

Building an Ecosystem for Ward 8 Entrepreneurs:

A Case for Public-Private-Philanthropic Investment

2025

Prepared for the VISA Foundation

Introduction

Ward 8 in Washington, DC – a historically Black community east of the Anacostia River – faces a stark disparity in access to capital. Despite a strong entrepreneurial spirit, Ward 8’s small businesses have long been starved of investment by traditional financial systems. In fact, Ward 8 firms receive only **2.3%** of all commercial working capital lent by the city’s banks, a minuscule share given the ward’s population and needs. This report makes a compelling case for a public-private-philanthropic collaboration to **transform the funding ecosystem** for Ward 8’s Black entrepreneurs. It synthesizes the lived experiences of local business owners – including narratives of historical exclusion and resilience – with data on recent pilot programs that have delivered targeted capital to these entrepreneurs. The evidence shows that even relatively **small, well-structured investments** can yield outsized impacts in Ward 8, and that scaling such efforts through an integrated “capital stack” of public, private, and philanthropic resources could dramatically improve outcomes. We outline why traditional capital channels have failed Ward 8, what measurable gains have already been achieved through innovative funding models, and how banks and foundations can play specific, pivotal roles in building a sustainable support ecosystem. The goal is to present actionable insights and evidence-based recommendations for decision-makers in financial institutions and philanthropic organizations to **join forces in closing the capital gap** for Ward 8’s Black business owners.

Historical Exclusion and the Capital Gap in Ward 8

The challenges facing Ward 8 entrepreneurs today are rooted in a long history of exclusion from mainstream capital. For decades, African-American communities like Ward 8 were systematically **redlined** – marked as “hazardous” for investment – by banks and government agencies, cutting residents off from mortgages and business loans while other groups received those very loans and subsidies (often even to open businesses in Black neighborhoods). This legacy of disinvestment and discrimination directly contributed to the enormous racial wealth gap we see now: the median Black household in the U.S. has wealth only about **15% that of the median White household** (\$44,900 vs. \$285,000 as of 2022). In Washington, DC, these disparities are especially pronounced – Ward 8 today has the city’s lowest incomes and highest poverty rates, reflecting generations of lost opportunities.

Local entrepreneur Tendani Mpulubusi describes how Black business owners have had to *“scratch and scrape for the resources more freely given to...other Americans”*. Traditional lenders and investors seldom consider Ward 8 ventures, not because of a lack of talent or ideas, but due to structural biases and weaker collateral or credit profiles that are themselves the result of past exclusion. As Mpulubusi notes, Ward 8 sits *“at the intersection of urban blight and economic investment... the perfect breeding grounds for the next Fortune 500 company”*, yet its entrepreneurs struggle to be heard by those with capital. While major corporations in America routinely benefit from public support in their early stages – a National Bureau of Economic Research report found over **25%** of successful tech startups had federal R&D grants or contracts

fueling them – Ward 8’s local businesses have rarely been recipients of such backing. Government and corporate subsidy flows have overwhelmingly favored big companies: fully **91 of the Fortune 500** have received state or federal subsidies (totaling billions in tax breaks, grants, or other assistance). Washington, DC itself has awarded roughly **\$627 million** in economic development subsidies since 1999, primarily to large developers and corporations, with top recipients including major firms like UnitedHealth and Albertsons. **Virtually none** of that “corporate welfare” has gone toward uplifting Ward 8’s community entrepreneurs. As Mpulubusi pointedly asks, *“how about we start replacing social welfare in Ward 8 with some of that good ole corporate welfare?”*. In other words, if public-private dollars can flow generously to entice Fortune 500 companies, they can certainly be directed to invest in Black small businesses that have been excluded for so long.

The failure of traditional capital systems in Ward 8 is thus not for lack of entrepreneurial potential, but a combination of historical neglect and structural barriers. Decades of **credit denial, predatory lending, and bias** have left many Ward 8 business owners with lower personal wealth, weaker credit scores, and little to no collateral – hurdles that virtually **shut them out of bank loans**. Many have never had a loan before at all; one survey of Ward 8 entrepreneurs in 2024 found over 95% had never received financing from even a microfinance institution prior to a new community fund program. The result is a self-perpetuating gap: without initial capital or credit history, these entrepreneurs cannot grow and prove themselves to lenders, and without lending, they cannot get that initial capital. Ward 8’s situation is especially stark given the overall prosperity of Washington, DC – it underscores the urgent need for **intentional interventions** to break this cycle of disinvestment. The next section highlights one such intervention, the Ward 8 Community Investment Fund, and the insights it provides into the capital needs and latent potential of Ward 8 businesses.

