

THE BROOKINGS INSTITUTION

WEBINAR

STATE OF BLACK BUSINESSES: WHAT CAN BE LEARNED FROM
BLACK WOMEN-LED BUSINESS GROWTH?

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WELCOME AND PRESENTATION:

ANDRE M. PERRY
Senior Fellow, Brookings Metro

PANEL DISCUSSION:

TYNESIA BOYEA-ROBINSON (Moderator)
President and CEO, CapEQ Impact Investing Advisors

BRITTANY HENRY
Senior Investment Associate, Impact America Fund

PORTIA MOORE
Executive Director, STEM Preschools
Owner, BASH Boxing Alexandria

JANELLE WILLIAMS
Co-founder and Chief Executive Officer, Atlanta Wealth Building Initiative

CLOSING REMARKS:

AMY LIU
Interim President, The Brookings Institution

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ANDRE M. PERRY: Morning. I'm Andre Perry, senior fellow at the Brookings Institution and within Brookings Metro. And it is my pleasure to welcome you to this event, "The state of Black business: What can be learned from Black women-led business growth."

You know about in 2018, I believe it was, we released a report titled "Five Star Reviews, One Star Profits: The Devaluation of Businesses in Black Communities." And then that report were in which we scraped all the Yelp data from businesses across the country. We found that Black, brown and Asian-owned firms actually score higher on Yelp than their white counterparts, but they get less review or lower reviews when they're situated in Black neighborhoods. And the result highly rated businesses are losing upwards of 4 billion annually. But the main theme of that report actually resonates with what the black elders used to say. Our ice is just as cold or ice is just as cold. Our businesses are as good. But when we look at the disparities and who owns employer firms, we can see that it's not a result of not being able to run a business or knowhow, it's a result of investment. And around that time we started a relationship to look at Black businesses and the state of Black businesses every year.

So it is my pleasure to talk about this latest report, "Who is driving Black business growth: Insights from the latest data on Black-owned businesses." And I'm actually going to start my PowerPoint presentation so it can get right in to the data. Hopefully you can see it. Someone will alert me if you do not. Now, I want to remind everyone that viewers can submit questions by emailing events@brookings.edu or tweeting to at Brookings Metro using the hashtag [state of black biz](#) again to the hashtag [state of black biz](#). Now all a lot of the data I'm going to present to you today can be found in this report. And I need to give a special shout out to Manann Donoghoe and Hannah Stevens, who really put in great work on this big report. There's a lot in it. What I'm about to show you is really an abbreviated or truncated of findings that's in the report. So everybody go in, tweeted out if you can. We would greatly appreciate it.

Now, again, this is the third installment of our series of reports on Black-owned employer firms. Those are those companies that have at least one employee and focus on the over overall state of those firms across the U.S. in metro areas. Now, as part of this report are in support of the path to 1555 initiative, which endeavors to transition 15% of Black-owned sole proprietorships into employer firms, adding 55 billion to the U.S. economy. And you'll meet the principal of that initiative a little bit later. We used the Census Bureau annual business survey data on imported firms, too, and you'll see a lot of the results of that analysis. Now, I'm going to give you some of the top findings in the in the report. And 2020 Black people represent about 14% of the population, but only two and a half percent of all employer firms, again, firms with more than one employee. And just to compare, Latino and Hispanic people represent about 18 or 19% of the population and 6.5% of employer firms, while Asian Americans represented 6% of the population and 10.6% of employer firms from 2019 to 2020, Black-owned businesses grew by 6300 firms, or 4.7% behind Latino or Hispanic at 8.19 and Asian at 5.3, however, But it's above white-owned firm growth, which actually shrunk by a massive percent. And you can see on this table here, which you can find in the report, how Black people represent about a 14% of the population, but two and a half percent of employer firms. Here we see the Hispanic Latino numbers at 19% or six and a half percent of employer firms are white. The white population represent about 61, 62% of the population and 82% of employer firms. And again, Asian population, 6% versus 10.6. Now, Black business growth was trending upward before COVID-19, but the pandemic from 2017 to 2020, the number of Black-owned employer businesses across the country increased by 13 and a half percent larger than all businesses in general, which increase by a half a percent. And you can see here the growth since 2017. And it's been pretty dramatic. I mean, remarkable given the circumstances that we were in. In 2020, Black business owners employed about 1.3 million people and created almost 50,000 jobs, adding an additional 1.7 billion in aggregate payroll to the US economy. The the ten metro areas with the highest proportion represents representation of Black-owned businesses are mostly in the Southeast or not mostly, but a lot in the southeast, including three in North Carolina. And in here we see Atlanta really having the most number of Black employer firms, followed by the Washington, D.C. area of Virginia Beach. We see Columbus, Georgia, Memphis, Richmond, Saint Louis, Charlotte, Baltimore, and Greensboro to round out the that top group. Now this is what I'm going to walk through this chart. This on this horizontal line, that's the the share of Black residents in a metro area. So as we move from left to right, it's an increase in the Black population. The orange bars represent the number of employers in those areas, and this white bar represents the number of employees. So if you notice in areas where there are less than 10% Black population in a metro, you have fewer businesses but a higher number of employees. And as you go up in Black population, the employees drops, but the employers increase until you get to over 40%. And we tend to work on majority Black populations in general. And you see the drop off there. Now, I love this chart because it shows that changes in Black-owned and total businesses for selected metro areas. But do you see that in Los Angeles, for instance, the the the number of the growth that's represented Black people represent about eight about 12% of the overall growth in businesses in Los Angeles, about 18% in Miami or Fort Lauderdale. But I want to drop down here in Charlotte, in Washington, D.C. we're seeing significant

