

2022 AG GASTON CONFERENCE

NAVIGATING THE JOURNEY FROM CIVIL RIGHTS TO ECONOMIC JUSTICE



Dr. Andre M. Perry
Brookings Institution;
author, commentator



Autumnn Kyles
CEO, Detroit Dough;
Founder, Proxie



Cheryl McKissack Daniel
President & CEO,
McKissack & McKissack

FEBRUARY 22-23, 2022
THE FORUM BUILDING
BIRMINGHAM

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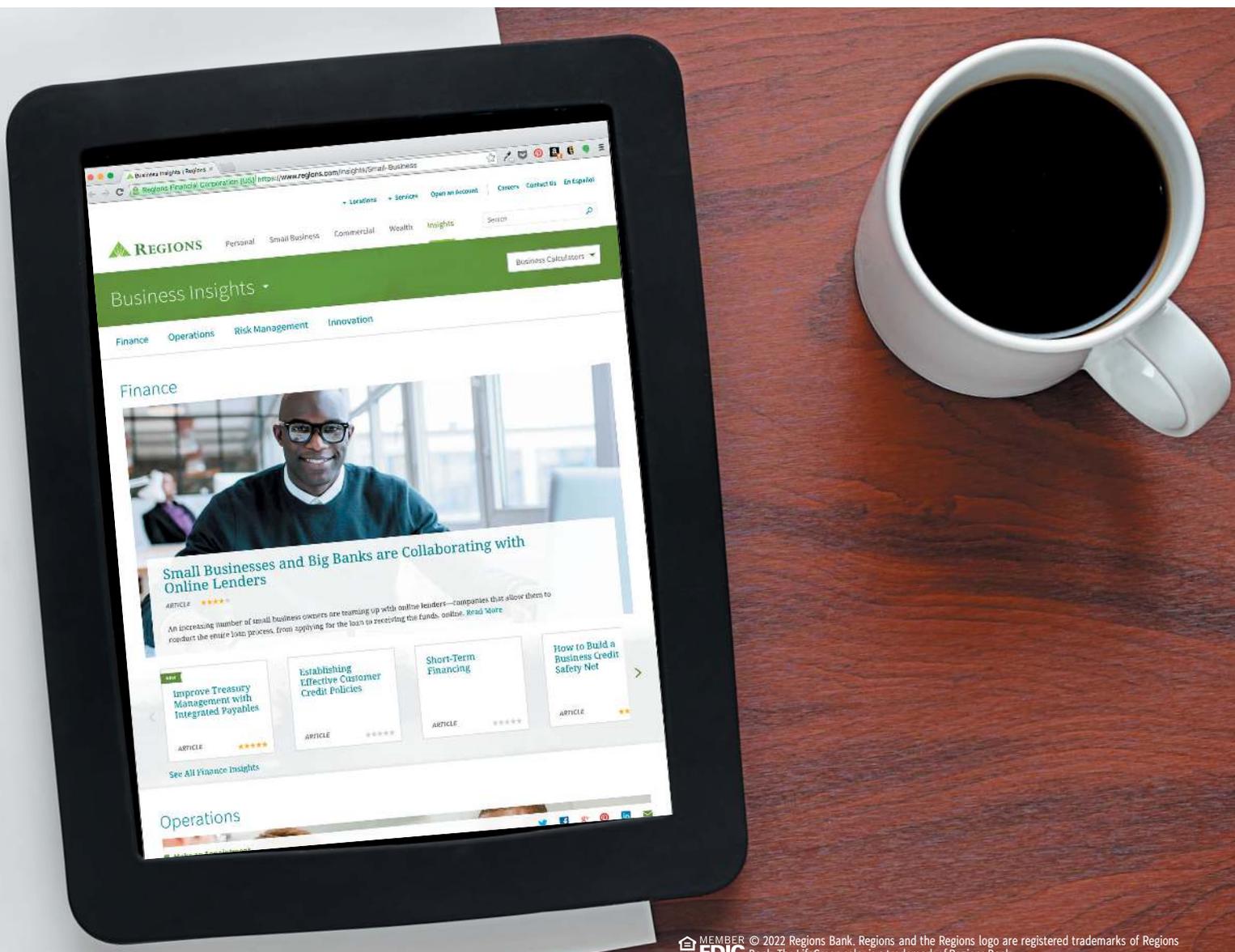
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Gaynelle Adams Jackson



Bob Dickerson

Welcome to the 18th Annual AG Gaston Conference

where we celebrate a business icon, focus on economic empowerment and acknowledge that there is power, “Green Power”, when we put our collective resources to work toward a common cause.

