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WEBINAR

RISE UP ECONOMICS: WHY LOCAL BLACK BUSINESS GROWTH  
IS POWERING NATIONAL TREND

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OPENING REMARKS AND PRESENTATION:

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PANEL DISCUSSION:

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CLOSING REMARKS:

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**PERRY:** Good morning everyone, and welcome to today's event Rise Up Economics: why Local Black Business Growth is Powering National Trends? My name is Andre Perry, senior Fellow and director of the Center for Community Uplift today advanced Slot. Today, we will discuss key findings from our new report. Black employers are reaching new heights.

Next slide. Please, please check out this amazing report written by myself and my wonderful research associate Hannah Stephens. Next slide. Newsflash. In 2023, the number of Black-owned employer businesses surpassed 200,000. For the first time in recorded history that marks at least six consecutive years of growth. According to the latest from the US Census Bureau, between 2017 and 2023, Black-owned employer businesses grew by 62%, nearly 77,000 new firms.

For context, US employer businesses overall grew by just 3.3%. Over the same period, Black-owned businesses grew at least nearly 20 times the rate of the broader market. Now there are many entrepreneurs and communities that felt this search, but let's go deeper. Here's how our hour will go. I will present the key findings from our new report.

Again, Black employers are reaching new heights. Then we will hear from a distinguished panel of experts, and then we will have some closing remarks. If viewers have any questions, you can send them to events that's plural. [events@brookings.edu](mailto:events@brookings.edu). Now let's examine the findings events slide. This column chart shows the total number of Black-owned employer businesses rising from left to right across years with the rate of growth displayed alongside each bar.

The story has two chapters from 2017 through 2022. Growth accelerated every year, peaking with nearly a 21% increase from 2021 to 2022 alone. Then from 2022 to 2023, growth continued, adding about 6,300 firms, but slowed sharply to 3.2%. We are still at historic high, but the pace ease, the likely culprit sustained inflation and the unemployment rate returning to pre pandemic levels, reducing some of the necessity driven business creation of 2020.

We also saw a reduction in venture capital, but we know that venture capital represents a, a very small percent of the funding for entrepreneurs. But I just wanna emphasize growth continued, but just not at the pace of prior years advanced slide. This group column chart compares growth rate by owner type.

Each cluster of bars represents a different category, and the tallest bars belong to Black female identifying employers from 2017 to 2023. Black female identifying employer businesses grew by 78% outpacing Black employers overall at 62%. And the Black male identifying employers at 60% in raw terms, fewer than 45,000.

Employers in 2017 than 79,000 by 2023 for comparison, female identifying employers overall grew by 20%. Black women are leading and they're doing it while facing a business loan rejection rate. Nearly triple that of white business owners with 61% self-funding their companies. This growth is extraordinary precisely because it happened against those odds.

Advance that slide. This table shows the most common industries for Black employer businesses. Half of all Black-owned employer firms are concentrated in five sectors, healthcare and social assistance, professional technical services, social assistance, administrative SER services, and waste management healthcare leads and, and that tracks one in five Black women workers, workers that employed in healthcare.

But Black people represent 14.4% of the population and only 7.7% of healthcare employer businesses Overall. They are doing the work, but they're not yet owning it. Proportionately advance the slide. This table flips the lens to the share of employer, Black owned employer firms within each industry. The leader here is transit and ground passenger transportation, where 13.7% of employer businesses are Black owned, nearly equitable with the 14.4% population share at the bottom.

Machine manufacturing at 0.3%, fabricated metal at 0.4%. Those are sectors where inclusion work has barely begun. Next slide. This table shows the top 15 metro areas by totaling by, by total Black-owned employer businesses gains. From 2017 to 2023, Atlanta leads the nation gaining 6,000 more firms. Miami gained roughly 4,700 New York, 3,800, Washington DC about 3,600 and Los Angeles, 3,500.

Next slide. The one year map of 2022 to 2023 shows more variation. Houston gained 900 900 firms, a 14% increase. New York gained 843 Miami's 5, 736 Minneapolis and Indianapolis, each 500. Meanwhile, Atlanta, which led over six years, actually lost over 600 firms in that final year. Long-term growth and recent momentum don't always point in the same direction.

Communities feel those short-term shifts. Next slide. Now this figure is a group column chart comparing growth among across all major racial and ethnic groups and firms, employees revenue and payroll. The bars for Black and Latino or Hispanic employers are the tallest in the growth columns. Latino or Hispanic owned employer businesses saw the largest percent percentage gain of 125% in firms and 64% in employees.

Black employers came second at 62%. All groups grew. This is not a zero sum. A more equitable economy means more opportunities for more people. Next slide. But Table four delivers the honest accounting. It puts each group share of employer businesses ownership next to their share of the US population, Black Americans are 14.4% of the population and just 3.4% of employer businesses.

Business owners, Latino Americans are 19% of the population, and 8%, 8.4% of employer firms, white Americans are 63% of the population and own 80% of employer businesses. The 62% growth among Black businesses is real, and we are no, but, and we are nowhere near parody. Both things are true. Th these more than 200,000 Black-owned employer firms generated 249 billion in revenue in 2023, supplied over 1.8 million jobs and paid out six, close to 70 billion in wages.

