

SMALL BUSINESS ECOSYSTEM ASSESSMENT

COMPREHENSIVE REPORT



TABLE OF CONTENTS

Charlotte Small Business Ecosystem Assessment



4	Executive Summary
9	Introduction
12	Literature Review
22	The Current State of the Charlotte Small Business Economy
34	Key Findings from the Small Business Ecosystem Assessment
96	Appendix A: Comparable MSA Case Study Analysis
108	Appendix B: Marketing and Branding
112	Appendix C: Stakeholder Engagement

EXECUTIVE SUMMARY

Charlotte Small Business Ecosystem Assessment



Purpose of this Analysis

In January 2024, the City of Charlotte released a Request for Proposal (RFP) soliciting bids for a professional service firm to conduct a Small Business Ecosystem Assessment. City Council approved funding for the initiative, drawn from the Coronavirus State and Local Fiscal Recovery Fund for small business and entrepreneurship support. After an extensive search and evaluation process, TPMA, an Indianapolis-based consultancy, was selected in February 2024 to conduct the assessment. TPMA provides expert insights into workforce, education, and economic development ecosystems in communities nationwide. TPMA partnered with the City of Charlotte's Economic Development Department on the assessment.





Methodology and Scope of Work

KEY OBJECTIVES:

01

Identify gaps in services, opportunities, and capital resources available to small businesses.

02

Identify possibilities to provide support for small business growth and sustainability.

03

Facilitate engagement with local business owners through focus groups, interviews, and surveys.

The following work elements were incorporated into the methodology and scope of work to achieve these objectives:

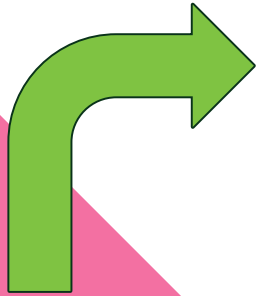
- Best practices and peer-reviewed literature review;
- Review of historical and relevant plans, documents, and partner website review across the Charlotte Small Business Ecosystem;
- Small group interviews with Economic Development, Workforce Development, Education, and Community Development Partners;
- Focus groups with small business owners;
- Small business survey; and
- Interviews and discussions with city staff, council members, and Charlotte Jobs and Economic Development Committee members.

Key Findings from the Assessment

This section presents the key findings from the Charlotte Small Business Ecosystem Assessment. The findings are based on the study's previously defined methodology and scope. The assessment examined critical aspects of the ecosystem, with a focus on awareness, access, engagement, equity, culture, collaboration, and coordination.



The key insights from the analysis include:



1

Business Support Organizations

A Robust but Complicated Business Ecosystem

2

Capital Access

Unique Capital Needs Across Small Business Types and Development Stages

3

Physical Space

Increasingly Limited Affordable Commercial and Retail Space

4

Equity

Charlotte Needs to Continue to Prioritize Equity Across Gender, Race, Ethnicity, and Location

5

Workforce Development

A Rich and Diverse Talent Pipeline but a Disconnect with the Small Business Community

6

Customers & Markets

The Challenge of Doing Business with the Government and Corporate Anchor Institutions

Charlotte's small business ecosystem is vibrant and full of potential, yet it faces persistent and interconnected challenges that hinder growth, sustainability, and equitable access. The findings from this assessment illuminate the need for a more coordinated approach to supporting small businesses—one that ensures awareness of available resources, expands equitable access to capital and space, deepens engagement with underserved communities, and strengthens connections between workforce institutions and entrepreneurs. Additionally, reducing barriers to procurement and encouraging collaboration between small businesses and anchor institutions must be prioritized to open new pathways for business development.

Moving forward, city leaders, business support organizations, and ecosystem partners have an opportunity to align efforts and strategically invest in solutions that are responsive to the unique needs of Charlotte's small businesses. By centering equity, streamlining access to resources, enhancing cross-sector coordination, and strengthening support across all stages of the business life cycle, Charlotte can position its small business community as a cornerstone of inclusive economic growth and resilience.



INTRODUCTION

Charlotte Small Business Ecosystem Assessment

Purpose of this Analysis

In January 2024, the City of Charlotte released a Request for Proposal (RFP) soliciting bids for a professional service firm to conduct a Small Business Ecosystem Assessment. City Council approved funding for the initiative, drawn from the Coronavirus State and Local Fiscal Recovery Fund for small business and entrepreneurship support. After an extensive search and evaluation process, TPMA, an Indianapolis-based consultancy, was selected in February 2024 to conduct the assessment. TPMA provides expert insights into workforce, education, and economic development ecosystems in communities nationwide. TPMA partnered with the City of Charlotte's Economic Development Department on the assessment.

Methodology and Scope of Work

To analyze, assess, and uphold the City of Charlotte's commitment to fostering the growth and success of local small businesses, TPMA designed a thorough and intentional methodology. The methodology and corresponding analysis are intended to help city leadership gain insights into the current landscape of the small business ecosystem and inform future strategic actions and initiatives. It is designed to provide an in-depth understanding of the challenges, opportunities, and key factors affecting small businesses in Charlotte. Further, the analysis will inform future programs and resources to empower and strengthen the local entrepreneurial community. Specifically, the analysis is grounded in the following key objectives:

KEY OBJECTIVES:

01 Identify gaps in services, opportunities, and capital resources available to small businesses.

02 Identify possibilities to provide support for small business growth and sustainability.

03 Facilitate engagement with local business owners through focus groups, interviews, and surveys.

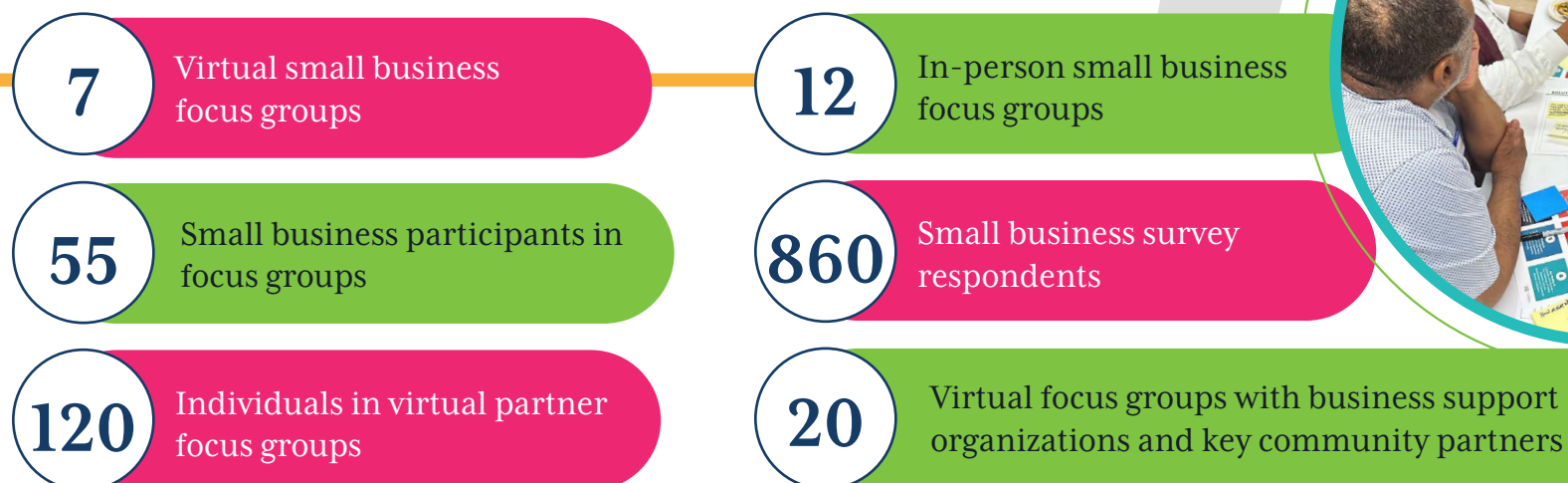


The following work elements were incorporated into the methodology and scope of work to achieve these objectives:

- Best practices and peer-reviewed literature review;
- Review of historical and relevant plans, documents, and partner website review across the Charlotte Small Business Ecosystem;
- Small group interviews with Economic Development, Workforce Development, Education, and Small Business Ecosystem Partners;
- Focus groups with small business owners;
- Small business survey; and
- Interviews and discussions with city staff, council members, and Charlotte Jobs and Economic Development Committee members.

Stakeholder Engagement

With support from Charlotte's Economic Development Department, TPMA conducted a mixed-method stakeholder engagement initiative to derive direct input from community stakeholders, including small business ecosystem partners, business owners, and elected officials. Appendix C provides a more thorough description of the stakeholder engagement methodology. Engagement included:



MSAs for Comparison

To understand Charlotte's performance in context, we identified four MSAs using key indicators: population (and population growth), gross domestic product (GDP) (and GDP growth), the presence of an R1 research university, and business formation activity. Based on these criteria, **Austin, Columbus, Nashville, and Atlanta** were selected as benchmark MSAs. Austin represents a high-growth peer with rapid expansion and strong business activity. Columbus

closely aligns with Charlotte in terms of population size, GDP growth, and business formation. Nashville shares a similar population and GDP growth rate but has lower business formation activity. Despite not meeting all the criteria, Atlanta was also included due to its geographic proximity and role as a regional competitor. While no single MSA is a perfect match for Charlotte, these four MSAs provide valuable context for evaluating Charlotte's small business ecosystem.

LITERATURE REVIEW

Charlotte Small Business Ecosystem Assessment

Defining Small Business

For this study, it is essential to develop an agreed-upon definition of “small business.” Generally, a small business is defined according to employment size and/or annual revenue. The United States Small Business Administration (SBA) defines small businesses differently based on the company’s number of employees or average annual receipts, which are variable by their core industry. The SBA further elaborates that a small business is **“a business concern that is organized for profit, is independently owned and operated, is not dominant in the field of operation in which it is bigger, and meets size standards as prescribed by the SBA.”** The SBA’s Table of Size Standards defines small businesses based on North American Industry Classification System (NAICS) codes, which vary widely by industry, revenue, and employment.

While informed by the guidelines offered by the SBA, we will use a standard that is more aligned with findings in the Charlotte market for this study. As such, small businesses will be defined by the following employment and revenue standards:

- **Annual revenue of up to \$50 million**
- **Employment ranging from solo entrepreneurs (1 employee) to 250 employees.**

As part of this analysis, it is equally important to understand the economic impact that small businesses have on local, regional, and national economies. **Recent statistics show that small businesses employ roughly half of America’s private workforce.¹**

¹ | Building equitable local ecosystems for small business: Collaboration is the key. (2021). Local Initiatives Support Corporation.

Further, an estimated 68% of revenue generated by local small businesses stays within the community through employment of community residents, compared to 43% of revenue generated by non-local businesses.² The SBA posits that small businesses are often defined by innovation, stating that half of the nation's technological innovations originate from small businesses.³ The SBA further elucidates that small businesses are more likely to hold strong community ties and are less likely to relocate. From an economic development context, the International Economic Development Council (IEDC) outlines how small businesses serve local communities, stating:



[Small businesses act as] employers by creating new jobs, tax revenue generators, economic supporters that buy and supply local products and services, property owners and renters, and providers of economic stability.

Small and local business demographics are another important consideration for this analysis. As of 2017, 80.2% of small business owners were white, and 64.5% were male, which does not reflect the overall US population.⁴ In fact, research shows that women are half as likely as men to own businesses, resulting in an estimated unrealized potential of 1.7 million additional businesses in the United States.⁵

Further analysis shows that certain demographic groups are consistently underrepresented in the entrepreneurial community. According to available data, minorities own half as many businesses as non-minorities do, and their enterprises start smaller and stay smaller than their non-minority counterparts.⁶ Additionally, individuals without high school degrees comprise approximately 11% of the population but only 4% of total business ownership. This demonstrates how educational attainment can impact small business creation and ownership nationwide.⁷ Taken together, if women, minorities, and those with lower levels of educational attainment could more easily access resources to start small businesses, the United States would realize an increased economic impact, with millions of more businesses and employment opportunities.

2 | Ibid ("Ibid" indicates the same citation as above)

3 | Introduction to economic development. (2015). International Economic Development Council.

4 | Zero Barriers: Three mega trends shaping the future of entrepreneurship. (2017). Ewing Marion Kauffman Foundation.

5 | Ibid

6 | Ibid

7 | Ibid



Types of Small Businesses

As the literature review demonstrates, there are generally agreed-upon definitions of small business. To further understand the small business community in Charlotte, this analysis will utilize a simple framework to categorize these businesses within the broader definition. Relying on various examples and best practices analyzed during the literature review, the small business community in Charlotte will be categorized as follows:

01

Microenterprises



Employ less than 5, require less than \$35,000 to start, typically generate less than \$250,000/year, side-gigs, lifestyle

02

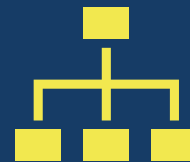
Main Street



Non-export, storefront, amenity and culture enhancers, multi-generational, focused on long-term sustainability

03

Scalable



Emerging market, proprietary tech or service, growth oriented, focused on fundraising and investment

04

Mature



Expansion and growth oriented, over 5 years old, between 10-250 employees, market and product validation, steady revenue

MICROENTERPRISES

Microenterprises, the smallest businesses in the local economy, employ fewer than five people. Despite their low employment levels, many companies fall into this category, collectively making up a large share of small-business employment.⁸ These businesses typically require less than \$35,000 to start and often generate less than \$250,000 annually.^{9,10} Because of low startup costs, microenterprises are often founded and owned by individuals with varying backgrounds, including dislocated workers, stay-at-home parents, students, or retirees. Many Microenterprises start as hobbies or side jobs, and owners often maintain full-time jobs while building their businesses. Their operations vary widely, with some relying on e-commerce and the digital economy while others meet a hyper-local demand for in-person services or products. Although these businesses are generally not scalable, they are a key element of all small business ecosystems. Advancements in technology will continue to make them appealing to those looking to start a business, with a decreasing reliance and need for brick-and-mortar locations to operate.

MAIN STREET BUSINESSES

Main Street businesses include stores and shops that enhance a community's culture and identity. These businesses typically have a physical storefront in a relatively highly visible location and exist to meet local demand. Coffee shops, retail stores, independent restaurants, dry cleaners, salons, and grocery stores are typical businesses in this category. These businesses usually do not export their products or services, and their business model is intended to meet specific local demands.¹¹ Rapid growth is not necessarily a priority for Main Street business owners. Generally speaking, these enterprises are focused on business models that lead to long-term sustainability. When successful, these businesses are often multi-generational, and ownership is often passed from family member to family member.¹² However, there are common vulnerabilities for Main Street business owners. Due to their limited focus on the local market, relatively low profit margins, and limited technological sophistication, even modest changes in the local business environment can put their operations at risk.¹³

8 | "The 4 Types of Small Businesses and Why Each One Matters." Harvard Business Review, 9 Apr. 2015, hbr.org/2015/04/the-4-types-of-small-businesses-and-why-each-one-matters.

9 | "One Definition Does Not Fit All: The Four Types of Entrepreneurship." MOSourceLink, 7 Jan. 2019, www.mosourcelink.com/2019/01/07/one-definition-does-not-fit-all-the-four-types-of-entrepreneurship/.

10 | "What Is a Micro Business?" Wolters Kluwer, 9 Oct. 2023, www.wolterskluwer.com/en/expert-insights/what-is-a-micro-business.

11 | "The 4 Types of Small Businesses and Why Each One Matters." Harvard Business Review, 9 Apr. 2015, hbr.org/2015/04/the-4-types-of-small-businesses-and-why-each-one-matters.

12 | "One Definition Does Not Fit All: The Four Types of Entrepreneurship." MOSourceLink, 7 Jan. 2019, www.mosourcelink.com/2019/01/07/one-definition-does-not-fit-all-the-four-types-of-entrepreneurship/.

13 | "What's a Main Street vs. a Middle-Market Company?" Morgan & Westfield, www.morganandwestfield.com/knowledge/whats-a-main-street-vs-a-middle-market-company/.

SCALABLE BUSINESSES

Scalable businesses are designed for rapid growth and significant market impact. These ventures are often launched to develop or market a new technology or an innovative product and generally require a more significant startup investment than most other small businesses. The primary objectives of these businesses are to disrupt industries and markets, create many jobs, and generate high revenues. Although they're often started by a single person or a small team, employment figures can rise quickly. High-profit margins support rapid growth, and once they reach a certain size, it's common for the businesses to be sold.¹⁴ They seek to capitalize on the newest technologies to create efficiencies wherever possible, and automation is an increasingly common tool. Importantly, these businesses do not restrict their operations to a local market, seeking to quickly reach regional, national, or even international markets.¹⁵

MATURE BUSINESSES

Mature businesses have survived the early, uncertain phases of the business lifecycle and have solidified their position in the local economy. Now, they're focused on steady expansion and growth. These businesses are over 5 years old and employ between 10 and 250 employees. They're no longer experimenting with their business plan. They've developed a proven product, validated the market need, and developed a recognizable brand identity. This brand recognition in their market and a committed consumer base sustains their operations.¹⁶ Tenured employees can often be found in these businesses, and the primary decision-makers are generally an older demographic than those found in some of the other types of small businesses.¹⁷ Because their operations have stabilized, the revenue growth of these businesses approximates the economic growth rate.¹⁸

14 | "The 4 Types of Small Businesses and Why Each One Matters." Harvard Business Review, 9 Apr. 2015, hbr.org/2015/04/the-4-types-of-small-businesses-and-why-each-one-matters.

15 | "What Does It Mean to Be Scalable?" Southern Community Capital Fund, 1 Dec. 2021, www.sccfva.org/post/what-does-it-mean-to-be-scalable.

16 | "Maturing." Indeed, www.indeed.com/hire/c/info/maturing.

17 | "How Startups Differ from Mature Small Businesses." Federal Reserve Bank of St. Louis, 18 Oct. 2017, www.stlouisfed.org/on-the-economy/2017/october/how-startups-differ-mature-small-businesses.

18 | "Mature Companies." NYU Stern School of Business, pages.stern.nyu.edu/~adamodar/New_Home_Page/littlebook/maturecompanies.htm.

Defining a Small Business Ecosystem

The core objective of this analysis is to assess and evaluate the current status of Charlotte's small business ecosystem, ultimately concluding with actionable strategies and tactics that city leadership can employ to provide appropriate service to the small business community. Before doing that, it's important to define a small business ecosystem. Many research institutions, foundations, publications, and economic development experts have offered a variety of viewpoints to describe a small business ecosystem. While this analysis will rely on the variety of viewpoints and definitions reviewed, it will focus on a definition offered by the Local Initiatives Support Corporation (LISC). The definition states:

"An ecosystem is a set of conditions and supports that all entrepreneurs need to thrive – to launch and expand their businesses, and to sustain them in the face of impediments to growth and economic shocks."¹⁹

ELEMENTS OF A SMALL BUSINESS ECOSYSTEM

To further understand a small business ecosystem, it's important to identify and define its key elements. The Kauffman Foundation presents a more elaborate definition of an ecosystem, alluding to some of the key components: "The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each growth stage. As a result, the whole is greater than the sum of its separate parts."²⁰



19 | Local Initiatives Support Corporation. (n.d.). Building equitable local ecosystems for small business. LISC. lisc.org/our-resources/resource/building-equitable-local-ecosystems-small-business/

20 | Kauffman Foundation. (n.d.). Ecosystems. Kauffman Foundation. kauffman.org/ecosystem-playbook-draft-3/ecosystems/

PEOPLE & TALENT

People and talent are the backbone of a thriving small business ecosystem, driving innovation, productivity, and meeting consumer demand. At the center of any successful ecosystem lie the entrepreneurs and business owners — the doers, the risk-takers, the innovators, and the culture builders. They drive progress, enhance a community's quality of life, provide solutions, and create vibrancy and vitality.

Skilled and motivated employees help businesses operate efficiently, adapt to changing market demands, and deliver high-quality products and services. Entrepreneurs and business owners rely on talented individuals to bring fresh ideas, solve problems, and build strong customer relationships. A diverse and capable workforce strengthens individual businesses and fosters a culture of creativity and resilience within the local economy. Local businesses can scale operations, improve competitiveness, and attract investment with access to skilled workers. Moreover, employees who see opportunities for career growth and professional development within their community are more likely to stay, reducing brain drain and ensuring long-term economic vitality. In this way, investing in people and talent sustains a thriving, interconnected small business ecosystem that benefits the entire community.

Beyond the workplace, a talented population supports the broader business community by creating a network of expertise, mentorship, and collaboration. Mentors and small business champions provide guidance, support, and expertise. Strong peer-to-peer networks allow small business owners to share ideas, challenges, and opportunities, facilitating community support and problem-solving. Collectively, these interconnected people form the foundation of a prosperous and thriving small business ecosystem.



CAPITAL

Capital is the lifeblood of any local small business ecosystem, providing the necessary resources for businesses to launch, sustain operations, and grow. Without sufficient capital, entrepreneurs struggle to cover startup costs, invest in equipment, or hire employees. Whether through personal savings, bank loans, or local investors, capital enables businesses to innovate, expand their offerings, and remain competitive. This financial foundation helps individual businesses thrive and fosters a dynamic and resilient local economy.

Beyond individual businesses, access to capital has a ripple effect on the entire community. When small businesses have the funding they need, they create jobs, support local suppliers, and contribute to the tax base, which funds essential public services. Additionally, a well-capitalized business ecosystem attracts more investment, drawing in new ventures and fostering a culture of entrepreneurship. Ultimately, ensuring that local businesses have access to capital strengthens economic stability and enhances the overall quality of life for the community.

SUPPORT SERVICES & RESOURCES

Business support services and resources are essential to the success of a local small business ecosystem, providing entrepreneurs with the tools, knowledge, and guidance needed to navigate challenges and grow sustainably. Services such as mentorship programs, networking groups, legal and financial consulting, and marketing assistance help businesses make informed decisions and avoid costly mistakes. Access to local business development centers, co-working spaces, and technical training programs equip small businesses with the skills and infrastructure they need to compete effectively. These resources create a foundation for long-term success by reducing barriers to entry and enhancing operational efficiency.

A strong network of business support services also fosters collaboration and community-driven economic growth. When small businesses can easily access funding advice, workforce development programs, and strategic planning resources, they are more likely to thrive and contribute to the local economy. Additionally, government initiatives, chambers of commerce, and nonprofit organizations are crucial in advocating for policies that support small business growth. Communities can cultivate a more resilient, innovative, and sustainable business ecosystem by ensuring entrepreneurs can access essential resources.

CULTURE, COLLABORATION, & COORDINATION

A strong culture of coordination and collaboration between support organizations is essential for fostering a thriving local small business ecosystem. When business development centers, chambers of commerce, academic institutions, financial institutions, and nonprofit organizations work together, they create a seamless network of resources that small business owners can easily access. This collaborative approach reduces duplication of efforts, streamlines support services and ensures that businesses receive comprehensive guidance. A shared commitment helps build a culture of trust, knowledge-sharing, and mutual success, making it easier for small businesses to navigate challenges and seize growth opportunities.

Beyond direct business support, a well-coordinated ecosystem strengthens the community by aligning resources and initiatives with broader economic goals. By working together, organizations can advocate more effectively for pro-business policies, attract investment, and create a supportive environment for innovation. Public-private partnerships, joint training programs, and cross-sector collaborations further enhance the impact of individual organizations, leading to a more resilient and dynamic local economy. When support organizations prioritize culture, coordination, and collaboration, they lay the groundwork for sustainable small business success and long-term community prosperity.

CUSTOMERS & MARKETS

Customers and markets drive a thriving local small business ecosystem, providing the demand that sustains businesses and fuels growth. A loyal customer base generates revenue and offers valuable feedback that helps businesses refine their products and services. When small businesses understand their local market and cater to the specific needs of their community, they build strong relationships and foster customer loyalty. This, in turn, creates a cycle of economic activity where money stays within the community, supporting other local businesses and strengthening the overall economy.

Beyond individual transactions, a well-developed market ecosystem attracts new businesses, investors, and talent, further expanding economic opportunities. When small businesses can access diverse markets—both locally and beyond—they reduce risk and increase their chances of long-term success. Events like farmers' markets, business expos, online platforms, and accessible public procurement opportunities help connect businesses with new customers and expand their reach. By fostering a vibrant and engaged marketplace, communities create an environment where small businesses can flourish, driving economic stability and local prosperity.

Common Challenges Faced by Entrepreneurs from Historically Underrepresented Backgrounds

Individuals from disadvantaged backgrounds have faced systemic barriers to starting and growing businesses, resulting in limited access to and awareness of small business ecosystem resources. The United States has long been characterized by a persistent geography of racial and economic injustice, where public policies, including segregation, redlining, destructive infrastructure, mass incarceration, and disinvestment, have kept people of color and low-income people concentrated in underinvested neighborhoods with limited access to appropriate resources.²¹ These historical inequities have systematically isolated these individuals from the resources, amenities, and opportunities required to thrive in the economy.

Research shows that even when a particular asset or resource is technically available in a given market, access may be limited for certain small business owners or aspiring entrepreneurs by factors that have nothing to do with their talent, ideas, or commitment. These factors can include language barriers, lack of financial and social capital, and a lack of culturally competent service providers.²² Leaders must know the structural barriers inhibiting access to develop a high-performing and equitable local small business ecosystem. This means that key stakeholders must work to dismantle these barriers that prevent people of color, immigrants, women, people with disabilities, and those with low or moderate incomes from participating in the economy as small business owners.

21 | Community-Centered economic inclusion: A Strategic Action Playbook. (2021). Brookings Institute.

22 | Building equitable local ecosystems for small business: Collaboration is the key. (2021). Local Initiatives Support Corporation.

THE CURRENT STATE OF THE CHARLOTTE SMALL BUSINESS ECONOMY

Charlotte Small Business Ecosystem Assessment

Charlotte's small business community is experiencing significant growth. The Milken Institute's Best-Performing Cities report, which ranks U.S. metropolitan statistical areas (MSAs) based on economic performance, reflects this trajectory. In 2025, Charlotte was 24th out of 200 MSAs, ranking highly in job growth from 2018 to 2023. However, challenges remain: Charlotte ranked poorly in income inequality, landing in the bottom 50%.

In 2024, US Bank conducted a national survey of 1,000 small business owners and employees, with an oversampling of small business owners from several large cities, including Charlotte. Isolating the results for Charlotte specifically, the results were encouraging. According to the results, 98% of small businesses in Charlotte rated their businesses as successful, compared to 90% nationally. Ninety-nine percent of small businesses said they were optimistic about the future, compared with an 87% national average.²³

²³ | qcitymetro.com/2024/08/26/charlotte-small-business-survey/

A QUICK NOTE ABOUT DATA

Data was collected from various public and private sources to perform an analysis as completely as possible. Because of data availability and methodology inconsistencies, different sections of the report provide data from different years and at different levels of geography. The most recent data available, at the most specific level of geography, has been included in every section. However, in some cases, data are only available at the Charlotte-Concord-Gastonia MSA. In most other cases, Mecklenburg County is the most specific geography for which data are available. The most recent data available are from 2021-2024, depending on the source. In every section, all graphs are labeled with the year represented, and some description of the geography is provided in the narrative or the caption.

Composition of the Small Business Economy

Determining the exact number of small businesses in Charlotte is challenging due to the lack of city-level data, a consequence of a 2014 state law that repealed local privilege license taxes, which previously provided valuable business information. However, we can estimate based on county, regional, and state-level statistics. According to the U.S. Small Business Administration's 2023 Small Business Economic Profile for North Carolina, the state has approximately 1,008,881 small businesses, accounting for 99.6% of all businesses.²⁴ Given that Charlotte is the largest city in North Carolina, with a population of 911,311 as of July 1, 2023,²⁵ it is reasonable to infer that many of the state's small businesses operate within the city. While an exact figure isn't available, this estimate highlights Charlotte's substantial role in the state's small business landscape.

We can also look at county and MSA-level data to learn more about the composition of the small business community in Charlotte. First, we can analyze employment data for small businesses in Mecklenburg County. The U.S. Small Business Administration Office of Advocacy defines a small business as having fewer than 500 employees. In 2021, there were 34,951 businesses with fewer than 500 employees in Mecklenburg County. Of those, the majority (56%) employed fewer than five employees.

Over 1
Million

estimated small
businesses in North
Carolina, accounting
for 99.6% of all
businesses.

34,951

estimated small
businesses in
Mecklenburg County;
56% of those have fewer
than 5 employees.

²⁴ | advocacy.sba.gov/wp-content/uploads/2023/11/2023-Small-Business-Economic-Profile-NC.pdf

²⁵ | census.gov/quickfacts/fact/table/charlottecitynorthcarolina

Based on employment levels in Figure 1 below, small businesses of all sizes grew between 2013 and 2022, but those with fewer than five employees saw the most growth over the 10-year period. Over this period, businesses with fewer than five employees increased by about 4,970 or 33%. Overall, the number of small businesses grew by more than 7,000, increasing the small business count by 25.7% over the 10-year period.

