



Proven and Promising Interventions to Support Small Businesses: A Guide for Cities



Housekeeping

- The event is being recorded, and the recording will be posted online afterward.
- Speaker biographies and related materials are available online.
- All participants are muted, but you can type your questions or comments into the Q&A box at any time. We will have a Q&A segment at the end of the session.
- You can hide captions or adjust settings with the Live Transcript button.



Proven and Promising Interventions to Support Small Businesses: A Guide for Cities



Proven and Promising Interventions to Support Small Businesses

Bloomberg Associates

A New Guide for Cities

- Developed by Brett Theodos, Daniel Teles, and Ilina Mitra (Urban Institute)
- For the economic development team at Bloomberg Associates, a philanthropic consultancy that advises cities around the world and is a part of Bloomberg Philanthropies.

Why Small Businesses Matter

- Small businesses are central to **local economic vitality, innovation, and wealth creation**, making them a core focus of city economic development policy.
- **They drive employment and economic activity**
 - In the United States, **96% of firms have fewer than 50 employees.**
 - These businesses employ **44% of workers.**
- **They anchor local economies**
 - Cities typically have **hundreds or thousands of small firms** across sectors such as professional services, health services, retail, and finance.
 - These firms contribute to neighborhood vitality, local supply chains, and place-based economic activity.

Why Small Businesses Matter









- **They create pathways to entrepreneurship and wealth.**
 - **Small business ownership is one of the few mechanisms households have to build wealth that can be passed to the next generation.**

- **But starting and growing a business is difficult.**
 - **Entrepreneurs face barriers including limited access to capital, regulatory complexity, and operational challenges.**










Small business needs

Access to Capital	Technical Expertise	Real Estate	Operational Needs
<ul style="list-style-type: none"> Start-up costs 	<ul style="list-style-type: none"> Business and financial planning 	<ul style="list-style-type: none"> Affordable space 	<ul style="list-style-type: none"> Talent
<ul style="list-style-type: none"> Operating reserves 	<ul style="list-style-type: none"> Expertise in accounting, HR, marketing and operations 	<ul style="list-style-type: none"> Support with leases and real estate contracts 	<ul style="list-style-type: none"> Innovation
<ul style="list-style-type: none"> Financing for growth 	<ul style="list-style-type: none"> Network of suppliers or service providers Network of peers and advisors 	<ul style="list-style-type: none"> Maintenance and repairs 	<ul style="list-style-type: none"> Technology and equipment Artificial intelligence Remaining compliant with regulations Securing contracts











Programs that facilitate **access to capital**

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
<p>Small business loans</p>	<p>Public entities can offer loans directly; provide loan guarantees, collateral support, loan loss reserve, or other risk mitigation support; buy down interest rates; or seed revolving loan funds among other approaches.</p>			
<p>Microloans</p>	<p>Smaller dollar business loans specifically for microentrepreneurs, typically defined as loans under \$50,000.</p>			
<p>Grants to businesses</p>	<p>Direct grant funding, generally awarded through a competitive process, sometimes in response to natural or economic disasters or to achieve local economic development or equity goals.</p>			







Programs that provide **technical and operational support**

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
Consulting Services	Free or highly subsidized access to business consulting services (such as business planning, marketing, sales, ecommerce)			
Coaching and Counseling	While different, both offer adaptive 1-on-1 support for owners and entrepreneurs			limited by self-selection
Small business development centers	Government funded organizations that house both technical consultancy services and capital access services.			
Mentoring	1-on-1 support from an experienced business owner which distinguishes mentoring from coaching/counseling			
Legal aid	Pro bono legal services to support business entity formation, contracting, and HR			






Programs that provide **technical and operational support**

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
Loan readiness programs	Counseling programs to prepare small business owners for lending opportunities.			improve loan readiness
Small business incubators	Incubators provide space, access to networks, and technical assistance			
Accelerators	Cohort-based model of providing technical assistance to businesses with high-growth potential			
Maker spaces / shared kitchens / etc.	Shared commercial production spaces for very small businesses can help reduce the need to invest in expensive capital equipment			







Programs the help **secure and retain a place of business**

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
Storefront / Interior Improvements	Financing for or provision of basic construction services to improve the façade or workspace			
Rent subsidies to businesses or landlords	Subsidies to reduce the cost of rent for small businesses			
Legal assistance or mediation	Pro bono legal support for commercial leasing, dispute resolution			
Tax relief	Reimbursement or relief from real estate sales or property taxes			

