

# **Entrepreneurship as a Pathway to Family Self-Sufficiency**

Findings from a Fresno Regional Convening



The **James Irvine**  
Foundation

# Introduction

Dear Colleagues,

At the James Irvine Foundation, our mission is to expand opportunity for the people of California. In 2016, we [announced our evolving focus](#) of expanding economic and political opportunity for families and young adults who are working but struggling with poverty. To advance these mutually reinforcing goals, our team has focused on a body of work around career readiness and living-wage work, with the objective of identifying solutions that:

- Improve opportunities for job and entrepreneurship training that lead to quality jobs
- Identify more ways to provide credentials that lead to a family-sustaining career
- Create higher-quality jobs that help employers grow their businesses, including by increasing small business capital for entrepreneurs
- Identify successful models of matching employers with lower- or middle-skilled workers

A guiding principle in our work is [listening and learning](#) — and also sharing back what we are hearing. Last year the Foundation hosted [listening sessions across California](#) to hear directly from low-wage workers. And throughout the past year, our team at the Foundation has been making pilot grants, conducting research, and engaging in conversations to ensure that our strategy is informed by the deep knowledge and effective models that already exist in the field. Based on those interactions, we realized there are a number of areas where generative discussions could be beneficial not only to us, but to the entire field, helping to reveal the current landscape and also to identify potential new ideas.

In that spirit, we spent the spring and summer of 2017 speaking to and convening practitioners and field experts across the state. This document shares the findings from one of those convenings, which focused on **entrepreneurship as a pathway to family self-sufficiency for low- to moderate-income (LMI) communities**. The convening was held in Fresno and primarily included participants from the San Joaquin Valley as well as others from across California that work with LMI entrepreneurs. While our discussions largely focused on the Fresno region, our hope is that the lessons learned are applicable across California.

This document contains two parts:


- 1) An **executive summary** that provides an overview of the process we undertook and the key insights that we gleaned
- 2) A **detailed synthesis** of what we learned through research, interviews, and discussions at the convening

In designing these convenings, we realized that we could only scratch the surface on these important topics. Rather than serving as a compendium of information on entrepreneurship in LMI communities, this document is intended to add to the already-rich work of organizations that are supporting LMI entrepreneurs. Our goal in sharing this information is to help you learn from the work of others and surface new understanding, connections, and ideas.

Additionally, we invite you to also review the findings from our other regional convenings on our website: [www.irvine.org/learning](http://www.irvine.org/learning)

Thank you for engaging on this important topic.

Warmly,



Elizabeth González

# Table of Contents

<b>1) EXECUTIVE SUMMARY .....</b>	<b>4</b>
1.1) WHAT WE DID .....	4
1.2) WHAT WE LEARNED .....	4
1.2.1) <i>Areas in which Support is Needed</i> .....	4
1.2.2) <i>Potential Opportunities</i> .....	5
<b>2) DETAILED SYNTHESIS .....</b>	<b>6</b>
2.1) CONTEXT .....	6
2.2) UNDERSTANDING LOCAL LMI ENTREPRENEURS' NEEDS .....	7
2.2.1) <i>Access to Capital</i> .....	7
2.2.2) <i>Access to Mentorship and Networks</i> .....	8
2.2.3) <i>Access to Business Training and Skill-Building</i> .....	10
2.3) OPPORTUNITIES EXPLORED TOGETHER .....	11
2.3.1) <i>Overview of Brainstormed Opportunities</i> .....	11
2.3.2) <i>Detailed Recaps of Opportunities with Significant Interest</i> .....	12
<b>3) ACKNOWLEDGEMENTS .....</b>	<b>18</b>

# 1) Executive Summary

## 1.1) What We Did

At the Irvine Foundation's first Career Readiness and Living-Wage Work convening of grantees and field leaders in the spring of 2017, participants came together to share their perspectives on the challenges and opportunities across the California workforce and employment landscape. Attendees painted a bold "better future" in which workers attain the right sets of skills that are valued by employers, thereby advancing, thriving, and being in a position to better support their families. To get to that better future, attendees identified a set of topics for deeper exploration, one of which was **exploring entrepreneurship as a pathway to family self-sufficiency for low- to moderate-income (LMI) communities**.

Given the energy around entrepreneurship in Fresno and the San Joaquin Valley, in June we convened field experts to further explore this topic and understand what opportunities exist to further support low- to moderate-income entrepreneurs in the region. In particular, our discussions focused on how to support **early-stage, LMI micro-entrepreneurs (i.e., those with fewer than five employees) as they get off the ground**.

To prepare for this convening, we reviewed existing research and interviewed participants to understand the landscape of existing efforts in the region, including what's working, what challenges exist, and what opportunities lie ahead. In advance of our time together, we synthesized and shared with participants what we read, heard, and observed so our group could come together with a common baseline understanding. We then spent the majority of our time together exploring potential collaborative, multi-stakeholder solutions to better support LMI entrepreneurs in the Fresno region on a path to family self-sufficiency.

In the following section is a summary of what we learned through research, interviews, and discussions at the convening.

## 1.2) What We Learned

Since the Gold Rush, entrepreneurship has been a defining feature of California. That entrepreneurial spirit continues today, with California ranking #1 in the nation for startup activity.<sup>1</sup>

Entrepreneurship is not only a key driver of economic growth — new businesses account for 40 percent of net new jobs over the past two decades — it can also benefit families across the income spectrum and serve as a **pathway to self-sufficiency for low- and moderate-income (LMI) entrepreneurs**.<sup>2</sup> And while LMI entrepreneurs in the Fresno region have the drive and resilience to be successful, their journey to being a successful entrepreneur can be accelerated with the right supports, connections, and training.

### 1.2.1) Areas in which Support Is Needed

During our research, interviews, and convening discussions, three areas were consistently cited as ones in which LMI entrepreneurs, particularly in the Fresno region, need additional support:

- **Access to capital:** Finding the capital to start and sustain a business is one of — if not *the* — most pressing challenge facing LMI entrepreneurs, particularly in the Fresno region. With limited access to financing, LMI entrepreneurs struggle to launch, and later grow, their businesses.
- **Access to networks and mentorship:** Many participants described how critical mentors can be when launching and growing a business. In addition, LMI entrepreneurs often need guidance and support to connect to important networks of customers, suppliers, distributors, and others.
- **Access to business training and skill building:** As LMI entrepreneurs seek to start, and later grow, their businesses, they need support to develop their business acumen — from the "business fundamentals" needed to simply open up shop to an expanded set of capabilities and skills as the company grows.

Many organizations that serve LMI entrepreneurs provide support across these three areas; however, participants agreed that more support is needed across all three to help LMI entrepreneurs to succeed.

