

# Equity Investment Act

## Legislative Concept 75

Investing in our communities. Repairing harm.



The Equity Investment Act (EIA) will create generational wealth equity in the communities most harmed by the War on Drugs and the criminal justice system.

### The Problem

Over four decades of over-policing, discriminatory policies, and the War on Drugs have exacerbated wealth disparities for Oregon's Black, Indigenous, and Latinx (BIL) communities.



### The Solution

The Equity Investment Fund allocates \$50 million of general fund dollars to Business Oregon to provide grants to culturally-responsive, community-based organizations that support entrepreneurship, workforce development, and paths to home and land ownership. The fund will strengthen Oregon's economic potential while repairing harm and creating community resiliency.



The Equity Investment Act is one of the state's pathways to economic justice for Black, Indigenous, and Latinx Oregonians. By investing in proven community resilience and generational wealth mechanisms: entrepreneurship, homeownership, and workforce development - we can create a more just, stable, and prosperous Oregon for all.

— Senator Akasha Lawrence Spence

### The Equity Investment Act Will:



#### Be Culturally Responsive

Grants are provided to organizations with intimate knowledge of the lived experience of the individuals, families, businesses and communities receiving services.



#### Strengthen Oregon's Economy

"If the number of people of color firms were proportional to their distribution in the labor force, people of color would own 1.1 million more businesses with employees. These firms would add about 9 million jobs and about \$300 billion in workers' income to the U.S. economy."

Algernon Austin, The Color of Entrepreneurship, Center for Global Policy Solutions (CGPS), (April 2016), <http://globalpolicysolutions.org/wp-content/uploads/2016/04/Color-of-Entrepreneurship-report-final.pdf>



#### Invest \$50 Million per Biennium: Bolstering Outcomes

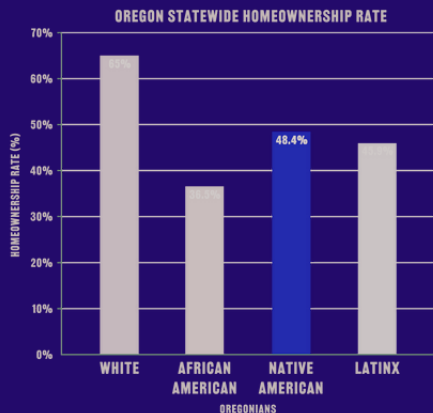
The Equity Investment Act will expand the existing services levels by trusted community partners. In 2021:

\$9 million in technical assistance to underrepresented businesses distributed by Hacienda CDC

58 new home owner in homes by Proud Ground

\$345,000 in grants to small businesses in partnership with Raza Covid-19 Hope fund and Prosper Portland - successful public private partnership

# Why the Equity Investment Act Now?



IF THE NUMBER OF PEOPLE-OF-COLOR OWNED FIRMS WERE PROPORTIONAL TO THEIR DISTRIBUTION IN THE LABOR OF FORCE, PEOPLE OF COLOR WOULD OWN

**1.1M** MORE BUSINESSES WITH EMPLOYEES

**9M** JOBS ADDED

**\$300** IN WORKERS INCOME TO ADD TO THE U.S. ECONOMY BILLION

**EARNING A MIDDLE-CLASS INCOME DOES NOT GUARANTEE MIDDLE-CLASS ECONOMIC SECURITY**

MIDDLE CLASS INCOME EARNER WEALTH COMPARISON



"Earning a middle-class income does not guarantee middle-class economic security. White households in the middle-income quintile (those earning \$37,201-\$61,328 annually) own nearly eight times as much wealth (\$86,100) as middle-income Black earners (\$11,000) and ten times as much wealth as middle-income Latin[x] earners (\$8,600). This disconnect in income earned and wealth owned is visible across the entire income spectrum between these groups." With the effects from the compounding crises of: over-policing, COVID-19, rising household costs, and other economic strains, now more than ever, we must strengthen Oregon's future by investing in historically underserved communities.

Source: Dedrick Asante-Muhammad, et. al., *The Road to Zero Wealth: How the Racial Wealth Divide Is Hollowing Out America's Middle Class*, Prosperity Now (September 11, 2017), [https://ips-dc.org/wp-content/uploads/2017/09/The-Road-to-Zero-Wealth\\_FINAL.pdf](https://ips-dc.org/wp-content/uploads/2017/09/The-Road-to-Zero-Wealth_FINAL.pdf).



“This fund was designed to be ongoing, growing, and significant. This means we can invest appropriately in Oregon’s growing diverse communities with the multi-year outcomes required to close the state’s wealth gap.

— Jeannette Ward Horton, Chief Executive Officer of NuProject

## Equity Investment Act is Supported by:



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