

U.S. BLACK CHAMBERS, INC.

NO CAP INITIATIVE · AMERICA 250

CREDIT IS CAPITAL

A White Paper on 250 Years of Black Business, Capital Exclusion, and the Path to Economic Power

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EXECUTIVE SUMMARY

THE CASE HAS NEVER BEEN CLEARER.

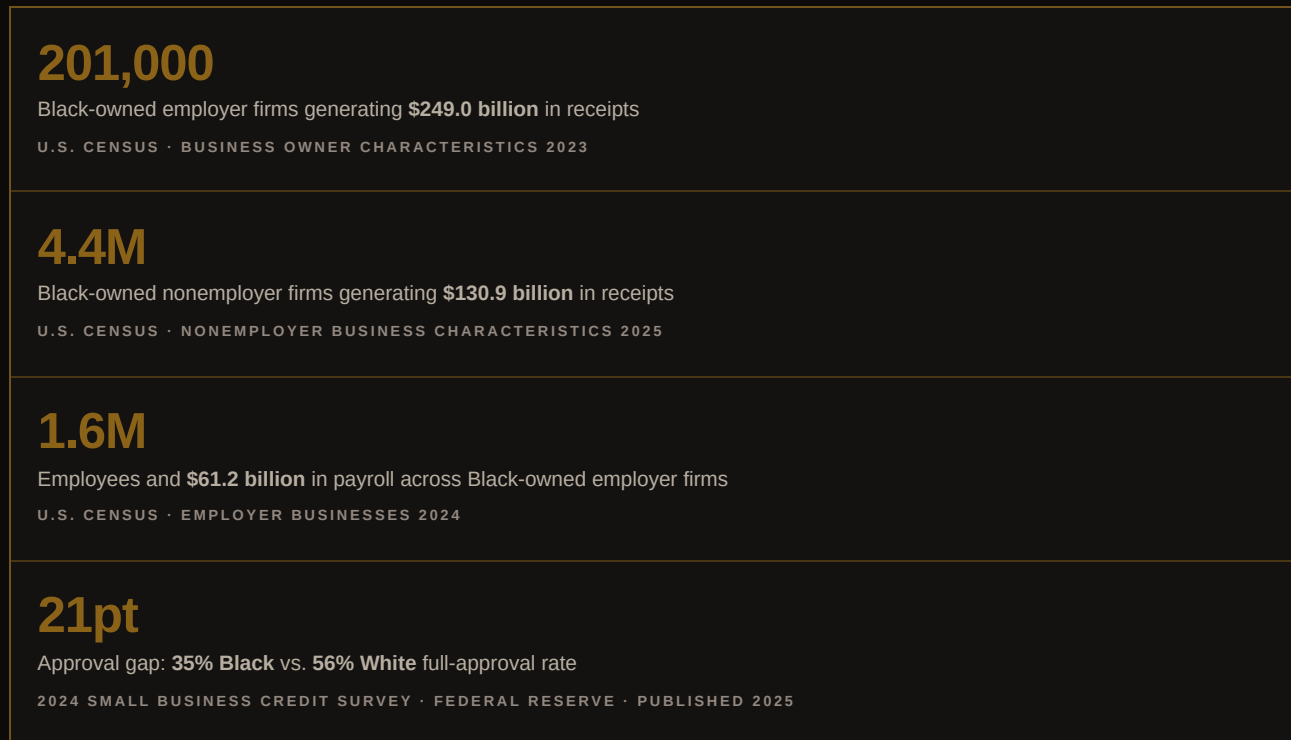
Black Americans have been building businesses on this continent for nearly 250 years. They have done it under enslavement, under the boot of Jim Crow, under the weight of redlining, and inside financial systems that were architecturally designed to exclude them. And still, they built.

But here is the truth that no amount of inspiration can erase: sustained business growth requires capital. Not hustle. Not hope. **Capital.** Specifically, affordable, accessible working capital in the form of credit.

This white paper is the intellectual foundation of the U.S. Black Chambers' NO CAP initiative. It documents the 250-year history of Black entrepreneurship in America, traces the structural roots of capital exclusion, quantifies the present gap between Black business owners and the capital they need, and makes the case that credit education is not a soft intervention. **It is economic infrastructure.**

The Numbers That Define the Moment

The latest U.S. Census data — released November 2025 and May 2025 — shows a Black business economy of national consequence:



The longitudinal evidence amplifies the urgency. Federal Reserve data from 2022 showed that **only 13% of Black-owned firms received all the funding they applied for** versus 35% of White-owned firms, and that **40% of Black business owners apply for less than they actually need** — a self-rationing pattern that is invisible in approval data but devastating in economic effect.

These numbers do not represent a failure of effort. They represent the downstream consequence of a system that has, repeatedly and deliberately, removed Black business owners from the capital pipeline.

What This Paper Argues

NO CAP makes three structural claims:

- **Credit is not just debt — it is working capital.** Used strategically, credit is the tool that covers payroll, buys inventory, bridges receivables gaps, and funds growth without surrendering equity or ownership.
- **The history of Black business is inseparable from the history of capital access.** Where access existed, enterprise expanded. Where it was denied or destroyed, wealth thinned.
- **The next frontier is not inspiration — it is infrastructure.** Better credit knowledge. Fairer underwriting. Stronger lending relationships. Broader access to CDFIs, SBA programs, and responsible credit products.

