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Children's Hospital, BayCoast and Dana-Farber invest in LISC

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Boston, MA Local Initiatives Support Corp. (LISC) has closed with Boston Children's Hospital, Dana-Farber Cancer Institute, and BayCoast Bank on a new growth capital fund that will invest in growing businesses owned by Black, Latino, and Indigenous entrepreneurs and other people of color. LISC's Massachusetts Small Business Growth Fund will provide flexible equity-like capital akin to the "friends and family" capital that often seeds the growth of small businesses, but is often out of reach to people of color.

The announcement accompanied a workshop for business owners of color interested in learning about the fund, which provides growth capital for established businesses with a strong growth plan. Entrepreneurs of color in Massachusetts are estimated to have unmet capital needs of approximately \$574 million annually.

"LISC's entrepreneur-friendly Small Business Growth Fund is critically needed to support business growth, job creation and wealth building by Black and Brown businesses," said LISC Boston Executive Director Karen Kelleher. "The investments announced today by Boston Children's Hospital, BayCoast Bank and Dana Farber Cancer Institute will help us move the dial on capital access for entrepreneurs of color in Massachusetts.

Shari Nethersole, MD, Vice President for Community Health and Engagement at Boston Children's Hospital adds, "As a pediatric hospital, we see the value in driving equitable investments into our local communities. We believe this is an important strategy to create healthier communities for everyone, especially children and youth. Our collaboration with LISC Boston is an innovative way for a hospital to help promote the health and well-being of families through expanding resources and developing wealth building opportunities in our community."

LISC will invest in businesses with revenues between \$250,000 and \$3,000,000 that have been operating for at least two years that have an ability to deploy capital for business improvement and growth. Investment amounts will be sized based on revenue potential, but are expected to range from \$50,000 to \$250,000. Businesses located in economically-disadvantaged communities will be preferred.

The one-million-dollar fund is available statewide, with half of the funds targeting business on Massachusetts's south coast, as part of a BayCoast and LISC partnership to support a diverse and thriving small business economy in the region, which includes Fall River and New Bedford. The two organizations began working together in 2020 to help entrepreneurs of color access forgivable

Paycheck Protection Program loans.

When LISC proposed its Growth Capital Fund to BayCoast, the community bank stepped up with a sizable investment, and the request that it benefit entrepreneurs on the South Coast of Massachusetts, where BayCoast has a long history of service. “BayCoast’s contribution to LISC’s Massachusetts Growth Capital Fund, is an extension of our deep belief that the diverse people and businesses of the South Coast are our best investment,” said Nick Christ, President and CEO of BayCoast Bank.

Growth capital is an innovative financing product that gives business owners the time they need to invest in and stabilize their companies, with repayment required only when they are successful in growing their revenue and meeting agreed-upon growth targets. “LISC’s fund aims to support entrepreneurs in communities of color to grow revenue, create and retain sustainable jobs, and build wealth” said LISC Director of Strategic Investments George Ashton.

“At Dana-Farber Cancer Institute, part of our mission is to reduce the burden of cancer. This means that an essential component of our work is addressing the social determinants of health,” said Magnolia Contreras, Vice President of Community Health. “We are doing it in the health and housing space and now we are pleased to participate in addressing the economic issues that contribute to poor health. We are pleased to join LISC Boston, this is innovative initiative.”

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