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Resource Gaps for Minority Entrepreneurs: Toledo Business Survey and Interviews Findings

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June 2022

**RESOURCE GAPS FOR
MINORITY
ENTREPRENEURS:
TOLEDO BUSINESS
SURVEY AND INTERVIEWS
FINDINGS**

**CENTER FOR
ECONOMIC
DEVELOPMENT**

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INTRODUCTION

This study aims to assess minority resource gaps in entrepreneurial ecosystems (EEs) in three cities across Ohio: Cleveland, Toledo, and Dayton. This report seeks to answer two main research questions: 1) What are the local factors of EEs that drive growth for minority entrepreneurs? And 2) Across three sites in Ohio, what are the gaps in access to different resources for minority entrepreneurs in the ecosystem?

We answer these questions sequentially by first defining EEs. Then, we assess the overall themes gleaned from all three cities using data collected from internet research, surveys, and interviews. Finally, this report will take a deep dive into each city, describing the current assets in its EE, identifying what helps entrepreneurs grow, and the gaps within the EE.

Ecosystems are a biological concept to explain complex interwoven communities; entrepreneurial ecosystems (EE) have become a new frontier of research in entrepreneurship, focusing on interconnected networks that support and facilitate entrepreneurship. EEs is a practitioner-driven concept that has drawn some ire from academics suggesting that it is practically driven rather than theoretically driven. EEs move the discussion away from counting and assessing aggregate numbers of new firms to fostering “productive firms” – those firms that contribute to the economy. Moreover, this shifts the unit of analysis from new venture creation to the scaffolding that facilitates productive entrepreneurship.¹

We examine EEs from a regional economic development standpoint. A traditional examination of EEs looks at how the entrepreneur can move through the ecosystem. Our approach facilitates regional public policy changes to provide greater connections and enhanced resources for minority entrepreneurs, and the best way to do that is through economic development intermediaries. From a regional economic development standpoint, such intermediaries can facilitate growth by providing services, advocating for change, and seeing the forest over the trees. Moreover, the “draw on local resources, support, and financing” can grow firms into competitive ventures.² However, both entrepreneurs and regional development organizations are interdependent actors in a dynamic relationship within the broader system.³ It is also important to note that our model of EE does not include aspects of formal state and national institutions and infrastructure since all three ecosystems are located within the same state jurisdiction. It is assumed that they have access to the same governmental and infrastructure amenities.

¹ Wurth, B., Stam, E. & Spigel, B., (2021). Toward an entrepreneurial ecosystem research program. *Entrepreneurship Theory and Practice*. 1-50.

² Spigel, B. & Harrison, R., (2017). Toward a process theory of entrepreneurial ecosystems. *Strategic Entrepreneurship Journal*. 151-168. Quote from p. 152

³ Audretsch, D. B., & Belitski, M. (2017). Entrepreneurial ecosystems in cities: establishing the framework conditions. *The Journal of Technology Transfer*. 1030-1051.

METHODOLOGY

First, this research would not be possible without the partners that helped collect the data. This research project utilized the connections of business growth collaboratives (BGC) in Toledo, Cleveland, and Dayton. A business growth collaborative takes a case management approach to small business service by bringing all essential members to the table to discuss how to help an individual business. It is important to note that all three collaboratives were formed at different times and have different structures. The Cleveland BGC is the oldest, beginning several years ago with a more formal structure with an identified group and regular meetings. Toledo followed the Cleveland model and is also more formal. JumpStart Inc facilitates both Cleveland and Toledo to contribute to the continuity of each collaborative. Dayton is the youngest, formed only a year ago, and takes more of a “network” approach. Dayton does not call itself a BGC, but instead an “MBE Resource Network,” indicating a more relaxed alliance rather than one which holds meetings to discuss individual clients. All of these support structures play an important role in resource delivery and organization.

Asset Mapping

There are many definitions of the components of an EE. Dan Isenberg was the first to begin the conversation on EEs as a practitioner tool. He showed that EEs have five main components: policy, finance capital, support, human capital, and markets. We used the Isenberg model to create asset maps in each of the cities to determine what the current EE looks like and how it can assess the growth and gaps for minority entrepreneurs. The rationale for including these components are:

- **Public Policy:** In the policy realm, organizations set and foster entrepreneurial policy within the region of interest. These organizations provide services and drive public policy that helps organizations provide essential business services.
- **Financial Capital:** No business can succeed without capital, which can come as debt or equity. These organizations provide a variety of financial capital resources for businesses to succeed.
- **Support Infrastructure:** Economic development organizations play an essential role in supporting and fostering entrepreneurship and small businesses. The support infrastructure is organizations that help businesses grow directly or indirectly.
- **Talent & Education (Human Capital):** Regional talent pools are essential for businesses to grow. A skilled worker and educational pipeline can create more opportunities for entrepreneurs to hire and retain new talent. It can also lead to the creation of additional ventures due to a more skilled labor force and more technical know-how.
- **Network (Markets):** What makes EEs unique is the collection of critical assets and the connection of these assets and actors to social networks and entrepreneurs. Having the right resources cannot be enough. An entrepreneur must have the proper network and social capital to build its resources.

Throughout the study, the research team investigated the assets that would help drive entrepreneurial growth in each city and created an asset map. Asset mapping is an essential component of identifying each community’s resources and any gaps that can be recognized. Moreover, the asset map provides a roadmap for each city’s EE. These maps can point to the local factors of growth that drive minority entrepreneurs. In all, the research team found 62 organizations and resources. These organizations were put into asset maps based upon our definition of EEs with the designations of the five components detailed above.

Interviews and Online Surveys of Toledo Organizations

Internet searches can only help in identifying “what” service organizations are operating, but it does not identify “who” the champions are in the cities and “how” these organizations work. To do that, the research team conducted interviews and surveys of the organizations that take part in their respective BGCs to assess the growth and gaps of each EE.

The research team talked to stakeholders and business growth organization members across all regions. The research team solicited each BGC to provide a list of names of individuals who were “in the know” about the ecosystem, the BGC, and the entrepreneurial scene. To garner trust for these interviews, the primary researcher attended virtual meetings of each BGC to inform them of the purpose of this work, the content of interviews and data collection, as well as the intended outcomes.

To conduct research for the Toledo BGC, the team interviewed 12 individuals. Due to Covid-19 and restricted travel, all interviews took place on Zoom or via the online survey platform. The interview collected information on each organization (Appendix A). Interviews were more informal and took a semi-structured approach (i.e., some of these questions were skipped if easily found on the internet). In all, interviewees described their perceptions of access to resources for minority entrepreneurs, their perceptions of the importance of the BGC/network, and identified gaps that need to be closed.

There are limitations to these research methods, considering the finite number of interviews and stakeholders that were contacted. Overall, these interviews provided a sense of the EE as well as gaps in resources for minority-owned firms.

ASSET MAPPING

Toledo has a small but healthy EE that serves many different sectors and entrepreneurs. Figure 1 displays the asset map of the Toledo EE with all of the organizations that service and support entrepreneurs. For a listing of services provided by each organization, see Appendix B.

When asked about the Toledo EE, participants provided a range of services such as technical assistance, funding and finance, networking, and advocacy efforts. Similar to the other areas, these services reinforce the importance of an entire ecosystem to support and encourage people to start ventures. When asked who supports minority entrepreneurship, participants responded that the greatest champions of minority businesses were the City of Toledo, the Toledo Public Library, JumpStart, Women of Toledo, and the BGC overall.

Figure 1. Asset Map of the Toledo EE



INTERVIEWS

The Toledo region's Business Growth Collaborative (BGC) is a network of resource providers focused on helping entrepreneurs and small businesses in the area establish themselves and grow. The BGC drives the region's entrepreneurial ecosystem (EE) through member organizations that provide a range of services, including technical assistance, funding and finance, networking, mentorship, and advocacy. The BGC has become a cornerstone of the Toledo EE. As noted by a BGC member, "The BGC is like a wheel. The BGC is the hub. All the rest of us are the spokes. If we're all in alignment, we'll keep going." The Toledo BGC must act on opportunities for improvement and address its challenges because "if one spoke breaks, you're going to hobble along. If two or three break...you're going to be dead in the water."