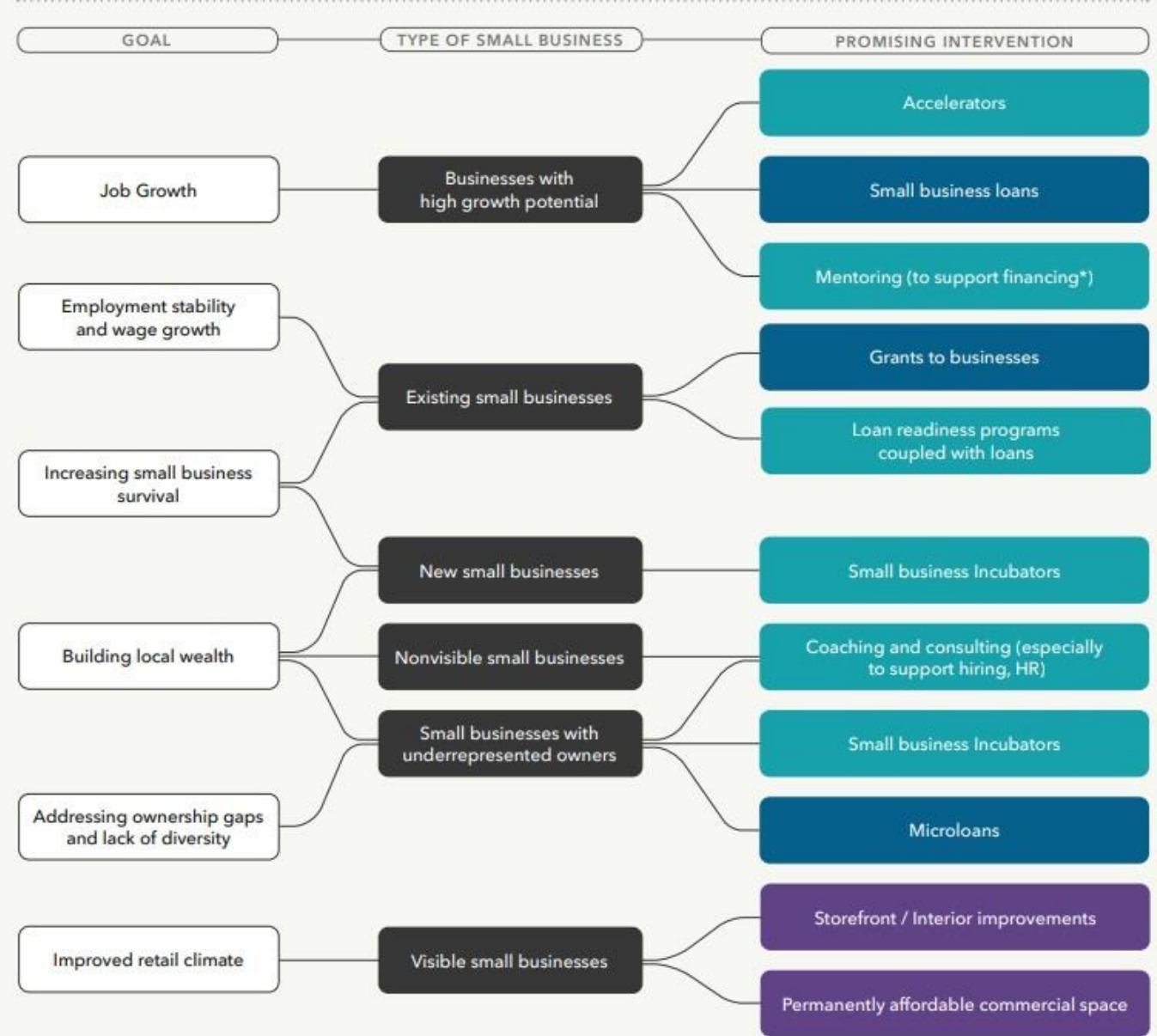
Programs the help **secure and retain a place of business**

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
Commercial rent control	Regulations limiting the amount of rent that can be charged or the rate at which rent can be increased for a commercial space.			
City or tenant right to purchase	Legal requirement that owners offer the city or the current tenant either the first opportunity to purchase the property or the ability to match any other offer prior to selling.		in combination with other financing	
Permanently affordable commercial space	Commercial space is maintained with below-market rent through master lease agreements, ownership by a government or nonprofit, or shared ownership among tenants.			
Land use and zoning	Local regulation and land use that works to preserve land for business use.		in expensive markets	

Policies enacted to support small businesses

Program Type	Description	Frequency of Use	Promising	Evidence of Impacts
Taxes and tax Incentives	Local tax policy can be a tool to encourage investment or job creation or to reduce the tax burden of small businesses.			If well-structured to target small businesses
Procurement support/preferences including local, small, or diverse contractor/supplier efforts	Policies that give preference to small or local businesses in government procurement. These may be combined with technical assistance to support government contracting.			Can increase small business procurement
Licensing and permitting supports	Efforts to make permitting and licensing processes easier, either by increasing technical support or streamlining processes			

Identify Interventions to Achieve Local Goals



* Businesses with high growth potential might be able to raise funding from investors. They can use guidance and support through this process.

PROMISING INTERVENTION KEY

- Access to Capital
- Real Estate Assistance
- Technical Expertise
- Policy Support

Align programs with the businesses you are trying to serve

- **Start with a clear goal** - Define the outcome the city is trying to achieve, such as job growth, business survival, neighborhood vitality, or wealth building.
- **Focus on the businesses that matter most for that goal** - Different firms have different needs, from high-growth startups to neighborhood storefront businesses.
- **Match programs to the barriers those businesses face** - Select interventions that address key challenges such as access to capital, technical expertise, or commercial space.

Examine Cost Effectiveness

With limited evidence at hand, determine cost effectiveness by:

- **Defining primary beneficiaries** - impacts differ across owners, workers, customers, and communities
- **Capturing full costs** - include program, partner, and business-level costs and savings
- **Calculating true subsidy** - distinguish lending/investment from actual spending
- **Aligning value with local priorities** - cost-effectiveness depends on which outcomes matter most

Take a coordinated, ecosystem-based approach to developing a small business support system

- **Understand the local business landscape** - Map business types, sectors, and growth opportunities.
- **Assess the existing support ecosystem** - Identify programs, lenders, advisors, and key partners.
- **Prioritize businesses aligned with city goals** - Focus resources on firms that advance the city's economic "North Star."
- **Build strong partnerships** - Collaborate with lenders, nonprofits, universities, and philanthropy.
- **Expand outreach and coordination** - Ensure businesses know about programs and align efforts with workforce, industry, and neighborhood strategies.
- **Track outcomes and evaluate impact** - Measure results to strengthen programs over time.



Proven and Promising Interventions to Support Small Businesses: A Guide for Cities

