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Minorities say they face singular business concerns

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Roosevelt St. Louis thinks his Hyde Park catering business and building is worth twice what bankers tell him it's worth and that an independent appraisal will back him up.

That's why St. Louis, who is black and of Haitian descent, said access to capital is the No. 1 concern he and other minority business owners face.

It's not the only concern.

Minority business owners as well as consultants who specialize in helping them said minority entrepreneurs must contend with all the challenges that their nonminority counterparts face, as well as an extra layer of issues unique to them.

"I still wouldn't call it an equal playing field," said Brooke Woodson, director of Boston's Small and Local Business Enterprise Office.

Woodson and others say that statistically speaking, minority entrepreneurs are less likely to have advanced degrees, family wealth, mentors and networking opportunities.

"If you come from a middle-class background, it's likely someone helped pay for your education, your first car, maybe helped with your first house," said Margaret Somer, director of UMass Boston College of Management's Small Business Development Center. "But if you came from a family without financial resources ... you not only don't have resources, you start out in the red."

Somer and others say that the issues of race and ethnicity are often mixed with other challenges faced by both entrepreneurs in general as well as inner-city business owners.

Kelley Chunn, a principal of Kelley Chunn & Associates, a Boston-based PR and marketing firm, said she finds it difficult to get capital in the \$100,000 to \$500,000 range; it's too much to qualify for microloans set aside for startups, but not enough to draw attention from the biggest lenders.

"It is a little more difficult for businesses of color to obtain capital," said Chunn, who is black. "But I don't want to give the impression that it's totally race-oriented. I think it's a combination of being a small business and being in this market, which has not traditionally been open to doing business with minority-owned firms."

Andrew Wolk, director of the Boston University School of Management's InnerCity Entrepreneur Program, said many minority business owners don't receive the advice they need to be successful. Many programs for minority- and women-led firms don't often focus enough on whether the owners actually have the education and experience needed to give it a go.

That relates to another obstacle, Wolk said: "(Minorities) don't have the same level of access to resources that majority-owned businesses or businesses located in more affluent areas generally have."

This includes networking resources, he said.

Kevin Kiley, executive vice president of the Massachusetts Bankers Association, said the banking industry is working to ensure minority-owned businesses have access to capital.

"I think the industry has attempted in a very aggressive fashion to reach out to low- and moderate-income communities and minority communities," Kiley said.

He said many small-business owners face obstacles when trying to access capital; entrepreneurs might not have strong business plans, good credit histories, proven track records or the right financing structure to obtain the loans they need.

"I don't think there's any lack of desire to provide ongoing assistance" to minority and inner-city entrepreneurs, Kiley said.

St. Louis, who owns RFL Squared Consultants Inc., better known as Nouvelle Creation Catering and Event Planning, said minority business owners also face pressure from their communities to not only "give back" but to give discounted prices, too -- a pressure that can limit an entrepreneur's profitability.

"I fight that because I think the way to give back is to be in business and keep growing," he said.

St. Louis also said he finds it difficult as a small-business owner to land contracts with big corporations, although he acknowledged that that might have nothing to do with race or ethnicity.

But Woodson said more minority-owned business owners face that challenge more often because "minority and women businesses tend to be newer and smaller, and therefore, it's more difficult for them to compete for business and contracts than older, established businesses."

On the other hand, Maria Recalde, a shareholder and business lawyer in the Boston office of Sheehan, Phinney, Bass and Green PA, said minorities frequently fail to extend their network.

A native of Nicaragua, Recalde said she often finds herself the only minority at chamber of commerce events and the like, even though there are growing numbers of minority-owned businesses out there.

Not everyone agreed that minority business owners have additional challenges to overcome.

"I don't think there's any difference with minorities," said Rosemary Yee, a real estate agent and part owner of Hung Yip Inc., a realty office in Chinatown.

A native of China, Yee moved to Boston 40 years ago. She found that landing a job back then was difficult for minorities, let alone starting a business.

But Yee said societal changes and anti-discrimination laws have opened up more opportunities. Today, she said, "minorities have more chances to establish what they want."

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