

# ADVANCING BLACK ENTREPRENEURSHIP IN NEW YORK CITY

August 2020







Attendees at the BE NYC kickoff event at the Apollo shared their challenges, needs, and what the City can do to help.

### CONTENTS

- 3** Letter from the Mayor
- 4** Letter from the First Lady
- 5** Letter from the Deputy Mayor
- 6** Letter from the Commissioner
- 7** Letter from the Cabinet
- 8** Executive Summary
- 13** Chapter 1: Introduction
- 17** Chapter 2: Engaging Black Entrepreneurs in New York City
- 20** Chapter 3: Findings from New York City’s Black Entrepreneurs
- 29** Chapter 4: Recommendations & Commitments to Advance Black Entrepreneurship
- 35** Acknowledgements

## Letter from the Mayor



Dear Friends,  
 Over the past several months, New York City has faced unprecedented challenges. We have weathered a perfect storm that combined a once in a lifetime health crisis with an economic

I am grateful to Deputy Mayor Phil Thompson, Commissioner Jonnel Doris, our BE Cabinet, and New York City small business leaders for the steps they are taking to bring about this critical work.

We are at a transformative moment in our history – an unprecedented moment of change. We must embrace it with both hands. I know together, we will build a more just and fair New York City.

Sincerely,  


Bill de Blasio  
 Mayor

downturn, the likes of which we have not seen since the Great Depression.

The COVID-19 pandemic has done much more than impact the health of our residents – it has also exposed the deep inequities that exist in our society. Communities of color across the five boroughs and around the country have borne the brunt of these inequities, and that is why the work of BE NYC is more important than ever.

At its heart, government has an obligation to provide opportunity to all. As we begin the work of recovering from this outbreak, we must ensure that economic justice and opportunity are available to New Yorkers of every background and from every neighborhood.

BE NYC is a critical part of our efforts to lift up our Black businesses and entrepreneurs. Small businesses are the heart of our neighborhoods and communities. We must do all we can to support them. This report gives us a chance to level the playing field and is a starting point for how we bring economic equity and justice to our Black businesses.

## Letter from the First Lady



Six years ago, Bill and I came in with a simple mission: To bring the opportunity of our city to every New Yorker, and lift up communities who had been ignored for too long.

Supporting Black entrepreneurs has always been critical to that mission. Walk around our City and you cannot miss the extraordinary impact Black-owned businesses have on our neighborhoods. You see it in restaurants that embrace our African heritage and make us the greatest restaurant city in the world. You see it in clothing and retail stores that give our city richness and vibrancy. And increasingly, you see it in the young, tech-driven start-ups that will power New York City into the next decade and beyond. But the road Black entrepreneurs have walked has always been a long, difficult one. They don't have the same access to funding or mentors who can guide the way – and of course, they continue to face longstanding racial inequities that plague our nation.

In the middle of a transformative moment, our mission to support them must take on a renewed urgency. The COVID-19 crisis and accompanying economic downturn has threatened the dreams of Black entrepreneurs and livelihoods of working New Yorkers who support them.

We must help them through this moment. And we must help them emerge *stronger*.

That's why I'm proud to co-chair our city's Task Force for Racial Inclusion & Equity with Deputy Mayor Phil Thompson. Together with a team of allies from across dozens of City agencies, we've made actionable, immediate recommendations to support Black-owned businesses right now.

And it's why the findings laid out in this report are so critical to bringing about change. Black entrepreneurs deserve a level playing field. They deserve access to funding, an affordable workspace, and mentors to show the way forward. They deserve a government that *supports their dreams*.

That is our commitment, and it's a commitment that the future of our city depends on. When Black entrepreneurs succeed, New York City succeeds.

– Chirlane McCray  
First Lady of New York City

## Letter from the Deputy Mayor



Kicking off this initiative, I met last summer in City Hall with a group of more than 60 advocates and faith-based leaders from the Black community. We asked them what the City can

do to help strengthen Black businesses. We talked about how the City helped establish certain sectors of the economy historically, about changes happening in the economy and opportunities we should seize now to advance Black entrepreneurship. A month later, more than 400 Black entrepreneurs, aspiring entrepreneurs, and community leaders filled the seats of the Apollo Theater to kick off a public conversation on these same topics.

New York City has always been a leader in innovation, in large part due to people's movements. Many of the institutions that created the middle class – our City universities, public hospitals, and even public housing – came from immigrant and worker movements who fought for these programs. Black-owned businesses are certainly struggling, and helping them grow is part of the broader struggle for racial justice. Those that do exist are relatively small in terms of employees and revenue, and less likely to survive more than five years. The notion that private economic institutions reward hard work and good ideas impartially is a myth. Black business

survival and growth requires government's intention to make the economy fairer. Through this initiative, New York City's Black business community has specified what they need to grow. It is now up to local government to step up and ensure that our public dollars are being used to build companies that are responsive to the needs of all of our City's businesses. BE NYC models the economic democracy our City deserves.

Over the next several years, the City will be focusing on recovering from COVID-19 and developing new public health solutions, strengthening infrastructure, improving climate sustainability, and updating technologies. In addition, anchor institutions like hospitals, universities, and other private and non-profit institutions have substantial economic impact in terms of hiring and purchasing power. This means significant opportunity for small business owners to grow in new economies, as long as we allow for it.

We cannot be afraid to be aggressive, creative, and try new things. In fact, this is New York City's hallmark. The Black community was mostly left out of the industrial revolution; we must make sure they are not left out of today's fast-growing innovation economy.

– J. Phillip Thompson  
Deputy Mayor for  
Strategic Policy Initiatives



## Letter from the Commissioner



We find ourselves at a profoundly different moment in time since we launched BE NYC in September, 2019. At this moment, all eyes are on our small businesses who serve as the City's economic engine and fuel wealth for generations.

This moment has further exposed that not all businesses are equally set up to succeed.

At the NYC Department of Small Business Services (SBS), we've long seen the inequity that exists in entrepreneurship. It's the reason we committed to advance Black entrepreneurship in New York City. While the Black community makes up 22 percent of New Yorkers, only 2 percent of businesses are Black-owned. For comparison, 70 percent of firms are white owned.<sup>1</sup> Entrepreneurship is one of the most viable and sustainable ways to close the racial wealth gap. In fact it is reported, it will take Black families 228 years to earn the same amount of wealth white families have today.<sup>2</sup> COVID-19 has only worsened the situation, with Black-owned businesses twice as likely to close as white-owned businesses.<sup>3</sup>

BE NYC will aim to increase the number of Black-owned businesses in New York City, with a focus on growing businesses in high-growth industries. Throughout the Fall of 2019, we heard from more than 1,500 current and aspiring Black entrepreneurs,

business leaders, community leaders, and advocates. They told us about their motivations for starting a business, challenges, needs, and how the City can help. Although COVID-19 has significantly changed the economic landscape, the top needs we heard from Black entrepreneurs remain the same – access to capital, strong networks, reliable resources, effective ways to reach customers, and affordable space.

Equity and opportunity are at the core of the work we do at SBS, and our key values – innovation, collaboration, and adaptability – are woven into all we do. These values lay the foundation for BE NYC. Identifying bold and innovative solutions. Collaborating with the community to design services that directly address their needs. Adapting to a changing world.

The commitments made in the pages that follow are just the beginning. As Commissioner, I am dedicated to working with our partners in the private, philanthropic, public sectors to deepen our investments in the Black community and make sure our resources are being distributed equitably. And we will continue the work together until we achieve the economic justice that all New Yorkers need and deserve.

– Jonnel Doris  
Commissioner, NYC Department of Small Business Services

## Letter from the Cabinet

As a group of Black business leaders across finance, technology, and academia, we are honored to join Deputy Mayor Phil Thompson and Small Business Services (SBS) Commissioner Jonnel Doris to work together with the City of New York to advance Black entrepreneurship across NYC and provide a blueprint for other cities. We also thank former SBS Commissioner, Gregg Bishop, for his vision and leadership to launch this initiative.

Being entrepreneurs ourselves, and professionals supporting entrepreneurs, we know firsthand the barriers we need to break because of the historic racial discrimination of Black Americans in this country, and the myriad of challenges that result, from educational inequity to the lack of capital. The disproportionate impact of COVID-19 on our community only highlighted the challenges that result from this same historic discrimination.

We believe solutions should be grounded in our community. Through the Black Lives Matter movement, we've seen the collective power our community has when it joins together in one voice. By drawing upon the rich history of entrepreneurship in the Black community and leveraging the communal power of our entrepreneurs today, we can eradicate the systemic

barriers that hold us back, and create generational wealth through entrepreneurship that will strengthen individuals, families, neighborhoods, and our country forever.

Responding to the more than 1,500 voices that informed this report, as well as our own expertise and experiences, we join with the City of New York to offer our recommendations and initial commitments in the pages that follow.

Our vision is ambitious, which is why no one sector can achieve this change alone. In this report, we've presented the recommendations that we will act on through public-private partnerships. We've also included recommendations that we hope future partners will respond to, as well.

As Madame C.J. Walker said, "Don't sit down and wait for the opportunities to come. Get up and make them." In this report, we are calling to action our brothers and sisters from the private, philanthropic, non-profit, and public sectors. Now is the time. Let's work together to build a world of equitable wealth and advancement for our Black entrepreneurs, and let it start right here in New York City.

– BE NYC Cabinet of Advisors

## Cabinet Members

Kenneth Allen  
Founder, Azurest Partners

Donnel Baird  
Founder, BlocPower

Siddiq Bello  
Principal Investigator,  
Social MBE

Dr. Duclas Charles  
Co-Founder, Strivers' Row

Wole Coaxum  
Founder + CEO, Mobility  
Capital Finance, Inc.

Dr. Karilyn Crockett  
Chief of Equity, City of Boston

Jonnel Doris  
Commissioner,  
NYC Department of Small  
Business Services

Regina Gwynn  
Co-Founder + CEO of  
TresseNoire; Co-Founder of  
Black Women Talk Tech

Gayle Jennings-O'Byrne  
Founder + General Partner,  
WOCstar Fund

Sekou Kaalund  
Head of Advancing Black  
Pathways, JP Morgan Chase

Jeff Lindor  
Founder + CEO,  
The Gentlemen's Factory

Charles Phillips  
Chairman, Infor

J. Phillip Thompson  
Deputy Mayor for Strategic  
Policy Initiatives, The City of  
New York

Jacquette M. Timmons  
President + CEO, Sterling  
Investment Management

Paul T. Williams, Jr.  
Managing Director, Williams  
Strategy Advisors

# Executive Summary

Black-owned businesses are an essential part of the fabric of New York City, and entrepreneurship has provided a pathway to wealth generation for Black families for centuries. Yet, Black entrepreneurs face enormous barriers and are vastly underrepresented among New York City’s business owners. While the Black community currently makes up 22% of New York City’s population (1.9 million), just 2% of NYC businesses are owned by Black entrepreneurs. There is tremendous potential for more Black-owned businesses to start and grow.

The forces that drive this disparity are essential to understand as the City of New York works to build a stronger and fairer city by creating opportunity for all, safeguarding the American dream, and addressing the racial wealth gap. That’s why in September 2019 the NYC Department of Small Business Services (SBS) in partnership with community members, organizations, advocates, and leaders, launched Black Entrepreneurs NYC (BE NYC)—a groundbreaking model for a major American city to help create equity of opportunity by advancing Black entrepreneurship. To define the direction of the initiative, SBS combined insights from historical research, scholarly articles, public data and, most importantly, the voices of more than 1,500 Black entrepreneurs from every borough and across industries.

## RESEARCH

Nationally, research shows that the success of Black entrepreneurs is largely tied to access to capital, education, and work experience. Disparities in all three of these areas, much of which can be traced back to historic discrimination of Black Americans, limit access to networks, mentors, and role models, and can also dictate industry choice—all factors that impact success and growth potential for Black entrepreneurs.

Looking at America’s top high-growth sectors over the next 10 years—healthcare, technology, and energy<sup>4</sup>—there are wide disparities for Black entrepreneurs: 5% of healthcare firms are Black-owned,<sup>5</sup> 1% of venture-backed tech founders are Black,<sup>6</sup> and just 0.1% of clean energy firms are Black-owned.<sup>7</sup> These high-growth sectors have generated significant technology gains and wealth around the country, but they have not benefitted all entrepreneurs equitably.

