

THE ~~BLACKOUT~~ REPORT

BY ONYX IMPACT

SPECIAL EDITION

BLACK BUSINESSES GET 1.2% NOW THEY'RE SHUTTING THE DOOR

Federal contracts are a wealth pipeline. A new executive order raises the risk of working with Black-owned firms — **jeopardizing \$9.3 Billion a year in Black wealth creation.**

SECTION 01

EXECUTIVE SUMMARY

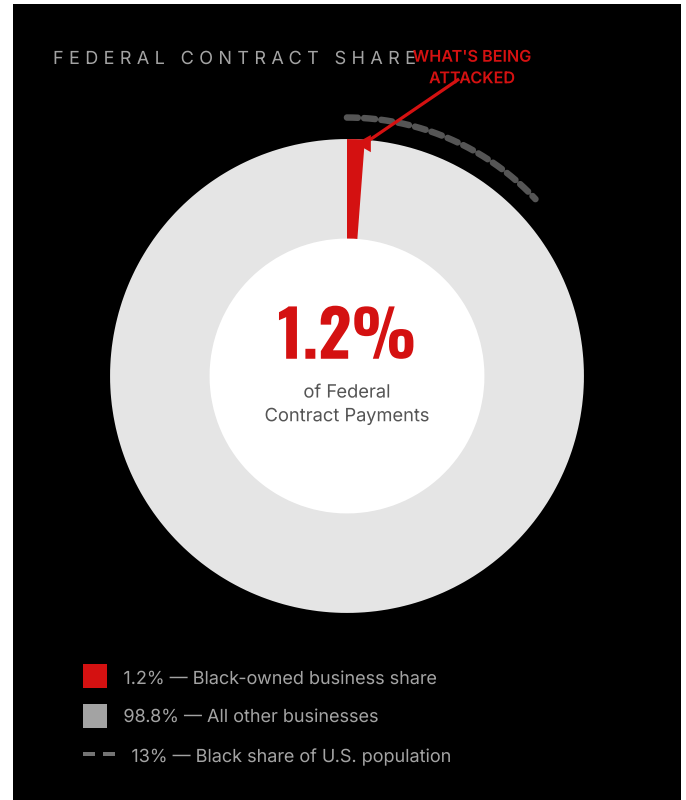
Last year, Onyx Impact released the Blackout Report, which documented **15,723 concrete harms** to Black communities in the first 8 months of the administration. Now, Onyx Impact, the Global Black Economic Forum, and American Pride Rises are releasing a special edition of the Blackout in response to the unprecedented move by the Trump administration to attack one of the most significant—yet narrow—paths to Black wealth generation in America.

On March 26, 2026, the White House issued an Executive Order aimed at dismantling basic equity policies by federal contractors. The impact is clear: more fear, more investigations, and more excuses to stop doing the work that gets Black businesses in the door.

The federal government is the world's largest consumer of goods and services, spending **\$774 Billion** on federal contracts in 2024 alone. That money turns into paychecks, jobs that stay open, and businesses that finally get room to grow. It is how whole communities build stability.

Black-owned businesses already receive a tiny share of federal contract dollars — an estimated **\$9.3 billion per year** in Black wealth creation is at risk. Such a small share means most Black businesses are already competing for scraps.

This report examines how policy changes reshape economic access through perceived penalties and fear.



SECTION 02

WHY THIS MATTERS

Federal contracts are still one of the clearest ways people build real wealth in this country.

They come with steady payments, repeat work, and a track record that opens the next door.

A contract can be the difference between a business surviving year to year and a business hiring, buying equipment, winning bigger work, and passing something down.



JOBS

Every contract sustains direct and indirect employment in Black communities.



PAYCHECKS

Recurring revenue means stable payroll — for workers who are disproportionately Black.



EQUIPMENT & CAPITAL

Contracts fund the hard assets — trucks, tools, tech — that make businesses competitive.



BUSINESS GROWTH

A federal contract opens the door to larger private-sector opportunities.



CREDIBILITY

Government work signals reliability, unlocking credit, partnerships, and scale.



GENERATIONAL WEALTH

Contracts create the kind of assets and equity that can be passed down to the next generation.

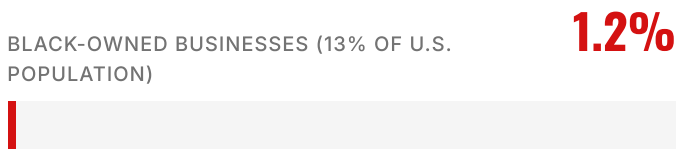
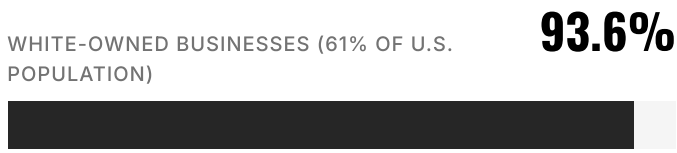
“When the lane is already so narrow, fear does the job of a ban.”

