



# Vermont Small Business Environment Assessment for Underrepresented Communities

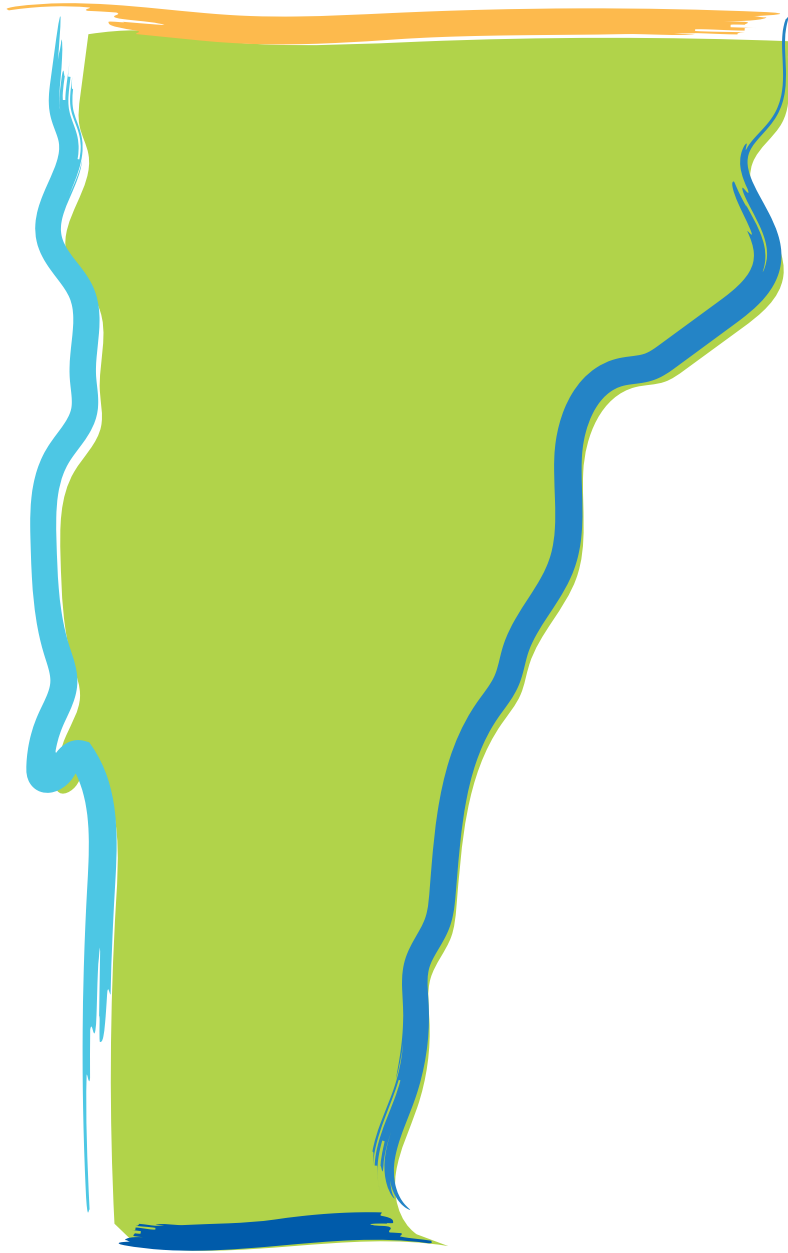
COMMUNITY NAVIGATOR PILOT PROGRAM | SEPTEMBER 2023

SUBMITTED BY





**In 2021, the Vermont Small Business Development Center (VtSBDC) was selected as one of 51 U.S. SBA Community Navigator Pilot Programs implemented across the U.S. Using a “hub and spoke” model, VtSBDC worked with Main Street Alliance (MSA) and The Vermont Professionals of Color Network (VT PoC) to identify areas with known and potential gaps in the small business landscape, including: child care, healthcare, legal services, financial services, business basics, branding and marketing, economic development supports, and belonging.**



# Contents

<b>Executive Summary</b>		
<b>Statewide Survey</b> .....	5	
<b>Listening Sessions</b> .....	6	
MSA Listening Sessions .....	6	
VT PoC Listening Sessions .....	7	
<b>About the Organizations</b>		
<b>Vermont Professionals of Color Network</b> .....	9	
<b>Main Street Alliance</b> .....	9	
<b>Project Introduction</b>		
<b>Overview</b> .....	11	
<b>Statewide Survey</b> .....	11	
<b>MSA and VT PoC Listening Sessions</b> .....	11	
<b>Success</b> .....	12	
<b>Methodology</b>		
<b>MSA Methodology</b> .....	13	
<b>VT PoC Methodology</b> .....	13	
<b>Summary of Findings</b>		
<b>Statewide Survey</b> .....	15	
Child Care Benefits .....	15	
Healthcare Benefits .....	17	
Legal Services .....	17	
Financial Services .....	19	
Business Basics .....	19	
Branding and Marketing .....	22	
Economic Development Support .....	25	
Sense of Belonging .....	26	
Discrimination and Bias .....	26	
Cultural Needs .....	29	
<b>MSA Listening Sessions</b>		
<b>Access to Capital</b> .....	30	
<b>Business Basics</b> .....	30	
<b>Care Economy</b> .....	30	
<b>Infrastructure</b> .....	30	
<b>Systemic Inequities</b> .....	30	
<b>Vt Poc Listening Sessions</b>		
<b>Access to Capital</b> .....	32	
<b>Business Basics</b> .....	34	
<b>Economic Development Resources</b> .....	34	
<b>Infrastructure</b> .....	36	
<b>Systemic Inequities</b> .....	36	
<b>Why Vermont?</b> .....	38	
<b>Conclusions and Recommendations</b>		
<b>Access to Capital</b> .....	41	
<b>Business Basics</b> .....	41	
<b>Care Economy</b> .....	42	
<b>Economic Development Resources</b> .....	42	
<b>Infrastructure</b> .....	42	
<b>System Inequities</b> .....	43	
<b>Why Vermont?</b> .....	43	
<b>Limitations</b>		
<b>Main Street Alliance</b> .....	45	
<b>Vermont Professional of Color Network</b> .....	45	
<b>Appendix A</b>		
<b>Logistics</b> .....	46	
<b>Appendix B</b>		
<b>Schedule Overview</b> .....	47	

Access to Capital / Business Basics / Network

**“I would categorize needs in three different buckets: Capital, Experts, Network. We need to create capital to start, we need experts who can advise us, and a strong network to get to more places and people seeing us.”**

*BIPOC Fundraising Consultant*

# Executive Summary

The statewide survey and listening sessions were held for historically excluded groups including:

**Black, Indigenous, and People of Color (BIPOC) small business owners**

**Women-owned small businesses**

**Veteran-owned small businesses**

**Small businesses based in rural areas**

The purpose of this data collection was to better understand the successes and challenges of the small business community in Vermont, as well as potential changes at the policy level to alleviate these burdens. By listening deeply and centering the small business voice, we hope to influence transformative change in Vermont to create a more equitable and accessible small business economy. This is a report inclusive of data from the statewide survey and listening sessions.

## Statewide Survey

In total, MSA and VT PoC obtained 498 small business owner survey responses. Most respondents identified as solopreneurs (38%), while 25% had 2-5 employees, 12% had 6-10 and 11-20 employees, respectively, 8% had 21-50 employees, 4% had 51-100 employees, and 1% had 101-250 employees. The majority of small business owners surveyed have been in business for over three years (67%), and identified as female (57%), male (35%), or identified as non-binary/third gender or preferred not to say (7%). Furthermore, respondents represented a diverse mix of races, individuals with disabilities, veterans, family members of military personnel, and service disabled veterans.

The statewide survey identified areas of improvement by the state of Vermont for small business owners, including:

### Child Care Benefits

Increasing access to affordable and high quality child care for small business owners and employees.

### Healthcare Benefits

Increasing access to affordable and high quality healthcare for small business owners and employees.

### Legal Services

Increasing awareness and understanding of legal services, when to utilize them, and how to find affordable and trustworthy legal representation.

### Financial Services

Creating avenues to access capital such as capacity building grants, low interest loans, opportunities for brick and mortars, etc.

### Business Basics

Increasing offerings of business basics programs which serve the needs of specific communities and avoids the “one size fits all” method. Meeting businesses where they are at instead of prescribing solutions that do not fit within the context for their business.

### Branding and Marketing

Increasing awareness of implicit biases that marketing and branding service providers may hold, and increase support of historically excluded identities given the increasing market for these types of businesses.

### Economic Development Resources

Increasing economic development resources that considers the needs of specific communities for business owners who hold historically excluded identities. Resources and programs must assess their existing delivery structure, and avoid the “one size fits all” method to limit prescriptive solutions.

### Sense of Belonging

Increase awareness of and support action steps away from exclusionary practices, especially for those who have community-facing roles within existing service organizations. Underrepresented business owners are not utilizing existing resources due to discriminatory practices, whether explicit or implicit, which can diminish the overall economic impact for the state.

# Listening Sessions

## MSA Listening Sessions

MSA conducted 11 in-person and virtual listening sessions in Vermont between May and October 2022 with women-owned small businesses, veteran-owned small businesses, and small businesses located in rural areas. Four common themes across these listening sessions were identified:

### Rural

Small businesses in rural areas face a unique set of challenges compared to those in more urban regions of the state.

- Accessing necessary supplies and niche product lines presents significant challenges in rural communities, leading to limited availability and unmet demands.
- Gatekeeping practices in rural communities hinder new business entry, with established businesses obstructing or impeding small businesses from establishing themselves. This issue is particularly pronounced for BIPOC small business owners.
- With a declining population across the state, there is a lack of rural community draw and available housing to bring families into these communities.
- In terms of grants, a handful of participants expressed that the USDA Rural Development grants are only farm oriented and other rural industries in this field are being left out.

**Recommendation:** Establish a support network for Rural Businesses that fosters collaboration and mentorship, breaking down entry barriers, particularly for BIPOC small business owners. Additionally, the development of a revitalization program can be implemented to incentivize affordable housing and community initiatives, attracting families and countering population decline.

### Workforce Development

Rural based, women-owned, and veteran-owned small businesses expressed general daily challenges that impact their growth and sustainability across Vermont.

- The process of recruiting, training and growing a team with individuals with the appropriate skills is a multifaceted challenge across industries.
- Women and BIPOC owned businesses expressed a strong sense of burnout to stay afloat due to the pandemic.
- The absence of affordable child care and the lack of access to sick time or paid family and medical leave poses significant challenges for many small business owners.

- Many small business owners report major challenges associated with access to capital. Some are simply not finding the lending products they need, or they do not qualify. For others, there is deep-rooted fear about taking out a loan altogether.

### Healthcare

The small business community cares deeply about their employees and health insurance is a critical factor as they look to create high-value and meaningful jobs.

- Many small business owners expressed the challenge of navigating a complicated health insurance marketplace.
- Solopreneurs stated that they were fearful of earning more money so that they do not hit a benefits cliff and lose access to high quality and affordable healthcare for their families.

**Recommendation:** There is a strong need for a stronger one-stop solution with access to small business technical assistance and advisors.

### Hospitality

Vermont is a state where tourists come to explore historic landmarks and museums, take family vacations, and engage in seasonal activities.

- Small business owners who operate in the hospitality industry saw a significant decrease in tourism during the COVID-19 pandemic, and still continued to struggle to recover in 2022 into 2023.
- Business owners expressed challenges in marketing, as they are not familiar with social media and the cost to create digital marketing assets is prohibitive.
- Increasing affordable rental housing stock, as well as the number of “middle housing.”

**Recommendation:** Development of a cooperative platform where small business owners can collaborate with local government. This collaborative platform can work together to craft solutions addressing affordable rental housing options, and collectively invest in and receive assistance for digital marketing efforts.



## VT PoC Listening Sessions

VT PoC conducted 21 in-person and virtual focus groups for BIPOC small business owners in Vermont between April 2022 and October 2022. This translated to 1,890 minutes of listening sessions and 87 BIPOC small business owners represented across sessions. Six areas of concerns were identified as the biggest challenges and needs by participants:

### Access to Capital

Participants found difficulty in accessing capital, whether for personal or business activities, from traditional institutions.

**Recommendation:** Financial institutions, whether public or private, must steer away from traditional “one size fits all” approach and seek alternatives that meet the needs of the BIPOC community.

### Business Basics

BIPOC business owners felt disconnected from resources that allow for a strong foundation when starting and operating a business, such as access to capital or a business start-up checklist.

**Recommendation:** The development of a workshop focused on navigating the Vermont business landscape would benefit all underrepresented community members by increasing awareness and business capacity. Additionally, state-level and local organizations should offer microgrants for certifications, which do not require an extensive application process and can be immediately applied to courses.

### Economic Development Resources

While participants acknowledged the existence of resources across the state, most participants did not access them because they did not know where to start, had a negative past experience with similar resource providers, or experienced inconsistent quality from resource providers.

**Recommendation:** State entities and human services organizations must ensure that BIPOC community members are receiving equal access to resources across the state and ensure that the quality of service is consistent, if not at a higher level, to promote equity.

## Infrastructure

BIPOC business owners called for Vermont’s antiquated processes to be reviewed and upgraded. This includes internet and paper trails which can be automated.

**Recommendation:** Continued efforts towards making Vermont a more digitally capable state. Additionally, the development of a business basics workshop series by a BIPOC-led organization specifically for the BIPOC business community to help inform and guide business owners through the various stages of development can help mitigate issues of trust and accessibility.

## Systemic Inequities

Participants felt the weight of Vermont’s “insider mentality,” a concept described as opportunities given to a select few, which results in many BIPOC individuals leaving the state.

**Recommendation:** Consistent and on-going budget funding for bias training by both public and private employers will ensure that systemic inequities are incorporated into organizational culture and are addressed regularly by all levels of employment.

## Why Vermont?

Despite the challenges, participants noted the desire to stay in Vermont. Many felt that Vermont has much to offer and, if challenges can be overcome, many see a future for themselves in the state.

**Recommendation:** Efforts to retain BIPOC Vermonters must be made at the state level, with support from employers that go beyond current actions.

Access to Capital / Business Basics

**“We have a lot of growing pains. With farms, you need infrastructure which you can’t get unless you have access to capital, and you can’t have access to capital unless...well, so on and so on.”**

*BIPOC Agricultural Business*

# About the Organizations

## Vermont Professionals of Color Network

The Vermont Professionals of Color Network (VT PoC) is a statewide organization focused on advancing the prosperity of Black, Indigenous, and People of Color (BIPOC) by providing opportunities to advance their economic, cultural, and social mobility.

### Our frameworks are guided by these core values:

**COMMUNITY:** Creating opportunities to provide structure, relationships, affinity, safety, and openness.

**GROWTH:** Growing relationships with community members and organizations by engaging in mutual learning, challenges, risks, and personal development.

**LEADERSHIP:** Using what we learn to advocate and lead by example, foster respect, and earn trust from the community.

**SERVICE:** Meeting the needs of the community with care, joy, respect, and humility.

**EQUITY:** Disrupting traditional norms to build and dismantle oppressive systems because we are not free until we are all free.

The state of Vermont is home to over 65,000 Black, Indigenous, Peoples of Color and People of the Global Majority as of the 2020 U.S. census, an increase 112% over the previous decade. This increase indicates a growing attraction to Vermont, which currently stands as the second oldest and second whitest state in the nation. Vermonters have a responsibility to collectively reevaluate our current systems and structures to ensure equity for all.

VT PoC believes systems that are supporting communities of color benefit the entire state. VT PoC strives for a new era of professional mobility, promoting entrepreneurial ventures, and nurturing our community by creating safe spaces for connections within the community and through networking, education, and advocacy. Our work supports entrepreneurs, promotes personal and professional development within the BIPOC community, and empowers youth.

VT PoC is a 501c3 designated organization.

