



**ECONOMIC
OPPORTUNITIES
PROGRAM**

 THE ASPEN INSTITUTE

Informational Webinar: CDFI Small Business Job Quality Demonstration

March 22, 2022

Welcome!



Joyce Klein

Director, Business Ownership Initiative
Aspen Institute
Economic Opportunities Program

Demonstration supports for and engagement with CDFI partners

Aspen EOP:

- \$100,000K in grant funding annually to support operational costs over the 3-year demonstration period
- Up to \$45K per year in grant funds to support job quality incentives to small businesses
- Three peer learning convenings
- Shared learning through the demonstration evaluation

PCV:

- Support for business advising, including advising that encompasses job quality

USBCDC:

- Opportunity to apply for investment capital

Presenters



Stan John

Sr. Program Officer,
Economic Mobility
and Opportunity
**Bill and Melinda
Gates Foundation**



Maureen Conway

Vice President,
The Aspen Institute
Executive Director,
**Economic
Opportunities
Program**



Bulbul Gupta

President and CEO
**Pacific Community
Ventures**



Phillip Sangokoya

Director of Business
Impact Integration
**U.S. Bancorp
Community
Development
Corporation**

Agenda

- Demonstration purpose and goals – Stan
- What do we mean by job quality? How can small businesses improve job quality? – Maureen
- PCV’s approach to job quality and how it can partner with CDFIs – Bulbul
- USBCDC investment offerings – Phillip
- Evaluation plans and application requirements and process – Joyce
- Your questions

Demonstration Purpose and Goals; the What and Why of Job Quality and Small Businesses

Stan John

Sr. Program Officer, Economic Mobility and
Opportunity

Bill & Melinda Gates Foundation



Importance of Job Quality



In 2017, the Aspen Institute Job Quality Fellows described the importance of job quality as follows:

"A quality job means one's work is valued and respected and meaningfully contributes to the goals of the organization. It encompasses having a voice in one's workplace and the opportunity to shape one's work life, as well as having accessible opportunities to learn and grow. Quality work affords an individual the opportunity to save, to build the security and confidence that allows one to plan for the future, and to participate in the life of and see oneself as a valued member of a community."

Job Quality Elements (JQEs)

This demonstration project will primarily focus on six different dimensions of job quality that can feasibly be implemented by small businesses and can meaningfully impact the lives and livelihoods of workers:

- Compensation (living wage),
- Advancement (e.g., formal training, promotion opportunities),
- Schedule satisfaction (e.g., stable schedule, advance scheduling, etc.)
- Basic benefits (e.g., paid leave)
- Incentives (e.g., worker recognition, educational benefits), and
- Wealth-building (e.g., financial counseling, profit sharing).

IT'S TIME TO CHOOSE JOB QUALITY.

JOIN US AT THE JOB QUALITY CENTER OF EXCELLENCE

- ❑ Exemplars – innovations & innovators
- ❑ Practical Tools
- ❑ Inclusive Conversations
- ❑ Research/Resources
- ❑ Action Page

Barriers that Limit SMB JQE Adoption

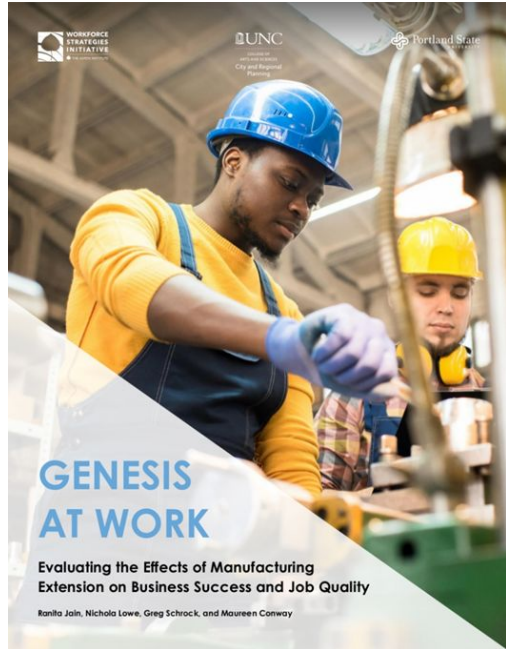
Capacity. SMB owners may not have the time or expertise themselves or the operations and human resources support needed to select and implement JQEs, some of which require external service providers.

