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How State Policymakers and Community Leaders Can Help Close the Federal AI Policy Gap for Black Entrepreneurs

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Danielle A. (Davis) Canty, Esq.
Senior Advisor and Director, Technology Policy

Introduction

Artificial intelligence (AI) has rapidly shifted from the realm of speculation to the center of economic transformation in the United States. No longer a distant prospect, AI is already embedded in the daily operations of businesses across industries. It is reshaping how businesses operate, scale, and compete. And it is increasingly a powerful determinant of who gains access to markets, who secures capital, and who can transform an idea into a sustainable enterprise.

This moment is a turning point, and Black entrepreneurs stand at critical crossroads. Black entrepreneurs have a long history as early adopters of emerging tools, and many of them are already integrating AI into their firms' operations to extend capacity, reduce costs, improve efficiency, and reach new audiences. Yet, as in past periods of technological change, the structural systems that govern access to these tools determine who can scale them in different market settings and dictate who benefits economically. These systems are not designed with Black entrepreneurs in mind.

These concerns are made even more urgent by the Trump Administration's AI Action Plan,[1] related executive orders,[2] and the newly announced National Policy Framework on Artificial Intelligence (AI policy framework).[3] The AI Action Plan and related executive orders either minimize or exclude explicit protections against discrimination and bias from the national AI policymaking agenda and risk embedding historic and current inequities into the very foundations of this new technology. At the same time, while the AI policy Framework emphasizes reskilling and job transition through education programs, apprenticeships, and workforce training, it does not fully address the structural conditions that determine who can participate in—and benefit from—the AI economy as entrepreneurs and business owners. In particular, it stops short of connecting workforce disruption to pathways for entrepreneurship, leaving unanswered questions about how workers—especially those from historically underrepresented communities—can move from displacement to opportunity.

In this environment, the need for alternative pathways becomes urgent. This brief is designed as a work around: a practical roadmap for advancing inclusive innovation through state and local policymaking, philanthropic investments, private-sector leadership, and community-driven strategies. In a policy climate where federal leadership takes a public stand against anti-discrimination policies, these subnational and cross-sector interventions are no longer supplemental but rather essential to ensuring the AI economy develops in ways that are competitive, resilient, and advance the nation as a whole.

By identifying levers of change that operate outside the constraints of the current federal agenda, this brief offers concrete strategies to ensure that Black entrepreneurs can thrive and lead in the AI economy, even when national policy fails to prioritize their inclusion. *(See box below.)*

Why This Policy Brief Matters Now

- Recent federal policy proposals do not consider equity, climate, and racial bias in the federal AI policy agenda. By not accounting for these safeguards, federal policymaking risks embedding existing biases into the core of AI systems and leaving historically excluded Black entrepreneurs without a seat at the table. This brief offers a roadmap to work around these gaps — leveraging state and local policymaking, philanthropic investments, private-sector innovation, and community-led strategies to build an inclusive AI economy in the absence of federal mandates.

Understanding this reality requires grounding in the current landscape of Black entrepreneurship in the United States. Black-owned businesses remain an essential and growing part of the American economy. In 2022, about 194,585 majority-Black or African American-owned employer firms generated approximately $211.8 billion in annual receipts, had payrolls of about $61.2 billion, and employed roughly 1.6 million people.[4] These firms are growing faster than any other group of employer businesses, posting a 30 percent increase in revenue and seven percent growth in employees in 2021 alone.[5]

However, employer firms represent only a small share of Black business overall. The vast majority of Black-owned business operate as nonemployer firms — businesses with no paid employees other than the owner.[6] According to the U.S. Census Bureau data, there are more than three million Black-owned nonemployer businesses, accounting for well over 95 percent of all Black-owned firms.[7] These businesses are typically sole proprietorships operating in sectors such as personal services, transportation, retail, and professional services.[8] While they generate smaller revenues individually, collectively they represent a significant source of economic activity, income generation, and community stability.

