



## Black Wall Street Charlotte, Inc.

### BLACKplan

Black Wall Street Charlotte, Inc. (BWSC) provides committed, visionary leadership and advocacy in the realization of economic empowerment. Through the creation of resources and initiatives, we support African American Businesses of Greater Charlotte and business organizations in their work of developing and growing Black enterprises.

For there to be a great Charlotte, there must be a great Black Charlotte. For there to be a great Black Charlotte, we need great Black businesses. To have great Black businesses, we need great Black business organizations and the impactful work BWSC does to support the growth of Black enterprises.

I encourage every Black Charlottean, Black business leader, and Black advocate across the board to work together with BWSC to ensure that policymakers on both sides of the aisle know and understand the principles we've outlined.

# A MESSAGE FROM THE CEO/CHAIRMAN

As the voice of Black business owners, we adamantly urge City/County policymakers and corporate decisionmakers to prioritize Black-owned businesses as our region continues to recover and grow from the COVID-19 pandemic. Facing more than 40% of pandemic-induced business closures, Black-owned businesses are hit the hardest by the pandemic and deserve a triage approach when it comes to aid relief. We published our Blackplan to provide City/County policymakers and corporate decision makers with a blueprint to supporting Black-owned businesses. Our Blackplan follows a set of principles that lays out a clear vision for policymakers and decision makers to move the needle on policies that strengthen the Black business community at such a pivotal turning point in our city's history.

It is our belief that for there to be a great Charlotte, there must be a great Black Charlotte; for there to be a great Black Charlotte, we need great Black businesses; and in order to have great Black businesses, we need great Black business organizations, and the impactful work Black Wall Street Charlotte (BWSC) does to support the growth of Black enterprises. As we recover from how the COVID-19 pandemic devastated the health, wealth, and economic well-being of Black Charlotteans, it is imperative that legislation and regulatory efforts stemming from key agencies in the Greater Charlotte Administration are targeted to addresses the disproportionate impact facing Black business owners. We are hopeful our Blackplan will inform policymakers on both sides of the aisles in crafting legislation and regulatory guidance that will uplift the state of Black business locally, nationally, and globally.

Sincerely,

*Shelton Brown*

CEO & Chairman

Black Wall Street Charlotte, Inc.

# ABOUT THE Blackplan

In our inaugural Blackplan, Black Wall Street Charlotte (BWSC) will detail a policy agenda that supports the Black business community. Black America is currently grappling with dual crises: the acute damage of a global pandemic and the slow burn of systemic injustice. Yet, we are resilient. As our community continues to recover, grow, and seek the opportunity of entrepreneurship, we must have strong policies from leaders in the Greater Charlotte Region and State Government.

The Blackplan is a set of principles that guide Black Wall Street Charlotte's policy priorities. The Blackplan lays out a clear vision for policymakers to move the needle on policies that strengthen the Black business community, helping Black Charlotte thrive in the years and generations ahead. Notably, this policy booklet takes on the complex, but critical, conversation of equitable avenues of investments.

To realize our vision, we must bolster the Greater Charlotte economy, allow Black businesses to thrive, create responsible policies, and prepare the next generation of Black entrepreneurs.

## STATE OF CHARLOTT BLACK BUSINESS

Over the last few years, we have seen COVID-19 disproportionately affect the Black community compared to white communities. As a result of the economic, emotional, and health tolls accrued by the pandemic, we saw Black businesses shutter at an alarming rate. According to research, in 2022, Black business ownership rates dropped 41%, while financing for Black business dropped by 45%. The findings showed that Black business owners were less equipped to cope with closure mandates and restrictions when compared to white-owned businesses.

In 2024, the strength of the economic environment is increasing steadily. The Biden Harris Administration has signed two of the most impactful economic bills into law, the American Rescue Plan Act, and the Infrastructure Investment and Jobs Act; both of which have provided direct and indirect benefits to the Black business community. The American Rescue Plan helped to create over 6 million jobs, vaccinate over 200 million Americans, and bring down unemployment claims to its lowest levels since 1969. The Infrastructure Investment and Jobs Act codified the Minority Business Development Agency (MBDA) into law, making permanent its programs, services, and capabilities, while paving the way for expanded impact across America for Black businesses of all sizes. From 2020 to late 2021, Black unemployment has fallen from 16.7% in May 2020, to 6.7% by November 2021. We are optimistic that with targeted reforms in the Black business space, such as the Biden Harris Administration's plans to reform federal contracting, that the unemployment rate in the Black community will only continue to decrease. These reforms in the federal contracting space will enable more Black

firms a fair shot at obtaining access to federal contract projects by increasing the share of contracts to small, disadvantaged businesses by 50% by 2025, representing an increase in \$100 billion over the next five years. Our goal is that the national impact of these bills will bring positive impact on the Black business community in the Greater Charlotte Region.

