

2021 Rebuilding Better RFP

Addressing Challenges Faced by Entrepreneurs of Color

Diversity is one of America's greatest strengths. The goal of America's New Business Plan is to make it easier for everyday Americans, no matter their race or ethnicity to turn their ideas into businesses. Sadly, America's entrepreneurial landscape does not currently reflect the diversity of its communities. Although people of color make up 32% of the U.S. population, only 18% are business owners, an entrepreneurial rate that continues to lag behind that of their White counterparts.¹ Imagine what additional, new discoveries could be made, what additional and new wealth created, what revitalization could occur if access to entrepreneurship were finally equitable.

One recent example of this inequity was seen during the COVID-19 distribution of Paycheck Protection Program (PPP) loans. The PPP initially relied on banks to distribute loans, which favored existing customers and businesses with more than 10 employees.² However, Black and Latino-owned businesses tend to be unbanked or underbanked.³ According to a report by the Brookings Institute, on average it took seven days longer for small businesses with paid employees in majority-Black zip codes to receive PPP loans than those in majority-White communities. For non-employer businesses, the loan delay between majority-Black and majority-White neighborhoods grew to nearly three weeks.⁴ This likely led to the failure of many businesses owned by people of color because, according to the JPMorgan Chase Institute, in a majority of all majority-Black and majority-Latino small businesses, more than 50% have cash buffers of less than three weeks, compared to only 35% of majority-White neighborhoods.⁵

Projects focused on racial and ethnic inequities must address a policy need faced by entrepreneurs of color and propose a plan to organize grassroots advocates or directly educate lawmakers about the challenge and how to solve it. Applications should highlight the organization's commitment to racial equity as exhibited by a diverse board of directors and staff, a stated commitment to diversity and inclusive practices, and/or at least one person

¹ "Minority Entrepreneurs," U.S. Senate Committee on Small Business & Entrepreneurship, accessed February 4, 2021, <https://www.sbc.senate.gov/public/index.cfm/minorityentrepreneurs>.

² Sifan Liu and Joseph Parilla, "New data shows small businesses in communities of color had unequal access to federal COVID-19 relief," last modified September 17, 2020, <https://www.brookings.edu/research/new-data-shows-small-businesses-in-communities-of-color-had-unequal-access-to-federal-covid-19-relief/>.

³ Sifan Liu and Joseph Parilla, "New data shows small businesses in communities of color had unequal access to federal COVID-19 relief," last modified September 17, 2020, <https://www.brookings.edu/research/new-data-shows-small-businesses-in-communities-of-color-had-unequal-access-to-federal-covid-19-relief/>.

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whose primary function is to serve as a direct liaison to the community the organization is trying to impact.

Letter of Interest Elements

In addition to organization and primary contact information and funding request information, applicants will be expected to answer a series of questions that are specific to this request for proposals. Below is an overview of the questions applicants will be expected to complete:

Demographic information

Applicants will be asked to provide identity data for the organization's executive directors, board, and senior staff. Additionally, applicants will be asked to provide estimates on the race, ethnicity, and gender of the people they serve.

Identify the problem or need.

In no more than two paragraphs, applicants must describe the problem, challenge, or need their organization is seeking to address. Make sure to describe the community or population the project seeks to serve, how the community or population was included in the development of the project, and how policy change would reduce inequities. Letters of interest that cite external or internal evidence (e.g., research, polling data, entrepreneur focus groups, etc.) that supports the need will receive higher scores.

Describe the project, concisely.

In no more than two paragraphs, describe the project seeking grant funding. Be sure to include how the proposed project will advance the voices of entrepreneurs of color and how the proposed project will be designed through a lens of racial equity. Letters of interest that clearly identify a policy solution to the identified problem, challenge, or need and how the identified policy change will be pursued will receive higher scores.

Explain why this organization is best suited to carry out this work.

In two to three short paragraphs, applicants must describe their organization's prior experience engaging policymakers or outline a plan detailing how the organization has the capacity to carry out new advocacy or policy engagement programming. Organizations should also describe their commitment to equity and diversity and may supplement their responses by uploading documents that show a diverse board of directors and staff, a stated commitment to diversity and inclusive practices, and/or at least one person whose primary function is to serve as a direct liaison to the community the organization is trying to impact. Organizations that demonstrate a strong commitment to diversity will receive higher scores.

Full Proposal Elements

If selected to advance to the second stage of the RFP process, applicants will receive user credentials to the Foundation's online grants management system, Fluxx. Below is an overview of the proposal elements required in the second phase of the RFP:

Project Description: Information about the proposed project/program, including a project summary, start and end dates, detailed description, and the team's implementation plan.

Relevant Qualifications: Information about the applying organization and how its staff are uniquely qualified to carry out the work described within the grant proposal.

Project Budget: In addition to providing a Kauffman-specific project budget, applicants will be asked to upload a detailed overall project budget (using the Kauffman template) that includes both revenues and expenses, status of other funds (if applicable), and clearly connects budget lines to grant deliverables.

Organization Capacity & Financials: Information to understand the applying organization's capacity to manage the grant and the organization's overall financial health, including such things as the organization's leadership/board, operating budget, financial statements, and most recent audit (if applicable).

Evaluation Metrics: Applicants will be expected to draft output and associated outcome metrics. Outputs are the activities, products, or services that the applying organization will undertake/provide as part of the grant. The associated outcomes are the changes that will result from the outputs. If an applicant needs help drafting outputs and outcomes, please see this [guide](#).

Review Process

All first-round letters of interest will be reviewed by Kauffman staff. Those chosen as semi-finalists will be evaluated by Kauffman program officers and grants administration staff in a final decision meeting. The review process for this RFP will take approximately 12 weeks from the letter of interest deadline.

At each stage of the review process, applicants will be assessed only against other applicants in the same track.

Reviewers will be using a track-specific rubric to score applicants objectively.