

BACK TO BUSINESS IOWA PODCAST

A partnership of Iowa State University Extension and Outreach and America's SBDC Iowa

SEASON 1 | EPISODE 5: Small Business Relief Fund-Iowa

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Description: *This podcast features Deidre DeJear from the Des Moines Area Community College (DMACC) and Kameron Middlebrooks with ISU Extension and Outreach Community and Economic Development. Guests discuss the Iowa Small Business Relief Fund, which provides grants to businesses with seven or fewer employees impacted by COVID-19.*

Transcript:

[music]

Steve Adams, host 00:04

Hello, and welcome to the COVID-19 business development response podcast from Iowa State University Extension and Outreach. This podcast is a collaboration between Iowa State University Extension and Outreach programs, including Community and Economic Development, Farm, Food and Enterprise Development and the Iowa Small Business Development Centers. These podcasts cover relevant topics for businesses and individuals related to education, research and technical assistance during and post-COVID-19.

Steve Adams, host 00:45

I'm Steve Adams, field specialist three at Iowa State University Extension and Outreach Community and Economic Development and your host for these podcasts. In this podcast, we'll be discussing the Iowa Small Business Relief Fund focusing on financial assistance for those businesses from one to seven employees. Today our guests are Deidre DeJear and Kameron Middlebrooks. Diedre is a member of the statewide alliance that formed this Iowa Small Business Relief Fund. And Kameron Middlebrooks is a field specialist one with Iowa State University Extension and Outreach. First of all, Kameron, welcome back.

Kameron Middlebrooks 01:28

Thanks for having me back, guys.

Steve Adams, host 01:31

And Diedre. You're new to this, but welcome and thank you for being here today.

Diedre DeJear 01:36

Happy to be here.

Steve Adams, host 01:38

Diedre, just right off the bat, can you provide some background on the alliance and why it was formed for the small business relief fund?

Diedre DeJear 01:47

Sure. So at the Financial Empowerment Center, we work a great deal with small business owners and develop partnerships throughout the entire county to help us better help our small businesses.



Especially those folks who are first-generation small business owners and may not have all of the skill sets and the tools to help their business thrive. They may have the products and services all figured out, but the technical component, you know, sometimes people need a little bit of assistance on that.

Diedre DeJear 02:14

And so we've been working with our small business owners for over seven years, the Polk County area, and you know, when COVID-19 originally started to unveil itself within the state of Iowa, we knew immediately that our small businesses were going to be impacted tremendously by it. We saw how the recession in 2008 dramatically impacted our small businesses. And so from our vantage point, we wanted to be preventative.

Diedre DeJear 02:41

And so when we were looking at, you know, there were a couple of different funds at the time that were available. Many of our business owners were not equipped to file for those specific opportunities, nor were they able to qualify for them. And so several organizations decided to get together and start to raise money in order to be a supplemental service for what was already available at the federal level and the state level.

Diedre DeJear 03:09

And it's a very, very diverse array of organizations that are invested in their own communities, that are adding value in their communities. And the reason why this alliance means so much is because without the alliance, it makes it difficult for us to get the information, get the opportunity, to the people who need it most—to the people who are inundated with just the day to day interactions with how COVID has changed their lives.

Diedre DeJear 03:35

That's the number one component and then the number two component of this alliance is, those are the folks who are going to decide who gets the dollars and what amount in which they'll get those dollars. And this is not a loan, it's a grant, and our goal is to ensure that our small businesses are weathering the storm, and this fund is geared towards helping our small businesses weather the storm.

Steve Adams, host 03:58

Well you mentioned Polk County, but this Small Business Relief Fund really is for anybody in the state of Iowa, isn't that correct, Diedre?

Diedre DeJear 04:05

Correct. This fund is for anybody in the state of Iowa. We're located here in Polk County, but all of our meetings are done virtually. We're super excited to have Iowa State Extension on board. You all are providing a great deal of support by simply just providing additional coaches for us to be able to help folks through the situation as best as we possibly can. So any Iowa-based business qualifies for this fund.

Steve Adams, host 04:31

That's great. Thank you for crediting Iowa State University Extension and Outreach for their role. Other key members of the alliance, Deidre? Who else is involved with this disorder listeners, have an understanding of who the partners are here.

