



# REPORT ON RESEARCH WITH BLACK ENTREPRENEURS AND BUSINESS OWNERS IN EAST AND CENTRAL BROOKLYN

Participatory Action Research for the Brooklyn Health Enterprise Hub

2022-2023



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A Make Manifest BK storefront on Tompkins Ave.

## About Us

People-Focused Research: Report On Research With Black Entrepreneurs And Business Owners In East And Central Brooklyn–Participatory Action Research For The Brooklyn Health Enterprise Hub is part of a series of reports carried out under the banner of Wellness Empowerment for Brooklyn, or WEB.

Launched in 2016, WEB is the participatory action collective now housed within Brooklyn Communities Collaborative that centers neighborhood residents in determining what types of changes they believe will improve health and wellbeing in their communities. WEB teams conduct research using a social determinants of health (SDOH) framework and, based on findings, develop recommendations for improving health and building wealth. Project sponsors then collaborate to implement the recommendations.

The WEB Team would like to acknowledge the critical contributions of our sponsors and community partners who were instrumental in informing our research objectives. We pay a special thanks to the inspiring Brooklyn entrepreneurs who took time out of their busy schedules to engage with us. We would also like to thank the supply chain teams at Maimonides Health and the One Brooklyn Health System. Those acknowledged below continue to do the on-the-ground work of helping to make the communities of Central and East Brooklyn safe, healthy and joyous places to live.

### Research Team

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*Cover photo credit: Gretchen Susi. Mural at 502 Saratoga Avenue at intersection with Pitkin Avenue.*

## Who is BCC and what is the Brooklyn Health Enterprise Hub?

Brooklyn Communities Collaborative (BCC) is a nonprofit organization that convenes community and institutional partners focused on strengthening health, wealth, and leadership in Brooklyn communities. BCC leverages the knowledge and engagement of community members and the power of anchor institutions to close the racial wealth gap in order to improve the health and wellness of underserved Brooklynites. BCC harnesses community voice to identify pressing obstacles and incubate innovative solutions in neighborhoods where health disparities are most evident. Working across silos to address complex systemic challenges, BCC convenes a broad and diverse network of partners to achieve shared goals of a healthier and more equitable Brooklyn.

BCC's institutional partners include 1199SEIU, the City University of New York (CUNY), Maimonides Health, One Brooklyn Health, SUNY Downstate Health Sciences University, and Wyckoff Heights Medical Center, as well as more than 100 community-based organizations serving Brooklyn.

A significant number of BCC's founding board members came to the institutional partnerships that would become BCC as part of a multi-stakeholder campaign in the early 2010s to save Interfaith Medical Center, a safety-net hospital serving the historically Black Brooklyn neighborhoods of Bedford-Stuyvesant, Brownsville, Canarsie, and East New York. A coalition of community, clergy, healthcare workers, union leaders, and elected

officials not only kept the hospital open, but transformed it into a new system using its power to build community health and wealth. BCC, incorporated in 2019, is carrying much of that work forward as a partnership among the healthcare institutions, academic partners, and community-based stakeholders mentioned above. BCC has an agreement with Maimonides Medical Center (MMC) for management services, positioning strong institutional capacity behind community-derived and -led goals. This unprecedented alignment of stakeholders has deep community roots and the expertise to create change at scale. Its leadership and collaborators are committed to driving the community- and labor-led, multi-level, intergenerational, transformative change needed to achieve racial and health equity in East and Central Brooklyn.

One of the critical elements of health and well-being in communities is the generation and retention of financial wealth by local residents, both as business owners and as employees of local enterprises. BCC established the Brooklyn Health Enterprise Hub to set the stage for Central and East Brooklyn residents, enterprises, and organizations to participate more fully in the local economy. The Hub works to redirect the supply chain and expand workforce opportunities to benefit the local economy in Brooklyn neighborhoods most challenged by structural racial and economic inequality.

BCC has worked closely with procurement teams at anchor hospitals, identified strategies

to diversify and localize spending, and secured a commitment from anchor institutions to increase spending with local minority and women owned business enterprises tenfold by 2030 - an increase of \$35-40 million annually.

With generous support from the Ewing Marion Kauffman Foundation, BCC joined with researchers from CUNY Hunter College in 2022

to lay the groundwork for anchor procurement diversification efforts by conducting a participatory action research (PAR) study focused on engaging Black business owners and creating knowledge about their successes, their challenges, and their potential to become suppliers and contractors with the healthcare anchor members of BCC.

## What is Participatory Action Research?

Participatory action research (PAR) is social inquiry based on the principle that those most impacted by research should take the lead in framing the questions, design, methods and analysis. In PAR studies, participants help to design studies, frame questions, collect data, complete data analysis, and strategize about how to act on findings. In addition to building knowledge from the expertise incumbent in neighborhoods, Participatory Action Research is an organizing tool: building the case for positive government and philanthropic intervention and galvanizing action and involvement by community stakeholders.

Since its inception, BCC has relied on a PAR methodology underpinned by a social determinants of health framework, generating [studies](#) that have informed informed community-based healthcare provision, new affordable housing development, wealth-building strategies, workforce development, and career pipeline efforts.

### How does this PAR study fit into BCC's work more broadly?

BCC's anchor members recognize that just as safe and affordable housing, responsive healthcare services, and pathways to good-paying jobs are core components of healthy communities, so too are small business profitability, wealth building opportunities, and retail corridor vitality. If local entrepreneurs and their businesses thrive, this translates to more wealth circulating locally – dollars that are being invested in the health and well-being of East and Central Brooklyn households. BCC is therefore committed to taking actions that nurture, strengthen, and expand businesses owned and operated by East and Central Brooklyn residents. Two key factors need to be in place to actualize a virtuous circle of this kind:

1. *A clearly defined system to increase BCC hospitals' utilization of goods and services furnished by locally-owned, minority-owned,*

*and worker-owned enterprises, with a particular focus on opportunities for M/WBE businesses.*

Research indicates that procuring from local vendors generates twice as much recirculation of revenue within the local economy and up to twice as many jobs per dollar versus non-local procurement. For hospitals in Brooklyn alone, this opportunity can equal up to \$2 billion or more annually. BCC's June 2022 publication [\*Building Health, Wealth and Equity in Brooklyn: Analysis of Hospital Procurement Data to Inform Efforts to Diversify and Localize Spending\*](#), analyzed procurement at two safety-net hospitals, Maimonides Health and One Brooklyn Health. The report identified that only one percent of annual non-clinical spending at these hospitals goes to MWBEs, and even less goes to local MWBEs. Improving this spending metric requires both systems change within the institutions and intensive developmental efforts that actively position diverse local businesses as future hospital suppliers.

## *2. A strong support infrastructure for neighborhood-based businesses across East and Central Brooklyn*

Increased local procurement is one factor in building wealth and health in the communities served by BCC anchor hospitals. Equally important is the quality of the neighborhood retail and commercial environments where neighborhood residents spend their time and money. Even or perhaps especially at a time when more commercial transactions are occurring virtually, brick and mortar shopping corridors that reflect neighborhood cultural diversity, promote sociability and place pride,

and offer new entrepreneurs the opportunity to build businesses are important to psychological and spiritual health. As a result, hospitals have an interest in the infrastructure that supports local businesses, even if these businesses are unlikely to become part of the hospital supply chain. Community development organizations that mentor and assist local, minority, and worker-owned businesses – business improvement districts (BIDs), merchants associations, trade associations for worker cooperatives, community development corporations, and community development financial institutions – are the glue that holds together neighborhood business ecosystems.

## Participatory Action Research Design

### The research team

Our research team consisted of three members from the City University of New York and five members from Brooklyn Communities Collaborative. Sigmund Shipp and Laura Wolf-Powers are faculty members in the Department of Urban Policy and Planning at Hunter College. Dr. Shipp teaches policy research and analysis, as well as a course on urban race and ethnicity issues. Dr. Wolf-Powers teaches courses in economic development, real estate development, and community planning. Jakob Schneider is a PhD candidate at the CUNY Graduate Center, currently writing a dissertation about community land trusts in New York City.

At BCC, two of the four researchers had prior experience with BCC's PAR work. Research Associate Jeffannie O'Garro is an alumna of the 2018 [\*Canarsie, Flatbush, and Flatlands PAR\*](#), the 2019 [\*Bay Ridge, Borough Park, Kensington, Midwood, and Sunset Park PAR\*](#), the 2021 [\*PAR study on COVID-19 testing and vaccination\*](#), and the 2021 [\*Health and Housing PAR\*](#), having played instrumental roles in both gathering data and developing recommendations and action steps from the findings. Jeffannie graduated from Medgar Evers College with a degree in biology in 2021 and from the Columbia University's Mailman School with a master's degree in public health in May 2023. Jeffannie studies epidemiology with a strong interest in the social conditions that contribute to health and wellness.

Briana Nugent is an alumna of both 2021 PAR studies and the co-owner of a custom fashion business, [\*Eynology\*](#).

Gianni Tucker, a 2022 Medgar Evers College graduate and Bedford-Stuyvesant resident, is the founder and owner of Bliss Beauty Cosmetics.

Gretchen Susi, Deputy Director of BCC, was also a part of the PAR team. Gretchen holds a PhD in Environmental Psychology from the CUNY Graduate Center.



Research Associate Jeffannie O'Garro, MPH (left) and CUNY Graduate Center PhD candidate Jakob Schneider (right) at a PAR community report back event hosted by BCC, January 2023

## Methods

### *Desk research on focus neighborhoods*

Researchers compiled information on key demographic and economic indicators in Bedford-Stuyvesant, Brownsville, Canarsie, and East New York. In addition to data from the American Community Survey and Longitudinal Employer-Household Dynamics database, the team consulted published reports such as Commercial District Needs Assessments for Bedford-Stuyvesant and Brownsville. We also mapped certified Black-owned M/WBEs in the neighborhoods.

### *Business owner interviews*

We conducted hour-long dialogue interviews with 32 Black business owners located in Bedford-Stuyvesant, Brownsville, Canarsie, and East New York. Potential interviewees were initially sampled from the New York City Department of Small Business Services certified MWBE database. Some interviewees then referred the team to others (snowball sampling). Additionally, some interviewees were recruited during neighborhood walking tours.

Some of the interviews occurred in person on the business owner's premises, but most took place via Zoom. The team followed an interview protocol that covered a variety of aspects of business ownership. We were interested in how the respondents had come to start their businesses, how they had raised capital, who their customers are, where they have found support, and what challenges they face. We

were also interested in the role of their racial identity in their entrepreneurship journey.

### *Key informant interviews*

Over the course of the study, team members spoke with nine key informants. Some represented organizations working on the ground with businesses and entrepreneurs in the focus neighborhoods, while others contributed important citywide or national perspectives on minority business development, anchor procurement, and supply chain diversification.

### *Focus groups with student entrepreneurs*

Professor Veronica Manlow at the Brooklyn College Koppelman School of Business made it possible for us to conduct three focus groups with student entrepreneurs, held at the college on September 15th and 16th, 2022.

### *Neighborhood walk-arounds*

Research team members spent time in each of the focus neighborhoods, often combining walk-arounds with business owners and key informant interviews or recruiting business owners for subsequent interviews.



## Neighborhood Data

In our focus neighborhoods of Bedford-Stuyvesant, Brownsville, Canarsie, and East New York, we identified 408 Black-owned businesses from the New York City Dept. of Small Business Services' (SBS) registered Minority and Women Owned Business Enterprises (M/WBE) list. This represents about 71% of all registered M/WBE businesses in those neighborhoods. Bedford-Stuyvesant has the greatest number of registered Black-owned businesses, with 153, followed by Canarsie with 128. Both Brownsville and East New York have less than one hundred registered M/WBE firms (see table).

The four focus neighborhoods have 574 M/WBE businesses overall. In addition to the 408 Black owned businesses there are 52 Latinx owned businesses, 53 Asian owned businesses and 61 non-minority women owned businesses.

<b>Black-owned Businesses by Neighborhood<sup>1</sup></b>		
Neighborhood	Businesses	Bus. per 10k residents
Bedford-Stuyvesant	153	8.8
Brownsville & Ocean Hill	48	4.9
Canarsie & Flatlands	128	6.3
East New York & Starrett City	79	4.0
<b>All focus neighborhoods</b>	<b>408</b>	<b>6.0</b>

Black-owned M/WBE businesses registered with New York City are concentrated in professional services and construction, with nearly half of all firms in one of these two categories (see table). Administrative and other business support services and educational services are also heavily represented. It is important to note that Black-owned businesses on the city's certified M/WBE list are probably not a representative sample of the Black-owned businesses in our focus neighborhoods. Consumer-facing businesses such as restaurants and craft manufacturers who are unlikely to bid on City contracts may not consider it worth their while to engage in the time-consuming process of becoming certified as M/WBEs.

