

# Promoting Economic Inclusion in Maine: Systems Change in Rural Communities, One Business at a Time

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**B**efore she immigrated to Portland, Maine, from The Gambia, Mariama Jallow managed a store with her mom. “It was nothing like here,” she said. “When you arrive in the U.S., you just don’t know. I thought I could just go and open a store. Then I learned about taxes, paperwork, insurance, rules and regulations. I didn’t have any help.”

She heard about StartSmart, a program at Coastal Enterprises, Inc. (CEI) for immigrant entrepreneurs, and sought out the program’s director, John Scribner. Jallow’s first idea was to open a specialty grocery store, but with guidance from Scribner on how to conduct research, she learned that the grocery stores that already existed in Portland were meeting market demand. Next, she dreamed of opening a hair business, which would include retail products and hair braiding. But under Maine law at that time, hair braiding was prohibited without a cosmetology license.

“I couldn’t believe it,” said Jallow. “The hair braiding process doesn’t involve any chemicals or harmful products, which is a major reason for cosmetic licensing. Many people in Maine aren’t familiar with hair braiding because there aren’t many Africans here. I knew this business could be good for the state.”

While Maine (population 1.3 million) competes with Vermont for the designation of top rural state and state with the largest population of individuals who identify as white alone (94%), the state’s diversity has been increasing in recent decades.<sup>1</sup> The narrative that Maine is an “all-white state” dismisses the history and presence of Maine’s native populations, as well as those of African Americans, Latinos, Asians and African immigrants who call Maine home. It also overlooks the fact that Maine was more racially diverse in the 19th century but, by 1920, had enacted economic and social policies that excluded Black and Indigenous people and people of color.<sup>2</sup> This left behind a legacy of disenfranchisement that individuals, businesses and institutions are currently working to identify and overcome.

CEI is a Maine-based community development financial institution

(CDFI) that was founded in 1977 by Ron Phillips, a civil rights activist and seminary graduate, to boost income, employment and business ownership, especially for people left out of the economic mainstream. The intent to create economic inclusion in rural communities was a core part of CEI's DNA as it considered the declining role of legacy industries and increasing importance of small businesses to the state's economy; nearly 57% of Maine people work for small businesses.<sup>3</sup>

Seeing an influx of refugees and immigrants to Maine in the mid-1990s, CEI launched StartSmart, providing no-cost, confidential, and linguistically and culturally sensitive business advice to community members who are refugees and immigrants. From the beginning, StartSmart's goal has been to help "new Mainers" achieve economic self-sufficiency.

The program accomplishes this by supporting the start-up and expansion of refugee- and immigrant-owned businesses while honoring the social, educational and economic interests of this highly diverse population. For many years, StartSmart has received funding from the federal Office of Refugee Resettlement (ORR) within the Administration for Children & Families of the U.S. Department of Health and Human Services. The funding and associated peer sharing opportunities offered by ORR have been integral to StartSmart's growth, stability and success since 1997, supporting its work with entrepreneurs from 93 different countries of origin.

Initially, StartSmart staff members offered 12-week classes teaching participants how to write a business plan. They quickly discovered that while many who sought the class were thinking about starting a business, they were not necessarily the same individuals who would actually take the plunge and start one. It was clear that helping people achieve economic self-sufficiency had to begin with targeted and customized one-on-one business advice. Business starts and growth increased substantially as StartSmart evolved, with input from immigrant community leaders. And as the community identified ongoing barriers to entrepreneurship, CEI stepped in to help.

That's how Jallow and Scribner found themselves testifying before the Maine Legislature to change hair braiding licensing requirements. With a strong case and support from Peggy Schaeffer, the small-business advocate within the secretary of state's office, the bill quickly passed, allowing individuals to offer hair braiding services without having a cosmetology license.

Once the new ruling was in place, Jallow began looking for a retail space where her vision for the beauty supply store and hair braiding salon could become a reality.

When a retail storefront became available on Portland's Forest Avenue, Jallow worked closely with Scribner to set up the business, secure a tax ID number and apply for business insurance. "Sometimes I sit down with John for one or two hours, for free! He takes time to come in here to my business. There's no way I could've paid for those services," she said.

Mariama's Beauty Supply opened in the summer of 2016 as a hair retail space and quickly became a community hub. While Jallow is not a hair braider herself, after a few months, some of Jallow's clients began renting space in the store so they could provide hair braiding services and earn a living.