## 1.2.2) Potential Opportunities

To address these areas of need, participants offered ideas on potential collaborative solutions to support Fresno's LMI entrepreneurs on the path to family self-sufficiency, honing in on **five opportunities**, summarized below, around which there was significant interest and enthusiasm. Detailed recaps of breakout groups' discussions of each of these opportunities can be found on pages 13-17.

While these opportunities are specific to Fresno, we see many of them as having relevance for others throughout the state that work with entrepreneurs in LMI communities.

---

### 1 Understand existing community assets by documenting and mapping the ecosystem.

---

Convening participants saw an opportunity to leverage and invest in local assets that already exist in the Fresno region. The first step would be to understand the broad network of existing resources — not just those entities that focus on entrepreneurs and small businesses, but all community-based organizations (CBOs) that work with LMI populations, such as faith-based organizations.

The group expressed a need for a living document that identifies existing community players and maps the connection points among them. Public, private, and nonprofit sector organizations could be described using a variety of characteristics, such as services offered, industry focus, or ethnic / cultural / faith communities served. In addition, it would be important to understand the quality of support provided in order to understand the availability of high-quality programs and where gaps exist. This document could also enable LMI entrepreneurs and other stakeholders to rate the accessibility, responsiveness, collaboration, and commitment of CBOs and service providers. In this way, the asset map can highlight what each organization is “best at,” which can help guide entrepreneurs as they seek support and other organizations as they explore partnerships.

---

### 2 Develop the entrepreneurship expertise and capacity of existing local CBOs that serve LMI communities.

---

Convening participants expressed a desire to not only document the existence of CBOs, but also involve them more in Fresno's entrepreneurship ecosystem. Many CBOs are well positioned to work with LMI entrepreneurs, as those organizations have built trust and developed personal relationships within the communities they serve. Organizations focused on small business development and entrepreneurship identified an opportunity to work with these CBOs as intermediaries to better reach and serve potential LMI entrepreneurs.

While local CBOs have strong connections to the community, they may not be familiar with entrepreneurship in particular. An important intervention could be to help these CBOs understand the opportunities and barriers associated with entrepreneurship for LMI families and the existing resources that can help. In addition, it is possible to build the entrepreneurship expertise and capacity of existing CBOs by providing staff members with business skills training, connections to entrepreneurship or business experts, and even sources of early-stage capital. For example, an organization with expertise in entrepreneurship could host small business workshops and trainings for CBOs across the region or state.

---

### 3 Leverage local industry assets and expertise to create a “food hub” in Fresno.

---

In addition to leveraging CBOs as intermediaries, Fresno can also harness its local industry expertise in agriculture. Fresno and the San Joaquin Valley have a strong agricultural heritage, and many LMI workers in the region have been involved in areas like farming, cottage food businesses, and restaurants. Building on this experience, Fresno can position itself as a “food hub,” developing supports and opportunities for a diverse set of entrepreneurial businesses across the food value chain.

In general, communities that are rich in raw materials (e.g., farm produce) can further develop and mature their economies promoting economic clusters that move further down the value chain (e.g., into food processing). Based on this principle, it could make sense for Fresno, as the top agricultural county in the nation, to further establish a specialization in businesses related to food, from processing to food logistics to restaurants or catering. There is already momentum in the informal sector,

as we heard that many LMI entrepreneurs make cottage foods, sell fruit from trucks, or sell home-cooked dishes at food stands. Fresno could build on this energy to encourage entrepreneurs to establish formal businesses related to food and support them through commercial kitchens, expositions, incubators, and accelerators.

---

## 4 Redefine what success means from the entrepreneurs' lens.

---

We also heard that some organizations struggle to establish performance indicators that meet the needs of their diverse stakeholders. Ideally, organizations would align their definition of success with the goals of the people they serve, rather than the metrics that private, public, or philanthropic funders establish. Organizations noted there was sometimes pressure to chase funding or other incentives, rather than to address the needs of the people they are trying to help.

In order to redefine success from the entrepreneurs' lens, organizations should ask entrepreneurs—in addition to funders and other organizational partners—what success means to them (e.g., financial stability) and what challenges they have that they need help addressing. Then, providers should refocus their goals, metrics, and incentives to more closely match what our entrepreneurs need.

---

## 5 Rethink how to attract capital through collaboration and creative funding.

---

In order to promote entrepreneurship and support these efforts highlighted above, Fresno needs more capital — especially capital that is accessible for LMI communities, such as Community Reinvestment Act (CRA) investment. Due to the lack of available capital, some LMI entrepreneurs with lower credit scores are turning to aggressive online lenders with high-cost loans to fund their businesses. Borrowers can then become trapped with many high interest rate loans, as their total debt balloons quickly.

To attract capital — especially capital that is accessible for LMI individuals — from elsewhere, there is a desire to look into nontraditional financing methods (e.g., crowdfunding, direct public offerings, and public bond investment) and incentives like tax credits, develop partnerships to obtain investment across the state, and propose policies that allow LMI borrowers to access “fair” capital with reasonable terms to protect them from payday lending. Across all these methods, advocating for private and public capital could be more impactful if the public could hear stories from LMI entrepreneurs about how much of a difference access to capital has made to their businesses and lives.

## 2) Detailed Synthesis

### 2.1) Context

Growing entrepreneurship has a number of benefits for LMI entrepreneurs and their families — and the economy overall.

#### Benefits to LMI entrepreneurs and their families

For a significant number LMI entrepreneurs, starting new businesses can be a promising pathway to family self-sufficiency. Of all entrepreneurs in the U.S., 38 percent are low- to moderate-income.<sup>3</sup> For many, starting a business is tied to a number of positive outcomes, including creating pathways to family self-sufficiency (owning a business is the second best way for a family to build wealth, after homeownership)<sup>4</sup>. Other key statistics include:

- For LMI populations, entrepreneurship is correlated with increased wealth, savings, job satisfaction, and economic mobility.<sup>5</sup>
- One recent study of 1,500 low-income entrepreneurs found that, within five years, half had moved out of poverty.<sup>6</sup>
- A separate study showed that LMI families starting new businesses over a five-year period were more likely to move into a higher income group than their peers were.<sup>7</sup>
- Entrepreneurship also helps other historically disadvantaged groups. From 2007 to 2012, minority-owned firms increased 39 percent, while non-minority-owned firms actually decreased by 5 percent nationally.<sup>8</sup>

- Additionally, minority-owned firms increased their sales (+53 percent) and employee growth (+33 percent) at significantly higher rates compared to non-minority-owned businesses (+27 percent and +7 percent, respectively).<sup>9</sup>
- In particular, the number of Latino entrepreneurs has tripled in the last decade — strong momentum, given that Fresno County is 50 percent Latino.<sup>10</sup>
- Immigrants continue to drive entrepreneurship, starting businesses at twice the rate of native-born Americans.<sup>11</sup>

And while starting new businesses benefits a range of entrepreneurs and their families, it is also an important driver of economic growth and community development.