Diedre DeJear 04:44

You know, I'm so proud of all of these organizations that are coming alongside of each other. I don't know that we've ever come together in such an intimate way to resolve a challenge like this. And so,

I'm gonna name the organizations. There's a long list of them but they're all so amazing, and I'm not naming them in any particular order.

Diedre DeJear 05:02

But along with Iowa State Extension, we have Iowa Community Capital, who is our fiscal agent, allowing all of our contributions that come into this fund to be tax deductible. They're also serving as the organization that's sending all of the funds to folks throughout the entire state. We have EMBARC, which is an organization geared towards Burmese refugees. There's LULAC, which is an organization, a national organization that focuses attention on uplifting folks in the Latino community nationwide.

Diedre DeJear 05:36

Then we have Dream Iowa, who provides financial education and small business development to Spanish speakers and folks of Latinx origin within the state. There's also the NAACP, which really really has invested a lot of time and energy into economic attainment for African Americans in the state. We also have Veridian, who is a sponsor and a contributor to this particular fund.

Diedre DeJear 06:02

One Voice VSM, a new organization that's bringing together all different populations representing the African diaspora. We also have the Immigrant Entrepreneurs Summit. They host a number of summits for immigrants throughout the state, helping small business owners really elevate and improve their standards so that they can better serve their customer base. A Bosnian-American Association, we're really proud to have them, Bosnian-American Association of Iowa. Kameron, am I missing anybody else? I feel like I am.

Kameron Middlebrooks 06:34

The list is long. I'll blame it on your head and not your heart.

Diedre DeJear 06:38

Yes, not on my heart. Oh, Latino Resources of Iowa, which also puts on the Latino Heritage Festival. And then one other organization is the Directors Council. They were one of the first organizations to come up with this idea. They are responsible for the One Economy Report that so many in our state know, about the state of Black Polk County. And there's just so many that are just adding tremendous value to the work that we're doing, and investing their time and energy in a way that is remarkable. And all because we just need to really support our businesses. You know, there's this notion that it takes a village and this is a true village. If I think of anybody else along the way, I'll give them a shout-out.

Steve Adams, host 07:19

Well drop that in anytime Diedre. And Kameron, is there anybody that Deidre forgot there that you want to mention?

Kameron Middlebrooks 07:26

None that I can think of right now, just really excited about all these organizations come together to really solve this challenge. And as she mentioned before, I can't remember a time when this many organizations have come together in such an intimate way to really be, not only a voice for the community, but also to be a source of relief for the small businesses that are so important to growing the communities that they serve.

Diedre DeJear 07:51

I did forget one, my employer, Des Moines Area Community College. You know, they wouldn't be excited if I forgot them, but they are a true catalyst of this movement as well. So we really appreciate them.

Steve Adams, host 08:01

Diedre, I suspect they're signing your check, right?

Diedre DeJear 08:04

Yeah, they are. They are signing in. And I appreciate that. [laughter]

Steve Adams, host 08:10

Well, what a broad brush. I mean, really, when when you say that it takes a village to raise a child, I mean that, you certainly sound like you've got a tremendous amount of people who are in support here for what you're doing. And I just think that's absolutely terrific. Now, I'm kind of curious, it appears that this funding source has kind of a niche to it. Deidre, could you provide some detail on why and how it was selected just this way?

Diedre DeJear 08:37

Yeah. So the target is to really focus on our very small businesses. In the beginning, many of the programs did not include sole proprietors and contractors. And now there's been some products and services, or some products that have come out that kind of do help in that arena, but those are the most vulnerable, right? Like those are the folks that have the least amount of dollars coming in. They're not as connected to all of the institutional structures that many of our more seasoned and larger business owners have.

Diedre DeJear 09:08

And so we wanted to really focus on the specific group because they are the most vulnerable, they were vulnerable before COVID. And so now with COVID, it stresses even further and so, one to seven employees and sole proprietors are included. The grant amount is anywhere from \$500 to \$3,500. And then the other component is that ensures our businesses have been established. So we're not really focusing on new business owners that are younger than six months, we're really focusing on those that are older than six months.

