

Supporting minority businesses IS community redevelopment

By John Petit, managing attorney

Traditional legal aid work is reactionary to people's legal problems. And often, that work is just a bandaid over larger, systemic issues that put people in positions that make life more difficult than it needs to be.

This problem with this approach in poverty law is that there aren't enough of us to go around. And oftentimes, people don't even realize that the barriers in their lives have legal solutions.

Take entrepreneurship as an example.

On its face, there shouldn't be any difference between, say, a white person and a Black person wanting to start a business. If someone wants to be productive in their community, it shouldn't matter the color of their skin.

But we know that the roots of racism run deep, and the effects of historical racism continue to create barriers for minorities today.

People who want to start a business generally need some type of working capital. But for many generations, we (as a country) made it difficult for people of color to own property, which has made the passing down of generational wealth less for

minorities. Their parents and grandparents didn't have access to build wealth in the way that white parents and grandparents did. This is just one way that working capital gets passed down, that not everyone has access to.

We can also look at historical discrimination in employment, which made it more difficult for Black and Brown workers to earn the same wages, be banked, and get access to reasonable and fair credit. The result is poor (or nonexistent) credit scores, which makes them more likely to turn to predatory lending products. And because they're predatory, the terms are harsher and the failure rates higher. That has a steamroller effect, where your credit gets worse and worse, and your options keep getting worse and worse.

Many of these policies are not in place or practice today, but they have had the effect of creating generational imbalances in wealth and access to wealth and disproportionately spreading poverty like a disease, faster among people of color. And it's critical to understand this history and these systems in order to rebuild the communities they have decimated by them.

This history is commonly called "disinvestment'." But we have another word for it: underestimated.

When our team goes out into low-income neighborhoods, we see passion and ideas, people who really want to make a change, to better themselves and their community. But history is stacked against them, and they've been underestimated by systems they have no control over or input in.

So, why does a group of lawyers care about business development in minority communities?

Because it's both a cause and an effect of generational poverty, and a key solution to breaking the cycle.

With Legal Aid's community redevelopment work, we have the opportunity to serve as attorneys not only reactively, but proactively so that we're doing more than just applying bandages to social problems we can't fix. We can help think through solutions, empower people so they don't run into common pitfalls and traps, and be a resource in helping them realize their goals.

Through community lawyering, we can lift up neighborhoods that have been historically and intentionally kept in poverty.

This article is part of Legal Aid's ["Big Ideas" series](#).

Last updated on June 29, 2022.

Print

Table of Contents

NEWS

News & publications

The news about recent activities for needed peoples.

[More News](#)

5 Mar 2024

Deadline looms to claim missing pandemic relief benefits

Tax advocates encourage Ohioans to speak with an IRS certified tax preparer ...

[Continue Reading](#)

20 Feb 2024



Credit reports: Another barrier to affordable housing

by Andrew Neuhauser, managing attorney Most of us are familiar...

[Continue Reading](#)