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Why do we need an African American Business Leaders Council?

According to the U.S. Census there are about 2 million African-American owned businesses in the U.S., compared to 22.6 million other businesses nationwide. African Americans make up 13% of the U.S. population, but only own 7% of all the businesses. There are challenges for any firm doing business today, including access to financing and capital, regulation and taxes, human capital, uncertainty, increased competition, customer loyalty and ethics. For African American businesses, these challenges can be significant. There are quantifiable racial disparities in business ownership, wealth, capital and education. There are alarming rates of wealth inequality in the U.S. The median white household had \$111,146 in wealth holdings in 2011, compared to \$7,113 for the median African American household and \$8,348 for the median Latino household (U.S. Census Bureau, Survey of Income and Program Participation).

The Federal Reserve in a study released in 2013 found that minority business owners pay interest rates on average 32% higher than the rate their white counterparts pay. New academic research continues to confirm this trend. For example, when loan applicants wore the same clothes and had similar education levels and financial profiles. The minority business applicants were provided less information about long-term loans, offered less help completing application, and were asked more questions about their personal finances. Nationwide only 15% of the high school graduating class of 2013 were African American students. The overall graduation rate for African American students is 70%; the national average is 81%.

The purpose of the African American Business Leaders Council (AABLC) is to focus on economic empowerment, community engagement, networking and advocacy for African-Americans in our community involved in, or pursuing interests in business and industry. AABLC seeks to educate, advise and serve as a forum for networking, access and representation within the broader community dialogue.

There is much work to do in the areas of education and networking. Access to financing and capital is also a major enabler for African American businesses to be successful.