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Narrative

This report contains findings from the service provider interviews and entrepreneur surveys conducted in January–March 2024 as part of the ongoing research-practice collaboration (RPC) between the Cleveland State University Center for Economic Development and the W.E. Upjohn Institute for Employment Research, supported by the Ewing Marion Kauffman Foundation. These efforts follow the initial process of ecosystem mapping, service provider interviews, and entrepreneur surveys completed throughout 2021. While past work had been held back by limited practitioner engagement as a result of the focus on service provision following the COVID-19 pandemic, this work builds on the previous research¹ by both incorporating more voices from across the ecosystem and creating a more complete look at how ecosystem membership and coordination bring value to the organizations within it.

Introduction

The Launch Dayton network (LDN) is a collaborative initiative supporting and promoting entrepreneurship in the Dayton, Ohio, region. It brings together more than 20 unique service providers to create a comprehensive ecosystem that mentors and empowers entrepreneurs at every stage of their journey. The network comprises a diverse range of stakeholders, including entrepreneurial support organizations, business incubators, accelerators, educational institutions, government agencies, and community partners. By pooling their expertise, resources, and networks, LDN aims to create a supportive environment in which entrepreneurs can access the guidance, mentorship, funding, and resources they need to start, grow, and scale their businesses successfully.

The section that follows reviews the findings of this research study's interviews with representatives of the member organizations comprising the LDN and Dayton's entrepreneurship ecosystem (EE) to assess the status of the network and the reach of the providers' resources to minority entrepreneurs. This study aims to evaluate the strengths, weaknesses, and gaps in the Dayton ecosystem and to suggest strategies for improvement that can encourage successful outcomes in entrepreneurship among minority entrepreneurs in the region.

To achieve this goal, individual interviews were conducted with representatives of the service-providing organizations. Their responses were analyzed and shared with the Dayton partners. The strategies for improvement were derived from the synthesis of this analysis, the survey, and interviews with entrepreneurs who received services from LDN.

Evaluation of the Network

Culture, Collaboration, and Talent

The interviews with service providers revealed that there is an identifiable and strong culture of entrepreneurship in Dayton that is encouraged by the existence and work of the ecosystem to date. Various service providers share the sentiment that the regional strengths of Dayton include the legacy of invention and innovation, in addition to ample opportunity and space to build, expand, and fill market needs. Many interviewees provided descriptions of the collaborative and vibrant culture that exists to support entrepreneurs in the region. They emphasized that Dayton is a vibrant city and relatively affordable in its cost of living: it is, overall, a *“great place to work and live.”* Many interviewees report that the culture of entrepreneurship is strong, empowered by *“a groundswell of innovative and creative people.”* The networking and support from the University of Dayton lend

1. Lendel, Iryna; Yochum, Jack; Frantz, Madeline; and Figueroa, Georgina, “Resource Gaps for Minority Entrepreneurs: Toledo Business Survey and Interviews Findings” (2022). All Maxine Goodman Levin School of Urban Affairs Publications. 0 1 2 3 1774. https://engagedscholarship.csuohio.edu/urban_facpub/1774 and Piazza, Merissa; Lendel, Iryna; Kushner, Shneur; and Yochum, Jack, “Resource Gaps for Minority Entrepreneurs: A Study of 3 Cities” (2021). All Maxine Goodman Levin School of Urban Affairs Publications. 0 1 2 3 1857. https://engagedscholarship.csuohio.edu/urban_facpub/1857.

themselves to available talent, promoting education, physical workspaces, and centers dedicated to entrepreneurship in the community. In addition, there are capable entrepreneurs and service providers in Dayton that make up an ecosystem with resources offering “*promising support*” to community members. Furthermore, there are a “*recognizable camaraderie*” and passionate motivation to help among the numerous Launch Dayton network service providers interested in collaborating to lift entrepreneurship in the region.

Service providers consistently reported that LDN aligned like-minded people interested in entrepreneurship, in helping new business owners and creators, and in providing successful and (generally) free wrap-around services to enable the support of entrepreneurs in the Dayton community. The network also appears to recognize the importance of having diverse racial and community representation in its programming, newsletters, and outreach in a concerted effort to include marginalized groups underrepresented in entrepreneurship. One respondent recognized that “*diversity, equity, and inclusion is a national driving force*” for their organization, and another interviewee noted that “*there is always the overarching goal that we need to represent the people we serve, and this goal seems to permeate the region.*” Intentional efforts at representation of minorities extend to storytelling, local journalism and newspapers, newsletters, marketing, and communications of the ecosystem to build awareness of inclusive narratives. Moreover, the inclusiveness goal also reaches investment: “*The more investors [there are] that look like our entrepreneurs, the more likely they will be supported. Broadening our investor pool will provide the intel to support a more diverse pool of companies.*”

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Programming and Start-Up Week

Almost all respondents recognize the event called *Start-Up Week* as a notable success of the Launch Dayton network. The city of Dayton is community-oriented and embedded with principles of innovativeness and resilience, which are conducive to the very nature of entrepreneurship. Respondents consistently characterized this event as one of the best practices in LDN programming, serving as a visible and physical culmination of the spirit of entrepreneurship culture in the city. Many service providers praised it for gathering entrepreneurs, inviting prominent speakers, and engaging sector leaders to network, learn, and reflect. It was strongly suggested that Dayton’s strengths lie in its legacy of innovation and invention, its networks of higher education (there are at least 17 colleges in the Dayton area), and its strong sense of being a “*stand together*” community. Start-Up Week was characterized as “*phenomenal.*”

The plethora of programming provides a solid foundation of educational opportunities that teach skills in entrepreneurship and support the development of new businesses across the region.

Service providers consistently agreed that membership in the network carries value for their organization, that the ecosystem is mission-oriented, and that supporting entrepreneurs in the region is on a positive growth trajectory. Multiple organizations in the network provide various workshops, one-on-one coaching and mentorship opportunities, networking events, accelerators, and technical assistance. The plethora of programming provides a solid foundation of educational opportunities that teach skills in entrepreneurship and support the development of new businesses across the region.

