

Intro/Outro - 00:00:06:

You're listening to Voices in Equity: The Official Podcast of the Samuel DuBois Cook Center on Social Equity at Duke University. Join Cook Center researchers as we challenge the status quo in pursuit of a more just and inclusive society. Systematic racism and economic inequality to discussions of race and gender in K-12 classrooms and higher education. Each episode explores a different facet of social equity. Through these conversations, we empower you to become agents of change in your communities.

Dr. Sandy Darity - 00:00:43:

The Samuel DuBois Cook Center on Social Equity at Duke University is thrilled to host today's conversation on the state of Black-owned businesses and entrepreneurship in Durham, North Carolina. We will have a particular focus on what we can do to support and bolster these businesses in the aftermath of the COVID-19 pandemic. My name is William Darity. I'm known familiarly as Sandy, and I am the founding director of the Cook Center, the Samuel DuBois Cook Center on Social Equity. I'm also the Samuel DuBois Cook Professor of Public Policy, African and African American Studies, Economics and Business at Duke University. I'll facilitate our discussion, and I would like to provide some context for the conversation. Between 2014 and 2017, the Cook Center conducted a series of surveys across six metropolitan areas in the United States, examining in detailed fashion the position, the relative wealth position of different ethnic and racial groups in each of those communities. In fact, this project was part of a wider inquiry into the racial wealth gap across America. We called this project the National Asset Scorecard for Communities of Color, or the N-A-S-C-C, or NASCC. We are entering the next iteration of the NASCC initiative, which we refer to as NASCC-E, where the E represents a focus on entrepreneurship. Particularly with regards to the connection between the wealth gap and rates of business ownership, business participation in various communities, as well as the racially disparate effects of the COVID-19 pandemic on those enterprises. There are five cities that will be objects of attention for this next phase of the NASCC project. Those five cities are Durham, North Carolina, Charlotte, North Carolina, Atlanta, Georgia, Washington D.C., and Houston, Texas. Today's conversation will be devoted to Durham specifically, not only because it's our hometown, but it is a location that is celebrated for a remarkable history of Black business development, which has led the town of Durham to frequently be referred to as the site where there was a Black Wall Street. The evolution of the NASCC project to the NASCC-E phase represents an exciting collaboration between the Cook Center and several partners from various sectors. Significant financial support for the next phase of this project has come from the MetLife Foundation, the JPB Foundation of New York, Walmart through the Walmart.org Center for Racial Equity, and significantly for our conversation today, the City of Durham, North Carolina. We are very excited to be able to collaborate with these organizations and have their support in building upon the first NAS phase and continuing to study the racial wealth gap across America. The first round of NAS surveys conducted in the mid-2010s asked participants a detailed series of questions to document racial differences in asset and debt accumulation, income, intergenerational asset transfers, and net worth at the household level. Results from these surveys formed the backbone of the Cook Center's studies, referred to as Color of Wealth Reports, which offered an unprecedented look at the depths of racial inequality in Baltimore, Boston, Los Angeles, Miami, Tulsa, Oklahoma, and Washington, D.C.. Among other findings, the color of wealth helped highlight an astonishing disparity in the city of Boston. While the median household wealth for a white family in Boston was nearly \$250,000, the median household wealth for a non-immigrant black family in the city was just \$8. And this is a widely circulated statistic. And I'd like to say clearly that the Cook Center's research is the source of that statistic. The data from the original NASCC projects were used widely by various organizations such as foundations, local governments, as well as the national media to frame key issues, elevate promising approaches, and build support for strategic investments. The latest NASCC-E survey will explore the racial wealth gap following the onset of the COVID-19 pandemic, aiming to provide an understanding of how the pandemic has affected small business development in different geographic areas. The Cook Center will conduct its research in five cities in collaboration with local nonprofits, partner institutions, and historically Black colleges and universities. The second round of NASCC-E surveys will take place throughout 2024 and 2025. As part of an analysis of the survey results, The Cook Center will generate evidence-based recommendations for supporting small businesses that will be shared with municipal leaders. The NASCC-E project has the potential to develop strategies that will ensure that the benefits of economic growth over the next few years are shared equitably and will not deepen existing disparities. We're looking forward to engaging in the conversation today with our collaborators in the City of Durham and the Carolina Small Business Development Fund. Joining us today for this conversation are Leonardo Williams, the mayor of Durham, North Carolina. Bertha Winbush, the deputy city manager with the City of Durham. Victoria Samayoa, Grants Manager with the City of Durham, and Kevin Dick, President and CEO with the Carolina Small Business Development Fund. We're going to talk about four areas related to Black entrepreneurship. These are understanding the landscape of Black entrepreneurship, collaborative partnerships to support Black entrepreneurship, community engagement, and looking ahead. So we'll start by asking each of our contributors today to the conversation to provide an overview of the current state of Black business while considering their impact on the local economy, particularly in the aftermath of the COVID-19 pandemic. Mr. Mayor, would you start, please?

