

WOMEN EMPOWERED

WOMEN'S FOUNDATION
ARKANSAS



WOMEN OF COLOR BUSINESS OWNERS AND ENTREPRE- NEURS IN ARKANSAS

A SUMMARY REPORT COMPILED BY THE
UNIVERSITY OF CENTRAL ARKANSAS

NEVERTHELESS, SHE PERSISTED.

**STORIES OF WOMEN OF COLOR BUSINESS OWNERS
AND ENTREPRENEURS IN ARKANSAS**

“My story and the stories of other women of color business owners are what provide the hope for the future of women of color business owners. Although the path may be difficult at times and the very pursuit of our business goals often challenged-filled; our ability to overcome obstacles and achieve successes will enlighten the next generations of women of color in business. That motivates me to continue to grow my business, seek resources to support my growth, and pursue insights to guide our expansion.”



Research conducted by the University of Central Arkansas
Report commissioned by the Women's Foundation of Arkansas

ACKNOWLEDGEMENTS

Special acknowledgments to the Women's Foundation of Arkansas for having the foresight to commission this important research and the following women of color for their contribution to this study:

Author and Principal Investigator:

Kristy Carter, University of Central Arkansas

Research Committee and Contributors:

Dr. Riva Brown, Associate Professor of Public Relations, University of Central Arkansas

Dr. Julia Cheers-Young, Owner and Principal Researcher, Precise Data Consulting, LLC

Dr. Shaneil Ealy, Associate Vice President for Outreach and Community Engagement, University of Central Arkansas

Mildred Franco, Executive Director, The Generator

Victoria Mays, Volunteerism Coordinator, University of Central Arkansas

Fredricka Sharkey, Director of Communications, University of Central Arkansas

Karen Walker, Karen Walker Speaks, Focus Group Moderator

Dr. Angela Webster, Associate Vice President for Institutional Diversity and Inclusion, University of Central Arkansas

Adena J. White, Blackbelt Voices, LLC.

Kara Wilkins, Kara Wilkins Consulting, Focus Group Moderator

Research Support:

Jodi McDougal, Graduate Student, University of Central Arkansas

Maria Negrete-Padron, Latinx Outreach Coordinator, University of Central Arkansas

Report Design, Photos, and Videos

Mailena Urso and Grayce Holcomb of Concord Adams

Special thanks to the 108 women who responded to our survey; to Laura Carrasco, Sandra Carrasco Quezada, Shunqetta Cunningham, Travena Jefferson, Maryann Lee, Teneicia Roundtree, Keneasha Scott, and Mailena Urso, who also shared their stories in the final report; and to the 44 women who participated in the focus groups.

TABLE OF CONTENTS

FOREWORD	5
INTRODUCTION	6
BACKGROUND AND MOTIVATION	9
BARRIERS	14
ENTREPRENEURIAL SUPPORT SYSTEMS	20
FUTURE OUTCOMES	24
RECOMMENDATIONS	28
SUMMARY	30
METHODOLOGY	31
REFERENCES	33

Connect with WFA
womensfoundationarkansas.org



The statements, findings, conclusions, and recommendations found in this study are those of the author and do not necessarily reflect the views of the Women's Foundation of Arkansas.

FOREWORD

Foreword by Adena J. White of Blackbelt Voices, LLC.

When this project began in January of 2020, we had no idea a pandemic would stop the world in its tracks. The U.S. government scrambled to launch financial relief packages to help the rapidly declining economy, but many small businesses, particularly those owned by women of color, were left to fend for themselves.

Once health experts learned more about COVID-19, we discovered that Black, Indigenous and People of Color in America were dying from the disease at a disproportionate rate. As the country began the slow process of returning to “normal”, we found ourselves in “all-too-familiar” territory. Two high-profile cases involving police officers killing George Floyd and Breonna Taylor dominated the news, and systemic racism was the backdrop for each of these instances. While the country sought change and equity and called for an end to the pandemic ravishing the country, women of color persisted.

Despite the odds, women of color in Arkansas continue to open businesses at extraordinary rates. Whether they open a business out of necessity or out of a desire to be their own boss, we wanted to explore their “why” and find out how our State’s entrepreneurial ecosystem and the actors therein could better support them along their entrepreneurial and business ownership journeys.

This report provides a glimpse into the reality of business ownership during the events of the COVID-19 outbreak and how those events impacted business practices for women of color. Most importantly, this research was a seminal moment in time to share the stories of women of color who continue to persist in business at one of the most unique and economically challenging times in our history.



ABOUT THE AUTHOR

Kristy Carter is the director of marketing for the Division of Outreach and Community Engagement at the University of Central Arkansas (UCA). She is a charter member of UCA’s Minority Vendor Partnership Initiative through the Office of Institutional Diversity and Inclusion and a doctoral candidate in UCA’s Interdisciplinary Ph.D. in Leadership Studies program, where her research focus is entrepreneurial ecosystem building for communities of color.

INTRODUCTION

In 2020, the Women’s Foundation of Arkansas commissioned the University of Central Arkansas Office of Institutional Diversity and Inclusion, specifically through the work of its Minority Vendor Partnership Initiative, to conduct a follow-up study to findings from its 2018 study on the Economic Indicators of Women in Arkansas. That study found that Black women outpaced every other demographic in business creation, but what was unknown was what contributed to the growth of these businesses and how women of color navigated the entrepreneurial ecosystem in Arkansas.

The purpose of this study was to identify gaps in Arkansas’ entrepreneurial ecosystem and the services provided by entrepreneurial support organizations (ESOs) to women of color as they ventured to establish their own business. In addition to learning more about gaps within the entrepreneurial ecosystem in Arkansas, the study provides insight into the reality of business ownership during the events of the COVID-19 pandemic and how these events impact women of color business practices. Most importantly, exploring this phenomenon allowed the researchers an opportunity to go beyond anecdotes and share the lived experiences of women of color business owners and entrepreneurs.

“If people just gave us a chance and actually took the time to get to know us and just do their research, they will find we have some of the most amazing businesses and amazing business owners I believe in the country.”

For this study, we conducted six virtual focus groups with 44 women of color business owners and entrepreneurs from across the state of Arkansas and collected 108 surveys from additional participants. The women’s experiences and stories were warranted and thought-provoking. Because of this, we have selected stories of seven women to highlight throughout this report.

