

THE STATE OF BLACK BUSINESS



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Executive Summary

Black-owned business formation is accelerating nationally, in Alabama, and in Birmingham. What has not kept pace is **scale**: the transition from a solo, no-employee business to one with staff, payroll, and room to grow. The data below points to the same conclusion from five different directions — formation is strong, scale is the bottleneck, and the bottleneck is capital that is sized and located wrong for the businesses that need it.

201,000

Black-owned employer firms nationally in 2023, up 62% since 2017 vs. 3.3% for all U.S. employer firms.

Brookings, Census ABS

3.4%

Share of U.S. employer businesses that are Black-owned, even though Black Americans are 14.4% of the population.

Brookings

104,027

Black-owned businesses in Alabama — 97.1% of them have no employees.

SBA Office of Advocacy

927

Black-owned employer firms in metro Birmingham in 2022, up from 555 in 2017. Firm payroll grew 91.8% from 2019–2022, more than four times the metro average.

U.S. Census Bureau, ABS

65.3% of Birmingham-metro SBA 7(a) loan dollars (FY2022–24) went to suburban borrowers rather than Birmingham-city borrowers. (SBA 7(a) & 504 FOIA loan-level data)

The through-line: formation is strong, scale is the bottleneck, and the bottleneck is capital that is sized and located wrong.

Purpose & About This Report

Network Navigator built this briefing to give Greater Birmingham a single, sourced picture of where Black-owned businesses stand today, locally and against the state and national backdrop. The goal is straightforward: replace assumptions with evidence, so that founders, lenders, corporate partners, and civic leaders are working from the same facts when they decide where to invest time, money, and attention.

Three things are true at once in this data. Black business formation is outpacing the overall market. Most of those businesses are not yet positioned to hire. And the capital, certification, and market-visibility systems built to help them are often present in Birmingham but hard to find, undersized at the low end, or misaligned with where Black-owned businesses actually operate. Each of the sections that follow is built to make one of those three points with numbers, not opinion.

How this report was built

Every figure is tied to a named source, drawn from federal data (Census Bureau, SBA Office of Advocacy, Federal Reserve), state and regional data (Innovate Alabama, ADECA, the Birmingham Business Alliance), and two locally commissioned studies: the Birmingham Black Business Census (BBC), a 14-week direct survey of 1,149 Birmingham-area Black-owned businesses completed in 2025, and Prosper Birmingham's Operation: Backing Black Businesses. Where no Birmingham- or Alabama-specific figure exists, that gap is stated plainly and the closest available proxy is named rather than left implied. A full list of those gaps appears in the Appendix.

Birmingham At a Glance

How many Black-owned businesses are here

The federal count and the local count tell slightly different stories, and both are useful. The Census Bureau's Annual Business Survey (ABS) — which only measures **employer** firms and only publishes at the metro level — shows Black-owned employer firms in metro Birmingham growing from 555 (2017) to 693 (2019) to 927 (2022), a gain of 372 firms, or 67.0%, since 2017. That is 4.77% of the metro's 19,450 employer businesses, in a metro that is 31% Black.

The Birmingham Black Business Census, a direct local enumeration that also counts non-employer businesses, found **1,149** Black-owned businesses across 27 industries — about 24% more than the federal count, which is consistent with how federal surveys tend to undercount small, informal, and solo businesses. There is no official *city-of-Birmingham* count from the Census Bureau; the BBC's 1,149 is the best city-level figure available, and should be read as a floor rather than a precise ceiling.

Minority-owned businesses overall reached 2,653 employer firms in the metro in 2022 (13.6% of all firms), up 23.2% from 2,154 in 2019 — growth that occurred even as total metro employer firms slipped slightly. And the historical baseline is sobering: Prosper Birmingham ranked the metro **52nd of 53** major U.S. regions for share of Black-owned businesses, with 21 Black-owned businesses per 10,000 Black residents versus 238 white-owned per 10,000 white residents. Closing that gap would take more than 7,000 additional Black-owned businesses.

