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# News Release

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## 175 Businesses Receive Support from Durham Small Business Recovery Fund

DURHAM, N.C. – The [Durham Small Business Recovery Fund](#) has provided 175 small, minority, and women-owned local businesses with needed assistance in their fight for survival during the COVID-19 pandemic.

The recovery fund, a collaboration between the City of Durham, Durham County, and Duke University and Health System, was established to provide grant and loan funds for businesses adversely affected by the COVID-19 pandemic. The fund consisted of \$1 million in private money from Duke University Health System for grants, and approximately \$2 million in public funds for loans from both the City of Durham and Durham County. The fund has just published a [program update](#) detailing how 175 local businesses have now received over \$1.6 million since its inception in July 2020.

The recovery fund was specifically designed to reach small businesses with less than 25 employees, independently owned, sole proprietors, and independent contractors. According to the report, small, minority, and women-owned local businesses did not fare well in securing federal funding from the U.S. Small Business Administration through the Payroll Protection Program. The immediate effects of the pandemic were also disproportionately felt by businesses owned by people of color. Black-owned businesses experienced a 41% decrease in activity and Latino/a/x business owners experienced a 32% decrease, compared to only a 17% decrease for white-owned businesses.

"I'm so proud that the Durham Small Business Recovery Fund has been able to provide crucial financial support to 175 small businesses, with the majority of them being women-owned and minority-owned. This has been a critical part of our community's COVID-19 response," said City of Durham Mayor Steve Schewel. "Carolina Small Business Development Fund (CSBDF), who is administering our Recovery Fund, engaged in extensive marketing and outreach to inform the community's entrepreneurs about the grant and loan programs. There was a concerted effort to reach Durham's minority and women-owned firms."

According to the report, reaching minority communities in Durham required persistent messaging campaigns across multiple mediums. CSBDF marketed the program through community-based partners that specialize in reaching minority businesses. The Greater Durham Black Chamber of Commerce provided targeted outreach to their network of black-owned businesses. All information sessions and program materials were also translated into Spanish to ensure Hispanic entrepreneurs would not face any barriers in applying. CSBDF and the City also hosted a Spanish-language information session attended by 93 entrepreneurs with City Councilmember Javiera Caballero and Monica Collin, a representative from the U.S. Mexican Consulate.

"I am pleased to share this report which chronicles the significant efforts that have been undertaken over the past 10 months in an attempt to support and revitalize our small business community that was so negatively impacted by the coronavirus pandemic. Particularly, by connecting with women-owned, small businesses of color that have been disproportionately affected by COVID-19," said Durham County Board of Commissioners Chair Brenda Howerton.

The Durham Small Business Recovery Fund has been able to support so many local businesses because of the collaboration between the City, County, and Duke University working together with a shared goal to support diversity and equity when creating the program. "Duke recognizes the importance of thriving businesses in community wellbeing and is pleased to partner with the City, County, and others in supporting the recovery and vitality of small businesses in Durham," said Duke University Office of Durham and Community Affairs Vice President Stelfanie Williams.

According to Andre Pettigrew, director of the City's Office of Economic and Workforce Development, this partnership was invaluable since North Carolina's General Statutes limit a municipality's ability to provide grants to individual businesses. "The inclusion of \$1 million from Duke University and Health System for grants allowed the program to provide short-term cash infusions to businesses debt free. City and County government funds enabled longer-term financing for businesses in the form loans to finance future growth and development," Pettigrew said. "The partnership is significant and represents the level of commitment and innovation required to support Durham's small business community during this most challenging of times as entrepreneurs 'pivot' and respond to the disruptive market conditions brought on by COVID-19."

According to Pettigrew, while the entire \$1 million in grants has been awarded, there is approximately \$1 million still available in loan funds from the recovery fund. The unsecured loan provides funding for working capital, equipment, and leasehold improvements over a nine-year term and at a 3% interest rate. "Our program has proven to be successful in expanding access to capital for minority and women-owned businesses with over 50% of borrowers coming from those historically underutilized categories," Pettigrew said. "As a result, program partners are seeking to expand the program to ensure even greater use by local, small businesses since there is a continued need to provide long-term capital."

Program partners have made several adjustments to the program as the needs of the market have changed. After the first round, businesses who could satisfactorily document reasons for a significant disruption in operations were allowed to apply. The loan program also expanded to allow businesses with revenues up to \$5 million to apply (the initial revenue max was \$2 million) and up to 50 full-time employees (the initial employee maximum was 25). Lastly, businesses who were awarded a grant were also allowed to also apply for a loan, thus increasing the total amount of funding available to their business from the recovery fund. Working with CSBDF, the City, County, and Duke University are considering adjustments to expand the eligible pool of applicants and make the program more available and marketable to small business owners in Durham.

The recovery fund continues to be held and administered by the CSBDF. In addition to having administered the grants provided by Duke University's funding, CSBDF will also continue to process, service, and collect loans on behalf of the City and County; market the loan program; and provide technical assistance to businesses receiving loans. For more information, visit CSBDF's [Durham Loan Program](#) webpage or [email](#) their staff.

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