This rapid growth, however, exists against a persistent backdrop of inequality. Black-owned firms with employees still comprise only 3.3 percent of all employer firms, even though Black Americans represent 14.4 percent of the U.S. population.[9] This disparity is rooted in deep, systemic challenges, including historical disinvestment in Black communities, limited access to affordable capital, persistent disparities in broadband infrastructure, and exclusion from networks that provide mentorship, information, and market access. These barriers compound over time, making it harder to scale promising enterprises.

In this policy environment, the rise of AI presents both extraordinary opportunity and heightened risk. If current inequities are left unaddressed, the rise of AI will deepen the very disparities it could help solve. Economic modeling suggests that without deliberate intervention, the racial wealth divide could widen by as much as $43 billion each year by 2045.[10] Such an alarming acceleration of inequality would have lasting social and economic consequences.

But this trajectory is not inevitable. With intentional design, equity-centered policies, and targeted investment, AI could serve as a powerful bridge to overcoming our nation's historic and contemporary inequalities. By embedding a focus of economic advancement for all, accessibility, and representation into its development and deployment — even when federal frameworks do not require it — we can ensure that Black entrepreneurs have the tools, knowledge, and resources they need not merely to survive in the AI economy but to lead it.

To achieve this, state and local policymakers alongside business and community leaders, as well as philanthropic leaders, must act now. Building a shared-growth AI economy will require deliberate, coordinated action to:

- Expand applied training programs that meet entrepreneurs where they are, especially Black entrepreneurs
- Invest in broadband, computing infrastructure, and open-source tools to reduce barriers to entry
- Reform capital pipelines so that funding reaches underrepresented founders
- Guarantee that the voices of small business owners, particularly those from Black communities, are included in shaping the policies and standards that will define the future of AI
- Unlock the potential of open-source AI to benefit small business owners, particularly Black entrepreneurs.

This brief examines the current state of Black entrepreneurship at the dawn of the AI era. It highlights emerging examples of innovation and resilience. It also identifies the structural barriers that continue to limit participation, explores how open-source AI could create new pathways for equitable growth, and offers a set of actionable recommendations for policymakers, philanthropic funders, and industry and community leaders.

In doing so, it serves as both a vision and a toolkit, equipping decision-makers with strategies that can be deployed even in the absence of federal mandates for equity. The choice before us is clear: either allow AI to reinforce old divides or intentionally design a future in which it serves as a ladder for shared prosperity. The decisions we make in this moment will determine not only who benefits from the AI economy, but also whose vision and values will shape it.

The Promise of AI for Black-Owned Businesses

Across the country, Black entrepreneurs are using AI to stretch resources, improve efficiency, and reach new markets, often in ways that fundamentally shift what's possible for small, undercapitalized enterprises. The early evidence is compelling and deeply human. In Dayton, Ohio, for example, wellness entrepreneur Shondale Atkinson uses generative AI to draft culturally responsive health education materials, write customer service responses, and produce professional-grade marketing content.[11] These were once out-of-reach tasks for a small team without a dedicated communications or design department. Generative AI has given her the ability to operate at a scale she could not have imagined just a few years ago.

For Juanita Darden, a solo consultant, generative AI now functions as a virtual assistant, managing scheduling, drafting publicity materials, preparing client deliverables, and producing polished reports that previously required expensive outsourcing.[12] Chataun Denis, also based in Dayton, Ohio, uses generative AI to generate competitive grant proposals and business plans, securing funding for nonprofit clients that might otherwise be overlooked.[13]

These gains are not merely about speed or aesthetics; they directly translate into revenue, job creation, and the ability to compete for opportunities that once seemed inaccessible. And these examples are not isolated anecdotes. They reflect a broader pattern of early, innovative adoption among Black-owned businesses. AI is functioning as a force multiplier for Black entrepreneurs who have long been required to do more with less. It compresses the time required for core tasks, reduces the costs of professional-quality outputs, and allows a one- or two-person enterprise to deliver at the level of much larger firms. In doing so, AI enables these and other entrepreneurs to challenge the long-standing assumption that only companies with substantial teams and capital reserves can compete at scale.

