

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN



Leadership Sponsor: Rebecca Moudry, Director

Equity Lead(s): Theresa Benincasa, Manager, Economic Mobility

Departmental Equity Guiding Statement:

The Department of Economic Initiatives (DEI) is committed to promoting opportunities for economic mobility for all residents through policy, programs and initiatives that foster entrepreneurship, small business development and equitable growth.

Context:

Growing Capacity for Small and Minority-Owned Fairfax County Businesses

The pandemic had a swift and disproportionate negative economic impact on small, women and minority-owned businesses. In 2020, national and local economic data showed that business owners of color, women and immigrants closed their businesses at higher rates than white business owners.

While revenue and employment growth have improved year over year for small businesses since 2020, the 2023 Federal Reserve Small Business Credit Survey shows disparities among racial and ethnic groups in performance: 56% of African-American and 41% of Hispanic business owners reported operating at a loss as compared to 34% of white business owners. Firms' self-reported financial condition remained relatively unchanged since 2021; 75% of African-American and 67% of Latino business owners reported firms' financial condition as fair or poor as compared to 52% of white business owners.

Almost every firm in the Federal Reserve 2023 survey experienced at least one operational or financial challenge in the prior 12 months. Sixty percent reported challenges associated with hiring or retaining qualified staff, and 60% reported supply chain issues.

DEI programs such as the THRIVE Small Business Technical Assistance Program, Fairfax CORE and BizEx provide direct assistance to local small businesses. These programs provide resources to help firms address challenges and meet their individual business goals. Intentional outreach to SWAM businesses ensures that businesses are made aware of these opportunities.

Investing in Local and Minority Founders

In their 2023 study Underestimated Start Up Founders, the Untapped Opportunity, McKinsey & Company reported that 1% of the nation's venture capital funding was invested in businesses founded by Blacks and 1.5% in funded companies led by Latinos. Women-founded teams received 1.9% of venture capital funds and only 1% of funds were given to companies founded by women who identify as Black and Latino. Over the startup business life cycle, white male founders received 43% more total funding than underrepresented founders (including women and people of color). According to McKinsey & Company, underrepresented founders have less exposure to startup networks, and contend with racial, ethnic, and cultural biases.

Federal Reserve Small Business Credit Survey 2023 data show that startups of color are significantly less likely than white-owned startups to receive funding through financial institutions or lenders, despite being as likely—and, among nonemployer businesses, more likely—to apply for financing from a lender. Startups owned by people of color are less likely than their white-owned counterparts to be fully approved for the financing they sought when they do apply.

Despite these challenges, data from the US Census Bureau's Current Population Survey suggest that the number of incorporated, self-employed persons of color rose approximately 13% from January 2020 through April 2023.

DEI initiatives such as the Fairfax Founders Fund and the Investor-Entrepreneur Accelerate Forums address gaps in access to financial and social capital for minority-owned and local entrepreneurs and tap into the trend for new growth among founders of color.

Creating economically vibrant and inclusive commercial districts and places

Place-led economic development is a comprehensive location-based approach to economic development that aims to improve equitable growth outcomes within the diverse communities in Fairfax County. The Chairman's Task Force on Equity and Opportunity found that key challenges to building equitable communities include, "People of color and lived expertise do not have the power to influence decision making" and "Lack of investment or re-investment in historically marginalized communities; investments do not directly benefit communities of color that live there."

These challenges indicate a need for an inclusive place-led economic development approach that identifies, celebrates and fosters empowered residents and community assets. According to the Project for Public Spaces, a core component of a place-led economic development approach, is the empowerment and engagement of the individuals in a community to participate in, understand and contribute to the evolution of the spaces that define that community. In a 2022 Brookings study, Priorities for Economic Inclusion, five cities that utilized a community-centered approach to place-led development are showing signs of greater economic opportunity for those communities.

In 2023, DEI initiated its place-based activities by piloting the development of commercial profiles. These profiles lay the groundwork for understanding the economic assets and community opportunity for two contrasting commercial districts within the county. DEI engaged local business support and community organizations to develop and inform its findings. Phase two of the effort will profile additional commercial areas in the County.

Expanding Employment Opportunity through Work-Based Learning

Since the pandemic, worker recruitment and retention are top issues for the majority of firms (based on local, regional, and national surveys). Simultaneously, many workers and jobseekers continue to experience the negative impacts of pandemic-related unemployment and underemployment. This includes STARs (workers Skilled through Alternative Routes), immigrants, refugees, and those without a college degree. People of color are disproportionately represented in these groups.

