

Living Cities Closing the Gaps Network

Homeownership and Business Starts and Growth

City of Saint Paul 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 who are committed to imagining what an anti-racist society might look like, and to playing an important role in building it through the transformation of government policies, practices, and operations. In particular, CTG is anchored on a vision of closing racial inequities in income and wealth. In 2021, six cities in the CTG network participated in a "Year of Reckoning," in which they underwent a deep racial equity competency training led by 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) emerge 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 is providing 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. The cities partnered with [FSG](#), a mission-driven consulting firm supporting leaders to create equitable systems change, to conduct a community needs assessment to better understand the current state and the inhibiting and supporting drivers of racial equity in each focus area.

The needs assessment process had three objectives:

- Increase each city's understanding of the current state of racial inequities in home ownership and entrepreneurship, and the root causes of those inequities
- Identify key drivers and inhibitors of racial equity in homeownership and entrepreneurship in each city and specific opportunities for action
- 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 Saint Paul and is intended to be a guide for 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.

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, LGBTQIA 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, and unfortunately, limited research exists to draw into this report.

Indigenous populations deserve thoughtful analysis that we lacked the expertise and bandwidth to provide.

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 homebuying process and/or entrepreneurship.

The needs assessment synthesizes information from a variety of sources:

- Secondary research, including existing community plans and strategies
- Data compiled by the Urban Institute from the American Business Survey, American Community Survey, Decennial Census, and other data sources
- Two in person focus groups, one with 3 entrepreneurs of color and one with 16 homeseekers/homeowners
- 19 Interviews with 30 community stakeholders (see Appendix B for list of interviewees)

We are grateful to the community partners who shared their insight and expertise, co-hosted the focus groups, and spread the word about the focus groups. We also hold deep appreciation for 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 Saint Paul, the landscape of organizations working to address those inequities, and perspectives on opportunities for further action. It is intended to help inform and inspire action planning for city government and other actors interested in advancing equity in Saint Paul, though 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 are you seeing 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 independently as needed:

- **Executive Summary (Page 6):** Summary of findings and identified opportunities

- **Historical and Current Factors Influencing the Wealth Gap in Saint Paul** (*Page 9*): Overview of the history of Saint Paul and current conditions with a focus on factors influencing racial inequities in socioeconomic status.
- **Homeownership** (*Page 14*): Deeper overview of factors contributing to racial inequities in homeownership, the landscape of actors working on homeownership, and opportunities for advancing more equitable homeownership
- **Entrepreneurship** (*Page 37*): Deeper overview of factors contributing to racial inequities in entrepreneurship, the landscape of actors working on entrepreneurship, and opportunities for advancing more equitable entrepreneurship
- **Appendix** (*Page 54*): Themes from our two focus groups and acknowledgement of interviewees

Executive Summary

The present racial inequities in homeownership and entrepreneurship in Saint Paul are inextricable from the city's history. While the Twin Cities have grown and maintained as a headquarters for billion-dollar companies across industries, BIPOC communities have been systemically excluded from wealth building opportunities, and in some cases have had their wealth destroyed, like in the case of the destruction of the Rondo community. The impact of this history has contributed to the Twin Cities having the starkest racial inequities in the United States across all areas of quality of life.

As Saint Paul reckons with the challenges of its BIPOC residents, the city has tremendous opportunity and assets to bring to bear in rectifying these injustices and creating a more inclusive, equitable, and vibrant city. While this research focused on the opportunities to increase BIPOC homeownership and entrepreneurship as key pathways for building multigenerational wealth, action in these areas must be undertaken in concert with advancing equity in other areas crucial to wellbeing and mobility, such as health, education, rental markets, workforce development and policy, and transportation.

See below a summary of the challenges and opportunities we identified in each area:

Summary of homeownership findings and opportunities

Homeownership can be the most reliable form of wealth building that brings stability and economic opportunity across generations. In Saint Paul, the homeownership experience for BIPOC residents has been shaped extensively by redlining, racial covenants, community and wealth destruction, white flight, disinvestment, and gentrification. The impacts of these policies and practices continue to be felt today and are exacerbated by ongoing challenges including Covid-19 and violence against Black communities.

Through our research we identified a number of barriers that BIPOC communities face in accessing homeownership, as well as explored opportunities for addressing those barriers and investing in systems level change for a more equitable homeownership landscape. Here is a summary of the opportunities we identified. Please see additional detail in the Homeownership Solutions section starting on page 31.

- 1. Build trust and collaboration between community and government:** publicly acknowledging and reckoning with the role that government has played in perpetuating racial wealth inequities in Saint Paul, co-creating transparently with community, and investing in meaningful relationship building in a way that is rooted in sustainability and accountability
- 2. Race based policy and financial investments:** make budgetary commitments specifically intended to address wealth building for Black communities in Saint Paul at scale and disengage with any processes or policies that continue to contribute to wealth inequalities
- 3. Ensuring sustainability and accountability:** pass laws with specific anti-racism commitments to ensure they live beyond administration/political changes, regularly report on progress, and explore mechanism of accountability for actors who work in a discriminatory way

4. **Financial education & mentorship:** incorporate financial literacy into K-12 education and develop a network of navigators and BIPOC homeowners to provide ongoing mentorship, share resources, and advocate for home seekers throughout the buying process
5. **Housing stock and affordability:** advance policy action to address affordability, financially support small developers, and invest in BIPOC owned/led housing cooperatives and land trusts
6. **Banking & lending:** advocate to abolish the current criteria used to determine lending feasibility, which includes credit scores, student loans debt, and other criteria for which BIPOC home seekers are more predominantly represented; test solutions that address home appraisal disparities; and establish a standard for the banking experience across all neighborhoods in Saint Paul
7. **Community development:** realign city programming, policies, and investments to take a holistic approach to economic support and co-create investment priorities with the impacted communities

Summary of entrepreneurship findings and opportunities

Owning a small business can be a pathway to building wealth for an individual, their family, and the broader community, and evidence suggests that it can be an effective strategy for closing the racial wealth gap. Many cities across the country rely on small businesses and entrepreneurs to sustain their economic vitality. Saint Paul and the Twin Cities at large have become the home base for many fortune 500 companies including 3M, Target, and United Health Group. These industry giants contribute billions of dollars to the Twin Cities economy, but small businesses are at the heart of communities and BIPOC entrepreneurs have been excluded from these opportunities. As a result, and despite this exclusion, the BIPOC and immigrant populations built a thriving community of their own in the Rondo section of Saint Paul, inclusive of successful institutions across sectors and wealth building opportunities for much of the 20th century. In 1956, the state of Minnesota destroyed the Rondo community to build a highway, destroying billions in wealth along with it that may never be fully recovered. Today the disparities in BIPOC entrepreneurship and business growth reflect that racist history, the ongoing systemic challenges, and neglect in creating robust solutions. Investing in BIPOC entrepreneurship will help to address these stark inequities and will create a stronger and more equitable Saint Paul.

In our research, we identified several challenges in BIPOC entrepreneurship access and growth as well as opportunities for further supporting them. Please see additional detail on the opportunities summarized below in the Entrepreneurship Ecosystem and Opportunities section starting on page 37.

1. **Increase educational resources and knowledge capital for BIPOC entrepreneurship:** invest in a broad set of existing and new resources that are informed by BIPOC entrepreneurs, accessible, ongoing, holistic, and culturally competent and responsive at scale
2. **Race based policy and financial investments:** make a budgetary commitment specifically intended to address the holistic financial needs of BIPOC entrepreneurs in Saint Paul, ensuring that funds are accessible, flexible, and culturally relevant

3. **Enhance collaboration and accountability across ecosystem actors:** convene actors for joint sense-making of existing research/reports/plans and facilitate shared prioritization across efforts and support creation of a one stop shop for entrepreneurs that encompasses both public and private resources

City Overview

History and demographics

Minnesota is the homeland of the Dakota people and other Indigenous tribes, who have lived there for thousands of years. Their roots in Saint Paul are anchored near the “Wakpá Thánka” or the Mississippi River as well as the Bdoté, which refers to the place where the Mississippi and Minnesota Rivers meet. These locations are sacred to the Dakota people. The Dakota people were forced off their land by the United States government via the use of genocide, ethnic cleansing, and forced removal. Neither the United States Government nor the State of Minnesota ever properly compensated the Indigenous populations as they promised¹.

White settlers migrated to the territory as part of the Western expansion through the Louisiana Purchase in the early 19th century and established the city of Saint Paul. European immigrants began arriving in larger numbers during the late 19th and early 20th century, escaping hardships including famine, Anti-Semitism, unemployment, and political violence. Saint Paul experienced significant growth as a result of its harbor convenience. By the 20th century, the Twin Cities solidified itself as a thriving industrial community. However, as with every other major city whose economies thrived based on large scale industry and factories, the Twin Cities experienced economic fluctuation over the years.²

Although already present in small numbers working in the fur trade, Black settlers began migrating north to the Minnesota region in greater numbers to escape slavery in the mid-19th century. Slavery was illegal in the region, but still tolerated at Fort Snelling, located in what is now the City of Saint Paul. Labor shortages and the Civil Rights Movement led to stronger migration patterns in the mid-20th century, more than doubling Minnesota’s Black population (primarily settling in the Twin Cities) between 1950-1970, growing from approximately 14,000 to 35,000. Racial covenants limited the neighborhoods where Black people were able to settle and build community. Housing 80% of Saint Paul’s Black community, the Rondo neighborhood of Saint Paul became a haven for BIPOC people. The community thrived as it built its own institutions that supported the economic growth and positive quality of life for residents.

The events leading up to the destruction of the Rondo community reflect the structural racism that created many of the inequities that plague communities of color in Saint Paul today. The Federal Aid Highway Act of 1956 provided funding to build an interstate highway network.³ Many states chose to destroy Black communities to build this highway system. The state of Minnesota built a 13 mile highway through the heart of the Rondo community. The impacts were devastating—700 homes and 300 Black owned businesses were lost. The Saint Paul YWCA notes, “Hundreds of millions of dollars of community wealth was lost. Many families didn’t receive fair market value for their homes, and because of discriminatory housing practices like redlining and restrictive covenants, they had limited choices of

¹ Learn about the captivating history of Minneapolis-St Paul. World Travel Guide. (2022, March 31). Retrieved from <https://www.worldtravelguide.net/guides/north-america/united-states-of-america/minnesota/minneapolis-st-paul/history/>.

² Learn about the captivating history of Minneapolis-St Paul. World Travel Guide. (2022, March 31). Retrieved from <https://www.worldtravelguide.net/guides/north-america/united-states-of-america/minnesota/minneapolis-st-paul/history/>.

³ Title I—federal-aid highway act of 1956 - GovInfo. Retrieved from <https://www.govinfo.gov/content/pkg/STATUTE-70/pdf/STATUTE-70-Pg374.pdf>.

where they could move.”⁴ More specifically, Rondo was split in half and a \$270 million gap in homeownership equity was created in Rondo.⁵

Saint Paul’s history of BIPOC community destruction did not end with Rondo. The West Side Flats located on the West Side of Saint Paul was the first neighborhood that many immigrants stayed in when they first landed in Saint Paul starting in the early 20th century. It developed into a thriving BIPOC community with vibrant cultural representation. In the early 1950s, the City of Saint Paul began forcing residents out of their homes, many without compensation, to build the Riverview Industrial Park. The historic displacement was devastating—480 buildings were planned to be destroyed, displacing 2147 people. To add insult to injury, the location of the neighborhood had left it victim to constant floods from the Mississippi River; however a levee was not built until the Industrial Park was forced on top of this community.⁶

The impacts of the destruction of the Rondo and West Side Flats communities continue to be felt today. Despite steady growth in population size, economic opportunity, and diversity, wealth gaps – including disparities in homeownership and small business launch and success – continue to grow because of historic and current manifestations of institutional and systemic racism and discrimination. The Twin Cities is home to some of the starkest racial inequities across all metrics including infant mortality, education outcomes, poverty, employment and life expectancy.⁷ These disparities are known as the “Minnesota Paradox,” which refers to the simultaneous ranking of Minnesota as the best state to live in, while also being the worst state to live in for Black people.⁸

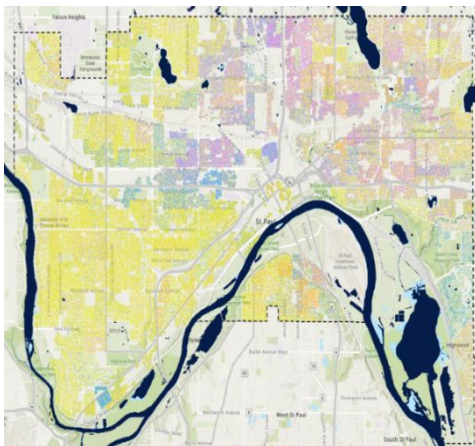


Image 1: Screenshot of City of Saint Paul GIS Mapping Tool – Race and Ethnicity Neighborhood Distribution

Race & Ethnicity in Saint Paul

The basics. This dot map is based on the Census Bureau’s 2012-2016 American Community Survey data. Each resident in Saint Paul is represented by a dot that is color-coded by the race/ethnicity reported to the Census Bureau, and is randomly assigned a place within the residential portions of that person’s census block group. In Saint Paul, block groups generally tend to be between about five and ten city blocks.

The dots are color-coded as follows:

- African American
- Asian American
- Hispanic American
- Native American
- White American
- Multiracial or Another Race

⁴ *History of the rondo neighborhood.* YWCA St. Paul. (2022, February 10). Retrieved from <https://www.ywcastpaul.org/history-of-the-rondo-neighborhood/>.

⁵ History. ReConnect Rondo. (2021, July 27). Retrieved from <https://reconnectrondo.com/vision/history/>.

⁶ The West Side Flats. West Side Community Organization. Retrieved from https://www.wsko.org/west_side_flats#:~:text=The%20MN%20Historical%20Society%20reports,flats%20resident%20George%20John%20Avaloz.

⁷ After George Floyd, Twin Cities Groups fight inequality. Retrieved from <https://www.usnews.com/news/health-news/articles/2021-06-29/after-george-floyd-twin-cities-groups-fight-inequality.>

⁸ The Minnesota Paradox. Professor Samuel L Myers Jr. Retrieved from <https://www.hhh.umn.edu/research-centers/roy-wilkins-center-human-relations-and-social-justice/minnesota-paradox.>

The destruction of neighborhoods is part of a broader context of neighborhood segregation and disinvestment. Racial covenants, redlining, blockbusting, steering, and other forms of racism created neighborhood segregation that persists, to the extent that Saint Paul remains one of the most segregated cities in the United States. The image below shows the racial breakdown of neighborhoods across Saint Paul. Concentrations of color reflect the high degree of neighborhood segregation. According to a report by the Brookings Institution, 51% of the White population in the Twin Cities would need to move to a different neighborhood for the White and Black population to be distributed evenly.⁹ BIPOC communities in Saint Paul and the Twin Cities at large continue to fight for equitable access to wealth building resources and quality of life improvements.

From 2010-2019, Saint Paul experienced the second largest level of population growth in the state. Today, the city is home to approximately 307,000 residents and is the state's second most populous city.^{10,11} Over the course of its history, Saint Paul has become increasingly racially and ethnically diverse, as African, Asian and Pacific Islander, and Latin American immigrants have sought better economic opportunities and safety in the city. Demographic trends suggest BIPOC communities will represent a majority of the city's population in the near future, with some sources already reporting that this threshold was reached in 2021.¹² Today, the largest four racial and ethnic groups are White (50.7%), Asian (19.1%), Black or African American (15.5%), and Hispanic or Latino (9.0%), and .8% of the population is American Indian or Alaska Native.¹³ The Twin Cities are home to 17 Fortune 500 companies, including United Health Group, Target, Best Buy, and 3M. These companies bring in hundreds of billions in revenue and continue to be a major contributor to the Saint Paul economy. Unemployment rates in the Minneapolis-Saint Paul-Bloomington MN-WI MSA have been on a steady decline from 5.2% in April 2012 down to 1.5% in April 2022.^{14,15}

Wealth gaps today

As wealth gaps in Saint Paul and more broadly the Twin Cities persist, there are stark contrasts in the wealth building opportunities between Black and Brown communities and White communities. BIPOC communities in Saint Paul continue to suffer from historical policies and social practices that have hindered their economic growth and wealth building access for centuries. This disparity leaves poorer BIPOC families at risk for a myriad of challenges including access to quality education, safe and affordable housing, and reliable health infrastructure. Notably, the Twin Cities has been found to have

⁹ Perry, A. M., Rothwell, J., & Harshbarger, D. (2022, March 9). The devaluation of assets in black neighborhoods. Brookings. Retrieved from <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>.

¹⁰ U.S. Census Bureau quickfacts: St. Paul City, Minnesota. Retrieved from <https://www.census.gov/quickfacts/stpaulcityminnesota>.

¹¹ Our estimates. MN State Demographic Center. (2022, August 7). Retrieved from <https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/>.

¹² Orrick, D. (2021, August 13). Minorities are now the majority in St. Paul, census shows. Twin Cities. Retrieved from <https://www.twincities.com/2021/08/12/minorities-are-now-the-majority-in-st-paul-census-shows/>.

¹³ U.S. Census Bureau quickfacts: St. Paul City, Minnesota. Retrieved from <https://www.census.gov/quickfacts/stpaulcityminnesota>.

¹⁴ Why do business in Saint Paul? Saint Paul Minnesota. Retrieved from <https://www.stpaul.gov/departments/planning-and-economic-development/economic-development/why-do-business-saint-paul>.

¹⁵ U.S. Bureau of Labor Statistics. Bureau of Labor Statistics Data. U.S. Bureau of Labor Statistics. Retrieved from https://data.bls.gov/timeseries/LAUMT27334600000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true.

some of the most dramatic racial wealth gaps in the country. The city’s five largest industries today are Health Care and Social Assistance, (2) Educational Services, (3) Manufacturing, (4) Retail Trade, and (5) Accommodation and Food Services. Gaps in economic well-being persist in wage distributions across the top five industries driving economic value and prosperity in Saint Paul. Not only do White workers make considerably more money in each industry, but they also tend to have a higher presence in the labor workforce in industries that have the highest median earnings.