This section uses interviews with Toledo BGC members to examine the state of the Toledo EE and the extent to which the Collaborative's resources reach minority entrepreneurs (which includes both racial minorities and women). By assessing the strengths, weaknesses, and gaps in the Toledo EE overall, and for minorities in particular, it is possible to identify opportunities for change that will create a more effective BGC and drive greater entrepreneurial success for minority entrepreneurs in the region.

Strengths

Interviews revealed the strengths of Toledo's entrepreneurial ecosystem, painting a picture of a region with a strong foundation of resources, talent, and networks for entrepreneurs to succeed. Respondents identified an abundance of resources across the region that assist with every step of the process, from business registration to securing funding for expansion. There is also a large pool of talent available in the region for companies to staff their ventures and supply the skills needed to grow. Almost three dozen higher education institutions are located within 60 miles of Toledo, creating a workforce pipeline of graduates available for hire by local businesses. Respondents emphasized that the entrepreneurial social network of the Toledo region is strong as well, extending beyond BGC membership and contributing to a burgeoning culture of entrepreneurship that has created momentum for the region. According to one respondent, "In this region, we have so many organizations who are pro-entrepreneur, pro-business, that we're seeing a renaissance in our area, especially over the next five years. And I'm very excited to be a part of that." This social network, however, is largely informal and relies on word-of-mouth to spread knowledge between entrepreneurs. The creation of the Toledo BGC, then, was established in part to formalize this network and create better access to resources, especially for minority entrepreneurs.

As the central force supporting the region's entrepreneurs, it is essential to examine the strengths of the Toledo BGC separately from those of the region as a whole. The BGC's robust network provides a diverse set of resources to all entrepreneurs in the region, and many members report that their primary clientele is minority entrepreneurs. Within the network, business and financial management training are especially valued. Organizations that provide such services, like the Lucas County Public Library and Small Business Development Council, were called out often as champions in the entrepreneurial support space. While all members of the BGC serve minority entrepreneurs, a few were identified as being particularly invested in their success, including Assets Toledo, Women of Toledo, the City of Toledo, Key Bank, Fifth Third Bank, and some successful minority entrepreneurs themselves. These advocates contribute to the inclusion of minorities by catering to their unique needs. A more widespread culture of inclusion wherein minorities feel a sense of belonging is still evolving, however, and according to some respondents, it has a way to go.

Most respondents agreed that the greatest strength of the Toledo BGC in particular is its ability to bring small business providers from around the region together in one space. The BGC incentivized

collaboration between service providers and created a stronger system of referrals among them. This brings value to each member organization and the EE as a whole by expanding the resources reach to more entrepreneurs. The resulting increased participation in programming is a major way respondents report measuring their organizations' success. The BGC also helped reduce inefficiencies within the EE by increasing knowledge of available services between members, enabling them to better match entrepreneurs to the services they need. The teamwork fostered by the BGC is also improving the entrepreneurial culture within the region by reducing competition between providers; as one member stated, "What it's done for us is it's refined what we do and it's given the other partners the idea that, 'Oh, they're not trying to take away our business. They're trying to help the entrepreneur.'" As another respondent noted about the BGC, "Working as a team will always have a greater impact than working by yourself."

Weaknesses

One of the major weaknesses in Toledo's EE for all entrepreneurs, but especially for minority entrepreneurs, is access to capital. According to the Federal Reserve's 2021 Small Business Credit Survey Report on Firms Owned by People of Color, most firms owned by minorities did not have their financing needs met, while half of white-owned businesses did. Minorities were less likely to apply for loans and less likely to receive most or all the amount requested from financial institutions.⁴ Research has found similar challenges in accessing capital for female entrepreneurs. A survey on the state of female entrepreneurship conducted by Visa using a sample of 650 female-owned businesses nationwide found that 73% of entrepreneurs surveyed had difficulty obtaining funding, and 61% self-funded their business. Only 17% of businesses surveyed received all funding requested from investors.⁵ Our interviewees pointed out that there are plenty of traditional lenders like banks and credit unions in Toledo, but that there are barriers to entry for minorities. Contributing reasons are a perception that large banks are not welcoming and the imposition of fees and minimum balance or credit requirements. Banks have made progress to accommodate more entrepreneurs, but most remain averse to changing their requirements that disproportionately affect minorities. As one respondent noted, "Some of our banks, during the pandemic, they have come up with some really good programs for women and for minorities. But there's still that hurdle if you have a fee every month or you have to keep a minimum balance. That is not serving the entrepreneur." Nontraditional capital resources, therefore, have been a primary source of funding for minority entrepreneurs in Toledo, but there are not enough flexible, mission-driven funders to meet the needs of the region. A smaller philanthropic community than other major cities in Ohio contributes to this problem.

While real barriers exist on behalf of lending institutions, our interviews revealed a deeper cause of limited access to capital: a lack of loan readiness. Many new small business owners need financial education before pursuing a loan, as lenders require proper financial documentation, accounting, and often a business plan. Service providers see this in their clients: "What we're finding with businesses that are coming into the programming is they may have been in business for two or three or five years, but they miss so many steps back here, we have to take them back and then bring them forward... (It) doesn't stop them from doing business, but it will slow them from scaling up or getting the proper funding that they need to grow."

⁴ The Federal Reserve. (2021). [Small Business Credit Survey: 2021 Report on Firms Owned by People of Color](#).

⁵ She's Next, Empowered by Visa. (2019). [State of Female Entrepreneurship](#).

This situation is pervasive for minority entrepreneurs who do not benefit from the same levels of generational wealth in the form of capital, knowledge of the banking system, or business ownership as their white male counterparts. “A lot of minorities come to the table with nothing, no background, no anything,” while non-minority business owners are able to contribute more of their own resources and leverage their connections to succeed. This is often the case with access to more in-depth coaching or assistance with financial management, services which cost entrepreneurs a fee. Minority entrepreneurs are more likely to take advantage of free resources, many of which are available through the Toledo BGC. But minority entrepreneurs also face challenges tapping into this entrepreneurial social network that enables better access to capital — “Financial capital and equity, they’re very, very hard to find unless you’re in that network and somebody can connect you to that.”

Access-to-capital issues in the Toledo EE are intertwined with another regional weakness — an agreement among respondents that Toledo is behind in fostering a robust culture of entrepreneurship. As mentioned previously in this report, there is now a focus on cultivating an entrepreneurial ecosystem in the region, but in comparison to other Ohio cities, this effort is relatively new. Respondents were apt to point out that Toledo lacks a business identity because of its manufacturing legacy and history of a prominent union workforce. Despite the abundance of resources in the region, one respondent noted, “Toledo has a self-esteem issue...we often get left out of the three Cs. We don’t have great storytelling. We were built on small businesses, but we lost that piece of our identity when we were like, “nope, we’re manufacturing, we’re cars.” It got lost, and we are trying to find out way back to it.” This image-making challenge carries into the work of the BGC, which could expand its success by stepping out more from behind the scenes of the Toledo EE.

Other weaknesses of the Toledo BGC identified by respondents are its limited online presence and community outreach. Although their services reach the region, most BGC member organizations are physically located within a small geographic area in or near downtown Toledo. This geographic footprint is at odds with the location of providers’ clientele, who may have limited transportation options and who more often rely on public transportation that constructs barriers to accessibility. One respondent wondered, “How can we find and reach those minority entrepreneurs outside of the downtown region but still in the city? How can we provide services to them knowing that transportation may be a barrier, knowing that the digital divide may prevent them from accessing Zoom services or virtual consulting?” This points to the other half of the Toledo BGC’s weakness in marketing, its online presence- especially its lack of search engine optimization (SEO) and social media use. When asked to characterize the BGC’s presence online, respondents described the information about resources available to entrepreneurs in the region as decentralized and lacking clarity. This weak online strategy echoes the BGC’s reliance on word-of-mouth advertising which is detrimental to minority entrepreneurs. As one interviewee recounted, “Sometimes when I talk to somebody who found me from Google, a lot of times they are just disconnected from the ecosystem... Most of these folks just bootstrapped it. They did it on their own.”

