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GMCC and Wells Fargo initiatives help minority owned small businesses succeed

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Florida has long been touted as a small business state and for good reason – there are 2.5 million small businesses that call Florida home. Small businesses are the backbone of Florida’s economy, creating three out of every four new jobs in the state and employing more than 40 percent of the state’s private sector workforce. In Miami-Dade County, there are about 87,000 businesses, of which 83,000 have fewer than 50 employees. Small businesses are the heart and soul of Miami’s economy and job growth.

The coronavirus pandemic, however, created new challenges for

Florida's small businesses across the board; but nowhere more than for minority entrepreneurs who historically face wealth gaps and income inequality that serve as barriers to the prosperity of their business.

Our small business community is among the most diverse in the country, ranking third in the nation, with nearly one million small businesses owned by Black and Indigenous people of color (BIPOC). In fact, more than one in three Miami-Dade business owners is Black, Hispanic, or a woman. Despite the large population of minority-owned small businesses, Miami remains the second most unequal city in the United States according to a study by the Miami Urban Future Initiative at Florida International University (FIU).

There are many reasons for this inequity, but chief among them is the fact that minority-owned small businesses face unique structural challenges that directly affect their financial health. Black-owned businesses, overall, have a smaller employee count than nonminority-owned small businesses, tend to start out with far less capital through initial investments, and are in service industries that are more susceptible to disruption. These challenges make it harder for minority entrepreneurs to run and scale their business successfully when compared to white business owners. Unfortunately, minority-owned and operated small businesses face many barriers to obtaining capital.

The coronavirus response exacerbated these challenges for both minority-owned small businesses and minority-held jobs, which are concentrated in the industries that were most immediately affected by the pandemic.

The barriers that minority-owned small businesses must overcome leave them twice as likely to be classified as "at-risk," according to the Federal Reserve; and at-risk businesses are three times more likely to shutter because of a two-month shock to revenue.

The hurdles minority entrepreneurs face can feel impossible to surmount. To help close the wealth and inequality gap, business and non-profits alike have been stepping up.

Wells Fargo is one example, having launched their Open for Business Fund, and donating approximately \$420 million to nonprofits and Community Development Financial Institutions (CDFI's). Here in Florida, Wells Fargo recently awarded a \$20 million Open for Business grant to The Miami Foundation, which will provide minority-owned businesses hardest hit by COVID-19 in Miami Dade

access to the resources they need to prosper.

There are other ways to help. For instance, The Greater Miami Chamber of Commerce, through the GMCC Unites program, provides Black-owned small businesses access to its larger corporate members to increase business opportunities. Additionally, The Chamber's Greater Health Trust program helps small businesses contain the escalating cost of healthcare. Partnering with AvMed, the program enables small businesses (2 to 50 employees) the opportunity to obtain quality healthcare coverage at rates normally reserved for larger corporations.

"The grants and other programs are essential to support small business owners and entrepreneurs at all stages of business development, but more must be done," said Alfred Sanchez, president and chief executive officer at Greater Miami Chamber of Commerce.

The weight of the pandemic took a toll on Florida's small business community; the government, non-profits, and private sector must all work together, to ensure that minority-led businesses have access to capital and recovery resources is critical to our state's economic future.

The Greater Miami Chamber of Commerce is the proud champion for the Greater Miami Business Community and a civic engine that fuels the advancement of The Magic City. For more information, please visit www.miamichamber.com.

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