## Main Street Alliance

At Main Street Alliance (MSA), our mission is to empower small business leaders and create positive change in their communities. Founded in 2008 by small business owners, MSA is committed to addressing issues that matter most to businesses, their employees, and the neighborhoods they serve. Our vision is to build a strong, self-funded, and diverse small business membership organization that can shape the economic narrative, wield political influence, and advocate for policy reforms benefiting small business owners, employees, and communities.

### Our strategic approach involves several elements:

**SUPPORTING AND DEVELOPING:** Small business owners' leadership skills, critical analysis of neoliberal ideas, and alternative approaches for a more equitable economy.

**ORGANIZING:** We organize small business owners by conducting campaigns that win policies that reduce concentrated economic and political power; establishing a set of public goods; and contributing to a more robust infrastructure for wins.

**CONDUCT RESEARCH:** We share evidence that demonstrates the widespread benefits of a more equitable economy that supports thriving small businesses, and in turn, healthy communities.

**SHIFTING THE PUBLIC NARRATIVE:** Our members seek to change the perception of who small business owners are (in terms of race, class, gender, motivations for going into business, etc.) and what small business owners value by elevating their voices.

Main Street Alliance has countered the political misuse of small businesses by corporate interests and the very wealthy, arguing that market fundamentalism and bootstrap ideology undermine the needs and values of actual small businesses. Our strategic plan sets goals for our five core issue areas, which are Care Economy (Paid Family and Medical Leave and Child Care), Tax Fairness, Capital Access, Anti-monopoly, and Healthcare. We strive to be a driving force for positive change, making a lasting impact on the lives of small business owners, their employees, and the communities they serve.

Main Street Alliance is a 501c3 designated organization.

Economic Development Resources / Assessment of Resources

**“Finding resources has been difficult for me, specifically finding vendors that sell the products that I need. I am at the mercy of local markets but my desire is to support BIPOC businesses.”**

*BIPOC Food Producer*

# Project Introduction

## Overview

The U.S. Small Business Administration defines small businesses as any legal firm that employs fewer than 500 employees. In Vermont, the majority of businesses fall within the scope of this definition. In 2022, the [U.S. Small Business Administration](#) reported a total of 78,883 small businesses in Vermont. Of those, 61,921 reported as self-employed, 15,074 between 1-19 employees, and 1,888 reporting 20-499.

When COVID-19 hit in March of 2020, businesses across industries suffered due to federal and state mandated shutdowns, forcing many storefronts to shut down for good. Concurrently, economists observed that many individuals were leaving their corporate jobs and saw a surprising and unexpected surge in applications for new [businesses](#). This phenomenon was observed in Vermont between March 2020 and March 2021, when 2,281 small business establishments opened while 2,353 establishments closed down according to the SBA report (72 net loss). Small businesses in Vermont gained 16,778 jobs and yet lost 28,050, a net decrease of 11,272.

While COVID-19 was a catalyst to many of these job closings, it highlighted the existing problems and policy gaps that were exacerbated during a time that pushed locally-owned businesses out of the market. In a state that reported 2.8% population growth over the last decade<sup>1</sup> and that is still recovering from an economic recession, it is time for municipal and state officials to include small businesses in discussions on the ways Vermont can create an equitable, just, and sustainable environment that will yield prosperous economies and small businesses.

In 2021, the Vermont Small Business Development Center (VtSBDC) was selected as one of 51 U.S. SBA Community Navigator Pilot Programs (CNPP) implemented across the U.S. Using a “hub and spoke” model, VtSBDC worked with MSA and VT PoC to identify areas with known and potential gaps in the small business landscape, including: child care, healthcare, legal services, financial services, business basics, branding and marketing, economic development supports, and belonging.

Together, the CNPP partners became connectors, ensuring that small business owners know about and have access to the services and support available. The program is specifically designed to break through barriers that have

kept small business owners from accessing assistance, resources, financing, and a network of support. CNPP is especially focused on helping Vermonters who identify as BIPOC, women and gender expansive individuals, veterans, and/or live in our rural towns. The CNPP partners prioritize hearing from small business owners about their challenges and opportunities so that they can work together to find solutions, with the approach that one can “connect with one of us to connect with all of us.”

## Statewide Survey

MSA and VT PoC launched a statewide survey from April 2022 through November 2022. The survey focused on small business owners within traditionally underserved populations, including Black, Indigenous, and People of Color (BIPOC) as well as women, rural, and veterans across the State of Vermont. The purpose of the survey was to gain a broader understanding of the existing support systems utilized by small business owners, as well as the challenges they continue to face particularly on the heels of the COVID-19 pandemic.

In total, MSA and VT PoC obtained 498 small business owner survey responses. Most respondents identified as solopreneurs (38%), while 25% had 2-5 employees, 12% had 6-10 and 11-20 employees, respectively, 8% had 21-50 employees, 4% had 51-100 employees, and 1% had 101-250 employees. The majority of small business owners surveyed have been in business for over three years (67%), and identified as female (57%), male (35%), or identified as non-binary/third gender or preferred not to say (7%). Furthermore, respondents represented a diverse mix of races, individuals with disabilities, veterans, family members of military personnel, and service disabled veterans.

## MSA and VT PoC Listening Sessions

Listening sessions were held with the objective of understanding the needs and challenges of small businesses in Vermont. Facilitators aimed to create an open and honest dialogue during the 60-minute discussions. They emphasized shared agreements, including giving equal airtime to participants and approaching potential conflicts with curiosity. The sessions were not meant to provide immediate solutions but to initiate ongoing conversations

<sup>1</sup> US Census (2020)

within the small business community. The facilitators recorded the sessions for accurate data collection, ensuring that all identifying information would be removed and only broader themes would be used in the report.

We consider small business owners as:

**Entrepreneurs**

**Owners of a micro-business**

**Owners of brick and mortars**

**Individuals with both formal/legally and informally established businesses**

**Individuals with side hustles**

**Aspiring small business owners**

During the listening sessions, the facilitators sparked discussions by asking:

**What is going well?**

**What challenges are you facing?**

**How and in what ways are economic development services meeting your needs and where do gaps exist?**

**If you had three wishes for your business, what would they be?**

VT PoC's listening sessions focused on BIPOC small business owners and either addressed a specific region within the state (i.e. Chittenden County) or a specific sector (i.e. STEM).

Three core components of this project included outreach and recruitment of participants, data collection, and analysis and reporting of the findings. In all three components, VT PoC engaged with key community leaders. While both organizations have statewide membership, we represent only a segment of the broader community and therefore engaged other BIPOC-led/focused organizations in addition to organizations representing low-income and other underserved communities to ensure all voices are heard.

This data collection will help inform future efforts to improve the quality of business for BIPOC small business owners by answering the following questions:

**What needs to change at a policy level to build capacity in low opportunity areas/communities?**

**What actions are needed to meet the needs in order to build capacity in low opportunity areas/communities?**

## Success

Currently, there is no source of reliable data on the needs of the underserved communities around economic development, particularly in terms of BIPOC voices. Success in this endeavor will be finding a saturation of information from these underserved communities, and identifying the key themes of interest from these conversations. We see this as the first and most critical step in engaging with and understanding the needs of these community members.

# Methodology

## MSA Methodology

MSA and VT PoC determined the methodology of the survey and listening sessions between January and April 2022. The research conducted by MSA took place between May and October 2022, encompassing a six-month period. The study aimed to gather insights into the challenges faced by small business owners related to barriers in accessing critical support, such as access to credit, affordable child care, and access to sick time and paid family and medical leave.

To achieve comprehensive representation, MSA targeted a specific audience, including rural-owned, women-owned, and veteran-owned small business owners. These groups were chosen to ensure diversity and inclusivity in the data collection process, recognizing that different demographics might face distinct challenges.

The research employed a combination of outreach methods, including:

### **Direct Outreach and One-on-one Interviews**

MSA staff engaged in door-to-door canvassing, personally interviewing small business owners during one-on-one interactions, and encouraging them to complete the CNPP small business survey. This method allowed for detailed and nuanced discussions, capturing unique challenges faced by individual business owners.

### **Texting and Direct Messaging via Social Media**

Utilizing digital platforms, MSA reached out to small business owners via direct messaging on platforms such as Instagram and GetThru text messaging services. This approach offered a convenient and accessible means for participants to share their experiences and perspectives.

### **Group Listening Sessions**

Throughout the study, MSA hosted a total of 11 small business listening sessions. Each session included up to 7 members, ensuring a diverse group dynamic that facilitated open discussions. These sessions were structured to focus on regional, sector-specific, and issue-specific topics, creating a comprehensive understanding of the challenges faced by different small business communities. The facilitators introduced themselves and requested introductions from the participants, including their names, pronouns, business names, locations, and social media handles. Following this, the facilitators transitioned into discussing the main questions, such as the three wishes for

business sustainability, the biggest challenges faced, and the evaluation of local and state resources. They concluded the session by providing information on relevant programs, including COVID Paid Leave and VEDA Short-Term Forgivable Loan, and shared a survey link for further feedback.

### **Email Communication**

To maintain ongoing engagement and communication, MSA utilized regular email outreach to their small business network. This approach kept participants informed about the study's progress, encouraged involvement, and provided a means for sharing updates and insights.

By integrating these various methods, MSA succeeded in gathering valuable data from rural-owned, women-owned, and veteran-owned small business owners. The combination of direct interactions, group sessions, and digital outreach contributed to a holistic understanding of the day-to-day challenges these business owners encounter regarding the effectiveness of available resources, and successful strategies employed by businesses.

## VT PoC Methodology

MSA and VT PoC determined the methodology of the survey and listening sessions between January and April 2022. Planning of recruitment and focus groups occurred between March and early April. Data collection and analysis was completed over six months between April and November 2022. Focus group sessions took place between early April through the end of October. Analysis was conducted concurrent to the data collection efforts and completed in August 2023.

A semi-structured focus group guide was developed in early April 2022. To ensure the most robust results, the team determined five broad key questions, and identified probes to supplement where needed (see Appendix A for focus group guide). Questions and probes were amended after each session as needed to ensure that question wording was appropriate based on participant feedback, and any probing questions eliciting unique or robust conversation were included as key questions in subsequent focus groups.

Participant recruitment criteria was focused on individuals who identified as BIPOC and who owned and operated a Vermont-based small business, and recruitment efforts included outreach about both the survey and listening

sessions as the two processes were implemented concurrently. VT PoC utilized a number of outreach avenues.

### **Direct Emails and One-to-one Outreach**

VT PoC direct partners were contacted via direct email and a biweekly newsletter to inform organizations of the focus group dates and times so that they could inform the communities of interest within their service area.

### **Social Media and Newsletters**

VT PoC conducted outreach to the VT PoC BIPOC Business Directory members and its broader internal membership database via social media channels and a bi-weekly newsletter created specifically to announce focus group session information.

### **Flyers and Other Printed Marketing**

These items were developed and distributed across main transportation corridors, including Route 7 and I-89, as well as in major town hubs.

### **Website**

VT PoC introduced a webpage dedicated to additional information about the survey and listening sessions, including dates and sector specifications. The main VT PoC website also included a webpage pop-up that highlighted the opportunity to website users to generate more traffic to the survey and listening session webpage.

Public press releases and public news media stories about the listening sessions were avoided to ensure that sessions were affinity spaces and safe for participants to attend. All outreach materials provided information about either the survey and/or listening sessions, and noted that participants would be compensated for their time and energy. Individuals completing the survey were informed about the listening sessions, including a link to registration. Conversely, those completing the listening session were encouraged to participate in the survey at the end of the session by VT PoC and in a follow-up email that included regional and statewide resources relevant to each listening session.

## **Listening Sessions**

During the planning phase, VT PoC identified focus groups in-person by region as a best-practices method to ensure each county was represented. Two to three focus groups were scheduled per county with maximum 12 participants per group. Each focus group was scheduled for a 90-minute block, including introduction of the project, group agreements, informed consent of the processing being recorded, and introductions.

In total, 87 participants were recruited across all counties (see Appendix B for table of participant figures). In the process of recruitment, the VT PoC team found that in-person meetings were less successful in terms of the number of total participants signing up and the number of participants in attendance, particularly for Orange and Rutland counties. Some focus groups were rescheduled as a result and transitioned to virtual spaces, which was more fruitful. In-person sessions took place in public and private spaces that were identified by local BIPOC leaders as safe and private spaces for BIPOC participants to travel to.

Each focus group was managed by a trained facilitator and a notetaker. Facilitators were identified by the VT PoC team through BIPOC networks to ensure that community participants were comfortable sharing their experiences and interests within the group. Local BIPOC leaders were invited to facilitate or asked to help identify another local BIPOC leader to support at least one focus group per region. A notetaker supported each focus group. Training was provided by VT PoC.

VT PoC utilized emergent thematic analysis for each focus group. Two VT PoC staff reviewed the data to ensure intercoder reliability. The following section details the broad themes from all focus groups.



# Summary of Findings

## Statewide Survey

The statewide survey conducted on small businesses yielded valuable insights into challenges and experiences faced by entrepreneurs across various sectors in the region. With a total of 498 survey responses, this study offers a rich tapestry of perspectives from various sectors and backgrounds. The respondents encompassed a wide range of business types, from consulting and retail to education, creatives and makers, wellness, food services, and hospitality. Notably, the survey attracted engagement from entrepreneurs who have been operating their businesses for diverse lengths of time, ranging from just a month to over a decade. The survey’s inclusivity extended to various gender identities, with 57% of respondents identifying as female, 35% as male, and the remaining 8% as non-binary, a third gender, or preferring not to disclose. Furthermore, respondents represented a diverse mix of races, individuals with disabilities, veterans, family members of military personnel, and service disabled veterans.

Throughout this report, we present the broad themes that emerged from the survey, accompanied by secondary themes to offer contextual depth and highlight interconnections among the findings.

## Child Care Benefits

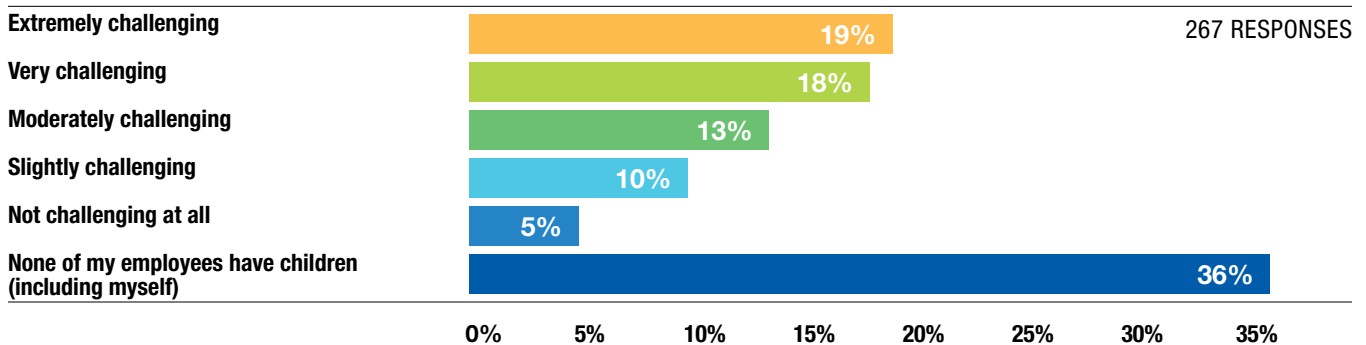
The lack of affordable child care has driven many people, especially women, out of work for decades. This disproportionate impact on women has forced them out of the workforce in order to take care of their children, and introduces retention and turnover issues for employers who

employ people with young children. Many small businesses are not able to find child care outside of school and after school programming. Child care providers cannot charge for the actual cost of care because families simply cannot afford it. The lack of child care is ruining business. When kids are sick parents stay home, employees miss their shifts, people resign due to child care issues, and owners are tasked with bringing their children into their workday. Additionally, we observed a supply and demand challenge, there are a limited number of affordable quality child care options available when you look throughout the different localities.

