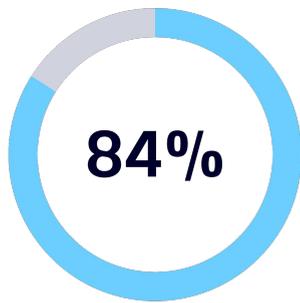


# Small Business Temp Check

In our most recent survey data, there is a ton of optimism heading into 2022 from small business owners. **No group is more optimistic in the expectation of growth than Black business owners, 84% predicting growth** as we enter the new year as compared to 69% of non-Black business owners. As we check in on the state of Black businesses, our 2021 data shows this optimism presents itself in business launches, hiring efforts, and revenue growth.

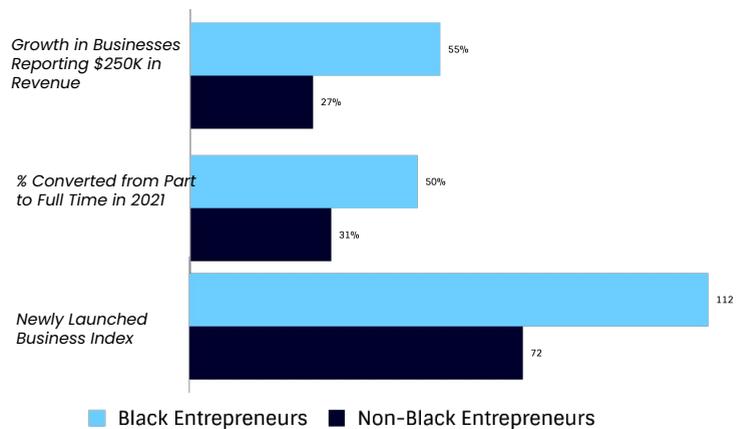


“Optimistic that my business will grow in 2022”

Looking at 2020 compared to 2021 revenue data collected from our Black entrepreneurs, it is no surprise these business owners are heading into 2022 with excitement. In that one year, there was a **55% increase in Black businesses reporting an annual revenue of over \$250,000**. This increase is **more than double** the increase reported by non-Black entrepreneurs.

This revenue growth is evident in both newly launched businesses (businesses launched since 2020) and established businesses. Black entrepreneurs over-index for growth in both business categories. We have seen a 267% increase in newly launched Black-owned businesses reporting a revenue of over \$100,000 and a 38% increase in established businesses reporting a revenue of over \$250,000.

Revenue growth is not the only indicator that Black entrepreneurs are particularly optimistic about their business and ready for more growth. They also make up a large portion of newly launched businesses in 2020 and 2021. In fact, recent data shows **in 2020 and later 79% of businesses were founded by Black entrepreneurs** — an over-index as Black owners make up only 70% of the total dataset.



This appears to be a common theme in the data: **in 2021, 50% of Black owners surveyed stated they turned their part-time side hustle into a full-time business**, compared to 31% of owners from other demographics.

## Top Industries of Newly-Launched Black Businesses



**20%**  
Beauty & Self Care



**19%**  
Consumer Goods, Retail, and E-commerce



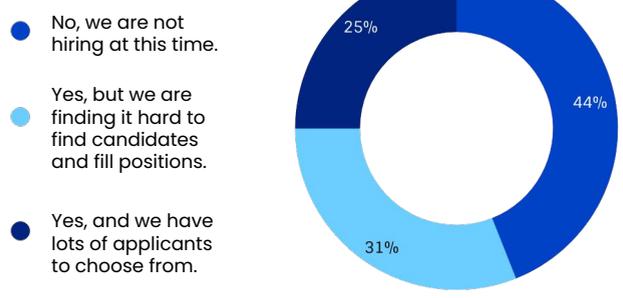
**8%**  
Professional Business Services

To support both new business and growth in 2022, 56% of Black business owners have plans to hire for 2022. While hiring has presented challenges for business owners, with 61% of overall businesses currently claiming to have difficulty finding candidates and filling positions, **Black owners have reported being less affected by this hiring obstacle than their non-Black counterparts.**

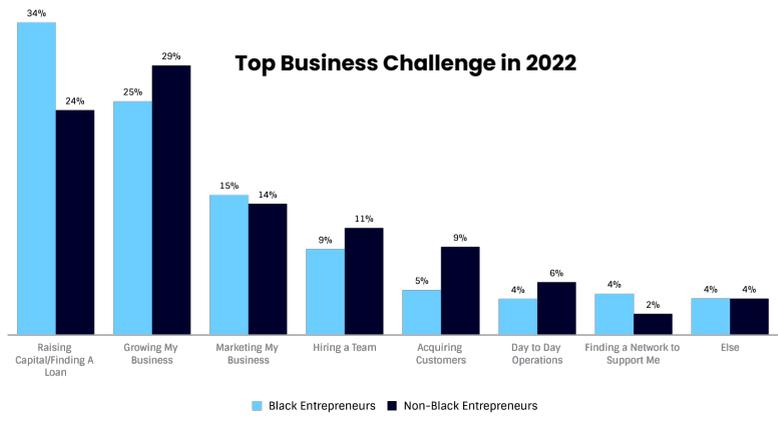
We cannot assess the current state of Black Small Business and the sentiment on 2022 without addressing the challenges that will be faced and overcome in order to turn optimism and encouraging data into a reality.

Hello Alice asked for the top business challenges owners expect to face in 2022. The number one answer is often the same, time and time again. Black Business Owners need most: **the ability to raise capital.** 34% of Black owners cite raising capital as their primary obstacle in 2022. This challenge is substantially over-stated among Black entrepreneurs as only 24% of other demographics cite this as the top challenge.

“Do you plan to hire in 2022?”



Top Business Challenge in 2022



While new businesses present this need in higher portion than existing businesses, both new and existing Black businesses over-index on this point. The challenge becomes compounded when considering **Black owners over-index, by nearly 30%, on being turned down for a traditional bank loan in the last five years.**

Capital can be deployed in many different ways in order to help a business stay afloat and/or grow. 48% of Black owners would plan to use capital to cover general operating expenses such as utilities, rent, permits, cost of goods, etc. Another 21% would use the capital for marketing and advertising.

Marketing continues to be a growing need and challenge. When asked, outside of capital, what would be the most helpful to their business, the number one answer from both Black owners and non-Black owners was simply **“the opportunity to market my business to generate sales.”** Growing and marketing their businesses are ranked as the second and third challenges for Black business owners, with 25% and 15% reporting this, respectively.



**Since we launched during the Pandemic and we were bootstrapping the firm, lack of money was an issue, thus we did not have the option to do in-person channels. We used social media – Facebook, Instagram, LinkedIn and Twitter. Six months after launch, once we started to receive revenue, we then paid for commercials on BET Jams and BET Soul (than ran for a month each).”**

- Tracy Vontéle Green, Co-Founder & CEO of Vontéle Eyewear