Table 1: Median Earnings of Largest Industries¹⁶

	All	Asian	Black	Hispanic	White	Other
Health Care and Social Assistance	\$37,000	\$20,000	\$25,000	\$31,000	\$48,000	
Educational Services	\$50,000	\$39,000	\$50,000	\$33,000	\$55,000	
Manufacturing	\$36,000	\$32,600	\$27,000	\$35,000	\$81,220	\$46,000
Retail Trade	\$27,000	\$28,800	\$22,000	\$40,000	\$27,200	\$48,000
Accommodation and Food Services	\$15,000	\$6,400	\$15,000	\$19,000	\$26,000	\$35,000
Median Earnings over all Workers	\$40,000	\$32,600	\$27,000	\$30,000	\$45,000	\$46,000

Table 2: Workforce Composition of Largest Industries¹⁷

	All	Asian	Black	Hispanic	White	Other
Health Care and Social Assistance	100%	27.61%	13.92%	1.83%	56.64%	
Educational Services	100%	20.03%	13.20%	3.37%	63.40%	
Manufacturing	100%	41.67%	4.58%	10.64%	37.71%	5.40%
Retail Trade	100%	11.80%	22.68%	7.77%	55.41%	2.34%
Accommodation and Food Services	100%	15.82%	10.91%	23.74%	46.68%	2.85%

Our qualitative and quantitative research indicates that the solutions to building wealth for BIPOC residents in Saint Paul need to be systemic, intentional, culturally appropriate, and grounded in equity-based strategies. These approaches working in tandem can support the level of both community and individual stabilization that enables wealth building and addresses historical policies of harm head on. One small step that has been taken by local government is a recently adopted wage ordinance that will

¹⁶ Data compiled by the Urban Institute.

¹⁷ Data compiled by the Urban Institute.

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raise minimum pay to \$15/hour across the city. This will be implemented in large businesses as of July 2022, small businesses by 2025, and micro businesses by 2027.¹⁸

¹⁸ Minimum wage. Saint Paul Minnesota. Retrieved from <https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/labor-standards-enforcement-and-education-0>.

Homeownership

Barriers to more equitable homeownership

In Saint Paul, historical and present systemic racism, gentrification, and actions of corporate investors create market conditions that impede aspiring BIPOC homeowners throughout their homebuyer journeys.

Market conditions

Corporate investors

Corporate investors continue to make homes in Saint Paul less affordable, buying up a large portion of the housing market in the Twin Cities.¹⁹ In 2021, 15.3% of residential single-family housing units in Saint Paul were investor owned.²⁰ The percentage is even higher for condominiums and townhomes -- 27.1% in 2021.²¹ External investors are pricing out many first-time homebuyers by snatching up homes with very lucrative offers, and they are getting increasingly more aggressive. In 2021, investors spent \$1 billion on 1,849 homes in the Saint Paul/Minneapolis in just one quarter. As a result, market prices for both buyers and renters have skyrocketed in the last two years.²² It is important to emphasize where investors are strategically buying property. These purchases are happening in predominantly low income communities/communities with higher poverty rates – and where there are high concentrations of BIPOC households.²³ Households in these communities are more likely to be renters or limited to purchasing and residing in multi-family housing units.²⁴ Decreasing housing stock, rising housing costs, and increasing competition for homes creates a market that does not fairly allow BIPOC home seekers the opportunity to buy a home in their own communities. As one interviewee noted, institutional investors and empty nesters can “make quick decisions faster than first time home buyers [which is] exacerbated for households of color and first-generation buyers.”

Ultimately, corporate investors are impeding wealth-building access for BIPOC communities. These investors are also not keeping up with maintenance, reducing the quality of units.²⁵ For BIPOC

¹⁹ Who owns the Twin Cities? - urban institute. (n.d.). Retrieved from

<https://www.urban.org/sites/default/files/publication/104355/who-owns-the-twin-cities.pdf>.

²⁰ Tran, K.-E. K. L. S. T.-U. New property-data tool reveals patterns of investor ownership. Retrieved from <https://www.minneapolisfed.org/article/2021/new-property-data-tool-reveals-patterns-of-investor-ownership-in-the-twin-cities-area>.

²¹ Tran, K.-E. K. L. S. T.-U. New property-data tool reveals patterns of investor ownership. Retrieved from <https://www.minneapolisfed.org/article/2021/new-property-data-tool-reveals-patterns-of-investor-ownership-in-the-twin-cities-area>.

²² Are institutional investors taking a chunk out of the for-sale housing market? NAHB. Retrieved from <https://www.nahb.org/blog/2022/04/are-institutional-investors-taking-a-chunk-out-of-the-for-sale-housing-market>.

²³ Buchta, J. (2021, December 4). National investors are snapping up Twin Cities area houses to rent. Star Tribune. Retrieved from <https://www.startribune.com/national-investors-are-snapping-up-twin-cities-area-houses-to-rent/600123709/?refresh=true>.

²⁴ Webster, M. J., & Corey, M. (2021, August 10). How twin cities housing rules keep the Metro segregated. Star Tribune. Retrieved from <https://www.startribune.com/how-twin-cities-housing-rules-keep-the-metro-segregated/600081529/>.

²⁵ FSG interviews.

communities that have historically been subject to exploitive policies and landlords and starved of resources, this perpetuates a cycle of historical harm. Interviewees noted the impact of external investors acquiring rental properties, saying, “[We need] policy to put an end to investor purchasing. It’s just hurting our city.” Protection of the housing stock, especially for the region’s most vulnerable, is a critical aspect of equitable wealth building for BIPOC communities in the Twin Cities.

Table 3: Rate of Investor Ownership of Single-Family Rentals by Neighborhood and Poverty Rate

Location	County	Share of single-family rentals that are investor-owned	2019 poverty rate
Minneapolis—Northeast of downtown	Hennepin	30.7%	41.7%
Fridley	Anoka	27.1%	10.3%
Hopkins	Hennepin	24.8%	13.7%
Minneapolis—North	Hennepin	22.5%	14.2%
Minneapolis—North	Hennepin	22.3%	31.0%
Minneapolis—North	Hennepin	21.2%	28.7%
St. Paul—North End	Ramsey	19.1%	26.1%
Minneapolis—North	Hennepin	17.6%	42.5%
St. Paul—Payne-Phalen	Ramsey	16.6%	27.7%
St. Paul—Frogtown	Ramsey	16.1%	25.1%
St. Paul—Payne-Phalen	Ramsey	16.1%	33.3%
St. Paul—Summit University	Ramsey	15.8%	38.0%
St. Paul—Frogtown	Ramsey	15.5%	27.5%
Minneapolis—North	Hennepin	15.1%	41.9%
St. Paul—Payne-Phalen	Ramsey	14.8%	28.7%
Minneapolis—North	Hennepin	14.4%	10.9%
Oak Park Heights-Stillwater	Washington	14.4%	7.2%
Minneapolis—North	Hennepin	14.2%	34.8%
Minneapolis—South	Hennepin	13.6%	3.8%
Minneapolis—North	Hennepin	13.4%	28.7%

Jim Foster, Star Tribune

Source: Federal Reserve Bank of Minneapolis

Homebuyer journey

Whereas market conditions constrain affordable and available housing inventory, many other structural barriers shape the journey of individual BIPOC residents seeking to purchase a home in and around Saint Paul. The following sections describe the barriers BIPOC residents face before, during, and after purchasing a home.

Pre-Purchase	Purchase	Post-Purchase
<ul style="list-style-type: none"> • Knowledge gaps, trauma, and mindsets • Down payments • Lending criteria • Discrimination in lending 	<ul style="list-style-type: none"> • Use of down payment assistance and other forms of financial assistance 	<ul style="list-style-type: none"> • Maintenance costs and refinancing • Devaluation of assets in Black communities and keeping families housed

Pre-purchase

Knowledge gaps, trauma, and mindsets

Our interviews suggest that generational knowledge gaps around finances, homeownership, and wealth building are a major barrier preventing many BIPOC families in Saint Paul from beginning the homeownership process. Furthermore, policies and practices that have systemically inhibited wealth-building opportunities for BIPOC communities in the Twin Cities have contributed to trauma, a sense of scarcity, and the mindset that homeownership is out of reach.

Among focus group participants, very few came from families that discussed finances or the importance of homeownership. One participant said, “I wasn't really educated, thoroughly, on how to manage my finances, especially growing up and stuff. They just gave me pocket change, spending it here and there. I never really had money long enough to really hold onto it. I really didn't think nothing of finances until I got older. As I went onto college and stuff, I've had to take a step back and reevaluate my spending habits.” Another shared, “Credit was never talked about. My dad actually owned a home...But it was never anything that was talked about, so I didn't know how to do it. Especially coming here because it's different. Times are different. So, I really had to start from the bottom and just kind of feel my way through.” All of the focus group participants expressed a wish that they had learned about finances earlier in their lives, noting that this would have made a drastic difference both before and during homeownership. One participant explained, “It's things that we needed to know before we actually got into owning a home -- those are the kind of things that we're facing right now.”

Interviewees noted that BIPOC families feel intimidated by the homeownership process because of a lack of exposure, and this contributes to first generation BIPOC homebuyers feeling an immense sense of responsibility. Focus group participants also called out education as a reason they had not pursued homeownership. One said, “I don't understand why I had the fear because I attempted to buy three times and chickened out. Probably, because of the lack of education...because I would like to buy something, even though I'm old.”

The impacts of generational trauma and knowledge gaps must be recognized as barriers to entry for BIPOC communities and addressed accordingly. The fear that interviewees named is rooted in a history of disinvestment and barriers to access. It is difficult to operate within a mindset of abundance when that has not been the experience of many BIPOC communities, ever. Interviewees named the care with which this trauma needs to be addressed. One notes, “When we talk about finances, especially with Black folks, it can be incredibly triggering. We have to enter those conversations with so much intentionality.” Another said, “Almost every black man I know has contemplated suicide. I think about that. I know we're talking about financial access, but these are the things that it hinged upon. Until we

can talk about and address those things, people are traumatized, people need healing. It's more than just throwing money, there's healing that needs to happen, and part of the money needs to be used for healing." Interviewees emphasized that these issues need to be viewed in synergy and not in siloes. Addressing the mindsets and generational knowledge gaps as a critical barrier to access can contribute to addressing the ownership disparities.

Down payments

Down payments are another commonly known and significant barrier to homeownership for BIPOC applicants. Saving for a home loan implies that applicants have financial space to save, while also meeting all of their regular financial obligations, including rent, student loans if applicable, and day-to-day expenses. Statistically, BIPOC populations are more rent burdened than White people, which impacts their ability to save for down payments. Per the Saint Paul Housing Assessment, recent ACS estimates (2012-2016) note that 51% of Saint Paul's renter households are cost burdened with just over half of those being severely cost burdened.²⁶

That same report also highlights the drastic racial homeownership disparity, noting that while White households constitute 67% of all households in the city, they comprise 82% of home-owning households.²⁷ This data tells us that renters in Saint Paul are predominantly BIPOC, and a large subset of that population are rent burdened. Spending more money on rent often means that families are unable to save for the down payments necessary to access homeownership. Focus group participants named increasing rent costs as an issue, saying, "I feel rent isn't affordable no more. It's gone up. I had a time when I paid a lot more than I should." Rent burdened households have higher eviction rates, an increase in financial fragility, and a higher need for social safety net programs—all of which have direct impacts on one's ability to buy a home.

According to ACS data, the median household income for a Black family in Saint Paul is \$37,500 compared to \$74,000 for White households; Black households in Saint Paul are living with half of the income of that of White households. For Hispanic households, the disparity is even more drastic, as the median income of a Hispanic household in Saint Paul is just \$30,000. The U.S Census Bureau defines those living in poverty as a family of four making less than \$27,750 a year. Many BIPOC families in Saint Paul are toeing the line of poverty. The Housing Assessment specifically calls out the need to provide resources to these underserved communities in recognition of the disparities: "The City/HRA will need to expand its efforts to foster homeownership to historically underserved communities. These efforts will need to include addressing challenges in access to capital for the City's cultural communities. Support of homeownership is one way in which the City and HRA can contribute to building community

²⁶ City of Saint Paul earned sick and safe time ... - Saint Paul, Minnesota. (Page 40). Retrieved from <https://www.stpaul.gov/sites/default/files/Media%20Root/Human%20Rights%20%26%20Equal%20Economic%20Opportunity/Final%20ESST%20Task%20Force%20Recommendations%20Report.pdf>.

²⁷ City of Saint Paul earned sick and safe time ... - Saint Paul, Minnesota. (Page 40). Retrieved from <https://www.stpaul.gov/sites/default/files/Media%20Root/Human%20Rights%20%26%20Equal%20Economic%20Opportunity/Final%20ESST%20Task%20Force%20Recommendations%20Report.pdf>.

wealth within the City of Saint Paul.”²⁸ A wealth building strategy for the city of Saint Paul must include intentional strategies to address the very specific needs of BIPOC communities in Saint Paul.

Lending criteria and discrimination

Once a potential buyer makes the decision to start the journey, there are a number of criteria related to the underwriting process that have to be met. Lack of credit has been a huge obstacle to Black homebuyers. The use of credit scores often penalizes borrowers for having a large amount of student loan debt or high debt-to-income ratios, both of which tend to be more common among BIPOC borrowers. Indeed, the most common reason cited in credit denials for BIPOC homebuyers in Saint Paul is high debt-to-income ratios.²⁹ The growing gap in student loan debt is a factor that is increasingly preventing BIPOC homebuyers from accessing credit; this is especially true for Black college graduates.³⁰

The Urban Institute outlines the disproportionate impact of credit on BIPOC communities:³¹

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.

The combined facts that credit scores are one of the central criteria for home loan approval and that data shows that BIPOC borrowers are more likely to have subprime credit are indicative of a systemic issue with the homeownership underwriting process. For decades, banks have denied BIPOC communities access to credit building resources. Saint Paul is not exempt from this reality. A report by the Minneapolis Fed found that Twin Cities neighborhoods with higher shares of residents of color have less access to credit:

²⁸City of Saint Paul earned sick and safe time ... - Saint Paul, Minnesota. (Page 40). Retrieved from <https://www.stpaul.gov/sites/default/files/Media%20Root/Human%20Rights%20%26%20Equal%20Economic%20Opportunity/Final%20ESST%20Task%20Force%20Recommendations%20Report.pdf>.

²⁹ Data compiled by the Urban Institute.

³⁰ Hanson, M., & Checked, F. (2022, June 13). Student loan debt by race [2022]: Analysis of statistics. Education Data Initiative. Retrieved from <https://educationdata.org/student-loan-debt-by-race>.

³¹ Adopting alternative data in credit scoring would allow millions of consumers to access credit. Urban Institute. (2021, March 15). Retrieved from <https://www.urban.org/urban-wire/adopting-alternative-data-credit-scoring-would-allow-millions-consumers-access-credit>.

We find that neighborhoods with higher shares of residents of color tend to have less access to credit. Even after adjusting for household income, neighborhoods where the largest racial group is White residents tend to have more credit access and higher credit scores than neighborhoods where the largest racial or ethnic group is Asian, Black, or Latino/a. In fact, neighborhoods of color tend to have median credit scores that are lower than what their median income alone predicts.³²

This analysis reflects the extent to which credit access is difficult for particular groups, and as such, discriminatory. To effectively address homeownership, it is critical to acknowledge the systemic barriers that are affecting Black and Brown communities and address them with intention. An interviewee named the importance of providing credit-building resources. They said, “What can help them to be ready...the main piece is credit. In order to solve those issues, the sustainable approach of financial education blended with coaching will not only teach the skill, but help them build their own credit. Financial education by itself is not enough. It has to be combined with tools to help them improve their credit.” Per this point, Black and Brown communities in the Twin Cities need holistic financial supports that include credit building resources – and Saint Paul needs to address the racist structures that value credit and inhibit access for specific communities.

Separate from the history of wealth inaccessibility for Black communities in Saint Paul, immigrant communities bring different cultural practices around money, saving, and lending that go unnoticed by mainstream financial institutions, making it difficult to build credit, and in turn, access homeownership. For many Muslim homebuyers in the Somali-American community in the Twin Cities, Koranic law forbids paying and receiving interest, or “Riba” in Arabic. If practicing Muslims in this community want to buy a home, they are not able to use traditional lending mechanisms that include interest.³³ Minnesota has the largest Somali-American population in the country, with a significant majority of that population living in the Twin Cities.³⁴ Mainstream financial institutions have not implemented a mechanism of financing or created alternative opportunities for homebuying that respect the cultural boundaries of this large community in Saint Paul. As a result, the Somali-American population is essentially barred from this very critical wealth building opportunity. One interviewee called this conflict out: “Somali and Hmong communities often don’t have credit access and realtors/loan officers are unwilling to help.”

Interviewees also spoke about community wealth building strategies common in immigrant communities, which are an asset but can make it more difficult for participants to secure a loan from mainstream financial institutions. “There’s also the community wealth building processes like susu’s or lending circle. Every small immigrant community has that. That’s one of the issues we run into. You aren’t really setting aside money. Because it’s informal, there is no receipt or proof that the money is yours. That creates a problem even though they have been saving up for a long time.” Additionally,

³² Ky, T. B. K.-E. (n.d.). Twin Cities neighborhoods with higher shares of residents of color have less access to credit. Federal Reserve Bank of Minneapolis. Retrieved from <https://www.minneapolisfed.org/article/2022/twin-cities-neighborhoods-with-higher-shares-of-residents-of-color-have-less-access-to-credit>.

³³ Minneapolis’ Somali-American community can soon bypass the bank to Buy Homes. Next City. (n.d.). Retrieved from <https://nextcity.org/urbanist-news/minneapolis-somali-american-community-can-soon-bypass-the-bank-to-buy-homes>.

³⁴ CBS Interactive. (2019, July 24). What is the history behind Minnesota’s Somali-American community? CBS News. Retrieved from <https://www.cbsnews.com/minnesota/news/minnesota-somali-american-population-good-question/>.

BIPOC cultures place an emphasis on communal wealth and support, which often means co-ownership of assets. However, that is not a value that is typically accommodated in traditional financial institutions. One interviewee noted, “Standard loan products don’t work well for co-ownership arrangements (for businesses and housing); it can be awkward to determine who will take on the risk or how.” Because these processes do not fit squarely into the criteria created by lending institutions, the onus is placed on marginalized communities to navigate institutions that weren’t built for them, or risk being excluded completely.