## COMMUNITY ENGAGEMENT

In order to understand the unique experience of Black entrepreneurs in New York City and how the City could help, SBS turned to entrepreneurs themselves. The response from the community was tremendous. In an effort to spark a public dialogue around Black entrepreneurship and generate momentum for the discussion, SBS

### Community Engagement Highlights

- 60+** community leaders participated in roundtable conversations
- 400+** kickoff event attendees
- 800+** survey respondents
- 200+** community forum attendees
- 50+** one-on-one interviews

began by hosting roundtable conversations with more than 60 advocates and faith-based leaders, and a kickoff event at the historic Apollo Theater in Harlem, attended by more than 400 people. These conversations laid the groundwork for SBS’s community engagement and data-gathering phase with Black entrepreneurs across the City. More than 800 entrepreneurs responded to an extensive online survey about their motivations, challenges, and needs, and nearly 200 people attended community forums across the city, in which they shared their experiences and iterated together on the most effective solutions to top barriers. More than 50 Black entrepreneurs participated in one-on-one interviews to dive deeper into their own entrepreneurial journeys.

Equipped with the insights gathered from the broader community, a BE NYC Cabinet of Advisors was convened, made up of leaders from business, academia, and City government. The Cabinet has been crucial in helping to shape and prioritize solutions, connecting to networks, and committing to action in their industries.

## FINDINGS

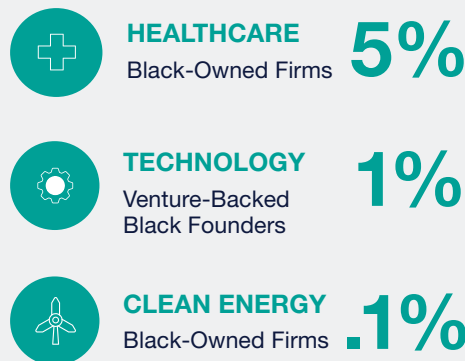
Based on what we heard, a clear pattern emerged about the challenges and needs of Black entrepreneurs across the city:



### CHALLENGES

- Overwhelmingly, Black entrepreneurs cited **access to capital** as their top challenge, echoing national trends which show systemic disadvantages for Black entrepreneurs seeking capital from lenders. Across the board, entrepreneurs said they face financing shortfalls. Of the 230 survey respondents who approached small business lenders or banks for loans to start their business, more than two-thirds were denied funding. Lower assets, lower credit scores, and outright discrimination in lending lead many entrepreneurs to rely on personal savings when financing their business.
- Lack of background on how to run a business and a lack of **reliable resources** to help were cited as the next largest challenges. Having a trusted mentor or role model is a key component of business success, but less than 40% of respondents said they had excellent or very good access to mentors and supporters. Access to mentorship and guidance appears to be even more important as a business scales up. Among businesses with \$500,000 or more a year in revenue, everyone said they had access to a mentor.
- **Finding customers** was also a challenge, primarily for entrepreneurs with operating businesses. Counterintuitively, while current business owners ranked marketing and customer acquisition as very challenging, aspiring entrepreneurs ranked it the factor they anticipated would be the least challenging, indicating that business owners are not thinking about their market, customer base, and acquisition strategy early enough.
- Black entrepreneurs also expressed that they lacked **access to affordable workspace**. More than half of respondents cited this as one of their top challenges. Respondents said that the spaces that do exist are not conveniently located or are cost-prohibitive, driving 38% of respondents to operate their business from their home and limiting their growth.

### Percentage of Black-Owned Firms in High-Growth Industries





## NEEDS

- Unsurprisingly, **money** was ranked as the top need by Black entrepreneurs, with 41% of forum participants selecting it. Seed capital, low-cost lines of credit, and short-term microloans were the most popular choices among forum participants.
- **Mentorship** was the second most popular—23% of forum participants chose mentorship as their intervention of choice. One-on-one coaching, especially from business owners in the same industry, and support from peer circles were identified as the most pressing needs.
- Echoing their difficulty **finding customers**, some forum participants (15%) also said **marketing** help is needed. In particular, finding a market to iterate product design was seen as a promising intervention.
- Black entrepreneurs also identified **affordable space** as a need (12%). Participants said high rents and complicated Department of Buildings rules made finding storefronts and back office space difficult on their own, while more structured programs like incubators, co-working, and pop-up spaces needed to be more accessible to people of color.
- **Networking** was also identified as a need, especially for aspiring entrepreneurs (9%). The excitement and energy around networking at BE NYC’s events so far has proven that there is an appetite for more engagement within the Black entrepreneurial community.

### Percentage of Top Needs, as Expressed by Community Forum Attendees



## RECOMMENDATIONS

The success of business in the future will rely on three key tenets: adaptability, collaboration, and innovation. In the wake of the COVID-19 pandemic, businesses must be able to move quickly to adapt traditional ways of operating and adopt new practices to stay competitive in a constantly changing world.

New York pride and toughness is rooted in a long history of resilience, adaptability, and innovation. As New York City builds back its economy, there is opportunity not just to recover, but to reimagine. Return to status quo is not good enough, and Black entrepreneurs must lead the City’s innovation agenda developed not from traditional sources, but from the collaboration of disruptors across multiple sectors.

This collaboration has begun through the convening of a BE NYC Cabinet of leaders from business, academia, and City government. However, the City calls on a groundswell of partners to continue to join in mobilizing private sector resources and expertise to advance New York City’s standing as a global center of commerce, innovation, and economic opportunity.

**BE NYC aims to increase the number of Black-owned businesses in New York City, with a focus on growing businesses in high-growth industries.**

To do this, private, philanthropic, and non-profit sectors must join the City to effect systemic change in these areas:

### 1. Provide equitable access to financing

- Create a fund with private capital partners to absorb risk and incentivize lenders to unlock more capital and better rates for Black entrepreneurs, especially those in early stages of business growth and development.
- Work with a range of stakeholders (i.e. private banks, pension funds, investment firms) to develop a fund for established companies to access the loans and equity investment they need to unlock their potential and grow.
- Examine use of Opportunity Funds (tax incentives for new investment in real estate and businesses in certain census tracts) to connect growing Black-owned businesses to investments of \$1 million and above.
- The City urges lenders to incorporate alternative data into underwriting, and urges credit bureaus to incorporate additional data when calculating credit scores (i.e. rental, utilities, cell phone payments).
- The City urges more investment in early-stage venture capital funds and initiatives managed by people of color.
- Through early intervention financial education, help families and young people combat debt before it becomes a significant barrier.

### 2. Strengthen connections within NYC’s Black entrepreneurial community

- Launch events designed to build connections and provide resources that are tailored to address varying business needs, and celebrate the Black entrepreneurial community overall.
- Amplify existing business events happening across the City to broaden reach and awareness of diverse opportunities.
- Connect entrepreneurs successfully operating a business with business owners just getting started, or in need of guidance, to provide mentorship, support, and inspiration.
- Collaborate with institutions with deeply rooted networks in the Black community to embrace entrepreneurship as an opportunity for wealth generation, amplify entrepreneurship as a path towards economic security, and connect both aspiring and existing business owners to support.

### 3. Scale Black businesses for long-term success

- Facilitate opportunities for Black entrepreneurs to market and sell their products and services through connections to customers, awareness campaigns, and business education.
- Connect Black-owned businesses to government contracts through one-on-one services, and to anchor institutions through the creation of an online marketplace.
- Collaborate with the private sector to strengthen the online presence of Black-owned businesses, while also focusing on cybersecurity to prevent future losses.



#### 4. Meet the challenges of the economy of tomorrow

- Create an incubator/accelerator to serve as a common working space to foster the growth of like-minded entrepreneurs through access to experts, resources, and other wraparound services that will help grow select businesses in high opportunity industries.
- Work with the robust network of existing incubators and accelerators in NYC to attract and admit more Black founders through outreach, recruitment, and/or fellowship programs.

Entrepreneurship is one of the most viable and sustainable ways to close the racial wealth gap. Investing in programs to create and strengthen Black-owned businesses through adaptability, collaboration, and innovation can build family wealth for generations, strengthen NYC's economic infrastructure, and help close the racial wealth gap across America. In the rest of this report, we discuss our research, findings, and recommendations in greater detail.

#### COVID-19 Hits Black Business the Hardest

Coronavirus, or COVID-19, is an ongoing pandemic with a significant destabilizing threat to the global economy. Governor Andrew Cuomo ordered New York State to shut down on March 20, 2020, which paused operations for all businesses excluding grocery stores, pharmacies, and other essential entities. While businesses in New York City began to reopen on June 8, 2020, the closures are ongoing and will be felt for a long time, especially within New York City's Black business community.

Nationally, the number of active business owners fell by 22% from February to April 2020. Black businesses experienced the most acute decline, with a 41% drop. In New York State, Black business ownership fell by 70%.<sup>8</sup> This disproportionately devastating impact on Black-owned businesses is due to a variety of factors including geography, industry concentration, and financial health and access.

Data from counties nationwide show Black-owned firms are more likely to be located in COVID-19 hot spots, which means they are more likely to be facing larger direct (longer forced closures, COVID-19 symptoms) and indirect (social distancing, fewer customers) effects of the pandemic.<sup>9</sup> Black-owned businesses are also largely concentrated in hardest hit industries like retail, restaurants, and other service industries. Lastly, with less financial cushioning and weaker banking relationships, fewer Black-owned firms entered the pandemic in strong financial positions, with smaller shares operating at a profit, having a high credit score, and using retained earnings to fund the business. The Paycheck Protection Program (PPP), a federal loan program reported to support 84% of the nation's small business payroll, largely did not reach the hardest hit areas most impacted by Black business closures. For example, only 7% of firms in the Bronx, and 11.3% of firms in Queens received funds through the PPP.<sup>10</sup>

The details outlined in this report were gathered, researched, and analyzed prior to the acknowledgment of COVID-19 in New York City, and do not reflect the economic impact the COVID-19 pandemic has had on Black-owned business in New York City. However, with the disproportionate impact of the pandemic on Black-owned businesses, the consequences of many of the findings and recommendations resonate even stronger.

## CHAPTER 1

# Introduction

### There's a Rich History of Black Entrepreneurship in New York City

Black business and entrepreneurship rest at the heart of America's 400-year narrative. Black entrepreneurship originated before 1865, as a small margin of voluntary Black immigrants and enslaved Africans, as well as their descendants, sought freedom and established self-sustainable income by selling goods and accepting payment for their skilled services. Despite the denial of education and wage employment during slavery, post-Civil War segregation laws, and civil rights infractions that created barriers to their earning capital, African-Americans continuously found ways to establish profitable businesses across a multitude of industries within the United States' capitalist economy. Alongside the great struggle for civil rights in a legal system that favored whites and discouraged Blacks from owning businesses, America saw the emergence of a stable Black business community during the early 20th century.

The growth in Black enterprise emerged in New York City, in large part, as a result of the Great Migration, when millions of African-Americans moved from the rural South into cities across the North, the Midwest, and the West in search of a better life. Between 1910 and 1920, New York City saw a significant increase — 66 percent — in its Black population.<sup>11</sup> Following this sharp increase, a steady influx of Black immigrants arrived at the City's ports between 1920 and 1970,<sup>12</sup> from the Caribbean, Latin America, and African nations, as a major stop on their journey to becoming U.S. citizens and achieving the "American Dream."

Since the Industrial Revolution, a series of economic and demographic trends transformed and expanded New York City, displacing Black communities from neighborhoods decade after decade — like Seneca Village in the 1850s (now Central Park West), lower Manhattan in the first half of the 20th century, as well as Harlem, South Bronx, and Central Brooklyn. Nevertheless, as they were pushed out of historic neighborhoods throughout history, Black business owners continued to set up shop in new districts within the five boroughs. Today, Black Americans account for 22 percent of New York City's population and remain the largest concentration of Black residents in any U.S. city. NYC's Black entrepreneurs have owned and operated virtually every kind of company, establishing prominent business institutions like Sylvia's Restaurant, Carol's Daughter, Red Rooster, Carver Federal Savings Bank, and the newly founded Harlem Capital Partners. And yet, despite their success, the greatest disparity exists for Black-owned businesses, with only 2 percent of NYC businesses owned by Black entrepreneurs.<sup>13</sup>

#### Madam C.J. Walker (1867-1919)

Madam C.J. Walker was a hair-care mogul lauded as "the first Black woman millionaire in America." Walker was considered the wealthiest African-American businesswoman at the time of her death in 1919, with a net worth estimated at \$10,000,000.