We begin the report with a cursory overview of the participants’ backgrounds and motivation for starting a business. Next, we highlight the barriers and challenges that the women report. Then we move on to provide a glance into the entrepreneurial ecosystem and better understand how the events of COVID-19 have impacted their businesses. We end with a series of recommendations gleaned from the participants on how to build an inclusive entrepreneurial ecosystem that fosters economic growth and vitality for the future.

**“It’s time for us to start sharing our stories
and then not be afraid to thrive in that space.”**

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



MAILENA URSO - OWNER BIG BOX KARAOKE FAYETTEVILLE, AR

Big Box Karaoke is a private suite karaoke restaurant and bar located in Downtown Fayetteville, perfect for all ages to sing, eat and drink.

“Sharing my story is important to me to remind myself of my successes, but also to hopefully inspire other women to follow their passions and not be afraid of risk.”



WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Mailena in her own words!](#)



Throughout the country, women have significantly less wealth than men, and the gender wealth gap is worse for women of color. Business ownership is a powerful tool for generating wealth, producing income, and building assets, causing entrepreneurs to accumulate more net worth than those who never become self-employed. While data shows that women-owned businesses are growing in number, they are typically smaller in size and generate lower revenues and profits. Women face challenges restricting their capacity to build wealth as business owners: limited access to capital, racial discrimination, limited access to networks and mentors, and lower levels of business education.

Business ownership has the power to reduce the gender and racial wealth gaps, but while women outpace men in entrepreneurship, the ecosystem has historically and systematically disadvantaged women, particularly women of color. WFA's previous research found that Black women in Arkansas own 60% of all Black-owned businesses and that the highest concentrations of women-owned businesses are in the poorest counties. The information gathered from this report confirms that these gaps exist and allows women of color to vocalize their needs, representing opportunities to alter the landscape of business ownership and practice for women of color in Arkansas in positive ways.

The Women's Foundation of Arkansas will use this report as a guide in its future work, specifically supporting women entrepreneurs in underserved areas. Our aim is to work with women of color entrepreneurs to create an innovative model of end to end entrepreneur support. By working with women like those in this report, we will dismantle barriers they face to access critical resources by convening stakeholders to address the historical inequities.

Anna Beth Gorman

Executive Director

Women's Foundation of Arkansas

BACKGROUND AND MOTIVATION

Nationally and in Arkansas, studies report that women of color outpace all other demographics concerning venture creation. In the United States, 5.4 million businesses are owned by women of color who employ 2.1 million people and generate \$361 billion in revenues annually. From 2014 to 2019, firms owned by women of color grew by 43%. On average, 849 net new women-owned businesses were added every day to the economy because women of color turned to entrepreneurship in dramatic numbers (The State of Women-Owned Businesses, American Express Report, 2019).

For our study, we surveyed 108 women of color business owners and entrepreneurs from Arkansas. The table below and subsequent charts provide background data on the status of business ownership and their motivation for starting new ventures.

BUSINESS CLASSIFICATION

NEW BUSINESS	GROWTH/ESTABLISHED	EXPANDING/SCALING	MATURITY/EXIT	NONE OF THESE
35%	34%	25%	1%	5%

NUMBER OF EMPLOYEES

0	1-2	3-4	5-10	11-20	20+
34%	31%	19%	10%	4%	2%

NUMBER OF YEARS IN BUSINESS

0-1	2-5	6-10	11-15	16-20	21-24	25+
20	35	36	12	2	2	1

ANNUAL BUSINESS REVENUE

\$10,000 OR LESS	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,000 OR MORE
35%	17%	10%	16%	22%

