“TWO AMERICAS” A MIXED-METHODS APPROACH TO EXAMINING RACIAL CAPITALISM IN BUSINESS OWNERSHIP

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ABSTRACT OF THE DISSERTATION

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This paper investigates experiential differences in business ownership under the framework of "Two Americas," a term coined by the Kerner Commission, a task force assembled under Lyndon B Johnson in the 1960s. This work has four primary purposes: (1) to employ racial capitalism as a framework while using a mixed-methodological approach to help aid in the translation of value to profit and the impact of that translation on business owners, (2) to contextualize disparities in wealth for Black business owners from individualistic deficiencies to fully operational ethnic economies, (3) to expand definitions of what it means to be resilient for Black communities amid challenging circumstances, and (4) to include these considerations when assessing what it means to close the racial wealth gap. This paper begins by evaluating literature that intersects structural inequality and wealth-building, then positions business ownership as the vehicle for wealth-building and the focus of this work. Next, this study presents racial capitalism as a lens to understand and interpret quantitative and qualitative data. Then this study describes the methodological choices and discusses using the Oaxaca decomposition analysis, participatory observation fieldwork, and content analysis of photographs and the findings thereof. Lastly, this study finds: (1) a 44% difference in sales receipts between Black and white business owners, (2) that Black business owners provide surplus value for the community because of the disinvestment in their neighborhoods and their labor is uncompensated, (3) and lastly, that *embedded resilience* of Black business owners is a key mechanism in the production ethnic economies. This study quantifies structural inequality in business ownership, presents a case for the "Two Americas" concept, and proposes the reconsideration of how one measures the racial gap. Concluding with suggestions for future research and implications for policy decisions, this work is foundational for using racial theory to answer empirical questions about the social world.

Preface

During my undergraduate studies at UC Irvine, I trained academically in Sociology. I noticed that even in 2016, conversations in Sociology classes repetitively referred to disparities in wealth and income for Black Americans resulting from financial literacy problems or a lack of desire to work. These conversations puzzled me. This puzzle followed me throughout my academic career and led me to what is now my dissertation. Through this work, I found that Black Americans overstand the value of a dollar and creatively find unique ways to extend that value to their communities. To overstand means understanding the thing itself and how something came to be. Because Black Americans have a specific understanding of money, I also find that an uncommon definition of wealth for Black communities might also play a key role in the current disparities. Wealth for Black Americans means generational wealth, the ability to build something that gives back to the community and provides support for the next generation. Using the lens of racial capitalism provides the pathway to discuss these findings with a critical lens, which I use to guide this work. Therefore, the motivations for this work are to uncover the economic disparities and challenge the limited scope of proposed solutions. As a Black woman, business owner, and scholar, I bring my experiential knowledge to how I engage with my interview participants and the implications of this work. However, the methodological triangulation and my personal reflexivity enhance this research by holding me accountable to my biases by being aware of them and actively minimizing them. This work joins critical race theory to the racial wealth conversation, highlighting how a mixed methods approach can uncover stories we may otherwise overlook. It centers the need for reflexivity in all academic scholarship in that the assumptions we make about whole groups of people have lasting consequences. This work shares the active collaboration and creative strategies that Black business owners have used to grow their businesses. And lastly, it also helps advocate for the use of critical scholarship when discussing community development problems.

Acknowledgments

I would like to thank God. There is no way I would have made it this far without Him. I want to thank my mom, Bernadette Henderson, who instilled the will to always finish what I started. And my dad who celebrates this accomplishment with me even behind the wall. I want to thank my chair, Dr. Stephen Danley, who saw potential in me that I sometimes could not recognize. I would like to thank Dr. Jargowsky and Dr. Robinson for their guidance, wisdom, and research expertise that allowed me to produce such clever work. I would like to thank Dr. Kendra Boyd & Dr. Brandi Blessett for their research council and mentorship throughout my journey. I also would like to thank Tyreek Houston for his encouragement and openness always to lend a listening ear. To my *Wonder Women*, I am thankful to have been supported and encouraged and to go through this journey alongside you. The strength that guided me was modeled through your grit, grace, and friendship. I am excited for the world to experience your gifts as I have been blessed to do so.

To my peers, thank you for all the Zooms, study groups, and group chats. It’s your time. To my advisor, Chuck, thank you for reminding me of the bigger picture. Christopher Wheeler and Dr. Minnite, for your research expertise, suggestions for future research, and support in the development of the McNeese Index. Many thanks to the Dean’s Office and DPPA staff for your time and support. I also would like to thank my family and friends for their continued encouragement, prayers, and confidence in my success. And finally, I’d like to thank the Department of Public Policy and Administration for awarding me with a $1,500 dissertation research grant that aided in the completion of this dissertation.

I would also like to share some insight into my lived experience while on this journey. There were many challenges along my journey that made me want to quit. Some people did not believe I was capable, and, at times, I did not believe in myself. Less than 2% of Americans have a doctoral degree. When that number breaks down by gender, race, zip code, and other demographics, the possibilities seem bleak, but the desire to finish became my encouragement to do well. My experience was unique, but I believed in the process of obtaining a doctoral degree if managed and guided by principles of full transparency, accountability, and hard work. I am happy to be a part of a group of scholars who have beat unforeseeable odds to obtain their degrees. I want to show those who look like me that getting here is possible and necessary. Though my journey was not easy, it was my journey and one that built me into becoming the scholar I am and capable of accomplishing anything that comes my way. If there is any encouragement I could give to future scholars, it would be not to let the thoughts of others dictate your actions and intentions as a scholar. Your ideas are needed, and your uniqueness comes from bringing yourself to your work each and every time you present it. Though it can be challenging, know that I was once where you are and that there is a little bit of *embedded resilience* in all of us.

Dedication

To Two Powerful Women:

I grew up in South Central Los Angeles. My family is from Belize City, Belize, and came to America for a better life. My mother worked long hours to care for me on her own. I am grateful for her support and my family, who also supported her. But this milestone is an embodiment of my mother's strength and her love for me. When I often wanted to walk away, her encouragement to *always finish what you start* and the permission to rest helped me sustain the ebbs and flows of this journey. Now the grit and determination to never take no for an answer come from my grandmother. Her desire to provide a better life for my family and countless hours of listening to all my dreams of becoming a veterinarian or an entertainment lawyer and now a Doctor of Philosophy was the grounding I needed to remind me to believe in myself. This paper is dedicated to you two powerful women.

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1.0 Introduction

1.1 Research Introduction

In the 1960s, the United States was experiencing a magnitude of social unrest. Lyndon B Johnson sought to understand the nexus of the country's division, specifically inner-city violence. Johnson appointed a task force whose goal was to research and relay the causes of what they assumed were riots incited by Black communities. The Kerner Commission Report revealed striking findings and promising policy recommendations. The Commission stated, "This is our basic conclusion: Our nation is moving toward two societies, one Black, one white-separate and unequal" (Boger, 1992, p. 1295). The Commission referred to this division as "Two Americas." This Kerner Commission Report's prediction is the driving force for this work.

The concept of "Two Americas" can be defined as two populations within the United States, one white, and one Black, with both operating as separate societies (Boger, 1992). Notwithstanding, Black communities have been at a distinct disadvantage. As an example, the racial wealth gap, which will be explored later, is concentrated between the Black and white populations in America. The racial wealth gap is an embodiment of the economic disparities between the groups and the economic loss for Black communities. Researchers have explored the devaluation of businesses within Black communities. Dr. Andre Perry, a Senior Fellow at Brookings Metro and a scholar-in-residence at American University, calculated an estimated $1.3 billion loss of wealth in Black neighborhoods. This loss was due to unequal perceptions of businesses in the majority-Black neighborhoods. Dr. Perry's insight echoes the "Two Americas" framework in that it makes visible the concept of two communities that can experience the same things differently (Boger, 1992). Scholars that focus on the impact of racial disparities in the American economy have shown that race has been an explanatory factor for the differences in experiences with institutions and systems in the United States (Dantzler, 2021; Markley et al., 2020; Perry et al., 2018; Perry et al., 2020; Taylor, 2019; Wright et al., 2019).

The current study builds on this scholarship in three ways. First, this study quantitatively assessed the impact of race on the sales receipts of business owners while controlling for the most common individual characteristics and growth capital variables and found a 44% difference in sales receipts between Black and white business owners. Second, this study presented a mixed-methods analysis comparing disparities in sales receipts within various business sectors to the lived experiences of business owners in Burlington and Camden County, New Jersey, and Philadelphia County, Pennsylvania, finding that Black business owners provide surplus value for the community because of the disinvestment in their neighborhoods and this labor is uncompensated. Lastly, this study examined and recognized, what I have termed, the *embedded resilience* of Black business owners as a key mechanism in the production of what Boyd (2017) calls ethnic economies. These findings help us question how we think about supporting Black business owners and how experiential differences contribute to economic disparities.

1.2 Research Context

Wealth is a vehicle for creating new opportunities and economic security (Shapiro et al., 2019). During economic downturns, wealth provides a financial security blanket against economic hardship while also producing avenues for philanthropy and developing innovations. Research has shown that wealth-building vehicles have not been accessible to everyone (McIntosh et al., 2020). Since the 1980s, the Black household's median wealth stagnated below $10,000, while the white household's median wealth grew by 33% (McIntosh et al., 2020). As of 2016, white families own forty-one times more wealth than Black families at the median (Collins et al., 2019). If trends continue, white median wealth is projected to reach $174,000, while Black median wealth will decline to around $600 (Collins et al., 2019).

Moreover, the effects are layered. Shapiro et al. (2019) found homeownership, household income, college education, unemployment, and inheritance as the driving factors of the wealth gap while positing that equitable policy has a huge role to play in its mitigation. The racial wealth gap has grown and will continue to grow considerably, "reflect[ing] a society that has not and does not afford equality of opportunity to all its citizens" (McIntosh et al., 2020, para. 1). Despite this, the inequities continue to grow. Disputing mainstream media conversations about closing the racial wealth gap, Kuhn et al. (2020) found that "no progress has been made in reducing income and wealth inequalities between Black and white households over the past 70 years" (p. 1). As the gap continues to widen, racial inequality will have profound consequences on Black communities and the nation's economy (Poston, 2020).

Nevertheless, these inequities have historical roots (Conley, 1999; Robles et al., 2006). Today's racial wealth gap is the most "glaring legacy of American slavery and the violent economic dispossession that followed" (Lee, 2019). In brief, throughout American history, Black people have been barred from equal participation in citizenship (Amadeo, 2019). Until 1865, building wealth in the United States was allowed for those who were phenotypically presented as white. However, to do so as a phenotypically

Black person was illegal and life-threatening (Amadeo, 2019). From 1865 to 1964, Jim Crow segregation clustered the disparate effects of enslavement and dehumanization and perpetuated these inequities throughout the country (Amadeo, 2019). Today, the same inequalities persist under the concept of systematic inequality. [1] Said differently, despite the Civil Rights Act of 1965, discrimination against Black communities who seek to accumulate wealth has continued. Government programs and interventions have contributed to the ever-growing racial inequality via housing policies, social security programs, labor laws, and the GI bill (Katznelson, 2005; Rothstein, 2017). Additionally, residential and economic segregation and poverty concentration (as remnants of de jure and de facto segregation) have only added to the disparity (Jargowsky, 2015, 2019).

Black communities have had limited opportunities to accumulate wealth in the same manner as white communities. Historically, some theorists pathologize the Black population and have persisted in the belief of laziness, a lack of intelligence, and the inability to provide skilled labor (Banfield, 1968; D’Souza, 1996; Herrnstein & Murray, 1994; Moynihan, 1967). However, one cannot categorize the ills of systemic inequality as a catch-all cultural argument. To underscore this thought, economist Claud Anderson (1994) posits, “the socio-economic inequalities that existed between whites and Blacks during and shortly after slavery are now structural” (p.13). According to Anderson (1994), slavery and its remnants have not disappeared. The commodification of Black

[1] 1. Professor Sandy Darity describes the impact of systemic inequality on Black people in America, a well-known Scholar of Inequality, as the process by which “differences in wealth linger and lock in systemic advantages or disadvantages. And [the Black] population, more so than any other, has never inherited wealth—or had a legitimate opportunity to accrue and maintain it—for as long as this country has existed” (Hubbard, 2019, para. 33).

people as an essential requirement for the development of capital has been an economic tool for the advancement of white communities (Anderson, 1994). This trend has morphed into a system that continues the devaluation of Black personhood to the level that generational wealth transfer in the Black community is not only highly improbable but impossible for many. Studying the racial wealth gap by acknowledging the impact that structural and systemic inequality has on wealth-building opportunities for Black people would assist in addressing issues within the cyclical nature of economic downturns and its effect on the disinvestment of Black neighborhoods.

The discourse surrounding the closure of the wealth gap is not new; some have sought to address it. Whether it was former New York City Mayor Michael Bloomberg's "Greenwood Initiative" or presidential candidates and senators Bernie Sanders and Elizabeth Warren's housing policy proposals, research organizations, interested scholars, and many others have tried to tackle this issue and provide steps for closing the gap (Mock, 2020). However, closing the gap would mean that one would have correctly identified the mechanisms for which it operates and the appropriate approaches for mitigation. Few scholars have designed studies to investigate structural racial inequalities in business ownership.

An article presented by City Lab (Mock, 2020) highlights this debate and centers around three key questions: are we studying the problem correctly? Should we be focusing on closing the gap at all? And what are the innovative solutions to help mitigate the wealth gap in the short run? This study embraced this reconceptualization by using the theory of racial capitalism and finds that structural inequality impacts the sales receipts of Black-owned businesses. Using a mixed methodological approach, this study found the relationship between race and sales receipts within the context of business ownership to be strong, significant, and patently harmful to wealth-building for Black business owners.

1.3 Research Questions

Perry’s (2020) work goes beyond other literature (Ahn, 2011; Wright et al., 2019) to show that the location of the business affects its value. However, my study explores how value is attributed based on the business owners’ race and how that may impact their sales revenues. Sales revenues are a measure of the size of the business and are strongly correlated with a business’s profits and growth potential (Farlie & Rob, 2009; Keifer et al., 2020). This research shows how business owners experience business ownership differently by race and how that might affect real value or profits. It draws conceptually on racial capitalism and fills a gap in the literature by Perry and others (2020). Doing so contributes to a growing body of literature testing how value is attributed, given, and taken away within the small business sector. I endeavor to further a body of work that moves away from how wealth is accumulated and focuses on how wealth is extracted in an effort to shift the policy aims of closing the wealth gap to studying it differently. This work contributes to our understanding of structural racial inequality and, in doing so, to further the techniques used to develop racial wealth justice for Black people.

This research utilizes the theory of racial capitalism to investigate the relationship between race and sales receipts in a racialized economy. The research questions are as follows:

1.3.1 Quantitative approach

RQ1: Does racial capitalism affect the economies of business ownership?

According to the SBA (2012), 50% of small businesses fail after the first five years, and few studies have assessed businesses that have sustained past the five-year mark (Wright et al., 2019). According to Wright (2019), "entrepreneurs of color face structural barriers that whites may not face, including discrimination in access to credit, interest rates, and renewals" (p. 5). Therefore, I expected to see profit differences among business owners that fall along racial lines. I hypothesized:

$H1_o$: There is no relationship between the race of the business owners and sales.

$H1_a$: There will be a correlation between the race of the business owners and their sales, and Black businesses owner will have lower sales than white business owners.

$H2_o$: There is no relationship between the race of the business owner and sales when accounting for personal characteristics of the owner(s), business characteristics, and regional factors

$H2_a$: There is a relationship between the race of the business owner and sales, even after accounting for personal characteristics of the owner(s), business characteristics, and regional factors

$H3_o$: Structural barriers (racial capitalism) have no effect on businesses' sales

$H3_a$: Structural barriers (racial capitalism) have an effect on businesses' sales

1.3.2 Qualitative approach

RQ2: How does racial capitalism affect the economies of business ownership?

Perry (2020) and others argue that racial segregation and discrimination “distorts” how we gauge value at individual and institutional levels. This distortion is the discrimination that we can see with the human eye. Research also shows a need to use a mixed-method analysis to assess the contextual aspects of business ownership that often go unnoticed, meaning the discrimination we cannot see with the human eye (Wright et al., 2019). Therefore, it is crucial to investigate how value is navigated within small businesses and how it is attributed to customers of small businesses that vary based on race. Doing so provides insight into the way in which racial capitalism operates in small businesses because racial capitalism is a structural problem.

$H1_a$: Racial capitalism is defined as the racialized production of differential value, for example, surplus labor (Pulido, 2017). How does racial capitalism affect the experience of business ownership? I expect to find that Black business owners produce unpaid labor.

$H2_a$: How does racial capitalism affect the relationship between the business and the Customer? Previous studies have found differential treatment within policies and labor unions as a mechanism of racial capitalism (Pulido, 2017). I expect to find a catalyst for the disparities from the perspective of Black business owners.

$H3_a$: How does racial capitalism affect business sales? Racial capitalism as a theory has yet to be explored within debates on the racial wealth gap or the topic of business ownership. I expect to uncover mechanisms that affect sales for Black business owners.

1.4 Thesis Overview

This dissertation is broken down into seven sections. The first section introduces the landscape of public debate, the way the racial wealth gap is studied, and how this study contributes to that debate. The second section reviews the literature that addresses the questions around previous study designs on the racial wealth gap, the importance of race as a variable, and the ways in which small business ownership as the unit of analysis can help test questions research questions. It also covers racial capitalism and why it is helpful to utilize racial theory for questions about racial differences. In the third section, I described the methodological tools and choices that distinguish this work from previous scholarship. It also highlighted the impact of my methodological choices on my ability to study business owners. Section Three also includes a section that provides an in-depth look at the descriptive statistics that I used in the quantitative chapters.

Section Four tests the concept of “Two Americas” using the Oaxaca decomposition analysis, a technique often used to study inequality. This section examines Black and white business owners using the SBO PUMS data set of 2007 and found that structural economic barriers have impacted sales receipts and Black business owners are at an acute disadvantage. Section Five uses the Oaxaca analysis to assess the disparities in sales receipts by sector and found similar trends. Regardless of the type of business Black business owners take on, the disparities exist irrespective of individual characteristics, starting capital, or growth capital. This chapter uses the theory of racial capitalism to investigate what could help explain the low sales receipts of Black business owners. I found that Black business owners provided surplus value in the form of additional services for their communities because of the lack of resources in their neighborhoods. This additional labor was both unaccounted for and unpaid. The sixth chapter calls to question how the racial wealth gap is measured considering the impact of structural inequality, namely, racial capitalism, on the profitability of Black business owners. It reviews Black business owners' contributions and explores their *embedded resilience* from filed notes after witnessing them overcome challenging circumstances during covid 19. The concluding chapter discusses suggestions for future research and implications for future scholars, practitioners, and business owners. All relevant documentation and materials are included in the appendix.

2.0 Review of the Literature

2.1 The Racial Wealth Gap as a Measure of Democracy

Wealth allows families to live in safer neighborhoods, start businesses, make meaningful investments, save for retirement, prepare for life endeavors, and secure the livelihoods of loved ones in the afterlife (Shapiro et al., 2019). Wealth is essential not only to the individual but to society as well. It has the power to accumulate assets that can be a safeguard against poverty during an economic downturn. Furthermore, it provides access to resources that affect one's health, political influence, neighborhood, and ability to help others. Eradicating the wealth gap makes these things possible for all people, not just those who identify as white. It is crucial for communities of color because this is where the disparities lie. Economic history in America is a racialized history (Coates, 2014). To ignore these facts only ensures the persistence of that norm, the norm that communities of color will continue to suffer economically because we live in a society that feeds off of white supremacy and refuses to assess these issues on racial terms. Eradicating racial wealth inequality increases the distribution of power because wealth is power. It is an indicator of true democracy. To eradicate wealth inequality in the United States means to provide communities of color access to our democracy and true participation – transformative change.

2.2 A Review of Racial Wealth Gap Scholarship

The way the racial wealth gap is studied today consistently compares Black and white communities as if they operate under similar systems of oppression. For example, Pfeiffer (2012) used place stratification theory to examine Black migration to ex-suburban areas seeking to understand why Black communities are more prone to living in and moving to disinvested areas in urban centers and if it held true for non-urban neighborhoods. Unfortunately, this approach does not highlight the systems Black communities engage with but shines a light on their choices. This approach does not account for the systems that affect where Black people can move, for example. It is not that Black America is stratified; the stratification process exists on a continuum. Although the author acknowledges past discrimination, including wealth inequalities, as a possible mechanism, they do not use racial theory or a theory that acknowledges systemic problems (Pfeiffer, 2012). Scholarship has yet to account for structural economic barriers' effects on wealth-building opportunities.

The concept of the racial wealth gap has been studied in multiple ways, but typically in one direction. Most studies have assessed how wealth is accumulated rather than how wealth is extracted, which I discuss in detail in this section. Additionally, race is engaged minimally and commonly expressed in wealth studies as a static variable to be observed. For example, Hayward (2000) assessed the impact of race and its associations with various chronic health conditions. Still, he failed to address the fact that racial identity is constantly negotiated and not static. Studies that address structural racial inequality and account for these differences have yet to test its impact using racial theory empirically. Categorically, the literature has examined the effects of health (Hayward et al., 2000; Lum, 2004; Pollack et al., 2013;), age (Gibson-Davis & Percheski, 2018), finances (Burton, 2018; Chiteji, 2010; Gittleman & Wolf, 2004), family (Chiteji & Hamilton, 2002; Keister, 2004; Orr, 2003), marriage (Addo & Lichter, 2013), housing (Krivo & Kaufman, 2004; Pfeiffer, 2012; Sykes, 2008), philanthropy (Conley, 2000), the economy (Henricks, 2015) and even banking (Conley, 1999). However, when these categories are studied, none assess the relationship between business profitability and how racial identity may have long-term effects on how well Black communities fair. Very few provide solutions that address structural inequality. It is also important to acknowledge that society has treated people of different races differently from the onset and that race has been negotiated over time and in different spaces. Therefore, studying the Black wealth inequality by comparing Black communities to a 13urocentric standard and not addressing systemic racism, or using racial theory to understand how these outcomes perpetuate, will not properly affect change.

Studying the racial wealth gap should include proper theoretical and methodological tools for studying its foundation, including both accumulation and extraction. This study considers that wealth accumulation has been thoroughly investigated and focuses on how wealth is extracted (more in section 2.3). It is important to note that wealth extraction could be evaluated independently and as a function of differences in accumulation. This work identifies how wealth is extracted and uses the theory of racial capitalism to test the impact of the structural barriers to provide a more complete picture of the mechanisms of the racial wealth gap.

2.3 From Wealth Accumulation to Wealth Extraction

There has been little attention to studies that assess the racial wealth gap from the vantage point of prohibiting factors rather than enabling factors. The prohibitors of the racial wealth gap are important in that they shift the conversation from wealth accumulation to wealth extraction and how race alone creates an uneven starting line both in the past and present. Wealth accumulation means focusing on ways to make more wealth. Wealth extraction means, by definition, assessing how wealth is forcefully taken away. I argue that assessing how wealth is taken away provides a road map for advocacy and policy change. Even though they vary topically, I identify these studies as study designs for change. Few studies have explored wealth extraction through the context of Black-owned businesses and Black wealth accumulation but have consequently explained factors prohibiting wealth accumulation. Oliver and Shapiro (2006) are prominent researchers on this topic, discussing how Black families' wealth amounted to only one-tenth of White wealth. Still, their wealth was qualitatively different, and it had to be. These authors found that Black wealth is primarily built by earned income, whereas white wealth is primarily built by private assets that produce substantial rewards. They argue that "Black achievement at any given level not only requires greater effort to be expanded on fewer opportunities but also bestows substantially diminished rewards" (Oliver & Shapiro, 2006, p. 8).

However, it is not just wealth, but the debt that is racialized as well in that "white debt is key to racial capitalism; as an enabling force, it has often been created from Black wealth" (Seamster, 2019, p. 35). Therefore, debt, too, has perpetuated an uneven playing field. This disparity becomes apparent when considering the historical context of debt, where mortgages were created to subsidize the transatlantic slave trade. Therefore, a very real and systemic connection must be made when discussing the relationship between debt and race. Wealth is the sum of one's assets minus debts, and debt is a key component of the accumulation of wealth that has been found to operate differently by race. The key to this study is exploring how the variable of business ownership follows these trends as a contributor to wealth extraction.

Recent literature has found predatory inclusion as another form of wealth extraction. Seamster and Charron-Chénier (2017) and Taylor (2019) discuss how Black people are brought to the negotiation table on different financial terms than white people. In this way, racial inequality is not limited to the results of past harms but the persistence of new ones that have yet to be uncovered or addressed. Seamster and Charron-Chénier (2017) found that Black people with education debt were given loan terms that eliminated or limited the long-term benefits as opposed to white individuals with educational debt. Moreover, "the pursuit of opportunity" can also lead to inequitable outcomes. Nevertheless, this phenomenon has been experienced within the housing sector as well.

Taylor (2019), in the recent book *Race for Profit,* discusses how including Black people in the housing market made way for continued inequalities because the proximity to Black people determined housing values. In this way, white neighborhoods were expensive because of their access to greater resources and farther proximity from Black communities (Seamster & Charron-Chénier, 2017). Therefore, forms of inclusion appeared that maintained other forms of exclusion. This research demonstrates that predatory inclusion has prevented wealth accumulation for Black communities. Building on this literature, the current study questions whether business performance is affected long-term based on the race of the owner. Although this could be seen as an argument against Black communities going into business, it is worth exploring what it would take to theoretically have equality by studying differences: business performance by race.

Markley et al. (2020) utilized the theory of racial capitalism to explore the relationship between housing prices and Black needs, finding that "…a neighborhood's racial composition has a more salient impact on home price change than its income.

Results indicate that when a place is marked as Black, this may itself inhibit home price appreciation, suggesting that an enduring racial appreciation gap may limit the potential for Black homeownership to substantively narrow the racial wealth gap" (Markley et al., 2020, p.1). By evaluating appreciative housing values by race, they found that Atlanta homes owned in Black majority neighborhoods appreciate less than homes in white majority neighborhoods. Therefore, the impact of race was more salient than income, as those neighborhoods labeled Black lacked home appreciation. The impact of race on the appreciation gap has been found as a prohibitor to narrowing the gap.

This gap indicates a need to expand this body of work, as there is an estimated $156 billion loss in wealth in Black neighborhoods because of racism (Perry et al., 2018). That number explains wealth extraction within housing. This dissertation builds upon this work to understand these dynamics within business ownership. As stated in Taylor's (2019) work, the private sector and government both play parts in orchestrating these inequities in the housing market. This work investigates a parallel phenomenon within the labor market. The current study utilizes the theory of racial capitalism to assess experiential differences in small business ownership. Doing so provides a set of alternative outcomes that change the conversation from why Black communities cannot accumulate wealth to how their wealth is extracted.

2.4 Race over Class as the Primary Predictor

The racial wealth gap is just that, the *racial* wealth gap. That is to say, regardless of where minority groups land on the economic ladder, race is a stronger predictor of wealth than class (Hamilton & Darity, 2017). Most wealth disparity literature focuses on poor choices, and this framing is inappropriate. Wealth provides access, and access provides unreachable choices for those without wealth. Contrary to widespread belief, the wealth gap was structurally created and had little to do with individual behavior. Therefore, to understand the racial wealth gap, one must assess race as a social construct with a genuine and structural impact.

Sociologist William Julius Wilson's (2012) book *The Declining Significance of Race* states, "…in comparing the contemporary situation of African Americans to their situation in the past, the diverging experiences of blacks along class lines indicate that race is no longer the primary determinant of life chances for blacks (in the way it had been historically)" (Wilson, 2011, p.4). Though Wilson (2011) is right in that the lives of Black people are heavily impacted by their particular income class, he does not account for the permanent conditions that Black communities are under which could consist of structural and institutional racism. Both of these concepts narrate the ways that racism continues to perpetuate and evolve beyond class, gender, geographic, physical or material differences. Class therefore, could not be the most prominent factor for Black Americans without the acknowledgment of the racism character of capitalism outlined by this study. The Black middle class and wealthy Black class have experienced differential treatment and circumstances that make it challenging to assume class itself will level the playing field (Chiteji & Hamilton, 2002; Conley, 2000; Killewald, 2013). Therefore, the problem assumes that there was an even playing field, to begin with, let alone one to return to, especially living in what Morrison (2007) calls a "racialized society." In this way, race is a more significant predictor of economic progress than class, then and now. Royster (2003) argued this in her qualitative study comparing labor market outcomes by race.

In *Race and The Invisible Hand* by sociologist Deirdre Royster (2003), race is the most fundamental factor in explaining the lack of economic progress. By suppressing the significance of race, Wilson's (2012) assessment of the importance of race, arguing that the importance of race as a predictor of the state of Black life in America is dwindling as class becomes a significant indicator, can be challenged. This study reaffirms the presence and persistence of race and the ways in which racial identity can have an impact on business performance. Though we agree that the impact of race is different than it was in the past, I argue that the impact is large, significant, and structural. Although Wilson (2012) argues that the focus of racial tension has shifted away from economic disparities and has invaded other social and political structures, those effects are too economical.

Royster's (2003) study found that even in labor and employment markets where Black people had achieved the educational and skill base necessary to obtain employment, success was subject to systematic exclusion from racialized labor markets and racialized labor hierarchies. Royster (2003) assessed the question of why Black men trail white men in the labor market as far as getting jobs and increases in their wage earnings. After studying 25 men from the same technical school and backgrounds, the author found that white graduates were more likely to be hired because they received external help from teachers, friends, and family who were explicitly networked within the particular high-wage union jobs. The school allegedly prepared students for success. The idea that what you know versus who you know will help job attainment overlooks these racial and economic barriers in the hiring process. The invisible hand, that old canard of economic philosophy, according to Royster (2003), was guided quite forcefully by race.

This guidance was the primary reason the Black men in the author's study were not equal to whites and denied access to the same jobs as their white classmates.

While the mechanisms of racial inequality are at the heart of these analyses, the narratives they tell are just as important. Houston A. Baker Jr. (1971) declares that there is nothing wrong with Black Americans as a people—including Black people's ways of organizing themselves financially. The author stated that the hidden curriculum that animates so many caricatures of Black people's economic lifeways problems stems from the fact that the words "culture" and "race" have been anthologized so much by researchers that they have dwindled the meaning down to patterns of thought, artifacts, and rituals that can be re-enacted by anyone, resulting in appropriation. The author continues to remind us that culture is a "whole way of life" that contains years of history that must not and cannot be ignored (Baker, 1971).

Culture and race are inseparable and are used to allow white America to justify its denial of racial prejudice. This denial of race prejudice informs this innovative approach to the study of the racial wealth gap. Further, the denial of race prejudice perpetuates the paradigm that Black people are inferior to whites in all ways—but in particular, those ways of being that relate to economics and the management and development of wealth and finances. Therefore, the goal is no longer to debate cultural versus structural arguments but to uncover the assumptions and practices contributing to perpetuating racial inequality (Herring & Henderson, 2016). As stated plainly: "Racial wealth inequality is built into the structure of American society. It operates in the normal working relationships of institutions, and its perpetuation requires only that people continue to do business as usual. Its eradication requires much more than goodwill. It requires the active review of the assumptions and practices by which American institutions operate." (Herring & Henderson, 2016, p. 16) This study does just that.

2.5 Race and the Labor Market

A sizable portion of the literature on the racial wealth gap focuses on the housing market. Yet, the labor market is one of the most significant factors contributing to the racial wealth gap. The labor market is one of the primary drivers of the wealth gap, accounting for 20 % over the last 25 years (Sullivan et al., 2015). Before the Civil Rights Act of 1964, discrimination based on race in America was legal. Nevertheless, even if one were to equalize incomes today, it would have a minor impact on closing the gap. Additional factors contribute to the racial wealth gap in the labor market that would minimize the impact of increasing incomes. This impact is why it is essential to focus on factors contributing to wealth extraction in the labor market rather than wealth actualization. For example, employee benefits provide a safety net for one's wealth in case of medical emergencies or unemployment, and these outcomes still differ by race. Therefore, raising the minimum wage, supporting unions, and providing federal job guarantees propose solutions that would assist those adversely affected but would not close the gap (Sullivan et al., 2015).

The inequalities extend beyond employment safety nets. Wilson et al. (1995) found differential outcomes in employment opportunities by race. Among college-educated men, Black men are more likely to be laid off or fired and experience labor market discrimination than white men. Similarly, Black men are more likely to experience higher involuntary unemployment rates. Identically, research continues to show the significance of race in that those of similar backgrounds but who differ based on race can experience the labor market differently. The notion that a college education would have equaled the playing field continues to be debunked (Jones & Schmitt, 2014; Wilson et al., 1995). Black college graduates face unemployment and low wages and experience underemployment, obtaining jobs that do not require a college degree (Jones & Schmitt, 2014).

The impact of race is so pervasive that it intersects with the stigma of having a criminal record. Pager's (2003) study asked whether a criminal record could affect an employer's decision to hire and examined the severity of whether a criminal record affects a white or a Black person. Keeping in mind that this was an experimental study, establishing a cause and effect was quite striking using the audit methodology. As stated in the article, "the audit methodology is particularly valuable for those with an interest in discrimination" (Pager, 2003, p. 13). The study allowed 23 college students to apply for jobs with similar credentials and various variables of race, criminal record, and employment. However, examining the effect of race, the effect becomes quite strong. "The effect of race in these findings is strikingly large" (Pager, 2003, p. 21). Among Black people without criminal records, only 14% received callbacks, relative to 34% of white non-criminals" (Pager, 2003, p. 22). As we continue to examine the data, trends become even more striking. "In fact, even whites with criminal records received more favorable treatment (17%) than Blacks without criminal records (14%)" (Pager, 2003, p. 22). The problem persists that "race continues to play a dominant role in shaping employment opportunities, equal to or greater than the impact of a criminal record" (Pager, 2003, p. 22).

