

Examining the Entrepreneurial Intentions of U.S. Ethnic Minorities During the Covid-19 Pandemic

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We examine minority entrepreneurial intentions in the U.S. and seek to make business leaders and business educators aware of minority students' interest in entrepreneurship activity. Utilizing the theory of planned behavior, we investigated if demographic and behavioral factors are related to entrepreneurial intentions. A major contextual factor was that we performed our research during the COVID-19 pandemic. We surveyed the entrepreneurial intentions of 400 U.S. business college students, comparing minority respondents (n=137) with white respondents (n=263). The minority respondents belonged to the three predominant minority entrepreneur groups in the U.S. -- African Americans, Hispanic Americans, and Asian Americans. Minority respondents had significantly greater entrepreneurial intentions than their white counterparts. We investigated contextual factors affecting minority entrepreneurial intentions and found that a significant difference existed regarding the influence of the COVID-19 pandemic in that it counter-intuitively increased minority entrepreneurial intentions. Significant personal factors included having family members who own a business and having a role model.

Keywords: entrepreneurial intentions, ethnic minorities, COVID-19 pandemic, theory of planned behavior, family members, role models

INTRODUCTION

The development of minority entrepreneurship is crucial to national economic growth. This paper explores minority participation in entrepreneurship and seeks to increase the awareness of business leaders and business educators regarding minority interest in entrepreneurship as an attractive career. We focus on minority entrepreneurship within the U.S., recognizing the unique challenges due to social, political, historical, and economic issues that may differ from one country to another (Bates, 2011). Following the

demographic composition of the U.S., the three predominant minority entrepreneur groups are African Americans, Hispanic Americans, and Asian Americans (Fairlie, 2020). For many years, minority business owners lacked capital, did not possess the benefits of a university education, and did not receive sufficient training in skilled occupations. Minority business enterprises (MBEs) faced more significant barriers to success than white businesses. These conditions persist and may inhibit the aspirations of potential minority entrepreneurs (Bates, Bradford, & Seamans, 2018).

The entrepreneurial process begins with the desire to start a new business or entrepreneurial intentions, which may be defined as the commitment to start a new business in the future that will bring novel products services to the economy (Kautonen, Van Gelderen, & Tornikoski, 2013; Krueger & Carsrud, 1993). Once individuals acknowledge their desire to start a business, planned activities such as recognizing opportunities, generating ideas, feasibility analysis, business model creation, and business plan formulation will follow. Researchers have found that entrepreneurial intentions may accurately predict future entrepreneurial behavior (Krueger, Reilly, & Carsrud, 2000).

The theory of planned behavior (TPB) offers a foundation for studying entrepreneurial intentions (Ajzen, 1988). Grounded on the assumption that human behavior is reasonable, the theory proposes that the performance of a particular behavior is based on the intention to perform that behavior (Ajzen, 1991). Therefore, given that individuals recognize the required opportunities, have access to the needed resources, and intend to perform the behavior, they may succeed in the endeavor (Nishimura & Tristan, 2011).

In examining entrepreneurial intentions, we have chosen university business school students as the research subjects. We suggest that business school students represent nascent entrepreneurs better than current workers. Scholars have defined nascent entrepreneurs as individuals actively attempting, either by themselves or with others, to start a new business (Carter & Han, 2015). Alternatively, employees in established firms may not be the optimal respondents for entrepreneurial intentions research. Individuals within established firms may be prone to a “survival bias.” The experiences of surviving or existing businesses are not necessarily the same as those of starting a business. Therefore, studying existing firms’ employees leaves out many cases of failed start-ups (Johnson, Parker, & Wijbenga, 2006).

We employed a survey approach to test hypotheses that compared minority students and their white counterparts’ entrepreneurial intentions. Then, we examined the nature of minority students and their intentions to start a business. Finally, we investigate whether experiences and demographic factors are related to entrepreneurial intentions. We examined personal characteristics, including working for a start-up business in the past, having family members who own a business, having a mentor, having a role model, and contextual factors, such as the influence of the COVID-19 pandemic. Therefore, our research questions were as follows. (1) Do minority respondents have greater entrepreneurial intentions than white respondents? (2) What contextual and personal factors affect entrepreneurial intentions among minority respondents compared to white respondents?

