

Small Business and Worker Economic Mobility Project

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In December 2020, Urbane was engaged by the Bill & Melinda Gates Foundation to understand the ways that small businesses can provide pathways for the economic mobility of low-wage workers. This document outlines the project's key objectives, findings from the research, and outcomes of the engagement.

Overview of Urbane

Urbane is a community development venture and certified MBE based in New York City. Founded in 2008, Urbane elevates neighborhood assets to build community wealth through an integrated approach that includes research, consulting, and place-based investing. We envision neighborhoods that are defined by their strengths and experienced as places of opportunity and innovation. Urbane specializes in helping entrepreneurs and anchor institutions in less-resourced communities take their businesses and organizations to the next level. In doing so, Urbane builds bridges toward equitable distribution of wealth and power by fostering community-led solutions and centering the wisdom and local innovation that already exists to facilitate a future of prosperity and shared wealth.

For more information about Urbane, please visit <https://thisisurbane.com/>

An Overview of the Economic Mobility and Opportunity Strategic Approach

The Bill & Melinda Gates Foundation (the Foundation) recently launched an initiative on work and opportunity as part of its newly created

Economic Mobility and Opportunity program. This new effort is focused on making a significant positive impact on a fast-growing segment of low-wage, opportunity-limited workers who are out-of-school, earn low wages, receive few benefits, and often have limited access to promising career ladders. This effort plans to maximize its impact by taking a “big tent” approach via partnerships with worker voice organizations, employers, philanthropies, academics, practitioners, and public sector leaders.

The Gates Foundation strives to address the following five issues:

1. Fill fundamental knowledge gaps through research
2. Influence the debate about “good jobs” to include mobility
3. Promote employer adoption of mobility-boosting practices
4. Enhance access to workers and improve their ability to navigate mobility supports
5. Support further development of dual-customer training models

Project Overview

Urbane is working at the behest of the Foundation to understand ways small businesses can improve the economic mobility of low-wage workers. Despite common misconceptions, most low-wage workers are employed by small businesses, many of which are owned and operated by low and moderate-income individuals. The Gates Foundation recognizes an opportunity to increase upward mobility by helping small businesses improve the work environment.

Small businesses often face financial and resource constraints that prevent them from implementing practices, such as higher wages, retirement plans, skills development, paid sick leave, and flexible work schedules, that can boost the economic mobility of their employees. These barriers are even more significant for marginalized and under-resourced business owners, such as entrepreneurs of color, those that have come into contact with the criminal justice system, undocumented immigrants, or victims of trauma.

Leveraging a decade of experience serving over 10,000 small businesses, Urbane believes that small businesses can be incentivized to adopt practices that increase economic mobility for workers. Over the course of this project, Urbane is developing a rubric of strategies that can influence and/or incentivize businesses to adopt mobility boosting practices without increasing the burden on the owner or the business. Urbane hypothesizes that certain types of businesses will be more accepting of specific strategies based on the industry, the size of the business, the growth stage, and aspects of the individual owner, among other business characteristics.

Research Approach

Urbane employed a mixed-method research approach that leverages qualitative and quantitative data to unearth trends in each of the geographies and inform the influencing strategies.

SCAN OF RELEVANT RESEARCH

To understand the range of strategies available to support small businesses in supporting their workers, Urbane needed to understand the conditions that contribute to how business owners make decisions and ways in which the small

business ecosystem can be leveraged. To that end, Urbane conducted a scan of existing research, including white papers, articles in peer reviewed journals, reports in mainstream publications, and research conducted by previous EMO grantees.

Through this scan, Urbane investigated a range of topics and themes including how the industry defines and segments small businesses; the definition of a good job; employment practices that improve job quality; potential influencers and influencing strategies (such as suppliers, consumers, capital providers, and policymakers), and the effects of COVID-19 on the small business landscape. The result was a written brief that outlined key findings for each of the themes.

GEOGRAPHIC SELECTION

Although the Small Business and Worker Economic Mobility engagement is national in scale, Urbane, in partnership with the Foundation, selected five geographies, corollaries for the national spread, in which to conduct primary research. These include:

- Houston, TX
- Chicago, IL
- Gary, IN
- Newark and Jersey City, New Jersey
- Indigenous communities in Central New Mexico

Urbane selected these geographies based on the outcomes of secondary research which considered the location of each, demographics, dominant industries, and whether Urbane or the Foundation had existing partnerships. Although these are not representative of communities across the country, they are sufficiently varied to reveal consistent patterns and themes.

Primary and Secondary Data Collection

To understand the small business landscape in each territory – including key industries, entrepreneur demographics, local policies, cultural norms, and the business support infrastructure – Urbane employed mixed-method research. This approach allowed Urbane to both ideate and vet existing and new influencing strategies.

Urbane began by analyzing secondary data from a range of public and private datasets (e.g., ReferenceUSA, ESRI, IPUMs, etc.) to understand the industries and sectors in which small businesses are concentrated in each of the geographies. These databases also gave Urbane a baseline understanding of the demographics of businesses owners within the key industries. From this analysis, Urbane identified 12 industries that are dominated by LMI and/or minority-owned small businesses in the selected geographies. These include:

- Home Health Care and Child Services, e.g., home managing services, daycare centers
- Personal Care Services, e.g., beauty salons, barbers, massage therapists
- Professional Services, e.g., accountants, marketing and advertising agencies, business consultants
- Convenience and Grocery Stores, e.g., markets, small grocery franchises
- Restaurants and Food Trucks, e.g., sit-down and fast food restaurants, juice bars
- Construction, e.g., general contractors, home builders, roofing contractors
- Real Estate, e.g., real estate management, realtors
- Food Manufacturing and Brewing, e.g.,

bakers, meat packers, breweries

- Freight and Logistics, e.g., trucking, warehousing, storage
- Facilities Management, e.g., landscaping contractors, janitorial services, tree services
- Creative and Fashion, e.g., clothing and textile manufacturing, artists, musician

Urbane then conducted interviews with stakeholders in each of the geographies, including some that work nationally, including municipal agencies, technical assistance and capital providers, business associations, philanthropic institutions, advocacy groups, community foundations, workforce development organizations, and incubators/accelerators.