When the criteria used by financial institutions is racist, so is the implementation of mortgages and other home loans. Financial lending institutions have made it nearly impossible for BIPOC communities to access mortgage loans for decades via the use of both overt and covert methods of discrimination. Historic practices of redlining allowed the denial of financial services to certain neighborhoods based on race, and the impacts of those policies are still felt today. Lending institutions have not made significant progress in addressing the homeownership disparities that its system created, as detailed in 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 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.³⁵

National data shows a clear racial disparity in mortgage loan rates and evidence of bias in denials. In Saint Paul, the reality is the same. According to a report by the Minneapolis Fed, conventional-mortgage applications from people of color are more likely to be denied, and more importantly, the denial gaps are not explained by available data on application differences. The differences also persist regardless of the racial composition of the properties surrounding neighborhood.³⁶ The application process is already statistically more challenging for BIPOC applicants. This reality coupled with an unexplainable denial rate is reflective of a system that does not support the advancement of BIPOC communities.

Several interviewees named the lack of access to financial products that allow for wealth building. More specifically, BIPOC communities are underbanked and have limited access to flexible loans that “higher asset” financial institutions can provide. One interviewee noted, “For a traditional bank who plays in the mortgage-backed securities, they pretty much have to play by the rules. So yes, the rules are bendable, but the banks that do it – the communities we serve don’t have access to those banks.” Lack of access to banking opportunities can have drastic impacts on wealth building. Most homes are purchased with a mortgage and most businesses rely on credit or loans. When institutions do not provide those resources to BIPOC communities the gaps in homeownership and entrepreneurship grow.

³⁵ Martinez, E. (2021, August 25). The secret bias hidden in mortgage-approval algorithms. AP NEWS. Retrieved from <https://apnews.com/article/lifestyle-technology-business-race-and-ethnicity-mortgages-2d3d40d5751f933a88c1e17063657586>.

³⁶ Ky, T. B. K.-E. (n.d.). Twin Cities neighborhoods with higher shares of residents of color have less access to credit. Federal Reserve Bank of Minneapolis. Retrieved from <https://www.minneapolisfed.org/article/2022/twin-cities-neighborhoods-with-higher-shares-of-residents-of-color-have-less-access-to-credit>.

Purchase

Use of down payment assistance and other forms of financial assistance

While financial assistance programs can serve as a significant resource to BIPOC homebuyers, lack of knowledge about these programs as well as bias and discriminatory practices among lenders, realtors, and sellers can limit their effectiveness. Interviewees called out the fact that realtors and lenders are not educating themselves on the various programs available to support homebuyers. One said, “[There are] tons of assets for first time homebuyers. The question is a lot of lenders aren’t utilizing the programs available...It’s all about education of loan officers. There needs to be more education, information for lenders and agents so they understand all of the different products and programs available for homebuyers.” On the selling side, several interviewees, including those who work in the lending industry, described how sellers and realtors often steer away from offers involving down payment assistance or FHA loans, which must be disclosed. This makes the competitive housing market even more out of reach. One interviewee said, “We are finding that realtor associations are telling realtors not to accept certain loan products, particularly FHA products. When we think about the number of Black families who use FHA products to get into homeownership because it’s the only option they have. You now not only have to compete in a competitive market, but your offer isn’t even being seen or presented to the seller so it can be considered among other eligible offers.” Realtors and sellers may avoid FHA loan offers because they are concerned they will have to lower the price if the home doesn’t appraise in order to complete the sale, but the avoidance of offers with assistance or FHA loans can also be rooted in racial bias. Realtors and sellers may assume that those using assistance are poorer and less likely to follow through on an offer. Because many of the programs are designed to support lower income people, the private market correlates lower income with Black and ultimately, undesirable buyers.

Post-purchase

Maintenance costs & refinancing

After the home is purchased, home maintenance costs can be difficult for BIPOC and low-income families to take on, especially after depleting their savings to purchase the home in the first place. Focus group participants across the board agreed that maintenance costs and services were a significant concern both as home seekers and homeowners. Many did not feel like they were adequately prepared for those additional costs while others avoided homeownership all together out of fear of purchasing a home that lacked quality infrastructure. One focus group participant said, “You get in that house, you find out your bank account is empty because you just spent all your money. What you going to do for this, that, and the other? One person on my street, the second or third family that's lived in the home, to this day they still do not have a driveway, and we're talking about 30 years ago when these houses were built. So, what I'm just saying is, it's wonderful to have a house, but you got to be ready. And you got to know what to expect. You're going to have expenses more than you know.” Other participants shared similar sentiments noting, “I mean all sorts of issues, when water starts backing up and now we have to think about...these pipes are really old. I'm in Saint Paul, and they're made of clay, and now they're going to fall apart, and it's my responsibility, not the city's. And that's tens of thousands of dollars. And how do you manage all of that without all of a sudden going broke? Like literally not being able to pay for food and stuff. And so, I am really grateful for the classes. It made me pause to think

about whether or not I was actually ready. Because one of the things that they encourage you to do is save a certain way, and if you can't save for three months and be able to think you can do that, then you shouldn't buy a home, because you're going to be out of your home really quickly." Getting people into homes is one part of the equation but keeping people in their homes is a critical part of wealth building, which means supporting the ongoing financial needs of homeowners.

Devaluation of assets in black communities and keeping families housed

Wealth building in homeownership happens when the value of the home increases over time. BIPOC communities in Saint Paul face both underinvestment, which drives home values down, and an appraisal gap – where comparable homes are priced lower just because they are in majority black neighborhoods. Both dynamics constrain the wealth building potential of homeownership for BIPOC homeowners. A report by Brookings notes that nationally, homes in neighborhoods where at least 50% of the population is Black are valued at roughly half the price as homes in neighborhoods with no Black residents.³⁷ According to the same report, the actual median home value in majority Black neighborhoods in the Twin Cities is \$145,798, compared to the estimated median home value without the devaluation at \$178,936.³⁸ The average devaluation of homes in majority Black neighborhoods in the Twin Cities is 20.5%.³⁹ An interviewee called out this disparity saying, "The history of racism and segregation in the city play a tremendous role, like in other cities. Devalued assets in certain parts of the city impact continued wealth accumulation. [That is a] big part of lack of investment in certain communities." There is a correlation between the depreciation of home values in BIPOC neighborhoods and the disinvestment in those same communities. Lack of assets and infrastructure like high crime, quality schools, transportation, and green space make it difficult for homeowners to stay in their homes and for their home equity to increase. Homeownership alone will not solve the quality of life issues that BIPOC communities are experiencing in Saint Paul. Providing resources to create and sustain thriving communities for BIPOC families must work in tandem with increases in BIPOC homeownership.

Several interviewees spoke about the recent uptick in foreclosures and the importance of keeping existing homeowners in their homes. Covid-19 had drastic impacts on the homeowners, and many fell behind once the moratoriums were lifted. One interviewee noted, "[the] biggest reason is the moratoriums were lifted. There were folks who were behind...A lot of folks who got forbearances didn't understand the agreement. A lot of folks had lump sum payments due now or past. The wealth and income inequities are really drastic. So you layer that in to folks falling behind. Once banks could start

³⁷ Perry, A. M., Rothwell, J., & Harshbarger, D. (2022, March 9). The devaluation of assets in black neighborhoods. Brookings. Retrieved from <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>.

³⁸ "Devaluation is defined as the percent discount in median home values between neighborhoods with 50% Black population and neighborhoods with no Black residents, after accounting for structural characteristics of homes and neighborhood amenities. In our preferred estimate, it is calculated by observing the relationship between median neighborhood home prices per square foot (from Zillow) and Black population shares across the full range of neighborhoods within individual metropolitan areas that have at least one majority Black neighborhood and at least one neighborhood with less than 1% Black population shares. In most, though not all, metropolitan areas with at least one neighborhood of each type, the percent difference is negative. Structural characteristics of homes and neighborhood amenities do not fully explain the absolute difference in home value."

³⁹ Perry, A. M., Rothwell, J., & Harshbarger, D. (2022, March 9). The devaluation of assets in black neighborhoods. Brookings. Retrieved from <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>.

foreclosure activity, they did.” Service providers noted the difficulty in supporting homeowners facing foreclosure. The issue is twofold—there are not enough resources to meet the scale of the need and one-time payment resources are not enough to support the changing financial circumstances of many homeowners post Covid-19. Interviewees stressed the importance of ongoing homeowner education and support as the housing landscape changes.

Landscape of actors

There are a number of critical actors in Saint Paul that work in the homeownership space across sectors. The list below is not exhaustive but aims to capture a glimpse of that ecosystem and the services they provide.

Non-profit	
Build Wealth MN Inc. (BWM)	Offers affordable home/closing cost loans to low-income homebuyers that are otherwise unable to access equitable credit. BWM also operates programs focused on financial literacy, budgeting, home buyer education, credit, saving, and financial planning, with a goal of helping families create generational wealth.
Family Assets for Independence in Minnesota	Assists families in building assets through a lucrative savings program. Eligible participants can deposit up to \$2,000 into a custodial savings account over a 24-month period. FAIM then provides a 3:1 match. This program aims to increase low-income Minnesotan households’ access to purchasing a home, investing in education, starting a business, and/or purchasing a vehicle.
Family Housing Fund	Supporting organization that fosters partnerships and collaboration focused on building affordable homes, providing homeownership loans, preventing investor ownership, supporting public housing and voucher holders to become homeowners, and investing in research and programming focused on dismantling systemic racism and racial disparities in homeownership and wealth across the Twin Cities.
Habitat for Humanity Twin Cities	Offers low-cost mortgage program for new homeowners that build their house with Habitat volunteers and staff. This provides access to credit and affordable homes to families in areas that otherwise might not be accessible to them. Additionally, Habitat has a buyer education programs that focuses on financial wellbeing and emphasizes racial equity.
Housing Equity Now Saint Paul	Seeks to advance housing equity in the city of Saint Paul through grassroots campaigns and policy advocacy.
Metropolitan Consortium of Community Developers	MCCD is an association of nonprofit community development organizations committed to expanding the wealth and resources of neighborhoods through housing and economic development initiatives

Closing the Gaps Saint Paul Needs Assessment

Neighborhood Development Alliance (NeDA)	Provides one-on-one counseling and workshops to help people make a financial plan to buy their first home.
NeighborhoodLIFT	Sponsored and led by NeighborWorks® America and Wells Fargo, this partnership provides eligible recipients \$15,000 to put toward their down payment and/or closing costs upon completing a buyer education program.
NeighborWorks Home Partners	NeighborWorks Home Partners' mission is empowering individuals and communities by helping people buy, fix, and keep their homes.
NEXUS Community Partners	Nexus supports strong, equitable and just communities in which all residents are engaged, are recognized as leaders, and have pathways to opportunities.
PRG	Renovates vacant houses and sells them at an affordable cost to low/middle income families. Provides home buyer education sessions and financial wellness advising, with a focus on refinancing and foreclosure prevention.
Rondo Community Trust	Community trust set up to create and keep homes affordable for low/moderate income families by building them on land held by the Trust. The buyer pays a \$15/month fee to lease the land but has full ownership of the home. In an additional step to build wealth for future generations, land leases may be transferred to the heirs of homeowners.
Urban League Twin Cities	Wealth Development program provides clients with housing and financial counseling services for homebuyers, renters, and those experiencing homelessness.

Local Government

4d Affordable Housing Incentive Program	An incentive program in Saint Paul that provides a 40% tax rate reduction to properties owners that keep their rental units affordable for a 10-year period. Aimed to support reducing the number of cost-burdened renters in the city.
Saint Paul Public Housing Agency	Offers a number of programs that help provide safe and affordable housing to families with low incomes. This includes a scholarship program to support students in their educational pursuits.

Financial Institutions

Federal Home Loan Bank of Des Moines	Home loan bank servicing Saint Paul. Recently launched a partnership with the National Association of Minority Mortgage Bankers of America to expand diversity of mortgage professionals in the field and improve outreach and services provided that will support communities of color in their pursuit to become homeowners.
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U.S Bank	The American Dream program, offered by U.S. Bank, helps consumers with limited resources become homeowners, especially low-to-moderate income (LMI) borrowers and in LMI neighborhoods.
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Perspectives on city government

Perspectives on Saint Paul’s government agencies varied across interviewees but point to areas of growth needed to support equitable homeownership. By and large, interviewees believe that city government can and should be doing more to move the needle on homeownership for BIPOC households. Interviewees would like to see city government intentionally adopt targeted race-specific programs, implement interventions that are appropriately scaled to address the magnitude of the problem, and enhance collaboration with other government entities, nonprofits, and community members.

Interviewees called out the fact that government has shied away from race-based policy interventions and funding and that many disparity studies have not led to real interventions. They called for targeted race-specific programs to remediate generations of discriminatory practices and disinvestment. One interviewee said, “They choose to make race-neutral programs to fix race problems. The argument is, from the city attorney’s office, legally we can do it, but we’ll get sued. No, you won’t get sued because you have the studies. That speaks volumes. So the city does not do anything to address the inequities they have caused.” Equity means that resources and support are distributed with the intention of addressing the differences in access for various communities. This should be done with respect to the history of disinvestment and policies that inhibited equal opportunity for everyone. As such, the interventions should be as intentional as the inhibiting policies. Race neutral policies have not yielded measurable progress in closing homeownership disparities in Saint Paul and are unlikely to do so.

Interviewees also called out the need for government funding commitments and investments to be more robust and for scale to match the stated commitments. One said, “The city of Saint Paul hasn’t put resources towards trying to close that gap in any meaningful way. They left it to private sector and nonprofits.” Another noted, “There is not a commitment, especially for home ownership, especially in Saint Paul, but even Minneapolis, putting your money where your mouth is, isn’t here. And the same can be said of the state. They say, ‘The private market will take care of it; we will work on rental and multifamily.’ You can see it and the needle isn’t moving. The scale of resources is just not enough.” Another interviewee named the ways in which all aspects of quality of life are intertwined within homeownership and said, “Minnesota has the worst racial gaps in the country, worst homeownership gaps in the country, second or third to last, income inequality, racial inequality, it’s all packed in there with no real resources or avenues specifically [to address these gaps] from city or state governments.” These sentiments are indicative of the extent to which the homeownership disparity is at play in Saint Paul. Community feels the impact of the disparities and hears the commitments from government to address them, but does not see adequate resources being implemented to move the needle. Making investments around homeownership can propel positive changes to other aspects of quality of life.

Interviewees have observed how limited investment in city government’s infrastructure is impeding progress. They pointed to the challenge of government turnover and staffing shortages, which have prevented many good policies and programs from lifting off the ground or being delayed by several

years. Other government offices are “set up to fail” because they do not receive the adequate staffing support they need to succeed. One interviewee said, “There are projects that have been stalled for several years because of turnover at the city. When that turnover happens, you lose that institutional memory...developers can’t do their jobs because of what’s happening with the bureaucracy.” Building the internal infrastructure in city government is an important component to serving BIPOC communities across the board.

Scale also requires aligning city efforts with state and federal initiatives (and advocating for them). The issues around homeownership and wealth disparities are layered, complex, and require multilevel intervention. However, government is not coming together to advance the strategies necessary to enact change. One interviewee said, “Cities alone can’t scale to that point because the policies began in the federal government.” Another said, “[Community] urged city government to focus more on accessing state funding to scale access to homeownership – I think especially Saint Paul could do a lot more advocating for investment from the state and government level to address these challenges.”

Local nonprofits also spoke of a desire to collaborate more closely with city government, and a sense that the city has been less collaborative due to competition for constrained resources. One said, “They [Saint Paul government] doesn’t treat their partners as partners...they are hard to work with, very adversarial attitude...they aren’t resourcing us or engaging us.” Interviewees also mentioned that government has neglected to partner with grass roots organizations, who are critical partners. Empowering community partners who have the relationships to efficiently distribute resources and information can make a major difference in addressing the needs of BIPOC communities.

While city government may implement beneficial programs, we heard from a number of interviewees and focus group participants that they lack the community relationships necessary to reach all communities across the city. More specifically, there are very few opportunities for community engagement and input. One interviewee shared that the city of Saint Paul has improved their approach to community engagement, but several others still see this as a gap. Interviewees overwhelmingly noted that residents feel like decisions are made for community members, not with them. One interviewee said, “There is no process in Saint Paul that allows for input on how the city will spend its ARPA funds, unless you know somebody. And it's still hard to get a meeting. [We] often don’t get responses to requests for meetings.” Mechanisms of input and accountability are central to trust and relationship building, particularly for BIPOC communities.

Akin to the lack of relationships, many interviewees and focus group participants expressed a general lack of trust of government, which impacts the ways in which resources are received. This mistrust is rooted in the fact that government has historically and currently, intentionally and unintentionally, perpetuated policies and practices of inequity in BIPOC communities. Additionally, many BIPOC residents do not see themselves reflected in government leadership and interviewees spoke of the importance of diversity of experience and identity in city government. For all of these reasons, it is difficult for BIPOC communities to trust that government is now on their side and is operating with their best interest at heart. When they are engaged, it does not feel genuine. One interviewee called out what they perceived as tokenization of their input and said, “Whenever the city has an issue, there's always a community advisory board created but the community board never looks like the people who were impacted, or it’s tokenized people, people who have the stage or are already known. We have such vast communities in the cities that we really could be talking to additional folks in the city.”

Interviewees spoke of the need to build awareness and capacity of residents to engage in advocacy and political processes and the difficulty of making progress. One shared, “There’s a lot of bureaucracy that goes on that gets in the way of good policy. You have to go through so many layers of meetings.”

Participants across the board expressed the need to see government engage more meaningfully with BIPOC communities in a way that addresses past harms, involves listening to as much of the community as possible, and incorporates their wants and needs in decision making.

Ecosystem dynamics

Interviewees spoke to several cross-ecosystem dynamics that are either accelerating or impeding progress.

Coordination and collaboration

Generally, there is opportunity to further strengthen collaboration and coordination. Interviewees perceive that the ecosystem is more connected than it was several years ago. Since the murder of George Floyd, they say that even if actors don’t collaborate closely, there is greater awareness of each other’s work and more inclination to work together. However, several interviewees spoke of a need for more support from city government, greater coordination among actors, and more leadership in fostering collaboration. They said that whereas there are strong nonprofit leaders and a fair amount of coordination among nonprofits, there is a need for greater leadership in other sectors, and more coordination and collaboration across sectors.