This study makes several crucial contributions regarding minority individuals, entrepreneurial intentions, and the theory of planned behavior. First, we seek to increase understanding that entrepreneurship is a feasible and desirable career choice for U.S. minority university students. Second, we provide evidence that entrepreneurial intentions persist despite contextual factors, even the COVID-19 pandemic. Third, we suggest that minority status may heighten entrepreneurial intentions and validate the theory of planned behavior in this demographic. Finally, we encourage U.S. business leaders and educators to provide opportunities for minority students to succeed in their desire to start new business enterprises and bring new products and services to the marketplace.

CONCEPTUAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Next, we examine the conceptual background of the theory of planned behavior and entrepreneurial intentions. Then, we formulate hypotheses to consider the interaction of these variables.

Entrepreneurial Intentions and the Theory of Planned Behavior

Interest in entrepreneurial intentions has increased since the seminal work by Shapero (1984). The theory of planned behavior (TPB) establishes a theoretic basis for entrepreneurial intentions (Ajzen, 1988). Assuming that individuals behave rationally, the TPB suggests that the performance of a particular behavior is foreshadowed by the intention to perform that behavior (Ajzen, 1991; Gordievsky, Stephan, Laguna, & Moriano, 2018). Therefore, intentions are the best forecaster of planned behavior and can be predicted accurately (Kolvereid, 1996). There are three antecedents for the TPB, including an evaluation of the behavior (attitude), the perception of social pressure to accomplish the behavior (subjective norm), and the perceived ease in performing the behavior (perceived behavioral control) (Farrukh, Alzubi, Shahzad, Waheed, & Kanwal, 2018).

Underlying the TPB is the assumption that the behavior can be planned and is under an individual's will to perform (Sun et al., 2020). Therefore, in the TPB, we can assume that intentions indicate the effort an individual is willing to give to perform a behavior. Thus, the larger the intention to participate in a behavior, the more likely it will be undertaken (Nishimura & Tristan, 2011).

Starting a business involves planning (Sun et al., 2020). Entrepreneurs cite several reasons to start their own businesses, including obtaining autonomy in their work, increasing their income, and intrinsic benefits, such as pride of accomplishment, possession of discretionary power, and recognition as business owners (Douglas & Fitzsimmons, 2013). Often, entrepreneurs acquire work experience before starting their own businesses. Specialized industry experience and working in small businesses are helpful, requiring individuals to perform multiple tasks and develop many skills (Sorgner & Fritsch, 2017).

Because individual differences may affect entrepreneurial intentions, researchers have explored their relationship to personality traits. The most commonly studied personality traits have been locus of control, the need for achievement, risk-taking, and creativity (Satyalakshmi, 2017). However, a limited number of studies have addressed the entrepreneurial intentions of U.S. business school students. In one such study, Cater et al. (2021) studied the effect of personality attributes on the entrepreneurial intentions of U.S. business college students. They found that risk-taking and creativity significantly and positively predicted entrepreneurial intentions, but locus of control did not.

Ethnic Minorities and Entrepreneurial Intentions

The entrepreneurial intentions of ethnic minorities are more likely to be discouraged than whites based on socio-historical experiences and shared knowledge of inequalities concerning entrepreneurial endeavors (Neville, Forrester, O'Toole, & Riding (2018). In addition, acquiring important resources and financial capital are barriers to entrepreneurship for minorities as they are less likely to obtain loans from banking institutions than whites (Bewaji, Yang, & Han, 2015). Although financial concerns are the primary issue for minority entrepreneurs, communication skills and government regulations also pose significant threats (Rahman et al., 2018). In another study, perceived social status and social support influenced entrepreneurial intentions among potential minority entrepreneurs (Abebe, 2012). In the case of African Americans, more focus is needed on improving educational achievement to expand the rate of entrepreneurship (Singh & Crump, 2007). Entrepreneurship education has been found to positively affect minority students' entrepreneurial intentions (Basu, 2010).