Ward 8 Entrepreneurs’ Needs and Early Successes in a Community Fund Pilot

In 2024, the Ward 8 Community Investment Fund (W8CIF) pilot program demonstrated both the **common needs** of Ward 8 entrepreneurs and the **measurable impact** that even modest, targeted investments can achieve. W8CIF is a community-led initiative designed specifically to address Ward 8’s capital gap. It offers a blend of grants and low-interest microloans – termed **“grant-secured loans”** – to provide flexible financing for Ward 8 resident-entrepreneurs. In its latest round, W8CIF delivered funding to over **60 Black entrepreneurs and small businesses** in Ward 8, ranging from nascent startups to more established local ventures. Total funding for 2024 was approximately **\$800,000** in combined grants and loans, with individual awards up to **\$40,000** per business. Notably, this round also introduced a youth entrepreneurship track, offering mini-grants up to \$2,000 for aspiring business owners aged 14–21.

Industry and Sector Reach: The 2024 W8CIF awardees spanned a diverse array of industries, reflecting the broad entrepreneurial energy in Ward 8. Food and hospitality ventures formed the largest segment – roughly **14 businesses** (about 25% of awardees) including restaurants,

catering services, and food markets. Close behind were retail and product-based businesses (**11 businesses**, such as marketing agencies, video production, and photography studios). Another sizable group were professional services and consulting firms (~**9 awardees** offering business consulting, financial services, etc.). The remaining enterprises included construction trades, personal services, environmental services, and other niches, indicating that talent in Ward 8 is not confined to any one field. This cross-sector representation is important – it means any solution must be **ecosystem-wide**, supporting a range of business types from brick-and-mortar retail to digital and creative startups.

Capital Needs and Use of Funds: The W8CIF data reveal clear patterns in what Ward 8 entrepreneurs need funding for. By far the most common use of funds was **marketing and sales enablement** – in fact, marketing was the number one planned use of capital across the cohort. Roughly two-thirds of the businesses indicated they would spend part of their award on advertising, branding, or customer acquisition initiatives. This is unsurprising for firms that have great products or services but have lacked resources to increase their visibility in the market. The next most prevalent need was investment in **equipment and technology**. Many businesses required new tools, vehicles, or tech upgrades to improve their operations and productivity. For a catering company, this might mean a commercial-grade oven; for a cleaning service, industrial equipment; for a creative agency, computers or cameras. These are often one-time investments that small entrepreneurs struggle to afford, but that can significantly boost capacity.

Another frequent use of funds was basic **working capital** for operational expenses. Even small amounts to cover a couple months' **rent, insurance premiums, or inventory restocking** made a big difference for these companies. For example, one retail entrepreneur used a portion of her grant to secure a short-term lease on a pop-up space and stock additional inventory, allowing her to reach new customers. Others directed funds to regulatory and compliance costs – several awardees earmarked money for **business licensing, permits, and certifications** needed to legally operate and compete for contracts (an often overlooked but critical expense for new businesses). A number of entrepreneurs also planned to hire or contract help (e.g. a marketing assistant or skilled tradesperson) once they had funds, addressing gaps in their capacity. In short, the capital uses centered on **growth enablers** – marketing for sales growth, equipment for efficiency, working cash to stabilize operations, and paperwork to unlock new opportunities. These are fundamental building blocks of business growth, and the W8CIF cohort's plans underscored how starved they had been of even the smallest amounts of growth capital prior to the program.

