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SUPPORTING URBAN ENTREPRENEURS: LAW, POLICY, AND THE ROLE OF LAWYERS IN SMALL BUSINESS DEVELOPMENT

Introduction

This Essay explores the challenges of urban entrepreneurship and how lawyers, academics, businesspeople, policymakers, and community leaders can help small businesses succeed.¹ In the United States, small businesses represent ninety-nine percent of all inner-city businesses,² generate sixty to eighty percent of net new jobs annually, and account for almost fifty percent of private payroll.³ Indeed, domestic “structural economic shifts” have moved the nation from a goods-producing to a service-producing economy.⁴ The economic shift to a service-producing economy and the national focus on economic self-sufficiency have fueled interest in small businesses as part of job creation and self-employment strategies.

*72 Globally, small businesses are also creating the most new jobs. Microfinance has emerged to help support job creation through self-employment and small business development as well as poverty-alleviation efforts.⁵ Recent studies indicate that the next stage of globalization may well be that the “base of the pyramid,” or the two-thirds of the world's population, are excluded from the formal economy.⁶

Governments also recognize the importance of local-enterprise development. In the United States, economic initiatives to support development in underserved communities are largely in the form of tax credits, such as Empowerment and Enterprise Zones, New Market Tax Credits, loans, and technical assistance from the U.S. Small Business Administration (SBA).⁷ Although the tax-credit programs were designed, in part, to spur urban entrepreneurship, they have not fully accomplished this goal.⁸ This Essay identifies a variety of ways to better support urban entrepreneurship.

I. Urban Entrepreneurship Defined

Like the term “entrepreneurship,”⁹ “urban entrepreneurship” does not have a single definition. In some instances, urban entrepreneurship *73 has become a euphemism for minority entrepreneurship,¹⁰ and in other instances it refers to small businesses that operate in or serve economically depressed areas.¹¹ The Initiative for a Competitive Inner City (ICIC) defines “inner cities,” a term often used interchangeably with “urban,” as “core urban areas that are economically distressed.”¹² The continuum of urban entrepreneurs ranges from entry-level micro-businesses that do not require formal education, such as in-home catering, street vending, and taxicab businesses,¹³ to those certified as local small and disadvantaged businesses by the state or local government and the SBA's HUBZone¹⁴ or 8(a) programs.¹⁵

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All entrepreneurs need capital, access to credit, sound legal advice, and help with accounting, business planning, and marketing. Urban entrepreneurs, however, need something more. They need business coaching, entrepreneurial networks, accessible business education, and access to social¹⁶ and human capital.¹⁷

***74** The African American community provides a useful case study on the need for and importance of urban enterprise. Remarkably, a significant body of law and policy was developed from the African American experience.¹⁸ Sherman Rogers, a professor at Howard University School of Law, provides a detailed analysis of the need for Black entrepreneurship by placing it in a legal and historical context.¹⁹ He takes readers on a journey encompassing a legacy of slavery, Jim Crow laws, Black codes leading to the passage of the Civil Rights Act of 1875, and the Black-owned businesses that flourished between 1910 and 1940,²⁰ through the Civil Rights Era of the 1950s through 1970s, and culminating in a series of set-aside cases.²¹ He points to the U.S. Supreme Court cases evidencing the economic suppression of Blacks in the economic life of America,²² and explains the concept of “economic detour,”²³ characterized by the pervasive economic exclusion and suppression of Blacks. In describing the SBA's 8(a) Program, he notes that critics of the Civil Rights Era observe that integrationists' middle-class goals created a class split in the Black community.²⁴ Today, scholars distinguish a new class of highly educated African American entrepreneurs from the traditional Black businesses that were the mainstay of communities.²⁵

Black individuals, when compared to their white counterparts, experience twice the rate of unemployment, have substantially lower personal and family income, are three times more likely to ***75** live in poverty, and possess only one-fifth of the net worth of whites. Additionally, 75% of black children are born to unwed mothers; 33.33% of black men are under judicial supervision; black men constitute a majority of incarcerated persons although African Americans constitute only 12% of the population, and only 12% of black persons in high school are proficient in reading and math.²⁶

The impediments to Black economic empowerment, he observes, lay the foundation for public policy and remedial action that promote Black business. The most notable example of a remedial effort to assist Black (and other) businesses is through section 8(a) of the Small Business Act.²⁷ The hope is that “entrepreneurship will bring financial independence, transmission of black wealth to successive generations of black persons, and is more likely to create a class of professionally educated offspring.”²⁸ Professor Rogers concludes that “[n]ew policies should be geared toward maximizing independence and economic opportunity,” valuing and expanding “indigenous, self-help neighborhood efforts.”²⁹

Other scholars contend that the recent successes of Black-owned businesses portend strategies to create jobs in urban areas.³⁰ “Simply stated, Blacks hire Blacks, while White owners employ a predominantly White workforce.”³¹

While heretofore the emphasis has been on African American businesses, Hispanic, Asian, and Native American businesses are also advancing, and there has been increased interest in immigrant businesses as well.³² The U.S. Census Bureau found that “as many ***76** as one-third of U.S. residents now claim ‘minority’ heritage.”³³ The changing demographic landscape of America is expanding and this reality may give way to new perspectives on supporting urban entrepreneurship.³⁴ Specific efforts must be made to learn about what support systems are needed by a new breed of entrepreneurs.

II. Current Government Support for Entrepreneurs

Traditional technical assistance to small businesses needs to be reconceived because of the importance of small business development to create new jobs in the economy and build overall wealth. The federal and state support programs include the SBA's Small Business Development Center (SBDC) program, the Service Corps of Retired Executives (SCORE), and local programs such as one-stop shops and business information centers. While the public-private partnership service model

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continues to be advanced, nongovernmental actors are increasingly providing support to small businesses.³⁵ Examples include nonprofit Community Development Financial Institutions (CDFIs) such as microenterprise development organizations, community development banks, community *77 development financial institutions,³⁶ chambers of commerce,³⁷ and Main Street programs.³⁸

International and national attention to microfinance has increased considerably as witnessed by the award of the Nobel Peace Prize in 2006 to Muhammad Yunus, founder of the Grameen Bank in Bangladesh, a bank devoted to serving the poor with small loans.³⁹ The Grameen Bank and other microfinance organizations have influenced the emergence of a domestic microenterprise industry; federal support for microenterprise development has been substantial. And, the industry has received support from the legal community as well.⁴⁰ The rise of law firms' "transactional pro bono" to help urban entrepreneurs is part of the paradigm shift in supportive services to needy small businesses.⁴¹

***78 III. The Problems Faced by Urban Entrepreneurs**

Understanding the problems of urban entrepreneurs requires an analysis of the different business industries, the culture of those industries, and the stages of business development. Whether the business is a microenterprise seeking technical assistance and a loan of up to \$50,000 (a Small Office Home Office (SOHO) loan),⁴² a new or established business seeking angel investment, an established business seeking venture capital or mezzanine financing,⁴³ or an entrepreneurial growth company seeking access to corporate suppliers, urban entrepreneurs often face many of the same challenges that other entrepreneurs encounter. The difference is that urban entrepreneurs often lack the problem-solving social networks that other entrepreneurs can access. For example, as Professor Rogers describes, in the African American community the playing field is not level because of discrimination and segregation. Ethnic minorities and immigrant entrepreneurs may also experience similar forms of discrimination.