As we have for almost two decades, we’ll have experts, orators, and passionate business and community leaders grace our various stages sharing their information and expertise. We’ll recognize and honor individuals and organizations who have found and filled needs in

our environment. We’ll meet new people, share ideas, network and, maybe even debate. More importantly we learn from each other and we’re all better for that.

The AG Gaston Conference, thanks to many of you, has become a must-attend Birmingham Black History Month event.

It is our distinct pleasure to welcome you one and all.

ARTHUR GEORGE GASTON was born into poverty in Demopolis, Alabama on the July, 4, 1892. This grandson of former slaves would live to the age of 103 and amass a fortune worth more than \$40 million from a business empire spanning communications, real estate, and insurance. Gaston was, by any measure, a heroic figure whose wealth and influence bore comparisons to J.P. Morgan and Andrew Carnegie.

His first job, after serving with distinction in a celebrated segregated regiment during World War I, bound him to the near-slavery conditions of an Alabama coal mine, where he sold lunches and peanuts to his co-workers and loaned them money.

Not long after, Gaston took the first small steps into the role of entrepreneur that ultimately lead to *Black Enterprise Magazine* naming him, on the eve of his 100th birthday, Entrepreneur of the Century.

Between the years 1923 to 1937, Gaston married his childhood sweetheart from Demopolis, **Creola Smith**; formed the **Booker T. Washington Insurance Company** with his father-in-law, **A.L. Smith**, which would become the largest Black-owned insurance company in Alabama; formed **Smith and Gaston Funeral Home**, which became the largest Black-owned funeral home chain in Alabama; and completed the integration of those businesses with the purchase of Mount Zion Cemetery.

In 1939, to combat a shortage in qualified personnel for businesses, he opens **Booker T. Washington Business College**. Even during the Depression, Gaston's businesses flourished.

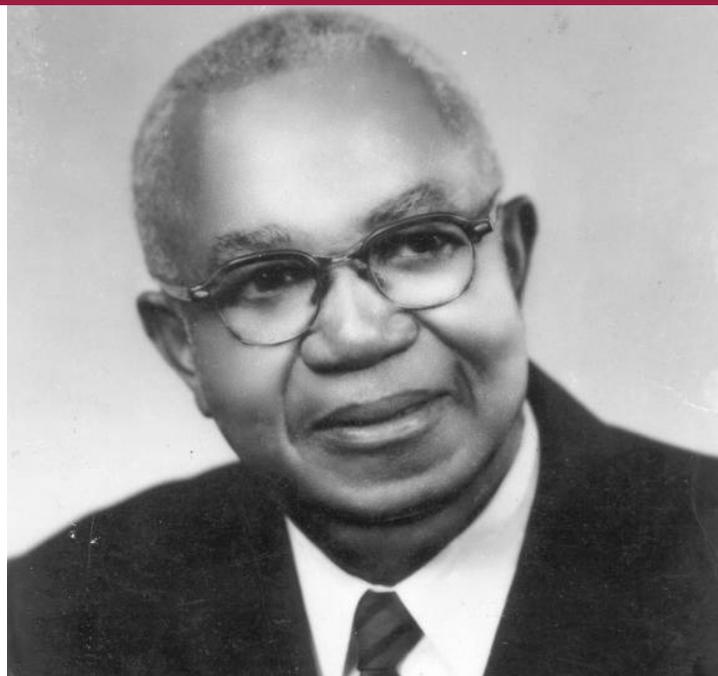
He marries second wife, **Minnie Gardner** in 1943. She would later become director of the business college.

He opened the **A.G. Gaston Motel** to great fanfare in 1954 and in 1957 raised the capital necessary to start **Citizens Federal Savings and Loan**, the first Black bank in Birmingham since the turn of the century. Blacks could now get loans without facing discrimination.

In 1962, the \$1.5 million **A.G. Gaston Building** opens, featuring offices for Gaston's businesses and a large auditorium. Gaston's own office on the third floor faced Kelly Ingram Park, giving him a unique view of the civil rights protests as they took place.

