Demystifying African American Entrepreneurial Gap

A Phenomenological Approach

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Abstract

In his classic study *Black Bourgeoisie* (1957), E. Franklin Frazier regarded African American entrepreneurship as a “myth.” Frazier argued that African American business was of insignificant importance to the U.S. economy and asserted that such enterprises were incapable of providing substantial employment or income to African Americans. Today, Frazier’s argument is replicated by mainstream researchers who in their findings engage in race-evasive approaches and espouse attitudinal and psychological problems as the major reason for low business outcomes. What’s glaringly absent is a multicultural perspective to the argument. Multicultural researchers offer little empirical evidence to show how African Americans face animosity in their daily business interactions. Consequently, national statistical agencies consistently place African American entrepreneurs at the bottom rung of U.S. entrepreneurship, trailing their White, Asian, and Latinx counterparts in business performance. This state of affairs has created a large gap in entrepreneurial research wider than the gap observed in business discourse and praxis. This qualitative phenomenological approach identifies racial discrimination as the major cause of African Americans’ underperformance in entrepreneurship. It utilizes a purposive sample of five high-performing African American entrepreneurs in Roxbury Massachusetts who survived the Great Recession to document the nuanced character of racial discrimination in U.S. entrepreneurship.

*Keywords*: African American entrepreneurship, U.S. entrepreneurship, business performance, racial discrimination, entrepreneurial resilience.
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Acknowledgement

I came to Northeastern University wanting to learn the language and methods of educational research and wanting to become a multicultural researcher of influence. Initiation into the theoretical, epistemological, and paradigmatic complexities was a phenomenon in itself. The doctoral program took a life of its own, with the early courses producing ambivalent feelings about research, peers, and instructors. Persistent concerns about the ability to grasp empirical articles and critically dissect the author’s assumptions, paradigmatic stance, argument, evidence, and conclusions were obvious. But the personal journey through epistemological and paradigmatic conflicts were made easier by all the instructors I encountered, many who strove to foster collegial relations. I would like to single out Joseph McNabb, PhD, who, as my first instructor, was significant in easing the fears with his desire to initiate young scholars into the interesting but complex issues and methods of research. It was him who ushered me in the hallmarks of scholarly writing. Particular thanks to my dissertation chair and advisor Adriel Hilton PhD for his assistance in preparing and reviewing the dissertation; Billye Sankofa Waters PhD, and Jeffrey Alston, EdD for bringing their expertise and experience to the table. I doubt that I will ever be able to convey my appreciation fully, but I owe them my eternal gratitude.

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Dedication

In loving memory of my father, the late Jeremiah Aaron Ruwe and my mother, the late Rachel Mbizi Ruwe. You always believed in my ability to excel academically. You have been long gone, but your belief and love for me have made this journey possible. To my late brother George; you are profoundly appreciated for your unflinching commitment to my academic pursuit. To my departed siblings, I miss you all. I wish you were around to see me graduate.
CHAPTER ONE: INTRODUCTION

Since emancipation, entrepreneurial strategies of African Americans have been shaped by overt and covert racial discrimination (Wade, 2010), and not by attitudinal problems often perpetuated conceptually and theoretically by mainstream researchers aimed at portraying African American entrepreneurs as underperformers (Ogbor, 2000; Fairlie & Robb, 2008; Hisrich & Brush, 1984). While racial discrimination in entrepreneurship is recognized by researchers, it has been ignored or received little in-depth attention. Mainstream scholars argue that since the election of America’s first Black president Barack Obama, racial discrimination has ceased to be a problem for African American entrepreneurs; that the U.S. is now a post-racial country. In response, few multicultural researchers have provided empirical evidence showing African Americans face animosity in their daily business interactions. Consequently, systematic patterns of racial discrimination continue to deny African American entrepreneurs opportunities for upward mobility, and economic advancement (Bogan & Darity, 2007; Feagin & Imani, 1994; Walker, 2009). The underperformance of African American entrepreneurs has created a large gap in entrepreneurial research, wider than the gap observed in business discourse and praxis.

Seeking to fill the gap, this research utilized the Great Recession (2007-2010) as a context from which to investigate why African American entrepreneurs are stuck at the bottom of the U.S. entrepreneurship. Foster, Haltiwanger, Jarmin, and Miranda (2013), Aldelino, Schoar, and Severino (2012, 2015), demonstrate how African American businesses were disproportionately impacted during the Great Recession. According to the forenamed scholars, African American entrepreneurs had no choice but to face the challenges, and stress prevalent in entrepreneurial activity. The recession meant African Americans had to source more capital if they were to survive the harsh conditions (Fairlie, 2011; Foster, Grim, Haltiwanger, 2014; Hyra
& Rugh, 2015). Many African American entrepreneurs unable to secure credit and loans due to racial discrimination, were left on the verge of collapse.

The purpose of this phenomenological approach is to explore the voices and the lived experiences of African American entrepreneurs who survived the Great Recession. The aim is to try and understand why they trail their White, Asian, and Latinx counterparts in business performance. Data gleaned from this research is expected to challenge researchers’ current emphasis on attitudinal/psychological and cultural data utilized to portray African Americans as underperformers. This chapter begins with a statement of the problem supported by prior studies on turbulent shifts that continue to shape the growth and future of African American entrepreneurship. The significance of the research is tabled next, drawing parallels with probable beneficiaries of the study; and the research question acts as the keystone of the dissertation. Finally, the theoretical framework serves as the underpinning from which this research was constructed.

**Context and Background**

The Minority Small Business Trends report released in the first quarter of 2018 showed a 400% record-breaking upsurge in the number of African American businesses within a year, from 2017 to 2018 (Hill, 2018; Massey, 2018). From such exponential growth indicators emerged media headlines such as “African American-owned companies driving growth among U.S. business, survey says” (Jeffrey, 2017), “A wave of Black entrepreneurs is forming business at a record clip” (Massey, 2018), “The year 2018 has shaped up as a pivotal year for African American entrepreneurs” (Thomas, 2018), all giving the impression that African American entrepreneurship, supported by incubators sprouting throughout the country, was making
significant gains. While such positive news is crucial to developing economic opportunities for African Americans, racial barriers continue to prevent access to mobility.

Statistics in the same report indicated underrepresented African American business owners and startup founders are still struggling to gain access to credit and capital assistance (Minority Small Business Trends, 2018). Eighty percent of the respondents stated that, for a person of color, the lack of capital was the most challenging part of running a business (Hill, 2008). Results from the same report indicated that loan rejection for African American businesses was three times higher—42% compared to 16%—than their White counterparts, forcing many to resort to family funds (Hill, 2008). Out of those surveyed, 70% of respondents said they used personal money to sustain their companies, 23% borrowed money from both friends and family, and 11% said they resorted to their 401(K) plans to sustain their businesses (Hill, 2008). The Federal Reserve Board’s Survey of Consumer Finances (2016) reports that the median family worth for each African American household was $1,574,000 and that of a White family was $12,000,000. The wide gap in wealth is what separates African Americans from White business neophytes at the self-funding stage.

Furthermore, the 2016 Kauffman Index of Entrepreneurial Activity report shows that, although African American entrepreneurs are driving business activity in new business startups, they continue to show the lowest levels of business performance in U.S. entrepreneurship, much lower than their White, Asian, and Latinx counterparts. In 2015, the U.S. Census Bureau annual survey of entrepreneurs, which engaged 290,000 participants, learned that, while Blacks are 50% more likely to attempt a business start-up than Whites, the bulk of those new Black businesses are likely to close within five years (U.S. Census Bureau, 2015). Black businesses that actually endure are not performing as well as White-owned businesses. Further, the 2006 Survey of
Business Owners (SBO) data indicates while 13 million entrepreneurs possess 37.4% of total U.S. wealth, only 5.1% is generated by African Americans. The large gap in U.S. wealth means revenue for African American businesses is generally far much less than that of White businesses (Wade, 2010; see also Bogan 2008; Fairlie & Robb, 2008). Responding to such dismal indicators, Robb and Fairlie (2008, 2004, 1999), Lofstrom and Bates (2013) and Robb (2013), postulate low sales and profits hinder sustainability. Lower sales lead to lower profits that result in smaller payrolls, fewer employees and higher closure rates (Fairlie, 2004; Fairlie & Robb, 1999; Feagin & Imani, 1994). With such computations, statisticians and evaluators find large racial and ethnic gaps in African American business performance (Kauffman Index of Startup Activity, 2016). Year after year, statistics by Kauffman Index of Entrepreneurial Activity, U.S. Department of Commerce, and the U.S. Small Business Administration portray African Americans as marginal performers at the bottom of the U.S. entrepreneurship ladder.

According to mainstream researchers, the underperformance of African American entrepreneurs is due to attitudinal and psychological problems, and lack of cultural values such as hard work, self-reliance, and parsimony (Fairlie & Robb, 2010; Feagin & Imani, 1994; Shane, 2008); lack of business profitability (Villemez & Beggs 1984); lack of skills and innovative ideas for economic growth due to lack of education (Bates, 1997; Fairlie & Robb, 1999; Hill, 1999; Hout & Rosen, 2000; Peck, 2012); dearth of human and social capital (Fairlie, 2008), and lack of social networks needed to facilitate new businesses (Shane, 2008). Contrarily, this phenomenological approach seeks to investigate racial discrimination as the major cause of the underperformance of African American businesspeople, in spite of African Americans’ capacity to overcome devastating effects of economic downturns and transcending the adverse trajectories of failure (Fergus & Zimmerman, 2005).
Significance of the Research Question

Although there is an increasing number of studies in entrepreneurship, extensive gaps exist in the literature. This research is among the few in the social studies that conducts a critical investigation of the effects the Great Recession wreaked on African American entrepreneurship (Fatoki, 2018; Huggins & Thompson, 2015; Tengeh, 2016). While a plethora of entrepreneurial scholars have studied the magnitude and cost of the Great Recession in general (Avery & Brevoort, 2015; Engel & McCoy, 2011; Levitin & Wachter, 2013), little is known about how the dynamics of the Great Recession, particularly subprime lending, impacted African American entrepreneurship during the economic catastrophe (Hyra & Rugh, 2015; Rugh & Massey, 2010). And though some recent studies have assessed the devastation subprime lending caused on African American business owners during the Great Recession, few have explored the ways in which African Americans rhetorically positioned themselves for such a dramatic and acute economic shock (Jones, 2017; Feagin & Imani, 1994; Wade, 2010). Moreover, this research seeks to investigate the post-recession era and show that despite recent signs of recovery, several African American entrepreneurs who survived the Great Recession are still feeling its lingering effects. Scholastically, this research will augment literature on the Great Recession in ways that stimulate further studies of systemic racism in U.S. entrepreneurship.

A probe into the possibility recessionary environment affected African American entrepreneurs’ access to credit is important because, in this case, it will lead to the investigation of racial discrimination as the major cause of the assumed underperformance. Primarily, this research will help move the attention away from attitudinal/psychological problems as portrayed by mainstream researchers such as Fairlie and Robb (2004, 2005), Light (1972), and Lofstrom and Bates (2013), and empirically evaluate racially discriminatory mechanisms that reinforce the
underperformance of African American entrepreneurs. In doing so, this research moves away from familiar rhetorical data perpetuated by mainstream researchers that emphasizes failure and focuses on data that seeks to find a positive solution to the problem. Mainstream rhetorical data helps to provide an extensive contemporary and historical analysis of racial discrimination and show why it is African American entrepreneurs’ most devastating impediment. By providing a distinctive lens for analyzing the cause of the underperformance of African American entrepreneurship, this phenomenological qualitative approach makes three noteworthy contributions to scholarship that afford this researcher a platform on which to chart, in great detail and accuracy, persistent themes at the core of discourse on underperformance of African Americans in U.S. entrepreneurship.

First, the research provides the scholar with an abridged historiography of African American entrepreneurship through which to view American racism, segregation and discrimination. Using literature review as a guide, this research tracks the persistence of African American entrepreneurship from emancipation to date. While scholars are cognizant of the fact that African American business thrived before and after slavery, a handful appreciate the burgeoning body of scholarship concentrating on this essential branch of entrepreneurship history (Garrett-Scott, 2009). Historical dimensions show researchers and other scholars how African Americans have “demonstrated time and again the uncanny ability to turn adversity into opportunity in dealing with challenges as well as external threats” (Johnson, Burthey, & Ghorm, 2008, p. 885).

Second, this research presents resilience as a distinctive sociological study on African American entrepreneurship. Despite a remarkable business history in U.S. entrepreneurship, the voices and lived experiences of resilient African American entrepreneurs remain unexplored
(Utsey et al., 2007). Epistemologically, few studies show how African American entrepreneurial resilience has substantiated survival through Jim Crow laws, the Great Depression, the Great Recession and numerous other economic shocks (Ayala & Manzano, 2014; Brown & Tylka, 2011; Utsey, Bolden, Lanier, & Williams, 2007). Today, resilience still drives the entrepreneurial endeavors of African Americans.

Third, pedagogically, the historian needs to know the impact racial discrimination has on U.S. entrepreneurship, especially as this force influenced the development, successes, and failures of African American entrepreneurship. The theories and concepts put forth provide a platform from which educators can debate racial discrimination as the major contributor to the underperformance of African American entrepreneurship. Business wise, the novice startup entrepreneur will understand that the process of entrepreneurship can be extremely strenuous and stressful (Akande, 1994). The significance of this research is more so, now that colleges are churning out large numbers of African American graduates each year. Goldstein (2016) reports that in 2015, high school graduation rates levitated to an impressive 83.2% and saw an increase of 7.6% in African American graduation rates. Moreover, the rate of African Americans with graduate and post-graduate degrees has also increased with the majority of African American students awarded degrees in Business Administration (Goldstein, 2016; Tekula, 2012).

Fourth, the bulk of research is expected to deepen the understanding of entrepreneurship and elevate the benefits of African American business beyond the geographic frontiers in which this research was conducted. Understanding the findings and recommendations should be especially important to researchers, social scientists and budding scholar practitioners who seek data on African American business practices and their impression on social transformation.
By examining entrepreneurial resilience in the context of racial discrimination, the research makes a rare contribution to theory on resilience.

Lastly, the findings of this research could be employed to motivate and train potential African American entrepreneurs. In schools, this research could be of value not only to African American students, but also to individuals who wish to understand entrepreneurship through academic programs. Existing African American entrepreneurs may utilize the information gained from their successful counterparts. Political leaders, lenders and contractors may find this research outcomes enlightening and valuable. Also, recommendations could be of value to civic and community leaders because sustainability of business raises the chances of increased economic prosperity for underprivileged communities.

**Research Problem and Research Question**

Traditionally, entrepreneurship has been a building block for African American communities and a route out of poverty (Bogan & Darity, 2007; Butler, 2004; Lofstrom, & Bates, 2013). For those who are unable to gain employment, or those who desire to refrain from a traditional 9 to 5 office job, entrepreneurship serves as a safety net. The idea, therefore, of owning a business is a integral part of self-empowerment, and a self-realization of the American Dream (Coles, 1973). But for three centuries, African Americans have faced a glass ceiling in U.S. entrepreneurship. Despite African Americans’ resilience and desire for entrepreneurship, the barriers and factors adversely affecting profitability and sustainability, by far, surpass those of their White counterparts (Jones, 2017; Fairlie & Robb, 2008). While African Americans are venturing into business at rapid pace, they are encountering incessant hurdles in nurturing their companies, many which quickly disperse (Jones, 2017). As a consequence, African American entrepreneurs find themselves at the nadir of U.S. entrepreneurship. Fairlie and Robb (2008)
raise pertinent questions: Why do African American-owned businesses underperform White owned businesses on average? Why do Asian owned firms have better outcomes than African American firms?

Mainstream researchers contend the underperformance of African Americans is due to their lack of cultural values and entrepreneurial perspicacity (Fairlie & Robb, 2010; Feagin & Imani, 1994; Shane, 2008). Schoof (2006) and Cassia, Criaco, and Minola (2012), observe that African Americans often face obstacles in operating their businesses because they lack human capital and business know-how. Human capital denotes the abilities and knowledge attained through the learning process of a person to improve throughput (Becker, 1993). For example, in comparing African Americans to Whites and immigrant groups, Glazer and Moyanihan (as cited in Bogan & Darity, 2008), accentuated the lack of innovative skills and calculated educated strategies as a key constraint that places African American longer-term business sustainability at risk. Also, Light as cited in Bogan and Darity (2008) argued that African American communities “are too individualistic and do not have the networking and solidarity that support business in other communities” (p. 2000).

Waldinger, Aldrich and Ward (1990), Jones (2017) and Ogbor (2000) chastise Light and others with similar observations about the lack of networking in African American communities for “omitting the extraordinary racial discrimination faced by African American entrepreneurs, which has deprived them of capital and impoverished their customers” (Waldinger et al., 1990, p. 63). According to the afore-mentioned sources, researchers fail to detail racial discriminatory practices in their empirical analyses as major barriers to African American entrepreneurship. Baradaran, (2017), Bogan and Darity (2008), Feagin and Imani (1994) and Wade (2010) single out racial discrimination as the major cause for the meager national business statistics that, year

Racial discrimination in U.S. entrepreneurship is of great interest to this body of work; it is the central argument of this dissertation. It is my conviction as the researcher, that the most pervasive impediment faced by African American entrepreneurs is racial discrimination. African Americans’ inability to engage their White counterparts competitively is, to a larger part, due to financial constraints caused by racial discrimination. Literature review shows that a small number of multicultural scholars have examined racial undercurrents, and how they affect the business achievements of African Americans across space and time (Bates, 1993, 1997; Walker, 1998). Literature review also reveals how Black and White is not just a difference in color of the skin between African Americans and Whites but is employed to reflect the power order.

According to Ogbor (2000), mainstream studies explain the racial discrimination in U.S. entrepreneurship “ethnocentrically, with racio-ethnic variables” (p. 617). Multicultural researchers maintain that mainstream researchers judge African American entrepreneurs mainly by the values and norms of their culture and the color of their skin (Bates, 1990; Jones, 2017; Walker, 1998). Ogbor (2000) claims “mainstream researchers treat entrepreneurship as they treat other forms of social relations of domination” (p. 625). According to Ogbor (2000), mainstream researchers “seek to understand the ethnic and racial variables that inhibit entrepreneurship among people who are non-European in origin” (p. 617). Ogbor (2000) further argues that “research has centered on mechanisms through which the experiences of non-dominant groups,
‘the others,’ can become amenable to suit the dominant paradigm of entrepreneurship” (p. 619).

If Ogbor’s observations are correct, then his assumptions are in conformity with the mainstream researcher’s current emphasis on attitudinal data employed to conceptually and theoretically explain the underperformance of African American-owned businesses. Sonfield (as cited in Ogbor, 2000) in a “mental frame of mind comparison” of Black and White small businesses, describes the failure of ‘Black capitalism’ as a result of attitudinal differences” (pp. 98-99). Conversely, Ogbor (2000) contends that the attitudinal rationale is mainstream researcher’s premeditated way of describing the nature of African American entrepreneurship; “it is a way to reinforce the prevailing myth that African Americans have attitudinal characteristics which inhibit entrepreneurial development” (p. 620). In their findings, many mainstream researchers maintain that racism has ceased to be a major hindrance in U.S. entrepreneurship, and therefore, African American entrepreneurs must not use it as a scapegoat for their underperformance (Fairlie & Robb, 2008; Feagin & Imani, 1994; Lofstrom & Bates, 2013). Professor Robert Fairlie, perhaps the most informed source on Black entrepreneurship, asserts that African American entrepreneurs’ underperformance is rooted in their own inefficiencies and has very little to do with racial discrepancies (Fairlie, 2004). In response, multicultural researchers have provided few findings to counter mainstream researchers’ claims of African Americans’ underperformance in entrepreneurship (Bogan & Darity, 2007; Boyd, 1990; Garrett-Scott, 2009; Levenstein, 1995; Light, 1972; Walker, 2009).

This research employs the Great Recession as a context with which to show racial discrimination as the source of underperformance of African American entrepreneurs. Events of the Great Recession put African American entrepreneurs to the test more than any other economic downturn after the Great Depression of 1929 to 1930. Sources of their seed
investment, bank loans and venture capital dried up, leaving a good number of businesses at the cusp. Jarmin, Krizan, and Luque (2016) note that “African Americans had to have certain dispositional characteristics and psychological capital to endure high levels of uncertainty and other types of entrepreneurial adversity” (p. 14). The endurance of African American business-owners during the recession required them to have a source of business funding or a line of credit (Fairlie, 2011; Foster, Grim, Haltiwanger, 2014; Hyra & Rugh, 2015; Jarmin, Krizan, & Luque, 2016). Jarmin et al. (2016) write that African American entrepreneurs elected to “mobilize ethnic resources in the Black community and focused on developing the minority markets” (p. 592) since they were incapable of obtaining credit and loans as a result of racial discrimination.

One such Black community is Roxbury in Massachusetts the site of this researcher’s data collection. Some entrepreneurs are located in Roxbury’s Dudley Square, the venue of the most African American businesses (Medoff & Sklar, 1994; Roxbury Historical Society, n.d.). The purpose of this research is to explore the voices and the lived experiences of five high-performing African American entrepreneurs in Roxbury who lived, endured and survived the hostile business environment of the Great Recession. Jaskiewicz, Combs and Rau (as cited in Jones, 2016) assert that African American entrepreneurial legacy is nested in rhetorically restructured and rationalized narratives of past entrepreneurial resilience. The reconstructed rhetorical narratives passed on through generations provide the resilience African Americans need to grapple with racial discrimination (Jones, 2017). In turn, resilience drives business performance, creating a direct correlation between resilience and high-performance.

This research is guided by the overarching question: How did African American entrepreneurs in Roxbury endure the Great Recession of 2008, and what have they learned from the experience? The aim of the research is to measure the impact of racial discrimination on
African American entrepreneurship by investigating how the participants handled high interest rates and subprime loans (though they were eligible for low interest prime loans). Also to apprehend African American entrepreneurs’ experiences with government policy makers, contractors, and financial institutions before and after the recession. In addition, the research discusses the effects and causes of underperformance. To the greatest extent, the project explores African American entrepreneurs’ motivation and strategies for overcoming challenges. Data collected is purposed to identify racial discrimination as the major cause of the underperformance of African American entrepreneurs, and reaffirm the necessity for further research in entrepreneurial race relations. Most importantly, it is intended to reframe the underperformance caricature and try and shift the perception of the negative business failure to the positive survivable experience. For this research, the terms below are defined to clarify meaning and understand content.

Definition of Terms

**African American** – Cornel (1985) defines African Americans as “Black Americans or Afro-Americans with total or partial ancestry from any of the Black racial groups of Africa” (p. 3). In 1989, leaders of seventy-five Black organizations gathered at Hyatt Regency O’Hare Hotel in Chicago to discuss civil rights. Jesse Jackson announced at the following press conference that delegates desired to be address as “African Americans” (Martin, 1991). In this research, the term African American is utilized to include people who were called Negroes. *The American Heritage Dictionary of the English Language* defines *Negro* as a dated term traditionally employed to denote persons in the United States considered to be of Negroid heritage.
Other Key Terms

**Emancipation** – The process of freeing a person who was under the legal authority of another. On January 1, 1863, President Abraham Lincoln issued the Emancipation Proclamation to mark the end of the Transatlantic Slave Trade and liberate Africans held as slaves in the United States (Schwartz, 2015).

**Recession** – In this research, the term refers to a period of declining economic activity in the U.S. between 2007 and 2010, lasting for three years (Gnuschke, 2004).

**Agglomerate** – A large, densely populated area. The Black agglomerate of Roxbury is a suburb of the Greater City of Boston, Massachusetts, and the “heart of Black culture” with the highest population of African Americans (Roxbury Historical Society, n.d.).

**Ethnocentrism** – The idea that one’s ethnic group, widely referred to as the in-group, is superior over ethnic groups (Taylor, 1962).

**Multicultural Researchers** – Scholars of diverse racial or ethnic backgrounds motivated by an introspection interconnected dynamism such as identity (Critin, Sears, Muste, & Wong, 2001). They acknowledge and embrace the customs, and traditions that exist in multiethnic society (Kymlicka, 2018).

**Mainstream Researchers** – Scholars who do not depart from orthodox theories. In this research, mainstream researchers refer to those scholars who employ the concept of African entrepreneurship as a “social artifact reflecting the social relations, and power order, based on hierarchical segmentation and value appropriation” (Rosen, 1984, p. 317). The assumptions, limitations, and biases of mainstream researchers are seized upon by this research to demonstrate the mainstream researcher’s ambitions of control.
**Underperformance** – In this research, the term denotes the low rates of sustainability and profitability among African Americans.

**Phenomenon** (plural-phenomena) – In this research, the term refers to an unusual, significant or unaccountable fact or occurrence that is perceptible by the senses.

**Theoretical Framework**

CTR (Critical Race Theory) is the conceptual and methodological framework that propels this body of study. CTR is effective in comprehending and monitoring the intricacies of privilege and uncovering impediments in social justice work perpetuated by dominant groups (Patton, 2015). Since the purpose of this research is to explore the voices and lived experiences of a minority group in a Black agglomerate of the Greater Boston called Roxbury, CRT serves as a great example of how rhetorical narratives are storied and how they can be employed to intercept majoritarian stories in U.S. entrepreneurship (Patton, 2016). In 1999, Gloria Ladson-Billings contended CRT could be effective in “unmasking and exposing racism in its various permutations” (p. 12). In this research, the theory helps to streamline complex relationships among elements to be investigated in African American and U.S. entrepreneurship, and aims to separate what appears discriminating among undiscriminating rudiments, all in the search for the major cause of the underperformance of African American entrepreneurship.

There are very few scholars who have employed CRT to examine African American entrepreneurship (Chapman, 2007; Duncan, 2002; Parker & Grimes, 2001). The late Chicana activist-scholar, Gloria Anzaldua, wrote in her 1990 book *Making Face, Making Soul/Haciendo Caras: Creative and Critical Perspectives of Feminists of Color* that “racism is especially rampant in places and people that produce knowledge… By bringing in our own approaches and methodologies, we transform that theorizing space” (p. xix, xxv). Further, Anzaldua is cited by
Patton (2011) as “appealing to people of color to work to transform academia’s discursive spaces by drawing on their own approaches and methodologies” (p. 85). It is on this premise CRT was launched by an association of scholars of color dedicated to serving people of color by examining, challenging, and transmuting the way in which racism and power operate to maintain White supremacy.

**CRT Background**

CRT sprung out of U.S. law schools in the 1980s as a theoretical framework intended to “examine society and culture as they relate to categorization of race, law, and power” (Yosso, 2002, p. 93). At the time of its launch, CRT was a movement whose purpose was nothing short of “shaking the epistemological and ontological orders of the time” (Subotnik, 1998, p. 682). Formed in response to observed adjournments in civil rights improvements (Matsuda, Lawrence, Delgado, & Crenshaw, 1993; Stanley, 2006; Taylor, 2009), CRT was closely affiliated to disciplines such as philosophy, history, sociology and law. According to one of the initiators, Harvard Law School professor Derrick Bell (1930-2011), the theory adopts “an experimentally grounded, oppositionally expressed, and transformatively aspirational concern with other socially constructed hierarchies” (Bell, 1995, p. 893).

The other founder, Latinx law professor at University of Alabama, Richard Delgado, writes; “Virtually all of critical race thought is marked by deep discontent with liberalism, a system of civil rights litigation and activism, faith in the legal system, and hope for progress among other things” (Delgado, 1995, p. 63). Other scholars important to the theory include Asian American Mari Matsuda, an activist, and professor at the William S. Richardson School of Law at the University of Hawaii; African American Patricia Williams, professor of law at Columbia University, and African American Kimberlé Crenshaw, professor of law at Columbia University.
and UCLA School of Law. The afore-mentioned scholars of color identified racism as a regular segment of American life that was exhibited in documented mass media outlets, tv, film, radio, newspapers, and books (Delgado & Stefancic, 2012). In doing so, such scholars tackled the beliefs and practices that allow racism to exist while also challenging such praxes in an effort to find relief from systemic racism.

**CRT is Empirical.**

Patton, McEwen, Rendon and Howard-Hamilton (2007) state that to investigate race theories, several stratagems should be applied. First, one should examine the state of the theory: (1) Is the theory empirical? (2) if it is, who are the subjects in the study on which the theory is based; and (3) Who is/are the theorist/s behind the study? Second, the functions of racism, including power and privilege within a theory should be borne in mind (Brown, Hinton, & Howard-Hamilton, 2007). CRT is empirical because it is “based on, concerned with or verifiable by observation or experience rather than theory or pure logic” (Carbado & Rothmayr, 2014, p. 101). The CRT theory is also “interdisciplinary in its approach, because it incorporates various intellectual traditions that promote racial justice” (Patton et al., 2007, p. 16). It is in the social science research that CRT provides a useful methodology to augment its core demands. In return, “social science provides CRT with data and theoretical frameworks to corroborate key empirical claims” (Carbado & Rothmayr, 2014, p. 114).

Current literature shows a growing number of empirical critical race theorists have started to examine the possibility of taking CRT to the social sciences more systematically (Obasogie, 2013; see also Brayboy, 2005; Ladson-Billings, 2013; Patton, 2016; Paul-Emile, 2012). Such theorists are to be found in fields such as sociology, social psychology, anthropology, economics, psychology, and political science, for example David Gillborn, Anthropology,
Like their predecessors, they insist that multiculturalists should carry out empirical and theoretical work on race matters, because they challenge the claims about race neutrality by the White dominant class. In doing so, multicultural theorists hope to narrow the racial gap between people of color and Whites (Carbado & Rothmayr, 2014). In essence, CRT is a type of racial discrimination resistant-based scholarship (Barlett & Brayboy, 2005; Love, 2004) that challenges the normalization of White supremacy in the United States. Employed as a theoretical framework, CRT examines the “unequal and unjust distribution of power and resources along political, economic, racial and gendered lines” (Taylor, 2009, p.1).

**CRT Tenets**

Strategically, CRT delineates the set of anti-racist tenets, modes of knowledge production, and strategies targeting the covert and overt ways racism currently operates above and beyond any overly racist countenances (Gotanda, Peller, & Thomas, 1995). Matsuda, Lawrence, Delgado and Crenshaw (1993) filled in the radical portrayal of race in America by formulating tenets aimed at intercepting bigotry, prejudice, and other types of oppression. The five tenets below have been defined and outlined in a variety of ways (Delgado & Stefancic, 2001; see also Solórzano & Yosso, 2002; Taylor, 2009).
Tenet 1.

The Centrality of Race and Racism in Society. “Race, a social construct, is the basis of racism. Racism is so ingrained in American culture that it appears to be normal and natural. The concepts of White superiority are woven within the political and legal tapestry of this country” (Taylor, 1998, p. 114). This research recognizes that racial discrimination is a pervasive and permanent experience in African American life, affecting African Americans’ political, economic and social aspects of life (DeCuir & Dixon, 2004; Ladson-Billings, 2013; Lynn & Adams, 2002). Solórzano and Yosso (2001) state that “the Eurocentric versions of U.S. history expose race as a socially constructed concept, established to distinguish racial groups and to show the superiority of one group over another” (p. 471).

Tenet 2.

The Challenge to Dominant Ideology. “The knowledge of People of Color is valuable. The experience of oppression, such as racism and sexism, is legitimate, appropriate, and critical to understanding and analyzing the plight of these marginalized groups” (Yosso and Solorzano, 2001, p. 468). This research specifically challenges the concepts of color blindness, race neutrality and equal opportunity. Solórzano and Yosso (2001) assert that the aforementioned concepts act as “camouflage for the self-interest, power and privilege of dominant groups in U.S. society” (p. 473).

Tenet 3.

Experiential Knowledge. “The knowledge of People of Color is valuable. The experience of oppression, such as racism and sexism, is legitimate, appropriate, and critical to understanding and analyzing the plight of these marginalized groups” (Yosso and Solorzano, 2001, p. 468). This research recognizes the importance of experiential knowledge as a force and way for
informing research (Brayboy, 2005). Intrinsically, this research explores the theory’s growth as a counter narratives utilized in data collection and presentation (McCoy & Rodricks, 2015).

**Tenet 4.**

*The Interdisciplinary Perspective.* CRT challenges the lack of concern for history, historical events, and the one-sided focus of most analyses, and insists that both race and racism be placed in a contemporary and historical context using interdisciplinary methods (McCoy & Rodricks, 2015). This research applies “interdisciplinary knowledge, drawing from ethnic studies, sociology and history to develop a greater understanding of African American entrepreneurs’ experiences” (Solórzano & Yosso, 2001., p. 469).

**Tenet 5.**

*The Commitment to Social Justice.* “CRT is a framework that is committed to a social justice agenda to eliminate all forms of subordination of people” (Bell, 2013, p. 23.) The focus of this research is on “distribution of wealth, fair play, and economic empowerment” (Bell, 2013, p. 18). This research challenges the ways racial advancements are promoted through White self-interest and color-blind ideology (Patton et al., 2007). Bell (2013) postulates that social justice is both a process and a goal. Bell describes social justice as “full and equal participation of all groups in a society that is mutually shaped to meet their needs. Social justice includes a vision of society in which the distribution of resources is equitable and all members are physically and psychologically safe and secure” (p. 21). Although CRT’s tenets have become an appeal in scholarship, many mainstream academics point out the theory’s weaknesses.

**Critics of Critical Race Theory**

While CRT has engendered great interest among multicultural researchers, mainstream researchers and law scholars find it problematic (Litowitz, 1999; see also Subotnik, 1998). Pyle
(1999) refers to critical race theorists as “political advocates” than legal practitioners, and further states that, “while race theorists purport to share the liberal’s goal of racial justice, they view that endeavor not as a matter of principle, but as a matter of simple group interest to be achieved by all means necessary” (p. 789). According to Pyle (1999), the objective of critical race theorists is minority progression at all costs (see also Crenshaw, 1996; Delgado, 1995; Matsuda, 1991). Litowitz (1999), Pyle (1999) and Subotnik (1998) argue that CRT adopts a method that allows errors or misunderstandings about the suitable role of argumentation within the law and the proper procedure of legal scholarship and specifically criticize its dependence on narrative and storytelling. Similarly, Williams (as cited in Pyle, 1999) contends critical race theorists “substitute subjective, personal and even fictitious narratives as evidence of the permanence and prevalence of racism” (p. 795).

