

**THE ANTECEDENTS AND OUTCOMES OF ENTREPRENEURIAL ALERTNESS OF
AFRICAN AMERICAN MALE SMALL BUSINESS OWNERS**

by

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ABSTRACT

(Under the direction of DR. HANSEN and DR. KELLERMANNNS)

The construct of entrepreneurial and business success has been readily studied as it relates to varying metrics including cash flow, growth, obtaining capital, and organizational development. However, studies have not provided much insight into the antecedents involving the best environment for minorities in navigating decisions presented to individuals.

Furthermore, this study addresses the gap of research in African American males where religion is introduced into the concept of assessing business success and the entrepreneurial mindset. The antecedents of the entrepreneurial mindset are organized into financial and identifying factors assumed to have some relationship with the entrepreneurial mindset with business success outcomes. Financial factors include economic resource disparity and economic opportunity zones. Identity factors include positive ethnic identity, religiosity, and community program involvement. The introduction of religiosity to the construct of entrepreneurial mindset is intended to provide more insight in how business opportunities may or may not be actioned by the individual.

DEDICATION

I dedicate this research to my late God mother Juanita Spencer, mother Edith Claiborne, father Rufus Beddingfield, and grandmothers Essie Crockett and Erma Pitts.

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CHAPTER 1. INTRODUCTION

Small and medium sized entrepreneurial businesses (SME) are a very important part of economic growth and innovation in a society (e.g., Fairlie, 2004). In the United States, “African-Americans are the fastest growing segment of the nation’s small business owners” (JPMorgan, 2015, p. 1). This growth is an important positive trend, as only two decades ago it was found that African Americans accounted for a much smaller percentage of small business ownership versus the percentage that they comprised of the general population in the country (Ede, Panigrahi, and Calcich, 1998). While efforts have been made to improve minority business ownership through various organizations, programs, and policies, research is needed that advances knowledge on the unique barriers and the path to success for minority entrepreneurs. Indeed, as stated by Fairlie and Robb (2007, p. 289), “the plight of African-Americans in the labor market is one of the most studied topics by economists, sociologists and other social scientists over the past several decades. Interestingly, much less attention has been drawn to the plight of blacks in the main alternative form of making a living -- business ownership.” Bruton, Lewis, Lopez, and Chapman (2022) argues “that scholars need to incorporate racialized structures into their theorizing. Doing so not only will highlight the structural underpinnings of racial disadvantage for underrepresented minority entrepreneurs.”

Kollinger and Minniti (2006, p. 59) state that “the under representation of black Americans among established entrepreneurs is not due to lack of trying but may instead be due to stronger barriers to entry and higher failure rates.” Access to capital is also a noted concern for this segment of small business owners (JPMorgan, 2015). Business failure rates among African America males are higher than averages for other ethnic groups of entrepreneurs (Fairlie, 1999). Mora and Dávila (2014) question the efficiency of current policy in the United States as it relates

to the operation of new business by black and Hispanic entrepreneurs. Other reasons might exist. In the words of Singh and Gibbs (2013, p.643) “The reasons for the long-term lagging rate of black American entrepreneurship are not well understood.” In similar pronouncement, Clark-Gill (2016, p. 63) states “the challenges that minority entrepreneurs experience and the impact of growth in their businesses are not clearly defined.” In summary, more research is needed that focuses on the antecedents and outcome of an entrepreneurial mindset for African American small business owners.

Toward the proceeding goal, many different antecedents for entrepreneurial mindset and entrepreneurial success have been investigated looking at all entrepreneurs and a few looking at specific demographic groups of entrepreneurs. For example, some scholars have focused on the potential connection of religiosity and entrepreneurial success (e.g., Bellu and Fiume 2004; Dodd and Gotsis 2007; Jurkiewicz and Giacalone 2014). Specifically in reference to minority entrepreneurial success, Preisendörfer, Bitz, and Bezuidenhout (2012) propose the contribution of five success factors for black small business owners in South Africa: historical apartheid, human capital, financial resources unique mindset, and social capital and network.

The purpose of this research is to advance understanding of the antecedents and outcomes of entrepreneurial alertness of African American male small business owners in the United States. In more detail, I investigate the potential effects of five different elements on the entrepreneurial alertness component of the entrepreneurial mindset of African American male business owners: economic resource disparity, economic opportunity zones, positive ethnic identity, religiosity, and involvement in community programs. The first two topics are financially related; I draw on RBV theory (Barney, 1995; Wernerfelt, 1984) in establishing hypotheses for those two proposed antecedents. The second set of three topics are identity related; I draw on affective events theory

(Morris et al., 2012) and commitment trust theory (Morgan and Hunt 1994) in establishing hypotheses for those three proposed antecedents. The rest of the paper proceeds as follows. First, an outline of existing a conceptual background for the entrepreneurial mindset of African American male entrepreneurs in the United States, leading to hypotheses. Then, a discussion of potential data sources, how the constructs would be measured, and how the data would be analyzed.

CHAPTER 2. LITERATURE REVIEW AND HYPOTHESES

This section outlines how existing research, coupled with logic, results in a set of hypotheses that together take the form of the conceptual model shown in Figure 1. This research builds on the work of Preisendörfer, Bitz, and Bezuidenhout (2012), who investigate why the black population in South Africa has a lower participation rate in small businesses/entrepreneurship versus other ethnic minorities. They find evidence of differences in five explanatory factors in South Africa: historical apartheid, human capital, financial resources, unique mindset, and social capital and network. Their findings raise the important question: do similar types of factors impact the participation and success of African American male entrepreneurs in the United States? This paper looks at similar types of factors for African American male entrepreneurs who are more successful versus those who are less successful. In particular, it examines economic resource constraints (e.g., a theorized counterpart to historical apartheid), religiosity (e.g., a unique mindset), positive ethnic experience (e.g., a unique mindset), and involvement in community programs (e.g., human capital and social capital and network).

As shown in Figure 1, attention is first paid to five proposed antecedents of the entrepreneurial awareness component of an entrepreneurial mindset of African American male business owners: (1) economic resource constraints, (2) economic opportunity zones, (3) positive ethnic identity, (4), religiosity, and (5) community program involvement. Improvements in entrepreneurial alertness are theorized to lead to improvements in business success.

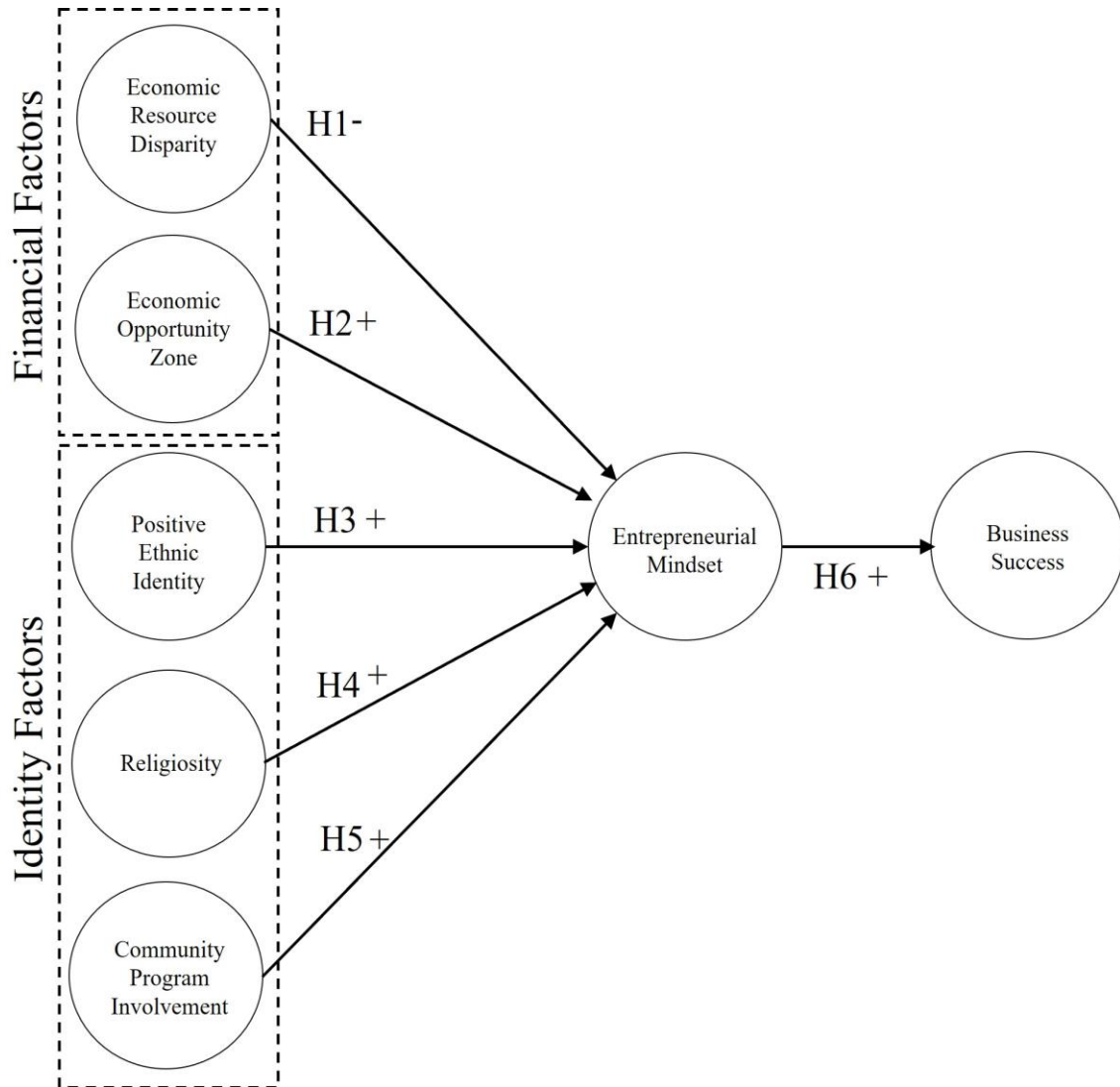


FIGURE 1: CONCEPTUAL MODEL

2.1 Entrepreneurial Mindset and Entrepreneurial Alertness

As outlined by both Naumann (2017) and Kuratko, Fisher, and Audretch (2021) there are several different definitions of the concept labeled ‘entrepreneurial mindset.’ Different definitions exist for it because some studies focus on the cognitive aspect of how entrepreneurs think while other studies focus on the emotional aspect of what they are feeling while a third group of studies focus on the behavioral aspect of what actions they are taking (Kuratko et al., 2021).

The scope of the focus of this research is on factors that might impact the cognitive aspect of the entrepreneurial alertness component of the entrepreneurial mindset of African American male business owners. And, thus consistent with the slightly different worded cognitive related definitions of McGrath and MacMillan (2000), Ireland et al. (2001), Baron (2014), McMullen and Kier (2016), and Davis et al., (2016), an entrepreneurial mindset is defined in this research *as a way of decision making that lets the individual quickly look across different opportunities under uncertainty, pick the opportunities that are best aligned with their business strategy, and decide how they will shape those opportunities to match changing situations*. The original definitions of those studies are listed in Table 1.