Champions

Respondents touted a variety of service providers as “champions” for their support of entrepreneurship in the area. These providers are at the forefront of a network of committed organizations dedicated to promoting business growth and opportunity. The standouts include Launch Dayton, the Miami Valley Small Business Development Center, SCORE, the Entrepreneurs’ Center, and Parallax, all of which received plaudits as strong providers of mentorship, guidance, workshops, programming, and other services to bolster entrepreneurs in the Dayton region. More specifically for minority entrepreneurs in the area, the Dayton Chamber of Commerce, the Minority Business Partnership, the Minority Business Assistance Center, and the Urban League received mention as champions. In particular, the services offered by the Chamber and other providers helping entrepreneurs with documentation, certification, and procurement processes were cited as especially supportive resources in meeting the needs of new business owners. Across interviews, services of this kind were referenced as being particularly valuable for minority businesses seeking contracting opportunities, business certification, and growth.

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Almost all interviewees cited the Greater West Dayton Incubator (GWDI) as the ecosystem champion of minority entrepreneurs in Dayton. This service provider focuses its mission on supporting communities that have historically been marginalized, underserved, and underrepresented. It aims to break down barriers presented by processes, paperwork, and applications that are not always understood by the organization’s clients, in stark contrast to majority business founders, to whom leveraging available resources with confidence often appears to come more naturally. GWDI, founded and funded by the University of Dayton, uniquely focuses on West Dayton. “West Dayton” references the historical influence of the Miami River as a dividing line. It continues to remain important to understanding where people live in the city, the areas where residents regularly go and feel comfortable navigating. Respondents explained that most service providers and collaborative workspaces are established in *downtown* Dayton; however, many minority residents of the city do not feel comfortable visiting the downtown because of the legacies of segregation, even today borne out by the highly symbolic river physically bisecting the city. Therefore, GWDI sets itself apart from other service providers largely due to its location and deep involvement, visibility, and engagement with residents in the West Dayton community.

A combination of elements explains this organization’s distinctive successes in supporting minority entrepreneurs. First, the incubator is physically and narratively rooted in the community through strong, explicit, on-the-ground outreach and representation. The organization addresses the historically divisive narrative of “*not crossing the bridge*” to East or Central Dayton by encouraging West Dayton residents to enter new spaces. It facilitates access to new networks through partnerships in downtown Dayton with the Entrepreneurs’ Center, The Hub (a coworking space for entrepreneurs, freelancers, and remote workers), and other centrally located businesses, and by serving as a strong advocate rooted in West Dayton. The organization also intentionally hosts meetings at different locations to remain accessible to a marginalized demographic. GWDI appears to be doing the work other organizations mention as necessary to effectively support all entrepreneurs but minority entrepreneurs in particular: closely guiding clients in processes involving documentation for banks, loans, and business development, and offering in-depth guidance and training in foundational business and financial skills. Finally, this organization also appears to provide strong mentorship that meets entrepreneurs where they are—something service providers recognize as vital for success for minority entrepreneurs and majority entrepreneurs alike.

Ecosystem Funding, Metrics, and Operations

Those service providers interviewed saw referrals as a strong point and a valuable addition to involvement with the Launch Dayton network. Collaboration and connectivity among service providers are key to bolstering referrals, enabling organizations to specialize and best support entrepreneurs' unique needs in timely fashion. Service providers described this culture as one in which providers are *"leveraging other organizations and leaning on our partners, which makes the transitions and overall experience better for the entrepreneurs."* However, the referral process is not unified—it is curbed by several factors:

- Competitiveness between service providers for scarce funding
- Varying funding resources, which affects priorities and often ranks those priorities very differently
- Divergent required metrics of success
- Limited continuity with changing leadership
- Inadequate accountability to the community

Various evaluation metrics, including workshop participation, the number of businesses supported annually, and the number of business plans created, affect the *"consistency of interests,"* while different funding sources and unique goals distract from a shared mission. These things ultimately hinder the strength of the referral process and the overall collaboration of the network. As one interviewee explained, *"There's no real motivation to work together as long as metrics vary significantly."* A different respondent reported, *"when the heads of the organizations and service providers changed, we switched back to the model of everyone wanting to do everything."*

Such challenges converge to limit the cohesion of LDN, complicating the network's primary goal, mission, and strength. As one interviewee described it, ecosystem providers are *"partners because we work in the same building, essentially."* Addressing this challenge of a fractured cohesion requires more funding, a renewed alignment of goals, and shared and transparent metrics of accountability and success. Interviewees note that LDN successfully fulfills the role of "convener" of the organizations to form not only a network but a community, generating enthusiasm, excitement, and capital rallied around Dayton's entrepreneurship culture. However, this excitement may distract from the task of formulating stronger evaluation metrics that track explicit business growth, serving to produce concrete numbers on business creation and leading to sustainable and long-term success in entrepreneurship across the region. After all, supporting the start of a business is only an interim goal of entrepreneurship assistance. As one interviewee put it, *"The ecosystem needs to be better with sustainability. We do amazing things with start-ups . . . What about the businesses that need support in sustainability and longevity? If we want to continue growing and sustain our community, we must support the longevity of our businesses."*

Participants noted that limited connectivity in the ecosystem also generates a redundancy of services across different service organizations. They expressed an interest in the ecosystem returning to a specialization that had organizations *"doing the size [of business] they do best, and the services they do best."* Another interviewee said, *"Service providers are all pieces of the puzzle . . . We aren't doing a bad job, but we could do our referrals better based on the stage that businesses are in."* These comments suggest that a "case management" approach that centralized data and triaged entrepreneurs through the ecosystem based on their venture's size, type, and developmental trajectory would support heightened organization and teamwork among service providers. Increasing collaboration and referral processes would enable the ecosystem to *"work as one entity"* and *"build more functional cohesion,"* as observed by one respondent, who cited the example of an entrepreneurship ecosystem in Detroit, Michigan.

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Visibility and Awareness

While interviewees agreed that the ecosystem is important to the region, they pointed out that a persisting challenge is that *“the people who need it don’t know about it.”* Respondents generally reported that many entrepreneurs hear about the services through word of mouth and usually remark that they were unaware of the existence of the ecosystem. Although marketing and an online presence, as through social media, are also cited as sources of information, the primary means by which organizations raise awareness of their services is done through word of mouth, referrals, community partnerships, alignment with other service organizations, and networking.