Despite these barriers, the contribution of minority entrepreneurs to the U.S. economy is growing (Neville et al., 2018). The growth rate of MBEs has been consistently higher than that of white-owned businesses, which the increase in the minority population may partially explain. Nevertheless, minority business enterprises (MBEs) are becoming a greater force in the U.S. economy. MBEs contributed 1.6 % to the GDP in 2010 and 2.5% in 2020 and are projected to reach 7.4% in 2060. MBEs employed 4.6% of the U.S. workforce in 2010 and 5.9% in 2020 and are projected to reach 8.8% in 2060 (Winston, 2021). According to the Kauffman Indicators of Entrepreneurship, from 1996 to 2021, the rate of new entrepreneurs by race has increased across the board. White entrepreneurship has increased steadily (0.32% to 0.36%); Asian American entrepreneurship has risen to match the white percentage (0.29% to 0.36%); Hispanic entrepreneurship has shown the most significant increase (0.32% to 0.54%), and black entrepreneurship (0.21% to 0.28%) has grown as well (Fairlie, 2020).

Because the rate of minority entrepreneurship is rising in the U.S., we expect the incidence of entrepreneurial intentions among the respondents to be higher than their white counterparts. Therefore, we hypothesize the following:

Hypothesis 1: *Ethnic minority respondents will be more likely to express entrepreneurial intentions than white respondents.*

Contextual Factors

Contextual factors provide a basis for entrepreneurial intentions. Contextual factors include economic issues, such as corporate downsizing, market volatility, governmental regulatory changes (Bird, 1988), and social trends, including the COVID-19 pandemic. We investigated one major contextual factor affecting white versus minority entrepreneurial intentions and found that significant differences between minority and white respondents existed regarding the influence of the COVID-19 pandemic. The pandemic affected entrepreneurship significantly around the world. First, and most substantially, globally, the pandemic took 4 million lives as of the end of June 2021 (Belitski, Guenther, Kritikos, & Thrik, 2021). Social distancing guidelines, intended to protect people from the virus, severely damaged businesses in the service sector, where physical proximity is essential and small businesses and entrepreneurs are prevalent. Therefore, COVID-19 disproportionately affected small businesses versus large firms and self-employed individuals compared to employed individuals (Belitski et al., 2021). This detrimental effect involved the closure of thousands of U.S. small businesses. A survey of more than 5,800 small firms in the U. S. found that 43% were expected to be closed by December 2020. Some of the most heavily affected small businesses were hospitality, retail, personal services, entertainment, and the arts (Bartik et al., 2020).

Intuitively, we would expect a decrease in entrepreneurial intentions for all demographic groups. Nevertheless, the pandemic also revealed the need for new businesses and improved processes. The pandemic has forced small businesses to increase digital access, innovate, and raise productivity (Swiss School of Business Research, 2022). The end of the COVID-19 crisis should encourage entrepreneurs to start new businesses (Derderian, 2022). We suggest that the minority respondents view entrepreneurship as an open avenue for future endeavors. We suggest that the pandemic as a contextual factor has intensified the interest of minority students in entrepreneurship. Therefore, we hypothesize the following:

Hypothesis 2: *Minority respondents' entrepreneurial intentions will be more positively affected by the COVID-19 pandemic than white respondents' entrepreneurial intentions.*

Personal Factors

Personal factors are integral to understanding entrepreneurial intentions. Personal factors include personality qualities, abilities, education, family background, cultural background, and gender (Boyd & Vozikis, 1994; Linan & Fayolle, 2015).

We examined multiple personal factors, including respondent demographics (gender and age), having family members who own a business, having a role model, working for a start-up business, and having a mentor.

Family Member Business Ownership

Because university students are, on average, very young and lack industry experience, their primary source of business or entrepreneurial knowledge may come from their families. Therefore, if parents, grandparents, uncles, aunts, or cousins own a business, this may positively impact students' entrepreneurial intentions (Bergmann, Hundt, & Sternberg, 2016). Farrukh et al. (2018) proposed that family background affects students' entrepreneurial intentions, especially if there are close family members who own their businesses or are self-employed. Additionally, following the three tenets of the TPB, Basu (2010) found that students whose parents are self-employed will have more positive attitudes towards entrepreneurship, stronger subjective norms favoring entrepreneurship, and greater perceived behavioral control. Although family members who own a business significantly impact students' entrepreneurial intentions, minorities

lag behind whites in business ownership. As of 2021, the percentage of business ownership leans heavily toward white Americans, who own 70.8%, compared to Hispanics, who own 14.4%; Asian Americans, who own 6.2%; and African Americans, who own 6.0% (Zippia, 2022). Given these statistical reports, we expect white respondents to have more family members who own a business. Therefore, we hypothesize the following:

Hypothesis 3. *White respondents will be more likely to have a family member who has owned a business than minority students.*

Role Models

Role models are individuals who are worthy of imitation and whose example may be admired by others (Vultos, 2010). Role models may be sports stars like Serena Williams, businesspeople like Warren Buffet, or movie stars like Denzel Washington. However, role models do not have to be someone an individual knows personally (Cheprasov, 2022). The theories of (role) identification and social learning (Gibson, 2003; 2004) may best explain role models. Role identification may be characterized as an individual's belief that the qualities of another person (the model) are close to their own motives and character. However, regarding entrepreneurship, role models may be personal acquaintances and play a significant role in the decision to start a new business (Bosma, Hessels, Schutjens, Van Praag, & Verheul, 2012).

