

Black Business Owners Speak Wisconsin



Photo: Rajon Hall

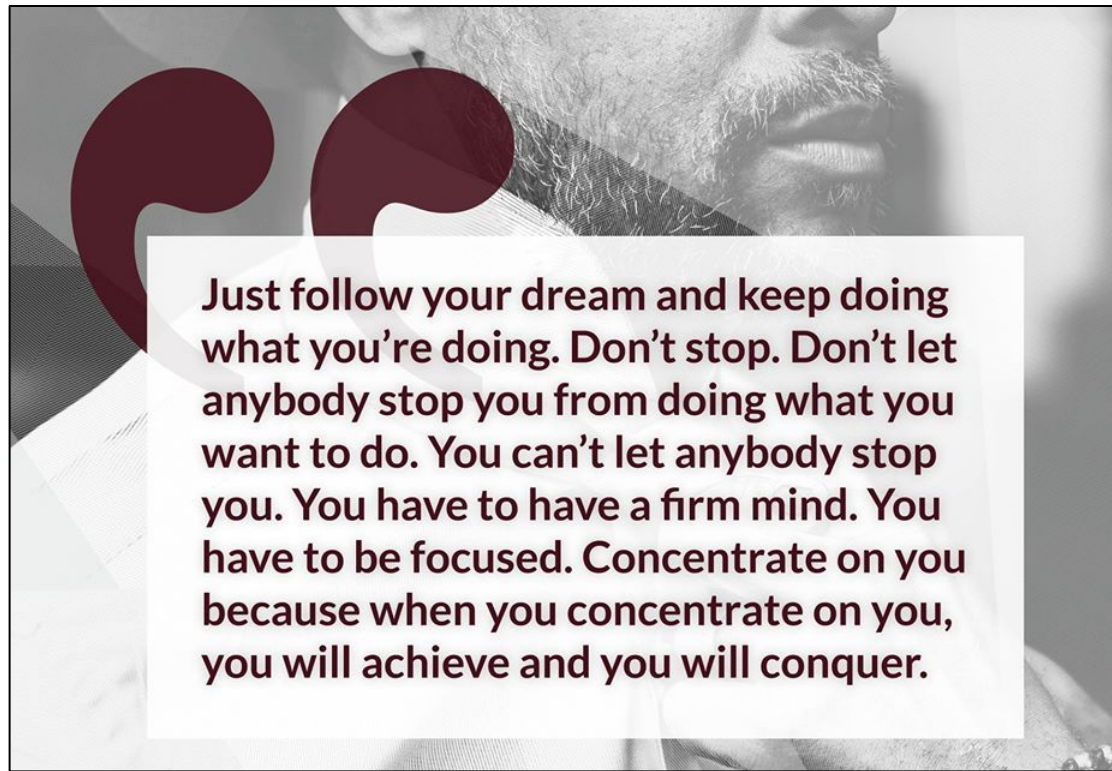
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COMMUNITY ECONOMIC DEVELOPMENT

"Why would Black business owners trust you with their stories?"



Just follow your dream and keep doing what you're doing. Don't stop. Don't let anybody stop you from doing what you want to do. You can't let anybody stop you. You have to have a firm mind. You have to be focused. Concentrate on you because when you concentrate on you, you will achieve and you will conquer.

Photo: Quote from interview research participant, 2019

Swimming Against the Tide: How African American Entrepreneurs in Wisconsin Navigate Barriers to Accessing Startup Capital

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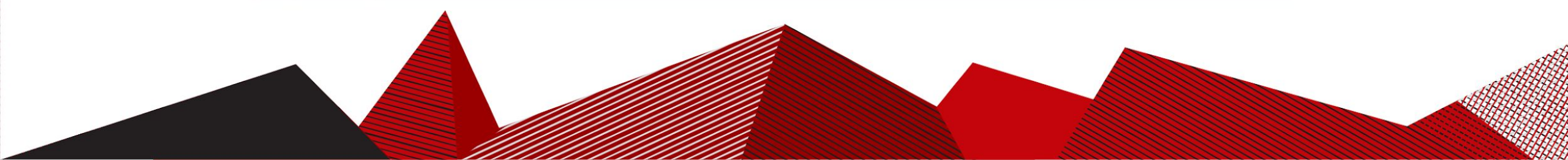


