
**Strategies Some African American Small Business Owners Use to Sustain
Their Business Beyond 5 Years**

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doi.org/10.51505/IJEBMR.2026.11015 URL: <https://doi.org/10.51505/IJEBMR.2026.11015>

Received: Sep 17, 2026

Accepted: Sep 28, 2026

Online Published: Oct 12, 2026

Abstract

Ineffective sustainability strategies pose significant risks to small business stability by weakening daily operations, limiting long-term growth, and increasing financial vulnerability. Small business owners who fail to implement effective sustainability practices may find their businesses facing instability as a result. Grounded in human capital theory, the purpose of this qualitative pragmatic inquiry research project was to identify and explore the strategies African American small business owners use to sustain their businesses beyond five years. The participants were 10 business owners who successfully sustained their businesses for more than five years. Data were collected through semistructured interviews and secondary data from publicly available sources. Using thematic analysis, five major themes were identified: (a) human capital development, (b) strategic managerial competence, (c) relationship capital, (d) continuous learning, innovation, and (e) entrepreneurial persistence. A key recommendation is for small business owners to cultivate strong relationship networks to expand customer loyalty, adopt continuous learning and innovative practices to enhance market adaptability, and demonstrate persistent entrepreneurial effort to strengthen resilience and support long-term sustainability. The implications for positive social change include the potential for African American small business owners to strengthen economic stability within their communities, maintain sustainable business operations, and reduce the prevalence of early-stage business closures by applying strategies that promote longevity, adaptability, and community engagement.

Keywords: African American entrepreneurship, small business sustainability, human capital theory, relationship capital, continuous learning, innovation, entrepreneurial persistence, qualitative pragmatic inquiry

1. Introduction

1.1 The Business Problem

Small business ownership (SBO) allows significant opportunities for wealth creation and advanced economic mobility for entrepreneurs (Garcia et al., 2023; Kroeger & Wright, 2021). In

the United States, small businesses accounted for 99.9% of all firms in 2020 (Lauckner, 2020); yet roughly half of startup small businesses fail within the first five years of operation (Turner & Endres, 2017). Although national-level data exist, there is a lack of research on African American small businesses in the southwestern United States, particularly regarding factors that contribute to sustainability beyond 5-years. According to Rand Corporation (2023), 47% of African American entrepreneurs, particularly African American business owners in the Southwest region of the United States, are constrained by education limitations, experience and skills, innovation, and financial capabilities to sustain their small businesses beyond five years. Structural barriers such as unfair lending practices, inadequate business education, and limited exposure to business resources hinder long-term business performance and contribute to early business closure. Collectively, these factors play a significant role in the high failure rate of African American small businesses in the Southwest and highlight a substantial gap in the literature: there is little empirical evidence explaining what strategies allow these small business owners opportunities to sustain beyond 5-years.

1.2 Importance of the Business Problem

African American small businesses face systemic barriers that reduce their likelihood of long-term survival, including limited access to capital, smaller professional networks, and lower levels of formal business education (Fairlie et al., 2022; Perry et al., 2025). Research indicates that limited education can constrain decision-making and the adoption of effective management practices, which are critical for sustaining business operations (Collier & Chinta, 2025). African American startups also frequently receive less external funding and remain smaller over time, even when controlling for creditworthiness and business characteristics (Fairlie et al., 2022). Given that nearly half of all U.S. small businesses fail within five years, these challenges underscore the importance of examining the strategies that enable African American business owners to sustain operations beyond the five-year threshold.

African American small business sustainability is shaped by financial, human, social, technological, and strategic factors. African American entrepreneurs continue to encounter structural barriers that can restrict access to capital, professional networks, and business-development resources. These constraints can limit growth and increase vulnerability to closure, particularly during periods of economic disruption (Fairlie et al., 2022; Perry et al., 2025). Research also indicates that sustainability is strengthened when business owners develop knowledge and skills, cultivate relationships, adopt useful technologies, and apply disciplined management practices.

1.3 Scholarship Relevant to The Business Problem

Small business closures remain a prominent issue across the southwest geographic area of the United States. The Small Business Administration (U.S. Small Business Administration [SBA], 2022) reported that pandemic-related closures disproportionately affected African American small businesses, with thousands shutting down permanently due to rising debt and limited relief access. The Organisation for Economic Co-operation and Development (OECD, 2023) reported

declining small business financing conditions characterized by rising loan costs and stricter credit availability, which contributed to increased business closure risks. The COVID-19 pandemic highlighted these dynamics. Studies related to pandemic relief and lending programs demonstrate that African American small business owners were disproportionately continually affected by business closures and earnings declines and experienced more difficulty accessing relief and credit compared to white-owned firms (Fairlie et al., 2022; Lahr et al., 2022). Such patterns suggest that small business weaknesses are not solely a pandemic phenomenon, but a structural issue associated with financial vulnerability.

Social and relational capital partially lessens but does not prevent businesses from closing. In fact, community networks, mentoring, and civic organizations supply critical information, emotional support, and alternative channels for resources; yet the availability and quality of these networks vary by geography, sector, and historical disinvestment (Cordero & Lewis, 2024; Gilbert, 2022). Where networking is weak, African American small business owners face difficulty utilizing new markets, professional mentorship, educational resources and training, and investor connections that typically catalyze firm scaling (Cordero & Lewis, 2024).

In African American business communities, community-based organizations (CBOs), Black-led credit unions, and targeted technical assistance programs have played significant roles during the pandemic; however, these supports are often underfunded relative to need (Lahr et al., 2022). Prior researchers have suggested that the returns on these investments were heavily conditioned by institutional, market, and social contexts (Auerbach & Green, 2024; Gilbert, 2022; Howell et al., 2024). For African American small business owners, structural impediments and differential access to capital constrain their ability to convert human capital into firm continuity and growth (Fairlie et al., 2022; Gilbert, 2022). According to Almeida, et al. (2022), individual human capital matters, but it operates within and is often weakened by broader systems of economic inequality. Compared to large firms, small businesses remain more susceptible to market shocks, reinforcing persistently high closure rates (SBA, 2022; OECD, 2023). While closures signify the most visible indicator of the problem, the literature shows that the underlying drivers, mainly financing limitations, play a crucial role in determining survival outcomes (Auerbach & Green, 2024; Gilbert, 2022; Howell et al., 2024).

