



**ENTREPRENEURSHIP  
ADVANTAGE**

# Virtual Meetup February 2021

Feb 25, 2021



# Welcome

Mega Jewell

CAMEO

Outreach Specialist



# General Information

- Everyone's audio is muted at the start.
  - To unmute, mic icon on the left.
  - Please use the chat box to network.
- We are recording the session.
- We will send all registrants the slides and recording, as soon as we can.

# In the chat...



Name



Organization



Updates

# About C.A.M.E.O.

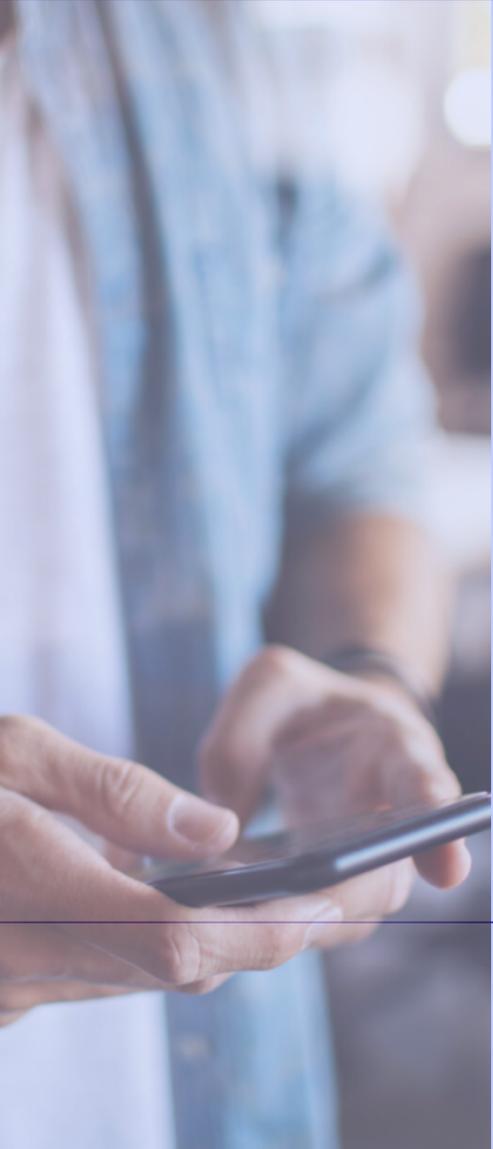
Heidi Pickman

CAMEO

VP, Programs and Policy



# CAMEO Updates



## Microlending essentials Spring 2021

March 22 - 26, 2021

9:30 am - 12:30 pm

## CDFI Essentials 2021

Every second Friday of  
the month at 11:00 am

Contact:  
[sbrown@cameonetwork.org](mailto:sbrown@cameonetwork.org)

## News: Budget Proposal

California Governor Gavin Newsom signed a \$7.6 billion coronavirus relief package on Tuesday that will give at least \$600 one-time payments to 5.7 million people while setting aside more than \$2 billion in grants for struggling small businesses.

Emma

Kloppenburg

Local Initiatives Support Corporation  
(LISC)

EA Steering Committee





# Purpose

## Entrepreneurship Advantage

Create economic opportunity for entrepreneurs and small businesses in LA County by connecting human, technical and capital resources through regional collaboration.

# How to get involved



[About](#) [Members](#) [Projects](#) [Events](#) [Resources](#)



[Join The Collaborative](#)

A video frame showing a woman in a red apron smiling in a bakery. In the foreground, there are large loaves of bread on a counter. The background shows shelves stocked with various bakery items.

**We're a collaborative that's  
passionate about helping  
entrepreneurs thrive**

Entrepreneurship Advantage

[Learn More](#)



# Agenda

- Introductions
- Networking
- Report: Small Business Ecosystem Assessment





# Networking

- Tell a story about a client that illustrates the needs you see in the business owners you serve. How did you help them - specifically
- What other resources do you need that could support you with crafting a solution?



- What challenges are you facing right now? And how can CAMEO or our EA Collaborative support you?

A photograph of the Los Angeles skyline, featuring several tall skyscrapers under a blue sky with scattered white clouds. In the foreground, there are several tall palm trees and some residential buildings. The image is partially overlaid by a dark blue semi-transparent box on the left side.

Los Angeles County  
**Small Business  
Ecosystem  
Assessment**

Building a more inclusive,  
resilient Los Angeles County

FALL 2020

# Key Takeaways

Summarized by  
Mega Jewell and Heidi Pickman

CAMEO

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# Report Creators

**next street**

**COMMON FUTURE.**

Next Street and Common Future partnered with Lendistry, Concerned Capital, and a collection of local stakeholders in Los Angeles County to examine the current state of play of the region's small business communities and supporting ecosystem, with a specific lens on local businesses owned by people of color and the COVID-19 response and recovery.