As the United States marks its 250th anniversary in 2026 — a moment of collective reflection on the promise of American democracy — this is the right moment to ask: what does it mean for that promise to include the more than three million Black-owned businesses that have always been part of this economy, often without being full participants in it?

The answer begins with the words **No Cap** — no more ceilings on what Black entrepreneurs can access, build, and own.

INTRODUCTION

WHY AMERICA 250 IS THE RIGHT MOMENT.

In 2026, the United States turns 250 years old. It is a moment built for mythology — parades, declarations, the gleaming rhetoric of liberty and opportunity. **It is also a moment built for honesty.**

If the American promise means anything, it must mean something for the millions of Black entrepreneurs who have been building inside this economy since before it was a nation. It must mean something for the business owners who were locked out of the Paycheck Protection Program in 2020. For the entrepreneurs in cities like Chicago, Atlanta, Houston, and Detroit who walk into a bank and walk back out without a loan. For the innovators and builders who are brilliant, bankable in every real sense of the word, but are told by underwriting algorithms that they are a risk.

America at 250 is not just a celebration. It is a reckoning.

The U.S. Black Chambers' NO CAP initiative launches in 2026 because this is the right historical window. The America 250 conversation is happening at the national level — in policy, in media, in culture. NO CAP inserts the story of Black entrepreneurship and capital exclusion into that conversation, not as a grievance, but as **an economic argument with 250 years of evidence behind it.**

This white paper is the evidence.

"Credit isn't just debt. It's working capital when you know how to use it."

— NO CAP CAMPAIGN

The thesis is simple: when Black entrepreneurs understand, access, and strategically deploy credit, they gain the working capital required to survive shocks, fund growth, and build generational wealth. The corollary is just as clear: when credit is withheld, priced beyond reach, or made inaccessible through structural bias, economic progress stalls. Not because the entrepreneurs aren't capable. **Because the infrastructure isn't equitable.**

A Note on Methodology

This paper relies on the most current federal data available — including U.S. Census releases from November 2025 and May 2025, the 2024 Small Business Credit Survey published in 2025, and Treasury and SBA reporting from FY2024. Where 2022 Federal Reserve data adds longitudinal weight or illuminates persistent patterns, it is preserved alongside the newer figures rather than discarded.

One methodological boundary: the federal government did not measure minority-owned business in a modern, systematic way across the full 250-year period. The U.S. Census began surveying minority-owned business as a special project in 1969 and incorporated it into the economic census in 1972. Earlier historical sections therefore rely on

documented historical narrative and institution-level evidence, while later sections — especially from the late twentieth century forward — permit stronger quantitative analysis.

THE CORE THESIS

CREDIT IS CAPITAL.

Most financial literacy campaigns make the same mistake. They talk about credit as a thing to be managed — a score to protect, a balance to pay down, a trap to avoid. This framing, however well-intentioned, misses the most important truth about what credit actually is.

Credit is working capital.

For a business owner, credit is the ability to buy **\$40,000** worth of inventory before the revenue arrives to pay for it. It is the capacity to cover two weeks of payroll when a client pays 45 days late. It is the bridge between winning a contract and executing on it. It is the difference between absorbing a supply chain disruption and shutting your doors because of one.

What Credit Enables in Practice

Consider four common scenarios faced by small business owners every week:

- **Inventory financing.** A retail owner receives a seasonal purchase order but doesn't have the cash on hand to fulfill it. A business line of credit covers the inventory acquisition. The order ships, the revenue arrives, and the line is repaid. Without credit, the order is declined and the relationship lost.
- **Payroll continuity.** A service firm wins a \$250,000 government contract with net-60 payment terms. Payroll runs every two weeks. Credit covers the gap between work delivered and payment received. Without it, the owner either delays payroll — risking team departure — or turns down the contract entirely.
- **Equipment acquisition.** A construction contractor is awarded a project requiring equipment she doesn't own. An equipment loan allows her to acquire the tool, complete the job, and build a credit history that makes the next loan easier. Without access, the job goes to a competitor with deeper pockets.
- **Emergency resilience.** A restaurant owner faces a refrigeration failure that will cost \$18,000 to repair. A business credit card or line of credit means the kitchen reopens tomorrow. Without it, the restaurant closes for days or weeks — potentially permanently.

These scenarios are not hypothetical. They are weekly realities for millions of business owners. The difference between the entrepreneur who navigates them and the one who doesn't is rarely talent, work ethic, or market opportunity. **It is often a single variable: access to affordable credit at the right moment.**

\$663B

Total revenue generated by Black-owned employer firms in 2021. *Source: U.S. Census Bureau, Annual Business Survey.*

The Stronger Thesis

Credit education matters. But this paper makes a more rigorous claim than the soft version of that argument would suggest.

