

Supporting the Engine of Small Businesses

Small businesses make our communities vibrant; they sponsor our little leagues and soccer teams, they create a natural meeting place, they hire locally, and they are consistently investing in our communities by investing in themselves. The U.S. Small Business Administration says that 67 cents of every dollar spent at a small business goes back into the local community, as opposed to 45 cents when spent at a national chain. Small businesses are an engine to create financial sustainability and economic mobility, which can build wealth. However, wealth creation through business ownership is far less likely for Black and Latinx owners. The National Community Reinvestment Coalition has found that this is in large part due to the systemic barriers that these owners face—the markets they operate in, the business types they tend to run, the lack of initial wealth to start the business, and the reduced access to capital. We also know that these same barriers discourage people of color from starting businesses.

We applaud the recent shift in philanthropy to provide more investments to support this ecosystem. Eastern Bank Foundation has been making significant investments in advancing equity in the small business ecosystem since 2016, to help close these racial, gender, and socioeconomic gaps in our local economies and communities. We incubated the independent and award-winning non-profit, the Foundation for Business Equity, to focus on building capacity, access to growth capital and expanding business contracts among business owners of color. We have extended our support to the MA LGBT Business Network, the Center for Women in Enterprise, E-for-All, and others with similar ecosystem approaches because we know the trifecta of need is one of the biggest challenges for early-stage businesses. We are doubling down on building wealth for communities of color by advancing the growth of our small business ecosystem. We are doing this by focusing our philanthropic investments to support businesses owned by those from historically marginalized communities, which we define as including Black, Latinx, Asian, women, LGBTQ+, veterans, and people with disabilities.

As we celebrate Small Business Month, we reflect on the incredible amount of work that has been done over the last two years to support small businesses across our region's main streets. While many businesses have unfortunately closed, thankfully, many businesses survived the deep economic impacts of the pandemic, partly due to the support they received from small business support organizations who mobilized immediately and stayed the course. It is imperative that we take this opportunity, as a regional community, to help these businesses move beyond survival to growth because they represent nearly half of all jobs in the private sector. This is the time to leverage the small business potential and use it to close the wealth gap.

Eastern Bank Foundation is doubling down on business growth through enhanced focus



Opened in 2017, Toasted Flats is a woman and Latinx owned business in East Boston, MA, and one of many small businesses creating opportunity and vibrancy in our local communities.

on inclusive procurement. Cities and towns need more tools to give them ways to close the opportunity gap by removing some of the barriers currently existing in public procurement. Looking beyond government contracts, we focus on business partnerships and advocacy. We advocate to standardize definitions and metrics, broaden the base of companies that are seeking to diversify their procurement, make it easier for small businesses of color to do business, and have public discourse to drive accountability. We work with our community partners like BECMA, Amplify Latinx, and the Massachusetts LGBT Chamber of Commerce to make it easy to locate and connect with small businesses owned by people from underrepresented communities.

For the fifth year, we continue to support the Pacesetters Program of the Greater Boston Chamber of Commerce. We know the B2B space is a tremendous opportunity for small business to stabilize revenue, and for large public and private institutions and companies alike to make a local impact. This program continues to seek new partners to commit to leverage their procurement (in large and small ways), to hire and contract with local businesses owned by people from marginalized communities.

There are lots of ways that businesses, of all sizes, can get behind our small businesses to help them thrive. Supporting organizations that provide technical assistance to small businesses, when they need it and in ways that they can easily incorporate into their business, can pay real dividends. Organizations such as the Foundation for Business Equity, the Center for Women & Enterprise, and the Massachusetts LGBT Chamber of Commerce and Business Network, the Coalition for an Equitable Economy, E-for-All, Interise and ICIC have established models that connect businesses to the supports and guidance they need. We commend their efforts and look to encourage their continued evolution by providing wraparound, long-term services to small businesses as they stabilize and grow.

Strengthening the small business ecosystem through philanthropy and inclusive procurement will make small businesses stronger and more stable, while supporting continuous growth and more local jobs, which will result in meaningful, positive change for all neighborhoods and in particular our communities of color. We remain committed to advancing the small business ecosystem because we know change is necessary and can see the value of the investment for our communities. Greater equity to the small business ecosystem in our Gateway Cities and across our region will strengthen our entire economy. Will you join us?

Created in 1994, the Eastern Bank Foundation is the philanthropic arm of Boston-based Eastern Bank. Through philanthropy, employee volunteerism, advocacy, and collaborations with other businesses and community partners, Eastern Bank Foundation responds to community needs and supports sustainable solutions to our society's most vexing challenges.



Nancy Huntington Stager is President and CEO of the Eastern Bank Foundation. A champion of civil rights, economic justice, and inclusion, she is dedicated to driving good at Eastern and in our communities. Stager has actively shaped Eastern Bank as a leader in corporate citizenship in the region.



Natalia Urtubey is an Eastern Bank Foundation Fellow, focusing on advancing equity in the small business ecosystem, and the past Director of Small Business in the Office of Economic Opportunity & Inclusion for the City of Boston.