Over the course of the engagement, Urbane interviewed over 40 individuals and organizations across the country. These industries shed light on:

- Additional small business parameters, including key industries, challenges to growth, and employment barriers not captured in the secondary data
- Existing strategies that can be leveraged to influence or incentivize small businesses to improve worker wellbeing
- New strategies that can be implemented with the support of small business ecosystem drivers
- Context on the local small business environment to understand which strategies will be most successful in any given geography
- Employment practices that are most likely to boost mobility for low-wage workers

Simultaneously, Urbane deployed a survey of

small business owners in 3 of the 4 geographies¹: Newark and Jersey City, NJ, Chicago Il and Gary, IN, and indigenous communities in New Mexico. The survey was conducted in partnership with 12 organizations that serve small businesses in each of the geographies. Partnering with organizations that work with LMI entrepreneurs allowed Urbane to connect with hard-to-reach businesses that are typically not included in these conversations.

The survey, which deployed in July and ran through August 2021, solicited 200 responses from non-employee and employee businesses. The survey asked owners to assess the overall wellbeing of the business, the challenges they face to grow their business, attitudes towards improving job quality, and ways they currently support their workers.

Findings

The research culminated in a series of findings used to define the strategies.

DEFINING SMALL BUSINESSES

To identify the most compelling strategies for small businesses and the entire ecosystem, Urbane was first tasked with defining a small business. The United States Small Business Administration defines a small business as having fewer than 500 employees.² However, Urbane chose a lower threshold with an upper limit of 250 employees, which is aligned with the size of most low and moderate-income businesses.

1 The small business owner survey was not deployed in Houston, TX. Urbane struggled to find partners who were to conduct the survey, despite interest. Capital providers, technical assistance providers, and municipal agencies cited lack of internal capacity and survey fatigue amongst business owners as chief reasons for not advancing this work.

2 Small Business Administration. 2018. "What's New With Small Businesses." <https://www.sba.gov/sites/default/files/Whats-New-With-Small-Business-2018.pdf>

For the purpose of this study, Urbane was also interested in capturing insights from businesses with 20 employees or fewer. Research indicates that businesses with 1 to 9 employees are the most common type of employer firm even if they account for a small share of total employment³, and they make up a bigger share of low- and moderate-income owners.⁴ Urbane also chose to include sole proprietors as non-employer firms are the primary source of income for 40 percent of owners.⁵

INTERVIEW FINDINGS

Between April and August 2021, Urbane conducted 42 stakeholder interviews across the five geographies it selected in partnership with the Bill & Melinda Gates Foundation. The stakeholders who were interviewed represent organizations, agencies, and individuals that provide small businesses with services or products intended to help them launch and grow their operations. Almost exclusively, the organizations selected for these interviews represent entities whose mission is to support low and moderate-income businesses and business owners, particularly those from minority and/or marginalized communities.

The interviews touched on a range of topics, including the definition of job quality and metrics for evaluating the quality of jobs; small business barriers to growth; workforce development pipelines, including skilling and training; talent needs, including hiring, training, and retention practices; policies that help or hinder small businesses and job quality; capital provision,

3 Small Business Administration. 2015. "The Role of Microbusinesses in the Economy." https://www.sba.gov/sites/default/files/Microbusinesses_in_the_Economy.pdf

4 JP Morgan Chase & Co. 2019. "Small Business Owner Race, Liquidity, and Survival." <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/institute-small-business-owner-race-report.pdf>

5 Small Business Administration. 2018. "A Look at Nonemployer Businesses." <https://www.sba.gov/sites/default/files/advocacy/Nonemployer-Fact-Sheet.pdf>

including the products and services available to small businesses; and support networks and infrastructure, including the formal and informal networks businesses trust most.

The geographic breakdown of interviews is as follows:

- Houston: 13
- Chicago/Gary: 10
- Jersey City/Newark: 9
- New Mexico: 11

Interviews with stakeholders revealed the following key findings:

1. *Low and moderate-income business owners cannot prioritize the job quality or wellbeing of their workers until their business needs are met.*

- Universally, the organizations that service and support small businesses agree that the most effective strategies to improve job quality and economic mobility for workers will address the wellbeing of the business and the owner first.
- Most businesses served by the organizations Urbane interviewed are born from the need to make more money, either because they cannot find traditional employment,⁶ or because they do not earn enough from their primary

source of income to make ends meet. When the purpose of a business is to supplement income, investing in staff feels like an insurmountable barrier.

- Before business owners can address worker wellbeing, they need to pay themselves a salary, which, anecdotally, most do not (the average black-owned business has a gross receipt of \$68,000 per year).
- The challenges small business owners face is exacerbated by the lack of basic living needs, such as affordable housing, access to running water, or safe living conditions.
 - In Houston, housing precarity is a challenge for many of the business owners Lift Fund serves. In fact, needs to build or rehabilitate 300,000 affordable units to meet demand.
 - In rural communities, such as tribal lands in New Mexico, communities lack access to running water, with many families still relying on outhouses.
 - Until basic needs are met, business owners will not have the emotional capacity or time to adequately manage their business, which includes addressing the wellbeing of their workers.

2. *The biggest reported challenge facing small businesses is limited access to flexible capital to grow their business and improve job quality for their workers.*

- Business loans are typically intended to cover hard costs, such as equipment and rent. Yet, flexible capital is needed to cover product and payroll, which directly impact worker wellbeing.

- Conversations with traditional banks revealed little appetite for flexible capital products because they are high-risk and low-reward.

