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University of Maryland Launches National Network to Tackle Small Business Displacement

JPMorgan Chase funds initiative to combat the effects of commercial gentrification and COVID-19 in neighborhoods across the United States

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College Park, Md.—The University of Maryland’s [National Center for Smart Growth](#) (NCSG) has received a \$3 million philanthropic investment from JPMorgan Chase to create a national “community of practice” to prevent the displacement of small businesses in rapidly gentrifying U.S. metropolitan areas.

[The Small Business Anti-Displacement Network](#) (SBAN) will galvanize small business leaders—including policy makers, scholars, government agencies and community-based organizations—to gather, evaluate and share successful place-based interventions, and to create tools and push policies to prevent the displacement or closure of vulnerable businesses. The project focuses on businesses most vulnerable to displacement, including minority- and immigrant-owned businesses, which have been particularly hard-hit by the recent COVID-19 crises.

“Minority- and immigrant-owned small businesses are a vital source of economic and social wellbeing in communities of color,” says Dr. Willow Lung-Amam, SBAN director and principal investigator. “But, when development, higher-income residents and larger, well-capitalized businesses come to town, they are often the first businesses to go. They have a hard time competing with chain retailers, attracting new customers and adapting to the higher rents that often accompany gentrification. Currently there are not a lot of tools out there to help them stay in place.”

This is the first community of practice in the nation to focus on compiling on-the-ground actions for small businesses facing displacement, filling a critical gap in the evaluation of existing and emerging anti-displacement strategies and policies, such as commercial tax credits, affordable workspace provisions, commercial rent control and legacy business protections.

Leveraging the expertise of over 150 organizational leaders nationwide, peer-learning groups and case study teams will investigate and share viable solutions to protect and promote small businesses. The resulting “toolbox” of resources and networks will arm practitioners and policy makers working to bolster small business viability at the neighborhood, regional and national scale.

“Small businesses make up the vibrant fabric of our cities, but today they face crippling circumstances, from the COVID-19 pandemic to rising rents, that threaten their livelihood,” said Peter Scher, Vice Chairman of JPMorgan Chase & Co. “JPMorgan Chase is proud to support this innovative anti-displacement network led by the University of Maryland to help vulnerable small businesses, particularly those owned by Black, Latinx and other entrepreneurs, keep their

doors open. By working with policymakers, nonprofits and community institutions, this program will help advance a more inclusive economy where more people have the opportunity to benefit.”

While many disadvantaged small businesses were already facing severe pressures from gentrification, the economic fallout from the coronavirus has left many struggling to survive. In the early months of the pandemic, Black businesses closed at a rate twice the national average, seeing a 41% drop in active business owners, while Latinx businesses saw a 32% drop. According to [McKinsey](#), Black or Latinx business owners were more likely to be classified as ‘at risk’ or ‘distressed’ prior to the COVID-19 crisis.

“Now, more than ever, small businesses are facing existential crises brought on by man-made and natural forces,” said Marla Bilonick, Executive Director & CEO of the Latino Economic Development Center. “External shocks like gentrification, large-scale construction projects, natural disasters and global pandemics are pushing already vulnerable small businesses over the tipping point, and most will never recover or reopen. These times require creative and innovative solutions that will position small businesses to weather these shocks, and also take advantage of the economic opportunity and vitality that will come afterward. It is critical that small businesses—the top job creators in our nation—be the center of focus as we look to rebuild the U.S. economy.”

Initial project phases will focus on metropolitan areas that are experiencing intense gentrification pressures, such as Washington, D.C., San Francisco, Chicago and New York City. The project hopes to identify aggressive tools and policy strategies that can provide immediate relief to affected businesses. Subsequent phases hope to devise strategies for metropolitan areas facing less intense pressures by putting protections in place before commercial displacement begins. SBAN hopes to serve as a model of community-engaged, data-driven and effective anti-displacement policy and planning in cities across the U.S. and internationally.

In 2013, the NCSG launched the Purple Line Corridor Coalition, a network of more than 40 organizations collaborating to forge equitable, sustainable strategies and policies to retain residents and vulnerable small businesses along Maryland’s Purple Line light rail corridor.

This \$3 million philanthropic investment builds on JPMorgan Chase’s \$350 million, five-year global commitment to grow Black, Latinx, women-owned and other underserved small businesses, help address the racial wealth divide and create a more inclusive recovery from the COVID-19 pandemic.

"The University’s partnership with JPMorgan Chase is designed to propel smart growth, an aspiration we have here in College Park and one that is shared in cities across the nation," said University of Maryland President Darryll J. Pines. "I offer my sincere congratulations in establishing a transformational effort that will widely disseminate research-based strategies that work while maintaining a sharp focus on preserving diversity and small businesses."

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About the National Center for Smart Growth: The National Center for Smart Growth is a non-partisan center for research and education on smart growth, sustainability and related land use issues, nationally and internationally. Located at the University of Maryland, College Park,

NCSG conducts research on community and economic development, international planning and urban management, land use, smart cities and transportation.

About JPMorgan Chase & Co: JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$3.4 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.