

Concept Review

May 14, 2019

Grantee: Chicago Community Foundation	Request ID: 115949
Grant amount/range: \$500,000	Staff: Clark McCain
Project Title: Chicago-area Entrepreneurs of Color Fund	Grant period: 1 year

Project Description: In 2018, the report *Assessing Chicago's Small Business Ecosystem* was released as the result of a year-long study that conducted qualitative and quantitative research about the small business ecosystem and the needs of businesses owned by women and people of color. From this work, the following challenges and needs were identified: 1) a more integrated, collaborative ecosystem for the delivery by non-profits of services for neighborhood entrepreneurs; 2) the enhancement of service options available in the ecosystem and their greater accessibility by entrepreneurs; 3) expanded access to networks and capital for small business owners.

Over several months, the Coleman Foundation, The Chicago Community Trust, JPMorgan Chase and the McCormick Foundation have developed plans for a collaborative funding program to support more sustainable and growing Chicago-area entrepreneurs of color. A more holistic approach is needed through multiple levels of support to remove often-found barriers to access, support, and networks for entrepreneurs of color. One level centers on supporting the launch, stability and growth of businesses through capital access programs, mentorships and access to markets and networks. Another level focuses on providing education and training on essential skills. The third level involves addressing the basic human needs of entrepreneurs such as housing, education, health and transportation through wraparound services in order to support entrepreneurs sustain their important contributions to their businesses in times of instability or crisis.¹

The funder group intends to field a joint Request for Proposals to identify organizations and projects using collaboration among partners to provide support for entrepreneurs as described above. Employing a model for multi-funder efforts managed by the Trust in the past, funds would be contributed -- CFI (\$500,000), the Trust (\$500,000), JPMorgan Chase (\$500,000) and McCormick Foundation (\$250,000) -- to the Chicago Community Foundation (a legal entity established to receive and hold funds to be re-granted). Each funder would appoint one "advisor" (Clark for CFI) who would work with other advisors to make unanimous award decisions from the Fund to non-profits.

LOIs due June. Applications due mid-August. Site visits in September. Awards announced in October.

Reason(s) to fund: CFI's Entrepreneurship-In-Neighborhoods strategies and goals have informed the development of the goals for this fund. The joint effort is an opportunity to not only identify neighborhood non-profits who are providing entrepreneurship education but also to formally work with other funders in a way that scales the impact of our funding resources.

Outcomes:

- Approximately twelve one-year grant awards ranging from \$50,000 to \$175,000 to multiple non-profits working in collaboration
- Improvements to 1) Access to supporting services; 2) Industry specialized services; 3) Educational curricula; 4) Expanded markets and/or mentorship networks; 5) Access to capital
- Program-wide evaluation system which identifies common metrics and identifies lessons learned

¹ Michael H. Morris, Susana C. Santos, and Xaver Neumeyer, *Poverty and Entrepreneurship in Developed Economies* (Massachusetts: Edward Elgar Publishing, Inc., 2018)