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# Goals of Report



- To provide Los Angeles County's historical context and the landscape of the region's small business communities and supporting ecosystem



- The perspective of the report is through the lens of businesses owned by people of color and the COVID-19 response and recovery



- Assessment aims to provide a set of recommendations and proposed path aimed at narrowing racial gaps across various dimensions
- Including business ownership, revenue, employment
- Over the course of the next five years

# Los Angeles Business Landscape

A scenic view of the Los Angeles skyline at sunset. The sky is a mix of orange, yellow, and purple. In the foreground, the Griffith Observatory is visible on a hillside, surrounded by trees. The city skyline is in the background, with various skyscrapers and buildings.

An estimated **68%** of revenue generated by **local businesses stays within the community** through employment of community residents, **compared to 43%** of revenue generated by **non-local businesses**.

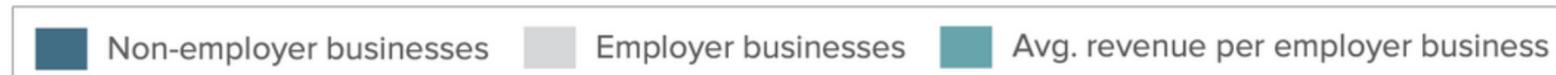
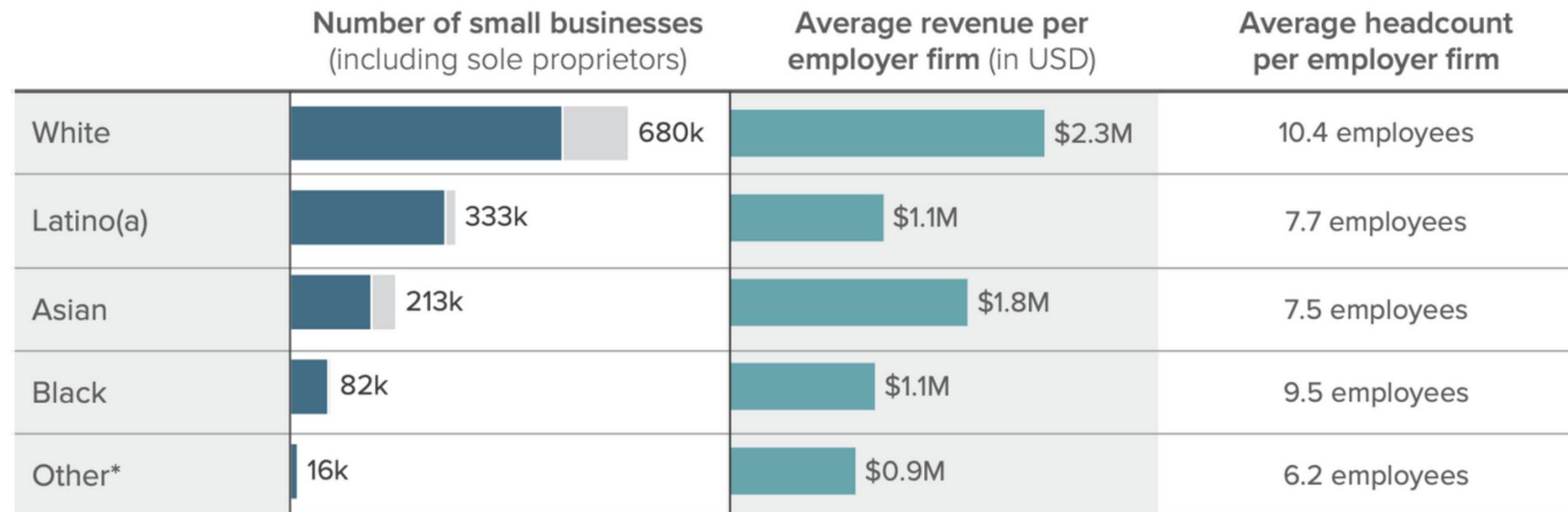
# Historical Context of LA County

- Home to 10 million+ residents
- Racial and ethnic minorities make up 75%
- LA's unique assets support region's economic vitality
- High wage earners grew, while low wage workers decreased (1990-2012)
- Housing and transportation landscape



# Small Business Landscape

Small business ownership, revenue, and employment by race and ethnicity



Note: \* Other includes populations of American Indian, Alaska Native, Native Hawaiian, and Other Pacific Islanders, among other races not classified by the U.S. Census Bureau  
 Source: U.S. Census Survey of Business Owners (2012)

