Different Times, Require Different Ways

The thing to remember about those hardest 18 months of the pandemic is that with all the hardship, came an unprecedented community response from the public and private sector.

In 2022, that life raft floated away as that aid dried up and the pandemic left historic inflation, labor shortages, and supply chain issues in its wake. This has put many small business owners in dire straits unless they have access to a strong local business support network.

This means three things in terms of building a resilient economy.

First, the need among small businesses remains extremely high, and many remain closure risks, particularly those owned by women and people of color.

Second, we need to double down on investing in inclusive small business growth that targets underserved neighborhood businesses and replicate the success we had leading up to and during the pandemic, but with strategies that reflect the realities of today.

Third, the federal assistance band-aid has fallen off, and philanthropy cannot do it alone. It’s up to regions and states to take intentional, policy-driven action to support small businesses if they want a vibrant economy.

Over the years, the strength of the New Economy Initiative has been the ability to adapt our strategy based on the needs of our region as it shifts over time. In 2022, we continued to rise to meet the needs emerging in the post-pandemic era.

Through the Inclusive Small Business Support Network Fund, we are strengthening the business support ecosystem for underserved communities throughout the region and expanding its footprint. This expansion involves geography, but also our grantee base, to create the expertise and connections to reach those small businesses that are not being served.

Building off the launch of NEI’s Small Business Network Office in 2021, we are putting boots on the ground and tracking the pulse of small business. Through the office, NEI is partnering with community development organizations on a pilot program to canvass their individual communities and assess how to grow the overall business ecosystem to better serve small businesses.

We are also launching a Capital On Ramp Program (CORP) pilot designed to make lending more accessible and equitable by changing the way lenders collect information and provide assistance along the way to small businesses by connecting them to mission-based lenders who can give them loans and the technical assistance to maximize that capital.

On a broader scale, NEI and the Michigan Municipal League Foundation have launched a new Michigan Microbusiness Coalition to help educate lawmakers about the importance of enacting policy and public funding designed to help microbusinesses thrive.

As we continue into this post-pandemic era, we are clearly experiencing different times. Supporting small businesses in different times requires supporting small businesses in different ways.

At NEI, that’s exactly what we’re doing as we build a more inclusive, resilient new economy.

Wafa Dinaro
Executive Director,
New Economy Initiative

NEI’s mission is to grow an inclusive community of entrepreneurship in southeast Michigan that benefits all residents and strengthens the regional economy.

We do this by

Advocating for inclusive entrepreneurship by promoting underserved entrepreneurs’ needs and galvanizing philanthropic and public funding to meet their needs.

Activating strategies, raising funds, and awarding grants to support a network of nonprofits providing capital, assistance, and connections.

Working with partners to use data and lessons learned to ensure the network is effective and to inform public sector leaders on the value of supporting underserved entrepreneurs.
NEI’s work in 2022 primarily focused on supporting organizations that serve under-resourced and underserved small businesses and entrepreneurs throughout Wayne County while doubling down on efforts in the city of Detroit.

In total, NEI awarded $4.25 million through 32 grants to nonprofit business support organizations. The grants, ranging from $50,000 to $200,000, provided capital, technical and practical assistance, and connections to entrepreneurs and small business owners throughout southeast Michigan.

- **$4.25m IN GRANTS**
- **3,524 COMPANIES ASSISTED** by NEI grantees through 5,973 support engagements

### Small businesses served by NEI Grantees

- **75%** LOCATED IN WAYNE COUNTY
  - **57%** ARE WOMEN-LED
  - **85%** LED BY PEOPLE OF COLOR
  - **90%** LOCATED IN THE CITY OF DETROIT

### NEI has the opportunity to reach more businesses, especially in outer Wayne County, and to reach more Latinx and Arab entrepreneurs.

