

MAIN ST VENTURES

EMPOWERING THE NEXT GENERATION OF ENTREPRENEURS

CITY OF CINCINNATI
CITY COUNCIL BUDGET & FINANCE COMMITTEE
MAY 11, 2021

THE CHALLENGE

An estimated 83% of all entrepreneurs don't have access to funding when starting a businesses. Too often, women and minority founders face even greater barriers to accessing funding and social capital.

ACCESS

FUNDING CAPITAL

- Bank lending and venture capital funding
- Personal and family savings
- Personal credit card debt

SOCIAL CAPITAL

- Geography and demographic limits
- Connections to mentors, customers, employees, and investors
- Access to knowledge infrastructure

ENTREPRENEURSHIP IN GREATER CINCINNATI

Cincinnati has a history of successful, locally-founded companies, yet the region still lags behind many of its peers in fueling entrepreneurial growth.

- Cincinnati (#10) landed 3 spots behind Columbus (#7) in Midwest Startups 2020 Cities Ranking which cited **access to resources** as the primary difference.
- Since 2015, only \$1.3 million in Venture Capital funds have been invested in female-only founded businesses in Cincinnati compared to \$27.4 million in Columbus – **a difference of \$26.1 million¹**.
- If Black-owned businesses were equivalent to the Black population in the Greater Cincinnati metro region, **there would be more than 4,700 more Black-owned businesses²**.

1. <https://pitchbook.com/news/articles/the-vc-female-founders-dashboard>

2. Dr. Andre M. Perry, Senior Fellow, Brookings Institute



COVID-19 IMPACT

The COVID-19 pandemic has dealt a crushing blow to many small businesses over the past year – more than 340 businesses in the Cincinnati Region alone closed their doors permanently between March and July of 2020¹.

Black and Latino business owners were hit particularly hard further emphasizing the equity issues within the entrepreneurial ecosystem. Recent national data shows that compared to Black business owners, White business owners were²:

3 TIMES More likely to receive PPP loans

3 TIMES More likely to receive Economic Injury Disaster Loans

4 TIMES More likely to receive other Small Business Association Loans

1. <https://www.bizjournals.com/cincinnati/news/2020/08/13/report-shows-extent-of-permanent-business-closures.html>

2. <https://www.score.org/resource/infographic/megaphone-main-street-impact-covid-Black-owned-small-businesses>

WHY THIS IS IMPORTANT

Fueling the creation and growth of local businesses, especially those owned and operated by women and people of color, is a smart investment for all of us.



STRONGER COMMUNITIES

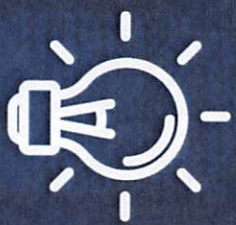
GREATER INNOVATION

ROBUST LOCAL ECONOMY

Declining entrepreneurial activity decreases wages and living standards for all citizens – in other words, fewer new businesses result in a lower quality of life

GINGINNATTI'

MAIN STREET SOLUTIO



GRANTS FOR DIVERSE FOUNDERS

Challenge

It is disproportionately more difficult for women and people of color to obtain funding for their businesses.

These businesses are often (wrongly) viewed as “non-starters without high growth potential” by the typical investor.

Solution

Expand Main Street Ventures Leap and Launch Grant Programs, Specifically for Women & Minority Founders

Investment

Total: \$2,500,000

\$1.25 Million

Female Founders

\$1.25 Million

Minority Founders



FINANCIAL EDUCATION PROGRAMMING

Challenge

The vast majority of local entrepreneurs lack basic business financial acumen.

This leads to an inability to successfully pursue investment opportunities for their businesses.

Solution

Develop Financial Education Programming tailored to the needs of entrepreneurs

Investment

Total: \$500,000

\$250,000

Female Founders

\$250,000

Minority Founders



LEVERAGING THE IMPACT

Together, we can improve the economic and cultural health of our community and build a more vibrant future for Cincinnati.



**THE
COMMUNITY
FUNDED
ENTREPRENEURSHIP
ORGANIZATION**



OUR IMPACT

2018 - 2020

30 LEAP GRANTS

6 ORGANIZATION GRANTS

11 EVENT GRANTS

4 COVID-19 RELIEF GRANTS

MORE THAN
\$1.26 MILLION
INVESTED IN LOCAL
BUSINESSES

\$5.6 MILLION

RAISED IN FOLLOW-ON FUNDING BY GRANT RECIPIENTS

10

OF GRANT RECIPIENT
FOUNDERS ARE CONSIDERED
"UNDERREPRESENTED"

76%

93% OF ALL LEAP GRANTEEES ARE
STILL IN EXISTENCE

243
JOBS
CREATED

Part-Time
151

Full-Time
92

THANKS!



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