

NORTH CAROLINA'S NEW SMALL BUSINESS PLAN:

A PATHWAY TO PROSPERITY FOR ALL



RURAL COUNTS

THE ADVOCACY PROGRAM OF THE NC RURAL CENTER

North Carolina's New Small Business Plan was developed and vetted by the NC Rural Center's Small Business Policy Task Force (SBPTF) and its advisors, which include a seasoned cadre of business leaders, resource-providers, policymakers, advocates, and entrepreneurs from across the state. The SBPTF has tailored the Ewing Marion Kauffman Foundation's America's New Business Plan to North Carolina's specific needs. Leading with an equity-based, asset-focused, and data-driven approach, the SBPTF has developed an actionable policy agenda to advance the interests and goals of small-business owners across North Carolina to meet both short-term and long-term needs of North Carolina entrepreneurs and small-business owners, organized into four categories:

Funding

Equal access to the right kind of capital everywhere.



Knowledge

The know-how to start a business.



Support

The ability for all to take risks.



Opportunity

An equitable, level playing field with less red tape.



FUNDING

- Enact H969 - the North Carolina Small Business Truth in Financing Act to promote transparency in non-bank lending at the state level, especially during times of natural disasters and other crises (i.e., financial technology).
- Expand access to capital by acknowledging the need to subsidize the smallest loans. Target subsidy to community banks, credit unions, and Community Development Financial Institutions (CDFIs), with a special focus on underserved and rural areas.
- Sustain funding to strengthen and expand the capacity of CDFIs across the state, which helps to ensure more HUB and low-to-moderate income small-business owners can access capital at both the startup and growth phases.
- Sustain funding to the One North Carolina Small Business (ONCSB) Program to spur additional small business formation and growth for rural businesses and increase the diversity of participation in small businesses.
- The NC Legislative Research Commission to study the establishment of a clear, consistent definition of a small business based on (1) a small business (e.g., <150 employees) and (2) a microbusiness (e.g., <10 employees) to better target resources including incentives, contracting with the government, and accessing general tools that can help them compete with larger corporations. A comprehensive definition should be based on business size, annual revenues, and industry profit margins. The Small Business Administration's definition of a small business (<500 employees) is inadequate for development purposes.
- Ensure all state business incentive programs are accessible to, and have carve outs for, small-and micro-businesses (as defined above) and historically underutilized businesses to assist entrepreneurship efforts and/or small business formation, especially in rural areas of the state (i.e., Job Development Investment Grant (JDIG)).

KNOWLEDGE

- Expand the East Carolina University College of Business' Accelerate Rural North Carolina program as an online mentoring model for emerging entrepreneurs across Eastern North Carolina.
- Appropriate \$3 million to establish and operate a state Ombudsman Office and Regional Network in each Economic Development Partnership Region to serve as an intermediary, regulatory entity to proactively connect and troubleshoot with small businesses and support entities on compliance challenges to eliminate unnecessary and burdensome regulations, and advocate for improvements that make regulatory navigation easier.
- Appropriate \$2.8 million to expand the capacity and sustainability of the State Small Business Center Office and local network to increase the success and viability of North Carolina's small businesses in North Carolina by providing high quality, readily accessible assistance to prospective and existing small-business owners, to increase job creation and retention.
- Appropriate \$1 million to establish and operate a well-advertised online, app-based, centralized resource portal to help small-business owners and support entities to navigate a wide array of public and private resources to better coordinate service delivery (i.e., KCSOURCELINK).
- Increase state funding for the Career and Technical Education program to support expansion of the entrepreneurship curriculum at area elementary, middle and high schools across the state, especially in rural areas (i.e., professional development to expand entrepreneurship content knowledge).

SUPPORT

- Address the health insurance coverage gap for our state's entrepreneurs, small-business owners, their employees, and families.
- Ensure the state's Unemployment Insurance System provides jobless workers with adequate benefits for the standard length of time so that they maintain spending locally and stay connected to the labor market.
- Establish a short-time compensation (i.e., work-sharing, shared-work) program to benefit small-business employers particularly in retail, food service, hospitality, and manufacturing industries so that they can maintain connections with a trained workforce in a downturn.
- Increase broadband adoption rates by leveraging and coordinating state and federal funds to provide low-cost options for unserved and underserved small-business sectors.

OPPORTUNITY

- Ensure inclusivity of the state's growing Latino population by providing bilingual/ bicultural technical services (English/ Spanish) across the entrepreneurial ecosystem network (e.g., SBCs, SBTDCs, CDFIs, etc.).
- Support the State Historically Underutilized Business Office's (HUB) development of a robust, and scaled, buyer/contract diversity program for businesses owned by women and people of color.
- Appropriate \$1 million to expand the capacity, reach, and regional presence of the State Historically Underutilized Business Office (HUB) to increase economic opportunities for historically underutilized businesses in state government contracting and procurement to foster greater growth and profitability.

To view North Carolina's New Business Plan and join the NC Small Business Coalition. visit:

bit.ly/small-biz-coalition



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