



# In Search For Wakanda

**North Carolina – First In Equity**  
*(To Be Rather Than to Seem?)*

Leadership North Carolina

Dr. Henry C. McKoy, Jr.

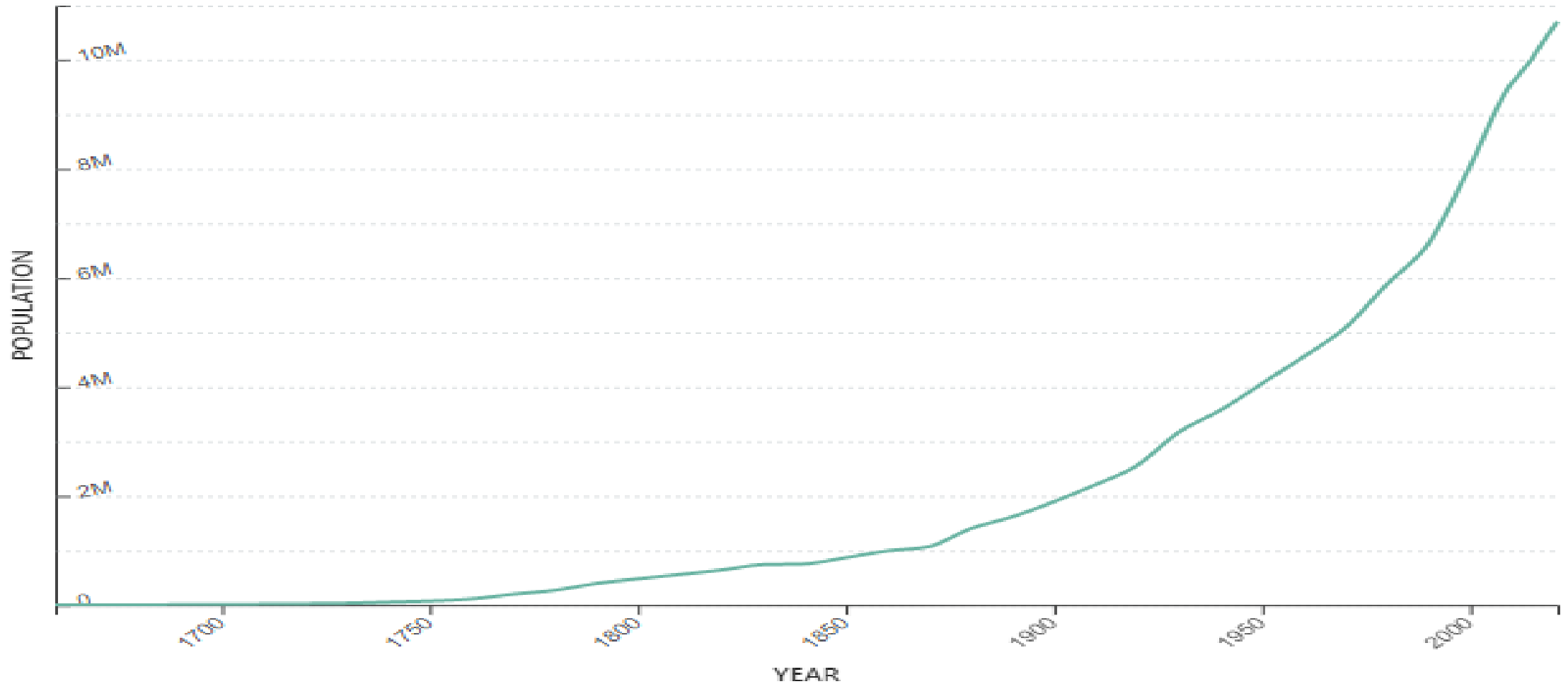
Tuesday, November 2, 2021

# Contemporary North Carolina

*DEMOGRAPHICALLY*

# North Carolina Population 2021

10,701,022



# North Carolina Population (2021): 10.7 Million

## +9.5% - 2010-2020

Population, Census, April 1, 2020	10,439,388
Population, Census, April 1, 2010	9,535,483

NC Total Population	Absolute Change	Percent Change
1990-2000	1,420,676	21.4
2000-2010	1,486,170	18.5
2010-2020	903,905	9.5

NC Foreign-Born	Absolute Change	Percent Change
1990-2000	314,923	273.7
2000-2010	289,646	67.3
2010-2019	164,985	22.9
2016-2019 (Trump Admin.)	94,993	12.0

NC White Population	Absolute Change	Percent Change
1990-2000	676,028	13.5
2000-2010	576,840	10.2
2010-2020	88,153	1.4

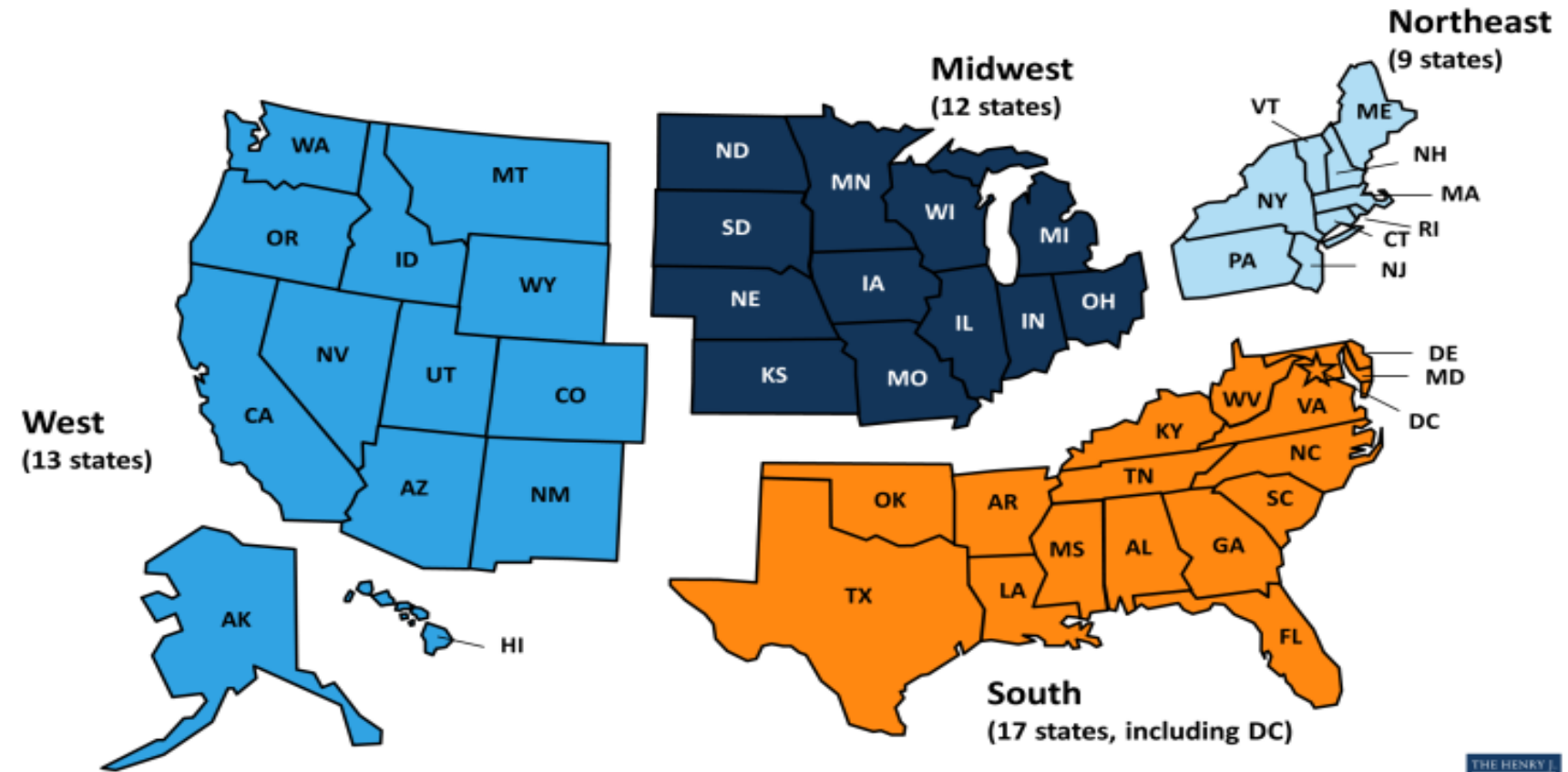
# SOUTH: Fastest Growing Region 2010-2020 (+10.2%)