Perhaps the harshest critic was Judge Richard Posner of the United States Seventh Circuit, who labels “critical race theorists and postmodernists the lunatic core of radical legal egalitarianism” (Posner, 1997, p. 40). In the article “The Skin of Trade,” Posner (1997) writes:

What is most arresting about CRT is that...it turns its back on the Western tradition of rational inquiry, forswearing analysis for narrative. Rather than marshal logical arguments and empirical data, critical race theorists tell stories — fictional, science-fictional, quasi-fictional, autobiographical, and anecdotal—designed to expose the pervasive and debilitating racism of America today. By repudiating reasoned argumentation, the storytellers reinforce stereotypes about the intellectual capacities of nonwhites. (p. 40)
As a result of such criticism, many mainstream researchers have “lost interest in compromise and collaboration” (Litowitz, 1999, p. 684; see also Carbado & Roithmayr, 2014; Litowitz, 1999; Minow, 1989; Subotnik, 1998) and treat CRT as a “black-or race-thing” (Litowitz, 1999, p. 684). In its place, they employ the conventional Critical Theory (Brown, 1995; Litowitz, 1999; Minow, 1989).

It merits noting that CRT is a form of Critical Theory (McCoy & Rodricks, 2015). CRT employs Critical Theory to understand society and culture as they relate to “classification of race, law and power” (Patton, 2016). Critical Theory dates back to the late 1920s. Coming out of the Frankfurt School of Sociology and drawing on the critical methods of Karl Marx and Sigmund Freud, critical theory is a school of thought that scholars employ to assess and critique society and culture (Horkheimer, 1982; Lindlof & Taylor, 2002). Horkheimer (1982) describes the theory as that which seeks “to liberate human beings from the circumstances that enslave them” (p. 244). Horkheimer (1993) further asserts that any “critical theory society must have as its object human beings as producers of their own historical form of life” (p. 21). It is from this point of self-empowerment that CRT was created. The major variance between the two theories is critical race theorists’ inclusion of storytelling, which places it outside Critical Theory (Pyle, 1999).

Farber and Sherry, (1997), Litowitz (1999), Posner, (1997), Rosen, (1996), and Subotnick, (1998), argue that “the danger in storytelling is that it can lead in any and every direction, politically speaking” (Litowitz, 1999, p. 521), and that “narratives about oppressed groups often lead to left-leaning social reform for the simple reason that narratives tend to humanize people otherwise considered as outsiders” (p. 521). Another hazard, Litowitz (1999) and Posner (1997) claim, is that storytelling plays on feelings, instead of logic, and hence can
persuade individuals to take a side without providing doctrinal reason for it. Litowtiz gives an example of the O.J. Simpson trial, and how the public saw it “as a story about good and evil, black and white or love and hate, whereas lawyers saw it through the filter of law; in terms of probable cause, hearsay exceptions, burdens of proof, permissible jury instructions, rights to suppress evidence…” (p. 521). Also, scholars like Daniel Farber and Suzanna Sherry have argued that “CRT, along with critical feminism and critical studies, has anti-Semitic and anti-Asian implications, and has worked to undermine notions of democratic community and impeded dialogue (Gates, 1986).

Still, CRT remains the fastest growing in recent legal scholarship (Carbado & Roithmayr, 2014; Litowitz, 1999; McCoy & Rodricks, 2015; Subotnik, 1998), mainly because of the theory’s methodological benefit of revealing social inequities (Carbado & Roithmayr, 2014). In recent years, the CRT has occupied a distinguishable place in scholarship. Critical race theories continue to merge realist and idealistic vision; pulling from a variety of critical approaches, including storytelling and other forms of rhetorical narratives, to show how law concepts burden minorities while joining bigger tussles for “social change and counter-mobilization against right-wing retrenchment in the struggles for racial justice” (Matsuda, Lawrence, Delgado, & Crenshaw, 1993, p. 6). Next, I present CRT as a rationale for the interdisciplinary approach required to track different manifestations of racism in U.S. entrepreneurship.

Rationale

Derrick Bell rejects all criticism of CRT by Whites, and describes it as “a pathetically poor effort to regain a position of dominance” (Pyle, 1999, p. 795), and highlights the theory as essential, if not the only “lifeline” for multicultural scholars. CRT is a theory that demonstrates racism is deep-rooted in the fabric and system of the American society. A racist need not exist to
show that racial discrimination is pervasive in the domineering culture (Delgado et al., 2001). In scholarship, the theory coalesces people of colors’ ongoing struggles for racial justice with critiques of the established legal and scholarly standards, which are regarded as part of the pecking order that needs to be changed (Delgado et al., 2006; Dixon et al., 2015).

In the 21st century, CRT has generated a passion among budding scholars of color such as Khiara M. Bridges, Professor of Law at Boston University School of Law, Lori Patton Davis, Professor of Urban Education at Indiana University, Marvin Lynn, Dean of College of Education at Portland State University, and Osagie Kingsley Obasogie, Professor of Bioethics at UC Berkeley. Such scholars have launched a collaborative attack on the legality and authority of didactic methods in the American educational system, and have fought and won the battle to have social science recognize storytelling as important to explaining racial discrimination and its consequences (Carbado & Roithmayr, 2014; Bridges, 2017; Obasogie, 2014). Using rhetorical narratives as an effective way of illuminating the racial landscape in institutions of higher learning, scholars of color are making a significant impact of CRT felt in other spheres of human endeavors.

Various surveys of existing literature show that critical race scholars are not enough to render a steadfast voice to a historically oppressed people, or to irradiate and critique mainstream researchers who normalize findings that perpetuate racial bias. This research observes that there are even fewer scholars of color contesting discriminatory hierarchical structures that govern American entrepreneurship. Some such scholars include Cheryl L. Wade, Professor of Law at St. John’s University School of Law, John O. Ogbor, Professor of Business at Texas Southern University, Natasha N. Jones, Director of Graduate Programs at the University of Central Florida, and Reginald Leamon Robinson, Professor of Law at Howard Law School. The afore-
mentioned scholars have a lot to offer prospective critical race researchers, including “empirical
data and theoretical frameworks that address the equal protection clause that prohibits conscious,
intentional conduct on the part of the oppressor” (Rosen, 2000, p. 401).

Like educators, researchers in entrepreneurship acknowledge storytelling and rhetorical
narratives as instrumental, suitable, pertinent and essential to cognizing and investigating racial
discrimination (McCoy & Rodricks, 2015). Researchers understand how counter-narratives cast
doubt on the validity of accepted premises or myths, especially those held by the majority
(DeCuir & Dixson, 2004; see also Delgado & Stefanic, 2001). Similarly, this research aims to
demonstrate the existence of racial discrimination in entrepreneurship through narratives
employed in CRT to add context to positive perspectives (Ladson-Billings, 1998). It is this
researcher’s assumption that racism is not a random isolated act (Ladson-Billings, 2013); that it
is so engrained in the American society that it seems natural and is often subtle and obscure to
most individuals (Harper-Anderson, 2017). Racial discrimination is; therefore, endemic to
American life. While mainstream researchers insist that America is now a post-racial country
because of the election of Barack Obama as the country’s first Black president, this researcher
contends racism is omnipresent and incontrovertible, and lies at the very core of the American
culture (McCoy & Rodricks, 2015; Pyle, 1999).

In summary, given that this researcher’s objective is to investigate the portrayal, by
mainstream scholarship, of African American entrepreneurs as underperformers, it needs CRT to
prove the existence of racial discrimination in American entrepreneurship. This research needs to
employ CRT as an investigative tool to unburden, apprehend, fracture and censure systems of
domination, oppression, racism, inequality, hegemony and discrimination (Matsuda, Lawrence,
Delgado, & Crenshaw, 1993); and to expose and resist the macro-and micro-aggressions that
have been the experience of entrepreneurs of color for centuries. In this regard, this research employs CRT to demonstrate how narratives are important to critical race as a theoretical framework and methodology in U.S. entrepreneurship research. Utilizing lived accounts of five high-performing African Americans in Roxbury, Massachusetts, this research challenges conventional methods of scholarship through rhetorical narratives and argues that racial discrimination does exist and is the major cause of the underperformance of African American entrepreneurs. In doing so, this research challenges ethnocentric epistemology and questions dominant notions of meritocracy, objectivity and knowledge (Taylor, 2009). A collaboration between CRT and entrepreneurship help to dispel the myth that African American entrepreneurs underperform due to attitudinal discernments. Since the intention of this research is to investigate the perceptions and experiences of African American entrepreneurs in Roxbury, Massachusetts, CRT, which centers this research on the histories and lived experiences of people of color, is applied to build a framework that portrays the constructed stories of entrepreneurial experience.

**Applying Theory to the Study**

This research employed the framework of Patton (2016) to strengthen understanding of why African American entrepreneurs are portrayed as underperformers, worse than their White, Asian and Latinx counterparts, and in the process, added to the literature on theory of entrepreneurship. Patton et al. (2014) states that “…the lack of effort to explicitly grapple with…racism/White supremacy…is a persistent trend that is symptomatic of a society that would rather tiptoe around the issue of race rather than directly address it” (p. 136). In her study entitled “Disrupting Postsecondary Prose: Toward a Critical Race Theory of Higher Education,” Patton (2016) focuses on “postsecondary context related to history, access, curriculum, policy and research to create a framework that disrupts racelessness in education” (p. 361). Similarly, I
applied CRT to disrupt racelessness in entrepreneurship and focused my attention on racism, discrimination, prejudice and exclusionary tendencies prevalent in the U.S. entrepreneurship.

The methodological approach that Patton employs includes eliciting narratives from people of color about their lived experiences. Patton employs approaches such as storytelling, histories, scenarios, chronicles and other rhetorical narratives (Patton, 2016; Patton & Bondi, 2015; Patton & Catching, 2009; Patton et al., 2007). As a multiculturalist, Patton demonstrates how CRT is a critical race counter-story theoretically grounded research approach, and demonstrates how CRT is a theoretical and interpretive approach that polices the appearance of racial discrimination within domineering types of countenances. Patton employs the theory to examine “society and culture as they relate to categorizations of race, law and power” (Delgado, 2002, p. 105). Patton’s (2016) approach is not only policing racial discrimination in institutions of learning. Rather, Patton’s approach largely stresses the value of investigating and trying to comprehend the dominant forces that shape how we and others understand and interpret prejudicial encounters (Solórzan et al., 2010). In sum, Patton (2016) demonstrates how CRT is a philosophical approach that seeks to investigate the social, historical and ideological forces and structures that propagate racial discrimination.

Equally, this exploratory approach applied concepts from CRT to examine intricacies of dominance and privilege in entrepreneurship. At the core of this research is the argument brought to my attention by Ogbor (2000): issues related to African American entrepreneurship are treated by mainstream researchers as “antitheses and dysfunctional, inhibiting entrepreneurial development” (p. 620). In entrepreneurial studies, generally, Butler (as cited in Ogbor, 2000) argues that “nested within the realities of racism, prejudice and discrimination is the history of business enterprise, which has been overlooked by contemporary scholars of race relations in
general” (p. 610). Consequently, “when the Afro-American tradition has been recognized, it has been misinterpreted and scandalized” (Butler, 1991, p. 34). In Ogbor (2000) and Butler’s (1991) arguments, one may find racial discrimination as the reason statistics perpetually show African American entrepreneurs as underperformers, at the bottom of all ethnic and nonminority groups.

In adopting Patton’s (2016) framework, this research offers and expounds on three prepositions similar to hers to inform entrepreneurial inequity and the complexities of racial discrimination in U.S. entrepreneurship.

**Proposition 1:** The establishment of entrepreneurship in the U.S. is deeply rooted in racism, the vestiges of which remain palatable.

**Proposition 2:** The function of entrepreneurship in the U.S. is intricately linked to capitalistic efforts that fuel the intersections of race and oppression.

**Proposition 3:** Entrepreneurial institutions serve as venues through which formal knowledge production rooted in racism is generated.

The above three propositions show ways in which entrepreneurship in the U.S. functions as a scaffold of racism. It is with such propositions in mind that this research brings CRT to the front with the observation that, since emancipation, U.S. entrepreneurship has been “theorized within a racialized framework corresponding to dominant American folklore, and that its concept is discriminatory, ethnocentrically determined and ideologically controlled by dominant groups” (Orgbor, 2000, p. 617). In view of all the above, CRT as a theoretical framework and analysis tool not only help to raises concerns about the persistence of racial discrimination in U.S. entrepreneurship, but also provides the basis for inclusive entrepreneurship.
Conclusion

This chapter begins with framing this research problem, out of which this researcher formulates the research question: How did African American entrepreneurs in Roxbury endure the Great Recession of 2008, and what have they learned from the experience? Lodged in the research question is a history of a resilient people portrayed by mainstream scholars as an example of a group that has failed to create an ethnic economy as sustainable as that of their White, Asian and Latinx counterparts. At the height of the mainstream argument is a concept of entrepreneurship, a life-saving venture for African Americans that is discriminatory, ethnocentrically determined and ideologically controlled. There is little research available that enables the public to understand why African Americans find themselves in such a predicament. Most studies conceptualize the African American entrepreneur’s dilemma ethnocentrically and advance prejudiced concepts. This research sought to show racial discrimination as a major cause of the unsurmountable barriers African American entrepreneurs continue to face. By injecting CRT into this research, this researcher attempted to demystify the mainstream claims that the utilization of rhetorical narrative is inappropriate because it lacks fairness, impartiality, rational rigor and veracity. Lastly, this research employed CRT to quickly identify literature that relates to the problem of practice and transcribe the types of questions to ask, the methodology to employ them and the way to analyze the resulting data.
CHAPTER TWO: LITERATURE REVIEW

Overview

This literature review acts as a foundation and support for this research, which is designed to explore the perceptions and experiences of high performing African American entrepreneurs in Roxbury, Massachusetts. The literature review shares with the reader the results of other studies that are related to African American entrepreneurship. Epistemologically, it relates this research to the larger ongoing dialogue in the literature, filling in the gap left by previous studies (Creswell, 2018). This research contends that throughout history, high-performing African American entrepreneurs have demonstrated the propensity to bounce back, preserve and regenerate their business activity after an economic downturn. Still, year after year, African American entrepreneurs find themselves with a much lower rate of established businesses, trailing their White, Asian and Latinx counterparts. In compiling this literature review, it was observed that a robust body of conventional literature supports the mainstream point of view that identifies dysfunctional African American behaviors as the major cause of the persistent underperformance (Bates, 1993; see also Bogan & Darity, 2008; Fairlie & Robb, 2008, 2005, 1999; Lofstrom & Bates, 2013; Ogbor, 2000). The scant literature that shows racial discrimination as the possible cause of underperformance has been largely overlooked in empirical research (Feagin & Imani, 1994), and has, in the process, created a major gap in literature that focuses on the U.S. entrepreneurship.

How can a people with a history of positive adaptation despite experiences of significant diversity lag behind in business? Investigating racial discrimination as the cause of underperformance could provide the missing link between resilience and high-performance. Some scholars in this literature review argue that it is beneficial to examine racial discrimination
in distressful occupations like entrepreneurship, using resilience as a possible outcome (Brown & Tylka, 2011; see also Brown, 2008; Miller, 1999; Utsey, Bolden, Lanier, & Williams, 2007). Historically, African American entrepreneurs have employed resilience to fend off racial discrimination (Barbarin, 1993; Brown & Tylka, 2011; Utsey, 1998). The major abstraction in this literature review, therefore, is the resilience of African American entrepreneurs in the face of racial discrimination. Resilience is the characteristic of individuals who overcome setbacks related to their life careers (Zautra, Hall, & Murray, 2010). African American business resilience refers to African American entrepreneurs’ capacity to overcome financial adversity—a condition marked by maladaptive coping, helplessness, and despondency. It is a dynamic adaptation process that allows entrepreneurs to look forward to the future despite harsh financial setbacks (Windle, Bennert, & Noyes, 2011). But then, African American entrepreneurship resilience is incomplete without dipping into historical literature to search for, and understand, the root cause of the challenges they currently face. It is the conviction of this research that there is a rich history of the relationship between resilience and high-performance in African American entrepreneurship, and that the major obstacle is racial discrimination instead of dysfunctional behaviors.

The following literature review shows that, for the African American entrepreneur, the business process is filled with uncertain and adverse circumstances where an individual has relatively little control (Bird, 1989); therefore, for the African American, the risks of starting a business and the repercussion of failure are greater than his/her counterparts (Robb & Fairlie, 2008). It must be emphasized that it is not the intention of this research to focus on chronicling risks and failures of African American entrepreneurs; these kinds of studies are essential and beneficial, but they are often partial and translate to negative perceptions of African Americans.
as entrepreneurs (Fairlie, 2004; Fairlie & Robb, 2008, 2005, 1999). In contrast, a resiliency paradigm directs researchers to positive factors in the African American entrepreneurial experiences that become the focus of changing strategies to enhance strengths (Huggins & Thompson, 2015).

Since the intention of this research is to investigate the major cause of underperformance in African American entrepreneurship, a qualitative methodology will be applied to collect contextual information and focus on entrepreneurial themes contained in three explored strands of literature. The three strands comprise articles containing substantive concepts, as well as theoretical provisions essential to the research. The first strand examines racial discrimination as a determinant of resilience. This literature demonstrates how exclusion, discrimination, institutional racism and other constraints make it difficult to raise external capital, an actuality that plays a significant role in the persistence of low rate business outcomes and higher closure rates among African American entrepreneurs (U.S. Census Bureau, 1997). Above all, it specifically notes how racial discrimination in business ownership has many detrimental consequences which often leaves African American entrepreneurs with deleterious repercussions. Given such a negative scenario, examining the resilience of African American entrepreneurs becomes extremely necessary.

The second strand provides the history of African American entrepreneurship in three stages: 1) One drop rule and Early Entrepreneurship, 1770 - 1960; 2) Golden Age of African American Entrepreneurship, 1900 -1970; and 3) the Black Power Initiative, 1970 -1999. By viewing the history of African American business resilience and high-performance through the lens of racial discrimination and the outcomes of organizational restructuring, this research can produce a much deeper analysis of the causes and consequences of African American
entrepreneurship, as well as the significance of U.S. entrepreneurship to African American communities (Garrett-Scott, 2009; Walker, 2009).

The final strand addresses the performance of African American entrepreneurship in the 21st century. The literature primarily explores the experiences of African American entrepreneurs before, during and after the Great Recession (2007-2010). Particularly, the literature speaks directly to contemporary African American entrepreneurs, focuses on the hidden challenges and highlights the continued role of racial discrimination in shaping African American entrepreneurship. In the summary of each strand, gaps in literature are outlined and the supposed major cause of underperformance is revealed. Merging these three strands of sociological literature is important in understanding why African American entrepreneurs are portrayed as underperformers. The conclusion links each strand back to the literature, the existing body of knowledge and the conceptual framework of this research. Each strand shows that racial discrimination, and not the absence of a business tradition, puts the African American entrepreneur at a resource disadvantage, and that mainstream research has failed to acknowledge this fact. In this regard, suggestions are offered for further investigation.

**Strand One: Racial Discrimination as a Determinant of Resilience**

This first strand examines the relationship between racial discrimination and resilience, given that racial discrimination may impede the African American entrepreneur’s ability to progressively manage and surmount various beyond control occurrences. The strand shows that the cause of the gap is to be found in the “structural characteristics of the American economy, which is heavily infused at every point with racial discrimination” (Darity et al., 2018, p. 3). Literature in this strand seeks to pinpoint and counter myths perpetuated by mainstream
researchers that are at the center of the perceived underperformance of African American entrepreneurs.

*Shaping African American Entrepreneurship*

African American entrepreneurship has been shaped by racial discrimination from emancipation to the contemporary period (Ogbor, 2000; see also Bates, 1995; Carmichael & Hamilton, 1967; Coles, 1973; Dandridge, 2010; DuBois, 1898; Harper-Anderson, 2017; Hodge & Feagin, 1995; Kenzer, 1989; Ogbor, 2000). This prejudicial treatment has allowed African Americans to cultivate the strength to heal from painful wounds (Walsh, 1998). Such resilience, described as a return to “original form or position after being bent, compressed, or stretched, as well as the ability to overcome adversity, survive stress and rise above disadvantage” (Valentine & Feinauer, 1993, p. 222), has led to the emergence of the U.S.’s first African American billionaires, and the incongruent racial makeup of millions of entrepreneurships owned by and tailored for African Americans. Still, a cadre of ethnic entrepreneurship researchers continue to portray African Americans as a group that is unsuccessful in developing its own economy (Fairlie & Robb, 2004, 2005, 2008; see also Light, 1972; Lofstrom, 2013; Morris, Schindehutte & Lesser, 2002).

When the performance of an African American entrepreneur is integrated into the analysis of entrepreneurship, it is often to accentuate underperformance or startup failure, hence perpetuating unjust perceptions about African American low business acumen (Hodge & Feagin, 1995). As earlier stated, most contemporary studies have theorized U.S. entrepreneurship ethnocentrically, and approach African American entrepreneurship with racio-ethic variables (Bogan & Darity, 2008; Harper-Anderson, 2017; Jones, 2017; Ogbor, 2000; Walker, 2009). Simply put, a good number of mainstream researchers utilize the discourse on entrepreneurship
to further “enhance the divisions among humans, race, gender and ethnicity, so as to maintain consistency with the dominant ideology” (Ogbor, 2000, p. 624). Research findings show that cultivating qualitative data that portrays African American entrepreneurs as underperformers has become a strong fixation within mainstream research (Jones, 2017; Ogbor, 2000). As a result, African American entrepreneurship growth remains retarded by a number of pervasive myths are deeply engrained in research frameworks (Brown, Mawson, & Mason, 2017). What has emerged out of this discourse is how mainstream researchers condone racial discrimination, a manner that has had an adverse impact on the performance of African American entrepreneurship. Blauner (1972) suggests that mainstream research on ethnic entrepreneurship is premised on two major assumptions; 1) that minorities are not regarded as essential or avid elements of society; and 2) that bigotry, prejudice, and racial discriminatory tendencies are ultimately channeled to other causatives, mostly economic or psychological.

Theoretical constructs by mainstream researchers proceed from such premises, postulate that African American entrepreneurs underperform, not because of racial discrimination or historic negligence by the U.S. government and its policymakers, who are inclined to support White entrepreneurs, but because African Americans lack the Western tradition of business conduct (Brimmer & Terrell, 1971; Fairlie & Robb, 2008; Loftstrom, 2013; Robb & Fairlie, 2004, 2005; Light, 1972; Meirer & Lewis, 1959; Oliver & Shapiro, 1995). As a result, racism, discrimination, prejudice and exclusionary realities are usually disregarded among the interrelationship and phenomenon fused in theories that affect African American entrepreneurs’ performance, and places them at the bottom of the U.S. entrepreneurial ladder (Torres, Howard-Hamilton, & Cooper, 2003). As observed by Ogbor (2000), mainstream researchers treat entrepreneurship as they treat other modes of societal aspects of domination. Ogbor adds that
“the researcher pretends to be neutral, objective, value-free, and behaves in a ‘purely’ scientific manner, standing above subjectivity and the social context of research projects” (2000, p. 622). Aware of such mainstream motives and bias, African American entrepreneurs have employed their cultural resilience as a protective tool employed to neutralize the devastating effect of racial discrimination. The following literature review features a compilation peer-reviewed research studies that describe the extent to which African American entrepreneurs display resilience.

Propensity to Bounce Back

In 1988, Charles Wille elucidated the existing plight of African American families with the following statement: “The Black family is still around” (Hildreth, Boglin, & Mask, 2000, p. 13). Wille was referring to a people who have survived more than 400 years of slavery, the Civil War (1861-1865), decades of Jim Crow’s segregation, and importunate overt and covert discrimination. DuBois (1898, 1899), Boyd (1990) and Weare (1993) describe African Americans as resolute and resourceful, with a resplendent history of business resilience in the face of impediments. African Americans have utilized such resilience as the propensity to bounce back when a significant disruptive event has occurred (Jarmin, Krizan, & Luque, 2016), and have earned the title “Survivalist Entrepreneurs” (Boyd, 2000, p. 972).

The term resilience is not confined to one definition. Fergus and Zimmerman (2005) define resilience as “overcoming the negative effects of risk exposure, coping successfully with traumatic experiences, and avoiding the negative trajectories associated with risks” (p. 399). Adenira and Johnston (2012), and Ayala and Manzano (2014) describe resilience in entrepreneurship as the will to endure and quickly surmount hardship. According to the forenamed researchers, resilience is a required personal trait in the pursuance of entrepreneurship. Resilience is identified as one of the major leads to entrepreneurial success.
For African American entrepreneurs, each time discrimination has occurred, the energies that foster entrepreneurship have been put to test, and each time, African American entrepreneurs have employed attributes of resilience such as pro-activity, flexibility, and innovativeness to keep their businesses afloat (Akande, 1994; Boyd, 1990; Harper-Anderson, 2017; Hill, 1999; Walker, Holling, Carpenter, & Kinzig, 2004). While resilience has helped African American entrepreneurs to withstand internal and external shocks and has been the driver of high-performance, racial discrimination has remained the major barrier (Barbaran, 1993). As Sue and Sue (2008) suggest, it is important to cognize the relationship between racial discrimination and resilience, given that racial discrimination may inhibit a an individual’s capability to positively manage and contain various situations.

Sue and Sue’s (2008) suggestion is difficult to execute because few researchers care to study the racial encounters of tenacious and resilient African American entrepreneurs (Brown, 2008). There seems to be little mention regarding the role of racial discrimination and resilience on the part of mainstream researchers, and yet there is compelling evidence for the significance of each. The investigation of the relationship between racial discrimination and resilience is complicated, because the running of entrepreneurship in the U.S. is convolutedly associated with capitalistic determinants that are at the intersections of race, business and oppression (Patton et al., 2007). Delgado and Stefanic, (2001) and Ladson-Billings (1999) add that race is deeply entrenched in social, cultural and political makeups, thus making it almost impossible to identify and root out (see also Bates, 1995; Butler, 2004; Carmichael & Hamilton, 1967; Hill, 1999; Jones, 2017; Peck, 2012). Ogbor (2000) adds that “the concept of entrepreneurship is discriminatory, ethnocentrically determined and ideologically controlled, sustaining not only prevailing societal biases, but serving as a tapestry for unexamined and contradictory
assumptions and knowledge about the reality of entrepreneurship in the U.S.” (p. 624). By showing racial discrimination as a determinant of resilience, the literature in this strand aligns the problem statement and research as summarized below.

Summary

Some of the scholars featured in this strand argue that it is helpful to investigate the link between racial discrimination and resilience (Sue & Sue, 2008; see also Miller & MacIntosh, 1999). The literature review in this strand exposes a large gap in research, because studies investing the relationship between racial discrimination and resilience in African American entrepreneurship are almost nonexistent. Noted by a few researchers (Naude, 2009; Bruck, Naude, & Verwimp, 2013), the existing entrepreneurship literature seems to be insufficient on the matter of investigating why African American entrepreneurs are portrayed as underperformers. Inevitably, the absence of a strong theoretical foundation has made it difficult to demonstrate how racial discrimination is negatively related to resilience. The body of literature in this strand contends that it is racial discrimination that brings about unequal access to credit and loans, making it impossible for African American entrepreneurs to be in a competitive position in terms of capital and entrepreneurial motivation. The crux of the matter is, while resilience has helped the African American entrepreneur to withstand internal and external shocks, it remains weakened by racial discrimination and other forms of prejudice that have impeded African American entrepreneurial development in every aspect of business throughout history. The literature strand below presents a historiography of African American entrepreneurship, and shows how racism, prejudice, racial discrimination, institutional laws, and regulations have, and still continue to play a retrogressive role in the shaping of U.S. American entrepreneurship.
Strand Two: History of African American Entrepreneurship

This second strand demonstrates how African American entrepreneurship has been fashioned by racism from emancipation to the contemporary period. There is a historical pattern against African American entrepreneurship that can be seen in recurring episodes across four centuries. In this particular strand, the pattern is highlighted through the examination of three historical stages: 1) One drop rule and Early Entrepreneurship, 1770-1900, 2) Golden Age of African American Entrepreneurship 1901 – 1960, and 3) The Black Capitalism Initiative, 1961-1999. The strand shows since the one-drop rule, racial discrimination has been modelled by legal, economic, political, cultural and sociopolitical settings (Jordan, 2014).

One-drop Rule and Early Entrepreneurship, 1770-1900

Sutton (2000) writes, “African American entrepreneurship has been a historical tradition of survivorship in America” (p. 22). Despite a noteworthy expansion in African American entrepreneurship history, historians have only given limited consideration to business activities post-emancipation. Even fewer researchers provide an in-depth examination of early African American entrepreneurship from the perspective of the entrepreneur as a creative capitalist (Aitken, 1971; see also Bailey, 1971; DuBois, 1898, 1899; Harmon, Lindsaya, & Woodson, 1929; Minton, 1901; Pierce, 1947). Some researchers present early African American business as insignificant (Tolson, 1975; Stampp, 1956; Wendzel, 1956). Yet there is great evidence that, since the eighteenth century, many African Americans have engaged in successful entrepreneurial activity, often against great odds (Boyd, 2006; Garret-Scott, 2009; Ingham, 2003; Levenstein, 1995).

After Emancipation, many African Americans not wishing to work on plantations, turned to self-employment to secure self-reliance and total independence from their masters (DuBois,
1898, 1899). African Americans developed small trading stands and participated in the business community as hawkers, peddlers, draymen, carters, vendors, chimney sweeps, blacksmiths, nurses, gardeners, whitewashers, and jack-of-all-tradespeople (Walker, 1986). In his landmark sociological opus, *The Philadelphia Negro*, DuBois (1899) alludes to the rise of entrepreneurship, reporting that African Americans in Philadelphia dominated the city’s leading catering business and were enough to form a successful guild of caterers. Ingham (2003) adds that after the Proclamation 95 of 1863 (a.k.a. the Emancipation Proclamation), “freed persons who owned small businesses could be found in nearly every town and city” (p. 29). For instance, in Massachusetts, African Americans were extensively involved in entrepreneurship as early as 1730 (Hayden, 1994; see also Goldfield, 2009; Tager, 2001). According to Hayden (1994), as early as 1730, former slave Stephen Jackson was a prosperous hat maker in Boston. Paul Cuffee of Westport, Massachusetts, was successful in shipping and trading ventures between America and Canada, and Robert H. Carter was the first African American person registered as a licensed pharmacist in 1886. Hayden (1994) further notes:

Free and enslaved African Americans made contributions to economic development as shipbuilders and sail makers, manufacturers of shoes and clothing, bricks and lumber, furniture makers, wrought-iron and sliver craftsmen, store owners, caterers and restaurant operators, and hotel and livery stable owners… Black men operated large businesses for retail leather products. Prince Hall of Boston, freed by his owners in 1770, used the trade he acquired under slavery—leather dressing—to supply soldiers with leather goods during the revolutionary war. (p. 4)
The book *Black Entrepreneurs of the Eighteenth and Nineteenth Centuries* produced in 2009 by the Museum of African American History in conjunction with the Federal Reserve of Boston, reports that in the 1830s, small-scale African American entrepreneurs, comprised of tailors and dressmakers, participated in the development of the fashion industry, and that before the Civil War, they had dominated the high fashion merchant tailoring. In the South, where the largest number of African Americans resided, virtually every type of business accommodated African American businesspeople, including merchandising, manufacturing, real estate speculation and development, and the extractive industries (Walker, 1986). African American small-scale entrepreneurs operated various businesses, such as corner grocery stores, billiard halls, beauty parlors, and funeral homes, making entrepreneurship a means of economic advancement (Bogan & Darity, 2008; see also Boyd, 2006; Weare, 1993). Walker (1986) states African American entrepreneurs were “men of uncommon ability, who possessed remarkable business acumen” (p. 357). Walker (1986) further states that African Americans were innovative, took risks, and were not only able to sense the wants of the consumer, but also to create consumer demand and open new markets. According to Walker (1986), “Blacks, both slave and free, participated in America’s economy as entrepreneurs within the tradition of creative capitalist. Most African Americans were able to sustain their businesses and accumulate a substantial amount of wealth” (p. 118). The pre-slavery African business acumen characterized African American success as early as the 1770s, with many significant African American businesses catering to both Black and White customers (Bailey, 1971; Hodge & Feagin, 1995).

However, the sudden rise of African American entrepreneurs displeased and worried their White counterparts. An insecure identity of whiteness that arose out of the guilt of atrocities committed during slavery loomed over the economic empowerment White entrepreneurs in a
post-slavery era. (Lipsitz, 1995; DuBois, 1898; Levenstein, 1995). Meier and Lewis (1959) write: In the early nineteenth century, the rapid rise of African American small-scale entrepreneurs, together with high economic scores and fast urbanization, posed a threat to this sense of whiteness, more so in the fourteen states of the South, where 90% of African Americans dwelt (Bradford & Osborne, 1976; Chandler, 1963). During this period, law-makers defined racial discrimination by creating the “one-drop rule” (Jordan, 2014, p. 100). The one-drop rule was based on White refinement (Jordan, 2014).

By this social one-drop rule, a person was classified as either Black or not. Any person of racially or ethnically mixed descent who had some ‘Negro blood’ was, and is still, regarded as ‘colored,’ ‘African,’ ‘Negro,’ ‘Black,’ ‘Afro-American’ or ‘African American’—whatever designation was applied by convention at the time. (Jordan, 2014, p. 100)

One-drop rule inserted the word “inferior” in humankind. Anyone who failed the White test was inferior (Hollinger, 2005). It can be said the one-drop rule became the pictogram of whiteness and the foundation of racial discrimination (Jordan, 2014). Hereinafter, Blacks were depicted as of reduced humanity, and, therefore, inferior. State after state developed laws that carefully delineated who was White and who was Black; a development that led to the implementation of the Jim Crow segregation laws.

