



Crowdfunding

By Ron Busby, Sr.

We hope that you had a chance to read our last President's Message, titled "What Will (Y)our Legacy Look Like." The gist of the message was that each of us is responsible for our part of the continuing saga of Black History in America. Whatever it is that you do, however you do it, you will be remembered—for better or worse—for your contribution to the welfare of future generations.

One other point made in our recent effort was a "salute" to the nameless, faceless millions of shopkeepers, craftsmen and other silent warriors in our battle for economic parity. Have you ever wondered why "Mr. Jones" only had one store, or why "Mrs. Brown" only had one restaurant, regardless of the obvious quality of their service?

Well, among others, that's the reason for our second Pillar of Service - Access to Capital. Far too often our enterprises don't experience the growth and expansion common to other small businesses because the money just isn't available from conventional sources. Banks and investors have concocted a litany of "reasons" that Black-owned businesses are too risky (primary among them is the fact that Black consumers are so valuable to other businesses - but that's a whole 'nother story!) to deploy their resources.

From our historic alliance with the National Bankers Association to our engaging the brainpower of economist William Michael Cunningham for his expertise in crowdfunding, we have been unrelenting in our pursuit of solutions to this dilemma. In fact, this month we offered our input to Elizabeth Murphy, secretary of the U.S. Securities and Exchange Commission, regarding the potential of this new financing tool.

For your information, here's a glimpse of USBC's approach to our First Pillar of Service - Advocacy - in support of crowdfunding. On Thursday, November 21, 2013, the U.S. Black Chambers, Inc. (USBC) attended the Capital Formation Forum hosted by the U.S. Securities and Exchange Commission (SEC). The Forum focused on the Jumpstart Our Businesses Start Ups (JOBS) Act, a law that we believe promotes small business growth and access to startup funding by enabling micro and small businesses to raise capital through various website platforms known as crowdfunding portals. The JOBS Act also provides relaxed regulatory requirements (over traditional forms of financing) for individual investing in startups. There are seven Titles in the JOBS Act. Title III pertains to crowdfunding and Title VII requires the SEC to reach out to women and minority businesses to alert them about the capital raising opportunities created by the Act.

Following the forum on Nov. 21, the U.S. Black Chambers, Inc. co-hosted a Focus Group on Thursday, December 18, 2013 with the SEC Office of Minority and Women Inclusion (OMWI) office. With several of our strategic partners, we discussed opportunities and challenges associated with the implementation and regulation of crowdfunding.

On Wednesday, January 15, 2014, USBC participated in the Small Business Crowdfunding Roundtable hosted by the Office of Advocacy at the U.S. Small Business Administration (SBA) to share recommendations to make the proposed crowdfunding rules more "user friendly" for the business community.

Emphasizing our presence on Capitol Hill, on Thursday, Jan. 16, USBC attended the House Small Business Subcommittee on Investigations, Oversight and Regulations hearing titled, SEC's Crowdfunding Proposal: Will It Work for Small Businesses?



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We applaud the SEC's decision to use their Office of Minority and Women Inclusion to ensure that diverse business communities are aware of the pertinent changes. The OMWI can play a vital role in shaping JOBS Act policies that will help our businesses grow. We look forward to working with the OMWI Office to educate our stakeholders and communities about the risks and rewards of this type of capital formation and

how to leverage it optimally. Our Chief Economist William Michael Cunningham was recently featured in *Black Enterprise Magazine* highlighting the reasons that crowdfunding is a game changer for minority businesses.

We believe the proposed Title III regulations are an important step forward, and will help democratize capital access for American small business, and for African-American businesses specifically. For the first time since the implementation of the Small Business Act (SBA) of 1953, we are positioned to move far and fast in meeting the capital needs of the largest job creation source in our community. Correctly implemented, Title III will open the flow of capital to a sector of the business community that has been shut out for far too long.

We will keep you posted on this pertinent issue as it moves through the rule-making process. The ability to tap into capital for expansion made available through crowdfunding just may be the answer to the hopes, dreams and prayers of Black business owners. That's what our legacy will look like!

Ron Busby, Sr. is president of the U.S. Black Chambers, Inc.

Help wanted to reverse the cycle of teen unemployment

By Andrea L. Zopp

Growing up as a teenager in Rochester, N.Y., having a summer job was a rite of passage for me and my peers. You didn't have to get lucky to find one; all you had to do was look for one. We were eager to work and, even though we lacked experience, retailers and professionals were glad to have us. The objective was to gain experience and build a work ethic around taking instruction, earning and saving our own money.

The teen years are formative in the world of work. Today's teenagers are just as eager as we were to find jobs. Sadly, that legacy has nearly been lost in the African-American community.

Fifty years ago, President Lyndon Johnson introduced his "War on Poverty" legislation to lift all ships. Fast-forward to 2014, and we are faced with some undisputed truths: If you're young, Black and especially if you're male and poor, you're among the least likely to be employed.

Nationally, the employment rate for Black teens in 2012 was 18 percent. In Illinois, it was just under 16 percent, which puts the state in the top 10 for lowest teen employment. In Chicago, the numbers are worse, with 11 percent employment among Black teens. Only 8 percent of Black males worked that year, and among those from the poorest households (\$20,000 or less income), just 4 percent were employed.

Those figures are from the report "The Power of a Job - Youth Employment Builds the Future," by the Alternative Schools Network. In January, the Chicago Urban League convened government officials, educators, researchers and teens to talk about the stubborn and alarming decline in teen employment. Many of the teens who testified at the hearing said they were looking for year-round jobs to support themselves and their families.

Here's why this is so important: Today's youth are tomorrow's workforce. Now is the time when they should be plotting their field of study around chosen career paths. We know from experience that young people who are idle are more likely to become involved in gang and violent activity, to use or sell drugs, or to become victims of violence.

Dionne Keyes, a 19-year-old graduate of Kenwood Academy, agrees that idleness is a big problem for teens.

Keyes participated last summer in The Greencorps Program, an initiative facilitated by the Chicago Urban League, which provided jobs in green technology fields to youth ages 16 to 19.

"Greencorps was an amazing experience," Keyes said. "It helped me with savings. It helped me be more aware of my surroundings and the environment."

During the six-week program, she spent time building bicycles at Fenger High School - "from out of the box," she said - and then she and other teens in the program rode their bikes to several neighborhoods to work in community gardens and forest preserves. In addition to earning \$163 every two weeks, Keyes strengthened her resume and her financial literacy.



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"It helped me be more aware of saving and be more aware about how to spend my money," Keyes said, explaining that every week, Greencorps mentors led the teens through computer-based instruction on managing finances. "With the job I have now, I'm actually saving money for a car." Keyes is now working at a retail store near her home in the West Pullman neighborhood, earning between \$200 and \$300 a week, she said.

"I think it's a great way, especially in the summer, to keep teens out of the streets because they have something to look forward to every morning when they wake up so they're not hanging out on the streets," Keyes said of the experience. "It made me proud that I was working."

Dionne was among the lucky ones who got a helping hand last summer. She said many of her peers lack the confidence to apply for programs such as One Summer Chicago, a joint initiative between the city and county. Her advice: "Keep pushing; ask for help," Keyes said. "A helping hand can get you a long way, as it did with me."

Those of us who truly care about young people and the future of our workforce have an obligation to make sure that many more youth have access to summer jobs. Private employers: It costs just \$2,000 to hire a teen for the summer. Commit to hiring one this year. It's an investment that will pay a lifetime of dividends.

Andrea L. Zopp is president and CEO of the Chicago Urban League. For more information about the Chicago Urban League, visit www.thechicagourbanleague.org.