



# 5 STRATEGIES TO ADDRESS INSTITUTIONAL RACISM

EMPLOYER RESOURCE GUIDE

# 5 STRATEGIES TO ADDRESS INSTITUTIONAL RACISM

Employers across the Commonwealth have decried and rejected systemic racism. Many are implementing aggressive internal and external strategies, and holding themselves accountable, to match the fervor of anti-racism public statements that immediately followed the murder of George Floyd. At the same time, coalitions of leaders from communities of color have formed to establish an agenda and suggest target goals that very clearly answer the question being asked by many employers eager to engage, namely **“What can we do to address institutional racism?”**

The purpose of this resource guide is simple: it acknowledges and accepts the agenda and priorities advanced by communities of color and provides a roadmap for employers who want to support and advance these efforts. The resource guide does this by:

- Educating employers about the priorities and goals recommended by Black and Brown Communities;
- Urging employers to commit to setting goals and develop a plan to achieve them; and
- Providing employers access to the resources and data necessary to achieve these goals.

## 1 Governance & Accountability

COMMIT TO expanding the representation of people of color in executive leadership, management, and on Boards.

## 2 Recruitment & Advancement

COMMIT TO improving the percentage of employees of color being hired, increasing the investment in their career development, and building their personal networks through expanding social capital.

## 3 Procurement

COMMIT TO increasing spending and the awarding of contracts to minority owned businesses.

## 4 Access to Capital

COMMIT TO making capital available to minority owned businesses and people of color.

## 5 Donate to a Fund

COMMIT TO contributing to a fund that supports minority owned business and non-profits supporting communities of color.

# 1 Governance & Accountability

COMMIT TO expanding the representation of people of color in executive leadership, management, and on Boards.

## SUPPORTING DATA

■ **McKinsey 2018 Report, Delivering Through Diversity** compared profitability of companies and their levels of gender and racial diversity in both 2014 and 2017 and found that the more diverse companies were more profitable. In 2014, companies in the top quartile for gender diversity on their executive teams were 15 percent more likely to experience above-average profitability than companies in the fourth quartile. In 2017, companies in the top quartile were 21 percent more likely to experience above-average profitability than companies in the fourth quartile.

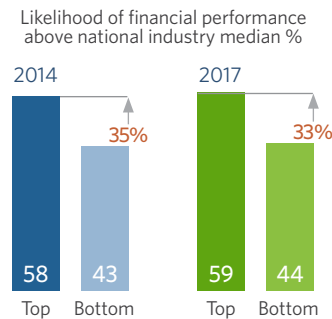
For ethnic and cultural diversity, the 2014 finding was a 35 percent likelihood of outperformance, comparable to the 2017 finding of a 33 percent likelihood of outperformance on EBIT margin.

■ **Deloitte's 2016 Board Diversity Census of Women and Minorities on Fortune 500 Boards** showed that only 31 percent of board room seats of Fortune 500 companies are held by women or people of color with Fortune 500 boards having an average of 15 percent people of color.

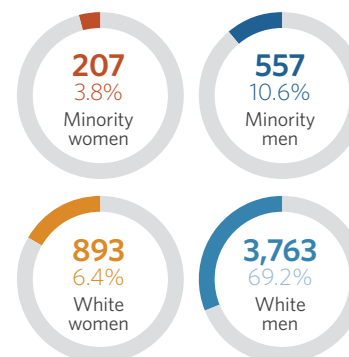
In 2016, women and minorities held 31 percent of board seats amongst Fortune 500 companies. This number is an increase from 2012, when women and minorities held 25 percent of board seats, minorities and women are still underrepresented on the boards of Fortune 500 companies.

■ **BoardProspects**, an online platform that specializes in corporate director and advisory board searches, reports Black executives account for about 4 percent, or only 39 of the 903 board seats tied to the state's top 100 public companies. Over half of Massachusetts' largest 100 public companies don't have a single Black board member.

EXECUTIVE ETHNIC DIVERSITY  
BY QUARTILE



FORTUNE 500 TOTAL BOARD SEATS  
BY GENDER AND MINORITY STATUS



## SAMPLE GOALS

recommended by the Black and Brown Communities

NO LESS THAN  
**40% of Board**  
are people of color

AT LEAST  
**ONE** person of color is  
Chief Executive Officer;  
Chief Financial Officer;  
Chief Operating Officer;  
Chief Information Officer

NO LESS THAN  
**40% of newly**  
**hired executive**  
**management**  
are people of color

## RESOURCES



The Partnership makes corporations and institutions more competitive in a global economy by helping them attract, develop, and retain talented multicultural professionals at all levels of leadership, create a corporate climate that encourages diversity and help multicultural professionals thrive. They offer leadership development programs for multicultural talent, as well as customized consulting services to improve diversity performance in a global marketplace.