Figure 1: Small Businesses by Employment in Mecklenburg County

Source: County Business Patterns

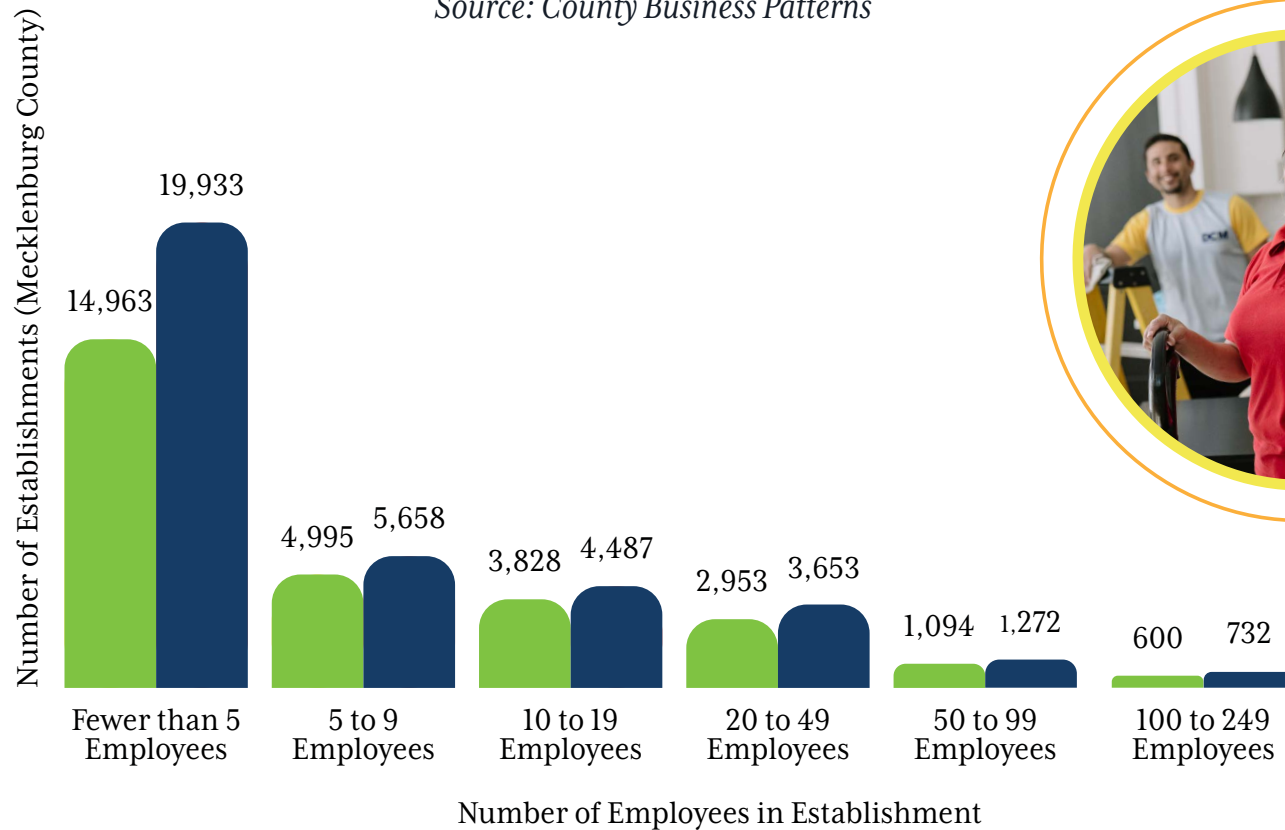
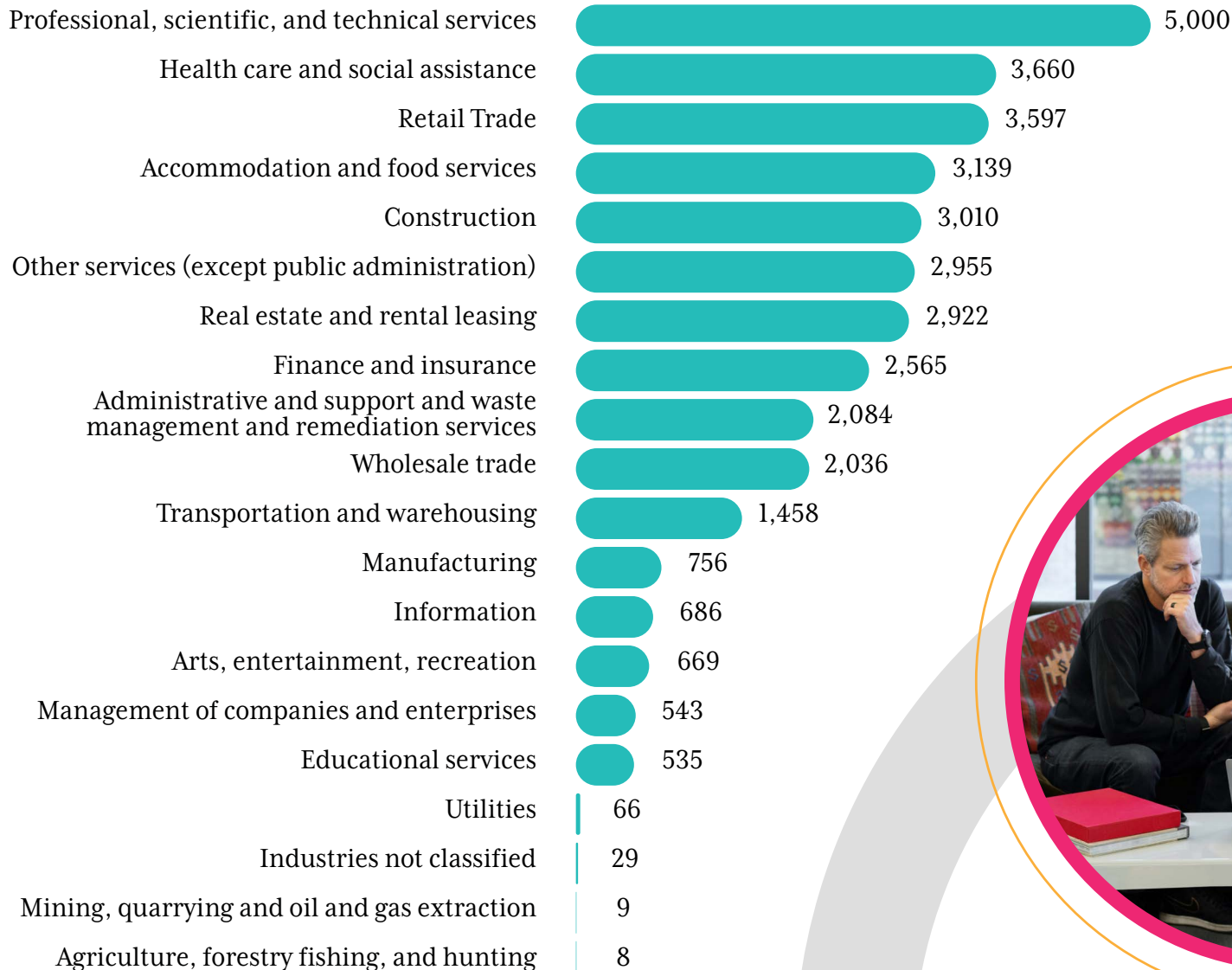


Figure 2: Small Businesses in Mecklenburg County by Industry

Source: County Business Patterns, 2022

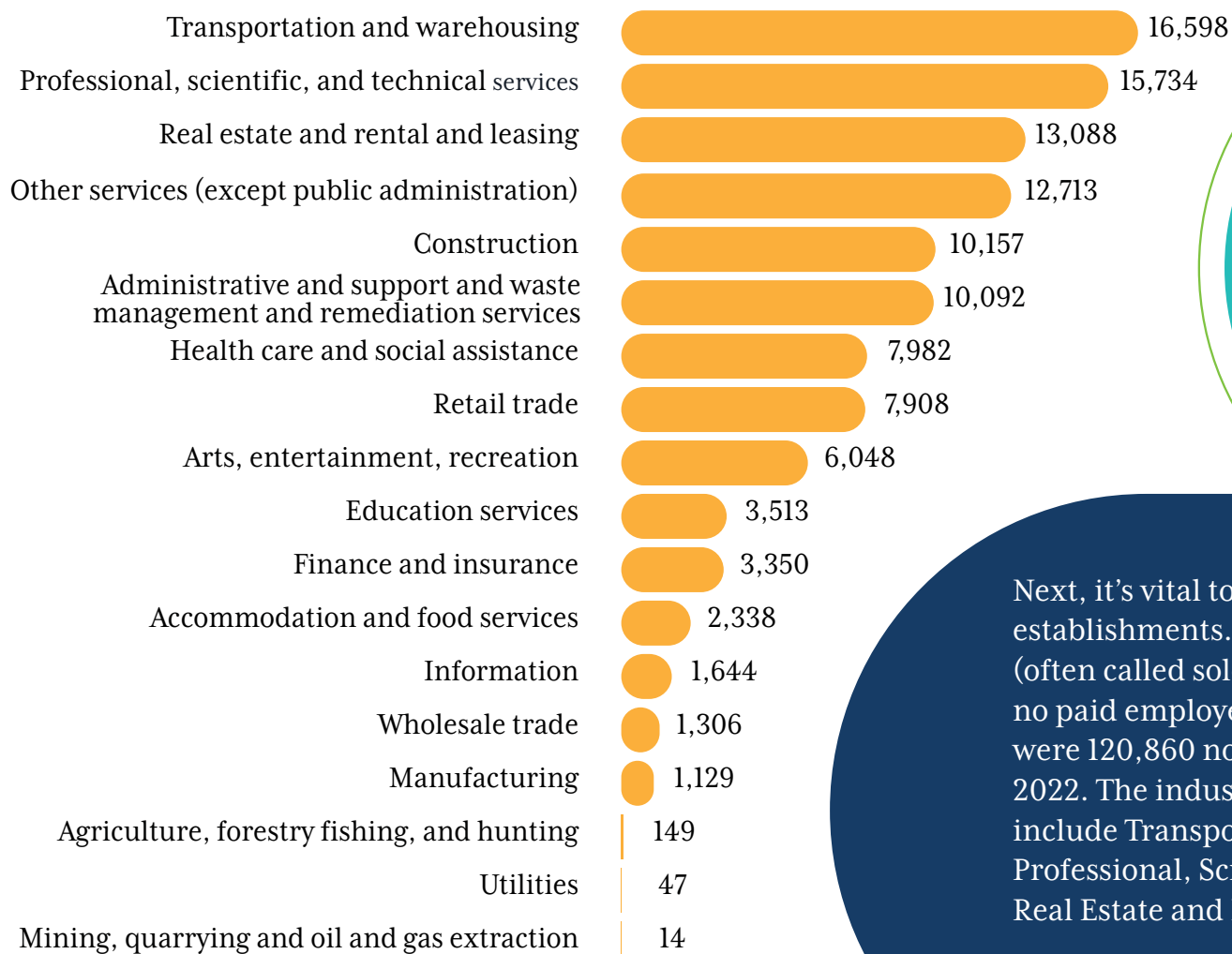


As shown in Figure 2, the Professional, Scientific, and Technical Services industry has the county's highest number of small businesses (5,000), followed by Health Care, Social Assistance, and Retail Trade.



Figure 3: Non-employer Establishments in Mecklenburg County by Industry

Source: US Census Non-employer Statistics, 2022

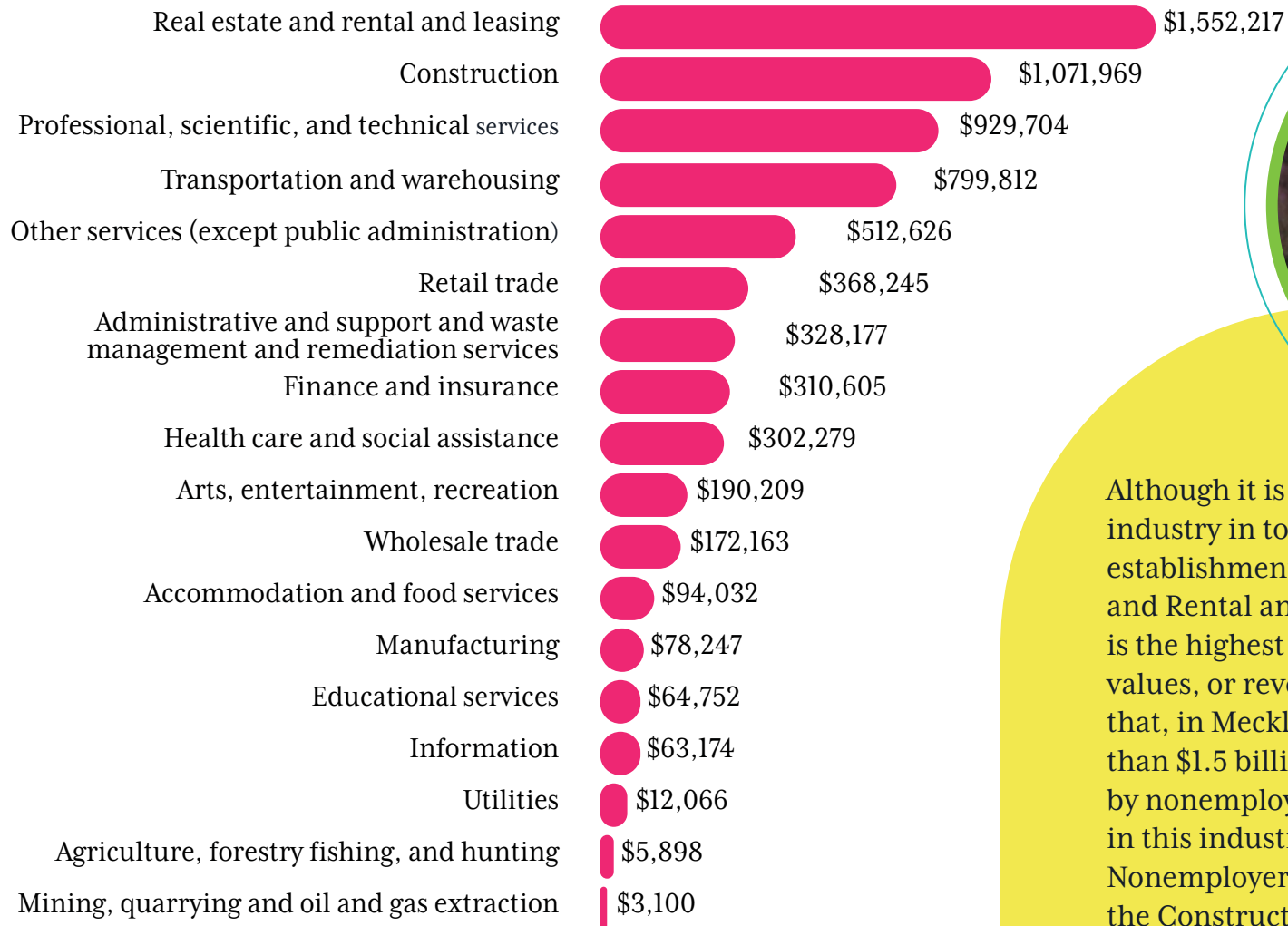


Next, it's vital to consider nonemployer establishments. Nonemployer establishments (often called solopreneurs) are businesses with no paid employees. In Mecklenburg County, there were 120,860 nonemployer establishments in 2022. The industries with the most solopreneurs include Transportation and Warehousing; Professional, Scientific, and Technical Services; Real Estate and Rental and Leasing.

Collectively, these three industries account for more than 45,400 non-employer establishments.

Figure 4: Non-employer Sales, Value of Shipments, or Revenue in Mecklenburg County

Source: US Census Non-employer Statistics, 2022



Although it is only the third largest industry in total nonemployer establishments, the Real Estate and Rental and Leasing industry is the highest generator of sales, values, or revenue. Figure 4 shows that, in Mecklenburg County, more than \$1.5 billion was generated by nonemployer establishments in this industry in 2021.

Nonemployer establishments in the Construction and Professional, Scientific, and Technical Services industries generated the next highest values, at \$1.1 billion and \$929 million respectively.

Small Business Impact on the City

While determining the exact tax revenue explicitly generated by small businesses in Charlotte is challenging, we can infer their significant role in the local economy and their potential tax contributions through broader statistics. Knowing that Charlotte is Mecklenburg County's largest city and a key economic center, we can reasonably conclude that a large portion of the more than 35,000 small businesses in the county contribute to local and state taxes. The City of Charlotte represents 78.3% of the total population of Mecklenburg County. Assuming this ratio is the same for the number of small businesses, which is likely a conservative estimate, the City of Charlotte alone would be home to an estimated 28,000 small businesses.

To illustrate this, the City of Charlotte's General Fund was projected to collect \$129.7 million in sales tax revenue for the fiscal year 2023, marking a 20.2% increase from the previous fiscal year.²⁶ While this figure encompasses all businesses, the high prevalence of small enterprises suggests they contribute a significant share of this revenue.

In addition to local sales tax, small businesses also contribute to the broader tax base. The state imposes a flat 2.25% corporate income tax rate on all businesses, regardless of size, in addition to a 4.75% sales tax. Local governments, including Charlotte, can levy local sales tax, bringing the combined sales tax in the city to 7.25%.²⁷ Small businesses contribute significantly to corporate income and sales tax revenues through their operations and sales.



The City of Charlotte
is estimated to have

28,000
small businesses

²⁶ | charlottenc.gov/files/sharedassets/city/v/1/city-government/departments/documents/executive-summary-overview-summary-statistics-and-policies.pdf

²⁷ | taxfoundation.org/location/north-carolina/

Defining Small Business in Charlotte

Before presenting an overview of the Charlotte Small Business Ecosystem, it's important to note key findings on the definition of “small business” in Charlotte. In interviews with stakeholders and small businesses, it became clear that defining small businesses in Charlotte is a core challenge that must be recognized. Most stakeholders agreed that the SBA definition is inappropriate – some suggesting it includes businesses that are too large. There was general agreement that the definition needed to be more clearly defined. Importantly, stakeholders recognized that small businesses were not a homogenous group but should be categorized across various industries, employment size, revenue, and growth aspirations.

This analysis will consider enterprises with less than 250 employees or up to \$50 million in annual revenue as small businesses.

Further, we will adopt the categorization presented in the Literature Review to inform the analysis. Those categories include:

- Microenterprises
- Main Street Business
- Scalable Business
- Mature Business



Key Elements of the Charlotte Small Business Ecosystem

This report thoroughly analyzes the Charlotte small business ecosystem, informed by available and relevant data, findings from stakeholder interviews, focus groups with small businesses, an analysis of small business survey findings, and historical document review and research.

The analysis evaluated the key elements of a successful small business ecosystem presented in the literature review. Those include:

- People & Talent
- Capital
- Support Services & Resources
- Customers & Markets
- Culture, Collaboration & Coordination

Within the first four key elements (People & Talent, Capital, Support Services & Resources, and Customers & Markets), the project team evaluated the elements using three key evaluation metrics:

- Awareness & Access
- Engagement
- Equity

Culture, Collaboration & Coordination were evaluated separately, and the methodology will be outlined in more detail in the following pages.



AWARENESS & ACCESS

Definition:

This metric assesses whether small business owners, entrepreneurs, and stakeholders are aware of and can effectively access the ecosystem's resources, programs, and opportunities.

Context:

- **Awareness** focuses on whether the existence and purpose of ecosystem components (e.g., funding options, training programs, or market opportunities) are communicated to all potential users.
- **Access** evaluates the ease businesses can utilize these resources, considering physical proximity, digital availability, cost, eligibility criteria, and systemic barriers.

Key Questions:

- Are resources and opportunities well-publicized and easily discoverable?
- Can all businesses access these resources regardless of size or location?
- Are there technological, financial, or geographic barriers that limit access?

ENGAGEMENT

Definition:

These metrics measure how small businesses, entrepreneurs, and other stakeholders actively participate in and utilize the ecosystem's elements.

Context:

- Engagement reflects how effectively businesses interact with and benefit from resources such as training programs, capital networks, or community events.

Key Questions:

- Are businesses actively participating in workshops, mentorship programs, and funding initiatives?
- Are resources being used to their full potential, or are they underutilized?

EQUITY

Definition:

This metric evaluates whether the ecosystem's elements and resources are inclusive and accessible to all groups, with a particular focus on historically underserved or underrepresented populations.

Context:

- Equity examines how well the ecosystem ensures that diverse groups—such as women, people of color, and small businesses in low-income areas—have fair opportunities to benefit from available resources and programs.
- It also considers whether systemic barriers, such as biased lending practices or language barriers, have been addressed.

Key Questions:

- Are resources and opportunities distributed equitably across demographic, geographic, and socioeconomic lines?
- Are outreach efforts inclusive, and do they reach marginalized groups?
- Do participation rates reflect the community's diversity, or are certain groups excluded?



COORDINATION & COLLABORATION ACROSS THE SMALL BUSINESS ECOSYSTEM

In addition to these key elements, the culture, coordination, and collaboration across economic, education, workforce, and community development partners were evaluated. Using a mixed-method approach, reliant on feedback from partners and small businesses, the evaluation was constructed to assess how well the ecosystem was operating. Additionally, extensive desktop research was performed to understand the many organizations operating in the formal and informal small business network. This was performed for several reasons:

- To develop a clear understanding of the ecosystem's key players and their functional roles;
- To explore more profound insights into coordination dynamics and challenges;
- To gain insights from influential leaders in the ecosystem;
- To assess the interconnectedness of the stakeholders; and
- To better understand available programs, policies, and initiatives.



KEY FINDINGS FROM THE ASSESSMENT

Charlotte Small Business Ecosystem Assessment



This section presents the key findings from the Charlotte Small Business Ecosystem Assessment. The findings are based on the study's previously defined methodology and scope. The assessment examined critical aspects of the ecosystem, with a focus on awareness, access, engagement, equity, culture, collaboration, and coordination. The key insights from the analysis include:

1

Business Support Organizations

A Robust but Complicated Business Ecosystem

2

Capital Access

Unique Capital Needs Across Small Business Types and Development Stages

3

Physical Space

Increasingly Limited Affordable Commercial and Retail Space

4

Equity

Charlotte Needs to Continue to Prioritize Equity Across Gender, Race, Ethnicity, and Location

5

Workforce Development

A Rich and Diverse Talent Pipeline but a Disconnect with the Small Business Community

6

Customers & Markets

The Challenge of Doing Business with the Government and Corporate Anchor Institutions

1 Business Support Organizations

A Robust but Complicated Business Ecosystem

INTRODUCTION TO ANALYSIS

A successful small business ecosystem encompasses several essential components, including organizations that deliver a diverse array of services to support the small business community. Commonly known as business support organizations (BSOs), these vital entities may originate from the private, public, or nonprofit sectors. They offer a variety of services, such as financial assistance, resource connections, customer outreach, technical support, education and training, as well as business incubation and acceleration.

Figure 5: Types of Business Support Organizations

Entrepreneurial Training & Development

Business Resources & Consulting

Libraries & Community Hubs

Business Associations & Networks

Workforce Programs & Employment Services

Capital Network

Coworking Spaces



Within the City of Charlotte, a robust network of BSOs underpins the Small Business Ecosystem. The types of services provided vary widely, encompassing capital access, community resource hubs, and workforce development programs. Informed by comprehensive desktop research, survey results, and stakeholder feedback, we will evaluate access to ecosystem resources, identify service gaps, and assess collaboration and coordination across the system.

To better understand how small businesses interact with and engage with business support organizations, we analyzed small business survey results and supplement findings with insights gained during focus groups with both BSO partners and the small businesses themselves. What was revealed was a robust ecosystem, but one that small businesses found difficult to navigate, inhibiting their ability to utilize the breadth of services available to them.

Summary of Findings

01

The Charlotte Small Business Ecosystem is comprised of dedicated and talented individuals and organizations, offering a diversity of programs and resources.

02

Both ecosystem partners and small businesses acknowledged the complexity of the ecosystem as a barrier to access.

03

Ecosystem partners believe a more centralized approach to marketing will increase awareness and access to support services.

04

Approximately 50% of small businesses do not know who to ask for assistance.

05

A large percentage of neutral survey responses may indicate a total lack of awareness of ecosystem resources and services.

06

Startup small businesses and mature small businesses are more likely to know who to contact for assistance.

07

Employment size is correlated with ecosystem awareness; businesses with less than 10 employees are less likely to know where to find support.

08

Businesses 'in the middle' (employment and stage of business life cycle) are struggling to find support relevant to their needs.

09

Capital access and networking opportunities are the most requested needs.

10

Networking, technical assistance, and business counseling are the most accessible service offerings.

11

Access to capital and talent recruitment were the least accessible service offerings.

KEY FINDINGS FROM THE SMALL BUSINESS SURVEY

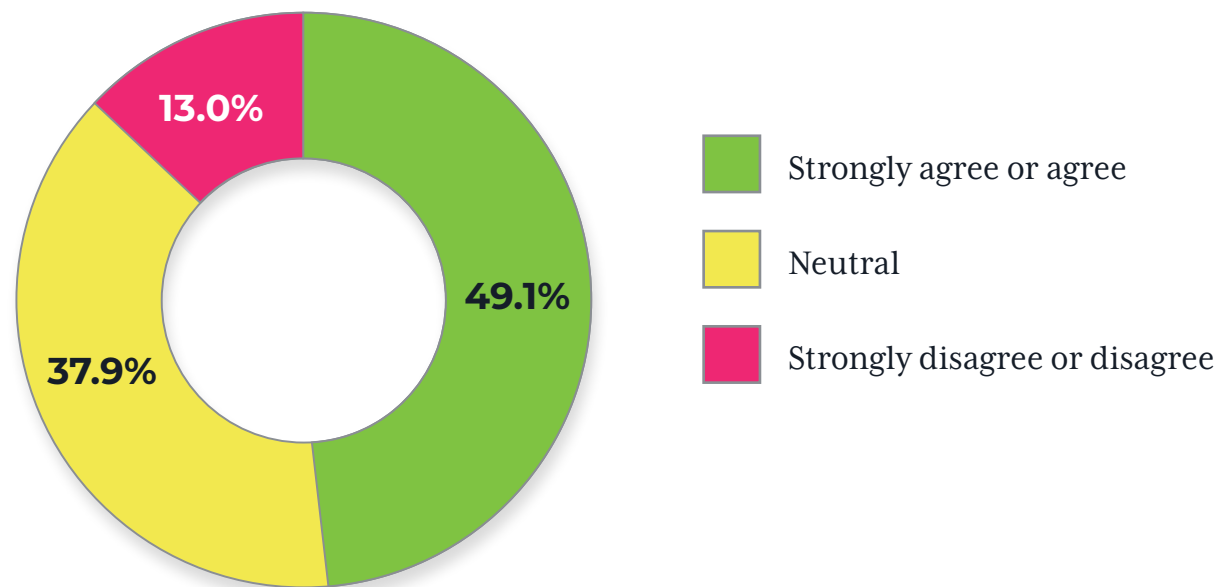
“I Know Who to Ask for Assistance”

To understand access and awareness of BSOs within the ecosystem, survey participants were asked if they knew who to ask when they needed assistance with their small business. **Figure 6 shows that while 49.1% of respondents indicated they agreed or strongly agreed, the remaining 50.9% either felt neutral or disagreed with the statement.** Most of those in the latter group gave a neutral response, with 37.9% of all respondents selecting this option.

A neutral response to this question can indicate uncertainty and hesitancy rather than a genuine lack of opinion. A business owner who is confident in their answer – such as one who is well-connected to the small business ecosystem and resources or who sought help and could not find support services, is likely to give a definitive answer. **The large percentage of neutral responses may indicate that many do not fully understand the resources in the small business ecosystem,** may have heard of services but cannot access them, or know who to ask for help with some service requests but not others.

Figure 6: Responses to “I know who to ask when I need assistance with my small business.”

Source: City of Charlotte Small Business Survey



As shown in Figure 7, businesses with less than 10 employees seem to be most unsure about who to ask when they need assistance. More than 1 in 5 microenterprise owners reported that they did not know who to ask, in addition to the 30% who gave a neutral response. Looking at businesses with 5 to 9 employees, just 38.5% of respondents reported knowing who to ask, the smallest percentage of the group.

Small businesses with at least ten employees are more likely to know who to ask for assistance. This may be because they have been in business for longer or have more resources/internal capacity. However, these figures should be treated with caution due to the low number of responses from businesses with 25 employees or more.