And research shows that higher rates of Black business ownership in a community correlate with longer life expectancies for Black residents overall. At the same time, dismantling of the Minority Business Development Agency, the curtailment of the SBA eight A program, and the rollback of affirmative action requirements for federal contractors, all threaten infrastructure that help make this growth possible.

Next slide. Or actually, let's close the slides now to explore what these findings mean on the ground and what must come next.

I'm delighted to introduce our panelists. Stacey Bowers, senior counsel at Michael Best, brings deep legal and policy expertise on structural equity in business development. Tonantzin Carmona, fellow at Brookings Metro, researches equitable economic growth and the conditions under which minority owned firms, businesses thrive. Alphonso David,

president and CEO of the Global Black Economic Forum, is one of the country's leading voices for advancing Black economic power. Angela Randolph, associate professor of entrepreneurship at Babson College, brings both scholarly and practitioner perspectives to the challenges facing Black entrepreneurs. And guiding our entire conversation is the illustrious, wonderful, compelling, outstanding Tynesia Boyea-Robinson, president and CEO of CapEQ Impact Investing Advisors. Please join me in welcoming our illustrious panel. Thank you.

**BOYEA-ROBINSON:** Thank you. So I just wanna say thank you to Andre for that wonderful introduction and I'm happy to be joined by my fellow panelists who hopefully will be shown on the screen soon. But. This is that time of year when we talk about Black business growth and what's been going on with it. And I think one of the first things I wanna say before we get into the details is if you have questions and you have not had a chance to submit them ahead of time, you are not too late.

You can always send your questions to events. That's E-V-E-N-T s@brookings.edu. So my fellow panelist, Andre, just walked through the data and I have to say, 200,000 Black employer businesses is such a big deal. So huge, so excited about it. Also \$249 billion in revenue and 1.8 million jobs. Let's go. Can we just start there with Black business growth on full tilt?

So. At a time where we know that this is an amazing accomplishment. We also know there's a lot of pushback on anything that focuses on diversity, regardless of what the approach is. And so while it may seem really common sense, I just wanna have each one of the panelists say, why is it important to focus on Black business growth?

And we'll start with Stacey, then Tonantzin, Alphonso, and close it out with Angela.

**BOWERS:** Thanks Ty, and thanks Andre and Brookings for having me back on this panel. It's such an amazing panel to be on. But to answer your question, Ty, I mean. I think the bottom line is Black small businesses are just incredibly important to the community, and part of that is because they bring so many new jobs to the community.

So it's not just about the business itself, but it's the jobs that it brings to the community. And then it's also the effect that it has on the local community. So I'm with you like seeing some of that data. That's fantastic. There's still a long way to go, no doubt about that. And I am hopeful that we continue to see progress and I'm gonna keep my fingers crossed on that front.

**CARMONA:** Yes, I would say likewise, I agree that it's an important a part of the community but also to the economy. You know, Black owned businesses create jobs, they generate revenue and they anchor local communities. As you said, there is a large gap that's obviously noted between the population share and the ownership share.

However, I think where I kind of see a little bit, probably like glimpses of hope is that closing that gap would unlock significant economic growth nationally. So I really love that you started with those numbers, with, you know, 200,000 with the revenue with the fact that we are employing people.

And so if we kind of start there and, you know, zoom out, what would this mean for the economy if we close those gaps? I think that is the important question to answer.

**DAVID:** Ty, I, I agree with my fellow colleagues as well about the importance of Black businesses as it relates to economic growth and prosperity.

And I also wanna highlight as it relates to that specific issue that if anyone really cares about all of the social ills of society, they should care about Black business growth. If we're talking about community empowerment, if we're talking about entrepreneurship, if we're talking about sustainability, any of those issues that we often talk about as it relates to, you know, incentivizing others to engage in the economy and actually sustaining an economy, you should care about Black business growth.

I mean, in the report itself, it talked about \$249 billion in revenue. That's a significant amount of dollars. And when we're talking about how that translates into salaries, almost 70 billion dollars in salaries are translated to employers or to community members that work for those companies.

That's significant, and we should all care about that. If we care about communities,

**RANDOLPH:** it is always hard to go last on a great panel. So I will take a different slant because, you know, in addition to the economic impact and the impact on the community, having Black entrepreneurs and seeing that business growth is tied to seeing role models, right, that are close, near and dear, of course, the economy, when we talk about wealth generation and how we, how that translates to legacy not just in our immediate family, but in those that Black entrepreneurs actually touch in who they meet, but also the social cohesion that it creates whenever a community gets to be part of building a new business.

**BOYEA-ROBINSON:** Thank you everyone. We're gonna stay on Happy Land for a while because I've looked at some of the q and a and it starts to get a little dark. So I wanna keep us happy for a little bit longer before we get into some of the nuts and bolts. So Texas, you actually started us off on some bright spots and I wanna go back to you on, you know, what are some of the bright spots that really underscore.

What we've learned as we see Black business growing. And you know, I mean, last year's report from Brookings, we were at 212 billion. So to be at 249 billion, I mean, it's just like, whoa, great. But I would start with you Tonantzin and then go to Alphonso Angela, and then Stacey.

**CARMONA:** Absolutely. So obviously the scale of growth is a major bright spot, not only with the number of employer owned businesses, the revenue generated the jobs, but also the fact that we're seeing growth across major metro areas across the country.