Marketing efforts on behalf of the BGC may be held back due to a connected weakness: the limited carrying capacity of member organizations. While members are thrilled that the BGC enabled more referrals and the ability to reach more entrepreneurs across Toledo, providers recognize that it is a challenge to keep up with a greater demand for their services. Some organizations have resorted to maintaining a waitlist for access to their programs, yet referrals continue to roll in. This at least partially contributes to another problem identified within the BGC, a trend of slow follow-up on referrals from other members. The more referrals that come in, the less promptly organizations are able to answer,

especially without a convenient online system for tracking referrals between partners. Some interviewees reported a reliance on infrequent in-person BGC meetings to review referrals, which contributes to long wait times before the take-up of new cases. This may negatively impact entrepreneurs' image of the BGC and inhibit good working relationships between member organizations.

Gaps

While weaknesses refer to existing features of the BGC, gaps in BGC services reveal features that the Collaborative is missing to best serve their clientele, particularly minority entrepreneurs. The widest gap in the BGC's operations is the lack of knowledge of its services among minority entrepreneurs. As one respondent put it, "It is so nice to be the best-kept secret in Toledo, but that's just it- you're a secret." The BGC's reliance on word-of-mouth advertising curbs the inclusion of the entrepreneurs who need it most because they lack an entrepreneurial network. Multiple interviewees reported that minority entrepreneurs most often become aware of the BGC's array of services through a gateway organization rather than through marketing or outreach efforts from the Collaborative itself. Entrepreneurs, however, are a self-reliant group and do their own research to find assistance when they need it. Unfortunately, the BGC's vague online presence does not make it easy for entrepreneurs to find the services they need. Respondents report that internet searches related to entrepreneurship and resources for small businesses in Toledo return broad results, mostly providing the websites of individual members. The Toledo BGC does have a webpage that lists member organizations and their main programs, but respondents indicated that the page lacks any indication of where a small business owner should begin according to their needs. This leads to less efficiency in the ecosystem since providers must spend time referring clients to one another. Now, a client often finds a needed resource according to a process of trial and error.

Another gap in the functions of the BGC is data and client tracking. According to BGC members, client data is mostly kept internal to the BGC, and there is no streamlined or unified way for member organizations to access it. This prevents greater efficiency in BGC operations since members are not able to track previous referrals and their outcomes and can be left waiting until the next meeting to find out what has happened with a previous client or referral. A data tracking system modeled after an online medical chart that all members can access according to referral would increase accountability and potentially reduce response time between initial referral and client contact. Members also report a focus on client milestones rather than 'hard data' like business financials that would paint a more nuanced picture of entrepreneurs' struggles and successes as well as the BGC's impact. Of course, this information is sensitive, and clients participating in BGC services must be well-informed and consent to the sharing of such data among involved members, requiring careful design and maintenance by BGC staff.

Currently, the BGC and many of its members provide assistance that could be described as business counseling. Clients who receive counseling get advice and guidance in a manner that is reactive to decisions they make on their own. From the provider's perspective, the client acts and the provider advises. Instead, business coaching may be more valuable, but it often exists as a paid service unavailable to minority entrepreneurs. Coaching creates a relationship with an entrepreneur that holds them accountable for their actions, helps them understand their decision-making, and creates an action plan for the future. Coaching is more resource-intensive for the provider, as it is proactive in helping an entrepreneur reach their goals. Crucially, a coach tracks the progress of an entrepreneur towards those goals and helps them analyze the outcomes of actions in order to learn from them. While this coaching process is extremely valuable for entrepreneurs, it is also a relatively expensive service to provide, and the BGC may not have enough resources presently to invest in expanding it.

Suggestions

The goal of this report is not only to identify the strengths, weaknesses, and gaps in the Toledo entrepreneurial ecosystem and Business Growth Collaborative but ultimately to determine from the input of BGC members and independent, informed observation how the BGC can improve its already strong impact on local entrepreneurs. Therefore, four main recommendations were derived from our interviews:

1. The Toledo BGC and the region's entrepreneurs would benefit from a targeted business marketing strategy that increases the Collaborative's online marketing capacity. Pursuing grants or other funding to support a dedicated marketing staff, especially for SEO and branding, would help the BGC overcome its main weakness- that the greater Toledo community is not aware of the great work the BGC is doing and that minority entrepreneurs struggle to have equitable access to services due to lack of advertising. The marketing strategy can also extend to the features of the BGC website, which would benefit from a guide to available services and a timeline of useful resources depending on an entrepreneur's stage of business development.
2. Despite its usefulness, not all marketing should happen on the internet since it is not a proactive strategy for reaching minority communities. The BGC should also "meet entrepreneurs where they are" by extending its presence into the communities where its clients run businesses. Community organizing techniques can be used by BGC staff to better advertise its services, such as holding information sessions at community centers or sending physical mail to small businesses. Interviewees also suggested the BGC participate in, create visibility for, or host events that celebrate client business milestones, such as grand openings or renovations.
3. While the BGC has been very successful at increasing ties between service providers in Toledo and increasing cross-institutional knowledge, there is a need to expand further the business representation of the BGC membership and their knowledge of the loan application process. With more voices representing areas of business expertise like marketing, human resources management, and business law, member organizations will be able to assist entrepreneurs with their specific needs better. In the same vein, since the most widespread need of entrepreneurs once they enter the ecosystem is access to capital, BGC membership altogether would benefit from a deep understanding of the loan application process. Training could be conducted by member organizations that work in the lending field and would benefit the efficiency of operations by helping members make better referrals and tailor their services toward obtaining financing for business growth.
4. Some significant players in the Toledo EE contribute greatly to its success but do not have seats at the table of the BGC. Most interviewees agree that the BGC should expand membership to include some such organizations and individuals. In particular, prominent community health care providers ProMedica and Mercy Health, the City of Toledo, and some successful local minority entrepreneurs were cited as champions for entrepreneurs that would be assets to the Collaborative. ProMedica, Mercy Health, and the City of Toledo provide and receive referrals from BGC members, so including them would better integrate them into the EE. In addition, including minority entrepreneurs in the BGC membership would provide a needed perspective of the clients' point of view.
5. There is a need for more funding for the BGC to provide two types of training: (1) to train coaches within the BGC member organizations to better provide services, and (2) to provide coaching for businesses where an advisor guides the business owner through developmental milestones until the business is healthy enough to stand on its own.

ONLINE BUSINESS SURVEY

This research-practice collaboration seeks to study access to resources by minority entrepreneurs. The goal is to engage the Business Growth Collaboratives (BGCs) in Cleveland, Toledo, and Dayton to assess the landscape of each Entrepreneurial Ecosystem (EE). This assessment is collaborative work with BGCs to create tailored, actionable items addressing the gaps of each ecosystem for the BGCs to implement. The following are the results of the Online Business Survey conducted with 102 Business owners in the Toledo area.

Business Overview

The responses from the 102 Toledo entrepreneurs represent sixteen industries within the region. As shown in Table 1, *Services* is the largest represented industry, including 18% of responses. The second most responses were from the *Education* and *Food Production* industries, with 9% of the responses each. *Food service and accommodation* and *Healthcare and human services* contributed 8% of the responses. The rest of the industries had 7% or less of the responses.

The participating businesses reported a number of employees than ranged from 0 to 15, with 0 being the most common response as two-thirds of respondents reported having no employees.

