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ICIC and Small Business Majority Collaborate on an Interactive Tool to Visualize Structural Barriers to Small Business Success

Boston, MA, August 27, 2024 – [The Initiative for a Competitive Inner City \(ICIC\)](#) and [Small Business Majority](#) are excited to announce their joint research project, “[Structural Barriers to Small Business Success: How Structural Racism Affects Entrepreneurism in the Top 100 Metropolitan Areas.](#)” This innovative initiative aims to uncover the impact of structural racism on small business owners using advanced data visualization techniques.

About the Project: Structural racism consists of interlocking systems of power that disadvantage some racial/ethnic groups and advantage others. Entrepreneurs of color, including Black, Latine, and Asian entrepreneurs, face systemic barriers such as racial disparities in loan approval and higher debt burdens. Historical patterns of disadvantage, such as government-sponsored redlining and informal racial discrimination in housing, have created racially segregated neighborhoods and concentrations of poverty. Residents of these under-resourced communities—predominantly people of color—experience higher rates of poverty and unemployment, have a harder time accessing good jobs, have fewer opportunities for advancement through education, and often contend with dangerous, inhospitable built environments that are not conducive to building healthy small business ecosystems.

Interactive Visualization Tool: Looking at the 100 largest metro areas in the United States, ICIC and Small Business Majority developed an interactive map tool that visualizes small business outcomes at the census tract level. Combining numerous public and private data sources, the tool offers users a unique perspective on how revenue and employment size may vary by the racial and economic characteristics of the owner and the neighborhood where the business is located.

The tool shows that:

- Business owners of color are generally over-represented among businesses with very low revenues. However, this varies among metropolitan areas and industries.
- Compared to their counterparts in predominantly white neighborhoods, the typical businesses in neighborhoods of color are more likely to have very low revenues. This also varies among metropolitan areas and industries.
- Larger businesses (businesses with more employees) offer higher average weekly wages. Scaling businesses in under-resourced communities and communities of color could help increase wages and improve the lives of residents of these communities.

Collaborative Efforts: Steve Grossman, CEO of ICIC, stated, “We are thrilled to collaborate with Small Business Majority on this groundbreaking project. By leveraging advanced data visualization techniques and addressing structural racism, we strive to provide crucial insights that will drive impactful change and promote equitable economic development.”

"Small Business Majority places a special focus on raising awareness of and advocating for the smallest and most vulnerable businesses," said Small Business Majority Founder & CEO John Arensmeyer. "While our research has highlighted the challenges that minority business owners face, we've never produced an interactive tool that brings statistics to life. We are proud to partner with the Initiative for a Competitive Inner City and leverage their unique insights and innovative data to help create a clear picture of the inner city small business experience through this new mapping tool."

This project, supported by the Robert Wood Johnson Foundation, combines ICIC's expertise in addressing structural barriers and data visualization with Small Business Majority's experience in community engagement and policy advocacy. [One Visual Mind](#) (1VM) provided the design solutions, ensuring the data tools are user-friendly and accessible.

The goal of creating the tool is to provide policymakers, community organizers, and other stakeholders with community-specific insights to support thriving business ecosystems in under-resourced communities and communities of color.

The tool is available to explore today at smallbizbarriers.smallbusinessmajority.org.

About ICIC

Initiative for a Competitive Inner City (ICIC) is the widely recognized authority on accelerating small business growth in under-resourced communities. Founded by renowned Harvard Business School professor Michael Porter 30 years ago as a research and strategy organization, today ICIC drives inclusive economic prosperity in under-resourced communities through innovative research and programs to create jobs, income, and wealth for local residents.

About Small Business Majority

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enable us to educate stakeholders about key issues impacting America's entrepreneurs, with a special focus on the smallest businesses and those facing systemic inequities.

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