



OHIO CHAMBER OF COMMERCE  
RESEARCH FOUNDATION



## ***EXECUTIVE SUMMARY***

# **THE OHIO BLACK OWNED BUSINESS ECONOMIC IMPACT STUDY**

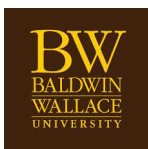
**MAY 2025**

**RESEARCHED BY:**

*The Baldwin Wallace University Community Research Institute*

**SPONSORS:**

Jan-Michele Kearney & Eric Kearney



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## Letter from the Executive Director

Dear Reader,

On behalf of the Ohio Chamber of Commerce Research Foundation, I am pleased to present this comprehensive study on the economic impact of Black-owned businesses in Ohio. This research directly aligns with our mission to pursue research that advances free enterprise, promotes economic competitiveness, and improves the quality of life for all Ohioans.



The findings in this report are compelling: Black-owned businesses generate \$12.5 billion in value-added contributions to Ohio's economy, support nearly 130,000 jobs, and contribute \$2.7 billion in tax revenue. Despite their significant impact, these enterprises continue to face disproportionate challenges in accessing capital, securing contracts, and scaling their operations.

In commissioning this study, we partnered with the Baldwin Wallace University Community Research Institute, whose team under the leadership of Dr. Lauren Copeland and Dr. Christian Nsiah brought exceptional expertise in economic analysis and community-centered research. Their work combining rigorous economic modeling with insights from 268 business owners has created a foundation for informed policy development.

The recommendations outlined here offer a roadmap for strengthening Ohio's entrepreneurial ecosystem through practical strategies that can be implemented by policymakers, financial institutions, and business support organizations. I invite all stakeholders to use this research as a catalyst for collaborative action toward building a more equitable business environment where entrepreneurs from all backgrounds can succeed.

Sincerely,

A handwritten signature in black ink that reads "Demetrius Thomas". The signature is fluid and cursive, with the first name being more prominent.

Demetrius Thomas  
Executive Director  
Ohio Chamber of Commerce Research Foundation

