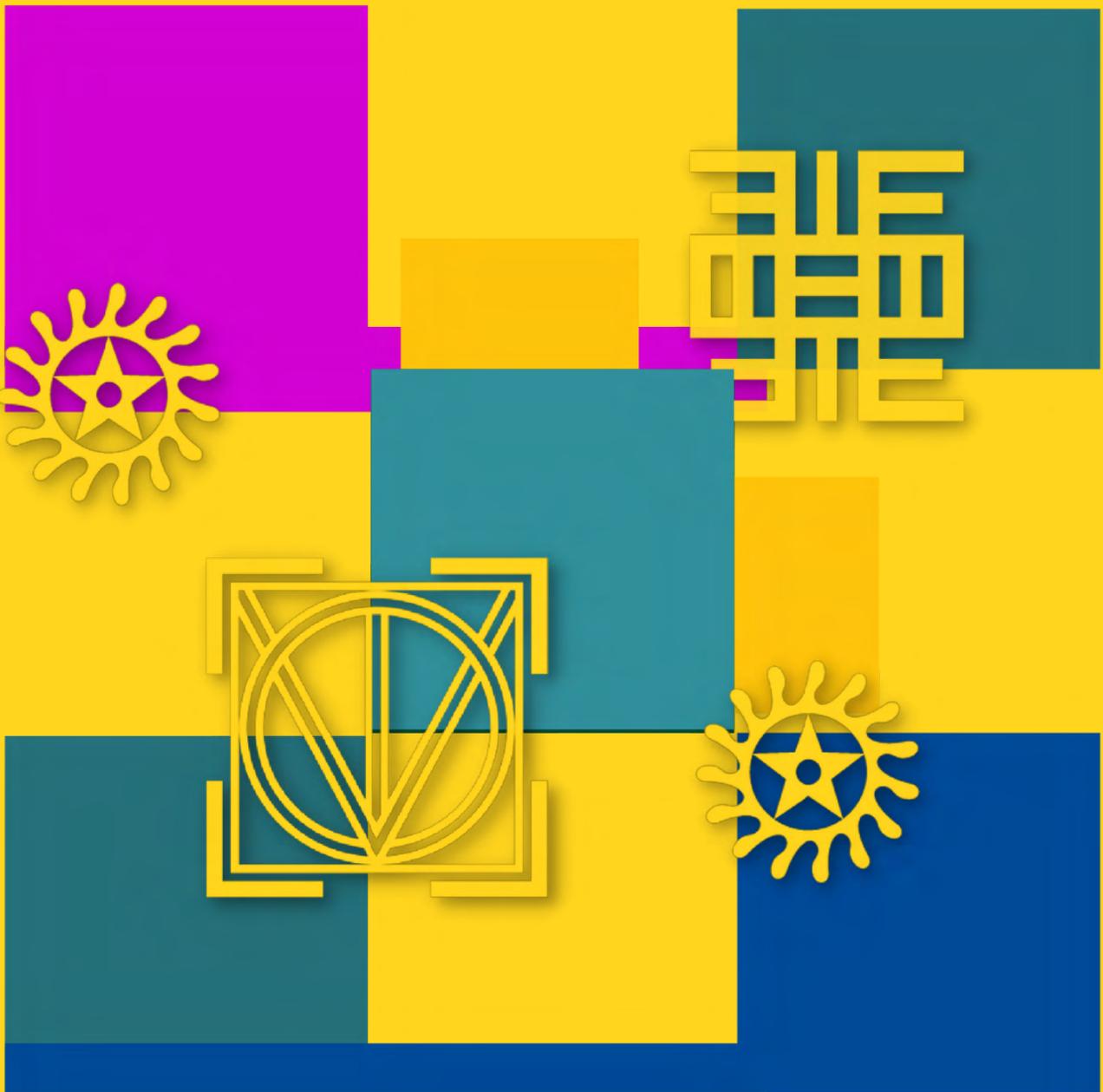


Black. British. In Business & Proud Report

Sep
2021





Black Business Network | Lloyds Bank

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Only 43% of Black business owners trust banks to have the best interests of Black entrepreneurs in mind.

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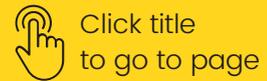


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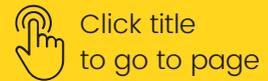


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WELCOME MESSAGE FROM BLACK BUSINESS NETWORK

2020 brought about dramatic change for us all – a pandemic, economic downturn and the murders of George Floyd and Breonna Taylor, saw our community thrust into the spotlight. Black Business Network (BBN) was formed after the 2015 Black Lives Matter movement, with a view of creating safe space learning & networking for our entrepreneurial community. And although the emotions of five years previous remained, this time it also brought about an opportunity.

When approached by Lloyds Bank and in listening to their Race Action Plan we saw a genuine chance for change – and despite the risk of being seen as another ‘corporate diversity exercise’ we knew we had to trust our intentions and share our unapologetic truth to do what we have long wanted to for the collective ‘us’!

We hope the power of this report is felt throughout Black communities, the impact sees actionable and tangible change; and that the voice and experiences of Black entrepreneurs is heard clearly throughout.

We thank all that put their time, efforts and support into making this happen: Lloyds Bank, Savanta Research, Lloyds Bank Black Business Advisory Committee, our research partners, community leaders; and the many Black owned businesses, entrepreneurs, family and friends who brought this research to life – without you there is no report.

We encourage the community to trust what can happen when we use our collective voice in the right way and with the right people – there is always power in the collective US!



SHARI LEIGH

Founder, Black Business Network



WELCOME MESSAGE FROM LLOYDS BANK

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We are committed to creating an inclusive environment for our colleagues, customers and communities. Key to delivering on this aim, is ensuring we are clear on the role we play in helping Black-owned businesses to thrive.

In July 2020, we launched our [Race Action Plan](#) to help address the specific challenges that our Black colleagues and customers face. Through our partnerships with the Black Business Network, Foundervine and our Black Business Advisory Committee, we are dedicated to spearheading long-lasting and systemic change.

However, we recognise that we have a long way to go. This research is a key milestone in our multi-year plan and we are proud to have the opportunity to work alongside Black Business Network and Savanta on this landmark report. It's important for us to capture first-hand experiences to ensure our actions are insight-driven. With only 43% of Black entrepreneurs currently trusting banks, it's clear we need to do more to strengthen our support for Black business communities in Britain.

We will continue to build our partnerships, specifically with Black-owned, grassroots and local community organisations. We recognise we need to improve our cultural fluency, increase Black representation across our business and provide more networking opportunities for Black business owners.

This is not an easy fix or a matter of better signposting what we do. We are committed to large-scale change and collective action. This report and its recommendations create a solid plan for us to build on the work we have started.

Find out more about [our support for Black-owned businesses](#).



FIONA CANNON OBE

Lloyds Banking Group Sustainable
Business Director



WELCOME MESSAGE FROM LLOYDS BANK BLACK BUSINESS ADVISORY COMMITTEE

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The Black Business Advisory committee recognises the important role this research plays in supporting Lloyds Bank and the broader finance sector to better understand the barriers faced by Black entrepreneurs.

With more than half (53%) of Black business owners experiencing racism the key driver for contributing to this research is grounded in the drive for systemic change. For change to be effective we must first understand the culture and environment in which we operate, creating opportunities to unlearn and re-learn.

The report captures the essence of the African proverb which reminds us “until the lion learns to write, the story will always glorify the hunter” and it’s with this proverb in mind, we can openly address real issues presented by Black entrepreneurs, contributing to the learning and desired outcomes that we, the committee, will assist in shaping.

Our collective sagacity allows us to see there are many layers and many approaches, to process the complexities of: history, economics, academia, culture, family, faith, and government policy. We are prepared for the challenging, thought-provoking conversations and hope that the legacy of this report will have generational impact.

We are pleased that Lloyds Bank is committed to a multi-year plan and have taken tangible, visible steps towards opening a dialogue with entrepreneurs, employees and students in order to better understand the whole entrepreneurial journey.



CLAUDINE REID MBE

Chair, Lloyds Bank Black Business
Advisory committee



INTRODUCTION TO BLACK. BRITISH. IN BUSINESS & PROUD

This report was produced by the Black Business Network with the support of Lloyds Bank and Lloyds Bank Black Business Advisory Committee. This research is part of a multi-year plan with external partners and counsel to steer actions, provide insights and build relationships with the Black business community.

ABOUT BLACK BUSINESS NETWORK

Black Business Network is the home of black business owners and start-up entrepreneurs, designed to strengthen business connections, financing and knowledge in our community.

We pride ourselves on collaborating with other Black organisations and the right corporate engagement to bring about a collective spirit of change for our entrepreneurs. Providing access to business support resources, services, educational and networking events; while staying updated on the latest news and engagement in our business community.

[Visit the Black Business Network for more information.](#)

ABOUT LLOYDS BANK

A lot has changed during the 300 year history of our brand and while we have much within our heritage to be proud of, we can't be proud of it all. Like any institution that is so interwoven with our country's history, we must acknowledge and learn from our past.



With millions of customers in the UK, and a presence in nearly every community, it is our role to help businesses and individuals while making a positive contribution to the communities in which we operate.

[Find out more about Lloyds Bank.](#)

ABOUT LLOYDS BANK BLACK BUSINESS ADVISORY COMMITTEE

The Lloyds Bank Black Business Advisory Committee was established to provide guidance to Lloyds Bank on their mission to understand and overcome barriers to success for Black entrepreneurs and business owners in Britain. All 12 members of the Committee bring with them a diverse set of experience and expertise; helping to create and advocate for the right programme of support, validated by insights and Black communities.