Moreover, Evans (2010) found that the presence of role models was a strong predictor of entrepreneurial intentions. Therefore, role models may enhance individuals' entrepreneurial intentions and entrepreneurial self-efficacy. Additionally, role models may play an active role by directly influencing an individual in the entrepreneurial learning experience, even giving advice and counsel like mentors. (Van Auken et al., 2006).

However, barriers for MBEs, such as lack of training and education, inadequate business funding, and poor access to the broad market (as opposed to an ethnic market), may result in less profitable firms with fewer assets. In addition, we suggest that role models may be lacking for potential minority entrepreneurs. Furthermore, these barriers may discourage some aspiring minority entrepreneurs from the desire to start their own businesses (Bates, 2011). Therefore, we hypothesize the following:

Hypothesis 4. *White respondents will be more likely to have a role model than minority respondents.*

Start-up Business Experience

For potential minority entrepreneurs, part-time work experience and social network effects have been found to affect entrepreneurial intentions Satyalakshmi (2017). Because of their young age, students typically lack industry experience in general and start-up business experience in particular (Bergmann et al., 2016). For many years, minority entrepreneurs created businesses to cater to co-ethnic customers. Although minority entrepreneurs have made great strides in the past 50 years by entering traditionally restricted industries, such as manufacturing, wholesaling, finance, insurance, and real estate, discriminatory practices still exist (Bates et al., 2018). We suggest that because of historical discrimination in the restriction of available industries, minority respondents may not have obtained the same level of experience in a start-up business as their white counterparts. Therefore, we hypothesize the following:

Hypothesis 5. *White respondents will be more likely to have worked in a start-up business than minority respondents.*

Mentors

Researchers have characterized mentoring as a relationship between a senior leader and a junior member of a company to develop the skills and abilities of the junior member (Kram, 1983). The mentoring literature relies primarily on social exchange theory (SET) as a theoretical foundation (Payne & Huffman, 2005). SET proposes that trusting, loyal, and mutual relationships develop over time through negotiated rules and norms of reciprocity (Cropanzano & Mitchell, 2005). Moreover, mentors assist their proteges in two key areas: career and psychosocial (Payne & Huffman, 2005). Career functions include sponsoring the

mentee for promotion within the organization, shielding them from the harmful influences of powerful people, providing information to make the mentee known to the firm's leaders, and giving challenging assignments to prepare the protege for more critical responsibilities. The mentor serves as a friend and counselor in psychosocial functions, such as assisting the mentee in developing a sense of identity, competency, and effectiveness (Samei & Feyzbakhsh, 2016).

However, in the present U.S. economy, the playing field is not level for minority entrepreneurs. Researchers have found that minority access to human- and financial-capital resources and clients continues to lag behind the accessibility enjoyed by white small business owners (Bates, 2011). We suggest that mentoring is another resource that minority entrepreneurs may lack. Therefore, we hypothesize the following:

Hypothesis 6. *White respondents will be more likely to have a mentor than minority respondents.*

METHOD

Sample and Data Collection

Before starting the project, we obtained permission from the university's institutional review board to research human subjects. We advised the respondents that the survey was anonymous and obtained their informed consent. We utilized the Qualtrics software system to gather the 400 survey responses online, where students received a dedicated link to complete the survey. Our study focused on a sample of 400 business school students from a regional state university in a southwestern U.S. state. The principal reason for utilizing students was to study the entrepreneurial intention processes before the respondents started a business. Therefore, we could include participants who either possessed entrepreneurial intentions or did not in our research (Krueger et al., 2009). In this study, we did not assume that attendance in an entrepreneurship or management class qualifies as evidence of entrepreneurial intentions (Schmidt et al., 2012). Additionally, the self-reported survey separated respondents who reported entrepreneurial intentions (n=229) versus those without entrepreneurial intentions (n=136) or neutral (n=57). Further, we could control for the respondents' level of education, which may affect entrepreneurial intentions (Altinay et al., 2012).

