

A New Landscape for Black Women and Latina Entrepreneurs

There has been a surge in the number of Black women- and Latina-owned businesses in the United States since 2019, despite the reality that the COVID-19 pandemic has had significant negative impacts on Black women- and Latina-owned businesses in the aggregate, exacerbating existing economic disparities and challenging their ability to thrive. Black women and Latina entrepreneurs have persevered even as the post-pandemic landscape appears to have amplified these disparities, such as:

- **Economic Vulnerability:** Latinas and Black women entrepreneurs were already among the most vulnerable economically before the pandemic, often with lower median earnings and limited access to workforce protections. The pandemic exacerbated these vulnerabilities, pushing many out of the workforce.¹
- **Business Closures and Financial Strain:** A substantial number of Black-owned businesses faced closure during the pandemic, with 41% closing between February and April 2020, compared to 17% of white-owned businesses. Older Black entrepreneurs experienced even greater financial struggles, being significantly more likely to face business closures or financial difficulties.^{2,3}
- **Disparities in Financial Assistance:** Black and Latina business owners faced considerable challenges accessing financial relief through the Paycheck Protection Program (PPP). Data show that non-White, Hispanic, and female-owned businesses often received smaller loans than their male and non-Hispanic counterparts. This was attributed to systemic issues in lending practices and barriers in the application process.^{4,5}
- **Industry-Specific Impact:** The pandemic severely affected industries with a high concentration of minority-owned businesses, particularly in sectors like leisure and hospitality. Black and Latina business owners, who are more likely to own businesses in these vulnerable sectors, experienced greater financial losses.⁶
- **Adaptation and Resilience:** Despite these challenges, many minority women entrepreneurs demonstrated resilience. They employed various strategies to adapt to the changing landscape, such as enhancing their digital presence and leveraging social media for marketing and customer engagement. Research indicates that networking and community support were critical in helping these businesses sustain operations.^{7,8} These strengths allowed Black women and Latina business owners to overcome the challenges posed by the COVID-19 pandemic, leading to a surge of businesses after a period of disproportionate closures of Black women- and Latina-owned businesses.
- **Post-Pandemic Recovery:** As the pandemic waned, attempts to understand the recovery landscape for Black and Latina women-owned businesses highlighted the ongoing need for tailored support systems to address access to capital, mentorship, and business education.^{9,10}

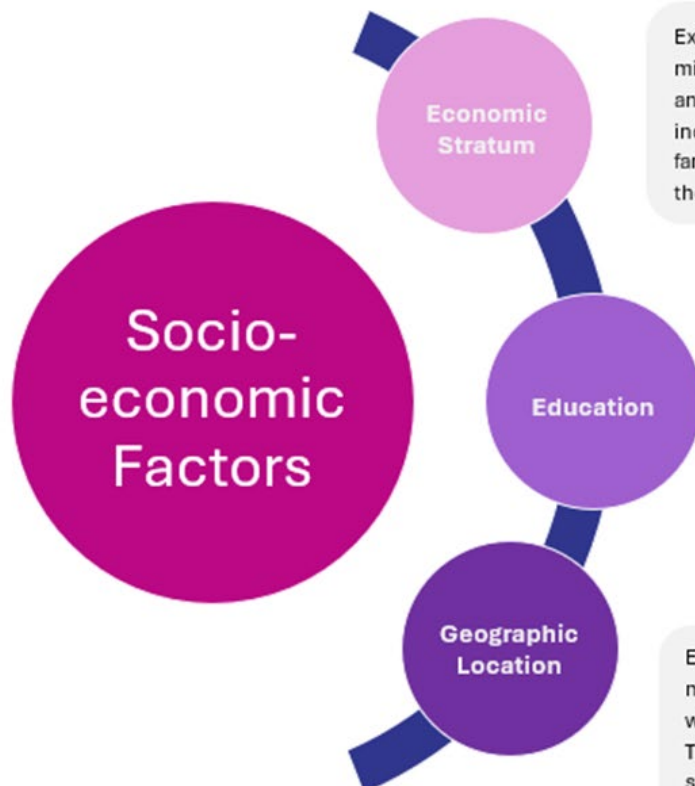
Interconnected Factors that Affect Black Women and Latina Entrepreneurs

Black women and Latinas are the fastest growing demographics of business owners. Despite this growth, their success has been constricted by structural discrimination and professional stratification related to social and cultural factors, access to skills, networks, and foundations, business sector limitations, and inconsistent career trajectories. Alleviating these negative impacts could exponentially expand business viability and contribute to the economic vitality of communities and the nation.