The committee underpins Lloyds Bank's future actions to ensure Black businesses have the best opportunity to start, grow, adapt and thrive.

[Find out more about Lloyds Bank Black Advisory Committee on our website.](#)

ABOUT SAVANTA

Savanta is a fast-growing data, market research and advisory company. We inform and inspire our clients through powerful data, empowering technology and high-impact consulting. All designed to help our clients make better decisions and achieve faster progress. Savanta offers clients a full range of intelligence services, including bespoke research giving tailored solutions. We are passionate about delivering high-quality research and care equally about doing the right thing and supporting good causes.

[Go online to find out more about Savanta.](#)



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WHO TOOK PART

800+
RESPONDENTS

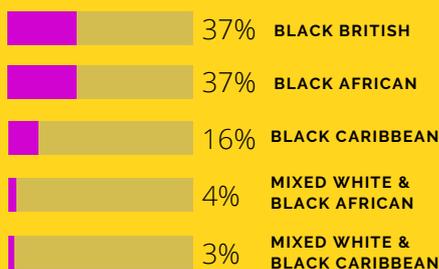
Gender

Far more of our survey were women (63% of current and 67% of future entrepreneurs) than men; with women particularly dominant in the leisure/fashion and retail sectors. These sectors also see more identifying in another way or prefer not to say.



Background

There was a large proportion of respondents that identified as Black British or Black African; each group accounted for 37% of the sample, whilst Mixed White and Black African and Mixed White and Black Caribbean categories represented the smallest communities within the sample, at 4% and 3% respectively.



Age & Generation

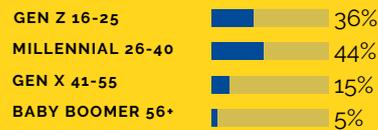
All ages, genders and lifestyles were represented. 4 in 10 current entrepreneurs were aged 26 to 40, with a sizeable minority (21%) younger than this.

**4
IN
10**

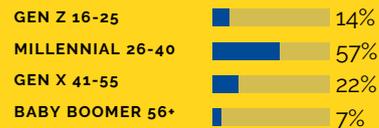
**CURRENT
ENTREPRENEURS
WERE AGED 26
TO 40**



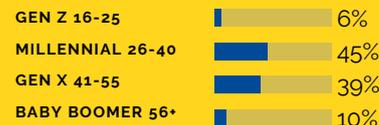
BUSINESS UNDER 2 YEARS



2 TO 5 YEARS IN BUSINESS



5 TO 10 YEARS IN BUSINESS



MORE THAN 10 YEARS IN BUSINESS

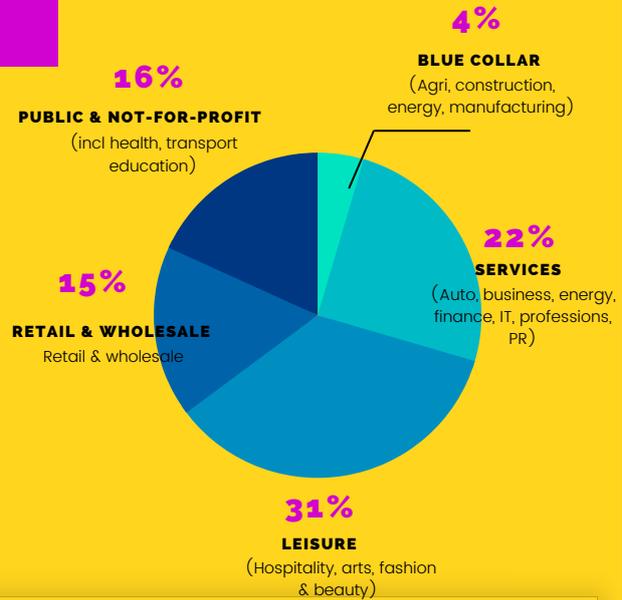


BLACK BUSINESS LANDSCAPE

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Black entrepreneurs run businesses in a wide variety of sectors

Black entrepreneurs run businesses in a wide variety of sectors, but the most popular being in leisure/fashion with over 3 in 10 (hospitality, arts, fashion & beauty). Examples range from hair stylists, fashion clothing and Pilates studios, through to restaurants, car garages and laser cutting.



30%
START UPS
in the last 12 months



42%
BUSINESSES
between 1 and 5 years old



27%
OVER 5 YEARS
only 27% as more established than 5 years



Stages of business

All stages of business were included in the research. 3 in 10 (30%) of businesses are new start-ups in the last 12 months and a further 4 in 10 (42%) businesses are between 1 and 5 years old. The remaining 27% have been running their business for 5 years or more.

People involved in setting up business

More than half (55%) of respondents have set up their business alone and more than a quarter (29%) started with 1 other colleague; only a small minority (15%) had more people involved.

Recent start-ups are slightly more likely to have set up alone (59%) as are those in the leisure/fashion industry (61%) and women (59%).



GAINING TRUST

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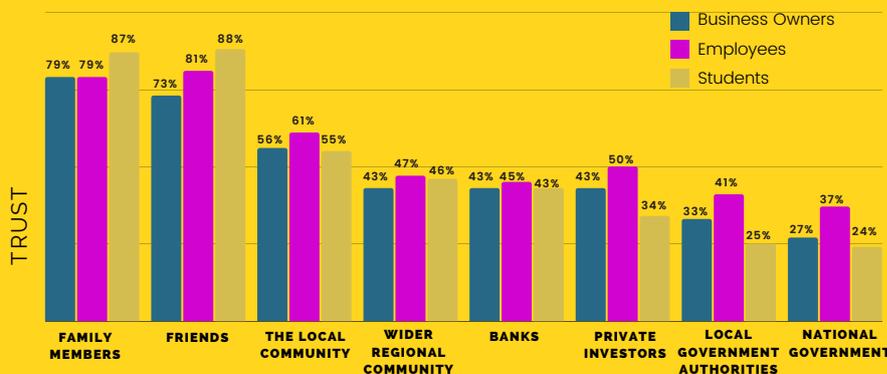
Trust for having the best interest of Black entrepreneurs in mind

With personal and family experiences of discrimination and well-documented links to colonialism and imperialism, only 43% of Black entrepreneurs currently trust banks, whilst just 27% trust the Government to have the best interests of Black entrepreneurs in mind.

43%



ONLY 2 IN 5 (43%) BUSINESS OWNERS TRUST BANKS TO HAVE THE BEST INTERESTS OF BLACK ENTREPRENEURS IN MIND



8 IN 10

8 in 10 (79%) Black business owners and employees trust their family members to have the best interests of Black entrepreneurs in mind.

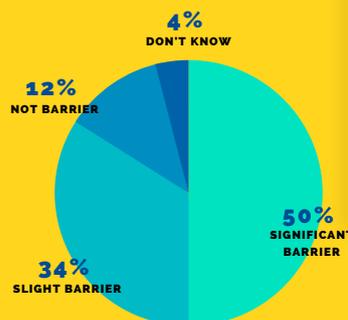
OVERCOMING BARRIERS

Society's attitude/ racism is a barrier

The vast majority (84%) of Black entrepreneurs (current & future) saw racism as a potential perceived barrier to their entrepreneurship, 50% believed it to be a significant barrier. And it is not just a perceived barrier – over half (53%) of Black business owners stated that they have actually experienced racism in their entrepreneurial efforts.

84%

RACISM AS A POTENTIAL PERCEIVED BARRIER



53%

EXPERIENCED RACISM IN THEIR ENTREPRENEURIAL EFFORTS



ACCESSING FINANCE & OTHER SUPPORT

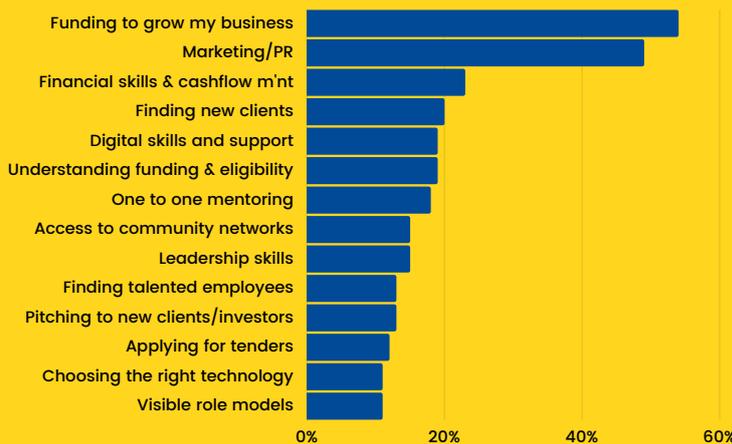
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13%

57% of Black business owners were aware that bank financing was available but just 13% look to banks when seeking finance support.

What business support is needed

Funding remains the top support that is needed, with marketing & PR close behind. Nearly 1 in 4 (23%) need financial skills & cashflow management support & 1 in 5 (19%) need help in understanding funding and eligibility criteria.



52%

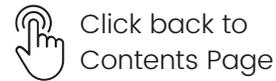
52% of business owners are not confident in applying for finance; specifically applying for a business loan or grant.

FINDING INSPIRATION & COMMUNITY ENGAGEMENT

45%

45% of people were inspired by a family member to set up a business, 22% were inspired by their mothers, 39% were other family members and 21% were inspired by their friends or colleagues.