Awareness. SMB owners can lack awareness of worker needs, the business benefits of JQE, and/or best practices in terms of service availability and options.

Motivation. SMB owners may not see the value of offering JQEs to their workers on a personal level or business performance level, and consequently may not see addressing job quality as a priority.

Financing. Several JQEs, such as those with high upfront costs or uncertain cash flows could require financing. In such cases, barriers to access to finance could limit adoption.

Small Businesses Can Make Meaningful JQ Improvements that are Good for Business



Promising Workforce Strategies from Across the Reimagine Retail Network
Chicago's Fresh Approach to Incumbent Worker Training
Amanda Newman & Jenny Weissbourd · November 2018

In recent years, the United States grocery industry has become increasingly competitive and experienced unprecedented consolidation.¹ In Chicago, 25 stores closed between 2015 and 2017 — bringing the total number of stores down to its lowest number since 2009.² Independent, privately owned food retailers rate competition as their highest concern, followed by worries about hiring and retention. In 2017, sales declined for half of the nation's independent grocers.³

Pete's Fresh Market (Pete's) offers a notable exception. Launched in the early 1970s as a small, full-service produce stand on the South Side of Chicago, today Pete's has 13 stores in the city and plans to open five more in the next few years. This

family-owned grocer recognizes what it takes to succeed in a rapidly changing industry.

High-performing independent food retailers are those that differentiate themselves from competitors, cater to local communities, and give customers a reason to stop in — such as exceptional customer service or specialty products like quality produce or ethnic foods.

These competitive strategies depend on an engaged workforce dedicated to creating an outstanding customer experience. Pete's attracts and retains talent — employees have an average tenure of five years — by providing stable jobs and advancement opportunities. About 80 percent of Pete's workers are full-time employees (well above the regional industry

¹ <https://www.ers.usda.gov/topics/food-markets-prices/retailing-wholesaling/retail-trends/>
² <http://www.chicagotribune.com/business/ct-grocery-store-reports-0813-biz-2-20170811-story.html>
³ <http://www.businessinsider.com/chicago-grocery-stores-in-crisis-turnover-2017-8>
⁴ http://www.nationalgrocers.org/docs/default-source/2018-docs/2018_fms_ifrs-5.pdf?sfvrsn=2



Demonstration Goals

- Can financial intermediary (FI) strategies encourage SMBs to improve JQ?
- Does/in what ways does JQ adoption influence SMB business performance?
- In what ways does JQ adoption influence worker well-being, particularly among BIPOC workers?
- How can JQ strategies be sustained and scaled within and across FIs?

PCV's Approach and Partnership Opportunities



Pacific Community Ventures

March 2022

Place-based ecosystem partnerships that democratize access to capital by centering power with local community leaders and organizations



Policy & Research on a learning agenda that centers small business owners, worker empowerment, and advocates for systems change

Fund Innovations that leverage our impact investing roots decolonize access to capital, mentor networks, and build wealth by, for, and with communities

Good Jobs, Good Business



Employee
Compensation



Scheduling + Paid
Leave



Hiring + Professional
Development



Employee
Engagement



Health Benefits



Retirement +
Wealth Building

COVID-19 Safety

Racial Justice

Good Jobs, Good Business

Among PCV-supported businesses in 2020:

\$21

median full-time
hourly wages

52%

of FT workers are
eligible for **health
benefits**

70%

of FT workers are
eligible for
retirement benefits

66%

provide workers with
**schedules at least 2
weeks in advance**



Small Business Support Circle

We're bringing together companies, organizations, cities, foundations invested in the success and resilience of small businesses nationwide

Founding Partners



Corporate Partners



Community Partners



Mentorship makes a difference

Among small businesses with a mentor:

70%

survive for **five years or more**, with increasing revenues and business growth.

2x

They succeed at 2 times the rate of of non-mentored businesses.

92%

agree that mentors have helped their growth and business survival

How Business Advising Works

Tech-enabled, people-driven



Small business owners & pro bono business professionals complete an **online enrollment** application capturing information about their **interests & respective needs or expertise**.



Applicants then complete a **one-on-one onboarding call with a PCV Relationship Manager** to set clear expectations for both parties.



PCV's team uses a sophisticated **matching algorithm** to identify the best pairing and facilitates matches.