While these stories illustrate real and immediate benefits, it is important to acknowledge that AI also raises profound and urgent concerns, including environmental impacts, algorithmic bias, job and job displacement alongside broader privacy risks, and the concentration of technological power. These issues have significant implications for structural inequality, democracy, and social well-being, and they cannot be minimized. They warrant deep examination, which we will explore in subsequent reports and related content.

But recognizing these challenges should not prevent us from also seeing AI's capacity to serve as a force for good. When intentionally designed, implemented, and governed, AI can expand opportunity, increase efficiency, and provide tools that help level the playing field for Black entrepreneurs who have historically been excluded from the full benefits of technological change. For instance, the implications for wealth creation are profound. If Black entrepreneurs can access AI at scale, then these tools could increase business survival rates, accelerate growth trajectories, and possibly expand job creation within Black communities, which will help to narrow, rather than widen, the racial wealth divide.

This future potential, however, hinges on one critical condition: access to AI. Without equitable access to high-speed broadband, affordable computing power, mentorship, and the capital to experiment, the advantages of AI will accrue to the already advantaged. And without targeted training tailored to the realities of small business operations, the technology's potential will remain underutilized.

The promise of AI for Black-owned businesses is clear but realizing it requires more than inspiring case studies. Access, affordability, and relevance will determine whether these tools become engines of shared prosperity or drivers of deeper inequality. Without targeted investment in infrastructure, training, and equitable capital pipelines, AI adoption will remain limited to a subset of businesses with the resources to overcome structural gaps on their own.

These inequities are not new; they are rooted in long-standing patterns of exclusion that have defined American economic life. Yet the current federal policy approach compounds these risks, threatening to widen the divide between well-resourced businesses and those who need greater capacity. Bridging this divide requires confronting the structural barriers that continue to shape participation in the AI economy.

Barriers to Full Participation in the AI Economy

The AI economy is emerging from an unequal foundation — these inequities are not new, and unless addressed head-on, they will determine who benefits from the AI boom and who is left behind. The barriers fall across four interconnected domains:

1. **Knowledge and training**
2. **Infrastructure**
3. **Capital and market access**
4. **Representation and governance**

Let's examine each these domains briefly in turn.

1 Knowledge and Training

Black entrepreneurs are already experimenting with AI tools, but most training pipelines remain misaligned with their needs. Many of the AI education and workforce development initiatives are designed for engineers, data scientists, or corporate employees — not necessarily for small business owners who need applied, industry-specific use cases.[14] While general AI literacy programs are expanding, few focus on helping entrepreneurs understand how to integrate AI into marketing, accounting, operations, or customer engagement.

This knowledge and training gap begins long before adulthood for potential Black entrepreneurs. Black primary and secondary students are less likely to attend schools with advanced science, technology, engineering and mathematics (STEM) or computer science programs.[15] Further, schools in high-poverty communities receive far less AI-related training and support. In 2023, only six percent of high-poverty districts trained teachers on the use of AI, compared to 43 percent of low-poverty districts.[16] These disparities limit exposure to digital tools and confidence with technology — skills that increasingly define entrepreneurial competitiveness. Without deliberate investment in AI training focused on educating students and small businesses, Black founders risk being locked out of the next generation of digital opportunities.

2 Infrastructure

The promise of AI depends on access to reliable broadband, cloud computing, and the hardware needed to run modern applications. Yet these resources remain unevenly distributed. Black households are still disproportionately disconnected, with research revealing that only 68 percent of Black adults subscribing to home broadband.[17] This divide is even sharper in rural and Southern communities, with 38 percent of Black Americans reporting that they lack home internet access.[18] For entrepreneurs, unreliable connectivity translates to real economic constraints — it limits access to cloud-based tools, slows workflow automation, and increases operational costs.

Even where broadband is available, there is a growing compute divide in AI. Major firms and top institutions can access the expensive GPU-based computer environments, while smaller organizations lag behind. Without intentional infrastructure investment — both digital and physical — the AI economy will deepen geographic and racial disparities in innovation.

