



# GENESEE COUNTY

2021 | SMALL BUSINESS ANALYSIS



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Entrypoint partners with organizations to deliver comprehensive research insights and implement effective data-driven programs that promote entrepreneurship across the Midwest.

# Thank You

We appreciate all of our partners for their continuous support, leadership, funding and last-minute editing.

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Dear Readers,



In recent years, Genesee County has navigated social, political, and economic ups and downs and demonstrated the incredible resilience needed to succeed in the face of adversity. A critical part of Genesee County's perseverance is its strong small business community. Small businesses are pillars of the community as their owners work tirelessly to bring economic stability, value and vibrancy to the region.

At EntryPoint, we foster inclusive and vibrant communities across the Midwest through research and community-focused programming. Over the last six months, we have been fortunate to have the opportunity to speak with hundreds of business owners across the county about the needs, challenges, and opportunities they see for the future of Genesee County. Based on our research and those conversations, we developed this comprehensive analysis of Genesee County's small business ecosystem and all of the highlights and struggles that characterize this diverse and unique community.

This independent report, funded by the Flint & Genesee Economic Alliance, is intended to serve as an annual resource that provides Genesee County with the insights necessary to serve the small businesses in the community, reduce obstacles, and help business owners navigate challenges that arise when growing their companies. We at EntryPoint love working with organizations that value listening to the needs of community members and are passionate about building opportunity in their communities. It is our belief that comprehensive and ongoing research is critical to helping economic developers and nonprofits better address the specific and constantly evolving needs of the small businesses, measure the effectiveness of existing initiatives, build more inclusive programs, support a more diverse and equitable community, and better advocate for small businesses in the region.

**We extend special thanks to the small business community in Genesee County for coming together and contributing to this research.**

*Emily Heintz*

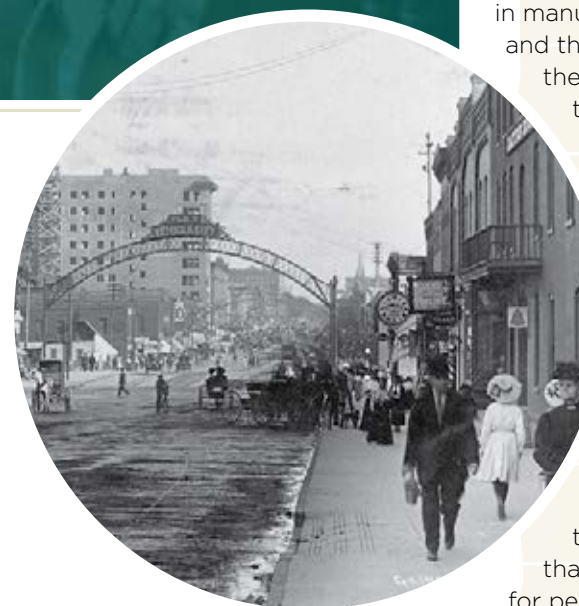
**Emily Heintz**  
Founder & Managing Director, EntryPoint

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Genesee County played a central role in the industrial development of the United States. Through this growth, the county rose to international prominence. However, more recently, the county has been hit hard by economic turbulence and other challenges that have dominated its narrative. Unfortunately, these struggles have disrupted connections between communities and their commitment to common growth. Still, Genesee County's unique history has led to a strong sense of culture and steadfastness amongst its people, creating potential for growth in the county.

## Overview of Genesee County



### LEADING THE INDUSTRIAL CHARGE

Around 1900, Genesee County became the premier location for manufacturing in the United States with the Buick Motor Company being founded in 1903 and General Motors (GM). In 1908, Genesee County quickly began to develop. This industrial "boom" resulted in a need for the county to adapt to the lifestyle needs of workers and infrastructure needs for employers. This continued into the 20th century as the auto industry rose and other industrial companies viewed Genesee County as an ideal location.

### A SHIFTING ECONOMY

Beginning in the 1980s, the economy of Genesee County began to shift due to the global recession. This downturn led to the decline of manufacturing with General Motors closing multiple plants and communities being left without substantial infrastructure. As Genesee County headed into the 21st century, obstacles continued to present themselves with the progressive decline in manufacturing, the recession in 2008, and the Flint Water Crisis in 2014. While these events impeded growth in the county, Genesee County was undeterred.

Genesee County is the fifth largest county in Michigan with a population of over 400,000. The innovative residents across the county have strived to maintain a stable economy despite these obstacles. This determination is evident in the vibrant entrepreneurial culture that is present today, along with the many community programs that provide essential opportunities for people across the county.



# Genesee County's Resilient Business Community



Genesee County is perhaps best known for its once-booming auto industry. Unfortunately, the area has more recently suffered a series of blows to its economy. Despite these setbacks, the unemployment rate in Genesee County has gradually decreased since 2010, indicating steady economic growth over the past decade.

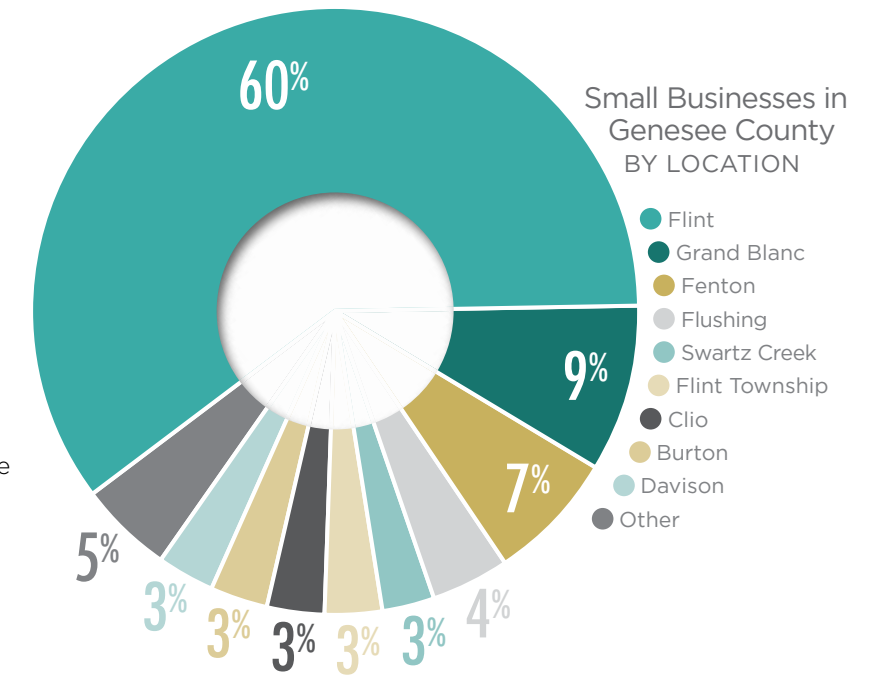
Although unemployment increased at the pandemic's peak, unemployment is now approaching its pre-pandemic levels. Additionally, in response to the water crisis, many organizations launched efforts to improve conditions in Flint, and this national spotlight attracted employers to the county. In light of the county's resiliency, community leaders and residents are optimistic that prosperity lies just around the corner. Genesee County's low cost of living, proximity to Detroit, and access to the I-69 Trade Corridor offer incentives for workers and employers to settle in the area. With its economy steadily improving, the place once known as Vehicle City now contends for a much different title: **Comeback City**. However, diversifying the county's economy by creating an entrepreneurship support system that fosters networks and cultivates strong leaders will be critical to long-term sustainability in the area.

## SMALL BUSINESSES ARE THE FABRIC OF GENESEE COUNTY COMMUNITIES

Small businesses are spread throughout Genesee County with the highest concentration of businesses in larger communities such as Flint, Grand Blanc, and Fenton.

### Small business owners largely tend to be members of the communities in which their businesses are located.

92% of small business owners in Genesee County live in Genesee County. 76% of these small business owners live in the exact same municipality of Genesee County as the business they own. Only 8% of Genesee County business owners live outside of Genesee County, with the most popular origins being nearby Shiawassee County and Oakland County.



“Flint is known for its strong sense of community and resilience. Small businesses like Friends of Berston get to contribute to this wonderful city culture by providing individuals with needed resources, as well as outlets to have fun and connect with others in the community.”

**BRYANT NOLDEN**  
Executive Director of Friends of Berston



“When you support local businesses, it benefits the whole community. We are thankful to be in Genesee County, to be working with other great local businesses, and for the support that we receive from this awesome community.”

ANGIE ROOT  
Co-Owner of Fireside Coffee Co.



### WHO ARE OUR NEIGHBORHOOD BUSINESS OWNERS?

Small businesses, as defined by EntryPoint for the purposes of this report, are all registered businesses in Genesee County with 25 full time employees or fewer and less than \$10 million in average annual revenue. When viewing a snapshot of the demographics of this population, we can see that small business owners across the county are a heterogeneous mix of race, ethnic backgrounds, ages, and genders. We can also see that the number of small business owners in Genesee County that have served in the U.S.

Armed Forces, military reserves, or National Guard is 10 times higher than the national average. In addition, 8% of business owners have a disability or learning difficulty, which is less than the national average but was also an optional question in our research.

While this diversity is welcome and contributes to the overall health of the local economy, it also presents some challenges in nurturing this vibrant business community, meeting the needs of small business owners, and creating more opportunity for *all* residents of Genesee County. Creating a consistent and objective approach to tracking and listening to the lived experiences of community members through annual research and other methods is crucial to the ability of economic development and community-focused organizations trying to support this community effectively. Genesee County has demonstrated incredible resilience and economic progress, and effective policy initiatives and work from community organizations have great potential to build on the momentum of this small business community.

