PANDEMIC RECOVERY OFFICE

Minority Business Accelerator
Final Report

Submitted by State of Rhode Island Pandemic Recovery Office

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https://pandemicrecovery.ri.gov

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Minority Business Accelerator

Project Identification Number: 10041

Pandemic Recovery Office Approval Date: November 14, 2022

Project Completion Date: March 31, 2026

Funded Amount: $5,200,000

Expended Amount: $5,200,000

Project Expenditure Category: 2.32 Negative Economic Impacts: Business Incubators and Start-up or Expansion Assistance

Problem Statement: Reports make it clear that the pandemic disproportionately impacted minority- and women-owned businesses. The Federal Reserve Bank of Cleveland concluded in an October 2020 report that these businesses were "facing higher rates of closures and sharper declines in cash balances as compared to nonminority-owned small businesses."[1] A May 2020 report from McKinsey stated that "minority-owned small businesses in the United States are also more likely to have conducted layoffs or furloughs or to have shut down their businesses: 55 percent compared with 48 percent for all respondents."[2]

In Rhode Island, minority-owned small businesses make up a smaller percentage of firms than population statistics indicate. While Black or African Americans make up 8.8% of the state's population,[3] Black- or African American-owned businesses comprise only 3.7% of firms in the state. [4] Similarly, while Hispanic residents make up 17.1% of the state's population, Hispanic-owned businesses comprise only 9.2% of firms in the state.

Project Overview: The project allowed the Rhode Island Commerce Corp. to implement the following initiatives:

- $2.2 million to support a network of intermediary organizations that serve minority-owned businesses.
- $2.1 million to increase access to capital through a competitive grant program, with grant awards of up to $20,000. The grants were intended to stimulate growth for minority business enterprises (MBEs), including women-owned businesses. The support included, but was not limited to, assistance through the *Small Business Technical Assistance* project.
- $600,000 for project administration, management, and training, implementation, and compliance activities.
- $300,000 for technical assistance for applicants to the *Small Business Direct Grants* project that would otherwise be ineligible for the *Small Business Technical Assistance* project.

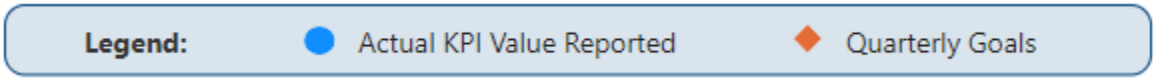
[1] An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms
[2] COVID-19's Effect on Minority-owned Small Businesses in the United States
[3] U.S. Census Bureau
[4] Rhode Island BIPOC Small Business Ecosystem Assessment

Together, these initiatives were designed to increase the percentage of MBEs, including women-owned businesses, in Rhode Island and support existing businesses.

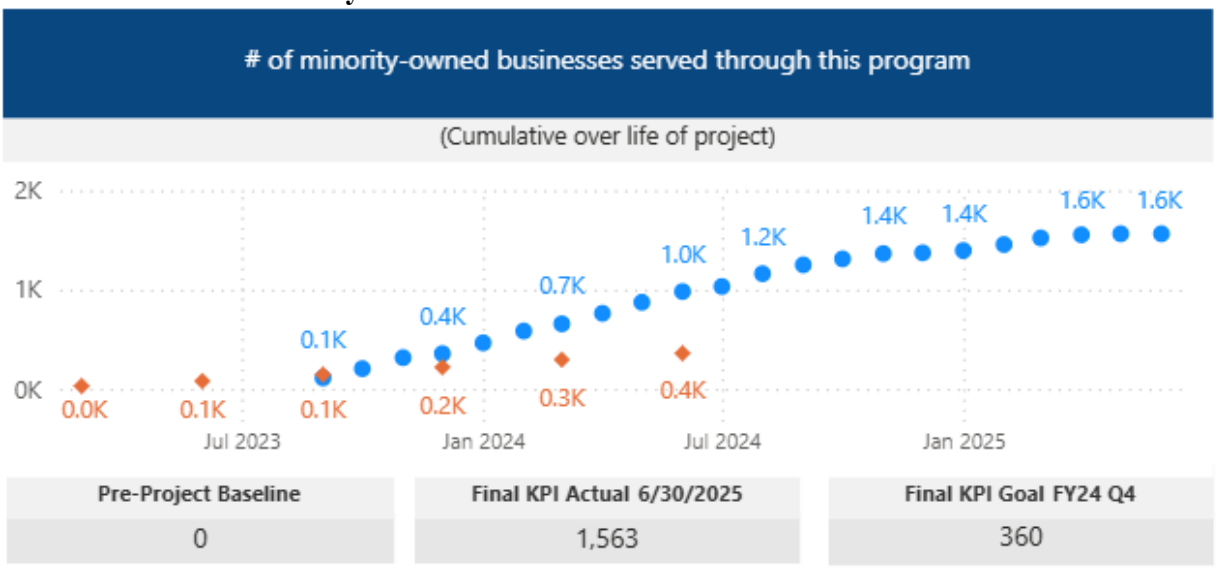
Financial Overview: All program payments can be found on the Pandemic Recovery Office's website by filtering the "Project" box for "Minority Business Accelerator." The table below shows planned expenditures by fiscal quarter and actual expenditures by fiscal quarter:

Fiscal Year Quarter	Planned Expenditures	Actual Expenditures
FY 2023 Q2	$29,854	-
FY 2023 Q3	$160,048	$32,139
FY 2023 Q4	$1,000,300	$31,493
FY 2024 Q1	$910,243	$27,360
FY 2024 Q2	$25,008	$164,025
FY 2024 Q3	$1,525,458	$599,556
FY 2024 Q4	$1,006,242	$381,159
FY 2025 Q1	$121,420	$919,672
FY 2025 Q2	$266,497	$772,215
FY 2025 Q3	$55,900	$1,582,193
FY 2025 Q4	$99,030	$645,816
FY 2026 Q1	-	$9,247
FY 2026 Q2	-	$18,148
FY 2026 Q3	-	$16,975
Total	**$5,200,000**	**$5,200,000**
Note: A single audit fee applies to all State Fiscal Recovery Fund projects and accounts for $1,560 of the $5,200,000 in actual expenditures in the above table.		

Key Performance Indicators: The following are the key performance indicators based on quarterly goals and monthly data collections.

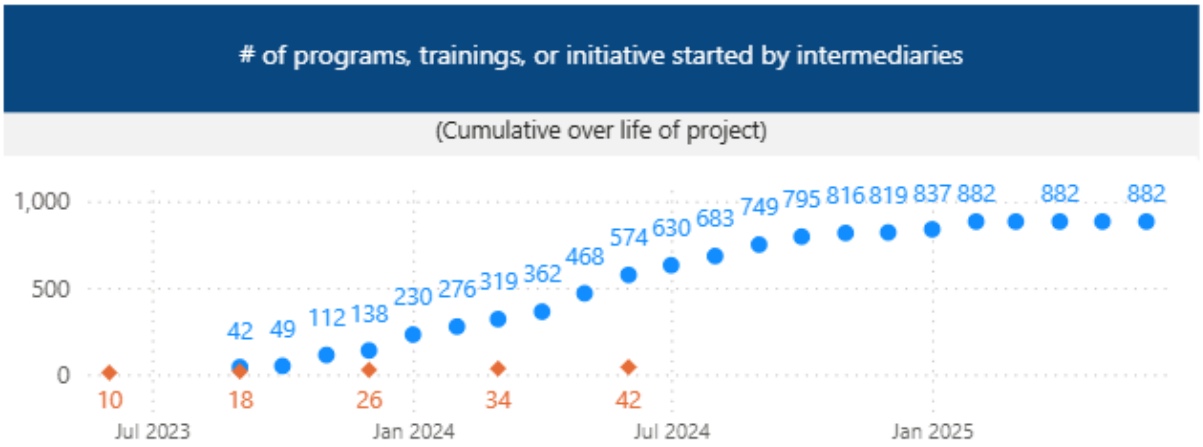


1. Number of minority-owned businesses served



Pre-Project Baseline	Final KPI Actual 6/30/2025	Final KPI Goal FY24 Q4
0	1,563	360