\*2<sup>nd</sup>: West +9.2

State	Growth
Texas	15.9%
Florida	14.6%
South Carolina	10.7%
Georgia	10.6%
<b>North Carolina</b>	<b>9.5%</b>
Tennessee	8.9%
Virginia	7.9%
Maryland	7.0%
Oklahoma	5.5%
Alabama	5.1%
Kentucky	3.8%
Arkansas	3.3%
Louisiana	2.7%
Mississippi	-0.2%
West Virginia	-3.2%

Figure 1

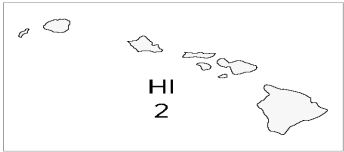
## Census Regions and Divisions of the United States



Source: [http://www2.census.gov/geo/pdfs/maps-data/maps/reference/us\\_regdiv.pdf](http://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf)

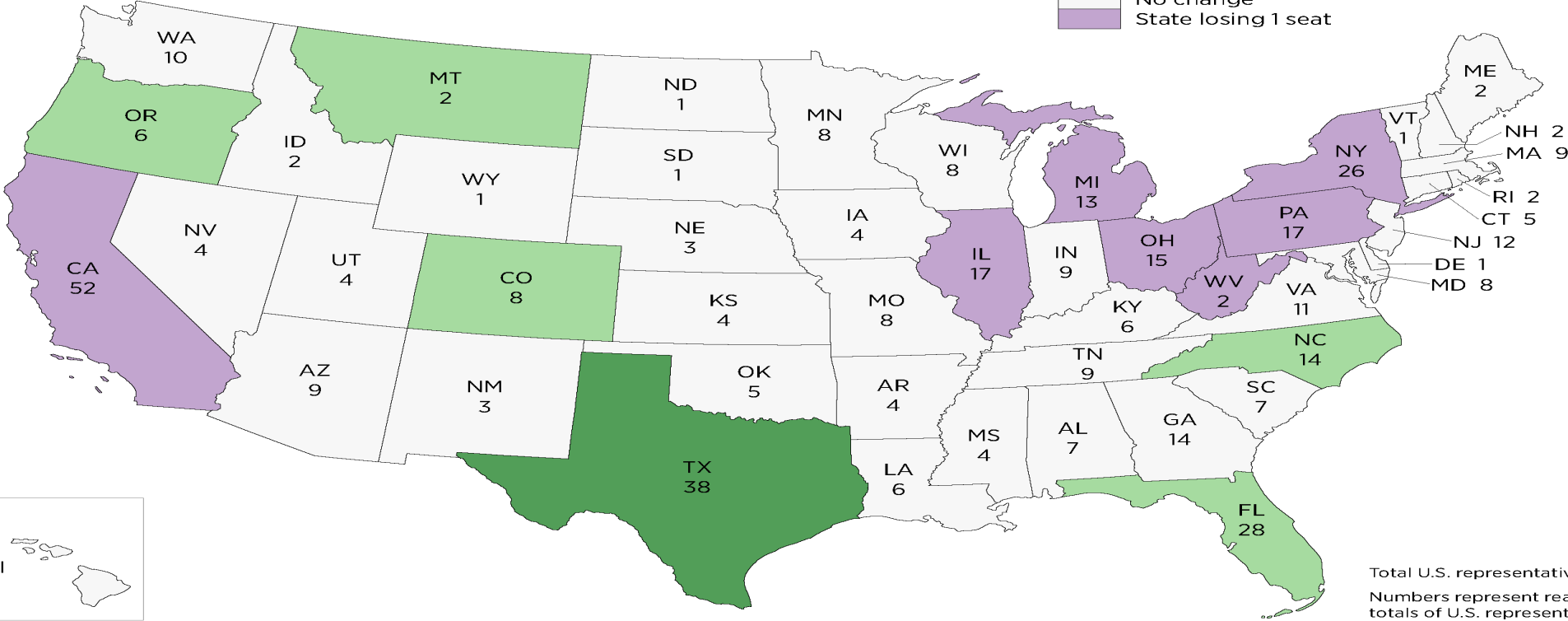
# Congressional Impacts

## Apportionment of the U.S. House of Representatives Based on the 2020 Census



**Change from 2010 to 2020**

- State gaining 2 seats
- State gaining 1 seat
- No change
- State losing 1 seat



Total U.S. representatives: 435  
 Numbers represent reapportioned totals of U.S. representatives.

# Poll Question #1

- What was the fastest growing County in North Carolina from 2010-2020?