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# Impact of COVID-19

- Many small business owners were forced to temporarily close or reduce operations
- From January- June 2020, the total small business revenue and number of small businesses open decreased by 18% and 19% respectively



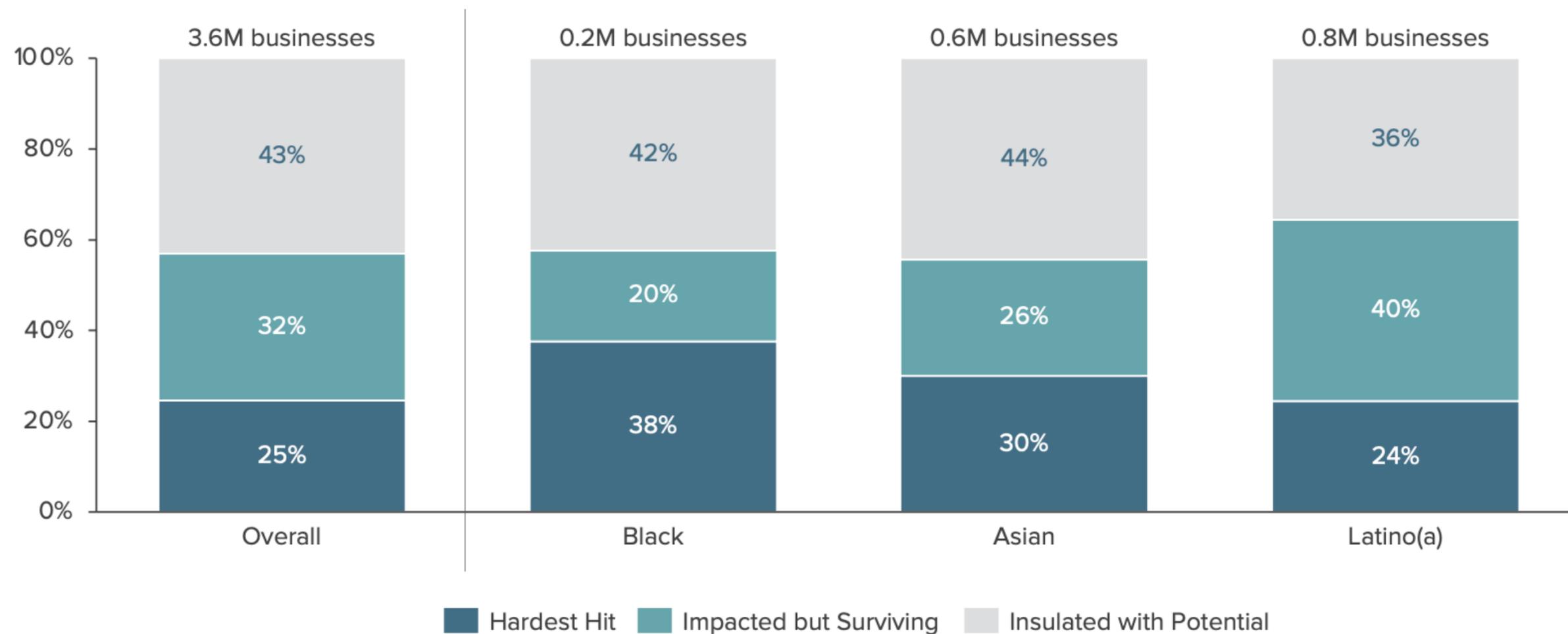
# Impact of COVID-19

## COVID-19 Risk segmentation by industry

	Hardest Hit “How do I stay in business?”	Impacted but Surviving “How can I pivot or evolve?”	Insulated with Potential “How can I maintain and grow?”
Description	Non-essential businesses that have had to close or significantly adjust operations and face risk of closure	Essential businesses that have lost revenue due to reduced spending from consumers and non-essential businesses	Essential businesses that have been able to continue operations and supply critical goods and services
% of small businesses in L.A. County (2016)	26%	30%	44%
Key industries	<ul style="list-style-type: none"><li>● Food service &amp; drink places</li><li>● Performing arts &amp; spectator sports</li><li>● Personal &amp; laundry stores</li><li>● Clothing &amp; accessory stores</li><li>● Health &amp; personal care stores</li></ul>	<ul style="list-style-type: none"><li>● Real estate</li><li>● Merchant wholesalers</li><li>● Admin. &amp; support services</li><li>● Specialty trade contractors</li><li>● Motion picture &amp; sound recording industries</li></ul>	<ul style="list-style-type: none"><li>● Prof. &amp; technical services</li><li>● Food and beverage stores</li><li>● Repair &amp; maintenance</li><li>● Membership associations</li><li>● Credit intermediation &amp; related activities</li></ul>

