

SECTION IV

Employee Migration 2.0

Entrepreneurship
or Corporate Advancement



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Introduction

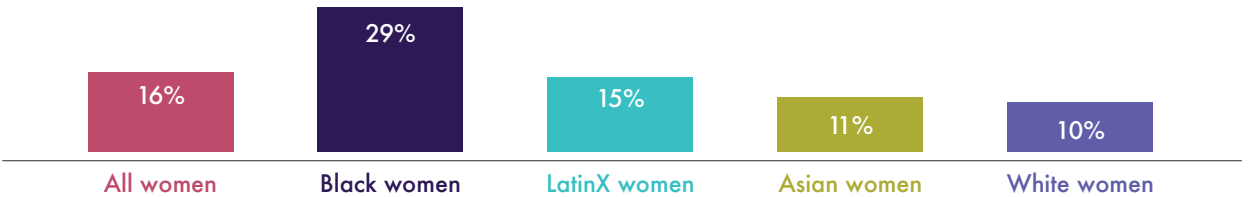
In the authors’ 2020 findings, Black women overall demonstrated strong entrepreneurial spirit, and the younger two generations of Black women, Millennials and Gen Z, were optimistic about their abilities to attain the American Dream, despite their acute awareness of systemic bias.

Side-preneurship

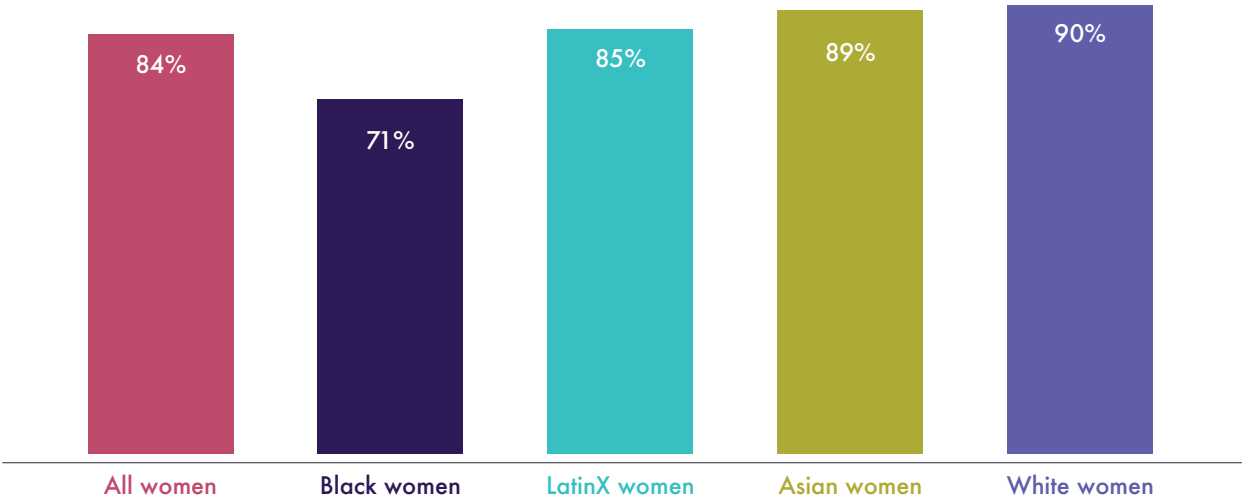
29% of Black women said they have a business they run or are developing in their free time, compared to 15% Latinx women, 11% of Asian women, and 10% of white women. The authors call this phenomenon “side-preneurship” or the “side hustle” and were struck by the three-times engagement of Black women vs. Asian and white women.