Breaking through to make clients aware remains a challenge, as noted: the Internet as a source is saturated with information, not all of it reliable, and so does not always present a clear “front door” to the ecosystem. Many interviewees expressed that a clear “entry point” or starting place in the ecosystem is needed, as the current information landscape can be, at best, scattered. Various organizations exist to serve entrepreneurs that have varying profiles and businesses at different stages of development. One interviewee noted that *“there’s no clear-cut ‘triage’ operation identifying leads, new possible members, or entrepreneurs and directing them to the right place.”* In turn, the lack of a clear front door or “streamlined” entry point into the ecosystem creates an information muddle that confuses entrepreneurs seeking support.

To say you are in the community and be in the community are two different things; this is a common problem among other organizations. Knowing the people . . . and providing for the people based on what they say . . . makes a bigger difference than just posting on social media or LinkedIn.

Responding to this concern, Launch Dayton developed an online “narrowing” tool to gain more information about entrepreneurs and make informed suggestions on where they should start within the ecosystem. However, respondents also make the point that a *“boots on-the-ground, in-person outreach”* is necessary to reach more diverse or historically excluded communities of entrepreneurs. This is in recognition of the implications of the digital divide: the reality is that a clear starting point can become convoluted by Web searches where an array of legitimate, and illegitimate, information is presented. One organization’s respondent described the goal in this way: to *“reach the kids [or] families . . . , we want to be tangible, something you can touch.”* Informed by historical legacies of exclusion affecting comfort levels for minorities in navigating downtown centers, minority entrepreneurs may not always feel welcome in centrally located spaces. A front-door approach, with a combination of digital marketing and in-person outreach that meets entrepreneurs where they are and enters into their communities, will strengthen the overall reach and inclusion of the ecosystem.

Education and Foundational Skills

Research findings revealed the common lesson that great ideas alone are not enough; clear business plans and skills are needed to bring ideas to fruition in a way that is financially viable and successful. For example, a respondent described a client who was an art professor and wanted to open a gallery; however, while there were ample supplies, staff, and space available to the entrepreneur, this person lacked the foundational skills of budgeting, inventory, accounting, tracking overhead costs, and financial planning, which pushed the vision out of reach. Interviewees emphasized the importance of financial, technical, and business literacy (and education to acquire them) for entrepreneurs. The lack thereof can affect the level of confidence and preparedness of minority business owners entering the beginning and developmental stages of their start-up, the securing of contracts and financial resources, implementing solid business plans, and the overall success of their new venture. Personal finance and foundational skills training are essential to supporting entrepreneurs, as their personal finances reflect on their performance in the financial management of their business ventures. Education in market trends

and the regional economy also sets entrepreneurs up for success when they can identify feasible business opportunities. This education must also extend to communicating the important distinction between an *employee* and an *entrepreneur*. In other words, to be successful, entrepreneurs must recognize when the right time is to hire someone else to take on certain responsibilities.

Business planning and financial literacy challenges are particularly significant for minority entrepreneurs, who may not hold the same “*authority of words*” noted among majority entrepreneurs. An interviewee expressed the view that white-owned businesses tend to be farther ahead and more prepared for funding—likely due to having more developed business plans, or “*a better starting point*.” One participant expressed the thought that many minorities might not regularly “*talk about money at the breakfast table*,” resulting in feelings of intimidation, insecurity, and imposter syndrome when entering into relationships with banks and building their business. Additionally, immigrant entrepreneurs, individuals who do not speak English or are developing English language skills, require specialized support. As one interviewee noted, “*because of language or cultural barriers, [immigrant entrepreneurs] are more vulnerable to being taken advantage of*.” Similarly, as another respondent noted, although owners of “*small businesses know their product, they need someone to help them understand the business side of their product . . . They know what they’re doing but don’t always know the words*.” He went on to give an example: “*One client in particular—some funding was available from the county. When he submitted the application, they asked him technical questions and wanted [me] on the line. He didn’t understand the questions they were asking, such as what was the ‘anticipated ROI’ of his business.*”

While capital is essential to business growth, the biggest thing is learning strategies for how to run your business effectively. If you don’t know this, then all the money in the world isn’t going to help you.

Almost all interviewees reported that from the entrepreneur’s perspective, access to capital is often thought of as the biggest challenge to the growth and development of their businesses. While almost all service providers recognize that concern, many held that knowledge barriers, awareness of available resources, business literacy, and preparedness to implement solid business plans present more significant challenges, all of which precede the stage of capital acquisition. Entrepreneurship is often “*glamorized*,” and service providers expressed the view that business creators need some “*tough love*,” as one participant described it, to look beyond the façade, focus on the details, and work on those things that preface success and capital accumulation. One interviewee submitted that while capital is essential to business growth, “*the biggest thing is learning strategies for how to run your business effectively. If you don’t know this, then all the money in the world isn’t going to help you*.” Entrepreneurs often want to skip ahead to seeking capital through procurement opportunities in an attempt to “*build the plane and fly it at the same time*,” said one respondent. The temptation is to do this before refining foundational skills, researching the risks involved, and defining a support network. Thus, they ultimately forgo “*doing their homework and starting from a baseline of understanding on how to start a business*.” A regional strength of Dayton’s is the primarily free offerings of support resources, existing workshops and programming covering the very topic areas outlined above, and the availability of great “*spaces for consultation*.” Even so, interview findings suggest that the ecosystem needs to provide a “*firmer hand*” in the guidance of entrepreneurs. By firmly insisting on prerequisites, it can continue to push the accessibility of foundational skills to make up for knowledge gaps. As one interviewee noted, “*Paperwork creates barriers to procurement opportunities: Was invoicing done in a timely manner? Were the taxes completed correctly? These things affect eligibility for business and procurement opportunities.*”

Coaching, Mentorship, and Representation

Given the prevalence of challenges in foundational skills and business planning, certain qualities are essential to guiding entrepreneurs to success. These include honest coaching, customized and personalized mentorship, and offering critical feedback and informed counsel at every step of the way. In line with this, various interviewees noted that the most needed resource for a small business is access to a knowledgeable coach. Vague advice—betraying a lack of knowledge—is spotted by starting entrepreneurs immediately, leading them to distrust the entire support ecosystem. In addition to a ready expertise, the entrepreneur wants to see some similarities and common ground between himself or herself and a mentor. These similarities might include—but are not limited to—having a coach who is from the underrepresented population him or herself, or having someone from the same industry, or someone who went through some similar experience with starting a business.

