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Vice President Kamala Harris Announces New Investment Fund to Expand Access to Capital for Entrepreneurs of Color

October, 25, 2023 (Washington, D.C.) -- Today, at the Freedman's Bank Forum, Vice President Kamala Harris and the [Initiative for Inclusive Entrepreneurship](#) (IIE) announced new dedicated investment vehicles with a goal of raising \$80 million in private and philanthropic capital to leverage federal funding for entrepreneurs of color. Led by Hyphen, Mission Driven Finance, and JumpStart, these investment vehicles will help the State Small Business Credit Initiative (SSBCI) expand capital flow for underserved communities, accelerating innovative and inclusive solutions through Community Development Financial Institutions, high-impact credit funds, and diverse venture capital fund managers. The Skoll Foundation, along with the W.K. Kellogg Foundation, anchors the investment strategy. Additional partners leading implementation of IIE's capacity-building pilot include Founders First Capital Partners, Next Street, and Nowak Metro Finance Lab.

A national effort to expand access to capital for small businesses owned by people of color, IIE harnesses the power of public-private collaboration to support the U.S. Department of the Treasury's goal of reaching socially and economically disadvantaged small businesses through its \$10 billion State Small Business Credit Initiative (SSBCI). With leverage as a built-in strategy, every SSBCI dollar deployed is designed to catalyze \$10 in private investment, with a 1:1 match required.

"SSBCI is primed to be the most significant small business program in US history," said **Hyphen President Archana Sahgal**. But we can only realize its potential by engaging the philanthropic and the private sectors, and that's where IIE comes in: Our dedicated investment vehicles will mobilize philanthropic and private capital to help states meet their federal match requirement and ensure that SSBCI funding makes it into the hands of entrepreneurs of color.."

In the small business ecosystem, there is a growing need for more inclusive growth capital products as well as capital delivery vehicles. [83% of businesses do not access "traditional" capital products](#); [businesses owned by people of color pay 22% higher interest rate due to "perceived" risk](#); and [less than 10% of VC investment professionals are themselves people of color](#).

Building upon IIE's capacity and ecosystem-building work to date, this investment strategy will catalyze \$80 million within the next year. IIE's new investment vehicles will expand the

availability of innovative products and provide underserved small business owners with access to capital to grow and thrive.

“As part of our commitment to driving the flow of capital to under-resourced communities, Skoll has combined a grant with a follow-on Program Related Investment to support the Initiative for Inclusive Entrepreneurship,” said **Marla Blow, President and COO of the Skoll Foundation**. “In partnership with the public sector and private capital, this opportunity presents a powerful economic inclusion model at scale that has the great potential to change the financial trajectory for communities across the United States.”

“Business ownership creates new wealth faster and offers a proven pathway to narrowing the racial wealth gap. To this end, the Kellogg Foundation is proud to partner with the Initiative for Inclusive Entrepreneurship to ensure that the billions of federal dollars available for small businesses are equitably deployed to entrepreneurs of color,” said **Carla Thompson Payton, Vice President for Program Strategy at the W.K. Kellogg Foundation**. “This Initiative is poised to help redesign and strengthen the infrastructure of capital flow to small business owners in communities of color across the U.S.”

“To ensure the SSBCI is deployed more equitably to entrepreneurs of color than other government programs have before, we have to strategically mobilize private and philanthropic capital,” said **Mission Driven Finance CEO David Lynn**. “Since our founding in 2016, Mission Driven Finance has been entirely dedicated to reimagining a financial system that works for everyone—supporting small businesses in historically underinvested communities, including entrepreneurs of color experiencing capital gaps. We are proud to lead the investment strategy for the Initiative for Inclusive Entrepreneurship.”

"JumpStart is proud to collaborate with Hyphen and Mission Driven Finance to advance our shared vision to bridge capital gaps for entrepreneurs of color," said **Teleangé Thomas, Chief Operations and Relationships Officer at JumpStart**. "By spearheading the IIE High-Growth Vertical strategy alongside industry leaders, we are leveraging our collective expertise to ensure that SSBCI funding not only reaches but truly impacts diverse-led funds and BIPOC innovators."

About IIE

Launched in 2022 by Vice President Kamala Harris, the Initiative for Inclusive Entrepreneurship (IIE) is a \$100 million pilot initiative to increase capital flow to entrepreneurs of color. By serving as a force multiplier for the U.S. Department of the Treasury’s \$10 billion State Small Business Credit Initiative (SSBCI), IIE works to expand patient capital and innovative financial products, strengthen the small business ecosystem, and create systemic change to benefit entrepreneurs of color well beyond the life of this American Rescue Plan-funded program. IIE brings together philanthropic organizations, corporations, and federal and state governments to advance these goals. Incubated by Hyphen, IIE is co-led by Founders First Capital Partners, JumpStart Inc., Mission Driven Finance, Next Street, and Nowak Metro Finance Lab. For more information visit <https://www.hyphenpartnerships.org/initiative-for-inclusive-entrepreneurship>.