**Jim Crow Laws**

By 1890, the continued expansion of African American businesses became a greater source of worry for White entrepreneurs (Butler, 1996). Several African Americans nationwide
were running successful businesses (Foster, 1999). They added to their business industries, branching out to “newspapers, cemeteries, and reality associations, theaters, hotels, ‘mom and pop’ stores, juke joints, retail stores, and essential services” (Meier & Lewis, 1959, p. 128). The rapid establishment of businesses and the high level of wealth-creation of free African Americans is epitomized by Edward V. Clark in Walker (1986). Clark was a small-scale jeweler as well as a professional caterer. Walker (1986) writes that Clark “accumulated property worth between $501 and $5,000 in the shortest time, and because of that, he qualified for credit” (p. 359). Part of the credit report reads as follows:

Ed V. Clark Jeweler 89 Canal Street Oct 15, 1851, is a negro, was formerly a porter with Platt Bros [Platt Bros. was one of the leading New York jewelers], commenced business at 89 Canal Street April, 1850 with 2 1/2 to 3m cash. His principal bus is to loan silver, glasswares, etc to the "upper ten" for dinners and evening parties at which he is said to be doing well, keeps a stock of such articles amounting to about $5m. He is respectable and very honest and upright and not likely to contract debts improperly. Feb 28/53 Col man, besides his jewelry business, he is a public waiter and gets up dinners and suppers in which business he is making money. Had on the 1st of Jan cast silver and plate dining and tea sets which he bought for $1500 of which he owes $100. Has stock in his store of $5000 on which he owed $3m mostly to Platt Bros and has since nearly paid that up, gd for all he asks. (Walker, 1986, p. 359)

Foster (1999) adds that the sudden well-being of former slaves and their display of business acumen, upset Whites. Foster (1999) writes: “the presence of a significant number of well-
dressed African Americans enjoying themselves offended Whites” (p. 91). According to Foster (1999), such business success led to the infamous *Plessy v. Ferguson* case of 1896, that institutionalized segregation. Jim Crow segregation laws were, according to historian C. Vann Woodward, “the public symbols and constant reminders” (Wilson, 2006, p. 237) of the African American’s inferior status in the South (Wilson, 2006). In the South, Jim Crow laws became the laws of racial ostracism that spread to residential areas, churches, schools, and organizations (Wilson, 2006). Butler (1996), Stampp (1956) and Wendzel (1956) note that, with Jim Crow laws, African American entrepreneurs were prohibited from operating businesses in White communities. Butler (1996) further states that in the Southern cities, African Americans “who were thriving on Main Street were forced to shut down and relocate to their communities, making it impossible to compete in an open marketplace” (p. 101).

Verwey and Quayle (2012) and Parker and Grimes (2001) point out that although the confinement of African Americans to their communities marked the beginning of entrepreneurial racial discrimination, it did not break the spirit, initiative or resilience of African American entrepreneurs. If anything, the Jim Crow laws triggered a business resilience that has lasted up to this day. According to Walsh (1998), “being resilient includes more than merely surviving and being a victim of life, it also encompasses the ability to heal from painful wounds, take charge of their lives, and go on to live fully and love well” (p. 4). African American resilience is a tradition that goes back to the African culture of pre-slavery days (Brown & Tylka, 2011). African resilience and its predisposition for insurgence were well known to ship captains and ship builders (King, & Moody-Turner, 2013) during the triangular slave trade. Rediker (2007) writes that the slave ship gave birth to a defiant, resilient, life-affirming and industrious African
Americans. Hayden (1994) states that the caged Africans who were brought to America came from a resilient business tradition; from a culture of smart dealers, merchants and craftsmen.

Various literature show that the chance for some African Americans to start their own businesses came out of the chastening environment of the early Jim Crow era (Bailey, 1971; see also Boyd, 1990; Braden, 2018; Curry, 1981; DuBois, 1898, 1899; Guffrey, 2012; Harmon, Lindsay & Woodson, 1929; Walker, 1986). Many enslaved Blacks, in fact, bought their freedom by marketing their inventions and selling their crafted merchandise (Walker, 1986). Donna Braden, curator of Public Life at Henry Ford, wrote in *Black Entrepreneurs During the Jim Crow Era* that the “more segregated the Black communities became from White communities, and the more White businessmen refused to cater to Black customers, the more likely it became for enterprising Blacks to venture into businesses of their own” (Braden, 2018, para 4). It was in this spirit of entrepreneurial resilience, cultivated despite the Jim Crow laws, that the first calls by African Americans to acquire their own bank were made (Oliver & Shapiro, 1955). Pierce (1947) reports that in 1851, some of the most distinguished African American entrepreneurs in the South called for an open meeting whose purpose was to establish a bank for African Americans. Their aim was to improve the African Americans’ economic status. The meeting passed a resolution to open a mutual savings bank. It was hoped an African American bank would help African Americans to monitor and control their own money.

Kenzer (1989) adds that in 1865, a small group of antebellum freed African American people shared small loans for a head start in business and created a good number of African American companies. In North Carolina, for instance, 139 African American firms were identified between 1841 and 1880. It is worth noting that between the Civil War and 1920, African American businesses were thriving again. It is worth noting that some of the most
successful African American business owners of all time emerged in the North after the Great Migration of southern African Americans (Levenstein, 2004), and ventured into banking, insurance and newspaper or book publishing. Successful African American businesses are still operational to this day. They include the North Carolina Mutual Insurance Company, the Atlanta Life Insurance Company, Overton Hygienic Products Company, Madame C.J. Walker’s Poro System and several newspapers. The aforementioned businesses owe their existence to the African American banks of the 1920s (Coles, 1973). Their original owners, Alonzo Herdon (The Atlanta Life Insurance Company), Anthony Overton (Overton Hygienic Products Company), Sarah Breedlove (Madame C.J. Walker’s Poro System), and John Merrick (North Carolina Mutual Insurance Company) possessed dispositional characteristics and psychological capital that enabled them to endure high levels of uncertainty. As inferred next, African American entrepreneurs continued to take advantage of every “golden” opportunity, even at the height of the devastating Great Depression.

Golden Age of African American Entrepreneurship 1900 – 1970

In the early twentieth century, Booker T. Washington, addressing African Americans, called for economic empowerment. Washington told the crowd that in a post-slavery era, African Americans had to prove their worthiness by succeeding economically. “There was room at the top,” he said. “The almighty dollar is the magic wand that knocks the bottom out of race prejudice” (Franklin & Meier, 1982, p. 124). With such words, African Americans in small-scale businesses believed that, through resilience, economic strength and racial cohesion, they would prevail (Weare, 1993; Darity & Frank, 2003). Hayden’s (1994) research shows African Americans in Boston, Massachusetts, answered Washington’s call in the early 1900s by making the city an incubator for significant African American businesses. According to Hayden (1994),
Boston, a city in which “Jim Crow was still the law of the land,” was bustling with African American businesses. Hayden (1994) chronicles the accomplishment:

There were several lodging houses that styled themselves after hotels. Two good-sized livery stables were also operating—one connected with a large Black funeral business in the South End and the other owned by Henry C. Turner in the Fenway district. Turner’s clientele were mostly white. A building he constructed in 1900 was used for his boarding stable and garage. In downtown Boston, a photographic studio and a school of pharmacy were owned and operated by Blacks. (p. 5)

During the early 1900s, Tremont Street in South End bustled with African American business activity (Hayden, 1994; see also Goldfield, 2009; Lebovic, 2014; Tager, 2001). Hayden (1994) reports that the Eureka Cooperative Bank located at 930 Tremont Street was the only bank in the East owned and operated by Blacks. Located on the same street was the South End Electric Company, owned by Leon G. Lomax, an African American. South End Electric Company did electrical contracting, house wiring, repairing and wired most of the homes in Roxbury when electricity reached Boston. Also popular on the street was Thomas E. Lucas’s Southern Dining Room, known for its good food and prompt, attentive service (Hayden, 1994). Goode, Dunson and Henry, a retail and wholesale grocery and provision store, situated on Shawmut Avenue, grew from its humble beginning into a specialized business and successfully competed with similar White businesses (Hayden, 1994).

National research conducted by Levenstein (2004) produced what Butler (2004) considers as the most comprehensive data analysis on African American entrepreneurship
compiled at the beginning of the twentieth century. Levenstein (2004) noted the fast rise in the number of African American businesses and likened them to other ethnic groups. Levenstein’s findings showed in 1910, African Americans whose population had risen to 9,827,763 nationwide, were more likely than White Americans to be employers, and almost as likely as Whites to be self-employed. Marks (1985) reports that in 1910 over 60% of the African American population was engaged in agriculture (most of that in cotton), 18% in domestic and personal service and only 20% in all other occupations combined. Also, Levenstein (2004) claims that entrepreneurship was more common among both Whites and African Americans in 1910 than among Asians (Chinese, Japanese, or Hawaiian of Asian origin). Further findings by Levenstein show that the African American population was only beginning to be industrialized in 1910. Butler (2004) claims that Levenstein’s research was conducted partly to challenge the notion that self-employment was not part of the cultural experiences of African Americans.

It was during the period of Levenstein’s findings that the Great Migration took place. The Great Migration involved the “migration” of six million African Americans out of the rural South to the urban North, Northeast, Midwest and West between 1910 and 1970 (Boyd, 2006; Bogan & Darity, 2008; Walker, 1986). Pierce (1947) observes that business enterprise, which produced money for the education of African American children in the late 1800s and early 1900s, had become the shoulder on which to build future generations (DuBois 1898; Minton, 1901). However, the Great Depression would also mark the decline of African American entrepreneurship, which resulted in a significant decrease of businesses (Bogan & Darity, 2008; Boyd, 2000; Garrett-Scott, 2009; Sutton, 2000; Walker, 1986). Only a few industries, like insurance, newspaper, service business, funeral parlors, barber and other shops thrived (Weare, 1993).
Hayden writes about the decline of African American entrepreneurship in Massachusetts:

This lack of growth and failure of some Boston’s Black businesses was not as a result of a small Black population to serve as potential customers for, in fact, Boston’s Black businesses had always depended on white customers. The decline was caused by increasing competition from white immigrant groups, an insufficient supply of capital, and an increase in white prejudice and discrimination during the 1890s as ‘Jim Crowism’ began creeping into the north. (p. 5)

The depression resulted in the closure of Black businesses in downtown Boston and areas like South End (Goldfield, 2009). African American entrepreneurs relocated to their residential areas of Roxbury, Dorchester, Mattapan, Roslindale and Hyde Park (Boston Redevelopment Authority, 2010). Between the 1940s and 1960s, Roxbury became the hub of Black culture in Boston, and Dudley Square the venue for the most African American businesses. And by 1960, Roxbury was entirely Black (Medoff & Sklar, 1994; Roxbury Historical Society, n.d.).

Deterioration of African American business nationally was further worsened by civil rights and African American nationalism between 1950 and 1970. During this period, desegregation eroded the business maneuvers of African American entrepreneurs, many who were dependent on segregation to protect their markets (Brimmer & Terrell, 1971). But they were not dissuaded. Applying resilience, African American entrepreneurs were able to navigate their way to the physical resources that sustained business (Brown & Tylka, 2011). In 1965, the legitimacy of racial discrimination was undermined by the abolishment of Jim Crow (Lennox, 2012; Parker & Grimes, 2001; Verwey & Quayle, 2012). Despite Jim Crow, several thousand of
African American entrepreneurs had established prosperous businesses (Foster, 1999), enough to take them into the Golden Era. Within the Golden Era was the embryonic Black capitalism that entered the national agenda in 1970 when President Richard Nixon made the plight of African Americans part of his presidential campaign.

Black Capitalism Initiative 1970 – 1999

The 1968 election of Richard Nixon as the 46th president of the United States placed African American entrepreneurs on the cusp of a major boost. Weems and Randolph (2001) and Kotlowiski (1998) report that during Richard Nixon’s presidential campaign, he called for African Americans to “acquire a piece of the action through ownership, and pledged government efforts to that end” (Villamez & Beggs, 1984, p. 118). Ambrose (as cited in Weems & Randolph, 2001) points out that the Nixon presidency enticed African Americans with the concept of “Black Capitalism as an incentive to move away from the notion of ‘Burn Baby Burn’” (p. 6), a catchphrase attributed to the 1965 Watts Riots (Horne, 1997). On August 11, 1965, five days after President Lyndon Johnson signed the Voting Rights Act, guaranteeing the end of Jim Crow laws and affording African Americans the opportunity to participate in the political process, the Watts neighborhood of Los Angeles erupted into deadly riots. Sparked by police beatings and the arrest of an African American motorist for drunk driving, the six-day clashes resulted in 34 deaths, 272 business buildings set on fire, and over $200 million in property damage (Mann, 2007). Presidential candidate Richard Nixon utilized the skirmish to his advantage, promising African Americans to stop police brutality and to empower them financially.

Throughout his campaign, Nixon engaged in restitution tactics, advocating for Black ownership, Black pride, Black jobs, Black opportunity and Black power (Baradaran, 2017). When he became president, Nixon signed Executive Order 11458 to create the Office of
Minority Business Enterprise (OMBE) and “expanded federal procurement from firms owned by African Americans and Hispanic Americans” (Kotlowiski, 1998, p. 411). Baradaran (2017) notes that Nixon “infused needed cash into minority–owned small-scale businesses that would contribute to the movement of minorities, especially African Americans, into the middle class and the Republican Party” (p. 412). Baradaran (2017) and Kotlowiski (1998), note that Nixon’s pledge to support African American entrepreneurship led to the birth of African American capitalism. According to Kotlowiski (1998), between 1971 and 1973, federal money in minority banks increased from 35 million dollars to more than $80 million dollars, and to over $1 billion in 1974. This resulted in the opening of more African American-owned banks. For many generations, African Americans had looked to government support and thought they had it this time with Nixon—the opportunity to receive government funds to create Black wealth through Black-owned banking, entrepreneurship and patronage of Black businesses (Baradaran, 2017).

Professor Mehrsa Baradaran, author of *The Color of Money: Black Banks and the Racial Wealth Gap*, writes in her book that much of the economic instability African Americans had faced was the direct result of negligence, racial discrimination, or broken bonds on the part of government and private entities operated mostly by White Americans (2017). Baradaran identifies the U.S. government as the architect of entrepreneurial discrimination. Baradaran’s narrative covers the post-Civil War Reconstruction years and exposes the government’s basic failure to equip former slaves with trustworthy wealth building institutions. With Nixon’s Black Capitalism, Baradaran observes that “businesspeople who, for generations, felt excluded from the system finally had an equal chance to make the most of one’s talents (p. 442). By 1977, there were “231,203 African American-owned businesses in the United States, of which 94.5% were single proprietorships, 3.9% were associates, and 1.8% were organizations” (p. 437).
Narrowing the scope, Hayden’s (1994) historical review of African American entrepreneurship in Massachusetts shows the federal grants from the OMBE resulted in the establishment of community organizations in Roxbury and other Black neighborhoods in the Greater Boston area. According to him, the purpose of the federal grants was to develop educational programs and activities that would give attention to the interrelationship of business development and to people establishing new businesses. Federal grants would also provide venture capital and develop new ideas for other community controlled, profit-making businesses. Between 1970 and 1980, the number of African American-owned businesses increased by 92% (Boyd, 1990). And although African American entrepreneurs made progress in the ten-year period, the erosion of business between 1960 and 1970 as a result of racial discrimination, segregation and civil rights advances caused other minority business owners to overtake them (O’Hare, 1990). Levine (as cited in Bogan & Darity, 2008) observes that in the 1960s, “increased social awareness, civil rights legislation and profit seeking by large corporations made White-owned businesses increasingly available to the African American consumers. When this change of events occurred, most African American entrepreneurs were unable to compete in the expanded marketplace” (p. 2005).

O’Hare (1990) reports that in the 1960s, African Americans trailed Whites and all other major minority groups. According to O’Hare (1990), in the 70s and 80s, Asians and Latinxs pulled away from African Americans with Asian business ownership rate standing at 260% than that of African Americans, and that of Latinos stood at 50% higher. Boyd (1990) states that despite their OMBE funds, knowledge and experience, African American entrepreneurs of the 70s and 80s, still faced insurmountable barriers. For African American entrepreneurs, declining segregation also entailed African American consumers acquired access to a more disparate U.S.
economy and as such patronized bigger White operated shops more than those of African Americans. Discrimination in contracts was still persistent and continued to cause additional obstacles (Feagin & Imani, 1994; see also Boyd, 1990; Garrett-Scott, 2009; Jones, 2017; Levenstein, 1995; Light, 1972; Walker, 2009). With the history of discrimination in mind, Baradaran (2017) doubted African Americans’ ability to fix the problem on their own and questioned the motive behind Nixon’s idea of Black Capitalism.

African American entrepreneurs got a reality check in the 1980s when Nixon’s efforts were revealed as a way to gain control of African American civil rights activists “and assure White voters that racial tension and upheaval would soon end” (White, 2017, para. 4; see also Baradaran, 2017; Kotlowski, 1998; Weems, & Randolph, 2001). It occurred to African American civil rights leaders that Nixon did not apportion funds to OMBE. Instead, the White dominated OMBE board was “instructed to seek private business contributions and help from other federal agencies” (Baradaran, 2017, p. 180). Baradaran further states that Nixon’s Secretary of Commerce and custodian of OMBE funds, Maurice Stan, was “indifferent to the outcome of the Black-capitalism program” (2017, p. 182). According to Baradaran, Stan engaged in equality-versus-difference arguments, and marred Nixon’s attempts to establish equality. Stan threw out the proposal by a top-ranking African American member of the board to devote $8.6 billion to the creation of 400,000 minority businesses (Baradaran, 2017). When Stan anulled OMBE, African American entrepreneurs were forced to return to commercial banks for funding, where they faced even more discrimination (Baradaran, 2017; Kotollowski, 1998).

Nevertheless, the lowering of some barriers to business ownership by the federal government made it possible for African Americans to own establishments in the post-OMBE era. But that did little to improve their sales. Bates (2014) reports that between 1970 and 1999, a
growing number of African American entrepreneurs in Boston created large capital-intensive firms oriented to market outside of African American communities. But toward the end of the 1990s, successful emerging African American entrepreneurs faced substantial discrimination, because many were concentrated in hostile White commercial districts. Little was achieved in promoting African American enterprise to non-African American clientele (Boyd, 1990). As a result, many African American entrepreneurs, faced with restricted access to capital, were forced to scale down and move to less affluent markets, leaving only a handful to operate in the more lucrative national economy (Boyd, 1990; see also Bates, 2014). In short, this strand does not just unveil the history of African American entrepreneurship, as the summary below demonstrates, but it also helps to uncover insights that inform racial discrimination and, in turn, strengthen and place racism in entrepreneurship at the center of this researcher’s argument.

**Summary**

This strand provides a historiography of how African American entrepreneurship has taken a convoluted entrepreneurial path from emancipation to the twentieth century. The strand identifies the one-drop rule (also known as hypodescent) as the origin of racial discrimination in entrepreneurship. As Winthrop (2014) states, in the U.S., the social standing for humans is simple; “if a person of whatever age or gender is believed to have any African ancestry, that person is regarded as Black” (p. 99). This centuries-old social one-drop rule, whose impact is ignored by mainstream historians and scholars for the most part, exposes the cultural entrenchment of America’s traditional racial hierarchy that assigns the highest status to Whites, followed by Asians and Latinxs, and places African Americans at the bottom (Bradt, 2010). An important feature of business relations in the U.S., the one-drop rule shows that when it comes to entrepreneurship, Americans see themselves in “bi-colored fashion—either/or—black and white”
(Winthrop, 2014, p. 99). Over generations, this covert social one-drop rule, “commenced at the very out-start of the vile slave trade that brought (African slaves) thither…” (Hickman, 1997, p. 1171) and has subjected African American to racial discrimination across the entire business spectrum (Hickman, 1997). In effect, this historical literature stipulates that consciously or unconsciously, mainstream scholars in research and statistics have operated, and still tend to do so, practically and abstractly according to the one-drop rule (Sweet, 2005; Winthrop, 2014) concerning the performance of entrepreneurs, often judging and ranking them by their skin color or ethnicity.

In the case of this research, it reveals how, from time immemorial, the elements of entrepreneurship have been employed to marginalize resilient African American entrepreneurs through the practice of racial discrimination. Drawing on various resilience, ethnic, business, political and economic literatures from emancipation to the end of the twentieth century, there is hardly any literature on the impact of the one-drop rule on African American entrepreneurship, which, up to this day, remains the predictor of performance in U.S. entrepreneurship. But most of all, the literature here highlights struggles by African Americans to create their own ethnic wealth and establish their own ethnic economy. The strand also shows although racial discrimination has penetrated African entrepreneurship, resilient African American entrepreneurs have not lost ground. If anything, African American entrepreneurs have seen some measure of entrepreneurial success. But mainstream scholars studying entrepreneurship have failed to acknowledge such attempts. Ignoring this evidence, they have focused instead on psychological profiles and attitudinal factors. The positionality of mainstream researchers has raised suspicion among multicultural researchers; some who speculate that U.S. entrepreneurship is “ethnocentrically a phenomenon belonging to a particular group” (Ogbor, 2000, p. 627).
As this literature proves, for four centuries, entrepreneurship has been the builder of wealth and the vehicle that drives economic opportunities. In sum, the literature portrayed here helps to understand entrepreneurship has traditionally been a great enabler of African American wealth pursuit and continues to operate as an vital institution. The literature affirms that, in a desire to be economically independent, freed slaves sought to build their own vibrant business communities within their boundaries. Largely illiterate in the period before and after the nineteenth century, African Americans engaged in small-scale enterprise to secure some economic security for themselves. African Americans established a wide range of viable businesses, some highly innovative and successful. Many African Americans demonstrated the aptitude accomplish complex outcomes and exhibited an African American culture of business resilience. As numerous researchers note in this review, throughout history, successful African American entrepreneurs have applied resilience when faced with entrepreneurial challenges. African Americans have continued to do so in the twenty-first century, faced with some of the same racial barriers as they have for 400 years.

**Strand Three: African American Entrepreneurs in the 21st Century**

This last strand is important because it demonstrates how the economic barriers embedded in racial discrimination have been replicated for African entrepreneurs in the twenty-first century. Additionally, shows how African Americans are making efforts to remove such barriers. Efforts are exemplified in the rise of African American billionaires, among them media mogul Oprah Winfrey ($3.1b), CEO of Vista Equity Partners, Robert Smith ($2.5b), and new inductee Michael Jordan ($1.15b) (Nsehe, 2017). Today, there is a steady rise of African American-operated businesses creating jobs and economic opportunity in underserved communities across the country. Some of the businesses, like independent shops, restaurants and
service providers, have the capacity to realize the merits of African American businesses beyond the geographic, industrial and income boundaries that they have never reached before (Garrett-Scott, 2009; see also Bates, 2014; Bogan, 2008; Huggins & Thompson, 2015). The African American business achievement in the twenty-first century “highlights the ways scholars will have to change to understand the future and past of Black business” (Garrett-Scott, 2009, p. 32).

Noticeably, the prospect for high performance in African American entrepreneurship appears possible for future generations (Harper-Anderson, 2017; Jones, 2017; Wade, 2010). The 2007 Global Entrepreneurship Monitor reports that African Americans are starting businesses at a faster rate than Whites, Asians and Latinxs. Research, including that of Bates & Lofstrom (2011), Bogan and Darity (2007), Jarmin, Krizan and Luque (2016), and Jones (2017) acknowledge the rise in the number of African American entrepreneurs, especially in fields that were previously closed to them. Goldstein (2016) attributes the rise of African American entrepreneurship to the increasing number of African American college graduates. As already noted in the previous chapter, the number of college degrees held by African Americans is on the rise. While the racial and socioeconomic gap in education remains wide, African American students are starting to catch up to their White contemporaries. According to Goldsten (2016), in 2015, the nationwide high school graduation rate reached a historic high of 83.2% and saw an increase of 7.6% in African American graduation rates, resulting in higher college enrollment numbers especially in Historically Black Colleges and Universities (HBCUS). At the undergraduate and graduate levels, Black students are studying business at a higher rate than minority and White students. At graduate level, the rate of African Americans with graduate and post-graduate degrees has also increased, with the majority awarded degrees in business administration (Goldstein, 2016; Tekula, 2012). As the result of high rates of graduation, there
has been a tremendous increase in the African American entrepreneurial activity. A summary report by Tekula and Tracy (2012), on the state of Black entrepreneurship in the United States, shows that in 2012, the growth of African American-owned businesses outpaced the national rate, as they grew by 45%, compared to 10% for all classifiable firms.

Harper-Anderson (2017), who conducted research at the height of the Great Recession between December 2007 and June 2010, saw an upsurge of African Americans in the professional services (PS) sectors. The increase in the number of African American entrepreneurs in the professional services suggests that major impediments that “initially locked them [African Americans] out have been removed and that the potential for their upward mobility has increased” (p. 3). However, Fairlie (2005, 2004), and Walker (1999) note that professional African American entrepreneurs are still encountering the same difficulties as non-professionals in sustaining their businesses. Racial discriminatory practices continue to restrict African American entrepreneurs at every stage of their business development (Brown, Mason, & Mawson, 2017; Jones, 2017; Walker, 2004). Existing literature of contemporary peer-reviewed research studies indicate that African American entrepreneurship is still poorly organized, under-resourced and lacking political, institutional and economic support from significant segments of American society (Hill, 2018; Harper-Anderson, 2017; Jeffrey, 2017; Jones, 2017). Consequently, African American entrepreneurs are experiencing financing problems, both at the founding and as the business matures, just like their ancestors did 400 years ago.

The Kauffman Firm Survey (KFS) indicates African American entrepreneurs continue to be the most resource-deprived group in America. To all literature appearances, the future of African American entrepreneurship provides more questions than answers. Bates (2014), Boyd (2006), Jones (2017), and Wade (2010) note that in the twenty-first century, discrimination

As Bogan and Darity (2008), Feagin and Imani (1994), and Harper-Anderson, (2017), claim, racial discrimination, a subset of racism, makes starting and/or sustaining a business difficult. To fully comprehend the kind of discrimination that African American entrepreneurs face in the twenty-first century, Fairlie (2011), Wade (2010), Jarmin, Krizan, and Luque (2016), discuss the effect the Great Recession (2007-2010) had on African American entrepreneurs. Wade (2010), in particular, discusses the insufferable and detrimental form of [overt and covert] economic racism that made it impossible for the average African American entrepreneur to survive the recession. Wade describes the recession atmosphere as “a climate in which economic discrimination is tolerated…in which economic racism endures. It [the recession] is a climate in which minority borrowers are targeted for subprime loans even when they qualify for prime loans…It is also a climate in which minority entrepreneurs are likely to face discrimination when
they seek financing…In this climate, it is very likely that minority entrepreneurs will face discrimination when seeking financing, and the discrimination they face is likely to be ignored” (p. 493).

The discriminatory and predatory lending practices by dominant groups during the recession were seen as a covert way of racially targeting of African American entrepreneurs. Wade (2010) makes a further claim that African Americans [and other people of color] were susceptible to rapacious lending because they were shunned by banks and financial institutions in the prime market (see also Hyra & Hugh, 2015; McKernan, Ratcliffe, Steuerle, & Zang, 2014). Furthermore, Geradi and Willen (2009), Rugh and Massey (2010), Fort, Haltiwanger, Jarmin, and Miranda (2013), Aldelino, Shoar, and Severino (2015) and Keliner (2015) demonstrate how African American businesses were disproportionately impacted by the Great Recession. Geradi and Willen (2009), Rugh and Massey (2010) note that foreclosures fell disproportionately on minorities—African Americans in particular—and that losses in home equity were larger in minority households during the recession. Jarmin, Krizan and Luque (2016) and Wade (2010) argue that foreclosures impacted African American entrepreneurs because “they were more dependent on home equity to provide capital to their businesses and/or they saw declines in the value of their homes” (Jarmin, Krizan and Luque, 2016, p.1). Wade (2010) states that disparities in wealth between Whites and African Americans worsened during the recession due to racial discrimination. According to Wade, today, the median White family owns more wealth than the African American family. For every dollar the median White family owns, the African American family owns ten cents (McKernan, Ratcliffe, Steurle, Zang, 2013: see also Baradaran, 2017; Oliver & Shapiro, 1995). This U.S. racial wealth gap can be explained to a great degree by the
never-ending impact of historical practices of racism and racial discrimination through institutions, laws, and culture (Bates, 1997; Fairlie & Robb, 2008).

In all, Strand Three shows that African American business successes in the twenty-first century are reflected in the increase of business ownership. Current research shows African American entrepreneurs are more likely to venture into business than Whites, Asians or Latinxs (Fairlie & Robb, 2004, 2008; Lofstrom). But while the possibility for growth in African American business ownership seems promising for future generations, racial discrimination in entrepreneurship is not going away. African Americans still can not access credit and are still vulnerable to risky and predatory financial products in post-recession years. Wealth, credit and trust gaps embedded in racial discrimination remain the major impediment. As stated in the conclusion below, Strand three, like the preceding two, seeks to explore the hypothesis that one size does not fit all; that due to racial discrimination, significant business differences exist in U.S. entrepreneurship.

Conclusion

Since the intention of this research is to adopt a historical approach to find the major cause of the alleged underperformance of African American entrepreneurs, the preceding three strands offer the context for the relevance of this investigation. Strands one, two, and three provide an avenue to demonstrate that, although entrepreneurship has gained attention in scholarship and is generating a huge quantity of studies about the new generation of entrepreneurs, researchers have ignored, for the large part, one of the major obstacles—racial discrimination. The combination of these three strands of literature inform our existent knowledge about African American entrepreneurship examined against the background of how racial discrimination affects business performance. Addressing key gaps in the literature and
focusing on racial discrimination as the likely cause, the three strands show that throughout history African Americans have been subjected to dynamics unique among ethnic groups. The literature review reveals that the history of African American entrepreneurship from slavery to Jim Crow, to modern covert segregation, to the twenty-first century overt and covert racial discrimination, is a history of efforts to suppress success. But despite these negative impacts, there exists a long tradition of African American entrepreneurship through resilience. The strands; therefore, identify major points and provide rich information out of which to evaluate both successes, failures and the resilience of African American entrepreneurs.

Strand One shows African American entrepreneurs in a paradoxical situation. Although resilience has helped them to withstand traumatic shocks and remains the driver of high-performance, it is merely employed as a protective mechanism against racial discrimination. Strand one also shows that racial discrimination and its impediments outweigh resilience, resulting in the underperformance of the average African American entrepreneur. In short, resilience provides limited economic opportunities and successes. This assumption and many contained in Strand one help to demonstrate how racial discrimination is rooted in social, cultural and political structures, making it hard for resilient African American people to be competitive with their counterparts.

Strand two is a collection of historical works that cover a full sweep of the experiences of African Americans in entrepreneurship. This historiography shows how the dynamics of historic African American entrepreneurship remain relatively ignored. The literature in Strand two describes how, through lived experiences, African American entrepreneurs have historically remained a vital contributor of American advancement. Furthermore, Strand two uncovers the causes of the underperformance and shows how African Americans have utilized resilience to
advance themselves. Most importantly, Strand two reveals the source of racial discrimination and the cause for resilience in African American entrepreneurs, and therefore the likely source of underperformance. With this literature review, this research shows how, after 400 years, African American entrepreneurship is virtually on the same level of industry participation as it was after emancipation.

Strand Three represents the state of African American entrepreneurship in the twenty-first century. The more recent successes reflected in high-performing African Americans, some who have become billionaires, is an indication of the potential for high performance and a promising future for African American entrepreneurs. Not only are young African Americans venturing into business more than their White, Asian and Latinx compers, they are doing so with a college degree in hand. However, the realities of African American entrepreneurship remain more guarded than the successes acknowledged. Despite the growth and change in U.S. demographics, entrepreneurship remains a White terrain. Racism in entrepreneurship, as it is in life, remains an ideology and a doctrine.

In the twenty-first century, racial discrimination continues to shape the vision and strategy of African American-owned businesses. Although access to finance has expanded and opportunities to acquire a proper education, skills, and work experience are a commonplace, there still exists a hostile climate in which African American entrepreneurs enter by virtue of who they are as a people and how they are perceived. In sum, the body of literature in this chapter identifies racial discrimination as the major cause of the claimed underperformance of African American entrepreneurs. The racism ideology, which emerges in all the three strands, states that skin color defines the capabilities and position in society. While mainstream
researchers are aware of this rich scholarly evidence concerning skin color, it is of little interest to them because racism rules in the research industry as well.
CHAPTER THREE: METHODOLOGY AND APPROACH

Restatement of the Purpose

Steered by CRT, this phenomenological research intended to achieve a comprehensive understanding of the major cause of the underperformance of African American entrepreneurs, despite their ability to overcome the devastating effects of economic downturns. The purpose, therefore, was to explore the voices and lived experiences of selected high-performing African American entrepreneurs who lived, weathered, and survived the unfavorable business environment in the Black agglomerate of Roxbury during the Great Recession. This chapter provides a research design and methodology employed to conduct this research. Each concept related to this research is explicitly defined and the objectives charted in detail along with tools and techniques that are employed during research. The chapter includes ethical considerations, credibility, transferability, self-reflexivity, transparency, and limitations.

Research Question

As the purpose pointed to various research questions, the methodology of this study was tailored to the central research question: How did African American entrepreneurs in Roxbury endure the Great Recession of 2008, and what have they learned from the experience? The questions focused on a range of lived experiences of five high-performing African American entrepreneurs in Roxbury, Massachusetts, who survived the Great Recession. Stemming from this overarching question and related literature were four sub-questions:

1) How do African American entrepreneurs in Roxbury stay resilient when faced with a business crisis?

2) What do African American entrepreneurs in Roxbury experience when their businesses are in danger of failing?
3) What have the Roxbury African American business entrepreneurs learned from experiencing the Great Recession?

4) What steps have African American entrepreneurs in Roxbury taken to prepare themselves for subsequent economic downturns?

The aforementioned sub-questions helped to create the motivation needed to move forward with the collection of qualitative data that illustrates the importance of internal and external pressures for participants as they make sense of their business encounters. Strauss (1990) notes that conventions from which qualitative research sprang “placed social interaction and social processes at the center of this approach” (p. 6). Because of its interactive nature, a qualitative research approach, highlighted in the next segment, is utilized to understand experience in the same way participants possibly felt and lived it.