NUMBER OF BUSINESSES ESTABLISHED IN A LIFETIME

1	2-3	4-5	MORE THAN 5
41%	47%	7%	5%

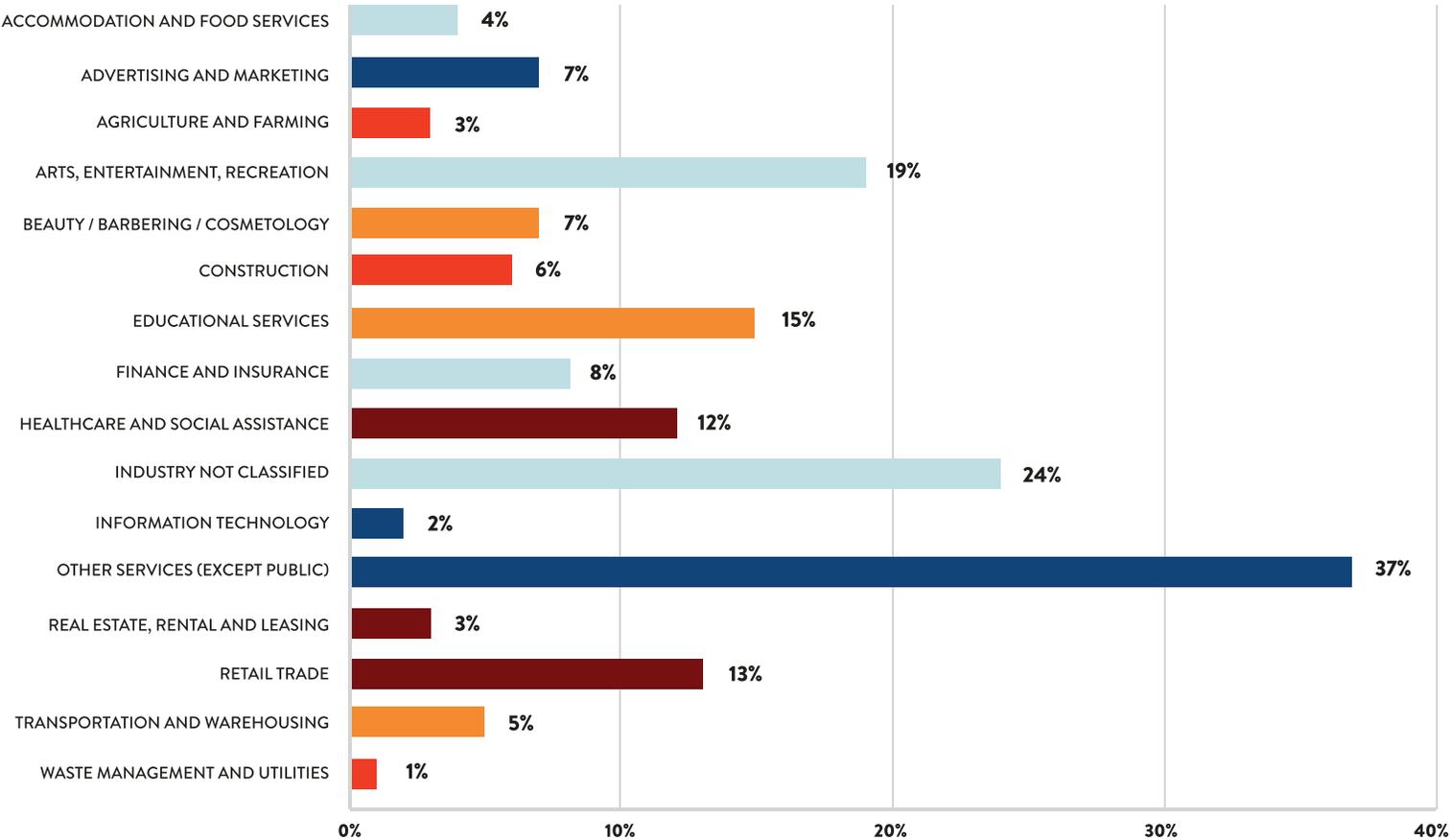
SOURCE: 2020 ARKANSAS WOMEN OF COLOR BUSINESS OWNER AND ENTREPRENEUR SURVEY

We asked the women who participated in this study what they believe contributed to the growth of new businesses by women of color in Arkansas. Overwhelmingly, women reported that their heritage, resiliency, creativity, problem-solving, filling niches, service to the community, and faith played important roles in the growth of business ventures by women of color.

“Both of my parents were business owners and taught me at a very young age the keys to professionalism and work ethic it may take to become an entrepreneur and sustain a business.”

“I am the oldest child born to a single mother, a first-generation college graduate who found success in the male-dominated world of manufacturing and engineering. At 40, I decided that shattering the glass ceiling was not necessary when I could take the experience gained back to my village based on the theory when women succeed, the community succeeds.”

INDUSTRY TYPES



“I am a woman of color. We have more than one barrier as businesswomen; the first is being Black, second is being a woman. No one knows these tasks more than another woman of color. Being seen as a reputable person to receive funds from a bank or any large establishment has been difficult for me, so coming into this business I had to use my own money. With \$5,000, I found a storefront business and building and started my dream. Even with COVID-19, I am resilient and I refuse to fail.”

One cannot think of entrepreneurship without taking creativity into account. Creativity is an essential component of entrepreneurship regardless of the field. Every business created was generated off a single idea that developed into other ones. Individuals with the ability to think outside the box and cultivate new ideas for starting a business are more likely to have greater entrepreneurial intentions (Smith et al., 2016).

“Every entrepreneur wants to shake things up and create something better than what came before.”

“Where we lack in financial resources, we have an abundance more in creativity . . .”

Traditionally, women have been portrayed as lacking entrepreneurial intentions that are indicative of them not having the desire, self-confidence, ability to take risks, entrepreneur education, and other factors that contribute to one’s decision to start a business. Research maintains it is the lack of entrepreneurial intentions that speaks to the huge gap between the number of men and women who become entrepreneurs (Smith et al., 2016). However, it is the opposite for the women of color business owners and entrepreneurs who participated in this study. In addition to their grit and determination, they also credit their faith and belief in a higher power as a major contributing factor to their business acumen and success.

“God has brought my business full circle. So now, I see the fight to make my dream come true in a different way when now I feel like that is my only option so that I can live and walk in my purpose.”

“God began to show me that I was to start my own business.”

“I serve an awesome God who supplies my EVERY need!”

TOP 5 MOTIVATIONS FOR STARTING A BUSINESS:

#1

FINANCIAL
SECURITY - 72%

#2

FLEXIBILITY TO WORK
OWN HOURS - 71%

#3

PURSUE A
PASSION - 51%

#4

SERVE THE
COMMUNITY - 51%

#5

SEE A VISION COME
TO LIFE - 46%

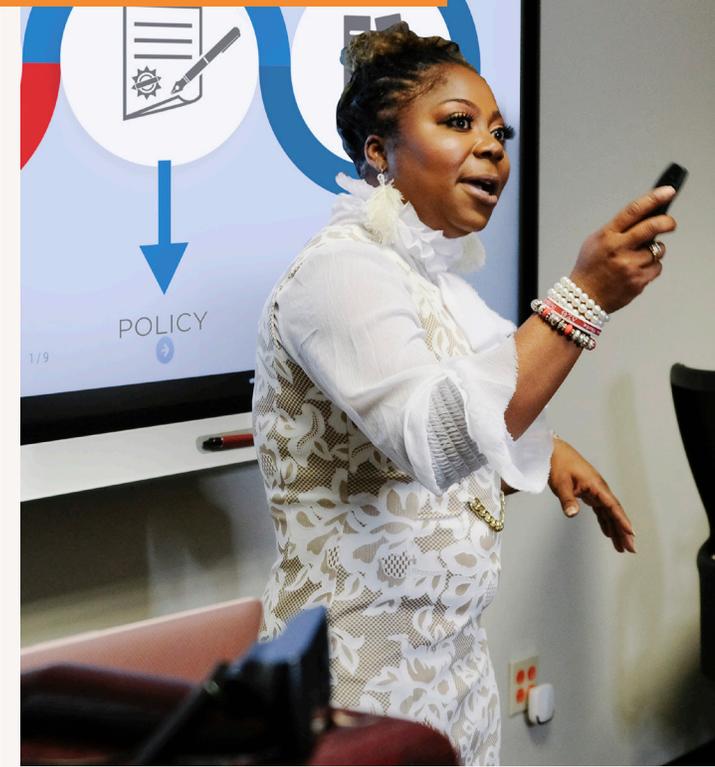
“I immigrated to the US 35 years ago, started as a plant worker in the chicken plant and achieved a career in retail. Now I own my own business and apply my core values and vision and female power to my work. I love it - therefore, I will not ‘work’ another day in my life!”

“I think the height of me owning my own business is that I have children . . . I have a family and so I can maneuver my schedule to be able to still be a mom and still be a wife. I don’t have to miss almost anything because I’m my own boss. I can schedule my life around my children. I don’t want to miss those moments.”