Race, not class, prohibits Black people from not only obtaining employment but detracting them from the ability to obtain wealth because of the inability to be hired. Bertrand and Mullainathan (2004) had similar findings when they studied the effect of having Black or white-sounding names using fictitious resumes in the labor market. Researchers used resumes to answer help wanted ads and accounted for things like occupation, industry, and employer size, as well as gauging whether employers assumed a class position from the name choices. It was discovered that they did not. However, white-sounding names received 50% more callbacks for interviews revealing a market preference for white-sounding names. The authors found that not social class but differential treatment by race is still a prominent issue in the labor market (Bertrand & Mullainathan, 2004).

The impact of wealth loss is cyclical. Macro-level events in the labor market will negatively impact the housing market, and so on. Likewise, having wealth only increases the opportunities for those who have wealth and will increase the distance away from those who do not. Therefore, closing the gap is not the goal of this study, but studying the gap differently. Focusing on business ownership changes the narrative. Access to homeownership is often discussed in individualist ideologies, such as Black people being "incapable homeowners" (Taylor, 2019). At the same time, business ownership shifts the focus to those who have already "pulled themselves up by their bootstraps." Centering differences in profits and the experiences of Black business owners expand earlier literature, arguing that Black communities overcome more obstacles than their white counterparts, resulting in wealth extraction no matter their class position.

2.6 The Nature of Small Businesses

Small business ownership in the United States is crucial to its economy and labor market. There are 30.2 million small businesses in the United States (Small Business Administration [SBA], 2012). Ninety-nine-point-seven percent of businesses in the United States are small businesses with five hundred employees or fewer. The ways race hinders the growth and profits of these firms poses consequences for not just these firms but the entire country. Focusing this study on business serves a dual purpose: it addresses issues of structural racial disparities amongst small business owners in the United States and provides evidence for the broader conceptual approach to deemphasize the individual and center the systematic environment.

The current landscape is discouraging for Black business owners. Darity et al. (2018) highlight how Black business owners face inequitable conditions from their start. Black business owners disproportionately face limited market access, access to credit, undercapitalization, theft, and destruction of their businesses, causing them to fail (Asiedu, 2012; Darity et al., 2018). Moreover, the returns from business ownership fall short. As stated, undercapitalization has made the barriers to entry even more complicated. White businesses start with an average of over $100,000 in capital, whereas, Black businesses start with around $35,000. Secondly, the number of Black business owners is not proportional to Black employees in the labor force. If it were, it would generate 1.1 million more businesses and 9 million more jobs. Lastly, sales and employment make this picture starker. White business owners account for over 80% of business sales, whereas Black businesses own less than 2% of business sales (Darity et al., 2018).

Business development is vital for the economy at large and local economies, especially those in low-income areas (Blakley & Bradshaw, 2002). Planners often advocate for business owners to promote community wellness, but we have yet to indulge in policy strategies that address racial inequality head-on. Furthermore, the jobs created are segregated in such a way that white business owners hire white employees, and Black business owners hire Black employees (Bates, 2006). However, Black business owners are more likely to hire individuals that need employment the most. Moreover, it is not that Black businesses have less human capital; it is a lack of financial capital for their non-traditional business interests that has contributed to their lag behind white business owners in the market (Bates, 2006; Köllinger & Minniti, 2006). Black business owners today have grown in size and scope, and there is a great need to create policy solutions that support the expansion capabilities of Black business owners (Bates, 2006).

Researchers also assessed the ways in which credit played a factor in racial differences within business ownership (Blanchflower et al., 2003). Unsurprisingly, after controlling for differences in creditworthiness by race, results indicated that discrimination plays a part in credit availability. Therefore, it is not just personal capital; access to the credit market plays a part in racial inequality among business owners. Although some scholars would question the limitations of credit market access by someone’s ability to repay debt, the researchers methodologically configured the study to control for creditworthiness. That is to say, someone’s ability to repay credit loans was accounted for, yet the impact of credit market discrimination still influences access to business ownership (Blanchflower et al., 2003). It also has disheartening consequences for Black business owners because credit access affects not only the market for entry but also the opportunities for future business growth.

2.7 Small Businesses and The Wealth Gap

Very few studies currently explore the relationship between small business ownership and the wealth gap. Still, business ownership is one of the most celebrated paths to wealth creation (Klein, 2017). While business ownership rates have slowed, Black businesses are among the highest rate of new firms (Austin, 2016; Decker et al., 2014). The need to support Black-owned firms is urgent and important; however, some obstacles obscure even the racial inequality within business ownership. Fifty percent of small businesses fail after their first five years, and there is very little documentation on business ownership or outlets that document business data regularly and accurately (Klien, 2017; SBA, 2012). Although the Consumer Financial Protection Bureau is in the process of requiring regular reporting nationwide, disparities within business ownership should be considered an undercount. Small business growth has been a national focus. As businesses continue to grow, there is a lack of reporting and oversight since the Consumer Protection Bureau recently required regular reporting from businesses.

Small business owners have consistently shared concerns about their ability to expand their businesses without having the proper funding (Schweitzer & Shane, 2011). Most small business owners use their homes to finance their businesses, and the fluctuation in home prices has been found to affect the ability of small businesses to expand. Uncertainty about the political landscape has been a key indicator of small business growth. For example, when tax and regulatory policy present unfavorable circumstances, small business owners have been documented to pause hiring and business expansion. Hiring and expansion are signs of business growth; therefore, both are crucial to the prosperity of small business owners. This study accounts for personal characteristics to act as a proxy for hiring and expansion capital as a proxy for expansion and still finds disparities along racial lines. Hence, the race of the small business owner can present a different understanding and operational context for how expansion happens. Schweitzer & Shane (2011) do not assess these disparities by race and therefore generalize the effect of regulatory policy on Black small business owners.

Scholars have also assessed business tenure by investigating the impact of low tenure on wealth, finding excessive barriers to entry (Ahn, 2011; Wright et al., 2019). Using a mixed-methods study of self-employed individuals from 1999 to 2015, the Panel Study of Income Dynamics (PSID) data set provided the foundation for assessing self-employed individuals (Wright et al., 2019). Researchers complemented their work with focus groups of under-sampled Black and Latino business owners to assess inequality within business ownership. Not doing so would overlook various experiences within business ownership that quantitative data alone could not account for, such as production growth processes and expanding employment bases. Additionally, quantitative data cannot fully account for positive exit strategies, such as rebranding or selling the company, and negative exit strategies, such as bankruptcy and business failures. Through the use of a mixed methods approach, experiential differences are centered.

Business owners shared their stories about unequal treatment and interest rates. A respondent stated, “Even though I have good credit...I don’t understand why it’s so high...if you have an 800-credit score, you should be able to get a loan, not at 10 or 12 percent” (Wright et al., 2019, p. 18). This example elevates the importance of context and how methodological choices are important when studying issues about race and inequality. This study seeks to build on this work in a few ways. Understanding how past harms affect future progress is pertinent. However, using a critical theory lens has more potential when theoretical frameworks are embedded within methodological choices to get us closer to causal mechanisms. This study uses the theory of racial capitalism to assess racial differences in business sales and why those differences exist if any. Researchers argue that understanding the context of self-employment lacks validity if one ignores the complexities that can be found by complementing their study with a qualitative approach (Wright et al., 2019). This study centers on the different experiences of Black small business owners utilizing a mixed-method approach. Moving past the framework of entrepreneurship pushes us to address systemic and institutional issues rather than individual deficiencies and supports.

A more recent study used a unique methodological approach to understand how past harm affects a small business's future profits regarding its geography (Perry et al., 2020). Using Yelp ratings to normalize differences in business quality and financial performance data from the National Establishment Time Series (NETS) database, researchers calculate a one-star increase in Yelp reviews amounting to a 2-percentage point increase in revenue growth. Researchers found that minority-owned businesses had higher Yelp ratings than white-owned businesses, but the effects depended on the business's location. Businesses in Black-majority neighborhoods revealed lower ratings and profits than those in majority-white neighborhoods. That is to say, Black neighborhoods' businesses receive lower resources despite exceptional service reported via Yelp ratings. These findings persist even though establishments grow at the same rate regardless of ratings. Therefore, highly rated businesses in Black-majority neighborhoods receive little reward for “superior service.” This devaluation amounts conservatively to “billions lost in unrealized revenue, ranging from $1.3 billion as a low estimate to as high as $3.9 billion annually” (Perry et al., 2020, p. 3).

While Perry et al.’s (2020) study focused on how assets in Black neighborhoods were valued, the current research study focuses on whether that devaluation process is mobile. The researchers note that as racial inequality rises, we need to pay attention to how wealth is extracted versus just analyzing how it is accumulated. These researchers also note that past discrimination “distorts how we gauge value at individual and institutional levels. These distortions rob Black people of the ability to uplift themselves and build stronger neighborhoods. Negative perceptions that are shaped by racism put drugs on markets that hurt Black people and the communities they live in” (Perry et al., 2020, p. 19). For Kuhn et al. (2020), the question remains: how do we understand racial capital, and how does it show up in business sales by race, considering the growing amount of racial inequality beyond the 2008 recession? Researchers call for restoring the value of Black workers and businesses affected by racism as the economy has much to gain from prospering businesses of color (Perry et al., 2020).

The current research study applies the theory of racial capitalism. It uses a mixed methods approach to push the boundaries of the policy debate past theoretical narratives or past racial harm and to understand how these harms are reproduced through their effect on expansion capital for small business owners. It also expands the boundaries of the conversation beyond geographical confinement to institutional and systemic operations by controlling for the state where a business is located and the entity’s sector. Building upon a framework that conceptualizes two Americas, this study tests whether experiences of racially disparate but similarly situated businesses differ and whether those differences result in differences in sales.

2.8 Ethnic Economies & Small Black Businesses

Black small business owners operate in a different market than white businesses (Light & Rosenstein, 1995). Minority businesses consider business ownership an alternative to the mainstream labor market. Therefore, small business ownership is a survival strategy rather than a pathway to wealth building. On the contrary, Fairlie and Meyer (1996) found that self-employment is higher among more advantaged immigrant and minority groups than lower-income immigrant and minority groups. Still, regardless of the class status of the minority business owner, discrimination continues to be a key barrier to success for minority business owners. In this way, I argue that every immigrant and minority business, regardless of their financial starting points, operates with some concern for survival, considering the continuous discrimination they face daily.

An ethnic economy can be described as a collective commerce movement conducted by a collective minority group. These groups share a “blood, history and culture” and confront separation from a more extensive society (Boyd, 2017). This segregation requires these groups to have business ownership to support their families after being regularly prohibited from white-owned institutions. Though most scholarship would regard entrepreneurship as the pathway to economic mobility for minority groups, Black communities consistently experience low rates of entrepreneurship and low return on commensurate benefits (Gold, 2016). Consistently, two ideologies dominate the literature: the first is that Black business owners have a cultural or psychological deficiency and are confined to ethnic enterprises. Neither approach positions Black Americans as a community that exists within the systems and structures of racialized capital and a history of oppression. For example, the cultural and psychological explanations characterize Black Americans as having a limited work ethic. Still, they do not assess the impact of racism on Black Americans or how it impacts business ownership. Similarly, the ethnic enterprise argument stresses the ingenuity that minority groups possess to harness resources for entrepreneurship and to maintain a successful business, including social capital, geographic population density, cultural capital, and many others.

Although this position acknowledges that discrimination exists, it promotes the narrative that if one minority group can make it, they all should be able to. Albeit, without explicitly accounting for racial inequality, this perspective ignores the fundamental fact for which Gold (2016) asserted:

> Black Americans' economic and entrepreneurial experiences in the United States, both historically and presently, contrast dramatically with these populations. Brought over as slaves, they continue to suffer from a wide array of disadvantages wrought by systemic and structural racial oppression. These multiple liabilities mean that Black Americans lack the resources that the most entrepreneurially accomplished groups have used to achieve business success. (p. 1701)

Therefore, the focus of this study centers critical scholarship and Black business ownership. Doing so highlights the impact of Black business ownership outside of the traditional labor market and beyond the boundaries of racial inequality and discrimination, both historically and currently. Black business owners operate within an ethnic economy; however, current scholarship disregards the impact of structural and systemic oppression. Current scholarship on ethnic economies describes resilience in business ownership as the strength of an ethnic economy to benefit from a dominant urban center's positive externalities – e.g., "a large population, extensive administrative and commercial functions. For example, in these centers, ethnic enterprises may benefit from many well-documented amenities, including close proximity to sizable audiences and markets" (Boyd, 2017). However, I argue that this definition does not work for Black Americans, considering this group sustains a type of resilience that is irrespective of the population growth of the communities in which their business is located. This research indicates a need for more comprehensive frameworks that better characterize Black American business ownership within ethnic economies. In Chapter 6, I propose a new type of resilience better to characterize Black American business ownership within ethnic economies using critical theory that accounts for structural and systemic disparities - racial capitalism.

2.9 Theoretical Framework

Critical Race scholarship started in the mid-1970s after noticing the promises made to Black communities during the Civil Rights era in the 1960s were stalled or rolled back (Ansley, 1989; Crenshaw, 1988; Delgado & Stefancic, 2017). This theory is derived from a body of legal scholarship created by lawyers, scholars, and activists of color (Bell, 1995). The creators of Critical Race Theory began with a commitment to antiracist solutions that would be institutionalized by law. The methodology at that time included allegory, storytelling, narratives, and the interdisciplinary use of law and creativity. Since then, Critical Race Theory has become a body of knowledge and a movement (Delgado & Stefancic, 2017). Critical Race Theory has expanded to other fields of interest, including education (Brayboy, 2005; Ladson-Billings & Tate, 1995; Solórzano, 1997), law and economics (Carbado & Gulati, 2003), sports (Hylton, 2008), sociology (Bonilla-Silva, 1997), public health (Ford & Airhihenbuwa, 2010) and much more. This study expands this list by using critical scholarship to assess sales receipts in business ownership.

Critical Race Theory is a race equity methodology grounded in transformative racial justice. The field has continued to expand and, more recently, developed a field of "quant crit" Critical Race Theory using a quantitative methodology (Garcia et al., 2018). Theorists have created principles for the use of quantitative methodology (Gillborn et al., 2018) and used cross-sectional frameworks (Teranishi, 2007) and even mixed-effect logistic models (Lopez et al., 2018). While some studies may nod to the critical race tradition, few actually utilize the framework or its empirical testing methods. This research embodies the principles of critical race scholarship and utilizes its methodological frameworks to assess whether systemic inequalities exist within the context of business ownership. To be clear, the request to expand this way is not situated to legitimize years and large amounts of scholarship that have already explained and carefully documented the Black experience through critical race scholarship. This proposed expansion acknowledges the interdisciplinary nature of Critical Race Theory and its sub-theories and signals the increased interest in using frameworks grounded in racial equity and committed to transformative change.

The creation of racial capitalism as a concept has been credited to Dr. Cedric Robinson. The late Dr. Cedric Robinson (1983) was a political theorist who coined the term racial capitalism and authored the book *Black Marxism: The Making of the Black*

Radical Tradition and pointed out "the racial character of capitalism." The understanding is that capitalism did not develop as a refutation of feudalism but emerged within the feudal order in western civilization that was already racialized. He elevated the relationship between race and capitalism and the production of racial hierarchy. This study tests that idea by comparing similarly situated small businesses of different races. Melamed (2015) helps explain the theoretical relationship between race and capitalism in more detail: "Capital can only be capital when it is accumulating, and it can only accumulate by producing and moving through relations of severe inequality among human groups…These antinomies of accumulation require loss, disposability, and the unequal differentiation of human value and racism enshrines the inequalities that capitalism requires" (p. 77).

Racial capitalism can be defined as the racialized production of differential value (Pulido, 2017). There are many approaches to the theory of racial capitalism (Bhattacharyya, 2018; Fraser, 2016; Jenkins, 2018; Johnson & Lubin, 2017; Leong, 2012; Ralph & Singhal, 2019; Wang, 2018). This study uses the approach that Nancy Fraser (2016) presented, which shifts the conversation away from how value is exploited and centers on how it is expropriated. This approach moves the discussion from discrimination to how value is extracted and how the extractions are systemic and often invisible or ignored, especially within the construct of labor. Many theorists have studied this concept before regarding the labor market. They have identified many causal mechanisms, including slavery, dual wage systems, exclusive labor unions, racialized labor division, sharecropping, racialized economic policies, and surplus labor (Pulido, 2017). However, the concept of expropriation between race and profits among business owners remains understudied.

The most applicable tenet of Critical Race Theory outlined by Delgado & Stefancic (2017) argues that race is embedded in the fabric of society and that applying a color-blind ideology to such a pervasive problem would only cure the most blatant forms of racism. Racism is something we cannot ignore. Racial capitalism provides a different approach to studying economic inequalities, like this study in particular, because solely assessing racism negates its relationship to capitalism and the need for race to be reproduced through social interactions and what gets lost along the way.

Racial capitalism allows one to analyze the essential processes that have created the conditions to allow this type of inequality to prevail (Pulido, 2017). Pulido (2017) stated, “I consider the production of difference and value as the most fundamental point of connection” (p. 527). This idea highlights the concept that two people from the same space can have two different experiences and those experiences contribute to differential economic value and structural conditions. It is these differences that are analyzed through the lens of critical scholarship. That is to say, racial differences have economic consequences. Racial capitalism helps us understand how human difference is essential to capitalism (Pulido, 2017). Using the theory of racial capitalism shifts the conversation from race as a variable to race as an experience. The experiences of differential human value within business ownership and how those values are expropriated have yet to be explored, but it is necessary. As Pulido (2016) stated, “care must be taken in how racism is conceptualized in the contemporary period” (p. 7). This study tests the concept of experiential differences under the theory of racial capitalism, which asserts that racial embeddedness exists within the American (and global) economy, contributing to the production and reproduction of racial and economic inequalities (Robinson, 1983). In efforts of taking care of how racialism is conceptualized, I argue that using racial theory is imperative. The next chapter discusses how I test this theory of racial capitalism. This study's mixed methods identity stems from the Oaxaca analysis, participant observation, and content analysis to explore the effects of racial capitalism and how it may operate in the twentieth century.

3.0 Methodology

3.1 Research Design

I utilize a mixed methods approach in this study through a triangulation process. Triangulation addresses the limitations of each method I use by combining one method's limitations with another's strengths (Maxwell, 2012). Using content analysis, Oaxaca decomposition analysis, and participant observation, this approach allows me to accomplish three main research goals (Fielding & Fielding, 1986). First, it reduces bias and increases my study's internal validity, thereby providing a solid foundation for generalizability (Maxwell, 2012). Secondly, it provides what Greene (2007, p. 14) would call "complementarity expansion" by allowing me to account for more variables while gaining a deeper understanding of the research. For example, a previous study assessed how businesses' life cycles differed by race using a quantitative approach, finding that Black businesses have shorter life cycles (Wright et al., 2019). However, researchers argue that utilizing focus groups helps make visible the challenges that statistics alone could overlook, such as business expansion or bankruptcies (Wright et al., 2019). Lastly, this approach was dialectic in nature (Greene, 2007). It highlights different perspectives and allows for my findings to be in conversation with one another, focusing on systematic issues (Greene, 2007).

Additionally, the quantitative analysis allows me to target the origins of extraction within business ownership. Participant observation as a research method provides insight into the issues within business ownership as the business owner experiences them. This critical approach provides a guideline on how to analyze the data that will be collected. It allows for the analysis to focus on the actions currently taken by business owners rather than the actions they could have taken. The focus on decisions being made in the moment positions this work to make inferences about the patterns in the field and how they could affect the futures of business owners. Using the theory of racial capitalism solidifies those guidelines and explains **what** is different in business ownership between Black and white business owners and **how** they are different (Bhattacharyya, 2018).

3.2 Oaxaca Analysis

This research consists of two components. The first component is a quantitative analysis of national-level data concerning small businesses in the United States. I limit my scope to businesses owned by Black and white business owners to enhance the context in which I expected to see evidence confirming or denying the theory of racial capitalism and its existence. Research has shown that the responsibility of most financial markets that Black communities enter falls on Black communities. However, few studies have assessed how that responsibility has shown up in the context of business ownership (Seamster, 2019; Seamster & Charron-Chénier, 2017; Sullivan et al., 2019; Taylor, 2019; Wright et al., 2019). Focusing on the key variables of race, growth capital, and business sales, I test the ways in which disparities in the sales of small business owners shift in relationship to the business owner's race. I examine these cross-sectional data with the reference year of 2007 to evaluate how business profits differ by the business owner's race. Because of the lack of research in this area, it is helpful to understand how these phenomena occur. Although the theory of racial capitalism is a global theory, the time and accessibility constraints of this work limit the context to the United States.

The data herein comes from the Survey of Business Owners, which utilizes United States census data and the National Center for Science and Engineering statics. It is a data set that provides information on the demographic characteristics of business owners. This national 2008 data set references 2007 and includes all businesses that have filed 1120 tax forms that are non-farm employer businesses. This data set combines information on the companies as well as the respondents of the employer firms. Additionally, the data capture information on business owners, the economic census, and administrative records. For this study, business ownership is considered as having over 50% of stock or equity in the firm. This data was collected electronically. It samples 850,000 firms categorized by industry classifications of firms based on the North American Industry Classification System [NAICS] code, which labels the industry type. Specifically, “firms with more than one domestic establishment are counted in each industry and geographic area in which they operate, but only once in the total for all sectors and the totals at the national and other geography levels” (see appendix C).

Further, the data include sex, ethnicity, race, veteran status, and whether the businesses were minority-owned or veteran-owned. These data assisted in furthering my research questions by outlining the impact of structural racism on profits in business ownership. But, more importantly, it is equipped to help assess the differential impact of expansion capital, which may influence how a business owner could increase sales receipts in 2007. The collected data was kept on a password-protected computer for security purposes, and personal identifying information was removed from the database for confidentiality purposes.

I use multiple regression and the Oaxaca decomposition to analyze this data, which allowed me to estimate the mean outcome difference between groups. This technique is often used to study inequality, especially within the labor market. Since small businesses are a sector within the labor market, performing this study was arguably the best use of this technique (Oaxaca, 1973). I test how business profits operate concerning different racial groups in this study. A decomposition analysis informs the origin of the difference between groups (Eloundou-Enyegue et al., 2017). This test is used to understand the dynamics of social change and was well suited to test the most contested social relationship, race. Few studies have used decomposition analysis in theory testing or a mixed methods approach to the racial wealth gap. Doing so would help account for how racial dynamics and definitions change over time. This study uses the theory of racial capitalism and accounts for experiential differences through qualitative analysis.

More specifically, the Oaxaca analysis assesses the way in which micro behaviors shape macro-level outcomes. Since it is not a causal model, I needed additional testing to determine causal explanations. Still, it does provide the best baseline because it highlights the origin of the problem. Moreover, it provided a baseline for testing against the qualitative micro-level data. This method was the best choice for this study. It is a compatible method, and coupling it with a qualitative analysis makes it particularly useful (Eloundou-Enyegue et al., 2017). Although it does not provide a causal explanation, it does help with policy decisions, specifically targeting social problems involving race and small business ownership. The variables used include the race of the business owner (independent variable), the sex of the business owner (control), education (control), starting capital (control), age (control), source of expansion capital (control), year established (control), firm age (control), sector (control), state (control) and receipts/sales (dependent variable). The variables were coded as follows:

Table 1
List of Variables

Variables	Description	Coded
Sales Receipts	Captured as a percentage using the natural log	Ln(Dollars)
Black-owned	Where 50% of more of the business is owned by an owner or owners who self-identify as Black	Dummy 0/1
White-owned	Where 50% of more of the business is owned by an owner or owners who self-identify as white	Dummy 0/1
Female owned	Where 50% of more of the business is owned by an owner or owners who self-identify as female	Dummy 0/1
Mean Age	Average age across all business owners, weighted by ownership percentage	Numeric
Mean Education	Average years of education across all business owners, weighted by ownership percentage	Categorical
Starting Capital	Captured as a percentage using the natural log (are you sure? I think this was just dollars)	Dollars
Year Established	The year the business was established	Categorical
Firm Age	The decade that the business began in	Categorical
Sector	The sector that the business is in	Categorical
State	The state that the business is located in	Categorical
Source of Expansion Capital (profits, family loans, savings, credit cards, venture capital, government loan, government guaranteed loan, bank loan, grant, equity, no access, no capital, other, do not know)	Whether the entity used one of these funding sources to expand their business	Categorical

Note. When the dependent variable is logged, the percentage effect of a dummy variable is calculated by the formula: $100*(e^{\beta}-1)$.

The equation for the Oaxaca decomposition is as follows:

$$R = \{E(X_W)-E(X_B)\}\ \beta_B + E(X_B)\ (\beta_W - \beta_B) + \{E(X_W) - E(X_B)\}\ (\beta_W - \beta_B)$$

According to this equation, R is the difference in profits between Black and white business owners. The blue sections account for differences in the sales revenues between Black and white business owners due to differences in their characteristics, such as the control variables. The green section accounts for the differences between white and Black business owners due to different rates of returns to characteristics, the coefficients. The orange section accounts for interactions between differences in the levels of control variables and differences in the coefficients. Where B = Black business owners, W= white business owners, X= vector containing the constant and the predictors, B= the slope, E [ ]= is the expected value function, and R is the difference in profits between Black and white business owners (Jann, 2008). Using this equation, I can measure small businesses' profits after accounting for differences between Black and white business owners. Even if Black business owners had the same rates of support and conditions for support, Black businesses still experience business ownership differently. These data contribute to a better understanding of the relationship between small business ownership and the racial wealth gap.

As stated previously, the Oaxaca analysis measures labor market discrimination (Oaxaca, 1973). The explained portion of the Black-white gap is due to differences in the observable characteristics of the business owners. The unexplained portion of the Black-white gap is due to different rates of return to Black and white owners as reflected in the different coefficients for the two groups. The outcome of this equation was used to accomplish two tasks. The first was to identify whether the explained or unexplained portion of the overall effect was the most significant. The second was to identify which variables in the model have the most impact and therefore become the target for potential policy remediation. The analysis argues that the difference between the two groups shows what one group would gain if treated similarly to the other group. For this study, the analysis showed what Black business owners could gain if treated similarly to white business owners. This part of the difference was considered discrimination. The concept of discrimination was accounted for by the residual effect left over after accounting for differences in qualifications, background, and capital growth funding sources when assessing the effect of race on a business owner's sales (Neuman & Oaxaca, 1998).

Although the unobserved or unexplained variation could consist of variables not included in the model or discrimination in its many forms, this study uses the theory of racial capitalism to assess the impact of structural discrimination. Still, scholars have found that discrimination can take many forms, and not accounting for this can allow for overestimating prejudicial discrimination and missing the possibility of discrimination in productivity (Dickinson & Oaxaca, 2009). Scholars Dickinson & Oaxaca (2009) assessed employer wage discrimination by gender and found that discrimination in average productivity between the two groups is a form of discrimination that often goes unacknowledged when trying to assess the meaning of finding large amounts of unexplained variance. However, these authors found that discrimination in productivity accounted for the loss aversion employers were trying to use to mitigate the risk of theory companies. Still, without the proper theoretical framework, one would miss the context of “loss aversion” under the confines of structural forms of discrimination. Grounded in the theory of racism capitalism, I use the Oaxaca analysis to assess differences in sales between white and Black business owners.

3.3 Descriptive Statistics Summary

The variables used to answer my research questions are Sales Receipts, Black-owned, White-owned, Female owned, Mean Age, Mean Education, Starting Capital, Sector, State, Year Established, and Source of Expansion Capital. This Source of Expansion Capital included profits, family loans, personal savings, personal assets, credit cards, venture capital, government loan, government guaranteed loan, bank loan, grants, equity, and survey respondents who answered “do not know” “other,” “no capital” and “no access to expansion capital.” Below, I describe each of this study's primary variables in detail. These descriptive statistics reflect similar patterns in the literature that suggest lower market share may contribute to Black and white disparities in business ownership (Darity et al., 2018). Still, it is important to provide variable descriptions to highlight the limitations of how questions were asked on the survey and the scope of this specific study. Above, I describe these variables in detail (see Table 1).

Number of Owners: About 70% of the businesses in my dataset have one or two owners. About 43% have one owner, and 27% have two owners. About 15% did not report how many owners they had, and the other 15% of survey respondents have multiple owners (Table 2).

Table 2
National Count of Business Owners in 2007

Number of Owners	**Frequency**	**Percent**
0 “not reported” owners	3,716,622	22
1 owner	7,954,334	48
2 owners	3,826,923	23
3 owners	423,228	3
4 owners	234,183	1
5 “5 to 9” owners	200,791	1
6 “10 to 49” owners	58,895	0
7 “50 or more” owners	15,273	0
8 “unknown” owners	259,778	2
Total	1,401,770	100.00

Note. Numbers in this table are weighted.

Table 2 shows that most businesses in this data set have one or two owners, meaning most firms have small ownership structures. One limitation of this dataset is that it is a cross-sectional dataset, so I cannot show the development of owner growth over time. Still, the impact of small businesses on the economy of the United States reflects similar findings in the national landscape, as discussed in the literature review (SBA, 2012). That is to say, firms with smaller ownership structures represent most small businesses in America. Additionally, the size of the businesses in this study impacted the qualitative design choices I made for this work, specifically the decision to use participant observation as a research method. Because most businesses are composed of one to two owners, I make the intentional decision as a researcher to build my fieldwork around the needs of the business owners. This decision means that interacting with business owners and engaging as a patron of their business was more helpful for them and allowed me to collect better-quality data. Small businesses with few owners were presumably busier and less accessible. Considering these conditions helped navigate fieldwork rather than collecting isolated interviews outside their regular work hours. Participant observation was an effective approach because it allows for " hanging out," which researcher Bernard (1994) argues is a skill that helps build trust and affinity with the community when conducting fieldwork. Participant observation work also allows for the collection of different types of data and the potential involvement of the researcher in more sensitive activities for which the researcher would otherwise not be invited due to trust built from in-person contact over time.

Race and business ownership: Overall, there are more white-owned businesses than Black-owned businesses. Given that there could be a possibility of multiple owners, as discussed above, I define the business owner's race in more specific terms. In this study, "Black-owned" was defined as a business where 50% or more of the business is owned by an owner who self-identifies as Black. Likewise, "white-owned" is defined as a business where 50% or more of the business is owned by an owner who self-identifies as white. While those who identify as white are 75% of the population (231 million) and Black people are 13% of the population (38.9 million), this study assesses firm-level data, and the tables below capture the number of firms while accounting for the actual population count in 2010 (U.S. Census, 2010). Figure 1 demonstrates that there are many more white-owned business owners than Black-owned businesses, which is not surprising given the much larger white population. After weighting the sample, there are 1,805,903 Black-owned businesses and 22,371,397 white-owned businesses (Figure 1). Even on a per-capita basis, there are still at least twice as many white-owned businesses as there are Black-owned businesses (Figure 2).

It is also important to note the limitations of the data set itself when assessing race and firm count. Respondents could choose up to four racial categories when self-identifying, and survey administrators chose two of those four if there were more than two and there was no clear way to know how they chose. Each firm has information for up to four owners, regardless of the total number of owners, and size measures are "noise-infused for disclosure avoidance" (U.S Census, 2010).