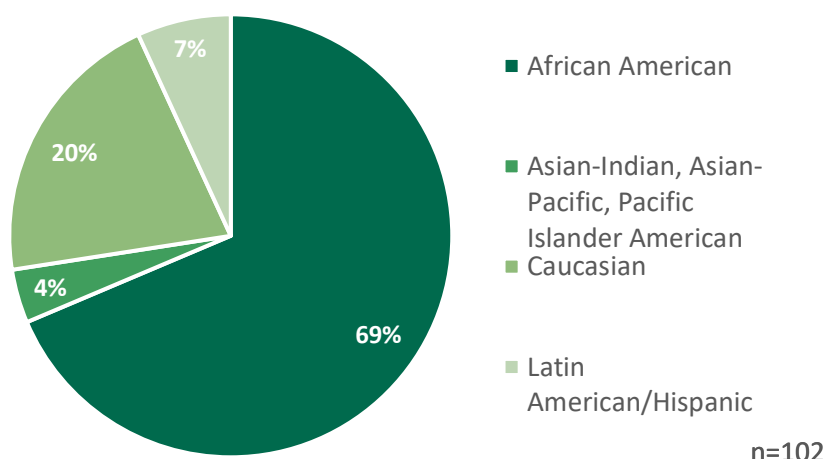
Table 1. Percent of Responses per Industry.

Industry	n=102	% Of Responses
Services (General)		18%
Education (excluding EdTech)		9%
Food Production, Processing and Safety		9%
Food Service and Accommodation		8%
Healthcare and Human Services		8%
Retail (excluding Auto)		7%
Leisure, Entertainment, and Arts		7%
Professional or Technical Consulting		4%
Construction and Home Improvement		3%
Consumer Products		3%
Medical - Therapeutics or Pharmaceuticals		3%
Transportation and Warehousing		3%
Additive Manufacturing		2%
Environmental Services and Equipment		1%
Media and Publishing		1%
Other		16%

Of the 102 businesses surveyed, 95% were minority-owned, and 75% reported being woman-owned, including Caucasian women. As Figure 2 shows, African American entrepreneurs made up the majority of respondents, and they account for 69% of the businesses surveyed. The second-largest racial/ethnic group was Caucasian (20%), followed by Latin American/Hispanics (7%), and lastly, Asian-Indian, Asian-Pacific,

and Pacific Islander American (4%). Half (50%) of the respondents reported that the business is their primary source of income.

Figure 2. Race/Ethnicity of Owners



BGC Services

Of the total respondents, 81% of businesses reported being aware of BGC services within the region. Figure 3 displays the survey responses. Of the respondents, 16% reported being “not at all aware” of BGC services, while 25% reported being very aware. Majority-owned (n=5) businesses were more likely (40%) than minority-owned businesses (16%) to be unaware of BGC services.

Figure 3. Awareness of BGC Services

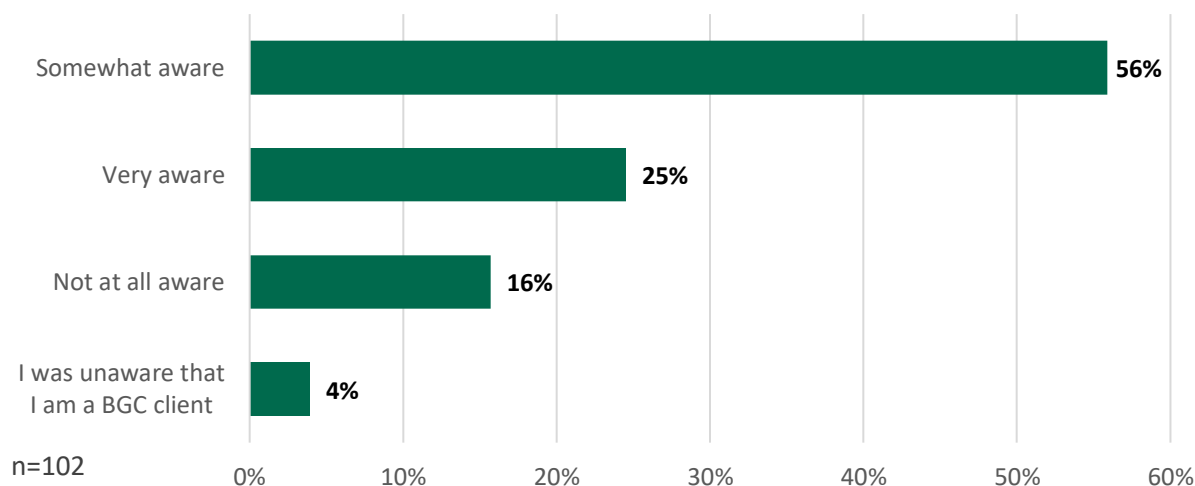
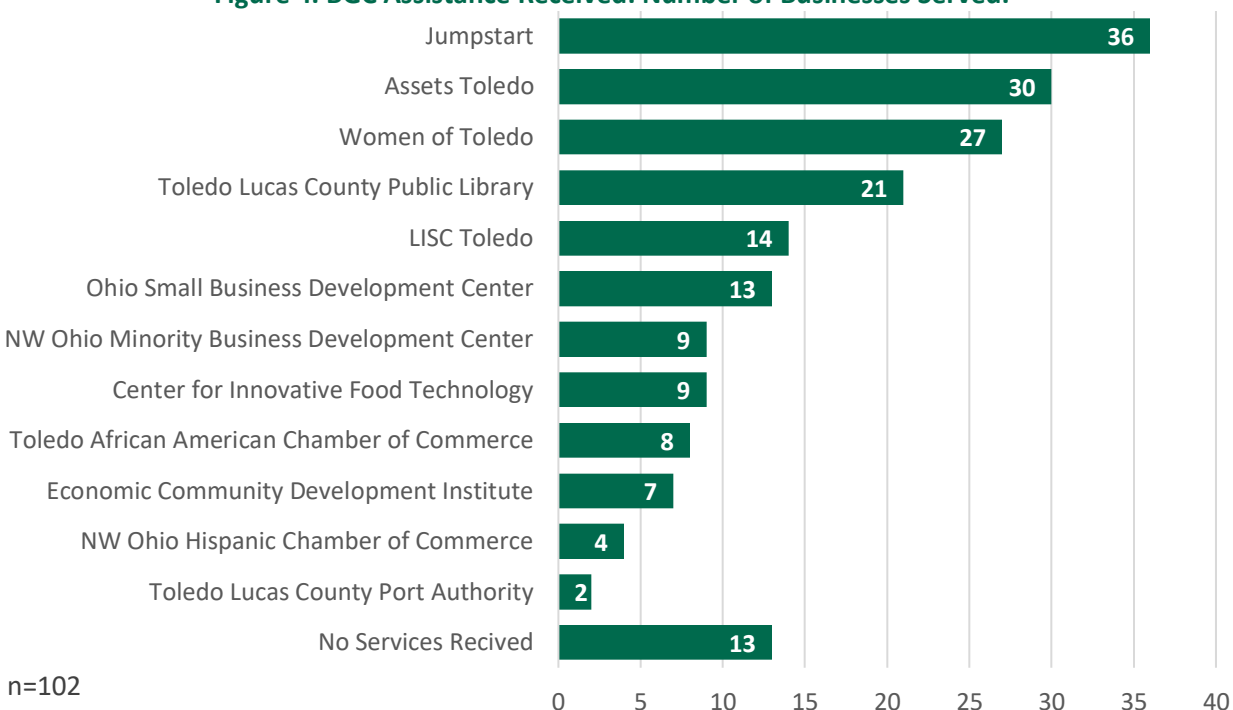
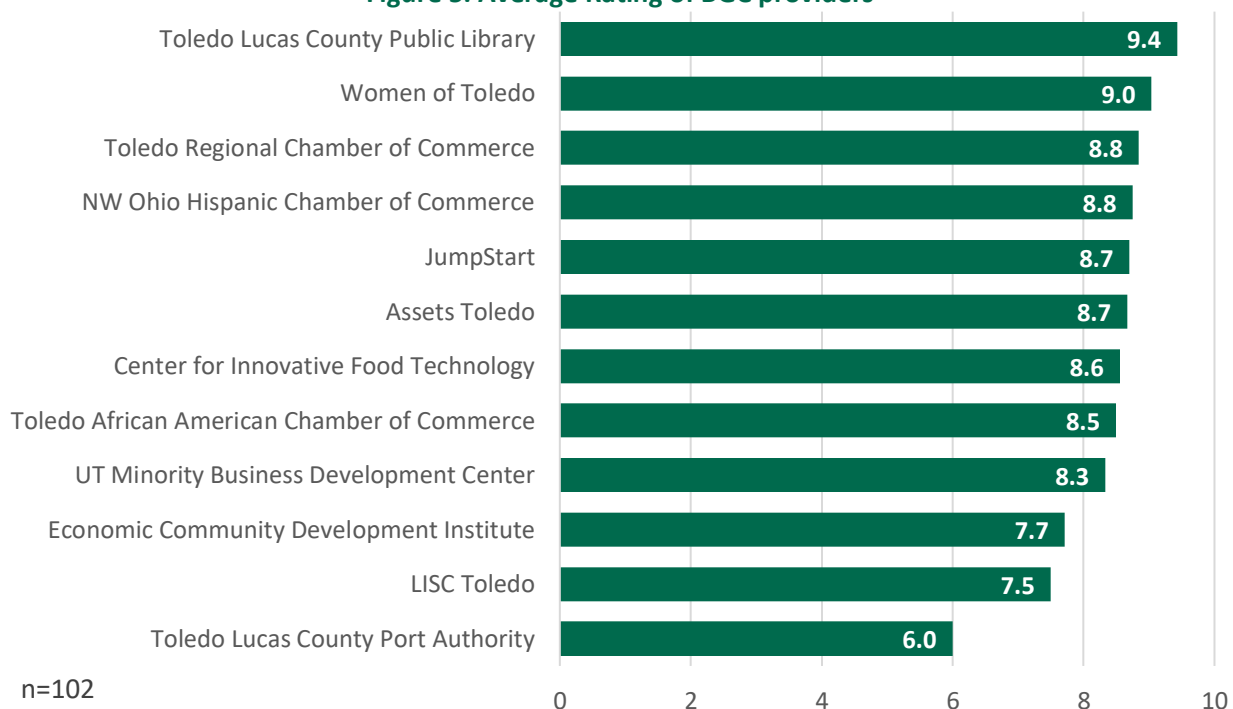