More broadly, the National Commission on Entrepreneurship found that there is a critical gap in understanding the characteristics of early-stage entrepreneurs and that "[t]here are numerous similarities between most small businesses and entrepreneurial efforts."⁴⁴ Even though studies show that entrepreneurial growth companies (EGCs), or "gazelles," comprise only four percent of *79 companies, they generate sixty percent of the net new jobs, solidifying their role in urban entrepreneurship.⁴⁵ EGCs and other businesses with revenue in excess of \$500,000 play an important role in urban entrepreneurship, but so do smaller "mom and pop" businesses.⁴⁶

The problems that urban entrepreneurs encounter include, for example, access to financial, social, and human capital, regulatory hurdles, and high taxes. These problems are common at various stages of development, but may be exacerbated for urban entrepreneurs because of discrimination, as noted earlier. Accordingly, it is important to identify a more comprehensive delivery approach to working with urban entrepreneurs throughout developmental stages. ICIC found that small businesses employ eighty percent of the people who work in the inner city, but that most of the workers live elsewhere, which is why inner-city poverty remains a problem.⁴⁷ Steve Adams, the SBA's New England Office Small Business Advocate, observes that the ICIC study should help policymakers dispel preconceived notions of the inner city as places plagued with economic problems, and reconceptualize them as "economic spaces."⁴⁸ In this new paradigm, government should lessen regulatory hurdles impeding business growth, publish materials in languages spoken by immigrant groups, and help facilitate entrepreneurial networks.⁴⁹ Indeed, the Community Development Venture Capital Association reports that there are viable investment opportunities in inner-city communities that provide good jobs for local residents, but job training is needed to match available jobs.⁵⁰

Consistent with the view that old models of small business service delivery may be obsolete, Telaekzh Brooks observed that some *80 immigrant businesses, built on familial relationships, economic pooling agreements, social and cultural trust constructs, and internal community private capital, may not require SBA-sponsored loan products.⁵¹ Indeed, these internal social and cultural relations create an "each one, teach one" cellular division type expansion for small businesses.⁵² Yet, the

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SBA's focus has traditionally been placed on counting the number of loans closed.⁵³ What happens when loans are taken out of the equation? Or, in the context of Muslim borrowers, what systems are in place to accommodate the prohibition on interest in commercial transactions?⁵⁴ What services will the SBA provide in altered business environments? Changes in some business environments may require shifts to issues such as *81 succession planning, co-wealth building, human resources, and employment.⁵⁵

There is a model for the paradigm shift in the delivery of supportive services for small businesses. It is called a "Continuum of Service for the Small Business Community" and is modeled after the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan.⁵⁶ State and local government recipients of the categorical block grant program are required to prepare a five-year comprehensive strategic plan under the terms of the HUD plan.⁵⁷ The goal of this plan is to address housing and community development while prioritizing needs and resources to implement the strategy.⁵⁸ The HUD model was developed in 1994 in response to a lack of integration and coordination in the funding and delivery of services to homeless persons. While the comparison between homelessness and small-business development may seem tenuous at best, the concepts of "seamless service delivery" and a unified strategy that factors in public and private resources, borrowed from HUD, provide a helpful corollary from another federal agency in the context of small business support services.⁵⁹ The goal of the Small Business Continuum of Service process is to plant small business development firmly in the context of local and regional economic development by "creat[ing] a business development system that provides a seamless transition . . . along a continuum from micro- to macroentrepreneur while sharing knowledge and hands-on technical assistance and creating learning opportunities for others in the form of business case studies."⁶⁰ Furthermore, federal money in this model "would be invested only in the organizations that are able to provide this type of comprehensive program not through their resources alone but in concert with a broader network with which they would work and have an organized programmatic effort."⁶¹

***82 IV. The Characteristics of Urban Entrepreneurs**

"The Kauffman Foundation of Entrepreneurship defines an entrepreneur as someone who is willing and eager to create a new venture in order to present a concept to the marketplace."⁶² The distinguishing characteristics of an entrepreneur include persons with a willingness to take risks to earn a profit; persons with deep inner strength, drive, and confidence in their ability to succeed; persons with a need to "create, build, explore and discover;" and persons who view their work as their passion.⁶³ Other qualities for entrepreneurial success are integrity, initiative, commitment, drive and determination, confidence, self-direction, salesmanship, and leadership. Urban entrepreneurs are no different from others in this respect, except that the environments in which they work may be more challenging because poverty and unemployment are higher. Operating in a more challenging urban environment may be a significant testament to an even deeper commitment to pursuing entrepreneurship.

V. The Needs of Urban Entrepreneurs and the Role of Lawyers

Lawyers working with urban entrepreneurs can play a significant role in helping them establish their businesses and build entrepreneurial networks. Increasingly, clients want lawyers who are problem solvers.⁶⁴ In order to help clients build entrepreneurial networks, lawyers need to learn about the needs of the entrepreneurs and the available networks. There are four categories of networks that lawyers should pursue: (1) nonprofit partners; (2) *83 colleges and universities; (3) innovative state, local, and regional government initiatives; and (4) regulatory reform and legislation.

A. Nonprofit Partners

Nonprofit organizations supporting entrepreneurship are becoming increasingly important. They include CDFIs such as microenterprise development organizations, community development banks, and community development credit unions.⁶⁵ Moreover, such institutions are part of a larger movement toward policies that build assets with a goal of bridging the wealth inequality gap.⁶⁶ National intermediaries such as Enterprise Community Partners, Inc. (Enterprise), and the Local Initiatives

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Support Corporation (LISC) have supported urban entrepreneurship as part of community revitalization efforts.⁶⁷ Similarly, national associations, such as the National Community Reinvestment Coalition (NCRC),⁶⁸ the Insight Center for Community Economic Development (ICCED),⁶⁹ and the Community Development Venture Capital Association (CDVCA),⁷⁰ work to support urban entrepreneurs.

