



PROJECT BRIEF

INROADS, INC. Award from Economic Development Administration (EDA) MSI Economic Development Assessment

The Department of Commerce's Economic Development Administration awarded INROADS, Inc. \$250,000 to conduct a 24-month study entitled, "A Strategic Assessment of the Role of Minority Institutions in Unlocking Economic Development to Build Sustainable Communities". This study will have a primary research location in the Washington metropolitan area which includes counties in Northern Virginia and Southern and Central Maryland. Research findings will shape programmatic efforts that will be implemented in communities that are economically distressed and underserved in Ward 8 of the District of Columbia (District). Our goal is to execute a program in Ward 8 that will result in job creation, workforce development, and small business development resulting in a positive economic impact for our target area. Selected excerpts of the application, germane to the understanding of the proposed project, are included below.

Provide a detailed description of the complete scope of work for the proposed EDA investment. If you are proposing a construction project, please include specific construction components. Also, for National Technical Assistance, Training and Research and Evaluation Projects, provide a description of the methodology to be used to complete the project.

INROADS will engage in a multi-phase project that includes a two-year study and program design phase (Phase I) to collect and analyze baseline and community data that will enable us to: (1) assess and evaluate both challenges and opportunities for MIs to drive entrepreneurship and economic development, (2) determine success factors for MIs to increase local economic development in local communities, (3) identify geographic pilot project targets within Ward 8 based upon needs, challenges, and opportunities for impact (4) design a pilot to be implemented in Ward 8; and (5) develop an implementation plan to expand the MI model to national scale for Phase III.

Briefly describe the economic development needs of the region and how the proposed investment addresses the goals and objectives of the CEDS for the region or the alternate strategic planning document as noted above. (See 13 C.F.R. part 303.)

Washington metropolitan surpasses many metro areas with respect to income, employment, and intellectual capital but many District residents are not included in this trend. Only one-third of jobs in the District are filled by DC residents (2010 Washington CEDS, p.9) due to the disconnect between the skill levels of residents and the required skills needed for most jobs. This mismatch has resulted in alarming unemployment rates in Ward 8 where 2008 unemployment rates of 17.2% were at least 6 points higher than in any other District Ward (DC Department of Employment Services "State of Washington, DC's Neighborhoods, p.16).

Our goal is to research model programs that offer insight as how to best structure economic development initiatives through university partnerships. Outcomes are to include incubation space and training facilities; entrepreneurship training and support; research products; and public and private investment. Our goals are aligned with the objectives outlined in the Washington CEDS including but not limited to: university

partnerships, new company formation, increased job opportunities, workforce development and job training, small business incubation in underserved neighborhoods, and green training and business initiatives (2010 Washington CEDS, p. 17). (See attached A3_CEDS).

Discuss how the proposed investment satisfies EDA's Investment Policy Guidelines as set forth in 13 C.F.R. § 301.8, as well as the EDA funding priorities set forth in the applicable Federal Funding Opportunity (FFO) announcement on www.Grants.gov.

The project is focused upon job creation and workforce development sparked by innovative approaches to entrepreneurship. Utilizing university resources is central to our goal of leveraging public and private partnerships that work towards creating local and small business development. As part of our ongoing process to fully engage the public sector, INROADS will continue to make public officials aware of the project and invite them as partners who contribute institutional knowledge, bring in key players within the business arena, and help to leverage local and federal investment. Additionally, INROADS is matching EDA's award with non-profit funding generated by our engagement of the private sector.

Briefly describe the applicant's capability to administer, implement, and attract private sector investments to the project.

Founded in 1970, INROADS' mission is to "develop and place talented youth in business and industry and to prepare them for corporate and community leadership." For over 40 years, we have helped thousands of college students secure jobs in corporate America post-graduation. INROADS is uniquely positioned to execute the study, "A Strategic Assessment of the Role of MIs in Unlocking Economic Development to Build Sustainable Communities" and execute the next phases of the project which will require the participation of universities, the public sector, and private investors. We anticipate using specialized research experts to administer the study while our staff provides programmatic direction and support. .

