

Neighborhood Development Center's Work in Frogtown

Summary of Findings from a Ripple Effects Mapping Discussion



Neighborhood Development Center (NDC), founded in 1993, is a nonprofit community development financial institution that provides integrated business services to help local low-income entrepreneurs start and grow businesses. NDC provides small business loans, entrepreneur training, leasing assistance, and individual support to prospective and current business owners in low-income neighborhoods throughout the Twin Cities. In addition, NDC has created and maintains six incubators, which are buildings purchased by NDC to create supportive commercial spaces for local businesses to grow. NDC is located in the Frogtown neighborhood in Saint Paul and provides support to over 60 businesses in the neighborhood.

In June 2018, a group of over 20 stakeholders participated in a Ripple Effects Mapping discussion about the impact of NDC and NDC-assisted businesses in Frogtown. The discussion group included representatives from NDC-assisted businesses, organizational partners, neighborhood residents, 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 its work.

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 in Frogtown

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

- Supporting business development for locally owned businesses and businesses owned by people of color and immigrants
- Fostering neighborhood restoration and revitalization
- Building awareness and support for businesses owned by people of color
- Creating a model for investment in communities

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

Discussion themes

Supporting business development for locally owned businesses and businesses owned by people of color and immigrants

Many participants discussed the impact of NDC's support for local businesses owned by people of color and immigrants. Some noted that NDC provided financial capital to business owners who may not have been able to access it through other financial institutions. Others said that NDC's help with business planning and other services helped set up new entrepreneurs for success. One business owner shared that he had referred others in the community to NDC, and knew of at least six new businesses that had started as a result, including four barbers, a photography business, and a food truck.

NDC laid groundwork for how to organize our business plan and connected us to a bank that was willing to work with an organization with few assets, but had a solid business plan. It's great to have access to that opportunity because I know a lot of people who have the same issues and run into the same situation. I slide them a card and say NDC will help you out.

NDC has partnered with Ujamaa Place [a nonprofit focused on the empowerment of young black men], and the economic training and being entrepreneurs is part of why participants don't reoffend.

NDC is a storefront or a front door to entrepreneurship, providing businesses with the unwritten rules of the road.

Fostering neighborhood restoration and revitalization

Beyond support to individual businesses, participants talked about the broader neighborhood restoration and revitalization they had seen. Many shared examples of changes to the physical environment in Frogtown, including fewer vacancies and more locally owned businesses and businesses owned by people of color. They noted impacts they had seen from these changes including less crime, a greater sense of community, economic revitalization, and increased partnerships. Several participants also discussed the significance of seeing more businesses owned by people of color in the community, especially for younger generations.

One change experienced personally: the visual—lots of successful businesses, from historic fronts and run-down buildings. Kings Crossing, the library, St. Anthony. All the small ethnic restaurants along the avenue. It's been a positive change. It's obvious.

I've experienced an evolving and growing sense of community - people trust one another and are open to change. NDC has a lot to do with that.

A lot of people think small businesses don't pay very much; they don't have benefits. Through a study by Wilder Research, all the businesses that NDC did work with paid [an average of] \$12+/hour. That was new to me—most businesses are only able to pay minimum wage. That's important in terms of economics. They're able to pay their employees higher wages than what we think. Economically for this neighborhood, these small businesses have kept this neighborhood alive.

It's important for children to see their surnames connected with commerce...The young people in our community, they see us holding it down on Selby.

Building awareness and support for businesses owned by people of color

Participants also described ways that NDC has been a champion for businesses owned by people of color. They noted that NDC plays a key role as a broker between entrepreneurs of color and powerful institutions such as banks and government agencies, and is one of the few organizations that is able to operate effectively in both spaces.

NDC's connection provides legitimacy to communities of color - not many organizations can deal with communities of color and then go to the city or banks, but NDC can.

NDC plays this important role of celebrating entrepreneurship of color. It's so rare that we get to do that and bring those businesses from under the shadows from Targets, Best Buys, and Walmart, recognizing what they contribute and how hard they work.

Creating a model for investment in communities

During the discussion, participants shared how NDC's work is a model for sustainable, equitable development in communities. They noted that NDC's work is grounded in equity, and that its focus on economic equity has the potential to be particularly transformative. Participants spent some time talking about the support NDC provided during the

construction of the light rail (LRT) through Frogtown. They noted that small business loans to make renovations, training in e-commerce and marketing, and help around parking issues were instrumental in keeping many businesses afloat during this process.

The people who work inside NDC have so much love and so much compassion and are trying to live out the values of equity, and we don't see a lot of that in the business world. That set of values and those principles of practice are at their core.

