Where Does My Help Come From?

An analysis of the business support ecosystems of minority business owners in Chicago

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Abstract

Minority business owners (MOs) naturally build value-creating relationships within their racial groups, and co-ethnic business networks and organizations utilize racially grounded social capital to empower MOs, share information, and combat wealth disparities. While ethnic solidarity remains an important anchor for minorities, this thesis challenges the assumption that it should be the foundation of business support at the organizational level. 26 MOs interviewed for this study revealed distinctive motivations, rationality, and autonomy in their network creation processes, proposing a new understanding of racial salience in business decision making. It was found that professionalization and/or legitimization becomes less accessible when the antecedents of social capital in business networks are overly credited to racial homogeneity. This can contribute towards the low efficacy rates of business support ecosystems despite no shortage of effort. These could be mitigated through a reorganization of the ecosystem to create networks that are racially-considerate as opposed to racially-qualifying.

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Introduction

Starting a business is no small endeavor, and two irrefutable priorities in this process are the securing of capital and connections. Whether a business is born out of passion or necessity, maximizing both increases the likelihood of survival and eventually, growth. Minority business owners (MOs) are disadvantaged on both these fronts. They often have to overcome disparities in capital access, accumulation, expansion opportunities, and bureaucratic knowledge compared to their white counterparts (Baboolall et al 2020, US Congress Senate 2013). This contributes to the larger problem of the racial wealth gap in the United States. The following research will focus on the more social aspect of entrepreneurship, questioning the processes by which MOs create professional relationships either formally or informally. **This thesis seeks to understand the salience of race in individual network creation, and how the formal support ecosystem has harmfully attributed too much professional social capital to race.**

The formal business support ecosystems in the United States and Chicago are commonly perceived by politicians and business owners alike to be inefficient, redundant, and saturated (Community Reinvestment Fund, USA (CRF), and NextStreet 2018, US House 2013). They comprise the public and private initiatives that are targeted towards uplifting small business, and these range from the Small Business Administration to local community grants. The role they play in the lives of business owners can be educational (e.g. workshops) or applied (e.g. networking fairs) opportunities. They also invest heavily in minority business owners with the goal of closing blatant disparities of access. Some of these organizations are exogenous to minority communities (e.g. Chicago Department of Business Affairs and Consumer Protection's Encouraging Diversity, Growth, and Equity initiative) and some are endogenous (e.g. Illinois Hispanic Chamber of Commerce).

These efforts have helped progress many underrepresented groups towards mainstream markets through increased capital and connections (Toussaint-Comeau and Williams, 2020). Many of them have found success on the latter front by relying on the informal relationship-creating habits of marginalized groups. For example, minority "out-groups" with significant ethnic social capital often band together in co-ethnic communities like ethnic enclaves (Averett 2021). Clustering together in geographical space or sector has led to specialized labor, streamlined supply and operational chains, and formal and informal knowledge sharing relationships (St John and Pouder 2006, Greene and Butler 1996). Informal "minority exclusive" benefits are attributed to ethnic social capital by many academicians and advocates alike, and social capital is loosely defined as a *community* trait that is inherently embedded in a community allowing in the co-creation of value otherwise unachievable (Nahapiet and Ghoshal 1998).

Racial homogeneity within a business network has its unique limitations as well, and this end of the tradeoff is often ignored by policymakers. Some of these particular problems include lower community wealth, overly taxing norms of reciprocity/personal obligation, and fierce competition for specific customers (Maxwell et al 2020, Aguilera 2009, Ram et al 2002, Kitching, Smallbone, and Athayde 2009). Social capital development can therefore be stunted in groups that are more insular, and the "institutional logic of ethnicity," which posits a moral legitimacy of co-ethnics over others non-co-ethnics, limits the autonomy attributed to individual relationship creation (Marin, Mitchell, and Lee 2015). The paternalistic labeling often used in formal support reinforces the belief that minorities are best served by keeping their communities isolated (Högberg et al 2014). Thus, a truer understanding of professional relationships in communities of color must rely on how individual decisions are made and influenced by the formal support ecosystem. This is formalized below as:

Hypothesis: Minority business owners hold autonomy over the professional communities with which they develop social capital which are built upon more complex mechanisms than ethnic ties alone. The

institutional support ecosystem therefore overemphasizes the salience of race in individual network creation leading to an inefficacy of advocacy efforts.

Data was collected by individually speaking with minority business owners throughout Chicago to answer the central research question: *Where do minority business owners go looking for support and loyalty on their own terms and what are the motivations behind those decisions?* Subject involvement with "racially-qualifying" organizations, or organizations that are race forward in recruitment and outreach efforts, was noted alongside other critical relationships. Involvement in groups or relationships were framed as decisions of reinvestment due to the significant constraints on time, energy, and sometimes money business owners contend with (Brenner et al 2010, US Congress Senate 2013). Further, these decisions were seen as being influenced by strong incentives of convenience and comfortability for choosing racially-qualifying communities for business support (Kerr and Mandorf 2021). Subjects were interviewed utilizing a particular mix of conceptual frameworks posited by Bischoping and Wengraf (2001) consisting of the "biographic narrative interpretive method" and "personal perception of strengths, weaknesses, opportunities, temptations, and strategy" to target motivation discovery. There was some loose geographical targeting (to capture a variety of local racial diversity) based on three neighborhoods: Hyde Park, Rogers Park, and Pilsen. Interview transcripts underwent a thematic analysis following Guba's (1981) seminal work as well as Nowell et al's (2017) follow-up analysis to increase trustworthiness of findings.

The focal contribution of this effort is in its study of minority business owner relationships and the salience of race in the dynamic reality of this identity in the city of Chicago. This study calls into question the assumptions that have been made about what, how, and why minority business owners seek professional relationships, and encourages a new "racially-considerate" model for current and future support organizations.

Literature Review: A Wealth of Disjointed Knowledge

    I.   Two Waves of Minority Entrepreneurship Research

Minority entrepreneurship has garnered much attention from academics with the development of well-known theories about ethnic enclaves (Green and Butler 1996), middleman minority status (Bonacich 1980), ethnic resources (Light 1972), and racial solidarity and antagonism (Boyd 1990). This first wave of interest is commonly criticized for generalizing diverse identities into a singular and hypothetical "minority entrepreneur." Yoon (1991) highlights the lack of individual data and ignorance of endogenous co-ethnic class divisions in the status quo, and his landmark study splits social capital into distinctive "ethnic" and "class" based resources . Bates, Bradford, and Seamans (2017) call out the tendency for studies to group indigenous minorities and immigrants as a single population despite drastically different challenges and needs. Early scholarly interest in minority entrepreneurship has hyper fixated on minorities and their co-ethnic interactions in a vacuum of the socioeconomic context.

A "second wave" can be defined by the inclusion of external agents and systemic issues into the narrative of minority entrepreneurship. Questions on the efficacy of existing legislative actions (Jones, Roberts, and Ram, 2022), institutional labeling (Högberg et al 2014), diverse interactions (Marin, Mitchell, and Lee, 2015), and entrepreneurial intentions and antecedents (Dheer and Lenartowicz 2020) emphasize that business ownership is an inherently social activity. The interdependence of entrepreneurs with their customers, suppliers, and mentors is complicated by racial dynamics for better and for worse (Yoon 1991, Haq et al 2021). A departure from the "political-economic and spatial vacuum" of previous policy creation for minority entrepreneurs is necessitated by the dynamic reality of minority experiences and integration (Ram, Jones, Abbas, and Sanghera 2022). Put another way, there are both ethnic and human capital resources at play but this distinction doesn't exist in much of minority business owner literature (Yoon 1991).