# Impact of COVID-19

COVID-19 Risk segmentation breakdown of CA-based businesses, by race and ethnicity



# Capital Support Landscape

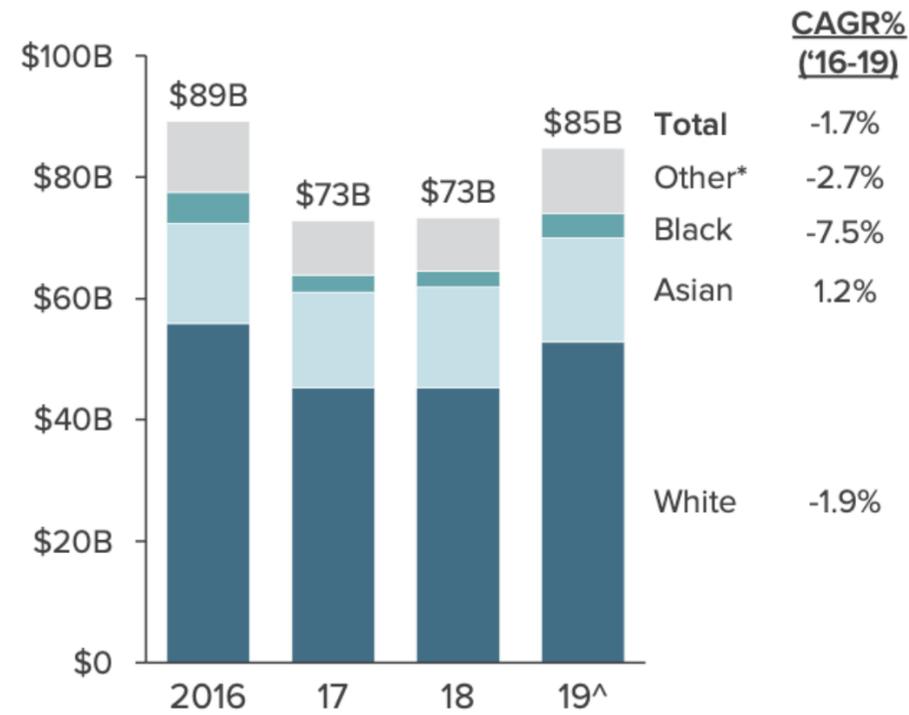
- Debt and equity capital demand declined between 2016-2019
- In 2017, the gap between small business capital supply and demand was an estimated \$60 billion



# Capital Support Landscape

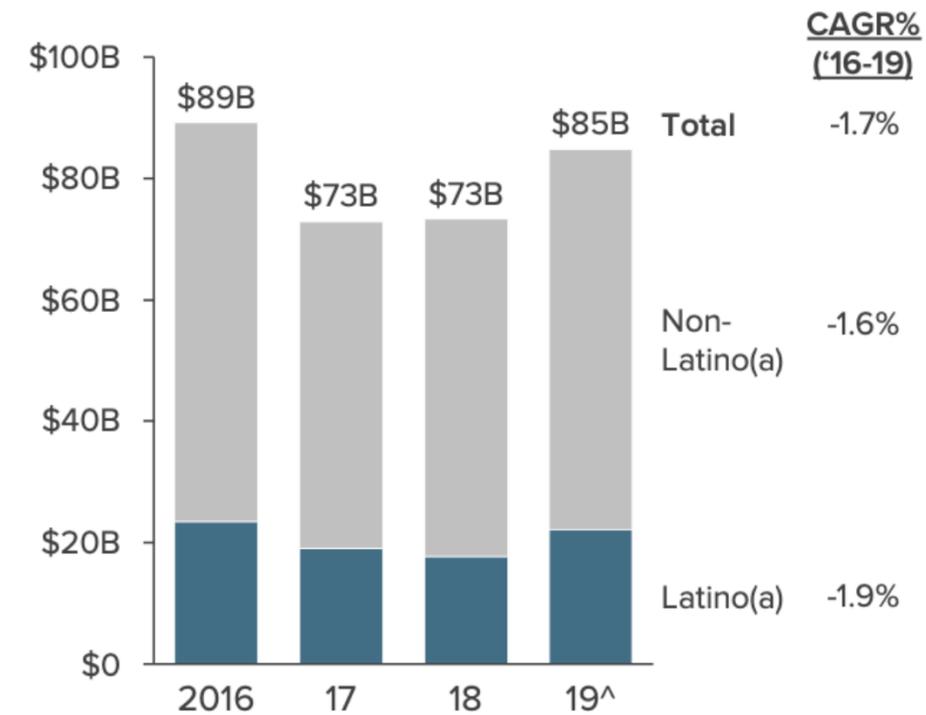
Estimated small business capital demand in Los Angeles (by race and ethnicity)