Three years later, Jallow was invited to testify in Washington, D.C., before the U.S. House Committee on Small Business about her experience starting and growing her business. In 2020, she was nominated by CEI and received the U.S. Small Business Administration's Maine Minority Owned Small Business of the Year Award.

"If it wasn't for CEI, where would I go?" asked Jallow. "John was there from the start. Each time I work with him, I feel more confident in my ability to run a business. The people in Maine are lucky. It's impossible for us to do this without support. CEI has provided a lot of help for me, and I know many others who feel the same way."

To date, CEI has advised 1,551 immigrant entrepreneurs and helped them start 470 businesses through its StartSmart program. While assistance varies depending on the person or the business, the majority of clients work with CEI on feasibility analysis, legal and permitting issues, recordkeeping, marketing, and access to credit building and financing. Knowing immigrant community leaders and the unique needs and challenges that entrepreneurs face has been key to building trust over time. Access to capital is one of those challenges.

Over half of StartSmart clients are from Somalia or Iraq and are Muslim. Because of religious restrictions, they choose not to pay or receive interest. When CEI realized that many Muslim clients were not opening or expanding businesses due to a lack of culturally appropriate financing, the CDFI developed a commercial Sharia-compliant business financing product.

## **Inclusive**

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One such client is Hussein Ahmed, whose grocery and home goods store is located on Lisbon Street in Lewiston. Ahmed comes from a long line of traders and entrepreneurs. His father and grandfather were wholesale distributors of farm animals, and they also owned a store that sold an assortment of clothing and other household goods. Ahmed grew up in this environment, helping with the family business. “So maybe it’s in the DNA, I don’t know!” he says.

Life got harder for Ahmed and his family as Somalia’s ongoing civil war continued to devastate the country. They fled from Somalia to a refugee camp in Kenya in 1995, where Ahmed had the opportunity to learn English. In 2001, he moved to the U.S.

Ahmed never intended to come to Maine, but he had been unemployed and unable to find work in Atlanta. One day, a friend asked him, “Can you help me drive to Maine?” Leaving his wife and children behind, Ahmed agreed to accompany his friend. After five days in Lewiston, he found a job at LifeBridge Health. His family joined him soon after. “I guess I was destined to stay in Maine. I do not like the cold, but I could adjust to this,” he said.

While at LifeBridge, Ahmed began working as a caseworker for what was then called the Portland-Lewiston Refugee Collaborative. Ahmed also enrolled as a student at the University of Southern Maine’s Lewiston campus and received bachelor’s degrees in social behavioral sciences, and leadership and organizational studies. Around the same time, he opened Global Halal Market, and business grew rapidly to a point that the store required his full-time attention. Global Halal Market offers international clothing, home goods, and food and spices familiar to Lewiston’s immigrants, many of whom came as asylum-seekers and refugees from Africa.

Ahmed heard about CEI’s StartSmart program while he was working at the Refugee Collaborative. StartSmart provided Ahmed with business

planning for the market, and John Scribner advised him on bookkeeping, financial reporting, hiring employees and advertising. Eventually, Ahmed also needed business financing.

“One thing I really like about StartSmart is that they have created the opportunity for many, many immigrants to change their lives through business opportunities,” said Ahmed. “StartSmart counselors are strong and reliable, and they continue their relationships with their clients after the businesses are running well.”

A devout Muslim, Ahmed appreciated StartSmart’s willingness to respect his cultural and religious preferences by offering a Sharia-compliant financing product. “Few banks are willing to offer Sharia-compliant financing,” he said, but CEI was willing to find a solution by substituting periodic interest payments with an equivalent processing fee.

CEI knows from its work with fishermen, farmers and rural business owners that not everyone is comfortable walking into a traditional financial institution and applying for a loan. As StartSmart staff members began working with immigrant entrepreneurs, they recognized cultural and structural challenges to success, including lack of access to capital. But fundamentally, greater access to capital causes a ripple effect across communities and economies.

By providing access to capital in addition to targeted, individualized programs, products and services for specific populations, CEI builds trust and creates connections. Being successful as a business owner, especially a rural business owner, is dependent on responding to community need. CEI meets clients where they are and helps them create solutions that benefit their communities. Working with individuals and communities, StartSmart is often a bridge to permits and licensing—ultimately, helping immigrant entrepreneurs to engage with the American business and political systems.