Participants

From a total of 498 students taking management courses from a southwest U.S. state regional university in the College of Business in the spring, summer, and fall semesters of 2021, we obtained 400 usable surveys after removing duplicate responses for a response rate of 80.3%. Of the 400 respondents, 212 (53%) were male, and 188 (47%) were female. The median age was 23 years and ranged from 18 to 50. The reported ethnicity was 66% white, 18% Hispanic, 13% African American, and 4% Asian American, which approximated the racial/ethnic composition of the university. This sample consisted of 75% upperclassmen (seniors and juniors), 16% underclassmen (sophomores and freshmen), and 9% graduate students (MBAs). Appropriate screening questions and quality checks were utilized (Meade & Craig, 2012). Respondents did not receive financial compensation for participating in the self-reported questionnaire. There were no significant differences between white and minority respondents regarding age, gender, marital status, or area of study. See Table 1.

TABLE 1
DEMOGRAPHICS OF RESPONDENTS: WHITE VERSUS MINORITY

Demographics	White		Minority	
	No.	%	No.	%
Gender				
Male	143	53%	69	50%
Female	120	47%	68	50%
Total	263	100%	137	100%
Minority Status				
White	263	66%		
African American	51	13%	51	38%
Hispanic	72	18%	72	52%
Asian	14	4%	14	10%
Total	400	100%	137	100%
Age				
Under 21	87	32%	43	32%
21-24	71	29%	45	29%
25-29	35	13%	17	13%
Over 30	70	26%	32	26%
Total	263	100%	137	100%
Major				
Accounting	18	7%	12	9%
Finance	18	7%	7	5%
General Business	59	22%	20	15%
Management	87	33%	40	29%
Marketing	17	6%	9	7%
Human Resource Development	9	3%	8	6%
Computer Science	24	9%	21	15%
Business Minor and Graduate	31	12%	20	14%
Total	263	100%	137	100%
Classification				
Freshman	8	3%	8	3%
Sophomore	26	10%	22	8%
Junior	96	36%	44	17%
Senior	107	41%	52	20%
Graduate	26	10%	10	4%
Total	263	100%	136*	52%
Marital Status				
Married	77	29%	34	25%
Single	186	72%	103	75%
Total	263	100%	137	100%

*Not every respondent answered.

Statistical Analysis

Once our goal of 400 respondents was reached in the Qualtrics survey, we imported the data into Excel, then SPSS, and the R package. In testing our six hypotheses that compared white and minority groups, t-tests were used for binary (yes, no) responses. We used chi-square (χ^2) and Spearman's Rank Correlation to test differences for non-parametric distributions. To investigate our hypotheses concerning the influence

of students' minority status on their entrepreneurial intentions and other factors, we employ a multivariate regression model controlling for age, gender, marital status, and area of study.

Results

This section shows a comparison of the white respondents and the minority respondents regarding entrepreneurial intentions. Also, we examined the contextual and personal factors relevant to entrepreneurial intentions.

White Versus Minority Entrepreneurial Intentions

In measuring entrepreneurial intentions, we asked the respondents: "At some point, do you plan to start your own business?" A large proportion of white and minority respondents indicated that they had entrepreneurial intentions (See Table 2). However, a statistically significant difference existed: a larger proportion of minority respondents (African American, Hispanic, and Asian) desired to start a business than white respondents. Also, using chi-square, a significant difference between minority and white students in starting a business existed ($\chi^2=11.5$, $df=3$, $p=.009$). The regression analysis in Table 3, Column (1) shows that the estimated coefficient for minority is 0.059, which is significant at the .01 level (t -statistic=4.07) and provides support for Hypothesis 1 (See Table 3). Therefore, we accept Hypothesis 1.

Hypothesis 1: Ethnic minority respondents will be more likely to express entrepreneurial intentions than white respondents.