Revenue and employment: the scale problem in one chart

The Birmingham Black Business Census is the clearest evidence that Birmingham's challenge is scale, not starts. Of its 1,149 businesses, 543 (47.3%) earn less than \$50,000 a year, and only 62 (5.4%) earn above \$500,000. Sixty percent report no full-time W-2 employees at all, including the owner; a further 73.7% have no part-time W-2 employees, and 58.0% use no 1099 contractors.

The bright spot

Metro-wide, Black-owned firm payroll grew from \$111.5M to \$213.9M **(+91.8%)** and employee counts from 3,066 to 5,938 **(+93.7%)** between 2019 and 2022 — versus all-firm metro payroll growth of just 22.3% over the same period. *(Census ABS 2019; 2022)*

The Census also surfaces a gender gap: businesses owned by men report statistically significantly higher average revenue than those owned by women ($p < 0.05$), even though 57.9% of BBC businesses are women-owned. Older owners also run higher-revenue businesses. For broader context, Jefferson County had 16,989 business establishments in 2023 across all industries and races, employing 341,042 people with \$22.7 billion in annual payroll — the base Birmingham's Black-owned business community is growing inside of.

Growth trends: formation isn't the problem

Metro employer-firm growth of 33.8% and payroll growth of 91.8% (2019–2022) both outpaced the broader metro. Jefferson County recorded 12,309 new business applications in 2025, well above the pre-pandemic 2019 baseline of 7,987. Two-thirds of BBC businesses describe themselves as in an active growth stage.

Prosper Birmingham's diagnosis remains the clearest framing available: the region's low rate of Black business ownership traces less to a shortage of new starts than to *"the inability of Birmingham's Black-owned businesses to grow in employment and revenue."* Their phrase for the ecosystem — **"program rich but system poor"** — recurs throughout this report because it explains why formation and scale can diverge: support exists, but it is fragmented enough that founders can miss it.

Access to capital: the most actionable data in this report

Four years of SBA 7(a) lending in the Birmingham metro show steady growth in both loan count and dollar volume:

Fiscal Year	Loans	Gross Approved
FY2022	99	\$55.7M
FY2023	119	\$81.0M
FY2024	150	\$74.4M
FY2025	204	\$102.2M

Source: SBA 7(a) & 504 FOIA loan-level data, rebuilt from the raw loan file.

But where those dollars land is uneven. Combined across FY2022–24, Birmingham-**city** borrowers received \$73.2M across 127 loans, while the rest of the metro — Hoover, Homewood, Vestavia Hills, and similar suburbs — received \$137.9M across 241 loans. That is a **65.3% suburban share** of metro SBA 7(a) dollars.

Banking access compounds the gap. As of June 30, 2025, Birmingham had 118 total bank branch offices across 35 institutions holding \$39.8 billion in deposits, of which 112 are full-service. Six Birmingham-area ZIP codes — 35204, 35218, 35221, 35224, 35228, and 35234 — have no full-service branch at all.

Prosper Birmingham frames the financing gap as scarcity at both ends: below roughly \$50,000, where entrepreneurs are routinely undercapitalized, and above roughly \$3 million, where scaling ventures often leave for Atlanta, Nashville, or the coasts. Locally, ¡HICA!'s Camino Loan Fund — newly CDFI-certified as of May 2025 — has deployed over \$850,000 across 71 loans since 2019 at a 98% repayment rate, creating more than 107 jobs, though it primarily serves Hispanic and immigrant founders, leaving no directly equivalent general-purpose micro-lending rail for Black founders in Birmingham.

Readiness support exists too: BOLD, a capital-readiness and technical-assistance program (not a direct lender) established in 2018, has awarded \$6.2 million to 66 local organizations since inception, mostly in \$50,000–\$150,000 awards, with up to \$1.5 million available for the next round through the city's FY27 budget. A city ordinance called RISE dedicates 7% of revenues from redevelopment agreements and surplus asset sales to business support, split into a 4% Cash Incentive Fund for legacy businesses and a 3% Revolving Loan Fund; documented awards include \$50,000 to SOCU Southern Kitchen & Oyster Bar (2023) and more than \$100,000 across four 2024 grants to Acclinate, Bodega on 5th, Bridge + Root, and Robert Hill Custom Tailors.