TABLE 1. DEFINITIONS OF ENTREPRENEURIAL MINDSET

McGrath and MacMillan (2000, p. 15)	“ability to rapidly sense, act, and mobilize, even under highly uncertain conditions”
Ireland et al. (2001, p. 968)	“way of thinking about business that focuses on and captures benefits of uncertainty” “growth-oriented perspective through which individuals promote flexibility, creativity, continuous innovation, and renewal”
Haynie and Shepherd (2007, p. 9)	“ability to adapt thinking process to a changing context and task demands”

TABLE 1. CONTINUED DEFINITIONS OF ENTREPRENEURIAL MINDSET

2010 Shepherd et al. (p. 62)	“ability and willingness of individuals to rapidly sense, act, and mobilize in response to a judgmental decision under uncertainty about a possible opportunity for gain”
Baron (2014)	“think, reason, make decisions, plan and set goals in relatively unique way”
McMullen and Kier (2016, p. 664)	“ability to identify and exploit opportunities without regard to the resources currently under their control”, only working when entrepreneurs experience promotion focus
Davis et al. (2016)	“constellation of motives, skills, and thought processes that distinguish entrepreneurs from nonentrepreneurs”

2.1.1 THE COMPONENTS OF ENTREPRENEURIAL MINDSET

Research on the cognitive aspects of entrepreneurial mindset indicates that it is composed of four related things: Entrepreneurial Alertness, Risk Propensity, Ambiguity Tolerance, and Dispositional Optimism (Wardana, Narmaditya, Wibowo Mahendra, Wibowo, Harwida, 2020). In this subsection I review research on each of the four components.

The ability within an entrepreneurial mindset to make the cognitive determinations listed in the various definitions in Table 1 is called ‘entrepreneurial alertness.’ Gaglio and Katz (2001) defines entrepreneurial alertness as a “*distinctive set of perceptual and information-processing skills*” (Gaglio & Katz, 2001, p. 95). Prior to the usage of the phrase entrepreneurial alertness, Kirzner (1979 p. 14) first introduces the concept. He states, “Entrepreneurs perceive as becoming aware of changed patterns of resource availability, of technological possibilities, and

of possibilities of new products that will be attractive to consumers” (Kirzner, 1979). Research by Cummings, Seferiadis, and de Haan (2020), Pfeifer, Šarlija, and Zekić (2016), Piperopoulos and Dimov (2015), and Sihotang, Puspokusumo, Sun, and Munandar (2020) finds that lower levels of entrepreneurial mindset among business owners in third world countries results in decreased success in running a business. The question is whether something similar holds true for ethnic minority subpopulations in developed countries. The rest of the concept looks at a set of financial and identity antecedents possibly related to the entrepreneurial alertness levels within the entrepreneurial mindset of African American male business owners.

Liles (1974) argues that in “becoming an entrepreneur an individual risks financial well-being, career opportunities, family relations, and psychic well being.” Risk propensity is a subtopic in the processes of understanding entrepreneurial mindset. The risk-taking propensity of the entrepreneur is the varying range level the individual is willing to take in order to start a new venture or remain in business (Brockhaus, 1980). As the definition of the term entrepreneur has evolved since the assessment of risk propensity, the relative scope of who risk propensity has expanded to included business owners and those with the business mindset (Brockhaus, 1980). Risk propensity is included as a component for research in the entrepreneurial mindset (Wardana et al., 2020). The relationship between entrepreneurial education and entrepreneurial mindset has been identified as a pivotal relationship in the ability to start new business ventures.

Ambiguity tolerance transitions the understanding of entrepreneurial mindset into the realm of how the individual may assess opportunities in newly developing industries or opportunities that are unfamiliar (Norton, 1974). Studies on “how a person psychologically copes with ambiguous information affects the perception, interpretation, and weighting of cognitions” (Norton, 1974). Also, “interest in the concept of tolerance of ambiguity derives

chiefly from the work of Adorno, Frenkel-Brunswik, Levinson, and Sanford” (1950). The key undertaking of ambiguity tolerance as a measurable variable is to consider the level of clarity needed for the entrepreneur to be comfortable with opportunities. Based on the level of ambiguity tolerance, how comfortable an entrepreneur is with an industry product or service may potentially persuade decision to participate.

Dispositional optimism is similar to self-efficacy. “The construct of dispositional optimism arose from a general self-regulatory framework in which positive expectancies lead to increased effort to attain desired outcomes or goals, whereas negative expectancies lead to reduced effort and disengagement from goal pursuit” (Nes and Segerstrom, 2006). Dispositional optimism is pivotal in entrepreneurial mindset measures when considering the resiliency of the entrepreneur’s ability to maintain in the development of a new business venture. Dispositional optimism was introduced as a variable in health studies (Carver and Scheier, 2014). As the variable has been integrated into business related fields of research, the construct may measure relationship with career success (Carver and Scheier, 2014). As a subcomponent of entrepreneurial mindset, dispositional optimism may be imperative in research with minority business owners to assess how barriers to industries can hinder business venture initiation.

Research highlights that entrepreneurial alertness can often be the most important cognitive aspect of an entrepreneurial mindset (Chavoushi et al., 2021). After outlining an extensive review of research on entrepreneurial alertness, Lanivich, Smith, Pidduck, and Tang 2022 call for future research to examine the underdeveloped resources and other antecedents of the concept as well as business success outcomes. Thus, the focus of this project is on the entrepreneurial alertness component of entrepreneurial mindset.

2.1.2. THE IMPORTANCE OF MENTORSHIP AND TRUST IN ENTREPRENEURIAL MINDSET

Mentorship and network availability is key to development of the entrepreneurial mindset. Aldrich and Kim (2007) identify “the social network perspective has become an important analytical lens for understanding strategic actions among entrepreneurs. Furthermore, it is key to also identify these safe spaces require a level of trust and safety to foster a positive acceptance of information to yield interest in entrepreneurship. The environment of the entrepreneurial mindset and trust is defined as a relationship developed from spaces of humility from the mentee to the roles of respect of various mentors to facilitate the transfer ideas, guidance, hope, and most importantly self-efficacy.

When considering the entrepreneurial ecosystem, the availability of information during the age of technology, and the willingness to put in the sweat equity to develop a positive cash flowing organization seems to be within reach of all persons. However, there are many obstacles for many persons including dispositional optimism, access to mentorship/network, capital, and at times regulatory restrictions on industries that may push some entrepreneurs to take the risks of entrepreneurship. Trust may be a key factor in the entrepreneurial mindset as it relates to the ability to develop within safe spaces in and outside of the household, and receive information from sources within an individual’s community. Based on past and/or current experiences there have been trust issues developing and fostered in some communities as it relates to sharing thoughts on entrepreneurial interest, intent, or ability with different levels of government, agencies, companies, or individuals. Trust has been an overlooked antecedent in the entrepreneurial mindset, and future research is needed to be conducted on how the lack of trust within some communities is an added barrier to taking the risk of starting businesses or simply accepting information of entrepreneurial opportunities.

2.1.3. THE IMPORTANCE OF OPTIMISIM IN ENTREPRENURIAL ALERTNESS

Outside of industry development, entrepreneurial experience studies were conducted to include variables of comparative optimism and business failure. Ucbasaran, Westhead, Wright, and Flores (2010) provide insight in how these variables interact with the business mindset. Their research show “entrepreneurial experiences enable themselves to temper their comparative optimism in subsequent ventures, and [that] entrepreneurial experiences shape how entrepreneurs adapt. A representative survey of 576 entrepreneurs in Great Britain [showed] experience with business failure was associated with entrepreneurs who are less likely to report comparative optimism” (Ucbasaran et al., 2010). The resilience and perseverance to remain in entrepreneurial ventures after having business failures provided more insight into the business mindset of owners. This study highlights “portfolio entrepreneurs are less likely to report comparative optimism following failure; however, sequential entrepreneurs who have experienced failure do not appear to adjust their comparative optimism” (Ucbasaran et al., 2010).

Extensive research has been conducted on the benefits of knowledge transfer in relationships of trust. Walter, Lechner, and Kellermanns (2007) study knowledge transfer between and within alliance partners. Their work advance the topic of trust in business relationships on taking an assessment of the private versus collective benefits of social capital (Walter et al., 2007). The article examines the process through which “multilevel network structures translate into knowledge acquisition from alliance partners” (Walter et al 2007). Their work finds a unit relationship between trusted networks and the firm’s performance. They find “the degree of knowledge transfer a multidivisional company achieves from its network of alliance partners is not determined not only by the organization’s external network structure, but also by the structure of relationships among its business units” (Walter et al., 2007).

Mentorship and access to networks of resources have long been studied as it relates to entrepreneurial mindset. However, few studies consider what actually moderates the self-efficacy of an entrepreneur (Hmieleski and Baron, 2008). There was little known of when entrepreneurial self-efficacy enhances versus reduces firm performance (Hmieleski and Baron, 2008). In looking into a relationship of what could moderate the entrepreneurial mindset, there were two variables that were of interest consisting of dispositional optimism and environmental dynamism (Hmieleski and Baron, 2008). “In dynamic environments, the effects of high entrepreneurial self-efficacy on firm performance were positive when combined with moderate optimism, but negative when combined with high optimism environments” (Hmieleski and Baron, 2008). The study also identifies differences among entrepreneurs in stable environments (Hmieleski and Baron, 2008). In these conditions, “the effects of self-efficacy were relatively weak, and were not moderated by optimism. Overall, results suggest that high self-efficacy is not always beneficial for entrepreneurs and may, in fact, exert negative effects under some conditions” (Hmieleski and Baron, 2008). Self-efficacy and self-confidence have been key in identifying the proper entrepreneurial mindset among different ethnicities. In some cases, not having examples in their communities or access to resources to leverage the exposure to industries have been needed.

Understanding why people take these risks of entrepreneurship enabled studies from various positions including different variables, and expectations. Townsend, Busenitz, and Arthurs (2008) look into the outcome and ability expectations in the decision to start a new venture. They inquire if “firm creation decisions are based largely on individual expectations of one’s ability. Hypotheses examining these perspectives were tested using a sample of 316 nascent entrepreneurs with the start-up decision tracked longitudinally” (Townsend et al., 2008).

The research was intended to understand why entrepreneurship is accepted with the high probability rate of failure (Townsend et al., 2008). “The results indicate confidence in one’s ability to perform tasks relevant to entrepreneurship is a robust predictor of start-up of start-up while outcome expectancies appear to play a marginal role” (Townsend et al., 2008). Again, self-efficacy is shown to be a key antecedent in the entrepreneurial mindset.

2.1.4 ENTREPRENEURSHIP AND CULTURE

Research has identified differences in persistence in entrepreneurship as it relates to ethnicity and cultures. Freeland and Keiser (2016) provides insight into longevity differences between African American and Hispanic entrepreneurs. They “examine how race/ethnicity, access to supplier credit, and personal financial investments affect three entrepreneurial outcomes: continued engagement, new firm creation, and disengagement. Compared with whites, Blacks were less likely to receive supplier credit and invest more of their own capital” (Freeland and Keiser, 2016). Their study also identifies African Americans are “more likely to persist and remain engaged in an immature venture if they did not achieve success after two years in operations, whereas Hispanics were more likely to disengage” (Freeland and Keiser, 2016). The research considers the culture differences between the three ethnic groups. The results echo the results from a similar to Shinnar, Giacomini, and Janssen (2012).

Shinnar et al. (2012) examines how “culture shape entrepreneurial perceptions and intentions within Hofstede’s cultural dimensions framework and gender role theory. [They test] whether gender differences exist in the way university students in three nations perceive barriers to entrepreneurship and whether gender has a moderating effect on the relationship between perceived barriers and entrepreneurial intentions across nations” (Shinnar et al., 2019). The research sheds light into how ethnic experiences can reach beyond borders in relationship to

gender stereotypes and expectations of career possibilities. Shinnar et al., (2019) findings show significant differences in barrier perceptions. “However, this gap [was] not consistent across cultures. Also, a moderating effect of gender on the relationship between barriers and entrepreneurial intentions are identified” (Shinnar et al., 2019). This research shows regional, ethnic groups were able to define and maintain their areas of influence on the communities and families that composed their society.