Simplifying and increasing direct investment in BIPOC led community organizations

There is a need to simplify and increase resource flows to community organizations. The existing subsidies / financial supports often don’t reach the people who need them most because as one interviewee noted, the funds are either pumped through a filter that absorbs most of the funding or is oriented toward people who know how to fill out the right things. Interviewees also spoke about the burden and constraints associated with accessing government dollars, which often have restrictions regarding how funds can be used and stringent reporting requirements, and in some cases require nonprofits to make large upfront investments, with the promise of reimbursement in the future if certain conditions are met.

Alternatively, interviewees have seen a recent shift towards government and philanthropy directing more resources towards community organizations led by BIPOC, but there is still room for improvement. More specifically, one interviewee says, “Government is finally, I finally see some of these conversations moving or changing, whether its public or private – moving to Latino led nonprofits. We are moving in that direction but we have not arrived yet.” As earlier mentioned, government lacks the community relationships and often depends on these very same grassroots organizations to help bridge the gap. Some interviewees feel that resources still flow to mainstream organizations that don’t have strong community trust and relationships, and then BIPOC led organizations are tapped for their cultural expertise: “When the funding goes to mainstream organizations they end up coming to us anyway and saying, how can we work better with your community?” Supporting BIPOC nonprofits and community organizations from the onset can maximize impact.

Lack of diversity and lived experience among cross-sector leaders

Interviewees spoke of the lack of diversity among professionals, including realtors, loan officers, appraisers, and city government. They spoke about the importance of diversity both in terms of shifting decision-making power to those most impacted and the power of providers having shared experiences and identities, which enables trust building and culturally relevant supports.

Racial bias and persistence of race-neutral approaches

Our interviews surfaced numerous examples of the ways that racial bias – whether conscious or not – is still shaping the homeownership landscape and the need for race-specific approaches and policies to counteract generations of discriminatory policies and practices. While some of the points below are discussed elsewhere in the report, it is worth considering them as a set because they highlight the pervasiveness of racism in the existing system and the need to address it directly.

- Interviewees see **government assistance programs that restrict where a home can be purchased as modern red-lining** and evidence of unconscious bias (i.e., “You are poor, so you have to qualify by being poor and then you can choose which poor neighborhood you can live in.”) They emphasized the importance of ensuring that potential homebuyers have choices: “We said, if people want to live in these neighborhoods, great. We need to give people choice. If people can only live in these census tracts, that’s not choice.”
- BIPOC homeowners experience **discrimination in home appraisals** and there is no recourse or accountability system for the real estate professionals involved.⁴⁰
- One interviewee described how **realtors’ perception of neighborhoods as being low quality perpetuates this narrative, steering potential homebuyers away and continuing the cycle of disinvestment**. An interviewee shared that rather than researching the neighborhoods (e.g., identifying grocery stores, parks, and community spaces) and driving homebuyers through the neighborhoods, realtors share photographs based on prequalification information.
- Generations of discriminatory practices and policies, exacerbated further by the mortgage crisis of 2008, have led to **distrust and racial trauma**. This has contributed to BIPOC residents being hesitant to seek government assistance for buying a home and resistance to participating in land trusts where a white organization owns the land. One interviewee shared, “For some communities the historic experience of someone else owning your land, the trauma connected with that is very deep...it was visceral...The idea that a white organization owning the land that your house was on is a lot...Some waited and purchased their homes outright instead.”
- As described more below, **BIPOC-led community organizations are still being underinvested in**, despite some positive shifts: “[BIPOC-led organizations] are a starting point for many people, but those interventions are not supported by policies or funding.”
- Several interviewees spoke of the **need for targeted race-specific approaches** across sectors (including in government programs) but recognize that there is strong resistance and risk aversion. One described it this way -- “Blended in with racism is that piece of not focusing, or targeting investment.” Another urged, “We need to look at creation of a special purpose credit program

⁴⁰ FSG interviews.

where we can use race as a determining factor in investment decisions...Very few people are comfortable with that locally. Not at the state level. I tried to get Minnesota Housing involved, they aren't touching it. We need someone to step into that space and say, 'We are going to do that.' We need resources that are intentional and...the scale of resources needs to look different." Relying on legislative funding to support existing resources in a system battered by and built on racism creates a power dynamic that limits local actors' ability to challenge the status quo and generate direct investments and supports for specific BIPOC communities. One local actor acknowledged this tension saying, "When you bring that up in a polarized environment, you risk losing it all." We heard that city government employees have had some success in targeting funds/programs to specific populations, but it requires creativity and rather than being a widely accepted approach.

Current strategies and gaps

Interviewees highlighted several current strategies to increase access to homeownership for BIPOC households in the Twin Cities and shared perspectives on what is both contributing to and impeding progress.

Financial education and credit building/credit repair

- Many interviewees spoke about the need for **multi-year holistic approaches to wealth-building**. Several community organizations we spoke with take a **continuum** approach, recognizing the need to move households to a place of stability before homeownership or starting a business are in reach. They highlighted the long-term consequences of decisions made by policy makers and limited access to resources (e.g., the importance of being an empowered renter, which enables stable, healthy housing and financial stability, thus unlocking the potential for saving and ultimately a path to home ownership).
- Interviewees shared many examples of the **lack of knowledge** regarding credit, financial planning, managing personal finances, and the homeownership process – and the importance of **in-depth financial education that starts early, meets individuals and households where they are, and helps them advance along multiple dimensions simultaneously** (e.g., improving rental conditions, increasing income, repairing and/or building credit). They also emphasized the importance of post-homebuying education to help people make decisions that will contribute to wealth building in the long term (e.g., regarding home repairs, avoiding foreclosure, refinancing, and plans for leveraging and passing assets onto the next generation).
- Several organizations offer **culturally specific** financial education services, recognizing the particular challenges and experiences different racial, ethnic, and immigrant groups face.

Down-payment assistance

Down-payment assistance was frequently mentioned as a key strategy to increasing home ownership in the Twin Cities, yet interviewees named a number of concerns and constraints:

- **Insufficient and inconsistent funds** resulting in a small portion of eligible households being able to access assistance.⁴¹
- **Down payments that are not large enough** to enable purchase of a home in a desirable neighborhood, or homes large enough for larger families.
- **Restrictions on where homes may be bought**, which constrain choices and reinforce patterns of segregation.
- **Challenges navigating the process**, contributing to the process taking so long that people give up or find that home prices have risen since they started, making homeownership once again out of reach.
- Some down-payment assistance programs fail to advance equity in generational wealth building by design. **Means-tested programs limit eligible recipients** of funds by restricting awards to individuals or families who have an income and/or asset level that falls within a designated threshold.⁴² In the Twin Cities, most homeownership programs are capped at 80% AMI.⁴³ This cap makes it more difficult for participants to participate in additional programs available to them or seek higher wage jobs that might push them out of eligibility for the means-tested program, thereby keeping them in poverty. As one local actor said, “The system is designed to keep people poor.” This more often excludes larger families that need the support, but slightly exceed the cutoff. The result is more money going to younger professionals with smaller houses and families.⁴⁴

Investing in cooperatives and land trusts

- **Community land trusts** in Saint Paul have been an effective way to keep homes affordable and produce new homes, while still generating wealth for homeowners.⁴⁵ Previous land transfers have supported expansion of existing trusts, such as the [Rondo Community Trust](#).⁴⁶ Support of the community land trust model helps advance progress toward the fourth objective of the City’s Housing Trust Fund Strategy, which aims to “build wealth for residents and communities.”⁴⁷ Interviewees opined that local government should continue to transfer city and county-owned properties into land trusts or into “some structure that removes it from the speculative market.”

⁴¹ One interviewee raised the question of whether a previously successful city government down payment assistance program would be recapitalized.

⁴² Means-tested programs. INSTITUTE FOR RESEARCH ON POVERTY. Retrieved from [https://www.irp.wisc.edu/research/economic-support/means-tested-programs/#:~:text=Means%2Dtested%20programs%20limit%20eligibility,determined%20threshold%20\(means%20test\)](https://www.irp.wisc.edu/research/economic-support/means-tested-programs/#:~:text=Means%2Dtested%20programs%20limit%20eligibility,determined%20threshold%20(means%20test)).

⁴³ Ford, T. N., & Schuetz, J. (2022, March 9). Workforce housing and middle-income housing subsidies: A Primer. Brookings. Retrieved from <https://www.brookings.edu/blog/up-front/2019/10/29/workforce-housing-and-middle-income-housing-subsidies-a-primer/>.

⁴⁴ FSG interviews.

⁴⁵ Community Land Trust Financing. Saint Paul Minnesota. Retrieved from <https://www.stpaul.gov/housing/housing-trust-fund/community-land-trust-financing>.

⁴⁶ How St. Paul became home to Minnesota’s First Commercial Community Land Trust. Next City. Retrieved, from <https://nextcity.org/urbanist-news/how-st-paul-became-home-to-minnesotas-first-commercial-community-land-trust>.

⁴⁷ Housing Trust Fund strategy. Saint Paul Minnesota. Retrieved from <https://www.stpaul.gov/departments/planning-and-economic-development/housing/housing-trust-fund/housing-trust-fund>.

- One interviewee emphasized the need to focus **on directing funds to BIPOC-owned/led cooperatives**, saying, “We see that the White cooperative work is incredibly funded. If the city invests in this work, it brings another level of affirming the work; helps bring in other funders. Even the City of Saint Paul is picking cooperatives that are already happening, not cooperatives that are still figuring things out.”
- Some interviewees have **reservations about the land trust model because it constrains wealth building through home equity**, and they’ve had experience with participants who are surprised they have not accumulated more wealth upon eventually selling their homes. However, others see land trusts as an important mechanism for ensuring housing affordability in perpetuity, keeping wealth within the community, and enabling stabilization and some level of wealth generation. They see homeownership as just one path to wealth building. Just as wealthy people usually have many parallel strategies for building wealth, owning a home as part of a land trust, even if it has more modest financial returns, can enable an individual or household to make additional investments, such as starting a business, investing in real estate, etc.
- Interviewees also spoke about **knowledge gaps among professionals**, stating that local realtors are **unfamiliar with supporting buying a home built on land held in a trust** like the Rondo Community Trust.

The strategies that surfaced the most through our conversations were mainly focused on the access and demand side of the housing market rather than on the housing supply, though we did hear about the challenges related to development costs. There is more to learn about the impacts of low housing inventory, strategies to increase supply that are rooted in equity, and the resources needed to advance those strategies and solutions.

Solutions

As reflected by the data in this report, the scale of the wealth disparities and the sum of the systemic barriers that are contributing to them are profound and painful. The solutions must be commensurate. The following solutions are informed by interviews, focus groups, and secondary research, and include actions that should be taken by local government, the private sector, grassroots organizations, and a combination of other actors who influence the sector. Additional deliberation is needed to co-design with impacted communities and determine the specific roles each actor should play.

Summary of needed solutions discussed in more detail below:

- Build trust and collaboration between community and government
- Institute race-based policy and financial investments
- Ensure sustainability and accountability
- Increase access to financial education and mentorship resources
- Increase housing stock and affordability
- Engage the banking community to deliver more equitable lending practices
- Support community development

Build trust and collaboration between community and government

Need: Interviews and focus groups surfaced that community members experience a mistrust of government coupled with a lack of meaningful engagement, which impacts government's ability to efficiently serve their needs.

Goal: Build trust and processes for regular engagement between BIPOC communities and the city of Saint Paul.

Solutions:

- Publicly acknowledge, reckon with, and be honest about the role that government has played in perpetuating racial wealth disparities in Saint Paul.
- Increase and sustain physical presence in BIPOC communities via regular community walk throughs, attending community meetings, and other forms of in person engagement.
- Commit to transparency in process and outcomes. Share information with community at every step. Ensure that the information is accurate, comprehensive, honest, and accessible. Be upfront about limitations, power structures, and flexibilities.
- Co-create with community. Validate and incorporate their ideas and recommendations. Acknowledge that they know their community best and pay them for their expertise and time. Create an ongoing mechanism for feedback and clarify how their recommendations were or were not incorporated.
- Accountability is key. Implement processes of accountability that communities feel good about. Trust is built when government does what they say they will do.
- Maintain ongoing relationships with community. Do not just engage with community during election time, solely at moments of tragedy, or for the sake of publicity. Continue communication and engagement.
- Create mechanisms of engagement that capture the perspectives of as many community members as possible. Be aware of gatekeeping and tokenization (i.e., only tapping the same few community members or engaging to check a box).

Institute race-based policy and financial investments

Need: Centuries of racism, economic exclusion and exploitation of Black people and communities will never be fully repaired. However, the widening wealth gap is indicative of an ongoing systemic problem that requires intentional and aggressive solutions. Black Saint Paul residents were intentionally barred from home buying and wealth building opportunities, which propelled decades of residual impacts that include poverty and overall poorer outcomes in all aspects of life. The impacts of the racist policies were astronomical, 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.

Solutions:

- Publicly acknowledge, reckon with, and be honest about the role that government has played in creating and perpetuating racial wealth disparities in Saint Paul, e.g., the destruction of the Rondo community.
- Completely disengage with any processes or policies that continue to contribute to wealth disparities in Saint Paul.
- Initiate a regular cadence of disparity studies to protect the legality of the race-based investments and policies. As a part of the study, determine the amount lost by BIPOC families due to racist policies. Having a clear picture of the debt owed is an important starting point in addressing the disparities.
- Invest in narrative shift about the importance of race targeted solutions as a necessary aspect of addressing past and ongoing harm.
- Make a budgetary commitment specifically intended to address wealth building for Black communities in Saint Paul. A significant percentage of the commitment should go directly to the hands of the people.
 - As a part of this effort, establish permanent funding streams across sectors and levels of government that cover down payment, closing costs, home maintenance funding support, and other financial needs for all BIPOC homebuyers and owners at necessary scale.

Ensure sustainability & accountability

Need: Systems level change requires accountability and sustainability to be embedded in the process. Without them, change can be temporary and unsustainable. Historically, while racist practices have been deemed illegal, they continue to operate socially. In many instances, institutions have found loopholes that allow for the same disparate outcomes. As such, it is critical to address both the legal and the social practices that contribute to the disparities in homeownership and wealth building.

Goal: Develop mechanisms of accountability and sustainability to ensure changes are actualizing in the long term and regardless of political shifts.

Solution:

- Pass laws with specific anti-racism commitments that ensure they live beyond administration/political changes.
- Align cross sector actors and community members to determine specific time-based goals.
- Regular public reporting on progress, including actors who choose not to participate in anti-racist initiatives, in consultation with impacted communities. Expose and sever relationships with any actor who refuses to meet the standards established by the city of Saint Paul in partnership with impacted communities (see more detail below under “Engage the banking community to deliver more equitable lending practices”).
- Explore options for creating accountability for real estate professionals who act in a discriminatory way, e.g., reporting mechanisms with consequences.
- Invest in narrative shift and anti-racist trainings for housing system actors (realtors, lenders, policymakers, etc.) that address biases and raced based perceptions of BIPOC residents and

neighborhoods, in an effort to equitably improve the experience of BIPOC homebuyers and drives decisions.

Increase access to financial education and mentorship resources

Need: Many interviewees and focus group participants named education as a significant need in Saint Paul. More specifically, many named that they were not taught about financial literacy or the benefits of homeownership in building wealth. The city of Saint Paul has a number of actors and organizations who are working to address these needs but lack resources to address the problem at scale.

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

Solutions:

- Incorporate financial literacy education into K-12 school curriculum.
- Development of a network of BIPOC homeowners and seekers who provide ongoing mentorship and share resources.
- Develop navigators who help home seekers navigate the home buying process and advocate on their behalf. The navigator would maintain an ongoing relationship with the homeowner to address questions or concerns that arise even after they are housed in an effort to keep the owner in their home for the long term.

Increase housing stock and affordability

Need: Challenges around housing supply, like external investors and increased construction costs, drive up costs and make homeownership even less accessible for BIPOC communities.

Goal: Increase housing supply, coupled with mechanisms of increasing affordability and access for BIPOC homebuyers in perpetuity.

Solutions:

- Adopt a first right of refusal policy for BIPOC renters to purchase their home.
- Advance policy to minimize barriers and risks for non-profit and affordable housing developers.
- Conduct an audit of all city land use and develop a process/screen for decision making so that opportunities to expand homeownership are always considered.
- Continue to transfer city and county-owned properties into land trusts or into “some structure that removes it from the speculative market.”
- Invest funds directly in BIPOC-owned/led housing cooperatives.
- Increase financial support for small developers to offset rising operation and construction costs, e.g., a loan loss reserve fund for CDCs.
- Take advantage of zoning changes that allow for more multi-family housing units.
- Conduct an equity audit on zoning laws across the city.

Engage the banking community to deliver more equitable lending practices

Need: Racist and inequitable practices in banking and lending are the epicenter of the racial wealth gap and the homeownership disparity. Unfortunately, inequity is deeply engrained in this system, which means that major shifts in lending are necessary for true equity.

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.

Solutions:

- Work with cities across the state, region, and nationally to advocate for banking reforms and accountability mechanisms, including the following:
 - Abolish the current criteria used to determine lending feasibility that includes credit scores, student loans debt, and other criteria for which BIPOC home seekers are disproportionately represented. Replace with a comprehensive and equity based system of lending.
 - Establish a standard for the banking experience across all neighborhoods in Saint Paul that include denial explanations, awareness and encouragement of homebuyer programs/resources, cultural competence, and robust accessibility infrastructure that encompasses the immigrant experience.
 - Strengthen HMDA reporting and transparency requirements on mortgage and lending disaggregated data with a focus on race and other forms of identity.
- Commit to implementing a Special Purpose Credit Program that aims to serve unmet credit needs and create equitable access to credit for BIPOC and other underserved communities. Find more information here: <https://www.consumerfinance.gov/about-us/blog/using-special-purpose-credit-programs-to-serve-unmet-credit-needs/>.
- Test solutions that address home appraisal disparities (potentially in partnership with other cities).
- Expose and sever relationships with banks and lenders who refuse to meet the standards established by the city of Saint Paul in partnership with impacted communities.

Support community development

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

Goal: Embed equity principles and practices into the processes of other city departments to support community development strategies that contribute to the creation of a thriving community and meet the holistic needs of the residents.

Solutions:

- Realign city programming and policies to take a holistic approach to economic support, like that of the Saint Paul Office of Financial Empowerment⁴⁸

⁴⁸ FSG interviews.

