

Date: January 7, 2009

To: Members of the Mayor's Task Force on Southern Dallas Small Business Committee

From: Jim Reid, Chair

Re: Pertinent items

1. Enclosed strategic planning chart titled: The Big Picture
2. Disclosure of grants prepared by Momentum Texas Inc prior to me being named as Chair i.e.

"The MTI entrepreneurship stimulus package would be targeted towards minority businesses throughout Southern Dallas and businesses located in LMI areas. The package includes grant request for:

- \$30,000 for a Southern Dallas Business Plan Competition aimed at assisting 50 start-up and newly established businesses
- \$15,000 for a Southern Dallas Entrepreneurship Boot Camp aimed at assisting 40 emerging businesses and
- \$15,000 for a Southern Dallas Coaches Program aimed at assisting 15 businesses with significant growth potential"

3. A copy of an op-ed article published August 12, 2008 Dallas Morning News (DMN) entitled: "Don't Forget about the People"

4. A copy of an op-ed article published in the November 24, 2008 DMN entitled: "Obama Proposals would lift up Southern Dallas"

5. An excerpt from the Texas Entrepreneurship Initiative report prepared by MTI i.e. "

During the assessment phase data collection and structured interviews with key stakeholders helped MTI staff evaluate the current status of efforts to promote entrepreneurship in the key categories including.

- Assistance starting a business
- Identification of business markets/opportunities
- Education
- Training
- Technical assistance
- Coaching
- Business incubator(s) / commercial accelerators
- Networking
- Mentoring
- Business Award(s)
- Business plan competition(s)
- Access to Capital for e.g.
 - "Entrepreneurs of necessity" who need to generate or supplement income for survival.
 - "Lifestyle entrepreneurs" who prefer to run their own businesses and
 - "Gazelles" i.e. entrepreneurs with fast growing businesses
- Initiatives for women entrepreneurs
- Initiatives for minority entrepreneurs
- Initiatives to promote youth entrepreneurship
- Regional Initiatives that Support Entrepreneurship

The Big Picture

#1

**Where
are we?**

#3

**How are we
going to get there?**

#2

**Where do we
want to go?**

AUGUST

12

2007

Don't forget about the people

We need to work to build up the residents of southern Dallas, too, says **Jim Reid**

Dallas loves big real estate projects like that paragon of shopping virtue, the Galleria. Or Victory Park, the latest "in vogue" place, which emerged overnight near the American Airlines Center.

Hidden in the shadow of these developments is the fact that Dallas is the sixth ranking city — of the nation's 20 largest — with respect to the percentage of people living in poverty (many of whom live in southern Dallas). Is our city capable of combining real estate development with strategies that empower people through development of human capital and income, or will Dallas continue to be in denial?

The city and *The Dallas Morning News* have made welcome announcements that they will make economic development in southern Dallas a priority. The city's planning and the newspaper's editorial efforts to date have focused primarily on projects or places.

What's missing is a broader, people-oriented strategy that focuses on the 493,000 people living in southern Dallas. Current residents need to be part of an economic empowerment strategy that provides them income and opportunities. Commitment to empowerment is a difficult, long-term process that needs emphasis on education and training for all; employment, including making work pay; and entrepreneurship.

The News and the city recognize that it's necessary to improve Dallas schools and reduce the future dropout rate. A focus is also needed on developing positive alternatives for the 40 percent of young people in southern Dallas, age 16 to 21, who have dropped out of DISD and become "at risk" because they do not have the skills to compete for jobs.

Dropouts are incarcerated at eight times the rate of high school graduates. Viable opportunities for



READ previous commentary on bridging Dallas' north-south gap. dallasnews.com/opinion/northsouth

those who drop out must be created, e.g. alternative schools, GED programs, entry-level public service employment, skill training, self employment, etc. Let's focus on creative solutions rather than creating more jail cells.

Further, a broader issue must be addressed — employment at a "living wage." The minimum wage is now \$6.55 an hour or \$262 weekly. How can a single parent with two children meet basic needs at this income level?

Every conceivable strategy must be employed to deal with the income gap for people working full time. Benefits analysis and outreach is needed to assure that eligible persons and families are receiving earned income tax credits, child tax credits, food stamps, etc. People need financial education to make good financial choices, repair credit, and/or reduce debt. "Banking the unbanked" should be aggressively pursued, rather than have people continue to rely on predatory financial services.