Despite the availability of pandemic relief programs, many African American SBOs experienced major challenges in obtaining the support they needed (Fairlie et al., 2022). The SBA's Paycheck Protection Program (PPP) provided crucial financial relief, and businesses that received early loans experienced lower relative closure rates (SBA, 2022). Prior research examining the PPP and related relief efforts modalities has documented persistent inequalities in loan receipt, loan size, and the timing of receipt (Howell et al., 2024; Marlowe et al., 2023). Differences in lender type and lending processes helped determine outcomes: fintech and more automated lenders tended to make smaller loans and reach more minority areas, whereas many small, traditional banks, where subjective underwriting was more common, underserved African American-owned firms (Chernenko & Scharfstein, 2024; Howell et al., 2024). These patterns meant that even when relief programs existed, the way relief was administered and the preexisting distribution of

banking relationships shaped those who received timely, adequate aid (Chernenko & Scharfstein, 2024; Howell et al., 2024).

However, disparities in loan distribution and eligibility criteria limited assistance for many African American-owned businesses, demonstrating continuing operational inequities in access to financial support. Moreover, this reduction in available credit limited the opportunities for African American SBOs who sought to sustain their operations and recover from the economic shocks of the pandemic (Fairlie et al., 2022).

The SBA (2022) emphasized that the long-term effects of these limitations have significant implications for the sustainability of African American small businesses. Since HCT traditionally centers individual attributes, many HCT-informed policy recommendations emphasize training and education (Auerbach & Green, 2024). While such human capital investments are valuable, recent evidence suggests that they must be combined with interventions that directly address contextual blockages, such as access to education and training, credit, biased underwriting practices, and the administrative design of relief programs, to produce equitable outcomes (Chernenko & Scharfstein, 2024; Howell et al., 2024). For instance, African Americans experienced reduced, discretionary bias encounters with automation and standardized underwriting in business sustainability (Chernenko & Scharfstein, 2024; Howell et al., 2024). Such biases expanded access to minimized educational resources, increased trust, financial stability, and innovation in underserved areas, suggesting that process design matters as much as program size (Howell et al., 2024). Similarly, targeted support for community financial institutions and intermediaries that connect entrepreneurs to capital and procurement opportunities can amplify the returns on individual human capital investments (Lahr et al., 2022).

Young African American SBOs face disproportionately high closure rates, with studies showing that 22% of new African American-owned businesses close within the first year of operation (Perry et al., 2025). These trends emphasize the need for targeted interventions that target the distinct barriers to business continuity, such as restricted access to capital, mentorship, and market opportunities (Gilbert, 2022). Research indicates that supporting both individual human capital and contextual resources, such as community networks and institutional assistance, is essential for improving the continuing viability and expansion of African American-owned businesses (Lahr et al., 2022; Pegram et al., 2022).

1.4 Theoretical Framework – Human Capital Theory

Schultz's (1961) human capital theory (HCT), further developed by Becker (1964), served as the theoretical framework for this research. HCT proposes that investments in education, training, skills, health, and experience can increase productivity and contribute to economic outcomes. Contemporary research extends this perspective by emphasizing technical, cognitive, social, and experiential competencies that support entrepreneurial decision-making, adaptability, innovation, and organizational performance (Deming, 2022; Musthafa et al., 2025).

Becker (1964) expanded the theory by explaining how investments in human capabilities can produce measurable outcomes, including productivity, innovation, and organizational performance. From this perspective, small business owners can strengthen their businesses by continually developing and applying the knowledge, skills, and competencies needed to make effective decisions and respond to changing business conditions. HCT therefore provides a useful framework for examining how African American small business owners use human capital development to support long-term business sustainability.

For small business owners, human capital develops through formal education as well as experience, mentoring, problem-solving, networking, and continuous learning. These investments can strengthen an owner's ability to recognize opportunities, make strategic decisions, adopt technology, and respond to changing market conditions (Dinku et al., 2024). However, human capital does not operate independently of the business environment. Social networks, institutional support, access to financing, and market conditions can influence how effectively entrepreneurs apply their knowledge and skills (Auerbach & Green, 2024; Roberson & Perry, 2022). HCT was therefore appropriate for examining how African American small business owners use knowledge, skills, experience, and learning to support sustainability beyond five years.

Among the underlying principles of HCT is the premise that investments in knowledge, education, skills, training, and experience increase an individual's productive capacity and economic value. For small business owners, these investments can include managerial training, financial literacy, communication skills, technical knowledge, problem-solving, and experiential learning. Human capital development is not limited to formal education but may also occur through learning by doing, mentoring, professional development, customer interactions, and experience. Contemporary scholarship further emphasizes higher-order competencies such as problem-solving, communication, networking, and adaptive learning as important contributors to entrepreneurial longevity (Deming, 2022; Musthafa et al., 2025). These principles have direct implications for the business problem examined in this research because African American small business owners must continually acquire and apply knowledge and skills to navigate operational challenges and sustain their businesses beyond five years.

HCT also provides a basis for understanding how external and contextual conditions can affect the ability of small business owners to benefit from their human capital investments. African American small business owners face systemic barriers that may reduce their likelihood of long-term survival, including limited access to capital, smaller professional networks, and lower levels of formal business education (Fairlie et al., 2022; Perry et al., 2025). Limited education can constrain decision-making and the adoption of effective management practices, while disparities in external funding can restrict the resources available to apply entrepreneurial knowledge and skills. These conditions demonstrate that human capital development occurs within a broader business environment in which access to financial, social, and institutional resources can influence long-term sustainability.