    A. On Research Conventions in Qualitative Analysis and Minority Business Owners (MOs)

        Something that remains continuously problematic for academics in this field is the label

of "minority entrepreneur." This is because business owners can be difficult to reach and

access, but also, how they are qualified is highly variable based on a project's goals

(Bates, Bradford, and Seamans 2017). Literature reviews therefore face a challenge

where "minority" can describe very different populations from study to study, limiting

the reliability and usefulness of their conclusions. Norwell et al (2017) prescribes rich

descriptions for individual cases and rigorous data collection involving multiple

researchers (triangulation) working as teams. As both these recommendations take

extensive time, money, and labor, sacrifices to trustworthiness in qualitative analyses of

minority entrepreneurs are easily compromised.

    II.   Social Capital in Minority Business Communities

The concept of social capital was pioneered in Jane Jacobs' *The Death and Life of Great American Cities*

(1965). Its debut attributed social capital to the personal relationships of a neighborhood that engender

trust, cooperation, and collective action. The decades since have seen an explosion of interest in how

"softer" forms of capital, namely knowledge, can shape tangible outcomes. Nahapiet and Ghoshal (1998)

critique the definition of social capital as *inconsistent* from theory to theory given its quick adoption.

Social capital, they decide, must be inherently embedded in some sort of social structure (and cannot be

owned or easily accumulated for the individual agent) and facilitate actions and achievements that would

not be possible without it. Social capital is therefore a community asset measured by patterns of linkages

and relationships that facilitate the combination and exchange of knowledge.

The community in question for this research is the minority business community of Chicago. Ethnic

social capital might be realized as the employment of co-ethnic labor and market utilization, vertical

integration patterns, and loyal customer relationships (Menzies et al 2000). Strong co-ethnic ties arise

from both push and pull factors into entrepreneurship such as discrimination in the workforce or cultural prestige in self-employment (Dhaliwal 2006, Bates, Bradford, and Seamans 2017). Reinforced by the natural formation of stronger relationships between those who share sociodemographic, behavioral, and intrapersonal characteristics (McPherson et al 2001), natural ethnic clustering of industries and geographies are common (Kerr and Mandorff 2023, Kim 1999, Ram et al 2002). Race plays a significant role in the business networks of minority entrepreneurs and therefore the information and opportunities they have access to.

This also means that ethnic social capital can be the antecedent of the unique problems that minority business owners contend with, especially the more insular their communities are. Kim (1999) and Ram et al (2002) study geographical concentrations of minority-owned businesses resulting in cutthroat competition. Overly taxing personal obligations or expectations from co-ethnic's imposing moral legitimacy over each other can interfere with business owners' sound economic decision making (Aguilera 2009, Marin, Mitchell, and Lee 2015). Lower community wealth can limit growth opportunities for business owners trying to create a sustainable business while serving their co-ethnics specifically (Bates 1989). The "institutional logic of ethnicity," described by Marin, Mitchell, and Lee (2015), therefore gives normative power to co-ethnics arising from their historical exclusion from mainstream culture. The authors frame this logic as a limiting belief of marginalized groups, but such a co-dependence is also harmful to long run social capital in co-ethnic communities.

How a support organization can interact with the good and bad of ethnic social capital isn't well-studied. What this requires, however, is also an understanding of the autonomy minority business owners have over their prioritization of relationships. That they can make choices about the salience of race in their personal and professional relationships hasn't been given due attention, and this missing component inhibits the applicability of the growing literature on ethnic social capital. In fact, the common presence of

racially-qualifying organizations is a testament to the willful ignorance of policy creators towards its double edged sword.

III.　　Diversity in Business Ecosystems

A combination of many different perspectives generally "can affect firm outcomes as a prism for cognitive diversity" correlating with more innovative behaviors and economic outcomes from the most granular to city-level outcomes (Nathan 2016, Ottaviano and Peri 2006). One mechanism for this is cultural intelligence (CQ) which is associated with creative and innovation-related activities in the workforce (Dheer and Lenartowicz 2020). Marin, Mitchell, and Lee (2015) extend this to collective social outcomes in general, discussing how Simmelian ties, or the bonding and bridging connections that reach outside ethnicity groups, create conducive environments for growth. The general recognition of the need for "diversity, equity, and inclusion" reflects this value being widely recognized in the corporate world. Employee diversity is "increasingly appreciated and emerging as a panacea for improved work performance (Korzilius 2017)." Li, Wu, and Xiong (2021) note that high cultural intelligence (CQ) in employees leads to greater trust and knowledge sharing, but this means that social capital as it leads to the co-ethnic hiring of employees is actually not favorable to economic capital development (Menzies et al. 2000). In management, high levels of CQ (from training or a diversity of relationships) can improve confidence in intercultural negotiations or entrepreneurial ability (Ott and Michailova 2018, Dheer and Lenartowicz 2020).

The benefits of diversity for minority business owners specifically are therefore twofold. It provides them with better navigational skills in multicultural negotiations and better internal firm dynamics that stimulate creativity and openness. However, studies on diversity are often limited to large corporations because small businesses are less likely to hold diverse workforces by nature of having less individuals on their teams (Sequeira et al 2018, Selvadurai and Dasgupta 2016). Diversity-related training or the like are also impractical for small businesses that are more consistently strapped for cash, but there is little

information on how MOs view these kinds of initiatives in their own businesses or personal development. The self-positioning of minority business owners with their race and their preferences/autonomy for their professional networks informs how they will sign on to diversity-related initiatives at the formal level. Taking diversity in minority owned business for granted could lead to many potential missed opportunities for growth and innovation that mainstream businesses heavily invest in.

History and Background: A Political Shortcoming

The cited problems and causes of the racial wealth disparity have remained the same for a frustratingly long time. Exacerbated by the pandemic, minority business owners still lack access to capital and information just as they did over a decade ago. Two Congressional hearings, occurring nine years apart, demonstrate this lasting phenomenon.

I.   Closing the Wealth Gap: Empowering Minority-Owned Businesses to Reach Their Full Potential For Growth and Job Creation, 2013, US Senate

II. Small Business Big Impact: Ensuring Small and Minority-Owned Businesses Share in Economic Recovery, 2022, US House of Representatives

Following these conversations revealed that politicians and advocates alike discussed the same issues with similar senses of urgency. Congressional representatives and community leaders alike spoke to why African-American and Hispanic/Latino businesses particularly were underrepresented, underfunded, and underutilized in the 2013 hearing. In 2022, the US House Financial Services Committee acknowledged that minority and women-owners had disproportionately suffered from the pandemic, and discussed the way Congress could further enhance the formal support ecosystem in light of the economic crisis.

The US Congress Senate (2013) called for *"community-based nonprofits"* with *"long track records and trust with communities of color,"* was well intentioned, but counterproductively assumed a sort of inter-group homogeneity of needs. This is common amongst politicians, who even when considering voting patterns, "have imagined people of color to be a uniform, loyal, and progressive group, defined by their race (Leonhardt 2024)." The new challenge for politicians and academics alike, then, is to reframe decision making as not being completely navigated by racial status. Treating a small business owner differently from their peers *because* of their minority status doesn't always mean that treatment is better

for them specifically (Brenner et al, 2010). To differentiate aid on race (what is called in this study "racially qualifying"), can even engender hostility and competition amongst minority groups who perceive competition for limited formal support resources (Bobo and Hutchings 1996). A member of the House (2013) recognized this saying, *"While it is difficult for our leadership to put some groups at a place of advantage seemingly against their peers, we recognize that we have to be really targeted."*

Generally speaking, the political answer to minority business empowerment has been to inject more money into the formal support ecosystem. In a decade, funding for programs like the Service Corps of Retired Executives (SCORE) has doubled thanks to bipartisan support for small business empowerment. The problems that remain are not about a lack of volume, but as one politician pointed out in 2022, the lack of relevance, ease of applying, or clarity on what entities offer and within which communities. Even at the local level, Chicago's small business support ecosystem was critiqued for the absence of *"a city-wide strategy"* which led to *"missed opportunities or in other cases, redundant activities occurring among multiple service providers"* (Community Reinvestment Fund, USA (CRF), and NextStreet 2018). With over 70 capital providers and 135 business service organizations targeting Chicago's small businesses, it's surprising that so many are still left without critical support options (Community Reinvestment Fund, USA (CRF), and NextStreet 2018).