Grant and Loan Distribution: W8CIF employed a tiered funding model to match the scale of support to each business's stage and needs, and the results indicate this approach was effective. The majority of participants received **micro-grants** in the lowest tier, reflecting that many Ward 8 businesses are at very early stages. **25 businesses** (about 45% of awardees) were Tier 1 recipients, each getting up to roughly **\$5,000** in grant funding. In addition, **10 youth entrepreneurs** received mini-grants of ~\$1,500–\$2,000 each. Together, these small grants –

typically in the \$1K–\$5K range – went to about **62%** of all the businesses, emphasizing the high demand at the micro-business level. For many of these owners, even a few thousand dollars injected at the right time (for a marketing campaign, a piece of equipment, or initial inventory) can be transformational.

At the same time, W8CIF recognized that some Ward 8 firms are positioned to absorb larger investments for scaling up. **Tier 2** grants of \$10,000 were awarded to **6 businesses** (~11% of recipients) who had moderate capital needs. The largest awards were in **Tier 3 – 15 businesses** (27% of recipients) each received a **\$20,000 grant**, the maximum amount. Crucially, those Tier 3 companies were also offered a **matching \$20,000 low-interest loan**, effectively a package of \$40,000 in capital, combining grant and debt. This innovative grant-secured loan structure aimed to inject significant funding while also helping these entrepreneurs build credit history. According to program data, **all 15 Tier 3 awardees accepted and utilized the loan portion** as well as the grant. In contrast, the Tier 1 and 2 recipients generally did not take on loans (their support remained purely grants). This confirms a thoughtful targeting: less mature businesses got vital cash infusions with no debt burden, whereas those with capacity for growth capital leveraged the loan to double their input.

In total, the 2024 W8CIF round disbursed roughly **\$423,000 in grants** across all tiers, and an equivalent amount in micro-loans alongside the top-tier grants. The median grant amount (across all 60+ participants) was only about **\$5,000**, yet this relatively modest sum was enough to execute the kinds of improvements noted above for many businesses. At the high end, a handful of firms received the full **\$40K** combined package (grant + loan), enabling major growth initiatives. This stratified distribution shows that W8CIF was able to support a **wide spectrum of enterprise sizes** – from one-person startups that just needed a few thousand dollars to prove their concept, to more established operations ready for a five-figure boost. Notably, the largest share of businesses fell on the smaller end of that spectrum, indicating that Ward 8's entrepreneurial base today is largely made up of micro-enterprises for whom conventional bank loans (often starting at \$50K or \$100K and requiring collateral) are out of reach. W8CIF met them where they are, with appropriately sized capital.

Entrepreneur Profile: The profile of W8CIF awardees provides further insight into why traditional financing bypassed them – and why tailored programs are so important. The cohort skewed heavily toward **young ventures and very small enterprises**. About **60%** of the funded businesses had been in operation for **3 years or less**, and roughly **one in five** awardees was essentially a **startup under 1 year old**. Several described themselves as only a few months into business or “just starting out.” Another ~38% had 1–3 years in operation. This means the program largely served emerging businesses with little track record or revenue history – exactly the kind that banks consider high risk. Only a small minority (~17%) of the businesses had over a **decade of operating history** (and a handful 15–20+ years). Those older firms were exceptions; the typical W8CIF recipient was **new and trying to establish a foothold**.

In terms of scale, nearly all were **micro-enterprises** by employment. The vast majority were owner-operated, often with the proprietor as the **only full-time employee**. Over half reported just 1 full-time worker (themselves), sometimes supplemented by a couple of part-time helpers or family members. Only a few outliers had grown to about 5–8 employees total. This underscores that these companies did not have large teams or payrolls – many were solo entrepreneurs wearing all hats. It also highlights why even modest infusions of capital can be pivotal: a micro-business can double its capacity or output with the addition of one piece of equipment or one additional hire, changes that are far more significant proportionally than they would be for a larger firm. Indeed, owners in the program often play multiple roles (CEO, salesperson, accountant, etc.), so funding that helps them outsource or streamline one of those roles (e.g. hire a part-time bookkeeper, or purchase software to automate marketing) can free up enormous time and improve performance across the board. The micro scale of these enterprises means **targeted support yields immediate, tangible improvements** in business outcomes.

