Living Cities Closing the Gaps Network
Homeownership and Business Starts and Growth
City of Rochester Needs Assessment

Prepared by FSG
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Context and Approach

Living Cities' Closing the Gaps (CTG) Network is a ten-year initiative that brings together leaders from cities across the country to imagine and build an anti-racist society by transforming government policies, practices, and operations. CTG is anchored on a vision for closing racial inequities in income and wealth. In 2021, six cities in the CTG network participated in a "Year of Reckoning," during which they underwent deep racial equity competency training led by the People's Institute for Survival and Beyond (PISAB), Third Space Action Lab, and Black Womxn Flourish. As the six cities (Albuquerque, NM; Austin, TX; Memphis, TN; Minneapolis, MN; Rochester, NY; and Saint Paul, MN) emerged from the Year of Reckoning, they are eager to begin developing and implementing specific strategies in service of their shared anti-racist vision.

Living Cities continues to provide technical support to the cities in this inaugural cohort to develop strategies in two focus areas: homeownership and business starts and growth. There are pronounced racial inequities in both areas, but they each also present outsized opportunities to create intergenerational wealth for communities of color. In 2022, the cities partnered with FSG, a mission-driven consulting firm supporting leaders to create equitable systems change, to conduct a community needs assessment to understand the current state and the inhibiting and supporting drivers of racial equity in both focus areas.

The needs assessment process had three objectives:

1. Increase each city's understanding of the current state of racial inequities in home ownership and entrepreneurship, and the root causes of those inequities
2. Identify key drivers and inhibitors of racial equity in homeownership and entrepreneurship in each city and specific opportunities for action
3. Begin to lay the foundation for closer, ongoing partnership between city governments and their communities in advancing equity in homeownership and entrepreneurship

This report represents the findings of the needs assessment for Rochester, NY. The analysis is inclusive of the greater Rochester area, but with a focus on the city of Rochester. It is intended to guide city leaders and other stakeholders who are taking action to close the racial gaps in homeownership and entrepreneurship and to make the systems surrounding them more equitable. (For the purposes of this report, the term “city of Rochester” will be used when referring to the city of Rochester government and/or data describing the city only, whereas the term Rochester is inclusive of both the city and surrounding area.)

The needs assessment was conducted from February through August 2022. FSG worked with members of the CTG cohort and Living Cities to develop research questions, identify and connect with stakeholders to interview, and design our approach to engaging with residents identifying as Black, Indigenous, and other People of Color (BIPOC) with direct experience of the home buying process and/or entrepreneurship.
In this report we use the term BIPOC to capture the experiences of racially marginalized communities. However, BIPOC does not fully capture the unique harms, histories, and experiences of each of the populations encompassed in the term, such as the extent to which anti-Black racism specifically has caused the Black community to experience the deepest inequities in many cases. It also does not fully capture the ways in which race intersects with other forms of marginalization including gender, LBTQIA status, and ability. We acknowledge the harm that using blanket terms can have and the fact that communities want to be named specifically. While we use BIPOC to capture several identities, additional work needs to be done to capture and name the specific experiences of the varying identities. Additionally, our research does not fully capture the experience of the Indigenous population. This community has experienced disparate impacts from violent marginalization and displacement in this country, which has led to few indigenous people residing in Rochester and limited existing research to draw into this report. Indigenous populations deserve thoughtful analysis that we lacked the expertise and bandwidth to provide.

The needs assessment synthesizes information from a variety of sources:

- Secondary research, including existing community/city of Rochester plans and strategies
- Interviews with 17 community stakeholders (see Appendix A for list of interviewees)
- Data compiled by the Urban Institute from the American Business Survey, American Community Survey, Decennial Census, and other data sources (see Appendix B for data points provided)
- A focus group with 14 Rochester-based entrepreneurs and a focus group with six home seekers in Rochester (see Appendix C for Focus Group Syntheses)
- A survey of 213 entrepreneurs in Rochester, NY (see Appendix D for Survey Syntheses)

We are grateful to the community partners who shared their insight and expertise, co-hosted the focus groups, and spread the word about them. We also sincerely appreciate the community members who shared their experiences and perspectives by participating in the focus groups. They made an invaluable contribution to this process.
How to use this report
This document is intended to provide an overview of the trends and dynamics influencing inequities in homeownership and entrepreneurship in Rochester, the landscape of organizations working to address those inequities, and perspectives on opportunities for further action in advancing equity in homeownership and entrepreneurship. The report should help inform and inspire action planning for the city’s government and other stakeholders interested in advancing anti-racism in Rochester. However, it is not intended to be fully comprehensive or directive. We encourage you to reflect on the following questions as you read:

1) What surprises you? What is staying with you?
2) After reading about each part of the system, how do you see the challenges and opportunities differently?
3) Which solutions are you best positioned to contribute to in your role? What is one step you can take to get started?

This document is organized around the following sections, which can be read as a whole or referenced as independently as needed:

- **Executive Summary** *(Page 6)*: Summary of findings and identified opportunities
- **Rochester Background and Context** *(Page 12)*: Overview of the history of Rochester and current conditions with a focus on factors influencing racial inequities in socioeconomic status.
- **Wealthbuilding** *(Page 19)*: Overview of the role that homeownership and entrepreneurship can play in wealthbuilding and community definitions of wealth.
- **Homeownership** *(Page 20)*: A more comprehensive overview of factors contributing to racial inequities in homeownership, the landscape of stakeholders working on homeownership, strides made thus far, and opportunities for advancing more equitable homeownership
- **Business Starts and Growth** *(Page 42)*: A more comprehensive overview of factors contributing to racial inequities in entrepreneurship, the landscape of stakeholders working on entrepreneurship, strides made thus far, and opportunities for advancing more equitable entrepreneurship
- **Appendices** *(Page 58)*: An acknowledgment of our interviewees, themes from our two focus groups, and a summary of the survey of current and aspiring entrepreneurs
Executive Summary

The current racial inequities in homeownership and entrepreneurship in Rochester, NY result from a historical pattern of systemic racism toward people of color and preferences toward Whites. While Rochester has had many periods of prosperity throughout its history, Rochesterians of color have been excluded by housing and educational segregation, underemployment, underinvestment, White and economic flight to suburbs surrounding the city, income disparities, and extreme poverty. Today, the city remains highly segregated, and people of color continue to inherit inequitable wealth gaps while facing new challenges when trying to close them.

As Rochester embraces its status as a minority-majority city and aspires to rectify the injustices people of color have faced throughout its history, the systems within the city will need to shift. People of color, specifically Black Rochesterians, deserve reparations for the additional barriers set before them. These reparations, meant to close the gaps between White and BIPOC residents in Rochester, may come in many forms, including redirecting resources and providing direct support. The city is rich with leaders dedicated to supporting aspiring homeowners and entrepreneurs of color, yet a greater understanding of the systemic barriers to both is also needed. This report aims to provide an account of the historical and present-day challenges people of color face when attempting to build their wealth through homeownership and business ownership, as well as recommendations on actions the city of Rochester can take.

Please see below for a summary of the challenges and opportunities we identified in each area.

Summary of homeownership findings and opportunities

Homeownership is a vehicle for greater stability, agency and self-determination, and wealth generation. Unfortunately, the state of homeownership in Rochester was shaped by generations of segregation and redlining, which concentrated Black families in neighborhoods that have experienced significant disinvestment. The legacy of these phenomena continues to impact all people of color within the city.

Today’s aspiring homeowners face challenges in all phases of the home purchasing process:

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<th>During purchase</th>
<th>After purchase</th>
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<td>• Mindsets and generational barriers</td>
<td>• Rising home costs and limited housing market</td>
<td>• Maintenance and refinancing</td>
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<td>• Homebuyer education</td>
<td>• Limitations of financial assistance</td>
<td>• Community development and poverty</td>
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Through our research, we identified several opportunities for building on the substantial work already happening in Rochester. Our research suggests that systems level changes are needed to address the systems and history that allow for inequity in homeownership and entrepreneurship. These solutions will have the most widespread impact and ensure that these opportunities are accessible for BIPOC communities in perpetuity. As such, the first three solutions outlined below are designed to activate systems level changes that will set the stage for progress in equitable homeownership; they are followed by homeownership-specific solutions that will on the systems thinking reflected in the first three.

1. **Align city leaders to make Rochester an anti-racist city:**
   a. The city of Rochester can release a public statement that declares the city’s commitment to making Rochester an anti-racist city.
   b. The city can request the support of non-profit, philanthropic, business leaders, and residents to help realize this vision. The city will need to be unwavering in its commitment to support people of color, even when the beneficiaries of the status quo push back.
   c. In partnership with system leaders and residents, develop a strategic plan outlining the city’s goals and roadmap towards becoming an anti-racist city.
   d. In partnership with system leaders, residents, and service providers, identify a set of shared metrics that would demonstrate progress toward anti-racist homeownership in Rochester. Use that input to create a public-facing dashboard.
   e. Establish or invite in an anti-racism training for system leaders to develop a shared understanding of Rochester’s history and common definitions in the diversity, equity, and inclusion space.
   f. Offer grants to residents and system leaders interested in attending professional development events focusing on anti-racism.
   g. Establish a user-friendly referral system to help residents navigate the city’s public and non-profit resources.

2. **Build trust between community and government**
   a. Encourage government employees, especially department directors, to participate in anti-racism training.
   b. Publicly acknowledge, reckon with, and be honest about the government’s role in perpetuating racial wealth disparities in Rochester.
   c. Ensure that the public has access to relevant information that is accurate, comprehensive, honest, and accessible.
   d. Establish a physical presence in formerly redlined neighborhoods that consistently gathers feedback and observes dialogue among residents.
   e. Co-create solutions with community residents. Validate and incorporate their ideas and recommendations. Acknowledge that they know their community best.
   f. Distribute resources and offer to support their navigation of resources.
   g. Create an ongoing mechanism for feedback and clarify how their recommendations were or were not incorporated.
   h. Implement accountability processes that communities enthusiastically support.
3. **Implement race-based policy, financial interventions, and commitments**
   a. Establish a regular cadence for conducting disparity studies to substantiate and minimize the legal risk of potential race-based investments and policies.
   b. Completely disengage with any processes or policies that continue to contribute to wealth disparities in Rochester.
   c. Allow residents to lead conversations on what race-based investments would be best for them.
   d. Make a budgetary commitment to address wealth building for Black communities in Rochester. Dedicate a significant percentage of the amount committed to a participatory budgeting process, so residents can decide how to make use of the funds.

4. **Invest in community development**
   a. Co-create investment priorities in partnership with residents of color seeking to gain or preserve homeownership in the city.
   b. Ensure anti-displacement procedures are in place to combat gentrification as resource flows increase.
   c. Upgrade public infrastructure, community facilities, housing, public services, community centers, and parks with the input of community residents.
   d. Reform Rochester’s public safety system in partnership with residents of color.
   e. Create a culture of vitality by investing in the arts and hosting events for residents.
   f. Partner with the County, school district leaders, and state lawmakers to explore ways to improve the Rochester City School District.
   g. Revisit zoning regulations in “transitional neighborhoods” to build vibrant business corridors with surrounding residential units.

5. **Support and promote financial education and mentorship resources**
   a. Develop a homeownership campaign or center that distributes information throughout BIPOC communities about the benefits of homeownership and the resources that could help them achieve it.
   b. Hire or fund resource navigators who support home seekers navigating the home buying process and advocate on their behalf.
   c. Develop, or encourage the development of, a network of BIPOC homeowners and seekers who provide ongoing mentorship and share resources.
   d. Encourage the Rochester city School District to adopt a financial literacy component into the district’s curriculum.

6. **Increase housing stock and access to purchase**
   a. Subsidize affordable housing development that would create homeownership opportunities through tax incentives, grants, and loans.
   b. Subsidize housing development that would result in shared-equity ownership and mechanisms.
   c. Establish a land acquisition fund to purchase property to sell to homebuyers of color and affordable housing developers.
d. Build capacity for and incubate community development corporations (CDCs) to operate community homeownership loan funds.
e. Explore a policy that would give existing Rochesterians the right of first refusal on specific properties.
f. Explore tenant right-to-purchase program ordinances.

7. Increase housing affordability
   a. Expand and modernize down payment programs to help BIPOC home seekers keep up with market rates. Audit the process to discover efficiencies that can be made to reduce the long timeline associated with participating in the program.
b. Ensure that real estate agents are familiar with existing down payment assistance programs.
c. Support wage increases among jobs that BIPOC employees traditionally hold.
d. Identify and enroll additional employers to expand the city’s employer-assisted housing initiative and offer greater subsidies to smaller employers.

8. Address financial institution
   a. Partner with cities across the state to align and develop a mechanism of accountability for banks.
b. Fine or publicly critique institutions for which there is evidence of predatory lending practices.
c. Mandate appraisers, loan officers, and real estate agents to participate in anti-bias training approved by the city.
d. Require extensive reporting and transparency on mortgage and lending data.
e. Expose and sever relationships with banks and lenders who refuse to participate in creating a more equitable Rochester. This includes excluding these institutions from city procurement processes.
f. Provide funding for free legal aid assistance for Rochesterians who may claim that financial institutions have discriminated against them.
g. Encourage or mandate financial institutions to use a new criterion for credit worthiness that is less reliant on credit scores and student loan debt.

For additional details on homeownership, see page 20.

Summary of business starts and growths findings and opportunities
While business ownership can be a risky endeavor, it can also help to reduce wealth disparities significantly. Historically, Rochester has been a city dominated by industry giants such as Xerox, Kodak, and Bausch & Lomb. While these large companies created much prosperity for the region, people of color were not always included in that growth. Furthermore, the city’s history of segregation and redlining has created pockets of poverty and underinvestment, which are unfavorable to business creation and growth. Today, the city has opened a new chapter in its economic development in which its prosperity is less reliant on a few large corporations. To succeed in this new context, Rochester will need to create more favorable conditions for people of color to build a robust small business economy.
Today’s entrepreneurs of color still face challenges related to the following:
1) mindsets that hinder businesses from starting and growing
2) barriers accessing capital
3) a lack of social capital and networks
4) the need for better business acumen
5) the need for wrap-around services
6) challenges with the MWBE certification and procurement processes
7) the need for community development in historically marginalized communities

Through our research, we identified several opportunities for building on the substantial work already happening in Rochester:

1. **Enhance collaboration and accountability across ecosystem stakeholders**
   a. Convene stakeholders for joint sense-making of existing research/reports/plans and facilitate shared prioritization across efforts (in coordination with existing coalitions).
   b. Align economic development efforts to build industry clusters.
   c. Create a uniform and public tracking system to enable all stakeholders and residents to track progress.
   d. Map where resources exist by stage of business (and other categories, e.g., culturally specific) and strengthen the referral system.
   e. Assess the impact of the $12 million annual spend on community development to ascertain how it supports BIPOC entrepreneurs and adjust accordingly.
   f. Create marketing and communications campaigns to increase awareness of community organizations providing culturally relevant services.
   g. Expand and create additional channels in city government for listening to BIPOC entrepreneurs, co-creating solutions, and joint decision-making.
   h. Create and amplify a one-stop shop for entrepreneurs. Consider continuing to develop NexusI90 or Roc My Biz and develop a cross-ecosystem plan to drive awareness/adoption of the resource.
   i. Hire or fund resource navigators to help entrepreneurs access the resources across the ecosystem. Ensure that these navigators are trained in implicit bias and anti-racism.
   j. Establish an advocate role/program/department to help entrepreneurs navigate government programs/services/processes across departments and jurisdictions.
   k. Research policy changes or adaptations to enable CDBG funds to support home businesses, internet businesses, and mobile businesses and overcome zoning restrictions that constrain the industries entrepreneurs can enter.

2. **Shift the narrative around entrepreneurship**
   a. Shift the existing mindset of Rochester as a “town of companies” to Rochester as a “town of diverse small businesses.”
   b. Position entrepreneurs of color as valuable assets that require investment to increase the city’s prosperity.
c. Develop a “hobby to hustle” framework that will enable entrepreneurs to understand a pathway towards growth. Map the entrepreneurial support organizations to that framework.

d. Elevate stories of successful entrepreneurs of color in the city.

e. Fund youth development organizations that offer a curriculum in starting and growing a business.

f. Build awareness of micro entrepreneurs across the ecosystem, including in the local philanthropic sector.

3. Create opportunities to increase sales

a. Consider extending the city’s MWBE commitment beyond those who are certified; support entrepreneurs in getting on the path to certification.

b. Encourage more organizations to make MWBE procurement commitments.

c. Build buy-in across sectors for more stakeholders to take on risk and provide capital to BIPOC entrepreneurs, especially those not yet established enough to secure funding from traditional financial institutions.

d. Allow entrepreneurs to use vacant properties for a low cost.

4. Fortify networks of support

a. Invest in capacity building and provide additional funding to existing community organizations providing culturally relevant direct service and financing to entrepreneurs.

b. Curate networking events by industry cluster to help entrepreneurs meet mentors, suppliers, and distributors.

c. Establish partnerships with national organizations that provide culturally relevant mentorship to entrepreneurs of color in Rochester.

d. Host events for entrepreneurs of color to connect to informal mentors and establish business partnerships. Use these opportunities to elevate the work of entrepreneurs in the city and gather input from entrepreneurs in the city.

e. Identify a partner that can offer Black-owned businesses legal support when they perceive a financial institution has discriminated against them.

For additional details on the entrepreneurship, see page 42.
Rochester Background and Context
Rochester, NY is a city with a rich yet troubling history. The city was one of the United States’ first boomtowns due to its location along the fertile Genesee River Valley in western New York, making it a prime location for flour mills and a major manufacturing center. At several points in its history, the city was one of the most prosperous in the nation. Due to its history as a destination in the great migration and its location between New York City and Canada, Rochester has also remained one of the nation’s most racially diverse cities. Today there are more people of color than White people in Rochester (shown in Figure 1). Without an intentional focus to include the majority of the city in efforts to create wealth, the city will not reach the full prosperity it might attain.

Throughout Rochester’s history, people of color have been denied access to equal opportunity to partake in its prosperity. That denial has created significant gaps that now present several challenges for the city, including the following:

1. A relatively stagnant population (shown in Figure 2)
2. An alarming and racially inequitable poverty rate (shown in Figure 3)
3. Inequitable rates of homeownership (shown in Figure 4)
4. An inequitable share of business ownership and sales for BIPOC entrepreneurs (shown in Figures 5 and 6).

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Figure 2: Population Decline in Rochester (1940-2020)$^2$

Figure 3: People Living in Poverty by Race/Ethnicity (2016-2020)$^3$

Figure 4: Homeownership Rate, by Race/Ethnicity (2016-2020)$^4$
The disparities in poverty, homeownership, and business ownership rates are all reflected in the racial wealth gaps within Rochester. These result from a pattern of discrimination and structural racism against people of color within the city. In the roughly two centuries following the beginning of White settler occupation, Rochester’s history has been marked by several significant demographic shifts precipitated by the United States’ evolving relationship with enslaved African communities and their descendants. These histories and shifts are embedded in the broader political and economic transitions that defined this period of the United States’ and global history, from the first and second industrial revolutions experienced across the United States across the 19th century to a post-industrial period defined by a steep nation-wide decline in manufacturing jobs.

The following section aims to describe the historical events that have led to these inequities today, including the following:

- The genocide and removal of Native American people
- Housing segregation
- Discriminatory employment
- Discriminatory lending
- The persistent racial income gap

With greater opportunity and greater wealth, Rochesterians of color will be able to create better stability for future generations. To address these gaps, change-makers in Rochester must become familiar with the legacy of racism in the city. Its patterns must be interrupted to begin to mend the gaps built over decades. Furthermore, resources must be focused on historically marginalized communities to create opportunities for wealth accumulation.
Genocide and the erasure of Native American people
The city of Rochester lies on land historically and continuously stewarded by the Seneca Nation of the sovereign Haudenosaunee Confederacy. Across New York State, the Haudenosaunee faced forced removals, broken treaties, discrimination, and forced assimilation. Today, a reported 0.7% of Rochester’s population identifies as American Indian or Alaska Native. Because of this low percentage and our inability to reach experts on the Native American population during this study, we would like to acknowledge that very few findings in this report can speak to indigenous populations. Their absence in this report contributes to the pattern of erasure that the United States has perpetrated against native peoples since its inception. We recommend further investigation into the experiences of Native Americans in Rochester.

Migration and housing segregation
As the descendants of enslaved peoples, Black Americans migrated out of the South during the Great Migration in the mid-twentieth century. Rochester became a key destination for Black Americans seeking economic opportunity and a reprieve from the Jim Crow regime of the American South. Between 1950 and 1964, Rochester’s Black communities grew by over 500%, from 7,845 to 40,000 residents. Unfortunately, Black Rochesterians were not provided the same types of reliable manufacturing jobs that White residents were given. Furthermore, these incoming migrants faced a tightly segregated housing market that a 1959 report by the State of New York’s Commission Against Discrimination described as having “the most rigid barriers of [any upstate city] against the sale of houses...to Negroes.” These barriers were produced by a combination of interpersonal racism enacted by real estate agents, pressures to maintain housing segregation by the National Association of Real Estate Agents, and racist housing covenants encouraged by banks and real estate agents.