Figure 1

National Count of Firms by Race in 2007

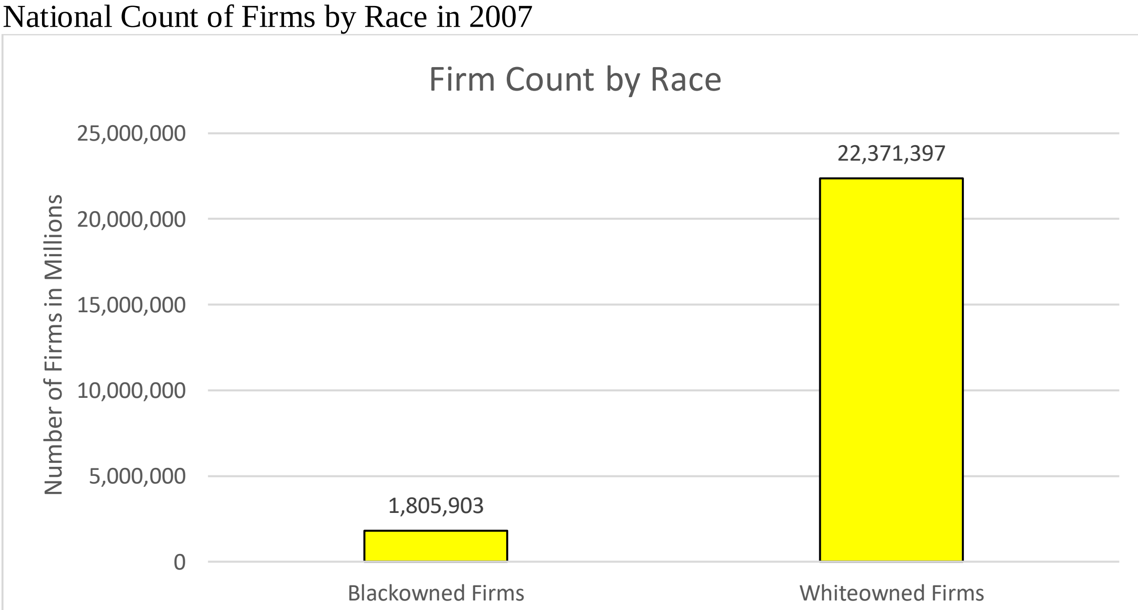
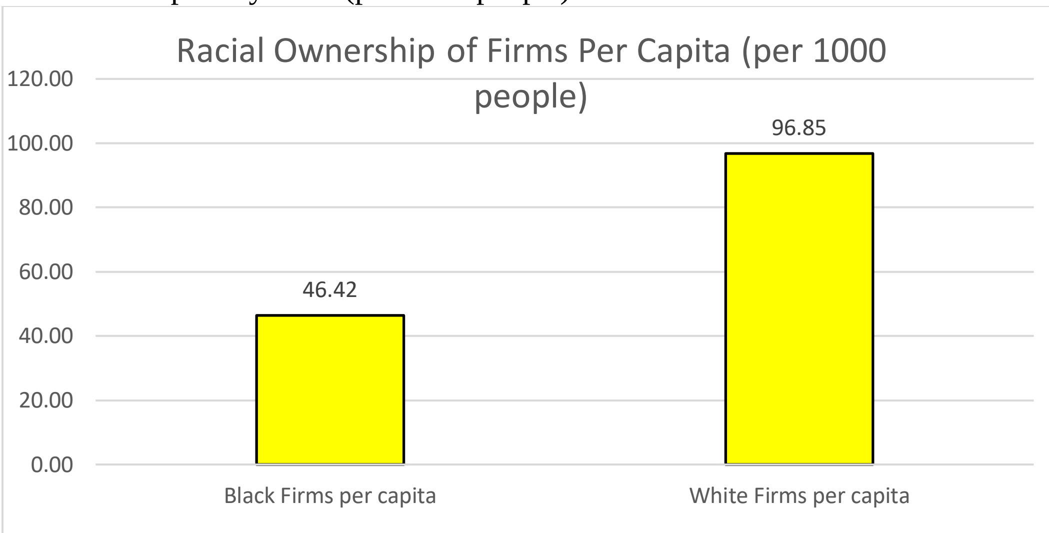
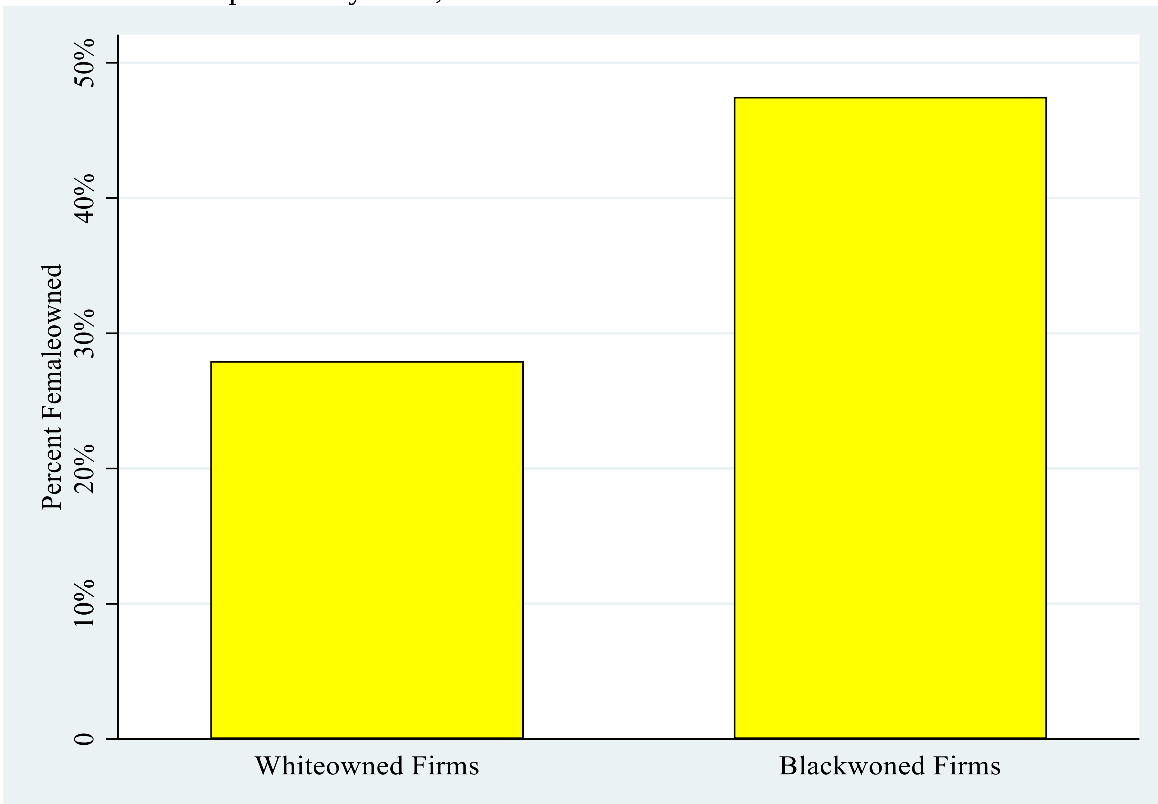


Figure 2
Firms Per Capita By Race (per 1000 people) in 2007



Race and Sex: Figure 3 shows a breakdown of firm ownership by sex and race. It demonstrates that Black businesses are more likely to be female-owned than white businesses. White businesses are more likely to be owned by led men, with 27% of white businesses designated as female owned with at least 50% more ownership stake. For Black business owners, 47% of Black firms are led by those who identify as female with at least 50% ownership. In Chapter Four, the data shows that race and sex are the most significant factors when assessing disparities in sales between Black and white business owners. Scholars argue that managerial quality, employment sector choices, and labor market discrimination based on race and sex are plausible explanations for these differences (Mora & Dávila, 2014).

Figure 3
Female Ownership Rates by Race, 2007



Sectors: Table 3 displays the relationship between race and firm ownership by demonstrating the industries for which small business owners occupy. Furthermore, when I assessed sector by race, I found that for white-owned firms, construction, professional services, and other services were the most popular industries amongst white-owned firms. Whereas for Black-owned firms, administrative services, other services, and health care were the most popular industries amongst Black-owned firms in this dataset. Interestingly, “other services” is an industry that occupies the top three industries by both groups; however, Black-owned owned firms hold majority occupancy in “other services.” Table 3 demonstrates differences in sectors between Black and white business owners. I controlled for sectors within my data set to help increase the external validity of my study. Nevertheless, for this analysis, I ran these regressions by sector using dummy variables to help account for the differences between Black and white industry choices in this dataset.

Table 3
National Count of Firms by Sector in 2007

Sector	# White Firms	% White Firms	# Black Firms	% Black Firms
Agriculture	19,159.06	1.06	336.54	0.23
Mining	9,200.42	0.51	52.88	0.04
Utilities	1,385.94	0.08	87.35	0.06
Construction	249,631.40	13.81	9,415.66	6.45
Manufacturing	43,202.08	2.39	1,201.63	0.82
Wholesale Trade	49,351.49	2.73	1,431.66	0.98
Retail Trade	180,562.80	9.99	11,146.91	7.64
Transportation	78,116.91	4.32	12,785.40	8.76
Information	25,607.30	1.42	1,776.97	1.22
Finance	70,168.15	3.88	3,174.10	2.17
Real estate	177,690.10	9.83	6,985.97	4.79
Professional Services	264,984.90	14.66	12,196.37	8.36
Management	1,219.10	0.07	16.55	0.01
Administrative Support	141,707.50	7.84	16,672.06	11.42
Educational Services	38,797.68	2.15	3,645.87	2.50
Health Care	135,972.40	7.52	28,125.06	19.27
Arts	84,284.54	4.66	6,452.82	4.42
Food Services	44,497.60	2.46	3,123.69	2.14
Other Services	191,894.76	10.61	27,292.30	18.70
Total	1,808,113.30	100%	145,957.70	100%

Table 3 Continued
Note. Presented numbers are weighted and rounded *Note*. No classifiable as a sector is not included in the analysis *Note*. "Other services" includes repair services for cars in computers, personal care services such as hair and nail salons, labor unions, and political organizations are among the services provided in this sector.

State: Geographically, most business owners are located within the following states: California, Texas, Florida, and New York. Yet, we see a firm ownership cluster differently when we look at the distribution of racial firm ownership by industry type. Florida, California, and Texas show the highest percentage of white-owned firms in this data set. Whereas, for Black-owned firms, Florida, Georgia, and New work show the highest percentages of firms. I control for state in my analysis, therefore controlling for differences such as climate, region, and political affiliation, between Black and white-owned firms to understand whether disparities still exist when these differences are leveled across groups. Table 4 below demonstrates the firm count by state and by percentage. For the analysis, I control for the state the business was located in to account for these differences.

Table 4
National Count of Firms by State in 2007

State	# White Firms	%White Firms	# Black Firms	% Black Firms
Alabama	24,181.60	1.38	4,463.48	3.14
Arizona	34,391.54	1.97	717.46	0.51
Arkansas	16,748.67	0.96	1,034.65	0.73
California	204,282.92	11.70	9,791.59	6.89
Colorado	39,284.70	2.25	630	0.44

Table 4 Continued

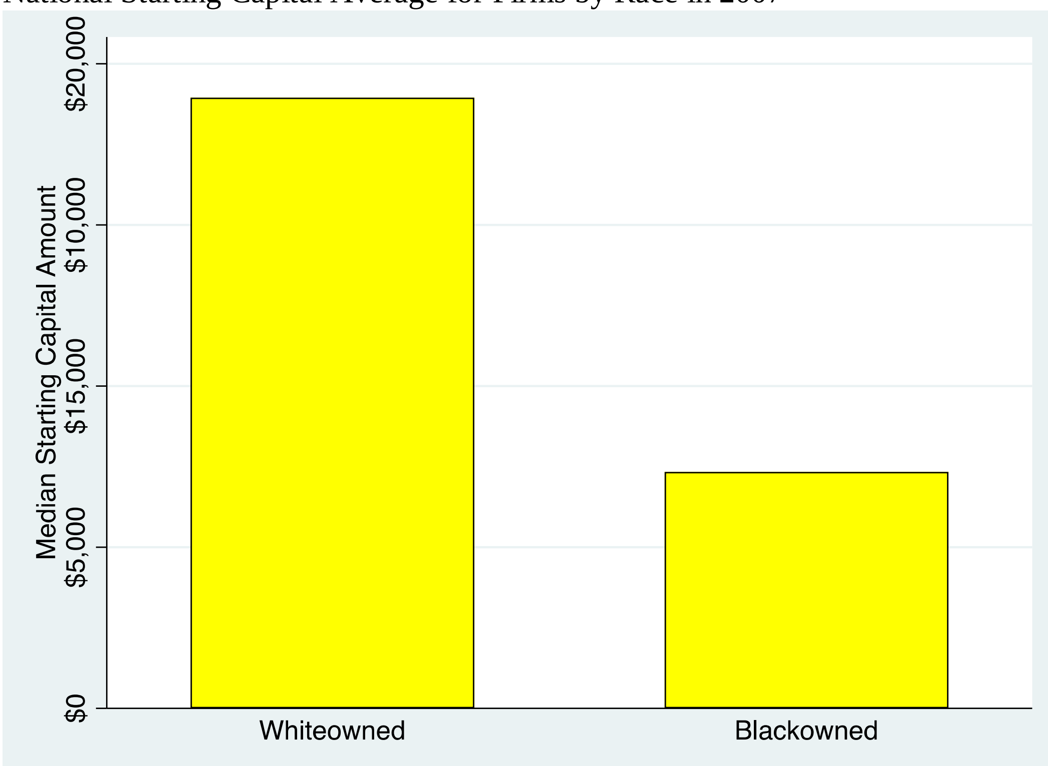
Connecticut	23,078.41	1.32	1,082.04	0.76
Florida	132,702.80	7.60	13,141.76	9.25
Georgia	50,548.43	2.89	14,231.75	10.02
Hawaii	3,550.87	0.20	61.01	0.04
Idaho	11,281.22	0.65	22.50	0.02
Illinois	72,430.41	4.15	8,228.61	5.79
Indiana	34,373.85	1.97	1,692.91	1.19
Iowa	19,374.62	1.11	159.11	0.11
Kansas	17,030.26	0.98	404.41	0.28
Kentucky	24,657.07	1.41	777.68	0.55
Louisiana	22,995.42	1.32	4,711.55	3.32
Maine	11,353.46	0.65	38.78	0.03
Maryland	29,050.32	1.66	7,925.21	5.58
Massachusetts	41,665.72	2.39	1,435.10	1.01
Michigan	54,825.64	3.14	5,518.30	3.88
Minnesota	35,903.44	2.06	912.64	0.64
Mississippi	13,813.73	0.79	3,232.94	2.28
Missouri	35,352.41	2.02	1,894.49	1.33
Montana	8,406.60	0.48	7.77	0.01
Nebraska	11,698.57	0.67	213.01	0.15
Nevada	14,182.94	0.81	645.10	0.45
New Hampshire	10,273.39	0.59	48.80	0.03
New Jersey	49,212.30	2.82	4,298.84	3.03
New Mexico	10,802.57	0.62	103.28	0.07
New York	116,649	6.68	14,150.04	9.96
North Carolina	52,437.44	3.00	6,541.62	4.61

Table 4 Continued				
Ohio	63,286.47	3.62	4,010.77	2.82
Oklahoma	21,858.38	1.25	791.19	0.56
Oregon	24,695.17	1.41	215.63	0.15
Pennsylvania	69,408.69	3.97	3,301.65	2.32
South Carolina	23,498.17	1.35	3,443.01	2.42
Tennessee	37,406.13	2.14	3,600.44	2.53
Texas	143,891.60	8.24	11,901.03	8.38
Utah	18,010.02	1.03	77.36	0.05
Virginia	39,959.22	2.29	4,929.36	3.47
Washington	37,178.39	2.13	733.63	0.52
West Virginia	8,940.44	0.51	126.29	0.09
Wisconsin	31,541.83	1.81	802.34	0.56
Total	1,746,214.90	100%	142,049.10	100%

Note. Presented numbers are weighted and rounded
Note. Public Administration was dropped from the analysis because it is not included in the economic census.

Starting Capital: Starting capital was initially recorded in ranges. To help with the analysis of the starting capital firms used, this variable was recoded to the midpoints of those eight specified ranges where 1= 2,500, 2= 7,500, 3= 17,500, 4= 37,500, 5= 75,000, 6= 175,000, 7= 62 5000, 8= 1500000. Those who reported 0 didn't know their starting capital range or did not report an answer to this survey question was reported missing. Chapters Four and Five regressions provide these midpoints after multiplying them by 100,000. Figure 4 below is a breakdown of the starting capital amounts in thousands. The data reflects the more prominent market conditions: the white business owners make up the majority share of the market. However, most Black and white-owned businesses had starting capital amounts averaging about $2,500. While that may be the starting point, starting a business with stability comes from growth over time. Figure 4 also shows that the next common starting capital for Black business owners is $7,500, whereas white business owners usually start with around $17,500. I control for starting capital to adhere to the goal of being able to assess business sales regardless of how much starting capital the business had to begin.

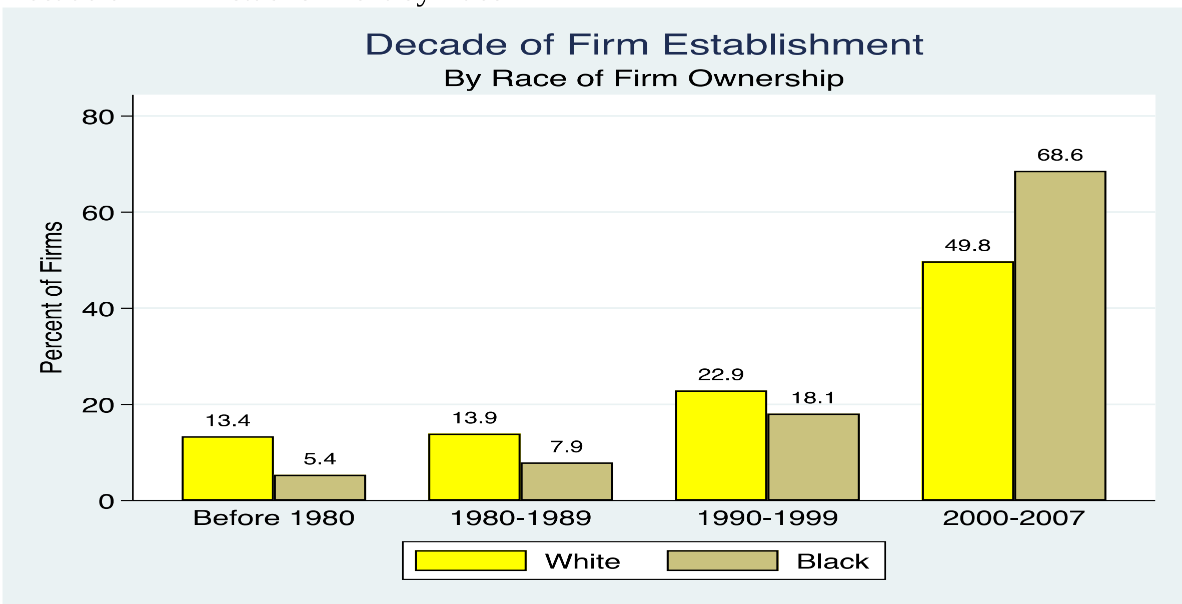
Figure 4
National Starting Capital Average for Firms by Race in 2007



Year Established: Year established was initially recorded in ranges where 1= before 1980, 2= 1980-1989, 3 = 1990-1999, 4 = 2000-2002, 5= 2003, 6 = 2004, 7= 2005, 8 = 2006, and 9= 2007. To help analyze and control for the year firms were established, this variable was recoded to the midpoints of eight specified ranges where 1= 1980, 2= 1985, 3= 1995, 4= 2001, 5= 2003, 6= 2004, 7= 2005, 8= 2006, and 9= 2007. Those who reported 0 could not identify or did not report an answer to this survey question and were reported as missing. When running the regressions, I control for the year established to adhere to the goal of being able to analyze business sales and account for differences in experience a business owner may have for which their time in the industry could have an impact. To better assess the difference between Black and white firms, I transform the variable year established into "firm age" by subtracting the year established from the survey year of 2007 (Figure 5). This transformation is solely for the purpose of better understanding descriptively the differences in firm ownership experience by race. I graph those points by modifying the year ranges from midpoints to cover decades, with the first decade being "before 1980." This grouping helps account for the skew of businesses that began in the early 2000s. I also turn the raw firm numbers into percentages to help compare firms' differences. The data shows that Black firms are relatively younger than white-owned firms, with over 65% of firms starting from 2000 – 2007.

Figure 5

Decade of Firm Establishment by Race



Note. The first reported year for these data is "before 1980."

Mean Age: To calculate mean age, I use the average age of the four owners. I also considered the relative share of ownership by weighting each average age estimate by their ownership percentage. To help interpret the analysis, this study uses mean age to account for the impact age could have on one's knowledge of the firm or its industry. It also helps equalize the starting point for comparing two different racial groups and their ability to generate sales receipts. The minimum age category is "under 25," and the maximum age category for this dataset is "65 and over." Ultimately, white-owned firms are older on average when compared to Black-owned firms.

Mean Education: Similar to the calculation of Mean Age, I use the average education status for all owners to calculate the mean education. I also weight each firm owner count by the percentage of ownership to ensure the racial makeup would only capture those who own at least 50% or more of their business and self-identify as Black or white. This approach helps to control for skills and experience accounting for differences in sales when running a small firm. The minimum education is listed as "Less than High school," and an owner's maximum education is a "Master +." Ultimately, White-owned firms have more education on average when compared to Black-owned firms.

Source of Expansion Capital Variables: Profits, family loans, savings, credit cards, venture capital, government loans, government guaranteed loans, bank loans, grants, and equity are coded 0 or 1. "Assets" is used as the base case for all regression analyses. Respondents who answered "do not know," "other," "no capital," and "no access to expansion capital" are dropped from the model. To note a few interesting differences, white-owned businesses were more likely to expand their businesses using their savings when compared to Black-owned businesses. Black-owned businesses are less likely to expand their businesses using a bank loan when compared to white-owned businesses. White-owned businesses are more likely to expand their businesses with the help of loans from family and friends when compared to Black businesses. However, Black businesses are more likely to receive government loans than any other form of expansion capital. It is important to note that preexisting conditions are not captured when using the Oaxaca technique (Section 4.7). Therefore, it is likely that the avenues for expansion capital themselves may have some form of inherent discrimination. For example, when looking at the impact of race and bank loans on sales receipts, we may find that Black business owners are less likely to receive loans from the bank when compared to white business owners. However, the model does not account for the impact of redlining or any current forms of discriminatory practices existing within the bank, nor does it account for the impact of discrimination on the future growth of sales receipts for business owners. Therefore, whether or not discrimination is present in the models described in Chapters Four and Five, it does not negate the fact that discrimination can take many forms and may exist within the expansion of capital institutions or vehicles.

Sales: The dependent variable for this analysis is sales receipts. Because the original data calculates this as a number, I use the log of receipts because the data is highly skewed. As in Kiefer's (2020) study, log sales receipts in this study can be referred to as "…The natural log of the revenues of the firm in the survey year. Log transformations of data are used to make highly skewed distributions less skewed. The lowest value is zero, but the highest is in the millions of dollars" (Kiefer et al., 2020, p. 4). Figure 6 below shows that the distribution of receipts alone is disproportionally skewed, meaning that most of the firms in my dataset sold less than 20% in sales receipts. Considering the focus was small businesses for this analysis, the smaller quantities of sales per firm are contextually logical. Figure 7 shows how the distribution of sales differs by race. When assessing the receipts by race, we see that, on average Black-owned firms averaged about 2% of the log of sales receipts in 2007, whereas white-owned firms averaged 5% in the log of sales receipts. Considering that Black firms are oversampled in this dataset, these numbers visually represent the disparities between Black and white business owners without accounting for any mitigating factors.

Figure 6

National Combined Sales Receipts for All Firms in 2007

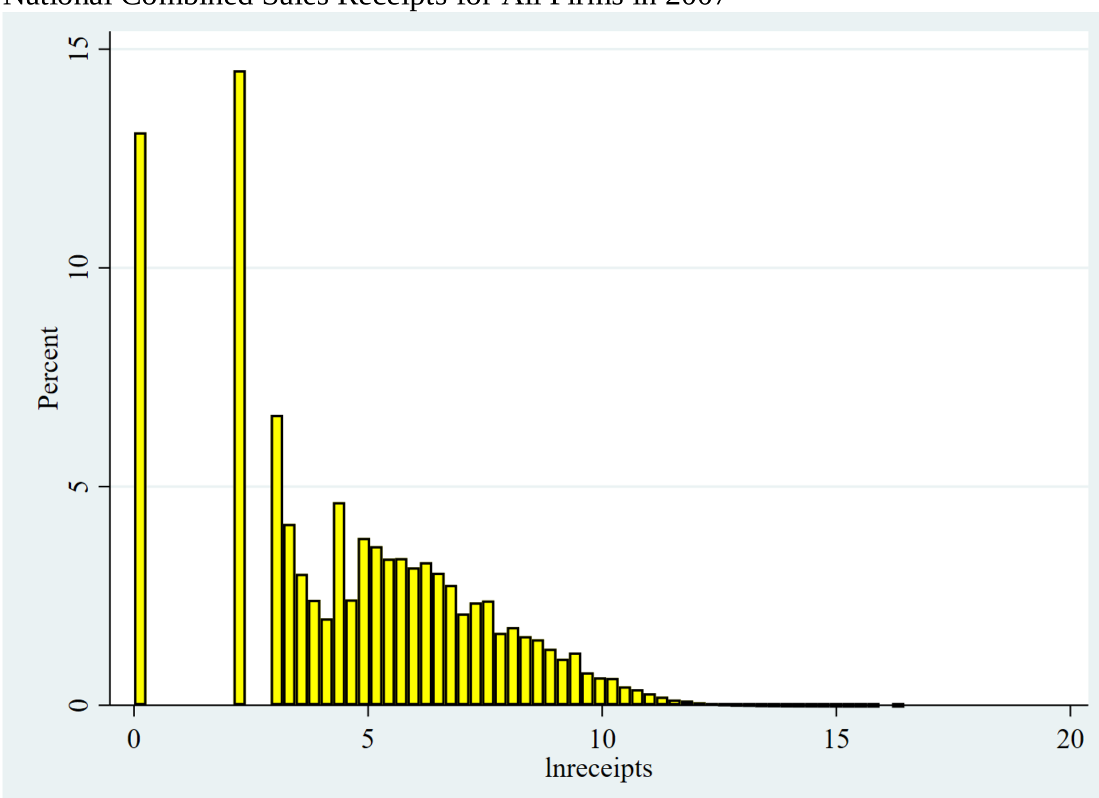
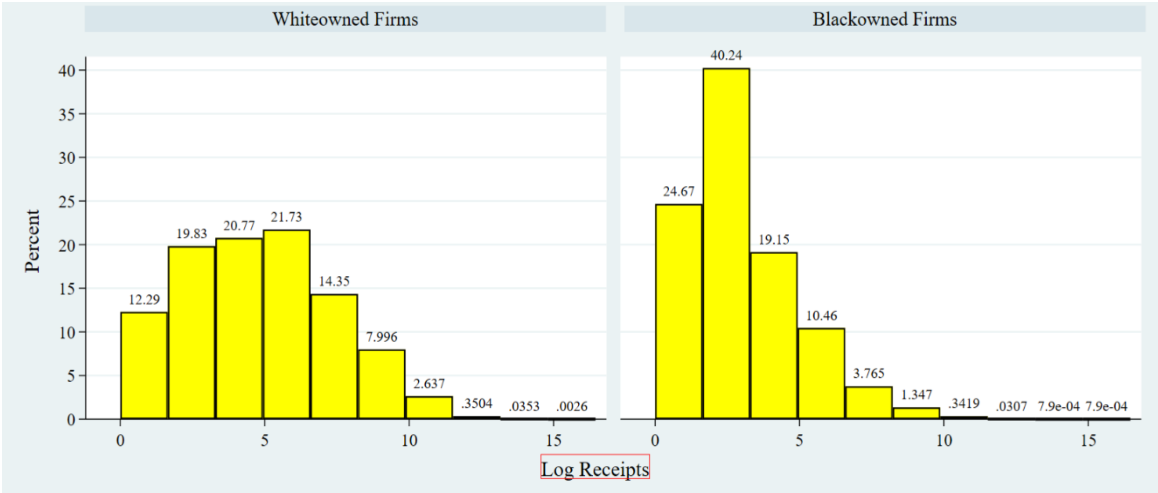


Figure 7

National Sales Receipts for Firms by Race in 2007



3.4 Participant Observation

The second component consists of a participatory observation study. I worked with local small business owners to understand their experiential differences within business ownership in the food industry context. Restaurants provided three unique opportunities for my study. The first is that food services provide an extensive enough sample to allow for a within-group comparison across racial lines (Perry, 2020). Second, the restaurant industry provides the least amount of controversy in that the food is an inclusive product, in which case the consumer's race is not a significant factor in the type of food you eat compared to the type of house you buy. Third, restaurants provided a low barrier to entry for the participant observation portion of the study, considering my previous employment history and its accessibility.

Businesses were selected on the basis of race and location. I worked inside businesses in the Philadelphia County area of Pennsylvania and the Burlington and Camden County area of New Jersey (Table 5). The Municipalities for which the businesses were located housed families that were considered to be in deep poverty. Deep poverty can be defined as families at less than 50% of the poverty level. Below is a map showing the aggregation of families in deep poverty between 2006 and 2010, considering the data for this study is from 2007 (United States Census, 2010). Philadelphia had a deep poverty rate of 8.89%, Camden was 16.09%, and Mount Laurel was 1.47% between 2006 and 20010 (United States Census, 2010). This poverty level is important to note because the neighborhoods' conditions could affect a business's ability to make sales. Understanding the conditions before running the analysis helps provide context for which Black business owners operate. It also helps explain why Black business owners went to such great lengths to provide for their communities.

Figure 8
Map of Study Region

Table 5
List of Restaurants

Restaurant Name	County	Municipality	Instagram
Corrine's Place	Camden County, NJ	Camden	Y
Black & Blues	Burlington County, NJ	Mount Laurel	Y
Trappixx Jamaican	Burlington County, NJ	Cherry Hill	N
Bookers	Philadelphia County, PA	Philadelphia	Y
Fanny Lou's	Philadelphia County, PA	Philadelphia	Y
Blazin Flavors	Philadelphia County, PA	Philadelphia	Y

Initially, I was interested in flying to the restaurant corridors within integrated cities. Meanwhile, COVID-19 not only had an impact on my location, sample size, and safety but also on restaurants. When I started this research, one of the biggest concerns was getting in front of business owners while working on depicting what the day-to-day work-life balance would look like accurately. However, COVID-19 and the impact that it had on local small businesses presented challenges that became integrated into the environment itself and, in some ways, made the day-to-day work even more visible to the customer. This visibility allowed for more accessible data collection to the extent that back-room conversations were had in plain sight.

As my project took place, local restaurants juggled the CDC regulations, closed indoor seating, and balanced employee-to-customer ratios. COVID-19 regulations had a significant impact on the sample not only because of what they changed but what they revealed. Rather than comparing Black and white business owners for the participant observation fieldwork, I decided to assess only Black businesses. After conducting the Oaxaca analysis and identifying experiential differences in business ownership, it no longer became important to compare two experientially different groups. The contextual cues, operations, and language were different for both groups. It became more important to accept that these two groups are not the same, and it is in their differences that the solutions for true equality arise. This study furthers scholarship by exploring what the experience of business ownership looks like for Black business owners.

Participant observation, as an ethnographic methodology, “deepen[s] our understanding of the micro-political relational processes involved in knowledge creation” (Culhane, 2017, p. 4). It is important to engage in these deeper relational processes considering the focus of this study is experiential differences. Using qualitative methods allowed me to center lived experiences (Miles & Huberman, 1994). Immersing myself in the lives of those I studied deepened my understanding by gaining insight into the business owners’ routines, conditions, and constraints (Emerson et al., 2011). For the participant observation, my field notes were guided by the principles of the theory of racial capitalism. Participation focused on events that revealed issues concerning three key themes from my research questions: how value is attributed ($RQ2_b$), experiential difference ($RQ2_a$), and the distribution of resources ($RQ2_c$).

I sampled four business locations. The observations took place over five months, from June 2021 to October 2021. I visited six restaurants, three in Philadelphia county, two in Burlington county, and one in Camden county. Each restaurant was selected through purposeful sampling using local articles, recommendations for locals, and a social media page on the web, Facebook, Instagram, and other social media channels. Because of COVID-19, when I went to restaurants for pilot studies, they would be closed due to a lack of supplies, employees, or regulations. The presence of a social media page allowed businesses to stay up to date with their hours, provide accessible communication channels and share virtual menus. Being mindful of these intricate details makes participant observation the best method for this study, even with its challenges (Guest et al., 2013).

Figure 9
The Ethnographic Research Cycle

Note. Retrieved from Spradley, 1980

The process of participant observation can be described as shown in Figure 9 (Spradley, 1980). I selected a study of small business owners who owned restaurants as the goal of my dissertation and asked the research questions as described above. The next step was collecting the data and making a record. This participant observation study occurred as I observed different activities within the study sites across the two states. These activities included collecting my field notes on the job, field notes from attending any meetings or gatherings I was invited to, and evaluating the business-customer relationship via their social media outreach and in the restaurant. Using this approach, I elevated the multiple truths that might appear when it came to understanding how value is attributed (Emerson et al., 2011).

I was flexible with how my field notes were collected to record these data, considering my study was changing drastically, and circumstances did not allow for spontaneous visits. Proper planning was not just a necessity; it was a health requirement. The data collection tools included voice recording (with consent), written field notes, taking photos, and assessing publicly available online information (Spradley, 1980). It was important to note that the entire process was iterative and involved gradually narrowing observation patterns over time. Doing so also helped communicate the theory of racial capitalism. I engaged over twenty-four individuals through this work: at minimum five business owners, customers, employees, and industry professionals at each location.

Before the ethnographic data was compiled in the final phase, all the data was analyzed using categorical coding that captured the most unique and recurring data. Because of the pandemic, it was important to be mindful of the study's internal validity. The research questions and conceptual frameworks guided the data reduction process (Miles & Huberman, 1994). Labeling the subsets of the collected data allowed for the synthesis of the analysis of codes (Miles & Huberman, 1994). The codes were systemically stored in notebooks, on and offline. Ethically, the research goals were discussed minimally to maintain the relationships with those I came in contact with (Mack, 2005).

Additionally, the confidentiality of the participants was kept by not documenting identifying information about the participants and using pseudonyms (Mack, 2005).

Nevertheless, I was aware of the possible power dynamics as a researcher doing fieldwork. To balance that relationship, I asked permission to collect key information, only entered spaces were invited to participate, and I obtained formal consent through a signed consent form to take notes or voice record for transcription. Still, most participants found the use of data-collecting materials unnecessary. It is also important to note that a dissertation research grant funded this project. This money was used to pay for food at the restaurants to contribute to their businesses as a form of reciprocity for their time speaking with me as well as an investment into the work they were doing. I spent, on average, around $40 two to three times a week for five months. Considering gas, food, and tips were additional costs to complete this project, the funding not only helped me build relationships with the business owners I was studying but successfully complete the project.