Early Results and Impact: Although the W8CIF pilot is relatively new, there are already measurable signs of success. One key metric is **loan repayment**. The Ward 8 Community Investment Fund was structured to include a repayable loan portion (for Tier 3) not merely as a handout, but to build financial discipline and credit for the entrepreneurs. In the first pilot cohort (launched in late 2022 with 30 entrepreneurs), an impressive **85% of the loan funds were repaid by March 2023**. Such high repayment in a short period attests to the responsibility and determination of these business owners when given a fair chance. It directly challenges any notion that Ward 8 entrepreneurs are too “risky” – when loans are designed appropriately and coupled with support, their repayment rates can rival or exceed typical small business loan portfolios. Additionally, the fact that all Tier 3 participants in 2024 utilized their loan offers and began deploying the full ~\$40K in their businesses indicates strong absorption capacity and appetite for growth capital among the more advanced Ward 8 firms. In other words, there are scalable businesses in Ward 8 ready to grow – they simply lacked willing lenders. The program effectively **unlocked latent demand** for credit by de-risking it with grants.

Beyond repayment, the qualitative impact is significant. Entrepreneurs have reported that the infusion of capital – and the associated **technical assistance** provided by W8CIF (financial coaching, business courses, and mandatory info sessions were part of the package) – has been “*inspirational*” and transformational. Business owners gained not just funds but confidence, networks, and knowledge to push their enterprises forward. For many, W8CIF was the first formal funding they ever received. Nearly **all participants were essentially shut out of traditional credit markets before**, so this community-backed fund became a crucial alternative path. Some awardees have already leveraged the boost to achieve milestones: e.g., launching a new product line, securing a government contract, or opening a physical location. While the pilot is still ongoing, these anecdotal wins suggest that **small targeted investments, when combined with wraparound support, can set in motion business growth that would otherwise**

not happen. Even youth mini-grant recipients (teenagers) have been able to start micro-enterprises, gaining entrepreneurship experience that could shape their career trajectories.

In short, the W8CIF pilot has proven that **traditional capital failure can be overcome** with an intentional, well-designed program. It met entrepreneurs' needs in ways banks did not – from the scale of dollars, to flexibility of use, to coupling funding with coaching. And it showed measurable outcomes: high uptake of loans, high repayment, and the successful deployment of funds into business-building activities. However, as promising as these results are, W8CIF by itself is just a beginning. Dozens of Ward 8 businesses were helped, but hundreds more still lack capital. The program's one-time grants address immediate needs, but as those businesses grow, many will require additional financing beyond the program's limits. This is where a broader **ecosystem approach** is required, with bigger roles for private and philanthropic capital to join the effort. We now turn to how an integrated capital stack can scale and sustain these early successes, and why banks and foundations are critical to the solution.

Why Traditional Finance Falls Short – and How Integrated Capital Can Transform Outcomes

The experience of W8CIF underscores why **traditional finance alone has failed** Ward 8 entrepreneurs. Banks and conventional lenders typically demand strong credit histories, collateral, consistent revenues, and proven profitability. Most Ward 8 small businesses, as we saw, are young, with tiny teams and limited assets. They operate in a community with lower incomes and a thin local market, meaning it takes longer to generate steady profits. Furthermore, many owners have personal credit profiles affected by the broader economic hardship in Ward 8. Even if a Ward 8 entrepreneur has a viable business plan, these factors often lead to rejection by automated underwriting models or cautious loan officers. There may also be elements of **unconscious bias** or lack of banking relationships at play – many entrepreneurs did not have prior connections to lenders (95% had never worked with the micro-lender before, per the pilot data). The result is a classic market failure: viable small businesses in Ward 8 that *could* grow with a modest loan are left unfunded because no single actor (a bank, an investor, or government agency) is willing to take the first risk.

An **integrated capital stack** approach is designed to fix this by blending resources – **public, private, and philanthropic** – each playing a part to fill the gaps. The W8CIF model itself is an example: it was seeded with public funds (District government grants secured by Councilmember Trayon White), implemented by a community-based entity (DCCDC) with nonprofit partners (like Life Asset, a microfinance organization, and LISC DC, a CDFI), and it leveraged private-sector expertise (volunteer business mentors, legal support from a law firm, etc.). This collaboration provided **grant dollars, loan capital, and technical assistance** in concert. The grants absorbed the initial risk, essentially acting as collateral or first-loss capital so that no entrepreneur could be outright denied a loan – this **de-risks the deal for private lenders**. The loan component, meanwhile, ensures that businesses gain experience with credit

and that there is accountability and recycling of funds (repaid loan money can be re-lent). The philanthropic and public sectors also supported capacity-building (workshops, coaching) to increase each entrepreneur's chances of success.