The lack of regulatory clarity is coupled with a lack of accountability on data collection and legislation enforcement. On enforcing the 2010 Dodd-Frank Act to better understand US small business needs, one politician said *"Here we are in 2022, still with no implementation of the data collection effort that was mandated by Congress [11 years ago]"* (US House 2022).

Chicago's Small Business Ecosystem of Support

Chicago boasts a vibrant formal support ecosystem of Special Service Area offices (SSAs) that fund projects for business retention and attraction, Chamber of Commerce that serve as channels for political

advocacy, and the Department of Business Affairs and Consumer Protection (BACP). The different

private and public agents within their support ecosystem are numerous and well intentioned.

This has had a significant impact for the city of Chicago. From 2014 to 2016, MOs outpaced non-

minorities in the percentage increase in businesses started year over year, translating to percentage

increases in sales, employee counts, and payroll (Toussaint-Comeau and Williams 2020). An analysis of

venture capital funding from a Chicago Business Bulletin report ("Investments in Black, Latino, and

Women Founded Companies in Chicago's Startup Ecosystem" 2022) found that 5.1% of venture capital

deals involved Black/Hispanic/Latino founders compared to 2.5% nationally. Minority business owners in

Chicago are outperforming those in the rest of the country, but are still in need of increased access to

financial capital and resources with the proportion of black firms using banks for start-up capital being

half that of white firms(Toussaint-Comeau and Williams 2020). Little attention is given to the way

relationships can better percolate information and education on these topics, but information channels

can't be discounted for their role in driving business success.

The Role of Formal Organization and Minority Decision Making

Formal organizations play an integral role in bringing together business communities and expanding their

social capital through consistent programing and effective management (Ivanova 2019). This is especially

important given that there is a gap between business owners that desire aid (82%) but lag in their

mobilization towards finding it (just 71% of the same population) (Community Reinvestment Fund, USA

(CRF), and NextStreet 2018). Formal support agents have opportunities to create the narrative

surrounding investing in aid, and this involves engaging the trust of individuals and being mindful of

messaging when targeting minorities (Högberg et al 2014, Dhaliwal 2006). Paternalistic labeling leaves

MOs without a sense of active self-positioning on their race and place in society, deprived of dignity

when described as "exploiting" their minority status. Brenner et al (2010) also found that ethnic social

capital artificially generated by formal organizations don't translate to worthwhile gains in business, and that ethnic resources are really just personal networks coming together.

Such powerful conclusions have strong implications for the status quo and posit a strong misalignment between what is known about minority business relationships and what is actually in practice. *Race-qualifying organizations dominate the realm of minority business support with narratives of co-ethnic solidarity, yet there are numerous conclusions against the efficacy of these models.* In speaking to the minority business owners of Chicago, this thesis aims to propose a new model for the formal ecosystem of minority business support.

Methodology

This study was qualitative in nature and aimed to understand the decision making behind the creation of support networks by and for minority business owners or a lack thereof. Such context-specific outcomes required a fluidity of themes and foci across the data collection that emphasize the significance of the commonalities that might arise. The methods employed are similar to that of a comparative and interview-based multiple case studies structure like that used by Gamble et al (2021). Each subject was interviewed and their business was observed in a mini "case study," but they were also participants in the larger support ecosystem. Their similarities were highlighted, and the more idiosyncratic parts of their experiences took less weight in the analysis.

The conclusions from individual entrepreneur interviews were supplemented by fieldwork at business networking events and further interviews with figures on the business support side. The argumentative appeals of these organizations provided insight on how such messaging impacted the perspectives of their target audiences. From these three sources (entrepreneur interviews, support interviews, and field observations), the data created a useful spread of perspectives to inform my findings.

    I.   Case Selection

Given the resources and timing offered for this project, it was decided that as wide a net be cast when it came to reaching out to potential subjects. While the label "minority business owner" elicits many different images, the only subject criteria was to 1) identify as an ethnic minority and 2) own and actively engage in the business they would speak for. While the latter usually applied to an original founder, it doesn't exclude those that took over after business creation. The ethnic identities represented were Hispanic, Asian, and Black/African American. General availability constraints and a lack of connections stunted attempts to get in touch with Native American or Native Pacific Islander communities.

There was also an attempt to diversify the geographical municipalities from which subjects operated to account for large variance in experience based on neighborhood characteristics. Neighborhood diversity is also known to be a predictor of social capital within a community (Averett 2021). Most pressing were levels of diversity, community wealth, and co-ethnic representation in the area. The neighborhoods of Pilsen, Hyde Park, and Roger Park were more heavily targeted during outreach efforts, but many businesses either had no storefront or were in other parts of Chicago as well. A brief demographic survey reveals the three target neighborhoods to be in ascending order by relative diversity as can be seen in Table X in the Appendix.

For the majority of subjects, business names and contact were found by skimming Google Maps or neighborhood directories, and these were used in cold outreach efforts via email. The cold outreach email used for this purpose can be found in the Appendix. Some subjects were also added to the study after in-person introductions at networking events, and a very limited number of subjects were sourced through a warm introduction. Table Y in the Appendix shows a summary of business sourcing by ethnicity where information on the response rates of each ethnic group are also summarized.

Business support organizations were also sought after for their supplemental perspectives by a total of 16 outreach attempts which translated into 7 interviews. 1 was unrecorded at the request of the participant. A mix of Black, Asian, and Hispanic-facing organizations were focused upon as well as those that were based more generally on local neighborhoods. 5 of the 7 interviews were with race-qualifying organizations.

Two large-scale networking events were observed for the purpose of expanding perspective as well. These were hosted by the Illinois Hispanic Chamber of Commerce (IHCC) and the National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE). Both organizations

seek to empower Hispanic or Asian entrepreneurs with access to mentors, small grants, contracts, and workshops. Both events contributed subjects for business owner interviews.

II.   Data Collection

All interviews and fieldwork were conducted by the primary investigator. The individual nature of this project proved beneficial in creating continuity and consistency between interviews. A total of 33 interviews were conducted, 7 of which were business support organization representatives and 26 were business owners. 4 of the business owners and 2 of the business support conversations were unrecorded by request. 22 interviews were recorded, transcribed, and coded.

From the recorded data, the average interview length was 57 minutes long with a total of 1,254 recorded minutes. Of the 4 unrecorded conversations, one subject cited insecurities surrounding their English, another the mistrust of their spouse towards outsiders, and the other two were for reasons not provided while still consenting to be a part of the study.

Every interview of business owners followed a similar guiding pattern with the flexibility to yield to the focus, interest, and comfortability of the participant. The central research question is: *Where do minority business owners go looking for support and loyalty on their own terms and what are the motivations behind those decisions?* The guiding questions can be found in the appendix.

