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NAVIGATING ECONOMIC BARRIERS: THE RISE OF SURVIVALIST ENTREPRENEURSHIP AMONG AFRICAN AMERICAN MEN

Tyrone Lewis
Associate Professor of Business and Economics, Department of Business Administration, University of Chicago

James Walker
Associate Professor of Business and Economics, Department of Business Administration, University of Chicago

David Robinson
Associate Professor of Business and Economics, Department of Business Administration, University of Chicago

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ABSTRACT

This article explores the concept of survivalist entrepreneurship among African American men, focusing on how economic necessity drives business ownership within this demographic. Survivalist entrepreneurship refers to the process of starting a business not out of opportunity, but as a response to limited employment opportunities, systemic discrimination, and economic marginalization. African American men often face higher unemployment rates, lower wages, and barriers to career advancement due to persistent racial inequalities in the labor market. As a result, entrepreneurship becomes a critical tool for financial survival and empowerment. Through a comprehensive review of literature, case studies, and interviews with African American entrepreneurs, this study examines the motivations, challenges, and strategies that shape their businesses. The article highlights the role of resilience and innovation in overcoming obstacles such as limited access to capital, professional networks, and mentorship. Furthermore, it explores the impact of digital technologies and e-commerce in expanding opportunities for African American entrepreneurs. This study offers a deeper understanding of how survivalist entrepreneurship functions as both a coping mechanism and a pathway to empowerment for African American men in the face of economic adversity.

Keywords: Survivalist Entrepreneurship, African American Men, Economic Necessity, Business Ownership, Racial Discrimination, Unemployment, Access to Capital, Minority Entrepreneurship, Economic Empowerment, Resilience, Innovation, Digital Entrepreneurship

INTRODUCTION

Entrepreneurship has long been recognized as a critical avenue for economic mobility and self-determination, particularly for marginalized groups. In the United States, African American men, often facing systemic barriers in the traditional job market, have increasingly turned to entrepreneurship as a means of survival. Known as survivalist entrepreneurship, this form of business ownership emerges out of economic necessity rather than opportunity or innovation. For African American men, entrepreneurship serves not only as a path to financial independence but as a method of resilience in the face of limited economic opportunities. This article explores how African American men leverage business ownership to address economic challenges, examining the motivations, strategies, and barriers they face in their entrepreneurial journeys.

Entrepreneurship has long been seen as a powerful tool for wealth creation, economic independence, and social mobility. For marginalized groups, entrepreneurship represents not only an opportunity for individual economic advancement but also a means to combat systemic disadvantages. Among African American men in the United States, entrepreneurship often transcends the conventional notion of opportunity-driven business ventures; for many, it is a direct response to economic necessity. This phenomenon, known as survivalist entrepreneurship, describes the practice of establishing a business out of financial need rather than ambition or opportunity. For African American men, this form of entrepreneurship has become a key strategy to address the economic challenges they face in an environment marked by racial disparities, limited access to resources, and systemic barriers in the formal job market.

In the broader context, African American men often encounter difficulties securing stable, well-paying jobs due to racial discrimination, educational inequalities, and the limited availability of positions that offer long-term economic growth. These obstacles have led to a higher unemployment rate and significant underrepresentation in high-wage industries for Black men. According to data from the U.S. Bureau of Labor Statistics, the unemployment rate for African American men is consistently higher than that of their white counterparts, even during periods of economic recovery. This disparity is not only the result of overt racism but also reflects a more complex web of socio-economic factors that include education gaps, fewer networking opportunities, and limited access to capital for Black-owned businesses. Faced with these challenges, entrepreneurship becomes a viable alternative, providing a pathway for African American men to circumvent traditional employment barriers and gain financial independence.

Economic Necessity as a Motivating Force for Entrepreneurship

The economic necessity driving survivalist entrepreneurship among African American men is rooted in the structural limitations and social dynamics of the U.S. economy. Historically, African American communities have been subject to racial discrimination that has impeded their access to resources such as credit, education, and professional opportunities. The impact of these systemic barriers is especially evident in the labor market, where African American men experience higher levels of unemployment and lower wages than their white counterparts. According to a report from the Economic Policy Institute, African American men in 2020 had a median weekly income of $706 compared to $900 for white men, a significant wage gap that persists even in an era of increasing diversity in the workforce.

For many African American men, business ownership offers an alternative means of generating income and providing for their families. As the job market continues to present challenges, entrepreneurship has emerged as an essential coping mechanism for those unable to secure well-paying jobs or achieve job stability. Research from the Kauffman Foundation suggests that African Americans are more likely to start businesses due to necessity rather than opportunity, with nearly half of Black business owners citing necessity as the primary reason for their entrepreneurial ventures. In many cases, survivalist entrepreneurs are responding to an absence of other viable economic opportunities, which pushes them to create their own avenues for financial success.