3 Capital and Market Access

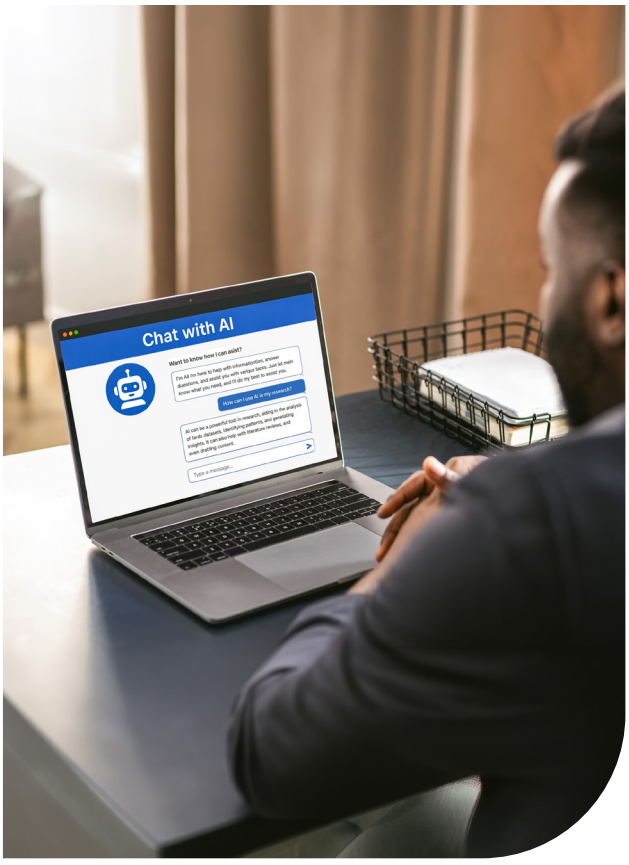
Building, testing, and scaling AI tools requires capital — something Black entrepreneurs have historically struggled to secure. Venture funding for Black founders fell by more than 70 percent between 2022 and 2024, accounting for less than half of one percent of all U.S. venture capital.[19] Because AI experimentation requires time, data access, and compute credits, this funding inequality translates directly into missed opportunities for innovation. Traditional lending and grant programs also fall short, often requiring collateral or performance metrics that privilege already-established firms.

Equally significant is the lack of representation within the venture capital pipeline itself. Recent research shows that only about 3.47 percent of founders seeking funding from venture capital firms are Black — evidence of systemic barriers that shape who even gets the chance to compete for investment.[20] This underrepresentation among those entering the pipeline limits the diversity of ideas and innovations that receive backing, perpetuating a cycle in which high-potential ventures in Black communities remain underfunded. Public and philanthropic interventions can help counter this trend, but absent federal equity mandates, the capital divide will continue to widen.

4 Representation and Governance

The systems shaping AI policy, standards, and platform design remain overwhelmingly homogenous. Black entrepreneurs and community-rooted businesses are rarely at the table where AI rules are written — whether in federal advisory committees, state task forces, or corporate governance boards. This exclusion has tangible consequences. When the voices of Black small business owners are missing, regulations, technical standards, and funding priorities reflect the interests of large technology firms rather than the realities of the local economies in which these entrepreneurs operate.

At the same time, the digital platforms that connect small businesses to consumers — search engines, ad networks, and e-commerce algorithms — can replicate bias in ways that diminish visibility for culturally specific products and services.[21] Representation in both policymaking and platform governance is therefore not symbolic — it is central to economic survival in the digital marketplace.



The Path Forward

These barriers are not the result of a lack of talent, ambition, or innovation among Black entrepreneurs. They are the product of systemic design choices that dictate who can meaningfully participate in — and shape — the AI economy. Closing these barriers will require deliberate investment in applied AI training, equitable broadband expansion, reformed capital pipelines, and inclusive governance. The next section explores how open-source AI can serve as a practical lever for change — providing a pathway for innovation that is community-driven, affordable, and accessible even in the absence of federal leadership.