# 1. Executive Summary

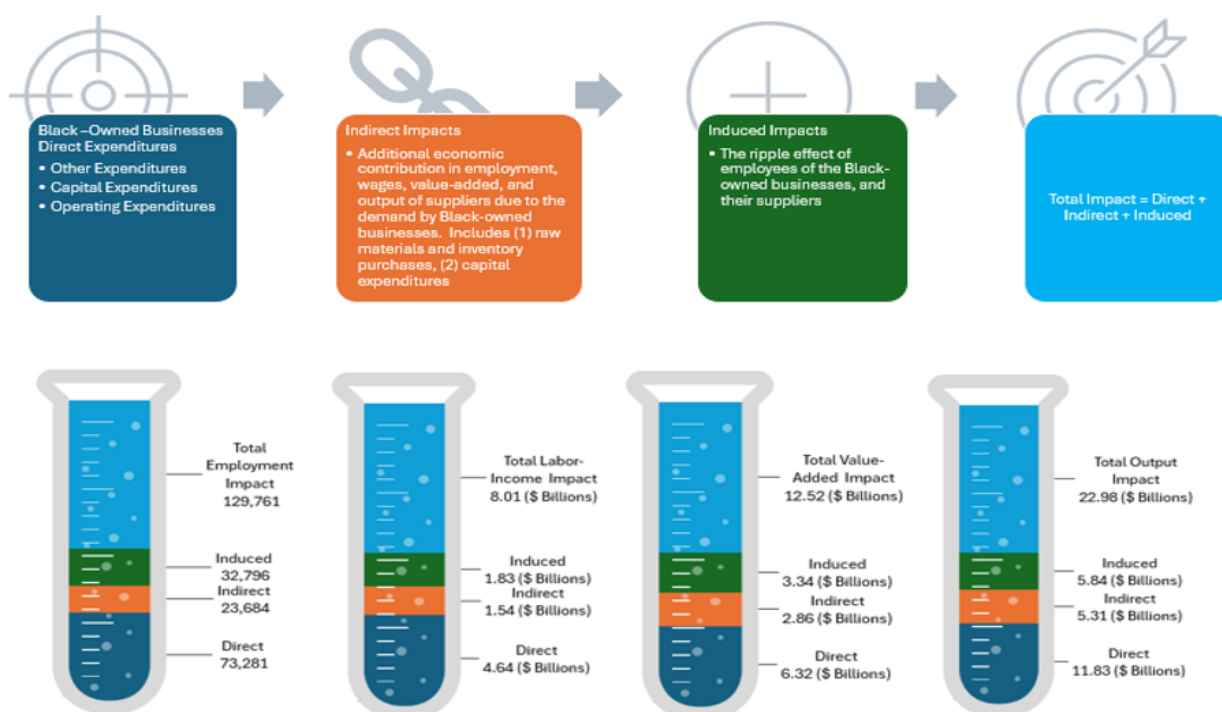
## 1.1 Overview

This comprehensive study examines the economic contributions, challenges, and opportunities of Black-owned businesses in Ohio. Combining quantitative economic impact analysis with qualitative insights from business owners, the report provides a foundation for understanding the vital role these enterprises play in Ohio's economy and the strategic interventions needed to foster their growth.

## 1.2 Economic Impact Analysis Highlights

Black-owned businesses play a substantial and growing role in Ohio's economy. Using IMPLAN modeling and U.S. Census data, the study estimates that these businesses generate \$12.5 billion (about 2% of Ohio's GDP) in value-added and \$22.98 billion (about 3% of Ohio's GDP) in total output annually (see Figure 1.1).

Figure 1.1. Economic Impact Summary



As Figure 1.1 shows, this economic activity supports 129,761 jobs, including 73,281 directly within Black-owned firms and tens of thousands more through indirect and induced effects. Additionally, these enterprises contribute over \$8 billion (about 1% of Ohio's GDP) in labor income, \$553.89 million in state taxes, and \$1.8 billion (a total of about 0.3% of Ohio's GDP) in federal taxes annually, demonstrating their fiscal importance to public budgets.

The sectors with the greatest output impacts include:

- Healthcare and Social Assistance (\$4.66B, 4.12% of sector output),
- Transportation and Warehousing (\$2.36B, 4.08%),
- Manufacturing (\$2.36B, 0.39%),
- Real Estate and Leasing (\$1.82B, 1.4%), and
- Professional, Scientific, and Technical Services (\$1.62B, 1.79%). *Note:* This is a broad industry sector that encompasses businesses offering specialized expertise and services to other organizations and, in some cases, individuals. This sector includes firms specializing in scientific research, architecture and engineering, computer system design, legal and accounting services, advertising and market research, veterinary services, and professional photography.

Among these, the Healthcare and Social Assistance sector stands out, contributing over \$4.6 billion annually—underscoring its importance for both employment and essential service delivery. Many of the jobs supported in these sectors are labor-intensive and frontline occupations, such as healthcare practitioners, personal care aides, food service workers, material movers, and drivers. These patterns highlight the urgent need for workforce development initiatives, education funding, and mentorship programs aligned with the industries where Black-owned businesses are most active.

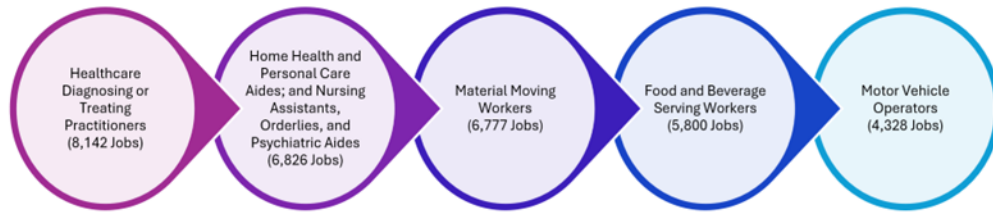
From a labor market standpoint, Black-owned businesses generate significant employment across a range of occupations and industries (see Figure 1.2). In terms of employment, the five industries most affected by Black-owned businesses are Health Care and Social Assistance (36,589 jobs), Transportation and Warehousing (16,469 jobs), Accommodation and Food Services (14,735 jobs), Administrative Support and Waste Management Services (9,948 jobs), and Retail Trade (8,967 jobs).

Figure 1.2. Employment Overview



As Figure 1.3 shows, the top occupations impacted include Healthcare Diagnosing or Treating Practitioners (8,142 jobs), Home Health and Personal Care Aides along with Nursing Assistants, Orderlies, and Psychiatric Aides (6,826 jobs), Material Moving Workers (6,777 jobs), Food and Beverages (5,800 jobs), and Motor Vehicle Operators (4,328 jobs). These patterns emphasize that Black-owned businesses are heavily concentrated in labor-intensive sectors that are vital for everyday life and economic vitality. However, they also underscore the vulnerability of these businesses to workforce shortages and training gaps.

