Introduction
As the COVID-19 outbreak continues, local small and micro-businesses are under distress, especially Black and Latinx-owned businesses which are particularly vulnerable to the impact of this unprecedented global crisis. These businesses need quick capital injections and sound advice to navigate through the crisis. A coalition of trusted community organizations has come together to create an emergency response fund to support Massachusetts Black and Latinx businesses best positioned to weather the crisis.

The Need
The COVID-19 outbreak has crippled local small and micro-businesses. As of March 18th, 38% fewer small businesses in Eastern Massachusetts were open compared to the previous month. Nearly one third (32%) of Boston’s small businesses have lost more than 75% in revenue and 55% have lost at least half of their revenue. And this was before the Governor’s March 23rd order to close all non-essential businesses. Most small businesses aren’t ready for this shock. The median small business has just 27 days of cash buffer and main streets business (restaurants, retailers) hold an average of 19 days of cash buffer. Black and Latinx-owned businesses are particularly vulnerable given their owners’ relatively low wealth and their employees (disproportionately people of color) are also at risk. While national, state, and local governments have begun to mobilize to provide support, their actions are insufficient to meet the unprecedented need. To avoid mass business closings and unemployment that would exacerbate existing racial inequality, we need to do more, and quickly.

The Business Equity COVID-19 Emergency Fund
The Business Equity COVID-19 Emergency Fund’s (BECEF) will provide no interest bridge loans and crisis response support teams to Massachusetts-based Black and Latinx businesses with revenues of at least $250,000.

- **No Interest Bridge Loans** – Loans of up to $100,000 for 2-3-year terms and no payments for 1-year and no prepayment penalties. Capital may be used for working capital and other demonstrated business needs (e.g., salaries and wages, inventory, equipment, marketing, etc.)

- **Crisis Response Strategy Teams** – Strategic advisors and 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).

The BECEF will be operated by a group of Coalition Partners that are all nonprofit business support organizations focused on supporting Black and Latinx businesses in Massachusetts. Coalition Partners include The Business Equity Initiative (BEI), and Business Equity Fund (BEF) at the Boston Foundation, Amplify Latinx, BOCMA, CommonWealth Kitchen, and Ujima Boston. The application and decision process will be fast. The BECEF will seek to make decisions within 30 days of business applications. In addition to typical loan application documents, applicants will provide 1) a statement of COVID-19 impact, 2) statement of financial need and use of loan proceeds. The BECEF is seeking $5 to $10 million in capital that would support 40-80 Black and Latinx businesses.

Supporters and Funding Needs
The BECEF will initially be seeded by the Eastern Bank Charitable Foundation ($250,000), The Berkshire Bank Foundation ($200,000) and The Boston Foundation ($500,000). We are seeking to raise at least an additional $4 to $9 million. If organizations or individuals are interested in contributing to the COVID-19 Impact Fund, please reach out to Orlando C. Watkins, Boston Foundation Vice President of Programs, at Orlando.watkins@tbf.org | (617) 338-2291, or Glynn Lloyd, FBE Executive Director at g.lloyd@fbequity.org | (617) 828-4228.
The Business Equity COVID-19 Emergency Fund

Coalition Partner Profiles

The Foundation for Business Equity’s Business Equity Initiative ([www.fbequity.org](http://www.fbequity.org))
The Foundation for Business Equity (FBE) exists so that Black and Latinx entrepreneurs reach their full growth potential. FBE’s mission is to build collaborative ecosystems and programs that remove structural barriers. FBE’s work is to identify, invest in and expand approaches that will foster an environment of support, inclusion and growth for Black and Latinx businesses. FBE’s signature program is the Business Equity Initiative (BEI), which provides quality capacity building through high touch strategic advisory to drive growth for Black and Latinx businesses.

The Business Equity Fund at The Boston Foundation ([www.tbf.org](http://www.tbf.org))
Established in 2018 with a seed investment of $2 million from Eastern Bank, The Business Equity Fund (BEF) leverages philanthropy to provide an alternative financing source and access to capital for qualified Black and Latinx – owned businesses that are constrained by conventional financing practices that restrict their growth. The Fund’s mission is to fill gaps in access to growth capital for Black and Latino businesses and to help establish a thriving Black and Latinx entrepreneurial class through revenue growth, creating and maintaining good jobs, and building wealth in communities of color.

Amplify Latinx ([www.amplifylatinx.co](http://www.amplifylatinx.co))
Amplify Latinx is a non-partisan, collaborative movement whose mission is to build Latinx economic and political power by significantly increasing Latinx civic engagement 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.

Black Economic Council of Massachusetts ([www.becma.org](http://www.becma.org))
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.

CommonWealth Kitchen ([www.commonwealthkitchen.org](http://www.commonwealthkitchen.org))
CommonWealth Kitchen (CWK) is a collaborative community that provides shared kitchens and business assistance to help aspiring entrepreneurs build great food companies, create jobs, improve healthy food access, and strengthen the regional food economy. CWK believes that an equitable and resilient local economy requires closing Boston’s growing wealth divide by promoting inclusive entrepreneurship and creating sustainable employment, with a focus on people who have been impacted by racial, social, and economic inequality.

Ujima Boston ([www.ujimaboston.com](http://www.ujimaboston.com))
The Boston Ujima Project is creating a community-controlled local economy led by Boston’s working residents of color. Ujima is governed by a multi-stakeholder group of small business owners, grassroots advocates, workers, impact investors, community members, unions, and faith-based organizations. The governing body makes collective community investment decisions.