Such a multi-layered approach can produce outcomes greater than the sum of its parts. For example, by pairing grants with loans, W8CIF gave entrepreneurs not only cash in hand but also an **entry point into formal lending** they would not have had otherwise. They began building a credit track record, which will make it easier to approach banks or investors for larger sums in the future. The grants essentially **bought down the risk** to a level acceptable to get them on the credit ladder. Additionally, the structure addressed cash flow concerns – the grant portion did not have to be repaid, easing immediate burdens, while the loan portion instilled financial discipline and relationship-building with a lender. Entrepreneurs also received coaching on how to budget and manage these funds, further mitigating default risk. This kind of **wraparound design** is something a commercial bank alone typically would not provide (it's not a bank's role to give grants or extensive TA), and a government alone might struggle to do loans sustainably. But together, each sector's contribution reinforces the others.

The data validate that this integrated approach is needed. Nearly **all W8CIF participants were shut out of traditional credit** prior to the program. After the program, they not only had capital but many were in a stronger position to approach mainstream institutions. Still, their challenges are not one-and-done: even after an initial boost, small businesses often face ongoing **cash flow gaps** or need follow-on financing as they grow. This is where the broader financial ecosystem must step in. The W8CIF pilot is a bridge – it gets entrepreneurs from zero to an initial milestone. To go from that milestone to sustainable growth (e.g. hiring more employees, opening a second location, scaling production), larger and more continuous capital will be needed. If the traditional system is unchanged, these businesses could “graduate” from the program only to hit a **funding wall** a year or two later. An integrated capital stack that extends beyond the pilot can prevent that. For instance, if a W8CIF alumnus now needs a \$50,000 line of credit to fulfill a big new contract, a bank could provide that *if* a foundation or public entity shares the risk (through a loan guarantee or a co-investment).

In essence, **public, private, and philanthropic partners must coordinate to create an escalator of capital** for Ward 8 businesses – from micro-grants to bank loans to equity investments – so that entrepreneurs have a pathway to grow without stalling out due to lack of funds. One telling data point: among the 2024 applicants to W8CIF, one business requested **\$300,000** of capital – far above the program's limit. This indicates that there are enterprises in Ward 8 with the vision and potential to deploy much larger investments (think scaling a manufacturing operation or a tech startup). While W8CIF could not meet that ask alone, it flags an opportunity for banks or CDFIs to step in at the next stage. If the ecosystem is working, a business that outgrows a \$40K community fund grant should be able to secure a \$300K loan or equity investment from a private source – *but only if* we have built the connections and trust to make that happen.

Finally, it's important to note the **community-wide benefits** at stake. Investing in Ward 8 entrepreneurs is not charity; it is a high-impact economic development strategy that can lift the entire community. Local businesses create local jobs, provide needed goods and services, and recycle profits within the neighborhood. The ripple effects of successful small businesses include higher incomes for residents, improved amenities, and even public safety and health improvements through poverty reduction. Mpulubusi's vision illustrates this well – he projects that with sufficient investment, Ward 8 could see **6,175 more families earning over \$75,000 annually, 6,273 new homeowners, and 4,274 new living-wage jobs** in the community, which would in turn mean **15,095 fewer residents (and 5,536 fewer children) living in poverty**. While ambitious, these numbers convey the scale of change that could be achieved if Ward 8's entrepreneurs had robust financial backing and if new industry was attracted to the area. An integrated capital strategy, combined with efforts to draw anchor employers who contract with local businesses, could begin to realize these outcomes. In short, **by fixing the capital pipeline, we enable Ward 8's talent to flourish – generating wealth and opportunity where there was previously stagnation**.

For banks and foundations, supporting this ecosystem is not only aligned with their social responsibility and racial equity commitments, but also lays the groundwork for future business opportunities. Today's grant-recipient who needed \$5,000 for a marketing push could be tomorrow's thriving enterprise needing a \$500,000 loan – a future client for a bank, if that bank helps nurture them now. Foundations dedicated to economic inclusion will see measurable returns in community wellbeing and reduced inequality. In the next section, we detail specific roles that local banks and national foundations can play to bring this vision to life.