3.5 Content Analysis

"Content analysis is described as the scientific study of [written] communication" (Prasad, 2008, p. 1). The purpose of content analysis is to describe the characteristics of content and make inferences about the causes and effects of those messages (Prasad, 2008). This study used the "recording unit," or physical boundaries of a restaurant's Instagram page, to analyze Black businesses' language (Harwood & Gary, 2003). This approach helped uncover patterns in the language that Black business owners used to communicate with their communities and customers. Specifically for this work, content analysis was used to identify the owners' intentions and characteristics and helped detect cultural patterns of Black businesses and communities (Webber, 1990).

Content analysis as a method is versatile and requires measurable indices that can help reveal how meaning is defined (Neuendorf, 2017). The first step in using this technique is to design, which means understanding the context for which the data develops so that the researcher can determine what it is they can serve directly (Krippendorff, 1989). Several types of data can be collected, written, visual, and even the different ways communication is expressed (Neuendorf, 2017). There are five most common indicators that research use to identify data for content analysis: the presence or absence of an idea, qualifications for an idea, frequency of an idea, the relationship between favorable feedback and negative feedback about an idea, and the strength of association between two concepts (Neuendorf, 2017). For this study, I use the written platform of Instagram posts for Black-owned businesses. I analyze both the written and visual to understand the favorable and unfavorable conversation patterns around different ideas. The use of social media by researchers for the purposes of data collection is frequent practice (Danley, 2021). As Danley (2021) stated, researchers who do use social media "have the potential to broaden the impact of their work, not only influencing the field after the conclusion of research but becoming a part of the local tapestry and impacting current policy and local perceptions" (p. 2).

3.6 Data Limitations and Biases

3.6.1 Oaxaca Analysis

Although this research design lends itself to limiting the biases and limitations of the methodological choices, it is still important to discuss any persistent challenges and the ways in which they were mitigated. The quantitative analysis presents two main challenges. The first is the index number problem (Sen, 2014). This issue can occur when the choice of the reference groups affects the ratio of the explained versus unexplained variation (Oaxaca, 1973). However, since the methodology utilizes the two Americas framework, racial categories were studied as if all other variables were normalized. There was an obvious reason to choose white Americans as the reference group, considering the data on their progressive wealth history.

Additionally, the goal of this study is equity, and comparing both Black and white business owners on opposite ends of the spectrum was therefore justified (Hamilton & Darity, 2017; Oliver & Shapiro, 2006). The second issue is the indicator problem which posits that the unexplained variation in the study would be due to differences in the intercept rather than differences in coefficients, which could be triggered by the categorical variable of choice (Sen, 2014). Similar to Sen (2014), these differences are the focus of this study, so when these issues arose, they helped explain experiential differences between racially different business owners. Moreover, treating race as a mediating variable helps evaluate the degree of these differences.

3.6.2 Participant Observation

The participant observation and interview portion of this work also came with its own challenges. Participant observation work can be time-consuming, is inherently subjective, and the documentation relies heavily on the researcher’s memory (Mack, 2005). Nevertheless, there are ways to help mitigate these challenges. The overall solution was that qualitative work, in general, provided greater flexibility in that when time became an issue or my findings shifted the course of my work, I had the support to do so (Miles & Huberman, 1994). Additionally, time was always a concern. However, I had three to four years to complete this work, which was constructed to be completed within two years. The position I was in minimized time as a concern for this project overall.

Additionally, the data may rely on some memory. However, there are strategies and techniques to help minimize that burden on the researcher. Prewriting, jotting, editing, and revising the field notes not only helped document the events but provided relief, considering the notes were not the highlight of the study (Emerson et al., 2011). A writing process happened after field note collection that shifted the notes into a response to a detailed explanation for the hypothesis.

Subjectivity was also not a concern for this project. Scholars have debated the extent to which the researcher should be involved in their study to maintain objectivity. I would argue that all research is subjective, even to the degree that certain topics are deemed important to study and reveal power relationships at play (Harraway, 1988; Popper, 2005). This preference can be seen from research on the racial wealth gap itself because researchers have focused heavily on the amount of the disparity and the variation of the disparity rather than equitable discussions on the root causes. Moreover, this study mitigated these issues by using a rigorous methodology, utilizing a theoretical framework as my guide for investigation, and comparing my fieldwork findings with the quantitative data and the experiences shared by the business owners. These precautions strengthened the internal validity of this study and ensured that any bias was minimized where possible. To give back to Black business owners, I received a scholarship that allowed me to develop a relationship that allowed me to complete field observations with them for a month. They opened up multiple locations since we met and are still gaining celebrity attention. My contribution was to patronize their business.

3.6.3 Content Analysis

There are some things that content analysis cannot do. Content analysis should not be used to test causal relationships between variables (Prasad, 2008). However, in this work, I used content analysis to help translate the meaning and significance of the language choices shared via the Instagram pages of five of the six businesses in the study. Additionally, content analysis is limited in that the analysis can only make inferences to the extent of the text being investigated. However, this limitation does not impact my work because I use triangulation to help compensate for the limitations of my chosen method.

3.6.4 Extraneous Variables

I think that it is important that I acknowledge that I performed this study during a time when the world is under a global pandemic. I was aware that the participant observation work and interviews would have to be altered to respect the safety of myself and my participants. The pandemic made the world of work virtual, affecting my ability to field. It also limited the number of times I could return to the same place to minimize the risk of infection. When walking into the restaurants to order, customers wore masks and took them off at the tables. Businesses with no technical background or foundational knowledge did not survive. Small businesses whose families were sick went up for sale. The restaurants that were sampled for this study were thriving, and they were busy. They still had similar challenges with worker shortages or limited supplies, but they were still flexible with their circumstances. During this time, businesses all over the country were having a challenging time keeping their doors open and paying their employees, but these businesses were not just open; they were building (NPR, 2020). Conducting research during a global pandemic is complex and may have implications for bias or opportunities for minimal external validity. However, the results from this study are too significant to ignore.

Additionally, throughout this paper, I analyze the effects of sales receipts and use profitability as a proxy. I believe that is a fair comparison, like Farlie and Rob (2009) and Keifer et al. (2020). The United States census changes the way they ask survey questions over time. In Farlie and Rob's (2009) study, firms were explicitly asked about sales and profit data. In their 2007 survey, profit was no longer explicitly included in the survey data; only sales information was asked. This change does not mean that both sales and profit data are different variables on the surface. Keifer et al. (2020) also found that profit and sales data were highly correlated. Although this leaves no way to confirm which is which, it only allowed this study to use history as a guide for this proxy recommendation.

3.6.5 A Reflexive Reflection

As a researcher, I was aware of how social desirability may impact the responses that I gain from Black business owners (Davis & Silver, 2003). I, too, identify as a Black female business owner and could understand how the lines between objectivity and subjectivity can blur. However, epistemology is power, and white, heterosexual males have mainly constructed knowledge reproduction. In this way, my positionality provided a culturally sensitive and historically accurate objectivity that positions my data as being native versus going native (Kahuna, 2000). Donna Harraway (2020) would call this "situated knowledge," a kind of objectivity that does not assume that someone can separate themselves from their research, quantitatively or qualitatively. It is important for this work for the researcher to become "answerable to what we see" (Harraway, 2020).

Using a participatory observation as the qualitative method of choice minimized the perceived social desirability effect I had as a researcher on my participants, considering my positionality in the field was that of a customer.

Moreover, quantitatively, I argue that my positionality aided this analysis by elevating the "matrices of domination" (Collins, 2002). Black women's oppression differs from that of other racial groups (Spillers, 1987). Because of that, using a critical perspective that acknowledges both my positionality increases my accountability to describe the phenomena accurately and increases the internal validity of the study overall. Kahuna (2000) highlighted this point when discussing what happens when one is a part of the community being studied. The author argued that one becomes the margin because one is both the object and subject. Using critical scholarship, I provided an intersectional lens that captures and incorporates non-traditional epistemologies into my analysis. Conducting research where life histories are collected puts accountability on the researcher to know those histories and understand how they may affect the everyday lives of study participants during fieldwork (Davis & Silver, 2003).

Still, I find it important to delineate how I am not representative of the groups I am studying and look to denote those differences here for transparency (Serrant-Green, 2002).

As an insider in my study, I am:

- A female
- Black
- A Business Owner
- Professional connections

- Local knowledge of the research area

As an outsider in my study, I am:

- Business owner outside of the food industry
- Resident of a suburb of New Jersey
- Black academic
- A researcher
- Conducting research for Rutgers University

In addition to my positionality, the strength of this work rests within the relationship of the methodological choices. The weaknesses of the qualitative work, being its small sample size, are balanced with the strengths of the content analysis, which amplifies the voices of those business owners and the work they are doing in their communities via the Instagram photos from content analysis. Moreover, the quantitative variables have been carefully chosen to focus on the concepts of race and firm ownership but also to tackle questions of growth and the impact of structural inequality. So much so that I find significant differences in sales between Black and white business owners. The next chapter will explore these differences and quantify how much of these differences are due to the impact of racial capitalism alone.

4.0: Evidence of Racial Capitalism in Business Ownership

4.1 Introduction

Black businesses and neighborhoods are being devalued perceptually and financially. Perry (2020) found this devaluation when looking at ratings and profits of businesses in Black communities and found that it amounts to (at minimum) about $1.3 billion in lost value annually. The author found that businesses were rated low on Yelp, and those ratings affected profits regardless of "superior service" (Perry, 2020). Meanwhile, business owners continue to share their dismay when noticing racial differences in both resources provided to small businesses and the idea that all business owners start with and operate on a "level playing field," a common sentiment within the local entrepreneurial culture. Ebonie Gibson is an entrepreneur in Flint, Michigan, who is a part of the movement to rebuild and integrate Flint's business district downtown after the water crisis (Clark, 2019). She discussed how businesses experience differential treatment and stated, "one of the misconceptions is that it is a level playing field" (Clark, 2019, para.33).

Residents in downtown districts have a similar sentiment and do not feel welcomed (Clark, 2019). Ms. Gibson stated," a great piece of the city is not even comfortable coming to the downtown area" (para. 34). Gibson was one of many business owners who bore witness to the disparities in resource allocation between Black and white business owners. More importantly, the differential treatment between new and seasoned business owners has centered around equal resources (Bates, 2011; Boyd, 1999). Ms. Gibson called attention to the lack of action to address this inequality and signaled that empty promises are not enough, “let’s not just say we need to be more inclusive, but be more inclusive” (para. 33).

Ms. Gibson is not alone in her sentiments. After Hurricane Katrina in 2005, New Orleanian business owners expressed similar concerns about the racial disparities they were experiencing because of the rebuilding pressure. They also shared their dismay at competing with the influx of white business owners given more government funding than minority business owners. Business ownership in New Orleans grew 64% higher than the national average between 2011 and 2013; however, only 5.6% of the dedicated minority business funds from the city make it to the hands of minority-owned disadvantaged businesses or disadvantaged business enterprises [D.B.E.] (Clark, 2019).

Post Katrina, it was difficult for poor Black people to rebuild their homes and businesses (White, 2015). The documented success was considered “uneven” because white males led and owned the most successful businesses. Tucker and Tim Williamson argue that the small business economy “tends to be very white” (White, 2015, para.7). Tim Williamson is a co-founder of the Idea Village, an “experiential learning program for top M.B.A.s, in partnership with Tulane, to help businesses rebuild post-Katrina” (The Idea Village, 2022, para. 7).

Mr. Williamson’s statement shows how Black business owners are excluded from the market (White, 2015). When discussing business trends, he stated, “it is booming for everybody, but us” (para. 11). The idea of an “even playing field” is questionable, and the disparities are described as a prominent phenomenon among Black and white business owners. Capital is capital when it is accumulating; however, capital for small business owners seems to be accumulating less often and sometimes not at all for Black business owners. I test for the relationship between race and capital in this chapter. This study finds that racial capitalism has a large, significant, and continuous effect on the consistent disparity in sales receipts for Black business owners compared to white business owners. This study also finds that this disparity exists regardless of the perceived or actual presence of a "level playing field."

This study tests these disparities using regressions and an Oaxaca analysis, which estimates the mean difference between the two groups attributed to differences in characteristics versus differences in the returns on those characteristics. Those latter differences are considered discrimination under the Oaxaca method; however, using racial theory, this study examines how white supremacy operates within the American economic system by observing racial capital. The theory of racial capitalism problematizes how one understands equality among small businesses. Ninety-nine-point-seven percent of businesses in the United States are small businesses, defined as having five hundred employees or less (S.B.A., 2012). There are 30.2 million small businesses in the United States (S.B.A., 2012). However, scholars have studied roadblocks to business ownership for small Black businesses and found that credit discrimination, lack of capital, unequal distribution of resources as well as segregation may affect the ability of Black business owners to get in and stay in business (Atkins, 2021; Darity et al., 2018; Farlie & Rob, 2022; Perry, 2020).

Few have studied the possibility that the business owner's race can impact sales receipts. The quest to eliminate racial and economic inequality in business ownership has yet to investigate whether the inequality would persist regardless of the individuals' demographics, resources, and location. Similar work has been done on the topic of housing that addresses the effects of racial capitalism (Dantzler, 2021; Markley, 2020; Perry, 2020), and few studies have addressed the perpetual effects of economic disparities amongst small Black-owned businesses (Perry, 2020; Wright, 2019). This chapter tests Ms. Gibson's sentiments to understand whether there is an equal distribution of resources in business ownership based on race. Doing so uncovers which resources contribute to the disparity the most and tests which disparities remain if all the resources are distributed equally. Using data from the SBO PUMS data set and a series of regression and Oaxaca analyses, this chapter answers whether the business owner's race affects their ability to increase sales receipts.

4.2 Overview

After running the analysis, this study finds that Ms. Gibson's sentiments have an unpleasant reality: there is no level playing field for Black business owners. Moreover, the magnitude of the unequal distribution of resources is so vast that implementing institutional changes is needed to reduce this disparity drastically. Using the Oaxaca technique, this study finds that 39% of the disparities between Black and white business owners are due to the "unexplained variation" in my model, discrimination. Nevertheless, what counts as discrimination? In an article by Ashenfelter et al. (1987), the use of the term in academic literature compared to a more suitable environment like a courtroom could be interpreted very differently. Often, literature that uses the Oaxaca technique classifies discrimination as solely the "unexplained variation" within the technique (Ashenfelter & Oaxaca, 1987). In a court of law, discrimination is defined as "...actions may be discriminatory because they have a disparate impact on the employment or compensation of one or more protected race/sex groups" (p. 3). When discussing discrimination, there is tension between the methodological treatment of the world and its real-world effects. This work used methodological treatment to quantify discrimination and the theory of racial capitalism to analyze its impact.

While most scholars point to labor market failure as the most significant contributing factor to wealth accumulation disparities for Black business owners, the unequal distribution of resources demonstrates racial capitalism at work. The accumulation of capital for white business owners and the disparities in sales receipts for Black business owners is a demonstration of racialized capital. Moreover, this disparity can negatively impact Black businesses and others in the future, furthering the racial wealth gap, regardless of the perceived or actual presence of a “level playing field” (Clark, 2019).

4.3 Methods

In seeking to understand the role of racial capitalism on the economic vitality of Black business ownership, this study uses data from the SBO PUMS data set with the reference year 2007. Sensitivity checks ensure that the results are not influenced by any correlations that may have been present within the control variables. The variables in this analysis include the race of the business owners (independent variable) and receipt/sales (dependent variable). The following variables are controlled for in this analysis: the sex of the business owners, mean education, starting capital, year established, mean age, and expansion capital variables. By controlling for individual characteristics and growth capital variables, this study tests whether having equal resources would impact disparities in business ownership for Black business owners. This analysis compares Black and white business owners as the racial groups of choice. The results uniquely speak to policy proposals on closing the racial wealth gap through business ownership funding, as discussed in the introduction (Mock, 2020). The control variables remove efficacy from alternative explanations for the inequality in sales receipts of Black business owners, such as education, experience, and funding.

4.4 Exploring Race and Sex Differences in Sales Receipts

This study finds evidence of racial disparities in sales with the population broken down by race, where Black and white business owners are identified by owning 50% or more of the business. In a baseline O.L.S. model, Black-owned firms receive $2,817 less in annual sales receipts in 2007 than white-owned firms. Sales receipts amount to a business's estimated sales and give an idea of firm size (Table 6). The average difference in sales between Black and white business owners is around 85%. The disparities in sales receipts of Black business owners are also consistent across other racial groups. This study runs the analysis for Asian and Latino business owners and still finds consistently fewer sales receipts patterns for Black business owners when compared against those groups. This finding is valid for all the tables shown below.

Table 6
O.L.S. Regression

Effect	Estimate	S.E.	t	P
Constant/ White-owned Firms[1]	3269.93***	29.12	112.31	.00
Black-owned[1]	-2817.42***	114.10	-24.69	.00
N(Unweighted)	F	R-Squared	Adj R-Squared	
1,954,071	.00	.03	.03	

Note. 1. Firms where self-identified business owners own 50% or more
Note. Numbers are unweighted and rounded
Note. U.S. Census Bureau, 2007 Survey of Business Owners

Note. *p<0.05, **p<0.01, ***p<0.001

The directional signs in front of the sales numbers show that Black firms continue to experience lower sales receipts than white-owned businesses. This difference is the foundation for the analysis because it shows a disparity between Black and white business owners. As discussed in Section 4.7, this study controls for individual and growth capital factors. Later in the chapter, this study finds that race remains significantly tied to the accumulation of sale receipts (Table 7). Therefore, racialized differences impact the economic outcomes and well-being of small businesses. Even though this test does not control for mitigating variables, the model has a concerning outcome: racial disparities within the sales receipts of business ownership. Not only does this study find a disparity exists, but the business owner's race has a large and significant effect with a significance of p=< 0.01.

4.5 The Impact of Race

Though the differences between Black and white business owners was noted as significant in the previous section, additional testing is needed in order to understand the impact of a business owners race on their ability to increase sales. The disparities in sales between Black and white firms in the model above do not control for other key factors and the models below control for personal and business characteristics. In an attempt to isolate the effect of race, this second regression takes the natural log of the dependent variable "receipts" to interpret the results as percentages. Doing so makes it easier to discuss the percent change in sales receipts rather than the dollar amounts and compare these sales across racial groups. The previous test does not include control variables, so as an added precaution, this study includes four control variables that represent common explanations for the failure of small business owners. The variables included the sex of the owner, their average age, average education (accounting for the possibility of more than one owner and, therefore, more experience), the amount of starting capital, and the year the business was established (Table 7). The gap in sales receipts between Black and white business owners is still large and significant.

After including the control variables, this study finds that individual characteristics impact sales receipts; however, the impact does not outweigh the significance of the race and sex of the owner. Table 7 demonstrates that female-owned businesses make fewer sales. However, more Black businesses are female-owned (as discussed in Section 3.2). It also shows that older age and more education can lead to more sales, yet Black business owners are often younger and less educated than white business owners (as discussed in section 3.2). Greater starting capital is associated with higher revenues, and as noted previously, Black-owned firms have less starting capital than white-owned firms. The more recently established businesses have lower sales than older, more established businesses. Thus, some of the 85% unconditional revenue differences are attributable to differences in the control variables. Still, after accounting for these factors, Black business owners make 55% fewer sales than white-owned businesses (computed from the Black-owned firm coefficient in Table 2). That means the effect of a business owner's sales persists even after accounting for these characteristics.

Table 7
O.L.S. Regression + Log Receipts + Robustness Check

Log Receipts	**Coef.**	**Rbst HC3 Std E**	**T**	**P**
Constant/ White Owned[1]	167.22***	.62	271.27	.00
Black Owned[1]	-.80***	.01	-58.96	.00
Female Owned	-.86***	.00	-134.82	.00
Mean Age	-.01***	.00	-34.71	.00
Mean Education	.05***	.00	35.75	.00
Starting Capital	.20***	.00	232.84	.00
Year Established	-.08***	.00	-265.18	.00
N	*F*	*R- Squared*	*Root MSE*	
770, 149	.00	.22	2.26	

Note. Firms where self-identified business owners own 50% or more.
Note. This study found that heteroskedasticity was present. To ensure that the results are not due to relationships among the error terms. This study reran the O.L.S. regression, and the results were still significant.
Note. Numbers are rounded
Note. U.S. Census Bureau, 2007 Survey of Business Owners
Note. *p<0.05, **p<0.01, ***p<0.001

4.6 Impact of Firm Characteristics

The analysis above demonstrates a sizable racial disparity in sales among both racially self-identified Black and white small business owners within the United States in 2007, even after controlling for some basic demographic characteristics. Additionally, that disparity not only shows lower sales for Black-owned businesses but remains large and significant even after controlling education, age, starting capital, and the year the businesses were established. This study finds that Black businesses have lower sales when common individual factors are controlled, compared to white business owners. Pathologies about Black Americans and their relationship to work are classified as individual deficiencies. Race scholars like Herrnstein and Murray (1994) or D'Souza (1996) characterized Black workers as having cultural laziness, lack of skill, or a negative disposition toward valuing employment. However, the disparity remains. While no one can control for all factors, it is essential to acknowledge and test the most common factors to begin the analysis. In the first regression model, this study finds evidence of discrimination.

The following regression model controls for common factors such as sex, mean age, mean education, starting capital amount, and year established. Also, the regression controls for the source of expansion capital a business owner may have include business equity, credit cards, government loans, government-guaranteed loans, family loans, savings, venture capital, business profits, grants, and other. The regression also includes a category of other, which includes businesses that did not expand, a business that cannot account for the origin of their funding, and those that do not have access to expansion capital. Personal assets as a source of expansion capital also served as the base case for the regressions. By adding sources of expansion capital variables, one can assess how racial capitalism may impact the future of a business owner's ability to generate sales. Table 8 shows that having a bank loan is associated with having more sales. However, Black business owners receive fewer bank loans than white business owners (as discussed in Section 3.2). Still, being Black and being female-owned were associated with fewer sales receipts. This study also included state and sector dummy variables in this model. These coefficients are not shown. This study accounts for the state of the business and any variation that may occur because of geographic differences. This study also accounts for the business's sector, which helps account for differences in each business's market. These controls help define this study's "level playing field" by addressing the most common explanations for racial disparities in business ownership (Clark, 2019).

Table 8

Full Multivariate O.L.S. Regression + Log Receipts

Log Receipts	Coef.	Rbst HC3 Std E	T	P	Beta
Constant/ White Owned	128.34***	.61	210.67	.00	-
Black Owned	-.68***	.01	-50.66	.00	-.05
Female Owned	-.63***	.01	-100.81	.00	-.10
Mean Age	.00***	.00	-17.77	.00	-.02
Mean Education	.09***	.00	54.75	.00	.06
Starting Capital	.16***	.00	196.23	.00	.21
Year Established	-.06***	.00	-205.97	.00	-.23
Equity	.20***	.01	20.80	.00	.02
Credit	-.26***	.01	-37.25	.00	-.04
Government Loans	.46***	.02	17.36	.00	.02
Government Guaranteed	.49***	.02	16.36	.00	.02
Bank Loan	1.00***	.01	141.52	.00	.15
Family Loan	.17***	.02	9.37	.00	.01
Savings	-.69***	.01	-100.86	.00	-.13
Venture Capital	.21***	.05	3.88	.00	.00
Profits	.67***	.01	94.50	.00	.10

Table 8 Continued

Grant	-.23***	.06	-4.14	.00	-.00
Other	.24***	.03	9.46	.00	.01
Do Not Know	-.12***	.02	-4.59	.00	-.00
No Access to Capital	-.38***	.03	-12.59	.00	-.01
Did not expand	-.39***	.01	-49.12	.00	-.07
N	*F*	*R- Squared*	*Root MSE*		
720, 390	.00	.35	2.07		

Note. The model includes state and sector dummy variables which are hidden.
Note. Percentages were calculated using the following expression. When the dependent variable is logged, the percentage effect of a dummy variable is calculated by the formula: $100*(e^{\beta}-1)$
Note. Numbers are rounded
Note. *p<0.05, **p<0.01, ***p<0.001

This model shows that Black business owners experienced 49% fewer sales and receipts after accounting for the sector of the business and its state of residence (Table 9). The key takeaway is that Black business owners continue to experience fewer sales when compared to white-owned businesses. This finding is similar to the sentiment of Ms. Gibson’s experience in Michigan with unequally distributed grant funding. Even business owners in the Wright (2019) study expressed their discontent with how the credit market poses different rules for Black business owners. As discussed in the literature review, business owners asserted, “Even though I have good credit...I do not understand why it is so high...if you have an 800-credit score, you should be able to get a loan, not at 10 or 12 percent” (Wright et al., 2019, p. 21).

In Table 6, there was an 85% decrease in sales receipts for Black business owners compared to white business owners. These trends are mirrored in Tables 7 and 8, with Black businesses experiencing decreases in sales compared to white-owned businesses, which are 55% and 49%, respectively. These tables show that individual characteristics, sources of expansion capital, business sector, and geographic differences explain some disparities between Black and white-owned businesses. Nevertheless, a large and statistically significant impact of race on sales receipts between Black and white business owners remains after controlling for these factors, showing that Black-owned businesses are at a distinct disadvantage.

The racial disparity in sales receipts shows adverse outcomes for Black business owners. Not only is the disparity large and significant, but it has the potential to impact the future profits of a business owner based on race. Notably, the same trend exists across ownership between males and females; female-owned businesses experience fewer sales than male-owned businesses. This finding is consistent with the theory of intersectionality, which highlights how systems of inequality compound and may have impacts that are not traditionally considered when using economic theory (Crenshaw, 2017). This study finds that both the race and sex of the business owner increase the likelihood of fewer sales receipts. This finding suggests that although the gap slightly closes when one controls for source of expansion capital, sector, and state, race remains a significant factor in the disparities between Black and white business owners. I argue the theory of racial capitalism helps explain why sales receipts are high for white business owners and low for Black business owners. Nevertheless, there could be alternative explanations. In Chapter 6, I explain how the impact of the local economy affects the sales receipts of Black business owners.

4.7 The Facade of Equality

Understanding the magnitude of the inequalities does not paint a comprehensive picture of the systematic effect. Evidence of a systematic effect would result in a large and significant difference in business sales receipts when assessing the impact of race. As discussed in the introduction, the experiences of Ebony Gibson of Flint, Michigan, and Mr. Williamson as business owners have included racial inequality (Clark, 2019). This study tests whether a level playing field exists or equality exists to investigate whether this phenomenon is consistent across the United States. This study finds that the disparity is significant and extensive, and the impact can affect the future growth of Black business owners. However, these models do not test whether a level playing field would affect the disparities between Black and white business owners based on industry type. Would everyone still see comparable results across various industries if everyone had the same resources?

The Oaxaca analysis tests the scenario of equal resources suppressing racial inequality by controlling for the difference in the skills that business owners possess at the onset along with what they can produce, thus providing a conceptual level playing field. These differences are broken into two categories: explained and unexplained differences. The unexplained differences are derived from the differences in the coefficients, and the explained differences are derived from the demographic and business expansion variables. The unexplained category is often considered "discrimination," but it could also include the effect of omitted variables. The Oaxaca method for this study estimated the receipts difference between Black and white business owners to help identify what portion of that difference was due to racial differences in the characteristics of business owners versus the return that different racial groups get from those characteristics. The theory of racial capitalism points to the devaluation of Black labor and centuries of racial discrimination that helps explain structural racism in the labor market.

Table 9

Oaxaca Analysis + Log Receipts

Variables	Coef.	Rbst HC3 Std	Z	P
	Overall			
Group 1	5.17***	.00	1689.83	.00
Group 2	3.74***	.01	249.84	.00
Difference	1.43***	.02	93.42	.00
Explained	.85***	.01	99.46	.00
Unexplained	.56***	.01	44.01	.00
N	*Model*			
720, 390	Linear			

Note. Model includes state and sector variables which are hidden
Note. Model excludes entities who could not answer the survey with certainty (i.e., no access, did not expand, no expansion capital, and other)
Note. *p<0.05, **p<0.01, ***p<0.001

Table 9 shows the two groups of comparison with white business owners captured as “Group 1.” The model also shows the differences in log receipts between white and Black business owners. That difference of -1.44 in ln(receipts) demonstrates that the sales receipts of Black business owners would be 76 percent lower than the sales of white business owners. Differences in the characteristics of Black businesses and white businesses explain fifty-nine percent, 59% (0.85 out of 1.44). Similar to the previous regression equation, this model accounts for the common factors: sex, mean age, mean education, starting capital amount, and year established. It also controls for the source of expansion capital a business owner may have, meaning business equity, credit cards, government loans, government-guaranteed loans, family loans, savings, venture capital, business profits, grants, other, businesses that did not expand, businesses that cannot account for the origin of their funding, and those who do not have access to expansion capital. This study also controls for state and sector dummy variables within this model. The Oaxaca analysis demonstrates the disparities considering a list of demographic and business expansion variables commonly used to explain the differences in business ownership by race. Sales that are 76% lower for Black business owners demonstrate the dramatic impact of race on sales and have a real-world impact on Black business owners.

The data demonstrates that race continues to impact a business owner's ability to build and maintain profit. Thirty-nine percent of the difference in sales (0.56 out of 1.44) is not explained by the controls included in the regression. Although personal characteristics have an impact, the presence of discrimination is large, persistent, and significant. The unexplained difference in sales is quite significant (Table 9). Oaxaca analyses often attribute the unexplained variation to discrimination (Orley & Oaxaca, 1987). This study finds that discrimination beyond personal characteristics continues to be a significant factor in explaining the differences in receipts between Black and white business owners; there is no level playing field. This result means that there is a meaningful relationship between the race of a business owner and their sales regardless of their sex, age, education status, starting capital amount, year established, expansion capital variables, or the state or sector for which the business is located. A person's race was and continues to be a prominent aspect of a person’s ability to obtain and maintain business sales and, consequently, profit.

Furthermore, this study finds that even with the same resources, opportunities, and access, one still sees a significant disparity for Black business owners. This research is consistent with the findings Markley et al. (2020) discovered, which show that when a property is Black-owned, it inhibits home price appreciation. However, in this case, Black business owners’ sales receipts are stifled, and this finding has implications for how one might conjure solutions to support Black business owners. Moreover, the solutions that may arise will have implications for the long-term impact of consistently fewer sales receipts on wealth accumulation for Black business owners (Markley et al., 2020).

4.8 Discussion

While Perry (2020) finds that discrimination distorted perceptions of Black-owned businesses, this study finds that structural inequalities such as racial capitalism explained 39% of the disparity (unexplained variation) for Black-owned businesses’ ability to build and maintain sales, in contrast to white-owned businesses, regardless of starting capital, education, and equity. This inequity points to the persistence of a racial wealth gap that denies equal opportunities for wealth through sales receipts. In failing to account for the racialization of the labor market, current conversations on wealth and economic inequality belabor pathologies that distort how one views the contributions of Black Americans to the American economic system. Simply put, “One of the principal barriers to the growth and development of Black businesses is that Black households have been denied equal opportunities for wealth accumulation” (Perry & Romer, 2020, p. 6).

These results matter to business owners because sales receipts amount to a business owner’s ability to generate profit for their businesses. As discussed in section 3.6.4, this linkage to profitability should be considered when assessing the impact of sales receipts on business owners by race (Farlie & Rob, 2009; Keifer et al., 2020). The disparities in how expansion capital operates for all business owners provide a starting point for practitioners who assist small business owners in guiding business expansion capital avenues considering the impact each option has on all business owners regardless of their race. This analysis also shows that there needs to be more care taken when working with Black business owners to ensure equity when applying for similar capital expansion opportunities.

The value of Black businesses is undeniable. Black businesses are responsible for employing 1.2 million Americans, contributing $200 billion in sales, building local economies, promoting entrepreneurship, and aiming to close the racial wealth gap (Beyer, 2022). However, the distortion of that value systematically affects neighborhoods, communities, and even families of those who use business ownership to contribute to the American economy. Because Black business ownership is clustered around certain professions and specific geographic areas of the country, it is essential to understand how these dynamics show up via business sectors. The next chapter assesses these dynamics by sector to understand where these inequalities appear based on a business classification.

5.0 Evidence of Experiential Differences

5.1 Introduction

Chapter Four discussed how Black business owners perceived government resources to be unequally distributed and confirmed a 49% difference in sales receipts between Black and white business owners even if they had similar backgrounds, resources, or starting points. In this chapter, I discuss how lower sales are distributed across sector types which points to the persistence of systemic discrimination. I also discuss, using a mixed methods approach, how the numbers and the qualitative findings point to evidence of racial capitalism or the system of privilege that allows capital to accumulate for white businesses more than it does for Black business owners. That is to say, I find experiential differences among Black business owners in this chapter. This chapter is meant first to evaluate whether industry affects the persistence of structural inequality and explore and center the Black experience of business ownership. Even if Black business owners have similar resources as white business owners and exemplify exceptional service, their business balance sheet performance quantitatively suffers.

Yet, simultaneously I find that Black business owners find beauty under challenging circumstances. These findings are consistent with Perry et al. (2020), who finds that businesses in Black neighborhoods received lower Yelp ratings even if they provided superior service. These findings persist even if establishments grow at the same rate regardless of ratings (Perry et al., 2020). Chapter Four findings do not address what factors are leading to these disparities and how these factors are sustaining these disparities. The question of how devaluation happens still remains. As shown in this chapter, Black business owners also provide surplus value in business ownership in ways that do not correlate to capitalist ideas of profitability or how sales are accumulated for a profitable return. In doing so, Black businesses provide value in ways for which payment is not considered.

