

Case Study

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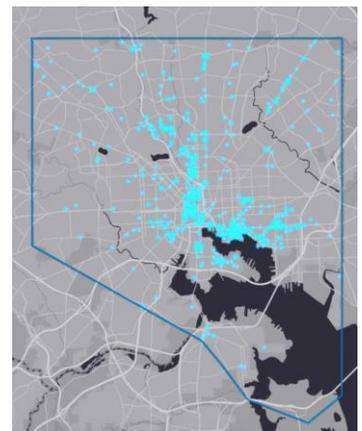
New Growth Innovation Network (NGIN)

NGIN focuses on inclusive economic growth and closing structural opportunity gaps, to ensure that people of color, women and neglected geographies are a core part of regional economic growth and prosperity

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Building an Equitable Economy

A Case Study on Baltimore



Baltimore Together is a Comprehensive Economic Development Strategy (CEDS) for the City of Baltimore. The Baltimore Development Corporation (BDC) – the city's economic development agency – led the public-private initiative with a focus on equity and inclusion as the foundation for its economic growth strategy. This effort started before the pandemic, enabling BDC to prioritize equity in their Covid-response to support local businesses and residents, emphasizing need and historically excluded populations over a first come, first served approach.

Genesis

Baltimore established early on that the focus for the new CEDS – which is a five-year economic growth strategy and a requirement for obtaining federal funding from the U.S. Economic Development Administration (EDA) for various public works projects – would be equity and inclusion. There was political will, with the election of Mayor Brandon Scott who prioritized equity as a focal point for his administration. There was institutional will, with BDC and its leadership firmly focused on equitable economic development models. And there was community voice calling for more equitable economic development.

Data supported this desire to be more equitable in the CEDS development process, especially data that Baltimore was not sufficiently supporting local small businesses. For example, even though 94 percent of all businesses operating in Baltimore have less than 50 employees, 97 percent of [net new jobs](#) were created by large businesses with more than 500 employees. In comparison, [national data](#) shows that small businesses create nearly two-thirds of the net new jobs annually. Data also showed that although more than half of the local businesses were owned by Black, Indigenous and People of Color (BIPOC), they accounted for less than 12 percent of the total business revenues in the city. In other words, BIPOC-owned businesses, especially small businesses with less than 50 employees, were not being supported to reach their full potential.

In order to lead to more equitable outcomes in the long run, especially for historically excluded Baltimoreans, BDC understood that it also needed a more equitable *process* for CEDS development. BDC engaged Nonet Sykes, a former Baltimore



resident with extensive expertise in equity and inclusion, to support the visioning and community engagement pieces of the CEDS development. New Growth Innovation Network (NGIN) was brought in as a national voice, to participate in the equity and inclusion work group. What was unprecedented, however, was inviting and incorporating community input, especially from historically excluded populations.

“The Baltimore Together Plan is putting Baltimore on a path to economic growth with inclusion, so that more people and businesses of color are part of a robust regional economy. The level of community engagement in the process was remarkable. Relationships built through the CEDS process will be beneficial for the community in the long run also.”

– Paul Brophy, Principal, Brophy & Reilly, LLC & Board Member New Growth Innovation Network

Community Engagement

BDC leadership wanted the CEDS to build on and reflect the community's voice. While BDC has successfully worked with BIPOC business owners, developers and communities in the past, the intent this time was to make diversity, equity and inclusion the primary focus and centerpiece of the plan. This approach required extensive trust building. More than 30 public meetings were held that brought together more than 300 people in 12 different work groups. Seeing so many organizations and individuals enthusiastic to participate was reassuring for both BDC and the community. Multiple stakeholders and community leaders shared that it was refreshing to see BDC opening itself up to such input, and that it was overdue.

The community engagement process was not always smooth or easy. Teresa Hodge, Co-Founder and Chief Customer Officer at R3 Score Technologies, Inc. and a community leader reflected that some of what was shared during the public meetings and roundtables was harsh and not easy feedback for BDC leaders. Jay Nwachu, another community leader and President and CEO of Innovation Works, thought that even though "it was a difficult process, it was good for Baltimore.....and wish that more of this would happen so that we can start building trust across bodies of work."