A weaker version of the claim suggests that if entrepreneurs only understood credit better, disparities would largely recede. The evidence does not support that conclusion. A stronger version does: **credit education becomes economic power when it operates inside a financing system that is transparent, nondiscriminatory, and capable of supplying appropriate working capital.**

Knowledge without fair access is not enough. But neither is access without readiness. The growth challenge is not only to educate entrepreneurs. It is to align information, underwriting, products, and policy so that knowledge can be turned into capital, and capital into durable business growth.

That framing matters for public messaging. If the national conversation centers only on "teaching Black entrepreneurs how credit works," it risks implying that the primary problem is behavioral or informational. The historical and contemporary record shows something more demanding: Black entrepreneurs need stronger credit literacy, yes, but markets and institutions must also become more accountable. **The point of education is not to privatize blame. It is to expand agency in a market where agency has too often met unequal rules.**

The Compounding Effect of Credit Exclusion

The consequences of credit exclusion are not contained to the individual transaction that is denied. They compound. A business that cannot access credit in Year 1 is smaller in Year 3. It employs fewer people. It generates less tax revenue. It creates less local economic activity. It builds less equity that can be passed to a next generation. It has a narrower runway when the next crisis arrives.

Multiply that effect across millions of businesses over generations — across a history that includes slavery, Reconstruction, Jim Crow, redlining, and discriminatory lending — and the math becomes undeniable. **The racial wealth gap is not a mystery. It is a balance sheet.** And credit policy is one of its largest line items.

HISTORICAL CONTEXT

A 250-YEAR TIMELINE OF BLACK BUSINESS IN AMERICA.

The story of Black entrepreneurship in America begins not in the post-Civil Rights era, not with the rise of Black Wall Street, and not with the passage of the Equal Credit Opportunity Act. It begins in the colonial period, when enslaved and free Black people alike were building economic lives under conditions designed to prevent exactly that.

What follows is not a survey of inspiring exceptions. **It is a structural analysis** — a 250-year record of what happens to Black enterprise when capital access expands, and what happens when it is contracted or destroyed.

COLONIAL FOUNDATIONS TO THE NEW REPUBLIC

Free Black entrepreneurs operated in every colonial city of significance. In Boston, New York, Philadelphia, and Charleston, free Black tradespeople — barbers, caterers, seamstresses, longshoremen, blacksmiths — built businesses that were indispensable to the local economy even as those same economies were built on enslaved Black labor.

James Forten, born free in Philadelphia in 1766, built a sail-making business employing over 40 workers — Black and white — and accumulated a fortune worth over \$100,000 by the early 1800s. He used that wealth to fund the abolitionist movement. **Capital and cause, inseparable.**

In the antebellum South, a smaller but significant population of free Black entrepreneurs operated under constant legal restriction. They built despite this — and their businesses were frequently targeted for destruction when they built too visibly. This pattern — *build, succeed, become a target* — would repeat itself across 250 years.

RECONSTRUCTION AND THE FIRST GREAT EXPANSION

Emancipation in 1865 unleashed one of the most remarkable entrepreneurial surges in American history. Within a generation, formerly enslaved people had founded banks, insurance companies, newspapers, and mutual aid societies across the South. They built schools with their own hands. They purchased land at rates that alarmed white political leaders in former Confederate states.

The **Freedman's Savings and Trust Company**, chartered by Congress in 1865, served over 70,000 Black depositors across 37 branches before it collapsed in 1874 — its funds mismanaged by white administrators and drained by speculative investments the depositors knew nothing about. The National Archives reports that only about **62% of deposited funds** were eventually recovered. It was an early and devastating lesson in what happens when Black capital is held in systems not designed with Black protection in mind.

By 1900, there were an estimated **40,000 Black-owned businesses** in the United States. There were Black-owned banks in Durham, Atlanta, and Richmond. There was a thriving insurance economy in towns across the South — because Black people were systematically denied coverage by white-owned insurers. Necessity and exclusion, as they always have, produced innovation.

THE RISE OF BLACK WALL STREET AND THE PRICE OF PROSPERITY

By 1921, the Greenwood District of Tulsa, Oklahoma had become the most concentrated example of Black economic self-sufficiency in American history. Residents called it Little Africa. The national press, in one of history's more striking euphemisms, called it **Black Wall Street**.

National Park Service records describe a community of roughly **11,000 residents** with a hospital, schools, newspapers, theaters, churches, and a notable concentration of Black professionals and merchants. Greenwood had **over 300 Black-owned businesses** — hotels, law offices, medical practices, two newspapers, and a hospital. Its economy was estimated at \$200 million in today's dollars.

On May 31 and June 1, 1921, a white mob — enabled by the Tulsa city government and the Oklahoma National Guard — burned 35 blocks of Greenwood to the ground. **Over 1,200 homes were destroyed. 300 people were killed. More than 10,000 Black residents were left homeless.** Property losses were estimated at \$27 million in 2021 dollars. Not a single property owner received insurance compensation.

"They called it Black Wall Street. Then they burned it down. The question NO CAP asks is: who is responsible for rebuilding it now?"

