Contextualizing the Entrepreneur Experience in North St. Louis

North St. Louis is a jobs desert, but the number of black-owned firms in the city is exploding. Could entrepreneurship be a viable way to increase opportunity for North St. Louis residents?

Top 25 Census Tracts of Employment for North St. Louis Residents

Number of Black-Owned Firms in St. Louis

HUSTLE CITY

Minority Entrepreneurship in North St. Louis

This project highlights the experience of minority business owners in North St. Louis, an area of St. Louis that suffers from ongoing population loss, extreme segregation, and concentrated poverty. It grounds its analysis in the firsthand perspectives of North St. Louis business owners and economic development practitioners and offers recommended practices for contextually sensitive interventions to support minority entrepreneurs.

Insights from Academic Literature:

Broader Lessons

Develop historical consciousness

Any intervention must acknowledge the legacy of discrimination and harmful policy in minority communities. It is not by accident that or due to preference that certain communities have large proportions of unbanked residents. Similarly, investigations into topics like firm sector must recognize that historically sector choice been constrained for certain populations by de facto and de jure segregation. This history must inform efforts in the present.

“Access” is insufficient

Solving disparities by simply increasing access is unlikely to succeed. Locating banks in marginalized communities remedies one piece of a problem, but does not address the culturally-embedded practices that arose out of historic lack of access and discrimination. This same dynamic also applies to issues like “food deserts.” Addressing these disparities requires going beyond access with culturally sensitive interventions.

Challenges

Cash Flow in Early Years: "...robbing Peter to pay Paul.”

Discrimination: Take all the obstacles facing typical entrepreneurs, and add discrimination.

Wariness of Financial Institutions: Don’t want to “owe anybody anything.”

Perception of Neighborhood: “People are afraid of North St. Louis.”

Effective Supports

Meet People Where They Are: “We legitimize hustle.”

Flexible: Many “fall outside the boxes” of rigid institutional processes.

Formal Business Plans Can Be Barriers: “I wrote a business plan but didn’t use it.”

1. Emphasize the Personal

Trust and personal connection are especially important in the context of historic marginalization. They can help overcome distrust and psychological barriers.

2. Support Diverse Paths

Incremental entrepreneurship and side gigs can be an effective way to validate ideas and build a customer base without too much risk. Writing a traditional formal business plan should not be a prerequisite for receiving support.

3. Target the Post-Start-up Plateau

Many entrepreneurs are keeping their businesses open, but are still struggling to make a living. Target these entrepreneurs for support, particularly with marketing. Cash grants coupled with coaching could be an effective strategy.

Voices From the Ground

Perspectives from Business Owners and Economic Development Practitioners

Traits of Successful Entrepreneurs

Focused: “Don’t let the business run you.”

Persistent: “Failure isn’t an option; it’s a guarantee.”

Avoid Scarcity Traps: “Move from low-hanging fruit to providing a real value proposition.”

Develop Support Networks: “You need someone you can pick up the phone and call.”


Challenges

2007 2012

Open 9,805

Open 5,064

Top 25 Census Tracts of Employment

for North St. Louis Residents

Number of Black-Owned Firms in St. Louis

1. Emphasize the Personal

Trust and personal connection are especially important in the context of historic marginalization. They can help overcome distrust and psychological barriers.

2. Support Diverse Paths

Incremental entrepreneurship and side gigs can be an effective way to validate ideas and build a customer base without too much risk. Writing a traditional formal business plan should not be a prerequisite for receiving support.

3. Target the Post-Start-up Plateau

Many entrepreneurs are keeping their businesses open, but are still struggling to make a living. Target these entrepreneurs for support, particularly with marketing. Cash grants coupled with coaching could be an effective strategy.

Voices From the Ground

Perspectives from Business Owners and Economic Development Practitioners

Traits of Successful Entrepreneurs

Focused: “Don’t let the business run you.”

Persistent: “Failure isn’t an option; it’s a guarantee.”

Avoid Scarcity Traps: “Move from low-hanging fruit to providing a real value proposition.”

Develop Support Networks: “You need someone you can pick up the phone and call.”