To me, the other bright spot, you know, I, I don't, I wanna list more than one is obviously what Andre noted is that Black women entrepreneurs are driving strong gains. We should be paying attention to that and seeing how we can support that growth. And then lastly, just 'cause of my own research, many cities are also building stronger local business ecosystems.

And obviously we'll touch into some of those issues throughout the conversation, but I think there's a lot of positive happening right now.

**DAVID:** Think in addition to what my colleagues have said this report highlights that as the economy shifts and as populations are thinking about creating generational wealth, they create businesses.

Let's keep in mind that's what people do, right? So if you are interested in realizing your dream or if you're interested in creating an infrastructure for your family, over time, you're thinking about creating a business. And this report sort of provides us with a peak into what that looks like for those that have actually taken the leap to create their own companies, to create economic wealth for their families and, and potentially generational wealth.

**RANDOLPH:** For me, the highlight is the fact that we're talking about. Employer, the businesses that have employees, right? Because in the research we often think about who's intending to start a business who actually started one. That whole process of starting is hard, but getting to that employee, there's so many businesses that drop off even before they have the opportunity to hire someone.

So the fact that the focus is on the growth in businesses that have employees is a huge positive for me.

**BOWERS:** I'm gonna tack onto something Angela said in response to the first question. One of the bright spots that I see is as we see the growth in Black-owned businesses and women, Black-owned businesses, one of the things that's really important in this community is mentorship and role modeling.

So I think the more businesses that we see being founded by Black owners creates more ability for those people that are thinking about it, to seek out that mentorship. Because one of the things that holds true is that when you have a strong mentor, you have role models, you have people you can turn to.

When you're starting a small business, you're much more likely to be successful as you head down that path. So I think it's a really, it's a bright spot for me to see that as small Black businesses grow, it creates more role models and hopefully leads to that, you know, that positive cycle, that snowball effect, but in a, in a positive way, not rolling down the hill, but rolling up the hill.

**BOYEA-ROBINSON:** Thank you Stacey. So I'm gonna go back to you, Angela, and I'm gonna focus a little bit more on some of the data from the report. So it shows that there was a 62% increase in Black employer businesses from 2017 to 2023, which really outpaces the 3.3% growth for the US businesses overall. So since you study entrepreneurship, what structural or behavioral shifts do you think explains that gap?

And is it a pipeline story? Is it a capital story? Is it something else? We'd love for you to dig into the details.

**RANDOLPH:** Okay, so all of the above. Right? So I did try to dig a little bit to say, okay, what kind of resources became available over this time period? And thankfully, the Founders Institute has started compiling what resources became available, new resources became available for Black entrepreneurs.

And the estimate, and of course this is a very broad estimate, is that it almost doubled in one year between 2020, where it was just over 300 resources for startups and for growing business to over 740 in one year. So the increase in resources in the ecosystem grew significantly in this time period.

But also people started have. Always I Black. You know, it's interesting, I'm currently studying the history of Black entrepreneurship along with some colleagues. And one of the things that we've noticed over time is Black people have always been entrepreneurial, right? Coming out of slavery throughout the history of time.

And there's always been a large number of obstacles to overcome. And so the desire to become an entrepreneur is not new. But the way that people approach it is it used to be that there was a focus on getting education and getting a great job. And that shift is actually shifting towards, I have this, I've hit a ceiling.

It could be a lot of reasons, but one of the reasons is I look around at my peers and I wanna try this for myself, right? And then also looking at the way that we look at what's needed. To become an entrepreneur in the different types of capital. Right. Economic capital. So the question is, is are there more funds available?

And during this period of time, there probably was more res more access to economic resources, human capital, right. Well we always talk about Black women in education, but it's also true for Black men in education in terms of the increase in education rates that when we look at human capital education, industry experience has gone up significantly over the course of time.

Same thing with thinking about this in terms of industry experience and the types of industries that in Andre's report, the types of industries that Black businesses evolve in are come, are coming from a place of expertise. There's also social capital and how well are Black business owners able to tap into the network?

And during this time period because of an increased awareness of some of the obstacles that Black entrepreneurs face, there's been, I'll say some opening of networks, right? We can discuss to what degree, but some opening of networks. And then there's also this idea of cultural capital and thinking about Black entrepreneurs and the fields that they're going into and thriving in, there's definitely awareness of cultural capital.

So yes, I think that there has been definitely an increase in the structural eco ecosystems. And I don't know if it's so much of a shift in behaviors of Black entrepreneurs, but a recognition that the types of capital that they have, that Black entrepreneurs have are valued more than they have been in the past.

**BOYEA-ROBINSON:** Thank you Angela. And I know it's not causal, but it's potentially correlated that we started shining a light on employer firms. And if you look at that little graph in partnership with Brookings, after we started shining a light, you started to see growth too. So I, I'll, I'll take the win there.

Definitely, colleagues.

**RANDOLPH:** Definitely take the win. The light is definitely needed.

**BOYEA-ROBINSON:** Wonderful. So Stacey, the last time I had the pleasure of being on stage with you, you were in a different role. So you used to be the director at the office of the Advocate for Small Business Capital formation. And given the new report, I'd love to hear how the experiences you had in that previous role really shine light on what you're hearing now from the new data.