Figure 7: Responses to “I know who to ask when I need assistance with my small business” by business size

Source: City of Charlotte Small Business Survey

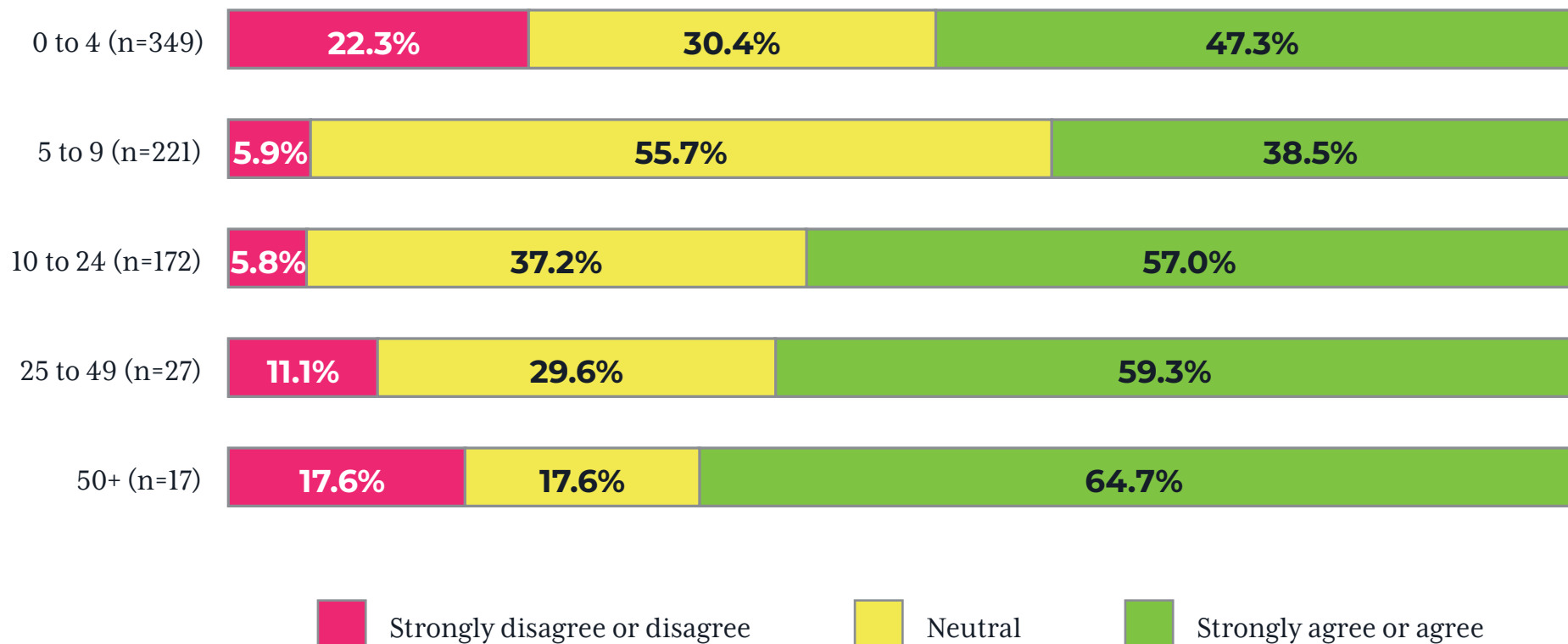


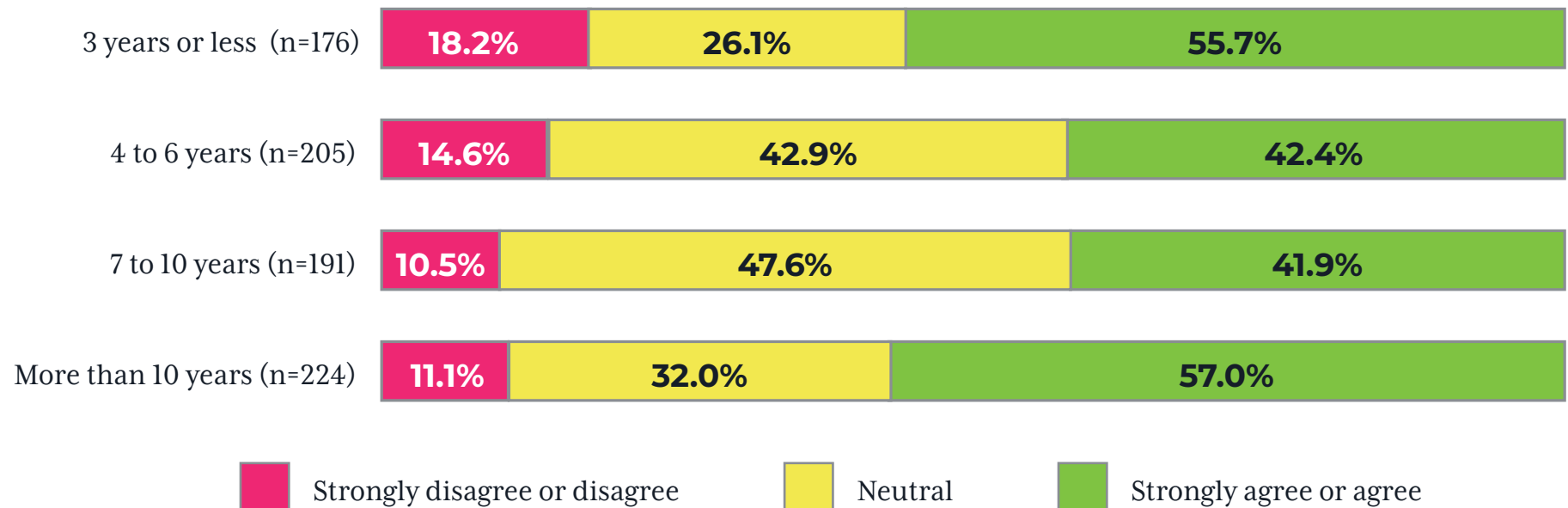
Figure 8 shows that a higher percentage of younger and older businesses—those in business for 3 years or less and more than 10 years—agreed that they knew who to ask compared to “middle-aged” businesses. Charlotte’s ecosystem has a robust support network for startup companies, which may make initial navigation easier. Meanwhile, mature businesses have had time to build connections and understand the ecosystem.

In contrast, it appears that companies in the middle stage are struggling to identify the proper support for their needs.

Responses from chamber members and those with small business certifications were not significantly different from the sample, meaning that even those with stronger connections to the ecosystem face difficulty finding help.

Figure 8: Responses to “I know who to ask when I need assistance with my small business” by years in business

Source: City of Charlotte Small Business Survey



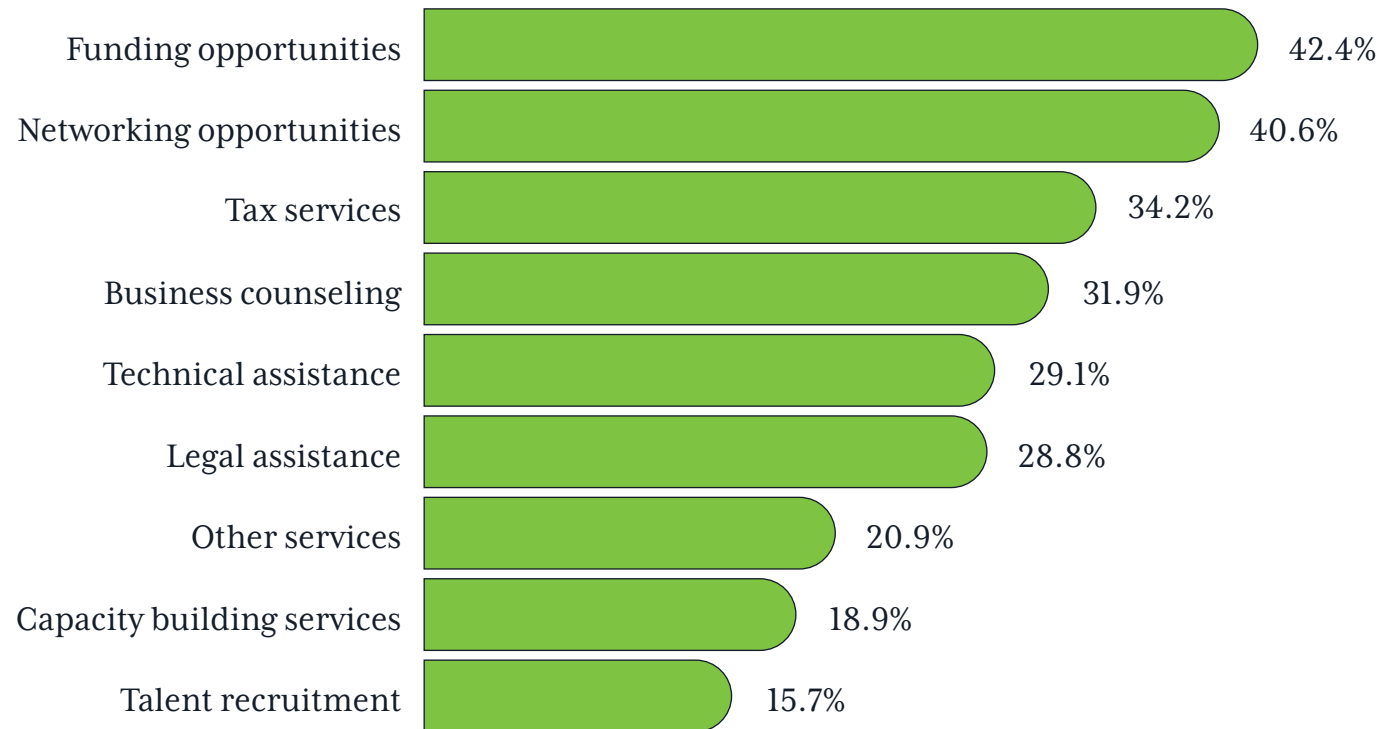
“What Type of Support Do Small Businesses Need?”

Of the small businesses surveyed, 63.8% reported needing assistance with their small business in the past twelve months. The results in Figure 9 can help us better understand the service needs of small businesses in Charlotte. Respondents reported a wide range of

needs, but the most in-demand service or resource was funding, closely followed by networking. This demand for networking opportunities could indicate business owners' efforts to navigate the ecosystem, build connections, and seek mentorship within the small business community.

Figure 9: Types of Assistance Needed by Percent of Respondents, Among those Who Needed Assistance

Source: City of Charlotte Small Business Survey

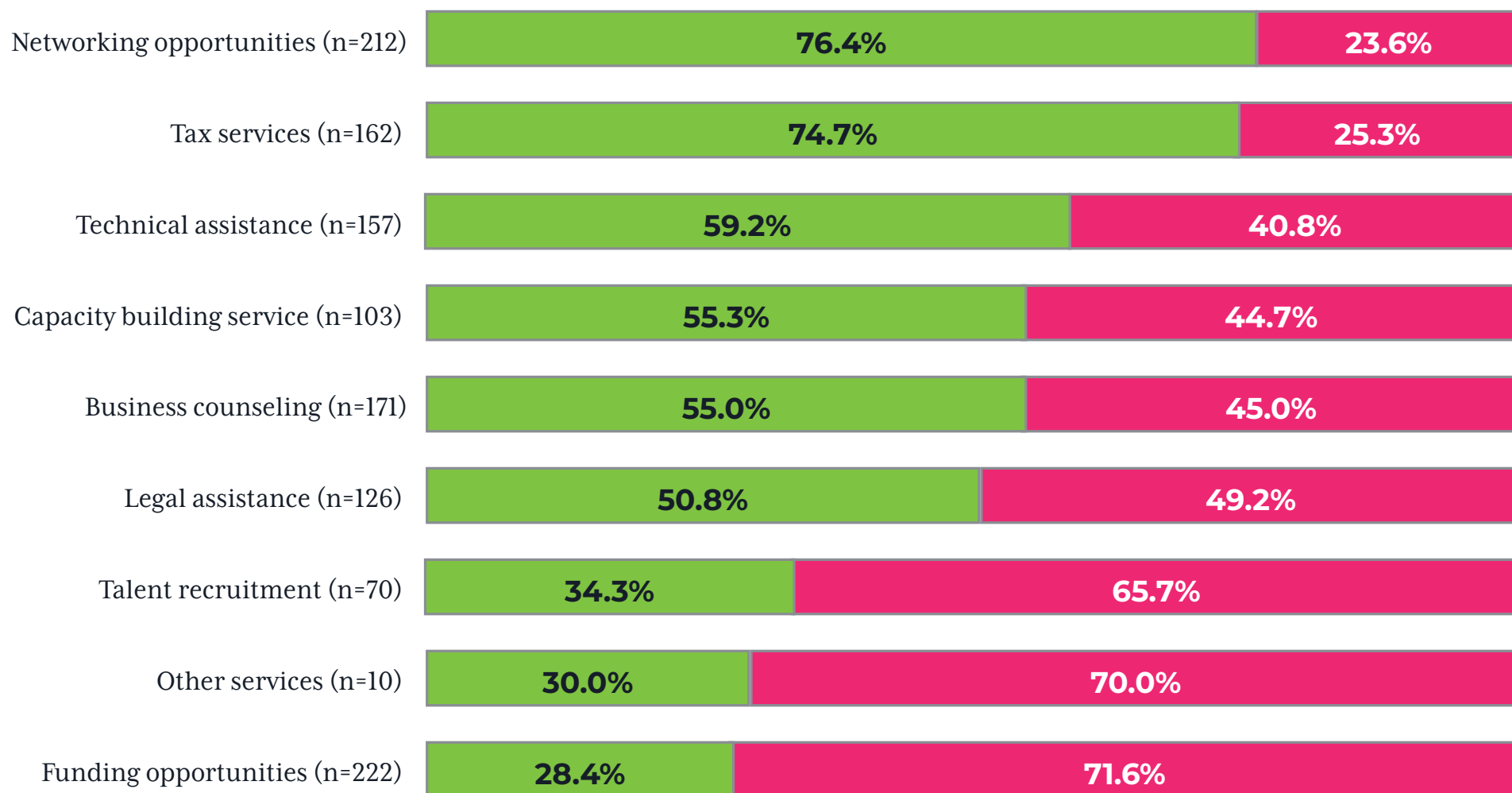


“Are You Able to Access the Services You Need?”

It is also important to better understand the perceived access to the variety of services the small business ecosystem offers. The survey results presented in Figure 10 outline whether respondents could access the services

and resources they needed. Networking opportunities and tax services were the most accessible, while respondents indicated that access to capital and talent recruitment services were the most inaccessible services.

Figure 10: Ability to access service by need
Source: City of Charlotte Small Business Survey



WHAT ECOSYSTEM PARTNERS AND SMALL BUSINESSES ARE SAYING ABOUT THE SMALL BUSINESS ECOSYSTEM

During focus groups, partners generally agreed that Charlotte's small business ecosystem has a robust network of resources and service providers. Many organizations exist across the city, providing business plan preparation support, marketing support, legal assistance, product development assistance, and networking opportunities. While robust, its complexity can confuse, even among partners. Several partners cited their own difficulty navigating the multitude of different organizations and program options, also recognizing the confusion small business owners likely feel. While partners were generally supportive of the collective efforts of the ecosystem to provide relevant programs and services, some noted that duplication exists, given the vast scope of the system as a whole. Partners cited overlapping cohort programs, workshops, and counseling services. While some recognize that more programs can reach more small business owners, some feel duplication can cause confusion and friction for small business owners looking to utilize appropriate resources for their unique needs.

Key partners generally agreed that ecosystem partners do an adequate job of creating awareness about available programs and services at the organizational level. However, there is broad recognition that each organization is competing to gain the attention of the intended audience, the small business community. Some partners think a more centralized approach to promoting small business support services could increase utilization and engagement.

Charlotte Business Resources Partner Roundtable

The Charlotte Business Resources Partner Roundtable is a network of over 40 resource partners dedicated to providing Charlotte area entrepreneurs and small business owners with the tools needed for success. This network includes area nonprofits, educational institutions, Chambers of Commerce, and government agencies. From funding opportunities to technical assistance, mentorship, and training programs, these partners offer a wide range of services designed to support businesses at every stage of their journey.

cltgov.me/CBRpartners



2 Capital Access

Unique Capital Needs Across Small Business Types and Development Stages

INTRODUCTION TO ANALYSIS

Access to capital is essential for the success of small businesses. Sufficient capital enables these enterprises to initiate operations, manage daily expenses, expand their activities, innovate new products and services, and achieve sustainable growth. Despite being the second largest banking center in the nation, small businesses in Charlotte frequently identify access to capital as the primary barrier to sustainable growth. This challenge is not unique to Charlotte; it is a common issue faced by small business owners across various markets.

To effectively address this widespread challenge, ecosystem leaders must be familiar with the comprehensive range of capital tools necessary to support these enterprises. Access to capital encompasses a variety of financial products, including grants, microloans, traditional debt, seed funding, angel capital, crowdfunding, private equity, public capital markets, and more. Although a robust network of capital providers is present in Charlotte, feedback from key stakeholders indicates that further efforts are required to align funding with the specific needs of small businesses.



Summary of Findings

01

Access to capital is the greatest need for all small business types.

02

Charlotte small businesses receive less venture funding than small businesses in peer communities.

03

Only 28.3% of business who cited access to capital as a need were able to obtain appropriate financing.

04

Minority-owned businesses are less able to access capital than their non-minority peers.

05

Microenterprises and Main Street businesses are less likely to find appropriate financing.

06

Small business owners find public grant programs difficult due to unclear eligibility guidelines and application processes.

07

There is a general lack of awareness of alternative capital providers, including Community Development Financial Institutions (CDFIs).

08

Capital readiness trainings and seminars are well attended by the small business community.

To better understand the misalignment between capital funding and small business needs, we analyze primary and secondary data, including findings from the small business survey and ecosystem partner focus groups. This analysis will allow us to gain a more nuanced perspective on the capital landscape across the small business ecosystem. We also analyzed findings from the 2024 Charlotte Startup Ecosystem Report to gain a deeper understanding of the capital landscape for scalable small businesses.

In the 2024 Charlotte Startup Ecosystem Report, survey respondents representing scalable small businesses identified funding and capital as the top challenge they faced in operating their business. Further analysis in this report identifies this as a key theme across all small business categories.

Table 1: Top Challenges Faced by Entrepreneurs

Source: 2024 Charlotte Startup Ecosystem Report

Top Challenges Faced by Company	Count	%
Funding and capital	72	23.38%
Scaling and growth	59	19.16%
Sales and referrals	42	13.64%
Hiring and talent	39	12.66%
Product development and innovation	24	7.79%
Technology and infrastructure	18	5.84%
Cash flow management	13	4.22%
Market saturation/ Competition	10	3.25%
Others (not listed)	9	2.92%
Regulatory and legal issues	8	2.60%
Customer Retention	6	1.95%
Risk management	4	1.30%
Product/service mismatch with the target audience	4	1.30%

In Table 2, we analyze loans approved by the U.S. Small Business Administration (SBA) in Mecklenburg County between 2022 and 2025 (through March) and categorize them by program. Over two years, the number and amount of approved loans in the county have increased. In 2022, 175 loans were approved for approximately \$154 million collectively. In 2024, 286 SBA loans were approved in Mecklenburg County, totaling more than \$165 million in funding. These are spread across various programs, including 7(a) and 504 loans (standard options with varied financing structures), disaster loans, and microloans. The most recent data indicate that loan approvals in 2025 are set to surpass the 2024 levels.²⁸

Table 2: SBA Loans by Approval Count, Approval Amount, and Type in Mecklenburg County

Source: U.S. SBA, 2024

2022			2024		
Program	Count	Amount	Program	Count	Amount
7(a)	158	\$130,170,000	7(a)	262	\$150,085,000
504	17	\$23,988,000	504	13	\$15,286,000
Disaster			Disaster	6	\$90,400
Microloan			Microloan	5	\$165,000
Grand Total	175	\$154,158,000	Grand Total	286	\$165,626,400

2023			2025 (YTD)		
Program	Count	Amount	Program	Count	Amount
7(a)	234	\$146,319,500	7(a)	181	\$108,656,300
504	11	\$16,811,000	504	10	\$21,182,000
Disaster			Disaster	108	\$5,598,900
Microloan			Microloan		
Grand Total	245	\$163,130,500	Grand Total	299	\$135,437,200

28 | Data provided for January-March 2025

In Table 3, the same data is provided for comparison cities.²⁹ Interestingly, fewer SBA loans were made in Charlotte in 2024 than in any of the other cities (the overall dollar amount of funding loaned to Charlotte, however, does exceed the amount loaned in Nashville). The greatest number of loans was made in Columbus, which more than tripled the number of loans made in Charlotte.

Table 3: 2024 SBA Loan Approval in Comparison Cities
Source: U.S. SBA, 2025

	Charlotte, NC		Austin, TX	
Program	Count	Amount	Count	Amount
7(a)	262	\$150,085,000	324	\$155,958,300
504	13	\$15,286,000	14	\$25,371,000
Disaster	6	\$90,400		
Microloan	5	\$165,000	9	\$296,363
Grand Total	286	\$165,626,400	347	\$181,625,663

	Columbus, OH		Nashville, TN	
Program	Count	Amount	Count	Amount
7(a)	588	\$163,632,600	175	\$88,720,000
504	24	\$24,755,000	2	\$5,242,000
Disaster	12	\$171,600	146	\$3,970,400
Microloan	235	\$451,975	9	\$150,000
Grand Total	859	\$189,011,175	332	\$98,082,400



²⁹ | Data are provided at the county level. Data listed for Austin, Columbus, and Nashville are representative of Travis County (TX), Franklin County (OH), and Davidson County (TN), respectively.

In the 2024 Charlotte Ecosystem Report, entrepreneurs were surveyed regarding the funding streams they utilized to support their businesses.

Table 4 shows that the most frequently utilized funding sources for scalable small businesses included founders, family, and friends, with the average amount received from these sources ranging between \$112,000 and \$125,000.

Conversely, private equity and commercial banks were the least utilized funding sources, with only 4% of respondents accessing funding from each.

The amount of funding received from these sources varies significantly; however, certain sources, such as angel investors and venture capital, typically provide substantial funding, exceeding \$100,000 when utilized.

Table 4: Funding Sources Used by Local Startups

Source: 2024 Charlotte Startup Ecosystem Report

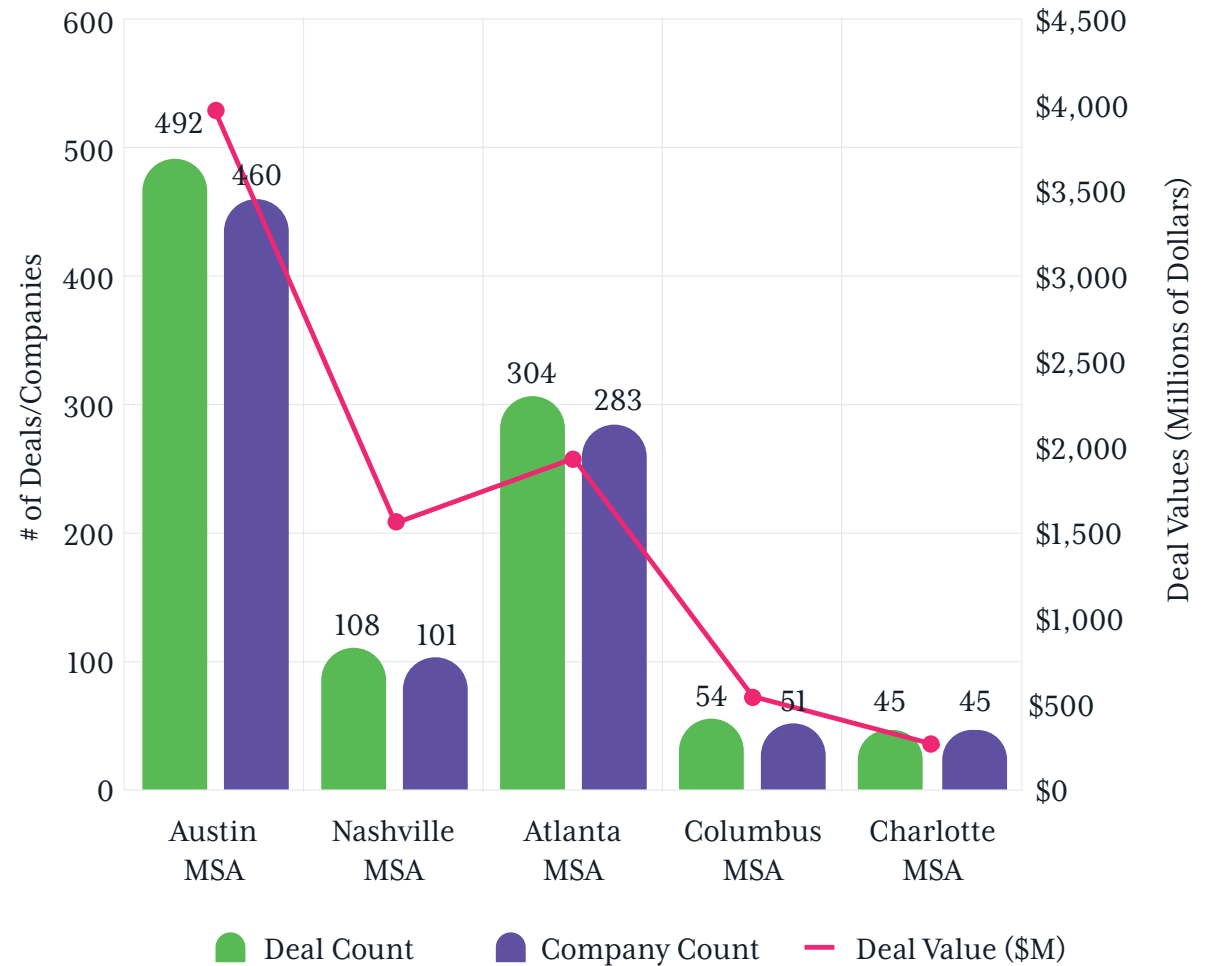
Capital since inception	Mean (\$000s)	\$0	\$1-10k	\$11-100k	\$101k+	% Using
Founders	112	30	23	39	22	74%
Family and Friends	125	78	5	11	17	30%
Grants, non-dilutive	40	79	12	13	8	29%
Angel Investors	274	87	1	3	23	24%
Venture Capital	675	93	0	5	18	20%
Private Equity	1,027	108	0	0	4	4%
Commercial Banks	4	107	0	2	2	4%

Where data is available, we can also attempt to measure equity investment activity in Charlotte. The National Venture Capital Association (NVCA) describes companies that receive venture capital investments as meeting three criteria:

1. Cannot be financed with traditional bank financing;
2. Threaten established products and services in their respective verticals;
3. Require five to eight years (or longer) to reach maturity.

Many scalable companies require venture capital investment to grow their operations, making equity funding an important element of all successful small business ecosystems. In 2023, 45 venture capital investments totaled roughly \$253 million in the Charlotte-Gastonia-Concord, NC-SC MSA. **Across all measures, the Charlotte MSA experienced the lowest amount of venture capital investment compared to the peer markets presented in this analysis.**

Figure 12: Venture Capital Deals by MSA, 2023
Source: National Venture Capital Association, 2024



KEY FINDINGS FROM THE SMALL BUSINESS SURVEY

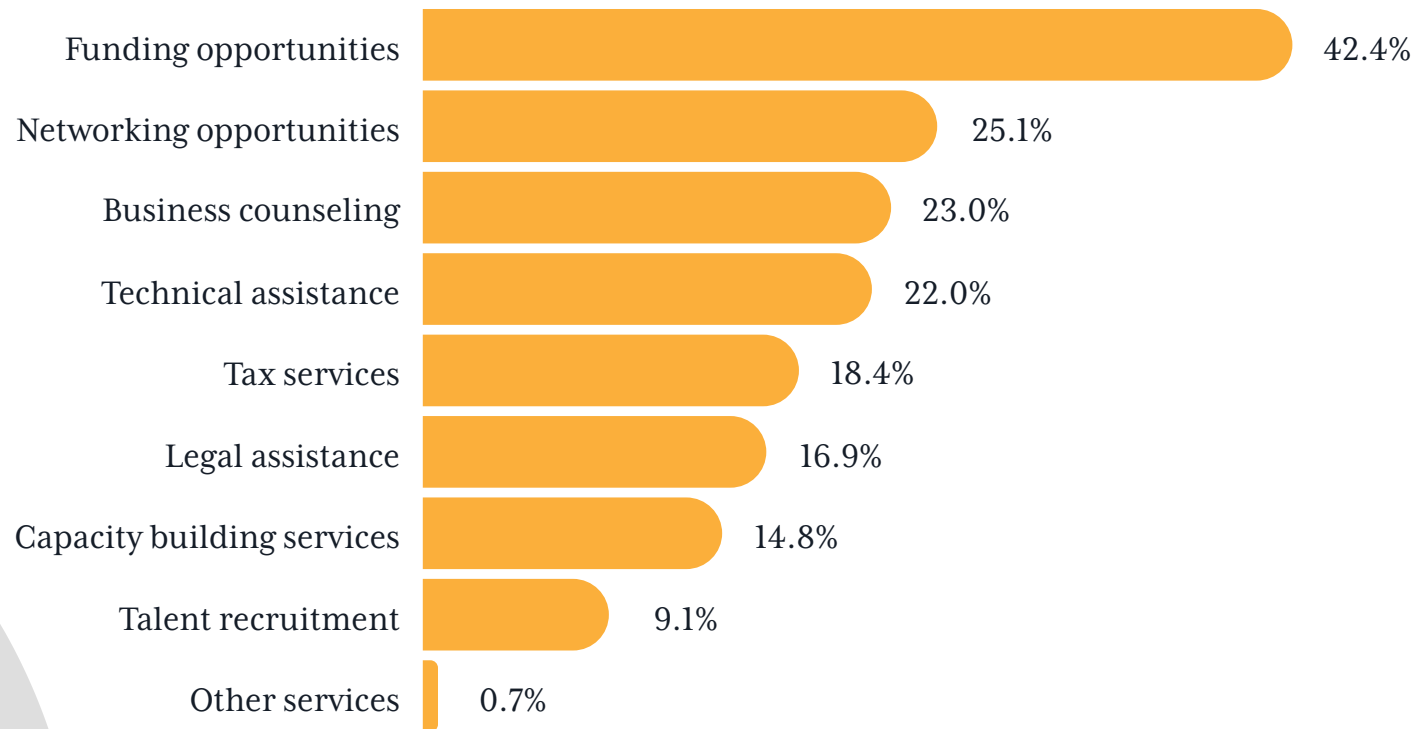
“What Programs and Services Have You Needed in the Last 12 Months?”

