



Kansas City and Atlanta Feds release guide to support COVID-19 recovery for small businesses of color

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KANSAS CITY, MISSOURI - The Federal Reserve Bank of Kansas City and the Federal Reserve Bank of Atlanta today published the Small Businesses of Color (SBOC) Recovery Guide. The guide is intended to assist communities throughout the nation in supporting SBOCs as they recover from the economic crisis caused by the COVID-19 pandemic.

SBOCs are important contributors to the national economy and their role in the national economy is increasing as the U.S. experiences demographic shifts. However, SBOCs were vulnerable prior to the COVID-19 pandemic, and the resulting downturn has had a disproportionate negative effect on SBOCs, including increased closure rates.

“A broad range of national and local actions needs to occur to help SBOCs recover,” the guide says. “These include improved access to various forms of credit and capital that are designed to meet the specific needs of SBOCs. In addition, new or expanded forms of education and training, better policy solutions, and increased community support will need to occur.”

The coauthors of the comprehensive guide are Dell Gines and Steve Shepelwich, both senior community development advisors at the Kansas City Fed, and Janelle Williams, senior adviser in the Atlanta Fed’s Community and Economic Development group. Drawing from a wide variety of sources, including existing research, insights from small business support providers and surveys, the guide covers the following areas.

- The first part shares the economic climate of U.S. small businesses owned by people of color and discusses the state of SBOCs before the COVID-19 pandemic to provide a historical context for the challenges these businesses face.

- The second section provides recommendations for communities that seek to support the recovery of SBOCs and their long-term sustainability. It offers recommendations in the areas of credit and capital, education and training, policy, and community support.
- The final section shares tools for communities to develop an entrepreneurship ecosystem focused on SBOCs, representing an active, rapid strategy to initiate recovery and support for SBOCs.

Visit www.kcfed.org/SBOCRecovery to download the Small Businesses of Color (SBOC) Recovery Guide, or for more information.

About the Kansas City Fed:

As the regional headquarters of the nation's central bank, the Kansas City Fed and its branch offices in Denver, Oklahoma City and Omaha serve the seven states of the Tenth District: Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.

About the Atlanta Fed:

The Federal Reserve Bank of Atlanta serves the Sixth Federal Reserve District, which encompasses Alabama, Florida, Georgia, and sections of Louisiana, Mississippi, and Tennessee. As part of the nation's central banking system, the Atlanta Fed participates in setting national monetary policy, supervises numerous commercial banks, and provides a variety of financial services to depository institutions and the U.S. government.