— NO CAP CAMPAIGN

The Tulsa Race Massacre was not an anomaly. It was the apex of a pattern: from the Colfax Massacre of 1873 to the Rosewood destruction of 1923, successful Black economic communities across the country were targeted for destruction when they became sufficiently prosperous to be perceived as threatening. **The barriers to Black business growth have never been merely market forces. They have been, at key historical junctures, deliberate and violent.**

JIM CROW, REDLINING, AND THE ARCHITECTURE OF EXCLUSION

The New Deal era extended federal economic infrastructure to millions of Americans — and deliberately excluded Black Americans from much of it. The Federal Housing Administration, created in 1934, insured mortgages that explicitly prohibited lending in Black neighborhoods through a practice that became known as **redlining**. The Home Owners' Loan Corporation produced maps of American cities color-coded by lending risk. Black neighborhoods were shaded red — categorically ineligible for the government-backed loans that were building white middle-class wealth across the country.

\$120B

In FHA-backed mortgages issued **1934–1962**, less than **2%** went to non-white families — a federal subsidy for white wealth that excluded Black Americans by design.

For Black business owners, the redlined neighborhood was doubly punishing. It meant no home equity to borrow against for startup capital. It meant a customer base with suppressed wealth. It meant commercial property in "high-risk" zones that banks wouldn't finance. It meant a loop of exclusion so complete that only those with access to Black-owned financial institutions — and there were fewer and fewer — had any path to capital at all.

The NAACP counted 134 Black-owned banks in 1934. By 1966, that number had dropped to 18. The financial infrastructure of the Black community did not collapse because of market failure. It was starved.

THE REFORM ERA

The civil rights legislation of the 1960s and 1970s created the legal framework for challenging discriminatory lending. The **Equal Credit Opportunity Act of 1974** prohibited discrimination on the basis of race, color, religion, national origin, sex, marital status, or age in any aspect of a credit transaction. The **Community Reinvestment Act of 1977** required banks to meet the credit needs of the entire community in which they operate.

These were major reforms — but they did not erase disparities. They created tools for challenging them. The reform era also produced the foundations of what would become the **CDFI sector** — community development financial institutions designed to serve borrowers and communities that traditional banks bypassed. The CDFI Fund was established at the U.S. Treasury in 1994.

THE DIGITAL AGE AND THE MODERN CREDIT DIVIDE

The 1990s brought new tools — and new disparities. The rise of credit scoring algorithms standardized lending decisions and reduced explicit racial bias in some respects. **But the algorithms themselves encoded history.** Credit scores penalized thin credit files. They penalized rental payments that don't build credit the way mortgage payments do. They penalized the unbanked. And Black Americans were, and are, disproportionately represented in every one of those categories — because of the historical exclusion that produced those conditions in the first place.

The 2008 financial crisis was particularly destructive to Black business wealth. Black entrepreneurs were disproportionately steered toward predatory subprime loans in the early 2000s. When the market collapsed, their businesses and homes went with it.

Then came 2020. The COVID-19 pandemic exposed the fragility of Black business infrastructure. The Paycheck Protection Program distributed funds through established banking relationships that millions of Black business owners didn't have. Federal Reserve analysis found that Black-owned businesses were **12 percentage points less likely** than White-owned businesses to receive all of the PPP funding they requested.

41%

Decline in active Black business owners during the first months of COVID-19 — **the largest drop of any demographic group.** A direct consequence of credit and banking exclusion.

By June 2020, the number of active Black business owners had fallen by 41% — more than any other demographic group. **Not because they had worse businesses. Because they had less structural access to the system that was supposed to save them.**

DATA ANALYSIS

BLACK BUSINESS BY THE NUMBERS.

The following data represents the most current publicly available picture of Black business ownership in the United States. Where historical data is incomplete or estimated, limitations are noted. **The directional trends are clear.**

Growth of Black-Owned Businesses Over Time

BLACK-OWNED FIRMS ACROSS FEDERAL BENCHMARK YEARS

ERA / YEAR	EST. BLACK-OWNED BUSINESSES	SOURCE
~1900	~40,000	Post-Reconstruction estimate
1969	163,000	First federal survey with racial data (U.S. Census)
1982	424,000	U.S. Census Bureau, SBO

ERA / YEAR	EST. BLACK-OWNED BUSINESSES	SOURCE
1992	621,000	U.S. Census Bureau, SBO
1997	823,499	U.S. Census Bureau, SBO
2002	1,197,567	U.S. Census Bureau, SBO
2007	~1.9 million	U.S. Census Bureau, SBO — peak pre-crisis
2012	~2.6 million	U.S. Census Bureau, SBO
2017	2.9 million	Annual Business Survey
2021	3.1 million	Annual Business Survey
2023+	3.6 million+	ABS / SBCS — includes all firm types

The 1969 benchmark is one of the most revealing figures in the long-run story: **163,000 firms representing only 2% of all U.S. enterprises** and receiving less than one-half of one percent of gross receipts. About 91% were sole proprietorships. The 50-year arc from 163,000 firms to 3.6 million+ represents one of the most significant entrepreneurial expansions in modern American history.

Over 50 years, the number of Black-owned businesses has grown more than 20-fold. This is a story of extraordinary entrepreneurial energy. But the number of businesses is not the same as economic parity.

