

THE STATE OF BLACK BUSINESS TODAY

An Article by William A. Taylor One of The Business Lawyers

For anyone old enough to know and still remember recent history, it should not be amazing to see how out of the mainstream is the African American business community.

In spite of record-setting months of sustained national economic growth, record-setting prices for high tech stocks (causing money to be thrown at anyone who talks techno-speak in sentences ending with the words "going public"), in spite of record-setting sustained low levels of unemployment - in spite of all of these superlative indices, most African American businesses and entrepreneurs are only doing well, they're not going through the roof.

After qualifying such statements with information that they are opinions based on the anecdotal experiences of a business lawyer who, although he hasn't missed any meals, also is not yet fat, the author questions why is this so? Why are they not going through the roof? And, what does this state of affairs portend for a possibly less-rosy national future? Finally, what to do about it all?

First: Why is this so?

Taking as fact that some, but only a very few African American entrepreneurs have participated in the profits frenzy that is America today, the easy answer to the question "Why?" is racism practiced by people who are not African Americans. Unfortunately, so facile an answer happens to also be accurate.

In summary of the numerous incidences that should be catalogued for future training purposes, the majority of the people who comprise the population of this country and all of the wanna-bes who aspire for acceptance by the majority, are not comfortable doing business with African-looking people. When the majority's businesses are not forced by governments to hire and do business with African Americans, the overwhelming evidence is that they don't. When the majority's businesses are forced by governments to hire and do business with African Americans, they do what they must but no more.

Because what they must do is controlled by laws and regulations that have no enforcement mechanisms (i.e., no teeth other than reporting requirements) and are "enforced" by workers whose concerns (much less allegiances) are not about the class of people their agencies were created to protect, our generation's governmental thrust is now of no account. (One remembers the writings about Reconstruction to view the negative course of another generation's governmental thrust.)

Essentially, African Americans are being ignored and are being left to our own devices for surviving as entrepreneurs and successfully growing our companies. And, although as a people, African Americans dispose of billions of dollars annually, we are legendary in priding ourselves on not spending it within our own community and, therefore, are not at all a group on which to base a business.

In spite of it all, some African Americans still manage to be successful, to do well, even if they are not going through the roof. They should be compared to flowers in a desert; if they can do well practicing the science and art of business with no - or very little - rainfall (no - or very little financing or normal customer expectations), imagine the flowering they could do with the rainfall most American entrepreneurs take for granted as their birthright. African American entrepreneurs should not be considered survivors, but instead, they should be considered masters of the business game, consummate practitioners who have "flowered" in spite of the business climate in which they are forced to operate.

Next: The Bears and the Bulls

The American economy has confounded the experience and the expectations of the majority by its record-setting achievements. As is normal for any people who know even a little bit of economic history, the majority is expecting and is anxiously looking for signs of negative numbers and a future that is somewhat less rosy than the present, all the while trying to nail that last super profit before things change. When things do change, how will African American entrepreneurs fare?

An informed opinion is that, if the bottom drops out of the market, African American businesses and entrepreneurs will not do proportionately bad compared to the majority of American business. Stated differently, if African American businesses are now posting 5% (growth rates or net profit percentages or dividends declared) as compared to 10% for majority American businesses, it should not necessarily be expected for the African American rate to fall to 2.5% if the majority rate drops to 5%. Because of only marginal participation in the boom, a bust should not affect African American businesses that much (a reduction to 4% for instance).

The possibility of African American entrepreneurs not crashing with a crashing market or economy will not mean that they will prosper. Probably they will just experience more pervasive denials of credit and job orders than during the current "good times." Except for suffering increased physical stress, they should survive a downturn. [About this prognostication, the reader is warned that the author has never been wrong and is always right.]

Finally: What to do?

Concentrate on the basics of good business and be lucky - that's the prescription for survival as an African American entrepreneur and the prescription for success.

If one takes the long view, one sees periods of American history in which the survival of African American businesses faced greater race-based obstacles than now: the 1900s turn-of-the-century when Jim Crow was the law of the land, the lead-up to the Civil War when immigrants saw freed slaves as economic competition, the early 1800s (prior to America's banning of slave importation) when there was not even official moral opprobrium over the institution and every black person was suspect. If African American entrepreneurs existed then, during those times, they can exist now - and in the future.