To accommodate the wealthy, White suburbanites fleeing in the period immediately preceding and following the Rebellion of 1964, the city constructed “The Inner Loop”—a highway encircling downtown Rochester built through the Seventh Ward. Besides destroying the Black communities of the Seventh Ward that were razed for highway construction, the Inner Loop has been regarded as a physical barrier between low-income Black and non-White communities and the wealthier suburbs beyond the downtown area.

As the twentieth century progressed, this spatial and racial division persisted. Alongside the decline of the Big Three employers, downtown Rochester has experienced continued capital flight and population loss. The new, diversified industries that developed to fill the gap left behind by the Big Three were

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located in the greater Rochester area rather than downtown Rochester.\textsuperscript{10} The unequal distribution of wealth and resources by geography and racial group is evident when the area known as the Crescent (Upper Falls, Marketview Heights, Edgerton, and Brown Square) is compared to the greater Rochester metropolitan area (excluding the above region).

**Redlining**

Historical practices of redlining encouraged the denial of financial services to certain neighborhoods based on race. In Rochester, redlined maps show that the communities deemed by the Home Owner’s Loan Corporation (HOLC)\textsuperscript{11} as “hazardous” in 1935 still remain at the epicenter of the city’s crisis of concentrated poverty (Figure 7).\textsuperscript{12} Neighborhoods that were deemed hazardous were blocked from most federally backed investments, meaning they were also excluded from beneficial New Deal policies. Today, the boundaries of Rochester’s formerly redlined communities mirror those of the Crescent.

In the year 2000, the Crescent, which is 51% Black/African American and 26.3% Hispanic/Latinx, had a poverty rate of 20.7% and an unemployment rate of 18.2%. It experienced a 44.7% decline in population between 1970 and 2000. The greater Rochester metropolitan area, with a fraction of the Crescent’s Non-White population at 10.4% Black/African American residents and 4.5% Hispanic/Latinx residents, had a poverty rate of 10.5%, an unemployment rate of 5.8%, and a 7.9% increase in population between 1970 and 2000.\textsuperscript{13}

\textsuperscript{11} The Home Owner’s Loan Corporation (HOLC) was a government sponsored corporation created under President Franklin D Roosevelt as a part of the New Deal with the intention of providing emergency relief related to home mortgage indebtedness.
\textsuperscript{13} Erickson, D., Board of Governors of the Federal Reserve System (U.S.), Division of Consumer and Community Affairs, Brookings Institution, & Metropolitan Policy Program. (2008). *The enduring challenge of concentrated poverty in America: Case studies from communities across the U.S.* Federal Reserve Bank of Richmond.
Black and other non-White Rochesterians continue to bear the consequences of housing discrimination. For example, in 1960 Black tenants and other non-White tenants faced higher rent costs, with White tenants paying a gross monthly rent of $68 while non-White tenants paid $94 (a difference roughly equivalent to $259 in 2022 US dollars). The disproportionate impact of high rent burdens on BIPOC communities in Rochester persists today. Between 2016 and 2020, 54% of Rochester residents were rent-burdened (defined as paying 30% or more of their incomes in rent), compared to 45% of renters in surrounding counties and 46% of renters across the United States. Black and Hispanic households are disproportionately represented within renter households, with 74% of Black households and 67% of Hispanic households renting (compared to 47% of Asian households and 55% of White households). In Monroe County, Latinx renters typically spend 44% of their incomes on rent, and Black renters typically spend 45%, compared to a median of 30% spent on rent by White renters.

**Discriminatory employment**

Present-day Rochester is often discussed in relation to the rise and fall of Kodak, Xerox, and Bausch & Lomb. These three companies first emerged in the 1880s and shifted the cornerstone of Rochester’s economic landscape from seed and flour production to high-paying manufacturing industries. In the century following, the continuous growth of the three firms ushered in a period of stable, middle-class economic prosperity for Rochester’s White residents. At the peak of this era in the early 1980s, “the Big Three” (led by Kodak) collectively employed 60% of the city’s workforce. Kodak in particular became known for its “paternalistic” investment in employees’ cradle-to-grave well-being. Many White residents directly benefited from these efforts through higher salaries, experience gained running a global business, and the provision of lifelong pensions and annual profit-sharing bonuses.

The racist disparities caused by segregation reached the national spotlight during the Rochester Rebellion of July 1964, during which acts of police brutality against Black residents of Rochester’s predominantly-Black Seventh Ward culminated in crowds of hundreds battling police for three days. While the uprising—and the underlying frustrations of Rochester’s Black communities—did shock Rochester’s White residents, it did not spur the White power brokers of the city to action against racism. Black Rochesterians organized to address the economic precarity forced upon them with no support from their White counterparts. Shortly after the uprising, FIGHT (Freedom, Independence, God, Honor, Today), a coalition of Black religious and community organizations, was formed to advocate for the well-being of Rochester’s Black communities. They protested against the exclusion of Black residents from wealth-building opportunities by demanding that Kodak implement a training and employment program for low-income Black community members. Though representatives of Kodak eventually signed an agreement with FIGHT in December 1966 promising to recruit 600 unemployed Black residents, this agreement was voided by Kodak’s board of directors just days after. Over the following year, Kodak

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repeatedly rejected FIGHT’s demands for concrete commitments to employ more Black Rochesterians. The dispute concluded with many of Rochester’s White residents deriding FIGHT’s claims of structural inequity and instead agreeing with Kodak’s framing of FIGHT’s efforts as a “savage attack” on the “institutions that have helped build this city.” However, as a result of FIGHT’s efforts and commitment to creating wealth building opportunity for Black Rochesterians, then CEO of Xerox Corporation Joseph Williams created FIGHTON—a training initiative to support training and hiring people of color. FIGHTON would later become Eltrex Industries. This made Xerox the first company to diversify its workforce and the exerted pressure on Kodak and other companies into finally embracing diversity in hiring.

A gradual but dramatic decline followed the prosperity of the Big Three. By 2012, a mere 6% of Rochester’s workforce was employed by the Big Three; in the same year, Kodak, the former centerpiece of Rochester’s economy, filed for bankruptcy. Rochesterians who lost jobs with the Big Three had limited options for finding similar jobs: manufacturing jobs in Rochester declined by 40% between 2000 and 2010. A third of these workers were later rehired into service jobs that paid at least 20% less than their former manufacturing jobs.

White flight and ongoing population decline
While the Rebellion of 1964 seemingly did little to prompt White Rochesterians to reevaluate their relationship with their Black neighbors, it did contribute to the already ongoing White flight out of urban Rochester and into the surrounding suburbs. White Rochesterians left the city and took the wealth they accumulated in the city with them. This trend in population decline is continuing for Black Rochester residents. Between 2010-2020, the Black population in Rochester declined from 89,317 to 81,231. Rochester now sits as the 4th largest city in New York State.

The racial income gap
In present-day Rochester, the primary employer is the University of Rochester, and the largest industry by employment numbers is the healthcare and social assistance industry, accounting for 20.5% of all employed Rochesterians. A racialized income gap persists within this industry, with Black and Hispanic employees earning the lowest median salaries ($35,000 and $24,200, respectively) relative to their White and Asian counterparts (with median salaries at $40,000 and $48,000). This is consistent with

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over median household income trends, where Black and Hispanic households have the lowest median incomes ($28,000 and $38,520), compared to Asian and White households (with median incomes of $55,420 and $47,000, respectively).

Inequitable transportation
This spatial disparity is exacerbated by the city and county’s public transit systems. Drawing from census data, a 2018 study commissioned by the non-profit organization Reconnect Rochester found that, between 2002 and 2015, the concentration of jobs in Monroe County shifted away from the city of Rochester to the county’s outer census tracts. The dispersal of jobs away from the urban center has increased the challenges of finding and accessing jobs for those living in the city of Rochester who primarily rely on public transit—a group that is disproportionately low-income and non-White. The same Reconnect Rochester study found that a commuter based in a low-income neighborhood in the city of Rochester can reach more jobs in a 20-minute drive than they could with an hour-long bus commute. Framed differently, a 20-minute commute by car would give a hypothetical commuter access to 85% of the county’s jobs, compared to only 11% of the County’s jobs if the commute were done by bus.

Inequitable education system
The racialized geographic division also manifests in a highly segregated school system, one already well documented by the RASE report, among other studies. Using enrollment data from 1989–2011, the UCLA Civil Rights Project/Proyecto Derechos Civiles found that the percentage of 50–100% and 90–100% “minority” schools in Rochester has steadily increased with each passing decade. While 2.7% of Rochester schools fell into the 90–100% “minority” category in 1989–90, this share increased to 14.6% by 2010–11. Racial segregation in Rochester schools has grown in tandem with class segregation. Between 1999 and 2011, the percentage of low-income students in 90–100% “minority” schools increased from 16.7% to 82.3%. As the authors of the RASE report argue, this concentration of low-income Black and Latinx students in segregated Rochester City School District schools results in a disproportionate impact of the challenges facing these schools: from inequitable state funding (RCSD receives the same level of school funding even though RCSD costs have increased), to limited mental health and social-emotional support, and limited language access and resources.

Wealth Building
BIPOC Rochesterians continue to suffer from historical policies and social practices that have hindered their economic growth and wealth building access for centuries. As wealth gaps in Rochester persist,

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there are stark contrasts in the wealth-building opportunities between Black and Brown communities and White communities. This disparity leaves poorer BIPOC families at risk for various challenges, including lack of access to quality education, safe and affordable housing, and reliable health infrastructure. FSG’s qualitative and quantitative research indicates that the solutions to building wealth for BIPOC residents in Rochester must be systemic, intentional, culturally appropriate, and grounded in equity-based strategies. Together, these approaches can support the level of community and individual stabilization that enables wealth building and addresses historical policies of harm head-on.

Establishing a shared definition of wealth for BIPOC communities is a critical starting point for an intentional strategy. The Rochesterians we interviewed defined wealth in several different ways. Wealth can be tangible investments that increase in value over time, assets that can physically be passed down to generations, and financial resources that keep families out of poverty. On the other hand, knowledge capital, networks, relationships, and political power are incredibly beneficial to families and are also considered forms of wealth. Homeownership and entrepreneurship can serve as vehicles for accessing both of these sorts of wealth; however, systemic racism continues to inhibit access for BIPOC communities.

For Black and Brown communities to experience wealth building via homeownership and entrepreneurship in the ways White people have, these systems that were built on racism must be reevaluated and rebuilt in a way that prioritizes equitable access to both homeownership and entrepreneurship, acknowledges past harm, and includes mechanisms of accountability and sustainability.

Homeownership

Role of homeownership in building wealth

Historically, homeownership has played a critical role in building generational wealth for American families. According to our interviews and focus groups, buying a home with a fixed-rate mortgage can support building wealth in several ways, including the following:

- acting as a savings account as each payment increases your equity in the home
- providing a stable housing payment that won’t change regardless of market conditions
- allowing significant tax deductions and credits for which renters are not eligible
- providing an asset that families can pass down for generations.

These benefits have allowed many White American families to achieve compounded economic and social stability through homeownership. However, this reality does not play out the same for BIPOC families, nationally or in Rochester. BIPOC communities have been systemically excluded from homeownership opportunities in a way that continues to contribute to disparities in ownership. According to ACS data, the White homeownership rate in Rochester is 44%, which is 15% more than the black rate at 29%. An overwhelming number of Black people in Rochester are renting, which hinders their ability to access the myriad benefits of homeownership.
For some of the Black families who are homeowners, homeownership has turned out to be a poor investment. The depreciation of home values in majority-BIPOC neighborhoods is a growing national issue and mirrors the pattern of bias established during redlining. A report by the Brookings Institution notes that homes in neighborhoods where at least 50% of the population is Black, are valued at roughly half the price of homes in neighborhoods with no Black residents. The report also specifically names Rochester as the city with the most devaluation of homes in Black neighborhoods (shown in Figure 8). The devaluation of homes and other assets in Black communities has direct implications for wealth building.

![The 10 metropolitan areas with the most and least devaluation of homes](image)

*Figure 8: The 10 metropolitan areas with the most devaluation of homes.*

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According to our interviews and focus groups, the depreciation of black homes is in part due to each of the following:

1. **Rochester’s aging housing stock**, which requires increased investment in maintenance. Interviewees noted that most homes available for purchase in Rochester require significant repair, which can be costly and imposes an additional barrier to ownership.

2. **Appraiser biases** have been reported by Black home sellers who are advised to remove evidence of Black occupancy (e.g., family photographs, African art) by their realtors and networks in order to ensure an accurate appraisal for their homes.

3. **Historic lack of investment in education and other community resources** reduces new homeowners’ willingness to pay for homes in neighborhoods that suffer from underinvestment.

Typically, investing in “transitional neighborhoods” would mean investing in a neighborhood that has suffered from historical underinvestment but is undergoing rapid change. Several interviewees named the difficulty of buying homes in what they called “transitional neighborhoods,” which they defined as communities that see more challenges due to historical disinvestment. The neighborhoods they are referring to in Rochester are overwhelmingly Black and Brown. Investing in a home in a “transitional neighborhood” could mean that the home may appraise at half of the investment cost, resulting in economic loss for the homeowner. One interviewee stated, “BIPOC and low-income homeowners face an appraisal gap because where their homes are often located, their property does not appreciate no matter how they maintain [the homes]. That is huge.” Another interviewee said, “It is difficult to keep people in homes in BIPOC neighborhoods because of the lack of investment. Homes are becoming worth less and are not being supported by resources and neighborhood infrastructure that makes them attractive.” Interviewees recognize the importance of homeownership as a vehicle for wealth building but are skeptical about it actually materializing for BIPOC communities in Rochester.

There is a correlation between the depreciation of home values in BIPOC neighborhoods and the disinvestment in those same communities. A lack of resources and infrastructure like quality schools, transportation, and green space, makes it difficult for homeowners to stay in their homes and depresses the values of their houses. According to interviewees, the neighborhoods within the area known by the local community as “the Crescent” are segregated areas of predominantly BIPOC residents. These Crescent communities align with the highest rates of poverty, crime, and other quality of life difficulties. One neighborhood within the Crescent is Edgerton. According to census data, this community is overwhelmingly Black and Brown (62%) and has a median household income of $22,364. Only 30% of this community has a high school diploma or equivalent, and 34% have income below the federal poverty level. When homes are available for purchase in the Crescent, potential buyers find the community less desirable because the communities are starved of resources. Homeownership is just one piece of the puzzle in wealth building. Resource flows and investment keep people housed, allowing

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their homes to serve as a vehicle for wealth building. For homeownership to truly build wealth for BIPOC communities, interviewees named a specific need to prioritize economic development and holistic community investment strategies that are intentional, diverse, and work in tandem with homeownership promotion.

Barriers to equitable homeownership
While the benefits are significant, the homeownership journey can be time-consuming, challenging, and intimidating for homebuyers. However, it cannot be overstated that the challenges are exacerbated by race and poverty. Within the each of the stages of homeownership, different challenges rise to the surface:

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Pre-purchase

Mindsets and generational barriers
Our interviews suggest that homeownership seems out of reach to many BIPOC families in Rochester. Interviewees described a “mental mountain” that often prevents people from starting the journey and makes homeownership feel inaccessible. This fear is often rooted in generational barriers to homeownership access. Policy and social practices have historically inhibited homeownership for BIPOC families. For example, one focus group participant noted that their mother had attempted to purchase a home in Brighton, a suburb of Rochester that is predominantly White, but was denied for reasons that they believed were tied to their race.

As a result of a legacy of discrimination, a generational feeling of inaccessibility continues to trickle down. Among focus group participants, very few came from families that owned homes. Those who

“I be talking to homeowners that live outside of Rochester because I want to know. And I found out, out of everybody I talked to... they never bought them houses. They was passed down. See that’s what we missing. We missing the general wealth...Because I said, ‘Ain’t no way in the world all y’all could own all these houses on top of this waterfront like this. Ain’t no way y’all bought this.’ Because them houses cost like $500,000. It came from grandma, grandma, grandma, grandpa...All the way down. One woman told me they came back [to Rochester]... That [their] house been in their family like 12 generations. They was passed down. See, that’s one thing about the minority...We don’t have a pass down...We don’t have enough to pass down. If we had a pass down, you know how we’d be living right now?” – Rochester Resident
were either owners or seeking to buy homes were or would be the first generation in their family to achieve homeownership. As they maneuvered through the homeownership process, they expressed feelings of fear, intimidation, and discouragement. These feelings have been referred to as the “generational curse,” with one interviewee saying, “People didn’t feel ready. Generationally, nobody has owned a home, and when you hear $100k, it feels infeasible if you are making $30k a year.” This fear has prevented many families from initiating the home buying process.

For BIPOC homebuyers, it is a significant responsibility to be the initiator of generational wealth, particularly when the wealth gap is drastic. A focus group participant pointed out that many of the most expensive homes in Rochester were a product of generational wealth. This sentiment is compelling as it reflects the impact of wealth inaccessibility on BIPOC communities. The ability to pass down homes has benefited White people in Rochester immensely, while BIPOC communities struggle to penetrate this inequitable wealth-building system.

Homebuyer education

Interviewees and focus group participants consistently cited a lack of homebuyer education as a significant barrier to homeownership access. Many noted that they wish they had learned about the value of homeownership earlier, which is difficult to achieve when you are a first-generation homebuyer. As a result, many found themselves purchasing homes as older adults and regretting that they did not start the process earlier. One participant said, “It’s the educational part. And I’m learning this as I go too; when Caucasian families sit down, when they sit down at the table, the conversation is about credit score, investments, buying... We don’t talk about that with our kids.” Another noted, “They say knowledge is power. And if you don’t know, you don’t know.” When resources have been withheld from a community for centuries, the information gap grows. Significant disparities also exist in the number of mortgage-ready young adults (aged 18-45). According to Freddie Mac, 32% of White young adults age 18-45 are mortgage-ready compared to 16% of Black young adults. Precursors for buying a home include understanding the value of homeownership, believing it is feasible, knowing where and how to access information and resources, and having a sense of what it will take to achieve homeownership.

Housing cost burden

Taking steps to prepare and begin the homeownership process is a significant mental lift for BIPOC home seekers. For many focus group participants, the process started with financial necessity. For example, when rising rent costs were becoming a burden. One participant said, “Rent prices kept going up and up and up. And when I wanted to move out of the house I was in; I saw rent had jumped almost triple. So, I was like, are you kidding me? I was like if I can pay that, I can buy a house... My mortgage is less than $500 today.” Another participant said, “I want to buy a home because I have three kids... And rent prices are high. And I'll say the same thing. I'm paying all this money for rent [when] I can buy a home and pay less.” While rising rent costs can serve as a motivator to seek homeownership, it is critical to note that being burdened by high rental costs is one of the most significant barriers to homeownership for BIPOC communities (as shown in Figure 9).
When residents spend most of their income on rent, they cannot save for a down payment and are forced to choose to work more hours over participating in a homebuyer’s course. Rent-burdened households have higher eviction rates, increased financial fragility, and a higher need for social safety net programs—all of which directly impact one’s ability to buy a home.\(^{35}\)

**Down payment**

Down payments are a commonly known barrier to homeownership for BIPOC applicants. Saving for a down payment implies that applicants are in a financial position to save while also meeting all of their regular financial obligations, including rent, student loans, and other day-to-day expenses. The U.S. Census Bureau defines those living in poverty as a family of four making less than $27,750 a year; many Black families in Rochester are close to the line of poverty. According to ACS data, the median income for a Black family in Rochester is $28,000 compared to $47,000 for White families. The RASE report names the challenges around housing affordability for BIPOC Rochester residents and explicitly calls out the impact of low incomes:

“The 2018 Citywide Housing Market Study stressed that low incomes, rather than rising prices, were the largest source of challenges with housing affordability in the city of Rochester. Whatever the primary cause, housing costs are clearly burdensome for many in our region. The U.S. Housing and Urban Development guideline for affordability says that rent should be no more than 30% of a household’s income, but Census data show that a median Hispanic renter in Monroe County spends about 44% of income on rent, and Black renters, 45%. A median White renter, by contrast, spends about 30%. Compounding this challenge, financing is very limited to develop affordable housing for particularly low-income residents.”\(^{36}\)

There is a conundrum: although homeownership could be a vehicle for wealth building and bridging the racial wealth gap, BIPOC families cannot achieve this when the wealth gap is one of the core reasons they cannot own homes. This cycle continues to perpetuate poverty and inaccessibility to homeownership.


Lending criteria
Once a potential buyer decides to start the journey to homeownership, several criteria related to the underwriting process must be met. Lack of credit has been a considerable obstacle to Black homebuyers. Using credit scores as a measure of creditworthiness often penalizes borrowers who have large amounts of student loan debt or high debt-to-income ratios, which tend to be more common among BIPOC borrowers because of wage and wealth gaps. The Urban Institute outlines the disproportionate impact of credit scoring on BIPOC communities in a report:

“Even though credit scores play a key role in determining who gets a mortgage and at what terms, the current credit system disadvantages a disproportionate share of low-income consumers who don’t have enough information in their credit files. To better allow these consumers to access credit or access it at better terms, lenders can leverage alternative data not found in traditional consumer credit reports.