Survey participants were asked to identify the small business support services they have needed in the past twelve months. Of all survey respondents, 549 identified needing some assistance program, or 63.8% of respondents.

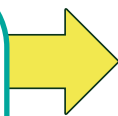
Of those who needed business assistance, 233, or 42.4%, reported a need for funding. Of all the categories of business support, this was the most frequently identified, highlighting its importance to small business owners.

Figure 13: Programs/Services Need in Past 12 Months by Percent of Respondents

Source: City of Charlotte Small Business Survey

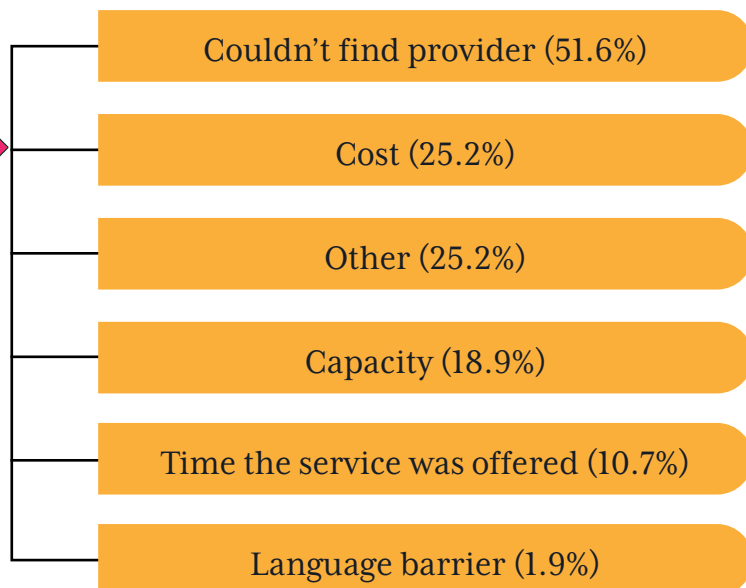
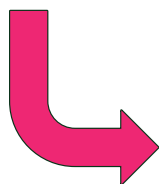


Many of the businesses that identified funding as a need qualify as microenterprises. Additionally, a higher percentage of businesses that sought funding in the past year are minority-owned compared to the overall respondent group.



While funding was identified as a common need, respondents struggled to secure it. Of those who identified it as a need, only 28.3% reported that they could access appropriate funding. Those who could access funding found it helpful, with 63.5% reporting that the funding was “extremely” or “very” useful.

Reasons respondents couldn't access funding (n=159)



52.6%
had revenues less
than \$100,000

64.2%
had fewer than 5
employees

85.8%
are minority-
owned

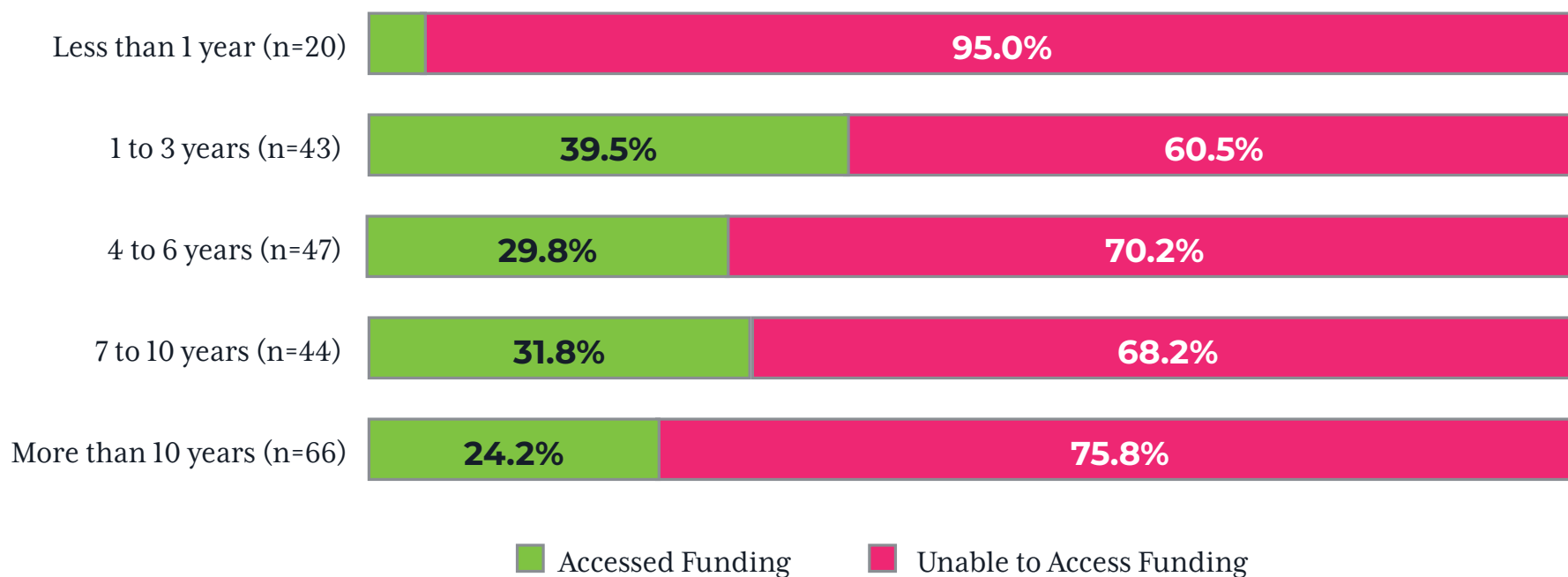
However, this was not the norm, as 71.6% of respondents reported being unsuccessful in accessing funding. The most commonly reported reasons were an inability to find a provider (51.6%), followed by cost (25.2%), and other (25.2%). The most frequent explanation for those who selected “other” was that the business owner had applied for a grant and had not been selected. Other common responses included not knowing about relevant funding opportunities and the time required to locate and apply for funding opportunities.

New businesses, those that had been in business for less than one year, struggled significantly with accessing funding. Of the respondents who identified funding as a need in the past year, just 5% reported that they could access funding. Due to a lack of credit and revenue history, new businesses are often unable to qualify for traditional financing tools. They may be more likely to seek out grant opportunities, which can be highly competitive. While older businesses tend to have slightly more success, funding remains a challenge.

More than 60% of businesses in each age group were unable to access financing, highlighting persistent barriers to financial support across all business types.

Figure 14: Ability to Access Funding by Years in Business

Source: City of Charlotte Small Business Survey

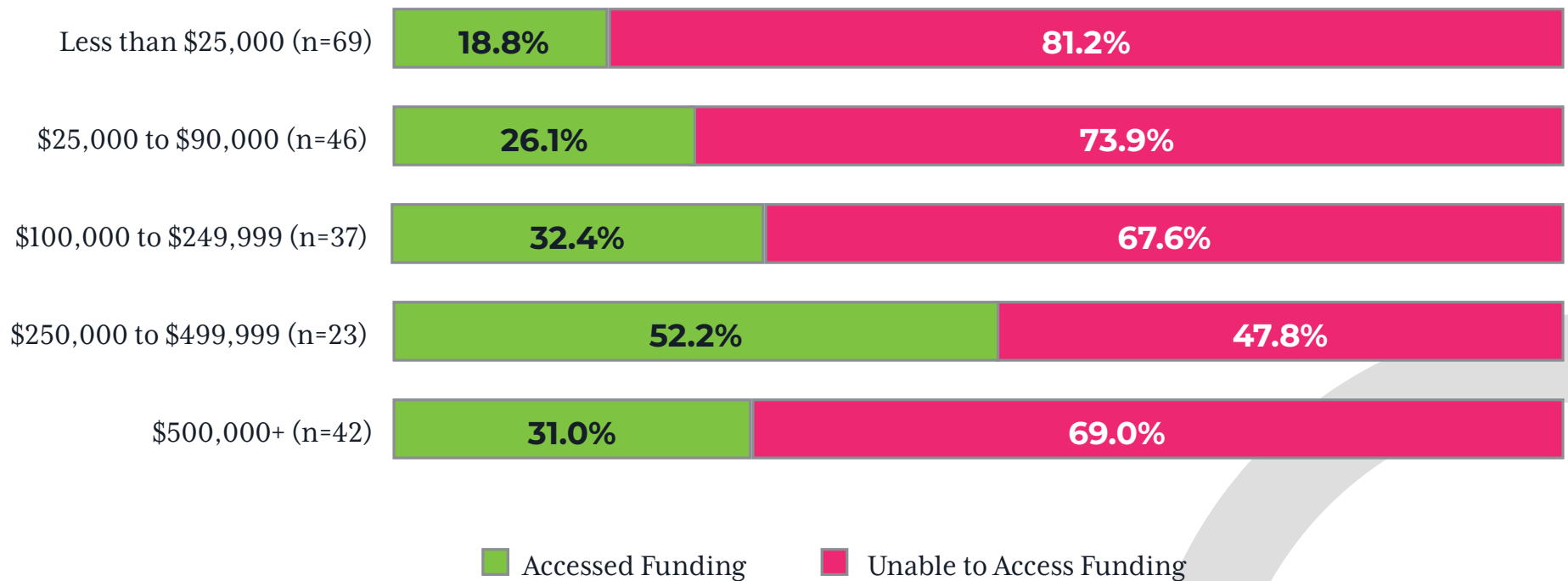


Similarly, businesses with higher reported revenues tended to report more success in accessing funding, likely due to their increased ability to qualify for traditional financing, such as business loans, rather than relying on competitive grants. However, interestingly, businesses with at least \$500,000 in revenue in 2023 reported less success in obtaining funding than businesses with \$100,000 to \$499,999 in yearly revenues.



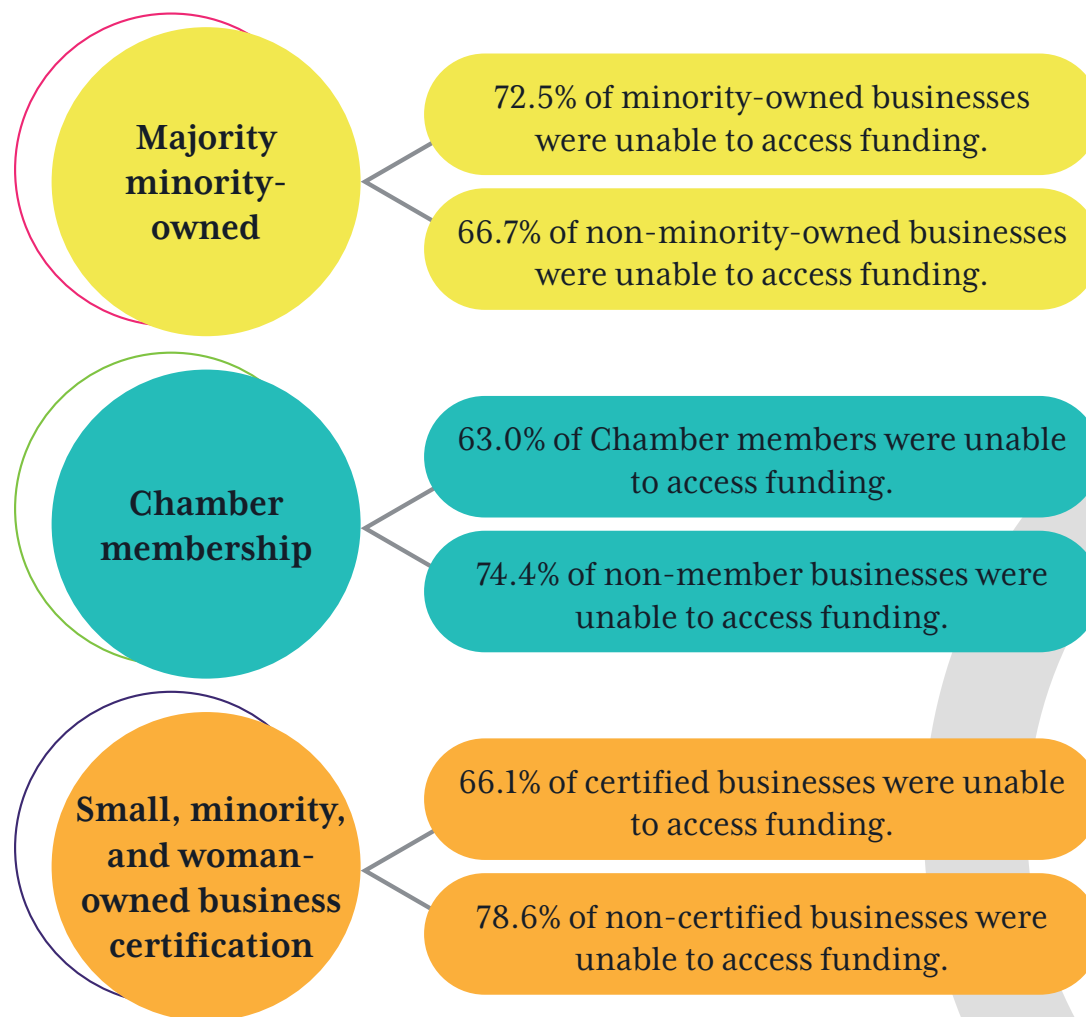
Figure 15: Ability to Access Funding by 2023 Revenue

Source: City of Charlotte Small Business Survey



As noted earlier, accessing funding was a challenge across the board, with more than 70% of participants who needed funding reporting that they were unable to access it. However, minority-owned businesses faced greater difficulty, with 72.5% unable to access funding, compared to 66.7% of non-minority-owned businesses.

Businesses with stronger ties to the small business ecosystem, such as a chamber of commerce members or those with business certifications, had slightly better success rates. Among chambers of commerce members, 63.0% were unable to access funding, compared to 74.4% of non-members. Similarly, businesses with small, minority, or women-owned business certifications fared better, with 66.1% unable to access funding, versus 78.6% of non-certified businesses.



WHAT ECOSYSTEM PARTNERS AND SMALL BUSINESSES ARE SAYING ABOUT CAPITAL ACCESS

Barriers for Microenterprises and Main Street Businesses

Unsurprisingly, partners across the ecosystem unanimously agreed that access to capital is the most pressing challenge facing small business owners. However, these partners also recognized that capital needs across the small business spectrum vary widely. **There was consensus among ecosystem partners that Microenterprises and Main Street enterprises were particularly uncertain about how to find capital appropriate to their needs and stage of the business lifecycle.** Often, these businesses lack a thorough understanding of underwriting guidelines and application requirements from commercial lenders and are unaware of microloan options and opportunities. There was also a perception that many of these businesses lacked appropriate collateral and credit history to engage with traditional lenders. **There is also a perceived lack of awareness of alternative capital providers**, such as Community Development Financial Institutions (CDFI's). These challenges are exponentially more burdensome for non-English speaking business owners, particularly among New Americans, who lack institutional relationships with lenders and investors. Despite the uncertainty from the small business community, **partners broadly agreed that the small business community consistently participates in training, seminars, and programs related to capital access offered by service providers.**



Arduous and Confusing Grant Programs

Of particular note, partners across all small business categories expressed frustration towards public grant and funding programs. On behalf of their constituents, many partners expressed frustration around arduous and confusing application processes and the fluid nature of funding priorities as particular sore spots. Additionally, small businesses often express frustration with a lack of feedback from program administrators, not getting feedback on why they were denied funding.

Connecting Capital with Scalable Businesses

There was agreement that most Scalable businesses, particularly those seeking investment, were relatively attuned to seed, angel, and venture investment networks. **However, participants noted that getting in front of the right investment circles can be confusing and somewhat discouraging.** Despite this, partners agree that there is an appropriate concentration of angel, seed, and venture networks at the local, regional, and state levels. Partners did cite the need for a more structured investment ecosystem, as most business owners seeking investment rely heavily on word of mouth and networking to make appropriate connections. Some partners cited a cultural disconnect between the high-growth entrepreneurial sector and the greater Charlotte economy. As a significant global player in the banking industry, several partners believed that “startup culture” conflicted with the traditional corporate banking and finance culture, causing underlying friction and inhibiting capital access in some circumstances.

Capital Requirements for Mature Businesses

Partners mostly agreed that Mature small businesses were relatively well-equipped to procure funding appropriate to their stage of business.

Several gap financing tools exist through public agencies, and it was assumed that most of these businesses had the relationships and sophistication to access debt capital through traditional commercial lending avenues.



SIGNS OF PROGRESS

Charlotte Small Business Growth Fund

The Small Business Growth Fund provides opportunities for small business owners and entrepreneurs in Charlotte to access capital for the next stage of their business growth. The CLT Alliance Foundation partners with Community-Development Financial Institutions (CDFIs) to provide competitive interest rates and facilitate loans. Loans can be used to acquire equipment, payroll, utilities, rent, marketing, and advertising.

cltalliancefoundation.net/initiatives/small-business-growth-fund/

3 Physical Space

Increasingly Limited Affordable Commercial and Retail Space

INTRODUCTION TO ANALYSIS

Affordable commercial and retail space serves as a fundamental component of a robust small business ecosystem. In cities like Charlotte, where small enterprises play a crucial role in driving economic growth, fostering innovation, and enhancing community vitality, it is imperative to ensure access to affordable and appropriate locations. Nevertheless, small business owners encounter significant real estate challenges, particularly in securing cost-effective spaces that facilitate sustainable operations and growth.

As Charlotte experiences rapid expansion, the demand for commercial and retail space has escalated. This surge has resulted in increased rental rates and a decline in the availability of affordable inventory, especially in prime areas such as Uptown, South End, and NoDa. According to a 2023 CBRE market report, Charlotte's retail vacancy rate ranks among the lowest in the Southeast, with unprecedented rental rates driven by an influx of new residents and businesses. This market dynamic disproportionately impacts small business owners, who often lack the financial capacity to compete with larger corporations or national chains for prime retail locations.

This section analyzes several key datasets to better understand Charlotte's retail, commercial, and industrial real estate market. We will investigate rental, vacancy, and occupancy rates and compare these to similar metro markets. We will also summarize findings from key stakeholders and small business owners.



Summary of Findings

01

Over the last 10 years, rental rates for office, retail, and industrial space have risen substantially.

02

Supply and demand of industrial space is at equilibrium.

03

Supply of available office space is currently outpacing demand.

04

Demand for retail space is outpacing available supply.

05

Since the COVID-19 pandemic, vacancy rates of office space have increased. However, rental costs have continued to increase.

06

Charlotte has less retail space (by square footage) than all other peer MSAs.

07

At the end of 2024, less than 3% of retail spaces were vacant.

08

More retail space is under construction in Charlotte than any other peer MSA.

09

Infrastructure, modernization, safety, and cleanliness were priorities for small businesses with storefronts.

10

Leasehold improvements are a barrier to Main Street businesses looking for retail space.

CURRENT MARKET CONDITIONS

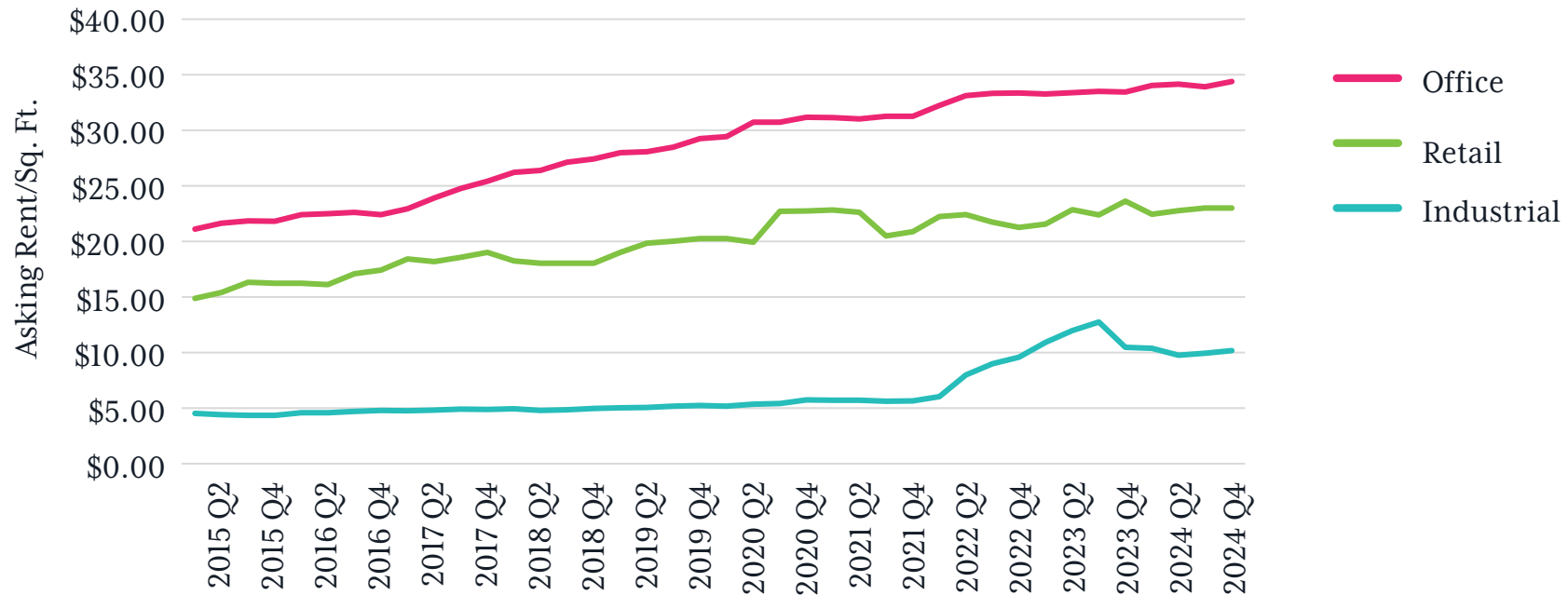
As one of the largest and fastest-growing cities in the United States, Charlotte is an attractive place to establish a business, which increases competition for available commercial space. During the stakeholder engagement, participants frequently spoke of the difficulty and out-of-reach costs of accessing space.

Over the past 10 years, rental rates for office, retail, and industrial space have risen substantially.

Office space is the most expensive of the three. The average rent per square foot has been most recently estimated at \$34.35, having increased by about 62% since 2015. Rental rates for office space have increased consistently since 2015. Retail spaces have also become more expensive but at a slower rate than office space. The asking rent for industrial space remained relatively stable between 2015 and 2022; at the beginning of 2022, rent increased sharply over a short period but appears to have stabilized at around \$10/square foot.

Figure 16: Asking Rent, Charlotte

Source: CoStar

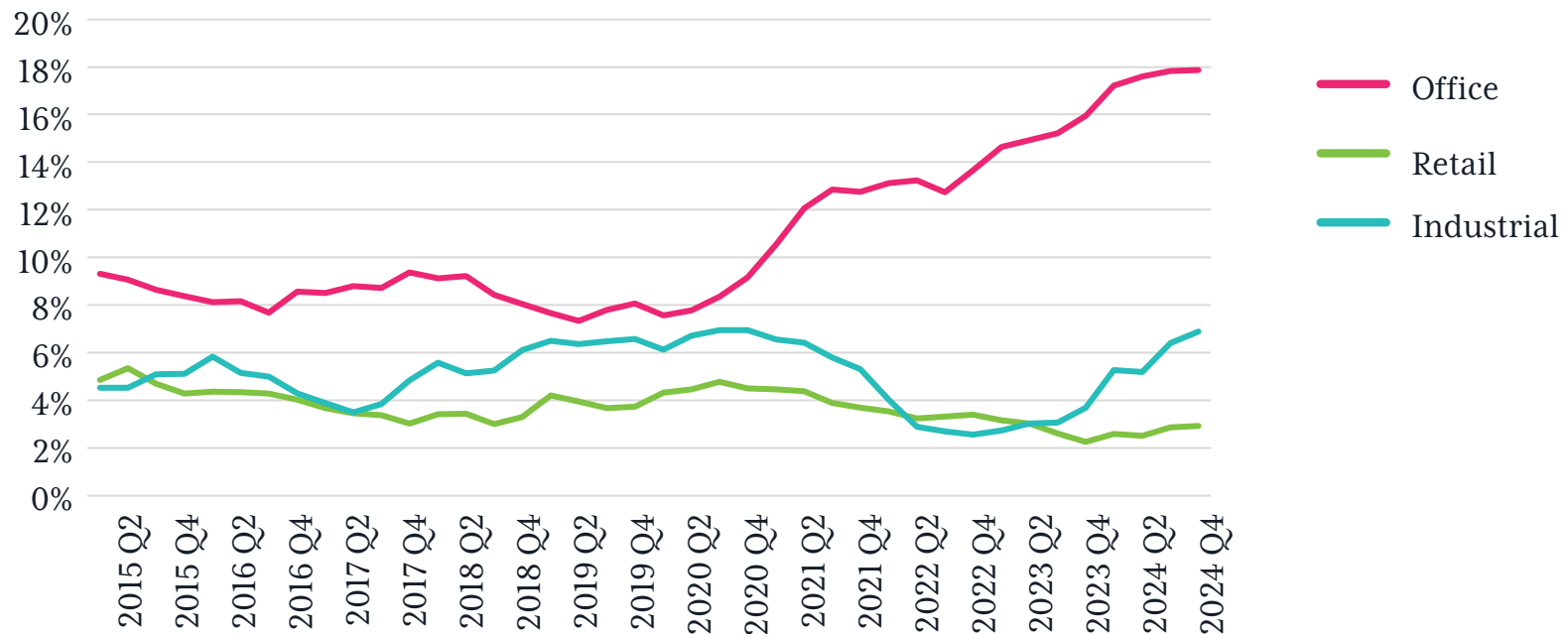




While rents have increased for all commercial spaces, vacancy rates vary significantly depending on the use of the space. Since the COVID-19 pandemic, office vacancy rates have increased. Interestingly, however, this increase in vacancy has not yet resulted in reduced rental rates. Vacancy rates for industrial spaces seem to align with the rent cost trend; a decrease in vacancies can be correlated with the increase in rent costs observed in the same period. Over the past ten years, the vacancy rate for retail space has remained below 5%, indicating high demand levels and a tight market. This has only been exacerbated recently, with the vacancy rate falling below 3%. There is much competition for available retail space in the city, posing a challenge for entrepreneurs in Charlotte hoping to move into a storefront.

Figure 17: Vacancy Rate, Charlotte

Source: CoStar



Industrial

Utilizing a comparative analysis across peer MSAs, data shows that Charlotte has more industrial buildings than any of the cities of comparison. Additionally, Charlotte boasts more square footage of industrial space than all MSAs except for Columbus. **In Q4 2024, the net absorption rate in Charlotte was positive, indicating that even though Charlotte has more industrial space than other comparison cities, there is no oversupply.** In Charlotte,

like the other cities, rental costs for these industrial spaces have increased over the last ten years. While more expensive than in Columbus and Atlanta, industrial space is more affordable in Charlotte than in Austin and Nashville. The same is true for vacancy rates. While industrial vacancy rates have fluctuated much over the last ten years, they've stayed within 2 percentage points of 5% over that period.