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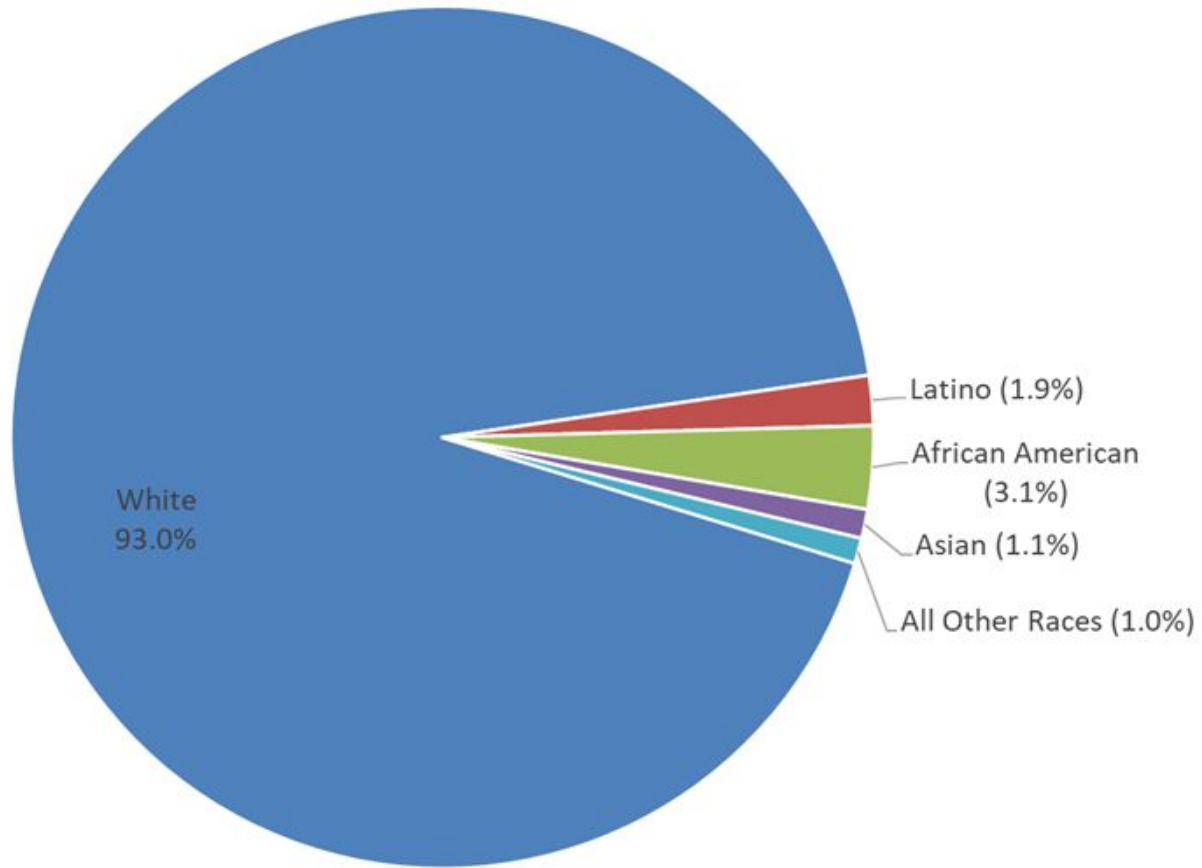
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Largest Black or African American Population