Key industries and sectors

The BBC's 1,149 businesses span 27 industry clusters, but 72.3% (831 businesses) sit in just seven: Professional Services, Food Service, Retail, Personal Care, Arts/Entertainment/Recreation, Real Estate, and Healthcare & Social

Assistance — a concentration statistically significant at $p < 0.001$. Technology, Wholesale, and Utilities are notably underrepresented.

There is a real path to scale within that concentration: the share of businesses earning above \$500,000 is highest in Professional Services (**21.0%**) and Food Service (**16.1%**) — evidence that the climb from under-\$50K to the high-revenue tier is achievable in Birmingham's two most common Black-owned business categories. Historically, 28% of Black business owners in the region worked in Health Care/Social Assistance versus 10% of all regional firms; UAB's health system alone directly employs nearly 23,000 people and supports over 37,000 jobs regionally. Cost is the top reported barrier for startups, while mature firms struggle more with talent and facilities.

Who is doing the work: Birmingham ecosystem players

Organization	What It Does
Network Navigator / NavigateBHM	Free platform connecting founders to 100+ resource providers; runs the 9-month Navigator C.O.R.E. Academy and Decoded & Demystified workshops. Founded by Naila Jackson as a one-day event in May 2024.
City of Birmingham — Office of Business Diversity & Opportunity	Business Development Loan Program, \$100,000–\$1,000,000, bank-guaranteed via REV Birmingham and Urban Impact; RISE incentives; façade forgivable loans up to \$50,000.
BOLD (City of Birmingham)	Capital-readiness and technical assistance since 2018; \$6.2M awarded to 66 organizations to date.
REV Birmingham	"Birmingham Open for Business" with PNC Foundation — staged grants from \$5,000–\$10,000; applications currently closed.
¡HICA! / Camino Loan Fund	CDFI-certified mission lender; \$850K+ deployed across 71 loans since 2019 at 98% repayment.
Birmingham Business Alliance	Partnered with Innovate Alabama on "Match for Impact": \$40,000+ in services each to 16 regional small businesses.
Bessemer Business Incubation System	26,000 sq ft incubator operated by the Bessemer Development Board since 1996.
Black Contractors Association, Alabama Chapter	Launched 2023, roughly 60–70 members; one member firm reported ~300% growth since joining.

Recent Birmingham news and initiatives, 2024–2026

- The 2026 A.G. Gaston Conference ("*Legacy, Leverage, and Liberation*") stressed cash-flow discipline, 6–18 month savings cushions, estate planning, and AI-driven job displacement as the community's top gaps.
- The Birmingham Black Business Census launched in February 2025 and is now complete, funded by Innovate Alabama and the Prosper Foundation.
- The National Business League named Birmingham a chapter-activation city as part of its February 2026 headquarters relocation to Tuskegee.

Alabama Context

Statewide, Alabama counts **104,027** Black-owned businesses — 101,000 nonemployer (97.1%) and 3,027 employer (2.9%). For comparison, White-owned firms total 327,276, with 56,276 of those as employers. Put simply: only about **1 in 34** Black-owned businesses in Alabama has a single employee. No revenue or employment total specific to Alabama's Black-owned businesses exists in published data; the national ratio and Birmingham's metro payroll trend are the best available proxies.

A number worth flagging on stage

A statistic that needs a caveat

A widely circulated study ranked Alabama 6th nationally, claiming **21.95%** of Alabama businesses are Black-owned. That figure conflicts sharply with Census-derived shares, where Black-owned firms are 2.9% of Alabama *employer* firms. The gap is a nonemployer-vs-employer definitional difference — do not cite the 21.95% figure without that context. (*Trussville Tribune vs. SBA Office of Advocacy*)

A 2025 Auburn University at Montgomery (AUM) white paper reinforces the more conservative picture: Alabama did not rank in the top twenty states for best states for minority entrepreneurs, highest share of minority-owned businesses, or highest share of Black-owned businesses.

Access to capital statewide

A 2024 Federal Reserve small business survey of Alabama firms (N=176) found 15% of Alabama employer firms are People-of-Color-owned; 51% reported poor or fair financial condition; 33% operated at a loss; and top challenges were hiring (55%), reaching customers (49%), and supply chain (33%). The sample is too small to break out Black-owned firms specifically.