The Gaston Motel would later become headquarters for **Martin Luther King Jr.** and the SCLC leadership during their Birmingham campaign in 1963.

In 1966, Gaston builds a new Birmingham affiliate of



Courtesy Birmingham Public Library

the Boys Club of America – still known as the **A.G. Gaston Boys and Girls Club**.

LATER LIFE

In 1969, Gaston is inducted into the Alabama Academy of Honor, placing him, ironically, in the same company as former Alabama governor George Wallace.

DURING THE MID-1970s:

- Gaston acquires radion stations WAGG and WENN and forms the **Booker T. Washington Broadcasting Company**.
- Gaston and his wife Minnie are seriously injured and require hospitalization after being kidnapped.
- For their contributions to the city, A.G. and Minnie are inducted into the Birmingham Hall of Fame.
- By 1984, the **A.G. Gaston Construction Company** has become the largest Black-owned construction company in the state of Alabama.
- In an historic move, Gaston in 1987 completes the transfer of ownership of his companies (worth more than \$30 million) to his employees in an Employee Stock Option Program.
- 1992: *Black Enterprise Magazine* names A.G. Gaston "Entrepreneur of the Century."
- On January 19, 1996, Arthur George Gaston dies in Birmingham's Medical Center East (now St. Vincent's East) following complications from a stroke. Flags in the city of Birmingham fly at half mast in his honor.



Bob Dickerson



Gaynelle Adams Jackson



Paul Carruthers



Odessa Woolfolk



Michele Utomi-Jenkins

2-7 PM REGISTRATION

3 PM | OPENING REMARKS

Robert Dickerson Jr., Executive Director, Birmingham Business Resource Center

Gaynelle Adams Jackson, Owner, Advanced Planning Services, LLC

SPONSOR GREETINGS Paul S. Carruthers, Regions Bank

3 PM | CONVERSATION WITH Ms. ODESSA WOOLFOLK

From AG Gaston to Civil Rights to Economic Justice

MODERATOR Robert Dickerson Jr.

4 PM | KEYNOTE ADDRESS

Solving America's Structural Inequalities Focusing on Economic Inclusion

SPONSOR GREETINGS Michele Utomi-Jenkins, PNC

INTRODUCTION OF SPEAKER Gaynelle Adams Jackson

KEYNOTE SPEAKER Dr. Andre Perry, Senior Fellow, Brookings Institution; author, commentator

5 PM | PANEL PRESENTATION

Corporate America's Response to Closing the Racial Wealth Gap

SPONSOR GREETINGS Sam Martin, Publisher, *Birmingham Times*

MODERATOR Tracey Morant Adams, Senior Executive Vice President and Chief Community Development and Corporate Social Responsibility Officer, Renasant Bank

PANELISTS Salah Goss, Senior Vice President, Head of Social Impact for North America, Mastercard Center for Inclusive Growth; **Leroy Abrahams**, Executive Vice President and Head of Community Affairs, Regions Bank; **Anthony Weekly**, Executive Vice President, Chief CRA & Community Development Officer, Truist Bank

6-8 PM | AG GASTON LEGACY RECEPTION AND AWARDS PROGRAM

SPONSOR GREETINGS Tracey Morant Adams, Renasant Bank; **Alex Morton**, First Horizon Bank



Dr. Andre Perry



Sam Martin



Tracey Morant Adams



Salah Goss



Anthony Weekly



Leroy Abrahams



Alex Morton



Autumn Kyles



Dorothy L. Cleaves



Deon Gordon



James Roszkowski



Casi Ferguson

9 AM-1 PM | REGISTRATION

10-10:05 AM | OPENING REMARKS

10:05-11 AM | GREEN POWER BUSINESS CORNER

SPONSOR GREETINGS **Dorothy L. Cleaves**, Truist Bank

MODERATOR **Bob Dickerson**

KEYNOTE SPEAKERS

Autumn Kyles, CEO, Detroit Dough; Founder, Proxy

Alternative Funding for Diverse Entrepreneurs

Deon Gordon, President, Tech Birmingham

Recruiting Talented Entrepreneurs: A Birmingham Success Story

11 AM | GREEN POWER MONEY IN ACTION TALK

What Role Do HBCUs Play in Economic Empowerment & Development

SPONSOR GREETINGS **James Roszkowski**, Discover Bank

GREETINGS **Casi Ferguson**, UNCF

MODERATOR **Anthony Hood**, EVP/Chief Diversity, Equity, and Inclusion Officer, First Horizon Bank