Blue Tree Venture Fund is a regionally focused venture capital firm based in Pittsburgh, PA. They target early institutional investments in sectors, which both match the region's technology platform and leverage the expertise within the Fund. They seek to invest in medical technologies, software, and high-tech instrumentation companies located within 250 miles, allowing them to provide hands on mentorship and guidance. Within these sectors, they are interested in companies demonstrating compelling technologies, strong management teams, and capital-efficient business models with clear opportunities for exit through strategic acquisition.



CEO Action for Diversity & Inclusion is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. This commitment is driven by a realization that addressing diversity and inclusion is not a competitive issue, but a societal issue. Recognizing that change starts at the executive level, more than 1,200 CEOs of the world's leading companies and business organizations, are leveraging their individual and collective voices to advance diversity and inclusion in the workplace.



As the recognized authority on leading boardroom practices, NACD helps boards strengthen investor trust and public confidence by ensuring that today's directors are well prepared for tomorrow's challenges. World-class boards join NACD to elevate performance, gain foresight, and instill confidence. Fostering collaboration

among directors, investors, and governance stakeholders, NACD has been setting the standard for responsible board leadership for more than 40 years. Becoming NACD Directorship Certified distinguishes individuals as a director. The program is designed first and foremost as a framework for continuous learning. It equips certified individuals with the baseline knowledge, skills, and abilities to contribute to the boardroom dialogue on day one. For experienced directors, certification is a comprehensive way to highlight a commitment to staying current on the latest information necessary to contribute effectively in the boardroom.



The Boston Club is a community of executives and professionals invested in elevating women to leadership positions across all walks of business. They believe that women's leadership has a positive effect on business results, organizational success and our communities. The Boston Club offers both corporate and nonprofit board placement services in which they identify and recommend qualified women candidates from their significant pool of nationwide talent. In addition, they regularly publish reports on the progress of gender diversity on boards in Massachusetts.



The Commonwealth Institute (TCI) is a non-profit organization devoted to advancing businesswomen in leadership positions. Their membership includes CEOs, corporate executives, entrepreneurs, directors of nonprofits, independent professionals, and the rising generation of leaders who are committed to building successful businesses, organizations, and careers. They provide a variety of opportunities to help women succeed on a personal and professional level while propelling their organizations forward.



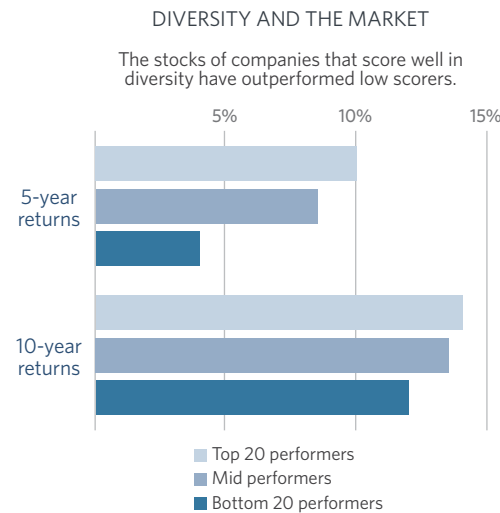
The ELC's strategic vision is to open channels of opportunity for Black executives to positively impact business and communities. The ELC's primary focus will always be to nurture and amplify Black excellence and leadership in business.

# 2 Recruitment & Advancement

COMMIT TO increasing the percentage of employees of color being hired, increasing the investment in their career development, and building their personal networks through expanding social capital.

## SUPPORTING DATA

■ **The Wall Street Journal's report on The Business Case for More Diversity** ranked industries and companies from the S&P 500 index for diversity and inclusion efforts. They identified a correlation to performance and found that diverse and inclusive cultures are providing companies with a competitive edge over their peers. The 20 most diverse companies in the study had an average annual stock return of 10 percent over 5 years versus a return of 4.2 percent for the 20 least diverse companies. The 10-year returns showed a similar pattern with the top 20 performers average returns being 14.4 percent and the bottom 20 performers return of 11.9 percent.



**“Diversity can help fuel innovation, which is critical to success in a fast-changing world where technological disruption has become the norm.”**

■ **Korn Ferry's study of senior Black leaders at Fortune 500 companies** shows that Black executives are some of the highest performing executives in corporate America. The study reported that more than 80 percent of Black leaders took on more risk to garner influence in their organizations, and 50 percent intentionally sought tough projects with responsibilities that would challenge them professionally and personally, and in turn give them greater visibility in their organizations. Nearly 60 percent reported having to work twice as hard and accomplish twice as much as their peers to counter misperceptions about their skills and results. More than 35 percent said they were assigned extremely tough projects that no one wanted to handle and had a high risk of failure. Many felt these assignments were given under the unspoken assumption that they need to prove their worth.