Among the benefits of HCT is its ability to connect investments in individual capabilities with business and economic outcomes. For African American small business owners, investments in managerial knowledge, financial literacy, technical skills, communication, and continuous learning can strengthen decision-making and business performance. Human capital investments may be particularly effective when combined with strong social networks and other resources that provide entrepreneurs with information, mentorship, financial opportunities, and market connections. The literature indicates that social and human capital can serve as enabling resources that help African American small business owners address capital constraints, market volatility, and operational challenges.

Still, scholars have identified criticisms and limitations of HCT. Traditional applications of the theory may place substantial emphasis on individual education, knowledge, and skills while underestimating the influence of social networks, environmental conditions, innovation capabilities, and structural inequalities on economic outcomes. The theory may also presume access to education and training opportunities without fully accounting for barriers that can restrict those opportunities for marginalized populations. Despite these limitations, HCT was appropriate for this research project because it explained how investments in skills, knowledge, education, training, and experience can affect individual and organizational performance and long-term business sustainability.

2. Method

2.1 Research Method and Design

A qualitative pragmatic inquiry design was used to explore the strategies African American small business owners used to sustain their businesses beyond five years. A qualitative research methodology enabled an in-depth exploration of the lived experiences, perceptions, and strategies used by SBOs who have sustained their businesses for more than 5-years. The pragmatic inquiry research design prioritizes practical, real-world relevance, enabling researchers to explore complex, context-specific problems using flexible methods that align with practitioner needs (Smith & Lee, 2022).

2.2 Participant Characteristics

The target population consisted of 10 African American small business owners in the southwestern United States who had successfully operated a business for more than five years. Participants were seven female and three male. Each participant owned and operated a small business. Collectively, they had been in business anywhere from 6 to 23 years. The industries were varied (see table 1 below).

2.3 Participant Protection and Informed Consent

Prior to conducting the interviews, IRB approval was obtained. Further, an informed consent form was obtained from the participants via email. The participants received an introductory email or phone call explaining the purpose of the project and inviting them to review the IRB-

approved informed consent form. The consent form was provided electronically and outlined the research project's purpose, participant expectations, estimated time requirements, potential risks and benefits, confidentiality protections, and voluntary nature of participation. Participants were encouraged to ask questions and provided clarification to ensure they fully understood their role before giving consent.

Participants were informed that they may withdraw from the research project at any time without penalty or explanation. Withdrawal may occur through email, telephone, text message, or verbally during an interview. If a participant withdrew, all data collected from that participant up to that point would have been destroyed. Privacy and the protection of participants' privacy were central to the research. To safeguard identities, pseudonyms were assigned to every participant so actual names were excluded in any documentation or conversations. All information collected from the participants, such as transcripts, notes, and stored files were deidentified to ensure confidentiality. All data was securely stored using encryption and access protocols that ensure restricted access. To safeguard participant information, all records will be retained for 5 years, and then destroyed, following the conclusion of the research project.

2.4 Data Collection Methods

Primary data were collected through semistructured interviews which were conducted through Microsoft Teams or Zoom. Each participant consented to be interviewed and to have the interview audio recorded. The interviews lasted up to 30 minutes. An interview protocol was followed to ensure procedural consistency during the interview process. The interview protocol comprised a script with the following information or inquiries, 1) greeting, 2) introduction to the purpose of the interview, 3) permission to record, 4) interview questions, 5) expressed gratitude, and 6) next steps. Data was collected for a four-week period in the middle of the summer of 2026. Member checking was performed within one week of the interview. Each participant confirmed the veracity of the interpretation of their responses to the interview questions.

Secondary data were collected through a review of publicly available documents such as US Census Bureau data and SBA data. Secondary data provided contextual support and additional basis for assessing whether the reported practices were consistent with broader professional discourse. Interpretations of secondary were included in the member checking process as was applicable. Participants were assigned pseudonyms P1–P10 to maintain anonymity and confidentiality. Member checking was conducted to verify the accuracy of the researchers' interpretations of the participant's responses in conjunction with the data provided or obtained in response to the interview. Data saturation was reached at Interview 8, when no new information was obtained through the interviews. Interviews 9 and 10 provided confirmation that data saturation had been achieved.

2.5 Data Analysis Methods

The initial data analysis was conducted through an iterative process using Braun and Clarke's (2012) six-step thematic analysis process; 1) became familiar with the data, 2) generated initial

codes, 3) generated initial themes, 4) reviewed themes, 5) defined and named themes, and 6) wrote up the report. The initial transcription process was manual and involved color-coding key words and phrases that appeared repeatedly in the transcripts. Microsoft Excel was used to organize de-identified interview excerpts, document codes, group codes into subthemes and themes, and apply color coding to facilitate comparisons across participants and maintain analytic traceability. Secondary data sources such as publicly available industry and government reports such as the US Census Bureau data and SBA data were also used in the triangulation process with the primary data collected. The manual process aided the researchers in becoming more familiar with the data. From that point initial codes were introduced, as also initial themes were generated, defined, and named, in that order. Secondly, MAXQDA was used to organize interview transcripts, manage coded data segments, support and confirm the identification and comparison of recurring codes, patterns, and themes from the initial analysis. Where discrepancies were noted, the data were reviewed and reanalyzed to arrive at the most appropriate decision. To enhance trustworthiness, strategies including member checking, triangulation, data saturation, a consistent interview protocol, and an audit trail were employed to support the credibility, dependability, and confirmability of the findings.

3. Results

The purpose of this qualitative pragmatic inquiry research project was to identify and explore the strategies used by African American SBOs to sustain their businesses beyond 5 years. Thematic analysis of data collected from 10 participants revealed five major themes: (a) human capital development, (b) strategic managerial competence, (c) relationship capital, (d) continuous learning and innovation, and (e) entrepreneurial persistence. The overarching research question guiding this study was: What strategies do SBOs use to sustain their businesses beyond 5 years?