**Qualitative Research Approach**

Since the research questions are centered on the *how* and *what* versus the *why* of the phenomenon, I utilized a qualitative approach due to its realistic inquiry that endeavors to capture the phenomena within the setting in which it occurred. Creswell (1998) describes the researcher’s role as “an active learner who can tell the story from the participants’ view rather than as an ‘expert’ who passes judgment on participants” (p. 18). Hammersley and Atkinson (1995) add that “research design should be a reflexive process operating through every state of the project” (p. 24); that the activities of collecting and analyzing data, developing and modifying theory, elaborating or refocusing the research questions, and identifying and dealing with validity threats are usually going on more or less simultaneously, each influencing all others (Hammersley & Atkinson, 1995).
Qualitative research as a Paradigm. Qualitative research is a comparatively new paradigm in social and educational research that is as intellectually authentic as the quantitative paradigm (Patton, 1980). Creswell (2018) describes qualitative research as an empirical approach that is used to explore the meaning individuals attribute to a social or human problem (Creswell, 2018). This researcher explored the voices and lived experiences of high-performing African American entrepreneurs in Roxbury, Massachusetts, then searched for “theoretical constructs, themes, and patterns that are grounded in theory” (Gall, Borg, & Gall, 1996, p. 52). The process involved data collected in the participants’ locale; data analyzed inductively, building from particulars to general themes; and this researcher making interpretations of the meaning of data (Creswell, 2018; Flick, 2007; Ponterronto, 2005).

The strategy for this research is to construct meaning from the participants’ experiences relative to U.S. entrepreneurship. The intent is to make sense of why African American entrepreneurs are portrayed as underperformers by mainstream scholars. Creswell (2018) states that “humans engage with their world and make sense of it based on their historical and social perspectives—we are born into a world of meaning bestowed upon us by our culture. Thus, qualitative researchers seek to understand the context or setting of the participants through visiting this context and gathering information personally” (p. 8). They [researchers] translate and construct what is discovered or found, an interpretation shaped by the researcher’s own experiences and background (Creswell, 2018). By doing so, we [qualitative researchers] become constructivists or interpretivists. Evidently, constructivism/interpretivism is typically seen as an essential approach to qualitative research.

Constructivism/Interpretivism. In the constructivism-interpretivism paradigm, the meaning is concealed and must be brought to light through deep reflection, stimulated by the
interactive researcher-participant dialogue (Ponteronto, 2005). The abundance of conceptions for qualitative excellence incontestably demonstrates the resourcefulness of the qualitative methodological landscape (Tracy, 2010). For this constructivism/interpretivism type of qualitative method, Solorzano and Yosso (2002) recommend a phenomenological approach for accommodating counter-stories, grounded in theoretical and cultural intuition. This phenomenological approach is particularly suitable for addressing the meanings and perspectives of research participants. The rudimentary philosophical conjecture underlying this approach can best be summed by Husserl’s (1970) quote: “We can only know what we experience” (p. 72).

**Philosophical Assumptions**

The philosophical assumptions are the modus operandi that researchers utilize to gather, analyze and interpret data within their research. Lincoln and Guba (2000) and Denzin and Lincoln (2008) postulate qualitative research is transposed in different philosophical paradigms which center on diverse perceptions of experience. According to Denzin and Lincoln, the major philosophical paradigms are positivist, post-positivist, critical theory, constructivism and post-modernism. The two philosophical paradigms most commonly utilized are positivism and constructivism.

- Positivists are proponents of quantitative research and support a single reality which can be measured and known.
- Constructivists employ qualitative research in their conviction there is no single reality or truth; therefore, reality needs to be interpreted.

Positivism, described by scholars as the “received view” (see Ponterotto, 2005, p. 129) has dominated research for over 150 years. Constructivism became an alternative to the positivist paradigm in the mid-1960s. Since then, positivism and constructivism paradigms have been at
the center of methodology wars. In his essay *Positivist Dogmas, Rhetoric, and Education Science Question*, Kenneth Howe challenges the dominant positivistic conception of science which he regards as obsolete and the cause for divisions between qualitative and quantitative research. To replace positivistic dogma, Howe (2009) recommends, among others, a more rhetorical conception of science that incorporates diverse voices in the educational research process. Suggestions, such as the one proposed by Howe, have pitted proponents of quantitative research against those of qualitative research in a never-ending debate (Merriam, 1998; Ponteronto, 2005).

This research sides with Howe and employs the constructivism paradigm. David Elkind puts it succinctly: “Constructivism is the recognition that reality is a product of human intelligence interacting with experience in the real world. As soon as you include human mental activity in the process of knowing reality, you have accepted constructivism” (Elkind, 2005, p. 334). Creswell (2008) adds that constructivists believe people seek to understand the world in which they live and work. In essence, individuals develop particular meanings of their experiences—meanings directed toward certain objects or things. These subjective meanings are varied and numerous, resulting in the researcher diverging phenomenological paradigms.

Constructivism was employed as the framework and rationale for this design, implementation and evaluation of the perceptions of five high-performing African American entrepreneurs who survived the Great Recession without going under. Because it is based on the relativist understanding, the constructivism philosophical paradigm is an appropriate tool that can bear benefits when implemented in conducting a qualitative research involving a marginalized group of people. On this account, this research’s methodological design was conceptualized as an application of constructivism.
Methodology

The racial barriers African American entrepreneurs face can best be detected through a qualitative phenomenological lens because the method studies conscious encounters as experienced from the subjective or first-person point of view (see Moran, 2000; Sokolowski, 2000). As a method of research, a phenomenological approach has been tailored to qualitative investigation in general (Van de Vite, 1977). In this research, a phenomenological methodological technique points toward the possible discovery of the assumed cause of African American entrepreneurs’ underperformance. Phenomenology is basically broad in scope and is an all-encompassing term for both philosophical movements and an array of research approaches, the major ones being: phenomenology (as applied to research), hermeneutics, and the most recent, Interpretive Phenomenology Analysis (IPA). Although phenomenology, hermeneutics, and IPA are linked to the “lived experience of the participant”, they have unsurpassed differences (Ricoeur, 2008).

Phenomenology is often defined as the study of the essence, hermeneutics as the study of the process of interpretation, and IPA as the study of the process of detailed interpretation (Aspers, 2004). Of the three, Phenomenology, hermeneutics, and IPA, this research has selected the phenomenological approach due to its devotion to the concept experience is to be transcended to discover reality (Aspers, 2004; Creswell, 2007; Finlay, 2009; Laverty, 2003; Merriam, 1998). This research design founded on this school of thought believes it is probable to suspend personal view, and it is possible to arrive at a single, vital and descriptive presentation of a phenomenon (Van Manen, 1997). A sharp departure from the preceding school of thought can be detected in the ideas perpetuated by phenomenology and those by hermeneutics, and the IPA
approach even though they share similar components. The contrasts in phenomenology, hermeneutics, and IPA are presented here.

**Phenomenology.** Phenomenology was initiated by Husserl (1859-1938) in his *Logical Investigations* (1900-1901) (see Mohanty, 2008; Moran, 2000; Smith & Smith, 1995). Incidentally, the conventional phenomenology discipline has been utilized in various forms for centuries, but it came to prominence in the early 20th century in the works of Husserl, Heidegger, Sartre, Merleau-Ponty and others (Heidegger, 1962; Husserl, 1963, 1989; Merleau-Ponty, 2012; Sartre, 1956). In the beginning, Husserl’s transcendental phenomenology was conceived as a theory of science or knowledge which was created to ground epistemology in the human conscious (Schwandt, 2001). Transcendental phenomenology, a theory that utilizes philosophical tenets such as epoché, brought added measurements to the study of human experiences through qualitative research (Moustakas, 1994).

As a method in today’s research, phenomenology could be described as the study of structures of experience, or consciousness (Creswell, 2013, 2009; see also Denzin & Lincoln, 2008; Lincoln & Guba, 2000; Smith & Osborne, 2003; Vanderstoep & Johnson, 2009). Langdridge (2007) describes it as an approach that “aims to focus on people’s perceptions of the world in which they live and what it means to them; a focus on people’s lived experience” (p. 4). Langdridge (2007) further states phenomenology as a qualitative method focused on lived experience as a topic in its own right, and it concentrates on meaning and the way in which meaning arises in experience. Phenomenology can be defined as the study of things as they appear in our experience, or the ways in which we experience them (Creswell, 2013). Phenomenology rejects the dominant positivism, a form of philosophical pragmatism adhering closely to the hypothetical deductive method (Creswell, 2013, 2009; Giorgi, 2009; Moustakas,
Further, phenomenology is a form of probe that aims at understanding human experience (Moustakas, 1994), and to reconnoiter phenomena and how it is perceived and experienced by persons in the phenomenological event (Lester, 1999).

Moustakas endorses the phenomenological method as an ideal tool for reconnoitering and re-countering shared experiences related to the phenomena. According to Moustakas, the advantage of this approach is broader understanding of the perceptions of the researcher’s participants. Also, phenomenology takes care of the researcher’s prejudices. While this research is predominantly descriptive of much of the phenomenological literature, its primary aim is prescriptive, as such, attention to prejudices makes up a larger part of the phenomenological investigation (Merriam, 1998; Ponterotto, 2005; Schwandt, 2001). Van Manen (1997) deems phenomenology as the best applicable method in exploring phenomena of pedagogical importance. Applied to this research, phenomenology helps to see the way things look to the participants through lived experience or in their cognizance (Van Manen, 1997). Creswell (1998) states that the best way to determine the use of phenomenology is when the research problem requires a deep understanding of the human experience synonymous with other people. Creswell recommends that the studied group should consist of 5 to 25 members, and that’s selected participants must be able to narrate their lived experiences (Creswell, 1998).

In all this, the role of epoché in phenomenology is acknowledged. Epoché is a method of research Husserl created in Logical Investigations (Husserl, 2001). According to Husserl, epoché is “the suspension or suppression of judgments and the positioning of the researcher with regard to the experiences of the studied phenomenon” (Giorgi, 2009, p. 93). Also known as bracketing—a method applied in qualitative research to moderate the potentially harmful effects of prejudices that may blot the research process—epoché is an initiation act in the
phenomenological analysis safeguarding impartiality during the process of data analysis in qualitative research (Gorgi, 2009). The researcher who positions himself within a qualitative paradigm must put aside all biases, decisions or unfairness toward a particular topic (Merriam, 1998; see also Creswell, 2007). Actually, it was the epoché method that also opened up the dimensions of the other two phenomenological methods: hermeneutics, and Interpretive Phenomenological Analysis (IPA).

**Hermeneutics**: Whereas the type of knowledge explored in phenomenological research found in the lived experience through the exposé of its meaning, for hermeneutic phenomenology, the essence is the recognition of consequence to a phenomenon; it denotes a vision to the world whose main feature is the existence of meaning (Guimond-Plourde, 2009). The common description of hermeneutics defines it as the art of interpretation (Ricoeur, 2008; Palmer, 1969) and therefore the art of hearing. Hermeneutics aims to create meaning and achieve a sense of understanding (Wilson & Hutchinson, 1991). Ricoeur (2008) asserts while there is a connection between hermeneutics and phenomenology, it is highly complex and there are incomparable differences. A more simplistic difference between hermeneutics and phenomenology is in the application of the word interpretation. In hermeneutics, interpretation is seen as vital to the process of understanding. Heidegger (1962) stated that to be human is to interpret and stressed that every happenstance involves an interpretation induced by an individual’s background or historicality (see Laverty, 2003).

Hermeneutics starts with the interpretation and understanding of the ancient world in which not only mathematics and logic, but also poetry, rhetoric, and philosophy were counted as important sources of objective truth (Zimmermann, 2015). In the 17th century, hermeneutics was understood mostly as an exegesis—a word that refers to the interpretation of the Holy Scripture
In the early 1900s, two proponents of hermeneutics, Martin Heidegger (1889-1976) and Hans-Georg Gadamer (1900-2002) took hermeneutics to a different epistemological level. Departing from Husserl’s époché, Heidegger presented the hermeneutics of Dasein, meaning “the mode of being human,” or “the situated meaning of a human world” (Laverty, 2003, p. 24). In the 1970s and 1980s, Polkinghorne (1976), Giorgi (1985) and van Manen (1990), and others began promoting the application of hermeneutic phenomenology in qualitative methods in psychological and educational research. Van Manen, in particular, became renowned for his idea of lived experience and his type of hermeneutic phenomenology. Van Manen defined hermeneutics phenomenology as a “research aimed at producing rich textual descriptions of the experiencing of selected phenomena in the life world of individuals that are able to connect with experience of all of us collectively” (Smith, 1997, p. 80). Considering this, hermeneutics does not adequately align with this body of work because it is concerned with the interpretation and understanding of texts. In this regard, the researcher must construct a clear and resounding version of a phenomenon through interpretation while aiming on exposing, rather than on accuracy and elaboration in anticipation of prior knowledge (see Cohen, 2001).

Interpretive Phenomenological Analysis (IPA). IPA is the latest addition to qualitative methods to data analysis. IPA is a pragmatic approach first proposed by Birkbeck, University of London psychologist, Jonathan Smith and his research fraternity in the mid-1990s (Smith, 1997). Associating itself with phenomenology and more with the hermeneutic approach, IPA aims to capture the lived experience by incorporating the works of four major phenomenological philosophers: Husserl, Heidegger, Merleau-Ponty, and Sartre to portray phenomenology as a remarkable and progressive endeavor existing in a continuum (Tuffour, 2017). Heidegger’s Dasein (Being-in-the-world) in particular, “resonates with IPA’s understanding of people and the
world they live in as socially and historically contingent and contextually bounded” (Eatough & Smith, 2017, p. 4). The initiators of IPA were attracted to Dasein because it replaces the individual predicated on Cartesian dualism (person/world, subject/object, mind/body, etc.) with people as being-in-the-world with things and others (Eatough & Smith, 2017). In view of this, the IPA researcher embarks on studying Dasein by immersing oneself into the world of participants through a lens of cultural and socio-historical meanings (Creswell, 2013).

Whereas the word *description* is synonymous with phenomenology, and *interpretation* is a striking feature of hermeneutics, the word *detail* is of the IPA approach. IPA is concerned with the detailed examination of personal lived experience, providing an in-depth account of each case before moving to look for patterns of convergence across cases (Eatough & Smith, 2017; see also Boden & Eatough, 2014; Brocki & Wearden, 2006; Larkin, Eatough & Osborn, 2011; Smith, 2011a, 2011b). In this regard, the aim of the IPA researchers is “to investigate how individuals make sense of their experiences...It is assumed that people are self-interpreting beings, which means that they are actively engaged in interpreting events, objects, and people in their lives” (Taylor as cited in Pietkiewiz & Smith, 2017, p. 362).

The IPA researcher engages in double hermeneutics and investigates, in detail, how one makes sense of life experience and provides exhaustive interpretations of the account to understand the experience (Tuffor, 2017). By doing so, IPA enables the researcher to assume a pivotal role in analysis and interpretation of the participants’ experiences (Eatough & Smith, 2017). This conception is partly the reason why the IPA approach is attractive to scholar practitioners. The other reason is IPA is a useful methodology in studying existential experience. Also, IPA has become the favorite of many budding scholars because of its obligation to “explore, describe, interpret, and situate the participants’ sense making of their experiences”
(Smith, Flower, & Larkin, 2009; Larkin, Watts, & Clifton, 2006). Above all, because IPA draws
upon the essential doctrines of phenomenology, hermeneutics, and idiography, explanations of
the experiences are attached rigorously to the data without the effect of any external theory
(Tuffour, 2017). In reality, the character of IPA makes it highly ideographic.

**Idiography.** Unlike phenomenology and hermeneutic phenomenology, both which
exercise general principles (Pietkiewiz & Smith, 2017), IPA relies on idiography due to its
penchant for detailed analysis of the phenomenon under scrutiny (Eatough & Smith as cited in
Tuffour, 2017). The underlying principle behind the idiographic approach is to study every
single case before producing any general conclusions. Idiography requires the researcher to
navigate between important themes generated in the analysis and match them with individual
narratives, comparing and contrasting them. In doing so, idiography offers detailed and nuanced
analysis, “valuing each case on its own merit before advancing to the general cross-case analysis
for convergence and divergence between cases” (Tuffour, 2017, p. 4). Thus, if researchers are to
produce meticulous, detailed IPA findings, they must carefully follow this idiographic process.

This researcher contemplated employing IPA for this research because the approach
invites researchers to “ground their stance in the lived world of things, people, relationships and
language, and question knowledge outside interpretation because interpretation of people’s
meaning-making of their experience is fundamental to phenomenological inquiry” (Tuffour,
2017, p. 24). Also, because IPA advises researchers to be instinctive in their interpretation in
relation to their premonition of the phenomenon under study (Smith, Flower, & Larkin, 2009).
But I was mindful of the questions raised by opponents of the approach as to whether IPA can
accurately capture the experiences and meanings of experiences rather than opinions of it (see
Tuffour, 2017). Besides, IPA has been censured for being riddled with uncertainties as well as
lacking standardization (Giorgi, 2010). Other scholars point out it is mostly descriptive and insufficiently interpretive (Brocki & Wearden, 2006; Hefferon & Gil-Rodriguez, 2011, Larking & Clifton, 2006). Such critical observations about IPA render the phenomenological research approach most suitable for this research. Its justification is shown below.

**Rationale for Phenomenological Approach**

As observed above, the three major qualitative methods accommodate different approaches for conducting research. Despite shared beginnings of phenomenological research and hermeneutics, and common interest with the Interpretive Phenomenological Analysis (IPA) model, serious differences in methodology between the three approaches are apparent. As earlier indicated, differences emerge within ontological (what is the form and nature of reality and what can be known about it); epistemological (what is the nature of the relationship between the knower and what can be known), and methodological (how can the inquirer go about finding out whatever they believe can be known) (Laverty, 2003).

This study’s choice is phenomenological research. The methodology of this study, therefore, relies on the research questions and the philosophical viewpoint from which the questions were investigated. The purpose of this research was to explore the voices and the lived experiences of African American entrepreneurs who survived the Great Recession and try to make sense of why and how they find themselves at the bottom of U.S. entrepreneurship. This researcher aimed to understand the lived experiences of five high-performing entrepreneurs in Roxbury, Massachusetts through their rhetorical narratives. Thus, the research questions were broad and open ended so participants had sufficient opportunity to articulate their perspectives extensively (Giorgi, 1997). The procedure for executing the investigation is to utilize a recorder to capture both the rhetorical narrative and its accompanying ambience. If we accept the
assumption that narrative of a lived experience is shared by people, and has been the case from generation to generation, then a phenomenological approach is appropriate for this body of work (see Giorgi, 1997; Laverty, 2003). It is this researcher’s choice because a phenomenological approach remains the most sought-after approach due to its descriptiveness and focus on the structure of experience and the systematized principle that gives participants an opportunity to describe their lived experiences.

**Participants**

Phenomenological research embodies lived experiences, perceptions, and feelings of a participant (see Sutton & Austin, 2015; see also Schwandt, 2001; Moustakas, 1994). As a methodological framework, phenomenological research demands actuality from participants’ narratives of their lived experiences (Husserl, 1970; Moustakas, 1994). In doing so, phenomenological research provides the researcher a distinctive understanding to participants’ epistemological (how their experience can be known) and ontological (what their experience is like) perspectives by tapping into their lived experiences (Clandinin, 2007; see also Berrios, 1989; Laverty, 2003). In return, participants manage the meaning-making procedure by divulging their own lived experiences to the researcher. In principle, the intent of phenomenological research is to elucidate the meaning, make-up, and substance of the lived experiences of a person, or a group of people, around a particular phenomenon (Creswell, 2009).

In an attempt to get the most of the participant’s lived experience of the phenomenon, this researcher’s contemplative and investigative strategy was to develop effective research questions in conformity with the purpose statement. The purpose of this research was to explore the voices and the lived experiences of selected high-performing African American entrepreneurs who lived, weathered, and survived, the precarious business environment in the
Black agglomerate of Roxbury during the Great Recession. The immediate task was to identify five high-performing African American entrepreneurs. A phenomenological qualitative analysis typically requires a smaller sample size but enough to obtain data that adequately describes the phenomenon and addresses the research questions. As experts in research have been keen to demonstrate, the number of participants depends upon one’s methodological and epistemological perspectives (Creswell, 1998, 2008, 2018; Sargent, 2012; Mason, 2010). This research confined itself to five participants and aimed to attain saturation. Creswell (2018) states that saturation can be reached with five or more participants.

**Procedure**

**Recruitment of Participants:** Qualitative research requires calibration of the process and indiscriminate selection of participants to eliminate the possibility of influence of external elements and acquire generalizability of results (Creswell, 2009). Before the commencement of this research, this researcher sought approval from the Northeastern University IRB consenting process for the ethical security of research participants, upon which potential participants were contacted by email detailing the research, and requesting for their voluntary participation (see Appendix B). This procedural outline is customary. One critical essential in the research design was to identify appropriate participants. This research selected five African Americans as participants because they could best inform the research questions and augment the understanding of the phenomenon. Selection was based on the research questions, theoretical perspectives, and validation informing the research (Creswell, 2009). The target was African American entrepreneurs who conduct business in Dudley and other locales within the boundaries of Roxbury. Dudley was picked because it is the commercial center of Roxbury. The five participants sampled were those who met the following criterion: (1) They were between 30 and
80 years of age, (2) They had ten years or more business experience (3) They were able to articulate their lived experiences, (4) They survived entrepreneurship barriers during the Great Recession, (5) They were in a position to attest to important facets and perspectives related to the phenomenon.

**Sampling procedures.** There are three types of sampling: purposeful sampling, quota sampling, and snowballing sampling. In this research, participants were selected using the purposive sampling, also known as selective sampling. This type of sampling allows participants to be chosen based on the research questions. In this case, participants were selected because they experienced the Great Recession, a phenomenon of devastating proportion. The selected participants related to the phenomenon (Creswell, 2009). Specifically, this research utilized homogeneous sampling, a purposive sampling technique that aims to achieve homogenous sample; that is, sample whose participants share the same race. Participants had to be African American because of the nature of the study.

Upon the selection of participants meeting the criteria, correspondence was initiated via email (Appendix B). A request for participation was furnished to potential participants. The invite via email, described the nature of the study and requested agreement to participate. The email also outlined the right of the participant to refuse participation at any point before and during this research. To ensure each participant has an understanding of the research and its risks, a consent form furnished a voluntary agreement between me and the participant (see Appendix C). Informed consent and confidentiality are a compulsory process of collecting data from participants (Robinson, 2014). Recruitment materials are shown below:

- Full names, email address of the investigator, name of institution, and affiliation (see Appendix A)
• Targeted recruitment email to African American entrepreneurs in Roxbury, containing summary of research and an accurate description of the research purpose (see Appendix B),
• Consent Form (see Appendix C)
• Questionnaire for participant (see Appendix D)
• Interview Protocol (see Appendix E)
• Debriefing (see Appendix F)

**Research Site.** Dudley Square, Roxbury, Massachusetts. Opened in 1901, Dudley Square has always been the commercial center of Roxbury. Between 1901 and 1960 Dudley Square was one of Boston’s busiest commercial centers. According to Gil Propp, producer of *Streetcar Tracks*, Dudley Square accommodated stores of various genres. Department stores such as Ferdinand’s Blue Store were owned and operated by African Americans. In 1967, a three-day riot in the African American section of Roxbury to protest welfare agency’s policies and inadequate street-cleaning left homes and stores on Blue Hill and other areas of Roxbury burned down. A year later, another riot broke out following the assassination of Martin Luther King, forcing some White store-owners in Dudley Square to abandon their properties. Propp (2015) writes that by 1970, Dudley Square had fallen upon hard times, and by 1980, a square that had once been a vibrant commercial center had a reputation for deterioration.

Today, Dudley Square remains the center of African American businesses and is still seen as the physical, commercial, social, and cultural site for African Americans, and therefore, suitable for this research. The experiences concerning African American business owners that occur in the area are closely related to the theoretical objectives of this research. The above sampling procedure is aimed at executing a smooth data collecting procedure. Rigorous
qualitative research requires all-inclusive data, rich, and nuanced. A Phenomenological qualitative approach allows themes and findings to emerge through careful analysis (Sutton, 2015; Polkinghorne, 1983). In order to reach rigorous quality, it is important that the research process is methodologically enunciated in such a way data collection procedure attains a rigorous qualitative research standard.

**Data Collection**

Data collection in phenomenology differs in terms of ontological, epistemological and methodological application (Englander, 2012; Findlay, 2012; Kafle, 2011; Laverty, 2003). Englander (2012) states that data collection should follow descriptive phenomenology in order to achieve rigor. It was, therefore, essential to engage in rigorous qualitative research because phenomenologists who conduct qualitative research have to prove that without statistical analysis, the method is as valid and credible as quantitative research. To this effect, the interview protocol was designed to elicit information that addressed the research questions and to incorporate some of the knowledge gleaned from the literature review. Questions were arranged in a diachronic manner as shown in Appendix C. Part 1 requested background information of the participant’s family history, cultural values, business acumen, and reasons for starting business, including startup capital. Part II requested participant’s education experience. Part III addressed the research questions and drew attention to business performance. I elicited information about business experience before, during, and after the Great Recession, which included economic dislocation, barriers in obtaining capital, contracts, credit, loans, networking, and dealing with lenders’ interest rates, and demands of collateral, and high interest rates.

The interview method utilized in this research was semi-structured and open-ended, administered face-to-face at a site that offered comfort, privacy and convenience, and on a day,
time, and location suitable for the participant. All the interviews were digitally recorded to capture qualitative data and ensure descriptive validity. Each interview comprised the same central and sub-questions, and other questions related to the phenomenon (for question sample see Appendix H). Before the interview, rapport was established to make the participant comfortable (see Englander, 2012; Moustakas, 1994). During the interview, I listened carefully to what was said, so the participant was able to narrate his/her experiences fully. The duration of each interview was between 1 and 2 hours. Subsequently, each interview was transcribed verbatim and data kept under lock and key in a cabinet at my home for a period of five years. These procedures show why the interview is by far the most dominant method for data collection in a phenomenological research (see Giorgi, 1997; Kvale & Brinkmann, 2009; Moustakas, 1994), and why phenomenological interviews tend to generate a significant amount of rich data for analysis. Content analysis of the 5 participants appear in Chapter Four.

**Figure 1: Data Collection Steps**

Diagram designed by Researcher (2019)
Data Analytic Methods

In this section, I demonstrate how interpretive tools were utilized to obtain and analyze empirical data. After conducting the interview, capturing and later transcribing the audio, I coded, that is, reduced data without losing the meaning that addressed the research questions. Since qualitative inquiry is an emergent, inductive process of investigation, the coding method required to apply tentative labels as the data was initially reviewed (Saldana, 2015). Consequently, I loaded the transcript into a qualitative research software MAXQDA 2018, coded, and highlighted descriptions and themes that facilitated the understanding of the phenomenon (see Appendix G for sample).

The overarching question and its subsets were designed to produce general thematic words like resilience, racism, racial discrimination, prejudice, exclusion, capital, bids, credit/loan, contracts, trust, closure, networking, etc. I picked the codes as demonstrated in Appendix G, with each set of codes containing recurring unifying concepts or statements about African American entrepreneurship, and each characterized by experiences of African American entrepreneurs in general. For instance, capital contained words like denied, rejected, undercapitalized, banks; and credit/loans contained words like high interest rates, credit history, collateral, etc. I was working from a realist perspective which focused on describing the experiences, meanings and realities experienced by the participant and assumed participants were able to articulate their own motivations and experiences through language (Braun, 2006). To achieve the best outcome meant bracketing my influence—try not to allow my influence on the analysis. MAXQDA was helpful with bracketing for it allowed me to analyze data using a thematic analysis and arrange themes in their order of frequency (see Appendix G). Hereafter, I was left with the task of linking the data analysis to propositions and assembling the data as a
direct reflection of my initial research proposition. After theming, (the drawing together of code themes) it was time to compose the findings, of course with ethical considerations in mind.

Criteria for Quality Qualitative Research

Ethical Considerations

I was fully cognizant of the fact that ethical considerations in research involving humans were inexorable. Creswell (2018) advises that in addition to conceptualizing the writing process for a proposal such as this one, the researcher must anticipate the ethical issues that arise during the research. Tracy (2010) makes it clear that ethics are not just a human laws, but rather represent a comprehensive end goal of qualitative quality. This researcher was aware of the need to protect participants; confidentiality of data, right of participants to refuse, and protection of participants from harm. It was also important to ensure and assure credibility.

Credibility

Mindful of the challenges the “methodological conservatism” has imposed on the social science over the past years (Denzin & Giardina, 2008), this researcher’s credibility, competence, and perceived trustworthiness were put to test. Tracy (2010) calls for interpretive analysis that is “plausible and persuasive” (p. 843). To achieve rigor, this researcher applied integrity as the first measure with which to connect the study findings to reality so as to validate the research study’s findings. Further, this researcher applied two rigorous techniques, prolonged engagement and triangulation for gathering and analyzing data, including attention to cogency, and dependability. (Tracy, 2010).

Prolonged engagement: During the interview, I encouraged the participant to support uttered statements by asking follow-up questions. I studied the data from raw interview material
Triangulation: This researcher employed in-depth questions to gather data, analyzed the interviews independently, and compared interpretations. Triangulation was further attained by utilizing various data sets that materialized during the process of analyzing data: “raw materials, codes, concepts, and theoretical saturation” (Korstjens & Moser, 2018). This researcher’s strategy was to apply triangulation to increase credibility, validity, and also transferability of the findings so they are applicable to other future research projects of a similar nature.

Transferability

Grasping the fact racial discrimination and resilience in entrepreneurship may disproportionately affect people of color in general, this research ensured results applied or transferred beyond the bounds of African American entrepreneurship. It is this researcher’s hope investigators who conduct research in another context will be able to utilize some of the developed concepts. This researcher’s responsibility, therefore, was to produce “thick description” of the participants and the research process. Thick description allows researchers and readers to acquire a better understanding of the research, and to contrast occurrences of the phenomenon contained in the research report with those they have previously seen emerge in their circumstances. Lincoln and Guba (1985) describe thick description as “a way of achieving a type of external validity.” To this regard, this research stuck with Lincoln and Guba’s (1985) recommendations of producing thick description of the phenomenon. In this body of work, this researcher furnishes the reader with a vigorous and comprehensive account of his experiences during data collection. Also, this researcher discusses where the interview took place, his first encounter with participants, and other issues of data collection that may assist this researcher to
provide a better understanding of the research setting. Ample circumstantial information about the locations is offered to allow the reader make such a transfer. In the end, transferability points to the provision of the meticulous description of field experiences in which the researcher makes unambiguous patterns of cultural and social connections and puts them in perspective (Holloway, 1997). All the aforementioned prerequisites involve a continuous process of reflexivity and transparency—a major strategy for quality control.

**Self-reflexivity and Transparency**

**Self-reflexivity.** In this segment this researcher applies first person point of view to better articulate his self-reflexivity and own subjectivity. Swartz (1997) in summarizing Bourdieu’s critical analysis, writes: “While certainly not free of either analytical or moral dilemmas, Bourdieu’s call for reflexivity speaks to one of the most pressing tasks for social scientists today: the need to gain a more objective, albeit not objectivist, grasp on the social world—including our own” (p. 109). From this perspective, I utilized reflexivity and reflection to contextualize my own subjectivity in data construal and depiction of experiences in the research process (Creswell, 2018). The practice of reflexivity throughout this research process required me to recognize reflectively my multiple identities, biases, background, culture, and socioeconomic status (Creswell, 2018). Throughout my research, reflexivity highlighted the importance of declaring and taking responsibility for my positioning.

Self-reflexivity is having a continuing discussion with my inner motive and conscious about what I am experiencing as I acknowledge it (Nagata, 2004). The term “Self-reflexivity” is frequently referred to as “internal conversation” (Wiley, 1994, p. 54-55), and language is assumed to be the main channel through which individuals can relate themselves (Ricocur as cited in Nagata, 2014). Because self-reflexivity supports the understanding of personal
motivations for conducting research and the magnitude of liability owed to the people studied (Creswell, 2018; Swartz, 1997), self-reflexivity calls for thoughtfulness to the researcher’s cultural, political, and social status (Bryman, 2012). It is, therefore, both a obligatory for me to be able to undoubtedly detect, build, appraise and articulate my disposition (Holmes, 2014).

As I prepared to take responsibility for my research role, and as I envisioned interviewing a selected group of African American entrepreneurs in Roxbury, it was important for me to spend time thinking about how I was paradigmatically and logically prepared. Since research is not impartial, the challenge was to record the outcomes of behaviors that affect my positionality (see Bourke, 2014). How do I become aware of my positionality and that of participants, myself a Black entrepreneur with similar experiences? What fundamental assumptions do I hold, and how might participants influence my research?

I provide my own reflections below as a Black immigrant and entrepreneur resident in Cambridge, Massachusetts, where I am a co-founder and current Chief Executive Officer of a media consulting firm. As CEO, my role is to provide leadership to my colleagues. I am charged with principal responsibilities of the organization, among them, sourcing loans and other funding for company growth and sustainability. Additionally, I am a community leader who fully understands the discourse of the history of African Americans and their struggle to achieve equity in their various endeavors. I can, therefore, make the case that as a Black immigrant entrepreneur, I face the same challenges as my African American counterparts. One such major challenge is access to financial resources. Obtaining financial assistance to establish my firm was replete with racial barriers, my colleagues and I were forced to resort to our own assets and credit cards.
Today, my firm continues to face discrimination in credit markets and differential treatment in labor markets. Many of my African American acquaintances narrate how difficult it is to benefit from federal, state, and local programs created to help small minority entrepreneurs, and how convoluted and galling it is to apply for loans, and to procure business from the federal government as subcontractors. And almost all of them talk about paying astronomical interest rates than their White counterparts on the small loans obtained. Their stories have deeply affected me to the point I have very little tolerance for discriminatory tendencies that subjugate Black businesses to failure. But my positionality should not affect the richness, rigor, or transparency of this research. The principle that every researcher should make the essential of his work transparent is paramount.