proportions of growth in those areas. And so Black people are really, really driving a lot of change in these metros. And I would include Atlanta as well. But we are also impacted negatively by decline. So if you look at this chart, this is changes negative change in overall declines in Black business. And so in Saint Louis, you see a lot of the decline or Black people represented. And a lot of the decline in overall businesses. Now what can be learned from Black women-led business growth from all from all this. Though far from equable, the rate of business ownership for Black women is growing. Black women owned employer businesses increased by 18% between 2017 and 2020, outpacing women owned businesses. Overall, a 9.9. 1% and Black owned businesses overall 13 and a half percent. Despite the impacts of COVID 19, for 2017 to 2020, the number of employer businesses owned by Black women rose by 52,000 firms, so encompassing 37% of all Black-owned businesses and representing a 1.4% point increase of Black women share of all Black-owned employer firms. So, I mean, we're seeing growth in employer firms here, and it's leading to a slight growth in overall Black-owned employer firms. But we'll see a little bit later on. Most of the growth is in sole proprietorships overall, and we'll do that analysis. Then let's see, though. Black women accounted for about 7% of the total U.S. population and 14% of American women in 2020. They only owned less than a percent of all businesses and 4.23 of all women owned businesses. And you can see and again, this is employer firms here. Men represent the lion's share of employer firms here. But then when you break down women, white women own about 18% Asian, 3% of Hispanic, Latino and Black, less than a percent again. There's a lot of growth there, but it's largely because there's a lot of room to catch up. A proportion. About 38% of all Black women business owners have advanced degrees. And this is something that I found very interesting, including. So business owner Black best business owners are highly educated, including a 19.1% with a master's degree. This is more than ten percentage points higher than the national average of 23.5%. So when Black people are getting an education, they are starting businesses as a result. In 2017, Black women owned over about 19% of all women-owned businesses above their proportional represented representation within the U.S. population. However, these businesses -- I apologize, these are sole proprietorships I'm talking about. So in 2017, Black women owned over 19% of all women owned sole proprietorships above their proportional represented representation within the US population. However, these businesses were much less, much more likely to be sole proprietorships and employ firms with eight out of ten businesses owned by Black women being non employer firm. So the Fed Reserve released a report a few about a year and a half ago that showed that there were a lot of micro-businesses started in Black communities and a lot of them were led by Black women. Now, this is a chart that shows Black women-owned first businesses by industry. So this is where you see a lot of people starting businesses, sole proprietorships, and but they're in certain industries. So health care and social assistance, professional, scientific and technical services. So this is largely administrative support in different areas, and that's included here too. But waste management and remediation services, retail trade and food services. So that is the bulk of our businesses. Now, here's another important finding that came about from the annual business survey data that that we add. They ask how important was not being able to find a job in your decision to start a business. Now, you can see here white women had the highest rate of it's not important in terms of finding a job whereas Black women were at 75%, slightly above Black men at 72%. So Black people overall. It is very important. The the the the workforce numbers, the unemployment numbers are very important in terms of starting a business for Black people. Now. Now, this is very interesting. How important was wanting to help my community in your decision to start a business? Now, here's where Black women really pop. They 49% of Black women, the highest among all groups, is very important. I'm including 27% of that. Somewhat important. So you see 24%, the lowest by far of not 24%. Not important in the decision to start a business. So wanting to help a community is very influential on their ability, on their decision to start a business. And Black women tend to be younger when they start their firms. You see in each category there are more people in the younger age groups for Black women than the age profiles of all businesses overall. So so Black women tend to be younger when when they're starting businesses. Now in here, you know. Drum roll, please. For the highest metro areas with the highest percentage of businesses owned by Black women. Saint Louis topping the the metro areas, followed by Memphis, Jackson and the D.C. areas and Atlanta. And again, we see North Carolina very represented in this group. Now. I presented all those data, but I want to be clear. One, These trends generally follow a both Black and Latino numbers of Black and Latino generally mirror each other. But I also just want to make this point the growth rate, we don't find any evidence that there is there a result of structural changes and particularly in business and lending sectors. And so, again, I think that there's room for greater room for growth. If we make those structural changes. We see a strong appetite to start businesses, particularly among women, but they can be helped. And in the banking industry, lending industry and and in housing and so forth.