“Many women feel unworthy and afraid, but I believe we have to be an example to our children and surrounding communities. Making that first step and educating yourself is the key but not giving up is essential.”

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



KENEASHA SCOTT - OWNER
K SCOTT CONSULTS, LLC.
LITTLE ROCK, AR

K Scott Consults, LLC, has more than 15 years experience in regulatory compliance consulting specializing in loss control, safety, and security, in local, state, and federal regulatory compliance.

“I worked for the state for 16 years and I decided to take a leap of faith and just do it.”



**WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...**



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Keneasha in her own words!](#)

BARRIERS

Studies have found that entrepreneurs of color start their businesses with almost three times less in terms of overall capital than new white-owned businesses (Hwang et al., 2019). According to our survey, access to capital was the number one barrier for participants as they started their businesses in Arkansas. However, second to financial related barriers, racial and gender biases were noted as significant barriers for women of color business owners and entrepreneurs.

One theme that resonated among participants concerning racial bias and discrimination was the idea of perceived legitimacy, where women of color are not “seen” as credible business owners.

“For a long time, I put someone who was not of color as the face of my business because it was hard for people to follow my lead, even though I had purchased the business and was the owner.”

“My husband and I had a restaurant for 18 years. He grew up in the Delta, and he always wanted to be the face upfront. But I always had him to have a Caucasian person that represented the business and went forward with us. And I didn’t want anyone to associate the business with any race or gender...I didn’t want anyone to know. If you don’t discuss it, don’t talk about it and just do business the way business is done, it doesn’t matter what the race or the gender of the person is, but it did matter. And that’s why I had a front person.”

Additionally, the following barriers were consistent among participants’ experiences:

- Broadband access
- Financial accounting practices
- Knowledge of general business practices
- Lack of business mentors
- Marketing support
- Personal credit
- Personal income
- Resource accessibility and availability

“I believe that many of the services for businesses owned by minority groups should have the same kind of access as other regular businesses in our area.”

PERCEIVED BARRIERS TO STARTING A BUSINESS IN ARKANSAS

	STRONGLY DISAGREE	DISAGREE	AGREE	STRONGLY AGREE
ACCESS TO CAPITAL	2.0%	5.0%	30.7%	51.5%
RACIAL BIAS OR DISCRIMINATION	1.9%	8.4%	26.2%	39.3%
ACCOUNTING OR FINANCIAL MANAGEMENT	4.6%	3.7%	28.7%	38.9%
CREDIT WORTHINESS (ADEQUATE CREDIT SCORE)	2.8%	4.7%	30.8%	38.3%
CASH FLOW	0.9%	5.6%	39.8%	37.0%
BUSINESS MENTORS	1.9%	9.3%	27.8%	33.3%
GAINING ACCESS TO MARKETS	2.8%	5.6%	41.1%	31.8%
BUSINESS PLANNING	2.9%	17.1%	30.5%	29.5%
GENDER BIAS	2.8%	12.3%	34.9%	24.5%
SUPPORT FROM THE LOCAL BUSINESS COMMUNITY	3.8%	7.6%	34.9%	22.6%
CHANGES IN TECHNOLOGY	6.5%	18.5%	20.4%	22.2%
INABILITY TO HIRE QUALIFIED EMPLOYEES	0.9%	12.3%	22.6%	21.7%
PROFESSIONAL TRAINING	11.2%	15.9%	29.0%	17.8%
FAMILY RESPONSIBILITIES	7.6%	8.5%	21.7%	16.0%
MANAGERIAL SKILLS	10.3%	17.8%	23.4%	14.0%
APPROPRIATE CHILDCARE	6.5%	9.4%	18.7%	12.2%
ZONING LAWS OR OTHER LOCAL, STATE OR FEDERAL REGULATIONS	2.9%	14.3%	21.0%	11.4%
PROOF OF BUSINESS CONCEPT	5.7%	14.2%	35.9%	11.3%

SOURCE 2020 ARKANSAS WOMEN OF COLOR BUSINESS OWNER AND ENTREPRENEUR SURVEY

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



TRAVENA JEFFERSON - OWNER NORTHERN TECHNICAL COLLEGE CENTRAL ARKANSAS

Northern Technical College provides technical education in barbering and cosmetology in four locations in Central Arkansas.

“I have been able to overcome my barriers by budgeting, educating myself, and taking additional courses and classes in order to make my business more sustainable.”



WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Travena in her own words!](#)

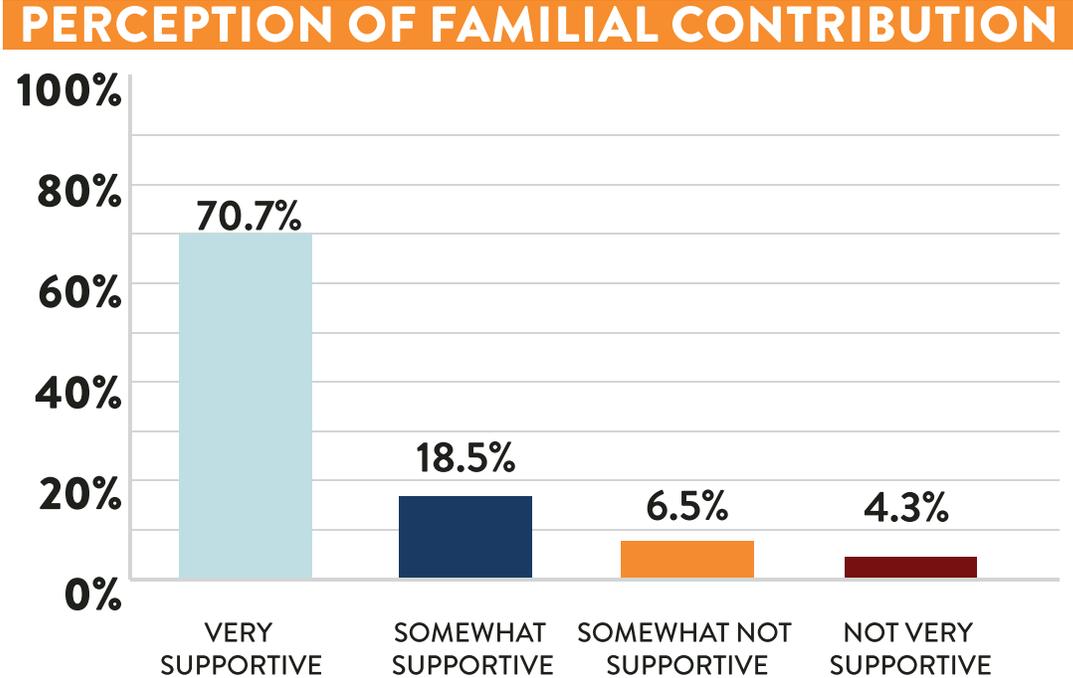
According to this study, participants agree or strongly agree that gaining access to markets, racial and gender bias, and discrimination are barriers to entrepreneurial success. This indicates markers of a weak entrepreneurial ecosystem and opportunities to create a more inclusive ecosystem designed to address the needs of women of color.

