

**PROPRIETARY  
CONTENT**



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"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek."

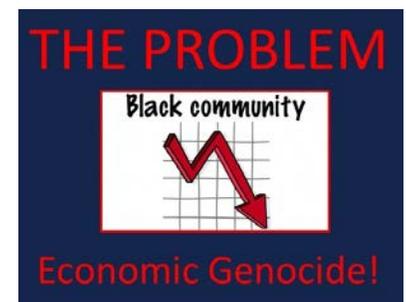
~ President Barack Obama

### Why Now?

African Americans' economic growth when compared to whites has remained stagnant since the Jim Crow Era. Additionally, the growing American backlash toward efforts to uplift people of color and the general ineffectiveness of traditional (and/or outdated) social justice efforts require African Americans to galvanize its resources to spur economic growth. Economic empowerment is the main tool that will "move the needle" forward for the Black community and bring the desired change we seek.

### The Facts

- Despite African Americans having a collective buying power of \$1.3 trillion, just two cents of every dollar a Black person spends in this country goes to Black-owned businesses (i.e., money goes out and does not come back into the community).
- If Blacks increased spending on Black-owned businesses from two cents to 10 cents of every dollar, one million jobs could be created for our community.
- One dollar circulates in Asian communities for 30 days, in Jewish communities approximately 20 days, and in white communities 17 days. In contrast, one dollar circulates in the Black community only six hours!!!
- From 1983 through 2013, the average wealth of white families grew by 84%, three times faster than the rate for African American families. If the past 30 years were to repeat:<sup>1</sup>
  - White household wealth would increase \$18,368 a year - topping out at \$1.2 million
  - Black household wealth would increase by only \$765 per year, reaching more than \$107,000 by 2043
- Assuming white wealth remained stagnant at today's levels and average Black wealth grows at the same pace it has over the past three decades, it would take average Black families 228 years to amass the same amount of wealth White families have today - that's the year 2241. **To put this number in perspective, the amount of time Black families would need to build the wealth white families have today is just 17 years shorter than the 245-year span of slavery in this country.**<sup>2</sup>



### Progress? Yes ... but NOT REALLY!

- *Entrepreneurship among people of color is increasing* - In 2012, L.A. County ranked second in the number of African American-owned firms. Of L.A. County's 631,218 firms owned by people of color, 7.1 percent are Black-owned. Nationally, Black-owned businesses increased 34.5 percent between 2007 and 2012 totaling 2.6 million Black firms. More than 95 percent of these businesses are mostly sole proprietorship or partnerships which have no paid employees, meaning they have more difficulty accessing capital given the dependence upon individual credit ratings.
- *Start ups founded by African American entrepreneurs receive disproportionately low funding* - In a study conducted by CB Insights, startup ventures founded by African Americans were found to receive only 1 percent of seed and Series A funding nationally, despite African Americans making up 9.2 percent of new entrepreneurs in 2014.
- *Growing homeownership gap* - In L.A., Black applicants are denied home loans at a rate of 21.6 percent compared to 11.5 percent for white home loan applicants. Predictably, homeownership rates among African Americans drag behind the rates for whites (32.9 percent compared to 58.3 percent, respectively). The trends are consistent nationwide. The gap between white and Black homeownership across the country is as wide now as it was in 1900, just a few years into the Jim Crow era.
- *Growing household income gap* - As of 2014, the median household income in L.A. County was \$55,870.6 In 2012, the median income of African American households in L.A. County was \$40,200, more than 20 percent below L.A. County's overall median household income and the lowest median household income when compared to Latino, Native American/Alaska Native, Asian, and white households.

### Mission

Based on the spirit of cooperative economics, BCIF is a 501(c)3 nonprofit, community-based fund that provides microloans to African Americans that have a high likelihood of building assets through pooled dollars from individuals who are passionate about empowering the African American community, with a specific focus on communities in the Southern California region.

<sup>1</sup> Asante-Muhammad, Dedrick, Collins, Chuck, Hoxie, Josh, and Nieves, Emanuel. The Ever Growing Gap. Institute for Policy Studies/CFED. August 2016.

<sup>2</sup> Asante-Muhammad, et al.

## Vision

To provide a dedicated, reliable, and perpetual source of capital to create assets and build wealth for, and within, African American communities.

## Financial Goal

To raise a minimum of \$500,000 annually

## Giving Areas

To secure or grow individual or business assets, primarily through:

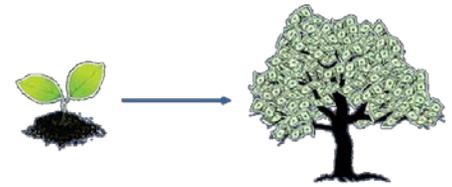
- Starting small businesses
- Securing growth capital for small businesses
- Securing real estate
- Renovations and upgrades for real estate

## Objectives

- Distribute 24 - 36 microloans annually, ranging between \$5,000 - \$20,000
- Annually help approximately 12 - 16 Black owned companies or entrepreneurs build assets by securing necessary capital to start or grow their businesses
- Annually help approximately 8 – 12 Black owned companies or individuals build assets through real estate purchase or renovation

## For Members/Donors

- One-year commitment required
- Minimum of \$1,000 annually
  - Can be a one-time annual gift; or monthly contributions for 12 months
- Automatic bank account deductions required for monthly giving plan
- 10 percent discount on all BCIF hosted events and all services/products of BCIF business loan recipients
- Provide input on loan awards
- Receive a tax deduction
- Receive a refund of 25 percent of financial gift; paid back on a quarterly basis for one year



NOTE: Refunds are not available for monthly plan until minimum contribution of \$1,000 is met.

## Loan Details

- Amount Range: \$5,000 to \$20,000
- Monthly Repayment Schedule
- Fixed Interest Rate
  - 10.0% based on two-year amortization
  - 12.0% based on three-year amortization

## Eligibility Criteria

- Primary target population: African American residents or business owners in Los Angeles County and Riverside County
- Strong potential for positive impact on the economic trajectory of the African American community
- Evidence substantiating that a microloan will help yield a financial return and future asset building
- Must demonstrate the need and a capacity to repay; Stellar credit history is NOT required
- Annual gross household income of less than \$200,000 for individuals and less than \$500,000 in annual gross revenues for businesses (including start-ups)
- Experienced, entrepreneurial, and/or innovative leadership
- First-time home buyers and/or home buyers targeting property in communities with high concentrations of African American residents
- African-American owned businesses, preferably with the capacity to create jobs for other African Americans

**A \$500,000 FUND COULD RESULT IN \$1.2 MILLION BEING GENERATED IN SOUTHERN CALIFORNIA'S BLACK COMMUNITY, A 145 PERCENT GROWTH RATE ON BCIF'S INVESTMENT!!!**

**Be part of the solution!**

To become a BCIF Member today or for more information, send an email to [info@bcifund.org](mailto:info@bcifund.org) or call 310.904.6336