***84** Other nonprofit organizations such as chambers of commerce “promote the commercial and industrial interests of a community, state or nation” and work to advance a community's economic welfare and improve its business environment.⁷¹ In addition, specialty chambers such as the National Black Chamber of Commerce (NBCC),⁷² United States Hispanic Chamber of Commerce (USHCC),⁷³ the United States Pan Asian American Chamber of Commerce (USPAACC),⁷⁴ and the Indus Entrepreneurs (representing Indian entrepreneurs) can provide important services to their constituents and access to other services. Similarly, boards of trade “regulate, promote, supervise or protect commercial or business enterprises or interests in a community.”⁷⁵ In addition, there are a host of other nonprofit networks working with women, such as the Center for Women & Enterprise (CWE).⁷⁶

***85** Faith-based institutions, another type of nonprofit organization, have also become increasingly important to urban entrepreneurship. Defined broadly, faith-based entrepreneurship uses “the financial resources of religious organizations and clergy to support and empower business and other economic initiatives inside and/or outside its immediate community.”⁷⁷

Nonprofit youth entrepreneurship groups such as the National Foundation for Teaching Entrepreneurship (NFTE) help to instill the entrepreneurial spirit and know-how in young people, the next generation of entrepreneurs.⁷⁸ Finally, Americans fifty-five and older are increasingly turning to entrepreneurship. They have twice the assets as their younger counterparts and are expected to represent one-third of the population by the year 2020. Senior entrepreneurs comprise 28.5% of self-employed persons, an increase of “18 percent from 2.5 million in 1994--the first year of tracking--to 3 million in 2003.”⁷⁹

***86 B. College and University Partners**

Research by the National Commission on Entrepreneurship (NCE) reveals that colleges and universities are significant parts of the local infrastructure in regions with an “entrepreneurial edge.”⁸⁰ At the same time, reforms are needed to enable schools to be more responsive to the needs of entrepreneurs. The recommendations for reform include public support by university leadership for local companies, private sector management of university technology programs, the ability of universities to take an equity stake in local ventures, and implementation of training in consultation and partnership with local companies. As ICIC points out in its report, more than half of the nation's colleges and universities are located in central cities and their immediate surroundings.⁸¹ Accordingly, the futures of institutions of higher education are inexorably tied to the health of their communities, and continuous efforts should be made to “accelerate urban economic revitalization, improving the value and well-being of the urban communities where universities have sizeable and immovable investments.”⁸² In addition, experiential and service learning courses can serve as an urban entrepreneur's research and development department through case studies or service learning projects in business, marketing, and the like, or through entrepreneurial training.⁸³

C. Innovative State, Local, and Regional Initiatives

State, local, and regional governments also play an important role in urban entrepreneurship, but they need to understand the special characteristics of “entrepreneurial hotspots”⁸⁴ or regions with an “entrepreneurial edge.” These characteristics include: (1) diverse sources of capital; (2) an enabling culture; (3) strong local networks; (4) a supportive infrastructure; and (5) an entrepreneur- ***87** friendly government.⁸⁵ Even though most start up businesses do not rely on equity investments, and relatively few firms (3600 of U.S. firms in 1999)⁸⁶ receive venture funding, “capital sources [remain] largely concentrated on venture capital investments.”⁸⁷ Most entrepreneurs rely on family, friends, credit cards, banks, and home equity for start-up

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capital.⁸⁸ Organized networks of angel investors who “tend to emerge from the ranks of successful entrepreneurs” and a strong banking sector are other indicia of strong entrepreneurial regions. Significantly,

[W]omen and minorities have distinct problems accessing funding . . . from individual angel investors. Because angel networks can be extremely informal and are often built by established entrepreneurs with a long history of doing business together, these networks can be invisible to new entrepreneurs. To compound the problem, access to venture funding is often dependent on introductions by lawyers, accountants, and angels in these very same networks.⁸⁹

Entrepreneurial hotspots also have a supportive infrastructure and accountants, consultants, and lawyers who understand the unique and varied needs of small businesses.⁹⁰

The importance of strong local networks is “not well understood or appreciated by policymakers.”⁹¹ Contrary to popular belief, entrepreneurs are not “rugged individualists who single handedly build great companies. In reality, entrepreneurs are consummate networkers who thrive in communities.”⁹² “Networks are essential because they link entrepreneurs to potential sources of capital, new employees, strategic alliance partners, and service providers such as lawyers, accountants, and consultants.”⁹³ The Morino Institute's Netpreneur.org illustrates a regional innovation that spans from biotechnology to information technology while integrating many governmental entities in the Washington, D.C., Maryland, and Virginia region.⁹⁴ Urban entrepreneurs have to create *88 their own networks because they “are not part of the ‘old boy networks’ of the world” and they “may not be full participants in the new network of entrepreneurs.”⁹⁵

The final core characteristic of a region with an entrepreneurial edge is an entrepreneur-friendly government.⁹⁶ An entrepreneur-friendly government is best illustrated by the support of public officials, such as the mayor or governor, followed by action and efforts to expedite regulatory compliance such as licensing, streamlining redundancy, and working in partnership with the private sector.⁹⁷ Public policymakers in urban areas have an important role to play in reducing the legal costs of doing business and in considering partial and complete exemption from regulation and taxation in certain circumstances.⁹⁸

D. Regulatory Reform and Legislation

Lawyers can advocate for business and regulatory reforms and identify the need for reforms that advance urban entrepreneurship. For example, in Washington, D.C., a master business license requirement for small businesses was repealed.⁹⁹ Uncertainty about the classification of employees as independent contractors or employees has created legal problems for some small businesses.¹⁰⁰ *89 Recommendations for reform include uniform safe-harbor provisions.¹⁰¹ Finally, in Nebraska, innovative legislation such as the Nebraska Advantage Microenterprise Tax Credit Act provides “tax credits to applicants for creating and expanding microbusinesses that contribute to the revitalization of economically distressed areas through the creation of new or improved income, self-employment or other new jobs in the area.”¹⁰² The Act allows a business with up to five employees that invests up to \$10,000 of new money in an economically disadvantaged area to qualify for a twenty percent refundable tax credit.¹⁰³

VI. Perspectives on the Role of Lawyers in Small Business Development

In addition to learning about the resources and opportunities discussed above, business lawyers can further help urban entrepreneurs by learning about and embracing the attributes of “community lawyers” in order to advance their clients' interests and add value to emerging companies.