Out of the sampled 498 small business owners surveyed, 267 responded to the question of overall how challenging is child care. Out of the 64% who reported having some level of impact, 37% reported it either being very or extremely challenging. <sup>1</sup>

Out of the sampled 498 Small Business Owners surveyed, 146 responded to the general statement that child care impacts their business. Over half of the small business owners stated that either their staff needed time off to take care of their children, staff were distracted at work over concerns around their children, or that their staff were forced to reduce their normal working hours due to unforeseen circumstances related to their child. Others stated that children are brought into the workplace due to lack of child care, those who work in child care cannot continue to employ their staff due to the low wages in the field, and an availability over affordability issue since there are community funds available to help families with costs, but the child care industry does not have the staff to support the demand. <sup>2</sup>

### <sup>1</sup> HOW CHALLENGING IS CHILD CARE TO YOUR STAFF?

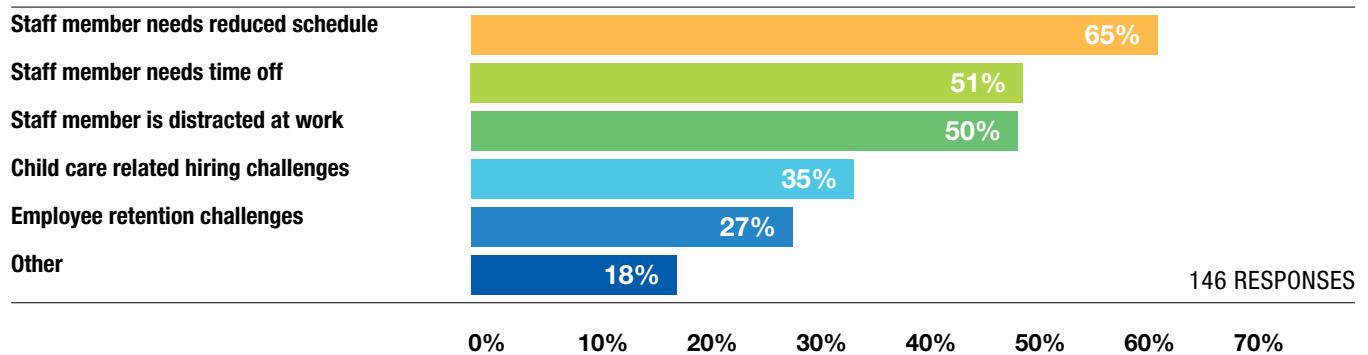


Though the problems listed above continue to impact the small business economy, many small business owners are finding ways to help alleviate the burden of child care for their employees. Many small business owners who employ staff with children reported to provide financial support for child care (47%) or provide onsite child care (28%). Others provide more paid time off or offer flexible schedules, and many report doing so to retain and help their staff, and to make it easier for working families to offset the financial burden.

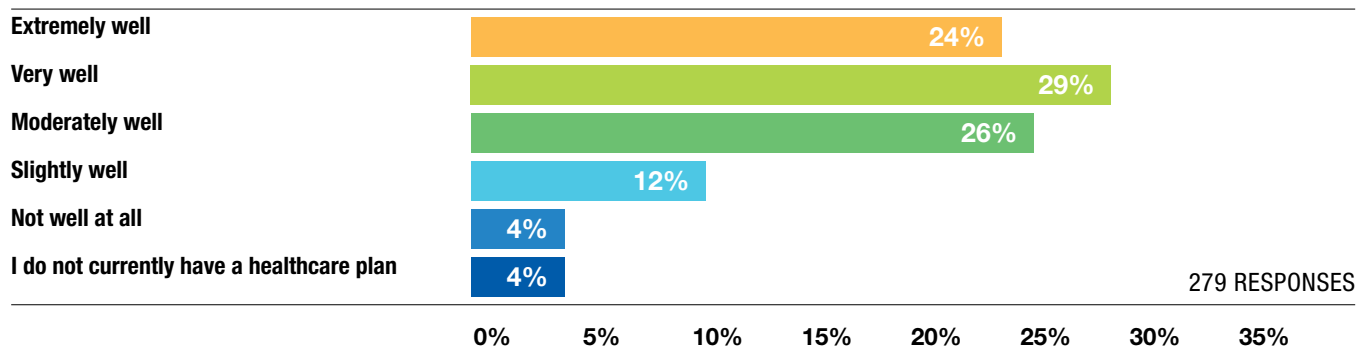
As we aim to find ways to address the many existing issues surrounding child care across the country and in Vermont, it is important to include the voices of small business owners

in discussions to best craft policies. The survey design included a section where business owners reported what are the biggest challenges around child care and what changes that would make the biggest impact for themselves and their employees. Out of the 61 responses, many business owners want to address the quantity of child care slots while maintaining a standard of quality that statistically matches demand, ability to hire onsite child care providers, a significant increase to child care funding through the state, a need for more after school or child care facilities that are affordable so employers can offer more hours to an employee, and coverage of child care costs through the state.

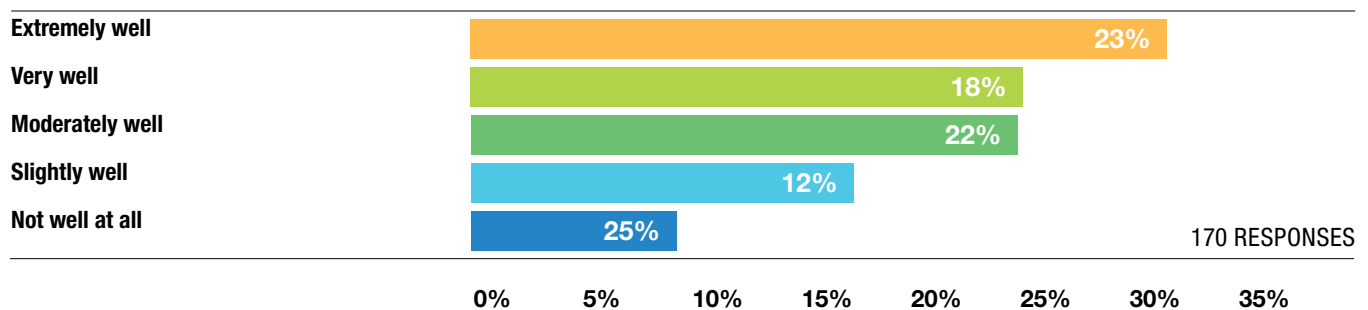
**2 HOW DOES THE CHILD CARE NEED IMPACT YOUR BUSINESS?**



**3 HOW WELL DOES YOUR CURRENT HEALTHCARE PLAN SUPPORT YOUR ABILITY TO ACCESS CARE?**



**4 HOW WELL DO YOU FEEL YOUR EMPLOYER’S HEALTHCARE PLAN SUPPORTS EMPLOYEE NEEDS?**



Those working in the child care industry responded that the state needs to support the field of early educators and help the existing child care spaces, while offering incentives for those entering the field; adequate compensation for child care facilitators, more child care facilities at a reasonable rate, and federal or state monetary support for child care.

## Healthcare Benefits

For small business owners across the country, access to personal healthcare benefits and the ability to provide quality healthcare benefits to their employees remains a major concern. In our survey, business owners stated that healthcare in Vermont is unaffordable and inadequate, premiums are very expensive, and the existence of large pharmaceutical influence in the field. While 86% of our sampled respondents stated they have access to private or public health insurance, 3% stated they were not able to access any form of healthcare, prescriptions, or ability to seek healthcare when they are sick.

When asking those who had access to healthcare what was working well within their given plan, many noted the benefits of Medicaid, VA healthcare, low copays and flexibility in choosing providers, having high deductibles, no-copay policies, and the ability to call and speak to nurses when needed.

When asked how well their current healthcare plan supported their ability to access care, 53% of the 279 small business owners responded their status as either extremely or very well, 38% reflected moderately or slightly well, and 4% did not currently have a healthcare plan and not well at all respectively. <sup>3</sup>

Small business owners also expressed concerns around Medicaid as a way to remain covered, where one owner expressed the need for universal coverage from a small business owner point of view. They stated that in order to qualify for Medicaid, you need to earn within a certain

income level, and without universal healthcare, a small business owner would have to live below the poverty level to get Medicaid in order to receive and afford healthcare. Other notable experiences small business owners face with healthcare highlights the far distances you need to drive for quality access, the confusion of how the system operates, the experience of being discriminated against based on race, and the extremely expensive premiums some individuals must pay in order to receive care. <sup>4</sup>

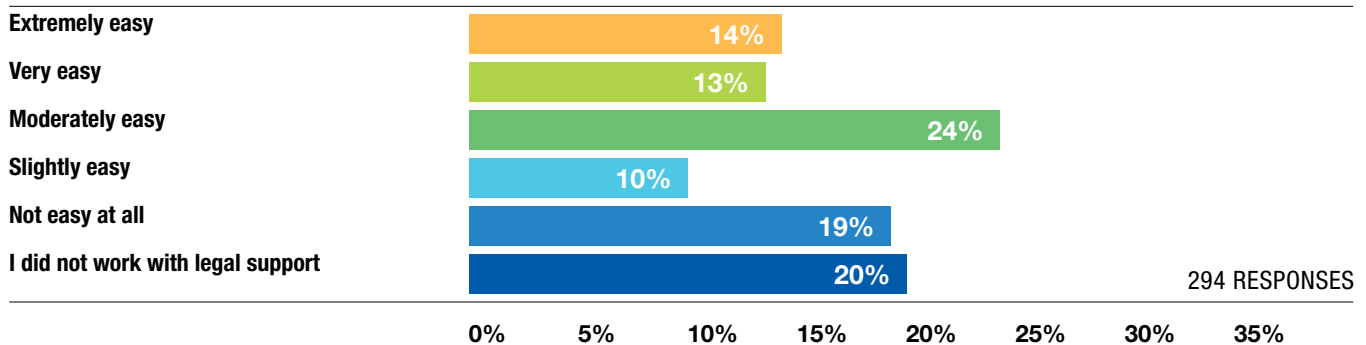
Our survey asked small business owners “How well do you feel your company’s healthcare offerings meet the needs of your employees?” For those who responded with employees, 41% responded that they either do a very or extremely well job, 34% moderately or slightly well, while 25% do not believe they do well at all. <sup>5</sup>

We discovered a very important common theme in this section of the survey: Business owners with employees want to help their employees wherever and however they can. When asking for more investments into the small business economy, the ask is for small business owners to be able to provide for their employees which will help with quality retention. Small business owners working in local communities see their employees as family and want to be able to provide them healthcare at an affordable cost, including employer funded health saving accounts, paid family leave, dental, vision, and catastrophic coverage.

## Legal Services

There are many reasons why entrepreneurs seek legal consultation prior to starting a business, from protecting themselves and others from liabilities, debts, and unwanted legal actions. For those entrepreneurs who do not come from a business background, they discover the many complexities to starting and operating a business, from registering the proper business entity, to bookkeeping, to paying proper business taxes, and many come to realize that they cannot inherit this load alone.

### <sup>5</sup> HOW DIFFICULT WAS IT TO FIND LEGAL SUPPORT?



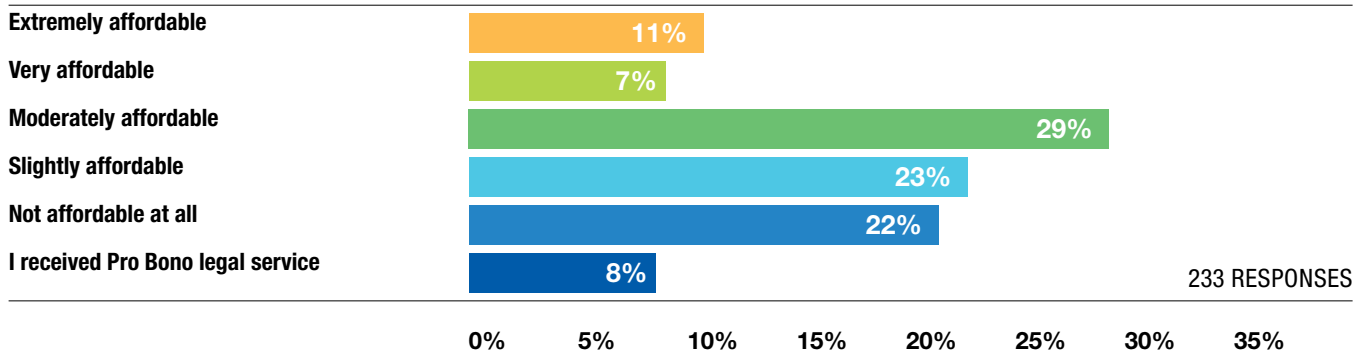
The small business landscape is shifting at an increasingly rapid pace due to technological innovations. Many entrepreneurs from sole proprietors to those who employ 1-20 employees can run a business without brick and mortar storefronts, or offices, which allow more individuals to enter different markets. This diverse change in the market requires different levels of a need for legal support. In our survey, we asked the small business owners how important it was to have legal services when starting a business. Out of the 294 respondents, 60% responded that it was extremely or very important, 30% responded either moderately or slightly important, while the remaining expressed it was not important at all. While most of the sampled respondents expressed the importance of legal support in starting a business, many had challenges in finding the resources they so desperately needed.

Our survey asked how easy or difficult it was to find legal support when they needed it. Our results show that only 27% of respondents find it extremely or very easy, while 19% do not find it easy at all. 34% reported that it was either moderately or slightly easy to access legal support when needed, while 20% do not use legal support at all.

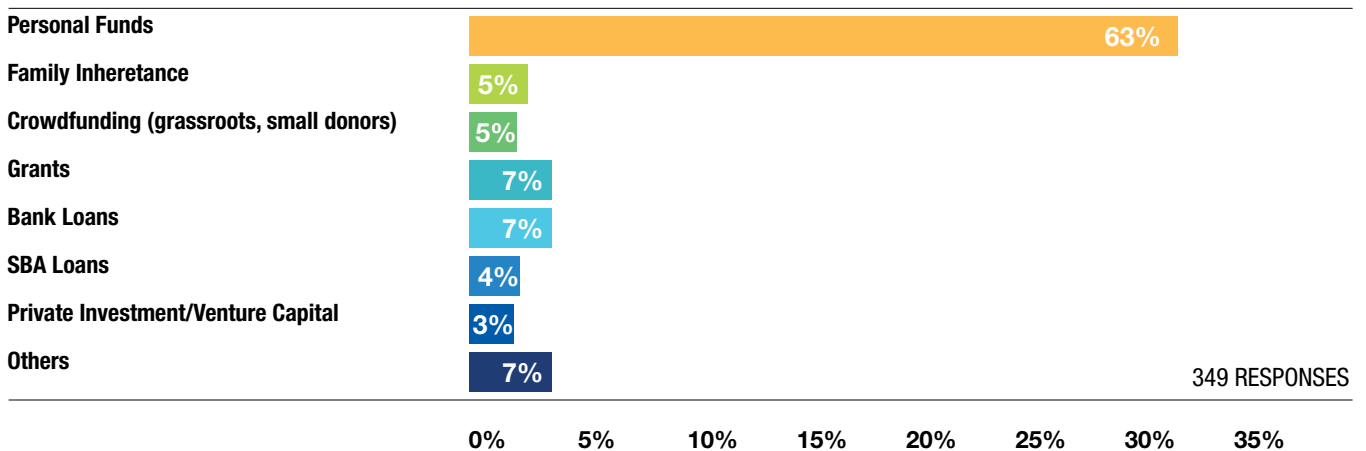
The findings from the survey also showed that not many entrepreneurs used public resources when seeking legal services (13% of 234 respondents). The majority of legal service seekers found resources through a friend (41%) or word of mouth (29%). The miscellaneous ways others found legal services came through previous engagements with attorneys, web searches, Vermont Legal Aid, prior neighbor or a relative, or simply did not find one at all. Another problem we found was that many entrepreneurs simply cannot afford the services they so desperately need.