Figure 4 shows the organizations that businesses reported receiving services from. Out of the 102 businesses, 87% reported receiving services or assistance from at least one of the listed BGC organizations. Jumpstart was the organization that provided the most assistance to the businesses surveyed, aiding 36 businesses.

Businesses can receive assistance from more than one organization. The total assistance received by 102 respondents was 180. The number of providers from whom a business received services ranged between 1 and 7. The average number was 1.76, with the most common response being one, while 13% of businesses reported receiving no assistance from any listed organizations.

Figure 4. BGC Assistance Received. Number of Businesses Served.

Participants rated their satisfaction with the services received on a scale of 1 to 10, with 10 being the most satisfied. Businesses were able to rank more than one organization. Figure 5 illustrates the results. The majority of the listed organization ranked above 7.5, with two organizations receiving a rating of 9 or above: Toledo Lucas County Public Library and Women of Toledo.

Figure 5. Average Rating of BGC providers

The average rating for BGC agencies was 8.7 out of 10. Majority-owned businesses were more likely to give a higher rating than minority-owned businesses. Figure 6 illustrates the results. Caucasian-owned businesses gave an average rating of 9.1 to the assistance received by listed organizations, while Latin American/Hispanic-owned businesses gave an average rating of 7.6.

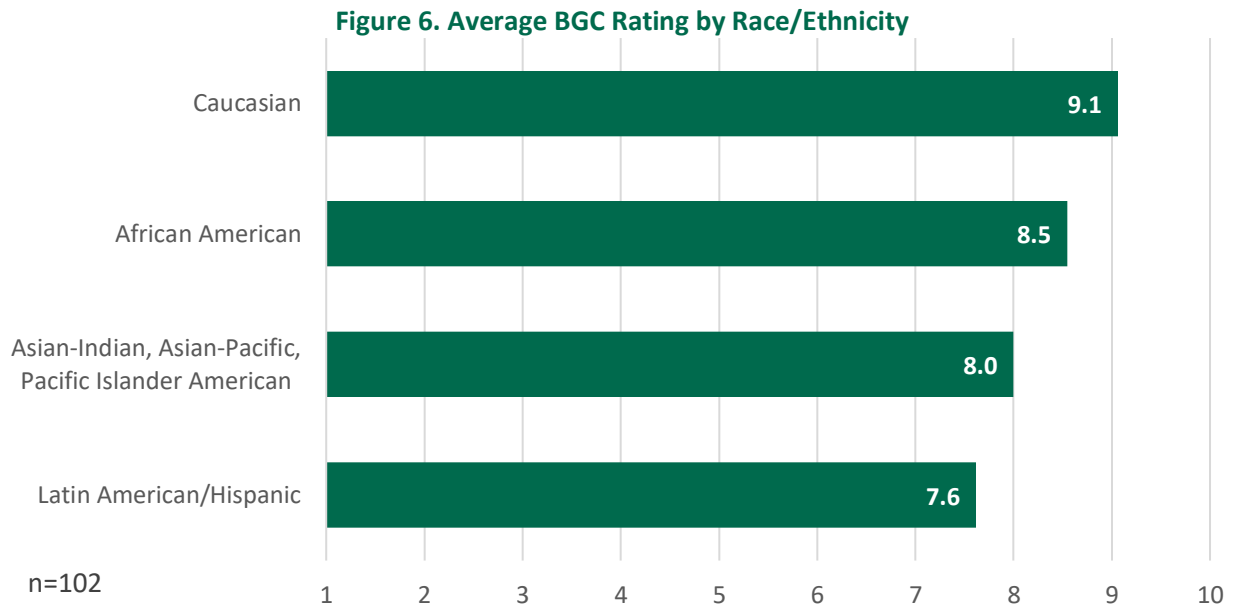
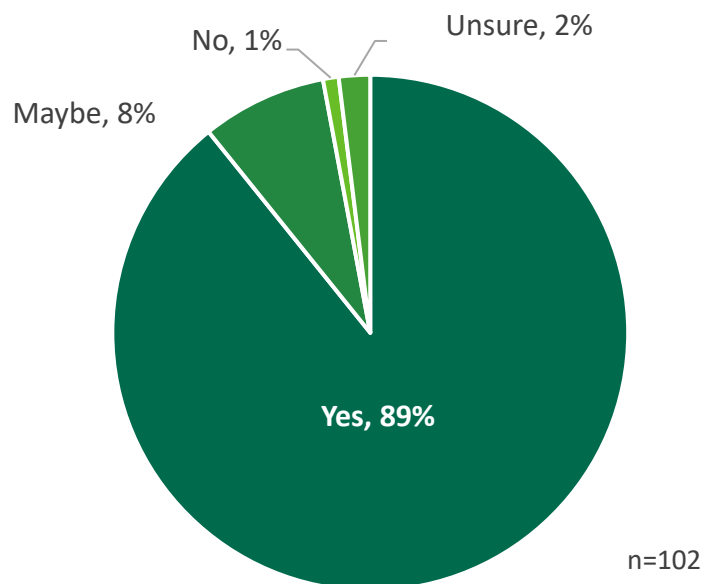


Figure 7 shows the response to the question of how likely businesses are to recommend BGC services. The majority (89%) of respondents said they would recommend the BGC, and 8% said they might recommend it. In total, 97% of businesses said that they would recommend the BGC to some level. Recommendations for BGC were similar of female-owned and male-owned businesses. Regarding majority-owned businesses, 80% said they would recommend BGC services, compared to 90% of minority-owned businesses.