PANELISTS **Quinton Ross**, President, Alabama State University; **Bobbie Knight**, President, Miles College; **Patricia G. Sims**, President, Drake State Community and Technical College

12 PM | THE GREEN POWER LUNCHEON

MODERATORS **Bob Dickerson** and **Gaynelle Adams Jackson**

SPONSOR GREETINGS **E. Jerrell Key**, Wells Fargo Bank

INVOCATION **Rev. Deon Howard**, Pastor, St. Marks CME, Edgewater

LUNCH

INTRODUCTION OF SPEAKER **Gaynelle Adams Jackson**

KEYNOTE SPEAKER **Cheryl McKissack Daniel**, President & CEO, McKissack & McKissack, New York

CLOSING REMARKS **Bob Dickerson**



Anthony Hood



Cheryl McKissack Daniel



Quinton Ross



Bobbie L. Knight



Patricia G. Sims



E. Jerrell Key

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Andre M. Perry is a Senior Fellow at Brookings Metro, a scholar-in-residence at American University, and a columnist for the Hechinger Report.

A nationally-known and respected commentator on race, structural inequality, education and economic inclusion, Perry is the author of the book *Know Your Price: Valuing Black Lives and Property in America's Black Cities*.

Perry is a regular contributor to MSNBC and has been published by numerous national media outlets, including *The New York Times*, *The Nation*, *The Washington Post*, *TheRoot.com* and *CNN.com*.

Perry's recent scholarship at Brookings has analyzed Black-majority cities and institutions in America, focusing on valuable assets worthy of increased investment.

Autumn Kyles is co-founder and CEO of **Detroit Dough**, an edible cookie dough manufacturing company valued at \$2 million. To date, the company has over \$300,000 in sales and has raised over \$400,000 in funding. In April 2020, Kyles started Black women entrepreneurship community, **Proxie**, a community of more than 1,500 across the country that boasts partnerships with Honigman (law firm) and HoneyBook (client management software for small business).

The Hampton University alum (Bachelors and Masters in business administration) is also a nationally-respected speaker known for her perspectives on diverse entrepreneurship, small business funding, women's empowerment and the future of corporate American culture.



Cheryl McKissack Daniel leads the McKissack & McKissack firm as President and CEO with more than 30 years of experience in all phases of the construction industry. As Principal-in-Charge and Project Executive, Daniel is actively involved in project oversight and management, ensuring that diversity is implemented during each phase of a project or program.

Daniel represents the fifth generation of the McKissack family's century-old business, the oldest minority and woman-owned design and construction firm in the nation. Daniel has been honored as a "Hero of Liberty" for her support of humanitarian initiatives and for promoting the responsibilities of a free and diverse America.



Unstoppable

starts here in Birmingham



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ALTERNATIVE FUNDING FOR DIVERSE ENTREPRENEURS

Autumn Kyles

Small & Micro Business Strategist
Founder, Proxie



Entrepreneurship is at an all-time high in our country. The pandemic has sparked a new interest in entrepreneurship for Americans with people of color leading the way. But will these businesses be in operation long-term? The U.S Bureau of Labor Statistics reports that 45% of businesses will fail within the first five years. Unfortunately, the fail rate is much higher for Black-owned and diverse businesses.

It is no surprise that the No. 1 hurdle to growth and sustainability for Black businesses is access to capital. It is almost impossible for businesses to grow without stable investment. Statistically, 3 out of 4 businesses receive some type of funding (loans, investments, friends and family, etc.) but less than 2 out of 3 Black owners receive at least a partial amount of the funds they are seeking. Digging even deeper, only 1.2% of \$147 Billion in venture capital funding has gone to Black founders in 2021.