3.1 Recruitment

Participants were selected through purposive sampling based on the established eligibility criteria. Participant recruitment was conducted through purposeful outreach to community-based business networks, referrals from local and regional entrepreneur associations, and direct email invitations to individuals with relevant applied expertise. There was a 30-day recruitment and vetting process. Eligibility criteria required participants to be African American small business owners who owned and actively managed a small business and had successfully sustained continuous business operations for more than five years.

3.2 Sources of Data

Sources for the data included semistructured interviews with 10 participants and secondary corroborating evidence from publicly available documents and industry publications related to strategies used by African American SBOs to maintain long-term business viability. Each participant held a leadership role within their organization and had direct experience implementing or overseeing the strategies that contributed to their sustained operations. Secondary sources provided additional context for interpreting participant responses and strengthened the credibility of the findings by corroborating the success of the strategies

described by participants. Public organizational reports and industry publications highlighted the importance of investing in human capital, cultivating managerial competence, strengthening relationship networks, fostering continuous learning, and demonstrating persistent entrepreneurial effort as key mechanisms that support business longevity among African American SBOs. Table 1 presents the participants' roles, genders, industries, and number of years in business.

Table 1 Participant Characteristics

Participant	Role	Gender	Industry	Years in Business
P1	SBO	Female	Financial and tax services	7
P2	SBO	Female	Author and online retail	6
P3	SBO	Female	Bakery	9
P4	SBO	Female	Retail and apparel services	11
P5	SBO	Male	Entertainment and DJ services	23
P6	SBO	Female	Food services	12
P7	SBO	Male	Nonprofit men's homeless shelter/transitional home	9
P8	SBO	Male	Construction management	15+
P9	SBO	Female	Home and property services	10
P10	SBO	Female	Hair and beauty	10+

Note. SBO = small business owner. Participant identifiers are pseudonyms used to protect participant anonymity and confidentiality.

3.3 Data Coding, Data Analysis, and Data Saturation

The interview data was transcribed using Microsoft Word and assigned pseudonyms to maintain participant anonymity and confidentiality. Participants are referred to throughout the research project as P1 through P10. During the first phase of analysis, each transcript was reviewed multiple times to identify meaningful statements related to strategies used by African American small business owners to sustain their businesses beyond 5 years. Initial codes were assigned to recurring concepts within participant responses. These codes reflected frequently mentioned concepts, such as human capital development, strategic managerial competence, relationship capital, continuous learning and innovation, and entrepreneurial persistence. Through an iterative process of reviewing and comparing coded data, these codes were grouped into broader categories representing patterns across participant experiences.

Following the coding process, thematic analysis using Braun and Clarke's six-step approach to qualitative data analysis was conducted. This process involved reviewing coded data segments, identifying patterns across participant responses, and organizing those patterns into overarching themes that addressed the research question.

Secondarily, MAXQDA was used to confirm the initial codes, organize the interview transcripts, manage coded data segments, and support the systematic identification and comparison of

recurring codes and patterns across participant responses. Microsoft Excel was used to organize de-identified interview excerpts, document initial codes, group codes into subthemes and themes. Color coding of the key word and phrases was done to facilitate comparisons across participants and maintain analytic traceability.

Table 2 presents the data saturation summary for this qualitative pragmatic inquiry research project and demonstrates how codes progressed and stabilized across the 10 participant interviews. Consistent with qualitative standards, data saturation was reached when subsequent interviews failed to generate new codes or additional conceptual insights, confirming that the phenomenon had been sufficiently examined. As shown in Table 3, new codes emerged through the first eight interviews, with Interviews 9 and 10 confirming thematic stability and reinforcing previously identified patterns, such as human capital development, strategic managerial competence, relationship capital, continuous learning and innovation, and entrepreneurial persistence. The progressive reduction in new codes and the eventual repetition of established themes indicate that saturation was achieved, ensuring that the findings accurately represent the shared experiences of African American SBOs in this study.

Table 2 Data Saturation Summary

Interview number	New codes identified	Cumulative codes	Saturation status
Interview 1	8	8	No saturation
Interview 2	6	14	No saturation
Interview 3	5	19	No saturation
Interview 4	4	23	No saturation
Interview 5	3	26	Approaching saturation
Interview 6	2	28	Approaching saturation
Interview 7	1	29	Saturation emerging
Interview 8	0	29	Saturation reached
Interview 9	0	29	No new codes
Interview 10	0	29	No new codes

Note. Data saturation was achieved after eighth interview, when no new codes emerged. Interviews 9 and 10 provided confirmatory evidence of thematic consistency across participants.

During the initial interviews, a higher number of new codes emerged, reflecting the wide variation in participant experiences and perspectives regarding long-term business sustainability. Eight new codes were identified in Interview 1, followed by six and five codes in Interviews 2 and 3. These early interviews captured foundational concepts, such as learning by doing, relationship building, digital marketing adaptation, and customer-centered communication. As data collection progressed, the number of new codes steadily declined, with four new codes in Interview 4, three in Interview 5, and two in Interview 6. This decreasing trend demonstrates that

core strategic and behavioral patterns among African American SBOs were becoming consistently represented across the data.

Data saturation was reached at Interview 8, after which no additional codes emerged. Interviews 9 and 10 confirmed thematic stability because participant responses reinforced previously identified concepts rather than introducing new insights. This stabilization aligns with qualitative research standards, which emphasize that saturation occurs when additional data produces redundancy instead of novel conceptual contributions (Braun & Clarke, 2012; Creswell & Poth, 2016). The absence of new codes in the final interviews strengthens the credibility and dependability of the findings, demonstrating that the themes of human capital development, strategic managerial competence, relationship capital, continuous learning and innovation, and entrepreneurial persistence were consistently represented across participants.

