

# Under Trump's Pandemic Response, The Federal Government's \$23B Contracting Business Has Left Behind Minority Businesses

**SUMMARY:** In a new analysis, Accountable.us reviewed federal contracting data for potential inequities. According to the Federal Procurement Data System, the federal government has tagged 53,242 of its contract obligations with the description "COVID-19 2020." The contracts in this data set were signed between March 2020 and present, with spending identified from 43 federal government departments.

According to the analysis, the federal government has tagged \$23B worth of its contracts as COVID-19 contracts. But the data also showed that while minorities make up 40-percent of the people in our country, only a small fraction of the COVID-19 contracts have gone to minority-owned businesses. Of the contracts reviewed, they were given about eleven-percent (or \$2B). That slice gets even smaller when looking exclusively at Black-owned businesses.

- Black-owned businesses have gotten about 4-percent of the contracts (and only 3-percent when you look at contracts that were worth over \$1M).
- Although about a third of all Black-owned firms are in the health care and social services industry, Black-owned businesses only got .17-percent of the Health And Human Services contract money.
- Even though 24-percent of DOL'S total number of COVID-19 contracts went to black-owned businesses, only 3-percent of the money that went out under DOL for COVID-19 contracts went to Black-owned businesses.
- Businesses that were Black- and women-owned got 433 of the total number of contracts (less than 1-percent).
- Not a single one of the top 50 most expensive COVID-19 contracts went to a Black-owned business.
- The largest contract a Black-owned business did get was \$9.5B less than the largest contract received by a business that did not identify as a minority-owned business.

These contracts have been awarded as minorities and Black Americans in particular are struggling to weather the pandemic. Death rates, business closures, and unemployment are all high in Black communities. And the Trump administration's lack of contracting business with them is another example of its failure to adequately support them.

*(Methodology Note: We defined "actions" within the Federal Procurement data as "contracts". We defined "vendors" within the Federal Procurement data as "businesses." See further notes in methodology section for more details.)*

## Federal COVID-19 Contracts Went Largely To White-Owned Businesses...

### SUMMARY DATA: Toplines From Full COVID-19 Contract Data

**Despite Decades Of Affirmative Action And Other Policies Intended To Make Up For Disparities, A Majority Of Government Contracts Went To White-Owned Businesses.** "State and local governments spend billions of dollars hiring contractors for goods and services, but most of those contracts go to

white-owned businesses, not minority contractors — despite decades of affirmative action and other policies meant to make up for disparities.” [NPR, [2/20/20](#)]

**Minority-Owned Vendors Of COVID-19 Contracts Made Up Small Percentage Of Federal Government Contracts.** According to COVID-19 data from the Federal Procurement Data System, downloaded on August 27, 2020, there were 53,242 COVID-19 contracts. Details can be found in the below table:

VENDORS	# OF ACTIONS (CONTRACTS)	% OF TOTAL ACTIONS (CONTRACTS)
Minority-Owned Vendors	6,048	11.3388%

- **Methodology Note:** We used percentages tabulated in the “COVID-19 Summary” tab of the data, instead of calculating the percentage the “# of actions” made up of the total number of contracts.

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

#### **Minority-Owned Vendors Of COVID-19 Contracts Got A Small Percentage Of Total Money Spent.**

According to COVID-19 data from the Federal Procurement Data System, downloaded on August 27, 2020, total dollars for COVID-19 contracts is \$23,388,169,679.68. A small percentage of this total went to minority vendors. Details can be found in the below table:

VENDORS	AMOUNT	% OF TOTAL MONEY
Minority-Owned Vendors	\$2,343,080,597.08	10.0182%

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

#### **BREAKOUT DATA: Notable Statistics On Contracts With Black-Owned Businesses**

**Black-Owned Vendors Of COVID-19 Contracts Made Up Small Percentage Of Federal Government Contracts.** According to COVID-19 data from the Federal Procurement Data System, downloaded on August 27, 2020, there were 53,242 COVID-19 contracts. Details can be found in the below table:

VENDORS	# OF ACTIONS (CONTRACTS)	% OF TOTAL ACTIONS (CONTRACTS)
Black-Owned Vendors	2,304	4.3195%

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Black-Owned Vendors Of COVID-19 Contracts Got A Small Percentage Of Total Money Spent.** According to COVID-19 data from the Federal Procurement Data System, downloaded on August 27, 2020, total dollars for COVID-19 contracts is \$23,388,169,679.68. A small percentage of this total went to Black-owned vendors. Details can be found in the below table:

VENDORS	AMOUNT	% OF TOTAL MONEY
Black-Owned Vendors	\$970,816,963.91	4.1509%

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Black-Owned Vendors Of COVID-19 Contracts Made Up Only 3-Percent Of The Total Number Of Federal Government Contracts Over \$1 Million.** According to COVID-19 data from the Federal Procurement Data

System, downloaded on August 27, 2020, the total number of COVID-19 contracts over \$1M was 1,898. A small percentage of this total went to Black-owned vendors. Details can be found in the below table:

VENDORS	# OF ACTIONS (CONTRACTS)	% OF TOTAL ACTIONS (CONTRACTS)
Black-Owned Vendors	64	3%

