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Re-Conceptualizing Underrepresented Racial Minority Entrepreneurs

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Full text available at: http://dx.doi.org/10.1561/0300000111
Foundations and Trends® in Entrepreneurship

Published, sold and distributed by:
now Publishers Inc.
PO Box 1024
Hanover, MA 02339
United States
Tel. +1-781-985-4510
www.nowpublishers.com
sales@nowpublishers.com

Outside North America:
now Publishers Inc.
PO Box 179
2600 AD Delft
The Netherlands
Tel. +31-6-51115274

The preferred citation for this publication is
ISBN: 978-1-63828-261-7
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Editorial Scope

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Foundations and Trends® in Entrepreneurship, 2023, Volume 19, 4 issues. ISSN paper version 1551-3114. ISSN online version 1551-3122. Also available as a combined paper and online subscription.
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Re-Conceptualizing Underrepresented Racial Minority Entrepreneurs

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ABSTRACT

In recent publications, entrepreneurship researchers have begun to note the changing environments underrepresented racial minority (URM) entrepreneurs face in the modern world (Bates et al., 2022; Peterson and Crittenden, 2020). We build upon these extant studies by reconceptualizing the URM entrepreneur by noting (a) their historical role as wealth creators in the formation of the United States, (b) their approaches to entrepreneurship, which includes cultural empowerment as an outcome, and (c) their distinctive voices as business owners that manage to survive, and even thrive, despite the institutional and environmental barriers they face as racial minorities. Unique to this study is the deconstruction of the URM entrepreneur (Ogbor, 2000) by URM academics, who have themselves also experienced racial inequities. Thus, we are able to reveal new insights about the URM entrepreneur that have previously not been addressed by other researchers and expose research gaps that we encourage addressing by the academy. This analysis...
culminates in the proposal of a new theory of the URM entrepreneur that reflects our findings.
Numerous studies have been conducted on the racial minority entrepreneur in the United States, most grounded in the seminal studies of the immigrant entrepreneur (Aldrich and Waldinger, 1990; Light, 1984; Light and Rosenstein, 1995; Portes and Jensen, 1989). The U.S. Census of 2020 reported that 1.1 million racially minoritized-owned businesses contributed more than $14 trillion in annual receipts to the economy (United States Census Bureau, 2021). Timothy Bates (2022) provides an extensive history of the role of the small business immigrant in the U.S. economy, drawing upon many years of U.S. Census data. Blocked mobility (Parker, 2009), disadvantage theory (Boyd, 2000), and resource constraints (Fairlie and Robb, 2007) have been used to shed light on the numerous hurdles to growth minority-owned businesses face when compared to mainstream businesses. Bates, however, acknowledges that these—minority-owned—firms succeed despite the growth barriers they experience. In fact, the impact of the racial minority in the U.S. economy is increasing as firms owned by Black Americans, Asian Americans, and Latino Americans generated all net gains in paid employee numbers produced by the nation’s small businesses from 2002–2016.
(Rodriguez Ott, 2017). The entrepreneurship literature rarely reports on the successes of racial minority business owners.

Recent studies have called for the voice of the racial minority researcher to report on studies of racial minority business owners and entrepreneurs (Garcia and Baack, 2022; Morris, 2017; Tuhiwai Smith, 1999). Alm and Guttormsen (2021) suggest that the marginalization of a population is grounded by academic institutions’ failure to embrace—regardless of intentionality—marginalized populations’ critical agency. It has been suggested that traditional faculty at educational institutions constitute gatekeepers to topics that are viewed with importance in the academy and academic journals (Tuhiwai Smith, 1999). As such, Morris (2017) suggests that a predominant Anglo-centric culture at American academic institutions may unintentionally be limiting epistemological research. The exclusion of marginalized populations’ voices and topics in leading business and entrepreneurship journals creates a self-fulfilling prophecy in which the few published studies set an epistemological foundation comparing the racial minority to the mainstream, Anglo-American business owner.

Through this monograph, we seek to gather the voices of the Black American and Latino-American entrepreneurs as collected by racial minority entrepreneurship scholars. The three co-authors represent three different racial identities. What may interest the reader is that two of the co-authors are of Mexican-American descent yet have slight differences in their American identity. Dr. Bonillas, a second-generation American with strong familial roots in Sonora, Mexico identifies as an American-Latino whereas Dr. Garcia does not. As a sixth-generation American with roots in Tombstone, Arizona, Rosanna identifies as Chicana (a woman of Mexican-American descent born in the United States) and not of Latin American roots. Dr. Burton identifies as a Black American woman. Despite the differing racial identities, all three authors self-identify as entrepreneurs.

These distinctions exemplify the erroneous approaches to the homogenization of the racial minority business owner that is common in entrepreneurship studies and literature. Studies on minority entrepreneurs not only group all underrepresented races and ethnicities regardless if Latin American, Black American or even Asian American,
but also group together the immigrant\textsuperscript{1} and U.S.-born underrepresented minority (URM) entrepreneurs. Black American entrepreneurs—the majority who did not migrate to the United States but instead are offspring of individuals forced into slavery—are given the same identity as Cuban Americans, many of who migrated to the United States in the 20th century. Furthermore, Black Americans are grouped whether they originate from Africa, or Alabama, or Austin. While researchers often combine native-born minorities and immigrants into a group of “minority entrepreneurs,” minority and immigrant entrepreneurship should be viewed as distinct subfields due to their differing linguistic abilities and proficiency (Bates \textit{et al.}, 2018). Through this study, we have three primary goals:

(1) Provide a historical context of URM entrepreneurs—specifically Black American and Latino-Americans—illustrating their evolution, and contribution to the growth and development of the U.S. economy. Such an overview serves to provide insights into the rich contributions of Latino and Black entrepreneurs which are overlooked in Entrepreneurship literature;

(2) Start a discussion of the U.S.-based racial minority entrepreneur that is unique from the immigrant entrepreneur;

(3) Include in the academic discussion of the entrepreneur the voices of the URM entrepreneur as collected by the URM researcher, moving from reliance on secondary data that does not distinguish the rich and unique journey of different minority groups.

In this monograph, we first set a definition of the racial minority entrepreneur, which is unique from the ethnic entrepreneur thus providing a new definition of the URM entrepreneur. We then proceed to provide a historical overview of the distinct contributions URM entrepreneurs

\textsuperscript{1}We use the Oxford Dictionary’s definition of immigrant to mean a person who has come to live permanently in a different country from the one in which they were born. Using this definition, the offspring of immigrants born in the country their parent(s) have migrated to is not an immigrant of that country – they are native-born.
have made—specifically to the development of the U.S. and their present-day economic impact. Next, we conduct a systematic literature review and identify 66 empirical studies that focus on U.S.-based URM entrepreneurs. This literature review provides a foundation for reporting on a qualitative study of 40 URM entrepreneurs; 30 Latinos, 3 Afro-Latinos\(^2\), and 7 Black-American entrepreneurs. Results of the qualitative analysis are followed by suggestions for future research.

\(^2\)Afro-Latinos are typically members of the Latino community that are of African heritage. During the colonization period of the 16th–18th century, many Africans were brought in as a labor force and settled in areas of the Caribbean, Mexico and Latin America. Through the centuries, many of them adopted Spanish as their primary spoken language, retained their African traditions while also intermarrying with Indigenous, Mestizos and Europeans that also led to a blend of cultures.
References


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