



# Encouraging Entrepreneurial Dreams

Organizations across the state provide resources to help small businesses launch and thrive.

**G**race Fricks' first career was as a social worker, but then she hit upon an idea: Maybe the way to help people out of poverty was to enable them to start a small business.

"I've always been a person for the underdog, but in ways that were empowering for whoever that person was to have self-determination," Fricks says. "There's nothing wrong with the work I did before and I'm not down on charity, but I also think there's this internal drive that people have to express their purpose. If you've got this drive to create, not to work for someone else, you deserve the economic and financial opportunity to do that."

That's the origin story of Access to Capital for Entrepreneurs, or ACE, a nonprofit dedicated to small businesses other institutions can't – or won't – serve. Fricks launched the organization in the small Northeast Georgia town of Cleveland, and ACE's lasting impact has probably eclipsed Cleveland's other claim to business fame as the birthplace of the Cabbage Patch doll.

By Betty Darby      Photograph by Kevin Garrett



**Holy Grail of Retail:**  
Terri-Nichelle Bradley,  
founder and CEO of  
Brown Toy Box





**Asset-building Goal:**  
Grace Fricks, president  
and CEO of ACE

LINDSAY SWINDER

Fricks' ambitions for ACE soon led to an expansion into the Atlanta area and it's only grown since then. ACE is now the largest community development financial institution (CDFI) dedicated to small business in the state. In its 23-year history, ACE has loaned entrepreneurs more than \$145 million and created or secured more than 18,000 jobs. Now the agency has embarked on a major expansion, taking it from its 68-county North Georgia service area southward. A Women's Business Center in Savannah was established in 2021, and ACE plans to begin serving a 32-county swath of South Georgia this spring with a five-person office based in Tifton.

ACE and other nonprofits like it are perfect examples of the interdependency and collaboration of the small business support landscape, showing how federal dollars administered by

state agencies flow through local or regional groups to the entrepreneurial community. Add to that mix other nonprofit groups, like some CDFIs and foundations, and then conventional banks, often operating through their own foundations, and even private industry and advocacy groups like chambers of commerce.

So, what is a CDFI? This specialty form of financial institution dates to federal legislation in 1994 and was intended to redress the historic failure of banks and other lenders to serve minorities, women and low-income groups. Its elastic definition also includes some banks and credit unions. Georgia is home to 29 CDFIs, which include six nonprofits that provide small business loans – ACE, Albany Community Together Inc. (ACT!), Georgia Cities Foundation in Atlanta, NewTown Macon, Small Business Assistance Corporation in Savannah and Southwest Georgia United in Cordele.

Besides the basic mission, Fricks explains, there are other requirements for CDFIs. "You have to have [U.S.] Treasury certification, you have to serve a target population that's eligible, then you have to have representation from whoever you are serving in your governance and policymaking, and you must provide a development service, so you are not just lending," she says.

"I think for CDFIs, what we do is not just make loans, it is about helping people with a dream. The ultimate goal is wealth-building or asset-building. It is through assets that you leave something to the next generation so that they can then go to college, buy a house, start a business. That's how the middle class has always gotten to the next place," Fricks says.

With more than two decades in business, you would expect ACE to have some inspiring success stories – and it does, as recently as the 2022 holiday shopping season. Consider Terri-Nichelle Bradley, founder and CEO of Brown Toy Box. The toymaker focuses on toys that depict children of color in STEAM careers. Bradley had an offer to put her goods on the shelves of Target stores nationwide, but she needed more capital to produce the inventory. ACE came up with the first \$500,000, Invest Atlanta (the City of Atlanta's economic development arm) came up with the second \$500,000, and then other partners came in. Brown Toy Box not only got its products into Target but achieved the Holy Grail of retail last fall when its three-foot-wide puzzles depicting Blacks engaged in careers like chemist or astronaut made Oprah Winfrey's annual "Favorite Things" list.

ACE's expansion into South Georgia is enabled by a \$3.7 million grant from the Truist Foundation. "We pretty much have the operational funding for three years, although we are still raising the



**Creative Support:**  
Thelma Adams Johnson,  
president and CEO of ACT!

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capital to lend,” Fricks says. Of the new turf, half of the 32 counties rank high in “persistent poverty,” she adds.

## EXPANDING ACCESS

To make the expansion work, ACE is collaborating with other CDFIs already operating in South Georgia, like ACT! and Southwest Georgia United in Cordele. “Part of our culture is [that] we are highly collaborative. Everything is about lifting all boats. We cannot accomplish our mission otherwise,” Fricks says. “We’re not large enough to be fully funded on earnings yet, but we have so much more access to resources than those smaller programs in South Georgia, so we want to make sure that we leverage them and they leverage us. This a great resource for Georgia. This is additive, it is not extractive. Most people we lend to can’t get what they need from a bank, or they can’t get all of it. That’s kind of a tagline – we help people when others can’t or won’t.”