[Community lawyering] is premised upon the belief that one way to remedy certain types of problems in poor communities is for the community to be an integral part of the development and implementation of the solutions to those problems. This style of lawyering envisions lawyers becoming a part of the community in which they work, bringing to the community the knowledge and expertise that they have gained from their education. Community lawyers recognize the need to learn about the neighborhoods in which they work from their neighbors. They collaborate with the community and together work toward solutions to the communities' problems.¹⁰⁴

To illustrate, in reviewing a commercial lease for a client, a business lawyer employing “community lawyering” skills would be ⁹⁰ aware of the areas of the city targeted for economic growth, and the federal, state, and local programs that are available to assist urban entrepreneurs.¹⁰⁵ She would also be able to refer that client to supportive services such as CDFIs, and advise the client about special programs such as façade improvement programs, as well as local, small, and disadvantaged business certification. As a result, the lawyer adds value by helping the client think through the long-term ramifications of the location as well the contract itself.¹⁰⁶ A traditional business lawyer working with large corporate clients may not have this perspective or be aware of these resources.

Another example of how a community lawyering perspective can enhance urban entrepreneurship emerged from the work of the George Washington University School of Law Small Business Clinic (Clinic). Based on its long history of community involvement and efforts to forge community partnership, the Clinic recently learned about Enterprise's Washington, D.C., office, a faith-based initiative that provides support to faith-based leaders interested and involved in housing and community development.¹⁰⁷ This is a joint effort with the East of the River Clergy Police Community Partnership designed to stimulate development activity in the faith community by making grants available. The Clinic represents a faith-based organization that is starting a community development corporation and has made this client aware of the funding opportunity. As part of a menu of community economic development initiatives the client wants to create a retail restaurant to teach culinary arts. A traditional business lawyer might not have access to information about Enterprise's faith-based initiative and other resources but a community lawyer would be more likely know about these types of opportunities.¹⁰⁸

***91 Conclusion**

Given the importance of small business development to the U.S. domestic economy, as well as the global economy and the demographic changes in communities across America, it is imperative for small business development advocates to reevaluate existing support services. This Essay has examined a number of ways to better support entrepreneurship. A Continuum of Service for the Small Business Community, modeled after HUD's Continuum of Care, is presented as one model that deserves additional attention and immediate implementation. It is hoped that academics, businesspeople, community leaders, lawyers, and policymakers will examine ways to implement the Continuum of Service for the Small Business Community and other efforts to support urban entrepreneurship.

Footnotes

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¹ The panel on “Challenges Facing Urban Entrepreneurs,” at the Current Issues in Community Economic Development Conference held at the Western New England College School of Law on March 30, 2007, examined how lawyers, academics, businesspeople, policymakers, and community leaders can help small businesses succeed.

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- 2 Initiative for a Competitive Inner City, Small Bus. Ass'n, State of the Inner City Economies: Small Businesses in the Inner City 1 (2005) [hereinafter ICIC, State of the Inner City], available at <http://www.sba.gov/advo/research/rs260tot.pdf>; Roger A. Clay, Jr., Chair's Message, *Small Business in Community Development and the Role of Lawyers*, 16 J. Affordable Housing & Community Dev. L. 89 (2007).
- 3 Office of Advocacy, Small Bus. Ass'n, Small Business Resources for Faculty, Students, and Researchers: Answers to Frequently Asked Questions (2004), available at <http://www.sba.gov/advo/stats/arsbfaq.pdf>.
- 4 Willie Brown, The Forgotten Type of Capital: Addressing the Social Capital Deficiency in the Inner City, 11 Geo. J. on Poverty L. & Pol'y 527, 539 (2004).
- 5 The terms microfinance, microcredit, and microlending are used interchangeably to refer to small loans. Microfinance refers to "the broader array of financial services used by microenterprise programs, including assistance with credit repair, microloans, asset development activities, ... or access to credit through credit unions or other community development financial institutions in the event the microenterprise program does not offer microloans in-house." Susan Jones, Legal Guide to Microenterprise Development 6 (2004). For more information on microfinance, see C.K. Prahalad & Allen Hammond, Serving the World's Poor, Profitably, Harv. Bus. Rev., Sept. 2002, at 48.
- 6 Prahalad & Hammond, *supra* note 5, at 51.
- 7 Dep't of the Treasury, Internal Revenue Serv., Publication 954: Tax Incentives for Distressed Communities (2004) [hereinafter Tax Incentives].
- 8 Jennifer Forbes, Using Economic Development Programs as Tools for Urban Revitalization: A Comparison of Empowerment Zones and New Markets Tax Credits, 2006 U. Ill. L. Rev. 177 (2006); see Janet Thompson Jackson, Can Free Enterprise Cure Urban Ills?: Lost Opportunities for Business Development in Urban, Low-Income Communities Through the New Markets Tax Credit Program, 37 U. Mem. L. Rev. 659 (2007) (arguing that a substantial portion of New Markets Tax Credit investments should be targeted to minority owned businesses); Sarah Vallim, The New Markets Tax Credit and the Community Economic Development Movement: A Los Angeles Case Study, 16 J. Affordable Housing & Community Dev. L. 117 (2007).
- 9 While entrepreneurship does not have a singular definition, the Ewing Marion Kauffman Foundation states that: Entrepreneurship is the ability to amass the necessary resources to capitalize on new business opportunities. The term is frequently used to refer to the rapid growth of new and innovative businesses and is associated with individuals who create or seize business opportunities.... They build something from practically nothing and usually reinvest earnings to expand their enterprise or to create new enterprises.
Jay Kayne & Kauffman Ctr. for Entrepreneurial Leadership, State Entrepreneurship: Policies and Programs 3 (1999).
- 10 For example, the Ewing Marion Kauffman Foundation's Urban Entrepreneur Partnership encourages minority entrepreneurship. See Kauffman Found., Urban Entrepreneurship Partnership, <http://www.kauffman.org/items.cfm?itemID=591> (last visited Mar. 23, 2007).
- 11 Organizations such as Harvard Business School Professor Michael Porter's Initiative for a Competitive Inner City examine opportunities for business growth in urban areas. See Initiative for a Competitive Inner City, <http://www.icic.org> (last visited Mar. 23, 2007).
- 12 ICIC, State of the Inner City, *supra* note 2, at 3.
- 13 See Samuel R. Staley et al., Research Pub. Policy Inst., Giving A Leg Up to Bootstrap Entrepreneurship: Expanding Economic Opportunity in America's Urban Centers (2001).
- 14 See generally Small Business Act of 1953, Pub. L. No. 83-163, § 8(a), 67 Stat. 232 (codified as amended at 15 U.S.C. § 637 (2000)). The HUBZone Empowerment Contracting Program provides federal contracting opportunities

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for qualified small businesses located in distressed areas. See U.S. Small Bus. Ass'n, HUBZone, [https:// eweb1.sba.gov/hubzone/internet/index.cfm](https://eweb1.sba.gov/hubzone/internet/index.cfm) (last visited Mar. 23, 2007).