One service provider recommends entrepreneurial wraparound services—a “360 hug”—for guiding an entrepreneur through the ecosystem. This can include filling knowledge gaps, recommending the right workshops and classes, and mentoring at “each step of the game” to grow the business venture. Given the realities of limited access to educational or financial resources among marginalized communities, those advising minority entrepreneurs should consider the fact that “it’s a complex lens” and starting points may vary. Programming must creatively meet them where they are, with service providers *“demonstrating grace, understanding the background, and revisiting and tailoring the processes and procedures for inclusion, diversity, and sensitivity purposes,”* says one respondent. These coaches need also consider other factors, such as access to transportation, child care, level of need or education, among *“other circumstances that complicate people’s experiences with entrepreneurship.”* This specialized coaching might even require training for service providers, in order to set them and their mentees up for stronger success.

Mentorship should be an organic process. Just pairing people together doesn’t always work out. Getting people into the same environment might be a better method.

Such an approach emphasizes the importance of “representation” and the powerful support that mentors who share similar backgrounds and experiences are able to offer minority business owners. Such mentors can be especially valuable in helping entrepreneurs navigate business challenges, banking relationships, logistical procedures, and other decisions associated with entrepreneurship. Mentors and coaches who are part of the ecosystem may themselves require specialized information, support, and training to be able to implement a multifaceted approach in their services and programming. As one respondent put it, *“Organizations must meet the client where they are at . . . and stick with the client as they increase legitimacy.”* The importance of “fit” in mentorship cannot be overstated: mentors should be well-equipped to support an entrepreneur by possessing relevant experience and pertinent information. Furthermore, the suitability of mentorship is enabled by the increasing digitalization and remote nature of work, as collaboration is not limited by geographic location. One interviewee shared an example of having found a mentor in Florida to guide an Ohio-based entrepreneur—a good fit regardless of distance because they had similar races, business interests, and models. Mentors can thus offer guidance beyond city lines and state borders, increasing the accessibility of information and support services for entrepreneurs with specific needs. In sum, entrepreneurs want their mentors to look like them and be empowered by shared experiences and representative backgrounds.

Interviewees also highlighted the significant benefits of having accessible lawyers, consultants, and other “experts” available to entrepreneurs, particularly minority business owners and those with more established ventures. They emphasized the importance of “legal representation” for minority entrepreneurs and entrepreneurs in general, reinforcing the common sentiment that new business owners, who typically have limited time and resources, often “don’t know what they don’t know.” With the support of lawyers, accountants, and other experts,

entrepreneurs can better navigate interactions with landlords, certification processes, and regulatory requirements, thereby protecting themselves from inequitable outcomes and unforeseen challenges. A consistent “*handholding, coaching, and encouraging*” of entrepreneurs to guide them through the system can help them overcome barriers of paperwork, documentation, certification, and the digital divide.

Existing elements within the ecosystem that could be enhanced are “weaknesses,” whereas “gaps” (addressed in the next section) indicate missing features that, if implemented, could better support minority entrepreneurs. The weaknesses identified above include deficiencies in programming and support for financial literacy, business planning, and other foundational skills, which continue to pose barriers to successful entrepreneurship. Both start-ups and more advanced entrepreneurial ventures could benefit from improved processes for matching with mentors, as well as greater access to legal representation and services from other highly skilled consultants.

GAPS

Sales, Capital, and Funding

“There is a lot of communication about grants . . . but many minority entrepreneurs miss the mark and get less focused on sales.”

Interviewees consistently reported that funding expectations shape how minority entrepreneurs approach starting their businesses. They noted that many entrepreneurs become overly focused on securing grants and loans—often at the expense of prioritizing ideation, developing sales strategies, marketing to grow a customer base—all means by which they could increase profitability.

This misalignment often leaves service providers with the responsibility of “getting rid of the false promises” that can mislead potential entrepreneurs, whose funding expectations have been in part influenced by the onset of increased awareness, support, and resources made available to minority entrepreneurs in the past few years.

“Comprehensive plans [are needed by entrepreneurs for success]—to know what their goals are and how to reach them. Many people move by the seat of their pants; they need to have a plan for pricing, everything, . . . understand the whole business. This makes or breaks a lot of businesses.”

Preparedness on how to sell is one of the necessary foundational skills not always held by minority entrepreneurs, or by entrepreneurs in general. The basic skill set of business planning, bookkeeping, accounting, marketing, and sales, in addition to realistic expectations of available grant funding, are measures needed to set minority entrepreneurs up for stronger success. However, providers noted that this education cannot be patronizing, but rather comes from a place that recognizes that minority entrepreneurs know their product but they may merely lack specific technical skills or the “*vocabulary of business*.” Various service providers stressed the importance of entrepreneurs knowing the true challenge of starting a new venture and adopting a clear understanding of how to sell their product and generate profit from their developing business. While the culture of entrepreneurship support is important, this should not detract from the hard and honest questions that need to

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be asked about the foundational skills required to be a successful entrepreneur. Minority entrepreneurs know their work well, but financial, bookkeeping, and accounting details are sometimes lost or unfamiliar. The educational component of supporting minority entrepreneurs—focused on concrete skills in sales, marketing, business planning, and banking documents—is essential, and this knowledge cannot always be readily assumed.

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Service providers are careful to acknowledge that funding and capital are essential resources for supporting the growth of new business ventures. While capital resources might exist, *availability* does not always smoothly translate to the *accessibility* of this resource. Interviews consistently recognize that *securing* capital remains a noteworthy barrier due to challenges in paperwork, process, certification, registration, and documentation, as well as confusion on how to work with banks to secure loans.