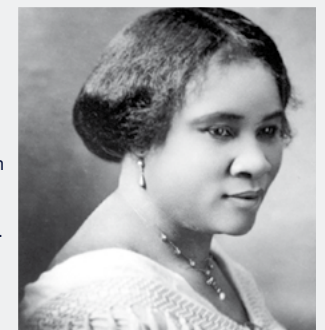


Photo: Michael Ochs Archives/Getty Images



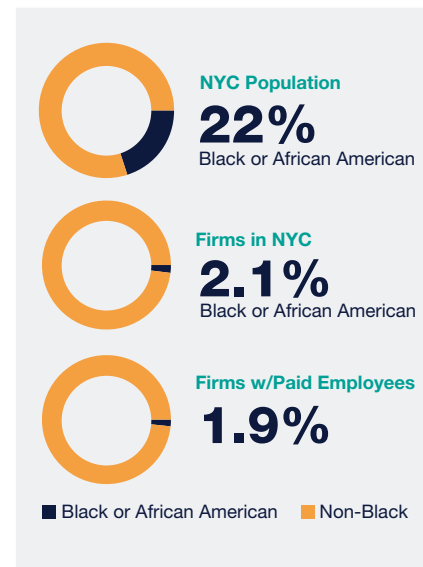
Photo: Byron Company / Museum of the City of New York

Madam Walker's home at 108 West 136th Street served as the Harlem headquarters for her beauty products business in the 1910s.

## Significant Barriers Still Exist for Black Entrepreneurs

An extensive amount of national research has focused on Black entrepreneurs in America and the barriers they face as they work to start and grow a business. Nationally, Black entrepreneurs are fifty percent more likely than their white counterparts to take active steps to try to start a business. Yet, they are half as likely to actually start a business. The Black-owned businesses that do open their doors are only half as likely to survive after five years. These firms also tend to be much smaller, employing 40 times fewer people than white-owned firms.<sup>14</sup>

National research points to three primary barriers that influence the revenue, growth, and survival of Black-owned business: capital access, education, and experience.<sup>15</sup>



**Capital access:** Because of a history of systemic disadvantage, Black business owners tend to have less start-up capital, lower credit scores, and no or low collateral compared to non-minority business owners, which ultimately impacts their ability to access capital. Black-owned firm application rates for new funding are 10 percentage points higher than white-owned firms, but approval rates for Black applicants are 19 percentage points lower. Even when controlling for characteristics of firms and owners, Black applicants have less favorable loan application outcomes.<sup>16</sup> Lack of access to external capital leaves Black entrepreneurs to rely on personal savings to fund their businesses. But, with a median household income forty-seven percent lower than white Americans, Black entrepreneurs have limited options for capital sources.<sup>17</sup>



**Education:** While entrepreneurship certainly does not require a higher education, entrepreneurs with a Bachelor's degree or higher are more likely to start a business and succeed. Higher educational attainment can impact business success by providing skills, increased confidence, and access to networks and resources.<sup>18</sup> Yet, Black entrepreneurs are fourteen percent less likely to have a Bachelor's degree or higher, compared to their white counterparts.<sup>19</sup> Moreover, Black individuals with a higher education are more likely to take a wage job for another company with a stable income, as opposed to pursuing entrepreneurship as a career path.<sup>20</sup>

### Student Loans Disproportionately Impact Educated Black Americans

Higher education is known to increase business success by providing skills, increased confidence, and access to networks and resources. However, there can also be negative impacts, particularly for Black students. Data from the New York Federal Reserve indicates that Black students default on their loans at about double the rate of their white counterparts. These differences can be explained in part by income disparities, since lower-income students are more likely to need student loans to afford tuition. But in addition to higher borrowing rates, the balances are higher, too. Average debt for Black students is more than \$37,000. Considering the average family income in predominantly Black zip codes is \$38,000, the financial burden of such debt becomes evident.<sup>21</sup> The situation is even worse for Black women. Despite outpacing white men and women of other ethnicities in earning Bachelor's degrees or higher, Black women earn 37 cents less than white men, nationally.<sup>22</sup> A high level of student loan debt contributes to the difficulty Black entrepreneurs have accessing capital, posing a significant barrier to entrepreneurship as a chosen career path after graduation.



**Experience:** More than capital and education combined, the greatest impact on business survival and success is experience. Entrepreneurs with work experience, particularly in their industry, have a greater likelihood of success. Because of systemic discrimination in job markets and other factors, Black individuals are more likely to be unemployed and less likely to be previously employed within their industry compared to their white counterparts, which impacts business survival and growth.<sup>23</sup>

The national research shows that education and work experience can have far reaching effects on a Black entrepreneur's business beyond just skills and knowledge. These factors can also impede exposure to networks, mentors, and role models, which are key to business success.

Perhaps most impactfully, all three of these factors — capital, education, and experience — often influence the industry an entrepreneur will enter. Industries like professional services, technology, sustainability, healthcare, finance, real estate, and manufacturing require more capital, higher education, and more work experience in order to start a business, while industries like personal services, food services, repair, and retail often require less. This matters because industry choice affects a business' chance of survival and growth, particularly for Black entrepreneurs. When starting a business in an industry requiring less investment in capital, education, and experience, research shows racial disparities in survival and growth surface, even among people with the same background. However, when all other factors are the same, a Black entrepreneur who starts a business requiring higher capital, education, and experience is just as likely to succeed as their white counterpart.<sup>24</sup>

Although Black entrepreneurs make up 3.2 percent of all Black families, they hold 16.7 percent of the wealth of all Black families.

### High Growth Industries Provide a Unique Opportunity

The future of America's economy lies in its high-growth industries. A growth industry is a sector of the economy which experiences a higher-than-average growth rate compared to other sectors. Growth industries are often new or pioneer industries that did not exist in the past. Their growth is a result of demand for new products or services offered by companies in the field. According to data from the Bureau of Labor Statistics, industries expected to grow the most over the next 10 years in America include technology, healthcare, and energy.<sup>25</sup>

These high-growth sectors have generated significant technology gains and wealth, but they have not benefitted all entrepreneurs equitably. Nationally, only 5% of healthcare firms are Black-owned,<sup>26</sup> 1% of venture-backed tech founders are Black and 91% are men,<sup>27</sup> and just 0.1% of clean energy generation firms are Black-owned.<sup>28</sup>

More equitable opportunities in high-growth fields would unlock a wealth of innovation, economic growth, and job creation that is now untapped, bringing new inventors, new ideas, and new technologies into the innovation pipeline.<sup>29</sup>

### City Contracting Can Advance NYC's Black Entrepreneurs in Economies of Tomorrow

According to the NYS Department of Labor, healthcare, professional and business services, and construction are projected to be top growth industries in NYC through 2026. New York City's technology sector has also become a central component of the city's increasingly diverse and resilient economy, growing two times faster than NYC's economy overall. New technology has transformed industries like telecommunications and manufacturing and the functions of numerous occupations. *(continued)*



Every year, the City spends billions of dollars on goods and services. In fiscal year 2019, the City awarded 24% of its contracts spend to Minority and Women-Owned Business Enterprises (M/WBEs), tripling M/WBE utilization in just four years. In November 2019, the City announced that it is ahead of schedule with its M/WBE utilization goals, and is raising the 10-year target for contracts awarded to certified M/WBEs from \$20 billion to \$25 billion by 2025.

In fiscal year 2019, the most City contracts awarded to Black-owned certified firms were in the construction and professional services sectors. Over the next several years as the City focuses on strengthening infrastructure, improving climate sustainability, updating technologies, and innovating new public health solutions, there will be significant opportunities for small business owners to make the City of New York their next customer through government contracts. For example, in climate resiliency alone, the City plans to invest more than \$20 billion to ensure New York's long-term sustainability. The City needs to ensure that Black-owned businesses are positioned to lead these economies of tomorrow.

### Advancing Black Entrepreneurship in New York City

The City of New York is committed to building a stronger and fairer City by creating opportunities for all, safeguarding the American Dream, and addressing the racial wealth gap. In September 2019, the NYC Department of Small Business Services (SBS) launched BE NYC (Black Entrepreneurs NYC), a first-of-its-kind initiative in any major American city to address the disparities facing Black entrepreneurs. BE NYC aims to eradicate systemic barriers preventing success and create equitable wealth and advancement for Black entrepreneurs across New York City.

Entrepreneurship has empowered families for generations. Studies show that families with a self-employed head of household earn two times the average income and have a net worth nearly six times higher than families with a head of household employed by someone else.<sup>30</sup> Moreover, self-employed Black entrepreneurs tend to have higher wealth levels and more upward wealth mobility than Black wage workers.<sup>31</sup>

Despite barriers, many Black-owned businesses thrive across NYC. However, there is tremendous opportunity for more of the City's Black entrepreneurs to launch and grow a business and build wealth for generations to come.

### Chapter 1: Key Takeaways

- 1 There is a rich history of Black entrepreneurship in New York City, with successes dating back to Madam C.J. Walker who became one of the first African American millionaires by manufacturing and selling beauty products from Harlem.
- 2 Entrepreneurship empowers families for generations. Families with a self-employed head of household earn two times the average income and have a net worth nearly six times higher than families with a head of household employed by someone else.
- 3 National research shows key disparities prevent Black entrepreneurs from starting and growing a business, including access to capital, education, and experience often stemming from systemic discrimination. These barriers limit access to networks, mentors and role models, and can impact industry choice—all factors that impact success and growth potential for Black entrepreneurs.
- 4 It's important to address these barriers and ensure that Black entrepreneurs are leaders of high-growth industries.
- 5 The City launched BE NYC to address disparities facing Black entrepreneurs across the five boroughs.

## CHAPTER 2

# Engaging Black Entrepreneurs in New York City

### To Develop Solutions, the City Started by Listening to NYC's Black Entrepreneurs

After reviewing national literature, SBS turned directly to NYC's Black entrepreneurs, business leaders, community leaders, and advocates to learn about their personal experiences as current and aspiring business owners, their motivation, challenges, needs, and how the City can help. Through a variety of approaches, the City heard from more than 1,500 people to collaborate on solutions.

#### Roundtable Conversations with Advocates and Faith-Based Leaders

In August 2019, SBS convened two roundtable conversations at City Hall with Deputy Mayor for Strategic Policy Initiatives J. Phillip Thompson and nearly 40 advocates and leaders from local community organizations, as well as more than 20 faith-based leaders. Attendees were asked to share their thoughts about Black entrepreneurship in New York City, the challenges Black entrepreneurs face, and how the City can help. In order to raise awareness and reach a diversity of Black New Yorkers, each leader was encouraged to help spread the word and mobilize their constituents to share their voices with the City through a variety of channels.



Faith-based leaders met at City Hall to kick off a conversation about Black entrepreneurship in NYC.



