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UNLOCKING BLACK WEALTH THROUGH MERGERS & ACQUISITIONS

Boost growth, preserve legacy, and build generational wealth through inclusive M&A strategies.

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Executive Summary

The United States is on the brink of the largest generational transfer of business assets in history, commonly called the "Silver Tsunami." As nearly half of America's small business owners, many of them Baby Boomers, approach retirement, an estimated \$10 trillion in business wealth is expected to change hands. Yet Black-owned businesses remain largely excluded from this multi-trillion opportunity.

"Unlocking Black Wealth Through Mergers & Acquisitions" makes the case for M&A as a powerful but underused tool to scale, preserve, and pass on Black-owned businesses. Today, fewer than 1% of Black business owners report engaging in M&A. This absence is not accidental. Systemic barriers such as limited access to capital, weak succession planning infrastructure, and exclusion from advisor and buyer networks persist.

This paper outlines the current landscape of M&A, reveals racial disparities in deal flow, and proposes how targeted policy, capital programs, and technical assistance can close the gap. We call on the SBA, corporations, and financial institutions to act by creating tailored pathways for Black entrepreneurs to buy, sell, and grow.

M&A is more than an exit strategy. It is a legacy strategy. With the right tools, Black business owners can lead in this market and reshape the future of Black wealth.

\$10 Trillion

Estimated value of small business wealth to transfer in the next 10-15 years due to retiring Baby Boomers.

THE OPPORTUNITY

Less than 1%

Estimated percentage of Black-owned businesses that have engaged in M&A activity.

THE GAP

60%

of Baby Boomer business owners lack a succession plan.

THE CHALLENGE

Historic Moment

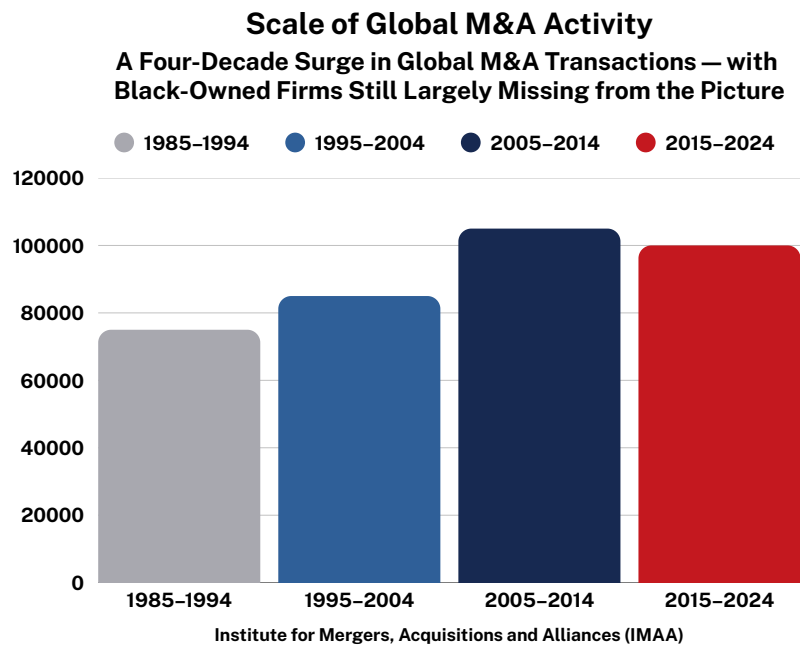
The time is now to ensure Black entrepreneurs can buy, sell, and scale — or risk being left out of the Silver Tsunami.

THE CALL

Introduction

In today’s increasingly interconnected economy, growth is more than a goal: it’s a necessity for small and mid-sized firms trying to stay competitive. Yet for many of the smallest businesses, crossing the million-dollar revenue threshold or building a workforce beyond 50 employees remains out of reach. These benchmarks are seen as aspirational when in reality, they should be attainable. Proven, sustainable strategies can help firms scale, and when applied effectively, these strategies don’t just boost individual businesses -- they lift entire communities and contribute to a more resilient national economy.

