

The Black Pound in the UK: Why It Leaves the Community Quickly

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The “Black Pound” refers to the collective spending power of the UK’s Black community. Despite exceeding £300 billion, only around 2% of this money circulates within Black-owned businesses. This report outlines the reasons behind the rapid exit of the Black Pound from the community, key statistics, and insights from recent studies.

Key Reasons for Rapid Exit of the Black Pound

1. Limited number of Black-owned businesses: Fewer local options keep spending within the community.
2. Systemic barriers to business ownership: Lack of access to loans and funding restricts growth.
3. Consumer habits: Mainstream shopping patterns dominate due to convenience and cost.
4. Economic inequality: Lower wages and higher unemployment reduce disposable income.
5. Geographic spread: Black-owned businesses are concentrated in limited areas.
6. Cultural perceptions: Products seen as niche or undervalued discourage wider spending.

Key Data & Insights

Spending Power	£300+ billion (UK Black community)
Money spent within community	≈ 2%
Contribution to UK economy by minority entrepreneurs	£25–32 billion annually
VC funding to Black founders (2009–2019)	0.2% of total funding
Annual disposable income (multi-ethnic consumers)	≈ £4.5 billion
Missed opportunity by brands	£4.5–6 billion annually

Summary

The Black Pound leaves the community quickly due to limited business ownership, structural barriers, habitual consumer spending patterns, and market neglect by mainstream brands. Awareness campaigns such as Black Pound Day have been crucial in highlighting the issue, but long-term solutions must focus on financial inclusion, investment access, and greater support for Black-owned enterprises.

References

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