Scholars like Bates (2006) and Köllinger and Minniti (2006) argue that a business sector type is crucial to understanding such disparities because non-traditional business sectors do not provide the same returns in the market. Köllinger and Minniti (2006), in particular, argue that it is not that Black Americans do not try. However, they have higher barriers to entry for entrepreneurship and higher failure rates for the businesses they choose. At the same time, the authors highlight the presence of "external forces" being a catalyst for the asymmetry in the ROI of business ownership because of race, the idea that business ownership as an employment option is often more of an emotional decision rather than a data-driven one. They find "…that blacks are more likely to try starting businesses than whites is new and potentially very important as it suggests that constraints and not preferences are behind racial differences in business ownership" (Köllinger & Minniti, 2006, p.14). In this way, not knowing enough about the market one chooses to operate in can affect your expected returns. While this idea may be accurate in theory, Black business owners with practical sector-based knowledge, skills, and talent are still experiencing asymmetric treatment. Moreover, the theory of racial capitalism has yet to be empirically tested in the context of business ownership and this paper addresses that gap.

5.2 Overview

In this chapter, I argue that structural inequality inherent in racial capitalism is the causal mechanism of disparities in wealth accumulation or sales between Black and white businesses. To do this, I divide this chapter into two main sections. First, I provide quantitative analysis, using the Oaxaca analysis to test whether a sectoral difference between Black and white business owners affects disparities in business ownership. The disparities are similar across sectors, irrespective of the business sectors. Therefore, the data affirms that even if Black and white business owners have the same resources, similar backgrounds, and work in the same sectors, the disparities in sales for Black business owners still exist. Even if Black business owners had more traditional business interests, the disparities in sales still exist. This finding is evidence of "the unequal differentiation of human value" that the theory of racial capitalism posits (Melamed, 2015). This evidence echoes a continuation of the case of "Two Americas."

In the second section, I build on this finding by investigating Black experiences in business ownership within a specific sector, the food services industry. This mixed-methods analysis does two things. It tests whether a business sector significantly affects a business owner's sales. It also uses participatory observation field notes to assess how Black business owners in the 21st century experience business ownership and adapt to the structural mechanisms that might be contributing to the disparities. I find that the type of business does not impact a business owner's sales as much as the owner's perceived racial identity. I also find that disinvestment in the Black community coupled with the low sales subjects Black business owners to provide value in uncompensated ways. This uncompensated work is termed surplus-value in this research.

This chapter aims to describe the adaptions, norms, rules, and efforts of Black business owners to ensure the longevity of their businesses, given the structural conditions found in the previous chapter. This strategic use of triangulation implements

Greene's (2007) "complementarity expansion" by combining a weak point of statistical methods to provide real-world examples of the experiences of Black business owners with the strength of participant observation fieldwork to illustrate what Black business owners are doing each and every day to survive and thrive. Though a traditional understanding of economics would assert that business owners should only get paid for the business they create, the lens of racial capitalism posits that a structural relationship between race and capital would perpetually prevent equal opportunities for similar sales receipts sales. This understanding highlights the importance of decoupling inherent factors such as someone's age, education, or starting capital from structural factors such as racial capitalism. By combining an Oaxaca analysis of each sector of business ownership provided by the SBO PUMS survey, along with the filed notes of Black business owners in the food industry in the 21st century, I hope to illuminate the importance of using a mixed-methodological framework as well as a new perspective on how to understand the experiences of Black business owners. These findings are derived from quantitative data from the SBO PUMS data set and qualitative data from six restaurants in two regions, Philadelphia County, Pennsylvania, and Burlington and Camden Counties in New Jersey.

In this research, I define surplus value as the "additional services'' that Black businesses offer to the community outside of their traditional responsibilities of running a small business in the food industry. The additional services are defined as the labor provided, and the value can be both intrinsic and extrinsic. The extrinsic value of surplus labor comes from the additional dollars that would be acquired from being funded for the burden Black business owners bear in disinvested neighborhoods. The intrinsic value comes from Black business owners' love for their communities and the perpetual demonstration of linked fate (as discussed in Chapter Six). The conditions Black business owners face subject them to surplus labor, creating surplus value and operationally contributing to sales because their labor is being produced to support the development of their communities and their responsibilities as business owners. It is my analysis that surplus labor accumulated by Black firms in disinvested areas will always produce surplus labor because they will always have to work harder than white firms in the onset. This resource debt experienced by Black firms perpetuates surplus value because they continue to create value in places where it is lacking. The racial character of capitalism cements the development of surplus labor for Black firms because of person-to-person and structural discrimination.

The American Economy is an economic system of racialized capital (as discussed in Chapter Four). A distinctive feature of the experience of Black business ownership is their commitment to community and surpassing the traditional boundaries of business ownership. Racial capitalism encourages, even requires, Black business owners to provide surplus-value activities like youth employment and fostering community, allowing for Black business owners to be found in "front of the house," actively engaging in tending to the day-to-day tasks of their responsibilities as business owners. The disinvestment in their respective neighborhoods contributes to why Black business owners feel responsible for caring for their businesses and entire neighborhoods. In devaluing activities that fall outside the normal scope of business-related activities, community building and the importance of Black businesses for local economic growth and entrepreneurial development go uncaptured and largely ignored. Black business owners provide surplus value in business ownership in ways that do not correlate to capitalist ideas of profitability. In doing so, Black businesses provide uncompensated value.

Using the traditional capitalist economy lens, Black business owners' choices seem like a waste of time. For example, one could question the need for Black business owners to be compensated for work outside their business model's scope. As discussed in this chapter, the value Black business owners provide compensates for the lack of investment in their neighborhoods. The experiential difference between Black business owners was calculated, and the documentation of what those differences look like is captured in this chapter. This study finds that Black business owners operate within a different economy and have a different understanding of what it means to own a business and how wealth looks. To understand the meanings and implications of those choices, I continue the analysis in Chapter Six. This surplus of value, despite unrelenting circumstances, is an added layer of confirmation to the case of Two America.

5.3 Decoupling Structural and Inherent Differences

I use the Oaxaca analysis to understand the disparities' impact on how value is captured in business ownership to help decipher the explanatory variables. The Oaxaca analysis displayed a disparity in sales receipts and showed that the business owner's race continues to have more impact than other variables in the model. Racial prejudice differentiates people based on the color of their skin, not their skills, abilities, or interests. The effects of racial capitalism are that one can value another person differently based on the color of their skin. That devaluation has a long-term monetary impact on not just the individuals themselves but the communities they live. Massey and Denton (1998) call this American Apartheid, how racial segregation economically impacts Black communities and their livelihoods. The fact that these barriers are structural means that they require nothing but that the current inequitable existing conditions go unchecked.

Moreover, this chapter discusses how structural barriers exist to equity. Both the opportunities for Black business owners and the outcomes for Black business owners are affected by racial capitalism. I find that discrimination or the “unexplained variation” is a significant factor contributing to the disparities in business ownership between Black and white business owners in most sectors, signaling the presence and strength of underlying structural factors despite the impact of possible inherent factors or personal characteristics.

To further explore whether other factors could explain the observed racial gap in annual sales receipts, I repeat the Oaxaca analysis separately within industrial sectors. Different business sectors have widely varying firm sizes. As demonstrated in Chapter Four, there are differences between Black and white business owners in the distribution of differences across sectors. By conducting the Oaxaca analysis separately by sector, I implicitly control for differences in business characteristics related to the type of business. The model includes 19 of the 20 sectors: mining, construction, manufacturing, retail, transportation, information services, finance, real estate, service, administration, education, healthcare, arts, management, utilities, agriculture, other services, and food. One sector, non-classifiable, is dropped from the model. Variables such as “don’t know,” “no capital,” and “no access to capital” were dropped from the model because the effects were too small. In 18 of the 19 remaining sectors, discrimination continues to be a factor that significantly explained some of the variations in sales between Black and white business owners, *p*=.05. Management is the sector where the difference in sales between Black and white business owners is not significant. In Table 10, all variables in every sector are significant at the *p*<.01 level except for the sectors management and agriculture. This relationship could be because of their smaller population size, and there could be pre-existing discrimination within the industries or institutions that these models are not accounting for, or the variations could be due to another variable not captured in these models. Eleven out of the 19 sectors could be explained more by the variables in the models shown rather than discrimination alone: manufacturing (1.58), agriculture (.63), wholesale (1.19), retail (1.13), transportation (.77), administrative support (.73), education services (.44), healthcare (.95), arts (.61), other services (.65) and food (.55).

Moreover, the unexplained variation is higher than the explained variation for 8 of the 19 sectors. For example, the difference in sales between Black and white business owners in Food services is still large and significant. The unexplained variation at .50 is almost as high as the explained variation at .55. Discrimination explains more of the variation between Black and white business owners' sales than any of the variables in the model on food. This model controlled for the difference between sectors and the differences in sales receipt potential because each Oaxaca analysis was run by sector individually. Discrimination continues to explain more of the variation in my model than the other variables included. The consistency of fewer sales receipts lends itself to interpreting the unexplained variation as a systemic issue. Racial capitalism is a structural inequality that transcends the type of business and permeates the circumstances Black business owners encounter. Similar to Markley et al. (2020), Dantzler (2021), and

Imbrocio (2020), this dynamic of racism and capitalism makes it the most important consideration when trying to understand economic inequality.

Table 10
Oaxaca Analysis by Sector + Log Receipts

Variables	Group 1	Group 2	Difference	Explained	Unexplained
Utilities	4.71***	2.89***	1.83***	.78***	1.04**
Agriculture	4.43***	3.45***	.98***	.63***	.35
Mining	5.41***	3.68***	1.73***	.66***	1.07**
Construction	5.65***	4.35***	1.31***	.57***	.74***
Manufacturing	6.26***	3.75***	2.51***	1.58***	.93***
Wholesale	7.06***	4.91***	2.15***	1.19***	.96***
Retail	5.42***	3.66***	1.76***	1.13***	.63***
Transportation	5.46***	4.03***	1.43***	.77***	.66***
Information	4.91***	3.33***	1.57***	.70***	.87***
Finance	5.00***	3.87***	1.13***	.51***	.62***
Realestate	4.30***	3.08***	1.22***	.51***	.71***
Professional Services	4.81***	3.87***	.94***	.36***	.57***
Management	2.70***	2.58***	.12	-.29**	.40
Administrative Support	4.91***	3.54***	1.36***	.73***	.64***
Educational Services	3.74***	3.09***	.66***	.44***	22*
Healthcare	5.18***	4.14***	1.04***	.95***	.08*
Arts	3.67***	2.78***	.89***	.61***	.29***
Other Services	4.24***	3.03***	1.21***	.65***	.57***
Food	5.84***	4.79***	1.05***	.55***	.50***

Note. Each equation includes state dummy variables and was run separately
Note. One sector, non-classifiable, was dropped from the model, and numbers were rounded
Note. The reference group is white business owners, and the reference expansion capital variable is assets

Note. *p<0.05, **p<0.01, ***p<0.001

Irrespective of the possibilities here, the inherent factors that might typically occur from the type of business someone owns become less meaningful in the presence of racialized capital. The race of the business owner has a more substantial and significant impact on the sales of that particular business compared to their white counterparts under similar circumstances. In other words, markets do not operate under the "invisible hand," as Royster (2003) would echo. The idea that markets are "free" ignores the market's failure. Inequality is a market failure, and racial capitalism is an inhumane market catastrophe. Black business owners, on average, make 76% fewer sales than white business owners. This number accounts for differences in personal characteristics and structural factors, whereas 39% of the variation is due to discrimination only (as discussed in section 4.7).

Despite the impact personal characteristics have, the impact of discrimination still lingers. To overlook these market failures and how they impact business owners' sales is to accept the devaluation of Black communities and the possibility of wealth creation past, present, and future. Therefore, I agree with Bates (2006) and Köllinger and Minniti (2006) that disparities in business ownership for Black business owners are not due to their lack of knowledge. However, I am not convinced that it is because of their non-traditional business interests or lack of capital. To classify Black business ownership as non-traditional is to reveal the Eurocentric expectation of how businesses should operate as the base case for comparing another business. As demonstrated previously, equal resources or equal opportunity does not guarantee equality. I argue that it is because structural economic barriers beyond the sectors that Black business owners choose to operate in have not been addressed and continue to persist, contributing to inequitable business outcomes.

5.4 Racial Capitalism in Business Ownership

Racial capitalism is the racialized production of differential value, which compounds racial differences between human beings by adding monetary value (Pulido, 2017). Racial capitalism is a structural system that shapes people's lives (Laster, 2020). For business owners, which means having similar resources and not having the same profitable outcomes. Wright (2019) and Perry (2020) highlighted the impact of differential capital on business outcomes, as I discussed in the literature review. These authors find that Black business owners are devalued upon starting a business and are also devalued when owning a business in majority-Black neighborhoods.

Quantitatively, Chapters Four and Five show that regardless of the market a business owner chooses to enter, Black business owners continue to experience different sales levels. This study finds that Black business owners were experiencing devaluation in the form of fewer sales receipts because of the structural conditions they operate within. Racial capitalism can be defined as the unequal differentiation of human value (Melamed, 2015). This study finds that experiential differences in business ownership exist, and racial capitalism helps explain the disparities in capital accumulation. Upon observing Black business owners in the field, this study found structural norms, rules, and benevolent stories that uncover the surplus value that Black business owners produce in disinvested neighborhoods. Surplus value can be defined as the absorption of the burdens of economic crises. It is described as the additional roles and responsibilities taken on by Black business owners in addition to their normal responsibilities as business owners in this study (Burden-Stelly, 2020). Scholars like Smallbone (2005) echoed this finding within their work when they shared that "most of the existing literature on ethnic minority-owned firms is based, either explicitly or implicitly, on the view that businesses with ethnic minority owners are 'different' from the rest of the population, both in terms of their behavioral characteristics and in terms of the types of problems that they face" (p. 43). However, this research uses the praxis of analyzing mixed methods data with a critical race lens when assessing participant observation field notes and uncovers what Namey et al. (2013) call "behaviors that might go unreported or be missed due to the limitations of procedural memory" (p. 81). This study finds that Black business owners routinely provided surplus value by way of being on the floor with their employees or "front of the house," making invaluable youth employment opportunities in response to neighborhoods disinvestment and fostering community within and around their brick-and-mortar businesses through community enrichment programming and collaborative events.

When observing small businesses, my experience of daily operations at several Black businesses underscored the prevalence of multitasking. Black business owners had to juggle the duties related to ownership and day-to-day tasks and step in to support their employees. The lack of capital in both the communities where the business is located and the businesses themselves cause business owners to take on layered responsibilities that are normally considered multiple jobs of individual persons or institutions. Capitalism is a system that inherently develops two groups, winners and losers, by distinguishing groups on racial lines (Collins, 2015). However, to understand, identify, and test these theories, we must expand our understanding of economic theory beyond the common

Eurocentric philosophers like Marx (1976) and Engles (1844) and center racial capital theorists like Robinson (1983), Melamed (2015), Leroy and Jenkins (2021), Bhattacharyya (2018), and Dantzler (2021). This practice does not devalue but enhances our ability to understand how capital functions and for whom it functions. Engles (1844) notes, “since the capital, the direct or indirect control of means of subsistence and production, is the weapon with which this social warfare is carried on, it is clear that all disadvantages of such a state must fall upon the poor” (p. 25). It is the ability of one to control the sustenance and production of others that allow the poor to be vulnerable. Historic responses such as self-employment, cooperatives, and others have been responses to maintain personal control over one’s livelihood, which cannot be ignored. Black business owners in the neighborhoods I study provide surplus value in response to a lack of capital and integrated professional development opportunities within their business models to prevent further vulnerabilities from plaguing their communities. This catering contributes to the vulnerability of Black-owned businesses and helps explain the importance of the surplus value being provided.

5.5 Surplus Value: “Front of the House”

“The emancipation of man is the emancipation of labor, and the emancipation of labor is the freeing of that basic majority of workers who are yellow, brown and Black” (Cedrick Robinson, 1983, p.16).

Robinson (1983) argues that African and Afro-American workers supplied the surplus value that catapulted the United States into the industrialized economy that it is today. This section demonstrates the operational decisions made by Black business owners, despite structural economic barriers and barriers to entry that provide surplus value to their local neighborhoods and communities in Philadelphia County, Pennsylvania, and Burlington and Camden Counties, New Jersey. Black business owners face the challenges of local disinvestment and minimal resources and take on many distinct roles. I find that business owners are "front of the house" or interacting with customers as regular employees, and in some cases, it is hard to tell who the owners are and who the employees are. While this definition could be seen as a ubiquitous experience of all business owners during economic downturns, the circumstances for which Black business owners operate mask the additional labor Black business owners exert when doing everyday tasks, which are counterculture to traditional capitalist business models.

This flat organizational structure makes visible both the collaborative values of the business and the shared responsibilities thereof. Dawson (1994) identifies this desire in the Black community in particular as "linked fate," the idea that individual life chances are inextricably linked to the collective. This study finds that Black business owners carry linked fate into the operation choices made for their respective businesses. I coin the term "front of the house" to highlight the accessibility of Black business owners that is counterculture to the traditional business models. I can testify to one example of this when I visited one particular restaurant:

> Upon entering the restaurant, the indoor and outdoor seating was taken. When I approached the service desk about my reservation, they told me the wait would be around 5 minutes. This restaurant, even during wintry weather, was still doing well from an outside view. I was greeted by a young worker who showed me to

> an outside table. As I sat there, I noticed a woman moving throughout the indoor and outside seating areas, juggling multiple tasks but not in uniform. As a student, identifying the experience of Black business owners was my intentional task, something that the everyday customer may not have noticed. I saw a woman “out of uniform” but working quickly and hard. She was busing tables, serving drinks, answering questions, providing menus, and seating guests. She had big black curly hair in the form of a poofy ponytail, blue stretch pants, and a long gray sleeve shirt. While the rest of the workers wore all black pants, shirts, and shoes, the combination of her quick movement, attire, and hustle helped me identify her as someone of importance. She noticed that I was watching her and came over to ask if I needed anything, and I said no, but I was able to ask her if she was the owner. She smiled and replied, “Yes.” I replied, “You have done an amazing job here, and I just wanted to say thank you.” She smiled and walked away **(**Adapted from field notes, 06/14/2021).

I observed this “front of the house” phenomenon in four of the six restaurants. This finding demonstrates the distinct roles and responsibilities business owners have taken on and their accountability to their businesses and community of employees and customers. The small conversation I was able to have with the actual owner came from the fact that she approached me. Amid layered responsibilities and challenges, this business owner still made space to address my concerns as a customer. This business owner was a host, a server, a waiter, a manager, an on-call employee, and a cook. Scholarship on restaurants specifically discusses the layered responsibilities as a burden left to employees who have a personal attachment to the business itself and are willing to take on those additional duties because of their connection to the customers, even during a pandemic (Arslan et al., 2022; Ram et al., 2001; Razzak et al., 2021). This phenomenon under the guise of "Two Americas" highlights Black business owners' challenges. These roles could be job descriptions for many new-hire workers, but because of the lack of capital, they are the layered responsibilities of Black business owners. Subsequently, the surplus-value Black business owners create and their ability to manage their responsibilities and accountability to customers and staff alike is unpaid labor. In addition to this accountability, I also find that the circumstances in which Black business owners operate are worth noting.

The circumstances endured by Black business owners was evident in my visits to the restaurants during my fieldwork. There was one restaurant I visited where I was able to witness some of their challenges as a customer. For example, after receiving my food at one restaurant, I noticed that the table behind me (we arrived at the same time) was still waiting to be served. During COVID-19 pandemic restrictions[2], long wait times for service were a consistent experience; however, this wait seemed to be out of the ordinary for the customers and the restaurant itself. Black business owners may find themselves in precarious situations (regardless of COVID) that may call them to take on additional work that would normally be considered the work of employees and often at inconvenient times. Though seemingly common, Black business owners make these decisions within

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[2] COVID-19 is the cause of a respiratory sickness first recognized in Wuhan, Hubei, China. Since December 2019, cases have been recognized in a number of countries. Coronaviruses are a sweeping family of infections that are known to cause illnesses from the common cold to more serious infections. Public Health officials are learning more and more each day. (U.S. Department of Health & Human Services, 2022)

the constraints of racialized capital and highly disinvested areas. I observed one example of this when I visited one particular restaurant:

> Not long after, the waiter behind me told the table behind me that she was sorry for the wait; they were understaffed. She was the only one who came in today, saying, “It was a mess.” She continued explaining to them that their food would be out shortly and that the owner had stepped in to help (Adapted from field notes, 06/14/2021).

Black business owners took on many roles and responsibilities, especially during the pandemic. Research shows that Black-owned businesses reported the highest financial hardship rate at 92% compared to 79% of white-owned firms (Perry et al., 2022). The business owner I observed stepped in to help her employees and did so in response to unforeseen circumstances that have shifted the needs of her staff. Supporting their employees and addressing customers’ immediate needs were among a few examples of the layered responsibilities that showed up for business owners at this particular restaurant. With the challenges of layered responsibilities and centering the needs of both the customers and employees within the context of the neighborhoods where these businesses operate, these duties contribute to the restaurant’s day-to-day sales, but the focus of this study limits my ability to say in what ways. It can be negative in that it can come at a cost to business owners because they spend more time on day-to-day activities rather than the progression and future of their respective businesses. Or, these duties may have positive externalities such as increasing the Black business’s marketability because their customers get to interact with the owners. Moreover, this pattern was found across all six businesses examined in this study.

Because these businesses are located in disinvested areas, the impact of the larger economy has a ripple effect on Black business owners maintaining their businesses in those communities. That is to say, the economic decisions that Black business owners make are made under the guise of community disinvestment and the larger structural factors at play. The invisibility of these circumstances is an example of the impact of structural disparities and Black business owners' subjugation to provide surplus value amid low or no outside economic support, including loans, grants, and venture capital. Understanding this gap adds additional context to the consistent low sales experienced by black business owners. These experiences of Black business owners within the context of the food industry are examples of how racial capitalism plays a part in the experiential differences of business ownership for Black business owners.

5.6 Surplus Value: "Youth Employment Opportunities"

The effects of disinvestment do not happen in isolation. Housing, gentrification, and redevelopment are also issues that are affected by disinvestment in majority-minority neighborhoods (Dantzler. 2021; Goetz, 2015; Markley, 2020; Newman, 2004). Goetz (2015) argues that investment in social welfare should be just as important as investment in redevelopment aims. The author's argument suggests that the impact of social welfare is something that policymakers should be aware of, and building buildings and expecting low-income communities to survive or thrive is not enough. For Goetz (2015), social welfare should be at the forefront of policy regarding what wraparound services be considered. These wraparound services centered on housing, but this study found this statement to be accurate within the context of business ownership as well. A business is not just an asset for the local neighborhoods but also an economic development mechanism for local communities. The need for investment and local resources impacts local small businesses (Bradford, 2014). In return, Black business owners can significantly impact their families and surrounding communities.

Bradford's (2014) work shows how much impact entrepreneurship in Black communities could have when he states, "increasing the growth of Black entrepreneurs will result in improving the relative wealth position of Black families" (p. 14). Therefore, the lack of growth results in reverse. Job creation depends on economic growth (Coenjaerts et al., 2009). Coenjaerts et al. (2009) discuss how the lack of economic growth decreases youth employment opportunities. The authors note that youth are at the lower end of the employment hierarchy because of "short job tenure and lack of experience" (p. 71). Therefore, it is no surprise that this study finds Black business owners centering on the importance of employing youth in their neighborhoods despite the economic frenzy caused by COVID-19 [3] (Bauer et al., 2020).

The lack of capital that Black businesses endure, therefore, results in the layered responsibilities of business owners to not just employ the community but educate and train them. For Black business owners, training and employing the community's youth was not just a focus; it was necessary to address the wealth gap by building the local economy and investing in the future of community members and families by way of the youth. David, a local business owner in Philadelphia County who specifically employs youth to build wealth and mentors them to support the community, is an example of this

[3] Pre-COVID, all businesses in this study employed youth.

persona. Four of six businesses took on the responsibility of employing youth in their restaurant. Some youths were related to their owners, some were not, but all did so out of responsibility and necessity, considering their collective ethos demonstrating linked fate. The presence of children or youth was consistent, and owners' concern for the impact that youth would have on the future of their community was an intentional decision. I witnessed several examples of this when in the field:

> This business was family-owned. There I met two young girls related to the owners who took my order. Wearing black t-shirts, stretch pants, and aprons, I realized this was the best education they could get on business ownership. They were learning the family business and obtaining knowledge about customer service, sales, and hospitality (Adapted from field notes, 10/23/2021).

These two girls were not only taking my orders but also handling payments. The conditions for which these youth were working were favorable. Their presence was celebrated, and they were only asked to do small tasks. However, that does not account for Black youth who may work in spaces that do not have favorable work conditions. What is even more complex about Black youth employment is that the conditions for which they are working are often a by-product of the disinvestment endured within the communities they live. Newman (2018) found similar nuances when assessing the employment conditions of Black youth in Harlem, New York. She found that their low-wage jobs were tiring and stressful, but because the ethos of American culture centers individualism and employment, youth in these vulnerable conditions are actually more susceptible to wanting to continue working. This idea could be reflected in the literature that shows that Black youth (more so than white youth) have strong desires to start their own businesses and desire the teachings of entrepreneurship to be part of their school curriculums (Walstad & Kourilsky, 1998).

Though Black youth employment is complex and tightly bound within the crossroads of racism, segregation, disinvestment, and many other environmental factors, Black business owners in this study felt they had a duty to give back to their communities. This finding is important because the literature notes that youth interested in entrepreneurship would love to do so. Still, that lack of role models and knowledge prevents them from achieving that goal (Walstad & Kourilsky, 1998). The problems or progress that could arise from early entrepreneurship training are unclear. Freeman and Holzer (1986) reported, contrary to popular assumptions, "no single factor is the predominant cause of Black youth employment problems" (p. 6). The authors demonstrated that, among other significant factors, where female employment is high, Black youth employment is low. Even in areas with many jobs, Black youths get relatively few of them, and the perceived risks and rewards of crime affect decisions to work or engage in illegal activity. Additionally, churchgoing and aspirations affect the success of Black youths in finding employment. In short, it is complicated. However, the youth employment experiences documented in this field work were "aspirational," and in this way, these experiences would positively impact their ability to navigate business ownership as adults. That is what success looks like for Black youth employment.

Another interesting conversation arose when the owners of this business discussed how long it took for them to find a venue for their restaurant and how important they were to be able to employ a family. However, not all businesses were able to employ families. Other businesses took the opportunity to develop youth in their surrounding communities as another approach. I observed examples of this when conducting fieldwork:

> Another restaurant employed high school and college-age students who were greeters and bartenders, taking customers to their seats. I saw a woman interviewing them; it looked like she was tallying receipts. I think she is an owner too! The woman stopped to answer the phone. Another employee approached her with a backpack and sat down to speak with the second owner. These were students! (Adapted from field notes, 06/14/2021).

Throughout this visit, I continued to see the second owner speak with student workers. Black business owners' attention to the livelihood of their workers exemplified a mentorship relationship rather than an owner-or-employee relationship. This care for student workers while continuously adhering to the day-to-day needs of the restaurant was a pattern I saw across all four restaurants. Once more, I was able to attest to examples of this when in the field:

> There was also one restaurant that only employed youth as a way to build up the youth in their neighborhood. His dad owned the building his business was in, and he decided to develop the building into a restaurant to employ his family and himself after dealing with low job prospects due to incarceration. The building is located right across from a neighborhood school. The business owners discussed wanting to provide employment for youth and those youth to reflect the larger neighborhood based on the business's location. He also discussed being a role model for his children and the neighborhood's children because there are few

resources in the surrounding community. This business gives them something to look forward to joining (Adapted from field notes, 06/14/2021).

This finding demonstrates the additional labor that Black businesses endure to build and maintain not just their respective businesses but the vitality of the communities in which they are located. These findings are consistent with the findings of Dahan et al. (2019), who found a similar dynamic among students who wanted to engage in civic engagements in the communities they grew up in, specifically the desire to help reverse the market failure of disinvestment in Black neighborhoods. The destructive nature of racial capitalism lies in the destruction of wealth and capital in these neighborhoods; therefore, the neighborhood context of devaluing Black lives and capital makes Black businesses even more vital to the community despite the burdens of inequities in profit. Black-owned firms provide economic vitality in neighborhoods that suffer from consistent disinvestment. They also strengthen the community's social fabric with the social services and supports they provide within their brick-and-mortar businesses. The commitment Black business owners have is not just to their businesses but also their communities and is yet another example of surplus value being provided. This labor of love was a beautiful sight to see.

Youth from about elementary to college in both locations were taking orders, bringing drinks and appetizers; in other locations, they were cashiers and hosts. This export of youth to real-world experiences and countless hours of mentorship in business help teach them what it means to be self-employed. Garlington (2014) asserted that the country we live in values exceptionalism, the idea that we value individualism or "making it" on our own. Bootstrap ideologies continue to permeate the labor market and have a profound economic impact on Black business owners who operate at the intersections of geographic disinvestment and racialized capital. The ideology makes this labor invisible. Therefore, it is unsurprising that Black business owners do not demonstrate the same values of the country of their location. Black business owners value collectivity, moving through life with a shared purpose or responsibility. This is another example of how the “Two Americas” concept shows up, not only in the way that businesses are treated but how these groups may differ culturally and need not be compared. There is an inherent responsibility to grow the community in addition to profit margins. That responsibility was evident in the day-to-day operations of business owners as they continued to carve out employment opportunities for youth employment. These values were also visible in how the space was used and unveiled another theme during fieldwork: how Black business owners were able to “foster community.”

5.7 Surplus Value: “Fostering Community”

I found that Black business owners used their brick-and-mortar businesses to foster community spaces where other Black business owners could share information, local teachers could have in-depth conversations with their students, and the local community had a place they could identify as theirs. The pandemic caused a lot of friction for business owners and the neighborhoods where they reside (Perry et al., 2022). Still, Black business owners found ways to develop and maintain a community for their customers and peers. During fieldwork, I wrote about the events that happened in these restaurants. I noticed that a pattern of collaboration and sharing sources helped develop the communities that frequented the businesses. As discussed in Chapter Six, business owners use their restaurants as workshop spaces to host local information workshops led by professionals. Across four of the six restaurants, there was some mention of working together with other Black business owners, whether during my time at the restaurant or with a planned or identified group. Two of the six restaurants allowed other Black-owned businesses to sell their products at their events. One of the restaurants had a variety of Black-owned businesses that sold myriad items on tables along the hall walls. I was able to experience this when conducting fieldwork:

> They allowed for pop-up shops for other small Black-owned businesses. Businesses here sell body butter, soaps, bags, oils, belts, wallets, and many other things. Each table has someone sitting behind it with a card for contact. The bartender was also part of the pop-up shop for which they used Square Cash to collect payment for entry, drinks, and food (Adapted from field notes, 10/23/2021).

These businesses were creative with how they collaborated with other businesses. In the previous example, they were organized as a pop-up shop that customers could frequent between performers. In the following example, I discuss how businesses identified what I call "keepers." These are individuals with sector-specific connections that help connect people to new opportunities, and it showed up when I was at one restaurant:

> The M.C. introduced singer after singer and joyfully shared many stories weaving them together as he walked through the crowd. He told stories of being on the road with his friends, singing, and sharing stage space to help out other artists. The M.C. shouts out a Black woman sitting behind me, giving her recognition for

helping up-and-coming artists get gigs. She is the “keeper” (Adapted from field notes, 10/23/2021).

In this way, the surplus value becomes both an employment catalyst and a platform for building support systems. Black business owners are community development institutions. They provide resources and opportunities for their local communities in ways that revitalize neighborhoods and families. Together these notes demonstrate the cultivation of community and reveal the surplus value that Black business owners exert beyond the restaurants in order to foster community within the space itself. However, Black business owners foster a community for more than just other like-minded business owners; they also foster a community for their customers. I went to one restaurant that was closed and was going to meet a friend there. Even though I did not get a chance to go in, employees (two young Black women) still found a way to help me by letting me know that someone was looking for me when I showed up and I had just missed her. Even though the business was closed, there was still a sentiment that their doors were always open.

5.8 Discussion

These findings show the impact of racial capitalism by demonstrating the rules, norms, and customs of how Black business owners operate their restaurants during a pandemic. Qualitatively, the data illustrates that impact and the ways Black business owners orient themselves within their communities while still creating surplus value that aids, organizes, and promotes collaborative values among their customers and surrounding communities. Quantitatively, I have shown that irrespective of the sector, the structural impact of racial capitalism will consistently facilitate these types of experiential differences for Black business owners. Moreover, these findings demonstrate that even if everyone had the same resources, the same disparity would exist regardless of the business's sector. The experiential differences in business ownership manifest as surplus value for Black business owners. That surplus value is an example of the effects of racial capitalism and its impact on the sales receipts of Black business owners.

Additionally, the effects of racial capitalism are often invisible because of the surplus value Black business owners provide. It shows up as layered responsibilities that Black businesses take on, with the help of other outside forces such as housing issues, gentrification, and continued disinvestment in low-income neighborhoods. Black business owners' labor is not compensated compared to normal employee wages, but it continues to impact them. More broadly, individual characteristics, job choices, and industry choices are not the primary issue for Black small businesses in America; instead, the unequal distributions of resources or the impact of racial capitalism continues to be. Black business owners are doing community development not just because they want to but because they have to. Racial capitalism has tangible effects that become visible in the most underserved neighborhoods. In short, Black business owners cannot just sell because their customers cannot just "live." They have to survive, and consequentially so do their businesses. Though modeled differently through the lens of traditional business models, it is reality and one that should be taken into consideration when thinking about how race affects one ability to build wealth through business ownership.