Mayor Williams - 00:07:32:

Well, thank you for having me. And it's great to be around the table with everyone. Now, this question is really interesting because... I believe the landscape is always changing, which is what it's like to be a small business owner. I am introduced as the mayor of the city of Durham. But I own three restaurants in the city with my wife. So not only am I a policy leader in the city, but also a practitioner in small business, and we are Black. Opening the nation's first Zimbabwean restaurant. And I would say, you know, just the current state of black businesses, we are trying to contribute to the tide effect. And with it being supported by policy and some of the initiatives we have going on at the city, we have at least identified down to the very core one of the biggest needs, and that's access to capital. We are addressing other areas around, you know, from a policy perspective, such as legacy businesses and, you know, identifying grants that could be supportive around like facade grants and so on and so forth. But specifically, it's being positioned enough and well enough and having the right relationships with your bank to be able to get that access to capital. And we're understanding the ABCs of that positioning. So the state of black businesses in Durham is growing to be more like some of the other businesses. We are all struggling post-pandemic in the same vein. However, we have lacked that longevity of sustainability financially, and that is a pain point that's unique.

Dr. Sandy Darity - 00:09:17:

Could you comment further on the challenges that have been posed by the pandemic period?

Mayor Williams - 00:09:23:

Well, yeah, a lot of black-owned businesses did not have established relationships with their banks prior to the pandemic. So we are now understanding the credit you need to have, the types of business structure or tax structures you need to have. What we didn't know well was how to hustle. We knew how to work hard and make a living. But when it came to... In position to get access to the forgivable loans. The banks were asking for what is considered standard to some, but a tall ask to us. And that challenge, that was a challenge within itself. But, being positioned, once we did meet that standard, we became stronger as businesses. But now we are not only getting used to that new normal, we are still trying to sustain what it was that we were hustling to keep up initially. So we are stronger than we were before. You know, we also were not necessarily prepared to tackle aggressive inflation, you know, and the self-imposed cultural minimum wage is what I like to call it. You know, the state of North Carolina's minimum wage is still \$7.50 an hour. You will not hire anyone in the city at that rate. So we're pushing closer to \$20 an hour as well. And it just doesn't necessarily make sense with some of our industries. Those are challenges keeping up, with the tide.

Dr. Sandy Darity - 00:10:59:

Ms. Winbush?

Bertha Winbush - 00:11:00:

Well, you know, I agree with everything that the mayor has said. Receive a lot of input and feedback from our business owners on a regular basis. One of the things I'm excited about is we just completed our second business climate survey. We received the results in April. And so we haven't had an opportunity to actually analyze what we received from the survey. And I think you had an opportunity to look at our last survey, which was completed in 2019. We had over 800 businesses respond to that survey. We received a lot of good data, developed some insights around, yes, 80% of our businesses say Durham is a great place to own a business. But again, the minority businesses responded around the same topics like lack of access to capital, revenue growth, how do you grow revenue, as well as employees, paying employees. And so we're excited because 31% of the businesses that responded were minority businesses and 24% were women-owned businesses. And so it will be interesting to see what the data shows because we can only imagine that. If those were barriers in 2019, you know, what that looks like now after the pandemic. And so we'll be analyzing that data and have that out real soon. But we didn't want to put the raw data out without, you know, developing our insights and kind of doing the comparative analysis. 2019 survey compared to the 2023 survey.

Dr. Sandy Darity - 00:12:25:

So that would give you the opportunity to look at the pre-pandemic period. Against the post pandemic?

Bertha Winbush - 00:12:30:

Absolutely. And as we are embarking on next year, doing updating our disparity study, that'll give us additional data in terms of, you know, what businesses are in our community compared to what businesses are having opportunity to contract with the city. We have a huge budget. You know, we added over \$300 million to our capital budget last year. Our annual budget was \$600 million. And so we need to focus on, as an organization, how we connect the data. To our actual contracting opportunities at the city.