These consumers are disproportionately people of color who, by choice or circumstance, manage their financial lives mostly with cash. Without using credit, they don’t have credit scores or have subpar scores. This can compound historic inequities and prevent them from accessing the generational wealth-building opportunities available via homeownership and other credit opportunities. As of October 2020, 31.5 percent of Hispanic consumers and 45.1 percent of Black consumers had subprime credit scores, but only 18.3 percent of White borrowers did.”

Given that data shows that BIPOC borrowers are more likely to have subprime credit, the centrality of credit scores as primary criteria for home loan approval indicates a systemic issue with the homeownership underwriting process. For decades, banks have denied BIPOC communities access to credit-building resources. Rochester is not exempt from this phenomenon. One interviewee said, “Some of the things that have been challenging for Black and brown first-time home buyers has been income and credit score.” A focus group participant expressed her frustration with lending institutions and the credit requirements. She said, “You go to the bank. I look at: if you can afford to pay your rent every month, you are going to pay that mortgage, [but] they hold a lot of people back because [of] their credit.” As she noted, financial lending institutions do not reward renters for good payment history if they do not have strong credit. BIPOC homebuyers in Rochester are experiencing credit access as a structural barrier to homeownership.

Discriminatory lending practices
Financial institutions have made it difficult for BIPOC communities to access mortgage loans for decades through both overt and covert methods of discrimination. While the formal practice of redlining has been deemed illegal, lending institutions have not made significant progress in addressing the homeownership disparities that the system created. According to an article by AP:

“Holding 17 different factors steady in a complex statistical analysis of more than 2 million conventional mortgage applications for home purchases, we found that lenders were 40% more likely to turn down Latino applicants for loans, 50% more likely to deny Asian/Pacific Islander

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applicants, and 70% more likely to deny Native American applicants than similar White applicants. Lenders were 80% more likely to reject Black applicants than similar White applicants. These are national rates.”

National data shows an apparent racial disparity in mortgage loan rates and evidence of bias in denials. In Rochester, evidence of discriminatory lending practices has been found as recently as 2015. Attorney General Schneiderman facilitated a landmark agreement with Five Star Bank that would end discriminatory practices that excluded predominantly BIPOC communities in Rochester from the bank’s mortgage lending business. An investigation found that Five Star excluded communities from their lending area that were deemed “undesirable” and imposed a minimum mortgage amount requirement that made many of the bank’s mortgage products effectively unavailable in BIPOC neighborhoods. Racist lending practices like these are not uncommon in BIPOC neighborhoods.

In Rochester, there are significant disparities in mortgage denial rates (as shown in Figure 10). Black and brown applicants are experiencing denials at more than three times the rate of White applicants. One focus group participant noted that they were denied the first time she applied for a mortgage. She said, “Now, when I applied for my mortgage in 1995, I was denied because I was an African American woman...The bank denied me...I was very upset. I was crying, and I was mad. Because I knew I had done the right thing...I was like, I'm ready to buy me a house...And I went to the bank all proud with my money. They denied me and my neighbor. And it was like, no reason y'all denied us for. Why did you deny us?” This participant also noted that following the denial, she reached out to a local community organizer who advocated on her behalf to the bank. The advocacy proved successful as they were eventually approved for the loan. However, their experience is reflective of that of many BIPOC home seekers who are denied for a mortgage without a clear reason.


Racial discrimination in lending is a systemic issue that must be addressed head-on and aggressively, as the implications are extensive. Mortgage discrimination is, in essence, modern-day redlining. It is important to note that even if BIPOC families have the credit score, savings, low debt to income ratio, and comprehensive paperwork necessary to meet the criteria for a mortgage, they could still be denied. Racism in lending is at the root of disparities in homeownership access nationally and in Rochester.

**Predatory lending practices**

In addition to racism in mortgage approval, data suggests that racial disparities exist in interest rates, setting the foundation for predatory lending practices. Specifically, Black homeowners pay higher interest rates than White homeowners with similar or even lower incomes. AHS data shows that Black homeowners with incomes between $75,000-$100,000 paid higher interest rates than White homeowners with $30,000 or less in household income. This disparity is indicative of the magnitude of which lending and financial institutions are contributing to homeownership disparities. One focus group participant shared that their neighbors have a 32% mortgage rate after refinancing, which is exponentially above the typical rate—in their words, “the bank price gouged.” Subprime and predatory lending practices are prominent in BIPOC communities. In fact, studies found that predatory lending is most predominant in BIPOC communities. One study reads,

> “Although financial institutions preyed on low income, elderly, and minority communities, their efforts were particularly concentrated in communities of color. Studies show that minorities were subjected to predatory loans more so than Whites. Lenders issued high cost loans to 58 percent of low-income blacks and to 37 percent of low-income Latinos, as compared to only 28 percent of low-income Whites.”

Because BIPOC home seekers experience mortgage denial at a higher rate, their only options are often non-conventional loans with higher interest rates. This circumstance does not generate wealth building. Instead, it perpetuates wealth loss and instability.

**During purchase**

**Rising home costs and limited housing inventory**

Rising home prices have direct effects on household wealth and neighborhood affordability. Akin to national trends, homes in Rochester are rising in price as inventory constraints make housing affordability increasingly difficult, with some naming the Rochester Housing market as one of the most difficult in the country. As of August 2022, Redfin characterizes the Rochester housing market as “very competitive,” noting an increase of 6.7% in the average sale price, and an increase of 7.9% per square

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A contributing factor to rising home prices is that venture capitalists and wealthier migrants have been buying property, affecting inventory and housing prices. One interviewee said, “Housing stock is so competitive. Cities need to look for ways to level the playing field for first-time home buyers against the investment folks.”

The rising costs have a disparate impact on BIPOC buyers. One interviewee noted that the current market is a deterrent for low-income families who have been preparing for years. They said, “[The] market is difficult for anybody to afford at the moment. After five years of hard work to become eligible, [families have] qualified for [a] certain mortgage, but now the housing stock they’re qualified for does not meet their needs, [or is] not as nice as something they could've gotten five years ago, so that’s a deterrent.” Another interviewee said, “The market is one of our greatest problems right now. If a family is going to be discouraged because they want to buy a home next year, they don’t want to walk through the steps they need to go through [and] that’s an issue if the interest rates keep going up. Last year [the] low-interest rates was a good opportunity for low to middle-income families, but as interest rates go up, that will be a barrier for them as far as the amount of housing they can afford.” The volatile housing market and interest rates will discourage families and act as a significant barrier to entry in the home buying process.

More broadly, capitalism and the prioritization of the highest and easiest bid does not create a fair market for BIPOC bidders, who statistically have less wealth. Rochester’s poverty rate makes it difficult for local residents to compete in the housing market. Cash offers from venture capitalists and wealthier bidders are much more attractive to home sellers. For a city with a tight supply of adequate housing, this creates an additional squeeze where things are already difficult. Many racist policies and investments that propelled wealth building for White Americans have allowed this generation of homebuyers to take advantage of the unleveled playing field and outbid BIPOC homeowners.

Limitations of financial assistance
While financial assistance programs can serve as a significant resource to BIPOC homebuyers, discriminatory practices both among lenders and by realtors and sellers can limit their effectiveness. Several interviewees, including those who work within the lending industry, noted that lenders are often not well versed in the assistance programs work and are not interested in learning. That knowledge gap among lenders can be the difference between a homebuyer getting their home or not. One interviewee noted that while the Section 8 homeownership program connects those eligible to financial counselors and realtors, they are still required to meet the often strenuous bank requirements, and “some banks do not understand how the program works.” If a buyer is required to complete the bank’s requirements but the bank does not understand how the program works, the buyer is more likely to be denied. There are also assumptions and biases rooted in racism about home seekers who utilize financial assistance programs. Because many programs are designed to support lower-income people, the private market correlates lower income with Black and, ultimately, undesirable buyers. This leads lenders to make assumptions about potential homebuyers’ ability to afford the home or pay off their loan.

Lack of mentorship and guidance
A solid support system is critical to a successful homebuying experience. Supporters and mentors can help guide prospective buyers in their decision-making and, more importantly, share resources. For many BIPOC homebuyers, there is no support system, which can be a large enough disadvantage that they forego the process entirely. Focus group participants wished they had mentorship throughout the home buying experience. Specifically, they called out community initiatives to support homebuyers in Rochester that no longer exist. One participant noted, "That's another thing we need for homeowners; we need our server centers back. We need NEFCA, Northeast Area Community Area Foundation. We need NEAD back, Northeast Area Development. They shut them down. They shut them all down. That's where homeowners went. That's where you went to get all your information about the homeowner's training program. You went there for anything you needed for your house. Grants, money that's coming in." Participants all agreed that programs to support home buyers through the myriad of steps in the home buying process weren't accessible in Rochester, and they felt the impacts.

After purchasing
Maintenance and refinancing
After the home is purchased, home maintenance costs can be difficult for BIPOC and low-income families to take on. Much of Rochester’s housing stock is older and in need of significant repair, which impacts both the desire for families to seek homes in Rochester and their ability to maintain them. Without making such repairs, homeowners could find themselves in situations where the house can become unsafe and ultimately uninhabitable. An article noted, “City blocks in many of the older neighborhoods of Rochester, N.Y., don’t look much different than they did generations ago. More than half of the city’s nearly 100,000 housing units are more than 75 years old.” Interviewees called for government intervention and support in providing repairs. Specifically, one interviewee said, “Another way to ensure success for a homebuyer is not having to worry about a new roof in five years and being able to do those things right now is ensuring success.” Supporting the maintenance of the housing stock by providing resources early on can be a significant incentive to increase homeownership interest in Rochester and support BIPOC homebuyers and owners throughout their journeys. Focus group participants agreed that maintenance costs are an important issue, noting that they had not planned or budgeted for the exorbitant maintenance expenses required by older homes.

The older housing stock in Rochester and the increased maintenance costs make BIPOC homeowners more vulnerable to predatory lending practices, including when refinancing. One participant said, “A lot of my neighbors went in and borrowed against their equity. They didn't tell them. They didn't know. Our houses got older. [My neighbors would say], 'I want to get this [new] door. I want to get that [upgrade] done [to my home].' [But] I keep saying, 'Don't do it...And [try to] keep them maintenance up.' That's the problem. They don't tell you that. [Maintenance is] not budgeted in the first-time homeowners' program...Because that first [repair] ain't going to last you 25 years. And that's [going to cost] thousands of dollars for every little thing [you will need to fix].” While initiating homeownership is a part of wealth building, keeping BIPOC people housed is also critical. The benefits of homeownership are experienced through longevity and stability. The system rewards homeowners who remain in well-maintained homes in well-resourced communities.

Community development and poverty
Interviewees emphasized the need for homeownership promotion to happen in tandem with community development if homeownership is to act as a vehicle for wealth building. BIPOC communities in Rochester have been starved of resources. The impacts of this disinvestment are felt across all aspects of quality of life. Additionally, lack of community development, coupled with racism, allows racist institutions to label BIPOC communities as less-desirable places to live, and as a result, housing values depreciate. One interviewee said, “Promotion of homeownership in ‘marginal neighborhoods’ (between poorest and middle class) should be accompanied by economic development and crime reduction efforts.” Investment in these communities that have been starved of resources will be a critical aspect for wealth building in homeownership and must be done with intention by the city’s government. Another interviewee noted, “There needs to be more of an intentional strategy around creating healthy, diverse, resourced neighborhoods inclusive of good schools, access to healthy foods, etc. All of these things work together and impact homeownership, so the strategy has to reflect such.” Even if homeownership increased exponentially in BIPOC communities, community development is still critical in improving quality of life and generating wealth. Covering all bases to create a holistic, thriving neighborhood coupled with homeownership opportunities can help propel wealth building for BIPOC communities.

The concentration of poverty also affects community development. One interviewee recommended the use of mixed-income projects in neighborhoods that are income and racially segregated. Mixed-income projects can allow for diversity in income, which may help raise the tax base. It is important to note that mixed-income projects come with their own challenges and that the city should be mindful of how it contributes to gentrification and displacement. Creating economically diverse neighborhoods needs to be approached with care and consideration for this context.

Homeownership Ecosystem

Ecosystem map
Rochester has a large ecosystem of community-based organizations that has been supporting BIPOC communities in wealth-building access for decades. The resources provided by these organizations, including financial planning, credit support, home buying counseling, and down payment assistance, have helped address the deep racial wealth disparities in Rochester, even as funding constraints and political shifts challenge them and a lack of cohesion and alignment persists within the ecosystem. Out of the landscape of stakeholders shaping homeownership in Rochester, our interviews highlighted the role of a few key stakeholders we name in subsequent sections, surfacing both ways they are accelerating progress and challenges.

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<td>• Housing Council at PathStone</td>
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<td>• Marketview Heights Association</td>
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### Closing the Gaps Rochester Needs Assessment

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<td>• Rochester-Monroe Anti-Poverty Initiative (RMAPI)</td>
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<td>• City of Rochester Office of Planning</td>
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<td>• Rochester Housing Authority</td>
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<td>County Departments</td>
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<td>State Agencies</td>
<td>New York State Homeowner Assistance Fund</td>
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**Ecosystem dynamics**

Our interviews surfaced several ecosystem dynamics that impede progress, including lack of coordination across level of government and sectors; weak relationships between city government and BIPOC communities, exacerbated by a lack of trust; and funding requirements that constrain community organizations from adapting to shifting community needs. The issues around homeownership and wealth disparities are layered, complex, and require multilevel intervention aligned around a common set of goals.

Rochester’s public, private, and nonprofit ecosystem has implemented several programs over decades that aim to address economic development, improve outcomes for BIPOC communities, and improve the overall quality of life within the city. However, the funding and policy approaches of local, state, and federal governments lack cohesion. One interviewee said, “Local, state, and federal money. In a perfect world one representative from each would sit at a table and figure that out, but that just doesn’t happen.” They also mentioned competition for resources and lack of communication, which results in duplicative efforts and an inability to maximize the potential of each program.

While the city’s government may implement beneficial programs, we heard from several interviewees and focus group participants that the programs lack the community relationships necessary for broader implementation. One interviewee explicitly called for the city’s government to focus more on empowering the nonprofit and grassroots organizations through funding and resources instead of themselves engaging in direct program implementation. The grassroots organizations have the relationships and on-the-ground information needed to connect with the community meaningfully.

Relatedly, many interviewees and focus group participants expressed a general lack of trust in government, which impacts how resources are received. This mistrust is rooted in the fact that the government has, historically and currently, both intentionally and unintentionally, perpetuated inequitable policies and practices in BIPOC communities. For these communities, it is difficult to trust that government is now on their side and is operating in their best interest. One focus group participant called out the fact that government is typically absent from communities that need them most. They said, “[We need] more support from the community, from the government or the city people. Like I said, you don't hear from them. They don't come to look at their communities. You don't see them.”

Participants felt like the government did not truly understand what communities needed and lacked a meaningful presence.

Limited resources among the nonprofit network make it challenging to meet resident needs in real-time, adjust to emerging needs and policy changes, and provide resources for a broad set of residents. Many philanthropic funding sources have spending constraints that strictly delimit how the funds can be used. These constraints make it difficult for nonprofits who depend on that funding to adjust their programming. For example, interest rates in the housing market have been changing rapidly, so a program that provides fiscal support for homebuyers needs the flexibility to adjust its approach in real-time. Philanthropic entities have not shown the flexibility needed to address the needs of BIPOC residents in Rochester who face evolving challenges.
Being honest about the status quo: who benefits?

While the system of homeownership in its current state does little to benefit or support BIPOC ownership, the status quo does have beneficiaries.

- **White homeowners** have experienced the benefits and longevity of homeownership. At any given moment, the housing stock in Rochester is finite. For various reasons outlined in this report, White homeowners are positioned to gain more wealth through homeownership and have an easier time competing in the home buying market.

- **Landlords who own rental properties** are significant beneficiaries of homeownership disparities. The rental market allows them to raise rents and economize on repair costs. According to census data, only 36.2% of the housing stock in the city is owner-occupied, meaning Rochester is a predominantly renter city. As a result, the rental market, including mainly BIPOC families, is building wealth for landlords. Landlords will continue to benefit if renters do not become homeowners.

- **Banks and lending institutions** have been at the core of the racial wealth gap for decades. Racism is deeply ingrained in the banking system; addressing banks’ role in perpetuating the wealth gap would mean reevaluating banking practices, strengthening accountability mechanisms, and shifting incentives for bankers. Off-market lending institutions benefit from predatory lending practices that offer high-interest rates to BIPOC and low-income borrowers. This industry makes the most money from communities that need the most support. An equitable borrowing system would eliminate the need for their existence.

- **Real estate investors** have built wealth through the housing market at the expense of BIPOC communities. These investors benefit greatly from gentrification, which displaces communities of color. They are also partially responsible for rising housing prices as they invest in flipping homes or buying a home to rent out.

Promising practices and initiatives (non-exhaustive)

The racial wealth gap and poverty in Rochester have been long understood as concerns for the community. While there remain many gaps in the city’s interventions to address them, there are certainly also bright spots within the community. These bright spots, or promising practices and initiatives, should be learned from and scaled when they prove their effectiveness.

Financial assistance

- **ESL** is a Federal Credit Union that recently launched a **first-time homebuyer grant for Black and Latino Residents in Rochester**. Recognizing the importance of direct financial support in equitable homeownership, the First-Time homebuyer grant aims to directly address those inequities by providing 300 grants on an annual basis. The program allows eligible participants throughout Rochester to receive a $10 to $1 match, up to $10,500 toward down payment and closing costs.

- **Employees of the University of Rochester can receive up to $9000 for purchasing a home through a public-private partnership between University of Rochester, the city of Rochester’s employer assisted housing initiative, and a lending institution. The University of Rochester also facilitates a down payment and closing assistance program for their employees. While the University of**
Rochester is the largest employer in the city, and one would assume that the benefits would be felt widely, there are challenges with the program’s implementation that are important to mention. Mainly, the University of Rochester limits the locations where the benefits are eligible. Interviewees shared that many neighborhoods where BIPOC residents are the majority are excluded, which ultimately steers investment away from these communities and facilitates inequity of homeownership opportunities. (While interviewees mentioned the U of R specifically, a number of other employers participate in the program.)

- Rochester is one of the only New York municipalities participating in the Section 8 homeownership program, implemented by the Rochester Housing Authority. This program provides additional funding and resources for eligible families to aid in the home buying process using a section 8 voucher. While families still need to be approved for a mortgage through traditional avenues, including credit and financial approvals, the section 8 program supports the families by connecting them to financial counseling services and realtors in addition to direct financial assistance. While this program has the potential to make a significant impact, the program feels out of reach for many residents due to the persistent systemic issues with loan criteria and other challenges.

Cross-sector collaborations

- The Commission on Racial and Structural Equity (RASE) was appointed in August 2020 by Mayor Lovely Warren and County Executive Adam Bello. The charge of the commission was to review local city and county laws, policies, and ordinances to identify areas of structural inequity and recommend ways to change those laws to achieve fair application for all citizens. Three Co-Chairs and twenty-one Commissioners have been involved in the work, and more than two hundred community members reviewed, discussed, and put forth more than two hundred recommendations aimed at dismantling structural inequities across nine sectors of the city and county. After the release of the RASE report on March 18, 2021, the commission released an updated report in 2022 to specifically outline progress. The progress report names several actions from the RASE report and the actions that can, should, or will be taken. The report also clarifies the jurisdiction that some of the recommendations fall under. The key recommendations include the following:
  - Create and invest in sustainable economic opportunities in Black and Latinx communities to promote and maintain self-sufficiency, entrepreneurship, and career advancement
  - Implement and incentivize practices and programs that increase employees, vendors, and contractors with racial/ethnic diversity and cultural competence.
  - End practices that disproportionately drain resources from Black and Latinx communities.
  - Decentralize services and embed them in trusted agencies throughout the community.
  - Embed accountability measures in all policies to ensure equity and fairness across all services, programs, and delivery models.

- The Rochester-Monroe Anti-Poverty Initiative (RMAPI) is a multi-sector community collaborative with the goal of improving quality of life by reducing poverty and increasing self-sufficiency. To do this, RMAPI is focused on increasing income, making basic needs more affordable and accessible, and lowering concentrations of poverty.

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The mission of the Urban League of Rochester, NY, is to enable African Americans, Latinxs, the poor, and other disadvantaged to secure economic self-reliance, parity and power, and civil rights. It follows a four-pronged strategy that includes the following:

- Ensuring that children are well-educated and equipped for economic self-reliance in the 21st century
- Helping adults attain economic self-sufficiency through good jobs, homeownership, entrepreneurship, and wealth accumulation
- Ensuring civil rights by eradicating all barriers to equal participation in the economic and social mainstream of America
- Ensuring its staff are provided the tools to educate, advocate, and fulfill the mission

Community development

- The city of Rochester’s Buy the Block initiative creates homeownership opportunities in formerly "redlined" neighborhoods. The program builds new, single-family, high-quality homes for qualified city residents to purchase with affordable mortgages. Through grants and free consultation, it also assists homeowners in the neighborhood to implement home improvements, including roofing and exterior façade repairs on existing properties. Finally, the program supports owners of mixed-use properties in the neighborhood, including buildings with first-floor retail and upper-level housing units, to make similar exterior improvements.