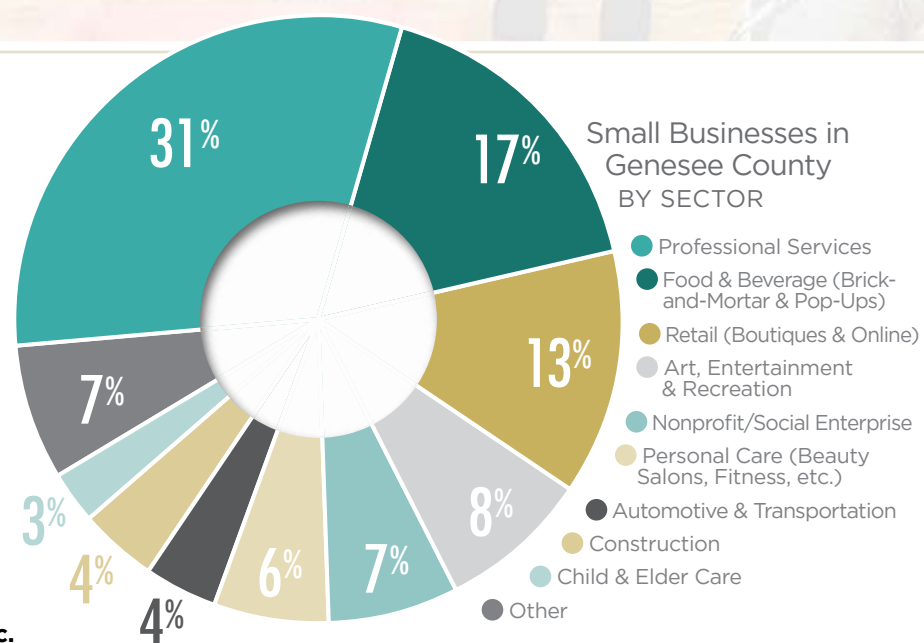
**Genesee County's rich culture and diversity make it an attractive community for business owners of all backgrounds to live and grow their businesses.**

### SHOP LOCAL FOR ALL YOUR BUSINESS AND PERSONAL NEEDS

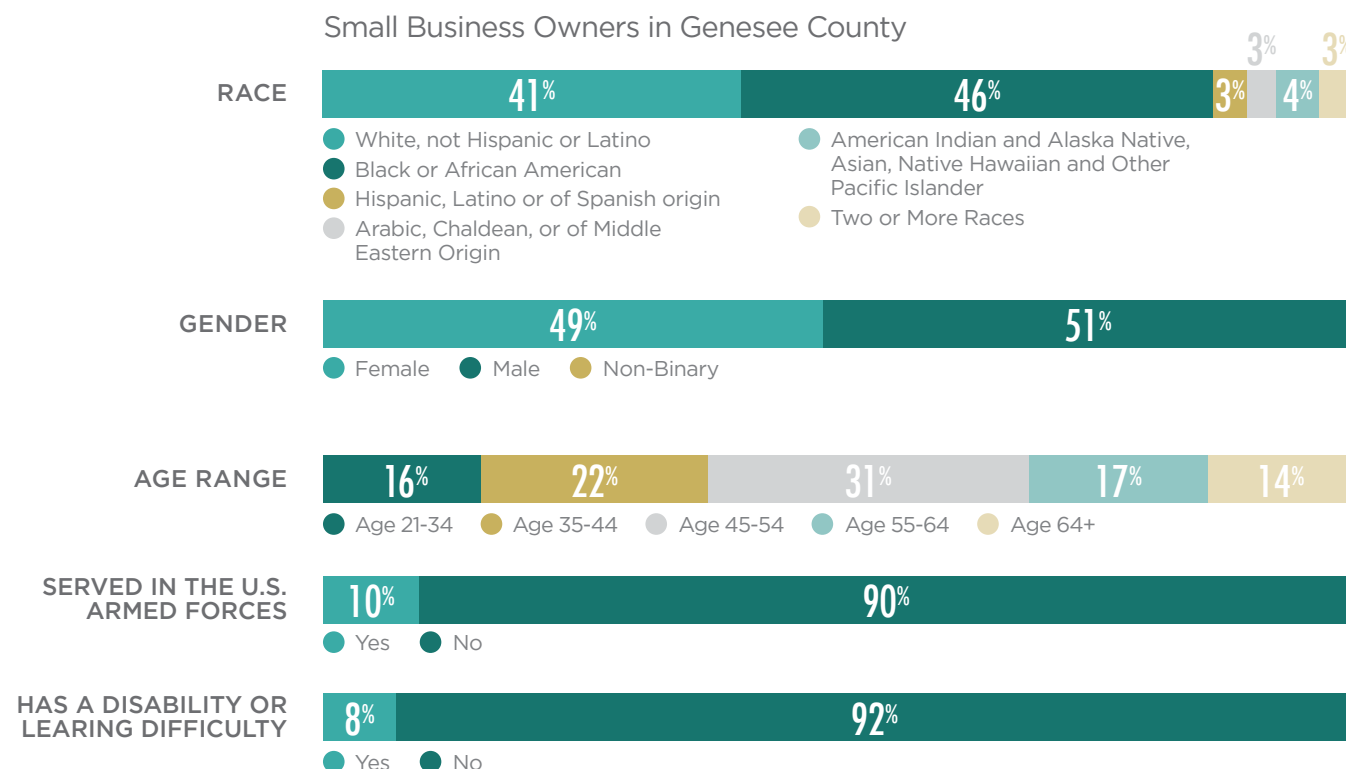
Small businesses serve a large variety of needs in Genesee County. Residents of Genesee County can seek out tax or legal help at one of the local professional services organizations, get lunch with a colleague at a local restaurant, or meet with friends to shop at a number of retail stores.

**Having businesses in a wide range of sectors in the region helps the community weather economic storms, such as a significant disruption in a particular industry or a global pandemic.**

Because these events impact each sector differently, the overall impact on the community is lessened. This economic diversity is also essential to Genesee County's continued success given its reliance on the automotive industry.



### Small Business Owners in Genesee County





# Race & Ethnicity Disparity Analysis

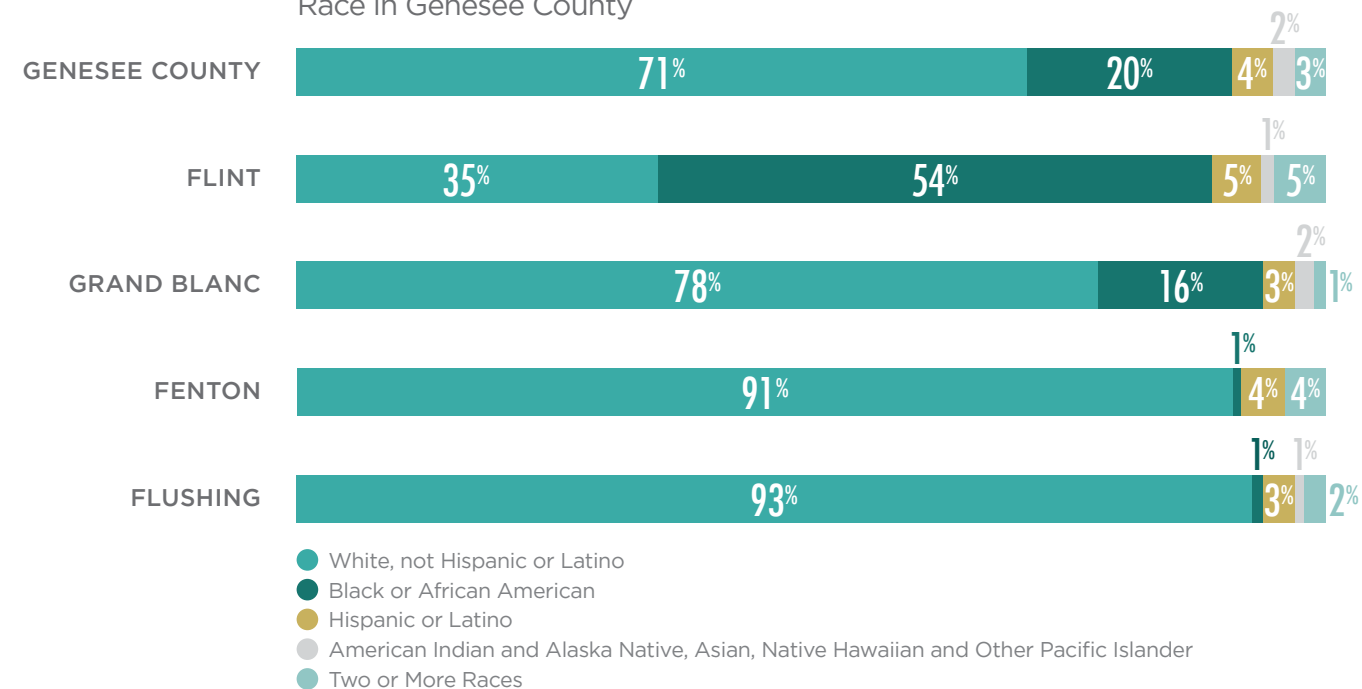
Michigan, along with the rest of the nation, is seeing success and profits from diverse professionals within the small business landscape. However, statewide funding data indicates that companies led by underrepresented groups are systemically underfunded.

Genesee County has a strong Black, Arabic, and Hispanic community. The county is predominantly White, but there is a rich diversity of cultures and ethnicities. When looking at the regions with the highest number of small businesses, we see that some of these areas are among the most racially diverse in Genesee County.



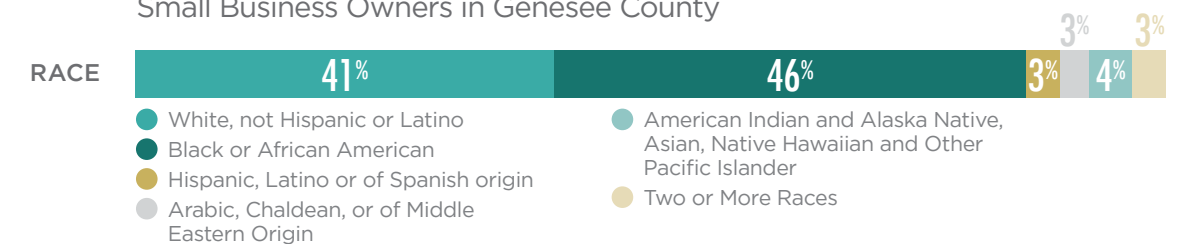
**CITIZENS STATEWIDE SECURITY** is a security and surveillance technology company opened by Flint resident Deborah L. Johnson in 2003. Deborah and her husband founded the business in their basement, working tirelessly to grow their business in the interest of protecting the homes and businesses in their community. Now, after 18 years, Citizens Statewide Security is a premier security company in the region. Although the COVID-19 pandemic has required Deborah to prioritize the safety of her staff by shifting to partial virtual operations, the company still strives to meet a customers' needs with a personal touch. For example, they offer discounts to senior citizens to provide peace of mind at a low cost to families with loved ones over 50. As her customers attest, this devotion to providing quality service security systems makes Citizens Statewide Security an integral part of the Genesee County community.

Race in Genesee County



**Genesee County has the opportunity to take a proactive approach in fostering a more inclusive community that can retain and support small business owners that are people of color.** In Genesee County, 59% of small businesses are led by someone who is Black, Hispanic, Arabic, American Indian, Asian, or Native Hawaiian (i.e. BIPOC) when only 29% of county residents are among those races. Supporting people of color and of marginalized ethnic backgrounds is vital to improving Genesee County's overall economy.

Small Business Owners in Genesee County

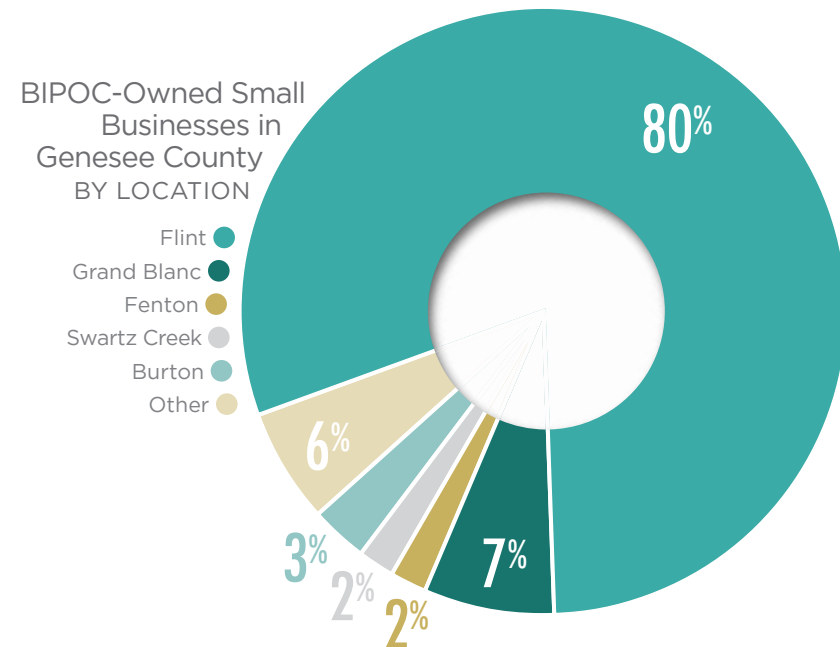




“As a family business in the Flint community, we believe in the ripple effect. Our goal is to be an educational institution of excellence and to lead by example in supporting others. Likewise, this amazing community has been supporting us for 22 years, and that support is proof that small businesses can survive by leaning on each other.”