A BRIEF HISTORY OF BLACK BRITAIN

Colonialism shapes much of Britain's history. The British Empire was composed of colonies, dominions and other territories ruled or administered by the United Kingdom. In addition, many of the institutional legacies documented in the historic records of Britain – certainly the arrival of banks and financial institutions in the 18th century, were built to support slavers; providing credit to infuse the Atlantic Slave Trade.¹ Great strides still need to be taken to reconcile the social effects of these historic events and to expand the conversation and the minds of the next generation, if we are ever going to understand the economic implications of such events and recognise the voice of the marginalised in these histories.

The history lessons delivered as part of the British curriculum do not often, if ever, include the stories of Black communities before the Atlantic Slave Trade, nor extend to recounting tales beyond the civil rights movement in the '50s and '60s, where some of the world's greatest Black icons and activists were found. As a result, many young people may lack a sense of the rich and colourful history of the many communities that make up the Black diaspora. Ultimately, if there is no shift in the way we recount these events nor action taken to change the narrative, the next generation of Black children may believe that Black people in Britain do not have a history beyond this at all. Certainly not a Black history that can be defined as successful. The reality, however, is that Black communities' involvement in Britain's success and the historical legacies of Black people's ancestors must be acknowledged. We are visionaries and pioneers.

When ancestors, parents and grandparents of the Black diaspora started to migrate to Britain between 1948 and 1970, they were faced with a different landscape to the one we see today. A hostile reception from natives meant that migrants had to rely on each other to get ahead. They had to be their own landlords, restaurateurs, and financiers. Determination and shared experience recreated the sense of community Black people longed for from their homelands and with it, a Black history in Britain that is filled with an unequivocal spirit of entrepreneurship.

[1] <https://blogs.lse.ac.uk/latamcaribbean/2020/07/01/human-collateral-british-bankings-long-neglected-connection-with-slavery-in-brazil/>



Collectivism throughout the 20th century saw the rise of Black progress. Hair and beauty mavericks: Dyke and Dryden rose from nothing to build an empire, becoming the head of Britain's first Black multi-million-pound business enterprise.² The political power of the Mangrove restaurant changed the course of activism with the Mangrove 9 fighting racial injustice, after being charged with incitement to riot and affray by the Metropolitan Police in 1970.³ The undeniable spirit of Black communities in Britain has also seen the continuing legacy of annual events such as Notting Hill Carnival; bringing about the colourful, creative, diverse and influential Britain you see today.

Modern-day Britain sees Black businesses continue to push the envelope of design and innovation. All whilst still challenging and navigating obstacles created by institutional structures. 74% of respondents in this survey felt that equal access to opportunities was their single biggest concern, with 50% believing that racism was a significant barrier to success as an entrepreneur. Banks and financial institutions must acknowledge that there is still a long road ahead if they are ever to truly reform public opinion and gain the trust of Black communities.

As a population, the Black diaspora are change-makers. Their success into the 21st century and beyond is not simply fortuitous, it is their right. This report highlights that the richness of Black culture is undeniable, yet, many Black people living in Britain feel their history is not simply a tale of days gone by. The prejudice their parents and grandparents fought to overcome is still present in 21st-century society; most visibly some may argue, within the institutions they should be able to depend on.

Throughout this report, we evidence and address with complete conviction the aspirational desires and the barriers to progression that Black British business owners are facing. The aforementioned partners, community leaders and financial institutions that published this report are committed to doing better and will support Black communities in Britain; making a concerted effort to action the recommendations.

[2] The Guardian, (2006) 'Len Dyke: Pioneering black businessman who built a hair and beauty empire'
<https://www.theguardian.com/news/2006/aug/14/guardianobituaries.mainsection>

[3] BBC: 'The Mangrove Nine Echoes of black lives matter from 50 years ago'



KEY STATISTICS

Findings from the research outlined 4 key themes:

GAINING TRUST:

Black business owners identify significant issues regarding trust in financial and governmental institutions.

-  Only 43% of Black business owners trust banks, whilst just 27% trust the Government to have the best interests of Black entrepreneurs in mind.
-  8 in 10 (79%) Black business owners and employees trust their family members to have the best interests of Black entrepreneurs in mind.
-  81% of Black business owners state that support from the Black community is important for their current or future business.

OVERCOMING BARRIERS:

There is a consensus that banks and other financial institutions either don't know or don't acknowledge barriers that prevent Black business owners from approaching them for support.

-  84% of all respondents saw racism as a barrier to entrepreneurship, with over half of business owners stating they had experienced racism in their entrepreneurial efforts.
-  74% of all respondents felt not having equal opportunities was a factor of concern when running a business.
-  58% of all respondents said presenting as a Black-owned business was a factor of concern when running a business.
-  66% of all respondents think it is harder than other ethnicities to set up a successful business.
-  53% of all respondents have been negatively discriminated against in their past entrepreneurial efforts.



KEY STATISTICS

ACCESSING FINANCE & OTHER SUPPORT:

Funding is the main need for Black business owners & understanding of finance options is low.

-  With personal and family experiences of discrimination and well-documented links to colonialism and imperialism, 57% of Black business owners were aware that bank financing was available, but just 13% used banks for financial support and just 14% would look to their bank or a relationship manager for business advice and support.
-  Despite everyone recognising the role that funds can play in growing a business, with 50% of all respondents ranking funding for their business as the top priority for support that would assist them; 34% of Black business owners used personal collateral to fund their business ventures.
-  53% of Black business owners said that lack of funding is a significant barrier for their business.
-  44% of Black business owners said personal finances are a significant barrier.
-  Though funding remains the top support needed, 49% of Black business owners need marketing and PR and 20% need help with finding new clients.
-  23% of business owners would like more support with improving their financial skills and cash flow management.
-  19% of business owners would like support with understanding their funding options and the eligibility criteria.
-  45% of business owners are not confident in financing their business and 52% are not confident applying for finance; specifically applying for a business loan or grant.
-  59% of business owners said it cost them more than expected to set up a business.



KEY STATISTICS

FINDING INSPIRATION AND COMMUNITY ENGAGEMENT

Entrepreneurs are proud of themselves and their culture & have a strong sense of community.

-  23% of business owners set up their business as they had an idea they wanted to make a reality whilst 22% of respondents wanted to be their own boss.
-  18% of all respondents said they wanted to make a positive impact on their community with their business.
-  45% of all respondents were inspired by a family member to set up a business, 22% were inspired by their mothers, 39% their other family members, and 21% their friends or colleagues.



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53% of Black business owners stated that they have experienced racism in their entrepreneurial efforts.

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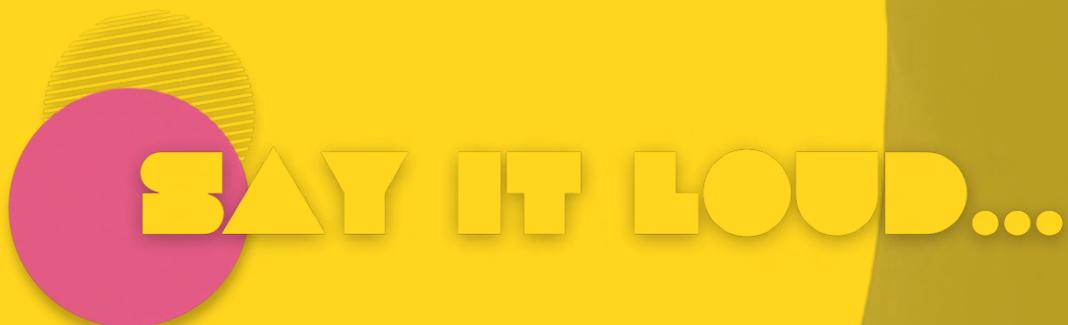
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BLACK. BRITISH. IN BUSINESS ...AND PROUD!

EXECUTIVE SUMMARY

“Black. British. In Business & Proud” is the only study in the UK that considers the complete entrepreneurial life cycle for Black business owners in Britain. From ideation to a sustainable business model, the preceding analysis that informs this report is shaped by the voices of more than 800 Black people in Britain, consisting of students, employees, business owners and established entrepreneurs from social enterprise, B2B and B2C industries. Just 13% of Black business owners sought financial support or funding for their business from banks when they set their business up. Black-owned businesses do not look to banks when seeking business or finance support, yet we know that the continued contributions from Black communities can and do make a significant impact on the national economy.



BLACK. BRITISH.

Black people contribute daily to the institutions and organisations they feel alienated by, but the Black pound is powerful. The Centre for Research of Ethnic and Minority Entrepreneurship found that firms owned by people of African and Caribbean origin contribute £25 billion annually to the British economy.⁴ The value of this statistic is powerful and one too big for institutions to ignore if they want to take steps towards greater inclusion.

This report addresses the significant gap in market research that explores the challenges for not simply the broad catch-all of “BME” groups in building a business, but the Black diaspora specifically, living and working in Britain.

RESEARCH METHODOLOGY

The Black. British. In Business & Proud study used a mixed-method approach to data collection. A quantitative survey developed by Savanta Research alongside Black Business Network was promoted using several available networks. These included the Black Business Network website, the members of the Lloyds Bank Black Business Advisory Committee and across associated communication channels of all partner organisations. The methodology was designed to promote inclusivity, welcoming established business owners and individuals with aspirations to become business owners at all stages of their journey.



[4] Federation of Small Business (2020) <https://www.fsb.org.uk/resource-report/unlock.html>

RESEARCH OBJECTIVES

- To gain a greater understanding of the whole entrepreneurial journey for Black business owners in Britain: Unearthing blocks that stop them from building a sustainable business.
- To discover and quantify the views of Black entrepreneurs' vision for progression, together.
- To support institutional change and action that directly improves Black entrepreneurs' ability to "future-proof" their businesses.
- Provide a foundation for an insight-driven program that supports a more equitable future for Black entrepreneurs, validated by the Black community.

