

BLOG Published June 17, 2024 • 3 minute read

Embracing the Lone Star Entrepreneurial Spirit: A Houston Discussion



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In late May, the Alliance for Entrepreneurial Equity hosted a roundtable in Houston to address the challenges faced by local entrepreneurs. The event, held at the Houston Area Urban League, featured Congresswoman Lizzie Fletcher, staff from the office of Congressman Al Green, small

business owners, and community leaders. The conversation was both engaging and insightful, shedding light on the unique entrepreneurial landscape in Houston. Congresswoman Fletcher summed up Houston's entrepreneurial spirit: "I feel privileged to represent entrepreneurs. We are doers. We are thinkers."

During the discussion, three key themes emerged:

Capital remains the toughest hurdle for businesses of color. As emphasized by Stephanie DeVane from the National Urban League, "Access to capital is the #1 issue for businesses of color." Disadvantaged entrepreneurs looking to start, scale, or handle unexpected business expenses often face challenges in obtaining the necessary funds. This sentiment was echoed throughout the conversation, with one restaurant owner noting her need for immediate financing for an expired occupancy permit. Another restaurateur pointed out the challenge of securing low-interest funding, especially for first-time business owners vulnerable to predatory lending. He said trying to run his businesses without all the necessary financing is like "trying to cross the ocean with an anchor." One small business advocate underscored these challenges by discussing the particular struggle African Americans face in obtaining venture capital. Consequently, many small business owners resort to seeking financial support from friends or family, which is often an unsustainable solution given rising costs, increased labor expenses, and high interest rates—leaving businesses feeling more stretched than ever.



Marketing is key to finding and growing a customer base. A Houston-based brand strategist explained how many small business owners lack impactful marketing campaigns and often don't budget for these services. One innovator noted that there are significant cloud-based resources to make it easier for small business owners to brand themselves. For example, with the aid of AI tools, business owners can create a comprehensive business plan, create professional logos, and design compelling video campaigns. Additionally, one small business owner discussed how e-commerce marketplaces like Amazon also allow small businesses to tap into existing online traffic and sell their product more efficiently. (Note: Support for our work comes in part from AEE's Industry Council, which includes Amazon and Wells Fargo as founding partners.)



Education and literacy are critical for supporting entrepreneurs. Simply put, you don't know what you don't know. Roby Schapira of Wells Fargo noted that "it is critical to help business owners build and pass on generational wealth," but to do that, we need to break down the barriers to entry. One participant stated that the African American community often has limited opportunities for mentorship, as they often can be the first ones in their family to enter the world of self-employment. This presents a series of cultural and practical complexities. Another advocate noted that his clients are smart with great ideas but are often intimidated by financial terminology. This lack of financial literacy is a barrier to finding not only capital but the right forms of capital for the specific business need. Further, difficulty navigating complex rules and regulations also inhibits business ownership and growth. However, one small business expert remarked on the importance of not allowing these barriers to label entrepreneurs as "disadvantaged" or "at risk", she said "there are no at-risk businesses, only at-risk situations. When we address these barriers, we can change the situations businesses owners face."



The Alliance for Entrepreneurial Equity appreciates all the participants who joined us in Houston. Their valuable insights and contributions sparked a rich conversation, shaping our policy agenda to foster greater opportunities for women and people of color to launch and expand businesses in their communities.