Table 5: Industrial Market Overview, Q4 2024

Source: CoStar

	Charlotte	Atlanta	Austin	Nashville	Columbus
Inventory (sq. ft.)	129,351,091	128,779,950	71,277,695	65,051,080	135,381,034
Inventory (buildings)	3,053	2,204	2,214	1,845	2,740
Vacancy rate	6.80%	7.70%	6.20%	4.90%	7.70%
Net Absorption	234,328	-292,383	804,599	-217,442	-3,596,808
Deliveries (sq. ft.)	921,508	213,800	1,346,306	97,000	179,170
Deliveries (buildings)	3	1	13	3	1
Under construction	1,629,102	1,878,402	5,894,407	1,933,262	74,233
Under construction (buildings)	13	5	28	12	2
Asking Rent Per Sq. Ft.	\$10.17	\$8.54	\$14.79	\$10.57	\$6.63
Median Months on Market	7.9	8.2	7.6	3.7	5.4
Median Months to Lease	4.5	8.4	4.7	2.8	4.7
Median Months Vacant	5.1	8.6	5.1	4.6	5.5

Office

There's significant variation in the amount of office space available across peer MSAs. Charlotte has more office space than Nashville and Columbus but less than Austin and significantly less than Atlanta. It is important to note that both Austin and Atlanta also experience higher vacancy rates in office spaces, so the supply might exceed demand in those cities. **In Q4 2024 (and for most of the year), the net absorption rate for office space in Charlotte was negative,**

which could indicate an oversupply. The vacancy data corroborates this conclusion. In the same quarter, the city's vacancy rate for office space was nearly 18%. **All cities have seen the vacancy rates of office spaces increase since the COVID-19 pandemic and the normalization of remote work. Despite this trend, rental costs for office space have increased over the last several years, albeit slower than was experienced before 2020.**

Table 6: Office Market Overview, Q4 2024

Source: CoStar

	Charlotte	Atlanta	Austin	Nashville	Columbus
Inventory (sq. ft.)	97,209,103	183,928,448	116,381,586	60,329,039	75,496,090
Inventory (buildings)	2,872	3,191	3,806	2,537	2,637
Vacancy rate	17.80%	21.00%	18.40%	12.50%	8.20%
Net Absorption	-29,204	237,954	388,363	10,528	-36,902
Deliveries (sq. ft.)	0	869,524	138,996	83,000	0
Deliveries (buildings)	0	3	1	2	0
Under construction	640,290	890,195	3,249,611	2,329,162	64,828
Under construction (buildings)	5	4	27	11	1
Asking Rent Per Sq. Ft.	\$34.35	\$33.17	\$42.62	\$30.12	\$22.78
Median Months on Market	13.9	20.1	13.9	12.9	16.1
Median Months to Lease	7.4	15.4	9.1	5.7	14.7
Median Months Vacant	9.3	16.4	10.2	7.2	13.5

Retail

Compared to most other peer MSAs, Charlotte has less retail space. Like other cities, Charlotte’s average rent per square foot of retail space has increased steadily over the last 10 years. As of the end of 2024, that average was about \$23/square foot. **Vacancy rates for retail space are very low - at the end of 2024, less than 3% of units were vacant.** This indicates a high demand for retail

space and an opportunity to increase supply. **More retail space (measured by square footage) is currently under construction (as of Q4 2024) in Charlotte than in any other comparison city.** The construction of additional retail space might alleviate the market pressure and reduce rental rates for this market segment.

Table 7: Retail Market Overview, Q4 2024
Source: CoStar

	Charlotte	Atlanta	Austin	Nashville	Columbus
Inventory (sq. ft.)	53,517,207	65,081,656	67,550,949	38,062,771	63,126,594
Inventory (buildings)	4,182	5,184	5,889	3,887	5,241
Vacancy rate	2.90%	3.70%	3.50%	2.80%	5.00%
Net Absorption	-194,053	144,532	298,333	85,060	55,187
Deliveries (sq. ft.)	22,996	106,000	186,051	45,659	5,000
Deliveries (buildings)	4	3	6	2	1
Under construction	253,257	123,405	201,261	184,520	142,740
Under construction (buildings)	9	5	15	14	8
Asking Rent Per Sq. Ft.	\$22.98	\$27.65	\$27.96	\$29.49	\$14.19
Median Months on Market	7.5	8.5	8.8	7.6	9.7
Median Months to Lease	5.6	5.8	6.5	4.1	8.3
Median Months Vacant	7.7	8.3	10.4	6.9	9.1

WHAT ECOSYSTEM PARTNERS AND SMALL BUSINESSES ARE SAYING ABOUT PHYSICAL SPACE

Small business owners who participated in focus groups consistently cited the challenges of finding suitable and affordable retail and commercial space. Retail establishment owners, in particular, cited the rapidly increasing rental rates as a barrier to growth and expansion. Several participants noted that finding affordable space in desirable neighborhoods with high foot traffic was especially difficult.

Several participants stated they could find suitable space, but the space required leasehold improvements. The need for such improvements was cost-prohibitive, inhibiting these businesses from securing the space. All participants cited an inability to finance the leasehold improvements as a barrier.

When asked how the city could best support the real estate needs of small businesses, most participants focused on enhancing core city service provision. Several participants noted infrastructure modernization as a priority, citing walkability enhancements, bike lanes, and wayfinding signs as ways to increase retail and commercial district appeal. Other participants suggested improved safety and cleanliness as indirect ways to support storefront small businesses.

Of particular note, several individuals representing Scalable small businesses offered a nuanced perspective on real estate for small businesses. Several partners recognized the wide variety of real estate needs, particularly for Scalable businesses. They cited coworking space and traditional office space but lamented the lack of accessible convening space and space to facilitate ‘collisions.’ Several participants cited the closure of Packard Place, a once-thriving entrepreneurial hub, as leaving a gap in the marketplace.



4

Equity

Charlotte Needs to Continue to Prioritize Equity Across Gender, Race, Ethnicity, Disability Status, and Location

INTRODUCTION TO ANALYSIS

Charlotte's population is increasingly diverse, reflecting a significant demographic shift within the city's dynamic business community. The city has evolved into a melting pot of cultures, featuring substantial populations of African American, Hispanic, Asian, and immigrant communities, all of which contribute fresh perspectives, innovative ideas, and varied cultural norms to the local economy. This diversity is prominently showcased in the extensive array of businesses flourishing in Charlotte, ranging from global financial institutions and technology startups to locally owned restaurants, retail establishments, and professional services. As Charlotte continues to attract new residents and enterprises, the city's cultural richness serves as a robust foundation for nurturing innovative, inclusive, and globally competitive industries. While many efforts are being made to support underrepresented business owners, the data analyzed in this report and feedback from key stakeholders and small business owners indicate room for improvement.



Summary of Findings

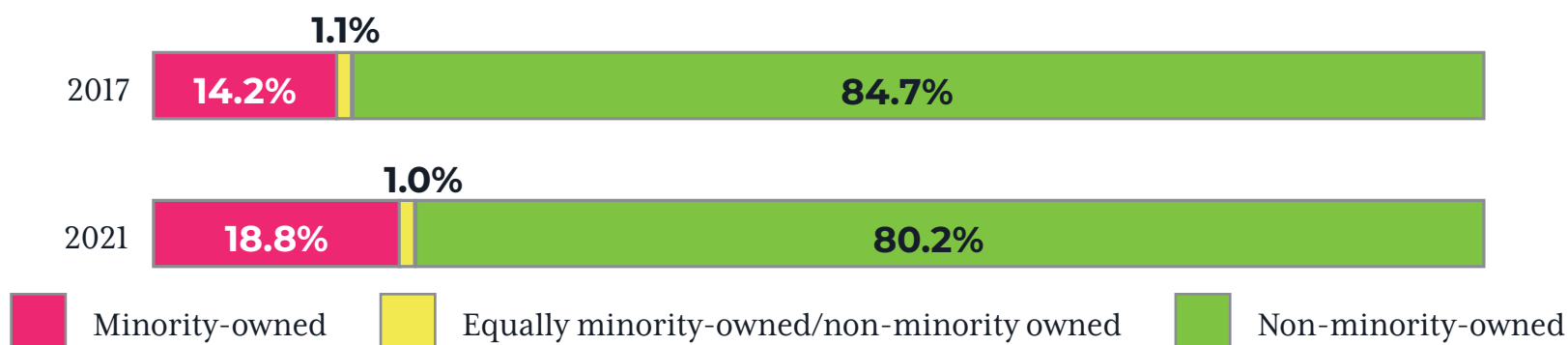
- 01 Charlotte has seen substantial growth in recent years of minority and women-owned small businesses.
- 02 Density ratios for both minority and women-owned businesses lag behind peer MSAs.
- 03 In 2022, 19% of all businesses in the Charlotte MSA were owned by immigrants.
- 04 Small businesses in census tracts with lower income levels receive much less funding and are less likely to experience investment.
- 05 Overwhelmingly, minority-owned businesses report needing assistance more than non-minority-owned survey respondents.
- 06 Black-owned, female-owned, and LGBTQIA+ owned small business owners are likely to know who to contact for business support.
- 07 Both ecosystem partners and small business owners generally agreed that a history of distrust between minority business owners and “legacy” institutions is an impediment to social capital.
- 08 While many key ecosystem partners provide translation services, focus group participants generally agree that it is an area for improvement.
- 09 There is a perceived lack of minority mentorship and peer-to-peer networks in Charlotte.

To start, when evaluating equity across the Charlotte small business community, it can be helpful to understand the demographics of small business owners. **In 2017, about 14.2%, or 6,400 small businesses in the Charlotte-Concord-Gastonia MSA were either minority-owned or equally minority/nonminority-owned. Four years later, in 2021, that number had risen to about 9,600 small**

businesses, 18.8% of all small businesses. While the share of minority-owned and equally minority/nonminority-owned businesses is low compared to the composition of the population as a whole, an increase of 52% over a four-year period is an impressive testament to the MSA's consistent effort to improve equity in the local small business ecosystem.

Figure 18: Small Businesses by Minority Ownership

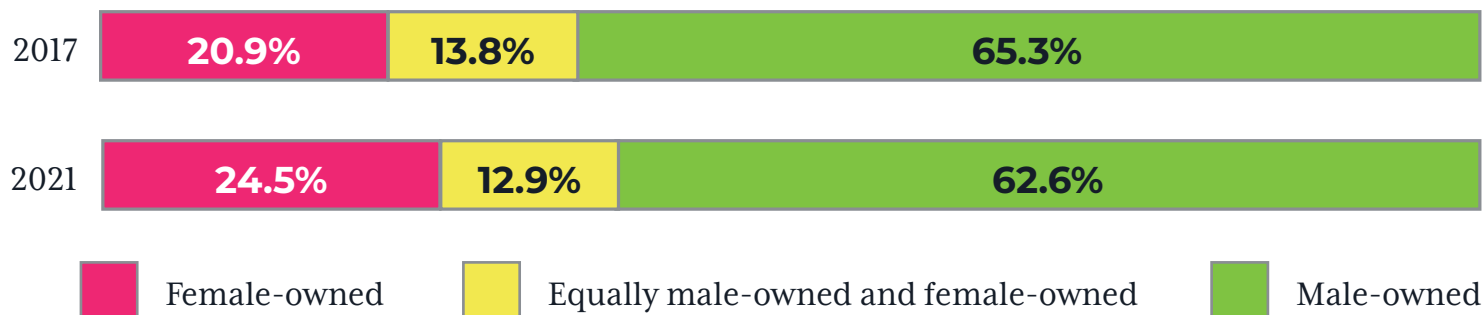
Source: Annual Business Survey, 2021



A similar trend can be observed in small business ownership rates by owner gender. **In 2017, about 14,100 small businesses, or 34.7%, in the Charlotte-Concord-Gastonia MSA were female-owned or equally male/female-owned. By 2021, that figure had grown to more than 18,000 businesses (37.4%), an increase of 28%.**

Figure 19: Small Business Ownership by Gender

Source: Annual Business Survey, 2021

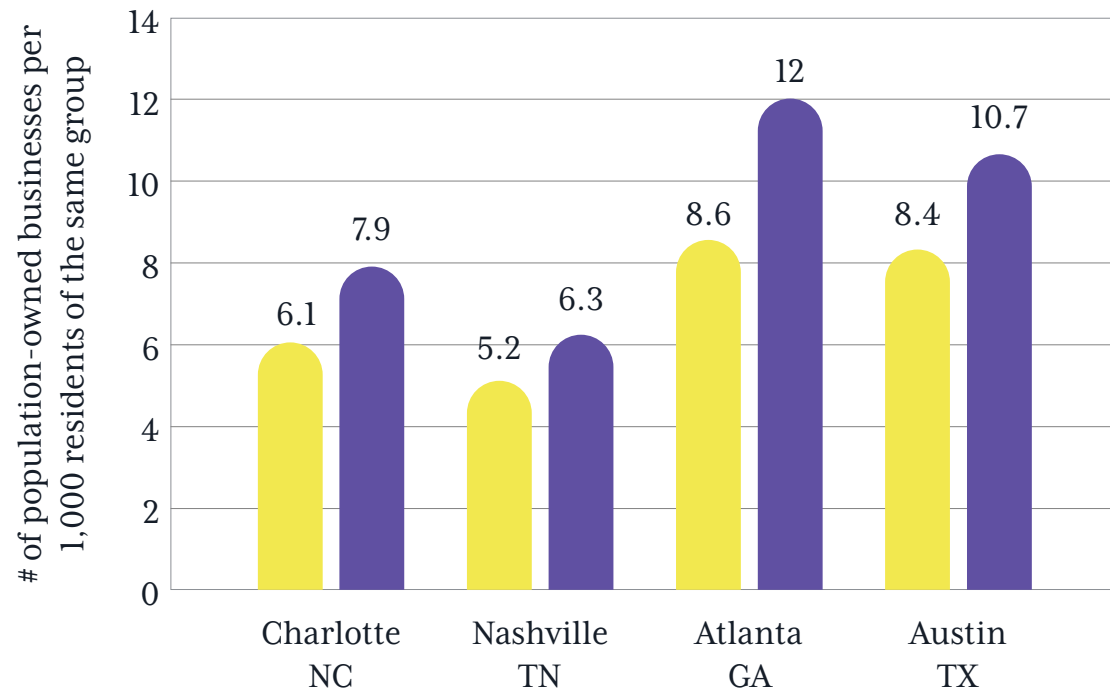
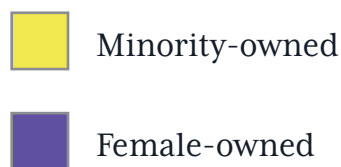


To further understand equity in business ownership, we can utilize business density. Business density measurements identify the number of businesses (within a certain demographic or geographic area) per 1,000 working-age people. First, we can look at business density relative to minority populations. In Charlotte, **there are 6.1 minority-owned businesses for every 1,000 minority residents, compared to 38.1 businesses are owned by non-minority individuals for every 1,000 non-minority residents.** This demonstrates a significant disparity in small business ownership in the city. Benchmarking against comparable metros, **Austin and Atlanta boast higher minority density rates at 8.4 and 8.6, respectively, approximately 30% higher rates than Charlotte.**

Next, analyzing the woman-owned business density ratio, there are **7.9 women-owned businesses for every 1,000 women and 27.3 male-owned businesses for every 1,000 men.** Again, there is a significant disparity between the two groups. In Austin and Atlanta, the business density of women-owned businesses is higher, at 10.7 and 12, respectively. While these figures are informative and cause for strategic action, it's important to note that they are relatively well-aligned with national statistics presented earlier in the literature review.

Figure 20: Minority- and Women-Owned Business Density

Source: Small Business Equity Tool, 2024



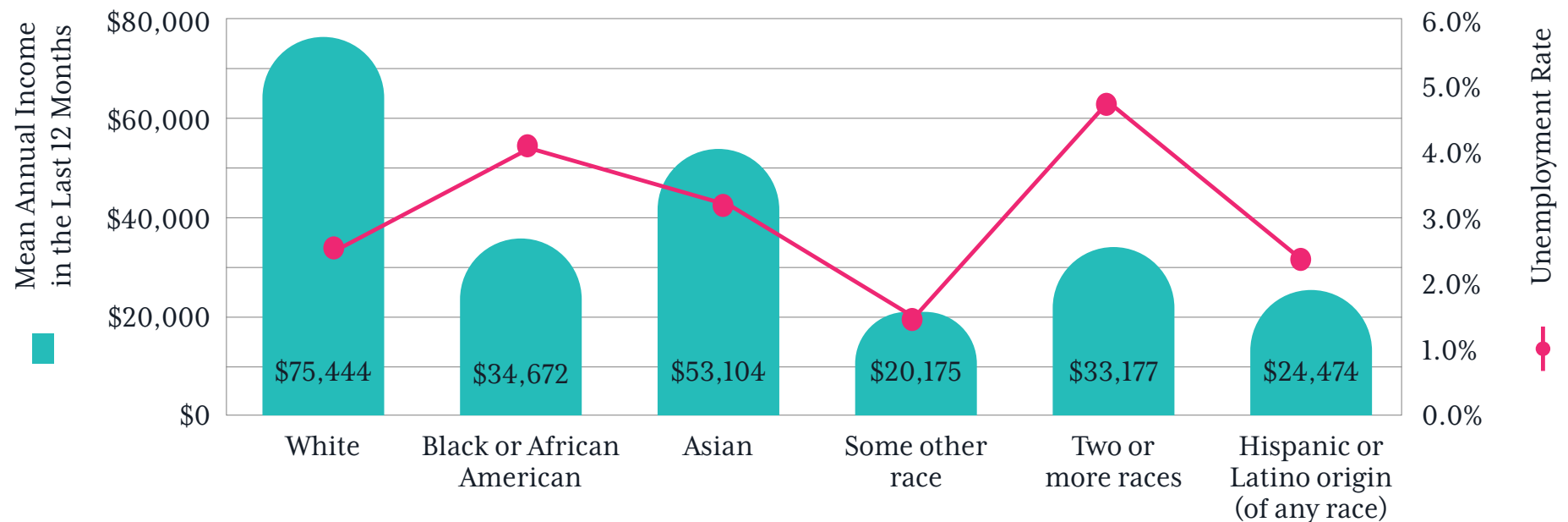
In addition to racial and gender disparities, another important factor to consider when investigating the current state of the small business ecosystem is the impact of immigrant entrepreneurs. **In 2022, 19% of all businesses in the city of Charlotte were owned by immigrants** despite making up 16.8% of the city's population. This outsized impact reflects the significant contribution of immigrant entrepreneurs to the city's economic growth and business ecosystem. While many immigrant-owned businesses are minority-owned, not all fall into this category. This necessitates a nuanced understanding of the small business ownership rates.

Examining income and unemployment by race provides a more comprehensive view of equity within the ecosystem. While not specific to small business employment alone,

these data points can help decision-makers understand disparities across the local economy. In Figure 21, income and unemployment by race are measured within the city. White individuals earn an average of \$75,444 per year and had an unemployment rate in 2023 of 3.0%. **By comparison, on average, members of other racial groups earn considerably less.** Asians – the highest-earning race, after White – earn an average of \$53,104 per year, or about 30% less than the average White employee. Individuals of Hispanic or Latino origin earn an average of \$24,474 per year, or 68% less than the average White employee. Most racial groups experience higher unemployment levels, as well. These data highlight how different racial and ethnic groups fare in the local economy and underscore a need for strategies to improve equity across the city.

Figure 21: Income & Unemployment by Race in the City of Charlotte.

Source: ACS 2023 1-Year Estimates



Similarly, people with disabilities face significant barriers to accessing employment, including discrimination and social stigma. As a result of these barriers, people with disabilities often struggle to find employment, leading to high rates of unemployment. These barriers negatively impact both the job seekers and the small business owners seeking qualified employees.

As a result, people with disabilities earn lower incomes and are more likely to be living below the poverty level than their non-disabled counterparts. A more equitable small business ecosystem would remove barriers to employment for people with disabilities, resulting in economic growth in the small business sector.

Figure 22: National Unemployment Rate (unadj.) by Disability Status

Source: Labor Force Statistics from the Current Population Survey, Bureau of Labor Statistics

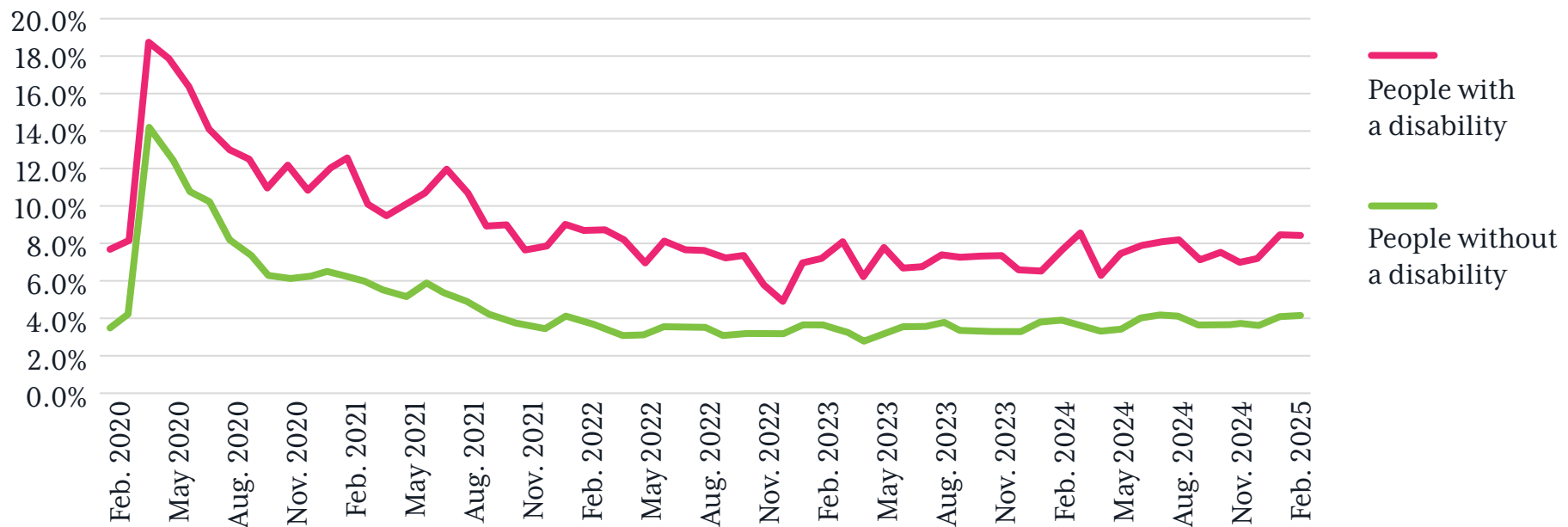


Table 8: Earnings and Poverty Rate by Disability Status, City of Charlotte, 2023

Source: ACS 2023 1-Year Estimates

	People with a Disability	People Without a Disability
Median Earnings	\$32,487	\$50,619
% Below Poverty Level	20.8%	8.7%

Beyond demographics, analyzing the geographic distribution of businesses offers another perspective on equity within the small business community. In Figure 23, business locations (of all sizes) are mapped by Census Block Groups. In this map, businesses are shown to be more densely concentrated in the center of the City of Charlotte and in areas to the southwest and northeast of the city center. While some Census Block Groups host more than 600 business locations, there are fewer than five business locations in many others. While this may be logical given the city's layout and the unique characteristics of each neighborhood, further analysis should be conducted. **Areas of lower business density can indicate lower levels of investment and a greater demand for future development.**

Figure 23: Business Locations by Census Block Groups.

Source: Esri Business Analyst, 2024

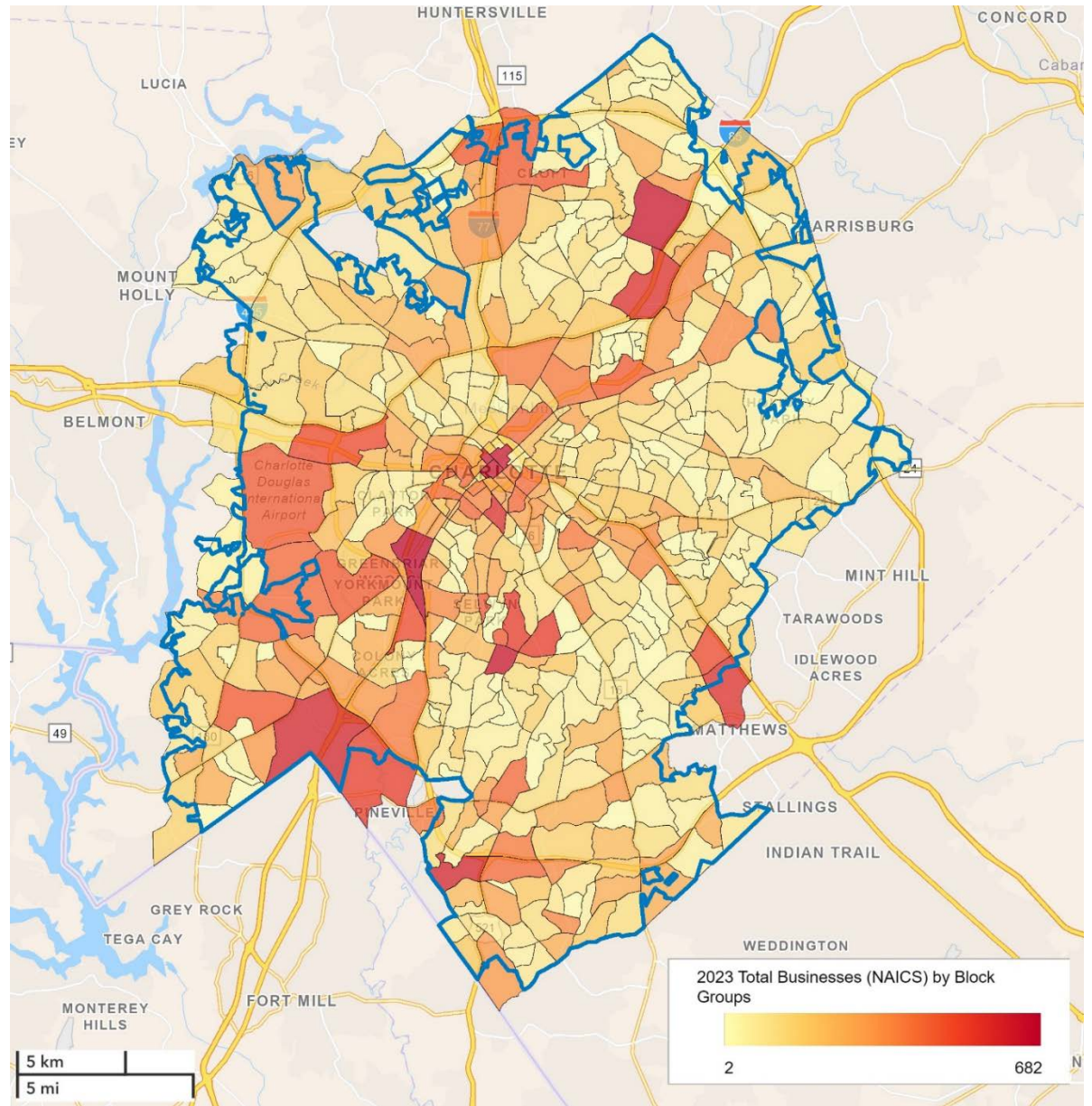
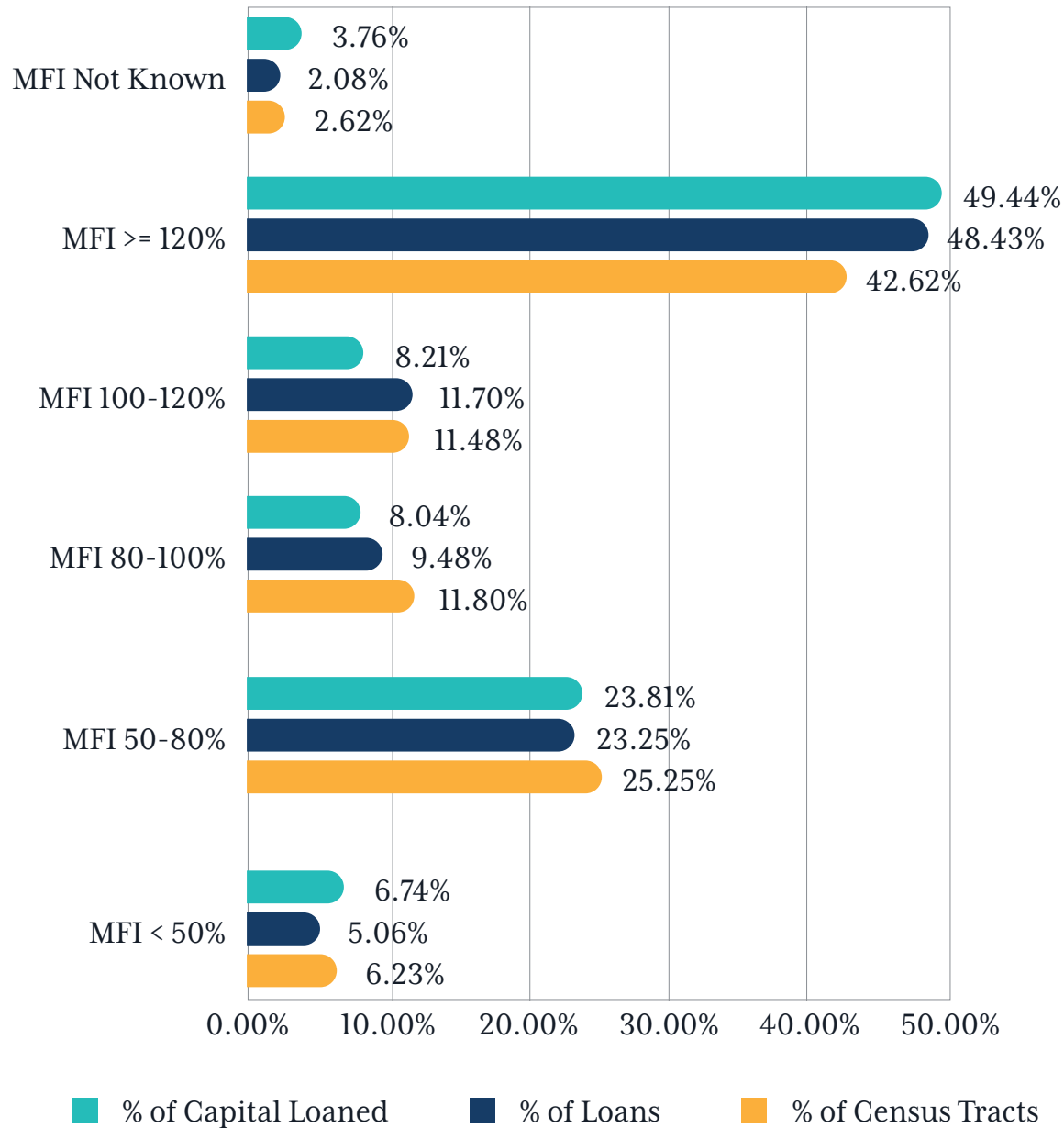


Figure 24: Small Business Loans by MFI of Census Tract.