**SIDE-PRENEUR: IN ADDITION TO YOUR DESK JOB, DO YOU HAVE
A BUSINESS YOU CURRENTLY RUN, OR ARE DEVELOPING, IN YOUR FREE TIME?**

Yes



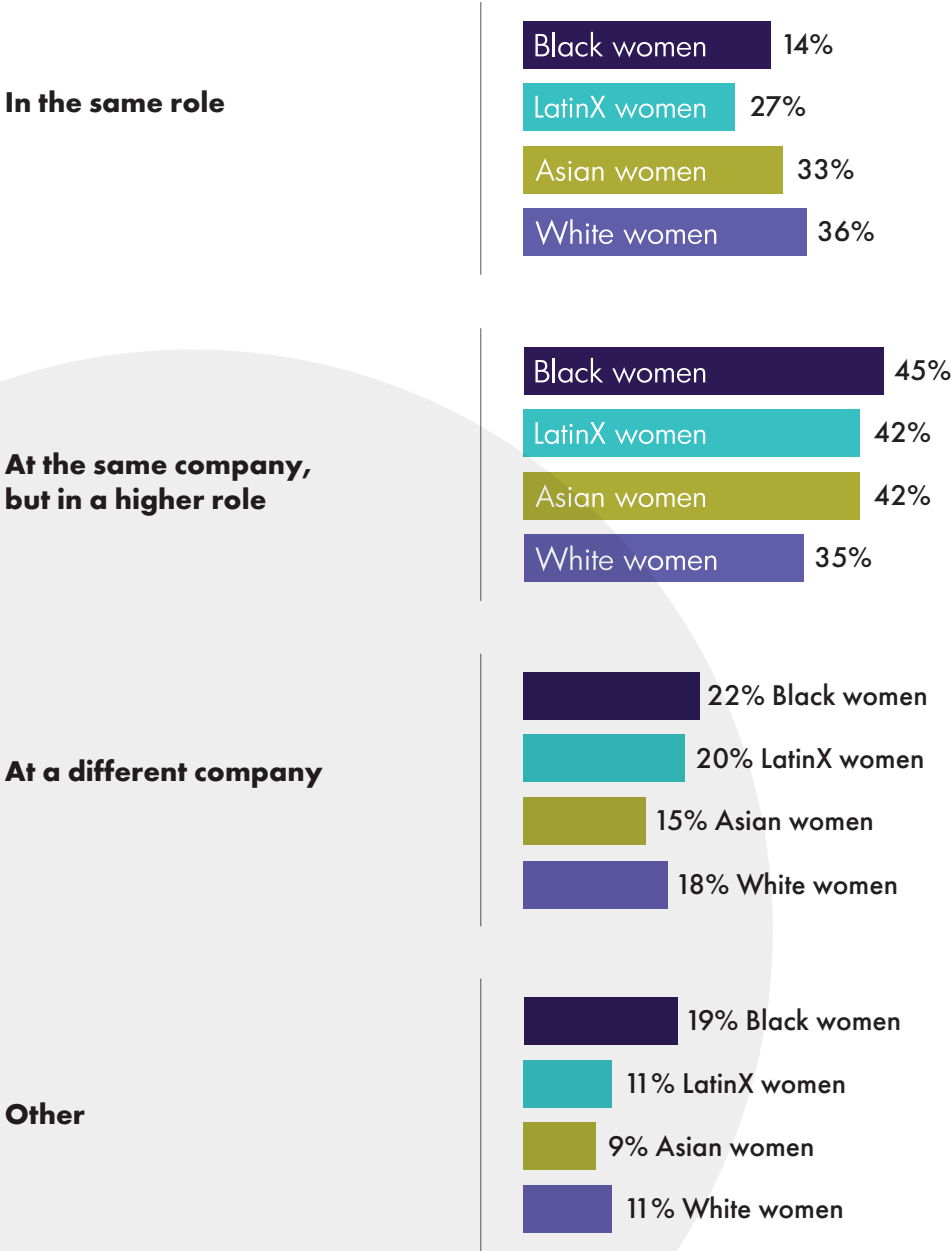
No



Ambition and Economics

- Only 14% of Black female desk workers hoped to stay in the same role after three years, compared to 36% of white women.
- The ambition of Black female desk workers can be seen in their expectation that they will be promoted, that they will be in a higher role in their companies within three years: 45% for Black women vs. 42% for LatinX and Asian women and 35% for white women.