Data collection consisted of 3 stages.

Stage 1:

The first stage consisted of a quantitative survey of 800+ respondents across the UK, and ran from 12th April to 24th May 2021 identifying 3 key audiences:

- 345 Black entrepreneurs that were currently in business (current entrepreneurs)
- 218 'future entrepreneurs'- Black employees that expressed motivation to start a business
- 245 Black students, all of whom had a business idea and/ or a plan to put it into practice.

A combination of these 3 groups are referred to as 'all respondents' or 'all current and future entrepreneurs, in this report. The survey was conducted using a combination of the online survey and telephone interviews, to ensure that a wide and comprehensive range of opinions were collected. The survey took between 15-60 minutes to complete.

Stage 2:

Stage two consisted of a deep-dive qualitative study. Interviews were conducted with 13 Black business owners; from sole traders to owners of companies with 50+ employees. Each interview was conducted via video call, lasting between 45 to 60 minutes. The entrepreneurs were selected from a wide range of business sectors, across all regions of the UK.

Stage 3:

A deep-dive qualitative exploration of the expert view was collected using



two methods. The first, a virtual round table discussion with 20+ businesses & experts and the second; 7 experts interviewed on a one-to-one basis; conducted via video call, lasting 60 minutes. These experts ranged from heads of organisations and support groups to financial specialists.

The survey and interviews covered questions on:

- Business growth and support
- Insights into the early periods of a business
- Understanding the financial landscape for Black businesses
- Sources of business finance
- The place of community and concerns about running a business in the future.

The value of this report seems to hold even more significance at a time when the disproportionate social and economic effects of COVID-19 on this homogeneous population are documented daily by the national media. The “BME” community in the UK make up roughly 14% of the working-age population⁵. Many Black people that completed the survey expressed aspirations of starting or sustaining their business and growing, as a way to “be their own boss”, despite the lack of support they felt was currently missing from many institutions in the UK.

The aim was to develop a deeper understanding, not only of the challenges that Black business owners and leaders face, but to gain thorough insight as to what support, guidance and facilities would enable Black-owned businesses to thrive and multiply. There was a considerable sense of community echoed throughout the research, with 8 in 10 Black entrepreneurs stating that support from the Black community was important for their current or future business.

If ever more justification was needed to evidence the value of this report; the words of Baroness McGregor-Smith make the case. In a 2017 review, ‘Race in the Workplace’⁶, she describes daylight as the best disinfectant, if we are to truly transform institutions and align them with the ‘big picture’ potential that Black businesses and Black people represent. Aspirational targets and action from large institutions like Lloyds Bank are exactly what was called for when she stated:

[5] ‘The Colour of Money Report’, (Runnymede, 2020).

[6] ‘Race in the workplace’, (McGregor-Smith, 2017)



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“Employers must publish their aspirational targets, be transparent about their progress and be accountable for delivering them. The Government must also legislate to make larger businesses publish their ethnicity data by salary band to show progress. This isn’t about naming and shaming. No large business has a truly diverse and inclusive workforce from top to bottom at the moment, but through publishing this data, the best employers will be able to show their successes and encourage others to follow.”

We hope to inspire other businesses to open up the conversation and we are committed to sharing our findings during the course of the next two years; understanding that in publishing this and subsequent reports, we are ready to let the daylight in. It is time for change.



THE LANDSCAPE OF BLACK BUSINESS IN BRITAIN

Breakdown of the Sample

The research focused solely on Black people in Britain, inclusive of all Black business owners regardless of stage, industry or business goals. More than 800 participants from Black communities in Britain completed the survey. 65% of the sample were female, 34% of the sample were male respondents with the age of respondents ranging from 16–56. A massive 68% of future entrepreneurs were aged 16–25 as many of those polled were students; with the majority of those employed more commonly working in service-based positions or the not-for-profit sectors at present.

43% of business owners or ‘current entrepreneurs’ were aged 26–40, with businesses from all age categories covering a wide range of sectors with the most popular being ‘Leisure’. 3 in 10 businesses were established in this sector, which included: hospitality, arts, fashion & beauty. London was the leading region of work for business owners and employees, collectively representing 58% of the sample. This was followed by the West Midlands which represented the place of work for 10% of business owners and employees. Across the United Kingdom, among Black business owners and employees 6% were in the North West, 4% in Yorkshire & Humberside and 1% in both Scotland and Wales.

Industry Trends

Black business owners worked across a range of business sectors with a variety of reasons given by respondents, as to why they had started or would start a business; with some variation by region, age and gender. Industries ranged from e-commerce, coaching, hospitality, tech and leisure. The industries that saw the highest percentage of business owners were Services (22%), Retail (15%), and Fashion & Beauty (18%). In addition, these sectors were predominantly represented by female business owners. The longest-standing businesses with a tenure of more than 10 years were in the IT industry (12%) and the most popular business industries for those operating under two years were Fashion and Beauty alongside Retail, which both stood at 26%.



Overall 48% of the business owners were new start-ups - set up in the last 2 years; 30% had been in business for 12 months or less, whilst just 2% of our sample businesses in the UK have been operating for 25 years or more. Nearly half (44%) of new start-ups were founded by millennials aged 26- 40 years olds. National figures show similar patterns of new business and entrepreneurship; with data from the IFS (Institute for Fiscal Studies), evidencing that between 2011 and 2015, 2.4 million people were operating as sole traders each year, however, a massive 6 million people tried to become self-employed at some time over that period.⁷

A key finding indicates 16-25-year-olds are most likely to have business ideas and see entrepreneurship as the best way to make money. Interestingly, only 6% of current business owners said that they were motivated to set up a business as it was “the best way to make money”. This admission positions personal experience over profit; substantiating claims amongst the Black business community of labour-market inequities and experiences of discrimination; something that could lead to a Black employee or student, defining their own success with the development of a business idea.

According to figures from the Department for Business, Energy and Industrial Strategy, just over three-quarters of UK private sector businesses are non-employers, and the majority of these are not registered for either VAT or PAYE.⁸ We found that a minority at 15% of the businesses in our study had one or more people supporting the operation of their business. Our findings also show that the higher the income and annual turnover a business is making the less concerned they are about presenting as a Black-owned business, however, this decreased for businesses with employees.

Business Stages & Startup Trends

“[I] wanted to turn my passion into a business after being furloughed!”

Despite an infusion of creativity and innovation across the UK in recent years, just 16% of business owners in our survey had an annual turnover of more than £100,000.

[7] <https://ifs.org.uk/publications/14243>

[8] <https://www.gov.uk/government/statistics/business-population-estimates-2019/business-population-estimates-for-the-uk-and-regions-2019-statistical-release-html>



This is not surprising, as economic disparities in the labour market have been widely documented across Black and minority ethnic groups. It seems that as a result of the pandemic, the intersection between race and age has amplified some of these inequities, in the form of a negative relationship between tenure and age. Findings emerged that found 8% of 16-25-year-olds and 14% of millennials (26-40) stating; 'Yes I set up a business in the past but I'm not running it now'. This aligns with figures nationally that one-fifth of self-employed sole traders don't last beyond their first year. In fact, 20% of sole trader businesses close within a year and 60% by year five.⁹ Contrastingly, many of the respondents that were in business had started before COVID-19, with 4 in 10 (42%) holding a tenure between 1 and 5 years old, 15% between 5 and 10 years and 10% operating between 10 -25 years, however, just 2% of business owners have been trading for 25 years or more.

Intersectional Trends

16% of respondents were inspired by their fathers, which was consistent across male and female groups, however, women were much more likely to be inspired by their mothers (25%, versus 16% among men); taking the lead to be inspired more generally by family members overall as well (48% versus 38% among men). Only 1 in 10 respondents said that a famous person or celebrity had inspired them to start a business with Gen Z & Millennials less likely to be inspired by someone famous, compared to GenX/Boomers (8% & 9% vs 12%).

Racialised treatment and trust in banks differed across ethnic groups; with Mixed race respondents more trusting of banks than other groups. 33% of Mixed race respondents saw racism as a significant barrier to their entrepreneurial efforts, compared to 54% of Black African and Black Caribbean. Mixed race respondents were also least concerned by not having equal opportunities compared to other groups (around 10% less likely on average).

Gender

Findings indicated a gender pattern in business and entrepreneurship as women were found to be 12% more likely than men to have set up their business alone.

[9] <https://ifs.org.uk/publications/14243>



Conversely, 36% of women compared to 32% of men thought that it would be much harder to set up a successful business than other ethnicities may find it. The combined finding of working alone and the perceived difficulty of running a successful business as a Black female owner may link to the fact that Black British women were 16% more likely than Black British male entrepreneurs to want support with financial skills and cash flow management. There was consensus amongst women that a barrier was a lack of confidence in knowing how to access financing, particularly amongst younger women – meaning many female business owners are more likely than men to turn to their community for business support (45% of women vs only 26% of men). Female business owners were also more concerned with a lack of equal opportunities and discrimination than men.

Individuals with dependents had a more positive outlook on the challenges of running a successful business compared to those without, with just 32% believing it is 'much harder to run a business compared to other ethnicities, versus 37% for those with no dependents. This slightly less negative view from those with dependents could be due to a stronger network of established support. However, women with no dependents were 9% more likely than women with dependents to have a business idea that they wanted to make a reality, whereas there was no difference found for men, regardless of whether they were with or without dependents.

Community Drivers, History & Impact

There was an overwhelming connection with inspiration and encouragement, that people associated with their family and the community. This seemed to be the case for employees, students and business owners alike. 13% of respondents living outside of London saw starting a business to positively impact the Black community as a motivation. This figure increased to 22% of people from London.