Recommendations

To create more homeownership opportunities and preserve existing homeownership among people of color in Rochester, the city’s stakeholders should align under a shared commitment to creating an anti-racist Rochester. Doing so will require that organizations, city government, and residents build trusting relationships and feedback loops between one another. Furthermore, stakeholders can commit to community development to improve the public safety, education, health, and economic conditions within historically marginalized neighborhoods while ensuring that current residents of those neighborhoods can remain there. Such a commitment, followed by appropriate action, will help bring value to those neighborhoods. The city will also need to make considerable investments in modernizing Rochester’s housing stock both by ensuring that homeowners can afford repairs to their older houses and by encouraging the construction of new housing. Finally, FSG recommends that stakeholders in the city address the financial barriers homebuyers face when purchasing a home by providing access to capital and reforming banking to be more inclusive of Rochesterians of color.

As the nation, and the city of Rochester, grapples with its history of racism against people of color, there is a window of opportunity to close the gaps that generations of exclusion have created. While some call for reparations, these recommendations call for the city of Rochester to provide equitable access to opportunities for African Americans, Latinx, indigenous, Asian, and other people of color. The following section details several recommendations made by FSG and those that were interviewed during this assessment:
1. **Align city leaders to make Rochester an anti-racist city**

**Need:** At the root of a city that stands on and advances equitable policy to create an anti-racist society is a true commitment and willingness to do what it takes to reach that goal. Recognizing the complexity and weight of the issues around homeownership in Rochester is no small feat. It requires costly fiscal commitments, bold and coordinated leadership across sectors, and mechanisms of accountability for those unwilling to move away from the status quo.

**Goal:** Align and advance a robust, cohesive, and intentional strategy to address the holistic needs of Black and Brown communities in Rochester.

**Recommendations:**

a. The city of Rochester can release a public statement that declares the city’s commitment to making Rochester an anti-racist city.

b. The city can request the support of non-profit, philanthropic, business leaders, and residents to help realize this vision. The city will need to be unwavering in its commitment to support people of color, even when the beneficiaries of the status quo push back.

c. In partnership with system leaders and residents, develop a strategic plan outlining the city’s goals and roadmap towards becoming an anti-racist city.

d. In partnership with system leaders, residents, and service providers, identify a set of shared metrics that would demonstrate progress toward anti-racist homeownership in Rochester. Use that input to create a public-facing dashboard.

e. Establish or invite in an anti-racism training for system leaders to develop a shared understanding of Rochester’s history and common definitions in the diversity, equity, and inclusion space.

f. Offer grants to residents and system leaders interested in attending professional development events focusing on anti-racism.

g. Establish a user-friendly referral system to help residents navigate the city’s public and non-profit resources.

2. **Build trust between community and government**

**Need:** Focus group participants overwhelmingly described a mistrust of government, and interviewees also spoke about the lack of trusting relationships and between government and community, which impacts the government’s ability to serve their needs efficiently.

**Goal:** Build trust between BIPOC communities and the city of Rochester in a way that changes the perception of government, supports ongoing co-creation, and helps residents become homeowners.

**Recommendations:**

a. Encourage government employees, especially department directors, to participate in anti-racism training.

b. Publicly acknowledge, reckon with, and be honest about the government's role in perpetuating racial wealth disparities in Rochester.
c. Ensure that the public has access to relevant information that is accurate, comprehensive, honest, and accessible.

d. Establish a physical presence in formerly redlined neighborhoods that consistently gathers feedback and observes dialogue among residents.

e. Co-create solutions with community residents. Validate and incorporate their ideas and recommendations. Acknowledge that they know their community best.

f. Distribute resources and offer to support their navigation of resources.

g. Create an ongoing mechanism for feedback and clarify how their recommendations were or were not incorporated.

h. Implement accountability processes that communities enthusiastically support.

3. Implement race-based policy, financial interventions, and commitments

Need: Centuries of racism, economic exclusion, and exploitation of Black people and communities will never be fully repaired. However, the widening wealth gap indicates an ongoing systemic problem that requires intentional and aggressive solutions. Black Rochester residents were intentionally barred from home buying and wealth-building opportunities, which propelled decades of residual impacts, including poverty and overall poorer outcomes in all aspects of life. The effects of the racist policies were devastating and generational, and the solutions should be as significant.

Goal: Use policy and budgetary resources to address the historical impacts of racist policies and build wealth for BIPOC communities.

Recommendations:

a. Establish a regular cadence for conducting disparity studies to protect the legality of potential race-based investments and policies.

b. Completely disengage with any processes or policies that continue to contribute to wealth disparities in Rochester.

c. Allow residents to lead conversations on what race-based investments would be best for them.

d. Make a budgetary commitment to address wealth building for Black communities in Rochester.
   Dedicate a significant percentage of the amount committed to a participatory budgeting process, so residents can decide how to make use of the funds.

4. Invest in community development

Need: Community development and homeownership promotion need to happen in tandem to build thriving BIPOC communities and create wealth-building opportunities.

Goal: Develop and implement a robust community development strategy that contributes to the creation of a thriving community and meets the holistic needs of the residents.

Recommendations:

a. Co-create investment priorities in partnership with residents of color seeking to gain or preserve homeownership in the city.
b. Ensure anti-displacement procedures are in place to combat gentrification as resource flows increase.

c. Upgrade public infrastructure, community facilities, housing, public services, community centers, and parks with the input of community residents.

d. Reform Rochester’s public safety system in partnership with residents of color.

e. Create a culture of vitality by investing in the arts and hosting events for residents.

f. Partner with the county, school district leaders, and state lawmakers to explore ways to improve the Rochester City School District.

g. Revisit zoning regulations in “transitional neighborhoods” to build vibrant business corridors with surrounding residential units.

5. Support and promote financial education and mentorship resources

**Need:** Many interviewees and focus group participants named education as a significant need in Rochester. More specifically, many named that they were not taught about financial literacy or the benefits of homeownership in building wealth.

**Goal:** Increase awareness and access to homeownership opportunities and resources in BIPOC communities in Rochester. Develop a system of ongoing support and mentorship.

**Recommendations:**

a. Develop a homeownership campaign or center that distributes information throughout BIPOC communities about the benefits of homeownership and the resources that could help them achieve it.

b. Hire or fund resource navigators who support home seekers navigating the home buying process and advocate on their behalf.

c. Develop, or encourage the development of, a network of BIPOC homeowners and seekers who provide ongoing mentorship and share resources.

d. Encourage the Rochester City School District to adopt a financial literacy component into the district’s curriculum.

6. Increase housing stock and access to purchase

**Need:** The housing stock in Rochester is limited by several factors including venture capitalists/real estate power holders that have the financial power to buy up the available housing stock; older housing stock that requires expensive maintenance and rehab costs; and market constraints that drive up the cost of homes. All these factors have extensive impacts on BIPOC home seekers and buyers.

**Goal:** Increase existing housing stock via a robust rehabilitation program and develop mechanisms of control and stability to ensure access for BIPOC homebuyers.

**Recommendations:**

a. Subsidize affordable housing development through tax incentives, grants, and loans to create homeownership opportunities.
b. Subsidize housing development that would result in shared-equity ownership and mechanisms.
c. Establish a land acquisition fund to purchase property to sell to homebuyers of color and affordable housing developers.
d. Build capacity for and incubate community development corporations (CDCs) to operate community homeownership loan funds.
e. Explore a policy that would give existing Rochesterians the right of first refusal on specific properties.
f. Explore tenant right-to-purchase program ordinances.

7. Increase housing affordability

Need: Since affordability is a huge barrier to access for BIPOC homebuyers, creating more affordable options is critical.

Goal: Create and sustain affordable housing/home buying for BIPOC home buyers in Rochester and increase BIPOC purchasing power.

Recommendations:

a. Expand and modernize down payment programs to help BIPOC home seekers keep up with market rates. Audit the process to discover efficiencies that can be made to reduce the long timeline associated with participating in the program.
b. Ensure that real estate agents are familiar with existing down payment assistance programs.
c. Support wage increases among jobs that BIPOC employees traditionally hold.
d. Identify and enroll additional employers to expand the city’s employer-assisted housing initiative and offer greater subsidies to smaller employers.

8. Address financial institutions

Need: Racist and inequitable practices in banking and lending are at the epicenter of the racial wealth gap and the homeownership disparity. Unfortunately, inequity is deeply ingrained in this system, which means that the entire lending system needs to be broken down and recreated in a way that prioritizes and supports BIPOC ownership.

Goal: Develop a new system of banking and lending that is rooted in equity and works to undo the harm caused by traditional institutions of lending.

Recommendations:

a. Partner with cities across the state to align and develop a mechanism of accountability for banks.
b. Fine or publicly critique institutions for which there is evidence of predatory lending practices.
c. Mandate appraisers, loan officers, and real estate agents to participate in anti-bias training approved by the city.
d. Require extensive reporting and transparency on mortgage and lending data.
e. Expose and sever relationships with banks and lenders who refuse to participate in creating a more equitable Rochester. This includes ending any business relationship between the city and financial institutions.

f. Provide funding for free legal aid assistance for Rochesterians who may claim that financial institutions have discriminated against them.

g. Encourage or mandate financial institutions to use a new criterion for creditworthiness that is less reliant on credit scores and student loan debt.
Business Starts and Growth

Role of entrepreneurship in building wealth

Like homeownership, entrepreneurship can be an effective tool to close the racial wealth gap. A 2016 Association for Enterprise Opportunity report states that Black business owners are 12 times wealthier than their peers who do not own businesses, even when controlling for different levels of wealth before launching a business. Furthermore, business ownership creates new wealth faster than wage employment. While White adults have 13 times the wealth that Black adults do, the median wealth of White business owners is only three times higher than that of Black business owners. And the potential for wealth building extends beyond the business owner because small businesses tend to hire from the community, thereby creating opportunities for economic development. Increasing Black business revenue to enable more Black-owned businesses to become employers or hire additional employees would create hundreds of thousands of jobs nationally and result in a measurable decrease in the Black unemployment rate. However, for entrepreneurship to be a path to wealth building, businesses need to be profitable and sustain profitability over many years – which is no small feat given the expenses of running a business and the challenge of weathering slow periods. Furthermore, to build generational wealth, entrepreneurs of color must have a strategy to effectively pass along the company, its assets, or the liquidity generated when the business sells.

The racial wealth gap is a vicious cycle that has compounded the effects of racism to produce the disparities between White and BIPOC entrepreneurs that Rochester experiences today. This cycle has continued for generation after generation. For entrepreneurship to be a path to wealth building for Black, Indigenous, and other people of color, the barriers that prevent them from starting, sustaining, and growing their businesses must be addressed. While plenty of entrepreneurs are eager to build their businesses, our interviews and secondary research show that these systemic barriers remain in their way. Furthermore, the city’s high poverty rate, under resourced education system, and concerning crime rates make it even more challenging for BIPOC entrepreneurs to launch, sustain, and grow businesses successfully.

Several motivations drive entrepreneurs to launch a business. According to a survey we conducted of 295 current or aspiring businesses owners in Rochester, the main driver for starting a business is the entrepreneur’s passion, followed by the desire to earn a supplemental income, and finally, the desire to rely solely on the businesses’ revenue (see Figure 11).

While all racial groups reported being most motivated by their passions, African Americans and Latinos were most likely to see their business as a primary or supplemental income source. Our interviews and local media sources reveal a diverse community of entrepreneurs of color, including those looking to scale to national markets; “necessity entrepreneurs” thrown into the lifestyle due to limited economic opportunities; “opportunity entrepreneurs” who recognized a niche market among friends and family; and serial entrepreneurs running several operations with limited support. Local government and other stakeholders will need to maintain the vibrancy of the entrepreneurial community and grow it, so more people of color consider and succeed in business ownership.

Current state of BIPOC entrepreneurship in Rochester
From a bird’s eye view, Rochester’s business ecosystem, including small businesses, is doing well. A 2019 study commissioned by the Rochester Area Community Foundation reports that Rochester is mostly consistent with New York State and the broader United States in measures of the city’s start-up rate (defined as businesses no older than three years old at the time of the study), rate of Stage 2 businesses (defined as having 10-99 employees), and rate of high-growth businesses (defined as businesses with a 25% employment growth annually between 2013 and 2017). Other measures tell an even more promising story: Rochester’s establishment growth rate (3.3%, as of 2017) was twice that of New York State and almost twice the rate in the United States. Similarly, Rochester’s employment growth rate in 2017 was 6%—more than double the employment growth rates in New York State (2.5%) and the broader United States (2.7%).

However, the same study also noted “a tale of two ecosystems” in Rochester. While high-tech entrepreneurs affiliated with local universities reported a culture of innovation and support, the study

also identified “urban neighborhood entrepreneurs” (coded by the report as those belonging to disenfranchised groups) who experienced a business ecosystem that was “lacking, ineffective and filled with gaps.”

This account is corroborated by data gathered from the American Business Survey, illustrating the material consequences of disparities in support and access for BIPOC entrepreneurs:

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<th>Rochester MSA Share of Firms, Employees, and Sales by Race of Owner</th>
<th>Share of population</th>
<th>Share of Firms</th>
<th>Share of Employees by Firm Owner Race</th>
<th>Share of Sales (2017 Only)</th>
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<tr>
<td>Asian</td>
<td>2.8%</td>
<td>5.9%</td>
<td>4.7%</td>
<td>2.1%</td>
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<tr>
<td>Black or African American</td>
<td>10.6%</td>
<td>2.3%</td>
<td>1.6%</td>
<td>1.2%</td>
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<tr>
<td>Latinx or Hispanic</td>
<td>7.7%</td>
<td>1.9%</td>
<td>1.6%</td>
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<tr>
<td>White</td>
<td>75.9%</td>
<td>90.6%</td>
<td>92.1%</td>
<td>95.8%</td>
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<tr>
<td>Total</td>
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<td>100.6%</td>
<td>100.0%</td>
<td>100.0%</td>
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As seen in the chart above, White residents of the Rochester metropolitan area claim a disproportionate share—nearly all—of the business activity in the region, from the total number of firms and share of the labor market to total sales. Though Black/African-American and Latinx communities collectively comprise nearly a fifth of the total Rochester MSA population, the two groups represent only 4.2% of the firms and a paltry 2.1% of the sales counted. Not only do Black/African American and Latinx communities own significantly fewer businesses relative to their presence in the area, but the few businesses that do exist also bring in fewer sales and employ fewer people than they would in more equitable circumstances (while the converse of both trends is true for White communities/entrepreneurs).

**Barriers to equitable business starts and growths**
Entrepreneurship includes many risks: entrepreneurs must borrow money, are not always able to offer themselves benefits, often invest their life’s savings, and sometimes do not meet market demands. Unfortunately, people of color face additional barriers beyond those that the market presents. As noted in the Rochester Background and Context section of this report, Rochester has historically been segregated and has underinvested in communities of color for generations. Coupled with the under-resourcing of Rochester’s K-12 education and transportation systems, segregation and underinvestment have created barriers for BIPOC entrepreneurs to get started and garner success. Today, BIPOC entrepreneurs face challenges across multiple interrelated areas including mindsets, access to capital, access to networks, business acumen, and wrap around services.
As part of a June 2022 survey, we asked entrepreneurs in Rochester to rank 13 common challenges in the order that they most impact their business. The following table shows how the challenges were ranked among the 215 business owners that responded.

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<th>Entrepreneurs of color rankings</th>
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<td>1</td>
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<td>Access to capital</td>
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<td>Access to customers</td>
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<td>Access to talent / workers</td>
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<td>5</td>
<td>Increase in competition</td>
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<td>6</td>
<td>Supply chain challenges</td>
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<td>Discriminatory contracting</td>
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<td>Rent burden</td>
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<td>10</td>
<td>Accounting challenges</td>
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<td>11</td>
<td>Weak sales</td>
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<td>12</td>
<td>Navigating insurance</td>
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<td>13</td>
<td>Navigating licensing</td>
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Of the thirteen potential challenges to their business listed, credit availability was ranked first by the majority of respondents in terms of its impact on their business (33.8 percent of all business owners, or 71 people); another fifth of respondents (21.4 percent) ranked it second. Access to capital and access to customers also rated highly among respondents. People identifying as belonging to some racial minority groups rated challenges related to discriminatory contracting more highly on their lists than others; business owners identifying as Asian or Asian-American ranked it 5th and owners identifying as Hispanic / Latinx ranked discriminatory contracting ranked it 8th, while people identifying as Black or African American ranked it as 7th or less of a challenge. It ranked 9th among White business owners. Across racial groups, weak sales, navigating insurance and licensing, and accounting challenges were ranked as the least challenging aspects of a business.

The following subsections offer some insights to the conditions that drive these challenges.

**Mindsets**

One dynamic that was not included in the survey, yet came through strongly in interviews, is that entrepreneurs of color are strongly confined by the implicit and explicit biases of customers, funders, landlords, business partners, and entrepreneurial support organizations. Entrepreneurs of color who participated in the focus group perceived that they faced much more scrutiny from customers and funders than their White competitors. Black entrepreneurs reported that the quality of their work and professionalism is often questioned, whereas Latinx entrepreneurs perceived doubts regarding the legitimacy of their businesses and ability to provide customer service. These mental models can be detrimental to their businesses, resulting in less customer engagement and denial of critical funds from philanthropy and lenders. Entrepreneurs of color also experience this type of discrimination when they request support from entrepreneurial support organizations. The mindset that businesses owned by people of color are inferior in quality compared to those owned by Whites also discourages people of color from pursuing entrepreneurship. Interviewees spoke about the challenge of BIPOC residents in Rochester being able to imagine that business ownership is even a possibility. “I’m not going to jump
through hoops of fire when I know the person behind me has the red carpet rolled out for them. It makes you wonder if that’s why people leave Rochester or do not want to open a business here,” stated one entrepreneur. Without acknowledging and addressing these mindsets that sit at the center of many challenges entrepreneurs of color face in Rochester, the mindsets and subsequent challenges are likely to persist.

Access to capital
BIPOC entrepreneurs are less likely to have access to startup funding due to their lack of inherited wealth. Like many entrepreneurs, without their own assets, they may seek funding from their family and friends, who may also lack the inherited wealth to invest in a business. Without assets for collateral or a track record of business success, it is more difficult for BIPOC entrepreneurs to obtain bank loans. Furthermore, without savings to cushion against unexpected events or income volatility, BIPOC entrepreneurs may be more likely to miss payments and harm their credit, making it more difficult to secure additional funding. They are also more likely to use high-interest financing options such as credit cards, which exacerbate the situation.

The Business Development Working Group of the Commission on Racial and Economic Equity identified three priorities in “No Time for Excuses: It’s Time for Action,” the first of which is “Access to capital: Businesses owned by BIPOC often have inadequate access to capital needed to launch and sustain operations. Traditional loan requirements, including business and credit history, are barriers to capital, and these businesses receive insufficient support from local government programs.”

The disparity in access to capital for BIPOC entrepreneurs in Rochester has been well-documented by the Empire Justice Center (EJC). Drawing on data collected in 2015, an EJC report on small business lending in the Rochester metropolitan statistical area (MSA) found an uneven distribution of loans in both volume and dollar amount across Rochester MSA census tracts. Rochester MSA census tracts located in the city of Rochester (rather than in the suburbs), those with greater percentages of non-white residents, and/or those with lower average income received disproportionately low shares of small business loans, in both volume and dollar amount. While the report notes that the dollar amounts distributed in both instances are mostly proportional to the number of businesses represented, the data still indicate that entrepreneurs in these predominantly non-white census tracts receive proportionally fewer loans than those in white, wealthy, and suburban areas.

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Interviewees concurred that access to capital continues to be a key challenge for BIPOC entrepreneurs in Rochester. They argue that there is not a lack of capital in the community, but most entrepreneurs are not bankable and are not able to get funding from a bank due to low credit scores and lack of proven success in business. The journey to becoming a legally registered establishment and becoming bankable is long and challenging. Given a lack of assets, BIPOC entrepreneurs struggle to raise money for investing in the business, as well as funding for insurance and other costs. As such, entrepreneurs need alternative channels for accessing capital. Co-mingling of personal and business funds can make it difficult to secure bank funding, so there is a need to teach financial management and accounting skills.

When entrepreneurs discover alternative sources of funding from entrepreneurial support organizations, they can run into several roadblocks. Focus group participants described the time-consuming and costly application process required to secure loans from non-profit organizations. They also mentioned restrictions on the use of funds which sometimes result in the funds going unused. Interviewees called for more resources to help businesses grow and scale – put another way, more stakeholders need to be willing to take on financial risk to expand access to capital for BIPOC entrepreneurs.