THE CHILLING EFFECT ON BLACK BUSINESS CONTRACTING

SECTION 03

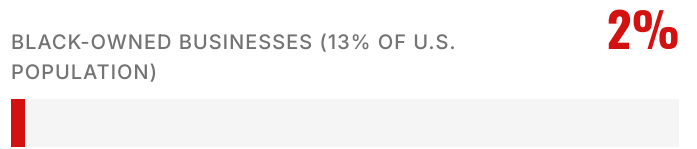
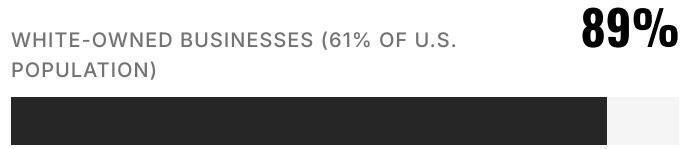
THE NUMBERS

FEDERAL CONTRACT PAYMENTS BY BUSINESS OWNERSHIP



Source: Federal Procurement Data System, FY2024

FEDERAL CONTRACTS BY COUNT



Source: Federal Procurement Data System, FY2024

TOTAL FEDERAL CONTRACT SPENDING, 2024

\$774_B

The federal government is the single largest purchaser of goods and services in the world.

ANNUAL BLACK WEALTH CREATION AT RISK

\$9.3_B

The estimated annual economic impact to Black-owned businesses and communities if access narrows further.

SECTION 04

THE MEANING OF THIS MOMENT

In federal contracting, this Executive Order may change behavior immediately. Companies often do not wait for punishment to stop taking chances. They stop as soon as they sense risk— and Black businesses start receiving the **"we are not doing that anymore"** phone calls, hearing their programs are being "paused for legal review," getting dropped from projects because someone decides they are "too risky" to keep on the team.

This order turns ensuring basic levels of "Black participation" into something that can be treated like wrongdoing. It tells agencies and contractors to police "DEI" as if equity is a form of discrimination. It pushes new contract language and expanded access to records while creating enforcement pathways like contract termination, suspension, and debarment — a formal way of blocking a business from future work.

Federal contracts are a wealth engine in America. They help businesses stack wins over time. They create stability that banks respect. They build the kind of track record that turns a small company into a real employer. That is true for everybody who gets access to them. It is also why being locked out keeps whole communities behind.

To be clear, equity programs are legal. Despite White House Executive Orders targeting diversity, equity and inclusion (DEI), guidance from American Pride Rises makes clear that diversity, equity and inclusion programs and initiatives are not illegal in the United States. President Trump does not have the power to unilaterally change the law. However, the administration's actions will have an outsized impact on the future of Black wealth creation for generations to come.

WHAT BUSINESSES FACE

CONTRACT TERMINATION

Active contracts can be reviewed, challenged, or terminated under new compliance frameworks.

SUSPENSION

Businesses can be temporarily blocked from competing for new work during reviews.

DEBARMENT

Permanent exclusion from government contracting — the ultimate enforcement tool.

"The system doesn't have to say no. It just has to make yes feel dangerous."

SECTION 05

FOUR THINGS THIS ORDER MAKES MORE LIKELY



01

BLACK-OWNED BUSINESSES GET SQUEEZED OUT OF SUPPLY CHAINS

Large companies that sell to the government often hire smaller companies to do part of the work: staffing, transportation, technology support, construction trades, catering, security, cleaning, printing, and more. Many Black-owned firms live in that space. When the biggest companies get scared, they shrink the list of who they will work with. They choose “familiar” vendors and avoid anything that looks like intentional inclusion—and Black businesses get cut out of the deal.



02

“COMPLIANCE” BECOMES A WEAPON

Federal contracting already runs on paperwork. This order intensifies that pressure around anything connected to equity or outreach. This sounds technical... but for a small business, it means time, legal cost, and risk. Bigger firms can absorb that. Smaller firms get buried by it.



03

THE PIPELINE GOES QUIET

Opportunity is not random. Businesses get contracts because they are visible, connected, and considered. When inclusion programs get targeted, the pipeline goes quiet. That silence looks like “there were no qualified Black businesses,” but the truth is that the system stopped looking.



04

JOBS AND PAYCHECKS GET HIT FIRST

When a contract gets lost or not renewed, payroll gets cut. Hours get reduced. People get laid off. That happens long before anyone writes an article about “contracting policy.”

\$9.3B

in annual Black wealth creation at risk when these four dynamics converge. The damage is structural, cumulative, and already underway.

SECTION 06

SPOTLIGHT: BLACK WOMEN-OWNED BUSINESSES

Black women are a core part of Black enterprise — making up about **48%** of Black-owned businesses. The Araminta Project tracked what contract loss has looked like under the Trump administration's anti-equity policies across some of the nation's most successful Black women founders.

The report examines members of **The BOW Collective**, a network of high-achieving CEOs whose businesses collectively generated **\$1.7 billion in revenue** before 2025.

COUNTER-MOVES WHEN CONTRACTS DISAPPEARED

- Policy Advocacy
- Legal Defense
- Diversified Revenue
- Locked-In Partnerships

These moves kept payroll moving and kept doors open — even as the environment grew hostile.