## STATE OF CHARLOTTE BLACK BUSINESS

Now, as Black-owned firms continue to strive for economic recovery and resiliency amid new developments in the COVID-19 pandemic including new variants, treatments, and vaccines, the disparity between Black-owned firms and other firms is still plain and clear. However, BWSC is hard at work towards dismantling the barriers faced every day by Black businesses. Our data shows that despite these barriers, Black firms are resilient – 72% of Black businesses surveyed have reopened at least once, 18% of Black businesses have reopened twice, and 10% of Black businesses have reopened three times. These numbers tell the same story: Black businesses are willing and ready to do whatever it takes to ensure not only the survival of their ventures, but the ability to thrive and scale their businesses beyond its current capacity.

The current moment facing the state of Charlotte Black business could not be more critical – BWSC believes that we face a key opportunity to encourage Black business growth and support systems to ensure that Black-owned firms are not left out from the economic boom that will eventually follow the remainder of the pandemic. Now is the time to address falling levels of trust between Black businesses and government resource partners, help Black firms innovate ways to secure capital and to improve their banking relationships, among other key actions.

The state of Charlotte Black business, however, cannot improve without targeted efforts from policymakers and advocates in Charlotte and North Carolina State. BWSC is committed to working with decisionmakers who can move the needle on Black business ownership, so that Black businesses may gain parity with their white-owned counterparts. For there to be a strong Charlotte economy, the need for a growing, robust Black business sector could not be more critical.

## STATE OF CHARLOTTE BLACK BUSINESS

BWSC will continue to be the voice of Black businesses across the Greater Charlotte Region to ensure that Black firms have an opportunity to participate in revitalizing the regional economy in a post-COVID world. This will include ensuring Black contractors gain access to opportunity in scaling up Charlotte's infrastructure, expanding broadband access for Black entrepreneurs or would-be entrepreneurs, and enabling a robust support system to help Black businesses thrive.

At a time in which the United States, and more importantly Charlotte, continues to grapple with racial systemic injustices on Black people and Black businesses across the nation, investing in Black businesses represents a single, but critical step towards remedying some of those injustices. Business ownership enables the creation of Black wealth, helps address the racial wealth gap between Black and white families, and provides creative opportunities for employment that has a direct impact in our Charlotte communities.

To remedy the gaps that Black businesses face compared to other demographic groups, we must intentionally invest resources into the Black business ecosystem to provide an environment for economic rebound, recovery, and resiliency.

## POLICY PRIORITIES

As the Greater Charlotte Region begins to recover from the financial and emotional toll of the COVID-19 pandemic, which continues to affect the Black community at a disproportionate rate, BWSC remains at the epicenter of forward-thinking policy solutions geared towards resilience at the local and state levels. The last year has demonstrated that, too often, Black business owners are left out of key economic recovery initiatives set forth by the federal government due to a lack of intentionality in reaching them. To remedy this, we have outlined our policy priorities with an added focus on increasing access to resources and opportunity for Black business owners. Particularly in Charlotte, the pursuit of the American Dream through entrepreneurship requires support from lawmakers across the City/County and in Raleigh.

Drawing on our principles established in the Blackplan, BWSC has authored the below policy priorities to create a path forward for our Charlotte Black business community.

### **Federal Contracting 8(a) Programmatic Reform:**

Help Charlotte Black businesses gain parity with Alaska Native Corporations (ANCs) in the 8(a) program. Alaska Native Corporations (ANCs) are given an advantage over other underserved business owners in the 8(a) contracting pool: a higher size standard and revenue cap than any other business competing for 8(a) contracts. Therefore, ANCs can get larger contracts than other 8(a) businesses, and because not all ANCs are run by Native peoples, this loophole enables larger, white-owned entities to outcompete minority-owned businesses for 8(a) contracts. Black contractors are owed parity with ANCs in the 8(a) program.