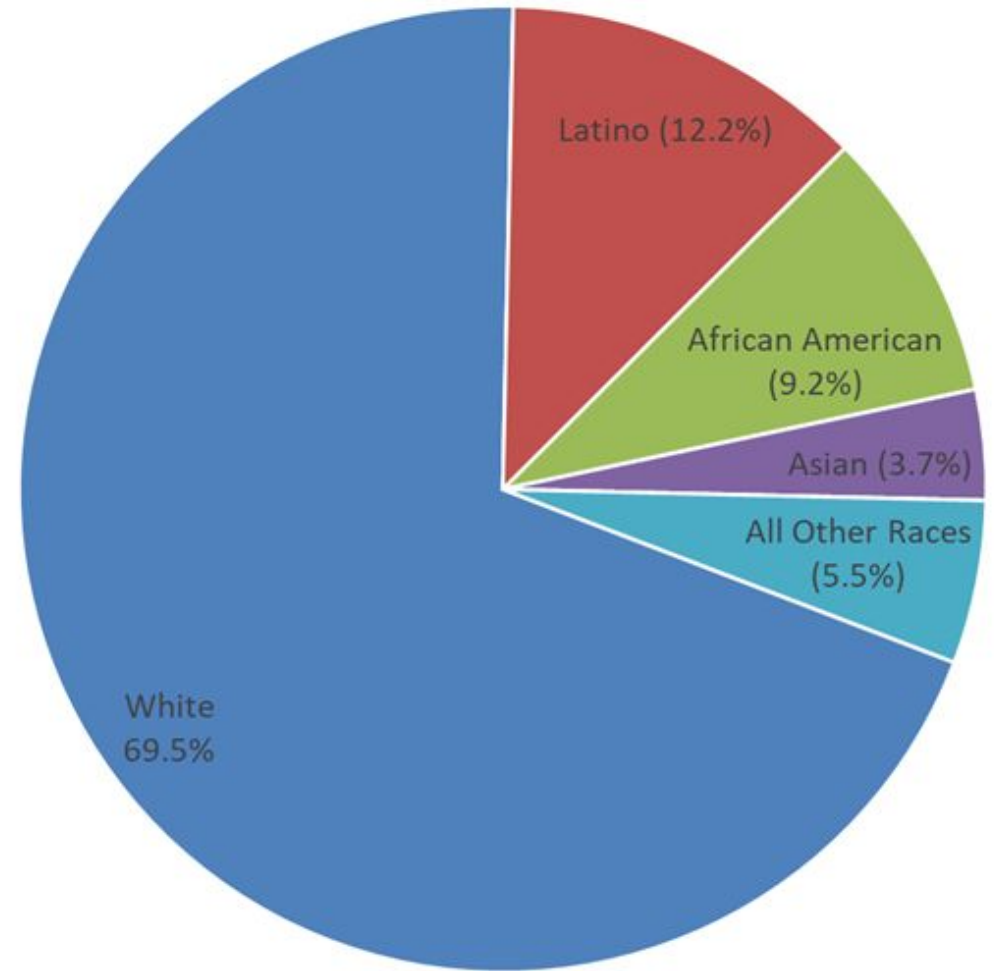
Geography	Total population	Estimate; RACE - Black or African American	Percent; RACE - Black or African American
Wisconsin	5763217	425683	7.4
Milwaukee County, Wisconsin	956586	272369	28.5
Dane County, Wisconsin	522837	34328	6.6
Racine County, Wisconsin	195101	25412	13
Kenosha County, Wisconsin	167886	14789	8.8
Rock County, Wisconsin	161226	10109	6.3
→ Brown County, Wisconsin	258004	9563	3.7
Waukesha County, Wisconsin	396731	7634	1.9
→ Winnebago County, Wisconsin	169540	4553	2.7
→ Outagamie County, Wisconsin	183288	3464	1.9
Sheboygan County, Wisconsin	115094	2871	2.5
Dodge County, Wisconsin	87833	2671	3



