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Minority Entrepreneurs Invited to Compete in 'Million Dollar Challenge'

By Andrew Martins, Writer May 21, 2019 01:11 pm EST

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Getting a small business off the ground takes more than just a great idea, gumption and some luck. It also generally requires money. While securing funding can be a [major hurdle](#) for any fledgling business, it's often harder for ethnic minorities to fund their businesses than it is [for their white counterparts](#).

It's with that fact in mind that officials with the Metropolitan Economic Development Association (Meda) announced the return of its [Million Dollar Challenge for Minority Entrepreneurs](#) competition later this year.

"Meda's Million Dollar Challenge brings so much to the table for entrepreneurs of color: highlighting their innovation and creativity, attracting more equity and capital investments, and accelerating business growth," said Gary Cunningham, president and CEO of Meda.

Since its creation in 1971, officials said, Meda has helped minority entrepreneurs start more than 500 small businesses by providing business consulting, financing solutions, and corporate and government opportunities.

Competition for startup financing



Image courtesy of Metropolitan Economic Development Association

From now until June 13, 2019, entrepreneurs of color will have the chance to apply for the second annual competition, which will award at least \$1 million in business financing in the form of a convertible note.

Following the application deadline, up to 20 ethnic minority-owned businesses will participate in the competition, which is modeled after the popular television show *Shark Tank*. Each contestant will pitch their ventures to a panel of judges, explaining why their small business is ripe for growth.

From that initial group, 10 finalists will move on to the next phase of the contest, where they will participate in Meda's Boot Camp for Successful Pitches. Officials described this part of the competition as an "accelerator offering investor and industry feedback, marketing consulting, and professional connections."

On Oct. 11, 2019, the finalists will head to St. Paul, Minnesota, for one last chance to make their case before a group of judges. Last year, it was during this stage of the competition that nine minority businesses from four states were awarded nearly \$1.5 million in funding.

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According to a January 2016 report from the U.S. Department of Commerce's Minority Business Development Agency, there were nearly [8 million minority-owned businesses](#) throughout the country, marking a 38% increase in less than a decade.

Even though millions of small businesses are owned by members of a minority group, a 2017 study from the [National Bureau of Economic Research](#) estimated that minority entrepreneurs were just 20% of the entrepreneurs funded by venture capital. Furthermore, a [2017 report by the Minority Business Development Agency](#) found that loan denial rates were 300% higher for "minority firms with gross receipts under \$500,000" and roughly twice as high for those with greater revenues.

Cunningham said Meda's annual effort of offering an avenue for new entrepreneurs of color benefits the country. "The impact of uplifting minority entrepreneurs goes far beyond the bounds of the individual and is a proven strategy for creating jobs and boosting economic development," he said. "When we support minority entrepreneurs, we support all – and we are proud to bring the Million Dollar Challenge back for a second year to continue that impact on a national level."

The second Meda Million Dollar Challenge for Minority Entrepreneurs is open to all for-profit minority-owned businesses in the U.S. For more information and instructions on how to apply, visit [Meda's contest site](#).



Andrew Martins

Andrew Martins is an award-winning journalist with a Bachelor of Arts in journalism from Ramapo College of New Jersey. Before joining Business.com and Business News Daily, he wrote for a regional publication and served as the managing editor for six weekly papers that spanned four counties. Currently, he is responsible for reviewing tax software and online fax services. He is a New Jersey native and a first-generation Portuguese American, and he has a penchant for the nerdy.