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- Co-create community investment priorities with the community and create transparent and accessible tracking systems
- Ensure anti-displacement procedures are in place to combat gentrification as resources flows are increased
- Work with community on anti-racist public safety mechanisms
- Commit funding to upgrade infrastructure, community facilities, housing rehabilitation, public services, community centers, and other investment as outlined by community
- Saint Paul Housing and Redevelopment Authority should increase funding to support the establishment of more community land trusts, with a focus on trusts led by persons of color

Entrepreneurship

The role of entrepreneurship in building wealth

Owning a small business can be a pathway to building wealth for an individual, their family, and the broader community, and evidence suggests that it can be an effective strategy for closing the racial wealth gap. A 2016 report by the Association for Enterprise Opportunity 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 prior to launching a business. Furthermore, business ownership creates new wealth faster compared to 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. The potential for wealth building extends beyond the business owner because small businesses tend to hire from the community, thereby creating opportunities for economic empowerment. Ninety-six percent of Black owned businesses are non-employer firms compared to just eighty-one percent of all firms. 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. Interviewees spoke of entrepreneurship as a means of asset building, leadership, and power building: “We want to give people control. We do that through giving them ownership of businesses, where they can have a say in governance; usually in their own workplace. And broadly, the ability to have more than just a wage job where you can get fired at any point and not have a say.”

However, despite the potential for entrepreneurship to be a path to wealth building for BIPOC communities, a number of conditions need to be met. A history of racist policies have intentionally inhibited wealth building opportunities for BIPOC communities. The impacts of these policies are still being felt today. First, BIPOC business owners face many systemic barriers that make it more difficult to start, stabilize, and scale their businesses. As a result, BIPOC owned businesses are more likely to fail. At the start, BIPOC entrepreneurs are less likely to have startup funding from their own assets or from friends or family. Without assets for collateral and a track record of business success, it is more difficult for BIPOC entrepreneurs to attain bank loans or other traditional mechanisms of funding. Furthermore, without savings to cushion against unexpected events or income volatility, BIPOC entrepreneurs are at a higher risk of missing payments, which can later impact their ability to secure additional business funding. They are also more likely to use high interest financing options such as credit cards, which exacerbate the challenges. Interviewees also emphasized that it is important for entrepreneurs to own the assets that underlie their business – “ownership of the building and making sure that it is legally separate from the business, so regardless of the outcome people can leave with the outcome of an asset that can support their next thing.” For entrepreneurship to serve as a vehicle for wealth building for BIPOC business owners, the structural challenges have to be addressed.

Racial inequities in entrepreneurship by the numbers

Our interviews and secondary research confirm that the systemic barriers facing BIPOC entrepreneurs nationally are present in the Twin Cities. BIPOC entrepreneurs have made economic contributions to the region in spite of many ongoing challenges. Those challenges have created significant disparity in entrepreneurship representation, growth, and opportunity:

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- Black residents represent 9.5% of the Minneapolis/Saint Paul metropolitan statistical area (MSA); however, Black-owned businesses only comprise 1.8% of all firms and have 0.9% share of sales. At the state-level, Black-owned businesses have a larger share – growing from 2.4% in 2007 to 5.1% in 2017.
- There is a gap in the number of startups: While BIPOC residents are 44.4% of the population, BIPOC-led startups only represent 10.2% of all new firms in the Minneapolis-Saint Paul MSA, while White-led startups represent 89.8%⁴⁹
- There is a gap in the distribution of sales: BIPOC-led startups only have a 5.8% share of sales among firms in the Minneapolis-Saint Paul MSA, while White-led startups have 96.2% share of sales⁵⁰

A Brookings Institution study estimates the economic and community losses of these inequities by calculating the potential impact of Black businesses reaching parity with all businesses in the Twin Cities:

- If the average pay to employees of Black-owned businesses matched the average pay of all businesses, it would increase overall total pay in the region by approximately \$989,927,936
- If the average number of jobs created by Black business reached parity with the average for all businesses, it would create approximately 9,512 new jobs in the Twin Cities
- If the number of Black businesses in the Twin Cities relative to the Black population matched the overall business per capita rate in the city, and the employees per Black owned firm matched the average business, it would create 178,961 jobs.⁵¹

The data reflects the stark disparities in entrepreneurial opportunity and success for BIPOC small business owners. The challenges expressed by aspiring and current entrepreneurs, coupled with the secondary research, paint a holistic picture of the current state of BIPOC entrepreneurship, the barriers, and areas of opportunity to support their needs.

Barriers to an equitable landscape for small business

Access to credit and capital

Limited access to financing is the largest barrier that creates and exacerbates racial inequities in entrepreneurship. Entrepreneurs' first line of credit is usually their own or their families. Generational wealth has been limited in BIPOC communities in large part due to racial discrimination in homeownership and other forms of wealth building. As a result, White entrepreneurs are much more likely to have access to personal and family financing and collateral, which in turn increases their likelihood to receive additional business loans.⁵² On average, White entrepreneurs in the United States

⁴⁹ Data compiled by the Urban Institute.

⁵⁰ Data compiled by the Urban Institute.

⁵¹ Perry, A. M., Seo, R., Barr, A., Romer, C., & Broady, K. E. (2022, March 31). Black-owned businesses in U.S. cities: The Challenges, solutions, and opportunities for prosperity. Brookings. Retrieved from <https://www.brookings.edu/research/black-owned-businesses-in-u-s-cities-the-challenges-solutions-and-opportunities-for-prosperity/>.

⁵² The Color of Entrepreneurship: Why the racial gap among firms costs the U.S. billions. Center for Global Policy Solutions. Retrieved from <http://globalpolicysolutions.org/report/color-entrepreneurship-racial-gap-among-firms-costs-u-s-billions/>.

receive five times more funding from family than Black entrepreneurs.⁵³ BIPOC entrepreneurs also face a costlier and more liability-burdened path to capital, often relying on personal credit cards.⁵⁴ This in turn increases their debt-to-income ratio, making it more difficult to secure a bank loan. Nationally, large banks approve only 29% of loans sought by Black small business owners compared with 60% of White small businesses owners.⁵⁵ Racial biases have also led to limited access to venture capital funding for Black and LatinX entrepreneurs - since 2016, Black and LatinX owned businesses in the United States received less than 3% of distributed venture capital funding.

These trends manifest at the local level. In 2020, BIPOC startups in the Minneapolis-Saint Paul MSA received only 5% of the \$1.3 billion venture capital funding invested in local entrepreneurs. Interviewees called out the lack of seed funding as a significant barrier to entry. One said, “For startups, the seed funding is critical because doing a startup is like doing a second job. At first you are volunteering your time, because you don’t have a business that is paying you. Maybe you’ll get that time back as a founder of a successful company, but that could be years...If you could pay someone full time or strong part time to get these off the ground, that could be magical, if they have the right skills and drive.” Another interviewee emphasized that financial assistance is often needed to capitalize the business, i.e., “funding the actual equipment, space, operations.” Banks’ preference to make larger investments that are lower risk than startups and small community businesses can make it difficult to receive private loans. One interviewee said, “Banks want to start at loan amounts that are often too big for smaller businesses. We need bridge loans between a \$200k loan and starting microloans.” Interviewees shared that even when entrepreneurs are able to attain bank loans, they face unfair and discriminatory interest rates: “Is it [current lending] affordable to our own client? Do they have to make hundreds of additional sales to cover interest? They would be able to get by just fine if they had fair interest rates.”

Education and technical assistance

Focus group participants emphasized the importance of education to create awareness of entrepreneurship as a path to wealth building. One shared, “So when we think about entrepreneurship and business, education is important because education prepares you to enter these conversations.” Other participants called out that traditional education doesn’t always emphasize entrepreneurship as a means of wealth building. Instead, most of the training is focused on how to be an employee. Participants across the board wish they had more educational resources and learned the benefits of entrepreneurship earlier on.

Interviewees emphasized the importance of wraparound services and long-term/locked in technical assistance. Every business will need “multiple sectors of support” and whereas there are often supports for business launch, there is a gap in ongoing supports to help entrepreneurs weather challenges and grow. One shared, “You get a financial assistant who says, ‘We got your back for the next five years.’”

⁵³ NBER working paper series black and white. Retrieved from https://www.nber.org/system/files/working_papers/w28154/w28154.pdf.

⁵⁴ Startup financing trends by Race: How Access to capital impacts. Retrieved from https://www.kauffman.org/wp-content/uploads/2019/12/ase_brief_startup_financing_by_race.pdf.

⁵⁵ Dua, A., Mahajan, D., Millán, I., & Stewart, S. (2022, July 14). Covid-19's effect on minority-owned small businesses in the United States. McKinsey & Company. Retrieved from <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states>.

That kind of thing could be amazing. Often with a consultant it is hard. [They say,] ‘I can show you these tools and give you an introduction to them and then good luck.’”

Knowledge capital, networks, and gatekeeping

Beyond support for developing business acumen, interviewees and focus group participants highlighted the inequities in knowledge capital and access to networks, as well as the harmful impacts of gatekeeping. Interviewees shared that financial institutions often extend more knowledge capital to White entrepreneurs. For example, banks expect to see certain details in a pro forma (business plan) and anecdotal evidence suggests that when they are missing, they are more likely to point this out to White entrepreneurs, whereas BIPOC entrepreneurs are denied without explanation.

Information and resources are dependent on relationships. One focus group participant observed, “The government has a lot of money and companies have all of this money to be invested. But the way in which this money flows has to do with relationships, who [someone] knows.” BIPOC entrepreneurs are often victims of gatekeeping, which can be a major inhibitor to their growth and scale. And even when BIPOC representation is facilitated, it is often experienced as tokenizing: “And when they're invited to come to a place, no, they're invited for the token, so a few faces of color can be seen around.”

Navigating bureaucracy

Focus group participants and interviewees also called out the challenges around maneuvering through city processes, which are rigid and complicated. For many, the ability to navigate the system and complete all of the requisite paperwork makes the difference between accessing opportunities or not, and the time the process takes can deepen financial precarity. Interviewees see an opportunity to use technology to modernize government processes so that entrepreneurs experience an efficient and coherent process. One interviewee described it this way:

Most of our time is spent telling folks that they registered but not with the secretary of state or they don't have an employee identification number. That can take months or longer to get because of backlog...But your livelihood depends on your opening up a business. There are ways government can modernize anything. Saint Paul is leading in modernizing their services but there's still a long way to go. How does signing up for the state not trigger a reminder for other things or [enable you to] just do everything in one sitting? We have the mechanisms to invest in the technology. We should use funds to modernize government as a whole.

Stereotypes and racial trauma

Race and identity played a major role in the experience of focus group participants. Participants named being stereotyped and underestimated in their work because of their identity:

“Even in housekeeping, as simple as that sounds, it was always male dominated. And I was always received as the housekeeper, not the business owner. So in addition to being Hispanic, it was always the stereotype, she's Hispanic or whatever she is, she's probably the housekeeper. Let's wait for the business owner for the billing or the employees.”

“Just getting into bigger accounts involved a lot of barriers. I always had to go through a contractor, who was male and white.”

“But since you saw me, you assumed that I didn't speak the language. You assumed I didn't understand. You assumed so much. It was a huge barrier for me to stay in the business because they were like, ‘Do you know how to use the machines?’ I was being questioned about my ability, yet at the end of the work, they were so amazed and surprised.”

Interviewees also spoke about the way that racial trauma shapes BIPOC entrepreneurs' vision of what is possible. One explained, “And then there's trauma and how that shows up in people's lives. Most of my clients are people of color, mostly African American, a lot of trauma...We go through this whole process in my class -- we're in financial planning -- everybody's eyes all glaze over and they talk about being overwhelmed by all these variables...And they start seeing the numbers? Oh it's going to cost half a million dollars, \$200k, \$100k. When you have a mindset of lack those numbers can be very intimidating, very scary. I think the trauma plays into that, specifically for [the BIPOC] community, that sense of lack, that sense of scarcity is embedded.”

Cultural incompetency and differences are another significant contributor to the disparities in how BIPOC businesses are supported by the city of Saint Paul. City processes do not value cultural forms of wealth building or entrepreneurship. Many business owners in Saint Paul come from communities that value businesses outside of the traditional structures. One participant notes, “And it shouldn't be awkward that they want to work from home too. Or sell from those stands, it shouldn't be ghetto. It shouldn't be frowned upon. It's like, oh, it's cute when a kid does the little lemonade stands, but when you see an adult doing their barbecue, it's all of a sudden not right.”

Specific challenges for immigrant entrepreneurs

An entrepreneur's immigration status can also have a heavy influence on their access to credit. Stringent government requirements around documentation and immigration status, including the difficulty in obtaining a social security number, makes it more difficult for immigrants to access credit. One interviewee explained, “Not having a social security number and having to use a license number [prolongs and disrupts the approval process]. Or a new immigrant that does have a social security number but has a low credit score because they are just beginning.” Another observed, “Only three banks will loan to someone with a Tax ID number instead of a social security number. Only having access to three banks is already a systemic barrier. It's not a law but a policy decision by the banks.”

Lending circles and other cooperative models of financing are common in the Latino community and other immigrant communities in Saint Paul. This community asset can inadvertently contribute to challenges accessing loans and other capital from traditional financial institutions if participants co-mingle funds or don't have a clear paper trail. There is also a lack of understanding of the tax system,

particularly in Saint Paul's immigrant communities, which results in oversight of wealth-building opportunities.⁵⁶ One local actor noted that private accountants do not serve these communities justly: "You can move up in your wealth building if you do [taxes] right. Nobody understands the tax systems. Few [accountants] who do taxes for our community do it in a way to save [entrepreneurs] money."

⁵⁶ FSG interviews.

Landscape of actors

There are a number of critical actors in Saint Paul that work to support BIPOC entrepreneurship. The list below is not exhaustive but aims to capture a glimpse of that ecosystem and the services they provide.

Non-profit	
<u>AEDS (African Economic Development Solutions)</u>	A resource center providing African immigrants and entrepreneurs in Saint Paul with business development and skill trainings, financial literacy workshops, lending services, and networking opportunities.
<u>Latino Chamber of Commerce of Minnesota</u>	A resources and network center offering a multitude of services to the Latino community in Minnesota with a focus on business and workforce development. In partnership with many community organizations, they offer job/skills trainings, networking, mentoring, financial and legal advising, and startup consultations. The Chamber also educates members on relevant policy issues and candidates and advocates for positions voted on by members.
<u>Meda</u>	A service and resource center providing business consulting services, loan products, and connections to opportunities for BIPOC-owned businesses in the Twin Cities.
<u>Metropolitan Consortium of Community Developers (MCCD)</u>	An association of non-profits providing entrepreneurs in the Twin Cities with free business consulting services, business loans, and mentoring and networking opportunities.
<u>NDC</u>	A placed-based initiative that offers a wide range of services to support entrepreneurs in the Twin Cities, including trainings, business services, business loans, incubators, and real estate. NDC rates are on a sliding scale based on entrepreneurs' household income and family size.
<u>Nexus Community Partners</u>	A community organization providing a variety of services to uplift communities of color and close racial wealth gaps in the Twin Cities. A few services offered include business development and transition consulting, promoting employee-owned business models, and leadership trainings. In 2023, Nexus will launch a sabbatical program for BIPOC business owners.
<u>The Latino Economic Development Center</u>	A resource center providing the Latino community of Saint Paul with low-cost business development and skill trainings, certification programs, loan services, entrepreneur scholarship funds, incubators, and agricultural services.
<u>The Minnesota Black Chamber of Commerce</u>	A resource and network center that provides business and registration guides, mentorship programming, and network development opportunities to Black business owners in Minnesota.
<u>Model Cities</u>	A community organization that provides home ownership, youth, family, commercial development, and residential development services in the Twin Cities.

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CLUES (Comunidades Latinas Unidas En Servicio)	CLUES advances social and economic equity and wellbeing for Latinos by building upon their strengths and cultures, uplifting community, and activating leadership for systemic change.
Rondo Community Land Trust	Rondo Community Land Trust (CLT) is a community based affordable housing and commercial land trust operating in Saint Paul and Suburban Ramsey County. Rondo CLT builds community wealth and neighborhood stability through the development and stewardship of perpetually affordable homeownership opportunities, rental housing, commercial space, and other community assets.
The Alliance	The Alliance is a coalition of community-based organizations and advocacy groups building shared power to advance strategic campaigns around the intersections of racial justice, economic justice, environmental justice, and health equity. Their mission is to advance justice and equity in economic growth and land development in the Twin Cities region.

Government	
City of Saint Paul Business Resource Center	The Business Resource Center provides Saint Paul businesses with a number of resources that include general business consultation, technical assistance, funding support, and business licensing.
City of Saint Paul Department of Economic Development & Planning	The Department of Planning and Economic Development (PED) builds community wealth through business, housing, jobs, planning, and financial and cultural assets.
City of Saint Paul Supplier Diversity Program	A new pilot program led by the City of Saint Paul currently in development with Strong & Starlike Consulting and the Minnesota Minority Goods & Services Association. This program will seek to deepen and create more meaningful engagements with the local business community. Recommendations for the pilot design are set to be revealed in 2022.
City of Saint Paul Office of Financial Empowerment	The OFE acknowledges that “decades of deliberately harmful choices, from redlining to the path of I-94, have stripped wealth and opportunity from our Black, Indigenous, immigrant and refugee communities.” OFE is working deliberately to help a new generation of Saint Paul residents repair those generational injustices and build equitable economic power for decades to come.
Minnesota Employment and Economic Development’s Small Business Assistance Office	A resource center offering business consultations, guidebooks, and additional services to reduce entry and development barriers for small businesses and startups in Saint Paul.

Public-Private Partnership	
The University of St. Thomas Small Business Development Center (SBDC)	A free resource center offering business-consulting services to businesses and startups in the Twin Cities, with an emphasis on growth strategies (sales, profitability, and expanding customer base).

Note that financial institutions including banks, credit unions, and CDFIs are also critical actors in the entrepreneurial ecosystem not included in this overview.