Figure 1.3. Occupation Overview



The study emphasizes the importance of understanding job experience requirements, educational impacts, and core competencies within the labor force of Black-owned enterprises and the industries they support, especially in sectors like Healthcare and Social Assistance that benefit significantly from Black entrepreneurship.

Specific policy implications include the need for targeted workforce development programs that enhance skills relevant to these industries, increased funding for educational initiatives that support Black entrepreneurs, and the establishment of mentorship programs that connect experienced business leaders with emerging entrepreneurs.

Additionally, the report presents policy options that can improve access to financing, ensure equitable procurement opportunities, and promote collaboration between Black-owned businesses and larger corporations. By addressing these areas, policymakers can strengthen these sectors, support the growth of Black-owned businesses, and foster a diverse and resilient economic landscape in Ohio.

### 1.3 Business Owner Survey Highlights

Data were collected from Ohio Black business owners, highlighting key trends in business ownership, industry representation, fiscal management, workforce dynamics, and access to resources. Survey data from 268 Black business owners reveals that most (65.7%) established their businesses independently rather than inheriting or purchasing them, suggesting a strong entrepreneurial drive.

A significant portion of respondents indicated that their businesses were relatively young, with 83.1% operating businesses less than ten years old. Sole proprietorships constitute the dominant legal structure (54.5%), potentially creating tax and liability vulnerabilities. Business sizes trend small, with 39.6% having fewer than five employees, though a third (33.6%) employ 20 or more people.

The geographic distribution shows significant concentration in urban counties, with Hamilton, Franklin, and Cuyahoga counties having the highest representation. This urban concentration highlights both these businesses' importance to urban economic vitality and potential growth opportunities in rural areas.

Overall, the survey findings emphasize that while Black-owned businesses contribute significantly to Ohio's economy, they continue to face systemic challenges that hinder their full potential. The findings highlight a need for targeted initiatives, such as mentorship networks, incubator programs, and procurement



assistance, to support Black-owned businesses in scaling and sustaining their operations. Key challenges include:

1. **Financial Constraints:** Limited access to capital remains the primary obstacle, with 58.4% of business owners surveyed reporting discriminatory practices in securing financing or credit. Most rely on business earnings (66%), personal funds (12.3%), or high-cost financing options rather than traditional bank loans or equity investments.
2. **Market Access Barriers:** 53.9% of business owners report difficulties bidding for or winning contracts, particularly government and corporate opportunities, due to systemic barriers in procurement requirements and limited access to decision-makers.
3. **Regulatory Burdens:** Business owners cite complex regulatory requirements, high compliance costs, and tax burdens as significant impediments to growth, with 53.2% identifying tax issues as a negative government impact.
4. **Workforce Development:** Recruiting and retaining skilled employees presents a significant challenge, particularly for the 83.1% of businesses with fewer than 100 employees, which typically lack dedicated human resources staff.
5. **Professional Services Gap:** Only 33.2% of surveyed businesses report using professional services such as accountants or attorneys, indicating limited access to expertise that could strengthen business foundations and support growth.

## 1.4 Recommendation Summary

Based on these findings, the following strategic interventions are recommended for policymakers, business support organizations, financial institutions, and other stakeholders:

1. **Enhance Capital Access:** Design financial support systems with fewer restrictive credit and collateral requirements and provide resources to help business owners navigate funding options.
2. **Boost Professional Services Support:** Develop programs that both provide access to legal, accounting, and consulting services and actively promote their value to business owners, particularly for optimal business structure planning.
3. **Support Business Scaling:** Create targeted programs for businesses transitioning from startup to growth phase, focusing on leadership development and sustainable growth strategies.
4. **Strengthen Workforce Solutions:** Provide access to staffing support services and affordable professional employer organizations (PEOs) to help smaller businesses attract and retain qualified workers.
5. **Foster Business Networks:** Develop opportunities for Black entrepreneurs to connect, collaborate, and strengthen professional support networks through industry-specific events and structured mentorship programs.
6. **Streamline Government Contracting:** Simplify procurement processes and provide training to help Black-owned businesses compete effectively for public contracts.

## **1.5 Conclusion**

Black-owned businesses represent a vital but underutilized economic engine in Ohio. With targeted support to address the identified barriers, these enterprises have significant potential to drive job creation, innovation, and inclusive economic growth across the state. Implementing the recommended strategies would strengthen individual businesses while enhancing Ohio's overall economic competitiveness and resilience.



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