### **Expand Opportunity for Black-owned Cannabis Businesses:**

The expansion of opportunity for Black-owned cannabis businesses is paramount to the fight towards racial equity. Although cannabis dispensaries (medical and recreational) are fully legal and operational in over 33 states, an overwhelming majority of cannabis businesses are whiteowned. With a whopping market value at \$33 billion and counting, the cannabis industry

needs dire reform: expanding Black ownership in legally owned and operated dispensaries and storefronts. As we work to combat modes of systemic and historic racial injustices, ensuring Black participation in the growing cannabis industry is a step towards achieving racial economic parity.-

## POLICY PRIORITIES

### **Increase Black-Owned Broadcasting, Television, and Radio Access:**

According to the Federal Communications Commission (FCC) in 2019, 77% of AM radio stations were owned by white operators, while only 3% were owned by Black operators, 7% were Hispanic-owned, and 3% were Asian-owned. Only 2% of commercial FM broadcasters are Black compared to 77% of stations owned by white broadcasters. The figures for television ownership are no different. Without Black representation in the media, Black voices and stories cannot be elevated to the extent of those that white-owned stations receive. BWSC calls for the reinstatement of a tax certificate as a means of increasing ownership of broadcast station by blacks and women such as described in Rep. G.K. Butterfield's H.R. 4871.

### **Include ByBlack as a Federally Trusted Black-Owned Business Certification:**

As the North Carolina State government seeks to increase its business with Black companies, contractors, and suppliers, the Charlotte government should lead the way to instate a nationally recognized Black-owned business certification. BWSC will work with the Small Business Administration (SBA) and other parts of the North Carolina State government to push for this certification, modeled on the ByBlack certification. With a national Black business certification, companies, federal, state, and local governments can easily navigate the marketplace when choosing to support Black-owned businesses.

### **Ensure Equitable Implementation of Infrastructure Investment and Jobs Act (IIJA) Projects:**

Now that the IIJA has been signed into law, BWSC will work to ensure Charlotte Black contractors are included in infrastructure projects. We will continue to advocate for modernizations to the Disadvantaged Business Enterprise (DBE) program, calling for an expansion of the percentage of contracts (from its current level at 10%) that go to black-owned enterprises. BWSC will also work with the newly codified and expanded Minority Business Development Agency (MBDA) so that all Black businesses have access to efficient and effective MBDA business centers.

### **Expanding Opportunities for Black Businesses through Trade:**

BWSC will advocate for the Charlotte Black business community to lead global trading initiatives throughout Africa to capitalize on burgeoning economic opportunity in one of the world's

fastest growing economies. Additionally, we are urging the Administration to push the Export-Import Bank of the United States, the nation's official export credit agency, to provide targeted and prioritized capital to Charlotte Black business owners in the coming years.

## **Federal Contracting/ Procurement Opportunities and 8(a) Reform:**

When sufficiently supported, Charlotte Black businesses can compete in every market, bringing innovative goods and services to customers across the State and country. The City, State, and Federal government is often the largest spender in many communities and, to ensure that Charlotte Black business and contractors are not left out of contracting opportunities, the government must:

- Improve its working relationship with Black-owned businesses
- Decrease barriers to entry for Black-owned businesses
- Expand ANC prioritization to Black-owned businesses and companies
- Work more closely with Black business organizations

The 8(a) program at the SBA is an excellent example of how government and businesses can partner to provide exceptional service to federal agencies. The program's integrity must be protected to ensure that it continues to benefit disadvantaged businesses. To ensure that this happens, BWSC will push for our local City/County Administration to publicly release comprehensive demographic data by working with NC State Congress to produce federal legislation that provides an inquiry on data and reporting collection on the program.

Additionally, we are committing to ensuring that the Administration reinstates the QuickPay initiative launched in 2011 to ensure that federal agencies expedite payments to small business contractors, with the goal of paying contractors within 15 days. To ensure that small contractors working with the federal government receive prompt payment--which allows for continued investment in new opportunities, new equipment and new hiring--legislation ensuring prompt payment must be reapplied to all federal agencies.

Lastly, we call for the parity of Black-owned companies with ANCs. ANCs get special prioritization when competing for federal contracting opportunities. The rationale is that ANC contracts will go to benefit an entire tribe or community – we believe the same justification is owed to the Black community. However, ANCs are not required to demonstrate they are led by Native peoples, which positions white contractors to classify as an ANC and benefit from the 8(a) prioritization. ANCs can take on more than one 8(a) project at a time because the ANC can oversee various businesses competing for multiple contracts, bundling various contracts whereas small to medium enterprises cannot (SMEs). The restrictions placed on Black firms by the 8(a) program prohibits growth because Black-owned firms cannot go after the larger contracts given to ANCs. ANCs are not subject to a cap of \$3.5 million on sole source projects

whereas Black contractors are limited by this cap. BWSC calls for the SBA to lift the cap for Black firms and expand special procurement privileges to Black-owned contractors.