Some Black-owned businesses in our focus neighborhoods have won fairly large contracts, evidenced by the difference between the average and median largest contract amounts. Median largest contract values reveal that awards are more modest, with the top 10 sectors ranging from about \$5,000 for the retail and manufacturing sectors to about \$90,000 for real estate services.

<sup>1</sup> IPUMS NHGIS, 2020 Census (PL 94-171) Redistricting Dataset; NYC Small Business Services, Online Directory of NYC Certified Businesses, retrieved 12/19/2022

<b>Top Black-owned Business Sectors in Study Area, including Largest Contract Amounts<sup>2</sup></b>				
Sector	No. Bus	% Bus	Avg Largest Contract	Median Largest Contract
54 Professional, Scientific, and Technical Services	95	24.6%	\$1,613,167	\$20,000
23 Construction	82	21.2%	\$215,046	\$20,000
56 Administrative and Business Support Services	47	12.2%	\$151,973	\$43,500
61 Educational Services	33	8.5%	\$102,924	\$6,947
62 Health Care and Social Assistance	23	6.0%	\$836,189	\$26,777
81 Other Services (except Public Administration)	23	6.0%	\$186,077	\$38,800
44-45 Retail Trade	14	3.6%	\$73,212	\$5,408
72 Accommodation and Food Services	12	3.1%	\$128,573	\$16,512
48-49 Transportation and Warehousing	11	2.8%	\$389,357	\$13,510
31-33 Manufacturing	10	2.6%	\$127,663	\$4,669
51 Information	10	2.6%	\$123,980	\$21,013
53 Real Estate and Rental and Leasing	10	2.6%	\$512,792	\$88,000

<sup>2</sup> NYC Small Business Services, Online Directory of NYC Certified Businesses, retrieved 12/19/2022

## Neighborhood Biographies

### Bedford-Stuyvesant

Bedford-Stuyvesant, more commonly referred to as “Bed-Stuy,” became a center for Black culture and life in the decades after World War II as African Americans from the South and Caribbean immigrants moved into the neighborhood as the white homeowners that lived there left for other parts of the city and new suburban developments<sup>3</sup>. This legacy is not only evident in the neighborhood being once known as “Little Harlem”<sup>4</sup> but can also be seen today as one walks down its vibrant commercial streets. Businesses along Marcus Garvey Boulevard, Malcolm X Boulevard and the avenues of Fulton, Tompkins, Bedford and Nostrand have long served the neighborhood residents, and many are owned by women and people of color<sup>5</sup>. Yet, the future of Black Bedford-Stuyvesant is under threat. The loss of Black residents across New York City is on full display in Bedford-Stuyvesant which has been called the “epicenter” of “a mass migration of African American residents out of the city”<sup>6</sup> and is one of the fastest gentrifying zip codes in the nation<sup>7</sup>. Whites have flooded into the neighborhood, growing from less than two percent of the population in 2000 to 28% in 2020. At the same time, the share of Black residents has declined from nearly 80% to under half, at 47%. Despite the challenges, the neighborhood has a strong set of organizations committed to fostering Black-owned businesses, including Bridge Street Development Corp., which oversees the Bedford-Stuyvesant Gateway Business Improvement District that runs along Fulton Avenue, IMPACCT Brooklyn, the Tompkins Avenue Merchants Association, and Bedford-Stuyvesant Restoration, the first community development corporation in the country. Bedford-Stuyvesant Restoration’s Restoration Plaza, a community anchor since its opening in the early-1970s, is in the planning stages of a 10-year renovation and expansion that will provide retail and office space along with a technology-focused training program that aims to prepare lower-income Bedford-Stuyvesant residents for high-paying tech jobs.



Headquarters of Bedford Stuyvesant Restoration Corporation, Fulton Ave.

3 NYC Small Business Services. (2021). Bedford-Stuyvesant Brooklyn: Commercial District Needs Assessment [Avenue NYC]. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/avenyc-cdna-bedford-stuyvesant.pdf>

4 Bellafante, G. (2023, February 11). One Solution to the Housing Crisis: Just Make People Rich. The New York Times. <https://www.nytimes.com/2023/02/11/nyregion/restoration-brooklyn-housing-bed-stuy.html>

5 Ibid, NYC Small Business Services. (2021).

6 Sundaram, A. (2023, February 3). The African American exodus from New York City. Gothamist. <https://gothamist.com/news/the-african-american-exodus-from-new-york-city>

7 Ibid, Bellafante, G. (2023, February 11).

## Brownsville

Pitkin Avenue, the main commercial corridor in Brownsville, and the areas surrounding it were a destination for Brooklynites shopping for appliances, furniture, and jewelry from the turn of the twentieth century through the 1940s. It was also a place for everyday shopping for the Russian Jewish immigrant population that constituted the majority of the neighborhoods' population at the time<sup>8</sup>. The historic Loew's Pitkin Theatre, which opened in 1929, marks the western end of the Pitkin Avenue commercial district and as one moves east the avenue crosses the other



commercial thoroughfares of Rockaway Avenue and Mother Gaston Boulevard before running into the East New York Industrial Business Zone at the neighborhoods' eastern edge. The storefronts on Belmont Avenue, between Rockaway and Mother Gaston, house a number of small businesses and some of the neighborhoods' nonprofit infrastructure including the Brownsville Community Justice Center and the Brownsville Community Culinary Center.



Starting in the 1950s, federal Urban Renewal policies, along with white flight and suburbanization, transformed the neighborhood into one of the densest concentrations of public housing in the nation<sup>9</sup>. One of the New York City's poorest neighborhoods, Brownsville's population is over 70% black and a quarter Latino and experiences some of the highest rates of people entering the City's shelter system<sup>10</sup>, has only one full-service grocer<sup>11</sup>, and few banks<sup>12</sup>. Yet, the neighborhood's motto, "never ran, never will," is evident in the community's work to counter the effects of structural racism. Community residents converted a half-acre parking lot at the Marcus Garvey Apartments into a community-based farm — Project EATS —

<sup>8</sup> Bellafante, G. (2013, April 17). Resurrecting Brownsville. <https://www.thenation.com/article/archive/resurrecting-brownsville/>

<sup>9</sup> NYC Small Business Services. (2019). Brownsville Brooklyn: Commercial District Needs Assessment [Avenue NYC]. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/avenyc-cdna-bedford-stuyvesant.pdf>

<sup>10</sup> Institute for Children, Poverty & Homelessness. (2020, February). The Dynamics of Family Homelessness in Brownsville: A Neighborhood Profile. <https://icph.maps.arcgis.com/apps/Cascade/index.html?appid=1213a0e3e1824dfa38d8fe4669ff613>

<sup>11</sup> NYC Food Policy Center, Hunter College. (2021, March 22). Foodscape: Brownsville. NYC Food Policy Center (Hunter College). <https://www.nycfoodpolicy.org/foodscape-brownsville/>

<sup>12</sup> Ibid, NYC Small Business Services. (2019).

that grows organic produce for neighborhood residents that is sold at “income-appropriate prices.”<sup>13</sup> The Brownsville Neighborhood Plan, released in 2017, charts a path toward equitable development with over \$1 billion committed to housing, entrepreneurship, and other amenities. The B’Ville Hub, a product of the Plan and the neighborhood’s first business center, is being led by the Central Brooklyn Economic Development Corporation (CBEDC) and will provide 20,000 square feet of space to support local businesses. The Hub host CBEDC’s business incubator, economic justice project, and workforce development program, in addition to providing space for the Brooklyn Cooperative Federal Credit Union, an African-American owned beauty products company, and other small businesses.



## Canarsie

From the arrival of the first colonists until the Civil War, Canarsie was largely an agricultural community. The neighborhood’s location along the shores of Jamaica Bay made it well-suited to the commercial fishing and boat-building industries that emerged at the end of the Civil War and lasted until the early 1900s. It was also during this period that railway connections to East New York and other parts of Brooklyn, along with ferry service from Rockaway, helped Canarsie become a popular waterfront recreation destination with hotels, restaurants, yacht clubs, summer homes, and an amusement park — Golden City — that rivaled Coney Island<sup>14</sup>. During the first decades of the 20th Century, the

<sup>13</sup> Leonhardt, 2018

<sup>14</sup> NYC Dept. of City Planning. (2017). Resilient Neighborhoods: Canarsie [Resilient Neighborhoods]. <https://www.nyc.gov/assets/planning/download/pdf/plans-studies/resilient-neighborhoods/canarsie/summary-report-canarsie.pdf?r=1>

marshy shore of Canarsie was filled in, adding nearly a square mile of the land to the neighborhood, and the well-known Canarsie Pier was built. By the 1930s, the neighborhood transitioned to a year-round residential community although the suburban-style development we now associate with Canarsie didn't take hold until the 1950s. It was at this time that many of the middle-class Italian Americans and Jewish residents that left Bedford-Stuyvesant, Brownsville, Bushwick and East New York came to call Canarsie home. The racial violence that emerged in the 1970s in response to busing Black and Puerto Rican students to the neighborhood's schools didn't subside until the 1980s as new Black residents, mostly immigrants from the West Indies, started to move into the neighborhood<sup>15</sup>. It is important to note that the common story of the arrival of Black residents in the late-1970s and early-1980s belies the fact that Canarsie was home to the "Colored Colony" — located where Canarsie High School now sits. The "Colored Colony" was established in the 1800s by former slaves owned by Canarsie's agricultural settlers and grew during the Civil War when Blacks left Manhattan during the violent New York City Draft Riots in 1863<sup>16</sup>. Unlike most New York City neighborhoods that experienced white flight in the two or three decades after World War II, Canarsie didn't become the predominantly Black community it is today until the 2000s. As such, the neighborhood was an epicenter of subprime lending in the early- to mid-2000s and had the highest foreclosure rate of anywhere in the city in 2011. A year later the neighborhood was battered by Hurricane Sandy, witnessing floodwaters that were five to seven feet above grade<sup>17</sup>. The neighborhood's commercial corridors, primarily Rockaway Parkway and portions of Flatlands Avenue, and their businesses were largely safe from the floodwaters. The local businesses along Rockaway Parkway, which is served by the Rockaway Parkway Merchants Association, mainly cater to the neighborhood's West Indian immigrant population, whereas along Flatlands Avenue one is more likely to see national and regional chain stores. The neighborhood also plays host to the Flatlands/Fairfield Industrial Business Zone, located at the north end of the neighborhood, which includes the Brooklyn Terminal Market.



15 Jackson, K. T. (1998). *The Neighborhoods of Brooklyn* (J. B. Manbeck, Ed.). New Haven: Yale University Press & Citizens Committee for New York City. <http://archive.org/details/neighborhoodsofb00prof>

16 Brooklyn Public Library. (2016). *Black Canarsie: A History*. <https://www.bklynlibrary.org/locations/jamaica-bay/black-canarsie-history>

17 Ibid, NYC Dept. of City Planning. (2017).

## East New York

In the early 1900s, East New York was known as “Little Pittsburgh” for its large number of steel and other manufacturing firms. Today, the predominantly Black and Brown neighborhood is home to the East New York Industrial Business Zone (IBZ), hosting over 200 firms, several active commercial corridors, and the Gateway Center shopping plaza<sup>18</sup>. The Atlantic Avenue corridor, in the northeastern part of the neighborhood, hosts manufacturers, fast food restaurants, and auto-related businesses. The character of the Atlantic Avenue area is changing due to the 2016 rezoning that has resulted in the demolition of long-standing businesses that are being replaced with mid-rise affordable housing, hotels, and some mixed-use development. Fulton Street, beneath the elevated J and Z subway lines, is a bustling area of retail, food and other businesses that largely serve the community’s diverse population of African-American, Caribbean, Puerto Rican and Dominican residents. Retail, warehouses, and health care are the dominant industries making up nearly two-thirds of all employment in the neighborhood. The neighborhood has a strong economic development sector with numerous organizations providing business support and workforce development services, including the East New York Restoration Community Development Corporation and the East Brooklyn Business Improvement District serving the IBZ. Like residents of other Black and Brown working-class neighborhoods, East New Yorkers have historically had limited access to healthy food, fresh grocers, and mainstream banking services, but encouraging changes are occurring as a new development, Chestnut Commons, is now home to a branch of the Brooklyn Cooperative Credit Union, a kitchen incubator for growing food businesses and affordable retail space for local business owners.