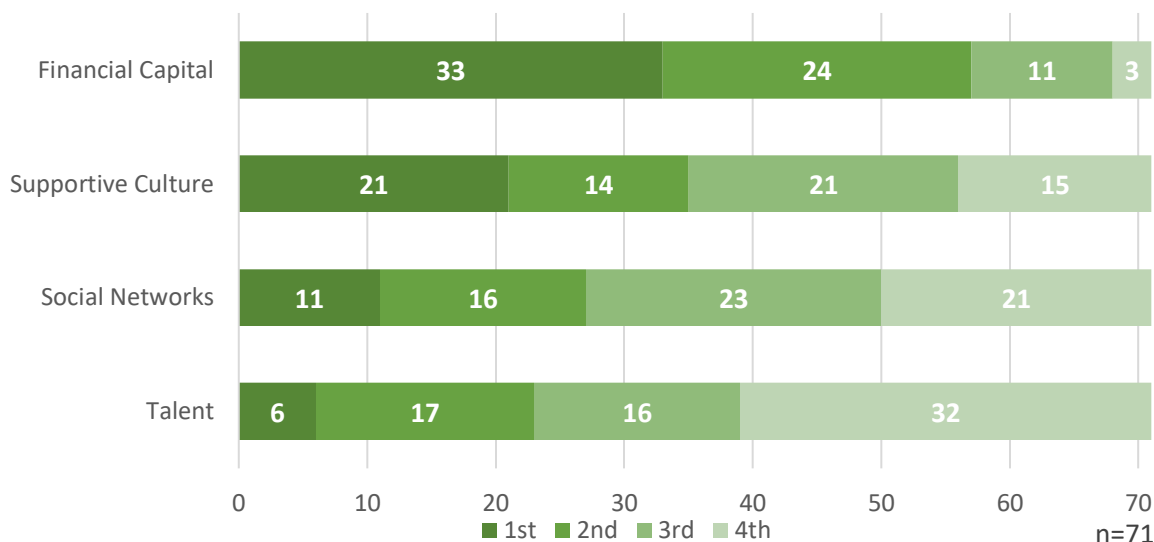
Figure 7. Percent of respondents that would recommend BGC



EE Element Rankings

Survey participants were asked to rank the items shown in Figure 8 from 1st to 4th, with 1st being the most important for Entrepreneurial Ecosystem (EE) success and 4th being the least important. “Financial Capital” was deemed the most important by 33 survey respondents, and “Talent” was considered the least important with 32 respondents.

Figure 8. EE Element Raking Distribution



Salaries

The number of responses in this section was n=71, of which 25 had paid employees. Respondents were asked to provide an estimated average annual salary for their full-time employees, and 34% did so. Of those respondents, they reported average annual salaries ranging from \$1 to \$70,000. The average annual salary across all respondents was \$23,865, and the median salary was \$23,000.

Sales Revenue

A 22% of survey respondents reported \$0 in sales revenue over the past four quarters. Total revenue ranged from \$141 to \$2,436,604. For respondents that reported sales revenue, the average was \$178,761, the median was \$22,520, and the range was between \$141 and \$642,649.⁶ Three industries generated over 58% of all sales revenue. Table 2 below displays the results.

Table 2. Sales Revenue from top 3 industries

Industry	n=78	Total Sales Revenue	Percent	Number of Businesses
Services (General)		\$739,734	12%	15
Food Service and Accommodation		\$1,336,204	21.8%	7
Education (excluding EdTech)		\$1,513,800	24.6%	8
Total		\$3,589,738	58%	30

⁶ Two responses considered outliers were removed from the calculations: \$2,436,604 and \$1,872,901

Non-Revenue Funding Sources

Of 101 total respondents⁷, 32% reported having one or more funding sources, as shown in Figure 9. Figure 10 displays the funding sources for the 32% of businesses that reported having non-revenue funding sources. Private or Nonprofit Organizations provided funding for 42% of businesses, Federal or state government sources constituted 30% of non-revenue funding, while banks and corporations provided funding for 12% of businesses.

Figure 9. Number of Funding Sources Per Business

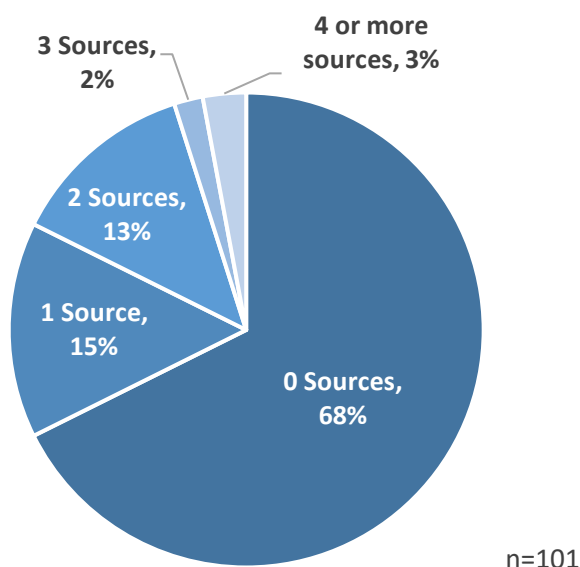
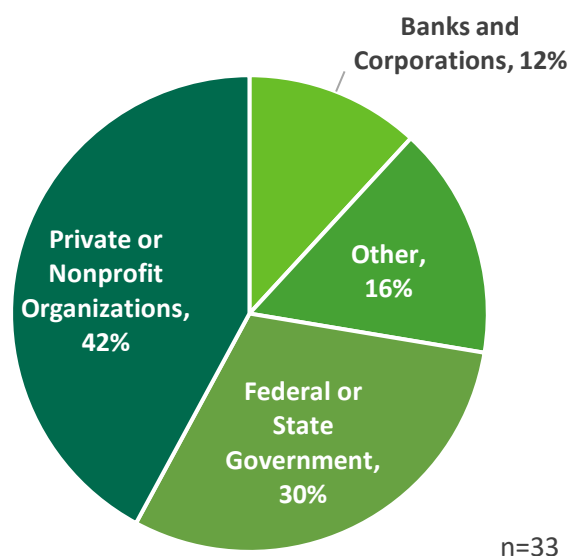
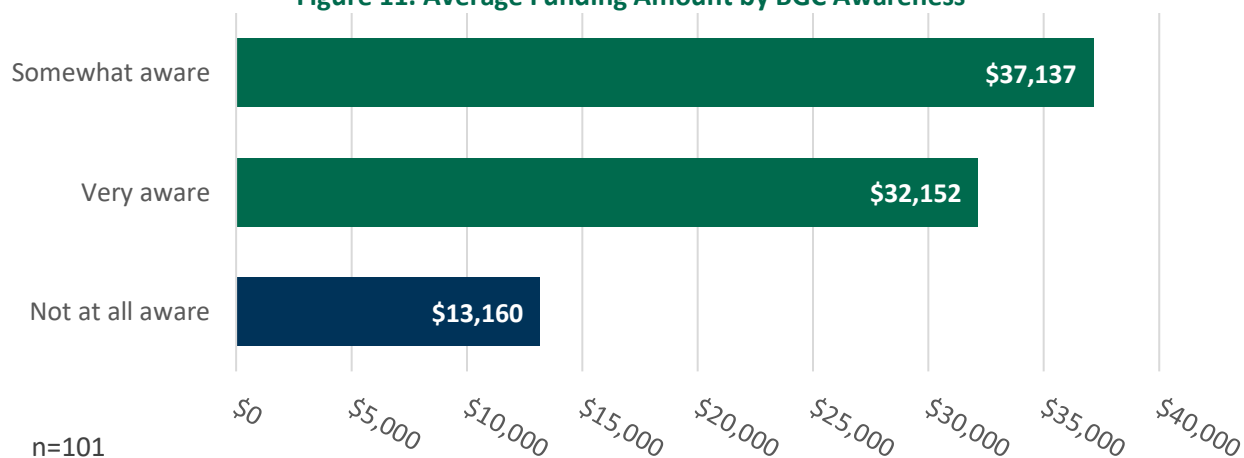


Figure 10. Sources of Funding



Of those businesses that received funding, the amounts ranged from \$100 to \$205,000. The average amount received was \$27,550. Businesses that reported “being aware” of BGC services received on average higher funding than those that reported “no awareness” of BGC. Businesses that reported being “somewhat aware” received average funding of \$37,137, businesses that reported being “very aware” of BGC services received \$32,152 on average, while businesses that were “not at all aware” of BGC received on average \$13,160.