**Lack of flexibility in financing**

Entrepreneurs need to be able to maintain some flexibility to remain adaptive to the challenges that may arise when running their business. Many entrepreneurs argued that existing financial resources are limited in the flexibility they are able to provide. For example, the recipient of one low-interest rate loan was unable to purchase the equipment needed to expand their business because they hit the ceiling of the loan. Others shared that applying to financing was a very strenuous process and, in some instances, they are not able to use the financing in the way they need to. Community Development Block Grants (CDBG), for example, have restrictions making them inaccessible to small businesses that aren’t already in a commercial zone, which excludes support for home/mobile businesses, food cart operators, etc. While access to capital is the main source of concern for most entrepreneurs, some interviewees claimed that it would much more accessible if businesses were able to increase their capacity to compete for the capital that is available. As one leader of an entrepreneurship support organization put it, “There is enough capital to go around in Rochester. What is needed is for businesses to have better business skills and coaching on how to grow their business. That will help them qualify for more funding from banks.” Some of the programs that were most lauded were those that combined financing opportunities with technical assistance and training.

**Access to networks**

Businesses are better able to reach sustainability and growth when they are connected to networks that give them access to customers, employees, partners, and mentors. Entrepreneurs of color in the United States, and in Rochester, are less likely to be connected to the networks they need to best support their businesses. Due to stigma, Black entrepreneurs have been excluded from existing networks within the city and Latinx entrepreneurs face language barriers to establishing networks. Our interviews revealed that Rochester’s entrepreneurs of color struggle to make their businesses visible, tend not participate in trade associations and other industry networks, and desire culturally relevant mentorship. Congruently, the Business Development Working Group of the RASE Commission named “Operations/mentorship: Information regarding available government assistance is not reaching the intended audiences, and
there is a lack of culturally competent mentorship," as the working group’s second priority. Focus group participants reaffirmed this finding when they described the lack of culturally competent programming and diverse mentors at entrepreneurial support organizations.

While entrepreneurs of color are excluded from existing networks, they are aware of how networks benefit White entrepreneurs. During our focus group one entrepreneur stated, “This market is probably the worst I’ve seen in terms of cliques. All the bankers are friends. All the cliques serve on the same boards...The cliques across Monroe County are gatekeeping. It’s ridiculous.” There was a desire among entrepreneurs of color for greater networking in order to access funding opportunities. Similarly, having the right connections can help with securing a more desirable location for your business. One entrepreneur shared her story of securing the location of her business. She had attempted to negotiate with a landlord for months to little avail. Once she switched realtors, to one with a personal connection to the landlord, she was able to secure the location for her business. In her words, “The networks are what is going to help deliver on what you need.” Social capital can be as valuable to a business as financial capital.

A clear theme across our interviews was that, while there are many nonprofits providing a range of resources, entrepreneurs of color are not adequately served by the existing ecosystem. For starters, many entrepreneurs are not aware of either the services available or of which providers to engage with based on the specific stage and needs of their business. Furthermore, even if an entrepreneur was to find an organization that can support him or her, the paperwork required to partner with the organization can be expensive and time-consuming to prepare – especially for entrepreneurs who may be lighter on staff. Interviewees highlighted the need for a “one stop shop” that will help entrepreneurs navigate the available resources and advocate for them as they seek to access government programs, services, and processes, and engage with private lenders.

**Business acumen**

Businesses run by people of color are seen as less competitive because the owners may lack the business acumen and skills to run the ‘back-end’ of their business. It is important to keep in mind that many entrepreneurs of color do have the business acumen to operate their businesses yet struggle to start and grow their businesses for the other reasons described in this report. Despite that, there is a reality that many entrepreneurs do not have the business acumen necessary to access capital and receive support from existing entrepreneurial support efforts. Within communities of color, it is helpful to keep in mind that many entrepreneurs are first-generation entrepreneurs because generations of oppression have not allowed them to access the same educational and financial opportunities as Whites. Furthermore, because of the existing wealth gap, entrepreneurs of color suffer heavily if they take the financial risks of starting a business and fail. Interviewees spoke about BIPOC entrepreneurs struggling with business planning and creating financial projections, which are required to secure funding from both government programs and banks. They also spoke about the importance of developing a unique business proposition rather than launching a copycat business. Skills including understanding the market, concept development, and marketing are crucial. Interviewees have observed that in the White community, many family-owned businesses are multi-generational and business acumen is passed down from one generation to another. In the BIPOC community, many

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business owners are first-generation and do not benefit from the generational transfer of knowledge. Furthermore, interviewees noted that public education in Rochester does not adequately support the development of business-savvy entrepreneurs.

Need for wrap around services

Many BIPOC entrepreneurs in Rochester are “necessity entrepreneurs” – meaning that they started a business as a means of economic survival – and many operate more than one business. Interviewees agreed that when people are focused on meeting their basic survival needs, they are less likely to focus on building their credit or saving for a down payment for a house or to build equity in a business. Furthermore, making good business decisions and transforming a side hustle into a profitable and sustainable business requires a level of focus and investment that is difficult when someone is worrying about how to pay rent or survive. Interviewees described the need for wraparound social services such as childcare, mental health services, and transportation support to help entrepreneurs meet their basic needs so that they can focus on building their business.

Need for adjusting the MWBE certification process

The RASE Commission named a number of barriers preventing BIPOC entrepreneurs from benefiting from MWBE (Minority and Women Owned Business Enterprises) certification. The third priority elevated by the Business Development Working Group is “MWBE17 contracting: Process to becoming certified as a Minority or Women-Owned Business Enterprise is difficult, and bidding process has barriers for MWBEs, especially those that are small.” The report highlighted the “complex and burdensome process” that entrepreneurs had to navigate to receive New York State Certification and the lack of support for emerging entrepreneurs that did not have the financial and legal resources to consider applying. The entrepreneurs that had been able to receive MWBE certification reported “little-to-no contact with representatives from the city or the county,” and had difficulties navigating city/county bidding and contracting processes as a result.

Following the release of the report, the county has acted on the RASE Commission report’s recommendation to establish a local-level MWBE certification process to support BIPOC entrepreneurs that haven’t yet or are currently undergoing the state-level certification process. The county has established a certification program to certify businesses to do work with the county. The city of Rochester had already developed a comprehensive program prior to this assessment. Interviewees shared that since 2018, the MWBE process within the city of Rochester has increased opportunities for MWBE participation in public works construction, public works consultants, professional service consultants, and commodities contracts. While the city and county continue to build capacity to expedite the certification process and recruit local organizations to provide technical assistance for emerging BIPOC entrepreneurs, interviewees noted that obtaining certification still requires substantial resources (time, paperwork, insurance) and that a large pool of BIPOC-owned businesses remain unaware of MWBE certification and/or its significance.

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Need for community development

Interviewees repeatedly highlighted the importance of place-based interventions. An unintended consequence of promoting homeownership without cultivating entire neighborhoods, one interviewee pointed out, has been creating “more pockets of poverty...putting people in nice houses and poor neighborhoods.” Place-based approaches need to take into account the mutually reinforcing relationship between homeownership and local businesses. “It doesn’t change the equation,” said one interviewee, if “each [household] only has $20 to spend” to maintain the vibrant store mix central to making a neighborhood desirable.

This need for neighborhood/community-level development to support low-income, BIPOC communities is supported by findings in the 2019 Commercial Corridor Study commissioned by the city of Rochester.\(^5\) Drawing from an assessment of successful commercial corridors in Rochester and elsewhere, the study authors suggest that thriving commercial areas rely on neighborhood stability, higher household incomes, perceptions of safety, and a robust mix of local businesses that can keep money circulating within the neighborhood.

Business Starts and Growth Ecosystem

Ecosystem map

There is a strong set of organizations committed to supporting entrepreneurs in Rochester. Several are focused on supporting BIPOC or low-income entrepreneurs by providing counseling and assistance with business acumen. Others provide funding opportunities to entrepreneurs at various stages in their business. A few also consider economic development within the region as a whole.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Organizations (not comprehensive)</th>
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| Small Business Counseling and Assistance | • Center for Urban Entrepreneurship at the Rochester Institute of Technology  
• City of Rochester MWBE Office (located in the Purchasing Department)  
• City of Rochester Business Development and Asset Coordinator  
• City of Rochester Financial Empowerment Center  
• Greater Works Collaborative Inc  
• Greater Rochester Enterprise  
• Ibero-American Action League Inc  
• Monroe County Procurement Technical Assistance Center (PTAC)  
• New York State Small Business Development Center @ SUNY Brockport  
• OWN Rochester  
• PathStone Enterprise Center  
• Rochester Economic Development Corporation (REDCO)  
• SCORE Greater Rochester  
• SUNY Brockport Small Business Development Center  
• The Commissary: Downtown Kitchen Incubator |

For further insight on the familiarity and usage of these organizations among existing entrepreneurs, please see the summary of our survey findings within Appendix D.

**Ecosystem dynamics**
Stakeholder interviews suggest three ecosystem dynamics that are impeding progress:
1) Lack of a shared set of priorities and vision
2) Limitations to collaboration
3) Lack of co-creation of solutions and power sharing

**Lack of shared set of priorities and vision**
Similar to the challenge with organizations that focus on housing in Rochester, interviewees spoke about a lack of shared vision at multiple levels – both a lack of a unifying vision for economic development and a lack of clarity about specific goals and priorities related to supporting small business owners. Several interviewees referenced the various existing reports and strategic plans that have generated recommendations related to creating a more prosperous and equitable entrepreneurial landscape – and gave examples of how their understanding of the system and their actions are informed by these resources. Yet they also spoke about a lack of shared sensemaking of the findings and a lack of coordinated prioritization among the recommendations and across stakeholders. They identified a need to define a shared vision and specific roles more clearly for stakeholders across organizations and sectors.
Through an in-depth analysis and community engagement effort, the Commission on Racial and Structural Equity (RASE) developed an extensive set of recommendations spanning nine focus areas, including Business Development. Despite widespread awareness of the Commission and the report, there was a lack of knowledge among interviewees on what progress has been made against the recommendations and conflicting perceptions of who was leading the ongoing work. This is one clear example of the lack of shared vision.

**Limitations to collaboration**

Interviewees described the landscape as “siloed” and “fragmented” and highlighted a need for more collaboration among providers and across sectors. One interviewee shared that newer organizations have a desire to work together more closely, but have capacity constraints preventing them from doing so, whereas more established players with more capacity don’t have as much of an incentive to partner. Others described how capacity constraints prevent organizations from stepping back from the urgency of day-to-day activities to invest in strategizing and action planning. Additionally, some felt that organizations show up to collaborative spaces strongly representing their own mission rather than adopting a collaborative mindset and working together. One person observed that organizations tend to collaborate well when doing so will allow them to secure funding, yet once the funding has been secured, the collaboration weakens. More work is needed to align each organization’s strategic plans such that there is a greater incentive to work together. One interviewee said, “We all need to be willing to do together…it’s going to take all hands and all hearts to make this happen.” Whether due to capacity constraints or not having a collaborative mindset, there was strong agreement across interviewees that the existence of siloes and lack of coordination is impeding progress. This finding is consistent with the 2019 “Rochester Entrepreneurial Ecosystem Assessment Report,” which states, “what is less clear is how well connected these actors are, how well they collaborate to create a seamless system.”

**Lack of co-creation of solutions and power sharing**

Interviewees from both within and outside of city government elevated the need to co-create solutions with the community. One said, “City government doesn’t do a good job engaging residents in decision making,” and another called for “more focus groups, listening, and tailoring needs rather than assuming what the needs are.” Interviewees believe that nonprofits and residents need to have more power to make decisions and create solutions. One said, “We will capture and sanitize the thoughts [shared by community members]. We might even release a report. But what we do with the report [community members] are not in the room for. They are not added to the project team. They are not paid members of the team. Those kinds of collaborations do not exist.”

**Promising practices and initiatives (non-exhaustive)**

A number of stakeholders are currently addressing the barriers facing entrepreneurs of color in Rochester. Some existing organizations help entrepreneurs navigate the uncertainties and challenges of running a business. Capital is also provided to entrepreneurs to help them start and grow their businesses. Other organizations try to shift narratives around BIPOC entrepreneurship while forming and executing economic plans. Below are a few notable initiatives:

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Small business counseling and assistance

- The Urban League of Rochester offers several services to current and aspiring small business owners, including the **ROC Women’s Business Center (RWBC)** as of January 2022. The business center joins a network 140 women’s business centers across the country and offers one-on-one counseling, training, networking, workshops, technical assistance, and mentoring on numerous business development topics.

- The **Center for Urban Entrepreneurship (CUE)** offers entrepreneurs capacity building opportunities in the form of a six-month customized training program for for-profit and non-profit entities. CUE serves a number of survival entrepreneurs who are more likely to struggle with business acumen. The center also focuses on supporting entrepreneurs who are in the earliest stages of starting their businesses. Finally, CUE partners with REDCO, the Urban League of Rochester, and GRABBA to host a business pitch competition where contestants compete for a number of prizes including $25,000 to put towards their business.

- **Nexus i90** provides entrepreneurs and small business owners with free access to virtual assistance, resources, and information. The online platform helps educate entrepreneurs on where they can access a number of services including support navigating licensing and permitting processes, grants and loans, business incubators, concept development, and business formation. The platform also hosts network navigators who can gather information from business owners to accurately refer them to a support organization in their network. Funding for the platform remains in question and would be required for it to meet its potential for ease of use and the breadth of services advertised.

- The city of Rochester MWBE staff work with new MWBE firms to educate them on how to work with government (i.e., selling services to the city). They administer a comprehensive MWBE procurement program to assist city departments to source MWBE contractors for construction projects, public works consultants, professional services consultants, and commodities. MWBE staff work with existing MWBE firms to upgrade their business plans, update their lists of NAICS codes, and recommend training opportunities.

Capital providers

- **Kiva** provides crowdfunded business loans of $1,000-$15,000 at 0% interest and no fees. These loans can be used for projects such as renovations, purchasing pieces of equipment, or moving into store fronts. The loans are offered to people with no minimum credit score and has a unique “social underwriting” process during application review. While the program helped to support many successful entrepreneurs, some interviewees stated that KIVA could be more proactive in referring entrepreneurs to other support organizations for the services KIVA does not offer including mentoring and support with MWBE certification.

- **The Enterprise Center at PathStone** is a Community Development Financial Institution (CDFI) that aims to enhance economic self-sufficiency and quality of life through entrepreneurial training, technical assistance, access to funding, and mortgage products for underserved borrowers. The organization’s loans range from $5,000 to $250,000 and help entrepreneurs start and grow their businesses. The loans come with an interest rate between 7.5% and 9.5% and can be used for gap financing, machinery and equipment, inventory, leasehold improvements, business debt refinancing, and working capital.
Economic development leaders

- **The Rochester Economic Development Corporation** (REDCO) aims to create equitable neighborhood wealth for existing and new businesses through strategic economic development. The organization provides aspiring small business owners with formal business training and practical experience in business. They also support innovation-led businesses, microbusinesses, main street businesses, and second stage businesses. REDCO recently launched the REDCO Business Certification program in partnership with the Monroe Community College with support from M&T Bank and ESL Federal Credit Union in order to provide small business counseling and assistance. REDCO’s variety of offerings, strategic visioning, and partnerships across sectors allows them to think about community development in a much more comprehensive way.

- The Urban League of Rochester’s **PowerShift: Building Small Business program** aims to shift the local narrative of minority, women, and veteran-owned businesses by amplifying the visibility and presence of each business. As indicated in this report, the mindset that entrepreneurship is infeasible for communities of color is a dangerous one. The PowerShift program helps tell stories of local businesses which, in turn, may help shift the narrative of infeasibility. The work of PowerShift can also help entrepreneurs build a network among each other. The program also helps refer entrepreneurs to other services and programs that they may need.

*In addition to the promising practices highlighted, we surveyed entrepreneurs to ask what the most meaningful supports have been to their business, what additional support would they like to receive, and what changes to their physical environments would most benefit their business. A summary of those findings can be found in Appendix D.*

**Recommendations**

The city of Rochester has a long history in creating strong, industry-leading businesses. Many of these businesses have been White-owned and led. To create greater equity, Rochester’s leaders must be intentional about the investments the city makes in entrepreneurs of color. For the entrepreneurial support ecosystem to adequately support Rochester’s BIPOC entrepreneurs several shifts need to occur within the ecosystem. The following set of solutions have been recommended by interviewees or have been suggested by other studies.

1. **Enhance collaboration and accountability across ecosystem stakeholders**

   **Need:** Rochester has a rich ecosystem of organizations that support entrepreneurs in the city. These organizations are often working in siloes, limiting the extent to which their activities reinforce each other. This fragmentation also makes it challenging for BIPOC entrepreneurs to access the services they need and makes the interventions less effective at developing Rochester’s economy. Better coordination would allow organizations to proactively focus their efforts on an aligned set of goals.

   **Goal:** Enhance collaboration and accountability across the ecosystem of stakeholders supporting BIPOC entrepreneurs in Rochester.
**Recommendations:**

a. Convene stakeholders for joint sense-making of existing research/reports/plans and facilitate shared prioritization across efforts (in coordination with existing coalitions).
b. Align economic development efforts to build industry clusters.
c. Create a uniform and public tracking system to enable all stakeholders and residents to track progress.
d. Map where resources exist by stage of business (and other categories, e.g., culturally specific) and strengthen the referral system.
e. Assess the impact of the $12 million annual spend on community development to ascertain how it supports BIPOC entrepreneurs and adjust accordingly.
f. Create marketing and communications campaigns to increase awareness of community organizations providing culturally relevant services.
g. Expand and create additional channels in city government for listening to BIPOC entrepreneurs, co-creating solutions, and joint decision-making.
h. Create and amplify a one-stop shop for entrepreneurs. Consider continuing to develop NexusI90 or Roc My Biz and develop a cross-ecosystem plan to drive awareness/adoptions of the resource.
i. Hire or fund resource navigators to help entrepreneurs access the resources across the ecosystem. Ensure that these navigators are trained in implicit bias and anti-racism.
j. Establish an advocate role/program/department to help entrepreneurs navigate government programs/services/processes across departments and jurisdictions.
k. Research policy changes or adaptations to enable CDBG funds to support home businesses, internet businesses, and mobile businesses and overcome zoning restrictions that constrain the industries entrepreneurs can enter.

2. **Shift the narrative around entrepreneurship**

**Need:** While risky, entrepreneurship offers an opportunity for people of color to build wealth. Despite negative narratives regarding businesses owned by entrepreneurs of color, these businesses offer quality goods and services that deserve fair recognition. Furthermore, the narrative that entrepreneurship is not a route open to people of color needs to be challenged. This narrative is likely driven by a lack of awareness of successful entrepreneurs of color in the community, a lack of acknowledgement of the challenges entrepreneurs of color face in the city, a lack of a pathway to entrepreneurship, and a lack of agency and dignity among existing entrepreneurs. Finally, a broader shift needs to occur regarding the general state of business growth in Rochester. The city needs small businesses more than ever to be attractive for economic development. The city can no longer depend on having a few large companies carry the economy. Entrepreneurs of color must be a key piece of the ecosystem if the city wishes to grow its economy.

**Goal:** Rochester’s BIPOC entrepreneurs are recognized as assets to the city and there is a shared belief that investing in them will lead to shared prosperity.
Recommendations:

a. Shift the existing mindset of Rochester as a “town of companies” to Rochester as a “town of diverse small businesses.”

b. Position entrepreneurs of color as valuable assets that require investment to increase the city’s prosperity.

c. Develop a “hobby to hustle” framework that will enable entrepreneurs to understand a pathway towards growth. Map the entrepreneurial support organizations to that framework.

d. Elevate stories of successful entrepreneurs of color in the city.

e. Fund youth development organizations that offer a curriculum in starting and growing a business.

f. Build awareness of microentrepreneurs across the ecosystem, including in the local philanthropic sector.

3. Create opportunities to increase sales

Need: Businesses owned by entrepreneurs of color make up significantly less of the sales generated in Rochester than White-owned businesses. Due to population decline and transportation challenges, entrepreneurs of color have difficulty reaching residents. Furthermore, interviewees and focus group members described how due to biases and inefficiencies faced when navigating MWBE certification and procurement processes, entrepreneurs of color are often excluded from doing business with anchor institutions.

Goal: Expand opportunities for business of color to do business locally, regionally, and nationally.

Recommendations

a. Consider extending the city’s MWBE commitment beyond those who are certified; support entrepreneurs in getting on the path to certification.

b. Encourage more organizations to make MWBE procurement commitments.

c. Build buy-in across sectors for more stakeholders to take on risk and provide capital to BIPOC entrepreneurs, especially those not yet established enough to secure funding from traditional financial institutions.

d. Allow entrepreneurs to use vacant properties for a low cost.

4. Fortify networks of support

Need: Entrepreneurs of color are often excluded from the set of supports that would help them establish and grow their businesses. Entrepreneurs of all races need funding partners, mentors, relationships with vendors and distributors, and relationships with customers to succeed. At the moment, entrepreneurs of color – particularly Black entrepreneurs – do not have equal access to those who will support their businesses.