The Structural Picture Today

The latest U.S. Census releases — November 2025 and May 2025 — clarify the scale of the contemporary Black business economy:

BLACK BUSINESS ECONOMY: MOST CURRENT FEDERAL DATA

METRIC	BLACK-OWNED FIRMS	SOURCE
Employer firms	~201,000	Census Business Owner Characteristics 2023
Receipts (employer firms)	\$249.0 billion	Census Business Owner Characteristics 2023
Employees (employer firms)	1.6 million	Census Employer Businesses 2024
Payroll (employer firms)	\$61.2 billion	Census Employer Businesses 2024
Nonemployer firms	4.4 million	Census Nonemployer Business Characteristics 2025
Receipts (nonemployer firms)	\$130.9 billion	Census Nonemployer Business Characteristics 2025

Three structural realities sit inside this data:

- **Black Americans represent approximately 13.6% of the U.S. population but own approximately 9.8% of all businesses** — a gap that reflects historical barriers to entry, capital, and scale.

- **The vast majority of Black-owned businesses are nonemployer firms.** The ratio of approximately 4.4 million nonemployer firms to roughly 201,000 employer firms is the structural picture of the Black business economy: a vast entrepreneurial base, a narrow employer transition.
- **The transition from nonemployer to employer status is where capital becomes decisive.** That transition requires payroll financing, working capital, equipment investment, and the lender relationships to support all three.

Employer vs. Nonemployer: The Conversion Problem

The distinction between employer and nonemployer firms is the most underexamined inequality in Black business data. A nonemployer firm, by definition, cannot grow beyond the capacity of a single person. **It cannot scale without capital.** And capital, as this paper documents, is where the structural barrier sits.

The 2021 Annual Business Survey sharpened the contrast: average revenue at Black-owned employer firms was approximately **\$1.1 million**, compared with \$2.4 million for all U.S. employer firms. Black-owned employer firms also generated approximately **\$663 billion in total revenue** that year — a number that reveals what is possible when the employer transition does happen, and what is lost when it does not.

CREDIT & CAPITAL ACCESS

THE LENDING GAP: WHAT THE NUMBERS ACTUALLY SAY.

The Federal Reserve's annual Small Business Credit Survey is the most rigorous ongoing study of business financing conditions in the United States. Its data on racial disparities in credit access is unambiguous, consistent, and damning.

Approval Rates: 2024 vs. 2022

The most current data — the **2024 Small Business Credit Survey, published 2025** — reports the following:

35%

of **Black-owned** employer-firm applicants were fully approved for the financing they sought

2024 SBCS · FEDERAL RESERVE · PUBLISHED 2025

56%

of **White-owned** firms were fully approved (same period)

2024 SBCS · FEDERAL RESERVE · PUBLISHED 2025

That **21-point gap** in full-approval rates remains a structural feature of the U.S. small-business credit market. The longer-running picture, drawn from earlier survey years, tells a consistent story:

APPROVAL AND ACCESS METRICS BY RACE

METRIC	BLACK-OWNED	WHITE-OWNED	GAP
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METRIC	BLACK-OWNED	WHITE-OWNED	GAP
Full approval (2024 SBCS)	35%	56%	-21 pts
Received all funding requested (2022)	13%	35%	-22 pts
Loan approval rate (2022)	42%	75%	-33 pts
Applied for less than needed (2022)	40%	24%	+16 pts
Discouraged borrower rate (2022)	37%	—	—

Sources: Federal Reserve Banks 2024 SBCS published 2025; Federal Reserve Banks 2022 SBCS.

The 2024 figures show a gap that has narrowed in some categories — but has not closed. **The 2022 self-rationing statistic — 40% of Black business owners apply for less than they actually need — may be more consequential than headline approval rates.** It means that the lending gap does not fully appear in denial data. Millions of business owners have already internalized the expectation of rejection and have reduced their ambition accordingly.

This is what structural exclusion looks like when it becomes psychological: *not just a door that is closed, but an entrepreneur who has stopped reaching for the handle.*

"40% of Black business owners ask for less than they need. They've already absorbed the rejection before they walk through the door."

— FEDERAL RESERVE SMALL BUSINESS CREDIT SURVEY, 2022

Lender Channel Matters

The 2024 SBCS also revealed that approval outcomes depend heavily on lender type:

FULL APPROVAL RATES BY LENDER TYPE (ALL APPLICANTS)

LENDER TYPE	FULL APPROVAL RATE
Small banks	54%
Large banks	31%
Online lenders	30%
Credit unions	27%
CDFIs	23%
Finance companies	21%

These are overall figures rather than Black-only rates. They underscore an important point: **access to credit is not determined solely by borrower quality. It is also determined by channel, product, and institutional behavior.**

The Discouraged Borrower Problem

37%

Of Black small business owners who needed financing in 2022 did not apply — citing fear of rejection. **Invisible in denial data, but very real in the economy.**

Among the most significant — and least visible — consequences of chronic credit exclusion is the phenomenon of the discouraged borrower: an entrepreneur who needs capital but does not apply for it, having concluded from experience or reputation that rejection is certain. They do not appear in rejection statistics because they were never counted as applicants. **They represent a pool of unfulfilled capital demand.**

Capital at the Start: The Startup Funding Gap

\$12,800

Median startup capital, **Black entrepreneurs**

FEDERAL RESERVE SMALL BUSINESS CREDIT SURVEY

\$34,900

Median startup capital, **White entrepreneurs** — 2.7x more at the starting line

FEDERAL RESERVE SMALL BUSINESS CREDIT SURVEY

A business that starts with \$12,800 faces a structurally different set of options than one that starts with \$34,900. It can acquire less inventory. It can hire fewer people. It can weather a shorter runway of losses before revenue arrives. **The compounding effects of this gap play out over years.**

WHY CREDIT EDUCATION MATTERS

KNOWLEDGE IS INFRASTRUCTURE.