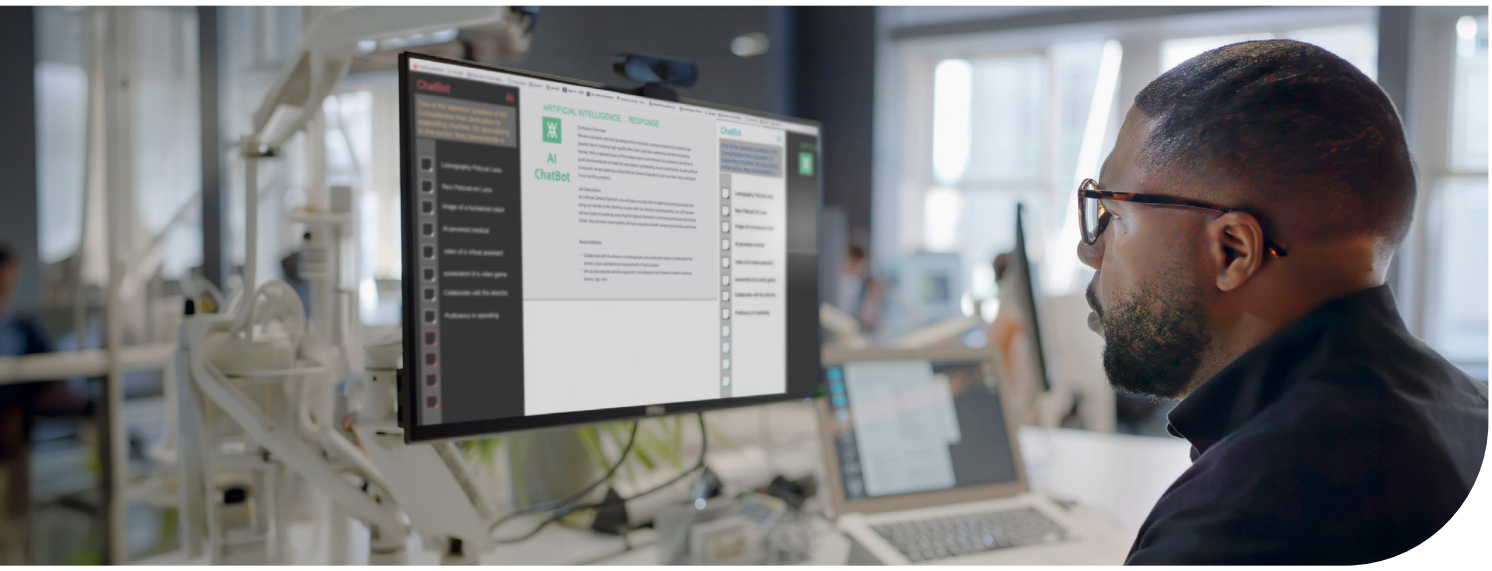
Democratizing Technology: Unlocking the Potential of Open-Source AI

As AI becomes embedded across every sector of society, fundamental questions around access, ownership, and control are shaping the trajectory of innovation. One of the most promising and complex developments in this space is the rise of open-source AI: publicly accessible models, datasets, and tools that can be used, modified, and shared by anyone. In theory, open source AI represents the democratization of technology. It removes cost barriers, encourages collaboration, and gives entrepreneurs and communities the freedom to build tools that reflect their values, cultures, and needs.

Open-source AI systems such as Hugging Face Transformers, the multilingual BLOOM model, or Mistral AI's high-performance architectures lower the cost of experimentation and innovation.[22] These platforms have become essential entry points for developers and researchers, offering access to powerful models without the gatekeeping of commercial licensing. In doing so, they allow small businesses and individuals to adapt these technologies into specialized tools (such as multilingual chatbots or culturally relevant content moderation systems) tailored to the norms, languages, and contexts of specific communities.

For Black entrepreneurs, the potential of open-source AI is particularly profound. Unlike closed platforms that require expensive licenses or specialized vendor relationships, open-source tools enable experimentation with low overhead, customization for cultural nuances, and the opportunity to shape the technology itself — not just consume it. This means, for example, that a local artist could fine tune an image generation model on Black aesthetics, or a service provider could integrate an open-source scheduling bot into their business, or a community organizer could adapt open data models to build tools for advocacy and empowerment.