**80% of Black executives said having a sponsor was indispensable to their career progression**

## SAMPLE GOALS

recommended by the Black and Brown Communities

**NO LESS THAN  
40% of employees  
hired from 2020-2025  
are people of color**

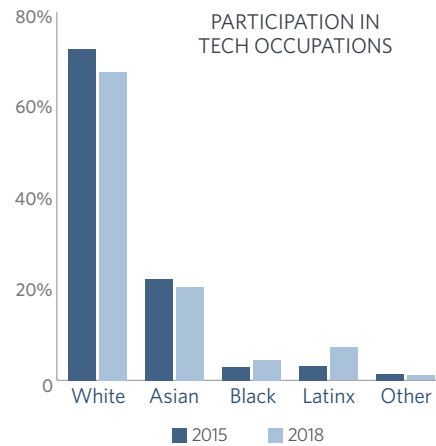
**INVESTMENT IN THE  
career development  
of Black employees**

# Recruitment & Advancement

## ■ The Mass Tech Leadership

**Council report** estimated that within the tech industry in 2018, Black people made up only 5 percent of the workforce, which is less than the percentage of tech workers who were Hispanic or Latino (7 percent), Asian (20 percent), or white (67 percent).

In the past several years these ratios have improved, and while people of color are still a small percentage overall, some groups are showing strong gains. From 2015 to 2018, the Massachusetts Tech Sector saw an increased participation of Blacks or African Americans (3-5 percent) and Hispanics or Latinos (3-7 percent).



## RESOURCES

### THE PARTNERSHIP, INC.

The Partnership makes corporations and institutions more competitive in a global economy by helping them attract, develop, and retain talented multicultural professionals at all levels of leadership, create a corporate climate that encourages diversity and help multicultural professionals thrive. They offer leadership development programs for multicultural talent, as well as customized consulting services to improve diversity performance in a global marketplace.



Amplify Latinx is a non-partisan, collaborative movement whose mission is to build Latinx economic and political power by significantly increasing Latinx civic engagement, economic opportunity and representation in leadership positions across sectors. Amplify Latinx was launched by the Latina Circle, a Boston-based, non-profit social venture that is advancing Latina leaders across industries into positions of power and influence. They are one of the largest Latinx networks in Greater Boston, with over 3,000 active participants and 140 business and community partners. Their goal is to serve as a leading voice and advocate for Latinx communities across Massachusetts by building a diverse, unified and powerful network of Latinx leaders and partner organizations.



Conección's mission is to develop Hispanic/Latino leaders into strategic and innovative executives who lead organizations that harness the positive impact of the expanding Hispanic/Latino presence and to create a national network of exceptional leaders. Conección's mentorship model is based on the concept of social capital. The central premise of social capital is that social networks have value and that by connecting early and mid-career latino professionals with accomplished mentors with multi-sector executive experience, program participants will have the opportunity to increase their social capital.

## BEST PRACTICES/CASE STUDIES

■ The **Harvard Business Review** acknowledged the work of JPMorgan Chase, which launched a board- and CEO-supported **Advancing Black Leaders strategy**—staffed and managed separately from other D&I initiatives—focused on filling the firm's pipeline with black talent and retaining and promoting those workers.

■ SAP's **Black Employee Network** which helped launch a partnership with Delaware State University through Project Propel, offers tech training and skills development to students from historically Black colleges and universities, with the goal of building an employee pipeline.

# Recruitment & Advancement



The mission of the National Association for the Advancement of Colored People is to ensure the political, educational, social, and economic equality and rights of all persons and to eliminate racial hatred and racial discrimination.



The mission of the Urban League of Eastern Massachusetts is to enable adults in Eastern MA to overcome racial, social barriers, economic inequities, sexual and domestic violence to employment and economic development opportunities. For 100 years, ULEM's programs and services have given hope to participants and made a lasting, impactful statement in the community. Focusing on this overarching goal leads us to provide opportunities for every person that walks through our door to realize economic empowerment through necessary- and mid-level skills training, certifications, internships, and job placements.



ALPFA (Association of Latino Professionals For America) was the first national Latino professional association in the United States. ALPFA currently serves more than 95,000+ professional and student members across the country. In addition to networking and professional leadership development opportunities, ALPFA members have access to 50,000 paid summer internships through hundreds of Fortune 1000 corporate partners. They aspire to be the business partner of choice for companies seeking to hire and develop Latino talent.



The Commonwealth Seminar is a privately funded program with the mission of: "Opening the Doors of Government to Everyone." It is an intensive training program focused on teaching diverse leaders how the legislative process really works.



By providing paid, graduate level internships, corporate boot camps and career mentoring, the Civic Action Project ("CAP") proposes that next generation leaders must learn effective strategies to advance a civic agenda, including the complicated, intertwined roles of grassroots activists, grass-top lobbyists, the media, government, nonprofits, corporate/labor and academic leaders.