Now it's my pleasure to introduce a panel who will dig into these numbers and reflect on them. And first, I want to give a special shout out to Tynesia Boyea-Robinson, who in 2018 formed a partnership with Brookings to release these data annually. And she'll be leading a discussion, a discussion with women who are playing their role in increasing the share of employer firms across the country. And we'll be joined, Ty will be joined by Brittany Henry, senior investment associate at Impact America Fund. And again, you can see her Twitter handle here, Portia Moore, executive director of STEM Preschool. And you can look her up

on IG at STEM preschool learning. Again, that's at STEM preschool learning on IG. And she's also the owner of Bash Boxing in Alexandria. And then Janelle Williams, co-founder and chief executive officer at Atlanta Wealth Building Initiative. And again, viewers can submit questions by going to events@brookings.edu or tweeting at Brookings Metro. And so it's my pleasure too to pass the baton to Ty

TYNESIA BOYEA-ROBINSON: Thank you, Andre. We're so excited to have this. And thank you for your partnership. Over the last three plus years, Brookings has been amazing to work with you and your team and Amy, so thank you so much. I am super excited to dig into this report because it shows that not only were Black businesses growing, but they were led by Black women. So I have to have all of my panelists join on video and unmute themselves because I have a group of highly educated, gorgeously melinated and courageously dedicated Black women to break this report down and what it really means. So I am so excited. I would like to just kick it off with everyone. Just sharing a little bit about your organization and your name. So why don't we start off with you, Janelle.

JANELLE WILLIAMS: Good morning, everyone. My name is Janelle Williams. I am co-founder and CEO of Atlanta World Building Initiative. Atlanta World Building Initiative is a catalytic nonprofit that reflects a community of businesses, investors, practitioners, residents and advocates with scholars committed to creating collective Black wealth. And we do that by leveraging ideas, people and capital. So, so excited that Brookings is having this conversation, commissioning this research, and excited to be part of this discussion today. Thank you for having me.

TYNESIA BOYEA-ROBINSON: Thanks, Janelle. Janelle is going to give us the 411 on that ecosystem play that Brittany you tell us about your organization.

BRITTANY HENRY: Thanks, Ty. I appreciate it. Appreciate the energy, first and foremost, as always. I'm Brittany Henry. I'm a senior associate at Impact America Fund. Impact America Fund is a venture capital fund that invest in tech enabled businesses that provide economic agency to low income communities of color across the U.S. And so we grant we're investing in this space and excited to to share more as we as we kick it off.

TYNESIA BOYEA-ROBINSON: Awesome. Impact America Fund is given that capital to the communities. It's also run by another dynamic Black woman. Keisha Cash So I have to them. Last, let's go to you, Portia.

PORTIA MOORE: Good morning, everyone. I'm the owner, founder and executive director of STEM Preschool. We are located in Arlington, Virginia, Capitol Hill, D.C. and we're opening a Potomac in the winter, 2023, hopefully with construction pending. We are we service our children from six weeks to five years, and basically we're STEM preschool. So anything from robotics, agriculture, life cycle of water children are learning about and they're loving and they're going into kindergarten ready and prepared for not even kindergarten, but first grade. Also, I am the first franchise owner of Bash Boxing in Alexandria. We are located in Carlisle Crossing, where the new Wegmans is, and it's basically a duo dynamic. So you're getting that strength training, but also that boxing and cardio training all in one session, 45 minutes, knock out 500 calories and you're done. So, yes, those are my businesses.

TYNESIA BOYEA-ROBINSON: Okay. So wait. You started. Not one, but two. But are you single handedly bringing the numbers up and DMV in this?

PORTIA MOORE: I know, right? I would like hold up. That may just be that 1.7.

TYNESIA BOYEA-ROBINSON: That was not to. Why did you do that? How did you do that? Give a little bit of background.

PORTIA MOORE: So the background was stem free school. I went to Virginia Tech for pre-med. My parents want to be a doctor. And I was like, okay, of course I'll be a doctor. I hate needles, but I'll be a doctor, right? While I was in school, I also worked at a daycare center there. And I tell people all the time, I tell my teachers I make \$5.75 per hour working. Okay. I loved it. Education, my passion. Children, My passion. When I graduated, I decided to get my master's in education, and that was in primary methodology with science and math. I also own a babysitting company that kind of led me towards entrepreneur to understand entrepreneurship and having staff work for you. With getting my masters, I then learned how to create a curriculum, a STEM based curriculum where children truly thrive in STEM. It's like a pipeline of like learning and loving STEM education and not being intimidated that you don't know your letters, different thing and letters and numbers at kindergarten, but excited to share like, Oh, I know states of matter. I know the difference between salt, liquid and gas going in kindergarten. If that's exciting at kindergarten, imagine when it's going to be exciting in 10th 11th grade. And then we opened up a STEM preschool in Arlington first, and

then we opened our other STEM preschool on Capitol Hill, and now we're opening one in Potomac, Maryland. And so, of course, funding is the main goal, especially we have a brick and mortar. I have around 40 to 45 employees depending on the time of the year. Some are we decrease. My parents were the support system in that they were they put the equity on their home and for collateral for my SBA loan. And so I always think that's very important to have that support system, but also to make sure that you ensure that you're doing what's necessary to pay that loan back, because it's very important. And then recently I got into bat boxing just because I wanted to expand my entrepreneurship portfolio and they started franchising. I was also a member. I love fitness. Fitness, education are my two things that keep me sane. And so I opened we're opening in by Labor Day, opening a bash, boxing a franchise. It's not my baby. STEM pre-schools, my baby, but it's still my baby because it is my business. So.