<sup>18</sup> NYC Small Business Services. (2016). East New York Brooklyn: Commercial District Needs Assessment [Neighborhood 360]. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/n360-cdna-eny.pdf>

## Field Interviews and Focus Groups

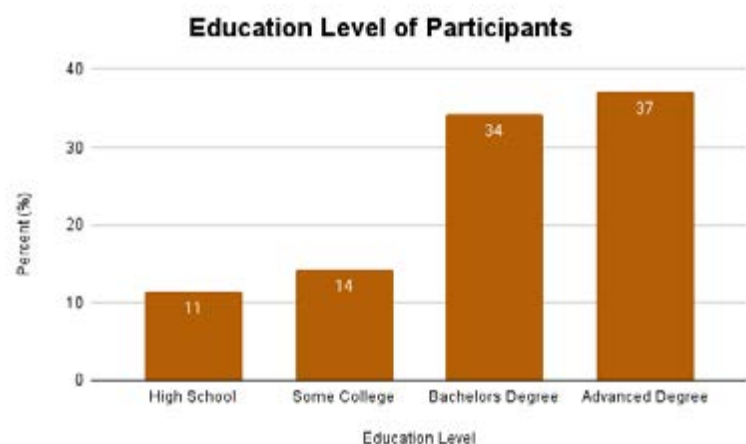
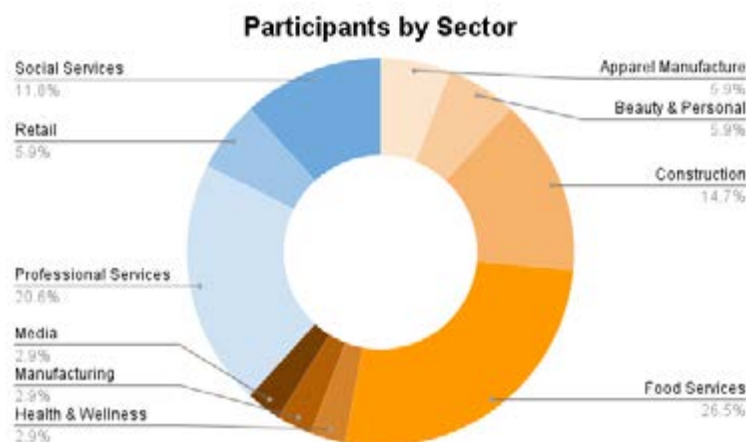
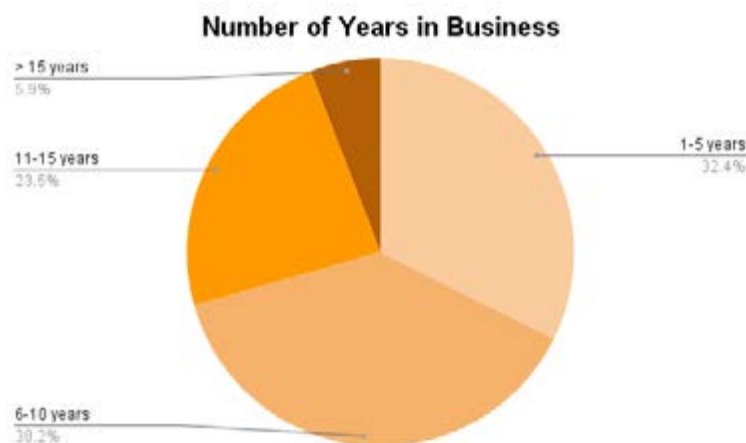
### Business owners

Over the summer and fall of 2022, members of the research team conducted 32 hour-long interviews with Black business owners located in the four focus neighborhoods. As noted above, most were contacted through the City of New York M/WBE database while others were referred using a snowballing method or were recruited in person by the researchers. Some of the interviews took place in person at the owner’s premises, but most occurred via Zoom.

The majority of the business owners interviewed indicated being in business for up to ten years (70.6%), with some businesses being operational for up to fifteen years or more (29.4%). Most of them had bachelors or graduate degrees. They came from a diverse range of sectors ranging from social services (11.8%) to apparel manufacturing (5.9%); however, likely reflecting the bias of the sampling frame (New York City-registered M/WBEs), most business owners were in food services (26.5%), professional services (20.6%) or construction (14.7%).

### *Emergent entrepreneurs and key informants*

In addition to interviewing business owners, the team conducted focus groups with aspiring entrepreneurs at the Brooklyn College Koppelman School of Business and spoke with nine “key” or “expert” informants: representatives of organizations founded to provide advice, technical assistance, and in some cases loan capital to business owners in our target neighborhoods.





## Findings

### Overall environment

The focus neighborhoods host active ecosystems of Black-owned businesses. Many Black entrepreneurs are connected to one another via merchants' associations and business improvement organizations that provide supportive infrastructure, help to brand, and publicize their presence, and in some cases act as non-profit landlords and property managers. In Canarsie, a tight-knit community of Caribbean-owned businesses caters to customers who are immigrants from the island nations. Businesses on the Pitkin Avenue, Mother Gaston Blvd. and Belmont Avenue commercial corridors in Brownsville benefit from seasonal events and "buy-local" campaigns sponsored by the Pitkin Avenue Business Improvement District. Bridge Street Development Corporation, founded in 1995 by members of the [Bridge Street African Methodist Episcopal Church](#), helped to launch the Tompkins Avenue Merchants' Association (TAMA), which has become known for the "Black Girl Magic," initiative highlighting enterprises owned by Black women. Members of TAMA have leveraged New York City's Open Streets program in the past several years to hold outdoor events that attract customers from around the city. Film screenings, spoken-word poetry, participatory art-making, and musical performances extend cultural solidarity as they draw crowds and boost sales.

*"It's an interesting time to be a black-owned business. I think you are getting more attention... It's possible to do things that are authentic to our cultural self and still appeal to a broad audience."*

A tide of gentrification, particularly intense in Bedford-Stuyvesant, has changed the environment for East and Central Brooklyn's minority-owned businesses in ways that are both positive and negative. Businesses have benefited from increased foot traffic, recognition, and local purchasing power, but also face rising rents and the risk of displacement. Bridge Street



*Signs of gentrification on Tompkins Avenue in Bedford-Stuyvesant*

Development Corporation in Bedford-Stuyvesant (BSDC) and IMPACCT Brooklyn in Crown Heights/Clinton Hill rent space to businesses at affordable rates. But businesses renting from private landlords are vulnerable. "We can't force the landlord to negotiate," said a leader of one business development organization. "We can't step in and prevent an eviction." Key informant interviewees emphasized the potential benefits of mortgage guarantees or other capital subsidies that would enable businesses who currently rent to purchase their own premises. The racial real estate wealth gap, often remarked

upon in the context of home ownership, extends as well to business premises. Shortfalls in intergenerational wealth become barriers to entrepreneurs who might wish to acquire commercial real estate.

The double-edged sword of gentrification has not dampened business owners' strong sense of mutualism and pride. Most interviewees were optimistic about the future, and many expressed determination to continue combining individual wealth-building ventures with cultural affirmation and the provision of employment opportunities to members of their communities. One of the business owners put it this way: One of the business owners put it this way: "My business is rooted in the culture, despite gentrification, I feel a sense of community."

### **M/WBE Certification**

For technical assistance in operating businesses, interviewees reported turning frequently to neighborhood-based and city-wide assistance providers such as the Business Opportunity Center Network (BOCNet) and local chambers of commerce. One of the key services provided by these entities is help with Minority and Women Business Enterprise (M/WBE) certification. M/WBE status enables businesses to get priority consideration for contracts with city and state governments as well as quasi-governmental entities such as the Metropolitan Transit Authority. However, the City, State, and authorities have distinct certification processes that until recently have been notorious for their opacity and complexity. In the past few years, public sector entities have streamlined application procedures, made systems more

user-friendly, and hired staff to help applicants trouble-shoot the process. This bodes well for the future.

Unsurprisingly, given our sampling frame, seventy-four percent of the business owners interviewed reported being M/WBE certified at either the State or the City level. Certification for many of the interviewed businesses was easy to complete. This was especially true for business owners who sought help and received support from technical assistance providers or were otherwise familiar with working with state and local agencies. According to one of the entrepreneurs:

*"[T]he certification process is not difficult. One day I was going to a dance class and bumped into a small business owner who gave me a direct connection to a counselor at BOC and they help facilitate the certification process. Once you get all of your paperwork aligned, it's easy. But if you're doing things like off the books, and you're not really documenting your taxes, it's difficult."*

Although many business owners we spoke with found the certification process to be easy, a subset found this more difficult for a variety of reasons. Some interviewees shared the difficulties they had experienced in producing required documentation; one had had to locate their grandfather's birth certificate to "prove" that they were Black. Another entrepreneur found the process challenging and lengthy, noting that "It is a long process. It took quite a long time to get it together to get the paperwork together, because it's quite an intensive application." A Black entrepreneur spoke to the challenges they confronted because the process requires technical and computer knowledge:

*"We are not tech savvy and were unfamiliar with the technical terminology. The tech aspect was a hurdle. I can remember being just frustrated. If you are not familiar with the dogma associated with business nomenclature, you will have problems. If you are a new business owner, you're not privy to the knowledge about business ownership. But we were able to figure it out. It took a long time."*

Those in the sample who had not yet become M/WBEs often said that the certification process was something they desired to complete but were having a hard time fitting it in amongst the many other "hats" they were wearing as business owners. This was especially common among newer business owners whose enterprises served customers directly, such as retailers or restaurateurs. These businesses did not anticipate earning significant revenue from government contracts. Nonetheless, they still thought M/WBE certification was something that they should do.

As eager as they had been to start enterprises, and as skilled as they were at providing the goods or services around which they had built their businesses, many respondents had only become aware of the importance of record-keeping protocols when applying for M/WBE status. This finding was confirmed by business intermediaries, who cited many instances in which clients had been denied pandemic relief in 2020 and 2021 due to incomplete documentation.

Most of the Black business owners had not received any contracts as certified M/WBES, despite being certified for a significant amount of time. A majority of M/WBE-certified interviewees

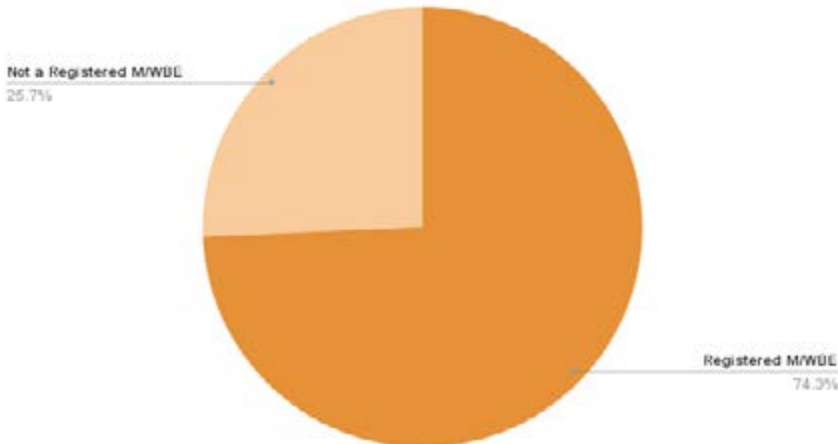
in our sample expressed frustration with their rate of success in bidding for government business. "I know that [M/WBE status] will benefit me long-term, but I haven't been able to take advantage of it yet," said one respondent. Another spoke frankly "[y]es I'm certified but it hasn't helped a single bit. And to be honest, it was a waste of time on our end as of right now."

The entrepreneur had exerted effort to obtain contracts in a variety of ways and even tried to contact elected officials:

*"We've gone to different things. So it's not like we just did the application. We've gone to commerce events, we've gone to one that LaGuardia held as a matchmaker event and nothing has come as a result of that; they repeat the same things over and over. And we've actually reached out to the mayor, we've actually sent emails, we go above and beyond because we know just sitting with a certificate is not going to help us gain anything. And to be honest, getting a certificate and trying and putting forth the effort, we still haven't seen anything on that part of it. And that's just the honest truth. I don't want to sugarcoat it."*

This finding underscores the gulf between the City's and State's ability to confer M/WBE status on firms and their capacity to nurture those firms' viability as suppliers to government agencies, such that the status becomes meaningful and yields results. New programs for emerging entrepreneurs of color, such as ConstructNYC, are producing promising preliminary results, but the need remains for strenuous efforts that enable small businesses to navigate complex institutional procurement systems.

**M/WBE Status**



The pie chart above provides information on the proportion of the sample who were M/WBE certified.

### Race, racism, and gender

Race and racism are endemic to society. A respondent put it plainly:

*"We live in a country in a society that definitely places us in a certain restricted box, based on our skin color. So it's not something new that I've experienced. So, it's not exclusive to just being an entrepreneur, it is life for a Black person in America. We live in a country in a society that definitely places us in a certain restricted box, based on our skin color."*

Variations of this opinion about racism came through in the words of our interviewees. When asked about the role that race played in the experience of Black business owners, they shot back that it was a "loaded question." Another, in a few phrases, expressed how deeply the experience of race in America can be felt for

Black business owners: "It directly affects what I do, who I am, how I handle things, how people relate to me. It affects a lot and I expect it to. I don't even expect anything else." There was a general consensus that race impacted nearly all aspects of their business, but there was notable dissent. A few business owners - largely men - stated that the challenges they had experienced were common to entrepreneurs and small business owners regardless of racial identity.