Innovate Alabama's SSBCI program is the largest state capital pool available: \$97M+ from U.S. Treasury, split into InvestAL (equity: \$100K–\$1M direct, \$500K–\$5M fund-of-funds, with a 1:1 private match requirement) and LendAL (credit enhancements through 28 enrolled lenders, including ¡HICA! Camino, Hope Federal Credit Union, Opportunity Alabama, and Sabre Finance). Treasury requires 56.5% of Alabama's award to go to socially and economically disadvantaged individual (SEDI) borrowers. LendAL loans can reach \$5,000,000, borrowers can have up to 750 employees, and closings can take as little as five days.

Separately, Innovate Alabama's Supplemental Grant Program has awarded more than \$17M to 98 businesses across 11 Alabama cities following federal SBIR/STTR awards, supporting an estimated 289 jobs.

Credit conditions in the Black Belt are especially stark: four of every ten Black Belt residents have credit scores below 660 (43% in Dallas County), and for every \$1 of white household median income, Black household median income equals **\$0.58**.

Structural context: the Black Belt

The Alabama Black Belt — the state's largest concentration of African American residents, at 13% of the state's population — has 10,630 employer establishments, more than half concentrated in Montgomery County alone.

Poverty runs as high as 35.9% in Greene County versus 15.6% statewide; three hospitals in the region closed over eight years; and 20% of rural Alabama households lacked broadband in 2023.

Certification: a moving target right now

Alabama runs two main certification pathways. ADECA's Office of Minority Business Enterprise issues state MBE/WBE certification (valid two years, requiring 51% ownership and control by a socially or economically disadvantaged individual). The Alabama Unified Certification Program (ALUCP) offers a single DBE application covering ALDOT, the Alabama State Port Authority, the Birmingham Airport Authority, and the City of Mobile.

Time-sensitive

A USDOT interim final rule now requires every DBE applicant to individually prove social and economic disadvantage. ALDOT issued a reevaluation notice dated **March 31, 2026**, giving firms 45 days to submit complete documentation — firms that miss it remain ineligible for DBE participation credit. This mirrors a parallel shift at the federal SBA 8(a) program (see National Context).

The Alabama SBDC Network offers free confidential advising in all 67 counties (36% of clients are minority-owned), and the Alabama State Black Chamber of Commerce runs the Alabama Green Book, a statewide Black business directory. Opportunity Alabama (OPAL), founded 2018, has driven \$600M in new investment across 40 Alabama communities and is also a LendAL-enrolled lender. There is currently no MBDA Business Center located in Alabama.

National Context

The 2023 Annual Business Survey, released November 2025, counted **201,000** Black-owned employer firms nationally — 3.4% of the nation's roughly 5.9 million employer firms — generating \$249.0 billion in receipts. A further 4.4 million Black-owned nonemployer businesses (14.4% of 30.4 million nationally) generated \$128.7 billion. Roughly 96% of all Black-owned businesses are nonemployer firms, which matters because employer firms earn, on average, five times more revenue than nonemployer firms.

Growth has been strong but is decelerating: employer firms grew 21% in 2021–22, then just 3.2% in 2022–23. Growth is also geographically concentrated — 116 of 266 metros grew between 2017 and 2023, led by Atlanta, Miami, New York, Washington DC, and Los Angeles. And survival remains the binding constraint nationally: 96% of Black-owned firms from the 2018 startup cohort did not survive the startup phase.

Access to capital: the pattern repeats at scale

Metric	Black-Owned	Comparison
Fully approved for loan/LOC/MCA (2024)	38%	White 49% · Asian 39% · Hispanic 56%
Received all credit requested	40.6%	White 58.2%
Applied for credit in 2024	18.7%	White 14.1%
Used a CDFI as a lending source	2.8%	White 0.5%

Source: Federal Reserve 2025 Report on Employer Firms; Census ABS 2024 Company Information tables.

By lender type, 2024 approval rates ran: small bank 54%, finance company 47%, credit union 45%, large bank 42%, CDFI 32%, online lender 27%; SBA loan applications were 32% fully approved. Top denial reasons were weak sales (43%) and too much existing debt (41%).