Our survey asked how affordable legal support was to obtain. We found that less than 20% of respondents reported either extremely or very affordable, while 22% stated that legal services are not affordable at all. Small business owners do not only need legal support when starting a business, they also need it throughout the lifespan of their business, as new regulations are introduced and old policies change. When policies are introduced or changed, daily operations and business reporting may harm local businesses if small business owners cannot afford the support they need to keep their businesses operating. <sup>6</sup>

**6 HOW AFFORDABLE WAS THE LEGAL SUPPORT?**



**7 WHERE DID THE FUNDS TO START YOUR BUSINESS COME FROM?**



It is important to include local small business owners into discussions around local, state and federal policies that will impact their businesses, and what those policies mean going forward. Certain policy changes require a certain degree of knowledge of how to navigate new day to day operations, and may require legal support. When asked what changes would be helpful for them, small business owners expressed the need for access to free or sliding scale legal services, less government complications, general knowledge of what local regulations are for having a home-based small business, affordable help with business organizational help and permits, and having an accountant and lawyer together when forming businesses to ensure the business structure is appropriate for long term goals.

### Financial Services

Capital is the foundation of any thriving business. It can be used for increasing business revenue, employing more people in the local community, and achieving long-term success. Across the country, access to capital has generally been more difficult for women and BIPOC small business owners to obtain.

We asked small business owners throughout Vermont where the funds came from in starting their businesses. Most of the respondents reported that they used personal funds in starting their business. Where we received responses around family infrastructure, crowdfunding, grants, bank loans, SBA loans, and private venture capital, we also learned that entrepreneurs used family loans, credit cards, funds from a spouse, donations and private loans, or had no start-up costs at all in starting a business.

Barriers to entry into various markets have existed prior to COVID-19 and have only been exacerbated during the pandemic. This problem prevents entrepreneurs from starting a business in their communities, where they can hire and grow locally. Seeking feedback from the experiences of small business owners in Vermont, we asked what changes they would like when accessing financial capital to help their business moving forward. The responses we received centered around more options for accessing capital, technical help, easier access, having a list of micro-lenders, support around the process of lending, additional lines of credit, cash flow analysis, business and customer growth and professional mentoring, lower taxes, and lower and zero interest rates around lending. <sup>7</sup>

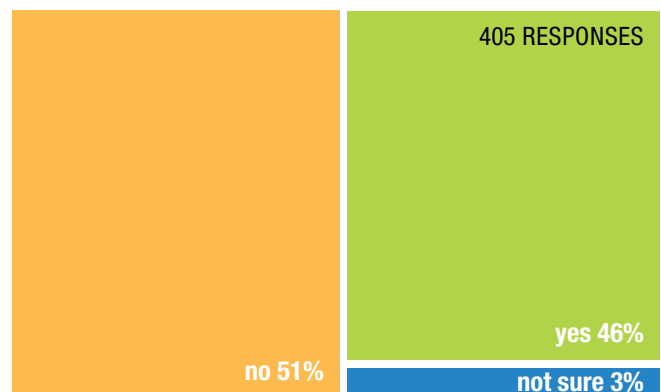
### Business Basics

Small businesses benefit from understanding a host of business systems, tools, and concepts, such as taxes and licensing, marketing and pricing, and finance. Use of payroll, bookkeeping and accounting systems are basic business tools to support the financial health of businesses of all sizes. Whether done independently by the business owner or through a contractor, these three systems provide critical foundations that also help to scale a business.

When asked if they use a payroll provider, 51% of businesses surveyed said no. When asked why they did not use a payroll provider, the majority of the respondents said that a payroll provider was not needed due to the size or lack of additional employees (11.8%). The second most common response was the cost of payroll providers (7.5%). The remaining businesses completed payroll internally or were start-ups that had not yet sought payroll services. <sup>8</sup>

With consideration for business size, businesses with six to 100 employees were more likely to use payroll services. Larger entities of more than 100 employees were less likely to use payroll services; it is likely that at that scale it is possible to obtain in-house staff for this purpose. There was no significant difference in use of payroll providers between BIPOC businesses and their white counterparts. The majority of respondents also did not use the service of a bookkeeper (51%; see figure X). When asked why they do not use bookkeeping services, the majority of respondents completed this task internally (21%). The cost of bookkeeping services was also a consideration (16.2%) and, similar to above, some businesses did not need the service due to their small size or lack of employees (16.2%). Others used accountants to fulfill this need (5.2%) or lacked the right partner (3.2%). Almost two percent of respondents did not know the value a bookkeeping service

<sup>8</sup> USE OF PAYROLL PROVIDERS BY VERMONT SMALL BUSINESS OWNERS



Economic Development Resources / Assessment of Resources

**“I have known about these resources but it is difficult to know what I will get out of it. There’s not enough information about what they do... you don’t know which will actually help grow your business. If there was a way to make them more distilled.”**

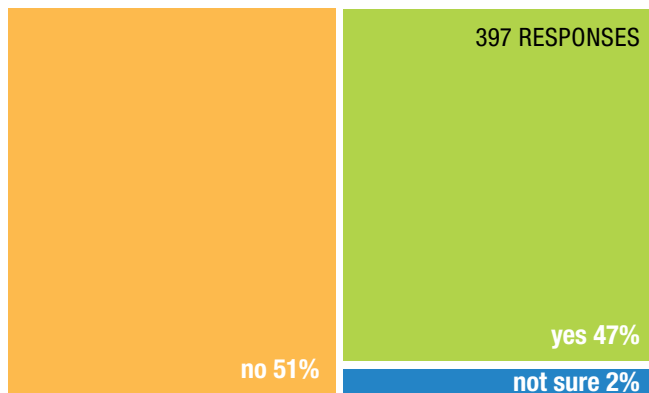
*BIPOC Transportation Service*

would offer but would consider hiring someone if it was beneficial. An additional 3.2% of businesses were in the start-up phase and did not require bookkeeping services. <sup>9</sup>

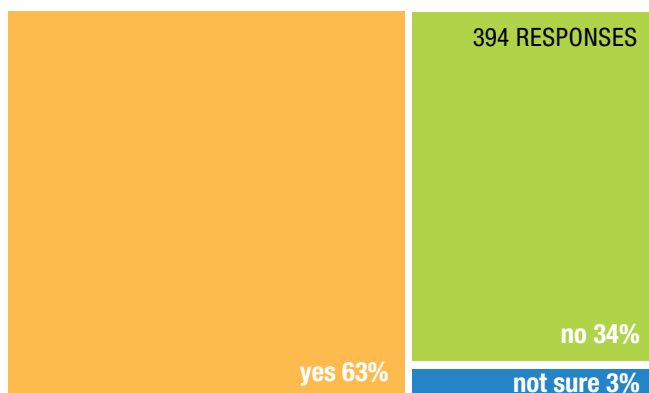
It should be noted that the only social demographic that impacted use of a bookkeeper was racial identity. BIPOC business owners were more likely to hire bookkeeping services compared to their white counterparts.

The response rate shifted quite a bit when asked if the business used an accountant. Sixty-three percent of respondents used an accountant compared to 34% of respondents who did not use an accountant. This difference is seen more starkly when social demographics are considered. In terms of sexual orientation, heterosexual business owners were more likely to hire accounting services (66.5%) compared to their LGBTQA+ counterparts, where individuals identifying as gay or lesbian the least likely to utilize accounting services. Black business owners were

<sup>9</sup> **USE OF BOOKKEEPING SERVICES BY VERMONT SMALL BUSINESS OWNERS**



<sup>10</sup> **USE OF ACCOUNTING SERVICES BY VERMONT SMALL BUSINESS OWNERS**



also less likely to utilize accounting services compared to other races. Additionally, individuals with a disability were less likely than able bodied individuals to use accounting services. <sup>10</sup>

It is important to note these differences in use of accounting services once racial demographics are considered as they imply a barrier to access for business owners with historically excluded identities. While it is possible that these business owners are receiving support from business development organizations, general knowledge also tells us that BIPOC individuals are not accessing these resources as readily as white-identified individuals. That begs the question of what accounting supports are being offered and available to the BIPOC community in a way that meets their needs?

For those who were not using accounting services, most respondents cited cost as a significant barrier to access (37%). Others accomplished accounting internally (17.4%) or were too small to warrant the need for an accountant (13.0%). Again, the start-up businesses did not seek out accounting services (6.5%) and others lacked the right partner for this service (6.5%). What is most interesting is that 2.2% of respondents cited lack of trust as a reason for not hiring accounting services and 1.1% did not understand the value of hiring accounting services.

- Respondents cited several suggestions that would support their financial service needs:
- Financial and accounting information/services**
  - Affordable services and more information**
  - Other support services**
  - Legal or policy support from a trusted resource**
  - Reliable partners**
  - Support on insurance**
  - Support on marketing their business**

Given the number of existing business support services available across Vermont, awareness of these resources may be the primary reason why the aforementioned suggestions were listed. This could be due to inadequate dissemination of information and outreach efforts, lack of available time for businesses to seek support because of other existing commitments, and the sheer number of resources to sort through, which can be overwhelming, among other factors.

## Branding and Marketing

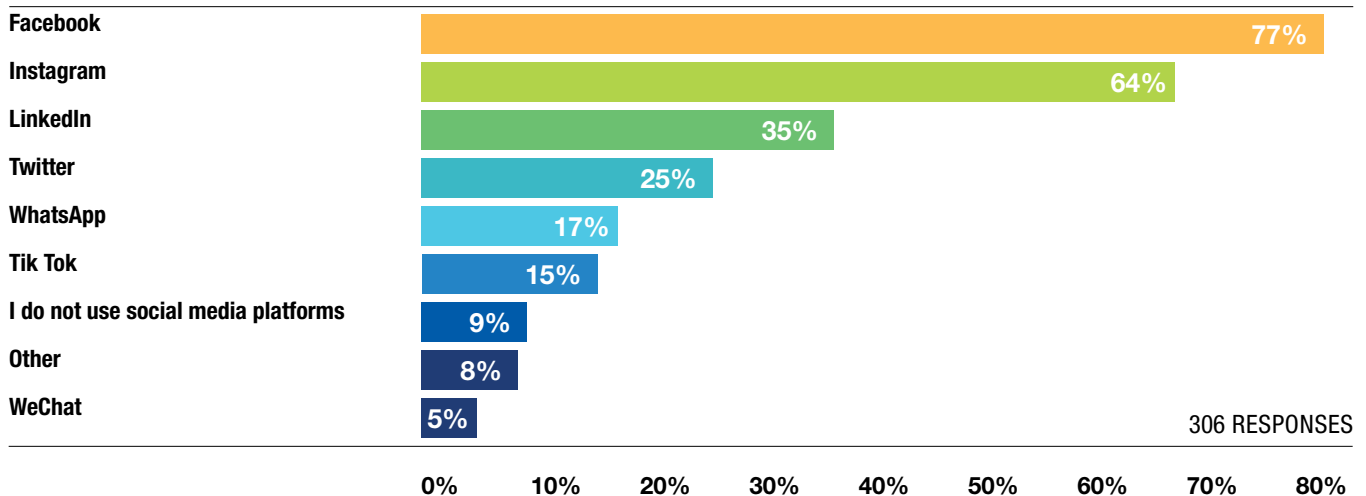
The majority of businesses responding to our survey utilize Facebook (77%) and Instagram (64%), while other platforms like LinkedIn (35%), Twitter (25%), and TikTok (15%) were less used. Some business owners also utilized the benefits of WhatsApp (17%), an internet-based communication platform that is used globally with some exceptions. Although it was developed in the U.S., it is lesser used by Americans and has become more popular outside of the U.S., and users praise it for its simplicity, cost effectiveness, and delivery speed<sup>2</sup>. Within the U.S., white individuals are less likely to use the app compared to BIPOC individuals<sup>3</sup>, which may account for the small number of respondents to our survey who do use the app. Similarly, 5% of respondents utilize WeChat, an app similar to WhatsApp that is primarily used by Asian, Pacific Islander, and Indigenous communities. When looking at the breakdown of usage by demographic, Black respondents were more likely to use WhatsApp and American Indian and Alaska Native were more likely to use WeChat. <sup>11</sup>

Looking at the breakdown by legal entity, sole proprietorships were more likely to utilize TikTok, Twitter, LinkedIn, and WhatsApp compared to other legal entity types, whereas Corporations and LLCs were more likely to use Instagram. Partnerships were more likely to use both TikTok and WeChat.

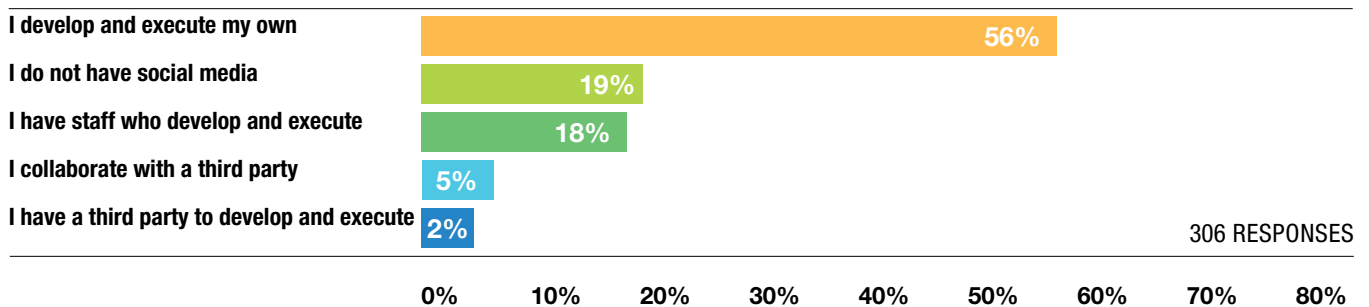
Some business owners cited the use of more local social media platforms like Front Porch Forum, Craigslist, or simply their own website. Nine percent of respondents do not use any social media to market their business.

When asked how they develop marketing strategy, most businesses responded that they develop and execute their own strategy (56%). Some did not have an existing strategy (19%) and others have staff who both develop and implement the strategy (18%). A small percentage of respondents utilize third-party services who take on either a part or the whole of the task (7% combined total). Of those who do not have a social media strategy, the majority are solopreneurs or small scale businesses. BIPOC business

### <sup>11</sup> SOCIAL MEDIA PLATFORMS USED BY VERMONT SMALL BUSINESSES



### <sup>12</sup> HOW DO YOU DEVELOP MARKETING STRATEGIES FOR YOUR BUSINESS?



<sup>2</sup> Mars M, Morris C, Scott RE. WhatsApp guidelines – what guidelines? A literature review. *Journal of Telemedicine and Telecare*. 2019;25(9):524-529. doi:10.1177/1357633X19873233

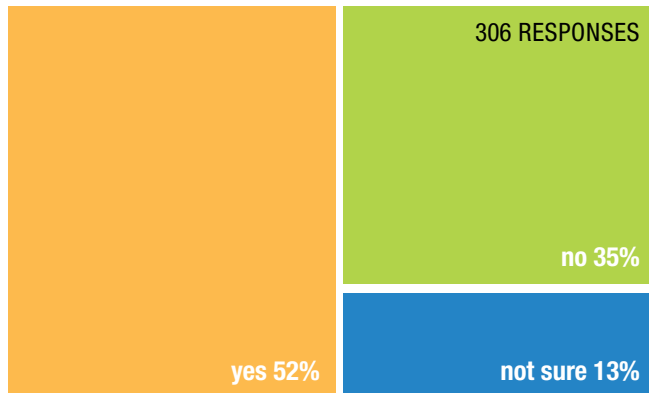
<sup>3</sup> <https://financesonline.com/whatsapp-statistics/#:~:text=In%20the%20US%2C%20in%20terms,of%20WhatsApp%20users%20at%202019%25.>



owners were less likely to have a social media strategy in place compared to their white counterparts. <sup>12</sup>

When asked if they have access to marketing or social media support if needed, most respondents said yes (52%), but 35% said they did not, and 13% were not sure.