#### Racial Breakout
Among Wayne County Clients

- **BLACK** 58.7%
- **WHITE** 22.2%
- **EAST ASIAN/INDIAN** 10.1%
- **ARAB** 5.2%
- **LATINX/HISPANIC** 1.7%
- **MULTIRACE** 1.1%
- **OTHER** 1%

### IMPACT SINCE 2009

- **$2.6 BILLION** Total impact in the Detroit Region’s entrepreneurial ecosystem
- **682 GRANTS** awarded to business support organizations
- **24,960 COMPANIES** assisted by NEI grantees
- **$137 MILLION** total of grants awarded
One Custom City Goes from Grassroots to Big Growth

“Instead of ‘Oh, are we going to survive?’ We were buying a hundred thousand dollar press and refitting the shop with three-phase electricity.”

Ron Watters
Owner, One Custom City

Like many entrepreneurs, finances aren’t Ron Watters’ thing. His expertise is design and art and providing unique custom screen-printed apparel through One Custom City.

However, One Custom City is rapidly scaling its business—seeing nearly a 60% increase in sales compared to spring 2022. One of the few Black-owned print shops in Detroit with an automatic press, One Custom City’s clientele has grown from local community-based organizations to include household brands such as the Detroit Pistons.

It has been expertise in finances and navigating the federal government’s bureaucratic small business programs, however, that have helped One Custom City thrive—it’s just that expertise came from NEI grantee the Accounting Aid Society.

“EMERGING STRONGER FROM THE PANDEMIC”

That success would likely not have occurred without a strong small business support network in Detroit that proved critical when the pandemic brought Michigan’s economy to a screeching halt in the spring of 2020. With business shut down for six months, Watters used the opportunity to retool.

Having worked with the Accounting Aid Society to keep the company’s financials in order, Watters successfully applied for grants to keep his business solvent throughout the pandemic and also earn a minority-owned business status critical to helping him expand once business resumed.

The support helped Watters purchase a game-changing tool of the trade, a $100,000 automatic printing press that cranks out 300 or to 400 t-shirts an hour—the same amount he would produce on his manual press in a week.

“THE PEOPLE’S PRINTER”

Watters won $10,000 in the NEIdeas challenge in 2014, a critical juncture in a small business journey that started out of Watters’ Detroit garage in 2008. Up to that point, the business had been kept busy tediously screen-printing shirts individually, earning business through word-of-mouth referrals and grassroots support from community-based social and nonprofit based organizations that wanted their purchases to support a local small business.

The NEIdeas winnings provided capital Watters needed to make two key purchases—a laptop computer to better manage operations and a manual printing press that could produce about 300 t-shirts a week. Combined the purchases would help One Custom City net more than $1.6 million in sales in the subsequent 7 years.

“The support from the Accounting Aid Society isn’t the first time One Custom City hasn’t the first time One Custom City has benefited from the small business ecosystem NEI and its partners have worked to build since 2007.”
How NEI Grants Support Inclusive Small Business Growth

NEI grants to business support organizations provide access to capital, technical assistance, and connections to small businesses in underserved and under-resourced communities.

INCLUSIVE GRANT-MAKING

Mission Lenders
- Loans
- Microloans
- Grants
- Credit Improvement Products
Examples: Non-profit Lenders Including CDFI Practical Assistance Providers

Technical Assistance Providers
- Accounting and Tax Services
- Marketing Support
- Business Plan Development
Examples: Accelerators, Industry Associations

Trusted Connectors
- Identification/Engagement of Underserved Small Businesses
- Bilingual and Culturally Competent Resources
- Advocacy on Key Issues
Examples: Development Corporations, Business Councils

Outcomes
1. Expanded Network Inclusiveness
   - More underserved business owners in Wayne County accessing and using support resources.
   - Initiatives:
     - Expand coverage by adding trusted connectors
     - Systematically identify needs of small businesses through aligned intake and canvassing activities
     - Support more mission-based capital lenders
     - Develop programming to reduce barriers to capital

2. Greater Ecosystem Sustainability
   - Timely, relevant, and effective policy and resource allocation that better supports small businesses.
   - Initiatives:
     - Engage national policy leaders to guide advocacy strategy
     - Lead statewide advocacy initiatives with Michigan Municipal League
     - Implement a monitoring, evaluation, and learning system for grantees
     - Increase capacity among grantees in data collection and analysis
     - Provide system for grantees to track client journeys and progress

