

Community Equity Fund

Partners for Equity in Economic Mobility and
Community Development



Our mission

Develop people, property, and
business and envision equitable,
inclusive economy for all.



Founded in 1994 under the leadership of Dr. John H. Grant and the auspice
of Mt. Zion Missionary Baptist Church.



Our focus

Improving the lives of Black and Brown communities by means of:

- Opportunity
- Empowerment
- Awareness
- Education



Our programs

EMPL, LLC.

Residential and commercial leasing

Incubate to Innovate

Commercial leasing at discounted rates

Individual Development Account (IDA)

Community Equity Fund - nontraditional capitalization for small businesses

Community Benefit Partner

Fiscal sponsorship



Challenges of Covid-19

- 50% of Black and Brown-owned businesses are at risk of closing
- Many do not have access to loans
- Taking a loan right now may be too risky

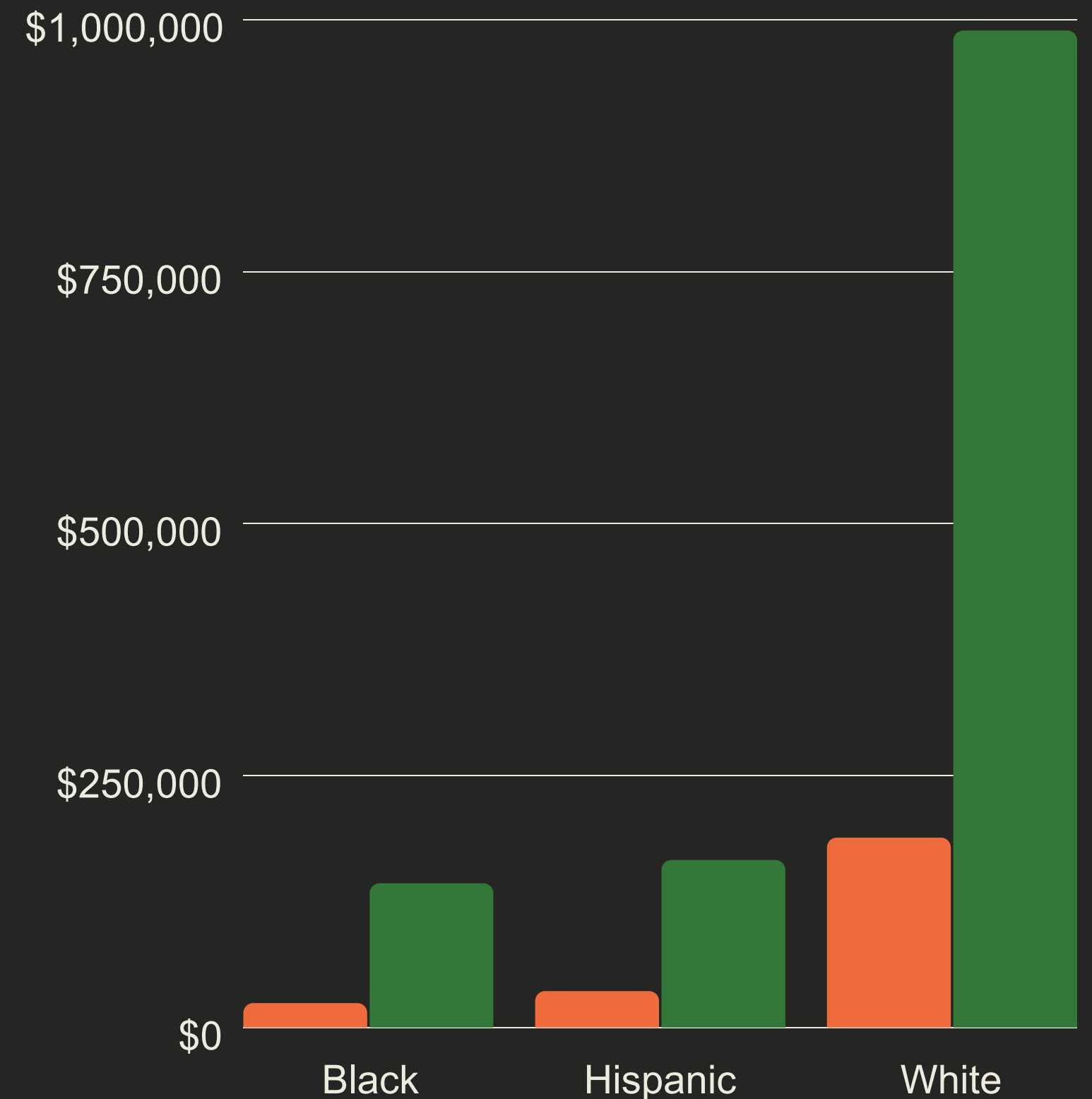


The wealth gap

Black families have less than 15% of the wealth of white families

In 2019 the *median* white household held \$188,200 in wealth—7.8 times that of the typical Black household (\$24,100; figure 1). It is worth noting that levels of *average* wealth, which are more heavily skewed by households with the greatest amounts of wealth, are higher:

While median wealth is more reflective of the typical household, the scale of average wealth is indicative of the outsized levels of wealth held by the richest households. The Black-white wealth gap today is a continuation of decades-long trends in wealth inequality,



<https://www.brookings.edu/blog/up-front/2020/12/08/the-black-white-wealth-gap-left-black-households-more-vulnerable/>

Where to start



Community Equity Fund

Equity capital injections for Black- and Brown-owned businesses.

Funded through philanthropic contributions from Foundations, individuals and from repayment* from the businesses.

*Business' repayment is through a % of revenue sharing (7% maximum)



Community champions

We invite you to invest into your community, You become a Community Champion, a partner with CEF.

You will have the opportunity to share in creating legacy Black and Brown businesses and helping them on the path to building intergenerational wealth.



The businesses

Local Black and Brown business owners who have operated for 3-5 years and whose businesses have annual revenues of \$50,000 or greater.

They may or not have the capacity to attract or take on debt.



Case study: Bread & Butter

Bread & Butter is a coffee and co-working space led by two African American males with strong business experience and producing gross in annual revenues of \$100k.



Capital injection