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Minority entrepreneurs often experience feelings of intimidation and distrust stemming from the historical limitations in banking relationships and support due to racial discrimination and systemic exclusion. Many service providers recognized this challenge and developed programs to address it, offering workshops and mentorship to help minority entrepreneurs navigate banking documentation and loan applications. Securing capital, which is crucial for accessing procurement opportunities, presents particular difficulties for minority-owned businesses. These difficulties are rooted in past discriminatory practices and strained relationships with banking institutions, which can lead to system avoidance, hesitancy, or confusion regarding the documentation required. These challenges contribute to frustration among minority entrepreneurs as they attempt to secure loans, capital, and procurement contracts. Additionally, the bureaucratic red tape associated with documentation and certification processes can further intimidate and discourage entrepreneurs, pushing some away from pursuing funding and growth opportunities.

Minority entrepreneurs continue to face significant challenges due to systemic factors such as historical discrimination in banking, personal feelings of imposter syndrome in entrepreneurship, and prejudiced attitudes from some clients, all of which can negatively impact their confidence, identity, and achievements. These entrepreneurs may also encounter condescension or rudeness from officers at financial or regulatory institutions while building their businesses. Service providers recognize that systemic barriers, shaped by the history of racism and discrimination, continue to affect the experiences of minority entrepreneurs as they endeavor to navigate the banking, procurement, certification, and regulatory processes essential for business success.

Deeper, reparative solutions addressed at longstanding institutions to build trust and achieve structural change are required to realize equitable outcomes and inclusive economic prosperity for marginalized groups in entrepreneurship. Several interviewees pointed to Wright-Patt Credit Union in Dayton as a positive example of a financial institution actively addressing these challenges. It has implemented intentional programming and offers alternative or flexible lending options that accommodate marginalized communities, including members of these communities who may lack strong financial histories or credit records.

The Unique Challenges of Small Cities

For ecosystem members to achieve progressively “horizontal” operations and a “unified approach” to improve performance and efficiency becomes increasingly difficult when ecosystem service providers are not sufficiently compensated, teams are understaffed, and programs are unsustainably funded. According to respondents, these difficulties are partly explained by a regional dependence on federal and state grants, without sizable support from corporate or philanthropic sources often observed in mature entrepreneurship ecosystems.

While the culture of Dayton’s entrepreneurship ecosystem and the region’s identifying characteristics of innovation, resilience, community, and invention were commonly cited as regional strengths, Dayton’s size (137,000) was mentioned as a potential weakness. Not every business can benefit from online sales, and the depth of the local consumer market and regional economy of scale matter, especially for many local entrepreneurs starting out, who are relying on proving their business models locally first. The moderate size of Dayton likely encourages the city’s strong sense of community but also contributes to smaller circles of connections and complex social politics. The smaller size of the urban center also limits the presence of larger companies, informing the region’s “lack of funding and financial backing compared to other states and regions,” as one provider said, and, in turn, increasing the region’s dependence on banks and government institutions as opposed to private investors.

The ecosystem has a lot of political issues; relationships, people working in silos, people who won’t work together; we don’t have an identity yet. We have a history of invention but really haven’t capitalized on our strengths. Connectivity and aligned relationships working toward the same goal remains a challenge as well. . . . [It] gets back to politics.”

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The local ecosystem culture and sense of civic pride foster opportunity and resilience, yet the city’s size, economy of scale, and limited consumer market can constrain the potential success that entrepreneurs envision for themselves and their businesses. Many entrepreneurs focus on serving their neighborhood or nearby areas, despite the economic reality that consumers prefer having choices, which puts increasing pressure on local businesses trying to compete with online and regional rivals. As entrepreneurs define their target market, identify a product niche, and develop a customer profile, the pool of ideal buyers may continue to narrow. To address these limitations, establishing connections and partnerships with larger cities and entrepreneurial ecosystems could expand market opportunities. Building relationships with local banks may also help initiate new funding pipelines to support growth and competitive positioning.

The Digital Divide and Generational Sustainability

One interviewee noted that “we don’t have too many minorities involved in tech businesses, so they can’t take advantage of those industry-focused or industry-specific opportunities.” Technology ventures often get a lot of fanfare, rallying, and funding in both emerging and established entrepreneurship ecosystems, although these tech ventures are also predominantly led and started by white men. More funding, enthusiasm, and support for non-tech businesses—i.e., the businesses that make a community vibrant and worth living in—are needed for an inclusive and representative entrepreneurship landscape. As one participant noted, “Grants seem to be more dependent on industry, with less available for the smaller guys such as hairdressers or restaurants.” It was also

reported that *“the vast majority of minority entrepreneurs are pursuing non-technical businesses . . . ”* or “Main Street” businesses, as opposed to tech ventures that hold opportunities for larger revenue and growth. This pattern can likely be partly attributed to the digital divide, or limited opportunities to engage with technology or technical education by historically marginalized communities. A multifaceted effort to continue the support for non-technical businesses as the tech fervor grows in the region, while also addressing the digital divide by supporting the inclusion of marginalized communities and the acquisition of digital and technology skills by those who live there, can serve to minimize inequalities in this sector. One interviewee was passionate in his desire for non-tech and tech businesses to overlap in more spaces and events and cross over in networking opportunities, pushing back on patterns of *“self-segregation”* traditionally observed between these different business sectors. In sum, the digital divide not only curtails the applications and processes of documentation open to minorities but also limits the type of businesses that they pursue.

Resources are there for black-owned businesses to be successful for a few years . . . but I want to see businesses thrive, passed on to the next generation, reaching Fortune 500 level.

Findings from the interviews also illuminated concerns about the possibility of ecosystem programming focusing too heavily on short-term progress and business growth as opposed to *“long-term, generational sustainability and success for black-owned businesses.”* Various respondents acknowledged the importance of supporting the longevity and sustainability of new businesses beyond the initial stages—one respondent expressing that *“there is no shortage of pop-up opportunities . . . but how many businesses are moving into the brick-and-mortar stage?”* Another respondent noted that *“we see more necessity-based entrepreneurship in minority communities; they would love to go corporate, so they must do that on their own.”* It is hard to argue with the fact that *“minorities tend to be entrepreneurial groups . . . maybe because they have struggled, and they know how to hustle.”* Despite this, *“many businesses are focused on opening a storefront . . . but closing a year down the line.”*

“Resources are there for black-owned businesses to be successful for a few years . . . but I want to see businesses thrive, passed on to the next generation, reaching Fortune 500 level.”