## **Increase Black Owned Broadcasting and Radio Ownership:**

According to the FCC, in 2019, 77% of AM radio stations were owned by white operators, while only 3% were owned by Black operators. Only 2% of commercial FM broadcasters are Black compared to 77% of stations owned by white broadcasters. The figures for television ownership in 2017 are even more concerning, with Black ownership percentages sitting at a mere .9%. BWSC recognizes the need for increased Black ownership in media outlets will result in an increase in Black trust in the media and reputable news sources.

At a time in which Black trust in the media is declining and understanding the importance of a healthy and diverse media to the health of democracy, BWSC recognizes that increasing Black ownership across all media platforms will contribute to a more robust, inclusive, and participative American democracy. BWSC will work with policymakers to garner support for H.R. 3957, the Expanding Broadcast Ownership Opportunities Act, sponsored by Rep. G.K. Butterfield (D-NC-1). H.R. 3957 requires the FCC to work towards increasing the diversity of ownership in broadcasting. The bill would allow companies engaged in a qualifying broadcast station to receive tax cuts/credits by electing nonrecognition of the gain or loss resulting from the sale of station ownership if the sale is to a socially disadvantaged individual. The bill also would require the FCC to foster investment in broadcast stations owned by socially disadvantaged individuals.

### **Expanding Black ownership of radio and television broadcasting would:**

- Help Black America hold our elected officials accountable to the needs of Black business and the Black community;
- Increase the mediums through which Black America can tell our stories;
- Foster a sense of control of the media for Black America;
- Enable the promotion of local Black businesses and partnerships;
- Create a means of stable employment and economic stability for Black broadcasters

### **Black Business Inclusion in Infrastructure Investment and Jobs Act Projects:**

Last year, the BWSC continuously advocated for its priorities in the Infrastructure Investment and Jobs Act (IIJA). Thanks to the leadership of our members, we helped secure an inclusion of language into the bill that codifies the MBDA into law and expands this critical agency. We will



work with high level officials across government agencies in the SBA, Departments of Commerce, Treasury, and others to ensure that the implementation of the IJJA is fair, equitable, and accessible for Black businesses.

## **We will continue to work with government stakeholders to ensure:**

- A continuation of the DBE program
  - investment in low-and moderate-income communities to prepare for next-generation technologies;
  - opportunity for Black-owned companies to compete and deliver on infrastructure, and procurement contracts – as outlined in previously mentioned BWSC priorities – with a focus on ensuring prompt payment within 15 days; and
  - equitable expansion of the MBDA’s geographic reach and programmatic capacity
- Infrastructure reform and investment is critical in fostering a resilient, growing economy following the COVID-19 pandemic. BWSC will work to seek that provisions in the IJJA make available equitable opportunities for Black businesses, workers, and families, including requiring the use of Black-owned firms and minimum number of projects in Black-majority communities. As part of this initiative, we will work with the SBA to explore opportunities for partnership in the inclusion of Black contractors towards IJJAfunded projects and how to better include and ensure participation and opportunity for Black firms.

### **Include ByBlack as a Federally Trusted Black-Owned Business Certification:**

The BWSC ByBlack certification is the only national certification exclusively for Black-owned businesses, designed to provide Black entrepreneurs a way to reach customers and get access to business resources. The ByBlack platform also serves as an extensive national directory developed by BWSC. BWSC believes that the Federal government should integrate a national Black-owned business certification database when supporting Black contractors, suppliers, and businesses. In using the ByBlack certification, the Federal government can take confidence that they are supporting the vibrancy of the Black community and the immediate local economies in which they operate.

**The BWSC will begin exploring conversations with the SBA on what a Federal Black-owned business certification and directory would look like. Specifically, the BWSC will propose the SBA use its ByBlack certification and promote it to its resource partners including Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), and local SCORE chapters.**

***A Black-owned business certification program that is federally recognized would:***

- provide federal, state, and local governments with a landscape of Black-owned businesses.
- increase the diversity in federally funded suppliers and contractors; and
- provide Black-owned businesses with increased visibility and, therefore, opportunities to innovate business models and product development, and expand financial stability

### **Expanding Opportunities for Black Businesses through Trade:**

As globalization continues to dominate trade as well as international economic and financial exchanges, we believe that it is essential to ensure all current and forthcoming trade agreements include equitable pathways for the Black business community to successfully participate in the global market, especially throughout Africa, one of the world's fastest growing economies at pre-pandemic levels.