- Loan amounts are either too small or too big for small businesses. According to the SBA, there is a gap in the \$25,000 to \$250,000 range, generally the amount needed for start-up or growth capital for small businesses.
 - Although mission lenders provide these loan amounts, they are resource-strained, and demand exceeds their capacity to deliver.
- Underwriting processes are cumbersome and labor-intensive, creating too many barriers for emerging businesses unfamiliar with the documentation requirements.
- Even if businesses do have proper documentation, the timeline for receiving a loan is often too lengthy, which discourages business owners from seeking traditional bank loans and instead opt for lending products with higher risks.
- Even when the right type of capital is available to small businesses, many lack the skills, knowledge, and experience to access it.
 - Business support services increasingly offer financial literacy programs to emerging and established small business owners to educate them on how to get their finances in order and how to manage their funds in the long-term.

3. *Even amongst formal businesses, there is a high degree of informality.*

- Most businesses rely on informal yet trusted relationships (friends, family, and referrals from peer businesses to source employees).
- When businesses hire informally, they are less likely to engage in formal employment practices.
- Inadequate supply chain infrastructure, capital constraints, and lack of affordable space forces businesses to purchase materials ad hoc. In an effort to find the lowest price, go through informal channels (jobbers, peer businesses, markets).
- In rural areas, limited access to broadband means limited access to digital markets. Businesses sell through informal channels (word of mouth, fairs, roadside stands).
 - The digital divide was particularly evident at the height of the COVID-19 pandemic.
- Business owners will first and foremost turn to trusted connections for help, which are often informal. This makes it difficult to monitor the quality of services received.

4. *The objectives and offerings of traditional workforce development organizations are not aligned with the needs of small businesses.*

- Most workforce development organizations evaluate their programs based on the number of job placements rather than the quality of the jobs placed.
 - Most entities cater to larger businesses or corporations over small businesses who can hire a greater number of workers.

⁶ Two interviews surfaced that for native and immigrant entrepreneurs, entrepreneurship is the result of a labor market that does not favor their cultural traditions or norms. The Indian Pueblo Cultural Center noted that native peoples are required to attend a number of religious and/or traditional services throughout the year to maintain good standing in their communities. However, these holidays are not recognized by non-native employers, so native workers turn to entrepreneurship as an alternative way to enter the labor market. Similarly, a conversation with the Houston SBA suggested that entrepreneurship is a path for immigrants who lack English language skills or understanding of cultural norms and thus are not appealing to non-immigrant employers.

- Workforce development organizations contend they lack the internal capacity to provide tailored skilling to meet the unique talent needs of smaller businesses, given the range of sizes and industries.
 - There is a mismatch between what job skilling and training programs teach and the skills businesses need.
 - Soft skills are particularly in high-demand amongst employers with fewer and fewer employees described as “service-ready.”
5. *Providing quality jobs is not top-of-mind for many emerging businesses or businesses struggling to grow.*
- Early-stage businesses or businesses that are struggling to grow are concerned with staying afloat. Interest in job quality emerged when the business has gone from surviving to thriving.
 - Survival or sustenance entrepreneurs for whom their business is a way to supplement or generate income frequently lack the knowledge about what constitutes a good job. As they grow and need to hire, business owners often lack the knowledge to implement appropriate working conditions, such as fair wages, health care, or proper management.
 - Most business owners who prioritize worker job quality do it out of a sense of loyalty towards their staff rather than a strategic consideration of how it might benefit the business – or themselves.
 - Anecdotally, many business owners they serve are willing to cut their pay altogether if it means providing a better job for their staff.
- There is a disconnect between what organizations believe is necessary for a business to improve worker wellbeing and the practices of businesses. Organizations believe that for businesses to adopt mobility-boosting employment practices, they must be stable and high-earning. However, results from the survey, which will be discussed in the next section, reveal that businesses that are more stable and earn higher revenues are less likely to engage in mobility-boosting activities than all other surveyed businesses.
6. *Organizations that support and service small businesses cite the need for leader who can unify the ecosystem and drive as advocates at the highest level of local influence.*
- Across the board, the small business ecosystem appears fragmented at the local level. They call for a unifying actor at the local level that understands the cultural context and nuance of the communities they serve.
 - Organizations find themselves competing for the same funding and frequently duplicating efforts. Rather than offer more choice to businesses, this erodes the quality of services.
 - Organizations report struggling to provide consistent and quality programming because they lack the funding to offer sustained services.
 - A unifying force could also enforce quality control of services to ensure that existing programs adopt standards and practices that can truly benefit businesses and workers.
 - There is a need for robust data collection mechanisms to inform programs and services. Smaller organizations lack backend

infrastructure and staff resources to collect meaningful amounts of data regularly. Larger organizations with the capacity to build extensive data collection mechanisms are not always trusted, and communities are reluctant to share sensitive data

SURVEY FINDINGS

Between July and August 2021, Urbane surveyed small business owners to understand how they perceive their role in advancing mobility-boosting employment practices for their workers. Of those who responded to the survey, 37 percent of businesses are located in counties in the Chicago area; 31 percent are located in Newark and Jersey City, NJ; 18 percent are located in Gary, IN; and 14 percent are native entrepreneurs located in New Mexico.

The survey targeted small business owners within the twelve industries Urbane selected at the start of the project. Respondents represented a mix of these industries, with about equal representation from professional services, restaurant and food trucks, personal care services, creative or fashion, and home health care or childcare services. The least represented industries were freight and logistics and facilities management.

Respondents have been in business from 0 to 56 years. About 60 percent of businesses have been open fewer than ten years, while the remaining 40 percent include many older businesses. The most common length of time in business was 3 years, with about 10 percent of respondents representing this timeframe.

The findings below focus on two factors of a business the survey revealed to have a significant impact on business outcomes and employer mindset, motivations, and behaviors: the current state of the business and the business’ revenue. Respondent self-

selected their current condition by indicating which of the following best described their business:

- In crisis: barely getting by
- Struggling: finding it difficult to get by and pay my business and/or personal bills
- Stable: maintaining business while I can maintain an adequate quality of life,
- Thriving: growing or improving sales while my family and I can live comfortably.