Transparency. Since becoming a doctoral candidate at Northeastern University, I have become aware that throughout my research, from the formulation of questions to drafting the focus group protocol, my positionality should be the vanguard. Kezar and Eckel (2002b) note that within positionality theory, “it is acknowledged that people have multiple overlapping identities. Thus, people make meaning from various aspects of their identity” (p. 96). As I, a person of color, reflected critically upon my multiple positionalities and “thought through the ways in which various identities were likely to influence and shape the research encounters, process and outcomes” (Hopkins, 2007, p. 396), I recognized the importance of racial introspection during research. Biases have been the peril of many multicultural researchers. The dearth of multicultural researchers is the reason I enrolled in this doctoral program.

Briscoe (2005) asks whether multicultural or/and mainstream scholars should research the lived experiences of the minorities he refers to as the other (the oppressed). Like Briscoe (2005), I support an all-inclusive representation of the other. However, problems arise when non-
Black researchers concentrate on assumptions that favor their positionality. For instance, in portraying African American entrepreneurs as failures, ethnic entrepreneurship researchers play down racial discrimination in favor of African American cultural and entrepreneurial values. As I attempted to build upon the work of other researchers of color, I strove to minimize the aforementioned perils. In preparation, I seriously thought about my own ontological bearing, epistemological standpoints and personal philosophy. How do I contain my experiences, beliefs, political stance, and cultural background in the process of research? Milner (2007) discusses the dangers that can emerge when researchers and participants ignore their racial and cultural positionality, regardless of whether the research explicitly examines race.

As a U.S. permanent resident, I share an understanding of how the regulating rules of ethics of the African American business community contribute to fighting discrimination and other exclusionary tendencies. As a Black entrepreneur in the Greater Boston area, I possess intimate knowledge of the African American business community in Roxbury. I; therefore, consider myself as an insider. *Insider* and *outsider* identities are at times seen as the epistemological measure based on the issue of access to participants. I also regard myself as an outsider because being a non-citizen of the U.S., some of the African Americans do not consider me as one of them. All the same, no matter where I was positioned as a researcher, I did not forget to question my own inside knowledge. Rose (1985) notes that “There is no neutrality. There is only greater or less awareness of one’s biases” (p. 77). I did not allow my insider-outsider status to hamper my ability to carry out this research.

Dwyer and Buckle (2009) posit “the core ingredient is not insider or outsider but the ability to be open, authentic, honest, deeply interested in the experiences of participants and to accurately and adequately represent their experiences” (p. 116). To achieve this, I kept my
encounters, sentiments, views, and beliefs to myself, and acknowledged part of the research process through keeping a self-reflective journal and used it as part of my research notes. Throughout my interactions with participants I documented at intervals the mood in the room, the mood of the participant, and participant response to the questions. I also wrote about myself, my mood, my behavior during the course of the research, and used the journal to examine my biases and positionality. By doing so, I established trust with my participants. My aim was to hear them tell their stories directly and verbatim. Qualitative research seeks to provide an understanding of a problem through the experiences of individuals and the particular details of their lived experiences (Bourke 2014).

It must be noted that African American narratives illuminate the importance of positionality and function as a reminder of the importance of rhetorical narratives in the research process. A tenet of CRT in this research is the power and uniqueness of narratives and counter-narratives “told by people of color” (Lopez, 2003, p. 84). Solorzano and Yosso (2001) postulate that CRT works to “challenge …dominant ideology, and to centralize knowledge (p. 2). With CRT as a framework, accentuation and meaning are placed on knowledge creation; on naming one’s reality, and on the multiple and varied voices and vantage points of people of color (Solorzano & Yosso, 2001). Bourke (2014) observes that the positionalities of both the narrators, (participants) and researchers, have the ability to influence the research process. My positionality to this body of work, my role as an entrepreneur of color, and my identity as a member of the oppressed minority, did not affect in any way what I brought to the research table. To this end, this segment accounts for my experiences in relation to the five African American entrepreneurs in Roxbury, Massachusetts. According to Milner (2007), the voices of the participants, and not mine, should be reflected in the research. Limitations are next.
Limitations

Connelly (2013), and Houghton, Casey, Shaw and Murphy (2013) state every research has some strengths and limitations. In other words, all methodologies offer a set of potentialities and limitations, and this phenomenological study is no exception. The limitations of this research are those that affected and effected the findings. Creswell (2008) refers to such limitations as incumbering obstacles with the study spotted by the researcher. According to Creswell (2008), limitations are often allied with inadmissible and unsuitable measures of variables, lack of participants, number of participants (sample size), mistakes in measurement, and other reasons usually connected to data findings. Houghton, Casey, Shaw and Murphy (2013) table other possible limitations such as researcher bias, participant bias, research method and design, and geographic location. Other probable limitations include transparency, lack of trust, time constraints, and exaggeration on the part of researcher.

Perhaps the most challenging for this research was bias (Creswell, 2014; Janesick, 2011; Patton, 2002). My role was to include a combination of biases, attitudes, and viewpoints ahead of the research (Janesick, 2011). Dealing with fellow Blacks, I was aware the interview might be influenced by bias and the temptation to offer desirable answers. This is particularly true considering the emotional impact of rhetorical narratives on racial discrimination. I was concerned participants may also falsely respond based on their individual understanding of the phenomenon (Janesick, 2011). With this in mind, I was introspective in assessing my own biases and motivations. Phenomenology demands researcher interpretation—making phenomenological cutback a vital element to check and lessen biases, expectations, and pre-conceived notions about a phenomenon (Giorgi, 1997).
The second major limitation was time (Creswell, 2014). Collecting data and analyzing it was time consuming and laborious. One participant postponed the interview on two occasions. I was giving up on him when he called to say he was ready for me. When I got to this office I had to wait close to an hour before we finally got started. The vast amount of data that I collected from the five participants had to be transcribed before loading in the software MAXQDA. Transcription was repetitious and painstaking, I found myself spending hours on each sample. Although I was using a very efficient software, some results were not statistically reliable. The third limitation was geographic location. Roxbury, which was the location of this research is a multicultural community, with the majority being African American (U.S. Census Bureau, 2014a). Location served as a potential limitation as this research may not be transferable to other geographic locations that have a smaller African American population (Gorgi, 1997). In all, I was cognizant of other limitations including language barriers. I was aware that participants may not eloquently articulate their feelings about the phenomenon due to age, cognition and other reasons. Also, participants may not be transparent enough in their responses as a result of the lack of trust and apprehension about obtained information. This had the potential to affect the credibility or believability of the participant’s responses (Gorgi, 1997).

Finally, whatever the circumstance, I was aware of dangers seen, unseen, and unforeseen in conducting this research (see Milner, 2007). By seen danger, I am referring to danger that can implicitly emerge as a result of overlooking uncertainties which are inbuilt in human behavior and being unable to authenticate the results empirically against limitations of qualitative phenomenological research. Unseen dangers are those that are incomprehensible, understated, or concealed in the research process, and unforeseen dangers are those that are unexpected or unsuspected in a research project, based on the choices researchers make in the research process.
(Milner, 2007). While every qualitative research has multiple limitations, this study restricted its discussions to limitations related to the research problem. One such essential limitation is contained in the ensuing summary.

**Summary**

Chapter three shows a qualitative methodology seeks to comprehend a composite actuality and the implication of the decisions in a given setting. It further demonstrates that while qualitative research has numerous strengths, its limitations and weaknesses cannot be ignored. Its success depends on the personal skills of the researcher and more driven by the researcher’s particular biases and eccentricities. Bias is particularly dangerous because it is difficult to detect. It occurs when methodical error is injected into sampling or testing by selecting or encouraging one outcome or answer over others (see Milner, 2007). Machi and McEvoy (2012) posit researchers are susceptible to bias dictated by personal attachments and personal interests that can affect their work. I acknowledged bias had the potential to limit the effectiveness of my research.

In lieu of my positionality, I was guided by the following: 1) as a Black scholar practitioner, I am eager to positively interpret the African American experience from a Black perspective without bias, 2) as a Black person, I am passionate about equality, and 3) as a Black community leader, I am interested in seeing more successful businesses and a rise in Black employment. In order to fulfill the above objectives, I demonstrate in this chapter how I situated myself within this research and how I intended to execute by research, cypher and analyze data, and create a reticent companionship with the participants.

As the purpose pointed to the research question, I conducted in-depth interviews with participants and learned from them in a setting the way they experienced the Great Recession,
the meanings they attach to it, and how they interpret what they experienced. And since the objective was to understand phenomenon deeply and in detail, I considered appropriate protocol and assessed potential risks. I immediately built a non-judgmental relationship with participants based on mutual understanding, reciprocal trust and collaboration. As Punch (2000) indicates, the interaction between researcher and participants is pivotal in data gathering. During fieldwork, I considered the safety of both myself and the participants, and the complexities of the fieldwork encountered. As they told their stories, I let my personal integrity, social values, ethics, and a strong desire to produce an acceptable dissertation, guide the research process (see Greenback, 2003). Finally, as I considered my role, stages of investigation, and the method of data analysis, I was confident I had thought about my positionality. I also recognized and was truthful and clear about my position and the authority over my research (see Sikes, 2004). Throughout his research, I strove to employ a dispassionately, transparent technique and stayed attentive to potential causes of error. The next chapter explains the gathered data and analysis from the research as associated with the research questions. The chapter also includes a summary of results of the collected data.
CHAPTER FOUR: RESULTS

Research Problem Revisited

The underlying research investigated racial discrimination faced by African Americans in U.S. entrepreneurship. The purpose of the research was to explore the voices and the lived experiences of African American entrepreneurs who survived the Great Recession. At the center of the research were two of the most common explanations for the underperformance of African American entrepreneurs—attitudinal (cultural/psychological) perspectives and racial discrimination (critical race approach). The attitudinal perspective is perpetuated by mainstream researchers in their effort to portray African American entrepreneurs as underperformers, while the critical race approach is employed by multiculturalists to show how racial discrimination continues to impact the economic life of African Americans, and other people of color. The literature review in Chapter Three shows that only a few mainstream researchers such as Ivan Light and Steve J. Gold have addressed the mainstream versus multicultural impasse and deduced that racial discrimination rather than a lack of acumen and skills prevents African Americans from achieving high levels of success in U.S. entrepreneurship. Clearly, there is not enough multicultural empirical data to capture the full impact of mainstream’s popular attitudinal theories that seem to provide substantial entrepreneurial-valid reasons why African American entrepreneurs underperform. Several plausible statistics confirm the disproportion has created a large entrepreneurial gap between African Americans and Whites and placed the former at the bottom of U.S. entrepreneurship ladder.

In its effort to contribute to the narrowing of the entrepreneurial gap between African American and White entrepreneurs, this research utilized a phenomenological approach as a strategic tool with which to methodically validate the existence of racial discrimination in U.S.
entrepreneurship. In doing so, the research pitted multicultural researchers against mainstream researchers. The latter perpetuates a myth that characterizes dysfunctional African American behaviors as the major cause of underperformance. According to mainstream researchers, African American entrepreneurs’ lack of cultural values, poor managerial skills, and failure to network result in lower levels of success at the start of a new businesses and a greater predisposition to venture into the business world with lower survival rates. Notwithstanding, multicultural researchers contend that underperformance is caused by lower levels of personal wealth and the lack of money and markets. Results in this research indicate that money and market problems, and other impediments lessen African American entrepreneurs’ ability to prevent losses and sustain growth. The intent of this research was to challenge the growing mainstream literature that suggests attitudinal and psychological problems place African American entrepreneurs at the bottom of the business ladder.

Who better to provide a comprehensive account of the issues at stake than African American entrepreneurs themselves? This research is the only one to examine entrepreneurial performance before, during, and after the Great Recession and directly link it to a history of racial discrimination in U.S. entrepreneurship. The process of exploration and discovery was steered by the overarching question: How did African American entrepreneurs in Roxbury endure the Great Recession of 2008, and what have they learned from the experience? The research was intended to pave way for the collection of data while also presenting the possibility for developing new, more definite questions in the process of data collection. The research question catered to three typologies that performed different functions: management, money, and markets; better known as the three M’s. After perusing several peer-reviewed entrepreneurship articles, this researcher determined that the source of the performance of African American
entrepreneurs can best be examined through management, money, and markets. Referred to as the 3Ms, they are further specified as follows:

1. The business buoyance and organizational strategies of entrepreneurs ("management")
2. Having adequate operating capital to cushion losses, attain efficient gradation, and take advantage of business opportunities ("money")
3. Responsive and access to markets in which to efficaciously advertise and sell the firm’s products ("markets")

These three typologies emerged as themes of the overarching question and helped to compose four “issue” and “procedural” sub-questions used to inquire about the phenomenon.

1. How did African American entrepreneurs in Roxbury stay resilient when faced with a business crisis?
2. What did African American entrepreneurs in Roxbury experience when their businesses are in danger of failing?
3. What have the Roxbury African American business entrepreneurs learned from experiencing the Great Recession?
4. What steps have African American entrepreneurs in Roxbury taken to prepare themselves for subsequent economic downturns?

The sub-questions made it possible to probe and identify the core perceptions of the participants concerning their struggles to sustain their businesses. As human subjects, participants narrated their experiences related to the overarching question and catered to the sub-questions. The overarching question allowed this researcher to encapsulate the essential goals of the study in one major question.
Great Recession and its Relevance to the Research

The Great Recession (2007-2010) was picked because it had detrimental impacts on African American business performance. Economists labelled the occurrence the “Great Recession” due to its harshness and prolonged duration. For three years, events of the Great Recession put African American entrepreneurs to the test more than any other economic downturn after the Great Depression (1929-1938). Hundreds of African American entrepreneurs nationwide did not prevail. African American entrepreneurs encountered cash flow problems and diminishing sale revenues and accumulated huge debts. African American experiences with creditors, suppliers, and subcontractors were catastrophic. During the interviews, participants narrated their stories, including the restraints and hindrances encountered when seeking funding for sustainability. African American entrepreneurs talked about how they endured the cumbersome process of procuring external capital to keep their doors open. Specifically, the Great Recession helped to explore perspectives and histories regarding African American entrepreneurial performance.

Henceforth, this chapter details the experiences of the five participants, documents biases, inequities, and racial discrimination, itemizes themes that emerge from data, and displays the results. The first stage: Data Collection, presents participants’ personal and business profiles, their demographic characteristics and appraisal of collected data. Also included, is the transcription of the recorded interviews and the identification of emerging themes. The second stage: Data Analysis, involves uploading transcribed data on MAXQDA 12 qualitative analysis software. The third stage: Data Coding, involves the coding and analyzing themes associated with the research questions. The fourth and final stage: Analysis of Results, is a summation of the
collected data results gleaned from five in-depth interviews, the study’s sample, demographics sample, and results from the data analysis.

Stage 1: Data Collection

Descriptive Data about Sample and Demographics

This first stage is a continuation of the data selection as delineated in Chapter Three. Between April 2019 and early May 2019, five high-performing African American entrepreneurs in Roxbury, Massachusetts, three men and two women, shared their experiences and perspectives related to the overarching question and the sub-questions. By and large, entrepreneurship, is the activity of starting a business, developing, organizing, and sustaining it (Yetsen et al., 2015). Participants were involved in business ownership before, during, and after the Great Recession. The group included a constructor, retailer, hospitality specialist, public service proprietor, and plumber contractor. Each participant had various backgrounds, education, and family status. During the interviews, participants explained why they ventured into business, and why Roxbury was their venue for business. Most of all, participants narrated their experiences as African American entrepreneurs, shared their successes and failures, and predicted how they would perform in the next five years. Next is a profile of each participant utilized for data collection and analysis. To protect the participants’ identities, confidentiality, and anonymity, this researcher used phonetic alphabet designations as pseudonyms.
Participant Profile

Alpha

Participant: Alpha is CEO of a family construction business in Boston, with an office in Roxbury. Construction is one of the richest legacies of African descendants. Existing for over 30 years, Alpha’s company is one of the few in Massachusetts to have made it through the decades.

Background: Born in 1965 in Dorchester, Alpha went to William E. Russell elementary on Columbia Street. Alpha moved to Dorchester High School. Upon graduation in 1984, he proceeded to Boston Architectural College, but quit after two years to help his ailing father run the family business. When his father died in 1992, Alpha took over. In 2012, Alpha enrolled in online courses and earned an MBA. The interview with Alpha was conducted in his office on April 10, 2019.

Bravo

Participant: Bravo is the owner of a retail family business in Roxbury.

Background: Born in 1959 and raised in Roxbury, Massachusetts, Bravo attended Higgin Elementary and Greater Egleston Community High School. Bravo graduated with a B.A. degree in Economics from University of Massachusetts, Amherst. Bravo retail experience began in the 1970s, when she got an internship job at Dudley Square’s accessories store at the age of 19. Bravo has worked with a number of community services, often as a consultant. Together, with her husband and son, Bravo runs a store that specializes in foreign clothing, jewelry and other luxury goods. Bravo was interviewed on April 20, 2019, in her office.
Charlie

**Participant:** Charlie is CEO of a hospitality enterprise in Roxbury.

**Background:** Born in 1969, he is a seasoned and experienced hospitality executive. Charlie attended Samuel W. Mason Elementary in Roxbury and The English High School in Jamaica Plain. He graduated with a B.A. in Economics and an MBA from the University of Massachusetts in 1995. At 30, Charlie co-founded a lodging and gaming acquisition agency and led several development teams responding to proposal requests for major development projects. In Charlie’s family, hospitality business goes back to his grandfather who owned an inn in the outskirts of Boston. Charlie was interviewed at his business site on April 15, 2019.

Delta

**Participant:** Delta serves as CEO of a Public Services (PS) company in Roxbury.

**Background:** Born in 1973 in Mattapan, Delta went to Charles H. Taylor School on Morton Street and Boston International High School on Maxwell Street. In 1991, Delta attended University of Massachusetts and went on to graduate with a B.A. in Communications. In 2002, Delta created a public service company that offers software system solutions for companies in regulated industries such as healthcare, medical services, manufacturing, financial services and life services. During the interview, Delta kept referring to his father, a renowned civil rights leader who was active in tackling issues of business development within the African American communities of Roxbury and Dorchester. Delta was interviewed on April 18, 2019, at his business site.
Echo

**Participant:** Echo is a CEO of a plumber contracting firm that specializes in fire safety equipment.

**Background:** Born in 1961, Echo attended The Henry L. Higginson Elementary School. In 1978, Echo dropped out of high school. Echo started her business as a single mother in the 1980s and worked her way up from a laborer to a plumber. With only an Associate Degree in Business Management from Roxbury Community College, Echo has, since 2006, become a master plumber and fire sprinkler contractor, running a full-service fire extinguisher and fire safety company that offers sales, repairs and services to commercial and residential clients. Today, Echo’s company has 12 employees and services 170 clients a year. Echo was interviewed on April 26, 2019, at her business site.

**Participant Demographic Survey**

Each participant completed a demographic survey (Table 1) to further understand the personal and business profiles.

<table>
<thead>
<tr>
<th>Participants</th>
<th>Age</th>
<th>Sex</th>
<th>Education</th>
<th>Business (yrs.)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>54</td>
<td>M</td>
<td>MBA</td>
<td>36</td>
<td>Construction</td>
</tr>
<tr>
<td>Bravo</td>
<td>60</td>
<td>F</td>
<td>BA</td>
<td>29</td>
<td>Retail</td>
</tr>
<tr>
<td>Charlie</td>
<td>50</td>
<td>M</td>
<td>BA/MBA</td>
<td>30</td>
<td>Hospitality</td>
</tr>
<tr>
<td>Delta</td>
<td>46</td>
<td>M</td>
<td>BA</td>
<td>17</td>
<td>Public Service</td>
</tr>
<tr>
<td>Echo</td>
<td>58</td>
<td>F</td>
<td>AA</td>
<td>13</td>
<td>Plumber Contractor</td>
</tr>
</tbody>
</table>

As shown in Table 1, the personal characteristics indicate that three of the participants were male and two were female. The participants were all above the age of forty, with the majority being between 50 and 60 years old. Participants were all successful entrepreneurs who provided various services to the public. With the exception of Echo, participants credited their
success to their academic achievements. The fact that there was only one participant with less than a Bachelor’s Degree exemplified the importance of education for African Americans. When asked why Echo did not go beyond an associate degree, she replied: *We were poor. My dad drove a taxi; my mum stayed home. I had to quit school to help put food on the table.*

**Interviews**

This researcher wishes to state from the onset that, before interviewing participants, he took precautionary measures to protect the research integrity. A Black entrepreneur, this researcher considered himself an insider sharing the characteristics, roles, and experiences under study. As a researcher, he found himself as an outsider, interviewing and gathering data from fellow entrepreneurs. As a budding scholar practitioner, this researcher has learned that it is best for the insider-outsider researcher to be alert when collecting data and to assume that he or she does not know anything about the phenomenon under study. Taking this into account, this researcher assumed the role of the observer. This researcher’s apparatus was a journal, in which he documented his encounters with the participants and everything he observed that was pertinent to the research questions (Appendix M). The journal also accommodated his field notes utilized as supplementary to the recorded data. Field notes helped to document circumstantial details. This researcher’s notes included the date, time and location of the interview, demographic data, as well as notes about the participant’s demeanor, tone, and description of the interview environment. Before each interview, this researcher tested the microphone to ensure the digital recorder was functional and used the same protocol questions and interview format to maintain uniformity, reliability, and validity of the collected data. This researcher matched the sub-questions with the protocol questions (Table 2) for the purposes of data collection.
Table 2: Research Questions Marched with Protocol Questions

<table>
<thead>
<tr>
<th>Research Sub-questions</th>
<th>Protocol Questions</th>
</tr>
</thead>
</table>
| **1** How do African American entrepreneurs in Roxbury stay resilient when faced with a business crisis? | 1) Can you explain how you find yourself in this business; what do you do here, and for how long have you been operating?  
2) To your knowledge, how large is the African American business community here in Roxbury? Do you collaborate? If not, what do you see as major problems?  
3) How do you compare your business with your White counterparts in this area in terms of size and business activity? Are you as busy as them?  
4) History shows that African Americans are a resilient people. What does resilience mean to you? |
| **2** What do African American entrepreneurs in Roxbury experience when their businesses are in danger of failing? | 5) Historically, African American enterprise once thrived in downtown Boston and Back Bay. In fact, Tremont was once the principal for Black business activity. Tell me, what happened.  
6) Other people, including some scholars, point to insufficient supply of capital due to racial discrimination as a major impediment. Have you personally faced racial barriers? If so, narrate for me an occasion or two in which you encountered discrimination or exclusion.  
7) Can you describe any particular reason that has led to the closure of so many African American businesses and created such a wide business gap between you and your White counterparts? |
| **3** What have the Roxbury African American business entrepreneurs learned from experiencing the Great Recession? | 8) Narrate how you kept your doors open at the height of discrimination during the Great Recession of 2008. If you survived that, you can survive anything.  
9) What have you learned from experiencing the Great Recession?  
10) Having recovered from the recession, what steps have you taken to prepare yourself for an economic downturn? |
| **4** What steps have African American entrepreneurs in Roxbury taken to prepare themselves for subsequent economic downturns? | 11) With African American graduation rates on the rise, how do you, as a successful African American entrepreneur, serve as an inspiration to those who wish to venture into entrepreneurship?  
12) Since entrepreneurship is part of African American’s history and future, how do you ensure more African Americans take up entrepreneurship? |

Utilizing the twelve opened-ended questions in Table 2 (also see Appendix E, Part III) related to the theoretical framework outlined in Chapter Two, this researcher conducted face-to-face interviews with all five participants. Participants responded to questions based on the following themes:
1. Biographical information about how they found themselves in business and circumstances that impelled them to become entrepreneurs

2. The initial stages of business growth

3. The sustainable strategies of operating their businesses

4. The impact of U.S. entrepreneurship on them, as African Americans

5. Their relationships with various mainstream networks.

These themes elicited responses needed to answer the overarching question and sub-questions, and in addition to provide more insights into the theoretical relations and measurements that were utilized to discuss the findings in the next chapter. Regarding the overarching question and sub-questions, participants shared unprompted stories of success, failure, exclusion, and marginalization. As the participants reflected on their experiences, they talked about running businesses as African Americans, described their tempestuous route to business success, and mentioned the many times they felt like giving up.

The effects of racial discrimination were highly conspicuous. All of the participants talked about how they were disproportionately impacted during the Great Recession in comparison to their White counterparts and how they beat the odds stacked against them by overcoming overwhelming hurdles. History of inequality, structural barriers, and cultural attributes were distinctive and labeled as some of the factors contributing to the participants’ failure to engage in and sustain feasible enterprises. Once the interviews were recorded and completed, they were professionally transcribed verbatim.

Employing the three key themes (management, money and markets), this researcher perused the transcription, searching for emerging themes embedded in business performance, progress, and patterns as provided by participants. This researcher noted their connectedness to
the constructs of Patton’s CRT theoretical framework. Patton employs CRT to examine people and culture in relation to the classification of race, law, and power. Patton’s approach is more than just investigating race, racism, expression, and racialized business. Rather, it underscores the importance of probing and endeavoring to comprehend the cultural forces that shape how we and others perceive experience. The transcribed experiences were reviewed together with journal notes, after which they were preapproved in a field test, and uploaded in the data analysis software MAXQDA.

Stage 2: Data Analysis Revisited

This research is considered “insider research,” because it was conducted by a researcher who is also an entrepreneur. While the underpinnings of insider research are entrenched in ethnographic field research in the disciplines of anthropology and sociology, it is applied in many fields. In data collection, an insider researcher can be actively engaged in the analysis of data; however, it was imperative that this researcher remember to uphold a level of distance from the participants and subject matter generally. In this data analysis, biases were set aside by the use of bracketing. Centered on Patton’s CRT framework outlined in Chapter Two, the research participants responded to semi-structured questions based on the three key themes:

1. The “management” theme centered on the continuous process and experience of operating businesses as African Americans. Questions elicited professional skills, personal, and educational background information about the participants. Also, how, as a people subjected to poverty, racial discrimination, and other disadvantages, they applied resilient strategies to substantiate business management over the years and through the Great Recession.
2. The “money” theme dealt with the wealth gap as a major cause of underperformance. This research contends that the cause of the wealth gap is to be found in the structural characteristics of the American economy, deeply permeated at every point with an inheritance of racial discrimination and the lasting effects of White supremacy. The questions challenged the conventional set of claims made about the racial wealth gap in the United States and made comparisons to White wealth. Additionally, the questions also highlighted barriers to investment capital required to start and sustain a business.

3. The “market” theme underscored the domineering impact of White businesses on African American businesses. The questions pointed to the physical and geographic obstacles that make business outlets impenetrable. Themed questions sought to expose exclusionary tendencies in contracts and bids rampant in state and federal agencies, as well as in corporations, universities, hospitals, and other establishments that are critical to the survival and growth of African American entrepreneurship.

Map 1: Analytical Conceptual Framework of the 3Ms

Management — Sub-questions 1

Money — Sub-question 2

Markets — Sub-question 3,4

Skills — Education — Resilience

Capital — Loans — Contracts — Bids

Family Wealth — Sales — Networking

Protocol Questions 1,2,3

Protocol Question 4

Protocol Questions 5,6,7

Protocol Questions 8,9,10

Protocol Questions 11,12

Note: The above analytic conceptual framework proved to be a powerful tool for highlighting significant codes that were processed in Stage 3: Coding.
Map 1 is this researcher’s way of describing how the questions were explored. The analytical conceptual framework embodied the direction the questions would take. The purpose of Map 1 was to clarify concepts and propose relationships among these concepts. Ultimately, the above illustration helped to review the transcription and to dissect it meaningfully in the preparation of coding.

**Narrative Data Analysis**

Codes can be applied at different levels of analysis, ranging from descriptive (explanatory) to inferential (evidentiary), and can appear at different times during the analysis. Some codes get created and are used at the start, and others follow—usually the descriptive ones come first, and the inferential ones are introduced in the process. In order to put data in its correct perspective, this chapter focused on explanatory (descriptive) coding. Evidentiary (inferential) coding, which drew from the literature review, was later analyzed in Chapter Five. The intent of the descriptive data was to capture detailed responses from the five participants and garner insights to themes and patterns linked to the phenomenon. The 12 protocol questions in Table 2, provided the detailed information to answer the sub-questions that stemmed from the overarching question: How did African American entrepreneurs in Roxbury endure the Great Recession of 2008, and what have they learned from the experience? Although clearly not irrefutable in gauging whether racial discrimination exists in African American entrepreneurship, participants’ responses to the questions, accentuated the general perceptions of African American entrepreneurs in the U.S. Participants showed how the mainstream myths that perpetuate dysfunctional African American behaviors as the basis of underperformance, were at variance with the business culture of African Americans. Utilizing the analytical conceptual framework of the 3Ms (see Map1) as the organizing framework, this research conducted a pre-coding content
analysis of the narrative data. The following is an abridged version of the narrative responses to the sub-questions in each of the 3M contexts. Please note that only the most notable responses are featured.

**Management Context**

**Sub-question 1:** How do African American entrepreneurs in Roxbury stay resilient when faced with a business crisis?

This sub-question addressed the myth about the lack of cultural and entrepreneurial values, such as education, hard work, independence, thrift, family ties, and group solidarity. The protocol questions 1, 2, and 3 (see Table 2) elicited responses about the differences in business venture, business activity, and business size. Participants talked passionately about venturing into business and family ties alike. Speaking to the pervasive nature of family ties, four of the participants emphasized family ties and hard work as the drivers of their businesses:

**Alpha:** I always knew I would run my own company. I was born to be an entrepreneur. My dad was one. His dad, my grandpa was one. It’s in our blood…in my DNA, you know…I attribute my work ethic to grandpa.

**Bravo:** My dad and his brother founded [name], a property management development and construction company back in the 80s. For me, business started when I was in junior high. Every weekend, I would watch my dad, an architecture, draw buildings. I’d would sit by the side and draw mine. When he died, I took over the company to fulfill his dream to build offices and homes for my people. I’m among the very few women in this field, you know.

**Charlie:** My father said to me if you want something got to work for it. He was a tailor on Blue Hill. He worked his butt off he bought three sewing machines, then another and another. With a full house of nine, we all had to help. And so, I recognized the value of hard work, and he took me when I was eighteen to [name of bank] and said son, we are going to set you up a business account, so you can open your own.

**Delta:** My father works for me. Isn’t that great? His big brother, Uncle [name] probably gave me my work ethic. Uncle [name] took over grandfather’s inn. Time and again, he would ask me to do chores for him in the summer. I would go to the inn and help with dishes and some other stuff. He got me interested in this business and now here I am.
today with two motels and 16 workers. My father is not only my worker, he is my cheerleader and chief advisor.

Echo, who grew up in subsidized housing, talked about values and self-belief. Like the other four participants, the cultural and individual values she spoke of included: steadfastness, willpower to survive and provide for her family, and, above all, faith and religious beliefs.

**Echo:** For any young girl with a baby at [age] you got to have a plan. I left my baby with my mother went back finished high school and got a job at [name of company]. I didn’t care what job, all I wanted is an income to keep my baby alive. I was lucky I surrounded myself with good people, my mom and dad and my brothers and sisters. I worked hard, very hard. At college I met a guy who was in plumbing business, he said I could work for him. I worked hard there too and got a small loan to start my own plumbing business…I am now grooming my oldest son, so he does not go through what I went through. Him and my husband help me to run my business.

Protocol question 4 (see Table 2), on resilience, garnered some of the most noteworthy responses. All of the participants talked about how they operate and overcome adversity. To the participants, resilience referred to successful adaptation, despite what Charlie called “modern segregation”.

**Alpha:** Just to think that we, as a people of color, have come very far to make it, despite different things other people have done to us to try and keep us from succeeding, progressing not only as businesspeople, but as humans, as African Americans, is resilience. No one gives us anything, we have to earn it. No one will pick me up on the street if I don’t do something about it. I’ve to be resourceful and resilient. So, we are all prepared to weather the storm up to the bitter end. We all want to make it no matter what they say or do.

**Bravo:** Both as a woman and an African American in this country I need more resilience in my business. My competitors [in architecture] are all men, mostly White men. When my dad died, I took over a company of mostly men. I told them we were going to continue where my dad left off. I said we were going to continue with his resilience. When few Blacks dare to enter this business in the 1980s, my dad survived the frustration, fought racism and discrimination. I told my staff we were going to keep fighting. I for one, I have a duty to my dad to keep the candle burning.

**Charlie:** I come from a culture of people who taught me that there’s no such word as can’t, can’t do this, can’t do that. My father always said to me if you want something in
life, there’s no such word as can’t. I am supposed to be strong, to overcome. If I am to achieve my goals, I have to walk through the hell that my ancestors walked through. I’m Black, I’ve no choice but to be resilient even when the world is trembling under my feet.

**Delta:** So, I’ve believed that…that as an African American I need resilience to survive because in this country… in my profession and in everything I do, treatment is based on the color of your skin. So, I can’t just stand around and hope I’ll be treated better. I’ve to brace myself for the worst and pull through. That’s what I experience in my business disappointments and disasters like the Great Depression [Recession]. So, I’ve to be prepared for them.

**Echo:** I’m up and standing because I’m resilient. Resilience is my lifeline, if you see what I mean. I need it every day. That’s what it means for African Americans and other Blacks in Roxbury. We need resilience, we’re resilient. Whites, Asians, Koreans, don’t need to be resilient. Latinos not so much. We need resilience most because we face the worst discrimination. When the bank turns me away, I’ve to be resilient, when I can’t get a contract, I’ve to be resilient. So, everything I have done, everything I’ve achieved is because of resilience.

**Money Context**

**Sub-question 2:** What do African American entrepreneurs in Roxbury experience when their businesses are in danger of failing?