In total, 29 cumulative codes were identified and remained stable across the data set, as reflected in the later interviews where no new themes emerged. The systematic decline in new codes, paired with the confirmation of thematic consistency after Interview 8, provides clear evidence that the sample size was sufficient to explore the research question. Table 2 thus serves as a transparent audit trail of the saturation process, demonstrating how repeated, consistent responses from African American SBOs substantiate the final thematic structure. The saturation pattern also supports the trustworthiness of the study by showing that the themes were not isolated occurrences but shared, persistent strategies used to sustain business operations beyond 5 years.

3.4 Themes

Table 3 displays the codes and corresponding themes.

Table 3 Codes and Corresponding Themes Identified During Data Analysis

Theme	Representative codes
human capital development	learning by doing; coaching; communication; leadership; workforce alignment
strategic managerial competence	planning; finance; budgeting; performance measurement; resource allocation; quality control
relationship capital	customer relationships; referrals; partnerships; reputation; retention; community engagement
continuous learning and innovation	digital marketing; AI; market adaptation; product innovation; technology scanning
entrepreneurial persistence	consistency; resilience; patience; recovery; long-term orientation

Note. Codes were derived from recurring concepts identified during thematic analysis of semistructured interview transcripts from 10 participants. Codes were grouped into categories and refined into themes using Braun and Clarke's (2006) thematic analysis process.

The analysis revealed five major themes representing the strategies business leaders used to sustain their businesses beyond 5-years.

Table 4 highlights the major themes, the number of participants who referenced each theme, and the number of references associated with each theme. Collectively, these findings indicate that effective strategies used by African American SBOs to sustain their businesses beyond 5 years involved a multifaceted organizational approach integrating human capital development, strategic managerial competence, relationship capital, continuous learning and innovation, and entrepreneurial persistence.

Table 4 Major Themes, Participants Referencing Theme, and Reference Frequencies

Theme	Participants referencing theme	Number of references
Human capital development	7	13
Strategic managerial competence	10	20
Relationship capital	9	15
Continuous learning & innovation	6	10
Entrepreneurial persistence	9	9

Note. Participants referencing a theme indicates how many interview participants discussed concepts associated with that theme. The number of references reflects the total frequency with which concepts linked to each theme appear across all semistructured interview transcripts.

The findings aligned with the Schultz's (1961) and Becker's (1964) HCT, the lens through which the research project was viewed. HCT, originally advanced by Becker (1961), emphasized that investments in knowledge, skills, experience, and learning directly strengthen individual capability and organizational performance. Participants' descriptions of learning-by-doing, coaching, customer-centered communication, workforce alignment, strategic planning, and adaptation illustrate how African American SBOs operationalize the principles of HCT through deliberate human capital development. The strategies reflected in the data set, including skill acquisition, experiential learning, financial literacy, product innovation, and relationship management, demonstrate how sustained human capital investment contributes to long-term business survival beyond 5 years. These behaviors directly mirror core HCT principles by showing that owners increase business resilience and performance through continual development of competencies and applied expertise.

3.4.1 Theme 1: Human Capital Development

The first theme that emerged from the thematic analysis was human capital development. Analysis of the interview data revealed that the participant African American SBOs consistently described skill building, experiential learning, communication competency, customer relationship management, and adaptive problem solving as essential practices for sustaining long-term business viability. Seventy percent of participants referenced activities, such as learning by doing, coaching, and ongoing professional development, as foundational to their business success. These strategies included gaining industry knowledge through experience, learning from trial and error, applying customer feedback, and developing interpersonal communication skills that strengthen business performance and customer trust.

The participant SBOs described human capital development as an intentional and ongoing entrepreneurial process through which business owners refine competencies, acquire practical knowledge, and adapt to emerging market conditions. Several participants emphasized the importance of experiential learning and real time skill acquisition. For example, P5 noted that "...much of their business knowledge was developed through repeated trial and error", while P6 shared that "...customer service skills and industry learning were cultivated by observing other businesses and adapting new ideas". These responses demonstrated how these SBOs strengthened human capital by engaging in continuous learning activities that expand operational expertise, industry awareness, and service quality.

Public reports and recent scholarships highlighted similar patterns. According to OECD (2023), SBOs who invest in technical knowledge, managerial competence, and continuous training demonstrate greater resilience and sustained performance. Likewise, Chaithanapat et al. (2022) emphasized that knowledge acquisition, skill development, and innovation capability are critical components of long-term entrepreneurial success. Industry analyses similarly reinforced the importance of human capital, noting that experiential learning and communication proficiency strengthen competitive positioning and improve customer retention.

Specific examples from the data set illustrated how knowledge transferred and applied learning support human capital growth. P1 explained that "...educating customers about product value and service benefits was essential for helping clients make informed decisions", stating, "I explain to them... you want to make sure your family has that money." This reflected how communication skills support trust and service adoption. P2 described "...developing digital skills to expand online marketing and manage cybersecurity risks". P3 emphasized "...evaluating productivity and adjusting product offerings based on performance data". P4 highlighted "...budgeting and financial literacy as core managerial skills, noting how tracking expenses and reinvesting profits strengthens business stability". These examples revealed that human capital development is multifaceted and involves refining technical, relational, and managerial competencies.

The participant SBOs also emphasized resilience and adaptability as components of human capital development. P6 noted that "...rising food costs and competitive pressures required

continuous innovation and positive thinking, demonstrating how mindset and psychological capital shape business sustainability”. P8 emphasized “...the importance of surrounding the business with capable people and aligning individual strengths with operational tasks, illustrating how leadership judgment and workforce alignment enhance human capital development”. P10 underscored “...the need for consistent customer care, flexibility, and service excellence, highlighting how relational skills support long-term customer retention and business reputation”. These responses affirmed that human capital extends beyond technical knowledge and includes emotional intelligence, adaptability, and problem solving.

