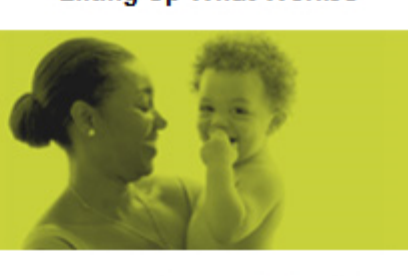


America's Tomorrow: Equity Is the Superior Growth Model



November 7, 2013

Features

America Votes for Equity

Equity was the winner in several important Election Day battles – a sign of the growing public demand for building a fair, just economy in which all can participate and prosper.

New Jersey voters approved a constitutional amendment to raise the minimum wage by \$1, to \$8.25 an hour, with automatic increases tied to inflation. More than a half-million workers, mostly women and people of color who often times face [significantly lower weekly median earnings](#) than their white male counterparts, will see \$440 million in increased wages. Small business owners had joined a broad coalition of labor, anti-poverty advocates, and civil rights groups to fight a well-funded attack on the proposal.

A nationally watched initiative in SeaTac, Washington, to set a \$15 minimum wage and guarantee sick leave and job protection for thousands of workers in and around the Seattle-Tacoma International Airport was leading in early counting. But with mailed ballots not yet tallied, the final result may not be announced until Friday. The contentious campaign, widely viewed as a national bellwether, attracted big donors nationwide. By one estimate, campaign spending totaled [\\$94 per voter](#).

Whatever the outcome, the campaign raised the profile of the baggage handlers, jet fuelers, janitors, and other workers – [primarily immigrants and people of color](#) – who keep the nation's airports running smoothly yet earn poverty-level wages, an average of \$20,000 a year. Although the airport is an economic engine for the region, the City of SeaTac, which surrounds the airport, has the highest poverty rate in King County, [16.4 percent](#).

Public frustration with the growing gap between rich and poor was a decisive issue in New York City. Progressive Democrat Bill de Blasio won a landslide victory on a platform of fairer, more inclusive policies and more widely shared prosperity. Democrat Letitia James Tish, an equity champion who has pushed hard for expanded contracting with minority- and women-owned businesses, was elected the city's public advocate, de Blasio's previous job.

Even as we celebrate these important victories, the road to a more equitable economy is long. In this week's elections, voters took a few important steps along that road.

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Small Business on a Big Mission: Twin Cities Model Comes to Detroit



Cheryl Robinson, owner of Kids Craft LLC and a recent ProsperUS graduate.

In a shuttered corner store just blocks from his home in Southwest Detroit, J. Antonio Lopez sees an opportunity to align his business goals with the needs of his community.

Lopez bought the building in hopes of opening a grocery store in a neighborhood buffeted by poverty, vacancies, and disinvestment. "I see all my neighbors walk for blocks and blocks just for milk and tortillas," he said.

To make his dream a reality, Lopez turned to [ProsperUS](#), an innovative project working to revitalize the hardest-hit communities in one of the nation's most distressed cities by harnessing the entrepreneurial talents of residents.

Modeled on the successful [Neighborhood Development Center](#) (NDC) in Minneapolis-St. Paul, Minnesota, ProsperUS provides low-income people, people of color, and immigrants with training, technical assistance, and loans to launch and operate small businesses in their communities. The effort is based on a premise that many economic development initiatives overlook: residents are a community's greatest assets.

"There is a huge supply of talented entrepreneurs in low-income neighborhoods, but the barriers they face are immense, starting with the recognition they exist," said Mihailo Temali, founder and CEO of NDC.

ProsperUS collaborates with neighborhood organizations to identify participants and host classes in the fundamentals, from writing a business plan to making financial projections to conducting market research. These partnerships are the foundation of a long-term strategy to tap hidden talent, groom local business leaders, stimulate investment, and create jobs.

"We recognize that we have to rely on relationships with neighborhood groups for the trust they already have in those neighborhoods, and for the social support they can provide to foster success," said Kimberly Faison, director of ProsperUS Detroit.

Adapting a successful model

It is well known that Detroit is struggling with significant challenges: the nation's largest municipal bankruptcy; an unemployment rate of 18 percent; years of job and population losses; and decades of disinvestment. ProsperUS grew out of a 2010 [study](#) by [Global Detroit](#) which identified entrepreneurship development in immigrant communities as a promising strategy to strengthen neighborhoods and turn around the city's economy.

