

DEPARTMENT OF ECONOMIC INITIATIVES (DEI) CALENDAR YEAR 2025 EQUITY IMPACT PLAN

Leadership Sponsor: Rebecca Moudry, Director

Equity Lead(s): Theresa Benincasa, Manager, Economic Mobility

Departmental Equity Guiding Statement:

Context: The Department of Economic Initiatives (DEI) is committed to promoting opportunities for economic mobility for all residents through policy, programs and initiatives that foster entrepreneurship, small business development and equitable growth.

Investing in Minority-Owned Founders and Start-Ups

The pandemic provided a jumpstart for minority-owned businesses. Data from the U.S. Census Current Population Survey show that between January 2020 and April 2023, the number of self-employed persons of color increased by 13%.

According to the Federal Reserve's 2023 Report on Start-up Firms Owned by People of Color, start-ups of color tend to be smaller and in slightly worse financial condition than their white-owned counterparts. Many start-ups regardless of race or ethnicity of firm ownership struggle financially. Yet, a majority of start-ups of color are expected to add employees in the year following the survey, suggesting many of these firms aim to scale up. Since most start-ups are not profitable, accessing external funding can be key to growth.

While the amount of venture capital has increased in recent years globally, underrepresented founders continue to face challenges accessing this capital. In their 2023 study *Underestimated Start-Up Founders, the Untapped Opportunity*, McKinsey & Company reported that 1% of the nation's venture capital funding was invested in businesses with Black founders and 1.5% in funded Latino-led companies. Women-founded teams received 1.9% of venture capital funds and only 1% of funds were given to companies founded by women who identify as Black and Latino. Over the start-up business life cycle, white male founders received 43% more total funding than underrepresented founders (including women and people of color).

DEI initiatives such as the Fairfax Founders Fund and the Accelerate Investor-Entrepreneur Breakfast Series directly address gaps in access to financial and social capital for minority-owned and local entrepreneurs and tap into the trend for new growth among founders of color.

Providing Technical Assistance and Business Support for Small and Minority-Owned Businesses

The Federal Reserve's 2024 Small Business Credit Survey shows that the effects of the pandemic are waning for many small businesses, and there has been modest improvement

in small-business conditions. Small businesses' performance held steady and remained well above pandemic-era lows. Businesses were much more likely to expect increases than decreases in revenue and employment in the coming year.

Still, small businesses continue to face headwinds. Nine of out ten firms reported they still face operational and/or financial challenges operating their business. While the share of firms with challenges hiring or retaining qualified staff declined year-over-year, it remained the most common operational challenge.

In Fairfax County, small businesses have access to over 100+ business support organizations that offer free or low-cost resources to help entrepreneurs and small businesses address their operational and fiscal challenges and grow and thrive in a post-pandemic economic environment. Many of these business support organizations specialize in helping minority-owned firms address their unique challenges. Yet, a DEI assessment and stakeholder feedback indicate that many county businesses are unaware that these resources exist, how to find them and what they offer.

DEI programs such as the Fairfax CORE (Connecting Opportunities and Resources for Entrepreneurs) and the THRIVE Small Business Technical Assistance Program provide direct assistance to local small businesses. CORE provides access to free and low-cost business support services, networks, business guides, education and events. THRIVE has provided customized business coaching and technical services for small county businesses to directly address their operational, marketing and financial needs, and help businesses accelerate their business growth.

Expanding Employment Opportunity through Paid Internships

In a post-pandemic economy, worker recruitment and hiring continue to challenge many employers from diverse sectors (based on local, regional, and national surveys). Simultaneously, many jobseekers experience unemployment and underemployment. This includes working adults, immigrants, refugees, career switchers and those without a college degree. People of color are disproportionately represented in these groups.

The shortage of workers using traditional talent-sourcing approaches constrains economic growth and business success. Work-based learning through internships and on-the-job training offer employers the opportunity to expand the labor pool and upskill talent.

For jobseekers, internships offer an opportunity to develop their skills and to gain the professional experience needed to participate in a knowledge-based economy and earn sufficient income. It can be an on-ramp to gateway jobs in our local economy, and a path to economic mobility.

Talent Up Fairfax Fund is a workforce pilot program that seeks to match county employers with new pools of local talent that firms may have overlooked and place them into paid

internships. Talent Up internships aim to increase job seekers' economic mobility with paid work experience and the potential for hiring. The Talent Up Fairfax Fund leverages the region's workforce system to build new employer partnerships and increase access to workforce resources for all county jobseekers.