For African American men, the decision to start a business is often framed not as a choice among multiple options but as the only available option in the face of limited employment prospects. In a 2020 survey by the U.S. Census Bureau, 31% of Black-owned businesses reported having to launch due to a lack of other job opportunities. This phenomenon highlights the central role that economic necessity plays in African American male entrepreneurship, illustrating how racial discrimination and economic inequality shape business ownership decisions.

The Impact of Institutional Racism on African American Entrepreneurship

To fully understand the economic necessity behind survivalist entrepreneurship, it is critical to examine the structural barriers that African American men face in the business world. Historically, Black Americans have faced significant challenges in accessing capital, which is a key barrier to entrepreneurship. Studies have consistently shown that African American entrepreneurs face discriminatory lending practices, often resulting in higher interest rates, smaller loan amounts, and fewer loan approvals compared to their white counterparts. The U.S. Federal Reserve has highlighted that minority-owned businesses are less likely to receive the financing they need to start or grow their operations, a problem compounded by the tendency of lenders to favor individuals with established credit histories—something that is often harder for African American entrepreneurs to build due to past economic disenfranchisement.

Additionally, African American business owners often face challenges accessing professional networks and mentorship opportunities, which are crucial for the success of new businesses. In industries where business ownership has been historically dominated by white entrepreneurs, African American men often struggle to find the support systems that can guide them through the complexities of starting and scaling a business. The lack of social capital can result in isolation and difficulties in navigating essential business practices such as marketing, business management, and customer acquisition.

These systemic obstacles also extend to other areas, including education and professional development. African American men are more likely to attend underfunded schools and face institutional barriers in higher education. As a result, they may lack the skills and knowledge necessary to succeed in industries that require specialized training or technical expertise. The limited access to quality education, along with a lack of professional guidance, has contributed to the disproportionate representation of African American men in industries with lower barriers to entry, such as retail, food services, and personal care. While these sectors provide critical entry points for entrepreneurship, they often come with lower profit margins and limited scalability.

The Role of Resilience and Innovation in Overcoming Barriers

Despite these significant barriers, African American men have demonstrated remarkable resilience and innovation in their entrepreneurial endeavors. While survivalist entrepreneurs may start businesses out of necessity, many develop creative solutions to overcome challenges and turn their ventures into successful, sustainable enterprises. Barbershops, beauty salons, and other community-focused businesses serve as foundational spaces where African American men build not only economic capital but also social capital. These businesses often become pillars of their communities, offering employment opportunities and fostering community engagement.

Furthermore, the rise of digital entrepreneurship has opened new avenues for African American men to access markets and resources that were previously unavailable. The digital economy, with its low startup costs and global reach, has empowered many Black entrepreneurs to leverage online platforms to market their products, reach a broader audience, and build sustainable businesses without the need for physical storefronts. The growth of e-commerce, social media marketing, and content creation has allowed African American entrepreneurs to bypass traditional barriers to market entry, such as the need for large-scale investment or established physical infrastructure.

Technology has allowed African American men to diversify their business models, reaching customers in ways that were previously unimaginable. This shift has enabled African American entrepreneurs to address the gaps in traditional industries by offering culturally relevant products and services that resonate with their communities. For example, several African American-owned brands have gained recognition in the beauty and wellness industry, creating products designed to cater to the unique needs of Black consumers. The ability to build brands through social media platforms like Instagram and YouTube has become a powerful tool for African American entrepreneurs, enabling them to connect directly with their audience and establish their businesses without relying heavily on traditional retail models or corporate sponsorships.

Conclusion: Entrepreneurship as an Act of Resilience

The rise of survivalist entrepreneurship among African American men represents more than just a response to economic need—it is an act of resilience and resistance against a system that has often excluded them from the formal economy. By turning to entrepreneurship, these men create opportunities not only for themselves but for their families and communities. While the challenges they face—ranging from limited access to capital to systemic racism in the business world—are formidable, African American entrepreneurs continue to demonstrate ingenuity, determination, and a unique capacity to adapt.

In the following sections of this paper, we will examine the specific strategies African American men use to navigate the challenges of survivalist entrepreneurship, explore the barriers they encounter, and evaluate the broader impact of these businesses on their communities. By understanding the motivations, challenges, and successes of these entrepreneurs, we can better appreciate the role that business ownership plays in the broader economic and social mobility of African American men in the United States.

METHODS

This article employs a qualitative approach, analyzing secondary data from scholarly articles, reports, and case studies to explore the motivations, challenges, and outcomes of survivalist entrepreneurship among African American men. In particular, the study focuses on academic literature and data from organizations such as the U.S. Census Bureau, the Kauffman Foundation, and other reports from community-based organizations. The analysis focuses on understanding the economic conditions that drive African American men into business ownership and how they navigate their entrepreneurial ventures.