When this project began, the goal was to assess business corridors assuming that Black and white business owners would own businesses on similar streets. However, a statical comparison has revealed the larger and structural inequalities at play considering the persistence of discrimination found when comparing Black and white-owned firms (as discussed in section 5.3). Moreover, with new field insights, it became easier to understand that my research questions could not be decoupled from larger systemic constructs like segregation, gender inequality, and housing issues. These findings show the importance and power of a mixed methods approach. Still, the theory of investigation here is racial capitalism. As discussed in Chapter Two, the research question asked if structural inequality (namely racial capitalism) impacts a Black firm's ability to make money. The answer to that question is yes.

Chapter Five shows that the strain on income generation from Black firms may be that they are performing unpaid duties. These duties accumulate surplus labor for which Black firms bear both the costs and the burden of performing duties to support their communities that experience excessive disinvestment. These findings show that the surplus value or additional unpaid labor is a result of a focus on community development by Black business owners. Black firms fill gaps in the market by providing community services such as workshops, employment, and redevelopment, similar to how community development organizations are contracted to do. Perhaps strengthening the relationship between Black businesses and community development financial institutions and organizations to fund the activities that Black business owners already engage in could be helpful. Defilippis (2010) echoed this sentiment when the author discussed why traditional market-based approaches are inappropriate for community development. The author also argued for developing solutions addressing systemic issues. This study provides a road map to account for systemic barriers using a mixed-methods approach while broadening the context of theoretical economic scholarship by accounting for racial capital. In the following chapter, I build upon this by questioning how we approach the racial wealth gap regarding business ownership phenomenon and argue for the consideration of structural factors such as racial capitalism.

6.0 Rethinking the Racial Wealth Gap, Empirical Data on the Ethnic Economy of Black Business Owners

"Any plan to eliminate the total racial wealth gap requires… a transformative national investment in Black households and communities...."

(Williamson, 2020, para. 4)

6.1 Introduction

Ethnic economies are the collective business activities of a collective minority group (Boyd, 2017). These groups have a shared "ancestry, history, and culture" and face discrimination from the wider society (p. 1). Discrimination necessitates business ownership for these groups to provide for their families after systematic exclusion (both economically and politically) from white-owned institutions. Black business owners are an ethnic economy that provides surplus value when operating under a racialized economic system. During economic downturns, these ethnic economies are the epicenter of financial devastation because these local business owners provide more than goods and services and are often the few economic engines sustaining disinvested neighborhoods.

This chapter focuses on Black business owners' ability to survive these conditions, continue to provide great service and adapt to unpredictable circumstances. However, this resilience points to their vitality and sustainable business models. Resilience was defined by Boyd (2017) as the strength of an ethnic economy to benefit from a dominant urban center's positive externalities, for example, a large population, extensive economic functions, and a sizable ethnic-minority community. That is to say, ethical economics are highly adaptable. However, it is not just the benefits that make ethnic economies highly adaptable. The disinvestment within those urban centers mandates characteristics like adaptability as a means of survival.

I expand on this definition of resilience and contribute to the concept of *embedded resilience* as an ethnic economy's ability to provide the service needs of their restaurants, their communities, and any adverse events that come up as they navigate uncertainty and financial vulnerability. The overcoming of adverse circumstances comes from a collective will to advance the political, financial, and societal position of the Black community, which is called linked fate. I found that Black business owners continue to show an embedded resilience when faced with adversity. That embedded resilience is defined by the creative ways business owners were able to cater to their communities, adapt to uncertainty, and center community wealth. Therefore, I find that wealth means something different to Black business owners because the definition of wealth for Black business owners is community wealth, a by-product of the collective ethos from which they share. This chapter assesses the *embedded resilience* in small business restaurant owners in Philadelphia County, Pennsylvania, Burlington, and Camden County, New Jersey.

6.2 Overview

"Ethnic economies are overexposed to the vicissitudes of business-cycle downturns and societal racism and hence bear the brunt of macro-economic stagnation" (Boyd, 2017, p. 8). Boyd (2017) calls for future scholarship to consider that "urban centers always offer exceptionally favorable locational advantages for ethnic minority communities" (p. 8). I find that Black business owners possess an *embedded resilience* that comes from a collectivist ethos and reveals itself both in the field and through how these businesses communicate with their customers via Instagram. In this chapter, I use field notes along with a content analysis of the Instagram pages for the respective businesses of five of the six Black-owned businesses to show how *embedded resilience* helps explain why business owners continue to provide surplus value when in a racialized economy. "A communal or collectivist ethos has always characterized Black culture in America, distinguishing it unequivocally from white American culture. The latter endorses individualism and self-help as roads to advancement" (Baker, 1971, p. 125).

Black business owners in this study operate on a collectivist ethos, a set of values that conceptualizes encountered hardships as obstacles that must be overcome because the result will have a future generational impact. That is to say, what is seen as surplus labor in a racialized economy is generational or community wealth among ethnic economies. In this system, obstacles that arise during the tenure of owning a business are expected, taken on, and considered barriers removed for future generations. These internal decisions describe the concept of *embedded resilience* because the desire to push past adversity requires constant decision-making around performing tough tasks under extraordinary circumstances for the benefit of their families and communities. I argue that these value patterns powered by the collective ethos exhibit *embedded resilience*. They help us understand how Black business owners fare even without the support one would normally get from living within an urban center.

6.3 Sacrifices for the Collective

The literature describes the challenges of business ownership for ethnic economies in general as a result of a kind of market failure, the disadvantage of owning a business in an area susceptible to instability during an economic downturn (Boyd, 1999).

However, these challenges are not due to market mishaps or what Royster (2003) would call "the invisible hand." They exist as a documented history of systemic, structural, and even blatant racial discrimination (Royster, 2003). Using the theory of racial capitalism, one can gain visibility into how structural racism impacts the economies and communities of Black business owners. In Chapter Five, this study finds that Black business owners were experiencing fewer sales receipts because of the devaluation due to the structural conditions they endured. Qualitatively, I demonstrate how Black business owners operate their businesses with the collective understanding that the surplus value they create is an investment in their communities. The sentiment is that Black business owners are providing surplus value because of severe conditions.

To help illustrate what Black business owners endure with little support from the urban centers (considering the world was shut down due to COVID-19), I share the story of David, owner and operator of a small restaurant in Philadelphia, Pennsylvania, known as "Blazin Flavorz." I find that for David, the sacrifices made when building his businesses were always under the premise of a collective ethos, the idea that his decisions to continue to pursue business ownership would not just affect his family but would also impact his community. I find that Black business owners make calculated sacrifices to prevent future generations from enduring similar hardships. The following story exemplifies the *embedded resilience* through sacrifices made by David to build his business. It also paints a picture of the unnecessary conditions Black business owners must persevere through to get their businesses off the ground.

> David is a young Black business owner whose father owned property in the neighborhood upon his passing. Growing up with few financial resources and

> employment opportunities in his neighborhood inevitably caused him to find himself in unfavorable circumstances. These circumstances incarcerated him, during which time he became a father to a son, which he describes as the moment that “changed his whole life.” After wanting to be a better father figure to not only his newborn son but to countless other children in the community who may have had similar circumstances, David was determined to create a life for his new family and change the conditions of his neighborhood by starting a business with the property his father had left him. After being released, David was given a key to a building left to him by his now-deceased father. The building was covered in rats and feces and was beyond disrepair. David slept on the floor of that building and cleaned the property with his bare hands. He turned the scrap metal from the building into cash to buy more supplies and repeated this process until the building was suitable for bringing in food supplies. David spent his time cleaning and rebuilding the property into a business that now employs youth in the community and gives the surrounding neighborhood access to specialty foods (Adapted from field notes 1/12/22).

The theory of disadvantage would classify David’s story as a result of the lack of low-wage jobs in the labor market. However, the theory of racial capitalism would classify David’s experiential differences as symbolic of a more significant structural phenomenon. The disinvestment in David’s neighborhood minimized the employment opportunities David had. Nevertheless, his interest in starting a business exemplifies *embedded resilience*. His decision to develop and maintain a restaurant business in his neighborhood was developed out of his concern for the lack of role models, employment opportunities, and access to specialty foods in his community. These sacrifices are one example of Black business owners' values that illustrate the *embedded resilience* that allows them to push through challenging circumstances to create a better future for their families and neighborhoods.

Image 1
David and His Son

Note. By David, 2019, digital image obtained from Facebook: @Blazin Flavorz

Image 1[4] shows David and his son celebrating the accomplishment of building this business from the ground up with few resources and being able to provide employment opportunities for both his children and the community. In David's personal story, he talked about what it means to grow up in Philly and not have many role models,

[4] Their Instagram page for the business was hacked, so this is the same photo via Facebook.

so he became one. Captured in the photo are those values in the hashtags “#Philadelphia” and “#leadership.” The post reads, “I am very hard on my son, he will be 18 in a few days, I am so proud of the young man and entrepreneur he has become. #Hustleandmotivate #fatherhood #fatherandson #philadelphia #leadership #manhood” (David, 2019). David’s words convey the joy of a father who used entrepreneurship to change his life and his son. His sacrifices as a father and business owner have been used to instill those same values in his son. In this way, the disinvestment mobilizes Black business owners’ adaptability in ethnic economies. Their *embedded resilience* comes from a place of survival rather than a place of consumption.

6.4 Community Programming

The sacrifices Black businesses make to serve their communities extend past creating a business, but it also shows up in the intentional community programming that Black businesses develop. Black business owners integrated community programming as a way to provide resources for local community members who otherwise would not be able to access these resources. Their swift action is to fill resource needs in their communities under unrelenting circumstances. The complexity of the programs offered was tied to the conditions that disinvestment in low-income neighborhoods creates. Three of the five businesses with Instagram accounts posted about these programs on their respective social media pages (Image 2, Image 3, Image 4).

Image 2

Franny Lous Workshop Post on Instagram

Note. By Franny Lous, 2021 digital l obtained from Instagram: @frannylous

Image 2 shows Franny Lous, a Black-owned restaurant in Philadelphia County, Pennsylvania, that is both a community space and a specialty coffee shop. Their post generated excitement for hosting a “Gut Health” workshop led by Nyambi Naturals. The post discusses how the topic has been an ongoing “conversation in the health community” and provides the opportunity for other community members to suggest the next workshop topic. It says, “Gut Health has been an ongoing investigation and conversation within health communities, and rightfully so when you learn how our bodies work and how you can find influence in one area from another!” (FrannyLou, 2021). This Instagram post captures the care Black business owners exhibit when putting together community programming. Although the programming can be viewed as an additional path to sales receipts for Black business owners, these findings still exist under neighborhood disinvestment and racialized capital. Moreover, the intentionality behind the type of workshops was specific, which would decrease the potential for larger, more profitable crowds.

Image 3
Corinne's Place Event Flyer on Instagram

Note. By Corinne's Place, 2020, digital image obtained from Instagram: @Corrinesplace

These community programming ideas were for both individuals and Black community organizations. Beyond individual programming, business owners also collaborated with larger community organizations. Corinne's Place collaborated with Delta Sigma Theta Sorority, Incorporated, New Jersey Garden City Alumnae Chapter. The event was described as a week-long dinner tour of premiering meals from local Black restaurants (Exhibit D). The caption reads, "Delta's special menu." I find that Black business owners in this study catered to large audiences and organized countless events for community organizations, large and small.

Image 4
Bookers Workshop Flyer on Instagram

Note. By Bookers, 2021 digital image obtained from Instagram: @bookers.westphilly

Bookers in Philadelphia County, Pennsylvania, held an Estate planning workshop to expose community members to learn what it is and what it entails (Image 4). The caption states, “This is a networking and educational event! Make sure to RSVP limited reservations #selfempowerment #generationalwealth #Blackwealth #legacy #economicempowerment #livelihood #Blackinfluencers #leadership #philly #westphilly.” This example shows how Black business owners were intentional about their programming choices. The workshops were not only a means of education and training for the community, but they were references that signaled the collectivist ethos. Black business owners advocate for generational wealth and economic empowerment of community members in the surrounding neighborhood.

6.4 Linked Fate: Shared History & Shared Struggle

The goal of generational wealth is not a new concept for Black communities and even more so for Black business owners. I found that Black business owners continued to demonstrate linked fate: a relationship between the financial history of Black people and a shared internal history of the racial violence their communities endure. Shared identity and linked fate are intergenerational concepts, and it is a living social action and an embodied culture that links the past to the future. Thus, linked fate is not only an expression of Black identity but also an articulation of shared struggle. The same things that the Ancestors of Black business owners in this study endured happen to Black lives today. Black Wall Street was the name of one of the wealthiest cities in the 1900s in Tulsa, Oklahoma. Populated by Black entrepreneurs and Black-owned businesses, this city represented how America wanted Black economic success to look. A Tulsa survivor stated, “People wanted Blacks to pull themselves up by their bootstraps- but they did” (Wilkerson, 2000). This city was so lucrative that a Black Wall Street survivor stated, “White businesses borrowed money from Black companies to sustain their businesses,” and “there were billionaires that lived there” (Wilkerson, 2000).

In 1921, Tulsa was violently brought to its end when Klu Klux Klan members bombed the city, killing men, women, and children. It is an important history that is less often cited in the literature on business ownership. The success of Black Wall Street was largely due to a form of cooperative economics, in which the individualistic norms of American society were subordinated to a project of collective Black uplift. To engage with this idea, I explored a range of Black economic philosophies, including alternative definitions of what wealth actually is and its purpose. Thus, linked fate is when, as

Marable (1983) asserted, “oppressed people learn strategies for survival, if they do not survive, they perish” (p. 62). However, through cooperative economics, Black people have been able to use the idea of linked fate as a different definition of wealth: survival. Linked fate as a concept carries the generational message to fight, and it constitutes the script and handbook of cultural resistance for how to lend a hand during challenging times. Linked fate is a useful analytical and conceptual tool for understanding how Black communities deal with external challenges to self-determination over their economic systems—the most important being the threat of deadly physical violence.

Generational wealth for Black business owners means ownership over their collective futures. Ownership is not defined in an individualistic sense; it is a collective understanding and decision to maintain the possession of resources and opportunities for the community in which it operates. As discussed earlier, the history of Tulsa, Oklahoma, still breathes through the collective memories of business owners near and far because of their linked fate. The principles and values ushered in by Black business owners were intentional descendants of the goals of Black business owners who lived in Tulsa, Oklahoma. This finding demonstrates how common explanatory variables used to assess the disparities in business owners lack the historical frameworks for which Black business owners and their communities operate. Any analysis of the disparities in business ownership or its impact on the racial wealth gap must take into consideration the historic economic factors and perpetuation of both visible and invisible violence and or resistance that prohibits the sales receipts of Black owners and their economic progress. The fact that Black business owners have to be concerned about this kind of violence and not white business owners echoes the Kerner Commission’s predictions that there are

"Two Americas …one Black one white, both separate and unequal" (Boger, 1992, p. 1295).

It is this history that Black business owners echoed during my fieldwork. Connected networks, pride in ownership of a business, and a shared vision of the goals for their respective communities were reflected in the conversations and events that Black businesses had during my fieldwork. Black business owners in Philadelphia County, Pennsylvania, and Burlington and Camden County, New Jersey, would collaborate in events with Black colleges and universities, allow other business owners to sell products in or around their restaurants, or even promote one another on their social media pages via Instagram. Black business owners were proud to participate in this collective goal of community building and revitalization.

Image 5
Blazin Flavors and Sidds Water Ice

Note. By Sidds Water Ice, 2018 digital image obtained from Instagram: @siddiqswaterice

Image 5 shows David of Blazin Flavorz and Sidds Water Ice holding up t-shirts that were created with their logos merged. Both businesses collaborated on a community event to bring awareness to their communities about all the remarkable things their businesses were doing. The collectivist ethos shows up in this example when Sidd states, "It's not about us as individuals what are we doing to rebuild our community!!" This caption with the photo echoes both the personal sacrifices the Black business owners are willing to make and the conversations that illuminate the linked fate Black business owners continue to harness and uphold. The selflessness and surplus labor of "doing community development" uncompensated are just some of the personal sacrifices Black business owners make in addition to the structural challenges.

Lemann (1994) echoed this point when they asserted, "The people who know the most about the needs of poor neighborhoods are the residents; therefore, poverty programs should be designed and implemented by them, not imposed from above by mayors, members of Congress, social workers, intellectuals, Federal bureaucrats or other authority figures" (p. 6). Not only does this *embedded resilience* compose the skills needed to do this work, but it is an example of the additional labor or surplus value that continues to go uncompensated. This labor is an example of a type of *embedded resilience*. The struggle Black business owners endure that is invisible to the mainstream economy is the contribution this work makes to the field as Black business owners continue to thrive, build, support, and employ their families and communities. The will to endure challenges in order to rebuild their communities was an idea that showed up multiple times within my fieldwork.

After speaking with one of the business owners outside of their restaurants, I got a chance to speak with them about my project and tell them a little about why I was interested in doing this research. I told him my study was an investigation of the concept of the racial wealth gap and a way to highlight the things that Black business owners are doing well. As my food order was waiting to be packed up for me to leave, they immediately connected me to additional resources. I was able to identify examples of this when in the field:

> He told one worker to get my food out of the warmers and hand it to me. He looked over to me and said, "If you want to talk to some more of us, let me know," I responded, "I would love to meet them!" He then replied, "Yeah, that's a bet, we own this whole block, we Black Wall Street" (Adapted from field notes, 06/14/2021).

Contrary to widespread belief, Black people in America have a vibrant economic history (Nembhard, 2014). The history of Tulsa, Oklahoma, is an example of both Black economic prosperity as a business owner and the structural and systemic discrimination and violence that back business owners are subjected to when they attempt to survive. Although the bombing of what Black communities colloquially call "Black Wall Street" took place, the relationship between the past and the future is understood and honored. Black business owners took pride in and aspired to be as successful as the Black business owners who owned businesses in Tulsa, Oklahoma. This finding summarizes the relationship between the history of Tulsa and my findings in these two counties. The above quote is emblematic of the collective understanding of an organization, cooperative economics, and the shared values around community growth. However, this shared history surfaced both for the encouragement of economic vitality and for the preservation of the safety of Black communities due to the sustained violence. I found that Black communities used Instagram to share their connections to the larger Black populations through posts that affirmed the lives of Black people.

Image 6
Corrine's Place Blackout Post on Instagram

Note. By Corinne's Place, 2020, digital image obtained from Instagram: @Corrinesplace

Image 6 was a post shared by a Black-owned restaurant, Corrine's Place. During the pandemic, social unrest was very apparent. Because of the pandemic, the world was made to stay home, and the senseless everyday violence that Black people endured were center stage. The news continued to share and replay the videos on cellphones and social media, capturing the brutality and struggles that Black people, both business owners, and non-business owners, endure. As the world watched on, Black communities all over the world experienced collective trauma, watching other Black people be subjected to violence and death because of the color of their skin. Yet, Black business owners did not shy away; they stepped forward to show solidarity with the victims and opposition to racism in all its forms. This demonstration of the collective ethos (linked fate) and social responsibility in the face of adversity characterizes Black business owners' *embedded resilience*. In an attempt to show their recognition for those hardships, Black business owners posted #Blacklivesmatter text shots on their company news feeds to signal their support. This display of linked fate was not random; it was organized. As captured in Image 6, Black business owners turned a day of the week into a community day of recognition to stand in solidarity with both the lives lost and those who are still fighting for justice. Black business owners possess an embedded historical, organized, sacrificial, and educational resilience. These values are displayed within their respective communities and are not captured in the mainstream economy as vital contributions to the economic engine of the American Economy.

6.5 Discussion

The racial wealth gap is calculated by subtracting an individual's assets minus their debt. That difference broken down by race provides the starting point for conversations on disparities in wealth. However, a few assumptions are being made in this regard when scholars study the racial wealth gap. The first is that Black business owners and white business owners are two distinct groups that can be compared equally. This chapter described the experiential differences of Black business owners through the lens of racial capitalism and found that the impact of structural inequality permeates the ethnic economies of Black business owners. There are "Two Americas," as stated in the

Kerner Commission report, “our nation is moving toward two societies, one Black, one white-separate and unequal” (Boger, 1992, p. 1295). To ignore that fundamental concept is to erase the sacrifices, the community programming, and the shared identities that Black business owners continue to cultivate even in the most unpredictable and economically vulnerable circumstances. If past scholarship methodologically accounted for structural and systematic inequality, the gap would be even more expansive. This prediction is not to diminish the findings of this study but to reinforce the fact that this study is foundational in a subject matter that is both understudied and has limited financial reporting requirements. By incorrectly measuring the gap, we drastically underestimate the magnitude of the gap itself. Because of this, subsequently suggested solutions will fall short of aiding Black business owners. I argue that this cycle consequently contributes to the unequal distribution of resources between Black and white business owners.

The second assumption being made by scholars who study the racial wealth gap is that wealth is only being accumulated and stored. This chapter provides insight into the various ways Black business owners generate wealth, share, and invest in their businesses and the communities that surround them despite disinvestment. The impact of structural factors and the nuances of the experiences of Black business owners are not calculated nor measured in the current way the racial wealth gap is studied. These findings are not to mitigate the continued violence Black business owners endure, both from the state and racially charged events. However, they indicate a different definition of wealth that seems to enumerate based on the ethos from which a group operates. Black business owners operate within a collective ethos that allows their shared experiences and activities to be shared with the entire community. Much of the pathology used to describe the Black culture and Black ways of being in the economic terrain has to do with the distorted individualism of the white American ethos and way of doing things—another example of why the Kerner Commission's predictions still show up in the 21st century. The concept of "Two Americas" helps crystalize the differences between Black and white business owners. Not because this study assesses both Black and white business owners qualitatively but because white American ethos is the standard for which Black progress in business ownership is compared. This study exemplifies what can be missed when the white American ethos is used as the standard for Black progress. This study demonstrates the importance of using a critical lens, using a mixed methods analysis, and why there is a need to study the racial wealth gap differently.

The Eurocentric ideal of the "American Dream," as it relates to business ownership, promotes self-help and rewards individuals that can do for themselves. In Black culture, even Black definitions of self-help have been made communal through the devastating and violent economic history of slavery and its aftermath and because of the distinctive values structured Black survival. In the meantime, white American culture and stories about economic opportunity and meritocracy mythologize that all people in this country came here in the same way (Baker, 1971; Gaines, 2012) and accessed the bounty that was the frontier economic opportunity in the same fashion. These economic discourses about individualism penetrate how we think about economic disparities in wealth. Black business owners continue to provide economic vitality in the face of economic devastation. The wealth they provide is not for themselves but for future generations. Again, "Two Americas" shows up both in both the financial histories of both groups and the purpose for wealth building altogether. Black business owners have survived and continue to survive in an economic system that extracts their wealth. Still, they continue to build businesses and wealth for survival, not because of meritocracy but for the community.

7.0 From Theory to Policy

7.1 Dissertation in Review

The concept of "Two Americas" was founded in the 1960s by the Kerner commission, which argued that society is moving toward being more separate and unequal because of the racial disparities between Black and white communities in the United States. The racial wealth gap is a visual representation of what the economic impact has been and will be if ignored. Racial wealth disparities among businesses have been understudied even though small businesses are a key component of the national economy. This study finds evidence of discrimination and experiential differences in business ownership between Black and white business owners. I find that the disparities in wealth, as it relates to business ownership, are undertheorized and leave out significant operational differences among Black business owners and differences in sales receipts spurred by consistent discrimination. If the wealth calculation sums to assets minus debts, scholars must pay attention to both wealth loss as well as wealth gained. Scholars like Markley et al. (2020) and Perry (2020) use the theory of racial capitalism to help uncover systematic disparities between Black and white communities in America. Subsequent chapters used a mixed method approach to empirically test differences in business ownership between Black and white business owners and qualitatively explore the mechanisms for which these disparities persist.

While scholars may classify disparities in business ownership for Black business owners as an example of their non-traditional business interest, laziness, and lack of financial literacy knowledge (Banfield, 1968; D'Souza, 1995; Herrnstein & Murray, 1994; Köllinger & Minniti, 2006; Moynihan, 1967), I find that Black business firms produce surplus labor by taking on the responsibility of providing for the surrounding community. In Chapter Four, I quantify how much the disparity amounts to and find a 49% difference in sales receipts between Black and white business owners. This evidence of the devaluation is similar to the findings of Perry (2020), who estimate the impact to be about a $1.3 billion loss in value to the American economy. Using the theory of racial capitalism, I find that disparities in perceived value have structural economic effects on Black business owners in the United States. That is to say that the sentiments of Ms. Gibson and Tim Williamson around the unequal distribution of resources between business owners by race are alive and well. Ms. Gibson is correct in that there is an "uneven playing field" between Black and white business owners (Clark, 2019, para.33). Tim Williamson is also correct in that the industry "is mostly white." Both field insights help illustrate this chapter's 49% difference in sales receipts (White, 2015, para. 7).

Chapter Five finds that the economic disparities persist despite Black business owners working in similar industries as white business owners. Put another way, disparities in sales between Black and white business owners were more likely due to discrimination and point to experiential differences in business ownership making up 49% of the difference in sales receipts between Black and white business owners. This study finds that the disparities reflect different operating decisions Black business owners make when considering their businesses and customers' environment. The number of receipts Black business owners accumulated reflected not only the food they made but also the social capital investments these business owners made in their communities. The flow of work for a Black business owner leads to profit that is put into community capital development rather than solely business capital. The additional labor that allows for community capital development is defined as surplus value and was demonstrated in different fields. Surplus value is a key mechanism to understanding Black business owner experiences.

Chapter Six investigated the motivations for running a business like Black business owners. The pattern across all six cases in this study revealed that Black business owners do not operate in the traditional capitalist economy. They operate as a part of their respective ethnic economies and carry an *embedded resilience* for which the goal is community wealth. The collective ethos of Black business owners distinguishes Black business owners from white business owners. Additionally, these owners communicated this ethos with their customers in person and online. As adversity and personal challenges present themselves, the *embedded resilience* that Black business owners possess pushes them to get through their personal trials and allows them to have additional energy to give back to their communities and invest in their respective neighborhoods. This study finds that business owners accomplished this task by producing specialized workshops within their brick-and-mortar restaurants. The way one may think about the racial wealth gap as a measure of disparities between Black and white communities could be flawed, considering these labors of love. Without considering the *embedded resilience*, one can deeply misinterpret the business acumen, community investments, and generational impact of Black business ownership altogether.

There was a wealth-building disparity, particularly when assessing business sales or profits between Black and white business owners. Black business owners, at minimum, made 76% fewer sales either because of their individual backgrounds or because of discrimination. However, 39% of this disparity was due to discrimination alone, which is shameful. It persisted despite the sector type the business was in and the state where it was physically located. Furthermore, when assessing the disparities by business sector, race continues to be the most significant variable that impacts a business owner's ability to produce more sales. When assessing the disparities using the Oaxaca analysis, this study finds that the unexplained variation accounted for 39% of the mean difference between Black and white business owners as opposed to the other variables in the model. While discrimination based on prejudice was a commonly identified factor, discrimination in productivity could also have explained the gap. That is to say, operational differences made by Black business owners because of their environment could be an example of productivity differences that impact sales.

When qualitatively assessing the gap in sales between the two groups, this study finds that Black productivity is often uncompensated. The productivity of Black business owners is not a matter of misguided efforts. However, generational wealth rather than wealth for personal profit is part of the focus for the Black business owners in this study. All of which speaks to the prevalence of a more structural form of discrimination known as racial capitalism. Quantitatively, qualitatively, and theoretically, the continued devaluation of Black business owners makes *embedded resilience,* or the creative ways business owners could cater to their communities, adapt to uncertainty, and center community wealth, less visible. It promotes ideas of low productivity for the Black labor force when the productivity levels are high for Black business owners, considering the circumstances. The concept of "Two Americas" helps to communicate what it means to say two groups could experience the same things differently. The structural nature of the disparities found in Chapters Four and Five demonstrate how much of an impact structural inequality can have amongst Black and white business owners. Chapter 6 then reveals a new idea for the concept: that the structural disparities hide all of the non-traditional contributions the Black business owners make to their communities through their businesses. Therefore, both societies can be separate and unequal, but that can also be because they need not be compared but rather understood based on the conditions for which they experience business ownership.

7.2 Suggestions for Future Research

7.2.1 Methods

Future studies should consider using census block group-level data to estimate the main difference between Black and white business owners. Doing so provides the ability to compare disparities across city, county, and state boundaries. Future studies would also be able to compare disparities across both rural and urban geographies. Qualitatively, future studies should consider choosing Atlanta, Georgia, and New Orleans, Louisiana, as settings to compare white and Black businesses along similar business corridors. A comparative analysis will provide additional context to distinguishable characteristics that define both Black and white business owners. Because this study focuses on the unique aspects of Black business ownership and how that should be valued, future studies have the opportunity to make comparisons around operational differences that could be shared across groups. Atlanta and New Orleans have prominent successful restaurants and vibrant Black communities, meaning these two locations provide a better sampling environment for a group that is often undercounted.

An overall but consistent challenge with studying business ownership is the constraints of the availability of data that captures business ownership by race. Most data classify business owners as either minority or non-minority businesses. Nevertheless, these suggestions require funding, and partnerships with organizations or foundations that value closing disparities in wealth among Black communities would be ideal. The questions of baby bonds and reparations permeate mainstream conversations. The idea that Black people are to be returned something of value to which they are owned is an old concept that dates back to 1783 (Coates, 2014). Both reparations (a financial lump sum provided to Black Americans) and baby bonds (a small sum of money provided to Black Americans at birth to help close the racial differences in financial disparities long term between Black and white Americans) are both pathways that have been suggested as forms of reparations(Coates, 2014; Darity et al., 2018). Whether these programs are implemented is an important question. Still, for the purposes of this work, the idea that targeted programs are the avenue to help alleviate disparities is the focus here. Therefore, community development grants specifically targeting Black business owners that provide more significant sums of unrestricted funds versus restrictive funds would also be pertinent here.

7.2.2 Theory

The theory of racial capitalism becomes a helpful tool for understanding the unique circumstances in which Black business owners operate. This theory also helps position the world's viewpoint away from the Black business owners' wrongdoing and highlights what they continue to accomplish despite this disinvestment and minimal resources. The theory of racial capitalism helps us understand what it means to have an unequal differentiation of human value. This study demonstrates that the differentiation of human value showed up as devaluation, which existed within the sales receipts of Black business owners versus white business owners (Chapter Four and Chapter Five), even if they have similar resources, starting points, and growth capital variables. This finding signals the need for policy responses at the national and local levels. The magnitude of the devaluation has the capability to continue to persist over time, considering this study controlled for the most common growth capital of vehicles. That is to say, the continuation of economic differences between Black and white business owners only requires that the world does nothing in response.

7.3 Policy Implications

The relationship between urban policy and racial inequality is deeply embedded in institutional policy changes that have historically strengthened this relationship by ignoring race altogether. The Kerner Commission Report read, "...judicial leaders repudiated their experiment in racial equality, acquiesced in renewed racial discrimination, and collaborated to guarantee Black political disenfranchisement" (Boger, 1992, p. 1295). "The white majority, in effect, chose to shape twentieth-century American life and law in the image of Jim Crow" (Boger, 1992, p. 1296). If the 20th century is shaped in the image of Jim Crow, I argue that so are the economic opportunities. In 2020, income and wealth inequality were at the top of the political agenda. However, the political process has yet to enact solutions to slow the growing divide between "Two Americas." For policymakers, examining the findings in this report can aid in alleviating the wealth extraction and devaluation of Black assets. Both short- and long-term solutions can have a lasting impact on the generational wealth of Black communities. Derived from two key themes in this study, I present below a theoretical implication, a practical implication, and a policy recommendation.

Policy Implication #1

This research demonstrates that racial theory is crucial to understanding racial disparities in business ownership. However, policymakers have not used racial theory when producing policy prescriptions for racial disparities in business ownership. Though ostensibly plausible, the standard for policy solutions for racial problems should include a critical race lens. I propose a long-term solution to develop standard procedures for studying racial and economic disparities along with a regulatory body to enforce those standards. This study implies that the accountability of interpretation is to be placed on the study's researcher. It is no longer acceptable to use colorblind ideologies to solve racially complex problems.

Policy Implication #2

Additionally, this study sheds light on a gap within the market, specifically supporting Black business owners who conduct additional programming within the confines of their brick-and-mortar restaurants. Considering business owners who owned restaurants survived volatile economic conditions during the pandemic, this kind of targeted programming has the potential to strengthen communities and Black and other minority-owned businesses. Considering this research was conducted during COVID-19, it is important to point out that "Black firms with one or more employees were five times as likely as white-owned firms with one or more employees to get none of the Paycheck Protection Program funding they sought (20% compared to 4%)" (Federal Reserve Bank, 2021, p. 3). The impact of small business funding for Black businesses and their reach to the most disinvested areas has yet to be seen. This suggestion is considered a long-term solution because of the research and development it would take to raise funding and develop a security apparatus to sustain the funding source for it to be helpful to the most disinvested areas. This study has shown that business tenure positively impacts a business's ability to increase sales and succeed. The funding sources must adhere to those findings and provide sustainable funding opportunities for Black firms.