Dr. Sandy Darity - 00:12:59:

I'd like to turn next to Kevin Dick. I know from previous conversations that we've had that you have highlighted one of the issues that the mayor talked about, which is the access to capital concerns. So I'd like to ask about your views on that issue as a potential systemic barrier to success on the part of Black-owned businesses and also what other systemic barriers you think are relevant to addressing the needs of Black entrepreneurs.

Kevin Dick - 00:13:33:

Dr. Darity, thank you. That's a great and timely question. And I think, you know, really doubling down on what the mayor said. As well as what Bertha said, in terms of historical inequity being a lack of access. The mayor highlighted the financial capital piece. Another access piece has been the lack of social capital. How people can get access to the networks, to the institutions, and the knowledge of, you know, what to do and who to ask, right? Who to try to gain information from. I think that, um, you know, if you look at So if you look at inequities from a historical standpoint and then a very pandemic-specific standpoint, Bertha cited some pretty glaring statistics. I don't want to bore everyone fully with numbers, but there's a couple.

Dr. Sandy Darity - 00:14:33:

Well, I'm an economist, so I love numbers.

Kevin Dick - 00:14:37:

So you'll love these. You're probably familiar with them. So there was some research done at San Jose State University around 2021. We were about a year into the throes of the pandemic. And they found that during the course of time between 20 and 21, white-owned small businesses had closed at a rate of about 17%, almost one in five. That's pretty significant. Hispanic-owned businesses had closed at a rate of about 32%. one in three. Black businesses had closed at a rate of 41%. So that's two and a half times the rate of white-owned businesses, right? One of the things that I really want to, and I'll get back to both sides of Capitol piece in a second, but one of the things I really want to credit the city and county for. Is the foresight of knowing that As this pandemic started, Our small businesses will be in trouble. We need to, and therefore our jurisdictions will be in trouble. Because when small businesses close, the character. Some of the assets that communities have that enable them to recruit larger businesses. The mayor talked about, he used the word tide a few times, right? And so there's this notion in economic development that a rising tide lifts all boats. I've never really fully believed that, that it can happen by itself. They have to be... Ropes that tie the big boats to the small boats. And those ropes come in the form of policy, right? And so one of the things that the city and county did was enact the Durham Small Business Relief Fund, which eventually became the Durham Small Business Opportunity Fund, and a great partnership also with Duke to bring grants and loan capital to small businesses. Now, like the mayor said. The overarching need for capital of all of the black businesses in Durham and beyond. Couldn't be met by that program, but it was a spark. And so, you know, a \$2.8 million fund, million dollars in grants, 1.8 in loans was happen between Duke, the city and the county. And that's enabled Carolina Small Business Development Fund. Through those public partnerships and university partnership, to get capital out to about 230, 240 small businesses. With well over two thirds being businesses owned by people of color and probably I'm going to say about 80 to 90% of that were black owned businesses. So about 80 to 90% of that two thirds. So it was a start. Right. But like the mayor said. Black businesses have historically lacked access to capital due to government policy, due to bank policy. And these are not disparagements of either of those institutions.

It's just document effect. And so programs like these are needed, but also programs to create the social capital piece. How do we help businesses understand better some of the contracting opportunities that Bertha alluded to? How do we help them understand better what the fast growing industries in terms of job growth are? Because what we find is those industries where jobs are being created are probably also the industries where there are opportunities to scale. And so the restaurant owner now, it's not just about having a great restaurant on a city block, but maybe you can do catering with health care. That's a fast growing industry. They spend a lot of money. Maybe you want to attach yourself to health care or attach yourself to government contracting. So those are some of the things that that we've tried to do at Carolina Small Business Development Fund is not only connect by administering the programs that were created with City Duke and county dollars, administering those programs for financial capital, but also trying to create the know how and the technical assistance, including the social capital to help businesses thrive.

Dr. Sandy Darity - 00:19:02:

So let me dig a little deeper with you on this. How many businesses do you, do you collaborate with? and help, help support through the through the Carolina Small Business Development Fund?

Kevin Dick - 00:19:17:

Well, historically, we've done transactions with over 3000 businesses throughout the state of North Carolina, and we've deployed over one hundred and thirteen million dollars in capital.

Dr. Sandy Darity - 00:19:27:

So I think you're the ideal person to try to answer my next question.

Kevin Dick - 00:19:31:

I hope so.

Dr. Sandy Darity - 00:19:32:

Which is, you know, these are small businesses in some sense. What's your view of the potential ceiling for scale for these enterprises? And also, what are the implications of their scale for their capacity to absorb and perform or execute city contracts?