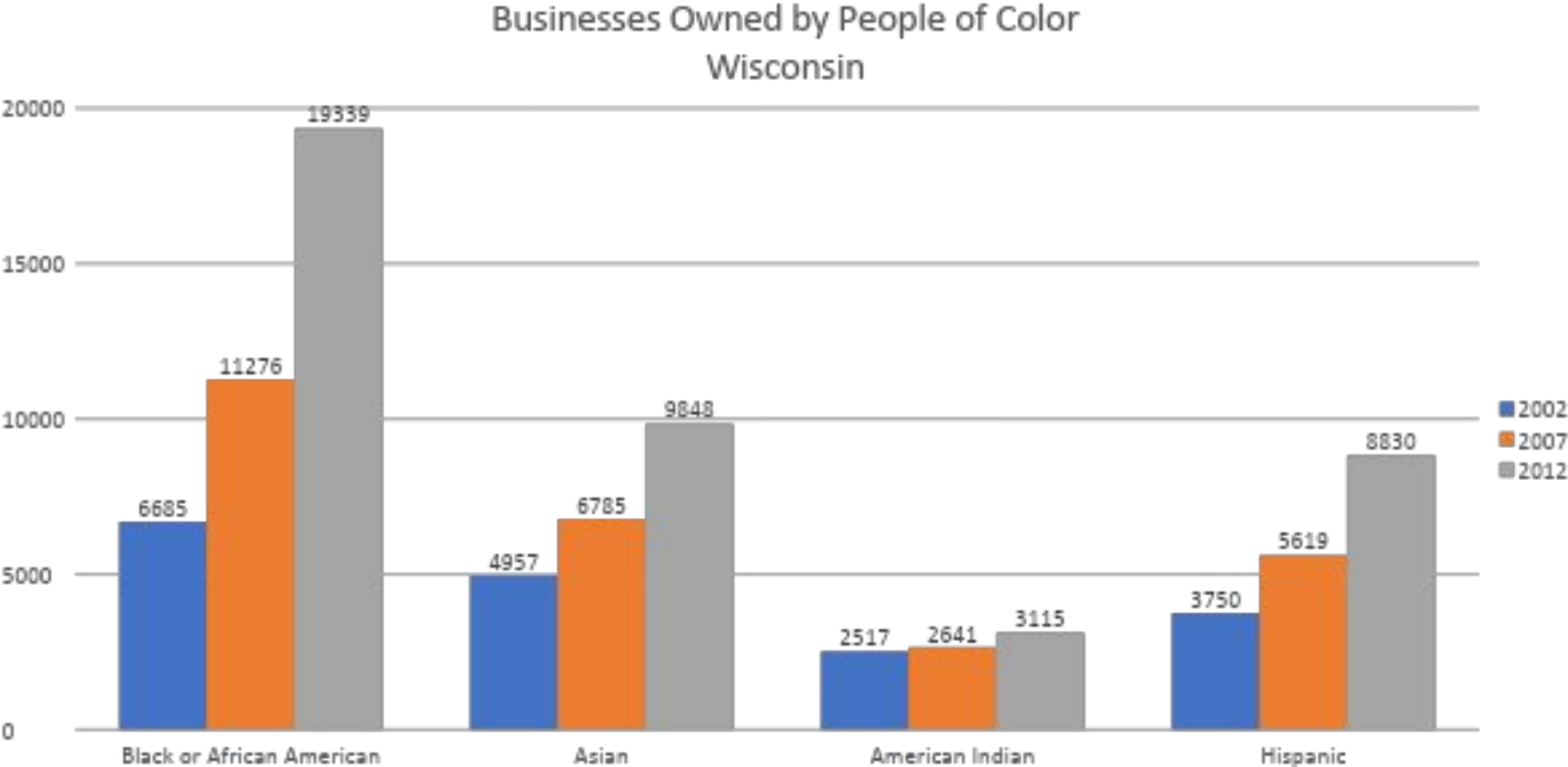
Population Age 65 and Over by Race & Ethnicity, 2019
Wisconsin



Population Age 0 to 9 by Race & Ethnicity, 2019
Wisconsin



Businesses owned by people of color have grown substantially in number.



