

History and Race in Entrepreneurial Ecosystems

ABSTRACT

Not all populations are equally served in entrepreneurship ecosystems (EEs). Because of this, EEs are developing dedicated resources for underserved populations. From a resource perspective, one would conclude that the presence of resources solves the problem. To explore if this is true, we conducted a field study in Detroit, MI, the largest minority-majority city in the US, to understand if the availability of resources is enough to reduce the disparity among entrepreneurs in the city. Our data suggests that historical and ongoing racial and class disparities provide a barrier for underserved entrepreneurs to access resources. Specifically, these barriers, real or perceived, result from the underserved entrepreneurs' unawareness of what the ecosystem is providing, feeling there are political restraints on the resources or thinking you must know the right person, or feeling like the resources or the association with those controlling the resources do not fit with their business or their identity. From this, we discuss the implications of additional institutional work needed to be done by EEs to better serve all entrepreneurs.

Key Takeaways:

- In a given EE, not all entrepreneurs are equally served.
- Even with dedicated resources, barriers still exist for black entrepreneurs.
- Historical and ongoing racial discrimination create barriers to resources.
- EE leaders can redesign better accessibility to resources to remove barriers.