**BOWERS:** Sure. Thanks. So I think I'm gonna lead off, I guess we're heading into the more heavy part and I think one of the things that concerns me right now is also the lack of data. So I think you know, stepping away from Brookings and Andre's amazing report, I think in general we're seeing much less data being made available to assess what is happening with small business generally, and then particularly as we think about it from a diversity, from a female owned perspective.

So I find that really concerning in conjunction with everything else. Even so I will say, I, I'm gonna give a shout out to my former office 'cause they are just amazing and they put together what I think is another incredible report and you know, just to, I mean, I think some of it really builds on what's come out from Brookings, but I think some of the things that we're seeing is, you know, it ties back to wow, there's an increase in Black businesses.

I think there's still unfortunately some negatives. And some of that comes back to Black owners tend to be unbanked at a higher percentage rate than the average population. And that clearly plays a role when you're thinking about starting a new business, that ability to get the funding that you need.

I think also we continue to see this idea that as Black funders go out and seek capital, whether it's through a grant, whether it's through a loan, they're actually less likely. So sometimes they're less likely to see it because they, they go into it thinking, oh, we're gonna be rejected anyway. Why will we see it?

And unfortunately, some of that still holds true. So the rejection rate of maybe not securing the full amount of a loan that you're asking for still exists in the Black businesses. But with that said, I mean, I think there's also still some positives. We all know venture capital, not a lot of it goes to.

Goes to women owned businesses, not much goes to Black owned businesses, even less goes to female owned Black businesses. So the venture capital, nothing has changed there. But just to highlight some other statistics that I looked into and conversations with colleagues that I thought was interesting.

So one of the things that I was highlighted is, you know, Black beauty brands, which is a big segment of Black female founders. So while Black beauty brands only make up 2% of like sales and revenue, Black customers generate 11%. So when I think about this arena and sort of some of those discrepancies that still exist, I think fantastic things are happening.

And I think we're definitely seeing Black women founders make progress, but I think there's still a way to go. But I, you know, in general, I think it just comes back to you know, there's not as much data out there and I worry that as we move, you know, further down the line, over the next. Next couple of years we're gonna see even less data.

But I think, you know, the reports that Brookings does, that the small business advocate does at the SEC is still trying to highlight what's going on out there are fantastic.

**BOYEA-ROBINSON:** Thank you Stacey. I, I really appreciate you highlighting the fact that. We're losing some of the very data that allows us to know whether or not progress is being made.

And it's not just with Black businesses, it's across a variety of areas, health, education. And so how can you see whether or not communities are prospering if you can't even figure out what that data is? So thank you for highlighting that. I wanna go to you Tonantzin, because speaking of data you had, first of all, you did such an amazing job at the Brookings Metro event we had where I met you not too long ago.

And I really found your data compelling in your research, compelling about as you start to dig into the place-based what's happening on the ground with policies. So I want you to take some time and share a little bit more about your research overall and then what you're seeing about how some of the existing policies are affecting business growth overall.

**CARMONA:** Thank you so much. Those are such kind words and I, I really also agree with Stacey on the points of data. I also appreciate, I know it's a little darker, but you know, talking about the barriers that exist, access to capital, obviously, you know, you talked about that there's procurement, there's also the small business supports and you know, that's the period I would say of like instability or sorry, stability.

And so if those barriers existed in an era of stability, I think that it's also worth thinking about how we're still seeing growth in those two, like up to the 20, 23 numbers in spite of barriers, in spite of I guess missed opportunities. Quite frankly, my research lately has mostly focused on Latino entrepreneurs, but I also apply lessons more broadly in terms of what, what's happening to other entrepreneurs including Black and minority entrepreneurs.

And really it's kind of then looking at this era of instability. Right now there is a lot happening at the federal level as we know in terms of, I mean, everything from tariffs and how that affects small businesses and their ability to plan, to hire, to expand to set pricing, to note what's going on with the supply chains.

Two changes to lending, procurement and technical assistance systems that are shifting all at once. You know, changes are happening to seven A to eight a, you know, all the programs that minority entrepreneurs rely on. And so while that is happening, you kind of then have to start to zoom in at the local level.

How are they responding? And I think that is gonna be an area of great importance. In, in, I mean, not so like now, but also in, in the near future because the way that they respond can create sources of support or further instability for small businesses. You know, the local ecosystems encompass.

Opportunities for access to capital. Everything from CDFIs and other mission lending opportunities for small businesses to, again, to start to grow and expand. But there's also local chambers, how they support their businesses. There's nonprofits who provide technical assistance, support, and other types of support.

There are places across the country that are showing up right now in this era of instability by trying to come up with state and local solutions, trying to support that ecosystem to further support our businesses. But there are also places that are not, and in fact might be exacerbating the issue. And I know, we'll, we'll probably touch on that a little bit.

But that's all to say that my work right now, this place-based system is really starting to look at, okay, if this is happening federally and that's likely not to change in the near future, how then do we respond locally? What are the opportunities to support important drivers of not only national economies, but also our local ones?