III.   Data Analysis of Business Owners

In total, 1,254 minutes of audio as well as numerous pages of observations and interview notes were transcribed, iteratively read, and analyzed for common themes relating to relationships, information, and communities (formal and informal).

Phase I: Individual Interview Analysis

Each interview was transcribed by otter.ai in a private account. The transcripts were edited and revised by the researcher through iterative reviews such that as much as possible, the integrity of original meaning could be preserved. Transcripts were coded by pulling statements from the dialogue and summarizing them with consistent language across each of the subject interviews. The number of statements pulled from each interview varied, but the average was 98 codes per interview making for a total of 2,145 statements that were retained from the raw data for further analysis.

Whether a phrase or sentence was of note was based on its relevance to the guiding questions, themes, and goals of the project. As familiarity was developed with the ideas in each interview, relevance became easier to distinguish for the researcher during analysis. Particularly important statements normally included something about attitudes towards formal support, co-ethnic expectation, willingness to give credit to external parties and to whom for firm success, and non-growth ambitions for the business (e.g. social impact). These informed the ways in which the subjects not only sought after help and information, but how they leveraged or distanced from their racial identity in accessing connections.

An example of the described process can be found in the appendix.

Phase II: Collective Analysis

Once all the interviews had been coded, each interview's series of codes were cross-compared across the rest of the sample. Each interview was unique in its flow and choice of topics, but all were able to capture the priorities of minority business owners when it came to building communities around themselves and the business. Some preferred staying isolated and amongst those they trusted most, and others actively sought out mainstream exposure. Many expressed frustration over not knowing anything about their industry or where to look for help, and some expressed discomfort over being too scrutinized by their co-ethnics. While skimming across each of my codes from interview to interview, I questioned the role of the formal support ecosystem against the outcomes I was observing in conversation with business owners. I

was unsure what these conversations would reveal, but I desired to deeply understand the motivations and ambitions for business as well as the relationships and racial salience of each subject's networks.

The "Data Analysis" section of the Appendix provides a visual reference and supplemental information to better distill the details of the entire analysis process.

IV.   Data Analysis of Business Support

For the business support representative interviews, a method identical to Phase I of the business owner data was utilized. While the information was not consolidated and analyzed in depth, iteratively reading through the language provided important context and reasoning for the language in their messaging..

Fieldwork at business networking events was purely observational and while the researcher was transparent about their purpose of attendance, no interview data was collected from these events though some interactions translated into MO interviews. The language being used by National ACE and the IHCC was observed similarly to that of the organizational representatives through one-on-one interviews.

Findings

The focus of this study is concerned with the interaction between minority identity (broadly speaking) and decisions on investments of time, effort, and money for different kinds of relationships. From the analysis, it was found that professionalization and/or legitimization becomes less accessible when the antecedents of social capital in business networks are overly credited to racial homogeneity. The status quo for institutional support needs to be shifted to better serve minority business owners and address their concerns about it.

I.   **Introduction to the Sample and Ethnicity Considerations**

In total, 98 businesses were "contacted" with or without introductions via other parties. 26 of those translated into interviews, 4 of which were unrecorded by request of the subject. The total response rate was 27% across all three outreach methods (Table Y).

Members of the sample interacted with many different established institutions to varying degrees of utility and success. Some included SCORE, Goldman Sachs 10,000 Small Businesses, the University of Chicago's Polsky Center, DePaul University's Women's Entrepreneurship Institute, ACCION, International House of Women, the Business Affairs and Consumer Protection of Chicago, Social Service Area organizations, and the Mayor's Advisory Board for Veterans Affairs. There were a few mentions of involvement with racially qualifying organizations like ACE and ACE NextGen and the IHCC.

On Ethnic Communities

Ethnicity as social capital is a force that can't be discounted by any means, and the findings of this research are not intended to imply that it is an unnecessary qualifier for strong communities. In fact, many subjects spoke to the help they'd received from co-ethnics and the racism they experienced from exogenous albeit well-intended parties.

MO-23 (health): *"I was treated very much like I just crossed the river…like I was the Tamale lady on 26th street which isn't saying that these people are bad, but these poor women are not given any respect"*

The trust developed through visual cues and shared experiences is why immigrant communities band together and stay more or less homogenous until a second or third generation, for example. The executive director (GW) of the Coalition for a Better Chinese American Community (CBCAC), noted that *"Chinese-speaking, first generation immigrants [who]…heard about us from our WeChat group, from flyers posted in Chinatown, and via word of mouth (GM)."* Critical knowledge for outreach and effective mobilization exist within the deep understanding of organizations like CBCAC because of its ethnic homogeneity. Other figures in the formal support ecosystem expressed similar views, expressing a general sentiment that a visual likeness can engender much trust and inspiration.

Latinas in Tech, AA: *"I think it's when I've clicked with a mentor that's helped me the most, especially if someone has walked the same path as I have."*

Asian American Dream, KH: *"it's so empowering to have someone that looks like you, who grew up in the same circumstances, go through that… for both students and mentors."*

Minority groups share a collective experience of marginalization and heritage that help develop social capital within their communities. It's easy for individuals within these communities to speak in broad terms of the importance of ethnic social capital and its all encompassing relevance in day-to-day decisions. The reality of why "like supports like " is far more nuanced and does not always produce a net positive effect for ethnic community members. Organizations reinforcing the "moral legitimacy" of ethnically homogenous communities (Marin, Mitchell, and Lee 2015) reduces the push for minorities to seek exogenous relationships and accordingly, their access to mainstream markets and networks. The

over-emphasis of racial salience in support organizations limits outreach efforts and service offerings while refusing to question whether a homogeneity of needs is a legitimate assumption to begin with. While well intentioned, below are two statements I've pulled to illustrate how these organizations can become negligent of internal differences within a minority group.

Spoken at ACE's National Conference (2023): *"We [AAPI] have a family history of dedication, rolling up your sleeves, not just to do it for yourself, but for your family for the greater good of the future."*

❖ Familial values strengthen AAPI communities, but they also reinforce negative attitudes for extending beyond tight-knit circles.

IHCC Business Exposition (2023): *"It is so important that we all continue to work together, from our leaders in the Latino Caucus to business owners and community advocates to make sure that Illinois's growing Latino communities have every opportunity to flourish."*

❖ Creating Latino-focused business support networks may preclude individual Latino-owned businesses from better outcomes and promote competition. Co-ethnics are in heavier competition with each other in many sectors.

ACE, the Illinois Hispanic Chamber of Commerce, CBCAC, Latinas in Tech, and Asian American Dream each provide valuable services to minority communities, but unique problems arise from their very value proposition, which is the racially homogenous and self-selected membership body. Racial ethnic communities form naturally for minority business owners in their personal lives. In the professional realm, similarly formed communities might wrongfully attribute their success to racial solidarity, bringing more harm to minority business owners than empowerment or help. I develop this argument below by first explaining how I found that minority businesses owners experience obstacles towards

professionalization and then why this could be a result of over-prioritizing their race in institutional support structures.

II. Accessibility: The Legitimization of Minority Business Ownership

A common concern in the literature is that minority businesses start and fail in high numbers, and that exponential growth remains elusive to them. This could be due to lack of education and/or capital, their choice of industry, or systemic barriers. However, when the literature looks at connections, or the relationships that could propel these businesses forward, little scrutiny is given to the institutions that may inhibit these relationships from forming. Targeting minorities with racially-qualifying services limits their ability and influences the incentives for them to legitimize their business through professional relationships.