Policy Recommendation

The need for short-term solutions is ever-present. Considering the most challenging aspect of the policy process is the time it takes to develop policy solutions that accurately address the problem, it is not surprising that the 2021 Congress is just now introducing foundational bills specifically geared towards minority business ownership. The Minority Business Resiliency Act of 2021 establishes an agency and allows it to develop programming, grants, and support services for minority-owned businesses (Minority Business Resiliency Act, 2021). This bill was first introduced in the House of Representatives in April of 2021 as H.R.2689 and was sent to the Senate in December of 2021 as S.2068. Both bills have been referred to committee, marked, and ordered to be reported out. Noted in the bill by the Kauffman Foundation, enacting this law would help increase the number of minority-owned businesses. Compared to non-minority-owned businesses, if minority-owned businesses started and owned businesses at the same rate, there would be 1,000,000 more employer businesses and 9,500,000 more jobs. I argue that enacting this law would also make possible a fund that supports programming specifically by businesses with brick-and-mortar restaurants. This bill is considered the short-term solution because the bill has already been introduced and needs to move through Congress successfully. Still, it is important to note this is no small task. The positive side to this short-term solution is the physical presence of a bill designated to create and authorize an agency to manage and develop the standards and programming suggested in the long-term solutions discussed previously.

Call to Action

Therefore, centering racial equity would mean that policymakers move the Minority Business Resiliency Act of 2021 through the House of Representatives and the Senate as swiftly as possible. The continuous development of one-off business development funds for minority businesses perpetuates the cycle of systemic disinvestment because it forces an increasingly larger amount of business owners to compete for minimal temporary funding. It is insanity to expect sustainable outcomes. The call to action is for policymakers to pass the Minority Resiliency Act of 2021 and for state and local governments to develop funding pipelines for minority-owned businesses through community development financial institutions or organizations. Particularly for this study, the call to divest from racism would mean taking the continuous devaluation of Black assets seriously, especially because of its impact on the American economy. That means using a racial lens to solve racial problems and enforcing a no-tolerance policy for discrimination of any kind. It also requires correcting the Black-white wealth gap's perception from a lack of availability for skilled Black business owners to injecting support for business funding and community resources in Black communities. Put simply, "there is nothing wrong with Black people that fixing racism cannot solve" (Perry, 2020. p. 21).

7.4 Recommendations for Businessowners

In order to close the racial wealth gap, one must first study the problem using a structural lens, and markets of all sectors must provide equal access and allocation of funding sources to Black business owners. Not doing so inhibits wealth accumulation by business owners who would otherwise prosper in an economy not plagued by radicalized conditions. In this study, I find a disparity between white and Black business owners in that they produce more value than sales dollars received. The effect remained even if Black business owners have the same skills, background, expansion capital funding sources, the state the business is located in, and the business sector. Still, the question arises, what should business owners do?

Black business owners and entrepreneurs do not require institutions to create or sustain their businesses. However, they need diverse capital sources in a municipal government that addresses persistent neighborhood disinvestment. Rather than recommendations, I have tips and information that might be helpful for business owners based on the geographic sample of the study. However, there are likely to be applicable notes to similar business owners within the United States. There are three recommendations as follows:

1. I would consider using Community Development Financial Institution and other community development lending institutions for funding sources to grow your business, considering the results in the study do not openly account for those institutions. These institutions consider a business's community impact when a qualifying business asks for funding opportunities and resources.

2. I would encourage entrepreneurs and small business owners who have yet to do so to spend the time and resources to produce, curate, and maintain an active online presence. It does two things. First, it helps cut down on manual labor, which was a significant finding, particularly for businesses that are restaurants. It also opens the doors to additional customers outside a business's specific neighborhood context. Both provide opportunities for increased sales, profits, marketability, and longevity.
3. I would encourage current business owners or those who are afraid to begin. I, too, have been in your shoes, and my prayer is that you overcome and succeed despite the obstacles this world has thrown at you. I leave you with these words of encouragement and a quote from my favorite poet Maya Angelou, "Success is loving what you do and how you do it" (Good Reads, 2022, para. 1). Whatever market you are in and whatever service you provide, we need you. The future of Black communities shines a little brighter because of you.

7.5 Redefining Wealth for Black Communities

One can analyze many definitions of wealth, but my findings show wealth does not involve physical capital. In the confines of this study, it is best defined as generational wealth and the existence of linked fate that ties each Black person's successes to one another. So many people focus on what Black people do wrong, and I argue that by focusing on what Black people have been doing right, wealth is highlighted in the examples this study has presented.

Scholars vary on the origins of this specific kind of wealth. Some say it derived from the concert of communities relying on self-help, depending on one another to live, eat, and survive rather than depending on any external systems or entities. The idea of self-help was developed because of the negative impact of capitalism on Black people. Manning Marable (1983) explained how capitalism created a reversal in the Black community by regressing every chance of progress that the Black community tried to make in hopes of survival. Jessica Gordon-Nembhard (2014) stated that in every generation before the 1960s era of the Black Panther Party (a cooperative), self-help was the only way of survival for Black people. In order to produce basic safety, let alone accumulate traditional wealth for the entire community, self-help through cooperatives was critical (Taylor, 2014).

In addition to self-help, economic withdrawal from capitalism has been an essential strategy among Black nationalists and their communities concerned with self-determination and survival, such as Martin Delany, Malcolm X, Louis Farrakhan, David Walker, and Maria Stewart (Taylor, 2014). Echoing this long tradition of cooperative economic thinking in the Black community, political scientist James Taylor (2014) has shared the sentiment that this country was not built for Black people and will not change for Black people. The author stated that one must take matters into one's own hands and help the Black community to grow as one through the principle of self-help. Taylor also insisted that if the community keeps asking for financial help from the same government that does not protect its people, one would be considered insane.

Scholars such as Angela Dillard (2007) believe wealth started in the Black church. Many Black pioneers started as members of the Black church (Dillard, 2007). Black people's relationship to linked fate and the world at large does not seem to change. The problem is not the lack of Black wealth but the abundance of wealth and the system's discomfort with it. The rich economic history of Black people has been noticeably clear about the progress of Black people and creating financial institutions that will sustain the community contrary to capitalistic wishes. When I began this project, I would discuss my findings as evidence of the haves versus the have-nots. I have come to realize that Black business owners are less concerned about what they do not have and more about protecting what they have and rethinking what they do not have. Black business owners' existence and survival are wealth.

7.6 Conclusion

Conclusively, wealth building will look different for Black business owners, and the racial wealth gap then underestimates the economic disparities between both groups. Past scholarship has yet to acknowledge the structural disparities amongst individuals who are local embodiments of what it means to be and live the American dream, small business owners. They are the fabric and engine of the American economy. These structural disparities harm local communities and the entire American economy by excluding Black small business owners from obtaining leveled sales receipts. Business ownership in the United States is experienced differently based on race, which echoes the sentiments within the Kerner commission report that states, "We live in 'Two Americas,' one white, one Black, both separate and unequal" (Boger, 1992, p. 1295). I found that the white American ethos celebrates individualism, whereas Black culture operates on a shared identity or linked fate. I find that wealth is traditionally defined as assets minus debts; however, Black business owners find wealth in their ability to pass down their knowledge and resilience to operate their businesses through disinvestment and a pandemic. Critical theory that assesses the impact of race in the economy help reveal how pervasive structural discrimination can be, and it requires only that the world continues to do business as usual for it to persist. The call for change has passed, and the call for action is the only option.

Appendix A: Proposal Timeline

Summer 2020

- IRB Approval
- Theory dive
- Write it up
- Submit for review

Fall 2020

- Acquire quant data
- Data Cleaning
- Preliminary stats
- Robustness checks
- Write it up
- Submit for committee review

Spring 2020

- Secure participant observation site
- Collect data for discourse analysis
- Perform ethnographic review
- Write it up
- Submit for committee review

Summer 2021

- Conduct participant observation study site one
- Conduct participant observation study site two
- Write it up
- Submit for committee review

Fall 2021

- Writing
- Editing
- Reviewing

Spring 2022

- Deep cleaning
- Full committee submission
- Review edits
- Defend

Appendix B: IRB Consent Forms

INFOMRATION AND CONSENT FORM

TITLE OF STUDY: TWO AMERICAS: A MIXED METHOD APPROACH TO RACIAL CAPITALISM AND THE RACIAL WEALTH GAP

Principal Investigator: Jazmyne McNeese, PhD candidate, Rutgers University, Camden

STUDY SUMMARY: This consent form is part of an informed consent process for a research study and it will provide information that will help you decide whether you want to take part in this study. It is your choice, whether to take part. The purpose of the research is to: understand the impact of value differences on the experiences business ownership. If you take part in the research, you will be asked to participate by answering questions informally and allow me to work for your businesses two weeks without pay. Possible harms or burdens of taking part in the study are not known and possible benefits of taking part may be a greater understanding of the landscape of business ownership it may contribute to current efforts to protect and preserve equity and wealth building for businesses to come. If your feel participating is not in your interest you are free to decline to participate at any time. As the principle investigator (researcher), I will take notes, draw pictures and diagrams, I may record meeting, or even collect documentation with your permission. The goal of this research it to help dismantle disparities in wealth as it related to businesses ownership.

The information in this consent form will provide more details about the research study and what will be asked of you if you choose to take part in it. If you have any questions now or during the study, if you choose to take part, you should feel free to ask them and should expect to be given answers that suit your comfort level. After all of your questions have been answered and you wish to take part in the research study, you will be asked to sign this consent form. You are not giving up any of your legal rights by agreeing to take part in this research or by signing this consent form. Your signature gives me permission to work with you for research purposes, with the understanding that this study is needed for the completion of my doctoral degree.

Who is conducting this research study?
Jazmyne McNeese is the Principal Investigator of this research study. A Principal Investigator has the overall responsibility for the conduct of the research. In addition, this research is supervised on a weekly basis by Dr. Stephen Danley.

Jazmyne may be reached at 323-350-8605, jsm317@scarletmail.rutgers.edu or 401 Cooper Street, Camden, NJ 08102.

The Principal investigator will also be asked to sign this informed consent. You will be given a copy of the signed consent form to keep.

Why is this study being done?
To understand the impact of differential value and how it effects the experience of small business ownership in creating policy change

Who may take part in this study and who may not?
Small business owners may participate in the study. Those who align with the business owner categories and working within the region of focus.

Why have I been asked to take part in this study?
You have been asked to participate because you are a small business owner (with 500 employees or less). You also are located within an integrated businesses corridor and have been in businesses for the necessary amount of time.

How long will the study take and how many subjects will take part?
The study will last two weeks. However, your participation only requires that I am able to ask questions about your work and experience as a business owner. There may be questions, documentation, meetings etc.

What will I be asked to do if I take part in this study?
You will participate by being asked questions that consist of questions about your experiences with small business ownership.

What are the risks and/or discomforts I might experience if I take part in this study?
Examination and reflection of sensitive issues may cause stress or other negative emotional responses.

Are there any benefits to me if I choose to take part in this study?
The benefits of taking part in this study may be a greater understanding of the landscape of business ownership it may contribute to current efforts to protect and preserve equity and wealth building for businesses to come. However, it is possible that you may not receive any direct benefit from taking part in this study.

What are my alternatives if I do not want to take part in this study?
There are no alternative treatments available. Your alternative is not to take part in this study. You also may request that I leave at any time.

How will I know if new information is learned that may affect whether I am willing to stay in the study?
During the course of the study, you will be updated about any new information that may affect whether you are willing to continue taking part in the study. If new information is learned that may affect you after the study or your follow-up is completed, you will be contacted.

Will I receive the results of the research?
You will be given the opportunity to review documentation of your interview. You will also be given an opportunity to review the final research before its publication and be asked to provide feedback, suggestions or concerns.

Will there be any cost to me to take part in this study?
There will be no financial cost to you.

Will I be paid to take part in this study?

You will not be paid to take part in this study.

How will information about me be kept private or confidential?
All efforts will be made to keep your personal information in your research record confidential, but total confidentiality cannot be guaranteed. You may choose the level of confidentiality you would like. You may choose to have all identifying information redacted, you may choose an alias or to use your own name. Physical copies of data will be stored in the PI's office, in a locked cabinet only accessible by the PI. All other data will be kept on a password protected computer, accessible only by the PI.

What will happen to my information or biospecimens collected for this research after the study is over?
The information collected about you for this research will not be used by or distributed to investigators for another research. Identifiable data will be deleted after the completion of this study.

What will happen if I do not wish to take part in the study or if I later decide not to stay in the study?
It is your choice whether to take part in the research. You may choose to take part, not to take part or you may change your mind and withdraw from the study at any time.

If you do not want to enter the study or decide to stop taking part, your relationship with the study staff will not change, and you may do so without penalty and without loss of benefits to which you are otherwise entitled.

You may also withdraw your consent for the use of data already collected about you, but you must do this in writing to Jazmyne McNeese 401 Cooper Street Camden, NJ 08102

Who can I call if I have questions?
If you have questions about taking part in this study, you can call Jazmyne McNeese at 323-350-8605 or e-mail at jsm317@scarletmail.rutgers.edu. In addition you may contact the project Supervisor, Dr. Stephen Danley at sd694@camden.rutgers.edu.

If you have questions about your rights as a research subject, you can call the IRB Director at: *New Brunswick/Piscataway ArtSci IRB (732)235-2866* or the Rutgers Human Subjects Protection Program at (973) 972-1149.

AGREEMENT TO PARTICIPATE

1. Participant Consent:

I have read this entire consent form, or it has been read to me, and I believe that I understand what has been discussed. All of my questions about this form and this study have been answered. I agree to take part in this study.

Participant Name:____

Participant Signature:__________________________________ Date:____________

2. Signature of Investigator/Individual Obtaining Consent:

To the best of my ability, I have explained and discussed all the important details about the study including all of the information contained in this consent form.

Investigator/Person Obtaining Consent (printed name):__________________________

Signature:_____________________________________ Date: _________________

CONSENT TO AUDIO-/VISUALLY RECORD OR PHOTOGRAPH SUBJECTS ADDENDUM

You have already agreed to take part in a research study entitled: TWO AMERICAS: A MIXED METHOD APPROACH TO RACIAL CAPITALISM AND THE RACIAL WELAT GAP conducted by Jazmyne McNeese. We are asking your consent to allow us to audio record your interview and/or to use your photography as part of the research. You do not have to consent to be recorded or give consent for your photographs to be used in order to take part in the main research.

The audio recording will be used to record your interview so that the PI can type up the interview exactly as it was spoken. The audio recordings themselves will not be made public and will be deleted upon transcription.

Your signature on this form permits the investigator named above to audio record you as described above during participation in the above-referenced study. The investigator will not use the recording(s) for any other reason than that/those stated in the consent form without your written consent.

Participant Name ____

Participant Signature ____________________________ Date ___________________

Principal Investigator Signature ___________________ Date ___________________

Appendix C: Survey of Business Owners Data Users Guide 2007

2007 Survey of Business Owners (SBO) Public Use Microdata Sample (PUMS) Data Users Guide

Technical Documentation

Issued August 2012

1. Introduction

This document describes the Public Use Microdata Sample (PUMS) file created for the 2007 Survey of Business Owners and Self-Employed Persons (SBO). The document provides a brief description of the SBO and the differences between the SBO data and the records available in the PUMS file. The document also explains how to determine company-level characteristics from the PUMS and how to create estimates and measures of sampling variability from the PUMS data.

For a complete description of the SBO and access to the published tables, please visit the SBO website (http://www.census.gov/econ/sbo/).

2. SBO Background

The SBO collects information on the gender, ethnicity, race and veteran status of business owners. The SBO additionally collects characteristics of businesses and business owners such as the sources of capital used to start the business and the age of the business owner. The SBO produces estimates for a variety of industry classifications, geographic levels, and cross-tabulations (for example, state by sector and race by gender). The PUMS file allows data users greater access to these data than standard tabulations and provides data users the ability to create a wider variety of tables tailored specifically to their data needs.

For special tabulations of the SBO data that the PUMS file will not satisfy, please contact the SBO staff by e-mail (csd.sbo@census.gov) or phone (888-225-4022 or 301-763-3316) to discuss cost estimates and exact specifications for the type and format of the data requested.

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States Census Bureau

3. PUMS File Content

The PUMS file includes the following information for each record:

- State
- Sector
- Employer status
- Random group (for variance estimation)
- Tabulation weight
- Measures of size (noise-infused for disclosure avoidance):
  - Employment
  - Payroll
  - Receipts
- Individual owner information (for up to four owners):
  - Percentage ownership
  - Gender
  - Ethnicity
  - Race
  - Veteran status
- Characteristics of business owners (for each owner):
  - How the owner initially acquired the business
  - When the owner acquired the business
  - Owner's primary function in the business
  - Owner's average number of hours per week spent working in the business
  - Whether the business provided the owner's primary source of personal income
  - Whether the owner previously owned a business or had been self-employed
  - Owner's educational background
  - Owner's age
  - Whether the owner was born in the United States
  - If the owner was a veteran, whether the owner was disabled as the result of injury incurred during active military service

Source: U.S. Census Bureau, 2007 Survey of Business Owners

- Characteristics of businesses:
  - Year business was established
  - Source(s) of start-up or acquisition capital
  - Amount of start-up or acquisition capital
  - Home-based business
  - Operated as a franchise
  - Owned by a franchise
  - Source(s) of capital used to expand business
  - Types of customers
  - Percent of total sales exported
  - Operations established outside the United States
  - Outsourced any business function outside the United States
  - Language(s) used in transactions
  - Types of workers employed
  - Employer-paid benefits offered
  - Whether the company had a website
  - Whether the company had e-commerce sales
  - E-commerce as a percentage of total sales
  - Whether the company made online purchases
  - Business activity (e.g., seasonal or part-time)
  - Whether the business currently operates
  - Reasons for ceasing operations
  - Joint ownership by husband and wife
  - Family-owned business
  - Number of owners

The complete layout for the PUMS file is provided in Appendix A.

4. Differences Between Published SBO Estimates and the PUMS Data

In the SBO, data are collected at the business level and at the owner level for up to four individual owners. Businesses with more than one domestic establishment are counted in each industry and geographic area in which they operate, but only once in the total for all sectors and the totals at the national and state levels.

Measures were taken in constructing the PUMS file to protect the confidentiality of the SBO data. In the PUMS file, each record corresponds to a business. For businesses operating in multiple states and/or industry sectors, one record exists for each state-sector combination in which the firm conducts business. Identifiers to link the component records of a business are not included. Additionally, businesses classified in the SBO as publicly owned or not classifiable by gender, ethnicity, race, or veteran status are not included in the PUMS file because many publicly owned firms are easily identifiable.

In the PUMS file, states with fewer than 100,000 weighted businesses in the 2007 SBO are combined with similar states. Alaska is combined with Wyoming; Delaware with the District of Columbia; North Dakota with South Dakota; and Rhode Island with Vermont.

To further protect the confidentiality of individuals and businesses, the PUMS file provides rounded, noise-infused estimates of receipts, payroll, and employment. Details relating to the disclosure avoidance may be found on the SBO website (http://www.census.gov/econ/sbo/methodology.html) along with the sampling and estimation methodologies.

Detailed race and ethnicity groups have been collapsed in the PUMS file (e.g., Hispanic ownership is provided at the aggregate level for persons of Mexican, Puerto Rican, Cuban, and other Hispanic, Latino, or Spanish origin rather than by detailed Hispanic subgroup). Additionally, SBO allows business owners to belong to as many as four different race groups, whereas the PUMS file limits each owner to a maximum of two race groups to maintain to protect the confidentiality of individuals who reported three or more race groups. Furthermore, businesses in states with a small population of a particular group have been placed in a different, less identifiable group in the PUMS file.

Tables of U.S.-level estimates by employer status comparing published SBO data to the PUMS data are available. See Appendix B.

5. Determining Company-Level Characteristics

The SBO collected information on the gender, ethnicity, race and veteran status of business owners. The SBO defines these characteristics for a business when a particular group owns 51 percent or more of the equity, interest, or stock of the business (e.g., a women-owned business has women owners owning more than half of the business). The PUMS file contains percentage ownership and the characteristics of each owner (up to four owners per business), but does not contain company-level gender, ethnicity, race or veteran status indicators. This allows data users the flexibility to define ownership in accordance with their data needs. To create products most similar to published SBO data, the following are recommended:

- Add the owner percentages for owners of a particular group to determine the percent of the business owned by that group. For example, if there are three owners, Owner 1 is female and owned 34 percent, Owner 2 is male and owned 33 percent, and Owner 3 is female and owned 33 percent, then 67 percent of the company is women-owned and 33 percent is men-owned.

- When the total percentage for a group is greater than 50, classify the business as belonging to that group. In the example above, that business would be classified as women-owned.

- Note that a Hispanic owner may be of any race. Moreover, each owner had the option of selecting more than one race and therefore should be included in each selected race group. Therefore, the race percentages for the business may exceed 100 percent.

  Continuing with the previous example, suppose Owner 1 responded as white and black, Owner 2 responded as white and Asian, and Owner 3 responded as black and Asian. This business would be classified as white-owned, black-owned, and Asian-owned since 67 percent of the business is white-owned, 67 percent is black-owned, and 66 percent is Asian-owned.

- Classify the business as equally owned when there is 50-percent ownership within a category. For example, Owner 1 owns 50 percent and is Hispanic, and Owner 2 owns 50 percent and is non-Hispanic. This business would be classified as equally Hispanic/non-Hispanic-owned.

- Determine minority status based on whether an owner has an ethnicity of Hispanic or a race of black, American Indian and Alaska Native (AIAN), Asian, Native Hawaiian and Other Pacific Islander (NHOPI), or Some Other Race (SOR).

- Note that separate classifications need to be determined for each major characteristic (gender, ethnicity, race, minority status, or veteran status) for each business.

Source: U.S. Census Bureau, 2007 Survey of Business Owners

6. Determining PUMS Estimates

To determine the estimate for the total number of businesses, sum the tabulation weights assigned to each record belonging to the specified category. This formula estimates the number of firms:

$$y = \sum_{j=1}^{n} TABWGT_j$$

- y is the estimated total number of firms or establishments.
- $TABWGT_j$ is the tabulation weight for the j[th] record in the category.
- j is the reference for the record in the category (j=1,2,....n).
- n is the total number of records in the category.

To determine an estimate of receipts, sum the product of the tabulation weight and the noise-infused receipts. This formula estimates the receipts:

$$r = \sum_{j=1}^{n} TABWGT_j * RECEIPTS\_NOISY_j$$

- r is the estimated receipts total.
- $TABWGT_j$ is the tabulation weight for the j[th] record in the category.
- $RECEIPTS\_NOISY_j$ is the noise-infused receipts value for the j[th] record in the category.
- j is the reference for the record in the category (j=1,2,...,n).
- n is the total number of records in the category.

To determine an estimate of payroll, sum the product of the tabulation weight and the noise-infused payroll. This formula estimates the payroll:

$$p = \sum_{j=1}^{n} TABWGT_j * PAYROLL\_NOISY_j$$

- p is the estimated payroll total.
- $TABWGT_j$ is the tabulation weight for the j[th] record in the category.
- $PAYROLL\_NOISY_j$ is the noise-infused payroll value for the j[th] record in the category.
- j is the reference for the record in the category (j=1,2,...,n).
- n is the total number of records in the category.

To determine an estimate of employment, sum the product of the tabulation weight and the noise-infused employment. This formula estimates the employment:

$$e = \sum_{j=1}^{n} TABWGT_j * EMPLOYMENT\_NOISY_j$$

- e is the estimated employment total.
- $TABWGT_j$ is the tabulation weight for the j[th] record in the category.
- $EMPLOYMENT\_NOISY_j$ is the noise-infused employment value for the j[th] record in the category.
- j is the reference for the record in the category (j=1,2,…,n).
- n is the total number of records in the category.

7. Determining Standard Errors

Standard errors are calculated using the method of random groups. In the PUMS file, all certainty cases are placed in random group 0, and the noncertainty records are divided into 10 noncertainty random groups (1,2,…,10).

Start by calculating the finite population correction (FPC) for each record. The FPC is the square root of the difference of 1 and the inverse of the tabulation weight.

$$FPC_i = \sqrt{1 - (1/TABWGT_i)}$$

- FPC_i is the finite population correction for the i^{th} record in the random group.
- $TABWGT_i$ is the tabulation weight for the i^{th} record in the random group.
- i is the reference for the record in a specific random group.
- Note that the FPC equals 0 when the tabulation weight equals 1.

Next, for each noncertainty random group, determine the estimate for the noncertainty portion of the category:

$$y_{rg} = \sum_{i=1}^{k} 10 * FPC_i * TABWGT_i * Z_i$$

- y_{rg} is the estimate of the category based on a specific random group.
- i is the reference for the record in a specified random group (1,2,…,10).
- k is the total number of records in a specified random group.
- FPC_i is the finite population correction for the i[th] record in the random group.
- $TABWGT_i$ is the tabulation weight for the i[th] record in the random group.
- Z_i is the variable of interest (business counts, receipts, payroll, or employment).

Determine the mean of the noncertainty random group estimates. Certainty cases (random group 0) are not included in this calculation:

$$\bar{y} = \sum_{rg=1}^{10} \left(\frac{y_{rg}}{10}\right)$$

- *rg* is the reference for the noncertainty random group (1,2,...,10).

Determine the variance of the estimate for each category:

$$\sigma^2 = \sum_{rg}^{10} \left(\frac{1}{10}\right) * \left(\frac{1}{9}\right) * \left(y_{rg} - \bar{y}\right)^2$$

Note that in certain instances the estimate of the category for a specified random group may have a value of missing. In these cases y_{rg} is treated as having a value of zero, and is included in the calculation of the variance of the category estimate.

Adjust the variance to account for non-response. To simplify the computations, use the same adjustment factor of 1.992065 for all estimates. This factor is based on the number of sampling units and non-respondents in the 2007 SBO and was used in the variance computations for all SBO estimates.

$$\sigma_a^2 = \sigma^2 * af$$

- σ_a^2 is the adjusted variance.
- σ^2 is the variance of the estimate of the specified category.
- *af* is the adjustment factor (1.992065).

Determine the relative standard error for each estimate by dividing the square root of the variance by the estimate, multiplying by 100, and rounding the result to the nearest integer.

$$CV = Round\ to\ nearest\ integer \left[100 * \left(\sqrt{\sigma_a^2}/y\right)\right]$$

- *CV* is the coefficient of variation (relative standard error).
- σ^2 is the adjusted variance of the estimate of the specified category.
- *y* is the specified estimate (number of businesses, receipts, payroll, or employment).

Administrative data, modified administrative data, as well as data for variance calculations and Characteristics of Business Owners (CBO) data fields in the PUMS file.

Characteristics of Business Owners (CBO) data fields in the PUMS file.

Characteristics of Businesses (CB) data fields in the PUMS file.

FIELD	DESCRIPTION	VALID VALUES	TYPE	LEN
FIPST	FIPS STATE CODE	00 - 56 , *	CHAR	2
SECTOR	NAICS SECTOR FOR ESTABLISHMENT	00 – 99	CHAR	2
N07_EMPLOYER	EMPLOYER STATUS FOR TABULATION	E, N	CHAR	1
RG	RANDOM GROUP	0 – 10	NUM	8
TABWGT	TABULATION WEIGHT	0.000 - 999.999	NUM	8
EMPLOYMENT_NOISY	ESTABLISHMENT EMPLOYMENT (NOISY)	0 - 999,999,999	NUM	8
PAYROLL_NOISY	ESTABLISHMENT PAYROLL (NOISY)	0 - 999,999,999	NUM	8
RECEIPTS_NOISY	ESTABLISHMENT RECEIPTS (NOISY)	0 - 999,999,999	NUM	8
PCT1	OWNER 1 PERCENTAGE FINAL	0 – 100	NUM	8
PCT2	OWNER 2 PERCENTAGE FINAL	0 – 100	NUM	8
PCT3	OWNER 3 PERCENTAGE FINAL	0 – 100	NUM	8
PCT4	OWNER 4 PERCENTAGE FINAL	0 – 100	NUM	8
ETH1	OWNER 1 ETHNICITY	**	CHAR	1
ETH2	OWNER 2 ETHNICITY	**	CHAR	1
ETH3	OWNER 3 ETHNICITY	**	CHAR	1
ETH4	OWNER 4 ETHNICITY	**	CHAR	1
RACE1	OWNER 1 RACE	***	CHAR	6
RACE2	OWNER 2 RACE	***	CHAR	6
RACE3	OWNER 3 RACE	***	CHAR	6
RACE4	OWNER 4 RACE	***	CHAR	6
SEX1	OWNER 1 SEX	F, M	CHAR	1
SEX2	OWNER 2 SEX	F, M	CHAR	1
SEX3	OWNER 3 SEX	F, M	CHAR	1
SEX4	OWNER 4 SEX	F, M	CHAR	1
VET1	OWNER 1 VETERAN STATUS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
VET2	OWNER 2 VETERAN STATUS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
VET3	OWNER 3 VETERAN STATUS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
VET4	OWNER 4 VETERAN STATUS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1

NOTE: GENERALLY, BLANK VALUES ARE PERMITTED IN RESPONSE FIELDS AS AN INDICATOR OF NONRESPONSE.

* **MODIFIED FIPS STATE CODES** [STATES WITH FEWER THAN 100,000 WEIGHTED BUSINESSES THAT ARE COMBINED WITH SIMILAR STATES]
S1 – Alaska and Wyoming
S2 – Delaware and District of Columbia
S3 – North Dakota and South Dakota
S4 – Rhode Island and Vermont
** **ETHNICITY CLASSIFICATION** [PLEASE NOTE THAT A HISPANIC OR LATINO MAY BE OF ANY RACE.]
H – HISPANIC: AN AGGREGATION OF DETAILED HISPANIC GROUPS
N - NONHISPANIC
*** **RACE CLASSIFICATION** [OWNERS MAY SELECT UP TO 4 RACES AND A BLANK INDICATES A NONSELECTED RACE.]
W – WHITE
B – BLACK
I – AIAN (AMERICAN INDIAN AND ALASKA NATIVE)
A – ASIAN: AN AGGREGATION OF DETAILED ASIAN GROUPS
P – NHOPI (NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER): AN AGGREGATION OF DETAILED NHOPI GROUPS
S – SOR (SOME OTHER RACE)

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States Census Bureau

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FIELD	DESCRIPTION	VALID VALUES	TYPE	LEN
FOUNDED1	OWNER 1 FOUNDED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PURCHASED1	OWNER 1 PURCHASED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
INHERITED1	OWNER 1 INHERITED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RECEIVED1	OWNER 1 RECEIVED TRANSFER OR GIFT OF BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACQUIRENR1	OWNER 1 ACQUIRE NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
ACQYR1	OWNER 1 YEAR ACQUIRED	****	CHAR	1
PROVIDE1	OWNER 1 PROVIDED SERVICES / PRODUCED GOODS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
MANAGE1	OWNER 1 MANAGED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FINANCIAL1	OWNER 1 HAD FINANCIAL CONTROL	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNABV1	OWNER 1 FUNCTION NONE OF THE ABOVE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNR1	OWNER 1 FUNCTION NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
HOURS1	OWNER 1 HOURS SPENT MANAGING OR WORKING	****	CHAR	1
PRMINC1	OWNER 1 PRIMARY SOURCE OF INCOME	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SELFEMP1	OWNER 1 PREVIOUSLY SELF-EMPLOYED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
EDUC1	OWNER 1 EDUCATION LEVEL	****	CHAR	1
AGE1	OWNER 1 AGE	****	CHAR	1
BORNUS1	OWNER 1 BORN IN THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DISVET1	OWNER 1 SERVICE-DISABLED VETERAN	0 (NOT REPORTED), 1 (YES), 2 (NO), 3 (NOT APPLICABLE)	CHAR	1
FOUNDED2	OWNER 2 FOUNDED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PURCHASED2	OWNER 2 PURCHASED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
INHERITED2	OWNER 2 INHERITED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RECEIVED2	OWNER 2 RECEIVED TRANSFER OR GIFT OF BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACQUIRENR2	OWNER 2 ACQUIRE NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
ACQYR2	OWNER 2 YEAR ACQUIRED	****	CHAR	1
PROVIDE2	OWNER 2 PROVIDED SERVICES / PRODUCED GOODS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
MANAGE2	OWNER 2 MANAGED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FINANCIAL2	OWNER 2 HAD FINANCIAL CONTROL	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNABV2	OWNER 2 FUNCTION NONE OF THE ABOVE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNR2	OWNER 2 FUNCTION NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
HOURS2	OWNER 2 HOURS SPENT MANAGING OR WORKING	****	CHAR	1
PRMINC2	OWNER 2 PRIMARY SOURCE OF INCOME	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SELFEMP2	OWNER 2 PREVIOUSLY SELF-EMPLOYED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
EDUC2	OWNER 2 EDUCATION LEVEL	****	CHAR	1
AGE2	OWNER 2 AGE	****	CHAR	1
BORNUS2	OWNER 2 BORN IN THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DISVET2	OWNER 2 SERVICE-DISABLED VETERAN	0 (NOT REPORTED), 1 (YES), 2 (NO), 3 (NOT APPLICABLE)	CHAR	1
FOUNDED3	OWNER 3 FOUNDED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PURCHASED3	OWNER 3 PURCHASED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
INHERITED3	OWNER 3 INHERITED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RECEIVED3	OWNER 3 RECEIVED TRANSFER OR GIFT OF BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACQYR3	OWNER 3 YEAR ACQUIRED	****	CHAR	1
PROVIDE3	OWNER 3 PROVIDED SERVICES / PRODUCED GOODS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
MANAGE3	OWNER 3 MANAGED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FINANCIAL3	OWNER 3 HAD FINANCIAL CONTROL	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNABV3	OWNER 3 FUNCTION NONE OF THE ABOVE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNR3	OWNER 3 FUNCTION NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
HOURS3	OWNER 3 HOURS SPENT MANAGING OR WORKING	****	CHAR	1
PRMINC3	OWNER 3 PRIMARY SOURCE OF INCOME	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SELFEMP3	OWNER 3 PREVIOUSLY SELF-EMPLOYED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
EDUC3	OWNER 3 EDUCATION LEVEL	****	CHAR	1
AGE3	OWNER 3 AGE	****	CHAR	1
BORNUS3	OWNER 3 BORN IN THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DISVET3	OWNER 3 SERVICE-DISABLED VETERAN	0 (NOT REPORTED), 1 (YES), 2 (NO) 3 (NOT APPLICABLE)	CHAR	1

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States™ Census Bureau

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FIELD	DESCRIPTION	VALID VALUES	TYPE	LEN
FOUNDED4	OWNER 4 FOUNDED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PURCHASED4	OWNER 4 PURCHASED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
INHERITED4	OWNER 4 INHERITED THE BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RECEIVED4	OWNER 4 RECEIVED TRANSFER OR GIFT OF BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACQUIRENR4	OWNER 4 ACQUIRE NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
ACQYR4	OWNER 4 YEAR ACQUIRED	****	CHAR	1
PROVIDE4	OWNER 4 PROVIDED SERVICES / PRODUCED GOODS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
MANAGE4	OWNER 4 MANAGED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FINANCIAL4	OWNER 4 HAD FINANCIAL CONTROL	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNABV4	OWNER 4 FUNCTION NONE OF THE ABOVE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FNCTNR4	OWNER 4 FUNCTION NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
HOURS4	OWNER 4 HOURS SPENT MANAGING OR WORKING	****	CHAR	1
PRMINC4	OWNER 4 PRIMARY SOURCE OF INCOME	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SELFEMP4	OWNER 4 PREVIOUSLY SELF-EMPLOYED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
EDUC4	OWNER 4 EDUCATION LEVEL	****	CHAR	1
AGE4	OWNER 4 AGE	****	CHAR	1
BORNUS4	OWNER 4 BORN IN THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DISVET4	OWNER 4 SERVICE-DISABLED VETERAN	0 (NOT REPORTED), 1 (YES), 2 (NO), 3 (NOT APPLICABLE)	CHAR	1

NOTE: GENERALLY, BLANK VALUES ARE PERMITTED IN RESPONSE FIELDS AS AN INDICATOR OF NONRESPONSE.