Availability, of course, does not equal accessibility. Even before the current policy climate, persistent inequities in digital infrastructure, technical training, and capital have limited who could fully take advantage of open-source ecosystems. Documentation is often written for experienced developers. Licensing terms can be complex. And the technical skills needed to meaningfully adapt these tools are not widely distributed across under-resourced communities. These longstanding challenges now risk being compounded by the Trump Administration's current approach to AI policy. Without intentional safeguards, national AI strategies may treat "open" as an end in itself — failing to account for capacity-building, legal guidance, and community infrastructure required to make open source truly inclusive.



Designing opportunity into open innovation must start from the ground up. This means supporting Black-led and equity-centered organizations such as Black in AI and Black Tech Street — two groups already advancing representation and accountability in the field. It means funding developer education, building mentorship pipelines in historically excluded communities, and creating documentation and legal resources that demystify the process for new entrants. It also requires investments in the infrastructure that make open-source meaningfully accessible: grants, fellowships, cloud credits, and shared compute resources that put powerful tools in the hands of those outside dominant tech networks.

When these supports are in place, open-source AI becomes more than a cost-saving measure — it becomes a platform for agency, innovation, and collective power. Without them, it risks replicating the same patterns of exclusion that have characterized every major technological shift in American economic history.

Realizing the full promise of open-source AI — and AI more broadly — will require intentional, sustained investments that address both longstanding inequality and the new risks posed by current federal policy. The Trump Administration's approach to AI may set the national agenda, but they do not define the limits of what is possible. State and local governments, philanthropic funders, private sector leaders, and community driven coalitions all have the power to implement targeted interventions that ensure AI tools, infrastructure, and benefits reach Black entrepreneurs at scale.

Policy Recommendations for Building an Inclusive AI Economy for Black Entrepreneurs in Response to Federal Policy Gaps

Expanding the promise of AI means expanding who it reaches. If the next wave of innovation is to be truly inclusive, the tools of the future must be accessible not only to those in major tech hubs or elite research labs, but also to entrepreneurs building from the ground up across every region, community, and industry in our nation. The preceding sections make clear that the promise of AI for Black entrepreneurship will only be realized if the structural inequities that shape access, scale, and influence are addressed head-on.

While the Trump Administration's AI Action Plan, related executive orders, and the AI policy framework does not account for equity safeguards, this does not have to be the end of the story. The failure of federal action to address racial economic inequality can — and must — be met with coordinated action at the state, local, philanthropic, and private sector levels.

The recommendations that follow are designed as a policy-and-practice roadmap that responds directly to the four structural domains outlined previously — knowledge and training, infrastructure, capital and markets, and representation and governance — as well as the promise of leveraging the inclusive potential of open-source AI in the section above. Together, they outline practical interventions that can be implemented now to ensure that Black entrepreneurs not only participate in the AI economy but also help define its future in ways that are competitive, resilient, and inclusive.

Expand Applied AI Training for Small Businesses

The expansion of applied AI training for small businesses is essential. AI literacy is no longer optional for competitive participation in the modern economy. Yet evidence shows that many public and philanthropic AI-training investments flow primarily to universities, research labs, or large corporations, which suggests that small businesses and under-resourced founders may be overlooked.[23] Federal and state programs such as the Small Business Innovation Research (SBIR) Program, the National Science Foundation's Regional Innovation Engines, and local economic development authorities should earmark funding for hands-on, industry-specific training for small businesses.

Where national mandates are absent, state governments and philanthropic funders can fill the void by directing grants to trusted, culturally competent networks, among them local chambers of commerce, Black business associations, historically Black colleges and universities (HBCUs), and workforce development organizations. These kinds of community-grounded organizations can deliver training that is designed for real-world, small-scale application.