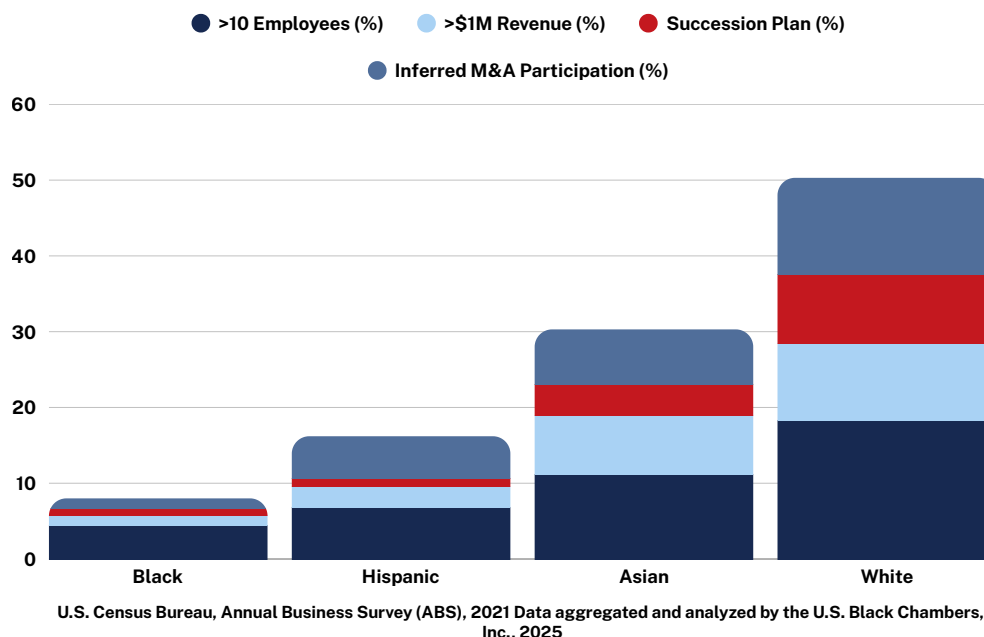
One of the most overlooked among these strategies is mergers and acquisitions. Mergers & Acquisitions (M&A), the consolidation or transfer of business ownership between firms, has long served as a powerful growth engine. As illustrated in **Figure 1**, more than 325,000 mergers and acquisitions have been announced globally, totaling nearly \$35 trillion in value since 1985.



Today, the global M&A market is valued at over \$10 trillion. And yet, Black-owned businesses remain largely absent from this landscape, as seen in **Figure 2**.

Participation Power: Who's Positioned to Drive M&A?

Most Black-owned firms remain locked out of key indicators for M&A readiness



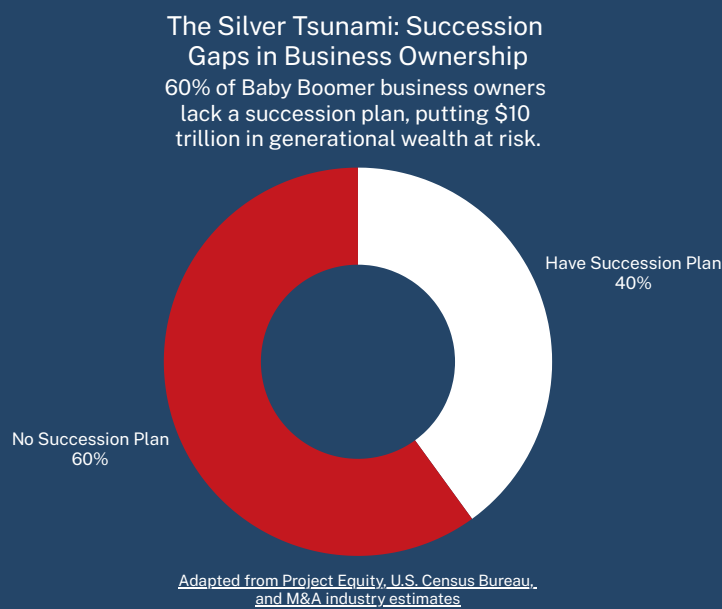
The reasons are not surprising, but they are unacceptable. Black business owners face structural barriers that limit participation in M&A: limited access to capital, smaller networks of advisors and buyers, and minimal policy attention at the federal level. These obstacles don't just block acquisitions; they also prevent smooth exits, transitions, and legacy planning. As a result of limited M&A opportunities, Black businesses are forced to shutter, destroying chances to develop generational wealth and harming communities.