Apprenti works directly with Massachusetts employers to deliver untapped, diverse talent to bridge the tech talent gap for in-demand but hard to fill roles like Software Developers, IT Business Analysts, Cybersecurity Analysts, and more!



Launched in 2017, Hack.Diversity is a workforce development non-profit advancing a more inclusive, innovative, and prosperous Boston. We partner with the city's fastest growing tech teams to identify, develop, and equip high-performing talent—who predominantly identify as Black or Latinx—to launch careers as Software Engineers, IT Professionals and Data Analysts within the innovation economy.



Training people of color for high growth careers as software engineers, and connecting them with jobs. We believe in social justice through economic empowerment, and in the opportunity for meritocracy in tech. This isn't about one-off camps or hackathons. This is about meaningful change.



Tech Stars launched the Workforce Development Accelerator designed to address the challenges of the current labor market through innovative technologies, business models and solutions. The accelerator aims to democratize access to high-quality training, networks and jobs; enable individuals to make informed decisions about the



# Recruitment & Advancement

professional pathways that best suit them; promote and increase awareness of non-degree pathways to employment; and support businesses in closing skill gaps and opportunity seekers in building professional networks.

## Minority Serving Institutions (MSI's)

MSIs are institutions of higher education that serve minority populations. They are unique both in their missions and in their day-to-day operations. Some of these colleges and universities are located in remote regions of the country, whereas others serve urban neighborhoods. Some are only a few decades old, whereas others, have been striving for more than a century to give their constituents the social and educational skills needed to overcome racial discrimination and limited economic opportunities.

- Community Colleges
- UMass Boston
- Benjamin Franklin Institute of Technology
- Cambridge College
- Labouré College
- Urban College of Boston



Management Leadership for Tomorrow (MLT) bridges the critical college-to-career transition gap and ensures our Fellows succeed in that "last mile" to post-college careers. By preparing people of color to land and thrive in high-trajectory jobs, MLT delivers immediate and lasting upward socioeconomic mobility. We propel our Fellows on their paths to leadership, which has the added benefit of lifting their families, and their communities.

MLT's acclaimed programs are designed to accelerate the careers of high-achieving African American, Latinx and Native-American women and men. MLT prepares talented, diverse individuals to get on and stay on the path to leadership with programs that span the career spectrum—from college ([Career Prep](#)) to MBA ([MBA Prep](#) and [MBA Professional Development](#)) to early and mid-career ([Experienced Talent](#)) to the executive level ([Career Advancement Program](#)).



For nearly four decades, INROADS has helped businesses gain greater access to diverse talent through early identification and continuous leadership development of outstanding students. Through our unique leadership development process, we assist companies with anticipating business needs and identifying quality future employees who can contribute to meeting the bottom-line. We offer services that meet the diverse talent needs of virtually every sector of business. Currently, over 25,000 INROADS graduates are making a difference across North America and around the world.

There are three keys to success for INROADS students: Selection, Education & Training, and Performance. For over four decades, INROADS has helped businesses gain greater access to diverse talent through continuous leadership development of outstanding ethnically diverse students and placement of those students in internships at many of North America's top corporations, firms and organizations.



# 3 Procurement

COMMIT TO increasing spending and the awarding of contracts to minority owned businesses.

## SUPPORTING DATA

■ **The Black Economic Council of Massachusetts (BECMA) report** found that 90 percent of respondents are currently experiencing a somewhat to severe negative financial impact due to the COVID-19 crisis. The report surveyed 71 business owners, where: 68 percent of respondents said there would be a significant or severe financial impact on their businesses, with a majority saying that their businesses wouldn't last more than six months; 47 percent predicting their businesses would not survive longer than three months; 43 percent of members with full and part-time employees are considering staff reductions to cope with an unprecedented situation; and 13 percent noted that their businesses wouldn't survive through the COVID-19 pandemic.

■ **The U.S. Census Bureau's 2014 Annual Survey of Entrepreneurs** reported there were 130,710 employer firms in Massachusetts in 2014, with a combined employment base of 2.9 million workers and annual payroll of more than \$177.6 billion. Among those, Black-owned firms represented just 1.2 percent and Latino-owned firms only 2.4 percent.

■ In January, **GBH News reported** that the inflation-adjusted value of state spending with minority-owned businesses had dropped by about 24 percent over the past two decades, and the inflation-adjusted value of current contracts would be about half what it was in 1998.

IN STATE  
Black-owned  
firms 1.2%  
Latino-owned  
firms 2.4%

MINORITY OWNED BUSINESSES MAKE SUBSTANTIAL CONTRIBUTIONS TO THE MASSACHUSETTS ECONOMY



Source: Greater New England Minority Supplier Development Council

## SAMPLE GOALS

recommended by the Black  
and Brown Communities

AWARD AT LEAST  
**\$1B annually**  
in new spending with  
Black-owned businesses  
starting in  
Fiscal Year 2022

AWARD NO LESS THAN  
**10% of their yearly  
and multi-year  
contract dollars**  
to Black and indigenous  
owned businesses on an  
annual basis

■ In the City of Boston, **out of \$571 million in contracts for fiscal 2020 spending**, 4.8 percent went to firms certified as minority-owned, while 2.9 percent went to firms certified as woman-owned, a **modest** increase from 2019.

