run an effective business.

And so we as organizations are only as good as the impact that our businesses have and that's revenue, that's sales, that's impact. And so, again, we can't do our work unless they take the first step to really becoming connected into the network that already exists and spending the time on being empowered with education around small business growth and development.

Maria Thompson: And I would just say it, if I may, on that point about being connected. I'm amazed at how much information is available via the internet now. I was formally a small business owner myself, and I remember paying all these fees to belong to a major chamber of commerce, however, just to get access to this information or that information.

And if you go out and just do a simple Google search, whether it's on taxes or whether it's on LLC versus sole proprietorship, there is a wealth of information. And then there's a wealth of webinars because everyone's pushing things out via these other platforms today because of COVID.

So making those connections or educating oneself as a business owner, I think in a lot of respects, certainly in some ways it's more difficult, but in certain ways it's also become easier because of the information that's available electronically.

George Sample: OK. So, we're going to go toward wrapping up today's discussion. So, if you have any last questions, please do feel free to put those in our chat.

So, for our panelists, as we come to conclusion with today's discussion, I want to ask do you have any parting thoughts in regard to the landscape of

small business credit or our minority- and women-owned businesses? Anything that will be a great wrap-up or a great conclusion for today's discussion?

Jenice Contreras: So, I think my talks and I referenced briefly our Latino Access to Capital Task Force, which has really been an initiative to bring our financial institutions together and, one, help understand the challenges that our entrepreneurs are facing when trying to access capital, but as well as to help them learn why they have a hard time. Why, if I go to the bank and you have a neighborhood bank that's not representative of its community. That if I go to the bank down the street, do they look like me? Do they talk my language? Can I relate? Banks are still very relationship driven. And so those relationships are based on being able to have that connection.

Each bank handles small business lending differently. Sometimes the branch manager could do that. Sometimes you have a call center where you have to figure out your application process.

Even when we talk to our banking partners and CRA products, what are the top challenges? Incomplete applications, they don't have a full business plan. It's just not a viable business. Those are all things we could fix. Those are all things that we could fix to close the gap. So, just like I want to refer to the banks, I want folks to be bankable. I want them to get lots of yeses. The banks also need to rely on us and use us as partners and figure out meaningful engagement so that we close the gap on this access to capital issue.

So, the onus is on all of us to try to solve for these problems and to really look at the way we're looking at banking differently. Brian has mentioned it a bunch of times. We cannot continue to do the same thing and expect different results. And so, and we get that sometimes a lot of our banking partners are trying to push us upstream with decades of just bureaucratic kind of ... And then, not to mention the legal limitations the bank have on what they can do, what they can't do, what they could report, what they can't report to try to get to those hurdles. But we have to attack that. We really need to address the issue at its core, or we're going to keep spinning our wheels, wasting times, and our communities are going to continue to disintegrate specifically in small business lending.

Brian Hall: Well, Jenice, you sum things up so greatly. So I would just add on the capital side, we have seen, I've seen glimpses of small funds that have

been able to make loans based on something other than a credit score, take into account a person's financial history or where they are, their preparedness. Make loans or investments that are as much character-related as they are credit-related. And you may have to start small to be able to do that. So, if there's a role that the Fed and CRA could play in maybe relaxing some of what Jenice mentions in terms of the regulations to allow banks to do that, or to invest in entities that are doing loans like that, which Jenice is trying to launch in her community and UBIZ has launched from the Urban League a similar effort.

And the predecessor to UBIZ did 28 loans with about \$3 million of capital and had not a single default or failure doing loans based on character and preparedness, taking the time to understand that business, working with the business. And not all of the businesses succeeded, but they had the character of the individual that said, "Even if this business doesn't succeed, I'm going to pay this loan back to this organization that took a chance on me."

And so, I'm hoping we could, as I talk about transform the way we think about on the capital side, that we do more of that, because I think that's the only way we're going to lift some of the businesses that will not meet the credit score, perhaps aren't prepared yet. And I hate to even say this, because I think there's so many that are, but those that aren't, that we can build something around them to help them get prepared, becoming bankable, for instance, as a program that's happening. Let's expand that. Let's get more money to the Hispanic Center, and the Presidents' Council, and the Urban Leagues who are out on the front lines trying to do this, and the SBCD centers who have to operate on a shoestring. And then we expect them to perform miracles.