2.2. HYPOTHESES DEVELOPMENT

2.2.1 ECONOMIC RESOURCE CONSTRAINTS

The identification of economic resource constraints in the United States can be referred to research on communities in America as early as 1850, which is prior to the first federal policy to abolish slavery. Olivetti and Paserman (2015) conduct an assessment on intergenerational mobility in the United States spanning the period of 1850-1940. Their work on intergenerational mobility in the United States identified the impacts of regional economic resource constraints when identifying how the development of the industrial industry required many families to relocate long distances when the availability of those opportunities were not available in their region. In this research, economic resource constraints will be defined as the lower quality resources, programs, and departments funded by the generation of various local taxes. These constraints can take the forms of employment, education, housing, health/medical care access, among others (Broxton, Charvon, and Meyer, 2019). Table 2 provides more insight to economic resource constraints research.

Nicholson (2016) proposes that it is very important for researchers to include in their models the significant geographic-based variation in poverty. McKernan and Ratcliff (2005) propose that states can choose among different policies on education, taxes, etc. with different

incentives and risks that as a result either increase or decrease poverty. Webster (2013) outlines how the relationship between income distribution and ‘economic freedom’ (of people to make choices without being impacted by central forces) is different by state. Baker (2022) examines several southern states, finding that living in a state with stronger historical racial slavery and segregation is associated with greater poverty levels for blacks (but not white) southerners.

TABLE 2. DEFINITIONS OF ECONOMIC RESOURCE CONSTRAINTS

Kopkin (2017, p. 3050)	“Experience is defined as max (age-years of education-6, 0)”
Lee (2011, p. 991)	“Economic segregation as the spatial segregation of households by income or social class.”
Do (2009 p. 72)	“Transient exposure to neighborhood poverty is defined as residing in a poor neighborhood for less than 50 percent of the time.”

The existence of economic resource constraints has caused for the concern among voters at all levels of government. Citizens have identified the availability of data providing evidence into the gaps of economic wealth between communities, where politicians have attempted to aid in the development of these areas via public policy. However, ethnic constraints seem to be a relentless part of the American experience for many marginalized communities. The definition of ethnic constraints can more so be identified as a spectrum of gaps in access to resources, services, products, and even environment conditions. Typically, many communities in which the economic resource constraints include similarities of low home ownership, higher property tax

rates, below average household income levels, and low commercial as well as industrial tax revenue. Economic resource constraints have been exasperated by gaps created in generational wealth accumulation prohibition, as well as intended policies at varying levels of government that allow or restrict access to capital funding in personal or private ventures.

A study comparing the wealth accumulation of workers versus entrepreneurs presented interesting information on economic resource constraints. “Among black and white families, entrepreneurs hold disproportionately more wealth than workers. Black entrepreneurs hold a lower fraction of black family wealth than white entrepreneurs hold of white family wealth. Black families have a lower rate of entrepreneurship” (Bradford, 2003). Many reasons can be attributed to these findings, however, in the realm of business research and academia, it is key to acknowledge the differences in support networks minorities are developed and groomed in during their early years of learning and adolescents.

When comparing the wealth accumulation of workers and entrepreneurs, additional information was deduced. “Black and white entrepreneurs have more upward and less downward mobility in the wealth... the entrepreneurs save at higher rates than workers, and the saving rates of black entrepreneurs and white entrepreneurs are not found to differ” (Bradford, 2003). Though this research did not cover the reasoning to enter entrepreneurship, it illustrates that those who operate in as business owners have a different understanding or effectiveness in capital management and business development. It can be assumed that money management constraints can be rooted in lacking public education program, and neglected by lacking of information within the household or community of influence of the individuals.

Not only are economic resource constraints negatively impacting entrepreneurship, and the ecosystem to encourage business start-ups, when coupled with racial prejudices, minorities

are compounded with a plethora of road blocks to take the risk of entrepreneurship. Kopkin (2016) conducted a study into the relationship of racial prejudice and Black entrepreneurship. In this research, he found “an amount of prejudice equal to the difference in least and most prejudiced census divisions increases the black-white self-employment rate gap in high start-up cost industries by 10.4 – 16.8%, depending upon whether parental self-employment is controlled for, and represents the entire impact of racial prejudice on the black-white self-employment rate gap” (Kopkin, 2016). Black business owners, and those interested in starting a venture, may perceive these barriers and decide not to take the risk of entrepreneurship (Kopkin, 2016).

There are additional major financial discrepancies when considering economic resource constraints. Among these include the inability to receive fair access to capital in business ventures when comparing minority business owners to non-minorities. For example, “White [business owners] are more favorably treated when it comes to access to credit lines than African Americans, Latinos, and Asians with the same characteristics, and credit scores. Men are more favorably treated when it comes to access to credit lines than are women” (Henderson, Herring, Horton, and Thomas, 2015). The study conducted by Henderson et al (2015) shows “credit lines for Black-owned businesses would more than double, Latino-owned business’ lines of credit would nearly triple, Asian-owned businesses’ line of credit would more than triple, and those where the primary owners are women would be more than twice as large if their business lines of credit were determined the same way as those of [White men].” In other words, the availability of funding for business ventures appear to differ based on the demographic of the primary applicant where less funding can impact the survivability of the business venture. As to why this might be the case, Bone et al. (2019) finds evidence of discrimination in lending practices to African American entrepreneurs. The effects of the discrimination include more than lack of

capital to start or grow the business. In the words of Bone, Christensen, and Williams, 2014, p. 451), the lending discrimination results in them experiencing being “fettered, alone, discriminated, and subservient, as well as marked reductions in self-esteem, self-autonomy, and self-efficacy.”

These financial barriers can be assumed to have major impact on economic development. Lee (2011) conducts research into the socio-economic constraints between urban and suburban communities. “After identifying the intra-metropolitan areas using longitudinal census data from 1970 to 2000, this research investigates intra-metropolitan socio-economic constraints and polarization in terms of income, class and race within six metropolitan areas exhibiting different regional growth trends and patterns” (Lee, 2011). This study was able to take a regional approach to understanding economic development and the relationship to economic resource constraints. “The key findings of this study indicate that while metropolitan areas with compact development patterns show a relatively lower level of intra-metropolitan soand polarization, those with urban sprawl exhibit a higher level over time, despite endogenous differences in each metropolitan area” (Lee, 2011). These findings support future research into entrepreneurial ecosystems.

Another study was conducted in Massachusetts identifies an area unique to the state’s Black population. “Neighborhood variation in mortality across census and block groups was not accounted for by age, gender, and racial composition. However, neighborhood variation in mortality was much greater for the Black population than for the White population, largely because of census track level variation in poverty rates” (Subramanian, Chen, Rehkopf, Waerman, and Krieger, 2005). In cases of economic resource constraints, the ability to even

consider business ownership becomes reduced when health constraints consume the mental, emotional, physical capacities of some communities.

There are additional major financial discrepancies when considering ethnic related economic resource constraints. Among these include the inability to receive fair access to capital in business ventures when comparing minority business owners to non-minorities. “White [business owners] are more favorably treated when it comes to access to credit lines than African Americans, Latinos, and Asians with the same characteristics, and credit scores. Men are more favorably treated when it comes to access to credit lines than are women” (Henderson, Herring, Horton, and Thomas, 2015).

This research provides insight into conditions that are imposed towards entrepreneurial ventures that may reduce the vitality and success rate of these business owners. The study conducted by Henderson et al., (2015) consists of a Blinder-Oaxaca decomposition into credit lines. The study shows “credit lines for Black-owned businesses would more than double, Latino-owned business’ lines of credit would nearly triple, Asian-owned businesses’ line of credit would more than triple, and those where the primary owners are women would be more than twice as large if their business lines of credit were determined the same way as those of [White men]” (Henderson et al., 2015).

A few studies have drawn on the resource-based view theory (Barney, 1995; Wernerfelt, 1984) in looking at poverty (Seelos and Mair, 2007; Mamun, Fazal, and Zainol, 2019; Tashman and Marano, 2009). RBV proposes that increases in resources results in improvements in performance (Barney, 1995). Thus, if there are decreases in resources—such as due to economic resource constraints—then there should logically be decreases in performance. Also, the perception and acknowledgement of those constraints by the potential or current entrepreneur

mindset is identified as a gap in research. Here, that means a potential decrease in entrepreneurial mindset due to existence and perception of economic resource constraints.

HYPOTHESIS 1. Growing up in an area containing larger economic resource constraints decreases the entrepreneurial alertness of African American male business owners.

2.2.2 ECONOMIC OPPORTUNITY ZONE

The ability to spur economic development in areas of interest through the means of location based tax incentives has been an interest of government officials for some time; Gittell, Newman, Bockmeyer, and Lindsey (1998) research location based tax incentive programs known as empowerment zones and enterprise community programs, though the first programs was considered in the 1960s. Prior to the 1960's the concept of location based tax incentive programs in the United States appeared in the attempt to provide African descendants of slaves in America with 40 acres and a mule to ensure the family's economic position as freed men and women was comparable to other communities in the country.

Opportunity zones are the most recent term for location based tax incentive programs to spur economic development and require federal and state level participation. Some of these areas have degraded overtime due to the decline with some industries, and other areas have seemed to consistently remain undesirable and unable to develop into thriving communities after efforts to improve economic factors. Research on the effectiveness of the current state level opportunity zones is ongoing.

Table 3. Highlights additional definitions for economic opportunity zones.

TABLE 3. ECONOMIC OPPORTUNITY ZONE DEFINITIONS

Gittel et al. (1998, p. 531)	“Civic capacity defined as the degree to which a variety of local stake holders can effectively participate in decision making.”
Brett, Meixwell, and Hedman (2018, p. 2)	“defined local areas (census tracts) as eligible for selection as Opportunity Zones if they are “low-income communities” under the high-poverty or low-median-income definitions established for the New Markets Tax Credit program.”
Spigel and Harrison (2017 p. 155)	Regional innovation systems are a container for innovative activity because of the geographic “stickiness” of knowledge, networks, and workers, as well as an active participant in the innovation process though policy initiatives.
Agarwal, Moeen, and Shah (2017 p. 288)	“Incubation staged defined as the period between an initial trigger event and the first instance of product commercialization.”

Opportunity Zones are categorized as location based tax incentive programs, due to the fact, that government officials have the ability to restrict, or focus, the intended development towards particular areas within their areas of responsibility or control.

Gittel et al., (1998), find “variation in capacity levels among sites and limited expansion of community capacity because mayors control the process, community organization roles are limited, and existing networks are reused.” This study shows the overbearing political interest of the jurisdiction’s leadership restricting the functionality of the program to impact communities in the greatest need of economic development (Gitel et al., (1998).

Researchers were able to assess the empowerment zones and enterprise community initiative from publicly available data. During this time, the United States wanted to focus on location based tax incentive programs that targeted funding and tax incentives for distressed urban and rural communities (Oakley and Tsao, 2006). “This initiative required a community-involvement component, setting it apart from more traditional economic development initiatives of the Reagan and Bush administrations using reports required by the U.S. Department of Housing and Urban Development and Census data” (Oakley and Tsao, 2006). Based on the lacking successes of the previous tax incentive programs, it was imperative that the empowerment zones did not exclude the community residents and businesses they were intended to support. Findings indicated “community building and involvement initiatives received the least amount of funding. Traditional economic development programs received the most emphasis” (Oakley and Tsao, 2006).

Many scholars looked into the impact of empowerment zones as it related to micro and macro economic changes in communities. Jennings (2011) concludes “this initiative was successful in that it helped revitalize some of the poorest neighborhood areas in this city. While the rate of poverty was not reduced between 2000 and 2009 inside Boston’s empowerment zone, there were some notable successes” (Jennings, 2011). The notable successes in Boston provide insight into how the intent of location-based tax incentive programs can be properly utilized and directed to the communities they were developed for. This yielded “the initiation and completion of major capital projects, including the first Black-owned hotel in New England; assisting small and neighborhood-based businesses, and helping to expand the capacity of local nonprofits in Boston’s distressed areas. The success in obtaining the first Black-owned hotel in New England is an outlier in how business ventures have initiated. In many instances minorities

are not aware of the programs being initiated in their communities of interest. These accomplishments increased the level and quality of economic activity in a Boston that was overlooked” (Jennings, 2011). As a federal program, the Empowerment Zone policy provided hope and leverage for smaller state based programs.