TYNESIA BOYEA-ROBINSON: Whew. There is a lot to unpack there. But it does sound like the connection to education and health is something that you care about in the community. So that aligns really directly to the report. I'd love to get back to bash boxing and some of the other things you said, but I wanted to go to Janelle. Are you seeing similar trends when you're building the entrepreneurial ecosystem in Atlanta?

JANELLE WILLIAMS: Yeah, we are. And I think it's important what a police based analysis allows you to do is to go beyond the headlines, if you will. Right. And so when we see and we want to celebrate the rise of Black woman-led businesses, certainly in Atlanta, metro Atlanta has the highest concentration of Black-owned businesses. But I think it's important that we trace historical factors and current economic realities that are informing the landscape of his business ownership and what it means and the reality that because so many Black Americans have been locked out of traditional economic mainstreams, entrepreneurship has been birthed out of survival and necessity. This weaves we talk a lot about a tale of two cities across the country and in very various urban centers, but it's also a reflection of segregated economies. And so even as we look at the rise in Black woman businesses, it's important to note that, you know, roughly 64% of these Black women, you know, they dedicate less than 40 hours to their actual business, which is an indication that they are really trying to explore multiple revenue streams, which makes so much sense in these markets. Right. A look at a rise in inflation. And so as people are trying to piece by piecemeal various sources of income, it demands entrepreneurial and creative thinking for that to happen. And that's something that we need to celebrate. And we also need to acknowledge that while we're seeing spikes in Black women businesses, we're seeing an overall increase in Black owned businesses. The performance of these businesses, the revenue, the access to capital, we're still seeing significant disparities. You know, city of Atlanta, the last research we looked at, we saw that Black-owned businesses, their revenue projections was 11 times less than white owned businesses. So there are certainly significant disparities. And this report that has been released is also quite compelling because it challenged us to go beyond traditional assumptions of personal responsibility. That's the narrative we traditionally rely on. But when you see that Black woman actually are more educated, but yet they are actually have a higher representation as solopreneur is where they are not employer firms, it begins to really expose systemic barriers which affect the sustainability and scalability of these firms. And so I'm really interested in having the conversations around, yes, how do we celebrate the energy, the enthusiasm. I'm quite, quite frankly, the creativity that Black women are bringing. Black business owners are bringing it the space. But how what are these? How do we also challenge systemic discrimination, systemic racism, biases embedded in all financial services and practices that still create uneven economic outcomes?

TYNESIA BOYEA-ROBINSON: Yeah, Janelle, you're spot on. And we've seen not just in this report, but the series over time that Black businesses tend to be over concentrated in low growth industries, mainly because they can't get the capital to scale broader enterprises, which is why I'm glad Brittany is on the zoom to share a little bit about, you know, what are you doing as far as your capital in ways that upend that trend.

BRITTANY HENRY: Yeah. I think, you know, one of the largest pieces is just, you know, we're a venture capital firm, right? And so our our goal is to to invest or a mandate really is invest in tech, tech businesses that have that ability to scale. So part of that is, you know, the the firm, as you mentioned, was started by it by a Black woman brand brand by, you know, underrepresented minorities, primarily women. And so really a big piece of that is bringing this asset class to communities, too, that historically haven't had access to it, period. And so how do we leverage, like this a vehicle of venture capital to, you know, bring the the the capital expertise to businesses that have the potential to scale that we see value in because we are from these communities that, you know, other venture capitalists or other funding sources won't necessarily see the value in it. Right. So an example of that is we have two companies within our portfolio that are in the hair care space. We're Black women. We understand that this is a multi-billion dollar space, right? But other people within the, you know, venture capital ecosystem may not understand how much money, time, effort in the entire ecosystem that exist are just just around here, for example. So, you know, a part of that is just bringing a new asset class and recognizing, hey, with the capital and this kind of funding vehicle, we're able to to scale businesses that, you know, not to say that we are you know, we do. Now, to you, to your point, we

you know, we're one fund and we need to bring along our counterparts and we invest as a part of a syndicate. So part of what we find ourselves doing is we see the value in making sure other investors who we believe can be very helpful in helping this company grow in a similar way that we could, quite frankly, translating for those businesses to say they're building a one of our companies is building a plant based bike braiding, hair extension, phenomenal team of Black women scientists. We can say, hey, this is important to us because it's it's you know, self nourishing doesn't irritate the scalp in a way of writing, you know, traditional braiding hair can, but being able to translate that to say this is \$1,000,000,000 business to another venture capital is to say and this is also, you know, good for the environment or touching upon the additional like recognize the market that exists in the actual size of how big it is in translating that on behalf of the entrepreneur, in addition to what the entrepreneur is saying, so that we're bringing folks who traditionally wouldn't look in these spaces to to consider investing as well.