**CORINTHIAN CAROUTHERS II**  
Co-Owner of Creative Hair School of Cosmetology

**CREATIVE HAIR SCHOOL OF COSMETOLOGY** was founded by Flint resident Corinthian Carouthers in 1999. A former model with a passion for empowering others through beauty, Corinthian opened the school in the hopes of transforming the lives of students through creative hairstyling. Corinthian brought her two children on board as part owners and her family has persevered while facing some of the toughest challenges of growing a small business. Creative Hair School of Cosmetology is celebrating 22 years of service to Genesee County. Not only is Corinthian a devoted educator, but she is also committed to giving back to her community through various initiatives, including *Free Care For Your Hair* which provides free hair care services at schools and community centers to encourage proper hair maintenance. Thus, Corinthian’s school has become more than just a school: it is also a flourishing business, a family for her students, and a symbol of Genesee County’s unwavering determination in the face of adversity.



### ECONOMIC IMPACT OF BIPOC-OWNED SMALL BUSINESSES

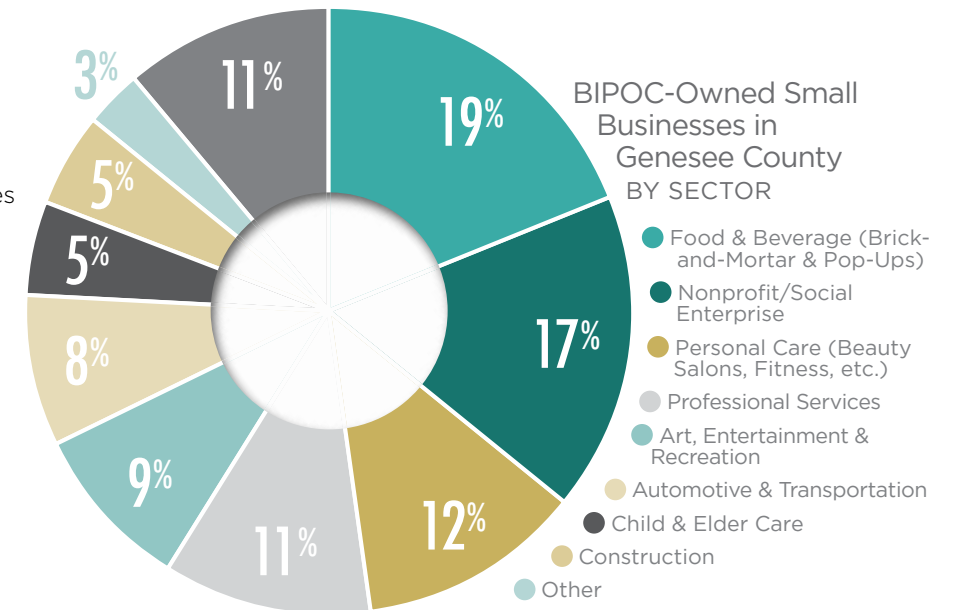
#### Geography

BIPOC-owned small businesses are located predominantly in Flint. Although the vast majority of small business owners live in the same community as their business, BIPOC small business owners are more likely to live in the same community as their business than White business owners.

- 96% of BIPOC small business owners in Genesee County live in the county, compared to 88% of White business owners.
- 82% of BIPOC small business owners live in the exact same municipality of Genesee County as the business they own.

#### Sectors

Small businesses serve a large variety of needs in Genesee County. Businesses in the food & beverage and retail industries were most prominent, followed by nonprofits, personal care businesses, and professional services.







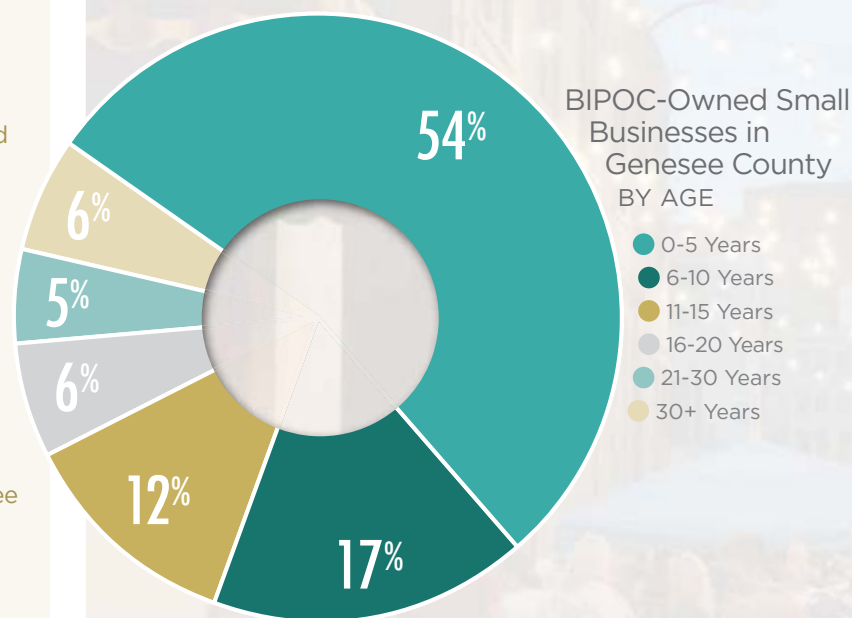
**CURTIS ACCOUNTING AND TAX SERVICES** is an accounting firm founded by Flint resident Marlena Curtis in 2015. After years of experience in the accounting industry, Marlena was inspired to start her own business specializing in tax preparation, accounting, and business consulting. Her business has flourished, with individuals and businesses alike praising her expertise in the field and her commitment to quality customer service. Marlena is also dedicated to serving her community, providing time and resources to promoting financial literacy and empowering others in the region. She regularly provides free tax advice online, offers weekly giveaways for CPL trainings, and hosts contests with other area businesses. As Curtis Accounting and Tax Services continues to thrive, Marlena's determination and dedication to her customers exemplifies the heart of Genesee County's small business community.



### Age of Business

83% of BIPOC-owned businesses in Genesee County are less than 15 years old. Over half of these companies are in their first five years of business.

According to data from the U.S. Bureau of Labor Statistics, about 50% of small businesses nationally fail within their first five years. In Genesee County, 67% of BIPOC-owned business cease operations before their sixth year of business, making immediate support for new businesses especially critical. A strong foundation of resources, training, funding and support are needed for business owners in their first few years of operation to increase the number of businesses that are building long-term opportunity and wealth in the region. This is particularly true in Flint, where we see the highest density of BIPOC-owned businesses and BIPOC residents.



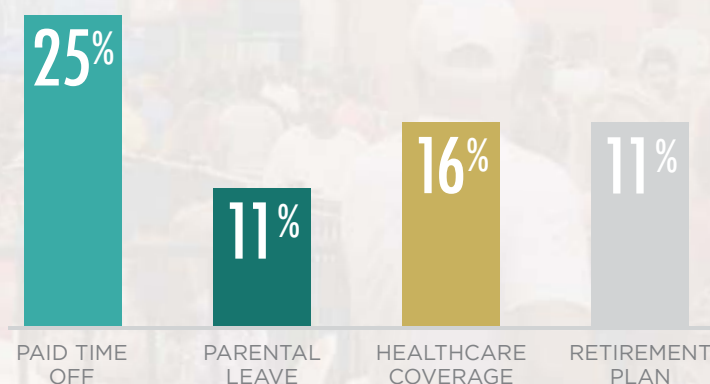
### Employers

These Genesee County businesses employ an average of 3 full-time employees, 4 part-time employees, and 3 contract employees. For our research purposes, full-time and part-time employees are those that receive salary and benefits, whereas independent contractors are paid a fee but are able to obtain work with multiple organizations if they choose and generally make their own schedules. Most employees of these businesses live within Genesee County, showcasing the impact small businesses have on their local economies. When residents spend money at a Genesee County small business, much of that revenue is spent on wages and benefits for other Genesee County residents.

### Employment Benefits

In order to attract the best, most loyal talent, most small business owners offer employees benefits. With a workforce that predominantly lives in Genesee County, the community is impacted significantly by the ability of small business owners to provide benefits such as paid time off, parental leave, healthcare coverage, and retirement plans to their employees. However, half of all BIPOC-owned small businesses in the region are unable to provide benefits to their full-time employees. Of the small business owners that are providing benefits, paid time off and healthcare coverage were the most common benefits. In addition, nearly all BIPOC-owned small businesses are providing either free lunch, snacks, or beverages, as well as free parking, regardless of whether they provide any other benefits to their employees.

### Employee Benefits



**FRIENDS OF BERSTON** is a nonprofit organization founded by Flint resident Bryant Nolden in 2014. This organization is dedicated to preserving the historic Berston Field House and its legacy. Berston Field House was built in 1923 on land donated by Neil Berston and has since been used as a center for underserved communities, nurturing some of the area's top athletic talent. However, the City of Flint became unable to afford maintenance of its facilities, and so Bryant stepped in to continue its service to the community. Now, Friends of Berston hosts events and offers resources for the community that support the area's diversity. Its mission is about more than saving a building – it is about preserving one of Genesee County's most important landmarks, promoting its legacy for providing opportunities to youth, and serving as a symbol of both hope and achievement.





# Gender Disparity Analysis

The distribution of Genesee County's women-owned businesses is on par with the national average. According to data from the U.S. Bureau of Labor Statistics, about 50% of all people in Genesee County are women. The small business community of the county reflects these demographics, as 49% of small businesses across the county are owned by women.