The time is now to make positive changes. As Baby Boomers exit the workforce and federal agencies reassess the regulatory climate, we are entering a critical inflection point. There is renewed corporate momentum for inclusive economic development. For Black businesses, M&A represents a real chance to grow, to transition with dignity, and to capture value that might otherwise disappear. It is a path to ownership, wealth transfer, and neighborhood revitalization.

The U.S. Black Chambers, Inc. (USBC) has long recognized what this moment requires: bold solutions. We are committed to closing the education, capital, and policy gaps that keep our firms on the sidelines, because this moment demands not just participation; it demands leadership.

The Moment of Opportunity: Navigating Risk, Reclaiming Wealth

The United States stands at the threshold of the largest generational wealth transfer in modern history. As Baby Boomers retire, nearly half of all U.S. small business owners will soon decide whether to sell, shutter, or transition their companies. Many lack formal succession plans. This shift, widely known as the ‘Silver Tsunami,’ represents an estimated \$10 trillion in M&A opportunity over the next 10 to 15 years, as highlighted in **Figure 3**. Yet without targeted interventions, Black-owned firms will continue to be left out of this powerful wealth-building mechanism.



Black-owned businesses today make up only 2.4% of all U.S. employer firms, despite Black Americans comprising 14.4% of the population. A 2023 Federal Reserve study revealed that only 41% of Black business owners were approved for all the financing they sought, compared to 68% of white business owners. These gaps are not just financial; they are systemic, limiting the ability both to acquire other firms and to prepare one's own business for sale.

Compounding this issue is a regulatory environment that continues to lack clarity. Although the current administration has distanced itself from the anti-merger stance of previous administrations, many of the same compliance burdens remain in place. Regulatory thresholds that trigger review and detailed filings for deals above \$100 million create a chilling effect, even for mid-sized firms, and disproportionately harm emerging businesses, particularly those led by Black entrepreneurs.

For example, Partpic founder Jewel Burks Solomon has publicly reflected that “founders should be able to pursue the pathway to exit that is right for them.” Regulatory and compliance burdens, she warns, “can constrain the choices available to them and their potential for success.” Her perspective underscores how current frameworks can unintentionally restrict access to growth opportunities, especially for historically excluded founders navigating M&A for the first time.

Still, within this moment of disruption lies a tremendous opportunity. M&A is more than a financial transaction. It is a strategy for legacy preservation, community investment, and wealth creation. If implemented with intention, M&A can protect Black-owned firms from premature closure, empower them to expand into new markets, and lay the foundation for a more resilient Black middle class.

Recent research by the National Center for the Middle Market and Wells Fargo affirms this potential. Their 2024 study profiled Black-owned middle-market firms with revenues ranging from \$20 million to \$500 million. These firms are active across a variety of industries, including construction, logistics, and information technology. However, most of these businesses operate without the tailored advisory support needed to prepare for or execute a merger or acquisition. The infrastructure to support M&A activity among Black businesses remains largely undeveloped.

If embraced strategically, M&A could provide Black-owned businesses with tools to:



Preserve legacy businesses through owner succession.



Scale from small to mid-sized through targeted acquisitions.



Establish regional hubs of Black economic power.



Increase participation in supplier diversity and federal procurement programs.

Seizing the Moment: A Story of Leadership and Legacy

Opportunity requires preparation. It also requires a model of success. USBC's President and CEO, Ronald Busby, Sr., among countless other Black business leaders, provides that model.

Before becoming the national voice for Black-owned businesses, Ron was a successful entrepreneur in his own right. He founded USA Superclean, a janitorial services company, and grew it from \$150,000 to more than \$15 million in annual revenue in under a decade. At its peak, USA Superclean was the largest Black-owned janitorial firm in the country.

Ron went on to launch and grow additional janitorial businesses, each achieving over \$4 million in revenue. His growth strategy consistently involved principles of M&A: acquiring smaller competitors, consolidating operations, and expanding contracts to increase market share. Through this approach, he created hundreds of jobs and helped to solidify a national blueprint for Black business growth.