The survey revealed that most business owners, 55 percent, believe their business is stable. In addition, the survey revealed that only 6 percent of business owners consider themselves in crisis. Of the remaining respondents, 17 percent report a company in crisis, and 28 percent report a thriving business. Businesses in Chicago demonstrated relatively better outcomes with 42 percent of businesses reporting they are stable or thriving. Businesses in New Jersey reported they are struggling the most, making up only 24 percent of all stable or thriving businesses.

Business owners were asked to identify the typical range their revenue fell into over the past few years. About 60 percent of all survey respondents reported a typical revenue range of less than \$500,000. In the analysis, Urbane refers to these businesses as low-revenue or low-earning. The remaining 40 percent of respondents described themselves as high-revenue or high-earning, earning between \$500,000 and \$2,500,000 in revenue each year.

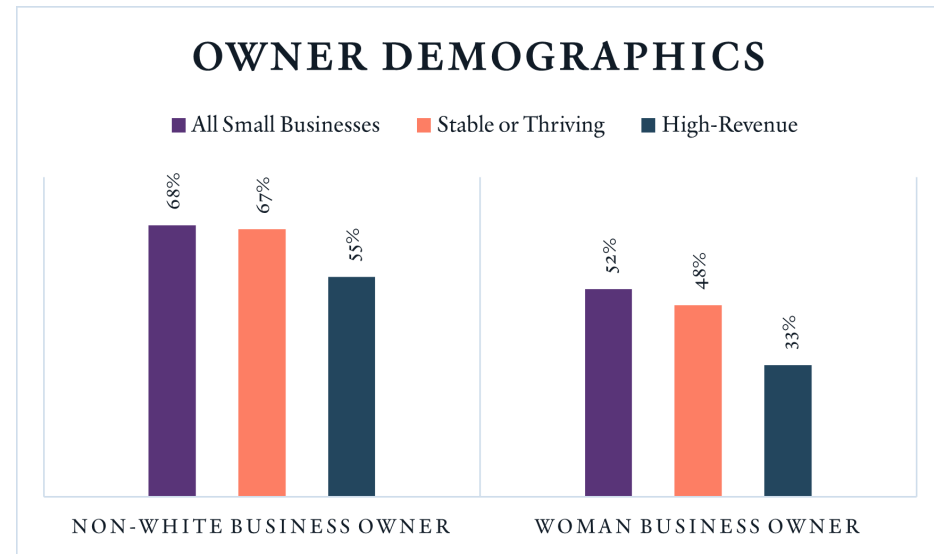
LIMITATIONS OF THE DATA

Urbane recognizes there are some limitations to its data. With only 200 survey respondents, it is difficult to extrapolate any far-reaching and comprehensive analysis that can stand-in for business owners across the country. Moreover, Urbane relied on organizations within its network

to distribute the survey, which likely impacted the kinds of businesses that were engaged. For instance, the large volume of stable respondents from Chicago may be attributable to the kinds of organizations that deployed the survey on Urbane's behalf, and which serve more established businesses.

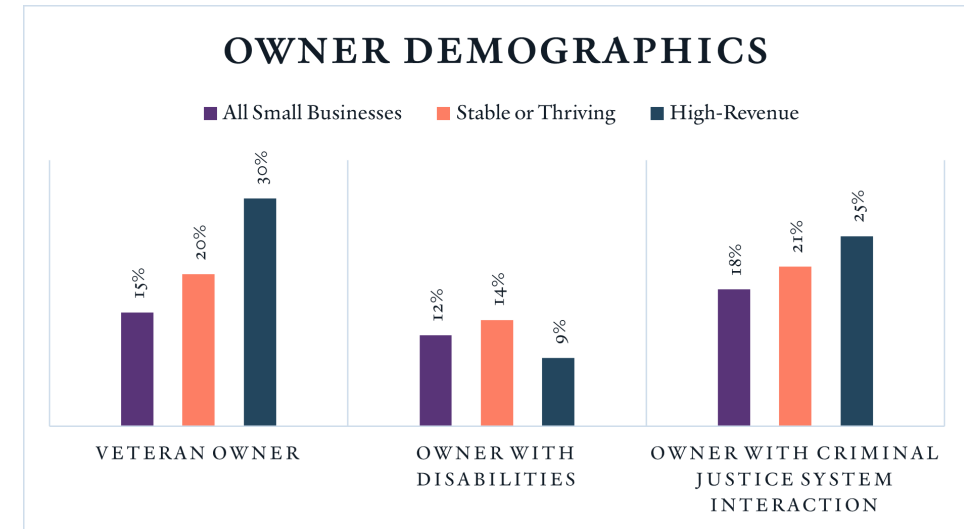
The survey of small business owners revealed the following findings:

1. Women and non-white business owners are less likely to have a high-revenue business, even if their business is stable. Per the survey, non-white business owner and women business owners made up 67 percent and 48 percent of business owners in good condition and constituted only 55 percent and 33 percent of high-revenue businesses, respectively.