Small Business Owners in Genesee County

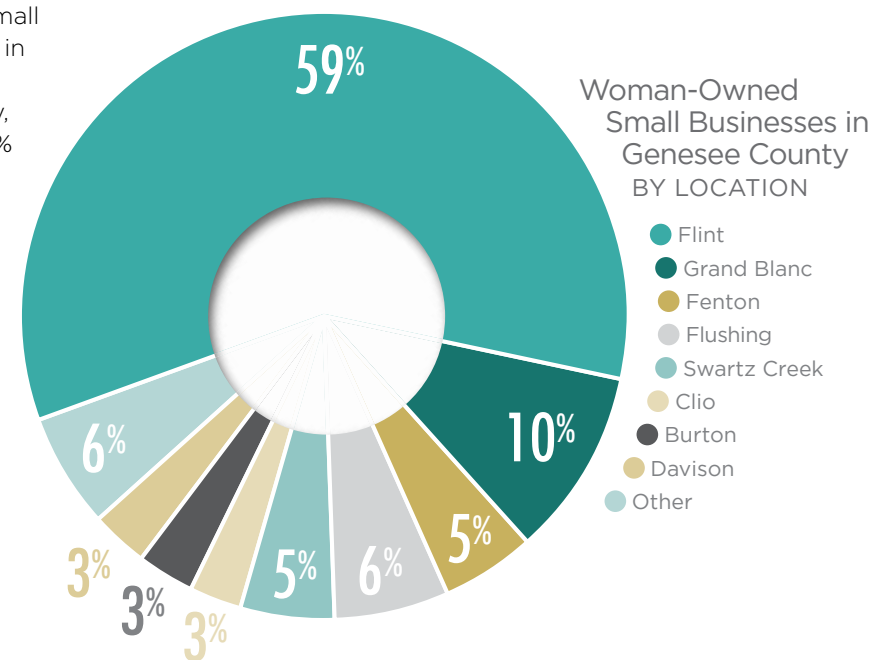


## THE ECONOMIC IMPACT OF WOMAN-OWNED SMALL BUSINESSES

### Geography

Women-owned small businesses are located across Genesee County, with the highest density of these businesses located in Flint (59%) and Grand Blanc (10%). Although the vast majority of small business owners live in the same community as their business, female small business owners are more likely to live in the same community as their businesses than male business owners.

- 96% of female small business owners in Genesee County live in the county, compared to 88% of male business owners.
- 71% of female small business owners live in the exact same municipality of Genesee County as the businesses they own.



“As a female, African American business owner, the challenges can sometimes be overwhelming. I am grateful to this community for embracing our critical work. It is paramount for children to see business people who look like them. Growing up, I watched my parents working and leading single-parent homes, while also taking the time to instill in me a sense of compassion for others and devotion to the community. Thus, it was natural for me to become an entrepreneur and to work in social justice. My studies

of prominent African Americans like Malcolm X, Harriet Tubman, and Martin Luther King taught me that supporting local businesses — specifically in the African American community — is a powerful way to raise our constituents from the ails of poverty.”

**ANGELA STAMPS**  
Founder of Kentakee Athletic & Social Clubs

**KENTAKEE ATHLETIC & SOCIAL CLUBS** is a community-based nonprofit founded by Flint resident Angela Stamps in 2010. The organization is dedicated to empowering and inspiring Genesee County youth through educational and physical programs oriented around biking. As a transportation necessity, Angela began biking in 2006, but it soon evolved into a passion. After moving back to Flint in 2010, she launched a biking program that has since become a cornerstone of the community. Affectionately nicknamed “The Bike Lady,” Angela welcomes all students to her programs, hoping to inspire physical exercise and self-confidence. Students receive a bike and gear after completing the program and are also provided with tenacity, pride, and critical thinking skills that extend far beyond the bike trails of Genesee County to wherever participants may go.



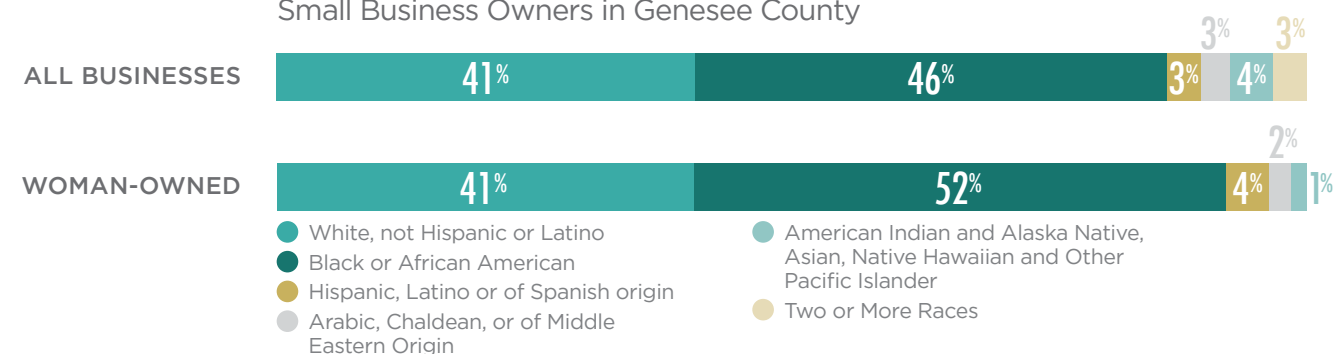


## Race

The racial makeup of Genesee County's woman-owned business community reflects the overall small business community.

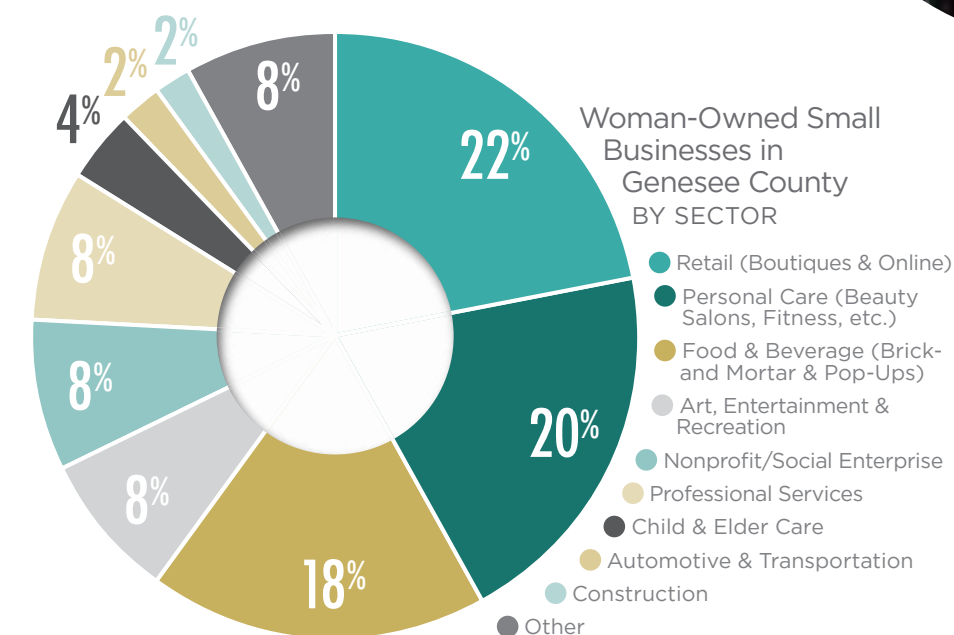
- 52% of woman-owned small businesses are led by Black women, followed by White (non-Hispanic) women who own 40%.
- In the broader small business community, Hispanic (60%) and Black (56%) women own more small businesses than their male counterparts. White (non-Hispanic) women own about the same number of businesses as their male counterparts. Arabic (38%), American Indian and Alaska Native, Asian, Native Hawaiian, and other Pacific Islander (17%) women own fewer businesses than their male counterparts.

Small Business Owners in Genesee County



## Sectors

Small businesses serve a large variety of needs in Genesee County. Businesses in the retail (22%), personal care (20%), and food & beverage (18%) industries are most prominent, followed by art & entertainment, nonprofits, and professional services.



**FIRESIDE COFFEE CO.**  
SWARTZ CREEK, MICHIGAN

**FIRESIDE COFFEE CO.** is a coffee and drink mix company founded by Swartz Creek resident Carol Davis in 1988. Carol began by selling her specialty mocha mixes out of her kitchen, and her delicious recipe quickly attracted customers. In 1990, Carol moved to Fireside Coffee's new Swartz Creek location, where their fresh-roasted coffee is distributed to retailers nationwide. In 2016, Carol added a coffee shop to the building that, in addition to custom coffee blends, sells handcrafted and locally-made ceramic mugs, hand-carved coffee scoops, and pastries. The business is also a family affair; Carol's drink mixes are based on a family recipe, and her daughter, Angie Root, became a part owner in 2018. Further, Fireside Coffee aims to give back to the community by offering special area-themed coffee blends, such as Flint Strong Coffee and Frontline Fuel, and using proceeds to benefit the community.

**LINDEN FAMILY EYE CARE** is a vision care service founded by Linden resident Dr. Gerianne Mulanix in 2016. After studying in Chicago and completing her residency in Kentucky, Gerianne returned to Genesee County to start her optometry practice with a commitment to promoting eye health in the community. Born and raised in Linden, Gerianne's passion for serving her hometown is what drew her back to her roots where she restored one of the oldest buildings in history downtown Linden. The practice prides itself on being from the community and for the community. Upon visiting Linden Family Eye Care, customers will find work from local artists on display and the practice regularly hosts family events and supports neighboring businesses. Celebrating five years and counting, Gerianne is excited for the future of her practice and is passionate about providing more than quality eye care to Genesee County.



**LINDEN FAMILY EYE CARE**  
Gerianne J. Mulanix, OD





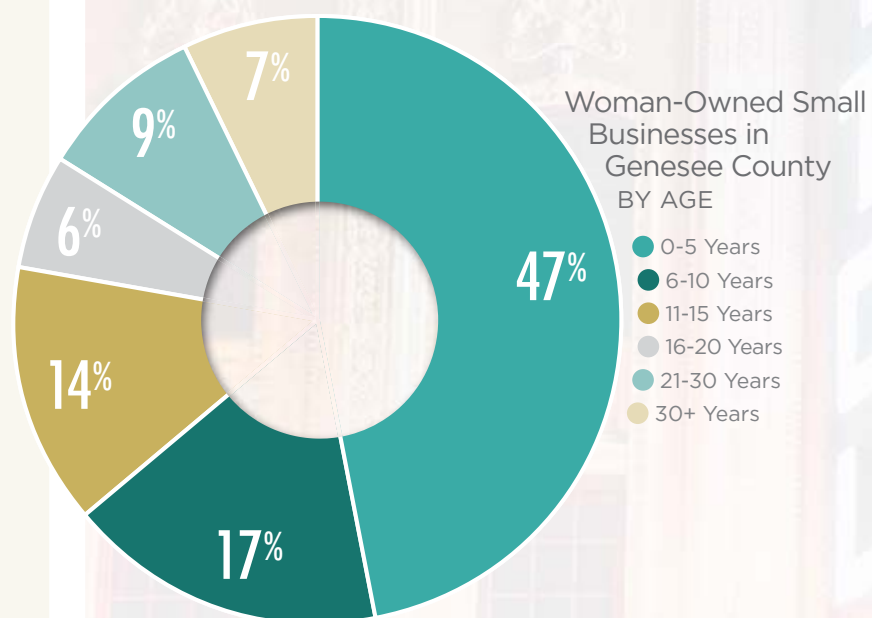
**THE GRAFTED ROOT EATERY** is a restaurant founded by Grand Blanc resident Michele Matthews in 2019. After she noticed few alternatives to the processed food served in many eateries, Michele devoted herself to using natural, locally-sourced ingredients to provide the community with food that is both healthy and delicious. She earned a certificate in horticulture and decided to pair her knowledge of plant-based nutrition with her cooking skills. The Grafted Root Eatery's simple yet flavorful menu pairs perfectly with the restaurant's laid-back, welcoming atmosphere. For Michele, The Grafted Root Eatery is about more than serving delicious food – it is about nurturing her community.