Commentary on the landscape

Our interviews surfaced specific reflections on several players in the ecosystem:

- Interviewees shared about **the importance of community-based organizations with deep community relationships and culturally specific approaches**. There is a perception that these organizations are under-resourced and underappreciated, and several interviewees advised investing more in these organizations rather than having city government play a stronger role in direct service. CBOs offering culturally specific supports include African Economic Development Solutions, CLUES (Comunidades Latinas Unidas En Servicio), and others described in the table above.
- We heard from an interviewee that the Twin Cities have a “**robust network for community development financial institutions** to support the small business sector,” but we did not have the opportunity to learn more.
- Multiple interviewees see an opportunity for **corporations with headquarters in the Twin Cities to play a stronger role as anchor institutions**. In this role, both the city and corporations can help existing entrepreneurs access new markets. One interviewee said, “Other assets that go unnoticed or challenged is we have headquarters – [that] could function as anchor institutions that really go completely invisible and there isn’t an adequate challenge to them to really change behavior or how they invest that would be a benefit to entrepreneurship, not just in food related businesses. Those are assets that haven’t been fully tapped into.” Focus group participants shared that larger corporations lack meaningful engagement with BIPOC businesses. Companies often tokenize BIPOC communities and do not invest in communities in a way that matches their stated commitments. Larger companies do not pay BIPOC small business in a timely manner, which can be devastating. They also ask for discounts or low ball them on payments—all reflective of their biased perceptions of BIPOC businesses and owners.

“You'll have companies that say, ‘We're all about diversity, we're all about supporting, we're committed to communities of color,’ but then when it comes to working with companies, like minority-owned business [purchasing programs], there is a lot of paperwork, the process is not easy, it's very cumbersome. They have to set you up in the system and all that.”

“Then you don't get paid, you don't get paid, only after you have already offered the services, many times, months after you have, and then you have to be checking with them and ‘Hey, do you have everything you need?’ And then eventually at some point, down the road in three, four months is when they pay you.”

“So when you hire them or when you contract with them to perform a service for you and you don't pay them for three, four months, you are working with their money. So it's like, okay, here you have a billion dollar, large, multinational, sometimes big Fortune 500 company with millions in earnings, holding money from this little mom and pop or young individual person that is trying to make a living.”

- One interviewee shared that there is an opportunity to **support BIPOC entrepreneurs in the health space**: “There’s an opportunity for multiple outcomes to be achieved around quality of care that people receive, the wealth created, good paying jobs, the potential wealth for the owners of it. Ownership of a clinic you could have community members that own it and other people who operate it.”

Ecosystem Dynamics

Overlooking the informal economy and micro businesses

Many of the current interventions/supports are not designed to reach entrepreneurs in the informal economy and micro business owners. Home-based business models, primarily operated by BIPOC entrepreneurs, are not as supported through legal structures, making them more difficult to scale.⁵⁷ The nature and complexity of navigating legal structures often leads to these businesses staying under the radar, which further prevents them from taking advantage of resources and supports available through community organizations and government programs.⁵⁸ Beyond the loss of these supports, running an informal or micro business can further perpetuate lack of credit access, not only in their entrepreneurial pursuits, but also to acquire other assets to build generational wealth. One interviewee said, “People can’t find money to start their business in a formal way. They run it through their home, a cash business, which prevents them from being able to grow. And they aren’t able to prove they have a steady income, so how am I going to be able to buy a house or even rent an apartment?”

Fragmented programming

Interventions and support systems in Saint Paul are fragmented and lack pull through. Not only can this lead to inefficiency in the solutions space, but it can also cause confusion as entrepreneurs try to

⁵⁷ FSG interviews.

⁵⁸ FSG interviews.

navigate the system to identify which supports they need the most and have available to them.⁵⁹ One local actor noted, “The Twin Cities has a tremendous amount of nonprofit infrastructure, TA expertise, loan and grant programs. The challenge is each one has a specialty and you have to work with two and a half of them to get what you need.”

Collaboration and investment in existing supports can help foster a stronger community, shifting ecosystem dynamics to become more favorable. One local actor shared that during the Covid-19 pandemic, local businesses “came together because the relief dollars were not getting to small businesses and wanted to ensure that happened. Shows what can happen when you invest in the ecosystem.”

Low trust

Although the legal structures are difficult to navigate, low trust and a negative perception of local government also prevents entrepreneurs in Saint Paul from seeking government resources. The local government is seen less as a resource and more as an enforcer. One local actor noted this tension, stating, “Covid relief going through government entities failed because people weren’t looking to them for relief.”

White-centered programming

Interviewees shared that many resources and programs available in Saint Paul often center on the White experience. One local actor emphasized the disconnect of culture present in local resources saying, “...in the Latino community things are done differently because of our culture. We often have multi-generational families. That creates a problem when they are trying to receive assistance, or put together their income.” Support for BIPOC entrepreneurs requires an approach that is sensitive to the history of racist policies, the current state of disparities, and the complexity of the solutions.

One interviewee wondered, “How do cities think about reparations? Even if not at the federal scale but there’s ways cities can be thinking about this and undoing the harm. Correct the level of disinvestment in our communities--it has been deeply systemic...There is a sentiment of deservingness that is rooted in racism across all systems. This idea that certain people have to do certain things to deserve more. Its more about power and we believe that equitable investment is about justice but also how you make a city/community thrive.”

Focus group participants also named the lack of culturally competent support. Business ideas that came from non-White aspiring entrepreneurs are received differently. Perceptions about the validity of their ideas and the level of risk involved are tied to their identity, which impacts the resources and support given to them. One community member mentioned that unless a business owner receives support from others within the ecosystem, their ideas are not validated, which can be daunting for the aspirant. He added, “Some of the biggest ideas in the world when they were presented for the first time, people thought they were the craziest ideas.” In many ways, BIPOC entrepreneurs are pressured to more humble and less confident at the start. While it is important to be receptive to feedback, perceptions about the validity of their ideas should not be tied to their identities.

⁵⁹ FSG interviews.

Current strategies and gaps

Interviewees highlighted several current strategies to support BIPOC entrepreneurship in the Twin Cities and shared perspectives on what is both contributing to and impeding progress.

Access to credit and capital

Several programs are working to fill gaps in access to credit. Family Assets for Independence in Minnesota's (FAIM) 3:1 match savings program helps build capital that can be invested in homeownership, a business, or to pay off college debt. They also provide credit rebuild tools that assist individuals in navigating/paying off predatory loans.⁶⁰ The Minnesota Emerging Entrepreneur Loan Program provides grant funding, through DEED, to certified non-profits, which then offer loans to low-income- and minority-owned businesses.⁶¹ Some of the local actors offering these loan products include Meda, Metropolitan Consortium of Community Developers, and the Latino Economic Development Center among others.⁶² Interviewees also noted that there are CDFIs that offer resources but have challenges with scale. Similarly, interviewees noted that larger financial institutions like banks are only interested in bigger loans in the hundred thousand dollar realm, whereas micro business may only need and be ready to take on smaller loans that the banks are not interested in advancing. BIPOC businesses need funding that meets their evolving needs at every stage.

Cooperative models

Co-ops have played a strong role in building community wealth in BIPOC communities throughout history, especially in predominantly Black neighborhoods.⁶³ According to a study by Project Equity, co-ops enhance workers' wealth by allowing them to "build assets through business ownership."⁶⁴ Local actors echoed this sentiment and expressed the opportunity to expand the number of commercial real estate co-ops.⁶⁵ Local actors are focused on both supporting the launch of new cooperatively owned businesses and converting existing businesses into worker-owned structures; the latter is generally seen as more promising because of the high failure rate of startups. However, it requires unique mechanisms to protect the interests of both the seller and buyer during the conversion process. Co-ops have unique legal structures and require thoughtfulness and expertise to create ownership arrangements that serve everyone and which are sustainable; the ecosystem could use more support of this type. There is also a specific opportunity to convert businesses from retiring business owners into worker-owned coops.

Interviewees would like to see tax breaks to support cooperatives (both cooperatively owned businesses and land trusts). They pointed to examples in other countries where the portion of business proceeds that are invested in the community are not taxed.

⁶⁰ Family assets for independence in Minnesota. Minnesota FAIM. Retrieved from <http://www.minnesotafaim.org/>.

⁶¹ Emerging entrepreneur loan program. Minnesota Department of Employment and Economic Development. (2022, September 14). Retrieved from <https://mn.gov/deed/business/financing-business/deed-programs/elp/>

⁶² Emerging entrepreneur loan program approved lenders - Minnesota. Retrieved from https://mn.gov/deed/assets/elp-lender-directory_tcm1045-270227.pdf.

⁶³ A brief history of black cooperatives in the U.S. Grassroots Economic Organizing. Retrieved from <https://geo.coop/articles/brief-history-black-cooperatives-us>.

⁶⁴ The case for employee ownership - project equity. (p16). Retrieved from https://www.project-equity.org/wp-content/uploads/2020/05/The-Case-for-Employee-Ownership_Project-Equity_May-2020.pdf.

⁶⁵ FSG interviews.

Culture as an asset and economic driver

Interviewees see culture as an under leveraged asset for creating a flourishing BIPOC entrepreneurial landscape in the Twin Cities. They pointed to the Night Market and African Mall as successful examples. Culture can create lucrative business opportunities; furthermore, the culture of collaboration and shared ownership held by many BIPOC communities can be leveraged. Whereas in the American dominant culture mindset “it’s hard to trust and [people want to be] a millionaire rather than a shared billionaire,” BIPOC communities hold cultural knowledge of collaborative approaches.

Legacy owned Black businesses (and other locally owned BIPOC businesses) are “cultural hubs,” places “where the elders gather,” and represent community assets in places where displacement from highways and other forces have destroyed so much community wealth. One interviewee shared, “Small business has two roles -- a social, cultural role, and they meet the needs of our community. Commercial corridors are critical. If we lose those, our neighborhoods go with them.” Saint Paul’s Cultural & Neighborhood STAR Programs are perceived to be working well and interviewees would like to see the city invest in them more heavily in order to “advance entrepreneurship...and preserve assets in cultural corridors.” Interviewees also see an opportunity to support creative businesses more and create a narrative and pathways of opportunity for artists as entrepreneurs.

Transition planning

In 2017, 45% of small businesses in the Twin Cities were predicted to close due to lack of a succession plan or difficulty finding a buyer.⁶⁶ The significant population of Baby Boomer-owned businesses in Saint Paul is a threat to the local business community. In Ramsey County, which includes the city of Saint Paul, 53% of businesses are owned by individuals aged 55 and older. This is approximately 4,800 businesses with combined revenues exceeding \$12 billion.⁶⁷ However, the “silver tsunami” is also an opportunity – with appropriate support, many of these companies could be transferred to new owners, keeping wealth within the community and creating opportunities for new business owners, including BIPOC entrepreneurs.

Community development

Interviewees and focus group participants emphasized that community development must happen in tandem with entrepreneurship support. Quality communities support thriving small businesses. Focus group participants called out the need for holistic community support. They want to keep their businesses in their own communities but find it challenging when the community lacks resources that can help it thrive. Entrepreneurs named that they have been encouraged to relocate their businesses outside of BIPOC neighborhoods if they want to succeed and grow. One said, “Well, [community development] does tie into business. I think the high crime rates and the deteriorating buildings have been a barrier that we need to change...I wanted my community to have the same attention as Woodbury. I don’t want to have to drive to Woodbury to get a nice restaurant. I want to stay in my

⁶⁶ Nexus and Project Equity release data on the potential small business crisis in the Twin Cities. Nexus Community Partners. (2017, May 25). Retrieved from <https://www.nexuscp.org/nexus-and-project-equity-release-data-on-the-potential-small-business-crisis-in-the-twin-cities/>.

⁶⁷ Minnesota statistics for businesses. Nexus Community Partners. (2021, May 4). Retrieved from <https://www.nexuscp.org/our-work/worker-ownership-initiative/minnesota-statistics-for-businesses/>.

community, but then when people ask me they say, ‘Maybe you should go work in Edina. I don't want my purse being stolen or my car.’” BIPOC entrepreneurs should be able to stay in their own communities and experience economic growth. Improving the quality of life for the entire community would have positive residual impacts for entrepreneurs and small business owners.

Solutions

As reflected by the data in this report, the scale of the wealth disparities and the sum of the systemic barriers that are contributing to them are profound and painful. The solutions must be commensurate. The following solutions are informed by interviews, focus groups, and secondary research, and include actions that should be taken by local government, the private sector, grassroots organizations, and a combination of other actors who influence the sector. Additional deliberation is needed to co-design with impacted communities and determine the specific roles each actor should play.

Increase educational and technical resources and knowledge capital for BIPOC entrepreneurs

Need: Interviewees and focus group participants named that lack of knowledge capital (i.e., knowledge about how systems work that is extended to some but not others) and educational resources are a major growth inhibitor. Entrepreneurs need lifelong wraparound services that meet all of their unique needs, support them in navigating complex systems and processes, provide advocacy on their behalf when necessary, and aid them through inevitable business challenges.

Goal: Increase educational resources and provide wraparound services that meet the needs of BIPOC entrepreneurs at scale.

Solutions

- Partner with Saint Paul Public Schools to provide entrepreneurship education
- Invest in a broad set of existing and new resources that are informed by BIPOC entrepreneurs, accessible, culturally competent, and responsive at scale. Prioritize funding culturally-specific community organizations.
 - Holistic, long-term, and trauma-informed financial education and planning
 - Multi-year wraparound technical assistance including business planning, marketing, legal advice, and support for scaling
- Establish and/or invest in an advocate role/department/organization to help entrepreneurs navigate government, nonprofit, and private sector programs/services/processes across departments and jurisdictions; ensure that navigators are trained in implicit bias and anti-racism
- Expand and create additional channels in city government for listening to BIPOC entrepreneurs, co-creation of solutions, and joint decision-making

Institute race-based policy and investments

Need: The leading barrier for BIPOC entrepreneurs is access to capital, seed funding, and other financial resources. The racial wealth disparity is a major contributor to this lack of access to capital and needs to

be addressed directly by providing meaningful financial support to BIPOC entrepreneurs. Simultaneously, racism exists within traditional financing mechanisms extended by lending institutions. Both sides of this issue need to be solved for BIPOC entrepreneurs to have equitable access to opportunity.

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

Solutions

- Publicly acknowledge, reckon with, and be honest about the role that government has played in perpetuating racial wealth disparities in Saint Paul, e.g., the destruction of the Rondo community
- Identify ongoing processes or policies that perpetuate wealth disparities in Saint Paul and discontinue them
- Initiate a regular cadence of disparity studies to protect the legality of race-based investments and policies. As a part of the study, determine the amount of wealth lost by BIPOC families due to racist policies. Having a clear picture of the debt owed is an important starting point in addressing the disparities.
- Invest in narrative shift about the importance of race-targeted solutions as a necessary aspect of addressing past and ongoing harm.
- Make a budgetary commitment specifically intended to address the holistic financial needs of BIPOC entrepreneurs in Saint Paul. A significant percentage of the commitment should go directly into the hands of business owners
 - Ensure that funding sources are flexible, accessible, and rightsized for the business
 - Provide seed funding and credit access, including startup funds to cover entrepreneurs' living expenses and funds to enable entrepreneurs to own business assets (e.g., building, equipment); include resources for micro business
 - Support immigrant businesses by providing loans and financial resources with flexible application criteria, including use of a tax ID number, and develop approaches that leverage nontraditional savings mechanisms like lending circles
 - When developing policies or programs, consider the unique characteristics of microbusinesses and ensure that interventions target the specific needs of these businesses
- Leverage and invest in cultural businesses and hubs as a critical economic driver for the city, including investing in marketing opportunities and additional financing resources
- Evaluate government programs to identify cultural disconnects (e.g., look at participant data and conduct survey and/or listening sessions to understand which racial and ethnic groups are accessing government programs and barriers encountered; consider how and where programs are advertised, language accessibility, level of fluency and support for lending circles, home businesses, and other business practices common in BIPOC and immigrant communities, and awareness of implicit bias and how that shapes perception of risk)
- Invest in and facilitate opportunities for BIPOC worker ownership, through both new business and conversions

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- Invest in programming to help co-ops create more inclusive governance structures
- Explore tax breaks for cooperatives who invest proceeds in the community
- Proactively identify legacy businesses in BIPOC communities whose owners are of retirement age to offer support with business continuity, conversion to a co-op structure, or other strategies that keep business assets in BIPOC community hands
- Invest in pathways to community ownership of commercial property in perpetuity

Enhance collaboration and accountability across ecosystem actors

Need: Saint Paul has a rich ecosystem of organizations that support entrepreneurs in the city. These organizations are often working in silos, limiting the reinforcement of their activities. This makes it challenging for BIPOC entrepreneurs to access the services they need and makes the interventions less effective at growing Saint Paul's overall economy. Better coordination would allow organizations to proactively focus their efforts on an aligned set of goals. Furthermore, there is an opportunity to establish cross-sector norms to ensure that all sectors contribute to a supportive and equitable entrepreneurial ecosystem.

Goal: Enhance collaboration and accountability across the ecosystem of actors supporting BIPOC entrepreneurs in Saint Paul.

Solutions:

- Convene actors for joint sense-making of existing research/reports/plans and facilitate shared prioritization across efforts (in coordination with existing coalitions)
- Map where resources exist by stage of business (and other categories, e.g., culturally-specific) and strengthen referral system
- Hold cross-sector racial equity training on topics including implicit bias, systemic barriers impacting BIPOC and immigrant entrepreneurs, and how to engage BIPOC organizations and individuals without tokenization or perpetuating harmful gatekeeping
- Consider aligning economic development efforts to build industry clusters
 - Specifically explore opportunities to support healthcare entrepreneurs
- Create uniform and public tracking system to enable all actors and residents to track progress on government commitments
- Establish community-wide norms for financial institutions to support BIPOC entrepreneurs
 - Policy to extend knowledge capital to all entrepreneurs (e.g., explanation of reason for denial of loan, referral to TA providers)
 - Provision of right-sized loans
 - Design of offerings taking into consideration microbusinesses, immigrants (e.g., ability to apply for loans with a tax ID number in lieu of SSN), and the "informal economy" (e.g., lending circles)
 - Expanding access to venture capital funding for BIPOC entrepreneurs
- Build cross-sector commitment to prioritize small businesses as preferred vendors
- Set minimum standards of engagement for the major Fortune 500 employers in Saint Paul, as well as large healthcare and education institutions, including minimum community engagement, local

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procurement policies (including preferences for BIPOC- and women-owned businesses), investment standards, hiring, and career pipelines

- Work with state and county departments to modernize government processes, ensuring a user-friendly, efficient, coherent, and culturally responsive experience for entrepreneurs

Appendix A: Acknowledgements

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City of Saint Paul, Department of Planning and Economic Development

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Joo Hee Pomplun, Executive Director
The Alliance

Jeffrey Robinson, Senior Program Director
Build Wealth MN, Inc

Katherine Ross, Associate Director of
Development
**Comunidades Latinas Unidas En Servicio
(CLUES)**

Cira Sanchez, Director of Family Enrichment
Services
**Comunidades Latinas Unidas En Servicio
(CLUES)**

Ellen Sahli, President
The Family Housing Fund

Nkuli Shongwe, Community Wealth Building
Coordinator
Nexus Community Partners

Kim Smith-Moore, Senior Director,
Homeownership Programs
Minnesota Homeownership Center

Gabrielle Spurzem, Equity and Inclusion
Coordinator
City of Saint Paul

Shereese Turner, Chief Program Officer
Twin Cities Habitat for Humanity

Benjamin Tsai, Director of Community
Wealthbuilding
Nexus Community Partners

Clare Verbeten, (*formerly*) Equity and Inclusion
Program Manager
City of Saint Paul

Appendix B: Focus Group Synthesis

On June 14th and June 16th 2022 FSG conducted in person focus groups, one with 16 home seekers/homeowners and one with three entrepreneurs of color. The below contains a summary of themes and illustrative quotes from these focus groups.