Structurally, 46% of Black employer firms operated at a loss at the end of 2023 versus 35% overall, and 67% relied on personal funds versus 55% overall. CDFIs approve at roughly twice the rate of large banks, and CDFI assets tripled to \$452 billion between 2018 and 2023. Household wealth gaps sit underneath all of this: Black households hold \$15 for every \$100 held by white households, with median net worth of \$307,000 versus \$1.3 million.

Venture capital: the sharpest decline in this report

Black-founder venture funding peaked at \$5.2 billion (1.5% of U.S. venture funding) in 2021. By 2025 it had fallen to roughly \$942 million — about 0.32% of all venture funding, down more than two-thirds in three years. Harlem Capital's Henri Pierre-Jacques summarized the moment this way: in an AI-driven funding environment, personal networks now matter more than ever for who gets funded. *(Crunchbase, 2025–2026)*

Federal contracting shows a similar imbalance: in 2024, roughly 1.5% of \$637 billion in federal contracts went to small Black-owned firms, versus 72.5% to large corporations.

Industries and policy shifts to watch

Half of all Black-owned employer firms nationally sit in five industries: health care and social assistance, professional/scientific/technical services, social assistance, administrative and support, and waste management. Health care and social assistance alone accounts for roughly a quarter of Black-owned employer firms.

SBA's 8(a) program is being restructured. A proposed June 2026 rule ends the race-based presumption of social disadvantage; all applicants must now prove disadvantage individually. Roughly 2,100 new 8(a) firms were approved in 2021–24, versus 65 under the current administration. By January 2026, more than 1,000 certified contractors had been suspended pending documentation, with another 620 targeted for termination in March 2026. This is the single most consequential federal policy shift for certified Black-owned contractors, and it runs on the same timeline as Alabama's DBE reevaluation described above.

On the more encouraging side, NMSDC-certified minority business enterprises produced \$599.7 billion in output and 2.2 million-plus jobs in 2024, up double digits year over year, with the strongest growth among Black-owned, Native American-owned, and women-owned firms. And McKinsey's February 2026 analysis of the coming wave of business-ownership transitions — roughly 6 million U.S. small businesses changing hands by 2035, representing up to \$5 trillion in enterprise value — found that closing today's ownership gaps could move Black wealth capture from about \$87 billion to about \$369 billion at parity, more than four times higher.

What the Data Means

Three levels of data point in the same direction. Nationally, Black business formation grew 62% between 2017 and 2023, nearly twenty times the overall market's growth rate. In Alabama, 97.1% of Black-owned businesses still have no employees. In Birmingham, formation and payroll growth are both outpacing the metro average, but nearly half of Black-owned businesses earn under \$50,000 a year, and fewer than 6% clear \$500,000.

Read together, this is not three separate stories. It is one story observed at three altitudes: Black entrepreneurship is being built at a genuinely fast pace, and the systems meant to help that entrepreneurship scale — capital, certification, and market visibility — are not built for the size, location, or stage of the businesses actually forming.

Three patterns recur at every level

- **Capital is missing at both ends.** Under \$50,000, founders are chronically undercapitalized. Above roughly \$3 million, growing businesses often leave Birmingham for Atlanta, Nashville, or the coasts. National venture data shows the same shape in a more extreme form: Black-founder venture funding fell from 1.5% of all U.S. venture dollars in 2021 to roughly 0.32% in 2025.
- **Geography routes money away from where it's needed.** 65.3% of Birmingham-metro SBA 7(a) dollars go to suburban borrowers, and six Birmingham ZIP codes have no full-service bank branch at all. This is a local version of the same misallocation the national CDFI and venture data show at scale.
- **Certification systems are shifting under applicants' feet in real time.** Both the federal SBA 8(a) program and Alabama's DBE reevaluation are, in the same 12-month window, requiring firms to individually document social and economic disadvantage rather than rely on a group presumption. Firms that miss either deadline lose contracting eligibility regardless of their qualifications.

Twelve Actions for Black-Owned Businesses

Each action below is tied to a specific finding in this report and to a named, verifiable program. They are grouped into five themes to make the path from where a business is today to where it wants to be easier to follow.