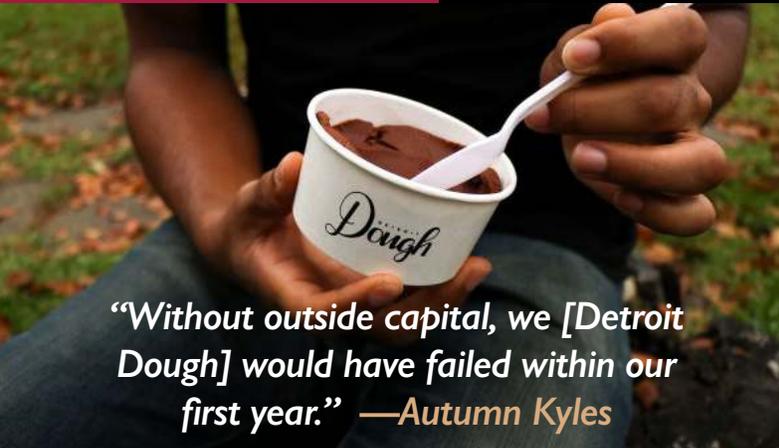
Loans are still the most popular form of funding but underwriting and lending practices often overlook Black small businesses. Black entrepreneurs often lack the banking relationships, business acumen and collateral to acquire a traditional loan. When coupled with unclear, and sometimes unfair underwriting processes

from lenders, Black entrepreneurs are offered loans that are small and with higher interest rates compared to white entrepreneurs.

Although brands and corporations like Glossier, Famous Amos, and Alibaba are deploying their own capital and resources to close the gap, this disparity is much wider than any one corporation can fix. We know this issue stems from historic and systemic racism and it is going to take decades to unravel and redevelop.

As a small business strategist, one of my passions is to educate Black and diverse entrepreneurs on alternative funding options. Although there are hurdles to funding for us, it does not mean that options are not available. In my opinion, the largest barrier to funding is lack of knowledge and it is my goal to ensure every entrepreneur of color is aware of their funding options to grow their business.

I was fortunate enough to raise over \$400,000 through non-traditional funding sources like grants and pitch competitions for my business, Detroit Dough. This capital helped us scale to movie theaters and professional sports stadiums throughout Michigan. Without outside capital, we would have failed within our first year.



“Without outside capital, we [Detroit Dough] would have failed within our first year.” —Autumn Kyles

In this article, we'll focus on non-traditional funding options for diverse entrepreneurs. It is my hope that this article provides new insight and perspective for entrepreneurs as they start to explore these options.

GRANTS

Grants are a form of non-dilutive capital (meaning that there is no exchange of ownership for investment) where businesses are provided funding without being required to pay it back.

Most grants are provided as a cash infusion but can be provided as in-kind services or a reimbursement for expenses. Most entrepreneurs seek this type of investment as it's often considered “free money”.

Grants are often provided through an application process or a pitch competition. Grantors primarily provide grants to businesses with strong strategies and missions that align with their core values. Additionally, they provide grants to businesses with the highest probability of scaling. Grants are not often given as survival funds – they are given to businesses already thriving who need additional capital to take their businesses to the next level.

Grants can be found both locally and nationally from entrepreneurship communities, organizations, corporations and more. Some common sources for grants

are Hello Alice, Black Girl Ventures, AEO and more. Although grants are the most attractive form of investment, they are also the most competitive.

Many national grant or pitch opportunities have thousands of applicants for less than ten grants. This is a big consideration when determining your funding needs for the year.

INVESTORS

If you are a business who is looking for an investor to support your business, venture capital, angel investors and private equity are great sources of funding.

From a high level, investor funding can be defined as an individual or entity that provides funding in exchange for a percentage, or equity stake, in your business. Investors are a great way to receive capital and dedicated, long-term partnership, as other funding sources do not provide in-depth custom support.

IN THIS SECTION, WE'LL DISCUSS VENTURE CAPITAL AND ANGEL INVESTORS

Angel investors are individuals or firms who invest in early-stage businesses. These investors can be family or friends, mentors, colleagues, investment firms, or start-up accelerators who have a vested interest in mentoring promising business ideas for a percentage of their business.

Funding can also come as a convertible note, an investment that is eventually paid back as a loan with interest. Angel investment is the riskiest form of investment. Since most angels are investing in your business before you've broken even, validated your business model, or have even made your first sale, there is no guarantee that their investment will be returned. Because of this, most seasoned angel investors are “accredited investors”, defined as having over \$1M in assets and having

over \$200,000 in income for two years or more, although accreditation is not required to be a funder.

