

HAMILTON COUNTY

2021 BLACK- OWNED BUSINESS NEEDS ASSESSMENT

Prepared by The Urban League Greater Chattanooga for Pathway Lending with generous funding by JPMorgan Chase & Co.



In 2021, Chattanooga-based Black-owned businesses participated in surveys and interviews to offer a deeper understanding of the City's Black-owned business community, identify current needs and opportunities, and develop actionable recommendations to increase small business capacity and revenue generation.

Entrepreneurship is a critical lever to increase Black wealth, driving both income-generated and asset-generated wealth. The Chattanooga metro region is home to nearly 75,000 Black residents (13.5% of the population). Black-owned businesses account for 2% of employer businesses and 8% of non-employer businesses, many operating on a part-time, informal basis in the Chattanooga metro region.

Most Black-owned business are initially self-funded.

54%

Interview participants expressed a clear preference for self-funding. Over half (54%) of survey respondents have never applied for a loan. Nearly half (48%) supplied startup capital exclusively from personal savings. When pursuing growth, Black-owned businesses often push or exceed the limits of their capacity before considering other funding options.

Gender shapes perceptions and experience.



Black women business owners outnumber their male counterparts by a ratio of 2-to-1. Women who responded to the survey are more likely than men to perceive gender and race as a "high impact" challenge in business. Woman-owned businesses reported more often than men that finding time to dedicate to strategic planning and to balance their businesses with other work as "high impact" challenges.

Black-owned businesses seek access to new markets and networks. Owners want sales, marketing, accounting and hiring support.



Most of the region's Black-owned businesses (80%) occupy one of four sectors: Services / Consultants, Retail, Barber / Salon, and Restaurants / Food Services. While these businesses enjoy healthy local demand, interviewees express high interest in government contracts and expansion outside the region as avenues to scale, hire and find greater economic stability.

25%

One in four respondents identified sales, marketing, accounting as top priority areas for technical assistance. Broadly, respondents expressed high interest in free business coaching, mentoring, and online training. Interviewees worry about growing and developing their workforce, especially as the pandemic continues impacting their efforts.

PRIORITY RECOMMENDATIONS

Leverage regional partnerships: Help Hamilton County businesses identify and pursue expansion opportunities to other markets in the southeast region.

Support transparency for government opportunities: Boost visibility into contract opportunities and access to networks to pursue them by convening government procurement specialists with area businesses positioned to provide services to local, state or federal agencies.

Develop clear marketing to communicate the power of loans: Elevate awareness and deepen knowledge of the benefits of loans as a funding strategy for growth-oriented businesses through dedicated, ongoing marketing and communications efforts.

Foster trust by investing in relationships: Nurture business and community relationships by engaging with and investing in Black business and communities to foster familiarity with and trust in financial institutions.



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