Women also reported challenges with scaling their businesses noting:

- Markets are dominated by majority firms making it difficult to land large contracts or expand services into new markets;
- Lack of knowledge on how to scale a business and be sustainable;
- Inability to hire an educated/skilled workforce; and
- Lack of economic development (noted by participants from rural parts of the State).

In terms of capital funding sources for their businesses, approximately 20% of focus group participants noted the use of commercial bank loans for capital funding. However, the majority of women who participated in this study relied on self-funding and 71% relied on familial contributions to start their businesses.

“I was afraid to reach out to a bank institution and receive a loan, so I actually saved money...Pretty much created a loan for myself and borrowed from myself.”



When asked about the type of capital needed and the types of financial products that women of color would benefit from, participants suggested the idea of having access to loans without lofty collateral requirements, business start-up grants, or support from business incubators and accelerator programs.

Participants credited these programs for capital support.

- 100K Incubator
- Momentum
- Operation Jump Start
- KIVA through the Startup Junkie

Although not financial, social capital was noted by participants as being a major “capital” needed for women of color business success. Having the necessary networks and systems in place that support women of color businesses resounded with participants.

“I can go to the bank, I can go sign a loan to buy a boat, buy a motorcycle, do whatever, take a vacation, but when it comes to accessing startup funds for a business, you don’t have that signature loan capability...where do you go? If someone knows, please tell me!”

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



LAURA CARRASCO - OWNER BITES AND BOWLS EATERY SPRINGDALE, AR

Bites & Bowls is a small family-owned eatery specializing in combining Mexican ingredients with classic American dishes for delicious breakfast and lunch options.

“As any entrepreneur I face challenges, but as a woman of color, the resources are limited. In fact, I was rejected when I visited my local banks. It takes additional courage to continue hunting for ways to start your own business. I have always had the support of my sister, who has been by my side the full process. She is the co-founder of the businesses, but I’m the owner and the only member in the LLC. Once I started my business I realized how complicated it was to actually generate revenue, my income for my first year in business was negative when I took into consideration all the startup expenses. I am a single mother and not making income had a tremendous impact on my household finances. My parents supported both myself and my child during the first 6 months we were in business. Without family support, many women of color are unable to get into entrepreneurship.”



WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Laura and sister, Sandra, in their own words!](#)

ENTREPRENEURIAL SUPPORT SYSTEMS

To gain better insight into the stories of women of color business owners and entrepreneurs, it is important to understand their support system, i.e the entrepreneurial ecosystem. An entrepreneurial ecosystem is made up of leaders, culture, capital markets, and open-minded thinkers called ecosystem builders that coalesce around the entrepreneur to nurture and support them (Isenberg, 2010).

Entrepreneurial ecosystems that function well for entrepreneurs support growth, drive innovation, and foster economic vitality (Stam & Spigel, 2016; Mason & Brown, 2014). Healthy ecosystems also help scale businesses and transform communities (Spigel & Harrison, 2018). However, the women of color who participated in this study have not truly benefited from the human, financial and social resources within Arkansas’ entrepreneurial ecosystem in a way that garners optimal economic prosperity (Gines & Sampson, 2018).

“It would be so nice if we had a world that if you just did good work, people would come in. But a lot of times, it’s just they don’t feel comfortable doing business with people of color.”

SUPPORT FROM ENTREPRENEURIAL SUPPORT ORGANIZATIONS (ESOs)

ASBTDC **WORLD TRADE CENTER**
SBA **KIVA** **OVER A CUP**
WOMEN’S BUSINESS DEVELOPMENT CENTER
ARKANSAS COMMUNITY FOUNDATION
BNI **DELTA SIGMA THETA SORORITY**
AEDC **PRETTY GIRLS ROCK**
WOMEN’S FOUNDATION OF ARKANSAS
THE CONDUCTOR **YMCA**
REMIX IDEAS **THE LINKS**
JACK AND JILL OF AMERICA
START-UP JUNKIE

- Arkansas Small Business Technology Development Center (ASBTDC)
- Arkansas Community Foundation
- Arkansas Economic Development Commission (AEDC)
- Business Networking International (BNI)
- Delta Sigma Theta Sorority, Inc.
- Jack and Jill of America, Inc.
- KIVA
- Over A Cup
- Pretty Girls Rock, LLC.
- The Conductor
- The Links, Inc.
- Remix Ideas
- Small Business Administration (SBA)
- Start-Up Junkie
- Women’s Business Development Center
- Women’s Foundation of Arkansas
- World Trade Center - Arkansas
- YMCA

ENTREPRENEURIAL SUPPORT ORGANIZATIONS AND PERCEIVED SUPPORT BY PARTICIPANT

ANSWER CHOICES	RESPONSES	
ACCELERATOR/INCUBATOR	7.4%	8
ANGEL INVESTOR	0.9%	1
BUSINESS DEVELOPMENT SERVICE PROVIDER	5.6%	6
CHAMBER OF COMMERCE	15.7%	17
COLLEGE OR UNIVERSITY	18.5%	20
CONSULTANT	13.9%	15
CROWDFUNDING	4.6%	5
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION	7.4%	8
ENTERPRISE DEVELOPMENT SERVICES	4.6%	5
IMPACT INVESTOR	0.9%	1
MICROLENDING	3.7%	4
PHILANTHROPIC ORGANIZATIONS	6.5%	7
POLICY MAKER OR LEGISLATOR	2.8%	3
VENTURE CAPITAL FUND	1.9%	2
NONE OF THESE	49.1%	53
OTHER NOT SPECIFIED	18.5%	20

SOURCE 2020 ARKANSAS WOMEN OF COLOR BUSINESS OWNER AND ENTREPRENEUR SURVEY

Forty-nine percent (49%) of participants received support from informal networks called sub-ecosystem entrepreneurial support organizations. Focus group participants noted physical distance to ecosystem hubs and not knowing that such resources exist as challenges. Those participants who have benefitted from services provided by entrepreneurial support organizations (ESOs) report the most success with colleges and universities, small business technical assistance programs (where available), and accelerators and incubators.