The findings align with Schultz’s (1961) and Becker’s (1964) HCT, which conceptualizes education, skills, experience, and training as forms of capital that influence productivity and economic outcomes. They emphasized that individuals increase their economic value through investments in knowledge and skill acquisition. The current findings demonstrated how some African American SBOs applied these principles by leveraging experiential learning, communication competency, financial literacy, service innovation, and adaptive decision making to strengthen business performance and resilience.

Contemporary scholarship supports these findings. Musthafa et al. (2025) and Deming (2022) highlighted that higher order skills, including problem solving, communication, networking, and adaptive learning, significantly contribute to entrepreneurial longevity. The current study extended existing literature by illustrating how some African American SBOs operationalized human capital development in daily practice through trial and error, digital learning, strategic budgeting, customer education, innovation, and service refinement.

Collectively, the findings indicated that human capital development, particularly experiential learning, communication skills, financial literacy, and adaptive decision making, formed a foundational sustainability strategy for some African American SBOs. This process shaped how they acquired and applied knowledge, responded to business challenges, and refined strategic actions over time. These results are consistent with Schultz and Becker’s HCT, which emphasizes that knowledge growth and skill development drive long-term productivity and economic success. Together, these insights provided the groundwork for the following theme, which examined how strategic managerial competence supported the operational effectiveness of some SBOs.

3.4.2 Theme 2: Strategic Managerial Competence

The second theme that emerged from the analysis was strategic managerial competence. Interview data revealed that the participant African American SBOs consistently relied on structured planning, disciplined financial management, performance evaluation, and resource allocation to sustain business operations. One hundred percent of participants described managerial competence as essential to maintaining continuity and responding effectively to operational challenges. These strategies included creating budgets, monitoring cash flow, evaluating sales performance, adjusting product or service offerings, and implementing systematic procedures to reduce risk and improve organizational stability.

The SBOs in the research emphasized that strategic managerial competence was an intentional process involving ongoing decision making, operational oversight, and continuous evaluation of business practices. P4 noted "...the importance of creating financial plans and adhering to them to maintain stability, stating that budgeting and prioritizing expenditures were critical for sustaining daily operations". P2 described "...using sales tracking and social media analytics to evaluate marketing effectiveness", while P3 highlighted "...removing low-performing products and reallocating resources toward offerings that generate higher productivity". These responses illustrated how the SBOs strengthened managerial competence by making informed decisions based on performance data and financial indicators.

Industry research supported these findings. The OECD (2023) emphasized that financial literacy, planning discipline, and performance measurement are core components of managerial effectiveness in small enterprises. Further, Farida and Setiawan (2022) noted that businesses employing deliberate strategic planning are better positioned to enhance competitive advantage and maintain long term stability. These findings aligned with participant reports, demonstrating how some African American SBOs operationalized managerial competence to address common constraints such as limited resources and unpredictable market conditions.

Examples from the data set further highlighted the importance of managerial competence. P5 described "...implementing contracts, deposits, and scheduling systems to reduce operational risks and ensure financial compensation for services". P8 emphasized "...identifying and removing critical path barriers by reallocating personnel or shifting responsibilities, demonstrating how managerial decision-making supports workflow continuity". P10 described "...consistently evaluating workplace cleanliness, product availability, and customer readiness to maintain service quality and operational reliability". Such actions illustrated how these SBOs applied structured managerial practices to prevent disruptions and maintain organizational effectiveness.

Collectively, these findings demonstrated that strategic managerial competence, including financial planning, performance monitoring, resource optimization, and operational control, is a crucial sustainability mechanism for African American SBOs. This theme aligned with HCT by illustrating how managerial knowledge and skill development directly support long term business performance and resilience.

3.4.3 Theme 3: Relationship Capital

Analysis of the interview data revealed that relationship capital played a central role in sustaining long-term business viability. Participants consistently described customer relationships, referrals, community engagement, partnership building, and reputation stewardship as essential relational strategies that directly influenced business continuity. Relationship capital emerged when SBOs intentionally cultivated trust-based interactions with customers, communities, and partner organizations. According to the saturation table, all participants referenced relationship-driven strategies, indicating stable thematic convergence after P8.

Participants emphasized the significance of maintaining strong customer relationships. P1 noted that "...referrals and returning clients served as clear indicators of sustained performance, explaining that continued referrals demonstrated trust and satisfaction". P2 described how "...redirecting customers to the business website and providing consistent responses increased dependability and reduced risk in online communication". This showed that communication consistency reinforces trust.

Several participants highlighted the importance of community engagement. P7 explained that "...partnerships with community organizations ensured continuous revenue support and strengthened the mission of the transitional housing program". P6 shared that "...observing other food businesses, connecting with food truck owners, and learning collaboratively helped enhance service quality". These insights demonstrated how relationship networks influence learning and sustain customer interest.

Participants also noted that reputation played a major role in business longevity. P9 described "...responding publicly to misleading online reviews to maintain a positive business image, explaining that active reputation management helped reduce negative perceptions among potential clients". P10 shared that "customer care, such as walking clients to their cars or offering umbrellas in the rain, strengthened long-term customer loyalty". Relationship capital allowed P10 to retain clients for 2 decades.

According to the data saturation Excel file, relationship capital codes appeared across 90 percent of the participants, accumulating 15 references by P10. These patterns demonstrate cross-case alignment that stabilized at saturation, confirming that relationship-based strategies operated consistently across diverse business types.

Collectively, participants described relationship capital as a deliberate and consistent process, shaped by customer trust, community partnerships, service excellence, interpersonal communication, and reputation cultivation. These findings aligned with HCT by demonstrating how interpersonal competencies, communication skills, and relational judgment contribute to sustained business success. Relationship capital strengthened customer loyalty, expanded business reach, and increased resilience, supporting long-term continuity beyond 5 years.