## BEST PRACTICE/ CASE STUDIES

### THE MASSPORT MODEL

The Massachusetts Port Authority (Massport) began to require bidders to incorporate diversity and inclusion (D&I) into their bids. After **Massport's launch of the Omni hotel project** in Boston's Seaport District, it announced that its scoring system to potential bidders moving forward would incorporate D&I to be considered alongside more traditional evaluation criteria such as building design, construction experience, and financial capabilities. Since then, Massport has applied this criteria to **ensuing development projects** in the Seaport District.

## RESOURCES



The mission of the Black Economic Council of Massachusetts, Inc. (BECMA) is to advance the economic well-being of Black businesses, organizations that serve the Black community and Black residents of Massachusetts. Black economic development will require immediate and long term community action, leadership and outside-the-box solutions and BECMA works with many people, both within and outside the Black community, who are ready and committed to making Massachusetts an inclusive economy. In addition to their advocacy, BECMA has an online directory that features close to 300 Black business members from across the state.



The Greater New England Minority Supplier Development Council (GNEMSDC) advances business opportunities for certified Asian, Black, Hispanic and Native American business enterprises and connects them to corporate members. One of the region's leading corporate membership organizations, GNEMSDC was incorporated in 1975 to provide increased procurement and business opportunities for minority businesses of all sizes.



Conscious Customers helps organizations and people of all backgrounds get conscious about the impact of their spending decisions and align those decisions with their values. They unlock customer markets for diverse companies owned and operated by historically marginalized business owners. Preparing a company and culture to embrace its purchasing power takes preparation and strategy. Their deliverable is not just new transaction partners; it's a plan for internal transformation built around deeper understanding and sustainable new commercial relationships. Conscious Customers helps get you ready to make meaningful change that can shift the culture, strengthen the company and have lasting impact.



Amplify Latinx is a non-partisan, collaborative movement whose mission is to build Latinx economic and political power by significantly increasing Latinx civic engagement, economic opportunity and representation in leadership positions across sectors. Amplify Latinx was launched by the Latina Circle, a Boston-based, non-profit social venture that is advancing Latina leaders across industries into positions of power and influence. They are one of the largest Latinx networks in Greater Boston, with over 3,000 active participants and 140 business and community partners. Their goal is to serve as a leading voice and advocate for Latinx communities across Massachusetts by building a diverse, unified and powerful network of Latinx leaders and partner organizations.



Through the business certification process, the City of Boston identifies businesses that are owned by women, minorities, veterans as well as those that are small or local. Once a business is certified with our office, they are included in any vendor outreach efforts for City contracting opportunities and are also connected to resources offered inside and outside of the City.

## Get Konnected

Colette Phillips and Get Konnected! have launched a free digital marketplace, GK! Market, aimed at promoting small businesses in the state, particularly those owned by people of color. The marketplace allows people to search for businesses that are certified as minority-owned, woman-owned, or veteran-owned and has a database of about 5,000 small businesses.





## Using Collective Buying Power to Create Systemic Opportunity

Through Pacesetters, procurement practices emerge as an equity tool and a runway for action on creating systemic and economic opportunity.

Pacesetters are large and mid-sized companies and anchor institutions committed to using their procurement purchasing power to close the racial wealth gap by intentionally increasing spend with businesses of color. Pacesetter companies demonstrate their commitment to increasing their supplier diversity in both dollars and contracts. The minority business enterprises (MBE), **a listing of more than 90 businesses of color**, have the operational and financial capacity to service the buying needs of major corporations. Through this network of MBEs, Pacesetter companies have an opportunity to make new and valid connections while we promote ways to share best practices across local, state and national lines. The added network of MBEs is meant to uniquely complement the existing business relationships within each company and add more depth to the program's mission by creating access and systems support.