3. Increased Growth + Scalability Among Small Businesses
   - Entrepreneurs building skills and attracting resources to stabilize and scale their business.
   - Initiatives:
     - Analyze existing capital lending and technical assistance offerings
     - Design programming that delivers peer-to-peer education/mentorship to small businesses
     - Create referral and resource navigation platform among business support organizations
     - Coordinate support programs to help entrepreneurs reach critical milestones such as capital, space and contracts more efficiently

The Strategy

Building a More Resilient, Equitable Economy

The key to building a resilient and equitable economy is increasing growth and scalability among small businesses in underserved communities that will create jobs and generate wealth in their local communities. NEI is accomplishing this by building a more inclusive and sustainable network with increased capacity and competency that better supports local businesses.

More vibrant and economically stable communities
Narrower wealth gap
For many small businesses, the lack of access to capital remains a primary barrier to stability and growth. At the same time, mission-based lenders are seeking opportunities to lend to businesses owned by socially and economically disadvantaged individuals (SEDI). Unfortunately, many small business owners are so busy maintaining operations they don’t always have time to seek out financial guidance to maintain the proper financial records to secure financing or pursue non-traditional lending resources that may be available to them.

In response to these needs, NEI is piloting the Capital On Ramp Program (CORP) to address these challenges by providing increased funding to business support organizations to create more “capital-ready” businesses. It will create a different way to access existing capital paired with technical assistance that will improve the number of small businesses that are capital- and growth-ready.

**THE SURVEY SAYS...**

**Top Barriers to Capital for Small Business Owners**

<table>
<thead>
<tr>
<th>#1 Financial Literacy &amp; Readiness</th>
<th>#2 Awareness, Trust &amp; Education of Lenders</th>
<th>#3 Personal Creditworthiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>44% EXTREMELY HIGH</td>
<td>33% EXTREMELY HIGH</td>
<td>39% EXTREMELY HIGH</td>
</tr>
<tr>
<td>39% HIGH</td>
<td>39% HIGH</td>
<td>39% HIGH</td>
</tr>
</tbody>
</table>

NEI surveyed 57 business support organizations asking them to rank barriers to capital among the small business owners they serve. Below is the ranking and the percentage rated “extremely high” and “high.” The top three are listed below.

“Mission-based lenders are often well positioned to adopt more equitable and inclusive lending than traditional sources while providing the technical expertise the businesses need to get the most out of the loan.”

Paul Jones
Business Support Office, New Economy Initiative
The Canvassing Pilot Project

As NEI’s “boots on the ground” with its grantees, the Business Support Network Office is piloting a project that will assess how to grow the overall business ecosystem to better serve small businesses through partnerships with community development organizations. The project will strategically collect information from small businesses in five communities in a systematic way to allow each community development organization to better identify and serve the needs of the businesses, and more efficiently track their progress toward their unique business goals. The data from each community will be aggregated to create a comprehensive picture of the small business ecosystem that can inform future programming, grant-making, and policy – and ensure it is aligned to the needs of small businesses.

The pandemic revealed that a business’s ability to navigate digital tools – from online funding applications to social media and e-commerce tools – can make or break it. Recognizing the need for a concise, easily accessible resource geared to small businesses in under-represented and underserved communities, NEI’s Neighborhood Business Initiative Worktable and its partners published a DIY Digital Guide for Small Businesses in June 2022.

The 25-page guide is curated to help the reader quickly assess their aptitudes while directing them to the best online resources for small business owners. It covers everything from accessing the internet for free to building a brand to managing social media.

The Neighborhood Business Initiative Worktable’s Digital Divide Committee worked with the Detroit Economic Growth Corporation and the University of Michigan’s Center on Finance, Law & Policy to create the workbook.