Social & Cultural Factors

The experiences of Black women and Latina entrepreneurs are diverse and multifaceted, extending beyond simple racial and ethnic categorizations. Factors such as education level, age, caregiver responsibilities, marital status, place of origin (even within the United States), and primary language create unique advantages and



Existing disparities in wealth and income among minorities contribute to unequal access to resources and opportunities for entrepreneurial endeavors. This includes both startup capital through traditional and family loans, as well as working capital to reinvest in the business to scale.¹⁴

Access to quality primary, secondary, and higher education (or vocational training) for skill development significantly impacts entrepreneurial success.^{15,18} This is particularly impactful for high-growth and high-profit margin businesses, such as those in technology, which may require advanced skills for entry and larger professional networks.

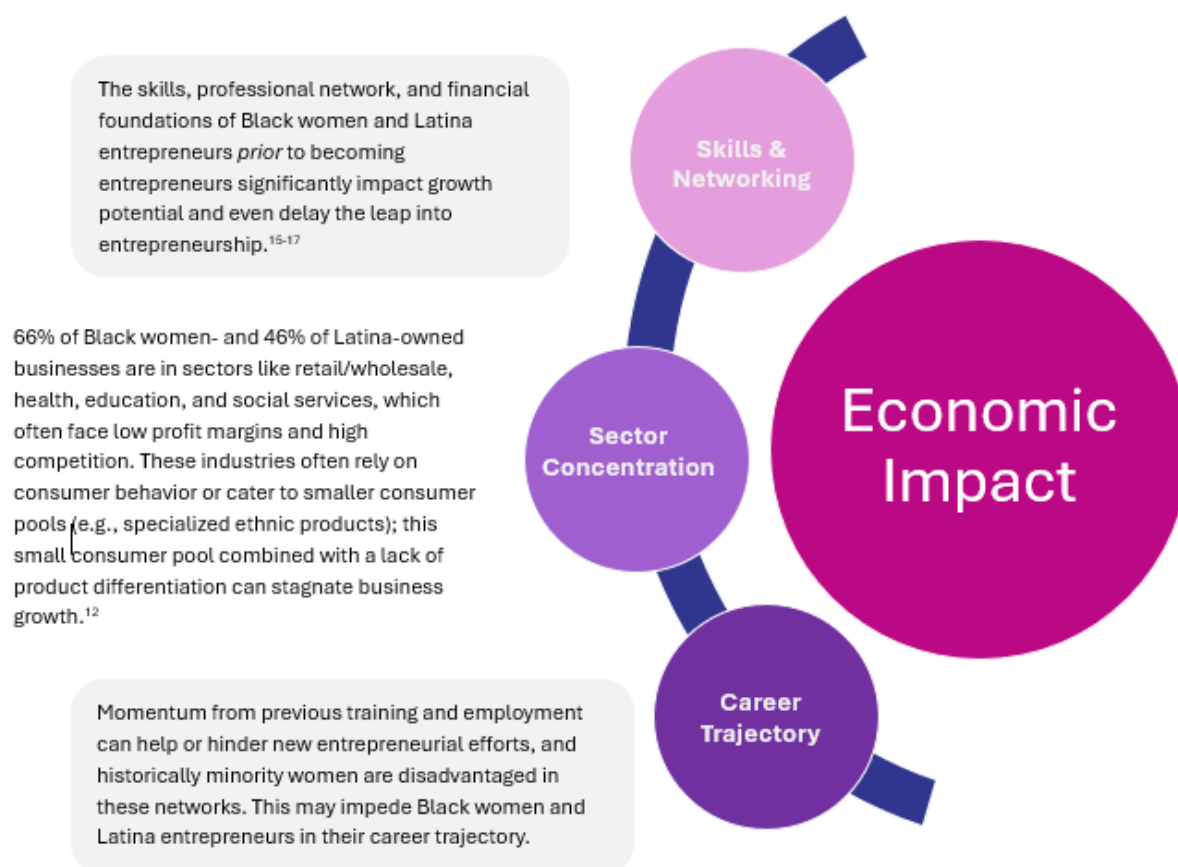
Entrepreneurial opportunities and support systems may vary depending on the region or community where Black women and Latina entrepreneurs reside. The social capital in diverse areas can help them scale their businesses faster and for longer.¹⁸

disadvantages for these entrepreneurs. This nuanced understanding challenges the common tendency to homogenize the experiences of minority women entrepreneurs, highlighting the need for tailored support and resources that address their specific needs and circumstances.¹¹



Economic Impact

The interconnected social and cultural factors often materialize as barriers that can include limited access to capital, networks, and markets, as well as biases and discrimination that hinder their growth and success.^{21,22} By recognizing entrepreneurship as a pathway to self-actualization for Black women and Latinas, we can shift the narrative from individual responsibility to a broader understanding of the systemic challenges they encounter.²²



Opportunities to Optimize Black women and Latina Entrepreneurs

Research indicates that Black women and Latina entrepreneurs often pursue business ownership to maximize their professional skills and income potential while also gaining autonomy and control of their business culture and providing service to their communities.^{19,20} This pursuit of self-actualization goes beyond the traditional notion of "bootstrapping," which emphasizes self-reliance and minimal resources. Instead, it highlights the need to acknowledge and address the systemic barriers these entrepreneurs face throughout their careers.

