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Inclusive Economic Growth: Unlocking America's Full Potential

Inclusive economic growth is not just a moral imperative—it's an economic strategy that drives prosperity for all. By expanding access to quality education, small business financing, first-time home loans, technology, and tax breaks for low-income households, the United States could cultivate an environment where everyone, regardless of background, has the tools to contribute to and benefit from the economy. At the core of this approach is targeted and intentional support for historically marginalized communities, particularly racial and ethnic minorities, whose increased participation in the economy translates into higher consumer spending, business creation, and long-term GDP growth.

Economic Multiplier of Minority Support Programs

Investments in minority communities don't just benefit those individuals—they benefit everyone. The U.S. economy loses an estimated **\$16 trillion** due to racial economic disparities, according to a McKinsey report. Closing these gaps could add **\$5 trillion to GDP over the next decade**.

Increased buying power among minorities has already had a profound impact. Nielsen reports that African American buying power reached **\$1.8 trillion in 2023**, and Hispanic buying power surpassed **\$2.5 trillion**. Supporting entrepreneurship, homeownership, and educational attainment in these communities translates directly into expanded consumer markets and tax revenues.

Education as the Foundation

Access to quality education is the cornerstone of economic opportunity. However, disparities persist. According to the National Center for Education Statistics (NCES), in 2023, Black and Hispanic students were still significantly underrepresented in STEM fields and advanced placement programs. Schools in low-income, predominantly minority communities receive roughly **\$23 billion less in funding annually** than those in predominantly white neighborhoods, despite serving the same number of students (EdBuild, 2019).

Investments in early childhood education, career-technical programs, and higher education affordability not only close achievement gaps but also improve workforce productivity. The Brookings Institution estimates that closing racial education gaps would generate over **\$525 billion annually in greater economic output**. Educated workers are more likely to innovate, start businesses, and earn higher incomes—directly contributing to economic growth.

Empowering Small Business and Homeownership

Small businesses are the lifeblood of the American economy. They represent **99.9% of all U.S. businesses** and employ nearly half of the private workforce (SBA, 2024). Yet, minority-owned small businesses face systemic barriers in accessing capital. A 2022 Federal Reserve study found that Black and Latino business owners are **50% more likely to be denied loans** than white counterparts with similar credit profiles.

Expanding access to low-interest loans, grants, and technical assistance can dramatically change the landscape. Every \$1 million invested in minority-owned businesses generates over **\$1.6 million in local economic activity**, according to the National Minority Supplier Development Council.

Homeownership is another pillar of economic inclusion. First-time homebuyer assistance, particularly for historically excluded groups, helps build generational wealth. The Urban Institute found that increasing Black homeownership to match white rates would add **\$1.7 trillion in GDP** and significantly narrow the racial wealth gap. Accessible financing, fair appraisal practices, and down payment assistance programs are essential in realizing this potential.

Bridging the Digital Divide and Reforming Tax Policy

Technology access is no longer a luxury—it's a necessity. As remote work, e-learning, and e-commerce proliferate, the digital divide risks leaving low-income and rural households behind. According to the Pew Research Center, **43% of low-income families lack reliable broadband access**, limiting educational attainment, tele-health access, and employment opportunities.

Public-private partnerships to expand broadband infrastructure and provide subsidized devices can level the playing field. Moreover, digital literacy training and tech workforce development programs would prepare underserved communities for high-demand jobs, boosting both individual earnings and national productivity.

Tax policy is another lever for inclusive growth. Refundable tax credits like the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) have proven to lift millions out of poverty. In 2021, the expanded CTC alone reduced child poverty by **46%**, disproportionately benefiting Black and Latino families (Center on Budget and Policy Priorities).

Making these provisions permanent and exploring additional credits for low-income workers, caregivers, and entrepreneurs could stimulate consumer spending, reduce dependency on social programs, and enhance overall economic resilience.

The High Cost of Dismantling DEI Programs

Corporate America's diversity, equity, and inclusion (DEI) initiatives are not just symbolic—they are central to innovation, market expansion, and employee retention. A Boston Consulting Group study showed that companies with diverse leadership teams report **19% higher innovation revenues**. Yet, DEI programs are increasingly under scrutiny, and some firms are scaling them back.

This retreat comes with a steep opportunity cost. Eliminating DEI programs risks perpetuating bias in hiring and promotion, missing out on talent, and alienating increasingly diverse consumer bases. Companies that champion inclusivity tend to outperform peers, both financially and reputationally. Cutting DEI isn't just shortsighted—it's economically reckless.

Summary and Key Takeaways

1. **Inclusive economic growth** hinges on equitable access to education, capital, homeownership, technology, and tax relief.
2. **Closing racial wealth and education gaps** could add **trillions to GDP**, benefiting the entire nation.
3. **Minority small businesses and households** are powerful economic engines when given proper support.
4. **Investments in digital equity** and **targeted tax credits** directly enhance productivity and reduce poverty.
5. **Corporate DEI programs** fuel innovation and profitability; dismantling them undermines long-term competitiveness.

The United States cannot afford to leave talent and potential on the sidelines. Inclusive economic growth is not charity—it's strategy. When we lift up the historically underserved, we raise the floor for everyone. The data is clear: equity drives prosperity. Let's get to work.