### Benefits to the economy and communities

When LMI entrepreneurs create new businesses, they also improve communities by creating jobs and bringing in new goods and services. Federal Reserve economist Kelly Edmiston describes a “double dividend” when LMI entrepreneurs bring in new, previously unavailable establishments, such as grocery stores, to low-income communities.<sup>12</sup> Such businesses can strengthen the local economic ecosystem, keeping resources within a community rather than buying from other parts of the country or world.

Beyond these community benefits, small businesses create jobs — an impact that is disproportionately strong in Fresno County. While small businesses (those with fewer than 500 employees) employ approximately half of all private-sector workers in California, they employ *more than 80 percent* of workers in Fresno County and make up the vast majority of firms in the retail, manufacturing, construction, and mining industries.<sup>13,14,15</sup>

Even smaller businesses are critically important to the state’s economy:

- Businesses with 1-19 employees employ about one-fifth of workers in California.<sup>16</sup>
- Micro-enterprises (those with fewer than five employees) account for 62 percent of all employers in California and have a combined payroll of \$38 billion.<sup>17</sup>
- Following the most recent recession, micro-enterprises created (net) 329,400 jobs in California, while companies with over 100 employees shed more than twice as many jobs.<sup>18</sup> This growth has continued in California, with small businesses growth outpacing that of large businesses between 2012 and 2014.<sup>19</sup>

## 2.2) Understanding Local LMI Entrepreneurs’ Needs

Entrepreneurship is a proven pathway for Californian families who are working and struggling with poverty, and it is also a critical economic driver for the state. To best harness this promise, LMI entrepreneurs often need additional support, which can be broadly categorized into three buckets:

- Access to capital
- Access to mentorship and networks
- Access to business training and skill-building

In the following sections, we have provided additional detail about what we heard through pre-convening interviews and research related to each of these three areas.

### 2.2.1) Access to Capital

During our interviews and research, access to capital was the most commonly cited barrier for LMI entrepreneurs, particularly for those in the Fresno region. Although funding is crucial at all stages of a business, entrepreneurs are often struggling to find early-stage risk capital. And without access to investors (or a track record of success), we heard it can be especially difficult for LMI entrepreneurs to find capital.

To address these challenges, interviewees shared ideas around **new capital sources** to tap, as well as **refinements to the way funding decisions are made** for LMI entrepreneurs.

#### New potential capital sources

- **Expand CRA investment to the San Joaquin Valley:** Community Reinvestment Act (CRA) funds from commercial banks are important sources

#### In interviewees’ words:

*“CRA dollars are critical, but many banks seem to put their CRA funds in big metropolitan cities instead of the San Joaquin Valley.”*

of funding for LMI entrepreneurs, but interviewees observed that it is difficult to find enough CRA funding for the region, as resources may be more heavily allocated to coastal cities and their metropolitan areas than the San Joaquin Valley. We heard that only one bank has a full-scale CRA office in Fresno County.

- **Support crowdfunding:** As seen in other regions of the state, crowdfunding has the potential to provide capital for entrepreneurial ideas. Interviewees noted that it could be interesting to explore crowdfunding in the Fresno region but noted that there does not appear to be a strong existing base. In general, crowdfunding can help entrepreneurs launch their ideas, while potentially also acquiring a customer base in the process, but it requires considerable effort — and access to networks of potential funders — to be successful.

*“There is potential for crowdfunding in the region. Some of our entrepreneurs are creating unique products.”*

### Refinements to the way in which funding decisions are made

- **Create ways to help entrepreneurs improve their credit history, or use alternative risk-assessment methods when providing capital:** LMI entrepreneurs often have limited access to capital due to poor or inadequate credit histories. One option to help these borrowers is financial literacy training, which can help improve their finances and, over time, improve credit scores. However, for those that may not be able to wait for their scores to improve — or for other groups like recent immigrants without borrowing histories — another option is to finding other ways to assess credit-worthiness. Interviewees noted that while there are limited other evaluation methods, community-lending organizations seem to be willing to consider factors beyond credit history, sometimes even overlooking bad or missing credit scores. For example, in Albuquerque, NM, LMI entrepreneurs are growing their business with loans accessed through non-traditional community partners, with default rates of less than 1 percent.<sup>20</sup> The loans are given based on trust and relationships between community institutions and their members.
- **Clarify and refine how financial considerations versus benefits to the community are weighed:** Different capital providers in the region balance financial considerations (e.g., strength of the borrower, ability to repay) with community benefits (e.g., helping LMI entrepreneurs create local businesses); however, there is a lack of clarity about how these considerations are weighed from one institution to the next. Interviewees that work with LMI entrepreneurs expressed a desire for more clarity on — and potential refinements to — the decision-making process, so they better advise clients to help them find the type of capital that fits their needs.

*“LMI entrepreneurs may turn to sources of capital that are not the most credible, like payday lenders.”*

*“Bad credit — or no credit — is such a challenge for our entrepreneurs.”*

*“I’ve had entrepreneurs with the same proposal have loans accepted or rejected by different lenders.”*

### 2.2.2) Access to Mentorship and Networks

Beyond financial capital, access to “social capital” was identified as another challenge for LMI entrepreneurs. Interviewees discussed the importance of **mentors** and **networks** and shared several **factors to consider in designing these social capital supports**.

*Mentors are a crucial form of social capital that can provide tailored, first-hand advice*

#### The role of mentors

Interviewees noted that there is not really a “training program” for how to become an entrepreneur; the closest thing may be strong mentors that provide coaching, guidance, and advice that LMI entrepreneurs need along their journey. This mentorship can be done in a number of ways, including group learning sessions in which a range of entrepreneurs come together, a “cohort” model where a small

#### In interviewees’ words:

*“We actually need something like an ‘apprenticeship’ for being an entrepreneur.”*



number of entrepreneurs at a similar stage receive support and help each other as peers, and one-on-one mentoring. One-on-one mentorship and support was seen as especially attractive and effective as LMI entrepreneurs develop.

### **Mentorship at different stages of the entrepreneurial journey**

Mentorship is important at any stage of an entrepreneurial venture, but the type of mentorship LMI entrepreneurs need varies across the stages. For early-stage entrepreneurs, it is crucial to have mentors who can closely guide and help them navigate the process of simply starting a business. Mentors at this stage play a translator role, which is even more important for business owners that have significant employment barriers (e.g., immigration status, language). Meanwhile, entrepreneurs who are scaling their business often have a different set of learning needs for growing their businesses, hiring more employees, and undertaking more sophisticated sales and marketing efforts.

