

# Testimony to Jobs and Business Development Conference Committee

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Chair Noor, Chair Pratt and members of the Conference Committee – thank you for this opportunity to share my perspective on the Omnibus Jobs and Business Development bill.

The House Select Committee on Racial Justice on evaluating the economic cost of racism, which I estimated to be at least \$287 billion dollars, recommended that the state do the following:

- Invest a billion dollars in the ALANA wealth building infrastructure in Minnesota.
- Leverage government spending by increasing contracts to ALANA businesses.
- Leverage the financial resources of the state such as deposits in banks, program related investments by the state investment funds, offer loan guarantees to leverage private investments.
- We must keep in mind the scale of investments needed – given that there are over 50000 ALANA businesses many of whom are early startups and need more technical assistance as well as patient capital. There are also close to half a million ALANA workers many of whom need to upskill or access the new higher paying technical jobs.

How do we assess progress in the Omnibus bill?

It is good to see these trends reflected in the House Bill.

First, a focus on grants versus loans as small and micro businesses do not have much capacity to take on new debt. Within these grant programs is something long overdue – a significant investment in ALANA female entrepreneurs, and a revolving loan fund with zero interest focused on micro-entrepreneurs.

Second, is an intentional effort to transform existing and new programs such as the realignment of the Workforce funds such that they are accessible to ALANA businesses and workers. All programs in the House and Senate bills should do the same. Deed is also providing disaggregated data which is useful.

Third, is building the capacity of nonprofits, from community-based organizations to CDCs and CDFIs.

Fourth, is the investment in much needed childcare centers especially in rural areas.

Both the House and Senate bills invest in key ALANA business and workforce organizations.

The Senate Bill focus on a 100 million loan guarantee program needs to prioritize ALANA businesses to be effective.

There is need for “Big Finance Tools” to help support ALANA developers as they face a crippling capital shortage.

We need to offer an alternative finance system of funds to serve the need of businesses that require alternatives to interest based loans.

We need to invest in land banks and land trusts as a strategy against gentrification.

I appreciate the movement towards a comprehensive strategy to grow wealth in the ALANA communities. The ALANA Brain Trust will support you in this effort.



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