Understanding the history of capital exclusion is necessary. But NO CAP is not a history lesson. It is an action framework. **And action requires knowledge** — specific, practical, financial knowledge that is unevenly distributed across the American economy.

Studies consistently show that Black Americans report lower financial literacy scores than White Americans on standardized measures. **This is not a cognitive difference. It is an information access difference**, rooted in the same structural inequities that produced the capital gap itself. Historically Black colleges and universities received less federal investment in financial education infrastructure. Black communities were excluded from the banking system that was the primary mechanism for financial socialization. Generational wealth transfer, which often includes financial knowledge transfer, was disrupted by the historical barriers documented in this report.

The CFPB reports that more than **2.8 million consumers** have commercial or business credit listed on consumer reports each quarter — a figure that makes credit knowledge a practical business skill, not just a financial-literacy aspiration.

What Useful Credit Education Actually Covers

Credit education that is genuinely useful for entrepreneurs must go beyond the basics of credit scoring. It must address:

- How to **build business credit separately from personal credit**, and why this separation protects both
- How to **read and use financial statements** to demonstrate creditworthiness
- How to **work with CDFIs and minority-focused lenders** who underwrite differently
- How to use the **SBA 7(a) and 504 loan programs**, and when they are the right tool
- How to **structure a loan request** to maximize approval probability
- How to understand the **total cost of capital** across different lending products
- How to use **credit lines, not just term loans**, as liquidity management tools

This is the knowledge gap that NO CAP is designed to close. Not because knowledge alone closes the structural gap — it does not — but because **knowledge is the first requirement for advocacy, demand, and self-determination.**

"You cannot advocate for what you cannot name. Credit education makes Black entrepreneurs fluent in the language of capital — and that fluency is political power."

The Modern Landscape: CDFIs, Fintech, and New Pathways

The period since 2010 has seen meaningful expansion of alternative capital pathways for Black entrepreneurs.

Community Development Financial Institutions (CDFIs) have grown into a \$222 billion sector with a specific mandate to serve low-income and minority communities.

Fintech lenders have introduced speed and accessibility — some products approve in hours rather than weeks, with documentation requirements that don't assume years of tax returns. The tradeoff is cost: many fintech small business products carry APRs that significantly exceed what a bankable borrower would pay through a traditional lender.

The NO CAP education framework helps entrepreneurs navigate this landscape — not by recommending specific products, but by **building the credit and financial literacy needed to access the best products available and recognize predatory ones.**

PROGRESS & GAPS

WHAT HAS IMPROVED. WHAT REMAINS BROKEN.

What Has Improved

Progress is real, and it deserves to be named clearly before the ongoing gaps are documented. The NO CAP framework is not a counsel of despair — it is a strategy for building on what has worked toward what still needs to change.

- **Federal lending volume to Black-owned businesses is rising.** SBA FY2024 backed **5,200 loans totaling \$1.5 billion** to Black-owned businesses.
- **State-federal capital architecture is producing results.** Treasury's **SSBCI** directed 40% of 2022–2023 transactions to minority-owned

firms, including 14% to Black-owned firms — supporting roughly \$3.1 billion in financing.

- **Institutional capital is reaching Black-owned depository institutions.** Treasury's **Emergency Capital Investment Program (ECIP)** invested **\$1.4 billion** in Black-owned and Black-majority shareholder depository institutions, projected to increase Black-community lending by up to **\$80 billion** over the next decade.
- **Regulatory transparency is improving.** The CFPB's **Section 1071** small-business lending rule will make small-business lending markets more legible — once compliance matures.
- **The CDFI sector has grown** to over 1,400 certified CDFIs — a mission-driven lending sector specifically designed to serve underbanked communities.
- **Black business formation is at historic highs.** The 2020–2023 period saw the largest surge of new Black-owned business registrations in recorded American history.

What Remains Broken

The progress above does not close the gap. It narrows it, in places, for some entrepreneurs. **The structural problems are not fixed — they are in varying states of mitigation.**

- **The approval gap persists at 21+ percentage points** in the most current 2024 data and has not substantially narrowed in the last decade.
- **Credit scoring models continue to embed historical disadvantage.** FICO scores do not count rental payments, utility payments, or informal lending — activities disproportionately common among lower-wealth households.
- **Small dollar loans remain structurally underserved.** The \$25K–\$150K range — most relevant to Black-owned businesses — is the most underserved in the market.
- **The CDFI sector remains undercapitalized relative to need.** A sector serving the financing needs of communities systematically excluded from mainstream lending requires more than \$222 billion to close a 250-year gap.
- **Enforcement of fair lending laws is inconsistent and resource-constrained.** The gap between ECOA's legal requirements and market practice is an enforcement deficit, not a mystery.
- **Black-owned banks are declining.** 134 in 1934. Approximately 19 today.