CAREER EXPECTATIONS IN THREE YEARS



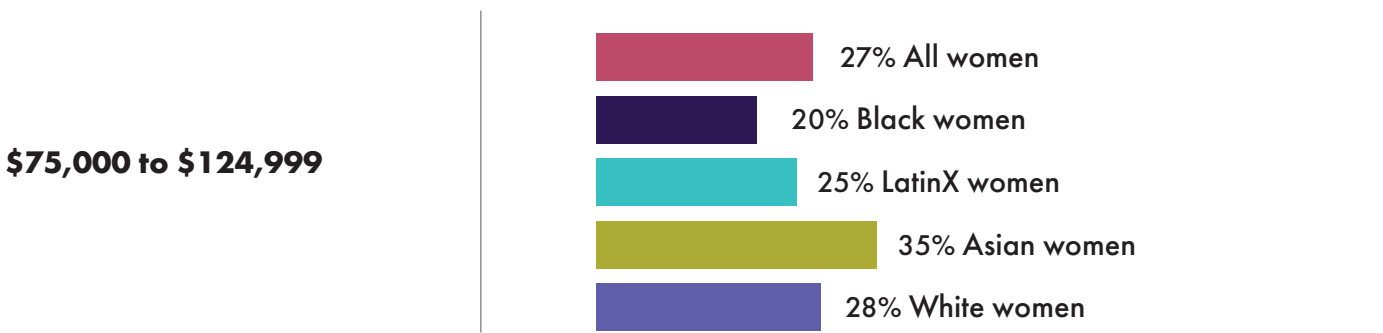
An explanation for the trend toward “side-preneurship” may be found in the income disparities reported by the respondents.

- 63% of Black, 56% of LatinX, and 50% white female desk workers reported earning between \$50,000 and \$99,000 per year. Only 33% of Asian desk workers were in the lower salary bracket.
- Asian female desk workers were the exception in the \$100,000 to \$150,000 range at 35%. The other races reported much smaller percentages in the higher salary bracket: Black 20%, LatinX 25% and white 30%.

CURRENT INCOME



CURRENT INCOME



The authors' 2020 findings aligned with studies conducted by [American Express](#), which reported that overall, between 2014 and 2019, the number of women-owned businesses climbed 21%, to nearly 13 million; by contrast, the number of U.S. businesses overall increased just 9%. Firms owned by women of color grew even more, by 43%. Black-owned side-prenuers have grown by 39%.