Creating Economically Vibrant and Inclusive Places in Fairfax County

Place-led economic development is a comprehensive location-based approach to economic development that aims to improve equitable growth outcomes within the diverse communities in Fairfax County. The Chairman's Task Force on Equity and Opportunity found that key challenges to building equitable communities include: "People of color and lived expertise do not have the power to influence decision making," and "Lack of investment or re-investment in historically marginalized communities; investments do not directly benefit communities of color that live there."

These challenges indicate a need for an inclusive place-led economic development approach that identifies, celebrates and fosters empowered residents and community assets. According to the Project for Public Spaces, a core component of a place-led economic development approach, is the empowerment and engagement of the individuals in a community to participate in, understand and contribute to the evolution of the spaces that define that community.

DEI leads new efforts to focus on place-based activities by piloting the development of commercial profiles. These profiles lay the groundwork for understanding the economic assets and community opportunity for contrasting commercial districts within the county.

System-Level Infrastructure:

- Work with approximately 10 departments throughout the county to feature their information and resources related to starting and growing a business on the Fairfax CORE resource platform
- Work with the Department of Planning and Zoning (DPD) and Department of Neighborhood and Community Services (NCS) on place-led economic development
- Work with the Department of Family Services (DFS), the SkillSource Group, and Virginia Career Works Northern to implement the Talent Up Fairfax Fund
- Work with One Fairfax, the Health Department and NCS to develop multicultural outreach for DEI programs
- Work with the Department of Management and Budget, (DMB) the Department of Procurement and Material Management (DPMM), the Department of Finance, (DOF) and the Office of the County Attorney (OCA) on grants management for the American Rescue Plan Act-funded projects including THRIVE and the Talent Up Fairfax Fund

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DEPARTMENT GOALS

Goal 1: Implement the THRIVE Technical Assistance program that includes serving underrepresented small businesses and entrepreneurs.

One Fairfax Area(s) of Focus:

1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Effective and Efficient Government (EEG)

Countywide Strategic Plan Strategies/Metric(s):

EO 4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunity for Black, Indigenous, and People of Color (BIPOC).

EO 8: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support and expand businesses, particularly in target industries and across various types and sizes.

EO 9: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.

EO 10: Promote the equitable and transparent distribution of county resources through the county’s contracting and procurement systems and policies.

EEG 3: Enhance communication and outreach to the community by using all available communication methods and tailoring messages to individual needs.

EEG 6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions and values of diverse ethnic, racial and cultural groups.

Related Economic Opportunity Metrics: Net Change in Jobs; Number of Business Establishments

Related Effective and Efficient Government: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/Supports	Responsible	Timeline	Performance Measures
1a. Continue to oversee the grant processes and program delivery related to providing small businesses with business coaching and technical services through December 2025.	Latino Economic Development Center (LEDC), small businesses, business support organizations, multicultural organizations, DMB	Financial resources, staff time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux	Q1-Q4	- Number/ demographics of businesses receiving services (owners) - Diversity of businesses (types) receiving assistance - Program satisfaction - Program impacts

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1b. Collect and analyze applicant demographics, program satisfaction with services, and program outcomes. Produce infographics and distribution maps.	LEDC, small businesses, DMB, DIT-GIS	Financial resources, staff time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux	Q1-Q4	Longer-term PMs: - Longer-term economic impacts reported by participating businesses
1c. Connect THRIVE businesses with local business support and educational resources to support their continued growth (through CORE and THRIVE webinars, and connections to the Small Business Development Center and LEDC).	LEDC, small businesses, business support organizations, multicultural organizations	Financial resources, staff time	Jamie Gaucher, Theresa Benincasa, Wendy Lemieux	Q2-Q4	

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Goal 2: Improve access to capital and technical expertise for diverse business founders.

One Fairfax Area(s) of Focus:

1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Effective and Efficient Government (EEG)

Countywide Strategic Plan Strategies/Metric(s):

EO 4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunity for Black, Indigenous, and People of Color (BIPOC).

EO 8: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support and expand businesses, particularly in target industries and across various types and sizes.

EO 9: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.

EO 12: Partner with businesses, universities, research institutions, and incubators to foster innovation that supports high-impact entrepreneurship, attracts capital, creates jobs, builds a relevant workforce and stimulates economic growth.

