

www.newsobserver.com/news/business/article246143650.html

NC IDEA wants to give \$500K to groups helping Black startups. Here's how to apply.

By Julia Wall

4-5 minutes

Durham must reach a shared vision to have 'shared prosperity'

Farad Ali, president of The Institute, previously The Institute of Minority Economic Development, believes minorities in Durham have the potential to overcome a wealth gap to achieve "shared prosperity" if the city has a shared vision of the future. Farad Ali, president of The Institute, previously The Institute of Minority Economic Development, believes minorities in Durham have the potential to overcome a wealth gap to achieve "shared prosperity" if the city has a shared vision of the future. By [Julia Wall](#)

DURHAM

[NC IDEA](#), a foundation that provides seed grants to startups, will soon award \$500,000 in grants to groups promoting Black entrepreneurship in North Carolina, an effort that is part of the foundation's strategy of increasing minority representation in the state's startup ecosystem.

In August, NC IDEA [created the Black Entrepreneurship Council](#), a Black-led board that will guide how the foundation does its outreach to the Black business community.

Thom Ruhe, the head of NC IDEA, said the creation of the Black Entrepreneurship Council and a pool of grant money to support Black entrepreneurs was necessary because of the decades of under investment in Black communities.

"There's data that shows the racial disparities and they're horrible," Ruhe told The News & Observer in July. "You can Google it and you'll see all the sources that tell you that Black foundations are underrepresented, underfunded and under-engaged."

According to a 2019 report from the [Samuel Dubois Cook Center on Social Equity at Duke University](#), it is much harder for Black entrepreneurs to access initial funding for their businesses. While 21.8% of white-owned employer businesses received loans from banks, financial institutions or family and friends, only 15.5% of similar Black-owned businesses were able to do the same.

Black-owned businesses are also 59% more likely to use using personal credit cards as startup capital compared to white-owned businesses.

Previously, NC IDEA committed to allocating no less than 50% of program and funding resources toward underserved communities such as women, minorities and rural populations.

NC IDEA plans to deploy 10% of its net assets over the next two years — including allocating half a million dollars to the Black Entrepreneurship Council — in the hope that it can [partially stem any pandemic-related declines in startup funding](#).

"Beyond having the ambition to serve this community, we want this effort to be led by the Black community," said Ruhe. "We aren't presuming to know exactly everything the Black community needs. We hope that the council will help us listen and hear directly what the collective thought is around what the community needs and learn about how we might deploy the capital to help the community."

In 2019, NC IDEA awarded \$900,000 to 42 different companies in North Carolina. Thirty of those grants were in \$10,000 increments and 12 of the grants were at \$50,000.

Notable companies that have received grants from NC IDEA include [Automated Insights](#), [ArchiveSocial](#), [Bee Downtown](#) and [TransLoc](#).

How to apply:

Applicants can request up to \$50,000 in funding. The applications can be found at bit.ly/2ShYJG0.

Submissions will be accepted from Oct. 5 until 5 p.m. Nov. 2.

Businesses chosen to receive grants will be notified on Dec. 11.

This story was produced with financial support from a coalition of partners led by Innovate Raleigh as part of an independent journalism fellowship program. The N&O maintains full editorial control of the work. [Learn more](#); go to bit.ly/newsinnovate



Zachery Eanes is the Innovate Raleigh reporter for The News & Observer and The Herald-Sun. He covers technology, startups and main street businesses, biotechnology, and education issues related to those areas.