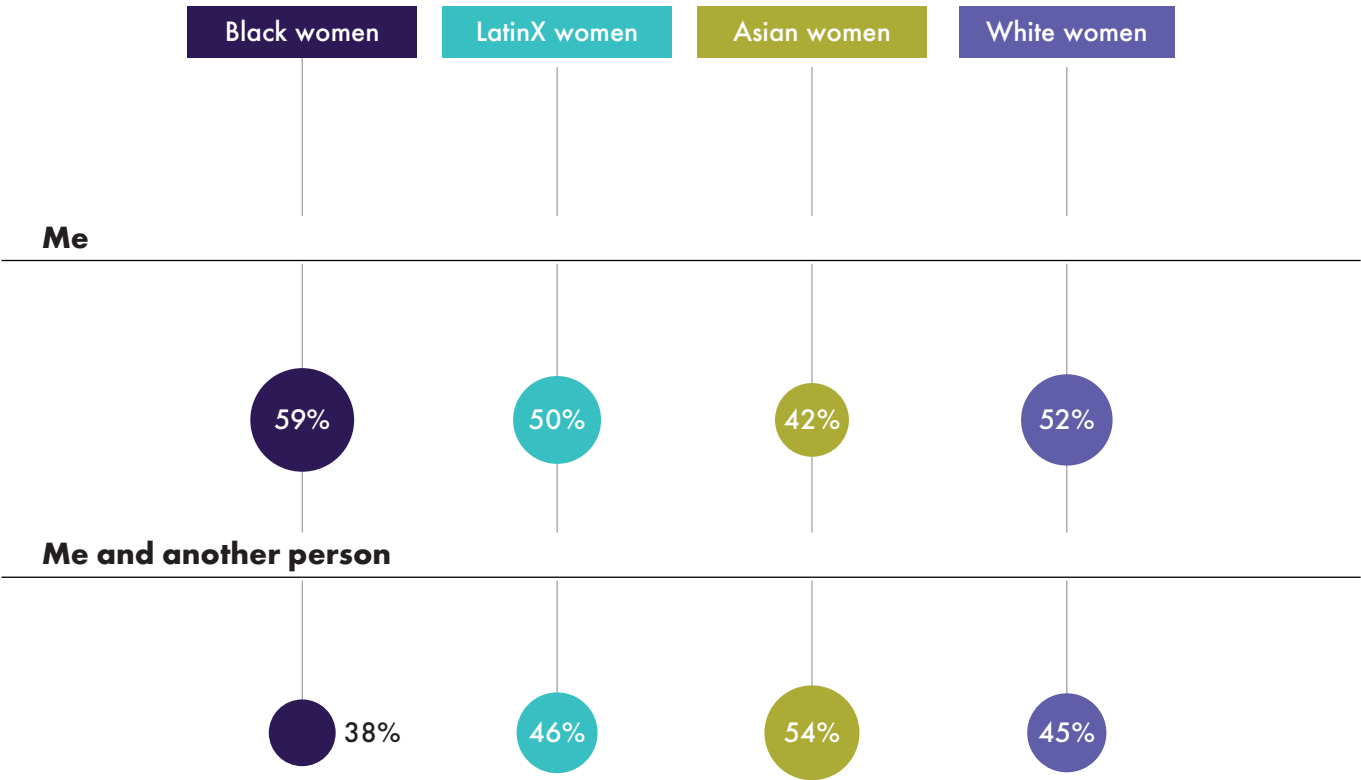
Dell Gines, author of the Federal Reserve Bank of Kansas City report, [Black Women Business StartUps](#), explained that a reason for the spike in Black female-owned businesses is financial need. According to his findings, most Black women entrepreneurs work part-time in their businesses, less than 39 hours a week.

"Many Black women founders may be single parents and need to have this dual income to support the household needs," said [Gines](#). "Because the women are taking care of their families, they need to have a level of confidence before they can make that jump completely. Women who are responsible for the household tend to keep the size of businesses artificially low because they need health insurance from a primary employer and want to make sure everything is absolutely appropriate before taking the jump."