Others disagreed; one individual asserted:

*"I can tell you that, just in general, you will be challenged, your prices will be challenged, your existence will be challenged. I've had people ask me 'What qualifies you to open up a business?', which is the oddest question ever, right?"*

The previous quotes are indicative of the depth and breadth of racial inequity, discrimination, and prejudice that Black business owners face. In addition to access to capital, which is discussed at greater length in the next section, business owners described numerous ways that race impacted their experience as business owners. At the most basic level, they described a general sense that people they interacted with often questioned whether they were qualified to own a business. This general sense seemed to serve as a basis for questioning other things about the business and business owners, including their prices and the quality of their goods and services. This was exacerbated by gender: being Black and

a woman seemed to increase the skepticism and dismissiveness a business owner experienced. Black women entrepreneurs felt they had to work much harder to overcome both the racial and gender stereotypes they experienced, but one turned the situation around and “embraced” it, saying “Hey, you’re just making me better.” Although this sentiment wasn’t shared by most entrepreneurs, there was a more muted sense among many of the business owners we spoke with that they were succeeding despite the significant challenges they faced based on their race and, sometimes, gender.

Access to contract opportunities and contract negotiations were spheres where the effects of race were felt deeply. Simply put, one respondent said, “when it comes to funding, race matters.” A particularly poignant incident illustrates this point. One respondent recounted an interaction with a major well-resourced and renowned local institution. The entrepreneur had tried to solicit contracts but “they wouldn’t even so much as return my emails.” In 2021, the head of the organization left and was replaced by a Black person, a first in the organization’s history. They hired a director of communications, another Black person. Dismayed by the history of their non-responsiveness, the new director responded, “I am sending this up to communications. Within two days, the entrepreneur got a return email with a solicitation. The entrepreneur said, “[w]e now have had a major partnership; for three months, they have worked with me thoroughly, paying me well. But her concluding remarks capture the significance of race: “So it’s like to me, you know, we can talk and go on and on and think it feels like racism. I can’t exactly say

it’s because of race. But when you see things like this happening, when you see a change in leadership, and get an immediate response, you know, it is because of race.”

One entrepreneur said, “In my experience, everyone would like to say that race is not an issue.” However, according to the respondent, the smallest tell or give-away could mean problems with issues such as contract negotiations.

*“They catch my accent; they become condescending in some way. They really made me feel like I don’t know what I’m talking about. And they try to, you know, switch the contract around and undermine us because they perceive that we’re Black. So they think that they, you know, that we don’t know what we’re talking about. And they talk to us in a condescending and disrespectful way. That’s been my experience, especially with larger firms.”*

Some of the business owners we talked with mentioned real estate as another area that impacted their experience as a business owner, although in different ways. Some respondents associated being Black with paying higher rent for commercial space along with noting that escalating prices were an issue in gentrifying neighborhoods, which was also echoed by some of the business intermediaries we spoke with. While paying higher rent was a theme, a couple of business owners noted that they had Black landlords that were supportive of Black-owned businesses, and they felt that the lease terms were fairer. Another perspective came from someone who owned a real estate business. They put their experience in blunt terms: “people come into Black and Brown communities and they don’t respect people.” They then went on to talk about white real estate investors trying to enlist them

in underselling their own clients and other Black property owners in the neighborhood — despite the fact that everyone knew prices had been skyrocketing in the neighborhood.

Many of the businesses we interviewed explicitly framed their experience by comparing themselves to white business owners, especially in terms of access to intergenerational wealth and business experience. This was corroborated by conversations with interviewees at organizations that provide loan capital and technical assistance to business owners of color. They noted that Black entrepreneurs are less likely to have relatives with business experience and less likely to have friends and family who can act as angel investors (see *Access to Capital* section below). One respondent pointed to challenges compounded over generations:

*“if you’re starting a business and no one else in your family has started a business or had a business in the past, or what has happened in the past is that there’s businesses that existed and been destroyed, due to racism... where do you get [information needed to help you be successful]?”*

Race, though significant, is taken as an accepted reality that must be dealt with: “You like learn to ignore it. Or you have to train yourself to ignore it. We have to suck it up a bit... we need the sales,” stated one of the entrepreneurs. The important reality is being committed to being competitive and profitable. Or as one entrepreneur said, “You know, we have to prove ourselves, you know, you have to work ten times harder.” When asked to discuss the impact of race and racism, another entrepreneur placed his response in the context of being focused on hard work and being competitive.

*“I just know that every day I have to hustle because right next door, I’m competing against some heavy hitters. I mean, their sales budgets are probably ten times my annual sales to some degree. So I know I can’t slack off or take anything for granted; they are multimillion dollar companies. And I’m an upstart competing against them. You know, in my mind, I just can’t take days off. I have to find different ways to compete against them. I can’t compete with what they do best, because they’ll kill me. I’ve got soulfulness, which they can’t provide. I provide live music which they can’t or won’t provide. I try to do things tailored to the neighborhood that I know they won’t be able to do.”*

Some of the interviewees spoke of the ways that race created opportunities for them as business owners. For many businesses, a key opportunity was to make a contribution to the Black residents in the neighborhoods where they did business. For some, it was a matter of offering goods or services — such as food, beauty care, or clothing — that aligned with the needs and desires of Black people that were not commonly found at corporate chains. Others prided themselves on being community institutions and gathering places for residents. This extended to involvement, and often leadership, in local merchant associations and helping to coordinate community events. This latter point also speaks to comments we heard about the formal and informal support networks that had been developed to provide peer support, help with marketing and advertising, and in some cases, access to financial resources.

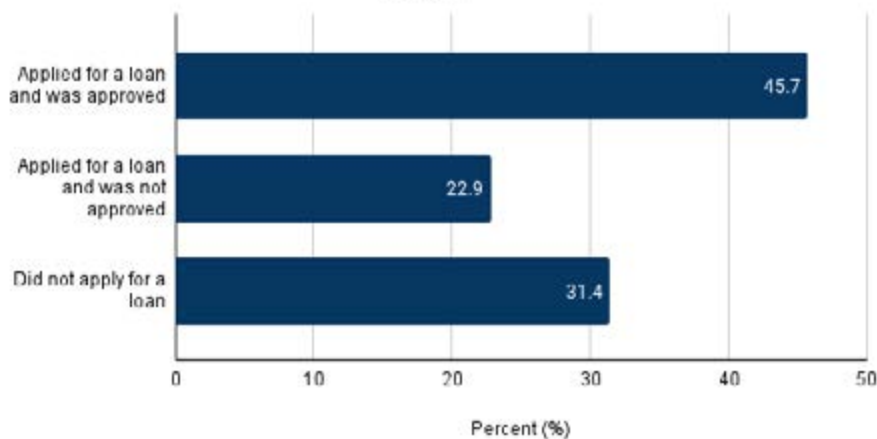
## Access to Capital

We asked interviewees about how they initially funded their businesses, how they managed their businesses' working capital needs, and, for those contemplating or pursuing expansion, how they planned to fund expansion. Skepticism, mistrust, and avoidance defined the relationship between our sample and conventional banks. For many, these feelings towards financial institutions were very much grounded in the racialized relationships that have long existed between these institutions and Black people, including exclusion from mainstream finance and banking, and the higher cost they often pay to borrow money. Some had a general aversion to debt financing for their business, such as one respondent who had taken out a loan to purchase an investment property shortly before the financial crisis of 2007. Some business owners felt disrespected by the banks that held their business accounts when they were denied loans despite having substantial deposits with the bank. The following statement represents one of the opinions about avoiding bank loans: "When I started my firm, I didn't want to go to a bank. I didn't want to pay the notes. I did not want to pay the high interest rates." Another respondent said, more bluntly, "I don't care if you have a FICO score of 780 and you put \$600,000 to \$800,000 in Chase, you can't find funding." The following statement expresses disappointment with a bank loan that was insufficient: "We did

apply for a loan at Citibank but they only gave us like \$8,000. We wanted the maximum, but we only qualified for eight. So, we used that and a credit card to start the business."

Ambivalent views toward banks by Black business owners are, generally, grounded in experience. 24, or 69 percent, of the 32 interviewees had applied for a business loan and two-thirds of them were approved. In contrast, eight of the business owners who applied for loans were not approved and thirty-one percent did not apply at all.

**Percent of Participants that Applied and were Approved for Loans**



## Startup Capital

The vast majority of business owners with whom we spoke had started their businesses using personal savings, although some borrowed from family, friends or a bank or community development financial institution, such as a credit union. The most common approach was to combine personal savings with these other sources of startup capital. This is exemplified in the words of one entrepreneur we spoke with:

*“My biggest supporter was the Brooklyn Chamber of Commerce. I joined around the same time I was opening up the business. They helped me to identify a lender to help finance the business. I used some of my own and some borrowed funds. I think the lender was NY BDC. I’m not sure if they’re in existence any longer. But they loaned me about \$250,000. And I used \$250,000 of my own funds to start my business.*

While some business owners said they had saved specifically to start their businesses, others used savings dedicated for other purposes, including dipping into retirement savings. One used money they had been saving to buy a home.

A lack of personal savings failed to deter entrepreneurs who wanted to open businesses. One said, “I’m bootstrapping it and I used my tax returns for my business.” Another entrepreneur said:

*“I did not have personal savings. I relied on a Go Fund Me campaign. We did a lot of pop-ups. Also did a high-interest Kabbage loan, and we got three more Kabbage loans. But people supported us. It was a struggle. I don’t even have a credit card.”*

Others, who didn’t have savings (or enough to start their business), worked for someone else until they were able to move on to operate the business as their sole occupation. A little over a third of our respondents were working full-time jobs while also operating their businesses. Generally, they had to do both because their businesses weren’t generating enough money to support them and their families. A few business owners noted that they held a full-time job because of employer-provided benefits, notably health insurance.

Although rare, in several cases we saw how access to real estate could soften the need for using savings or borrowing money to start their business. One respondent operated their business out of a family home while another owned a small mixed-use building and put their office into the commercial space at ground level.

In terms of sources of start-up capital, ninety-four percent of business owners utilized personal savings as an initial source to finance their business. Alongside personal savings, the two other main sources of finance used were family/friends (23%) and bank/business loans (17%). One participant calculated that a credit card — which wasn’t a common choice for our sample — was a prudent option— rather than going to a bank: “a credit union or bank is gonna come in at...three to five percent with a loan, whereas here for 18 months, I’ve got zero percent interest.”

### *Working Capital*

When we asked business owners about working capital, a common theme was that owners didn’t need to go beyond their business for it. This was due to a confluence of factors, such as reliable sales revenue, low overhead or operating costs (e.g., having no or few employees, affordable rent), and business models that required receipt of payment either at the time of sale or prior to delivery of the goods or services. For those businesses that had more intensive working capital needs, especially for those contracting with government agencies that tend to pay well after services are rendered (sometimes exceeding a year), the need for working capital was often achieved by entering a business



partnership with someone who had capital to invest or simply dipping into their business profits.

Many of the businesses were able to access funding through grants and low-interest or forgivable loans. Some of this funding was directly related to the pandemic, while other funding opportunities—mostly grants—seemed to be more available to Black business owners in the wake of the uprisings after the murder of George Floyd. These monies mostly came from national or multinational corporations and were generally deemed insufficient to cover the funding needs of the sampled Black-owned businesses.

### *Capital for Expansion*

Expansion, whether actively occurring or part of a longer-term strategy, prompted some entrepreneurs to contemplate applying for bank loans when they hadn't been used before. One respondent who contracts with a city agency said that the agency would provide funding once the business was up and running (and after the new space they were opening had been approved by the agency), but was concerned: "I don't have a money tree" and was worried about borrowing because "if I don't get approved [they will say] 'Okay, you're out of it and we're not going to refund you.'" Another respondent was looking to open another location in the next couple of years and was planning to look further into options for getting the capital to do so. Others that were more versed in business finance, either because they had been in business for a while or had previously worked in finance, seemed

more comfortable with identifying investors or borrowing for expansion when the time to do so arose.

A couple of the business owners we spoke with didn't necessarily need to borrow for their business but felt that it was necessary to build their business credit. Some business owners were advised - either by a lender or a nonprofit - to take a small loan and make regular payments to create a solid credit history. Most of these loans were microloans in amounts ranging from \$5,000 to \$10,000. Other respondents, who realized the importance of establishing business credit as opposed to simply using their personal credit, only came to it after being in business for a while and networking with other business owners who suggested they do so.