Jenice Contreras: George, I saw there was someone on the comments that said, "It must be like Brian and I have done a lot of doom and gloom today about all of the challenges that entrepreneurs are facing," and so ...

George Sample: The economy is in flames!

Jenice Contreras: Yeah! Folks are asking a little bit about, "What are the successes?" And I think that's a very fair question. I think that it's difficult when you're still in a state of crisis and trying to dig people out. And I've alluded to the workforce challenge, which continues to be, and more so for small-business owners on keeping their doors open. There are a lot of industries

and even industries that have been hit the hardest, including restaurants and food-based, who, by the way, I had somebody say, “Oh, aren’t you guys closing restaurants and businesses in your neighborhood?”

We don’t have not one restaurant or business that has closed. They’re all open. They might have consolidated hours, consolidated menus. We were dealing with a supply chain issue. It’s just going to get worse. So, in the midst of all of these challenges and living in a state of pandemic, businesses are making it and they’re thriving and they’re keeping their doors open. And that says a lot. It says a lot about the grit of entrepreneurs, specifically entrepreneurs, enterprises of color, on being able to continue to do what they do. The organizations like mine, the folks that are supporting this work, continuing to do that. And so, I think there’s a whole lot to be celebrated there. We just haven’t had the chance to get to that point because we really want to make it to the end and really help them thrive.

I think the response of our government, while it’s been slow, it’s coming, it’s happening. We’re seeing programs that we’ve never ... For me to try to communicate to my community, “Here is a loan. And by the way, it’s going to be forgiven.” That is foreign. That doesn’t happen.

So, I think we do have some small glimpse of hope and things that could be differently, but huge opportunities, again, for a lot of the financial institutions on this call for again, the Federal Reserve to assist in a lot of these conversations on what can we continue to do to increase the level of success, to make sure, because I don’t know how much longer they could hold on. We’re 18 months plus into this. What is their bandwidth? And we already know these folks did not have bank accounts for six-month rainy-day fund. That just doesn’t exist, but somehow we’re making it. And that needs to be noted and that needs to be celebrated. Now, we just need to connect resources to make sure that we could not only survive, but we could actually thrive.

Brian Hall:

I’ll give two quick ones also, because I know we have to wrap up, but thanks for that question, because it has been a focus on what’s not working. So, a couple. One is right after the pandemic, we were approached by a transportation firm. They did corporate transportation to the airport. They had clients and nobody was flying. So now, this business, who had just bought brand new Mercedes-Benz corporate transportation vehicles was trying to figure out how to pivot.

And we convened a group of leaders in the community just to help him think through his business. This was sort of the resource George and he started doing, we were all stuck in COVID. So what about date nights? If you want to get out and go to dinner, take a car. So he started doing more personalized transportation, doing things around proms. He wasn't doing weddings before. He started doing weddings and other event and he survived. Also got the federal support to survive.

And I saw him this morning at an event for the NBA All-Star Game. He's likely to be one of the suppliers for the NBA All-Star Weekend when it comes in town. So, there's a success story for sure.

Another one was PPP. There were nine minority companies who probably had some level of PPP sales. And we were able to introduce them to the Cleveland Clinic when they were looking for more PPP supply. And the number of them really exploded. One of them actually got the contract for the state of Utah. Had not been selling that much PPP prior to, but now is selling millions of dollars of PPP to the State of Utah. So, two examples of companies that pivoted and took advantage of the programs and are doing well.

George Sample: That's awesome. And thank you for sharing those examples of success. Like you said, there are some challenges and opportunities, but also people are thriving and they're ensuring their perseverance. So, I'm glad you're able to share those stories with us.

I'll just wrap by saying thank you to our panelists. Thank you to our attendee. Maria, I know you kind of work for us, so you had to come, but especially Brian and Jenice. And Brian, I guess we'll invite you back for something. I guess. We'll see.

Brian Hall: I know. I'm probably on the fence.

George Sample: Well, definitely just a very robust conversation. All the hands-on experience that all three of you brought to this conversation was extremely valuable and helpful to me and I believe to our audience as well. Thanks to everyone who attended today's session. There will be a recording of this program going to be viewable online at a later date. And also, if you're not signed up on our email list, please [sign up](#) for that so you can know when future *FedTalks* are coming up. At this point, I will say goodbye to everyone and thanks for attending today's *FedTalk*.