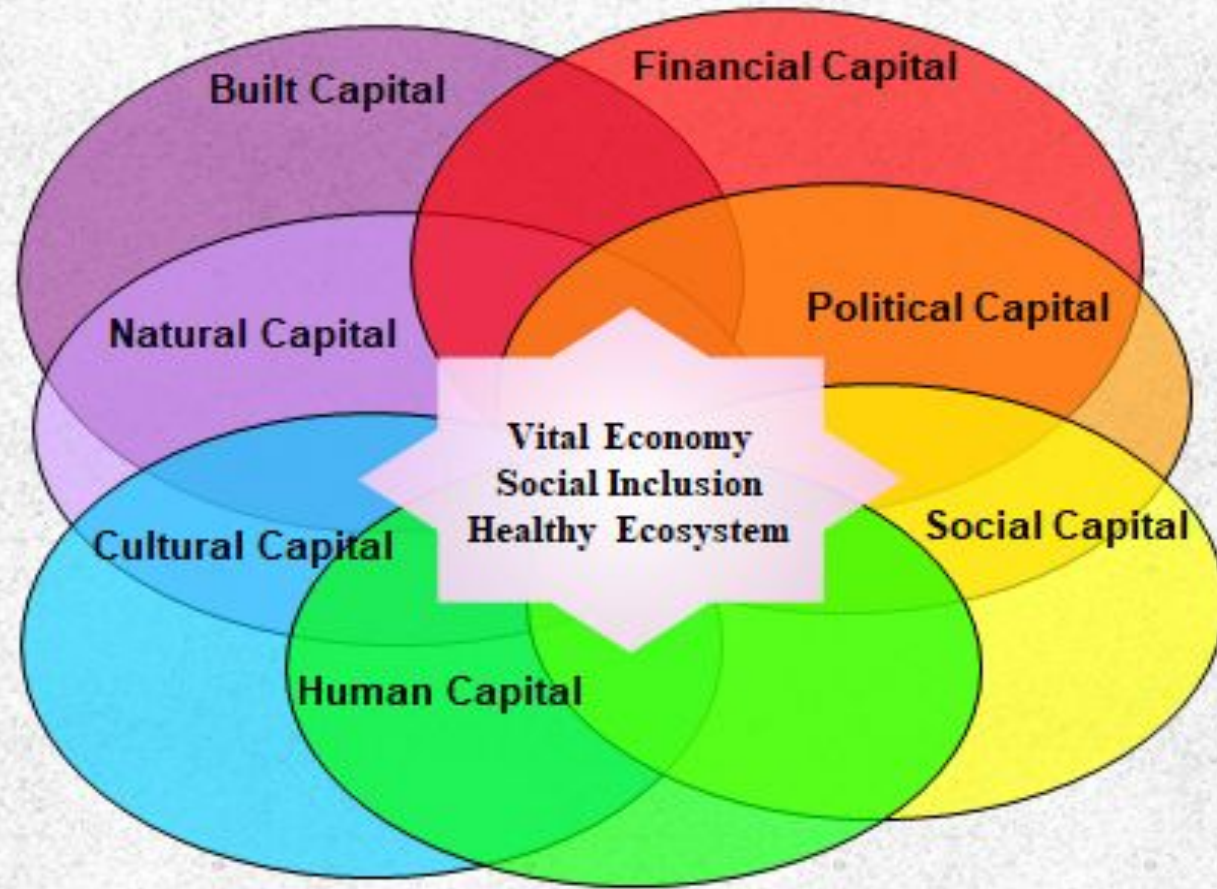


Our Two Frameworks: Participatory Action Research (PAR) & Community Capitals Framework



- **Participatory**: a constituency-led group leads the action and research processes
 - Designs and carries out the action, perhaps with a trained community organizer
 - Designs the research process, perhaps with a credentialed researcher
- **Action**: the constituency-led group has a clear and documentable social change goal with strategies designed to achieve that goal
- **Research**: the constituency-led group identifies knowledge needed to effectively carry out the action, and designs strategy to fill those knowledge gaps that are directly connected to the action

Community Capital Framework



Flora & Flora (2016)

Conceptual Framework - definitions

Natural capital: Assets that abide in a particular location, including land, park, water, wildlife, and natural beauty.

Cultural capital: Reflects the way people “know the world” and how they act within it, traditions and language. It influences what voices are heard and listened to, which voices have influence, how creativity, and innovation, are nurtured.

Human capital: skills, knowledge, good health and ability to perform labor, information utilization, self-esteem and confidence, leadership capacity or potential.



Conceptual Framework

Social capital: Networks, membership in associations or groups, relationships of trust. Bonding social capital vs. bridging social capital.

Political capital: Access to power, organizations, connection to resources and power brokers, ability to find own voice and to engage in actions that contribute to individual and community well-being.

Financial capital: Financial resources people use to achieve livelihood objectives, including saving, credit, cash, and other assets that can be readily converted into cash.

Built capital: Basic infrastructure supporting livelihood activities, including, buildings, transportation, housing, technologies, and equipments/tools.

Key Steps

- Partner with a Black-woman-led nonprofit to design the project & hire research assistant
- Advantage to not using the university hiring process



Regional
People of Color
Business Association

FITOSHKOSH
because race matters



Photo: Tracey Robertson of Fit Oshkosh by Love Wisconsin. Used with permission.

Navigating and rethinking research methods, process, and analysis

- ❖ Rajon Hall: Led 70 Black business owner interviews from NE WI to MKE (2019, 2021)
 - Program opportunity to realization: Inclusive hiring
 - How we hear different things: network & social capital bridging & bonding by including Rajon, Tracey, Dr. Sylvia Carey-Butler, Dasha
 - Coaching & mentorship: realizing career development through this research (graduate school & entrepreneurship)



“Why would Black business owners trust you with their stories?”

Purpose of the Research - 1

To learn about your experiences as business owners here:

- Successes
- Challenges
- Support system
- Financing
- Motivations
- Mentors

With a race equity lens.

What's unique and important to know about Black business owners in a predominantly white area?



Purpose of the Research - 2

To summarize what people said and adapt that into:

- Meaningful support for the entrepreneurs and their businesses
- Fact Sheets, Articles, & Presentations to teach:
 - Economic development practitioners
 - Extension Educators
 - Researchers
 - Community Members
 - Policy makers



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Prior to this project, academia knew....