By race, in billions of USD (2016-19)



Demand among non-employers \$51B \$39B \$40B \$48B

By ethnicity, in billions of USD (2016-19)



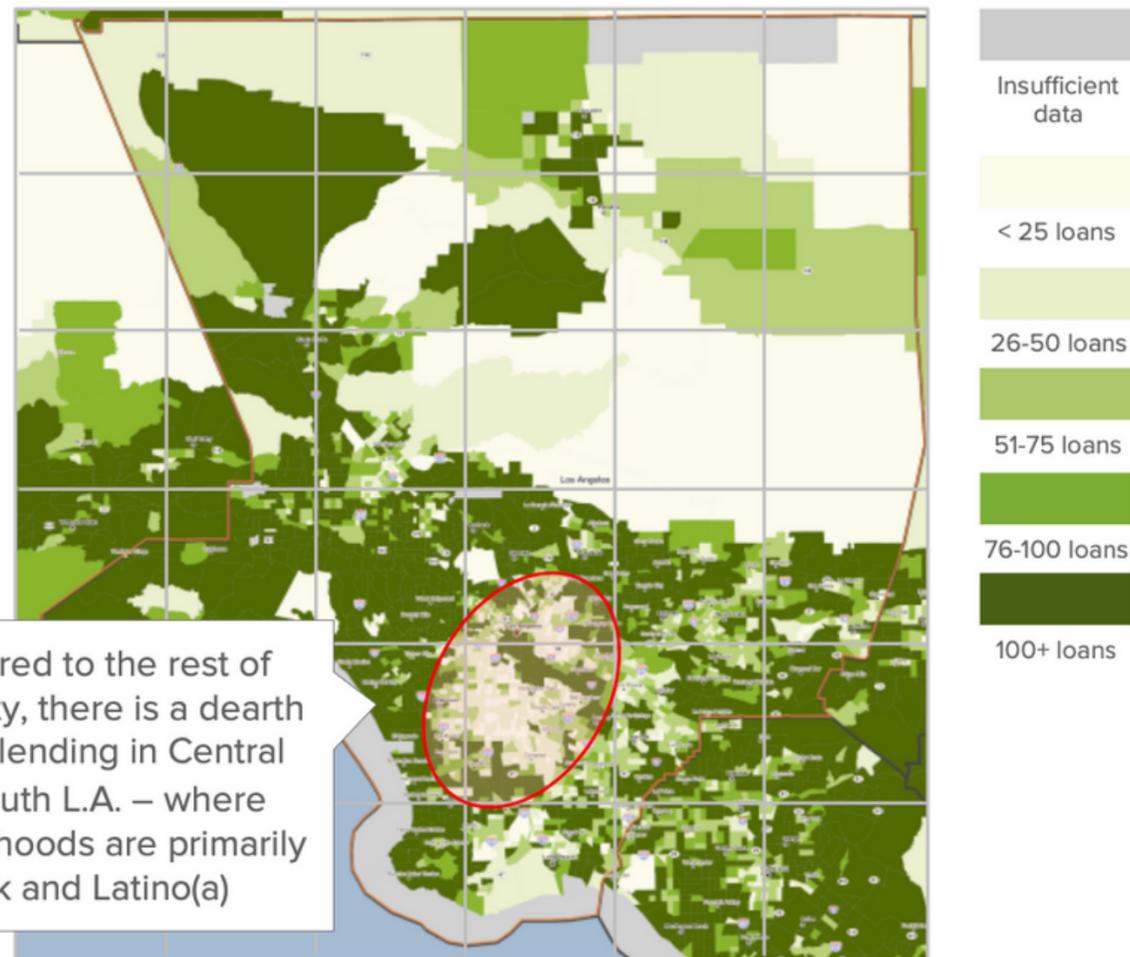
Demand among non-employers \$51B \$39B \$40B \$48B

Note: \* Other includes populations of American Indian, Alaska Native, Native Hawaiian, and Other Pacific Islanders, among other races not classified by the U.S. Census Bureau  
 Source: U.S. Census County Business Patterns, U.S. Survey of Non-Employer Statistics; U.S. Annual Survey of Entrepreneurs; Federal Reserve Small Business Credit Survey