"There were 134 Black-owned banks in 1934. There are 19 today. The institution most likely to lend to a Black entrepreneur is the one least likely to survive."

CASE STUDIES

MODERN BLACK WALL STREET: FROM SYMBOL TO STRATEGY.

The phrase "Modern Black Wall Street" is useful only if it is defined carefully. It should not mean a nostalgic recreation of one historic district. It should mean a repeatable economic architecture in which Black-owned firms, lenders, chambers, procurement networks, CDFIs, public credit programs, and community institutions operate together as a system.

The point is not to reproduce Greenwood literally. **It is to replicate the enabling conditions that allow business density, capital circulation, and local scale to reinforce each other.** A sector that includes approximately 201,000

employer firms with \$249.0 billion in receipts and 4.4 million nonemployer firms with \$130.9 billion in receipts does not need symbolic validation. **It needs connective capital.**

Case Study 1 — Black-Owned and Black-Majority Depository Institutions

Treasury's **Emergency Capital Investment Program (ECIP)** offers a model of system-level infrastructure rather than firm-level anecdote. Treasury reports investing **\$1.4 billion** in Black-owned and Black-majority shareholder depository institutions, with preliminary analysis projecting up to **nearly \$80 billion** in increased lending in Black communities over the next decade.

This is a modern Black Wall Street lesson in institutional form: *communities need not only businesses but balance-sheet capacity inside institutions positioned to lend to them.*

Case Study 2 — SBA-Backed Lending as National Infrastructure

The SBA's FY2024 capital report provides a second model. In one fiscal year, SBA-backed financing reached **5,200 Black-owned businesses for a total of \$1.5 billion**. That is not one local success story; it is national infrastructure in action. It shows that **public credit enhancement can operate as a bridge between entrepreneurial demand and deployable capital.**

Case Study 3 — Woodland Market, Southwest Philadelphia

Treasury's SSBCI Annual Report highlights Woodland Market, a wholesale and retail grocery specializing in African and Caribbean foods in Southwest Philadelphia. The business received a **\$50,000 loan**, including \$25,000 from the Women's Opportunities Resource Center – Economic Opportunities Fund, a CDFI participant in Pennsylvania's SSBCI program. The financing helped Woodland purchase inventory and hire a new employee.

This is a small case, but it is analytically useful. It shows what a modern Black Wall Street requires in practice: **neighborhood-serving firms, mission-oriented intermediaries, and capital sized to actual operating needs.**

Case Study 4 — Greenwood, Atlanta: A Black-Led Digital Bank

Greenwood, the Atlanta-based digital banking platform launched in 2020 by Killer Mike, Andrew Young, and Ryan Glover, represents a different model: a 21st-century financial institution explicitly built around the legacy of Tulsa's Greenwood District. The platform integrates banking, financial education, and community reinvestment in ways that reflect the original Greenwood's dual function as a commercial and civic institution. **The lesson is that institutional building is not finished — it is being rebuilt in modern form.**

What these case studies demonstrate. A modern Black Wall Street is not merely a place. It is a capital ecosystem: institutions with lendable balance sheets, public programs that de-risk access, chambers and intermediaries that build borrower readiness, and firms able to convert financing into payroll, inventory, and growth.

FROM EXCLUSION TO INFRASTRUCTURE.

The NO CAP initiative calls on four categories of actors to take specific, accountable steps. These are not aspirational suggestions. They are minimum requirements for meaningful progress.

FOR ENTREPRENEURS

BUILD CREDIT BEFORE YOU NEED IT.

Separate business and personal finances. Open a business checking account, obtain an EIN, establish trade credit relationships. Apply for what you actually need — the self-rationing problem starts with you. Build relationships with regional CDFIs and SBA district offices before the application is filed. Know the total cost of capital across products. Share your story publicly: **your experience is evidence.**

FOR LENDERS

UNDERWRITE THE FUTURE, NOT THE LEGACY.

Expand underwriting criteria to include alternative data (rent, utilities, cash flow patterns). Build referral relationships with Black chambers and CDFIs. Publish racial lending data voluntarily — accountability moves markets. **Restructure \$25K–\$150K loan products**, the most underserved range and the most relevant to Black-owned firms. Invest in and partner with Black-owned MDIs.

FOR POLICYMAKERS

MODERNIZE THE SYSTEM AT SCALE.

Modernize the CRA to include fintech and non-bank lenders. Fund CDFI expansion with urgency. Fix the credit data gap by requiring rental and utility payment history in scoring models. Enforce fair lending laws at scale — this is an enforcement deficit, not a legal mystery. Implement Section 1071 in full. **Create a modern Freedman's Bank equivalent** with adequate capitalization and explicit mandate.

FOR CHAMBERS & BUSINESS ORGANIZATIONS

MAKE CREDIT EDUCATION CORE PROGRAMMING.