TYNESIA BOYEA-ROBINSON: And what's awesome about that is generally people think of hair care, that is the service industry and usually can't get capital to scale. And you, because of your model, you're able to bring different types of capital. I'd love just any guidance you have, particularly because there's a broad range of capital that Black business owners could tap into and a lot of them oftentimes feel dilutive, extractive. Do you have any guidance on capital just in general for Black business owners?

BRITTANY HENRY: Yes. The first thing I would say is, you know, in the report, it talks about the the the top 50 American firms pledged, I think it was, you know, 49.5 billion towards supporting Black businesses as a result of, you know, Mr. George Floyd's death. Tap into those resources. That's non-dilutive capital. A big a big piece of that is and by non-dilutive capital, it's basically, you know, in the venture capital model, we're investing with the exchange of ownership. And so non-dilutive capital is essentially, you know, free money. Right. And so tap tap into all of the non-dilutive capital and free money and get your business and scale it to it to to a point before you start taking dilutive capital or looking at bank loans or other things in which you have to think about the true the true cost of capital. So my first piece of advice is like, run as far as you can on that money. And another way to think about that, and it's not directly a form of capital, but some of the money that the companies have pledged go into budgets in which it results in discounts for products and services. So one of a company that I, I, you know, we were considering investing in at a very, very specific example. But I think it it demonstrates a point like very high gross margin. And I'm like, you know, how how are your how is this gross margin so high? Well, that entrepreneur, a fabulous Black woman, had a lot of cloud computing credits. So she essentially was able to it was a software business. It for, you know, modeled it out for the next two years without paying any cost for that. And so that's not necessarily a direct piece of funding. But these products and services that we're using to run our businesses, you know, work with whoever their relationship manager is, whoever their customer success. I'm the Black woman. I'm building. This particular business is there, you know, a discount or, you know, for me as a result. And so that's another way in which you're leveraging this money that was pledged as a result of the, you know, systemic racism that you, Janelle, was mentioning before to, again, get your businesses as far as they can, but also positioning yourself to be able to have access to, you know, venture capital or bank loans in a way that you wouldn't have had to otherwise. So I say find the free money, ask for it, take it, get the discounts it's owed to us.

TYNESIA BOYEA-ROBINSON: And now it's all to it. Yes. Well, and, you know, a couple of shout outs. 1863 Ventures has a really great newsletter that they send out and they're constantly spinning updates about, hey, there's \$20,000 of a grant if you run a business here, there's 25,000 here. So you're seeing a lot more organizations do these friends and family round entries and that is absolutely free money. And then also I'm one of my colleagues at GoDaddy. They have not just some of those discounted services, but also capacity building. So you're spot on on that. Brittany, I want to go back to you, Portia, because, you know, you mentioned that your business in terms of financing and people have a lot of questions in the community for this around how financing works. What did you use the you mentioned initially that your parents actually put a lean on their house. So what's been the outcome for them on that? Because it's really hard to get friends and family. And then what other financing has been available to you over time as you think about the growth of both the STEM group and bash boxing?

PORTIA MOORE: So I was thankful to be able to have SBA loans support. SBA loans I know are very hard to get it for me. I know when I was told by my SBA loan officer the business and what you're what the business very important for banks, pre-schools, daycare centers have a very low turnover and a very high success rate. And so I will say that for me, it very. Much depend on the business, my background and also I did have history running a business. So the SBA loans were very helpful. You do have to have collateral and my parent's equity on their house. Was that collateral now going to the secondary school that's being loans? Okay. She's very successful, Right? She saved her money. I always say that financial literacy personally is important, but also in business is very important also. Yeah, you want to meet even. But the same time, if you meet, even the bank will say so. You're not making money to pay me back. Right. And so I had enough

in my account and had enough net profit. Wasn't spending more than we were earning To show that her business is successful, she can pay the loan back. The second round. I didn't have to put my parents files on for collateral. However, they are 20% owners of the business still, which did allow them to retire early. Which is great also because I just think that as a whole society of minorities is not only important to to build ourselves up, but then pull other people along with us. My parents are the reason for my success, and it's so great to be able to pay them back and help them out also. So the second round on Capitol Hill, I was able to then get that loan just based on the the net profits and the business success with the third round of STEM preschool. Again, SBA loans possibly. But on top of that, it's again, the net, the net profit that I had saved and that liquid cash I have also to put into that business. Now, for basketball, boxing is a totally different story. That is 100% my baby. It's the money that I saved. I always pay myself a lot less than we make. I'm not going to be like, Oh, okay, well, the company makes a certain amount. I'm gonna pay myself a certain amount. Always live very, very below my means when it comes to my business. Because if I do that for five or ten years, the ten or 20 years, I then can pay myself a very a great lump sum. So that boxing is definitely my baby. It's the money that I saved. I've been had to get equity out of my house that that me and my husband despite. And so I'm very big on not only support from friends and family, but once you lift yourself up, you have that financial literacy. You had that smartness on a what you're going to save and put in place because it's very important. Don't spend more than your business makes you want to make sure you show that you have net profit because your business being in good standing is very important.

