

LEGACY & MINORITY BUSINESS DESIGNATION

Geography Assigned: Countywide

A Legacy Business Designation Program, typically established by a local jurisdiction, business district, or non-profit organization, provides a way to incentivize the preservation of local businesses that meet specific criteria. These criteria are related to each business's tenure and support small, independently owned businesses that provide a particular community value. Comparably, a Minority Business Designation Program can offer the same provisions, highlighting ethnically and racially diverse business owners' community value.

Recommendation 1: Utilize business designation for data collection and monitoring

In Montgomery County, there is an opportunity to utilize legacy and minority business designation programs to collect and monitor data on the relative health of the businesses and track economic variables such as jobs created and retained, length of operation, and occupancy, and business growth or contraction, if applicable.

Determine which organization will own the data and how it will share it with other entrepreneurial support organizations. Ensure that the confidentiality of the businesses data is a priority and leverage the Diverse Retail Liaisons to engage in conversations with businesses so they understand how the data will be used and shared. To easily link with other county data (e.g., business licensing and certificate of occupancies), the Montgomery County Office of the County Executive Small Business Navigator may be best suited to serve as home to the database with limited access to key organizations.

Leverage data to design programs and prioritize resources. For example, this data set can identify which businesses' Yelp or Google ratings decreased year-over-year, enabling the Diverse Retail Liaison to prioritize their outreach to minimize closure risks. Alternatively, users can target a thriving industry or physical cluster for increased investment or other forms of support to contribute to business and tax base growth.

Recommendation 2: Design the program as a self-selection process

When deploying a minority business designation program, self-selection ensures appropriate categorization reflecting the business owner's identity, not a perceived race/ethnicity, age, or other demographic variables, like similar demographic-based programs. At a minimum, require the following collection of information: owner's race/ethnicity; owner's age; age of business at the existing location; and owner's gender. Revenue data should be provided by the business owner through voluntary engagement with the Diverse Retail Liaison instead of obtaining tax data from the state, which would pose confidentiality challenges.

Recommendation 3: Align with the roles and responsibilities of the Diverse Retail Liaisons

Diverse Retail Liaisons can primarily manage the outreach required to enlist businesses into a legacy and/or minority business designation program, while other staff will need to manage the program's systems.

Recommendation 4: Create linked incentives

Business owners are often wary of sharing business information without a direct benefit. To incentivize retailers to participate, pair additional incentives to support diverse retailers. Consider providing additional eligibility consideration to a Loan Pool (see page 42).