26-40-year-olds were found to be 12% more likely than 41+year-olds to think community support provided by people, or an institution that understands the culture was important for their business or any potential future business.

Of the 37% of current business owners, only a minority (15%) had more people involved. This could reflect the global shift to remote work and job loss as a result of the pandemic; as COVID-19 impacted many businesses across the world negatively.



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Many companies had to introduce the furlough scheme and reduce team sizes indefinitely, due to a downturn in profit. When asked what had made the largest negative impact on their business in the last 12 months, 31% of respondents stated 'a lack of sales due to Covid-19'. This speaks not only to the financial barriers to growth but also the guidance that may be lacking for business owners to understand the financial implications of staff recruitment and retention; and equally how job creation can revive the economy in a post-COVID era.

In a day and age when digitalisation is proving to provide solutions en masse like never before, people across the globe can connect, innovate and lead the way with new and pioneering solutions. There was a consensus from the respondents that took part in this study that they wanted to be their own boss and bring their ideas to life. This certainly doesn't seem unattainable with the longest standing businesses coming from the IT industry. What's more, the internet was a lifeline for many during the pandemic in order for people to seek out human connection, and in order for households to function. As a community, Black business owners take on an incredible amount of risk to set up in business and tackle persistent issues such as fair distribution, volatile investment markets and public visibility. Pivoting to deliver services remotely, could be one way to tackle some of the barriers they currently face.



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GAINING TRUST

Black entrepreneurs' expressed an overbearing feeling of distrust towards banks and other financial institutions; ostensibly the residual effect of Britain's colonial and imperial legacies. Many respondents felt that banks and financial institutions just don't understand Black businesses. Instead, Black entrepreneurs, employees and future entrepreneurs look to their community as a trusted source of support and investment.

43% of Black business owners say they trust banks, yet comparatively, 79% of Black business owners and employees trust their family members to have the best interests of Black entrepreneurs in mind, rising to almost 9 in 10 for students. Black business owners are more likely to use loans from their families than bank financing when setting up their business, followed by community funding at around the same rate as private investors.

	Business Owners
Total	345
Strongly trust (5.0)	14%
Partially trust (4.0)	29%
Neither trust nor distrust (3.0)	26%
Partially distrust (2.0)	21%
Strongly distrust (1.0)	10%
NET: Trust	43%
NET: Distrust	32%

Table 1: Respondents answers to the question: 'To what extent do you trust the following [banks] to have the best interests of Black entrepreneurs in mind?'

Key stats

- Only 2 in 5 (43%) business owners trust banks to have the best interests of Black entrepreneurs in mind & the same number (43%) trust that private investors do.
- Almost 8 in 10 Black business owners (79%) and employees (79%) trust their family members to have the best interests of Black entrepreneurs in mind, rising to almost 9 in 10 for students (87%).
- 8 in 10 respondents stated that support from the Black community who understand their culture is important for their current or future business.



34% of Black business owners had used personal collateral to set up their business, alluding to the state of the relationship between Black business owners and banks. Black business owners expressed at several stages throughout the research that they simply did not feel comfortable or endeared towards banks- certainly not to the extent that they were asking for help with their business. A lack of both Black representation and understanding Black culture was something many entrepreneurs felt institutions simply didn't recognise as important.

“Every time I go in there, I feel I've got to put a shirt and tie on, when other people can walk in there with shorts, half a t-shirt on and the banks will sort it out for you. I walk in and they're looking at me sideways, I can't walk in with a T-shirt on. I got to walk in with a shirt and tie and be professional. It's something psychological in their head. I don't trust any of them to support me or to be there for me. because it's like when they talk to you, they're looking for an excuse to decline you.”

Male, 56, Small Business

These long-standing barriers contribute to a two-way breakdown between banks and Black entrepreneurs; many people stated that because of experiences of discrimination and feelings of not being respected or understood as a business, banks simply weren't the first port of call for support or guidance. Findings show that just 13% of business owners turned to their bank for financial support, 17% of men, whilst women were even less likely to have used this avenue to fund their business, with a handful at 11% turning to their bank.

One respondent stated: “I didn't want to tie myself to an institution that at one stage didn't have my best interests in mind.” After considering several 'traditional banks' for a business bank account and conscious of their historical involvement in the slave trade, he chose an up and coming digital business bank account.



Gender and Diversity

Barriers to building a business were also a visible outcome based on gender. Findings show that 33% of men and 36% of women are currently taking the risk to back their own business with personal collateral. However, Black women face the inequality of intersectionality, reproducing negative effects against their entrepreneurial efforts, due to both race and gender. Black female entrepreneurs described being belittled, ignored in conversations with banks, or not receiving funding in the same way as men. Many women also expressed not knowing where to find trustworthy networks of support.

“The first challenge that I had was just the start-up [of the] business; what to do and where to go if I needed funding and where to find mentors and things like that. And so after doing an accelerator programme, I met a few more people. Your network grows, which is helpful and they did teach you about funding. So it's definitely helpful because it's not even something that I would have considered before.”

Female, Aged 23, Business Owner

Community leaders agreed that the support from the wider Black community is of significant importance for many Black entrepreneurs, with one suggesting that for Black women, the community forms the bedrock of support within which they can try new things, such as starting a business, because of the surety that those around them will help them in their journey.

Ultimately, the idea that a Black business owner can go into a bank and see someone that identifies with their culture, should not be an abstract concept. Having more Black voices, and a visible presence of diversity within banks would contribute towards Black entrepreneurs feeling more encouraged and open to approaching them, when in pursuit of business support and finance.

“The treatment that I was getting from their customer service team [in the bank] was disgusting and it was like I am a bother. And to be quite frank, I knew what the energy was, certain people just were not feeling that I, as a Black person, had the right to actually say things, or even demand it.”

Female, Aged 33, Sole Trader



Collective Call to Action

Actions that Black entrepreneurs want to see to work towards addressing the barriers highlighted throughout this chapter are:

- Ensuring that banks recognise the need for a stronger Black and gender diverse presence within teams; reflective of the diversity found across society.
- Community outreach, building trust between Black entrepreneurs, communities and banks to create an opportunity for improved social dynamics.
- Banks and the government should raise their awareness of the Black business community, and the potential value Black businesses add to the economy.



OVERCOMING BARRIERS

Expert interviews revealed a similar perspective to that of survey respondents, revealing a void between institutions and Black entrepreneurs. Personal experiences of discrimination were very much in line with those already expressed in the survey responses; feelings of being rejected, not made to feel welcome, and a one-sided dynamic whereby, Black business owners had to give 110% with a strong feeling of still being denied access to funding by financial institutions.

Key stats

- 84% of Black entrepreneurs (future and current) saw racism as a perceived potential barrier to their entrepreneurial efforts.
- 53% of respondents stated that they have experienced racism or discrimination.
- 66% of all respondents thought it was harder to set up a successful business compared to other ethnicities.
- 74% were concerned about not having equal opportunities compared to white-owned businesses.
- 58% are concerned about presenting as a Black-owned business.

This shared opinion meant that again, the community became the central pillar of support for business owners. There was consensus that to set up in business as a Black person, you automatically faced a system of disadvantage compared to entrepreneurs from other ethnicities. The devastating effects of which resulted in limitations for Black entrepreneurs such as, knowing what support was available to them, a lack of financial business knowledge in the infancy of business building and reliance upon personal funding to start a business or achieve business growth. This gap in financial knowledge between ethnicities is also linked to the wealth gap; a report published in 2020 showed that (for 2016-18), people of Black African ethnicity held the lowest typical wealth (£23,700 family wealth per adult, in current prices), less than an eighth of the typical wealth held by a person of White British ethnicity (£197,000)¹⁰



[10] <https://www.resolutionfoundation.org/app/uploads/2020/12/A-gap-that-wont-close.pdf>

“Our relationships with banks are pretty much a one-sided relationship, in that, our funds are held and then even if we have to make large transactions as entrepreneurs, we can be perceived in a criminal way, irrespective of how frequently we make deposits.”

Dean Okai Snr.

When discussed in more depth, the perception amongst Black entrepreneurs was that banks saw their businesses as riskier. Generally, business owners that had approached banks for funding had encountered a lack of understanding from banks about Black enterprises; such as specific food, hair or beauty products and services designed with Black people in mind. There was also a cultural ethos that rejected debt and loans, with many respondents preferring to sustain a business with complete financial independence.

Several of the community leaders shared that they were currently working with organisations, or on initiatives of their own, to try and create greater harmony between banks and the Black communities; with the community leaders assuming the position of mediators, trusted by both parties. It was highlighted that efforts to address the imbalances are focused primarily on younger Black people, yet older businesses with established processes, may not be as “digitally savvy”, or understanding of some of the new markets and enterprise ventures of the 2020s, so it would still be beneficial to also connect with businesses that had been established longer; widening knowledge transfer opportunities about how to understand and incorporate modern functions within their business model.

Most importantly, working without trust, according to the community leaders, instantly puts Black entrepreneurs at a disadvantage compared to entrepreneurs of other ethnicities. 59% of business owners said setting up a business cost more than they anticipated. For businesses to get ahead, understanding the support and opportunities available to them to build on business knowledge is essential as the reliance on personal funding to start a business comes at great risk and crucially, can stunt a business' growth.



