

Neighborhood Development Center's Work on the East Side of Saint Paul

Summary of Findings from a Ripple Effects Mapping Discussion



Established in 1993, Neighborhood Development Center (NDC) is a 501(c)(3) community-based non-profit organization that believes that “concentrated poverty needs concentrated opportunity.” NDC therefore deploys four entrepreneurship programs – training, lending, technical assistance, and business incubators –in the highest-need neighborhoods of Minneapolis and Saint Paul (i.e. those with the highest concentrations of poverty, experienced mostly by people of color). NDC provides support to approximately 125 businesses in the East Side neighborhood of Saint Paul, which is the focus of this summary.

In September 2018, a group of over 20 stakeholders participated in a Ripple Effects Mapping discussion about the impact of NDC and NDC-assisted businesses in the East Side neighborhood of Saint Paul. The discussion group included representatives from NDC-assisted businesses, organizational partners, and public officials. NDC staff were not present so as not to influence the discussion. The discussion was intended to provide the participants a chance to reflect on direct impacts of NDC's investments, and to identify the indirect or unexpected changes in the community that have resulted from NDC's work. Representatives from two NDC-assisted businesses who were not able to attend the session were interviewed later, and their input was added to the mind map.

What is Ripple Effects Mapping?

Ripple Effects Mapping (REM) is an evaluation tool used to better understand the intended and unintended impacts of a project. It is particularly helpful when evaluating complex initiatives that both influence, and are impacted by, the community. REM is a facilitated discussion with project staff and local stakeholders that creates a visual “mind map” during the discussion that shows the linkages between program activities and resulting changes in the community.

This approach is intended to help demonstrate the project's impacts more holistically and to describe the degree to which different types of impacts are observed by project staff and community stakeholders.

Impacts of NDC and NDC-assisted businesses on the East Side

During the discussion, participants had opportunities to describe the impacts of NDC-assisted businesses and of NDC on the East Side. The impacts were grouped into four main types of changes:

- Helping build and sustain small businesses
- Strengthening the social fabric of communities
- Supporting community development
- Impacting how other organizations work

A summary of the discussion related to each area of change follows, and the specific impacts identified by the participants during the mind mapping exercise are listed in the Appendix.

Discussion themes

Helping build and sustain small businesses

Participants discussed the value of the financial and technical assistance that NDC provides to local entrepreneurs. NDC's financial support provided many entrepreneurs with seed money to build or expand their businesses, or helped them survive some of the ups and downs of owning a small business. NDC's technical assistance allowed some participants to build skills necessary for their business to thrive and to avoid common pitfalls in starting a business.

Some participants reflected on ways they believe NDC is unique, such as offering loans to individuals that would not be able to obtain them from traditional banks, offering financial support for purchasing equipment, and providing technical assistance in multiple languages.

Participants explained how investing in small businesses had ripple effects to others in the community. Some said that NDC's work impacted business owners' families by creating greater financial stability. Business owners were able to create new jobs and hire family members and others in their communities.

Prior to NDC, you couldn't get low- or no-cost technical assistance. You'd have to hire a business consultant... NDC also has technical assistance in many languages.

I have gone to 50-60 banks for financial support, these banks don't care about small businesses. They don't represent you.

NDC's support helped us by being able to provide food, pay for the mortgage, everything.

It's not just helping business owners, it helps their families. It's human development.

Strengthening the social fabric of communities

Participants offered examples of strengthened relationships between businesses and residents on the East Side. Examples included businesses offering products and services that were of interest to the local community, hiring and mentoring young people, and hosting activities and programs. These relationships fostered greater loyalty among residents, local businesses, and the community, and also helped businesses better meet the needs of their customers.

Participants also discussed how some local businesses had become gathering places for residents and organizations to hold events, creating opportunities for bonding and networking among community residents and other stakeholders.

Participants provided examples of NDC-assisted business owners mentoring other businesses, passing along the skills and knowledge they had learned through running their business and working with NDC. Some also mentioned that NDC has facilitated connections between entrepreneurs, which created new business opportunities.

We were the only [restaurant] in the area and served food late. It helped some of the neighbors that live around there that work late, and when they get off and they want to eat dinner with their spouse, it's past 10 pm, we will be open for them...They don't have to travel too far when they want Asian food, so they want to stay in that neighborhood.