### Age of Business

78% of woman-owned businesses in Genesee County are less than 15 years old. 47% of these companies are in their first five years of business.

According to data from the U.S. Bureau of Labor Statistics, about 50% of small businesses nationally fail within their first five years. In Genesee County, 64% of woman-owned business cease operations before their sixth year of business, making immediate support for new businesses especially critical. A strong foundation of resources, training, funding and support are needed for business owners in their first few years of operation to increase the number of businesses that are building long-term opportunity and wealth in the region. This support is especially essential for woman-owned businesses and BIPOC-owned businesses, as the business failure rate in the first five years for these companies is approximately 15-20% higher than the national average.



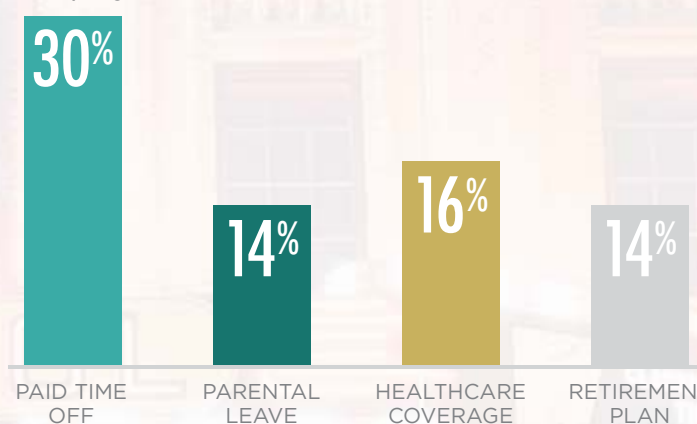
### Employers

Nationally, 50% of the workforce are employed at businesses with fewer than 25 people on payroll. Woman-owned businesses in Genesee County employ an average of 2 full-time employees, 4 part-time employees, and 4 contract employees. For our research purposes, full-time and part-time employees are those that receive salary and benefits, whereas independent contractors are paid a fee but are able to obtain work with multiple organizations if they choose and generally make their own schedules. Most employees of these businesses live within Genesee County, showcasing the impact small businesses have on their local economies. When residents spend money at a Genesee County small business, much of that revenue is spent on wages and benefits for other Genesee County residents.

### Employment Benefits

In order to attract the best, most loyal talent, most small business owners offer employees benefits. With a workforce that predominantly lives in Genesee County, the community is impacted significantly by the ability of small business owners to provide benefits such as paid time off, parental leave, healthcare coverage, and retirement plans to their employees. 44% of woman-owned small businesses are unable to provide benefits to their full-time employees. Of the small business owners that are providing benefits, paid time off and healthcare coverage are the most common benefits offered. In addition, nearly all woman-owned small businesses are providing either free lunch, snacks, or beverages, as well as free parking, regardless of whether they provide any other benefits to their employees.

### Employee Benefits



**YUM VITTLES** is a food truck opened by Flint resident Ebonie Jones in 2019. A Flint native, foodie and chef, Ebonie Jones opened the eating establishment because she wanted to create a menu that reflects the interests and appetites of her community. As such, the menu of Yum Vittles features a diverse selection that reflects the culture and cuisine of Flint – all made from locally-sourced ingredients. From soul food classics like boiled crab legs to traditional staples like lamb chop dinners, Yum Vittles's ever-evolving menu keeps patrons on the edges of their seats. With a thriving catering business as well, Ebonie hopes that, in the near future, she will be able to add an additional food truck and possible restaurant location for Yum Vittles as her business grows in Genesee County.







## Earnings Overview

The small businesses of Genesee County are an inextricable element to the region's sense of strength, culture, and vibrancy. Many of them have been operating in the area for years, making them well-established fixtures in the county and its communities. These small businesses are also a notable source of employment for people in the area, consistently work with and hire other local businesses, and frequently engage in efforts to contribute to other elements of community development. As such, the significance of small businesses to the communities and people of Genesee County cannot be overstated, and so an awareness of trends in their earnings is key to identifying and managing risks to the region's economy.

“Our community needs to focus on reducing obstacles for small business owners while increasing coordination across the entrepreneurial ecosystem.

Continuing to refine the path for small business owners is critical for developing new, innovative, local industries, while also helping our existing local small business owners be successful.”

TYLER ROSSMAESSLER  
Executive Director of Flint & Genesee Economic Alliance



### Average Small Business in Genesee County

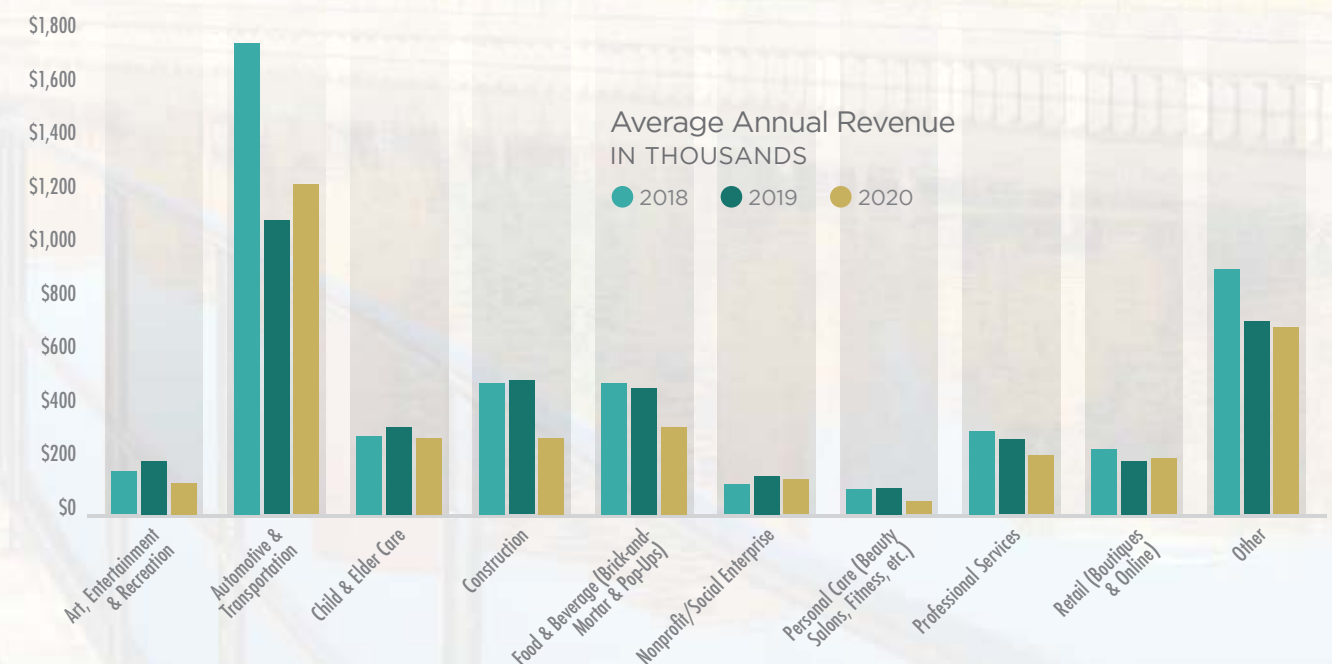
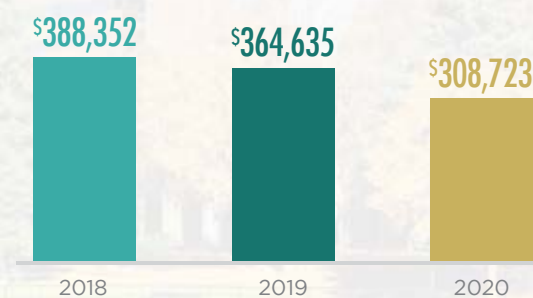


### Revenue

Overall, income earned by small businesses had already been declining prior to 2020, and this decrease was further exacerbated by the onset of the COVID-19 pandemic. Certain industries more suited to remote work were able to more easily adapt to this shift in operations than other industries that require in-person activities. This fact demonstrates how critical it is to foster a diversity of industries in the county to better ensure the resilience of the economy.

Small businesses in the personal care, construction, art, entertainment & recreation, food & beverage, and professional services sectors saw the most significant decrease in revenue, experiencing a 30-50% decrease in annual revenue from 2019 to 2020.

### Average Annual Revenue IN GENESSEE COUNTY

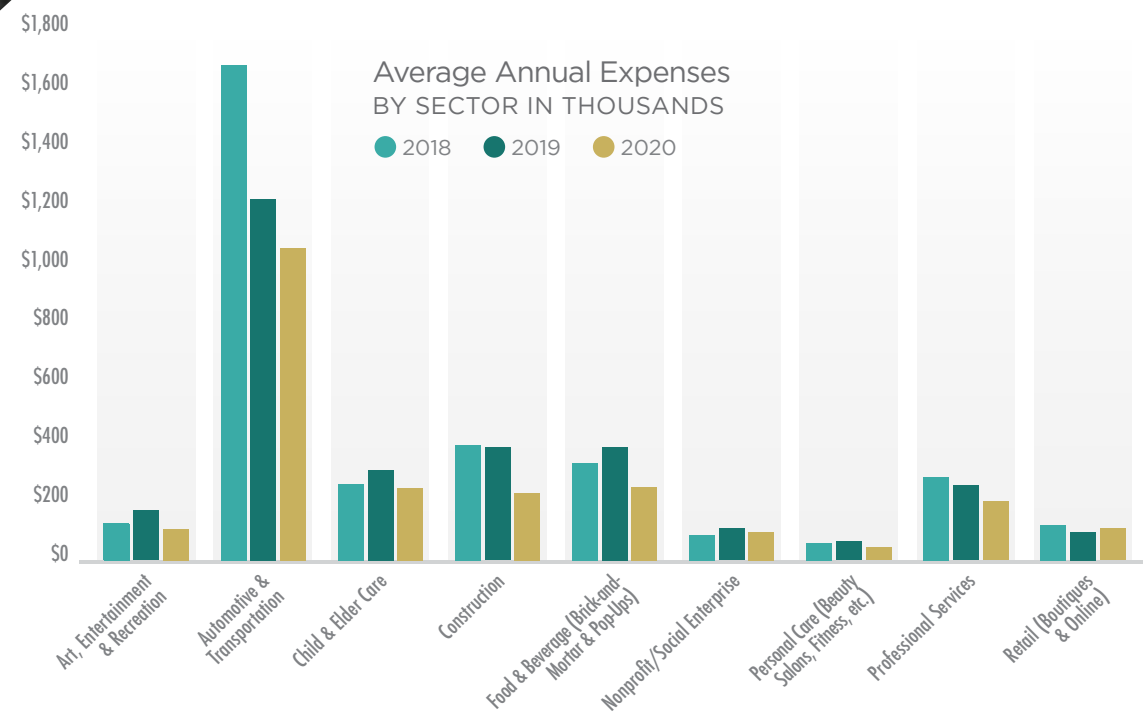




## Expense

Expenses overall for growing small businesses were consistent for most industries prior to the onset of the COVID-19 pandemic but, overall, declined significantly during 2020 due to reduced labor costs, cost of goods sold, and other savings associated with reduced operations. However, some industries faced increased incremental expenses during the second half of 2020 related to steps taken to ensure public safety while operating during the pandemic.