Goal: Ensure that entrepreneurs of color feel connected to others who can support their businesses.
Recommendations
a. Invest in capacity building and provide additional funding to existing community organizations providing culturally relevant direct service and financing to entrepreneurs.
b. Curate networking events by industry cluster to help entrepreneurs meet mentors, suppliers, and distributors.
c. Establish partnerships with national organizations that provide culturally relevant mentorship to entrepreneurs of color in Rochester.
d. Host events for entrepreneurs of color to connect to form informal mentors and establish business partnerships. Use these opportunities to elevate the work of entrepreneurs in the city and gather input from entrepreneurs in the city.
e. Identify a partner that can offer Black-owned businesses legal support when they perceive a financial institution has discriminated against them.
Appendix A: Acknowledgements

Living Cities, the Closing the Gaps Network Leaders in Rochester, and FSG would like to thank the Rochester community members who generously shared their experiences and perspectives as part of a focus group. Thank you to the Ibero Business Center and RMAPI for hosting FSG’s focus groups. Additionally, we would like to thank the following individuals who contributed expertise and insights to this research.

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Greater Rochester Association of Realtors

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ESL Federal Credit Union

Christina White, Buyers Agent
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Carol Wheeler, Manager of Housing
City of Rochester

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The Enterprise Center at Pathstone

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Rochester Economic Development Corporation

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Rochester Monroe Anti-Poverty Initiative

Robin Reynolds Wilt, Managing Broker and Owner
## Appendix B: Data Compiled by the Urban Institute

### Research and Data Collection to Support Strategies to Close Racial Income and Wealth Gaps for Living Cities' Closing the Gaps Network’s Year of Reckoning Cities Cohort

Baseline Data Collection Sample Indicators  
Rochester, NY  
2-Jun-22  

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<tr>
<td>Homeowner Readiness</td>
<td>Mortgage ready young adults</td>
</tr>
<tr>
<td></td>
<td>Mortgage obstacles</td>
</tr>
<tr>
<td>Supply and Affordability</td>
<td>Affordability</td>
</tr>
<tr>
<td></td>
<td>Supply</td>
</tr>
<tr>
<td>Mortgage Performance</td>
<td>Mortgage Performance</td>
</tr>
<tr>
<td>Housing Wealth</td>
<td>Relative Housing Wealth</td>
</tr>
<tr>
<td>Ownership, Employees, and Sales</td>
<td>Share of Firms</td>
</tr>
<tr>
<td></td>
<td>Share of Employees</td>
</tr>
<tr>
<td></td>
<td>Share of Sales</td>
</tr>
<tr>
<td>Startups Table</td>
<td>Share of Firms</td>
</tr>
<tr>
<td></td>
<td>Share of Employees</td>
</tr>
<tr>
<td></td>
<td>Share of Sales</td>
</tr>
</tbody>
</table>
## Population and Income

### Rochester, NY

<table>
<thead>
<tr>
<th>General reference statistics</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Total HH</td>
<td>1.6%</td>
<td>36.2%</td>
<td>16.2%</td>
<td>43.2%</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td># Households (18+)</td>
<td>87706</td>
<td>1360</td>
<td>31782</td>
<td>14175</td>
<td>37868</td>
<td>2521</td>
</tr>
<tr>
<td># Homeowners households (18+)</td>
<td>31201</td>
<td>725</td>
<td>8314</td>
<td>4609</td>
<td>17076</td>
<td>476</td>
</tr>
<tr>
<td># Renter households (18+)</td>
<td>56505</td>
<td>634</td>
<td>23468</td>
<td>9566</td>
<td>20792</td>
<td>2045</td>
</tr>
<tr>
<td>% Dissimilarity index, white</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41.8%</td>
<td>52.1%</td>
</tr>
<tr>
<td>% HOship rate (18+) (ACS 2015-2019)</td>
<td>35.6%</td>
<td>53.3%</td>
<td>26.2%</td>
<td>32.5%</td>
<td>45.1%</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median HH Income (ACS 2019)</td>
<td>$38,200</td>
<td>$55,420</td>
<td>$28,000</td>
<td>$38,520</td>
<td>$47,000</td>
<td>$51,980</td>
</tr>
<tr>
<td>$ Median homeowner income</td>
<td>$64,800</td>
<td>$55,420</td>
<td>$61,600</td>
<td>$46,000</td>
<td>$77,000</td>
<td>$111,000</td>
</tr>
<tr>
<td>$ Median renter income</td>
<td>$30,000</td>
<td>$48,000</td>
<td>$24,500</td>
<td>$34,500</td>
<td>$35,340</td>
<td>$38,000</td>
</tr>
<tr>
<td>Gini Index</td>
<td>0.4939</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Jobs by Largest Industries</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>19468</td>
<td>226</td>
<td>9702</td>
<td>1754</td>
<td>4945</td>
<td>487</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>11685</td>
<td>253</td>
<td>4051</td>
<td>2055</td>
<td>3947</td>
<td>579</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10152</td>
<td>971</td>
<td>2599</td>
<td>764</td>
<td>5400</td>
<td>477</td>
</tr>
<tr>
<td>Educational Services</td>
<td>9899</td>
<td>406</td>
<td>2851</td>
<td>5480</td>
<td>4866</td>
<td>306</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>8925</td>
<td>2026</td>
<td>1727</td>
<td>4866</td>
<td>3404</td>
<td></td>
</tr>
<tr>
<td>Total Population With a Job</td>
<td>94967</td>
<td>2586</td>
<td>32324</td>
<td>16090</td>
<td>40563</td>
<td>3404</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Composition of Largest Industries</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>100%</td>
<td>1.16%</td>
<td>49.84%</td>
<td>17.94%</td>
<td>28.56%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>100%</td>
<td>2.17%</td>
<td>34.67%</td>
<td>15.01%</td>
<td>42.32%</td>
<td>5.83%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>100%</td>
<td>9.57%</td>
<td>25.60%</td>
<td>20.24%</td>
<td>38.88%</td>
<td>5.70%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>100%</td>
<td>4.10%</td>
<td>28.80%</td>
<td>7.72%</td>
<td>54.55%</td>
<td>4.82%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>100%</td>
<td></td>
<td>22.70%</td>
<td>19.35%</td>
<td>54.52%</td>
<td>3.43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Median Earnings of Largest Industries</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>$37,000</td>
<td>$48,000</td>
<td>$35,000</td>
<td>$24,200</td>
<td>$40,000</td>
<td>$78,000</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$22,000</td>
<td>$15,000</td>
<td>$9,600</td>
<td>$24,000</td>
<td>$27,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$46,000</td>
<td>$45,000</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$60,000</td>
<td>$44,000</td>
</tr>
<tr>
<td>Educational Services</td>
<td>$48,000</td>
<td>$54,000</td>
<td>$25,000</td>
<td>$32,000</td>
<td>$49,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>$20,000</td>
<td>$13,000</td>
<td>$25,000</td>
<td>$19,000</td>
<td>$23,000</td>
<td></td>
</tr>
<tr>
<td>Median Earnings over all Workers</td>
<td>$32,000</td>
<td>$30,000</td>
<td>$26,000</td>
<td>$30,000</td>
<td>$39,000</td>
<td>$40,000</td>
</tr>
</tbody>
</table>
Closing the Gaps Rochester Needs Assessment

Note(s):
1) The Gini Index is not calculated by race and ethnicity. A number closer to 1 means maximal inequality and a number closer to 0 means minimal inequality.
2) The Asian sample was too small to calculate results under "Accommodation and Food Services".

Data Source: American Community Survey

### Homeownership

<table>
<thead>
<tr>
<th>Young Adult Homeowners (18-45)</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td># Young adult homeowners</td>
<td>9675</td>
<td>128</td>
<td>1532</td>
<td>2625</td>
<td>5032</td>
<td>358</td>
</tr>
<tr>
<td>Young adult homeowners % of total homeowners</td>
<td>31%</td>
<td>18%</td>
<td>18%</td>
<td>57%</td>
<td>29%</td>
<td>75%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homeownership Rate Comparison</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>HO RATE ACS 2019</td>
<td>35.6%</td>
<td>53.3%</td>
<td>26.2%</td>
<td>32.5%</td>
<td>45.1%</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homeownership Rate x age, gender,race</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership rate (18+)—Male</td>
<td>38.4%</td>
<td>74.9%</td>
<td>31.5%</td>
<td>32.7%</td>
<td>43.5%</td>
<td>29.8%</td>
</tr>
<tr>
<td>Homeownership rate (18+)—Female</td>
<td>33.1%</td>
<td>0.1%</td>
<td>23.1%</td>
<td>32.3%</td>
<td>46.8%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Homeownership rate Young Adult (18-45)</td>
<td>22.6%</td>
<td>21.1%</td>
<td>10.7%</td>
<td>30.5%</td>
<td>29.4%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Homeownership rate Young Adult — Male</td>
<td>24.3%</td>
<td>34.5%</td>
<td>16.9%</td>
<td>26.7%</td>
<td>25.3%</td>
<td>35.8%</td>
</tr>
<tr>
<td>Homeownership rate Young Adult — Female</td>
<td>21.3%</td>
<td>0.0%</td>
<td>7.8%</td>
<td>35.0%</td>
<td>33.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Homeownership rate 65+</td>
<td>55.0%</td>
<td>100.0%</td>
<td>58.2%</td>
<td>17.0%</td>
<td>61.5%</td>
<td>81.7%</td>
</tr>
<tr>
<td>Homeownership rate of adults 65+ —Male</td>
<td>52.1%</td>
<td>100.0%</td>
<td>54.6%</td>
<td>23.8%</td>
<td>56.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Homeownership rate of adults 65+—Female</td>
<td>57.5%</td>
<td>100.0%</td>
<td>61.0%</td>
<td>10.9%</td>
<td>65.9%</td>
<td>34.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Homeowners (net)</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td># New homeowners (since 2018)</td>
<td>(547)</td>
<td>193</td>
<td>(1,030)</td>
<td>1,016</td>
<td>(596)</td>
<td>(130)</td>
</tr>
</tbody>
</table>
### Projected Homeowners

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td># 2040 homeowners</td>
<td>45494</td>
<td>11007</td>
<td>5038</td>
<td>21606</td>
<td>1825</td>
<td></td>
</tr>
<tr>
<td># 2040 households, state level</td>
<td>83405</td>
<td>30594</td>
<td>15969</td>
<td>32331</td>
<td>3194</td>
<td></td>
</tr>
<tr>
<td>2040 homeownership projection, state level</td>
<td>54.5%</td>
<td>36.0%</td>
<td>31.5%</td>
<td>66.8%</td>
<td>57.1%</td>
<td></td>
</tr>
</tbody>
</table>

Note(s):

1) In counting Young Adult Homeowners, we used 18-45 as young adult, to follow Freddie Mac "Mortgage Ready" convention.

2) The projected homeowner analysis is directly available only at state level; To provide city estimates, we applied state projections for HH formation and HOship to the city population. In the homeowner projections, "Other" includes Asians.

Data Source: American Community Survey, Decennial Census

### Homeowner Readiness

<table>
<thead>
<tr>
<th>Mortgage Ready Young Adults</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td># Mortgage ready potential young adults (age 18-45), MSA</td>
<td>111,667</td>
<td>8,900</td>
<td>38,408</td>
<td>10,381</td>
<td>52,120</td>
<td>1,858</td>
</tr>
<tr>
<td>% Mortgage Ready (age 18-45), MSA</td>
<td>47.90%</td>
<td>59.40%</td>
<td>16.00%</td>
<td>34.50%</td>
<td>32.00%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mortgage Obstacles</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denial rates</td>
<td>7.6%</td>
<td>4.9%</td>
<td>13.5%</td>
<td>12.4%</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td>Biggest reason for denial (not sure this is conclusive)</td>
<td>DTI ratio</td>
<td>Insufficient Cash</td>
<td>Collateral</td>
<td>DTI ratio</td>
<td>DTI ratio</td>
<td></td>
</tr>
</tbody>
</table>

Note(s):

1) The % Mortgage Ready for Young Adults is not available for Other in the metropolitan statistical area or for any racial or ethnic category at the state and national level.

2) Denial Rates are not available for "Other" at the city level due to a small sample.

Data Source: Home Mortgage Disclosure Act, Freddie Mac
### Supply and Affordability

<table>
<thead>
<tr>
<th>Affordability</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ Median home value (all homes owned)</td>
<td>$90,000</td>
<td>$60,000</td>
<td>$80,000</td>
<td>$85,000</td>
<td>$105,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Value of Median Property Purchased</td>
<td>$115,000</td>
<td>$145,000</td>
<td>$95,000</td>
<td>$85,000</td>
<td>$135,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Median home price</td>
<td>$158,190</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Average Gross rent</td>
<td>$905</td>
<td>$967</td>
<td>$830</td>
<td>$866</td>
<td>$975</td>
<td>$1,245</td>
</tr>
<tr>
<td>$ Average gross housing cost (owners)</td>
<td>$962</td>
<td>$1,250</td>
<td>$875</td>
<td>$879</td>
<td>$1,013</td>
<td>$1,007</td>
</tr>
<tr>
<td>$ Median Gross rent</td>
<td>$831</td>
<td>$860</td>
<td>$820</td>
<td>$790</td>
<td>$850</td>
<td>$920</td>
</tr>
<tr>
<td>$ Median gross housing cost (owners)</td>
<td>$794</td>
<td>$357</td>
<td>$693</td>
<td>$903</td>
<td>$823</td>
<td>$1,209</td>
</tr>
<tr>
<td>Average Leverage ratio (DTI)</td>
<td>36</td>
<td>33</td>
<td>37</td>
<td>36</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>% Owners that are housing cost burdened</td>
<td>19.7%</td>
<td>42.3%</td>
<td>25.1%</td>
<td>25.5%</td>
<td>15.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>% Renters that are housing cost burdened</td>
<td>54.9%</td>
<td>15.6%</td>
<td>62.7%</td>
<td>54.0%</td>
<td>47.9%</td>
<td>51.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td># New, private housing units authorized by building permits (2020), MSA</td>
<td>2114</td>
</tr>
<tr>
<td>Inventory Change (Feb 2020 - Feb 2022), MSA</td>
<td>-55.6%</td>
</tr>
<tr>
<td>Inventory per household, MSA, 2019</td>
<td>0.006698333</td>
</tr>
<tr>
<td>Median Days to Pending (Feb 2020 - Feb 2022), MSA</td>
<td>28(Feb 2020) - 9 (Feb 2022)</td>
</tr>
<tr>
<td>Days to Pending, MSA</td>
<td>29 (Feb 2022)</td>
</tr>
</tbody>
</table>

**Note(s):**
1. Median home prices are not available by race or ethnicity.
2. Supply data except on building permits is not available at the state and national level.

*Data Source: American Community Survey, Black Knight, Zillow, Federal Reserve Economic Data*
Mortgage Performance

<table>
<thead>
<tr>
<th>Mortgage Performance</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre foreclosure Filings</td>
<td>2,080</td>
</tr>
<tr>
<td># of foreclosures</td>
<td>2,682</td>
</tr>
<tr>
<td># of real estate owned (REO)</td>
<td>890</td>
</tr>
<tr>
<td># loans outstanding</td>
<td>671,433</td>
</tr>
<tr>
<td>Completed foreclosures</td>
<td>738</td>
</tr>
<tr>
<td>Foreclosure rates</td>
<td>0.40%</td>
</tr>
<tr>
<td># of REO sales</td>
<td>690</td>
</tr>
<tr>
<td># of Short sales</td>
<td>48</td>
</tr>
<tr>
<td># Underwater mortgages</td>
<td>41,123</td>
</tr>
<tr>
<td>Negative equity share</td>
<td>6.10%</td>
</tr>
<tr>
<td>Average Equity Percentage</td>
<td>41.50%</td>
</tr>
</tbody>
</table>

Note: Loan performance data does not contain racial/ethnic information.

Data Source: CoreLogic MarketTrends

Relative Housing Wealth

<table>
<thead>
<tr>
<th>Relative Housing Wealth</th>
<th>All</th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household adjusted housing wealth concentration</td>
<td>2.33</td>
<td>0.61</td>
<td>0.65</td>
<td>1.45</td>
<td>0.41</td>
<td></td>
</tr>
<tr>
<td>Average home values compared to those of white homeowners</td>
<td>$(20,000)</td>
<td>$46,000</td>
<td>$(43,000)</td>
<td>$(59,400)</td>
<td>$(51,000)</td>
<td></td>
</tr>
<tr>
<td>Total Housing Wealth ($Millions)</td>
<td>$4,656</td>
<td>$146</td>
<td>$934</td>
<td>$441</td>
<td>$2,640</td>
<td>$495</td>
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<tr>
<td>Share of owned homes built since 2000</td>
<td>17.5%</td>
<td>33.1%</td>
<td>26.4%</td>
<td>10.1%</td>
<td>16.3%</td>
<td>17.4%</td>
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</table>

Note(s)
1) Household adjusted housing wealth concentration equals the percentage of total housing wealth held by each racial and ethnic group divided by the percentage of all households by race and ethnicity.
2) Total housing wealth equals the number of homeowners by race and ethnicity multiplied by the average home value across homeowners in each racial and ethnic group. It excludes debt secured by the property.
3) Total population share equals the share of households represented by each race and ethnicity.
4) When the household adjusted housing wealth concentration measure exceeds 1 for a racial or ethnic group, it means that the racial or ethnic group holds a larger share of the wealth relative to its proportion of the household population.

5) When the ratio is less than 1, it means that the racial or ethnic group holds a smaller share of the housing wealth relative to its proportion of the household population.

6) Since housing wealth is related to both the homeownership and home values, then it illustrates the combined impact of both on a broad measure of housing wealth by race and ethnicity. In other words, the household adjusted housing wealth concentration measure indicates that housing wealth is often not distributed equally relative to the distribution of households by race and ethnicity.

**Data Source: American Community Survey**

**Ownership, Employees, and Sales**

<table>
<thead>
<tr>
<th>Rochester MSA Share of Firms, Employees, and Sales by Race of Owner</th>
<th>Share of Firms</th>
<th>Share of Employees by Firm Owner Race</th>
<th>Share of Sales (2017 Only)</th>
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</thead>
<tbody>
<tr>
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<td>4.7%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Black or African American</td>
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<td>1.2%</td>
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<tr>
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<tr>
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<td>95.8%</td>
</tr>
<tr>
<td>Total</td>
<td>100.6%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Note(s):**
1) Sales are not inflation-adjusted.
2) Sales data for 2018 and 2019 were not available.
3) Share of Firms and Share of Employees are averages of 2017, 2018 and 2019.

## Startups Table

<table>
<thead>
<tr>
<th></th>
<th>Share of Firms</th>
<th>Share of Employees by Firm Owner Race</th>
<th>Share of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>*</td>
<td>7.7%</td>
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<tr>
<td>Black or African American</td>
<td>*</td>
<td>4.3%</td>
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<tr>
<td>Latino</td>
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<tr>
<td>White</td>
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<td>86.5%</td>
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<tr>
<td><strong>Total</strong></td>
<td>*</td>
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</table>

Note(s):

1) Sales are not inflation-adjusted.
2) Sales data for 2018 and 2019 were not available.
3) Share of Firms and Share of Employees are averages of 2017, 2018 and 2019.
4) Asterisks for categories for which there is not at least one year where all racial categories have data.

Appendix C: Focus Group Syntheses

FSG Community Engagement Synthesis:
Perspectives from Potential Homeowners in Rochester, NY
On June 22nd, 2022, FSG held a focus group with six BIPOC residents in Rochester. FSG’s goal was to better understand their perspectives on the real estate market in the city and understand how they could be better supported to help people of color become homeowners. This section is a summary of their experiences and input.

Who was in the room?
The participants grew up with distinct experiences and shared memories of their home and early living situations. These ranged from pride in their parents’ homes to hardships that they faced to make rent or purchase the home they were in. Their experiences reflect the racist systemic policies that have inhibited wealth building for BIPOC communities.

Quotes from the focus group
“My mother never went to school. I am the baby of eight children my mother raised. She never went to school, but we taught her how to become a nurse, me and my sister. And she got her license and she bought a house. Her credit score when my mom died was 855. And she bought a house on Superior Street.”

“Back in the sixties, seventies, people was poor. You thought people was poor? Black people was really, really poor. And if you didn’t know you was poor, your parents hid it. Believe me. It was a struggle. Paying that $350 a month rent was the hardest thing in the world that people had to pay back then.”

“But my mother, she rented. She worked three jobs all the time for me and my sister and my brother. So it’s like nonstop work. And I just seen that, I didn’t want to rent.”

What are the experiences with renting (affordability and repairs) in Rochester?
Most participants have had negative experiences with landlords not providing timely and quality repairs and maintenance of their properties. They identified a transactional attitude, which lacked empathy for their tenants. Most did not find their rentals affordable. For many participants, the high cost and low quality of their rentals were the motivation to seek homeownership opportunities.

Quotes from the focus group
“She's only going to fix what is not dangerous.”

“They don’t care if you got rats. Because I got a daughter right now living with the same landlord. And it’s been infested with rats. We done tried everything to get rid of them.”