Kevin Dick - 00:20:00:

Sure. I mean, and that's an important question. I think scaling depends on a number of factors. Number one is access to capital. But it's also the access to knowledge capital, technical know-how about how to run a business. But the ceiling can also be somewhat self-determined. Some business owners start their businesses to be side hustles. Some business owners start their businesses so that they will be their livelihood. And so... That also can play a factor. Most of the businesses with whom we work are have between one and 20 employees. They'll probably. Cap at a number like that. But then, you know, sometimes they have to understand that scaling can mean bringing on temporary contractors and then, you know, letting them go at the end of jobs, really being strategic about how they deploy capital. I'm sure the mayor understands that.

Mayor Williams - 00:21:00:

Living it every day.

Kevin Dick - 00:21:01:

Right.

Mayor Williams - 00:21:01:

Living it every day.

Kevin Dick - 00:21:03:

Right. So, but I think scaling, especially when you talk about public sector contracts, that then becomes, you know, so many factors that grow into their capacity to be able to perform public sector contracts. Can they be bonded? Can they produce the throughput that a certain project might need? If the city says we need to. We need to... Provide 5,000 feet of sidewalk in this particular neighborhood, and we need to deliver it by a certain date. Can a business deliver? Because if they can't scale fast enough, they can actually work themselves out of business. Because the city and others, you know, use things like, you know, liquidated damages to hold contractors accountable for getting work done on time. So, you know, it's so scaling at the right pace is really important to an understanding what you can actually take on as a small business. Some contracts and some jobs are not appropriate for all businesses to bid on.

Dr. Sandy Darity - 00:22:13:

So, Victoria Samayoa, I am curious about work that you have done, I think somewhat independently, of your job as the city grants manager concerning health equity issues. And I'm wondering if you could comment a bit, both in the context of the pandemic, but in general, about the relationship between business ownership and health disparities.

Victoria Samayoa - 00:22:41:

Absolutely. Thank you for having me here with these distinguished guests. At the end of the day, when you tie all these things together, you're looking at a pipeline of participation. If you don't feel good, you're probably not going to work. You're probably not going to be involved in some of the things that would help you be more successful in the things you do in your daily life. And so sometimes people overlook the fact that health and the opportunity to participate in keeping up your health and health and well-being is just as important as having the job to go to. And that is, you know, quintessential to being able to do the things in your daily life.

Dr. Sandy Darity - 00:23:22:

So do you have a sense of whether or not the pandemic... Had a severe aggravating effect. On the capacity of people to participate in business ownership that's health-related as opposed to related to these host of issues concerning access to credit and capital.

Victoria Samayoa - 00:23:45:

I think when people see a lot of opportunities to do things, there's that hope and that wanting to be involved and wanting to do something, but not necessarily having the right know-how and wherewithal to go do that. And so where there may be a lot of opening for opportunity to participate, they're not equipped to do so, but they don't have the right connections to do so when those opportunities present.

Dr. Sandy Darity - 00:24:10:

So one of the other questions that was of particular concern to me is a broader view of the historical factors that come into play. I know that you've done some research on Durham's own history in particular. So what's your thoughts about the historical backdrop to the current climate for Black businesses?

Victoria Samayoa - 00:24:40:

Well, definitely historically, you can't erase what has happened. So you have a group of people going from where you were the commodity in commerce, you were the thing being bought and sold and traded out, to becoming the business owner. That has a whole lot of implications. And are you ready for that next step of success and wealth

building? You may have the opportunity to do something, but you don't know how to grow it. You don't know what to do with it. And so that is in the background of everything else. Then you have how laws and policies created the Jim Crow era situations where it may not be policies. If we haven't gotten to those yet, they may still stand. But then you also have the practice of what those policies instilled in generations. Most people will do the things that they saw their parents do, their grandparents, their leaders, the folks they looked up to and respected, the people who raised them. And so you still have some of these. It's not the policy, but it's still the practice when you're engaging with one another in society. And that affects how you participate and show up in commerce.

Dr. Sandy Darity - 00:25:57:

So I think one of the most important dimensions of our project. Is the collaborative aspects. And I would like to ask if you could comment on how collaborations with local government agencies, institutes, community organizations, and business leaders in Durham. Can address the challenges that are faced by Black entrepreneurs.