Diedre DeJear 09:43

So those are the general requirements. We ask that people provide profit and loss statements or bank statements, and a balance sheet as well. But and then there's an opportunity to make a statement on how COVID-19 has impacted you. You know, if COVID-19 hasn't impacted you, this isn't the fund for you. We have other services that are available. But if COVID-19 has impacted you and your business and how you're doing business, this is an opportunity to apply for those funds to advance, and these funds can cover a number of things.

Diedre DeJear 10:14

What it doesn't cover is wages, because we have other supplemental services to help our business owners find different ways to accommodate for the wage component. But if a business owner is trying to level up as it relates to their technology, to increase their bandwidth to serve their customer base in the midst of COVID, we want to help there. If a business owner is having problems meeting the utility bill or meeting the rent, we want to help there. And the business owner wants to incorporate delivery services because they believe that's going to increase their profit margins, then we want to help there. So there are a number of different creative ways in which the funds can be used. And we ask you that in the application because, you know, we want you to be intentional about how you use these dollars.

Steve Adams, host 10:56

Well, you said one to seven employees, but again just to clarify, it's not to be used for wages, because obviously there's some other programs out there like the Payment Protection Program that we talked

about in recent podcasts. That money can't be used for wages, but it could be used for any number of other things that would go along with your business, is that correct?

Diedre DeJear 11:19

Yes. With the business, any—the personal component, we've got services on the other side for that. This is just to ensure that your business survives and thrives through COVID-19.

Steve Adams, host 11:30

Well, and you mentioned, and I think this is probably critical to this point in time is that, you know, if you needed to take your business online or you needed to expand delivery services or look at a best practice component, that you maybe did not have in your previous business model, this money could be used to do exactly that, correct?

Diedre DeJear 11:53

Mm-hm. Exactly. And, you know, our dear friends at Iowa State Extension are meeting with people to talk about those things. Because I think as business owners, we often struggle with trying to grow our business and do the business. It's sometimes difficult to run parallel tracks when you're operating on a shoestring budget and when you're operating with simply you in the 24 hours a day that you have to contribute to your business.

Diedre DeJear 12:19

And so because COVID-19 has literally put our country on its knees, their business has slowed down tremendously for so many. We don't have to just sit and mope about the problems. We can do that, and sometimes that feels good, and we need to do that. But we also need to be utilizing our spare time to level up coming out of this. How are we a more improved, efficient and more profitable business? And that's what I really, really like about what Iowa State is doing. And I'll let Kameron speak more about what that looks like.

Diedre DeJear 12:54

But I think it's going to be a tremendous asset to our businesses because, so today we've got more than 400 hundred applications that have come in and, you know, some of those people aren't going to get the amount of money that they asked for. But if we can provide those supplemental services to have those folks meet with a coach, maybe there's some solutions that they haven't considered that are going to come up during that phone call that helps move the needle forward. Because if we can tell a business owner, hey, you can save \$1,500 dollars a month on this credit card bill, because we've talked to the credit card company and they're gonna forbear your credit card payment for three months, giving them that \$1,500 dollars extra a month for three months, you know, \$3,500 one time. So if we're trying to help people full scope here.

Steve Adams, host 13:40

We had a recent conversation again in another podcast about cash flow. And I think a lot of small businesses right now are in panic mode, because it's not business as usual. The business model that they originally set their business up for doesn't really exist anymore just because of the pandemic. So they're having to, quote unquote, adjust under the fly. So this really is providing them with not only a little bit of money, but also some counseling opportunities, correct?

Diedre DeJear 14:11

Exactly, at no cost and not burdened by a another product or service that you have to pay for.

Steve Adams, host 14:17

Oh, understood.

Diedre DeJear 14:18
Unconditional service.

Steve Adams, host 14:19
Pretty sure thinking about this that the no cost option is pretty attractive to small business today.

Diedre DeJear 14:24
Mm hmm.

Steve Adams, host 14:25
So you kind of gave a little status of the program today. You said you have over 400 applications. What kind of monies do you have available to loan back out, I guess, at this point.

Diedre DeJear 14:38
So this is a grant. I want to clarify, because there are some loans out there but this is, they can have this money for the business to do what they have committed to doing with the dollars. But today we have almost \$100,000 raised, continuing to raise money. We're always opening up the door for people to raise or to contribute to this fund, you know. On Fridays, and I'll be doing it today at five o'clock, most of us on Fridays are somewhere on a typical day frequenting a small business, whether we're going to get our hair done, our nails done, going to a bar for drinks with co-workers or going to dinner, or a movie, and we can't do any of those things right now.

