



DISRUPT THIS!

Why Minority Entrepreneurship is Stuck and What Needs to Happen Next

EXECUTIVE SUMMARY

FOUNDERS OF COLOR

228 YEARS

That's the amount of time it will take for black family wealth to catch up to white family wealth. For Latino Americans, it's 84 years ([source](#)).

While there are many ways to create wealth, there are only two ways to create multi-generational wealth—inheritance and entrepreneurship ([source](#)).

With inheritance largely unavailable to the current generation of blacks and Latinos, entrepreneurship proves the only viable way forward.

The problem is that black and brown entrepreneurs are not experiencing the same outcomes as whites. On average, white-led firms generate 10 times the revenue of black-led firms and eight times the revenue of Latino-led firms ([source](#)). Eliminating this disparity would not only address the racial wealth gap, but also add 9 million more jobs to the economy and boost the national income by \$3 billion ([source](#)).

Unfortunately, the current configuration of supports in place to help minority entrepreneurs succeed is largely insufficient.

The supplier diversity model, which businesses and governments have historically used to source minority vendors, is broken. Most programs are chronically under-resourced, with program managers lacking direct access to the pool of capable minority suppliers.

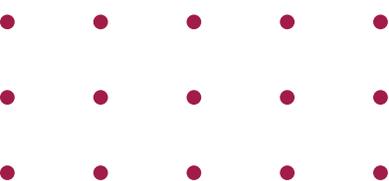
Minority chambers provide localized support but lack the capacity to provide the sort of comprehensive programming necessary to help minority small businesses scale.

Federal initiatives like the Minority Business Development Agency and the 8(a) Program have connected participating firms with billions in financing and contracts. However, much of their programming is directed to larger, more sophisticated firms, which reflect less than 5% of minority small businesses.

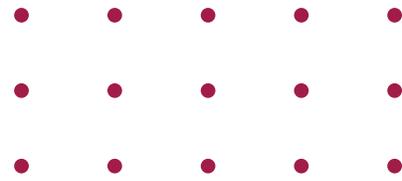
And while the emergence of the startup economy has resulted in the creation of new organizations designed to support tech entrepreneurs, most initiatives are under-resourced, thereby constraining their capacity and effectiveness.

The potential for entrepreneurship to close the racial wealth gap is real, but it will require an evolved ecosystem that is coordinated and supportive. It will also require national-level leadership from an entity whose sole focus it is to advance the cause of minority entrepreneurship.

**AT FOUNDERS
OF COLOR, WE
ARE POSITIONING
OURSELVES TO BE
THAT HUB.**



OUR WORK WILL TAKE ON THE FOLLOWING PRIORITIES:



- **Grow the Movement**

By building the base, we're able to deliver services and supports at scale, which will result in wide-reaching impact.

- **Assess the Lay of the Land**

By mapping existing initiatives and stakeholders, we're able to identify opportunities and gaps while supporting comprehensive and coordinated service delivery.

- **Build the Knowledge Base**

By closing existing data gaps, we're able to develop more informed programming and advance efforts that are truly capable of moving the needle.

- **Convene the Change Makers**

By creating a space for leaders to come together and identify synergies, we're able to connect the dots in ways that produce improved outcomes overall.

- **Advance the Conversation**

By offering sustained vision and leadership, we keep the issue at the forefront, which is necessary to achieve long-term progress.

At [Founders of Color](#), we know that achieving economic parity through entrepreneurship is possible, and we're ready to lead. But we can't do it alone. Therefore, we are engaging a capital campaign to fund the next five years of operations. The campaign will enable us to build the institutional infrastructure necessary to carry our work forward in a sustainable way.

ABOUT FOC

Founders of Color (FOC) is a national organization dedicated to minority small business growth. We understand the power of entrepreneurship to achieve economic equality and view entrepreneurs of color as untapped resources that, when unleashed, will grow the nation's economy, strengthen its social fabric, and bring renewed vitality to the American Dream.

With 3,700 members in 42 states, Founders of Color is building a movement for change.

Since 2017, we've delivered programming that connects our members to the resources and information they need to scale, all while building a community where they feel challenged, supported, and understood.

To learn more about FOC, visit www.foundersofcolor.org.

To learn how you can partner with us to close the racial wealth gap and reboot The American Dream, contact Kelly Burton at kburton@foundersofcolor.com.