Albany-based ACT! also got a strong cash infusion from a bank foundation in the wake of the pandemic. Wells Fargo channeled the \$420 mil-

lion in gross processing fees it made from administering federal Paycheck Protection Program loans into its Open for Business Fund, which focuses on racially and ethnically diverse small businesses. Georgia nonprofits received \$26 million, and ACT! got \$1 million of that.

“That allowed us to be very creative in how we supported our businesses coming out of COVID,” says Thelma Adams Johnson, president and CEO of ACT!. And that creativity was badly needed because 41% of Black-owned businesses nationally closed down permanently in the pandemic, she says.

Johnson says ACT! spent the Wells Fargo million on interest rate buy-downs and equity grants to what she calls legacy businesses – a cluster of 13 Black-owned businesses that had been in business for years but were felled by the pandemic, ranging from a pharmacy to a hair salon.

The pandemic taught hard lessons, both to businesses and those trying to support them. “We are creating a program as a result of what we learned,” Johnson says. “Many of those businesses were at the mercy of their landlords so we are trying to make it possible for businesses



**Helping Women:**  
Santiago Marquez,  
CEO of the Latin  
American Association

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to purchase commercial property.”

The nonprofit CDFIs are not the only representative from the nonprofit sector in the small business support environment. Social service and advocacy groups offer counseling and even financial support to small businesses because entrepreneurship can be the path out of poverty. An example? The Latin American Association, headquartered in Atlanta but with bases in Dalton and Lawrenceville.

“We have been helping women start businesses for about 10 years,” says Santiago Marquez, CEO of LAA. “The highest percentage of our clients are women, and a good chunk of them are single mothers who are trying to take care of their family.”

Business support is not the primary mission of the LAA, but it is an important one, he says. The group works to help aspiring entrepreneurs with some of the same services it provides to everyone, like language skills and immigration status assistance. Beyond those services, LAA offers an eight-week course on starting a business and then a year’s mentoring for the participants who show the most promise.

“We’ve been giving microloans [\$500 to \$5,000] for several years,” Marquez says. “We don’t administer that many of them and right now we are in the process of learning how to do that better. What we know is that in small business, there’s a lot [of people who are] over-mentored and undercapitalized. There’s a lot of mentoring that’s

out there, but you need the capital and there’s not that much of it.”

The people LAA mentors are attracted to catering, in part because food and beverage service has always been an entry point for immigrants and in part because catering is not prohibitively expensive to get into, he says.

The LAA also knows the power of partnerships. Mohawk Industries is a floorcovering manufacturer with its headquarters in Calhoun and operations in Dalton, where thousands of Latinos work in the industry. The company enabled the opening of an LAA service center in Dalton in 2019 and expanded its support in 2022. (Per the 2020 U.S. Census, 52.5% of the population of the city of Dalton is Hispanic or Latino.)

“It helps Mohawk keep a steady workforce and it shows they care about the community,” says Marquez.

## SHARING EXPERTISE

Government sources, too, offer both mentoring and, in some cases, financial assistance. The mentoring, often through classes, comes first.

If you want to grow an existing business or have an itch to start one, a good place to start is the University of Georgia’s Small Business Development Center, covering the entire state through 18 locations. Here you can access the expertise of small business experts to serve as mentors and help you craft a business plan, manage cash

flow and make your business attractive to lenders, all free of charge. (The program is financed by state and federal tax dollars.)

“We primarily want to focus on people who have already made some investment and been in business,” says Allan Adams, state director for the SBDC. “The bulk of what we do is with people who have already got something going on, but we do help people start businesses. We focus on people who want to employ people.

“Our principal activity is one-on-one work with business owners. We can focus on what their learning need is, helping them understand how business works. It’s a very personalized business. For small businesspeople, this is their livelihood, this may be their net worth,” he says.

There’s no shortage of takers: In 2022, the SBDC handed 4,449 formal consulting cases statewide. The SBDC also offers classes for nominal fees at its various locations, on topics ranging from business planning to digital advertising, and those courses engaged 3,047 students last year.

“We don’t loan money, and we’re not here to talk people into borrowing money. But we are good at teaching people how to appeal to banks. Banks are not in the business of risk,” Adams says. “We are good at helping people understand their financial situation and get their business plan in order. Some people are going to have a hard time with conventional banking because of credit score or lack of experience, but there’s other resources we can point them to.”

UGA also partners with some other universi-

ties in the University System of Georgia and with Morehouse College, a private Atlanta-based HBCU. More than 1,000 SBDCs operate nationwide, in every state and U.S. territory – and every one of them has Georgia’s fingerprints all over it. William C. Flewellen Jr., former dean of the UGA College of Business Administration, championed the idea of the university sharing expertise with the business community – a business model already demonstrated by the highly successful agricultural Cooperative Extension Service that serves everyone from farmers to suburban gar-

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deners. UGA’s program was one of eight pilot SBDCs in 1976 and the program went nationwide under a bill cosponsored by Georgia’s U. S. Sen. Sam Nunn and signed into law by President Jimmy Carter in 1977.

