



Which business group grew by nearly 180 percent?

by: Jennifer Wilding

September 19, 2018

“You’ve just got to go for it,” say black women business owners

Black women launch new businesses more often than any other group in the nation. The Federal Reserve Bank of Kansas City went to the source to find out what motivates them to take the leap. [Black Women Business Startups](#), by Dell Gines, a senior community development advisor, offers a research-driven look at black women business owners, their business insights, and ideas for increasing the number, strength and growth of businesses owned by black women.

Black women created nearly 1 million new businesses

The number of businesses owned by black women grew by 179 percent – nearly 1 million businesses – from 2002 to 2012. In comparison, businesses owned by all women increased 52 percent while the overall growth rate in the United States was 20 percent. To gain insight into this growth, the KC Fed hosted 34 women in five focus groups in the cities of Denver, Kansas City, Oklahoma City, Omaha and Wichita.

Pushed by dissatisfaction, pulled by opportunity

Many of the women in the focus groups said the catalyst for starting a business is poor treatment in the workplace or a desire to pursue a passion or opportunity. Attendees shared two major entrepreneurial traits: self-learning and determination. As one woman said, “You must keep going for it, otherwise, you’ll always deal with that fear stage and that will keep you stuck.”

Most of the women said they face a host of challenges, the biggest of which was their own lack of general business knowledge. For example, about 77 percent of black women business owners are first-time business owners. They also reported they had trouble gaining enough financing, identifying their target market, and dealing with fear.

But while businesses owned by black women are much smaller on average than those owned by other groups, their contribution to national and state economies is growing. Sales receipts at businesses owned by black women more than doubled from 2002 to 2012, from \$20 billion to \$42 billion.

Learning from experience

The KC Fed asked focus group participants, “What do you wish was available to you when you started your business?” They said they wished for four things: access to general and specific business knowledge, mentoring, peer engagement and financial resources.

The study also includes a series of recommendations, based on insights from the focus groups, designed to help build local ecosystems that support black women businesses. The series offers specific roles for colleges, employers, financial institutions, political leaders and more.

Along with a luncheon in Kansas City, Gines has presented his findings at events in Denver, Omaha, Oklahoma City, Topeka, Tulsa and Wichita. The audiences included many black women who own businesses. “The stories I heard from them were very similar to the stories I heard from the women in the focus groups,” he said. “It tells me that our research is on target.”

What do you think should happen?

Click [here](#) to share your thoughts about how to support businesses owned by black women with study author Dell Gines.

For additional information on entrepreneurship-based economic development, visit www.kansascityfed.org/community/smallbusiness.

Author



Jennifer Wilding

Community Engagement Advisor

Jennifer Wilding, a community development specialist for the Kansas City Fed, provides communications, engagement, and research for the community development department. Wilding edits the Kansas City Fed's community development newsletter, "[Community Connections](#)" and takes on special projects. For example, she serves as project director for a community-engaged research partnership. The Kansas City Fed, a nonprofit and a neighborhood organization joined together to hear from neighborhood residents about broadband internet. The report will be shared nationwide. Before joining the Kansas City Fed in 2018, she was executive director of Consensus KC, a nonprofit consulting firm specializing in public policy and civic engagement. She worked on philanthropically funded projects in metro Kansas City, and for clients here and around the U.S. Wilding holds a B.A. in urban affairs from the University of Missouri-Kansas City. Her hobby is letterpress printing, using a 1,500-pound cast-iron press from the late 1800s. Highlights of her work include: [Getting to 'We Have a Deal.'](#) The three-part article shares how Investment Connection bridges bankers and community-based organizations. The article is on [Fed Communities](#), the national website about the Fed's work in communities. [Disconnected: Seven lessons on fixing the digital divide.](#) A layperson's guide to putting broadband, devices and training within reach of a community. [Focus groups with unemployed individuals](#) and with people from nonprofits that serve them, held in Chicago, Detroit, Denver and Kansas City. **About the Federal Reserve Bank of Kansas City** The Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks that, along with the Board of Governors in Washington, D.C., make up our nation's central bank. We work in the public's interest by supporting economic and financial stability. The Kansas City Fed's territory includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Our headquarters is in Kansas City, with branch offices in Denver, Omaha and Oklahoma City. The Kansas City Fed Community Development Department promotes economic development and public understanding that leads to progress for lower-income individuals and communities. Our focus areas include community development investments, digital inclusion, small business / entrepreneurship, and workforce development.

Media



Dell Gines shares the results of focus groups he conducted with black women business owners at a luncheon at the office of CHES, Inc.



About 70 people attended the luncheon, including many of the women who participated in the Kansas City focus group.