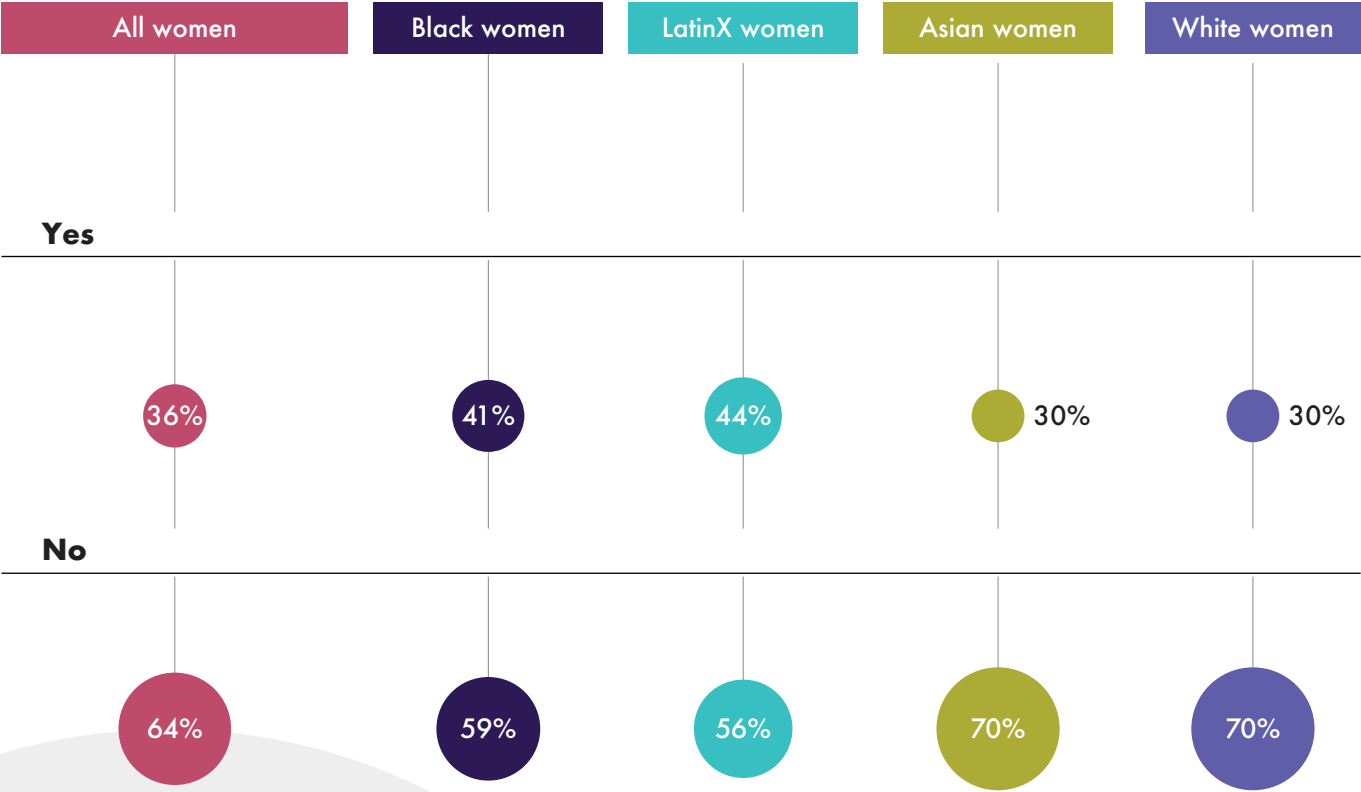
Results in the *2020 Women of Color in Business: Cross-Generational Survey*® supported the financial need argument made by Gines.

- 59% of Black female desk workers reported that they were the sole providers in their households, and 41% of them said they have children under the age of 18 in their homes. It is a logical inference that these women could use extra income.
- It is striking that 52% of white and 50% of LatinX women also report large percentages of sole providers and similar percentages of children under age 18, 40% for white and 44% for LatinX women. However, the data indicated that women of these races appear not to have responded to likely financial pressures by launching entrepreneurial or side-preneur activities to the same degree that Black women have.