Not a one-time workshop. A year-round curriculum, tied to actual loan outcomes, with CDFI and lender partners at the table. Every chamber event should send an entrepreneur home with a specific capital referral. Aggregate demand and use it to negotiate better products. **Track the outcomes. Publish them. That data is your advocacy ammunition.**

NO CAP. NO CEILING.

This report is the foundation. The campaign is the building. And the building requires every reader to do something specific.

IF YOU ARE A BUSINESS OWNER

GET YOUR FREE NO CAP CREDIT READINESS ASSESSMENT.

Visit usbc.org/nocap for the free credit readiness assessment, the NO CAP credit calculator, and the lesson library covering business credit, separation, working capital, underwriting readiness, and CDFI access.

IF YOU ARE A LENDER OR FINANCIAL INSTITUTION

PARTNER WITH USBC.

Contact USBC to discuss partnership opportunities, data sharing protocols, and lending pipeline collaboration. The chambers can deliver a creditworthy borrower pipeline; you can deliver the products and approval volumes that make the pipeline meaningful.

IF YOU ARE A POLICYMAKER

DOWNLOAD THE NO CAP POLICY BRIEF.

Visit usbc.org/nocap/policy for the policy briefing — then act on it. The recommendations in this paper are scaled to federal, state, and regulator-level decision authority.

IF YOU ARE SHARING THIS REPORT

USE #NOCAP. TAG @USBLACKCHAMBERS.

Every share is advocacy. The narrative is the campaign. A sector composed of millions of firms and hundreds of billions of dollars in receipts belongs in mainstream debates about growth, productivity, procurement, and economic resilience.

CONCLUSION

FROM EXCLUSION TO INFRASTRUCTURE.

In 1921, a mob burned down Black Wall Street in a single night. It took 100 years and a formal congressional investigation to produce even the beginning of an acknowledgment. **The people who built Greenwood got nothing.**

That history lives in the balance sheet of every Black entrepreneur who has been denied a loan, self-rationed their ambition, or relied on a personal credit card to cover business costs that a White competitor would have financed through a bank. The gap is not invisible. **It has a number. It has a date. It has a cause.**

But history is not destiny. The same entrepreneurial force that built Greenwood, that built the mutual aid societies and insurance companies of Reconstruction, that built **3.6 million businesses** across this country with less capital and more obstacle than any competitor — that force is still here. It has never stopped building.

What it needs now is not inspiration. It has that. **What it needs is infrastructure:** the credit knowledge to navigate the system, the financial relationships to access it, the policy environment to make it equitable, and the institutional support to make equitable access permanent.

NO CAP is that infrastructure. It begins with education because knowledge is the first requirement for demand. It extends to advocacy because demand requires political power. It culminates in a lending environment where the 21-point approval gap is not the baseline, but the remnant of a history we are actively building past.

The United States is 250 years old. Black entrepreneurs have been here for all of it. **It is time for the capital system to catch up.**

NO CAP ON WHAT BLACK BUSINESS CAN BUILD.

No ceiling on what Black entrepreneurs can own. No limit on what this economy becomes when everyone has access to the tools to participate in it fully.

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APPENDIX A

KEY PULL STATS FOR MEDIA USE.

HEADLINE STATISTICS WITH SOURCES

STAT	CONTEXT / SOURCE
3.6M+	Total Black-owned businesses (employer + nonemployer combined), most current ABS / SBCS
201,000	Black-owned employer firms — Census Business Owner Characteristics 2023 (released Nov 2025)
\$249.0B	Receipts at Black-owned employer firms — Census 2023
4.4M	Black-owned nonemployer firms — Census Nonemployer Business Characteristics (released May 2025)
\$130.9B	Receipts at Black-owned nonemployer firms — Census 2025 release
1.6M	Employees at Black-owned employer firms — Census Employer Businesses 2024
\$61.2B	Payroll at Black-owned employer firms — Census Employer Businesses 2024
35% / 56%	Black vs. White full approval rate — 2024 SBCS, published 2025
21 pts	Current approval gap (2024 SBCS)
42% / 75%	Black vs. White loan approval rates — Federal Reserve SBCS 2022
\$12,800 / \$34,900	Median startup capital, Black vs. White entrepreneurs (2.7x gap)
50% / 29%	Black vs. White entrepreneurs who self-fund
40%	Black entrepreneurs who apply for less than they need (self-rationing, 2022)
37%	Black entrepreneurs who didn't apply due to fear of rejection (2022)
41%	Decline in active Black business owners during early COVID-19

STAT	CONTEXT / SOURCE
19 / 134	Black-owned banks today vs. 1934
\$120B	FHA mortgages issued 1934–1962; under 2% to non-white families
\$663B	Total revenue at Black-owned employer firms — Census ABS 2021
\$1.5B / 5,200	SBA FY2024 lending to Black-owned businesses (volume / loan count)
\$1.4B	Treasury ECIP investment in Black-owned and Black-majority depository institutions
~\$80B	Projected increase in Black-community lending over the next decade from ECIP
\$222B	Total CDFI sector assets (current estimate)
1,400+	Certified CDFIs in operation

APPENDIX B — SELECTED SOURCES

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