Roles for Banks and Foundations in a Collaborative Funding Ecosystem

Achieving a sustainable, scalable support system for Ward 8 entrepreneurs requires **active participation from both financial institutions and philanthropic organizations**. Each brings distinct strengths to the table:

1. Local Banks: Community Reinvestment and Scaled Credit

Local banks are in a unique position to supply the **growth capital and financial infrastructure** that Ward 8 businesses will need as they expand. Specific roles and actions for banks include:

- **Partnering on “Graduation” Financing:** Banks can create a pipeline to offer follow-on loans or lines of credit to graduates of the W8CIF program and similar initiatives. For example, a bank might commit to reviewing W8CIF alumni for commercial loans under more flexible criteria, recognizing the training and track record they've gained. This could involve working with a CDFI or the program administrators to **pre-underwrite a portfolio of graduates**. Even if the bank is not ready to lend solely on the business's merits, it could structure a deal where the **bank provides a larger loan and the community fund or a foundation provides a partial guarantee or subordinate loan**.

This way, entrepreneurs transition from a subsidized program to mainstream financing smoothly. Such partnership would directly address the gap when the entrepreneurs “outgrow” the initial micro-grants, ensuring they don’t hit a funding ceiling.

- **CRA Investments and Pooled Funds:** Under the Community Reinvestment Act, banks are encouraged (and evaluated) to meet credit needs in low-income communities. Contributing to a Ward 8 entrepreneurs’ fund aligns perfectly with CRA goals. Banks can allocate CRA-targeted capital into loan funds managed by community lenders (like Life Asset or a local CDFI) that specialize in microloans for Ward 8. For instance, a local bank could invest a few million dollars into a loan pool specifically for Ward 8 small businesses, with flexible terms, while a philanthropic partner covers first-loss risk. This **public-private loan pool** approach would leverage bank capital at scale while using philanthropic dollars to insure against defaults. The result is more capital flowing to Ward 8 than either sector could manage alone.
- **Financial Products for Micro Enterprises:** Banks can innovate around products for very small businesses. Many Ward 8 firms only needed **micro injections of a few thousand dollars** – amounts which banks traditionally have high overhead to lend. By working with fintech partners or leveraging technology, banks could offer low-cost micro-lines of credit or credit-card-based financing tailored to these entrepreneurs. Additionally, banks might provide business credit-builder loans or secured credit cards that help owners continue to improve their credit scores after the grant-secured loan program, thereby **making them bankable over time**. The key is for banks to recognize these entrepreneurs as future clients and invest early in the relationship.
- **Advisory and Technical Assistance:** While banks are mainly capital providers, they can also contribute expertise. Banks can volunteer staff time for financial education workshops, mentoring, or hosting networking events for Ward 8 business owners. For example, bankers could run clinics on loan application preparation, bookkeeping, or cash flow management for participants in the fund. This builds trust and helps entrepreneurs meet the expectations of formal lenders. It also gives banks insight into the realities of these businesses, improving their ability to underwrite them creatively. Some banks have foundations or charitable arms that could fund capacity-building programs (such as a mentorship initiative or an accelerator for Ward 8 firms) in partnership with local nonprofits.
- **Advocacy and Convening:** Local banks can use their influence in the business community to draw in other corporate partners. By publicly championing the Ward 8 collaboration as part of their commitment to inclusive growth, banks send a signal to the market. This could encourage other financial institutions to join or co-invest (creating a consortium for community investing) and could attract impact investors who see that mainstream banks are supporting the effort. In essence, banks can help normalize the idea that **investing in Ward 8 entrepreneurs is not high-risk charity, but smart and necessary business for the region’s economic health**.