A big part of this legitimization, for example, involves taking part in industry-level communities of business leaders. Industry knowledge wasn't easily accessible for many subjects in the sample, but it is critical given a diversity of entry barriers, operational problems, and ownership experiences across sectors (US Congress House, 2022). Politicians emphasized the need for sector specific support, but they were collectively unaware of what those options were. Many subjects spoke about seeking out this valuable information at the beginning of their ownership journeys and as they scaled.

MO-3 (food): *"I would go to a restaurant and ask, who is the owner? Is the chef who started the place here today?...it takes a lot of guts"*

Mentions like these of cold outreach were especially poignant because of the unique vulnerability and chance luck that are implicit in doing so. The paradox of industry-level networking opportunities is that these business owners are more likely to be in direct competition with each other, and this is even more so for co-ethnic MOs offering similar services and products to the same customers (Medlin and Ellegaard

2015, Kim 1999). This is notably a problem for all small business owners. One subject was seemingly unworried about competition in the pursuit of knowledge, saying that a similar business provided the templates, advice, and financial guidance he needed to get his cafe running.

MO-17 (food): *"[Competitor] wasn't hesitant about anything, wasn't gatekeeping…if there are people who live closer to him, I tell them to go to him."*

Organizations that promote relationships for industry knowledge sharing don't effectively reach those of minority-status, and business owners are relying on the altruism of their competitors or luck with cold outreach for those relationships. There doesn't seem to be a choice for small business owners who want specialized, relevant advice. The frustration of feeling clueless is shared by minority business owners despite the availability of race-qualifying organizations.

MO-1 (food): *"We asked people just to be patient…we had no idea what to expect and we just sort of took it day by day and we're still doing that right now…**I didn't know where to get the support from or who to ask or where to start.**"*

Though this frustration could be attributed to a lack of effort in seeking help for a select few, it's also the product of an unfortunate tradeoff between investing in aid and daily operations. The perceived impracticality of network development plagues institutional efforts to build social capital amongst business owners, but the most successful of these are by race-qualifying groups. Minorities are inclined to join large organizations that serve their particular racial group because of comfortability and relatability (McPherson, Smith-Lovin, and Cook 2001), but there's a stronger intention to pursue economic criteria and relevance rather than race in the sample.

MO-6 (service): *"I didn't want to do [Goldman Sachs 10,000 Small Businesses Program] at first. It wasn't specific to my industry."*

MO-12 (service): *"The Economic Club of Chicago is probably where I'm going to make some of the bigger connections with people who don't look like me…because communities NOT of color know where money is and we need to be candid about where wealth is held…it [these clubs] forces you to get better at other skills like sales by just talking to people…where my instinct is to only be a member of the IHCC because I get to be around my people ."*

Though the sample is far from one homogenous voice on these issues, there's a point to be made that minority business owners seek help on the basis of ambition/relevance, but are presented with more connections on the basis of race. Communities that cater more to the former, like those at the Economic Club of Chicago or the University Club of Chicago, are slow to diversifying their crowds or even being racially-considerate of their invitations. It's still possible that they are viewed as "white" spaces and therefore unwelcoming to people of color. There's little transparency on demographic data for these groups, but SoHo House, another similar organization, reports only 31% of their leadership team being Asian, Black, or "Multiracial." The notable absence of transparency makes pursuing more conclusive information difficult on this topic, but it's likely that it has flown under the radar thanks to the loud presence of racially-qualifying networks. The onus of improving DEI across all business support operations is lost on other potential service providers, but racially-qualifying networks struggle to deliver a diversity of relationship building options. Minority clustering by industry is a known phenomenon (Kerr and Mandorf, 2021) which trickles down into racially-qualifying support organizations, continuing a cycle of]community isolation and economic homogeneity. The executive director of an AAPI support organization aspired for his organization to eventually aggregate mentorship by ethnicity (e.g. Chinese, Vietnamese, etc) and industry, but saying that both were *"very very far down the line."* The limitations of homogeneous minority communities, formal or informal, are on knowledge diversification.

There is, therefore, a need to differentiate between personal and professional solidarity. Just as two co-ethnics can find common ground on the back of their personal experiences struggling against discrimination in the US, two cross-ethnic minorities might find common ground from working in the food sector through the pandemic. Business support that understands and targets creating relationships of the latter example could be the solution to sustained disparities in business ownership specifically. Overly focusing on the role of race in entrepreneurship allows for the limiting beliefs and gaps in knowledge to perpetuate the experiences of minority business owners. Confining to co-ethnic organizations excludes them from a diversity of perspectives or connections that could otherwise spread information and add value.

MO-7 (food): *Everybody in the industry knows how tough it is right now, so **everybody tries to think of things to help each other out.***"

MO-9 (retail): *"It's really important to be involved in the wedding community…**it's good for business.***"

Proposition on Accessibility: Professionalization opportunities and qualified assistance for MOs are undermined by the institutional push for racial stratification in business support ecosystems.

III.   Antecedents of Social Capital in Minority-Owned Businesses

While shared racial background and heritage promote the building of tight knit communities, especially for immigrants during assimilation processes, these also have unique issues arising from that same closeness and assumed comfortability. Ethnicity as social capital is a double edged sword on trust, with knowing one's own marginalized community "too well" leading to increased skepticism. Even more interesting, minority groups demonstrate behaviors that show a preference for interethnic competition over that with the "dominant group" (Siddique and Vlassopoulos 2017). This raises questions on the role

of racially homogenous groups in business environments, and if their apparent efficacy truly comes from their racial qualifier. Trust is not straightforward in co-ethnic communities, and their advocates work with those dynamics.

IHCC, JP: *"[Hispanic] business owners have been very successful in the United States but they've also been ripped off a lot by our own people."*

MO-18 (service): *"There's a stigma within the Hispanic business community, I don't want to give you the keys to my castle. This is mine, that's yours."*

Ethnic social capital is therefore fragile, so it is prone to idiosyncrasies of experience, context, and the baked-in heterogeneity of "Asian" or "Hispanic" or "Black" groups. Heightened conflict and long run instability was observed in homogenous communities by Marin, Mitchell, and Lee (2015), and racially-qualifying organizations like the IHCC and CBCAC may be necessary to ensure their survival. This could be reason to believe that the strength of these business communities may not entirely be because of race. There are other antecedents that could be at work, but they are ignored by the dominating formal support narrative.

One observed antecedent was gender/sexual orientation, especially where minority communities demonstrated patriarchal or homophobic attitudes. A focus on ethnic social relations often excludes gender and generational roles that Shah (2006) finds to complicate the role of ethnic social capital in adaptation outcomes. Moving from general adaptation to business development, this phenomenon applies to a few anecdotes from the sample. One subject found greater acceptance in their trans community than an Asian one, and a Hispanic woman escaped sexism in hers by finding all-female organizations and mentors. Less progressive stances on gender aren't the only limiting beliefs that can damage minority business network efficacy, however. A history of marginalization and struggle have produced a position

of submission in many minority groups, and they hold an unwillingness to compete with the majority group.

MO-12 (service): *"Sometimes we have limiting beliefs that ultimately end up hindering ourselves…you start to put people in a box just as much as you think they're putting you in a box…but I've never had someone who's white tell me that I shouldn't start a business."*

MO-11 (service): *"The be a good boy Asian mentality has always been there to quiet the risk taker within me down."*

Race is also not as straightforward of an instrument in creating a customer base. Though this is a common way to mechanize customer loyalty (Haq et al, 2021), a co-ethnic community can't be assumed and more importantly, MOs may not want to lean into it for fear of its eventual limitations (Yoon 1991). For example, many business owners did not want their race or even identity to be attached to the value they created, fearing it might discount their quality of work to potential mainstream customers.