Stakeholders also wanted to ensure that BDC's focus on equity wasn't just limited to a vision statement, but reflected in all the strategies and priorities in the final CEDS. Community stakeholders pushed to ensure that the CEDS included strategies for engaging BIPOC workers in high growth sectors, such as life sciences, and other wealth building opportunities.

The excitement about BDC engaging the community and centering equity also came with a healthy dose of skepticism. Many individuals and organizations that participated in the community meetings were initially skeptical whether other power brokers in the city, such as city government, chamber of commerce, etc. were equally committed to equity. Stakeholders that NGIN interviewed about the CEDS development process credited the BDC leadership and the mayor's commitment to bring along all city agencies to prioritize equity as what encouraged them to continue participating. However, it was noted, that without evident changes in operations and approaches by the city and public agencies, and without creating wealth-creating opportunities for BIPOC workers in all economic sectors, it will be difficult for the Baltimore Together plan to achieve its stated vision.

Equity Focused Small Business Support During Covid-19 Pandemic

Most of the Baltimore Together visioning and community engagement meetings happened prior to the covid-19 pandemic. When the pandemic hit, and as the national protests against racial inequities unfolded in the summer of 2020, the importance of equity and inclusion in community and economic development was reinforced for BDC and everyone engaged in the process.

The pre-work on the broader economic strategy for Baltimore also helped BDC take a different approach to support small business relief efforts in the city. For example, instead of a first come, first served approach, BDC developed a list of criteria to focus on locally owned, BIPOC or women owned businesses, that needed support and might have been historically overlooked. With each round of grant funding, BDC analyzed data from the previous round, adjusted the criteria, and communicated with eligible businesses about the support available in order to reach the maximum number of possible recipients.

BDC had a learning curve when it came to small business support, as business owners didn't realize at first that BDC was coordinating the small business support for Baltimore. Below are several examples of how the BDC addressed the challenges they faced.

- Communications – BDC data showed that businesses in historically neglected neighborhoods were not accessing the relief programs as much. They engaged 19 community-based organizations rooted and trusted in the community, ten of which are based in historically neglected neighborhoods, to reach out to BIPOC, immigrant and women-owned businesses.
- Many business owners had no idea how to utilize resources available through the federal, state, and local governments. Most had been rejected when applying for the first round of assistance from the U.S. Small Business Administration (SBA) through the Paycheck Protection Plan (PPP). The network of community-based organizations provided technical assistance to targeted small business owners in filling out loan and grant applications, meeting the minimum requirements, organizing paperwork, translating documents into multiple languages, etc. BDC provided additional support to businesses whose applications for PPP support had been rejected.
- About ten percent of the target businesses needed language assistance, which BDC arranged through a partnership with the Mayor's Office of Immigrant and Multicultural Affairs.



By summer 2021, BDC has disbursed more than \$19 million via 1,400 grants, with most grants around \$10,000. More than 60 percent of the [grants](#) went to BIPOC-owned businesses, more than half went to women-owned businesses, and approximately two-thirds of the grants benefited businesses that are located in the city, which would ultimately help the local economy through its multiplier effect. BDC surveyed and worked with more than 1000 new businesses gaining a better understanding of small business ownership in the city.

What's Next?

BDC issued an interim Baltimore Together plan during the summer of 2021 to gather additional community input. It outlines Baltimore's current strengths, weaknesses, opportunities, and threats; an equity-centered vision for the future; and a number of strategies to achieve that vision. Public input period was open through September 2021. In the final phase, BDC will incorporate the community input into the CEDS, and the CEDS will be officially adopted.



BDC is also looking at lessons learned from both the community engagement process and supporting BIPOC and women-owned small business during covid and exploring ways to continue the momentum in the future. For example, they are exploring ways to provide on-going technical assistance to small businesses through its network of community-based organizations. BDC continues meaningful engagement with the many community stakeholders that participated in the CEDS planning meetings to sure the momentum continues throughout implementation.