Examples already exist. Google's America's SBDC AI U program provides AI training clinics through Small Business Development Centers. Georgia's AI in Manufacturing (AIM) Program helps small and mid-sized manufacturers integrate AI tools. And Mississippi's AI Business Accelerator at Alcorn State University trains rural entrepreneurs to apply AI in business growth. Localized bootcamps, digital apprenticeships that pair entrepreneurs with AI technologists, and embedded innovation residencies such as the ones piloted in these programs — can build capacity quickly while grounding learning in the realities of day-to-day business operations.

Build Community Based AI Infrastructure

Infrastructure is the silent determinant of who can use AI at scale. Broadband, cloud computing, access to expensive GPU environments, and collaborative spaces are foundational. Federal infrastructure investments should include equity-driven provisions for community-based AI hubs — especially in underserved areas such as the Black Rural South and historically disinvested urban neighborhoods. But in the absence of clear federal mandates, state, municipal, and philanthropic actors can step in.

There are several models to emulate. Massachusetts, through the Massachusetts AI Hub, has funded and innovation hub that could serve as models for AI-focused spaces. California's Inclusive Innovation Hubs show how regional networks can connect entrepreneurs with resources. And Tulsa Innovation Labs in Oklahoma demonstrates how municipal–philanthropic partnerships can attract and grow tech entrepreneurship. Similar approaches could fund local AI labs, GPU-sharing programs, and cloud credits for small businesses — ensuring that vital infrastructure isn't concentrated solely in dominant tech corridors.

Leverage Open-Source AI as a Tool for Equity

Open-source AI offers a powerful way to reduce costs, foster collaboration, and enable customization that reflects cultural and community needs. But openness alone is not enough — it must be paired with robust support systems that address existing inequities. Policymakers, funders, and industry partners should invest across the open-source value chain, including developer education, culturally responsive onboarding, licensing navigation, and infrastructure such as cloud credits and shared computing.

Real-world initiatives show how this kind of support can turn potential into impact — particularly for Black entrepreneurs who have historically faced systemic barriers to capital, networks, and technology infrastructure. The following examples demonstrate what is possible when access, affordability, and autonomy in AI are prioritized.

In Oklahoma, the minority-owned firm WriteSea has used LLaMA to build an AI career-coaching tool that improves job-search outcomes.[24] In Austin, Texas, Unveil and Fynopsis have leveraged LLaMA to power a cultural-discovery app that directs foot traffic to small local businesses, and to streamline M&A workflows for smaller firms through automated document analysis.[25] These examples demonstrate how open-source models can deliver affordable, high-performance tools without corporate lock-in.

State and local governments can embed these lessons into economic development strategies by partnering with local chambers of commerce, HBCUs, and workforce development networks to provide plain-language translations of AI model documentation, integrate AI-focused curricula into entrepreneurship programs, and fund legal navigator services to help small businesses understand open-source licensing and intellectual property obligations.

Reform Capital Pipelines to Reach Underrepresented Founders

AI innovation demands freedom to experiment and experimentation requires capital. In 2023, Black-founded startups secured less than 0.5 percent of all venture funding.[26] This is an acute capital barrier that limits participation in the AI economy. Yet the Trump Administration's current apporach offers no targeted capital interventions for underrepresented founders, leaving equity-focused innovation without a clear federal investment pathway.

In this vacuum, state agencies, corporate supplier-diversity programs, and mission-driven investment funds can play a pivotal role. For instance, AWS's Impact Accelerator offers both cash and cloud credits to underrepresented founders.[27] A new Denver-based venture capital firm, ThingVC delivers micro grants to first-time entrepreneurs. Wisconsin's public-private investment fund matches federal and private dollars to support tech startups; and New Jersey's AI Innovation Challenge provides sub-grants tailored toward AI-driven ventures. These initiatives demonstrate the potential of set-asides, streamlined procurement pathways, and micro-funding models to let AI entrepreneurs' experiment and iterate without unsustainable risk.