### **Access to networks can directly impact an entrepreneur's bottom line**

#### **Knowing where to start**

The region has a range of resources and organizations that are supporting entrepreneurship. However, one gap that was consistently mentioned is that prospective entrepreneurs often do not know where to start. These entrepreneurs oftentimes do not have access to networks or contacts that understand the entrepreneurial community and can point them to relevant resources or information. They may not realize that the resources are available or understand which organization or program is best suited to help with specific needs (e.g., obtaining a business license, locating real estate).

#### **Connecting LMI entrepreneurs to relevant business networks**

Networks can help entrepreneurs not only find mentors and peers but also suppliers, wholesalers, distributors, and customers. Since these entrepreneurs may not know people who can introduce them to customers or partners, community-wide forums and industry-focused events can help level the playing field. For example, the Fresno Food Expo brings together dozens of national wholesalers and buyers to see the entrepreneurial ideas in Fresno, attracting a greater set of large customers than individual entrepreneurs could likely find on their own.

### **In designing social capital supports, a "one size fits all" approach is not the answer**

#### **The importance of attributes like culture, race, gender, and socioeconomic status in designing social capital supports**

Entrepreneurs can further be empowered when they are able to identify — be it culturally, racially, gender-wise, socioeconomically, or otherwise — with the mentors, instructors, and business leaders they are learning from. Given the diversity of the region, mentors from a range of backgrounds are needed to inspire entrepreneurs and coach them on the specific obstacles they may face.

#### **Differences by industry**

In the San Joaquin Valley, successful entrepreneurs and their networks tend to be clustered in industries like real estate, banking, and agriculture. For entrepreneurs in other fields, such as tech, there are less-developed networks in the region. This has been identified as a gap for entrepreneurs seeking networks and mentorship in industries less common in the San Joaquin Valley.

*"Some training programs may be too big for many entrepreneurs. They could use a mentor who could provide a more targeted support."*

*"The biggest issue is access to information, especially for people from high-poverty areas. They need support with the networking and matchmaking."*

*"Entrepreneurs don't always know the value we can provide. They'll say 'You want to help me? Are you selling something?'"*

*"We often think if we build it, they will come. But entrepreneurs are often too busy running their business to network and make additional connections."*

*"We need mentors who look like us and that speak our language."*

### 2.2.3) Access to Business Training and Skill-Building

A lack of essential business and technical skills was identified as another key challenge for LMI entrepreneurs in the Fresno region. While access to these skills is crucial throughout the entrepreneurship journey, **entrepreneurs need different skills and supports at various stages** to help them succeed. Additionally, **inclusive messaging can help extend the reach of skill-development programs** by changing the perception of what it means to be an “entrepreneur.”

#### Entrepreneurs need different types of training and skills at different stages in the journey

##### The importance of “business fundamentals” for early-stage LMI entrepreneurs

In the early stages, entrepreneurs often need fundamental business training and skills, including such areas as business plan development, demand forecasting, cash flow projections, and business licensing. These “business fundamentals” can help entrepreneurs determine if their ideas could be viable businesses. These early skills can guide them to create services and products that address a clear market need and help them understand how to manage costs and cash flows.

A number of organizations and incubators in the region are helping LMI entrepreneurs attain these skills. Some may focus more on developing knowledge on entrepreneurship concepts and methods, while others serve as launch pads for microenterprises to grow. Interviewees noted that both practical and academic knowledge were important.

##### Supports for professionalizing “side businesses”

Many of Fresno’s community members are resilient, savvy, and entrepreneurial by nature, and many are already working on informal ventures to fill needs and gaps in the local economy and earn extra income for their families. However, to help these ventures grow, LMI entrepreneurs oftentimes need help “professionalizing” their work (e.g., obtaining the proper licensing) in order to transform their “side business” into a formal business that can sustain a family. Educational programs that build off entrepreneurs’ existing skills — while also helping them develop the new ones necessary to formalize these entrepreneurial endeavors — can be an important part of the equation.

##### More advanced business and technical skills needed to accelerate growth

As businesses grow, the focus pivots from launching the idea to running and sustaining the daily operations. There are specific skills entrepreneurs may need to hone in this stage, such as bookkeeping and finance, marketing and sales, and social media usage. While some “incubators” exist in the region to help launch businesses, there seems to be a dearth of “accelerators” that can help businesses grow.

#### Skill-development programs should be responsive to the changing economy and perceptions around entrepreneurship

##### The changing definition of what a “business” is

While many small businesses focus on producing and selling goods, the rise of the service and sharing economy is expanding the opportunities for LMI entrepreneurs. And with the growth of the gig economy and freelancing, what being an entrepreneur means is also changing. Technology platforms that serve as intermediaries are empowering more individuals to become entrepreneurial without having major technical skills. For example, ride-sharing applications allow individuals to use their own cars to become their own bosses. Other examples are e-commerce sites through

#### In interviewees’ words:

*“We should also build the entrepreneurship expertise of direct service providers that serve LMI communities.”*

*“Small businesses need a firm foundation to build from.”*

*“People in this community are entrepreneurial by nature; they want to earn extra income for their families.”*

*“We not only need technical assistance providers, we need quality ones. The community has to trust these services to use them.”*

*“We have a few incubators that help launch businesses. Once the entrepreneurs are at the jumping-off stage, there’s a gap.”*

*“We’re a service economy. We’re moving away from an industrial base, and we’re moving to the sharing economy and freelancing.”*

which small entrepreneurs can offer their services (e.g., plumbing, auto repair) without having to build a brick-and-mortar shop.

### The importance of inclusive messaging

When helping LMI entrepreneurs build their business skills, it is important to consider how more inclusive messaging around entrepreneurship can resonate with more people. In particular, groups like single parents, people of color, and recent immigrants could be more attracted to entrepreneurship if it is more tangibly framed as developing solutions for them, their families, and their community.

*“Words like ‘entrepreneur’ and ‘startup’ can invoke an image that some may not identify with or relate to. Messaging around ‘career,’ ‘livelihood,’ and ‘flexible lifestyle’ can attract a more diverse group of people.”*

## 2.3) Opportunities Explored Together

### 2.3.1) Overview of Brainstormed Opportunities

In addition to sharing their perspectives on the three areas where LMI entrepreneurs need support, convening participants also brainstormed a number of action-oriented ideas, captured below, to address important regional gaps in this space. Of these, participants selected five, noted with stars below, to explore further in small groups. Detailed recaps of the small group discussions of these five opportunities can be found in the subsequent section on pages 13-17.