# 95% of Growth in 15 Urban Counties

## North Carolina's Growth Magnets, 2010-2020

County		Percent of Growth (Net Growth: 903,965)	
Wake	228,417	47%	95%
Mecklenburg	195,854		
Durham	57,246	64%	
Guilford	52,893		
Cabarrus	47,793	84%	
Johnston	47,121		
Union	36,975		
Forsyth	31,920		
Buncombe	31,134		
Brunswick	29,262		
Iredell	27,256		
Onslow	26,804		
New Hanover	23,035		
Gaston	21,857		
Alamance	20,284		



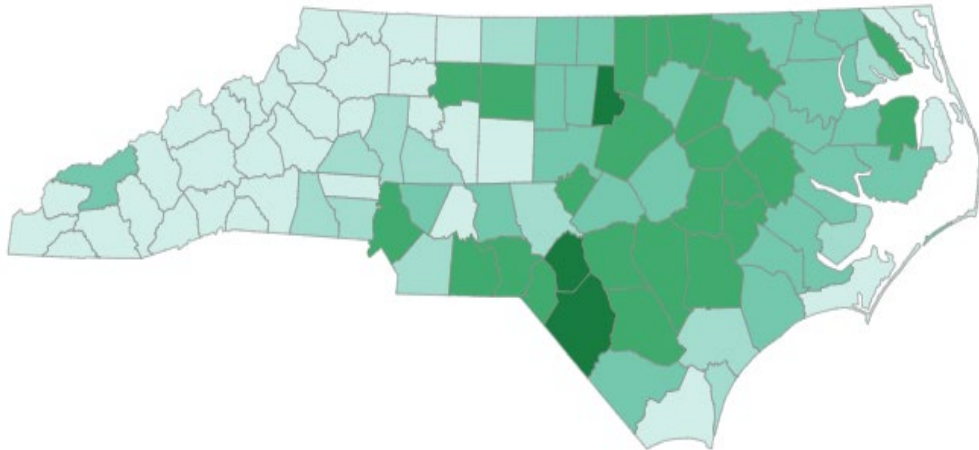
# A More Diverse State

## Diversity Index

- 65.0% or more
- 55.0% to 64.9%
- 45.0% to 54.9%
- 35.0% to 44.9%
- Less than 35.0%

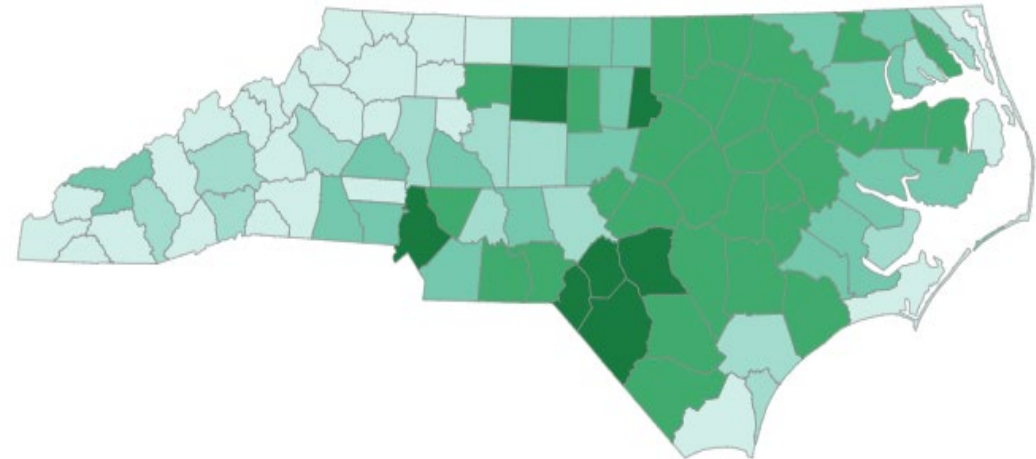
### Diversity Index by County: 2010

North Carolina: 52.1%



### Diversity Index by County: 2020

North Carolina: 57.9%



# 2021

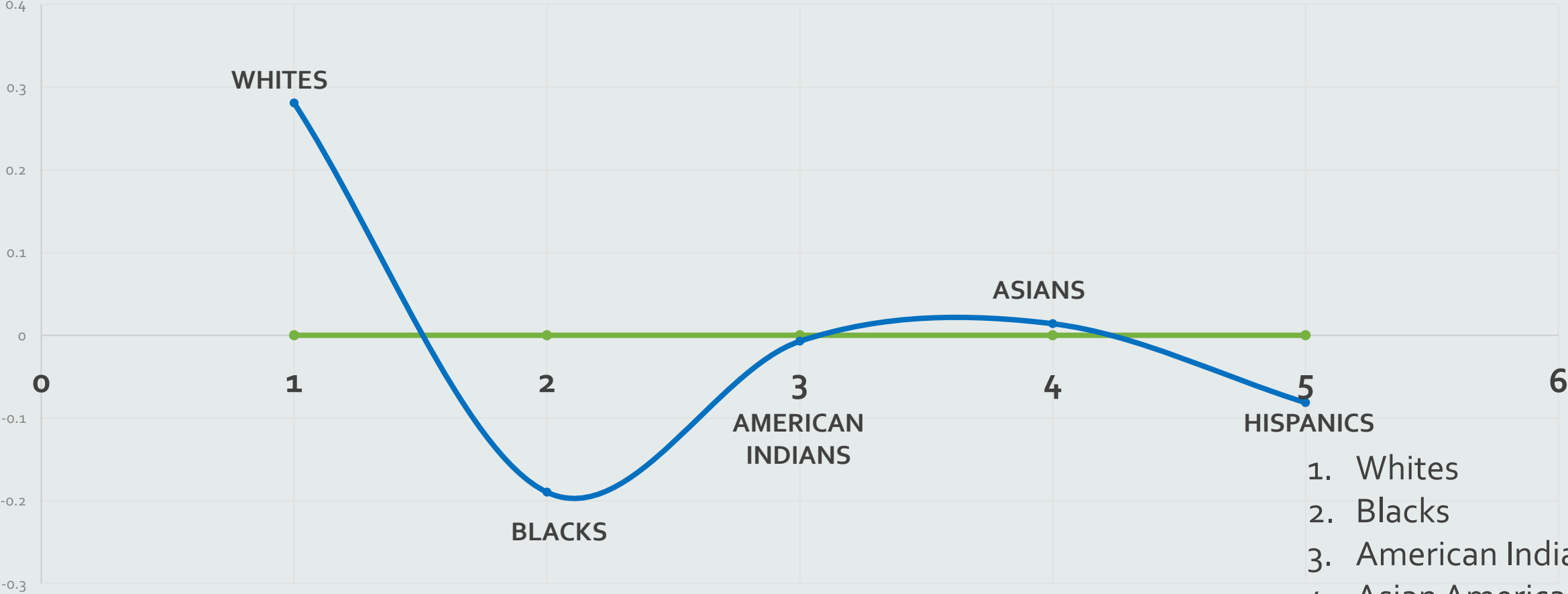
## Race and Hispanic Origin

Race and Hispanic Origin	North Carolina	United States
White alone, not Hispanic or Latino	62.6%	60.1%
Black or African American alone	22.2%	13.4%
American Indian and Alaska Native alone	1.6%	1.3%
Asian alone	3.2%	5.9%
Native Hawaiian and Other Pacific Islander alone	0.1%	0.2%
Two or More Races	2.3%	2.8%
Hispanic or Latino	9.8%	18.5%