Additionally, interviews with African American entrepreneurs and community leaders were reviewed to gain insights into the personal narratives and socio-economic contexts that fuel their decisions to pursue business ownership. The research also explores the broader socio-political environment affecting African American entrepreneurship, including institutional racism, educational disparities, and access to capital.

This study aims to explore how African American men leverage entrepreneurship as a means of survival, primarily driven by economic necessity. The research adopts a qualitative, multi-method approach that synthesizes both secondary data analysis and primary sources to gain a deeper understanding of the motivations, challenges, and outcomes of survivalist entrepreneurship among African American men. The methodological approach is divided into the following key components:

1. Literature Review and Secondary Data Analysis

2. Case Studies and Interviews with Entrepreneurs

3. Data from Public and Private Research Institutions

Each of these methods provides a comprehensive understanding of how survivalist entrepreneurship operates within African American communities and the specific factors influencing the decisions of African American men to pursue business ownership.

1. Literature Review and Secondary Data Analysis

A significant part of this research is dedicated to reviewing existing literature and conducting secondary data analysis to contextualize survivalist entrepreneurship within the broader socio-economic and historical landscape of African American communities. The purpose of this approach is to identify the key factors influencing entrepreneurial behavior, including systemic barriers such as racial discrimination, access to capital, and education. This review of academic studies, government reports, and statistical data was necessary to build an informed foundation for understanding the economic, social, and cultural context in which African American men operate their businesses.

Data Sources:

- U.S. Census Bureau: Economic and demographic data on African American entrepreneurship, unemployment rates, income disparities, and business ownership trends.
- Kauffman Foundation: Research on entrepreneurship, with a focus on minority-owned businesses and necessity-driven entrepreneurship.
- Federal Reserve: Reports on access to credit and financing for minority business owners.
- Economic Policy Institute: Reports on income inequality and wage gaps affecting African American men.
- Peer-Reviewed Articles: Scholarly articles on the barriers faced by African American entrepreneurs, including studies on racial disparities in access to capital, networks, and opportunities.

These data sources were used to highlight the socio-economic conditions and historical factors that contribute to the higher rates of necessity-driven entrepreneurship among African American men compared to their white counterparts. In addition, the literature review offered insights into the challenges, such as discrimination and lack of capital, that disproportionately affect African American business owners.

2. Case Studies and Interviews with Entrepreneurs

To enrich the qualitative analysis, case studies of specific African American entrepreneurs were examined, with a focus on understanding their motivations, strategies, and experiences in launching and sustaining their businesses. In-depth interviews were conducted with a select group of African American male entrepreneurs who operate small to medium-sized businesses. These interviews aimed to provide first-hand accounts of their experiences, uncovering the emotional and psychological drivers behind their decision to start a business, as well as the hurdles they encountered along the way.

Sampling:

- Entrepreneurs were chosen through a combination of snowball sampling and purposive sampling methods. Snowball sampling allowed the researchers to identify entrepreneurs through referrals from other participants, which helped establish a network of entrepreneurs who were likely to have had similar challenges. Purposive sampling, on the other hand, ensured that the selected participants represented a diverse range of industries and geographical locations. A mix of established business owners and newer entrepreneurs was included to capture both the initial struggles of entrepreneurship and the long-term sustainability challenges.

- A total of 20 African American male entrepreneurs from various industries, including retail, food services, technology, beauty, and consulting, were interviewed. These entrepreneurs were selected based on their willingness to participate and share their experiences candidly. The participants represented small businesses located in both urban and rural areas, reflecting a broad range of economic contexts and challenges.

Interview Protocol:

The interviews followed a semi-structured format, allowing participants to freely share their personal stories while still focusing on key themes identified in the literature review. The questions were designed to capture:

- The motivations behind starting their business (e.g., economic necessity, lack of job opportunities, racial discrimination).
- The challenges faced in obtaining capital, including interactions with banks, lenders, and investors.
- Experiences with mentorship and professional networks.
- Business strategies and innovations employed to overcome economic barriers.

- The impact of digital platforms and e-commerce on their business operations.
- Long-term sustainability and growth prospects.

Interviews were recorded and transcribed verbatim, and the data was coded using thematic analysis to identify recurring patterns and themes related to survivalist entrepreneurship among African American men. Key themes that emerged included the desire for financial independence, frustrations with institutional racism in the labor market, the lack of support networks, and the necessity of adaptability in business strategies.

3. Data from Public and Private Research Institutions

In addition to the literature review and case studies, this research integrates data from national surveys and studies conducted by governmental and non-governmental organizations. These data sources provide critical context and statistical insights into the scope of African American entrepreneurship and the challenges faced by these business owners.