Elected state leadership across the United States attempted to address their respective jurisdiction’s own issues with economic development. “In 2003, Minnesota enacted a tax-free zone economic development program, [known as the] Job Opportunity Building Zone (Hansen and Kalambokidis, 2010). The study was able to add evidence of the impact of the policy to spur economic development. Hansen and Kalambokidis (2010) find “businesses signing deals in 2004 and 2005 reported creating 4,891 jobs and invested \$768 million, with the reported activity varying significantly across the state...the Authors found little evidence of JOBZ’s impact on county-level economic growth during the first 3 years of the program, but did find significant impacts of several workforce and demographic variables on county-level growth” (Hansen and Kalambokidis, 2010). As a state level location base tax incentive program, the JOBZ act provided positive impact on the particular communities of interest.

Confidence in location based tax incentive programs continued after the empowerment zones and JOBZ act. As a means to revitalize areas hit by natural disasters, the Gulf Opportunity Zone Act of 2005 intended to assist communities negatively impacted by Hurricane Katrina. “From 2005 to December 2011, the GO Zone provided over \$23 billion in tax free, low interest bonds and other tax incentives to individuals and businesses in the Gulf Coast area affected by Hurricane Katrina and Rita (Gothem, 2014).” This study provides evidence into state driven processes that exacerbates risk while being associated with regulatory failures and crisis

tendencies (Gothem, 2014). By this time, evidence of lack of success in location based tax incentive programs were already available to policy developers and government officials.

Policy makers may have assumed high-growth venture creation would be a benefit for those residing within or near the opportunity zones. The tax incentives appear to have garnered the attention, or temporal focus, of wealthy investors. A study conducted by Gelfond (2019) find “the benefits of the program tended to accrue to higher skilled workers that moved into the zones for work rather than those who were living in the region.” Unfortunately, though a state took steps to identify a need to spur economic development, persons with the means to relocate to these areas seemed to take advantage of the tax benefits.

Locations in need of economic development are not hard to identify. Many of these areas have been targeted for decades from toxic practices of intentional segregation and housing redlining. Wendel (2020) identifies some of these causes of economic distress can be identified prior to the Civil Rights Act. The assessment of the opportunity zone program was perceived as an opportunity for “wealthy investors to shelter expense of distressed communities... and now policies present these communities profitable, incentive based tax avoidance opportunities, with no assurance that the same communities will not be further marginalized (Wendel, 2020).” The editorial resonated with growing concern of how the disadvantaged and poor will not benefit from the incentives of opportunity zones in comparison to the drastically smaller community of those with investment capital.

When national news coverage was provided on the tax cuts approved by former President Trump, many researchers provided projected policy assessments that the initiative would fail like previous federal initiatives of similar scope. Alm, Dronyk-Trosper, and Larkin (2021) study on the State leadership to provide equal access to opportunity zones regardless of political

affiliation. They find “the selection process overall seemed to have been relatively technocratic, with many of the strongest factors that determine opportunity zones designation being indicators of economic distress such as higher rates of unemployment, welfare receipt, or lower median income (Alm et al., 2021).” This study was key in providing support to the ability of the program to reach the people and communities that actually needed the economic development instead of favoritism related to political affiliation.

Though Alm et al., (2021) presents evidence into the bipartisan approach of selecting opportunity zones, a following study was conducted in 2021 determine there are similarities within the areas that are designated. Barth, Sun, and Zhang (2021) focus specifically on the opportunity zone selection as it related to the status of being a distressed community, or those with the highest proportions of minorities. Their findings document that “governors did not select many of the most distressed communities, or those with high proportions of minorities... it arises an issue that chosen communities are not necessarily those most in need of investment or those heavily populated by minorities, particularly African Americans” (Barth et al., 2021).

Location based tax incentive programs are not merely focused on poverty like in the United States. Many countries and regions beyond North America, have applied these programs in an assessment of the country’s or region economic development status. Prior to approval of the United States’ opportunity zone programs, a policy referred to as free economic zones were approved in North Korea (Nam and Radulescu, 2004). The program was intended to “attract foreign capital by providing tax incentive, creating employment opportunities, and promoting exports, and regional development. Tax investment promotion schemes included profit tax exemption, free or accelerated depreciation, investment tax allowance, and subsidy for investment costs” (Nam and Radulescu, 2004). The study provides evidence of how high

inflation rates can deter economic development even with the policy providing incentives for investors (Nam and Radulescu, 2004).

The ability to set policy is a role associated with a variety of levels of sovereignty. Economic development plans can include the implementation of economic development initiatives such as the specification of certain geographic regions as economic opportunity zones in which there are different taxation levels for entrepreneurs. It seems reasonable that it could impact entrepreneurial success. For example, Gonzalez-Vicente (2019, p. 8) states that “The idea of “entrepreneurial statehood” highlights how market behaviors are today deeply ingrained in state entities (SOEs, policy banks, local governments, etc.), with market enablement and economic growth having become paramount principles.” Palan (2012) outlines how state sovereignty is used to create tax incentives as ‘parking lots’ to attract large businesses. The concept of state sovereignty has appeared in research spanning several fields. It often has focused on access to basic human rights and what defines morally acceptable behavior; see, e.g., Raynor (2015).

Previous research in state sovereignty has covered macro and micro principles in growing, as well as reducing economic industry performance. Continuous advances in technology and entrepreneurship tend to exceed the policies established for identified industries while exploiting a unique relationship between state sovereignty and business. Agarwal et al., (2017) identifies the incubation phase as in how “numerous visionaries-inventors, entrepreneurs, scientists, users, policy makers, and others-spend decades laying the groundwork that lead to the creation of new industries.” Once commercialized, these industries are examined by various levels of political leadership from perspectives of violations of constitutional rights, privacy, and/or the appropriate taxation rates. “Innovative entrepreneurship, defined as the creation of new products, services, production methods, or business models, is critical for firm, industry and

economic growth and a key determinate of societal well-being” (Bradley et al., 2021). Evidence is also presented in Bradley et al., (2021) illustrating how “both macro and micro policies can stimulate successful entrepreneurial and innovative outcomes, but can also become politicized, be ineffective, and generate unintended consequences.”

Some unintended consequences are presented in the formality of firm deaths. Research shows the relationship between public policy created, from the authority of state sovereignty, can cause complete industries to close or relocate. Campbell, Heriot, Jauregui, and Mitchell (2019) used “components of the Economic Freedom of North America Index as a metric to evaluate the relationship between increased government size and firm deaths across the 50 states during 1989-2004... Some increases in state policy led to firm deaths more than others.”

At the macro level, research from Estrin, Korosteleva, and Mickiewicz (2013) “utilized the Global Entrepreneurship Monitor surveys in 42 countries for 2001- 2006, applying a multilevel estimation framework.” They found the “relationship between growth aspiring entrepreneurs and institutions are complex; they both benefit simultaneously from strong government (in the sense of property rights enforcement), and smaller government, but are constrained by corruption” (Estrin et al. 2013). Also at the macro level, Hunt (2011) provides “evidence in how the resource advantage theory can be utilized in the equity needs/wants challenges of sustainable development and argues that public policies and programs can improve economic equity by promoting the economic growth of poor countries.”

However, the correlation of policy provided little insight on a positive influence on topics with the realm of entrepreneurship mindset. Of a data sample of 922 from the U. S. Panel Study of Entrepreneurial Dynamics II (PSED II), Kwapisz (2019) identifies “There was no significant relationship between U.S. State-level economic freedom and nascent venture outcomes. Actual

and perceived government bureaucracy are not significantly related to each other, and only 6% of entrepreneurs perceives government as a major barrier and 1% lists regulations as a reason to quit.” This research supports evidence that industries without many prohibitions and restrictions are not hindered by public policy where entrepreneurs are able to easily develop and provide services and/or products without the interference of governmental regulations. This research is supported by the evidence from Lee (2018) where permitted industries that were supported by government guaranteed small business loans supported regional growth in the United States. In this study, “economic growth between 1993 and 2002 across 316 metro areas in the United States were examined. Sample OLS regressions find a significant and positive relationship between the SBA guaranteed loads and regional growth” (Lee, 2018).

In outlining the hypothesis, I draw once again on the research stream on the resource-based view theory and poverty (Seelos and Mair, 2007; Mamun, Fazal, and Zainol, 2019; Tashman and Marano, 2009). Economic opportunity zones should create an increase in opportunity; logically then there should be increases in performance. Here, that means a potential increase in entrepreneurial alertness.

HYPOTHESIS 2. The presence of economic opportunity zones results in an improved entrepreneurial alertness of African American male business owners.

2.2.3 POSITIVE ETHNIC IDENTITY

Research finds that, on average, many minority males have a negative ethnic identity (Phinney, 1991 and Phinney 1996). These experiences may span personal and social settings. There can be several contributing factors to this phenomenon. One probable contributing factor for African American males is that this demographic group is the highest incarcerated among American Citizens (Leung, 2018). As a result, the ethnic experience includes a large number of

adolescent’s development in environments operating in conditions within a school to prison pipeline. Fairchild (2010) conducts research into the intergenerational ethnic enclave influences on the likelihood of being self-employed. In this study, he examines “the intergenerational influences of exposure to self-employed, co-ethnic neighbors on the likelihood that racial or ethnic minorities will become self-employed” (Fairchild, 2010). In this extension of academic literature, Fairchild (2010) develops a “model of factors that influence self-employment likelihood, including intergenerational co-ethnic predictors, and tests them through an analysis of respondents to the 2000 U.S. Census long-form survey.” His research illustrates a strong impact of self-employment likelihood when there is exposure to entrepreneurial co-ethnics in the parent’s generation (Fairchild 2010). Watson, Thorton, and Engelland (2010) conduct two experimental studies where the perceptions of African American attitudes toward light-skinned and dark-skinned African American Female models in print advertisements were evaluated. The first study examines the “perceptions and attitudes of 299 African American males towards the advertising stimuli” (Watson et al., 2010). The second study explores the perceptions and attitudes of 251 African American females to the same stimuli” (Watson et al., 2010). The study presents evidence that complexion does matter to gaining more insight on how advertising is may be used to target some demographics or communities. Table 4 gives additional definitions on positive ethnic identity.

TABLE 4. POSITIVE ETHNIC IDENTITY DEFINITIONS

Chandra (2006, p. 400)	(a) They are impersonal—that is, they are an “imagined community” in which members are not part of an immediate family or kin group; (b) they constitute a section of a country’s population rather than the whole; (c) if one sibling is eligible for membership in a category at any
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TABLE 4. CONTINUED POSITIVE ETHNIC IDENTITY DEFINITIONS

Chandra (2006, p. 400)	given place, then all other siblings would also be eligible in that place; and (d) the qualifying attributes for membership are restricted to one's own genetically transmitted features or to the language, religion, place of origin, tribe, region, caste, clan, nationality, or race of one's parents and ancestors.
Chandra (2006 p. 405)	"an ethnic group as a collection of individuals with a common region of Origin, or a myth of common origin."

Ferguson, Jones, Meyers, and Chenevert (2020) conducts research in ethnic experiences of Black business owners. In their work, they "examined the impact of shared racial status and a consumer's level of ethnic identification on service expectations when patronizing Black-owned businesses." At this point in research of ethnic experiences and business related topics, the authors point out that extant research on Black consumers is available (Ferguson et al., 2019). The results of this work show "consumers generally expect fair treatment, but Black consumers have an expectation of a preferential treatment when patronizing Black-owned businesses. The strength of a Black consumer's ethnic identity accentuated this and other aspects of service quality expectations." (Ferguson et al., 2019) This research not only has academic importance, but also sheds insight into the potential entrepreneurial mindset of Black business owners who may be presented with the option to establish or expand their work into minority communities.