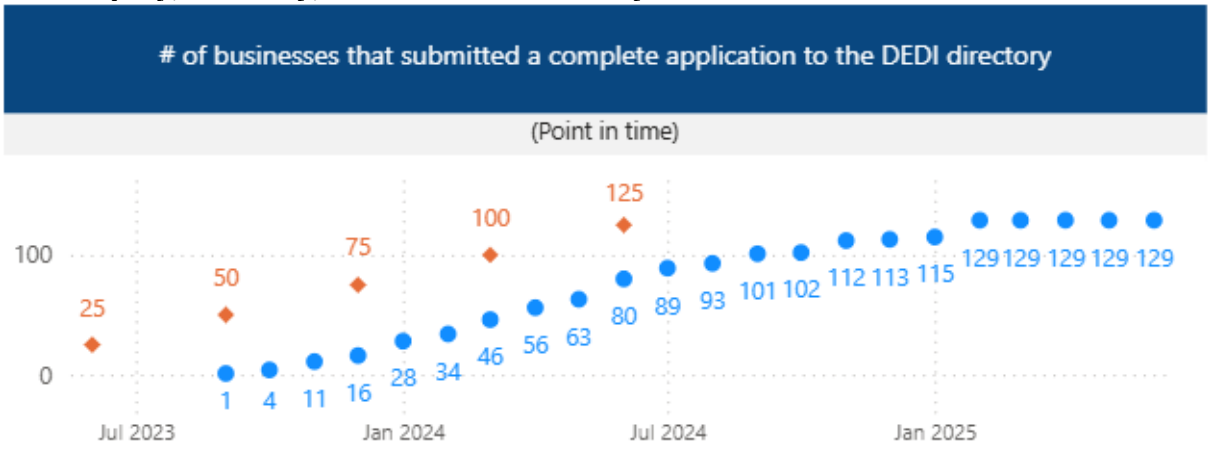
2. Number of programs, trainings, or initiatives started by intermediaries[5]



Pre-Project Baseline	Final KPI Actual 6/30/2025	Final KPI Goal FY24 Q4
0	882	42

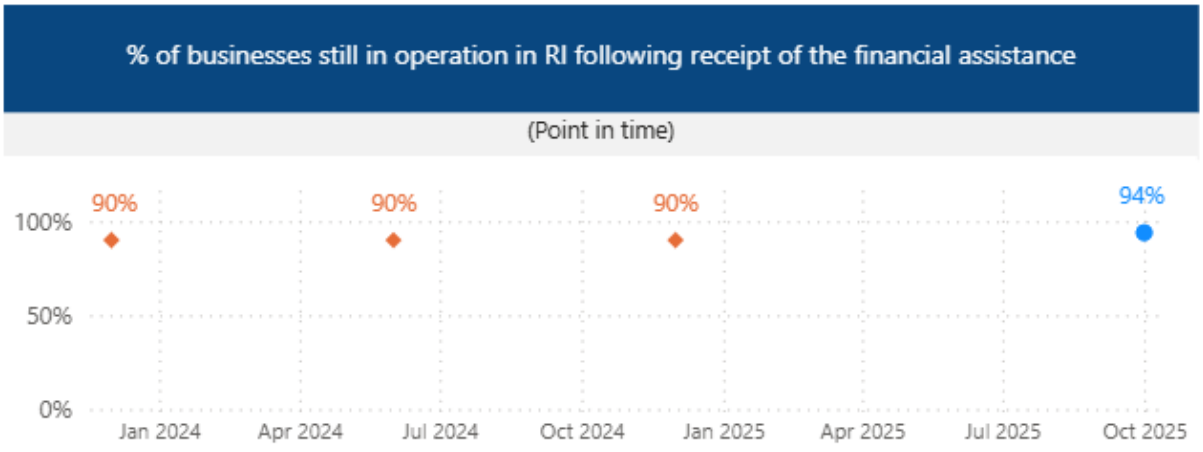
[5] The KPI goals were established before the issuance of a request for proposals (RFPs) and without baseline performance data. Following two rounds of RFPs, the State engaged more intermediaries than anticipated, resulting in a diverse mix of one-on-one mentoring, standalone workshops, and networking events alongside multi-week cohort training.