Angel investors can be found through personal and professional networks. If you are unsure of where to find investors in the Birmingham area, organizations like City Side Ventures – Birmingham Angels may be a great fit for you. There are also national websites like Crunchbase that help you build visibility and find investors. If you are looking for an accelerator or incubator program that provides funding and an intensive education program to jumpstart your business, there are local programs like Velocity from Innovation Depot and national accelerators like Y Combinator and TechStars.

Venture Capital (VC) is considered the next step in investment funding, meaning that venture capital firms are looking to invest in more established businesses with a proven model to help them scale. Venture Capital firms are private equity companies with funds from wealthy investors or companies who are searching for fast-growing businesses. Although some VC firms will invest in pre-revenue businesses, they are looking for start-ups who have the ability exponentially increase their value in a short amount of time. Venture Capital firms are invested in your exit strategy – your plans to sell, be acquired, or become a publicly traded company. Most venture firms will not receive a return on investment until you successfully exit your business, meaning that their mentorship and involvement will be focused on scaling your business to reach that point. VC firms may invest several times in one business as they go through rounds of funding to increase or maintain their equity stake. Well-known national VC firms include Sequoia Capital, Accel, and Benchmark.

Recently, investment opportunities like this have been more skewed to tech-based start-ups. Traditional small businesses like brick-and-mortar shops, online

businesses, and service-based businesses may not be considered investable businesses unless they can scale fast. There are industry-based accelerators like Food-X for food businesses and Target Accelerators for retail businesses, but these opportunities require national appeal and scalability for consideration.

Additionally, investment requires founders to divest a portion of their business which dilutes ownership and autonomy. If you are considering this type of funding, be very clear of expectations and ensure that you are personally aligned with the goals of your investors.

Crowdfunding

Crowdfunding is a form of funding where large numbers of individuals provide a small investment to launch a venture. This concept is not new or a foreign model. Crowdfunding platforms like GoFundMe are commonly used by individuals to help fund causes or needs.

Crowdfunding is a great way to garner exposure, interest, and investment without diluting your ownership stake.

Crowdfunding platforms like Kickstarter, iFundWomen and Indiegogo provide a space for entrepreneurs to showcase their venture, safely receive funding, and promote their offerings. Investors of crowdfunds are called “backers” as their small investment does not give them any ownership stake in the business.

Although crowdfunding exists to primarily source non-dilutive funding, some companies use this platform to pre-sale new products or services to incentivize more investment. There are even platforms like Patreon who serve as pseudo-crowdsourcing platform that allows people to invest monthly for exclusive content, products, or services.

To successfully crowdsource, funders need a large

Statistically, 3 out of 4 businesses receive some type of funding (loans, investments, etc.) but less than 2 out of 3 Black owners receive at least a partial amount of the funds they are seeking.

audience of interested backers to fully fund their ideas which can take months or years to develop. Crowdfunding is an intensive process that requires consistent promotion, dedication, and discipline. This is a huge consideration as you decide on this form of funding.

AS YOU CONSIDER THESE FORMS OF FUNDING IT IS SO IMPORTANT TO UNDERSTAND THE FOLLOWING:

First, outside funding requires a strong and successful business model. It is not enough to have an idea – it must be attractive to investors and have a potential for strong sales. Unfortunately, this means that not every brick-and-mortar, service, or online business will qualify for funding.

With that in mind, to increase your ability to receive grants, investment, or crowdfunding, make sure your business is unique, innovative, and scalable.

Secondly, all funding requires work. All funders, even grant makers, want to see their investment grow. They want to know that their funding created the next successful small business or startup. This means that it is up to you to do the work and invest in your business early on to prove your business has strong leadership to drive growth. Although full-time entrepreneurship isn't required, full-time dedication to your business through time and personal financial investment is required.



Charles Washington, Autumn Kyles and Victoria Washington, founders of Detroit Dough.

Lastly, investment is a long game. Investors are looking for entrepreneurs who are dedicated to the success of their business, however long it takes. It is important to check in on your dedication to your business before you ask for funding. Your venture cannot be a fleeting idea or hobby. You must be dedicated to making your business successful, even if it takes years of inconsistent growth to get there.

As someone who has directly benefited from outside capital, I know how life-changing it is to receive funding for my business. Entrepreneurship is difficult, but when you have the capital to invest properly into your business, you create an opportunity for longevity and long-term success for your business. As you look to scale your company, I hope that you consider alternative funding. I hope this article provides you with the basic knowledge to explore these opportunities for your business.



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