Homeownership

Most participants came from families who rented with a few whose families owned home. However, financial literacy was missing across the board.

Quotes from the focus group

"I wasn't really educated, thoroughly, on how to manage my finances, especially growing up and stuff. They just gave me pocket change, spending it here and there. I never really had money long enough to really hold onto it. I really didn't think nothing of finances until I got older. As I went onto college and stuff, I've had to take a step back and reevaluate my spending habits and stuff."

"I actually was not taught about savings and things like that when I was young. It wasn't a huge deal."

"My parents immigrated to the States and they did end up owning a home. But, in terms of what I learned about finances...They knew it was important to save, but they didn't know how to save."

"Credit was never talked about. My dad actually owned a home in Gary. My grandparents owned their home, but built it from the ground up. But it was never anything that was talked about, so I didn't know how to do it. Especially coming here because it's different. Times are different. So, I really had to start from the bottom and just kind of feel my way through."

"I'm from Puerto Rico originally. Came here to Saint Paul to go to college. What I did know about credit, growing up, was you have to have good credit. That's what my dad always said, 'You pay the entirety.' Other than that, I have no idea what you're talking about. But that was important. Pay the bills on time."

"I've never owned a home before, but I mean I grew up my parents had a home. Most of my brothers and sisters have homes. I just didn't get me a home when I was younger because I wasn't ready."

Generally, participants felt that their rental apartments met their needs, but many had issues with timely repairs and increasing housing costs. Other participants mentioned rental qualifications being a barrier and some shared negative experiences that they believed were related to their race.

Quotes from the focus group

"I have never had issues with renting. So, I've been lucky in that sense"

"I've owned my house for four years and rented a number of different places before then. Similarly, I haven't had any issues. Repairs were done in time. Landlords were, generally, pretty responsive."

"I don't have any issues in renting. Aside from when I first came here. I did own a house previously. And, when I tried to find an apartment, I didn't have any rental history, so it was difficult for me to find an apartment."

"I had problems with renting my own apartment because I didn't have no rental history and that's probably one of the biggest problems I ever had...Even renting an apartment is now \$1200 or something dollars a month. You've got to make triple or double for it."

"I don't have any support. Rent is not affordable to me. I have recently, just recently, started looking for other places, just to see what's out there. For a two-bedroom, I'm looking at anything like \$1500, \$1600 and up, which...that's outrageous. Especially when it's something that you're going to be paying every single month and not owning. That's crazy to me."

"I feel like I used to complain about it so much to where it used to just upset me. I'll be upset all the time. And now I don't care. All I want to do is get out. That's it. I'm getting out. That's all I know."

"Before we got our town home, we had an apartment and we would just have a lot of things happen to us. When we first got it, they first said we didn't qualify. But we made the income that we made. And then when his mom went and asked them what's the issue...All of sudden, we qualified. When an older person came and she wanted to know what the problem was, we qualified. And then, after we moved in, we just had a lot of little smart remarks. We had, at some point, a neighbor who...He was purely racist. He owned a cat and he would put litter in the poop in front of our door. They would throw stuff on our car, whether it was trash or...We would just always find things and we would bring it up to management. And, since there was no proof of anybody doing it, there was nothing that they could do. We, eventually...We ended up moving and we ended up getting a town home. We don't get racial things happening to us, but our age always plays a big part. They always want more than they ask of everybody else to prove that we can afford to live there."

For many participants, homeownership is an opportunity to build wealth that they can share with their families. All participants expressed a desire to be comfortable, not rich.

Quotes from the focus group

"But I just think home ownership is very important. It provides a foundation. It provides a base. It's one of the biggest ways to build wealth in America."

"I just want to live a simple life and get a little apartment and be happy to death. I don't want to be rich."

"You don't have nothing unless you get some housing, property. You got to have that to put you on the map. They have had less respect for you because you don't have wealth. Look at us. We're minus. And it shouldn't be, as hard as we work. Hardest workers in the United States of America with nothing, with no wealth. So, it's important."

"That's the big thing about it is leaving an inheritance to my children, for their children."

"I've always lived in Saint Paul all my life and it's always been hectic. Whether it's the neighborhood or the streets, or it's just so different from living from Saint Paul and living in the suburbs, they're so clean and then when you come to Saint Paul, the streets are bad or the neighborhoods are bad or little things like that. I don't want nothing too extra. I just want to be comfortable and be in my own space and not have to answer to nobody."

The responsibilities that come with homeownership can be scary and deterring.

Quotes from the focus group

"Saw parents struggle buying homes. Making sure you got the money to make a down payment, make monthly notes. Not interested in homeownership."

"So, what I'm just saying is, it's wonderful to have a house, but you got to be ready. And you got to know what to expect. You're going to have expenses more than you know."

"And I think the financial counseling that we were talking about earlier, that was the way for me to figure that stuff out because it feels so daunting to think about how am I supposed to pay? Especially if you're in situations where that includes water, and sewer, and electricity. And then all of a sudden your use is [your responsibility], you learn how to save in a hurry."

"But the classes [taught] me. Down payment assistance, because that's going to be probably available for a number of folks. But then what? So you have some cash upfront, and it was really those financial classes to be thinking about putting money aside for...I literally put more money than I'm comfortable with aside for emergencies, for home maintenance."

"I'm in Saint Paul, and they're made of clay, and now they're going to fall apart, and it's my responsibility, not the city's. And that's tens of thousands of dollars. And how do you manage all of that without all of a sudden going broke? Like literally not being able to pay for food and stuff."

"You buy a house in your 20s, and you have to pay for 30 years. When you're 50 then great because you don't have any more payments. But when you buy a house now when you are 40, and you want to pay for 30 years, at 70-years-old you still have to have a mortgage. So you are kind of a slave trapped with a mortgage. And for many folks, so it's like you're thinking well if you can buy a house then all your problems are good. But that's not necessarily the case. It's not everybody, but many people have 30 year loans. And it means that you're paying a high mortgage for a long period of time. Even some folks who are retiring are still having to pay a mortgage, which is not ideal because when you retire your income will go down, what you would like is to have as few financial obligations as possible once your income goes down. And having a mortgage of a couple thousand dollars is not..."

"Divorce is financially devastating. And you don't realize how devastating it is until you do it, how that really affects your credit, and then because bills are in two names, and somebody decides not to pay, and then it affects everybody. Credit is another ball of wax."

"I know people that have bought some bad homes."

The pre purchase journey can be incredibly difficult. The criteria necessary to advance a purchase can be challenging for BIPOC home seekers. Credit was a major challenge for many participants.

Mentorship and support throughout the process was a major benefit to homebuyers, especially as first generation BIPOC buyers. Many participants mentioned the importance of having an advocate who was well versed in the process, had an understanding of the history, and who had their best interest at heart, which wasn't easy to find.

Quotes from the focus group

"Right now I have a financial counselor, so I'm fixing my credit and that's really what I'm working on. Then hopefully within a year we'll be ready. We're really [trying to be ready] in eight months. We've been doing it for a little while now. But we are giving ourselves a year to prepare, to make sure that we have extra money. Like everybody's saying, not just have enough just for the house and then if something comes up, we're struggling to try to fix it."

"So, I pretty much went through a lot of counseling. And the most important thing is the credit. I had a dent in my credit. So they go off my income, and they approved me for whatever amount they approved me for, but budgeting [was hard]. And just having everything in order, because the finance company they want [everything]. It's really hard to get those things. So, just having all that, saving all that."

"Right now I would say what I am doing is working on my credit and kind of strategizing my credit cards and making payments and how I'm paying them, how much I'm paying them, how much I'm leaving on the card. I think it's been paying off. I got a credit, an offer for an increase today on one of my credit cards. I was happy about that because I've had this credit card for so long. They never offer me anything. I was happy about that. I'm working on that. The biggest issue for me is saving. I'm a housing counselor so I have to really, really, really practice what I preach as far as different saving strategies and different things like that. That's where I'm at."

"I don't want to speak for everybody, but for the people that I know, that extra support really makes the difference because being a housing counselor, being a home ownership advisor, I can get people ready, but as soon as they get out there, they get these sharks and people that don't work with us. Because the people that work with us, we paid attention. We're paying attention to what your realtor is doing. We're paying attention to what the loan officer is doing. We're paying attention to what they're offering you. Then are they giving you different choices? They're not just saying, 'Okay, FHA is you and that's it.' They're not saying that. They're saying, 'You know what? This is the FHA product. This is the conventional. Maybe you need a couple more points to get to this.'"

"They will talk you through that because they know that we are looking and making sure that our people are getting what they need. I think that's very important. Even if you go to somebody [that] does not look like you, they should still have that piece, that background, that education, that historical information that this is what has happened to us and this is why we are not showing up at the table as much as whites are."

"When I was making choices about who I was going to work with, thank God for the financial counselors because they do put you in touch with really great people. One of the things I was conscious of is I wanted to make sure that I was supporting folks of color, who were the professionals

with one exception, actually, which was my realtor. Because the perception, this is where it sucks, this is what I know, if a white realtor is out there, they're going to be received differently. But I needed to make sure that she understood what was important to me and that that takes a vetting process. You really should be meeting with more than one person. You shouldn't take the first person that comes along to make sure that they understand your situation and that they're going to fight for you."

The home buying process can be extremely challenging for BIPOC home seekers. Many noted experiencing racism during the buying process but found comfort once the process was over and they had secured their homes. They emphasized that knowledge gaps are a barrier throughout the home buying process. All participants emphasized the importance of information sharing & knowledge. BIPOC communities miss out when they don't have the same information as White people, which can be a powerful resource.

Quotes from the focus group

"So I kept just keeping my eyes on the prize, and like I said looked at the house five times. Somebody actually had already put in an offer, and it was accepted on our house. But since it was developed by a nonprofit, they were over income for their family size. So unfortunately, they couldn't get the house, but we swept in and ended up buying. So, it was our house because it worked out. But yeah, we've been there for almost seven years. And I will say too y'all, equity is a real thing because you don't earn equity in an apartment. But our house is almost worth twice as much as when we bought it in seven years ago. Because the area we live in, and the growth around it, and people buying, and selling, and all that, and the type of space we have. Our house is almost worth twice as much."

"I remember one thing [when] was I was buying a home, and I was making a payment, [they were] kind of suspicious where is that money coming from? It's kind of like, are people from all races being checked in the same way, right? Getting back to the discussion we had the other day. And one thing that happened to me too was because we are immigrants, I have an accent when I speak...and so one thing that happened to us was we bought our home, and after we already bought it, put the offer, it had been accepted and everything, then the realtor sold the home for a higher price to another family. And they call us, it's like, 'We sold the house.' And they thought that they could get away with it, but what they didn't know is that the immigrant here with an accent was going to stand my ground. And I [filed] a complaint with the realtor's association, and they were actually going to take the license. The person was going to have her license canceled, and they have to then cancel the other purchase and let us have the house. But my point with this has been that sometimes they'll take advantage. So when we don't know, so when we don't have the information that we need, then we are victims of people taking advantage of us because they can realize that you don't know the things."

"So they're playing a role that they are helping you, and they're your friends. And so you can be naïve assuming that your realtor or whoever [helps in the] process to sell you a home wants the best for you in everything. But it may not always be the case, and you can be unfortunately taken advantage of because of your lack of understanding, knowledge, education of the process."

"I think my intentionality and only seeking out black spaces when it came to home ownership. I didn't go or call Wells Fargo and say, 'Hey, what's up?' Because I've done that and they're like, 'Oh, is this your credit score? Come back when it's this.' And I'm like, 'Well, how do I get there?' None of that."

Really being intentional about knowing that the education I was receiving, the advice that I was receiving was from somebody who kind of had a frame of reference of where I was coming from, as far as my experiences, as far as where I want to live, as far as just family dynamics.”

“But I feel as a person, as a black woman, that I want the things that have led up to us having negative equity, negative net worth, I want that to be in the forefront so that we can use that to move forward.”

“[Not] just going [with] somebody who has no frame of reference, lenders out here right now, realtors out here right now, they have never heard of Jim Crow of the North. I don't know if anybody heard of that. Jim Crow of the North is talking about how just the discrimination when it came to houses, the red lining.”

“Different things and why there's so many pockets of poverty and folks of color in certain areas because it was set up to be that way. I want somebody to understand that when I'm coming in there. Because even if I don't feel like, “Oh, it didn't directly affect me. I wasn't there.” No, it did affect you. It affected me for sure, and it affected probably everybody in this room.”

“Definitely is a thing. I'm not saying that you have to go to somebody who know, but I just think it makes it more relatable to be able to, and to go through the family stabilization will build wealth. I knew a lot of that stuff, but they really take you from savings and what's a check account. Some people are like, ‘Ah.’ But I'm like, No, I'm going to sit here and listen, because some people do not know. Some people only have check cashing places. Some people only have debit cards. They don't know. To have somebody to really break it down in a way that's respectful, but also informational, that makes you feel like you are empowered, that you can make decisions or you know someone that you can go to help you make a decision.”

“You brought the perspective of race. It's interesting that you would have a different treatment, be able to get different deals depending on the race of your realtor. And that if you have a realtor that is white, you're going to have better deals, which shouldn't be the case, but we all know that that's the case. But then the other part too, is that when we think of the disparities, that we all know, racial disparities in terms of socioeconomic conditions, is that there's a disparity of knowledge. Going back to the point on things that were designed to be a certain way, it would seem that disparities in education are designed.”

“For one group, it is an advantage that the other group doesn't have as much information. Because if you have information, I win.”

“Then it is our responsibility, of course, we have to, so that we are not taking advantage of, we have to then, it's our responsibility to get ourselves educated, prepared, get the information, interview, but do as much as we can to have as much knowledge as we can so that we cannot be again, back to my point earlier, victims of this disparity of knowledge and preparation.”

“It literally took me, from the thought to the actual closing, it was a solid two years. Because I knew that was there and I wasn't in their realm so I didn't know how, but I just knew I need to have all my t's crossed and all my i's dotted to make the right decisions. Still you can't always be, you can't be perfect, but I did as much as I could to make sure that it made the most sense for our family.”

"It's hard to work. It wasn't an easy process. It's not super complicated, but it takes time to learn it, understand it. God, looking at houses takes forever."

"Even something, for example, I saw, and you'll know a lot about this because you've done work in this area, but I saw all my neighbors were having their new roofs put on. I was like, 'Wow, it's fantastic. All my neighbors are putting their new roof. I can't do that.' Then I learned that they have [done it] because there would have been a storm and the roofs were damaged. They got their insurance to pay all their roofs. I called my insurance, they put my new roof too. But I didn't know that. Folks don't know that, you stay with your old roof and everybody else put a new roof, which increases the value of a home. It's knowing those things."

"It's all of the things that you don't really know, you don't have that generational knowledge to be passed down. It's easier to get stuck. It's easier to get out of the house that you're in."

"As you were talking about, some of it's education, because then to understand the difference between gap financing and just getting a land trust is significant, but if you don't know what those things are then you don't know how to build the wealth that we're talking about. You need to know that those are even options. There is a gap. Because the gap financing could help. It is one of the pieces. It's not all of the pieces. Then I think, 'Well, how do you even know what you don't know? How do we get more folks of color to be doing this? How do you think about fixing your credit?' And all of those things. I didn't know what it meant to have credit. It's a different place."

Participants called out the ways race has played a role in the homeownership inequities. The impacts of historical policies that inhibited the economic growth of Black/brown people are at the root of current disparities.

Quotes from the focus group

"And then the other thing too when we think of the white people are the home owners doing so well for people of color is when we think of the qualifications to get the home, income is [huge]. But you have the negative things that if you had a run with the police, for example, with law and all that, that's going to make it difficult for you to be able to buy a house. So, why are people of color in many places having problems with the law and all that? So, they don't have the right education. But they are saying that people of color are detained more often than whites, all right? From school to prison, when somebody is detained because they have marijuana or whatever, now they are detained and they won't be able to have a house down the road because that started with somebody being pulled over and it ends with somebody has to rent for the rest of their lives."

"In Minnesota, we have a terrible home ownership problem that is tied to race. Blacks and people of color have the lowest home ownership rates and some are the lowest in the country, and it is not because we don't know how to talk to our realtor, because we don't know how to do an inspection. No, it's because we don't have the best, our incomes are lower, and the reason why our incomes are lower are multiple, but some of them have to do with the education. The gap in performance and we have to address the source of what happened. We have to think about the school, the education that our people of color are receiving so they can graduate from college, so they can have better jobs, so they can have better income. Then if you have a good income, whether you miss the inspection or all

that, you have to pay a few thousand dollars here and there, that's minimal compared to the importance of having the right income to be able to live in the right neighborhoods and to be able to buy the properties that will allow you, in time, to build the wealth that only home ownership will give you."

Solutions called for included more education, more mentorship and support throughout the home buying processes, long term holistic resources, financial resources, and an emphasis on addressing the broader needs of BIPOC communities in Saint Paul.

Quotes from the focus group

"But I do think with the fact that the market has changed and the fact that a starter home costs a lot more than it did 10 years ago, I think that for folks, especially communities who have had wealth extracted for many, many generations and centuries, should be able to access gap finances, so down payment assistance. But in a sense that you don't have to pay it back. You can say, 'Hey, over the next 10 years or the next 20 years, we'll do 5%. We'll forgive that 5% in 20 years. Then that 20 years you don't owe us anything. But we just want you to continue to build that asset, continue to build your wealth.'"

