

# FACT SHEET

## An Act to Promote Inclusive Entrepreneurship and Economic Justice

Sponsored By Senator Lesser & Representative Cabral

Senate Bill 270; House Bill 505

### Racial & Ethnic Disparities are Hurting Families, Communities, and Our Economy

The COVID-19 pandemic has painfully exposed racial and ethnic inequities across every dimension of society, including our small business community. Businesses owned by people of color have long faced disadvantages in securing capital, customers, and business connections, but the pandemic has hurt these businesses with brutal force. Numerous reports have documented that businesses of color have lost more revenue and are more likely to close due to the pandemic, and they have had less success accessing federal relief dollars.

### Unleashing the Potential of Entrepreneurs of Color in Massachusetts

Fortunately, the stark reality of the pandemic and the growing recognition of racial injustice in our country has brought new attention and focus to addressing these systemic inequities. A new [report](#) by MassINC and the Coalition for an Equitable Economy lays out a vision for how Massachusetts can rebuild from this crisis and create a more equitable and prosperous future by Unleashing the Potential of Entrepreneurs of Color in Massachusetts. The report articulates a three-pillar plan focused on increasing:

- Skills and relationships
- Access to capital
- Access to markets and customers

### An Act to Promote Inclusive Entrepreneurship and Economic Justice

This legislation will position the Massachusetts economy for stronger and more equitable growth through the following actions:

**Mandate a Comprehensive Plan for Supporting Businesses of Color:** The legislation would require the state's quadrennial economic development strategy to include an assessment of racial and ethnic disparities in small business growth and initiatives to narrow these gaps. The Executive Office of Housing and Economic Development would also be required to report on the share of economic development tax credits and grants provided to businesses of color.

**Diversify Public Boards** – The legislation would require all public boards and commissions – including those responsible for economic development – to adopt policies and practices to increase racial and ethnic diversity of their membership.

**Improve Supplier Diversity at anchor institutions** – The legislation would require anchor institutions – large universities and hospitals – to report to the state on their supplier diversity efforts and results.

**Strengthen Neighborhood Business Districts** – The legislation would dedicate a portion of online sales tax revenue to fund Main Streets, business improvement districts, cultural districts and other efforts to revitalize business nodes where large numbers of businesses of color operate and which have been hit hard by the pandemic and the growth of online retail.

**Expose Predatory Lending Practices** – The legislation would require the Division of Banks to collect and report data on the practices of online lenders.