Bertha Winbush - 00:26:22:

Yes, certainly. I mean, there are so many opportunities and we have so many programs that I could talk about a lot of them. But, you know, one of the programs I want to talk about that we started in 2017, you know, obviously pre-pandemic. Was our Innovate Durham program, where we've worked through, we're in cohort six now. Where local entrepreneurs can work with the city and the county, and we're like a learning lab for them. So they can bring their product or service, and they can work with the city to try their product or service with the city, using our data, using our employees, using our other resources. And that's been really helpful to some of our local entrepreneurs just to get their foot in the door. And even if the product is not something the city or county could use, they use that reference in their relationship with us and that capacity building to go on to use, to pitch their service and program or product to other organizations. So I'm excited about that program. I would also just say, you know, this American Rescue Plan, these dollars, have given us a tremendous opportunity. The city of Durham was awarded \$51 million, Durham County \$65 million. Victoria leads that program for us, but we've been able to collaborate with and provide grant agreements with over 30 organizations, nonprofit organizations in the community. What's so great about that program is that not only were we able to do innovative things with the money, it was an opportunity for organizations to come to the city, offer proposals as they see that's necessary to bring the community forward after the pandemic. Victoria was just talking about health, but some of those were around mental health, where they said, we want to use these funds to go into communities and work towards better mental health in the schools or entrepreneurs or just families. But that is a great opportunity. We've never been able to collaborate like that with local organizations. We have actually committed a majority of the funding, except for maybe \$200,000 of the \$51 million. But we were also able to leverage \$13.5 million, matched by Durham County \$13.5 million, for affordable housing projects, which, you know, one, we needed those anyway, pre-pandemic. Two, we need them even more. We were able to get a lot of federal funding for eviction diversion. Working with our residents, we were able to provide \$1 million to the Latino Credit Union to help with resiliency to provide. Bank accounts for young people. So in addition, you know, you all also received the grant from us for this project, and we're really excited about that. We're still trying to figure out, like, how do we continue these collaborations? We were able to provide some funding for summer camp programs for students who didn't really could afford the camps and weren't able to have a place to go during the summer. So those are really, really important. I think that a lot of the data that we're getting that we will get back from this, like, what was the impact on the community? Then we can use that data to move forward to say, oh, we will not have an additional 51 million, but we have funding. And so how do we use our limited resources to augment those things that worked well, that were transformative in our community? Because we know they're not going to just all walk away. Those organizations have done great work in our community and are going to look to us and the county for additional funds. So that's, you know, huge opportunity for collaboration in our community. And we will not see that money again in our generation.

Dr. Sandy Darity - 00:29:53:

We hope-

Bertha Winbush - 00:29:54:

So, you know.

Dr. Sandy Darity - 00:29:55:

We hope that the circumstances that led to us having that money don't repeat.

Bertha Winbush - 00:29:59:

The feds don't like to give money out like that. But we have until 2026 to spend the money. And so we are looking forward to getting that all out into the community by then.

Dr. Sandy Darity - 00:30:09:

So, Mayor Williams, what ongoing initiatives or projects? Beyond the ones that have been described by Ms. Winbush, target advancement and growth of Black-owned businesses in Durham and the United States.

Mayor Williams - 00:30:24:

Thank you for that question. I do want to go back just a little bit, which will lead me to answering this question. Kevin talked about social capital as a currency as well. And that fund that he's speaking of. That fund was created by about four individuals, Ryan Hurley, Nicole Oxendine, Peter Lange, who is a former provost at Duke, and myself. We were private residents and small business owners, and Peter Lange just happened to know a lot of people at Duke. And I remember us just huddled up together and we had brought in a lot of small business owners. And we said, listen, we have to survive. And we were sparked to do this because we watched seven businesses right here in Durham close, throw the white flag up. And we didn't know what to ask for. But we went to, I believe we went to Duke and asked for \$250,000, but we got a million. And I remember lying on a press conference or forum to the city council. I was like, Duke said that they would give us a million dollars. If you would match it. Duke never said that. But they did not say it either. Well, the city council obliged, and I remember looking at the county colleagues, and they said, well, we'll match it. And it was a total of \$3 million. We wrote the criteria. It was modified by, I think, the city of OEWD. And I remember them identifying your agency to facilitate it. And that came from the voices of just regular folks. And we gained a lot of social capital in that. And it led us to actually city policy to the point where now that small business support fund became the actual small business support fund. How it all started and I think that social capital piece is so, so, so important. Just like many other initiatives, sometimes it comes from staff, because we have the best staff in the world. You know, because they're listening. Sometimes it comes from, you know, people, like the Legacy, Manager Winbush, you could probably go a little further than this. I can't remember the technicalities behind it, but the Legacy Fund. They help folks who have businesses sustain that business throughout generations with either their family or, you know, long-term employees. But outside of that, I am, because I'm such a practitioner. I also have grown to appreciate bureaucracy in a sense. I appreciate it. I actually appreciate it. Because there are checks and balances in it, you know, and it prevents you from falling to mistakes. However, I've also appreciated to stay away from it as well. And so therefore, beyond to your question, beyond what we're doing now at the city, I am using my platform to not only spread my knowledge and experience. But also just really encouraging small business owners how to survive independently. To the scaling conversation earlier, we have 31 employees now, three restaurants. We are nowhere near expanding any further. As a matter of fact, we don't want to because the bigger the business, the bigger the problems. And, you know, so I think that's a whole conversation within itself, to scale or not to scale. That is the question. But yeah, I think that, you know, I've established a few guilds, small business guild, AI and emerging technologies guild. You know, just really pulling folks together, convening them and letting them tell us their experience, tell me, my office, their experiences, and letting that information inform what types of policies should be formed or what types of initiatives should be privately initiated.