**BOYEA-ROBINSON:** Do you have any headlines on ways to support.

**CARMONA:** It's gonna very much depend on place to place, you know? So like right now, for example, with Latino owned businesses, I've been focused on the way that like immigration enforcement is really impacting business corridors. And that doesn't necessarily mean you have to be an immigrant yourself or a Latino employer yourself to be impacted.

Because if you just happen to be in a corridor or an area where immigration enforcement is taking place, you can also be impacted because of the loss of foot traffic or your workers not showing up for work. So one area is obviously to not necessarily coordinate with federal enforcement on that end, like you are exacerbating that issue.

And there are actually states that are doing that. But if you want a more just local small business support, it could be paying attention to small business corridors. There's nonprofits and local chambers that are focusing on corridors that are specifically impacted, and they're trying to figure out rapid response grants either driven by local government or just the civic infrastructure that is showing up.

That's one. Private sector could be doing more on procurement because of everything that's changing at the federal and even state and local levels regarding procurement. Because of anti DEI measures, there could be more done by the private sector to ensure that like procurement is a major source of opportunity.

We can obviously go on and on on this, but there's a lot that we're learning just based on how cities and civic communities are responding across the country.

**BOYEA-ROBINSON:** Thank you Tonantzin. And that was one of the things that really stuck with me when you spoke before, just the, the clear, very straightforward.

Explanation that we have shared faiths. So if, if one business is being affected and it's rippling a community that affects all of our foot traffic, that affects all of our opportunity. It's not one or another or not siloing it. So I really appreciated that. I also appreciated you lifting up things like CDFIs, you know, with equal Credit Opportunity Act being under attack and so many other of those programs being under attack.

Alphonso, what can we do? What gonna, everybody,

**DAVID:** well, that's the type of urgency we need first. Look, in this environment, we have to protect the growth of these businesses, and there are several ways that people can get involved. So they can support these firms and their practices. I, as you just heard half of the Black owned employer firms are concentrated as the report outlines in five major categories.

We're talking about healthcare and social assistance, professional, scientific and technical services, social assistance, administrative support services. These are businesses that are

out there. They're not difficult to find, and so we need to figure out more concrete ways where we can support these firms and their practices.

Second, I would say, you know, the type of urgency that you just articulated is important to translate into folks joining and or supporting litigation. Litigation is an important tool that we're using throughout the country to push back against public officials that are seeking to dismantle diversity, equity, and inclusion, or dismantle equal opportunity or to dismantle free enterprise.

Right. These are all concepts that ultimately go and undergird our business community. In fact, we just filed a lawsuit working with the Freedom Economy and American Pride Rises. We just filed a lawsuit against the Texas State controller and several state agencies for trying to completely rewrite the state's procurement practices.

So in Texas, there's a program called the Hub Program for historically underutilized businesses. It's been in place for 35 years, and that program provided greater opportunities for businesses that are owned by women and businesses that are owned by people of color. The controller decided to issue regulations to remove keyword, remove every single business that is owned by woman, and every single business that is owned by a person of color.

More than 15,000 businesses were removed from their programs, and so we sued them. We're litigating that case, representing seven plaintiffs as well as ostensibly the 15,000 people that are impacted. And so supporting that litigation, joining that litigation is something else that folks can do. And third, I would say engage in advocacy, engage in education support.

Make sure that folks understand the difference between the law and noise. 'cause there's a lot of noise. And yes, we are seeing executive orders being issued. Yes, we're seeing regulations being issued, but those executive orders and those regulations are not laws. They can supersede the law. And I think that's important for folks to understand as we go through this time where they can get involved in a variety of different ways.

But certainly one of the most important is to educate and advocate.

**BOYEA-ROBINSON:** Alphonso, I had the pleasure of actually seeing your press conference and would you mind sharing some of the economic impacts of rolling back these policies that your plaintiffs had have experienced?

**DAVID:** Sure. So we're talking about, as I said, more than 15,000 businesses that have been a part of these programs, in some cases for years, in other cases for a few months.

But we're talking about billions of dollars. More than \$4 billion in Texas alone. Were allocated to businesses that were run by women and people of color. Importantly, this program does not guarantee these businesses a contract. What it does do is open up the aperture. It opens up opportunities for these businesses to participate.

So the \$4 billion that were allocated last year to these businesses are now at risk 'cause these businesses have been removed, de-certified from the program. So that's an important

feature for us to understand. And these are businesses that are owned obviously by people who obviously have families live in communities and have employees.

So when you connect these dots, it's going to have a dramatic negative impact, not only on these businesses, but in the communities that they operate in.

**BOYEA-ROBINSON:** Thank you Alphonso. And I think it's really important to underscore, this is not a handout. No one's guaranteed the money. You only get the contract if you actually are able to perform and consistently perform accidentally.

So now you're basically shooting your own economy in the foot and rippling in from employment receipts, all of those pieces, which, how does that drive economic growth and opportunity? I just dunno.

**DAVID:** It does not

**BOYEA-ROBINSON:** not Alright. It does not, huh. Thanks, Alphonso. Clear that up for me. Alright, we could go on and on, but we have so many questions from the audience.

So I'm gonna open it up now to q and a. I'm getting them in the chat. I have them in the spreadsheet. There's several questions that are specific to the report, so I'm gonna ask Andre Perry with his dapper self to join back and be able to answer any of those questions. All right, so let's get into the q and a off not a phones Andre.