Similarly, many providers spoke of the need for generational education that includes teaching entrepreneurship to youth from minority communities. The underresourced nature of programs and schools in historically marginalized communities often leaves minorities “less able to take some of the leaps that nonminority peers can take.” Respondents stressed that educating younger generations from minority communities about the entrepreneurial journey while also expanding their skills and experiences in digital platforms and technology will drive generational and systemic changes, resulting in greater economic opportunity and representation in entrepreneurship. Addressing the barriers of the digital divide can be achieved by increasing the visibility of opportunities in technology and improving access to essential resources such as computers, printers, and digital literacy skills.

SURVEY OF ENTREPRENEURS

This section reviews the findings of this research study’s survey of entrepreneurs in the data region. The goal of this study is to evaluate the strengths, weaknesses, and gaps in the Dayton ecosystem and suggest strategies for improvement that can encourage successful outcomes in entrepreneurship among minority entrepreneurs in the region.

The research team distributed a survey to minority entrepreneurs in the Dayton area between January and March 2024. This survey sought to understand the demographics of minority entrepreneurs in the area, the current challenges they face, how and with whom they have interacted in the entrepreneurial ecosystem, and their perceptions of events held in the region. In sum, 29 entrepreneurs responded to the survey.

Survey Demographics

The survey asked four demographic questions to identify those respondents from minority firms in the region, including whether the firm was female- or veteran-owned. Survey questions also asked about the age of the firm owner and the location of the responding firms.² The vast majority of respondents indicated that they represented minority-owned businesses (89.7%), with most of those being African American–owned (75.9%). Just over half of the respondents represented women-owned businesses. Business owners were distributed relatively evenly across age groups, though nearly half (42%) of business owners reported being 55 or older.

Three-quarters of respondents reported that their business was their primary source of income, which indicates the significance of their business to their household’s wealth. Overall, the businesses represented in the survey are smaller in terms of number of employees. Of the 21 respondents who answered the question about the number of employees in the business, 90.5 percent reported 10 or fewer full- or part-time employees.

The survey also asked entrepreneurs about the minority status of their employees. When asked about the demographics of their employees, nearly two-thirds (63%) reported that 75–100 percent of their employees were minorities.

Respondents to the survey came from a wide variety of fields and industries, including retail, construction, insurance, food service, consulting, technology, health care, and others, illustrating the diversity in industries that minority entrepreneurs represent in the region.

Business Needs

In an effort to identify the business needs of responding firms, the survey included 11 questions ranging from identifying the greatest challenges and long-term effects of the pandemic, to what could improve the growth of minority entrepreneurship in Dayton and access to resources.

Respondents were asked whether they had experienced difficulties with mergers/partnerships, succession planning, business acquisition, or selling the business, and just about a third answered “yes” to each category. Nearly a third of respondents (31%) said they had faced difficulties with two or more of these. The business representatives were also asked what assistance they needed that was not easily found. Survey respondents indicated the following, from most to least: consulting (six responses in this category, or 28.6%), finance (four, or 19%), networking (three, or 14.3%), high-quality employees and/or customers (three, or 14.3%), building wealth (two, or 9.5%), and consistency (one, or 4.8%). Two respondents (9.5%) stated that no such assistance was needed. Results from this question indicate a wide variety of services need to be integrated into the ecosystem or expanded within the ecosystem to ensure that business owners have access to what they need.

2. In mid-2024, the Entrepreneurs’ Center became the host for Launch Dayton and will lead the network, which includes 20-plus organizations that offer resources and support to help businesses move forward.

The survey asked entrepreneurs an open-ended question intended to identify what the greatest challenges facing entrepreneurs in the region are. Twenty-four individuals responded to the question. Fifty percent of these respondents indicated that getting more business opportunities posed the greatest challenge. Other answers provided by respondents include difficulties in acquiring employees, securing capital, facing competition, finding funding sources, networking, improving sales, and getting more support in general.

When asked what challenges they had faced personally as minority business owners, 9 of the 21 respondents, or 42.9%, answered “being taken seriously.” They discussed experiences that included being discriminated against or facing biases and unfair lending practices. For example, one respondent wrote: “I could be mistaken but I think our business would be more readily received if we were not minorities.” Another commented that they felt they experienced “higher expectation on structure and certification for potential contracts and RFPs than my white counterparts.” Yet another mentioned that they “find it easier to let my non-black employees deal with job site inspectors” since they seem to get more negative feedback when a person of color is in charge of a project.

Ecosystem Perception

The business representatives were also asked about the Launch Dayton network (LDN) and whether it was welcoming to certain demographics, with mostly positive results. 17 of 22 respondents (77.3%) thought that LDN was welcoming for minority entrepreneurs, and 10 of 12 respondents (83.3%) felt that LDN was welcoming for women entrepreneurs. Participants were also asked which organizations within the Dayton region’s ecosystem they had received assistance from. Twenty-five out of 29 survey participants answered this question, and they were able to list multiple organizations. The top responses, in order, were: Dayton Area Chamber of Commerce Minority Business Partnership (MBP), City of Dayton Human Relations Council (HRC/PEP), Dayton Region Minority Business Assistance Center (MBAC), Dayton Metro Library, and Miami Valley Small Business Development Center (SBDC).

Speaking more generally, 18 of 26 respondents indicated that their perception of the quality of services received had not changed in the past year. Among the 8 (or 30.8%) of those 26 respondents who said their perception of the quality of services *had* changed in the past year, the most common reason had to do with increased awareness of business opportunities, followed by perceived increases in advocacy and transparency, indicating both the increased success and the expansion of ecosystem services.

Event Attendance

A majority of respondents (75%) said they attended a training or networking event in the past year. When asked what types of events they would like to see in the next year, respondents provided an assortment of responses. Nearly 32 percent of respondents identified the need to focus on networking events in the next year. This was followed by a desire for workshops (10.5%). Other single answers included an interest in events related to business training, access to capital, financial literacy, employee retention, and transitioning to retirement.