**BWSC believes that the Biden Administration should reimagine the country's commerce engagement throughout Africa moving forward to ensure the participation of Black American firms. As this resource-enriched continent continues to grab the attention of other world powers through its economic sway and potential, we must be strategic and vigorous in our pursuit to provide economic opportunities for Black business in America and in the African continent throughout its 54 sovereign countries.**

**To this end, we will advocate for the Black business community to lead these efforts within the Department of Commerce, among other agencies, to avoid the riddled failures and uncertainty of the past decades of engagement with African nations.** Likewise, BWSC urges the Administration to push the Export-Import Bank of the United States, the nation's official export credit agency, to provide targeted and prioritized capital to Black business owners in the coming years. Increased engagement with African countries in global trade will better position the U.S. global economy to become more competitive to rising powers while also empowering Black entrepreneurs and businesses across the world. While our primary focus is to uplift Black business ownership in the United States, we believe our strategy and policy priorities are not complete without this focus on increasing and empowering the global Black community.

## **Blackplan PRINCIPLES**

In our view, policymakers wishing to advance the Black business community should embrace the policies aligned with these principles. We need policies that:

- Bolster the American Economy with Black Business Ownership
- Allow Black Businesses to Thrive in a Post-COVID Economy
- Responsibly Support a Vibrant Workforce and Bolster Black Workforce Development

- Prepare for the Next Generation of Black Entrepreneurs
- Ensure Continued and Expanded Resources to Successful Models for Black Business Development

# 1. BOLSTER THE AMERICAN ECONOMY WITH BLACK BUSINESS

## BLACK ENTREPRENEURSHIP WORKS:

Black-owned businesses continue to benefit their communities and the country in a myriad of ways. From a dollars-and-cents perspective, this community generates more than \$150 billion in revenue, amplifying the tax base as owners—as well as for the one million Americans employed. Black-owned businesses are one of the fastest growing sectors in the economy. At pre-pandemic levels, Black-owned firms were 11% more likely to hire additional employees compared to white firms. As Black economic growth continues to rebound from COVID-19, the contributions of Black entrepreneurs to local, state, and federal governments will increase. We face a critical opportunity to lift up Black businesses to ensure an equal playing field going into a new chapter of economic growth.

## REPARATIONS ARE A DEBT WHICH CAN BE REPAID THROUGH OPPORTUNITY AND ENTREPRENEURSHIP:

As seen throughout 2020 and 2021, the growing discussion about reparations signals a renewed American commitment to enter a new chapter in race relations. It comes, however, at a time where rhetoric and action threaten to deepen division. We believe “reparations” are less a monetary payment and more so a dedication to an expansion of equality and an implementation of the priorities of this document, when paired with intentional, growth and equity-driven policies for Black businesses. We believe that a commitment to Black business owners to allow free and fair competition—an elimination of a “good ole’ boy” network—can be the cornerstone of such a plan.

## BUSINESS OWNERS NEED ECONOMIC AND POLICY CERTAINTY:

Entrepreneurs are inherent risk takers, often leaving the corporate or public sectors to bring a new idea, invention, or innovation to life. However, entrepreneurs should not face risks from their government. Washington should provide certainty to business owners. Especially when considering the impact on government shutdowns on small, Black contracting firms that do business with the Federal Government. This includes responsible spending policy that limits our national debt, avoiding government shutdowns at all costs and minimizing policy fluctuations that business owners plan

around. Black business owners must be able to rely on policy that lifts them up as opposed to hindering their growth.

#### POLICYMAKERS MUST RETURN TO PRODUCTIVE DIALOGUES:

In recent years, the vitriol in politics has become a barrier to good policy. While there are divisions in how the government addresses society's challenges, policymakers must return to working together, in a bipartisan manner, for the common good. Business owners that drive the economy forward and create jobs deserve a functioning Capitol.

## **2. ALLOW BLACK BUSINESSES TO THRIVE IN A POST-COVID ECONOMY**

#### ACCESS TO CAPITAL:

Businesses need capital to grow. Unfortunately, too many pathways for Black business owners to access capital are riddled with barriers preventing investment in our community. Among Black businesses, the top source of capital cited is either cash or savings, as opposed to obtaining a line of credit with favorable interest rates. Even when Black entrepreneurs seek capital through banks, they are more likely to face denial or higher rates of interest than white firms. This issue continues to remain a top priority and new solutions are needed to ensure all Black businesses have access to capital through a range of lenders.