There've been a couple of questions that are about the report specifically, so I'm gonna circle back to you on that. Okay. One of them was around who is focusing on and tracking Black business failure rates, what cities and organizations are focused on that issue as it relates to the data overall.

**PERRY:** Well, first I always want people to go to the center for Community Uplift, Black Business Parity Dashboard, which always gives the rates of employer firms, but specifically failure rates. You have JP Morgan Chase Institute that looks at bank, bank transaction data that can look at failure rates.

The Fed Reserve puts out a business credit survey. I, I don't think it's annual, but you can look at that, and then third way releases the comprehensive state of Black business report. And then if you really wanna get wonky, you can get into the CDFI fi data sources that look at bank credits, failure rates in that regard.

But there's no comprehensive survey that looks at failure rates across the board.

**BOYEA-ROBINSON:** Sticking with you for one more question. Why did Black-owned employer businesses increase in some metro areas and not in others? What's driving that growth?

**PERRY:** Well, I, I mean the short of it is civic action and ecosystem work.

There are, and there's, this is a reason why we always have to look at things locally and not just in the aggregate. There are, there's good work being done at the local level that's having

impact. So it can be CDFI activity, it could be your mainstream banks doing good work. It could just be the overall ecosystem of businesses figuring things out with customers.

It could be increased cooperation across racial categories. There's so many different factors, but you can see these different factors take shape differently. And metro between Metro and Metro. And, and let's also be clear racism shows up differently in different places there. I mean, there is an assault and an attack on Black people and therefore Black businesses.

And, and what that attack looks like is or putting disparaging remarks around DEI and having that permeate through the environment. It can, it's having sort of false a, a meme of Black businesses don't serve as well. But all these things contribute. But you really do see differences in, in growth rates because different places are doing different things to accelerate growth.

**BOYEA-ROBINSON:** Thank you Andre. This question is for the broader group so anyone can hop in. How can cities and states help to ensure that there is capital for Black small businesses to grow and expand in the anti DEI age of discriminatory practices? Just a small question.

**CARMONA:** I mean, one is prioritize it. I, I know that that's like, it's very, it sounds very simple, but.

You know, I really like that we were talking about urgency and that we should have this level of urgency. It's hard not to check the news every day and see, you know, headlines that just express a lot of uncertainty and volatility and change from day to day. Now you take that and you think of a local business and what they're trying to do in terms of just make simple decisions.

Can I expand? Can I set prices? Can I grow? Can I, what can I do just given everything that's changing that I don't know if that itself will change soon. And so it really is incumbent upon state and, and local governments to make it a priority first and foremost. Obviously there's gonna be a lot of litigation around what DEI is, and so I think it's, I mean, just get creative at this point.

But first and foremost, just make it a priority because what's happening is not gonna change.

**DAVID:** If I can just add on to that cities, states, municipalities should understand that there is no law that prohibits diversity, equity, and inclusion like the opposite. So these municipalities, these states, these localities have an obligation under existing law to ensure equal opportunity, not the opposite.

So I understand what they're reading in the papers. I understand you're reading about an executive order or regulation, but again, those are not laws. So when you are in the policy positions of advancing economic opportunity, remember what the law is and that is too advanced economic opportunity.

**RANDOLPH:** So from an ecosystem building perspective thinking about the ecosystems, we think about it are typically smaller and more embedded.

So thinking about ways to open up and get that information out so that more and more people are aware of the resources that are in. One of the things that we've started to notice on a study is that the reason when people leave an ecosystem because of some form of discrimination, they end up trying to find a community to fit.

And I use the word community because community doesn't necessarily include all of the resources of an ecosystem. And so local communities especially, and then state communities, should really think about how to make these resources available more broadly.

**PERRY:** And I just will add, and it builds upon almost everything everyone else has said, that local communities have assets that can be leveraged for business growth.

So when you're talking about hospitals. Schools other anchor institutions. You're talking about supplier diversity, you're talking about procurement opportunities. When these anchor institutions go outside of the community to provide services, they're doing the, the, the municipality a disservice.

So it's incumbent upon municipalities and counties in particular to employ, hire, contract, the people that, that there are residents. And so, you know, there are resources there, there are assets here. We don't necessarily, I mean the, the federal apparatus is there and we want it to, to be the win behind the sails, but there's a lot that can be done at the local level.

And that needs to be done.

**BOWERS:** I will just tag on too. I think advocacy becomes really important here. Everybody's points are incredible, but I think also, I think back to something Alphonso said, I mean we have to advocate. I mean there are lots of communities, municipalities, states, who actually have phenomenal programs in place.

They're doing the opposite of what Texas has done. Instead of dismantling their programs, they're trying to hold true to them. But I think, I think part of what we all need to be thinking about is how do we go out there and advocate and make sure, I think those programs are known about, but if you happen to live in a place where those don't exist, trying to highlight, you know, let's get something like this in place.

So I think that is important as well.

**BOYEA-ROBINSON:** Stacey, sticking with that, 'cause there have been several questions across leader. Submit it ahead of time or in the chat that where people kind of need a very clear list, like what policies are actually the posing the greatest risk for the growth we're seeing. So lists, someone lists those policies, these are the things that are actually negatively impacting the growth that we've seen.