### **Successful businesses**

There are different ways of defining success in the context of Black business ownership. One perspective, offered by Bates and colleagues<sup>19</sup>, holds that successful MBEs have overcome barriers to capital access by serving mainstream markets, are relatively larger employers (more than 20 employees) and are owned by well-educated people with previous work experience in their field. They argue that if the goal is economic development through procurement, emphasis should be placed on contracting with these types of businesses because they are in a better position to grow and employ more people. Yet, there are other criteria for success. Considering our sample of business owners, this included being able to own their business as their sole form of employment, being able to

19 Bates, T., Bradford, W. D., & Seamans, R. (2018). Minority entrepreneurship in twenty-first century America. *Small Business Economics*, 50(3), 415–427. <https://doi.org/10.1007/s11187-017-9883-5>

do something they were passionate about and earn a living doing so, and having an optimistic outlook for the future of their business. The subjective character of “success” was clearly articulated by one entrepreneur we spoke with:

*“Our definition of success is always related to money. So the goal is you make a ton of money and boom, you did it. You know, you can get whatever you want. And you’re burnt out, you end up with medical issues, because you’re working so much. Your personal life is in shambles and it just doesn’t make sense. And what I’ve realized over time is that success is a moving target, right? And it looks different every couple of years. Over time, as it started to grow, I said, “Oh, I want to make a million dollars. And I want to be all over magazines, and I want to be Instagram famous.” And then you do it and you feel horrible. You’ve gained 50 pounds, you’re stressed out because you don’t sleep. So my new definition, and existing definition of success, is being home a little bit more, working three to four days a week. You may make a little bit less money, but at least you can finally go to the barbecue that someone invited you to on Saturday.”*

In this section, we discuss the characteristics of businesses whose owners consider themselves successful.

The owners of successful businesses in our sample were able to draw on their educational and professional experience to their advantage. More often than not, the businesses these entrepreneurs started were not directly related to their educational or work backgrounds, but they successfully transferred skills and relationships they had developed to their current businesses. Over two-thirds of our respondents

had bachelor’s and advanced degrees. These entrepreneurs understood how to make their businesses successful and formulate solutions to problems. For example, one of the respondents, faced stiff competition from national retailers and realized that customers would have difficulties getting to his business. The business owner knew his customer base and spoke confidently about product differentiation and infrastructure as factors affecting the success of the firm.

*“I know people are accustomed to what they know, they’re going to go to Marshall’s or Target or companies like that. You need to offer something new; however, it is going to take some time to become solvent; the first year, I was going through money like water. You know, that’s where you got to have a good capital base, or you’re not going to last, right? Well, we turned around in the second or third year. And, there’s the access road. People couldn’t drive to our location. So that was another challenge. The Brooklyn Chamber helped me to resolve that issue, to the point where we started making a profit in our second or third year.”*

There were some key differences among the business owners and how they had parlayed their previous professional experience into their entrepreneurial endeavors. A subset had worked for large firms — often in the financial sector — or had director or executive level experience in government. Many of these owners noted that they had used broad networks and deep relationships cultivated as employees of large businesses to develop their customer and client base and find investors for their businesses. They were also less likely than business owners without such experience to operate in a management

capacity; rarely were they doing the everyday work that their business was engaged in. For example, a restaurateur we spoke with had no experience with cooking prior to opening their restaurant. Instead, they focused on getting the right people in place to manage the restaurant and focused their energy managing the business and developing ancillary avenues for generating income.

Other successful business owners built their businesses on both formal and informal training. This was most common in the food services and construction sectors, which combined represents about 40% of our sample. Often, informal experience was gained in their youth when they were exposed to the industry through friends or family. An owner of a construction company talked about how their father had a company and they worked with them as a teenager and young adult, before getting more formal training years later and then starting their own company. An entrepreneur in the food industry told us of how experiences as a child informed their future:

*"I would say I was 12 years old and my best friend, she's Jamaican, her grandmother used to always tell us to come into the kitchen and cook, she [my friend] would never want to go. And I would always go to the kitchen — I love to eat. And you know, I really learned a lot of authentic Jamaican recipes. And my love of cooking started then, when I was 12 years old. And I always knew that was something that I wanted to do."*

An important strategy for business success was knowing when to ask for help. Many of the business owners we spoke with sought out assistance from business intermediaries when

they were starting their business and maintained these relationships as their businesses grew. Intermediaries provide an array of services, including developing a business plan, help with M/WBE certification, and counseling on business credit. One successful Black business owner contacted several intermediaries to get access to various types of information. The business owner understood that advice and technical assistance are keys to owning a successful and prosperous business:

*"I use CAMBA and I use the St. Nick's Alliance. So, with CAMBA, I utilized them for needed training and Excel. I also needed to create a business plan and I didn't know how to do that. So I used that organization for that. With BOC, I was able to get a lot of grant information, since I still wanted to know what was available."*

Not all of the successful business owners we spoke with used intermediaries, and this was most pronounced among those who had worked for larger corporations or been in high-level government positions. These business owners tended to rely on people in their networks for advice and help.

About half of our participants were members of business associations, such as the Black Restaurant Business Association, which they credited with support and networking opportunities that helped them succeed.

Another strategy for business success was client diversification and often involved contracting with government agencies or other businesses. About 40% of the business owners we interviewed contracted with the government

while 45% served other businesses. Very few of the businesses in our sample derived all of their revenue from contracting with the government or larger corporations. It was more common for these businesses to use their contracts with government agencies, institutions or other businesses as a stable source of revenue that helped them navigate the ebbs and flows of their direct-to-consumer relationships. These guaranteed revenue streams allowed them to maintain consistent levels of staffing so they “have products that are ready for a procurement opportunity” while also providing their goods or services to consumers. Some respondents that had these contracts noted that it was easier to secure them if there were Black people in a position of power with respect to procurement at the agencies or companies where they were submitting bids.

A common thread among successful businesses was their ability to be flexible, agile, adaptive, and persistent. One business technical assistance intermediary was clear on the importance of persistence:

*“Longevity, and having more swings at bat, or you know, more jump shots or whatever, the more times you get to actually make a try, the more opportunities you have to be successful. So the only way you could do that is to stay out, stay alive long enough as a business to have that opportunity.”*

Other ingredients of success took a variety of forms and were highlighted when people talked about their experiences during the height of the COVID pandemic. The COVID experience had led many business owners to deliver their services in different ways. For businesses that were able

to do so, they retooled their operation so they could deliver their services virtually while those that couldn’t found new opportunities for their products. A restaurant owner opened a food truck and ramped up catering in the midst of the pandemic, while a caterer used some of the time the pandemic created for them to develop a business plan for a restaurant which opened in late-summer 2022. Outside of the context of COVID, successful business owners showed their flexibility and adaptability by operating more than one business - sometimes in a completely different sector but more often in a different capacity in the same sector. For some, flexibility took the form of taking advantage of opportunities – like renting out parts of their stores for pop-ups or participating in the city’s Open Streets program.

For a number of our business owners, success was being able to make a living doing something they are passionate about. These owners often felt that work is their calling or a contribution to their community they are uniquely positioned to provide. In some cases, identifying what they can contribute was a calculated business decision that hinged upon identifying a market void that their skills, experience, and interest could profitably fill. For others, the decision was less calculated and more a labor of love — they followed their heart or intuition with the hope that consumers or clients would like what they do. One business owner lost their military spouse to armed conflict overseas and they transformed their experience of loss and emotional turbulence into a unique therapy program to help others experiencing trauma, including public school students. For some

business owners, caring for and contributing to their respective communities was an important part of how they viewed the mission of their business. One respondent told us:

*"We're not just here just to make money, we want to be able to impact the changes in the community as well. So it's a safe space. You know, there's a lot of programs. We mentor kids, we mentor people that want to be able to do business. We share information, intellectual capital that we learn. We pass it on to other minority prospective business owners that want to be able to do it the right way and be able to sustain a business because a lot of businesses open and then they close down."*

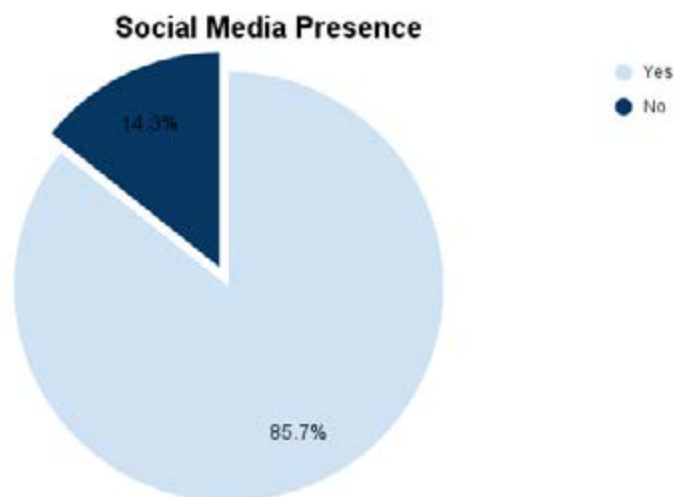
Another spoke of the importance of representing the community and making a positive investment in a neighborhood:

*"The restaurant is just one aspect of it, you know, we wanted to put a place in Canarsie that, you know, represented the neighborhood and what the neighborhood has become over the last couple of decades. So it was a full-fledged investment. When it came to the building, our family purchased the building, and we were able to secure that, but also put a family business inside of it as well. We didn't just want to add or just create another restaurant. But you know, we wanted to be able to create something that is memorable that we can be able to truly represent the different cultures and cuisines that Canarsie has to offer. Yeah, that the Caribbean has to offer."*

As with many businesses, most of the successful businesses we met with have learned to master their marketing and their branding. In some cases, this was clearly identifying a gap in the market and then making sure they could get the word out that they were providing something

others weren't. One business owner succeeded through word of mouth and by optimizing the Google platform:

*"So one thing that was missing in the hair industry is that business owners weren't willing to sit and have conversations with clients... offering a lot of information, just for an insight, just for empowerment to allow customers to feel comfortable with me or potential customers to feel comfortable with me. And doing that often made them feel comfortable enough to say, "I called this lady. And she answered all my questions, you should try her." It became word of mouth. I also had a friend who was a subcontractor for Google. And she told me that if you put your business on a Google platform or use a Google product, it will allow you to have a search engine optimization, that will put you on the first page, even though you're new, as long as you come in with a Google product."*



Many of the business owners we talked to felt they themselves personified their brand and it made them take how they marketed their business and did their work very seriously.

One respondent said:

*"I maintain these relationships by showing up and showing out every time that I'm booked by really trying to give the clients the best customer service that I could provide. Because at the end of the day, this is my brand."*

Marketing included social media presence. To gauge a sense of marketing and media presence, the business owners were asked about the existence of their business on any media platform. Eighty-five percent had a social media presence.

### **Business Challenges**

The challenges Black-owned businesses face are not limited to those noted earlier - racism (compounded by sexism for Black women), access to capital, and, sometimes, the M/WBE certification process. There are another set of issues that may be common to entrepreneurs and business owners, regardless of race, but may have greater impact because they coincide with those other challenges that disproportionately affect Black business owners. These challenges tend to be related to business development and management, accessing technical assistance and business planning support, and personnel. These matters are the focus of this section.

Frequently a challenge for a subset of the business owners was finding or using the technical assistance and other business support services available to them. When we asked business owners if they had sought out assistance when they started their business, quite a few said they didn't and only sought support after realizing they didn't "understand the business aspect

of running a business." In other words, while business owners had the skill set to provide the goods or services their business offered, they didn't have all of the skills that running a business entails until they were in the thick of it.

A common theme was a lack of awareness. As one entrepreneur put it, "I feel like a lot of the programs that are out there for us, it doesn't get to us that they're in existence." Business owners often noted that they didn't know that resources were available to them until they started networking with other small business owners. Business intermediaries, often non-profit organizations, provide these services - help applying for grants, and low-cost loans, professional development training, and business plan development support - for free or at a manageable cost. A few respondents emphasized that finding these resources was work itself and that entrepreneurs must take initiative to find them. One business owner plainly said, "you can't sit back and wait to be informed, because you can inform yourself." On the other hand, another respondent felt that there was more work that could be done to help facilitate connections between Black business owners and the opportunities that exist: "We need access to resources, there are resources, but we need links to them".

There were also a few other reasons why business owners didn't use the services available to them or found it challenging to do so. Some business owners noted that their busy work and life schedules didn't always work with those of the organizations offering support. Often, business owners noted they had to take time away from their work to get the assistance they wanted; this was not always easy to do. Some simply

couldn't take time off and decided to wait to seek out help. There was also some unease with the type and amount of information that business intermediaries needed to help business owners, as one business owner reflected, "You're gonna be asked personal and professional questions, just something that you have to do." While intermediaries offer free or low-cost services, many business associations, another support mechanism, require membership fees and other costs to attend conferences and trainings. These organizations provide opportunities for growth, networking, and education. However, in fledgling businesses such as those in our sample, respondents found the fees exorbitant and incapacitating. One entrepreneur spoke about this reality; that is, the expense of belonging:

*"So it's like, once again, using money from our pockets, to then try to build a relationship with them. So now we're trying to say, if we put money into it, are we going to be more in the red? It makes us a little hesitant then to join these groups, right that you have to pay \$695 for a yearly membership. It makes us a little hesitant them to join these groups, knowing that you have to pay that much for a yearly membership."*

Another set of challenges business owners talked about in our interviews with them related to financial management, tax compliance, and government regulations. As noted earlier, many business owners didn't realize the importance of good financial record keeping until they applied for M/WBE certification, but in some cases, it wasn't until they tried to apply for pandemic-related support. This was echoed by representatives of the business intermediaries we talked to, with one saying, "unfortunately a

lot of businesses of color, the paperwork wasn't in order – they had to kind of get more legitimate to even access what resources were available."