EEG 3: Enhance communication and outreach to the community by using all available communication methods and tailoring messages to individual needs.

EEG 6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions and values of diverse ethnic, racial and cultural groups.

Related Economic Opportunity Metrics: Net Change in Jobs; Number of Business Establishments; Dollars of New Capital Investment in Fairfax County-based businesses

Related Effective and Efficient Government: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/Supports	Responsible	Timeline	Performance Measures
2a. In cooperation with fund administrators, launch the third cohort for Fairfax Founders Fund applications, monitor all cohort grant agreements, and track and report program impacts.	Fairfax County Economic Development Authority (FCEDA), industry, university partners, sources of early-stage capital	Financial resources, staff time	Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux	Q1-Q3	- Number of program promotion activities/diverse outreach contacts - Number of applicants/ awardee businesses with diverse, underrepresented founders - Number of entrepreneur
2b. Continue marketing and communications plan to reach historically underserved founder populations.	FCEDA, industry, university partners, sources of early-stage capital	Financial resources, staff time	Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux	Q1-Q3	

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<p>2c. Establish, expand and support regular entrepreneur and investor forums to develop the ecosystem, provide education, and connect local businesses with capital. Incorporate outreach methodology to other regional innovation events with regional stakeholders.</p>	<p>FCEDA, industry, university partners, sources of early-stage capital</p>	<p>Financial resources, staff time</p>	<p>Jamie Gaucher, Eta Nahapetian, Mariam Conley, Wendy Lemieux</p>	<p>Q1-Q4</p>	<p>referrals to prep services to nurture growth - Number of grants awarded</p> <p>Longer-term PMs: - Number of jobs created or retained - Additional capital secured</p>
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Goal 3: Structure and promote Fairfax CORE (Connecting Opportunities and Resources to Entrepreneurs), a platform and other activities to help entrepreneurs, home-based and small businesses, including minority-owned businesses, connect to available resources.

One Fairfax Area(s) of Focus:

1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Effective and Efficient Government (EEG)

Countywide Strategic Plan Strategies/Metric(s):

EO 4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunity for Black, Indigenous, and People of Color (BIPOC).

EO 8: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support and expand businesses, particularly in target industries and across various types and sizes.

EO 9: Advance the skills of new business owners by assessing currently available county and community services and building a more coordinated and impactful network of expertise and support.

EEG 3: Enhance communication and outreach to the community by using all available communication methods and tailoring messages to individual needs.

EEG 6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions and values of diverse ethnic, racial and cultural groups.

Related Economic Opportunity Metrics: Net Change in Jobs; Number of Business Establishments; Overall Office Vacancy Rate

Related Effective and Efficient Government: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/Supports	Responsible	Timeline	Performance Measures
3a. Promote, grow, and maintain Fairfax CORE, a small business/entrepreneurship resource navigation system.	County agencies, entrepreneurs/business owners, business support organizations	Staff time	Frank Kuhns, Wendy Lemieux	Q1-Q4	- Web analytics - Network engagement, reach and strength - Resource partner/network outcomes
3b. Implement a platform search engine optimization analysis and strategy to expand outreach and engagement, including targeting diverse businesses/ diverse geographies.	County agencies, entrepreneurs/business owners, business support organizations	Staff time	Frank Kuhns, Wendy Lemieux	Q1-Q4	
3c. Promote and support educational events for entrepreneurs and small business owners.	County agencies, economic development partners, entrepreneurs	Staff time	Frank Kuhns, Wendy Lemieux	Q1-Q4	- Number of entrepreneurs or businesses that participate in education

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					events organized or supported by DEI
3d. Provide customized assistance to entrepreneurs and businesses to navigate county requirements to start or grow a business, as well as connection to other supportive resources.	County agencies, economic development partners, entrepreneurs	Staff time	Frank Kuhns	Q1-Q4	- Number of entrepreneurs and small businesses served (including minority-owned businesses)

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Goal 4: Build and collaborate on place-led economic development efforts, utilizing unique assets within communities to understand and nurture economic activity, empowering local stakeholders/residents, and support economically competitive places.