Southern Dallas not only needs a development corporation to "close the deal," it needs a development process that provides southern Dallas contractors and southern Dallas residents opportunities for contracts and jobs.

With respect to entrepreneurship, we need to focus on micro business to enable working people to have part-time business income or seize the opportunity for self-employment. There should be a focus on "economic gardening," i.e. growing our own businesses in southern Dallas, by providing adequate assistance for people who wish to start a business or who are trying to grow an emerging business.

Initiatives are needed to help accelerate small business growth such as entrepreneurship "boot camps," business plan competition and quality coaching for businesses with high growth potential.

The launching of the Mayor's Southern Dallas Task Force and *The Dallas Morning News'* commitment to a "relentless crusade" for southern Dallas bodes well for the future. That future can truly be bright if we believe trend is not destiny and people's lives can be improved by developing human capital and an economic empowerment strategy focused on people.



Jim Reid is the president of Momentum Texas Inc., a statewide nonprofit based in Dallas, with a dual mission of building communities and growing entrepreneurs. His e-mail address is jreid@momentumtexas.org.



Comments 0 | Recommend 0

Jim Reid: Many Obama proposals would lift up southern Dallas

06:45 PM CST on Monday, November 24, 2008

A recent *Dallas Morning News* editorial, "Squeaky Wheels and Grease," recommended that Dallas press hard for help from a soon-to-be-formed White House Office of Urban Policy.

While this editorial represented a partial analysis of the potential impact of programs proposed during the campaign by President-elect Barack Obama, it didn't fully discuss programs and policies related to the economy, education, health care and poverty. Many of these programs and policies, if adopted, also could have a positive impact on residents and economic growth in southern Dallas.

The severity of poverty in this part of town and the absence of "living wages" make initiatives to increase income imperative. Thousands of southern Dallas residents who work full time are unable to pay living expenses. A tax policy initiative that could move hundreds of southern Dallas residents above the poverty level is linked to proposed increases in the Earned Income Tax Credit program, which is designed to promote financial stability and "make work pay."

Also germane is a proposed increase in the minimum wage to \$11.50 an hour by 2011. Subsequent increases would be indexed to inflation. The minimum wage is now \$6.55 an hour, or \$262 weekly. How can a single parent with two children meet basic needs at this income level?

In the late 1990s, the United Way of Metropolitan Dallas did a study of southern Dallas indicating that residents' main concern was good-paying jobs. This concern remains totally relevant based on today's rate of unemployment and a fragile economy.

Thus, a proposed tax credit for small businesses that create jobs can benefit southern Dallas, as well. Eliminating capital gains taxes on start-ups and small businesses to encourage innovation and job creation is also essential. The importance of creating job opportunities that enable residents to receive fair compensation and enjoy the dignity of labor cannot be underestimated.

The state of Texas is notorious for having the nation's highest percentage of people without health insurance. The demographics of southern Dallas indicate that its 500,000-plus residents may be more likely to lack affordable health insurance than other parts of the city.

For starters, Congress should enact a federal initiative to expand the scope of the State Children's Health Insurance Program. The previous administration did not support an initiative to increase the scope of this program.

Additionally, one of the paramount issues facing Dallas is the quality of education. Numerous national studies have shown that early childhood education is important to later success in the educational system and in life. National initiatives to fund early childhood education and expand Head Start merit support. Further, many families in southern Dallas cannot afford child care; therefore, reform of the Child and Dependent Care Tax Credit is needed.

Clearly, many of the national initiatives proposed by Mr. Obama – ideas beyond the establishment of a new Urban Policy Office – are critical to the future of southern Dallas. Dallas Mayor Tom Leppert is currently "on the circuit," detailing the long-term benefits to be derived from investment in a convention center hotel. This investment approach is also applicable to federal initiatives related to income, job creation, small-business growth, affordable health care and early childhood education that can help "bridge the north-south gap."

Our organization, Momentum Texas Inc., realizes it is a long journey from campaign promises to adopted programs and policies. Let the journey begin.

Jim Reid is the president of Momentum Texas, a statewide nonprofit based in Dallas, with a dual mission of building communities and growing entrepreneurs. His e-mail address is jreid@momentumtexas.org.