# Capital Support Landscape

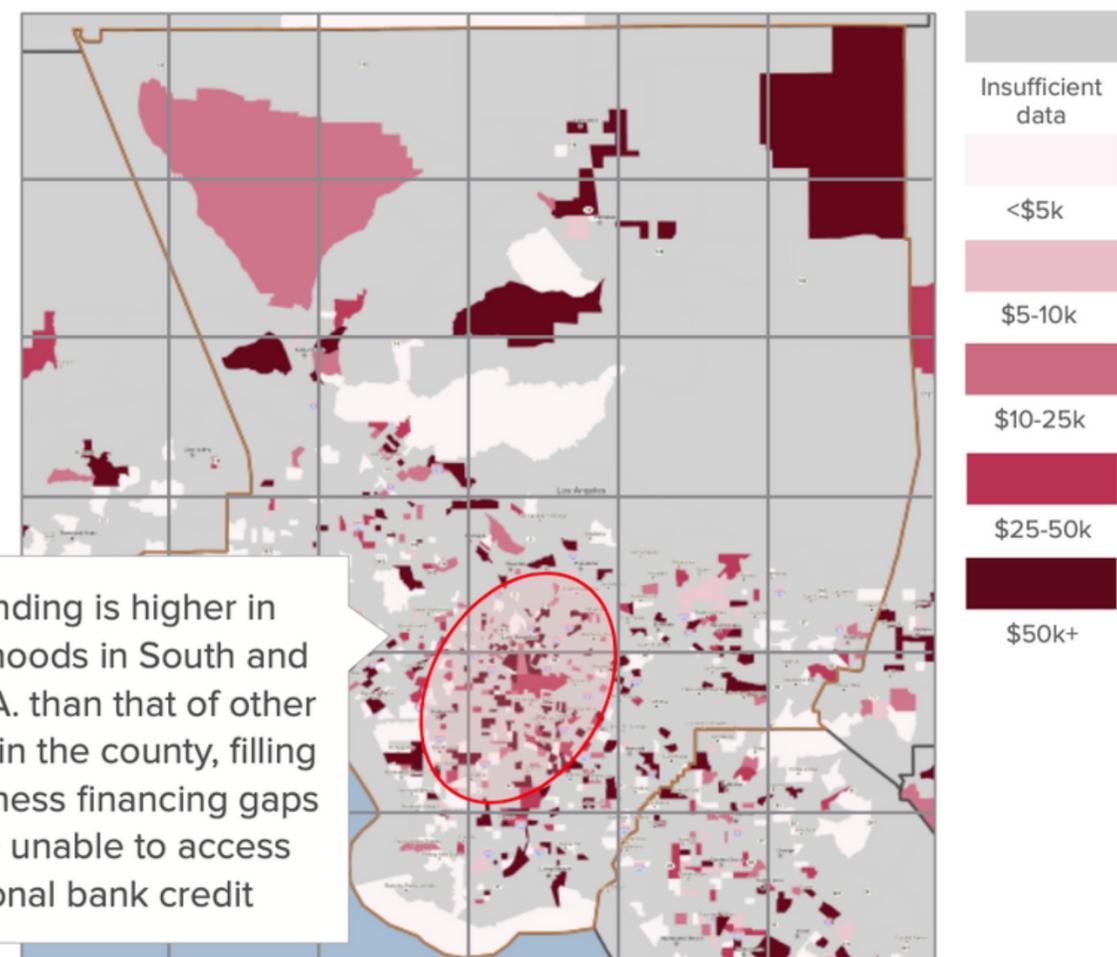
Bank and CDFI lending in L.A. County by census tract

Small Business Bank Loans under \$100k (2017)



Compared to the rest of the county, there is a dearth of bank lending in Central and South L.A. – where neighborhoods are primarily Black and Latino(a)

Aggregate CDFI Business Lending (2017)

