



## Startup helps inner-city businesses find funding

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By Deborah L. Cohen

CHICAGO (Reuters.com) - Few small businesses would choose to set up shop in a poorer section of town, but at a time when capital is hard to come by, the financial benefits for inner-city entrepreneurs can be significant.

Chinwe Onyeagoro, a 31-year-old Chicago consultant with personal roots in underserved communities, created her Web-based venture - New Equity Daily [newequitydaily.com](http://newequitydaily.com) - to take the headache out of hunting for alternative sources of financing. It provides an easily searchable database of funding available at the city, state and federal levels such as tax breaks, grants and other non-traditional sources.

"This tool is really about trying to make it a more efficient process for them, trying to make it as easy as comparison shopping for appliances," said Onyeagoro, who works on the ground with community development groups as CEO of Chicago-based O-H Community Partners, a social impact consulting firm. The firm has raised more than \$115 million since she founded it in August 2004.

Besides the search capabilities, New Equity Daily contains a host of proprietary content, including blog posts and policy briefs, as well as links to related national news stories, all designed to help small businesses and municipalities decode the often complicated processes associated with securing non-traditional financing.

Surprisingly, Onyeagoro said, few small businesses realize that developing urban areas such as Chicago's Bronzeville neighborhood, on the south side, often provide more generous incentives than high-profile shopping districts such as the north side's upscale Lincoln Park. The trick is getting companies to realize the money is out there.

"It's not well-known by business owners because it's just too hard to come by the information," said Onyeagoro, whose firm has helped stimulate business development in New York, Washington, DC, Minneapolis, Wichita, Kansas and Green Bay, Wisconsin.

A Harvard graduate and the product of an influential Nigerian family, including an uncle who served as governor of the Central Bank of Biafra, Onyeagoro learned first-hand about the importance of public programs growing up in Boston's low-and moderate income neighborhoods.

Her Nigerian-born parents moved there so her father could attend graduate studies at Harvard. After he returned to Nigeria, her mother, a nurse whose certification was not recognized in the U.S., depended on assistance from food stamps and subsidized housing to help raise seven children on the limited wages of a nurse's aide. Onyeagoro said she remains passionate about bringing commerce into inner-city neighborhoods.

"I have a deep personal history in underserved communities," said Onyeagoro, who gained global perspective after stints with the international consulting firms McKinsey & Company and the Monitor Group. She later helped to manage real-estate assets for Chicago's wealthy Pritzker family.

"Although there are developing countries like Nigeria throughout the world that need foreign direct investment to improve their local economies, there are developing communities...right here in the United States that need to be cultivated and revitalized with the support of both public and private investments," she said.

### COMMUNITY SUPPORT

Community advocates are excited by the possibilities for centralizing information and financing opportunities in a site such as New Equity Daily, which was developed in conjunction with Chicago-based data mining firm Analytic Innovations and launched earlier this month.

"I think it's huge and it's long overdue," said Bernita Johnson-Gabriel, executive director of Chicago's Quad Communities Development Corporation, a not-for-profit group focused on community revitalization that has worked with Onyeagoro's firm.

"Small businesses are really the ones that are struggling and if all they know is the conventional route, they aren't going to get anywhere because it's obvious the banks are not lending," she said.



George Cloutier, a business consultant and co-chairman of the small business task force for the U.S. Conference of Mayors, said Onyeagoro's biggest challenge will be creating awareness for the site.

"The issue is how does she get it out in front of them," he said. On the plus side, Cloutier noted that "cities are beginning to do a lot of independent financing" and younger entrepreneurs gravitate toward Internet-based research.

One way to create some buzz is by taking a strong point of view on hot-button issues such as economic stimulus. In her blog, Onyeagoro has proposed a new national tax holiday policy that would give small companies an extended break from FICA payroll tax, using the savings to hire more workers. She also supports the creation of a small business purchase tax credit that would prompt large companies to unbundle purchasing and source more products from small businesses.

"It's a non-partisan site so we're really focused on really making suggestions straight from Main Street," said Onyeagoro, who is also planning to introduce Facebook and other social media components to the site.

If all goes as planned, the lion's share of revenues for New Equity Daily will be pegged to partnerships with government agencies that would agree to post applications on the site and pay a fee for processing. Onyeagoro also aims to sell subscriptions and to bring in advertising dollars from financial services targeted at small businesses.

"Really what we're trying to do is bring some scale to the small business industry in a way that really helps everyone operate more efficiently," she said.

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