- 15 The SBA's 8(a) Business Development Program is intended to help small businesses by providing a wide range of services, including support for government contractors, access to capital, management and technical assistance, and export assistance. See Small Bus. Ass'n, Office of 8(a) Business Development, <http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html> (last visited Mar. 23, 2007).
- 16 Brown, *supra* note 4, at 530-36.
- 17 Human capital refers to the formal and informal education, skills, and problem-solving talents that enable a person to be a productive worker. See Susan R. Jones, *Small Business and Community Economic Development: Transactional Lawyering for Social Change and Economic Justice*, 4 *Clinical L. Rev.* 195, 199 n.13 (citing Theodore Herschberg, Human Capital Development: America's Greatest Challenge, *Annals Am. Acad. Pol. & Soc. Sci.*, Mar. 1996, at 43).
- 18 With a population of 40,240,898 as of July 2006, African Americans are now the second largest minority group in the United States, after Hispanics, totaling, 44,321,038. See Press Release, U.S. Census Bureau, Table 2: Estimates of the Population by Race Alone or in Combination and Hispanic or Latino Origin for the United States and States: July 1, 2006 (May 17, 2007) [hereinafter *Estimates of the Population*], available at [http:// www.census.gov/Press-Release/www/releases/archives/cb07-70tbl2.pdf](http://www.census.gov/Press-Release/www/releases/archives/cb07-70tbl2.pdf).
- 19 W. Sherman Rogers, *The Black Quest for Economic Liberty: Legal, Historical, and Related Considerations*, 48 *How. L.J.* 1 (2004).
- 20 Professor Rogers observes that these businesses were the subject of writings by Gunnar Myrdal, a Swedish institutional economist. *Id.* at 60.
- 21 *Id.* at 86-92 (discussing  *Adarand, Inc. v. Peña*, 515 U.S. 200 (1995);  *Metro Broad., Inc. v. FCC*, 497 U.S. 547 (1990);  *City of Richmond v. Croson*, 488 U.S. 469 (1989); and  *Fullilove v. Klutznick*, 448 U.S. 448 (1980)).
- 22 *Id.* at 49-79.
- 23 *Id.* at 59.
- 24 *Id.* at 94.
- 25 Indeed, one scholar observes that minority business assistance is pitted against economic development and that loan assistance programs for the disadvantaged entrepreneur and economic development should not be confused. *Id.* at 12.
- 26 *Id.* at 10.
- 27 For a discussion on how the 8(a) Program is helping minority-owned businesses, see Mitchell F. Rice, *Government Set-Asides, Minority Business Enterprises, and the Supreme Court*, 51 *Pub. Admin. Rev.* 114, 114 (1991).
- 28 Rogers, *supra* note 19, at 18.
- 29 *Id.* at 120.
- 30 See Timothy Bates, *The Urban Development Potential of Black-Owned Businesses*, 72 *J. Am. Planning Ass'n* 227 (2006). But, White-owned businesses employ more Blacks. See Jeffrey Robinson, *The Ties that Bind: America's Inner Cities, Business Development and the Next Frontier of Research* (unpublished manuscript), available at <http://www.jeffreyrobinsonphd.com/innercity.pdf>.
- 31 Bates, *supra* note 30, at 227.

- 32 From 1997 to 2002, the number of African American-owned businesses increased 45.4% to 1,197,567, representing 5.2% of total U.S. firms; Hispanic-owned businesses increased 31.1% to 1,573,464, representing 6.8% of total U.S. firms; Asian-owned businesses increased 24% to 1,103,587, representing 4.8% of total U.S. firms; and Native American-owned businesses increased 2% to 201,387, representing 0.8% of total U.S. firms. Office of Advocacy, U.S. Small Bus. Admin., *Minorities in Business: A Demographic Review of Minority Business Ownership* 14 (2007), available at <http://www.sba.gov/advo/research/rs298tot.pdf> (citing U.S. Census Bureau, 2002 Economic Census: Survey of Business Owners Methodology, available at <http://www.census.gov/econ/census02/text/sbo/sbomethodology.htm>). For a discussion on immigrant small business owners, see Shubha Ghosh, *The Legal, Economic, and Policy Roles of Immigrant Entrepreneurs in the Immigration Debate*, 5 *Asian Pac. Am. L.J.* 15 (1998).
- 33 As of July 2006, the total U.S. population was 299,398,484. Of these, 44,321,038 were Hispanic, 40,240,898 were African American, 14,907,198 were Asian, 4,497,895 were American Indian, and 1,007,644 were Pacific Islander. See *Estimates of the Population*, supra note 18; see also Michael Jay Friedman, *Minority Groups Now One-Third of U.S. Population: Variety of Ethnic Groups Contribute to U.S. Economic and Cultural Life*, USInfo.State.Gov., July 14, 2006, <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2006&m=July&x=20060707160631jmnmaideirf0.2887079>.
- 34 Ghosh, supra note 32.
- 35 The author participated in the Spring 2007 Washington, D.C., Neighborhood Retail Summit sponsored by the Washington, DC Economic Partnership and the National Capital Revitalization Corporation, designed to introduce resources for new and expanding businesses during which new entrepreneurs were encouraged to seek neighborhood business data not from government but from nonprofit Main Street programs. Washington, DC Economic Partnership, *Advertising Flyer for Neighborhood Retail Summit Spring 2007* (Mar. 20, 2007) (on file with the author) [hereinafter *Neighborhood Summit*]. The Summit featured testimonials from local business owners such as Kerry Newman, Tropicana (carryout/restaurant), and Ida Lewis Polite, Ida's Idea (retail/fashion). Id. For more information visit Washington, DC Economic Partnership, <http://www.wdcep.com>.
- 36 CDFIs are:
[C]ommercial institutions with social and community conscience designed to help economically distressed communities achieve enhanced economic stability and self-reliance by providing capital. Operating at a profit, CDFIs provide depository institution services such as savings and checking accounts, money market, individual retirement accounts (IRAs), etc. Unlike commercial banks, however, CDFIs also provide support to community development activities such as credit and loans to locally owned and operated businesses and affordable housing developers.
Jones, supra note 17, at 196 n.7 (citing John J. Accordino, Va. Commonwealth Univ., *Community Based Development: An Idea Whose Time Has Come* (1997); Rochelle E. Lento, *Community Development Banking Strategy for Revitalizing Our Urban Communities*, 27 *U. Mich. J.L. Reform* 773, 776 (1994)).
- 37 For example, the U.S. Chamber of Commerce and its local chambers aim “to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.” U.S. Chamber of Commerce, *Mission Statement*, <http://www.uschamber.com/about/default> (last visited Sept. 7, 2007).
- 38 Main Street, a program of the National Trust for Historic Preservation, uses a four point, community-driven approach to revitalize older U.S. business corridors. This approach encourages economic development in the context of historic preservation and the needs of today's marketplace. Local communities are at the heart of the Main Street approach that focuses on empowering communities, rebuilding pedestrian-friendly commercial districts, and emphasizing local assets including distinctive architecture and personal service. National Trust Main Street Center, <http://www.mainstreet.org> (last visited Sept. 7, 2007).
- 39 Connie Bruck, *Millions for Millions: This Year's Nobel Prize Winner and Some High-Tech Entrepreneurs Are Competing to Provide Credit to the World's Poor*, *New Yorker*, Oct. 20, 2006, at 62; Molly Moore, *Economist Wins Nobel for Pioneering Lending Practices to the Impoverished*, *Wash. Post*, Oct. 13, 2006, at A16, available at 2006 WLNR 17793379 (Westlaw).