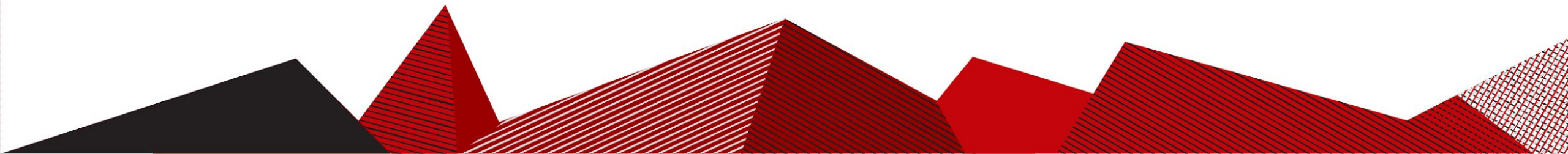
Almost nothing about Black business ownership in WI

- Few formal research studies of Black entrepreneurship, and only 1 in Wisconsin (*Looking beyond the numbers: The struggles of Black businesses to survive: A qualitative approach. Journal of Black Studies. Bonds, 2007*)
- Few economic development organizations focusing specifically on supporting Black business owners (*most are based in Milwaukee & Madison*)
- Little data



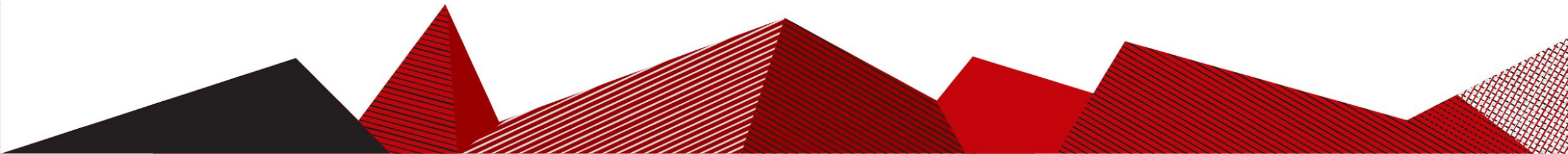
Motivations: Why did you start this business?

- To create a legacy for my kids
- To pass wealth on to the future generation
- To benefit the community, the Black community in particular
- To be a role model for my kids and others who see me
- To have independence
- To make my own decisions
- To have more flexibility than I could in a regular 9-5
- To work hard for myself
- To obtain satisfactory employment
- Influenced by my parents or other relatives



Access to Resources: How did you finance your business?

- **From my own money (29)**
 - Working another job at the same time
 - Savings
- **In-kind support (44)**
 - From trusting relationships like a building owner allowing rent-free for a few months
 - Family and friends helping with remodeling, set up, accounting
 - Donations
- **Inheritance (1)**
- **Formal Lending (4 at startup; 4 when established)**



Did you work with a bank or credit union?

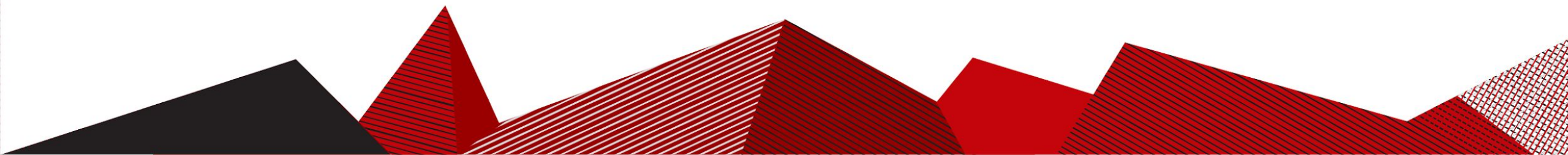
Applied for Loans - 13

Received a Loan - 4 (31%)

- 2 Indicated loan amounts weren't enough to cover the capital needed
- 2 used community organizations rather than traditional banks

Reasons for Loan Denial

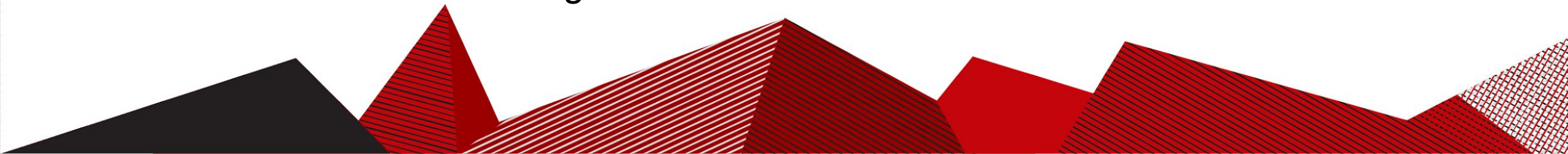
- Insufficient credit history
- Lack of collateral
- Incompatibility of business ideas with banks' lending policies
- Perception of discrimination