Documented ethnic experiences in the United States have been critical in understanding communities when you consider the ability to be innovative, and the level of participation of self-employment opportunities. Academic literature on this topic became more prevalent in the

United States during the civil rights era. In particular anthologies of the ethnic experience spanned Armenian-American, Dutch-American, German-American, and Greek American communities (Mangione, 1974). Here, the geographic region of origin and the spectrum of their shared demographics categorize the ethnic experiences of a community. The male African American ethnic experience includes a large number of adolescent's development in environments operating in conditions within a school to prison pipeline.

Steinfeld, Sanghvi, Zayer, Coleman, Qurahmoune, Harrison, Hein, and Brace-Govan (2019) research the transformative intersectionality of the theory and practice of business. In their work, they identify “diversity programs require intersectionality and context-specific perspective. The standardization of implicit bias tests neglects intersecting identities. That diversity training overlooks deep systemic issues and localized conditions, and that depth and breadth are key to managerially useful intersectional understanding” (Steinfeld et al., 2019). Most importantly, the transformative intersectional framework is proposed to help scholars and practitioners to explore sources of oppressions more deeply and broadly (Steinfeld, 2019). With negative ethnic experiences not being fully irradiated from the work place, some employees may take greater interest in entrepreneurship.

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The logic for this hypothesis, as well as hypotheses 4 and 5 that also focus on identity aspects, draws on affective events theory (Morris et al., 2012) and commitment trust theory (Morgan and Hunt, 1994). According to affective event theory, positive events lead to positive affect (emotions and mood) and negative events lead to negative affect. Together the positive and negative affect influence the person's satisfaction, which in turn impacts performance (Weiss and Cropanzano, 1996). I believe that increased positive ethnic identity of African American male business owners results from high levels of trust and optimism and that should translate into improved entrepreneurial mindset. At the same time, with an increased positive ethnic identity, the individual should feel an increased level of trust in both their own capabilities and in other people (Morgan and Hunt, 1994). As it relates to research in dispositional optimism, it is assumed the entrepreneur will be confident in his or her ability to be successful if they believe their culture or community is successful. Also, this may include seeing positive images of people that have similar complexion and disposition. I believe moderating changes may occur when there is increased religiosity (as described in section 2.5) and increased engagement in community programs (as described in section 2.6).

HYPOTHESIS 3. Increased positive ethnic identity improves the entrepreneurial mindset of African American male business owners.

2.2.4 RELIGIOUSITY

A person's religiosity can impact how someone reacts to changes in legislation, innovations in technology, and even economic opportunities. Huntington (1996) and Inglehart and Baker (2000) are some of the first to investigate religiosity as a variable in economic research where the definition of a nation's culture shifts to include religiosity in explaining reasons for economic development. Religiosity is defined in this dissertation as "a belief in God accompanied by a commitment to follow principles believed to be set forth by God," (McDaniel and Burnett, 1990 p. 110) Religiosity has not fully been studied as an antecedent of the entrepreneur's mindset, however some research has been conducted as it relates to consumer behavior. Religiosity has a close relationship to entrepreneurial mindset. There are many ways religious doctrine can prohibit the participation in some industries. An example of this relates to those that follow the Muslim faith and the guidance to not consume or touch pork products. As for entrepreneurial mindset, it can be assumed that there is a low number of Muslim people that participate in industries involving pork products.

TABLE 5. RELIGIOUSITY DEFINITIONS

Terpstra and David (1991, p. 73)	"A socially shared set of beliefs, ideas and actions that relate to a reality that cannot be verified empirically yet is believed to affect the course of natural and human events."
Koenig, McCullough, and Larson (2000, p. 18)	"An organised system of beliefs, practices, rituals and symbols designed (a) to facilitate closeness to the sacred or transcendent (God, higher power or ultimate truth/reality), and (b) to foster an

TABLE 5. CONTINUED RELIGIOUSITY DEFINITIONS

Koenig, McCullough, and Larson (2000, p. 18)	understanding of one's relation and responsibility to others in living together in a community".
Johnson (2000, p. 259)	"A social arrangement designed to provide a shared, collective way of dealing with the unknown and un-knowable aspects of human life, with the mysteries of life, death and the different dilemmas that arise in the process of making moral decisions".
Arnould, Price and Zikhan (2004, p. 517-518)	"A cultural subsystem that refers to a unified system of beliefs and practices relative to a sacred ultimate reality or deity".

Previous research in the field religiosity and the Islamic faith have been popular among academics. Audrestsch, Boente, and Tamvada (2013) examine the role of religion and social class on occupational choice. They find "religions like Islam and Jainism are more favorable for self-employment, and that Hindus are less likely to be self-employed compared to others" (Audrestsch et al., 2013). This research adds literature in an identified gap of religion and social class that impacts the decision making of individuals (Audrestsch et al., 2013). Cleveland, Laroche, and Hallab (2013) study the relationship between globalization, culture, religion, and values among Lebanese Muslims and Christians. In this study, evidence concerning the

acculturation to the global consumer culture showing there are differences in the antecedents of the consumer behaviors (Cleveland et al., 2013).

Attention was given to “the influence of strongly held religious or non-religious world views on the marketing of socially responsible behaviors; how religious world views influence the conduct of marketing; and what marketing scholars can learn from the marketing practices of various religious organizations (Engelland, 2014). The importance of this study includes how the reach of religiosity goes into the realms of social responsibility. This study was vital in realizing, how consumer behavior includes business relationships with respective communities and the values of the customers.

Jamal and Sharifuddin (2015) research perceives value and perceived usefulness of halal labeling and the role of religion and culture. “This research identifies the impact of the perceived value and perceived usefulness of halal-labeled product, culture and religion on intent to purchase and intent to patronize stores using data from 10 in-depth interviews and 303 self-administered questionnaires among British Muslims” (Jamal and Sharifuddin, 2015). Religiosity is identified as a moderating variable in the consumer behavior and the decision making process (Jamal and Sharifuddin, 2015). “The results show perceived usefulness, vertical collectivism, horizontal collectivism and religiosity predict a significant amount of variance in both types of intention” (Jamal and Sharifuddin, 2015). The research is utilized to show a need “to develop halal labeling to enhance the shopping experiences of British Muslims” (Jamal and Sharifuddin, 2015). This study is important as it highlights the role of religiosity in the economic development and considerations of the community’s the business industries serve.

Understanding the role of religiosity and economic development, additional research was conducted in the role of spiritual capital in innovation and performance from the perspective of

developing economies (Neubert, Bradley, Ardianti, and Simiyu 2017). While human capital and emotional intelligence studies dominated entrepreneurship academic, the growth of religiosity yielded the necessity of the term spiritual capital. In this this development, research seeks to look into the gap in an entrepreneur's affiliation with a religion. "Results from entrepreneurs' in Kenya and Indonesia indicate significant relationship between an entrepreneur's spiritual capital and business innovation and performance, even after accounting for other forms of capital" (Neubert et al., 2017). For developing nations, this study presents how impactful the role of religiosity is for economic development and entrepreneurial mindsets.

Aliman, Ariffin, and Hashim (2018) focus on the religiosity commitment and decision-making styles among Generation Y Muslim Consumers in Malaysia. In this study, "a non-probability sampling was employed to select 500 targeted respondents, and 486 completed structured questionnaires were returned. The research results indicate religiosity commitment consists of two dimensions (interpersonal and intrapersonal commitment) (Aliman et al., 2018)." Within these dimensions spanning interpersonal and intrapersonal commitment to religiosity and the values imposed on their affiliation with the organization. This research highlights "Muslim Generation Y consumers having eight decision making styles: Fashion Consciousness, Confused by Over choice, quality consciousness, brand loyalty, recreational shopping consciousness, value-impulsiveness, and time restricted." It is important to mention that these classes are among the available choices and are not restricted by religious views.

Research in the consumer behavior of communities, and areas relating to religiosity, began the realization and actions to adjust concept models where theory is needed to explain the unique relationships. Smith, Conger, McMullen, and Neubert (2019) presented a boundary theory to help explain how the opportunity to integrate religion into the venture can affect the

process of entrepreneurial action. This work presented “serious consideration of religion in entrepreneurship opening the door to new research questions related to identity, sense making, and boundary theories” (Smith et al., 2019). Sense making is key in understanding the how religiosity, as a variable, is taken into consideration in making entrepreneurial decisions or even the actions to purchase as a consumer. As religiosity has increased as a recognized variable in the research of business topics, scholars continue to battle the sensitivity of the topic. Smith, McMullen, and Cardon (2021) identifies management scholars in the past decade intentionally overlooking the importance religiosity in research. In this intentional oversight, terms like social responsibility were coined. However, without directly addressing the importance of religiosity in the aspect of business development, and other actions, a plethora of transformative research topics are overlooked.

HYPOTHESIS 4. Increased religiosity improves the entrepreneurial mindset of African American male business owners.

2.2.5 INVOLVEMENT IN COMMUNITY PROGRAMS

The involvement of in community programs may be important to development of the entrepreneurial mindset. Aldrich and Kim (2007) identify “the social network perspective has become an important analytical lens for understanding strategic actions among entrepreneurs. Furthermore, it is key to also identify these safe spaces require a level of trust and safety to foster a positive acceptance of information to yield interest in entrepreneurship. The environment of the entrepreneurial mindset and trust is defined as a relationship developed from spaces of humility from the mentee to the roles of respect of various mentors to facilitate the transfer ideas, guidance, hope, and most importantly self-efficacy. Academic research on these initiatives has reared the term social entrepreneurship relating to a plethora of sense of community programs

targeted to address the support needed by a group of people. Neubaum and Haytom (2008) identified a social entrepreneurs' role in addressing serious social problems on a worldwide scale while enhancing social wealth, often without regard for profits. They "explain the forces contributing to the formation and rapid internationalization of social ventures" (Neubaum and Hayton, 2008). Sense of community programs have entrepreneurial origins, when considering the process of identifying a need and attempting to provide what is deemed as important for the respective communities. In many cases, profit is not the desired end-state for these programs, but an elevated state of knowledge, production, or standard. In some communities, churches are the primary trusted source of sense of community programs. Members and visitors are able to participate in a safe space where various topics are executed as leadership approves. In some cases, churches in marginalized communities, are known for their educational summer enrichment programs where children in various ages are able to attend during the summer months to reduce the educational challenges presented from the local public education system. For this research, sense of community programs are defined as programs geared towards mitigating economic resource constraints, or hardships of a group of people. Table 6 is a list of key involvement in community programs.

TABLE 6. KEY DEFINITIONS OF INVOLVEMENT COMMUNITY PROGRAMS

National Research Council. (2002). <i>Community programs to promote youth</i>	<p>“Educational programs that: Help young adolescents and their parents understand the biological changes they are experiencing;</p> <p>Make sure young adolescents have the academic skills necessary to take and succeed in college preparatory secondary school courses; and provide sufficient intellectual challenge that young adolescents can learn to use formal reasoning skills effectively.”</p>
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**TABLE 6. CONTINUED KEY DEFINITIONS OF INVOLVEMENT
COMMUNITY PROGRAMS**

<p><i>development.</i></p> <p>National Academies Press p. 70-71.</p>	<p>“Social and communication skill training programs that: Help them learn to resist negative peer pressures and to communicate better with their parents about such issues as sexuality, negative peer pressures, and the health risks of drug and alcohol use.</p> <p>“Career planning activities that: Expose young adolescents to a wide range of possible careers, help them to develop high expectations for themselves about their future, and provide them with the information needed to begin to make appropriate educational choices that will help them achieve their future aspirations.”</p> <p>“Practices that: Respect young adolescents’ growing maturity by providing opportunities for meaningful inputs into program development and governance.”</p> <p>“Educational programs that: Provide tutoring for college preparatory courses; Teach about multiple cultures; and Help youth learn skills needed to navigate across multiple cultural settings.”</p> <p>“Career-related experiences in a variety of occupational settings and career planning activities that: Help them begin to focus their educational and career goals...”</p>
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As profit is not a main factor in sense of community programs, it important to include the level of responsibility to develop, manage, and foster the social entrepreneurial ventures. Stuart and Sorenson (2008) identify the importance of strategic networks for entrepreneurial ventures. They argue “[strategic networks] disproportionately focuses on the consequences of networks at the expense of research on their origins and consider the implications for the literature of the fact that most entrepreneurs and young ventures are strategic in their formation of relations” (Stuart and Sorenson, 2008). This study added the additional insight on how the entrepreneurial mindset perceives growth and the need obtain new information from the appropriate sources.