Most of my cooks are youth from the East Side. They'll say my teachers are coming in, I got to make them something good. Some of the kids washing dishes were on the list to be expelled, saying "I'm struggling but I've got a job, these dishes are clean. I want to show my teachers the food came out on time."

I go to Golden Thyme and the Facilitating Racial Equity Collaborative hosts all our meetings there. Out of that came Black Table Arts that creates space for writers.

With the mentor program, I let [future entrepreneurs] use my space, and NDC has been coming with tools to help me teach [them].

Supporting community development

During the discussion, participants talked about how NDC and NDC-assisted businesses have contributed to economic development and a thriving community. Many talked about how investments in local businesses helps to keep money in the community, and how the businesses in turn invest back into the community. Participants described the impacts of having more businesses owned by immigrants and people of color in a community, including fighting gentrification and engaging new leaders. One participant noted that small businesses are able to hire people that may not be able to get hired at larger corporations.

Several talked about the catalytic effects of investing in locally-owned businesses in stimulating additional economic growth. For example, one participant felt that the thriving local business community is a selling point to people looking to buy homes in the area.

Several others mentioned that the East Side is now a food destination, which brings in new customers and business to the East Side.

The owners take pride in ownership, the small restaurants feel important...and the money stays in the community.

There is a blossoming of businesses owned by people of color. It's pretty epic to see them bloom.

A lot of the businesses NDC supports, they do so because the businesses are there to work. I like to say that the East Side is gentrification-proof because the community will tell you to get out of here [if you are not investing in the local community].

I'm really happy now that we have more Hmong people in the system. As long as us local entrepreneurs want to go into business, we will be able to grow because we have more leaders in the system. So we have a little leverage that is helping us people of color.

The East Side is now a food destination! People are brought in from all areas, and the East Side is reinvesting the money so that the money is staying here to build community.

From our organizational point of view, we benefit from the synergy of encouraging small business development, which encourages the buyers we sell to. We can show them all this cool stuff going on in the neighborhood.

Impacting how other organizations work

A few participants provided examples of how NDC's approach has impacted how other organizations work. For instance, NDC's work provides a model that focuses on both economic development and equity. NDC has also helped organizations build relationships in communities of color.

When I worked with Housing and Urban Development's Corridors of Opportunity project, that table was full of economic development folks, whether from the governmental sector or not, and then there were those who came from equity and opportunity work. What NDC and other folks brought to the group was that we wanted to drive equity and opportunity to communities through economic development. Both were equally important.

NDC was one of the first organizations that did investing in communities of color... but they also recognized there needs to be other organizations involved. For Nexus, we do granting, and NDC was really helpful in thinking through emerging efforts to get behind.

Historic Saint Paul was viewed as a white program for white communities. Through partnership with NDC, we brought the skillset we have and were able to tap into their skillset and bring value to a new audience. We definitely benefitted.

Appendix: Impacts identified by discussion participants



HELPING BUILD AND SUSTAIN SMALL BUSINESSES

Offering financial support and technical assistance

[NDC staff person] did an amazing job to help us with the 45 days waiting period for the licensing so we could launch the company as soon as possible.

NDC helps you get there with minimum mistakes.

We volunteered to have the construction training program at our offices during the construction incubators.

It was so amazing to see the impact of this trainer - an older white woman training mostly younger men of color. The impact that she had on these individuals had to be transformative... When they had the graduation, I couldn't believe the praise they offered.

NDC provides an investment of time and money.

The micro-loans - it's no hyperbole that I wouldn't exist without a micro-loan. They gave me a \$10,000 loan, which I needed to survive, and they sent [NDC staff] in weekly to teach me Quickbooks. They call it micro but for me it wasn't a life raft but a lifeboat. It may not seem like a big deal, but it was huge for me.

Providing support that is not available elsewhere

We still contact NDC whenever we need a loan or when we need help with something like when we don't know how to do our cash flow.

Mostly we don't get loan money from the bank so it's easier for us to go through them, so it impacts us a lot.

Prior to NDC, you couldn't get low- or no-cost technical assistance. You'd have to hire a business consultant. This is the ongoing TA over years. NDC also has TA in many languages.

I have gone to 50-60 banks for financial support, these banks don't care about small businesses, they don't represent you. I posted something related to Philando Castille, and I was afraid it would close my business. [An NDC staff person] came and brought a tour to show support and [another NDC staff person] helped bring in more people. They backed me up. They bring tour buses to [my business]. [An NDC staff person] will ask, can you share that experience, whether it's investors or whatever. It's scary enough to have my family's livelihood on the line, and now I haven't seen a police officer in my shop in two years, but NDC backed me up.

