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## Cal-in-Sac Undergraduate Research on Diversity and Entrepreneurship

### Title

Entrepreneurial Women of Color: Small Business Success in California's Food Industry

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**Entrepreneurial Women of Color: Small Business Success in California's Food Industry**  
Diversity and Entrepreneurship Fellowship  
By Noor Alramadan



(Photograph, Maracle, <https://www.bankrate.com/loans/small-business/women-owned-businesses-giving-back/>)

**Background:**

In trying times of the United States economy, embarking on a small business has served as a way for individuals to build economic capital for themselves and their families while increasing social mobility. Since the nation's financial crisis in 2008, we have seen an increase in the number of women and individuals from an ethnic minority background who have entered the field of entrepreneurship by owning and managing small businesses. In turn, employment opportunities have increased nationwide, as small businesses account for approximately 40% of net jobs in the past two decades.<sup>1</sup>

Despite the substantial consensus across various research studies that have concluded small businesses are the anchor of the nation's economy, those owned by women and people of color are disproportionately affected in terms of accessing business capital and resources. California policymaking officials and various community development financial institutions (CDFIs) have recognized the importance of supporting these individuals by launching many financial initiatives that seek to uplift these underrepresented communities within the field of entrepreneurship.<sup>2</sup> In bridging equity, many of these initiatives aim to reach small business owners who are both a person of color and women-identifying.

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<sup>1</sup> Barr, Michael S. "Minority and women entrepreneurs: Building capital, networks, and skills." (2015).

<sup>2</sup> Theodos, Brett, Jorge González-Hermoso, and Jein Park. "Improving Capital Access for Small Business Owners of Color." (2021).

Using a qualitative research method, I conducted video-conferencing interviews with inspirational women entrepreneurs from three regions in California: Southern California, Northern California, and the Bay Area. Each interviewee owns and operates a thriving small business within the state's food industry. These participants, all from historically underrepresented minority ethnic backgrounds, shared intimate insights on how they diligently grow their food-based enterprises and how their intersectional identities play a crucial role in their success.

### **Familial Roots:**

A key theme across the women-owned and led enterprises is the support of family members being a part of the team. This was translated into family members directly serving on-staff in the bustle of the restaurant ensemble or behind the scenes of the business, while also seen in intentionally seeking employees who may share the same or parallel ethnic background as the owners.

For instance, a conversation with a woman sushi restaurant owner in San Francisco revealed that her co-owner and partner comes from an immigrant background in East Asia. When hiring chefs and support staff for their sushi restaurants across the Bay Area, they were mindful of also hiring immigrants from East Asia to share opportunities with those from their homeland. The impact of this was to serve as a mentor and support system for the staff as first-generation Americans and immigrants to the United States.

In addition, a young Latina entrepreneur in Southern California started her cake decorating business as a hobby during the COVID-19 lockdown in 2020 while she was in high school. Through dedication and hard work, her business has flourished, and she now employs two supportive staff members. Following earning an acquired background and formal experience in business and pastry school, the owner attributes much of her success to her family's collective efforts, describing them as 'the fruits of their labor,' which have been instrumental in driving the business forward. She highlights the benefits of having a family-run business, including a deep understanding of each other's backgrounds and a strong support system that helps navigate challenges and celebrate successes together.

### **Role of Outreach Programs:**

Amongst the participant pool of individuals I interviewed, each shared a different experience of how they approached grants or existing mentorship programs to support their food businesses.

In Southern California, a Latina cake-decorating business owner shared how a local community college offered a free course to anyone in the community interested in learning about entrepreneurship and small business success, which she enrolled in and gained a great sense of landing for future business ventures. As her operations thus far remain locally run in her home and she is nearing four years of business, she has not applied for grant programs. Yet, as her business's revenues and brand pick up even more she has considered applying for grants to open

a storefront or industrial kitchen space to elevate the capacity of her cake products and catering services.

I spoke with another Latina small business entrepreneur who owns cafe-restaurant businesses in Northern California. Her journey as an entrepreneur began over a decade ago and has survived the impact of the pandemic by being resourceful and tapping into existing programs. For instance, she shared how the Small Business Administration Restaurant Revitalization Fund supported her juice bar location. Through this program, eligible restaurant owners were able to receive a grant equal to their business's 2019 gross revenue minus 2020 gross revenue, with a maximum grant of \$10 million for restaurants<sup>3</sup>. In the case of the resilient Latina entrepreneur I spoke to, she shared that this grant supported a 70% loss in income that occurred to her businesses and bridged a gap to help cover ongoing expenses, such as payroll to retain staff. In addition, because of the impact of the pandemic, she took it as an opportunity to expand her skillset and enrolled in a digital marketing course at UC Davis that she described as crucial as social media is an accessible tool that raises brand awareness and customer traction.

### **Sharing the Wealth:**

Studies have shown that women historically are disproportionately underrepresented in access to capital and resources, especially for women who also share an ethnic person-of-color identity background. Therefore, studies have assumed that women of color would hold tightly to the resources they have. Yet, my participant pool and other studies with interviews of women of color entrepreneurs across the nation challenges this assumption<sup>4</sup>. These women business leaders want to “share the wealth” and onboard staff they also share an identity with and give back to the community what they have learned.

In the case of the Black woman entrepreneur who runs a sushi business, she shares an interest in being a mentor for young girls in the Bay Area who would like to enter the business field. In addition, a Latina restaurant-cafe business owner shared the empowering reflection that the basis of her work is to hire local women of color professionals. Her personal experience has been hiring a muralist for her building's exterior, a woman photographer for her website and social media imagery, a financial business consultant who shares her ethnic identity, and a strong team of women who work as restaurant-cafe staff.

*“My goal was to work with a lot of local artists, local business women, just to kind of share the wealth right?” - Latina small business entrepreneur in Northern California*

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<sup>3</sup> U.S. Small Business Administration. "Restaurant Revitalization Fund." (2024).

<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/restaurant-revitalization-fund>.

<sup>4</sup> Margarette Burnette, "How Women-Owned Businesses Give Back to Their Communities," Bankrate, (2023). <https://www.bankrate.com/loans/small-business/women-owned-businesses-giving-back/#uplift-communities>.

## **How can we further support women of color entrepreneurs in California to thrive in their small businesses?**

### **→ Financial Literacy**

- ◆ Previous studies have identified the financial literacy gap in the United States. The participants of this research project all shared a consensus that personal finance workshops for small business owners who are also people of color or come from immigrant communities, would support their business knowledge and experience early on in their professions.
- ◆ Expand existing financial literacy conversations, workshops, training, and curriculum that adapts to the intersectional experience of being a woman of color.

### **→ Community-centered networking events and associations**

- ◆ In-person networking events have expanded since the pandemic. Across many of the participants, organizations serve as an invaluable network to learn from other small business owners first-hand while sharing their own experiences and brands.

### **→ Sponsor small business pop-ups**

- ◆ Throughout Southern California, women of color have testified that pop-up venues and spaces have increased the traction and community that they build for their small businesses. As the state transitions from pandemic recovery, investment in hosting these events is beneficial for the state's economy and the small business community.

### **→ School-sponsored business courses**

- ◆ While it is not required to get a formal college education to become a business owner, many leading women entrepreneurs have access to some form of school resources related to business courses that revolve around business fundamentals, etiquette, and resources. Expanding the affordability and accessibility, especially for women and socially and economically disadvantaged individuals could support the small business role in California, and work to bridge the racial wealth gap.