2. Foundations: Philanthropic Catalysts and Capacity Builders

National and local foundations, especially those with missions around economic equity, racial justice, or community development, have a crucial role in **seeding innovation and sustaining support** for the ecosystem. Key roles for foundations include:

- **Providing Grant Capital for Expansion:** Philanthropy can inject grant funds to grow the pool of capital available to Ward 8 businesses. For instance, a foundation could provide dollars to fund an additional 50 entrepreneurs through the next W8CIF round, or finance a **higher-tier fund** for those needing \$50K–\$100K investments (beyond the current \$40K cap). These grants could serve as the equity or first-loss layer in an integrated capital stack, which then attracts matching loans from banks. Essentially, foundation money can take on the **highest-risk tranche**, making it feasible for private capital to come in above it. Every grant dollar could thus leverage multiple dollars in loans. Moreover, foundation grants could sponsor specialized funds such as an **equipment purchase fund** or a **working capital revolving fund** to address the specific needs identified (e.g. a foundation might create a \$200K pool dedicated to leasing equipment to Ward 8 businesses at no interest, letting them repay over time to eventually own the equipment – fulfilling the recommendation for equipment support).
- **Funding Technical Assistance and Training:** Many Ward 8 entrepreneurs will benefit as much from knowledge as from cash. Foundations can ensure the entrepreneurs receive world-class support in business planning, marketing, financial management, and mentorship. This could mean funding a dedicated **business support hub or incubator** in Ward 8 that provides ongoing coaching, legal and accounting clinics, and peer networking for businesses in the program. Given that over 60% of the entrepreneurs are very young businesses, this kind of hand-holding can dramatically increase survival and growth rates. For example, a foundation might partner with the DC Small Business Development Center or a university to station advisors in Ward 8 for regular office hours. They could also recruit and compensate experienced entrepreneurs of color to mentor the Ward 8 cohort. Such wraparound services would enhance what W8CIF already started, ensuring these businesses have not just initial funding but continuing guidance. Foundations are well suited to fund **capacity-building grants** that are not tied to a specific business but rather strengthen the ecosystem (unlike banks, which focus on financial returns).
- **Innovation in Collateral Support:** Foundations can explore program-related investments (PRIs) or guarantees to backstop loans that banks make to Ward 8 companies. For example, a foundation could set aside a \$1 million guarantee fund that promises to cover, say, 50% of losses on a portfolio of small-business loans that a bank makes in Ward 8. This kind of **credit enhancement** gives banks confidence to lend more freely. Alternatively, foundations could make low-interest loans to CDFIs which then on-lend to Ward 8 entrepreneurs – effectively supplying soft capital to intermediaries who know the community. By accepting a below-market return or higher risk, philanthropic capital can **absorb the uncertainties that the private market won't** in the early stages. Over

time, as businesses succeed and demonstrate creditworthiness, the need for such guarantees would diminish.

- **Convening Public and Private Stakeholders:** Foundations often play a neutral convening role. A national foundation could bring together the DC government, local banks, corporate CSR leaders, and community representatives to formalize a **public-private-philanthropic coalition** for Ward 8 wealth-building. This could take the shape of an advisory council or task force that meets to align efforts, share data on what’s working, and keep everyone accountable to the ultimate goals (e.g. increasing the percentage of capital going to Ward 8 from 2.3% to, say, 10% within 5 years). By funding a backbone organization or facilitator for this coalition, foundations ensure that the collaboration sustains momentum beyond one-off programs.
- **Metrics, Research and Storytelling:** Foundations can also fund the development of **impact metrics and research** to track outcomes from this ecosystem approach. Rigorous data on business survival rates, job creation, income changes, and community economic indicators will help make the case for continued investment. For example, a foundation might support a local university or think tank to do an annual “State of Ward 8 Small Business” report. Additionally, foundations can support documentation of success stories – highlighting entrepreneurs who overcame odds with the help of the fund. These narratives, when shared with the public and policymakers, build political and social support for the program. They also give funders (banks and philanthropies alike) proof that their contributions are yielding results.

In summary, **banks bring scalable capital and financial services**, while **foundations bring risk-tolerant funding and capacity-building support**. Together with public sector leadership (the DC government’s role in initial funding and policy support), these actors can construct a robust ecosystem. The integrated capital stack, supported by all three, ensures that Ward 8 entrepreneurs have access to **the right kind of capital at the right time**: grants and coaching when they are just starting, micro-loans as they validate their business, larger debt or equity as they grow, and eventually standard commercial financing once they are established. Each sector’s involvement is vital – if any one pulls back, the ladder of support could break. But if all move in concert, the outcome will be a **self-sustaining engine of Black small business growth** in Ward 8. This model could even serve as a template for other historically marginalized communities.