Established in 2016, the Neighborhood Business Initiative (NBI) Worktable helps the New Economy Initiative keep its finger on the pulse of neighborhood businesses. The worktable regularly convenes more than 60 small business support organizations and other key stakeholders engaged in neighborhoods to foster dialogue and seek alignment of their respective activities to address short and long-term needs.
One of the major lessons of the pandemic was that many small businesses owners and entrepreneurs, particularly women and people of color, lacked access to basic grant programs and technical resources needed to weather the economic storm.

What also became apparent was small businesses in cities with a stronger support network, such as the one the New Economy Initiative (NEI) has helped build in the city of Detroit, fared far better than those that did not.

In response, NEI is meeting with community leaders and potential partners to help connect business owners in under-resourced communities with existing support services. As new partnerships are formed, and current grantees extend their work into new communities, NEI hopes to meet the needs of more small businesses throughout the region.
Codify the definition of microbusinesses in Michigan to 10 or fewer full-time employee positions so that specific policy and legislation can directly support them.

Defining Microbusiness by Law
Codify the definition of microbusinesses in Michigan to 10 or fewer full-time employee positions so that specific policy and legislation can directly support them.

Implementing 5% to Start Requirements
Dedicate a percentage of state/federal funding (contracts, economic development funds) to microbusinesses with an emphasis on those in their first five years of operation.

Reducing Licensing Barriers
Reduce or eliminate occupational licensing requirements, permits, and fees for microbusinesses, including for home-based operations.

Providing Health Care Mobility
Provide portable health care benefits for workers in transition who want to start a small business.

Reducing or Eliminating Early Tax Burden
Provide immediate tax relief for microbusinesses during their first five years of operation.

Creating Michigan Office of Microbusinesses
Designate a liaison in state government to focus on microbusinesses and their unique needs, challenges, and opportunities.

For too long, Michigan has had a one-size-fits-all approach to small business growth. All too often that translates to policies geared toward businesses with up to 499 employees—meaning the majority of businesses with 10 or fewer employees slips through the cracks.

To address this need, the New Economy Initiative (NEI) and Michigan Municipal League Foundation formed the Michigan Microbusiness Coalition to increase statewide support and develop a new strategy for emerging entrepreneurs and small businesses as essential drivers of economic growth and job creation.

Microbusiness owners are more likely to be young, women, and people of color, and they hold the key to building a more resilient and equitable new economy. As the state looks to increase job growth throughout Michigan, its best bet is focusing on entrepreneurs and small businesses.

Wafa Dinaro
Executive Director, New Economy Initiative

“Microbusiness owners are more likely to be young, women, and people of color, and they hold the key to building a more resilient and equitable new economy. As the state looks to increase job growth throughout Michigan, its best bet is focusing on entrepreneurs and small businesses.”

October 24, 2022
By Ric DeVore and Wafa Dinaro

For too long, Michigan has had a one-size-fits-all approach to small business growth. All too often that translates to policies geared toward businesses with up to 499 employees—meaning the majority of businesses with 10 or fewer employees slips through the cracks.

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Microbusinesses—defined by the coalition as having 10 or fewer full-time employee positions—make up 78.5% of the total businesses in this country, according to the Small Business and Entrepreneurship Council.

Since spring 2022, the Michigan Microbusiness Coalition has been developing a policy vision for supporting microbusinesses through targeted funding, increased technical assistance, and leveraging peer knowledge and best practices through a support network.
Maraseel Cards Flourishing Through Online Sales

When Farah Bazzi had twin girls in March 2020, the pandemic cast uncertainty everywhere.

As the world grappled with COVID, one piece of clarity emerged for Farah – her salary teaching biology at Fordson High School in Dearborn wouldn’t cover daycare costs, so returning to the classroom was off the table, at least for the first few years of her twins’ lives.

Pondering her future during the most stressful of times, Bazzi began crafting greeting cards for people in her life, something she’d always enjoyed. What started as a therapeutic escape became Maraseel, a home-based business providing handcrafted cards, calendars, invitations, and stationery for all aspects of life for Arab and Muslim women.