Diedre DeJear 15:19
So I'm asking folks that have the means to, you know, contribute dollars every Friday, tip our business owners, if you will, symbolic tip to say, hey, you've been here for us when we needed you and we want you to be here for us on the other side of this. They need our support. It's a lonely life being a small business owner, and I can't tell you the amount of love that I hear from them just in their applications and reviewing them. I mean, these are just regular people trying to make ends meet for themselves, their families and the people that work for them.

Steve Adams, host 15:52
Well, I think again, this is kind of a safety net. And I would, like throwing out the lifesaver buoy, you know, to people, just to let them know that they're not alone, and that the pay it forward mentality really makes sense. Especially, you know, for those people that can't operate a business. I, in fact paid forward on a haircut that I am going to desperately need pretty soon or my wife [laughter, unclear].

Diedre DeJear 16:18
You don't want your wife to experiment to see if she can get it done for you?

Steve Adams, host 16:21
No, no, absolutey not. I've gotten a haircut from her a time or two during our marriage, and it never turned out well. Kameron, just real quickly, can you give me an example of, you know, maybe what a typical client is for you? And who are some of the people that are approaching you about assistance with this program?

Kameron Middlebrooks 16:41
Sure, so we have clients from I mean, just about every industry that you can think of that has been affected with the quasi-quarantine that we're facing right now. We can talk about your barbers and your stylists, all the way to your in-home remodelers. Just got a call this morning actually from a barber who

is in some really financial trouble, his landlord is attempting to attempting to evict him because he hasn't been able to operate this business for the past six weeks, right? This fund is for individuals like that.

Kameron Middlebrooks 17:10

But in addition to the immediate relief that we're able to offer them, I think Iowa State Extension's role in this is really to worry about the recovery, and helping these businesses come out stronger than they were before. We have a number of different services that we offer through our business coaching, anything from market feasibility studies, to financial projection reviews, all the way down to strategic planning or financial benchmarking.

Kameron Middlebrooks 17:32

One key tool that we're really excited about introducing in a virtual aspect is our Business Model Canvas. I think we understand that once the state does open back up for business and the economy does start getting back on its feet, people are going to be doing business a little bit differently. With social distancing, and folks still having a fear of being in public and things of that nature, it's really important that these businesses utilize technology to the best of their ability, but understand that their business model may need to change.

Kameron Middlebrooks 17:59

I mean this is one key aspect of the Business Model Canvas. It helps businesses understand how that business model can change, how they can develop new streams of revenue, how they can understand who their target market is and how they can recreate the value proposition to ensure that when we do come out of this, they come out of this as best as can be. Folks are gonna be going to act differently. They're going to react differently to the circumstances that we're in. And it's important that in this slow time, businesses take into account and evaluate and reevaluate their business processes and their business model to ensure that they're going to be able to meet the needs of what their customers are going to be facing.

Steve Adams, host 18:38

So Deidre, if you wanted to bring up any other items that our listening audience should be aware of? A couple of questions come immediately to mind. Will there be additional funding for the program in the short term and then again, what about the intermediate or long-term prospects for this Small Business Relief Fund.

Diedre DeJear 18:58

This alliance has meetings set up every week for the next two months. So we're not going to stop until the alliance feels like our job is done. So this is an ongoing process. We're not closing applications, we're not, at least not at this time. We are not going to stop raising funds at this time because there's work to be done. And you know, luckily, we had a great holiday before this, and were able to rest up. Because it's time to go to work at this point in time, because we got work to do.

Steve Adams, host 19:30

Oh, absolutely understood on that point in particular. So Diedre, this program is not really that old. I mean, like two weeks ago today was when you first started accepting applications, is that correct?

Diedre DeJear 19:42

April 10th is when we started accepting applications. We put out a first press release, I think six days before that. So yeah, it's not an organization or anything along those lines. It's just, you know, when stuff happens, I remember when I was a kid, if I would get hurt and I would cry, you know, a crowd of

people would come to me. Whether it was my mom, my dad, my cousin, my brothers, there was a crowd of people concerned about how to help me, because I was in pain, I was hurting.