TYNESIA BOYEA-ROBINSON: That is so powerful Portia for so many reasons. I mean ones that one data point that often comes up on why do we care about Black business growth other than it is owed to us? Absolutely. It's that Black business growth actually is a driver of wealth. Know Black business owners are 12 times wealthier than their non-business-owner peers and you within a generation are building wealth for your family like your parents yourself. It's amazing in just such a short period of time. So that's awesome. I would just love to hear from Janelle. It's great that we're seeing these bright spots. What do you think is driving the growth?

JANELLE WILLIAMS: Yeah, I think there is a lot that is driving the growth. And I see. And I just want to I want to reinforce the comments made by Brittany, Portia in your cell type. The growth is also some intentionality to migrate beyond income generating vehicles to wealth building vehicles, intergenerational wealth building vehicles. And there are several things I think it's happening. I'm really you know, I would be remiss if we don't acknowledge that there's some more intentionality around the ecosystems spaces, and that has been incredibly important. How do we support capacity of business serving organizations? How will we making sure that we're responding real time to the needs of Black businesses, I think has been incredibly important. And the ecosystem work has also exposed the need to have more comprehensive and integrated capital sets for these businesses. So there are businesses that are absolutely ready for VC conversations, but they're on ramps that are also needed for most businesses that aren't there. And so really thinking about intentional touchpoints around integrated capital stacks is key. The other thing I think we also would love to celebrate and acknowledge is the rise of the creative economy. And when we think about just the significant contributions Blacks have made around really thinking about culture, and then how does that becomes monetized? Particularly we see this in the American South is of incredible value. We also saw, you know, while yes, personal beauty is in the service industry, Black woman. So we needed to get our hair done. And so we did not see the beauty. We did not see personal beauty actually being vulnerable to the COVID fallout as other industries have been. And that's of incredible value. And so this is one where there's a real assessment about how are we pouring into things, into services, into businesses where there is a legitimate, authentic demand, and that is really, really valuable and really powerful. The other thing I'll just mention is, you know, the rise to social impact. I think your report said that 47% of Black women said, you know, they want to give back to the community. And so even if we go under the hood of the wise, it's really important because there's a thoughtful integration of, yes, I want to achieve personal impact. But even when we listen to Portia's story, there is a there's a broader to what end? She wants to see children educated. She wants to see people healthy and thriving. And so the social impact is really a really important field consideration for us to continue to explore and invest in, because that that really helps facilitate a multiplier effect. And the last thing I'll say is, while it's not as significant, I do see much more intentionality around educating businesses, business owners, Black business owners, around shared ownership models, around ways that we could really incentivize more jobs, particularly when you're putting in competitive bids for RFP support in the private and public sector side. Historically, Black business owners have been conditioned on a sprint. But this work is a marathon, and so they're exhausted. Black women are trying to be Marta doing so much, being everything to everyone and really trying to understand and recognize their humanity, celebrate their brilliance and their contribution is critical and exploring ways where we could facilitate more strategic partnerships for these Black leaders, that they're not just economic leaders. They're becoming really important civic anchors as well. That really helps the long-run game and it helps to mitigate their personal risks, which we should protect. And so those are some really important bright spots that we're starting to see emerge. I would be remiss if I don't say on this call that it is it is not by chance we see a concentration of these trends in the

American South, in the southeast. And I think that speaks to, quite frankly, the economic environment, the civic environment in which we find ourselves. And so how do we really think about really seeing the role of businesses as important, important anchors in Black communities for us to also facilitate not just thriving economies, but actual democracies. And so really excited about this. And I hope we continue to really hunker down on being very intentional about investing in the American South because that. What is the region that has experienced persistent racialized economic mobility? And we know that if we want to see national outcomes change, if we want to see wealth increase across different racial ethnic groups, it demands an intentional investment in the American South and investing in Black entrepreneurs. Investing in Black woman-led businesses is a great way to start that commitment.

TYNESIA BOYEA-ROBINSON: Oh, you're making us keep it real. We're saying there's bright spots, but we have to keep it real. We have to realize that if we don't have that structural change, this is just a flash in the pan. So I appreciate you making sure you're holding our feet to the fire on that. I also love the comment you made about what does it look like for us to intentionally partner one organization that does that is called the B.O.W. Collective. BOW stands for Black period, Owned period, Women period, B.O.W. Collective. And so they are a group that actually is helping investing in joint ventures, as you're saying, joint contracts. So you're starting to see more and more of that as you see this growth. So I'm going to open it up to questions. I know a lot of people have sent questions in advance, so we have those. But if you are just enthralled by this conversation, as I know you must be with this wonderful panel we have. Feel free to submit any questions you have at Brookings Metro via Twitter and use the hashtag state of Black biz that's busy like firm biz like like this. Or you can email events at Brookings dot edu. So let's dig into some questions. You know, I looked at all of the questions that were submitted and there's a lot about different things around capital. So one question that has come up multiple times is around what do we do about the fact that venture capital is so uneven as it relates to where it lands with Black people and Black women? So I want to go to you on that one, Brittany.