“You’d go to places like Target and Kroger, and you’d see Christmas cards, or you’d see Valentine’s Day cards, but you’d never see any Ramadan cards,” says Bazzi, 35, who was born in Lebanon before coming to the U.S. for college. “And I thought: ‘Ramadan is a very exciting time of the year for us, and I want to tell somebody that I love, that I care about, ‘Happy Ramadan and I’m thinking about you.’”

The handcrafted products use the highest quality paper and materials, giving the cards weight and substance, and can come with a customized wax stamp that many customers personalize with their initials or a logo.

Working out of her home, a sunroom converted into a vibrant studio, Bazzi continues expanding her product lines, reaching customers online and through social media. To date, she’s shipped her cards and invitations to multiple countries including Canada and as far away as Denmark and Australia.

Along her journey, Bazzi has worked with several nonprofits, including NEI-grantee ACCESS, which have helped plug her into like-minded business owners in the local community through networking events. This has created great exposure and connections for a sole entrepreneur startup business.

“Creating opportunities and connections through several organizations has been incredibly helpful. Plus, the coaches from ACCESS gave me their cell phone numbers to call if I needed anything. You can’t be more helpful than that.”

Farah Bazzi
Owner, Maraseel

HANDCRAFTED SUCCESS
Organizations that maintain trusted relationships with small businesses through community-based engagement while focusing on specific geographies, population segments, and/or industry sectors. Trusted connectors typically refer small business owners to other resources in the ecosystem but sometimes provide their own practical assistance services.

**Arab American Women’s Business Council**
Services for businesses owned by women of Arab American descent in Wayne County.

**Central Detroit Christian Community Development Corporation**
Business development and commercial activation work in Detroit’s Central Woodward/North End neighborhood.

**Detroit Hispanic Development Corporation**
Outreach to small businesses in Southwest Detroit and Downriver to provide technical assistance and connections to other resources.

**Warren/Conner Development Coalition/ dba Eastside Community Network**
Small business technical and practical assistance and connections to the broader business support network in the region.

**E. Warren Development Corporation**
Small business wrap-around service model to support businesses from ideation to establishing brick-and-mortar operations.

**Global Detroit**
Small Business Connectors program to serve immigrant and minority small business owners in Detroit and Wayne County.

**Grandmont Rosedale Development Corporation**
Small business development and commercial activation work on the commercial corridors in the Grandmont Rosedale community.

**Jefferson East**
Small business services for new and existing small businesses operating on East Jefferson Avenue and surrounding commercial corridors.

**Metro Detroit Black Chamber of Commerce Foundation/ dba Metro Detroit Black Business Alliance**
Business services programs serving small, Black-owned businesses in Wayne County.

**Midtown Detroit Inc.**
Small business support program serving businesses within Midtown Detroit and in the adjacent neighborhoods.

**Osborn Neighborhood Alliance**
Connections to new and existing neighborhood businesses with resources and business coaching.

**Southwest Detroit Business Association**
Small business services and commercial corridor surveying in Southwest Detroit.

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**E. Warren Development Corp.**
Part business incubator, part developer, part chamber of commerce and conduit to the community, E. Warren Development Corp provides an array of wraparound services and technical assistance to help small businesses mature and expand, all the while promoting the corridor and working with interested Detroit-based developers. NEI’s grant funding, along with other partner support, is helping E. Warren transform a defunct Pizza Hut into a small business incubator with two licensed commercial kitchens to support local food entrepreneurs as they grow from cottage food operations to larger growth businesses with brick-and-mortar operations.

Having hosted E. Warren’s farmers market with pop-up tents, the Pizza Hut parking lot will soon feature 15 permanent sheds, each offering 300 square feet of space for local entrepreneurs to test the market and sell their products. Over the past three years, the farmers market has helped keep about $120,000 of revenue in the local community while serving about 200 microbusinesses.

Repurposing the Pizza Hut will deliver the dual benefits of revitalizing a defunct building in the corridor while offering a space for other small businesses to mature – an effort that reflects the unique entrepreneur ecosystem that’s been built in Detroit.