Over time, CEI’s efforts and approach have helped connect entrepreneurs with their communities, helping to break down barriers and make Maine a more welcoming state. In rural regions, businesses fill a void in what people need to feel comfortable and safe. A change in licensing regulation can create opportunity for all Mainers; at the same time, specific businesses, like Mariama’s Beauty Supply, can become the first gathering place for new immigrants and a link to further integration.

In 2020, building on many years of developing programs, partnerships, products and services, like StartSmart and Sharia-compliant business financing, CEI designed the Child Care Business Lab, a five-year initiative to grow new child care enterprises. One factor driving the creation of the business lab is a lack of culturally attuned child care offerings for immigrant families or families of color.

### **Tailored**

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But demand for child care extends to Maine's nonimmigrant population as well, limiting employment opportunities. Across Maine, only 26.5% of children up to 14 years old (55,000 children) are in paid pre- or after-school child care; many parents are shuttling children between family and friends and/or working part-time instead of full-time jobs.<sup>4</sup> Nearly 152,000 Maine children up to 14 years old (74%) may require paid child care services, indicating significant unmet need.<sup>5</sup>

The Child Care Business Lab is an intensive cohort-based program that gives entrepreneurs the tools to start a successful small business, helps them refine their child care/early childhood education philosophy, and guides them through the licensing process. Designed as an experiential leadership opportunity, the Child Care Business Lab provides participants with a blueprint for a high-quality, financially viable nonprofit, for-profit, co-op or shared-model child care business.

Azenaide Pedro was one of the first individuals to apply for the pilot cohort of the Child Care Business Lab to learn how to help five women, who immigrated to Lewiston from Angola, start a cooperative child care center. A recent immigrant to Maine from South Africa, Pedro, who was born in Angola, has a background in public health and community organizing and is now collaborating with the Cooperative Development Institute and



Maine Roads to Quality (a professional development network for the field of early childhood education), along with the state licensors, to open the child care co-op in May 2021. CEI recently hired Pedro as a full-time program development specialist focused on growing additional child care options in Lewiston's Tree Streets neighborhood, one of the state's most diverse areas, with the densest population of children in the state, where only 15% of children under age 6 are enrolled in licensed child care. During recent listening sessions in the community, she confirmed the need for culturally appropriate, high-quality, affordable child care that is responsive to around-the-clock work schedules.

In January 2021, Pedro's Child Care Business Lab classmate, Juana Rodriguez Vazquez, spearheaded the launch of Rayitos de Sol, a new child care center in Milbridge. Vazquez represents the second generation in her family to work with CEI. As a young child, she immigrated to Milbridge from Mexico with her parents, who came to Maine as migrant workers to process seafood, make wreaths and harvest blueberries. In 2005, the Vazquez family sought John Scribner's help launching a successful food truck business. A graduate of the University of Maine–Machias, Vazquez is director of the Migrant Education Program at Mano en Mano, a nonprofit organization and longtime CEI partner that helps Downeast Maine farmworkers and immigrants thrive by providing education, housing and other essential services.

Rayitos de Sol, Mano en Mano's latest initiative, operates in English and Spanish and accommodates the shifting schedules of agricultural workers. With CEI's guidance on how to attract and retain employees in an industry that is often characterized by low pay and high turnover, especially in a rural state, Rayitos de Sol pays a living wage significantly higher than minimum wage, and provides training, health insurance, a 401(k) and vacation time. Mano en Mano is already planning to build a new, expanded center.

Building trust is at the heart of CEI's work. CEI staff members bring specific skills and knowledge to the table but know that they have not faced the specific cultural barriers that immigrant entrepreneurs like Jallow, Ahmed, Pedro and Vazquez have experienced. It is part of CEI's ethos and community economic development practice to be open to a discovery process with individuals and communities, helping them find the right solutions to their

own challenges. In turn, by providing personalized, one-on-one advice and financing, in addition to targeted industry and workforce training, CEI helps to create good jobs and small-business ownership, leading to innovation, economic inclusion and systems change in rural regions and, more broadly, shared prosperity for all.

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## Endnotes

- <sup>1</sup> See U.S. Census Bureau.
- <sup>2</sup> See Arnold.
- <sup>3</sup> See Piper.
- <sup>4</sup> See RegionTrack, Inc.
- <sup>5</sup> Ibid.