Dr. Sandy Darity - 00:34:30:

Thank you. So I'd like to direct this next body of questions to Victoria Samayoa and to Bertha Winbush. I'm particularly interested in the whole set of issues surrounding engaging the general community in the process of addressing these kinds of issues. So I'd like to ask, what are some of the strategies that you have already pursued for engaging with the broader community to gather input and feedback for supporting Black-owned businesses in Durham? And also, are there other avenues or avenues that you'd like to develop for community input into the decision-making processes related to supporting Black businesses?

Bertha Winbush - 00:35:22:

Victoria.

Victoria Samayoa - 00:35:23:

I would say if question number one is to scale or not to scale, question number two is where are the people? We have, the ARPA team has definitely taken on the perspective of we have to go where they are. That also comes out of my experience with public health and public service, project management. If you want the answers, there's no one better to speak for the people than the people themselves. And when you show up, you have to be willing to listen. You may know, just like in social work, you may know what you think are the theories that will make it work. But you have to have something, like Kevin said, to connect it to the bigger picture, to the little smaller boats. And how do you throw out the lifeline if the boat does not have to attach anything with? So we've definitely been building on the community and getting engagement by going directly into the community, directly into these organizations and to the folks that they're serving and have served in the past to see what worked, what did not work. How can we support in the challenges that they're facing?

Bertha Winbush - 00:36:34:

So I'll just step back to the American Rescue Plan dollars. When we were first notified in March 2021 that we received \$51 million, of course, everyone started reaching out to our city council members. You know, how are you going to spend those dollars? Of course, our city council members had ideas. Our staff had ideas about spending that. And what we said to the city council is, let's go to the community. Let's go to community and let's talk to the community about how they believe these dollars, because they were meant for the community, can be spent to heal the community. And we work with North Carolina Central University. We had budget healing sessions. At NCCU with the surrounding community. And we, the community, actually decided the categories they want to focus the dollars on. They also developed the matrix by which we would score proposals. And so we received over 200 proposals, but one of the big components or one of the major criterion in the matrix was equity. And it was around equity, looking at those businesses that support the communities, looking at the HUD census tract, those... How those dollars would support those census tracts, as well as looking at where we have not spent resources recently as an organization. And so the entire 51 million. Funding allocation plan was designed by Our community. Our community members, and I think you participated in one of those, actually scored the proposals. And we actually brought to council all of the 34 proposals scored by the community. And our city council actually funded every single one of those proposals. Up to 70% of the requests. With a maximum of \$1 million. And so all of those resources, many communities decided to spend all of their resources internal because that was allowed. You could spend it on employees. You could spend it on capital projects, broadband, water, sewer. But we went to the council and said, let's go to the community because these are resources we didn't have.

Dr. Sandy Darity - 00:38:24:

Right.

Bertha Winbush - 00:38:25:

And they were meant for the community. And so that was one of the ways that was-

Dr. Sandy Darity - 00:38:28:

Presumably one-time resources.

Bertha Winbush - 00:38:30:

Oh, yeah, one-time resources. And so the projects I talked about, so I am so proud of our city council for stepping back and saying, yeah, let's hear from the community. And they accepted all of those proposals. We've done a few other things, as I mentioned, affordable housing as well. But our community engagement is ongoing. Like Victoria and her team, they're constantly still talking to, you know, those organizations that we have provided grants to, providing technical assistance to them when they're having challenges with their, obligations they've committed to where they're not able to get their program going or their service. They're going out and doing site visits. So there's a lot of work.