BRITTANY HENRY: Yeah, I it it's. It's tough. Like what? I think one of the things that the folks within the industry have done about it, right, is start funds. So over the last few years, we've seen in a lot of emerging managers that women, you know, women of color, people of color. And for entrepreneurs that are looking for funding, you know, focus on go where you're where you're really celebrated and not tolerated. And so there's a ton of venture capital firms. And so when you're looking for funding, while also trying to scale your business and, you know, keep it afloat and run it, find those organizations that closely fit their you know, their investment thesis, closely fits the type of business that you are trying to build. Getting venture capital dollars is hard for anyone. And so it's extremely hard for Black people. Extremely, extremely, extremely hard for for Black women because of, you know, the this the structural biases that that you now, you know, discussed earlier. And so I would say just be very strategic about the the funds that you're going after. Share with them you know why you are a good fit. And if they pass, then ask for feedback and put them in a position to help you strengthen either the business and or your pitch as you continue to to seek out firms, I think it can be overwhelming. And as a result, sometimes you cast a extremely wide net and reach out to a bunch of folks. But that's not, as you know, the return on that isn't as great as, you know, spending some you know, some some time to be strategic about who we who we're going after. And so I say as someone that since, you know, on the on the fight fund side, we're trying we're you know, we're growing. We have organizations like Black Women in DC, Black for DC, where we talk about, you know, how do we make this asset class more accessible? How do we get more emerging fund managers into firms? Because, you know, the data shows that we when when given the ability to write checks, we will support, you know, folks that look like us because we have the expertise to see to see value, what's being built. But for entrepreneurs like grow your businesses and go after go after funds that have an investment thesis that closely aligns, you're going to you're going to receive a lot of no's. But when you do press and and and get the feedback you need to keep going.

TYNESIA BOYEA-ROBINSON: Thank you, Brittany. And I also there's a couple of other points I'd like to add as it relates to capital. So the first thing that I feel like we all need to acknowledge, and it's been said in multiple ways, but I'm going to say it very bluntly, the financial system is structurally biased against people of color and women, period. It just is. So there is work that we are doing as part of my company. CapEQ As we work with Path to 1555, which is that national effort to fuel Black business growth to actually structurally remove barriers from the financial system. So one is a report we recently tool we recently released with policy plank called the Investor Blueprint for Racial Equity. And so no longer do you have to have people who are raising capital to be like, is it just me or is this like bias? We're like, Hey, if you say you're an equitable investor, are you doing these things? Are you making Black people pay more of a due diligence tax where you have run them around in circles for two plus years? When you pay, you pay Black people based on proof, you pay white men based on potential, Right? It's just a list of very clear things. And we also are running a cohort called the Equitable Underwriting Community of Action, where we're working directly with debt providers are removing bias from their underwriting practices. So there is work that has to be done at

the financial system. And so recognize that, no, you still have to hustle, but know that there is also work that has to be done structurally. And those are some examples. And then I think the other piece is just also recognizing that venture capital is not always the right capital. I founded my business about 12 years ago. I actually cashed in some of my 41k, had a great talk with my husband about it multiple times beforehand and we agreed that it was good for us. And only in the last three years or so have I gotten any external funding. So everything we've done to grow, I wanted control of my business because our business, his vision is to change how the world does business. And I didn't want that to be thwarted by capitalistic demands that actually drive me away from the combination of profit and purpose. And so, you know, sometimes it's debt funding, sometimes it's CDF I's, which are community development financial institutions who are focused on communities of color to provide a more accessible capital. So it's bigger than just DC. And I wanted to make sure that we double clicked on that a bit. So thanks for your thoughts there, Brittany. There are another range that we have so many more capital questions I want to go to you, partner, because there are multiple questions about how do you build capacity with Black business owners, whether some folks are asking about you, Did you have mentors? Did you have recommendations on mentors Some folks are raising like, Hey, when we bring in tenants to work with us, they're really good at their skill, but the business side of the work they still need help on. So I would just love to hear your thoughts on how do you build capacity, your recommendations on what could build capacity as a business owner.