#### Potential Opportunities

<p>Spur entrepreneurship in <b>high-growth industries</b></p>	<p>Exploring ways to better connect entrepreneurs to high-growth industries could further spur growth in the region. For instance, logistics and construction were mentioned as growing industries and, at the same time, many agricultural workers are looking for different careers for themselves or their families as mechanization in agriculture continues apace. Finding ways to help workers “off-ramp” from some industries and “on-ramp” to new areas ripe for entrepreneurship could be a promising strategy.</p>
<p>★ Understand existing community assets by documenting and <b>mapping the ecosystem</b></p>	<p>In order to best serve LMI entrepreneurs, we need to understand the landscape of organizations and resources already working to advance entrepreneurship, as well as the broad ecosystem that serves LMI communities. This asset map could catalogue what each player is “best at,” based on feedback collected from entrepreneurs they have worked with.</p>
<p>Create <b>umbrella groups</b> to manage complexity for local entrepreneurs bidding on large contracts</p>	<p>Entrepreneurs may have the right skills, but often lack the proper certification or other resources to bid on (and deliver) contract work for government organizations or large companies. With the addition of the California High-Speed Rail and large logistics centers from Amazon and other corporations, some discussed how to help local small businesses win this work, potentially even creating an umbrella group to managing the complexity of these contracts.</p>
<p>★ Develop the entrepreneurship expertise and capacity of <b>existing local CBOs</b> that serve LMI communities</p>	<p>Community-based organizations (CBOs) have built trust with LMI communities through day-to-day interactions, even though they may not be familiar with entrepreneurship in particular. There is an opportunity to provide CBOs with connections, skills, and networks so they can better serve potential LMI entrepreneurs.</p>
<p>Create <b>business accelerators</b>, not just incubators</p>	<p>While there is a need to create more business incubators for LMI entrepreneurs, many highlighted there is a lack of business accelerators in the region that could help entrepreneurs grow and scale their ventures.</p>
<p>Support entrepreneurs in <b>rural areas</b></p>	<p>Rural communities in the region face additional challenges. For instance, recognizing transportation as a pain point for these communities, some organizations are exploring taking their work on the road by bringing municipal representatives, financing experts, and one-on-one coaching to rural areas as a “one-stop-shop” for entrepreneurs. Some</p>

	cities have taken a proactive approach to this, requiring business owners to attend these workshops before obtaining business licenses.
Tailor supports to <b>subpopulations</b>	Entrepreneurship could be accelerated by supporting specific subpopulations. For instance, the Latino community represents a large percentage of the region’s population and has relatively high rates of entrepreneurship. However, some Latinos face additional barriers to start a business because of immigration status, language, and cultural differences.
 Leverage local industry assets and expertise to create a <b>“food hub”</b>	As the top agricultural county in the U.S., Fresno can also harness its local industry assets and expertise in agriculture to become a “food hub” — a regional hub with a diverse set of entrepreneurial businesses across the value chain from agriculture to food processing to cottage foods and restaurants. As a start, the Fresno Food Expo already allows local entrepreneurs to market their products to national wholesalers and companies like Walmart, Costco, and Trader Joe’s. New food incubators and a physical downtown space could also support entrepreneurship in the space.
 <b>Redefine success</b> from the entrepreneurs’ lens	To better serve LMI entrepreneurs, organizations could align their definition of success with the goals of the entrepreneurs they serve, rather than the metrics that private, public, or philanthropic funders have established. Organizations could ask entrepreneurs what success means for them (e.g., long-term financial stability), rethink the “returns” and “benefits” of serving these LMI entrepreneurs, and build metrics around how organizations can help them reach those goals.
 Rethink how to <b>attract capital</b> through collaboration and creative funding	A key part of supporting LMI entrepreneurs is capital, and Fresno needs more capital — especially capital that is accessible for LMI communities, such as Community Reinvestment Act (CRA) investment. To attract capital from elsewhere, there is a desire to look into nontraditional financing methods (e.g., crowdfunding, direct public offerings, and public bond investment) and incentives like tax credits, develop partnerships to obtain investment across the state, and propose policies that allow LMI borrowers to access “fair” capital with reasonable terms to protect them from payday lending.
Provide <b>mobile triage supports</b> that LMI entrepreneurs can access	Entrepreneurs are often too busy running their own companies to figure out where and how they can get the help they need. Therefore, there is an opportunity to provide LMI entrepreneurs with a variety of customized triage services and supports — from analysis to solutions — that are accessible from their mobile devices, to be used on the go.
Create industry-specific <b>apprenticeships for entrepreneurs</b>	Although there is no “training course” for how to become an entrepreneur, one potential way to provide entrepreneurs with social capital and business skills relevant to their specific industry is through an apprenticeship program. For LMI entrepreneurs who may lack relationships to successful people in the field they are interested in, connections to mentors who can provide tailored, first-hand advice can be especially useful.
<b>Translate language</b> for LMI entrepreneurs	In the social sector, organizations use terms such as “intermediary,” “conciierge,” and “bridge loans,” but the communities that organizations serve do not necessarily understand these terms or interpret them in the same way. Organizations can better market themselves and how they can support LMI communities if they use language the community understands instead of social sector jargon. For example, organizations can market entrepreneurship to a more diverse audience by using a phrase like “be your own boss” instead of terms like “entrepreneur,” which can invoke a certain image that is not inclusive. Organizations also need to bring the LMI entrepreneurs into the room, listen to their needs, and better explain how programs or resources can support them.

### 2.3.2) Detailed Recaps of Opportunities with Significant Interest

Participants explored the five opportunities starred above in more detail by fleshing out the opportunity, identifying pain points, bright spots, risks, and outstanding questions for each.



## Opportunity: Understand existing community assets by documenting and mapping the ecosystem

### Description

In order to best serve LMI entrepreneurs, we need to understand the landscape of organizations and resources already working to advance entrepreneurship.



### What Pain Points Would This Solution Address?

- An asset map would delineate the boundaries of what various organizations provide, **pinpoint gaps** of technical assistance (TA) services, and identify connection points between various organizations across expertise, geography, and industry. Documenting the ecosystem could bring more cross-sector collaboration.
- LMI entrepreneurs have high demand for resources and support, but it can be challenging to figure out **where to find the specific support they need**.
- In particular, an asset map could help LMI entrepreneurs **locate partners, mentors, instructors, and leaders** that they can identify with — be it culturally, racially, gender-wise, socioeconomically, or otherwise.
- This documentation could also **keep providers accountable** about their service offerings and the quality of services.



### What Related “Bright Spots” Are Showing Promise Today?

- There are previous examples of **asset mapping** in Fresno, such as the Countyscape map of landmarks and institutions.
- The Sacramento HUD mapped key organizations in the Sacramento Promise Zone. These players **maintain relationships** with each other by holding quarterly meetings and events and informing others of funding opportunities.
- Opportunity Fund, a CDFI that provides loans to LMI entrepreneurs across the state, is able to pay a **referral fee** to partners that recommend promising entrepreneurs to invest in. This mechanism can be helpful to help lenders identify investment opportunities that they may not have known about otherwise.