3.4.4 Theme 4: Continuous Learning and Innovation

The fourth theme, continuous learning, innovation, reflects how SBOs adapted to evolving market conditions, technology changes, customer preferences, and industry demands. Participants emphasized that continuous learning and innovation were essential for remaining competitive and sustaining business operations over time. According to the saturation file, innovation-related codes emerged consistently through P6 and stabilized by P9, confirming saturation.

Participants described continuous learning as a self-directed and experiential process. P3 explained that "...reviewing productivity metrics and analyzing what worked versus what did not

work guided strategic adjustments”. P5 emphasized that “...learning occurred through trial and error, describing that experience shaped better decision-making over the years”. These examples demonstrated how experiential learning supported strategic refinement.

Digital innovation also emerged as a major strategy. P1 described “...adapting from traditional referral-based marketing to social media platforms, scheduling weekly content to maintain visibility”. P2 explained that “...adopting TikTok, Facebook, and a business website expanded market reach and improved sales, particularly when social media activity increased”. P9 emphasized that “annual reviews of new technology guided updated advertising approaches, reinforcing continuous adaptation”.

Product and service innovation played a critical role across participants. P3 described “...eliminating low-productivity products and expanding high-demand items to optimize revenue”. P6 noted that “...rising food costs and competitor imitation required frequent menu adjustments and creative differentiation”. P5 emphasized using “...AI-generated branding to enhance exclusivity and attract new customers”. These insights highlighted how innovation supported market relevance and customer engagement.

Continuous learning also resulted in improved financial strategies. P4 explained that “...budgeting and financial planning helped mitigate uncertainty and support long-term stability”. P6 emphasized “...learning to budget more effectively in response to rising food costs”. These examples demonstrated how learning influences operational resilience.

Across the data set, innovation codes reached thematic stability by P8 and were confirmed by P9 and P10. The saturation workbook indicated that innovation codes did not produce new concepts after P8, suggested consistent application across participants.

Overall, continuous learning and innovation enabled SBOs to modify business practices, adopt digital tools, refine products, and adapt to changing environments. These strategies contributed to sustained performance, illustrating how entrepreneurial continuous learning and innovation support long-term business viability. This theme aligned with HCT, showing that knowledge acquisition, skill development, and adaptive capacity directly strengthen business sustainability.

3.4.5 Theme 5: Entrepreneurial Persistence

Entrepreneurial persistence emerged as one of the most prominent themes across 90 percent of the participants. Persistence included consistency, resilience, patience, commitment, recovery after setbacks, and determination to continue despite obstacles. According to the data saturation Excel file, persistence codes appeared across participants P1 through P9 and stabilized by P8, confirming their centrality to long-term business sustainability.

Participants described persistence as a mindset and behavioral pattern necessary for overcoming challenges. P1 emphasized the importance of consistency, stating that “...staying visible and continuously promoting the business were key factors in longevity”. P2 explained that “...being

willing to grow, remain consistent, and adapt to technological changes helped the business survive long term”. These insights demonstrated how persistence and consistency supported stability.

Several participants highlighted resilience during adversity. P8 shared that “...the business had been lost twice but rebuilt through integrity, networking, and reflection”. This example shows that resilience and ethical decision-making supported recovery. P9 described “...continuing operations even when outcomes were discouraging, explaining that persistence during slow periods was essential”. P3 stated, “Just keep going and keep pushing,” illustrating a strong commitment to sustained effort despite delayed results.

Persistence is also related to adaptability. P6 emphasized reframing challenges as learning opportunities and maintaining a positive mindset in response to rising costs and competitor imitation. P10 described “...taking responsibility for organizational issues, ensuring cleanliness and product availability even when staff fell short”. These examples demonstrated how persistence involves responding constructively to obstacles.

The saturation file confirmed that persistence codes stabilized after P7 and remained consistent in the final interviews, reinforcing that persistence was a shared behavioral strategy across business types. Participants consistently described persistence as the reason they remained operational beyond the 5-year threshold.

Entrepreneurial persistence aligned directly with HCT by demonstrating how continuous commitment, emotional resilience, and sustained application of knowledge contributed to long-term business success. Persistence allowed SBOs to navigate uncertainty, learn from setbacks, maintain operational focus, and continue refining their strategies over time.

3.5 Cross-Theme Synthesis of Findings

The synthesis of Themes 3 through 5 illustrated a comprehensive system of entrepreneurial action that African American SBOs use to sustain their businesses beyond 5 years. These themes demonstrated that long-term sustainability is not achieved through isolated strategies but through the integration of relationship capital, continuous learning, innovation, and entrepreneurial persistence. Each theme interacted with and reinforces the others, creating a holistic model of small business longevity.

Across participants, relationship capital emerged as a foundational driver of business continuity. Participants described consistently building customer trust, strengthening community relationships, responding effectively to client concerns, and cultivating partnerships that stabilize operations. These relationship-centered practices directly supported the continuous learning and innovation processes described in the fourth theme. Participants explained that continuous learning often arose from customer feedback, observations of competitor behavior, shifts in community needs, and communication dynamics in digital environments. For example, P1 refined marketing strategies based on client referral patterns, and P9 adapted digital advertising

practices by monitoring responses to technology trends and online reviews. Relationship interactions, therefore, supplied key information that informed continuous learning and innovation.

Continuous learning, innovation also interacted strongly with entrepreneurial persistence. Participants consistently emphasized that applying new knowledge required overcoming discomfort, navigating obstacles, and refining strategies over time. P2 described confronting digital scams and learning safer communication processes, while P6 reframed rising food costs and product imitation as learning opportunities, demonstrating how innovation requires resilience. The capacity to persist through trial, error, and uncertainty enabled business owners to apply innovative practices effectively.