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Businesses That Were Identified As Both Black- And Women-Owned Businesses Got 433 Of The Total Number Of Contracts.** According to COVID-19 data from the Federal Procurement Data System, downloaded on August 27, 2020, there were a total of 433 contracts that went to businesses identified as both woman- and Black-owned businesses. [Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Of The Top 50 Most Expensive COVID-19 Contracts Awarded By The Federal Government, None Went To A Black-Owned Business.** [Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Among Federal COVID-19 Contracts, The Largest Contract Going To A Black-Owned Business Was \$9.5B Less Than The Largest Contract Going To A Non-Minority-Owned Business.** [Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**A Third Of All Black-Owned Firms Were In The Health Care And Social Services Industry, But When It Came To Federal Contracts, Black-Owned Businesses Only Got .17-Percent Of The Health And Human Services Money.** According to data from the U.S. Census Bureau, “Black or African Americans owned 124,004 firms in 2017 with 32.0% (39,714) of these firms in the health care and social services industry.” According to the Federal Procurement Data System:

77	2.6616%	\$17,498,513.53	0.1654%

[U.S. Census Bureau – Press Release, [5/19/20](#); Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**Even Though 24-Percent Of DOL’s COVID-19 Contracts Went To Black-Owned Businesses, Only 3-Percent Of The Money That Went Out Under DOL For COVID-19 Contracts Went To Black-Owned Businesses.** Details can be found in the below table:

13	24.0741%	\$644,324.00	3.3933%

[Federal Procurement Data System – COVID-19 Contracts, Accessed [8/27/20](#)]

**...Even Though Minority-Owned Businesses Made Up A Larger Share Of The Population and Total Businesses.**

**7,952,386 Businesses (Firms) In The U.S. Were Minority Owned, Or Just Under One Third Of The Total Number Of Businesses (Firms).** According the U.S. Census Bureau, in 2012, there were 27,626,360 businesses (firms) in 2012 and 7,952,386 minority-owned businesses (firms). [U.S. Census Bureau – Quick Facts, Accessed [8/27/20](#)]

**60.1-Percent Of People In The U.S. Identified As White Alone (And Not Hispanic Or Latino).** According to the U.S. Census Bureau's 2019 population estimates, 76.3-percent of people in the U.S. identified as white alone. [U.S. Census Bureau – Quick Facts, Accessed [8/28/20](#)]

## **...And Black Americans Were, In Particular, Struggling To Weather The Pandemic.**

**From February To April 2020, There Was A 41-Percent Drop In Black-Business Owners. (There Was Only A 17-Drop In White-Business Owners.)** “The coronavirus has also forced a record-breaking number of small businesses to close, at least temporarily. There was a 41 percent decline in black business owners from February to April, and a 32 percent drop in Latino business owners. That's compared to a 17 percent decrease in white business owners.” [CBS News, [6/22/20](#)]

**Congressional Districts With The Highest Black Populations Received Up To \$13B Less In Federal Small Business Aid.** “Congressional districts with the highest black populations received up to \$13 billion dollars less in Paycheck Protection Program (PPP) funding than districts with the lowest percent of black residents, a new study shows. The 10 congressional districts with the lowest black populations got over 64,000 more PPP loans than the 10 districts with the most black residents, analysis of federal data by advocacy group Accountable.US found. The predominately black districts got as much as \$23 billion in funding as of July 20th compared with \$36 billion for the non-black districts.” [Reuters, [7/30/20](#)]

**COVID-19 Death Rates Were Twice As High In Black Communities.** “According to the Centers for Disease Control and Prevention, the rate of coronavirus cases is more than 2.5 times higher among Black, Hispanic and Native American communities as in the White community, and hospitalization rates are 4 to 5 times higher. Death rates from covid-19, the illness caused by the coronavirus, are twice as high in Black communities and 1.4 times higher in Native American communities, compared with the White community.” [Washington Post, [8/27/20](#)]

## Methodology

**DATA:** For a majority of our data analysis, we used data downloaded on August 27, 2020, from the Federal Procurement Data System’s “[COVID-19 Report](#).” Using this file, we broke down the data by a number of things, including minority-owned businesses, Black-owned businesses, and women-owned businesses. Except for in the breakdown of contracts above \$1 million, we did not change or remove any contracts from the data set the Federal Procurement Data System provided in its COVID-19 contracts accounting.

To determine the number of minority-owned businesses in this country, we used 2012 U.S. Census Bureau data and calculated a percentage. According to that data, there were 27,626,360 firms (which we defined as businesses) and 7,952,386 minority-owned firms (which we again defined as businesses).

**ADDITIONAL BACKUP:** For information on any of our research, citations were included throughout the document.

### DEFINITIONS IN OUR ANALYSIS:

**Number Of Contracts:** For the purposes of our analysis, we counted each line of the Federal Procurement data as a separate contract. (Though it is possible some of these lines were part of the same contract.)

**Vendors:** For the purposes of our analysis, we referred to “vendors” within the Federal Procurement data as “businesses.”

**Number Of Businesses:** To determine the number of minority-owned businesses in the U.S., we used [2012 U.S. Census Bureau data](#) on “all firms” and “minority-owned firms.” The U.S. Census Bureau’s 2012 data on businesses referred to the number of “firms” in the country. For the purposes of our research, we defined firms as businesses.

**Dollar Amount:** We determined the total potential value of any individual contract under the Federal Procurement data set was the “Base and All Options Value (Total Contract Value)”.

**ADDITIONAL NOTE:** Upon request, there is a version of the original data available, broken out into tabs that show our analysis.