By joining pacesetters, organizations commit to:

- Measure, report and increase spending with businesses of color annually
- Demonstrate C-suite level commitment to equity, supplier diversity, and regional economic development & growth
- Identify contract opportunities within our association and across our networks to work with businesses of color
- Participate in educational and networking events and programs to advance the mission of Pacesetters

### PACESSETTER COMPANIES

- |   |  |                               |
|---|--|-------------------------------|
| ■ Berkshire Bank                          | ■ Encore Boston Harbor                         | ■ Northeastern University     |
| ■ Boston Children's Hospital              | ■ Federal Reserve Bank of Boston               | ■ Nutter McClennen & Fish LLP |
| ■ Boston Red Sox                          | ■ Fidelity Investments                         | ■ P&G Gillette                |
| ■ Blue Cross Blue Shield of Massachusetts | ■ Gilbane Building Company                     | ■ Partners Healthcare         |
| ■ Citizens Bank                           | ■ Greater Boston Chamber of Commerce           | ■ State Street Corporation    |
| ■ Comcast                                 | ■ John Hancock                                 | ■ Tufts Health Plan           |
| ■ Dentaquest                              | ■ Massachusetts Housing Investment Corporation | ■ University of Massachusetts |
| ■ Eastern Bank                            | ■ National Grid                                | ■ Verizon                     |
| ■ Emerson College                         |  | ■ Vertex Pharmaceuticals      |

## GOALS

**Contracts:** We aim to increase the number of contracts and dollars spent among Pacesetters and local minority-owned businesses through a purposeful matchmaking process and setting bold diverse procurement spending goals

**Peer Learning:** We foster partnerships between companies by working together to share best practices, enhance supplier diversity efforts, and build momentum around the Pacesetter Initiative

**Data-Driven Sourcing:** We encourage commitment from Pacesetters to collect, measure and report on their annual spending with local minority-owned businesses. We use this data to track progress and inform areas for diversifying spending.

**Awareness:** We work to raise awareness about the economic benefits of extending opportunities to minority-owned businesses and serve as a model for the Greater Boston business community.



# Access to Capital

COMMIT TO making capital available to minority-owned businesses and people of color.

## SUPPORTING DATA

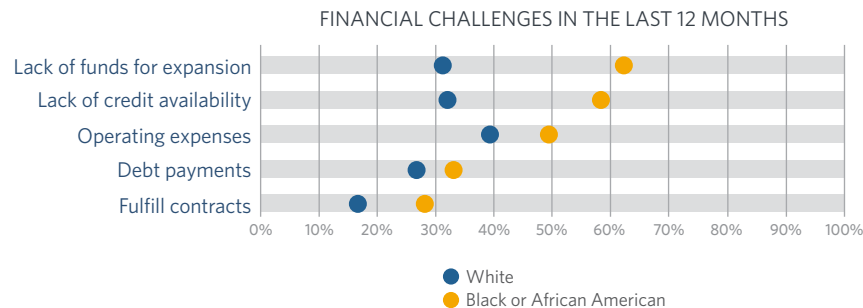
■ **The Center for American Progress** reports that Black Americans make up 13 percent of the U.S. population, but own less than 2 percent of small businesses with employees. By contrast, white Americans make up 60 percent of the U.S. population but own 82 percent of small employer firms.

The Center for American Progress report that the current state of Black-owned businesses reflects persistent inequities in wealth and access to capital. If financial capital were more evenly distributed and Black Americans obtained increased business

ownership and success rates as their white counterparts, there would be approximately 860,000 additional Black-owned firms employing more than 10 million people. Even when Black-owned businesses do obtain loans, they are frequently much smaller in amount (an average of \$35,205) compared to those obtained by their white counterparts (\$106,720).

**Center for American Progress:** People of color experience both income gaps and wealth gaps: for every \$2 a white individual earned in 2010, Black and Latino individuals earned \$1; and for every \$6 white individuals had in wealth, Black and Latinos had just \$1. **One reason** for the wealth gap between white households, and both Black and Latino households, is low homeownership rates: 42 percent for Black households and 45 percent for Latino households, compared to 72 percent for their white counterparts.

■ **The Federal Reserve Bank of Boston 2015 report on the Color of Wealth** demonstrated racial and ethnic differences in net worth demonstrate the extreme financial vulnerability faced by nonwhite households in Boston. For



MEDIAN WEALTH  
\$247,500  
WHITE FAMILY  
\$8  
U.S. BLACK FAMILY

## SAMPLE GOALS

recommended by the Black and Brown Communities

COMMIT TO annually directing no less than **25% of total new investment dollars** toward **businesses owned by People of Color**

COMMIT TO Alternative Investments (PE, VC, Hedge, REIT, etc.) having **12% of newly-hired investment staff** be People of Color in order to receive regulated funds

COMMIT TO no less than **10% of their annual capital** available for **investment in start-up and scale-worthy businesses** owned by People of Color

COMMIT TO investing in creation of **venture funds** lead by People of Color

example, in 2015, the median family wealth for white families was \$247,500 while the median family wealth for U.S. Black families was \$8.

The typical white household in Boston is more likely than nonwhite households to own every type of liquid asset. For example, close to half of Puerto Ricans and a quarter of U.S. blacks are unbanked (that is, they do not have bank accounts) compared with only 7 percent of whites. For every dollar, the typical white household has in liquid assets, U.S. Blacks have 2 cents, Caribbean blacks 14 cents, and Puerto Ricans and Dominicans less than 1 cent. Nonwhite households have only a fraction of the net worth attributed to white households.