Figure 11. Average Funding Amount by BGC Awareness



⁷ One response was removed from the calculations since it was not relevant to the survey question: \$169,000 loan from family member (Education)

The 32% of businesses that reported receiving non-revenue funding equates to 33 respondents. Out of these 33 businesses, 97% were minority-owned, and 79% were women-owned businesses. Women-owned businesses received on average \$27,418 compared to male-owned businesses, which received on average \$48,986 in funding. On average, female-owned businesses received funding from fewer sources (1.28) than male-owned businesses (1.43).

Three industries received 80% of all non-revenue funding. Table 3 below illustrates them.

Table 3. Businesses that reported non-revenue funding by industry

Industry	Count of Funding Sources	Percent	Total Funding Amount
Education (excluding EdTech)	5	41%	\$434,699
Food Service and Accommodation	4	21%	\$217,000
Services (General)	10	18%	\$191,130
Grand Total	19	80%	\$842,829

Qualitative questions

Respondents were asked their opinion on how BGC provided value. The most common answers mentioned *education* (31%) and *networking* (20%). Less frequent answers included *financial capital* and *mentorship*. Some responses are highlighted below:

"It's been valuable in the sense of helping us get on the right track, validate our initial efforts, and expose us to important resources."

"Having access to tools, resources, mentoring, and networking at this stage of my business has been instrumental for my goal setting."

The most common responses from business owners to the question of "what are the things that BGC could do differently" was that they would like to include "better communication" (15%), "better access to information about available resources" (12%) and "including additional resources" (12%).

Other common responses include "implementing services that others had mentioned receiving," "highlighting the need for better information regarding available services," and "there seems to be a low level of awareness about all the resources offered."

When asked "what they perceived to be the main challenges for entrepreneurs in the region," responses included *lack of financial capital*, *lack of business resources and education*, *lack of community support*, *staffing as it related to Covid-19*, and *difficulty marketing*. Specific responses include:

"The greatest challenges is finding support in actual areas that a business may be struggling with. Some agencies seem to want a business to come to them with the knowledge that they tend to seek."

"The last two months we have had a hit in revenue due to many clients cancelling due to being sick with Covid. I have also experienced employment shortages due to the employment market as well as

According to survey respondents, "the greatest champions supporting entrepreneurship in the area" are BGC organizations, *other business owners*, and *clients*. Less frequent answers included: *family*, *community*, *churches*, *friends*, *clients*, and *business staff*. Women provided these additional answers. A few respondents said they did not know or that none existed.

Business owners believe that the most essential resources for businesses are *funding* (37%), *marketing* (16%), and *assets* (14%). Other responses included *education*, *mentoring*, *legal services*, and *staffing*.

Respondents were asked how people would find out about BGC resources. The majority of responses mentioned word of mouth or professional referrals (38%). Additional common responses included “through the public library,” “social media,” “internet search,” and “networking events.” Several stated that it was difficult to find these resources. Quotes from respondents include:

“It would be nice to have all resources listed and easy to find somewhere.”

“Word of mouth is probably the best way. I ask others who are farther ahead in business what they did in different situations. I ask minority and non-minority business owners about their successes and failures.”

Survey respondents believe that minority entrepreneurs would be better helped by “providing more information about available resources” (25%). Other common responses included *education* (16%) and *funding* (12%). Many suggested services that are currently offered (15%). Respondents’ quotes include:

“Streamline things please. Like maybe BGC needs a website that has links to all the others.”

“More knowledge on what the different resources are in our community and what each one does.”

“I believe we need to have/create a minority business directory.”

Once again, when asked about minority businesses’ access to resources, some (15%) respondents indicated “having difficulty accessing resources” or being “unaware of the resources that are available for minority businesses as an issue.” Quotes from business owners included:

“Often I find out about resources when they are gone and it is too late, some form of formal communication and access.”

“Many websites are outdated so they do need to have better accessibility and also a social media presence that is active.”

Summary of Online Survey Findings

Survey respondents reported being 95% minority-owned businesses, of which 75% were women-owned. Assistance received by female-owned businesses differed from male-owned businesses, as female-owned businesses received \$27,418 while male-owned businesses reported receiving \$48,986 on average. Two-thirds of businesses reported having no employees.

Business owners reported lack of financial capital (35%) and lack of business literacy (34%) as being the two main limitations for businesses. They also believe that there are areas of improvement such as “increase access to information” (17%), “expansion of available services” (20%), and “more communication” (21%).

APPENDIX

Appendix A. Semi-Structured Interview Protocol

About Your Organization

1. What services do you provide?
2. Who do you provide services to?
3. What is your geographic service area?
4. Do you have a minority entrepreneur as your focus area?
5. How do your clients find out about your services?
6. Who is your primary funder?
7. What is your most successful program?
 - a. How do you measure its success?

Access to Resources for Minority Entrepreneurs

8. What are the greatest challenges for entrepreneurs in your region?
9. What are the greatest challenges for minority entrepreneurs in your region?
 - a. If #8 and #9 are different, why?
10. Who are the greatest champions of supporting entrepreneurship in your area? (organizations or people)
11. Who are the greatest champions of supporting minority entrepreneurship in your area? (organizations or people)
 - a. If #10 and #11 are different, why?
12. If you were to search the internet for all of the support for entrepreneurship in your region what would it not tell you?
 - b. Good things?
 - c. Bad things?
13. Successful entrepreneurship ecosystems have the following:
 - a. Talent for companies to grow
 - b. Social networks for businesses to access resources
 - c. Financial capital from equity and debt resources
 - d. A culture that supports and encourages entrepreneurship
14. What are your regions' strengths? Weaknesses?
15. If I am a minority entrepreneur/small business owner and I saw all of the entrepreneurial services offered:
 - a. Would I know about them?
 - b. What would I say?
16. What are the most essential resources your business needs to succeed?
17. In your opinion, what action can be undertaken to help minority entrepreneurs?
18. How long have you (individually, not as your organization) been involved in the BGC?
19. Participating in the BGC is valuable to my organization.
 - a. Strongly Agree
 - b. Agree
 - c. Neither Agree nor disagree
 - d. Disagree
 - e. Strongly disagree



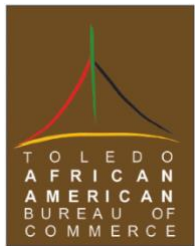


20. From your experience, what are the successes of the BGC?
21. What is the value added of membership to the BGC to your organization?
22. What do you think has been the BGC's biggest challenge so far?
23. If you could change or add anything to the BGC, what would it be?