MO-4 (fitness): *"**We don't want to be looked at as a minority-owned business**…[we've] learned from the **best in the industry**, finding the best of different philosophies…and we're **100% relationship-based.**"*

MO-18 (service)*: "We wanted to make sure that we were really good at what we did and that we happen to be Latino, second."*

The tendency for consumers to attach identity to business owners seems more common for minorities by their need to intentionally create separation, and several subjects were frustrated about this. This is an interesting proxy for the way they might feel about their support organizations that too tightly couple

them with their racial background as well. Though never explicitly said, minority business owners may

benefit from formal networks that qualify them for reasons other than their race to mitigate this.

MO-10 (food): *"People would always come in assuming that we are cooking Korean food because of what we looked like…[and] there's expectations from Asians. It's like Koreans want to claim their own. You're a Korean person so you're making Korean food."*

MO-8 (retail): *"I pour in every second of my day. But it's a business, so in the end, my identity is not [BUSINESS], it's part of how I express a bigger mission."*

For those that do utilize minority status as some sort of instrument in their customer base creation, there's

also the need to consider how they may be towards an explicitly cross-ethnic group. Previous literature

heavily emphasizes that minorities can overcome the transactionality of business because of their shared

background, but there's far less credit given to the enthusiasm of MOs to share that background with non-

co-ethnics.

MO-7 (food): *"nothing makes me happier than when a new customer comes in and they let me order…**it's like a satisfaction or pride**"*

MO-8 (retail): *"I love that 60% of my consumers are white females, because it provides me with that opportunity to show them a different version of Mexico…that's part of our mission, elevating Mexican cultura…a lot of us Latinas already know that there's a different myth."*

And for a final, though well known nuance, minority groups hold high expectations of each other

sometimes. Consumers of co-ethnic heritage might not only fail to benefit a minority business owner, but

actually raise more problems and complications for them because of the "moral legitimacy" of co-ethnicity.

MO-1 (food): "*Cambodian people will sometimes say certain things to me, like, **this doesn't taste like my mom made it**…and [other Asian ethnic groups] will troll us.*"

MO-8 (retail): "*With the consumer expecting their fingers to get red when they eat chips, it's not a fit and that's okay. **I'm not trying to be everything for everyone.***"

The role of ethnic heritage and racial background in generating customer loyalty has many manifestations. Policy and organizations in the support ecosystem still assume a universal co-ethnic "exploitation" as the way minority business owners relate to their consumer base. This mistake has many implications such as the loss of support relevance or perceived efficacy of these organizations as expressed by subjects in the sample.

Another factor for which race has been over credited for in MO decision making is the choice of location. Chicago's unique urban sprawl of ethnic neighborhoods and enclaves provides an opportunity to study the active choice to be "in or out" of a minority's co-ethnic hub. There's this perception that minorities will choose to stay in insular communities as an "exploitation" of their racial community (**Högberg et al, 2014**) but the sample also revealed more active reasons for that decision. Rather than being limited to a neighborhood, there's an autonomy that minority business owners have over their spatial presence, and that can be influenced by ambition and mission. All told, there is a paternalistic tone in considering minority-owned business, especially those in ethnic enclaves, as a product of their racial community as opposed to a contributor to it.

MO-23 (health): *"When I started as an entrepreneur, I was told it wasn't very smart to create this kind of business in a blue color community…and the truth has been I have struggled within my community but at the same time, it was very value for me to create this holistic healing location within my community."*

MO-13 (food): *"I said why don't we try something else? We want to break from the stereotype of all Asian food being in Chinatown…[in the chosen neighborhood] there were not many people but it was community based…which back in Asia, that's what we grew up with. Everybody knows who you are or whatnot."*

MO-19 (fitness): *"This neighborhood is good for the queers, the gays, and the wealthier case…I did want to try to get the wealthier queers for the money…so that we can slightly scale for everybody else. My biggest rule with money stuff is like, we don't turn anyone away if they have no money."*

There's also other social and political incentives behind community choice and engagement that don't have to do with race. Thus, the assumption that MOs only operate in co-ethnic communities where they have some added benefit for doing so is incorrect but misleading for advocacy efforts. More nuanced attention needs to be afforded to how they, like white business owners, can take advantage of local representatives and community goodwill to propel themselves towards long term growth.

MO-03 (food): "*Our alderman, Maria [of Rogers Park], will do anything for a small business."*

MO-5 (retail): *"What if I had a festival that brought these people together?...It was like this cross pollination of cultures, so it was just fun for me to produce…we brought about $2 million to Hyde Park from a $15,000 investment [from the SSA]"*

MO-13 (food): *"Look, the cost of food is pretty low…we believe in good karma and being part of the neighborhood. We shouldn't have to ask people to validate."*

Taken as a whole, MOs are framed in institutional logic as often lacking these kinds of altruistic, creative, or mission-driven ambitions. The support infrastructure is built upon survival-mindset entrapment, giving very little autonomy to the kinds of MOs represented in the sample and with little doubt, many more throughout Chicago.

Proposition on Antecedents of Business Network Social Capital: Race is a single antecedent of the many that determine social capital in business communities, but these other qualifiers are sometimes ignored in formal networks.

Policy Recommendations

Streamlining business owners to good support options requires a few critical changes to the institutional understanding of their decision making. The recommendations provide improvement opportunities for both existing (I) and new (II) advocacy and support efforts.

I.   **Policy Recommendation 1: Fixing Language Leads to Tangible Changes in Existing Organizations**

The language that existing support organizations use for minority business owners must be directed at the business and professional identity they've chosen to put forward. "Closing the racial wealth gap" is a worthwhile foundation for support organizations, but it must be presented such that it won't perpetuate the gap as existing for reasons inherent to minority status or detract from the value or effort of work (Högberg et al 2014). As it stands, minority business owners feel well perceived by their race in society, but they lack a further dimensionality in the eyes of the support ecosystem. Feeling misunderstood as a business or by one's co-ethnic racial group left subjects feeling alone or losing faith in the possibility of help.

MO-19 (health): *"I love that those organizations exist, but I do feel like it's so hard to feel seen as the business that we are…people look at us on paper and think it's a gym but it's so much more than that."*

MO-13 (food): *"There are Malaysian nonprofit organizations, but we didn't get much support from them…[they have] a different mindset. More like "Don't rock the boat, what are you doing?""*

Language should be less focused on the deficiencies of individuals, and more on the inefficiency of the system or larger communities, and how that results in underutilization or less exposure for minority business owners. For example, a mission that initially advertises "workshops" for black-owned businesses

(signaling a lack of requisite), could instead promote skills enhancement courses (signaling quality). Organizations must work together to create language and tailor operations to the strengths of their staff such that benefits aren't necessarily holistic, but as immediate as possible.

MO-16 (food): *"Jay-Z has this song, Already Home, he says everybody can tell you how to do it. They never did it…they got advice but they've never done it before."*

Race itself, however, cannot be removed from the narrative of business support completely. What should be taken away here is which foot is being put forward. That should be an active and business-first appeal that also happens to prioritize the needs of minorities as they are systemically underserved by mainstream institutions and markets. This shift in institutional logic is critical for encouraging minorities to sign on to support options and also better streamlining the most relevant help to them.