## BEST PRACTICES/CASE STUDY

**Business Equity COVID-19 Emergency Fund (BECF)** established by a group of coalition partners focused on supporting Black and Latino businesses in Massachusetts. Coalition Partners include the **Foundation for Business Equity (FBE)**, Business Equity Fund (BEF) at the **Boston Foundation**, **Amplify Latinx**, **BECMA**, **CommonWealth Kitchen**, and the **Boston Ujima Project**. The Fund provided flexible loans and crisis response support teams to Massachusetts-based Black and Latino businesses with revenues of at least \$250,000.

- Loans: Funding up to \$100,000. Flexible loans may be used for working capital and other demonstrated business needs (e.g., salaries and wages, inventory, equipment, marketing, etc.)
- Response Support Teams: Strategic advisors & crisis management expert consultants will partner with businesses to assess the existing and potential COVID-19 impact on their business, develop financial forecasts and scenarios, and co-create near and medium-term plans to mitigate COVID-19 impact (including how to leverage federal, state, and local government resources).

**Citi and the Citi Foundation** launched an initiative to close racial gaps for Black Americans throughout the U.S. **The Action for Racial Equity** will invest \$1.15 billion in strategic initiatives to close the racial wealth gap and increase economic mobility over the next three years. Its **goal** is to provide greater access to banking and credit in communities of color, increase investment in Black-owned businesses, expand homeownership among Black Americans, and advance anti-racist practices in the financial services industry.

Below is the breakdown of where \$1.15 billion will be distributed in the next three years:

- \$550 million to support homeownership for people of color and affordable housing by minority developers.
- \$350 million in procurement opportunities for Black-owned business suppliers.
- \$50 million in additional impact investing capital for Black entrepreneurs.
- \$100 million to support Minority Depository Institutions' growth and revenue generation.
- \$100 million in Citi Foundation grants to support community change agents.

**Bank of America** announced it is making a \$1 billion, four-year commitment of additional support to help local communities address economic and racial inequality accelerated by a global pandemic. The programs will be focused on assisting people and communities of color that have experienced a greater impact from the health crisis. This program builds on steps the company has already taken, including an additional \$100 million to support its nonprofit partners across its communities, and \$250 million to assist with lending to the small and minority-owned businesses through its support to community development financial and minority depository institutions.

# Access to Capital

**JPMorgan Chase** is making a \$30 billion commitment over the next five years to address some of the largest drivers of the racial wealth divide. The following outlines the firm's business, policy and philanthropic commitments:

- Promote Affordable Housing and Homeownership for Underserved Communities
- Grow Black- and Latino-owned Businesses
- Improve Financial Health and Access to Banking in Black and Latino Communities
- Accelerate Investment in their Employees and Build a More Diverse and Inclusive Workforce

## RESOURCES



The Foundation for Business Equity (FBE), an independent non-profit organization focused on addressing the real and widening income and wealth gaps affecting Black and Latinx communities. FBE is a Boston based nonprofit working to close the wealth gap by addressing the persistent structural barriers that prevent Black and Latinx businesses from reaching their full growth potential. FBE helps enterprises of color scale through a multi-faceted approach. Central to FBE's approach is the Business Equity Initiative (BEI), which introduces Strategic Advisors, executives with decades of business management experience, to business owners to help create strategic growth plans and provide sound advice to growing their businesses. In addition to offering strategic advice, FBE focuses on the broader ecosystem that prevents businesses from growing by offering access to additional resources in the specific areas of growth capital and new contracts.



Reinventure Capital is the second generation of a successful racial/social justice venture capital practice. Their high impact and high return strategy and investment

process has been proven to deliver nonconcessionary financial returns along with intentional, measurable, and meaningful racial/social justice impact. They invest in US-based companies led and controlled by BIPOC—Black, Indigenous, and other people of color—founders, and/or womxn founders of all identities. Companies that are at breakeven or so, commercializing solutions to real problems, in fragmented industries, at the forefront of one or more shifts, and poised to grow profitably. They are a diverse team investing in diverse founders who are growing profitable companies that will create new wealth and opportunity, shape our future, and reinvigorate the American dream.



The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in generating economic growth and opportunity in some of our nation's most distressed communities. By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities. These mission-driven organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing. Each business financed, each job created, and each home built represents a critical step in the transformation of a life, a family, and a community. This is real change. This is the CDFI Fund.



Massachusetts Growth Capital Corporation (MGCC) functions as a one-stop resource for debt financing for small businesses. The purpose of MGCC is to create and preserve jobs at small businesses, inclusive of those owned by women, minorities, immigrants and veterans. MGCC also works to promote economic development throughout the Commonwealth, with special paid attention to business needs in underserved areas, Gateway Cities and low to moderate income communities.