The above sub-question addressed the myth that African American entrepreneurs are inclined to have higher levels of closure in comparison to their White counterparts due to the lack of skills and sustaining strategies. This sub-question elicited responses in (1) discrimination and prejudice, (2) lack of capital, and (3) lack of bids and contracts. Responding to protocol question 5 (see Table 2) on business closures, participants had this to say:

**Alpha:** We’ve all the skills on this planet, but we face all kinds of roadblocks. Some of us have the education needed to run a business and know how to balance books. But the city’s doing a poor job of inclusion. Most of the closed buildings you see on Blue Hill, Dorchester Avenue or Columbia Street are closed or repossessed, because the African American owners did not have contracts in food, retail and other businesses. You got to have a contract in almost everything, state, government, private, you got to have a contract to do the job, to buy goods, you got to have a contract, do you see what I mean? You got to have something to chew on. The guys did not have contracts because they were African American. There’s always a hustle with us. Some of those buildings you are talking about have been taken over by Asians. They are doing very well because of contracts. They walk in and walk out with a contract.
Bravo: Many of those who closed were not able to break into the private sector; that’s where things got tough. You talk about education, I graduated cum laude from an elite school. My class had five other African American students who graduated with me with honors. For years, African Americans have been going to school. So, closing of the buildings you are talking about has nothing to do with the lack of education or skills. The reason is racism. We’ve to call it the way it is. It’s not exclusion or anything else, but discrimination, and you find it everywhere, in banks, government offices, private contractors; that’s where you find it. I’m in the selling business, but I know about procurement. I learned in school and have friends in contracts business. You got to know someone in the private sector for you to succeed. You see, procurement is hardly regulated, which makes racial discrimination possible. In fact, it’s not regulated at all. So, those who don’t like people like us are of very little help. It’s not like in the public sector where procurement is regulated. Though, there are problems there as well.

Charlie: The closures you see show that getting support from outside, rather getting contracts and customers, can get racist. If you don’t make friends with the guy who issues contracts, you are on your own. Whites are not going give a contract to an African American they don’t know or trust. They will give it to the White guy next to your shop or sometimes the Asian guy. That happens all the time. The shops in Roxbury are owned by mostly Whites and Asians. And if your shop is next to them, customers will go into their shops and leave out yours.

Delta: People must cut the education crap. Honestly, it is ridiculous. Are you telling me that all the Caucasians in business have been to college? I don’t think so. In fact, I know a good number that are not. The state has a lot of business, but most of it is given to Caucasians. Not so much Latinos and us. Latinos have the same problems like us. Sometimes, they are treated the same way as us. But we are worse. We have more closed businesses in the state of Massachusetts than any of the minorities. You know a lot of Caucasians think we don’t know how to run a business. They say we give a contract to an African American, we lose. That’s the reason why you see so many African American businesses closed in Roxbury, Dorchester, Mattapan and so on.

Echo: The one thing I found is White folks surround themselves with people who look like them. I call that racism. They may say no, I’m wrong, it’s not racism, but I believe it is. I may be one of the lucky ones, and I’ve other means to survive, but they’re very few of us out there who are lucky. I worry about my Black brothers and sisters. It pains me when I see them complain about being denied a chance to make their business work and earn a decent living like anyone else. In our open meetings [chamber of commerce], a Black guy who struggles with his business, complained that he often receives bids notifications late. This, the committee has noticed. Contractors or those who issue bids, first contact the people they prefer, mostly White people, and then contact the rest to show they are not being racist, the committee knows that. Contractors do that when the bids have run out, when they have given them to their friends. The committee has not investigated them. Look, I have brought it up in meetings at the chamber and in our civil
rights meetings, very little has been done about it. They keep asking “where’s the evidence?”

All the responses in this segment were significant in capturing the accounts of African American business owners on what traits made them successful. Again, in summarizing the best practices, participants observed that culture, lifetime experiences, and constrictions were crucial in shaping their lives as entrepreneurs. Three out of five participants identified barriers in obtaining permits, poor regulation execution, illicit business practices, and other discriminatory impediments, affecting development, growth, and success. Responding to protocol questions 6 and 7 (see Table 2), participants talked about the lack of capital.

**Alpha:** If you have no access to capital, you can’t go into business, you can’t succeed, you can’t do nothing. Last year, a young man who once worked for me, graduated with a degree in business. He came to me to ask for money to start his own business. I knew about the bank loans, so, I hooked him up to the guys. He had to write out a business plan to show how he was going to pay back the loan. I helped him and threw in a strong letter of support. He had the whole thing, including tax returns and how to market, advertise and a budget for the next five years. He gave them. We never heard from them. Then one day I was at the bank when I heard that they had already approved ten out of the hundreds of minority businesses. When I called the bank, I was told the approved were nine Asians, one Latino, and no African American. I said to them that was not fair.

**Charlie:** I was fortunate enough to have startup capital. My grandad left enough money in the bank. Besides, I hate when you go to the bank, they look at you as if you’re a piece of shit…with the security guard breathing on your head. I’ve a phobia for banks because no matter how I dress, they still eye me like I am about to stage a holdup. Once I tried to get a small loan, they were asking for a pound of flesh from me and my co-signer, I quit. I mean they were talking about outrageous interest rates. I stood up and left. My dad used to tell me that when he started his business, he was investigated very thoroughly and ended up getting zero. He never gave up. He knocked at bank after bank until he got what he wanted.

**Delta:** Oh man, you talk about credit from supply houses. It’s just as bad as banks. Yes, back when I was just beginning, I went to the supply house [name] to see if the guys would give me credit. I hit the wall. The guy said I would have to be a regular customer for three months before they sign me up. To be a regular customer meant buying materials for more than $1000 per week. On my way out, I met a White friend, he told me he never heard such a thing. He told me he got his credit the same day. He walked me over to the same guy, and the guy said sign here. I was like what?
Echo: So, when you ask me about my experiences in getting capital, I keep telling friends that try as much as possible to raise your own capital. You better be well prepared, because you are Black. Before you think about business, make sure your credit is excellent, eh, your collateral is in good shape, and you’ve never been to the jailhouse. Let me tell you what happened to me. In August last year, I needed some money to build my own warehouse. This one I rent. They asked me how much, and I told them $600,000. They told me I had to get an evaluation. I told them I met the criteria. I took my financial projection to the bank. The bank guy, a White guy, came to my warehouse, okay. He came over. When I shook his hand, I knew there and then that it was not going to end well. The man was cold. He walked around, then walked back to me. Do you know what he said? He said the warehouse was not worth the money I was asking. I had seen smaller warehouses owned by Whites and Asians that were worth far more than mine. I told him that. He just got up and cut me out. That was it. He was gone, and that was it. Up to this day, I still rent a warehouse.

Markets Context

Sub-question 3: What have the Roxbury African American business entrepreneurs learned from experiencing the Great Recession?

The above sub-question addressed the myth that, although African Americans are the fastest growing entrepreneurial group in the U.S., they lack self-efficacy—a personal appraisal of how well one can effect business strategies needed to deal with probable circumstances. Posing this question was a direct inquiry into their personal and family wealth. Protocol questions 8, 9, and 10 yielded emotive responses.

Alpha: Earlier, you asked about resilience. When the recession hit us, all the money went to those predatory lenders. Nothing was coming to us. That finished our reserves and made it difficult to survive, but like many of us have done so many times, by 2012, we were back on both our feet. Now, let me tell you something, the Great Recession was not unusual, no it was not. It was like taking a final exam, if you see what I mean. It was like, after all the lessons we learn from tough times, from being undercapitalized, it was time to take the final exam. We, African Americans, have faced challenges throughout our business lives because we don’t have as much wealth as Whites. Because we don’t have money, our ancestors taught us to get lean, shift strategy and find opportunities in hard times. The key to survive during times like the recession is the old belief of being frugal during good times. When the market was good, and I had extra income, I held on to it. That’s what my father did and those before him. They just didn’t spend money. And
when the dust was still up, somebody needed to be ready to supply. I went after those African Americans and Whites who were buying foreclosed homes and supplied materials for refurbishment in time before high interest rates caught up with them. It worked. We picked up all the dirty contracts nobody wanted, like repairing sewers, and it worked, you know.

**Bravo:** Oh man, oh man, those where tough times, I tell you. They were worse than hell. The recession came out of nowhere. We literally had no signs of warning. Businesses were shutting down daily. We were hit harder than other races, harder. The recession gutted our homes and our little savings. We are not like Whites, with lots of money. So, our home equity came crashing down like a war plane. That meant trouble for all African Americans, young and old, it didn’t care who. It was endemic. Let me tell you, the millennium had kicked off well for some of us in this business. Actually, things were looking up for most of us, even when we faced the same problems those before us faced. Between 2000 and the recession, I was making pretty good money. Then the recession rolled in and levelled everything thin. I mean like a sheet of metal. Within a year, the recession had killed Black wealth and erased our millennium fortunes. Some African Americans business owners here in Roxbury contracted the buy-a-big-home fever that infected many Americans and took out toxic loans. When they defaulted, they lost everything, and I mean everything. Why am I telling you all this? Because when Blacks in Roxbury are exposed to financial risk, they’re at risk of closing.

**Delta:** One of the most important lessons is not to stand alone, but to work with others, to help each other. That’s what Whites and Asians do. They are in league. They network. We don’t. That’s the difference between us and them. When the recession happened, I saw Whites work with Whites and Asians work with Asians. They were helping each other to sustain the companies and get other companies off the ground. They gave each other contracts, a thing they do all the time, recession or no recession. They kept away from high interest rates and when they went to the bank for help, they had all the right paperwork. Of course, they were supported by bank managers of their races. We Blacks work alone. African Americans work alone, Africans work alone, Caribbean guys work alone, and most of the time we don’t get it right. You should have seen the panic during the recession. No one came to the other’s rescue. Many were left dead on the street, if you see what I mean. We helplessly watched as Whites and Asians stormed the storm, because they were brainstorming ideas together. We must learn from them. We may be called a resilient people, fine, if that’s who we are. I’m fine with that. But what is resilience if it is only a few of us who survive? What is resilience when we don’t help each other to succeed? When we are always at the bottom? When I took over this building from my dad, I knew I had a strong foundation and was always there to help less fortunate people in my community. That’s why I am on the chamber committee. I’m telling you, you can’t fight a recession alone. We’ve to fight the next recession as a team.
**Sub-question 4:** What steps have African American entrepreneurs in Roxbury taken to prepare themselves for subsequent economic downturns?

The above sub-question addressed the myth that African American entrepreneurs possess unbridled exuberance, and therefore lack an entrepreneurial focus. Mainstream scholars argue that African American entrepreneurs engage in self-sabotaging tendencies. Behavior is presumed to be self-sabotaging when it interferes with established goals. Self-sabotaging includes impediments to be able to start and sustain a business. Participants offered their advice:

**Alpha:** First, it saddens me that we are always at the bottom. It’s really, really sad. Let me talk about the recession because that’s what’s on my mind. I’m always sharing the steps I’ve taken. I always share my ideas with my fellow Black buddies, those who are in contracting business and those who are planning to go into business. Like I said, we must always know that there will always be an economic meltdown. Here is what I have done. First, knowing that many businesses fail during a recession, and it is for a fact, I do not want to run out of capital. This is very important. Listen to me, don’t run out of capital. Don’t overspend. Always ensure you have money in the bank. As for me here’s what I’ve done, and it works, you know. I have struck a deal—an agreement with my bank to grant me a certain amount of loans on demand. When the chips are down, I’ll know I’m safe.

**Bravo:** Save, save, save. You need to save a lot of money when sales are up. We have been talking about discrimination in this interview. One, if you face discrimination in my community, come to me, or report to the chamber or NAACP. We will try to help. Two, don’t just depend on your usual customers. Put little cash for ads in Metro. That’s how you add on to existing customers, so that when times of trouble are here, you have enough customers to pull yourself through. That’s what I have done. Also, time and again I conduct sales and use that time to make friends with as many people as I can. I also offer other incentives like free deliveries. It’s a good strategy to bring in new customers. Three, trim the fat. Oh yes, trim that fat in time of trouble. Lay off some of the workers. Here’s another thing I do, I look at my company’s cash flow and see where cuts can be made. I don’t want to cut costs just like that—that can have a negative impact on you down the road. I negotiate with my suppliers to extend payment terms to reduce cash flow timing issues, even when I am making good money. If the recession was to hit today, I would beat it hands down. Look, there many steps I have taken. They would fill this entire office.

**Charlie:** I always put it simply; what counts is not how much money you make, but the struggles you face and overcome to make that money. I tell this to African American students when they graduate. Last time, I told students the same thing at a graduation ceremony at [name of college]. I told them that I have been successful because I concentrate on not how much money I am making, or how much I have in the bank, but
how to fend off the exclusion, the discrimination, I face day after day in trying to get contracts, get a loan, open a line of credit; that’s where my focus is. As a member of the Roxbury community, as an African America business owner, I am committed to helping my fellow Blacks succeed and grow professionally. As a committee member of the chamber, I have the duty to ensure there are less young Blacks on the streets doing drugs. I understand many kids take to illicit activities because it is hard for them to get jobs. As a committee member of the chamber, I have a responsibility to ensure as many African Americans as possible are in employment. The chamber is there to improve business and professional opportunities for African American who want to start a business.

**Delta:** We need more African Americans in business, so they provide employment in our communities. There’s never been an urgent time than this one. We need African Americans, not only in barber shops and cosmetic shops, but also big companies, like factories, technology…you know companies like Walmart, Amazon…we need them…in the construction industry; in the supplies industry; in all industries. [voice raise] Don’t believe this failure thing that you hear around. We’re hard workers. We can be hard workers. We are getting educated each day…with the current politics, we are beginning to appreciate one another. We are talking more about ourselves than we did before, in a positive way. I, and my friends in the community, are working day and night to reduce the discrimination in the business industry. Of course, it is not easy. But we are working on it. We are working hard to try and close the wealth gap. We want to kill the business bias that we continue to face at the hands of lenders who do not like us because of the color of our skin, so you can get bigger contracts, you can get lines of credit, you can be respected when you enter a bank to borrow. As for me, personally, you can be rest assured that you have my back. I urge all successful African Americans to band together and help startups to stabilize and grow their businesses. One thing we certainly need to do is to make sure we’re not going backwards.

**Echo:** Don’t be like me. Get a good degree. When you graduate from college, you must seriously think of a career as an entrepreneur. Those African Americans who have done it right; those who have identified discrimination and reported it; those who have persevered, have added themselves to the ever-rising successful men and women of color. As for me, let me say this; let me say what Oprah once said: I am where I am because of the bridges that I crossed. My father was a bridge. Frederick Douglas was a bridge. Booker T. was a bridge. Madame C.J. Walker was a bridge. All those African American entrepreneurs that have succeeded are bridges. You also can use them as a bridge. Me too, you can use me as a bridge. That’s all I got to say.

Each of the five participants exhibited distinct characteristics. The transcript, in its entirety, provided detailed information that was needed to address the overarching question, in addition to providing more insight into conceptual relationships and dimensions. Data analysis in phenomenology is guided by the following procedures: (1) **epoche**, categorizing collective
meanings and essences, (2) allotting equal value to each meaning, literal and structural analysis. Horizontalization allowed this researcher to catalogue each of the relevant quotes of the participants and accord them equal value in relation to their experiences as demonstrated above. This action renders the phenomenon free of the researcher’s bias. As a researcher of color and an entrepreneur, this researcher was careful in reviewing the text and considering the multiple meanings assigned to particular descriptions. This researcher highlighted statements, sentences and quotes, and deleted statements that were irrelevant and repetitive. This researcher utilized memos to keep track of decisions made for text reduction. After completing the initial interpretive phenomenological analysis, the transcript was saved as a Word document ready to be uploaded into the MAXQDA software for coding. As demonstrated in the next stage, qualitative inductive analysis has numerous methods for text data handling and preparation that can be employed to find meaning from data collection.

Coding was used in this research to organize data so that underlying information contained in the data is made clearer to the reader. In MAXQDA, a code is defined as an electronically generated word or short phrase that assigns meaning to each piece of information for the purpose of pattern identification, classification, and theory construction. In analyzing data, codes were the link between data collection and clarifying the data. MAXQDA treats codes as subsections of the text data that are inductively extracted from the assemblage and arranged accordingly to show related themes that contribute to availing a description. MAXQDA, created to organize and retain qualitative coded data, was used to initially sort data into three major areas of the 3Ms. For example, if the research sub-question was related to management, the participants’ comments were divided into statements using MAXQDA. The software provided the system to methodically sort, view, and group the data in order to detect the themes. Two
processes of coding were employed, *First Cycle* and *Second Cycle*. The First Cycle (Map 2) was employed as an inductive process to sort out the raw data contained in the transcription and group it into categories and themes. The process ranged from the creation of a single word to a complete phrase to the entire text on the page.

**Map 2: First Cycle Coding—Subordinate Themes**

Conceptual map of mainstream myths and multicultural counters coded by MAXQDA as subordinate themes
The First Cycle involved the preliminary coding—a type of uncluttered coding that was employed in the first phase. Initial coding allowed this researcher to process and make the data respond to the research questions. Coding of the transcripts proceeded in accordance with the methodological framework of phenomenography and rendered guidance through the procedure of reexamining the amount of data gleaned that needed to be themed. The Second Cycle process of coding furnished this researcher with required text data that was classified into categories for further analysis. The coding process varied from the precise same unit, extended passages of text, to the arrangement of the codes themselves. In this phenomenological approach, both the first and second cycles were employed to spot likely themes from the text that were coded and classified.

MAXQDA software provided this researcher a chance to become acquainted with the text in the transcripts. The software was an ideal tool that took in large amounts of data employed to extract and store codes used on categories that were developed in the initial phase. Cognizant of how dynamic the clustering was with regards to the classification of the themes coded from both the mainstream myth and multicultural counter viewpoints, this researcher looked for themes that could be employed to detail the state of the U.S. entrepreneurship relating to the African American entrepreneurial experience. Since in this framework coding was interpretive, this researcher looked for themes that emerged from the transcripts such as “importance of family ties,” “little family wealth,” “lack of vision,” “absence of group solidarity,” “lack of skills and business acumen,” “poor work ethics,” “education as the key success to high performance,” “denied capital, funding, loans,” “general mistrust by Whites, Asians, and Latinxs,” “limited startup capital,” “operation in lower-revenue locations” and “bias in supplier networks.” These
themes and others not mentioned here were loaded in MAXQDA to create subordinate themes as shown in Map 2.

These subordinate themes prepared data to be separated, clustered, and re-clustered in order to enhance meaning, and evolved into the Second Cycle. The Second Cycle stage managed, filtered, highlighted, and focused on the prominent attributes of the data record for generating codes appropriate to support the salient overarching question. Codes related to subordinate themes were generated from particular phrases of the participants. For example, the subordinate theme “no family structure and ties” linked to Alpha’s comment in Question 1, “I was born to be an entrepreneur, my dad was one, his dad, my granddad was one,” which engendered the code “family ties.” Similarly, a quote from Delta, “Oh man, you talk about credit from supply houses. It’s just as bad as banks,” produced the code “credit.” Altogether, fourteen codes were identified as follows: (1) family ties, (2) education, (3) acumen, (4) assets, (5) equity, (6) credit, (7) loans, (8) contracts, (9) bids, (10) sales, (11) hard work, (12) thrift, (13) networking and (14) group solidarity. The codes were classified according to research findings as shown in Map 3.

The fourteen codes were correlated to the six themes affecting the performance of African American entrepreneurs: “lack of skills,” “lack of cultural values,” “lack of networking,” “collateral,” “capital” and “revenue,” as categorized in Map 3; any superfluous codes not related to the fourteen codes were eliminated from the final coding process. The six themes; lack of skills, lack of cultural values, lack of networking, collateral, capital, and revenue, regarded as basis of underperformance of African American entrepreneurs, eventually led to the emergence of the three key themes—the 3Ms.
Map 3: Second Cycle Coding—Key Themes

<table>
<thead>
<tr>
<th>Code</th>
<th>Category</th>
<th>Key Theme</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainstream</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>Lack of skills</td>
<td></td>
</tr>
<tr>
<td>Acumen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Ties</td>
<td></td>
<td>Lack of Cultural Values</td>
<td>Management</td>
</tr>
<tr>
<td>Thrift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Solidarity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Work</td>
<td></td>
<td>Lack of Networking</td>
<td></td>
</tr>
<tr>
<td>Networking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multicultural</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td>Collateral</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td></td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Bids</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts</td>
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</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Racial Discrimination</strong></td>
<td></td>
<td>Subtle, obscure Overt, covert Systematic</td>
<td></td>
</tr>
</tbody>
</table>

Map 3 shows the coding path of the 14 subordinate themes from First Cycle coding
Coding path created by researcher

In Map 3, non-arrows reveal the connections between elements (code and category) and the first set of arrows point to the three salient key themes—management, money and markets, which encompass (a) entrepreneurial characteristics, (b) financial capital and (c) resource management identified in the data analysis (see Table 5). The arrows from the key themes lead to racial discrimination as the presumed source of the under-performance of African American entrepreneurs. Upon completion of coding, all code themes were correlated to Patton’s CRT
propositions, conceptual framework, and overarching research question and sub-questions. Since there was no more information, no new themes, and no new coding to be acquired from the participants, saturation was reached through member checking and methodological triangulation. Next are the results of the data analysis.

Stage 4: Analysis of Results

The 3Ms (management, money, markets) helped to track the performance of African American entrepreneurs and produced results consistent with racial discriminatory attitudes toward African Americans. The interrelationship of the various recurring themes produced in the process of coding culminated in the emergence of six circumstances experienced by African Americans that are at variance in U.S. scholarship – (1) lack of skills, (2) lack of cultural values, (3) lack of networking, (4) collateral, (5) capital and (6) marketing (Map 3). Results for each category are presented below.

Theme 1: Lack of Skills

Graph 1: Wealth Gap: The Percent of Families in the Upper Half of Wealth Distribution in the U.S.

Source: Federal Reserve Bank of St. Louis | WSJ.com
By skills, mainstream researchers mean self-management, personal accountability, goal orientation, interpersonal skills, financial literacy, analytical problem solving, and planning and organizing. The assertion was that African Americans displayed inferior skills. The recurring themes showed how the participants put forth evidence to make the case about the myth of their “lack of skills.” All of them put the blame squarely on racial differences in wealth (Graph 1). All of the five participants saw access to wealth as a significant barrier facing African Americans. “Well, most Blacks don’t have enough money when they first start out,” said Bravo. “It’s all common sense. I mean, with the little money, they are likely to make poor financial decisions.” Charlie added, “What drives the lack of skills is wealth, period. What do you do when you can’t train or educate yourself because you have no money? Whites have better skills because they can afford it. So, it’s the wealth factor, if you ask me.” Participants agreed that the lack of wealth has always impacted them negatively.

**Theme 2: Lack of Cultural Values**

By cultural values, mainstream researchers refer to risk-taking, individualism, competitiveness, wealth generation, and growth. Themes in this category revealed that mainstream researchers concentrate on African American culture as the main reason for the underperformance of African American entrepreneurs. Participants addressed what Delta referred to as “a misconception” that African American cultural values do not cultivate entrepreneurial creativity; “You can’t have a strong culture when all you are doing is thinking about tomorrow,” he said. “Those who are saying that our culture is poor or weak are on the other fence. They’ve no idea what they are talking about. They’ve no idea what we go through as oppressed people.” Alpha was more direct. “Our cultural values can’t be the same as those of White people ‘cause they don’t want us to succeed like them. They do not want my shop next to
them in their suburb or downtown. That’s their culture. They don’t want us to touch it, their culture I mean. They do not want us to have anything to do with it.” All five participants treated resilience as a culture. Echo evoked the wealth gap again. “To understand cultural values is to know business values. To do that is to learn them. To go to school and learn them. I couldn’t go to college because my parents couldn’t afford it. We were too poor to take on student loans, and I wasn’t so sure I would graduate, with all the problems in my house.” Delta echoed Echo, “I got into college, so I know how to run a business, and I’m doing well. How many Black people have a college degree, do you know? They’re very few. You know why? Because they can’t afford it. So, how do they get skills when they have no money?”

![Figure 2: Median Household Net Worth by Race and Education](Image)

A commonly held mainstream misconception expressed by two of the participants is that African Americans have a cultural predilection to under value education. Echo, whose son graduated with an MBA, had this to say when asked a follow-up question, “We all want our
children to get a good education. Who doesn’t? Only a fool would keep a child at home. I couldn’t go to school ‘cause my dad could not afford it. I had to get federal money to attend community college. Now, every cent I save goes to my children’s education. That’s the dream of every Black parent.”

**Theme 3: Lack of Networking**

By networking, mainstream researchers refer to the creation of support systems to sustain a business. Entrepreneurial networks usually embody detached and heterogeneous networks with unclear limitations and resource-based or role-based division of labor (Figure 3). Entrepreneurial networks are composed of independent agents that are connected to each other through several formal and informal contractors, who device collective strategies by apportionment of particular roles to individual members, which are contained in contractual relationships. The allotment of labor in the network comes from specialization and inimitable abilities of individual firms and exemplifies resource-based input-output dependencies that arise from evolution of the network. All of the participants admitted African American entrepreneurship lacked such network support systems to keep their businesses profitable. With the exception of one participant, the rest presented themselves as network disadvantaged because their connections were confined mainly to their race. African American entrepreneurs relied mainly on members of the church, fellow African Americans in their communities, nonprofit organizations in their area, and, to some extent, social media. Consequently, African American’s lack of access to White networks denied them opportunities for social mobility.
Alpha said that networking was important to him and reported that his business was connected to “a good number of White” associates. Others stressed that networking was a tangible benefit and that cultivating relationships with other entrepreneurs helped to gain unexpected opportunities. Charlie noted that networking was vital to the growth and success of his business. “I’ve to market myself,” he said. “I’ve to be in touch with my most trusted customers and my acquaintances. There are some very good people out there you know, Black and White.” Delta stressed the importance of building relationships, saying that networking was part of the African American culture. “We’ve always networked,” he said. “There’s a lot of
history to it. Our networking has helped us to keep our businesses open. We may not network like others do, but we surely do.” They all reported that African American networking was different from White networking. “We don’t fit with the White networks. Here in Roxbury, we are isolated,” Bravo said. “I, for one, I feel excluded. I feel like I am networking with the wrong people. I can’t network with White contractors from here unless they are buddies or unless it is to their benefit. At the same time, I can’t move out of Roxbury and go to downtown or the suburbs because I can’t afford it. So, I am left with little choice but to network with my own people, and you know what that means, very slow business.” Alpha and Delta also recognized networking with the White business community as critical to overcoming barriers and achieving success. Delta added, “How do we, here in Roxbury, network at the same level as Whites and Asians when 90% of us can’t get financial help? We need the Whites, Asians, and all to network with us.” Echo reiterated Delta’s sentiments. “We need to network with people with money, White people. How’d you network when you are struggling to keep your head above the water?” One factor to which all the participants alluded was the lack of support from their fellow African Americans. “They would rather support White and Asian business,” Echo said.

**Theme 4: Collateral**

All the participants acknowledged the major impeding factor in performance was the lack of equity and assets. Four participants described how loans were important to initial business performance and sustainability. Results of the data analysis indicated African American entrepreneurs are denied loans more often than their White counterparts. Those who are approved are charged higher interest rates, a scheme that discourages prospective African Americans to venture into entrepreneurship (Figure 4).
Typically, business loans require collateral based upon net worth to secure funding. Results indicated that because the participants operate in a Black agglomerate, they tend to have lower home values and less valuable assets on average and are therefore susceptible to loan turndowns. Lack of collateral was the reason it took two years for Echo to finally establish her business. “I felt like giving up. Every bank I walked in, they asked for collateral; which I didn’t have. At one bank, they didn’t even look at my application. They simply asked if I had collateral. When I said no, that was it.” Bravo, Charlie, and Delta narrated similar accounts, describing their exasperations with loan officers who they said appeared to be looking for excuses to reject the application. The U.S. Census Bureau survey (Figure 4) on the possibility of denial for those who applied for loans found that rejections for minorities was 31.5% compared to 12.3% of White businesses. With regard to the Great Recession, results showed that African Americans were subjected to the subprime or “predatory” lending system. Participants discussed loans created on the basis of household or business collateral, using clauses that were vindicatory and
exculpatory. Alpha cited a report by the Department of Treasury during the Great Recession that found African American entrepreneurs were 50% more likely to be deterred from applying for a loan. All of the five participants spoke of racial discrimination causing them financial distress throughout the period of the recession. The large differences in loan denials helped to substantiate racial discrimination may be a large source of the underperformance of African American entrepreneurs.

**Theme 5: Capital**

Participants’ comments on capital demonstrated how African American-owned businesses were generally rejected at a higher rate, 17% to 33%, according to the 2016 Kauffman report, than similar White-owned businesses. The wide gap helped to find a causative effect of race on access to capital for African American entrepreneurs. The gap brought forward discriminatory lending practices by lenders in government and private institutions. Results revealed that Roxbury and other Black agglomerates have less community lending institutions and therefore less access to capital, and those few institutions charged higher interest rates than those imposed on White entrepreneurs. Bravo stated that the majority of African American businesses in Roxbury were more prone to starting with little or no financial capital. Bravo talked about using her personal income to cushion business expenses.

**Figure 5: The most used sources of startup capital by African Americans**

<table>
<thead>
<tr>
<th>Source of Capital</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal/Family savings of owner(s)</td>
<td>63.9</td>
</tr>
<tr>
<td>Business loan from a bank of financial institution</td>
<td>17.9</td>
</tr>
<tr>
<td>Personal credit card(s) carrying balances</td>
<td>10.3</td>
</tr>
<tr>
<td>Personal/Family assets other than savings of owner(s)</td>
<td>9.3</td>
</tr>
<tr>
<td>Personal/Family home equity loan</td>
<td>7.3</td>
</tr>
<tr>
<td>Business credit card(s) carrying balances</td>
<td>5.3</td>
</tr>
<tr>
<td>Other sources of capital</td>
<td>3.7</td>
</tr>
</tbody>
</table>
Results indicated that personal savings were the main source of startup capital for African American businesses. Other ways raised by Echo and Delta included taking on personal credit card debt, family savings and assets, and family home equity loans (Figure 5). Even as successful as they were, all participants stated that undercapitalization was a hurdle for African Americans, because it made it difficult to fend off financial shocks. The empirical and rhetorical claims in this research leave little doubt that racial discrimination in lending institutions drastically affects the amount of start-up capital available to African American entrepreneurs in comparison with their White counterparts. Throughout the interviews, racial discrimination was of great concern for all the participants. In the follow-up questions, Echo stated the following, “We got to have the same access to capital as that of other business people, regardless of their race. That’s the only way they can measure our performance. At the moment, the capital we get—for us who are fortunate enough, is a drop in the ocean.”

**Theme 6: Bids Process**

A bid is the process a government agency or a commercial entity carries out in order to purchase commodities and services from vendors. Alpha, a contractor, described a bid as a tender on a project to be completed within a specific period. According to participants, disparities exist between African American-owned and White-owned businesses. The bulk of African American-owned businesses’ revenues come from government services than do White-owned businesses’ revenues. Although results indicated lack of access to bids arose from both discriminatory and non-discriminatory reasons, participants’ statements showed that a large part of racial discrimination lies in the awarding of bids. Alpha, Delta and Echo, who are in the bidding business, noted problems African American entrepreneurs face in winning tenders like
timely bid notification, held bids, higher and double standards, and lack of good faith (see Figure 5).

**Figure 6: Most Frequently Cited Bidding Barriers Facing African American Entrepreneurs (AAEs)**

Note: Access to Capital and Networking barriers can arise due to both discriminatory and non-discriminatory reasons and also influence non-discriminatory barriers such as bonding and insurance. Pervasive barriers are access to bids, access to capital, network access, and market discrimination.

*Source: Minority Business Development Agency*

Alpha said that in Boston, much construction work was done by White contractors who, for years, have created a “a circle” difficult to penetrate. Alpha added that contesting a bid was a frustrating experience for people of color; “You’ve to be a fighter in my business. You have to fight tooth and nail. You go in there and refuse to come out until you win. I don’t mean start trouble. You’ve to be smart about it, you see what I mean? Do what I always do, invite them to lunch, and spend on them. That works for me. Anyway, it shouldn’t be that way.” Alpha, Delta,
and Echo made it clear racial discrimination in the private commercial sector made business very demanding.

The bidding process in both sectors makes racial discrimination easy to execute and hard to curb. “Most of the time, bidding in private contractors is a waste of time ‘cause you already know the result,” Echo said. “That’s why I go for government bids. There’s hope there.” Delta concurred, “It’s difficult to break into the private sector…a bid on a large project like office building will, 90% of the time, end in the hands of a White contractor.” He further noted a majority of African American subcontractors have problems in getting significant work from White general contractors, most who dominate private and commercial projects. “Bids are run and controlled by White contractors,” Delta said. “They control all the bids. They’re the main contractors. They first take care of their own and pass the rest to us. When you’re a Black main contractor, many don’t like it. You’re treated the same as the rest of us subcontractors.” As indicated earlier, most African American entrepreneurs depend on government projects, although they still struggle to gain access to them, in spite of a range of government supplier diversity, and local procurement initiatives. The three participants gave the impression that the bidding process was built on African American exclusion.

Theme 7: Contracts

A bid turns into a contract upon appending one’s signature. Contracts with government agencies, as well as corporations, are critical for the survival of African American entrepreneurs. The follow-up questions posed to all the five participants were: “How well are African American entrepreneurs in the Greater Boston represented in terms of city and federal contracts?” and “Is the city discriminatory?” Results from these two questions revealed disparity in the city’s procuring practices had actually increased in all aspects of businesses dependent on contracts.
Alpha, Delta and Echo gave firsthand accounts of the way traditional Boston contractors compete and negotiate contracts, and how efforts by African American entrepreneurs to compete are thwarted, a move that amplifies the effects of racial discrimination. “Even though the government has designed nonracial programs to provide a level playing field, many of the contracts go to White contractors,” Alpha said. “We receive a small fraction of city, state and federal contracts combined.” Alpha also noted problems that African American contractors face when attempting to get what he called “expensive contracts.” “We rarely get expensive contracts. All of them, worth billions of dollars, go to White contractors. If it’s not discrimination, I don’t know what you call that.”