<sup>13</sup> **DO YOU HAVE ACCESS TO MARKETING AND SOCIAL MEDIA SUPPORT?**

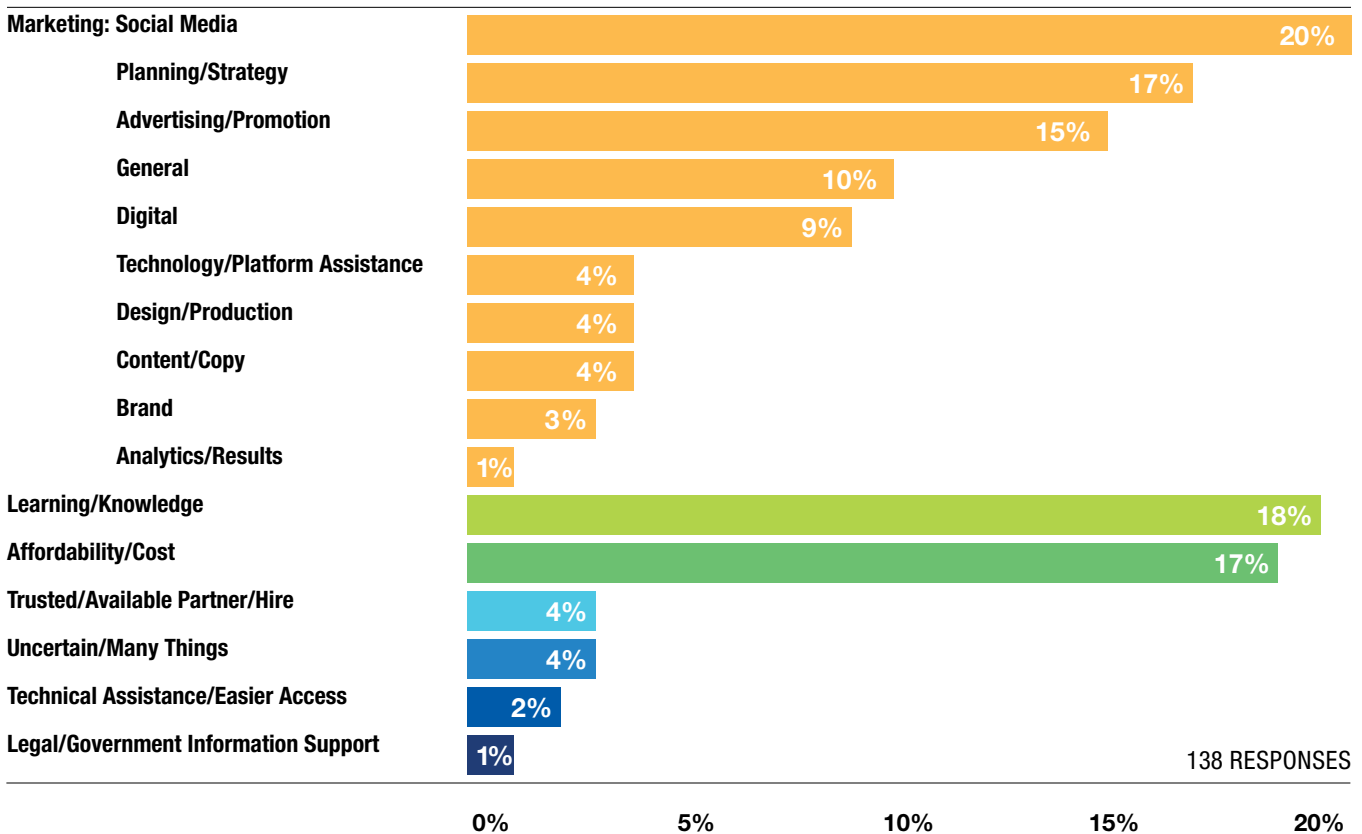


When asked why they do not have access to support, a stark 63.2% cited affordability of services. Participants also said they could not find a trusted or available partner to hire (14.7%) and that they needed easier access to support services (13.2%). <sup>13</sup>

Our survey also asked what marketing and branding resources would be most helpful for businesses. The top five responses were: learning and knowledge about branding and marketing (20.3%), support with social media marketing (19.6%), more affordable services (18.1%), being able to find a trusted and available partner or staff for this purpose (16.7%) and support with marketing planning and strategy (16.7%).

When asked if the business took advantage of the state-sponsored marketing and website technical assistance during the COVID-19 pandemic, 76% of respondents said they did not utilize this resource because they did not know about it (55% of the responses who said they did not use), had time constraints (11%), or had other reasons, such as not being established at the time, did not qualify for the program in other ways. Only 17% of the respondents said they did not need the resources provided. <sup>14</sup>

<sup>14</sup> **WHAT MARKETING AND BRANDING RESOURCES WOULD BE MOST HELPFUL FOR BUSINESSES**



Access to Capital / Grants

**“Grants with required fund matching are extremely difficult for small and young businesses.**

**Potentially receiving 10k would be amazing, but I couldn't currently match that with my business's income.”**

*BIPOC Micro Farmer*

## Economic Development Support

Vermont offers a wealth of economic support services, ranging from local, regional and statewide. The organizations that make up the CNPP team offer services that are both regional and statewide, with additional support from collaborators outside the immediate hub and spoke system. These resources are invaluable as they provide free or low-cost services to businesses that would otherwise be unable to access such offerings. However, the survey showed that 39% of respondents had not utilized any economic development service organization’s support services at the time of response. While 31% of respondents had accessed support from the U.S. Small Business Administration, far fewer respondents had used other Vermont-based non-profit or state-operated services. <sup>15</sup>

Additional resources used include:

- Vermont Economic Development Authority
- Hunger Mountain COOP Community Grant
- Vermont Community Foundation
- Department of Labor
- Community Economic Development Office City of Burlington
- State and federally sponsored programs
- Capstone

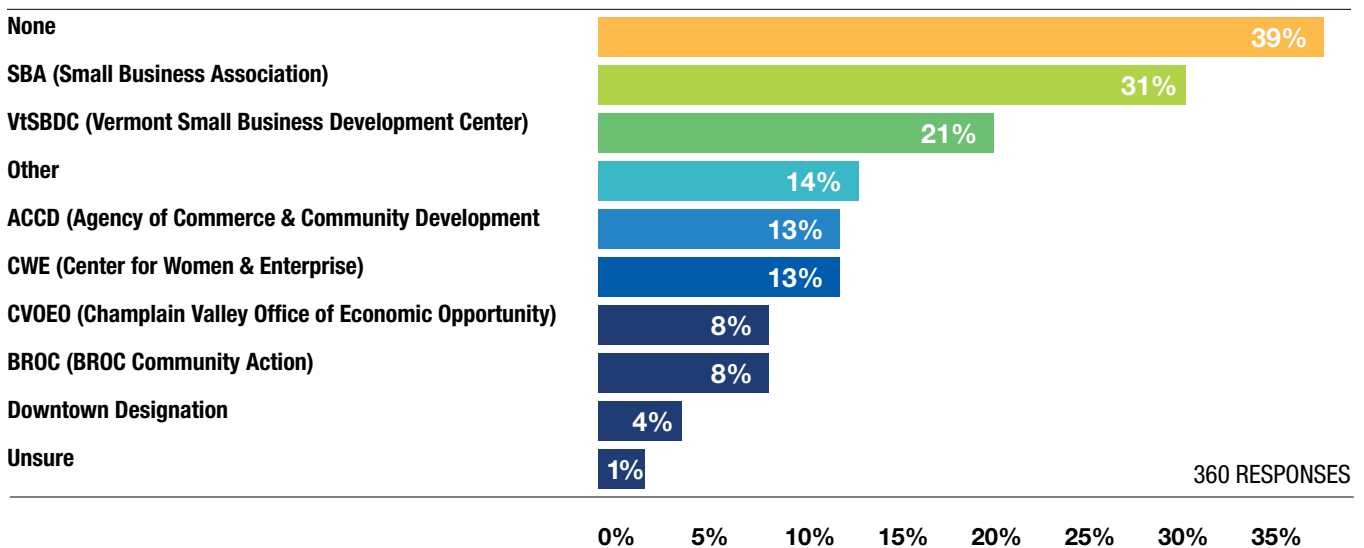
For those who had utilized these service organizations, most utilized services to obtain funding in the form of loans, grants, or even reimbursements for work that had been done; tax credit; training, including workshops; general information and support; consulting and assessment services; counseling; outreach support for their business; and networking.

For those who had not utilized these service organizations, the primary reason for not doing so was lack of sufficient information about the services offered (56%) or general awareness that the provider existed (45%). Some participants also did not feel comfortable reaching out to the organizations (23%). An additional 12% of respondents had other reasons for not reaching out for support from these organizations, such as not having the time to properly look into the various options, not wanting to impose an additional level level of bureaucracy to their work, or the perception that they would not be eligible for the opportunities offered by these organizations. Others noted that they had tried to work with one or more of these organizations but the experience was harmful and that they no longer “have any level of confidence that exploring these avenues would be a valuable use of our time and resources.” Only 11% of respondents who said they had not used these resources said that they did not need the services of these organizations.

About 33% percent of respondents had accessed support from out-of-state vendors (n=352). These services included: professional services (legal, accounting, bookkeeping), marketing, general consulting services, vendors specializing in products for their business, capital services, and remote employees. Several respondents noted that out-of-state services offer more awareness of large-scale markets, may offer more reasonably priced services, or offer services that aren’t available in-state.

When asked what kinds of support services would be helpful, respondents noted the need for existing services, such as small business courses around business planning and basics of business development, but many focused on specific needs, such as grant searching and writing support, networking opportunities, guides of existing resources and “how-tos.”

### <sup>15</sup> VERMONT ECONOMIC DEVELOPMENT SERVICE ORGANIZATIONS USED BY SURVEY



## Sense of Belonging

In general, Vermont is known for its sense of community and of place, as well as a progressive beacon that leads policy by example. It is also the second whitest and second oldest state in the nation, and has the second lowest rate of employment in the country. While the cultural openness of Vermont invites community members of all identities to the state, the homogeneity of the state does create opportunities for discrimination, both unintentional and intentional. This is seen particularly through the BIPOC lens. Anecdotal evidence showed that due to workplace and community-based discrimination, as well as a disconnection to the broader community, BIPOC individuals often leave the state for lack of connection.

In this survey, we intentionally asked small business owners about their sense of belonging within an environment that is catered primarily to white male-led companies. These questions were asked of all participants, including those who identified as BIPOC, LGBTQIA+, and other underrepresented identities. The following section showcases data on both discrimination experienced within various business support sectors, including breakdowns

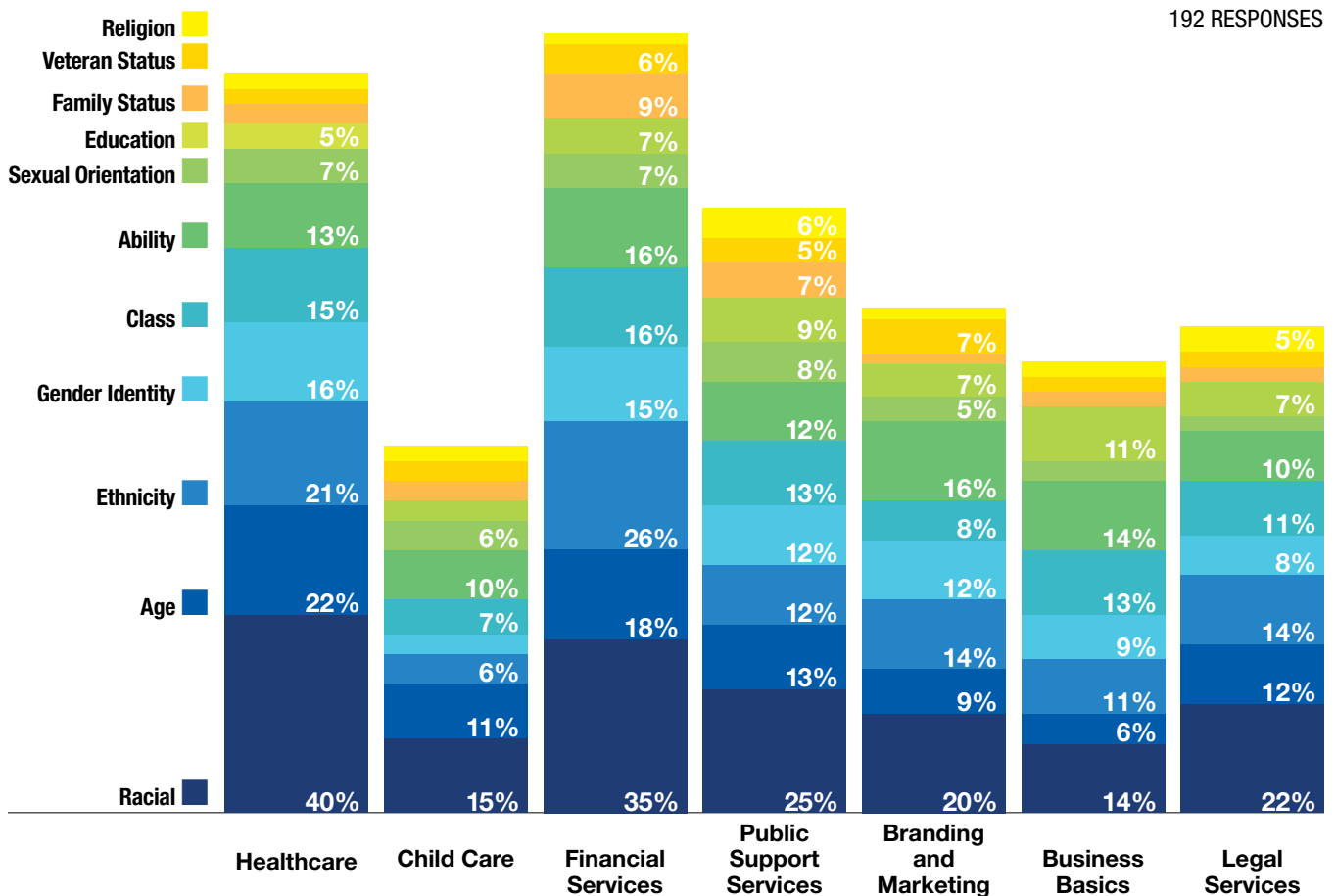
of the types of biases a business owner has experienced, as well as the meeting of cultural needs by the same business support systems. While not all business owners may have experienced discrimination or have unmet cultural needs, this data is critical to existing business development services.

## Discrimination and Bias

Our survey asked participants about the different ways they had experienced bias as a small business owner. We included various demographic and social identities that have been reported in previous studies and reports by the state and environmental assessments, including family status, veteran status, religion, education, class, sexual orientation, ability (physical), age, gender identity, ethnicity, and race. Participants were asked to identify these biases within set categories of services that make up the previous sections of this report.

Overall, participants noted racial discrimination across the identified service categories, with the highest in financial services (33%), healthcare (32.8%), and legal services (20.8%). Racial bias is especially pervasive because it can be both explicit (or overt expressions of discrimination) and implicit (where service providers are unaware of their internal biases and how it is impacting the outcome of the

### 16 IN WHICH OF THE FOLLOWING WAYS HAVE YOU EXPERIENCED BIAS AS A SMALL BUSINESS OWNER?



service provided). Moreover, these biases are systemic and influence decisions across the different levels of support. The impact of these biases is the creation of barriers to accessing the robust resources that exist for the benefit of business and economic development in the state.

Public support services had the lowest number of responses but this may be due to lack of use of these services as noted in Economic Development Support (page 25). Child care also had a low response rate but may be explained by the fact that most respondents noted that child care is not a challenge in Child Care Benefits (page 15). In the following sections, we will focus on each of these sectors and elaborate on the data provided. <sup>16</sup>

Within the healthcare services category, racial discrimination was the highest perceived amongst the various identities given (43%) followed by class (14%), age (13%), gender identity (11%), and ethnicity (10%). <sup>17</sup>

Racial discrimination in healthcare is a known phenomenon that has been recorded both within anecdotal reporting as well as academic studies<sup>4</sup>. Implicit biases held at both the individual and institutional levels create barriers to accessing necessary healthcare services, and can have a trickle down effect on other social identities, including class, age, gender and ethnicity. Small business owners with identities that fall within the top discrimination categories may have more difficulty obtaining healthcare for themselves as well as for their employees despite the desire to offer this benefit (see Healthcare, page 17). Small business owners who are unable to offer such benefits are less likely to attract quality candidates, and can lead to increased cost in the hiring and onboarding process. Moreover, biases in the healthcare system may lead to lack of desire to access preventative care by business owners. Small business owners are reliant on their own physical and mental ability to maintain operations; access to healthcare is critical to the sustained vitality of the businesses across the state.