## **SMALL BUSINESS STRONG**

Small Business Strong is a non-profit organization empowered to help women and minority owned small businesses navigate the devastating impact of the COVID-19 pandemic. We recognize that our 650,000 Massachusetts small businesses are the lifeblood of our communities and we have set out to provide best-in-class support where it's needed most. Small Business Strong provides expedited, pro-bono resources to small businesses ranging from access to capital to consulting, business restructuring, business growth, digital marketing and customer engagement plans.



ICIC drives inclusive economic prosperity in under-resourced communities through innovative research and programs to create jobs, income, and wealth for local residents. Founded in 1994 by Harvard Business School Professor Michael Porter, the Initiative for a Competitive Inner City is a national nonprofit research and advisory organization and the leading authority on U.S. inner city economies and the businesses that thrive there. We help business, government and philanthropic leaders leverage local assets to transform communities. Our research team has helped to shape economic development strategies in more than twenty inner cities.



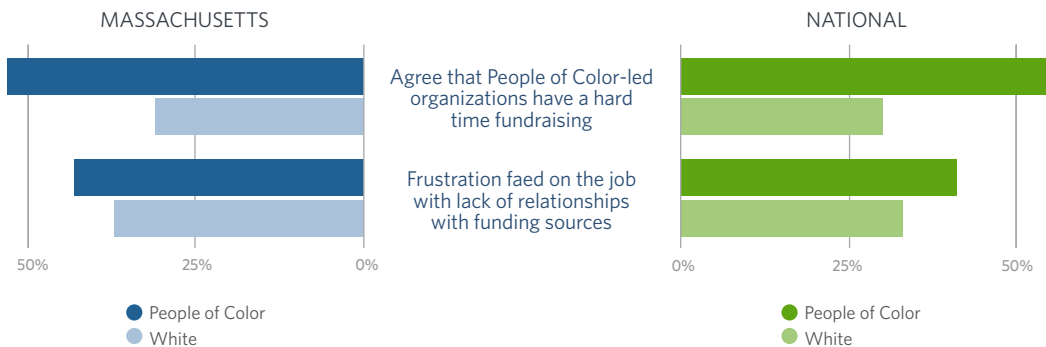


# Donate to a Fund

COMMIT TO contributing to a fund that supports minority owned business and non-profits supporting communities of color.

## SUPPORTING DATA

■ **The Building Movement Project's Race to Lead** survey spotlight on Massachusetts, shows the pressures and challenges of fundraising, which are higher for people of color than white respondents for non-profits in Massachusetts. More respondents in Massachusetts compared to the national sample, noted frustration with lack of relationships with funders. Agreement with the statement that people of color have a harder time raising money than white nonprofit leaders was also similar between Massachusetts and the national sample, both of which showed a gap of more than 20 percentage points between people of color and whites.



## RESOURCES



The **Business Equity Fund** at the Boston Foundation is designed to address longstanding barriers to growth financing and technical assistance that have historically limited opportunity for entrepreneurs of color. The Fund was created in 2018 as a core component of an ecosystem to grow enterprises of color in greater Boston. That ecosystem includes the Foundation for Business Equity's **Business Equity Initiative** (BEI) program, the Greater Boston Chamber of Commerce's **Pacesetters** Initiative, which encourages its members to work with minority-owned businesses, and the Fund. Together, they provide capacity, capital and contracts to Black and Latinx businesses to help them grow. **The Business Equity Fund is currently actively seeking grants**

## SAMPLE GOALS

recommended by the Black and Brown Communities

CONTRIBUTE TO  
a Reconstruction and  
Rehabilitation Fund  
that will total  
no less than \$1B  
before December 31, 2030

and contribution funding from foundations, government entities and others to broaden the pool of capital available for investment in qualified businesses.

**The New Commonwealth Racial Equity and Social Justice Fund** was founded by a coalition of Massachusetts Black and Brown executives for the sole purpose of leveraging our individual and collective power to work together with community organizations to make transformative societal changes by addressing systemic racism and racial inequity in Massachusetts. The mission of the Fund is to provide essential support, resources and thought leadership for uncovering and dismantling systemic racism and all of its various and insidious forms, within institutions in Boston and across the other 350 cities and towns in the Commonwealth of Massachusetts. The initial focus of the Fund will be to provide resources to initiatives and nonprofit organizations effectively supporting communities of color in the following areas:

- Policing and Criminal Justice Reform
- Health Care Equity
- Economic Empowerment
- Youth Education, Empowerment, and Civic Engagement





MBR's mission is to strengthen the state's economic vitality. MBR engages with public and private leaders to develop public policy solutions that enhance Massachusetts' long-term competitive position and make it a highly-desirable place to do business within a global economy.

For more information about 5 Strategies to Addressing Institutional Racism Employer Resource Guide, contact JD Chesloff, MBR Executive Director, at [jdchesloff@maroundtable.com](mailto:jdchesloff@maroundtable.com).

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