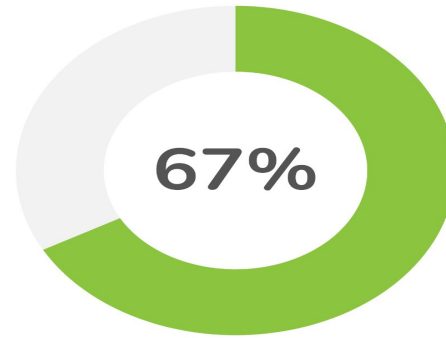
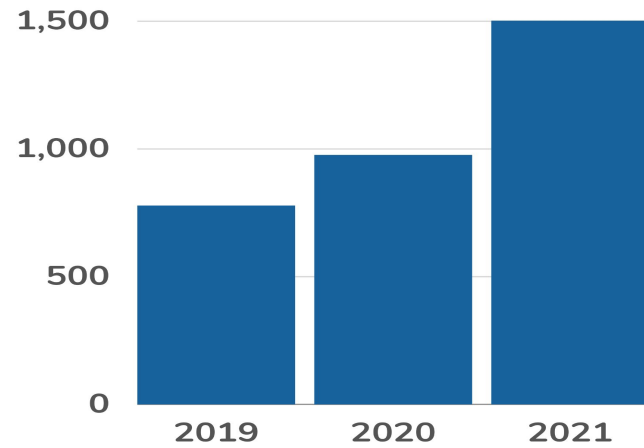


Advisors & business owners schedule time to connect that works for their schedules. Participants are surveyed monthly to assess progress and program satisfaction.

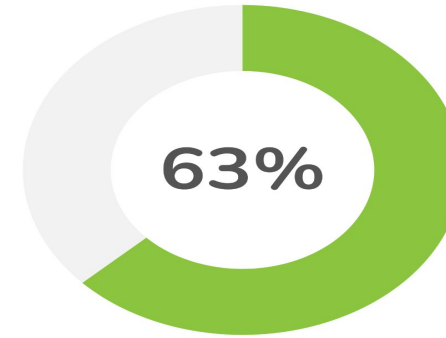
Business Advising in 2021

1500

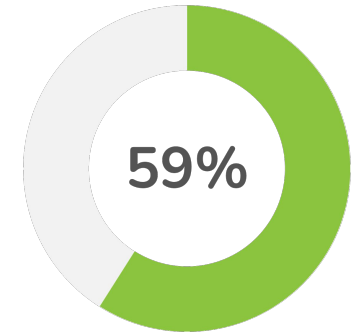
entrepreneurs served



entrepreneurs of color served
(60% in 2020)



women-identifying served
(59% in 2020)



served outside CA
(57% in 2020)

