



Kevin Murphy Identifies HBCUs As Part of His Solution for Accelerating Black Business Investment

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Kevin Murphy, Founder and CEO of Umbrella International Group, is bringing to light the challenges facing Black-owned businesses in America and how HBCUs (Historically Black Colleges and Universities) could play a role in fighting the disparity.

There is an estimated \$1.6 trillion gap in aggregate revenue between Black-owned and non-Black-owned businesses across the US economy, a figure that has only grown over recent decades. Research from McKinsey shows that there are fewer Black-owned businesses in the United States, and the ones that do exist are smaller than their peers.

Black-owned businesses constitute just 2 percent of the nation's total businesses with multiple employees, and they account for less than 1 percent of US gross revenue. Moreover, Black-owned businesses have also been financially limited by both geography and industry. Many are concentrated in the South and in industries like haircare, beauty, and social services, which grow less than 2 percent per year.

Lack of capital is a critical issue for Black-owned businesses. Black entrepreneurs start businesses with

roughly a third of the capital of their White counterparts and more than half of Black business owners report that accessing capital is a constant challenge in scaling their businesses. The lack of capital can also leave existing businesses vulnerable to financial shocks and economic downturns. For instance, during the COVID-19 pandemic, Black-owned businesses closed nearly twice as fast as all other businesses.

The wide gap also shows up in statistics related to the resources available during the startup phase. Black businesses receive a very small percentage of start-up capital: \$1 billion of the total \$150 billion invested in US start-ups in 2020, or just 0.7%. Black women received the smallest share of start-up capital (0.27%). Moreover, only 4% of the entire venture-capital workforce is Black, with just 2 to 3% in decision-making positions.

Kevin Murphy recognizes the size and scope of the problem and proposes a unique actionable solution that can make a dent in the inequality plaguing Black-owned businesses across the nation. Kevin implores HBCUs to help train and develop the next generation of Black entrepreneurs and help them scale up and sustain businesses in their communities.

To play its part, Umbrella plans to launch a nationwide initiative working with HBCUs to empower Black students, who disproportionately face greater financial challenges that impact financial growth and wealth creation. The program will target students at HBCUs, many of whom are first-generation, to help them manage their finances better and build wealth.

Kevin Murphy shares further details about the program by saying, "HBCUs have the potential to produce more high-earning graduates, support the development of more entrepreneurs, decrease student debt, and remove barriers for Black consumers. Our goal is to train and certify 100K students over the next 2 years in personal finance coaching and establish lasting financial literacy programs on HBCU campuses."

HBCUs can encourage enterprising students through Umbrella's financial coaching certificate program in entrepreneurship that trains students in personal financial concepts so that they can teach others in turn. Financial well-being, already a common topic at universities, could be an area of focus. HBCUs could also serve as a knowledge hub for the broader community and offer public seminars on personal finance.

When asked about how the program stands to prepare students for the future of finance, Kevin says, "As the financial industry moves away from traditional brick-and-mortar banks and into mobile banking and neo banks, which operate exclusively online, HBCUs have an opportunity to connect their students and communities with innovative financial-management products, such as those offered by Umbrella, that may better fit their needs. HBCUs can give students and community members opportunities to increase their savings and wealth, while limiting the risks and concerns Black Americans associate with traditional financial services."

Readers are urged to visit Umbrella International Group's website and find out more about its financial services, such as Individual Financial Coaching, Personal Credit, Loans, and more, for individuals and agent/affiliate programs for entrepreneurs.

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Umbrella International Group

Umbrella International Group is a black owned fintech company that brings together Technology, Coaching, and Community to help empower people to lead financially healthy lives.

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