“Allow these landlords to increase the rent with no repercussions. They don’t care if the walls is falling down, they don’t care if you got holes in the ceiling. They don’t care if the foundation is crumbling. If you don’t get my money, I’m going to put you to the street.”
What were participants’ experiences with the home buying process (including their motivations, resources available to them, and challenges)?

Reflective of the housing stock and housing quality challenges in Rochester, many of the participants felt dissatisfied with the neighborhoods and types of houses that were available to them for purchase. Many of the communities with available stock lacked resources. Participants worried for their safety and overall quality of life. Interviewees noted these challenges and emphasized the need for community development to happen in tandem with homeownership promotion.

Quotes from the focus group

“And that’s the thing too. They put them houses that they want you to buy in bad neighborhoods. I’m not going over there.”

“They don’t even have basements. Why don’t people have basements? We’re not down south. You don’t have a yard. Your yard is so little, your kids got nowhere to play. You can’t do nothing with your property. So they give you a limited, tight little space. You’re not getting—if I go buy a house out in Sodus, I’m getting the house, the lot, the field.”

All the participants find the home-buying process to be challenging and stressful. They feel stuck with the perpetual roadblocks in the process and the lack of support and knowledge to navigate it.

Quotes from the focus group

“But it’s been a long ride and it’s a lot of paperwork. So when you do buy a house, it’s like they drag you through…And once you think you’ve done everything you need to do, guess what? They need a whole nother update all over again. So it’s been really stressful. I lost a lot of weight in the process of buying this house and I’m finally going to get it. But it’s just making it so hard. I’m there, but I’m not there. You know what I’m saying? Because it’s always something to try to stagnate you.”

“It’s like always, you have to have a certain amount of credit. You have to have a certain amount saved up. And that’s been, and then sometimes when the classes or the timing of stuff, I work full time. So it’s different things that come in between here.”

“People is tired, they know the rent is going up, and it would be cheaper for them to go ahead and buy a house. They’re going to try to keep us stuck because they don’t want us to have nothing. So yeah, they want us to keep paying and making the richer, richer, and the poor, ain’t going to be none.”

For most participants the motivation to buy a home came due to increasing rent prices and affordability concerns that followed. Some of them have aspirational reasons to own their home as well.

Quotes from the focus group

“But then rent prices kept going up and up and up. And when I wanted to move out of the house that I was in, I seen rent had jumped almost triple. So I was like, are you kidding me? I was like, well, if I can pay that, I can buy a house. And instead of trying to reach that goal of buying a house where I’m paying, $1300, $1,400 for a mortgage. My mortgage is less than $500 today.”

“I want to buy a home because I have three kids — 14, 13 and two. And rent prices is high. And I’ll say the same thing. I’m paying all this money for rent where I can buy a home and pay less.”

“I wanted to be the first one in my family.”
Participants often felt impeded by the complicated processes laid out by agencies and lack of communication of vital information. They also mentioned the need for relatable training, mentorship, and support in these processes.

Quotes from the focus group

“I went through the program for five years and I went to the school. They put $3,000 in the escrow cow. I graduated, baby. I’m home free, got a plaque, everything...They didn't tell nobody they wasn't doing the waiting list no more. Five years went by. 10 years went by. And then you say, ‘Well, when I’m going to come up on the waiting list?’ ‘Oh, there ain’t no waiting list.’ ‘Well, when was you going to tell me?’ ‘Oh, we telling you now.’”

“When the city had their lottery program for the houses. You know that dollar program? They kept that mighty secret.”

“Accessibility, because a lot of times when you call the Net Office, they don’t answer the phone. If you do get somebody on the phone, it’s a pass the buck thing going on and it’s always, ‘I’ll get you in touch with so and so,’ and you never hear from them. So, you got to call back several times and then when you finally do reach the person, ‘Oh, this is the first I’m hearing of it.’ So we need accessibility.”

“Once you go through the actual home buying process, I think they should have another small class on showing you how to get grants.”

“We need NEFCA back. We need NEAD back because NEAD and NEFCA...That’s another thing we need for homeowners, we need our server centers back. We need NEFCA, Northeast Area Community Area Foundation. We need NEAD back, Northeast Area Development.”

“Northeast Area District. That’s the NEAD. Then we had NEFCA, was on 6th Street. Every area had one because NEAD was on Hudson. Right. They’re all over. They shut them down. They shut them all down. That’s where homeowners went. Okay. That’s where you went to get all your information about the homeowners training program. You went there for anything you needed for your house. Grants, money that’s coming in. They bought in the service centers. They called theyself trying to cover...But, it don’t cover. It don’t do enough because you was able to go get copies and fax, and free lawyer assistance.”
What experiences do BIPOC renters/potential homeowners have with discrimination and racism?

All of the participants experienced incidents of racism; they illustrated these with examples that displayed an attitude of discrimination on the part of decision makers, especially toward African Americans. They identified persistent patterns that restricted their progress and deprived them of privileges that their majority counterparts received.

Quotes from the focus group

“It’s just one thing after another. Because once you think you’re there, then you got somebody trying to pull you back, hold you back, or hold you down. Because they want, it’s like you almost can’t have anything for, I’m speaking in general for black women. It’s almost like they don’t want us to have nothing. We’re supposed to just be in the same place forever and ever and ever.”

“And they came in and they price gouged our mortgages, so that a lot of my neighbors went in and borrowed against their escrow. They didn’t tell them. They didn’t know. You know what I’m saying? Our houses got older. ‘I want to get this door. I want to get that done.’ I keep saying, ‘Don’t do it...And keep them maintenance up. That’s the problem. They don’t tell you that. That’s not budgeted in the first-time homeowners’ program...They don’t budget you that. Because that first ain’t going to last you 25 years. Tell you right now. And that’s thousands of dollars for every little thing.”

“And see that’s what stops 90 percent of African American people. Of minorities. Because once you get eviction, that’s the worst is the bank, they look at that worse than their landlords.”

“Now, when I applied for my mortgage in 1995, I was denied because I was an African American woman...The bank denied me, had to go to Minister Franklin Florence. He had to, I was very upset. I was crying, I was mad. Because I knew I had did the right thing. And I’d been living in housing, five village and all that. I was like, I’m ready to buy me a house. I did daycare 28 years, I’m ready to buy me a house. And I went to the bank all proud with my money. Hey, they denied me and my neighbor. And it was like, no reason y’all denied us for. Why did you deny us?”

What have been the participants’ experiences with crime in their neighborhoods?

The participants overwhelmingly and unanimously identified a lack of safety and shared experiences that involved shooting incidents. They cited that the “streets” didn’t feel safe, mainly due to gangs and gang activity, and that parents often do not allow children to play outside out of fear for their safety.

Quotes from the focus group

“It’s different now than what it was 20 years ago. Our communities are traumatized. Like I told them in a meeting, it don’t have to be my family member that got murdered. But if somebody in my community got murdered, I’m crying with my neighbors.”

“The street I live on since January to now, it’s been about five drive-by shootings on my street. The last one was a few weeks ago. I called my mom. That one had me kind of scared. The reason why is when they did it, it was broad daylight. The people across the street from me, I guess they was having a family gathering. And before the shootout I heard a whole bunch of kids outside playing. And then I heard 30 gunshots, and I looked out the window. Luckily, by the grace of God, none of the kids got hit.
But a guy that was standing right by them kids got hit. And luckily, my kids are never home. Gratefully, my kids are never home when there is drive-by."

“It's nothing but gangs.”

“It's all gangs!”

“My kids aren't even allowed to go outside and play. I got a backyard. I bought a trampoline for them to play out there. But when they go outside they go in the backyard only because the streets.”

“I don't come outside unless I got to go to work.”

What are the participants' other noteworthy experiences of homeownership and renting in Rochester?

Many of the participants cited the buying up of properties by outside investors and the University of Rochester.

**Quotes from the focus group**

“There also have to look at the fact that the real estate right now is being bought up by outside investors.”

“They were put in for U of R. U of R is the most crookedest housing people in Rochester-right. So they're buying everything...They bought the whole...they buy all the houses around there too. They need them. They have nowhere for their students to go. She don't care, we can pay for housing. In September, no juniors or seniors will be on U of R campus. They have nowhere for them to stay at.”

“They're buying all the houses, U of R is buying everything.”

“Someone was talking about how they’re encouraging people to sell their homes.”

“I just bought my house in January, and I got a text asking me if I wanted to sell.”

“Has anyone noticed that the houses that have been sold, they turn them into rooming houses?”

There were many other granular issues with homeownership and renting identified, including the changing of mortgage lenders and flaws in the rental/home buying application and approval process.

**Quotes from the focus group**

“So every month, our mortgage is getting sold with me and my neighbors. We don't know who we might have next month. It might be Shell Point, it might be, it's so many companies. We've been with everybody. Wells Fargo. We don't been, our bank done changed five times. Because when we first started off, it was First Federal. Now it's Key Bank. At First Federal to HSBC to First Niagara, now it's Key."

“What I found out last week was a shocker. When I went to a landlord, he owned about 15 houses in Monroe County. The girl got a good credit score, had her money, everything. We went to look at the apartment, you know what he told me? He said, ‘I got a phone call.’ I said, ‘You got a phone call from whom?’ See he didn't know who he was talking to. Got to know who you talking to. ‘From Catholic
Charities,’ and told him to don’t rent out none of his apartments, save all his apartments, they going to give him $975 a month for every Ukrainian family that move his apartments.”

“I’m on the housing board, so I want to prove a point to them. I call in there like I was an attorney assistant, I made $185,000 a year, and I need an apartment. She said, ‘Ms. Barnes, when are you coming down?’ Okay. I called back three days later, ‘Hey, how are you doing? My name is Inez and I need me a one bedroom and I get social security, yep, mm-hmm, but I work on the side though. You know, I make a little hustle on the side, you know.’ ‘This is not for you, Ms. Barnes.’ I said, ‘Hold up, I’m the one you talked to the other day.’”

Participants expressed wanting more resources from the local government that addressed overall quality of life, crime and community safety, and inequity in resources between communities. There was an explicit ask for elected officials to increase their physical presence in the community and talk more with constituents about their needs.

Quotes from the focus group

“People said they should own homes by now. They should not still be renting with Section Eight. There’s no reason why. And so that system has turned over and flipped because of the redlining that the city has in Rochester. We can’t move in certain places.”

“See, I was with Healthy Kids’ Coalition, which is down University Avenue. And we were advocating for speed bumps in certain areas around playgrounds, schools, and things like that. And they kept telling us, ‘Oh no, oh no. It’s a zoning thing, it’s a zoning thing.’ So we was like, ‘Okay, since you won’t give us a speed bump, can we lower the speed limit?’ They was like, ‘What difference is that going to make?’ ‘Well if you lower it five miles, just five miles per hour, it would make a difference.’ But if Beechwood asked for it, they’ll get it.”

“Yeah, and the Net Office need to change. What I feel that they need to do? They need to really know your community. That’s why I told John to get out and walk, brother-man. Get out that office and come and walk around and know your community, because if you don’t know your community, how can you service us?”

“We need a change in representation.”

“More support from the community, from the government or the city people. Like I said, you don’t hear from them. They don’t come look at their communities. You don’t see them. Even when the cops come...The shooting that I had on my street, they only want...They pick up the bullets, maybe. Oh, you don’t see them again until another shooting. So it’s like they don’t care.”
FSG Community Engagement Synthesis:
Perspectives from business owners in Rochester, NY

On June 22th, 2022, FSG held a focus group with 14 entrepreneurs in downtown Rochester. FSG’s goal was to better understand their perspectives on running a business in the city and understand how local government could better support entrepreneurs of color. This section is a summary of their experiences and input.

Who was in the room?
The entrepreneurs that participated in the focus group came from several walks of life. Some were from Rochester, others moved to the city later in their lives from elsewhere. Some had been senior executives at larger corporations and are seasoned entrepreneurs; others have been incarcerated or are just getting started on their entrepreneurial journeys. All were driven to see their businesses succeed.

Quotes from the focus group
“The city of Rochester blessed me and my family very well. I did very good income wise, but it’s now time for me to move on.”

“I was born and raised here in Rochester two or three generations in. My family came here in the early 1940s to Rochester to escape the south.”

“I’m not from Rochester. I am from a small town in Florida. I came here in 2018 because, later in life, I found my father and his sister here.”

Several participants balanced having multiple ventures while raising their families.

Quotes from the focus group
“One own three businesses and one accidental business.”

“One of my businesses is a theater company, which my friend and I started about 12 years ago now.”

What did we learn about their businesses?
Many have identified a need in their communities that they feel passionate to address, which drove them towards entrepreneurial solutions.

Quotes from the focus group
“I have a full-time job, but my heart is into self-care, mental health, listening to people, making sense out of their lives, and especially helping people that are transitioning in their lives or doing something very difficult to do…Because of that, I feel like my next step would be life coaching…I’m hoping to get my certification as I’m working.”

“I have two businesses. One is an LLC, the other is a non-profit. This is our fifth year and it started with my oldest who at the age of 12, started to show out. Come to find out, my daughter had three mental illnesses. It caused her to be on mental health arrest, suicide attempts, kicked out of school, put into
multiple homes...It was frowned upon to look for resources and look for help, so I created my businesses to raise awareness and facilitate conversations about mental health.”

“I made it a point where I want to be able to use that business to hire people with felonies to give them a second chance to get ahead in life.”

“I want to create juices that target different deficiencies in the body.”

“I became an event planner out of the blue. I started picking one family a year to decorate for their graduation. Then people started calling me to do their events.”

“My friend was moving out of her house and needed help clearing her attic. I love cleaning and organizing. I love a mess.”

“I became a banker and one day I woke up and asked myself, ‘What do I want to do?’ I let myself focus on hair because I love making women feel beautiful.”

What are the conditions of success and what is challenging about running a business in Rochester?

Pursuing their passion often involved navigating systemic discrimination and racism in education, health, housing, justice, and financial systems that have worked against them. Several entrepreneurs felt that alternative credentials, work experience, and lived experience were not considered valuable.

Quotes from the focus group

“My mom really instilled the value of education in us, but it skipped me. The rest of my siblings are very educated in terms of traditional schooling. College really was not for me...That did not stop my hustle.”

“If you don’t have a certificate or degree on your wall, nobody is trusting you anymore. I’ve been doing work for 20 years, but people rather go to someone fresh out of school.”

“So I am a felon, but I opened my eyes. My mom died actually two weeks before I was released from prison, which killed me. I just wanted to do something different...I needed to be a role model. So a year ago, I decided to start my own carpet and upholstery cleaning business. Which for felons, you don’t really have many options...”

“The system is set up against us. We need to come up ready to defend ourselves, especially when we have blemishes on our personal lives.”

“The processes are set up against you and are not geared for your success. That is why you are not successful when you try.”

While access to capital is one of the main challenges entrepreneurs face, many feel that financial institutions actively discriminate against their businesses and give preferential treatment to individuals who are White or well networked. African American entrepreneurs are also likely to be pushed towards non-profit solutions that feel like an additional hurdle.

Quotes from the focus group

“I’ve worked in banking. I’ve seen the way that managers go to bat for certain people and usually they are not black.”
“If you are a black person, or a person of color, it is really hard to get approved for anything. A White person gets things approved, even if they have the same credit scores.”

“Even though I’ve been in business for 13 years, I’ve never gone to the bank to get any money. When I checked all the boxes: good credit, cashflow, brick and mortar. I have a solid business and assets. I own a home. I still couldn’t get any money from the banks.”

“They try to push you to a CDFI, even if you have good tax credits, credit, and cashflow. At a CDFI, your interest might be 10% where the bank might give a White person a loan at 3%.”

Personal networks help entrepreneurs navigate processes and secure funding; however many African Americans do not feel well connected with decision makers and knowledgeable people. People outside of the networks of the entrepreneurs often invalidate their ambitions. African American entrepreneurs face discriminatory algorithms in the technology used by banks.

**Quotes from the focus group**

“This market is probably the worst I’ve ever seen in terms of cliques. All the bankers are friends. All the cliques serve on the same boards.”

“The cliques across Monroe County are gatekeeping. It’s ridiculous.”

“I am not going to jump through hoops of fire when I know the person behind me has the red carpet rolled out for them. And you wonder why people leave Rochester or don’t want to open a business here.”

“I put a bid to open a business in its location several times and each time I was denied. Then I found a realtor to help me. He said he was friends with the current owner...You have to tap into networks. The networks are what is going to help deliver what you need.”

“They try to keep information from minority communities. For example, search for a job on Craig’s List. They only give me, a black woman, options in bad neighborhoods. If I use my White or Asian friend’s phone, they get better options. The algorithm makes it so we have to work harder to find what we need.”
What is the role the city should play in supporting their businesses?

The comments in this section and the following may reflect experiences with various government departments at the state, county, and/or city level. It is important to recognize that regardless of which office(s) entrepreneurs have engaged with, their experiences illuminate what it is like to navigate the ecosystem as a BIPOC entrepreneur. Focus groups participants spoke about the challenge of becoming certified as a MWBE\textsuperscript{56} (Minority/Women-owned Business Enterprises) and shared that even those who are certified may not land contracts because of the networks needed to secure them.

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<th>Quotes from the focus group</th>
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<tr>
<td>“I am a certified Minority and Woman owned business in the state...That doesn’t mean that I get any business. I found out that the contracts are written by the person who got them. If you have a relationship with a contracting manager, and they might not know the job well enough, they will ask a contractor to write the contract. Of course they will win the bid -- they wrote the contract and put their skills in the criteria.”</td>
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<tr>
<td>“It is hard to win a bid because you do not always get all the information, or you get the information last minute. You have a legal right to get a copy of the contract that won the bid last time, but if the contract is out for a bid, you won’t get it in time.”</td>
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The turnover of government leaders and employees makes it challenging to build relationships with entrepreneurs who then become skeptical of city employees’ capacity to help.

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<th>Quotes from the focus group</th>
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<td>“The government has people that are transient. They have a political appointment or when elections happen, there is an overhaul. This means their priorities are always in flux and new people hired do not have the time to build their skills and relationships.”</td>
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The city can offer more wrap-around services in its programming.

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<th>Quotes from the focus group</th>
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<td>“The city should have a resource that can do cradle to grave. They need a resource that knows all the departments so that it isn’t left to citizens to navigate its complexity alone.”</td>
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The city can play a role in establishing accountability mechanisms for discriminatory funders.

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<th>Quotes from the focus group</th>
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<td>“Even if we have people of color in decision-making positions at non-profit organizations and banks, they do not always represent us. We need to make sure that people are held accountable.”</td>
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\textsuperscript{56} Former Governor Cuomo launched the MWBE Certification Campaign to encourage minority and women business owners to certify with the State and take advantage of current and upcoming State procurement opportunities and billions of dollars in State procurement opportunities.
What resources are available to entrepreneurs in Rochester? What resources do they desire and what are their experiences with available resources?

The process to apply for additional funding can be time-consuming, riddled with bias, and ultimately a waste of resources. Entrepreneurs find that systems often do not work with them to lead them to success. Even when funds are distributed, entrepreneurs might pay higher taxes on them, not be able to use them how they need to, and face expensive and lengthy reporting requirements, which puts a strain on the entrepreneurs’ time.

**Quotes from the focus group**

“The Fast Forward Monroe grant was very restrictive. You can only use it for certain things and getting approval was long and confusing. On top of that, you get taxed more when you receive it.”

“The money you are provided may be considered free money, but you are not free to use it.”

“You can spend all your time chasing banks and funding, and they tell you to join all these classes. These classes don’t have any White people because they already got their money.”

“The people who distribute free money do not understand that we are coming from ground zero. Many of us do not have friends and family to ask questions or help us. We are figuring it out ourselves.”

“Even the SBA denied me continuously for a year. Then they suddenly approved me. They then found a tax issue, even though I use a professional tax preparer for my taxes. The SBA didn’t work with me and instead cost me time jumping through their hoops.”

“It took me five years to get a loan from REDCO.”

“[Entrepreneurial support organizations] cannot help you. They are going to discourage you. They are going to give you misinformation. Instead of helping you, they say, ‘Go talk to this person.’ They do not have all the information and many do not have experience running businesses.”

“So you’re kind of piece-milling stuff together, and by the time you create what you think, you’re like, ‘Oh, I think I have all my ducks in a row.’ And then you go and they’re like, ‘Nah.’ And you’re like, ‘I thought I was making moves, but I’m wasting time in the wrong order with the wrong people, with the wrong organization.’”

“I think they need shorter timelines. Because it can take five years, four years, even a year for small business at a start-up. They should be able to get back to them in 30 days.”

While there is a demand for more mentorship and sponsorship in Rochester, fewer African American entrepreneurs in Rochester are able to contribute to a mentor pool. Additionally, existing mentorship programs are not culturally inclusive and some entrepreneurs distrust them.

**Quotes from the focus group**

“I get very paranoid giving information to a mentor. I feel like they can take your ideas.”