But one of the great things that I think that came out of that as well is many of those organizations had never received city funding. Never received federal funding, never received large grants. So they've come back to us, some of them, and said, this has given us an opportunity. Once we showed other funders that the city invested in us, then we were able to get additional grants because we got them their federal ID numbers. At least Victoria worked on all of that. We helped them build budgets. We work with them to help them understand that you have to have financial statements. You have to have policies in place. So we work with them to get all those things in place that they needed to be able to apply for additional grants. And so that is a tremendous asset to those businesses in terms of building capacity and longevity for the businesses.

Dr. Sandy Darity - 00:39:51:

So you created or helped them create an infrastructure that didn't exist before.

Bertha Winbush - 00:39:56:

And it was a challenge because some of them would say, the council's already said that I can get this funding. And we're like, yeah, but you still have to do all these things to be eligible under U.S. Treasury guidelines for us to be able to enter into a contract and distribute the funding. But at the end of the day, they realized the value in what we were able to provide to them. Victoria and her team in terms of technical assistance.

Dr. Sandy Darity - 00:40:19:

Kevin Dick, I would like to turn back to you. One of the things that I think is really important and significant about Carolina Small Business Development Fund. Is that you actually span the state to a large degree. And so when you were talking about the 3,000 businesses that you work with, they're not all in Durham by any means. I think I joined you for an event that was held in Greensboro.

Kevin Dick - 00:40:45:

That's correct.

Dr. Sandy Darity - 00:40:46:

So, you have some insights about what's happening in other locations. So could you please give us a feel for the lessons that could be learned from other cities or regions that could be applied in Durham?

Kevin Dick - 00:41:02:

Sure. And I want to clarify that 3,000 is a historic number. We're not working with 3,000 necessarily right now. Excuse me. But, um... But no, there are good lessons to be learned from some of the experiences we've had in other communities. You know, Mecklenburg County, we managed two loan programs. One was COVID specific. And then the other is MEC Lending. That's an ongoing revolving loan fund. We have proposed to Guilford County government the management of a loan guarantee program. And that's where the public sector actually serves as sort of a backstop to any unpaid balance for a business loan that, you know, where business is having trouble paying and maybe they've gone delinquent. Right. And so that's another a different way for the public sector to get directly involved in small business growth. In the city of Raleigh, we have been able to administer two grant programs and, you know, a lot of a lot of them- A lot of small businesses obviously want money that they don't have to pay back. There are some limitations on how and when governments can do that. And I think, you know, Durham actually had that sort of wrestle. You know, the mayor alluded to some things that a lot of small business owners wanted to galvanize and do here. And that included the grant, the grant fund. And fortunately, Duke was able to leverage where the city had instances in its city charter where it couldn't do grants, but it could do low interest loans. And so those are some examples. We also administered a program with the state that was geared toward some of the businesses that types of businesses that Bertha alluded to earlier in terms of those certified as minority or women owned business enterprises. And the state calls them historically underutilized businesses. And so we co-managed a program called Retool NC. So those are some examples of the programs we've worked on within the state. I think that they're sort of a gumbo, right? There are elements of each of those programs that are slightly different, but are appropriate for that

community. And so, for example, you know, Mecklenburg doing a revolving loan fund, that is something that other cities and communities have considered. That could be something that Durham considers. But I do think that Guilford County, and again, this is not solidified by any means, but what we've proposed is that the county guarantee funds and that Carolina Small Business Development Fund uses its own capital to do lending and have that guarantee or backstop from the local community. What that does is that minimizes that local jurisdiction's risk. Which could be very appealing to a local jurisdiction, as opposed to lending out or granting out its own funds. Which I'm not saying there aren't advantages to doing that, too. Certainly within Durham, I would hope that the small business community, alluding to what the mayor said earlier, saw a definite connection with local government that I had never seen before. You know, we are in duress. We're in stress. We really need assistance right now. And the local government is stepping up. You know, so there are definitely some advantages to doing programs like that, too. But what I don't want to under-emphasize or underestimate... Again, is... Is the innovation that Durham put forth with the loan fund, you know, being, you know, loans up to \$35,000 with no personal guarantee or no collateral required. That program does not exist in the financial services industry. You know, when I talk about the elements of that program to banks, you know, after they pick their jaws up off the ground, they realize, wow, that's a pretty, but it's a pretty innovative, it was definitely an innovative step. You know, even within our shop, you know, we have experienced bankers who come to work for our organization as a community development financial institution, which does some things that banks do, but does them a little bit differently. And you know, They were, you know, they were saying. We can't do this. I mean, how are we going to, you know, I said, Durham wants to take the risk because they understand that the risk is actually greater if some of these small businesses close down. And by the way, the long term, not just the characteristic that I talked about earlier, sales taxes go away. Income taxes, which accrue to the state, but also ad valorem property taxes that businesses pay if they own their properties, if they go out of business. That is revenue that the city and county are losing long term. So even the city and county deciding to take that risk in partnership with Duke. Was what I deem to be a good understanding of why this program is an investment in our future and not just a cost.