Small businesses with the highest fixed costs, significant costs associated with operating during a pandemic, and challenges operating at full capacity during the pandemic faced the most severe monetary hardships in 2020.



## Net Income

Since 2018, nearly all sectors in Genesee County have seen fluctuating net income (income less operating expenses) annually. Over the past three years, small businesses in the art, entertainment & recreation, food & beverage, and professional services industries have been the only industries to see consistent and ongoing decreases in their earnings year-over-year.

It is also important to note that some of the sectors that were growing in Genesee County prior to the pandemic have seen some of the largest setbacks:

- Personal care businesses were growing steadily but have seen nearly a 100% decrease in net income from 2019 to 2020.
- Construction businesses were prospering but have seen nearly a 59% decrease in net income from 2019 to 2020.
- Child & Elder Care businesses were growing but have seen nearly a 26% decrease in net income from 2019 to 2020.
- Nonprofits were prospering but have seen nearly a 24% decrease in net income from 2019 to 2020. Unfortunately, this fall has occurred during the time when the community needed them the most.

Small businesses face many challenges that are specific to the industries in which they operate, which is why it is critical to regularly monitor the overall health of the economy to both address issues in some areas while identifying paths for greater success in others. No program or solution addresses the needs and challenges facing all business owners; as such, ongoing analysis of the small business community, listening to their own reports of need, and flexibility on the part of local economic development organizations and policymakers are all required to respond to obstacles and opportunities as they arise.

## What do business owners do with net income?

- purchase equipment and property to support their operations
- expand their businesses
- repay loans
- offer additional employment benefits to employees
- hire additional people
- give year-end raises or bonuses

**Net earnings is an important metric to benchmark.** Earnings and savings give small business owners the confidence and flexibility necessary to continue navigating challenges and economic downturns. Net income is a key element for a county's economy to function successful and to provide the overall region with greater resilience and opportunity.



**CHESSFROG FARMS** is a community garden opened by Marcus Brown, a Flint resident and veteran of the United States Marine Corps, in 2019. Marcus is dedicated to connecting Genesee County with access to healthy and affordable food. In Genesee County, community agriculture is vital to providing residents with the sustenance necessary to live. This is because much of Flint can be classified as a food desert, or an

area that has limited access to affordable and nutritious food. To help address this problem, Marcus purchased six acres in the Flint community and got to work. Since then, his vision of connecting locals with nutritious produce has blossomed just like their community garden. During the COVID-19 pandemic, Chessfrog Farms was able to provide food and gardening resources to neighbors in need.





# Capital Needs of Small Businesses

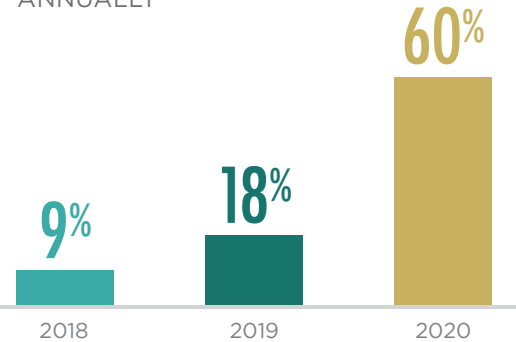
Genesee County’s small business community is a large and vital element of the region’s overall economy. These businesses are part of the fabric of that community and create vibrant culture for both visitors and those who call the region home. However, there is work that must be done to ensure the economy is stable and that there remains robust capital available for entrepreneurs and their growing companies. The ability of small business owners to access the capital they need is critical to ensuring the county’s economic health in the long run.

## RAISING CAPITAL: OBTAINING OUTSIDE FUNDING

The average amount of outside funding obtained by small business owners in Genesee County since opening their businesses is \$232,000. Nonprofits and businesses in the food & beverage industry typically obtained more outside funding than businesses in the personal care or professional services industry.

- In the last year, the total amount of outside funding obtained by small business owners in Genesee County increased by **125%** from the year prior. Over \$10 million was raised by small businesses in the region.
- **60%** of all small businesses in Genesee County obtained some amount of outside funding in 2020.

Percentage of Small Businesses that Obtained Outside Funding ANNUALLY



42% of entrepreneurs start their businesses with little or no outside funding and typically, it is recommended that entrepreneurs have at least three to six months of cash reserves when starting a business. Nationally, for individuals that do not have significant personal funds, the ability to work a second job, or a positive credit history to secure a personal credit card, starting a new business can be significantly more difficult.

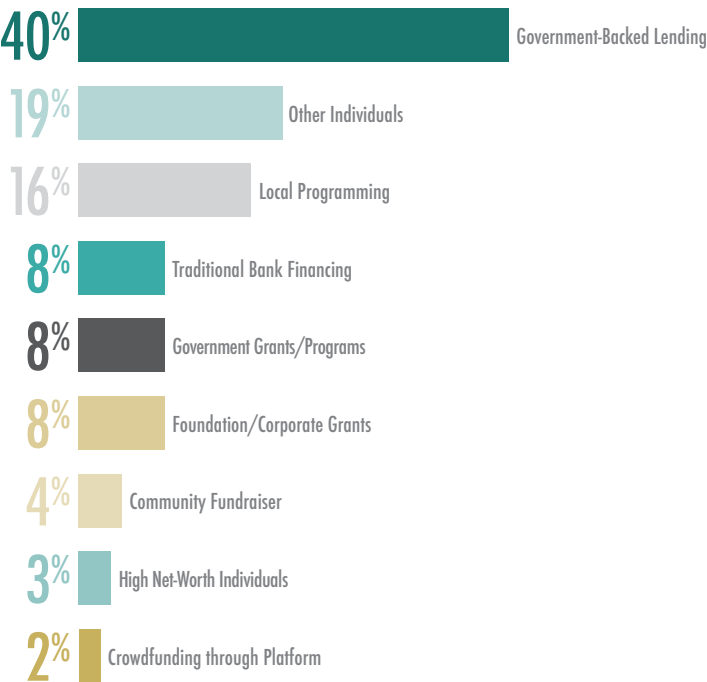


## SOURCES OF CAPITAL

According to CB Insights, after lack of market need for their product or service, the second-most common reason for a business to fail is running out of cash. Therefore, the ability to obtain outside funding when needed is critical for the ongoing success and growth of small businesses.

- In total, the amount of outside funding obtained by the nearly 3,000 small businesses in Genesee County since they launched was approximately \$430 million.
- The most common sources of capital historically accessed by small businesses in Genesee County are government-backed lending (CDFIs, SBA loan programs, etc.), friends and family, and local programming (Genesee County Restaurant Relief Grant, etc.). Nationally, prior to the pandemic, the most common sources of funding for businesses are friends and family and bank loans.
- Prior to 2020, the most commonly-accessed capital was from friends and family, high net-worth individuals (angel investors, wealthy individuals, etc.), and foundation/corporate grants.

Sources of Capital Historically Accessed by Small Businesses in Genesee county



**AWAKENED NATURALS** is a health and beauty retail store launched by Flint resident Avi Morozov in 2016. After learning about the negative effects that lab-made chemicals found in many beauty products can have on consumers’ health, Avi decided to create products without these substances in favor of organic, natural ingredients. She initially operated without a storefront and planned to launch her first store in Flint on April 1, 2020, but was forced to postpone due to the pandemic. Avi initially struggled with the new, more virtual normal, but was able to pivot by creating a new marketing plan, offering new products, and receiving SBA support. Now, Awakened Naturals is celebrating achievements in the face of adversity, and looks forward to providing Genesee County with products that amplify one’s beauty through physical health and wellness rather than in spite of it.

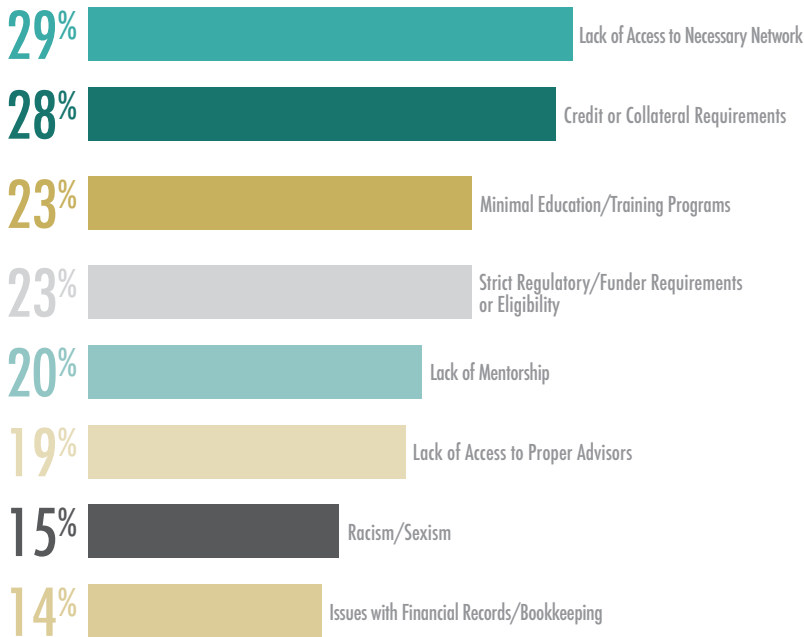


OBSTACLES IN OBTAINING FUNDING AND RESOURCES

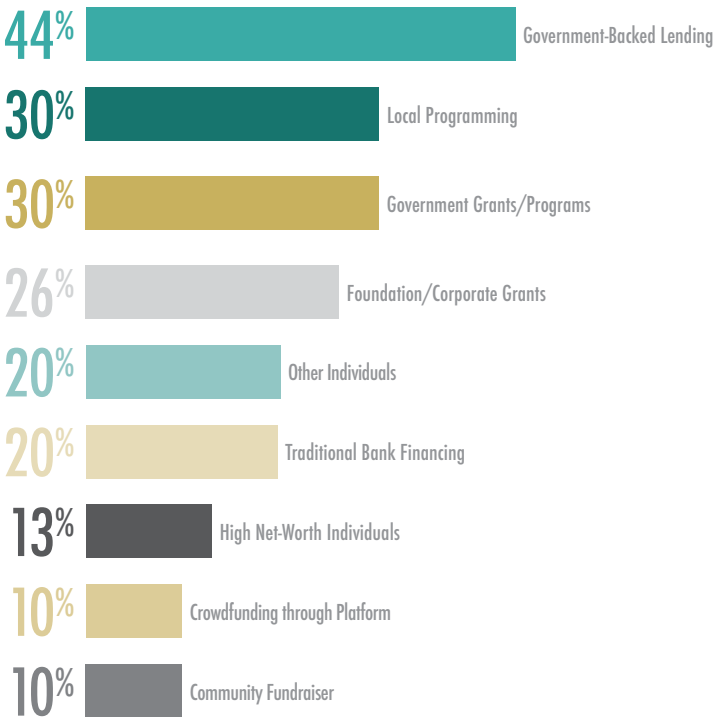
There are a variety of challenges small business owners face when trying to obtain outside funding or other resources to grow their businesses.