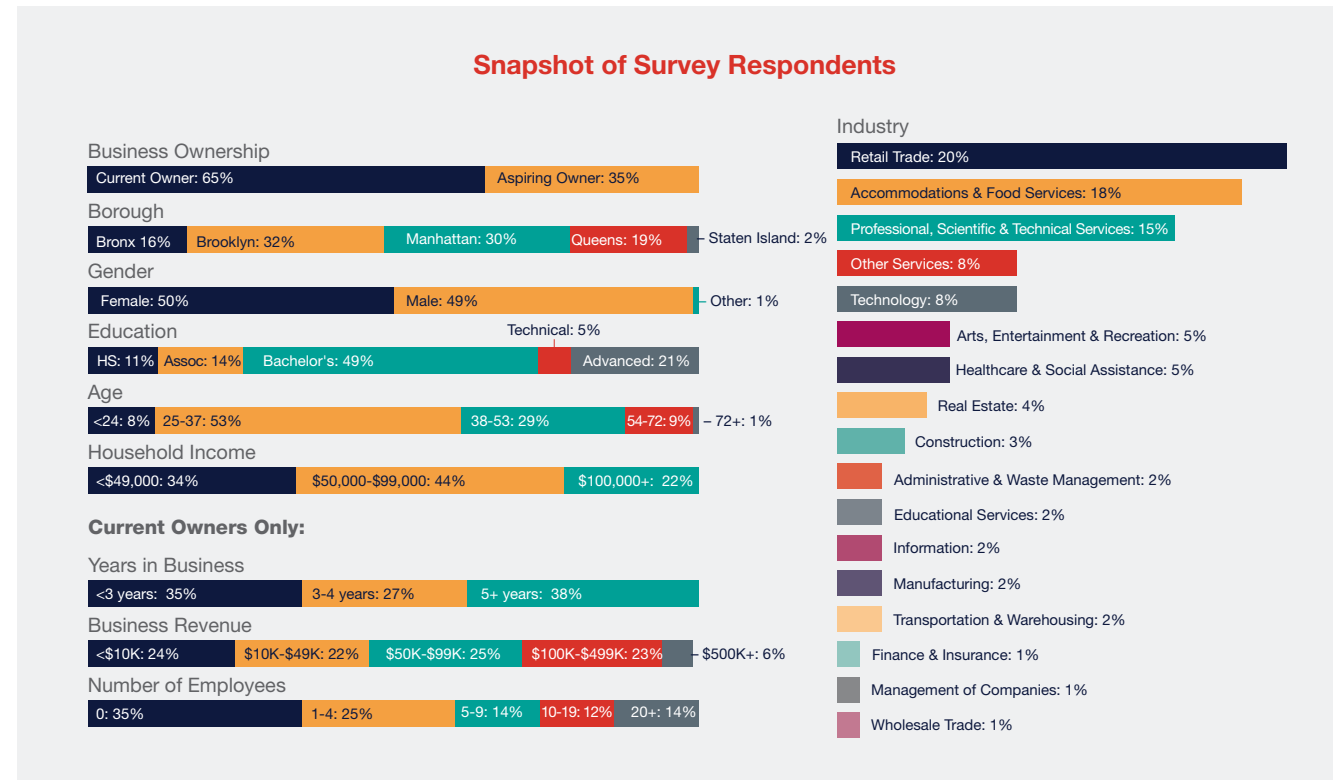
Angela Yee and Elliott Breece conduct a fireside chat at the BE NYC kickoff event at the Apollo.

#### Kickoff Event at the Apollo

To raise awareness, generate momentum, and kick off the conversation about Black entrepreneurship in New York City, SBS hosted a launch event on September 10, 2019, at the historic Apollo Theater in Harlem. More than 400 entrepreneurs filled the theater to learn about resources available to help start or grow a business, network with each other, and share their voice with the City. Speakers included former SBS Commissioner Gregg Bishop, Deputy Mayor for Strategic Policy Initiatives J. Phillip Thompson, Reverend Jacques Andre DeGraff, and Shawn Rochester, author of *The Black Tax: The Cost of Being Black in America*. Radio host and entrepreneur Angela Yee moderated a fireside chat with Elliott Breece, Founder-in-Residence at Google Area 120 and Co-Founder and Chief Product Officer at Songza.

## Online Survey

In partnership with Breakthrough Marketing Technology, SBS conducted an extensive online survey to get information at scale about current and aspiring Black business owners in New York City, including their motivations, challenges, needs, and preferences for top solutions to start and grow a business. Everyone who completed the survey was entered to win a \$200 gift card. The survey was open to responses from September 10 – November 13, 2019. By promoting the survey through local community organizations, elected officials, advocates, SBS's networks, and the press, the City strived to reach a diversity of entrepreneurs. In total, there were more than 800 responses, including more than 500 current business owners and nearly 300 aspiring business owners.



## Community Forums

Working with Hester Street, an urban planning, design, and community development non-profit organization, SBS conducted five community forums reaching nearly 200 people. Using a design-thinking approach (a process for problem solving that centers around the input of the people who will use the product or service), the City set out to learn more about the top challenges facing NYC's Black entrepreneurs, and begin to work together on the most useful solutions. In order to get a diversity of insights and understand how responses may differ, SBS focused on storefront and personal services businesses in the Bronx, professional service businesses in Brooklyn, and smaller groups in Manhattan of founders of businesses in high-growth industries including technology, healthcare, and sustainability, and also tech professionals who may not own a business themselves. At the forums, attendees learned about services available to help start and grow a business, shared their insights with the City and with each other, and networked together. The forums were held at the Bronx Museum of the Arts, the Brooklyn Historical Society, and SBS's office in Lower Manhattan.



Using a design-thinking approach, entrepreneurs at a Brooklyn Community Forum share their thoughts.

## One-On-One Interviews

In order to dive deeper into certain questions and learn about best practices, SBS and Breakthrough Marketing Technology conducted more than 50 one-on-one interviews and conversations with Black entrepreneurs across New York City and with business and community leaders across the country.

## BE NYC Cabinet of Advisors

After hearing from more than 1,500 entrepreneurs about the challenges Black entrepreneurs face in NYC and the solutions they most want to see, a Cabinet of Advisors was convened with leaders from business, finance, technology, academia, and City government. The Cabinet helped shape solutions that addressed the needs heard from the community, and prioritized an action plan based on what ideas would have the largest impact on achieving systemic change. In addition to the support entrepreneurs wanted to see, the Cabinet added two overarching tenets:

1. Solutions should come from the community, and successful entrepreneurs should be mobilized to give back to others just getting started.
2. Solutions need to be twofold. Support should be provided to help more Black-owned businesses start and grow businesses in all sectors across the City, and a particular focus should be placed on building more leaders in high-growth sectors.



The BE NYC Cabinet meets to talk about solutions, connections, and their commitment to impact change.

## Chapter 2: Key Takeaways

- 1 After reviewing national research, SBS heard from more than 1,500 Black entrepreneurs, community leaders, and advocates to learn about the experiences of current and aspiring business owners, their motivation, challenges, needs, and how the City can help.
- 2 SBS reached a diversity of respondents through an online survey and in-person events to get a clear picture of the personal experiences of Black entrepreneurs in NYC.
- 3 The BE NYC Cabinet is a group of leaders in business, finance, technology, academia, and government that will advise on solutions, connect to networks, and commit to action within their industries.



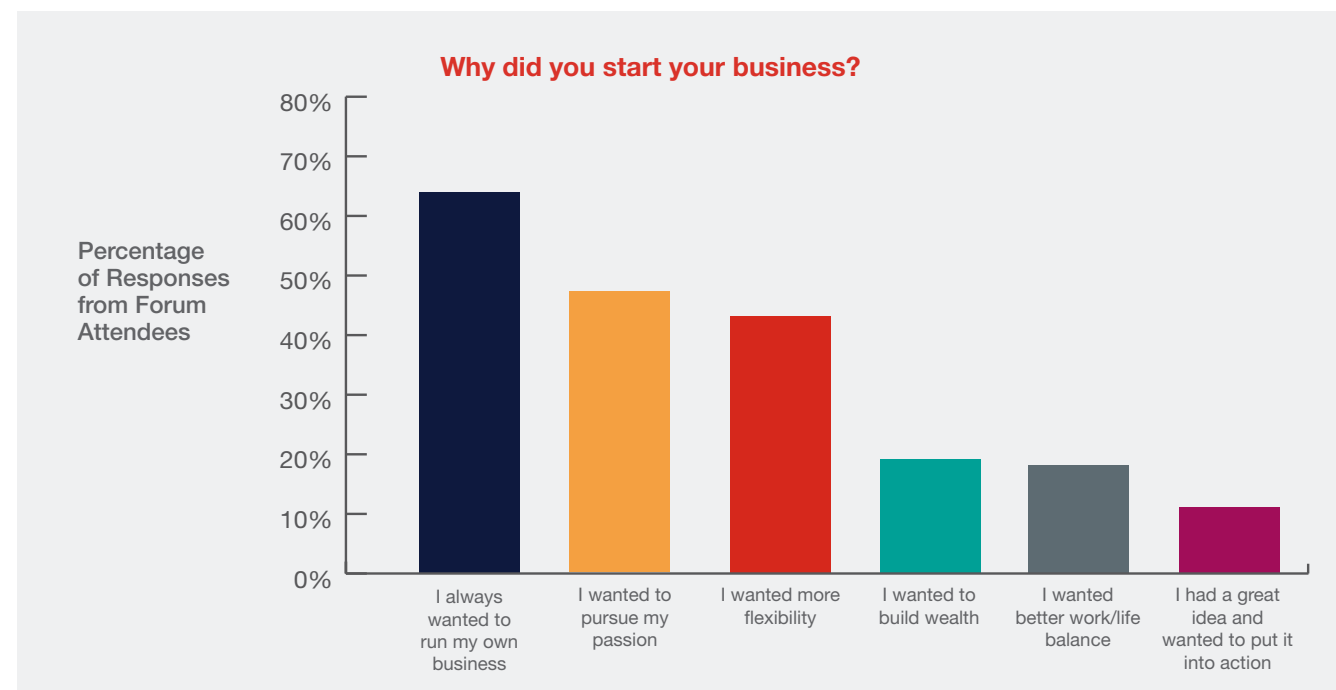
# Findings from New York City's Black Entrepreneurs

## What the City Learned about Motivations, Challenges, and Needs

The opportunity to advance Black entrepreneurship in New York City was clear from the tremendous response from the community, and the energy, passion, and enthusiasm surrounding BE NYC. While key themes emerged from the more than 800 responses to the survey, and 600 attendees of in-person events and interviews, results may not be statistically representative of the population of Black business owners in New York City. For instance, in the survey sample, 59% of respondents are certified as a Minority and/or Woman-owned Business Enterprise (M/WBE), and 58% of respondents have attended an SBS event or interacted with SBS in some way. These high percentages indicate that a specific segment of Black entrepreneurs may be overrepresented in the survey, potentially skewing the data. Nevertheless, the data still provides valuable insights into the personal experiences of Black entrepreneurs in NYC on a range of topics.

### Business Motivation

Black business owners in New York City talk about drive and passion when discussing their motivations. When asked why they started their business, the top three responses were that they always wanted to run their own business (64%), they wanted to pursue their passion (47%), and they wanted more flexibility (43%). When asked about what they hope owning a business will help them achieve, top answers were flexibility (19%), making enough money to support family (18%), and to succeed in doing something special (11%). In other words, Black entrepreneurs in New York City are starting businesses out of a desire to pursue a passion, set their own schedule, and support future generations.



Black entrepreneurs in New York City are also willing to take risks, with more than half of respondents saying they are willing to put their personal finances, external investments, and personal reputation on the line for their businesses.

### Top Challenges


Black entrepreneurs face many of the same challenges as other groups of entrepreneurs when starting or growing a business in New York City. However, as outlined in the national research discussed above, Black entrepreneurs are often at a significant disadvantage due to systemic barriers and disparities in education, experience, and financial assets, which serve to heighten these business challenges.

The survey revealed that Black entrepreneurs overwhelmingly cite access to capital as their top challenge, both when launching and when trying to grow their business. Finding business guidance and resources, locating affordable workspace, and finding customers were the next greatest challenges for Black entrepreneurs.