The shortage of workers using traditional talent-sourcing approaches is constraining economic growth and business success. Work-based learning offers employers the opportunity to expand the labor pool and build talent; it has been shown to increase retention and accelerate the productivity of workers once employed.

For jobseekers, work-based learning offers an opportunity to further develop the skills and professional experience needed to participate in a knowledge-based economy and earn sufficient income. It can be an onramp to gateway jobs in our local economy, and a path to economic mobility.

In 2023, DEI, in partnership with the Department of Family Services, launched the Talent Up Fairfax Fund. Talent Up is a workforce pilot program that seeks to match employers with overlooked job seekers and place them into temporary-to-permanent (temp-to-perm) work-based opportunities.

System-Level Infrastructure:

Work with the Department of Procurement and Material Management (DPMM)'s effort to determine opportunities for the Vendor Pitch Portal.

Work with One Fairfax, the Health Department and Neighborhood and Community Services (NCS) to develop multicultural outreach for Fairfax Founders Fund, THRIVE and DEI business capacity-building efforts.

Work with the Department of Family Services (DFS) to provide technical assistance on the Talent Up Fairfax Fund.

Work with the Department of Management and Budget (DMB), DPMM, Department of Finance (DOF) and the Office of the County Attorney (OCA) on grants management for the American Rescue Plan Act funded projects including THRIVE and the Talent Up Fairfax Fund.

Work with the Department of Planning and Zoning (DPD) and NCS on place-led economic development.

Work with approximately 10 departments throughout the county to feature their information, resources and contacts related to starting and growing a business on the Fairfax CORE resource platform.

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

DEPARTMENT GOALS

Goal 1: Implement the THRIVE Small Business Technical Assistance program that includes serving underrepresented small businesses and entrepreneurs.

One Fairfax Area(s) of Focus: 1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Efficient and Effective Government (EEG)

Relationship to Countywide Strategic Plan Strategies/Metric(s):

Strategy EO4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunities for Black, Indigenous, and People of Color (BIPOC).

EO9: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support, and expand businesses, particularly in target industries and across various types and sizes.

E10: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.

EO11: Promote the equitable and transparent distribution of county resources through the county's contracting and procurement systems and policies.

EE3: Enhance communication and outreach to the community by using all available communication methods and tailoring messaging to individual needs.

EE6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions, and values of diverse ethnic, racial, and cultural groups.

Related Economic Opportunity Metrics: Net Change in Jobs; Number of Business Establishments

Related Effective and Efficient Government Metric: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/ Supports	Responsible Parties	Timeline	Performance Measures
1a. Oversee the grant processes and program delivery related to providing approximately 600 small businesses with business coaching and technical services at no cost to businesses.	Latino Economic Development Center (LEDC), small businesses, business support organizations, community partners, multicultural organizations	Financial Resources, Staff Time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux, Mariam Conley	Q1-Q4	-Number of business consultants contracted -Number of business coaches contracted -Number of business support/multicultural organizations partnered with for outreach -Number/ demographics of businesses receiving services (owners)
1b. Program outreach will utilize targeted media and messages developed by a SWAM-owned business firm, and strategies such as multicultural chamber outreach, paid radio and social media placement, and	LEDC, small businesses, business support organizations, community partners, multicultural organizations, county	Financial Resources, Staff Time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux, Mariam Conley	Q1-Q2	-Diversity of businesses (types) receiving assistance Longer-term PMs:

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

postcard (advertising language accommodation) delivered to all FFX County business owners to ensure all business owners are made aware of THRIVE opportunity.	agencies such as NCS and Health Department				-Number of businesses reporting positive impacts
1c. Program delivery will support diverse business owners including sole proprietors, home-based businesses; all sectors. Use language line and translation services support and provide virtual and in-person meeting options. Experience serving small, diverse, and locally owned businesses was part of evaluation criteria for selection of THRIVE coaches and consultants.	LEDC, small businesses, business support organizations, community partners, multicultural organizations	Financial Resources, Staff Time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux, Mariam Conley	Q1-Q4	
1d. Collect and analyze applicant demographics; marketing reach and program outcomes. Produce infographics and distribution maps.	LEDC, small business support organizations, multicultural groups; County GIS-IT	Financial Resources, Staff Time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux, Mariam Conley	Q4	

Goal 2: Improve access to capital and technical expertise for diverse business founders.