Sense of community programs being categorized as social entrepreneurship is not a negative connotation. “Future research would benefit from the incorporation of multivariate methods to complement the case study techniques that have dominated previous efforts.” (Short, Moss, and Lumpkin, 2009). Marginalized communities will continue to benefit from social entrepreneurship while sense of community programs address inequities across jurisdictions.

Scholars have not defined all of areas of sense of community programs. However, many actions in the area of research fall under the loosely identified construct of social entrepreneurship. Choi and Majumdar (2014) show “social entrepreneurship is an essentially contested concept implying that a single accepted definition is not possible. Therefore, they propose a cluster concept understanding of social entrepreneurship to facilitate systemic future research.” Walter Bryce Gallie (1956) introduces the term social entrepreneurship in literature. Potentially, social entrepreneurship developed out of the plight of marginalized community’s efforts to obtain civil rights and provide services for their communities that were overlooked.

The process of taking on a social entrepreneurial venture vary based on the ecosystems. Mair and Noboa (2006) identify four antecedents which they suggest predict social

entrepreneurial intentions. The study extends the model by including prior experience with social problems as an additional variable” (Hockerts, 2017). This research identifies prior experience predicting social entrepreneurial intentions (Hockerts 2017). “This effect is mediated by the antecedents suggested by Mair and Noboa” (2017). Self-efficacy has both the largest impact on intentions as well as being itself most responsive to prior experience. Lastly, the study shows the amount of optional social entrepreneurship electives students enroll in is predicted by entrepreneurial intentions” (Mair and Noba, 2017).

Identifying the value in supporting the development in human capital is key for sense of community programs. Estrin and Stephan conducted a study into the human capital of social and commercial entrepreneurship. They “explored the relationship between education, human capital and the choice of social as against commercial entrepreneurship. They considered the moderating effects of institutional context on these relationships, and used multi-level modeling on a cross country individual dataset” (Estrin and Stephan, 2016). Their research found there is little competition between social and commercial endeavors as it relates to human capital (Estrin and Stephan, 2016).

Regardless if the venture is identified as a social or commercial startup, sense of community programs also includes intended positive spillover impacts on the community. “Entrepreneurship has positive social spillover effects including reductions in crime. To foster these positive social spillover effects, cities should reduce recidivism, increase mentorship, and address inequalities” (McDaniel, Sutter, Webb, Parker, and Nwachu, 2021). For communities like Baltimore, Maryland where crime rates tend to be higher than other cities in the United States, sense of community programs can be ideal for improving the socioeconomic conditions

of the city. In some cases, mentorship is prevalent and available, but the endorsement from applicable offices or persons are lacking for those in marginalized communities.

Research was conducted on the impact of university entrepreneurship programs and the impact on the business owners and success. Easley and Lee (2020) examine “how university entrepreneurship programs affect entrepreneurial activity in a unique entrepreneurship-focused survey of Stanford alumni. OLS regressions find positive relationships between program participation and entrepreneurship activities.” The success rate of the business owners showed interesting results. The study also finds “the Business School program has a negative to zero impact on entrepreneurial rates. Participation in the Engineering School program has no impact on entrepreneurship rates. However, the Business School initiative decreases startup failure and increases firm revenue. University entrepreneurship programs help students better identify their potential” (Easley and Lee, 2021). As a sense of community program, Stanford University afforded students and alumni the ability to access information in an environment they trusted and felt comfortable in to encourage the participants to start businesses.

HYPOTHESIS 5. Increased community program involvement improves the entrepreneurial mindset of African American male business owners.

2.2.6 BUSINESS SUCCESS

According to the meta-analysis results of Brinkman, Grichnik, and Kapsa (2010), when it comes to the performance relationships of small firms, “prior empirical findings have been fragmented and contradictory. Results indicate planning is beneficial, yet contextual factors such as newness of the firms and the cultural environment of firms significantly impacts the relationship.” Definitions of business owner success can span selecting the correct entity structure for the organization, to having a good understanding of the industry operational

environment, or simply developing capital gains from owning stock in company. For many small business owners, formally being in business for the experience is a condition of success when you compare the demographics of different communities, and access to resources and networks. However, the definition of entrepreneurial success in this research is defined by active roles of leadership and participation in the company to generating cash flow. Examples of this can range from creating a profit by the sale of goods and services, to earning enough profit where electing to operate a S-Corporation is more beneficial for saving tax dollars, or creating so much cash flow to be required to operate as a C-Corporation where additional funding is available through trading company stock. Business owner success is defined as the right of ownership to an entity, or shares of a company. Table 7 includes key definitions for business success.

TABLE 7. DEFINITIONS OF BUSINESS SUCCESS.

Kobasa (1979, p. 3)	“(a) commitment, or the ability of an individual to be fully involved rather than alienated in a stressful situation; (b) control, or the ability to feel able to contribute to a situation rather than feel helpless; and, (c) challenge, or understanding that change is normal and not feeling threatened by change”
Smith (2005 p. 92-93)	Business awareness, as defined by the owners, is the general understanding of the direction of the business, the goals, and the competition. Business awareness also include understanding if the business needs to change the products or services offered to survive in the current business market.

TABLE 7. CONTINUED DEFINITIONS OF BUSINESS SUCCESS.

Smith (2005 p. 92-93)	Business awareness, as defined by the owners, is the general understanding of the direction of the business, the goals, and the competition. Business awareness also include understanding if the business needs to change the products or services offered to survive in the current business market.
Razmus and Laguna (2018)	indicators of business success as evaluated by entrepreneurs, however, may be different from those taken into account by people who judge firms from the outside. ...the important dimensions of entrepreneurial success are: good opinions about the firm, satisfaction of the entrepreneur and his/her employees, customer satisfaction, good work-life balance, and (to a lesser extent) the firm's engagement in the local community.

The process of adapting can be synonymous with the entrepreneur's intentions of managing a business that is sustainable. Kucketz and Wagner (2010) utilize "survey data collected from engineering students, business students, and alumni of three universities. The findings suggest there is positive impact of sustainability orientation vanishing with business experience." This provides evidence that business experience was more important than planning for sustainability. One important variable when considering the success or sustainability of a small business includes the business owner's family's role in operating the business. In many cases, the family business can be a positive support system for the business owner. Furthermore, when a lineage of generations are aligned to support a family business, the influence on the

entrepreneurial mindset is vastly different than families without business owners. Kellermans and Eddleston (2006) highlight strategic planning in family firms as a facilitating process. Also, “how generational involvement, willingness to change, and ability to recognize how technological opportunities impact corporate entrepreneurship in family firms can lead to business success” (Kellermans and Eddleston, 2006). Eddleston and Kellermanns (2007) focuses on the stewardship theory to explain why some family firms flourish while others consist of conflict.

Creating a competitive advantage in a firm’s respective industry serves a vital role regardless if the entity is considered a family based business or not. Research in strategic entrepreneurship furthers the discussion on the importance of a firm’s necessity in finding a unique niche. Ireland and Webb (2007); and Webb, Ireland, and Ketchen (2014) advance the discussion on the firm’s use of strategic entrepreneurship to simultaneously exploit their current competitive advantages while exploring for future opportunities. Their work identifies the successful entrepreneur’s role in balancing exploration and exploitation during the operation and growth of the organization (Ireland and Webb 2007).

Failure is a critical learning curve for business owners. Cope (2011) reviews interpretative phenomenological analysis on entrepreneurial learning from failure. The study proposes “recovery and re-emergence from failure is a function of distinctive learning processes that foster a range of higher-level learning outcomes. [Identifying] entrepreneurs learn much, not only about themselves and the demise of their ventures, but also about the nature of networks and relationships and the pressure points of venture management” (Cope, 2011). The research provided evidence into the effects of failure into the decision making process of business owners.

Though innovation can lead to failure at times in firm performance. Research was conducted in identifying if innovation is always beneficial (Rosenbusch, Brinkman, and Bausch, 2011). Their research identified that the impact and importance of innovation is dependent upon the context of the study (Rosenbusch et al., 2011). “Factors such as the age of the firm, the type of innovation, and the cultural context affect the impact of innovation on firm performance to a large extent” (Rosenbusch et al., 2011). Their team was able to conduct a meta-analysis synthesizing the empirical findings for smaller businesses (Rosenbusch et al., 2011). The research captures the notion that smaller firms don’t have to be innovative to be successful.

Unger, Rauch, Frese, and Rosenbusch (2011) conducted additional research in firm performance and human capital. “The study meta-analytically integrates results from three decades of human capital research in entrepreneurship. Based on 70 independent samples (N= 24,733), they found a significant but small relationship between human capital and success. The relationship is higher for outcomes of human capital investments than for human capital with high task-relatedness” (Unger et al., 2011). Due to the size of the research into firm performance, additional research into moderators of firm performance has been identified (Unger et al., 2011).

Entrepreneurial orientation, market orientation, and network ties are utilized in a study of business performance on businesses operating in Ghana (Boso, Story, and Cadogan, 2013). They identify high levels of entrepreneurial orientation, and market orientation supports business success (Boso et al., 2013). Also, strong social and business ties facilitate performance benefits where managers can earn greater rewards from entrepreneurial and market orientation (Boso et al., 2013). Previous research in business success identified these variables separately (Boso et al., 2013). In these cases, the assessment of business owners was conducted on formal and

permitted industries, however many communities experience their members participate with informal economies.

Stam, Arzlanian, and Elfring (2014) conduct a quantitative study on the social capital of entrepreneurs and small firm performance. Their work provided evidence to support contextual and methodological moderators in small firm performance (Stam et al., 2014). They find “network diversity has the largest positive effect on small firm performance, and that social capital’s effects are moderated by firm, industry, and country characteristics. Their study includes over 61 independent samples that indicated social capital-performance link was positive and significant” (Stam et al 2014).

Entrepreneurial and market orientation can be acknowledged as internal constraints. Mafundu and Mafinin (2019) studies the internal constraints to business performance of 5 black-owned small to medium enterprises in the construction industry within South Africa. “Five constraints to business performance emerged spanning occupational health and safety, human resources, leadership style, workplace communication and resource allocation” (Mafundu and Mafinin, 2019). Some of these challenges could have been mitigated with additional information and training prior to the establishment of the venture.

Another method to business success includes the process of entrepreneurs learning and establishing business while they were operating as the business owner. This process is also known as the “lean startup” (Leatherbee and Katila, 2020). The study “utilizes unique and detailed longitudinal data on 153 lean startup teams. [They find] the key components of the method included hypothesis formation, probing, business idea convergence, and that team composition is an important boundary” (Leatherbee and Katila, 2020). The research also identifies other methods for business development like learning-by-thinking would limit the

spread of learning-by-doing method (Leatherbee and Katila 2020). This appears to be true for many entrepreneurs that come from marginalized communities and have less access to resources, networks, and business development support.

Research conducted by Anglin, Courtney, and Allison (2021) focuses on seeing if there are differences in fundraising for social versus commercial ventures grounded in the congruity theory. The research identify if women and people of color are more congruent with role expectations attributed to social entrepreneurs (Anglin et al., 2021). “[Women] experience better fundraising performance when raising crowdfunded capital for social ventures when compared to commercial ventures. Results indicate women experience better funding performance when funding a social versus commercial venture. However, men of color experience worse performance when funding a social venture” (Anglin et al 2021).