### #1: Access to Capital

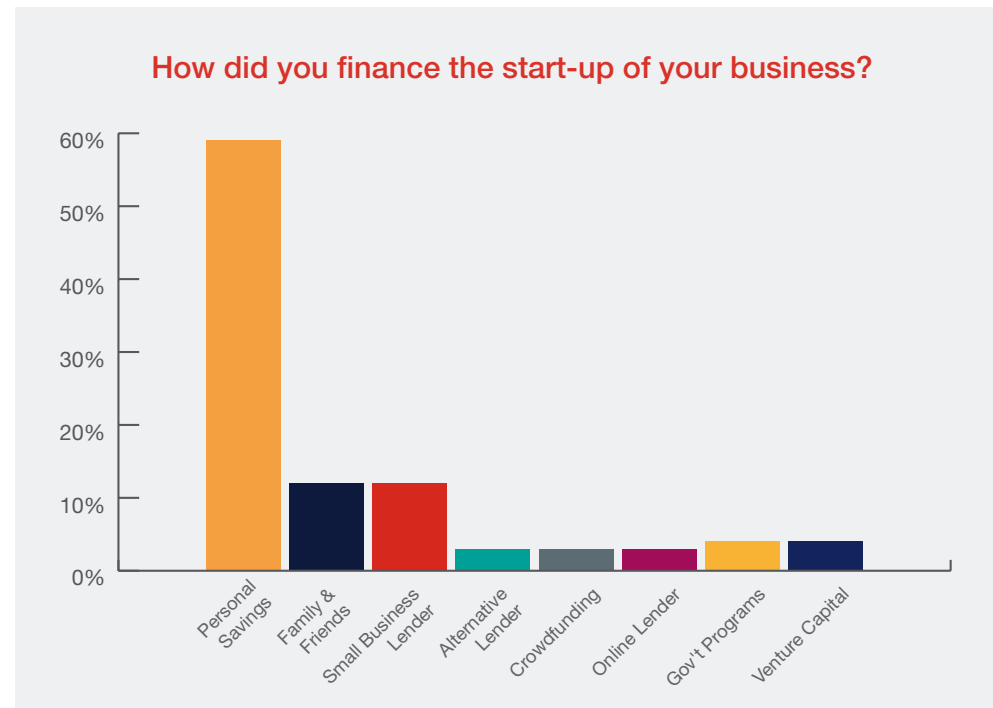
In survey responses and at community forums across the City, Black entrepreneurs cited access to capital as their top challenge, echoing national research which shows systemic disadvantages for Black entrepreneurs seeking financing for their businesses.<sup>32</sup> More than 40% of forum attendees selected “money” as their top need, and 76% of survey respondents are interested or very interested in solutions that help support access to capital. This is consistent with national surveys which find that Non-Hispanic Black or African American entrepreneurs find credit availability to be their biggest challenge.



"Black businesses rarely have the luxury of creating a proof of concept or completing an R&D phase because of a lack of capital. As a seasoned entrepreneur, I know that not having the right amount of capital at the start-up phase – when you're taking the biggest risk – increases the probability of failing. If your business is not tech-related, very few institutions are willing to shoulder the full risk capital needed."

MICHAEL VANN | UrbanAcres Development Group

Among survey respondents, 59% of Black entrepreneurs in NYC financed the startup of their business through personal savings, and 61% plan to finance their business growth using personal savings, as well. Since more than 30% of respondents earn a household income below the New York City median of \$60,762, one can infer why Black-owned businesses may be underfunded from the start.



**\$106,720**  
Average startup capital for white entrepreneurs

**\$25,000**  
Average startup capital for Black entrepreneurs

Black entrepreneurs may rely more on personal savings because they report having limited access to loans and lines of credit from lenders: Of the 230 respondents who approached small business lenders or banks for loans to start their business, more than two-thirds were denied funding. National data indicates that Black entrepreneurs have the lowest approval rates of any group that apply for small business financing.<sup>33</sup>

Low approval rates may be discouraging aspiring entrepreneurs from seeking traditional small business loans or lines of credit: 12% of current entrepreneurs responded that they received funding through a small business loan when they started — and only 21% of aspiring Black entrepreneurs in NYC plan to finance their future business ventures using small business lenders, compared to 43% planning to use personal savings. This, too, is consistent with national data, which shows that Black entrepreneurs are less likely than any other group to hold or regularly use loans or lines of credit for their businesses.<sup>34</sup> When it comes to more established businesses in operation five years or longer, there is a statistically significant difference in their likeliness to approach a lender as a source of finance (33%) compared to newer businesses (29%), and established businesses are also more likely to be approved (57%) than newer businesses (52%).

The most common reason minority-owned firms are rejected for small business loans is lack of assets.<sup>35</sup> Survey responses were consistent with this finding, with the most respondents (38% of current entrepreneurs) answering that they were denied financing from a bank or lender because of a lack of assets. Moreover, there is robust literature on discriminatory practices of lenders dating back to days of segregation. For example, even minority business owners with better credit scores than white counterparts face worse treatment and more scrutiny by banks. One study found that racial discrimination in lending is more prevalent when applying for small business loans, which is what the majority of Black entrepreneurs seek.<sup>36</sup> For these reasons, many Black business owners rely on personal savings.

Less personal savings and limited access to loans may contribute to the fact that 73% of survey respondents started a business with \$25,000 or less, compared to national research that found white entrepreneurs start their businesses with an average of \$106,720 in working capital — more than four times the amount.<sup>37</sup> This lack of funding from the start may contribute to lower survival rates of Black-owned businesses, and slower growth.

These findings tell part of the story, but many Black entrepreneurs expressed that they preferred not to discuss their finances. One forum participant explained that she is “uncomfortable talking about money,” and 64% of survey respondents preferred not to answer the question about funding sources.

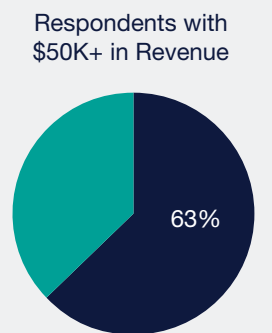
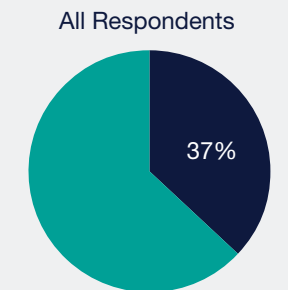
**RENEE KING | fundBLACKfounders**

## #2. Business Guidance and Resources

After insufficient funding, Black entrepreneurs responded that the next biggest challenges in running their business are lack of preparation and background on how to run a business (15%) and a lack of reliable resources to help (13%). Without specific knowledge of the nuances involved with running a business, and without the resources that can help, Black entrepreneurs may spend more time than necessary taking wrong turns and making mistakes that might otherwise be avoided.

Having a trusted mentor or role model is important to set a business owner up for success. The majority of Black business owners in the survey said they had a history of entrepreneurship in their family, compared to only 40% of aspiring entrepreneurs, which is consistent with national findings that entrepreneurship experience in the family can help an aspiring business owner launch. Interestingly, family business ownership did not have any significant impact on business size, either in terms of revenue or employees. Access to a trusted mentor or supporter, however, did impact business growth. Respondents with higher revenue were more likely to have mentors and supporters. In the survey, just 37% of respondents overall said they have excellent or very good access to mentors and supporters, but among firms with more than \$50,000 in annual revenue, that number jumped to 63%. Access to mentorship and guidance appears to be even more important as a business scales up. Among businesses with \$500,000 or more a year in revenue, everyone said they had access to a mentor. Having access to someone who already navigated the path of entrepreneurship can serve as a guide and can help unlock growth for Black entrepreneurs.

### Percentage of Respondents with Excellent or Very Good Access to Mentors and Supporters.



■ Have good or excellent access to a mentor  
■ Have limited access to a mentor





"The thinking I was raised [on was] you're going to go to college and you're going to get a great job. No one said 'you're going to go to college and you're going to open up an enterprise.'"

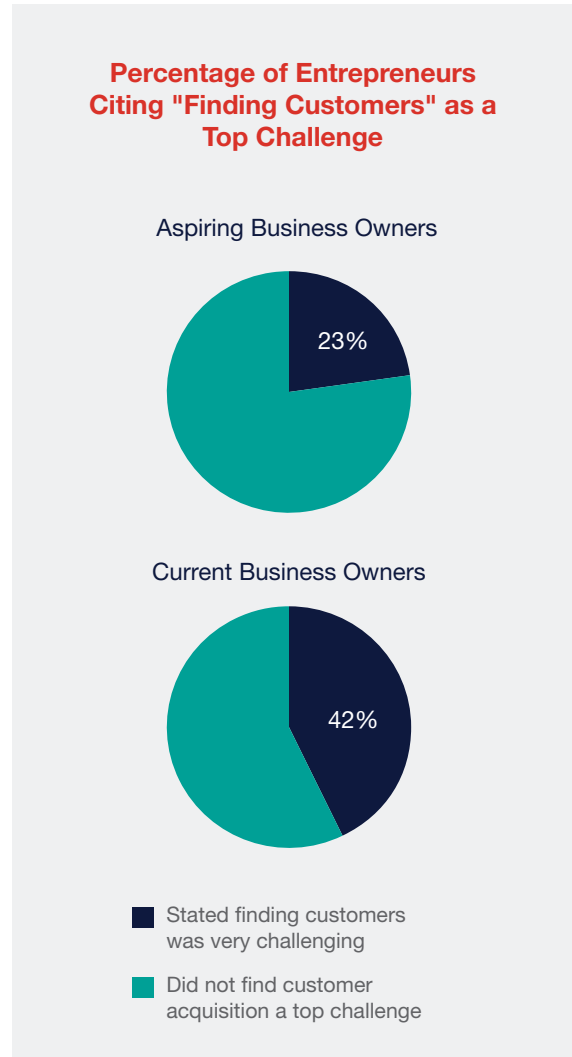
GINA RAMCHARAN | Idea Manufacturer

### #3. Finding Customers

While more than half of Black entrepreneurs surveyed expressed confidence in their ability to succeed and engage with a range of customers, finding those customers proved challenging. This challenge is likely related to insufficient marketing knowledge, which was expressed as a high barrier to business by 18% of entrepreneurs surveyed.

There is a clear difference when it comes to aspiring and current business owners and their need for marketing support. Among aspiring Black entrepreneurs, only 23% ranked finding customers as something they anticipated would be very challenging. Comparatively, 42% of current Black business owners cited "finding customers" as the most challenging factor when operating their businesses. This may indicate that aspiring business owners are not putting enough planning into marketing and customer acquisition from the beginning. While they are building and prototyping their service or product, they may not also be thinking about their market, customer base, and strategy for attracting customers, which should be a key part of a business plan.

Black entrepreneurs also recognize the need to attract customers outside the Black community, with 66% surveyed agreeing. Seventy-nine percent (79%) of respondents also perceive themselves to be highly comfortable and skilled at interacting with other races and ethnicities, the highest of all responses. And yet, nearly half of survey respondents perceive from their experience that people are more reluctant to do business with Black-owned businesses.



"I enjoy many benefits from various networks; however, none per se has generated a new customer opportunity. But it has led to other things, like speaking opportunities and this interview. So, it has enhanced other business development relationships."

ORUMÉ HAYS | Hays CPA, LLC

### #4. Affordable Workspace

Fifty-two percent (52%) of survey respondents listed securing an affordable workspace as a top challenge to starting a business. "Affordable workspace," as described in the survey, refers to workspaces in each borough where professional services and high-tech employees can transition into entrepreneurship by developing their businesses with on-demand, functional expertise (finance, marketing, sales, operating systems, etc.), and administrative resources.

This may be why according to the BE NYC survey, 38% of respondents operate their business from their home, compared to 26% operating from a storefront, and 21% from an office space. The expectations of aspiring entrepreneurs are similar. There is a statistically significant difference of new businesses being more likely to operate from their homes, compared to more established businesses, five years and above.



"Currently we have a home space where we meet with clients and curate their experience. It's been a challenge to find affordable rental space in each borough where we could incorporate elements of our brand to maximize our clients' experience."

ELITIA & CULLEN MATTOX | When Love Works Coaching

### Preferred Solutions

Based on national research and survey responses, participants at the community forums were asked to prioritize their top needs for support out of five categories and begin to iterate the solutions they'd like to see, based on 23 different ideas. Across all forums, the top needs were ranked similarly to the survey, as follows:



### #1. Money

Access to capital was the intervention most participants selected in both the survey and the community forums. At forums, 41% of attendees ranked "money" as their top choice for support, and 76% of survey respondents were interested or very interested in help accessing capital.

Across all forums, the most popular support in this category was seed capital (29%), which included crowdfunded loans ranging from \$500 to \$25,000 with the first \$1,000 contributed by the City. Participants also supported the creation of a fast, low-cost line of credit available to cover short-term inventory, equipment, or working capital (28%). Another popular choice was a forgivable microloan (20%), with changing terms and reduced repayment based on certain factors (e.g. a business staying in the neighborhood, hiring locally, etc.). The survey saw similar results, with top solutions including a low interest loan (39% of respondents) and a small grant (38%).

"If you give me free money and I don't have to pay you back, nothing changes because I still have bad credit."