#### CONTRACTING & CERTIFICATION:

With sufficient capital, Black businesses can compete in every market – bringing innovative goods and services to customers across the country. However, today's contracting ecosystem is heavily skewed to the benefit of conglomerate-sized white majority-controlled firms, making it difficult for smaller Black contractors to stay competitive and increase their profit margins. Governments, often the largest spender in many communities must improve in working with Black-owned businesses by decreasing barriers to entry and working with Black chambers of commerce to bring more competition to the market. The 8(a) program at the Small Business Administration is an excellent example of how government and businesses can partner to provide exceptional service to government agencies. The program's integrity must be protected to ensure that it continues to benefit disadvantaged businesses. This will include an examination of current small business size standards in addition to an examination of eligible entities. All too often, Black-owned businesses are crowded out of the 8(a) contracting pool when competing against larger, more advanced businesses currently categorized as small by SBA standards. BWSC proposes that changes should be made to

the current 8(a) programmatic structure to re-emphasize the prioritization of minority-owned firms, especially Black firms. Moreover, recent efforts to ensure prompt payment to contractors – by the government and by major corporations – should continue unabated. Finally, it is critical that the Black-owned business community develop effective certification protocols to measure contracting spending and increase equity and parity for Black firms with other 8(a) entities.

#### EXPORTING:

Similar to accessing government markets, Black businesses must engage with international markets. Two-thirds of the world's purchasing power and 95% of consumers live beyond our borders. Black businesses should have the resources and knowledge to sell their goods and services around the globe. The U.S. government should develop sustainable trade policies that ensure Black-owned companies have fair opportunities abroad and that their intellectual property is protected in foreign markets. Moreover, resource partners of the U.S. Government that provide entrepreneurial training should include training on foreign markets and exporting, especially in emerging or fast-growing markets such as Africa. The need for stronger U.S. relations are greater in Africa now more than any Allow Black Businesses to 2. Thrive in a Post-COVID Economy time before. Accordingly, the BWSC supports efforts to deepen ties between African countries and Blackowned companies in the United States. In an effort to provide Black entrepreneurs with access to the global marketplace, BWSC has built working relationships with business leaders in Ghana and has also signed Memorandum of Understandings with business leaders in Durban, Morocco, and China with the goal of connecting Black business owners with global business opportunities. BWSC is committed to ensuring increased opportunities for Black businesses to participate in foreign trade and bolstering U.S. relations with an evolving and emerging player in global politics writ large.

#### ENTREPRENEURIAL RESOURCES AND TRAINING:

Accessing the procurement and export of markets– along with developing business ideas and building networks–requires access to legal counseling, technical training, and business consulting opportunities, often unavailable or inaccessible to Black-owned firms. For this reason, continued investment in entrepreneurial development resources and training is paramount. The Minority Business Development Agency (MBDA) at the Department of Commerce (DOC) remains the only government program dedicated to serving minority business owners of all sizes. The newly codified MBDA and other government resource programs should work closely with BWSC and Black chambers of commerce to ensure that available resources are properly advertised and disbursed within the community. BWSC will continue to leverage its significant print, online, radio, and television platforms to encourage increased MBDA engagement with Black business owners in addition to increased resources for the MBDA. Similarly, sustained, and

increased investment in Historically Black Colleges and Universities (HBCUs) and community colleges at the federal level is needed to ensure every educational organization can offer Black entrepreneurial training. In addition, Black chambers of commerce should be made eligible to provide such training and receive state and federal grants.

#### TAX:

When Black businesses have access to capital, markets, and counsel, they thrive. In any tax legislation, BWSC insists on policies that increase fairness, simplicity, and certainty for Black business owners. More research is needed to understand whether Black-owned businesses face unfair disparities in effective tax rates. BWSC will be working with our partners to build data uncovering if Black businesses pay more than other firms in federal, state, and local taxes. BWSC wants to underscore the importance on creating tax policies that are conducive to sustaining newly generated Black wealth to close generational disparities between Black and white families with the goal of increasing Black participation in the American middle class.

#### INFRASTRUCTURE:

BWSC applauds the historic passage of the Infrastructure Investment and Jobs Act directing much-needed investments into the Black community by increasing Black participation in scaling up American infrastructure. However, the investments made in the IJA will be a failure in the Black community if it does not ensure two key actions: first, that investment happens in our communities, which are disproportionately affected by deteriorating infrastructure, and second, that Black-owned businesses play a proportionate role in executing that investment beyond the designated set-asides through the Disadvantaged Business Enterprise program by increasing equity in government contracting overall.