Conclusion: A Call to Invest in Ward 8’s Future

Ward 8’s Black entrepreneurs have the ideas, skills, and determination to build thriving businesses – what they have lacked is **fair access to capital and opportunity**. Traditional financial systems may have failed them in the past, but now we have proof that a new approach can succeed. The Ward 8 Community Investment Fund pilot has shown that when provided even a modest boost of funding and support, these entrepreneurs seize it and deliver results: plans are executed, loans are repaid, and businesses grow. The narrative and data

presented here make it clear that the question is no longer *whether* Ward 8 entrepreneurs are a worthy investment – it is *how* we will meet them at least halfway. As Tendani Mpulubusi wrote, Ward 8’s business owners “*know what we want, we know what we are capable of. The question is who’s going to meet us halfway*”.

Building a public-private-philanthropic collaboration to support these entrepreneurs is not just an act of charity or goodwill; it is a strategic investment in economic justice and community revitalization. By channeling resources into Ward 8, banks and foundations will help create new jobs, expand the tax base, and reduce social service burdens in the long run as prosperity rises – outcomes that benefit the entire city and region. Moreover, this collaboration is an opportunity for **financial institutions and philanthropies to align their actions with their values**. In the wake of a national reckoning on racial equity, many banks and foundations have made pledges to do more for Black communities. Ward 8 offers a concrete project where those pledges can be put into practice with high impact. The integrated approach ensures accountability and effectiveness: funds are used in prudent, innovative ways, and entrepreneurs are set up for success, not failure.

We are asking decision-makers in banking and philanthropy to embrace a new way of thinking about risk and reward. The **real risk** is in doing nothing – allowing Ward 8’s economic potential to remain untapped and perpetuating a status quo in which entire neighborhoods are left behind. The **reward** for bold collaboration is not only financial (new markets, future profitable enterprises) but also societal (a more equitable and vibrant city). It is time to replace the piecemeal, exclusionary financing of the past with an **ecosystem that intentionally includes Ward 8**. This means creating financial products, investment pools, and grant programs that are designed with the realities of Ward 8 businesses in mind. It means dismantling barriers – whether bureaucratic, informational, or bias-driven – that have kept capital away. And it means sharing power and listening to the community: as this report has done by incorporating the voices and data from Ward 8 entrepreneurs themselves.

In practical terms, the next steps could involve convening a roundtable between local bank CEOs, foundation program officers, Ward 8 business leaders, and DC officials to commit to a joint initiative. From there, detailed plans (and funding commitments) can be made to expand the W8CIF model, scale up loan guarantees, provide technical assistance funding, and more. By this time next year, we should aspire to see multiple banks co-funding an expanded Ward 8 fund, and foundations endowing a multi-year capacity-building program on the ground. The **case for action is backed by both heart and hard data**: the moral imperative of correcting inequity, and the empirical evidence that doing so yields tangible economic gains.

Ward 8 is indeed, as Mpulubusi wrote, “*the perfect breeding ground for the next Fortune 500 company*” – or more realistically, many strong local enterprises that collectively generate wealth and pride in the community. The entrepreneurs are ready; they have been ready, working from the margins with scant resources. It is now up to banks and foundations to

answer the call, to innovate beyond business-as-usual, and to invest in these entrepreneurs not out of charity but out of belief in their potential. By building this ecosystem together, we can ensure that ten years from now, the story of Ward 8 is one of a thriving entrepreneurial hub – a national model for how inclusive investment can transform a community. The battle for equity in access to capital can be won, and the time to act is now. Let us **meet Ward 8 halfway** and embark on this collaboration, securing a brighter economic future for Ward 8 and for Washington, DC as a whole.

Sources:

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- Federal Reserve Survey of Consumer Finances (2022) – data on median household wealth by race.
- Good Jobs First (2015) and DC Fiscal Policy data – on corporate subsidies in DC and oversight issues.
- Wibridge DC (2023) – Ward8CIF program details (as referenced in internal report footnotes). (Various program partner information)

(All data and citations as of 2024–2025, reflecting the latest available information on Ward 8 entrepreneurial finance.)