Forum Participant

## #2. Mentorship

After access to capital, most program participants chose to focus on mentorship interventions. The need for mentorship was echoed in the survey results: Nearly half of respondents said finding mentors was a challenge when starting a business, and 75% of current and 83% of aspiring business owners would participate in a mentorship program.

Within mentorship, survey respondents preferred one-on-one help, with more than half of current and aspiring entrepreneurs ranking it as their top choice. Gaining more nuance from conversations at the community forums, the top solutions involve coaching from established business owners in the same industry (selected by 27% of groups), and support from peer circles (preferred by 25% of groups). Overall, entrepreneurs are looking for a mentor or peer circle that is top performing, a champion of their business, and serious about meeting on an ongoing basis to cultivate a space of trust, stay forward thinking, and develop structures of accountability.

"[Having a one-on-one coach] is a real value to help with real time issues and brainstorm new ideas."

Forum Participant

## #3. Marketing

Seventy percent (70%) of survey respondents are interested or very interested in concepts that will help them access more customers and sales. Marketing is a key method for Black entrepreneurs to reach new customers. In the survey, nearly half (45%) of Black entrepreneurs prioritized the need for dedicated marketing consultants as an integral component of their business strategy, targeting new customer acquisition.

Black entrepreneurs at community forums, however, rated group seminars and promotional support above a paid consultant, prioritizing small group training sessions and support describing and pitching their ideas. These entrepreneurs indicated that more opportunities to test products and refine concepts in sample markets could be a means towards increased customers and sales.

"The nuances of marketing are time-consuming."

Forum Participant

## #4. Affordable Space

Affordable space was ranked fourth out of the five solutions proposed at the community forums, indicating that independently, it may not be a top need of all entrepreneurs. Conversations around affordable space focused on support finding, leasing, and purchasing commercial space, and making incubators, co-working, and pop-up spaces more accessible to people of color. One group highlighted the need for incubator space with intensive support services like mentorship, seed funding, and one-on-one operational and marketing assistance.

"Provide a space to run my business and help to provide access to city contracts."

Forum Participant

## #5. Networking

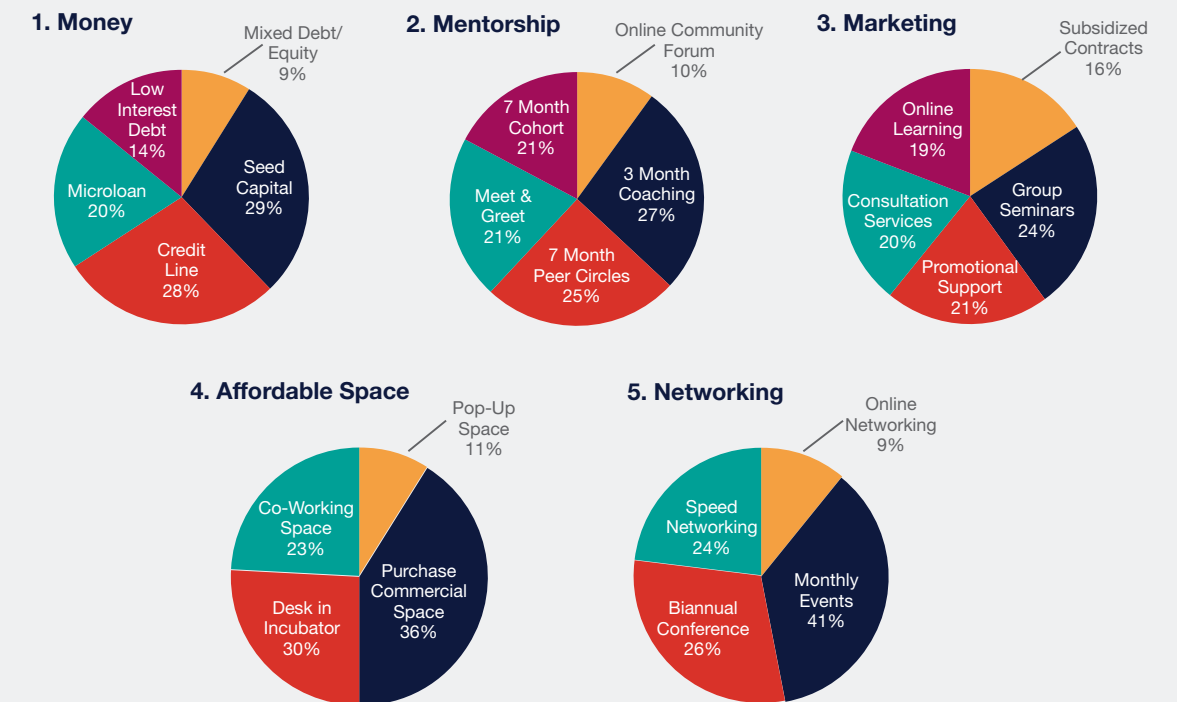
The final focus area at the community forums was networking, with 9% of groups choosing it as their top priority. In the survey, only 5% of current entrepreneurs ranked it as a top barrier to their business. Aspiring entrepreneurs were more likely to prioritize networks, with more than half anticipating that tapping into a network of like-minded business owners would be a hurdle. However, the response, conversation, and behaviors displayed at the engagement events suggested that Black entrepreneurs are looking for opportunities to network with experts, connect with peers, identify partnership opportunities and new customers, and celebrate the culture of Black entrepreneurship.

"Have an event where you can find a resource, as opposed to just networking to find customers or clients."

Forum Participant

The two top solutions prioritized in the community forums were a large conference with multiple speakers, and monthly workshops based on a theme or skill that Black entrepreneurs from all stages and sectors could attend. Conversations around networking events and opportunities highlighted the need for intentional activities and connections, as opposed to a broad, unstructured event.

### Percentage of Top Solutions as Expressed by Community Forum Attendees



### Scaling a Business Presents Unique Challenges and Opportunity

Disparities exist in the number of Black-owned businesses in New York City, as well as scale. Only 3% of Black-owned firms have employees. White-owned businesses are seven times more likely to have employees than Black-owned businesses. Black-owned businesses also tend to survive for fewer years, compared to the average NYC business. The median age of Black-owned firms is 4-5 years, compared to an overall median age of 6-10 years.<sup>38</sup>

The majority of survey respondents (62%) have been in business for five years or less. Consistent with national research, more businesses five years or older report operating in industries that generally require more capital, higher education, and more work experience in order to start a business (i.e. professional services, technology, sustainability, finance, and real estate). Compared to younger businesses, these businesses are less likely to operate from home, and are more likely to have employees and earn higher revenue.

Interestingly, businesses operating five years or longer reported that they required more capital (about \$30,000 on average) to get started than younger businesses (\$20,000 on average), and that they received this capital from lenders or banks. These differences are statistically significant between the two groups, meaning it is likely that the difference in the amount and source of capital may lead to more years in operation. *(continued)*



While providing services to help more Black-owned businesses start and operate is important, it is also critical to help more established businesses scale by responding to their unique needs for capital, customer acquisition, and marketing support. Another way to help Black entrepreneurs scale is through acquiring existing businesses with growth potential, and adapting them to new markets. The City and partners can explore the conversion of industrial businesses, providing incentives for the sale of businesses, raising awareness of businesses for sale, and educating and providing services to assist with acquisitions.

### Resources Available for All Small Businesses in New York City

Based on the findings outlined in this report, the City and its partners will implement tailored interventions to help more Black entrepreneurs start and grow a business in New York City. However, many resources are already available to help entrepreneurs across the city, including:

- Help certifying as a minority and/or woman-owned business enterprise (M/WBE) and competing for contracts.
- Connections to free resources ranging from business courses to legal services.
- Simple explanations of government rules and regulations.
- Guidance on applying for funding to launch or grow a business.

To learn about all the free resources available to help, visit [nyc.gov/sbs](https://nyc.gov/sbs) or call 311.

### Chapter 3: Key Takeaways

- 1 While the feedback from 1,500 entrepreneurs provides valuable insights about Black entrepreneurs' experiences, data may be skewed compared to the larger population in NYC.
- 2 Black entrepreneurs in New York City are starting businesses out of a desire to pursue a passion, set their own schedule, and support future generations. They are willing to take risks in order to start or grow their business.
- 3 The top challenges facing Black entrepreneurs when starting or growing a business in New York City are consistent with challenges facing all entrepreneurs. Access to capital is the top challenge for entrepreneurs, followed by finding business guidance and resources, locating affordable workspace, and finding customers.
- 4 NYC's Black entrepreneurs overwhelmingly identified a need for greater access to capital. Entrepreneurs preferred seed capital, a credit line, or low interest loan to help access cash flow when most needed.
- 5 Black entrepreneurs are also looking for one-on-one or small group connections with other entrepreneurs like them, in addition to industry or entrepreneurial successes.
- 6 Black entrepreneurs, especially those with established businesses, expressed a need for customer acquisition support. Top solutions are dedicated marketing consultants, promotional support, and opportunity to test products and refine concepts.
- 7 Affordable space ranked fourth out of the five solutions proposed at the community forums, indicating that independently, it may not be a top need of all entrepreneurs, but, combined with intentional programming, it may be more valuable.
- 8 Although not ranked as a top priority, anecdotal evidence suggests that Black entrepreneurs are looking for opportunities to network with experts, connect with peers, identify partnership opportunities and new customers, and celebrate the culture of Black entrepreneurship together.
- 9 Many services are already available to help start and grow a business in New York City. Visit [nyc.gov/sbs](https://nyc.gov/sbs) or call 311 to learn more.

## CHAPTER 4

# Recommendations and Commitments to Advance Black Entrepreneurship

Together, with the BE NYC Cabinet of Advisors, SBS recommends a public/private partnership to respond to the national research and feedback of 1,500 entrepreneurs across New York City

BE NYC aims to increase the number of Black-owned businesses in New York City, with a focus on growing businesses in high-growth industries. Advancing Black entrepreneurship must be approached through adaptability, collaboration, and innovation.

New York's resilience is rooted in a long history of adaptability, collaboration, and innovation, and the success of business in the future will rely on these three key values. In the wake of the COVID-19 pandemic, businesses must be able to move quickly to adapt traditional ways of operating and adopt new practices to stay competitive in a constantly changing world.

As New York City builds back its economy, there is opportunity not just to recover, but to reimagine. Return to status quo is not good enough, and Black entrepreneurs must lead the City's innovation agenda developed not from traditional sources, but from the collaboration of disruptors from across multiple sectors.

The City, along with the BE NYC Cabinet, calls on the private, philanthropic, and non-profit sectors to join together in response to national research and the 1,500 voices expressed in this report, and effect systemic change in these areas:

1. Provide equitable access to financing
2. Strengthen connections within NYC's Black entrepreneurial community
3. Scale Black businesses for long-term success
4. Meet the challenges of the economy of tomorrow



### 1. Provide equitable access to financing

Access to capital is the top challenge Black entrepreneurs face, and research shows that as a result of historical racial discrimination, a range of systemic barriers hold Black entrepreneurs back: Higher debt, lower credit scores, less personal savings, lower generational wealth among family and friends, and fewer connections to networks of funders are just a few.



In order to help more Black entrepreneurs access the capital they need to start and grow businesses across New York City, the City commits to:

**Leverage City capital to provide a credit enhancement to help aspiring and existing Black business owners access the financing they need.** Nationally, data shows that Black entrepreneurs are denied financing more frequently than any other racial group.<sup>32</sup> Many times these entrepreneurs have promising business ideas, but will be deemed too risky by lenders based on various factors including neighborhood, customers, ethnicity, and credit scores. To mitigate this challenge, the City commits to creating a fund – with private capital partners – to absorb some of the risk and incentivize lenders to unlock more capital and better rates for Black entrepreneurs, especially those that are in the early stages of their business growth and development.

**Explore the creation of a public-private partnership to advance Black-owned businesses through scaling and innovation.** Black-owned businesses in New York City are smaller in terms of employees and revenue, compared to their white counterparts. To impact the generational wealth gap and grow the economy, Black entrepreneurs need equitable opportunities to scale their companies into the next billion-dollar enterprise. The City commits to working with a range of stakeholders – including private banks, pension funds, and investment firms – to develop a fund for established companies to access the loans and equity investment they need to unlock their potential and grow.