- 29% of small business owners in Genesee County reported having difficulty obtaining outside funding because they did not have access to the necessary network of individuals or organizations who might invest in their companies. Many investors say they would prefer a warm introduction over a cold call, making it difficult for business owners who are outside of these networks to initiate these funding opportunity conversations. 28% of small business reported difficulty obtaining outside funding due to credit or collateral requirements.
- Sadly, business owners report that racism is more of an obstacle to accessing capital and resources for their business than issues with their financial records or bookkeeping.

Obstacles in Obtaining Funding and Resources  
BY PERCENTAGE OF BUSINESSES



Anticipated Sources of Capital  
BY PERCENTAGE OF BUSINESSES



CAPITAL NEEDS OF SMALL BUSINESSES

75% of small business owners anticipate needing additional outside funding in order for their businesses to continue operating successfully. **Small businesses in Genesee County are hoping to obtain over \$180 million in outside funding over the next 18 months; on average, this is 3x what they have been able to obtain in the past.** Small business owners hope to secure this capital from government loans through Community Development Financial Institutions or the Small Business Administration, local programming, or government programs like Community Development Block Grants.



“Systematic racism is in the fabric of the foundation of our country. We see noticeable proof in lack of access to capital for entrepreneurs. More transparently, financially disenfranchised Black communities. Businesses are suffering, and they deserve better.”

EBONIE GIPSON  
Business Coach & CEO of I'm Building Something Consulting LLC

ART BEAUCHAMP ACE HARDWARE is a hardware store that was opened in 1948 and is owned by Flint resident Sally Kagerer. The store has been located on Pierson Road since 1956, at which point Pierson was simply a dirt road. Through all the changes since that time, Art Beauchamp Ace Hardware has been devoted to serving its community. For example, at the onset of the pandemic, many were using home quarantine as an opportunity to complete home improvement projects. While many large hardware chains were closing, this store was able to cater to the changing needs of the community, both by remaining open and by expanding their already well-established website. While the dirt road the store opened on 65 years ago has since been paved, Art Beauchamp Ace Hardware remains dedicated to the “North End” neighborhood in which it resides in spite of it.





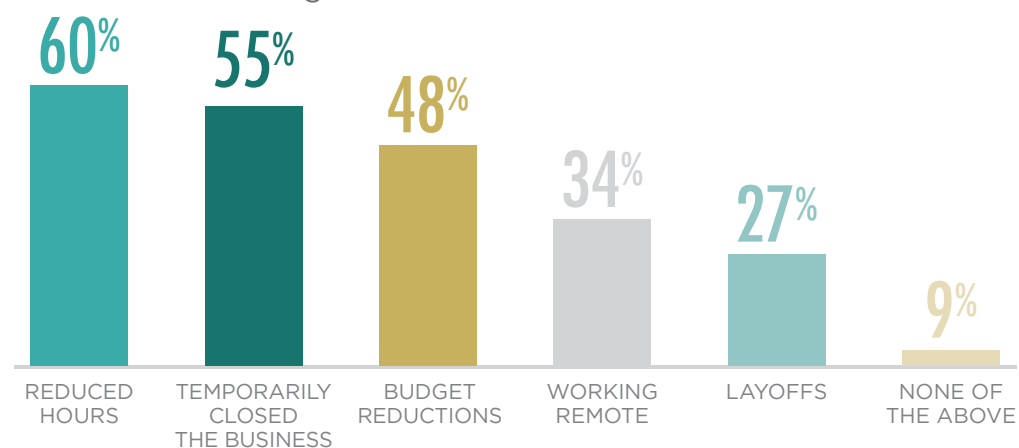
# Impact of COVID-19 on Small Businesses in Genesee County

The rapid onset of the COVID-19 pandemic caused a dramatic shift in the way we live, work, and interact with other people. Small business owners needed to make large operational shifts to protect their employees and customers. For example, many businesses increased their online presence and employees transitioned to working from home. However, some types of businesses are not able to operate virtually; as a result, these companies needed to close completely until it is safe to operate in-person again. Additionally, fixed costs like rent continued to increase. Several downtown regions will take longer to recover as some businesses decide to remain virtual instead of paying higher rents. As a result, the small business community has been split between traditional operations, hybrid operations, fully-remote operations, temporary closure, and closure for the foreseeable future. Now, over a year after the onset of the pandemic, many are wondering when things will return to “normal.”

## WORKING REMOTELY: TOUGH DECISIONS

The most common actions taken by small business owners during the pandemic were to reduce hours, temporarily close their companies, and finding any possible avenues to reduce costs.

Actions Taken During the Pandemic BY PERCENTAGE OF BUSINESSES



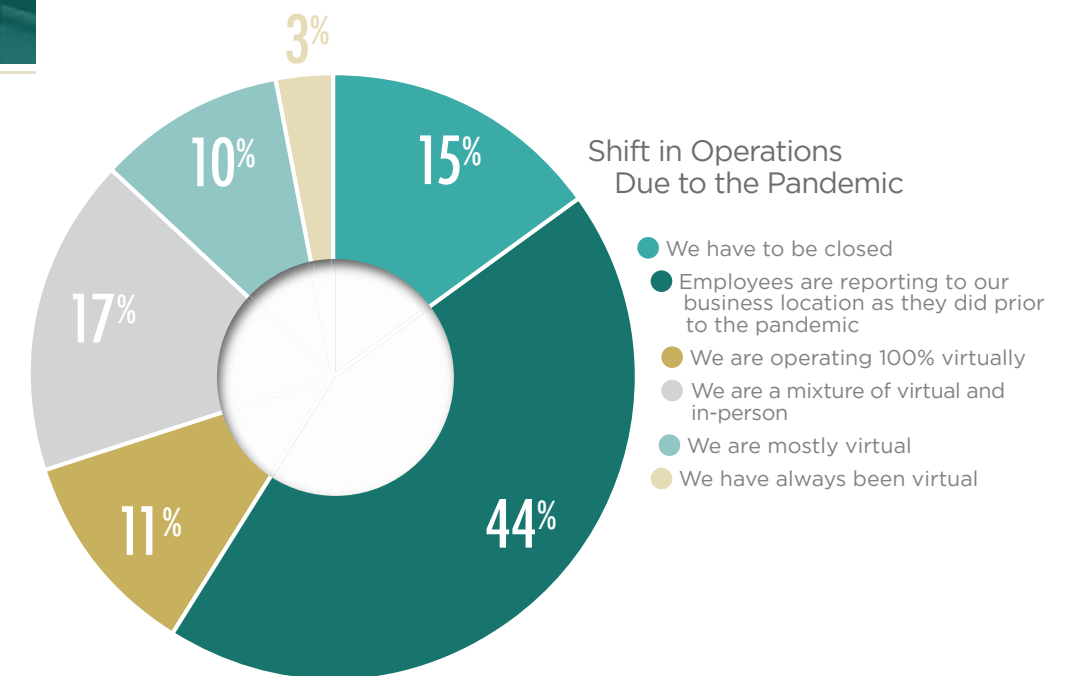
- 60% of small businesses in Genesee County reduced their hours of operation or employee hours. Reasons for this included: employees having increased childcare responsibilities due to daycares and schools being closed, needing to reduce the number of people inside a physical business location, and needing to cut overall operational costs.
- 55% of companies needed to temporarily close their businesses. Reasons for this included: The inability to operate virtually, their business being obsolete during the pandemic, needing time to make changes to operations or the physical location to make it safer to operate, and needing to step away from the business because of increased childcare responsibilities.

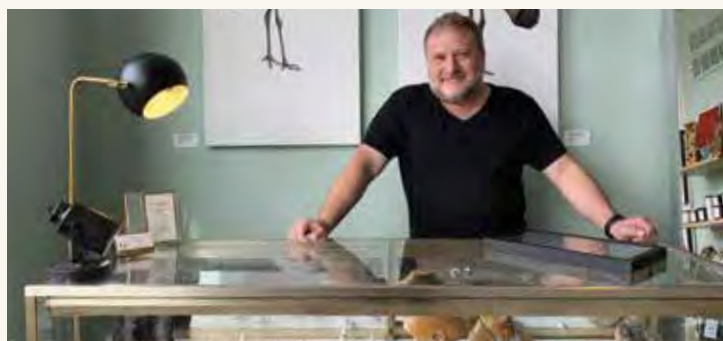


## OPERATIONAL SHIFTS

44% of small businesses in Genesee County had employees reporting to their business locations as they did prior to the pandemic. This corresponded with many precautions, such as reduced staffing or changes in operations like curbside pickup, but many businesses needed employees to be at their physical location in order to stay operational.

- 15% of small businesses must remain closed until after the pandemic is stabilized, as they are not able to modify their operations in a way that keeps their employees and the public safe. Most of these are businesses that include an event, gathering, or indoor physical activity; in these cases, attempting to remain open while taking the necessary safety precautions has been less cost effective than simply remaining closed.
- 41% of businesses are operating virtually in some capacity.





**FLINT TRADING CO.** is a unique gallery and shopping experience that offers limited edition art objects, home goods, and jewelry from local artists. Founded in 2018 by Walter McAdow, the company was poised for a successful year at the beginning of 2020. However, 2020 was an unexpected challenge for the atelier and the company's status as a new business. Unable to acquire PPP funding, Flint Trading Co. still doubled down on achieving success by moving to a larger, more open space that would allow people to enter without an appointment while still abiding by COVID-19 social distancing guidelines. As a result, the store increased its sales by over 25% — including an increase in private commissions — despite the decrease in walk-in business. Flint Trading Co. is the only atelier in Flint that remains committed entirely to artist-made goods and truly custom-made items designed by locals. No matter what their customer's budget, the handcrafted, custom pieces honor and reflect the personal stories of their patrons. In the near future, Flint Trading Co.'s new space will allow it to host small workshops for people that want to work alongside artists and make their own pieces. Until then, and in the spirit and celebration of Flint's many artists resilience during this pandemic, this special home goods and art object store is a testament to strength of the Flint community.

**FLINT TRADING CO.**

## BUSINESSES HIT THE HARDEST

Understanding the net earnings of various industries during the pandemic helps shed light on types of businesses that might need greater support in the coming years as they recover from the pandemic. These industries were seeing growth and profits prior to 2020 and have since seen some of the largest losses during the pandemic.

### Personal Care

Businesses such as beauty salons and fitness centers, were unable to operate for a portion of 2020 but are typically located in higher rent, downtown buildings. An additional hardship is the view that personal care is not a necessity, so many customers won't return until after the pandemic is completely over. Income for personal care businesses was down 45% in 2020 – the largest decrease in income of any industry. When businesses reopened in summer of 2020, personal care providers had significant costs to operate during a pandemic due to supplies and operational shifts that were required to keep their customers safe. Overall, net earnings for personal care businesses were down by over 100%.