One Fairfax Area(s) of Focus:

- 1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.
- 11. A quality built and natural environment that accommodates anticipated growth and change in an economically, socially, and environmentally sustainable and equitable manner that includes mixes of land use that protects existing stable neighborhoods and green spaces, supports sustainability, supports a high quality of life, and promotes employment opportunities, housing, amenities and services for all people.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Effective and Efficient Government (EEG)

Countywide Strategic Plan Strategies/Metric(s):

- EO 6: Use data, disaggregated by population and place, to guide land development and investment in communities with the greatest need to improve economic opportunity.
 - EO 8: Collaborate with the business community to explore innovative approaches to enhance efforts to attract, retain, support and expand businesses, particularly in target industries and across various types and sizes.
 - EO 13: Focus land development efforts on creating a variety of vibrant, transit-connected, walkable mixed-use destinations throughout the county that meet the needs of residents, employers and the workforce.
 - EEG 6: Expand capacity to meaningfully engage the community in places that are accessible and in ways that consider needs, traditions and values of diverse ethnic, racial and cultural groups.
- Related Economic Opportunity Metrics: Dollars of New Capital Investment in Fairfax County Businesses
- Related Effective and Efficient Government: Percentage of residents who feel they have authentic opportunities to participate in Fairfax County decision making

Actions	Stakeholders	Resources/Supports	Responsible	Timeline	Performance Measures
4a. Evaluate commercial areas and create a typology of places in the county.	County agencies, economic development partners, community-based organizations	Financial resources, staff time	JoAnne Fiebe	Q1-Q4	Place-specific economic analysis: - Number of communities engaged in place-led economic development - Number of partnerships engaged to develop County efforts
4b. Engage with local stakeholders to build upon community assets and implement targeted place-led economic development approaches.	County agencies, economic development partners, community-based organizations	Financial resources, staff time	JoAnne Fiebe	Q1-Q4	- Number of community organizations engaged to further or execute efforts

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Goal 5: With DFS, implement the Talent Up Fairfax Fund to provide economic opportunities to unemployed or underemployed workers.

One Fairfax Area(s) of Focus:

1. Community and economic development policies and programs that promote wealth creation and ensure fair access for all people.
3. Workforce development pathways that provide all residents with opportunity to develop knowledge and skills to participate in a diverse economy and earn sufficient income to support themselves and their families.

Countywide Strategic Plan Community Outcome Area(s): Economic Opportunity (EO); Lifelong Education and Learning (LEL)

Countywide Strategic Plan Strategies/Metric(s):

EO 4: Contribute to the closing of the racial wealth gap by supporting the development of ecosystems that facilitate locally owned investment and economic opportunity for Black, Indigenous, and People of Color (BIPOC).

EO 15: Facilitate improved connections between employers and qualified talent by increasing awareness of workforce services and incentives.

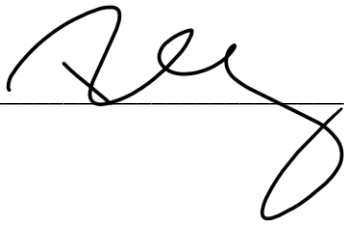
LEL 15: Increase the supply and improve the quality of career and technical education including apprenticeships and internships by expanding coalitions across schools, post-secondary institutions and workforce development programs.

Related Economic Opportunity Metrics: Unemployed Residents, Net Change in Jobs, Residents with a bachelor’s degree or Higher

Related Lifelong Education and Learning Metrics: % of Residents with some form of post-secondary degree/certification

Actions	Stakeholders	Resources/Supports	Responsible	Timeline	Performance Measures
5a. Continue to oversee Talent Up program execution through ARPA extension through December 2025.	Skill Source Group, Inc., DFS, FCEDA, employers, nonprofits and educational institutions, DMB	Financial resources, staff time	Theresa Benincasa, Jamie Gaucher	Q1-Q4	- Number of promotional activities - Number of jobseeker applications/demographics of jobseeker applicants - Number of employers/internships created
5b. Engage employers and talent developer networks to participate in the Talent Up Fairfax Fund.	Skill Source Group, Inc., DFS, FCEDA, employers, nonprofits and educational institutions, jobseekers	Financial resources, staff time	Theresa Benincasa, Jamie Gaucher, Wendy Lemieux	Q1-Q2	- Number of employers engaged - Number of talent developers engaged
5c. Collect and analyze program outcomes and impacts, and plan for sustainability.	Skill Source Group, Inc., DFS	Financial resources, staff time	Theresa Benincasa, Jamie Gaucher, Wendy Lemieux	Q3-Q4	Longer-term PM: - Number of WBL placements created - Number of job placements

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Department Director's Signature:  _____