BOW COLLECTIVE MEMBERS — REPORTED IMPACT



48%

OF BLACK BUSINESSES ARE OWNED BY BLACK WOMEN

When Black women-owned businesses lose contracts, whole communities lose the economic anchor that makes growth possible.

SECTION 07

THE THREE LIES THAT KEEP THE PUBLIC DISTRACTED WHILE THEY CLOSE OFF BILLIONS

Trump's executive order depends on lies people have heard so many times they sound like common sense. These lies distort meaning and teach people to accept inequality as neutral. **GBEF's findings help cut through them.**

01

THE LIE

✘ *"There are not enough qualified Black or minority-owned businesses."*

THE TRUTH

Nope. According to GBEF, Minority-owned businesses certified through the National Minority Supplier Development Council generate \$363.6 billion in annual revenue and sustain over 1 million jobs - capacity is not the problem. Neither is scale. The real barrier is access: relationships, procurement complexity, repeat opportunities, and risk bias - so qualified firms exist, but too many never get a fair look.

\$363.6B Annual revenue from NMSDC-certified minority businesses

02

THE LIE

✘ *"Inclusion hurts white businesses."*

THE TRUTH

The numbers fundamentally don't support this. White-owned businesses receive about 93.6% of federal contract payments in the GBEF analysis. A biased system does not need protection from fairness. It needs accountability.

93.6% Of contract payments already go to white-owned businesses

03

THE LIE

✘ *"Black businesses are getting special treatment."*

THE TRUTH

If that were true, the money would show it. It does not. The system rewards incumbency and familiarity. "Special treatment" is a false narrative used to make Black participation look illegitimate.

1.2% The share Black-owned businesses actually receive

1M+

Jobs sustained by NMSDC-certified minority-owned businesses. They are integral to the American economy.




SECTION 08

HOW THIS FITS THE BLACKOUT PATTERN

ERASE. DISTORT. SUPPRESS.

Onyx Impact's Blackout report documented **15,723 impact points** where Black opportunities, lives, or histories were attacked in the first eight months of the administration. It describes a coordinated strategy that restricts Black access to power, capital, and influence by erasing evidence, distorting truth, and suppressing institutions through fear.

This Executive Order is a clear example of the Blackout pattern.

 ERASE	 DISTORT	 SUPPRESS
<p>When inclusion efforts are targeted, what disappears first is the public record of effort: outreach pages come down, programs get renamed or cut, reporting stops, and commitments vanish. A year later, someone says, "there just was not demand." That is manufactured absence.</p> <hr/> <ul style="list-style-type: none"> • Programs get renamed or quietly cut • Reporting stops and commitments vanish • That is manufactured absence 	<p>Equity gets labeled discrimination. This is how people are trained to oppose their own access. The story gets flipped so the tiny lane of opportunity becomes the threat.</p> <hr/> <ul style="list-style-type: none"> • Inclusion efforts are reframed as discrimination risks • A 1.2% share is presented as an unfair advantage • People learn to oppose their own access 	<p>Fear spreads through contracts and compliance. Institutions stop speaking and stop acting because the cost of being accused becomes higher than the cost of exclusion. That is what suppression looks like in a procurement system.</p> <hr/> <ul style="list-style-type: none"> • Compliance offices issue guidance that chills action • Businesses self-censor and withdraw from programs • Fear spreads faster than any regulation

"The pattern is never new. Only the tools change."

SECTION 09

WHAT BLACK COMMUNITIES CAN DO RIGHT NOW



IF YOU ARE A BUSINESS OWNER

- 1 Document changes. Save emails. Track dropped partnerships.
- 2 Track added paperwork and new restrictions.
- 3 Patterns become proof.



IF YOU ARE IN MEDIA, ADVOCACY, OR RESEARCH

- 1 Stay vigilant on the outcomes.
- 2 Who is winning contracts? Who is losing them?
- 3 What disappeared? What got chilled?



IF YOU ARE A CUSTOMER & COMMUNITY MEMBER

- 1 When a Black business in your area loses a major contract, understand it as a community event, not a private failure.
- 2 Those losses ripple outward.

This is about **who gets to build, hire, and create wealth** in America. The data is clear. The pattern is documented. The response starts with awareness.

THIS MOMENT IS DESIGNED TO FEEL TECHNICAL SO IT CAN PASS WITHOUT A FIGHT.

Federal contracting shapes who gets to hire, who gets to build, and who gets to pass something down. A system that already gives Black businesses only **1.2%** of the payments does not need new pressure on inclusion. It needs a wider door.

We must share the truth about what is happening, why it is happening, and move accordingly.

"A system that already gives Black businesses only 1.2% of the payments does not need new pressure on inclusion. It needs a wider door."

AWARENESS • DOCUMENTATION • ACTION

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BLACKOUT
REPORT

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A BLACKOUT REPORT SPECIAL EDITION

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NOW THEY'RE SHUTTING THE DOOR.**

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