# Contemporary North Carolina

***EQUITABLY***

# Community Economic Ecosystem Equity Index [-1,1]

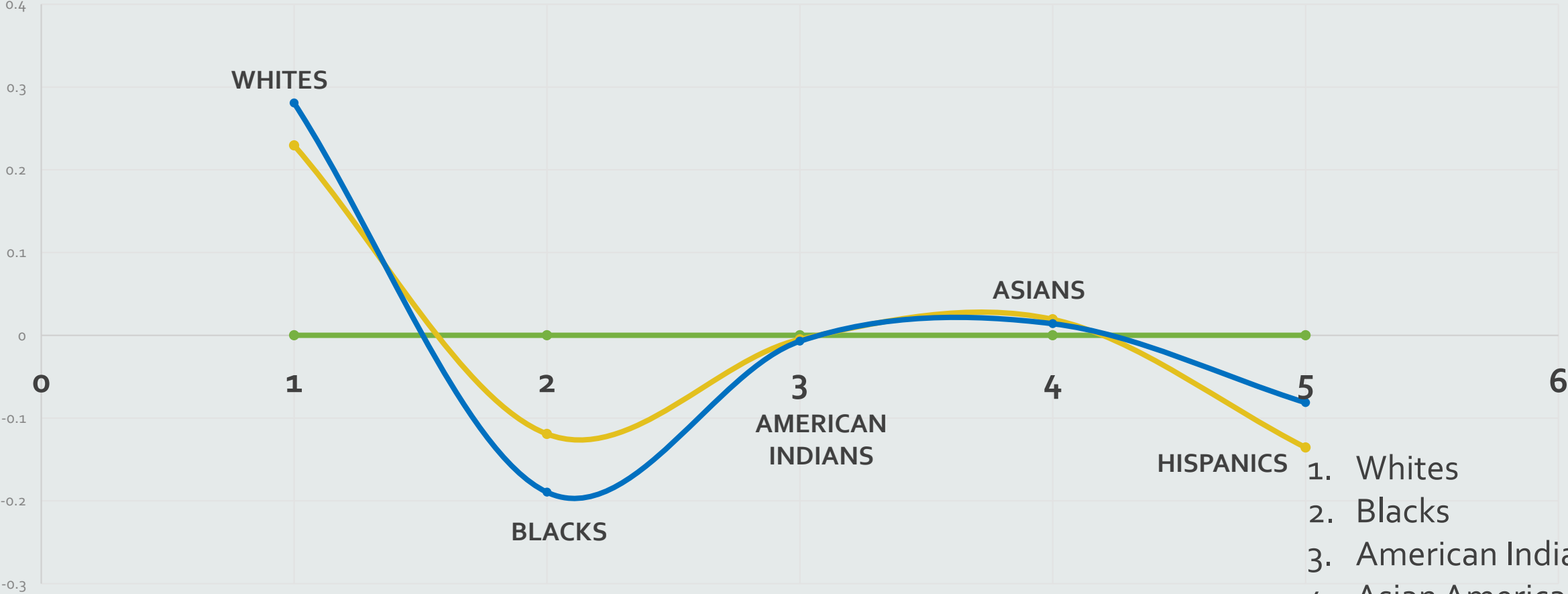


—●— Equity —●— NC

- 1. Whites
- 2. Blacks
- 3. American Indian
- 4. Asian American
- 5. Hispanic

SBO Census Data

# Community Economic Ecosystem Equity Index [-1,1]



—●— Equity —●— USA —●— NC

- 1. Whites
- 2. Blacks
- 3. American Indian
- 4. Asian American
- 5. Hispanic

SBO Census Data

# Poll Question #2

- 2.1: Which state is the *most* racially economically equitable: VA, NC, or SC?
- 2.2: Which state is the *least* racially economically equitable: VA, NC, or SC?