3. **Number of businesses that submitted a complete application to the Division of Equity, Diversity, and Inclusion directory**



Pre-Project Baseline	Final KPI Actual 6/30/2025	Final KPI Goal FY24 Q4
0	129	125

4. **Percentage of businesses still in operation in Rhode Island following receipt of the financial assistance**

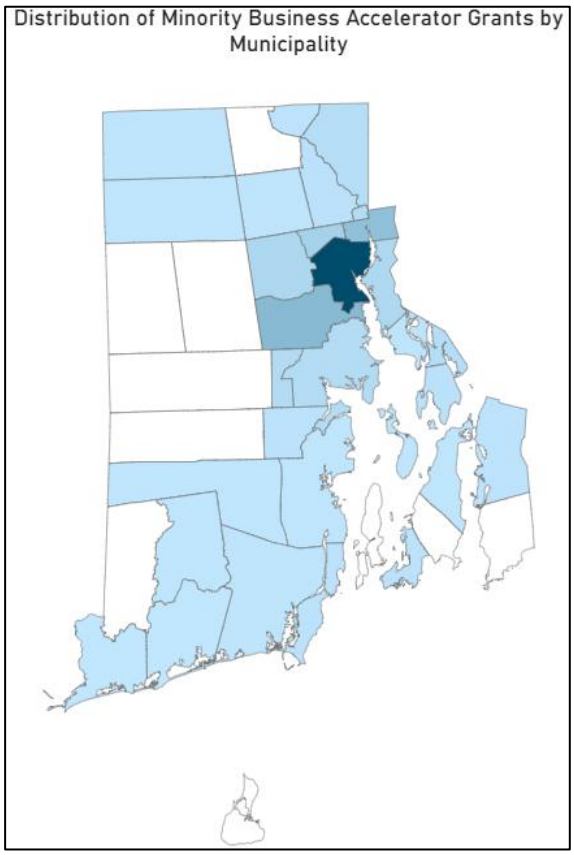


Pre-Project Baseline	Final KPI Actual 10/31/2025	Final KPI Goal FY25 Q2
0%	94%	90%

Auxiliary Information: The table below indicates the services provided to businesses that benefitted from the project.

Service Provided	Number of Businesses
Accounting & Bookkeeping	8
Business Funding Pitch & Grant Writing	1
Capital Access Training/Event	12
DEDI Application Assistance	115
DEDI Info Session	48
Gov. Contracting Info Session	16
Human Resources & Payroll Services	1
Legal Advice & Services	5
Marketing, Communications, and Public Relations	12
Mentoring Session	83
Multiple Services	40
Networking Event	13
Strategic & Business Planning	8
Technical Assistance	569
Training/Workshop	495
Use of Coworking Space	1
Other	136
Total	**1,563**

The map and table below show the distribution of $2.1 million in competitive grants based on the location of the business.



Municipality	Minority-Owned Businesses	Woman-Owned Businesses	Both Minority and Woman-Owned Businesses	Sum of Grants
BARRINGTON	0	0	2	$15,000
BRISTOL	2	1	1	$30,000
BURRILLVILLE	1	0	1	$15,000
CENTRAL FALLS	2	3	1	$60,000
CHARLESTOWN	0	0	1	$5,000
CRANSTON	6	8	15	$240,000
CUMBERLAND	2	4	2	$50,000
EAST GREENWICH	0	2	1	$25,000
EAST PROVIDENCE	2	0	7	$80,000
EXETER	0	2	0	$10,000
GLOCESTER	0	1	1	$10,000
JOHNSTON	3	2	3	$85,000
LINCOLN	0	1	1	$30,000
NARRAGANSETT	0	0	2	$25,000
NEWPORT	2	1	0	$25,000
NORTH KINGSTOWN	0	0	2	$10,000
NORTH PROVIDENCE	2	4	5	$115,000
PAWTUCKET	8	5	10	$210,000
PORTMSOUTH	1	0	0	$10,000
PORTSMOUTH	0	0	2	$10,000
PROVIDENCE	30	25	34	$810,000
RICHMOND	0	0	1	$10,000
SMITHFIELD	0	2	0	$15,000
SOUTH KINGSTOWN	1	1	1	$15,000
TIVERTON	0	0	2	$20,000
WARREN	2	1	4	$50,000
WARWICK	1	2	6	$60,000
WEST WARWICK	1	4	2	$65,000
WESTERLY	0	0	1	$5,000
WOONSOCKET	2	0	1	$20,000
Total	**68**	**69**	**109**	**$2,130,000**