

Insights from Black leaders in the middle market



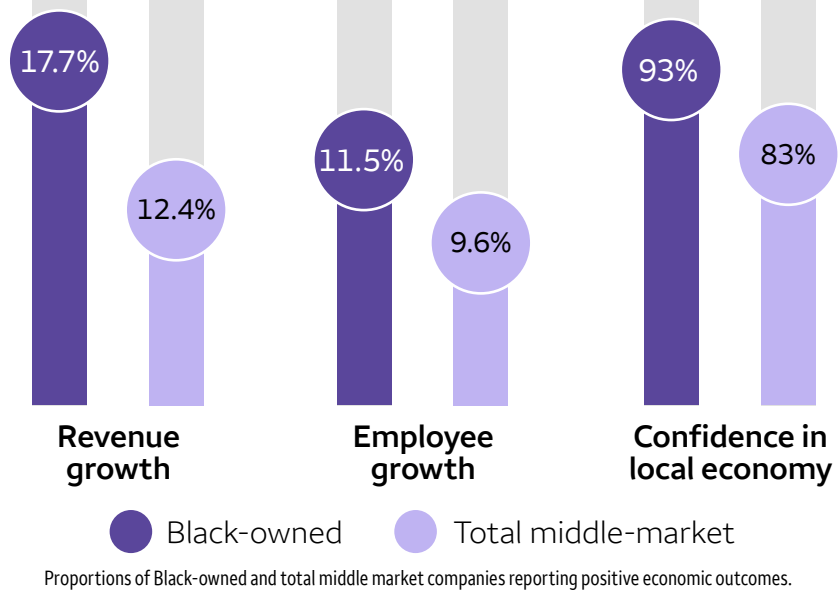
Opportunities and challenges in the middle market

How do the leaders of Black-owned businesses in the middle market (with roughly \$20 million-\$1 billion in annual revenue) feel about how their businesses have grown and how they will get to the next level?

Wells Fargo Commercial Banking, in collaboration with the National Center for the Middle Market, took a closer look at the perspectives of this influential subsector of Black business leaders.

A small but growing piece of the middle market

Black-owned businesses outpaced the national average in key growth categories.



What we heard

Qualitative findings based on individual 60-minute interviews with 13 Black middle market business owners and leaders responsible for strategic decision making

Diversity programs and initiatives may be shifting away from Black-owned businesses

- › Benefits may be going to other minorities more frequently
- › Negative perceptions of DEI limit opportunities

“There’s a slowly deliberate effort to just kill anything that happens to say Black or preference.”
—Black Middle Market Leader



“If you’re trying to access capital without giving up the 51% ownership that becomes much harder.”
—Black Middle Market Leader

Programs for Black-owned businesses can be complicated at start-up; limit next-level growth

- › Material barriers exist to bid directly with procurement and decision makers
- › Participation thresholds impose ceiling on growth



Discrimination does not define Black business owners or their paths forward

- › Perception is Black businesses still must do more to prove themselves, especially when raising capital
- › Determination to overcome bias is essential

“All I want to do is compete for your business. I don’t want you to give it to me.”
—Black Middle Market Leader

Maintaining a separate network generates opportunities and helps overcome challenges

- › Black business leaders pay it forward
- › Networking in wider circles and taking leadership roles builds partnerships

“If you get people with different backgrounds and different perceptions, they will actually give a different way of coming to a solution.”
—Black Middle Market Leader



Empowering Black-owned middle market businesses

i

Educate

Educate middle market stakeholders on the Black-owned business story

🤝

Support

Inform industry partners and service providers on ways to better support Black-owned middle market businesses

\$

Economic success

Develop a roadmap for tapping the potential of these businesses so they can more fully contribute to the nation’s overall economic success

“Black-owned businesses often must go through supplier diversity programs and certifications, where their majority-owned counterparts can go straight to procurement. These additional steps are structural barriers they must overcome.”

—James Hill, chair of the Department of Operations and Business Analytics at The Ohio State University Max M. Fisher College of Business

[Ready to learn more? Click here to read the full report.](#)