Get capital-ready

1. Get your books capital-ready before you apply for anything

Nationally, 44% of Black-owned firms denied credit cited a low credit score, and the top 2024 denial reasons overall were weak sales (43%) and too much debt (41%). Enroll in the City of Birmingham's BOLD program for coaching and documentation support before submitting a loan application.

2. Apply to a CDFI or mission lender before a large bank

CDFIs approve at roughly twice the rate of large banks, yet only 2.8% of Black-owned firms currently use one as a lending source. In Alabama, LendAL's enrolled lenders include Hope Federal Credit Union, Opportunity Alabama (OPAL) Community Capital, and Sabre Finance.

3. If you need under \$50,000, use an SBA microloan, not a credit card

SBA microloans go up to \$50,000 (averaging about \$13,000) on terms up to seven years, applied for through an SBA-approved nonprofit intermediary. This directly targets the under-\$50K financing gap Prosper Birmingham identified as the most chronically undercapitalized tier.

4. Pursue Alabama's SSBCI funding

Innovate Alabama holds \$97M+ in federal SSBCI funds and is required to direct 56.5% of that award to socially and economically disadvantaged individuals. LendAL offers credit enhancements up to \$5,000,000 with closings as fast as five days; InvestAL offers direct equity from \$100K-\$1M with a 1:1 private match.

Protect and build market credibility

5. Get certified, and if you already are, protect that certification now

State MBE/WBE certification through ADECA is valid two years and unlocks state bid notifications. Federal DBE certification through ALUCP now covers ALDOT, the Alabama State Port Authority, the Birmingham Airport Authority, and the City of Mobile in one application. But act fast: ALDOT's March 31, 2026 reevaluation notice requires every applicant to individually document social and economic disadvantage within 45 days, and the same shift is happening at SBA's 8(a) program. Start building that documentation file today.

6. Get the ByBlack seal and put it on your storefront and checkout page

A certified Black-owned identity raised consumer purchase likelihood by up to 30%, and 48% of consumers said they would pay a premium for it, strongest in health, beauty, and apparel. ByBlack.us, run by USBC with American Express, is the first national certification exclusively for Black-owned businesses. Locally, list in the Alabama Green Book directory and the A.G. Gaston Conference directory as well.

7. Actively manage your online ratings and reviews

Businesses in majority-Black neighborhoods lose an estimated \$1.3–3.9 billion annually from disparities in online rating platforms, while 49% of Alabama small businesses name reaching customers as a top challenge. Systematic review solicitation is a free, high-leverage countermeasure.

Build banking relationships deliberately

8. Build a banking relationship even if your ZIP code has no branch

Six Birmingham-area ZIP codes have zero full-service bank branches, even though the metro holds 118 branch offices and \$39.8 billion in deposits overall. Deliberately open and maintain a relationship with a named lender at a full-service branch, even outside your ZIP code; small banks approve loans at 54% versus 42% at large banks and 27% at online lenders.

Make the leap to employer status

9. Make the jump from nonemployer to employer, where the revenue is

97.1% of Alabama's Black-owned businesses have no employees, and employer firms earn roughly five times more revenue than nonemployer firms. Birmingham's own data shows the climb is achievable: 21.0% of Professional Services firms and 16.1% of Food Service firms in the BBC reach the \$500K-plus tier. Plan a first hire around revolving working capital or a small-dollar SBA note.

10. Form joint ventures and consortia to bid work you can't win alone

USBC specifically recommends joint ventures and consortia in construction, technology, and professional services, a direct response to small Black-owned firms capturing only about 1.5% of \$637 billion in 2024 federal contracts. Birmingham already has a live vehicle in the Black Contractors Association, Alabama Chapter, launched in 2023 with 60–70 members; one member firm reported roughly 300% growth since joining.

Plan for the long term

11. Start succession and estate planning now

McKinsey projects roughly 6 million U.S. small businesses will face ownership transitions by 2035, representing up to \$5 trillion in enterprise value; Black individuals are on track to capture about \$87 billion of that versus about \$369 billion at parity. Panelists at the 2026 A.G. Gaston Conference named estate planning the community's single biggest gap. Acquiring an existing retiring-owner's business can also be a faster path to employer status than starting from zero.