“I think it's having the guts to keep going. Because when you keep on getting pushback, when people are questioning your capabilities, that is hard. And I think my background and the influence of my parents because we were given such an amazing education, gives you a different outlook on what you can actually do in life. The expectation is always more from us. So you kind of go in sometimes thinking, I'm not going to get this loan anyway. [You are] put into a box, with whatever label we're being given at the time - just being a Black entrepreneur or a female entrepreneur, nobody is just seeing you as an entrepreneur.”

Female, Aged 65, Business Owner

Beyond this, Black entrepreneurs want banks to improve their overall knowledge and understanding of Black businesses, their products, and the value of their business, the size of the market and the power of the Black pound. Banks need to address the covert and overt barriers to funding and support. Black businesses need to be able to look to banks as avenues to opportunity; assisting them with practical guidance on how to grow. There is also scope for banks & funders to offer advice and education to all Black potential entrepreneurs, - particularly supporting young Black people.

Collective Call to Action

Actions that Black entrepreneurs want to see to work towards addressing the barriers highlighted throughout this chapter are:

- Financial institutions need to be far more vocal in spreading the message that they truly have the best interests of Black communities and Black entrepreneurs in mind; that comes from outreach and engagement- working to establish successful partnerships with community leaders from Black businesses.
- Expand partnerships with organisations that support and represent Black communities. The onus is on the banks, government and other institutions to build trust with the Black business community and make access to support more inclusive.
- Institutions need to recognise that there are intersections of Black people and take steps to personalise services for business owners to feel valued and comfortable approaching financial institutions.



“ —

52% of Black business owners are not confident applying for finance; specifically applying for a business loan or grant.

— ”

FUNDING & OTHER SUPPORT

“I feel the reason why you have a risk-averse mentality is simply because you’re looking for security and you’re looking for security because you’ve been without it for so long in the Black community.”

Male, 34, Medium-Sized Business Owner

A plethora of concerns regarding funding and other support needs emerged from the research as business owners shared their frustrations about not knowing how and where to access information that could support their business growth. This ranged from a genuine lack of knowing where to find the best information, how to apply for funding and where they could go for mentorship. Though funding remained the top priority for Black entrepreneurs when they were asked what support they needed; lots of other areas of support were also mentioned. Nearly half of all current entrepreneurs need marketing & PR support, with 20% stating they needed help to find new clients – often the case, entrepreneurship sees an individual take up a position as an expert in their area of specialism, but not necessarily experienced at marketing or selling it.

Key stats

- 57% of Black business owners were aware of bank financing, but only 13% used bank financing when they set up their business.
- 34% of Black business owners used personal collateral to fund their business ventures.
- 45% of Black business owners are not confident in financing their business and 52% are not confident applying for finance.
- Only 14% of Black business owners would seek business advice or support from a bank; others would look to friends (36%), family (31%), social media groups (29%) and other informal networks. 10% say they wouldn't seek advice from anyone.
- 54% of business owners would like more support on funding to grow their business.

Self-funded ventures took many different forms; some business owners talked about building up their credit rating over years to self-fund their start-ups. Other entrepreneurs had used credit card finance;



with some business owners saving and working to start their business; maintaining their business and their position of employment until they were making enough profit solely from their business venture. One Black business owner stated that he had reluctantly re-mortgaged his house to raise the necessary funds required to start his business:

“Obviously, going to banks as a person of colour is tricky, but unfortunately for us, we have to raise some [financing] through our house to keep going.”

Male, Aged 56, Small Business Owner

Nearly 1 in 4 (23%) of Black business owners need financial skills & cash flow management, whilst 1 in 5 (19%) stated that they needed help understanding funding streams and eligibility criteria.

This tells us that there is a barrier to growth; the challenge is identifying how to dismantle it. Black businesses want to thrive, but clear signposting for where and how to access that support, with reassurance about the experts they will encounter, is vital for any initiatives from financial institutions to be successful.

Confidence

Education on finance routes, key metrics that evidence a business' health and information on key drivers for business growth, were all suggested as ways to fill the knowledge gap for entrepreneurs, along with guidance and mentorship on how and when to apply for funding and grants, with less than half at 46% of all respondents feeling confident financing their business, or applying for finance.

Contrastingly, business owners were found to have far higher confidence in business development areas such as; product development, market research, sales and marketing than they were with financial aspects of business. Entrepreneurs agreed that banks and institutions could do several things to help Black businesses grow and expand; a team adequately trained, offering tailored support, or a hub that specifically catered to the pressures, pain points and pitfalls of Black entrepreneurship and business. Knowledge sharing opportunities, mentorship and guidance were also recommendations to assist businesses in moving forward. All of the recommendations are likely to increase



knowledge and help business owners to rise above challenges; setting them up for success. The danger for banks that don't change this perception, is the risk of losing the trade of established businesses, but also the trust of businesses that are up and coming as well.

“There are so many successful businesses, Black businesses in the UK, they just need to bring those people together and talk to them and then they will be able to put something together and understand what it is that we need and what the issues are.”

Getrude Acheampong

Sources of Broader Business Support

Outside of the banking support measures, community leaders suggest that there needs to be a more organised approach to education on finance at governmental level. They were unanimous in their agreement that a general understanding of finance, ways to fund your business and business practices are low in Black entrepreneurs. Suggestions included; guidance packs and materials from Customs House, or the Department for BEIS – given mandatorily to all new businesses registered. There was also the demand for a greater focus on financial education at school age.

A high proportion of future entrepreneurs, also looked outside of the more traditional approaches to accessing help. For future entrepreneurs; the third most likely source of support was social media (53%). The reality is that social media is not closely regulated, in terms of the information people choose to distribute unless actively flagged as inappropriate or incorrect, this could have a detrimental effect on those that start their learning in this way- leading to costly mistakes in the process of starting a business.

“On the government level having something in the curriculum on financial literacy is a must. On the banking level, it might be that the banks are the ones who are helping to support the creation of that programme.”

Claudine Reid



A whole variety of other business skills are needed too, from leadership skills to digital skills. Only 9% of Black business owners agreed that supporting Black Pound Day would be in their top 5 needs, but maintaining the visibility of the Black business communities was still important. When discussed, entrepreneurs agreed that to grow and expand, the support that they needed was inclusive of knowledge sharing, mentorship and guidance. Women, in particular, mentioned the usefulness of networks and mentoring and suggested that broader awareness of these opportunities would be useful.

“I started joining a lot of networks that were really helpful because you can see people like you, doing well in the field. I think it is quite motivating. I don't know if you want to go into an industry where there are not many Black women.”

Female, 23, Sole Trader

Collective Call to Action

Actions that Black entrepreneurs would like to see to work towards addressing the barriers highlighted throughout this section are:

- Black entrepreneurs & community leaders want to see banks & networks work harder to offer advice and education to all potential entrepreneurs from Black communities.
- Greater support in terms of knowledge about which sources of funding to take, and how to approach applying. This advice needs to include both a focus on how & where to apply for finance and how to successfully build and pitch a business idea.
- Accessible knowledge packs and improved signposting to additional services as well as training and mentorship support that explores what to do with funds that are received.



FINDING INSPIRATION & PRIDE

Pride, ambition and a strong sense of community underpin Black entrepreneurship in the UK. Many business owners took great pride in what they had built, regardless of business stage or size. Creating somewhat of a legacy and achieving a sense of freedom was a strong thread in every respondent's entrepreneurial journey. For financial institutions to encourage unity and harmony with Black businesses, they must review what is not working and immerse themselves in actively listening and understanding.

“I would say my proudest moment was the first order that I got from a customer based in Birmingham. That first sale lets you know that at least somebody is interested, that there is perhaps a market for your business.”

Male, Aged 32, Business Owner

For young people, who are coming of age within a global pandemic, and maybe struggling to enter the labour market – it was no surprise to see that 16% of students thought starting their own business was the most viable way to make money. The latest national figures support this finding and between 2019 and 2020, the total business population grew by 113,000 (1.9%)^[1]. In addition, of those businesses that had not permanently stopped trading since the arrival of the coronavirus (COVID-19), 15% reported there has been an increase in innovation.^[2] It is clear that many people have turned to entrepreneurship as an outlet for both innovation and necessity.

Many people who took part in our research wanted to give back, or recognised that they had a specialised skill set and saw a niche that could set them apart from other people in their industry. Some business owners spoke of connecting their work to, ‘making the right choice’ and the idea of being able to tap into their creativity and in control of their own destiny – centring their joy and ensuring a human element in the work they were choosing to do. In fact, supporting their communities was a significant driver for many Black business owners (18%). One business owner said:

[1] <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/businessinsightsandimpactontheukconomy/9september2021>

[2] <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/businessinsightsandimpactontheukconomy/9september2021>



“It's just knowing that I'm doing the right job and knowing I'm impacting people's lives. My slogan is “fall in love with living”, and the reason it's fall in love with living is that I feel the property industry is so transactional that it completely misses the fact that a lot of emotion is involved. There's a lot of commitment involved in renting or buying so therefore if people are open and talking about me in a positive light then that means my ethos is ringing true.”

The part banks can play in supporting Black businesses and the wider community is colossal. Just one example of this, mentioned frequently in interviews, was the call for banks to provide clearer signposting to support, and to promote initiatives such as Black Pound Day. Wider support networks could increase the likelihood of future business success: something that can be nurtured through banks' facilitation of Black mentorship schemes for future entrepreneurs to access. Established Black entrepreneurs will have already overcome many of the barriers that stand in the way of newer Black businesses, and being able to share these experiences; where the pitfalls are, and how they were overcome, is extremely valuable to new entrepreneurs- ensuring that those mistakes are not repeated.