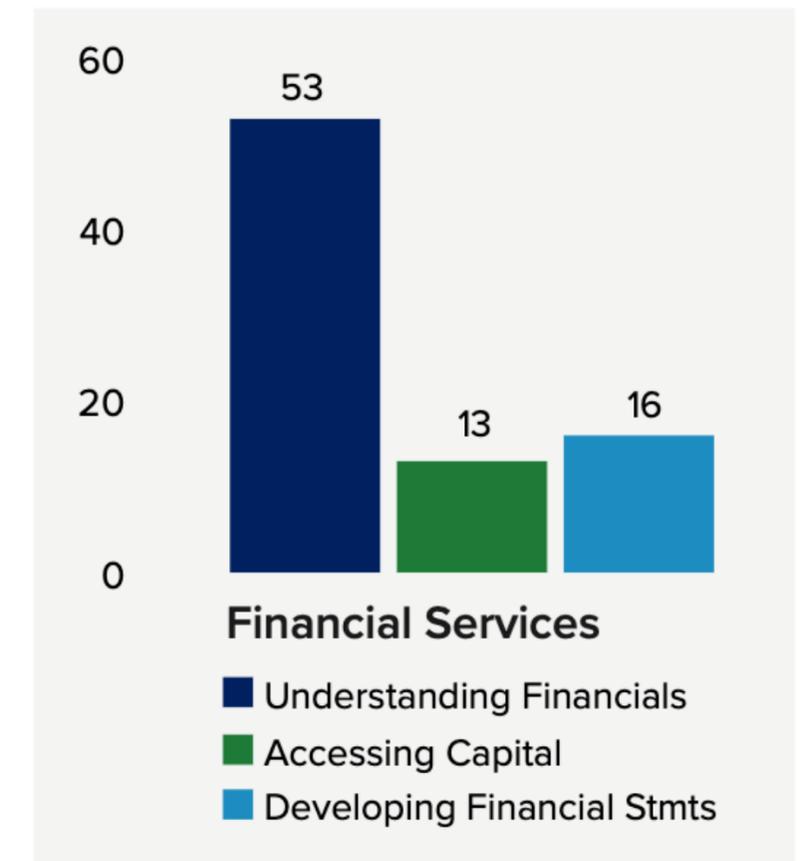
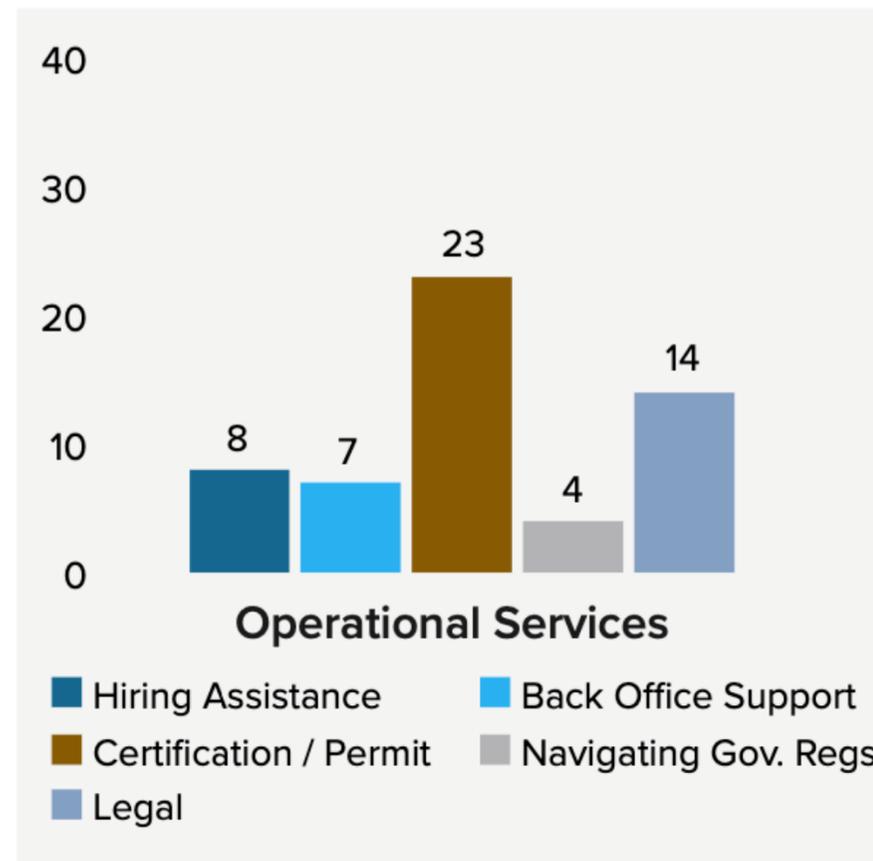
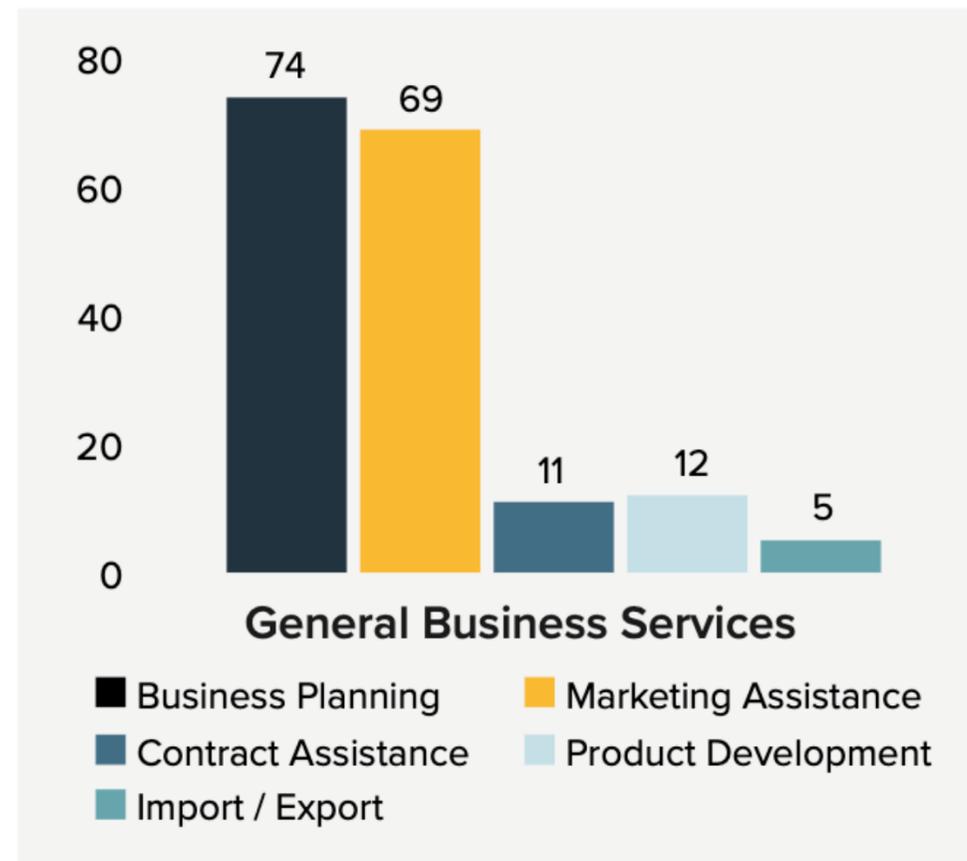