Tax compliance was another related area where entrepreneurs realized they had to keep better records. One owner said they were completely unaware they had to file their taxes quarterly until they received two tax bills from New York State, which was a wakeup call that prompted them to hire an accountant. Another offered an honest assessment of their experience with business finances when they first started: "...you make money, but then you don't know how to allocate it...you don't know how to pay sales tax...you don't know how to make sure that your bills are managed properly."

Some of the business owners we spoke with said they found dealing with government agencies to be complicated and stressful. The owner of a childcare center spoke about their challenges in getting answers from the NYC Department of Health and Mental Hygiene about questions they had for a new location they were opening - questions they needed answers to because a delay in opening would incur significant holding costs and potentially result in missing enrollment for much of the school year. Other business owners expressed some frustration with the number of registrations and certifications they needed, along with the variation in how these are handled from agency to agency and how the processes often change over time. An entrepreneur lamented that it is often a struggle to keep up with everything, saying that "I think people need help with it, and you have so many different things that require a different process, and sometimes you don't even remember."

Proficiency with digital and internet technologies is important for many aspects of businesses — registration with governmental agencies, marketing and client engagement, record/bookkeeping, interacting with business support organizations. Interviewees noted that this was accentuated during the pandemic. Some business owners we spoke with talked about how they didn't feel they were tech savvy, and this impacted their business. A few business owners knew that digital marketing through social media would be a good way to increase their reach, but they were uncomfortable with

the technology. In one case, a business owner was able to enlist one of their children to handle their social media marketing and noted that they were seeing more business because of it. One business owner, who was generally comfortable with technology, didn't like the lack of face-to-face engagement with a business intermediary helping them with their business plan. Their interaction largely occurred via email and they didn't feel that they were able to get the kind of feedback that was helpful to them.





## Next Generation: Focus Groups with Brooklyn College Students

We conducted on-site focus groups with students from Brooklyn College, a CUNY-affiliated school local in the heart of Flatbush, Brooklyn, which caters to many diverse students from the local area and the broader New York City Metropolitan Area.

The BHEH team conducted three focus group interviews with more than 15 undergraduate and graduate students from the Maury Koppleman School of Business. Ethnicity was mixed and included African-American, African-Caribbean, and Hispanic young adults. The focus group sessions ranged in size from 2 to 12 people. The questions for our research were developed using the knowledge we had acquired from field interviews with business owners.

Brooklyn. One of the questions that the team asked students was, “Why do you want to be an entrepreneur?” There was a range of responses, from a more individualistic to a broader concern about the community benefits businesses can generate. For example, one respondent said, “I always knew that I didn’t want a typical 9 to 5, and “I feel like independence is better than working for someone.” Another put it more plainly: “I want to make more money.”

Some expressed a deep allegiance to the community or, as a student stated: “For me, I was born and raised in Brooklyn. So to start a business, there is like community ownership and a way to give back. I grew up here; now, would I own a little bit of something here.”



View of the Brooklyn College Campus from Bedford Ave.

The business students were asked to share their ideas about such topics as entrepreneurship, community, and operating businesses in

A family history of entrepreneurship affected the decision to choose business ownership. “Technically, I have a business already, which is my family business. We have two daycares and we have two Airbnb businesses. And my mom is an accountant. And I want to open a recreational center in Canarsie.” The student was of Jamaican

extraction, and ethnicity was essential to some of the student’s responses: “I learned I have a passion for marketing and event coordination.

I do business event production here and in the Caribbean and Grenada.” Continuing in this vein, another student stated, “I chose business school because my family back in my country, Trinidad, had a lot of businesses. I want to further my education with a business major, so I can start my own business based on being well-versed in finances, operations, marketing, and all that is needed to be successful.”

Several students owned businesses, and some others were on the path to becoming entrepreneurs. Of the students interviewed, five were owners of these companies: knitting, event planning, accounting, a bakery, Airbnb, and social media/branding. One of the focus group members spoke about the ambition of opening a marijuana business and its benefits in terms of community impact: “Marijuana didn’t cause health problems, but so many people went to jail for that. Not harmful like heroin or crack that destroyed communities. And to me, it’s a way of giving back in a positive way.”

Students were candid, practical, and honest. They understood that, despite bringing independence, business ownership is a daunting undertaking: “It’s not easy, and you will see a lot of mistakes.” Another student responded, “You have to know everything and learn to spend wisely. Everything takes time.”

They understood the financial challenge associated with business ownership in New York. High costs associated with life in New York figured into all considerations about business ownership.

That’s a big concern for a lot of businesses. Back

in the day, you could go and get a company for cheap; now, it costs an arm and a leg in a place where a studio goes for \$2,700. So that is a deterrent for people who have a business or are starting a business because their cost is so expensive.

The student entrepreneurs identified many issues and barriers that result from the changing demographic landscape. To them, gentrification was a menace, threatening their community as they knew it and creating a foreign space with unwanted activities. The students’ sentiments were grounded in feelings of being misunderstood:

*“When we have street fairs like on Tompkins Avenue, and because of gentrification, they call the police all the time. They don’t understand that that’s our thing. They don’t understand our community. Yoga and workout stuff are everywhere as newcomers find places to live in our community.”*

One student indicted gentrification as the central explanation of neighborhood distress:

*“Now we don’t have any ownership, in terms of housing and real estate, anything like that because when you look around, certain neighborhoods are gentrified.”*

Gentrification, while unwelcome by many interviewed students, can represent the potential to create a range of business opportunities and a diverse consumer market, which was mentioned by one of the students:

*“The changing demographic, it’s very diverse. If you are starting a business, you can reach multiple communities and types of people. So, you know that people are working and mixing. Because*

*everyone is so close and different, I feel like it will be better to spread your business and receive the benefits of diversity to get your audience."*

Next, the focus group conversation focused on financial resources, particularly start-up capital. One focus group respondent explained that Black entrepreneurs are reluctant to seek bank loans and anxious to avoid debt; relying on family and friends is both preferred and more common.

When I started [my business], I didn't want to go to a bank. I didn't want to pay high-interest rates. I didn't want to pay the note. I rather ask family and friends, which is not a problem; we always ask them for help.

Another respondent filled in the blanks about debt avoidance, a time-honored, cultural practice among many local families. The respondent stated:

*"I'm just working at my job, saving my money [to fund my business]. Because putting myself in debt is not something I wanted to do. You are not properly taught about debt. When we were growing up, a lot of our parents told us 'don't get in debt.' But I feel like it was for a different reason as opposed to taking a risk to start a business. So, it's like we shied away from going to the banks like that. I've never asked for a loan in my life. So yeah, I definitely think that's something that has to do with upbringing and stuff like that."*

The students recognized the importance of a business education as they responded to questions about their most helpful business classes. According to the students, their business school courses raised consciousness about

critical but often taken-for-granted aspects of business management:

*"We've had the daycare since I was about six years old. So all I knew was that kids would come, and they would go; that's really all I knew. I didn't and how it operated. I'm now taking certain classes, so I'm definitely grateful for learning about how to manage a business and the importance of numbers."*

Similarly, another student stated the following:

*"It's helping, like, for me, I'm taking data analytics. And it's helping a lot because you start to see the ins and outs of your own business. You learn about tables and pie charts that can indicate where you have to improve your business. Or how well you're working with social media and what's happening with your clientele. It's like, wow, I'm learning a lot, and I used to be scared of data. But now I'm hands-on with my business."*

Students in the focus groups saw race and gender discrimination as real and present hurdles, creating an uneven playing field. One respondent stated, "[f]rom the jump because I'm Black, [they think] I'm stupid." Being a woman was seen as a challenge that this respondent turned on its head:

*"They look at you as lesser than, as though you're just a pretty face and don't know anything about money; you believe I'm stupid because I'm a Black woman. So that's my advantage as an aspiring entrepreneur. I can turn these negatives into positives. Men are known to be calm under pressure. I can be cool under pressure too."*

Students spent considerable time defining the advantages that social and internet networking

bring; these advantages were unavailable to baby boomers:

*“Many of the older generations aren’t too familiar with social media; they are stuck and still marketing using flyers. They don’t understand the world is changing. They don’t understand how useful social media can be to help grow their business.”*

Another student added, “They [the old heads] are used to working in corporate environments, like being slaves to the system.”

None of the focus group students knew about M/WBE certification.



View of the Medgar Evers College Campus from Bedford Ave.

## Worker Cooperatives: A Piece of the Puzzle

While the PAR team did not interview any worker-owned businesses for the study, respondents were asked if they had heard of cooperative ownership approaches. Most had not, but many expressed enthusiasm to learn more about this model.

A worker-owned business, or cooperative, operates according to principles of democratic control, equal economic participation, commitment to education and training for all members, and concern for the wider community. Shared stakeholder involvement can bring better outcomes for small businesses and greater wealth-building opportunities for employee members. Drawing from the Cooperative Economy Alliance of NYC and their [Seeding Solidarity map](#), we can see there are roughly 40 worker cooperatives in New York City today, and nearly half of them are in Brooklyn. While doing business with cooperatively owned enterprises is currently unfamiliar to hospital procurement teams at BCC member institutions, the acclaimed Evergreen Cooperatives program in Cleveland provides evidence that hospital procurement not only can support cooperative businesses but also help incubate them. University Hospital Center, a participant in the Greater University Circle Initiative, helped to seed a commercial laundry, a solar installation company, and a greenhouse; all of these enterprises became part of the supply chain of the hospital.

BCC currently partners with the CUNY School of Labor and Urban Studies on an Economic

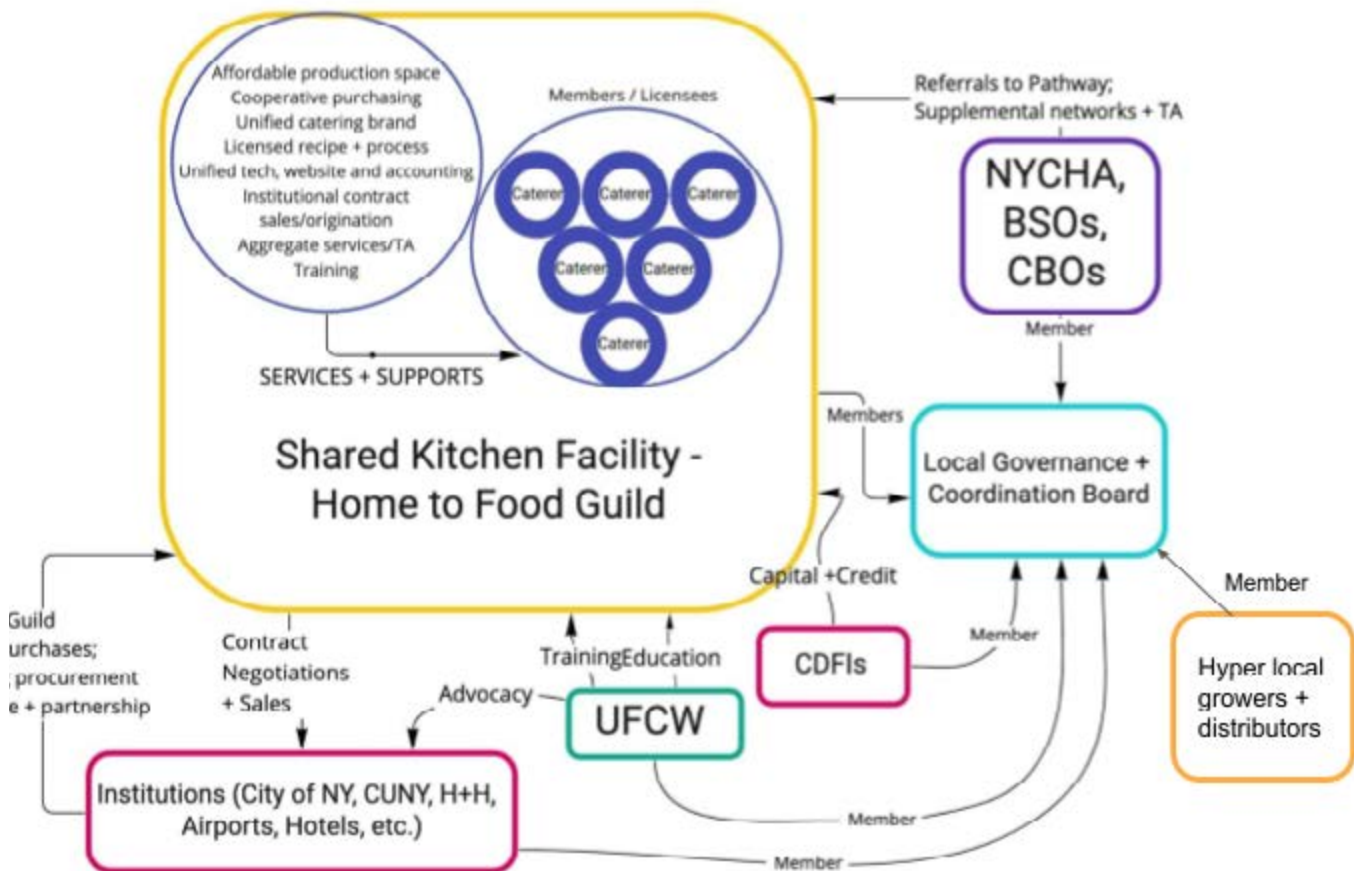
Democracy Fellows program in which mid-career professionals are designing innovative community development projects using the cooperative ownership model as a starting point. One intervention being explored is a “Food Guild,” which would facilitate small food businesses selling their products to hospitals and other large institutions. The Food Guild’s design brings the strength of an industry intermediary into play to support the member businesses with a single backbone for certain aspects of operations that will function better when centralized and offered to all the members. Together, members will benefit by having a shared and common facility, staff for managing large procurement needs and requests, collective purchasing power, and marketing and branding, all functioning to allow many small firms and micro-entrepreneurs to excel within an intentional supply chain.

