

The future of Black women in corporate leadership: Opening doors to move up

As of spring 2022, a record-breaking [44 Fortune 500 CEOs are women](#). Yet, only two of the women—[Thasunda Brown Duckett \(TIAA\)](#) and [Rosalind Brewer \(Walgreens Boots Alliance\)](#)—are Black, meaning they represent 4.5% of female Fortune 500 CEOs and just 0.4% of all Fortune 500 CEOs.

The paucity of Black women in the C-suite stems from a long history of intersectional biases, stereotypes and exclusions that have narrowed the opportunities for women to climb to the top of the business world and created an even narrower path to the top for Black women. Although explicit racism and sexism are no longer acceptable in the workplace, Black women continue to deal with the consequences of centuries of exclusion and unconscious and conscious biases in the workplace.

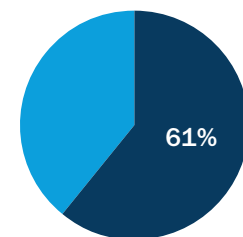
As a double minority, Black women face discrimination and microaggressions that prevent them from moving up the corporate ladder. While Black men are still men, and white women are still white, Black women are neither white nor male, leaving them “othered” to the majority of those in power in the business world. If the majority with the ability to make change does not see the value of Black women, they will not aspire to give them power.

Black women face discrimination in the start-up realm, too. Although Black women are the fastest-growing demographic of entrepreneurs in the United States, and account for nearly 2.7 million businesses nationwide, they experience severe challenges due to the lack of support and access to capital. It is estimated that [61% of Black women self-fund](#) their startups. Black women are more likely to self-fund their businesses because Black business owners who apply for funding have a [rejection rate three times higher](#) than White business owners. Additionally, only [2% of venture capital funding goes to U.S. female-only founder teams](#).

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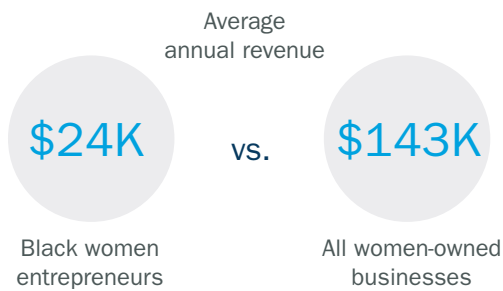
Almost two-thirds of
Black women self-fund
their businesses



Further, organizations founded by Black women disproportionately lack support from philanthropic sources, as well. [Of the \\$67 billion that U.S. foundations contributed to organizations in 2017, just 1% specifically targeted minority women.](#)

Without question, it is more difficult for Black women to obtain adequate funding for their businesses than it is for White men and women and Black men. In 2020, fewer than 100 Black women raised \$1 million or more in venture capital funding. Black women’s businesses suffer as a result of these inequities: Black women entrepreneurs earn [average annual revenues of \\$24,000](#), compared to \$142,900 among all women-owned businesses. Furthermore, only about 3% of Black women’s startups mature into established businesses, compared to [7% of White women’s](#) startups.

Black business women make less



The lack of Black women entrepreneurs and business executives poses challenges not only for individuals and households but for national economic development, as well. According to [Goldman Sachs](#), reducing the wage gap for Black women has the potential to create 1.2 to 1.7 million U.S. jobs and increase the GDP by \$300-450 billion.

Black women thriving as entrepreneurs and business executives would bring social and economic value to American society. Entrepreneurship stimulates economic wealth and can serve as a bridge for low-income families to the middle class, which in turn helps reduce the racial wealth gap and tackle inequality. Successful Black women entrepreneurs have the financial freedom to invest in their families and communities, increasing the chances of prosperity and long-term financial security for future generations.

America’s public, private, and social sectors need to help create equitable entrepreneurial ecosystems that provide inclusivity and support for Black women business owners. Additionally, for real change to happen, institutions need to recognize the investment-assessment biases responsible for the challenges that Black businesswomen face today.

Reducing the wage gap for Black women has the potential to:



The government could implement policies that remove barriers and create better business outcomes for Black women by addressing institutional racism and discrimination. For example, an expansion of U.S. Small Business Administration (SBA) programs such as the [COVID Targeted Economic Injury Disaster Advance and Supplemental Targeted Advance loans](#) could serve as a way to meet the needs of Black businesswomen. These government programs provide relief grants, Paycheck Protection Program loans, and increased government spending on Small Disadvantaged Businesses.

The private sector, for its part, could take the lead on building more diverse teams in the workplace. To do so, managers at every level have to consciously develop and sponsor Black women’s careers. A more representative corporate environment relies on senior leaders to mentor and sponsor underrepresented minorities in the workplace. This process can be done both formally and informally. Creating a sense of belonging by encouraging meaningful connections with diverse leaders ensures Black women feel comfortable enough to share their concerns, help find effective solutions, and thrive in the workplace.

Higher education institutions, for their part, could help smooth the path for young Black women to succeed in the corporate realm. For example, there should be an increase in programs that help place these young women into co-op working arrangements or internships to gain exposure to the business world and confidence about

their ability to succeed there. In addition, programs focusing on entrepreneurship can increase their recruiting efforts to include more Black women. According to the American Association of University Women (AAUW), “black women are gravely underrepresented in college faculty and staff, leading to a lack of diversity, equity and inclusion in curriculums, as well as a lack of role models and support for underrepresented populations.” More Black women faculty members and staff would help to resolve these issues and better support young Black women students.

The Howard University Center for Women, Gender and Global Leadership is ready to collaborate with private and public partners to address these critical issues. The Center can serve as an avenue to expand opportunities for Black women in business through mentorship,

sponsorship and networking—all with the purpose of solidifying bonds between Black women entrepreneurs and others in existing and future business ecosystems.

To address the challenges facing Black women in the corporate world within the United States and the African Diaspora, the Center is hosting a Global Leadership of Women Summit in October 2022. Going forward, one of the Center’s primary strategic goals is to launch a Women’s Global Leadership Academy that will target the development of entrepreneurial leadership skills and fund startup opportunities for Black women in the United States. In short, the Center, founded just last year, is eager to help open doors and create opportunities for more Black women to climb to the top of the corporate ladder, and to succeed at the highest levels of the public sector as well.

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