And then based on that list, what is the local, state and national defensive and, and offensive strategy for that? So I know we've kind of weaved it throughout all of the comments, but it seems like people are wanting, like, give me, just give it to me straight. Like tell me what's at risk and then tell me what we can do to fight it.

**BOWERS:** I feel like I, I wanna defer to Alphonso on this one. Yeah, but I mean, I, I'll kick it off a little bit. I mean, I think. Some things that I've already been highlighted that are at risk

are the dismantling of a lot of the SBA programs, the dismantling of the minority business development. I think the other thing we haven't really touched on is the data about the number of small banks.

They're, they're disappearing and small banks are really important to the startup community. So I think we're not paying attention to that as well. So, and then I think just the assault on DEI generally not just at the federal level, but at various state levels too. And to Alphonso's point, I think the, the fear of we have these EAs out there and they're not law, but they scare us.

They scare the general person. And I think helping people understand those kind of aspects. And then I'm gonna turn it over to Alphonso.

**DAVID:** Thank you. Thank you, Stacey. I, I mean, I think when we take a big picture view as to what is at risk here, ultimately what's at risk is whether people can participate in a free enterprise economy.

That's what's at risk. Do you have the ability to actually participate in an economy, to create a business and have that business be sustainable? That is what is at risk. Now, when we dig deeper, we can talk about whether or not the MBDA agencies still exist, whether or not the SBAs programs are operating, whether or not the private sector is complying with an executive order that doesn't apply to them, whether or not states are trying to roll back policies.

Like all of those things are risks, but I think we shouldn't lose sight of the bigger picture, which is, this is about whether every person on this call and watching whether women and people of color can actively participate in a free economy. And if they can't participate in a free economy, then we no longer live in a democracy.

That's really what's at risk. And when we think about what we should be doing, again, it's about engaging in advocacy, education, litigation, and making sure that the tools that exist at the local level, at the municipal level are utilized. Like Andre said, there are many different levers that localities can use and some are using them, others are fearful, but it's important that they understand that those exist.

**PERRY:** And can I just add onto this? 'cause Ty, you know, we go all around the country and, and business owners and communities ask essentially the same question. What, what can be done? What? And I always, you know, and this might be very plain. I'm very clear. People are tax paying citizens of this country. They should have equal access to the opportunities that are presented.

Particularly those regarding procurement and, and contracting. They should have access to these things. So I've always had a view that the role of government is to be an anti-discrimination agent, to remove the drags of racism that keep people from having the opportunities that they deserve.

So, so some of the policies is just to get rid of the discrimination we know exists. We know that from hospitals to city governments to universities, they're procuring contracts with the same people. From relationships established long time ago, bypassing quality entrepreneurs every single day.

And some of this just needs to stop. I mean, so, but we need to be reminded as Alphonso has stated that we need an opportunity to participate in free markets and we deserve to, and, and I'm just very clear, our, our goods and services are just as good. So for me, it's get out of the way you're hurting the economy when you don't throttle the discrimination that clearly exists.

**BOYEA-ROBINSON:** Alright, free enterprise, free markets. Let's go. Okay. I'm gonna, we only have time for probably one more question and then we have to do closing remarks. But I'm gonna completely switch gears. So this goes back to the report. Several folks have had notices about you. You, you see, and we've seen this for years, that Black businesses are concentrated in specific industries.

And so there's questions about how can we actually start to shift some of that growth into high growth industries, ai, biotech, real estate development, FinTech, green tech, manufacturing. So just more guidance on that. What, what, what are we seeing that can help with that shift to high growth industries?

**PERRY:** I mean, simple exposure. I mean, we just released a a, a groundbreaking racial cooperation survey. One of the major findings we examined the actual level of. Friends and colleagues that are diverse for each community versus the potential in a geographic area. Half of the difference why people's actual exposure to diversity doesn't happen is because of residential patterns.

There are structures that prevent people to get exposed to other people. Other institutions, when people are exposed to opportunity, they thrive. They get along, they produce. So, some of this is about exposure and removing these gatekeeping mechanisms from keeping people from getting the exposure they need.

**RANDOLPH:** I would love to add a yes and to Andre's comments because he is so right. And I I love that report that you mentioned on, race relations. The other one is exposure to capital. Or access to capital and access to the networks that have capital because the businesses that grow the fastest have capital and not just the a hundred thousand dollars or the \$200,000 that back Black businesses typically get when they get funding from VCs, but the millions of dollars that a unicorn needs to be able to burn through in order to have that growth potential.

So, exposure, definitely access to social capital, yes, but access to money.

**CARMONA:** I, I echo everything that was said. Completely agree. And I would just present that maybe that's where state and local can play a role. You know, with everything that's happening federally, all the changes there might also be an opportunity to rethink existing programs and how we do access to capital, access to procurement contracts, you know, and so one way to experiment is with our, you know, local laboratories.

And that's a place where civic actors can get creative nonprofits, philanthropy to help change the, that exposure, that access to capital to reimagine those things that then can eventually scale if successful.

**BOWERS:** I think building on that concept of access to capital, I mean, one of the things we know from the data is that.

When women or Black founders invest, they tend to, to reinvest into the community, into like businesses. So, one of the things I know just from interacting with a lot of in general women founders is women are not always as comfortable thinking about making that in first investment or being an angel investor.