Source: Community Reinvestment Act, 2022



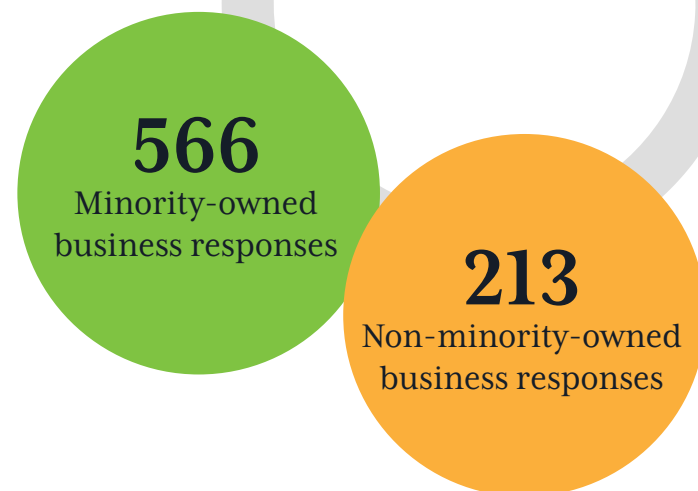
Similarly, business loan activity by census tract provides insight into areas of disinvestment. **Census tracts with lower median family incomes (MFIs) income levels receive much less funding and are less likely to experience investment.** Census tracts with median family incomes (MFIs) that are at least 120% higher than the MSA as a whole receive a more significant share of small business loans and debt capital. While census tracts in this category comprise only 42% of the county, businesses within them receive about half of the funding from small business loans. While some of this may be driven by market forces, including consumer spending power and consumer demand, one can also reasonably infer that businesses in census tracts with lower median income rates are not receiving equitable access to business loans for other reasons.

KEY FINDINGS FROM THE SMALL BUSINESS SURVEY

To understand how minority-owned businesses receive support in Charlotte, survey respondents were asked to indicate whether the majority of their business was owned by a member of one of the following groups: American Indian, Asian American, Black, Disabled, Female, Hispanic, LGBTQ+, or Veteran.³⁰ Then, responses of minority-owned³¹ businesses were compared to those of other businesses to gauge the equity of access to resources in the city.

Figure 25: Type of Support Needed by Minority-Owned Small Businesses.

Source: Charlotte Small Business Survey



Overall, 566 respondents indicated that their business was minority-owned. **Of the 515 minority-owned businesses that responded to the question, “In the past 12 months, have you needed any of the following programs/services?” 397 respondents (77%) answered in the affirmative.** In Figure 25, those responses are categorized by service or program needed.

Funding opportunities were in the highest demand, with 200 businesses indicating a need for access to such opportunities. The next most commonly selected services were networking opportunities, business counseling, and tax services.

³⁰ | Race/ethnicity categories based on those used for the North Carolina Historically Underutilized Businesses (HUB) certification.

³¹ | “Minority-owned” is defined as majority ownership belonging to one of the following groups: American Indian, Asian American, Black, Disabled, Female, Hispanic, LGBTQ+, or Veteran.

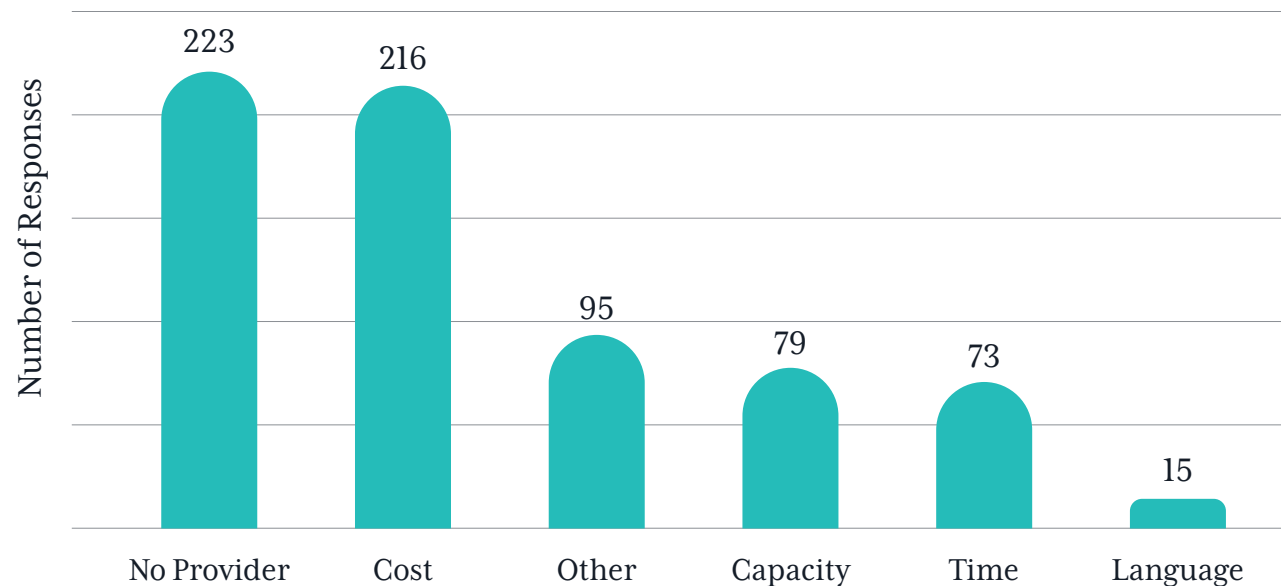
Next, the same businesses were asked to indicate whether they'd received the needed support. If not, they could indicate the reason they'd not been able to access that support. Figure 26 provides a breakdown of the barriers that prevented businesses from accessing support.

The most common barrier was being able to locate a service provider. Costs associated with the program or service were the next most common barrier. Many

respondents also reported the time the programming was offered, the capacity of the support service, and other barriers to prevent them from accessing the support they desired. Some of the participants who selected the "Other" reason for not accessing a support program or service expressed that the channels designed to guide them to those resources were confusing or difficult to navigate.

Figure 26: Barriers to Accessing Support Experienced by Minority-Owned Businesses.

Source: Charlotte Small Business Survey

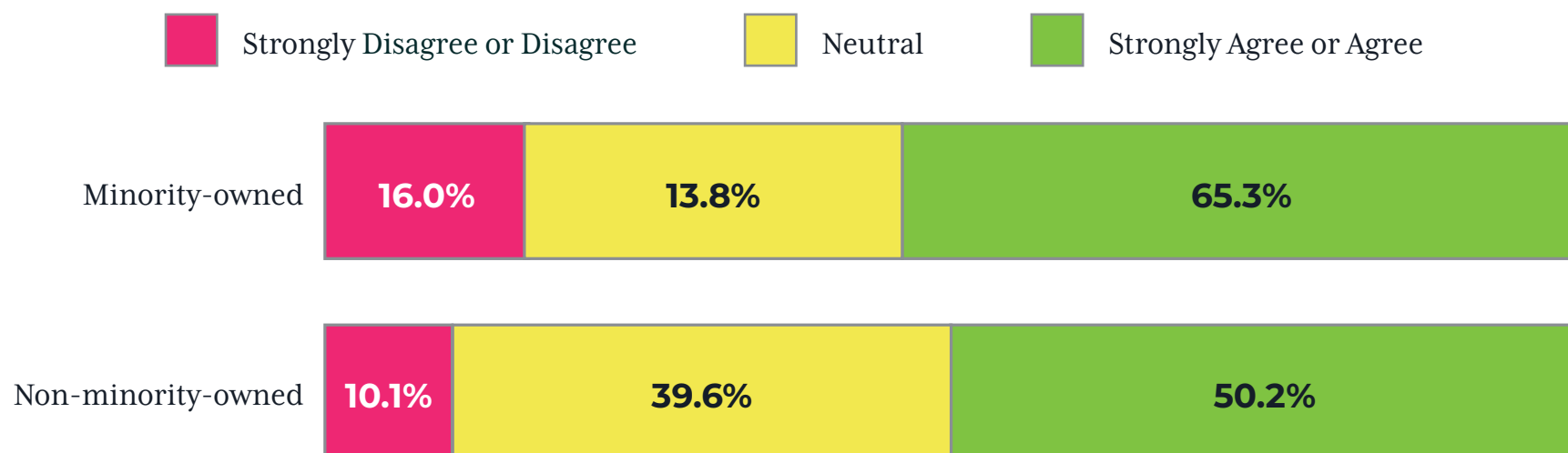


In Figure 27, responses to “I know who to ask when I need assistance with my small business” are provided for minority-owned and non-minority-owned businesses. Interestingly, the minority-owned businesses do not agree or disagree much more with the statement than non-minority-owned businesses, but their responses are more polarized. In other words, fewer respondents of minority-owned businesses selected the “Neutral” option than non-minority-owned businesses.

Approximately 54% of minority-owned businesses agreed or strongly agreed with the statement; roughly 16% disagreed or strongly disagreed.

Figure 27: Responses to “I know who to ask when I need assistance with my small business” by Minority Ownership

Source: Charlotte Small Business Survey

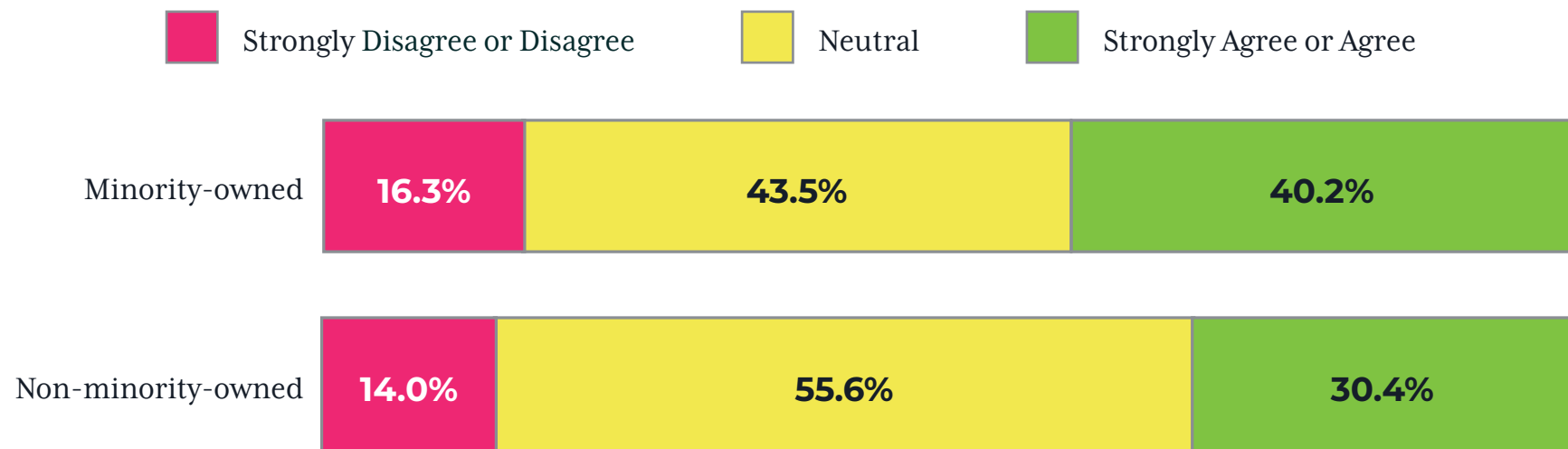


In Figure 28, where responses to the statement “The services and programming offered in the City of Charlotte support small businesses” are provided, the same pattern can be observed. More than 55% of non-minority-owned businesses selected the “Neutral” option, which is more than 12 percentage points higher than the portion of minority-owned businesses that selected the same option.

Approximately 40% of minority-owned businesses agreed or strongly agreed with the statement, compared to 30% of non-minority-owned businesses.

Figure 28: Responses to “The services and programming offered in the City of Charlotte support small businesses” by Minority Ownership

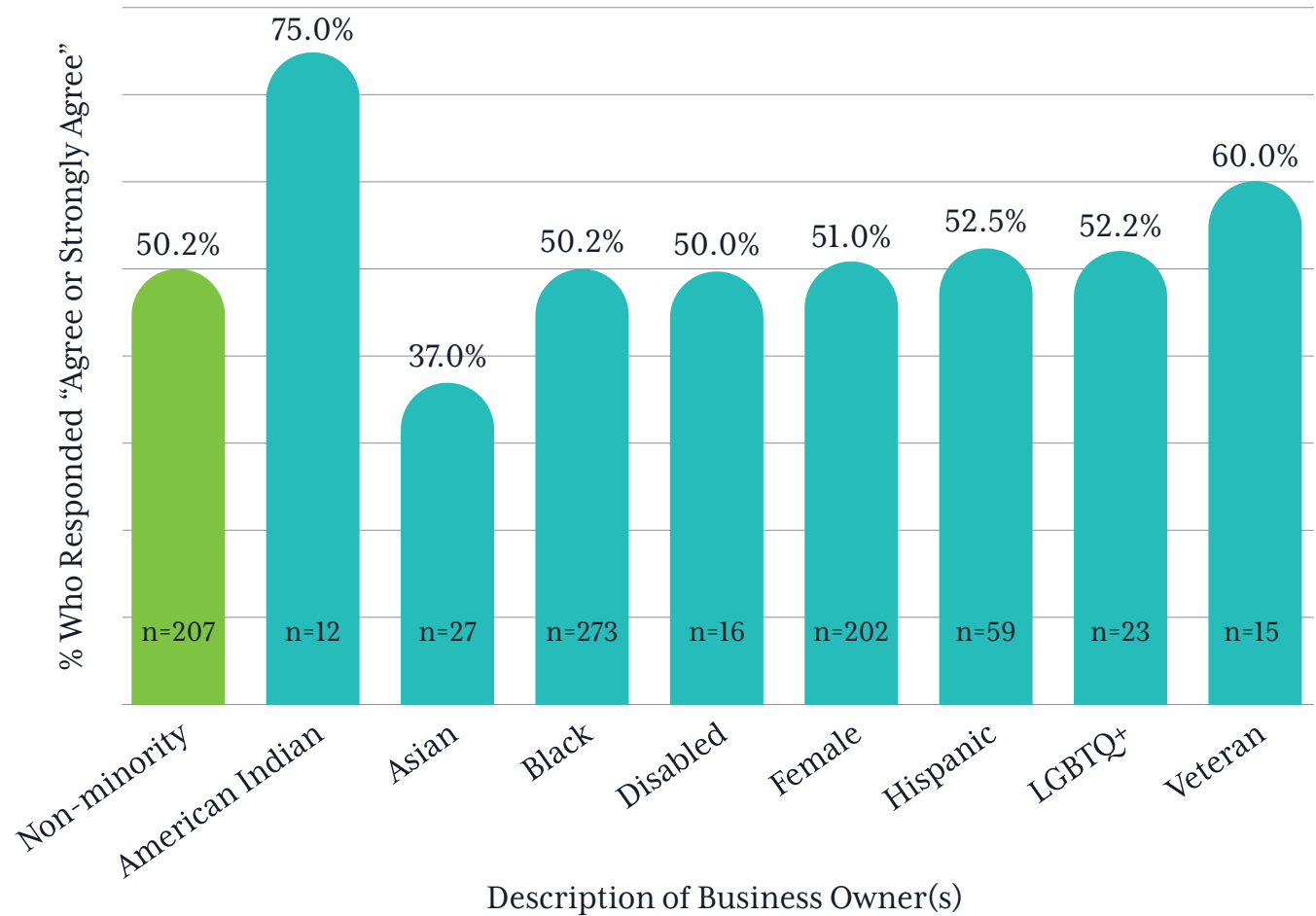
Source: Charlotte Small Business Survey



To better understand how specific groups within the City engage the small business ecosystem, responses to the statements presented earlier were broken down by minority group. In Figure 29, for each minority group, the percentage of respondents who either agreed or strongly agreed with the statement “I know who to ask when I need assistance with my small business” is provided.³² In most cases, about half of the respondents in each group indicated that they agreed or strongly agreed with the statement. These levels of agreement are generally very comparable to those of non-minority-owned businesses.

Figure 29: Responses to “I know who to ask when I need assistance with my small business” by Minority Group

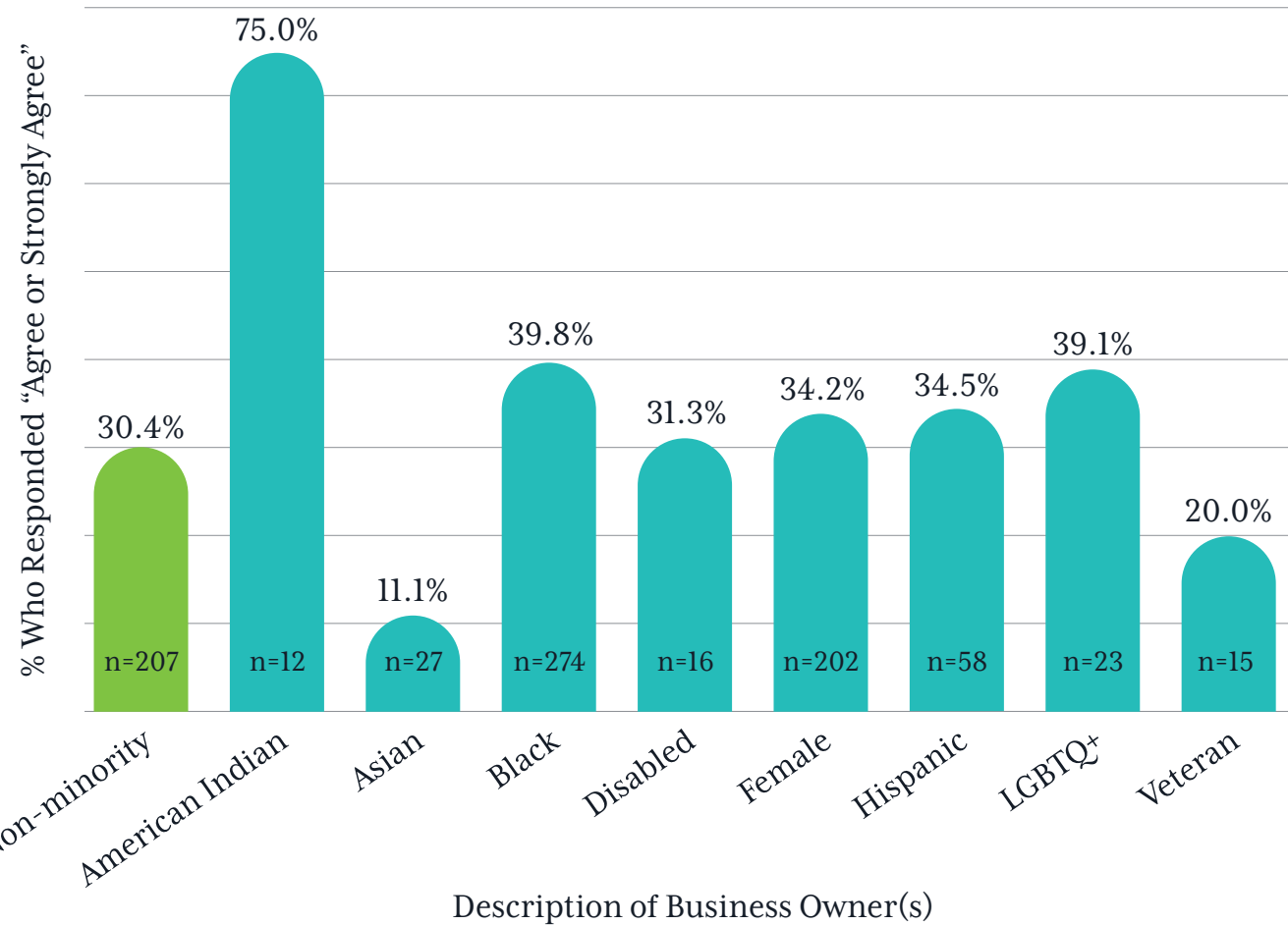
Source: Charlotte Small Business Survey



³² | It should be noted that the number of respondents for individual minority groups is, in some cases, quite low. Therefore, the “n=” figure at the base of each bar in the graph indicates the total number of respondents for each group.

Figure 30: Responses to “The services and programming offered in the City of Charlotte support small businesses” by Minority Group

Source: Charlotte Small Business Survey



Next, the same breakdown is provided for the responses to the statement, “The services and programming offered in the City of Charlotte support small businesses.” More variation can be seen in responses to this question than in the previous question. In addition, businesses generally responded much less positively to this question. In most groups, only 30%-40% of businesses agreed with the statement. Members of the American Indian, Asian American, and Veteran groups are outliers, but the number of responses collected for each group was relatively low, which could contribute to their deviation. The level of agreement with the same statement by non-minority-owned businesses was around 30%, slightly lower than that of most minority groups.

WHAT ECOSYSTEM PARTNERS AND SMALL BUSINESSES ARE SAYING ABOUT EQUITY

During focus groups with economic development partners and small business owners, there was a broad recognition that a significant concentration of successful entrepreneurs across the ecosystem represented the diversity in gender, ethnicity, and culture that encapsulates Charlotte's unique identity. Similar sentiments conveyed a sense of a diverse community of supporters, champions, and culture builders serving the small business ecosystem. Those key leaders span sectors, with strong leadership represented on the City Council with the Business Advisory Committee, among ecosystem partners, and with small business owners. Research uncovered that various chambers of commerce, business networks, and working groups have been created to support specific segments of Charlotte's unique populations, including those serving minority, immigrant, women, and veteran populations. However, several key themes emerged when understanding equity across the small business community and are worth considering.



Building Trust and Strengthening Networks

Community trust and business networks, often described as “who you know,” represent the value of positive connections between people. These relationships are built on shared values and resources that enable individuals to collaborate effectively toward a common goal. With strong networks, individuals can more easily access resources and information. **Both ecosystem partners and small business owners generally agreed that a history of distrust between minority business owners and “legacy” institutions has created barriers to building these connections.** As a result, small business owners from historically underrepresented populations may be unwilling, unaware, or unable to access the full suite of resources provided by the small business support network.³³ Intentional trust building was highlighted as a necessary ingredient to a successful ecosystem. **Participants noted that trust is earned by meeting people where they are through face-to-face meetings and networking events.** Additionally, some focus group participants cited the need for more intentional cultural and ethnic competency training across stakeholders to bridge communication divides and foster stronger, more inclusive business networks.

³³ | It should be noted that this legacy of distrust is not necessarily unique to Charlotte, as it is pervasive across the United States, given its complicated history of race and ethnic relations.

Translation Services

According to the United States Census Bureau, 23.4% of households in Charlotte speak a language other than English. The Charlotte-Mecklenburg School District expands by stating that the district is a “diverse mix of students who represent 175 countries and speak 146 native languages.” **While many key ecosystem partners provide translation services, focus group participants generally agree that it is an area for improvement.** Ecosystems partners cited examples of non-English speaking small business owners’ lack of awareness of relevant support services, programs, and resources. **Similarly, partners noted the challenges non-English speaking individuals face finding meaningful employment, reducing the talent pipeline for small businesses looking to hire hardworking, reliable, and talented potential workers.** While it is difficult to address at scale, ecosystem leaders must understand the full scope of residents’ language barriers and aspire to develop solutions to bridge the linguistic divide.



SIGNS OF PROGRESS

Corridors of Opportunity

The City of Charlotte's Corridors of Opportunity program has been an essential source of information on the local business environment in Charlotte. To address economic disparities in Charlotte's underserved neighborhoods, the city committed \$38.5 million to foster growth in six corridors with high unemployment and poverty. The program was launched in 2020, and research was conducted on the workforce, target industry, and real estate analysis, with stakeholder engagement through interviews with employers, workforce service providers, and real estate brokers, as well as a resident survey.

The study highlighted four target industry clusters for potential growth: manufacturing, logistics and distribution, healthcare, and technology/administrative support services. Recommendations included establishing an "Opportunity Employers" program to attract businesses to the corridors and encourage existing employers to hire locally. Additionally, the study suggested promoting

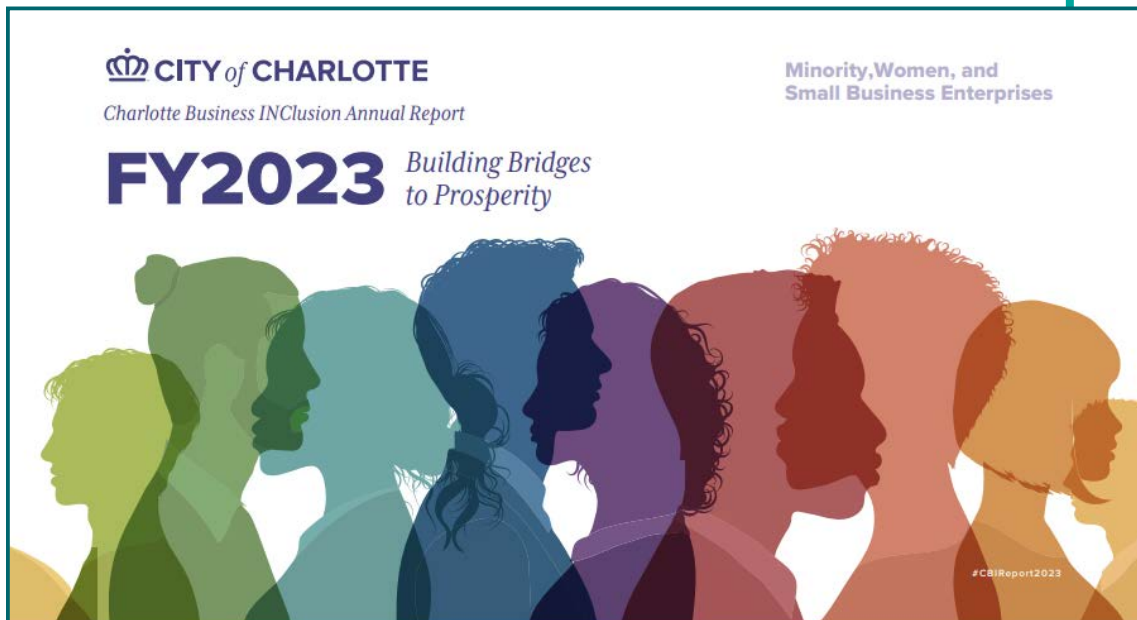
commercial real estate development by identifying key sites for public-private partnerships and expanding communications to attract development. Another critical recommendation was to help residents overcome barriers to employment by launching an "Opportunity Workforce" initiative. This would focus on expanding support for local nonprofits, increasing entrepreneurship opportunities, and improving transportation for residents employed by Opportunity Employers. Programs aimed at overcoming barriers to education and career advancement were also recommended.