This perspective encourages the development of targeted support systems and policies that address these inequalities and empower these entrepreneurs to thrive. This includes initiatives such as mentorship programs²³, access to affordable capital, and training programs that focus on business development and financial literacy.

Ultimately, fostering an inclusive and equitable entrepreneurial ecosystem requires acknowledging the unique motivations and challenges faced by Black women and Latina entrepreneurs. By providing the necessary resources and support, we can unlock their full potential, contributing to both individual economic empowerment and broader economic growth. This approach not only benefits these entrepreneurs directly but also strengthens the overall diversity and dynamism of the business landscape.¹

¹These data were derived from the U.S. Census, which does not differentiate between Latinas and Hispanic women

Sources

1. AAUW Latina Initiative. (2022). <https://albuquerque-nm.aauw.net/files/2022/09/StatusOfLatinas.pdf>
2. Evans, A. (2021). <https://heinonline.org/HOL/LandingPage?handle=hein.journals/rutgblaj17&div=14&id=&page=>
3. Choi et al. (2022). <https://doi.org/10.1007/s41996-022-00102-y>
4. Demko & Sant'Anna. (2023). <https://doi.org/10.1177/08912424231171847>
5. Farlie. (2022). https://advocacy.sba.gov/wp-content/uploads/2022/08/Report_COVID-and-Racial-Disparities_508c.pdf
6. Fazio et al. (2021). <https://doi.org/10.3386/w28787>
7. Gardner. (2024). <https://www.proquest.com/openview/6a169cb0b0051c998ada380e604b2d42/1?pq-origsite=gscholar&cbl=18750&diss=y>
8. Rahayu. (2023). <https://innovation-entrepreneurship.springeropen.com/articles/10.1186/s13731-023-00322-y>
9. Wang. (2023). <https://doi.org/10.1080/01944363.2022.2105740>
10. Lahr. (2022). <https://doi.org/10.1177/01605976211049243>
11. National Minority Supplier Diversity Council. (2023). <https://nmsdc.org/wp-content/uploads/2024/06/2023-Minority-Businesses-Economic-Impact-Report-FINAL.pdfSourcesSocial>
12. Dure, E. (2021). <https://www.jpmorgan.com/insights/business/business-planning/black-women-are-the-fastest-growing-group-of-entrepreneurs-but-the-job-isnt-easy>
13. Noe-Bustamante. (2022). <https://www.pewresearch.org/short-reads/2022/05/02/latinos-experience-discrimination-from-other-latinos-about-as-much-as-from-non-latinos/>
14. National Women's Law Center. (2024). <https://nwlc.org/resource/the-lifetime-wage-gap-by-state-for-latinas/>
15. Darity. (2022). https://muse.jhu.edu/pub/4/oa_edited_volume/chapter/3217269
16. Minority Business Development Agency. (2021). <https://www.mbda.gov/sites/default/files/2024-10/2021-hispanic-american-owned-employer-firms.pdf>
17. Milanov et al., 2025 <https://doi.org/10.1016/j.jbvi.2025.e00516>
18. Xavier et al., 2012 [https://doi.org/10.1016/S2212-5671\(12\)00347-4](https://doi.org/10.1016/S2212-5671(12)00347-4)
19. Yim. (2018). [http://www.ecocyb.ase.ro/nr2018_1/15%20-%20Hyng%20Rok%20Yim%20\(T\).pdf](http://www.ecocyb.ase.ro/nr2018_1/15%20-%20Hyng%20Rok%20Yim%20(T).pdf)
20. Cho et al. (2019). <https://doi.org/10.1108/GM-07-2018-0096>
21. Awadzi. (2019). <https://articlegateway.com/index.php/JBD/article/view/1350>
22. Smith. (2024). <https://www.cnbc.com/2024/02/18/black-women-are-the-fastest-growing-group-of-entrepreneurs-in-the-us.html>
23. Whitlock et al. (2023) <https://repository.ulm.edu/jbe/vol33/iss1/3>
24. Wells Fargo. (2024). <https://www.wippeducationinstitute.org/2024-impact-of-women-owned-businesses>