### Art, Entertainment & Recreation

Businesses in the art, entertainment and recreation industry largely rely on gatherings of people and events. Many of these businesses cost more to operate during the pandemic than they would be able to earn so many have remained closed during most of the past year. In total, net earnings for Art, Entertainment & Recreation businesses are down by 72% from prior to the pandemic.

### Construction

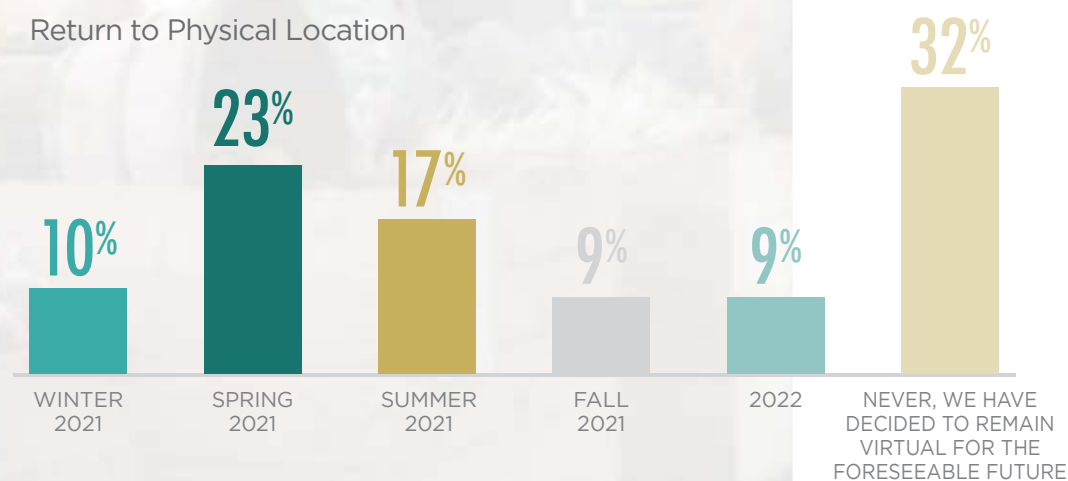
Businesses in the construction industry aren't able to shift operations to operate virtually so were forced to remain closed until it was safer to work in person. In total, net earnings for Construction businesses are down by 59% from prior to the pandemic.

**In addition, many of these types of businesses aren't on the top of people's minds when they think about "supporting their local small business community," so it's critical to encourage residents in the region to expand their definition of "shopping local" to "doing business locally."**

### A RETURN TO BUSINESS AS USUAL

Among small businesses that have been operating virtually, most owners anticipate they will remain virtual for the foreseeable future and are not actively planning to return to a physical location.

#### Return to Physical Location



- Largely, these businesses are in the professional services industry, or otherwise had very small back offices that shifted to virtual operations and can easily stay that way. Business owners are finding that many jobs that were significantly performed on the computer have very successfully shifted to remote positions. They have retained high productivity while greatly reducing costs related to maintaining office space.
- For business that are planning to return to their physical location, most plan to return in spring and summer of 2021.





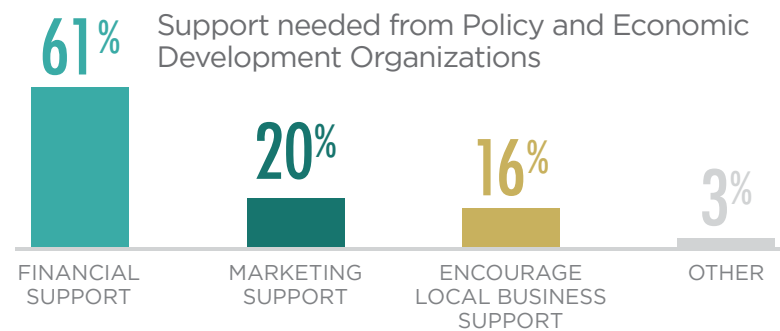
# Supporting the Small Business Community



Community support is critical for small businesses, particularly as we emerge from the COVID-19 pandemic. The growing trend of supporting local small businesses has the potential to make powerful societal and economic changes. Entrepreneurship provides the opportunity to make strides in overcoming challenges such as poverty, inequality, health concerns, and climate change, making “shopping local” more effective in creating value in the community.

## POLICY AND ECONOMIC DEVELOPMENT

**Small businesses across Genesee County believe the best way for policy and economic development organizations to support their companies is to increase access to capital or provide financial support directly.** This is followed by helping increase their businesses' visibility to their customers through marketing or “shop local” initiatives.



- Financial support could include providing funding directly, ensuring small businesses are aware of other funding opportunities, assisting small business owners in applying for grants and loans, and other initiatives that reduce the barrier for entrepreneurs to access the capital they need.
- Marketing support could include directly promoting local businesses, helping small businesses with marketing efforts, and referring customers.
- Encouraging local business support could include publishing and promoting a list of businesses, urging residents to support local businesses, and hosting local community events in an area with a density of small businesses to increase foot traffic.
- Other types of support could include aiding with access to PPE and supplies, providing assistance with other issues during transitions between in-person and remote work environments, offering more trainings and workshops on business topics, and making it easier for customers to park downtown.

## RESIDENTS

**Small businesses across Genesee County believe the best way for people in the region to support their companies is to work with them.** Additionally, customers who have particularly good experiences with a given business should refer as many people as they can to work with that business as well.

Support Needed from Residents of Genesee County



- Before purchasing a good or service from a corporation or online marketplace, residents can check to see if there is a way they could be working with a local small business. Genesee County contains a robust community of small businesses that provide professional services, food & beverages (in both brick-and-mortar and pop-up format), retail items (boutiques and online shops), art, entertainment & recreation, personal care (beauty salons, fitness, etc.), automotive and transportation services, construction, child & elder care, and more.
- Happy customers can write reviews online, post on social media about their experiences, and make referrals to friends and family members who might be looking for particular items or services. Word of mouth is a powerful tool in supporting small businesses.
- When considering giving money or services to a charity, residents should think about how they can support nonprofit organizations that are doing work in the Genesee County community.



**VERN'S COLLISION AND GLASS** is an auto body repair shop that was opened by Flint resident Michael Herriman in 1971. Michael is dedicated to serving the needs of customers and prioritizing their safety above all else; as such, to ensure the quality of workmanship, the shop works with original manufacturers' parts and employs state-certified mechanics. The business has been offering quality service for 42 years, and Michael credits the longevity of the company to the support they have received from the community. For example, when the COVID-19 pandemic slowed down business, Michael was able to secure grants that allowed his shop to persevere with the help of the Flint & Genesee Economic Alliance and other business-support organizations. Now, Vern's Collision and Glass can continue serving Genesee County residents and providing their customers with top-quality auto body and glass work.

**VERN'S COLLISION AND GLASS**





### THE ECONOMIC IMPACT OF SHOPPING LOCAL

Supporting small businesses in Genesee County provides broader economic and placemaking benefits than supporting businesses outside of the region.

- 1. Money spent at local small businesses stays in the local economy at a higher percentage than money spent at chain retailers.** According to the American Independent Business Alliance, only 14% of money spent at chain retailers stays in the local economy, compared to 48% of money spent at independent businesses. Through operations, jobs, and community initiatives, money spent at local businesses stays in the local economy, while 86% of money spent at chain retailers leaves the community. Therefore, shopping locally benefits more than just store, as that money is reinvested back into the community, enriching other businesses and consumers alike.
- 2. Small businesses significantly contribute to local job creation.** Small businesses make up a significant portion of the economy; in fact, according to the Small Business Association, 95% of U.S. companies are small businesses, defined as independent businesses that have fewer than 500 employees. Between 1993 and 2011, small businesses accounted for 64% of the net new jobs created, leading them to employ roughly half of U.S. employees today. In contrast, according to the American Booksellers Association, Amazon transactions in 2018 resulted in the displacement of 900,000 retail jobs.
- 3. Small businesses donate 250% more than larger businesses to local nonprofits and community causes.** According to SCORE, small businesses are more likely to have knowledge of and contribute to local causes than larger businesses, leading to an improved local community. Because small businesses are part of the community and 92% of local small business owners live in Genesee County, they are more active in supporting initiatives to better the community. According to the Institute for Local Self-Reliance, small businesses donate 250% more to local nonprofits and community causes than larger businesses.

### 4. Shopping locally supports the development of a unique, vibrant local culture.

Having a vibrant local business community is part of creating a sense of place for residents and visitors of that community and contributes to a higher quality of life. The development of unique communities not only provides choices for consumers, but also leads to further positive economic impacts on other industries such as real estate, tourism, and hospitality. In contrast, shopping on online marketplaces erodes the small business community. According to the American Booksellers Association, Amazon transactions in 2018 resulted in the displacement of 62,000 retail shops.

It is important to note that although it's shown that Amazon transactions displace local jobs and businesses, in 2020, Amazon reported an 84% increase in annual net earnings while many small businesses suffered tremendous setbacks. This highlights the opportunity to capture additional revenue locally and the economic impact it would have in Genesee County. **Spending money in locally-owned small businesses is an effective and efficient way to build a resilient, vibrant local business community that grows and improves the economy, while also working to improve the quality of life in Genesee County for all residents.**



**SWEETS BY SUZANNE MARIE** is a chocolate company founded by Fenton resident Suzanne Shew in 2014. The company specializes in creating delicious, custom sweets for a variety of occasions, from special events to simple everyday enjoyment. After 30 years of making special treats for friends and family, Suzanne decided to transform her hobby into a full-time career and opened her own business. Since then, her special recipe has made her sweet treats a community staple. Suzanne prides herself on using only the finest, freshest ingredients. Not only does she offer a robust menu of goods, including her signature Turtle, but Suzanne also encourages customers to reach out with custom requests if they craving something unique. All of the company's treats are crafted by hand and are made fresh to order.



**BROOK'S TEA** is a tea company launched by Flint resident LaDonna Wyatt in 2013. During a battle with breast cancer, LaDonna began to study green tea after learning of its nutritional value and antioxidant qualities, and soon started experimenting with a variety of recipes. Eventually, LaDonna crafted her signature recipe, which included swapping out processed sugars in favor of natural honey. LaDonna shared her brew with her friends, family, and coworkers, and it was not long until she found herself selling out of her product. Thus, LaDonna was inspired to use this recipe to start her own tea company and established Brook's Tea, a business with a commercial kitchen that produces a variety of products that her customers can fully enjoy knowing that they have not sacrificed health for taste or taste for health.







#### **ABOUT ENTRYPOINT**

EntryPoint is a research institution that aims to promote entrepreneurship across the Midwest. The organization believes that the best research takes a holistic approach to data acquisition and analysis, and as such, seeks to build meaningful partnerships with corporations, community foundations, entrepreneurial support organizations, and other groups. Working in tandem with these partners, EntryPoint develops comprehensive research reports that deliver insights on strengths and challenges facing companies, communities, and the broader region. Research findings are used to design and implement effective programs to promote entrepreneurship by fostering an inclusive culture, expanding networks, and facilitating education and advocacy.