**E. Warren’s Revitalization Starts with Local Authentic Businesses**

Joe Rashid
Executive Director
E. Warren Development Corp.
During an internship with a recycler in New York in 2020, Madeline Miller watched waste materials from textile companies being processed in the facility when something clicked. “This looks like building insulation for homes,” thought Miller, an environmental scientist with degrees from Spelman College and the University of Miami and a unique perspective on increasing energy efficiency in Detroit.

The moment combined her graduate study learnings of how particles and fibers from textile waste pollute the ocean, and her knowledge of the energy industry picked up through her mother, Carla’s, experience leading Walker-Miller Energy Services. From there, NexTiles was born, a Detroit-based textile recycling company that produces EcoBlow – a non-toxic, eco-friendly building insulation made entirely of recycled pre-consumer fabric from manufacturers, particularly automotive interior suppliers and fashion designers.

NexTiles’ primary customers are residential homeowners looking to insulate their homes and improve their energy efficiency. The company collected about 50,000 pounds of materials in its first two years as it built the business. With expanded capacity in 2023, it had already collected 10,000 pounds through the first two weeks of January.

Working with NEI grantee Centrepolis, NexTiles identified locally available waste materials that would transition best to a refined recycled insulation product and meet the highest standards for heat resistance, flame retardation, and the ability to repel insects but also live up to its eco-friendly mission. Centrepolis’ experts on staff also helped identify a stable supply chain of materials and equipment, such as a granulator to speed up material processing.

Headquartered at the nonprofit Focus: HOPE in Detroit, the startup company has two full-time employees and 10 part-time waste specialists who pick up materials from manufacturers. While primarily supplying the DIY residential crowd, NexTiles is working to expand its base throughout the Midwest and land in big box retailers.

“Centrepolis hit the ground running helping us identify local automotive materials that already have high insulative properties and can easily be transitioned to building insulation as well as anything that the product may need to be treated with.”

Madeline Miller
Co-Founder/CEO, NexTiles
Specialists in their field, technical assistance providers design and implement assistance programs that help entrepreneurs with specialized activities essential to growing and expanding a business. Trusted connectors and mission-based lenders often refer their small business clients to technical assistance (TA) providers for support in marketing or accounting services or business plan or product development.

**TECHNICAL ASSISTANCE PROVIDERS**

- **Accounting Aid Society** $200,000
  Academy to provide accounting and tax services to small business owners in Detroit and Wayne County.

- **ACCESS - Arab Community** $135,000
  Center for Economic and Social Services
  Business development programming and technical assistance for immigrant entrepreneurs and small business owners.

- **Build Institute** $150,000
  Entrepreneur and small business education programs to increase organizational capacity to meet growing needs including on-going engagements with Build program alumni.

- **Centrepolis Accelerator at Lawrence Technological University** $200,000
  Micro Makers Evolution Lab to serve underserved small businesses that are makers of physical products or discrete goods manufacturers.

- **College for Creative Studies** $150,000
  Design Core Detroit
  Connect Detroit’s creative businesses to small businesses seeking design services to fuel growth.

- **Detroit Economic Growth Association** $100,000
  Detroit Economic
  BuyDetroit a business-to-business procurement program connecting buyers and Detroit-based suppliers.

- **Detroit Neighborhood Entrepreneurs Project at University of Mich.** $150,000
  Technical assistance, including on-demand accounting, and business plan development to neighborhood small businesses via faculty-supervised student teams.

- **Eastern Market Corporation** $150,000
  Targeted technical assistance, one-on-one coaching, and cohort-based learning for non-food and food-based entrepreneurs and small businesses in Eastern Market.

- **Eastern Mich. University Foundation’s Michigan-Small Business Development Center** $75,000
  Small business support services to neighborhood businesses in targeted Wayne County communities.

- **Endeavor Detroit** $150,000
  Scale-up program to develop a pipeline of businesses to join the Endeavor Detroit cohort.