Mayor Williams - 00:46:47:

I'd just like to add that last year we broke the record in our sales tax revenue because we made those initial, you know. High-risk decisions. The city, I mean, well before I was even elected, but the city saw that, you know, it was a risk that they wanted to take on. But back to Victoria's point, you know, equity has been an issue, and Durham stepped up to the plate.

Dr. Sandy Darity - 00:47:14:

Well, I guess I'd like to ask you the last question, which is, What is your sense of the vision for the future of Black-owned businesses in Durham? And what are the commitments that you think should be made to sustain and grow them further?

Mayor Williams - 00:47:33:

You know, I thank you for that. And I will be honest with you all. I think that. Trusting that a business can perform the criteria. Was built around something that many black businesses never even had. One of the longest sustaining impacts was 40 acres and a mule. You know, it may have been just 40 acres of land and a mule back then. But it is still that today, just in different forms. And the wealth that I've seen in this community, it just blows my mind that, you know, just average Joe riding a bicycle down the street. But their salary could be like \$5 million a year. So wealth in the physical, tangible appearance looks the same as poverty in some instances, especially in a hippie town like Durham. But with that being said, I think that Durham has shown that we're willing to take those risks, and we have done what works before. So we're in a position now where it just takes political will to implement what we've already tried and worked. And that loan fund, no, it's not a language that, well, the banks understand it. It's not a language that they want to speak. And so that's why it takes political will. You know, it's so easy to create binaries. Like, oh, we don't need to do this because we need more affordable housing. Oh, we don't need to do this because we need street repair. It does have to be an either, I mean, a both-end mentality. It should not be foreign to say we want to put, you know, we want to create a fund that has five or ten million dollars in it. And this is going to be the small business support fund. And we need to say Durham is open for business. And we're going to set the criteria to be equitable. We're going to set the criteria to be reflective of the needs in this community. And we're not going to, you know, we're not going to follow the status quo. You know, whereas you have to have perfect credit to get it. I remember my wife and I, when we first opened our business, We were denied seven times. Seven times because we, one, didn't have the credit score. So we took our savings and we paid off all the credit cards and we got the credit score up. And then we needed to borrow \$160,000. And they said, well, show us \$80,000. And I was like, I mean, if I had 80, I wouldn't

be asking for 160. You know, so we borrowed \$80,000. And then it was, well, how'd you get the money so fast? I was like, well, our parents in Zimbabwe, you know, wired us the money. Oh, it was international money. How stable is it? We received questions that I've never heard asked to people. And, you know, and that was the language that, you know, the traditional route was providing us. So I had to take a higher risk than others. I used my teacher retirement. And we used that \$36,000 to buy wood and paint. And we looked on YouTube. We learned how to paint. We had a guy who had just gotten out of jail who was looking for work. And we said, look, we'll hire you if you help us build these benches and tables. And he used the pallets from behind a Walmart to build those tables that we still eat on today. And that's how we built Zweli's Kitchen. And we don't have any cushion. We're still, you know, spinning what we make. We're making it work. But my stress levels are a lot higher than some other businesses. So, you know, that is where we are as a business. That is where many businesses are. And I think that we're going to have to have the public and private relationships to stabilize our growth and to strengthen our Black businesses and minority-owned businesses and women-owned businesses right here. And that's where policy can come in as a partner.

Dr. Sandy Darity - 00:51:32:

I want to express my sincere gratitude to our remarkable guests today. And to everyone in the listening audience who has joined us for this insightful discussion about the state of Black-owned businesses and entrepreneurship in Durham, North Carolina. I think our conversation today has underscored the important role that government can play, particularly city government. In the process of harnessing the power of collaboration and community engagement for the purposes of charting a more effective road towards business development, particularly Black business development in the context that we're talking about today, but also business development in the context of a more equitable future. So thank you again for your participation, and I hope to join you on this journey as we go down the road on this project.

Victoria Samayoa - 00:52:33:

Thank you.

Kevin Dick - 00:52:35:

Thank you.

Mayor Williams - 00:52:35:

Thank you.

Intro/Outro - 00:52:45:

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