To date, more than \$147 million
has been invested in the program.

[charlottenc.gov/Growth-and-Development/
Corridors-of-Opportunity](http://charlottenc.gov/Growth-and-Development/Corridors-of-Opportunity)

The Office of Charlotte Business INclusion

As a department of city government, Charlotte Business INclusion (CBI) seeks to enhance competition and participation of Minority, Women, and Small Business Enterprises in city contracting. According to its website, the CBI's goal is to be a national model in the business inclusion space. As part of its mission, the CBI has collaborated with all city departments to examine procurement policies and set corresponding MWSBE participation goals.



charlottenc.gov/Growth-and-Development/CBI

The office reported impressive results in the 2023 Annual Report, citing:

- Launching the Contractor Development Program, which registered 92 participants, offering 1,770 technical assistance services and 825 contractor development services. This support has increased contractors' bonding capacity, totaling \$2.85M, and enabled participants to secure significant bidding opportunities, including a \$250,000 bid bond for one contractor.
- Welcoming 80 new vendors into the CBI MWSBE Directory.
- Providing a five-week Bidding and Estimating Training Academy, for 37 contractors and 16 training sessions covering essential business topics.³⁴

³⁴ | City of Charlotte, charlottenc.gov/CS-Prep/City-News/Office-of-Business-INclusion-Releases-Historic-FY-2023-Annual-Report

5 Workforce Development

*A Rich and Diverse Talent Pipeline
but a Disconnect with the Small
Business Community*

INTRODUCTION TO ANALYSIS

Charlotte's workforce comprises a diverse array of skilled professionals spanning multiple industries. The city's educational institutions, including the University of North Carolina at Charlotte, Queens University of Charlotte, Johnson C. Smith University, and Central Piedmont Community College, are pivotal in enhancing the workforce by providing specialized degree programs across various disciplines.

The city has effectively attracted talent from both local and external sources, resulting in significant benefits for the business community across different industry sectors. Additionally, Charlotte's cost of living remains comparatively lower than other major metropolitan areas, positioning it as an appealing destination for professionals.

Nevertheless, insights from key stakeholders, including ecosystem partners and small businesses, reveal a disconnect between those overseeing the talent pipeline and the small business community. Addressing this gap necessitates a thorough examination of Charlotte's workforce landscape.



Summary of Findings

01

More than half of Charlotte's population over 25 holds a bachelor's degree, compared to a nationwide rate of 36.2%.

02

18% of Charlotte's population is foreign born, adding to the talent pipeline.

03

Smaller scale businesses, typically Microenterprises, Main Street, and Scalable businesses have a greater need for talent recruitment, but are less likely to access services.

04

Minority owned businesses are more likely to need talent recruitment services.

05

Ecosystem partners recognize the workforce system is complex, complicated, and difficult to navigate.

06

Non-english speaking employers and job seekers are less likely to access and utilize workforce services.

07

Ecosystem partners would like to see more collaboration and coordination with workforce related entities, specifically universities.

The size of the labor force has grown steadily over the years, surpassing the size of the pre-COVID-19 workforce. The unemployment rate as of December 2024 was 3.2%, indicating a stable and competitive job market, potentially posing a challenge to small business owners looking to hire.



Figure 31: Mecklenburg County Labor Force & Unemployment.

Source: BLS and LAUS, 2025



In 2022, more than half (50.1%) of Charlotte's population over 25 held a bachelor's degree, compared to a nationwide rate of 36.2%, indicating the presence of a highly skilled local workforce.³⁵ Additionally, in 2022, more than 16,000 program completions were recorded across 15 educational institutions in Mecklenburg County, adding to the highly skilled labor pool.

Figure 32: Total Degree Completions in Mecklenburg County, 2022.

Source: Lightcast 2024.2

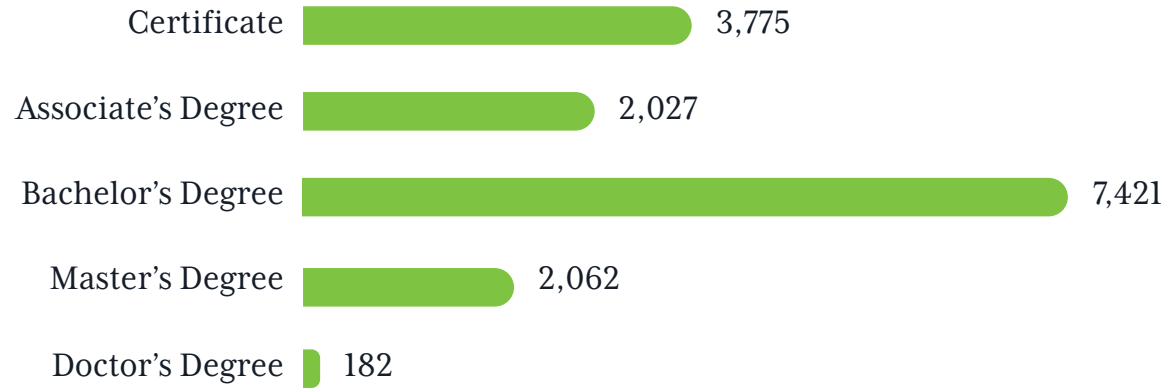
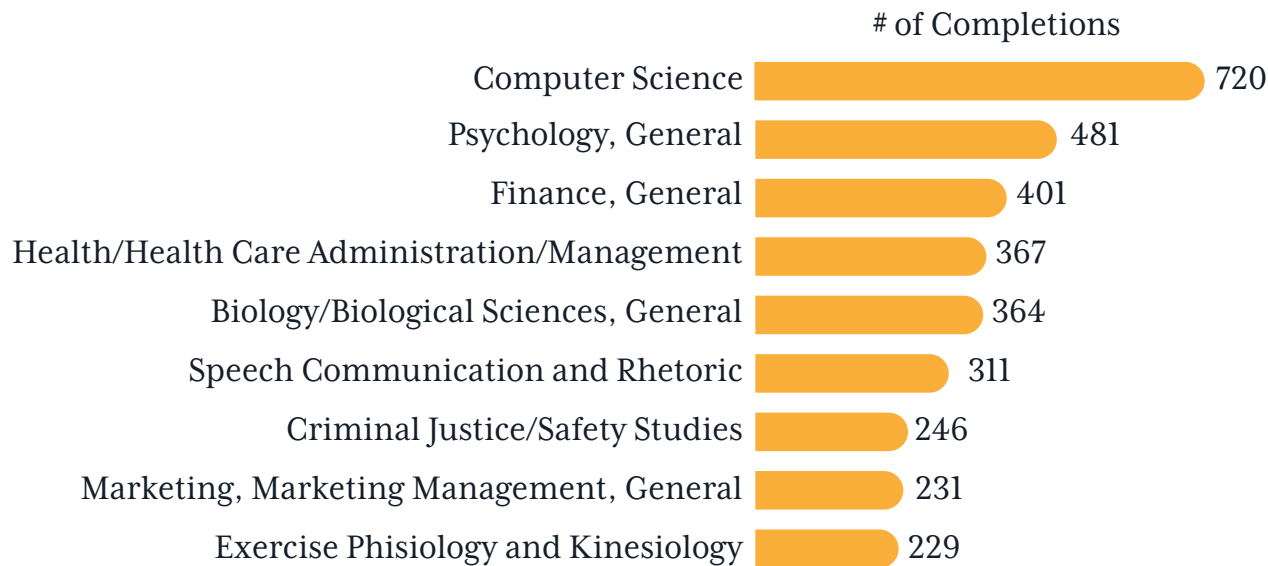


Figure 33: Bachelor's Degree Completions by Program in Mecklenburg County in 2022.

Source: IPEDS, 2024



Another factor to consider when analyzing the talent pipeline is degree completions. Many pursuing higher education in Mecklenburg County earn degrees in a handful of popular academic and technical programs. Computer Science was the most popular program, with 720 bachelor's degrees awarded in the county in 2022. Psychology and Finance were the next most popular programs, with 481 and 401 bachelor's degrees awarded in 2022, respectively.

³⁵ | "Educational Attainment." American Community Survey 2022 1-Year Estimates, United States Census Bureau.

In addition to the bachelor's degree programs listed in the graph, many workers have completed associate's degree or certificate programs in the county. The most popular programs are Liberal Arts and Sciences/Liberal Studies, Information Technology, Business Administration, and Registered Nursing.

According to the 2024 Charlotte Startup Ecosystem report, more than one-third of startups have unfilled positions. Moreover, in the small business focus groups, many small businesses expressed a need for assistance with capacity building, including staffing and streamlining operations. These findings suggest that businesses could benefit from stronger connections to the local workforce and available talent in the region.

Table 9: Unfilled Positions in Small Businesses.
Source: 2024 Charlotte Startup Ecosystem Report.

Are there unfilled positions?	Count	%
Yes	31	34.45%
No	78	65.55%

KEY FINDINGS FROM THE SMALL BUSINESS SURVEY

When asked to identify the specific services or programs they needed for support, 86 businesses, or 10% of those who reported that they needed support in the past year, indicated they needed talent recruitment services. Of those, only 24 respondents, or about 28% of the group, expressed that they could find the talent recruitment support they needed. Of those who reported needing talent recruitment services:

76%
are minority-
owned

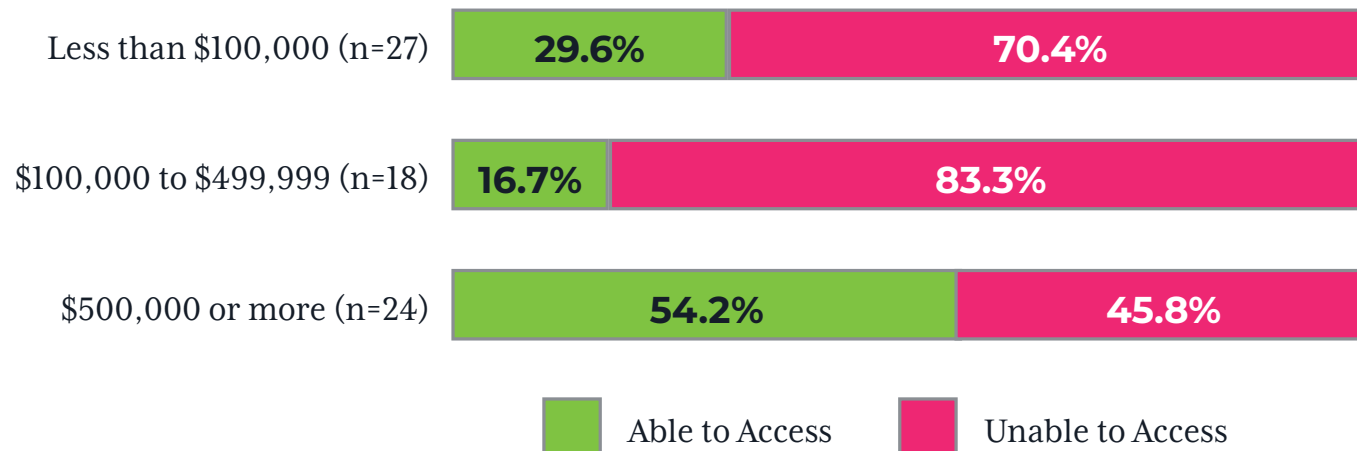
76%
identify as
scalable

72%
employ fewer
than 10 people

It can be helpful to disaggregate the data into various categories to understand how different businesses are accessing the local talent pool. **More than 20% of companies that generate revenue of \$500,000 or more reported needing talent recruitment services.**

Table 10: Need for Talent Recruitment Services by Revenue*Source: Charlotte Small Business Survey*

2023 Revenue	% of Respondents Needing Talent Recruitment Services
Less than \$100,000 (n=198)	14.1%
\$100,000 to \$499,999 (n=177)	11.9%
\$500,000 or more (n=110)	22.7%

Figure 34: Access to Talent Recruitment Services by Business Revenue.*Source: Charlotte Small Business Survey*

While companies with revenues of at least \$500,000 had the greatest need, they also reported the greatest success at accessing services. In comparison, 76% of businesses with revenue under \$500,000 per year were unable to access talent recruitment services. This could indicate a lack of internal capacity and awareness of local talent recruitment services.

When looking at the need by business size, while a larger number of smaller companies were seeking recruitment services, a **higher percentage of larger businesses, those with 25 employees or more, were seeking those talent recruitment services.**

Table 11: Need for Talent Recruitment Services by Business Size

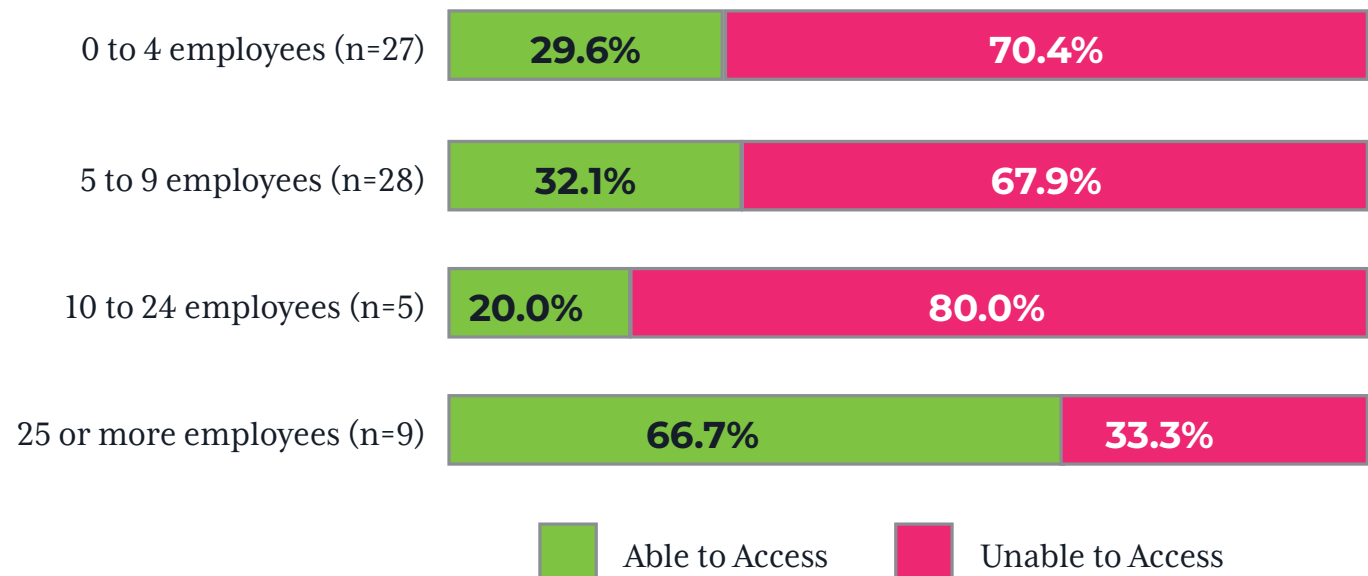
Source: Charlotte Small Business Survey

Number of Employees	% of Respondents Needing Talent Recruitment Services
0 to 4 employees (n=360)	8.1%
5 to 9 employees (n=232)	14.2%
10 to 24 employees (n=173)	5.2%
25 or more employees (n=44)	22.7%

While larger businesses (at least 25 employees) had the greatest need, they tended to be more successful in accessing those services. Smaller businesses, those with less than 25 employees, tended to be less successful, potentially limiting the growth of their business.

Figure 35: Access to Talent Recruitment Services by Business Revenue.

Source: Charlotte Small Business Survey



WHAT KEY STAKEHOLDERS ARE SAYING ABOUT THE TALENT PIPELINE DISCONNECT

Several key themes emerged when speaking about talent, specifically talent and employment pipelines for small businesses. First, **partners indicated that small businesses struggle to navigate the workforce development and talent ecosystem, inhibiting their ability to find employees.** This challenge is especially acute for Microenterprises and Main Street businesses, who may not always have the capacity and wherewithal to navigate a “dizzying amount of organizations and programs.” Further, partners recognize **that navigating the system is especially difficult for non-English-speaking small business owners.** While these businesses may be aware of resources, they have difficulty accessing them due to cultural and language barriers. Similarly, partners recognize that **it is equally difficult for job seekers to enter the workforce system,** and those barriers inhibit their ability to find employment opportunities with small businesses.

Key partners also recognized a perceived disconnect between small businesses and university-related talent resources. Partners believe that regional university partners could take more intentional steps to collaborate with small businesses, foster a more robust talent pipeline, and increase student’s exposure to employment opportunities across Charlotte’s small business community. With a significant concentration of universities and training providers, ecosystem partners expressed a desire to see stronger communication, collaboration, and coordination. Participants cited internship, mentorship, applied research, and more intentional efforts to connect students with small businesses across the city as opportunities.



6 Customers and Markets

The Challenge of Doing Business with the Government and Corporate Anchor Institutions

INTRODUCTION TO ANALYSIS

Public organizations, including local, state, and regional governments, represent significant customer bases for small businesses. Additionally, large corporate enterprises frequently procure various goods and services from small and locally owned businesses. However, engaging in business with government entities and corporate institutions can present considerable challenges. These challenges stem from stringent procurement processes, limited internal capacity, intense competition, and resource disparities.

Government contracts typically necessitate that businesses navigate complex bidding procedures, adhere to rigorous compliance standards, and obtain certifications such as Minority-Owned Business Enterprise (MBE) or Woman-Owned Small Business (WOSB) status. While these certifications can create opportunities, acquiring them can be time-consuming and resource-intensive, particularly for small businesses with constrained staff and expertise.

Conversely, corporate institutions often prefer suppliers with established track records, substantial production capabilities, and financial stability. Balancing these expectations while maintaining competitive pricing poses a common challenge for small businesses. Furthermore, small enterprises in Charlotte encounter visibility issues, as larger companies and government agencies frequently rely on established networks of vendors, thereby limiting opportunities for newer or smaller businesses to compete.



Summary of Findings

01

Small business owners believe large corporations are more likely to go outside of the Charlotte market for good and services.

02

Small business owners cite the lengthy corporate procurement process as a significant impediment to doing businesses with corporations.

03

Scalable businesses observed an underlying friction between conservative corporate industries such as banking and finance and the disruptive nature of the tech-enabled startup.

04

Small business owners cited the cumbersome and complex process and lack of awareness of bid opportunities as particularly challenging to government procurement opportunities.

05

Small business owners expressed frustration about what they perceived as a lack of feedback regarding grant applications

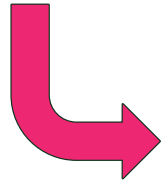
Although various partners provide support services to small businesses, and initiatives such as Charlotte Business INclusion (CBI) strive to bridge existing gaps, many small businesses report that obstacles such as inadequate outreach, insufficient mentorship, and delayed payment cycles from government and corporate contracts continue to impede their growth and participation in these lucrative markets.

In this section, we analyze previous studies relevant to government contracting in Charlotte and rely on qualitative feedback from ecosystem partners and small businesses to better understand the challenges small businesses face doing business with large anchor institutions.

KEY FINDINGS FROM THE DISPARITY STUDY

The 2022 City of Charlotte Disparity Study³⁶ illuminates some of the challenges small businesses face doing business with the city. While the study highlights barriers faced by minority-owned businesses, for the purpose of this analysis, some findings will be assumed to be relevant to all small businesses across Charlotte. It's also important to note that the City of Charlotte has developed several successful initiatives in response to this 2022 study, which will be presented later in the analysis.

Additionally, qualitative feedback from historically represented population segments illuminates some of the inequities in the procurement process.



- **Approximately 33% of 2022 Charlotte Disparity Study survey respondents indicated they experienced barriers to contracting opportunities based on race and/or gender.**
- **Only 34.8% of survey respondents reported getting selected for City of Charlotte or government construction projects with MBE, WBE, or SBE goals.**
- **65.7% of survey respondents are not solicited for private projects or projects with no goals.**

While many survey respondents found the CBI program helpful, many found the certification process challenging, intensive, and cumbersome.

Some respondents believe that city and prime contractors use the same firms repeatedly.

Some respondents believe that the city can do more to increase access and opportunities for smaller firms.

Many respondents requested more transparency and outreach to better inform small businesses of upcoming bid opportunities.

Rspondents would like more matchmaking and support to facilitate relationships between sub and prime contractors.

Many respondents would like more access to city support staff during the process.

³⁶ | charlottenc.gov/files/sharedassets/city/v/1/growth-and-development/doing-business-with-the-city/documents/cbi/guidancedocs/city_of_charlotte_disparity_study_2022.pdf

WHAT ECOSYSTEM PARTNERS AND SMALL BUSINESSES ARE SAYING ABOUT DOING BUSINESS WITH ANCHOR INSTITUTIONS

Affirming the results of earlier studies, both ecosystem partners and small business owners repeatedly cited the difficulties of doing business with the public sector and large corporate institutions.

Despite the concentration of large corporations, notably in the banking and finance industry, an overwhelming majority of small business focus group participants felt these institutions underutilized local small business vendors. **Specifically, participants perceived that large corporations were more likely to go outside the Charlotte market for goods and services** despite a willing and able universe of vendors locally. Interestingly, in the previously cited Charlotte Disparity Study, purchasers cited the lack of local proposals and bids, indicating a clear disconnect.

Participants also cited the lengthy corporate procurement process (sometimes up to 18 months) as a significant impediment to doing business with corporations. Several participants cited extended payment terms, which are particularly burdensome for small businesses with low margins and limited working capital. Several focus group participants acknowledged that corporate anchors contribute to small businesses in other, more indirect ways, noting sponsorship, donations, and charitable contributions to community-wide social initiatives. There was a recognition that large employers also supported small businesses by injecting consumer spending power into the local market.

A majority of focus group participants also expressed frustration with public procurement processes, notably through the city. **Participants cited the cumbersome and complex process and a lack of awareness of bid opportunities as particularly challenging.** Additionally, there was mixed awareness of training programs and resources available to assist with the bid and proposal process. These impediments are cited as reasons to abstain from submitting bids, missing out on financially rewarding opportunities.

Public funding sources and procuring funds from the city were other discussion topics in focus groups. Several participants noted that funding priorities consistently change, causing confusion about eligibility and funding requirements.

Additionally, small business owners expressed frustration about what they perceived as a lack of feedback regarding grant applications, stating that they were not given reasons for the denial when they were denied funding. Despite the frustration, several small business owners expressed their encouragement and believed that actionable steps had been taken since the 2022 Charlotte Disparity Study.

APPENDIX A:

Comparable MSA Case Study Analysis

ATLANTA, GEORGIA

Atlanta's small business community has diligently worked to improve its diversity and inclusion. A confluence of efforts, including decades of initiatives by the business community and local government, has been nationally recognized for addressing systemic racism. The ecosystem includes a community of public, private, and nonprofit entities dedicated to furthering diversity in business, an array of diversity consultants, and the unsung work of countless small business leaders and employees. Other important emerging sectors are universities, colleges, and associated institutes.

In recent years, a significant focus has been on supporting and promoting black-owned businesses in the city. Business leaders have played a pivotal role in driving economic growth and creating opportunities for minority entrepreneurs. The Atlanta small

business ecosystem plays a crucial role in nurturing and fostering the growth of these businesses. Many local organizations provide resources, mentorship programs, and funding opportunities tailored to support minority-owned businesses. As the city continues to embrace diversity and inclusivity, it is no wonder that Atlanta has become a hotbed for black entrepreneurship.

A 2023 report by the Boston Consulting Group (BCG) commissioned by the Georgia Tech Foundation found some challenges related to the overall landscape for supporting entrepreneurship. In short, they found it rich in resources but somewhat disjointed and lacking cohesion among and between key anchor institutions. Despite growing as an innovation hub, Atlanta's investments fall short of meeting the needs of a burgeoning entrepreneurial ecosystem. New satellite offices from tech giants and additional corporate headquarters bring thousands of jobs and billions

in investments into the city. However, these jobs and investments translate into corporate-specific innovation and accelerated internal patent filings instead of working towards unlocking a 'flywheel effect' of entrepreneurship growth. According to BCG, the 'flywheel effect' is vitally important for building the ecosystem by catalyzing additional available funding for more startups, which hire and cultivate more talent who eventually turn ideas into companies and seek funding from existing sources or previously successful entrepreneurs.

Mobilization

Several organizations and programs exist in Atlanta with the objective of forming a more cohesive small business ecosystem. These initiatives serve many different stakeholders within the small business community; scalable start-ups, mature Main Street businesses, and everything in between.

In supporting these businesses, the city seeks to advance entrepreneurship growth while protecting and strengthening Atlanta's cultural identity. Notable actors and programs include:

Invest Atlanta (IA): IA is a local government authority with the mission to advance Atlanta's global competitiveness by growing a strong economy, building vibrant communities, and increasing economic prosperity for all. It provides business assistance, grants, loan funds, tax incentives, and site selection services for small and medium-sized businesses. Many financing programs offered through this organization are specifically designed to support small-business growth in distressed areas of the city.

Hypepotamus (HYT) & Start-Up Atlanta (SUP): HYT was originally launched to provide an open collaborative space wherein entrepreneurs and early startups could intersect, work and build their businesses. 2014 it transitioned from a physical space into a digital news publication and community platform. SUP serves to introduce, connect, support, and expand the entrepreneurial ecosystem within the greater Atlanta region to bolster the creation of jobs, companies, and regional wealth. Both non-profits have established exceptional small business digital hubs, respectively.

Midtown Alliance: The Midtown Alliance's mission is to enhance Midtown Atlanta as a vibrant, attractive urban district. Small business support is an important part of this mission; they support small business growth by creating a lively, safe, and accessible urban environment that draws both customers and entrepreneurs. Through improvements to public spaces, transportation, and pedestrian infrastructure, they enhance the overall appeal of the area. This is especially important for supporting microenterprises, Main Street businesses, and mature businesses that serve the local community; for these businesses, a thriving community is paramount to their success. Midtown Alliance offers planning resources, promotes local businesses through its platforms, and fosters a connected community that supports local commerce as part of its broader mission to strengthen the neighborhood's economic vitality.

Russell Innovation Center for Entrepreneurs (RICE): RICE is an economic mobility engine supporting black entrepreneurs and small business owners. It operates the following programs: various coaching circles, product pathways, a retail readiness academy, and a supply chain accelerator.

Atlanta BeltLine: The Atlanta BeltLine is a major urban redevelopment project that's transforming a 22-mile loop of former railway corridors into a network of multi-use trails, parks, transit, and community spaces that connect 45 neighborhoods across Atlanta. This organization supports small businesses in a variety of ways. They manage a business accelerator to help newly formed businesses grow, they advance several initiatives to keep commercial spaces affordable, and they partner with local artists and developers to improve small business façades along the BeltLine. Small business owners are encouraged to connect with the organization through its website and explore opportunities for collaboration.

Accelerators & Incubators:

Atlanta boasts a variety of small business accelerators and incubators. Some of those include:

Advanced Technology Development Center (ATDC)

Atlantic Technology Village

Comcast NBC Universal Project Up

Good Nation

Start: ME Accelerator serving the South Atlanta region

Venture Capital:

Additionally, Atlanta's ecosystem provides small businesses with various venture capital options. Some of those include:

Atlanta Technology Angels

Venture Atlanta

Techstars Atlanta supported and powered by Cox Enterprises

Collaboration Capital for Black Founders

Demographic-Focused Organizations:

Certain organizations focus efforts on supporting small business owners from specific demographic groups. Those include:

The Lola

Vertical 404

Fearless Fund

Summary

Leadership has been mobilizing behind the recommendations from the Boston Consulting Group (BCG) report. It highlighted the following gaps within the local small business eco-system: 1) increasing the region's recognition as a desirable, internationally relevant city; 2) facilitating commercialization coordination across Georgia's system of higher education; 3) scaling up infrastructure and the throughput capabilities of the city's network of incubators, accelerators, and venture capital funds; and 4) targeting efforts to ensure equity of success for minority and women founders of small businesses.

In response to the BCG report, the Mayor has launched a consortium of local universities to help the city define the metrics to track and calibrate the local tech and small business ecosystem (ACES). It includes Clark Atlanta University, Emory University, Georgia State University, Georgia Tech, Morehouse College, Morehouse School of Medicine, and Spelman College. ACES will also be working to bring more grant funding into the tech ecosystem, something the City's Office of Technology and Innovation has already started doing. Last fall, the office helped the Center for Black Entrepreneurship, which is housed at Spelman, to be awarded a \$750,000 grant from the federal government for a new incubator program.