One Fairfax Area(s) of Focus: 1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Efficient and Effective Government (EEG)

Relationship to Countywide Strategic Plan Strategies/Metric(s):

Strategy EO4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunities for Black, indigenous and People of Color (BIPOC).
 EO10: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.
 EO 13: Partner with businesses, universities, research institutions, and incubators to foster innovation that supports high-impact entrepreneurship, attracts capital, creates jobs, builds a relevant workforce and stimulates economic growth.
 EE3: Enhance communication and outreach to the community by using all available communication methods and tailoring messages to individual needs.
 EE6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions, and values of diverse ethnic, racial, and cultural groups.

Related Economic Opportunity Metrics: Net change in jobs; Number of Business Establishments; Dollars of New Capital Investment in Fairfax County Based Businesses

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

Related Effective and Efficient Government Metric: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/ Supports	Responsible Parties	Timeline	Performance Measures
2a. In cooperation with fund administrators, launch the second/third cohorts for Fairfax Founders Fund applications, monitor all cohort grant agreements, and track and report program impacts.	Fairfax County Economic Development Authority (FCEDA), Virginia Innovation Partnership Corporation (VIPC), industry, university partners, other sources of early-stage capital	Financial resources, staff time	Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux	Q1-Q3	-Number of program promotion activities/diverse outreach contacts -Number of applicant and awardee businesses with diverse, underrepresented founders -Number of entrepreneur referrals to prep services to nurture growth -Number of grants awarded -Number/demographics of entrepreneur participants at forums
2b. Continue marketing and communications plan to reach historically underserved founder populations.	FCEDA, VIPC, multicultural chambers, nonprofit, university, and industry partners, including Black Girl Ventures, Citrine Angels, 1863 Ventures, The Marathon Fund, BLCK VC DMV, Building Momentum, and Halcyon.	Financial resources, staff time	Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux	Q1-Q3	Longer-term PMs: -Number of jobs created or retained -Additional capital secured
2c. Establish and support regular entrepreneur and investor forums to develop the ecosystem, provide education, and connect local businesses with capital.	FCEDA, VIPC, industry, university partners, other sources of early-stage capital	Financial resources, staff time	Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux	Q1-Q4	

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

Goal 3: Structure and promote a platform and other activities to help entrepreneurs, home-based and small businesses, including minority-owned businesses, connect to available resources.

One Fairfax Area(s) of Focus: 1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Efficient and Effective Government (EEG)

Relationship to Countywide Strategic Plan Strategies/Metric(s):

Strategy EO4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunities for Black, Indigenous, and People of Color (BIPOC).

EO9: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support, and expand businesses, particularly in target industries and across various types and sizes.

E10: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.

EO11: Promote the equitable and transparent distribution of county resources through the county's contracting and procurement systems and policies.

EE3: Enhance communication and outreach to the community by using all available communication methods and tailoring messages to individual needs.

EE6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions, and values of diverse ethnic, racial, and cultural groups.

Related Economic Opportunity Metrics: Net Change in Jobs; Number of Business Establishments; Overall Office Vacancy Rate

Related Effective and Efficient Government Metric: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/ Supports	Responsible Parties	Timeline	Performance Measures
3a. Create, launch and maintain a small business/entrepreneurship resource navigation system.	County agencies, entrepreneurs/business owners, business support organizations	Staff time	Meaghan Kiefer, Maribel Feliciano, Wendy Lemieux		<ul style="list-style-type: none"> - Web analytics - Network engagement, reach and strength -Resource partner/network outcomes
3b. Create resource navigator marketing plan and execute outreach and engagement targeted to diverse businesses and geographies.	County agencies, entrepreneurs/business owners, business support organizations	Staff time	Wendy Lemieux, Maribel Feliciano, Meaghan Kiefer		

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

<p>3c. Collaborate with DPMM to gather feedback on the Vendor Pitch Portal pilot and inform a recommendation for full implementation.</p>	<p>County agencies, entrepreneurs, business owners</p>	<p>Staff time</p>	<p>Meaghan Kiefer</p>	<p>-Number of proposals submitted -Number of submitters connected to business development support Longer-term PM: -Number of submitters who are contacted by County agencies for consideration</p>
<p>3d. Promote and support educational events for entrepreneurs and small business owners.</p>	<p>County agencies, economic development partners, entrepreneurs</p>	<p>Staff time</p>	<p>Meaghan Kiefer, Maribel Feliciano</p>	<p>-Number of entrepreneurs or businesses that participate in education events organized or supported by DEI</p>
<p>3e. Provide customized assistance to entrepreneurs and businesses to navigate county requirements to start or grow a business, as well as connection to other supportive resources.</p>	<p>County agencies, entrepreneurs, economic development partners</p>	<p>Staff time</p>	<p>Maribel Feliciano, Meaghan Kiefer</p>	<p>Number of entrepreneurs and small businesses served (including minority-owned businesses)</p>

Goal 4: Build and collaborate on place-led economic development efforts, utilizing the unique assets within communities to understand and nurture economic activity, empowering local stakeholders/residents, and support economically competitive places.