PERCEIVED SATISFACTION WITH EXISTING ENTREPRENEURIAL SUPPORT SERVICES

	VERY DISSATISFIED	DISSATISFIED	SATISFIED	VERY SATISFIED
ACCESS TO NETWORKS AND PARTNERS	5.60%	24.10%	28.70%	4.60%
BUSINESS EDUCATION AND TRAINING	7.40%	20.40%	38.90%	4.60%
BUSINESS STRATEGY AND PLANNING	5.60%	22.20%	24.10%	2.80%
CREDIT REPAIR SERVICES	6.50%	22.40%	13.10%	4.70%
DIRECT INVESTMENTS	15.10%	25.50%	7.60%	2.80%
FINANCIAL MANAGEMENT	12.30%	25.50%	11.30%	2.80%
GRANTMAKING SERVICES	16.70%	33.30%	12.00%	1.90%
HIRING A WORKFORCE/EMPLOYEES	3.80%	23.60%	16.00%	3.80%
INVESTOR MATCHMAKING	20.40%	34.30%	4.60%	0.90%
MARKETING SUPPORT	4.70%	28.30%	22.60%	6.60%
PEER NETWORKING OR BUSINESS MENTORSHIP PROGRAMS	6.50%	27.80%	25.90%	5.60%
PERFORMANCE MANAGEMENT	7.50%	20.60%	12.20%	2.80%
PROOF OF CONCEPT	5.70%	18.10%	10.50%	4.80%
RESEARCH AND DEVELOPMENT	4.60%	21.30%	27.80%	2.80%
VALUE SUPPLY CHAIN DEVELOPMENT	7.60%	20.00%	10.50%	5.70%

SOURCE 2020 ARKANSAS WOMEN OF COLOR BUSINESS OWNER AND ENTREPRENEUR SURVEY

Participants also indicated they were neither satisfied nor dissatisfied with entrepreneurial support services because they had no idea the resources existed.

“A lot of my support system actually comes through my inner circle and the people closest to me.”

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



SHUNQETTA CUNNINGHAM - OWNER & FOUNDER THE KHARIS GROUP OVER A CUP JONESBORO, AR

The KHARIS Group provides both nonprofit and for profit agencies with grant writing, vision and strategic planning, leadership development and other capacity building services.

Over a Cup is a networking group with an intentional purpose to connect and strengthen Black women entrepreneurs in the Northeast region.

“Instead of waiting for an invitation to pull up a chair at someone else’s table, we decided to build our own. And that’s how *Over a Cup* started.”



WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Shunqetta in her own words!](#)

FUTURE OUTCOMES

COVID-19

The unique circumstances surrounding COVID-19 made it necessary to gauge the state of business affairs by women of color during the pandemic. Thirty-two percent (32%) of women reported the coronavirus pandemic had a somewhat negative impact on their business operation. Focus group sessions revealed that COVID-19 has impacted women of color businesses in the following ways:

- Acquiring technical knowledge and skills to pivot virtually
- Implementing CDC and health department guidelines with limited personal protection equipment
- Maneuvering products in a disrupted supply chain
- Redesigning services with alternative delivery methods

Only 4% of women declared a lack of childcare as a challenge during the pandemic.

Forty-five (45) of the women in this study received supplemental aid from government programs while 63 did not.



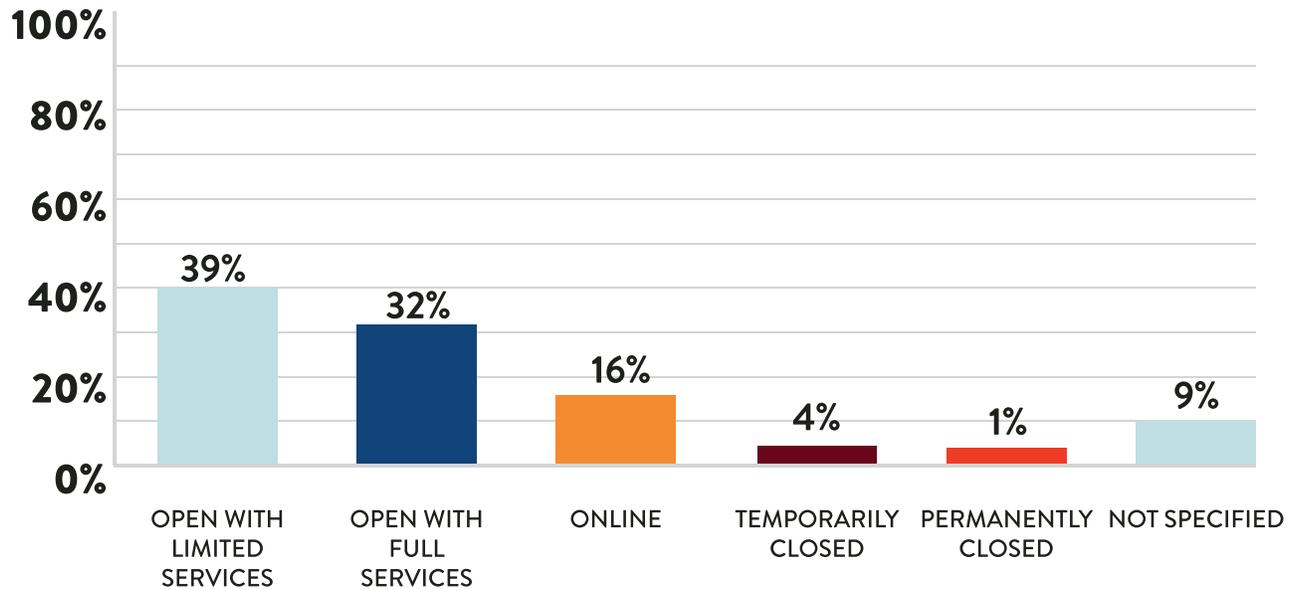
Funding sources noted by participants that provided support:

- Arkansas Economic Development Commission Grants
- Paycheck Protections Program Loans
- Economic Injury Disaster Loans
- Women’s Foundation of Arkansas Grants

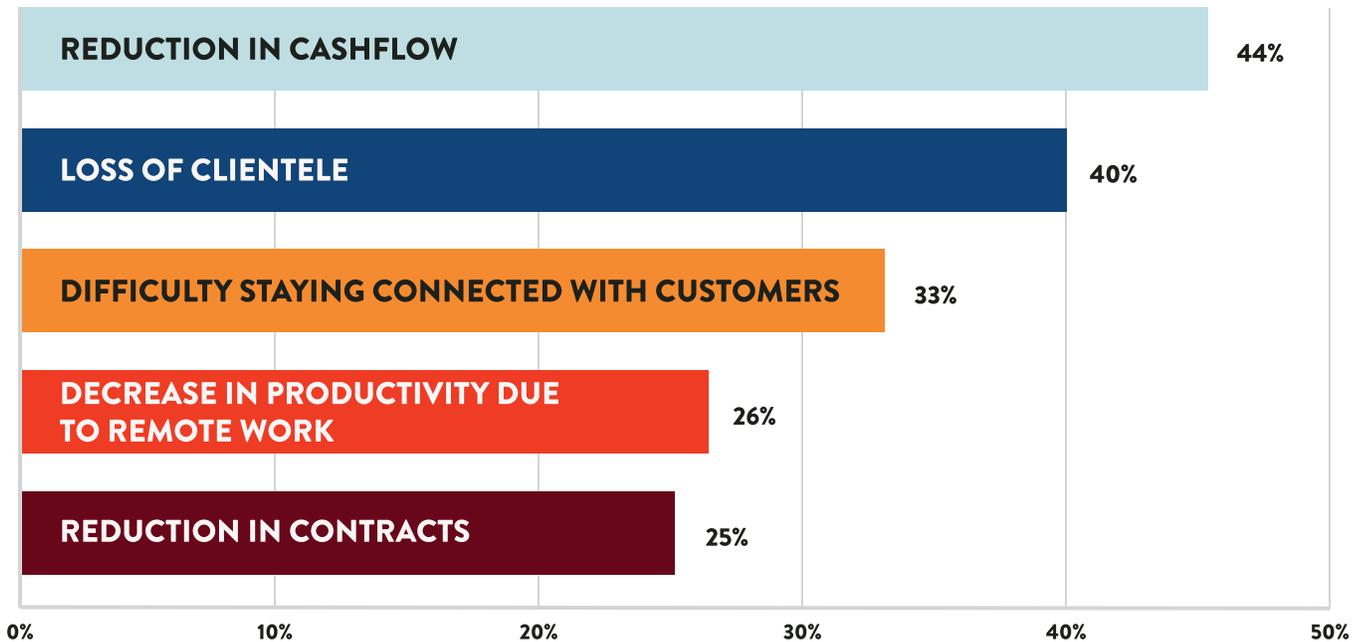
“I wish I knew more about different grants for minority businesses, different webinars about credit and information on how to keep my business afloat. Especially in these times, it’s hard to keep your business afloat.”



STATUS OF BUSINESS DURING COVID-19



TOP 5 CHALLENGES DURING COVID-19





HOPE FOR THE FUTURE

68% of participants have hope that their future will be better than the present

“I think that telling the stories of women of color business owners is important because it serves as a light in a dark place for some. Sometimes a person needs to see someone that looks like them to give them the strength to even try. It offers reassurance that, although it may be a hard road to travel, that starting a business and building a legacy for yourself and your family is completely worth it.”



HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



MARYANN LEE - OWNER
INDIGO BLUE COFFEEHOUSE
PINE BLUFF, AR

A quaint coffeehouse in a historic building in Pine Bluff's Downtown commercial district.

“I think that women are now learning about the strong voice they have. Now we need to organize ourselves in such a way that we become a powerful force that forces folks to recognize us as they do other groups.”



**WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...**



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Maryann in her own words!](#)

RECOMMENDATIONS

The women who participated in the study made the following recommendations for follow-up work by ecosystem builders, stakeholders, and other actors within the entrepreneurial ecosystem.

- Build a supportive and inclusive ecosystem for women of color
- Coordinate open forums and conferences for women of color business owners and entrepreneurs
- Create alternative forms of capital access for women of color
- Create a “resource guide” or “directory” of entrepreneurial support organizations and their services
- Create a culture of entrepreneurship in Arkansas through media and reward systems
- Design networking events specifically for women of color business owners and entrepreneurs
- Identify women of color venture capitalists and investors
- Include women of color in strategic planning and decision-making processes
- Make information about entrepreneurial support organizations more widely accessible
- Patronize and promote women of color businesses
- Provide ongoing technical assistance and entrepreneurial education opportunities
- Recommend policy changes that support entrepreneurial activities by women of color
- Remove systemic barriers that tend to push women of color closer to the margins

“I believe women of color deserve a seat at the table and we are proud to be a part of rallying the leaders of our community to lift each other up.”

HER STORY

MEET THE BUSINESS OWNERS
BEHIND THE STUDY



TENEICIA ROUNDTREE - OWNER TREEHOUSE CLEANING SERVICE CONWAY, AR

TreeHouse Cleaning offers professional standards to deep cleaning services for both residential and commercial properties throughout Central Arkansas.

“People in power can make information more accessible to women of color who are trying to start or grow their business.”



WE ASKED ENTREPRENEURS ABOUT
THEIR EXPERIENCE AS BUSINESS OWNERS...



CLICK HERE TO HEAR IT IN THEIR OWN WORDS



[click here to watch Teneicia in her own words!](#)

SUMMARY

Women of color in Arkansas persist even when faced with scarce access to capital, limited entrepreneurial education, lack of governmental policies, disparate economic infrastructures, lack of mentors, and limited opportunities to connect with knowledge networks, all of which make the success and growth of their enterprises extremely difficult (National Women's Business Council, 2017)

Evidence from this study suggests that women of color business owners and entrepreneurs hurdle unique obstacles that other business owners and entrepreneurs do not experience. These women continue to encounter ongoing racial bias and discrimination in accessing capital and critical business support. These challenges have been amplified during this current reckoning for racial equality and COVID-19 pandemic.