Challenges

Cash Flow in Early Years: "...robbing Peter to pay Paul.”

Discrimination: Take all the obstacles facing typical entrepreneurs, and add discrimination.

Wariness of Financial Institutions: Don’t want to “owe anybody anything.”

Perception of Neighborhood: “People are afraid of North St. Louis.”

Effective Supports

Meet People Where They Are: “We legitimize hustle.”

Flexible: Many “fall outside the boxes” of rigid institutional processes.

Formal Business Plans Can Be Barriers: “I wrote a business plan but didn’t use it.”

1. Emphasize the Personal

Trust and personal connection are especially important in the context of historic marginalization. They can help overcome distrust and psychological barriers.

2. Support Diverse Paths

Incremental entrepreneurship and side gigs can be an effective way to validate ideas and build a customer base without too much risk. Writing a traditional formal business plan should not be a prerequisite for receiving support.

3. Target the Post-Start-up Plateau

Many entrepreneurs are keeping their businesses open, but are still struggling to make a living. Target these entrepreneurs for support, particularly with marketing. Cash grants coupled with coaching could be an effective strategy.

Voices From the Ground

Perspectives from Business Owners and Economic Development Practitioners

Traits of Successful Entrepreneurs

Focused: “Don’t let the business run you.”

Persistent: “Failure isn’t an option; it’s a guarantee.”

Avoid Scarcity Traps: “Move from low-hanging fruit to providing a real value proposition.”

Develop Support Networks: “You need someone you can pick up the phone and call.”


Challenges

Cash Flow in Early Years: "...robbing Peter to pay Paul.”

Discrimination: Take all the obstacles facing typical entrepreneurs, and add discrimination.

Wariness of Financial Institutions: Don’t want to “owe anybody anything.”

Perception of Neighborhood: “People are afraid of North St. Louis.”

Effective Supports

Meet People Where They Are: “We legitimize hustle.”

Flexible: Many “fall outside the boxes” of rigid institutional processes.

Formal Business Plans Can Be Barriers: “I wrote a business plan but didn’t use it.”

1. Emphasize the Personal

Trust and personal connection are especially important in the context of historic marginalization. They can help overcome distrust and psychological barriers.

2. Support Diverse Paths

Incremental entrepreneurship and side gigs can be an effective way to validate ideas and build a customer base without too much risk. Writing a traditional formal business plan should not be a prerequisite for receiving support.

3. Target the Post-Start-up Plateau

Many entrepreneurs are keeping their businesses open, but are still struggling to make a living. Target these entrepreneurs for support, particularly with marketing. Cash grants coupled with coaching could be an effective strategy.

Voices From the Ground

Perspectives from Business Owners and Economic Development Practitioners

Traits of Successful Entrepreneurs

Focused: “Don’t let the business run you.”

Persistent: “Failure isn’t an option; it’s a guarantee.”

Avoid Scarcity Traps: “Move from low-hanging fruit to providing a real value proposition.”

Develop Support Networks: “You need someone you can pick up the phone and call.”


Challenges

Cash Flow in Early Years: "...robbing Peter to pay Paul.”

Discrimination: Take all the obstacles facing typical entrepreneurs, and add discrimination.

Wariness of Financial Institutions: Don’t want to “owe anybody anything.”

Perception of Neighborhood: “People are afraid of North St. Louis.”

Effective Supports

Meet People Where They Are: “We legitimize hustle.”

Flexible: Many “fall outside the boxes” of rigid institutional processes.

Formal Business Plans Can Be Barriers: “I wrote a business plan but didn’t use it.”

1. Emphasize the Personal

Trust and personal connection are especially important in the context of historic marginalization. They can help overcome distrust and psychological barriers.

2. Support Diverse Paths

Incremental entrepreneurship and side gigs can be an effective way to validate ideas and build a customer base without too much risk. Writing a traditional formal business plan should not be a prerequisite for receiving support.

3. Target the Post-Start-up Plateau

Many entrepreneurs are keeping their businesses open, but are still struggling to make a living. Target these entrepreneurs for support, particularly with marketing. Cash grants coupled with coaching could be an effective strategy.