“I had a good relationship for about 3 years with my bank manager. I'd have seminars and he would come down and his team would come down as well. So, for those 3 years when I was in that particular business, we had a fantastic relationship. Lots of exploration, open conversations, it also introduced me to people who were in his network within his account holders, and then I would introduce people to the bank to open accounts, as well.”

Getrude Acheampong

Business Influences and Inspiration Trends

Many Black celebrities were mentioned by respondents when asked about their role models and business influences. Names included people from across the globe such as Oprah and Barack Obama, as well as newer household names such as British footballer, turned businessman- Reece Wabara, and Youtube sensations Jackie Aina and Patricia Bright. Business moguls were also cited, such as Madame CJ Walker and British Wealth Creation expert, Des Amey.



Despite this, Black entrepreneurs felt there was a lack of people they could see that looked like them, leading the way in business; particularly here in the UK. 62% of all respondents said that a current lack of visible role models within their social circle was a barrier to success. Black entrepreneurs were driven and inspired by the success stories of people they could directly relate to; through either race, class or social circumstance. In addition, self-made entrepreneurs from outside of the Black community were also mentioned. Examples were all in technology and included names such as Alan Sugar, Jeff Bezos and Steve Jobs.

Interestingly, no political figures that represented ethnic minorities, or more generally from the political party currently holding office were named as inspiring, which could indicate the need to reform policies and approaches from the governmental level; with relationships needing repair from above, not only from individual financial institutions. Community leaders suggested that there is a political component missing from plans, and that banks should be trying to leverage their considerable power to help get the government on board. Black entrepreneurs will not just face barriers in banks or fundraising, but in the world of business and wider society, so it is imperative to address these factors and reduce the lack of trust.

“[Supporting] is part of the African-Caribbean economic reconstruction. Reparations seems a distant thought, although not out of the realms of possibility. However, how they can enable us in the meanwhile is by contributing a nominal amount to our marketing campaigns for events like Black Pound Day, because what we desire to do as a by-product of that is normalising purchasing from African-Caribbean people. Not just for African-Caribbeans, but for everybody.”

Dean Okai Snr.



Collective Call to Action

Actions that Black entrepreneurs want to see to work towards addressing the barriers highlighted throughout this chapter are:

- Increased visibility of other Black entrepreneurs is a key way to encourage others to set up their own businesses.
- The more that Black entrepreneurs are championed and celebrated, the more barriers to entrepreneurship can be broken down.
- Providing Black entrepreneurs opportunities to connect could facilitate the creation of more Black mentorship programmes for future entrepreneurs to learn from, especially for women.



RESEARCH CONCLUSIONS

Despite concerns about trust, visibility and access to relevant, professional advice, guidance and funding, many Black British business owners and future entrepreneurs have a clear vision about where they are and where they want to go. There is a very real sense of ambition, aspiration and pride from each and every voice that participated in this study. Although perspectives differed on the most effective way to tackle the recommendations and sow the seeds of change, there was agreement amongst all parties, that as many stakeholders as possible need to work together if these challenges are to be overcome and the changes, come to fruition. The work needed to implement change is vast and cannot solely come from one institution, organisation or community. It requires cooperation, collaboration and alignment on the overall goal to improve the landscape for Black Entrepreneurs and achieve real and lasting solutions.

Moving the needle comes from partnering with organisations that already have links to local communities. Banks, financial institutions and the government working collaboratively to improve inter-community dynamics; as well as delivering financial education and specialised services to Black business owners. Lloyds Bank and more generally- banks across the UK, should build on, and learn from, what is already out there to give them more reach, trust and immediate impact. Most importantly, Black entrepreneurs want sincerity in these initiatives with helpful, supportive and tangible results because Black entrepreneurs are ready to see financial institutions transform and push forward the conversation, leading with action, to further economic development for Black communities and business owners. Above all, the Black business community is striving for a new social story; one that is filled with economic success and generational wealth. Continuing a legacy initiated by our ancestors and changing the course of history in the 21st century and beyond. We are, Black British. In Business and Proud.

Thoughts from Community Leaders on Research and Recommendations

Community leaders found that there were few elements of surprise with the findings of this research; they had experienced first-hand the mistrust and lack of engagement, gaps in financial understanding, and funding support. No one



solution received more than one top vote, showing each expert had a different opinion on the starting point and scope of the issues addressed throughout this report. Through the active participation of Lloyds Bank and the suggestions from the Black business owners that participated in this survey, on the type of support they want; all partners propose several stages of action-taking. We want banks to be held accountable and for them to take action - documenting their transformations, in turn, evidencing that they have listened and understood the findings.

Findings indicate that Black business owners want to see clearly signposted information and guidance. Training and mentorship on finance and business development, with support and help to choose the right products. The investment from banks in rectifying strained relationships with Black entrepreneurs should take the form of ring-fenced funding opportunities for Black businesses, more opportunities to access business mentorship, a financial team that specialises in support for Black entrepreneurs and guided learning programmes. Most importantly Black entrepreneurs want sincerity in these initiatives with helpful, supportive and tangible results. Business owners presented a multitude of options that if actioned by institutions, could start to address the many issues raised in this report.

RECOMMENDATIONS

As a result of the findings from the Black. British. In Business. And Proud study, the learnings have been distilled into 10 key recommendations, informed by the Lloyds Bank Black Business Advisory Committee, Community Leaders and Black businesses in Britain.

Some of the recommendations that follow are processes that require organisational transformation and dedication, if they are to be successfully embedded into the organisational structure of institutions- something that cannot happen overnight. However, Lloyds Bank is committed to tackling the recommendations and paving the way for change through informed action. Recommendations such as better signposting of the support available; is already underway, whereas other interventions require large-scale change and collective action across public and private institutions, to break down systemic barriers and create a more equitable future in order for Black-owned businesses to thrive.



RECOMMENDATIONS

BREAKING DOWN THE BARRIERS & GAINING TRUST

Recommendation 1:

Improve cultural awareness and Black representation in banking

-  Ensure more Black voices and Black representation across all levels of the organisation.
-  Better education for colleagues to understand the cultural differences, specific products and potential barriers of Black-owned businesses.
-  Create a culture that ensures Black people feel comfortable asking for help.
-  Set KPIs to track and monitor progress.

Recommendation 2:

Partner with grassroots and local community organisations to gain trust

-  Recognise the importance of local community organisations that support Black business owners for establishing relationships and work with them to build out programmes of support.
-  The onus is on banks to reach out to the Black community in a way that works for them. Immerse bank colleagues into local communities to better understand the Black culture and build two-way trust.
-  Foster the fair distribution of wealth and support across all levels of society and also ensure sustainable integration.



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RECOMMENDATIONS

Recommendation 3:

Provide ring-fenced support to create equity

-  Ringfence funding and support for Black-owned businesses to ensure more equitable opportunities.
-  Create accessible financial packages for micro-businesses to start-up and sustain their businesses with guidelines for growth and how they could position themselves to access larger amounts of capital.
-  Consider human intervention for historical credit scoring impacting access to finance.

KNOWLEDGE, SKILLS AND SUPPORT

Recommendation 4:

Provide opportunities to improve knowledge and skills core to entrepreneurship

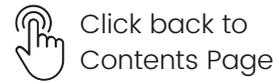
-  Provide education on financial literacy, key metrics and drivers which are key to decision making.
-  Help business owners understand the different types of funding available across the whole financial landscape, the pros and cons, how to apply and what is expected throughout the process.
-  Provide education on other key skills such as Marketing, Digital, PR, Legal, Leadership.

Recommendation 5:

Create a central hub of support available from trusted sources

-  Provide a central hub as a way to easily gain access to all of the knowledge, skills, funding options, networks, mentors and advice available.





RECOMMENDATIONS

Recommendation 6:

Collaborate with schools and universities to encourage entrepreneurship

- Work with schools and universities with high populations of Black students to educate on the benefits of entrepreneurship and the core skills required to be an entrepreneur.
- Provide scholarships, accelerator and mentorship programmes with schools and universities to educate students on the path to becoming an entrepreneur.

CREATING OPPORTUNITIES TO CONNECT, GET ADVICE AND HAVE A SOUNDING BOARD

Recommendation 7:

Provide networking opportunities

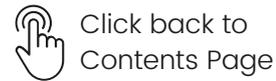
- Provide networking opportunities and a chance to connect with experts on different topics.
- Create more open sessions for people from Black communities to express feelings and opportunities.
- Promote more Black female networks.
- Continue to sponsor the Black Investor 360 event; facilitating financial learning and networking.

Recommendation 8:

Create a bespoke mentoring programme

- Partner with Black-owned organisations to provide a mentorship programme; recognising the specific cultural challenges and preference for support to be provided by another person from the Black community.





RECOMMENDATIONS



Support with plans to help Black-owned businesses grow and provide tailored advice and skills around finance, technology and marketing.

VISIBILITY AND ENDORSEMENT

Recommendation 9:

Promote the support that is available and relevant case studies



Better promote the support that is available and utilise Black community networks and communication channels used by Black entrepreneurs.



Provide case studies on how a bank has helped a Black-owned business through the lifecycle from start-up to where they are now.

Recommendation 10:

Provide fair and equitable opportunities to be part of supply chains and business ecosystems



Review supply chains and sourcing processes to ensure banks and other large institutions give fair opportunities to Black-owned businesses.



Promote Black-owned businesses to the general public to raise awareness and enhance visibility, by supporting initiatives such as Black Pound Day.



Provide supply chain entry support by making introductions to buyers, suppliers and investors.