I love the infrastructure support for businesses NDC provides. It's hard to get things you need like a cooler and other necessities to help the program function.

I think the best thing is, not for me, but for us as Hmong people, when you first start as a business owner, and you go to the bank, the bank gets scared of you. But for NDC, they don't give you a lot, but they give you a small amount so that you can climb your way up to become a business owner. So I think they are a place where they can help people a lot. So it impact[ed me] a lot.

Supporting families

It's true anti-poverty work.

For my family, it created extra jobs and education... We created jobs for others around us here, around the neighborhood also. You have drivers, people of color working with us when we first launched the company and it's been good.

It's not just helping business owners, it helps their families. It's human development.

NDC's support helped by us being able to provide food, pay for the mortgage, everything. They helped a lot.

Every company that has been created through NDC is pretty much run by local entrepreneurs with young families going into business.



STRENGTHENING THE SOCIAL FABRIC OF COMMUNITIES

Strengthening relationships between businesses and residents

Cook St. Paul serves as a good example of the East Side. I wish there were more businesses that could intersect the different cultures...What we have is challenging in bringing together different cultures. Even though we spend locally, we still spend within our [own] cultures.

The silver lining of no one caring for me as a kid is I want other people to care. Enough people that cross my path don't care about other cultures or want to get rid of them and I want to embrace them. They reinvigorate me... It doesn't have to be just about business.

A lot of the businesses NDC supports, they do so because the businesses are there to work. I like to say that the East Side is gentrification-proof because the community will tell you to get out of here. I had to wear a button-up shirt, I had to cook, and people saw I was serving tables and this time he was cooking my food. People saw that I was willing to jump in and work. Any of the businesses aren't just there for the financial opportunities.

I think there's more of a sense of loyalty. The customers want to be loyal to their local businesses. Local owners, when they know their customers want to be loyal back. They want to serve them in ways that enhance their lives and the community. It becomes not just a business transaction but a mutual way of investing in a good quality of life.

Relationship building. I go to Cook Saint Paul and I know [staff member] and [staff member] that are there. And I bring friends there, people recognize you. It's not just a face but a name. In the world today, that's important to be recognized in the community, not just on Facebook. It makes you want to go back and helps businesses expand.

It's being a friend and neighbor. If I have something I'm trying to sell or figure out, I ask people. Ace Hardware can help me do weird art stuff. I have a niece who is gluten-free, and sometimes at restaurants, [I'll be able to work with the staff to] problem solve around that. It makes me feel more at home.

We were the only [restaurant] there and serve food late. It helped some of the neighbors that live around there that work late, and when they get off and they want to eat dinner with their spouse, it's past 10:00, we will be open for them. They will be able to eat and they will have a couple of cocktails close to home. They don't have to travel too far when they want Asian food, so they want to stay in that neighborhood.

Cook Saint Paul sources food from Urban Roots. The kids of a staff member who works at Urban Roots will deliver the food, and her kids can't afford to eat there, but when they deliver to [the owner], he invites them in and offers them some food and drink. It's a totally different experience.

The kids adore [the owner] and they see the entrepreneurial steps and serving tables and buying produce that they sell. They can see - you did this, you planted the seeds and grew the crops. You can see it in the kids. McDonald's was my first word, I grew up in Section 8. Those kids see it and it doesn't seem that crazy that this cabbage can be delicious. And it's accessible - not just premium meat and organic food but food they could grow in their garden. They don't have to make sacrifices to eat well.

It's also the employees too, it's a culture. Most of my cooks are youth from the East Side. They'll say my teachers are coming in, I got to make them something good. Some of the kids washing dishes were on the list to be expelled, saying I'm struggling but I've got a job, these dishes are clean. I want to show my teachers. The food came out on time.

Businesses invest in community celebrations, which are designed to bring the community together.

Fostering new connections

I go to Golden Thyme and the Facilitating Racial Equity Collaborative hosts all our meetings there. Out of that came Black Table Arts that creates space for writers.

I've seen NDC utilize Hmong Village as an outreach location and to do workshops.

I have noticed that business owners have referred people to the library to find out about starting up a business and are eager to help individuals.