**TABLE 2
ENTREPRENEURIAL INTENTIONS OF WHITE VERSUS MINORITY STUDENTS**

Intentions to Start a Business	White		Minority	
	No.	%	No.	%
Definitely yes	61	21%	52	38%
Probably yes	76	27%	40	29%
Unsure	77	27%	37	27%
Unlikely	37	13%	7	5%
Definitely No	12	11%	1	1%
Total	263	100%	137	100%

TABLE 3
REGRESSION ANALYSIS RESULTS SUMMARY

	(1) Ent Intent	(2) Covid-19	(3) Fam. Business	(4) Role Model	(5) Start-up	(6) Mentor
Minority	0.059*** (4.07)	0.063*** (3.52)	-0.013** (-2.31)	-0.07* (-1.67)	0.006 (0.91)	0.001 (0.1)
Age	-0.045 (-0.83)	-0.021 (-0.31)	-0.006 (-0.29)	-0.05*** (-3.32)	0.002 (0.08)	0.003 (0.13)
Gender	-0.076 (-1.38)	-0.029 (-0.43)	-0.029 (-1.35)	0.029* (1.90)	-0.009 (-0.37)	-0.024 (-0.97)
Marital Status	-0.008 (-0.06)	0.189 (1.08)	0.009 (0.16)	-0.046 (-1.16)	-0.121* (-1.94)	0.190*** (-2.95)
Area of Study	-0.023 (-0.93)	0.023 (0.76)	0.007 (0.77)	-0.008 (-1.12)	0.008 (0.77)	0.01 (0.90)
Constant	3.83*** (10.50)	2.56*** (5.72)	1.84*** (12.84)	2.10*** (20.79)	1.48*** (9.41)	1.92 (11.66)
Observations	391	391	391	391	391	391

T-statistics are in parentheses. *, **, and *** indicating significance at the 0.1, 0.05, and 0.01 levels.
Contextual Factor: COVID-19 Pandemic Influence

Contextual Factor: COVID-19 Pandemic Influence

We investigated contextual factors affecting white versus minority entrepreneurial intentions and found that significant differences existed regarding the influence of the COVID-19 pandemic. The respondents indicated that the COVID-19 pandemic had a greater impact on minorities concerning their intentions to start a business. Of the minorities, 51% stated the pandemic was definitely or probably an influence. Of the white respondents, 38% indicated the pandemic was an influence, which shows a significant difference between the two ($\chi^2=4.5$, $df=4$, $p < 0.01$). See Table 4. The regression analysis in Table 3, Column (2) shows that the estimated coefficient on Minority is 0.063, which is significant at the 1% level (t-statistics = 3.52) and provides support for Hypothesis 2. Thus, the pandemic was a motivating factor for minority respondents to start their own businesses. Therefore, we accept Hypothesis 2.

Hypothesis 2. *Minority respondents' entrepreneurial intentions will be more positively affected by the COVID-19 pandemic than white respondents' entrepreneurial intentions.*

TABLE 4
The COVID-19 PANDEMIC AS AN INFLUENCE ON ENTREPRENEURIAL INTENTIONS

Intention to Start a Business	White		Minority	
	No.	%	No.	%
Definitely	38	14%	38	28%
Probably yes	61	23%	31	33%
Unsure	57	22%	33	28%
Unlikely	62	24%	22	7%
No	45	17%	13	5%
Total	263	100%	137	100%

Family Member Business Ownership

Using a t-test analysis, we found that, on average, white respondents were more likely to have family members who own a business than minority respondents. Some 79% of the white respondents and 39% of minorities had a family member who owned a business. The regression analysis in Table 3, Column (3) shows that the estimated coefficient on Minority is -0.013, which is significant at the 5% level (t-statistics = -2.31) and provides support for Hypothesis 3. Therefore, we accept Hypothesis 3.

***Hypothesis 3.** White respondents will be more likely to have a family member who has owned a business than minority students.*

Having a Role Model

Using a t-test analysis, we found that white respondents were more likely to have role models than minority respondents (t=1.4511, p=.07405). The regression analysis in Table 3, Column (4) shows that the estimated coefficient on Minority is -0.07, which is significant at the .1 level (t-statistics = -1.67) and provides support for Hypothesis 4. Therefore, we accept Hypothesis 4.

***Hypothesis 4.** White respondents will be more likely to have role models than minority respondents.*

Working Experience for a Start-up Business

Using a t-test analysis, we found no statistically significant difference between white and minority respondents regarding working experience for a start-up business (t=1.047; p=.8521). The regression analysis in Table 3, Column (5) shows that the estimated coefficient on *Minority* is 0.006, which is not statistically significant. Therefore, we reject Hypothesis 5.