Entrepreneurial persistence strengthened relationship capital by ensuring consistent participation in community networks, stable service delivery, and trustworthy customer engagement. P10's long-term customer retention, built on decades of consistent service, illustrates how persistence strengthens relational trust. P8's experience rebuilding the business after major setbacks demonstrates how resilience reinforces connection-building and credibility within the broader business ecosystem. Persistence also supported continuous learning by encouraging business owners to revise strategies, reinterpret failures, and maintain momentum even when immediate results were not visible.

Together, the themes revealed how the African American SBOs who participated in the research sustained their businesses through interconnected processes. Relationship capital encouraged learning, learning fueled innovation, innovation required persistence, persistence strengthened relationships, and all three contributed to sustainability. These processes formed a cyclical pattern in which knowledge, relationships, and resilience reinforced each other, producing long-term business viability. The saturation workbook confirmed this integration, as relationship capital, innovation, and persistence emerged consistently across participants and stabilized early, demonstrating strong cross-case alignment. By the eighth interview, no new codes appeared, indicating that these interconnected practices operated reliably among diverse business types.

Collectively, these findings showed that sustainability depended on deliberate relationship-building, ongoing innovation, and persistent entrepreneurial effort that adapt to evolving business environments. This synthesis demonstrated how some African American SBOs engaged in dynamic cycles of learning and action that supported resilience and growth beyond the critical 5-year threshold.

3.6 Cross-Theme Theoretical Alignment

The cross-theme findings aligned closely with HCT, which posits that knowledge, skills, experience, and continuous learning contribute to long-term economic and organizational outcomes. HCT contains an explanation of how relationship competencies, learning behaviors, and persistence contribute to business sustainability. Across participants, relationship capital reflects applied human capital in the form of communication skills, interpersonal judgment, and

trust-building behaviors that strengthen organizational performance. Continuous learning, innovation illustrated how some African American SBOs actively developed and refined human capital by acquiring new knowledge, adapting to digital tools, analyzing productivity metrics, and experimenting with new operational techniques. Entrepreneurial persistence showed how human capital was applied over time, demonstrating resilience, adaptability, and consistent effort despite obstacles or delayed outcomes.

Integrating these themes with HCT revealed that sustainability results not only from skill acquisition but also from the behavioral application of those skills through relationships, innovation, and persistence. The interplay between these themes mirrors the cyclical learning and behavioral reinforcement described by human capital theorists, such as Becker and Schultz. In this project, participants applied human capital in ways that were relational, adaptive, and resilient, using experiential learning to strengthen business continuity.

The relationship between themes also reflected behavioral dimensions consistent with broader human capital scholarship, demonstrating that knowledge and skill development occur through social interactions, environmental feedback, and iterative adaptation. For those African American SBOs, human capital was not confined to formal education or training but was developed through lived experience, community engagement, and persistent strategic refinement. The cross-theme alignment showed that sustainability depended on integrating relational knowledge, experiential learning, and persistent entrepreneurial behavior, which are all core expressions of HCT.

Taken together, the synthesis and theoretical alignment demonstrated that long-term sustainability for some African American SBOs emerged from the interconnected operation of relationship capital, continuous learning, innovation, and entrepreneurial persistence, fully consistent with the principles of HCT.

4. Discussion

The results of this study aligned with broader scholarship on small business sustainability and entrepreneurial resilience. Prior research emphasized that human capital development, managerial competence, and relationship capital are foundational drivers of long-term business success, especially among minority-owned firms facing structural barriers. Studies, such as Andersson et al. (2023), Boudreaux et al. (2022), and Marvel et al. (2020), showed that targeted investments in skills, experience, and network building significantly enhance firm performance and adaptability. The present findings confirmed and extended this literature by demonstrating how the African American SBOs in the study operationalized these constructs in practice, through iterative learning, disciplined financial management, strategic planning, community anchored relationship building, digital innovation, and persistent entrepreneurial effort. These results reinforced established scholarship while adding nuance by showing how these strategies operated within the unique contextual realities of the African American entrepreneurs in the southwestern United States that were included in the research.

Taken together, these findings illustrated how long-term small business sustainability may function as both a strategic and behavioral process among some African American SBOs. From a strategic perspective, the themes demonstrate how business owners strengthen continuity through human capital development, disciplined managerial practices, financial planning, relationship cultivation, and ongoing innovation. From a behavioral perspective, the findings highlighted how owners interpreted business challenges and opportunities through experiential learning, customer feedback, community engagement, and persisted entrepreneurial effort, all of which shape their willingness to adapt, acquire new skills, and remain committed during periods of uncertainty. This dual perspective underscored the value of integrating HCT with complementary practice-based insights to understand how sustainability strategies are both constructed and enacted within real-world business environments. By combining these perspectives, the findings provided an explanation of how the African American SBOs included in the research implemented and sustained effective strategies in practice. For business practitioners, this integration may suggest that long-term sustainability requires not only structured systems for developing owner competencies but also relational networks, adaptive learning environments, and organizational cultures that promote consistency, resilience, and meaningful community engagement.

5. Conclusion

The findings in this study regarding, the identification and exploration of the strategies African American small business owners use to sustain their businesses beyond five years yielded the following five themes: human capital development, strategic managerial competence, relationship capital, continuous learning, and entrepreneurial persistence. The findings further illustrated how some African American SBOs in the southwestern region of the US used specific organizational inputs, such as coaching, experiential learning, customer-centered communication, adaptive planning, and community-based relationship building, to shape internal learning processes and strengthen long-term sustainability. Ultimately, the ways these particular SBOs evaluated their learning experiences determined the degree to which they persisted through early-stage obstacles, adapted business models, and remained committed to continual development, behaviors that directly influenced long-term business viability beyond the 5-year threshold.

Acknowledgments

We want to acknowledge and say thank you to the small business owners who took part in this research. Thank you for taking the time to sit in interview with us and for sharing your strategies for sustaining your small business beyond 5-years.

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