12. Use the free navigation and advisory infrastructure that already exists

Prosper Birmingham's framing applies directly here: the ecosystem is program rich but system poor. Free resources available right now include Network Navigator / NavigateBHM (100+ resource providers, plus the 9-month C.O.R.E. Academy), the Alabama SBDC Network (free advising in all 67 counties), the City of Birmingham's Office of Business Diversity & Opportunity, and the Bessemer Business Incubation System.

A Call to Partners

This data points to specific, fundable gaps rather than a general call for more support. For funders, lenders, corporate partners, and civic institutions considering where to engage, the report suggests four concrete openings:

- **Fund the two ends of the capital ladder.** Under-\$50,000 microlending and above-\$3 million growth capital are both underserved in Birmingham; a general-purpose lending rail comparable to Camino, but not restricted to Hispanic and immigrant founders, does not yet exist locally for Black-owned businesses.
- **Direct capital toward the city, not just the metro.** With 65.3% of SBA 7(a) dollars flowing to suburban borrowers and six Birmingham ZIP codes lacking a full-service bank branch, geographically targeted lending or branch investment would address a documented, not assumed, gap.
- **Help businesses navigate certification changes now, while the window is open.** Both SBA 8(a) and Alabama's DBE program are mid-transition to individualized disadvantage documentation. Legal or technical assistance to help firms complete that documentation before their deadlines is a time-limited, high-impact form of support.
- **Support the employer-transition stage specifically.** Programs built around a business's first hire, rather than its first year, target the exact point where 97.1% of Alabama's Black-owned businesses currently stall.

Network Navigator's role is to make these connections easier to find and act on. Organizations interested in partnering on any of the four openings above are invited to reach out through navigatebhm.com/partner-inquiry.

Conclusion

Birmingham's Black-owned businesses are forming faster than the market around them, and where they gain a foothold, they grow revenue and payroll faster than the metro average. That is the encouraging half of this report. The other half is that almost half of them earn under \$50,000 a year, nearly all of Alabama's Black-owned businesses have no employees, and the capital and certification systems meant to move them forward are frequently present but hard to reach, undersized, or in the middle of being rewritten.

None of that is a reason for pessimism. It is a map. The programs, lenders, and certifications named throughout this report already exist in Birmingham and across Alabama; the twelve actions above show how to use them, and the call to partners above shows where new investment would do the most good. Network Navigator's purpose is to keep that map current and to keep connecting the businesses in it to the people ready to help them grow.

Appendix: Data Gaps and Caveats

Transparency about what this report could not find is as important as the numbers it could. The following gaps apply throughout:

- No official city-level Black-owned business count exists. The Census Bureau's Annual Business Survey does not publish counts below the metro level, so the Birmingham Black Business Census figure of 1,149 is a survey enumeration, not a full census — a floor, not a precise ceiling.
- No aggregate revenue or employment total for Birmingham's Black-owned businesses is published; only distribution bands from the BBC and metro-level payroll growth rates from Census ABS are available.
- No Black-specific credit breakout exists for Alabama. The Atlanta Fed's 2025 Alabama survey (N=176) reports only a combined "People of Color" category.
- No race-disaggregated Birmingham lending data exists for SBA 7(a), BOLD, RISE, or Camino. Every figure for those programs in this report is at the program or metro level, not broken out by race of borrower.
- The Alabama "6th best state / 21.95% Black-owned" claim conflicts with Census-derived shares and should always be presented with that caveat.
- Brookings' downloadable metro-level file covers 2017–2022 only; 2023 national totals come from a separate March 2026 Brookings article and the Census release.
- The Federal Reserve's Small Business Credit Survey race chartbook publishes its figures as images; the numeric approval rates cited here come from the Fed's separate 2025 Report on Employer Firms instead.
- There is no MBDA Business Center located in Alabama.
- The Jefferson County sector counts used in this report (health care, food service, construction) are county-level, all-race, all-business figures from Census County Business Patterns. They describe the broader economy Birmingham anchors, not Black-owned businesses specifically, since no Black-owned sector breakdown exists below the metro level.

Prepared by Network Navigator. For sourcing detail on any figure in this report, or to discuss a partnership opportunity, visit navigatebhm.com.