These small businesses have kept this neighborhood alive, and here comes the LRT threatening them, but NDC kept them alive. Research is needed on how businesses are doing since the light rail and how they thrived during the construction.

[NDC's support during the LRT construction] was all about the relationships they had with businesses... Going one by one, really talking to the businesses about marketing, websites, new business cards, materials, thinking about this whole world of e-commerce.

Moving forward

Participants also reflected on opportunities moving forward and concerns about issues on the horizon. As Frogtown continues to develop, some noted fears about gentrification or how new policies such as the minimum wage increase might affect their businesses. They noted that NDC could play a role in convening businesses to get in front of some of these changes. They are interested in gathering with other businesses or stakeholders in the community to talk more explicitly about the past and present impacts of racism on their neighborhood, as well as to celebrate their community and the businesses within it. Participants also recommended additional programs that would be helpful, including a business development program for young people or help for business owners interested in buying their space.

What happens 10 years, 5 years down the line? Taxes are going up. Businesses on this corridor, how do we prepare for that, not just react to it? How do we get in front of that?

There is a role for NDC to be a convener. Minimum wage stuff has got a lot of people scared... Everything is always going to change. Businesses are going to take that hit. NDC can help get people comfortable thinking about that expense.

Ripple Effects Mapping: The Neighborhood Development Center's Work in Frogtown

SUPPORTING BUSINESS DEVELOPMENT FOR LOCALLY OWNED BUSINESSES AND BUSINESSES OWNED BY PEOPLE OF COLOR AND IMMIGRANTS

NDC has helped businesses in Frogtown develop and grow by providing financial capital and technical assistance that they may not be able to access through other avenues.

NDC helps turn dreams into businesses by means of access to capital.

NDC provides a pipeline so you know what you're getting into before you get the money, so you have a solid plan and focus on what you're doing. I didn't know anything about business, I just knew I wanted to do it.



FOSTERING NEIGHBORHOOD RESTORATION AND REVITALIZATION

NDC and NDC-assisted businesses have helped transform the landscape of the Frogtown neighborhood, with fewer vacancies and more locally owned businesses and businesses owned by people of color. These changes have brought a greater sense of community and increased revitalization.

Less vacancy equals more life and more deliciousness.

In Saint Paul, lots of people are out and doing stuff - as storefronts filled up and businesses opened, we saw crime drop off. The community got safer.

It's important for children to see their surnames connected with commerce... The young people in our community, they see us holding it down on Selby.

The Neighborhood Development Center's Work in Frogtown



BUILDING AWARENESS AND SUPPORT FOR BUSINESSES OWNED BY PEOPLE OF COLOR

NDC has been a champion for businesses owned by people of color, celebrating their contributions and serving as a liaison between entrepreneurs of color and powerful institutions.

NDC's connection provides legitimacy to communities of color - not many organizations can deal with communities of color and then go to the city or banks, but NDC can.

NDC plays this important role of celebrating entrepreneurship of color. It's so rare that we get to do that and bring those businesses from under the shadows from Targets, Best Buys, and Walmart, recognizing what they contribute and how hard they work.



CREATING A MODEL FOR INVESTMENT IN COMMUNITIES

NDC is a model for sustainable, equitable development and has played a key role in helping businesses survive and thrive during the construction of the light rail.

NDC created the model for how you do this work, focusing on entrepreneurs, and connection to place, voice, and partnership.

The King's Crossing building sets the standard of development, not what you can do for the cheapest possible, but shows a gateway to a commercial zone, suggests a path for the future.



Appendix: Impacts identified by discussion participants



SUPPORTING BUSINESS DEVELOPMENT FOR LOCALLY OWNED BUSINESSES AND BUSINESSES OWNED BY PEOPLE OF COLOR AND IMMIGRANTS

Supporting business planning

NDC provides a pipeline so you know what you're getting into before you get the money so you have a solid plan and focus on what you're doing. I didn't know anything about business, I just knew I wanted to do it.

NDC laid groundwork for how to organize our business plan and connected us to a bank that was willing to work with an organization with few assets but had a solid business plan. It's great to have access to that opportunity because I know a lot of people who have the same issues and run into the same situation. I slide them a card and say NDC will help you out. They've been able to help get it done.

Five barbers in my shop have taken the entrepreneur course, four of them have opened their own businesses.

Several other clients over the years that have done the same thing. One was helped with a food truck. Photography business, a lot of people that from those simple conversations, talk to NDC they can help you.