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- 40 Jones, *supra* note 5, at 15.
- 41 Susan R. Jones, [Promoting Social and Economic Justice Through Interdisciplinary Work in Transactional Law](#), 14 Wash. U. J.L. & Pol'y 249, 291 (2004) (citing James Baillie, [Fulfilling the Promise of Business Law Pro Bono](#), 28 Wm. Mitchell L. Rev. 1543, 1544 (2002)). Significantly, a 2006 study found that transactional lawyers add value to businesses “primarily by reducing regulatory costs.” Steven L. Schwarcz, [Explaining the Value of Transactional Lawyering](#), 12 Stan. J.L. Bus. & Fin. 486, 492 (2007).
- 42 Small Office Home Banking was developed by Innovative Bank and promotes the SBA's Community Express products, providing access to capital, management, and technical help to small businesses. Qualified small business owners may be eligible for loans as low as \$5,000 for a seven-year term, minimal paperwork, technical assistance from the bank, and no pre-payment penalty. Minority/Business Enterprise Alliance, Inc., [http:// www.allianceflorida.com/soholoan.html](http://www.allianceflorida.com/soholoan.html) (last visited Sept. 7, 2007). For more information on the SOHO loan see *id.*
- 43 Mezzanine financing, a hybrid of debt and equity, is generally used to help expand existing companies. See U.S. Dep't of Commerce, Minority Business Development Agency, <http://www.mbda.gov> (last visited Nov. 15, 2007).
- 44 Nat'l Comm'n on Entrepreneurship, [Five Myths About Entrepreneurs: Understanding How Businesses Start and Grow](#) 5 (2001). The five myths are that most successful entrepreneurs: (1) “take wild, uncalculated risks in starting their companies”; (2) “start their companies with a break-through invention-- usually technological in nature”; (3) “have strong track records and years of experience in their industries”; (4) “have a well considered business plan and have researched and developed their ideas before taking action”; and (5) “start their companies with millions in venture capital to develop their idea, buy supplies, and hire employees.” *Id.* at 9-17. The report concludes that policies adopted to promote small businesses may be based on “misunderstandings surrounding entrepreneurship.” *Id.*
- 45 *Id.* at 3. The report notes that EGCs often have “no proven business model, and no established network of support.” *Id.* at 7. In addition, EGCs “are often clustered around newly deregulated and emerging industry sectors such as telecommunications, financial services, and most obviously, information technology--where potential productivity gains are enormous. This is in stark contrast to the most popular small business sectors, such as construction, retailing, and cleaning services.” *Id.* at 7.
- 46 Amy C. Bushaw, [Small Business, Local Culture, and Global Society: Some Examples from the United States](#), 5 J. Small & Emerging Bus. L. 223, 225 (2001).
- 47 See ICIC, [State of the Inner City](#), *supra* note 2, at 2.
- 48 Kent Hoover, [Opportunity Knocks for Inner-City Businesses](#), Wash. Bus. J., Oct. 24, 2005, available at [http:// albany.bizjournals.com/extraedge/washingtonbureau/archive/2005/10/24/bureau1.html](http://albany.bizjournals.com/extraedge/washingtonbureau/archive/2005/10/24/bureau1.html).
- 49 *Id.*
- 50 *Id.* From 1998 to 2001, most inner-city jobs were in business and financial services and information technology. *Id.*
- 51 Interview with Telaekah Brooks, Chair, Dep't of Bus. Mgmt., Se. Univ., in Washington, D.C. (Sept. 6, 2007). I am grateful to Ms. Brooks for her thoughts and insights on the future of technical services to small businesses. Ms. Brooks has extensive “on the ground” experience counseling small businesses and teaching entrepreneurship. As the former Director of the Georgia Avenue Business Resource Center she observed that efforts to reach out to some immigrant businesses were futile. “It's not that they did not understand what we did. Our materials were translated. They did not need us. There was no value in our product.” *Id.* In short, technical assistance providers must learn constituents' needs by talking to them and making products relevant.
- 52 For interesting perspectives on ethnic and immigrant entrepreneurs, see Jennifer M. Sequeira & Abdul A. Rasheed, [Start-Up and Growth of Immigrant Small Businesses: The Impact of Social and Human Capital](#), 11 J. Developmental Entrepreneurship 357, 359 (2006) (examining strong and weak network ties in small business start-ups); Marta Tienda & Rebecca Rijman, [Promoting Hispanic Immigrant Entrepreneurship in Chicago](#), 9 J. Developmental Entrepreneurship

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1 (2004) (examining pathways to business ownership and the relatively weaker position of Hispanic businesses); Patricia G. Greene, A Resource-Based Approach to Ethnic Business Sponsorship: A Consideration of Ismaili-Pakistani Immigrants, *J. Small Bus. Mgmt.*, Oct. 1997, at 58 (examining ethnic sponsorship in business start-ups); Cecilia Kang, Korean Enterprise Expands Beyond Small Business, *Wash. Post*, May 23, 2006, at A1 (describing Korean business growth in the Washington, D.C., metropolitan area); Phillip Lutz, Immigrant Entrepreneurs Are Saving Main Street, *N.Y. Times*, Sept. 25, 2005, at 1, available at 2005 WLNR 15110767 (Westlaw); Immigrant Entrepreneurs, *Res. Persps. on Migration*, Jan.-Feb. 1997, at 1 (Int'l Migration Policy Program of the Carnegie Endowment for Int'l Peace & Urban Inst., Wash., D.C.) available at <http://www.migrationpolicy.org/files/RPMVol1-No2.pdf>.