"If I'm willing to be a participant in the citizen of that community, then I need assistance getting there because the wealth has been detracted for me exponentially over the last however many generations."

"Education. We've known for a very long time that for example, Latinos have some of the lowest graduation rates in Minnesota. How can we let that be the case, and that's being known for so long. How can we ignore that? For African Americans, low graduation rates, teenage pregnancies. We have all of those things that are happening. We need to really intervene in that. And then it's relationships. We have cliques where the money, the wealth is distributed in the same cliques, in the same folks and stuff, and that money is not flowing for all of the communities. What can the government do is how do we help people of color be able to also be part of a prosperity. It's about a shared prosperity. Minnesota is a rich state, but it's not rich for everyone. It's a richness that's only being experienced by a segment of the population. What can the government do then to expand and to make the connections so that people of color can also participate in the prosperity that the state has?"

"I would say even beyond that too, yes, the income, but even if you become educated, get the income, guess what, now your debt to income ratio is off...The government can provide free education to people. You should not have to pay \$40,000 for an associate's degree. You just should not because you might make more than what you would if you didn't, but then we get to go to buy a house they going to count just the student loan, they're going to count 1% to 2% of the balance of your loan as a monthly payment. Even if you have a \$0 payment, they might count \$400 to \$600 a month as a payment, which makes it so you can borrow less, which means now you only qualify for 150. What can you find for \$150,000?"

"I think more support."

"I think more support around small businesses, BIPOC-owned businesses, to be able to help with that income. But then there are more jobs, more stability, that then will help with home ownership."

"It is working with corporations with the private sector, too. Because for example, I know employment is not the only way for income and wealth. It's only one of the ways. You've got entrepreneurship obviously is important. It's the biggest source of wealth creation is entrepreneurship. But, there's all this talk about all the companies have equal opportunity and there's diversity, this and that, but the reality that we... If opportunity was equal, if we really had equal opportunity, we wouldn't be in this room listening to this dialogue here. Right?"

"The city should think more like investors think. Buy the house, then going back to small business, hire a contractor, like myself, who's Latino or Black. Fix it up, so now you're creating more jobs. And then we try to sell it to [BIPOC] who are already renters. But that's too much work for [government]. That's just too much creativity."

"Rent to own is a technique to sell that home to somebody who may not quite qualify today."

"But where in the communities [is information shared]? Is it accessible? Especially in communities and color. Now, I live in an area where I'm right there in a place that's supposed to be serviced mostly to people of color, and we get nothing from it. There is no flyers, anything, so things go on over there, we have no clue about what's going on over there. And that's in my community, but then it's a lot of white and other folks that go in there...How are they reaching out to people of color so that they know these things are going on? Housing and getting their credit right and this, that, and the other."

"Yeah, and you have to be connected to somebody who's connected."

"Nonprofits and government agencies do not necessarily market to churches. And they should, because that's...Because even if you don't participate in something in a nonprofit in your area, a lot of people still go to church, and they also talk to people...I don't know what the issue is, but I work for them, and I know we don't really market to churches like we should, because that is where a lot of people get what they need from us. So it's very odd that we don't."

Participants emphasized how meaningful homebuyer support programs were and specifically named Model Cities and the VA.

Quotes from the focus group

"But I felt really overwhelmed at first, but I can't like these first-time home buyer classes [through Model Cities], I can't say enough good things about it. And the fact that it's free, and the fact that there are really great people who work and can help you find the right lender, and help you find the right realtor. It's really amazing, and it's available to help us in Saint Paul."

"That's what I'm talking about, see. That me being a vet, they got a representative that's going to work for me. They come in and they look your home and inspect it, the water, the heat, everything, make sure it ain't squeaking when you walk. I've been doing my homework. That's all. Because I don't

want to go into this thinking, 'I'm going to go in here, it's going to be squeaky clean. I ain't got to do nothing, but put up a few dollars.' There's a lot to it."

Entrepreneurship

Participants named a number of challenges related to starting and scaling a business in Saint Paul. All wished they had more educational resources earlier on that emphasized the benefits of entrepreneurship.

Quotes from the focus group

"A lot of barriers, and I think part of it is that, I think that just overall from education, when you go to school everything is centered on how to have a job, how to do a job, how to work for somebody else."

"For example, education. So when we think about entrepreneurship and business and stuff, education is important because education gives you the preparations so you can enter these conversations that, well, look at the graduation rate for Latinos in Minnesota, it's 60 something percent."

Race and identity played a major role in the entrepreneurial experience of the participants. Participants named being stereotyped and underestimated in their work because of their identity. They feel that they need to be overqualified because they would have to have more qualifications to get the same opportunities as their White counterparts.

Quotes from the focus group

"Even in housekeeping, as simple as that sounds, it was always male dominated. And I was always received as the housekeeper, not the business owner. So in addition to being Hispanic, it was always the stereotype, she's Hispanic or whatever she is, she's probably the housekeeper. Let's wait for the business owner for the billing or the employees. Things I never thought about until years later that maybe, now that I'm more aware, I'm like, wow, that was not an overreaction on my part. That was definitely, that was, oh, asking for discounts? You wouldn't ask that from a different business."

"It was just adding Hispanic...It didn't open more doors, it closed more. And just getting into bigger accounts was just very, a lot of barriers. I always had to go through a subcontractor. Well, I had to be a subcontract, I always had to go through a contractor, who was male and white."

"But since you saw me, you assumed that I didn't speak the language. You assumed I didn't understand. You assumed so much. It was a huge barrier for me to stay in the business because they were like, 'Do you know how to use the machines?' I was being questioned about my ability, yet at the end of the work, they were so amazed and surprised. I was like, 'Well...'"

"In some cases, one of the dynamics is that they end up having to hire a BIPOC-owned company and then when the company comes in and does a great job, they say, 'Wow, you actually are good.' It's like, what do you mean actually? You're surprised because we deliver."

"There was no clear requirements to be a business owner or the scope of work or this and that. I was like, well, I feel like I'm more qualified than her. So I stepped back from that and just went to

something else. That's just something I have to add, that there's no clear scope and that there's no clear qualifications. So then when you're questioned, you don't know if maybe that is part of the requirement. Maybe that is part of the scope."

Companies tokenize BIPOC communities and do not invest in communities in a way that matches their stated commitments. Paperwork and processes make it difficult for BIPOC entrepreneurs to access larger contracts. Larger companies do not pay BIPOC small business in a timely manner, which can be devastating. They also ask for discounts or low ball them on payments—all reflective of the biased perception of BIPOC businesses and owners and an overall lack of appreciation and respect. Participants would like local government to meaningfully engage BIPOC communities and find ways to give them opportunities.

Quotes from the focus group

"You'll have companies that say, 'We're all about diversity, We're all about supporting, we're committed to communities of color,' but then when it comes to working with companies, like minority-owned business or BIPOC-owned business, then a lot of paperwork, the process is not easy, very cumbersome, they have to set you up in the system and all that."

"Then you don't get paid, you don't get paid, only after you have already offered the services, many times, months after you have, and then you have to be checking with them and hey, do you have everything you need? And then eventually at some point, down the road in three, four months is when they pay you."

"So in this case, it's more about connecting the words with the action that if you are saying out there in your marketing, in your website and all that, that you're all about the BIPOC community, then realizing when you are hiring, when you are working with a BIPOC-owned company, it's very likely that these are people that are, they may have little resources, they're trying to work with what they have."

"So when you hire them or when you contract with them to perform a service for you and you don't pay them for three, four months, you are working with their money, So it's like, okay, here you have a billion, large company, multinational, sometimes big Fortune 500 company with millions in earning, holding money from this little mom and pop or young individual person that is trying to make a living. So how do we change that to say, hey, you really are into BIPOC, and you want to support the community then, okay, how do you have systems that, hey, Vanessa, you're going to work...Okay, how do we have everything ready?"

"If you really are interested in the community, you should be the one reaching out and going into community and checking, okay, I need a person who can offer service X, Y, and Z, who can offer that? Let me reach out, let me go into the Black community, to the Latino community, with Asians, with all of it."

"If I'm putting all over in my website and all of my marketing materials, yeah, I have made a commitment and an investment for the community stuff. And then when [a person] comes in to offer me her services, then I ask her, hey, can you give me a discount? I get it that we are, you know, we need to lower costs and try to be as cost efficient as possible. But when I say, give me a discount, either volunteer for me or give me a discount, or I wait three months to pay her, then there really is

not that respect and that appreciation, that understanding of the value that, so it should be like, hey, pay whatever the person needs, assuming that it's something reasonable in market price."

"Which to me, that's really embarrassing that a multinational company would ask a small mom-and-pop to offer something at a loss, or something. It's kind of reframing the dynamics there."

"And when they're invited to come to a place, no, they're invited for the token, so a few faces of color can be seen around. No, but you can engage with them in the conversation. You can tell them about the deals that are being made or that you are actually...That's what access is to me. Whether you want to invite me to a party or not, I may or may not come. I mean, I can have my own party in my own house. I don't need that. I need access to the money, to the resources too. Right? That's what we really need. Otherwise, hundreds of years will go by and you'll still see that big gap and the big."

Opportunities are often concentrated among a specific subset of people in BIPOC communities. Wealth is not shared beyond a few. There are very few mechanisms of accountability for engagement with BIPOC business owners.

Quotes from the focus group

"They give it to these folks here, to this group, but this wealth that is then built is really not distributed with the community, stays here with this group. What ends up happening is members of these communities that become very prosperous, but the community continues to be poor, but then you have these folks that are driving the cars and living in the houses and stuff and traveling. But what happens is because the company doesn't have an ability to really connect with the community, so they have to do it through these representatives."

"But the intent doesn't end up happening. It defeats the purpose because their main goal is to have a prosperous African American community work. Let's look at it this way. Right now, there are neighborhoods in Minnesota with African American and Latinos that are struggling, but there are some African American, some Latinos that are making a lot of money because they are the representatives of those communities. So what a nice gig, if you can get it."

"So then it would be for companies then governmental organization to ask them a question, okay, who are you doing business with? So you're doing business with a community because you're doing business with somebody that is a member of a community? But you have to do some checking and see. If I have a hundred million dollars to invest in a community, are those hundred million dollars making it into the community? Or are they staying trapped by a group that is kind of holding on to...So you have to see where you're investment is going through and making it all the way to."

Participants noted that the ways ideas are received and supported is tied to race. They noted that some of the biggest companies started off as "radical" ideas and asked -- who gets to validate business ideas? That validation is rooted in White supremacy.

Quotes from the focus group

“But okay, now [he] has a new business, and he's looking for capital. So it's like, where is the capital? Where is the investment? Who's the one that is going to support me? Who's going to sponsor me? Who's going to make me the connection?...There was a bad incident in my community and you come to give me the condolences, I'm fine with that. But when I have a new business, that's where I need you to be there for me. The positive empathy to support me, to move forward to the positive things.”

“The other thought that I have is that, people, because of, if you think of how we have a risk assessment, built in by default, when somebody comes to us, say [he] comes to me...Say if I worked in government, or in a company or something, [he] comes to me and says, ‘Wow, I have this great idea for a business, I think this would be amazing. And I need capital and stuff.’ I'll ask him, ‘Have you talked to anybody else about this?’ And you say, ‘Well, I talked to...’ [And they said,] ‘What's your name? Okay. Yeah, maybe let's talk next year and this and that.’ So what happens is that it is hard for people to support an idea that hasn't started working yet.”

“Some of the biggest ideas in the world when they were presented for the first time, people thought they were the craziest ideas. And that includes even Amazon, the second largest company in the world today.”

Entrepreneurs felt like they could not do business as their full authentic selves.

Quotes from the focus group

“So I feel like I really have to advocate. I can't go in person, I feel like I always have to use email. I always get it in writing.”

“They would really get upset with me and come to my office and I feel like I was ganged up on and I'm very resentful for that. I even shake when I think about it, that I have to do that. I feel like I can just tell them what I mean and have it be respected. It's never worked like that. It's always like I have to...An imposter in some way, impersonate through email because they don't know.”

Transparency, information, and resource flows don't happen the same way for BIPOC communities as they do for White communities. So much of it is based on relationships, which BIPOC business owners often lack. Focus group participants also spoke about the power of networking.

Quotes from the focus group

“In the end, you can talk about red tape, but so if we elevate the conversation to the concept of prosperity, talking about wealth distribution, there's all these pots of money. The government has a lot of money, companies have all this money to be invested. But the way in which this money flows has to do with relationships, who knows who.”

“Maybe to add to that, there's a lack of transparency. What are certain guidelines to get certain things? Again, when I'm being questioned, is that what it's really like? There's a lack of transparency, I guess, that's shorter term. I see.”

“To me, the way I see it is, going back to sharing prosperity. You have all this money that is moving hands and all of those investments and everything. And the gatekeepers are, to me, the ones who decide how much money is going to go here, how much is going...So many times, because we don't know what we don't know, it is very possible that a group of people from the BIPOC community are very excited because they got a concert for a hundred thousand dollars and they're celebrating and they feel amazing. And what they don't know is that the pot of money was \$200 million. And they got a hundred thousand and they're jumping, they're feeling amazing, not knowing that's just kind of a little, from a big...So that's that. That's where the opportunity.”

“For me it's relationship, relationship, relationship, and I'm not talking about, again, back to my point, the cities have, just cities in general, they have relationships with the community, but those are relationships with representatives of the community. They have relationship with a small group of folks and those folks are doing well already because those representative generally do not represent the struggles of those communities because they live, although they are of the race, for example, of those communities, they're socioeconomic condition do not match those of...They're doing really well. It's more about developing relationship beyond that clique.”

Participants noted that processes were not culturally sensitive. They also emphasized the importance of community development and the ways that thriving communities can support small businesses. Participants want to see their businesses thrive in their own communities and not feel like they have to leave their neighborhoods to see their business grow. BIPOC entrepreneurs are ready to see significant shifts from the status quo that emphasize equity and increased opportunity for them.

Quotes from the focus group

“It shouldn't be awkward that they want to work from home too. Or sell from those stands, it shouldn't be ghetto. It shouldn't be frowned upon. It's like, oh, it's cute when a kid does the little lemonade stands, so when you see an adult doing their barbecue, it's all of a sudden not right. And then when I see it somewhere else, it's chic or whatever.”

“It seems like I have to, again, do the discount so they'll come to me because [of where] I'm located. Go to Edina because people are going to want to go there. They're going to pay you.”

“Well, it does tie into business. I think the high crime rates and the deteriorating buildings have been a barrier that we need to change because for example, we walked in, what did we witness? I wanted my community, the same Woodbury attention. I don't have to drive to Woodbury to get a nice restaurant. The high crime rate affects me trying to find...I want to stay in my community, but then when people ask me, oh, you're going to stay in St. Paul, maybe you should go work in Edina. I don't want my purse being stolen or my car.”

“I think in the past two years, two and a half years with the pandemic and the murder of George Floyd, things have happened, the curtain has been lifted, what people are seeing through and they're seeing new things about the realities of the dynamics, the disparities, the socioeconomic and racial disparities in the Twin Cities that had always been there but the people had ignored and wanted to look the other way. And now people, the younger folks that have a higher sense of social justice and they want more equality, more transparency, they are questioning these things.”

Participants named that government needs to be more receptive to criticism and be willing to acknowledge its shortcomings.

Quotes from the focus group

“Not only that, but when outsiders come into the community and they are able to detect the things that could be better and they want to talk about them, then they are blacklisted. Then they are pushed aside. People feel uncomfortable. I have seen it with my own eyes when members of my Latino community have spoken up and they have brought up difficult things, difficult topics, difficult conversation, they immediately, I don't see them anymore invited to...They get erased from the list because people, if you are raised to be around positive news, then you feel uncomfortable when something that is said is not positive. Right?”

“So I think that has to change because the reality is that not everything you hear is good, not everything is beautiful. There are things that have to change, and there's urgency about it. One of the things is if you are doing well, you don't have urgency because you are doing well. But if you're not doing well, there is urgency because the time goes by and the bills and things, all of the things that have to happen, every day that passes by nothing changes.”

Processes and standards are confusing so it is difficult to identify the actual gatekeeper. Participants wonder, where do the issues live, in policy or implementation?

Quotes from the focus group

“If the thing is, for me, personally, I don't even know who the gatekeeper is. It seems like on the phone, everything is fine, when I get there, I don't know if it's just the loan officer or is this the policy they're adhering to? Where does it start? I don't even know because there's no transparency into, before I even go there. How am I going to make my rights be respected if I don't even know what I'm even going for.”

“I don't even know who it is. Is it the person themselves, or is it the owner, or is it the whole company? I feel like I'm so blind and ignorant that I don't even know who I'm fighting against because everything's nice when they're not looking at me. So when I get there, obviously, it's the loan officer, but is this really the policy they're respecting, I don't even know who it is, but sometimes it's the individual loan officer, sometimes I don't even know if it's the bank or even at work, who is it? It's the hardest thing because there's no one else that I feel comfortable asking for the manager and are they really going to go get the manager? I don't even know.”

Resources should include assistance with navigating resources and processes.

Quotes from the focus group

“I think for me, definitely, right now that I went to the classes for micro business has really helped me to just kind of guide me and have someone there to ask, hey, is this really what is required? Just

having that someone to back me up that, no, no, that's not required, or rather just me trying to find an attorney or spend more resources on what I don't have."

"Just having someone of the community that represents me and that I can ask these questions. And it is always there. It's not just like a course that you take and it's gone. It's just having that continuity, who are, that's just there for the community for those random questions, hey I have this experience, can you assist me? Or is this correct? Or just someone to reassure you that what you're doing is what is being done, just reassurance."

"We're talking about having access to wealth creation that people have. That they can set up businesses, that they can get capital to start new business, or they can have their relationships to have access to loans, to things, like they can be put on their names and can be invited to..."

Living Cities Closing the Gaps Network

Homeownership and Business Starts and Growth

City of Saint Paul Needs Assessment

The Closing the Gaps Needs Assessments were primarily authored by the following FSG team:

Waheera Mardah, Senior Consultant
Victor Tavaréz, Senior Consultant
Kendra Joy Berenson, Associate Director
Chris Carlson, Director
Jeffrey Cohen, Managing Director

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