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Viewpoint

By Barbara Thomas

Black Entrepreneurs Win, Corporations Lose

The NBMBA's Barbara Thomas says black Americans' business success is good news for everyone except the companies they leave behind

In some deeply empowering good news, the U.S. Census Bureau recently informed Americans that black-owned businesses are among the fastest-growing segments of the nation's economy—up 45% from 1997 to 2002—and that these businesses currently generate a healthy \$89 billion in revenue, up 25% over the same period. And while the geography of this trend shows no surprises—African-American businesses tend to be concentrated in cities such as New York, Atlanta, Los Angeles, and Chicago—it's instructive to look a little beneath the surface.

While New York City has the largest number of black-owned businesses, Cook County, Ill. is the top county nationwide for these businesses. This indicates that African Americans are starting businesses not just in Cook County's core of Chicago, but in nearby suburbs with substantial, often middle-class and affluent, black populations, such as Evanston, Flossmoor, Oak Park, and Olympia Fields.

It's thrilling to see the creativity, determination, and resourcefulness black people bring to creating wealth. Less thrilling, but still necessary, is a dash of reality. African Americans' entrepreneurial businesses led in the number of bankruptcies. And even when they're successful as entrepreneurs, African Americans too often choose to go it alone because they're shut out of other routes to the top.

SUCCESS STORIES. Indeed, if there's a shadow in this rosy entrepreneurial picture, it's the loss to Corporate America of the very talent desperately needed in the diverse global marketplace. Today, it's easier to find African-American role models among entrepreneurs than among top corporate leaders.

The late publishing giant John Johnson, BET founder turned hotel mogul Robert Johnson, Oprah—they and many others show what can be accomplished as the "go for it" message of individual potential and wealth-creation takes root. The concern must be for corporations that cannot or will not recognize and maximize the talents of their people.

To give credit where due, some corporations understand the importance of diversity and the necessity of retaining the people of color they've recruited. Verizon ([VZ](#)), Marriott ([MAR](#)), Hilton, Xerox ([XRX](#)), Wal-Mart ([WMT](#)), Coca-Cola ([KO](#)), and PepsiCo ([PEP](#)) are just a few of the companies recently recognized by Black MBA Magazine (the official magazine of the National Black MBA Association, where I am president and CEO) and others as among the top U.S. companies for their efforts in keeping and valuing minority employees.

AGAINST ALL ODDS. We are thus seeing the emergence of a positive corporate model that may yet stem the tide of talented minorities and women abandoning the corporate ranks (see BusinessWeek.com Video, 8/28/06, "[Minority](#)

[Rules](http://www.businessweek.com/mediacenter/video/newsmakers/8da8c23f59f0dea2c55e51980eba04d71d4b0736.html)<http://www.businessweek.com/mediacenter/video/newsmakers/8da8c23f59f0dea2c55e51980eba04d71d4b0736.html>). The success of independent African Americans in business demonstrates vividly that there's no lack of talent or ambition—rather, there's a lack of opportunity in the corporate realm.

At the same time, there's no denying the surge of optimism and pride we feel at seeing black Americans make it, in spite of everything—the biggest "in spite of" being a woeful public education system that manages to graduate less than half its African-American male students from high school. In the can-do spirit that drives every entrepreneur, let us consider how we may spread the success our entrepreneurs are seeking and finding.

One good answer comes from the Ewing Marion Kauffman Foundation of Kansas City, Mo., which focuses its resources on education and entrepreneurship. Supporting research on how to better educate America's youth is the necessary and logical underpinning for supporting the foundation's co-equal mission of nurturing the entrepreneurial spirit.

PARTNER POWER. Education as the bedrock of success is of course a fundamental principle for the National Black MBA Association (NBMBA). Our Leaders of Tomorrow program links talented but underachieving high school students with mentors, scholarship programs, and other opportunities.

Just as deeply, we're devoted to supporting adult businesspeople as they progress in their careers. Development, training, financial assistance for higher education, mentoring, and networking—in all our work, we strive to maximize our members' gifts, and to connect these superbly qualified people with the corporations that need them.

And never underestimate the power of a partner. Whether you're talking about the U.S.'s biggest corporations or the one-person shops that comprise 92% of African-American entrepreneurs' businesses, mutually beneficial partnering maximizes resources and minimizes failure. It's the single most efficient way to get things moving, an invaluable shortcut to sparking creativity and finding new approaches to old situations. Partnerships uniting the nation's businesses, associations, and government entities are essential if we want to try to generate wealth and success for all Americans.

Throughout its history, the fiercely individualistic U. S. has been one big entrepreneurial incubator. African Americans haven't always had access to the incubator, but now that we're in it, we too are growing healthy and strong as business success stories. As entrepreneurs and as corporate employees, we're pursuing prosperity with the positive confidence that it's within our reach to thrive in a business community that's open to all.

Barbara Thomas is president and CEO of the [National Black MBA Association](http://www.nbmbaa.org)<http://www.nbmbaa.org>, a not-for-profit advocacy organization dedicated to increasing intellectual and economic wealth in the black community through education, employment, and entrepreneurship. Before joining the NBMBA, Thomas worked in the broadcasting industry for 25 years.