One Fairfax Area(s) of Focus:

1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

11. A quality built and natural environment that accommodates anticipated growth and change in an economically, socially, and environmentally sustainable and equitable manner that includes mixes of land use that protects existing stable neighborhoods and green spaces, supports sustainability, supports a high quality of life, and promotes employment opportunities, housing, amenities and services for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Efficient and Effective Government (EEG)

Relationship to Countywide Strategic Plan Strategies/Metric(s):

Strategy EO7: Use data, disaggregated by population and place, to guide land development and investment in communities with the greatest need to improve economic opportunity.

EO9: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support and expand businesses, particularly in target industries and across various types and sizes.

EO14: Focus land development efforts on creating a variety of vibrant, transit-connected, walkable mixed-use destinations throughout the county that meet the needs of residents, employers and the workforce.

EE6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions, and values of diverse ethnic, racial, and cultural groups.

DEPARTMENT OF ECONOMIC INITIATIVES

CALENDAR YEAR 2024 EQUITY IMPACT PLAN

Related Economic Opportunity Metrics: Dollars of New Capital Investment in Fairfax-County based businesses
 Related Effective and Efficient Government Metric: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/ Supports	Responsible Parties	Timeline	Performance Measures
4a. Evaluate commercial areas and create a typology of places in the county.	Board of Supervisors, County agencies, economic development partners, community-based organizations	Financial resources, staff time	Scott Sizer, Laura Baker	Q1-Q4	-Place-specific economic analysis -Number of communities engaged in place-led economic development -Number of partnerships engaged to develop County efforts
4b. Engage with local stakeholders to build upon community assets and implement targeted place-led economic development approaches.	Board of Supervisors, County agencies, economic development partners, community-based organizations, local stakeholders	Financial resources, staff time	Scott Sizer, Laura Baker	Q1-Q4	-Number of community organizations engaged to further or execute efforts

Goal 5. With the Department of Family Services (DFS), implement the Talent Up Fairfax Fund to provide economic opportunities to unemployed or underemployed workers.

One Fairfax Area(s) of Focus:

- 1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.**
- 3. Workforce development pathways that provide all residents with opportunity to develop knowledge and skills to participate in a diverse economy and earn sufficient income to support themselves and their families.**

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Efficient and Effective Government (EEG); Lifelong Education and Learning (LEL)

Relationship to Countywide Strategic Plan Strategies/Metric(s):

Strategy EO4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunities for Black, Indigenous, and People of Color (BIPOC).

EO16: Facilitate improved connections between employers and qualified talent by increasing awareness of workforce services and incentives.

LEL15: Increase the supply and improve the quality of career and technical education -including apprenticeships and internships – by expanding coalitions across schools, postsecondary institutions and workforce development programs.

Related Economic Opportunity Metrics: Unemployed Residents; Net Change in Jobs; Residents with a Bachelor’s Degree or Higher

Related Lifelong Education and Learning Metrics: % of residents with some form of post-secondary degree/certification

**DEPARTMENT OF ECONOMIC INITIATIVES
CALENDAR YEAR 2024 EQUITY IMPACT PLAN**

Actions	Stakeholders	Resources/ Supports	Responsible Parties	Timeline	Performance Measures
5a. In cooperation with program partners, launch and execute the program.	DFS, SkillSource Group, FCEDA, local educational institutions, employers, chambers of commerce, nonprofit organizations	Financial resources, staff time	Theresa Benincasa, Jamie Gaucher	Q1-Q4	-Number of promotional activities -Number of jobseeker applications Longer-term PM: -Number of intern placements created -Number of job placements
5b. Engage employers and talent supplier network to participate in the Talent Up Fairfax Fund.	DFS, SkillSource Group, FCEDA, local educational institutions, NOVA community college, employers, multicultural chambers of commerce, 75+ nonprofit organizations, NCS, WISH Center	Financial resources, staff time	Theresa Benincasa, Jamie Gaucher	Q1-Q4	-Number of employers engaged -Number of talent suppliers engaged

Department Director's Signature: _____