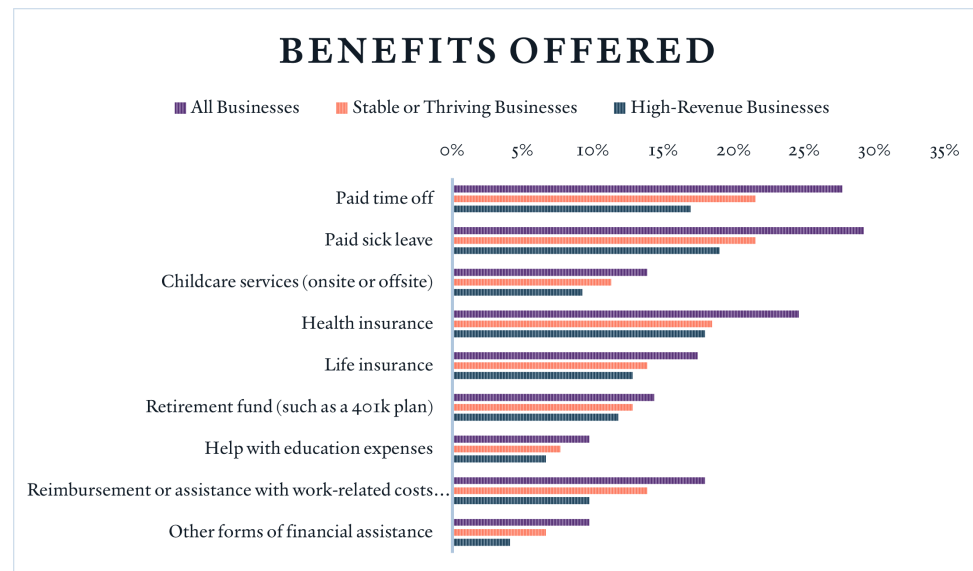
By contrast, veteran business owners, business owners with disabilities, and business owners that have interacted with the criminal justice system are more likely to have stable or high-revenue businesses. The latter finding is particularly interesting, considering that a

disproportionate amount of Black Americans have come into contact with the criminal justice system, yet overall Black business owners earn less revenue compared to all business owners, per the survey.



2. Ninety-seven percent of respondents believe that addressing the needs of their workers is a relevant part of their role as small business owners. Of these respondents, 70 percent said it is very important. This perspective is consistent across businesses, regardless of business stability or revenue.
3. Small business owners believe benefits matter most amongst factors contributing to a worker's job quality, followed by wages and flexibility. However, most employers

(54 percent) cannot pay their workers what they would like or offer them comprehensive benefits (65 percent offer at least one benefit, but not more than two). High revenue businesses offer far fewer benefits than other businesses, despite the fact that these owners recognize the importance of providing benefits more than other respondents. Meanwhile, less stable or lower-earning businesses offer whatever formal or informal benefits they can.

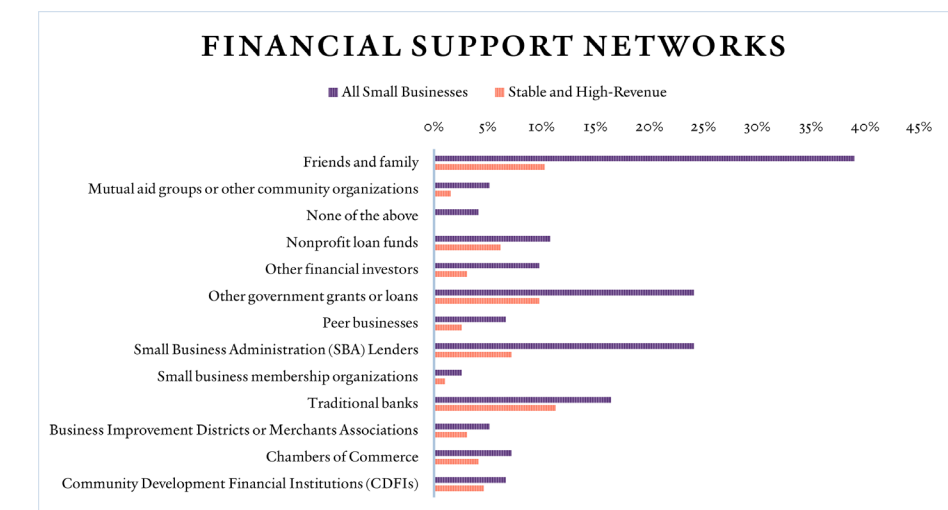
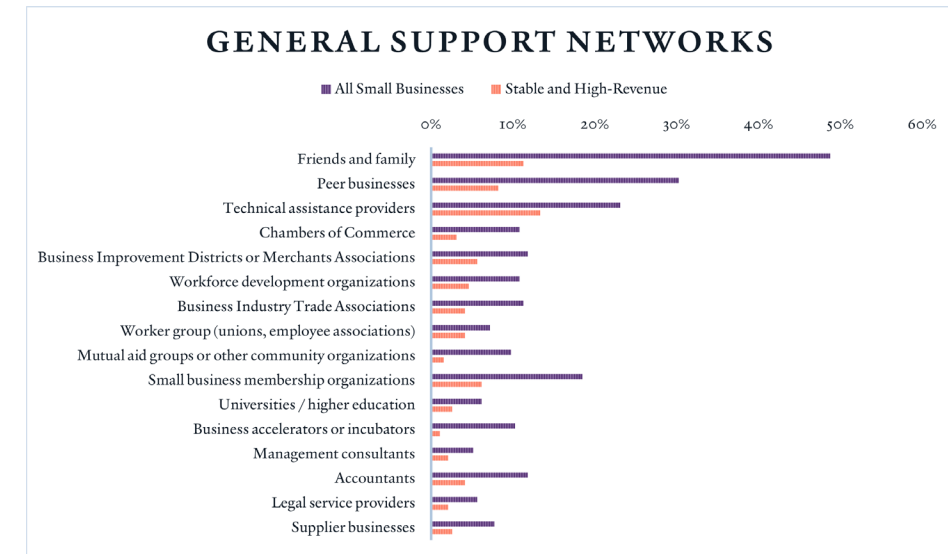


4. The survey found that owners with high-revenue businesses invest less in their workers than businesses overall. Compared to all respondents, stable and high-revenue businesses:
 - a) Have an easier time finding talent through their networks and invest less time in recruitment.
 - b) Enforce stricter hiring requirements and are less willing to be flexible to create

- more opportunities for their workers.
 - c) Are less engaged during the onboarding of employees and are less likely to train and mentor new workers.
 - d) Offer fewer opportunities for workers related to skills-building or training.
 - e) Practice ongoing communication and management practices that are similar to other survey respondents.

