

# Legal aid strengthens local economies

Many small business owners are experts in their lines of work but may lack necessary business knowledge to properly set their business up.



*by Josh Hinkel, staff attorney*

As a follow-up to last week's interview with the Stark County Minority Business Association, this week in Big Ideas we examine the realities facing new businesses and nonprofits from the perspective of lawyers. [Community Legal Aid's Neighborhood Law Project](#) brings legal support to the local business owners and nonprofit directors who need it most. Through our work, we've learned a lot about the challenges facing these entities. Many can be solved with legal help. But while this is a critical piece, it is only one piece of the solution. So much more must happen in our communities to clear the pathways for sustainable small business growth.

## **Common Pitfalls for New Businesses**

It's not always the side of the story we love to tell - but the truth is there are innumerable hurdles new businesses and nonprofit startups face. [Often, these are magnified for people of color, women, veterans, and other minority groups.](#)

Since starting this work, we observed two common and interrelated challenges in this work.

First, many small business owners are experts in their lines of work or their products but they may lack necessary business knowledge to properly set their business up. While they may know all there is to know about landscaping, auto-repair, or how to market their product, they may not know crucial information such as how to protect their personal assets from legal liability. Choosing the right legal entity and properly setting it up is critical and helps protect personal assets from business risks.

The second issue we've seen relates to capital. There are many individuals in our community who are gifted to be able to see gaps that services or products could fill. While they may have the idea and a business plan, if they don't have access to the necessary capital to pursue the venture, they won't be able to proceed to the next phase of the plan or be able to pursue the venture at all. While there are some programs that can assist with capital, many small business owners, entrepreneurs, and non-profit start ups are faced with a difficult question. Should they use existing capital to strengthen their product, advertise their services, or otherwise bolster their business or non-profit? Or do they need to spend that capital on necessary business expenses like attorney fees?

## **How Legal Aid helps**

Community Legal Aid's Neighborhood Law Project seeks to be part of the solution to the questions many start ups, entrepreneurs, and new non-profits face. In the early stages of any business or non-profit, there are many legal questions that may arise.

Community Legal Aid's focus is to help guide these individuals and assist them with the formation of their business or non-profit, review contracts, and draft bylaws. This assistance can help small business owners and new non-profits save much needed capital and allow them to redirect it back into the growth of their venture.

The driving force behind CLA's expansion into this area of law is our vision that all individuals, including those who are impoverished, should have the opportunity to control, improve, and enrich their lives and community. On the for-profit side, our goal is to help legal aid eligible entrepreneurs start a small business that provides them with the opportunity to improve their life and strengthen the local economy. And because we recognize that young businesses need so much more than legal help to succeed, we work closely with community partners such as the Stark County Minority Business Association to [offer wrap-around support to these entrepreneurs](#).

Similarly, Community Legal Aid's vision also motivates us to assist non-profits. We often see clients who have a need that is not being addressed. That need may be the root cause of the legal issue that brought them to us or that need may be unrelated to their legal issue but is otherwise negatively affecting them. Our focus on the not-for-profit sector is to aid in the development of organizations that will help our client population achieve holistic stability.

## **Impact**

Community Legal Aid's work through projects like the Neighborhood Law Project catalyzes a healthy economy at both the individual and systemic level. Access to legal assistance ensures fair business practices, protects against legal disputes, and promotes a level playing field. Together over time, these activities help create thriving communities with healthy internal support networks - lessening the need for legal aid and helping generations sustainably move out of poverty and away from all its associated challenges. Ultimately, a thriving small business sector contributes significantly to job creation, economic stability, innovation - all positively impacting the overall health of the economy.

## Work Remains

Legal assistance is only one piece of the solution. The true heroes of this work are the small business associations - like our [Stark County Minority Business Association](#) colleagues we heard from last week - who are providing a holistic array of services to meet the needs of new businesses. These entities not only help keep businesses alive, they help them thrive! But not every county has a small business or minority business association. We need to broadly promote and support their missions and spread awareness - as their sustainability is inextricably linked with that of our next generation of businesses and the health of our economy in northeast Ohio.

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

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