As a national non-profit focused on building a pipeline of future leaders, we have a longstanding history of working with institutions of higher learning. Minority institutions comprise nearly 65% of our college partners. In addition, we have strong ties with 200 private sector corporations. Most importantly, we have access to an alumni network of more than 23,000 individuals - a significant percentage are entrepreneurs while others work for companies in the private sector. INROADS has positioned itself as an important intermediary among these stakeholders, allowing us to develop a holistic approach to leverage the resources and assets of each group. INROADS has sustained its operation since 1970 based upon the capacity to attract private sector funding year after year. INROADS' current annual operating budget of \$13 million is an indication that INROADS is reputable, capable, and an attractive partner to private sector entities.

Provide a proposed time schedule for completion of the project, including when (month/year) the project will begin and end. Explain any potential issues that could affect project implementation.

INROADS anticipates beginning Phase I of the project in July of 2011 and continuing until June 2013. In the long-term, we anticipate that Phase II will commence upon the conclusion of Phase I research, pending available funding for implementation.

Identify the source, nature and amount of all non-EDA funds, including in-kind contributions (non-cash contributions of space, equipment, services, or assumptions of debt; see definition of "In-Kind Contribution(s)" in 13 C.F.R. § 300.3). Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds. If in-kind contributions are included, explain the basis on which they are valued.

Non-EDA funds in the amount of \$250,000 will come directly from INROADS, Inc. This funding will cover the salaries and fringe benefits of Project Team staff members and the cost of hosting a Project Forum each year of the project.

Explain how the proposed project will assist in overcoming major obstacles already identified in a CEDS (or other strategic planning document), expand the capacity of public officials and economic development organizations to work effectively with employers, enable the region to plan and coordinate the use of available resources to support economic recovery and the development of a regional economy, and/or develop innovative approaches to economic revitalization in the region.

Our goal is to also leverage capital and resources for small businesses that are ethnically diverse. The Washington CEDS identifies several obstacles that inhibit such growth: 1) there is a lack of access to capital and credit for businesses and a lack of viable office space that is affordable (p.13); and 2) the District is not currently linking its knowledge and innovation economy to development opportunities, universities are not incubating businesses; and 3) the lack of infrastructure for innovation and idea sharing and lack of information about barriers for would-be entrepreneurs is problematic (p.29).

Our project aims to assist in overcoming these obstacles by encouraging the development of innovative public and private approaches to economic restructuring to include spurring the growth of small businesses. We will do this by: 1) interviewing private sector representatives during the research phase of our project in order to determine the best methods to attract private capital to our pilot project in Ward 8 while also researching the feasibility of designing a program whereby university and private sector partners offer free or discounted office space to Ward 8 start-ups; 2) research current university partnership models, identify university-community partnership barriers for minority institutions and develop a university partnership program based upon those findings. Outcomes are to include opportunities for university-led research and development, university incubation of small businesses, and entrepreneurship programs.

Our project will also aid Ward 8 in efforts to strategically plan and coordinate the use of available resources. This requires a study of existing Ward 8 projects such as the Anacostia Waterfront Initiative and the Anacostia Transit Area Strategic Investment Plan. There are also District-awarded Neighborhood Investment Fund plans that will need to be consulted. A great portion of Ward 8 is designated as Enterprise Zones allowing for additional resources and incentives. It is important that our research and planning efforts are coordinated with such ongoing efforts in order to ensure region coordination. It is just as important that our research identifies how to best capitalize upon the plans and resources that are already in play in order to leverage more investment into the area resulting in business and job creation.

The innovation that our project will bring to Ward 8 is the utilization and combination of intellectual capital, institutional knowledge and resources, private capital, and social responsibility emanating from partnerships between universities, public officials, the private sector, and INROADS. INROADS represents the nexus of this project as we will utilize our existing relationships to forge important partnerships that will ultimately produce economic benefits for Ward 8 in the District of Columbia.

Provide a detailed description of the complete scope of work for the proposed EDA investment.

Description of Research Project

A rapidly changing competitive and global economic environment has sparked students, alumni and other constituents to call upon academic institutions to play a bigger role in innovation, entrepreneurship and economic development. Our hypothesis is that universities and academic institutions that focus on

innovation/entrepreneurship and have strong ties to their local communities are best positioned to spur innovation and economic development.