#### TECHNOLOGY:

The coronavirus crisis has forced the world economy to pivot to the virtual landscape over the last two years. Innovations in day-to-day business operations across all sectors are here to stay. The continued digitization of commerce represents both a challenge and opportunity for Black America. While more members of our community can start their own business and reach more customers with the benefits of technology, many opportunities for innovation go undeveloped. BWSC believes that more must be done to ensure technology remains safe, accessible, and open for all Americans, and that the Black business community has the access and ability to leverage new technologies for their companies.

#### TELECOMMUNICATIONS:

Research shows that minorities are less likely to have access to high-speed internet and, when they do have access, are more likely to connect with a wireless device. To this end, the BWSC is advocating policies which promote investment in and deployment of wireless broadband technologies such as 5G infrastructure and Wi-Fi, and access to modernized networks which power them and deliver high-speed broadband connections to consumers nationwide. For minority business owners, the flexibility to run their operations whenever and wherever is important. That is especially true for those whose businesses are not centered on brick-and-mortar locations, such as online storefronts, food trucks, or pop-up shops. Fast, reliable, and affordable network access is paramount so that payment systems, inventory management, HR, and IT systems work properly to keep up with the needs of the business.

#### MEDIA:

In a 24-hour connected world, the role of media in business, politics, and everyday life cannot be understated. As Black-owned media enterprises have slowly made gains in this critical industry, these gains do not by any means place Black-owned media firms in parity with white-owned firms; there must be sensible protections from the consolidation of media entities and the possibility that small Black-owned media is shut out from the broader market. BWSC strives to diversify the field of media to ensure that the marketplace includes more Black-owned firms in the years ahead.

### **3. RESPONSIBLY SUPPORT A VIBRANT WORKFORCE AND BOLSTER BLACK WORKFORCE DEVELOPMENT**

#### HEALTHCARE:

A healthy workforce creates a healthy economy. The Black community has faced decades of unjust disparity in the quality of healthcare compared with the rest of the U.S. population, resulting in the loss of 83,000 Black lives annually. This number has increased since the onset of the coronavirus pandemic. Improving access to healthcare does not only benefit the Black community, but it also boosts employment rates within the country's economy, thus creating greater opportunities for all Americans. Black Americans experience up to 40% poorer health outcomes than white Americans. This disparity leads not only to shortened lives and increased illness, but also costs the nation more than \$60 billion in lost productivity each year. Strengthening the healthcare

provided to Black Americans will increase the efficiency of the American economy for years to come.

As government stakeholders and the private sector works to deploy coronavirus vaccines and access to booster shots, it is crucial that such efforts encompass an equity-based lens, with the goal of increasing trust between Black America and COVID protection measures at the center of the effort. This will ensure that the most vulnerable communities are adequately vaccinated, educated on COVID protocols and booster shots, thus decreasing further mortal devastation experienced in the past years.

#### DIVERSITY & INCLUSION:

There are currently only four Black CEOs in the Fortune 500 companies. The lack of diversity within million-dollar corporations is undeniable, and the Black community would like to bring attention to it. Young Black Americans deserve to see Black mentors and role models leading huge companies, so they can be encouraged to pursue higher education and envision themselves as CEOs. However, the need for the inclusion of Black leadership is not only limited to CEO positions. BWSC believes that we need to promote diverse leadership in fields of science, technology, art, and business to provide the impetus needed for young Black Americans to succeed in their careers.

Diversity and inclusion, however, do not just matter at the top of organizations.

Businesses must offer environments that are receptive to Black employees and schools must be receptive to Black students.

#### SKILLS TRAINING & WORKFORCE:

Employability skills are crucial to retain and succeed in one's job. Unfortunately, the U.S. Bureau of Labor Statistics reported that Black labor force participation rates have been declining since their peak in 2000. This is why the Black community regards skills training as a priority to transition unemployed Black candidates into the American labor force and ensure a range of sustainable job opportunities for Black candidates entering the workforce. Further, we believe that the skills taught should align with the needs of the 21st-century economy and workforce.

State proposals to redefine traditional definitions of workers and contractors must be reviewed with the utmost caution. Unanticipated consequences of overhauls can devastate critical Black industries that developed around these definitions. For example, the Black journalist community relies on a network of contractors that, if classified as employees, would completely undermine the ability for a strong Black free press.