- **Fair Food Network** $100,000
  Technical and capital assistance to industry-specific food businesses in Wayne County.

- **SCORE - Service Corps of Retired Executives Association** $50,000
  Recruitment and onboarding to expand small business mentoring programming.

- **TechTown at Wayne State University** $175,000
  Small Business Services program to provide training for and connect resources to underserved businesses in Wayne County.

**CENTREPOLIS**

**A GREAT IDEA IS NOT ENOUGH**

Centropolis’ Experts Have Failed, So Others Don’t Have To

As an expert-in-residence at Lawrence Tech University’s business incubator Centrepolis, Dennis Shaver preaches a simple gospel. A great idea isn’t enough, you need a scalable, repeatable business model.

“Many times entrepreneurs go out with the new products and they have this great idea and they want money and to go make it happen. It’s like, ‘Hold on, you have to make sure you have a market first,” says Shaver.

Think of Centrepolis as a one-stop shop where an entrepreneur can complete market research, create a prototype, and conduct business risk assessment while charting a course that positions it for scalable growth.

Centrepolis is the only Hardtech Accelerator in the country that offers in-house product design, engineering, prototyping, manufacturing readiness and low volume production.

From interest-free microloans to technical assistance such as business development and marketing, Centrepolis’ staff of more than 30 experts-in-residence offer experience from their own business failures and successes that can benefit entrepreneurs in nearly any industry.

With grant funding from NEI and other supporters, Centrepolis’ Accelerator Micro Makers Evolution Lab serves underserved small businesses that are makers of physical products or discrete goods manufacturers and operating in Lawrence Tech University’s home city of Southfield and throughout Wayne County.

“When I was a CEO, I was like the Lone Ranger. A lot of innovators are that way. To be able to have materials support, alliances with vendors, sources for equipment design and prototyping at Centrepolis — it’s sort of like having an advisory board of 35 experts with at least 25 years of experience.”

Dennis Shaver
Expert-in-Residence, Centrepolis

**TECHNICAL ASSISTANCE BREAKDOWN**

<table>
<thead>
<tr>
<th>Field</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General strategy</td>
<td>57%</td>
</tr>
<tr>
<td>Finance</td>
<td>17%</td>
</tr>
<tr>
<td>Operations/tech</td>
<td>15%</td>
</tr>
<tr>
<td>Marketing</td>
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<tr>
<td>Legal/H.R.</td>
<td>5%</td>
</tr>
<tr>
<td>Development</td>
<td>5%</td>
</tr>
</tbody>
</table>

General strategy, finances, and operations/tech made up about 90% of all technical assistance in 2022. There is a great need for marketing, legal, and HR support in the small business ecosystem.
Detroit Puppet Company’s Unique Brand of Storytelling and Community Building

“We believe that something as small as a puppet can inspire larger social change,” says Carrie Morris, who founded Detroit Puppet Company in 2015.

The theater provides awe-inspiring performances and arts for Detroit and Hamtramck residents as it offers work for local artists and performers building sets and puppets for each show, with an emphasis on historically excluded communities that too often face additional barriers.

In the past three years, the Detroit Puppet Company has provided free programming to over 25,000 residents at performances in the Campau/Banglatown/Davison neighborhood straddling Detroit and Hamtramck while tackling tough issues raised during the city’s revitalization on stage.

With assistance from business support organizations such as NEI grantee Michigan Women Forward, the organization now has five permanent part-time employees who work alongside about 15 contractors and project-based vendors who support live events.

The Detroit Puppet Company’s impact goes beyond providing income for its employees and local artists; the space itself is designed to build equity and wealth in the community. Morris purchased the bungalow that now comprises the puppet theater and laboratory in a foreclosure auction. She then renovated it along with a 1.3-acre performance area and garden that transformed 12 vacant, overgrown lots into a venue and welcoming neighborhood gathering space.

Without that support from NEI and others during the pandemic, the Detroit Puppet Company faced the prospect of laying off its five permanent employees. That would have eliminated the hard-fought growth it had achieved in expanding its operations over the past several years.