Diedre DeJear 20:09

And I think that's the essential mechanism of what we should be doing as human beings. Of course, you know, our business owners aren't necessarily people, but people are tied to them in so many different ways. And we are creating beautiful webs of culture with all of the small business owners that exist in our community. And the goal, the true goal behind this program is to ensure that no small business owner is left behind, unless they choose to be. But no small business owner is left behind. We cannot see the ramifications of something like this.

Steve Adams, host 20:42

So Diedre, here I am. I'm a small business owner. I'm feeling these struggles as you described and as Kameron described, and I need a little help, I need a little counseling, I might even need a little bit of comfort. So how do I find you and how do I get a hold of you if I need that?

Diedre DeJear 20:59

Empowermoney.org is our website, empowermoney.org. And you can visit our website to apply for the Small Business Relief Fund. You can also visit our website to schedule a small business coaching appointment with our coaches. You can also go to our website to schedule a personal appointment, because you know, as I said, this fund is focusing on the business and the people are behind this business. And so we want to make sure that all of our business owners' personal finances are in order, and if there are ways for us to cut and shave and spend better from that front, and then we do that. So we've got a couple of different buckets that we're working with people on. But as soon as you go to empowermoney.org, you'll see a big green button that says Schedule Now.

Steve Adams, host 21:49

That sounds like it's fairly simple and straightforward. So that doesn't sound like that would be any issue at all. And that's empowerwhat.org? I'm sorry Diedre.

Diedre DeJear 21:58

Empowermoney.org.

Steve Adams, host 21:58

Empowermoney.org. Okay, I've got it and I hope our listeners do as well. And again, this is available to any small business in the state of Iowa. It's not specific to Polk County. So anybody can go up there and look for possible assistance out of this program, is that right?

Diedre DeJear 22:18

Correct. You're exactly right.

Steve Adams, host 22:21

Kameron, I'm gonna give you one more shot here. Is there anything you'd like to add to this conversation at this point?

Kameron Middlebrooks 22:27

Yeah, I just want to, you know, harp again, that you know, the immediate relief is important, but the recovery is even more important, man, taking advantage of the coaching opportunities. Again, you could schedule those appointment opportunities at Empowermoney.org, we have coaches through the Financial Empowerment Center, as well as through Iowa State Extension and Outreach. We're here to

help. We want to see these companies come out of this crisis stronger than they were before. But the important thing is, let's take the time right now to reevaluate, to change that business model to ensure that you come out of this stronger.

Steve Adams, host 22:59

Kameron, appreciate that. And Diedre, since you're our special guest today, I'm going to let you have last words and final comments. Anything you'd like to add here to wrap this up?

Diedre DeJear 23:10

I just want to thank organizations like Iowa State Extension and Outreach who are investing their time and energy into this. Y'all probably had other strategic ideas that you could be focusing on for this year. But you're helping us out here and it means so much. And there's this notion that hard work guarantees nothing, but without it, we don't stand a chance. And I feel very confident about the hard work that we're putting into this, and I feel good about the outcome that's going to come out of it.

Steve Adams, host 23:37

Diedre, I can't say enough, back to you as well. You know, many thanks for working this up and getting this Iowa Small Business Relief Fund up and going and terrific work, terrific partners. My gosh, this is just another example of Iowa nice, I guess. You know, we're working together to try to keep small businesses afloat. So I want to thank both Diedre and Kam for joining us today and everything that was brought up was incredibly enlightening and I hope you take advantage of these programs if you can.

Steve Adams, host 24:10

So just as a kind of a wrap-up, if you have any questions about this Back to Business podcast, please feel free to contact me, Steve Adams, at stadams@iastate.edu. And, again, thank you for listening. Again, this podcast is a collaboration between Iowa State Extension and Outreach and the Small Business Development Centers of Iowa. We're always serving Iowans, hashtag strong Iowa. For our justice statement: This institution is an equal opportunity provider. For the full non-discrimination statement or accommodation inquiries, please go to www.extension.iastate.edu/diversity/ext. Thank you all once again, and we'll see you next time on the Back to Business podcast.

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