SOLE PROVIDER IN HOUSEHOLD



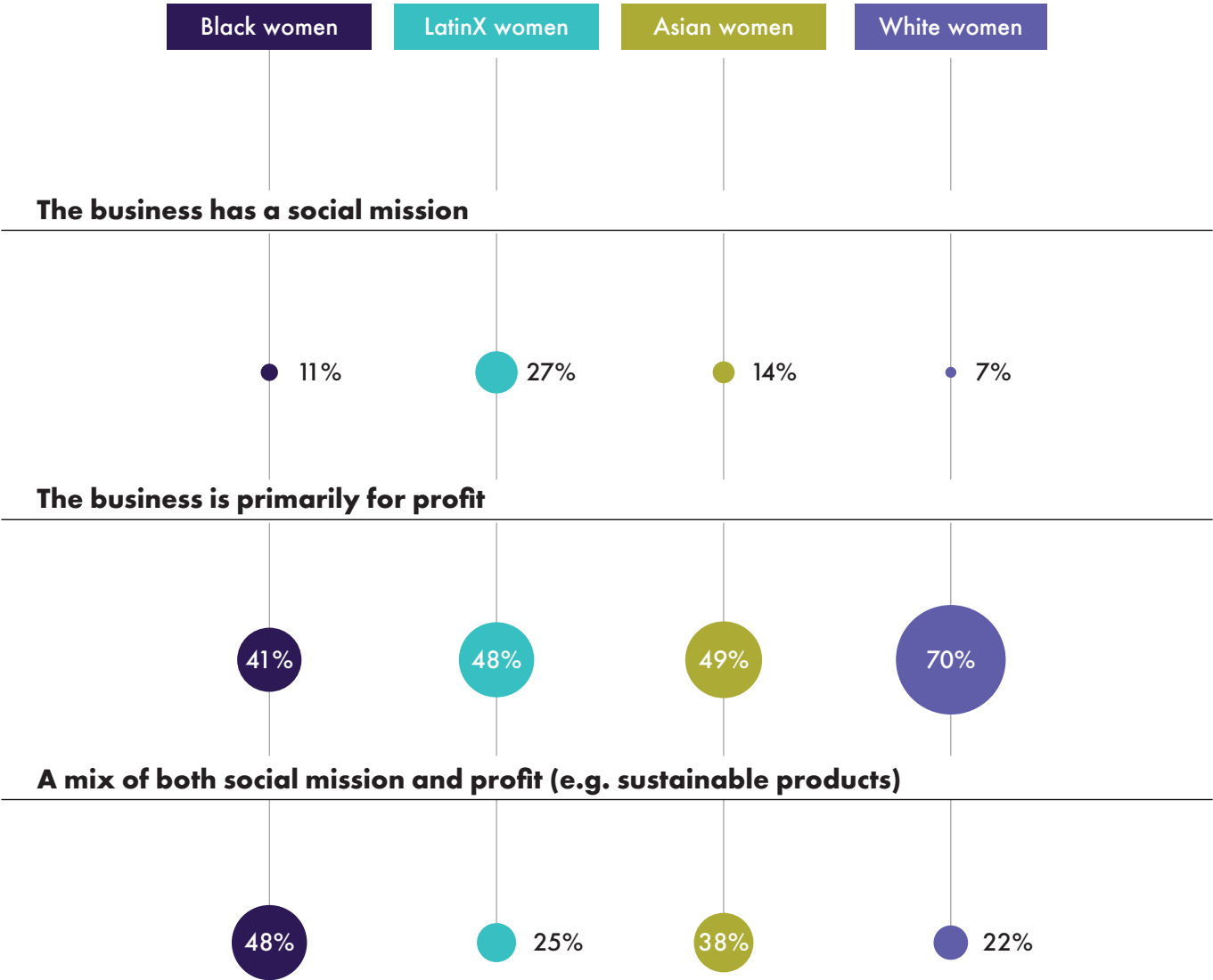
CHILDREN UNDER 18 IN HOUSEHOLD



Motives: Profit or Social Good

When they do turn to entrepreneurship, white women report that their motive is primarily to make a profit. By contrast, side-preneurs and entrepreneurs of the other races are all pursuing opportunities that include some component of a social mission.