### Who Would the Solution Help, and How Would It Help Them?

- **Key players in the ecosystem** can better understand what services each organization provides. If organizations can identify where to hand off the work to other players based on each organization’s specialty, they may be able to collectively better serve entrepreneurs. Additionally, organizations could potentially identify better partnerships once they understand the connection points with other players.
- **Entrepreneurs** would be able to identify which organizations could provide the most relevant help to given their specialties.
- **Funders, the public sector, and policy makers** would have an easier time understanding Fresno’s landscape of TA providers and differentiating the various organizations.



### How Would the Solution Work?

- A third party would create a **living document that maps the broad ecosystem of organizations that serve LMI entrepreneurs** (e.g., community-based organizations, entrepreneurship education programs, funders), as well as traditional providers. Players could be categorized by industry, stage of growth, and ethnic / cultural / faith-based buckets.
- The process would **measure the quality of support provided** in order to hold organizations accountable for their service offerings and the quality of those services. In order to collect honest feedback, LMI entrepreneurs would be surveyed before and after using an organization’s service and ask them to rate the organizations based on the quality of services provided, measured by aspects such as how commitment, collaboration, responsiveness, and accessibility. This information would help us identify each organization’s specialties (what they are “best at”), which would be included in the living document.



### What Key Risks and/or Outstanding Questions Do We Need to Consider?

#### Key Risks:

- Rating the quality of providers may **alienate some TA providers** who receive negative feedback.

#### Outstanding Questions:

- What is the best **format** for this asset map, and how can it be **updated**?
- How would **feedback be collected**? Who would be asked and how often? Would feedback be anonymous?



# Opportunity: Develop the entrepreneurship expertise and capacity of existing local CBOs that serve LMI communities

## Description

Community-based organizations (CBOs) have built trust with LMI communities through day-to-day interactions, even though they may not be familiar with entrepreneurship in particular. There is an opportunity to build the capacity of existing CBOs to be able to serve potential LMI entrepreneurs.



## What Pain Points Would This Solution Address?

- There is a **lack of information and resources in LMI communities**. Intermediaries can better disseminate information and recommend resources to the LMI individuals they have already built trusting relationships with.
- While CDFIs do important work in the community, they may not have close enough relationships to lend directly to community members and would need **connections to institutions that can help**. These lenders could partner with CBO intermediaries that are well-connected within the community.
- It can be a challenging process for financial institutions to determine who qualifies for loans. Leveraging CBO intermediaries to understand the LMI individuals' backgrounds could **decrease the loan failure rate**.



## What Related "Bright Spots" Are Showing Promise Today?

- Financial institutions are **providing capital** to many deserving entrepreneurs.
- Many community-based organizations have **earned the trust of LMI families**.
- **Existing organizations are collaborating** on initiatives that help connect the dots among entrepreneurs, organizations, case workers, and resources (e.g., Fresno4biz.org).



## Who Would the Solution Help, and How Would It Help Them?

- **LMI entrepreneurs** would be able to find high-quality resources and help from organizations they already know and trust.
- **CBOs** would be able to serve the community better with more entrepreneurship training, resources, and contacts.
- The **community and region** would have a tight-knit network of resources to support families in all aspects.



## How Would the Solution Work?

- There could be a basic system that **stores information** on various organizations and resources. This way, organizations can refer entrepreneurs to other resources that can address individuals' specific needs. Additionally, CBOs can help to create awareness of the entrepreneurship resources available in the region.
- A group would design a pilot program where an organization with expertise in entrepreneurship would **provide training and connections to direct service providers** with deep community relationships.
- Together, these organizations can also coordinate **cross-organization trainings** or workshops if there is a common need.
- Organizations would **measure the outcomes** of these efforts by tracking new business licenses, access to capital, long-term business sustainability (3-5 years), and job growth.



## What Key Risks and/or Outstanding Questions Do We Need to Consider?

### Key Risks:

- Intermediaries are extremely busy running their day-to-day operations. Even though they may want to participate, they may not have any **capacity**.
- Organizations need to understand the **barriers** of LMI entrepreneurs better to make sure we actually address their needs instead of what we think they need.

### Outstanding Questions:

- How can existing resources be most **effectively leveraged**? Do they have the capacity to participate?
- How can the **demands** of LMI entrepreneurs be satisfied?
- How will **funding** be obtained?
- How can **qualitative measurements** (e.g., confidence to lead business) be quantified?
- How can **outcomes** be measured?



## Opportunity: Leverage local industry assets and expertise to create a “food hub”

### Description

As one of the biggest industries in the region is agriculture, Fresno can position itself as a “food hub,” developing supports and opportunities for a diverse set of entrepreneurial businesses across the food value chain.

### What Pain Points Would This Solution Address?

- Given Fresno's comparative advantage as the top agricultural county in the nation, LMI entrepreneurs can connect to **business opportunities in the critical industry** of food and agriculture and capitalize on the region's expertise.
- **Vacant real estate** can be filled by housing food production facilities, commercial kitchens, or breweries in empty industrial spaces and placing restaurants in retail plots.
- This could help **revitalize** the community, especially the downtown area.
- In the long term, Fresno could build a **regional brand** around food, which may even attract tourism.

### What Related “Bright Spots” Are Showing Promise Today?

- Fresno has a solid foundation with the **Fresno Food Expo**, which provides local entrepreneurs with a platform to pitch their ideas to national companies like Walmart and Costco, find a market, and access new networks. Building on this energy, the expo can expand to be a physical hub with markets, restaurants, and cooking classes like Detroit's Eastern Market.
- Fresno is already seeing growth in the **craft beer and microbrewery** sector.
- Amazon has announced they are building a distribution center in Fresno. Given its Whole Foods acquisition, there may be an opportunity in **food logistics** where fresh produce from the San Joaquin Valley can be rapidly delivered to coastal cities.
- **Local universities** have renowned agricultural education programs and ag tech research centers.
- Some rural communities have **kitchen incubators and commercial kitchens** that are public department-certified. Even without a centralized kitchen, the Detroit Food Lab has been able to use churches and community kitchens and provide blanket liability insurance. This addresses a key challenge of community kitchens requiring insurance in order to allow LMI entrepreneurs to operate and make food.
- There has been significant **innovation in the food industry nationwide** with incubators and accelerators (e.g., Rutgers Food Innovation Center), labs (e.g., Nestle Food Lab), community kitchens (e.g., LA Kitchen), and physical market hubs (e.g., Detroit's Eastern Market). Fresno Metro Ministry and Diamond Foods are gaining momentum closer to home.

### Who Would the Solution Help, and How Would It Help Them?

- This would provide economic opportunities for **LMI communities**, especially farmers with value-add products, informal cottage food entrepreneurs, and agriculture students.
- Opportunities related to food may also be more **accessible** for re-entry populations, immigrants, and refugees.
- **Tourism-based and service industries** would see economic growth and job creation.