Partners and allies of Brooklyn Communities Collaborative are already making Brooklyn a hub for cooperatively owned enterprises and an epicenter of efforts to develop them. Relevant initiatives include the City of New York’s [Owner to Owners](#) program (which links co-op development experts with owners looking for succession planning assistance); the Brooklyn Movement Center and Riseboro Partnership’s [Central Brooklyn Food Democracy Project](#) (which is dedicated to creating a Black-led, neighborhood-centered, local food economy) and the CUNY School of Labor and Urban Studies’ Economic Democracy Fellows program in which mid-career professionals design innovative

projects using the cooperative ownership model as a starting point. The [Seeding Solidarity map](#), a project of the Cooperative Economy Alliance of NYC shows roughly 40 worker cooperatives in New York City today; nearly half of them are in Brooklyn.

One cooperative development intervention with strong potential to connect to supply chains at BCC member hospitals is a “Food Guild” (see illustration below). The Food Guild’s design

brings the strength of an industry intermediary into play to support the members – food-related micro- businesses – with a shared kitchen and a central backbone for accounting, marketing, and other operations. The Guild was incubated in the Economic Democracy Fellows program and is being built out with assistance from Urbane, the [Bedford-Stuyvesant Restoration Corporation](#), and the [Community & Worker Ownership Project](#) at the CUNY School of Labor and Urban Studies.



Graphic designed by Androniki Lagos

## Fulfilling the Potential of the Anchor Mission Approach

Maimonides Health and One Brooklyn Health – the two hospital systems that helped to found Brooklyn Communities Collaborative – have pledged to significantly increase their business with local enterprises whose owners come from minority and disadvantaged backgrounds. Leaders and managers at the institutions are committed to diversifying their supply chains and making their sourcing of goods and services more inclusive; they recognize that doing so is key to addressing social determinants of health in the communities they serve. They also recognize that pursuing this goal will involve adjusting their traditional practices. As they begin, there are two crucial sources on which they can rely: the experiences of other health systems’ inclusive sourcing efforts and the advice and counsel of ground-level experts where they are.

### *Looking to others’ experiences*

Maimonides and One Brooklyn Health are not the first hospital systems to take an interest in harnessing their purchasing and contracting practices as a community development strategy, as demonstrated with the above-mentioned Evergreen model in Cleveland. The existing literature on inclusive sourcing practices contains important insights into the challenges of integrating goals other than price into decision-making; building relationships with businesses outside of established supplier networks; communicating expectations and guidelines to large vendors regarding their own subcontracting; and establishing strong ties to organizations dedicated to assisting

and supporting community-based businesses whose owners aspire to win supply contracts. Core strategies for overcoming common barriers include:

- Involving core staff not only in setting goals but in designing ways of tracking progress (e.g. dashboards);
- Sponsoring forums, including forums about upcoming projects, that enable M/WBEs, local companies, and worker-owned firms, to meet buyers and others in purchasing decision-making roles;
- Directly helping small businesses by providing ways to get bonding and insurance;
- Breaking up or “unbundling” contracts and service purchase orders;
- Embedding supplier diversity and local purchasing goals within Requests for Proposals, and eventually within contracts – so that supply chain integrators, Group Purchasing Organizations, and large vendors are on notice that these goals are an integral part of the institution’s purchasing culture and a criterion for evaluating their own performance. Major capital projects represent an opportunity, since there are large primary contractors with lots of subcontracts.
- Engaging vendors to create jobs and open facilities locally – and tying performance on this metric to extended long-term contracts;
- Supporting partnerships and mentor-protégé

relationships between veteran vendors and companies with less experience. Programs sponsored by Houston's MD Anderson Cancer Center with HUBS (Historically Underutilized Businesses) are a standout. Mentoring activities can include bid preparation, help with tracking finances, back-office support, and succession planning.

All of these strategies can help anchor institutions shift to proactive engagement with the potential for improving community wealth and health presented by supply chain diversification and from a compliance mentality where boxes are checked and quotas reached but without material consequences in the communities where they're located. Building maintenance, professional services, construction, IT, and food services are potential priority sectors.

In the New York Metropolitan Region, BCC can also look to the work of Ascend NYC, a multi-stakeholder collaborative building relationships between local person-of-color-owned businesses and major institutional purchasers in the Bronx and Manhattan.

### *Turning to local experts*

As BCC partners learn from inclusive sourcing efforts in other parts of the nation and metropolitan region, they can also rely on experts close to home. In addition to interviewing business owners, PAR researchers were also educated by a cadre of exceptionally strong person-of-color-led business development organizations and community development financial institutions in East and Central Brooklyn. Leading these groups are extraordinary Brooklynites with deep

knowledge of and appreciation for businesses' potential to generate and circulate wealth in the neighborhoods they love. The leaders' long experience working with entrepreneurs also enables them to understand where facilitation and capacity-building are needed to position local minority-owned and worker-owned businesses to become competitive for hospital contracts.

Another organization we consulted, the Business Outreach Center Network, has worked citywide to help minority, women, and immigrant entrepreneurs prepare for the organizational, financial, and compliance challenges facing enterprises who join the supply networks of major institutions. The Business Outreach Center (BOC) is the parent organization of BOC Capital, a certified Community Development Financial Institution focused on providing flexible, customized financing to small business owners. BOC and BOC Capital are partners in the Ascend NYC network.

The Brooklyn Health Enterprise Advisory Council, established in January 2023, gathers the acumen and knowledge of all of these organizations. Going forward, team members at BCC institutions' procurement departments and members of the Advisory Council will learn from one another and collaborate to implement and support inclusive sourcing practices.





*First Meeting of the Brooklyn Health Enterprise Advisory Council, January, 2023 at Bedford Stuyvesant Restoration Corporation's Headquarters on Fulton Street. Pictured, left to right: Gretchen Susi, Brooklyn Communities Collaborative; Laura Wolf Powers, Hunter College; Franklyn Mena, UniverseCity; Tiera Johnson, East New York Restoration LDC; LaRay Brown, One Brooklyn Health; David Cohen, Maimonides Health; Bernell Grier, IMPACCT Brooklyn; Nancy Carin, Business Opportunity Center Network (BOCNet); Oma Holloway, Bridge Street Development Corporation; Samira Rajan, Brooklyn Cooperative Federal Credit Union; Tokunbo Anifalaje, Bedford Stuyvesant Restoration Corporation; Tiera Mack, Pitkin Avenue Business Improvement District; Sigmund Shipp, Hunter College.*

## **Members of the Brooklyn Health Enterprise Advisory Council**

**Tokunbo Anifalaje**, Director, Brooklyn Business Center, Bedford Stuyvesant Restoration Corporation

**Nancy Carin**, Executive Director, Business Opportunity Center Network (BOCNet)

**Warren Goodridge**, Brooklyn Cooperative Federal Credit Union

**Bernell Grier**, Executive Director, IMPACCT Brooklyn

**Oma Holloway**, Chief Operating Officer, Bridge Street Development Corporation

**Tiera Mack**, Executive Director, Pitkin Avenue Business Improvement District

**Franklyn Mena**, Co-Founder & Executive Director, UniverseCity

**LaShawn Mohammed**, Central Brooklyn Economic Development Corporation

**Colette Pean, Executive Director**, East New York Restoration Local Development Corporation

## Appendix - Neighborhood Profiles

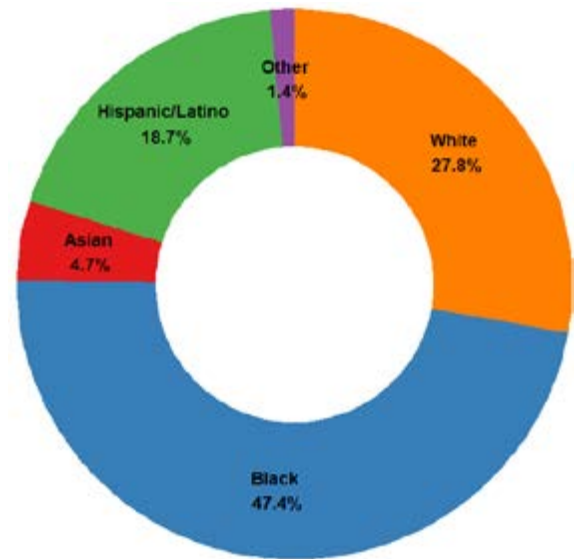
### Demographics: Bedford-Stuyvesant

Total Population (2020): 176,812<sup>1</sup>

<b>Racial &amp; Ethnic Composition, 2020<sup>2</sup></b>		
Race/Ethnicity	Pop	Percent
Black or African American	83,874	47.4%
White	49,110	27.8%
Asian	8,265	4.7%
Hispanic	33,056	18.7%
Other	2,507	1.4%

<b>Educational Attainment, 2016-2020<sup>3</sup></b>	
Highest Level of Education	Percent
Less than HS diploma	14.6%
HS diploma	24.9%
Some college	13.6%
Associate degree	6.1%
Bachelor degree	25.8%
Advanced degree	15.0%

<b>Socioeconomic Indicators, 2016-2020<sup>4</sup></b>	
Median HH Income	\$63,178
% of HH in poverty	22.4%
% Pop in Labor Force	65.9%
% Unemployed	7.2%
Self-employed (incorporated)	3.5%
Self-employed (not incorporated)	6.0%



### Employment & Employer Characteristics

Top Employment Sectors for Businesses in Bedford-Stuyvesant, 2019 (total jobs = 22,085)<sup>5</sup>

Sector	# Jobs	% Jobs
Health Care and Social Assistance	5,889	26.9%
Administrative and Business Support Services	3,476	15.9%
Retail Trade	2,519	11.5%
Accommodation and Food Services	2,140	9.8%
Educational Services	1,833	8.4%
Construction	1,256	5.7%
Other Services (except Public Administration)	944	4.3%
Wholesale Trade	882	4.0%
Manufacturing	848	3.9%
Professional, Scientific, and Technical Services	830	3.8%

1 IPUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

2 IPUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

3 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

4 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

5 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

Top 10 Employment Sectors for Employees Living Bedford-Stuyvesant, 2019<sup>1</sup>

Sector	# Employees	% Employees
Health Care and Social Assistance	11,963	18.2%
Accommodation and Food Services	6,986	10.6%
Retail Trade	6,613	10.1%
Professional, Scientific, and Technical Services	6,315	9.6%
Administrative and Business Support Services	5,582	8.5%
Information	4,551	6.9%
Educational Services	3,923	6.0%
Finance & Insurance	3,753	5.7%
Other Services (except Public Administration)	2,947	4.5%
Wholesale Trade	2,265	3.4%

Number of Jobs in Bedford-Stuyvesant by Business Age, 2019<sup>2</sup>

Business Age	# Jobs	% Jobs
1 year or less	1,856	8.5%
2-3 years	1,871	8.5%
4-5 years	1,197	5.5%
6-10 years	3,206	14.6%
11 years or more	13,795	62.9%

Number of Jobs in Bedford-Stuyvesant by Business Size, 2019<sup>3</sup>

Business Size	# Jobs	% Jobs
19 employees or less	6,397	29.2%
20-49 employees	2,151	9.8%
50-249 employees	4,150	18.9%
250-499 employees	1,282	5.8%
500 employees or more	7,945	36.2%

Where do Bedford-Stuyvesant Residents Work?<sup>4</sup>

Bedford-Stuyvesant	3.3%
Elsewhere in Brooklyn	26.0%
Elsewhere in New York City	63.9%
Outside of New York City	6.8%