SIDE-PRENEUR BUSINESS MOTIVE: PROFIT AND/OR SOCIAL MISSION



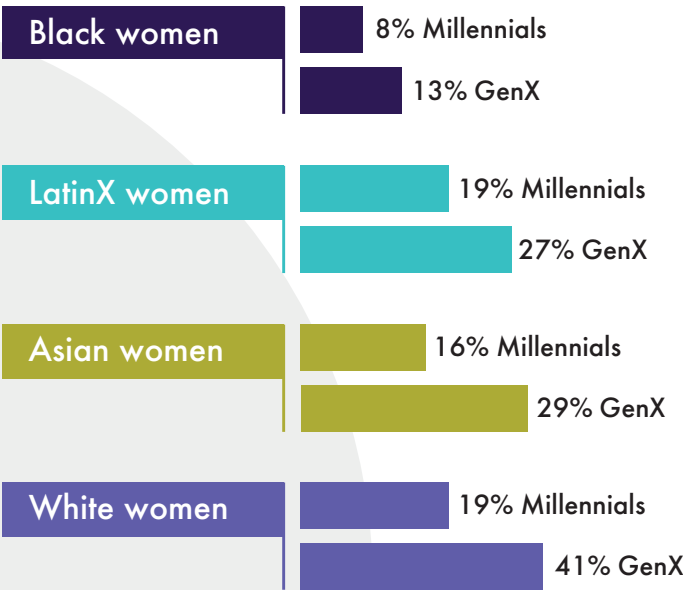
Allure of Self-Employment

One more finding was relevant to the entrepreneurship story.

- Large numbers of younger female workers, especially Millennial and Gen Z women, expected to achieve higher roles or promotions in the companies in which they were working.
- Very few of any race expected to stay in their same role in three years. More than a quarter of these young women, across the races, expect to be working at a different company, suggesting a certain ambition, a certain restlessness if they do not achieve the promotions to which they aspire.