His experience also highlights the barriers many still face. Most Black business owners are not equipped with the advisory support, buyer networks, or financing channels needed to navigate M&A processes. There is a shortage of technical assistance specifically designed to help them prepare their businesses for sale, and sufficient Small Business Administration (SBA)-backed exit planning tools that help to maximize firm value for minority owners.



USBC's Response: Filling the Gaps for Black Business Sellers

To close these gaps, the USBC actively advances solutions that ensure Black business owners are not only prepared for M&A opportunities but positioned to thrive within them. Among other solutions, these include:



Advocating for SBA-supported exit planning programs tailored to Black entrepreneurs



Developing technical assistance programs that guide sellers through the valuation, preparation, and negotiation process.



Expanding national networks of qualified buyers and lenders to foster deal flow in underserved communities.

Ron's story is proof that M&A can transform businesses and communities. His journey underscores what is possible with the right support and vision. It is time to scale those possibilities to serve tens of thousands of Black-owned firms across the country.

Making the Case for M&A: A Broader Perspective

Mergers and acquisitions are not just financial strategies. They are economic redeployment tools. Policymakers should view M&A as a positive force that allows small businesses to remain viable under new leadership. When paired with an intentional focus on racial equity, M&A becomes a mechanism to strengthen community wealth by ensuring that Black entrepreneurs are included as both buyers and sellers.

Corporate partners also have a critical role to play. America's leading companies can help drive equity in M&A by advancing supplier diversity programs that prioritize Black-owned firms acquired through these strategies. Beyond procurement, corporations can invest directly in M&A education and capacity-building programs to help small business owners understand how to position themselves for successful acquisitions or exits.

Our Call to Action

USBC is calling on public and private sector partners to take bold action to advance an inclusive M&A ecosystem. These efforts should include:

- **Launching a National Black M&A Initiative to help small business owners buy and sell businesses effectively.**
- **Advancing policy reforms within the SBA, the Federal Trade Commission, and the Department of Justice, and the federal procurement system that actively promote M&A among Black entrepreneurs.**
- **Funding education, technical assistance, and capital readiness programs to prepare more Black-owned businesses for acquisition and transition.**

When Black entrepreneurs are empowered to participate in the M&A ecosystem, entire communities benefit. Jobs are preserved, institutions endure, and wealth circulates. A fair and thriving M&A market is essential not only for the strength of Black businesses but for the health of the broader American economy.

Conclusion & Next Steps

The mergers and acquisitions market presents a generational opportunity for Black-owned businesses to grow, scale, and secure long-term wealth. However, for this potential to be realized, Black entrepreneurs must improve access to capital, strategic networks, and tailored technical assistance to successfully navigate the M&A process.

To meet the scale of the opportunity ahead, policymakers, corporations, and mission-driven business organizations must align their efforts. Ensuring that Black-owned firms are not left behind in the Silver Tsunami wealth transfer will require shared commitment and collaboration.

Inaction is not a neutral choice. Without support, thousands of Black-owned businesses may close, sell for less than their true value, or exit without a succession plan — resulting in the loss of jobs, legacy, and community wealth. By contrast, strategic investment in Black-led M&A will not only save businesses but multiply the economic impact within communities nationwide.

As a next step, USBC proposes the creation of a national working group that brings together the SBA, corporate partners, and Black business leaders to co-design M&A tools and resources specifically tailored for Black entrepreneurs. This collaboration would serve as a model for inclusive economic growth and a foundation for closing the racial wealth gap through business ownership and succession.

The time to act is now. We must empower a coalition of stakeholders — entrepreneurs, policymakers, corporate leaders, and advocacy organizations — to reimagine M&A as not just a tool for consolidation, but a cornerstone of inclusive economic growth. Government agencies must embrace mergers and acquisitions as a healthy and essential feature of a dynamic economy, rather than categorically impeding them as a threat to competition.

We must also democratize the knowledge that exists around M&A, ensuring that Black entrepreneurs have both the information and resources to view acquisition not just as a last resort or a luxury of scale, but as a viable, natural next step in their business's life cycle. By doing so, we can expand wealth, preserve legacy, and build stronger communities. The opportunity is here. The responsibility is shared. And the future we seek begins with what we choose to do now.

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