From this study, we found that Arkansas' entrepreneurial ecosystem is fragmented, and gaps exist in entrepreneurial policy, culture, skillset, and financial resources. These gaps represent opportunities to alter the landscape of business ownership and practice for women of color in Arkansas in positive ways. Systematic shifts in the way we support their entrepreneurial activity are possible with the help of change agents and thought leaders who have the power to make a difference.

The results of this study will be used to improve the level of services that the Minority Vendor Partnership Initiative at the University of Central Arkansas and the Women's Foundation of Arkansas provide to women of color business owners in the future. We hope that the data triggers a response by the readers of this report to ponder gender and race equality issues, examine policies surrounding entrepreneurship and startup practices, and find ways to increase access to start-up capital and financing.

METHODOLOGY

For this study, we chose a multi-level research approach that consisted of six (6) virtual focus group sessions, semi-structured interviews, and an online survey. Focus group sessions were recorded and transcribed. All sessions were then coded by question and deduced during the axial coding stages of analysis to identify themes or central phenomena in the data. Semi-structured interviews were conducted during the video and photo shoots of the women who agreed to be highlighted in the final report. SurveyMonkey was used to distribute and collect survey data for descriptive statistical analysis.

Additionally, we selected two women of color with professional expertise in focus group facilitation to moderate the group discussion. Moderators posed questions to the group that would allow them to reflect upon their own unique experiences of starting a business in Arkansas. Each session was audio and video recorded for analysis purposes.

Focus Group Questions:

1. What do you believe has contributed to the growth among women of color business owners in Arkansas?
2. Why did you start your own business?
3. What kind of capital product is needed for women of color businesses?
4. Besides money, what barriers or challenges did you face when starting your business?
5. What challenges, if any, do you see in growing your business?
6. How much of a barrier has race and gender been when starting your business?
7. What business resources and/or support systems do you think are necessary for women of color business owners? Do you have access to these resources? Explain.
8. In what ways has the COVID-19 outbreak impacted your business?
9. Where do you see your business in 3 to 5 years?
10. If you had to start your business all over again, what would you do differently?
11. How can organizations like the University of Central Arkansas and the Women's Foundation of Arkansas be a better supporter of women of color business owners?

In all, 44 women of color participated in the focus group sessions and 108 completed the survey; seven (7) were highlighted in the final report. The women were offered a \$25 gift card for participating in the study.

Research limitations include snowball sampling of business owner participants which could result in selection bias, the COVID-19 pandemic could change the outcomes of how businesses are impacted, and a need for more participants from a variety of ethnic backgrounds.

PARTICIPANT DETAILS

Participants were 18 years of age or older, residents of Arkansas, self-employed or 50% or more owner of a business in Arkansas, and identified as a woman from a race other than White or Caucasian.

PARTICIPANT RACE/ETHNICITY

83%	9%	1%	2%	1%	1%	3%
BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	ASIAN OR ASIAN AMERICAN	AMERICAN INDIAN OR ALASKA NATIVE	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	MULTI-RACIAL	OTHER, NOT SPECIFIED

AGE

1%	18%	36%	35%	8%	2%
18-24	25-34	35-44	45-54	55-64	65+

HOUSEHOLD STATUS

26%	16%	54%	38%
SINGLE	HEAD OF HOUSEHOLD	MARRIED-JOINT	OTHER

HOUSEHOLD INCOME

5%	9%	22%	18%	19%	15%	12%
\$15,000 OR LESS	BETWEEN \$15,001 AND \$29,999	BETWEEN \$30,000 AND \$49,999	BETWEEN \$50,000 AND \$74,999	BETWEEN \$75,000 AND \$99,999	BETWEEN \$100,000 AND \$150,000	150,000 OR MORE

EDUCATION LEVEL

7%	18%	24%	33%	10%	7%
HIGH SCHOOL DIPLOMA OR GED	SOME COLLEGE	BACCALAUR-EATE DEGREE	MASTER'S DEGREE	DOCTORAL DEGREE	CERTIFICATION OR LICENSURE

SOURCE 2020 ARKANSAS WOMEN OF COLOR BUSINESS OWNER AND ENTREPRENEUR SURVEY

REFERENCES

American Community Survey (2016).

https://factfinder.census.gov/bkmk/navigation/1.0/en/d_program%3AACS/d_dataset%3AACS_16_1YR/d_product_type%3ADATA_PROFILE/. Recall that the ACS measure differs slightly from the CPS measure.

American Express. 2019. State of women-owned businesses report. https://s1.q4cdn.com/692158879/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf

Entrepreneurial ecosystems and their service of women entrepreneurs (2017). National Women's Business Council, Washington CORE. <https://cdn.www.nwbc.gov/wp-content/uploads/2017/04/13133708/Entrepreneurial-Ecosystem-FOR-WEBSITE.pdf>

Gines, D. & Sampson, R. (2018). Ecosystem building in communities of color. Federal Reserve Bank of Kansas City. https://www.kansascityfed.org/~/_media/files/publicat/community/smallbusiness/ecosystem%20building%20in%20communities%20of%20color%20web.pdf

Hwang, V., Desai, S., & Baird, R. (2019). Access to Capital for Entrepreneurs: Removing Barriers. Available at SSRN 3389924.

Isenberg, D. J. (2010). How to start an entrepreneurial revolution. *Harvard Business Review*, 88(6), 40-50

Mason, C., & Brown, R. (2014). Entrepreneurial ecosystems and growth-oriented entrepreneurship. Final report to OECD, Paris, 30(1), 77-102.

Smith, R. M., Sardeshmukh, S. R., & Combs, G. M. (2016). Understanding gender, creativity, and entrepreneurial intentions. *Education & Training*, 58(3), 263-282. doi:<http://dx.doi.org.ucark.idm.oclc.org/10.1108/ET-06-2015-0044>

Spigel, B., & Harrison, R. (2018). Toward a process theory of entrepreneurial ecosystems. *Strategic Entrepreneurship Journal*, 12(1), 151-168.

Stam, F. C., & Spigel, B. (2016). Entrepreneurial ecosystems. *USE Discussion paper series*, 16(13).

US Census Bureau, Income and Poverty in the United States (2016). <https://www.census.gov/library/publications/2017/demo/p60-259.html>.