CDFI lending is higher in neighborhoods in South and Central L.A. than that of other areas within the county, filling small business financing gaps for those unable to access traditional bank credit

# Business Service Organizations

## Concentration of business service categories in L.A. County

Number of Business Service Organizations surveyed (n = 100)



# Business Service Organizations

Distribution of business service organizations by demographic and size

	People of Color	Women		Revenue \$1M+	Revenue \$500k+
% of population	49%	49%	White-led BSOs	34%	61%
% of businesses	31%	11%	POC-led BSOs	22%	47%
% of BSO CEOs	52%	49%	Male-led BSOs	32%	48%
			Female-led BSOs	18%	42%

# Major Takeaways of Data

- Real lack of access to capital
- Industries hardest hit by COVID-19 are overrepresented by Black, Asian, and Latino(a) owned businesses
- Capital and service providers were overwhelmed by demand in response to COVID-19
- Small Business ecosystem lacks the coordination needed to best serve the county's small business



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# Download the Report



Use your camera app to scan and download the full report. Link is also in chat.





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JOIN OUR COLLABORATION BY FILLING  
OUT AN INTEREST FORM



SEND INFO ABOUT YOUR ORGANIZATION  
AND UPCOMING EVENTS TO:  
[MJEWELL@CAMEONETWORK.ORG](mailto:MJEWELL@CAMEONETWORK.ORG)

GET INVOLVED WITH EA

# Lenders Accepting

## PPP Applications

ORGANIZATION	NEW CLIENTS	HOW TO APPLY
PACE	Yes	Provide info at <a href="https://PaceLABDC.Org">PaceLABDC.Org</a> Contact <a href="mailto:loans@pacela.org">loans@pacela.org</a> or (213) 353-9400.
Opportunity Fund	Yes	Visit: <a href="https://OpportunityFund.Venturesgo.com">OpportunityFund.Venturesgo.com</a>
USC Credit Union	Yes	Visit: <a href="https://USCCreditUnion.org">USCCreditUnion.org</a>
CDC Small Business Finance	No	Contact Monica Guevara at <a href="mailto:mguevara@cdcloans.com">mguevara@cdcloans.com</a>
Cathay Bank	Yes	Visit: <a href="https://CathayBank.com">CathayBank.com</a>
Chase	Must have business account open for 10+ days	Visit: <a href="https://Business.Chase.com">Business.Chase.com</a>
Community Commerce Bank	Yes	Contact (818) 992-5661 to have application emailed



# Thank You!

Happy to answer any questions.