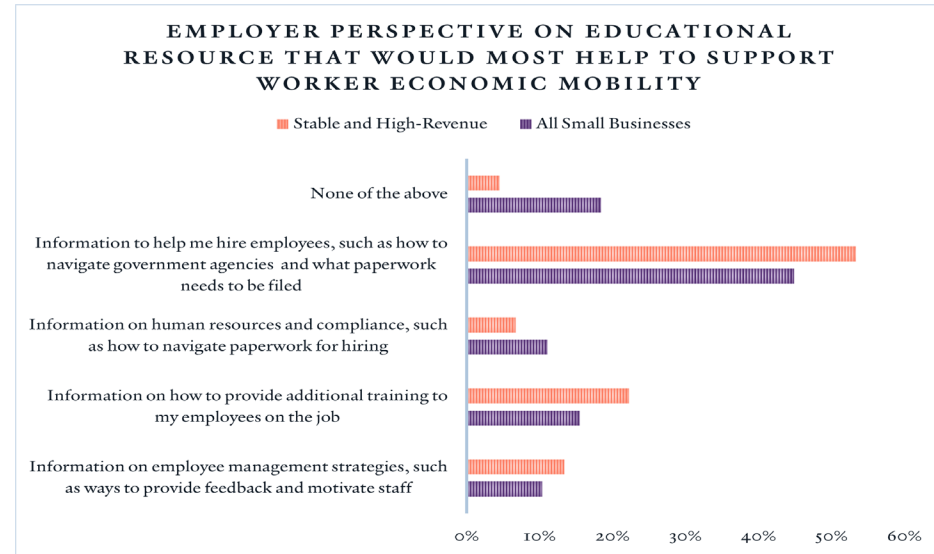
5. There is a high degree of informality in how businesses seek support, including financial support. Overall, businesses rely most heavily on friends and family and peer businesses for

support. Viable and high-revenue businesses seek fewer forms of support.



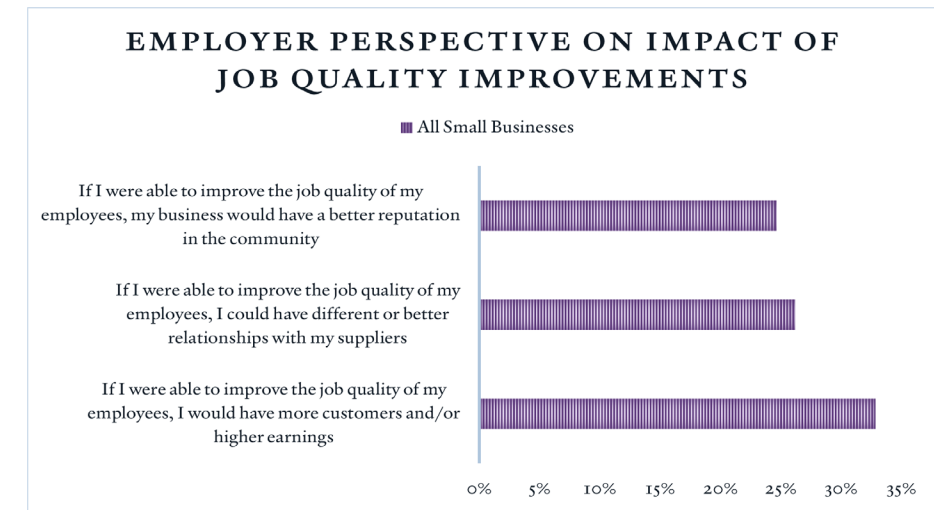
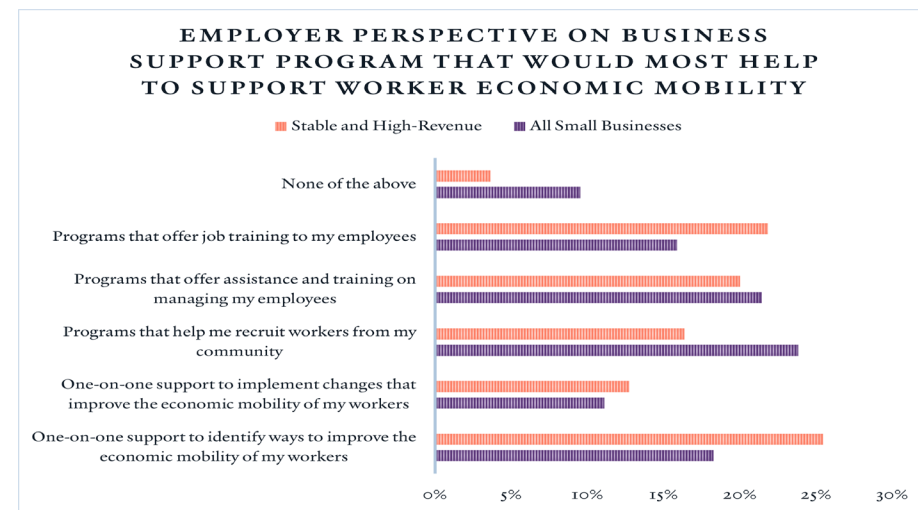
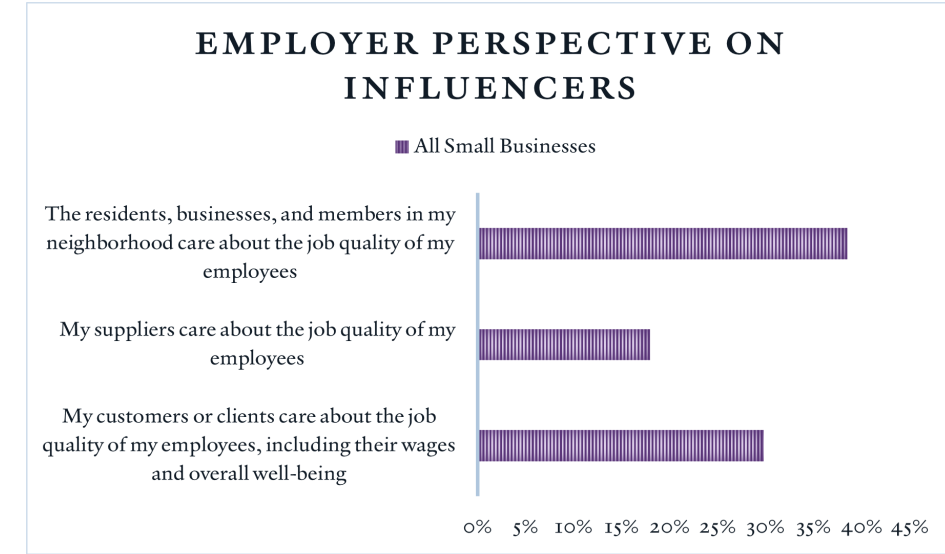
6. Small business owners cite hiring workers as the biggest challenge overall. As a result, employers seek informational resources, such as completing hiring paperwork and the logistics of onboarding most. Although