Atlanta has a rich set of actors, programs, and services to encourage entrepreneurship and support existing businesses. However, there is a need to fill key gaps and strengthen coherency within the ecosystem. An example of a gap is the disconnected set of programs for neighborhood commercial revitalization; these currently include the City's Main Street Program, Invest Atlanta's commercial real estate fund, the County's Industrial Corridor Development Program, and an obscure real estate investment resource sheet. Nevertheless, times are changing, and coordination is the priority for mobilizing support across agencies, actors, and programs for local small businesses.

AUSTIN, TEXAS

In 2022, the City of Austin's Small Business Development Commission published a needs assessment to identify trends and strategies to aid in the sector's rebound from the COVID pandemic. The assessment secured over 1,000 responses from participants from small businesses with less than one hundred employees. The following key themes were identified:

Resilience and Recovery:

Most small businesses polled indicated that they had to close their doors during the pandemic. However, closures were only temporary, and staff needs and day-to-day operations changed. Most added online payment and curbside pickups while dropping specific products or services. In 2022, most participants still relied on public funding to keep their businesses operating but were ready to adapt to a changing financing landscape.

Community Connections:

During the pandemic, most small businesses relied on each other to share best practices in adaptation. They transcended the traditional roles of direct competitors to lift up the spirit of the community. They adjusted and embraced their roles as civic leaders, becoming more flexible and stronger as a result. Participants shared that they gained a profound appreciation for their own communities.

Hope for the Future:

The assessment uncovered a juxtaposition between optimism regarding regional growth and concern over rising property values and operating costs. As home values soared and new residents arrived at greater numbers, survey participants experienced both the growth it brings and the accompanying pressures. Such challenges included costs associated with buying or leasing commercial property, finding and keeping good employees, and navigating changing rules and regulations. Ultimately, most participants remained optimistic for the future.

The assessment measured responses from all types of small businesses, but it also administered supplemental questions to gain insights into the following five high-priority industries:

Musicians and the Music Industry

The Arts and Creatives

Restaurants and Food Service

Travel, Tourism and Heritage Tourism

Green or Eco-Focused Businesses

The final report concluded with recommendations for refining the city's small business education platform to include specific classes. They included specific topics of interest, accommodations for time-challenged entrepreneurs, and dedicated peer-to-peer opportunities to broaden networks.

Mobilization

Post assessment, the city has moved to support the small business development ecosystem through the following programs:

BizAid Business Orientation: This free online class introduces resources available to small business owners and the various government agencies or organizations they may need to reach out to along the way. It introduces the components of a business plan and various aspects of business development. A second-stage service is a free one-on-one coaching service that provides technical assistance for business and marketing plans, financial readiness, and business management. The city coordinates with Big Austin, a private small business enabling firm.

Investment, Incentives & Funding Opportunities: Business expansion program; a family business loan program; a film, gaming, and digital media incentives program; a Veteran business loan program; an

EB-5 Immigrant Investor program; an Opportunity Zone program (specific qualifying census tracts); selected redevelopment targeting specific commercial revitalization in coordination with local merchants associations; and Souly Austin, a program dedicated to creating and retaining strong, vibrant, culturally rich and diverse neighborhood business districts.

Austin Economic Development Corporation (AEDC): AEDC is a local development corporation that serves as a public real estate developer, working for purpose instead of profits. By moving at the pace of the market, AEDC is a direct public response to decreasing affordability and equity. It blends the best of public and private deal-making to provide equitable development opportunities that support local small businesses through affordable leases, outright purchases, and redevelopment.

Austin Technology Incubator (ATI): ATI is affiliated with The University of Texas at Austin. Founded in 1989, it is the country’s longest-active and most prominent technology incubator. ATI aims to empower university and community entrepreneurs through a customized approach to effectively commercialize their breakthrough innovations and compete in the global marketplace. It cultivates mentor matches to secure angel investors for equity and second-stage financing.

Small and Minority Business Resource Department (SMBR): SMBR’s mission is to promote access to city contracts and provide economic opportunity for small, minority-owned, women-owned, and disadvantaged businesses. They provide certification, compliance, and a resource guide for the local small business ecosystem. The department seeks to assist entrepreneurs in overcoming systemic racial barriers, gender bias, and financial challenges.

Summary

Austin has been grappling with the recovery from COVID while also curating strong regional growth that threatens the welfare of budding entrepreneurs. It has cultivated a series of initiatives that emphasize inclusive growth within a hot market. Leadership has mobilized a tech-savvy base of stakeholders rich in social media to support an eclectic blend of digital media, entertainment, tourism, and green businesses while celebrating cultural diversity and authenticity. This eco-system seeks to close and balance the wealth gap between firms graduating from regional high-tech and bio-tech accelerators and Main Street businesses to Keep Austin Weird!



NASHVILLE, TENNESSEE

Nashville is recognized as the capital of country music, but its lively tune branches beyond musical borders to the world of entrepreneurship. In recent years, Nashville has been dubbed the “capital of entrepreneurship” due to its thriving start-up ecosystem. Several factors, including a strong talent pool, a lower cost of living than many other major cities, and a supportive business community support this ecosystem. The city’s GDP consistently outpaces the national average thanks to its diverse economic base spanning healthcare, music production, digital media, and more. A low cost of living coupled with favorable business taxes makes this city particularly attractive to new businesses. The future outlook for Nashville’s entrepreneurial ecosystem is bright, with the city positioned to sustain its momentum as a prominent hub for innovation, creativity, and entrepreneurship. Several factors contribute to this optimistic outlook, including ongoing investments in technology and infrastructure and the strengthening network of support for startups and small businesses.

Existing businesses, too, find support through a variety of local organizations. The Greater Nashville Regional Council shares that fifteen Chambers of Commerce are active within the region, some of which support specific groups, such as the Hispanic, Black, or LGBT populations.

The city’s Small Business Reserve program aims to increase small businesses’ access to government contracts; through this initiative, only small businesses are allowed to initially compete for metro contracts of less than \$250,000. Through programs such as these, the city works to ensure small businesses are supported in long-term growth and retained locally.

As with Austin, significant work has recently been dedicated to bolstering small businesses through and out of COVID. In 2022, The Nashville Metro Council approved \$20 million in American Rescue Plan Act funds from the federal government to establish the Nashville Small Business Recovery Fund in the Mayor’s Office of Economic and Community Development. The funding supports Nashville and Davidson County small businesses’ recovery from the pandemic’s impacts. It also bolsters economic development in Nashville communities, seeing past the pandemic. The Council directed \$18 million for Davidson County small businesses impacted by COVID, with half (\$9 million) going to grants to small businesses that will not have to repay and half (\$9 million) going to low-interest loans that recipients will repay at affordable, below-market rates and terms that facilitate ease of repayment.

Mobilization

Nashville benefits from a mature web of actors that has gained national attention for their seamless integration. They include:

SCORE Nashville: SCORE Nashville is a nonprofit organization that supports small businesses and entrepreneurs across Middle Tennessee; it is a part of the national SCORE network and a partner of the U.S. Small Business Administration. They offer free, confidential mentoring from experienced business professionals, providing personalized guidance on starting, managing, and growing a business. In addition to mentoring, SCORE Nashville hosts live and recorded workshops and webinars on topics like marketing, financial management, and business credit. Their “SCORE for All” initiative provides inclusive support for underserved and minority business owners. Services are accessible in person, online, or by phone, making it convenient for a wide range of new and established small businesses. Overall, SCORE Nashville is a comprehensive resource hub for small business success.

Nashville Entrepreneur Center (NEC): NEC serves as a prominent non-profit anchor of the city’s entrepreneurial landscape, offering a comprehensive suite of resources and support services tailored to the needs of startups. It provides mentorship programs, educational workshops, networking opportunities, and access to capital. The following NEC programs are offered to serve a broad spectrum of clients: PREFLIGHT (pre-launch); INFLIGHT (post-launch); TWENDE (enabling entrepreneurs of color); Project FinTech (Fintech accelerator); Project Music and Entertainment (peer group connections); and

Project Healthcare (healthcare acceleration with access to Nashville’s giant healthcare enterprises). Over the last decade, NEC has assisted more than 14,000 entrepreneurs, including 1,000 alumni who have raised over \$319M in capital, generated over \$420M in revenue, and experienced over \$100M in exits.

Launch Tennessee (LT): LT is a statewide initiative dedicated to fostering entrepreneurship and innovation across Tennessee, significantly impacting Nashville’s entrepreneurial scene. It provides a range of resources and support programs to accelerate startup growth and drive economic development. LT is a non-profit organization and a public-private partnership whose mission is to support the entrepreneurial ecosystem through capital, connections, and commercialization. Like Austin and Columbus, LT provides a resource guide through its Start-Tennessee Business Hub.

Nashville Business Incubation Center (NBIC): The NBIC is a nonprofit organization committed to nurturing small businesses and entrepreneurs, particularly those who are women, minorities, or veterans. Through a suite of structured programs – including Foundations, Framework, Groundwork, and Mighty Oak – NBIC offers comprehensive support in areas such as business planning, legal and financial structuring, marketing, and leadership development. Some of these initiatives are designed to guide

startups from their initial stages to sustainable growth; others are specifically designed for established businesses. Their hallmark program – Mighty Oak – targets businesses that have existed for at least two years and are well-positioned to realize a new wave of growth. The program requires a three-year commitment, and the website boasts that most program graduates create a minimum of five jobs and earn revenues of at least \$1 million. Beyond training, the center provides mentorship, networking opportunities, and community events to foster a collaborative entrepreneurial ecosystem. NBIC’s overarching mission is to empower small businesses to become significant contributors to the local and regional economy.

Nashville Capital Network (NCN) and Ingram Industries, Inc. (ING): Both serve as prominent players in the city’s investment landscape, providing capital and invaluable mentorship and guidance to startups at various stages of growth. NCN works with regional leaders to identify, evaluate, and accelerate the success of high growth in early-stage companies. ING is a consortium of local printing and publishing firms providing limited investments in diverse local businesses. ING works with startups and emerging enterprises to drive innovation, foster growth, and strengthen the city’s entrepreneurial ecosystem from its roots in West Nashville.

The Wond’ry at Vanderbilt University (WVU): WVU catalyzes innovation and entrepreneurship, bridging the gap between academic research and real-world applications. It provides a commercialization environment where students, faculty, and community members can collaborate, innovate, and animate ideas within its entrepreneurship practice. It targets all faculty, students,

staff, and alumni from Nashville-area colleges and universities interested in learning how to grow a venture from the ground up. In addition, the Belmont University Center for Entrepreneurship provides courses, seminars, student-led incubators, and community engagement with surrounding businesses, with particular emphasis on local pitch competitions.

Neighborhood Commercial Revitalization: The city does not seem to have a dedicated neighborhood- or place-based commercial revitalization program. It does support one-off larger catalytic mixed-use projects such as the Nashville Yards that are anticipated to spark multiplier impacts in adjacent neighborhoods. Conversely, the state has a rural downtown mainstream program, but it does not appear to have been adapted for urban settings through local government. This may challenge the city’s physical infrastructure due to possible imbalances in employment, storefront retail, and housing.

Summary

The Nashville small business ecosystem is rich in supporting education, training, technical assistance, and financing. However, one sector that seems to be lagging is the workforce. A primary challenge seems to be the shortage of skilled talent in specific high-tech fields. A primary challenge seems to be the shortage of skilled talent in specific high-tech fields. A recent trade association newsletter (5-8-24) reveals that while the city boasts a diverse and growing tech sector, there is a noticeable gap between the demand for specialized skills and the available talent pool. This gap poses a potential obstacle for tech startups and inventive companies seeking to recruit top talent to drive their growth and innovation. Another emerging challenge is rapid growth and urban development while maintaining and expanding physical infrastructure. The influx of businesses, residents, and visitors is reportedly beginning to strain transportation systems, utilities, and other essential infrastructure components, impacting the overall business environment and quality of life.



COLUMBUS, OHIO

In January 2020, the City of Columbus published its most recent blueprint for nurturing a small business ecosystem for Main Street businesses. The effort was catalyzed by realizing that although a healthy mix of industries existed, neighborhood inequality and income segregation served as barriers to equitable development. The report highlighted the following gaps within the ecosystem:

Limited awareness of existing resources available to small businesses: Numerous programs and services for small businesses across the city existed, but there was limited awareness of these resources and a lack of coordination among entrepreneur support organizations (ESOs) and capital providers.

Need for post-launch support to help businesses reach the next level: While there were plentiful small business resources to help people start a business, there was a gap in support for helping businesses in the “post-launch” phase — businesses that have been operating for at least two years and are aiming to grow — to scale up geographically, expand their customer base, and offer new products, among other goals.

Disproportionate challenges in accessing capital for People of Color and Women: Whether they don’t know how to access capital or hit roadblocks when attempting, People of Color and women face disadvantages when trying to access capital and when pursuing large contracting opportunities. These disadvantages include lower levels of wealth, limited networks, discrimination, and fear and reality of rejection.

Entrepreneur support organizations and capital providers struggle to reach small businesses in underserved neighborhoods: There was a disconnect between service providers and entrepreneurs who live and operate in underserved neighborhoods. This was driven by a lack of providers located in neighborhoods and insufficient outreach strategies, especially to People of Color and women entrepreneurs in these neighborhoods.

Mobilization

Post-document dissemination was promoted through a series of committees being formed to address each of the following implementation strategies:

- Expand the awareness of resources: Select target neighborhoods and identify Neighborhood Small Business Liaisons for spearheading community partnerships.
- Build the capacity of ecosystem stakeholders: Leverage focus groups among entrepreneur support organizations (ESOs) to identify collective training needs and capability gaps and hold ESO-led trainings to address identified gaps.
- Improve services and capital provision: Develop a capital readiness curriculum and create a standard assessment process to prepare small business owners to take advantage of capital options.
- Foster connectivity between anchor institutions and local small businesses (Buy Local Campaign): Establish a standing committee of anchors and ESOs to constantly update procurement opportunities for participating small businesses.

Summary

Bank lending in Columbus was not deployed equitably across income levels or racial/ethnic demographics. While lending to small businesses has increased steadily over the past five years, lending to low- and moderate-income (LMI) census tracts has grown at a slower rate compared to lending overall. Upper-income tracts have received the greatest proportion of small business bank lending, and this proportion has increased over the past several years. The local equity capital market is robust but focused on high-growth startups within more stable neighborhoods. Columbus outperforms national and statewide rates of equity funding under \$5M on a per-small-business basis but lags two other case studies for overall equity levels of investment (Austin and Nashville).

To promote both place-based and people-based initiatives, Columbus has focused on two complementary programs. First, they have established the Columbus Small Biz Hub. The Hub is a virtual one-stop shop that coordinates resources and opportunities for entrepreneurs and their small businesses. It is an intuitive digital platform that collects, shares, and updates information on the intersections of the ecosystems of people, places, organizations, and resources. The platform reveals that the Columbus-Franklin County Finance Authority provides funding to support technology-enabled businesses and second-stage financing.

Second, the city has established the Neighborhood Commercial Revitalization (NCR) program, which targets six distinct commercial/retail corridors surrounding

downtown. The NCR offers technical assistance, loans and matching grants, capital improvements, and planning services in conjunction with established local business associations. A prime example of this program is the work of the Hilltop Business Association in the Highland West Area of West Broad Street.

The two approaches provide practical wisdom to aid entrepreneurs in establishing and growing their businesses across four key elements of a coherent ecosystem: training, technical assistance, financing, and real estate/capital improvements. The Columbus State Community College Small Business Development Center (SBDC) is an ally to the city in providing business planning services. The city appears to have adopted solid strategies for building an ecosystem that promotes social, gender, and racial equity. It seems to be a pragmatic and effective platform for a medium-sized city.



APPENDIX B:

Marketing and Branding

INTRODUCTION

In May 2024, TPMA collaborated with the City of Charlotte to develop a comprehensive Communication, Outreach, and Engagement Plan for the Small Business Ecosystem Assessment. This plan outlined key stakeholders, target audiences, and innovative marketing, communication, and engagement strategies. Nearly 40 partner organizations were identified as pivotal contributors to the initiative’s success. The marketing approach emphasized the initiative’s value in shaping future strategies, programs, and resources designed to empower and strengthen Charlotte’s entrepreneurial community.

The initiative’s unifying theme and brand—“Charlotte is Building for Business”—emerged as a resonant message that underscored Charlotte’s commitment to fostering a thriving small business ecosystem.

BRAND DEVELOPMENT AND MESSAGING

The branding process prioritized clarity, inclusivity, and inspiration. “Charlotte is Building for Business” was selected as the initiative’s central theme because it captured the city’s active support of entrepreneurs and its forward-looking vision for economic growth. Messaging centered on the following pillars:

- **Codesign:** The city is invested in hearing about opportunities and challenges directly from the small business environment.
- **Value and Empowerment:** Charlotte’s small businesses are the engine of the local economy, and the city is unwavering in its commitment to clearing the path for small businesses to thrive.
- **Actionable Outcomes:** Emphasizing the assessment’s role in driving impactful change and informing future programs.

These principles ensured consistency across all marketing materials and outreach efforts, fostering a unified and recognizable brand identity.

Landing Page

In June 2024, TPMA developed and launched a custom-branded landing page to serve as the digital centerpiece for the initiative: charlottebuildingforbusiness.com/2024.

The landing page was meticulously designed to inform, engage, and convert visitors into active participants. Key features included:

- **Purpose and Vision:** Clear messaging about the goals and significance of the Small Business Ecosystem Assessment, including a direct quote from the City Council.
- **Interactive Components:** Tools to gather contact information, including a lead generator that allowed visitors to sign up for updates and resources ahead of the city-wide small business survey.
- **Accessibility:** User-friendly navigation and call to action optimized for desktop and mobile platforms.
- As of December 2024, the landing page has achieved Nearly 11,000 unique visitors.

Partner Organization Marketing Toolkit

TPMA created a Marketing Toolkit to equip the City of Charlotte and partner organizations with the tools and resources necessary to amplify outreach efforts. This toolkit ensured consistent messaging while accommodating diverse promotional needs.

Toolkit Components:


- **Social Media Assets:** Professionally designed graphics optimized for various platforms.
- **Suggested Content:** Prewritten content for each graphic for social media posts and/or newsletter blurbs to streamline communication efforts.
- **Promotional Guidance:** Best practices for introducing the initiative to their small business audience.

The toolkit facilitated the broad dissemination of information about the initiative, enabling partners to act as multipliers in reaching their networks. This collaborative approach significantly increased awareness and credibility.

MEDIA OUTREACH SUPPORT




In July 2024, TPMA began working closely with the City of Charlotte to launch a strategic Media Outreach Campaign aimed at generating widespread public interest. Media Strategy:

- **Identifying Priority Outlets:** Eight core media outlets (web, print, television) were identified based on their relevance to small business owners and existing relationships with the City of Charlotte.
- **Key Spokespersons:** Council Member Malcolm Graham and City of Charlotte Economic Development Manager Christi Floyd were featured as primary voices for the initiative, lending credibility and authority.



CHARLOTTE ECONOMIC DEVELOPMENT

Has launched a yearlong **Building for Business** initiative designed to:

 Listen and Learn |  Empower |  Shape the Future

Visit cltgov.me/cltsmallbiz for more information!



IF YOU ARE A SMALL BUSINESS...

with **under 500 employees** operating in the city, be sure to opt in to have your voice heard!

Learn more at cltgov.me/cltsmallbiz

Media Pitch Template

TPMA developed a tailored pitch template that included:

- A compelling story angle.
- Statistical and anecdotal support to highlight the initiative’s importance.
- A clear call to action for media outlets to participate.

Media Tools

TPMA provided a comprehensive database of over 500 local media contacts to enhance outreach efforts.

Paid Social Media Campaigns

From July 2024 to October 2024, the City of Charlotte launched a paid advertising campaign to maximize visibility across its social media platforms.

Campaign Objectives:

- Increase awareness of the initiative among small business owners and stakeholders.
- Drive traffic to the branded landing page.
- Encourage participation in the city-wide small business survey.

Campaign Highlights:

- Targeting: Ads targeted specific demographics, including entrepreneurs, small business owners, and community leaders.
- Content: Messaging focused on the benefits of participating in the assessment and its potential to inform future resources and programs.


The paid campaign complemented organic outreach efforts, generating additional traffic and engagement with the initiative.



ENCUESTA PARA LAS EMPRESAS EN CHARLOTTE

La ciudad utilizará sus comentarios para desarrollar nuevos programas y recursos que le ahorren tiempo y dinero.

¡Visita cltgov.me/cltsmallbiz para mantenerte informado!



IF YOU ARE A SMALL BUSINESS...

With **under 500 employees** operating in the city, be sure to opt in to have your voice heard!

Learn more at cltgov.me/cltsmallbiz

CONCLUSION

The marketing and branding efforts have laid the foundation for an enduring conversation about Charlotte's small business ecosystem.

APPENDIX C:

Stakeholder Engagement

OVERVIEW

Engagement for this study was rooted in strategic outreach efforts to various stakeholders to obtain quantitative and qualitative data. This data complements and expands upon the additional ecosystem research to form a more extensive understanding of the experiences small businesses have interacting with it. The project team conducted 20 virtual small-group interviews with organizations, 19 small business focus groups, and a business survey to achieve this.

OUTREACH

The project team created a list of known small business ecosystem partners for the partner interviews and sent invitations directly to their email addresses. During the interviews, participants were asked if they would assist with distributing the survey and focus group opportunities to their small business networks.

The audience then shifted from partner organizations to direct interaction with small businesses in the city. The focus group outreach was conducted more complexly and, at times, overlapped with outreach for the survey. The website was updated with a call to action at the top to direct users to the survey and to focus group registration.

Partners were emailed a toolkit for outreach, including graphics, links, and verbiage to send to their networks. Survey respondents who indicated they would be willing to participate in a focus group were directly emailed with an invitation to register. The survey was revised to include a recommendation to return to the website to register for a focus group. The focus groups were also advertised through social media and other avenues for pushing the website to small businesses in Charlotte.

PARTNER INTERVIEWS

Methodology

The project team conducted 20 small-group interviews with 120 individuals representing approximately 50 organizations serving the City of Charlotte. Organizations were grouped based on categories assigned by the project team. These categories included:

- State and regional partners
- Workforce development partners
- Higher education partners
- Minority-focused partners
- Innovation partners
- Coworking partners
- Community capital resources

- Merchant Associations
- Chambers of Commerce
- Economic development partners
- Charlotte Business Advisory Committee
- City of Charlotte CBI
- Other business support organizations

Defining small business:

What definition or parameters does your organization use to determine if a business qualifies as a “small business”?

Business support services:

What services do you offer to small businesses?

Which of these services are the most often used?

Which services are being underutilized? Why?

What services are most often requested but not offered?

Coordination and Collaboration:

What is the ‘front door’ for small businesses?

Do you refer small businesses to other resources and services if your organization cannot provide them?

Which services are most often referred?

Are there any gaps in the business support system?

Do you believe the ecosystem is well coordinated?

How could partnerships improve?

Support and Implementation

What role does the City of Charlotte play in the local small business ecosystem? What role should it play?

Is your organization well-positioned to lead or support new initiatives around supporting small businesses?

SMALL BUSINESS FOCUS GROUPS

Methodology

The objective of the focus groups was to gather insights directly from the perspective of small businesses about how the ecosystem works and how it can be improved. Focus groups were conducted in both virtual and in-person sessions. The project team hosted 12 focus groups in various geographic locations in the city with more than 30 participants. In-person focus groups were 2 hours long to allow for late arrivals, business-to-business networking, and additional follow-up questions. There were 7 virtual focus groups with approximately 25 participants. Virtual focus groups were targeted toward businesses with less time, featuring a more concentrated agenda lasting just 1 hour. In total, 56 businesses were represented in the following results.

Focus Group Format

The facilitators began with introductions, a description of the project and its objective, and some baseline rules and reminders for the engagement. Focus group participants were assured that their contributions would remain anonymous and that all information would be reported in aggregate.

Participants were asked to describe the most significant challenges they are currently facing in their businesses. Similarities and differences in responses were explored through discussion.

Because business support services are critical to a well-functioning small business ecosystem, participants were asked to share their experiences seeking such support. This included interactions with a variety of organizations, programs, and tools. When applicable, follow-up questions were posed regarding scaling operations, reaching desired markets, and the role of technology in their business.

The group discussed how business support services could be improved. In some cases, groups were asked how they support other small businesses in the city. Participants also considered where they find their information and what types of outreach are most effective in reaching them.

At the end of each session, facilitators informed the participants about the next steps of the process and how their input would be used. They were also provided with a limited list of business resources and a \$25 digital gift card to be used at other small businesses in the City of Charlotte.

SMALL BUSINESS SURVEY

Survey Methodology

TPMA conducted a robust stakeholder engagement campaign to gather insights from small business owners and the organizations that support them. This survey was one aspect of the larger effort, including interviews and focus groups. The survey was designed to capture information about the small businesses themselves (such as revenue, amount of time in business, industry, etc.), business owner demographics, and the availability, accessibility, and usefulness of business support programs in the City. Understanding the many obligations of business owners and the increasing level of survey fatigue experienced by stakeholders, the survey was designed to be completed in five minutes or less. The survey was developed in collaboration with the City of Charlotte Economic Development, with input from small business resource partners, and was available in both English and Spanish.



**CHARLOTTE CITYWIDE
SMALL
BUSINESS
SURVEY**

Visit cltgov.me/cltsmallbiz to stay in the know!

The City will use our findings to develop new programs and resources that save you both time and money



Survey Distribution and Response

To ensure the broadest reach possible, a multipronged marketing approach was used. Initial distribution efforts relied on outreach from the City of Charlotte and distribution partners assembled by the City of Charlotte. Partners were asked to share the survey with their constituents via newsletters, email, and social media posts. TPMA provided sample messaging and media to aid in distribution and refreshed content midway through the survey period. Throughout the survey period, multiple requests were made to the distribution partners to continue assisting.

Following the initial distribution, the City of Charlotte engaged in paid social media campaigns to boost participation further, running ads on LinkedIn and Meta through the City of Charlotte's social media accounts. Concurrently, TPMA contacted radio, television, and web news outlets to promote the survey. As a result of this work, placement was secured with the Charlotte Business Journal, which shared the survey with their mailing list subscribers. Direct mailers and advertising at in-person events supplemented the web campaign. Throughout the survey period, the City of Charlotte Economic Development

Department advertised the survey at in-person events, such as the Business Resource Partner meetings and Global Entrepreneurship Week. In November 2024, 9,000 postcards were sent to Charlotte businesses.

To further widen the net, TPMA engaged a local technology startup to conduct additional outreach. Through these outreach efforts, survey participants could respond through photo, video, and audio surveys.

Finally, TPMA purchased a targeted email list for small businesses in Charlotte and conducted an email campaign with three mass email sends. Unique messaging was crafted for each email, reaching over 15,000 small businesses. Survey responses were collected using ArcGIS Survey123 and exported in shapefile and Excel format for analysis. After deduplication, responses were received from 860 unique small businesses. The number of responses may vary by question, as respondents were not required to answer all questions.

TPMA Project Team:

Mark Gramelspacher, Project Advisor
Brett Wiler, Project Lead
Vernetta Mitchell, Mitchell Consulting Group
Lindsay Bloos, Project Specialist
Erin Brown, Project Specialist
Connor Waddell, Project Specialist
Steven Gause, Project Specialist

About TPMA:

TPMA empowers organizations and communities through strategic partnerships and informed solutions that create positive, sustainable change. TPMA envisions a world that thinks strategically, works collaboratively, and acts sustainably. Our economic development approach aims to achieve community resiliency through economic diversity, resource alignment, and community vibrancy. TPMA's Economic Development and Community Resiliency Team provides expertise in assessing markets, identifying business sector opportunities, building innovation and entrepreneurial ecosystems, and conducting housing assessments to assist communities in developing solutions for local housing challenges consistent with community and economic development objectives. Visit tpma-inc.com to learn more.



Conclusion

Charlotte's small business ecosystem is vibrant and full of potential, yet it faces persistent and interconnected challenges that hinder growth, sustainability, and equitable access. The findings from this assessment illuminate the need for a more coordinated approach to supporting small businesses—one that ensures awareness of available resources, expands equitable access to capital and space, deepens engagement with underserved communities, and strengthens connections between workforce institutions and entrepreneurs. Additionally, reducing barriers to procurement and encouraging collaboration between small businesses and anchor institutions must be prioritized to open new pathways for business development.

Moving forward, city leaders, business support organizations, and ecosystem partners have an opportunity to align efforts and strategically invest in solutions that are responsive to the unique needs of Charlotte's small businesses. By centering equity, streamlining access to resources, enhancing cross-sector coordination, and strengthening support across all stages of the business life cycle, Charlotte can position its small business community as a cornerstone of inclusive economic growth and resilience.