NDC came to us because they knew we were fiscally fit, entrepreneurs based on our credit, budget, debt reduction. They provide information to young entrepreneurs. That takes a lot of commitment. When you go in, you want to be solid when you start your business. They introduced me to what you got to do, how you get your credit together, why it matters.

NDC is a storefront or a front door to entrepreneurship, providing businesses with the unwritten rules of the road.

I grew up in family business and saw how much work and sacrifice went into it, and I got a chance, during renovation to develop deep relationships [with NDC staff] and seeing how much mom and dad went through, I'm scared of that life and know how hard it is, but studying history, I know that ownership is where we need to be. Being able to have an opportunity to work more deeply with [an NDC staff member], I was able to overcome a lot of fears - they walked with me through a very scary process. I was scared (no one knew), and she helped me face a lot of things I'd been running away from. She helped me return to my roots as a daughter of a business owner. I'm a lot warmer to the idea than a few years ago when I met her.

Providing capital to businesses who may not be able to access it from other sources

NDC has increased access to capital and financing for small businesses.

NDC helps turn dreams into businesses by means of access to capital.

If you're a traditional bank, you want to have your losses at 1% - it's the rule of thumb. NDC is giving people loans who couldn't get them at a bank. Their loan losses are around 1%. They've got a portfolio of \$3-4 million and they're asking if they're taking enough risk.

NDC supports business ownership, which creates equity and financial independence.

NDC supports small business growth, strength, and sustainability.

NDC has partnered with Ujamaa Place and the economic training and being entrepreneurs is part of why participants don't reoffend.

This is the third generation in the business... When the business is passed down, you have that head start on life. She taught me a lot with hair, but I had to figure it out on my own. I know my next move—I need to figure out how to own my own business.



FOSTERING NEIGHBORHOOD RESTORATION AND REVITALIZATION

Fostering a sense of community

NDC helped me and my business welcome new people to the community, reunite with other people to the community to come back.

We meet new people that come to the community and welcome them.

I've experienced an evolving and growing sense of community - people trust one another and are open to change. NDC has a lot to do with that.

NDC has supported a lot of folks around the corridor - put our love, eccentricity and deliciousness on the front streets.

I've benefitted from the existence of local businesses as a customer by working in the neighborhood and visiting businesses - going to restaurants as a customer.

In Saint Paul lots of people are out and doing stuff - as storefronts filled up and businesses opened, we saw crime drop off. The community got safer.

Less vacancy equals more life and more deliciousness.

Promoting economic revitalization

A lot of people think small businesses don't pay very much, they don't have benefits. Through a study by Wilder Research, all the businesses that NDC did work with paid \$12+/hour. That was new to me—most businesses are only able to pay minimum wage. That's important in terms of economics. They're able to pay their employees higher wages than what we think. Economically for this neighborhood, these small businesses have kept this neighborhood alive.

NDC's investments have afforded the restoration of what was destroyed. Restoration of that. What was destroyed was the rich economic foundation that we once had. It has restored small business visions.

CURA did a study in model cities. 12-15% of people on welfare were subsidizing income with little businesses. There's businesses in these neighborhoods. Loans or technical assistance could they grow those funds. This was a welfare to work experiment. Wonderful how NDC's work has evolved. We're talking to people daily, there are people in disadvantaged communities that are entrepreneurial.

Changing the physical environment of the neighborhood

One change experienced personally: the visual—lots of successful businesses, from historic fronts and run down buildings. Kings Crossing, the library, St. Anthony. All the small ethnic restaurants along the avenue. It's been a positive change. It's obvious.

Seeing businesses of color

My generation, we take towards what we see the most of. They want to be a rapper, a basketball player. They don't see us in other roles in the community as people that are successful, that have made it.

Important for children to see their surnames connected with commerce. But when our children cannot see their surnames, they can't see. The young people in our community, they see us holding it down on Selby.

Building community partnerships

NDC brings together a wide range of community partners working together in synergy that we couldn't achieve if we were working separately.



BUILDING AWARENESS AND SUPPORT FOR BUSINESSES OWNED BY PEOPLE OF COLOR

NDC plays an important role in building awareness of entrepreneurs of color, it's this incredible room of entrepreneurs of color. NDC plays this important role of celebrating entrepreneurship of color. It's so rare that we get to do that and bring those businesses from under the shadows from Targets, Best Buys, and Walmart, recognizing what they contribute and how hard they work.

NDC's connection provides legitimacy to communities of color - not many organizations can deal with communities of color and then go to the City or banks, but NDC can.



CREATING A MODEL FOR INVESTMENT IN COMMUNITIES

Supporting businesses during light rail construction

NDC created maps and partnerships so that people could park if parking was affected by construction. They provided training in e-commerce and helped people learn how to use credit card machines.