The Global Detroit team searched nationwide for a model to replicate and found it in NDC. The project has been a pioneer in partnering with community-based organizations to seek out low-income residents and immigrants in the poorest neighborhoods, launch them on the road to business success, and signal to the wider community that entrepreneurship is a viable option for local residents. Over the past 20 years, they have developed a set of culturally appropriate programs, with business classes run by trainers from the local communities and in the native language of the entrepreneurs. NDC has trained more than 4,000 entrepreneurs who have started more than 1,000 businesses in the Twin Cities. Based on [biennial analyses](#) conducted by Wilder Research, more than 450 NDC alumni – 80 percent of them people of color – were open for business in 2012, employing 1,800 people, primarily people of color. Sixty percent of those businesses occupied formerly vacant buildings.

ProsperUS is a program of Southwest Housing Solutions and started training entrepreneurs in fall 2012. The project now targets the Cody Rouge and North End-Central Woodward communities, in addition to Southwest. Reflecting the city's population, most of the 68 graduates to date are African American.

ProsperUS has adapted elements of the NDC approach to meet local needs. The project is also directing resources toward existing business owners, who are as vital as new entrepreneurs to the city's economic future, and who often struggle with the same challenges. ProsperUS regularly convenes its partners, funders, trainers, and consultants to develop coordinated strategies to support neighborhood business development. From those meetings has come a push for systems-level change to spur investments in commercial corridors where old and new businesses can thrive.

Business owners with a mission

Participants in ProsperUS training attend a 12-session course and receive up to 10 hours of one-on-one coaching. The sliding-scale fee ranges from \$75 to \$150. ProsperUS provides technical assistance and microloans to graduates and local business owners – up to \$15,000 for start-ups and \$25,000 for existing owners.

ProsperUS encourages the entrepreneurs to hire locally, work collaboratively with other local businesses, and see themselves as part of a broad endeavor to strengthen Detroit. Like Lopez, many don't need to be persuaded.

"So many of the people who come in are mission-minded, not just profit-driven," Faison said. "So many people want to be a part of neighborhood change. When we meet people who express that desire, it always gives us such hope. People are as motivated by helping others as by helping themselves."

Lopez already ran a tire shop and a tequila company when he enrolled in ProsperUS training to get his grocery store off the ground. Still, the training opened his eyes. "I really never knew how important it was to build a business plan," he said.

The program also connected him to an emerging network of entrepreneurs like him, residents with ambition, vision, and a commitment to their community. They share information and cheer each other on through a Facebook group. "Teaming up with my fellow students has been a great part of this experience," he said.

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In Brief

Closing Racial Gaps Boosts Growth

\$2 trillion this year. \$5 trillion in 2030. That's how much higher gross domestic product would be if racial gaps in earnings were closed, according to a new [analysis](#) conducted by the Altarum Institute and published by the W.K. Kellogg Foundation.

Target Bans the Box

Coming on the heels of successful "ban the box" campaigns in California, Minnesota, and elsewhere, Target recently announced that it will [eliminate the question](#) asking about criminal records on job applications at all its stores. Target has 1,800 stores and over 350,000 employees nationwide.

Economic Gaps Persist for Women of Color

Even as women of color make strides in entrepreneurship and education, they face huge barriers to opportunity, according to a [new report](#) by the Center for American Progress. For instance, black women are starting businesses at six times the national average, yet more than two-thirds of Fortune 500 companies have no women of color on their boards. Another new [Center report](#) examines the continuing economic struggles in communities of color, a few years after the Great Recession.

Infographic: State Legislatures Roll Back Worker Protections

This week's elections reaffirmed voters' support for economic equity, but state legislatures over the last two years have eroded workers' protections like minimum wage, sick leave, and even child labor laws, according to a new [report](#) and [infographic](#) from the Economic Policy Institute.

America's Tomorrow highlights campaigns, leaders, policies, reports, and local models that are advancing equity as an economic imperative. It is produced by Chris Schildt, Sarah Treuhaff, Fran Smith, and Ana Louie. To learn more, visit the [America's Tomorrow webpage](#).

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