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**Community Economic**

**Ecosystem**

**Area of Analysis**

**Inequity Composite**

**Score**

**(i.e., Average Equity**

**Gap)**

United States

115.81

Virginia

80.45

South Carolina

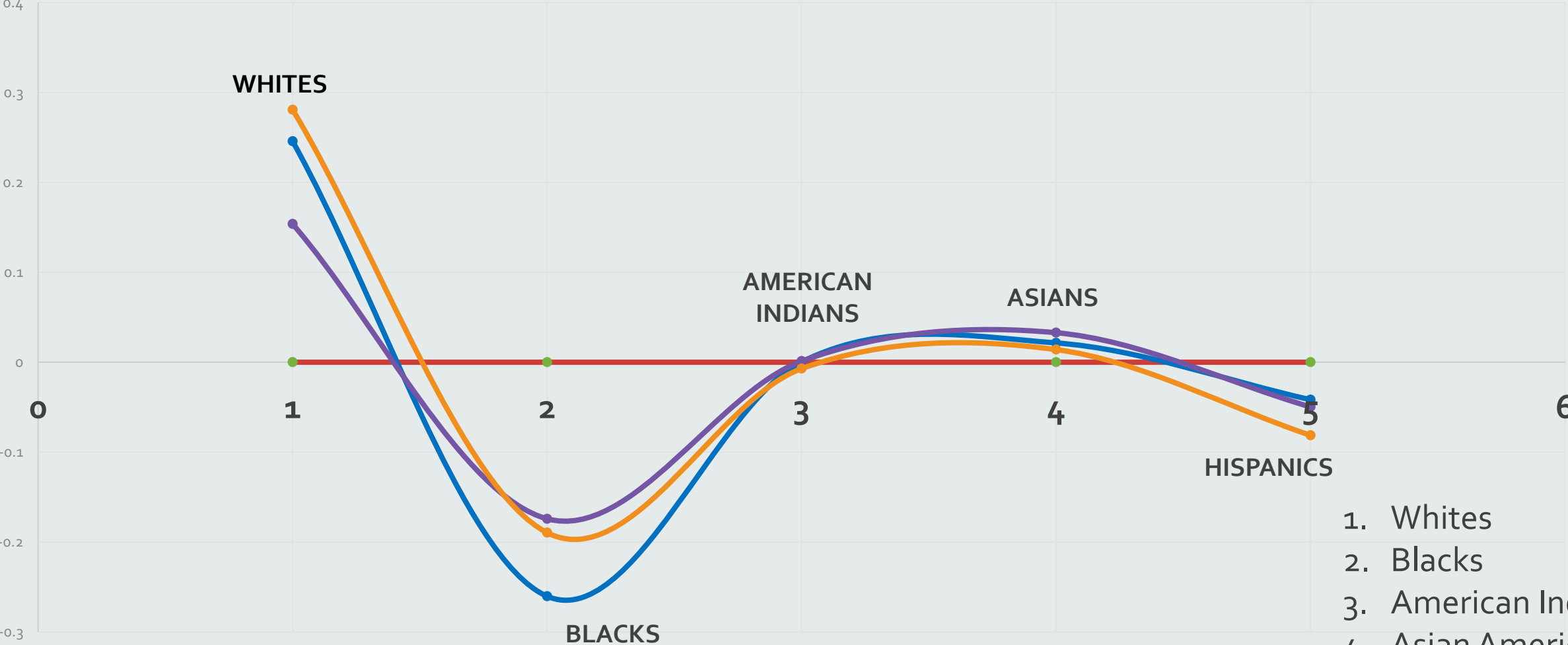
126.25

North Carolina

138.65

*\*The lower the Inequity Composite Score, the better (zero gap = equity)*

# Community Economic Ecosystem Equity Index [-1,1]



- 1. Whites
- 2. Blacks
- 3. American Indian
- 4. Asian American
- 5. Hispanic

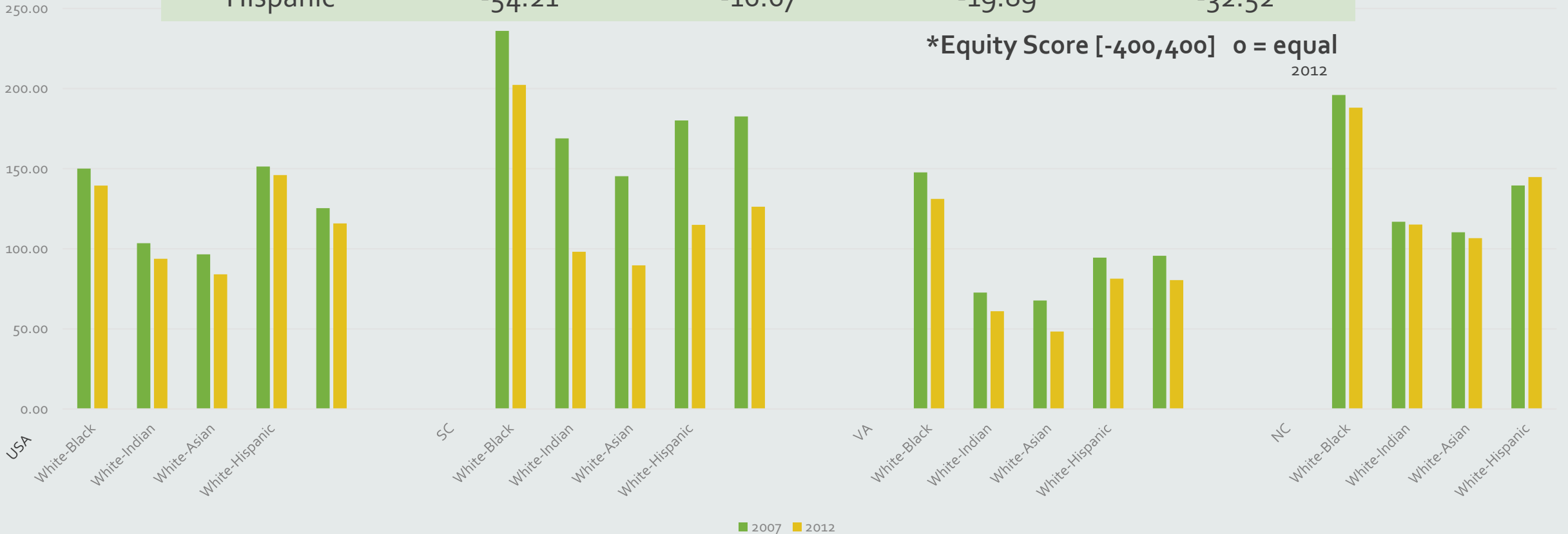
Equity SC VA NC

SBO Census Data



# Community Economic Ecosystem Equity Gap

Race/Ethnicity	USA Score	SC Score	VA Score	NC Score
White	91.77	98.25	61.47	112.27
Black	-47.67	-104.09	-69.65	-75.80
American Indian	-2.00	0.15	0.47	-2.85
Asian American	7.70	8.60	13.13	5.62
Hispanic	-54.21	-16.67	-19.89	-32.52



# The Intersections

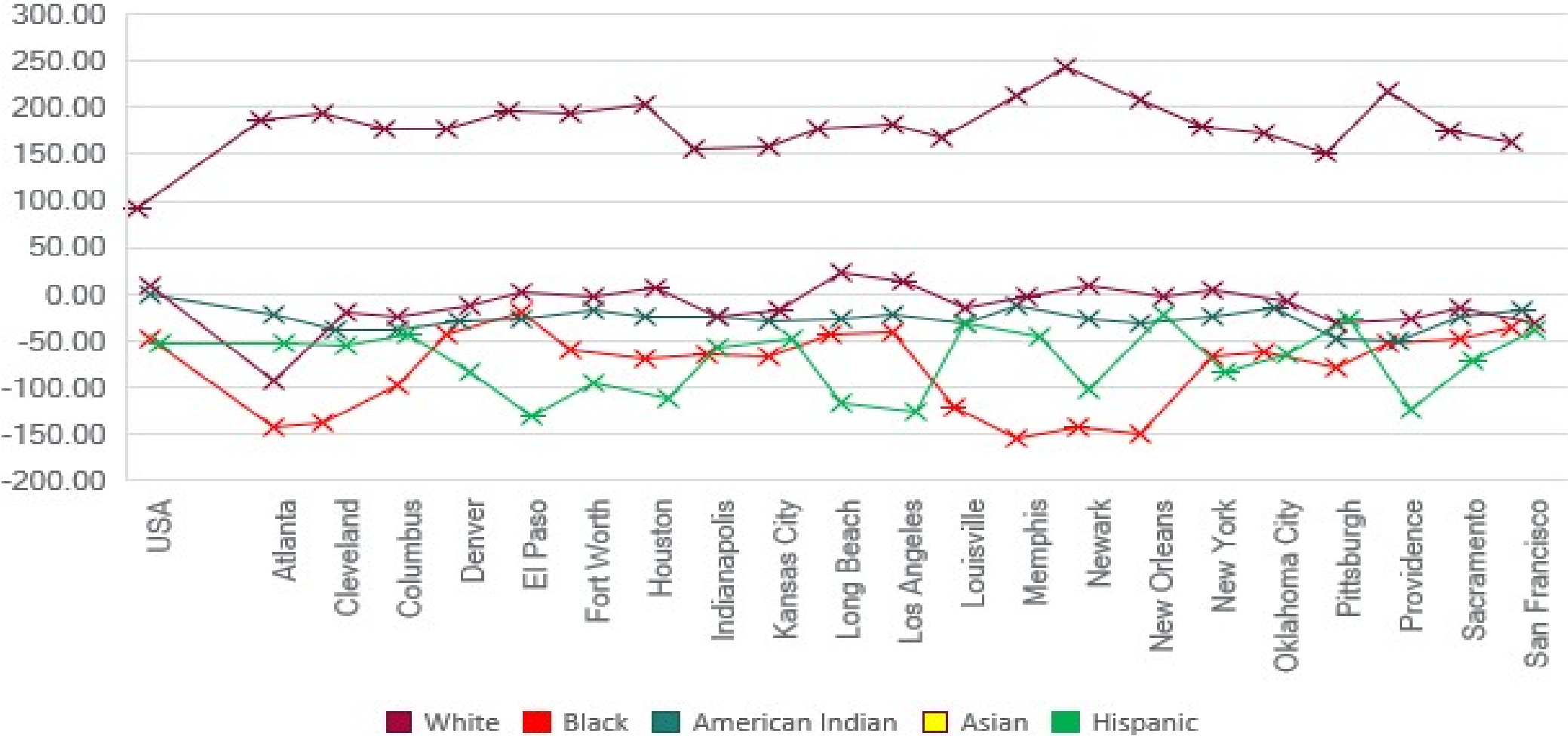


# Black America is No Wakanda

- Poverty among blacks is not budging.
- Tracing the same households over 25 years, the total wealth gap between white and African-American families **nearly tripled, increasing from \$85,000 in 1984 to \$236,500 in 2009** (Shapiro et. al., 2013).
- Equal achievements, such as income gains, yield unequal wealth rewards for whites and African-Americans.
- When neighborhood segregation happens, blacks suffer more than whites.
- In America, as a whole, and certainly in black America particularly, it is becoming more difficult to rise above your birth status.
- Wealth of Black America is roughly the same as at the end of the Civil War (relatively speaking)
  - **Less than 1%** of American Wealth
  - **156 Years** after end of Civil War and Black Emancipation