1 U.S. Census Bureau, 2019, LEHD, LODES Residence Area Characteristics

2 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

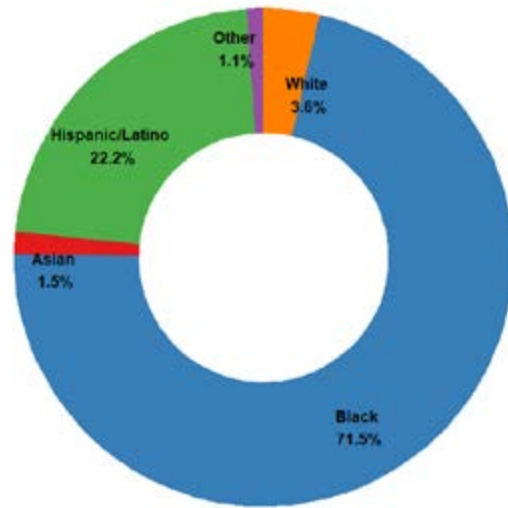
3 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

4 U.S. Census Bureau, 2019, LEHD, LODES Origin-Destination

*Demographics: Brownsville*

*Total Population (2020): 95,452<sup>1</sup>*

<b>Racial &amp; Ethnic Composition, 2020<sup>2</sup></b>		
<b>Race/Ethnicity</b>	<b>Pop</b>	<b>Percent</b>
Black or African American	68,213	71.5%
White	3,468	3.6%
Asian	1,477	1.5%
Hispanic	21,227	22.2%
Other	1,067	1.1%



<b>Educational Attainment, 2016-2020<sup>3</sup></b>	
<b>Highest Level of Education</b>	<b>Percent</b>
Less than HS diploma	22.5%
HS diploma	34.8%
Some college	18.2%
Associate degree	7.8%
Bachelor degree	12.1%
Advanced degree	4.6%

*Employment & Employer Characteristics*

Top Employment Sectors for Businesses in Brownsville, 2019 (total jobs = 9,355)<sup>5</sup>

<b>Sector</b>	<b># Jobs</b>	<b>% Jobs</b>
Health Care and Social Assistance	4,479	47.9%
Retail Trade	1,886	20.2%
Construction	746	8.0%
Accommodation and Food Services	505	5.4%
Real Estate & Rental and Leasing	329	3.5%
Manufacturing	275	2.9%
Administrative and Business Support Services	265	2.8%
Educational Services	213	2.3%
Other Services (except Public Administration)	189	2.0%
Wholesale Trade	180	1.9%

<b>Socioeconomic Indicators, 2016-2020<sup>4</sup></b>	
Median HH Income	\$31,969
% of HH in poverty	34.9%
% Pop in Labor Force	54.5%
% Unemployed	13.0%
Self-employed (incorporated)	1.6%
Self-employed (not incorporated)	5.1%

1 IPUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

2 PUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

3 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

4 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

5 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

Top 10 Employment Sectors for Employees Living  
Brownsville, 2019<sup>1</sup>

Sector	# Employees	% Employees
Health Care and Social Assistance	9,523	29.4%
Retail Trade	3,775	11.6%
Administrative and Business Support Services	3,287	10.1%
Accommodation and Food Services	3,061	9.4%
Transportation & Warehousing	1,845	5.7%
Professional, Scientific, and Technical Services	1,617	5.0%
Other Services (except Public Administration)	1,259	3.9%
Construction	1,239	3.8%
Educational Services	1,220	3.8%
Finance & Insurance	1,082	3.3%

Number of Jobs in Brownsville by Business Age,  
2019<sup>2</sup>

Business Age	# Jobs	% Jobs
1 year or less	282	3.0%
2-3 years	454	4.9%
4-5 years	460	4.9%
6-10 years	2,789	29.8%
11 years or more	5,370	57.4%

Number of Jobs in Brownsville by Business Size,  
2019<sup>3</sup>

Business Size	# Jobs	% Jobs
19 employees or less	1,851	19.8%
20 - 49 employees	896	9.6%
50 - 249 employees	1,492	15.9%
250 - 499 employees	597	6.4%
500 employees or more	4,519	48.3%

Where do Brownsville Residents Work?<sup>4</sup>

Brownsville	1.9%
Elsewhere in Brooklyn	32.5%
Elsewhere in New York City	56.6%
Outside of New York City	9.0%

1 U.S. Census Bureau, 2019, LEHD, LODES Residence Area Characteristics

2 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

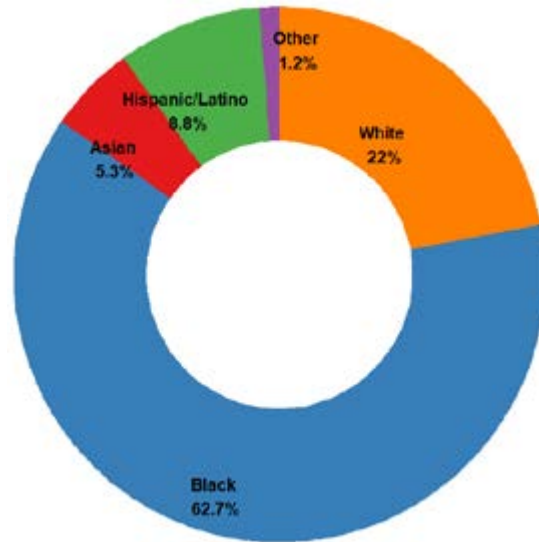
3 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

4 U.S. Census Bureau, 2019, LEHD, LODES Origin-Destination

Demographics: Canarsie

Total Population (2020): 206,274<sup>1</sup>

Racial & Ethnic Composition, 2020 <sup>2</sup>		
Race/Ethnicity	Pop	Percent
Black or African American	130,210	63.1%
White	44,627	21.6%
Asian	10,788	5.2%
Hispanic	18,171	8.8%
Other	2,478	1.2%



Educational Attainment, 2016-2020 <sup>3</sup>	
Highest Level of Education	Percent
Less than HS diploma	11.3%
HS diploma	29.36%
Some college	17.4%
Associate degree	8.8%
Bachelor degree	20.3%
Advanced degree	12.6%

Employment & Employer Characteristics

Top Employment Sectors for Businesses in Canarsie, 2019 (total jobs = 27,796)<sup>5</sup>

Sector	# Jobs	% Jobs
Health Care and Social Assistance	11,534	41.5%
Retail Trade	4,996	18.0%
Accommodation and Food Services	1,754	6.3%
Construction	1,443	5.2%
Transportation & Warehousing	1,338	4.8%
Other Services (except Public Administration)	1,260	4.5%
Administrative and Business Support Services	964	3.5%
Professional, Scientific, and Technical Services	951	3.4%
Educational Services	747	2.7%
Finance & Insurance	670	2.4%

Socioeconomic Indicators, 2016-2020 <sup>4</sup>	
Median HH Income	\$81,053
% of HH in poverty	9.6%
% Pop in Labor Force	61.5%
% Unemployed	5.3%
Self-employed (incorporated)	2.3%
Self-employed (not incorporated)	4.3%

1 IPUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

2 PUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

3 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

4 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

5 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

Top 10 Employment Sectors for Employees Living Canarsie, 2019<sup>1</sup>

Sector	# Employees	% Employees
Health Care and Social Assistance	24,105	31.2%
Retail Trade	8,375	10.9%
Accommodation and Food Services	5,955	7.7%
Administrative and Business Support Services	5,788	7.5%
Professional, Scientific, and Technical Services	4,381	5.7%
Transportation & Warehousing	4,360	5.7%
Finance & Insurance	3,427	4.4%
Construction	3,361	4.4%
Other Services (except Public Administration)	3,229	4.2%
Educational Services	3,158	4.1%

Number of Jobs in Canarsie by Business Age, 2019<sup>2</sup>

Business Age	# Jobs	% Jobs
1 year or less	785	2.8%
2-3 years	2,372	8.5%
4-5 years	1,785	6.4%
6-10 years	3,054	11.0%
11 years or more	19,800	71.2%

Number of Jobs in Canarsie by Business Size, 2019<sup>3</sup>

Business Size	# Jobs	% Jobs
19 employees or less	7,698	27.7%
20-49 employees	2,287	8.2%
50-249 employees	5,648	20.3%
250-499 employees	2,458	8.8%
500 employees or more	9,705	34.9%

Where do Canarsie Residents Work?<sup>4</sup>

Canarsie	5.1%
Elsewhere in Brooklyn	36.4%
Elsewhere in New York City	50.4%
Outside of New York City	8.1%

1 U.S. Census Bureau, 2019, LEHD, LODES Residence Area Characteristics

2 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

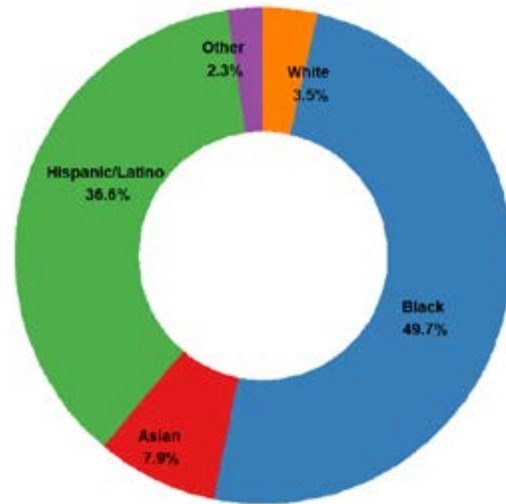
3 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

4 U.S. Census Bureau, 2019, LEHD, LODES Origin-Destination

Demographics: East New York

Total Population (2020): 197,487<sup>1</sup>

<b>Racial &amp; Ethnic Composition, 2020<sup>2</sup></b>		
<b>Race/Ethnicity</b>	<b>Pop</b>	<b>Percent</b>
Black or African American	98,180	49.7%
White	7,004	3.5%
Asian	15,570	7.9%
Hispanic	72,275	36.6%
Other	4,458	2.3%



<b>Educational Attainment, 2016-2020<sup>3</sup></b>	
<b>Highest Level of Education</b>	<b>Percent</b>
Less than HS diploma	19.1%
HS diploma	43.9%
Some college	15.0%
Associate degree	7.2%
Bachelor degree	10.5%
Advanced degree	4.2%

Employment & Employer Characteristics

Top Employment Sectors for Businesses in East New York, 2019 (total jobs = 30,330)<sup>5</sup>

<b>Sector</b>	<b># Jobs</b>	<b>% Jobs</b>
Retail Trade	7,066	23.3%
Transportation & Warehousing	5,943	19.6%
Health Care and Social Assistance	5,857	19.3%
Wholesale Trade	2,136	7.0%
Accommodation and Food Services	2,067	6.8%
Manufacturing	1,564	5.2%
Other Services (except Public Administration)	1,240	4.1%
Construction	1,041	3.4%
Administrative and Business Support Services	1,030	3.4%
Educational Services	821	2.7%

<b>Socioeconomic Indicators, 2016-2020<sup>4</sup></b>	
Median HH Income	\$41,791
% of HH in poverty	28.2%
% Pop in Labor Force	55.6%
% Unemployed	9.4%
Self-employed (incorporated)	1.6%
Self-employed (not incorporated)	4.7%

1 PUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

2 PUMS NHGIS, 2020 Census (P.L. 94-171) Redistricting Dataset

3 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

4 IPUMS NHGIS, 2020 American Community Survey: 5-Year Estimates

5 U.S. Census Bureau, 2019, LEHD, LODS Workplace Area Characteristics



Top 10 Employment Sectors for Employees Living East New York, 2019<sup>1</sup>

Sector	# Employees	% Employees
Health Care and Social Assistance	24,105	31.2%
Retail Trade	8,375	10.9%
Accommodation and Food Services	5,955	7.7%
Administrative and Business Support Services	5,788	7.5%
Professional, Scientific, and Technical Services	4,381	5.7%
Transportation & Warehousing	4,360	5.7%
Finance & Insurance	3,427	4.4%
Construction	3,361	4.4%
Other Services (except Public Administration)	3,229	4.2%
Educational Services	3,158	4.1%

Number of Jobs in East New York by Business Size, 2019<sup>3</sup>

Business Size	# Jobs	% Jobs
19 employees or less	5,279	17.4%
20-49 employees	2,947	9.7%
50-249 employees	4,306	14.2%
250-499 employees	3,136	10.3%
500 employees or more	14,662	48.3%

Where do East New York Residents Work?<sup>4</sup>

East New York	4.7%
Elsewhere in Brooklyn	27.9%
Elsewhere in New York City	58.0%
Outside of New York City	9.4%

Number of Jobs in East New York by Business Age, 2019<sup>2</sup>

Business Age	# Jobs	% Jobs
1 year or less	1,164	3.8%
2-3 years	1,812	6.0%
4-5 years	1,055	3.5%
6-10 years	4,304	14.2%
11 years or more	21,995	72.5%

1 U.S. Census Bureau, 2019, LEHD, LODES Residence Area Characteristics

2 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

3 U.S. Census Bureau, 2019, LEHD, LODES Workplace Area Characteristics

4 U.S. Census Bureau, 2019, LEHD, LODES Origin-Destination

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