**Examine the use of Opportunity Funds to connect growing Black-owned businesses to investments of \$1 million and above.** The federal Opportunity Zone program presents a unique opportunity to drive equity investment towards Black entrepreneurs. There are 306 Opportunity Zones in New York City. These are census tracts that were designated because of their lack of economic opportunity and historical disinvestment. The program incentivizes new investment in real estate and businesses in these areas through preferential tax treatments. Although the vehicle is relatively new – and has been largely used to facilitate real estate projects – it can be used to provide capital to businesses located in the Opportunity Zones. Approximately 35,000 of the City’s businesses fall into these Opportunity Zones, and according to SBS analysis, businesses in these areas are on average three times smaller than businesses outside the Opportunity Zones. The City will explore how it can leverage the tax benefits to drive investments to Black-owned businesses in these areas.



The City calls on private, philanthropic, and non-profit partners to drive the following:

**Consider and adopt new ways of assessing credit and loan readiness.** Mainstream credit scores are calculated using a history of mortgage and credit card repayment. With lower homeownership, and higher debt, this calculation disproportionately disadvantages people of color, especially Black borrowers. Approximately 15% of Black and Hispanic individuals are “credit invisible,” compared to 9% of white and Asian individuals.<sup>39</sup> “Credit-invisibles” are consumers whose documented credit history is so limited that they don’t have credit scores, or their credit scores are not based on a complete history of debt repayment. This is often because several of the payments they routinely make are not reported to the credit bureaus. Another reason some consumers are invisible is that they are new to the borrowing scene and haven’t established a credit history.<sup>40</sup> Without a credit score it is difficult to demonstrate an ability to pay back a loan, and therefore difficult to be approved for a loan. The City urges lenders to incorporate alternative data into underwriting, and urges credit bureaus to incorporate additional data when calculating credit scores. Considering additional data like rental, utilities, and cell phone payments has shown to benefit those with low or no credit scores. For example, a pilot program by the Credit Builder’s Alliance looked at the impact of rent reporting on the scores of low-income residents, and found the vast majority of participants (79%) saw an increase to their credit score when considering additional data.

**Invest in early-stage venture capital funds and initiatives managed by people of color.** Investment firms with diverse leadership are more likely to invest in minority and women-owned startups. However, only 1% of decision makers in venture capital are Black. This lack of diversity may help explain why only 1% of venture-backed tech firms are owned by Black men, and only 0.2% are owned by Black women.<sup>41</sup> African Americans spend \$1.2 trillion annually in the U.S. Investing in Black-owned firms not only helps Black entrepreneurs grow, but can also unlock a trillion-dollar market to investors.

**Provide early intervention financial literacy and education to avoid debt.** Lenders are often concerned about the amount of outstanding debt potential borrowers have because it may indicate their likelihood of paying back their loans. For this reason, having large amounts of debt can limit access to capital.<sup>42</sup> Educating parents and children about financial health can help families avoid passing down debt to their children, and students from taking on crippling student loans. This kind of intervention can help families and young people combat debt before it becomes a significant barrier. The NYC Department of Consumer and Worker Protection’s Office of Financial Empowerment (OFE) provides a good example of a program that helps low-income New Yorkers access high-quality, low-cost financial education and counseling. Between 2008 and 2018, the NYC Financial Empowerment Centers helped 50,000 New Yorkers improve their financial health, reduce their debt by \$54.9 million, and increase their savings by \$4.4 million.<sup>43</sup>



## 2. Strengthen connections within NYC’s Black entrepreneurial community

By building greater community support, Black entrepreneurs will be better able to find solutions to common business challenges, share insights and inspiration, and sustain the stress of business ownership. Without access to established business and professional networks, Black entrepreneurs are isolated and locked out of business opportunities afforded to their non-minority counterparts. Communities of support can develop by providing more opportunities to connect with networks of shared interests – whether this be access to peers, successful entrepreneurs, experts in a field,



In order to connect and inspire Black entrepreneurs to start and grow a business in New York City, the City commits to:

fundors, or clients and customers.

**Host a dynamic series of regular events designed to build connections and provide resources that are tailored to address varying business needs.** As the number of Black entrepreneurs continues to grow in New York City, it is essential that a strong community of support and connection grows, too. The City, working with community and industry partners, will launch a series of events targeted toward specific sectors and different business stages. The events will include both thoughtful, facilitated peer-to-peer networking opportunities and exposure to experts within a particular field. It will highlight and celebrate the many successful Black entrepreneurs in New York City through inspiring talks and information sharing.

**Amplify existing events to broaden reach and awareness of diverse opportunities.** There are several organizations hosting events for Black entrepreneurs across the City. These events may target specific sectors, genders, stages, skills, or neighborhoods. The City will work to raise awareness of these existing opportunities to





The City calls on private, philanthropic, and non-profit partners to drive the following:

ensure broader participation.

**Connect successful entrepreneurs as mentors to budding Black-owned businesses to open doors, offer guidance, and provide inspiration.** Black entrepreneurs report that they lack mentors and models of successful entrepreneurship from their own communities, especially in high-revenue industries like professional services, technology, and science. Smaller networks and fewer mentors and role models have been shown to impede Black business launch, survival, and growth rates. The City calls on organizations to create or expand existing mentorship opportunities, and calls on Black entrepreneurs successfully operating their own business to identify and initiate a relationship with a business owner just getting started, or in need of guidance.

**Leverage the influential networks within the Black community to amplify a culture of entrepreneurship, and connect both aspiring and existing business owners for support.** Deeply rooted community networks exist in the Black community, whether through churches, Pan Hellenic clubs, or national institutions like the Urban League or NAACP. While entrepreneurship is an emerging priority, the City calls on these community institutions to embrace entrepreneurship as an opportunity for wealth generation and economic security. Build communities of support within existing networks, and amplify the possibility of entrepreneurship as a career path, and resources available to help.



### 3. Scale Black businesses for long-term success

According to a 2014 Nielsen report, 55% of Black consumers with household incomes of at least \$50,000 said they would buy or support a product if it were sold or supported by a person of color or minority-owned business. Only 20% of non-Black consumers in the same income bracket felt the same.<sup>44</sup> While the Black Lives Matter movement has brought fresh attention and



To expand sales of Black-owned businesses to new markets and customers, the City commits to:

new customers to Black-owned businesses, it is important that Black entrepreneurs have tools for long term sustainability and growth through access to new markets and customers.

**Facilitate opportunities for Black entrepreneurs to promote and sell their products and services.** Assistance with marketing and access to customers were top concerns, particularly among established businesses. The City will facilitate connections between businesses and potential customers, whether it be sales networks with other businesses, consumers, or institutions. BE NYC events will connect Black business owners with other companies, enabling more business-to-business relationships. A campaign highlighting successful Black entrepreneurs on City marketing assets will help amplify products and services to consumers. Finally, SBS will increase outreach to Black entrepreneurs so that they are aware of the free marketing courses available through the City both online and in-person in all five boroughs.

**Link Black-owned businesses to private and government procurement markets.** Universities, hospitals, and other large private, non-profit, and public institutions are often a community's largest local employer and a dominating presence in a neighborhood. These "anchor institutions" are often rooted in place because of

their ownership, customer base, and mission, and have a vested interest in the local community because of their land holdings, capital, physical structures, and historic ties. They have substantial economic impact in terms of hiring and purchasing power, and yet often remain physically and operationally disconnected from their neighbors. The City will build an online marketplace to help make these connections between local Black-



The City calls on private, philanthropic, and non-profit partners to drive the following:

owned businesses and anchor institutions procuring goods and services. The City will also provide extensive, one-on-one services to help Black-owned businesses make the City their next customer through government contracting.

**Provide education and data to strengthen online marketing and security.** As the world becomes more virtual, it is more important than ever that businesses have a strong online presence to reach new customers and markets. However, the move to a virtual presence can also disproportionately impact small businesses when it comes to cyberattacks. According to a 2018 report, 58% of cyberattack victims were small businesses. Approximately 60% of small and medium-sized businesses that are forced to suspend operations after a cyberattack never reopen for business due to time and cash spent to remediate the breach, and reputational damage. The City calls on the private sector to help more Black-owned businesses strengthen their online presence and virtual storefronts, while also focusing on cybersecurity to prevent future losses.



### 4. Meet the challenges of the economy of tomorrow

The top growth sectors in New York City over the next six years are projected to be healthcare, professional and business services, and construction, and spanning innovation across all these



To ensure that Black-owned businesses are leading economies of tomorrow, the City commits to:

industries is technology. As technology touches every area of life and dominates economic opportunity, it is critical that Black-owned firms are ready to meet the challenges and excel in the economy of tomorrow.

**Leverage City assets and spending to support and strengthen Black-owned businesses in high-growth sectors that will lead the economy of tomorrow.** The City can leverage its own assets and spending in order to take a targeted approach to build more Black-owned businesses in high-growth sectors. Using real estate assets, the City will create a common working space to anchor an ecosystem that fosters the growth of like-minded entrepreneurs through access to experts, resources, and other wraparound services that will help grow select businesses in high-opportunity industries. Services can incorporate the top needs heard from entrepreneurs: help finding customers, marketing, and accessing capital. Programs that offer an intensive incubator bootcamp and membership-based clubs that bring together Black entrepreneurs and executives, offer models for what this space could look like in New York City. In addition, the City could utilize its own purchasing power to further expand opportunities in high-growth fields. Building on the successes of the City's "moonshot challenges," in which the City invites global entrepreneurs to propose innovative solutions to real-life problems, the City can issue a targeted challenge for Black entrepreneurs in specific subsectors where the City will be ramping up its own

spending, such as environmental resiliency and sustainable technology. This challenge will help raise awareness among aspiring and existing entrepreneurs of upcoming high-growth opportunities, and also help more Black-owned firms access City contracts.

**Explore expanding access to existing incubators in NYC through outreach, recruitment, and/or fellowship programs for Black founders.** The incubator and accelerator tech ecosystem in NYC is robust, with more than 75 entities aimed at helping small tech startups build their business idea and attract venture capital investment. However, significant barriers exist for Black entrepreneurs entering these spaces. The City will explore working with this network to help them attract and admit Black founders. As a model, the City would look to pre-accelerator programs for founders of color to develop critical skills, develop relationships, and refine business ideas to attract capital investment.

## Conclusion

Based on national research, and feedback from more than 1,500 Black entrepreneurs, this report identifies four pathways to achieve systemic change for Black entrepreneurs in New York City: provide equitable access to financing, strengthen connections within NYC's Black entrepreneurial community, scale Black businesses for long-term success, and meet the challenges of the economy of tomorrow.

Business success will depend on adaptability, collaboration, and innovation. The recommendations outlined in this report strengthen Black-owned businesses so they can adapt to new business environments, create connections and community, and position Black founders to become leaders in the innovation economy.

These values also serve as the guiding light for BE NYC's approach. As programs roll out, SBS will continue to listen, learn, and adjust interventions according to the varied needs that may arise. This report is only the beginning. More data is required to understand the differences that may exist according to borough, household income, sector, gender, ethnicity, and more. This study did not dive deep into different population segments within the Black entrepreneurial community. This study was also conducted before the impact of COVID-19.

The BE NYC Cabinet of Advisors marks the beginning of collaboration between the public and private sectors to advance Black entrepreneurship. However, the City calls on a groundswell of partners to continue to join in as partners towards systemic change. Through new and bold ideas, the City of New York can serve as a model for investing and supporting Black entrepreneurs in the launch and growth of their businesses.

Being successful in this endeavor can build wealth for Black entrepreneurs and their families for generations, assist with closing the racial wealth gap in America, and strengthen NYC's economic infrastructure in the 21<sup>st</sup> century and beyond.

# Acknowledgements

**We are grateful for the partnership of our private sector and community organization partners who have helped shape BE NYC, and will continue to work together to advance Black entrepreneurship in New York City**

## City of New York

J. Phillip Thompson  
Deputy Mayor for Strategic Policy Initiatives

Office of Minority & Women Owned Business Enterprises (M/WBEs)

NYC Department of Small Business Services

NYC Mayor's Community Affairs Unit

## BE NYC Cabinet of Advisors

Kenneth Allen  
Founder, Azurest Partners

Donnel Baird  
Founder, BlocPower

Siddiq Bello  
Principal Investigator, Social MBE

Gregg Bishop\*  
Former Commissioner, NYC Department of Small Business Services

Elliott Breece\*  
Entrepreneur-In-Residence at Google; Co-Founder, Songza

Dr. Duclas Charles  
Co-Founder, Strivers' Row

Wole Coaxum  
Founder + CEO, Mobility Capital Finance, Inc.