# City Economic Strength by Race

Figure 1: City Economic Strength by Race



# Contemporary Neighborhood Segregation

IN THE FUTURE, MORE OF AMERICA WILL LOOK LIKE WAKANDA, BUT WITHOUT THE WEALTH

- Communities across the United States are more racially and economically segregated now, than they have been since the mid-twentieth century

## Harvard's Joint Center for Housing Studies (2017)

- U.S. High-poverty neighborhoods: **13,400** (2000) to more than **21,300** (2015)
- Proportion of the poor population living in high-poverty neighborhoods: **43 percent** (2000) to **54 percent** (2015)

## September 2017 Report: The Road to Zero Wealth (Institute for Policy Studies)

- Median wealth of African-Americans will reach **\$0** in the year **2053** (Latinos – 2073), less than a decade after racial minorities become the majority population (2044) in the United States (Collins et. al, 2017)

# North Carolina is no Wakanda...either

- Concentrated Poverty in North Carolina is growing (*NC Justice Center, April 2018*)
- Blacks have highest share of Poverty statistics
- **North Carolina**
  - **37** neighborhoods (**2000**) to **109** neighborhoods (**2016**) – *Greater 40% poverty*
  - **262** neighborhoods (**2000**) to **669** neighborhoods (**2016**) – *Between 20-40% poverty*
  - Blacks in Poverty Neighborhoods (**increased 203%**): **59,276** (**2000**) to **179,623** (**2016**)
  - Black Concentrated Poverty Neighborhood Share (2000-2016): **3.6% to 8.7%**
  - 2012-2016: Blacks **71% more likely** than Latino to live in concentrated poverty neighborhoods; **434% more likely** than Whites
  - 2012-2016: NC Residents living in Concentrated Poverty Neighborhoods: Whites (5.8%); Latinos (8.9%); **Blacks (16.6%)**

**North Carolina Population (2021):**  
**10.7 Million**  
**+9.5% - 2010-2020**  
**+8.8% (Change in Housing Units)**



# North Carolina: Economic Racial Shares Breakdown

	w/wo paid employees	w/ paid employees	w/wo paid revenue \$	w/paid revenue \$	Poverty	Population Share
<b>White</b>	78.2%	83.3%	97.5%	97.9%	11.1%	62.6%
<b>Black</b>	14%	3.95%	0.76%	0.52%	24.9%	22.2%
<b>American Indian</b>	1.4%	0.56%	0.015%	0.10%	26.2%	1.6%
<b>Asian</b>	3.4%	4.8%	1.10%	1%	12.7%	3.2%
<b>Hispanic</b>	4.3%	2.1%	0.61%	0.46%	30.1%	9.8%

# Pre-COVID-19 N.C. Racial Entrepreneurial Ownership and Wealth (out of 100)

<b>Race/Ethnicity</b>	<b>100 People</b>	<b>100 Companies</b>	<b>\$100 Firm Cash</b>	<b>Entrepreneurial Wealth Strength</b>
<b>White</b>	63	83	\$98	\$112.27
<b>Black</b>	22	4	\$0.52	-\$75.80
<b>American Indian</b>	2	0.5	\$0.10	-\$2.85
<b>Asian</b>	3	5	\$1	\$5.62
<b>Hispanic</b>	10	2	\$0.46	-\$32.52



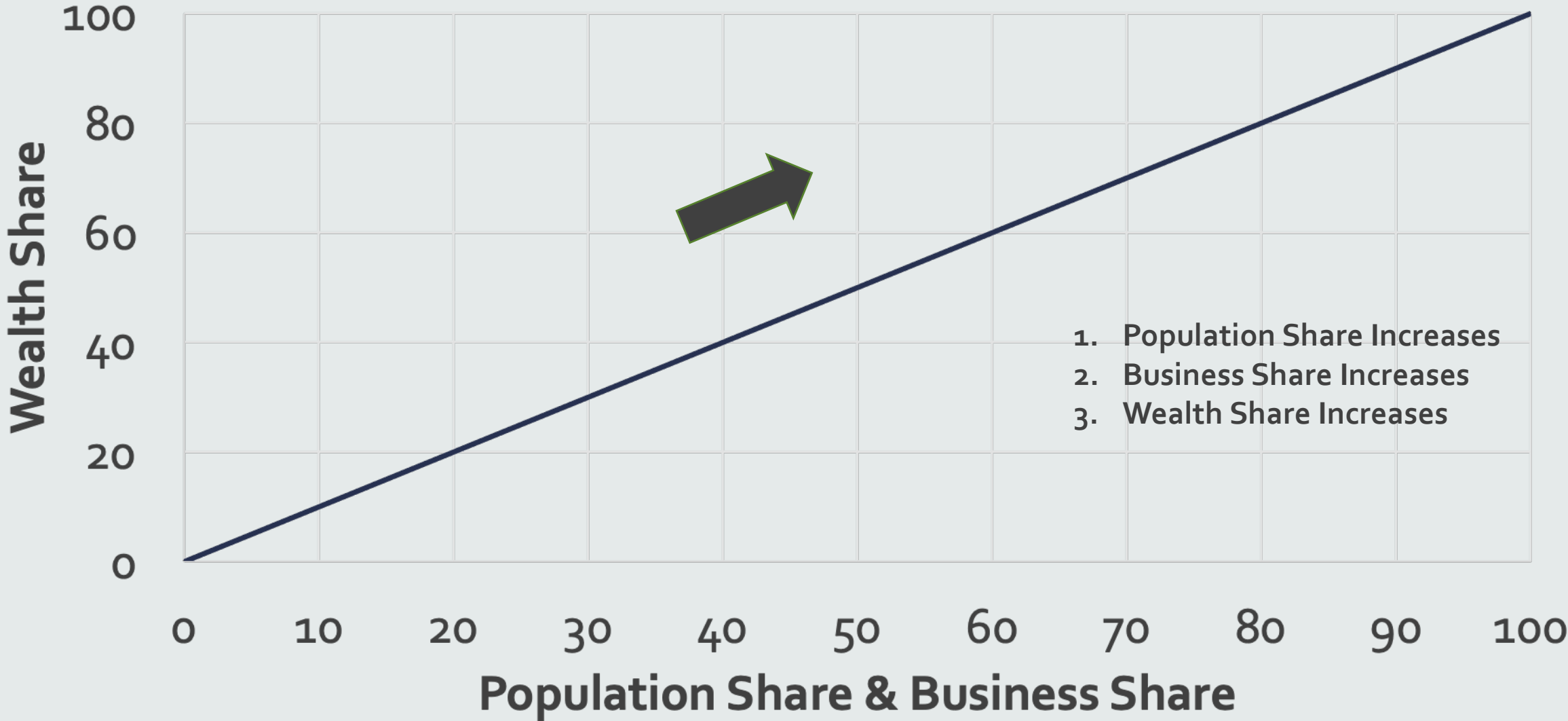
# Firm-Level Payroll Protection Program Racial Analysis