53 Interview with Telaekah Brooks, *supra* note 51.

54 Islam has 1.2 billion followers and is the world's fastest growing faith. Increasingly, financial dealings with Islamic businesses require understanding and complying with shari'ah, Islamic law. See Jeff Heilman, *The Mysteries of the Middle East: Understanding Shari'ah Finance*, *Capital Thinking*, Spring-Summer 2006, at 12, available at http://www.capitalthinkingmagazine.com/FCWSite/Features/capitalthinking/Fall_Winter2006/CT_current_issue.pdf; Claire Spencer, *Funding Corporate Strategies Through Islamic Finance*, *Financier Worldwide*, May 2007, available at <http://www.pattonboggs.com/services> (follow "Islamic Finance" hyperlink; then follow "Publications").

55 Interview with Telaekah Brooks, *supra* note 51.

56 Deborah Austin & Susan R. Jones, *Commentary, Heard from HUD: Learning from HUD: A Continuum of Service for the Small Business Community*, 9 *J. Affordable Housing & Community Dev. L.* 119, 119-21 (2000).

57 *Id.*

58 *Id.*

59 See *id.*

60 *Id.* at 129.

61 *Id.*

62 Sheryl Garrett, *The True Entrepreneur: Most People Work for Themselves to Make Money and Have More Control, But Being a Successful Entrepreneur Involves a Lot More*, *Fin. Plan.*, May 1, 2006, available at 2006 WLNR 7912888 (Westlaw); see John R. Gartner, *The Hypomanic Edge: The Link Between (A Little) Crazy and (A Lot of) Success in America* (2005).

63 Garrett, *supra* note 62.

64 For discussions on how lawyers' problem-solving skills benefit clients, see Alan M. Lerner, *Law & Lawyering in the Work Place: Building Better Lawyers by Teaching Students to Exercise Critical Judgment as Creative Problem Solver*, 32 *Akron L. Rev.* 107, 112 (1999) (asserting that approaching legal problems from a "problem-solving" perspective may produce better results for clients than the traditional "gladiator" style of lawyering); Carrie Menkel-Meadow, *When Winning Isn't Everything: The Lawyer as Problem Solver*, 28 *Hofstra L. Rev.* 905 (2000) (arguing that lawyers need to think out of the box to solve clients' problems); Graham B. Strong, *The Lawyer's Left Hand: Nonanalytical Thought in the Practice of Law*, 69 *U. Colo. L. Rev.* 759, 797 n.195 (1998) (discussing how a combination of thought processes is necessary for legal case building).

65 Jones, *supra* 17, at 197-99.

66 Sarah Molseed, *Note and Comment, An Ownership Society for All: Community Development Financial Institutions as the Bridge Between Wealth Inequality and Asset-Building Policies*, 13 *Geo. J. on Poverty L. & Pol'y* 489 (2006).

67 The LISC, created in 1979, is said to be the largest community development support organization in the nation. LISC is "dedicated to helping nonprofit community development organizations transform distressed neighborhoods

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into healthy and sustainable communities of choice and opportunity--good places to work, do business and raise children.” Local Initiatives Support Corp., 2006 Annual Report 1 (2006), available at http://lisc.org/docs/brochures/media/lisc_ar_2006.pdf. Similarly, Enterprise, created in 1982, is a nationally recognized supporter of affordable nonprofit housing and community development efforts. Both groups assemble capital and provide technical assistance for housing and community development. More information about Enterprise can be found in Enterprise, 2006 Annual Report: Thinking Differently (2006), available at http://www.enterprisecommunity.org/about/annual_report/2006annual/annualreport_2006.pdf. See Bennett L. Hecht, *Developing Affordable Housing: A Practical Guide for Nonprofit Organizations* (2d ed. 1999).

- 68 NCRC's mission is “to build wealth in traditionally underserved communities and bring low- and moderate-income populations across the country into the financial mainstream. NCRC members have constituents in every state in America, in both rural and urban areas.” For more information, see the NCRC website, National Community Reinvestment Coalition, <http://www.ncrc.org/> (last visited Sept. 7, 2007).
- 69 ICCED, formally known as the National Economic Development and Law Center, “is a national research, consulting, and legal organization dedicated to building economic health in vulnerable communities.” Insight Center for Community Economic Development, <http://www.insightcced.org> (last visited Nov. 15, 2007). For more information, see id.
- 70 “CDVCA is the network for the rapidly growing field of community development venture capital (CDVC) investing. CDVC funds provide equity capital to businesses in underinvested markets, seeking market-rate financial returns, as well as the creation of good jobs, wealth, and entrepreneurial capacity.” Community Development Venture Capital Alliance, <http://www.cdvca.org/> (last visited Sept. 7, 2007). For more information, see id.
- 71 Bruce R. Hopkins, *The Law of Tax Exempt Organizations* 428 (9th ed. 2007).
- 72 NBCC is “dedicated to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activity within the United States and via interaction with the Black Diaspora.” National Black Chamber of Commerce, <http://www.nationalbcc.org> (last visited Sept. 10, 2007). For more information on NBCC, see id.
- 73 The mission of USHCC is “[t]o advocate, promote, and facilitate the success of Hispanic businesses” by: Implementing and strengthening national programs that assist the economic development of Hispanic firms; [i]ncreasing business relationships and partnerships between the corporate sector and Hispanic-owned businesses; [p]romoting international trade between Hispanic businesses in the United States and Latin America; [m]onitoring legislation, policies and programs that affect the Hispanic business community; [and p]roviding technical assistance to Hispanic business associations and entrepreneurs.
U.S. Hispanic Chamber of Commerce, Mission Statement <http://www.usbcc.com> (follow the “about us” hyperlink; then follow “mission statement”) (last visited Sept. 10, 2007). For more information on USHCC, see id.
- 74 USPAACC, a national nonprofit organization formed in 1984, represents Asian Americans in business and encourages economic growth through contracts, professional opportunities, and education. U.S. Pan Asian Am. Chamber of Commerce, Mission Statement, <http://www.uspaacc.com> (follow “About USPAACC” hyperlink; then follow “Vision, Mission, Values” hyperlink) (last visited Nov. 15, 2007). For more information on USPAACC, see id.
- 75 Id. at 229.
- 76 CWE's mission is
[T]o empower women to become economically self-sufficient and prosperous through entrepreneurship.... CWE offers education, training, technical assistance, women's business enterprise certification and access to both debt and equity capital to entrepreneurs at every stage of business development. Their clients are drawn from a wide variety of racial, ethnic and socio-economic backgrounds, spanning the range from women living in public housing who may want to start home-based or small retail businesses to women running fast growth, multi-million dollar technology businesses. Ctr. for Women & Enter., About Us, <http://www.cweonline.org> (follow the “about us” hyperlink) (last visited Sept. 7, 2007). For more information, see id.