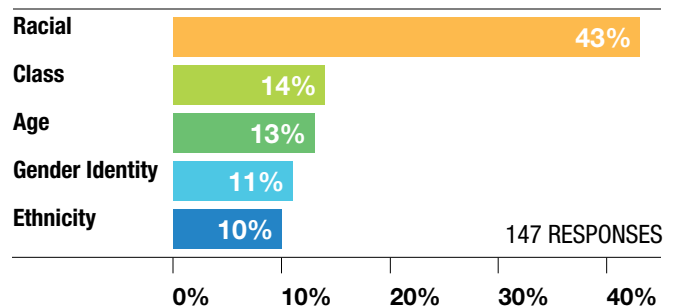
When asked if they experienced bias within child care services, the top five types of bias experienced were racial (32%), class and ability (11% each), and age and ethnicity (10%). Family status was a source of discrimination (8%). <sup>18</sup>

As previously stated in Child Care Benefits, the lack of available and affordable child care adds pressure on small businesses' ability to increase scale and profit margins due to loss of self- and/or employee time on the job. Pressure is compounded with consideration for discrimination as business owners who have different racial, class, ability, age, or ethnic identities may experience discrimination when trying to access child care. This increases the likelihood for businesses owned by individuals with different identities than the demographic majority to experience operational

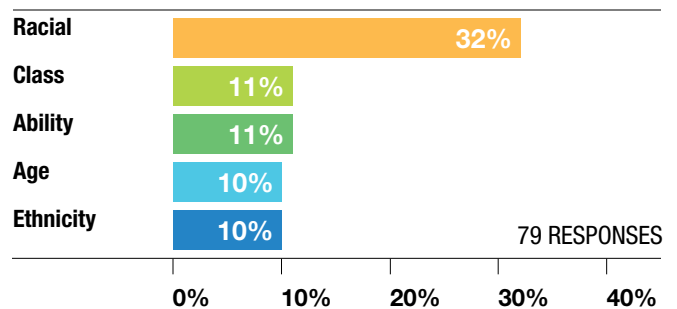
issues due to lack of support. The time spent on attending to child care might have been spent on seeking business basic support or economic development resources.

The Financial Services section reported that many small business owners utilized personal funding to start their businesses, as well as the barriers to accessing financial support from traditional lenders. Here, we can see that there are additional barriers for those small business owners who hold specific identities, particularly those who may identify as a different race (43%), gender (12%), or ethnicity (11%). This type of discrimination is also noted within the qualitative data provided in the VT PoC Listening Session section of this report focused on access to capital. <sup>19</sup>

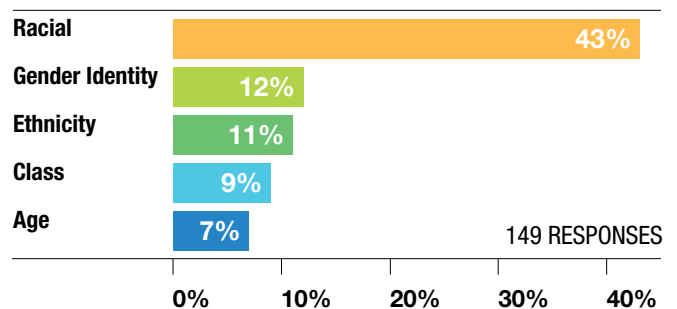
<sup>17</sup> **HEALTHCARE DISCRIMINATION & BIAS**



<sup>18</sup> **CHILD CARE DISCRIMINATION & BIAS**



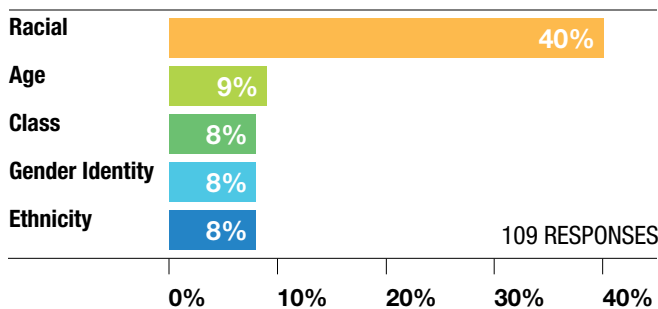
<sup>19</sup> **FINANCIAL SERVICES DISCRIMINATION & BIAS**



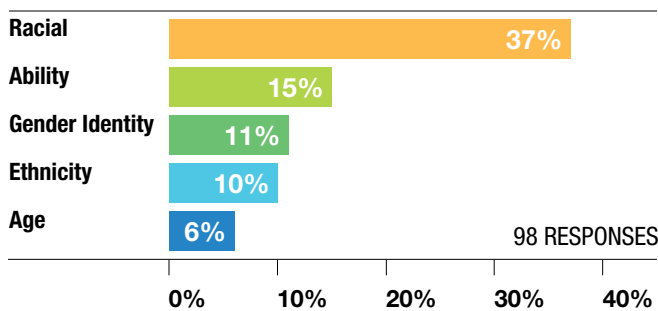
<sup>4</sup> Togioka, Brandon M., Duvivier, Derrick, and Young, Emily. (2023). *Diversity and Discrimination in Healthcare*, <https://www.ncbi.nlm.nih.gov/books/NBK568721/>.

Financial services, along with legal and business basics support, are a critical component to the long-term success of a business. Discrimination within this important sector means that excluded communities must rely on funding from other sources, including personal savings, crowdfunding, and grants. These sources may not be sufficient unto themselves, and the amount of additional work required to obtain funding through these methods reduces the time business owners can spend on building their operational structures or their market. For example, grant opportunities for small businesses are generally limited, yet grant applications may take more hours than offers a healthy return on investment. Additional training

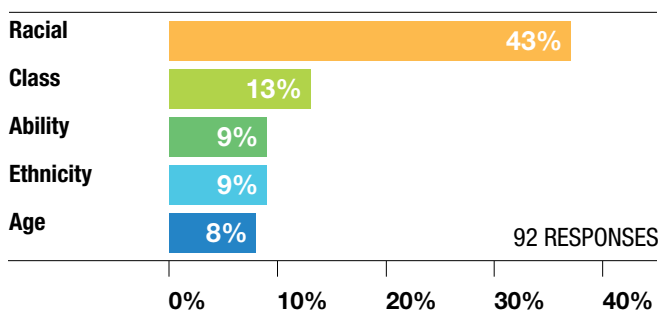
**20 PUBLIC SUPPORT DISCRIMINATION & BIAS**



**21 BRANDING & MARKETING DISCRIMINATION & BIAS**



**22 LEGAL SERVICES DISCRIMINATION & BIAS**



for financial service providers, as well as reevaluation of how these services are generally implemented, may help to reduce these incidences. It is also important for financial service providers to create company and organizational cultures that are open to increasing access to these community members, to hire individuals who identify as part of these historically excluded groups, and to provide additional support for those who may not have access to information than the “traditional” funding recipient. <sup>20</sup>

Bias experienced within public support services was primarily racial (40%), yet there was discrimination across all identities with the exception of veteran status. This data may reflect an alternate explanation as to why some business owners are not utilizing public support services as previously indicated (see Economic Development Support, page 25). While lack of awareness may be the primary reason for not utilizing these resources, discrimination across the various identities that business owners hold may be an underlying cause for shying away from critical services that support the longevity of a business.

However, where these resources are affirming and supporting the business owner, our listening session data shows that these offerings greatly benefit the individual and can encourage further engagement with the individual organization, as well as exploration of other similar services.

Businesses looking to hire branding and marketing services experienced racial bias (37%) as well as ability bias (15%), gender bias (11%), and ethnicity bias (10%). These data points are not surprising given the inherent bias of traditional marketing and branding companies even against those within their own profession<sup>5</sup>. At a national scale, successful BIPOC business owners are also seeing greater interest in their product, yet still face discrimination from existing support systems<sup>6</sup>. <sup>21</sup>

In Vermont, the options for hiring a marketing and branding company are limited, as most are white-owned and may have specific markets of focus. Perhaps it is that these companies are unsure of how to best support these potential clients as it can be difficult to understand a market that has never been explored or one that is assumed to not exist. Yet the BIPOC community alone accounts for over \$1 billion dollars in economic activity annually in the State of Vermont according to estimates from the American Community Survey (2022). While these identities may be less visible due to the spread of BIPOC community members in the state, or other hidden identities, they comprise a significant part of the Vermont economy as a whole. Greater attention by marketing and branding professionals to these groups not only increases statewide awareness of these groups’

<sup>5</sup> IBM. (2022). Bias in advertising: Confronting and addressing the challenge. <https://www.ibm.com/watson-advertising/thought-leadership/bias-in-advertising>

<sup>6</sup> Liffreing, Ilyse. (2021). BIPOC creators see increased brand commitment but still face inequalities, Ad Age. <https://adage.com/article/digital-marketing-ad-tech-news/bipoc-creators-see-increased-brand-commitment-still-face-inequalities/2347601>

existence, but can also generate greater attraction of these groups from outside of Vermont, whether it is to add to the existing workforce, or to the tourism industry.

Business owners seeking legal services faced racial bias (43%) more than any other type of bias listed. Class (13%), ethnicity (9%), and ability (9%) were also sources of discrimination experienced by business owners. <sup>22</sup>

Legal services, as previously noted, are a critical part of starting a business to ensure success and sustainability. Legal advice on seemingly simple decisions, like the type of legal entity to select when starting a new business, can benefit a business owner in the long-run depending on the goals of the business owner. Historically excluded communities, such as BIPOC, often do not have this inherited knowledge or understanding of business development and benefit more from such advice. As previously noted, the net loss of businesses as well as the net decrease of businesses over the pandemic period may have been impacted as a result of lack of legal and business basic support.

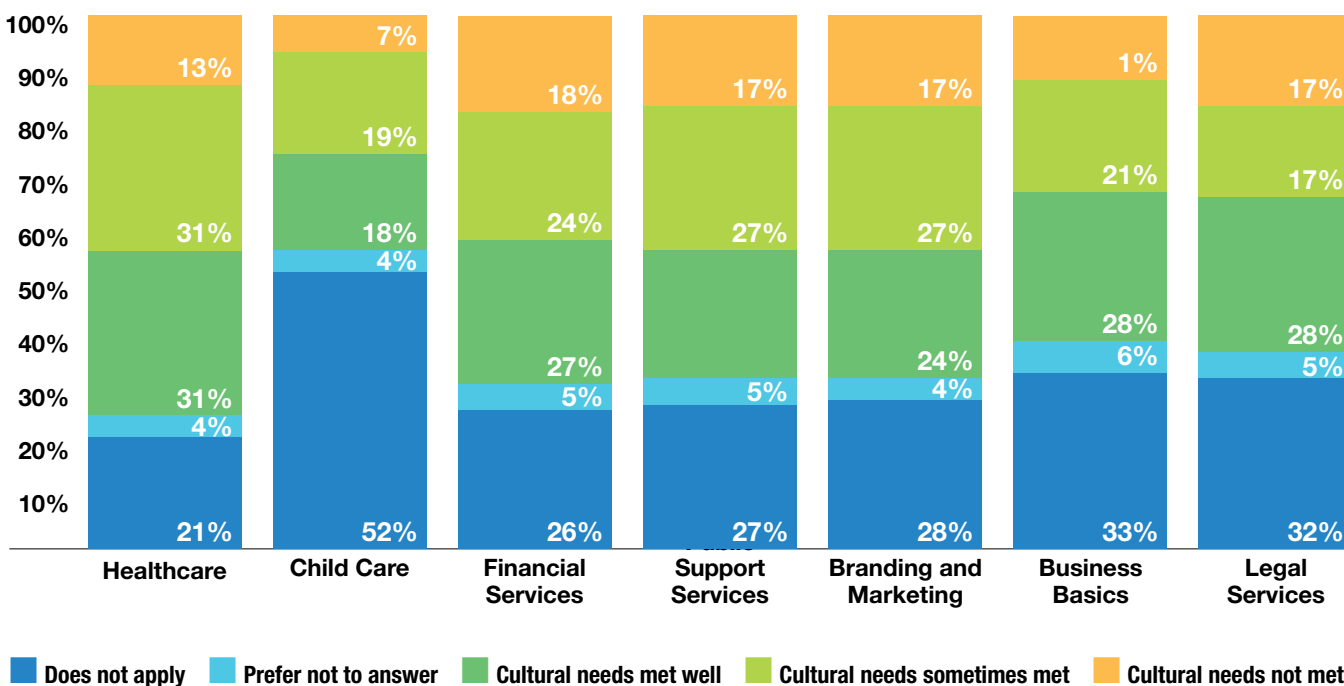
**Cultural Needs**

Cultural needs are inclusive but not limited to an individual's values, language, beliefs, customs, social groups, and personal identity. Consideration for cultural needs within the delivery and dissemination of resources is important to ensure effective distribution of these resources across the broader community as well as use by historically excluded community members.

In addition to consideration for discrimination and bias within service sectors, we also asked if participants felt their cultural needs were met by these services. In most areas, more than 40% of respondents said that their cultural needs were either not met or were sometimes met. A small percentage preferred not to answer. <sup>23</sup>

Increasing cultural competency of service providers and within service organizations benefits individuals seeking services, and it increases understanding of the immediate and actual needs of young and potential business owners across the state. Vermont is currently the second whitest and second oldest state in the nation, and our business leaders reflect this demographic dilemma as well. By increasing cultural awareness and the ability of service providers to accommodate new business owners who may have different cultural backgrounds, there is an increased opportunity for young and diverse businesses to thrive in the near- and long-term. Moreover, providing support and meeting new business owners at their level of need may stimulate the growth of new markets, and increase the likelihood of attracting diverse workforce candidates and business start-ups from beyond state borders. While these types of changes take time and effort, the economic benefit for existing and potential businesses, as well as existing and potential customers is greater as these changes can introduce new stimulants to the Vermont markets.

<sup>23</sup> HOW WELL DO YOU FEEL YOUR CULTURAL NEEDS ARE MET WHEN ACCESSING SERVICES?



## MSA Listening Sessions

MSA conducted a total of 11 both in-person and virtual focus groups between May 2022 and October 2022. The focus groups included participants such as Realtors, facilitators, clothing manufacturers, small business owners, and community members. The discussions revolved around various challenges faced by small business owners, including access to capital, workforce issues, lack of benefits, marketing difficulties, gatekeeping, and prioritization of tasks. The participants also highlighted the need for a centralized resource hub for small businesses and expressed their wishes for improvements in government support and access to resources.

Additionally, there were discussions on the unique challenges faced by women business owners, such as limited funding opportunities, lack of trust from lenders, and the need for support networks. The sessions revealed gaps in available resources and services, and participants emphasized the importance of better access to information, simplified tax codes, affordable legal and accounting support, and tailored funding options. Overall, the focus groups provided valuable insights into the challenges and needs of small business owners in Vermont.

These common themes reflect the shared experiences, concerns, and aspirations of small business owners across different industries and regions throughout Vermont.

### Access to Capital

#### Access to Capital

Small business owners expressed challenges in accessing capital for business growth and development. They highlighted outdated regulations, lack of funding options tailored to their needs, and difficulty in securing loans.

### Business Basics

#### Access to Resources

Small business owners expressed a need for better access to resources and support services. They mentioned challenges in finding and utilizing available resources, including business development programs, marketing tools, and online business support.

#### One-Stop Shops

Participants emphasized the need for a centralized platform or hub that provides comprehensive information about available resources, programs and services for small businesses. They expressed the desire for easy accessible, user-friendly resource directories.