Supporting other business owners

Mentoring other businesses

I see budding young [entrepreneurs] who want to own their own restaurants. The tools that they learn from NDC and then from me, it provides them with insider knowledge. I see a difference between those who have gone through NDC and those who haven't.

Mentor program

With the mentor program, I let [entrepreneurs] use my space, and NDC has been coming with tools to help me teach [them].

[A new business] has come out of the mentor program.

Popup program

With one [entrepreneur], we did six to ten events together... We worked together over the course of 18 months.

Those popups bring so many new customers to Payne Avenue. They cruise the neighborhood and bring more people to my restaurants.

I charge \$200 to use my space for the popup program... I got customers I never had before... there were lines and lines of people.

I was a lit major and when I heard global service debt ratio at banks, I didn't know what it meant. Twelve banks said no to me. If I can provide opportunities for those who don't have the advantages, I'm happy to do that.

After we used NDC, a lot of people that are starting businesses, they ask[ed] us how we got loans so we did tell a few members to go through them, so I think they would be able to help the same way too.

Facilitating connections with other businesses

I opened the restaurant and then I wanted to find connections, like how can I find a dairy provider or reach out to more people, and then I found out about Urban Roots. I encourage NDC to use this model of community building, how it's all intertwined.

I spoke with some local young entrepreneurs too that started with NDC, and it's good to learn that we all went to the same kind of path.



SUPPORTING COMMUNITY DEVELOPMENT

Promoting economic vitality and keeping money in the community

The owners take pride in their work. It's more than a number. The money and investment stay in the community.

NDC provides a channel for residents to invest and support local businesses.

East Side residents are investing here.

NDC supports the mom and pop shops instead of big companies.

I think about where my dollars go as a person of color. I prefer to support the independent businesses because I'm keeping money in the community. If it's a business of color, it's in my community twice.

Real investing in improving the community.

On Lake Street [in] Minneapolis, one of the things that made the Midtown Exchange work was the historic tax credits. Preservation is not something that is widely embraced. When I think over a generation of the effects of the K-mart vs. the Midtown Exchange and Global Market over less than a decade, it's mind boggling. It's not suburban development, it's working in an urban fabric and [being] respectful of that urban fabric.

There was a generation of planners and developers, bankers that bought into suburban style strip malls to keep people in inner cities. It didn't help the health of inner city communities, and it didn't help keep people in inner city communities. The fact that people like NDC are doing the hard work [of keeping people in the cities] with old buildings that are tough is laudable.

Investment in small businesses supports neighborhood identity, provides amenities, promotes resident investment, and supports local jobs.

The owners take pride in ownership, the small restaurants feel important, it's not just the big chains, and the money stays in the community.

There is a big bloom of East Side businesses - it's spring-like.

There is new life, especially on Payne Avenue. I have noticed help wanted ads from the East Side too.

The East Side is now a food destination! People are brought in from all areas, and the East Side is reinvesting the money so that the money is staying here to build community.

There is collective community building.

Investing in businesses owned by immigrants and people of color

All those green dots along University, I started my professional life just when we lost the Belmont. There is a blossoming of businesses owned by people of color. It's pretty epic to see them bloom.

There's something about the neighborhoods they choose to invest in - immigrants and communities of color that don't get the support [from other institutions] and that out of necessity support each other and that gets passed on to generations.

People-of-color-owned businesses on commercial corridors fight gentrification forces.

NDC loans really help us Hmong people. They help anyone, not just white people.

I'm really happy now that we have more Hmong people in the system. As long as us local entrepreneurs want to go into business, we will be able to grow, because we have more leaders in the system you know. So we have a little leverage that is helping us people of color.

I'm pretty sure we were one of the first [nationality] local restaurants that sold a million dollars in sales in the Twin Cities in that time frame. So that's kind of like the impact we have had on the community.

NDC provides targeted, inclusive entrepreneurial support.

Small employers give my people a chance at a job that large employers can't.

Catalyzing other development

Community building that comes from successful small, people-of-color owned businesses in the community. There is a catalytic effect.

As a planner, one thing I'm appreciative of is the catalytic effect of changes that touches off even more positive change.

From our organizational point of view, we benefit from the synergy of encouraging small business development, which encourages the buyers we sell to. We can show them all this cool stuff going on in the neighborhood.

The bloom of East Side businesses has created housing and more amenities.