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- 77 Fletcher F. Moon, Faith-Based Entrepreneurship 2 (2007) (unpublished manuscript), available at http://e-research.instate.edu/lis_rp/4/ (follow “Download the Document” hyperlink).
- 78 Through entrepreneurship education, NFTE “helps young people from low-income communities build skills and unlock their entrepreneurial creativity.” Nat’l Found. for Teaching Entrepreneurship, What We Do, [http:// www.nfte.com](http://www.nfte.com) (follow “What We Do” hyperlink) (last visited Sept. 7, 2007).
NFTE achieves its mission by:
1. Creating engaging, experiential curricula and tools to improve academic, business and life skills
 2. Training and supporting teachers and youth professionals
 3. Partnering with schools, community-based organizations, and post-secondary institutions
 4. Offering volunteers meaningful opportunities that connect students to real world experiences
 5. Linking the educational and business worlds in the classroom and beyond
 6. Providing services to program graduates
 7. Demonstrating outcomes of entrepreneurship education through research
 8. Building public awareness to expand entrepreneurship education.
- Id. For more information on NFTE, see id.
- 79 Senior entrepreneurs are also referred to as seniorpreneurs, gray entrepreneurs or third age entrepreneurs. Nat’l City Bus. Res. Ctr., Senior Entrepreneurs, http://www.nationalcity.sbrsources.com/SBR_template.cfm?DocNumber=PL18_0100.htm; see also James E. Challenger, The Boomer Boom, Cal. Job J., Oct. 15, 2006, available at http://www.jobjournal.com/article_full_text.asp?artid=1825 (last visited Nov. 15, 2007).
- 80 Nat’l Comm’n on Entrepreneurship, Building Companies, Building Communities: Entrepreneurs in the New Economy 10, 14 (2000) [hereinafter Building Companies], available at [http:// www.publicforuminstitute.org/nde/sources/reports/building-companies.pdf](http://www.publicforuminstitute.org/nde/sources/reports/building-companies.pdf).
- 81 Initiative for a Competitive Inner City & CEOs for Cities, Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda 1 (2002) [hereinafter Leveraging Colleges and Universities], available at <http://www.economyleague.org/files/File/Brain%20leveraging.pdf>.
- 82 Id. at 2.
- 83 See generally Jones, *supra* note 17.
- 84 See Building Companies, *supra* note 80, at 13-14.
- 85 Id. at 14.
- 86 Id. at 10.
- 87 Id. at 14.
- 88 Id. at 10.
- 89 Id. at 11.
- 90 Id. at 20.
- 91 Id. at 17.
- 92 Id.
- 93 Id.

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- 94 For more information about Netpreneur, a communications center and virtual community for entrepreneurs, visit Netpreneur Exchange, A Quick Guide to Netpreneur Services, <http://netpreneur.org/help/quickguide.html> (last visited Nov. 15, 2007).
- 95 Examples of successful networks for women and minorities include the Center for Women & Enterprise, Ctr. for Women & Enter., *supra* note 76; Indus Entrepreneurs, <http://www.tie.org> (last visited Sept. 15, 2007) (comprising successful East Indian entrepreneurs and executives from some of America's leading businesses); and National Center for American Indian Enterprise Development, <http://www.ncaied.org> (last visited Sept. 15, 2007) (developing economic self-sufficiency through business development and networking opportunities for American Indian entrepreneurs).
- 96 Building Companies, *supra* note 80, at 14.
- 97 See *id.* at 21-22; see also Nat'l Comm'n on Entrepreneurship: A Candidate's Guide--Creating Good Jobs in Your Community 23, 28 (2002), available at http://www.entreworks.net/library/reports/4249_NCOE_GUIDE.pdf.
- 98 Bushaw, *supra* note 46, at 238-39.
- 99 In Washington, D.C., the unpopular master business license was repealed by the City Council in 2003. David Nakamura, D.C. Repeals Unpopular Business Licensing Law, *Wash. Post*, June 4, 2003, at B1. Business owners complained that the law was overly broad, covering teenagers who mow lawns or baby-sit. *Id.* Reports indicated that as many as 45,000 entrepreneurs had already obtained licenses totaling \$6.8 million that would probably not be refunded. *Id.*
- 100 Martin Ruano, Smothering Small Business Entrepreneurship: The Complexity of Independent Contractor Laws and the Call for Uniformity and Simplicity 5-8 (Jan. 2007) (unpublished student paper, on file with the author) (describing the complexity of independent contractor laws and the impact on small businesses (citing Jack E. Karns, [Current Federal and State Conflicts in the Independent Contractor Versus Employee Classification Controversy](#), 22 *Campbell L. Rev.* 105, 114-18 (1999); Andrea H. Brustein, Comment, [Casual Workers and Employee Benefits: Staying Ahead of the Curve](#), 7 *U. Pa. J. Lab. & Emp. L.* 695, 696 (2005))).
- 101 *Id.*; see also Karns, *supra* note 100, at 109 (explaining the operation of section 530 safe harbor provision).
- 102 *Neb. Rev. Stat. § 77-5902* (2005).
- 103 Michelle Janowitz, Nebraska's New Advantage--Governor Dave Heineman Signed Legislation Enacting the Nebraska Advantage--A New Set of Incentives Designed to Grow Business in the State, *Bus. Facilities*, Oct. 2005, available at http://www.businessfacilities.com/bf_05_10_analysis2.php.
- 104 Shauna I. Marshall, [Mission Impossible?: Ethical Community Lawyering](#), 7 *Clinical L. Rev.* 147, 147-48 (2000) (citations omitted).
- 105 See Tax Incentives, *supra* note 7, at 8-11.
- 106 Urban entrepreneurs providing testimonials at the 2007 Washington, D.C., Neighborhood Retail Summit identified "passion" as a key indicator of success. While they all emphasized the need for business planning; some were careful and strategic planners while others relied more on intuition, serendipity, and faith. See Neighborhood Summit, *supra* note 35.
- 107 Enterprise Community Partners, D.C. Metro Report (2007), [http:// www.enterprisecommunity.org/local_work/washington_dc/dc_metro_report.asp](http://www.enterprisecommunity.org/local_work/washington_dc/dc_metro_report.asp).
- 108 East of the River Clergy Police Community Partnership, [http:// www.ercpcp.org/home.asp](http://www.ercpcp.org/home.asp) (last visited Nov. 22, 2007); see Leveraging Colleges and Universities, *supra* note 81.

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