**** OWNER CHARACTERISTICS		
ACQYR*X* (*X* = 1,2, 3, 4)	OWNER*X* - YEAR ACQUIRED	0 - NOT REPORTED 1 - BEFORE 1980 2 - 1980 TO 1989 3 - 1990 TO 1999 4 - 2000 TO 2004 5 - 2005 6 - 2006 7 - 2007 8 - DON'T KNOW
HOURS*X* (*X* = 1,2, 3, 4)	OWNER*X* - HOURS SPENT MANAGING OR WORKING	0 - NOT REPORTED 1 - NONE 2 - LESS THAN 20 3 - 20 TO 39 4 - 40 5 - 41 TO 59 6 - 60 OR MORE
EDUC*X* (*X* = 1,2, 3, 4)	OWNER*X* - EDUCATION LEVEL	0 - NOT REPORTED 1 - LESS THAN HIGH SCHOOL 2 - HIGH SCHOOL 3 - TECHNICAL SCHOOL 4 - SOME COLLEGE 5 - ASSOCIATE'S 6 - BACHELOR'S 7 - MASTER'S +
AGE*X* (*X* = 1,2, 3, 4)	OWNER*X* - AGE	0 - NOT REPORTED 1 - UNDER 25 2 - 25 TO 34 3 - 35 TO 44 4 - 45 TO 54 5 - 55 TO 64 6 - 65 OR OVER

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States Census Bureau

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FIELD	DESCRIPTION	VALID VALUES	TYPE	LEN
ESTABLISHED	YEAR BUSINESS ESTABLISHED	*****	CHAR	1
SCSAVINGS	SOURCE OF STARTUP CAPITAL: PERSONAL SAVINGS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCASSETS	SOURCE OF STARTUP CAPITAL: OTHER PERSONAL ASSETS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCEQUITY	SOURCE OF STARTUP CAPITAL: HOME EQUITY	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCCREDIT	SOURCE OF STARTUP CAPITAL: CREDIT CARDS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCGOVTLOAN	SOURCE OF STARTUP CAPITAL: GOV'T LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCGOVTGUAR	SOURCE OF STARTUP CAPITAL: GOV'T GUARANTEED BANK LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCBANKLOAN	SOURCE OF STARTUP CAPITAL: BANK LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCFAMLOAN	SOURCE OF STARTUP CAPITAL: LOAN FROM FAMILY/FRIENDS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCVENTURE	SOURCE OF STARTUP CAPITAL: VENTURE CAPITALIST	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCGRANT	SOURCE OF STARTUP CAPITAL: GRANT	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCOTHER	SOURCE OF STARTUP CAPITAL: OTHER	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCDONTKNOW	SOURCE OF STARTUP CAPITAL: DON'T KNOW	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCNONENEEDED	SOURCE OF STARTUP CAPITAL: NONE NEEDED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SCNOTREPORTED	SOURCE OF STARTUP CAPITAL: NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
SCAMOUNT	AMOUNT OF STARTUP CAPITAL	*****	CHAR	1
HOMEBASED	HOME-BASED BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FRANCHISE	OPERATED AS A FRANCHISE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FRANCHISER50	FRANCHISER OWNED 50%+	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECSAVINGS	SOURCE OF EXPANSION CAPITAL: PERSONAL SAVINGS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECASSETS	SOURCE OF EXPANSION CAPITAL: OTHER PERSONAL ASSETS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECEQUITY	SOURCE OF EXPANSION CAPITAL: HOME EQUITY	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECCREDIT	SOURCE OF EXPANSION CAPITAL: CREDIT CARDS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECGOVTLOAN	SOURCE OF EXPANSION CAPITAL: GOV'T LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECGOVTGUAR	SOURCE OF EXPANSION CAPITAL: GOV'T GUARANTEED BANK LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECBANKLOAN	SOURCE OF EXPANSION CAPITAL: BANK LOAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECFAMLOAN	SOURCE OF EXPANSION CAPITAL: LOAN FROM FAMILY/FRIENDS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECVENTURE	SOURCE OF EXPANSION CAPITAL: VENTURE CAPITALIST	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECPROFITS	SOURCE OF EXPANSION CAPITAL: BUSINESS PROFITS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECGRANT	SOURCE OF EXPANSION CAPITAL: GRANT	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECOTHER	SOURCE OF EXPANSION CAPITAL: OTHER	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECDONTKNOW	SOURCE OF EXPANSION CAPITAL: DON'T KNOW	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECNOACCESS	SOURCE OF EXPANSION CAPITAL: NO ACCESS TO CAPITAL	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECNOEXPAND	SOURCE OF EXPANSION CAPITAL: DID NOT EXPAND	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECNOTREPORTED	SOURCE OF EXPANSION CAPITAL: NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
FEDERAL	FEDERAL GOV'T IS 10%+ OF SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
STATELOCAL	STATE/LOCAL GOV'T IS 10%+ OF SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
OTHERBUS	OTHER BUSINESSES ARE 10%+ OF SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
INDIVIDUALS	INDIVIDUALS ARE 10%+ OF SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
CUSTNR	CUSTOMER TYPES NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
EXPORTS	EXPORTS AS % OF TOTAL SALES	*****	CHAR	1
OPSOUTSIDE	ESTABLISHED OPERATIONS OUTSIDE THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
OUTSOURCE	OUTSOURCED BUSINESS FUNCTIONS OUT OF THE UNITED STATES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ENGLISH	CONDUCTED TRANSACTIONS IN ENGLISH	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ARABIC	CONDUCTED TRANSACTIONS IN ARABIC	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
CHINESE	CONDUCTED TRANSACTIONS IN CHINESE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
FRENCH	CONDUCTED TRANSACTIONS IN FRENCH	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
GERMAN	CONDUCTED TRANSACTIONS IN GERMAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
GREEK	CONDUCTED TRANSACTIONS IN GREEK	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
HINDI	CONDUCTED TRANSACTIONS IN HINDI	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1

Source: U.S. Census Bureau, 2007 Survey of Business Owners

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FIELD	DESCRIPTION	VALID VALUES	TYPE	LEN
ITALIAN	CONDUCTED TRANSACTIONS IN ITALIAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
JAPANESE	CONDUCTED TRANSACTIONS IN JAPANESE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
KOREAN	CONDUCTED TRANSACTIONS IN KOREAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
POLISH	CONDUCTED TRANSACTIONS IN POLISH	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PORTUGUESE	CONDUCTED TRANSACTIONS IN PORTUGUESE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RUSSIAN	CONDUCTED TRANSACTIONS IN RUSSIAN	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SPANISH	CONDUCTED TRANSACTIONS IN SPANISH	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
TAGALOG	CONDUCTED TRANSACTIONS IN TAGALOG	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
VIETNAMESE	CONDUCTED TRANSACTIONS IN VIETNAMESE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LANGOTHER	CONDUCTED TRANSACTIONS IN OTHER LANGUAGE(S)	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LANGNR	LANGUAGE NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
FULLTIME	USED FULL-TIME EMPLOYEES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PARTTIME	USED PART-TIME EMPLOYEES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DAYLABOR	USED DAY LABORERS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
TEMPSTAFF	USED TEMPORARY STAFF	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LEASED	USED LEASED STAFF	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
CONTRACTORS	USED CONTRACTORS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
EMPNR	EMPLOYEE TYPES NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
HEALTHINS	PROVIDED HEALTH INSURANCE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RETIREMENT	PROVIDED RETIREMENT BENEFITS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
PROFITSHARE	PROVIDED PROFIT SHARING	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
HOLIDAYS	PROVIDED PAID HOLIDAYS / VACATION	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
BENENABV	PROVIDED NONE OF THE ABOVE BENEFITS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
BENENR	BENEFITS NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
WEBSITE	BUSINESS HAD A WEBSITE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECOMMERCE	ECOMMERCE SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ECOMMPCT	ECOMMERCE SALES AS % OF TOTAL SALES	*****	CHAR	1
ONLINEPURCH	MADE PURCHASES ONLINE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LT40HOURS	OPERATED LESS THAN 40 HOURS PER WEEK	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LT12MONTHS	OPERATED LESS THAN 12 MONTHS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SEASONAL	SEASONAL BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
OCCASIONALLY	OPERATED OCCASIONALLY	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACTIVITYNABV	BUSINESS ACTIVITY NONE OF THE ABOVE	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ACTIVITYNR	BUSINESS ACTIVITY NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
OPERATING	BUSINESS CURRENTLY OPERATING	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
RETIRED	OWNER RETIRED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
DECEASED	OWNER DIED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
ONETIME	OPERATED FOR ONE-TIME EVENT	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
LOWSALES	INADEQUATE CASH FLOW OR LOW SALES	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
NOBUSCRED	LACK OF BUSINESS LOANS/CREDIT	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
NOPERSCRED	LACK OF PERSONAL LOANS/CREDIT	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
STARTANOTHER	STARTED ANOTHER BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
SOLDBUS	SOLD THIS BUSINESS	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
CEASEOTHER	CEASED OPERATIONS FOR ANOTHER REASON	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
CEASENR	CEASED OPERATIONS NOT REPORTED	1 (YES), 2 (NO)	CHAR	1
CEASENA	CEASED OPERATIONS NOT APPLICABLE	1 (YES), 2 (NO)	CHAR	1
HUSBWIFE	JOINTLY OWNED BY HUSBAND AND WIFE	*****	CHAR	1
FAMILYBUS	FAMILY OWNED	0 (NOT REPORTED), 1 (YES), 2 (NO)	CHAR	1
NUMOWNERS	NUMBER OF OWNERS	*****	CHAR	1

NOTE: GENERALLY, BLANK VALUES ARE PERMITTED IN RESPONSE FIELDS AS AN INDICATOR OF NONRESPONSE.

Source: U.S. Census Bureau, 2007 Survey of Business Owners

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***** BUSINESS CHARACTERISTICS		
ESTABLISHED	YEAR BUSINESS ESTABLISHED	0 - NOT REPORTED 1 - BEFORE 1980 2 - 1980 TO 1989 3 - 1990 TO 1999 4 - 2000 TO 2002 5 - 2003 6 - 2004 7 - 2005 8 - 2006 9 - 2007 A - DON'T KNOW
SCAMOUNT	TOTAL AMOUNT ($) OF STARTUP CAPITAL	0 - NOT REPORTED 1 - LESS THAN $5,000 2 - $5,000 TO $9,999 3 - $10,000 TO $24,999 4 - $25,000 TO $49,999 5 - $50,000 TO $99,999 6 - $100,000 TO $249,999 7 - $250,000 TO $999,999 8 - $1,000,000 OR MORE 9 - DON'T KNOW A - NOT APPLICABLE
EXPORTS	EXPORTS AS A PERCENT (%) OF TOTAL SALES	0 - NOT REPORTED 1 - NONE 2 - LESS THAN 1% 3 - 1% TO 4% 4 - 5% TO 9% 5 - 10% TO 19% 6 - 20% TO 49% 7 - 50% TO 99% 8 - 100% 9 - DON'T KNOW
ECOMMPCT	ECOMMERCE SALES AS A PERCENT (%) OF TOTAL SALES	0 - NOT REPORTED 1 - NONE 2 - LESS THAN 1% 3 - 1% TO 4% 4 - 5% TO 9% 5 - 10% TO 19% 6 - 20% TO 49% 7 - 50% TO 99% 8 - 100% 9 - DON'T KNOW
HUSBWIFE	JOINTLY OWNED BY HUSBAND AND WIFE	0 - NOT REPORTED 1 - YES, EQUALLY OPERATED 2 - YES, PRIMARILY HUSBAND 3 - YES, PRIMARILY WIFE 4 - NO
NUMOWNERS	NUMBER OF OWNERS	0 - NOT REPORTED 1 - 1 2 - 2 3 - 3 4 - 4 5 - 5 TO 9 6 - 10 TO 49 7 - 50 OR MORE 8 - UNKNOWN

Source: U.S. Census Bureau, 2007 Survey of Business Owners

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Category	Group	ESTIMATES AT THE U.S. LEVEL USING THE PUMS TABLES FOR --							
		Firms (number)	Receipts ($1,000)	Employer firms (number)	Employer firms' receipts ($1,000)	Employees (number)	Annual payroll ($1,000)	Nonemployer firms (number)	Nonemployer firms' receipts ($1,000)
	All classifiable firms	26,392,237	10,947,539,580	5,287,344	10,015,051,752	59,316,163	1,940,804,078	21,104,893	932,487,829
RACE	White	22,689,491	10,240,333,845	4,733,506	9,407,517,580	54,964,724	1,824,533,907	17,955,985	832,816,265
RACE	Black	1,922,806	135,615,500	107,507	97,195,741	958,322	23,357,498	1,815,298	38,419,759
RACE	American Indian and Alaska Native	223,918	33,459,798	23,000	26,932,480	193,719	5,826,600	200,917	6,527,318
RACE	Asian	1,544,624	505,063,966	399,572	452,787,895	2,974,201	79,046,001	1,145,051	52,276,071
RACE	Native Hawaiian and Other Pacific Islander	27,179	5,239,139	3,401	4,471,418	32,328	993,130	23,778	767,722
RACE	Some other race	75,440	15,953,208	12,919	13,181,122	85,600	2,241,215	62,521	2,772,086
RACE	Minority	5,763,773	1,023,653,354	771,586	859,514,132	6,160,428	163,926,863	4,992,187	164,139,222
RACE	Equally minority/nonminority	435,203	108,552,221	86,372	92,057,663	741,590	22,311,619	348,831	16,494,558
RACE	Nonminority	20,193,261	9,815,334,006	4,429,387	9,063,479,957	52,414,145	1,754,565,596	15,763,874	751,854,049
GENDER	Female	7,800,950	1,195,409,097	918,497	1,013,938,480	7,942,833	214,671,261	6,882,453	181,470,617
GENDER	Male	13,981,623	8,476,983,539	3,311,144	7,908,751,852	42,789,415	1,510,617,296	10,670,479	568,231,687
GENDER	Equally male/female	4,609,664	1,275,146,944	1,057,704	1,092,361,419	8,583,914	215,515,521	3,551,960	182,785,525
ETHNICITY	Hispanic	2,261,706	350,763,923	250,289	279,984,549	2,026,406	54,367,702	2,011,417	70,779,374
ETHNICITY	Equally Hispanic/non-Hispanic	242,942	56,166,354	46,763	46,937,082	400,152	11,083,148	196,178	9,229,272
ETHNICITY	Non-Hispanic	23,887,589	10,540,609,303	4,990,292	9,688,130,121	56,889,606	1,875,353,228	18,897,297	852,479,182
VETERAN STATUS	Veteran	2,461,559	1,219,001,210	505,300	1,125,443,934	6,049,452	210,068,948	1,956,259	93,557,276
VETERAN STATUS	Equally veteran/nonveteran	1,222,617	414,445,714	273,797	364,780,398	2,588,884	74,580,413	948,820	49,665,316
VETERAN STATUS	Nonveteran	22,708,061	9,314,092,656	4,508,248	8,524,827,419	50,677,826	1,656,154,716	18,199,813	789,265,237

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States Census Bureau

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Category	Group	RELATIVE STANDARD ERROR OF ESTIMATES AT THE U.S. LEVEL USING THE PUMS TABLES FOR --							
		Firms (number)	Receipts ($1,000)	Employer firms (number)	Employer firms' receipts ($1,000)	Employees (number)	Annual payroll ($1,000)	Nonemployer firms (number)	Nonemployer firms' receipts ($1,000)
	All classifiable firms	0	0	0	0	0	0	0	0
RACE	White	0	0	0	0	0	0	0	0
RACE	Black	0	2	1	3	2	2	0	1
RACE	American Indian and Alaska Native	1	3	3	4	3	4	1	3
RACE	Asian	0	1	0	1	1	1	0	1
RACE	Native Hawaiian and Other Pacific Islander	4	7	5	8	11	11	4	12
RACE	Some other race	2	4	3	5	7	4	2	5
RACE	Minority	0	1	0	1	1	1	0	0
RACE	Equally minority/nonminority	1	4	1	5	4	4	1	2
RACE	Nonminority	0	0	0	0	0	0	0	0
GENDER	Female	0	1	0	1	1	1	0	0
GENDER	Male	0	1	0	1	0	0	0	0
GENDER	Equally male/female	0	1	0	1	1	1	0	1
ETHNICITY	Hispanic	0	2	1	2	1	1	0	1
ETHNICITY	Equally Hispanic/non-Hispanic	1	6	3	7	5	6	1	3
ETHNICITY	Non-Hispanic	0	0	0	0	0	0	0	0
VETERAN STATUS	Veteran	0	1	0	1	1	1	0	1
VETERAN STATUS	Equally veteran/nonveteran	0	1	1	2	1	1	1	1
VETERAN STATUS	Nonveteran	0	0	0	0	0	0	0	0

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States™ Census Bureau

Category	Group	PUBLISHED ESTIMATES AT THE U.S. LEVEL USING THE TABULATION REGISTER FOR --							
		Firms (number)	Receipts ($1,000)	Employer firms (number)	Employer firms' receipts ($1,000)	Employees (number)	Annual payroll ($1,000)	Nonemployer firms (number)	Nonemployer firms' receipts ($1,000)
	All firms	27,092,908	30,031,519,910	5,735,562	29,058,828,476	117,310,118	4,822,816,636	21,357,346	972,691,434
RACE	All classifiable firms	26,294,860	10,949,461,875	5,189,968	10,015,142,962	56,626,555	1,940,572,945	21,104,893	934,318,912
RACE	Publicly held and other unclassifiable firms	798,048	19,082,058,036	545,594	19,043,685,514	60,683,564	2,882,243,692	252,454	38,372,521
RACE	White	22,595,146	10,240,990,714	4,639,743	9,406,549,498	52,518,201	1,824,109,379	17,955,403	834,441,216
RACE	Black	1,921,864	135,739,834	106,566	97,144,898	909,552	23,334,792	1,815,298	38,594,936
RACE	American Indian and Alaska Native	236,691	34,353,842	23,662	27,494,075	185,037	5,930,247	213,029	6,859,767
RACE	Asian	1,549,559	506,047,751	397,426	453,574,194	2,807,771	79,230,459	1,152,134	52,473,557
RACE	Native Hawaiian and Other Pacific Islander	37,687	6,319,357	4,151	5,250,301	37,801	1,217,138	33,536	1,069,056
RACE	Some other race	80,777	16,597,777	13,411	13,701,921	83,631	2,349,019	67,366	2,895,856
RACE	Minority	5,759,209	1,024,801,958	766,533	860,492,119	5,816,114	164,064,596	4,992,676	164,309,839
RACE	Equally minority/nonminority	434,725	108,463,188	85,900	91,965,951	696,450	22,284,328	348,825	16,497,237
RACE	Nonminority	20,100,926	9,816,196,729	4,337,535	9,062,684,893	50,113,990	1,754,224,020	15,763,391	753,511,836
GENDER	Female	7,792,115	1,196,608,004	909,661	1,014,366,348	7,520,121	214,673,400	6,882,453	182,241,656
GENDER	Male	13,900,554	8,478,196,600	3,230,075	7,909,150,925	41,051,438	1,510,450,810	10,670,479	569,045,675
GENDER	Equally male/female	4,602,192	1,274,657,270	1,050,232	1,091,625,689	8,054,996	215,448,734	3,551,960	183,031,581
ETHNICITY	Hispanic	2,260,269	350,661,243	248,852	279,920,707	1,908,161	54,295,508	2,011,417	70,740,536
ETHNICITY	Equally Hispanic/non-Hispanic	242,748	56,034,574	46,569	46,809,433	377,760	11,072,256	196,178	9,225,141
ETHNICITY	Non-Hispanic	23,791,844	10,542,766,057	4,894,546	9,688,412,822	54,340,633	1,875,205,181	18,897,297	854,353,235
VETERAN STATUS	Veteran	2,447,608	1,219,551,078	491,349	1,125,784,785	5,792,869	210,046,726	1,956,259	93,766,292
VETERAN STATUS	Equally veteran/nonveteran	1,219,641	414,198,582	270,821	364,553,099	2,447,756	74,553,654	948,820	49,645,483
VETERAN STATUS	Nonveteran	22,627,611	9,315,712,215	4,427,797	8,524,805,078	48,385,930	1,655,972,565	18,199,813	790,907,137

Source: U.S. Census Bureau, 2007 Survey of Business Owners

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Category	Group	RELATIVE STANDARD ERROR OF PUBLISHED ESTIMATES AT THE U.S. LEVEL USING THE TABULATION REGISTER FOR --							
		Firms (number)	Receipts ($1,000)	Employer firms (number)	Employer firms' receipts ($1,000)	Employees (number)	Annual payroll ($1,000)	Nonemployer firms (number)	Nonemployer firms' receipts ($1,000)
	All firms	0	0	0	0	0	0	0	0
RACE	All classifiable firms	0	0	0	0	0	0	0	0
RACE	Publicly held and other unclassifiable firms	0	0	0	0	0	0	1	2
RACE	White	0	0	0	0	0	0	0	0
RACE	Black	0	3	1	3	2	2	0	1
RACE	American Indian and Alaska Native	1	3	2	4	2	4	1	3
RACE	Asian	0	1	0	1	1	1	0	1
RACE	Native Hawaiian and Other Pacific Islander	4	6	6	7	11	11	5	9
RACE	Some other race	2	4	2	5	8	4	2	5
RACE	Minority	0	1	0	1	1	1	0	0
RACE	Equally minority/nonminority	1	4	1	5	4	4	1	2
RACE	Nonminority	0	0	0	0	0	0	0	0
GENDER	Female	0	1	0	1	1	1	0	0
GENDER	Male	0	1	0	1	0	0	0	0
GENDER	Equally male/female	0	1	0	1	1	1	0	1
ETHNICITY	Hispanic	0	2	1	2	1	1	0	1
ETHNICITY	Equally Hispanic/non-Hispanic	1	6	3	7	5	6	1	3
ETHNICITY	Non-Hispanic	0	0	0	0	0	0	0	0
VETERAN STATUS	Veteran	0	1	0	1	1	1	0	1
VETERAN STATUS	Equally veteran/nonveteran	0	1	1	2	1	1	1	1
VETERAN STATUS	Nonveteran	0	0	0	0	0	0	0	0

Source: U.S. Census Bureau, 2007 Survey of Business Owners

United States™ Census Bureau

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Wright G., Loya R., Meschede T., Santos J., & Shapiro T. M. (2019). Redefining Risk: Racial Disparities in Entrepreneurship and Financial Wellbeing. Institute on Assets and Social Policy Retrieved from: https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/racial-wealth-gap/redefining-ris k-racial-disparities.pdf

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Curriculum Vitae
Jazmyne McNeese Ph.D., M.S., M.P.P.

CAREER SUMMARY
Jazmyne is passionate about developing mindful experiences for both physical and digital communities. She has developed and completed various end-to-end research projects for nonprofit organizations, private companies, and state agencies.

EDUCATION
Rutgers University, Camden (Jan. 2023)
Ph.D. Public Affairs & Community Development

Rutgers University, Camden (Jan. 2021)
Master of Science, Certificate in Data Science

Rutgers University, New Brunswick (May 2018)
Master of Public Policy, Concentration in Race & Economics

University of California, Irvine (June 2016)
Minor in African American Studies
Dean's Honor List for 6 quarters

EARLY DEVELOPMENT
University of California, Berkeley (August 2015)
Public Policy & International Affairs Program (PPIA)
The Junior Summer Institute at UC Berkeley offers student participants a rigorous seven-week program of coursework designed to improve the participants' analytical & quantitative skills by taking courses in economics, quantitative methods, & policy & communications.

University of California, Irvine (July 2014)
Summer Academic Enrichment Program (SAEP)
SAEP is designed to be challenging. It was a five-week (seven days a week) commitment from all participants. Participants are introduced to the research culture & to the meaning of graduate education by prominent nationally known UCI faculty. Students are required to take 3 courses, research methods, statistical methods, & communications.

EXPERIENCE

Senior Data Services Analyst, Policy Map – Philadelphia
June 2022- Present

- Consult with and support a growing number of customers who license data from the Policy Map platform and incorporate that data in their applications or in-house analytics tools to support data-driven decision making.
- Supports all aspects of the Data Services department and discrete projects for the Data Development department by extracting data, metadata, and documentation needs using MS SQL Server Management Studio/Azure Data Studio and ArcGIS/QGIS.

User Experience Researcher, Key Lime Interactive - Miami
Oct 2021- June 2022

- Lead and supported 30+ user experience research projects for startups and fortune 500 companies in various industries including healthcare, government, and technology, entertainment, etc.
- Employed a range of research methodologies including A/B testing, usability testing, journey mapping, card sorting, in-depth interviews, and statistical analysis

Research Analyst, Rising Tide Capital - Newark
Sep 2021- Dec 2021

- Guided the leadership team in identifying funding goals, key stakeholders, and research questions that would help nurture existing funding streams and provide support to current community supporters
- Created, lead, and developed the core research proposal that would identify the types of projects the organization should undertake next

Graduate Research Assistant, Rutgers University - Camden
September 2018 – September 2021

- Analyzed 7 years of quantitative data on the impact of changing from a 5 to a 4-day school week on juvenile offenses, as well as the impact of Kansas state tax policy on small businesses covering 16 years of data
- Collaborated with senior academic research faculty to produce literature reviews at the intersection of public administration and community development
- Retrieved and organized publications, student resources, and credible data sources for analysis

Youth Advocacy Coordinator, New Jersey Institute for Social Justice
January 2019 – August 2019

- Designed and managed a teaching curriculum for 65 students on social justice, advocacy issues, and the impact of youth prisons in the state of New Jersey

- Led & constructed a conference for 200 students at Monmouth University & Mercer County Community College on how to increase civic engagement among students, & mobilize communities around incarceration and education
- Coordinated & taught a bi-weekly workshop to 65 students in three cities- simultaneously
- Managed all administration duties for running a program & informed stakeholders on its progress & accomplishments

Kathleen Crotty Fellow, New Jersey Policy Perspective
May 2018 – August 2018

- Produced a comparative analysis assessing the separation of families nationally at the US-Mexico Border & the separation of families in New Jersey's prison system
- Collaboratively worked with internal and external stakeholders to develop a reproductive justice report, sponsored by the National Institute for Reproductive Health in 10 weeks
- Maintained a database for stakeholder management to provide visibility to New Jersey Policy Perspective's vastly diverse clientele

Division of Housing & Community Resources Fellow, New Jersey Department of Community Affairs
January 2018 – April 2018

- Worked cross-functionally with the state department, community development organizations and community funders to develop large scale internal qualitative research reports
- Used qualitative approaches to conduct interviews and produce archival research reports to assess how organizations were positioned to become grant recipients for the New Jersey Revitalization Tax Credit Program
- Provided design direction and recommendations for New Jersey Revitalization Tax Credit Program upon expansion

Community Strategies Fellow, New Jersey Community Capital (NJCC)
January 2017– August 2017

- Collaborated closely with organizational leaders to identify research problems and drive end-to-end implementation of development programs for youth in Trenton, NJ
- Conducted interviews with community members to collect feedback on opportunities & challenges facing urban cities
- Managed new legislative initiatives & events relating to housing & community development to guide leadership
- Used GIS pre-processing, map-making, & geospatial analysis to initiate, develop & analyze research for internal and external stakeholders

PUBLISHED WORK

Ethnography without Experimentation: Ethnographic Methods in Post-Disaster Contexts – 2021
https://www.routledge.com/Disaster-&-Emergency-Management-Methods-Social-Science-Approaches-in/Rivera/p/book/9780367423964

NJ Spotlight: OP-ED: SEPARATING FAMILIES — WRONG AT THE BORDER & WRONG IN NEW JERSEY – 2018
http://www.njspotlight.com/stories/18/07/16/op-ed-separating-families-wrong-at-the-border-&-wrong-here-in-new-jersey/

New Jersey Policy Perspective: Defending Reproductive Rights in New Jersey by Improving Access to Health Care for All – 2018
https://www.njpp.org/healthcare/defending-reproductive-rights-in-new-jersey-by-improving-access-to-health-care-for-all

CONFERENCES

Urban Affairs Association 50th Annual Conference, Washington DC (2022) Paper: "Bittersweet Business" a Quantitative Analysis of Business Ownership and Framework for the Concept, "Two Americas"

Association for Public Policy Analysis and Management Conference, Texas (2022) Paper: "Bittersweet Business" a Quantitative Analysis of Business Ownership and Framework for the Concept, "Two Americas"

Black Doctoral Network Conference, Virtual (2021) Paper: Two Americas: "Bittersweet Business" a Quantitative Analysis of Business Ownership and Framework for the Concept, "Two Americas"

Krueckeberg Doctoral Conference, Virtual Conference (2021) *Modified Due to Corona Virus
Modified Presentation: Bittersweet Business: A quantitative analysis of business ownership & the framework for the concept, "Two Americas."

Black Doctoral Network, Virtual Conference (2020) Panel Title: Frozen at the Fences: Theoretical Perspectives That Centralize the Pedagogy of Black Protest Modified Presentation: Two Americas: A Mixed Methods Approach to Racial Capitalism

Graduate Research & Creative Works Symposium, Rutgers University Camden (2020) *Modified Due to Corona Virus Modified Presentation: *Race & Experimentation, Tales from New Orleans*

Urban Affairs Association 50th Annual Conference, Washington DC (2020) *Canceled Due to Corona Virus Scheduled Presentation: *Towards Transformative Community Development: Let's Get to Work*

Krueckeberg Doctoral Conference, Edward J. Bloustein School of Planning & Public Policy (2020) *Canceled Due to Corona Virus Scheduled Paper: *Two Americas: A Mixed-methods Approach to Critical Race Theory*

Association for Public Policy Analysis & Management Conference, American University (2018) Poster: *Would you be my neighbor? Evaluating the Neighborhood Revitalization Tax Credit Program*

Undergraduate Research Opportunities Program Symposium, UC Irvine (2016)
Paper: *Black Economic Discourse Assessing Wealth Gender & Linked Fate*

Critical Theory Conference, UC Irvine (2016)
Paper: *Black Economic Discourse, Infiltrating the Paradigm*

Department of Sociology, UC Irvine (2015)
Paper: *Black Economic Discourse Assessing Wealth Gender & Linked Fate*

AWARDS

The Department of Public Policy and Administration Research Grant (2021)
APPAM Equity and Inclusion Student Fellowship (2021)
Rutgers Camden Dean's Graduate Student Travel Grant (2020)
APPAM Conference 2nd Place in Poster competition (2018)
Kathleen Crotty Fellowship (2018)
Rutgers New Brunswick Student Travel Award (2018)
Eagleton Institute of Politics Fellowship (2017 – 2018)
UCI School of Social Sciences: Order of Merit award (2016)
UCI Public Policy Excellence Fellowship (2016)
UCI Women's Empowerment Initiative Fellowship (2016)
UCI Undergraduate Research Opportunities Program Fellowship (2015)
UCI UROP Libraries Research Fellowship (2015)
Dynamic Womyn of UCI Spotlight Award (2015)
Sociology Honors (2015)