So I think also opening people's eyes to, you know, take control of your money and if you're a successful Black entrepreneur, entrepreneur, sort of it's stepping into that role of, okay, now I am going to invest money and I'm gonna invest capital and I'm gonna pay that cycle forward so that we get to a point where the VC money is coming in or, you know, along the pathway.

But I think that's part of the part of what needs to shift as well.

**BOYEA-ROBINSON:** And that's part of the reason why we love this partnership with Brookings is for the work that we do with Path to 1555, which is about fueling Black business growth through employer firms. And we have lots of partners who are doing innovative work like Black Gravity for instance, which is really pushing on how do you have more Black business owner f franchisee owners, or new majority capital, which is focusing on how you get Black business ownership through acquisition.

So there's, in addition to the kind of the local and the state level, there are these innovative practices that are starting to permeate that we need more and more people to have exposure to because it is challenging to start something from scratch at times. And so what does it look like to plug into existing infrastructure to grow and drive wealth?

We could talk forever, but I'm getting the hook in the chat. We wanna be on time. So I wanna close us up and have everybody close us out with, give us just one nugget, something that is driving to this sense of urgency. If you could direct us one concrete action right now, this week for somebody to do.

It's a funder, it's a policymaker, it's a corporate leader in the audience. What would it be? And we will go in the order of Angela to not send Stacey and Alphonso. Oh, and Andre, I guess you get to say something too, since you're on the screen. So we'll end with you Andre.

**RANDOLPH:** I will start with, well, I, since I only have one, for corporate leaders, don't do what's easy. Do what aligns with your values and think about how you can stretch that reach and social a, that access to social capital you have to Black entrepreneurs. And just, and entrepreneurs of color, and women entrepreneurs and people outside of your circle.

**CARMONA:** I would say that if you're a policy maker or a corporate leader to focus on making procurement easier for Black owned and other small businesses to be able to access.

**BOWERS:** I'm gonna come at it from a different perspective and say, if you're a Black founder, don't be afraid to ask for help and to ask, you know, seek out that mentor.

**DAVID:** For all of the entrepreneurs and business leaders that are out there, remember resilience and remember that we faced harder challenges before and we will overcome the challenges that exist today.

**PERRY:** You know, he stole my thunder. I was going to say that at the 250th anniversary of the country, the idea, not just more than the idea, that the descendants of the enslaved can now own businesses, can now hire people. It's a statement. So at this 250th year, demand as we go to, into midterms, that business development be a priority for whatever candidate is, is on the slate.

**BOYEA-ROBINSON:** The only thing I would add is in our work across the country, we have lots of communities who say, well, when the pendulum swings back and what I would urge everybody to do is remember, we're not waiting for the pendulum to swing. It's our job to push the pendulum.

Thank you so much to this amazing group of speakers. Like I said, we could speak forever. Thank you so much, Andre, for your partnership, for your research, and to Brookings over all. And I'm gonna close this out and turn us over. Take care.

**PUNTES:** Great. Thank you so much, Tynesia. My name is Rob Puentes. I'm the research vice president and director of Brookings Metro. I just wanna thank you, Ty, for your, your amazing energy and your awesome style. I really like what you've brought to this, to this panel, and to the extraordinary panelists for your insights, Stacey, Angela, Alphonso, and my colleague Tonantzin. And of course, Andre whose research and leadership made, made all this possible.

You know, I'll just, I'll just be real fast. What we heard here today is, is truly, truly remarkable. I'll, I'll say these numbers again. More than 200,000 Black owned employer businesses operating in this country. Six consecutive years of growth, nearly a quarter trillion dollars in revenue, 1.8 million jobs, and almost \$70 billion in salaries. These are, these are not marginal statistics. This is a transformational story about the American economy. And, you know, frankly, I think one that's really been hidden in, in plain sight, what, what I found really interesting is the geographic breadth of what Andre and Hannah Stephens research has uncovered.

Yes, we see it in places like Atlanta and Houston and Miami and Los Angeles, but we also see it in places like Flint. And that tells us something, I think really important that this is not just a coastal phenomenon. This is not just a big city phenomenon. This is happening across the metropolitan landscape of America, and it's reshaping local economies in ways that really do demand our attention.

It's precisely why this work matters so much right now because you know, everything that we heard today, even though progress is accelerating, it really does face amazing headwinds. Federal, state actions thread to undercut the very policies and programs that help to make this growth possible. And we have to deal with that tension honestly. On one end, we have the extraordinary resilience and the momentum of Black entrepreneurship and the policy environment that's moving in the wrong direction on the other. But it's also why Brookings and the Center for Community Uplift is committed to continuing this research and to making sure that decision makers, practitioners, and the public understand what's it taken as the panel reiterated.

You know, there's an awful lot that we still can do. So again, thank you so much to all to the panelists. Special thanks to Tynesia and to CAPEQ for the years of support for this work. And to our audience, thank you for joining us. And for contributing to this important conversation with your questions and your comments.

And of course it doesn't end here. This report is available on our website, [brookings.edu](https://www.brookings.edu). We hope you'll share that widely. And of course the recording of this presentation will be shareable as well. So, until next time, thank you all very much. Have a great afternoon.