How can we get Black media to talk about this important issue? **By Mike Green** President Obama signed into law the JOBS Act (Jumpstart Our Business Startups) on April 5, 2012. The historic law slightly alters the economic game across America that has long been tilted in favor of the wealthy. The new law opens the field of investing in high-growth startups and allows access for millions of Americans who do not meet the previous standard of $1M net worth and a minimum of $200K in new income — a standard set by the Securities and Exchange Commission

JOBS ACT

The JOBS Act is a landmark evolution in control over job growth in America and is one of the most important economic laws that have a direct impact on Black America. It allows entrepreneurs to utilize a relatively new process called "crowdfunding" in raising essential funds for their companies. Without this funding, which typically comes from a process called bootstrapping (personal investment, friends, family, bank loans and other debt financing), the vast majority of entrepreneurs watch their ideas and opportunities die in the incubation or "seed" stage.

The Bureau of Labor Statistics data show 1.9 million Black-owned businesses in America in 2007. More than 1.8 million of those businesses were sole proprietors with zero employees. Thus, it's no surprise there's zero job growth and chronic high unemployment across Black America. The total of all those 1.9 million Black-owned businesses produced less than 1 percent of the nation's GDP. And that was at the height of entrepreneurship in Black America … before the economic collapse.

Black entrepreneurs typically have fewer resources to tap in the bootstrapping phase. To raise funds they often seek angel investors, who help startups get past the proverbial "Valley of

Death," which is the timetable from the start of an entrepreneurial venture until it reaches the breakeven point. Without investment, most companies die.

ANGEL INVESTORS

Angel investors, few of whom are Black, fly into the "seed" phase and purchase equity in startup companies, usually with an expectation of receiving 10 times to 20 times a return on that investment over a five year span. The SEC regulates this area of investment by determining who is a qualified investor, and the manner in which entrepreneurs can publicize their startups to potential investors. The SEC processes were stifling the opportunity for entrepreneurs to raise much-needed funds from interested investors and limiting the number of investors from which entrepreneurs could accept funding.

CROWDFUNDING CREATES OPPORTUNITY

Crowdfunding, which is at the heart of the JOBS Act, opens the door for entrepreneurs to solicit funds from the general public. There are still rules, of course. But the rules for the new law are still being deliberated and will be decided by the SEC within 270 days from the day it was signed by President Obama. Crowdfunding sites have already been established in anticipation of the new law and ushered in a new era of crowdfunding for entrepreneurs.

MISSING BLACK MEDIA

Numerous media are informing the public about the issues surrounding crowdfunding and debates have sprung up around whether this is a "Gold Rush" opportunity that will produce the next Steve Jobs or too-loosened regulations that will inspire the next Bernie Madoff. But you wouldn't know much about the significance of this new law if you get your news primarily through media targeting Black audiences.

The Washington Post has many articles on crowdfunding, including the new JOBS Act. The Root, which is owned by the WaPo, has none (as in zero).

MSNBC has a number of articles on crowdfunding and the new law. The Grio, which is partnered with MSNBC, has none (as in zero).

PBS shows 92 results in a search for "crowdfunding" on its site. Tavis Smiley, who focuses a generous amount of time on poverty and the issue of jobs, has none (as in zero).

Media targeting Black audiences must pay closer attention to the issues surrounding this

landmark piece of economic legislation, which has significant implications for economically disconnected sectors of society. Black America has an opportunity to get into the game of job growth and wealth creation through high-growth entrepreneurship, crowdfunding and angel investing. If Black innovators are to spur job growth, they will need funding. It is imperative for Black media to get into the game of informing audiences about economic processes and opportunities that affect the economic future of Black Americans. Meanwhile, Black America is lagging far behind in this discussion about landmark economic legislation signed into law by a Black president.

How can we get Black media to talk about this important issue?

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