Those centers have their work cut out for them because of the challenges small businesses face. “It’s a lot of work, it’s a lot of risk and you have to have a lot of passion to do really well,” Adams says.

### ASSISTANCE ON MULTIPLE LEVELS

“Every place you turn there’s a small business. There are 1.1 million small businesses across the state and the impact they have cannot be measured in dollars and cents. Small businesses are the engine that runs our economy. They are the ones that put bicycles under Christmas trees at Christmas time.”

So says Lindsay Martin, director of entrepreneur and small business for the Georgia Department of Economic Development.

Parts of Georgia.org, the department’s website, are virtual primers on how to start a business, with sections for start-ups, those looking to expand, women, veterans and minorities.

“We have an interdivisional approach to serving all business, not just small business, and 98.9% of the businesses we deal with are considered small business. We have a team of project managers who live and work in their respective regions across the state. They are well versed on



GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT

**Extensive Resources:** Lindsay Martin, director of entrepreneur and small business for the Georgia Department of Economic Development



**Important Tools:**  
Christopher Nunn,  
commissioner of the  
Georgia Department  
of Community Affairs

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resources available at the state level and at the local and regional level,” Martin says. (The state defines small business as any business with fewer than 300 employees or less than \$30 million in annual gross receipts.)

Resources concentrated in Atlanta focus on helping companies that want to trade internationally, and the state maintains 12 overseas offices.

Another resource is the department’s Center of Innovation, which offers access to technical expertise and which Martin calls a “brain trust.” He cited an example of a company that was reporting that 50% of its raw materials were ini-

tially ending up as waste; two years later, after being connected with Georgia Tech via the Center of Innovation, that waste rate was down to 5%.

Martin is especially proud of Georgia Department of Economic Development’s Small Business ROCK STARS annual awards, which are announced each May and are observing their 10th anniversary this month. (See sidebar.)

The Georgia Department of Community Affairs covers a wide range of responsibilities devoted to community building – and small business support can fall into that category. Some aspects are obvious, such as the State Small Business Credit Initiative (SSBCI). Others you have to think through – revitalizing small downtowns essentially means recruiting and supporting small businesses.

“SSBCI is a federal program that we run,” explains DCA Commissioner Christopher Nunn. When the program launched in 2010, Georgia received \$48 million and used much of that to capitalize CDFIs, he says, and that initial round led to 714 loans to businesses in 75 counties. A second round of funding for SSBCI was part of federal pandemic recovery legislation.

Another financial product in what Nunn calls the DCA’s “toolbox” is the Downtown Development Revolving Loan Fund, which lets smaller cities and municipalities (under 100,000 population) borrow money to support downtown revitalization. The program began more than 20 years ago with philanthropic funding from the Georgia Cities Foundation, which was launched by the Georgia Municipal Association.

“DDRLF has made 212 loans to downtown development authorities totaling \$34 million, leveraged \$150 million in private investment, and as a result of that we have created 320 new commercial units, 290 new businesses and nearly 3,000 jobs and 236 new residential units,” Nunn says. “It has been a really important tool in so many communities across the state to go in and

## Success Stories

The Georgia Department of Economic Development’s 2023 Small Business ROCK STARS are:

- Crescent Kayaks, Carroll County
- Benedetto Guitars Inc., Chatham County
- Shear Structural, DeKalb County
- Ellijay Mushrooms, Pickens County
- White Oak Pastures, Clay County

Nominations for the 2024 Small Business ROCK STARS open May 8 and run through Oct. 30, 2023.

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start up in an historic building – I think everything from craft breweries to new restaurants trying to figure out how to put a pizza oven in a building that is 150 years old.”

In 1980, Georgia became an early participant in the national Main Street program. Today, about 100 communities participate statewide. The program has helped cultivate downtown farmers markets, parking, parks and greenspace in downtowns. “I don’t ever want to overplay DCA’s role there, because our mission is to help build strong, vibrant communities, and all of these communities are thriving because of the local leadership,” Nunn says.

Another key tool has been the five-year-old Rural Zone Program, a job and investment tax

incentive program envisioned to support entrepreneurs and small businesses that want to locate in historic downtown buildings.

This is not an exhaustive list of state agencies that support small business. Most have some role to play in that effort, whether it be the Department of Agriculture’s highly successful Georgia Grown marketing program or Georgia Department of Transportation’s Disadvantaged Business Enterprise Program, which helps minority businesses of all sizes compete for GDOT business.

Clearly, it is not by accident that Georgia gets to call itself the No.1 state for business. This web of interconnected public, private and nonprofit resources is there to support the dreams – and the sweat equity – of the entrepreneur. ■■