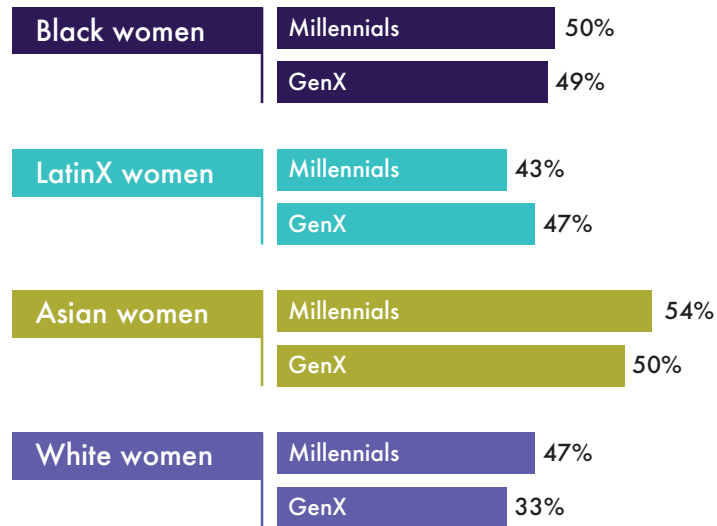
AMBITION: PROMOTION OR EXIT IN THREE YEARS

In the same role

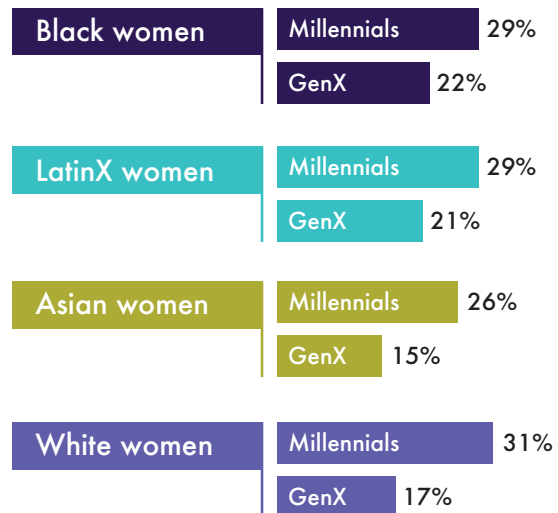


AMBITION: PROMOTION OR EXIT IN THREE YEARS

At the same company, but in a higher role



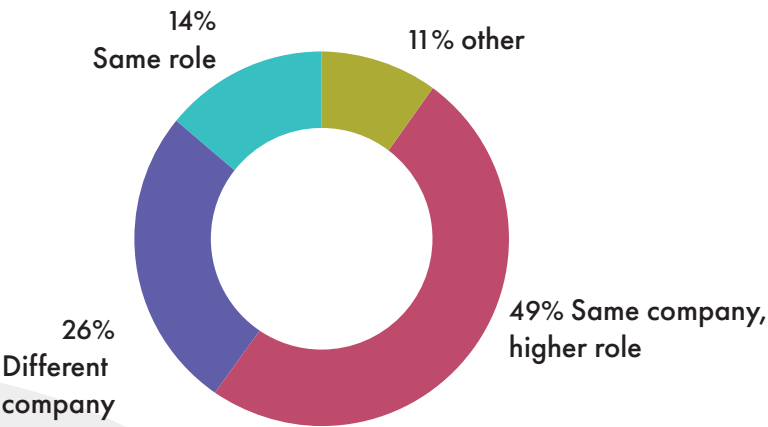
At a different company



The authors used a different lens to examine the career aspirations of Black Millennial and Gen X female desk workers. The numbers of respondents were relatively small, but the findings did offer directional support of their interest in entrepreneurship and side-preneurship.

These women aspired to be self-employed in the three-year timeframe, in other words, entrepreneurs.

BLACK MILLENNIAL AND GEN X ASPIRATIONS: IN THREE YEARS



Other: Open-ended Responses

Self-employed	61%
Successful	12%
Not working	9%
Financially Independent	7%
Other	5%
Leadership role	4%
Further education	2%

BLACK MILLENNIAL + GEN X:

Aspirations in three years?



The evidence for financial need driving side-preneurship was strong. However, Stewart and Adams have another theory for the appeal of entrepreneurship and side-preneurship among younger Black and Brown women.

Their 2019 and 2020 Survey results showed that Black women, especially Millennial and Gen Z women, were first adopters of technology and were supremely confident about their futures. They can see around corners. They can see opportunities. Like their elders, they “make a way out of no way.” They are risk-takers, and even without infusions of venture capital funds or strong networks of “friends and families” who can provide funding for a new venture, these women consistently strive to turn their ideas into money-generating businesses.

Take the #TeamUp Challenges

After analyzing all of their data over two years, the authors have come up with a series of challenges for both managers and individual desk workers. These challenges are intended to help everyone “lead, empower, and thrive” in their workplaces.

Challenge #1

For Corporations:

Harness the innovation within your employee ranks. Remember, ideas come from everywhere. Don’t curb the side-preneurship enthusiasm.

Goal:

Figure out how you can create meaningful, exciting stretch assignments to activate the ambitions and creativity of your existing talent.

Challenge #2

For Venture Capital Funds:

You have Women of Color (WoC) budding entrepreneurs in plain sight. Understand that because of their lack of external funding, WoC are using their existing employment to bootstrap their opportunities.

Goals:

Look broadly as you consider the next era of entrepreneurs. Remember, if Women of Color entrepreneurs and side-preneurs had funding, they might pursue alternative paths which could provide significant boosts to the U.S. economy.

Conclusions and Corporate Implications

The side-preneurship findings in this section present venture capitalists with an opportunity and corporations with a potential problem. Three-times as many younger Black and LatinX workers as white said that they are already pursuing side-preneur enterprises. More than a quarter of them feel that they could and would leave their current positions within one-to-three years. Imagine the exodus if venture capitalists found and funded these women. It could constitute a Great Migration 2.0, a new exodus of people of color in search of economic opportunity.

Alternatively, imagine the boosts to innovation, productivity and their own bottom lines if corporations found and supported these women internally. Either scenario increases wealth creation in the Black community. If the women are correct about their ambitions, their eagerness to leave corporations, only one of these scenarios will “win” over the next three years.