HYPOTHESIS 6: Increased entrepreneurial alertness results in improved business success of African American male business owners.

CHAPTER 3. METHOD

In this section I outline the survey scale measures for the variables, the online survey sample, and the statistical analysis that I use to examine the stated hypotheses.

3.1 RESEARCH DESIGN

The topics explored in this dataset require primary survey data collection from black male entrepreneurs. I adapted scale items on each topic from existing research. I created a survey in Qualtrics. Each construct has multiple scale items. I used structural equation modeling to analyze the data to see if it supports the hypotheses.

3.2 DATA COLLECTION

A survey was built in the Qualtrics survey software online using scale items combined from prior research studies. As pointed out by Mitchell et al. (2022, p. 25), “for researchers trying to say meaningful things about entrepreneurs: we must be more diligent in selecting our samples if we wish to develop theory that can truly be regarded as consequential.” Given a focus on understanding the potential impact of five elements on the entrepreneurial mindset of African American male business owners, it is important that the sample have external validity to the specified context. However, as mentioned in prior research (Burton et al., 2022; Fairlie and Robb, 2007; Kollinger and Minniti, 2006), obtaining data on black entrepreneurs is often very difficult. The online Qualtrics survey link for this project was emailed in May 2023 to members of (a) one of the chapters in the Most Worshipful Prince Hall Grand Lodge of Maryland, (b) the Myra Grand Chapter Order of the Eastern Star Prince Hall Affiliated, (c) the National Society of Pershing Angels Sorority, (d) the Ancient Egyptian Arabic Order Nobles of Mystic Shrine (Georgia Members), and (e) black churches who participated in earlier research in building the topic on entrepreneurial mindset. And then in June 2023 a Qualtrics panel of black entrepreneurs

was used to obtain additional data. The final collected sample size from the online survey for the analysis was 163 black male entrepreneurs.

3.3 CONSTRUCT MEASURES

All of the scale items for the different variables in the conceptual model are adapted from scales in prior published research. I followed the recent updated guidelines outlined by Fuller et al. (2016) and Baumgartner, Weijters, and Pieters (2021) on how to minimize the potential for common source bias and estimate its presence/effect in the analysis.

3.3.1 ENTREPRENURIAL ALERTNESS

In this research, I use the scales of Wardana et al. (2020) to measure ‘entrepreneurial alertness.’ They are listed in Table 8, and are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree.

TABLE 8. ENTREPRENURIAL ALERTNESS SCALE ITEMS

To what extent do you agree with each of the following?
I have frequent interactions with others to acquire new information.
I am keen on looking for information.
I can recognize links between seemingly unrelated pieces of information.
I can see connections between previously unconnected domains of information.
I can distinguish between profitable opportunities and non-profitable opportunities.
When facing multiple opportunities, I have difficulty selecting the good ones.

3.3.2 ECONOMIC RESOURCE CONSTRAINTS

I adapt scale items listed by Broxton, Charvon, and Meyer (2019) and Martinez, Black, and Starr (2002) to measure economic resource constraints. They are listed in Table 9. They are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree.

TABLE 9. ECONOMIC RESOURCE CONSTRAINTS SCALE ITEMS

To what extent do you agree with each of the following?
You are stuck in that place. You don't choose or pick a place. It's chosen for you and you have to deal with it.
There is a high incidence of drug and alcohol use
Families face added scrutiny of their parenting skills because people assume that they do not know how to adequately care for their children, as opposed to there not being enough resources to help care for children.
The only choices most youth had in my neighborhood were bad choices
The system puts you in a situation and blames you for being there
There was a lack of jobs (high rates of unemployment and underemployment)
Police intervention was missing when residents of these areas became victims of crime and needed help
Underfunded and failing schools resulted in the elimination of arts courses, literacy programs, and "the classes that can help get the jobs that are in this area."
There was an environment of teaching to a government standard only to pass tests, with too much memorization and not enough learning

3.3.3 ECONOMIC OPPORTUNITY ZONES

I measure economic opportunity zones using a set of five questions (1 = Yes, 0 = No) to the respondents understanding and their perception of economic opportunity zones. They are listed in Table 10.

TABLE 10. ECONOMIC OPPORTUNITY ZONES SCALE ITEMS

Are you aware opportunity zones, have been certified in your state? (Yes/No)
Have you participated in a business venture that benefited from the establishment of opportunity zones? (Yes/No)
Are you aware of a business venture that benefited from the establishment of opportunity zones? (Yes/No)
Do you have a business in an economic opportunity zone? (Yes/No)
Did you intentionally choose to establish the address of a business so that it would be in an opportunity zone? (Yes/No)

3.3.4 RELIGIOUSITY

I measure religiosity adapting the scale items of Maltby and Lewis (1996). They are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree. They are listed in Table 11.

TABLE 11. RELIGIOUSITY SCALE ITEMS

To what extent do you agree with each of the following?
As an adult, I attend a service/church in the community I live in
Going to church helps me make friends.
Going to service/church has helped me connect to people for work or business opportunities
I try my best to follow my religion's teachings in my business dealings
I try to live all my life according to my religious beliefs.
I make business decisions after meditating or praying
It is important for me to spend time in private thought and prayer.
My whole approach to life is based on my religion.
Growing up, adult members of my congregation took the time to mentor and positively encourage me
Growing up, the members of my congregation were more educated then other people of my neighborhood.
Growing up, clergy leaders of my church took the time to mentor and positively encourage me
I consider the leaders of my congregation I grew up in as members of the "talented tenth"

3.3.5 POSITIVE ETHNIC IDENTITY

I measure positive ethnic identity using the scale items from two sources. The first set appears in Malcarne, Chavira, Fernandez, and Liu (2006) and Malcarne, Merz, Gonzalez, Navas-Nacher, Perreria, and Gallo (2022). The second set is a list of items from Williams, Yu, Jackson, and Anderson (1997) that were empirically examined in Kreiger et al. (2005) and Taylor, Kamarck, and Shiffman (2004). They are listed in Table 12. They are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree.

TABLE 12. POSITIVE ETHNIC ITENDITY SCALE ITEMS

To what extent do you agree with each of the following?
Being a member of my ethnic group is an important part of who I am.
My parents/caregivers gave me a strong sense of cultural values.
I am proud of my ethnic identity
I believe that it is important to take part in holidays that celebrate my ethnic group.
I feel more confident in my ability to succeed when I think about my ethnicity

3.3.6 COMMUNITY PROGRAM INVOLVEMENT

I measure the involvement in community programs using the scale items of Bishop, Chertok, and Jason (1997). They are listed in Table 13. They are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree.

TABLE 13. COMMUNITY PROGRAM INVOLVEMENT SCALE ITEMS

To what extent do you agree with each of the following?
I was able to get what I needed growing up from community programs in my neighborhood
Community programs in the neighborhood helped me fulfill my needs.
I belonged to community programs in this neighborhood.
Adult men involved in local community programs mentored me when I was growing up
Adult women involved in local community programs mentored me when I was growing up
I found good role models from attending community programs.

3.3.7 BUSINESS SUCCESS

I measure entrepreneurial success using scale items from Razmus and Laguna (2018). They are listed in Table 14. They are measured on a seven-point Likert scale, with 1 = strongly disagree and 7 = strongly agree.

TABLE 14. BUSINESS SUCCESS SCALE ITEMS

To what extent do you agree with each of the following?
Running the company gives me a lot of satisfaction.
Running the company is a passion for me.
Customers recommend the company to others
Customers are satisfied with the services/products provided by the company

3.3.8 CONTROL VARIABLES

I accounted for other variables that might influence the development of entrepreneurial alertness.

They are age, education level, and family-owned business.

CHAPTER 4. RESULTS

Given the focus on theory building and sample size, partial least square structural equation modeling (PLS-SEM) was used to analyze the relationships proposed in Figure 1. The PLS-SEM analysis used a two-stage modelling approach of first exploratory factor analysis (EFA) and then second confirmatory factor analysis (CFA). The parameter estimates' significance was assessed using normal a normal bootstrap with 5000 resamples (Henseler, Ringle, & Sinkovics, 2009). T-values were computed using a 5000-iteration bootstrapping procedure; the significance levels were determined using a two-tailed distribution.

4.1. EXPLORATORY FACTOR ANALYSIS

The exploratory factor analysis loadings are presented in Table 15. All scale items loaded on their correct construct and there are no cross-loading concerns. The factor scores ranged between .663 and .888, which are all above the 0.50 minimum threshold.

Table 15. EXPLORATORY FACTOR ANALYSIS LOADINGS

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
Community Program 1		0.878					
Community Program 2		0.888					
Community Program 3		0.821					
Community Program 4		0.773					
Community Program 5		0.828					
Community Program 6		0.849					
Entrepreneurial Alertness 1					0.820		
Entrepreneurial Alertness 2					0.795		
Entrepreneurial Alertness 3					0.834		

Table 15. CONTINUED EXPLORATORY FACTOR ANALYSIS LOADINGS

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
Entrepreneurial Alertness 4					0.735		
Entrepreneurial Alertness 5					0.767		
Entrepreneurial Alertness 6					0.673		
Economic Opportunity Zones 1				0.721			
Economic Opportunity Zones 2				0.663			
Economic Opportunity Zones 3				0.799			
Economic Opportunity Zones 4				0.776			
Economic Opportunity Zones 5				0.772			
Positive Ethnic Identity 1						0.839	
Positive Ethnic Identity 2						0.826	
Positive Ethnic Identity 3						0.781	
Positive Ethnic Identity 4						0.819	
Positive Ethnic Identity 5						0.807	
Economic Resource Constraints 7		0.743					
Economic Resource Constraints 8		0.711					
Economic Resource Constraints 9		0.739					
Economic Resource Constraints 1			0.701				
Economic Resource Constraints 2			0.726				

Table 15. CONTINUED EXPLORATORY FACTOR ANALYSIS LOADINGS

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
				0.735			
				0.767			
				0.673			
			0.721				
			0.663				
			0.799				
			0.776				
			0.772				
						0.839	
						0.826	
						0.781	
						0.819	
						0.807	
	0.743						
	0.711						
	0.739						
		0.701					
		0.726					
		0.735					
Economic Resource Constraints 4		0.796					
Economic Resource Constraints 5		0.784					
Economic Resource Constraints 6		0.754					
Religiosity 1							0.733
Religiosity 9							0.800
Religiosity 10							0.750
Religiosity 11							0.751
Religiosity 12							0.734
Religiosity 13							0.702
Religiosity 2							0.822
Religiosity 3							0.794
Religiosity 4							0.727
Religiosity 5							0.767
Religiosity 6							0.700
Religiosity 7							0.731

Table 15. CONTINUED EXPLORATORY FACTOR ANALYSIS LOADINGS

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
Religiosity 8							0.786
Business Success							
1	0.864						
Business Success							
4	0.768						
Business Success							
2	0.735						
Business Success							
3	0.765						

4.2 INTERNAL VALIDITY ANALYSIS

As seen in Table 16, the data appears to exhibit good internal validity. All of the Cronbach Alpha scores are between 0.82 and 0.94. These scores are between the acceptable range of 0.70 and 0.95 for Cronbach Alpha (e.g., Cronbach, 1951; Ringle, Hult, Sarstedt, Ray, Danks, and Hair, 2021), and considered either ‘good’ (above 0.8) or ‘excellent’ (above 0.9) according to George and Mallery (2003). All of the Rho A and Rho C reliability scores are between 0.77 and .95. These scores are between the acceptable range of 0.7 and 0.95 (e.g., Cicchetti, 1994; Raykov, 1997; Ringle et al., 2021) for reliability. Average variance extracted (AVE) display the range of 0.55 and 0.7, which are above the minimum 0.50 threshold for AVE (e.g., Ringle et al., 2021).