II.   Policy Recommendation 2: Reprioritizing Identities in Minority Business Support for New Organizations

Those starting organizations or initiatives should consider what qualifiers they use. Instead of being racially qualifying, they could consider other criteria, such as industry, neighborhood, immigrant generational status, or even familial structures. Serving a particular neighborhood means that business owners may have advocates that help them navigate local politics. Serving young parents who are also minority business owners could provide subsidies for childcare or retirement support for aging parents. Illustration 1 below shows an illustration to simplify this conceptual "shift" in support organization where

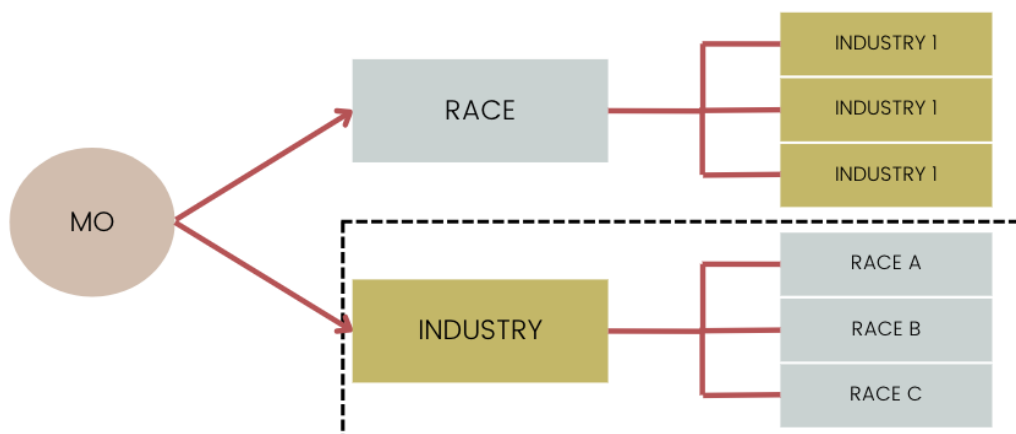the boxed path is more optimal

Illustration 1: An MO might choose to pay for a membership in an organization that is race-qualifying or industry qualifying. In the former, they potentially have built-in industry groups. In the latter, they potentially have built-in co-ethnic communities or "circles."

These suggestions answer specific calls that minority business owners might need, and they connect them with other entrepreneurs who might share a common feature more salient than race. While these envisioned environments may be racially heterogeneous, these can still capture a particular ethnic background with careful planning. The diversity of racial backgrounds can also provide more innovative dialogue or build stronger social capital. Should they still prefer a co-ethnic community, there certainly are enough available and easily found.

Conclusion

The call for racial wealth equity becomes increasingly urgent in the societal narrative of the United States as the wealth disparity persists. The literature review highlighted two waves of minority entrepreneurship research, and an analysis of the policy response showed that those changes didn't translate well in practice. The stickiness of past academic frameworks for describing minority entrepreneurship account for why many new efforts have failed to keep up with the present reality. This has also led to a saturation of options that have left business owners to seek out their "needle in a haystack" of workshops, grants, and networking conferences.

This study endeavors to understand individual decision making on the social dimension of business ownership. By creating a sample pool of minority business owners from different ethnicities, sectors, neighborhoods, and ambitions throughout the city of Chicago, it was possible to answer the central question of where minority business owners go looking for support on their own terms and what communities they feel most tied to. In total, 33 interviews were conducted, transcribed, and coded. At the risk of being redundant, presenting a large volume of the data brought conviction to generalizable truths.

However, there are limitations that should be considered with this particular study as well. Thematic analyses conducted by a single individual will inevitably be colored by the goals and motivations of the researcher. Further, inaccuracies in transcription or interpretation could lead to the misinterpretation of the intended meaning. These issues that are normally accounted for by increasing the number of eyes and ears exposed to the data were more difficult to mitigate due to the nature of this thesis being a solo project. Solutions to minimize the possibility of misinterpretation and inaccuracies included manual checks of transcriptions, and the inclusion of full quotes in the final paper for readers to decide for themselves on the reliability of a conclusion.

Another limitation is that the sample size is small and limited to the businesses that were accessible and responsive via cold outreach. There's much to be said about those minority business owners who don't have an active online presence and how their views on relationships with mainstream culture may be different. Conclusions from this study cannot apply to non-English speakers or those that don't trust non-co-ethnics. The self-selection bias of subjects into the sample caveats the generalizability of the work presented, and it is possible that the unheard voices would support opposing or contradictory findings.

This thesis has given a voice to Chicago's minority business owners and challenges the status quo of the support ecosystem. The contribution to the literature is significant in its reframing of individual autonomy and the inefficiency of the support ecosystem's multiplicity, finding that racially-stratified support can actually hinder minority business owners from achieving the next level of business growth. Studying the salience minority business owners give to their race when building out professional relationships was useful, and future research can address the more nuanced details of the reality (race specific differences, entry barriers, local politics, etc). The dynamic phenomenon of how MOs interact amongst each other and build their networks is a worthwhile pursuit, and policymakers need to be reactive to new findings on value-creation through relationships.

Appendix

Cold Outreach Email to Subject

Dear [Business Owner/Manager],

I'm a student at the University of Chicago writing a thesis on minority-owned businesses in Chicago to achieve my BA in Public Policy Studies. I'm specifically interested in how local organizations and networks have supported business growth and the ideal conditions under which businesses like yours could prosper.

Being able to include your perspective and experiences in my analyses would be substantial towards finding better support solutions for Chicago's minority business owners. Would you or a representative from [Business] be willing to sit for an interview lasting no more than an hour in order to contribute to my work? I'll be asking questions related to the types of support and information channels you might've used, but I'd also like to hear your story from start-up to the present.

Your participation can be anonymous or attached to your name in what will ideally become a resource for policy makers and local governments as they design minority-owned business support initiatives.

If you'd be interested, please let me know of the best times I could stop by your office/storefront for an interview. A call over zoom would also be possible if you'd be more comfortable with that. Thank you for your consideration, and I hope to hear from you soon!

Best,

Angie Xiao

Cold Outreach to Support

Dear [SUPPORT NAME],

I'm a student at the University of Chicago writing a thesis on minority-owned businesses in Chinatown to achieve my BA in Public Policy Studies. I'm specifically interested in how local organizations and networks (like yours) have supported business growth and the ideal conditions under which minority-owned businesses could prosper.

Being able to include your perspective and experiences in my analyses would be substantial towards understanding the existing infrastructure that currently exists for business owners sharing a racially diverse geographical space. Would a representative from your chamber be willing to sit for an interview lasting no more than an hour in order to contribute to my work? I'll be asking questions related to the types of support you provide and the challenges that come with catering towards your particular community.

Your participation can be anonymous or attached to your name in what will ideally become a resource for policy makers and local governments as they design minority-owned business support initiatives.

If you'd be interested, please let me know of the best times I could stop by your office/storefront for an interview. A call over zoom would also be possible if you'd be more comfortable with that. Thank you for your consideration, and I hope to hear from you soon!

Best,

Angie Xiao

Table X: Geographical Details and Total Count of Subjects

Table X: Summary of Three Target Neighborhoods[1]

|	Pilsen	Hyde Park	Rogers Park	Outside of Targets
Ethnicity	18.9% White, 70.7% Hispanic, 6.2% Black, 2.6% Asian	49.5% White, 6.5% Hispanic, 25.7% Black, 14.2% Asian	42.9% White, 21.1% Hispanic, 26.9% Black, 5.9% Asian	N/A
Median Household Income	$37.3k/year	$56.8k/year	$38.4k/year	N/A
Businesses in Study	**4**	**5**	**6**	**11**

Table Y: Subject Outreach Tactics

Table Y: Subject (Business Owners) Outreach Tactic by Race

	Cold-Outreach via Business Directory	Warm Introduction	In-Person Introduction	**Total Interviews**	Total Outreach Made	*Response Rate*
Asian	6	1	3	**10**	27	*37%*
Black	6	1	2	**9**	43	*21%*
Hispanic/ Latino	3	0	4	**7**	28	*25%*
Total	**15**	**2**	**9**	**26**	98	*27%*

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[1] "The Demographic Statistical Atlas of the United States - Statistical Atlas."