“Discouraged” from Lending (21)

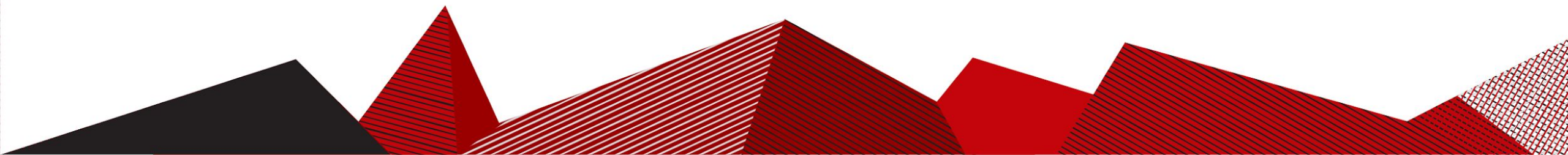
This includes both people who applied & those who didn't

- *“Financial institutions are not going to give you a loan, especially if you're Black. You can go to them with a whole business plan, and they won't give you anything.”*
- *“It's hard to go through a bank being a first-time business owner and Black. You have to have some credibility to get anything done. I guess you ...can have references but with my luck in the past I didn't have that much of luck to get loans for even just a car.”*
- *“They never said the color of my skin or anything like that. I would get certain looks ...Me being a Black woman in the society I live in, you can feel certain things.”*



Community Environment: What's it like being a Black business owner in a predominantly white area?

- Challenging
- Lonely
- “I’m a Black man in a white man’s world.”**
- Just like anywhere.
- I don’t think about it.
- I know I stand out.
- I am building trust by demonstrating “consistency in my integrity.”



Impact

Extension in Northeast WI:

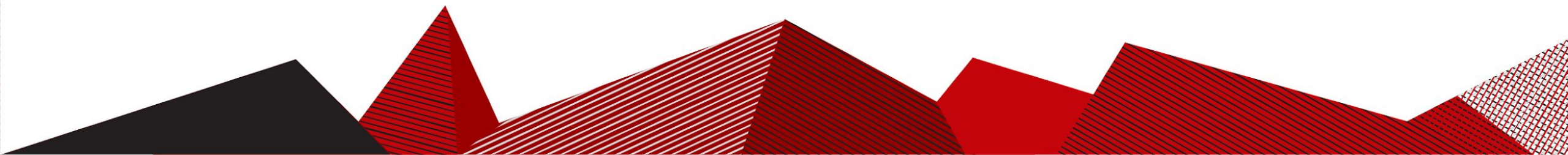
- Analyze, summarize results, author journal publications, present to local business and economic development audiences

Extension statewide

- Meeting with administrators, Aug 2019 -- growth edge
- Entrepreneurs of Color Support Team (funded)
- Continued funding to this research specifically (Dean's Innovation Grant x 3)

Fit Oshkosh → ColorBold Business Association:

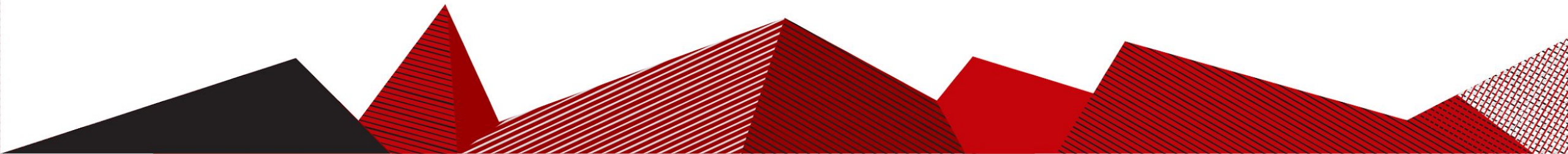
- <https://www.facebook.com/ColorBoldBusinessAssociation>
- Networking, coworking space, online learning sessions, grants



What's Next?