**Figure 7: Federal Contracts Awarded to Minority Owned Businesses (MOBs) 2008-2017**

![Bar chart showing federal contracts awarded to minority owned businesses from 2008 to 2017.](https://bit.ly/2HhArlo)

*See data: https://bit.ly/2HhArlo*

Alpha’s comments do not stand alone. This researcher’s further probe into U.S. contracts revealed that of the 50 most expensive contracts awarded by the federal government in 2016 and
2017, not a single one was awarded to African American businesses. Figure 7 shows that, for almost a decade, African Americans have received less than 15% of federal contracts. “It’s pretty much racist,” Delta said. “When we don’t get a contract from government, we become vendors of the same White contractors we’re competing with. We are reduced to subcontractors. That’s unfair.” Emerging themes showed substantial disparities in government contracting. That is to mean African American-owned businesses received far fewer government contract dollars, as shown in Figure 7.

In sum, interviews revealed that, while government programs designed to increase the number of contracts with African American entrepreneurs have in fact increased, government programs have not effectively eliminated contracting discrimination. Participants identified several exclusionary practices utilized by both government and private agencies against African American contractors; among them were: a) “buddy” networks that exclude African Americans and provide Whites with privileged information on contracts, b) acts of sabotage and harassment on job sites, and c) commercial banking practices that prevent African Americans from financing construction projects.

Theme 8: Revenue

Simply put, revenue is the income that a business accrues from its daily business activities. Profits realized from revenue are what determines performance. Results showed that although African American entrepreneurship is growing, disparities in their success when compared to White-owned businesses are worsening, despite the assurance of having a lasting ethnic consumer base in Roxbury. All five participants agreed that African American entrepreneurs were underperforming in revenue accrual due to their race and location (Figure 8).
Minority business-owners (Asian, Latinx, Native Americans and African Americans) earn just 48% of the revenue ($1.2 million average revenue) of White businesses-owners.

**Figure 8: African American Businesses are Underperforming in Revenue**

Source: 2015 U.S. Census Bureau Annual Survey of Entrepreneurs

As substantiated by the results and the growing number of African American businesses, the business ownership gap between African Americans and Whites is narrowing, but rapidity is hampered by lack of revenue, forcing some to close. As shown in Table 3, despite the positive trends for African American business, they are not experiencing the level of growth and revenue returns comparable to those of their White, Asian, and Latinx counterparts. In 2012, for instance, the disparity ratios showed African American total sales at 13%, far below Latinx (33%), Asian (83%) and White (124%) (see Table 3). Results indicated that between 2012 and 2017, the revenue of African Americans ($165 billion) was the lowest compared to Asians ($965 billion) and Latinxs ($640 billion). The five participants observed that the persistent low revenue impeded the potential of African American businesses to prosper and flourish.
Table 3: Minority Group Shares of Total Business Ownership, Sales and Entrepreneurship, 2012

<table>
<thead>
<tr>
<th>Minority Group</th>
<th>% of Businesses</th>
<th>% of Sales</th>
<th>% of Employment</th>
<th>% Sales Business</th>
<th>% Employment Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American/Black</td>
<td>9.5</td>
<td>1.3</td>
<td>1.7</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Hispanic</td>
<td>12.2</td>
<td>4.2</td>
<td>4.2</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>Asian</td>
<td>7.1</td>
<td>5.8</td>
<td>6.4</td>
<td>83</td>
<td>90</td>
</tr>
<tr>
<td>White</td>
<td>70.9</td>
<td>88.0</td>
<td>88.5</td>
<td>124</td>
<td>122</td>
</tr>
</tbody>
</table>

Note: The sales (employment) disparity ratio is the ratio of the minority group’s share of sales (employment) over their share of businesses. A ratio of less than 100% indicates that the group generates a smaller share of sales (employment) than their share of businesses.

Source: Minority Business Ownership data (2012)

Mainstream researchers have speculated that low levels of revenue stem from a cultural context, but the results helped to dispel this myth and confirmed that, while the entrepreneurial resilience remained strong among African American entrepreneurs, racial discrimination was the greatest obstacle. “The cultural crap is negative stereotyping,” Charlie retorted when responding to a follow-up question on attitudinal claims by mainstream researchers. “Whites know it that whatever revenue I raise, it will be far below theirs. I am in a low revenue area here. I’ve more bad days than good days. Some are so bad I have to offer discounts. There days I feel like saying to a customer, “How much do you have?” I’m willing to let go some stuff ‘cause I want to help.” All five participants talked about how they experienced low cash flow and other financial matters by virtue of operating in Roxbury.

The challenges of operating businesses with inadequate financial resources appeared to be exacerbated by markets in areas in which African Americans operated. Addressing the same question, Delta gave a similar response; “The problem is we are in a segregated area, shunned by people with money. It’s modern segregation, that’s what it is.” Bravo stated that the combination of meager resources, business location, and skin color influenced revenue outcome. “It’s difficult to market while Black,” Bravo said, “White people believe our businesses are for Black people only. Others think our stuff is not good enough. Our stuff is as good as theirs, but they have
convinced themselves and our own people that we are not good enough; that’s smart racism there.” Charlie added, “Whites have closed us out of big markets. Prices here in Roxbury differ from those in downtown Boston and in areas in which middle class Whites live. Here we have to keep our prices low ‘cause many can’t afford it.”

Summary

Results favored the research argument that racial discrimination, and not attitudinal discernment, was the reason African American entrepreneurs underperformed their White, Asian, and Latinx counterparts. All five participants determined racial discrimination as the contextual condition that most impeded African American entrepreneurs. The participants unanimously stated that racial discrimination existed in every industry and argued that the most devastating business problems where not to be found in the lack of cultural values, skills, and networking, but in wealth – in the lack of capital (assets, equity, credit and loans) and revenue (contracts, bids and sales). When asked if racial discrimination was the major reason, statistics consistently showed African Americans at the bottom of the economic business ladder, participants gave parallel responses:

**Alpha:** Yes, of course. I think about who I am every day. I wake up thinking how my day will be. Who I am doing to meet, and how they will treat me. Yes, I think about it on daily basis.

**Bravo:** I agree, there’s racism in our industry. Whites, Asians and Latinos treat me like they don’t expect much from me. And to be where I am today, I have had to wrestle with racial discrimination more than anything else.

**Charlie:** I think if there was no racial discrimination, we would be a better people and we all would succeed, no matter who we are. And we all would be happy.

**Delta:** I would like to think the discrimination I experience when I go to look for contracts, or for money, I think it has made me a stronger person. I work hard to prove them wrong.
Echo: I can’t count the times I have been treated unfairly in this business because of who I am. I’ve lost so much business because of that. It has taken me six years to finally begin to make money. It took my Korean neighbor only a few months. So, yes, racial discrimination makes it hard for me to succeed beyond imagination.

Data showed each of the participants had a similar story to tell. Within the narratives, participants gave examples of imperceptible and systematic inequalities. Regardless of the question, all five participants gave the impression that racial discrimination was the most insurmountable barrier. Participants, most who referred to rampant exclusionary tendencies in U.S. entrepreneurship saw racial discrimination as a problem that affected their performance. In summary, this chapter provided considerable evidence to support the theory that racial discrimination is the major cause of the underperformance of African American entrepreneurs. The next chapter illustrates how the findings of the data analysis and the literature review informed the research questions.
CHAPTER FIVE: FINDINGS AND DISCUSSION

Overview

The findings of a qualitative phenomenological research are an assemblage of descriptions of meanings for persons of their lived experiences—experiences of concepts or phenomena (Sloan & Bowe, 2014). In phenomenological research, to write the findings is to write poetically, says van Manen (1990). “It is the untiring effort to author a sensitive grasp of being itself” (p. 132); it is to “stir our pedagogical, psychological or professional sensibilities” (Van Manen, 2007, p. 25). In other words, findings in phenomenological research should be written as if a story is being told (Sutton & Austin, 2015). The story should contain specific themes, characters and plots (Polkinghorne, 1988). The characters in this story are five high-performing African American entrepreneurs, all survivors of the Great Recession, who conduct their businesses in Roxbury, a Black agglomerate of the Greater Boston area. Guided by in-depth interviews, the characters dug into their characteristics, temperaments, background, education, and business experiences. Responding to interview questions, the characters outlined impediments and challenges they faced in Roxbury, a low-revenue neighborhood as well as discussed their resilient desire to be self-employed and compete with others on equal terms.

To gain the most out of the participants, this research sought to utilize the potential of phenomenological methods to explore their rhetorical narratives and lived experiences to make sense of why statistics perpetually showed them at the bottom of U.S. entrepreneurship, trailing their White, Asian, and Latinx counterparts. Recent research has implied that narratives contain guiding principles that can simplify situated and logical decision making in convoluted situations (Oliver & Ross, 2005; Weick & Stutcliffe, 2001). Crites (1989), Ricoeur (1988) and Taylor (1989) have argued on phenomenological grounds that subjective experience is narratively
ordered, and that “human existence and human experience are fundamentally narrative in form” (Jones, 1993, p. 2). For centuries, African Americans have used rhetorical narratives to understand their subjectivity, illumine their cultural values, and nurture their emotions (Jones, 1993).

In this chapter, both the results of descriptive (explanatory) data and elements of inferential (evidentiary) themes in the literature review, are utilized by the researcher to offer extant evidence of racial discrimination in U.S. entrepreneurship. The results of descriptive data demonstrate how racial discrimination is reflected in the disparities in management, money, and markets. Inferential themes from literature reviews show how the current often subtle racial discrimination flows directly out of the one-drop rule of the 1800s, out of which racial discrimination was applied to constrain the development of substantial proportions of African American entrepreneurship (Darity, 1999). The key themes – management, money, and markets, dubbed the 3Ms by Bates et. al (2007), were employed in this research as launch pads for investigating the possibility of racial discrimination as the cause of the underperformance of African American entrepreneurs at all stages of business, thereby, perhaps proving this researcher’s argument.

Although seemingly simplistic, tackling the issue of racial discrimination is fraught with difficulties. The lack of systematic evidence leads to an automatic assumption racial discrimination does not play a role in society (Agyemang, Seelman, Suurmond, & Stronks, 2007). In entrepreneurship, in which contemporary racial discrimination is often subtle and covert, there is reluctance to acknowledge its reality (Fairlies & Robb, 2008; Lofstrom & Bates, 2013). Whereas 50 years ago racial discrimination was overt and widespread, today it is harder to assess the degree to which everyday experiences are shaped by ongoing forms of racial
discrimination (Pager, 2007a). Consequently, to prove hidden and covert preconceptions through interview data is in itself inadequate. In this research, secondary sources of racial discrimination in U.S. entrepreneurship were needed for the purpose of corroboration. Based on the need for secondary sources, the intent of this qualitative research was not only to understand responses from participants, but also to grasp the entire conceptual and theoretical frameworks in order to capture all patterns connected by the key themes. It was, therefore, concluded secondary analysis was needed to seek additional evidence of racial discrimination in U.S. entrepreneurship.

**Secondary Data Analysis**

There is no distinct and accepted description of secondary analysis methodology. In the literature review, secondary analysis of qualitative data was defined in numerous ways. Hakim (1982) described secondary analysis as additional knowledge to what is being investigated, or what is already acknowledged and what remains to be studied about a topic through reviewing secondary sources previously conducted in the specified area of interest. Creswell (2009) added that the method depends on how the researcher collects, analyzes, and interprets the data in the study. This researcher aimed to critically examine the epistemological issues arising from the literature review for corroboration purposes. For a judicial impact of secondary analysis, this researcher spent a significant amount of time perusing peer-reviewed articles contained in the literature review in order to learn about the origins of racial discrimination in U.S. entrepreneurship. Researchers set out to understand the purpose for which the article was written, the specific methods used to write it, the population studied, and validity of the data collected. Researchers also looked at the credentials and credibility of the authors, and the historic and/or political circumstances surrounding the content of the article (Crossman, 2018). Aware of
partiality, its function, and its magnitude, researchers were methodical in picking the articles that passed the test.

In conducting secondary data analysis, it was found necessary to first identify articles and papers in the literature review that contained terms like “racial discrimination,” “exclusion,” “racism,” and “prejudice” in African American entrepreneurship between 1770 and 2019. MAXQDA, a software company that offers the possibility to import literature review, was employed to code. Out of the 331 references, 287 articles were identified, retrieved, and reviewed against racial discrimination as a determinant of U.S. entrepreneurship and highlighted popular ways of thinking about social inequality and policymaking in American society (Table 4).

**Table 4: Racial Discrimination as a Determinant of Entrepreneurship**

| --- | --- | --- | --- |
| (1) One-drop rule as signifier to racial discrimination  
(2) Resilience and resistance  
(3) Jim Crow laws – segregation in business, etc. | (1) From online database (various)  
(2) Reference list of 13 meta-analyses and literature review | (1) From online database (various)  
(2) Reference list of 16 meta-analyses and literature review | (1) From online database (various)  
(2) Reference list of 16 meta-analyses and literature review |
| (1) The Great Depression  
(2) The Great Migration  
(3) African Nationalism (Civil Rights)  
(4) End of Jim Crow laws | (1) From online database (various)  
(2) Reference list of 16 meta-analyses and literature review | (1) From online database (various)  
(2) Reference list of 16 meta-analyses and literature review | (1) From online database (various)  
(2) Reference list of 16 meta-analyses and literature review |
| (1) Failure of Black Capitalism  
(2) OMBE used as a bait by U.S. Government  
(3) Discrimination in contracts, bids, markets  
(4) Restricted access to capital, loans, etc. | | | (1) The Great Recession -  
(2) Subtle and obscure discrimination  
(3) Overt and Covert discrimination  
(4) Microaggressions |
| | | | |
Upon import, all documents were automatically pre-coded, meaning each text was coded with the corresponding tag code. The research data was searched, coded, linked, edited, and compiled as shown in Table 4. Out of 287 articles screened for racial discrimination in U.S. entrepreneurship, 221 were authored by multicultural researchers and 66 by mainstream. Only 10 of the most recent studies by the latter exclusively discussed the barriers African Americans face (Fairlie & Robb, 2008; Gold, 2016). Table 4 showed that encapsulated within the actualities of racism, inequality and discrimination is the history of African American business novelty, which has been ignored by mainstream researchers of race relations in U.S. entrepreneurship (see Butler as cited in Ogbor, 2000). Consequently, despite almost four centuries of African American entrepreneurship, “the agency of African Americans in attempting to forge their economics liberation through entrepreneurial activities has remained noticeably absent from the historical records” (Walker 1999, p. 6). Slavery, one-drop rule, Jim Crow laws, and contemporary racial discrimination have given Whites enormous material advantages as well as a “process to transmit material and cultural capital across many generations” (Feagin 1999, p. 21). Feagin’s statement is backed by CRT propositions adopted from Parton’s (2016) and outlined in the theoretical framework in Chapter Three. The propositions were applied in the course of interpreting the themes to help understand the racial discrimination employed to limit prospects available to African American entrepreneurs.

**Interpretation of the Themes**

Emerging themes in both data analysis and reviewed literature offered extensive evidence that racial discrimination was expressed in the practice of business and was reflected in disparities regarding management, money and markets. This researcher integrated the final eight themes featured in Chapter Four and the themes in the literature review (Table 4) and interpreted
the existing conversations and debates in U.S. entrepreneurship to justify analyses of what the findings meant, how they fitted in with, added to, or contradicted previous work, and why they mattered.

Theme 1: Lack of Skills

While mainstream themes in literature review recognized skills and other entrepreneurial competences as essential building blocks for high performance, themes from interviews identified little personal or family wealth as a barrier to managerial and business experience. Data themes were consistent with the findings from various multicultural studies, for example, Baradaran (2017), Bradford (2013), Darity et al., (2018), and Wade (2010) that show skills are learned, and learning is money. Collins, et al., (2019), Darity et al., (2018), Meschede, Taylor and Shapiro (2017) note that family wealth is a vital prognosticator of both college attendance and college completion. At every level of educational attainment, “the median wealth among African American families is substantially lower than White families” (Darity et al., 2018, p. 6). A student from a White family in the top income quartile is eight times more likely to complete college than an African American student, according to the Pew Research Center, 2015. Bloome (2014); Bound & Freeman (1992); Wilson & Rodgers (2016) add the obstinate permanence of racial income disparities has been the core frustration of African American business advancement. Multicultural researchers insist that for African Americans, racial discrimination remains a key impediment in the acquisition of skills (Darity et al., 2018; Feagin & Imani, 1994; Jones, 2017). Darity et al. (2018), Myers and Chan (2017) postulate that racial wealth divide culminates from a myriad of factors, the major one being racial discrimination, which for the past three centuries has constrained asset accumulation in previous generations (Dymski, 2005; La Noue, 2001; Palia, 2016; Suggs, 1991).
Theme 2: Lack of Cultural Values

Themes from data analysis indicated cultural values appeared to be more consequential in African Americans than in others because of the communal orientation typifying cultures other than Euro-American (Bogan and Darity, 2008; Landau, 2007; Ogbor, 2000; Simms et al, 2015). A large number of mainstream subthemes showed African American cultural values do not add to the U.S. national culture of business, because they do not foster entrepreneurial activity (see Light, 1980; Sowell, 1994,1991; Fairlie & Robb, 2008, 2005, 2005). However, the foregoing assumption was inconsistent with the evidence in the data analysis themes and in the multicultural literature review subthemes. Emerging “non-aligned” subthemes in the literature review showed how racial discriminatory conditions in the U.S. denied African Americans the national cultural values and impoverished their cultural heritage that has encouraged and facilitated business activities in U.S. entrepreneurship. Because of racial discrimination, African American entrepreneurs have created their own cultural values that integrate resilience, survival strategies, and the willpower to provide for their families.

According to the results of the data analysis, national culture and medians regulating countrywide supply of entrepreneurial activity often bolsters ways to perpetuate racial discrimination (Aspen Institute Roundtable on Community Change, 2004; Bogan and Darity, 2008, Ogbor, 2000). The results identify aspects of African American history and culture that have allowed privileges associated with “whiteness” and disadvantages associated with “color” to endure. Myers & Chan (2017), Ogbor (2000) and Simms et al. (2015) argue the myth about the lack of cultural values ignores the tragic dimension of the American condition, the dimension challenging the moral seriousness of African American entrepreneurship.
Theme 3: Lack of Networking

The interrelationship of the themes emerging from both the participants and reviewed literature identified networking as an essential element for advancing strategic business plans. Although all four participants were successful, they had very few tangible support systems beyond Roxbury. What emerged from subthemes were efforts by the participants to connect with the public. Each one of the five participants maintained and cultivated a range of social relationships not only with family relations, but also with fellow church members, close friends, and casual acquaintances. Participants also networked with agencies, particularly voluntary community and faith organizations. Such networking was in contrast with studies that suggest the lack of solidarity and networking in African American entrepreneurs (Bonds, 2007; Fyffe & Lowenstein, 2015; Johnson, 2010; Light, 1993). The analytical results of literature review showed little evidence to support conclusions that African American entrepreneurs lack a business tradition based on solidarity and networking (Frazier, 1957; Light, 1979). In fact, themes in the reviewed literature showed several scholars have documented the existence of solidarity and networking (Butler, 1991; Drake & Cayton, 1993; Stuart 1969; Washington, 1971).

Three participants who reflected on their social networks saw the significance of expansive, particularly cross-cultural relations, especially with their White counterparts. The problem was that their businesses were trapped in an impoverished locale, making it difficult to utilize modern technology as a tool for networking. One participant complained that the low levels of education in Roxbury and low paying jobs limited networking. Subthemes revealed prejudice, segregation and racial discrimination as major barriers to accessing and participating in networks in the Greater Boston Area.
Theme 4: Lack of Collateral

The lack of collateral theme showed African American poorly capitalized businesses do not generate enough collateral to back up business loans. All five participants talked about loan turndowns due to the lack of collateral. The participants admitted the major factor limiting growth, expansion, and wealth creation for African Americans was the lack of equity and assets. Two types of assets emerged from the subthemes: a) private assets, including bank accounts, home, land, stocks, bonds and life insurance, b) public assets such as Social Security, Medicare and unemployment insurance. One participant talked about having insufficient private collateral for years. The other four participants told similar stories, describing arduous experiences with lenders who they said seemed to be looking for scape goats. Results from the data analysis found that for African American businesses, loan denials due to the lack of collateral were 35% higher than those of White businesses. The literature review was consistent with data themes on the existence of racial discrimination in U.S. entrepreneurship (Cavalluzzo & Cavalluzzo, 1998; Bricker, Kennickell, Moore, and Sabelhaus, 2012). With regard to the Great Recession, themes and subthemes showed African Americans were subjected to the subprime or predatory lending system. All the five participants spoke about the lack of collateral causing many African American entrepreneurs financial distress throughout the period of the recession.

Theme 5: Lack of Capital

The lack of capital theme produced the highest number of codes for its wide-ranging effects on African American entrepreneurship. Participants gave different reasons for seeking credit at the initial stage and for expanding their businesses. Participants identified access to capital, especially growth capital as the biggest challenge they faced. Subthemes revealed stories of how participants encountered barriers to seeking start-up capital. Some participants noted
hearing dispiriting comments such as “you are a risk,” “you’re better off working” or “try another bank.” Numerous studies allude to access to business capital as the major reason for few African American businesses (Blanchard, Zhao & Yinger, 2008; Bostic & Lampani, 1999; Butler, 2004; Walker, 2009). Participants explained banks’ burdensome and monotonous processes of applying for loans and trying to meet inflexible lending loan criteria. It took one participant six banks to finally obtain a loan. The participant complained of receiving a smaller loan than requested and paying higher interest rates than White borrowers. Another participant stated that her loan was rejected by a major bank because she was operating in a lower-revenue neighborhood. Mainstream themes showed similar results (see Fairlie & Robb, 2008, 2004, 1999; Fairlie, 2004; Gold, 2016; Lofstrom & Bates, 2013; Schoof, 2006).

Fairlie and Robb (2009) report that startup capital for African American-owned businesses is much lower than that of White-owned businesses. According to Bates (1997), start-up capital of a new business is partly determined by the human capital of its owner, and since African American entrepreneurs have less human capital, they also have less start-up capital available for use in their new businesses. Findings by Mawson & Mason (2017), Shane (2008), Sutton (2000), and Wade (2010) leave little doubt racial discrimination in the financial services sector diminishes the amount of start-up capital available to African American entrepreneurs. Results of this research, with regard to the research sub-questions on African American entrepreneurs’ experiences in obtaining capital, align with the literature review analysis on capital procurement.

**Theme 6: Exclusion in Bids**

The exclusion in bids theme shows the extent to which disparity is the source of racial discrimination in government and private organizations mandated to make public procurements
or offer contractual jobs. Themes revealed a greater percentage of African American-owned businesses’ revenue comes from government services than do White-owned businesses’ revenue. African Americans take advantage of government projects falling under the “good faith efforts” mandate that requires White contractors to comply with affirmative action program rules in favor of African American subcontractors (Enchautegui et al., 1997). However, hurdles in the course of bidding hinder African Americans from acquiring larger contracts. Subthemes showed that African American entrepreneurs struggle gaining such market access, in spite of a range of government and private sector supplier diversity and local procurement initiatives some which have been in place for decades (Fairlies & Robb, 2008). Numerous studies on disparities in entrepreneurship discuss the role state and local government, and the private sector play in condoning exclusionary tendencies through their bidding practices (Enchautegui et al., 1997; Feagin & Imani, 1994; Jones, 2017; La Noue, 2001). Feagin and Imani, who in 1994, explored the nuanced character of exclusion experienced by African Americans in many areas of the U.S. construction industry detected racial discrimination in unions, in White general contractors’ contracting and bidding processes, and in dealer networks critical to efficacious construction business. Feagin and Imani’s empirical and conceptual analyses and those by other multicultural researchers such as Harper-Anderson (2017), Jones (2017), Sutton (2000), and Shane (2008) provided this research with an understanding of how racial discrimination is executed in a major U.S. industrial sector.

By and large, themes and subthemes emerging in this category exposed how the informal structure of the bidding industry made racial discrimination relatively easy to carry out and almost impossible to detect. Two participants noted the problems African Americans have in getting bids for bigger projects or large purchases. One participant remarked, “who would want
to make a bid on a big job when discrimination is so obvious?” The afore-stated quote is supported by various literature demonstrating why bids are often avoided by African American entrepreneurs. Bids represent the kind of environment in which African Americans are discriminated against (Jones, 2017; Gold, 2016; Sutton, 2000; Wade (2010). All five participants made concurred racial discrimination in the private commercial sector not only prevented minorities from achieving their goals of business success, but it also discouraged them from starting a business.

Theme 7: Exclusion in Contracts

The exclusion in contracts theme shows contracts with government agencies as well as corporations are critical for the survival of African American entrepreneurs. The theme exclusion in contracts, provided specific, verifiable instances of discrimination narrated by the five participants. Additionally, literature review themes showed that discrimination in contracts against African American businesses can occur in three scenarios: (a) when an organization, public or private is biased in its choice of a prime contractor, (b) when a public or private contract discriminates in its choice, and (c) when a private firm excludes minorities in its selection of a supplier in a transaction not involving public funds (Feagin & Imani, 1994; Suggs, 1991). Racial discrimination was identified in the bidding, bonding, contracts, and execution of awarded projects. Participants discussed the exclusionary practices by White general contractors, and the damage such conduct wreaked on African American businesses. Themes from both the reviewed literature and interviews yielded and provided insights beyond the characterization of contracting barriers and evidence of discrimination (see Feagin & Imani, 1994; Minority Business Development Agency, 2016; Sutton, 2000; Wade (2010). Subthemes in public contracting indicated that disparities existed between African American and White businesses.
Distinctively, themes showed African American businesses secured far less contracts than White businesses.

Participants narrated the way White-dominated Boston networks compete and negotiate for contracts and how efforts of African American entrepreneurs to compete are often thwarted. Echaugtegui et al. (1997), Harper-Anderson (2017), House-Soremekun (2000), Jones (2017), and others expose the large gap between the share of all businesses African American entrepreneurs own and the share of government contracts they receive; the problems African Americans encounter in trying to start or expand businesses and, in some cases, the role the state and local governments and the private sector play in African American entrepreneurs’ efforts to alleviate historical patterns of discrimination through contract maneuvers. Interviews revealed that while government programs designed to increase the number of contracts awarded to African American entrepreneurs have risen, such government programs have failed to effectively eliminate government contracting discrimination (Bates, 2009; Sweet, 2006). La Noue (2001) quotes the New York City’s study on discrimination in public contracting: “In our view, the cumulative effects of racial discrimination by banks, bonding companies, general contractors, private companies, and public agencies is responsible for the gross underrepresentation of business operated by minorities in construction, services, and commodities” (p. 204).

**Theme 8: Excluded From Large Markets**

The excluded from large markets theme revealed racial discrimination in consumers markets. All five participants talked about how they experienced cashflow and other financial obstacles by virtue of operating in Roxbury. Literature review for this research shows some mainstream researchers have argued African American business owners opted out of downtown markets into minority consumer markets because White clients were unlikely to patronize their
Multicultural researchers contend that it has long been the intention of White entrepreneurs to keep African Americans away from their environs (Kimberly et al., 2018; Myers & Chan, 2017; Simms et al., 2015). Driven out of White consumer markets, African Americans are mainly concentrated in underprivileged locales. Being confined to less affluent environs often means serving low-income customers, a fact that limits an entrepreneur’s revenue potential (see Myers & Chan, 2017). Participants referred to exclusion from affluent markets as “present-day segregation,” adding that Whites have closed them out of large markets. Echo talked about how prices in Roxbury are lower than in downtown Boston and in areas in which middle class Whites lived. Literature review themes revealed how residential segregation employed by federal, state, and local governments acted as a mechanism of racial discrimination in U.S. entrepreneurship, and showed how racial discrimination continues to have debilitating impact on African American businesses (McGrew, 2018; Myers & Chan, 2017; Simms et al, 2015). According to Wolcott (1997), lack of access to mainstream capital markets has created a secondary economy in the African American community.

In summary, data collection and data analysis techniques utilized in the research included open-ended, in-depth interviews, and observations endorsed by Creswell (2008). The findings fulfilled the underlying research purpose by identifying multiple themes connected to racial discrimination in U.S. entrepreneurship. Researching issues of racial discrimination in entrepreneurship was an opportunity to attain access to the lived experiences and perceptions of African Americans. From investigating the experiences, perceptions and opinions of the participants, it became possible to pinpoint the cause of African American entrepreneurial underperformance. Moreover, head-on interviews made it possible to understand how participants experienced racial discrimination before and beyond the Great Recession.
Participants’ responses fulfilled the research purpose of understanding the major cause of African American underperformance. In addition to the interviews, this researcher appraised field notes for systematic triangulation. Data attained saturation after no new information was found (Houghton et al., 2013). Next, the researcher discusses the findings and the extant evidence pertaining to racial discrimination in U.S. entrepreneurship.

Discussion of the Findings

This research was steered by the overarching research question: “How did African American entrepreneurs in Roxbury endure the Great Recession, and what have they learned from the experience?” The foregoing question made it possible to investigate and detect the fundamental perceptions of the participants concerning racial discrimination in U.S. entrepreneurship. Examined within a qualitative narrative design, the question “How did African American entrepreneurs in Roxbury endure the Great Recession, and what have they learned from the experience?” was meant to move away from a commonly held myth that the underperformance of African American entrepreneurs is as a result of attitudinal problems. The of the research was to explore the voices and lived experiences of African American entrepreneurs in Roxbury, Massachusetts, and find out from them why statistics perpetually place them at the bottom of the U.S. entrepreneurship. Interviews with five high performing African American entrepreneurs, analysis of the data, and the findings showed for African Americans, racial discrimination has been a major impediment since the one-drop rule, and they have little choice but to weather every traumatic event that comes their way.

As demonstrated in the previous segment, emerging themes described how the five participants reacted to challenges they faced in their day-to-day business interactions. An overwhelming feeling was evident in Delta and Echo as they, at times emotionally, narrated the
impediments they encountered trying to keep their businesses profitable while dealing with issues of contracts, bids, credit and loan denial. Thanks to the qualitative method of research, participants showed the importance of storytelling which allows the deepening of research. The narrative of the participants was typical of stories most African American entrepreneurs tell. African American entrepreneurs’ narratives reveal what is on the ground—the problem of lack of access to the same opportunities as those of their White counterparts. Such African American entrepreneurs’ stories are rare in the research world because often mainstream researchers conduct research on African American entrepreneurship without discussing with the subjects that experience them. Invariably, most of the studies use quantitative methods that conduct surveys and provide close-ended responses, numerical information, and statistical analysis (Bogan & Darity, 2008; Kerr & Kerr, 2018).

Qualitative methods made it possible for participants to provide their personal views and respond to the call of mainstream scholars who argue that racial discrimination is no longer a problem in U.S entrepreneurship. Some of the participants detailed the unwelcome environment that results in the poor performance of their fellow African Americans and leads to their underperformance. For instance, Bravo talked about the racist tactics used on his father and other African American entrepreneurs of the 1970s, a period that saw them forced out of downtown Boston and Back Bay to Black agglomerates. Conversely, Bravo discussed bonding, bidding, and lending exclusionary tactics that have forced some of the African American entrepreneurs to give up. Without any influence from this researcher, all five participants exposed racial barriers in financial institutions, unions, the construction industry, and in the building supplies industries. The five participants detailed insights into African American entrepreneurship that are absent in most of the literature review currently in my possession and showed that even though African
Americans are known to be resilient, they struggle to survive and only a few, like them, succeed. However, in order to authenticate data collected from the participants, I connected the findings to those of the literature review.

Even though attitudinal myths were epistemologically important to the research, I devoted less time to them and focused on racial discrimination. I did so because it has been well established by mainstream researchers like Light (1984) that the underperformance of African American entrepreneurs is cultural and psychological. The mainstream perspective has become the most accepted explanation for African Americans’ underperformance in entrepreneurship. Findings in mainstream themes show cultural and psychological myths are popular ways of thinking about social inequality and policymaking in American society and are, therefore, generally accepted (Bradford and Osborne, 1976; Coles, 1973; Fairlie and Robb, 2005, 2004; Gold, 2016). Besides, findings in the reviewed literature showed despite the amount of research conducted on African American entrepreneurship, no mainstream researcher has interviewed and used African American entrepreneurs’ direct quotes to analyze their cultural resilience. The lack of direct quotes in mainstream research is a significant oversight, as the myth about lack of cultural values remains the primary driving force behind the alleged low performance of African American entrepreneurs. For instance, research found that during the Great Recession, African Americans were subjected to the subprime or predatory lending market. Unlike their White counterparts, African Americans were subjected to loans on the strength of household or business collateral, under unaffordable payment arrangements (Jarmin et al., 2016). Subprime loans led to high rates of household and failure of payment, resulting in foreclosures and personal financial distress. Literature on cultural resilience that made it possible for African American entrepreneurs to survive the recession, was found mainly in multicultural research,
most which showed that despite the great impediments of the Jim Crow laws, the Great Depression and the Great Recession, African Americans thrived.

Gold (2016) gives perhaps the most current unquestionable reason for mainstream lack of interest in studying African American cultural resilience. Gold states mainstream researchers prefer their cultural values because they appear to offer tangible business-relevant reasons why Blacks have been relatively unsuccessful at entrepreneurship. The findings on cultural resilience explain perhaps why no mainstream researcher has been able to empirically explain how racial discrimination towards African American affected entrepreneurship during the recession. Findings in this segment show racial discrimination flows directly out of mainstream scholarship, and that implemented consciously or unconsciously, scholarly, by law, or informally, racial discrimination keeps African Americans away and beyond empathy and understanding (Willheim, 1970).

Bogan and Darity (2008) report influential mainstream sociologists, Ivan H. Light and Steve J. Gold both conceptual critics of African American entrepreneurship and strong perpetuators of the cultural and psychological rationale, no longer treat discrimination in the context of African American entrepreneurship as a phenomenon of the past. In their book *Ethics Economics*, Light and Gold concur that historically, discrimination has limited African American entrepreneurs’ access to loans and business locations (Light & Gold, 2000). Bogan and Darity (2008) point out, though, often Light belittles the significance of discrimination against African Americans “by comparing it to the discrimination experienced by immigrants, and by contending that White men are ‘invisible victims’ of discrimination” (p. 2001). Findings in this body of work indicated it was too early to cast any hope, not as long as racial discrimination looms large in U.S. entrepreneurship. What is alarming, is how the impact of racial discrimination has not
been the major subject of mainstream researchers. What is not alarming, is how nebulous and subtle forms of racial discrimination hibernate in all areas of U.S. entrepreneurship. Next, this researcher provides findings in four areas that emerged from the interpretation of the eight themes and show why racial discrimination is likely to affect African American entrepreneurship for generations to come.