### How Would the Solution Work?

- **Existing infrastructure** and small industrial spaces could provide a good starting point for food-related businesses. Fresno can also build on the energy around local microbreweries, the Downtown Partnership, and existing capital sources.
- A **physical space** for the food hub would be located in the revitalized downtown area.
- In addition, organizations would need to create meaningful **partnerships** outside of Fresno (e.g., consulting from food incubators, financing from New Market Tax Credits Program, and expertise from agencies like the USDA).

### What Key Risks and/or Outstanding Questions Do We Need to Consider?

#### Key Risks:

- This is a high-cost investment, but there may **not be enough capital** to fund the effort.

#### Outstanding Questions:

- Who will **champion** this effort?
- What kinds of **products** are needed?
- Is there **demand** from LMI and consumers?



## Opportunity: Redefine what success means from the entrepreneurs' lens

### Description

To best serve LMI entrepreneurs, organizations should align their definition of success with the goals of the entrepreneurs they serve, rather than the metrics that private, public, or philanthropic funders establish.



### What Pain Points Would This Solution Address?

- Some organizations don't have a good sense of metrics to measure, resulting in **metrics of success that don't exactly align with their mission**. This may incentivize organizations to chase metrics that aren't fully aligned with the people they are trying to help. For example, the public sector often incentivizes short-term job creation in order to lower the unemployment rate when many entrepreneurs prioritize long-term financial stability. And to justify more funding, entrepreneurs may decide to hire more employees, even if the best way to grow their business in a sustainable manner may be to invest in equipment or real estate instead.
- It can be difficult to attract capital due to the gap between **financial versus social returns on investment**. If our metrics can align these two types of returns, organizations can better prove our value and impact to funders and policy-makers.



### What Related "Bright Spots" Are Showing Promise Today?

- Organizations across many industries are recognizing the importance of **user-centered design**. Therefore, partners and funders may be more open to designing metrics around the success of entrepreneurs.



### Who Would the Solution Help, and How Would It Help Them?

- Through this process, service providers will better understand the goals and needs of the entrepreneurs they serve, which could result in improved support for **entrepreneurs**.
- **Service providers** would be able to focus on their mission instead of having to juggle serving entrepreneurs and meeting their metrics or incentives.



### How Would the Solution Work?

- First, providers need to see their services through the **entrepreneur's lens** by asking entrepreneurs — in addition to funders or organizational partners — what success means to them (e.g., financial stability), what are the best measures of success, and what gaps to help close. For example, providers should take efforts to better understand what drives and impacts income stability and living wages.
- Next, providers would **refocus their goals, metrics, and incentives** to more closely match what entrepreneurs need. Recognizing that entrepreneurs and others in the ecosystem may measure success differently, it is important to define success as a continuum, requiring a broad framework that addresses this continuum and allows for flexibility.
- At a community level, it is critical to identify barriers in communities and **define collective action** to close these gaps. An asset map that documents the players in the ecosystem would help in this effort.
- Lastly, this solution would articulate the value of aligned goals and missions among players, connections, and the community to **attract funding** to these areas.



### What Key Risks and/or Outstanding Questions Do We Need to Consider?

#### Key Risks:

- Aligning metrics should be an **inclusive activity** where entrepreneurs, partners, funders, and policy-makers come together to define success.
- If funders disagree with this approach, then service providers may **lose capital**, further hindering their ability to help the community.

#### Outstanding Questions:

- How do providers **balance the needs** of entrepreneurs with the desired results funders want to see?
- Given capital constraints, how do organizations **avoid accepting funding** that don't align with their mission or goals?





# Opportunity: Rethink how to attract capital through collaboration and creative funding

## Description

A key part of supporting LMI entrepreneurs is capital, and Fresno does not have enough. To attract capital, organizations need to get creative and develop partners to invest in Fresno's LMI entrepreneurs.



## What Pain Points Would This Solution Address?

- Although there is extensive demand from aspiring and active LMI entrepreneurs who need more capital, the San Joaquin Valley does not have enough capital — especially **capital that is accessible for LMI communities**, such as Community Reinvestment Act (CRA) investment.
- Due to the lack of available capital, some LMI entrepreneurs with lower credit scores are turning to **aggressive online lenders** with high-cost loans to fund their businesses. Borrowers can then become trapped with many high interest rate loans, as their total debt balloons quickly.



## What Related “Bright Spots” Are Showing Promise Today?

- Statewide and local **community development financial institutions (CDFIs)** are bringing more money into the region.
- There is **growing energy around the San Joaquin Valley** and its entrepreneurship opportunities, high-speed rail development, and recent business investment from large companies like Amazon and Ulta Beauty.
- Entrepreneurs, especially those from rural areas, are accessing capital through **creative means** like crowdfunding and unique investment funds.



## Who Would the Solution Help, and How Would It Help Them?

- **LMI entrepreneurs** would be able to access the funds needed to start, grow, and sustain their business operations. This is especially important for online borrowers who cannot go to banks.
- With more funding, **organizations** can better do their jobs of supporting LMI entrepreneurs in the community.



## How Would the Solution Work?

- First, the community could develop **partnerships** with statewide CDFIs, investment funds, and similar sources to bring in investment from across the state.
- Identifying **specific opportunities for re-development** would be another way to attract outside capital. Funders may wish to only sponsor a particular project, such as a grocery store or mall, and see exactly where their money is going.
- Private investment would be rewarded with new or existing **tax credits**, such as the New Markets Tax Credit Program.
- There should be **policies** that allow LMI borrowers to access “fair” capital with reasonable terms beyond the CRA. For instance, a Borrower Bill of Rights could preclude payday lending.
- In addition, **other creative financing methods** can be considered, including direct public offerings or public bond investment.
- Across all these methods of advocating for private and public capital, **the public should listen to LMI entrepreneurs’ stories** of how much of a difference access to capital has made to their businesses and lives.



## What Key Risks and/or Outstanding Questions Do We Need to Consider?

### Key Risks:

- **Aggressive lenders** with high-cost loans may try to take advantage of this system.
- Even with these changes, there may **not be enough capital** to sustain entrepreneurship in the entire region.

### Outstanding Questions:

- How can Fresno and the San Joaquin Valley **market ourselves** to stand out to bring in more capital?
- How **quickly** can this be accomplished?
- How can **policies** protect borrowers, but also acknowledge free market principles (e.g., borrowers choose to take on these high-cost loans, so lenders have a right to profit)?