While the majority of minority businesses surveyed were black-owned, the landscape of minority entrepreneurship in Dayton is more diverse than that. One respondent indicated frustration over the amount of programming geared toward black entrepreneurs, stating, “There is a huge number of initiatives focused on Black owners. I would like to see more open/welcoming to all minorities.”

Finally, respondents were asked to indicate how much they agreed or disagreed with statements about the quantity, quality, and content of educational and networking events currently offered by the network. Respondents neither agreed nor disagreed with the statements that “There are not enough events in the region,” “There is too much overlap in events offered,” and “There is not enough diversity in events offered,” indicating general contentment with the events being provided.





Summary, Suggestions, and Policy Implications





The following policy implications are suggested in response to the outlined challenges uncovered in the findings of this research study.

1. Support the collaboration of service providers and enhance the cohesion of the network by establishing shared and aligned measurements of success and goals that foster transparency, teamwork, and accountability. Establish concrete metrics that track the number of new entrepreneurs onboarded into the ecosystem, the number of businesses sustained year-over-year, and the growth of start-ups to mature levels of size and operations. These measures should be reported to the community through responding to community-engaged planning and reporting processes. These elements would centralize and align the ecosystem goals following a set of explicit and measurable network performance indicators. Improvements in communication and collaboration will enable a greater capacity for organizations to leverage the referral system, permitting providers to focus on their niches and specialize their services to the unique needs of entrepreneurs of diverse business types and at varying stages of entrepreneurial growth and development.
2. Improve the network's awareness and accessibility by developing clear entry points and streamlining access to resources within the ecosystem. Utilize a combination of digital marketing and in-person outreach to reach diverse communities, addressing the digital divide and historical barriers to access and inclusion. Raise specific funding and implement a strategy to illustrate and market a true and easy entry point to the ecosystem services.
3. Offer comprehensive education and foundational skills training tailored to the needs of minority entrepreneurs focused on financial literacy, business planning, marketing, and sales skills to equip participants for success. Customized mentorship providing personalized coaching and experienced intel will serve to guide entrepreneurs through the ecosystem in the implementation of their business plan, and acquisition of capital when the timing is right. This tailored support addresses the specific needs of entrepreneurs, including legal representation, advocacy, and access to experts where necessary. This mentorship should extend to supporting minority entrepreneurs in navigating bureaucratic processes, banking processes, and procurement opportunities. Honest expectations should be set for future entrepreneurs about the skills and knowledge necessary to intelligently run their own businesses, and honest conversations should be introduced as a necessary tool for future success.
4. Recognize the impact of the digital divide on minority entrepreneurs and work toward bridging this gap. Support initiatives that provide technology education and increase access to digital resources while also promoting diversity in tech entrepreneurship. Additionally, the ecosystem must focus on long-term sustainability and generational success for minority-owned businesses, provide support beyond the initial stages of entrepreneurship, and emphasize the importance of developing brick-and-mortar establishments and passing on businesses to future generations.
5. The lack of educated minority youth is consistently reported across all regions and topic areas of economic development. There are not enough candidates from minority communities who are interested in technology ventures or prepared to manage tech opportunities. This is in part attributed to the continued effects of structural racism. There is no quick fix to this problem. However, it is time for the majority to act and develop long-term strategies addressing these issues, carving out a sustainable path for minority inclusion in diverse entrepreneurship opportunities.

Appendix A: Dayton Entrepreneurship Ecosystem Resources

Logo	About	Contact Information
	<p>Parallax is a private, nonprofit 501(c)3 research institute headquartered in Dayton, Ohio, with offices in Cleveland, Ohio, and Arlington, Virginia. Our organization is focused on addressing critical national security and prosperity issues. Our approach combines resources, competencies, and perspectives from different sectors (academia, industry, and the government) to drive innovation and creative solutions to hard problems.</p>	<p>Address: 4035 Colonel Glenn Hwy. Beavercreek, OH 45431 United States</p> <p>Phone: (937) 705-1000 Fax: (937) 705-1095</p> <p>As of July 1st, Parallax has reduced its capacity to support entrepreneurship.</p>
	<p>The Greater West Dayton Incubator is a community resource to help new and existing entrepreneurs connect to space, capital, and knowledge to grow their businesses. We are a catalyst for generational wealth creation and inclusive economies in Greater West Dayton while enhancing experiential learning opportunities that prepare University of Dayton students for a diverse and competitive 21st century workforce and society.</p>	<p>Address: 1105 West Third Dayton, OH 45402</p> <p>E-mail: gwdi@udayton.edu</p>
	<p>The Entrepreneurs' Center is a collective group of experienced advisors, entrepreneurs-in-residence, and full-time staff. We've walked the walk, and whether you're just starting out and need development and operational guidance or ready for capital investment and need help connecting to the right partners, our experienced team is ready to help you with business planning, mentoring, networking and more.</p>	<p>Phone: (937) 210-9473</p> <p>E-mail: info@ecinnovates.com</p>
	<p>The Dayton Area Chamber of Commerce is the largest business organization in the Dayton, Ohio, region, serving 2,200 business members in 14 counties. We are a trade association of businesses, professionals and individuals focused on three core competency areas: government advocacy, economic development and member services.</p> <p>The Dayton Area Chamber of Commerce is nationally recognized as one of the largest and most effective chambers in the country. Since 1995, we have been five-star accredited by the U.S. Chamber of Commerce. The highest rating for any chamber in the nation, five-star accreditation is a distinction given to less than 2 percent of all chambers in America. In 2017, the chamber was also named as a finalist for Chamber of the Year by the Association of Chamber of Commerce Executives.</p> <p>The Dayton Area Chamber of Commerce draws upon its size and influence to serve as a strong advocate for business needs.</p>	<p>Address: 8 N. Main Street, Suite 100 Dayton, OH 454502</p> <p>Phone: (937) 226-1444 Fax: (937) 226-8254</p> <p>E-mail: info@dacc.org</p>