INROADS plans to engage in a multi-phase, two-year study (Phase I) and planning effort to collect and analyze baseline and community data that will enable us to: (1) assess and evaluate both challenges and opportunities for MIs to drive entrepreneurship and economic development, (2) determine success factors for MIs to increase local economic development in local communities, (3) design a pilot that can be implemented to test a business model for MIs in Ward 8 in Washington DC, and (4) develop an implementation plan to expand the local MI model to a national scale. The overall objective of the study is to better understand how minority serving institutions can support economic development through entrepreneurship, innovation, public-private partnerships and local community involvement in underserved areas where need is greatest. We are keenly interested in working with minority institutions as many of them are located in close proximity to distressed urban markets as well as in rural communities where access to opportunities are even more limited. The research phase of our study will focus on the Washington metropolitan area, including parts of Virginia and Maryland.

After the two-year research study, our plan is to pilot the program (Phase II) in neighborhoods within Ward 8. The results of the study will inform our work with local MIs as we build clusters of economic development, which will include public-private partnerships and other resources to spur local innovation—which will ultimately lead to job creation, job retention, the further development of local industries, centers for workforce development and training and educational initiatives that transfer into the local communities. We strongly feel that this study directly aligns with EDA's goals of innovation, job creation, and public-private partnerships.

Scope of Work

During Phase I work, INROADS will conduct an in-depth assessment, develop a business case for piloting an economic development program to be implemented with in Ward 8 with potential university partners such as Howard University, Southeastern University, Trinity Washington University, and the University of the District of Columbia. We will also explore funding opportunities to roll-out the program nationally after the pilot.

Several hypotheses will be tested with this study. We will further expand this list during the ramp up period of the study.

1. Universities who drive economic development in their communities have access to significant human and financial resources;
2. The most successful universities leverage public-private partnerships to support economic development; and
3. Minority institutions' ability to effectively participate in economic development and community sustainability is hindered by several barriers, including but not limited to the lack of available and adequate resources, inadequate funding, and lack of access to deep corporate and entrepreneurial networks, etc.

To test these hypotheses, we have created a detailed work plan. Please see the Project Workplan included in the Attachments section of this application.

Major deliverables for the Phase I study are listed below:

1. Case examples of universities that contribute to economic development and entrepreneurship in their local communities
2. Analysis and understanding of capabilities and/or drivers that contribute to economic development

3. Analysis and understanding of which barriers have hindered minority institutions from spurring such economic development and entrepreneurship in their local communities
4. Analysis and understanding of how to eliminate these barriers
5. Business case for a local pilot of an initiative that would assist minority institutions in building economic sustainability
6. Feasibility study identifying target areas within our distressed region, Ward 8 of the District
7. Creation of a public-private partnership framework/model that would spur economic development in local communities
8. High-level implementation plan and business case to scale and expand the local pilot nationally with minority institutions as major players for such growth
9. Dissemination of our research findings via print, online, and through a public forum.

INROADS will conduct an RFP process to conduct the research phase of our project. We expect that our research consultants will tailor our research plan to ensure that the research methodology that is utilized presents valid and reliable results. Conceptually, we expect the study to include 10 components:

1. Literature review of community economic development and the role of universities in economic development; Formulation of hypotheses; Scope of work revisions as informed by the literature review; and development of survey instruments and protocols.
2. Nation-wide online survey to major stakeholders whom we believe are essential to driving entrepreneurship and economic development—with a focus on innovation and growth in underserved and distressed areas. These include, but are not limited to, universities and academic institutions, particularly minority institutions, the private sector, our INROADS students and alumni, public sector agencies, and industry experts.
3. In-person interviews and focus groups conducted in the Washington DC metropolitan area to include parts of Virginia and Maryland. We will also include key stakeholders mentioned above.
4. Analysis of gaps between institutions that drive development and those that do not.
5. Evaluation of capabilities of proposed partners and resources available to our project area.
6. Study of areas of opportunity within Ward 8; review of existing plans for Ward 8; consultation with public officials regarding policies and politics surrounding Ward 8 activity.
7. Design of the local pilot that will be launched in Phase II. This pilot will focus on working with minority institutions in Washington, DC to test our economic development model.
8. Development of a preliminary snapshot for a national program (Phase III), which can be scaled once it is tested with the local pilot.
9. Dissemination of information through two forums that will be conducted during Phase I, the research phase. The first forum will be held at the end of year one. During this forum, we will present our initial findings; host a series of industry panels from major stakeholders to discuss various issues related to MI involvement in local innovation and growth; and allow opportunities for feedback on our initial findings. The second forum will be held at the end of year 2 where we will present our final findings to attendees – a targeted audience of key players and experts that will drive local economic development.

10. Quarterly reporting provided to EDA over the 24-month period.