### 3) Acknowledgements

We would like to thank the following people for the contributions before and during the convening that helped us all further our understanding of how to support LMI entrepreneurs in California:

Organization	Name	Title
Bitwise Industries	Jake Soberal	Co-Founder and CEO
California Endowment	Sabina Gonzales-Erana	Program Manager, Fresno
California State University, Fresno	Ismael Herrera	Associate Director, Office of Community and Economic Development
California State University, Fresno	Eduardo Gonzalez	Director, Small Business Development Center
Central Valley Community Foundation	Ashley Swearengin	President and CEO
Cultiva la Salud	Genoveva Islas	Program Director
Fresno Area Hispanic Foundation	Dora Westerlund	Executive Director
Fresno CDFI	Tate Hill	Senior Manager, Administration
Fresno CDFI	Jeremy Hofer	Senior Manager, Operations
Fresno CDFI	Salam Nalia	CFO
Fresno County Economic Development Corporation	Lee Ann Eager	President and CEO
Fresno County Economic Development Corporation	Nikki Newsome	COO
Fresno Economic Opportunities Commission	Paul McLain-Lugowski	Chief Innovation Officer
Fresno Metro Black Chamber of Commerce	Tara Lynn Gray	CEO
Fresno Pacific University	Randy White	Executive Director, Center for Community Transformation
ICA Fund Good Jobs	Ingrid Jacobson	Managing Director, Entrepreneur Services
ICA Fund Good Jobs	Sean Murphy	CEO
La Cocina	Caleb Zigas	Executive Director
Opportunity Fund	Robert Zapata	Community Development Officer
Small Business Majority	Mark Herbert	California Director
The University of California, Merced	Peter Schuerman	Director, UC Merced Venture Lab; Director, Office of Business Development
Wells Fargo	Geri Yang-Johnson	Vice President, Community Development

- 
- <sup>1</sup> Inara Tareque, Robert Fairlie, and Arnobio Morelix. "The 2017 Kauffman Index of Startup Activity: State Trends" (Ewing Marion Kauffman Foundation: 2017), 9. <http://www.kauffman.org/kauffman-index/reporting/~media/b27f0b8eb4a8414295f23870538e5372.ashx>.
- <sup>2</sup> Michael S. Barr. "Minority and Women Entrepreneurs: Building Capital, Networks, and Skills" (The Brookings Institution, 2015), 3. [https://www.brookings.edu/wp-content/uploads/2016/07/minority\\_women\\_entrepreneurs\\_building\\_skills\\_barr.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf).
- <sup>3</sup> Kelly D. Edmiston. "Entrepreneurship in Low- and Moderate-Income Communities" from *Entrepreneurship in Emerging Domestic Markets* (Milken Institute: 2008), xviii. [https://www.researchgate.net/publication/251813073\\_Entrepreneurship\\_in\\_Low\\_and\\_Moderate\\_Income\\_Communities](https://www.researchgate.net/publication/251813073_Entrepreneurship_in_Low_and_Moderate_Income_Communities).
- <sup>4</sup> Ibid.
- <sup>5</sup> Michael S. Barr. "Minority and Women Entrepreneurs: Building Capital, Networks, and Skills" (The Brookings Institution, 2015), 9. [https://www.brookings.edu/wp-content/uploads/2016/07/minority\\_women\\_entrepreneurs\\_building\\_skills\\_barr.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf).
- <sup>6</sup> Stephen Slivinski. "Bootstraps Tangled In Red Tape: How State Occupational Licensing Hinders Low-Income Entrepreneurship" (Goldwater Institute: 2015), 8. [https://goldwater-media.s3.amazonaws.com/cms\\_page\\_media/2015/2/23/OccLicensing3.pdf](https://goldwater-media.s3.amazonaws.com/cms_page_media/2015/2/23/OccLicensing3.pdf).
- <sup>7</sup> Michael S. Barr. "Minority and Women Entrepreneurs: Building Capital, Networks, and Skills" (The Brookings Institution, 2015), 9. [https://www.brookings.edu/wp-content/uploads/2016/07/minority\\_women\\_entrepreneurs\\_building\\_skills\\_barr.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf).
- <sup>8</sup> Velicia Woods. "U.S. Minority-Owned Firms Continue to Outpace Growth of Nonminority-Owned Firms" (Minority Business Development Agency, U.S. Department of Commerce: 2015). <https://www.mbda.gov/news/press-releases/2015/08/us-minority-owned-firms-continue-outpace-growth-nonminority-owned-firms>.
- <sup>9</sup> Ibid.
- <sup>10</sup> Chris Jackson. "Lessons from the Kauffman Index: Immigrants Are Infused with Entrepreneurial Energy" (Ewing Marion Kauffman Foundation: 2015). <http://www.kauffman.org/blogs/growthology/2015/06/lessons-from-the-kauffman-index-immigrants>.
- <sup>11</sup> Ibid.
- <sup>12</sup> Kelly D. Edmiston. "Entrepreneurship in Low- and Moderate-Income Communities" from *Entrepreneurship in Emerging Domestic Markets* (Milken Institute: 2008), xviii. [https://www.researchgate.net/publication/251813073\\_Entrepreneurship\\_in\\_Low\\_and\\_Moderate\\_Income\\_Communities](https://www.researchgate.net/publication/251813073_Entrepreneurship_in_Low_and_Moderate_Income_Communities).
- <sup>13</sup> "California Small Business Profile" (U.S. Small Business Administration Office of Advocacy, 2016), 1. <https://www.sba.gov/sites/default/files/advocacy/California.pdf>.
- <sup>14</sup> "Fresno MSA: Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)" (CA Employment Development Department: 2015). [http://www.labormarketinfo.edd.ca.gov/file/indsize/frsn\\$sf2015.xlsx](http://www.labormarketinfo.edd.ca.gov/file/indsize/frsn$sf2015.xlsx).
- <sup>15</sup> Ibid.
- <sup>16</sup> "California Small Business Profile" (U.S. Small Business Administration Office of Advocacy, 2016), 1. <https://www.sba.gov/sites/default/files/advocacy/California.pdf>.
- <sup>17</sup> Norberto Miranda and Janna Ayoub. "Fast Facts about California Small Business" (CA State Assembly Committee on Jobs, Economic Development, and the Economy: 2015), 3. <http://ajed.assembly.ca.gov/sites/ajed.assembly.ca.gov/files/Final%20Small%20Business%20Fast%20Facts%20July%202015.pdf>.
- <sup>18</sup> Ibid.
- <sup>19</sup> "Business Dynamics Statistics: Firm Size by State - California" (U.S. Census Bureau: 2015). [http://www2.census.gov/ces/bds/firm/bds\\_f\\_szst\\_release.xlsx](http://www2.census.gov/ces/bds/firm/bds_f_szst_release.xlsx).
- <sup>20</sup> Robin Brule. "Access to Capital: One of the Keys to Prosperity" (Living Cities: 2015). <https://www.livingcities.org/blog/878-access-to-capital-one-of-the-keys-to-prosperity>.