TABLE 16. INTERNAL VALIDITY CHECKS

	Cronbach Alpha	Reliability (Rho A)	Reliability (Rho C)	(AVE)
Economic Resource Disparity	0.90	0.92	0.92	0.55
Economic Opportunity Zone	0.82	0.77	0.86	0.56
Religiosity	0.94	0.94	0.95	0.57
Positive Ethnic Identity	0.87	0.87	0.91	0.66
Community Programs	0.92	0.95	0.94	0.71
Entrepreneurial Alertness	0.86	0.87	0.90	0.60

4.3 DATA RELIABILITY ANALYSIS

The Heterotrait-Monotrait Ratio of Correlations (HTMT) is presented in Table 17 to determine discriminate validity. Values below 0.90 are accepted as establishing validity between two variables. The HTMT values for the sample report values at or below 0.676. Thus, reliability is not a concern.

TABLE 17. HTMT COEFFICIENTS

	Community Programs	Econ Resource Disparity	Economic Opportunity Zone	Entrepreneurial Mindset	Positive Ethnic Identity
Community Programs					
Econ Resource Disparity	0.260				
Economic Opportunity Zone	0.381	0.261			
Entrepreneurial Mindset	0.321	0.206	0.201		
Positive Ethnic Identity	0.468	0.284	0.129	0.591	
Religiosity	0.676	0.232	0.396	0.365	0.398

4.4 COMMON SOURCE BIAS CHECK

Given that single respondents provide the information on both the antecedents and outcomes that are in the theorized model, there is the potential for some level of common source bias. The Variance Inflation Factor (VIF) for each scale item is shown in table 18. The summary statistics (average, mean, and max values) are illustrated in table 19.

TABLE 18. VIF SCORES

VIF	
Community Program 1	3.16
Community Program 2	3.802
Community Program 3	2.397
Community Program 4	2.011
Community Program 5	2.724
Community Program 6	2.752
EM EA 1	2.079
EM EA 2	1.938
EM EA 3	2.329
EM EA 4	1.775
EM EA 5	1.771
EM EA 6	1.462
EO Zones 1	1.438
EO Zones 2	1.887
EO Zones 3	1.77
EO Zones 4	1.506
EO Zones 5	1.777
Ethnic Identity 1	2.306
Ethnic Identity 4	2.044
Ethnic Identity 5	1.749
Ethnic Identity 6	2.192
Ethnic Identity 7	1.937
Grow Up Poverty p1 10	2.571
Grow Up Poverty p1 11	2.129
Grow Up Poverty p1 12	2.466
Grow Up Poverty p1 2	1.633
Grow Up Poverty p1 3	1.792
Grow Up Poverty p1 6	1.796
Grow Up Poverty p1 7	1.983
Grow Up Poverty p1 8	1.89
Grow Up Poverty p1 9	2.188
Religion Impact 1	2.156
Religion Impact 10	2.928
Religion Impact 11	2.356
Religion Impact 12	2.594
Religion Impact 13	2.227
Religion Impact 14	1.939

TABLE 18. CONTINUED VIF SCORES

VIF	
Religion Impact 2	3.754
Religion Impact 3	3.318
Religion Impact 4	2.106
Religion Impact 5	2.488
Religion Impact 6	2.091
Religion Impact 7	2.762
Religion Impact 8	2.801
success_1	1.858
success_10	1.697
success_3	1.926
success_9	1.576

TABLE 19. VIF SCORES SUMMARY

	Minimum	Average	Maximum
VIF score	1.44	2.20	3.8

4.5 DESCRIPTIVE STATISTICS

Members of the organizations received an email notification of the survey availability. As mentioned earlier, 163 black male entrepreneurs completed the survey. Age range for the sample was approximately 18-24 as 19% (n=31), 25-29 as 11% (n=18), 30-34 as 16% (n=26), 35-39 as 19% (n=31), 40-44 as 13% (n=22), 45-49 as 7% (n=12), 50-54 as 4% (n=6) 55-59 as 4% (n=7), 60-64 as 3% (n=5), and 65-69 as 2% (n=3), 70 or greater as 1% (n=2). The ethnic demographics of the sample (self-identified) included 88% African American, 5% Black American, 2% African, 4% other, and 1% Caribbean. There were 52.8% single, 18.4% living with partner/cohabitating but not yet married, 23.9% married, 1.8% married but separated, 0.6% widowed, and 2.5% divorced. The sample included participants where 27.3% did not have

children, 28.8% have children that they provide for, and the remainder had children they were no longer the care provider for. Regarding the highest level of education completed, 2% attended high school, 46% graduated from high school or have a GED, 33% attended college, 9% graduated from college, 5% attended trade school, and 5% graduated from trade school.

Among the sample 47% served in the military or armed forces. Financially, the annual income of the participants included 0% less than \$15,000, 2% less than \$35,000, 37% less than \$60,000, 32% less than \$100,000, and 29% more than \$100,000. Religious affiliates were reported as 6% Protestant, 36% Baptist, 5% Catholic, 12% Church of God in Christ (COGIC), 8% African Methodist Episcopal (AME), 2% African Methodist Episcopal Zion Church, 9% International House of Prayer, 6% Church of Jesus Christ of Latter-day Saints (Mormon), 10% Jehovah Witness, 2% Christianity-Other, and 4% Islam (Muslim).

4.6 SEM EXAMINATION OF THE HYPOTHESES

Correlations of the latent constructs are shown in Table 20. The variables included economic resource disparity, economic opportunity zones, positive ethnic experience, religiosity, community involvement programs, entrepreneurial mindset, and business success. Correlation values ranged from 0.09 to 0.62.

As seen in Table 20, the results of the modeling sample are identified in showing low correlation figures. The strongest correlated variables include religiosity and community programs with a correlation value of 0.62. The weakest correlation relation is the relationship between Positive Ethnic Identify and Economic Opportunity Zones.

The results of the construct model show that some of the financial factors and identity factors play a major role in the development and exercising of the entrepreneurial mindset.

Table 21 contains the PLS SEM path coefficients from the bootstrap procedure. The results do

not show support of hypothesis 1, that economic resources disparities are associated with changes in the entrepreneurial alertness ($\beta = 0.06$, $t = 0.81$, $p = 0.42$).

The results do support hypothesis 2 regarding economic opportunity zones at the $p < 0.10$ level ($\beta = 0.24$, $t = 1.89$, $p = 0.06$). The results support hypothesis 3 regarding positive ethnic identity at the $p < 0.001$ level ($\beta = 0.46$, $t = 5.83$, $p < 0.001$). The results support hypothesis 4 regarding religiosity at the $p = 0.10$ level ($\beta = 0.14$, $t = 1.61$, $p = 0.10$). The results do not show support of hypothesis 5, that involvement with community programs is associated with changes in the entrepreneurial alertness ($\beta = -0.02$, $t = 0.23$, $p = 0.82$).

TABLE 20. PLS SEM CORRELATIONS

	1.	2.	3.	4.	5.	6.	7.
1. Business Success	1						
2. Community Programs	0.257	1					
3. Economic Resource Disparity	0.138	0.22	1				
4. Economic Opportunity Zone	0.118	0.31	0.217	1			
5. Entrepreneurial Alertness	0.538	0.304	0.213	0.194	1		
6. Positive Ethnic Identity	0.445	0.422	0.267	0.09	0.519	1	
7. Religiosity	0.273	0.622	0.206	0.332	0.34	0.364	1

As seen in Table 20, the results of the modeling sample are identified in showing low correlation figures. The strongest correlated variables include religiosity and community programs with a correlation value of 0.62. The weakest correlation relation is the relationship between Positive Ethnic Identify and Economic Opportunity Zones.

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Also, the relationship between entrepreneurial alertness to business success is significant, supporting hypothesis 6 ($\beta = 0.55$, $t = 11.5$, $p < 0.001$).

TABLE 21. PLS SEM ANALYSIS PATH COEFFICIENTS

Path	Beta Coefficient	Std Dev	T statistic	P value
H1. Economic Resource Disparity → Entrepreneurial Mindset	0.06	0.06	0.81	0.42

TABLE 21. CONTINUED PLS SEM ANALYSIS PATH COEFFICIENTS

H2. Economic Opportunity Zone → Entrepreneurial Mindset	0.24 ^t	0.11	1.89	0.06
H3. Positive Ethnic Identity → Entrepreneurial Mindset	0.46***	0.08	5.83	<0.001
H4. Religiosity → Entrepreneurial Mindset	0.14 ^t	0.09	1.61	0.10
H5. Community Programs → Entrepreneurial Mindset	-0.02	0.08	0.23	0.82
H6. Entrepreneurial Mindset → Business Success	0.55***	0.05	11.54	<0.001

Read: Statistical significant levels ^t p < 0.10, * p < 0.05, **, p < 0.01, *** p < 0.001

CHAPTER 5. DISCUSSION AND CONCLUSION

The gap in research prompting the initiation of building the construct is rooted in a lack of research in African American men as it relates to business mindset. Much work has been conducted on consumer behavior in relationship to religion, but little research on the impact of the identity factors and financial factors to the entrepreneurial mindset is available. This study advances knowledge on those topics.

It is interesting that for this sample the results were not significant for hypothesis 1. Perhaps a larger sample would change things. But, at least for this sample, it appears that increases in economic resource disparity do not lead to changes in entrepreneurial alertness. One interpretation is that the black male entrepreneurs are able to overcome the expected effect, perhaps due to things such as the positive ethnic identity and religiosity factors. The financial factor of economic opportunity zone indicates that there are benefits to having the zones. Related to affective events theory, the positive ethnic identity and religiosity significant coefficients indicate that these factors impact mindset leading to positive outcomes. These results provide evidence that community funding of programs intended to improve the entrepreneurial mindset of various age groups, legislation to modify public educational program to encourage entrepreneurial efforts as a trade program, and/or to validate parent or guardian decisions to maintain religious affiliations in households are worth pursuing. They do impact entrepreneurial alertness of black male entrepreneurs and that entrepreneurial alertness has a significant impact on business success.

5.1 LIMITATIONS

A larger sample size is needed in future research to re-examine the coefficients and to examine inclusion of additional factors. Survey response rate in the study was a major limitation. Though the interest in providing research in a predominately African American sample equally supported the gap of research, African Americans are one of the least active communities to voluntarily participate in survey opportunities. This historical trend is rooted in decades of negative experiences of predominately African American communities being mistreated and/or harmed in research studies. Many members affiliated with the organizations invited to participate did not have up-to-date email distribution access with their organizations.

5.2 FUTURE RESEARCH

One avenue of future research would be including information regarding the incarceration of black business owners; it may provide additional insight into the relationship of the financial and identity factors. As African American men represent the highest incarcerated demographic of Americans, the inclusion of this information may be necessary to determine additional relationship impact on religiosity and entrepreneurial alertness. Additional research that compares African American women versus African American men in entrepreneurship would be valuable. Future research on black entrepreneurship should include other dimensions of entrepreneurial mindset (e.g., Kuratko et al. 2021). Given that mentorship and network availability can play important roles in entrepreneurial mindset (Aldrich and Kim, 2007), future research should focus on exploring who are the mentors of successful black entrepreneurs—are they family, community members, religious affiliation leaders, school teachers, etc. Furthermore,

future research should look at the roles of societal trust and safety for black entrepreneurs.

5.3 CONCLUSIONS

In conclusion, this research has examined to what extent a set factors for African American male entrepreneurs impacts their entrepreneurial alertness and business success. Those factors were economic resource constraints (e.g., at times a counterpart to historical apartheid), economic opportunity zones (resources), religiosity (e.g., a unique mindset), positive ethnic experience (e.g., a unique mindset), and involvement in community programs (e.g., human capital and social capital and network). The results indicate that economic opportunity zones, religiosity, and positive ethnic experience are significant antecedents of entrepreneurial awareness component of an entrepreneurial mindset for the African American male business owners.

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