### Workforce Development

Many small businesses faced difficulties in hiring and retaining qualified employees. They mentioned issues such as lack of skilled workers, competition with larger corporations for talent, and limited access to benefits that could attract and retain employees.

### Challenges in Specific Industries

Certain industries faced specific challenges. For example, a clothing manufacturer highlighted marketing and social media hurdles, while a veterinary clinic owner mentioned the struggle with workforce shortages and competition from larger corporations.

### Resilience and Creativity

Small business owners highlighted the need for adaptability, creativity, and resilience in overcoming challenges. They emphasized the importance of training, mentorship, and community support in fostering innovation and entrepreneurial success.

### Care Economy

#### Care Economy

Participants mentioned the importance of addressing child care and eldercare issues as barriers to entrepreneurship. They stressed the need for support in balancing work and personal responsibilities.

### Infrastructure

#### Streamlining Processes

The complexity of regulations, tax codes, and bureaucratic processes was highlighted as a challenge. Small business owners expressed a desire for simplified processes, clearer guidelines, and increased support in navigating regulatory frameworks.

#### Infrastructure and Connectivity

Issues related to infrastructure, including broadband access, cell service, and transportation, were raised as important factors for the success of and growth of small businesses in rural areas.

### Systemic Inequities

#### Support and Advocacy

Small business owners expressed a desire for stronger support networks, collaboration among businesses, and advocacy for their unique needs and challenges. They emphasized the importance of a community, government, and financial institutions in providing assistance and fostering an environment conducive to small business success.



**Business Basics: Access to Resources**

**“I would like to have better tools for online businesses. There is a need for tech teaching and for those operating their own businesses online to be aware of opportunities in which Vermont organizations to greater utilize tech to increase sustainability.”**

*Rural Business Owner*

**Business Basics: Workforce Development**

**“Staffing in this part of the state has been very challenging. The vaccine requirement is limiting an already small pool of candidates. Act 250 is also impacting my industry since it limits trail building. I feel that the land ethics are shifting from the past generations to those who now own property.”**

*Rural, Woman Owned*

**Business Basics: Workforce Development**

**“Immigrating and starting a business in rural Vermont has been a very difficult task. The absence of trust has been a major obstacle that I am still overcoming.”**

*Rural Business Owner*

**Systemic Inequities:  
Support and Advocacy**

**“How do you have the time to sit down and find and learn what is out there? We need a one stop shop.”**

*Rural, Woman Owned*

**Business Basics: One-Stop Shops**

**“The health insurance marketplace is extremely complicated and difficult to navigate. We need a stronger one-stop shop solution with access to small business technical assistance and advisors.”**

*Rural Business Owner*

## VT PoC Listening Sessions

VT PoC conducted in-person and virtual focus groups in Vermont between April 2022 and October 2022. In all, we hosted 21 listening sessions, which translated to 1,890 minutes of listening sessions and 87 BIPOC small business owners represented across those listening sessions.

The following were identified as the broad themes from all focus groups. Secondary themes are included as “tags” to provide additional context and show interconnectedness amongst findings.

### Access to Capital

Access to Capital refers to clear and accessible avenues for grants, loans, and other forms of funding to help support small businesses. This includes, but is not limited to, capacity building grants, low interest loans, opportunities for brick and mortars, etc. It is important to note that all sessions with attendees mentioned access to capital as a barrier and/or wish.

Access to Capital / Business Basics / Network

**“I would categorize needs in three different buckets: Capital, Experts, Network. We need to create capital to start, we need experts who can advise us, and a strong network to get to more places and people seeing us.”**

*BIPOC Fundraising Consultant*

Access to Capital / Business Basics / Network

**“Capital is at the top of my list. The second is the legal support (like knowing what insurance is), and up until connecting with VT PoC, Google was my only resource for these areas.”**

*BIPOC Metalsmith*

Access to Capital / Grants

**“Grants with required fund matching are extremely difficult for small and young businesses. Potentially receiving 10k would be amazing, but I couldn’t currently match that with my business’s income.”**

*BIPOC Micro Farmer*

Access to Capital /  
Systemic Inequities

“As a Black woman, I am already getting paid less than I’m supposed to.”

*BIPOC Budding  
Business Owner*

Business Basics: One-Stop Shops

“My three wishes would be capital, staffing such as an assistant, and technical support. I say that because my business has been established for five years and my website isn’t running and I don’t have business cards... I feel like they don’t take people of color seriously when trying to establish themselves.”

*BIPOC Diversity, Equity, and Inclusion Consultant*

Access to Capital / Systemic Inequities / Grants

“When focusing on the actual application process, I do not want to give financial background and (my) whole life story.”

*BIPOC Independent Artist*

Access to Capital

“A lot of us do not have grandparents that left us \$100,000 to use as start-up money. We are using money from back pockets, savings, under the couch, etc.”

*BIPOC Transportation Service*

Access to Capital / Systemic Inequities / Insider Mentality

“I don’t feel like I have access to capital and I don’t even know when markets are going on. I find out from a friend of a friend or an ally. Whoever is running the show [or market], who they know is who gets into the shows.”

*BIPOC Metalsmith*

Access to Capital / Business Basics

“We have a lot of growing pains. With farms, you need infrastructure which you can’t get unless you have access to capital, and you can’t have access to capital unless...well, so on and so on.”

*BIPOC Agricultural Business Owner*

## Business Basics

When referring to Business Basics, participants outlined introductory skills, certifications, and technical assistance as essential to successfully running a small business. Participants with more established businesses called for workforce development and a more welcoming environment.

## Economic Development Resources

Economic Development Resources details participants' experiences with state and regional resources offered to small businesses in Vermont. This includes, but is not limited to, participants' experiences accessing of and their overall assessment of resources offered in the state.

### Business Basics / Systemic Inequities / Resources

**“New Americans and Immigrants are coming to this place without a solid understanding of the systems, they can’t just sit us down and be like, ‘okay here is how to do this’?”**

*BIPOC Digital Artist*

### Business Basics / Resources

**“I would like a step by step guide (on how to start a business). It would make the process easier because once I got my website done, I was able to do other administrative things like establishing an LLC, EIN, creating your own contract, etc.”**

*BIPOC Digital Artist*

### Business Basics

**“Similar to what was said [regarding access to starting a small business], I have legal documents that I’m not sure are legit and I have an accountant but it took so long to find.”**

*BIPOC Transportation Service*

### Business Basics / Resources

**“It would be helpful to sit down with someone to talk about how to start a business. For example, what is the difference between sole proprietorship and LLC?”**

*BIPOC Metalsmith*

### Business Basics / Workforce Development

**“If I want to do something in the marketing field, I have to have all these other qualifications to be taken seriously.”**

*BIPOC Budding Business Owner*

**Economic Development Resources / Assessment of Resources**

“I looked into some of these resources, one in particular, that will help you build your business. I did not fit in the parameters which were being in business for two years and having a revenue, from that business, of 50k... The parameters for a small business were really high but I would have benefited from it.”

*BIPOC Metalsmith*

**Economic Development Resources / Assessment of Resources**

“Finding resources has been difficult for me, specifically finding vendors that sell the products that I need. I am at the mercy of local markets but my desire is to support BIPOC businesses.”

*BIPOC Food Producer*

**Economic Development Resources / Assessment of Resources**

**“I have known about these resources but it is difficult to know what I will get out of it. There’s not enough information about what they do, there are so many [listed acronyms] but you don’t know which will actually help grow your business. If there was a way to make them more distilled.”**

*BIPOC Transportation Service.*

**Economic Development Resources / Assessment of Resources / Grants**

“I have gained access to Embrace Grant and CNPP grant. The Embrace Grant was pretty straightforward but the CNPP was difficult because it wasn’t very much money and it was split between multiple vendors... some technical assistance grants do not allow you to receive funds if you already have another grant, which can be frustrating. ”

*BIPOC Food Producer*

**Economic Development Resources / Access to Resources**

**“I have worked with the Center for Women and Enterprise. I did their 10-week business planning course and it was really good. I learned a lot about myself and the business. I was not building it for the current business that I am operating (travel agent) but I have all the resources from that course to help with my current business. They were so amazing.”**

*BIPOC Online Travel Agent*

## Infrastructure

Infrastructure refers to the current systems, whether digital or structural, in place for the state of Vermont. BIPOC business owners called for Vermont's antiquated processes to be reviewed and upgraded. This includes internet and paper trails which can be automated.

## Systemic Inequities

System Inequities refers to the policies and procedures coupled with attitudes and biases that create institutionalized and structural problems in inequity, specifically impacting BIPOC small business owners. It is important to note that systemic inequity is weaved through all findings of the report, not just this section.

### Infrastructure / Digital Capacity

**“The internet is not good where I live...it is very hard to run an online business. I believe this is Vermont specific because I live in a rural area and Vermont is a rural state. They are trying to do fiber internet but they are 2-3 years out from that.”**

*BIPOC Online Travel Agent*

### Infrastructure / Digital Capacity

**“I wish [businesses] in Vermont specifically would embrace technology and modern processes. What I mean is that I feel like I have to bend over backwards to fill out their process and forms...I have taken the time to set up the digital infrastructure to be more efficient. The response is to print a form, send it in, and then receive a check a month later. But in the meantime, I have contractors to pay which comes out of my pocket.”**

*BIPOC Athletic Business Owner*

### Systemic Inequities / Insider Mentality

**“(Focusing on) economic development through jobs and creating extra revenue, people’s eyes get really wide and it allows us to get integrated here...we are taking huge projects to help develop the town and the fact that we are BIPOC it just adds to the ‘PR thing’ of working with Black folks. I can imagine that if we weren’t (integrating the community), it would not go smoothly. The insider concept that we spoke about before, it is how it is.”**

*BIPOC Agricultural Processor*

### Systemic Inequities

**“I feel like I could scale and could increase profit margins but then the question is at what cost to the community? I had so many opportunities to access athletics at very low cost which was informative experiences for me so as I built [my business], I have kept that in mind of how to make it inclusive and community-based. So I have to ask myself, do I want to pursue revenue? I prioritize access at the cost of revenue.”**

*BIPOC Athletic Business Owner*

Systemic Inequities / Grants / Insider Mentality

**“The hustle that comes with being brown, black...it seems like the same people are getting the same resources and it’s like ‘what about us?’ It’s exhausting and it takes away from my creativity.”**

*BIPOC Small Business Owner*

Systemic Inequities

“Being a woman working in business is a bit tough because it is a bit of a boys’ club. I am also a person of color and an immigrant to this county, so racism is what I am faced with most in the businesses. If that can be addressed in the workplace it would be helpful.”

*BIPOC Goods Retailer*

Systemic Inequities

“If I hadn’t arrived in Vermont with a business, clients, and overall profile then I do not think I could have started here from the ground out. I do not think I would have been taken seriously...there are a lot of suspicions between immigrants, being BIPOC, and a lack of sense of belonging and the lack of relationship building.”

*BIPOC Creative Director*

Systemic Inequities / Microaggression in the Workforce

**“When speaking of micro-aggressions in the gig economy] This is the type of experience that we are experiencing in the workforce so we turn to entrepreneurship.”**

*BIPOC Diversity, Equity, Inclusion Consultant*

Systemic Inequities / Insider Mentality

“I do not think I would experience the same challenges with networking (outside of Vermont). For instance, the same guy has been doing commercials for 20 years. Everyone has the person they go to.”

*BIPOC Media Artist*

## Why Vermont?

It is essential to understand why BIPOC individuals and small businesses owners are operating in Vermont. This section details a variety of experiences.

### Why Vermont?

**“I get to go to these big cities for work and come back and trail run on the weekends and that balance for me is really important.”**

*BIPOC Transportation Service*

### Why Vermont?

**“I can almost say wholeheartedly that if I was not from here, I would not be here...the average age is 55.”**

*BIPOC Agricultural Processor*

### Why Vermont?

**“[It is a] great place for people of color to be a business owner. We should not be forced to be in urban areas, we are entitled to live here and work here and thriving businesses.”**

*BIPOC Diversity, Equity, and Inclusion Consultant*

### Why Vermont?

**“I arrived here eight years ago and felt so lost, with no reflection of people who look like me, not knowing that other BIPOC folks are in Vermont...so I am here to show the representation.”**

*BIPOC Marketing Specialist*

### Why Vermont?

**“I can drink my coffee in my backyard quietly and I can't ask for much more... except for less racism?”**

*BIPOC Agricultural Processor*





**Business Basics**

**“I would like a step by step guide on how to start a business. It would make the process easier because once I got my website done, I was able to do other administrative things like establishing a LLC, EIN, creating contracts, etc.”**

*BIPOC Digital Artis, Vermont*

# Conclusions & Recommendations

## Access to Capital

Access to Capital is the most sought after need for small business owners and community members. Historically, BIPOC individuals experience income disparities due to systemic inequities, specifically the lack of generational wealth to support business growth and development. One BIPOC focus group participant who owned a transportation service business noted that, “A lot of us do not have grandparents that left us \$100,000 to use as start-up money. We are using money from back pockets, savings, under the couch, etc.”

In order to support BIPOC small businesses, organizations and policies need to circumvent these disparities by adjusting the process in a meaningful way. For example, administering grants reserved specifically for BIPOC small business with little to no restrictions (i.e. required fund matching), as experienced by a micro-farmer in the West Central Vermont region, “Grants with required fund matching are extremely difficult for small and young businesses. Potentially receiving 10k would be amazing, but I couldn’t currently match that with my business’s income.” The accessibility of financial capital for BIPOC individuals must be reviewed at policy and organizational levels to ensure accommodation of BIPOC community needs.

Access to capital was also a significant limitation for women-owned, veteran-owned, and rural small businesses. These businesses often face similar challenges in obtaining financial support due to historical disadvantages and systemic inequities. We learned that many of these small business owners are simply not finding the lending products they need, or they do not qualify. For others, there is a deep-rooted fear about taking out a loan altogether. Additionally, many of these small business owners would want to take advantage of grants but there are challenges finding them, and the application process is extremely burdensome and difficult to navigate.

**Recommendation:** Financial institutions, whether public or private, must steer away from traditional “one size fits all” approach and seek alternatives that meet the needs of underrepresented communities.

In general, a significant need is for organizations focused on providing resources to come to the table with openness on creating a different process rather than a one-size fits all model when working with under-represented communities. The diversity in businesses, individuals, and identities requires white-led organizations to assess each individual’s circumstance beyond the traditional models, and create a collaborative plan led by the BIPOC community member to support and uplift their needs. We recommend that state policies and human services organizations address the treatment of BIPOC individuals seeking support as the experience is often unsupportive and rooted in biases, whether intentional or unintentional.

## Business Basics

Emerging BIPOC small business owners and current small business owners in the early or start-up stages struggle to find answers and resources to common questions because there is not a single source of information to get the process started. Many business owners asked for a one-stop resource for all of their questions.

**Recommendation:** The development of a workshop focused on navigating the Vermont business landscape would benefit all underrepresented community members by increasing awareness and business capacity. Additionally, state-level and local organizations can offer microgrants for certifications, which do not require an extensive application process and can be immediately applied to courses.

Additionally, sector specific standards often require additional certifications because, “[i]f I want to do something in the marketing field, I have to have all these other qualifications to be taken seriously,” said one budding business owner. In addition to time, individuals must have access to capital, which was previously identified as a challenge.

Participants in the focus groups called for assistance that is in line with their direct needs. The development of a workshop focused on navigating the Vermont business landscape by a group like ourselves would benefit under-represented community members to increase awareness and business capacity. We recommend that the state and organizations offer micro-grants for certifications that do not require an extensive application process and can be immediately applied to courses.

## Care Economy

Many small business owners, especially women-owned and rural based, face challenges associated with the lack of affordable child care, coupled with the lack of access to sick time and paid family and medical leave. Based on the information provided and the specific challenges faced by small business owners and families in rural communities regarding child care, recommendations that address the issue include:

### **Recommendation: Investing in and Support Local Child Care Providers.**

One effective approach to improving child care accessibility and affordability in rural communities is to invest in and support subsidies to existing child care facilities to help them maintain and expand their services. Additionally, providing funding for training and professional development opportunities for child care providers would ensure a higher standard of quality care. By bolstering the child care infrastructure in rural areas, more parents can access reliable and affordable child care options, enabling them to remain in the workforce.