Appendix B: Toledo EE Resources

Financial Capital			
Logo	About	Specialties	Contact Information
	A nonprofit organization serving small business owners with self-employment training and support.	Networking Events, education, consulting, and capital	Phone: (419) 251-9870 www.assetstoledo.com
	Our Toledo office works in partnership with the Toledo-Lucas County Port Authority. Since 1955, the Port Authority has served as the city's economic development engine and small business support agency. ECDI has joined forces with the organization to provide the access to business capital that Toledo area entrepreneurs need to succeed.	Capital, education, and consulting	Phone: (419) 574-9476 Email: awelch@ecdi.com www.ecdi.org
	With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families.	MBE/WBE Focus, Capital, Education, Consulting, and Networking	500 Madison Ave, Ste. 312 Toledo, OH 43604 Phone: (419) 242-3836 www.lisc.org
	The Microenterprise Development Initiative is designed to provide access to capital and technical assistance to startup and existing ventures finding it difficult to obtain traditional financing. The Port Authority will be the point of access and ECDI the lending partner.	Capital, education, & Consulting	Craig Teamer Manager, Finance and Special Projects Phone: (419) 243-8251 Email: cteamer@toledoport.org www.toledoport.org
	Rocket Innovations has the funds, know-how, and resources to support people and projects as they move forward to solve big problems, meet societal needs, and improve the lives of others.	Networking, capital, education, and consulting	Contact information here: www.utoledo.edu

Support Infrastructure			
Logo	About	Specialties	Contact Information
	SCORE is a nonprofit association dedicated to educating entrepreneurs and helping small businesses start, grow, and succeed nationwide. SCORE is a resource partner with the U.S. Small Business Administration (SBA), and has been mentoring small business owners since 1964.	Networking, education, and consulting	2200 Jefferson Ave Mercy Healthcare Center, 1st floor TOLEDO, OH, 43604 Phone: (419) 259-7598 Email: help@score.org www.northwestohio.score.org
	Exclusive network of the top freelance expertise for small business startup planning, marketing, digital and social media, productivity planning, finance, workforce, and governmental tools to enhance your business or organization.	MBE/WBE Focus, networking, education, and consulting	7617 Angola Road Holland, Ohio 43528 10802 Waterville Street PO BOX 2451 Whitehouse, Ohio 43571 Phone: (419) 877-2747 Email: nwomentoring@gmail.com www.nohcc.com
	Whether you already have a business or you see an unmet need and want to start a business, the Library has the expertise and tools to help you.	MBE/WBE Focus, networking, education, and consulting	Phone: (419) 259-5244 Email: business@toledolibrary.org www.toledolibrary.org
	To advance economic prosperity for all, the Toledo Regional Chamber of Commerce will: <ul style="list-style-type: none"> • ADVOCATE for a thriving business environment • LEAD the charge to attract and retain talent in the region • CONNECT business with resources and opportunities for growth. 	MBE/WBE Focus, networking, capital, education, and consulting	300 Madison Avenue, Ste. 200, Toledo, OH 43604 Phone: (419) 243-8191 web.toledochamber.com
	The program works to bolster innovation in our region by providing access to capital, business development resources, and expertise focused on enhancing collaboration and communication for entrepreneurial development. We're focused on taking business ventures from concept to commercialization and providing a framework for companies to thrive and become self-sustaining.	networking, capital, education, and consulting	Main Campus Office: NT Building, Suite 2045B Mail Stop: 230 Phone: (419) 530-6151 Email: Kristen.Shinaver@utoledo.edu www.utoledo.edu
	CIFT works with small and startup companies through our kitchen incubator, providing product development guidelines, resources, marketing direction and more.	Networking, education, and consulting	5555 Airport Highway, Suite 100 Toledo, OH, 43615-7320 Office: (419) 535-6000 Email: info@ciftinnovation.org www.ciftinnovation.org

Talent & Education			
Logo	About	Specialties	Contact Information
 <p>THE UNIVERSITY OF TOLEDO 1872</p>	<p>UToledo is one of the most comprehensive universities in the nation. We offer more than 270 degree programs. We teach real-world skills that prepare you for the competitive, global job market. That prepare you to make a difference in your community.</p>	<p>MBE/WBE, networking, education, and consulting</p>	<p>Contact information here: www.utoledo.edu</p>
 <p>LAUNCHPAD INCUBATION AT THE UNIVERSITY OF TOLEDO</p>	<p>The program works to bolster innovation in our region by providing access to capital, business development resources, and expertise focused on enhancing collaboration and communication for entrepreneurial development. We're focused on taking business ventures from concept to commercialization and providing a framework for companies to thrive and become self-sustaining.</p>	<p>networking, capital, education, and consulting</p>	<p>Main Campus Office: NT Building, Suite 2045B Mail Stop: 230 Phone: (419) 530-6151 Email: Kristen.Shinaver@utoledo.edu www.utoledo.edu</p>
 <p>WorkReady LUCAS COUNTY</p>	<p>With an improving economy, opportunities for workers abound yet many still struggle to find quality employment because they lack essential skills. By working with employers to help them understand the positive impact of WorkReady Lucas County and to recognize the value of the National Career Readiness Certificate, the Department of Planning and Development can encourage job seekers to certify their skills and make themselves WorkReady.</p>	<p>Capital, education, and consulting</p>	<p>1 Government Center, Suite 800 Toledo, OH 43604-2259 Phone: (419) 213-3300 www.workreadylucascounty.com</p>
 <p>ASSETS TOLEDO</p>	<p>A nonprofit organization serving small business owners with self-employment training and support.</p>	<p>Networking events, education, consulting, and capital</p>	<p>Phone: (419) 251-9870 www.assetstoledo.com</p>

Network			
Logo	About	Specialties	Contact Information
	BiG Fab Lab, LLC is an open-access 24/7 workshop (or “ Maker Space ”) that serves people in the Northwest Ohio region. We provide the equipment, classes, private storage and studio / co-working space , and personal assistance to a membership community that allows them to prototype and develop any idea they can imagine.	Networking events, education, and consulting	1234 N Main St, Suite D, Bowling Green, OH 43402 Phone: 419-971-4244 Email: info@BigFabLab.com www.bigfablab.com
	Our clients benefit from the convenience that comes with having access to a diverse group of marketing agencies owned by the same organization; the consistency of working with one account team for all their marketing needs; and from the confidence of partnering with seasoned professionals to manage their strategic, tactical and brand marketing.	Education and consulting	1600 Madison Avenue Toledo, OH 43604 USA Phone: (419) 473-9000 www.madavegroup.com
	The Toledo African American Chamber of Commerce operates at the intersection of business, economic development, and public policy, and thrives to realize the 4 key objectives: B2B Engagement, Advocacy, Education, Development and Training, and Industry Promotion	MBE/WBE focus, networking events, education, and consulting	3711 Monroe St. Suite 200 Toledo, OH 43606 Phone: (419) 407-6697 Email: info@toledoaacc.org www.toledoaacc.org
	ToledoTechEvents.org is a community calendar of technology-related events for the Toledo (Ohio) region. The calendar is focused on events about software development, information technology, digital products, hardware and other technology topics. It also includes events related to technology startups (such as entrepreneurship) and technology design (such as user experience).	Networking events	toledotechevents.org
	At Women of Toledo, we offer programs and services that help tackle issues critical to women’s economic advancement and interrupt various biases in the workplace, marketplace, community and family.	MBE/WBE focus, networking events, education, and consulting	425 Jefferson Ave, 3rd floor Toledo, Ohio 43604 Phone: (567) 970-7172 Email: info@womenoftoledo.org www.womenoftoledo.org

Public Policies			
Logo	About	Specialties	Contact Information
	<p>We offer a variety of loan options, incentives, and tax credit programs to help local businesses get the resources they need for their business.</p>	<p>Capital, education, and consulting</p>	<p>One Government Center 640 Jackson Street, Toledo, OH 43604 www.toledo.oh.gov www.toledo.oh.gov/contact</p>
	<p>Businesses may qualify for a variety of incentive programs available through the Lucas County Department of Planning and Development. These programs come in a variety of forms, each with a slightly different intent and focus.</p>	<p>Capital, education, and consulting</p>	<p>1 Government Center, Suite 800 Toledo, OH 43604-2259 Phone: 419-213-3300 www.workreadylucascounty.com</p>