Upwards of 95 percent of Black-owned businesses are considered sole proprietorships or non-employee firms. BWSC believes that existing Black employers hire workers on a salary that is more than the current minimum wage threshold. Accordingly, we support legislation that ensures Black Americans have a living wage and ensuring an increase in Black businesses as employer firms. These actions are critical to building wealth and economic prosperity of our community.



## 4. PREPARE FOR THE NEXT GENERATION OF BLACK ENTREPRENEURS

### EDUCATION:

The responsibility to lead our nation lies on the shoulders of the next generation. It is crucial to pay more attention to the education of young members within the Black community. Today, only 57% of Black high schoolers have access to advanced courses, compared to 81% of Asian-American students and 71% of white students. We must provide a better route to college for future Black business owners and CEOs to not only compete but to succeed within the corporate world.

### HOUSING:

Housing inequality continues to be the root cause of segregation, social disparity, and lack of education amongst members of the Black community. Reports show that Black households have only 10 cents in wealth for every dollar held by white households. Between 2007 and 2013, the net wealth of median Black households fell from 10% to 8% of median white household wealth. Evidently, the housing gap has also increased. It is time for policymakers from on sides of the aisle adopt a united front in order to protect the rights of minorities within this country.

### CRIMINAL JUSTICE REFORM:

For years, Washington has struggled to find common ground on criminal justice reform. Policymakers must engage in constructive debate in order to understand and improve the criminal justice system's treatment of Black Americans. The negative impact of a criminal record is twice as large for Black job applicants as it is for other races. The government should play a positive role in integrating these applicants within the job market to improve their livelihood and boost employment rates. One prime opportunity for criminal justice reform and entrepreneurship is to ensure Black business participation in the growing cannabis industry, as well as use proceeds from that industry to offset the damage that marijuana-related incarceration has inflicted on non-violent offenders. Finally, the expungement of non-violent marijuana-related crimes is critical to allowing this significant portion of the prison population a chance to succeed postincarceration— a basic principle of fairness demands action on this front.

### ENERGY & CLIMATE:

The Black community strongly believes in environmental sustainability. While the renewable energy industry employs thousands of Americans each year, the Black community does not play a large enough role within it. For example, within the U.S. wind power industry, only 8% of employees are Black. This number is below national workforce averages. The HBCU and broader educational community should be examined to ensure that Black students receive support for energy-related opportunities. Beyond the importance of diversity and inclusion, avenues in environmental sustainability represents an enormous opportunity for Black entrepreneurs. We must continue to advance both the moral and business imperatives in order to create a just economy for all.

## **5. ENSURE CONTINUED AND EXPANDED RESOURCES TO SUCCESSFUL MODELS FOR BLACK BUSINESS DEVELOPMENT**

### **BOLSTER RESOURCES AT THE MINORITY BUSINESS DEVELOPMENT AGENCY:**

As a result of the Infrastructure Investment and Jobs Act, the MBDA at the Department of Commerce has been made a permanent federal agency, solidifying the MBDA's role in American Black business development for the foreseeable future. BWSC recommends that Congress allocate additional funding to the MBDA and MBDA business centers. While the MBDA is properly positioned to help Black businesses, they lack proper resources to reach Black businesses at the current demand demonstrated by the marketplace. To position growing Black firms to take advantage of economic growth following COVID, we must invest in the agency that has shown the most dedication and proven track record of success to helping Black firms thrive.

### **INCREASE SBA EFFORTS TO REACH THE BLACK COMMUNITY:**

The Small Business Administration plays a pivotal role in increasing opportunities to capital access, business development, and technical training to Black communities across the United States. However, the SBA's resource partners, including Small Business Development Centers and Women's Business Centers are only as strong as the SBA's ability to market them to communities in need. At a time in which trust in government programs and opportunities is in decline, the SBA and other agencies should scale up outreach to minority and Black communities to ensure that all

entrepreneurs in need of assistance can easily identify and recognize opportunities that would be a good fit for them.

**EXPAND DBE PROGRAM REQUIREMENTS TO ENABLE MORE BLACK CONTRACTORS:**

As equal opportunity in accessing government contracting and business opportunities remains low, the federal government should begin to think about expanding upon already successful programs that increase equity and competition. For example, the Disadvantaged Business Enterprise program stipulates that at least 10% of funding awarded to government contracts be made available for minority businesses. While that 10% is substantial, it represents a funding floor, not a ceiling. More guidance is needed from the Department of Transportation in expanding the program to meet the demand to 15%.

Thank you for supporting and partnering with Black Wall Street Charlotte,

God bless!