Embed Small Business Representation in AI Policymaking

AI policy is being shaped in real time through standards development, legislative frameworks, and funding priorities, but the perspectives of small business owners, particularly Black entrepreneurs, remain largely absent. This absence reflects structural barriers that privilege large, well-resourced actors in both access and influence. Embedding representation must be treated as an imperative, ensuring that those most impacted by AI's economic shifts have the power to shape its rules and opportunities.

Oregon offers one of the strongest current models for equity-driven AI governance. Established in 2023 by executive order, the Oregon AI Advisory Council requires representation from the state's Racial Justice Council, maintains dedicated ethics and equity subcommittees, and is tasked with delivering a comprehensive AI action plan rooted in diversity, transparency, and accountability.[28] This structure ensures that community and small business perspectives — particularly from historically underrepresented groups — are built into decision-making, not added as an afterthought.

Few other states have embedded equity this deeply into AI policymaking, but there are emerging examples worth noting. In 2024, Maryland issued an executive order requiring fairness and equity principles in state AI use,[29] a step toward more inclusive governance. Texas' Artificial Intelligence Advisory Council, created through HB 2060 in 2023, sets transparency and anti-discrimination requirements for state agency AI use,[30] though it lacks the deeper equity structures embedded in states such as Oregon. These examples show the growing appetite for state-level AI oversight and the opportunity to model them on Oregon's equity-centered approach.

In the absence of a federal AI agenda that prioritizes equity, states and local bodies have a rare opportunity and responsibility to lead. The examples of Oregon, Maryland, and Texas demonstrate that equity can be embedded into governance architecture from the start, ensuring that small business and Black entrepreneur voices aren't just consulted but have structural power in shaping AI's rules. State technology councils, municipal advisory boards, and philanthropic policy fellowships can fill the policy vacuum left by federal policymakers in Washington, but only if they are designed with equity as a non-negotiable core. In the face of intentional federal blind spots, representation must be more than presence; it must translate into influence, accountability, and policy outcomes that drive a fair and competitive AI economy.

Conclusion: Turning Federal Gaps into Engines of Inclusive Innovation

The transformation now underway in the U.S. economy is as much about governance, values, and intentionality as it is about technology. Artificial intelligence will not determine our collective future on its own; the systems in which it is embedded will. For Black entrepreneurs, this moment represents both a familiar challenge and a historic opportunity. The challenge is navigating entrenched inequities that have long constrained access to capital, infrastructure, and influence. The opportunity is defining the contours of a technology that will shape every sector of society for generations.

The evidence presented in this brief is clear. AI has the capacity to act as a force multiplier for small, resource-constrained enterprises, allowing them to scale their reach, improve efficiency, and compete in markets that were once inaccessible. Yet these benefits will not be distributed evenly unless deliberate measures are taken to close structural inequality. Federal policy has stripped considerations of discrimination and inequality from the national AI agenda, removing tools that could help mitigate bias and broaden access. This makes the responsibility for inclusion fall more heavily on state and local governments, philanthropic actors, private-sector leaders, and community-driven coalitions. Expanding applied training, building community-based infrastructure, leveraging open-source ecosystems, reforming capital flows, and embedding small business voices in policymaking are not peripheral concerns — they are the conditions under which innovation thrives for all.

U.S. history shows that without a focus on bridging inequality; the resulting systems entrench the very disparities they could dismantle. The inverse is also true: when inclusion is built into the architecture of technological change, the benefits ripple outward, strengthening economies, fostering resilience, and expanding opportunity. In this sense, designing an inclusive AI economy is not simply a moral imperative — it is a strategic one.

The window for action is finite. AI systems are being developed, deployed, and regulated in real time, and the norms established in this early stage will be difficult to reverse. By acting decisively now, across levels of governance, sectors, and communities, we can ensure that Black entrepreneurs are not merely participants in the AI era, but architects of its most transformative and equitable applications. The future of AI will be written by those who show up to shape it. The question is whether these systems will be built to ensure that Black innovators are among them.

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Media Contact
press@jointcenter.org | 202.789.3500 EXT 105
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Joint Center for Political and Economic Studies
633 Pennsylvania Ave., NW
Washington, DC 20004
info@jointcenter.org | jointcenter.org

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