*Findings in the Wealth Gap*

Historical subordinate findings in the reviewed literature helped to understand how racialized history on entrepreneurship in the U.S. has exacerbated inequality in wealth rates and contributed to the underperformance of African American entrepreneurship. DuBois (1898, 1899), Feagin (1999), Walker (1998), Winthrop (2014) and others indicate slavery, the one-drop rule, Jim Crow laws, and contemporary racial discriminatory practices have given unjust enrichment to Whites and unjust impoverishment to African Americans. Literature review findings show the effects of racial discrimination have been roughly the same since the one-drop rule. Working back to the one-drop rule, for which data abounds—from the Census Bureau, the Federal Reserve System, and the Institute for Social Research, to the more recent Kauffman Index of Entrepreneurial Activity, and U.S. Small Business Administration, statistics, by no means copious, provide a comprehensive picture of the trends in American inequality. Data from a variety of literature show inequality has made it difficult for African Americans to build their own wealth (Bogan & Darity, 2008; Jones, 2017). In entrepreneurship, factors generally associated with wealth—capital, loans and credit are unevenly distributed by race with African Americans getting the least (Hanks, Solomon & Weller, 2018). Further findings show that African Americans have a fraction of the wealth of Whites, leaving them more economically insecure and with fewer opportunities for economic mobility (Hanks, Solomon, & Weller, 2018).
In addressing Question 2: *What do African American entrepreneurs in Roxbury experience when their businesses are in danger of failing?* Bravo responded: “Very little. They have little wealth, or let me say, we’ve little wealth and very few strategies. We can’t afford strategies; they cost money. It takes wealth to make wealth, so they say. Without wealth, we just survive by the grace of God.” As indicated in previous chapters, African Americans, while constituting just under thirteen percent of the nation’s population, collectively own less than three percent of the nation’s total wealth (Moore, 2015). The literature review shows Richard Nixon is perhaps the only president in modern history who tried to close the wealth gap. The fact that a president, for whatever reasons, offered African Americans what they lacked most—Black capitalism, was in itself a goodwill attempt. In his 1968 “Bridges to Human Dignity” nationwide address, Nixon declared: “What most of the militants [Black Power militants] are asking is to be included as owners, as entrepreneurs, to have a share of the wealth and a piece of the action” (Tabb, 1988, p. 73). Just before his inauguration, Nixon told African American leaders he was going to “do more for the under-privileged and more for the Negro than any other president had done” (p. 73). The early days of Nixon saw the establishment of hundreds of OMBE (Office of Minority Business Enterprise)-funded African American businesses. However, as stated in the literature review, racism made it difficult for the initiative to succeed. The wealth gap had hardly moved the needle in favor of African Americans. The persistence of the racial gap created a vicious cycle of economic struggle that left African Americans in an economically precarious situation (see Darity et al., 2018). Since Nixon’s emphasis call for “Black Capitalism,” in 1969, no administration has revisited the transformational policies to create significant support for African American business development.
Findings in African American Cultural Values

In March 2014, congressman Paul Ryan, in a radio interview with conservative politician-turned radio host, Bill Bennett, made the following remarks: “We’ve got this tailspin of culture, in our inner cities in particular, of men not working and just generations of men not even thinking about working or learning the values and culture of work, and there’s a real culture problem here that has to be dealt with” (The Bill Bennett Show, 2014). To bolster his contention, Ryan proceeded to quote Charles Murray, who in his co-authored book *Bell Curve*, claims that Blacks are genetically inferior to Whites (Blow, 2014; Gold, 2016; Kruger, 2014). Many African American politicians and pundits took umbrage with Ryan. Congresswoman Barbara Lee, responded to Ryan’s interview: “Let’s be clear, when Mr. Ryan says, ‘inner city,’ when he says, ‘culture,’ these are simply code words for what he really means: ‘Black.’” Lee put Ryan in the company of policy and lawmakers who have blown the proverbial whistle—using surreptitious references from mainstream findings to perpetuate the cultural rationale (see Gold, 2016).

The “men” Ryan was referring to face a higher employment rate than Whites. African Americans cannot get jobs in White companies due to persistent labor market discrimination and seclusion that forces African Americans into fewer and less beneficial job opportunities than Whites. African American job seekers cannot be employed by African American entrepreneurs, because 90% of African Americans do not have an employee other than the owners (see U.S. Census Bureau’s Survey of Business Owners). As observed in the data analysis results, African Americans have fewer assets than Whites, and are unable to afford human capital. It is for this reason African Americans face a high unemployment rate than Whites. Feagin and Imani (1994) state that “one weakness in much of this entrepreneurship literature is the too heavy focus on the culture and organization of minority groups and the frequent neglect of discriminatory treatment
of certain non-European groups by the dominant White group” (p. 2001). As Ogbor (2000) has argued, “research has centered on mechanisms through which the experiences of non-dominant groups, ‘the others’, can become amenable to suit the dominant paradigm of entrepreneurship” (p. 619). Ryan’s remarks symbolize the failure of the dominant race to acknowledge the racialized social structure of the United States, which systematically withholds opportunities for the advancement and mobility of African Americans. Without addressing the racialized social structure, American society will not fulfill the promise of equal opportunity to all its citizens.

Findings in African American Resilience

According to the participants, it is resilience that sustains their livelihoods. Confronted with racial discrimination, the five participants have devised ways to change their narratives of failure to those of success as demonstrated in their responses. In the interviews, all participants said although the recession negatively impacted their businesses, they kept their doors open. Participants described themselves as a people with impenetrable resilience who have survived centuries of hardship, endured humiliating laws, and institutional racism. Years after the Great Recession heavily impacted the business climate of the time, African American entrepreneurs, using their hereditary resilience as a scaffold, have rebounded and are driving a resurgence of business activity in new business startups, and in the growth of small firms into larger businesses (Kauffman Index of Entrepreneurial Activity, 2017). However, as the findings indicate, resilience is yet to translate into a solid performance.

Findings in African American Business Startup and Sustainability

Historically, access to finance stands as the most significant barricade facing African American entrepreneurs. A notable feature in the findings is the established fact that U.S. entrepreneurial fortunes are unevenly distributed across social groups (see Parker, 2004; Ram &
Jones, 2008; Southern, 2011). The lack of capital is the major constraint retarding growth, and wealth accumulation in African American entrepreneurship. This researcher discovered the following: First, African American entrepreneurs have high credit risks and face rejection more than their White counterparts. Second, African American entrepreneurs face more barriers in U.S. entrepreneurship than their White, Asian, and Latinx counterparts; that they are generally rejected at higher rates than their White counterparts. In all, the findings point to securing external finance as the major reason preventing African Americans from growing a successful enterprise. The disparity in securing external finance was traced back to emancipation, the one-drop rule, and the Jim Crow laws. In all, findings show that the lack of capital has consistently impeded or inhibited African Americans from having access to opportunities and made it hard to realize their American Dream.

Conclusion

This research presented a phenomenological, qualitative analysis of the nuances inhibiting the performance of African American entrepreneurs. The research also provided an abridgment of African American entrepreneurial history that identified various barriers affecting the performance of African American entrepreneurs. The objective of this research was to address mainstream myths about the under-performance of African Americans in entrepreneurship. At the center of the discourse was mainstream researchers’ claims that attitudinal characteristics were the forces that perpetuated underperformance in African American entrepreneurship. Mainstream researchers discount the current patterns of racial discrimination in the creation and maintenance of African American entrepreneurship. By doing so, mainstream researchers purposely disregard other causes that could lead to a more pragmatic assessment of the performance of African American entrepreneurs.
Conversely, multicultural researchers argue U.S. entrepreneurship is discriminatory and ideologically controlled by dominant groups in order to sustain societal biases. Ogbor (2000) states that “the conventional discourse on entrepreneurship reinforces and reifies a mode of knowledge that serves as an instrument of racism” (p. 608). Findings gathered in this research, clearly show how African American entrepreneurs face substantial racial barriers on their path to economic prosperity. Consistent with multicultural theory, the research provides considerable empirical evidence to support claims racial discrimination is the major cause of the underperformance of African American entrepreneurship. As themes and subthemes attest, racial discrimination, implemented consciously and unconsciously, looms large in the U.S. entrepreneurship. While it is not as overt as it was five decades ago, this research has demonstrated how racial discrimination flows directly out of the one-drop rule which was legally enforced in the 19th century. For centuries, African American entrepreneurs have remained on the fringes of society, excluded, segregated and victimized by persisting disparities in business opportunity. Findings in this research show how racial discrimination initiated by the one-drop rule, enhanced by the Jim Crow laws and the current subtle segregation, have made it difficult for African American entrepreneurs to perform at the same high levels and degrees of success as their White counterparts.

While African Americans undoubtedly have made some economic progress and are now the fastest growing entrepreneurial minority group in U.S. entrepreneurship, anecdotal evidence and all statistics indicate their relative performance remains at the bottom of U.S. entrepreneurship. Findings provide enough evidence of disparities in business management, money, and markets to prove African American entrepreneurs operate in turbulent environments. Themes and subthemes of this research helped deduce the underperformance of African
American entrepreneurs is the result of racial discriminatory policies that for centuries have hindered the massing of family and personal wealth compatible with that of Whites. Narratives of the five participants illustrated the meager family and personal wealth neophyte African American entrepreneurs bring to the business development process. The lack of wealth means African Americans start their businesses with low or no capital, reinforcing the theme wealth begets wealth. Findings confirm the levels of capital required to start a business are such that African Americans are systematically excluded by denying them loans, regardless of their entrepreneurial aptitude. Even when African Americans acquire capital, they still grapple with higher interest rates than Whites. Thus, with the sluggish African American wealth growth and the persistent exclusionary practices in business lending and credit markets, African Americans are denied the major resources needed to build successful businesses that can compete in a national economy (Dandridge, 2010; Pager, 2010). Evidently, in the 21st century, African Americans continue to have fewer resources to resort to in business turndowns and weaker networks (Todeva, 2006). Both the reviewed literature and analyzed data showed African American entrepreneurs who survived the Great Recession employed cultural resilience to carry them through and showed how resilience plays a crucial role in the outcomes of their businesses today.

In brief, the findings reveal the following: Regarding Research Sub-question 1; the experiences of African Americans and their ability to participate in productive enterprise have been linked to resilience, the desire for self-empowerment, and cultural and personal values. However, the path African Americans follow in their entrepreneurial work is ethnocentrically determined and ideologically controlled by the dominant race. Regarding Research Sub-question 2; African Americans are aware of the challenges to operate a business with limited financial
resources, limited managerial experience, and operating in lower-revenue industries and locations. In the event of a downturn, African Americans resort to covering business expenses by foregoing pay, cutting personal expenses, and delaying payment on bills and taking on personal debt. Often, African Americans’ efforts are frustrated by their experiences with racial discrimination in both credit and consumer markets. Regarding Research Sub-question 3; African American entrepreneurs treat economic downturns not as phenomena, but a tradition. The barriers African American entrepreneurs face in their daily transactions are no different from those of the recession. The constrained capital environment of the Great Recession only serves to make the differences in access to capital harsher and racial discrimination more pronounced. Regarding Research Sub-question 4; several efforts such as monitoring cash flow diligently and building up own capital reserves, though minute and inadequate, have been made by African American entrepreneurs since the Great Recession. Many African American entrepreneurs try, through their chambers of commerce, to minimize the impact of institutional racism and ongoing vestiges of racially based practices on business prospects. This, African American entrepreneurs believe, is the only way they can survive future economic downturns.

Taken together, the findings suggest the underperformance in African American entrepreneurship is heavily permeated with both an inheritance of racial discrimination and the ongoing political, economic, and social authority of White supremacy; that racial discrimination rooted in the history of African American’s economic disenfranchisement, accounts for much of the difference in performance between African American-owned and White-owned businesses. Despite the increased growth of African American entrepreneurship in the U.S., the leviathan of racial discrimination, rather than attitudinal problems cause the underperformance of African Americans in entrepreneurship. Whether it is blatant and well-documented as in the case of
discriminatory lending practices, or subtler, as in the case of consumer choice or inclusion in business networks, racial discrimination impedes African American entrepreneurs from creating their own economic wealth. In closing, this research will contribute to the existing literature on U.S. entrepreneurship. The research has uncovered many unexplored areas underlying the phenomenon. What follows are recommendations.

**Recommendations**

This research was judicious in providing counters to why African American entrepreneurs underperform. Relying on the qualitative findings based on the small sample of five participants, the research responded to issues related to the mainstream’s assertions about the underperformance of African Americans entrepreneurs, and focused on racial discrimination as a major cause of the underperformance of African American entrepreneurs. Narratives of participants and the literature review show that racial discrimination is persistent, and permanent in U.S. society. In his 1992 book *Faces at the Bottom of the Well: The Permanence of Racism*, one of the founders of CRT, Derrick Bell, makes it clear that Blacks will never eradicate racism. Bell states: “Black people will never gain full equality in this country. Even those Herculean efforts we hail as successful will produce no more that temporary ‘peaks of progress,’ short-lived victories that slide into irrelevance as racial patterns adapt in ways that maintain White dominance” (p. 12). The consolation is CRT provides African American entrepreneurs with an intersectional approach needed to find other ways to narrow the performance gap. Since the performance gap between African American entrepreneurs and their White counterparts represents the cumulative effects of centuries of exploitation, oppression and discrimination, a number of alternatives to narrow the gap can be effected.
One such alternative is currently getting a good amount of attention in the media. On June 19, 2019, Danny Glover and Ta-Nehisi Coates appeared before the U.S. Senate and called for slavery reparations. In 2002, legal practitioner, and human right activist Deaderia Farmer-Paellmann sued blue-chip corporations for reparations against slavery, and evoked CRT in her arguments. Farmer-Paellmann’s efforts put the wealth gap at the center of American conversation. Findings in this research show that since 2002, the racial wealth gap has extended, an inclination that wealth gap is entrenched in the permanence of racism. Reparations emerging from centuries of dreadful abuse, segregation and racial discrimination are seen by the forementioned activists as one of the ways to narrow the wealth gap. However, no amount and influence of activists alone can lead to reparations. The country needs to have a continued conversation on economic disparity as well as on the need for reparations. There has to be a reckoning with the country’s past. Reparations need to be part of a discussion about shrinking the racial wealth.

As for other recommendations, the empirical data in this research is not enough. More data needs to be collected on the topic of racial discrimination in U.S. entrepreneurship. This researcher’s recommendation is that other researchers wishing to study racial discrimination in U.S. entrepreneurship are encouraged to employ a mixed methods approach and collect quantitative data from a larger sample size to reinforce the results. The suggestion to collect quantitative data does not imply the method is more rigorous, or more objective than the qualitative method. Although small sample sized, a qualitative method remains as reliable as the quantitative method. Similarly, this study could be replicated using a different demographic sample such as African American female entrepreneurs, Asians or Latinxs, and other people of color.
Further understanding of racial barriers experienced by African American entrepreneurs at business initialization and growth, is not important only to prospective and bourgeoning entrepreneurs, but also to institutions that regulate businesses. Literature review reveals the government’s efforts to address racial discrimination in U.S. are insufficient (Bates, 2009; Sweet, 2006). African American entrepreneurs remain victims of repression by policymakers and civil servants who operate from a political framework of racism. Since the U.S. Constitution does not adequately protect victims of racial discrimination in entrepreneurship, government offices responsible for providing oversight, coordination, and the management of racial discrimination reporting, evaluation, and implementation process must impose tough measures on agents/officers guilty of racial discrimination. Measures such as dismissal from work should apply to private organizations as well. The incorporation of programs conscious of racial discrimination faced by African Americans should be provided by governmental organizations, private organizations, also colleges and universities.

Implications

Patton (2016) writes: “The lack of effort to explicitly grapple with racism is a persistent trend that is symptomatic of a society that would rather tiptoe around the issue of race rather than directly address it.” This research addresses racial discrimination directly because since emancipation, entrepreneurial strategies of African Americans have been shaped by overt and covert racial discrimination and not by attitudinal problems as the research attests. As sensitive as they are, topics on racial discrimination are critical components of the human experience, yet they are largely ignored by dominant groups, especially in scholarship. Many mainstream researchers take offense by the mere mention of the word “racial discrimination” or “racism”. Nothing discussed in this research should be construed as offensive or an attack on mainstream
researchers. Rather, the intention is to draw attention to the effects of racial discrimination on African American entrepreneurs. Writing about racial discrimination, inequality or racism requires courage. Many mainstream and multicultural researchers avoid the topic of racial discrimination for fear of sounding racist or unintentionally causing harm. Consequently, the lack of systematic and empirical evidence has given the impression racial discrimination is no longer a problem. Yet, race prejudice continues to wreak devastation on its victims. In the case of entrepreneurship, racial discrimination has always been an obstacle for African American business owners. African American entrepreneurs not only bear the affliction of a single discriminatory incident, but also the burden of discriminatory incidents they grapple with in their daily dealings. In sum, racial discrimination is what affects African American performance in entrepreneurship and the country’s failure to realize its business full potential.

The results of this research are meant to put African American entrepreneurs on a suitable path to equality by minimizing ongoing vestiges of racial discrimination. Curbing racial discrimination can only be achieved by injecting new mentality into the U.S. entrepreneurship and holding people accountable. As stated in the recommendations segment, strong measures must be taken to deal with racial discrimination in U.S. entrepreneurship. Stringent laws with clear consequences must be established to put those who engage in racial discrimination to task. The intricate web of discriminatory policies affecting access to wealth must be dismantled and replaced with a just humane system that benefits all regardless of the color of their skin.

Finally, this dissertation aims to contribute to the development of a knowledge base helpful in future efforts to develop initiatives in policy, legislation and future research. This researcher hopes that the results and findings of this research will encourage mainstream researchers to consider studying racial discrimination in U.S. entrepreneurship, and open more
avenues for further research. Furthermore, it is hoped the results of this research will serve policymakers and corporate leaders who recognize diversities as good for business, and who continue to search for meaningful initiatives aimed at helping African American entrepreneurs to remain competitive with their White, Asian and Latinx counterparts.
APPENDICES

Appendix A: Investigator’s Personal Details

Full Names: Field Ruwe

Email Address: ruwe.f@husky.neu.edu

Name of Institution: Northeastern University

Affiliation: Doctoral Student

Appendix B: Recruitment Letter and Summary of Study

Dear _____________________,

I am currently working on my Doctor of Education Dissertation at Northeastern University. I am conducting research on African American entrepreneurship titled: “Demystifying African American Entrepreneurial Gap: A Phenomenological Approach.” This research is intended to explore the voices and lived experiences of African American entrepreneurs who survived business barriers during the Great Recession (2007-2010). Data gleaned from this study is meant to show African American resiliency, and challenge mainstream researchers’ current emphasis on attitudinal data utilized to portray African Americans as underperformers at the bottom rung of their White, Asian, and Latinx counterparts. My advisor is Dr. Adriel Hilton.

I am inviting your participation in this research. Your participation in this research project is entirely voluntary. If you decide to participate, the research will consist of a brief questionnaire about your personal and professional background and an in-depth, face-to-face interview to discuss your experiences during the Great Recession and the barriers you have faced in starting and sustaining your business. Questions will include your educational and professional background, family history, and the history of your entrepreneurial venture. The questions are primarily open-ended and the entire face-to-face interview should take approximately 2 hours. Participants will not be paid for participation in this research. While there may to be a benefit for you directly in this research, the results of your participation will advance the knowledge in the field of entrepreneurship and will be important to other African Americans considering becoming entrepreneurs. It will also help our business society and those attempting to improve education of African American entrepreneurs.

There is no foreseeable risk to you as a result of your participation in this study and the initial results of this research will be presented at Northeastern University and published in the form of a dissertation. Furthermore, any information acquired during this research will remain confidential and anonymous, and seriously considered in the development of this research. The
face-to-face interviews will be recorded by the researcher and transcribed at a later date. All data from the interviews will be stored on the researcher’s secure server. Participants’ names and names of businesses will not be shared and only the researcher will have access to the information. If you are agreeable in participating in this study, please respond by signing the consent form and returning the signed consent form to: ruwe.f@husky.neu.edu, by February 20th, 2019. In the return email, please include your preferred interview location. I would appreciate you taking the time from your busy schedule to participate in this research. If you have any questions about this study, you can contact me at (617) 806-6017.

Kind regards,
Field Ruwe

Appendix C: Consent Form

Northeastern University
Agreement of Consent for Research Participants
Field Ruwe
College of Professional Studies, Graduate Programs

You have been invited to participate in this research study. Before you agree to participate, it is important that you understand the following information. Participation is completely voluntary. Please ask questions about anything you do not understand before deciding whether or not to participate.

Purpose: You understand that the purpose of this research is to gain understanding of the lived experiences of high performing African Americans in Roxbury, Massachusetts, and to uncover rich, meaningful stories and descriptions about each individual’s experience before, during, and after the Great Recession. You will be one of the five participants in this research study.

Procedures: If you choose to participate, you understand that the research will consist of a brief questionnaire to be filled out and you will be interviewed at a location of your choice. All interviews will be audio recorded and collected data will be coded and kept in a secure place. Findings will be presented individually, however, no names will be disclosed.

Duration: Your participation in this study will include filling out a brief questionnaire and approximately one to two hour session, face-to-face with the principle investigator.

Risks: There are minimal risks involved in participating in this study, however, they are no greater than those encountered in everyday life. Risks include potential for breach of confidentiality and you may be asked personal questions about your life. These risks are minimized as all data and information collected will be anonymous and kept secure by the principle investigator. Additionally, participation is completely voluntary, and you will have the option of skipping and questions that make you uncomfortable.
**Benefits:** You understand that the benefits associated with participation in this study will advance the knowledge in the field of entrepreneurship and will be important to African Americans considering becoming entrepreneurs. It will also help our business society and those attempting to improve education of African American entrepreneurs.

**Confidentiality:** You understand that all the information revealed in this study will be kept confidential. All responses will be assigned with arbitrary code name rather than placing your name or other information that could identify you. When the results of the study are published, you will not be identified by name. Research findings from this study may be referred to in future studies and/or presentations. Your research records may be inspected by Northeastern University Institutional Review Board and as allowed by law, state and federal agencies.

**Voluntary Nature of Participation:** You understand that participating in this study is completely voluntary and that you may withdraw from the study and stop participating at any time without penalty or loss of benefits to which you are otherwise entitled. For questionnaires and interviews, you have to skip or answer any questions you do not prefer to answer.

Ruwe.f@husky.neu.edu  
(615) 806-6017

Contact Information: If you have any questions about this research project, you can contact the principle investigator whose contact information is above. If you have questions or concerns about your rights as a research participant, you can contact Northeastern University’s Office of Research Compliance at (617) 373-6633.

I HAVE HAD THE OPPORTUNITY TO READ CONSENT FORM, ASK QUESTIONS ABOUT THE RESEARCH PROJECT AND AM PREPARED TO PARTICIPATE IN THIS PROJECT.

__________________________________                  _____________  
Participants Electronic Signature                                   Date

__________________________________                  _____________  
Participant’s Signature                                                    Date

__________________________________                  _____________  
Researcher’s Signature                                                   Date
Appendix D: Participant’s Questionnaire

Questionnaire Form

The purpose of this questionnaire is to gather basic information about you and your background, thus showing me to have additional time for in-depth discussion about your individual experiences during the interview sitting. The information you provide will be held in strictest confidence, and no one else will have access to this information apart from me and my academic advisor.

1. Name of Participant: ____________________________________________

2. Contact Information:
   • City/Town: ____________________________________________
   • Email Address: __________________________________________
   • Phone Number: __________________________________________

3. Date of Birth (DD,MM, YY): ____________________________________

4. Highest Level of Education:
   ____ CED
   ____ High School Diploma
   ____ Bachelor’s Degree
   ____ Master’s Degree
   ____ Doctor’s Degree
   ____ Other (i.e. Certificate Program, other Professional Degrees).

5. Please indicate the name of all degrees/certificates earned beyond high school, including type of degree, your major/minors, the name of the institutions, and year of graduation.
   Example: BA in Spanish and Global Students with a French Minor, Ripon College, 2010
   _______________________________________________________________________
   _______________________________________________________________________
   _______________________________________________________________________
   _______________________________________________________________________

6. Please indicate your current marital status.
   ____ Single
   ____ Married
   ____ Widowed
   ____ Divorced/Separated
   ____ Other

7. Please indicate if you have any children. If so, how many and what are their ages?
   _______________________________________________________________________
   _______________________________________________________________________

8. Please indicate your ethnic background: ________________________________

9. Does/Has anyone in your family own/owned a business? ________________
10. Please give the name and geographical location (city) of your business
________________________________________________________________________

11. Do you work from Home: _____________________
12. Did you receive financial and family support? ______________________________
   If yes, from whom/where?
________________________________________________________________________

13. Please summarize your professional work history from your first job through your current
   position (roles/positions held, length at job, type of business, location of business,
cultural environment, overall experiences (positive or negative).

Thank you
Field Ruwe
Northeastern University

Appendix E: Interview Protocol

Research Question: How did African American entrepreneurs in Dorchester endure the Great
Recession of 2008, and what have they learned from the experience?

Introductory Protocol

Hello! My name is Field Ruwe, I am a doctoral student at Northeastern University. I’m here to
learn about African American business ownership here in Dorchester. The purpose of this
interview is to explore the perceptions and experiences of African American Entrepreneurs in
Dorchester, Massachusetts.

Now, you have been selected to speak with me because you have been identified as one of the
most successful African American entrepreneurs not only here in Dorchester, but in the entire
state of Massachusetts. My visit to the Boston Chamber of Commerce reveal that your company
JAT Construction Services is among the few that have been operating successfully for a long
time, and have time and again weathered the economic storm.
This research project focuses on the resilience of African American entrepreneurs—on their propensity to bounce back when a significant event has occurred. Through this study, I hope to gain more insight into the experiences of African American entrepreneurs here in Dorchester. I also hope the findings and recommendations of this research will help to reframe the failure caricature of African American-owned businesses, and shift the perception of negative business to the positive survivable experience that has been known to flourish under the most unfavorable conditions.

Thank you for taking time to talk with me today. There are no right or wrong answers, or desirable or undesirable answers. I would like you to feel comfortable saying what you really think and how you really feel. Because your responses are important and I want to make sure to capture everything you say, I would like to audio tape our conversation today. Do I have your permission to record this interview?

Thank you.

I will also be taking written notes. I can assure you that all responses will be confidential and only a pseudonym will be employed when quoting from the transcripts. I will be the only one privy to the tapes which will be eventually destroyed after they are transcribed.

To meet our human participants’ requirements at the university, I ask that you sign the following statements of understanding as it relates to your consent to be interviewed, and to allow the results of the interview to be included in the study I am performing.

Essentially, this document states that: (1) all information will be held confidential, (2) your participation is voluntary and you may stop at any time if you feel uncomfortable, and (3) we do not intend to inflict any harm. Do you have any questions about the interview process or how
your data will be used? Do you have any questions about the process or the interview at this time?

Please sign below to confirm your understanding.

**Consent Form**

_____________ I understand that my participation is voluntary, and I am fully aware of the nature of the interview.

_____________ I agree to the use of the information acquired as part of ongoing research in the field of entrepreneurship in fulfillment of requirements in the Doctor in Education degree at NEU.

_____________ I understand that my identity will be kept anonymous throughout the use of the information provided today, unless permission is given to be identified either directly, or indirectly.

Thank you for agreeing to be interviewed! I appreciate the steps taken to accommodate this experience, and hope you feel that you are adding to the scholarly information in the area of education.

____________________________________________                __________________________
Signature of Participant             Date
This interview should last about 45 minutes. During this time, I have several questions that I would like to cover. If time begins to run short, it may be necessary to interrupt you in order to push ahead and complete this line of questioning. Do you have any questions at this time?

[Turn Recorder On]

**Part I: Interviewee Background** (5-10 minutes)

1. First, tell about yourself, what is your name?
2. Where and when were you born?
3. What was it like growing up a person of color?
4. How was your neighborhood like growing up?
5. How would you describe your neighborhood now?
6. What was your ambition as teenager?

**Part II: Education Experience**

1. Where did you go to school?
2. How important was school for you then?
3. How much support did you get from your parents?

**Part III: Research Questions**
1. Can you explain how you find yourself in this business; what do you do here, and for how long have you been operating?

Prompts to this question

- African American Resilience
- Family ties
- African American self-employment as alternative to unemployment
- African American business culture
- Economic empowerment

2. To your knowledge, how large is the African American business community here in Dorchester? Do you collaborate, if not what do you see as major problems?

4. How do you compare your business with your White counterparts in this area in terms of size and business activity, are you as busy as them?

Prompts to this question

- White dominance
- Specialization
- Customer response
- Accessibility

5. I also see a lot of abandoned buildings most which were once owned by African American business people; tell me about the abandoned buildings in this neighborhood, is there a reason or reasons for so many closed businesses?

Prompts to this question

- Failure caricature
- Survivability

6. Historically, African American enterprise once thrived in downtown Boston and Back Bay. In actual fact Tremont was once the principal for Black business activity. As a committee member of the African American Chamber of Commerce, tell me what happened.

7. Can you describe any particular reason that has led to the closure of so many African American businesses and created such a wide business gap between you and your White counterparts?

Prompts to this question

- Discrimination/Prejudice
- Increased competition
• Lack of contracts
• Insufficient supply of capital

8. What would you say to those in academia, some who are renowned researchers, who say that the inability to bounce back is due to lack of cultural and entrepreneurial values? Prompts to this question
• Lack of business acumen
• No consistent vision
• No experience
• No research
• Family member, not business partner
• Failure to adapt
• Lack of leadership
• Failure to provide good service

9. Other people, including some scholars, point to insufficient supply of capital due to racial discrimination, as a major impediment. Have you personally faced racial barriers? If so narrate for me an occasion or two on which you encountered discrimination or exclusion. Prompts to this question
• Contracting and bidding process
• Bonding, lending
• Supplier networks

10. History shows that African Americans are a resilient people. Resilience means to renew oneself after a crisis. Narrate for me how you remained resilient at the height of discrimination during the Great Recession of 2008? If your survived that, you can survive anything. Prompts to this question
• Recession and racial slant
• Setback in racial wealth
• Decline in sales
• High interest rates
• Business foreclosure

11. What have you learned from experiencing the Great Recession? Prompts for this question
• Survivability strategies
• Suppression of harmful policies

A. Closing Questions
12. Having recovered from the recession, what steps have you taken to prepare yourself for an economic downturn?

13. With African American graduation rates on the rise, how do you, as a successful African American entrepreneur serve as an inspiration to those who wish to venture into entrepreneurship?
Since entrepreneurship is part of African American’s history and future, how do you ensure more African Americans take up entrepreneurship?

Is there anything you would like to add on to the interview today?

Appendix F: Debriefing (Read aloud to interviewee)

Thank you very much for coming this morning (afternoon). Your time is very much appreciated and your comments have been very insightful and helpful. Again, the purpose of this interview is to better understand African American entrepreneurs’ perceptions of their experiences. I am interested in your opinions and your reactions. In no way is this interview designed to individually evaluate your abilities. The task is not diagnostic, but to furnish my study with what happens on the ground in regard to African American entrepreneurship. Your only requirement was to tell me about your experiences the best way you could.

The results of this research are intended to reframe the failure caricature of African American businesses, and highlight them as resilient national assets. The findings of this study could be utilized to motivate and train potential African American entrepreneurs. In schools, the study will be of value to not only African American students, but all those who wish to understand entrepreneurship through academic programs. Moreover, existing African American entrepreneurs may be motivated to use the information gained from successful counterparts like yourself. Also, the study could be of value to civic and community leaders.

I need to again emphasize that you will be kept anonymous during all phases of this study including any experimental writings, published or not. Procedures for maintaining confidentiality are as follows: (1) individual participants’ results will be pooled with group results; and (2) participants should not place any identifying information on data collection instruments. (Such identifiers include name, social security number, student identification number, specific birth data, telephone number, address, etc.)
Appendix G: MAXQDA CODING (Sample)

<table>
<thead>
<tr>
<th>CODES</th>
<th>ORGANIZING THEMES</th>
<th>OVERALL THEME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Discrimination</td>
<td>Resilience</td>
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<tr>
<td>Contracts</td>
<td>Exclusion</td>
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<td>Bids</td>
<td>Barriers</td>
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<td>Credit</td>
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<td>Loans</td>
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<tr>
<td>Lessons learned</td>
<td>The skills gap</td>
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<td>Networking</td>
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<td>How to survive</td>
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<td>Steps taken</td>
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<tr>
<td>Business closures</td>
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</tbody>
</table>
NOTIFICATION OF IRB ACTION

Date: April 1, 2019
IRB #: CPS19-03-04

Principal Investigator(s): Adriel Hilton
Field Ruwe

Department: Doctor of Education Program
College of Professional Studies

Address: 20 Belvidere
Northeastern University

Title of Project: Demystifying Entrepreneurial Gap: A Phenomenological Approach

Participating Sites: N/A

DHHS Review Category: Expedited #6, #7
Informed Consents: One (1) signed consent form
Monitoring Interval: 12 months

APPROVAL EXPIRATION DATE: MARCH 31, 2020

Investigator’s Responsibilities:
1. The informed consent form bearing the IRB approval stamp must be used when recruiting participants into the study.
2. The investigator must notify IRB immediately of unexpected adverse reactions, or new information that may alter our perception of the benefit-risk ratio.
3. Study procedures and files are subject to audit any time.
4. Any modifications of the protocol or the informed consent as the study progresses must be reviewed and approved by this committee prior to being instituted.
5. Continuing Review Approval for the proposal should be requested at least one month prior to the expiration date above.
6. This approval applies to the protection of human subjects only. It does not apply to any other university approvals that may be necessary.

C. Randall Colvin, Ph.D., Chair
Northeastern University Institutional Review Board

Nan C. Regina, Director
Human Subject Research Protection

Northeastern University FWA #4630
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