barriers to hiring vary based on business stability, business support programs are not adequately meeting the needs of small businesses.



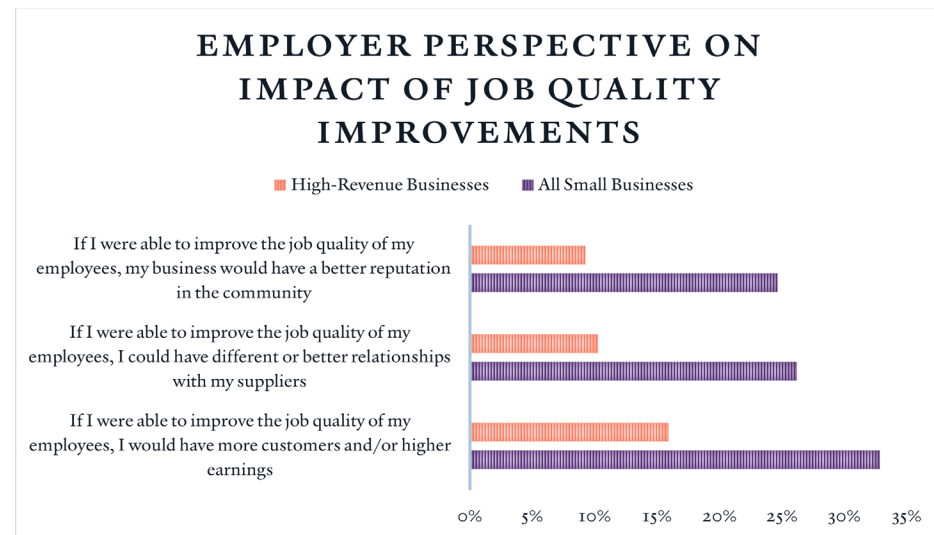
7. Employers believe the community in which their business is located is most likely to care about their workers' quality of jobs. Although they believe improvements to job quality

could increase their customer base and earnings, the degree to which these stakeholders care about job quality is not proportional to the impact on business success.



By comparison, less than half as many high-revenue business owners believe that

improving the quality of jobs they offer will positively impact their business outcomes.



8. The role of influencers in nudging business owners to adopt mobility-boosting employment practices will differ based on the stability and revenue of businesses. In fact, business owners that are less stable and earn less revenue seek out more support from more entities, increasing the amount of access points to many types of influencers. By contrast, stable and high-revenue businesses seek less support from fewer entities, indicating that they may already have consistent and reliable sources for support.

Among all businesses, most support, including educational and capital support, comes from informal entities such as friends and family and peer businesses, indicating that these groups may have the most influence when it comes to information and knowledge sharing. Although business owners recognize the importance of community to their business and the impact on building revenue and growing a customer base, stable and high-revenue businesses may be less influenced by groups like customers, members of the neighborhood, and suppliers and thus less likely to change their behavior to appeal to these groups.

SMALL BUSINESS PERSONAS

Urbane hypothesizes that the efficacy of influencers to encourage the adoption of employment practices will vary based on the type of small business. To understand these patterns, Urbane developed a taxonomy of small businesses defined by the following attributes:

- Business Information
 - Industry
 - Business structure (e.g., sole proprietor or not)
 - Number of employees
 - Years in business
 - Location
 - Revenue
- State of the Business
 - Status of business health
 - Change in status of business health over the past few years
 - Ability to hire employees
 - Ability to increase employee wages
 - Ability to promote employees
- Owner Demographics
 - Race
 - Ethnicity
 - Age
 - Gender
 - Citizenship status
 - Income derived from business
 - Disability status

Outputs

The Small Business and Worker Economic Mobility Project will culminate in 4 interconnected yet distinct outputs: a taxonomy of small and medium sized businesses; a set of influencers and influencing strategies; pilots, culled from the influencing strategies; and a web-based database that uses the data collected to inform successful employment practices for business types.

- Criminal justice history
- Access to broadband

These attributes are informed by questions and responses from the small business owner and the stakeholder interviews.

In addition to these attributes, Urbane has identified 3 factors that influence a business owner’s behavior and thus their appetite to being influenced by set strategies. These include:

- Degree of informality: to what extent does the business employ informal practices. Informality is not static and can be informed from a range of attributes, including industry, number of employees, financing opportunities, and business structure.
- Business viability: to what degree is the business stable. Viability of a business is always evolving and can be informed by the years of operations, number of employees, procurement pipeline, and distribution channels.
- Place: where is the business located. Place is a static characteristic captures the business’ geographic location, whether it is located in a rural, urban, or suburban setting, and the strength of the infrastructure.

Urbane will layer the attributes above with the 3 factors to generate 5 to 8 business personas that will be most effective with the strategies listed below.