	<b>Loan Count</b>	<b>% of Loans Received</b>	<b>% of Population</b>	<b>Under- or Over-Represented Loan Count</b>	<b>% of Equity</b>
White	551,233	83.4%	60.1%	153,841	138.7%
Black or African American	12,783	1.9%	13.4%	(75,820)	14.4%
Hispanic	43,396	6.6%	18.5%	(78,929)	35.5%
American Indian or Alaska Native	3,855	0.6%	1.3%	(4,741)	44.8%
Asian	49,951	7.6%	5.9%	10,939	128.0%
Total PPP Loans	661,218				

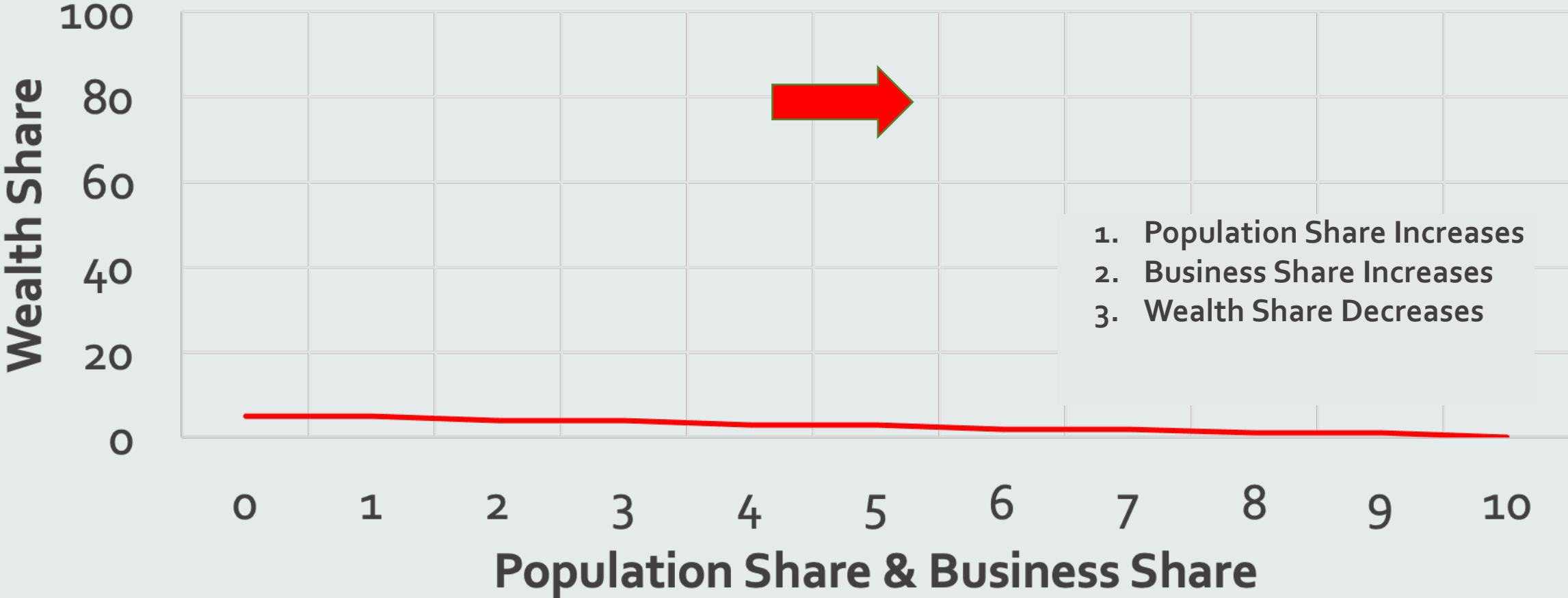
Subsection of firms from total PPP pool: Loans above \$150,000 as of July 6, 2020

14% Race Data: estimates based on data extrapolated from SBA figures of the 94,501 applicants