IMPACTING HOW OTHER ORGANIZATIONS WORK

NDC was one of the first organizations that did investing in communities of color. They recognized and served all cultural communities, but they also recognized that there needed to be other organizations. For Nexus, we do granting. NDC were really helpful in thinking through emerging efforts to get behind. NDC has served as a bridging role to connect with different cultural communities. They can't take credit for all the culturally specific community-development corporations, but they made connections that supported that.

The African Development Center grew out of NDC, and Nexus made one of the first financial investments in that organization. We made investments based on work that NDC was supporting.

CLUES as a whole is venturing into this type of service, mostly due to necessity... CLUES is the largest Latino-owned nonprofit. Many of the future business owners have limited documentation status. They're not eligible for regular social security IDs or employment status. The immigrant community is the backbone of a lot of successful businesses. We want to create those collaborations to refer people to reputable organizations like NDC but also arm us with the tools and skills to do better work in-house. The pop-ups or incubators, a lot of the people work full time or multiple jobs and don't have time so these are crucial. We are starting with micro-financing. People come and say, I need this federal or state ID number to get paid. The community may come because they don't know what they need to create their own businesses, and we want to bridge that gap because in native countries, things may be less regulated.

It's nice to know the amount of organizations willing to assist business owners. I didn't know there were so many collaborators of NDC.

When I worked with Housing and Urban Development's Corridors of Opportunity project, that table is full of economic development folks, whether from the governmental sector or not, and then there were those who came from equity and opportunity work. What NDC and other folks brought to the group was that we wanted to drive equity and opportunity to communities through economic development. Both were equally important. That played out along the Green Line but also through the whole community.

We have a facade improvement program where we make investments in the built environment for housing and economic development. We focus on integrating the built environment with positive community development.

Ashama, the grocery and auto repair shop near University and Victoria, was another one of our projects. We are also working on the Victoria Theater Arts Center next to Ashama. Working with NDC has really expanded our capacity to reach new audiences.

Historic Saint Paul was viewed as a white program for white communities. Through partnership with NDC, we brought the skillset we have and were able to tap into their skillset and bring value to a new audience. We definitely benefitted.

I'm appreciating NDC's cooperativeness. We are teaching individual success [in society], but this is teaching how to succeed as a community, and how we change systems.

Ripple Effects Mapping: The Neighborhood Development Center's Work on the East Side of Saint Paul

HELPING BUILD AND SUSTAIN SMALL BUSINESSES

NDC provides financial and technical assistance to local entrepreneurs that they may have difficulty accessing through other avenues. This assistance helps owners build their businesses, which in turn supports the livelihoods of owners' families and employees.

NDC helps you get there with minimum mistakes.

For us as Hmong people, when you first start as a business owner, and you go to the bank, the bank gets scared of you. But for NDC, they don't give you a lot, but they give you a small amount so that you can climb your way up to become a business owner.

For my family, it created extra jobs for and education...We created jobs for others around the neighborhood also.



STRENGTHENING THE SOCIAL FABRIC OF COMMUNITIES

NDC-assisted businesses serve as neighborhood gathering places, and owners have a strong commitment to their customers, employees, and communities. This commitment fosters customer loyalty, neighborhood identity, and helps business owners better meet the needs of the residents.

I think there's more of a sense of loyalty. The customers want to be loyal to their local businesses. Local owners, when they know their customers want to be loyal back. They want to serve them in ways that enhance their lives and the community. It becomes not just a business transaction but a mutual way of investing in a good quality of life.



The Neighborhood Development Center's Work on the East Side of Saint Paul



SUPPORTING COMMUNITY DEVELOPMENT

NDC's investments in local entrepreneurs and businesses owned by immigrants and people of color helps keep money in the neighborhood, fight gentrification, and supports community development.

There is a big bloom of East Side businesses - it's spring-like.

The money and investment stay in the community.

People-of-color-owned businesses on commercial corridors fight gentrification forces.

Investment in small businesses supports neighborhood identity, provides amenities, promotes resident investment, and supports local jobs.



IMPACTING HOW OTHER ORGANIZATIONS WORK

NDC provides a model for promoting both economic development and equity and has helped other organizations invest in and build relationships with communities of color.

We are teaching individual success [in society], but NDC is teaching how to succeed as a community, and how we change systems.

NDC was one of the first organizations that did investing in communities of color...but they also recognized there needs to be other organizations involved.

NDC has served as a bridging role to connect with different cultural communities.

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