Extension Milwaukee County & The Retreat MKE: Research Program Expansion to Milwaukee

- **3 to 5 year program pilot plan:**
 - Interviewed 22 Black entrepreneurs who already or may want to intentionally collaborate
 - Mapping interviewees' network & doing podcast series, collaborative data analysis
 - Analyzing how network impacts business growth & success
 - Community course including participating entrepreneurs teaching skills in a local-to-regional peer network while learning how to use the digital platform for their business growth
 - Piloting GrowthWheel toolkit for coaching & support
 - Proposing a participant regional conference in 2022



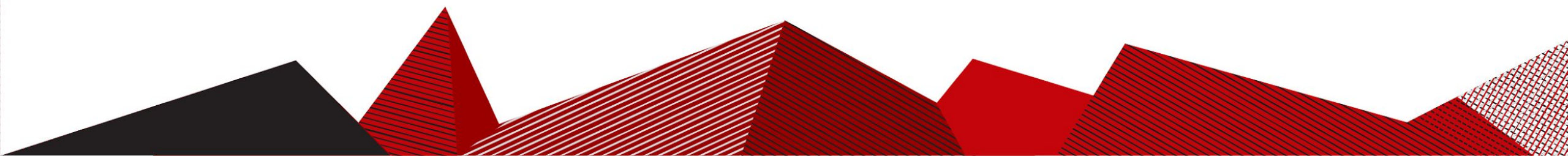
From partnerships to research: Two partners priorities



Photo: Dasha Kelly Hamilton of The Retreat Milwaukee and Stillwaters Collective. Used with permission.

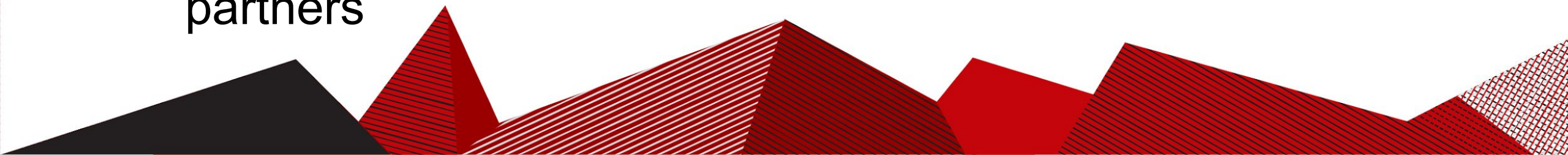
Milwaukee Research Timeline

December 2020 to April 2021	Rajon led interviews (22 completed of 27 recruited)
May - June 2021	<ul style="list-style-type: none">● Network Survey Research Phase 1
Summer 2021	<ul style="list-style-type: none">● Network Survey Research Phase 2● Podcast Series & Facebook Group/Page Begins: Milwaukee participants (inviting NE WI participants) talk in community on research finding theme topics
Fall/Winter 2021	<ul style="list-style-type: none">● Data Walk/Community Report Out: Findings and Network Support in Milwaukee and possibly with Northeastern WI● The Retreat MKE Folk School: Extension co-facilitates community course on research findings & engaging participants + community



Milwaukee Research Program Opportunities in Progress

- Incentives for participation: have secured additional funding, approved to pay for both participation and to teach business expertise
 - Local and regional network opportunities
- GrowthWheel: WI Extension 2-year certification = business development support process and tools
- Additional opportunities may emerge from statewide partners



Let's **BREAKOUT** to Discuss:

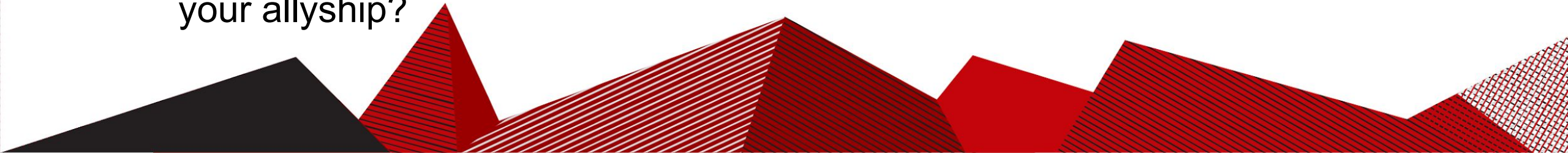


- **How do we allow our community partners/communities drive the process of co-building knowledge?**
- **How can we transform Extension to address diversity, equity & inclusion in programming efforts like this?**



Honest Talk - Prompts for Later Reflection

- ★ What opportunities do you have, or could you create, to do the same with People of Color or other underserved members of your community?
- ★ What opportunities do you have, or could you create, to better understand the context/reality of People of Color or other underserved members of your community?
- ★ What opportunities do you have, or could you create, to partner with People of Color or other underserved members of your community in order to create a space for them to network?
- ★ What opportunities do you have, or could you create, to deliberately work on your allyship?



Your Questions & Comments



**You will run into mistakes – it's inevitable.
It's part of the process.
Don't be afraid...and just keep pushing.**



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As We Close

What is one new idea you are taking with you?

What action will you take as a result?

THANK YOU!



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