### **Recommendation: Expand Rural Child Care Facilities.**

There is a clear demand for more child care slots in rural areas. Policymakers should work with local communities and businesses to identify suitable locations for new child care facilities. Offering financial assistance or grants to entrepreneurs or organizations willing to establish child care centers can encourage the growth of such facilities in underserved regions. Furthermore, collaborations with employers to provide on-site child care services can be exploited, as it not only benefits employees but also fosters a stronger sense of community within the workplace.

It is crucial for policymakers to engage with small business owners, child care providers, and community members in discussions about crafting policies that address the specific needs of rural communities. Taking a collaborative and inclusive approach will lead to more effective solutions that can have a positive impact on both families and businesses in these areas.

## Economic Development Resources

Our data shows a general lack of awareness and/or approachability of resources. While participants had general awareness of resources in the state, many felt lost in terms of how the offerings actually supported their individual needs. A participant noted, “I have known about these

resources but it is difficult to know what I will get out of it. There’s not enough information about what they do, there are so many [listed acronyms] but you don’t know which will actually help grow your business. If there was a way to make them more...[distilled].”

Even where there is awareness, resources often have unattainable prerequisite criteria that particularly impact BIPOC small business owners and community members. Specifically, business owners felt they, “did not fit in the parameters which were: being in business for two years and having a revenue, from that business, of \$50,000.” These types of criteria block BIPOC individuals from accessing resources that could benefit the health of their business or other needs.

Accessible resources were noted to lack consistent quality at the varying levels of operation and direct support yet it was noted that each organizational representative represents all such organizations (white-led) as a whole. Meaning that the experience of a BIPOC community member with any staff member within a given organization may be perceived to represent their potential experience with others within the organization, and even the organization as a whole.

This lack of consistent quality of service across an organization has a broader effect. When BIPOC community members perceive that they have been provided with lower quality of service or less attention by a service provider compared to their white counterparts, the impact is that the negative experience will influence their willingness to interact with the organization/service in the future. Additionally, the experience of one BIPOC community member with an organization may inform their willingness to interact with other similar organizations throughout the state.

Therefore, the way a staff member of an organization interacts with a member of the BIPOC community can have significant future implications for that individual and, potentially, for the larger community. The lesson here is that the action of an individual or an organization is not felt in isolation.

**Recommendation:** We recommend that organizations provide resources to BIPOC small business owners and community members to redirect the mentality of “one-size fits all” and engage and assess each individual’s circumstance.

## Infrastructure

Small businesses have adjusted their often-elevated business processes to meet the needs of larger businesses with more antiquated processes. One athletic business

owner noted about an experience with the current business environment and systems, “I have taken the time to set up the digital infrastructure to be more efficient. The response is to print a form, send it in, and then receive a check a month later. But in the meantime, I have contractors to pay, which comes out of my pocket.” Vermont’s business systems generally lack digital literacy, which means that many small businesses who need to be more nimble and dynamic have to slow down their systems to accommodate those structures that are in place. This in turn can lead to slower growth and a reduction in profitability.

**Recommendation:** Overall, there is a statewide need for building digital literacy and capacity within the broader business environment, which will serve small businesses in their ability to grow. This includes the need for building the physical infrastructure for broadband access statewide, as well as alternatives in rural areas until WIFI becomes more accessible.

## System Inequities

Participants all noted the structural and systemic inequities that they face as BIPOC individuals and business owners in Vermont. One example is the implicit biases of funding organizations. One goods retailer who also identified as female noted that, “it is a bit of a boys’ club,” and that because she is “...also a person of color and an immigrant to this country,” she finds that racism is part of doing business. New Americans experience even more obstacles because they are experiencing racism while also navigating new social, political, and economic systems, which makes it more difficult to navigate existing systems.

BIPOC individuals and businesses that start without an existing community or client base struggle more because of the explicit and implicit racism within social and institutional systems. While this is not Vermont specific, for those community members coming from beyond state borders, there exists an “insider mindset” in Vermont, which has historically excluded non-Vermonters and currently exacerbates the existing systemic inequities faced by BIPOC. Participants felt that, “it’s exhausting and it takes away from my creativity.” Additionally, in more rural areas where there may be limited demand for some services, the insider mentality makes it more difficult for businesses to stake a claim within local economies. One digital communications business owner said that finding clientele in Vermont is more difficult because “everyone has the person they go to.” One agricultural sector participant who grew up in Vermont understood the benefits of being a known entity within the community and the benefits that has had on his business: “I can imagine that if we weren’t [integrated within the community], it would not go smoothly. ... It is how it is.”

**Recommendation:** White-led organizations and institutions should seek long-term, ongoing bias training as a core part of their organizational framework. These trainings should be offered to those in leadership positions as well as to all staff members to ensure consistent messaging and understanding of these issues across the organization. Such ongoing training(s) helps to provide touchpoints to critique, evaluate, and implement new processes to dismantle system inequities and uplift BIPOC businesses and community members.

## Why Vermont?

Vermont attracts BIPOC individuals with the hope of experiencing a particular work-life balance, outdoor lifestyle, strong community ties, and the desire to experience diverse individuals. Participants in the focus groups particularly enjoyed the balance of Vermont’s proximity to large cities and the ability to indulge in the state’s natural beauty. Yet, despite these natural assets, participants noted that racism, whether social, structural, or otherwise, blocks the BIPOC community from fully enjoying the benefits of the state. “I can drink my coffee in my backyard quietly and I can’t ask for much more...except for less racism,” noted an agricultural processor who participated in the focus groups.

Despite the difficulties of living in Vermont as a BIPOC individual, many choose to stay for a variety of reasons, including work-life balance, the natural beauty of the state, proximity to large cities, and the sense of responsibility towards the existing BIPOC community to stay and build community. However, more efforts by the state and employers must be made, in addition to on-going bias training, to ensure that BIPOC Vermonters feel safe at work and beyond.

The current efforts by state entities and many non-profit organizations like United Way of Northwest Vermont to create training for corporate and non-profit employers to better understand the needs of the immigrant and refugee communities will help to demystify the hiring process. VT PoC also believes that organizations must look towards their various internal processes to ensure that all aspects of an organization, including employee handbooks and communications, are ready and able to invite immigrant, refugee, and BIPOC Vermonters to any working environment. Connecting BIPOC Vermonters with employers at BIPOC specific career opportunity events can also help to mitigate concerns for both the potential employee and employer. By building relationships with the community early and intentionally, employers have a greater chance of retaining valued employees.

Systemic Inequities

**“Being a woman working in business is a bit tough because it is a bit of a boys’ club. I am also a person of color and an immigrant to this county, so racism is what I am faced with most in the businesses. If that can be addressed in the workplace it would be helpful.”**

*BIPOC Goods Retailer*

# Limitations

## Main Street Alliance

During the course of this work, several challenges were encountered that impacted the data collection process and overall study outcomes. The primary limitations include:

### Capacity

MSA appointed a dedicated intern working on survey collection over the course of the summer. While this was immensely helpful, the process remained time-intensive. Door-to-door visits and significant time commitments for survey administration limited the number of potential survey respondents and posed challenges in reaching a broader sample of small business owners.

### Listening Session Attendance

Encouraging small business owners to attend the listening sessions, whether in person or virtually, proved to be a significant challenge. For solopreneurs, who heavily rely on their work to sustain their livelihoods, finding a suitable time to participate was particularly difficult. Balancing their attendance with their work commitments posed a hurdle in ensuring robust representation and diverse perspectives.

### Scheduling Constraints for Listening Sessions

Finding appropriate time slots that accommodate the busy schedules of small business owners for the listening sessions presented a considerable challenge. Coordinating sessions that aligned with diverse business hours and personal commitments required flexibility and adaptability.

### Survey Completion

While the survey aimed to gather valuable insights, its 20-minute duration posed a potential barrier for busy small business owners. Engaging participants for this length of time required careful consideration, as they often have demanding schedules and limited availability to dedicate to lengthy surveys.

## Vermont Professionals of Color Network

This project faced limitations including the overall timing of data collection; BIPOC and small business owners identifying more with their sector rather than their region; and the lack of interest for in-person listening sessions.

### In-Person Listening Sessions

VT PoC offered a mix of in-person and online focus groups to accommodate various needs. Registration and attendance for in-person sessions were low for most sectors and regions, whereas registration for virtual sessions was high and yielded an 80-90% attendance rate. This discovery was made at the midpoint of listening sessions, and subsequent sessions were moved to the virtual space to accommodate the most attendees. Future studies should consider virtual sessions to accommodate BIPOC community and small business owner scheduling needs.

### Sector vs. Region

Registration trends showed BIPOC community members identified more with direct community, which may have been beyond the borders of their county, and small business owners identified with their sector (i.e. food industry, tech industry, creative industry, etc.) rather than the region where they lived (i.e. Chittenden County, Washington County, etc.). This aligns with findings on networking, reinforcing BIPOC individuals' priority to meet others in their direct line of interest rather than their living area. In future listening sessions, facilitations should solely focus on interest or sector specific conversations with widespread marketing to all counties.

### Timing of Data Collection

Listening sessions began in April and ended in September. This period of time is busy for community members as it marks both the end and beginning of the academic year, and families tend to be focused on children and summer plans. Anecdotally, Q2 and Q3 are also amongst the busiest for many small business owners in the State of Vermont, particularly those in the hospitality industry. The result is that the timing could have negatively affected the number of participants and attendees per session. Additionally, the limited amount of time to recruit, collect data, and analyze may have resulted in the lower participation rates in some counties.

While listening sessions were offered at various times across the day, small business owners all have varying schedules due to the entrepreneurial nature of their work. Therefore, while VT PoC worked to ensure timing would work for the majority of participants, the scheduled discussion times may have impacted attendance. Future studies may consider increasing the duration of the qualitative data collection period to include interviews that accommodate business owner schedules.

# Appendix A: Logistics

## Main Street Alliance

### Logistics

#### Meeting Format

Virtual: Calendar Invites with Zoom information  
In-Person: Calendar invites with address, parking, etc.

#### Listening Session Materials

Listening Session Facilitation Guide  
List of Confirmed Participants

#### Timeline

Listening Session: 60 minutes

### Listening Session Questions

What is going well?

What Challenges are you facing?

How and in what ways are economic development services meeting your needs and where do gaps exist?

If you could wave a magic wand, what would you fix?

## Vermont Professions of Colors (VT PoC)

### Logistics

#### Meeting Format

Virtual: Calendar Invites with Zoom information  
In-Person: Calendar invites with address, parking, etc.

#### Listening Session Materials

Listening Session Facilitation Guide  
List of Confirmed Participants  
Recording of Training Session  
List of Confirmed Participants and answers to the following registration question: As a small business owner, what are some of the biggest challenges you face?

#### Timeline

Set Up: 30 minutes  
Listening Session: 90 minutes  
Debrief: 60 minutes

### Listening Session Questions

If you had three wishes, what would you wish for that would serve your business to be more resilient?

What are the biggest challenges your business is currently facing?

Opportunity for probing questions based off of answers

- Insert Calendly responses

Q1 Probes:

- Do you think these challenges are Vermont specific?
- Are you hearing the same thing from other business owners?

There are resources available at the local and state level like: the Center for Women and Enterprise, Vermont Small Business Development Center, BROOC and other similar organizations. What has been your experience with these resources?

[If time] We've spoken a lot about what challenges your businesses have been facing. What keeps you going?

Q5 Probe: What is working well for your business?



## Appendix B: Schedule Overview

### Main Street Alliance Schedule of Listening Sessions – 2022

DATE	LISTENING SESSION	AFFINITY SPACE	ATTENDEES
May 19	Rutland Small Biz Listening Session	Women, Veteran, Rural Owned	6
Jun 30	Essex Small Biz Listening Session	Women, Veteran, Rural Owned	5
Jul 13	MSA Leadership Retreat	Women, Veteran, Rural Owned	8
Jul 26	Restaurant Listening Session	Women, Veteran, Rural Owned	12
	Lodging Listening Session	Women, Veteran, Rural Owned	9
Jul 28	Chittenden County Listening Session	Women, Veteran, Rural Owned	3
	Sole Proprietor Listening Session	Women, Veteran, Rural Owned	6
Aug 3	NEK Listening Session	Women, Veteran, Rural Owned	5
Aug 23	Healthcare Small Biz Listening Session	Women, Veteran, Rural Owned	13
Oct 1	Women's Economic Opportunity Conference	Women, Veteran, Rural Owned	17
Oct 19	Washington County Small Biz Listening Session	Vermont Womenpreneurs	3

### Vermont Professionals of Color Overview of Schedule

DATE	LISTENING SESSION	AFFINITY SPACE	LOCATION/FORMAT	REGISTERED/ATTENDEES	
Apr 13	BIPOC Makers & Creatives	BIPOC Women Identified, Non-Binary	Zoom	9	8
Apr 26	BIPOC Food Producers & Beverage Makers	BIPOC	Zoom	10	8
May 24	BIPOC Small Business Owner: Lodging & Hospitality	BIPOC	Zoom	5	3
	CEDS: Businesses & Workforce Development, Chittenden	BIPOC Women Identified, Non-Binary	Zoom	3	3
	CEDS: Businesses & Workforce Development, Chittenden	BIPOC	Hula Lakeside	3	3

DATE	LISTENING SESSION	AFFINITY SPACE	LOCATION/FORMAT	REGISTERED/ATTENDEES	
Jun 14	CEDS: Businesses & Workforce Development, Washington	BIPOC Women Identified, Non-Binary	Zenbarn	6	3
	CEDS: Businesses & Workforce Development, Washington	BIPOC	Zenbarn	4	2
Jun 20	CEDS: Businesses & Workforce Development, Orange	BIPOC	Zoom	1	0
	CEDS: Businesses & Workforce Development, Orange	BIPOC Women Identified, Non-Binary	Zoom	6	0
Jun 22	BIPOC Small Business Owners, Northeast Kingdom	BIPOC	Zoom	5	2
Jun 28	CEDS: Businesses & Workforce Development, Rutland	BIPOC Women Identified, Non-Binary	Rutland Free Library	1	2
	CEDS: Businesses & Workforce Development, Rutland	BIPOC	Rutland Free Library	1	0
Jun 29	BIPOC Small Business Owners, Bennington	BIPOC	Bennington Free Library	6	5
Jul 12	BIPOC Small Business Owners in STEM	BIPOC	Zoom	3	3
	BIPOC Small Business Owners in STEM	BIPOC	Zoom	5	2
Jul 14	CEDS: Businesses & Workforce Development, West/Central	BIPOC Women Identified, Non-Binary	Zoom	5	0
	CEDS: Businesses & Workforce Development, West/Central	BIPOC	Zoom	3	2
Jul 26	BIPOC Small Business Owners in Windham & Windsor	BIPOC	Zoom	2	0
Jul 28	CEDS: Businesses & Workforce Development, Addison Non-Binary	BIPOC Women Identified,	Zoom	7	6
	CEDS: Businesses & Workforce Development, Addison	BIPOC	Zoom	0	0
Aug 9	BIPOC Small Business Sole Proprietorship & LLC	BIPOC	Zoom	11	8
Aug 24	BIPOC Small Business Owners	BIPOC	Zoom	4	0
Sep 14	BIPOC Artists & Entertainers	BIPOC	Zoom	10	8
Sep 28	BIPOC Outdoor & Sustainability	BIPOC	Zoom	6	3
Oct 12	BIPOC Retail Business Owners	BIPOC	Zoom	2	2
Oct 19	BIPOC Budding Business Owners	BIPOC	Zoom	9	6
Oct 27	BIPOC Agriculture Business Owners	BIPOC	Zoom	3	8
Total Number Attended				87	





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