They provided small loans and facade money - zero interest, and if you stay in your business X years after light rail construction, it's forgiven.

These small businesses have kept this neighborhood alive, and here comes the LRT threatening them, but NDC kept them alive. Research is needed on how businesses are doing since the light rail and how they thrived during the construction.

NDC did a lot of work to keep businesses alive along the light rail during the construction.

A lot of the work was thinking through how do you reinvent your business. A lot of them didn't have websites. How to display your products for your customers when they come in. Financial issues like how do you manage mixing business finance together...Restaurants never thought about catering or food trucks.

It was all about the relationships they had with businesses. It was business by business. Going out to the streets, talking to businesses. Going one by one, really talking to the businesses about marketing, websites, new business cards, materials, thinking about this whole world of e-commerce.

Developing models for future investment

The King's Crossing building sets the standard of development, not what you can do for the cheapest possible, but shows a gateway to a commercial zone, suggests a path for the future

Grounding business development in equity

The people who work inside NDC have so much love and so much compassion and are trying to live out the values of equity, and we don't see a lot of that in the business world. That set of values and those principles of practice is at their core.

NDC created the model for how you do this work, focusing on entrepreneurs, and connection to place, voice, and partnership.

A few years ago, with the apology for the construction of Rondo, my uncle asked me to give remarks. You can do the apologizing, but what will be the remedy for the breach? If we understand what was lost, we do a good job of talking about racial equity, but not economic equity. I lived on West Side of Saint Paul for 11 years. If we're serious about it, That's why I appreciate NDC, it's allowed us to restore. We're not there yet.

Opportunities going forward

Mitigating gentrification and other changes

The dream is for our businesses to be the spaces that foster the community connections and relationships with one another. I yearn for those spaces. It's critical to protect the spaces that we see as sacred social spaces. After returning from other parts of the country, and saw that the inner city youth league was now a kickboxing studio. I can't eat at J. Selby's because it was another business before and they didn't want to go. There's root shock - when I see those things emerge, I lose a little bit of my trust in the future for my children. The dream is for the other economy - the trust economy - to grow. How can NDC be a resource for that to grow?

This work that has been grounded has offered us a new platform for imagination. We're not in survival mode, we get to dream about recovery, reclamation. To be at this place. Not a lot of urgent statements, crises, whatever. A lot of beautiful projects that have grown from the soil, the garden, that NDC has laid out. We get to dream about what we want.

Ask businesses along the corridor questions. Talking to the businesses—they know what they're going to need to exist in the future. We're talking about today looking out 5 years, 10 years, will I be here? That's a huge thing for NDC to think about. When I look at NDC, I've been on the board for 18 years. I used to know every staff, now NDC is growing to serve businesses in bigger ways. They're getting big. Are they going to get too big to have that focus for small businesses? That's a question we'll have to add?

What happens 10 years, 5 years down the line. Taxes are going up. Businesses on this corridor, how do we prepare for that? Not just react to it. How do we get in front of that?

NDC has been helpful. From how history works, once they've helped us to get it to where it should be, the powers that be can come and take it away. Thank you for your service, it's going to the top bidder that they would previously give to NDC, that would help build that community up.

I try to pay attention to the history books. With the \$15 minimum wage now, people are excited, but you know everything else is going to go up. If McDonald's has to start \$15, the extra value meal is going to be \$10. I'm trying my best to think one step ahead. The truth of the matter is that this neighborhood is going to be affordable? This is going to be beautiful. I hope that NDC is thinking ahead to what these businesses we've built up need so that they don't to move to another city. A lot of gentrification coming into the area. A lot of people of color don't own homes. When their homes go up, they aren't going to be able to afford it. Stadium, minimum wage, these are the facts. Expense go up, owner, rent space, all these things, if it gets to a point where you can't do it, basically you can't afford my services, specials in the community. Everything starts at \$35.

Offering additional education programming

A program educating kids about how small businesses work could be useful - could NDC do programming like this?

It would be great if that was something NDC provided something around helping businesses to buy their space.

Convening people

Could NDC facilitate a convening to address some of these issues?

As a refugee, I'm aware of who was displaced by my being here - I yearn for those conversations and murals. I hope that NDC can bring this knowledge to front street and create that space.

There is a role for NDC to be a convener. Minimum wage stuff has got a lot of people scared... Everything is always going to change. Businesses are going to take that hit. NDC can help get people comfortable thinking about that expense...That's just economics of the way things work—are people thinking about that aspect of it?

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