



Rhode Island Black Business Association
220 Smith Street | Providence, RI 02908

09 April 2024

The Honorable Marvin Abney
House Committee on Finance
82 Smith Street
Providence, RI 02903
HouseFinance@rilegislature.gov

Testimony *in support of* Bill H7482: Resolves that \$500,000 be directly allocated to the RI Black Business Association for business and workforce development.

Chairman Abney and Members of the House Finance Committee,

The Rhode Island Black Business Association (RIBBA) strongly supports Representative Biah's bill to allocate \$500,000 of the FY25 budget to fund business and workforce development services and programming. This investment will help more businesses scale up and achieve sustainability, create scores of good-paying local jobs, raise not only incomes but household wealth, and it will fundamentally strengthen our entire economy.

RIBBA is a nonprofit organization dedicated to advancing the business opportunities and vitality of Black-owned and minority-owned businesses in Rhode Island. We work to strengthen and promote sustainable growth and prosperity within Rhode Island's underserved communities. This proposed investment comes at a critical time for our state. Minority-owned businesses are on the rise in Rhode Island, but this progress will stagnate if the state does not act in support.

Data from the most recent SBA profile for Rhode Island shows a decrease in the number of small businesses overall but an increase in the number of minority-owned businesses. In the span of 1 year, Asian-owned businesses grew by 6%, Latino-owned businesses grew by 14%, and Black-owned businesses grew by 26%; the number of Black-employers in RI increased by over 90%. The Rhode Island rate of minority business ownership is still below the national average (7.4% vs 18.3%) but the momentum is there. This economic development represents a true rising tide of shared prosperity. Without supporting the trusted, effective organizations like RIBBA working frontline with these entrepreneurs and business owners, that tide becomes a lost opportunity to the detriment of our entire state.

RIBBA's programs and services are available free-of-charge to all Rhode Islanders. Close to 90% of all funding given goes directly to programming, with business development services representing the main portion of our work. We offer a comprehensive 360-suite of resources for business development, including one-on-one business development assistance, business counseling, certification assistance, marketing and social media, mentorship, financial analysis, training, legal services, and access to capital. Since 2010, we have assisted 3,000+ businesses.

RIBBA also manages two large workforce development programs in partnership with RI DLT, LEAP Mentorship & Training and Emerging Leaders. These programs empower, train, and support diverse youth, young adults, and mid-career professionals through academic and career goals. Since 2022,



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we have graduated 150+ alumni of these programs. H7482 will increase the impact of our efforts providing business and workforce development opportunities in Rhode Island.

Past allocations of state funds to RIBBA have yielded significant results. In FY23, the state allocated \$500,000 of ARPA dollars to RIBBA for business and workforce development. We assisted 370+ businesses. 46% reported an increase in job creation and 58% reported an increase in gross income. Our provision of services realized cost-savings of \$324,170 for small businesses.

RIBBA used the funds to expand capital access by establishing a grant making partnership with Verizon as well as hosting 3 Lender Match events with SBA-certified lending institutions (this is an ongoing event series). We submitted 33 applications for MBE/WBE certification to help build a real pipeline for state utilization. RIBBA also used the allocated dollars to grow strategic partnerships for statewide economic prosperity by establishing the Business Empowerment Alliance of Rhode Island.

Finally, RIBBA used state funds to create a co-working space in our new HQ that's open to all entrepreneurs and business owners looking to grow their enterprise. In addition to coworking space, other business development resources will be available such as mailroom services, one-on-one business coaching, and workshops. This will be a permanent minority business hub, the only one like it in the state.

Minority-owned businesses are the fastest growing sector of the Rhode Island economy, and in communities that historically and currently experience disproportionate rates of economic hardship, like poverty and unemployment. This progress started with a state investment, and the only way to sustain it is to continue the investment. Minority-owned small businesses need guidance, assistance, and support, and they're coming to RIBBA to find it; we've seen our client base grow by 40% annually. H7482 invests in RIBBA, and, by doing so, it invests in supporting minority-owned businesses and supporting underserved communities across the entire state.

The Rhode Island Black Business Association urges the Committee to vote yes on H7482 and send it to the House floor with a recommendation of passage. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Kristina A Fox". The signature is written in a cursive, flowing style.

Kristina Contreras Fox
Director of Policy
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