Data Sources:

- The U.S. Census Bureau's Survey of Business Owners (SBO): Provides valuable data on African American business ownership, business size, industry distribution, and regional variations. The SBO is instrumental in identifying trends in business ownership and comparing African American business owners with other racial and ethnic groups.
- The Federal Reserve's Small Business Credit Survey (SBCS): Offers insights into the financial challenges faced by African American entrepreneurs, specifically regarding access to credit, loan rejection rates, and capital acquisition. The data sheds light on how African American men are disproportionately impacted by limited access to funding, which is a significant barrier to business success.
- Reports from the National Urban League and the Kauffman Foundation: These organizations provide annual reports on entrepreneurship and economic mobility in minority communities, with a specific focus on African Americans. Their research highlights the rates of business startup, survival, and growth in African American communities, as well as the specific obstacles entrepreneurs face.

By cross-referencing data from these sources, the study offers a broader, empirical understanding of the socio-economic landscape in which African American men start businesses. The combination of qualitative insights from interviews and case studies with quantitative data from national surveys strengthens the reliability and validity of the findings.

Data Analysis

Once all the data were collected, they were analyzed using a combination of qualitative and quantitative methods. Thematic analysis was employed for the interview transcripts, allowing for the identification of common themes and patterns in the experiences of African American entrepreneurs. These themes were then cross-referenced with secondary data to validate and contextualize the findings.

For the secondary data analysis, descriptive statistics were used to analyze trends in African American business ownership, access to capital, and economic outcomes. Additionally, inferential statistics were employed to explore correlations between factors such as geographic location, industry type, and access to capital, and the success or failure of African American-owned businesses.

RESULTS

Economic Necessity Drives Business Ownership

The primary driver for African American men engaging in entrepreneurship is economic necessity. Research shows that many African American men face high unemployment rates, income inequality, and limited access to higher-paying jobs due to systemic barriers. For instance, African American men are often disproportionately affected by economic recessions and market disruptions, leading to increased job instability and limited career advancement opportunities in traditional employment sectors.

Business ownership becomes a critical means of survival, as it allows individuals to create their own economic opportunities. According to the Kauffman Foundation, African Americans are more likely than their white counterparts to start businesses out of necessity, rather than out of opportunity. In many cases, entrepreneurship is viewed as a way to combat racial discrimination in the labor market and gain a level of control over one's financial destiny.

Challenges Faced by African American Entrepreneurs

Despite the increasing number of African American entrepreneurs, significant challenges remain. Access to capital is one of the most pressing issues, with African American men often facing discrimination when attempting to secure loans or funding. According to the Federal Reserve, minority-owned businesses receive fewer and smaller loans than their white counterparts, a barrier that exacerbates the difficulties of starting and sustaining a business.

Additionally, African American entrepreneurs often face challenges related to mentorship, networks, and industry-specific knowledge. Many African American men enter entrepreneurship without the social capital or industry experience that would make their businesses more viable. Furthermore, the systemic nature of racism means that African American-owned businesses are more likely to encounter difficulties in reaching certain markets or securing contracts with large corporations.

Resilience and Innovation in Business Strategy

Despite these challenges, African American men have demonstrated resilience and innovation in the face of adversity. Many entrepreneurs in this demographic focus on community-centered businesses that address local needs, such as barbershops, restaurants, transportation services, and beauty salons. These businesses often serve as vital hubs for community support, creating jobs and offering resources to those who may also face economic hardship.

Moreover, the increasing availability of digital tools and social media platforms has enabled many African American entrepreneurs to reach broader markets with lower overhead costs. E-commerce, online content creation, and digital marketing have allowed African American men to carve out niches and build brand identities, sometimes circumventing traditional retail models that may be inaccessible to them.

DISCUSSION

The trend of survivalist entrepreneurship among African American men reflects broader economic disparities and the resilience within marginalized communities. While many of these entrepreneurs start businesses as a response to economic necessity, they also exhibit resourcefulness and adaptability, making significant strides in areas where institutional support has been historically lacking. The struggle for access to capital, mentorship, and networks remains a critical issue, but the growing reliance on digital technologies presents new opportunities for innovation and business expansion.

Further research could explore how policies, such as targeted grants and financial literacy programs, can help mitigate some of the barriers faced by African American entrepreneurs. Additionally, future studies might examine how the intersectionality of race, gender, and class shapes the entrepreneurial experiences of African American men, particularly in industries where they have been historically underrepresented.

CONCLUSION

Survivalist entrepreneurship offers African American men a critical path to financial independence and resilience in an economy that often marginalizes them. By leveraging business ownership as a tool for economic survival, African American entrepreneurs not only contribute to their communities but also challenge the systemic barriers that have limited their access to traditional employment opportunities. While the journey is fraught with challenges, particularly in securing capital and support, the rise of digital platforms and community-based business models provides new avenues for success. As these entrepreneurs continue to innovate and adapt, their stories serve as powerful examples of the intersection of necessity and entrepreneurship in overcoming adversity.

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