Location of the business and nearby market assessments assess the comparable value for the business at \$150,000.

Community Equity Fund, provides an injection of \$60,000- \$75,000 in equity capital into the business for 20% revenue ownership stake in the business *for the life of the transaction*, approximately 24-60 mos.



Life span of the capital injection

The Community Equity Fund gives businesses a 2 year runway



After a 24 mos. grace period, Bread & Butter's (B & B) revenues grows to a minimum of \$200,000.



Beginning in month 25, B & B begins repayment to the fund, 7% of annual gross revenues, payable monthly, quarterly or annually, typically repayment period is 3-5 years.



At full repayment the Fund receives 150% return on capital invested.



Allocation of the dividends

With an initial \$60,000 investment \$90,000 returns to the fund

\$90,000



\$60, 000 – Community Equity Fund – 100%

\$15,000 Management Fee – 25%

\$15,000 Reserve Account – 25%



Percentages listed above are expressed as % of
Community Equity Fund Injection



Replication

The fund continues to receive 100% of the return from the revenue dividends shares from each equity injection.



100% of that business share
is invested again in CEF



25% is applied as a
management fee



25% is held in reserves



Loss Reserve
For each ROI--the CEF the Fund
will set aside 15% for Loss
Reserve



Friends and family funding

The Community Equity Fund acts like a virtual rich relative, providing friends and family support to entrepreneurs who lack access to traditional sources of capital. Friends and Family as an “asset class”, is a key, missing link in the path to creating intergenerational wealth for Black and Brown families. We plan to make this model replicable to other cities and towns to solve the friends and family gap for entrepreneurs.



Ongoing support

Relevant business advisory support from professional providers with financial management, asset building and wealth creation expertise will help ensure:

B & B and other Black and Brown owned businesses become, remain solvent, having used the 24 months of runway offered by an equity injection, repayment of seven percent of annual revenue to the fund, helps them build credit worthiness.



Contact us

We'd love to talk to you about the details of the EMSDC Community Equity Fund.

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Meet the team

STEERING COMMITTEE

Eagle Market Streets: Fund Manager

Edward Jones: Fund Repository

Kevin Doyle Jones: Fundraiser and Strategist

Franzi Charen: Marketing and Promotion

Mt. BizWorks: EMSDC Business Coach

Just Economics: Community Engagement

BUSINESS ADVISORY PARTNERS –CEF BUSINESSES

Edward Jones

Mountain BizWorks

Carolina Small Business Development Fund