***Hypothesis 5.** White respondents will be more likely to have worked in a start-up business than minority respondents.*

Having a Mentor

Using a t-test analysis, we found no statistically significant difference between white and minority respondents regarding having a mentor (t=.01715, p=.5068). The regression analysis in Table 3, Column (6) shows that the estimated coefficient on Minority is 0.001, which is not statistically significant. Therefore, we reject Hypothesis 6.

***Hypothesis 6.** White respondents will be more likely to have a mentor than minority respondents.*

DISCUSSION

We examined the entrepreneurial intentions of business school students, believing that they provided a better representation of nascent entrepreneurs than businesspeople. In this manner, we have avoided the “survival bias” (Johnson, Parker, & Wijbenga, 2006) inherent in using current business respondents. This study focused on two research questions: (1) Do minority respondents have greater entrepreneurial intentions than white respondents? And (2) What contextual and personal factors affect entrepreneurial intentions among minority respondents compared to white respondents?

In response to the first research question, we found that minority respondents have very high entrepreneurial intentions, greater than their white counterparts. Regarding the second research question, we found significant differences between white and minority respondents regarding the effect of the contextual factor of the COVID-19 pandemic in that minority individuals were more positively affected. The personal factors of having family member business owners, and role models were more beneficial for white respondents than minority students.

Minority Entrepreneurial Intentions

Researchers have utilized the TPB as a primary theoretical foundation to study the drivers of human behaviors (Kautonen, Van Gelderen, & Tornikoski, 2013). One of the central tenets of TPB is that the performance of a particular behavior is predicted by the intention to accomplish that behavior (Ajzen, 1991). However, scholars continue to examine whether this theory is effective across contexts and under other external circumstances. In this study, we examined differences in minorities regarding entrepreneurial intentions. There may be several explanations for the finding that minority respondents had greater entrepreneurial intentions than white respondents. Historically, mainstream markets have been closed to minority entrepreneurs, limiting them to servicing minority individuals. However, now that mainstream markets are opening to minority individuals, starting a business may be more appealing and reachable. Therefore, nascent minority entrepreneurs may see opportunities and believe they can capitalize on them (Bates, 2011; Neville et al., 2018).

Although MBEs are expanding in number and have an impact on the U.S. economy (Winston, 2021), there is a gap between the desire of minority students to start their own businesses and the current percentage of MBEs in the U.S. Researchers have provided some explanations for this, including difficulty obtaining finances, insufficient networks, lack of education, and limited access to markets (Bewaji, Yang, & Han, 2015). Nevertheless, the rate of minority entrepreneurship is rising in the U.S. (Fairlee, 2020).

Contextual and Personal Factors

The entrepreneurial intentions of minority respondents were positively affected by the COVID-19 pandemic, meaning their desire to start a new business was greater because of the pandemic. Indeed, the pandemic had a dreadful effect on the world and the U.S. economies (Belitski et al., 2021). However, the minority respondents in this study perceived the pandemic as a positive force regarding their entrepreneurial intentions. One possible explanation is that avenues for salaried employment were reduced during the pandemic, and the minority respondents believed that starting their own businesses was a viable option. In addition, because many companies were cutting back on employees or closing their doors, college students turned to self-employment (Bartik et al., 2020).

Minority respondents reported significantly fewer family member business owners than their white counterparts. We suggested that this was due to the high percentage of white business owners (70.8%) compared to Hispanics (14.4%), Asian Americans (6.2%), and African Americans (6%) (Zippia, 2022). Family member business owners may provide counsel, advice, and financial resources to aid nascent entrepreneurs (Bergmann, Hundt, & Sternberg, 2016). However, because MBEs lag behind the population percentages in the U.S., these advantages will not accrue to minority individuals.

Another finding was that white respondents were more likely to have role models than minority respondents. However, no significant differences between the two groups were found regarding mentors. We acknowledge an overlap between role models and mentors because both may provide counsel and

advice (Samei & Feyzbakhsh, 2016). However, we described role models as perhaps less personal than mentors. Role models are individuals who are admired and worthy of imitation but not necessarily physically close to the respondents (Cheprasov, 2022). In contrast, mentoring is a relationship between an organization's senior and junior members (Kram, 1983). To explain these disparate results, we suggest that the respondents were primarily full-time college students, not business employees. Therefore, they may not have been able to form a relationship with a mentor in an organization.