“A sponsor is someone who can speak your name in the circles that you are not in, someone who would open the doors for you, who literally will take you to network with their networks.”
There is a lack of resources that address discriminatory mental models and Diversity, Equity, and Inclusion considerations for decision-makers in the city. Furthermore, there is a need to elevate minority entrepreneur stories and experiences, in affirming spaces.

Quotes from the focus group

“We need people in the boardroom, people with authority, in the White circles to hear these stories. We need them to become humble and create opportunities...They should be prepared to hear directly from us.”

“They need to talk about White privilege, White supremacy, systematic oppression, the reality of redlining in our city.”
Appendix D: CTG Network Survey on Entrepreneurship in Rochester

The city of Rochester is participating in Living Cities’ Closing the Gaps Network (CTG), a community of leaders who are committed to working together to build an anti-racist society. City leaders recognize that entrepreneurship is one important way that individuals and families build wealth, and that black, indigenous, and other people of color often experience significant challenges as aspiring entrepreneurs or business owners seeking to sustain and grow their business.

CTG partnered with FSG, a non-profit organization, to better understand the needs and priorities of community members as it relates to entrepreneurship as a path to closing the racial wealth gap. FSG invited entrepreneurs of color to share their perspectives by completing a survey in June of 2022. This is a summary of the survey’s findings.

Respondent Demographics

What racial group do you identify with? (Select all that apply)

People identifying as Black or African American comprised the greatest percentage of the respondent pool (55.1 percent, or 166 people). People identifying as Hispanic/Latinx (36.9 percent, or 111 people) or White (35.2 percent, or 106 people) were the next most represented among respondents. Of those who identified as Hispanic/Latinx, nearly half also identified as Black or African American (47 percent or 49). People identifying as White only (i.e., not multi-racial) were approximately one-fifth of respondents (20.3 percent, or 61 people).

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of respondents</th>
<th>Percent of all respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian or Asian-American</td>
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<td>11.0%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>166</td>
<td>55.1%</td>
</tr>
<tr>
<td>Middle Eastern / North African</td>
<td>6</td>
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<td>Native American / American Indian /</td>
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<td>5.6%</td>
</tr>
<tr>
<td>Alaska Native</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian / Pacific Islander</td>
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</tr>
<tr>
<td>White</td>
<td>106</td>
<td>35.2%</td>
</tr>
<tr>
<td>Multi-racial (2+ races)</td>
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</tr>
<tr>
<td>Hispanic / Latinx</td>
<td>111</td>
<td>36.9%</td>
</tr>
<tr>
<td>Prefer not to respond</td>
<td>3</td>
<td>1.0%</td>
</tr>
<tr>
<td>Totals</td>
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<td>--</td>
</tr>
</tbody>
</table>
What is your age? (Select one)
The majority of survey respondents were under 45 years old (82.4 percent, or 248 people). The age group most represented among respondents was 35 – 44 years old (44.2 percent, or 133 people).

<table>
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</thead>
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<tr>
<td>18 – 24 years</td>
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<td>44.2%</td>
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<td>45 – 54 years</td>
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<td>55 – 59 years</td>
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<td>60 – 64 years</td>
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<td>65 – 74 years</td>
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<td>75+ years</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>301</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

What is the zip code of your primary residence? (Write in)
There were 41 zip codes from Rochester represented in the survey pool, though 14 of the 41 zip codes had only one respondent each. There were greater than 10 respondents from each of 12 zip codes, and the most represented zip codes were 14609 (13.6 percent of respondents, or 41 people); 14621 (10.6 percent, or 32 people); and 14602 (7.3 percent, or 22 people).

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of respondents</th>
<th>Percent of all respondents</th>
<th>Category</th>
<th>Number of respondents</th>
<th>Percent of all respondents</th>
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<td>14621</td>
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<tr>
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<tr>
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<tr>
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<td>14618</td>
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<tr>
<td>14617</td>
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<tr>
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<td><strong>301</strong></td>
<td><strong>100%</strong></td>
<td></td>
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</tr>
</tbody>
</table>
Business Ownership in Rochester: Type, Size, Tenure, and Motivation

Do you currently own and operate a business in Rochester? (Select one)

Nearly all respondents (98 percent) currently own a business (71.4 percent) or aspire to do so (26.6 percent). This is likely a result of FSG leveraging entrepreneurial support organizations as the primary distribution channels for the survey. Black business owners were the most represented group among entrepreneurs (129 people) while Latinx people were most represented among aspiring business owners (44 people). It is interesting to note that 19, or one-third, of Latinx business owners also identified as White and nearly half (28 people) also identified as Black. Fewer people identifying as Native American / American Indian / Alaska Native currently own a business (29 percent of those self-identifying, or 5 people) than would like to (53 percent of those self-identifying, or 9 people). They also had the highest representation among people who do not own a business and do not want to (17.6 percent).

<table>
<thead>
<tr>
<th>Response</th>
<th>All Respondents Count</th>
<th>All Respondents %</th>
<th>Asian or Asian American Respondents Count</th>
<th>Asian or Asian AmericanRespondents %</th>
<th>Black or African American Respondents Count</th>
<th>Black or African American Respondents %</th>
<th>Latinx or Hispanic Respondents Count</th>
<th>Latinx or Hispanic Respondents %</th>
<th>Native American Respondents Count</th>
<th>Native American Respondents %</th>
<th>White-only Respondents Count</th>
<th>White-only Respondents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>215</td>
<td>71.4%</td>
<td>19</td>
<td>57.6%</td>
<td>129</td>
<td>77.7%</td>
<td>63</td>
<td>56.8%</td>
<td>5</td>
<td>29.4%</td>
<td>38</td>
<td>62.3%</td>
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<tr>
<td>No, but I would like to</td>
<td>80</td>
<td>26.6%</td>
<td>12</td>
<td>36.4%</td>
<td>35</td>
<td>21.1%</td>
<td>44</td>
<td>39.6%</td>
<td>9</td>
<td>52.9%</td>
<td>21</td>
<td>34.4%</td>
</tr>
<tr>
<td>No, and I would not like to</td>
<td>6</td>
<td>2.0%</td>
<td>2</td>
<td>6.1%</td>
<td>2</td>
<td>1.2%</td>
<td>4</td>
<td>3.6%</td>
<td>3</td>
<td>17.6%</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td>Totals</td>
<td>301</td>
<td>100%</td>
<td>33</td>
<td>100%</td>
<td>166</td>
<td>100%</td>
<td>111</td>
<td>100%</td>
<td>17</td>
<td>100%</td>
<td>61</td>
<td>100%</td>
</tr>
</tbody>
</table>

What kind of business do you own and operate? (Select one)

The survey pool included owners of many different types of businesses. Of the 215 business owners who responded to the survey, the majority operated a type of business not listed among the response options (15.8 percent, or 34 people). These businesses included: aquaculture, barbershops, beauty salons, carwashes, cleaning services, doula services, information technology, event production, delivery services, gyms, and more. More than ten respondents owned each of the following types of businesses: furniture stores; automobile dealerships; auto parts, accessories, and tire shops; and clothing stores. There were no significant correlations between racial identity and the types of business that are owned. The strongest correlation was that 19.3% of Latinx/Hispanic business owners owned a business in auto parts, accessories, and tires.

57 Note: Because the number of Native American business owners is five, this sample size is too small to make any significant claims regarding the needs and experiences of native business owners. For this reason, we opted to exclude them from the rest of this analysis.
How many full-time employees does your business currently have, including yourself? (Select one)
The majority of the 215 business owners who responded (80.3 percent, or 171 people) operate small businesses with 25 or fewer employees, including themselves. Fifteen percent of respondents are the sole employee of their business, with people identifying as Black or African American comprising the majority of the single-employee businesses (82 percent of single-employee business owners, and 60 percent of all business owners). Over half of Asian business owners reported having 5-10 employees. Each demographic group had at least one business with over 500 employees.

How long has your business been open? (Select one)
The majority of survey respondents (65 percent, or 138 people) reported that their businesses have been open five or fewer years. Nearly a quarter of businesses were launched in the last year or two. The majority of these new businesses are owned by Black or Latinx owners. Only 8.5 percent of respondents have been operating their business for less than a year. No Asian business owners reported having their business for less than two years; the majority (66.7%) have owned their businesses for 3-5 years. Over a quarter of White business also claimed to be open for more than 10 years. (26.3 percent of White business owners).

Why do you operate your business? (Select all that apply)
When asked why they operate their business, the vast majority of business owners responded that they are passionate about it (78.1 percent). Forty-two percent of current business owners said they would like to earn supplemental income to their current job, which suggests the business they operate is not their primary source of income and 35 percent said they would like to rely solely on their business revenue. While passion was the top driver across racial groups, Asian, Black and Latinx business owners saw their businesses as forms of income at higher rates than Whites. 63.2 percent of Asian Business owners would like their businesses to earn supplemental income and 57 percent would like to solely rely on their businesses. 47 percent of Black business owners would like their businesses to earn supplemental income and 43 percent would like to rely solely on their business revenue. Only 26 percent of White business owners would like to earn supplemental income through their businesses and 24 percent would like their businesses to be their primary source of revenue.

Challenges Related to Business Ownership
Please rank the following challenges based on how much they impact your business:
Of the thirteen potential challenges to their business listed, credit availability was ranked first by the majority of respondents in terms of its impact on their business (33.8 percent of all business owners, or 71 people); another fifth of respondents (21.4 percent) ranked it second. Access to capital and access to customers also rated highly among respondents. People identifying as belonging to some racial minority groups rated challenges related to discriminatory contracting more highly on their lists than others; business owners identifying as Asian or Asian-American ranked it fifth and owners identifying as Hispanic / Latinx ranked discriminatory contracting 8th, while people identifying as Black or African American ranked it as 7th or less of a challenge. It ranked 9th among White business owners. Across racial groups, weak sales, navigating insurance and licensing, and accounting challenges were ranked as the least challenging aspects of a business.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Entrepreneurs of color rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Credit availability</td>
</tr>
<tr>
<td>2</td>
<td>Access to capital</td>
</tr>
<tr>
<td>3</td>
<td>Access to customers</td>
</tr>
<tr>
<td>4</td>
<td>Access to talent</td>
</tr>
<tr>
<td>5</td>
<td>Increase in competition</td>
</tr>
<tr>
<td>6</td>
<td>Supply chain challenges</td>
</tr>
<tr>
<td>7</td>
<td>Discriminatory contracting</td>
</tr>
<tr>
<td>8</td>
<td>Tax burden</td>
</tr>
<tr>
<td>9</td>
<td>Rent burden</td>
</tr>
<tr>
<td>10</td>
<td>Accounting challenges</td>
</tr>
<tr>
<td>11</td>
<td>Navigating insurance</td>
</tr>
<tr>
<td>12</td>
<td>Navigating licensing</td>
</tr>
</tbody>
</table>

**Supports for Entrepreneurs**

Please indicate your familiarity with these resources.  

The best-known organizations (i.e., more than one-third of respondents were very familiar with the organization and their services) were RochesterWorks, Inc and the Urban League of Rochester. The least well-known organizations (i.e., more than one-third of respondents had not heard of the organization) were Greater Works Collaborative, Genesee County EDC, Hello Alice, Orleans EDC, Pursuit, and The Commissary: Downtown Kitchen Incubator. Of the 23 organizations listed, on average, respondents were very familiar with or knew a little bit about 16 organizations. The great majority (83 percent) of respondents knew of half or more of the organizations, and 19 percent were very familiar with or knew a little about all 23 organizations.

Please indicate which organizations you have received services from or attempted to receive services from.

The average number of organizations from which respondents received services was five. The average number of organizations from which respondents sought, but did not receive, services was seven. Taken together, that means that on average, respondents sought services from almost half of the listed organizations, and got the services they were seeking less than half of the time.

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58 Note: Upon review, we did not disaggregate the results of this questions because several of the organizations listed are focused on specifically supporting minority owned businesses.
### Closing the Gaps Rochester Needs Assessment

<table>
<thead>
<tr>
<th>Organization</th>
<th>I am very familiar with this organization and their services (%)</th>
<th>I know a little bit about this organization and their services (%)</th>
<th>I haven’t heard of this organization (%)</th>
<th>I received services from this organization (%)</th>
<th>I attempted to receive services but was not able to (%)</th>
<th>I did not seek services from this organization (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center for Urban Entrepreneurship @ Rochester Institute of Technology</td>
<td>25.9</td>
<td>46.1</td>
<td>27.9</td>
<td>23.2</td>
<td>35.8</td>
<td>41.0</td>
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<td>City of Rochester’s Business Development Division</td>
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<td>19.3</td>
<td>25.5</td>
<td>36.2</td>
<td>38.3</td>
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<tr>
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<td>50.8</td>
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<td>30.6</td>
<td>23.5</td>
<td>30.8</td>
<td>45.7</td>
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<td>45.6</td>
<td>19.0</td>
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<td>31.3</td>
<td>43.4</td>
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<td>43.4</td>
<td>25.5</td>
<td>27.2</td>
<td>31.4</td>
<td>41.4</td>
</tr>
<tr>
<td>The Commissary: Downtown Kitchen Incubator</td>
<td>29.7</td>
<td>35.8</td>
<td>34.5</td>
<td>21.2</td>
<td>30.6</td>
<td>48.3</td>
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<td>The Urban League of Rochester</td>
<td>35.6</td>
<td>44.1</td>
<td>20.3</td>
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<td>Wayne County Economic Development Corporation</td>
<td>29.3</td>
<td>41.8</td>
<td>28.9</td>
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<td>33.4</td>
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**Which supports did you receive?**
The majority of all business owners that participated in the survey received support in the form of a grant or loan (45 percent), followed by support with licensing and permitting (38 percent), and support with marketing and sales (37 percent). Very few received supports with concept development (7 percent), volunteer legal services (9 percent), and strategic planning (15 percent). These patterns are generally similar across racial groups, although there are some notable differences.

While 47 percent of Black business owners and 50 percent of White business owners received grants or loans, only 32 percent of Latinx and 37 percent of Asian business owners did. The inverse was true for those receiving support with licensing and permitting. 44 percent of Latinx business owners received support with licensing and permitting, while 36 percent of Black business owners and 39 percent of White business owners did. More than twice as many White business owners received coaching and counseling services (32 percent) than Latinx business owners (14 percent) and Asian business owners (11 percent). It is also worth noting that only 22 percent of Black business owners received coaching and counseling services. 26 percent of White business owners also received support with financial planning, support which only 16 percent of Black business owners, 13 percent of Latinx business owners, and 5 percent of Asian business owners received.

**Which of these supports made the most difference in your business?** *(Select the top three)*
The most meaningful form of support received by business owners was financial support via grants and/or loans (112, or 52%, of all business owners indicated that these make a difference). Asian, Black, and Latinx business owners ranked these the highest among the options provided at rates of 53, 57 and 49 percent respectively. This was followed by support with marketing and sales (35 percent of business owners found these useful) and support with licensing and permitting (32 percent found these to be among the most helpful supports). Among support with marketing and sales and support with licensing and permitting, (35 and 31 percent) Black, (35 and 32 percent) Latinx, and (46 and 40 percent) White business owners found them among the most helpful supports. According to the survey responses, volunteer legal services, support with concept development, and operations planning were among the least meaningful supports (two, four, and five percent of all business owners selected these as the most meaningful supports, respectively).

White and Asian business owners had much more of a spread of responses and found different supports to be the most meaningful at higher rates than other ethnic/racial groups. White business owners found grants and loans to be less helpful than other racial/ethnic groups. Only 40 percent of them noted that grants and loans made the most difference to their businesses. 49 percent of Latinx, 53 percent of Asian, and 57 percent of Black business owners noted that grants and loans have made the biggest difference to their business. Support with marketing and sales was deemed the most helpful among White business owners (45 percent of them), where only 35 percent of Black, 35 percent of Latinx, and 16 percent of Asians found these supports useful. White business owners also found financial planning to be considerably more helpful than other racial/ethnic groups. 16 percent of them indicated these supports to be helpful, where only nine percent of Black and two percent of Latinx owners found them among the most helpful supports. None of the Asian business owners identified financial planning as the most meaningful to their business.
Supplier diversity programs ranked considerably higher among Asian business owners than other racial/ethnic groups. 32 percent of Asian business owners found them among the most helpful, which was three times higher than Whites (11 percent), more than four times higher than Black business owners (7 percent), and more than six times higher than Latinx business owners. Asian business owners also found business incubation, business accelerator, and product development support to be more helpful than Black and Latinx business owners.

Which of the following would be most helpful? (Select up to three) - Business Owner Responses

Most (48 percent or 104) business owners agreed that larger amounts of funding would be most helpful for their businesses. Asian business owners were the exception (only 16 percent or 3 of them thought larger amounts of financial support would be most helpful). Instead, their responses suggest that they desire greater accessibility to the resources within the city. 63 percent or 12 of them wanted more supports offered in their language. 47 percent or nine of them wanted more information about available supports while 42 percent or eight of them wanted more coordination between the various organizations offering support. Most of all, Asian business owners seem to demand access to professionals who can help them navigate the supports in the city (68 percent or 13 of them indicated this).

White business owners trailed behind them in this desire; 52 percent or 20 of them wanted access to more navigation professionals. Aside from that and more financial support, White business owners responded evenly across the different options except for “more support based on my culture” (only 13 percent or 5 selected that option). The demand for supports based on their culture was most notable among the Black and Latinx business owners (selected by 46 and 40 percent by each group respectively). Unlike White and Asian business owners, fewer of the Black and Latinx business owners also find more networking opportunities to be necessary (26 percent of each demographic group). 38 percent Black and 52 percent Latinx business owners would like to see fewer criteria/requirements for getting support.

Several business owners also opted to write in responses. Some desired more opportunities to find a specific mentor, others desired specific support within their industry, and a few noted that they would like to be a prime contractor to a large entity.

Which of the following would be most helpful? (Select up to three) – Aspiring Entrepreneurs Responses

Aspiring entrepreneurs largely agree with existing business owners on what the most helpful supports would be. The majority (44 percent or 90) of them would like to see larger dollar amounts of financial support. This is highest among Black, Latinx, and White aspiring entrepreneurs (who chose the option 51, 49, and 55 percent of the time). This is followed by a desire to see more coordination between various organizations offering support (43 percent or 34 of all aspiring entrepreneurs selected this option).

Across racial demographic groups, there were some considerable differences between aspiring entrepreneurs and existing business owners. For starters, a larger share (58 percent or seven) of Asian aspiring entrepreneurs desired support based on their culture than existing Asian business owners.
(which only 16 percent chose the option). A larger share (46 percent) of Latinx aspiring entrepreneurs also desired more coordination between the various organizations offering support than the existing (31.6 percent) Latinx business owners who desire it.

**What improvements in the environment around your business would most contribute to your business? (Select up to three) – Existing business owners**

Among existing business owners, the most desired improvements in Rochester’s environment for business include improved signage, improved buildings, and traffic improvements. These were selected by 40, 36, and 35 percent of all business owners respectively. Least demanded were better schools (14 percent), clean sidewalks (19 percent) and more trees (28 percent).

Business owners across racial and ethnic groups had notable differences in their responses. Interestingly, more trees were desired nearly twice as much by people of color than White business owners. When it came to more/easier parking, Asian business owners were the most interested (with 54 percent or 10 choosing the option). Black business owners were least interested in more/easier parking (with only 23 percent choosing this option). The most demanded change among Black and Latinx business owners was improved signage (which was chosen by 43 and 32 percent of Black and Latinx business owners, respectively). Black, Latinx, and White business owners were also more interested in improved nearby buildings and clean sidewalks more often than Asian business owners. 36, 39, and 50 percent of Black, Latinx, and White business owners, respectively, desired improved buildings. 19, 16, and 30 percent of Black, Latinx, and White business owners desired clean sidewalks. 32% of all participants desire to see less crime in the neighborhoods where they do business. Black, White, and Asian businesses owners noted this desire at higher rates. One-third of Black, 32 percent of White, and 32 percent of Asian business owners would like to see less crime, while only 26% of Latinx business owners elevated crime as a priority.

The majority of people who chose “other” were Black business owners. The most common “other” desire was for more locations available for brick and mortar businesses.

**What improvements in the environment around your business would most contribute to your business? (Select up to three) – Aspiring entrepreneurs**

Aspiring entrepreneurs had slightly different desires for changes to their surroundings than existing business owners. The most desired changes among aspiring entrepreneurs include improving nearby buildings (44 percent or 35), traffic improvements (40 percent or 32) and better public transit (38 percent or 30). Again, better schools and better/easier parking was chosen less frequently (13 percent and 21 percent of the time).

Notably, two-thirds or eight of the twelve aspiring Asian entrepreneurs desired clean sidewalks; a stark difference from the 1.3 percent or one Asian business owner. Every White aspiring entrepreneur (21) desires clean sidewalks. A slightly larger share (37 percent) of aspiring Black entrepreneurs would like to see traffic improvements than Black business owners (31 percent). More aspiring Black and Latinx entrepreneurs (34 and 30 percent, respectively) prioritized seeing less crime than existing (33 and 26%, respectively) Black and Latinx owners.
Living Cities Closing the Gaps Network
Homeownership and Business Starts and Growth
City of Rochester Needs Assessment

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