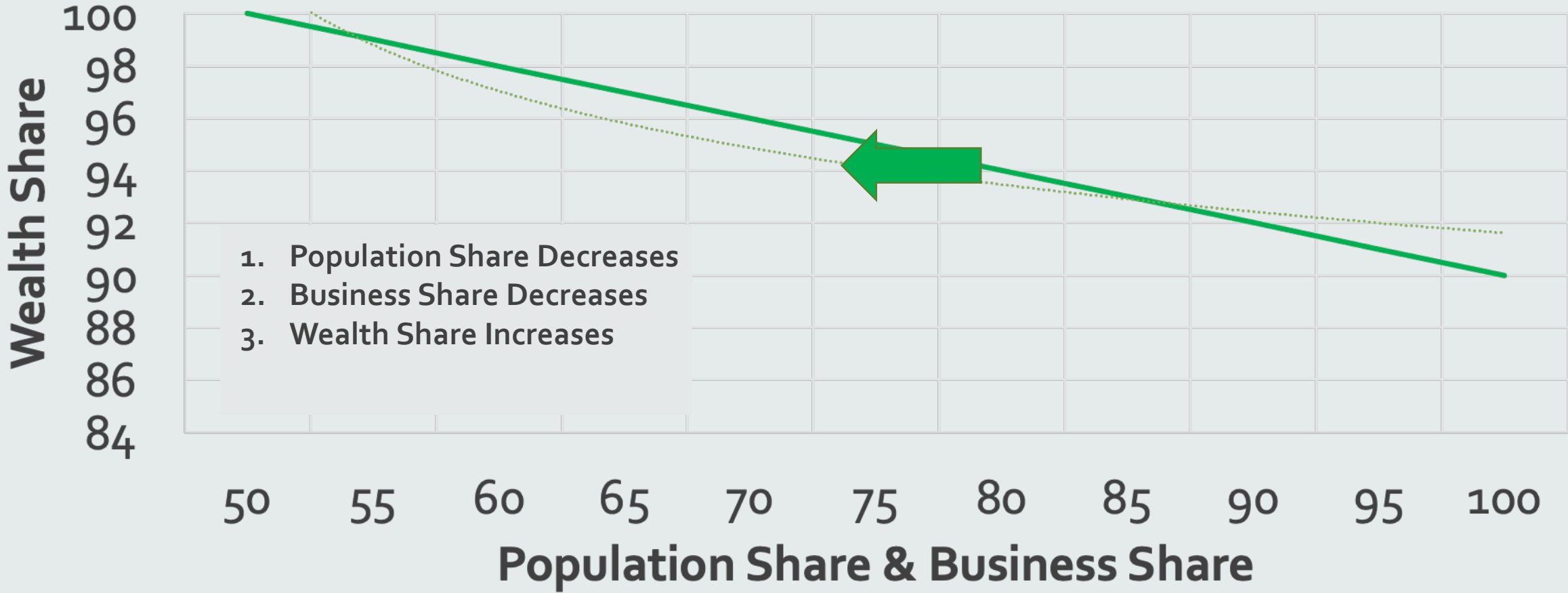
# Normal PSBWS Equity Curve



# Povertearing/Inverse-Povertearing



# Povertearing/**Inverse-Povertearing**



# Post-COVID Expected Outcomes for North Carolina's Black Business Ecosystem



- ✓ Increase in U.S. Overall Black Entrepreneurship
- ✓ Increase in Racial Inequity (Increase *Povertearing*)
- ✓ Relative and Absolute Decrease in Black Firms with Paid Employees (PPP didn't help)
- ✓ Decrease in Black Wealth (accelerated road to zero wealth)

# Poll Question #3

- Charlotte was #1 city in NC for size of Black business growth at 79.6% following Great Recession (2007-2012).  
**What was the #2 city in NC behind Charlotte for Black business growth during that time?**

# BLACK FIRM GROWTH BY MSA, 2007-2012

STATE/MSA	2012 FIRMS	# CHANGE 2007-2012	% CHANGE 2007-2012
NC	112,892	28,973	34.5%
CHARLOTTE	33,369	14,787	79.6%
ROCKY MOUNT	3,637	1,429	64.7%
WINSTON-SALEM	5,848	1,858	46.6%
FAYETTEVILLE	6,796	1,700	33.4%
RALEIGH	15,486	3,813	32.7%
GREENSBORO	10,966	2,523	29.9%
DURHAM	8,152	1,020	14.3%

# Broader Past & Present Trends



- Black firms only racial group declining in firms with paid employees (those firms generate most wealth)
- White firms comprise 80-90% (avg.: 86.8%) of every major US industry, Blacks comprise 0-3% (avg.: 1.5%)
- Black firms already declined by 41%, was expected to decline by another 50% by Nov 2020
- “Buy Black” campaigns won’t be enough (Blackout Day 2020 – Tuesday, July 7, 2020; \$10M Receipts)
- National Gaslighting: Critical Race Theory



# Responding with Policy to COVID-19's Impacts

<u>Short-Term</u>	<u>Medium-Term</u>	<u>Long-Term</u>
<ul style="list-style-type: none"><li>• Immediate Cash Infusions</li></ul>	<ul style="list-style-type: none"><li>• Strategic Technical Assistance<ul style="list-style-type: none"><li>• COVID-related opportunities</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Procurement &amp; Supply Chain<ul style="list-style-type: none"><li>• Partnerships</li><li>• Investment</li></ul></li></ul>

# Policy Opportunities: What must be done for Black and Minority Firms

**Action 1:**

Increase Diversity of Black Entrepreneurial Pipeline

**Action 2:**

Increase Scale  
and Diversity of Capital Available to Black  
Entrepreneurs and Businesses

**Action 3:**

Expand  
Place and Space Available to Black Businesses

**Action 4:**

Removal  
of Barriers for  
Black Entrepreneurs and Businesses

# Overall Strategy: Change North Carolina Culture (and Measure)

**Measurement 1:**  
Number/Share of Black Businesses  
with Paid Employees

**Measurement 3:**  
Amount/Share of Diverse Public Capital  
available to and invested in Black  
Entrepreneurs and Black Businesses

**Measurement 5:**  
Geographic dispersion  
of Black Businesses  
Across Diverse Economic  
Zip Codes

**Measurement 2:**  
Amount/Share of Black Business  
Revenue with Paid Employees

**Measurement 4:**  
Amount/Share of Diverse Private  
Capital  
available to and invested in Black  
Entrepreneurs and Black Businesses

**Measurement 6:**  
Number of Black Children being  
introduced to innovative environments  
in elementary, middle, high school;  
college; and beyond

## The Intersections:

**ANCHOR POLICY: Must Change How NC Recruits and Supports Company Expansion – Need More Black and Hispanic Firms with Paid Employees – Creating Bigger Gaps**



# US Racial Wealth Gap Relative to Business Entrepreneurship

## Jeff Bezos/Elon Musk

- \$205B (August 26, 2020) - Bezos
- \$13B (1-day increase, July 2020) - Bezos
- Mackenzie Scott (25% divorce = \$64B)
- **\$289B (October 25, 2021) - Musk**

## Wealth During Pandemic

- 25 Richest Global Billionaires = **+\$255B**  
(Mar 2020-May 2020)
- 400 Richest Americans = **+\$240B = \$3.2T**  
(Aug 2019-Aug 2020)
- 1 Black *Forbes* 400: Robert Smith \$5B

## US Black Wealth

- 7 of 615 US Billionaires
- 1.1% of Billionaires (13% of pop.)
- Collective Black Billionaire Total:  
\$16.1B (0.16% of *Forbes* 400)
- 5 of 7: Athletes/Entertainers

## Collective Black Business

(2020 Pre-COVID estimate)

- ~3 Million Black Businesses
- **\$172B-\$195B** (+15-30% since 2012)





# Findings & Conclusions

1. The N.C. black business ecosystem has been hollowed out from centuries of fiscal exclusions and economic discriminations.
2. **The CARES Act has been no differently structured. But Rescue Act could be.(?)**
3. However, this time, if left unattended, the economic exclusion could have a fatal impact on the future of black North Carolina – and North Carolina as a whole.
4. **North Carolina is becoming blacker – and browner – and on its way to becoming a majority- minority state ( ~ 2050).**
5. If the majority of a state has low, no, or negative wealth, then it is not only a problem for that population, but for the entire state.
6. **If black businesses in the N.C. become functionally extinct, and no longer plays a significant role in the overall North Carolina ecosystem function, then there will be grave and negative consequences for the entire state.**
7. The recent unrests during the COVID-19 summer of 2020, might prove a mild preview of what is to come, if these swelling and intensifying economic disparities are left unaddressed – and further deteriorate.

**North Carolina's Vibranium:  
*To Be Rather Than to Seem***

North Carolina must create a generation of LEADERS focused on our state becoming "First in Equity!"

1. **Bold & Visionary Leadership**
2. **Innovative Partnerships**
3. **Reparative Justice for Past, Present, & Future Generations**



# Thank You

Dr. Henry C. McKoy, Jr.

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