INFLUENCING STRATEGIES AND INFLUENCERS

Strategies

The many months of qualitative and quantitative research culminated in the development of strategies that can be leveraged to influence business owners

to improve the worker wellbeing and pathways for economic mobility. These strategies are intended to work in concert with the challenge LMI business owners face, as outlined in the findings, and address worker job quality. From an initial list of 30, Urbane and the Foundation identified 10 strategies they believe to be most compelling and successful. These 10 strategies fall into 4 categories:

- Amplify access to capital
- Reimagine the workforce development sector
- Educate customers on the merits of worker wellbeing
- Enhance the capabilities of small business support services

Each strategy was evaluated against the following criteria:

- Impact: number of business and number of workers affected by the strategy
- Degree of innovativeness: the extent to which this strategy is already being explored or implemented at scale
- Cost: the cost of implementing the strategy for the funder
- Time: the time it will take to implement the strategy
- Feasibility: influencer appetite to adopt/ implement the strategy
- Scalability: the ability of the strategy to be implemented at the hyper-local, local, or national level

The following table summarizes the 10 leading strategies. Of these, Urbane and the Foundation, with the input of partners, will select 3 that will be developed into action-ready pilots for implementation in which large philanthropy may choose to invest.

Categories	Strategy	Influencers
Amplify Access to Capital	Strategies to support small businesses to improve worker job quality and opportunities for economic mobility	Intermediaries, ecosystem partners, and other entities that can support implementation
	Increase opportunities for character-based lending or alternative credit building that targets start-up businesses or business owners that are traditionally non-credit worthy.	Philanthropy, traditional private lenders, mission lenders, impact investor/ESG investors, business development intermediaries
	Increase availability of working capital by expanding and/or replicating programs that offer lines of credit or credit products designed to cover operating costs.	Supply-based lenders (e.g., wholesaler providing retailer inventory financing), government agencies, philanthropy, traditional private lenders, mission lenders
	Improve delivery mechanisms through tech integration or affinity group/place-based clustering to expedite or simplify the process of accessing capital.	Supply-based lenders (e.g., wholesaler providing retailer inventory financing), government agencies, philanthropy, traditional private lenders, mission lenders, professional service providers, place-based business dev advocates/associations, industry intermediaries in the financing space (e.g., OFN)
Reimagine the Workforce Development Sector	Increase access to philanthropic dollars toward place-based development to provide more flexible capital options that underwrite hard infrastructure (e.g., broadband) and soft infrastructure (e.g., back-office support) that can support small business growth and better worker outcomes.	Supply-based lenders (e.g., wholesaler providing retailer inventory financing), government agencies, philanthropy, traditional private lenders, mission lenders, professional service providers, place-based business dev advocates/associations
	Establish valued credentialing programs for a variety of industries and businesses sizes to reach critical mass and incentivize workforce development organizations to offer programs tailored to small business talent needs.	Workforce development organizations, employers, government agencies, higher ed institutions, professional/industry associations
Educate Customers on the Merits of Worker Wellbeing	Modify workforce development success metrics to capture quality of job placements over quantity of job placements to incentivize worker wellbeing.	Workforce development organizations, government agencies, peer businesses
	Create the equivalent of “green” buildings or “sustainable” fashion for worker wellbeing by launching a marketing campaign and credential that focuses on improving worker job quality.	Chambers of commerce, customers (suppliers, anchor institutions, gov’t procurement, corporate procurement, patrons), philanthropy, business support providers
Enhance Capabilities of Small Business Support Services	Invest in industry-specific organizations that can help businesses excel at their craft and amplify their distribution channels. With this support, businesses can create better products/services, build a customer and revenue base, and justify a higher price point that pays their salary and that of staff.	Chambers of commerce, industry associations, customers (suppliers, procurement institutions, consumers, etc.), peer businesses
	Invest in small businesses that provide professional services and work with the hyperlocal organizations that offer neighborhood small business support. Investments must go toward a) professionalizing the workforce to offer consistent and quality services and b) paying higher wages to ensure staff retention.	Business support providers, philanthropy, peer businesses, chambers of commerce
	Invest in informal, place-based approaches to delivering professional business services (e.g., accounting, bookkeeping, legal, PEO, etc.). Focusing on hyper-local approaches is more likely to tap into trusted networks that operate at a scale that best serve small businesses.	Business support providers, philanthropy, peer businesses, chambers of commerce, local government, local anchor institutions (religious/tribal organizations, universities, etc.)

Influencers

To execute on the strategies will require the active engagement of a range of entities that directly and indirectly support small businesses. These entities, referred to as influencers, are uniquely positioned to advance the strategies by influencing or incentivizing businesses.

Urbane's research identified the following influencers:

- Technical assistance providers
- Capital providers (traditional lenders, mission lenders, government lenders, nonprofits_
- Philanthropy
- Policymakers (local, state, and federal)
- Friends and family
- Peer businesses
- Suppliers
- Anchor institutions (universities, hospitals, museums, public libraries)
- Business associations and networks (industry groups, chambers of commerce)
- Neighborhood networks (BIDs, merchant associations, mutual aid groups)
- Workforce development organizations
- Investors
- Incubators/accelerators
- Commercial landlords
- Customers

THE DATABASE

The Small Business and Worker Mobility Project will culminate in a web-based database designed to help users search and sort job quality outcomes based on combination of small business attributes, influencers, influencing strategies, and employment practices. The engine is powered by the data collected over the course of the research engagement: it aggregates primary data collected (small business owner survey and stakeholder interviews) with secondary data to distill patterns and trends about the small business ecosystem overall.

Users can select attributes that characterize a business (e.g., size of business, revenue, owner demographics, etc.) and identify the influencers (e.g., capital providers, peer businesses, workforce development organizations, etc.) that will have the greatest impact on the adoption of specific employment practices (e.g., higher wages, skilling and training, childcare reimbursement, etc.).

The database will be accessible via Urbane's website (<https://thisisurbane.com>) by late November 2021.