Top Geographies Served Outside CA

Maryland
District of Columbia
Oregon
Michigan
Texas

Hawaii
Georgia
Illinois
Colorado
Pennsylvania

New York
Tennessee
Virginia
Florida
Massachusetts

Missouri
Connecticut
New Jersey
Washington
Ohio

Minnesota
Arizona
Nevada
North Carolina
Wisconsin

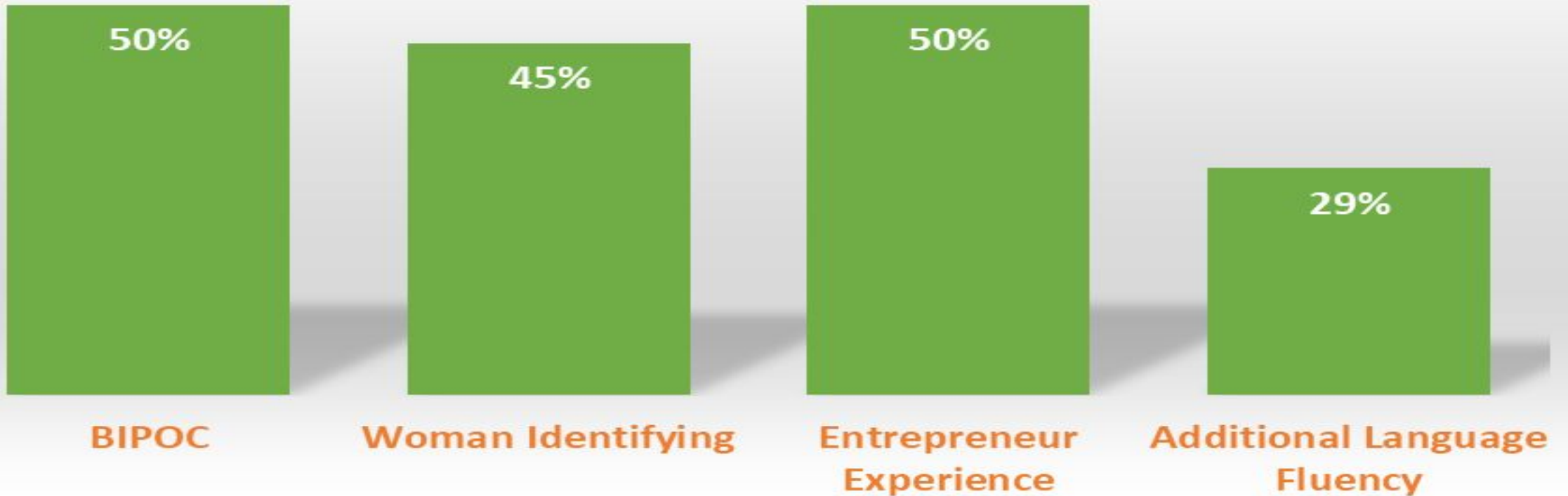
Business Advising: Resources for Entrepreneurs

- Dedicated **Relationship Manager** to serve as **point of contact and advocate**
- **FREE one-to-one mentorships** with skilled **business advisors** in the topic(s) of the entrepreneurs choosing
- Ability to engage in **multiple mentorships** with different advisors.
- **Partnership toolkit**
- **Good Jobs toolkit**
- **Small Business Support Group** on Facebook
- **FREE Webinars, Workshops, Advisor Office Hours**
- Most resources available in Spanish

Business Advising Advisor Network

Advisor Profile

Network of 2938 Advisors
(+167 Advisors in 2022)



Business Advising: Scaling & Sustainability

In 2022:

- Serve **2,700 small business entrepreneurs**
- Recruit and engage an additional **550 advisors**—especially former entrepreneurs, advisors of color, and multilingual advisors
- Launch PCV's **Expert Advisor Cohorts** including our Good Jobs Advising Cohort
- Upgrade **tech platform**, incorporate mobile-friendly product features
- **Expand language capabilities** of Business Advising programming



USBCDC Investment Opportunities

USBCDC – Specialty Finance

Borrower type	Loan products
Community Development Financial Institutions (CDFIs)	<ul style="list-style-type: none">- Lines of Credit- Term Loans- Structured Real Estate Debt Funds
Low Income Housing Tax Credit (LIHTC) Syndications	<ul style="list-style-type: none">- Subscription Facilities- Lines of Credit- Term Loans
New Markets Tax Credit Lending	<ul style="list-style-type: none">- Term Loans to Sponsors

- Best-in-class strategy for target customers
- Minimum 10 years operating history; handled 2008-2010 economic downturn appropriately
- \$250 million impact capital available – impact loans, patient investments, private equity investments; help reduce barriers to accessing capital and bring more developers of color into the industry
- #1 in market share in lending to LIHTC syndicators
- Top 5 in market share in our work with CDFIs



Demonstration Evaluation

Key evaluation questions – aligned with goals

- Can financial intermediary (FI) strategies encourage SMBs to improve JQ?
- Does/in what ways does JQ adoption influence SMB business performance?
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- How can JQ strategies be sustained and scaled within and across FIs?

Evaluation approach

Three tenets:

- Learning
- Multimodal
- Minimize burden to extent possible

Evaluation methods

- Site visit and/or interviews
- Document review
- Peer learning meetings (in-person and virtual)
- Provide data on program activities and outputs
- Collection of outcomes data

Proposal elements – due April 7

- All info on web page – as.pn/cdfijobquality
- Narrative statement – 5-10 pages
- [Summary data sheet](#)
- [Budget template](#)
- Financial statements – three most recent FYs
- Other?
- Upload via [google form](#)

Review process and timeline

- Scoring rubric – no defined/absolute points allocation; will take application as a whole
- Review committee includes partners
- Consider applicants individually and as a group
- Timeline: Notifications in May; Agreements in June

Questions?

Thank you!

For additional questions: jobquality@aspeninstitute.org