“It felt like this is no longer a space that I’m just developing for a puppet studio, this space has a larger responsibility.”

Carrie Morris
Founder, Detroit Puppet Company
Organizations that provide flexible capital to small business owners that do not qualify for loans from traditional lenders, often operating as community development financial institutions. Some mission lenders provide technical assistance to their existing and potential borrowers, while others primarily rely on technical assistance providers.

MISSION LENDERS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Black Leaders Detroit</td>
<td>$135,000</td>
</tr>
<tr>
<td>No-interest loans to majority-owned Black businesses operating in the city of Detroit.</td>
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</tr>
<tr>
<td>Detroit Community Wealth Fund</td>
<td>$120,000</td>
</tr>
<tr>
<td>Public education, training, and non-extractive financing for existing worker-owned cooperatives and to support ownership transitions for business owners in Wayne County.</td>
<td></td>
</tr>
<tr>
<td>Detroit Community Loan Fund-Detroit Development Fund</td>
<td>$150,000</td>
</tr>
<tr>
<td>Bid loan Fund to provide capital and technical assistance to under-represented microbusinesses in Detroit, Hamtramck, and Highland Park.</td>
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<tr>
<td>Great Lakes Women’s Business Council</td>
<td>$135,000</td>
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<tr>
<td>Expansion of the Business Growth Program to target underserved businesses in Wayne County.</td>
<td></td>
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<tr>
<td>Michigan Women Forward</td>
<td>$200,000</td>
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<tr>
<td>Education, capital, technical assistance, and mentoring to under-resourced women entrepreneurs in the Detroit Region.</td>
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<tr>
<td>Opportunity Resource Fund</td>
<td>$150,000</td>
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<tr>
<td>The Justice Fund Initiative to connect BIPOC small business owners to capital and capital readiness technical assistance.</td>
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<tr>
<td>ProsperUS Detroit Micro Lending</td>
<td>$200,000</td>
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<tr>
<td>Entrepreneurial training, technical assistance, and microlending to assist underserved populations to develop and grow businesses in neighborhoods.</td>
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Be it credit scores, access to capital, or having the collateral in place to pursue grants or funding, the success of many entrepreneurial ventures comes down to finances.

For historically underserved entrepreneurs, the challenge is much greater in overcoming a system that too often deems them “unbankable.” That’s where NEI grantee Michigan Women Forward steps in.

NEI’s grant to Michigan Women Forward supports its Women’s Entrepreneurial Initiative, which operates as a micro lender and technical assistance provider in Detroit and Wayne County. It provides affordable microloans, ranging from $2,000 to $50,000, to women and entrepreneurs of color who are considered “unbankable” and excluded from traditional banking institutions.

The initiative also helps borrowers improve their credit scores through repayment since Michigan Women Forward is one of the few microlenders in Michigan that reports payments to the credit bureaus, which helps increase access to capital over time as credit scores increase.

“We’re not held accountable the same way as a bank, we have the ability to renegotiate terms and be more flexible with the entrepreneurs, which allows us to take more risk at times.”

Alexis Dishman
Chief Lending Officer, Michigan Women Forward
The Business Support Network Office as an Extension of NEI

NEI’s push to build a stronger and more inclusive small business support network in the city of Detroit and throughout Wayne County is accelerating through its Business Support Network Office.

Housed in Invest Detroit, the Business Support Network Office coordinates the activities of business support organizations in Wayne County and is a partnership between NEI and Invest Detroit. Launched in 2021 and led by Director Paul Jones, the Business Support Network Office is convening NEI grantees to identify needs or support gaps in existing programs, mobilize the network for quick execution, and engage small business owners to ensure the network of support matches their needs.

“We are weaving together a wider network of trusted business support organizations uniquely positioned to provide data-driven solutions that help small business owners from underserved communities achieve long-term success.”

Lily Hamburger
Associate Director, Business Support Network Office, NEI/Invest Detroit

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