Logo	About	Contact Information
	<p>Heard Management is a business management consulting firm. Heard Management helps businesses enhance their administrative functions to increase their operations' effectiveness.</p>	<p>Address: P.O. Box 26384 Trotwood, Ohio 45426</p> <p>Phone: (937) 837-5273 Mobile: (937) 238-5546 Fax: (937) 854-4342</p> <p>E-mail: info@heardmgt.com</p>
	<p>Our staff offers guidance in writing polished business plans, connecting with research in the marketplace, identifying networking opportunities and getting the most from online and print resources.</p>	<p>Phone: 937.496.863</p> <p>E-mail: chall@daytonmetrolibrary.org</p>
	<p>The Urban League has been serving Miami Valley since 1947. We support entrepreneurs in developing their business start-ups or expansion aspirations in the greater Dayton area. The Business Development & Entrepreneurship of the Miami Valley Urban League's mission is to help established entrepreneurs increase their capacity to take advantage of new business opportunities and qualify for financing that will lead to higher levels of business growth. We support those efforts by providing access to a state-of-the-art customer contact center and a qualified, prescreened workforce.</p>	<p>Address: 31 S Main St suite 211, Dayton, OH 45402</p> <p>Phone: (937) 226-1513</p> <p>E-mail: MVUL@ulgso.org</p>
	<p>Aviatria empowers women entrepreneurs through education, connections, and resources.</p>	<p>Phone: 859-655-8343</p> <p>E-mail: admin@aviatra.org</p>
	<p>SCORE Dayton mentors are highly successful and seasoned business professionals and entrepreneurs with the experience and knowledge to help you achieve your small business goals. Browse resources, take a workshop, or find your business mentor today!</p>	<p>Address: 5818 Wilmington Pike #247 Dayton, OH 45459</p> <p>Phone: (937) 867-2000</p>

Logo	About	Contact Information
 <p>LAUNCH DAYTON</p>	<p>At Launch Dayton, we dream of a thriving Dayton economy fueled by locally grown entrepreneurs. Our work is to establish a culture where entrepreneurs build solid foundations and connect to support networks to drive business growth.</p>	<p>Address: 31 S. Main St. Dayton, OH 45402</p> <p>E-mail: info@launchdayton.com</p> <p>Now a part of the Entrepreneurs' Center</p>
 <p>CO OP DAYTON</p>	<p>Co-op Dayton organizes community movement and incubates cooperative enterprise for a just local economy. Co-op Dayton is a nonprofit organization founded in 2016 to develop cooperative businesses that meet community needs.</p>	<p>Address: 840 Germantown St. Dayton, OH, 45402</p> <p>Email: contact@coopdayton.org</p>
 <p>DOWNTOWN DAYTON PARTNERSHIP</p>	<p>The Downtown Dayton Partnership (DDP) is a nonprofit organization funded primarily by a Special Improvement District. The Special Improvement District contracts with the DDP to provide various services including business development, advocacy, and marketing. The DDP is also supported by downtown businesses who choose to join as members.</p>	<p>Address: 10 N. Ludlow Street, Suite 901 Dayton, Ohio 45402</p> <p>Email: info@downtowndayton.org</p> <p>Phone: (937) 224-1518</p> <p>Note: No longer providing small business training/education</p>
 <p>Ohio Minority Business Assistance Centers Dayton</p>	<p>The Minority Business Assistance Centers (MBAC) support the growth and sustainability of small minority-owned, women-owned, veteran-friendly and disadvantaged businesses in Ohio by, but not limited to, providing them with resources that include technical and professional assistance, access to capital, surety bonding, and connection to business opportunities.</p>	<p>Address: 8 N. Main Street, Suite 100 Dayton, OH 454502</p> <p>Phone: 937-226-8280</p> <p>Hosted within Dayton Area Chamber of Commerce</p>

Appendix B: Selected Quotes

A selection of quotes spanning the survey has been provided in the following section. These quotes illuminate the range of themes and issues brought up by entrepreneurs in the region.

- “Will there ever be a serious attempt to assist small African-American businesses because what I see is over the 9 years we have been in business is this overt attempt to dilute the MBE pie and yet again, Black businesses are being left behind. Clearly, with this assault on DEI around the country, few large companies feel the need to give preferential treatment to African-American businesses and I see that as problematic!”
- “There is a huge number of initiatives focused on Black owners. I would like to see more open/welcoming to all minorities.”

About what events they want to see:

- “In the next year, I would like to see a variety of events that cater to the following key points:
Educational Workshops: Events focused on providing valuable knowledge and skills related to business management, marketing strategies, and industry trends.
- “Networking Opportunities: Networking events that connect entrepreneurs, industry professionals, and potential collaborators to foster partnerships, share experiences, and explore business opportunities.
- “Product Launches: Events showcasing new product launches, exclusive deals, and promotions to engage customers, generate excitement, and drive sales.
- “Community Engagement: Events that engage with the local community, support charitable causes, and promote social responsibility to build a positive brand image and contribute to the community.
- “By incorporating these key points into a diverse range of events, we can create a dynamic and engaging calendar that appeals to customers, industry partners, and the broader community, driving business growth and success in the coming year.” “Access to capital where they actually give capital . . . We could have the banks reps for those programs attend and we could fill out information to qualify during the event. Anyone who can’t receive funding can get on the spot instructions on how to access capital that day. Then hopefully re-apply asap. This way the leaders of the program can directly be involved with guidance. Or they can be there to address the programs rules and regulations if someone qualifies but still does not get a loan.” “Often times it’s a challenge to finance our businesses up front. Having more and better access to networks for coaching, customer contracts, as well as technical assistance would add much value to the success of our businesses. Unfortunately, we failed to seek assistance in this area. Just wasn’t aware of available resources.” “I am in need of financial assistance. I am leading a line of credit to assist with my business development currently as a woman, minority and disadvantage business. I haven’t been able to get the contracts that would be lucrative to grow my business.” (*About what is needed to grow business:*) “Networks to access customer contracts that will improve cashflow so that the minority business can consistently have a revenue stream to hire more employees and grow their business!” “As a minority business owner, I have faced being a black business owner, using my own money to finance my business and sustain all financial responsibilities. The Childcare Block Grant from the State Reimbursement payment is underfunded and compensate our program based upon 2018 living wages rates. Before the panic, banks would not fund any childcare center, which was not essential and was a risky business investment.” *Challenges:* “We face these stereotypes of being an MBE unprepared to handle scalable opportunities and financially inept.”
- *Challenges:* “Unfair lending practices, discrimination, racism regarding DEI.”

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