IMMEDIATE ACTIONS COMING FROM BLACK BUSINESS NETWORK AND LLOYDS BANK

Black Investor 360

Black Investor 360 is an annual Exhibition & Conference focused on finance, investment & wealth management for Black entrepreneurs. Providing the latest tools & tips in finance, giving entrepreneurs the chance to meet investors and financial experts.

We offer the opportunity to build your financial network, learn, engage and connect on a 1-2-1 basis with reputable investment groups and investors. Learn to position your business for investment & better understand funding for your business.

This year, Black Investor 360 is taking place live on Saturday 13th November, and virtually from 13th - 17th November 2021. So don't miss the unique opportunity for Black entrepreneurs to come and grow their financial network; and for investors to meet with the future of black business in the UK.

[Find out more about Black Investor 360.](#)

Black Business Resource Hub Powered by Lloyds Bank

Black Business Network's support hub, powered by Lloyds Bank. We have created a directory of business resources and organisations that support Black and diverse entrepreneurs for the lifecycle of their businesses. The information has been curated by members of the Lloyds Bank Black Business Advisory Committee, providing a central hub to help navigate to useful information: from funding to mentoring.

We recognise our list isn't exhaustive, so please visit the page to recommend other information or organisations you think should be included.



Lloyds Bank webpage for Black-owned businesses

We have created a specific [hub for Black-owned businesses](#) as an easy way to access the support and resources for your business, and to keep up to date with new initiatives aligned to the recommendations including financial help, networking and community support.

Other new initiatives coming soon!

2022: Get Involved

The Black. British. In Business & Proud Survey is a longitudinal- study that will be repeated in 2022 and 2023 as we attempt to capture rich data on the experiences of Black British business owners and entrepreneurs. If you would like to register to get involved and be the first to find out about events, services and future results of the survey, why not register at: www.blackbusinessnetwork.online/survey



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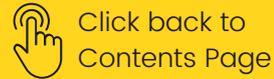
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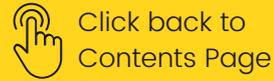
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ABOUT THE AFRICAN DIASPORA PUBLIC AFFAIRS COMMITTEE (ADPAC)

The African Diaspora Public Affairs Committee CIC (ADPAC) is a civic and social organisation that represents the socio-economic interests of people of African origin in the UK. We are a membership organisation that works with institutions, corporations, professionals, grassroots organisations to improve our relationships, grow our influence and socio-economic quality of life.

ADPAC works by coordinating the activity of the British African Diaspora to enable efficient sharing of information, processes and resources to better build our robust self-determined ecosystem. ADPAC CIC national leadership creates policy across Economics, Education, Employment, Health, Housing, Justice, Politics, Trade & Industry and Media.

By coordinating the national efforts of grassroots organisations, professionals and advocates ADPAC CIC seeks to create African/Caribbean community cohesion and structural inclusion that enables us to act as an economic block and improve our ability to determine our civic structures.



ABOUT THE BLACK POUND PROJECT

Many black businesses, who contribute enormously to Birmingham's economy, have been severely hit because of COVID-19 and recent start-up businesses are at risk. The most important thing for us at The Black Pounds Project is to make it possible for black business owners, however small, to access the business and financial help that will help them to kick start their business. For successful applicants, The Black Pounds Project will support each business over a nine-month period and, as the project develops, the team will compile a directory of high quality, professional black owned businesses that everyone can benefit from.

ABOUT FOUNDERVINE

Foundervine sees a world with no social or economic barriers to innovation. We are on a mission to respond to the lack of representation of all people in business leadership. Our work builds opportunities in underserved communities that help tomorrow's leaders shape the future. By making enterprise open to anyone, anywhere, we transform our society for the better.

We have 3 main aims;

- Access: We increase access to entrepreneurship and digital careers for future leaders.
- Acceleration: We increase opportunities for emerging leaders, including providing access to networks, high-impact learning opportunities and investment-readiness support.
- Advocacy: We act as a voice for underestimated leaders, creators and innovators in the UK and beyond.

ABOUT MSDUK

MSDUK is proud to champion the best of British Ethnic Minority Businesses and work with progressive global corporations that understand the value of supply chain inclusion and diversity.

Since 2006, we have worked with over 125 global brands and more than 1500 EMBs, introducing hundreds of new ideas, products and supply chain solutions and securing £735m worth of business for EMBs.

We dedicate ourselves to inspire the next generation of Ethnic Minority founders; offering them a platform to showcase their innovative ideas, and provide them access to knowledge, investment and market, helping them grow and achieve their dreams! Find out more [here](#).

GLOSSARY OF TERMS



Adinkra symbol – SESA WO SUBAN meaning I change or transform my life.



Adinkra symbol – NEA ONNIM NO SUA A, OHU meaning those who do not know can know from learning, knowledge & life-long education.



Adinkra symbol – NEA OPE SE OBEDI HENE meaning those who want to be king, service & leadership.

African/ Black Diaspora

People of native African origin/ descent living outside of the continent.

Black

The term Black generally refers to a person with African ancestral origins. In some circumstances, usually in politics or power struggles, the term Black signifies all non-White minority populations. However, throughout this paper, we use the term to mean those with African ancestral origins. ie. those of African/Caribbean heritage and Mixed African/Caribbean heritage.

Black business

A business owned by a person with African ancestral origins.

BME

Black and minority ethnic.

Entrepreneur

An entrepreneur is an individual who uses the skills and initiative necessary to bring good new ideas to market. In creating the business an entrepreneur bears most of the risks and the rewards.

Financial institution

A financial institution is a corporation that provides services as an intermediary between consumers and financial markets.

Intersectionality

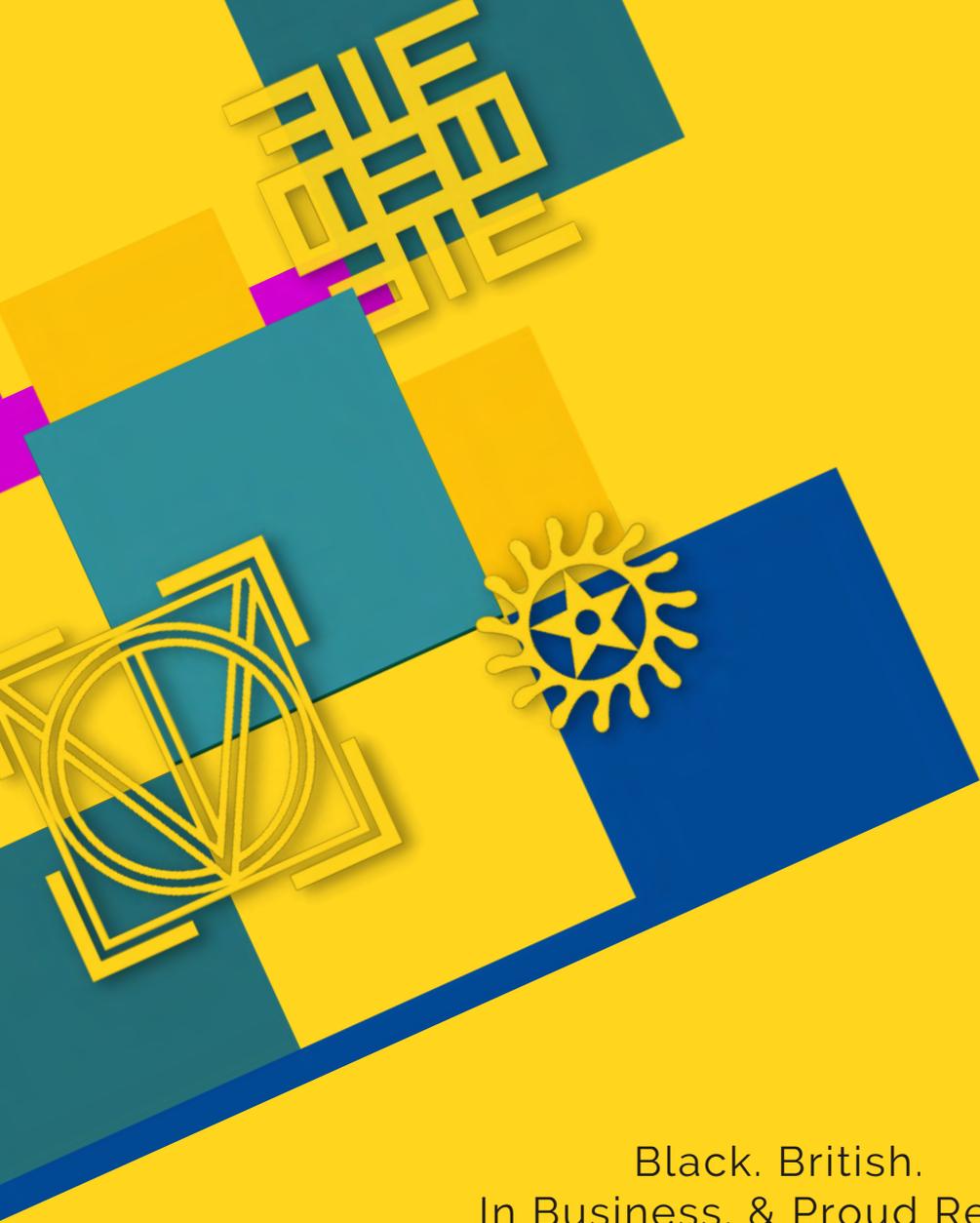
The interconnected nature of social categorizations such as race, class, and gender as they apply to a given individual or group. It takes into account people's overlapping identities and experiences in order to understand the complexity of the prejudices they face. The term was conceptualised and coined by Kimberlé Crenshaw in 1989.

Solopreneur

An individual who starts and runs their business independently without the support of staff or a co-founder.

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will return 2022



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