Implications for Business Leaders and Business Educators

Based on the TPB (Ajzen, 1988), entrepreneurial intentions accurately predict future entrepreneurial behavior (Krueger, Reilly, & Carsrud, 2000). These results have crucial implications for business leaders, administrators, educators, and agencies that aid students as potential entrepreneurs. In this study, the minority respondents showed high entrepreneurial intentions; therefore, business leaders must realize the significance of entrepreneurship as a desirable career and the implications for existing businesses. This existence of high entrepreneurial intentions is an opportunity to bring in entrepreneurially minded employees to create new products and services within larger organizations.

Business educators should continue designing innovative programs to aid students with entrepreneurial intentions. Initiatives may include career management courses, entrepreneurship centers, accelerators, incubators, and small business institutes. Many business colleges have a required course in career management that does not focus on self employment. Curriculum committees could incorporate student entrepreneurship and starting a business into these courses. Many programs could encourage and help minority students in their entrepreneurial efforts. Business educators may encourage their students to interact with community business leaders and entrepreneurs in several ways. For example, local entrepreneurs may enjoy speaking to students in their classes. Additionally, local businesspeople may welcome students to participate in field study projects and internships. Such activities may provide mentors for the students, which were lacking, according to the respondents.

Business leaders have great opportunities to serve both as role models collectively for minority students and then, more specifically, as mentors for them inside their organizations. When hired, entrepreneurially inclined minority students may aid existing businesses in creating new products and services and provide needed insight into diverse customer groups.

Further, students should be encouraged to attend local Chambers of Commerce, Better Business Bureau functions, and other small business seminars. There are several assistance programs for entrepreneurs in the U.S., including the Small Business Administration (SBA), Small Business Development Centers (SBDC), Service Score of Retired Executives (SCORE) sponsored by the SBA, and informal advisors (Strike, 2012). Another significant activity for business educators is establishing entrepreneurship centers that connect with potential minority entrepreneurs. Such centers may positively impact entrepreneurship across the campus by reaching out to students other than business majors, i.e., engineering, liberal arts, or science students who may have creative ideas for a business but do not understand the business side of implementing such ideas.

Limitations and Future Research

This study was conducted at a regional state university in a southwestern U.S. state, with a total enrollment of approximately 10,000 students. The participating students may or may not reflect business students' attitudes and thought patterns in other areas of the world with larger or smaller universities. Also, there may be regional variations within the U.S. regarding entrepreneurial intentions. In addition, the sample size of 137 minority students may limit the study. We invite future studies to examine this result with larger sample sizes of each minority group. Indeed, differences may exist among the three racial groups (African Americans, Hispanics, and Asians). We suggest that future researchers would do well to segment these three groups and look for individual differences in their entrepreneurial intentions.

Certain questions emerge from this study. For instance, future research should clarify if racial entrepreneurs are aware of and use available sources of assistance. This may be a significant factor in understanding why many students express entrepreneurial intentions but do not start their own businesses.

In addition, since this study was designed to be exploratory and broad-based, future research could determine specific assistance needs, such as marketing or obtaining start-up capital. Also, future researchers may conduct qualitative studies to explore why minority individuals do not fulfill their entrepreneurial intentions or how business educators could better serve their needs.

CONCLUSION

We surveyed 400 U.S. business college students, comparing minority respondents (n=137) with white respondents (n=263) regarding their entrepreneurial intentions. The ethnic minorities consisted of African Americans, Hispanics, and Asian Americans, who comprise the three largest ethnic groups in the U.S. A significant finding of this study was that ethnic minority respondents had significantly greater entrepreneurial intentions than white students.

Theoretically, the results of this study apply the significance of entrepreneurial intentions and the application of the TPB in a minority demographic. Therefore, we seek to encourage minority participation in entrepreneurship activities and increase awareness among business leaders, business school administrators, and educators of the need to assist minority students and better equip them in their entrepreneurial endeavors. Further, we found that the contextual factor of the COVID-19 pandemic had a counter-intuitive positive effect: to expand interest among minority students to start their own businesses. On the widest scale, we seek to increase awareness among business leaders and business educators of the efficacy of entrepreneurship as a desirable career for minorities. Finally, we suggest that creative activities introduced into business organizations and business school curriculums will enhance minority students' desire to engage in entrepreneurial activity and create new products and services.

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