Dr. Karilyn Crockett  
Chief of Equity, City of Boston

Jannel Doris  
Commissioner, NYC Department of Small Business Services

Regina Gwynn  
Co-Founder + CEO of TresseNoire; Co-Founder of Black Women Talk Tech

Gayle Jennings-O'Byrne  
Founder + General Partner, WOCstar Fund

Sekou Kaalund  
Head of Advancing Black Pathways, JP Morgan Chase

Jeff Lindor  
Founder + CEO, The Gentlemen's Factory

Charles Phillips  
Chairman, Infor

Jacquette M. Timmons  
President + CEO, Sterling Investment Management

Paul T. Williams, Jr.  
Managing Director, Williams Strategy Advisors

## Community Leaders and Advocates

Bedford-Stuyvesant Restoration Corporation

Black Women Talk Tech  
Brooklyn Chamber of Commerce

Caribbean-American Chamber of Commerce & Industry, Inc. (CACCI)

Council of Urban Professionals (CUPUSA)

Greater Harlem Chamber of Commerce

Greater Jamaica Development Corporation

Greater New York Chamber of Commerce

Haitian American Caucus (HAC-US)

Haitian-American Business Network (HABNET)

Harlem Business Alliance

Harlem Commonwealth Council

Harlem Community Development Corporation

Local Development Corporation of East New York (LDCENY)

Medgar Evers College

National Action Network (NAN)

National Minority Business Council, Inc. (NMBC)

National Urban League

New York State NAACP

New York Women's Chamber of Commerce

One Hundred Black Men, Inc. of New York (OHBM)

Pan Hellenic Council of Greater New York

Queens Economic Development Corporation

South Bronx Overall Economic Development Corporation (SoBRO)

Start Small Think Big

The Black Institute

The New York Urban League (NYUL)

Upper Manhattan Empowerment Zone (UMEZ)

Women's Venture Fund

## Faith-Based Leaders

Gerald Adolph

Bishop Raymond Blanchette

Rev. Alfred Cockfield

Min. Patricia Cousar

Rev. Jacques Degraff

John Ducksworth

Bishop Orlando Findlayter

Pastor Charles Galbreath

Rev. Brian Ellis Gibbs

Min. Fay Henderson

Rev. Trevor Hyde

Rev. Antonio Jordan

Rev. David Kayode

Rev. Ebony Kirkland

Rev. Bruce Kirkland

Rev. James Osei Kofi

Dr. Allen Martin

Margaret McCants

Rev. Mullery Jean Pierre

Rev. Calvin Rice

Yolanda Richard

Pastor Stephanie Young

## Consultants

Breakthrough Marketing Technology

Hester Street

The Viney Group

\*Emeritus





Thank you to all of NYC's current and aspiring entrepreneurs who shared their voice to help advance Black entrepreneurship!



## Endnotes

1. US Census, 2016 American Survey of Entrepreneurs
2. Chuck Collins, Dedrick Asante-Muhammed, Josh Hoxie, Emanuel Nieves, "The Ever Growing Gap." *Institute for Policy Studies*, August 8, 2016. Washington, DC. <https://ips-dc.org/report-ever-growing-gap/>
3. Claire Kramer Mills, Ph.D., and Jessica Battisto. "Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects in Black Communities." August 2020. New York Federal Reserve. [https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy\\_COVID19andBlackOwnedBusinesses](https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses)
4. Martin, Emmie. "Money Is Flooding into These 10 Industries That Are Adding Jobs and Thriving." CNBC, 16 Oct. 2018, <https://www.cnbc.com/2018/10/16/top-10-industries-that-are-hiring-thriving-and-making-money.html>.
5. U.S. Census, 2015 Survey of Business Owners and Self-Employed Persons
6. Azevedo, Mary A. "Untapped Opportunity: Minority Founders Still Being Overlooked." *Crunchbase, Inc.*, 27 Feb. 2019, <https://news.crunchbase.com/news/untapped-opportunity-minority-founders-still-being-overlooked/>.
7. U.S. Census, 2012 Survey of Business Owners and Self-Employed Persons, NAICS Code 2211
8. Claire Kramer Mills, Ph.D., and Jessica Battisto. "Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects in Black Communities." August 2020. New York Federal Reserve. [https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy\\_COVID19andBlackOwnedBusinesses](https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses)
9. *ibid*
10. *ibid*
11. U.S. Census, 1920. Scott Nearing, *Black America*. New York: The Vanguard Press, 1929
12. U.S. Census, 1910-1980
13. "Statistics for all U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2012," *2012 Survey of Business Owners and Self-Employed Persons & NYC Metropolitan Statistical Area (MSA) Population Estimates*, United States Census Bureau, 2012.
14. Reynolds, Paul, et al. "The Prevalence of Nascent Entrepreneurs in the United States: Evidence from the Panel Study of Entrepreneurial Dynamics." *Small Business Economics*, vol. 23, 2004, pp. 263-284; Lofstrom, Magnus and Timothy Bates. "African Americans' Pursuit of Self-Employment." *Institute for the Study of Labor (IZA)*, Nov. 2007.
15. Ahn, Taehyun, "Racial differences in self-employment exits." *Small Business Economics*, vol. 36(2), Springer, Feb. 2011, pp. 169-186.
16. Blanchard, Lloyd, Bo Zhao, and John Yinger. 2008. "Do Lenders Discriminate against minority and woman entrepreneurs?" *Journal of Urban Economics* 63(2): 467-497. doi:10.1016/j.jue.2007.03.001
17. Semega, Jessica, et al. *Income and Poverty in the United States: 2018*. U.S. Department of Commerce, U.S. Census Bureau, Sep. 2019, <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf>.
18. Hunady, Jan, et al. (2018). "The Effect of Higher Education on Entrepreneurial Activities and Starting Up Successful Businesses." *Engineering Economics*, vol. 29(2), April 2018, 10.5755/j01.ee.29.2.19069.
19. "The Racial Gap in Educational Attainment in the United States." *The Journal of Blacks in Higher Education*. 2019, [www.jbhe.com/2019/03/the-racial-gap-in-educational-attainment-in-the-united-states-4/](http://www.jbhe.com/2019/03/the-racial-gap-in-educational-attainment-in-the-united-states-4/).
20. Lofstrom, Magnus and Timothy Bates. "African Americans' Pursuit of Self-Employment."
21. Haughwout, Andrew F., et al. "Just Released: Racial Disparities in Student Loan Outcomes." *Liberty Street Economics*, Federal Reserve Bank of New York, 13 Nov. 2019, <https://libertystreeteconomics.newyorkfed.org/2019/11/just-released-racial-disparities-in-student-loan-outcomes.html>.



22. The Gender Wage Gap in NYC . New York City Comptroller Scott M. Stringer, 3 Aug. 2018, [comptroller.nyc.gov/reports/gender-wage-gap/inside-the-gender-wage-gap/inside-the-gender-wage-gap-part-i-earnings-of-black-women-in-new-york-city/](https://comptroller.nyc.gov/reports/gender-wage-gap/inside-the-gender-wage-gap/inside-the-gender-wage-gap-part-i-earnings-of-black-women-in-new-york-city/).
23. Ahn, Taehyun, "Racial differences in self-employment exits."
24. Ahn, Taehyun, "Racial differences in self-employment exits."
25. Martin, Emmie. "Money Is Flooding into These 10 Industries That Are Adding Jobs and Thriving." CNBC, 16 Oct. 2018, <https://www.cnbc.com/2018/10/16/top-10-industries-that-are-hiring-thriving-and-making-money.html>.
26. U.S. Census, 2015 Survey of Business Owners and Self-Employed Persons
27. Azevedo, Mary A.. "Untapped Opportunity: Minority Founders Still Being Overlooked." *Crunchbase, Inc.*, 27 Feb. 2019, <https://news.crunchbase.com/news/untapped-opportunity-minority-founders-still-being-overlooked/>.
28. U.S. Census, 2012 Survey of Business Owners and Self-Employed Persons, NAICS Code 2211
29. Fechner, Holly and Matthew S. Shapanka. *Closing Diversity Gaps in Innovation: Gender, Race, and Income Disparities in Patenting and Commercialization of Inventions*, vol. 19, no. 4, National Academy of Inventors, 2018, pp. 727-734(8), <https://www.ingentaconnect.com/content/nai/ti/2018/00000019/00000004/art00008>].
30. "Table 4: Family net worth, by selected characteristics of families, 1989–2016 surveys." 2016 *Survey of Consumer Finances* (SCF), Board of Governors of the Federal Reserve System, 2016.; "Table 1 01-16: Before-tax family income, percentage of families that saved, and distribution of families, by selected characteristics of families, 2001–2016 surveys." 2016 *Survey of Consumer Finances* (SCF), Board of Governors of the Federal Reserve System, 2016.
31. Johnson, David S., et al. "Panel Study of Income Dynamics (PSID): Main Interview, 1968-2015." Inter-university Consortium for Political and Social Research, 4 Oct. 2018, <https://doi.org/10.3886/ICPSR37142.v1>.
32. *Report on Employer Firms: Small Business Credit Survey*. Federal Reserve Banks, 2019, <https://www.fedsmallbusiness.org/survey/2019/report-on-employer-firms>; *Report on Non-Employer Firms: Small Business Credit Survey*. Federal Reserve Bank of New York, 2019, <https://www.fedsmallbusiness.org/survey/2019/report-on-non-employer-firms>.
33. *Report on Employer Firms: Small Business Credit Survey; Report on NonEmployer Firms: Small Business Credit Survey*.
34. *Report on Non-Employer Firms: Small Business Credit Survey*.
35. Weitz, Jared. "Why Minorities Have So Much Trouble Accessing Small Business Loans." Forbes Media, LLC., 22 Jan. 2018, <https://www.forbes.com/sites/aarp/2020/02/12/empowering-aging-through-innovation/#75344dff4454>.
36. Jackson, W. E. W. et al. "Size Matters: The Impact of Loan Size on Measures of Disparate Treatment toward Minority Entrepreneurs in the Small Firm Credit Market." *Entrepreneurship Research Journal* 8 (2018): n. pag.
37. Fairlie, Robert, et al. "Black and White: Access to Capital among Minority-Owned Startups." Stanford Institute for Economic Policy Research, 15 Dec. 2016, <https://siepr.stanford.edu/sites/default/files/publications/17-003.pdf>.
38. US Census, 2016 Annual Survey of Entrepreneurs
39. Passy, Jacob. "Kamala Harris says credit scores should include rent, cell phones and utilities." MarketWatch, Inc., 13 July 2019, <https://www.marketwatch.com/story/kamala-harris-says-credit-scores-should-include-rent-cell-phones-and-utilities-2019-07-09>.
40. *Serving the Credit Invisible*. National Credit Union Administration , Apr. 2016, [www.ncua.gov/files/publications/serving-credit-invisibles.pdf](http://www.ncua.gov/files/publications/serving-credit-invisibles.pdf).
41. "PE and VC Fundraising Report ." PitchBook , 2017. Web. 6 Mar. 2020.
42. Axelton, Karen. "How Does Student Loan Debt Affect Buying a Home?" Experian Information Solutions, Inc, 8 May 2019, <https://www.experian.com/blogs/ask-experian/how-does-student-loan-debt-affect-buying-a-home/#s2>.
43. "Department of Consumer and Worker Protection Announces 50,000 New Yorkers Have Received Free Counseling at Financial Empowerment Centers." NYC Consumer Affairs, 14 June 2018, <https://www1.nyc.gov/site/dca/media/pr061418-50000-New-Yorkers-Have-Received-Free-Financial-Counseling.page>.
44. Powerful. Growing. Influential. The African America Consumer 2014 Report. Nielsen and Essence, September, 2014. <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/nielsen-essence-2014-african-american-consumer-report-Sept-2014.pdf>