PORTIA MOORE: And so I know when Andre did the presentation, a majority of Black-owned businesses when you're younger. I did start when I was 23, 24, so I had a little bit more trial and error. And that margin, I could I could kind of messed up, but not totally messed up. And then like I would get a little bit more excuse for it. However, my dad was my mentor when it came to that. He was a deputy CIO for Department Education, So he has a lot of experience, not only managing people but managing money. And so he did help me mentor in that aspect. I hate to say Tranmere, however, I appreciate when not fail, but when something doesn't work out, you learn from it. You do not go back to it and do it again. You learn from that that day. You do not get to fear. You do not get upset, you learn from it and you get better. Three things I think, are when you scale a business and when you have 40 plus employees, I mean you have brick and mortars are systems in place. Systems are going to cost money. You cannot wear every hat. Of course, we started like, oh, I have to do accounting, I have to do bookkeeping, I have to be a director. I have to No, no, no, no, no. You didn't go to school for accounting, right? You will get in trouble with the with the IRS if you do not do your taxes. Right. You're going to have to pay an accountant. You cannot wear every hat. You're going to maybe have to go in debt a little bit to build a better foundation for your business. So systems in place so the people who know how to do it. Number two is the right team. Of course, when I started out, I started with four teachers with with our first location in Arlington, and now I'm 40 plus teachers. But I made sure that I screen them well, I make sure that I train. Training is so important. Do not skip training your staff just because you're like, Oh, well, I can. I can do it. I'll be fine. No, no, no. Because you don't want to work. I always say you don't want to have to work in your business. You want to be able to work on your business. So you want to have the right team and work on your business and grow and skill. The third thing is support systems, friends, families, partners. And so you just want to make sure you don't cut any. I want to make sure you cross all. Your T's and dot are your eyes. I know it may be easier to be like, I'm going to handle it all. However, don't wear all the systems in place. Put that money though. Do those systems in place And also the team.

TYNESIA BOYEA-ROBINSON: Thank you, Portia. I cannot believe that we are already over with the time and I have, like, 800 questions left. But one question that was in the submissions that I think it's a really great note to end on is what is the headline that you would want people to share about Black women-led business growth, Black business growth? Just overall, what's the major takeaway? And let's start with you, Janelle, then, Portia, and leave it with you, Brittany.

JANELLE WILLIAMS: The major headline I would say is Investing in Black women is Investing in the collective.

PORTIA MOORE: For me. I would say the major headline is, honestly, Black women change the world like we are, but we spearhead so much stuff, so we change the world.

BRITTANY HENRY: Oh, that's tough. I, I would say in investing in in Black and Black women amplifies that investment into the community. We know that Black women are investing or creating service-based businesses. They're supporting their community. They were natural caregivers. So that value is going to going to multiply, which is important.

TYNESIA BOYEA-ROBINSON: Thank you. And in the words of the high priestess of all Black women, Beyoncé, who run the world? Girls. Thank you, everyone, so much. I just adore all of your work. I adore you. Thank you for everything you're doing. I'm going to turn over to Amy and just really appreciate all your time.

AMY LIU: Ty. That was brilliant. Janelle, Brittany, Portia. That was wonderful. First of all, I want to thank all of you who joined us on the Zoom today for Stick, sticking with us to this very end. I'm going to just close with some final summary thoughts of what my big takeaways were from today's program. First, I want to I do want to go with some thank you's. Andre, fabulous job kicking us off today. Tie your energy and your expert facilitation is always top-notch and no one can do it better. And I'm really glad to see that the partnership between you and CapEQ and Brookings and Brookings Metro continues. And Brittany, Janelle and Portia, you were the inspiration I think that we all just look for every day. In today's environment, I just walked away with three things that I hope you also took from today's program. One is that just the power of the asset frame to bring wealth and opportunities for the Black community. I learn so much from Andre Perry, I'm going to take a couple of quotes from him. One is there is nothing wrong with Black people that racism can't solve. And what you saw on full display today is the power, the energy, the leadership of Black women. All four of the women in focus displayed today are power. They do run the world. And I think when we invest in their brilliance and in their leadership, we are all better off. And that brings me to the second point, which is that there when we embrace a positive asset frame to the overdue work to invest in Black communities. There's incredible economic benefits and wealth building benefits to everyone beyond just the black community, but also for the Black community themselves. And, you know, a lot of the work that Brookings better does is around the power and the business case for equitable economic growth. This topic today about investing in Black businesses and particularly Black owned women businesses is really key and essential to that. And as another, I'll take another Andre Perry quote, You can't nonprofit your way out of poverty and opportunity. And what you and what we saw today is we absolutely need to make the markets and the capital and the financial system work to to support so much of the untapped talents and entrepreneurial energies of all of our communities, particularly the Black communities. And as Andre's analysis has shown, when we invest in Black women and Black women entrepreneurs, not only are we investing in their brainpower that they bring to this and their community commitment, but they also help each other. And the power of that collective is just so exponential. And so that's the real, you know, I think the real opportunity for all of us as observers and listeners and actors in this space. And the last thing I'll just close with is I hope that you all walk away, that this is absolutely actionable. The the work that Brookings veteran Andre led and showed today. There is data for every single metropolitan area in the country. Please take a look at the data in your community, see how how, how well your Black business ecosystem is doing, what the untapped opportunities are. And then take a lot of the tips and advice you've heard from the great entrepreneurial women today and remove the bias from so many of our systems, our capital, our finance, our mental frames, so that we can really, truly build on the power and the aspirations and possibilities that you heard today. So again, on behalf of Andre or the team at Brookings and Brookings Metro, I want to thank all of you for joining us today and to thank for all of our panelists and our great day.