Industry of Subjects[2]

Industry Breakdown of Subject-Owned Businesses

Organization
21.2%
7

Food
33.3%
11

Retail
15.2%
5

Health
15.2%
5

Professional
15.2%
5
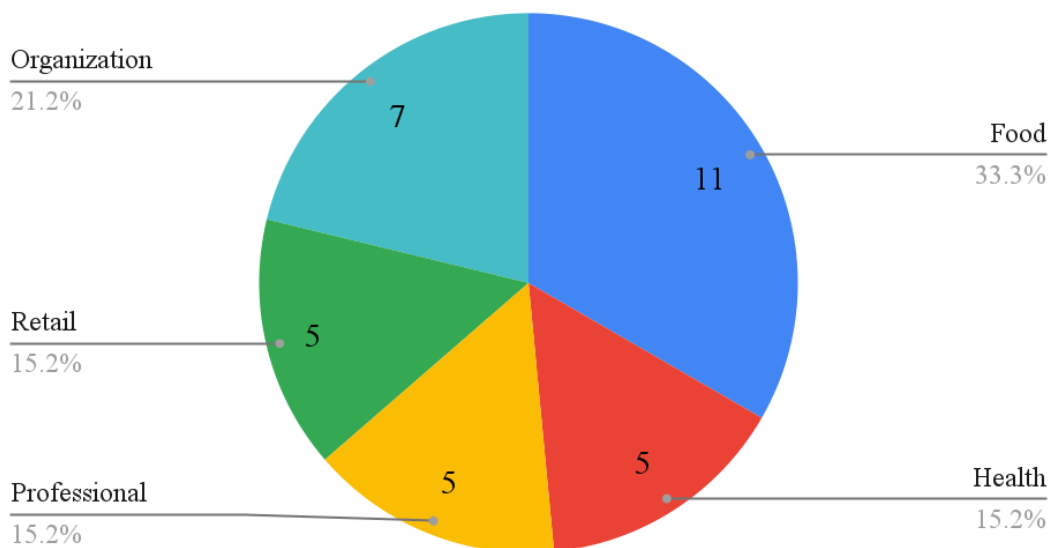
Guiding Questions for Interviews

1. How did you start/get involved with your business?
   a. Goal: Find out critical relationships in the beginning of business ownership and how these relationships were developed.
2. Where/who do you pull from for support generally and when was the last time you felt the need for external help?
   a. Goal: Understand the current state of priority regarding a business owner's choices and trust levels for their daily operations. Critical here is drawing connections between most relied upon relationships and why.
3. Who are your three greatest mentors and how did you meet them?
   a. Goal: Initiating a reflection for the sake of attributing credit will help to differentiate between relationships that are personal and those that are more professional.
4. What business network organizations are you a part of and what do you like about them? What could they do better?
   a. Goal: Find out what organizations business owners are aware of and their general impressions towards seeking external aid.

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[2] Organization refers to supporting organization regardless of client focus. One of these interviews was not recorded as mentioned in the Methodology.

5. What is the future of minority entrepreneurship and on a similar strain, what's the greatest piece of advice you would offer to a minority entrepreneur today based on your experience?
   a. Goal: Reveal the ambitions or wider perspectives of subjects to see if these also impact how much salience they give to their racial communities.

Data Coding Examples (3)

Below are examples of POI taken directly from the raw data.

1. Raw Data

"I've never had someone who's white tell me that I shouldn't start a business." - JH

"If we see somebody having success with a restaurant, well, we'll open a restaurant next door, you know, it's cutthroat, I mean, Hispanics will open a business regardless." - JP

"Asians are almost like, overlooked as a minority. I don't understand why... We don't have the right representation" - CC

"I hold this place loosely. I don't live and die by XX. But I hold it open handedly." - AA

Such statements were pulled for the following reasons:

JH: perception of the gap between minority racial identity and the value of White connections

JP: understanding of the Hispanic community from personal experience, general statement describing it as "cutthroat" compared with other groups

CC: dissatisfaction with status quo of representation of Asian groups

AA: separation from business as a hobby/phase of life as opposed to identity-based representation of self

Below are the corresponding codes to the example POIs.

2. Coded Data

JH: White/Latino knowledge/mentality difference on entrepreneurship

JP: Co-ethnic competition cutthroat

CC: Asians underrepresented

AA: Separation of business from identity

Data Analysis

MO-5	MO-12	MO-13	Potential Theme
Self-description; opportunistic	Systematic approach to mentorship	Lack of prior industry experience	Ambition and Entrepreneurial Intentionality

Black nationalist movement alignment	Racially-founded belief disparity	Active distancing from racial stereotypes	Alignment with Racial Community
Street peddling stories and lessons	Abundance/Lack of familial support	Financial investment in neighborhood	Personal values and informal support channels

Supplemental Quotations

Section I: Introduction to the Sample and Ethnicity Considerations

General sentiments on business support showed that it's perceived as minimally productive, if at all.

MO-4 (health): *"these workshops aren't always the best…they were old school."*

MO-3 (food): *"The Rogers Park Business Alliance…started a fantastic program called Grow…an eight week training that you go through."*

Section II: Accessibility

MO-25 (retail): *"It really just feels a little bit like winning the lottery…but I'll keep putting my name in the hat. Absolutely."*

MO-C (fitness): *"Let me spend like 10-20 hours to find grants. Am I really doing what I love anymore?...when you own your own business, it's almost like donating your time."*

MO-6 (food): *"I'm balancing my time between family, business, so then also going to networking events in the city isn't as easy and it's very tough even to have enough time to come up for air and think about the future when you're consistently getting slammed"*

MO-8 (retail): *"I have no shame in asking questions, reaching out, and sending cold emails to founders that I admire because of what they've done and how they've done it."*

MO-9 (retail): *"I connected with someone else in DC, just through Instagram, and she was a social entrepreneur [as well]."*

Racial Solidarity:

MO-5 (retail): *"What a black person can do for themselves is being an entrepreneur, and you have the freedom to make money for your community…you can't depend on white people."*

Industry Solidarity:

MO-12 (service): *"What really allowed me to jump full on into entrepreneurship is that I got an entrepreneur mentor."*

Section III: Antecedents

CBCAC: *"the biggest challenge is that businesses tend not to trust others and don't want to share accurate financial information"*

MO-17 (food): *"I hold this place loosely. I don't live and die by [BUSINESS], but I hold it open handedly…I'm not beholden to any of this stuff. This is just a place."*

MO-21 (fitness): *"It's not like I cater to the Spanish-speaking community"* and *"the studio changes a lot of people's lives for the positive"*

MO-1 (food): *"We took everything here just to educate people and invite people into our restaurant so they can feel like **they're family to us**…blowing up was never my mission."*

MO-7 (food): *"I am a lot more appreciated here…**Chinese as a whole tend to be thrifty.**"*

MO-13 (food): *"We reached out to the local community… [such as] schools around the corner because the restaurant isn't just a business, it is part of the identity of the community."*

MO-7 (food): *"There was an armed robbery and the whole community was really upset…[so] we set up a whole buffet and invited the whole neighborhood because it was something positive in what was a dark time for everyone"*

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